بنك صفوة الإسلامي
Safwa Islamic Bank

2024

ANNUAL REPORT

التقرير السنوي

Numbers That Tell Stories

His Majesty

King Abdullah II Ibin Al Hussein

His Royal Highness

Crown Prince Al Hussein Bin Abdullah II

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20.2

Million Jordanian
Dinars in Net Profit


A Journey of Growth and Success

Safwa Islamic Bank is a public joint stock company licensed by the Central Bank of Jordan to practice and provide Islamic business and banking services in accordance with the Banking Law and the Companies Law.
The Bank provide all financial banking and structured investment services on a non-Interest basis in accordance with Islamic shari'a through the Bank's head office and its 44 branches and its subsidiary within the Kingdom, in accordance with the effective Banking Law.
The authorized and paid-up capital of the bank is 120 million dinars, per 120 million shares, with a nominal value of one dinar per share.

Our Vision

Leading Islamic banking to serve all spectrums of the society.

Our Mission

To provide distinctive and innovative services emanating from the divine principles of Islam to build lasting and solid partnerships and to maximize benefits to all stakeholders.

Our Values

Exceptional Services:

• Anticipate clients needs and find solutions
• Respond rapidly and follow through
• Treat others as you want them to treat you
• Sell solutions, not products
"if we serve our clients well, our success will follow"

Teamwork § Harmony across and within units

• Put the bank and clients' interests ahead of your own
• Communicate respectfully
• Create professional culture within the bank
"Working effectively with one team spirit will produce the best outcomes"

Devotion to Work

• Be productive and strive with passion to reach excellence
• Seek continuous improvement
• Be a long life learner
• Recognize outstanding performance by rewards and promotion opportunities
"with best people, we will be the best bank"

Creativity

• Find solutions, not excuses
• Be a change agent.. Think outside the box
• Ask: Is there a better or more efficient way to do this?
• Pursue new opportunities
"Creativity and new initiatives differentiate the bank from other competitors"

Members of the Board of Directors

Dr. “Mohammed Naser” Abu Hammour	Chairman of the Board/Representative of Al Etihad Islamic for Investment Co.
Samir Abu Lughod	Deputy Chairman of the Board/ Independent
Ihssan Barakat	Independent
Dr. Khaled Al Zentuti	Independent
Salem Burqan	Independent
Dr. Anas Bohowish	Representative of Al Etihad Islamic for Investment Co.
Dr. Abd AlGhani Al Ftaisi	Representative of Al Etihad Islamic for Investment Co.
Basem Salfiti	Representative of Al Etihad Islamic for Investment Co.
Deema Aqel	Representative of Al Etihad Islamic for Investment Co.
Dr. Ibrahim Saif	Representative of Al Etihad Islamic for Investment Co.
Dr. Nofan Alaqil	Representative of Social Security Corporation

Members of Shari’a Supervisory Board

His Eminence Prof. Dr. Ali Al Qaradaghi	Chairman of the Shari’a Supervisory Board
His Eminence Dr. Ahmad Melhem	Deputy Chairman of the Shari’a Supervisory Board
His Eminence Dr. Ali Musa	Member of the Shari’a Supervisory Board
His Eminence Dr. Safwan Edibat	Member of the Shari’a Supervisory Board

Executive Management members

Samer “Al Saheb Al Tamimi”	General Manager/ Chief Executive Officer
Ziad Kokash	Deputy CEO, Chief Credit Officer
Masoud “Sakf al-Hait”	Chief of Legal & Board Secretarial
Nesfat Taha	Chief of Retail Banking
Wael Al-Bitar	Chief of Treasury and Investment
Ahmad Ghnaim	Chief Finance & Corporate Strategies
Ahmad Jafar	Head of Risk
Khalid Al-Issa	Head of Internal and Sharia Audit
Muneer Faroneyah	Head of Sharia Compliance
Mohammad Hawari	Head of HCM and Administrative Services
Rawand Al Turk	Head of Compliance
Zeina Khirfan	Head of central Operations & Business Transformation (Since 11/2/2024)

Name of the external auditor

Ernst & Young/Jordan

Chairman's Message

In the name of Allah, the Most Gracious, the Most Merciful

All praise is due to Allah, Lord of the Worlds, and peace and blessings be upon our Prophet Muhammad, his family, and companions.

Dear Shareholders,

On behalf of the Board of Directors and the Executive Management team, I am pleased to present to you Safwa Islamic Bank's Annual Report for 2024. This report reflects our unwavering commitment to our strategic vision of excellence in Sharia-compliant banking. Our journey is anchored in innovation that meets the evolving needs of our clients, as well as in sound governance and sustainability—values that resonate with our esteemed shareholders.

This report outlines our financial results and strategic achievements over the past year, underscoring the dedicated efforts invested in advancing our long-term objectives.

The year 2024 was marked by volatility in the global and regional economic landscape, shaped by growing geopolitical risks and persistent regional instability—factors that posed significant macroeconomic challenges. Yet, it was also a year that underscored our resilience and strategic momentum.

Sustaining our journey of success amid ongoing challenges

Despite the headwinds, Safwa Islamic Bank delivered a solid performance across key indicators, reaffirming our role as a leader in Islamic finance. Our achievements are the result of a clearly defined strategy, prudent execution, and strict adherence to Islamic Sharia principles, which form the foundation of our business model.

We recorded a net profit of JD 20.2 million after provisions and taxes. Operating profits grew by 32% to reach JD 83.5 million, supported by effective resource and asset management. Net credit facilities (after provisions) grew by 15% to JD 2.3 billion, while customer deposits increased by 20%, reaching JD 3.0 billion—representing 6.5% of sector-wide deposits. Total assets rose by 21% to JD 3.5 billion, and shareholders' equity stood at JD 210 million. Our capital adequacy ratio remained robust at 16.1%, and return on equity improved to 10.2%, up from 9.7% in 2023.

Net profits exceeded JD 20 million, reflecting strong financial performance

In light of these results, the Board of Directors has recommended distributing bonus shares equivalent to 25% of subscribed capital (JD 30 million), reaffirming our commitment to delivering sustainable value to shareholders.

In 2024, we continued to strengthen our Islamic banking model by focusing on innovation, inclusivity, and sustainability. Our operational strategy emphasized improved efficiency, cost control, organic growth, enhanced profitability, and tailored Sharia-compliant solutions. We advanced our risk management framework and fostered a collaborative culture grounded in global best practices.

Reinforcing our strategic foundation through ongoing innovation, inclusivity, and sustainability

We also modernized our technology infrastructure to enhance service delivery, expanded our physical and digital banking channels, and launched innovative, secure services aligned with rapid fintech advancements. Our efforts in financial inclusion included targeting underserved segments—especially youth and entrepreneurs—through tailored digital services and the launch of a dedicated SME business center.

Our sustainability agenda remained integral. We expanded our green finance initiatives, integrated climate risk into decision-making, and contributed meaningfully to Jordan's transition toward a low-carbon, circular economy.

At the core of our operations lies a robust governance framework aligned with international standards. We continued investing in human capital through policy updates and training programs that reinforce a high-performance culture.

Through targeted corporate social responsibility efforts, we supported community development in education, health, and inclusion, in partnership with local civil society institutions.

Looking ahead, and in alignment with Jordan's Economic Modernization Vision, our strategic roadmap focuses on sustainable growth, digital transformation, expanding our customer base, and empowering the next generation of entrepreneurs—all while continuing to develop our most valuable asset: our people.

In closing, I extend my deepest gratitude to the Central Bank of Jordan for its support, to our shareholders for their trust, and to our employees for their commitment and professionalism. We remain steadfast in our mission to drive value, excellence, and sustainable impact.

Peace, mercy, and blessings of Allah be upon you,

Dr. Mohammed Abu Hamour
Chairman of the Board of Directors

Executing strategic plans aligned with technological progress to enhance environmental and economic sustainability

Preserving our achievements and sustaining success remain among our highest priorities

CEO's Message

Dear Shareholders of Safwa Islamic Bank,

Peace, mercy, and blessings of Allah be upon you,

I begin with the words of Allah Almighty in the Holy Quran:

"And say, 'Do [as you will], for Allah will see your deeds, and [so will] His Messenger and the believers.'" – Allah the Almighty has spoken the truth.

As I reflect on the transformative journey we have undertaken over the past seven years, I feel an immense sense of pride in what we have achieved together. This journey has been defined by growth, innovation, and strategic breakthroughs that have established Safwa Islamic Bank as one of the most dynamic players in the region.

Exceptional Performance and Strategic Progress

	2023	2024	Change	Percentage (%)
Main items of the financial statements (JD million)				
Assets	2,929	3,535	606	21%
Deposits	2,516	3,030	514	20%
Net Financing	2,018	2,323	305	15%
Profit before Tax	28.3	32.8	4.5	16%
Financial Indicators				
Earnings per Share (EPS)	0.146	0.169	0.023	16%
Capital Adequacy Ratio (CAR)	16.37%	16.10%	-0.27%	-

Safwa Islamic Bank continued to outperform sector benchmarks, with consistent growth in assets, profits, and market presence. Our strong fundamentals and strategic agility enabled us to navigate a complex economic environment while maintaining our leadership in Sharia-compliant banking.

Outstanding performance that strengthens our market position and demonstrates agility in adapting to change

We've made bold investments in digital transformation, establishing ourselves as a frontrunner in tech-driven banking. Our mobile banking platform, Safwa Mobile, has reshaped customer experience—delivering secure, seamless, and personalized services.

Culture of Excellence and Team Empowerment

Our success is rooted in the collective effort of our exceptional team. We have fostered a collaborative, high-performance culture that prioritizes innovation and employee empowerment. By equipping our workforce with the necessary tools and skills, we are well-positioned to meet future challenges and deliver on our mission.

Our success is the result of collective effort and shared commitment

Personalized Sharia-Compliant Financial Solutions

Our client-centric approach has allowed us to offer tailored financial solutions that respond directly to the evolving needs of individuals and institutions. This focus has strengthened our market position and reputation as a trusted financial partner.

Looking Ahead

Safwa Islamic Bank is now stronger, more resilient, and more agile than ever. With a clear strategic vision and a digital-first infrastructure, we are well-equipped to pursue sustainable growth and long-term value creation for our stakeholders.

In closing, I extend my heartfelt thanks to our shareholders for your continued trust, to our employees for your dedication, and to our clients and partners for your loyalty. Together, we have built a high-performing institution with a forward-looking vision—and with God's will, we are ready for the opportunities and responsibilities ahead.

With sincere gratitude,

Samer "Al Saheb Al Tamimi"
Chief Executive Officer

Poised for a promising future by delivering services tailored to your evolving aspirations

The total shareholders' equity
amounted to one million Jordanian

Towards a Bright Financial Future

In the Name of Allah

Sharia Supervisory Board Report

For Safwa Islamic Bank For The Year 31/12/2024

Praise be to Allah and peace and blessings be upon our Prophet Mohammad and his family and companions.

To shareholders of Safwa Islamic Bank,

Peace and Allah's mercy and blessings be upon you.

Pursuant to the Jordanian Banking Law No. 28 of 2000 And the law amending the Banking Law of 2019,regarding Islamic banks, the Bank's Articles of Association as well as the controls included in the accounting and auditing standards and the controls for Islamic financial institutions issued by the Audit and Accountancy Organization for Islamic Financial Institutions (AAOIFI) And based on a letter of assignment from the Board of Directors; the Sharia Supervisory Board presents the following report:

The Board has supervised the principles used and the contracts concerning transactions and applications offered by the Bank during the financial period ending on 31/12/2024. It has also carried out due surveillance to give its opinion whether the Bank has been compliant with regulations and principles of the Islamic Sharia, and how far its observance of Fatwas (Sharia decisions) was, as well as the defined resolutions and directions that we had issued, and to make sure of the Bank's observance thereof.

Because the Bank's management is responsible for the execution of the banks activities in accordance to the Islamic Sharia and ensuring that all times. However, Our responsibility is limited to providing an independent opinion based on our supervision of the Bank's operations and preparing a report for you.

We performed supervision which included the inspection of the Bank's documentation and procedures based on testing each type of operations through Sharia Auditing Department.

We have planned and executed supervision to obtain all information and explanations deemed necessary to provide us with sufficient evidence to give reasonable confirmation that the Bank has did not intend to violate the regulations and principles of the Islamic Sharia. The Board has also continued, through meetings and discussions of the agenda items proposed by the head of Sharia Compliance- Secretary of Sharia Board, to develop required provisions and instructions for emerging topics that arise during the practical application and indicate the Sharia regulations for those topics.

In our opinion:

A. The Sharia Supervisory Board reviewed the consolidated financial statements of the bank as on 31/12/2024,and the income statement for the year ended at 31/12/2024, and the explanations related to it as they provide of the bank's business image , The Commission found, in principle, that it does not conflict with the provisions and principles of Islamic Sharia.

B. The contracts, operations and transactions conducted by the Bank during the year ending 31/12/2024, Which was reviewed by the Commission and was done in a manner that does not conflict with the provisions and principles of Islamic Sharia.

C. The Bank's management enabled the Board to review all books and records it demanded, and has obtained the data it requested to enable it to perform its duty of audit on the Bank's executed transactions.

D. The Board revised the structures of financing and its terms and conditions, and contracts by which transactions were executed during the current year as of 31/12/2024 , Which was reviewed by the Commission and was done in a manner that does not conflict with the provisions and principles of Islamic Sharia.
E. Distribution of profits and burdening loss on investment accounts, agrees with the basis approved and saving revenue by us according to regulations and principles of Islamic Sharia.
F. Sums that came resources or by ways that are non-compliant with the regulations and principles of Islamic Sharia were credited to the Account of benefits (Khairat) to be spent in charities, and were deducted from Banks revenues.
G. The Board replied to inquiries presented to it and issued the necessary and Fatwa (Sharia opinion); and the Banks management showed a decision positive reaction in applying those (Fatwa) opinions and decisions and observance of Them.
H. Paying zakat is not the bank's responsibility, but rather the task of the shareholders. According to the bank's bylaws, the shareholder must pay zakat on his shares when applying the provisions of Sharia and zakat regulations, taking into account the following:

- If the intention on purchasing shares to trade with them and circulation, the shareholders will issue (Zakat) of the shares market value and the dividends distributed at the end of the year by (2.5%) of this value in the Hijri year , and the calendar year (2.577%).
- If the intention on purchasing shares to obtain profits not trading, he will issue (Zakat) (2.5%) in the Hijri year or (2.577%) in the calendar year.
in the value of (Zakat) assets in addition to the dividends either distributed or not.

In conclusion , the Board extends its thanks to the Board of Directors for its good and continuous cooperation, as well as the executive management and those dealing with the bank, praying to God Almighty to bless dear country.

Praise be to Allah

Date: 29 / 1 /2025

Chairman and Executive Member

Prof. Dr. Ali Al Quradaghi

Deputy Chairman

Dr. Ahmad Bani Melhem

Board Member

Dr. Ali M.Mussa

Board Member

Dr. Salwan Ali Edibat

85%

Savings Account
Growth Rate


Unwavering Commitment Beyond Boundaries

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INDEPENDENT AUDITOR'S REPORT
To the Shareholders of Safwa Islamic Bank – Public Shareholding Company
Amman – Jordan

Report on the Audit of the Consolidated Financial Statements

Opinion

We have audited the consolidated financial statements of Safwa Islamic Bank – Public Shareholding Company (the "Bank") and its subsidiary (together referred to as the "Group") which comprise the consolidated statement of financial position as at 31 December 2024 and the consolidated statement of income and other comprehensive income, the consolidated statement of income and attribution related to quasi-equity, the consolidated statement of changes in equity, and the 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 2024, and its financial performance and its cash flows for the year then ended in accordance with Islamic Shari'a rules and principles as determined by the Shari'a Supervisory Board of the Group and in accordance with Financial Accounting Standards as issued by the Accounting and Auditing Organization for Islamic Financial Institutions ("AAOIFI").

Basis for Opinion

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

Other Matter

The consolidated financial statements for the year ended 31 December 2023 were audited by another auditor. An unqualified opinion was issued on the consolidated financial statements on 18 February 2024.

Building a better working world

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.

<table>
<tr><th colspan="2">Expected credit losses of deferred sales receivables and other receivables (note 7)</th></tr>
<tr><td>Key Audit matter

The process of estimating expected credit losses for deferred sales receivables and other receivables in accordance with Islamic Financial Accounting Standard No. (30) is important and complex and requires significant judgement.

Financial Accounting Standard No. (30) requires the use of the expected credit loss model which requires the Group's management to use several assumptions and estimates in determining the timing and value of expected credit losses in addition to applying judgment to determine the inputs to the impairment measurement process, including collateral assessment and determining the default date.

Due to the importance of the judgements applied in Financial Accounting Standard No. (30) and credit exposures that form a major part of the Group's assets, the expected credit losses are considered a key audit matter.</td>
<td>How the key audit matter was addressed in the audit
Our audit procedures included an understanding of the nature of the portfolios of customers' receivables and financings in addition to testing the internal controls used in the granting, recording, credit monitoring, and assessing the effectiveness of main procedures followed in granting and recording.

As part of the control testing procedures, we assessed whether the key controls in the above processes were designed, implemented and operated effectively, as well as procedures for assessing the following:

- The Group's policy regarding the provision for expected credit losses in accordance with the Financial Accounting Standard No. (30).</td></tr>
</table>

The gross deferred sales receivables and other receivables as of 31 December 2024 amounted to JD 1,863,334,476 and the related provisions amounted to JD 92,615,496. The expected credit losses provision policy is presented in the accounting policies in note (2) to the consolidated financial statements.	- Reviewing and understanding the expected credit loss model used in calculating provisions and its compliance with the requirements of Islamic Financial Accounting Standard No. (30) and the relevant regulatory guidelines and directives. - Key assumptions and judgments related to the significant increase in credit risk, the definition of default, and the use of macroeconomic inputs to verify that the ECL amounts recorded reflect the underlying credit quality and macroeconomic trends. - The appropriateness of stages. - Appropriateness of determining exposure at default, including the consideration of repayments in the cash flows and the resultant arithmetical calculations. - Appropriateness of the propability of default (PD), exposure at default (EAD), and loss given default (LGD) used for the exposures at different stages. - Appropriateness and objectivity of the internal rating of facilities. - Soundness and appropriateness of the process for calculating expected credit losses. - Facilities transferred between stages and the basis for assessing the extent of significant increase in credit risk for facilities in terms of timing, in addition to any deterioration in credit quality. - The process of calculating expected credit losses for facilities individually, in addition to understanding the latest developments in facilities in terms of cash flows and whether there is any rescheduling or restructuring.

	- Legal agreements and related documents to confirm the existence of collaterals and the existence of the legal right related to them. We also assessed whether the consolidated financial statements' disclosures appropriately reflect the requirements of the Accounting Standards for Islamic Financial Institutions issued by the Accounting and Auditing Organization for Islamic Financial Institutions.

Other information included in the Group's 2024 annual report

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

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

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

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

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

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

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

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

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

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

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

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

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

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

- Conclude on the appropriateness of management’s use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group’s ability to continue as a going concern. If we conclude that a material uncertainty exist, we are required to draw attention in our auditor’s report to the related disclosures in the 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 Shakhatreh; license number 1079.

ERNST & YOUNG
Amman Jordan

Amman – Jordan
2 February 2025

Safwa Islamic Bank
(A Public Shareholding Limited Company)
Amman-The Hashemite Kingdom of Jordan
Consolidated Statement of Financial Position

Statement «A»

	Notes	31 December	
		2024	2023
		JD	JD
Assets			
Cash and balances at the Central Bank of Jordan	4	244,541,023	255,949,654
Balances at banks and the financial institutions	5	16,841,108	26,513,323
International wakala investments - net	6	217,144,756	85,131,319
Deferred sales receivables and other receivables - net	7	1,549,428,421	1,287,370,515
Financial assets at fair value through other comprehensive income - net	8	46,023,435	508,000
Financial assets at fair value through quasi-equity - net	9	450,917,406	452,088,535
Financial assets at amortized cost	10	119,852,000	-
Investment in associate	11	332,759	349,622
Ijara Muntahia Bittamleek assets - net	12	762,094,570	695,772,768
Al Qard Al Hasan - net	13	11,443,367	34,380,739
Property and equipment - net	14	22,323,578	20,750,849
Intangible assets - net	15	1,673,942	1,697,221
Right-of-use assets	49/A	9,698,565	10,188,361
Deferred tax assets	21/C	18,506,502	12,225,792
Other assets	16	63,715,366	46,056,778
Total Assets		**3,534,536,798**	**2,928,983,476**
Liabilities and Quasi-equity and Equity			
Liabilities			
Banks and financial Institutions' accounts	17	30,544,484	23,144,067
Customers' current accounts	18	313,833,370	319,719,876
Cash margins	19	153,061,234	95,274,911
Income tax provision	21/A	20,680,565	11,919,750
Other provisions	20	163,719	163,719
Lease liabilities	49/B	9,851,375	10,295,338
Other liabilities	22	80,462,885	82,999,447
Total Liabilities		**608,597,632**	**543,517,108**
Quasi-equity			
Unrestricted investment accounts	23	2,716,418,549	2,196,527,695
Fair value reserve	24/B	16,942	(371,067)
Total Quasi-equity		**2,716,435,491**	**2,196,156,628**
Equity			
Paid-in capital	25	120,000,000	100,000,000
Statutory reserve	27	38,320,046	35,041,275
Fair value reserve through other comprehensive income	24/A	94,068	(25,069)
Retained earnings	28	51,089,561	54,293,534
Total Equity		**209,503,675**	**189,309,740**
Total Liabilities and Quasi-equity and Equity		**3,534,536,798**	**2,928,983,476**

The attached notes (1) to (61) form part of these consolidated financial statements and should be read with them.

Safwa Islamic Bank
(A Public Shareholding Limited Company)
Amman-The Hashemite Kingdom of Jordan
Consolidated Statement of Income and other Comprehensive Income

Statement "B"

	Notes	For the year ended 31 December	
		2024	2023
		JD	JD
Deferred sales income	29	94,548,534	88,064,172
Income from Ijara Muntahia Bittamleek assets - net	30	68,051,329	54,471,516
Income from International wakala investments - net	31	8,785,237	4,204,173
Income from financial assets at fair value through other comprehensive income	32	859,693	42,000
Income from financial assets at fair value through quasi-equity	33	23,730,716	13,708,385
Income from financial assets at fair value through statement of income	34	7,854	36,857
Income from financial assets at amortized cost	35	2,609,377	1,336,449
Net share of results of investment in an associate company	11	(16,863)	3,668
Losses from foreign currencies evaluation	36	(84,177)	(9,426)
Bank's share from the restricted investments revenue as agent	37	-	64,588
Income from foreign currencies	38	3,258,872	2,240,008
Banking services income - net	39	12,763,260	8,510,484
Other income	40	1,523,055	1,659,180
Gross income		**216,036,887**	**174,332,054**
Provision of expected credit losses and other receivables	41	(32,980,780)	(15,907,189)
Deposit insurance fees		(5,008,487)	(4,466,698)
Employees' expenses	42	(19,472,549)	(16,955,550)
Depreciation and amortization	14 & 15	(3,180,785)	(3,151,714)
Depreciation of right of use assets	49	(1,803,410)	(1,736,700)
Finance costs / discount on lease liability	49	(346,719)	(357,517)
Rent expenses		(187,209)	(152,318)
Other expenses	43	(10,208,606)	(9,046,509)
Total expenses		**(73,188,545)**	**(51,774,195)**
Net profit for the year before tax and net profit attributable to quasi-equity		**142,848,342**	**122,557,859**
Less : Net profit attributable to quasi-equity	44	(110,060,634)	(94,233,978)
Net profit for the year before tax		**32,787,708**	**28,323,881**
Income tax expense	21/B	(12,562,797)	(10,813,635)
Net profit for the year		**20,224,911**	**17,510,246**
Other comprehensive income items :			
Gains from sale of financial assets at fair value through other comprehensive income		-	34,815
Net change in fair value reserve for financial assets		119,137	(39,662)
Total comprehensive income for the year		**20,344,048**	**17,505,399**
		JD/FILS	JD/FILS
Basic and diluted earnings per share for the year	46	**0/169**	**0/146**

The attached notes (1) to (61) form part of these consolidated financial statements and should be read with them.

Safwa Islamic Bank
(A Public Shareholding Limited Company)
Amman-The Hashemite Kingdom of Jordan
Consolidated Statement of Income and Attribution related to Quasi-Equity

Statement "C"

	Notes	For the year ended 31 December	
		2024	2023
		JD	JD
Net profit for the year before tax and net profit attributable to Quasi-Equity		**142,848,342**	**122,557,859**
Less : Unrelated income to quasi-equity		(17,894,014)	(11,763,598)
Add : Unrelated expenses to quasi-equity		39,017,964	34,050,350
Net profit for the year before net profit attributable to Quasi-Equity		**163,972,292**	**144,844,611**
Less : Bank's share as mudarib and rab mal	45	(75,666,056)	(60,636,884)
Add : Bank's contribution to quasi-equity	45	21,754,398	10,026,251
Net profit attributable to Quasi-Equity	44	**110,060,634**	**94,233,978**

The attached notes (1) to (61) form part of these consolidated financial statements and should be read with them.

Safwa Islamic Bank

(A Public Shareholding Limited Company)

Amman-The Hashemite Kingdom of Jordan

Consolidated Statement of Changes in Equity

Statement "D"

	Paid-in capital*	Statutory Reserve	Fair value reserve through other comprehensive income	Retained Earnings**	Total
	JD	JD	JD	JD	JD
For the year ended 31 December 2024					
Balance as at 1 January	**100,000,000**	**35,041,275**	**(25,069)**	**54,293,534**	**189,309,740**
Capital increase	20,000,000	-	-	(20,000,000)	-
Capital increase fees	-	-	-	(150,113)	(150,113)
Profit for the year - (Statement B)	-	-	119,137	20,224,911	20,344,048
Transferred to reserve	-	3,278,771	-	(3,278,771)	-
Balance as of 31 December 2024	**120,000,000**	**38,320,046**	**94,068**	**51,089,561**	**209,503,675**
For the year ended 31 December 2023					
Balance as at 1 January	**100,000,000**	**32,208,887**	**14,593**	**39,580,861**	**171,804,341**
Profit for the year - (Statement B)	-	-	(39,662)	17,545,061	17,505,399
Transferred to reserve	-	2,832,388	-	(2,832,388)	-
Balance as of 31 December 2023	**100,000,000**	**35,041,275**	**(25,069)**	**54,293,534**	**189,309,740**

- Retained earnings include a balance of JD 1,351,047 as of 31 December 2024 (JD 887,643 as at 31 December 2023) and it is restricted from use based on the Central Bank of Jordan instructions. which represents deferred tax assets -self.

* The Bank's capital was increased from JD (100) million to JD (120) million after obtaining the approval of the Central Bank of Jordan in addition to the approval of the Bank's General Assembly in its meeting held on 18 April 2024.

** Based on Central Bank of Jordan instructions no.(13/2018) that were issued on 6 June 2018 the general banking risks reserve which was transferred to retained earnings, amounted to JD 108,397 is restricted from use without prior approval from the Central Bank of Jordan.

The attached notes (1) to (61) form part of these consolidated financial statements and should be read with them.

Safwa Islamic Bank

(A Public Shareholding Limited Company)

Amman-The Hashemite Kingdom of Jordan

Consolidated Statement of Cash Flows

Statement "E"

	Notes	For the ended year at 3 1December 2024	
		2024	2023
		JD	JD
Cash flows from operating activities			
Profit for the year before tax - statement (B)		32,787,708	28,323,881
Adjustments for non-monetary items:			
Depreciation and amortization	14 & 15	3,180,785	3,151,714
Depreciation of Ijara Muntahia Bittamleek assets (self & joint)		74,299,224	52,371,357
Depreciation of right of use assets	49	1,803,410	1,736,700
Finance costs (discount on lease liabilities)	49	346,719	357,517
Provision of expected credit losses and other receivables	41	32,980,780	15,907,189
Provision for seized assets	16	437,446	104,944
Net share of (loss) profit from investment in associate company	11	16,863	(3,668)
Gain on sale of property and equipment		(56,047)	(1,672)
Disposal of Intangible assets	15	7,061	168
Gain from sale of seized assets against debts		(232,248)	(51,537)
Profit before changes in assets and liabilities		**145,571,701**	**101,896,593**
Changes in assets and liabilities :			
Deferred sales receivables and other receivables		(293,817,428)	14,019,250
Ijara Muntahia Bittamleek assets		(140,621,026)	(134,844,353)
Qard Hasan		22,374,750	(27,997,110)
Other assets		(20,022,266)	(31,490,628)
Customers' current accounts		(5,886,506)	19,841,596
Cash margin accounts		57,786,323	52,374,779
Other liabilities		(2,133,764)	24,785,711
Net cash flows (used in) from operating activities before income tax paid and paid from legal provision		**(236,748,216)**	**18,585,838**
Income tax paid	21	(10,041,995)	(11,610,802)
Paid from legal provision	20	-	(276,281)
Net cash flows (used in) from operating activities		**(246,790,211)**	**6,698,755**
Cash flows from investing activities			
Net sale of financial assets at fair value through statement of income		-	35,143
Net purchase of financial assets at fair value throug other comprehensive income	8	(45,460,745)	(264,307)
Purchase of financial assets at fair value through quasi- equity - net	9	(52,614,699)	(232,078,011)
Maturity of financial assets at fair value through quasi- equity - net	9	54,173,404	53,377,698
Purchase of financial assets at amortized cost	10	(119,852,000)	-
Maturity of financial assets at amortized cost		-	37,313,000
Purchase of intangible assets	15	(690,038)	(500,330)
Purchase of property and equipment & payments on purchase of property, equipment and projects under progress	14	(4,038,066)	(1,819,622)
Proceeds from sale of property and equipment		46,855	10,216
Proceeds from sale of assets seized by the bank against debts		1,420,518	292,148
Net Increase in International Wakala Investments		(132,312,726)	(21,782,937)
Net cash flows used in investing activities		**(299,327,497)**	**(165,417,002)**
Cash Flows from Financing Activities			
Joint investment accounts		519,890,854	221,193,482
Paid from lease liabilities	49	(2,104,296)	(2,013,929)
Capital increase fees		(150,113)	-
Net cash flows from financing activities		**517,636,445**	**219,179,553**
Net (decrease) increase in cash and cash equivalents		**(28,481,263)**	**60,461,306**
Cash and cash equivalents at beginning of the year		259,318,910	198,857,604
Cash and cash equivalents at end of the year	47	**230,837,647**	**259,318,910**
Non-cash transactions:			
Transfer to property and equipment from installments to purchase property, equipment and projects in progress	14	**264,926**	**628,485**
Financing transferred to off statement of financial position or bad debts		**-**	**12,114,982**

The attached notes (1) to (61) form part of these consolidated financial statements and should be read with them.

SAFWA ISLAMIC BANK
(A PUBLIC SHAREHOLDING LIMITED COMPANY)
AMMAN-THE HASHEMITE KINGDOM OF JORDAN
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

(1) GENERAL

Safwa Islamic Bank (the “Bank”) is a public shareholding company licensed by the Central Bank of Jordan to practice and provide Islamic business and banking services in accordance with the Banking Law and the Companies Law.

The Bank provides all financial banking and structured investment services on a non-Interest basis in accordance with Islamic shari’a through the Bank’s head office and its forty-four branches within the Kingdom and its subsidiary, in accordance with the effective Banking Law.

The Bank’s authorized and paid-up capital is JD 120 million consisting of 120 million shares with a nominal value of one JD per share, where the Bank’s capital was increased from JD (100) million to JD (120) million after obtaining the approval of the Central Bank of Jordan in addition to the approval of the Bank’s General Assembly in its meeting held on 18 April 2024.

Etihad Islamic Investment Company owns 62.37% of the Bank’s capital.

The consolidated financial statements were approved by the Bank’s Board of Directors in their meeting No. (1/2025) held on 30 January 2025, are subject to the approval of the General Assembly of Shareholders and Central Bank of Jordan.

The consolidated financial statements were read and reviewed by the Bank’s Sharia Supervisory Board, in their meeting No. (3/2025) held on 29 January 2025, and the board issued its Shari’a report thereon.

(2) BASIS OF PREPARATION AND MATERIAL ACCOUNTING POLICY INFORMATION

(2-1) BASIS OF PREPARATION OF THE CONSOLIDATED FINANCIAL STATEMENTS

The consolidated financial statements of the Bank have been prepared in accordance with the financial accounting standards issued by the Accounting and Auditing Organization for Islamic Financial Institutions (“AAOIFI”). In the absence of standards issued by the Accounting and Auditing Organization for Islamic Financial Institutions related to the items of the consolidated financial statements, the International Financial Reporting Standards and their interpretations are applied in conformity with Sharia’ standards until Islamic standards are issued for them.

The Bank complies with the applicable local laws and the instructions of the Central Bank of Jordan.

The Bank has fully implemented the Islamic Accounting Standards issued by the Accounting and Auditing Organization for Islamic Financial Institutions starting from 1 January 2024 instead of the Islamic Accounting Standards as amended by the instructions of the Central Bank of Jordan and the variances between these two frameworks are not material to the consolidated financial statements.

The consolidated financial statements are prepared on historical cost basis except for the financial assets at fair value through other comprehensive income and financial assets at fair value through quasi-equity.

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

(2-2) BASIS OF CONSOLIDATION OF THE FINANCIAL STATEMENTS

The consolidated financial statements comprise of the financial statements of the Bank and its subsidiary which is financed by the Bank’s Self Funds where the Bank has control to govern the operational and financial policies of the entity to obtain benefits from their activities. All intra-company balances, transactions, revenues, expenses and off-balance sheet items between the Bank and its subsidiary are eliminated.

The financial statements of the subsidiary are prepared for the same reporting period as the Bank, using same accounting policies used by the Bank.

The results of the operations of the subsidiary are consolidated in the consolidated statement of income and other comprehensive income from the date of its acquisition, which is the date on which the bank’s control is effectively transferred to its subsidiary, and the results of the operations of the subsidiary that were disposed of are consolidated in the consolidated statement of income and other comprehensive income until the date of disposal, which is the date in which the bank loses control of its subsidiary.

The subsidiary owned by the Bank as at 31 December 2024 is as follows:

Not Bold and put it in a table	Paid up Capital (JD)	Source of Funding	Ownership %	Company Main Activity	Operation location	Acquisition Date
Misc for brokerage company	2,000,000	Self	100%	Brokerage	Amman	2011

When preparing the separate financial statements for the Bank as an independent entity, investments in subsidiary are shown at cost or net proceeds value in case of liquidation.

Control is achieved when the Bank: -

- Has the ability to control the investee.
- Is subject to variable returns or has the right to variable returns arising from its association with the investee; and
- Has the ability to use its power to influence the returns of the investee.

The Bank re-assesses whether it controls the investee companies or whether the facts and circumstances indicate that there are changes to one or more control check points referred to above.

If the voting rights of the Bank are less than the majority of voting rights in any of the investee companies, it shall have the power to control when the voting rights suffice to grant the Bank the ability to direct the activities of the related subsidiary unilaterally. The Bank takes into consideration all the facts and circumstances when assessing whether the Bank has voting rights in the investee so as to grant it the ability to control or not. Among these facts and circumstances are the following:

- The volume of voting rights owned by the Bank in relation to the volume and distribution of other voting right;
- Potential voting rights held by the Bank and any other voting rights holders or third parties;
- Rights arising from other contractual arrangements;
- Any additional facts and circumstances indicating that the Bank has or does not have current responsibility for directing relevant activities at the time of making the required decisions, including how to vote at previous General Assembly meetings.

When the Bank loses control over any of its subsidiaries, the Bank:

- Derecognizes the assets of the subsidiary (including goodwill) and liabilities;
- Derecognizes the carrying amount of any uncontrolled interest;
- Derecognizes the cumulative transfer differences recognized in equity;
- Derecognizes the fair value of the consideration received;
- Derecognizes the fair value of any investment held;
- Derecognizes the surplus or deficit in the statement of Profit or loss.
- Reclassifies the equity of the previously restricted bank in other comprehensive income to the statement of Profit or loss or retained earnings, as appropriate.

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

(2-3) 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 consolidated financial statements for the year ended 31 December 2023 except for the impact of the application of the following standards:

Financial Accounting Standard No. (1) (Revised 2021) "General Presentation and Disclosure in Financial Statements"

The Accounting and Auditing Organization for Islamic Financial Institutions (AAOIFI) has issued this revised standard, which supersedes the previous Financial Accounting Standard No. (1) "General Presentation and Disclosure in the Financial Statements of Islamic Banks and Financial Institutions." The standard introduces the concepts of quasi-equity, off-balance sheet assets under management and comprehensive income to enhance the information provided to users of financial statements.

The Group has implemented the standard and implemented certain presentation and disclosure changes in the consolidated financial statements. The application of this standard did not have a material impact on the recognition and measurement principle.

The following illustrates the most important amendments to the standard:

1. The revised conceptual framework is now an integral part of the Financial Accounting Standards issued by the Accounting and Auditing Organization for Islamic Financial Institutions.
2. The term quasi-equity has been added to the standard, which represents a broader concept to include “joint investment accounts” and other transactions under similar structures. Similarly, the broader term “off-balance sheet assets under management” is now used instead of “restricted investment accounts.”
3. The concept of other comprehensive income has been included, with the option of preparing a single statement that is a combination of the income statement and other comprehensive income statement or preparing the two statements separately. The Bank has chosen to prepare a single statement.
4. A new statement “statement of income and attribution related to quasi-equity” has been added.
5. The statement of Al Qard Al Hasan has been moved to the notes to the financial statements and hence the statement of Al Qard Al Hasan has been removed as a main statement.
6. Treatment of changes in accounting policies, changes in estimates and correction of errors has been improved.
7. The disclosures of related parties, subsequent events and the going concern basis have been improved.
8. The disclosures of foreign currencies and segment reporting have been improved.

Financial Accounting Standard No. (40) “Financial Reporting for Islamic Finance Windows”

This standard improves and replaces FAS no. (18) “Islamic financial services provided by conventional financial institutions” and specifies financial reporting requirements applicable to conventional financial institutions that provide Islamic financial services. This standard requires traditional financial institutions that provide Islamic financial services through Islamic financing windows to prepare and submit financial statements for Islamic financing windows aligned with the requirements of this standard and other financial accounting standards issued by the Accounting and Auditing Organization for Islamic Financial Institutions (AAOIFI). This standard provides principles of financial reporting including presentation and disclosure requirements applicable to Islamic finance windows.

This standard is not applicable to the Group.

Financial Accounting Standard No. (44) “Determining Control of Assets and Business”

Financial Accounting Standard no. (44) aims to establish principles for assessing whether an enterprise controls assets and business projects both in the case of assets subject to a participatory structure contract (so as to determine whether they are on or off-balance sheet) as well as to enforce the consolidation of the financial statements of subsidiaries.

The application of this standard had no impact on the consolidated financial statements.

New Standard Issued but Not Yet Effective

The following new accounting standard issued but not yet effective up to the date of the financial statements is listed below, and the Group will apply the standards when they become effective:

Financial Accounting Standard No. (42) “Presentation and Disclosures in the Financial Statements of Takaful Institutions”

The Accounting and Auditing Organization for Islamic Financial Institutions issued Financial Accounting Standard No. (42) in 2022. This standard replaces Financial Accounting Standard No. (12) “General Presentation and Disclosures in the Financial Statements of Islamic Insurance Companies”. This standard specifies the requirements for the presentation of financial statements and related disclosures for Takaful institutions. This standard aims to improve the presentation of financial statements of Takaful institutions by introducing additional disclosure requirements aimed at enhancing transparency.

This standard is effective for financial reporting periods beginning on or after 1 January 2025, with early application permitted if in conjunction with Financial Accounting Standard No. (43) “Accounting for Takaful: Recognition and Measurement”. The standard will be applied as of 1 January 2025 and is not expected to have a material impact on the Group upon its application.

Financial Accounting Standard No. (43) “Accounting for Takaful: Recognition and Measurement”

The Accounting and Auditing Organization for Islamic Financial Institutions issued Financial Accounting Standard No. (43) in 2022. This standard replaces Financial Accounting Standard No. (13) “Disclosure of the Basis for Determining and Allocation of Surplus or Deficit in Islamic Insurance Companies”. This standard addresses the principles of recognition and measurement of Takaful arrangements and related transactions. The standard should be read in conjunction with Financial Accounting Standard No. (42) “Presentation and Disclosures in the Financial Statements of Takaful Institutions”.

This standard is effective for financial reporting periods beginning on or after 1 January 2025, with early adoption permitted if applied in conjunction with Financial Accounting Standard No. (42) “Presentation and Disclosures in the Financial Statements of Takaful Institutions”. The standard will be applied as of 1 January 2025 and is not expected to have a material impact on the Group upon its application.

Financial Accounting Standard No. (45) “Quasi-equity (including investment accounts)”

The Accounting and Auditing Organization for Islamic Financial Institutions issued Financial Accounting Standard No. (45) in 2023. This standard describes the principles of financial reporting related to participatory investment instruments (including investment accounts) in which an Islamic financial institution controls the underlying assets (usually as a working partner), on behalf of stakeholders other than the shareholders’ equity. Such instruments (including, in particular, unrestricted investment accounts) are usually eligible for accounting in the statement of financial position and are recorded as quasi-equity. This standard also provides general accounting standards in the statement of financial position for participatory investment instruments and quasi-equity, in addition to the aggregation, recognition, derecognition, measurement, presentation and disclosure of quasi-equity. The standard also addresses financial reporting related to quasi-equity instruments. The standard also addresses financial reporting related to other quasi-equity instruments and some specific issues. The concept of quasi-equity is introduced in Financial Accounting Standard No. (1) “General Presentation and Disclosures in Financial Statements” (revised in 2021).

This standard is effective for financial reporting periods beginning on or after 1 January 2026. The standard will be applied from 1 January 2026 and is not expected to have a material impact on the Group upon its application.

Financial Accounting Standard (46) “Off-balance Sheet Assets”

The Accounting and Auditing Organization for Islamic Financial Institutions issued Financial Accounting Standard No. (46) in 2023. This standard replaces Financial Accounting Standard No. (27) “Investment Accounts” in terms of presentation and disclosure. This standard specifies the classification of off-balance sheet assets and the principles related to financial reporting in line with the AAOIFI Conceptual Framework for Financial Reporting. The standard covers aspects of recognition, derecognition, subsequent recognition and measurement of assets related to off-balance sheet assets, in addition to reporting requirements and financial obligations incurred by the institution. The standard also integrates the presentation and disclosure requirements that are specifically aligned with the requirements of Financial Accounting Standard No. (1) “General Presentation and Disclosures in Financial Statements” (as amended in 2021) regarding the disclosure of off-balance sheet assets to management.

This standard is effective for financial reporting periods beginning on or after 1 January 2026 and must be applied simultaneously with Financial Accounting Standard No. (45) “Quasi-equity (including investment accounts)”. The standard will be applied as of 1 January 2026 and is not expected to have a material impact on the Group upon its application.

Financial Accounting Standard No. (47) “Transfer of Assets between Investment Groups”

The Accounting and Auditing Organization for Islamic Financial Institutions issued Financial Accounting Standard No. (47) in 2023 and replaces Financial Accounting Standard No. (21) “Disclosure of Transfer of Assets”. This standard describes the financial reporting principles and disclosure requirements applicable to all transfers between different investment groups (and their establishment was permanent, between ownership by equity, equity and quasi-equity and off-balance sheet assets under the management of an entity), and requires the application of accounting policies for such transfers in a consistent manner in line with the principles and rules of Islamic Sharia and describes the general disclosure requirements in this regard.

This standard is effective for financial reporting periods beginning on or after 1 January 2026. The standard will be applied from 1 January 2026 and is not expected to have a material impact on the Group upon its application.

Financial Accounting Standard No. (48) “Promotional Gifts and Prizes”

The Accounting and Auditing Organization for Islamic Financial Institutions issued Financial Accounting Standard No. (48) in 2024. This standard aims to set out the accounting and financial reporting principles for recognition, measurement, presentation and disclosure that apply to promotional gifts and prizes provided by Islamic financial institutions to their customers, including quasi-equity and other investment account holders.

This standard is effective for financial reporting periods beginning on or after 1 January 2026. The standard will be applied from 1 January 2026 and is not expected to have a material impact on the Group upon its application.

Financial Accounting Standard No. (49) “Financial Reporting for Entities Operating in Hyperinflationary Economies”

The Accounting and Auditing Organization for Islamic Financial Institutions issued Financial Accounting Standard No. (49) in 2024. The standard sets out the principles of financial reporting for entities that apply financial accounting standards and operate in hyperinflationary economies, taking into account Shariah principles, provisions and their business model. The Accounting Board of AAOIFI recognizes that the economic environment in many countries operating under hyperinflationary conditions sometimes makes financial statements prepared under AASIs less relevant and not comparable over multiple reporting periods. Accordingly, the Board recognized the need for institutions following AASIs in such economic environments to apply specific financial reporting requirements that make their financial statements more relevant and comparable. The Board also recognized that some financial reporting requirements under GAAP may not be appropriate for institutions following AASIs, given the requirements of relevant Shari'a principles and rules and their business models. Accordingly, the Board decided to develop a specific standard on this subject.

This standard is effective for financial reporting periods beginning on or after 1 January 2026. It is recommended that all institutions operating in hyperinflationary economies apply this standard from the date of its issuance to ensure comparability of their results. The standard will be effective from 1 January 2026 and is not expected to have a material impact on the Group upon its application.

Financial Accounting Standard No. (50) "Financial Reporting for Islamic Investment Institutions (Including Investment Funds)"

The Accounting and Auditing Organization for Islamic Financial Institutions issued Financial Accounting Standard No. (50) in 2024. This standard replaces Financial Accounting Standard No. (14) "Investment Funds". The standard sets out the principles of financial reporting that apply to Islamic investment institutions and focuses specifically on achieving consistency and providing a unified basis for the format and content of financial statements for Islamic investment institutions. It also sets out the general requirements for presentation and the minimum content and recommended structure of their financial statements to enhance true and fair presentation in accordance with the principles and provisions of Sharia.

This standard is effective for financial reporting periods beginning on or after 1 January 2027. The standard will be applied from 1 January 2027 and is not expected to have a material impact on the Group upon its application

Segments information

A business is a group of assets and operations that jointly engage in the rendering of products or services subject to risks and rewards different from those of other business segments, and which are measured according to reports used by the chief executive officer and the main decision maker of the Group. A geographical segment is associated with the provision of products or services in a specific economic environment subject to risks and rewards that differ from those of segments operating in other economic environments.

The basis for the distribution of joint investment profits between shareholders' equity and holders of joint investment accounts

The combined return on investment of equity holders and holders of joint investment accounts for the year 2024 was distributed as follows:

	Percentage
Share of joint investment account holders	67%
Share of shareholders' equity	33%

The Joint Investment Accounts shall participate in the results of the investment profits, and shall be distributed to the depositors each according to their participation rate, taking into consideration the weights of the concerned joint investment accounts and the terms of the account signed between the Bank and the depositor.

The weights of the joint investment accounts are as follows:

- From 11% to 50% of the lowest balance of savings accounts in Jordanian Dinars.

- From 14% to 33% of the lowest balance of savings accounts in foreign currencies.

- From 55% to 97% of the average balance of term accounts in Jordanian Dinars.

- From 18% to 61% of the average balance of foreign currency term accounts.

- 90% of average the balance of the accounts of the investment certificates of deposit in Jordanian Dinars.

- From 80% to 85% of the average balance of the certificates of deposit in foreign currencies.

The Bank shall bear all administrative expenses except for the advertising and marketing expenses of the products. The insurance expenses of the Ijarah Muntahia Bittamleek assets are incurred in the joint investment pool.

The Bank combines (mixes) its funds and any other funds (which were not received by the Bank on the basis of Mudaraba contract) in the Joint Investment Accounts.

Priority Investment / Equal Investment Opportunities and Profit Sharing:

The principle of equal investment opportunities is applied to the shareholders' funds and the funds of the investment account holders in the joint Mudaraba. The Bank's own investments are presented in separate accounts from investments through the rights of the Joint Investment Accounts holders' equity.

Moreover, the joint investment accounts shall share in the results of the investment profits, which shall distribute to the holders of the joint investment accounts according to their participation rate, taking into account the weights of the respective investment accounts concerned and the terms of the account signed between the Bank and the depositor.

The weighting of the joint investment accounts proposed by the Bank's management is approved by the Bank's Shari'a Supervisory Board.

Zakah

Zakah is the responsibility of the shareholders and unrestricted investment accounts holders. In this regard, the Bank is not directly and explicitly authorized to expend it, nor is there a law for its collection. In addition, the Bank's Articles of Association do not prescribe it, nor the General Assembly's decisions do not specify it. There is no related authorization by the shareholders either. Therefore, the shareholders and the unrestricted investment accounts holder shall pay zakat on their shares and funds if the Shari'a conditions and rules are fulfilled.

Revenue, gains, expenses and losses in violation of Islamic Shari'a

The sums devolved to the bank from sources or by means that are inconsistent with the provisions and principles of Islamic Sharia are set aside to the charity account within the other credit balances in the consolidated balance sheet, to be disbursed for charitable causes in accordance with what is decided by the Sharia supervisory board in the bank.

Deferred sales receivable

Murabaha contracts:

Murabaha: is selling commodity for the same purchase plus an agreed predetermined profit margin computed based on a percentage of the price or fixed amount, and it represent one of Boy'ou Amanah types that depend on disclosing the purchase price or cost.

Murabaha to the purchase order: it is the sale of an asset by the Bank to its client (the purchase order) with a specific increase in the asset's price or cost after determining the increase (Murabaha profit in the promise).

The Bank applies the principle of making the promise in Murabaha transactions to the buying manager in accordance with the standards issued by the Accounting and Auditing Organization for Islamic Financial Institutions.

Deferred sales revenue is recognized when the transaction is executed (which paid in one installment after the current financial period or paid in installments over subsequent financial periods). Revenue is allocated to future financial periods for each period, irrespective of whether cash has been paid or not.

Deferred sales receivables are recognized when they occur at their nominal value and are measured at the end of the financial period on the basis of net realizable value.

At the end of the financial period, finance assets are carried at cost or at the expected recoverable cash value, whichever is lower.

Deferred sales revenue which was granted to non-performing customers is suspended in accordance with the instructions of the Central Bank of Jordan.

Deferred sales receivable and funds financed from the joint investment accounts are written off in case of the measures taken to collect them are ineffective which will be written off against the joint provisions and suspended profits (if any), the proceeds from the joint provisions (if any) previously written off are transferred to the common pool profits (presented in the Consolidated statement of income and other comprehensive income). On the other hand, deferred sales receivable and financing from the Bank's self-funds for which there is an impairment provision are written off in case the measures for their collection are ineffective. In this respect, they are deducted from the self-provisions and suspended profits (if any), and any provision surplus is transferred to the consolidated statement of income and other comprehensive income/ Prior funding is written off to income, any shortage will be recorded on the consolidated statement of income and other comprehensive income.

Financial instruments

Initial recognition and measurement:

Financial assets and liabilities are recognized in the Bank's consolidated statement of financial position when the Bank becomes a party to the contractual provisions of the instrument. Moreover, funds are recognized to customers since they are credited to the customer's accounts.

Financial assets and financial liabilities are measured initially at fair value, transaction costs directly attributable to the acquisition or issuance of financial assets and liabilities, and are added to the fair value of the financial asset or financial liability or, where appropriate, deducted from the financial asset at initial recognition. Furthermore, transaction costs directly attributable to the acquisition of financial assets or financial liabilities at fair value through Profit or loss are recognized directly in the consolidated statement of income and other comprehensive income.

Financial assets

Initial recognition and measurement:

All financial assets are recognized on the trade date when the purchase or sale of a financial asset under a contract that requires the delivery of the financial asset within a time frame determined by the relevant market and is initially measured at fair value plus transaction costs except for those financial assets designated at fair value through statements of income. Transaction costs directly attributable to the acquisition of financial assets designated at fair value through statements of income are recognized in the consolidated statement of income and other comprehensive income.

Subsequent measurement:

The measurement of all recognized financial assets that fall within the scope of AAOIFI (33) is subsequently carried at amortized cost or fair value based on the entity's business model for managing financial assets and contractual cash flow characteristics of financial assets.

Specifically:

- Finance instruments held in a business model intended to collect contractual cash flows that have contractual cash flows and are subsequently measured at amortized cost; and
- All other financing instruments, such as:
  - Financial assets managed on a fair value basis through the unrestricted investment account holders are measured at fair value through the rights of the joint investment holder's equity.
  - Financial assets at fair value through shareholders equity are subsequently measured at fair value through other statement of comprehensive income.
  - Financial assets at fair value through the statement of income are subsequently measured at fair value through the statement of income.

Evaluation of the business model

An assessment of the business model for managing the financial assets is essential for their classification. The Bank defines a business model at a level that reflects how the groups of financial assets are managed together to achieve a particular business objective. Moreover, the Bank's business model does not rely on management intentions in relation to an individual instrument, and therefore the business model is assessed at a group level and not on an instrument-by-instrument basis.

The Bank adopts a business model to manage its financial instruments that reflects how the Bank manages its financial assets in order to generate cash flows. In addition, the Bank's business model determines whether cash flows will result from the collection of contractual cash flows or the sale of financial assets or both.

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

- The stated policies and objectives of the portfolio and the application of those policies whether the management strategy focuses on obtaining contractual revenues, maintaining a specific profit rate, matching the period of financial assets with the period of financial liabilities that finance those assets. or achieving cash flows through the sale of assets;
- How to evaluate the performance of the business model and financial assets held in this business model and to report to key management personnel;
- Risks affecting the performance of the business model (and the financial assets of that model), in particular, the manner in which such risks are managed; and
- How to compensate business managers (for example, whether compensation is based on the fair value of the assets managed or on the contractual cash flows received).

Upon initial recognition of a financial instrument, the Bank determines whether the newly recognized financial asset is part of its existing business model or whether it reflects the beginning of a new business model. In this respect, the Bank evaluates its business model for each reporting period to determine whether the business model needs to be changed from the prior year.

When the instruments measured at fair value through shareholders equity-self are derecognized, the cumulative gain / loss previously recognized in other comprehensive income in shareholders equity is reclassified to the consolidated statement of income and other comprehensive income. On the other hand, for equity investments measured at fair value through shareholders' equity, the cumulative gain / loss previously recognized in other comprehensive income is not subsequently reclassified to the consolidated statement of income and other comprehensive income but transferred directly to retained earnings.

In respect of Sukuk and equity instruments within joint investments, when these financial assets are derecognized which are measured at fair value through the unrestricted investment account holders, the cumulative gain / loss previously recognized in the fair value reserve - joint in the unrestricted investment account holder's equity is reclassified to the consolidated statement of income and other comprehensive income.

Reclassification

If the business model in which the Bank retains financial assets is reclassified, the financial assets that have been affected are reclassified. The classification and measurement requirements relating to the new class are effective from the first day of the first reporting period after the change in the business model resulting in the reclassification of the Bank's financial assets. Moreover, the changes in contractual cash flows are considered. The accounting policy framework for the adjustment and disposal of financial assets is described below:

Financial assets at fair value through the statement of income

Financial assets at fair value through the statement of income are:

- Assets with contractual cash flows that are not payments on assets and returns on the principal outstanding amount; and / or
- Assets held in a business model other than those held to collect contractual cash flows or held for collection and sale; or.

These assets are measured at fair value any gain/loss arising on remeasurement recognized in the consolidated statement of income and other comprehensive income.

Financial assets at fair value through other comprehensive income.

These assets represent investments in equity instruments and sukuk instruments financed from the Bank's own funds for the purpose of maintaining them over the long term.

These assets are recognized at fair value, plus acquisition costs, and subsequently revalued at fair value. The change in fair value is included in the fair value reserve under shareholders' equity.

In case of sale of these assets or part thereof, the resulting gain or loss is recognized in retained earnings within shareholders' equity.

Gains and losses arising from foreign exchange differences on these assets, if any, are recognized in the fair value reserve in shareholders' equity- self financed.

Financial assets at fair value through quasi-equity

These assets represent investments in equity and (Sukuk) instruments financed from the joint investment accounts for the purpose of maintaining them over the long term.

These assets are recognized at fair value, plus acquisition costs, and are subsequently revaluated at fair value. The change in fair value under fair value reserve is shown in the unrestricted investment account holders' equity.

The impairment loss previously recognized in the consolidated statement of income and other comprehensive income can be reversed if it is objectively determined that the increase in fair value occurred in a subsequent period to record impairment losses through the fair value reserve that is reflected in the unrestricted investment accounts.

As the unrestricted investment accounts on a continuous joint Mudaraba basis are characterized by a discontinuity at the beginning and end of the deposits in the accounts, the profit of the deferred operations over subsequent periods is distributed over the entire term of maturity and proportionality with each period.

Gains and losses arising from the foreign currency translation differences of these assets, if any, are recognized in the fair value reserve within unrestricted investment accounts holders' equity.

Financial assets for which fair value cannot be reliably measured are stated at cost. Impairment test of these assets is carried out at the end of each financial period, and any impairment is recognized in the consolidated statement of income and other comprehensive income. And the impairment loss can't be retrieved on subsequent periods.

Financial assets at amortized cost

These are the financial assets that the Bank's management, in accordance with its business model, intends to maintain to collect contractual cash flows that represent fixed or determinable payments to the capital and profits of such assets.

These assets are recognized at cost, plus acquisition costs, and are revalued at the end of the current period using the effective profit rate method. Moreover, any gain or loss arising from amortization is recognized in the consolidated statement of income and other comprehensive income and comprehensive income. Additionally, any expected credit losses regarding self-finaced instruments are recognized in the consolidated statement of income and other comprehensive income. As for joint investments, the calculated expected credit losses are recognized in the consolidated statement of income and other comprehensive income (joint investment pool).

The amount of impairment in value for these assets represents the difference between the carrying amount and the present value of the expected cash flows calculated on the basis of the original effective profit rate and any impairment provisions.

Gain and loss on sale, purchase and valuation of foreign currencies

Transactions in foreign currencies are recorded during the year at the rates prevailing at the transaction date (Trading).

The balances of financial assets and financial liabilities are translated at the average foreign exchange rates prevailing at the consolidated statement of financial position date, as announced by the Central Bank of Jordan.

In order to present the consolidated financial statements, the assets and liabilities of the Bank's foreign operations are translated at the rates of exchange prevailing at the consolidated statement of financial position date. Income is also converted at the average exchange rates for the period, unless exchange rates change significantly during that year, in which case the exchange rates on the date of the transactions are used. The exchange differences arising therefrom, if any, are recognized in the consolidated statement of income and other comprehensive income.

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

Foreign exchange gains and losses are recognized in the consolidated statement of income and other comprehensive income.

Translation differences on non-monetary assets and liabilities in foreign currencies (such as equity) are recorded in the fair value reserve self within the shareholders equity of the financial assets financed by the Bank's own funds and within the fair value reserve – joint within the unrestricted investment account holder's equity.

Lease contracts

The Group applied the Islamic Financial Accounting Standard No. (32) "Ijara and Ijara Muntahia Bittamleek"which defines the principles relating to of recognition, classification, measurement and About the different types of rent as a landlord and tenant and Ijara transactions ending with ownership.

The Bank as a lessee

The Bank recognizes the right of use assets and the lease liabilities in relation to all lease arrangements in which the bank is a leasee,except for short-term lease contracts (defined as 12-month or less lease contracts) and low value asset leases contract, and for these contracts,the bank recognizes the lease payments as an operating expense on a straight-line basis over the term of the lease,unless another regular basis is more representative of the time pattern in which the economic benefits from the leased assets are taken advantage of.

The lease obligation is initially measured at the present value of the lease payments that were not paid on the start date of the lease, deducted using the additional financing rate.

The lease payments included in the rental obligation measurement include:

- Fixed rental payments (includes fixed pay mentsin the contract), minus receivable rental incentives
- Variable rental payments that depend on an index or rate, initially measured using the indicator or the rate at the date the contract begins;
- The amount expected to be paid by the lessee under the residual value guarantees;
- The price of the exercise of purchase options, if the tenant is reasonably certain of the exercise of the options; and
- The price of the exercise of purchase options, if the tenant is reasonably certain of the exercise of the options; and
- Paying the contract termination fines, if the lease reflects the exercise of the lease termination option.

Lease obligations are presented as a separate line item in the consolidated statement of financial position.

Lease obligations are subsequently measured by increasing the carrying amount to reflect the costs of the additional financing over the lease obligations (using the incremental cost of financing method) and by reducing the carrying amount to reflect the paid rental payments.

The lease obligations (and a similar adjustment to the related right-to-use assets) are re-measured whenever:

- The lease term has changed or there is an important event or change in the conditions that lead to a change in the exercise of the purchase option assessment, in which case the lease obligations are re-measured by deducting the adjusted lease payment using the adjusted discount rate.
- Lease payments change due to changes in an index, rate, or change in expected payments under the guaranteed residual value. In these cases, the rental obligation is remeasured by deducting the modified rental payments using an unchanged discount rate.
- The lease contract is modified and the lease agreement is not accounted for as a separate lease, in which case the lease obligation is re-measured based on the duration of the modified lease contract by deducting the modified rental payments using the adjusted discount rate at the actual price at the date of the amendment.

The right of use assets are depreciated over the life of the lease or the useful life of the asset (whichever is shorter). If the lease transfers the ownership of the underlying asset or the cost of the right of use, which reflects that the bank expects to exercise the option to purchase, then the relevant value of the right to use is depreciated over the useful life of the asset. Depreciation begins from the start date of the lease.

Right of use assets are presented as a separate line item in the consolidated statement of financial position.

The Bank applies International Accounting Standard (36) to determine whether the value of the right to use has decreased its value and any impairment losses are calculated as described in the "property and equipment" policy.

Variable rents that are not dependent on an index or rate are not included in the measurement of lease obligations and right of use assets. The related payments are recognized as an expense in the period in which the event or condition that leads to these payments occurs and are included in the statement of income and the comprehensive statement of income.

The Bank as a lessor

The bank enters into leases as a lessor in relation to some of its investment properties.

Lease contracts in which the bank is leased are classified as finance or operating leases. In the event that the terms of the lease contract transfer all risks and benefits of ownership to the lessee, the contract is classified as a finance lease and all other leases are classified as operating leases.

When the Bank is an intermediary lease, it represents the main lease and sub-contract as two separate contracts. The sublease contract is classified as finance or operating lease by reference to the original right of use arising from the main lease.

Lease income from operating leases is recognized on a straight-line basis over the period of the relevant lease. The initial direct costs incurred in negotiating and arranging an operating lease are added to the book value of the leased asset and are recognized on a straight-line basis over the lease term.

The amounts due from the leasee under finance leases are recognized as receivables with the amount of the company's net investment in the lease contracts. Finance lease income is allocated to accounting periods to reflect a constant periodic rate of return on the bank's existing net investment in relation to lease contracts.

Investment in an associate

An associate is a company in which the Bank exercises effective influence over its financial and operating policy decisions, and which is not held for trading. In this respect, the investments in the associate are accounted for using the equity method.

Investments in the associate are included in the consolidated statement of financial position at cost, in addition to the Bank's share of changes in the net assets of the associate. Goodwill arising on investment in an associate is recognized as part of the investment account of the associate and is not amortized. The Bank's share of the associate's income is recognized in the consolidated statement of income and other comprehensive income. If there is a change in the equity of the associate, such a change is recognized in the statement of changes in shareholders' equity. Gains and losses arising from transactions between the Bank and the associate are eliminated to the extent of the Bank's interest in the associate company.

In the separate financial statements of the Bank as an independent entity, investments in the associate are stated at cost.

Ijara and Ijara Muntahia Bittamleek

Ijara is ownership of the benefit of return and is divided into:

Operating Ijara: is an Ijara contract that does not end up with transfer of ownership of leased assets to the leassee.

Ijarah Muntahia Bittamleek: Ijarah which ends with the lessee owning the leased assets and taking several types as stated in the Ijara and Ijara Muntahia Bittamleek standard No. (32) issued by the Accounting and Auditing Organization for Financial and Islamic Institutions.

Assets acquired for the purpose of leasing are measured at historical cost, including direct expenses, to make them usable. The leased assets are depreciated in accordance with the Bank's depreciation policy.

When the recoverable amount of any asset acquired for Ijara is less than its net carrying amount, the amount is reduced to the recoverable amount, and the impairment loss is recognized in the Consolidated statement of income and other comprehensive income.

The income of Ijara shall be distributed in proportion to the financial periods covered by the lease contract.

Basic insurance and maintenance expenses of leased assets are recognized in the financial year in which they arise.

Transfer of assets

Any transfers of tangible and financial assets made between the assets financed from the joint investment accounts, shareholders' equity, restricted investment accounts, investment funds, conversion bases and accounting policies adopted for this purpose shall be disclosed. Disclosure shall also be made of the related financial effect, balances of any assets transferred to the beginning of the financial year, changes that occurred during the financial year, and the balance at the end of the year.

All transfers to related parties are disclosed, and description is made of the nature of the relationship, type of transactions carried out, and total value of the operations at the beginning and end of the financial period, indicating the financial implications.

The Bank's bases for asset valuation are disclosed when transfers are made.

Differences resulting from foreign currency transactions and financial implications are also disclosed.

The nature and terms of the transferred assets are disclosed as to whether they are separable, and any related provisions are disclosed as well.

The reasons and principles governing the transfer of assets between different investment accounts are disclosed.

Obligations and restrictions required by the contractual relationship between investment account holders and equity holders, if any, are disclosed.

Profit equalization reserve

This reserve is created / set up with a view to allocate appropriate and competitive rates of return to the Joint/Restricted Investment Account holders and to the shareholders in the event of exceptional circumstances and sharp fluctuations in the markets that actually make the actual profit rates less than what the holders of the Joint Investment Accounts expect. The same applies to the Bank's shareholders. This reserve is established based on the pre-approval of the Shari'a Supervisory Board and approval of the unrestricted investment accounts holders' equity.

This reserve shall be allocated to the share of the profits of the holders of the Joint Investment Accounts holders' equity and the shareholders equity before the deduction of Mudarib's share. The balance available in the reserve account shall be invested in the aggregated joint money account. The profits from the investment shall be credited to the reserve account.

If the balance in the profit equalization reserve account is insufficient to meet the competition, the shareholders may give part of their share of profits to the holders of the joint investment accounts as a donation.

The bank abides by what is stated in the Financial Accounting Standard No. (35) “Risk Reserve” issued by the Accounting and Auditing Organization for Islamic Financial Institutions when there is a need to create/compose a profit rate reserve.

The profit equalization reserve is transferred to the shareholders and unrestricted investment accounts holders’ equity each according to its share of the deduction.

Fair value of financial assets

Fair value is defined as the price at which an asset should be sold or paid to convert any of the liabilities in a structured transaction between the market participants on the measurement date, irrespective of whether the price can be realized directly or it is estimated using another valuation technique. When estimating the fair value of an asset or liability, the Bank takes into consideration, upon determining the price of any asset or liability, whether market participants are required to take these factors into account at the measurement date. The fair value for the purposes of measurement and / or disclosure is determined for these financial statements on the same basis.

In addition, fair value measurements are classified for the purposes of financial reporting to level (1), (2) or (3) based on the extent to which the inputs are clear regarding the fair value measurements and the importance of inputs to the full fair value measurements. The details are as follows:

Input Level (1) inputs are induced inputs derived from quoted (unadjusted) prices of identical assets or liabilities in active markets that an enterprise can obtain on the measurement date;

Input Level (2) inputs are induced inputs derived from data other than quoted prices used at level (1) and observable for assets or liabilities, either directly or indirectly;

Input Level (3) inputs are induced inputs to assets or liabilities that are not based on observable market prices.

Impairment of financial assets

The Bank applies the expected credit loss requirements and the amendments relating to the classification and measurement of financial instruments. The effect of the following instructions of the Central Bank of Jordan related to the application of AAOIFI (30) is recognized by recording the impact on the consolidated statement of income and other comprehensive income in respect of assets and financing (self). The expected credit losses and other provisions for jointly financed and investments, that were classified at fair value through unrestricted investment accounts holders’ equity will be charged through statements of income and comprehensive income (common pool).

The expected credit losses provisions are calculated on the following financial instruments:

- International wakala agencies
- Direct credit financing (self and joint).
- Al Qard Al Hasan (self)
- (Sukuk) within financial assets at amortized cost.
- (Sukuk) within financial assets at fair value through shareholders equity – self
- (Sukuk) within financial assets at fair value through quasi-equity – joint
- Off-balance sheet exposures subject to credit risk (self and joint).

No impairment loss is recognized in equity instruments.

The expected credit losses should be measured through an impairment provision equivalent of:

- The expected (12) -month credit losses, or, the expected life of the expected credit losses resulting from those default events on financial instruments that can be achieved within (12) months after the reporting date, referred to as stage one, or
- Expected life time credit loss, life of expected credit losses arising from all possible default events over the life the financial instrument referred to the stage two and stage three.

A provision for the expected credit loss over the life of a financial instrument is required if the credit risk on that instrument increases substantially since initial recognition.

For all other financial instruments, the ECL is measured at an amount equal to the expected credit loss for a period of (12) months.

The expected credit losses are a possible weighted estimate of the present value of the credit loss. This value is measured as the present value of the difference between the cash flows due to the Bank under the contract and the cash flows that the Group is expected to receive arising from the weighting of several future economic scenarios, discounted at the effective yield rate of the asset.

For unutilized limits, the expected credit losses are the difference between the present value of the difference between the contractual cash flows payable to the Bank, if the borrower withdraws the financing, and cash flows that the Group expects to receive, if the financing is utilized; and The Group measures the expected credit losses on an individual basis or on a collective basis for funding that shares the characteristics of similar economic risks. The measurement of the provision for loss is based on the present value of the expected cash flows of the asset using the original effective rate of return of the asset, irrespective of whether it is measured on an individual or collective basis.

Credit-impaired financial assets

The financial asset is considered to be "credit- impaired" when one or more events have an adverse effect on the estimated future cash flows of the financial asset. Credit-impaired financial assets are referred to as third stage assets. Evidence of credit impairment includes observable data on the following events:

- The debtor is facing significant financial difficulties (severe weakness in the financial statements).
- Non-compliance with contractual conditions, such as the existence of dues equal to or greater than (90) days.
- The bank amortized part of the debtor's obligations for reasons related to financial difficulties facing the debtor and his inability to pay the obligations in full on time.
- The existence of clear indicators indicating the imminent bankruptcy of the debtor.
- Lack of an active market for a financial instrument due to financial difficulties faced by the debtor (source of credit exposure/ non-cash debt instrument).

If a single event cannot be identified, instead, the combined effect of several events may cause the financial assets to turn into assets with a credit-impaired value. The Bank assesses whether there has been a decline in credit of financial instruments measured at amortized cost or fair value through comprehensive income at each reporting date. To assess whether there is credit impairment to corporate debt instruments. Furthermore, a combination of factors such as Sukuk proceeds, credit rating, and the borrower's ability to increase funding is considered.

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.

To determinate the impairment provision of financial assets, the Group's management requires to issue important judgments to estimate the amounts of future cash flows and their timing, in addition to estimating any substantial increase in the credit risk of financial assets after their initial recognition, taking into consideration future measurement information for expected credit losses.

Definition of default

The instructions of the Central Bank of Jordan are applied, where credit facilities are considered non-performing if their maturity or the maturity of one of their installments has passed for a period of time equal to or more than 90 days or there are clear indications indicating the possibility of default of credit facilities. The Bank's concept of default also includes the possibility of non-payment of Sukuk, Wakalat and international murabaha with banks and financial institutions.

The payment of due installments is followed up through the didicated departments within a general framework and approved policies for this purpose.

When assessing whether a customer is unlikely to pay his credit obligation, the group takes into account qualitative and quantitative indicators. Such information includes the type of asset, also the Bank uses various sources of information to assess defaults that are developed internally or obtained from external sources.

Significant increase in credit risk

The group monitors all financial assets, financial liabilities, and financial guarantee contracts that are subject to impairment requirements to assess whether there has been a significant increase in credit risk since initial recognition. If there is a significant increase in credit risk, the Bank will measure the allowance for loss on a life-long basis rather than the expected (12) month credit loss.

The group does not consider financial assets with "low" credit risk at the reporting date if they have not been exposed to a significant increase in credit risk. As a result, the bank monitors all financial assets and liabilities of financing issued and financial guarantees contracts that are subject to impairment for the significant increase in credit risk.

In assessing whether the credit risk on a financial instrument has increased substantially since initial recognition, the group compares the risk of default of the financial instrument at the reporting date based on the remaining maturity of the instrument with the risk of default for the remaining maturity period at the date of the current report when the financial instrument is recognized for the first time. In the assessment process, the Bank considers both quantitative and qualitative information that is reasonable and reliable, including historical experience and future information available at no cost or undue effort, based on the Group's historical experience and the assessment of the credit expert, including future information.

Multiple economic scenarios represent the basis for determining the probability of default on initial recognition and subsequent reporting dates. Various economic scenarios will result in a different probability of default. The weighting of the different scenarios is the basis of the weighted average probability of default that is used to determine whether the credit risk has increased significantly.

The qualitative factors that indicate a marked increase in credit risk are reflected in the probability of default models at the appropriate time. However, the Bank is still looking separately at some qualitative factors to assess whether the credit risk has increased significantly. With regard to corporate finance, there is a particular focus on the assets included in the "watch list" where exposure is included in the watch list when there are concerns about the deterioration of credit worthiness. With regard to individual financing, the Bank takes into account expectations of the non-payment periods and defaults, and signs of low credit.

Quantitative information is a key indicator of the significant increase in credit risk and is based on a change in the probability of default over a lifetime by comparing:

- The probability of remaining life-long defaults at the reporting date; and
- The probability of life-long defaults remaining at this point from the time estimated on the basis of facts and circumstances at initial recognition of exposure.

The group uses the same methodologies and data used to measure expected credit loss provisions.

Since the significant increase in credit risk since the initial recognition is a relative measure, a specific change, in absolute terms, in the probability of non-payment will be more important to a financial instrument with a lower initial non-payment probability compared to a financial instrument with a higher non-payment probability.

As a safety valve when an asset's maturity exceeds more than (30) days, the group considers that a significant increase in credit risk has occurred, and the asset is in the second stage of the impairment model, meaning that the loss provision is measured as a credit loss for life expectancy.

Presentation of provision for expected credit loss in the consolidated statement of financial position

The expected credit loss provisions are presented in the consolidated statement of financial position as follows:

For joint financial assets: as a deduction from the total value of the net assets.

Direct and indirect financing – Self: The provision for credit losses is recognized as a deduction from the balance of self-financing, and off-balance sheet items are presented in other liabilities.

Direct and indirect financing – Joint: The provision for credit losses is recognized as a deduction from the balance of joint financing, and off-balance sheet items are presented in other liabilities.

Write-off

Financial assets are derecognized when there is no reasonable expectation of recovery, such as a client's failure to participate in a payment plan with the Group. The group classifies funds or amounts due to be written off after all possible payment methods have been exhausted. However, if the financing or receivables are written off, the Group continues its enforcement activity to attempt to recover the receivable, which is recognized in the consolidated statement of income and other comprehensive income upon recovery.

Property and equipment

Property and equipment are stated at cost less accumulated depreciation and any impairment in value. Property and equipment (excluding lands) are depreciated when they are ready to be used on a straight-line basis over the estimated useful life using the following annual rates:

Item	Annual depreciation rate
Buildings	2%
Equipment, device and furniture	15%
Vehicles	15%
Computers	20%
Others	4% - 10%

Where the estimated recoverable amount of any property and equipment is less than its net carrying amount, the carrying amount of the asset and equipment is written down to its recoverable amount, and the amount of impairment is recognized in the consolidated statement of income and other comprehensive income.

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

Property and equipment are derecognized upon disposal or when no future benefits are expected to arise from its use or disposal.

Intangible assets

Intangible assets are classified on the basis of their estimated useful lives for a specified period or unspecified period. Intangible assets with a finite useful life are amortized over a period of up to four years, and the amortization is recognized in the consolidated statement of income and other comprehensive income. Intangible assets with an indefinite useful life are reviewed for impairment at the consolidated statement of financial position date, and any impairment loss is recognized in the consolidated statement of income and other comprehensive income.

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

Any indications of impairment of intangible assets are reviewed at the date of consolidated statement of financial position date.

The life of the asset is reviewed, and any adjustments are made in the subsequent periods.

The amortization rate for the group's intangible assets item is as follows:

Item	Annual depreciation rate
Computer's systems & Software	20%

Impairment in non-financial assets:

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

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

The recoverable amount is the fair value of the asset - less selling costs - or the value of its use, whichever is greater.

All impairment losses are recognized in the consolidated statement of Income and other comprehensive income.

Provisions

Provisions are recognized when the Bank has obligations as of the date of the consolidated statement of financial position arising from past events, and the payment of the liability is probable and can be reliably measured.

Income tax

Tax expenses represent amounts of accrued taxes and deferred taxes.

Due taxes are calculated based on taxable profits, which differ from those declared in the financial statements. In this regard, declared profits include non-taxable income or expenses not deductible in the fiscal year but deductible in subsequent years, deductible accumulated tax losses, or items not subject to tax or tax deductible.

The group deducts taxes and establishes a provision for income tax in accordance with Income Tax Law No. (34) of 2014 and IAS (12), which recognizes deferred taxes arising from time differences in the fair value reserve.

Deferred taxes are the taxes expected to be paid or recovered as a result of temporary timing differences between the value of the assets or liabilities in the consolidated financial statements and the amount on which the taxable profit is calculated. Deferred taxes are calculated using the method that complies with the consolidated statement of financial position, and they are calculated according to the tax rates expected to be applied when the tax liability is settled or deferred tax assets are realized. A rate of 38% was used to calculate deferred taxes for this year (35% tax rate, 3% national contribution rate), effective from 1 January 2019, to calculate deferred taxes in accordance with the Income Tax Law No. 38 of 2018. As such deferred taxes should be calculated according to the prescribed rate or expected rates for future years.

The balance of deferred tax assets is reviewed at the date of the consolidated financial statements, and is reduced in case that it is not probable that the tax asset will be fully or partially utilized.

Deposit guarantee

On April 1, 2019, a law amending the Deposit Insurance Corporation Law was issued, which included Islamic banks under the Deposit Insurance Corporation, noting that Islamic banks were not previously covered by the law, and the amended law stipulated that deposit accounts that fall within the bank's trust (credit accounts or the like, The part that does not participate in the profits from the joint investment accounts) entails fees for guaranteeing deposits and the bank bears from its own funds. As for the joint investment accounts, the owners of the joint investment accounts bear the participation fees for these accounts.

Offsetting

Financial assets are offseted against financial liabilities, and the net amount is recognized in the consolidated statement of financial position only when the legally binding rights are available and settled on an offsetting basis, or the asset is realized and the liability settled simultaneously.

Wakala Investment accounts

The accounts managed by the Bank are represented by Wakala within a specific program with the Central Bank of Jordan. Funds invested in the Wakala are shown off-side the consolidated statement of financial position, and the Bank's share of the Wakala (gains) is included in the consolidated statement of income and other comprehensive income.

Realization of revenues and recognition of expenses

Revenues and expenses are recognized on the accrual basis except for non-performing deferred sales revenue and financing which are recognized in the suspended revenue account.

Commission income and expenses

Commissions are recognized as income, when the related services are provided, in the consolidated statement of income and other comprehensive income. Commissions are charged in respect of banking services and financing services when they are met.

Net trading income

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

Dividend income

Dividend income is recognized when the right to receive payment is established, which is the earlier date of the earnings per share and is usually the date on which the shareholders approve the dividend for unquoted equity.

Dividend distribution in the consolidated statement of income and other comprehensive income depends on the classification and measurement of equity investment, i.e.:

º With respect to equity instruments held for trading, dividend income is recognized in the consolidated statement of income and other comprehensive income and comprehensive within item gain (loss) on financial assets at fair value through statement of income; and

º For equity instruments classified at fair value through shareholders' equity, equity is recognized in the consolidated statement of income and other comprehensive income under the Bank's self-financed revenue; and

º For equity instruments that are not classified at fair value through shareholders equity - self and not held for trading, equity gains are recognized in the consolidated statement of income and other comprehensive income and consolidated comprehensive income under other income - self; and

º With respect to equity instruments classified at fair value through the joint investment accounts holders' equity, the income from equity is included in the consolidated statement of income and other comprehensive income under profit from financial assets at fair value through unrestricted investment account holders' equity.

Cash and cash equivalents

Cash and cash balances maturing within three months, including: cash and balances with the Central Bank of Jordan, balances with banks and financial institutions, and deposits of banks and financial institutions with maturities of three months and restricted balances.

(3) Significant accounting estimates and key sources of estimation uncertainty

The preparation of the consolidated financial statements and the application of accounting policies require management to make estimates and judgments that affect the amounts of financial assets and liabilities and to disclose potential liabilities. These estimates and judgments also affect profit or loss, comprehensive income, equity and equity holders of joint investment accounts. In particular, the Bank's management is required to issue significant judgments to estimate the amounts and timing of future cash flows. These estimates are necessarily based on assumptions and multiple factors that have varying degrees of estimation and uncertainty and that the actual results may differ from the estimates as a result of changes resulting from the circumstances and circumstances of those estimates in the future.

Judgments, estimates, and assumptions are reviewed periodically. The effect of the change in estimates is recognized in the financial year in which the change occurs if the change affects only the financial year, and the effect of the change in estimates is recognized in the financial year in which the change occurs and in future periods In case the change affects the financial year and future financial periods.

We believe that our estimates in the consolidated financial statements are reasonable, and the estimates are summarized as follows:

Significant Judgments in applying the bank's accounting policies

Evaluation of business model

The classification and measurement of financial assets depends on the test results of the principal amount and profit payment on the principal outstanding and the business model test. The Group defines a business model at a level that reflects how the groups of financial assets are managed together to achieve a particular business objective. This assessment includes judgment that reflects all relevant evidence, including how to assess the performance of the asset, measure its performance and the risks that affect the performance of the asset and how it is managed, and how the asset managers are compensated. The Group monitors financial assets measured at amortized cost or fair value through income - equity or fair value through the rights of the holders of the joint investment that have been derecognized before maturity to understand the reasons for derecognition and whether the reasons are consistent with the objective of the business being retained. The control is part of the Group's continuous assessment of whether the business model under which the remaining financial assets are retained is appropriate, and whether it is inappropriate if there is a change in the business model and therefore a future change is made in the classification of those assets.

Significant increase in credit risk

The expected credit loss is measured as an allowance equivalent to the expected credit loss of (12) months for the assets of stage (1), or the credit loss over the life of the assets of the stage (2) and (3). The asset transferred to the stage (2) if credit risk increases significantly since initial recognition. FAS (30) issued by the Accounting and Auditing Organization for Financial and Islamic Institutions. does not specify what constitutes a significant increase in credit risk. In assessing whether the credit risk of any asset has increased significantly, the group takes into account reasonable and reliable quantitative and qualitative information. The estimates and uses by the Group's management of the significant change in credit risk that result in a change in classification within the three stages (1, 2 and 3) are explained in detail in Note (50).

Establishment of groups of assets with similar credit risk characteristics

When the expected credit losses are measured on a cumulative basis, the financial instruments are grouped on the basis of common risk characteristics (e.g. instrument type, credit risk, type of collateral, date of initial recognition, remaining period of maturity, industry, geographical location of the customer, etc.). The Group monitors the appropriateness of credit risk characteristics on an ongoing basis to assess whether they are still similar. This is required to ensure that, in the event of a change in the credit risk characteristics, the asset is properly reallocated. This may result in the creation of new portfolios or the transfer of assets to an existing portfolio that better reflects the credit risk characteristics of that group of assets.

Models and assumptions used

The Group uses various models and assumptions in measuring the fair value of financial assets as well as in assessing the expected credit loss described in note (50). The judgment is applied when determining the best models for each type of asset, as well as for the assumptions used in those models, which include assumptions regarding the main drivers of credit risk.

Extension and termination options in lease contracts

Extension and termination options are included in the number of leases, these conditions are used to increase operational flexibility in contract management. Most extension and termination options are exercisable by both the group and the lessor when determining the duration of a lease, management takes into consideration all facts and circumstances that create an economic incentive to exercise the option of extension or not to exercise the option of termination. Extension options (or periods following termination options) are only included in the term of the lease if the lease contract is reasonably confirmed to be extended (or not terminated). An assessment is reviewed if an important event or a significant change occurs in the circumstances affecting the valuation that are under the control of the lessee.

Key sources of estimation uncertainty

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

Impairment in value of seized assets by the bank against debt

Any impairment in value of the seized assets is recorded as a loss in the consolidated statement of income and other comprehensive income however, the increase in value is not recorded as revenue. Subsequent increase is recorded in the consolidated statement of income and other comprehensive income to the extent that it does not exceed the value of the decrease that has been previously recorded.

The useful lives of tangible assets and intangible assets

The management periodically recalculates the useful lives of tangible assets and intangible assets for the purpose of calculating annual depreciation and amortization based on the general condition of these assets and estimated future useful lives. Moreover, impairment losses are recognized in the consolidated statement of income and other comprehensive income for the year.

Income tax provision

The income tax expense is charged to its financial year according to the accounting regulations, laws and standards. Deferred tax assets, liabilities, and required tax provision are recognized and calculated.

Legal Provisions

A provision is taken to meet any potential legal obligations based on the legal study prepared by the Bank's legal counsel and by the Group's legal department, which identifies the risks that may arise in the future and reviews the study periodically.

Assets that are stated at cost

The management periodically reviews financial assets stated at cost to assess any impairment in their value, which is taken to the consolidated statement of income and other comprehensive income.

Provision for expected credit losses

Requires management to use significant judgments and estimates to estimate the amounts and timing of future cash flows and to estimate the risks of an increase in credit risk for financial assets after initial recognition and future measurement information for expected credit losses.

Provisions against assets financed by joint investment account holders (including provisions against sales receivables and joint financing) are charged to the profit of the joint investment pool.

Where provisions for expected credit losses were formed in accordance with FAS (30) in accordance with the instructions of the Central Bank of Jordan, whichever is stricter.

The probability of default

It is the possibility of irregular payment, where the probability of default is measured for the purposes of calculating the expected credit loss for each stage of the instructions for the implement of Financial Accounting Standard No. (30) issued by the Accounting and Auditing Organization for Islamic Financial Institutions (AAOIFI) based on historical data that reflects historical default rates in addition to stress testing scenarios related to macroeconomic indicators, where the bank has developed appropriate risk exposures, also the bank has reflected the global and local economic conditions on the probability of default (Macroeconomic Adjusted PD) to be as a basis in the process of calculating expected credit losses for the purpose of precaution and conservation.

Loss given default

LGD is the magnitude of the likely loss if there is a default, which is calculated through a statistical model that analyzes historical payments of debt at the level of each portfolio. Where the loss is measured by assuming default for the purposes of calculating the expected credit loss for each of the stages according to the instructions for the implement of Financial Accounting Standard No. (30) issued by the Accounting and Auditing Organization for Islamic Financial Institutions (AAOIFI) by calculating the recoverable value represented by the different guarantees (cars, real estate, cash insurance, land, machinery, equipment and vehicles) provided to the bank against the facilities granted and legally documented within the credit contracts through a conversion factor for each type of collateral, taking into account The timing of access to collateral and its conversion into cash (expected cash flow and timing).

The main economic variables used by the Bank in calculating the expected credit losses (ECL)

The main economic variables (macroeconomic variables) were included in the automated system for calculating the expected credit losses. The group adopts three scenarios, which are the base scenario, the optimistic scenario, and the pessimistic scenario, which were determined based on economic studies issued by the World Bank and international rating agencies. The weights of the scenarios used by the Bank are as follows:

Scenario	Weight as of 31 December 2024	Weight as of 31 December 2023
Baseline	50%	50%
Optimistic	10%	5%
Pessimistic	40%	45%

Fair value measurement and valuation procedures

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

Discount of lease payments

Lease payments are discounted using the bank’s average finance cost, where the administration has applied judgments and estimates to determine the average financing costs when the lease contract begins.

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

The details of this item are as follows:

	31 December	
	2024	2023
	JD	JD
Cash on hand	34,126,657	27,298,492
Balances at the Central Bank of Jordan		
Current accounts	99,935,812	133,591,073
Statutory cash reserve	110,478,554	95,060,089
Total balances at the Central Bank of Jordan	**210,414,366**	**228,651,162**
Total	**244,541,023**	**255,949,654**

- Except for the statutory cash reserve, there are no other restricted cash balances at the Central Bank of Jordan as at 31 December 2024 and 31 December 2023.
- Provision for expected credit losses has not been calculated on the balances at the Central Bank of Jordan , as they are exposures to the Jordanian government.

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

	Stage 1 (individual)	Stage 1 (individual)
	for the year ended 31 December 2024	for the year ended 31 December 2023
	JD	JD
Balance at the beginning of the year	**228,651,162**	**178,217,660**
New balances during the year	12,210,985	50,433,502
Repaid balances	(30,447,781)	-
Balance at the end of the year	**210,414,366**	**228,651,162**

(5) BALANCES AT BANKS AND FINANCIAL INSTITUTIONS

The details of this item are as follows:

	Local banks and financial institutions		Foreign banks and financial institutions		Total	
	31 December		31 December		31 December	
	2024	2023	2024	2023	2024	2023
	JD	JD	JD	JD	JD	JD
Current and on -Demand accounts	1,130,382	1,261,566	15,710,726	25,251,757	16,841,108	26,513,323
Total	**1,130,382**	**1,261,566**	**15,710,726**	**25,251,757**	**16,841,108**	**26,513,323**

- There are no balances at banks and financial institutions on which the bank receives returns as at 31 December 2024 and 31 December 2023.
- There are no balances with banks and banking institutions for which the bank charges returns as on 31 December 2024 and as on 31 December 2023.
- All balances have current accounts that use the bank's operations, and there is no need for calculating financial provisions for them according to Islamic Financial Accounting Standard No. (30).

The movement on balances at banks and banking institutions is as follows:-

	Stage 1 (individual)	Stage 1 (individual)
	For the year ended 31 December 2024	For the year ended 31 December 2023
	JD	JD
Balance at the beginning of the year	**26,513,323**	**13,551,162**
New balances during the year	884,057	15,855,816
Settled balances	(159,731)	(2,893,655)
Changes resulting from modifications	(10,396,541)	-
Balance at the end of the year	**16,841,108**	**26,513,323**

(6) INTERNATIONAL WAKALA INVESTMENTS - NET

The details of this item according to the maturity of investments are as follows:

	Joint	
	31 December	
	2024	2023
	JD	JD
Matures:		
Within a month	150,468,333	40,072,224
From a month to three months	49,324,175	37,042,980
From three to six months	17,725,000	8,089,578
Total International Wakala Investments	**217,517,508**	**85,204,782**
Less provision for: Expected credit losses for international wakala investment	(372,752)	(73,463)
Net International Wakala Investments	**217,144,756**	**85,131,319**

The movement on the gross International Wakala Investments was as follows:

Item	For the year ended 31 December 2024				For the year ended 31 December 2023
	Stage 1 (Individual)	Stage 2 (Individual)	Stage 3	Total	Total
	JD	JD	JD	JD	JD
Total balance at the beginning of the year	**85,204,782**	**-**	**-**	**85,204,782**	**63,421,845**
New balances and deposits during the year	217,517,508	-	-	217,517,508	85,204,782
Settled balances and deposits	(85,204,782)	-	-	(85,204,782)	(63,421,845)
Total balance at the end of the year	**217,517,508**	**-**	**-**	**217,517,508**	**85,204,782**

- There are no transfers between the stages (First , second and third) or written off balances .

The movement on the provision for expected credit losses for International Wakala Investments was as follows:

Item	For the year ended 31 December 2024				For the year ended 31 December 2023
	Stage 1 (Individual)	Stage 2 (Individual)	Stage 3	Total	Total
	JD	JD	JD	JD	JD
Total balance at the beginning of the year	**73,463**	**-**	**-**	**73,463**	**280,449**
Impairment loss of new balances during the year	372,752	-	-	372,752	73,463
Recoverable from impairment loss on repaid balance and deposits	(73,463)	-	-	(73,463)	(280,449)
Total balance at the end of the year	**372,752**	**-**	**-**	**372,752**	**73,463**

(7) DEFERRED SALES RECEIVABLES AND OTHER RECEIVABLES - NET

The details of this item are as follows:

	Joint		Self		Total	
	31 December		31 December		31 December	
	2024	2023	2024	2023	2024	2023
	JD	JD	JD	JD	JD	JD
Individuals (retail)						
Murabaha to the purchase orderer	526,346,249	468,912,266	2,224,346	1,837,634	528,570,595	470,749,900
Ijara Muntahia Bittamleek - receivables	3,510,405	2,333,538	-	-	3,510,405	2,333,538
Other receivables	11,092,616	8,443,484	20,391	20,391	11,113,007	8,463,875
Real estate financing	18,028,346	18,763,701	-	-	18,028,346	18,763,701
Ijara Muntahia Bittamleek - receivables	2,690,281	2,655,792	-	-	2,690,281	2,655,792
Corporate						
International Murabaha	28,838,192	2,238,029	-	-	28,838,192	2,238,029
Murabaha to the purchase orderer	514,081,207	431,091,493	-	-	514,081,207	431,091,493
Ijara Muntahia Bittamleek - receivables	1,010,419	666,410	-	-	1,010,419	666,410
Other receivables	-	-	58,147	112,202	58,147	112,202
Small and medium enterprises						
Murabaha to the purchase orderer	77,556,590	62,336,934	-	-	77,556,590	62,336,934
Ijara Muntahia Bittamleek - receivables	-	23,519	-	-	-	23,519
Other receivables	-	-	217,191	389,168	217,191	389,168
Government and the public sector	677,660,096	531,023,519	-	-	677,660,096	531,023,519
Total	**1,860,814,401**	**1,528,488,685**	**2,520,075**	**2,359,395**	**1,863,334,476**	**1,530,848,080**
Less: Deferred revenue	216,910,367	179,999,187	346,968	285,008	217,257,335	180,284,195
Suspended revenue	4,026,112	2,330,284	7,112	7,112	4,033,224	2,337,396
provision for Expected credit losses	92,583,143	60,823,719	32,353	32,255	92,615,496	60,855,974
Net deferred sales receivable and other receivables	**1,547,294,779**	**1,285,335,495**	**2,133,642**	**2,035,020**	**1,549,428,421**	**1,287,370,515**

- The non- performing deferred sales receivables , other receivables , facilities, Ijara Muntahia Bittamleek receivables and Qard Al-Hasan amounted to JD 75,554,035 as at 31 December 2024, representing 4.03% of deferred sales receivables, other receivables, facilities, Ijara Muntahia Bittamleek receivables and Qard Al-Hasan(JD 45,306,142 as at 31 December 2023, representing 2.89% of deferred sales receivables, other receivables, facilities, Ijara Muntahia Bittamleek receivables and Qard Al-Hasan).

- The non- performing deferred sales receivables , Ijara Muntahia Bittamleek receivables, other receivables , facilities and Qard Al-Hasan after deducting suspended revenue amounted to JD 71,520,811 as at 31 December 2024, representing 3.82% of deferred sales receivables, Ijara Muntahia Bittamleek receivables , other receivables, facilities and Qard Al-Hasan after deducting suspended revenue amounted (JD 42,968,746 as at 31 December 2023, representing 2.75% of deferred sales receivables, Ijara Muntahia Bittamleek receivables, other receivables, facilities and Qard Al-Hasan).

- There are no non-performing debts converted to items outside the consolidated statement of financial position during the year ended 31 December 2024 compared to JD 12,114,982 as at 31 December 2023, noting that these debts are fully covered by provisions and outstanding profits.

- The provision for impairment of the jointly financed facilities , which is calculated based on the Central Bank of Jordan's Instructions No.(47/2009) in the (under supervision) portfolio amounted to JD 1,974,365. Moreover, the provision calculated based on the individual customer (non-performing) amounted to JD 49,947,865 as at 31 December 2024 (JD 1,773,195 and JD 30,015,210 respectively as at 31 December 2023).

- The deferred sales receivables and other receivables and facilities granted to and guaranteed by the Government of the Hashemite Kingdom of Jordan amounted to JD 591,846,287 as at 31 December 2024 representing 31.54% of the balance of deferred sales receivables , other receivables and facilities (JD 433,652,661 as at 31 December 2023, representing 27.69% of the balance of deferred sales receivables , other receivables and facilities).

- **The movement on credit facilities (after deducting suspended and deferred revenue) was as follows :**

A- Self (Deferred sales receivables , other receivable and Qard hasan)

Item	31 December 2024						31 December 2023
	Stage 1		Stage 2		Stage 3	Total	Total
	individual	Collective	individual	Collective			
	JD	JD	JD	JD	JD	JD	JD
Total balance at the beginning of the year	**32,284,007**	**1,716,023**	**2,133,784**	**149,130**	**1,041,219**	**37,324,163**	**9,618,451**
New facilities during the year	8,174,454	1,721,352	1,799,351	34,838	602,600	12,332,595	35,032,653
Settled Facilities	(31,772,582)	(404,296)	(2,025,026)	(91,319)	(9,159)	(34,302,382)	(6,700,005)
Transfer to Stage 1	-	133	-	(133)	-	-	-
Transfer to Stage 2	(472)	(14,567)	472	32,451	(17,884)	-	-
Transfer to Stage 3	-	(11,966)	(472)	(22,810)	35,248	-	-
The total impact on the size of exposures as a result of changing the classification between stages	-	-	202	(13,243)	(21,605)	(34,646)	(24,286)
Changes resulting from modifications	(9)	(294,566)	(47,731)	(29,313)	100,022	(271,597)	(558,025)
Facilities transferred to off consolidated financial position items or bad debts	-	-	-	-	-	-	(44,625)
Total balance at the end of the year	**8,685,398**	**2,712,113**	**1,860,580**	**59,601**	**1,730,441**	**15,048,133**	**37,324,163**

The movement on provision for expected credit losses on credit faciliries / self financed :

Item	31 December 2024						31 December 2023
	Corporate	Small and medium enterprises	Retail (individual)	Real estate financing	Government and the public sector	Total	Total
	JD	JD	JD	JD	JD	JD	JD
Total balance at the beginning of the year	**533,253**	**144,574**	**230,577**	**-**	**-**	**908,404**	**522,051**
Impairment loss on new facilities during the year	193,662	380,571	107,563	-	-	681,796	572,380
Recovered from impairment loss on repaid facilities	(215,092)	(1,739)	(6,495)	-	-	(223,326)	(250,162)
Transfer to Stage 1	(8)	(70)	(2)	-	-	(80)	(47)
Transfer to Stage 2	(6)	17,883	(173)	-	-	17,704	256
Transfer to Stage 3	14	(17,813)	175	-	-	(17,624)	(209)
Effect on the provision - as at the end of the year - as a result of the change in classification between the three stages during the year	1,016	(10,430)	4,917	-	-	(4,497)	8,388
Changes resulting from modifications	54,300	48,498	5,949	-	-	108,747	100,372
Facilities transferred to off consolidated financial position items or bad debts	-	-	-	-	-	-	(44,625)
Total balance at the end of the year	**567,139**	**561,474**	**342,511**	**-**	**-**	**1,471,124**	**908,404**
Redistribution:							
Provisions on an individual basis	567,139	560,161	330,372	-	-	1,457,672	900,011
Provisions on a collective basis	-	1,313	12,139	-	-	13,452	8,393

The movement on credit facilities (after deducting suspended and deferred revenue) was as follows :

B- Joint

Item	31 December 2024						31 December 2023
	Stage 1		Stage 2		Stage 3	Total	Total
	individual	Collective	individual	Collective			
	JD	JD	JD	JD	JD	JD	JD
Total balance at the beginning of the year	**792,117,590**	**391,835,502**	**73,137,097**	**47,849,424**	**41,219,601**	**1,346,159,214**	**1,371,067,546**
New facilities during the year	343,799,146	164,845,533	10,099,791	2,825,511	677,838	522,247,819	250,087,875
Settled facilities	(54,562,370)	(37,370,474)	(6,116,140)	(4,586,609)	(612,685)	(103,248,278)	(103,769,493)
Transfer to Stage 1	20,773,054	12,828,437	(20,773,054)	(12,825,902)	(2,535)	-	-
Transfer to Stage 2	(31,861,284)	(25,821,277)	31,861,284	27,449,348	(1,628,071)	-	-
Transfer to Stage 3	(150,687)	(2,180,041)	(17,394,507)	(5,583,407)	25,308,642	-	-
The total impact on the size of exposures as a result of changing the classification between stages	(3,076,759)	(1,285,488)	(545,078)	(2,661,259)	145,678	(7,422,906)	622,206
Changes resulting from modifications	(57,587,854)	(52,535,669)	(4,058,281)	(4,211,178)	535,055	(117,857,927)	(160,713,065)
Facilities transferred to off consolidated financial position items or bad debts	-	-	-	-	-	-	(11,135,855)
Total balance at the end of the year	**1,009,450,836**	**450,316,523**	**66,211,112**	**48,255,928**	**65,643,523**	**1,639,877,922**	**1,346,159,214**

The movement on provision for expected credit losses on credit facilities - jointly financed :

Item	For the year ended at 31 December 2024						For the year ended 31 December 2023
	Corporate	Small and medium enterprises	Retail (individual)	Real estate financing	Government and the public sector	Total	Total
	JD	JD	JD	JD	JD	JD	JD
Total Balance at the beginning of the year	**31,589,864**	**3,147,430**	**20,594,586**	**5,491,839**	**-**	**60,823,719**	**56,409,431**
Impairment loss on new facilities during the year	2,094,315	56,262	1,006,391	2,683,352	-	5,840,320	2,577,852
Recoverable from impairment loss on settled facilities	(1,378,125)	(627,863)	(748,132)	(1,500,347)	-	(4,254,467)	(3,282,224)
Transfer to Stage 1	2,108,682	168,218	343,167	(717)	-	2,619,350	22,685
Transfer to Stage 2	(6,192,007)	(86,431)	(143,753)	(204,627)	-	(6,626,818)	2,930,935
Transfer to Stage 3	4,083,325	(81,787)	(199,414)	205,344	-	4,007,468	2,908,250
Effect on the provision as at the end of the period as a result of the change in classification between the three stages during the year	4,632,053	(94,269)	5,750,054	1,138,005	-	11,425,843	3,164,406
Changes resulting from modifications	5,849,843	1,490,179	8,533,249	2,874,457	-	18,747,728	13,090,109
Facilities transferred to off consolidated financial position items or bad debts	-	-	-	-	-	-	(11,135,855)
Total balance at the end of the year	**42,787,950**	**3,971,739**	**35,136,148**	**10,687,306**	**-**	**92,583,143**	**60,823,719**
Redistribution:							
Provisions on an individual basis	42,787,950	3,253,884	-	10,673,469	-	56,715,303	39,702,815
Provisions at a collective basis	-	717,855	35,136,148	13,837	-	35,867,840	21,120,904

Suspended revenue :

The movement on suspended revenue is as follows:

	For the year ended 31 December 2024				For the year ended 31 December 2023			
	Retail (individual)	Corporate	Small and medium enterprises	Total	Retail (individual)	Corporate	Small and medium enterprises	Total
	JD	JD	JD	JD	JD	JD	JD	JD
Balance at the beginning of the year (Self)	**-**	**7,112**	**-**	**7,112**	**-**	**7,112**	**-**	**7,112**
Add: suspended revenue during the year	-	-	-	-	-	-	-	-
Less: suspended revenue transferred to revenue	-	-	-	-	-	-	-	-
Balance at the end of the year (Self)	**-**	**7,112**	**-**	**7,112**	**-**	**7,112**	**-**	**7,112**
Balance at the beginning of the year (Joint)	**1,380,940**	**699,135**	**250,209**	**2,330,284**	**1,225,804**	**1,363,282**	**134,325**	**2,723,411**
Add: suspended revenue during the year	955,149	1,006,928	131,140	2,093,217	542,805	400,232	131,194	1,074,231
Less: suspended revenue transferred to revenue	350,073	2,764	44,552	397,389	299,081	218,465	15,310	532,856
Less: settled revenue transferred to off consolidated financial position items or bad debts	-	-	-	-	88,588	845,914	-	934,502
Balance at the end of the year (Joint)	**1,986,016**	**1,703,299**	**336,797**	**4,026,112**	**1,380,940**	**699,135**	**250,209**	**2,330,284**

1) Impairment loss on Credit financing - corporates:

(A) Self (Deferred sales receivables and other receivables and ALQard Hassan)

-The distribution of total finances according to the Bank's internal credit rating categories (After deducting deferred and suspended revenue):

Item	31 December 2024				31 December 2023
	Stage 1 (individual)	Stage 2 (individual)	Stage 3	Total	Total
	JD	JD	JD	JD	JD
Almost risk free	-	-	-	-	13,790
Low risk	6,101,608	281	-	6,101,889	29,841,401
Normal risk	801,332	605,107	-	1,406,439	898,639
Acceptable risk	1,272,471	-	-	1,272,471	2,995,493
Acceptable with due care	327	1,150,398	-	1,150,725	87,892
Watch list	-	-	-	-	30,858
Substandard	-	-	1,277	1,277	-
Doubtful	-	-	277	277	-
Loss	-	-	327,147	327,147	320,684
Unrated	-	104,794	484,804	589,598	355,310
Total	**8,175,738**	**1,860,580**	**813,505**	**10,849,823**	**34,544,067**

The movement of facilities:-

Item	31 December 2024				31 December 2023
	Stage 1 (individual)	Stage 2 (individual)	Stage 3	Total	Total
	JD	JD	JD	JD	JD
Total balance at the beginning of the year	**31,774,347**	**2,133,784**	**635,936**	**34,544,067**	**6,759,266**
New facilities during the year	8,174,454	1,799,351	120,781	10,094,586	34,021,519
Settled facilities	(31,772,582)	(2,025,026)	-	(33,797,608)	(5,948,519)
Transfer to Stage 1	-	-	-	-	-
Transfer to Stage 2	(472)	472	-	-	-
Transfer to Stage 3	-	(472)	472	-	-
The total impact on the size of exposures as a result of changing the classification between stages	-	202	555	757	351
Changes resulting from modifications	(9)	(47,731)	55,761	8,021	(287,550)
Facilities transferred to off consolidated financial position items or bad debts	-	-	-	-	(1,000)
Total balance at the end of the year	**8,175,738**	**1,860,580**	**813,505**	**10,849,823**	**34,544,067**

- The movement on provision for expected credit losses on credit facilities:

Item	For the year ended 31 December 2024				For the year ended 31 December 2023
	Stage 1 (individual)	Stage 2 (individual)	Stage 3	Total	Total
	JD	JD	JD	JD	JD
Total balance at the beginning of the year	**198,143**	**18,744**	**316,366**	**533,253**	**261,035**
Impairment loss on new financing during the year	55,663	17,218	120,781	193,662	516,461
Recoverable from the loss of impairment on reimbursements	(198,130)	(16,962)	-	(215,092)	(241,375)
Transfer to Stage 1	-	-	-	-	-
Transfer to Stage 2	(8)	8	-	-	-
Transfer to Stage 3	-	(14)	14	-	-
The total impact on the size of exposures as a result of changing the classification between stages	-	3	1,013	1,016	381
Changes resulting from modifications	-	(1,462)	55,762	54,300	(2,249)
Facilities transferred to off consolidated financial position items or bad debts	-	-	-	-	(1,000)
Total balance at the end of the year	**55,668**	**17,535**	**493,936**	**567,139**	**533,253**

B-Joint

-The distribution of total finances according to the Bank's internal credit rating categories (After deducting deferred and suspensed revenue):

Item	31 December 2024				31 December 2023
	Stage 1 (individual)	Stage 2 (individual)	Stage 3	Total	Total
	JD	JD	JD	JD	JD
Insignificant risk	2,573,579	-	-	2,573,579	3,579,075
Almost risk free	22,649,203	-	-	22,649,203	9,531,323
Low risk	33,098,001	-	-	33,098,001	6,432,799
Normal risk	94,637,917	4,938,890	-	99,576,807	62,642,713
Acceptable risk	198,783,708	13,718,625	-	212,502,333	233,384,634
Acceptable with due care	31,313,375	29,181,438	-	60,494,813	50,510,352
Watch list	-	7,351,828	-	7,351,828	13,633,607
Substandard	-	-	2,454,441	2,454,441	11,969,107
Doubtful	-	-	2,887,099	2,887,099	-
Loss	-	-	36,003,394	36,003,394	11,796,344
Unrated	30,665,392	367,589	-	31,032,981	2,546,096
Total	**413,721,175**	**55,558,370**	**41,344,934**	**510,624,479**	**406,026,050**

-The movement on Facilities:

Item	31 December 2024				31 December 2023
	Stage 1 (individual)	Stage 2 (individual)	Stage 3	Total	Total
	JD	JD	JD	JD	JD
Total balance at the beginning of the year	**319,499,970**	**62,757,129**	**23,768,951**	**406,026,050**	**491,966,433**
New facilities during the year	158,238,731	6,740,227	-	164,978,958	54,790,998
settled facilities	(49,822,360)	(5,619,124)	(95,137)	(55,536,621)	(64,497,716)
Transfer to Stage 1	20,735,274	(20,735,274)	-	-	-
Transfer to Stage 2	(31,757,093)	31,757,093	-	-	-
Transfer to Stage 3	(69,265)	(17,056,277)	17,125,542	-	-
The total impact on the size of exposures as a result of changing the classification between stages	(3,355,294)	(470,359)	246,686	(3,578,967)	3,517,378
Changes resulting from modifications	251,212	(1,815,045)	298,892	(1,264,941)	(68,880,144)
Facilities transferred to off consolidated financial position items or bad debts	-	-	-	-	(10,870,899)
Total balance at the end of the year	**413,721,175**	**55,558,370**	**41,344,934**	**510,624,479**	**406,026,050**

- The movement on provision for expected credit losses on credit facilities:

Item	For the year ended 31 December 2024				For the year ended 31 December 2023
	Stage 1 (individual)	Stage 2 (individual)	Stage 3	Total	Total
	JD	JD	JD	JD	JD
Total balance at the beginning of the year	**2,038,754**	**14,401,186**	**15,149,924**	**31,589,864**	**38,857,647**
Impairment loss on new financing during the year	558,049	1,536,266	-	2,094,315	1,246,889
Recoverable from the loss of impairment on reimbursements	(301,483)	(931,672)	(144,970)	(1,378,125)	(2,892,956)
Transfer to Stage 1	2,402,751	(2,402,751)	-	-	-
Transfer to Stage 2	(293,444)	293,444	-	-	-
Transfer to Stage 3	(625)	(4,082,700)	4,083,325	-	-
Effect on the provision - as at the end of the year - as a result of the change in classification between the three stages during the year	(2,244,072)	2,306,537	4,569,588	4,632,053	(723,092)
Changes resulting from modifications	91,088	3,001,594	2,757,161	5,849,843	5,972,275
Facilities transferred to off consolidated financial position items or bad debts	-	-	-	-	(10,870,899)
Total balance at the end of the year	**2,251,018**	**14,121,904**	**26,415,028**	**42,787,950**	**31,589,864**

2) Impairment Loss on Credit Financing - Small and Medium Enterprises:

A-Self

-The distribution of total finances according to the Bank's internal credit rating categories (After deducting deferred and suspended revenue) :

Item	31 December 2024						31 December 2023
	Stage 1		Stage 2		Stage 3	Total	Total
	(individual)	(Collective)	(individual)	(Collective)			
	JD	JD	JD	JD	JD	JD	JD
Not rated	-	304,811	-	28,869	583,233	916,913	442,841
Total	**-**	**304,811**	**-**	**28,869**	**583,233**	**916,913**	**442,841**

-The movement on Facilities

Item	31 December 2024						31 December 2023
	Stage 1		Stage 2		Stage 3	Total	Total
	(individual)	(Collective)	(individual)	(Collective)			
	JD	JD	JD	JD	JD	JD	JD
Total balance at the beginning of the year	**-**	**124,461**	**-**	**135,427**	**182,953**	**442,841**	**715,162**
New facilities during the year	-	247,557	-	4,121	379,260	630,938	59,438
Settled facilities	-	(13,531)	-	(81,116)	(5,108)	(99,755)	(195,866)
Transfer to Stage 1	-	133	-	(133)	-	-	-
Transfer to Stage 2	-	(14,562)	-	32,446	(17,884)	-	-
Transfer to Stage 3	-	(11,797)	-	(19,321)	31,118	-	-
The total impact on the size of exposures as a result of changing the classification between stages	-	-	-	(13,247)	(23,593)	(36,840)	(25,056)
Changes resulting from modifications	-	(27,450)	-	(29,308)	36,487	(20,271)	(67,212)
Facilities transferred to off consolidated financial position items or bad debts	-	-	-	-	-	-	(43,625)
Total balance at the end of the year	**-**	**304,811**	**-**	**28,869**	**583,233**	**916,913**	**442,841**

- The movement on provision for expected credit losses on credit facilities:

Item	For the year ended 31 December 2024						For the year ended 31 December 2023
	Stage 1		Stage 2		Stage 3	Total	Total
	(individual)	(Collective)	(individual)	(Collective)			
	JD	JD	JD	JD	JD	JD	JD
Total balance at the beginning of the year	**-**	**133**	**-**	**-**	**144,441**	**144,574**	**66,344**
Impairment loss on new financing during the year	-	1,187	-	124	379,260	380,571	19,903
Recoverable from the loss of impairment on reimbursements	-	(60)	-	-	(1,679)	(1,739)	(1,480)
Transfer to Stage 1	-	-	-	-	-	-	-
Transfer to Stage 2	-	-	-	17,884	(17,884)	-	-
Transfer to Stage 3	-	(70)	-	(1)	71	-	-
Effect on the provision - as at the end of the year - as a result of the change in classification between the three stages during the year	-	-	-	(17,884)	7,454	(10,430)	893
Changes resulting from modifications	-	-	-	-	48,498	48,498	102,539
Facilities transferred to off consolidated financial position items or bad debts		-	-	-	-	-	(43,625)
Total balance at the end of the year	**-**	**1,190**	**-**	**123**	**560,161**	**561,474**	**144,574**

B-Joint

-The distribution of total finances according to the Bank's internal credit rating categories (After deducting deferred and suspended revenue) :

Item	31 December 2024						31 December 2023
	Stage 1		Stage 2		Stage 3	Total	Total
	(individual)	(Collective)	(individual)	(Collective)			
	JD	JD	JD	JD	JD	JD	JD
unrated	-	58,802,832	-	10,823,467	4,245,893	73,872,192	59,540,078
Total	**-**	**58,802,832**	**-**	**10,823,467**	**4,245,893**	**73,872,192**	**59,540,078**

-The movement on facilities:

Item	31 December 2024						31 December 2023
	Stage 1		Stage 2		Stage 3	Stage 3	Total
	(individual)	(Collective)	(individual)	(Collective)			
	JD	JD	JD	JD	JD	JD	JD
Balance at the beginning of the year	**-**	**39,434,115**	**-**	**15,847,526**	**4,258,437**	**59,540,078**	**50,846,935**
New facilities during the year	-	17,879,603	-	897,511	104,148	18,881,262	16,199,728
settled facilities	-	(4,485,806)	-	(2,017,787)	(139,789)	(6,643,382)	(10,059,887)
Transfer to Stage 1	-	7,893,358	-	(7,893,358)	-	-	-
Transfer to Stage 2	-	(4,182,850)	-	4,477,448	(294,598)	-	-
Transfer to Stage 3	-	(231,455)	-	(260,820)	492,275	-	-
The total impact on the size of exposures as a result of changing the classification between stages	-	(212,751)	-	506,356	(159,601)	134,004	1,171,109
Changes resulting from modifications	-	2,708,618	-	(733,409)	(14,979)	1,960,230	1,382,193
Total balance at the end of the year	**-**	**58,802,832**	**-**	**10,823,467**	**4,245,893**	**73,872,192**	**59,540,078**

- The movement on provision for expected credit losses on credit facilities:

Item	For the year ended 31 December 2024						For the year ended 31 December 2023
	Stage 1		Stage 2		Stage 3	Total	Total
	(individual)	(Collective)	(individual)	(Collective)			
	JD	JD	JD	JD	JD	JD	JD
Total balance at the beginning of the year	**-**	**106,802**	**-**	**413,664**	**2,626,964**	**3,147,430**	**2,057,211**
Impairment loss on new financing during the year	-	26,383	-	21,374	8,505	56,262	53,521
Recoverable from the loss of impairment on reimbursements	-	(6,455)	-	(169,839)	(451,569)	(627,863)	(26,008)
Transfer to Stage 1	-	179,931	-	(179,931)	-	-	-
Transfer to Stage 2	-	(9,485)	-	97,226	(87,741)	-	-
Transfer to Stage 3	-	(2,228)	-	(3,726)	5,954	-	-
Effect on the provision - as at the end of the year - as a result of the change in classification between the three stages during the year	-	(157,064)	-	1,687	61,108	(94,269)	39,969
Changes resulting from modifications	-	34,541	-	364,975	1,090,663	1,490,179	1,022,737
Total balance at the end of the year	**-**	**172,425**	**-**	**545,430**	**3,253,884**	**3,971,739**	**3,147,430**

3) Impairment loss on credit facilities - Individual portfolio (retail):

A-Self

- The distribution of total finances according to the Bank's internal credit rating categories (After deducting deferred and suspended revenue)

Item	31 December 2024				31 December 2023
	Stage 1 (collective)	Stage 2 (collective)	Stage 3	Total	Total
	JD	JD	JD	JD	JD
Unrated	2,407,302	30,732	333,703	2,771,737	1,827,595
Total	**2,407,302**	**30,732**	**333,703**	**2,771,737**	**1,827,595**

-The movement on facilities:

Item	31 December 2024				31 December 2023
	Stage 1 (collective)	Stage 2 (collective)	Stage 3	Total	Total
	JD	JD	JD	JD	JD
Total balance at the beginning of the year	**1,591,562**	**13,703**	**222,330**	**1,827,595**	**1,634,363**
New facilities during the year	1,473,795	30,717	102,559	1,607,071	951,696
Settled facilities	(390,765)	(10,203)	(4,051)	(405,019)	(555,620)
Transfer to Stage 1	-	-	-	-	-
Transfer to Stage 2	(5)	5	-	-	-
Transfer to Stage 3	(169)	(3,489)	3,658	-	-
The total impact on the size of exposures as a result of changing the classification between stages	-	4	1,433	1,437	419
Changes resulting from modifications	(267,116)	(5)	7,774	(259,347)	(203,263)
Total balance at the end of the year	**2,407,302**	**30,732**	**333,703**	**2,771,737**	**1,827,595**

- The movement on provision for expected credit losses on credit facilities:

Item	For the year ended 31 December 2024				For the year ended 31 December 2023
	Stage 1 (collective)	Stage 2 (collective)	Stage 3	Total	Total
	JD	JD	JD	JD	JD
Total balance at the beginning of the year	**7,405**	**855**	**222,317**	**230,577**	**194,672**
Impairment loss on new financing during the year	7,291	1,029	99,243	107,563	36,016
Recoverable from the loss of impairment on reimbursements	(1,765)	(679)	(4,051)	(6,495)	(7,307)
Transfer to Stage 1	-	-	-	-	-
Transfer to Stage 2	-	-	-	-	-
Transfer to Stage 3	(2)	(173)	175	-	-
Effect on the provision - as at the end of the year - as a result of the change in classification between the three stages during the year	-	-	4,917	4,917	7,114
Changes resulting from modifications	(1,822)	-	7,771	5,949	82
Total balance at the end of the year	**11,107**	**1,032**	**330,372**	**342,511**	**230,577**

B-Joint

- The distribution of total finances according to the Bank's internal credit rating categories (After deducting deferred and suspensed revenue) :

Item	31 December 2024				31 December 2023
	Stage 1 (collective)	Stage 2 (collective)	Stage 3	Total	Total
	JD	JD	JD	JD	JD
Unrated	388,022,131	36,675,051	18,810,962	443,508,144	392,633,707
Total	**388,022,131**	**36,675,051**	**18,810,962**	**443,508,144**	**392,633,707**

-The movement on facilities:

Item	31 December 2024				31 December 2023
	Stage 1 (collective)	Stage 2 (collective)	Stage 3	Total	Total
	JD	JD	JD	JD	JD
Total balance at the beginning of the year	**348,303,301**	**31,386,516**	**12,943,890**	**392,633,707**	**355,772,450**
New facilities during the year	145,909,938	1,925,784	302,311	148,138,033	123,108,111
settled facilities	(32,567,962)	(2,527,950)	(375,099)	(35,471,011)	(28,139,905)
Transfer to Stage 1	4,925,589	(4,923,054)	(2,535)	-	-
Transfer to Stage 2	(21,423,903)	22,757,376	(1,333,473)	-	-
Transfer to Stage 3	(1,948,586)	(5,312,166)	7,260,752	-	-
The total impact on the size of exposures as a result of changing the classification between stages	(1,082,375)	(3,213,577)	(131,276)	(4,427,228)	(3,949,092)
Changes resulting from modifications	(54,093,871)	(3,417,878)	146,392	(57,365,357)	(53,892,901)
facilities transferred to off consolidated financial position items or bad debts	-	-	-	-	(264,956)
Total balance at the end of the year	**388,022,131**	**36,675,051**	**18,810,962**	**443,508,144**	**392,633,707**

- The movement on provision for expected credit losses on credit facilities:

Item	For the year ended 31 December 2024				For the year ended 31 December 2023
	Stage 1 (collective)	Stage 2 (collective)	Stage 3	Total	Total
	JD	JD	JD	JD	JD
Total Balance at the beginning of the year	**5,985,405**	**3,045,183**	**11,563,998**	**20,594,586**	**12,187,031**
Impairment loss on new financing during the year	588,689	231,712	185,990	1,006,391	1,046,596
Recoverable from the loss of impairment on reimbursements	(161,835)	(124,793)	(461,504)	(748,132)	(265,343)
Transfer to Stage 1	469,048	(467,780)	(1,268)	-	-
Transfer to Stage 2	(109,198)	1,062,592	(953,394)	-	-
Transfer to Stage 3	(16,683)	(738,565)	755,248	-	-
Effect on the provision - as at the end of the year - as a result of the change in classification between the three stages during the year	(447,870)	964,320	5,233,604	5,750,054	3,931,121
Changes resulting from modifications	7,630,265	(680,235)	1,583,219	8,533,249	3,960,137
Facilities transferred to off consolidated financial position items or bad debts	-	-	-	-	(264,956)
Total balance at the end of the year	**13,937,821**	**3,292,434**	**17,905,893**	**35,136,148**	**20,594,586**

4) Impairment loss on credit facilities - Real estate Facilities:

A-Self

-The distribution of total finances according to the Bank's internal credit rating categories (After deducting deferred and suspended revenue) :-

Item	31 December 2024						31 December 2023
	Stage 1		Stage 2		Stage 3	Total	Total
	(individual)	(Collective)	(individual)	(Collective)			
	JD	JD	JD	JD	JD	JD	JD
Total	-	-	-	-	-	-	-

-The movement on financing:

Item	31 December 2024						31 December 2023
	Stage 1		Stage 2		Stage 3	Total	Total
	(individual)	(Collective)	(individual)	(Collective)			
	JD	JD	JD	JD	JD	JD	JD
Total balance at the beginning of the year	-	-	-	-	-	-	-
Total balance at the end of the year	-	-	-	-	-	-	-

- The movement on provision for expected credit losses on credit facilities:

Item	For the year ended 31 December 2024						For the year ended 31 December 2023
	Stage 1		Stage 2		Stage 3	Total	Total
	(individual)	(Collective)	(individual)	(Collective)			
	JD	JD	JD	JD	JD	JD	JD
Total balance at the beginning of the year	-	-	-	-	-	-	-
Total balance at the end of the year	-	-	-	-	-	-	-

B-Joint

-The distribution of total finances according to the Bank's internal credit rating categories (After deducting deferred and suspended revenue):

Item	31 December 2024						31 December 2023
	Stage 1		Stage 2		Stage 3	Total	Total
	(individual)	(Collective)	(individual)	(Collective)			
	JD	JD	JD	JD	JD	JD	JD
Low risk	35,374	-	-	-	-	35,374	75,956
Normal Risk	539,219	-	-	-	-	539,219	75,159
Acceptable risk	694,695	-	-	-	-	694,695	1,690,078
Acceptable with due care	26,973	-	29,830	-	-	56,803	9,195,453
Watch list	32,213	-	10,622,912	-	-	10,655,125	315,727
Substandard	-	-	-	-	155,156	155,156	-
Doubtful	-	-	-	-	434,747	434,747	-
Loss	-	-	-	-	327,013	327,013	182,158
Unrated	273,280	3,491,560	-	757,410	324,818	4,847,068	6,337,415
Total	**1,601,754**	**3,491,560**	**10,652,742**	**757,410**	**1,241,734**	**17,745,200**	**17,871,946**

-The movement on facilities:

Item	31 December 2024						31 December 2023
	Stage 1		Stage 2		Stage 3	Total	Total
	(individual)	(Collective)	(individual)	(Collective)			
	JD	JD	JD	JD	JD	JD	JD
Total balance at the beginning of the year	**2,530,187**	**4,098,086**	**10,379,968**	**615,382**	**248,323**	**17,871,946**	**18,035,251**
New facilities during the year	256,929	1,055,992	3,359,564	2,216	271,379	4,946,080	3,103,623
Settled facilities	(1,817,368)	(316,706)	(497,016)	(40,872)	(2,660)	(2,674,622)	(1,071,985)
Transfer to Stage 1	37,780	9,490	(37,780)	(9,490)	-	-	-
Transfer to Stage 2	(104,191)	(214,524)	104,191	214,524	-	-	-
Transfer to Stage 3	(81,422)	-	(338,230)	(10,421)	430,073	-	-
The total impact on the size of exposures as a result of changing the classification between stages	278,535	9,638	(74,719)	45,962	189,869	449,285	(117,189)
Changes resulting from modifications	501,304	(1,150,416)	(2,243,236)	(59,891)	104,750	(2,847,489)	(2,077,754)
Total balance at the end of the year	**1,601,754**	**3,491,560**	**10,652,742**	**757,410**	**1,241,734**	**17,745,200**	**17,871,946**

- The movement on provision for expected credit losses on credit facilities:

Item	For the year ended 31 December 2024						For the year ended 31 December 2023
	Stage 1		Stage 2		Stage 3	Total	Total
	(individual)	(Collective)	(individual)	(Collective)			
	JD	JD	JD	JD	JD	JD	JD
Total balance at the beginning of the year	**47,495**	**3,288**	**4,764,168**	**2,564**	**674,324**	**5,491,839**	**3,307,542**
Impairment loss on new financing during the year	781	1,381	1,992,103	19	689,068	2,683,352	230,846
Recoverable from the loss of impairment on reimbursements	(45,628)	(1,124)	(1,452,094)	-	(1,501)	(1,500,347)	(97,917)
Transfer to Stage 1	440	-	(440)	-	-	-	-
Transfer to Stage 2	(1,122)	(35)	1,122	35	-	-	-
Transfer to Stage 3	-	-	(204,234)	(1,110)	205,344	-	-
Effect on the provision - as at the end of the year - as a result of the change in classification between the three stages during the year	2,923	132	363,746	4,858	766,346	1,138,005	(83,592)
Changes resulting from modifications	1,840	(527)	2,829,309	4,356	39,479	2,874,457	2,134,960
Total balance at the end of the year	**6,729**	**3,115**	**8,293,680**	**10,722**	**2,373,060**	**10,687,306**	**5,491,839**

5) Impairment loss on credit facilities - Government and public sector:

A- Self

-The distribution of total finances according to the Bank's internal credit rating categories (After deducting deferred and suspended revenue):-

Item	31 December 2024				31 December 2023
	Stage 1 (individual)	Stage 2 (individual)	Stage 3	Total	Total
	JD	JD	JD	JD	JD
Almost free risk	509,660	-	-	509,660	509,660
Total	**509,660**	**-**	**-**	**509,660**	**509,660**

-The movement on facilities:-

Item	31 December 2024				31 December 2023
	Stage 1 (individual)	Stage 2 (individual)	Stage 3	Total	Total
	JD	JD	JD	JD	JD
Total balance at the beginning of the year	**509,660**	**-**	**-**	**509,660**	**509,660**
Total balance at the end of the year	**509,660**	**-**	**-**	**509,660**	**509,660**

-The movement on provision for expected credit losses on credit facilities:-

Item	For the year ended 31 December 2024				For the year ended 31 December 2023
	Stage 1 (individual)	Stage 2 (individual)	Stage 3	Total	Total
	JD	JD	JD	JD	JD
Total balance at the beginning of the year	**-**	**-**	**-**	**-**	**-**
Total balance at the end of the year	**-**	**-**	**-**	**-**	**-**

B-Joint

-The distribution of total finances according to the Bank's internal credit rating categories (After deducting deferred and suspended revenue) :

Item	31 December 2024				31 December 2023
	Stage 1 (individual)	Stage 2 (individual)	Stage 3	Total	Total
	JD	JD	JD	JD	JD
Insignificant Risk	594,127,907	-	-	594,127,907	470,087,433
Total	**594,127,907**	**-**	**-**	**594,127,907**	**470,087,433**

-The movement on facilities:

Item	31 December 2024				31 December 2023
	Stage 1 (individual)	Stage 2 (individual)	Stage 3	Total	Total
	JD	JD	JD	JD	JD
Total balance at the beginning of the year	**470,087,433**	**-**	**-**	**470,087,433**	**454,446,477**
New facilities during the year	185,303,486	-	-	185,303,486	52,885,415
settled facilities	(2,922,642)	-	-	(2,922,642)	-
Transfer to Stage 1	-	-	-	-	-
Transfer to Stage 2	-	-	-	-	-
Transfer to Stage 3	-	-	-	-	-
The total impact on the size of exposures as a result of changing the classification between stages	-	-	-	-	-
Changes resulting from modifications	(58,340,370)	-	-	(58,340,370)	(37,244,459)
Total balance at the end of the year	**594,127,907**	**-**	**-**	**594,127,907**	**470,087,433**

-The movement on provision for expected credit losses on credit facilities:

Item	For the year ended 31 December 2024				For the year ended 31 December 2023
	Stage 1 (individual)	Stage 2 (individual)	Stage 3	Total	Total
	JD	JD	JD	JD	JD
Total balance at the beginning of the year	-	-	-	-	-
Total balance at the end of the year	-	-	-	-	-

The following are credit exposures in accordance to financial accounting standard (30) Issued by the Accounting and Auditing Organization for Islamic Financial Institutions as at 31 December 2024

A- Self

	Stage 1				Stage 2				Stage 3				Total			
	Total	ECL	Suspended revenue	Deferred revenue	Total	ECL	Suspended revenue	Deferred revenue	Total	ECL	Suspended revenue	Deferred revenue	Total	ECL	Suspended revenue	Deferred revenue
	JD	JD	JD	JD	JD	JD	JD	JD	JD	JD	JD	JD	JD	JD	JD	JD
Corporates	8,175,738	55,668	-	-	1,860,580	17,535	-	-	820,617	493,936	7,112	-	10,856,935	567,139	7,112	-
Small and medium enterprises	304,811	1,190	-	-	28,869	123	-	-	583,233	560,161	-	-	916,913	561,474	-	-
Retail (Individual)	2,754,270	11,107	-	346,968	30,732	1,032	-	-	333,703	330,372	-	-	3,118,705	342,511	-	346,968
Real estate financing	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Government and public sector	509,660	-	-	-	-	-	-	-	-	-	-	-	509,660	-	-	-
Total	**11,744,479**	**67,965**	**-**	**346,968**	**1,920,181**	**18,690**	**-**	**-**	**1,737,553**	**1,384,469**	**7,112**	**-**	**15,402,213**	**1,471,124**	**7,112**	**346,968**

-The financing amount in according to financial accounting standard (30) Issued by the Accounting and Auditing Organization for Islamic Financial Institutions instructions does not include the amount of JD (6,820,782), representing Ijara Muntahia Bittamleek.

B - Joint

	Stage 1				Stage 2				Stage 3				Total			
	Total	ECL	Suspended revenue	Deferred revenue	Total	ECL	Suspended revenue	Deferred revenue	Total	ECL	Suspended revenue	Deferred revenue	Total	ECL	Suspended revenue	Deferred revenue
	JD	JD	JD	JD	JD	JD	JD	JD	JD	JD	JD	JD	JD	JD	JD	JD
Corporates	437,987,823	2,251,018	-	24,266,648	59,448,583	14,121,904	-	3,890,213	46,493,412	26,415,028	1,416,746	3,731,732	543,929,818	42,787,950	1,416,746	31,888,593
Small and medium enterprises	61,705,960	172,425	-	2,903,128	11,368,592	545,430	-	545,125	4,482,038	3,253,884	200,457	35,688	77,556,590	3,971,739	200,457	3,483,941
Retail (Individual)	476,033,026	13,937,821	-	88,010,895	42,595,116	3,292,434	-	5,920,065	22,321,128	17,905,893	1,961,776	1,548,390	540,949,270	35,136,148	1,961,776	95,479,350
Real estate financing	5,929,531	9,844	-	836,217	13,100,229	8,304,402	-	1,690,077	1,688,867	2,373,060	447,133	-	20,718,627	10,687,306	447,133	2,526,294
Government and public sector	677,660,096	-	-	83,532,189	-	-	-	-	-	-	-	-	677,660,096	-	-	83,532,189
Total	**1,659,316,436**	**16,371,108**	**-**	**199,549,077**	**126,512,520**	**26,264,170**	**-**	**12,045,480**	**74,985,445**	**49,947,865**	**4,026,112**	**5,315,810**	**1,860,814,401**	**92,583,143**	**4,026,112**	**216,910,367**

-The financing amount in accordance with Financial accounting standard (30) Issued by the Accounting and Auditing Organization for Islamic Financial Institutions instructions does not include the amount of JD (755,273,788) representing Ijara Muntahia Bittamleek.

The following are credit exposures in accordance to financial accounting standard (30) Issued by the Accounting and Auditing Organization for Islamic Financial Institutions as at 31 December 2023

A- Self

	Stage 1				Stage 2				Stage 3				Total			
	Total	ECL	Suspended revenue	Deferred revenue	Total	ECL	Suspended revenue	Deferred revenue	Total	ECL	Suspended revenue	Deferred revenue	Total	ECL	Suspended revenue	Deferred revenue
	JD	JD	JD	JD	JD	JD	JD	JD	JD	JD	JD	JD	JD	JD	JD	JD
Corporates	31,774,347	198,143	-	-	2,133,784	18,744	-	-	643,048	316,366	7,112	-	34,551,179	533,253	7,112	-
Small and medium enterprises	124,461	133	-	-	135,427	-	-	-	182,953	144,441	-	-	442,841	144,574	-	-
Retail (Individual)	1,876,570	7,405	-	285,008	13,703	855	-	-	222,330	222,317	-	-	2,112,603	230,577	-	285,008
Real estate financing	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Government and public sector	509,660	-	-	-	-	-	-	-	-	-	-	-	509,660	-	-	-
Total	**34,285,038**	**205,681**	**-**	**285,008**	**2,282,914**	**19,599**	**-**	**-**	**1,048,331**	**683,124**	**7,112**	**-**	**37,616,283**	**908,404**	**7,112**	**285,008**

-The financing amount in according to financial accounting standard (30) Issued by the Accounting and Auditing Organization for Islamic Financial Institutions instructions does not include the amount of JD (6,197,259) , representing Ijara Muntahia Bittamleek.

B - Joint

	Stage 1				Stage 2				Stage 3				Total			
	Total	ECL	Suspended revenue	Deferred revenue	Total	ECL	Suspended revenue	Deferred revenue	Total	ECL	Suspended revenue	Deferred revenue	Total	ECL	Suspended revenue	Deferred revenue
	JD	JD	JD	JD	JD	JD	JD	JD	JD	JD	JD	JD	JD	JD	JD	JD
Corporates	339,574,344	2,038,754	-	20,074,374	69,716,082	14,401,186	-	6,958,953	24,705,506	15,149,924	624,998	311,557	433,995,932	31,589,864	624,998	27,344,884
Small and medium enterprises	41,072,020	106,802	-	1,637,905	16,793,415	413,664	-	945,889	4,495,018	2,626,964	184,363	52,218	62,360,453	3,147,430	184,363	2,636,012
Retail (Individual)	428,293,176	5,985,405	-	79,989,875	36,118,756	3,045,183	-	4,732,240	15,277,356	11,563,998	1,356,701	976,765	479,689,288	20,594,586	1,356,701	85,698,880
Real estate financing	7,568,232	50,783	-	939,959	13,438,716	4,766,732	-	2,443,366	412,545	674,324	164,222	-	21,419,493	5,491,839	164,222	3,383,325
Government and public sector	531,023,519	-	-	60,936,086	-	-	-	-	-	-	-	-	531,023,519	-	-	60,936,086
Total	**1,347,531,291**	**8,181,744**	**-**	**163,578,199**	**136,066,969**	**22,626,765**	**-**	**15,080,448**	**44,890,425**	**30,015,210**	**2,330,284**	**1,340,540**	**1,528,488,685**	**60,823,719**	**2,330,284**	**179,999,187**

-The financing amount in accordance with Financial accounting standard (30) Issued by the Accounting and Auditing Organization for Islamic Financial Institutions instructions does not include the amount of JD (689,575,509) representing Ijara Muntahia Bittamleek.

Disclosure of credit exposures according to the classification instructions No. (47/2009) and in comparison with Financial Accounting Standard No. (30) issued by the Accounting and Auditing Organization for Islamic Financial Institutions as at 31 December 2024.

A- Self

	According to classification instructions No. (47/2009)					according to financial accounting standard (30)												Total			
						1 stage				2 stage				3 stage							
	Total	Deferred revenue	Suspended revenue	Net	ECL	Total	ECL	Deferred revenue	Suspended revenue	Total	ECL	Deferred revenue	Suspended revenue	Total	ECL	Deferred revenue	Suspended revenue	Total	ECL	Deferred revenue	Suspended revenue
	JD	JD	JD	JD	JD	JD	JD	JD	JD	JD	JD	JD	JD	JD	JD	JD	JD	JD	JD	JD	JD
Performing loans	19,833,518	346,968	-	19,486,550	-	11,744,479	67,965	346,968	-	1,268,242	12,420	-	-	15	11	-	-	13,012,736	80,396	346,968	-
Watch list	651,939	-	-	651,939	20,744	-	-	-	-	651,939	6,270	-	-	-	-	-	-	651,939	6,270	-	-
Non-performing debt	1,737,538	-	7,112	1,730,426	1,384,469	-	-	-	-	-	-	-	-	1,737,538	861,311	-	7,112	1,737,538	861,311	-	7,112
of watch :				-																	
Substandard	47,711	-	-	47,711	44,654	-	-	-	-	-	-	-	-	47,711	35,461	-	-	47,711	35,461	-	-
Bad debts	559,504	-	-	559,504	559,243	-	-	-	-	-	-	-	-	559,504	401,857	-	-	559,504	401,857	-	-
Loss	1,130,323	-	7,112	1,123,211	780,572	-	-	-	-	-	-	-	-	1,130,323	423,993	-	7,112	1,130,323	423,993	-	7,112
Total	**22,222,995**	**346,968**	**7,112**	**21,868,915**	**1,405,213**	**11,744,479**	**67,965**	**346,968**	**-**	**1,920,181**	**18,690**	**-**	**-**	**1,737,553**	**861,322**	**-**	**7,112**	**15,402,213**	**947,977**	**346,968**	**7,112**

-The finances that are covered according to Instructions No. (47/2009) were linked to the results of their calculation according to the instructions of the Central Bank of Jordan.

-The financing amount in according to financial accounting standard (30) Issued by the Accounting and Auditing Organization for Islamic Financial Institutions instructions does not include the amount of JD (6,820,782), representing Ijara Muntahia Bittamleek.

B-joint

	According to classification instructions No. (47/2009)					according to financial accounting standard (30)												Total			
						1 stage				2 stage				3 stage							
	Total	Deferred revenue	Suspended revenue	Net	ECL	Total	ECL	Deferred revenue	Suspended revenue	Total	ECL	Deferred revenue	Suspended revenue	Total	ECL	Deferred revenue	Suspended revenue	Total	ECL	Deferred revenue	Suspended revenue
	JD	JD	JD	JD	JD	JD	JD	JD	JD	JD	JD	JD	JD	JD	JD	JD	JD	JD	JD	JD	JD
Performing loans	2,508,714,231	208,244,075	-	2,300,470,156	-	1,658,906,986	16,368,821	199,512,012	-	93,364,509	14,676,819	8,732,063	-	1,168,948	-	-	-	1,753,440,443	31,045,640	208,244,075	-
Watch list	33,557,461	3,350,482	-	30,206,979	1,974,365	409,450	2,287	37,065	-	33,148,011	11,587,351	3,313,417	-	-	-	-	-	33,557,461	11,589,638	3,350,482	-
Non-performing debt	73,816,497	5,315,810	4,026,112	64,474,575	49,947,865	-	-	-	-	-	-	-	-	73,816,497	38,415,764	5,315,810	4,026,112	73,816,497	38,415,764	5,315,810	4,026,112
of watch :																					
Substandard	2,828,123	340,805	30,918	2,456,400	979,040	-	-	-	-	-	-	-	-	2,828,123	1,221,819	340,805	30,918	2,828,123	1,221,819	340,805	30,918
Bad debts	10,617,483	1,650,702	396,667	8,570,114	6,087,940	-	-	-	-	-	-	-	-	10,617,483	3,422,832	1,650,702	396,667	10,617,483	3,422,832	1,650,702	396,667
Loss	60,370,891	3,324,303	3,598,527	53,448,061	42,880,885	-	-	-	-	-	-	-	-	60,370,891	33,771,113	3,324,303	3,598,527	60,370,891	33,771,113	3,324,303	3,598,527
Total	**2,616,088,189**	**216,910,367**	**4,026,112**	**2,395,151,710**	**51,922,230**	**1,659,316,436**	**16,371,108**	**199,549,077**	**-**	**126,512,520**	**26,264,170**	**12,045,480**	**-**	**74,985,445**	**38,415,764**	**5,315,810**	**4,026,112**	**1,860,814,401**	**81,051,042**	**216,910,367**	**4,026,112**

-The finances that are covered according to Instructions No. (47/2009) were linked to the results of their calculation according to the instructions of the Central Bank of Jordan.

-The financing amount in accordance with Financial accounting standard (30) Issued by the Accounting and Auditing Organization for Islamic Financial Institutions instructions does not include the amount of JD (755,273,788) representing Ijara Muntahia Bittamleek.

Disclosure of credit exposures according to the classification instructions No. (47/2009) and in comparison with Financial Accounting Standard No. (30) issued by the Accounting and Auditing Organization for Islamic Financial Institutions as at 31 December 2023.

A- Self

	According to classification instructions No. (47/2009)					according to financial accounting standard (30)												Total			
						1 stage				2 stage				3 stage							
	Total	Deferred revenue	Suspended revenue	Net	ECL	Total	ECL	Deferred revenue	Suspended revenue	Total	ECL	Deferred revenue	Suspended revenue	Total	ECL	Deferred revenue	Suspended revenue	Total	ECL	Deferred revenue	Suspended revenue
	JD	JD	JD	JD	JD	JD	JD	JD	JD	JD	JD	JD	JD	JD	JD	JD	JD	JD	JD	JD	JD
Performing loans	42,664,674	285,008	-	42,379,666	-	34,285,038	205,681	285,008	-	2,182,362	17,837	-	-	15	12	-	-	36,467,415	223,530	285,008	-
Watch list	100,552	-	-	100,552	1,805	-	-	-	-	100,552	1,762	-	-	-	-	-	-	100,552	1,762	-	-
Non-performing debt	1,048,316	-	7,112	1,041,204	683,124	-	-	-	-	-	-	-	-	1,048,316	367,335	-	7,112	1,048,316	367,335	-	7,112
of watch :																					
Substandard	46,369	-	-	46,369	46,369	-	-	-	-	-	-	-	-	46,369	34,836	-	-	46,369	34,836	-	-
Bad debts	315,120	-	-	315,120	311,692	-	-	-	-	-	-	-	-	315,120	167,934	-	-	315,120	167,934	-	-
Loss	686,827	-	7,112	679,715	325,063	-	-	-	-	-	-	-	-	686,827	164,565	-	7,112	686,827	164,565	-	7,112
Total	**43,813,542**	**285,008**	**7,112**	**43,521,422**	**684,929**	**34,285,038**	**205,681**	**285,008**	**-**	**2,282,914**	**19,599**	**-**	**-**	**1,048,331**	**367,347**	**-**	**7,112**	**37,616,283**	**592,627**	**285,008**	**7,112**

-The finances that are covered according to Instructions No. (47/2009) were linked to the results of their calculation according to the instructions of the Central Bank of Jordan.

-The financing amount in according to financial accounting standard (30) Issued by the Accounting and Auditing Organization for Islamic Financial Institutions instructions does not include the amount of JD (6,197,259) , representing Ijara Muntahia Bittamleek.

B-joint

	According to classification instructions No. (47/2009)					according to financial accounting standard (30)												Total			
						1 stage				2 stage				3 stage							
	Total	Deferred revenue	Suspended revenue	Net	ECL	Total	ECL	Deferred revenue	Suspended revenue	Total	ECL	Deferred revenue	Suspended revenue	Total	ECL	Deferred revenue	Suspended revenue	Total	ECL	Deferred revenue	Suspended revenue
	JD	JD	JD	JD	JD	JD	JD	JD	JD	JD	JD	JD	JD	JD	JD	JD	JD	JD	JD	JD	JD
Performing loans	2,146,143,429	175,241,300	-	1,970,902,129	-	1,347,033,910	8,179,267	163,561,853	-	108,901,411	19,138,504	11,679,336	-	632,599	1,309	111	-	1,456,567,920	27,319,080	175,241,300	-
Watch list	27,662,939	3,417,458	-	24,245,481	1,773,195	497,381	2,477	16,346	-	27,165,558	3,488,261	3,401,112	-	-	-	-	-	27,662,939	3,490,738	3,417,458	-
Non-performing debt	44,257,826	1,340,429	2,330,284	40,587,113	30,015,210	-	-	-	-	-	-	-	-	44,257,826	19,089,361	1,340,429	2,330,284	44,257,826	19,089,361	1,340,429	2,330,284
of watch :																					
Substandard	14,915,800	383,103	64,942	14,467,755	4,978,755	-	-	-	-	-	-	-	-	14,915,800	3,475,121	383,103	64,942	14,915,800	3,475,121	383,103	64,942
Bad debts	3,690,400	343,776	84,462	3,262,162	2,442,847	-	-	-	-	-	-	-	-	3,690,400	1,595,535	343,776	84,462	3,690,400	1,595,535	343,776	84,462
Loss	25,651,626	613,550	2,180,880	22,857,196	22,593,608	-	-	-	-	-	-	-	-	25,651,626	14,018,705	613,550	2,180,880	25,651,626	14,018,705	613,550	2,180,880
Total	**2,218,064,194**	**179,999,187**	**2,330,284**	**2,035,734,723**	**31,788,405**	**1,347,531,291**	**8,181,744**	**163,578,199**	**-**	**136,066,969**	**22,626,765**	**15,080,448**	**-**	**44,890,425**	**19,090,670**	**1,340,540**	**2,330,284**	**1,528,488,685**	**49,899,179**	**179,999,187**	**2,330,284**

-The finances that are covered according to Instructions No. (47/2009) were linked to the results of their calculation according to the instructions of the Central Bank of Jordan.

-The financing amount in accordance with Financial accounting standard (30) Issued by the Accounting and Auditing Organization for Islamic Financial Institutions instructions does not include the amount of JD (689,575,509) representing Ijara Muntahia Bittamleek.

(8) FINANCIAL ASSETS AT FAIR VALUE THROUGH OTHER COMPERHENSIVE INCOME-NET:

The details of this item are as follows:

	Self	
	31 December	
	2024	2023
	JD	JD
Quoted financial assets :		
Corporate Shares	572,000	508,000
Islamic Sukuk	45,515,882	-
Total quoted Financial Assets	**46,087,882**	**508,000**
Total financial assets at fair value through other comperhensive income	**46,087,882**	**508,000**
Less: Provision for expected credit losses on financial assets	(64,447)	-
Net financial assets at fair value through other comperhensive income	**46,023,435**	**508,000**

-The movement of the total financial assets at fair value through other comperhensive income (Sukuk) :

Item	31 December 2024				31 December 2023
	Stage1 (Individual)	Stage2 (Individual)	Stage3	Total	Total
	JD	JD	JD	JD	JD
Total balance at the beginning of the year	**-**	**-**	**-**	**-**	**-**
New investments during the year	45,515,882	-	-	45,515,882	-
Matured investments	-	-	-	-	-
Transfer to Stage 1	-	-	-	-	-
Transfer to Stage 2	-	-	-	-	-
Transfer to Stage 3	-	-	-	-	-
The total impact on the size of exposures as a result of changing the classification between stages	-	-	-	-	-
Changes resulting from modifications	-	-	-	-	-
Total balance at the end of year	**45,515,882**	**-**	**-**	**45,515,882**	**-**

-Movement on the expected credit losses provision for the financial assets at fair value through other comperhensive income (Sukuk) :

Item	For the year ended 31 December 2024				For the year ended 31 December 2023
	Stage1 (Individual)	Stage2 (Individual)	Stage3	Total	Total
	JD	JD	JD	JD	JD
Total balance at the beginning of the year	**-**	**-**	**-**	**-**	**-**
Impairment loss on new investments during the year	64,447	-	-	64,447	-
Recovered from loss of Matured investments	-	-	-	-	-
Transfer to Stage 1	-	-	-	-	-
Transfer to Stage 2	-	-	-	-	-
Transfer to Stage 3	-	-	-	-	-
Effect on the provision - as at the end of the year - as a result of the change in classification between the three stages during the year	-	-	-	-	-
Changes resulting from modifications	-	-	-	-	-
Total balance at the end of year	**64,447**	**-**	**-**	**64,447**	**-**

(9) FINANCIAL ASSETS AT FAIR VALUE THROUGH JOINT QUASI-EQUITY- NET

The details of this item are as follows:

	Joint	
	31 December	
	2024	2023
	JD	JD
Quoted financial assets :		
Corporate Shares	2,291,022	2,312,403
Islamic Sukuk	117,978,708	83,457,020
Total quoted financial assets	**120,269,730**	**85,769,423**
Unquoted financial assets:		
Corporate Shares	7,551,544	5,881,231
Islamic Sukuk	323,246,189	360,587,505
Total unquoted financial assets	**330,797,733**	**366,468,736**
Total financial assets at fair value through quasi-equiy	**451,067,463**	**452,238,159**
Less: Provision for expected credit losses for financial assets	(150,057)	(149,624)
Net financial assets at fair value through quasi-equiy	**450,917,406**	**452,088,535**

Unquoted financial assets were presented at cost or in accordance with latest financial statements.

-The movement of the total financial assets at fair value through quasi-equiy (Sukuk) :

Item	31 December 2024				31 December 2023
	Stage1 (Individual)	Stage2 (Individual)	Stage3	Total	Total
	JD	JD	JD	JD	JD
Total balance at the beginning of the year	**444,044,525**	**-**	**-**	**444,044,525**	**267,191,222**
New investments during the year	51,353,776	-	-	51,353,776	230,231,001
Matured investments	(24,834,772)	-	-	(24,834,772)	(37,282,158)
Transfer to Stage 1	-	-	-	-	-
Transfer to Stage 2	-	-	-	-	-
Transfer to Stage 3	-	-	-	-	-
The total impact on the size of exposures as a result of changing the classification between stages	-	-	-	-	-
Changes resulting from modifications	(29,338,632)	-	-	(29,338,632)	(16,095,540)
Total balance at the end of year	**441,224,897**	**-**	**-**	**441,224,897**	**444,044,525**

-Movement on the expected credit losses provision for the financial assets at fair value through quasi-equiy (Sukuk) :

Item	For the year ended 31 December 2024				For the year ended 31 December 2023
	Stage1 (Individual)	Stage2 (Individual)	Stage3	Total	Total
	JD	JD	JD	JD	JD
Total balance at the beginning of the year	**149,624**	**-**	**-**	**149,624**	**232,941**
Impairment loss on new investments during the year	42,699	-	-	42,699	40,282
Recovered from loss of Matured investments	(19,504)	-	-	(19,504)	(42,641)
Transfer to Stage 1	-	-	-	-	-
Transfer to Stage 2	-	-	-	-	-
Transfer to Stage 3	-	-	-	-	-
Effect on the provision - as at the end of the year - as a result of the change in classification between the three stages during the year	-	-	-	-	-
Changes resulting from modifications	(22,762)	-	-	(22,762)	(80,958)
Total balance at the end of year	**150,057**	**-**	**-**	**150,057**	**149,624**

(10) FINANCIAL ASSETS AT AMORTIZED COST

The details of this item are as follows:

	Joint	
	31 December	
	2024	2023
	JD	JD
Unquoted Financial Assets:		
Islamic Sukuk	119,852,000	-
Total unquoted Financial Assets	**119,852,000**	**-**
Total Financial Assets at Amortized Cost	**119,852,000**	**-**

- Matured during the year 2029.
- No provision for expected credit losses is calculated on financial assets at amortized cost as these Sukuk are issued under the guarantee of the Government of Jordan.

(11) INVESTMENT IN ASSOCIATE

Investment in associated company (jointly financed) :

	Percentage of ownership	Country	Principal activity	31 December	
				2024	2023
				JD	JD
Jordan Blending and Packing of Fertilizers Company	25%	Jordan	Manufacturing	332,759	349,622

- No dividends have been distributed during year 2024 & year 2023.

The movement on the investment in associate was as follows:

	Joint	
	31 December	
	2024	2023
	JD	JD
Balance at the beginning of the year	**349,622**	**345,954**
The share of joint funds from the (loss) profit of decline in the affiliate's investment	(16,863)	3,668
Balance at the end of year *	**332,759**	**349,622**

*The latest audited and approved financial statements of the associate have been used for the purpose of valuation.

(12) IJARA MUNTAHIA BITTAMLEEK ASSETS - NET

31 December 2024	Joint			Self			Total		
	Cost	Accumulated Depreciation	Net Value	Cost	Accumulated Depreciation	Net Value	Cost	Accumulated Depreciation	Net Value
	JD	JD	JD	JD	JD	JD	JD	JD	JD
Ijara Muntahia Bittamleek assets-Real Estate	840,402,208	(159,174,575)	681,227,633	8,902,372	(2,081,590)	6,820,782	849,304,580	(161,256,165)	688,048,415
Ijara Muntahia Bittamleek assets-Machines	88,794,107	(19,151,406)	69,642,701	-	-	-	88,794,107	(19,151,406)	69,642,701
Ijara Muntahia Bittamleek assets-vehicles	5,898,116	(1,494,662)	4,403,454	-	-	-	5,898,116	(1,494,662)	4,403,454
Total	**935,094,431**	**(179,820,643)**	**755,273,788**	**8,902,372**	**(2,081,590)**	**6,820,782**	**943,996,803**	**(181,902,233)**	**762,094,570**

31 December 2023	Joint			Self			Total		
	Cost	Accumulated Depreciation	Net Value	Cost	Accumulated Depreciation	Net Value	Cost	Accumulated Depreciation	Net Value
	JD	JD	JD	JD	JD	JD	JD	JD	JD
Ijara Muntahia Bittamleek assets-Real Estate	745,035,326	(127,341,664)	617,693,662	8,247,587	(2,050,328)	6,197,259	753,282,913	(129,391,992)	623,890,921
Ijara Muntahia Bittamleek assets-Machines	83,241,239	(16,318,926)	66,922,313	-	-	-	83,241,239	(16,318,926)	66,922,313
Ijara Muntahia Bittamleek assets-vehicles	5,836,477	(876,943)	4,959,534	-	-	-	5,836,477	(876,943)	4,959,534
Total	**834,113,042**	**(144,537,533)**	**689,575,509**	**8,247,587**	**(2,050,328)**	**6,197,259**	**842,360,629**	**(146,587,861)**	**695,772,768**

- The accrued Ijara installments amounted to JD 7,211,105 as at 31 December 2024 (JD 5,679,259 as at 31 December 2023). Moreover the due Ijara installments were presented under deferred sales receivables and other receivables-Net (Note 7).
- The non-performing Ijara Muntahia Bittamleek amounted to JD 12,531,617 as at 31 December 2024 representing 1.64% of the balance of Ijara Muntahia Bittamleek assets (JD 5,276,218 as at 31 December 2023, representing 0.76% of the balance of Ijara Muntahia Bittamleek assets).

(13) Al-Qard Al-Hasan - NET

The details of this item are as follows :

	31 December	
	2024	2023
	JD	JD
Balance at the beginning of the year	**34,221,814**	**4,240,493**
Sources of the fund from :		
Equity	(75,795,648)	(12,780,208)
Total Sources of the fund during the year	**(75,795,648)**	**(12,780,208)**
Uses of the fund on :		
Companies	50,173,249	42,691,704
Employees	68,106	69,825
Retail	1,519,276	-
Total uses during the year	**51,760,631**	**42,761,529**
Gross balance	**10,186,797**	**34,221,814**
Add: exposed accounts	**2,695,341**	**1,035,074**
Less : Provision for expected credit losses	(1,438,771)	(876,149)
Balance at the end of the year - Net	**11,443,367**	**34,380,739**

(14) PROPERTY AND EQUIPMENT - NET

For the year ended 31 December 2024	Lands	Buildings	Equipment, Devices and furniture	Vehicles	Computers	Others	Total
	JD	JD	JD	JD	JD	JD	JD
Cost:							
Beginning balance for the year	**2,747,021**	**12,882,553**	**18,775,229**	**282,131**	**5,241,893**	**1,323,070**	**41,251,897**
Additions / capitalization*	-	-	1,392,985	162,500	900,916	-	2,456,401
Disposals	-	-	(518,380)	(108,700)	(833,903)	-	(1,460,983)
Ending balance for the year	**2,747,021**	**12,882,553**	**19,649,834**	**335,931**	**5,308,906**	**1,323,070**	**42,247,315**
Accumulated depreciation:							
Beginning balance for the year	-	2,702,072	13,874,262	200,301	3,805,201	442,685	21,024,521
Depreciation for the year	-	258,008	1,566,506	36,400	535,094	78,521	2,474,529
Disposals	-	-	(509,480)	(108,699)	(833,612)	-	(1,451,791)
Ending balance for the year	-	2,960,080	14,931,288	128,002	3,506,683	521,206	22,047,259
Net book value for property and equipment	**2,747,021**	**9,922,473**	**4,718,546**	**207,929**	**1,802,223**	**801,864**	**20,200,056**
Advance payments on purchasing property and equipment	-	-	60,303	-	-	1,052,490	1,112,793
Projects under progress	-	-	1,010,729	-	-	-	1,010,729
Net property and equipment at the end of year	**2,747,021**	**9,922,473**	**5,789,578**	**207,929**	**1,802,223**	**1,854,354**	**22,323,578**
For the year ended 31 December 2023							
Cost:							
Beginning balance for the year	**2,747,021**	**12,882,553**	**18,308,667**	**282,131**	**5,654,330**	**1,163,084**	**41,037,786**
Additions / capitalization*	-	-	1,293,876	-	693,282	159,986	2,147,144
Disposals	-	-	(827,314)	-	(1,105,719)	-	(1,933,033)
Ending balance for the year	**2,747,021**	**12,882,553**	**18,775,229**	**282,131**	**5,241,893**	**1,323,070**	**41,251,897**
Accumulated depreciation:							
Beginning balance for the year	-	2,444,769	13,189,252	163,377	4,435,694	369,621	20,602,713
Depreciation for the year	-	257,303	1,504,424	36,924	474,582	73,064	2,346,297
Disposals	-	-	(819,414)	-	(1,105,075)	-	(1,924,489)
Ending balance for the year	-	2,702,072	13,874,262	200,301	3,805,201	442,685	21,024,521
Net book value for property and equipment	**2,747,021**	**10,180,481**	**4,900,967**	**81,830**	**1,436,692**	**880,385**	**20,227,376**
Advance payments on purchasing property and equipment	-	-	38,628	-	-	329,013	367,641
Projects under progress	-	-	155,832	-	-	-	155,832
Net property and equipment at the end of year	**2,747,021**	**10,180,481**	**5,095,427**	**81,830**	**1,436,692**	**1,209,398**	**20,750,849**

-Fully depreciated property and equipment amounted to JD 10,467,681 as at 31 December 2024 (JD 11,337,649 as at 31 December 2023).

-The total estimated cost to complete projects in progress amounted to JD 1,732,164 as at 31 December 2024.

*An amount of JD 264,926 was capitalized from payments on the purchase of property, equipment and projects under progress in 2024 (JD 628,485 during the year 2023).

(15) INTANGIBLE ASSETS-NET

The details of this item are as follows:

	Computer Systems & Software	
	31 December	
	2024	2023
	JD	JD
Beginning balance for the year	**1,697,221**	**2,002,476**
Additions	690,038	500,330
Disposal	(7,061)	(168)
Amortization for the year	(706,256)	(805,417)
Ending balance for the year	**1,673,942**	**1,697,221**

(16) OTHER ASSETS

The details of this item are as follows:

	31 December	
	2024	2023
	JD	JD
Seized assets by the Bank against debts-Net*	49,827,080	36,407,094
Prepaid expenses	1,928,440	1,838,427
Accrued revenue	9,462,075	5,671,086
Stationery and printing inventory	280,393	271,612
Withholding income tax	24,389	40,697
Petty cash	236,725	41,650
Other accounts receivable**	179,058	869,165
Others	1,777,206	917,047
Total	**63,715,366**	**46,056,778**

*The movement of the seized assets by the Bank against debts was as follows:

	31 December 2024			31 December 2023
	Seized real estates -self	Seized real estates- Joint	Total	Total
	JD	JD	JD	JD
Balance at the beginning of the year	**391,729**	**37,450,928**	**37,842,657**	**9,613,940**
Additions	-	15,045,702	15,045,702	28,446,339
Sales and disposal	-	(1,188,270)	(1,188,270)	(217,622)
Total	**391,729**	**51,308,360**	**51,700,089**	**37,842,657**
Provision for impairment of real estate - Central Bank of Jordan Instructions	(343,441)	(1,529,568)	(1,873,009)	(1,435,563)
Balance at the end of the year	**48,288**	**49,778,792**	**49,827,080**	**36,407,094**

- The Central Bank of Jordan's regulations require disposal of seized assets during a maximum period of 2 years from the date of repossession, and in some cases the Central Bank of Jordan can extend the period for an additional 2 years at max.

The movement of real estate provision was as follows:

	For the year ended 31 December 2024			For the year ended 31 December 2023
	Seized real estates -self	Seized real estates- Joint	Total	Total
	JD	JD	JD	JD
Balance at the beginning of the year	**(343,441)**	**(1,092,122)**	**(1,435,563)**	**(1,330,619)**
Additions to the provision for impairment in real estate	-	(474,883)	(474,883)	(148,687)
Additions to the real estate provision (instructions of the Central Bank of Jordan)	-	-	-	-
Released from the provision for impairment of real estate	-	37,437	37,437	41,134
Released from the real estate provision (Central Bank of Jordan instructions)	-	-	-	2,609
Balance at the end of the year	**(343,441)**	**(1,529,568)**	**(1,873,009)**	**(1,435,563)**

** Receivables include Legal expenses in the amount of JOD 697,265 fully covered by other receivables provision at the same amount as at 31 December 2024.

(17) BANKS AND FINANCIAL INSTITUTIONS ACCOUNTS

The details of this item are as follows:

	31 December 2024			31 December 2023
	Inside the Kingdom	Outside the Kingdom	Total	Total
	JD	JD	JD	JD
Current accounts	702,227	29,842,257	30,544,484	23,144,067
Total	**702,227**	**29,842,257**	**30,544,484**	**23,144,067**

(18) CUSTOMERS' CURRENT ACCOUNTS

The details of this item are as follows:

	31 December 2024				
	Retail	Corporate	Small and medium companies	Governmental and Public sector	Total
	JD	JD	JD	JD	JD
Current accounts	193,759,853	18,492,606	99,289,984	2,290,927	313,833,370
Total	**193,759,853**	**18,492,606**	**99,289,984**	**2,290,927**	**313,833,370**
	31 December 2023				
	Retail	Corporate	Small and medium companies	Governmental and Public sector	Total
	JD	JD	JD	JD	JD
Current accounts	204,150,298	13,599,420	95,100,903	6,869,255	319,719,876
Total	**204,150,298**	**13,599,420**	**95,100,903**	**6,869,255**	**319,719,876**

- Government and public sector deposits inside the Kingdom as at 31 December 2024 amounted to JD 2,290,927 representing 0.73% of the total customers' current accounts (As at 31 December2023 amounted to JD 6,869,255 representing 2.15 % of the total customers' current accounts) .
- The restricted accounts as at 31 December 2024 amounted to JD 4,333,691 representing 1.38٪ of the total customers' current accounts (As at31 December 2023 amounted to JD 2,035,127 representing 0.64٪ of the total customers' current accounts).
- The dormant accounts as at 31 December 2024 amounted to JD 9,176,613 (As at 31 December 2023 amounted to JD 12,382,378).

(19) CASH MARGIN ACCOUNTS
The details of this item are as follows:

	31 December	
	2024	2023
	JD	JD
Margins against direct facilities	30,224,699	29,289,636
Margins against indirect facilities	121,418,099	64,602,087
Other margins	1,418,436	1,383,188
Total	**153,061,234**	**95,274,911**

(20) OTHER PROVISIONS
The details of this item are as follows:

	31 December 2024				
	Beginning balance	Provided during the year	Used during the year	Reversed to income	Ending balance
	JD	JD	JD	JD	JD
Provision of lawsuits against the group	63,719	-	-	-	63,719
Provision for contingent liabilities	100,000	-	-	-	100,000
Total	**163,719**	**-**	**-**	**-**	**163,719**
	31 December 2023				
	Beginning balance	Provided during the year	Used during the year	Reversed to income	Ending balance
	JD	JD	JD	JD	JD
Provision of lawsuits against the group	340,000	-	276,281	-	63,719
Provision for contingent liabilities	100,000	-	-	-	100,000
Total	**440,000**	**-**	**276,281**	**-**	**163,719**

(21) INCOME TAX
A- Income tax provision
The movement of the income tax provision is as follows :

	31 December	
	2024	2023
	JD	JD
Beginning balance for the year	**11,919,750**	**8,746,097**
Accrued income tax	18,843,507	14,770,915
Income tax from the sale of financial assets	-	13,540
Previous years adjustments (setting off tax deposits for the subsidiary)	(40,697)	-
Less: Income tax paid	(10,041,995)	(11,610,802)
Ending balance for the year	**20,680,565**	**11,919,750**

B- The income tax expense presented in the Consolidated Statement of Income and Comprehensive Income consists of the following :

	For the year ended 31 December	
	2024	2023
	JD	JD
Income tax for the year	18,843,507	14,770,915
Released from deferred tax assets - self	246,772	225,067
Added from deferred tax assets - self	(710,176)	(319,489)
Added from deferred tax assets - joint	(5,817,306)	(3,862,858)
Total	**12,562,797**	**10,813,635**

-Income tax has been calculated in accordance with the Income Tax Law No. (34) of 2014 and its amendments. The Bank's statutory income tax rate is 35% plus 3% National Contribution Tax, with a total of 38%.

Tax Status:

The Bank :

- A final settlement of income tax has been reached until the end of 2020, and the Bank submitted its self-assessment statements for the years 2021 , 2022 , 2023 within the legal period, and the Income and Sales Tax Department has not reviewed the Bank's records until the date of preparing these consolidated financial statements.
- In the opinion of managament and its tax consultant, the tax provision recorded is sufficient as at 31 December 2024.

The Subsidiary:

Misk for Financial Brokerage Company:

- Tax clearance was obtained until the end of 2023

C- Deferred tax assets

The details of this item are as follows:

Deferred tax assets	31 December					31 December
	2024					2023
	Beginning Balance for the year	Released Amounts	Additional Amounts	Ending Balance for the year	Deferred tax	Deferred tax
	JD	JD	JD	JD	JD	JD
Deferred tax assets - self						
Provision of lawsuits against the bank	63,719	-	-	63,719	24,213	24,213
Provision for impairment of assets seized by the bank against debts and provision for seized real estate (CBJ regulations) - self	343,441	-	-	343,441	130,507	130,507
Provision for credit losses for the first and second stages - self	289,163	-	809,614	1,098,777	417,535	109,882
Difference in the application of Standard (32) Islamic private Lease	889,002	-	59,316	948,318	360,361	337,821
Provision for contingent liabilities	100,000	-	-	100,000	38,000	38,000
Unpaid employee bounses	650,578	649,400	999,955	1,001,133	380,431	247,220
Total Deferred tax assets - self	**2,335,903**	**649,400**	**1,868,885**	**3,555,388**	**1,351,047**	**887,643**
Deferred tax assets - joint						
Provision for impairment of assets seized by the bank against debts and provision for seized real estate (CBJ regulations) - joint	990,431	-	437,446	1,427,877	542,593	376,364
Provision for credit losses for the first and second stages - joint	28,846,802	-	14,871,255	43,718,057	16,612,862	10,961,785
Total Deferred tax assets - joint	**29,837,233**	**-**	**15,308,701**	**45,145,934**	**17,155,455**	**11,338,149**
Total	**32,173,136**	**649,400**	**17,177,586**	**48,701,322**	**18,506,502**	**12,225,792**

The movement on deferred tax assets - self is as follows:

	For the year ended 31 December	
	2024	2023
	JD	JD
Balance at the beginning of the year	**887,643**	**793,221**
Additions during the year	710,176	319,489
Released during the year	(246,772)	(225,067)
Balance at the End of the year	**1,351,047**	**887,643**

-The movement on deferred tax assets - Joint is as follows:

	For the year ended 31 December	
	2024	2023
	JD	JD
Balance at the beginning of the year	**11,338,149**	**7,475,291**
Additions during the year	5,817,306	3,862,858
Balance at the End of the year	**17,155,455**	**11,338,149**

D - Reconciliation summary between taxable income and accounting income were as follow :-

	For the year ended 31 December	
	2024	2023
	JD	JD
Accounting profit for the Bank	**32,787,708**	**28,323,881**
Less: Non-taxable income	(704,400)	(647,281)
Add: Non-deductible expenses	17,762,270	11,498,100
Tax income for the Bank	**49,845,578**	**39,174,700**
Attributable to		
Taxable income for the Bank (separated)	48,821,703	38,167,659
Subsidiary's and associate's taxable profit	1,023,875	1,007,041
Statutory tax rate- bank	38%	38%
Statutory tax rate- subsidiary	28%	28%
Effective tax rate	38.3%	38.2%

(22) OTHER LIABILITIES

The details of this item are as follows:

	31 December	
	2024	2023
	JD	JD
Accrued and not paid expenses	2,907,389	1,618,292
Banker's cheques	9,470,706	9,868,834
Provision of expected credit losses on off balance sheet items - self (Note 56)	324,155	137,628
Provision of expected credit losses on off balance sheet items - joint(Note 56)	812,801	1,402,126
Shareholders and customers deposits	11,852,676	10,391,817
Customers’ share of profits from unrestricted investment	36,592,700	32,856,675
Temporary deposits*	11,658,071	14,543,920
The charity account deposits**	24,349	14,770
Visa Claims	4,662,045	4,349,375
Others	2,157,993	7,816,010
Total	**80,462,885**	**82,999,447**

* It includes intermediate accounts for an amount of JD 7,361,632 as at 31 December 2024 (JD 10,193,322 as at 31 December 2023), which is the value of credits and deferred policies, and the value will be paid when due.

** The change in this item represents the amounts that have been transferred to the bank from sources or in ways inconsistent with the provisions and principles of Islamic Sharia, and its profits from the bank›s revenues during the year 2024, amounting to JD 10,579; were set aside to the charity account, and the amount of JD 1,000 was spent on charitable aspects during the year 2024.

• **Expected credit losses**

Expected credit loss of indirect facilities

A-Self

Movement on indirect facilities :

Item	31 December 2024						31 December 2023
	Stage 1		Stage 2		Stage 3	Total	Total
	Individual	Collective	Individual	Collective			
	JD	JD	JD	JD	JD	JD	JD
Total balance at the beginning of the year	**117,879,308**	**-**	**3,356,757**	**-**	**147,809**	**121,383,874**	**113,801,360**
New exposures during the year	141,581,284	-	35,596,986	-	-	177,178,270	73,731,901
Settled exposures during the year	(30,096,460)	-	(986,099)	-	-	(31,082,559)	(34,516,805)
Transfer to Stage 1	73,350	-	(73,350)	-	-	-	-
Transfer to Stage 2	(5,895,985)	-	5,905,985	-	(10,000)	-	-
Transfer to Stage 3	(9,488)	-	(502,000)	-	511,488	-	-
The total impact on the size of exposures as a result of changing the classification between stages	(22,344)	-	1,858,247	-	-	1,835,903	(167,015)
Changes resulting from modifications	(27,233,566)	-	(102,809)	-	-	(27,336,375)	(31,465,567)
Total balance at the end of the year	**196,276,099**	**-**	**45,053,717**	**-**	**649,297**	**241,979,113**	**121,383,874**

Movement on the provision for expected credit losses (indirect facilities) :

Item	For the year ended 31 December 2024						For the year ended 31 December 2023
	Stage 1		Stage 2		Stage 3	Total	Total
	Individual	Collective	Individual	Collective			
	JD	JD	JD	JD	JD	JD	JD
Total balance at the beginning of the year	**120,152**	**-**	**17,476**	**-**	**-**	**137,628**	**175,041**
Impairment loss on new exposures during the year	23,924	-	119,206	-	-	143,130	28,190
Impairment loss of matured / derecognized exposures	(8,584)	-	(4,117)	-	-	(12,701)	(24,603)
Transfer to Stage 1	187	-	(187)	-	-	-	-
Transfer to Stage 2	(28,812)	-	28,812	-	-	-	-
Transfer to Stage 3	(57)	-	(425)	-	482	-	-
Effect on the provision as a result of the change in classification between the three stages during the year	(187)	-	97,497	-	(482)	96,828	(14,371)
Changes resulting from modifications	(38,376)	-	(2,354)	-	-	(40,730)	(26,629)
Total balance at the end of the year	**68,247**	**-**	**255,908**	**-**	**-**	**324,155**	**137,628**

Expected credit loss of indirect facilities / Guarantees

Distribution of total indirect facilities / guarantees

Item	31 December 2024						31 December 2023
	Stage 1		Stage 2		Stage 3	Total	Total
	Individual	Collective	Individual	Collective			
	JD	JD	JD	JD	JD	JD	JD
Insignificant Risk	55,250	-	-	-	-	55,250	-
Almost risk free	3,205,232	-	-	-	-	3,205,232	3,367,297
Low risk	6,710,926	-	-	-	-	6,710,926	18,966,816
Normal risk	3,070,211	-	3,122,350	-	-	6,192,561	2,536,587
Acceptable risk	1,236,053	-	-	-	-	1,236,053	10,948,537
Acceptable with due care	1,101,564	-	78,863	-	-	1,180,427	1,688,561
Watch list	-	-	4,659,481	-	-	4,659,481	139,463
Substandard	-	-	-	-	-	-	22,500
Doubtful	-		-		11,488	11,488	-
Loss	-		-		137,309	137,309	114,809
Unrated	10,140,203	-	3,378,617	-	500,500	14,019,320	6,649,127
Total	**25,519,439**	**-**	**11,239,311**	**-**	**649,297**	**37,408,047**	**44,433,697**

Movement on indirect facilities / Guarantees :

Item	31 December 2024						31 December 2023
	Stage 1		Stage 2		Stage 3	Total	Total
	Individual	Collective	Individual	Collective			
	JD	JD	JD	JD	JD	JD	JD
Total balance at the beginning of the year	**41,083,742**	**-**	**3,202,146**	**-**	**147,809**	**44,433,697**	**43,878,096**
New exposures during the year	4,597,423	-	1,782,580	-	-	6,380,003	5,937,054
Settled exposures during the year	(2,125,008)	-	(831,488)	-	-	(2,956,496)	(4,779,982)
Transfer to Stage 1	73,350	-	(73,350)	-	-	-	-
Transfer to Stage 2	(5,895,985)	-	5,905,985	-	(10,000)	-	-
Transfer to Stage 3	(9,488)	-	(502,000)	-	511,488	-	-
The total impact on the size of exposures as a result of changing the classification between stages	(22,344)	-	1,858,247	-	-	1,835,903	(167,015)
Changes resulting from modifications	(12,182,251)	-	(102,809)	-	-	(12,285,060)	(434,456)
Total balance at the end of the year	**25,519,439**	**-**	**11,239,311**	**-**	**649,297**	**37,408,047**	**44,433,697**

Movement on the provision for expected credit loss (indirect facilities / Guarantees) :

Item	For the year ended 31 December 2024						For the year ended 31 December 2023
	Stage 1		Stage 2		Stage 3	Total	Total
	Individual	Collective	Individual	Collective			
	JD	JD	JD	JD	JD	JD	JD
Total balance at the beginning of the year	**115,810**	**-**	**16,986**	**-**	**-**	**132,796**	**152,351**
Impairment loss on new exposures during the year	4,844	-	11,070	-	-	15,914	24,328
Impairment loss of matured / derecognized exposures	(5,287)	-	(3,627)	-	-	(8,914)	(10,260)
Transfer to Stage 1	187	-	(187)	-	-	-	-
Transfer to Stage 2	(28,812)	-	28,812	-	-	-	-
Transfer to Stage 3	(57)	-	(425)	-	482	-	-
Effect on the provision as a result of the change in classification between the three stages during the year	(187)	-	97,497	-	(482)	96,828	(14,371)
Changes resulting from modifications	(37,914)	-	(2,354)	-	-	(40,268)	(19,252)
Total balance at the end of the year	**48,584**	**-**	**147,772**	**-**	**-**	**196,356**	**132,796**

Expected credit loss of indirect facilities / Acceptancess

Distribution of total on indirect facilities /Acceptancess

Item	31 December 2024						31 December 2023
	Stage 1		Stage 2		Stage 3	Total	Total
	Individual	Collective	Individual	Collective			
	JD	JD	JD	JD	JD	JD	JD
Low risk	13,741,085	-	-	-	-	13,741,085	3,489,449
Normal risk	1,532,089	-	-	-	-	1,532,089	-
Watch list	-	-	19,623	-	-	19,623	-
Unrated	1,226,488	-	5,813,800	-	-	7,040,288	4,489,530
Total	**16,499,662**	**-**	**5,833,423**	**-**	**-**	**22,333,085**	**7,978,979**

Movement on indirect facilities / Acceptancess :

Item	31 December 2024						31 December 2023
	Stage 1		Stage 2		Stage 3	Total	Total
	Individual	Collective	Individual	Collective			
	JD	JD	JD	JD	JD	JD	JD
Total balance at the beginning of the year	**7,978,979**	**-**	**-**	**-**	**-**	**7,978,979**	**39,972,923**
New exposures during the year	15,251,393	-	5,833,423	-	-	21,084,816	4,620,626
Settled exposures during the year	(4,457,425)	-	-	-	-	(4,457,425)	(6,306,828)
Transfer to Stage 1	-	-	-	-	-	-	-
Transfer to Stage 2	-	-	-	-	-	-	-
Transfer to Stage 3	-	-	-	-	-	-	-
The total impact on the size of exposures as a result of changing the classification between stages	-	-	-	-	-	-	-
Changes resulting from modifications	(2,273,285)	-	-	-	-	(2,273,285)	(30,307,742)
Total balance at the end of the year	**16,499,662**	**-**	**5,833,423**	**-**	**-**	**22,333,085**	**7,978,979**

Movement on the provision for expected credit loss(indirect facilities / Acceptancess) :

Item	For the year ended 31 December 2024						For the year ended 31 December 2023
	Stage 1		Stage 2		Stage 3	Total	Total
	Individual	Collective	Individual	Collective			
	JD	JD	JD	JD	JD	JD	JD
Total balance at the beginning of the year	**810**	**-**	**-**	**-**	**-**	**810**	**7,224**
Impairment loss on new exposures during the year	2,933	-	18,500	-	-	21,433	151
Impairment loss of matured / derecognized exposures	(790)	-	-	-	-	(790)	(1,087)
Transfer to Stage 1	-	-	-	-	-	-	-
Transfer to Stage 2	-	-	-	-	-	-	-
Transfer to Stage 3	-	-	-	-	-	-	-
Effect on the provision as a result of the change in classification between the three stages during the year	-	-	-	-	-	-	-
Changes resulting from modifications	(7)	-	-	-	-	(7)	(5,478)
Total balance at the end of the year	**2,946**	**-**	**18,500**	**-**	**-**	**21,446**	**810**

Expected credit loss of indirect facilities / Letters of credit

Distribution of total on indirect facilities /Letters of credit

Item	31 December 2024						31 December 2023
	Stage 1		Stage 2		Stage 3	Total	Total
	Individual	Collective	Individual	Collective			
	JD	JD	JD	JD	JD	JD	JD
Almost risk free	**8,824,869**	**-**	**-**	**-**	**-**	**8,824,869**	**500,314**
Low risk	82,568,068	-	-	-	-	82,568,068	2,893,052
Normal risk	6,943,711	-	-	-	-	6,943,711	3,430,519
Acceptable risk	14,658,990	-	-	-	-	14,658,990	40,286,288
Acceptable with due care	-	-	-	-	-	-	397,446
Watch list	-	-	1,356,205	-	-	1,356,205	-
Unrated	41,261,360	-	26,624,778	-	-	67,886,138	21,463,579
Total	**154,256,998**	**-**	**27,980,983**	**-**	**-**	**182,237,981**	**68,971,198**

Movement on indirect facilities / Letters of credit :

Item	31 December 2024						31 December 2023
	Stage 1		Stage 2		Stage 3	Total	Total
	Individual	Collective	Individual	Collective			
	JD	JD	JD	JD	JD	JD	JD
Total balance at the beginning of the year	**68,816,587**	**-**	**154,611**	**-**	**-**	**68,971,198**	**29,950,341**
New exposures during the year	121,732,468	-	27,980,983	-	-	149,713,451	63,174,221
Settled exposures during the year	(23,514,027)	-	(154,611)	-	-	(23,668,638)	(23,429,995)
Transfer to Stage 1	-	-	-	-	-	-	-
Transfer to Stage 2	-	-	-	-	-	-	-
Transfer to Stage 3	-	-	-	-	-	-	-
The total impact on the size of exposures as a result of changing the classification between stages	-	-	-	-	-	-	-
Changes resulting from modifications	(12,778,030)	-	-	-	-	(12,778,030)	(723,369)
Total balance at the end of the year	**154,256,998**	**-**	**27,980,983**	**-**	**-**	**182,237,981**	**68,971,198**

Movement on the provision for expected credit loss(indirect facilities / Letters of credit) :

Item	For the year ended 31 December 2024						For the year ended 31 December 2023
	Stage 1		Stage 2		Stage 3	Total	Total
	Individual	Collective	Individual	Collective			
	JD	JD	JD	JD	JD	JD	JD
Total balance at the beginning of the year	3,532	-	490	-	-	4,022	15,466
Impairment loss on new exposures during the year	16,147	-	89,636	-	-	105,783	3,711
Impairment loss of matured / derecognized exposures	(2,507)	-	(490)	-	-	(2,997)	(13,256)
Transfer to Stage 1	-	-	-	-	-	-	-
Transfer to Stage 2	-	-	-	-	-	-	-
Transfer to Stage 3	-	-	-	-	-	-	-
Effect on the provision as a result of the change in classification between the three stages during the year	-	-	-	-	-	-	-
Changes resulting from modifications	(455)	-	-	-	-	(455)	(1,899)
Total balance at the end of the year	**16,717**	**-**	**89,636**	**-**	**-**	**106,353**	**4,022**

Expected credit loss of indirect facilities

B- joint

Movement on indirect facilities :

Item	31 December 2024						31 December 2023
	Stage 1		Stage 2		Stage 3	Total	Total
	Individual	Collective	Individual	Collective			
	JD	JD	JD	JD	JD	JD	JD
Total balance at the beginning of the year	**226,250,120**	**-**	**3,463,449**	**-**	**-**	**229,713,569**	**170,669,703**
New exposures during the year	37,156,127	-	150,000	-	-	37,306,127	68,671,811
Settled exposures during the year	(58,834,091)	-	(2,865,669)	-	-	(61,699,760)	(30,771,696)
Transfer to Stage 1	441,303	-	(441,303)	-	-	-	-
Transfer to Stage 2	(1,874,817)	-	1,874,817	-	-	-	-
Transfer to Stage 3	-	-	-	-	-	-	-
The total impact on the size of exposures as a result of changing the classification between stages	160,341	-	(61,679)	-	-	98,662	(190,034)
Changes resulting from modifications	(21,164,920)	-	228,557	-	-	(20,936,363)	21,333,785
Total balance at the end of the year	**182,134,063**	**-**	**2,348,172**	**-**	**-**	**184,482,235**	**229,713,569**

Movement on the provision for expected credit losses (indirect facilities /joint) :

Item	For the year ended 31 December 2024						For the year ended 31 December 2023
	Stage 1		Stage 2		Stage 3	Total	Total
	Individual	Collective	Individual	Collective			
	JD	JD	JD	JD	JD	JD	JD
Total balance at the beginning of the year	**1,337,819**	**-**	**64,307**	**-**	**-**	**1,402,126**	**1,148,342**
Impairment loss on new exposures during the year	134,939	-	2,781	-	-	137,720	363,158
Impairment loss of matured / derecognized exposures	(307,417)	-	(53,242)	-	-	(360,659)	(123,383)
Transfer to Stage 1	8,162	-	(8,162)	-	-	-	-
Transfer to Stage 2	(16,104)	-	16,104	-	-	-	-
Transfer to Stage 3	-	-	-	-	-	-	-
Effect on the provision as a result of the change in classification between the three stages during the year	(5,611)	-	22,130	-	-	16,519	(3,073)
Changes resulting from modifications	(387,143)	-	4,238	-	-	(382,905)	17,082
Total balance at the end of the year	**764,645**	**-**	**48,156**	**-**	**-**	**812,801**	**1,402,126**

Expected credit loss of indirect facilities - Unutilized credit limits

Distribution of total on indirect facilities/Unutilized credit limits

Item	31 December 2024						31 December 2023
	Stage 1		Stage 2		Stage 3	Total	Total
	Individual	Collective	Individual	Collective			
	JD	JD	JD	JD	JD	JD	JD
Insignificant Risk	12,526,126	-	-	-	-	12,526,126	9,510,464
Almost risk free	15,193,155	-	-	-	-	15,193,155	15,976,296
Low risk	35,984,537	-	-	-	-	35,984,537	11,857,478
Normal risk	39,574,771	-	952,504	-	-	40,527,275	83,855,486
Acceptable risk	44,135,085	-	-	-	-	44,135,085	68,500,188
Acceptable with due care	3,864,808	-	-	-	-	3,864,808	16,897,974
Watch list	-		860,634			860,634	710,660
Unrated	30,855,581	-	535,034	-	-	31,390,615	22,405,023
Total	**182,134,063**	**-**	**2,348,172**	**-**	**-**	**184,482,235**	**229,713,569**

Movement on the indirect facilities/credit Unutilized credit limits :

Item	31 December 2024						31 December 2023
	Stage 1		Stage 2		Stage 3	Total	Total
	Individual	Collective	Individual	Collective			
	JD	JD	JD	JD	JD	JD	JD
Total balance at the beginning of the year	**226,250,120**	**-**	**3,463,449**	**-**	**-**	**229,713,569**	**170,669,703**
New exposures during the year	37,156,127	-	150,000	-	-	37,306,127	68,671,811
Settled exposures during the year	(58,834,091)	-	(2,865,669)	-	-	(61,699,760)	(30,771,696)
Transfer to Stage 1	441,303	-	(441,303)	-	-	-	-
Transfer to Stage 2	(1,874,817)	-	1,874,817	-	-	-	-
Transfer to Stage 3	-	-	-	-	-	-	-
The total impact on the size of exposures as a result of changing the classification between stages	160,341	-	(61,679)	-	-	98,662	(190,034)
Changes resulting from modifications	(21,164,920)	-	228,557	-	-	(20,936,363)	21,333,785
Total balance at the end of the year	**182,134,063**	**-**	**2,348,172**	**-**	**-**	**184,482,235**	**229,713,569**

Movement on the indirect facilities/credit Unutilized credit limits :

Item	For the year ended 31 December 2024						For the year ended 31 December 2023
	Stage 1		Stage 2		Stage 3	Total	Total
	Individual	Collective	Individual	Collective			
	JD	JD	JD	JD	JD	JD	JD
Total balance at the beginning of the year	**1,337,819**	**-**	**64,307**	**-**	**-**	**1,402,126**	**1,148,342**
Impairment loss on new exposures during the year	134,939	-	2,781	-	-	137,720	363,158
Impairment loss of matured / derecognized exposures	(307,417)	-	(53,242)	-	-	(360,659)	(123,383)
Transfer to Stage 1	8,162	-	(8,162)	-	-	-	-
Transfer to Stage 2	(16,104)	-	16,104	-	-	-	-
Transfer to Stage 3	-	-	-	-	-	-	-
Effect on the provision as a result of the change in classification between the three stages during the year	(5,611)	-	22,130	-	-	16,519	(3,073)
Changes resulting from modifications	(387,143)	-	4,238	-	-	(382,905)	17,082
Total balance at the end of the year	**764,645**	**-**	**48,156**	**-**	**-**	**812,801**	**1,402,126**

(23) URESTRICTED INVESTMENT ACCOUNTS

The details of this item are as follows:

	31 December 2024					
	Individuals	Corporate	Small and Medium enterprises	Governmental and Public sector	Banks and Financial Institutions	Total
	JD	JD	JD	JD	JD	JD
Saving accounts	255,267,788	56,426,024	162,830,521	7,102,750	41,129,999	522,757,082
Term accounts/ Investing deposits	907,283,059	265,773,496	98,650,014	144,558,773	46,956,757	1,463,222,099
Certificates of investing deposit	464,874,433	39,519,632	34,925,077	56,318,591	24,741,001	620,378,734
Total	**1,627,425,280**	**361,719,152**	**296,405,612**	**207,980,114**	**112,827,757**	**2,606,357,915**
Depositors' share from investments' revenue	69,809,621	15,101,246	7,959,518	9,869,967	7,320,282	110,060,634
Total unrestricted investment accounts	**1,697,234,901**	**376,820,398**	**304,365,130**	**217,850,081**	**120,148,039**	**2,716,418,549**
	31 December 2023					
	Individuals	Corporate	Small and Medium enterprises	Governmental and Public sector	Banks and Financial Institutions	Total
	JD	JD	JD	JD	JD	JD
Saving accounts	177,854,180	26,509,581	80,270,165	7,981,193	38,158,333	330,773,452
Term accounts/ Investing deposits	874,921,624	139,957,783	104,219,141	162,094,071	-	1,281,192,619
Certificates of investing deposit	352,017,857	23,585,730	32,218,881	41,994,820	40,510,358	490,327,646
Total	**1,404,793,661**	**190,053,094**	**216,708,187**	**212,070,084**	**78,668,691**	**2,102,293,717**
Depositors' share from investments' revenue	63,652,001	8,850,031	7,814,114	10,588,868	3,328,964	94,233,978
Total unrestricted investment accounts	**1,468,445,662**	**198,903,125**	**224,522,301**	**222,658,952**	**81,997,655**	**2,196,527,695**

- Unrestricted investment accounts share of profit is calculated as follows :
- 11% to 50% of the minimum balance of saving accounts in Jordanian Dinar.
- 14% to 33% of the minimum balance of saving accounts in foreign currencies.
- 55% to 97% of the average term accounts in Jordanian Dinar.
- 18% to 61% of the average term accounts in foreign currencies.
- 90% of the average balances of investing certificates of deposit in Jordanian Dinar.
- 80% to 85% of average balances of certificates of investing deposit in foreign currencies .
- The general percentage of the profit on the Jordanian Dinar for the year ended 31 December 2024 is (4.49%) (for the year ended 31 December 2023 was (4.52 %)).
- The general percentage of the profit on USD for the year ended 31 December 2024 is (3.34%) (for the same year last year was (3.77%)).
- The unrestricted investment accounts for the Government and Public sector amounted to JD 217,850,081 as of 31 December 2024 which represents 8.02 % of the total joint investment accounts (As of 31 December 2023 amounted to JD 222,658,952 which represents 10.14 % of the total joint investment accounts).
- The restricted accounts amounted to JD 4,220,528 as of 31 December 2024 which represents 0.16% of the total joint investment (As of 31 December 2023 amounted to JD 1,710,428 which represent 0.08% of the total joint investment).
- The dormant accounts as of 31 December 2024 amounted to JD 7,866,495 (As of 31 December 2023 amounted to JD 8,836,620).

(24) FAIR VALUE RESERVE

The details of this item are as follows:

A - Self

Fair value reserve for financial assets through other comprehensive income	31 December	
	2024	2023
	JD	JD
Balance at the beginning of the year	**(25,069)**	**14,593**
Unrealized gains (losses) on debt instruments / shares	64,000	(39,662)
Unrealized gains on debt instruments / Sukuk	55,137	-
Balance at the end of the year	**94,068**	**(25,069)**

B - Joint

fair value reserve for financial assets through quasi-equity	31 December	
	2024	2023
	JD	JD
Balance at the beginning of the year	**(371,067)**	**(1,016,785)**
Unrealized gains on debt instruments / sukuk	456,723	345,615
Unrealized (losses) gains on shares	(68,714)	300,103
Balance at the end of the year	**16,942**	**(371,067)**

(25) PAID IN CAPITAL

The authorized and paid-in capital amounted to JD 120,000,000, consisting of 120,000,000 shares, at a par value of JD 1 per share as at 31 December 2024 (JD 100,000,000, consisting of 100,000,000 shares, at a par value of JD 1 per share as at 31 December 2023).

* The Bank›s capital was increased from JD (100) million to JD (120) million after obtaining the approval of the Central Bank of Jordan in addition to the approval of the Bank›s General Assembly in its meeting held on 18 April 2024.

(26) SHARES PROPOSED TO BE DISTRIBUTED TO SHAREHOLDERS

The Board of Directors proposed in its meeting that was held on 30 January 2025, a recommendation to the General assembly of shareholders to approve a capital increase amounted to JOD 30 million equivalent to 25% of the paid-in capital where the paid-up capital becomes JOD 150 million by distributing free shares to shareholders(Free shares were distributed to shareholders during the previous year at a rate of 20% of the bank's capital.).

(27) RESERVES

Statutory reserve :

The accumulated amounts in this account represent the transferred (10%) of annual profits before taxes during the years, according to the Banks and Companies Laws. This reserve is not available for distribution to shareholders.

The following reserves are restricted:

Reserve name	31 December		Nature of recordly
	2024	2023	
	JD	JD	
Statutory reserve	38,320,046	35,041,275	Law's requirement (Banking and companies)

(28) RETAINED EARNINGS

	31 December	
	2024	2023
	JD	JD
Beginning balance of the year	**54,293,534**	**39,580,861**
Transferred to statutory reserve	(3,278,771)	(2,832,388)
Distributed bonus shares (capital increase)	(20,000,000)	-
Capital raising fees	(150,113)	-
Net sale gain financial assets through other comprehensive income	-	34,815
Profit for the year	20,224,911	17,510,246
Ending balance of the year	**51,089,561**	**54,293,534**

-The retained earnings balance as at 31 December 2024 includes an amount to JD 1,351,047 (31 December 2023 amounted to JD 887,643) which represent deferred tax assets-self and it is restricted from use in accordance with the Central Bank of Jordan regulations.

- It is prohibited to dispose of the surplus from the balance of the general banking risk reserve, which is transferred to the retained earnings, amounting to JD 108,397 except with the prior approval of the Central Bank of Jordan, where the accumulated balance of the general banking risk reserve has been transferred to the retained earnings based on the instructions of the Central Bank of Jordan No. (13/2018) issued On 6 June 2018.

(29) DEFERRED SALES INCOME

The details of this item are as follows:

	For the year ended 31 December					
	2024			2023		
	Joint	Self	Total	Joint	Self	Total
	JD	JD		JD	JD	
Individuals (Retail)						
Murabaha to the purchase orderer	36,268,356	128,289	36,396,645	30,436,678	110,528	30,547,206
Real estate facilities	**2,193,042**	**-**	**2,193,042**	**1,752,434**	**-**	**1,752,434**
Corporate						
International Murabaha	733,029	-	733,029	191,340	-	191,340
Murabaha to the purchase orderer	26,318,507	-	26,318,507	29,892,566	-	29,892,566
Small and medium enterprises						
Murabaha to the purchase orderer	5,149,064	-	5,149,064	4,139,824	-	4,139,824
Government and the public sector	**23,758,247**	**-**	**23,758,247**	**21,540,802**	**-**	**21,540,802**
Total	**94,420,245**	**128,289**	**94,548,534**	**87,953,644**	**110,528**	**88,064,172**

(30) IJARA MUNTAHIA BELTAMLEEK INCOME

The details of this item are as follows:

	For the year ended 31 December					
	2024			2023		
	Joint	Self	Total	Joint	Self	Total
	JD	JD		JD	JD	
Ijara Muntahia Beltamleek – real state	134,798,701	805,476	135,604,177	100,286,379	762,521	101,048,900
Ijara Muntahia Beltamleek – machines	6,182,646	-	6,182,646	5,320,684	-	5,320,684
Ijara Muntahia Bittamleek assets-vehicles	563,730	-	563,730	473,289	-	473,289
Depreciation for Ijara Muntahia Beltamleek assets	(73,743,801)	(555,423)	(74,299,224)	(51,850,824)	(520,533)	(52,371,357)
Total	**67,801,276**	**250,053**	**68,051,329**	**54,229,528**	**241,988**	**54,471,516**

(31) INTERNATIONAL WAKALA INVESTMENTS INCOME

The details of this item are as follows:

	Joint	
	For the year ended 31 December	
	2024	2023
	JD	JD
International wakala investments income	8,785,237	4,204,173
Total	**8,785,237**	**4,204,173**

(32) INCOME FROM FINANCIAL ASSETS AT FAIR VALUE THROUGH OTHER COMREHENSIVE INCOME

The details of this item are as follows:

	Self	
	For the year ended 31 December	
	2024	2023
	JD	JD
Shares dividends	44,000	42,000
Gains on sale of financial assets (Sukuk)	78,970	-
Sukuk profits	736,723	-
Total	**859,693**	**42,000**

(33) INCOME FROM FINANCIAL ASSETS AT FAIR VALUE THROUGH QUASI-EQUITY

The details of this item are as follows:

	Joint	
	For the year ended 31 December	
	2024	2023
	JD	JD
Shares dividends	108,337	139,729
Gains on sale of financial assets (Sukuk & Shares)	268,576	8,314
Sukuk profits	23,353,803	13,560,342
Total	**23,730,716**	**13,708,385**

(34) INCOME FROM FINANCIAL ASSETS AT FAIR VALUE THROUGH STATEMENT OF INCOME

The details of this item are as follows:

	Joint							
	For the year ended 31 December							
	2024				2023			
	Realized gains	Unrealized gains	Dividends	Total	Realized gains	Unrealized gains	Dividends	Total
	JD	JD	JD	JD	JD	JD	JD	JD
Sukuk	7,854	-	-	7,854	36,857	-	-	36,857
Total	**7,854**	**-**	**-**	**7,854**	**36,857**	**-**	**-**	**36,857**

(35) INCOME FROM FINANCIAL ASSETS AT AMORTIZED COST

The details of this item are as follows:

	Joint	
	For the year ended 31 December	
	2024	2023
	JD	JD
Sukuk	2,609,377	1,336,449
Total	**2,609,377**	**1,336,449**

(36) LOSSES FROM FOREIGN CURRENCIES VALUATION

The details of this item are as follows:

	Joint	
	For the year ended 31 December	
	2024	2023
	JD	JD
Foreign currency valuation losses	(84,177)	(9,426)
Total	**(84,177)**	**(9,426)**

(37) BANKS SHARE FROM THE RESTRICTED INVESTMENT INCOME AS AGENT WAKEEL

The details of this item are as follows:

	Self	
	For the year ended 31 December	
	2024	2023
	JD	JD
Deferred sales income	-	1,338,292
Less: Muwakel's share	-	(1,273,704)
Banks share as an agent (wakeel)	**-**	**64,588**

This item represents revenue from Murabaha to purchase order within the Restricted Wakala Investment agreement signed with the Central Bank of Jordan.

(38) INCOME FROM FOREIGN CURRENCIES

The details of this item are as follows:

	Self	
	For the year ended 31 December	
	2024	2023
	JD	JD
Resulting from trading/dealing	3,258,872	2,240,008
Total	**3,258,872**	**2,240,008**

(39) BANKING SERVICES INCOME - NET

The details of this item are as follows:

	Self	
	For the year ended 31 December	
	2024	2023
	JD	JD
Indirect facilities commissions	5,106,263	2,202,470
Direct facilities commissions	2,375,235	2,271,238
Other commissions	9,803,700	7,966,170
Less : debit commission	(4,521,938)	(3,929,394)
Total	**12,763,260**	**8,510,484**

(40) OTHER INCOME - NET

The details of this item are as follows:

	For the year ended 31 December					
	2024			2023		
	Joint	Self	Total	Joint	Self	Total
	JD	JD	JD	JD	JD	JD
Gains from sale of property and equipment	-	56,047	56,047	-	1,672	1,672
Gains from sale of seized assets	533,487	-	533,487	70,893	3,633	74,526
Breakage deposit commission	1,402,115	-	1,402,115	1,682,751	-	1,682,751
Membership in the Board of Directors of Jordan Fertilizer Processing Company	-	3,348	3,348	-	3,627	3,627
Other revenue	-	19,029	19,029	-	24,537	24,537
Seized assets expenses - Joint	(53,525)	-	(53,525)	(22,989)	-	(22,989)
Provision for impairment of seized assets	(437,446)	-	(437,446)	(104,944)	-	(104,944)
Total	**1,444,631**	**78,424**	**1,523,055**	**1,625,711**	**33,469**	**1,659,180**

(41) PROVISION EXPENSE FOR EXPECTED CREDIT LOSSES AND OTHER RECEIVABLES

The details of this item are as follows:

	For the year ended 31 December					
	2024			2023		
	Joint	Self	Total	Joint	Self	Total
	JD	JD	JD	JD	JD	JD
International Wakala Investments	299,289	-	299,289	(206,986)	-	(206,986)
Deferred sales receivables , other receivables , facilities and Qard Al-Hasan	31,759,424	562,720	32,322,144	15,550,143	430,978	15,981,121
Financial assets at fair value through Other Comprehensive Income	-	64,447	64,447	-	-	-
Financial assets at fair value through Quasi-equity	433	-	433	(83,317)	-	(83,317)
Items off-balance sheet	(589,325)	186,527	(402,798)	253,784	(37,413)	216,371
Other receivables	-	697,265	697,265	-	-	-
Total	**31,469,821**	**1,510,959**	**32,980,780**	**15,513,624**	**393,565**	**15,907,189**

(42) EMPLOYEES' EXPENSES

The details of this item are as follows:

	For the year ended 31 December	
	2024	2023
	JD	JD
Salaries, benefits, allowances and bonuses for employees	14,342,044	12,362,040
Bank's contribution in social security	1,429,091	1,285,804
Medical expenses	966,876	831,956
Employees training	177,623	188,662
Insurance expenses	39,648	36,696
Other employees 'expenses	2,517,267	2,250,392
Total	**19,472,549**	**16,955,550**

(43) OTHER EXPENSES

The details of this item are as follows:

	For the year ended 31 December	
	2024	2023
	JD	JD
Stationery and printing	367,982	361,783
Postage and telephone	663,319	599,565
Electricity, water and fuel	658,716	702,959
Travel and transportation	261,190	211,610
Marketing and advertising	2,034,067	1,051,277
Subscription and fees	1,012,246	636,136
Maintenance and cleaning	594,479	562,147
Licences and fees	747,393	601,644
Board of Directors' meetings expenses	672,812	634,210
Information technology expenses	1,389,417	1,433,137
Security and insurance expenses	501,411	532,331
Donations	148,910	722,658
Management and consulting fees	330,513	263,110
Professional fees	114,123	138,448
Board of Directors' remunerations	55,000	55,000
Hospitality expenses	148,863	90,407
Money transportation expenses	296,312	213,838
Legal expenses - Self	101,177	20,362
Others	110,676	215,887
Total	**10,208,606**	**9,046,509**

(44) NET PROFIT ATTRIBUTABLE TO QUASI-EQUITY

The details of this item are as follows:

	For the year ended 31 December	
	2024	2023
	JD	JD
Customers		
Saving accounts	4,316,144	3,175,126
Term accounts	65,497,699	67,555,082
Certificates of investment deposit accounts	31,935,946	17,980,339
Cash margin accounts	3,952,009	2,194,467
Total customer revenue	**105,701,798**	**90,905,014**
Banks		
Banks and financial Institutions accounts	4,358,836	3,328,964
Total banks revenue	**4,358,836**	**3,328,964**
Total	**110,060,634**	**94,233,978**

(45) BANK'S SHARE OF REVENUE FROM UNRESTRICTED INVESTMENT ACCOUNTS AS MUDARIB AND RAB MAL

The details of this item are as follows:

	For the year ended 31 December	
	2024	2023
	JD	JD
Bank's share as Mudarib	57,042,289	43,021,177
Bank's share as Rab Mal	18,623,767	17,615,707
Bank's share of revenue from unrestricted investment accounts as mudarib and rab mal before support	**75,666,056**	**60,636,884**
Less : Bank's support (as mudarib)	(21,754,398)	(10,026,251)
Bank's share of revenue from unrestricted investment accounts as mudarib and rab mal after support	**53,911,658**	**50,610,633**

46) EARNINGS PER SHARE

The details of this item are as follows:

	For the year ended 31 December	
	2024	2023
	JD	JD
Profit for the year	20,224,911	17,510,246
	Share	Share
Weighted average number of shares	120,000,000	120,000,000
	JD/Fils	JD/Fils
Basic and diluted earnings per share for the year	0/169	0/146

(47) CASH AND CASH EQUIVALENTS

The details of this item are as follows:

	For the year ended 31 December	
	2024	2023
	JD	JD
Cash and balances with Central Bank of Jordan maturing within three months	244,541,023	255,949,654
Add: cash at banks and financial institutions maturing within three months	16,841,108	26,513,323
Less: banks and financial institutions accounts maturing within three months	(30,544,484)	(23,144,067)
Total	**230,837,647**	**259,318,910**

(48) RELATED PARTY TRANSACTIONS

The Bank entered into transactions with shareholders, board members, and senior management within its normal operations using normal rates of Murabaha and trade commissions , All deferred sales receivables and facilities granted to related parties are performing, and no provisions were taken for these balances. The related parties' transactions are as follows :

	Main shareholders	"Senior management"	"Board of Directors members"	Al-Etihad Islamic company for investment*	Sharia directors members	Total 31 December 2024	Total 31 December 2023
	JD	JD	JD	JD	JD	JD	JD
Consolidated statements of financial position items :							
Balances at banks and financial institutions	-	-	-	651,208	-	651,208	995,237
Unrestricted investments accounts and current accounts	382,349	1,903,963	747,618	11,440,492	117,375	14,591,797	13,591,349
Deferred sales receivables and facilities	-	437,556	1,608	-	-	439,164	409,409
Ijara Muntahia Bittamleek assets	-	1,083,357	470,450	-	-	1,553,807	1,776,306
Statement of financial position Off-balance items :							
Letters of guarantee	-	-	-	621,416	-	621,416	1,500
Consolidated statement of income and other comprehensive Income items :						For the year ended 31 December 2024	For the year ended 31 December 2023
Dividends	67	54,011	14,301	538,444	2,396	609,219	513,817
Received profit	-	80,199	40,847	-	-	121,046	107,331
Salaries and bonuses	-	2,672,298	55,000	-	52,400	2,779,698	2,565,338
Transportation	-	-	630,400	-	26,400	656,800	637,975
Cards Services	-	-	-	8,508	-	8,508	8,508
Paid commissions	-	-	-	83,931	-	83,931	50,381

* Al Etihad Islamic For Investment Company which owns 62.37% of Safwa Islamic Bank.

- The lowest and highest received Murabaha rate were 6.58% and 7.75% respectively.
- The lowest and highest rate of Ijara Muntahia Bittamleek received by the Bank were 3.75% and 7.25% respectively.
- The lowest and highest distributed profit rate were 0.19% and 5.83% respectively.
- Executive management salaries and benefits for the year ended 31 December 2024 amounted to JD 2,672,298 (JD 2,457,938 as of 31 December 2023).
- All facilities granted to related parties are performing and no provisions were recorded for it .

(49) RIGHT OF USE ASSETS / LEASE LIABILITIES

The details of this item are as follows:

A- Right of use assets

The Group rents real estate and stores for periods ranging from one to 15 years, the average lease term is 7 years, the following is the movement on the right of use assets during the year:

	31 December 2024	31 December 2023
	JD	JD
Balance at the beginning of the year	**10,188,361**	**10,017,830**
Additions during the year	1,500,841	2,071,160
Disposals during the year	(187,227)	(163,929)
Depreciation for the year	(1,803,410)	(1,736,700)
Balance at the end of year	**9,698,565**	**10,188,361**

The amounts recorded in the consolidated statement of income and other comprehensive income :

	31 December 2024	31 December 2023
	JD	JD
Depreciation of the right of use assets for the year	(1,803,410)	(1,736,700)
Finance costs (discounting of lease liabilities) during the year	(346,719)	(357,517)

B- Lease liabilities

	31 December 2024	31 December 2023
	JD	JD
Balance at the beginning of the year	**10,295,338**	**10,044,519**
Additions during the year	1,500,841	2,071,160
Disposals during the year	(187,227)	(163,929)
Financing costs - discount of lease liabilities during the year	346,719	357,517
Paid during the year	(2,104,296)	(2,013,929)
Balance at the end of year	**9,851,375**	**10,295,338**

Maturity analysis of lease contract liability

	31 December 2024	31 December 2023
	JD	JD
In less than a year	111,028	85,966
From 1 to 5 years	3,283,812	2,060,862
More than 5 years	6,456,535	8,148,510
Total	**9,851,375**	**10,295,338**

The value of undiscounted rental contract obligations amounted to JD 10,978,526 as at 31 December 2024, and the following is the maturity analysis:

analysis of undiscounted lease contract liabilities:	31 December 2024	31 December 2023
	JD	JD
In less than a year	111,760	86,274
From 1 to 5 years	3,509,109	2,181,512
More than 5 years	7,357,657	9,266,030
Total	**10,978,526**	**11,533,816**

(50)Risk Management
The Group applies a risk management system that adopts the concept of Enterprise Risk Management to manage the risks that the Bank is exposed to according to the concept of prevention before treatment, where the Bank adopts a Risk Management framework which is documented and approved by the Board of Directors as the basis for other policies related to the Risk Appetite and other risk policies and a basis of preparing an Internal Capital Adequacy Assessment Plan (ICAAP) and Stress Testing.

Risk Management is a prime responsibility of the Bank's Board of Directors through the Board Risk Committee that endorsing to the board of directors to approve the Risk Framework. The Risk Management Department role is to facilitate the management process of different types of risks that the Bank is exposed to and evaluating, measuring and developing an appropriate measurement method to mitigate these risks that's affecting the Bank's profitability and Capital Adequacy in line with the approved Risk framework. The Risk Management Department prepares periodic reports to the Board of Directors through the Risk Management Committee to inform them with the latest developments related to risk management for their evaluation and recommendations.

The Internal Audit Department also reports to the Board of Directors through Board Audit Committee on the compliance level of all departments with risk management policies and procedures; as well as auditing the Risk Management Department activities and reporting the findings to the concerned parties.

The Bank applies the Central Bank of Jordan instructions related to Risk Management through developing an Internal Capital Adequacy Assessment Plan (ICAAP) and Stress Testing on an annual and regular basis.

Risk Management Department adopts an integrated Risk Management methodology through identifying all risk factor that the Bank exposed to and then managing each type of risk within an integrated cycle that includes the following:

A. Define all types of risk.
B. Determine the strategic objectives for managing this type of risk.
C. Defining the risk appetite.
D. Assess and measure the type risks.
E. Managing the risks.
F. Monitoring and reporting of exposures.

The bank is exposed to the following risks:

1. Credit risk:
The Bank defines credit risk as the risk arising from the client's inability or unwillingness to fulfill their obligations (principal amount and / or profits) according to the agreed terms and maturities which is causing the Bank to incur financial losses.

The Risk Management Department manages credit risk by applying the Credit Manual that organizes and governs the credit process for corporate clients, in addition to the credit Policy for retail and small business clients, as well as the policy of financial institutions credit limits, in line with the Central Bank of Jordan policies and the Basel requirements.

Bank's exposure to credit risk in the Bank arises from its financing and investment operations, including:
- Risks related to the client and the nature of business.
- Risks related to the granting and implementing of financing.
- Concentration risk.
- Risks related to Islamic financing instruments.

In this field, the Bank monitors and controls credit risks through:
- Managing and controlling portfolio risks through a number of committees such as Board Risk Management committee approved by the Bank Board at director.
- Reviewing and approving credit applications through Credit Committees according to specific authorities that is documented and approved by the Board of Directors, where small amounts are approved by individual authorities.
- Applying credit rating methodologies in line with best practices.
- Monitor credit limits and issuing the needed reports to avoid breach of that limits and monitoring the quality of portfolio.
- Diversifying between financing and investment to avoid the Concentration Risk within individuals, groups or clients of specific geographical regions, specific economic sectors, or specific financing instruments or in the term of financing period.
- Managing nonperforming loans to reduce the expected credit losses.
- Segregation of duties between marketing and credit decision tasks.
- Segregation of duties between implementation and credit control role.
- Setting and updating credit policy, which is responsible of the credit process and decisions.

Credit risk measurement:
The Bank applies the Standardized Approach for measuring credit risk by measuring the weighted assets of credit risks mentioned in the consolidated Balance sheet as per the Regulatory Capital Instruction in accordance with the Amended Standard No. 15 (issued by the Islamic Financial Services Board (IFSB)).The Bank is taking the necessary steps to apply the Foundation Internal Risk Basis (FIRB), where a corporate credit rating system is periodically applied in addition to a specialized credit rating system for small companies and for individual clients to determine the credit quality for each client when granting the credit and monitoring this quality throughout the financing period to specify any deterioration that may occur and to specify the quality of the whole credit portfolio on a regular basis which will be reflected on credit policy and pricing.

Credit Risk mitigation:
The Bank uses various credit risk mitigation tools (such as real estate guarantees, financial, etc.) accordance to the approved credit risk mitigation policy in order to mitigate the exposure credit risks and the related impact on the Bank, where the volume and value of the required collateral is determined based on approved credit risk mitigation policy.

The systems used by the bank to manage Credit Risk:
The Bank is currently using advanced technological programs to improve the quality of risk management. Perhaps the most important systems currently used are:

1. **Expected Credit Losses System (ECL):**
   Risk management department with the related Bank's departments has accomplished setting the Financial Accounting Standard (FAS 30) through an integrated and automated system to calculate the expected credit loss that is linked with the core Banking system.

2. **Internal Credit Rating system and how it works:**
   Rating system is a tool that is used to evaluate and improve the quality of the credit decision, in addition to be considered as a primary base to improve and develop the credit risk in line with the Basel requirements and FAS (30) instructions.

   Safwa Islamic Bank implements the best international practices related to the internal credit rating on the Corporate Banking clients (Credit Lens: Moody's System), where the classification process is based on qualitative and quantitative credit criteria. Where the credit rating includes two ratings, one at the customer level (Obligor Risk Rating "ORR") and the other at the level of financing (Facility Risk Rating "FRR"). Whereas, the credit rating system is the main focus of calculating the Probability of Default "PD" in addition to calculating losses upon default and within the concept of losses assuming default (Loss Given Default "LGD").

The credit rating system (ORR) is determined by ten degrees and divided as follows:

- From one to six degrees for operating financing, where the first degree is considered the best.
- The seventh degree for operating under supervision
- Degrees eight to ten are for non-performing financing.

The customer is classified on the credit rating system at least once a year in case that no credit event occurs during the year (Credit Events).

In addition, a special system for internal credit rating has been implemented for small business customers, where the classification process is based on qualitative and quantitative criteria. Credit Decisions are made relying mainly on the system output.

Risk Scoring System has been implemented, noting that it is considered an essential part of an integrated project to automate individual financing requests through a Work Flow System that includes all stages of submitting applications and approvals in the relevant departments.

The Bank continuously seeks to review and develop the credit rating systems applied for the various Bank's portfolios in accordance with the best international practices that complies with the international and local legislative requirements.

3. **Management Information System (MIS)**
   The management information system is considered a base for the development of credit risk management system in accordance with the requirements of the Basel decisions and the instructions for the application of the Accounting and Auditing Organization for Islamic Financial Institutions FAS (30). Where the system contributes to control risk management related to granted credit by providing periodic oversight reports. Which in turn contributes to control risk within acceptable levels.

Governance of implementation of Financial Accounting Standard (FAS 30):
The Bank applies an integrated corporate governance for the implementation of Financial Account Standard (FAS 30) where the board of directors' responsibility is to ensure compliance with the FAS 30, through adopting methodology and policies for the standard, which include defining the roles of relevant committees, departments, and business units also it includes the adopting of system for Financial Accounting Standard (FAS 30), implementation and providing the necessary infrastructure.

Also, through the Board committees the Board of Directors' responsibility is to approve the periodic results of expected credit loss in line with (FAS 30) instructions.

Definition of Default Implementation and the Mechanism of Handling the Default
The Bank applied the Central Bank of Jordan instructions regarding the default where the facilities is considered as defaulted (non-performing) if its maturity or the maturity of one of the installments is equal or more than 90 days or there are indicators that the facilities may be defaulted. The possibility of non-payment of financial Sukuk, International Murabaha and International Wakala with the Banking institutions also included into Bank's default concept.

Payment of due installments are monitored through the related departments within approved framework and policies.

The Mechanism of Calculating the Expected Credit Losses (ECL)
The mathematical model for calculating the Expected Credit Loss according to Financial Accounting Standard (FAS 30) instructions is as follows:

Expected Credit Loss = Probability of Default (PD) * Exposure at Default (EAD) * Loss Given Default (LGD)

The calculation of Expected Credit Loss (ECL) depended on the calculation of the following variables:

A. Probability of Default (PD)

Definition of Probability of Default and the Mechanism of Calculation and Controlling (PD):
It is the probability of irregularity in repayment where it is measured for the purpose of calculating the expected credit loss for each stage from the implementation of the Financial Accounting Standard (30) based on historical data that reflecting historical default rates as well as macroeconomic factors stress testing, Where the Bank has developed appropriate perceptions according to levels of risk for each economic sector and made several perceptions for sectors with high levels of risk and calculated the impact of this on expected credit losses. Moreover, the Bank also reflected the global and local economic conditions, in addition to the effects of Covid-19 pandemic on the possibility of default (Macroeconomic Adjusted PD) And adopting it as a basis in the process of calculating expected credit losses, with the aim of precaution.

The probability of default for a period of 12 months is calculated for the funds included in the first phase and the probability of default for the entire life of the financing for the funds included in the second and third stages. Whereas, the Bank adopts a default rate on the level of corporate portfolio clients and investment portfolio clients on an individual basis, while a general ratio for each individual product is based on a collective basis.

B. Exposure at Default (EAD)

Definition of Exposure at Default and Mechanism of Calculating and Controlling (EAD):
It is the amount of potential exposure that is subject to risk - uncovered balance by acceptable collateral - for exposures that fall within the scope of Financial Accounting Standard (FAS 30) through a forward-looking for the period, which the default may occur. Where the exposure at default is measured for the purposes of calculating Expected Credit Loss for each stage of (FAS 30) instruction. An EAD Haircut is used to determine the on-balance exposure that subjected to risk where the off-balance statistical exposure utilization (DDF) is used to determine the potential utilization for those exposures (LGs, LCs and Unutilized Limits). Exposure at Default (EAD) is calculated by the total facilities for the first and second stage and net facilities for the third stage.

C. Loss Given Default (LGD)

Definition of Loss Given Default and Mechanism of Calculating and Controlling (LGD):
It is the amount of loss that arises as a result of defaulted facilities and that is calculated through a statistical model which analyzes the historical collections for each portfolio, where it measured for the purpose of calculating the expected credit loss for each stage of Expected Credit Losses according to the instructions for the implementation of (FAS 30) by calculating the recoverable amount of the different collateral (Cars, Real Estate, Cash, Land, Machinery, Equipment and Vehicles) provided to the Bank against the facilities that granted and legally documented into contracts through a conversion factor for each type of collateral taking into consideration the timing of reaching each type of collateral and turn them into cash (expected cash flow and timing).

The Bank has developed a methodology for calculating loss on default (LGD), according to the following:

1. The loss ratio was taken under the assumption of default for the first and second stage customers, based on updated historical data for the amounts or collaterals recovered from the dealers.
2. The loss on default ratio was considered for the third stage dealers based on the default period, so that the relationship between the loss on default and the default period is positive.
3. The Bank has updated the data related to the loss on default ratio (LGD) and increased it based on economic studies issued by the international rating agencies.

The Bank's policy in Determining the Elements of calculating Credit Risk and Expected Credit Loss on a Collective or Individual Basis

The expected Credit Loss (ECL) methodology is classified into individual or collective basis where the collective basis was adopted for retail portfolio through a general PD ratio for each product and then calculating the expected credit loss for each retail portfolio product. While the individual basis was adopted for corporate portfolio as well as for each investment in the Bank's investment portfolios that are subjected to (FAS 30) instructions through a PD ratio for corporate and investment portfolio then calculating the Expected Credit Loss for corporate and investment portfolio.

Key indicators of credit risk on which the Bank has relied in distributing its credit exposures among the three stages

Bank classified exposures on the Expected Credit Loss automated system in line with Financial Accounting Standard (FAS 30) instructions into three stages depending on a set of determinants such as: corporate client internal credit rating, external credit rating, number of dues installments, restructuring and rescheduling, negative changes in the client behavior, increase credit risk, classifying the client under watching-list stage adjusting the credit terms, negative changes on the guarantees value, negative changes in the customer's economic sector, the Bank's legal follow-up with the client, In addition to the classification criteria mentioned in the CBJ instructions No. (47/2009) December 10, 2009.

The Main Economic Factors Used by the Bank in Calculating the Expected Credit Loss (ECL)

The main economic factors (macroeconomic factors) were included in the automated system for calculating the expected credit loss. The Bank adopts three scenarios, which are the base scenario, the upturn scenario, and the downturn scenario, which were determined based on economic studies issued by the World Bank and international rating agencies.

2. Market Risk:

The Bank defines market risk as the potential losses that the Bank may be exposed to as a result of the decrease in the prices of the various financial instruments in which it invests, including equity instruments, Sukuk, currency exchange and commodities. The Bank also adopts a conservative policy that aims to identify, assess, measure and manage all types of market risks that may be exposed, which ensures that the Bank's risk factors are reduced and kept within the minimum limits.

3. Operational Risk:

The risk of losses resulting from inadequate or failure of internal processes and/or the human resources and/or systems and/or from external events.

Operational risk factors are managed according to a framework approved by the Board of Directors. This framework includes policies and procedures that clarify the mechanism of identifying and evaluating risk factors and assessing the current controls to determine the adequacy of these controls in mitigating the risk factors and reducing the likelihood of occurrence.

The Bank adopted and applied the Risk & Control Self-Assessment methodology through workshops to define and measure all the Operational Risk factors of operations, activities, products and services of the Bank, and to assess the effectiveness of current controls in mitigating these risks and to develop corrective plans to handle such gaps. As this methodology promotes and enhance the principles of direct responsibility of the business units for managing risk factors of their areas. also, it achieves the principle of continuous monitoring risk factors. Risk profiles were developed for all departments which are monthly examined and providing the results to the Risk Management Department.

Operational risk department reviews the internal audit reports of Bank's business units and includes new operational risks factors within the unit's risk profile in addition to the internal control unit findings.

The Bank applies Loss Data Collection methodology that arise as a result of operational events and the Board of Directors has adopted a detailed policy. The data for these events are currently collected, analyzed, linked with risk factors.

The Bank also applies the Lessons Learned methodology against the Internal and External incidents in order to assess our Internal Control Environment and ensure develop the needed corrective action against control gap(s).

The Bank has adopted a general framework for Key Risk Indicators (KRIs), which provides an important tool in managing operational risk factors and improving the Banks ability to manage these risks even before they occur.

All policies and procedures related to departments and business units are reviewed by Risk Management Department - within the process of approved policies and procedures – for the purpose of assessing the adequacy of controls to mitigate risk factors.

With regard to the Bank wide awareness of risk culture, Risk Department conducted many workshops for Bank employees on an annual basis.

As for capital adequacy purposes, the Operational Risks are measured using the Basic Indicator Approach according to the instructions of the Central Bank of Jordan, and the Bank is working to develop a methodology for transferring to the Standardized Approach in calculating Capital Adequacy against Operational Risks.

Information security and cybersecurity
Policies and strategies were developed based on the best practice of Information Security and Cybersecurity in order to maintain the Confidentiality and Availability of client information and provide Banking services within the highest levels of safety and to maintain a safety and secured work environment in which the goals related to information protection, confidentiality, integrity and availability are achieved by the Bank using the following:

- A long-term strategy and an integrated annual plan were developed to include the implementation of strategies, policies, standards and systems in the area of Information Security and Cybersecurity to reach a more secure environment and enhance the cybersecurity capabilities of the Bank.
- Information Security and CyberSecurity policies have been updated to comply with the instructions issued by Regulator and related global best practices (such as the ISO 27001 standard). These updates have referred to the topic of Artificial Intelligence (AI) and safe use in this field.
- Developing and updating the Security Operations Center (SOC), for 24/7 monitoring.
- Several projects related to Information Security and Cyber Security were implemented for the purpose of implementing the best solutions and programs to protect and monitor the information systems in the Bank.
- The Bank adherence to the International Standards for the year 2024 (such as the Payment Card Security Standard PCI DSS) and the Bank has obtained a certificate of compliance with the standard on its last version PCI DSS version 4 .
- Compliance with SWIFT financial network security standard by applying SWIFT Customer Security Program (CSP).
- In the field of security breaches, several tests were conducted on networks and systems, and also tests covered of Banking applications (Internet Banking and Mobile Banking).
- The risk factors related to Information Technology are also managed through a continuous updating of Risk Matrix for Information Technology, Information Security and Cyber Security. also, controls are tested Periodically and making sure all control gaps are handled in a proper manner.
- With regard to Awareness of Information Security, Cyber Security and Business Continuity, training workshops are held for Bank staff on an annual basis, also, many Awareness Messages (including SMS) related to cyber security were sent to our staff and customers.

Business continuity
An amendment has been made to the Business Continuity, as remote access mechanism was applied and staff were relocated between the Bank's sites to ensure social distancing.

Bank's alternative site was redesigned and reactivated to provide a safe and healthy work environment while achieving the terms of social distancing, and work continued in this alternative site until the pandemic's situation became acceptable and safer.

In addition, the Bank conducts periodic checks of Alternative Sites and Business Continuity Plan to ensure they are ready in emergency situations.

The Bank conducted an emergency plan test for sensitive and critical financial systems with participation of several departments.. The findings of the tests were followed up and solved during and directly after the test.

In order to align with the best international practices, the alternative site has been moved outside Amman to ensure that the alternative site is not exposed to the same risks as the original.

4. Reputational risk
The Bank considers reputation risks as the negative effects on the Bank's reputation and brand which is resulted from Bank failure to fulfill its responsibility towards all clients and / or its failure to manage its affairs efficiently and effectively and / or the failure to comply with the Sharia requirements and / or the failure to manage All other types of risks which leads to several negative effects, including a loss of client confidence and thus a decline in the client base and an increase of costs or a decrease of profits.

Reputational risks are managed by the following up on customers complaints and answering them through the customer complaints unit. Also this risk is managed through following up the comments and interventions on social networking sites, the Bank follows up the inquiries of customers and the public about matters related to the legal aspects of Banking on the official website of the Bank.

5. Non-compliance risks
The risks of non-compliance are the risks of legal or regulatory penalties, material losses or reputation risks to which the Bank may be exposed due to non-compliance with laws, regulations, instructions, codes of conduct and Banking standards.

The Bank evaluates and monitors compliance with the instructions issued by the Central Bank and other official bodies. In addition to reviewing all policies, procedures, agreements, announcements, and any new services or products to ensure the availability of the necessary controls to avoid risks arising from non-compliance.

The Bank educates employees on compliance issues and prepares written instructions in this regard. The Compliance Department provides advice and guidance to the executive management on applicable laws, regulations and standards and any amendments to them.

The Bank conducts a comprehensive assessment of the risks of money laundering and terrorist financing at least annually, or in the event that a need arises to conduct this assessment as a result of a fundamental change in the nature of the risks to which the Bank is exposed. Geographical regions, products, services, processes and service delivery channels, according to a methodology approved by the Board of Directors.

The Bank's commitment to the anti-money laundering and terrorist financing policy works to build a business relationship with customers based on ethical standers and best practices, especially with regard to (Know Your Customer) and taking the necessary measures to determine the true beneficiary of all transactions.

6. Legal risks related to operational activities
Risks of exposure to legal procedures, follow-ups and fines as a result of the occurrence of operational risks and events, and the disputes arising as a result of non-compliance with applicable regulations and instructions, also the financial fines and claims that can be resulted from a third party. The insufficiency of documents and the lack of legal capacity and / or the invalidity of contracts and / or their lack of enforceability resulting from lack of proper documentation are among the most important causes of legal risks.

The responsibility for managing these risks lies with the legal department, as it reviews all contracts and documents related to the Bank's transactions, in addition to legal follow-up to the Bank's debtors – in coordination with the Credit Department-, and careful follow-up of the lawsuits to which the Bank is a party.

7. Risks of non-compliance Sharia Laws
These are the risks that Islamic Banks exposed to, which lead to non-recognition of income. Also, it includes the losses resulting from their operations in addition to the reputational risks resulting from non-compliance with Sharia laws. Where these risks are managed through an integrated system of Sharia controls for the Sharia Compliance Department, Internal and Sharia Audit Department, Risk Management Department, the Sharia Supervisory Board and the Audit Committee.

The culture of the Bank risk management and the role of risk management policies and strategies in supporting and spreading the Bank's risk culture
Risk Management Culture is considered as one of the main pillars of the risk management framework, as it enhances the understanding and communication process among all Bank's employees in a way that enables them to perform their daily work and make decisions on a basis of the risk management methodology.

Risk management framework and Operational Risk Management Framework included a main component related to strengthening the concept of Risk Management Culture through the support of the Board of Directors and Executive Management and the necessity to raise awareness of all managerial levels with a culture of risk management in addition to create an integrated training system for all the Bank employees to develop Risk Management Culture.

Bank Risk Appetite in line with the Approved business models
The Bank adopts a documented and integrated policy of Risk Appetite, which is approved by the Bank's Board of Directors. Approved risk appetite aims to link the Bank's strategic objectives with the Bank risk management system as well as with the business models. The concept of integration of Risk Appetite into Risk Management Culture and the involvement of the various managerial levels will lead to the linkage of the strategic plan and the methodology of risk management at different managerial levels.

Risk Appetite have been specified for each type of risk in a manner consistent with the Bank's strategic directions and CBJ requirements in addition to analyze historical data for each type of risk.

An integrated system of control has been adopted for the Risk Appetite in terms of following up all these levels according to the periodicity specified in the approved document and issuing reports on Risk Appetite to management and to related committees with specifying the responsibility to follow up on any breach.

Stress testing
Stress testing is considered as one of the most important tools that the Bank uses to measure its ability to withstand against shocks and high risks, as these tests aim to assess the financial position and the capital adequacy ratio for the Bank within different scenarios.

The Bank adopts a comprehensive methodology for conducting stress testing. These tests include the following:

Sensitivity Analysis Tests: These tests aim to measure the impact of different economic factors and internal risk factors on the financial position and the adequacy ratio of the Bank's capital. These tests cover credit, market, operational, liquidity and any other risks the Bank believes is necessary to stress tested.

Scenarios tests: These tests aim to assess the Bank's tolerance of crises and shocks related to the overall economy of the country, such as changes in the rate of economic growth, unemployment rates, high interest rates, and their impact on the financial position and capital adequacy ratio of the Bank.

A policy for stress tests was prepared and approved by the Bank's board of directors to cover all the requirements for stress tests and to define the methodology adopted for applying these tests and their periodicity, as the instructions of the Central Bank of Jordan were based on.

This is in light of the spread of the new Corona virus (Covid-19) and its impact on the Jordanian economy, the Bank has added special scenarios to measure the Bank's ability to withstand shocks resulting from the economic changes due to the pandemic.

The Bank seeks to consider the results of stressful situations as a basic reference for developing future plans and appropriate strategies. The concept of stress tests is being incorporated into the department's monthly reports to create a comprehensive culture of the modern risk management concept.

The Bank adopts an integrated system for the governance of stress tests whereby the risk management periodically conducts stress tests and then submits them to the Risk Management Committee and then submits them to take the appropriate recommendation from the Board of Directors Committee for Risk Management and then approves it by the Board of Directors, where it simulates the best practical practices in involving the Bank's board of directors and senior executive management in the methodology of stress tests and the impact of their results on the Bank's strategic decisions.

(51/ A) CREDIT RISK

1) Credit risk exposure (After impairment provision and before collateral and other risk reducers):

	31 December 2024		
	Joint	Self	Total
	JD	JD	JD
Balances with Central Bank of Jordan	-	210,414,366	210,414,366
Balances at banks and financial institutions	-	16,841,108	16,841,108
International Wakala investments	217,144,756	-	217,144,756
Deferred sales receivables and other receivables			
Retail (individual)	408,371,996	1,870,174	410,242,170
Real estate financing	7,057,894	-	7,057,894
Corporate	467,836,529	158,696	467,995,225
Small and medium enterprises	69,900,453	104,772	70,005,225
Public and governmental sectors	594,127,907	-	594,127,907
Sukuk			
Within financial assets at fair value through quasi-equity - net	441,074,840	-	441,074,840
Within financial assets at fair value through other comprehensive income - net	-	45,451,435	45,451,435
Within financial assets at amortized cost	119,852,000	-	119,852,000
Al Qard Al Hasan - net	-	11,443,367	11,443,367
Other assets	8,703,905	1,128,277	9,832,182
Total consolidated statement of financial position items	**2,334,070,280**	**287,412,195**	**2,621,482,475**
Consolidated statement of financial position Off-balance sheet items:			
Letters of guarantees	-	37,211,691	37,211,691
Letters of credit	-	182,131,628	182,131,628
Acceptances	-	22,311,639	22,311,639
Unutilized limits	183,669,434	-	183,669,434
Grand total	**2,517,739,714**	**529,067,153**	**3,046,806,867**

	31 December 2023		
	Joint	Self	Total
	JD	JD	JD
Balances with Central Bank of Jordan	-	228,651,162	228,651,162
Balances at banks and financial institutions	-	26,513,323	26,513,323
International Wakala investments	85,131,319	-	85,131,319
Deferred sales receivables and other receivables			
Retail (individual)	372,039,121	1,545,518	373,584,639
Real estate financing	12,380,107	-	12,380,107
Corporate	374,436,186	213,878	374,650,064
Small and medium enterprises	56,392,648	275,624	56,668,272
Public and governmental sectors	470,087,433	-	470,087,433
Sukuk			
Within financial assets at fair value through quasi-equity - net	443,894,901	-	443,894,901
Within financial assets at fair value through other comprehensive income - net	-	-	-
Within financial assets at amortized cost	-	-	-
Al Qard Al Hasan - net	-	34,380,739	34,380,739
Other assets	5,615,703	1,151,018	6,766,721
Total consolidated statement of financial position items	**1,819,977,418**	**292,731,262**	**2,112,708,680**
Consolidated statement of financial position Off-balance sheet items:			
Letters of guarantees	-	44,300,901	44,300,901
Letters of credit	-	68,967,176	68,967,176
Acceptances	-	7,978,169	7,978,169
Unutilized limits	228,311,443	-	228,311,443
Grand total	**2,048,288,861**	**413,977,508**	**2,462,266,369**

Distribution of credit exposures

A. Distribution of credit exposures - self (After deducting the deferred and suspended revenues):

Internal Rating of the Bank	31 December 2024						
	Category Classification by Instructions (47/2009)	Total exposure value	Expected credit loss	The probability of default (PD) %	Classification according to external classification institutions	Exposure at default (EAD) per million dinars	Average loss at default (LGD)%
		JD	JD			JD	
A- Direct credit financing (After deducting suspended and deferred revenue):							
Almost risk free	Performing exposure	509,660	-	0.4%	-	0.428	53%
Low risk	Performing exposure	6,101,889	33,085	1%	-	5.126	53%
Normal risk	Performing exposure	1,406,439	12,610	2%	-	1.193	53%
Acceptable risk	Performing exposure	1,272,471	15,462	3%	-	1.069	53%
Acceptable with due care	Performing exposure	1,150,725	9,061	3%	-	0.967	53%
Unrated	Performing exposure	2,876,508	16,437	2%		2.712	71%
Total (performing debt)		**13,317,692**	**86,655**		**-**	**11.496**	
Substandard	Non - performing exposure	1,277	1,277	100%	-	0.001	53%
Doubtful	Non - performing exposure	277	277	100%		0.000	53%
Loss	Non - performing exposure	327,147	13,552	100%	-	0.327	53%
Unrated	Non - performing exposure	1,401,740	1,369,363	100%	-	1.402	73%
Total (Non-performing debt)		**1,730,441**	**1,384,469**			**1.730**	
Total		**15,048,133**	**1,471,124**			**13.226**	
B. Indirect credit facilities(Statement of financial position off-balance items - self):							
Insignificant Risk	Performing exposure	55,250	698	0.2%	-	0.022	53%
Almost risk free	Performing exposure	12,030,101	3,931	0.4%	-	2.124	53%
Low risk	Performing exposure	103,020,079	18,148	1%	-	11.764	53%
Normal risk	Performing exposure	14,668,361	20,520	2%	-	3.299	53%
Acceptable risk	Performing exposure	15,895,043	15,053	3%		1.877	53%
Acceptable with due care	Performing exposure	1,180,427	6,135	3%		0.477	53%
Watch list	Performing exposure	6,035,309	123,546	13%	-	2.012	53%
Unrated	Performing exposure	88,945,746	121,929	4%	-	12.849	66%
Total (performing debt)		**241,830,316**	**309,960**			**34.425**	
Doubtful	Non - performing exposure	11,488	3,398	100%	-	0.011	53%
Loss	Non - performing exposure	137,309	10,797	100%	-	0.137	53%
Total (Non-performing debt)		**148,797**	**14,195**			**0.149**	
Total exposure		**241,979,113**	**324,155**			**34.574**	
C. Sukuk :							
Within financial assets at fair value through other comprehensive income	Performing exposure	45,515,882	64,447	0.2%	Aa3-Ba1	45.461	75%

Distribution of credit exposures

B. Distribution of credit exposures - Jointly financed (After deducting the deferred and suspended revenues):

Internal rating of the Bank	31 December 2024						
	Category Classification by Instructions (47/2009)	Total exposure value	Expected credit loss	The probability of default (PD) %	Classification according to external classification institutions	Exposure at default (EAD) per million dinars	Average loss at default (LGD)%
		JD	JD			JD	
A- International wakala investments	Performing exposure	217,517,508	372,752	0.3%	A-B	219.184	75%
B- Sukuk:							
Within financial assets at fair value through quasi-equity - net	Performing exposure	441,224,897	150,057	0.3%	Aa3-B+	441.319	75%
C -Direct credit facilities (After deducting suspended and deferred revenue):							
Insignificant Risk	Performing exposure	596,701,486	-	0%	-	571.608	3%
Almost risk free	Performing exposure	22,649,203	38,616	0.4%	-	20.749	53%
Low risk	Performing exposure	33,133,375	155,116	1%	-	30.128	53%
Normal risk	Performing exposure	100,116,026	863,393	2%	-	92.197	53%
Acceptable risk	Performing exposure	213,197,028	1,239,703	3%	-	197.474	53%
Acceptable with due care	Performing exposure	60,551,616	12,148,240	9%	-	56.961	53%
Watch list	Performing exposure	18,006,953	10,180,579	18%	-	16.817	53%
Unrated	Performing exposure	529,878,712	18,009,631	2%		547.994	71%
Total (performing debt)		**1,574,234,399**	**42,635,278**		**-**	**1,533.927**	
Substandard	Non - performing exposure	2,609,597	1,093,999	100%		2.605	53%
Doubtful	Non - performing exposure	3,321,846	2,393,094	100%	-	3.295	53%
Loss	Non - performing exposure	36,330,407	24,568,964	100%	-	36.330	81%
Unrated	Non - performing exposure	23,381,673	21,891,808	100%	-	23.413	80%
Total (Non-performing debt)		**65,643,523**	**49,947,865**			**65.644**	
Total exposure		**1,639,877,922**	**92,583,143**			**1,599.570**	
D - Unutilized limits							
Insignificant Risk	Performing exposure	12,526,126	-	0.0%	-	6.875	0%
Almost risk free	Performing exposure	15,193,155	17,749	0.4%	-	8.356	53%
Low risk	Performing exposure	35,984,537	120,283	1.2%	-	19.791	53%
Normal risk	Performing exposure	40,527,275	231,588	2.0%	-	22.290	53%
Acceptable risk	Performing exposure	44,135,085	323,438	2.7%	-	24.274	53%
Acceptable with due care	Performing exposure	3,864,808	38,843	3.4%	-	2.126	53%
Watch list	Performing exposure	860,634	33,104	13.1%	-	0.473	53%
Unrated	Performing exposure	31,390,615	47,796	1.0%	-	17.278	73%
Total (performing debt)		**184,482,235**	**812,801**			**101.464**	
Total exposure		**184,482,235**	**812,801**			**101.464**	

2. Classification of deferred sales and other receivables according to the degree of risk In accordance with the Financial Accounting Standard (30) issued by the Accounting and Auditing Organization for Islamic Financial Institutions :

A) Distribution of the fair value of collateral against credit exposures - for total credit exposure - joint according to the following table:

The bank maintains collateral or other credit enhancements to mitigate credit risk associated with financial assets. The Group maintains cash, investments and (joint) financing balances amounting to JD 2,427,176,232 as of 31 December 2024 (compared to JD 1,881,028,083 as of 31 December 2023). The estimated value of the joint collateral held is JD 334,251,145 as on 31 December 2024 (compared to JD 319,855,569 as on 31 December 2023) The value of collateral is only considered to the extent that it mitigates credit risk. There has been no change in The bank's guarantees policy during the current year.

The table below shows each type of exposure and the associated collateral :

Item	31 December 2024									
	Total exposure value	Fair value of collateral							Net exposure after collateral	Expected credit loss (ECL)
		Cash Margin	Traded shares	Acceptable	Real estate financing	Cars and mechanics	Other	Total value of collateral		
	JD	JD	JD	JD	JD	JD	JD	JD	JD	JD
Balances with Central Bank of Jordan	-	-	-	-	-	-	-	-	-	-
Balances at banks and financial institutions	-	-	-	-	-	-	-	-	-	-
Deposits with banks and financial institutions	-	-	-	-	-	-	-	-	-	-
International Wakala investments	217,517,508	-	-	-	-	-	-	-	217,517,508	372,752
Direct credit facilities (after deducting deferred and suspended revenue) :										
Retail	443,508,144	6,861,938	-	-	9,554,502	132,963,744	-	149,380,184	294,127,960	35,136,148
Real estate financing	17,745,200	486,091	-	-	6,415,419	-	-	6,901,510	10,843,690	10,687,306
For corporate	510,624,479	4,533,008	-	-	93,443,844	12,254,681	2,114,765	112,346,298	398,278,181	42,787,950
Small and medium enterprises	73,872,192	3,462,448	-	-	56,068,115	2,227,643	3,864,947	65,623,153	8,249,039	3,971,739
Public and governmental sectors	594,127,907	-	-	-	-	-	-	-	594,127,907	-
Sukuk :										
Within financial assets at fair value through statement of income	-	-	-	-	-	-	-	-	-	-
Within financial assets at fair value through quasi-equity	441,224,897	-	-	-	-	-	-	-	441,224,897	150,057
Within financial assets at amortized cost	119,852,000	-	-	-	-	-	-	-	119,852,000	-
Other assets	8,703,905	-	-	-	-	-	-	-	8,703,905	-
Total	**2,427,176,232**	**15,343,485**	**-**	**-**	**165,481,880**	**147,446,068**	**5,979,712**	**334,251,145**	**2,092,925,087**	**93,105,952**
Unutilized credit limits	184,482,235	-	-	-	-	-	-	-	184,482,235	812,801
Grand total	**2,611,658,467**	**15,343,485**	**-**	**-**	**165,481,880**	**147,446,068**	**5,979,712**	**334,251,145**	**2,277,407,322**	**93,918,753**

B. Distribution of the fair value of collateral against credit exposure - for total credit exposures - self according to the following table:

The bank maintains collateral or other credit enhancements to mitigate credit risk associated with financial assets The Bank maintains cash, investments and (self-financing) balances amounting to JD 288,947,766 as of 31 December 2024 (compared to JD 293,635,807 as of 31 December 2023). The estimated value of the joint guarantees held is JD 2,469,043 as on 31 December 2024 (compared to JD 2,249,441 as on 31 December 2023). The value of collateral is only considered to the extent that it mitigates .credit risk. There was no change in the bank's guarantees policy during the current year

The table below shows each type of exposure and the associated collateral :

Item	31 December 2024									
	Total exposure value	Fair value of collateral							Net exposure after collateral	Expected credit loss (ECL)
		Cash margin	Traded shares	Acceptable bank guarantees	Real estate financing	Cars and mechanics	Other	Total value of collateral		
	JD	JD	JD	JD	JD	JD	JD	JD	JD	JD
Balances with Central Bank of Jordan	210,414,366	-	-	-	-	-	-	-	210,414,366	-
Balances at banks and financial institutions	16,841,108	-	-	-	-	-	-	-	16,841,108	-
Direct credit facilities (after deducting deferred and suspended revenue) :										
Retail	2,771,737	-	-	-	-	1,107,825	-	1,107,825	1,663,912	342,511
Real estate financing	-	-	-	-	-	-	-	-	-	-
For corporate	10,849,823	5,972	-	-	46,782	1,091,273	-	1,144,027	9,705,796	567,139
Small and medium enterprises	916,913	-			204,503	-	12,688	217,191	699,722	561,474
Public and governmental sectors	509,660	-	-	-	-	-	-	-	509,660	-
Sukuk :										
Within financial assets at fair value through other comprehensive income - net	45,515,882	-	-	-	-	-	-	-	45,515,882	64,447
Other assets	1,128,277	-	-	-	-	-	-	-	1,128,277	-
Total	**288,947,766**	**5,972**	**-**	**-**	**251,285**	**2,199,098**	**12,688**	**2,469,043**	**286,478,723**	**1,535,571**
Bank guarantees	37,408,047	4,782,870	-	-	-	-	-	4,782,870	32,625,177	196,356
Credits	182,237,981	63,460,229	-	-	-	-	-	63,460,229	118,777,752	106,353
Acceptance	22,333,085	-			-	-	-	-	22,333,085	21,446
Grand total	**530,926,879**	**68,249,071**	**-**	**-**	**251,285**	**2,199,098**	**12,688**	**70,712,142**	**460,214,737**	**1,859,726**

C. Distribution of the fair value of collateral against credit exposures included in the third stage - joint according to the following table:

Item	31 December 2024									
	Total exposure value	Fair value of collateral							Net exposure after collateral	Expected Credit Loss (ECL)
		Cash margin	Traded shares	Acceptable bank guarantees	Real estate financing	Cars and mechanics	Other	Total value of collateral		
	JD	JD	JD	JD	JD	JD	JD	JD	JD	JD
Balances with Central Bank of Jordan	-	-	-	-	-	-	-	-	-	-
Balances at banks and financial institutions	-	-	-	-	-	-	-	-	-	-
Deposits with banks and financial institutions	-	-	-	-	-	-	-	-	-	-
International wakala investments - net	-	-	-	-	-	-	-	-	-	-
Direct credit facilities (after deducting deferred and suspended revenue) :										
Retail	18,810,962	12,161	-	-	498,285	6,284,688	-	6,795,134	12,015,828	17,905,893
Real estate financing	1,241,734	-	-	-	830,145	-	-	830,145	411,589	2,373,060
For corporate	41,344,934	5,000	-	-	4,207,377	1,238,687	-	5,451,064	35,893,870	26,415,028
Small and medium enterprises	4,245,893	676,920	-	-	3,029,229	80,405		3,786,554	459,339	3,253,884
Public and governmental sectors	-	-	-	-	-	-	-	-	-	-
Sukuk:										
Within financial assets at fair value through other comprehensive income - net	-	-	-	-	-	-	-	-	-	-
Within financial assets at fair value through quasi-equity - net	-	-	-	-	-	-	-	-	-	-
Within Financial assets at amortized cost	-	-	-	-	-	-	-	-	-	-
Other assets	-	-			-	-		-	-	-
Total	**65,643,523**	**694,081**	**-**	**-**	**8,565,036**	**7,603,780**	**-**	**16,862,897**	**48,780,626**	**49,947,865**
Unutilized credit limits	-	-	-	-	-	-	-	-	-	-
Grand total	**65,643,523**	**694,081**	**-**	**-**	**8,565,036**	**7,603,780**	**-**	**16,862,897**	**48,780,626**	**49,947,865**

D. Distribution of the fair value of collateral against credit exposures included in the third stage - Self according to the following table:

Item	31 December 2024									
	Total exposure value	Fair value of collateral							Net exposure after collateral	Expected Credit Loss (ECL)
		Cash Insurance	Shares traded	Acceptable bank guarantees	Real estate	Cars and Mechanics	Other	Total value of collateral		
	JD	JD	JD	JD	JD	JD	JD	JD	JD	JD
Balances with Central Bank of Jordan	-	-	-	-	-	-	-	-	-	-
Balances at banks and financial institutions	-	-	-	-	-	-	-	-	-	-
Direct credit facilities (after deducting deferred and suspended revenue) :										
Retail	333,703	-	-	-	-	-	-	-	333,703	330,372
Real estate financing	-	-	-	-	-	-	-	-	-	-
For corporate	813,505	5,972	-	-	4,757	-	-	10,729	802,776	493,936
Small and medium enterprises	583,233	-			128,029			128,029	455,204	560,161
Public and governmental sectors	-	-	-	-	-	-	-	-	-	-
Sukuk:										
Within financial assets at fair value through other comprehensive income - net	-	-	-	-	-	-	-	-	-	-
Other assets	-	-	-	-	-	-	-	-	-	-
Total	**1,730,441**	**5,972**	**-**	**-**	**132,786**	**-**	**-**	**138,758**	**1,591,683**	**1,384,469**
Bank guarantees	649,297	-	-	-	-	-	-	-	649,297	-
Credits	-	-	-	-	-	-	-	-	-	-
Acceptance	-	-	-	-	-	-	-	-	-	-
Grand total	**2,379,738**	**5,972**	**-**	**-**	**132,786**	**-**	**-**	**138,758**	**2,240,980**	**1,384,469**

Deferred sales and other receivables and scheduled financing:
Are those that have previously been classified as non-performing financing and are eliminated from the balance of non-performing loans and borrowings under a fundamental schedule whether they are still under control or transferred to a transaction. Moreover, they are classified as cash and cash equivalents. Deferred sales and other receivables amounted to JD 9,523,435 as at 31 December 2024 (JD 10,684,240 as at 31 December 2023).

Deferred sales and other receivables and restructured financing:
Restructuring means a rearrangement of the status of the receivables / financing in terms of instalment adjustment, extension of the life of the receivables / financing, postponement of certain instalments, or extension of the grace period. They were classified as receivables / financing under control. Deferred sales and restructured receivables amounted to JD 172,061,843 as at 31 December 2024 (JD 146,723,390 as at 31 December 2023).

3) Sukuk
The following table illustrates sukuk grading under financial assets at fair value through unrestricted investment accounts holders in accordance with foreign grading institutions.

Classification grade	Grading institution	31 December 2024	31 December 2023
		JD	JD
A- Financial assets at fair value through quasi-equity - net after deducting ECL			
Aa3	Moody's	52,296,997	-
A1	Moody's	-	10,155,967
A2	Moody's	10,388,258	7,225,542
A3	Moody's	12,653,926	2,337,548
B1	Moody's	1,115,316	-
B3	Moody's	-	1,074,215
Ba1	Moody's	4,542,538	-
Baa3	Moody's	331,002	-
AA-	Fitch	-	5,882,492
A+	Fitch	2,074,432	9,114,676
A	Fitch	26,576,948	17,393,267
A-	Fitch	1,420,883	20,453,845
BBB+	Fitch	1,511,417	1,340,979
BB	Fitch	-	3,148,035
B+	Fitch	4,916,934	5,180,830
Government	-	4,442,662	8,885,325
Government guarantee	-	318,803,527	351,702,180
	Total	**441,074,840**	**443,894,901**
B- Financial assets at amortized cost			
Government guarantee	-	119,852,000	-
	Total	**119,852,000**	**-**
C- Financial assets at fair value through other comprehensive income - net after deducting ECL			
A	Fitch	6,446,591	-
A-	Fitch	710,427	-
BBB-	S&P	7,108,077	-
Aa3	Moody's	13,716,360	-
Baa3	Moody's	8,596,751	-
Ba1	Moody's	8,873,229	-
	Total	**45,451,435**	**-**
	Grand total	**606,378,275**	**443,894,901**

All the above instruments are classified within the first stage for the year 2024.

4 -Concentration in credit exposures by geographical distribution .

1. The total distribution of exposures by geographical region-self financed (after impairment provision) :

Item	31 December 2024								31 December 2023
	Within the Kingdom	Other Middle Eastern countries	Europe	Asia *	Africa	America	Other countries	Total	Total
	JD	JD	JD	JD	JD	JD	JD	JD	JD
Balances with Central Bank of Jordan	210,414,366	-	-	-	-	-	-	210,414,366	228,651,162
Balances at banks and financial institutions	1,130,382	2,930,166	3,191,070	968,152	-	8,611,606	9,732	16,841,108	26,513,323
Deposits with banks and financial institutions	-	-	-	-	-	-	-	-	-
Direct credit facilities -net	13,577,009	-	-	-	-	-	-	13,577,009	36,415,759
Sukuk:									
Within financial assets at fair value through other comprehensive income	-	45,451,435	-	-	-	-	-	45,451,435	-
Other assets	1,128,277	-	-	-	-	-	-	1,128,277	1,151,018
Total	**226,250,034**	**48,381,601**	**3,191,070**	**968,152**	**-**	**8,611,606**	**9,732**	**287,412,195**	**292,731,262**
Letter of guarantees	37,158,691	48,000	-	-	-	-	5,000	37,211,691	44,300,901
Letters of credit	67,138,666	114,992,962	-	-	-	-	-	182,131,628	68,967,176
Acceptances	21,085,151	1,226,488	-	-	-	-	-	22,311,639	7,978,169
Grand total	**351,632,542**	**164,649,051**	**3,191,070**	**968,152**	**-**	**8,611,606**	**14,732**	**529,067,153**	**413,977,508**

*Except for Middle Eastern countries

2. Distributions according to classification according to classification according to the FAS No. (30) - Self :

Item	31 December 2024					
	Stage 1 Individual	Stage 1 Collective	Stage 2 Individual	Stage 2 Collective	Stage 3	Total
	JD	JD	JD	JD	JD	JD
Within the Kingdom	301,238,157	2,699,816	46,640,854	58,446	995,269	351,632,542
Other Middle Eastern countries	164,649,051	-	-	-	-	164,649,051
Europe	3,191,070	-	-	-	-	3,191,070
Asia	968,152	-	-	-	-	968,152
Africa	-	-	-	-	-	-
America	8,611,606	-	-	-	-	8,611,606
Other countries	14,732	-	-	-	-	14,732
Total	**478,672,768**	**2,699,816**	**46,640,854**	**58,446**	**995,269**	**529,067,153**

3. Total distribution of exposures by geographical region-jointly financed (after impairment provision) :

Item	31 December 2024								31 December 2023
	Within the Kingdom	Other Middle Eastern countries	Europe	Asia *	Africa	America	Other countries	Total	Total
	JD	JD	JD	JD		JD	JD	JD	JD
International wakala investments -net	-	205,047,421	12,097,335	-	-	-	-	217,144,756	85,131,319
Direct credit facilities -net	1,518,482,320	28,812,459	-	-	-	-	-	1,547,294,779	1,285,335,495
Sukuk:									
Within financial assets at fair value through quasi-equity -net	323,246,189	116,713,335	1,115,316	-	-	-	-	441,074,840	443,894,901
Within financial assets at amortized cost -net	119,852,000	-	-	-	-	-	-	119,852,000	-
Other assets	8,703,905	-	-	-	-	-	-	8,703,905	5,615,703
Total	**1,970,284,414**	**350,573,215**	**13,212,651**	**-**	**-**	**-**	**-**	**2,334,070,280**	**1,819,977,418**
Unutilized credit limits	183,669,434	-	-	-	-	-	-	183,669,434	228,311,443
Grand total	**2,153,953,848**	**350,573,215**	**13,212,651**	**-**	**-**	**-**	**-**	**2,517,739,714**	**2,048,288,861**

* Except for middle eastern countries

4.Distribution of exposures according to the classification stages according to the FAS (30) - jointly financed :

Item	31 December 2024					
	Stage 1 Individual	Stage 1 Collective	Stage 2 Individual	Stage 2 Collective	Stage 3	Total
	JD	JD	JD	JD	JD	JD
Within the Kingdom	1,611,552,142	436,203,162	46,095,544	44,407,342	15,695,658	2,153,953,848
Other Middle Eastern countries	350,573,215	-	-	-	-	350,573,215
Europe	13,212,651	-	-	-	-	13,212,651
Asia	-	-	-	-	-	-
Africa	-	-	-	-	-	-
America	-	-	-	-	-	-
Other countries	-	-	-	-	-	-
Total	**1,975,338,008**	**436,203,162**	**46,095,544**	**44,407,342**	**15,695,658**	**2,517,739,714**

5- Distribution of exposures by economic sectors:

1. Total distribution of exposures by financial instrument - self financed (after impairment provision) :

Item	31 December 2024										31 December 2023
	Financial	Industry	Trade	Real estates	Agriculture	Shares	Retail	Government and public sector	Other	Total	Total
	JD	JD	JD	JD	JD	JD	JD	JD	JD	JD	JD
Balances with Central Bank of Jordan	210,414,366	-	-	-	-	-	-	-	-	210,414,366	228,651,162
Balances at banks and financial institutions	16,841,108	-	-	-	-	-	-	-	-	16,841,108	26,513,323
Deposits with banks and financial institutions	-	-	-	-	-	-	-	-	-	-	-
Direct credit facilities -net	-	6,074,463	3,142,886	-	2,606	915,998	1,359,395	509,660	1,572,001	13,577,009	36,415,759
sukuk :											
Within financial assets at fair value through other comprehensive income - net	45,451,435	-	-	-	-	-	-	-	-	45,451,435	-
Other assets	1,128,277	-	-	-	-	-	-	-	-	1,128,277	1,151,018
Total	**273,835,186**	**6,074,463**	**3,142,886**	**-**	**2,606**	**915,998**	**1,359,395**	**509,660**	**1,572,001**	**287,412,195**	**292,731,262**
Letter of guarantees	1,138,185	3,459,063	9,472,794	3,440,947	766,228	-	1,042,218	-	17,892,256	37,211,691	44,300,901
Letters of credit	11,831,076	16,931,164	150,418,667	-	-	1,350,944	-	-	1,599,777	182,131,628	68,967,176
Acceptances	1,724,223	5,817,144	14,750,725	-	-	-	-	-	19,547	22,311,639	7,978,169
Grand total	**288,528,670**	**32,281,834**	**177,785,072**	**3,440,947**	**768,834**	**2,266,942**	**2,401,613**	**509,660**	**21,083,581**	**529,067,153**	**413,977,508**

2.Distribution of divisions according to classification according to the classification of the FAS (30) self financed :

Item	31 December 2024					
	Stage 1 Individual	Stage 1 Collective	Stage 2 Individual	Stage 2 Collective	Stage 3	Total
	JD	JD	JD	JD	JD	JD
Financial	288,167,690	-	360,980	-	-	288,528,670
Industry	24,947,508	-	7,328,353	-	5,973	32,281,834
Trade	149,588,766	-	27,645,762	8,556	541,988	177,785,072
Real estates	324,697	-	3,114,250	-	2,000	3,440,947
Agriculture	759,534	2,606	6,694	-	-	768,834
Share's	-	915,998	1,350,944	-	-	2,266,942
Retail	1,042,218	1,339,232	-	16,847	3,316	2,401,613
Government and public sector	509,660	-	-	-	-	509,660
Other	13,332,695	441,980	6,833,871	33,043	441,992	21,083,581
Total	**478,672,768**	**2,699,816**	**46,640,854**	**58,446**	**995,269**	**529,067,153**

3. Total distribution of exposures by economic sector-Joint (after impairment provision) :

Item	31 December 2024										31 December 2023
	Financial	Industry	trade	Real estates	Agriculture	Shares	Retail	Government and public sector	Other	Total	Total
	JD	JD	JD	JD	JD	JD	JD	JD	JD	JD	JD
International wakala investments -net	217,144,756	-	-	-	-	-	-	-	-	217,144,756	85,131,319
Direct credit facilities - net	31,775,151	146,311,594	145,478,595	7,057,894	9,086,249	295,629,973	156,297,948	595,437,492	160,219,883	1,547,294,779	1,285,335,495
Sukuk:											
Within financial assets at fair value through statement of income	-	-	-	-	-	-	-	-	-	-	-
Within financial assets at fair value through quasi-equity -net	117,828,651	-	-	-	-	-	-	323,246,189	-	441,074,840	443,894,901
Within financial assets at amortized cost -net	-	-	-	-	-	-	-	119,852,000	-	119,852,000	-
Other assets	8,703,905	-	-	-	-	-	-	-	-	8,703,905	5,615,703
Total	**375,452,463**	**146,311,594**	**145,478,595**	**7,057,894**	**9,086,249**	**295,629,973**	**156,297,948**	**1,038,535,681**	**160,219,883**	**2,334,070,280**	**1,819,977,418**
Unutilized limits	1,782,631	80,631,497	62,600,880	-	6,418,610	-	13,596,269	-	18,639,547	183,669,434	228,311,443
Grand total	**377,235,094**	**226,943,091**	**208,079,475**	**7,057,894**	**15,504,859**	**295,629,973**	**169,894,217**	**1,038,535,681**	**178,859,430**	**2,517,739,714**	**2,048,288,861**

4.Distribution of exposures according to the classification stages according to the FAS (30) - Joint

Item	31 December 2024					
	Stage 1 Individual	Stage 1 Collective	Stage 2 Individual	Stage 2 Collective	Stage 3	Total
	JD	JD	JD	JD	JD	JD
Financial	377,235,094	-	-	-	-	377,235,094
Industry	217,555,906	10,631,989	(2,781,837)	1,536,140	893	226,943,091
Trade	148,737,882	22,665,903	25,136,937	3,910,712	7,628,041	208,079,475
Real estates	1,595,025	3,488,445	2,359,062	746,688	(1,131,326)	7,057,894
Agriculture	10,761,070	4,324,374	-	326,392	93,023	15,504,859
Shares	17,610,471	238,644,372	15,063,052	15,983,581	8,328,497	295,629,973
Retail	13,596,269	138,754,444	-	16,997,784	545,720	169,894,217
Government and public sector	1,038,535,681	-	-	-	-	1,038,535,681
Other	149,710,610	17,693,635	6,318,330	4,906,045	230,810	178,859,430
Total	**1,975,338,008**	**436,203,162**	**46,095,544**	**44,407,342**	**15,695,658**	**2,517,739,714**

6- Credit exposures that have been reclassified

1. Total credit exposures classified:

A. Self

Item	31 December 2024					
	Stage 2		Stage 3		Total exposures that have been reclassified	Percentage of rated exposures
	Total exposure value	The exposures that have been reclassified	Total exposure value	The exposures that have been reclassified		
	JD	JD	JD	JD	JD	
Direct credit facilities-net	1,920,181	9,508	1,730,441	17,364	26,872	0.74%
Letters of guarantee	11,239,311	5,330,635	649,297	501,488	5,832,123	49.06%
Acceptances	5,833,423	-	-	-	-	-
Letters of credit	27,980,983	-	-	-	-	-
Grand total	**46,973,898**	**5,340,143**	**2,379,738**	**518,852**	**5,858,995**	**11.87%**

B. Joint

Item	31 December 2023					
	Stage 2		Stage 3		Total exposures that have been reclassified	Percentage of rated exposures
	Total exposure value	The exposures that have been reclassified	Total exposure value	The exposures that have been reclassified		
	JD	JD	JD	JD	JD	
Direct credit facilities-net	114,467,040	2,733,762	65,643,523	23,678,036	26,411,798	14.66%
Unutilized limits	2,348,172	1,433,514	-	-	1,433,514	61.05%
Grand total	**116,815,212**	**4,167,276**	**65,643,523**	**23,678,036**	**27,845,312**	**15.26%**

2.Credit losses expected for exposures that have been reclassified:

A. Self financed

Item	31 December 2024							
	The exposures that have been reclassified			Expected credit loss on exposures that have been reclassified				Total
	Total exposures that have been reclassified Stage 2	Total exposures that have been reclassified Stage 3	Total exposures that have been reclassified	Stage 2 Individual	Stage 2 Collective	Stage 3 Individual	Stage 3 Collective	
	JD	JD	JD	JD	JD	JD	JD	JD
Direct credit facilities	9,508	17,364	26,872	(6)	17,710	14	(17,638)	80
Letters of guarantee	5,330,635	501,488	5,832,123	28,200	-	482	-	28,682
Letters of credit	-	-	-	-	-	-	-	-
Acceptances	-	-	-	-	-	-	-	-
Grand total	**5,340,143**	**518,852**	**5,858,995**	**28,194**	**17,710**	**496**	**(17,638)**	**28,762**

B-Joint

Item	31 December 2024							
	The exposures that have been reclassified			Expected credit loss on exposures that have been reclassified				Total
	Total exposures that have been reclassified rated from Stage 2	Total exposures that have been reclassified rated from Stage 3	Total exposures that have been reclassified	Stage 2 Individual	Stage 2 Collective	Stage 3 Individual	Stage 3 Collective	
	JD	JD	JD	JD	JD	JD	JD	JD
Direct credit facilities	2,733,762	23,678,036	26,411,798	(6,395,559)	(231,259)	4,083,325	(75,857)	(2,619,350)
Unutilized limits	1,433,514	-	1,433,514	7,942	-	-	-	7,942
Grand total	**4,167,276**	**23,678,036**	**27,845,312**	**(6,387,617)**	**(231,259)**	**4,083,325**	**(75,857)**	**(2,611,408)**

(51/B) MARKET RISKS

The Bank follows certain financial policies to manage different risks within a specific strategy. There is also a committee concerned with managing assets and liabilities in the Bank. This committee is charged with monitoring and controlling risks, and conducting the best strategic distribution of assets and liabilities whether on- or off -the statement of financial position. Its responsibilities include:

- Updating the investment policy followed by the Bank, submitting it to the Board of Directors to be approved on a regular basis, reviewing the implemented investment policy, and assessing its results against the banking market and competitive indicators.
- Forming investment decision-making committees and related authorities, according to the Bank's investment policy.
- Preparing the annual investment plan, in line with the Assets and Liabilities Committee's expectations of revenues and changes in market rates, including low-risk investment instruments available in the market.
- Preparing a report including market prices and presenting it to the Asset and Liabilities Committee to monitor any sudden change in prices of financial instruments and avoid changes in market prices.

1- Rate of Return Risks

- Risks of rate of return arise from the unexpected changes in the market rates. Necessary procedures must be taken to ensure the existence of administrative procedures related to reviewing, measuring, and monitoring of rate of return risks.

- The Bank is exposed to rate of return risks as a result of the gap between assets and liabilities according to their terms and re-pricing the rate on subsequent transactions.

- The Bank manages these risks by determining the rates of future profits according to the expectations of market conditions and developing new instruments that comply with the Islamic rules and regulations through the Bank's risk management strategy:

1. Attaining the best returns available in the market based on market indicators as a standard and Benchmarks for both the portfolios an investments managed by the Bank.
2. Taking into account the risks resulting from these investments, depending on the diversification option based on countries and institutions to ensure mitigation of the impact of risks.
3. The Bank is committed to manage investments based on matching the Bank's liabilities (represented by deposits term accounts) and assets in foreign currencies (represented by investments in foreign currencies).

2-Currency Risks

Foreign currency centers are managed by Treasury and Investment Department on a daily basis in accordance with the principles of Islamic shari'a . The bank's policy of managing foreign currency centers is a conservative policy based on clearing the centers first and covering the required positions according to customers needs.

The maximum positions in foreign currencies shall not exceed 5% of equity for each currency except for the US Dollar at no more than 15% of total bank's equity . The total foreign currencies position shall not exceed 15% of total equity.

Below is the effect of foreign currency exchange against JD on consolidated statement of income and other comprehensive income with other variables being constant

2024	Change in the indicator 5%	Impact on Statement of Profit or loss and Comprehensive income	Impact on equity
currency	JD	JD	JD
USD	-	-	-
Euro	7,007	7,007	7,007
GBP	1,514	1,514	1,514
Japanese Yen	52,256	52,256	52,256
Other currencies	102,883	102,883	102,883
2023	Change in the indicator 5%	Impact on Statement of Profit or loss and Comprehensive income	Impact on equity
currency	JD	JD	JD
USD	-	-	-
Euro	(7,116)	(7,116)	(7,116)
GBP	1,332	1,332	1,332
Japanese Yen	41,483	41,483	41,483
Other currencies	124,279	124,279	124,279

The impact of the decrease in the exchange rate by 5% has the same impact of the opposite sign.

Concentration in foreign currencies risks:

	31 December 2024					
	US Dollars	Euro	GBP	Japanese Yen	Others	Total
: Assets						
Cash and balances with Central Banks of Jordan	33,302,944	3,042,885	456,906	-	407,064	37,209,799
Balances at banks and financial institutions	9,329,146	2,858,378	489,807	826,011	3,054,332	16,557,674
Deferred sale receivables	149,284,649	11,078,111	-	-	-	160,362,760
Ijara Muntahia Bittamleek assets-net	4,273,520	-	-	-	-	4,273,520
International Wakala Investment	162,361,000	35,039,563	4,447,375	-	15,669,570	217,517,508
Financial assets at fair value through other comprehensive income - net	37,908,682	7,607,200	-	-	-	45,515,882
Financial assets at fair value through quasi-equity - net	110,794,702	7,607,200	-	-	-	118,401,902
Al Qard Al Hasan-net	305	55	-	-	-	360
Property and equipment-net	68,897	-	-	-	-	68,897
Other assets	(1,179,730)	(1,769,196)	3,828	537,292	(11,440,177)	(13,847,983)
Total assets	**506,144,115**	**65,464,196**	**5,397,916**	**1,363,303**	**7,690,789**	**586,060,319**
Liabilities :						
Banks and financial institutions' accounts (Current)	9,256,411	18,546,689	1,300	-	15,044	27,819,444
Customers' and Banks's deposit (current, saving, term, certificate deposit) accounts	365,082,210	33,948,614	5,309,018	318,180	5,594,507	410,252,529
Fair value reserve through other quasi-equity	(266,743)	170,668	-	-	-	(96,075)
Cash margins accounts	104,268,622	12,387,407	-	-	-	116,656,029
Other liabilities	11,002,015	220,280	57,321	-	23,588	11,303,204
Total liabilities	**489,342,515**	**65,273,658**	**5,367,639**	**318,180**	**5,633,139**	**565,935,131**
Equity :						
Fair value reserve through other comprehensive income	4,731	50,406	-	-	-	55,137
Total Liabilities and Quasi-equity and Equity	489,347,246	65,324,064	5,367,639	318,180	5,633,139	565,990,268
Net concentration in consolidated statement of financial position for the year	**16,796,869**	**140,132**	**30,277**	**1,045,123**	**2,057,650**	**20,070,051**
Contingent liabilities outside consolidated statement of financial position	**206,011,355**	**63,389,872**	**-**	**4,489,249**	**5,922,868**	**279,813,344**
	31 December 2023					
	US Dollars	**Euro**	**GBP**	**Japanese Yen**	**Others**	**Total**
Total Assets	372,108,159	35,752,157	3,814,545	1,173,340	9,591,566	422,439,767
Total Liabilities	354,211,510	35,894,469	3,787,900	343,671	7,105,987	401,343,537
Net concentration in consolidated statement of financial position for the year	**17,896,649**	**(142,312)**	**26,645**	**829,669**	**2,485,579**	**21,096,230**
Contingent liabilities outside consolidated statement of financial position	112,266,076	40,653,507	-	-	17,528,421	170,448,004

3-Change in stocks price risk:
Financial assets price risk is related to the supply and demand in the financial markets which causes a change in the fair value of the investments portfolio. The Treasury Department uses scientific and advanced financial bases to mitigate the risk of price change and to ensure that the Bank and the Bank's customers get better rates of return on their investments. The Department uses segmental and geographical distribution methodology and the credit ratings of the best credit rating agencies (Moody's, Standard & Poor, etc…). Moreover, the department analyses the financial indicators of these prices and evaluates them with a fair estimate of the weighted weight for the total investment portfolios managed by the bank to manage them accurately to ensure the risk of price fluctuations.

Below is the effect of market index movement by 5% on consolidated statement of income and other comprehensive income and Equity and Quasi equity with the other variables being constant:

2024	Increase in the indicator (5%)	Impact on consolidated Statement income and other comprehensive income	Impact on equity	Impact on Quasi-Equity
Indicator	JD	JD	JD	JD
Amman Stock Market	121,991	-	28,600	93,391
Foreign markets	21,160	-	-	21,160
2023	**Increase in the indicator (5%)**	**Impact on consolidated Statement income and other comprehensive income**	**Impact on equity**	**Impact on Quasi-Equity**
Indicator	**JD**	**JD**	**JD**	**JD**
Amman Stock Market	120,438	-	25,400	95,038
Foreign markets	20,583	-	-	20,583

If there is a negative change in the indicator, the effect is equal to the above change with the opposite sign.

4- COMMODITIES RISKS
Commodities risks are caused by any fluctuations in the prices of tradable or leasable assets, and relate to the current and future fluctuations in the market values of specific assets. The Bank is exposed to fluctuations in prices of fully-paid commodities after concluding the sale contracts during the year of possession, in addition to being exposed to the fluctuation in the residual value of leased asset at the end of the lease term.

(51/C) LIQUIDITY RISKS
The Cash Liquidity management ensures the Bank's ability to meet short and long-term cash obligations. The Bank's cash liquidity is reviewed and managed regularly. The cash obligations and available funds are assessed daily by the finance department and treasury department. Moreover, review and analysis of cash liquidity of the Bank's assets and liabilities are performed on a monthly basis. Moreover, the maturity of assets and liabilities is analysed. This also includes analysis of the sources of funds according to the nature of the sources and their uses.

First: below is a summary of the maturities of the Bank's undiscounted liabilities and Quasi-equit , based on the contractual payment date as of the date of the consolidated financial statements:

31 December 2024 :	Less than one month	1-3 months	3-6 months	6 months to 1 year	1-3 years	More than 3 years	Without maturity	Total
	JD	JD	JD	JD	JD	JD	JD	JD
Bank and financial institutions' accounts	30,544,484	-	-	-	-	-	-	30,544,484
Customers' current accounts	313,833,370	-	-	-	-	-	-	313,833,370
Cash margins accounts	120,158,383	10,896,085	14,874,054	8,132,794	-	-	-	154,061,316
Income tax provisions	20,680,565	-	-	-	-	-	-	20,680,565
Other provisions	163,719	-	-	-	-	-	-	163,719
Lease obligations - long term	-	100,760	5,000	6,000	967,177	9,899,589	-	10,978,526
Other liabilities	58,538,501	16,214,533	4,256,156	1,453,695	-	-	-	80,462,885
Unrestricted investment accounts	522,333,717	495,631,716	515,834,791	1,137,758,172	80,452,771	-	-	2,752,011,167
Total undiscounted liabilities and Quasi-equity	**1,066,252,739**	**522,843,094**	**534,970,001**	**1,147,350,661**	**81,419,948**	**9,899,589**	**-**	**3,362,736,032**
Total assets based on maturities expected due dates	**531,920,922**	**245,973,753**	**198,613,264**	**312,351,055**	**1,051,369,054**	**1,157,055,131**	**37,253,619**	**3,534,536,798**
31 December 2023 :	**Less than one month**	**1-3 months**	**3-6 months**	**6 months to 1 year**	**1-3 years**	**More than 3 years**	**Without maturity**	**Total**
	JD	JD	JD	JD	JD	JD	JD	JD
Bank and financial institutions' accounts	23,144,067	-	-	-	-	-	-	23,144,067
Customers' current accounts	319,719,876	-	-	-	-	-	-	319,719,876
Cash margins accounts	32,560,089	16,761,007	14,822,469	31,729,441	-	-	-	95,873,006
Income tax provisions	11,919,750	-	-	-	-	-	-	11,919,750
Other provisions	163,719	-	-	-	-	-	-	163,719
Lease contract liabilities - long term	-	86,274	-	-	2,181,512	9,266,030	-	11,533,816
Other liabilities	61,603,327	16,104,840	4,482,134	809,146	-	-	-	82,999,447
Unrestricted investment accounts	391,460,160	365,905,027	430,199,238	838,096,089	202,925,325	200,436	-	2,228,786,275
Total undiscounted liabilities and Quasi-equity	**840,570,988**	**398,857,148**	**449,503,841**	**870,634,676**	**205,106,837**	**9,466,466**	**-**	**2,774,139,956**
Total assets based on maturities expected due dates	**440,799,821**	**162,473,525**	**186,592,363**	**231,053,323**	**1,004,583,918**	**858,764,309**	**44,716,217**	**2,928,983,476**

Second: Off statement of financial position items

	Up to 1 year	
	2024	2023
	JD	JD
Acceptances	182,237,981	68,971,198
Letters of guarantee	22,333,085	7,978,979
Unutilized limits	37,408,047	44,433,697
Total	184,482,235	229,713,569
Total	**426,461,348**	**351,097,443**

(52) SEGMENT INFORMATION

a. Information on the Bank's Activities

The Bank is structured for administrative purposes whereby sectors are measured according to the reports used by the executive director and main decision maker at the Bank through three major business sectors :

Retail Accounts:
This sector follows up on the unrestricted investment accounts, deferred sales receivables, financings, and other services related to retail.

Corporate Accounts:
This sector handles unrestricted investment accounts, deferred sales receivables, financings, and other banking services related to corporate customers.

Treasury:
This sector handles the services of brokerage, treasury and management of the Bank's funds.

Information on the Bank's segments according to activities is shown as follows :

	For the year ended 31 December					
	Retail	Corporate	Treasury	Other	2024 Total	2023 Total
	JD	JD	JD	JD	JD	JD
Gross income	83,423,492	83,794,209	46,968,082	1,851,104	216,036,887	174,332,054
Results of segment's operations	**83,423,492**	**83,794,209**	**46,968,082**	**1,851,104**	**216,036,887**	**174,332,054**
Expected credit losses	(15,159,605)	(17,433,147)	(388,028)	-	(32,980,780)	(15,907,189)
Distributed expenses	(6,300,311)	(3,323,258)	(918,063)	-	(10,541,632)	(8,725,763)
Undistributed expenses	-	-	-	(29,666,133)	(29,666,133)	(27,141,243)
Net profit for the year before tax and net profit attributable to quasi-equity	61,963,576	63,037,804	45,661,991	(27,815,029)	142,848,342	122,557,859
Less : Net profit attributable to quasi-equity	(67,144,131)	(35,661,315)	(7,255,188)	-	(110,060,634)	(94,233,978)
Net profit for the year before tax	**(5,180,555)**	**27,376,489**	**38,406,803**	**(27,815,029)**	**32,787,708**	**28,323,881**
Income tax expense	-	-	-	(12,562,797)	(12,562,797)	(10,813,635)
Net profit for the yaer	**(5,180,555)**	**27,376,489**	**38,406,803**	**(40,377,826)**	**20,224,911**	**17,510,246**

	For the year ended 31 December					
	Retail	Corporate	Treasury	Other	2024 Total	2023 Total
	JD	JD	JD	JD	JD	JD
Segments' assets	909,647,513	1,234,081,386	1,274,889,946	-	3,418,618,845	2,838,064,475
Undistributed assets	-	-	-	115,917,953	115,917,953	90,919,001
Total assets	**909,647,513**	**1,234,081,386**	**1,274,889,946**	**115,917,953**	**3,534,536,798**	**2,928,983,476**
Segment Liabilities and Quasi-equity	1,906,007,025	1,101,619,509	206,248,045	-	3,213,874,579	2,634,295,482
Undistributed liabilities	-	-	-	111,158,544	111,158,544	105,378,254
Total liabilities and Quasi-equity	**1,906,007,025**	**1,101,619,509**	**206,248,045**	**111,158,544**	**3,325,033,123**	**2,739,673,736**

	For the year ended 31 December	
	2024	2023
	JD	JD
Capital expenditure	4,728,104	2,319,952
Depreciation and amortization	3,180,785	3,151,714

Geographical Distribution Information

The following disclosure represents the geographical distribution for the bank's operations.The Bank performs its operations mainly inside the Kingdom. Which represent the local operation.

Distribution of the Bank's revenue, assets and capital expenditure according to geographical area is as follows :

	For the year ended 31 December 2024			For the year ended 31 December 2023		
	Inside Jordan	Outside Jordan	Total	Inside Jordan	Outside Jordan	Total
	JD	JD	JD	JD	JD	JD
Total assets	3,109,165,577	425,371,221	3,534,536,798	2,732,645,198	196,338,278	2,928,983,476
Net income	199,301,493	16,735,394	216,036,887	68,448,386	7,703,525	76,151,911
Capital expenditures	4,728,104	-	4,728,104	2,319,952	-	2,319,952

(53) CAPITAL MANAGEMENT

The Bank's management takes into consideration the Central Bank of Jordan's requirements which require the Bank to have sufficient self resources to cover a certain percentage of its risk-weighted assets based on the nature of the finance granted and direct investment made. Accordingly, the capital considered as per the Central Bank of Jordan's requirements is the regulatory capital (both basic and additional capital).

Capital management aims to invest the Bank's fund in various risk-weighted investments (low and high risk) to ensure that the Bank obtains a better rate of return and to maintain a capital adequacy of 12.5% (12% as instructed in addition to 0.5% for banks classified as banks of local systemic importance).

The capital adequacy ratio is calculated as on 30 September 2024 according to the instructions of the regulatory capital No. (72/2018) issued by the Central Bank of Jordan in accordance with the revised standard No. (15) issued by the Islamic Financial Services Council (IFSB) in support of the provisions of Article (99) / B) from the Banking Law. The following is the capital adequacy ratio in thousands of dinars:

	31 December	
	2024	2023
	JD"000	JD"000
Basic capital items	**198,617**	**179,468**
Authorised and (Paid) in capital	120,000	100,000
Retained earnings	51,090	54,294
Statutory reserve	38,320	35,041
Full fair value reserve (self)	94	(25)
The bank's share of the fair value reserve in full if the fund's are mixed	8	(159)
Intangible assets	(1,674)	(1,697)
Deferred tax assets (self financed)	(1,351)	(888)
The Bank's share of the deferred tax assets if the fund's are mixed	(7,870)	(4,853)
Investment in financial institutions,Banks and takaful companies that is less than 10%	-	(2,245)
Additional capital	**-**	**-**
Supporting capital	**8,302**	**4,496**
"Self general banking risks reserve and the bank's share from the general banking risks reserve (joint) not to exceed 1.25% of financial assets weighted by credit risks."	8,302	4,496
Total regulatory capital	**206,919**	**183,964**
Total risk weighted assets	**1,284,930**	**1,124,074**
Capital adequacy ratio (%)	**16.10%**	**16.37%**
Basic capital ratio (%)	15.46%	15.97%
First tier ratio (%)	15.46%	15.97%
Second tier ratio (%)	0.65%	0.40%
Leverage ratio	13.75%	14.99%

(54) LIQUIDITY COVERAGE RATIO (LCR)

The liquidity coverage ratio in total amounted to 490.5% as on 31 December 2024 with an average rate of 664.3% during the year (349.9% as on 31 December 2023 and an average rate of 355.3% during the year 2023).

The liquidity coverage ratio in Jordanian Dinars reached 337.8% as at 31 December 2024 with an average rate of 380.0% during the year (355.4% as at 31 December 2023 and an average rate of 328.4 % during the year 2023).

Liquidity Coverage Ratio Calculation Items as on 31 December 2024:

Item	Befor deducting and subtracting cap adjustments	After deducting and subtracting cap adjustments
	JD"000	JD"000
Assets (level 1)	655,827	655,827
Assets (level 2)	-	-
Total high quality liquid assets	**655,827**	**655,827**
Cash outflows	1,530,869	334,474
Cash inflows	267,910	200,769

Maximum level 2 assets. JOD (0% of the first level assets)

Calculation of the Liquidity Coverage Ratio (LCR) as at 31 December 2024:

Item	After deducting and subtracting cap adjustments
	JD"000
Total high quality liquid assets after deducting and subtracting cap adjustments	655,827
Net cash flows	133,705
Liquidity Coverage Ratio (LCR)	490.50%

(55) NET STABLE FUNDING RATIO (NFSR)

Net stable financing ratio in total currencies was 133.6% as at 31 December 2024 (135.5% as at 31 December 2023).

Items for calculating the NFSR ratio as on 31 December 2024:

Item	Value before available stable funding factor	Value after available stable funding factor
	JD"000	JD"000
Total stable funding available (after available stable funding factor)	3,551,563	2,710,508
Total stable funding required (after the required stable funding factor)	3,551,563	2,007,683
Total stable funding required for off-budget items (after the required stable funding factor)	426,157	21,308

Calculation of the net stable financing ratio (NFSR) as on 31 December 2024:

Item	JD"000
Total stable funding available (after available stable funding factor)	2,710,508
Total stable funding required	2,028,991
Net stable funding ratio	133.6%

(56) ASSETS AND LIABILITIES MATURITY ANALYSIS:

Information on the Bank's segments according to activities is as follows:

31 December 2024	Within one year	More than one year	Total
	JD	JD	JD
Assets			
Cash and balances at the Central Bank of Jordan	244,541,023	-	244,541,023
Balances at banks and the financial institutions	16,841,108	-	16,841,108
International wakala investments - net	217,144,756	-	217,144,756
Deferred sales receivables and other receivables - net	556,217,402	993,211,019	1,549,428,421
Financial assets at fair value through quasi-equity - net	48,714,217	402,203,189	450,917,406
Financial assets at fair value through other comprehensive income - net	572,000	45,451,435	46,023,435
Financial assets at amortized cost	-	119,852,000	119,852,000
Investment in associate	332,759	-	332,759
Ijara Muntahia Bittamleek assets - net	111,580,510	650,514,060	762,094,570
Al Qard Al Hasan - net	10,691,878	751,489	11,443,367
Property and equipment - net	-	22,323,578	22,323,578
Intangible assets - net	-	1,673,942	1,673,942
Right-of-use assets	1,473	9,697,092	9,698,565
Deferred tax assets	18,506,502	-	18,506,502
Other assets	63,715,366	-	63,715,366
Total assets	**1,288,858,994**	**2,245,677,804**	**3,534,536,798**
Liabilities and Quasi-equity			
Banks and financial Institutions accounts	30,544,484	-	30,544,484
Customers' current accounts	313,833,370	-	313,833,370
Cash margins	153,061,234	-	153,061,234
Income tax provision	20,680,565	-	20,680,565
Other provisions	163,719	-	163,719
Lease liabilities - long term	111,028	9,740,347	9,851,375
Other liabilities	80,462,885	-	80,462,885
Fair value reserve-net	16,942	-	16,942
Unrestricted investment accounts	2,637,006,299	79,412,250	2,716,418,549
Total Liabilities and Quasi-equity	**3,235,880,526**	**89,152,597**	**3,325,033,123**
Net	**(1,947,021,532)**	**2,156,525,207**	**209,503,675**

31 December 2023	Within one year	More than one year	Total
	JD	JD	JD
Assets			
Cash and balances at the Central Bank of Jordan	255,949,654	-	255,949,654
Balances at banks and the financial institutions	26,513,323	-	26,513,323
International wakala investments - net	85,131,319	-	85,131,319
Financial assets at fair value through statement of income	-	-	-
Deferred sales receivables and other receivables - net	454,790,687	832,579,828	1,287,370,515
Financial assets at fair value through quasi-equity - net	23,088,405	429,000,130	452,088,535
Financial assets at fair value through other comprehensive income - net	508,000	-	508,000
Financial assets at amortized cost	-	-	-
Investment in associate	349,622	-	349,622
Ijara Muntahia Bittamleek assets - net	82,339,776	613,432,992	695,772,768
Al Qard Al Hasan - net	33,871,079	509,660	34,380,739
Property and equipment - net	-	20,750,849	20,750,849
Intangible assets - net	-	1,697,221	1,697,221
Right-of-use assets	94,597	10,093,764	10,188,361
Deferred tax assets	12,225,792	-	12,225,792
Other assets	46,056,778	-	46,056,778
Total assets	**1,020,919,032**	**1,908,064,444**	**2,928,983,476**
Liabilities and Quasi-equity			
Banks and financial Institutions accounts	23,144,067	-	23,144,067
Customers' current accounts	319,719,876	-	319,719,876
Cash margins	95,274,911	-	95,274,911
Income tax provision	11,919,750	-	11,919,750
Other provisions	163,719	-	163,719
Lease liabilities - long term	85,966	10,209,372	10,295,338
Other liabilities	82,999,447	-	82,999,447
Fair value reserve-net	(371,067)	-	(371,067)
Unrestricted investment accounts	1,996,362,451	200,165,244	2,196,527,695
Total Liabilities and Quasi-equity	**2,529,299,120**	**210,374,616**	**2,739,673,736**
Net	**(1,508,380,088)**	**1,697,689,828**	**189,309,740**

(57) COMMITMENTS & CONTINGENT LIABILITIES (OFF-BALANCE SHEET ITEMS) :

A.Credit commitments and commitments/Self: *

	31 December 2024	31 December 2023
	JD	JD
Letters of credit	182,237,981	68,971,198
Acceptances	22,333,085	7,978,979
Letters of guarantees:		
- Payment	9,927,782	14,787,127
- Performance	19,361,901	16,932,374
- Others	8,118,364	12,714,196
Total	**241,979,113**	**121,383,874**

B. Contingent credit and commitments/Joint:

	31 December 2024	31 December 2023
	JD	JD
- Unutilized credit limit/Direct	184,482,235	229,713,569
Total	**184,482,235**	**229,713,569**

Indirect unutilized limits

* The expected credit losses recorded against contingent credit commitments/self amounted under the implementation instructions of FAS (30) issued by Organization for Islamic Financial Institutions to JD 324,155 as at 31 December 2024 (JD137,628 as at 31 December 2023) and recorded in the other liabilities (note22).

The expected credit losses recorded against contingent credit commitments/Joint amounted under the implementation instructions of FAS (30) issued by Organization for Islamic Financial Institutions to JD 812,801 as at 31 December 2024 (JD1,402,126 as at 31 December 2023) and recorded in other liabilities (note 22).

(58) LAWSUITS AGAINST THE GROUP

LAWSUITS AGAINST THE BANK

The total amount of the legal cases filed against the Bank (self) was JD 1,481,107 as at 31 Decemer 2024 (JD 1,093,872 as at 31 December 2023) which are within the Group's normal course of business. In the opinion of the management and the Group's lawyers, the allocated (self) case allowance of JD 63,719 as at 31December 2024 is sufficient to meet the obligations that the Bank may incur as a result of these cases (JOD 63,719 as at 31 December 2023).

In addition to the above, there are lawsuits against the Bank related to real estate owned and leased as a financial lease and/or mortgaged in favor of the Bank, and these cases do not a financial impact or obligation on the Bank.

LAWSUITS AGAINST THE SUBSIDIARY (MISC FOR FINANCIAL BROKERAGE COMPANY)

There are no legal cases filed against the subsidiary as at 31 December 2024 and 2023.

(59) FAIR VALUE HIERARCHY

IFRS 13 requires the identification and disclosure of a level in the fair value hierarchy in which fair value measurements are categorized in full, and the fair value measurements are classified according to the levels specified in IFRS. The difference between level (2) and level (3) for fair value measurements means assessing whether information or inputs are observable and the importance of information that is not observable. This requires careful judgment and analysis of the inputs used to measure fair value including consideration of all factors affecting the asset or liability.

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 provides information about how the fair value of these financial assets and financial liabilities is determined(valuation techniques and key inputs).

Financial Assets/Financial Liabilities	Fair value		Fair value hierarchy	Valuation techniques and key inputs	Significant unobservable	Relationship of unobservable inputs to fair value
	31 December 2024	31 December 2023				
	JD	JD				
Financial assets at fair value through other comprehensive income - net	**46,023,435**	**508,000**	**Level 1**	**Quoted rates in financial markets**	**Not applicable**	**Not applicable**
Financial assets at fair value through quasi-equity - net						
Quoted shares	2,291,022	2,312,403	Level 1	Quoted rates in financial markets	Not applicable	Not applicable
Quoted sukuk	117,828,651	83,307,396	Level 1	Quoted rates in financial markets	Not applicable	Not applicable
Unquoted shares	7,551,544	5,881,231	Level 3	The latest financial prices available	Not applicable	Not applicable
Unquoted sukuk	323,246,189	360,587,505	Level 2	A similar financial instrument	Not applicable	Not applicable
Total Financial assets at fair value through quasi-equity - net	**450,917,406**	**452,088,535**				
Total	**496,940,841**	**452,596,535**				

There were no transfer between level 1 and 2 during the year ended 31 December 2024 and the year 2023.

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

‹Except for what is detailed in the following table, we believe that the carrying amounts of financial assets and financial liabilities recognized in the Bank›s financial statements approximate their fair values.

	31 December 2024		31 December 2023		Fair value hierarchy
	Book value	Fair value	Book value	Fair value	
	JD	JD	JD	JD	
Financial assets not calculated at fair value					
Deferred sales receivables and other receivables - Net	1,549,428,421	1,766,685,756	1,287,370,515	1,467,654,710	Level 2
Financial assets at amortized cost	119,852,000	121,721,645	-	-	Level 2
Ijara muntahia Bittamleek assets - Net	762,094,570	762,094,570	695,772,768	695,772,768	Level 2
Total financial assets not calculated at fair value	**2,431,374,991**	**2,650,501,971**	**1,983,143,283**	**2,163,427,478**	
Financial liabilities not calculated at fair value					
Customers' current accounts and unrestricted investment accounts	3,030,251,919	3,065,844,537	2,516,247,571	2,548,506,151	Level 2
Cash margins	153,061,234	154,061,316	95,274,911	95,873,006	Level 2
Total financial liabilities not calculated at fair value	**3,183,313,153**	**3,219,905,853**	**2,611,522,482**	**2,644,379,157**	

(60) Accounts managed in favor of clients
Accounts managed in favor of clients amounted to JD 50,934,212 as on 31 December 2024 (JD 41,754,276 as on 31 December 2023). These accounts are not shown among the bank's assets and liabilities in the financial statements. Fees and commissions for managing these accounts are shown in the consolidated statement of profit or loss and comprehensive income, fees and commissions for managing these accounts amounted to JD 53,446 for the year 2024 (JD 40,323 for the year 2023).

(61) COMPARATIVE FIGURES
The comparative figures for the year 2023 balances in the consolidated financial statements were reclassified to correspond with 31 December 2024 presentation. The reclassifications did not have any effect on profit and equity for the year 2023.

The total value of deposits
reached one billion Jordanian Dinars


Sustainable Success for a Better Future

Board of Director Report

Board of Directors' Report

Ladies and Gentlemen, Respected Shareholders,
The Board of Directors of Safwa Islamic Bank is pleased to present you with its Annual Report of its financial statements, achievements, and products and services developed during the year 2024. These accomplishments have led to significant successes and have brought us closer to realizing our pre-defined strategic goals—outcomes that, with Allah's will, will positively reflect on our shareholders and customers alike.

Since its establishment in 2010, Safwa Islamic Bank has been committed to delivering comprehensive Islamic banking solutions that combine deeply rooted Islamic values with cutting-edge technological advancements. Our goal has always been to offer high-quality, personalized services that meet the evolving needs of our customers—an approach that is embodied in our slogan: "Solid Principles, Innovative Solutions."

Achievements and Key Highlights for 2024
The Bank continued its expansion, establishing a comprehensive branch network comprising 44 branches across the Kingdom. These branches offer modern Islamic Sharia-compliant banking services built on contemporary practices. The Bank's operations witnessed significant growth, with total assets reaching JD 3.5 billion, reflecting a 21% increase compared to the previous year. The financing and Ijara (lease-to-own) portfolio also grew to JD 2.3 billion, marking a 15% increase, while customer deposits rose by 20% to reach JD 3.0 billion. Below are some of the key achievements across the Bank's core departments:

Corporate Banking Services
The Corporate Banking Department expanded its portfolio of both direct and indirect credit facilities by attracting a diversified range of customers across various sectors. It also deepened engagement with existing customers while strengthening its corporate depositor base, particularly through the expansion of the pioneering Corporate Savings Account—a first of its kind—which saw notable growth across different customer segments.

Efforts were also focused on expanding customer relationships in the large and mid-sized corporate segments by building a diversified portfolio with a strong emphasis on asset quality.

The Department remains committed to forming strategic, long-term relationships by offering Sharia-compliant banking solutions tailored to the financial needs and goals of customers—driven by an experienced team of relationship managers specialized in corporate banking.

Retail Banking
In pursuit of delivering inclusive financial services, the Bank has continued to strengthen its presence throughout the Hashemite Kingdom of Jordan. The Bank owns a network of 44 branches across key locations including Amman, Irbid, Zarqa, Aqaba, Salt, Jerash, Madaba, Karak, and Mafraq.

Our presence has been strengthened by increasing the number of external ATMs to 32, with the aim of providing a ful range of products and services to meet the diverse needs and aspirations of our customers.

Safwa Islamic Bank offers a wide array of deposit options such as current accounts, salary accounts, and a variety of savings accounts designed for different demographics, such as the Kanzy (for children), Harir (for women), Corporate Savings, and Offset Accounts. The Bank also offers flexible investment deposit options with multiple maturity terms, and Investment Certificates with unique benefits and added value tailored to customer expectations. Additionally, customers can invest in the Hajj Sukuk Product, enabling them to perform Hajj at an early age.

The Bank successfully attracted a substantial number of customers, with the total number of accounts exceeding 323,000—supported by a variety of account types, competitive investment returns, and a special prize program for savings accounts.

In the financing domain, the Bank excelled by developing a comprehensive suite of Sharia-compliant solutions, including vehicle financing through Murabaha and Ijara (lease-to-own), in addition to housing and land financing. The Bank also offered competitive deals through strategic partnerships with leading real estate developers and car dealerships.

The Bank provided a diverse range of card services, from debit and prepaid cards to the Murabaha credit card, reinforcing its commitment to Sharia principles in financial services.

To further enhance customer convenience, Safwa Islamic Bank has also introduced a suite of advanced digital services. Customers can now open bank accounts remotely, easily and securely, without the need to visit a branch—making banking more accessible in an increasingly digital world.

Committed to serving all segments of society, the Bank has continued to develop its financial and banking services for micro, small, and medium-sized enterprises (MSMEs)across different sectors. In line with this commitment, two new Business Centers were opened during the year to better serve this vital customer base.

Opening of Al-Rusaifah Branch

Opening of Al Quds Street Branch (5B Mall)

Relocation and Opening of Abu Nusair Branch

Business Development and Transformation – Banking Services:
Driven by our strategy to deliver more efficient and accessible financial services, we continued to enhance our digital banking offerings throughout 2024, targeting both individual and corporate customers. Our goal is to empower customers to manage their accounts and join the Safwa family anytime and from anywhere, with maximum efficiency, effectiveness, and security.

Our digital transformation journey began by enabling individual customers to open accounts through the Safwa mobile application, complemented by a full suite of accompanying services such as payments, cards, and account management. In 2024, we expanded our digital capabilities with the launch of several key services and products, including:

1. Salary in Advance Service: A feature allowing individual customers to receive a portion of their salary before payday.
2. Offset Account Opening via Mobile App: Designed for individual customers with Ijara financing, enabling them to reclaim a percentage of the profits calculated on housing/Ijara financing.
3. NFC Functionality at ATMs: Enabled cash withdrawal and deposit via NFC technology, allowing customers to use their cards or mobile devices for contactless transactions.
4. Wallet Extension for Apple Pay: Enhanced integration to allow customers to more easily add their bank cards to Apple Pay.

In alignment with our commitment to empowering corporate customers, we introduced new digital services that allow businesses to efficiently manage their accounts using a customized financial authorization matrix. This includes enhanced deposit management and payment operations.

Key services launched for corporate customers:

1. CliQ Instant Payment Service Activation: Corporate customers can now register for the CliQ service to send and receive real-time payments to and from other local banks registered with the system, within the permissions defined by their financial matrix.
2. Corporate Deposit Cards: A new product tailored for Safwa's business customers, streamlining the collection process for merchants and enabling efficient cash management.

We remain committed to the continuous development of all our digital channels, including our website www.safwabank.com, which provides easy and intuitive access to our full range of banking services and products.

Supporting departments also contributed significantly to our digital transformation by automating operations to reduce human intervention, thereby enhancing service quality. Key achievements in 2024 include the re-engineering and automation of inbound and outbound transfers, various post-sales services, and check deposits via the ECC system.

Banking Services for Small Businesses
The Bank completed the establishment of a new Business Center at 5B MALL, under the Small Business Department, to expand its presence in various regions and support commercial financing across different sectors in South Amman. The Small Business Department now operates through three main business centers, structured as follows:

1. Center for West, North, and South Amman:
   - West Amman Unit – Khalda Branch
   - North Amman Unit – Abu Nseir Branch
   - South Unit – Karak and Aqaba Branches
2. 5B MALL Business Center:
   - South Amman Unit
   - East Amman Unit
3. Northern Region Units:
   - Irbid Unit – Hashemi Street Branch
   - Zarqa Unit – New Zarqa Branch
4. Lease Financing Unit: Operating from the General Administration, the unit expanded in 2024 by appointing a specialized officer in Irbid to serve the growing real estate market in the area.
5. Gardens Branch Unit
6. Corporate Services Operations Support Unit: Responsible for contract preparation and financing execution for the Small Enterprises Department.
7. Credit Processing Unit: Handles receivables management and credit restructuring/rescheduling.

The total financing implemented above in 2024 reached JD 157.8 million, significantly surpassing the target of JD 86.4 million, achieving 183% of the planned target.

Achievements were as follows: (Amounts in JD thousand)

Business Center	Support Units	Portfolio Size as at 31/12/2023	Portfolio Size as at 31/12/2024
Center for West, North, and South Amman	West Amman Unit	33,440	39,425
	North Amman Unit	11,002	14,794
	South Unit	3,011	3,422
5B MALL Business Center	East Amman Unit	12,011	18,643
	South Amman Unit	16,984	21,848
Center for Irbid and Zarqa	Irbid Unit	8,836	14,029
	Zarqa Unit	10,051	10,918
Lease Financing Unit	General Administration	17,471	30,900
Gardens Unit	Gardens Branch	-	3,853
Total		**112,802**	**157.832**

Treasury and Investment
In 2024, the Treasury and Investment Department at Safwa Islamic Bank continued to achieve outstanding results, further solidifying its position as one of the leading departments within the Jordanian banking sector. The Department maintained a strong focus on innovation and the development of Sharia-compliant financial products and services, in alignment with the Bank's strategic vision and the diverse needs of its customers across various asset levels.

Throughout the year, the Treasury and Investment Department contributed significantly to the Bank's overall income, reflecting its success in maximizing returns and diversifying revenue sources. These results were driven by effective management of foreign currency positions, improved liquidity management, the implementation of robust risk hedging strategies, and diversification of income streams in line with the Bank's objectives.

Key Achievements of the Treasury and Investment Department in 2024:
- Product Innovation:
  - Expanded Sharia-compliant hedging solutions, including further development of the "Currency Forward Promise" product to offer more flexible options tailored to a broader range of customers.

- Strengthening Financial Partnerships:
  - Established strong relationships with local, regional, and international financial institutions to support the Bank's funding needs and enhance its resources.
  - Expanded the Bank's foreign currency account network with overseas banks, significantly increasing the number of accounts and boosting the Bank's capability to offer integrated banking services.
  - Strengthened ties with global settlement banks and trading intermediaries to support the Investment and Capital Markets Unit, thereby enhancing the Bank's role in delivering exceptional services aligned with customer expectations and the Bank's strategic goals.
- Enhanced Services for Key Customers:
  - The Treasury Sales Desk continued to provide distinguished services and products, resulting in stronger relationships with the Bank's key customers, including large corporates, SMEs, and high-net-worth individuals.
- Supporting the National Economy:
  - The Bank maintained its active role in supporting Jordan's national economy through effective public-private partnerships. It leveraged existing investment agreements with the Central Bank of Jordan to provide medium-term financing for various economic sectors, aiming to reduce operating costs and enhance productivity.

Looking ahead, the Treasury and Investment Department is committed to further innovation and expanding its service offerings in the coming year, with a strong focus on identifying new growth opportunities that contribute to sustainable development and delivering enhanced value to both the Bank and its customers.

Human Capital Management

At Safwa Islamic Bank, we recognize that our people are at the heart of our success and play a vital role in driving the Bank's strategic goals. In 2024, we remained firmly committed to cultivating talent, preserving institutional knowledge, and empowering our employees through a wide range of initiatives. These efforts focused on enhancing capabilities, fostering a culture of performance and collaboration, and ensuring long-term organizational resilience. Below is a summary of our key achievements in human capital development over the past year:

1	The Bank continued its annual Safwa Future Stars program, now in its sixth consecutive year. This initiative provides university students in Jordan with practical training opportunities to develop their skills within a real banking environment. Since its inception, the program has resulted in the recruitment of 16 trainees as full-time employees.
2	A new, upgraded version of the MenaITech HR system was implemented to enhance operational efficiency and streamline internal processes, saving both time and effort.
3	In collaboration with Team Challenger Academy, a comprehensive Team Building training program was delivered to Bank departmental and section managers. The program focused on fostering teamwork, enhancing internal communication, and building stronger interdepartmental collaboration through interactive and engaging activities.
4	All managerial and branch-level vacancies were successfully filled in a timely and professional manner. A total of 138 new hires were made by the end of 2024, with 68% of them recruited into key business Departments including Retail, Corporate Banking, and Treasury.
5	Reflecting its social responsibility, the Bank signed an agreement to provide academic scholarships for two students from the Al Hussein bin Abdullah II Technical University, further supporting the development of youth and education in Jordan.
6	In line with its talent development strategy, the Bank continued to invest in the academic and professional growth of its employees through renowned academic institutions and training centers inside and outside the Kingdom. The Bank provided opportunities for employees to obtain:
•	Two postgraduate scholarships were awarded in collaboration with the Institute of Banking Studies for high-performing employees.
•	A total of 68 professional certifications were granted over the past three years, representing an investment of nearly JD 160,000.
7	Stemming from the Bank's concern for its employees and interest in raising their health awareness, a free medical day was held for General Administration employees, in cooperation with Al Shami Group. Employees were offered free medical check-ups including diabetes screening, vision tests, and body composition analysis.
8	As part of its ongoing commitment to organizational agility, aiming to improve work quality, reduce time and effort and raise efficiency between departments to serve job interests and requirements, the Bank updated nine departmental structures and revised a significant number of job descriptions.
9	In line with its ongoing efforts to motivate excellence and foster a positive work culture, the Bank honored the top three most profitable branches in each group for their outstanding performance in 2023, with a total of 10 branches recognized.
10	Overall employee turnover rate decreased significantly by 30% compared to the previous year, reaching 6.9% by the end of 2024, down from 9.9% in 2023.
11	The Bank actively participated in four job fairs hosted by (Hashemite University, University of Jordan, Al-Balqa Applied University, and Al Hussein Technical University). These events provided valuable opportunities to exchange knowledge with local civil societies, remain informed about the latest HR practices and technologies used by large corporations and competing banks to benefit from, if any, as well as engage with various segments of society.
12	Empowering women at the Bank and enhancing their leadership roles to reach decision-making positions resulted in 71 female employees holding managerial positions by the end of 2024, representing 25% of all managerial roles at the Bank. Female employees comprised 35% of the Bank's total workforce by the end of 2024—the highest percentage among Islamic banks operating in Jordan, according to reports by the Association of Banks in Jordan. Furthermore, and in line with the Bank's strategy, prominent and highly qualified female leaders joined the senior management team, accounting for 21% of the total senior management staff, compared to 7% during the same period in 2023.

Support Departments (Central Operations / Total Quality Management)
The strategy of the Support Departments is centered around ensuring the delivery of high-quality services to both the Bank's clients and internal units. These services are executed with precision and efficiency to achieve optimal operational performance and minimize risk of losses. To meet these objectives, the strategy emphasizes process reengineering, development of banking and support systems, continuous employee training, and effective knowledge transfer across the Bank's departments. Additionally, the departments provide comprehensive support for the introduction of innovative financial services aimed at generating profitable returns, strengthening investment strategies, and achieving long-term financial sustainability and growth

Information Technology Department
The IT Department is responsible for providing services related to managing the technological ecosystem for data at the Bank. Carried out by setting the strategies and policies required to empower all the Bank's departments to achieve their goals, along with defining the plans necessary for their implementation through projects. In order to ensure the alignment of the Bank's strategic goals according to the foundations and standards of IT governance, for the purpose of raising efficiency and effectiveness, and providing information rapidly and appropriately. The Department's core responsibilities include:

1 Formulating and updating IT plans and defining the procedures necessary for their implementation.

2 Managing and developing the IT infrastructure and ensuring its continuous operation.

3 Enhancing the Bank's digital readiness and developing short- and long-term digital transformation strategies, with a focus on mobile and internet banking applications. A notable achievement is enabling customers to open accounts via the Safwa Mobile App without visiting a branch.

4 Monitoring the Bank's main and backup sites through specialized on-site personnel, in coordination with relevant entities.

5 Continuously enhancing the technical expertise and raising the efficiency of IT staff, to keep up with technological advancements.

6 Ensuring compliance with the Central Bank of Jordan's IT governance standards, particularly the COBIT 2019 framework, and maintain the highest standard of security, and several protection standards such as PCI-DSS and cybersecurity.

The Department carried out a number of projects in 2024, in smart software development and process automation, which aim to provide high quality innovative banking services to our customers, fulfilling their requirements and aspirations. Key projects completed include:

- Strengthening the infrastructure for fintech services by upgrading servers and data centers and adopting modern technologies, such as:

- Performance monitoring applications for servers and networks.
- Adding high-performance VXrail servers.
- Applying KVM virtualization technology.
- Internal network load balancer.
- Implementing the latest version of SD-WAN network security.
- Using secure file transfer via SFTP server over Https.
- Enhancing ATM network reliability for 24/7 availability.
- Upgrading mobile banking app security.
- Developing SWIFT systems integration.
- Enhancing card management systems.
- Completing core banking system updates.
- Improving database performance across all systems.
- Addressing infrastructure security gaps at all levels.

Sharia Compliance Department
The Sharia Compliance Department operates under the guidance of a distinguished Sharia Supervisory Board with extensive expertise in Islamic finance. The Department ensures the implementation of the Board's fatwas and decisions across all of the Bank's operations. This includes overseeing all work and thoroughly reviewing contracts, product policies, and procedures to confirm Sharia compliance.

The Department maintained active communication with the Sharia Supervisory Board, presenting updates and critical matters for clarification on relevant fatwas, and ensuring the implementation of all related directives by the relevant departments.

The Department also provides daily support and guidance to the Bank's various departments and staff, resolving any issues that arise in accordance with the rulings of the Sharia Supervisory Board.

Corporate Communication and Marketing Department
In 2024, the Corporate Communication and Marketing Department launched several successful campaigns to promote the Bank's services in response to local market demands, to reinforce the Bank's position and highlight its brand identity.

A distinctive savings account rewards campaign was launched for its first year, receiving exceptional public feedback.

The Department also launched a customer appreciation initiative in 2024, as part of the Central Bank of Jordan's financial inclusion strategy. The initiative was developed in an innovative manner, different than what the Jordanian market is accustomed to, featuring an open day to introduce customers to the Bank's offerings. This included special offers on preferential Murabaha and Ijara rates on vehicle and housing financing. In addition, there were numerous competition, engaging activities and instant prizes to visitors. The open day resulted in outstanding success and the Department plans on making it an annual event.

Furthermore, the Department adopts and carries out various CSR programs focusing on the most vital themes such as education, health, and poverty alleviation, encouraging staff participation in all initiatives.

The Bank's Environmental Contributions
In response to global environmental challenges and in alignment with Islamic values of resource stewardship, Safwa Islamic Bank was keen to perform its role in supporting sustainability and initiatives aimed at protecting the environment.

The Bank provided support to the Arab Group for the Protection of Nature on the "Green Caravan" project to plant trees for underprivileged farmers, as a source of income for them, and to combat desertification and increase green space. In addition, the Bank supported the "My Agriculture, My Responsibility" campaign in collaboration with Greater Irbid Municipality to plant one million trees.

The Bank's Local Community Service Contributions
Safwa Islamic Bank emphasizes social responsibility through robust support for national institutions and charitable organizations. In 2024, the Bank intensified efforts were intensified and increased the number of community service projects within its social responsibility programs—an integral part of the Bank's commitment to societal matters.

The Bank continuously seeks to enhance its social responsibility by providing the best, and activating its social role, through its engaging activities and programs. It set several initaitives that serve and support efforts made to face challenges, to stimulate local community development in all its segments. Through diversifying and sustaining its activities, the Bank aims to instill positive change in various areas.

In 2024, the Bank focused on educational and religious initiatives, in addition to alleviating poverty, supporting national institutions working in the Kingdom, plus other aspects such as environment and sports, humanitarian and health aspects, among others.

Educational and Religious Initiatives
Safwa Islamic Bank recognizes that education is a key sector, a cornerstone for youth development and a productive and conscious generation. In 2024, the Bank sought to fulfill its commitment by covering costs of university scholarships at several institutions, and at several entities, most notably:

- Supported the renovation of the outdoor fields of Noor Al Hussein Secondary School for Girls in Karak.
- Renewed its agreement with the Al-Aman Fund to sponsor university scholarships for orphans, and continue covering the costs of student beneficiaries of the Fund. We also participated in the campaign "We Congratulate Al Hussein for the Birth of his Newborn Baby"
- Collaborated with the Crown Prince Foundation in the campaign "Let our Schools Bloom 2024" – renovation of playgrounds at a number of public schools.
- Renewed its partnership with Al Hussein Technical University to fund Bachelors' degree students in cybersecurity, data science, and AI.
- Participated in the Back to School campaign in cooperation with Tkiyet Um Ali, distributing backpacks and stationary to students.
- Participated with "Injaz" and hosted several school students at the Bank's branches as a support activity for the financial literacy curriculum taught in all the schools of the Hashemite Kingdom of Jordan.

Poverty Alleviation Initiatives:
In 2024, the Bank focused on supporting one of the most prominent Sustainable Development Goals, namely the eradication of poverty. We prioritized supporting numerous national institutions, agencies, and charitable organizations working to combat poverty and unemployment. This was achieved through various programs designed to empower individuals towards self-reliance and improve their difficult living conditions. Additionally, these programs created employment opportunities for young people, aiming to enhance dignified living standards and ensure access to essential services. Some of the key initiatives and new partnerships included:

- Renewed the agreement with Tkiyet Um Ali to distribute food parcels to 22 families monthly, in addition supported the winter campaign by providing winter clothing to beneficiary families.
- Supported the Crown Prince Foundation initiative through the "Do Good in the Month of Goodness" campaign by purchasing food coupons for needy families.
- Supported the Air Force Ladies Club by distributing aid to impoverished families.

- Supported the Orphan Funds Development Foundation by contributing to the funding of "Goodness Parcels" during the holy month of Ramadan.
- Participated in an Orphan Iftar event held at the Jordanian Armed Forces Hotel and facilitated the release of 10 indebted women ("Gharimat") by covering their debts.

Humanitarian and Health Initiatives:
Supporting humanitarian and health initiatives remains a core priority in Safwa Islamic Bank's social responsibility programs. In line with this vision, the Bank continued to provide support to several humanitarian and healthcare institutions, along with signing various agreements and partnerships with organizations active in the healthcare sector, aiming to achieve shared goals that serve and develop the community. Key contributions included:

- Supported the Jordanian Medical Aid for Palestinians Association.
- Continued our partnership with Al-Malath Palliative Care Foundation to help achieve their mission.
- Renewed the agreement with the King Hussein Cancer Center and contributed to the King Abdullah II Building Project in Aqaba.
- Sponsored the General Assembly Meeting for the Employees' Savings Fund (for doctors and non-doctors).
- Supported the White Family Association for elderly care.
- Supported Darat Sameer Shama Association for senior citizens.

Initiatives Supporting Sports:
The Bank places significant importance on supporting sports, consistently participating in various athletic activities to encourage youth to adopt active and healthy lifestyles. These activities also foster a spirit of collaboration and competition. A key highlight this year was our sponsorship of the Play Football tournament.

Support for Women and Children:
Supporting women and children remains a top priority for Safwa Islamic Bank's community initiatives. The bank seeks to empower women by offering educational and training opportunities to develop their skills, thereby enhancing their societal role. Regarding children, the bank works to provide a healthy and educational environment that upholds children's rights to healthcare and quality education. Key efforts included:

- Supported Bayt Al-Ward Association, which trains women in handicrafts and provides opportunities to market their products in Aqaba.
- Participated in an Orphan Iftar event during Ramadan in collaboration with the Children's Museum Jordan.
- Donated school bags to children in cooperation with Prince Ali bin Al Hussein Club for the Deaf.

Support for National Initiatives and Conferences:
Safwa Islamic Bank considers supporting activities and initiatives launched and organized by national institutions in the field of social responsibility an integral part of its national and social duty. In 2024, the Bank supported several initiatives with added economic value and initiatives promoting medium and small financing, including:

- Participated in the Invest in Digital Economy Forum in collaboration with the Jordan Chamber of Commerce.
- Sponsored and participated in the Fourth Jordanian Packaging and Interconnections Exhibition (JOPEX 2024).
- Participated in the Conference on the Impact of Technology and Innovation on Enhancing the Growth of the Jordanian Economy.
- Supported the Ramadan 2024 Campaign with the Public Security Directorate.
- Supported the annual ceremony of the Pioneers Association – Circassians of Amman.
- Celebrated Teacher's Day in collaboration with the Ministry of Education.
- Provided support to the National Committee for Demining and Rehabilitation.

Volunteer Initiatives:
Driven by the belief of the Bank's employees in the importance of volunteering as an integral part of their social responsibility, and to instill a culture of volunteerism and teamwork among employees — reflecting positively on their performance — many staff members volunteered in a variety of initiatives:

- Employees volunteered in a tree planting project as part of the Green Caravan Program with the Arab Group for the Protection of Nature.
- Employees volunteered in the "My Farming is My Responsibility" campaign, contributing to the planting of one million trees with Greater Irbid Municipality.
- Employees helped organize an Orphan Iftar event during Ramadan in collaboration with the Children's Museum Jordan.
- Employees volunteered in the "Food Serving Campaign" to prepare and distribute meals for over 4,000 fasting individuals during Ramadan in collaboration with Tkiyet Um Ali.

- Employees participated in the Ramadan Iftar for orphans in celebration of World Orphans Day in collaboration with the Zakat Fund.
- Employees volunteered by visiting the elderly at Darat Sameer Shama and presented them with gifts on the occasion of Eid Al-Adha.
- Employees participated in the Back-to-School Campaign by distributing school bags to children benefiting from Tkiyet Um Ali.
- Employees volunteered in preparing winter clothing parcels for beneficiary families of Tkiyet Um Ali.

Participation in the Financial Sector Job Day with Injaz

Employees' participation in the winter campaign in cooperation with Tkiyet Um Ali

Employees participated with the Crown Prince Foundation to renovate school playgrounds in the campaign "Let our Schools Bloom"

Employees volunteered in the Food Serving Campaign for over 4,000 fasting individuals during Ramadan in collaboration with Tkiyet Um Ali

Employees volunteered in the iftar of orphan children in cooperation with the Children's Museum

Agreement signing with King Hussein Cancer Center

Safwa Open Day

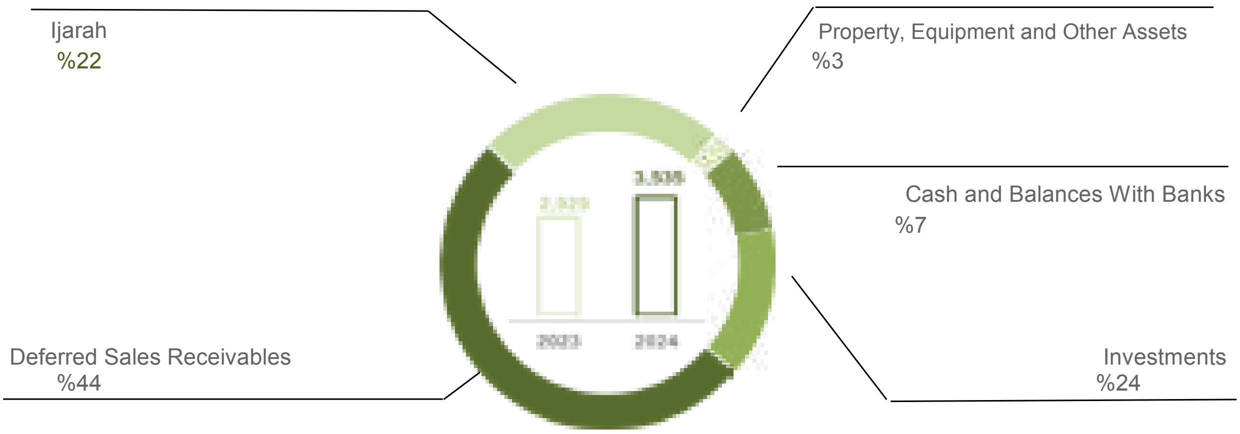
Safwa Open Day

Agreement signing with Al Hussein Technical University

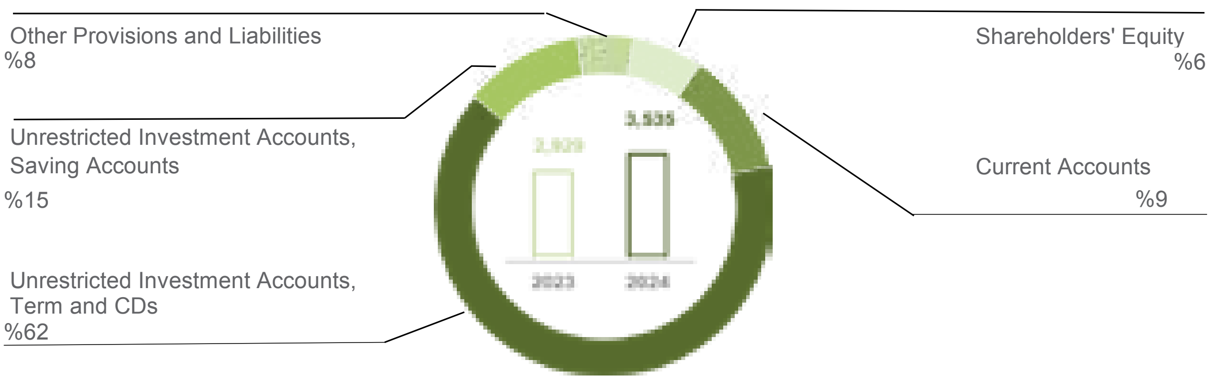
Bank's Financial Position Analysis and Financial Ratios

Bank's Financial Position Analysis

Assets	JOD (Million)		Weight	
	2024	**2023**	**2024**	**2023**
Cash and Balances With Banks	261	282	%7	%10
Investments	834	538	%24	%18
Deferred Sales Receivables	1,561	1,322	%44	%45
Ijarah	762	696	%22	%24
Property, Equipment and Other Asse	117	91	%3	%3
Total	**3,536**	**2,929**	**%100**	**%100**



Liabilities and Shareholders' Equity	JOD (Million)		Weight	
	2024	**2023**	**2024**	**2023**
Current Accounts	314	320	%9	%11
Unrestricted Investment Accounts, Term and CDs	2,190	1,862	%62	%64
Unrestricted Investment Accounts, Saving Accounts	527	334	%15	%11
Other Provisions and Liabilities	294	224	%8	%8
Shareholders' Equity	210	189	%6	%6
Total	**3,534**	**2,929**	**%100**	**%100**



Key Financial Ratios

		2024	2023	2022	2021
Profitability	Return on Average Equity	10.2%	9.7%	9.1%	8.9%
	Return on Average Assets	0.6%	0.6%	0.6%	0.7%
	Earning Per Share (fils/Share)	0/169	0/146	0/126	0/117
	Cost to Income	35%	42%	44%	45%
Assets Quality	Non-Performing Financing (NPL%)	3.5%	2.4%	2.4%	2.2%
	Coverage Ratio	117%	128%	126%	131%
	Equity / Assets	6%	6%	7%	7%
Liquidity	Legal liquidity	143%	138%	127%	131%
	Liquidity Coverage (LCR)	491%	350%	236%	324%
Efficiency	Operating Financial Leverage*	1.15	1.18	1.21	1.23
	Assets / Branch (JOD mn.)	81.2	69.7	62.3	59.9
	Assets / Employee (JOD mn.)	4.5	4.0	3.8	3.6

Profitability

- Profitability indicators improved in 2024, with an increase in both return on average equity and earnings per share, while return on average assets remained stable.
- Cost to income ratio continued to improve, reaching 35% in 2024. The Bank remains focused on further enhancing this ratio through operational efficiencies.

Assets Quality

- Strong portfolio quality and continuous engagement with customers contributed to maintaining a low level of non-performing loans.
- The Bank continued to allocate additional provisions to mitigate potential future credit losses, maintaining a coverage ratio that remains highly competitive within the banking sector.

Liquidity

- The Bank maintained a robust legal liquidity ratio of 143% as of year-end 2024.
- Liquidity coverage ratio (LCR) stood at 491%, significantly exceeding the regulatory minimum requirement of 100%.

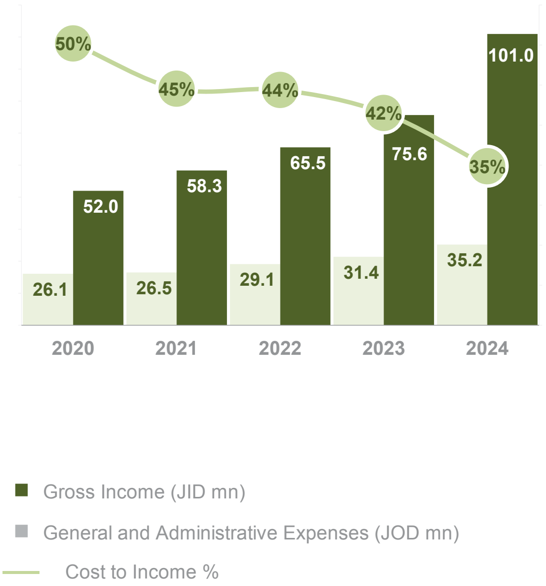
Efficiency

- The Bank achieved year-over-year improvements in covering fixed expenses, reflecting stronger operating leverage.
- Productivity indicators related to both the number of employees and branch network improved, driven by balance sheet growth and optimal resource utilization.

Operating Leverage

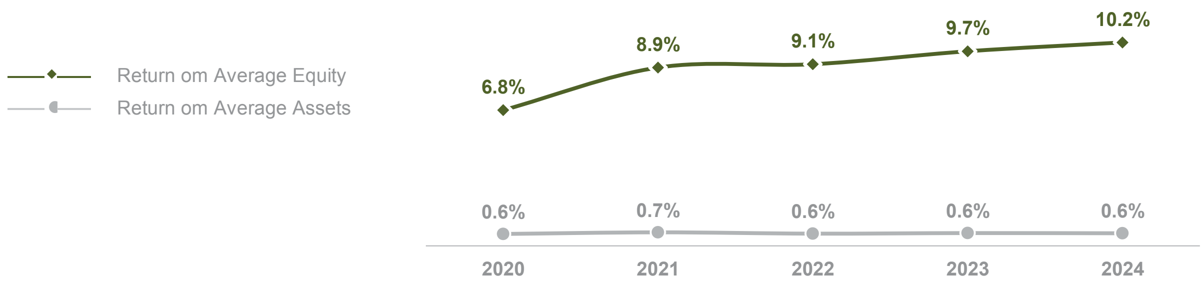
- Operating leverage measures the Bank's ability to cover its fixed costs and is calculated as: (Total income and other revenues) ÷ (Total income and other revenues – Fixed general and administrative expenses).
- A lower ratio indicates reduced sensitivity to fixed costs, resulting in greater efficiency and improved net income performance.

Cost to Income Ratio



- Improved Cost to Income ratio reaching 35%, as a result of growth in gross income before credit loss provision by higher ratios than growth in administrative and general expenses
- Gross income before credit loss provisions rose by 33% during 2024, as a result of increased volume of Bank business, vs. an increase in administrative and general expenses by 12%
- The Bank maintained the upward trend In improving the Cost to Income ratio, which has declined by 15% since 2020.

Return on Average Equity (ROE) and on Average Assets (ROA)

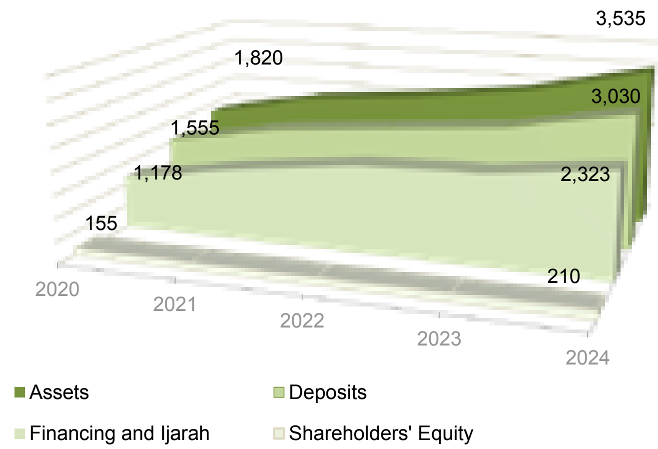


- The year 2024, witnessed an improvement in ROE to reach 10.2%, compared to 2023 (9.7%). This ratio is expected to further improve in the future. This improvement was driven by the increase in the Bank’s budget volume, and descrease in the ratio of administrative and general expenses to assets, plus an improved margin ratio.
- ROA is within the same range since several years, reaching 0.6%.

Time Series for Realized Profits, Distributed Profits, Net Shareholders' Equity and Stock Price

Time Series (Financial Position)

Growth 2024	
Assets	21%
Deposits	20%
Financing and Ijarah	15%
Shareholders' Equity	11%



JD mn	2024	2023	2022	2021	2020	Change In 2024 mn JDs	%
Assets	3,535	2,929	2,584	2,336	1,820	606	21%
Deposits	3,030	2,516	2,275	2,031	1,555	514	20%
Financing and Ijarah	2,323	2,018	1,937	1,599	1,178	305	15%
Shareholders' Equity	210	189	172	163	155	20	11%

Assets

- The Bank continued its upward growth trend, with an increase in assets in 2024 of JD 606 million, 21%.
- CAGR during the 4 years since 2020 reached 18%.
- The Bank continued to achieve advanced positions in the growth rates of deposits, financing and assets

Deposits

- The Bank continued achieving exceptional results in deposits' growth after successfully attracting new deposits and expanding its customer base. It increased during 2024 by JD 514 million and 20%
- JD 218 million growth in retail banking deposits (from a total deposit growth of JD 514), constituting more than 42% of total growth, which helps mitigate concentration and liquidity risks.

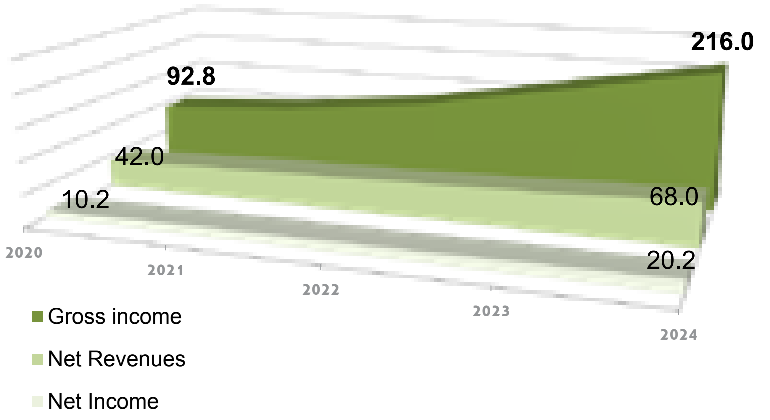
Financing and Ijarah

- The Bank's financing rose by 15% to reach JD 2.3 billion, as a result of concentrated efforts and numerous marketing campaigns and promotional offers catering to the market .

Shareholders' Equity

- The Bank's business results in 2024 contributed to increasing shareholders' equity by JD 20 million.
- The Bank Board of Directors recommended to the General Assembly a 25% stock dividend.

Time Series (Profit and Loss)



Growth 2024	
Gross Income	24%
Net Revenues	14%
Net Income	16%

JOD mn	2024	2023	2022	2021	2020	Change in 2024 JOD	Change in 2024 %
Gross income	216.0	174.3	132.8	107.1	92.8	41.7	24%
Net Revenues	68.0	59.7	53.5	48.8	42.0	8.3	14%
Net Income	20.2	17.5	15.1	14.1	10.2	2.7	16%

- Gross income rose by 24% from JD 174 million in 2023 to JD 216 million in 2024.

Gross income

Net Revenues

- Net revenues increased, driven by an increase in the annual average volume of the Bank budget, for an amount of JD 467 million, and an increase in margin from 2.6% to 3.1%.

- Growth in net profit after tax by 16% to reach JD 20.2 million, compared to JD 17.5 million in the previous year. The Bank's efficient and effective management of its resources contributed to this growth

Net Income

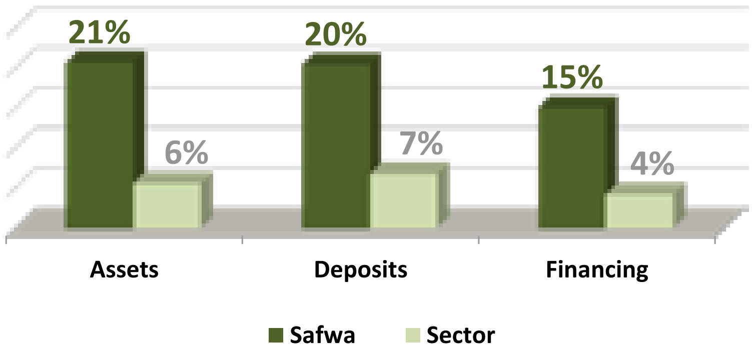
Time Series (Share Price and Dividends)

	2024	2023	2022	2021	2020
Share Price (JOD)	1.86	1.94	1.92	1.91	1.41
Dividends	25% Free shares*	20% Free shares	-	6% Cash	6% Cash

* The Bank Board of Directors recommended to General Assembly to raise the Bank's capital by 25% by distributing stock dividend. It is subject to the approval of both the Central Bank of Jordan and the Minister of Industry and Trade (Companies Controller)

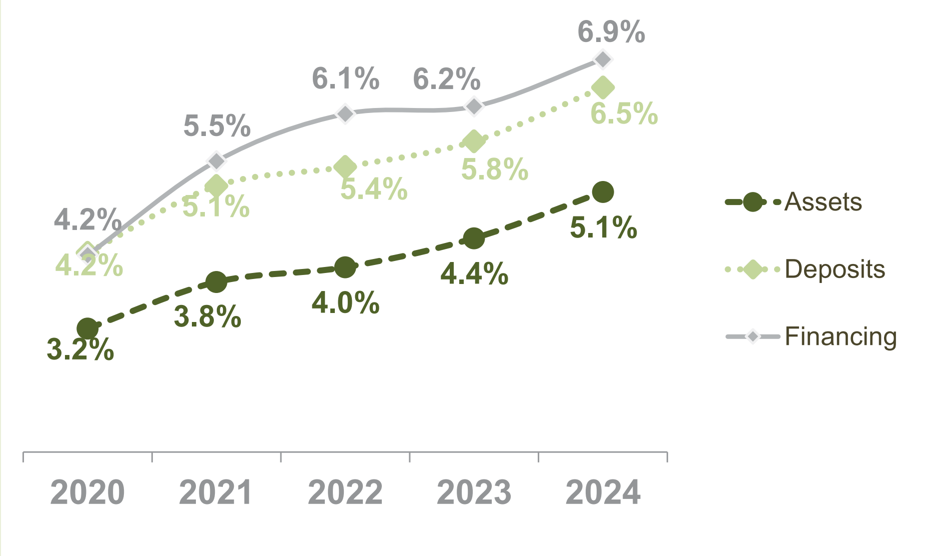
Bank's Competitve Position

Development of Safwa's Share in the Banking Sector



Safwa's Growth Compared With the Banking Sector During 2024

Development of Safwa's Share in the Banking Sector



The Bank continued increasing its market share, achieving higher growth rates than the banking sector in terms of assets, financing and deposits.

The year 2024 witnessed

Assets	The Bank increased its market share from 4.4% to 5.1%, as result of an increase in assets with a growth of 21% compared to 6% of the banking sector.
Deposits	The Bank attracted further deposits for a sum of JD 514 million, raising its banking share from 5.8% to 6.5%, an increase of 20% from the previous year, vs. 7% increase in the banking sector.
Financing	An increase in financing portfolio by 15%, compared to the banking sector's growth by 4%.

Financial Impact of Non-Recurring Operations that Occurred during the Year

In 2024, as part of its non-recurring operations, the Bank recorded a profit of JD 533 thousand from the sale of real estate assets that had been acquired in settlement of outstanding debts.

Capital Investment

As of the end of 2024, the Bank's capital investments totaled JD 23.9 million, representing net fixed assets and intangible assets. This marks an increase compared to JD 22.4 million at the end of 2023.

Key Future Developments and Strategic Plan

The Bank conducted a comprehensive review of its strategic plan during the year, engaging all departments in assessing the internal environment and evaluating external economic and competitive factors and their potential impact on operations. Based on the findings, the Bank formulated a clearly defined and measurable budget designed to support sustainable and growing profitability. The strategic review enables the Bank to monitor progress and adjust plans proactively in response to emerging challenges.

As part of its strategic initiatives, the Bank is moving forward with completing the acquisition of a 10% equity stake in the Iraqi Islamic Bank for Investment and Development. This investment is expected to contribute positively to shareholder returns.

Furthermore, the Bank currently holds a 5.166% stake in Al Oula Insurance Company.

Safwa Islamic Bank remains committed to becoming the leading community-focused bank in Jordan by offering comprehensive financial services through a unified team approach. This strategy incorporates innovation, adherence to best practices, and successful implementation of transformational initiatives across business lines.

Business Transformation

Business transformation is a cornerstone of the Bank's strategy. Key focus areas include addressing social and environmental challenges, fostering a transformative corporate culture, accelerating digital transformation, and enhancing digital banking channels to align with the evolving needs of customers. The Bank not only aims to keep up with digital advancements but also to excel in delivering secure and confidential services.

Several services were added to electronic banking channels during the year, including developing the mobile banking service. The Bank plans to add further services via its electronic channels ensure distinguished services.

Growth Strategies

The Bank aims to adopt an inclusive approach that fulfills customer needs, offering banking services and products fairly, to maintain its social and environmental responsibilities. It seeks to sustain balance sheet growth, increase profitability in the coming years, and expand its geographical footprint. Efforts are also directed toward improving profitability metrics, thereby delivering greater value to all stakeholders.

Structural Reforms

To ensure operational flexibility, the Bank is initiating a series of structural reforms aimed at revenue growth, cost control, and asset quality preservation. External partnerships and new initiatives have also been developed to support the Bank's strategic objectives.

The strategic plan places strong emphasis on human capital, risk management, and internal controls as essential pillars for success. The Bank will continue building on past achievements by strengthening its brand identity and positioning itself as a leading Islamic financial institution capable of competing with both Islamic and conventional banks.

The successful achievement of the objectives of the strategic plan is expected to yield positive financial results, delivering attractive returns to shareholders and depositors. The Bank is committed to maintaining strong capital adequacy and liquidity ratios, that secures the Bank's business continuity, and complying with all applicable regulations, while optimizing both operational and capital expenditures for efficient resource utilization.

Names of the Board of Directors members, their representation, date of designation and their profiles:

Dr. “Mohammed Naser” Abu Hammour
Chairman of the Board
Representative of: Al Etihad Islamic for Investment Co.
The date of joining the Board of directors: 4/1/2017
Date of birth: 20/12/1961

Educational qualifications:

- PhD in economics / Finance from the University of Surrey in the United Kingdom, 1997.
- Master’s in economics from the University of Jordan, 1989
- BA in Economics from Yarmouk University, 1984

Professional experience and membership:

- Minister of Finance from 14 / 12 / 2009 – 17 / 10 / 2011
- Chairman of the Board of Directors for the Arab Potash Company from 01 / 11 / 2007 – 14 / 12 / 2009
- President of the Executive Commission for Privatization from 11 / 07 / 2005 – 20 / 11 / 2007.
- Minister of Finance from 25 / 10 / 2003 – 05 / 04 / 2005.
- Ministry of Industry and Trade, Minister, 21/7/2003-22/10/2003.
- Secretary General of the Ministry of Finance from 08 / 02 / 2000 – 21 / 07 / 2003.
- Advisor to HE. Minister of Finance from 08 / 11 / 1998 – 07 / 02 / 2000 and President of the Financial Oversight Unit and Deputy President of the Commission for Assessing the Economic, Financial and Monetary Situation.
- Part-time lecturer at the University of Jordan for students of the Master’s in Economics program from 1998 - 2003.
- Member in the discussion on a number of Master’s dissertations, 1998-1999.
- Held a number of administrative positions at the Central Bank of Jordan.
- Chairman of the Board of Directors for Al-Salam Transport Company.

Samir Abu Lughod / Independent
Date of joining the Board: 13/4/2017

Date of Birth: 7/12/1951

Educational qualification:

- BA in Accounting, 1976

Professional experience and membership:

- Member of the Audit Committee – International Criminal Court / The Hague, (March 2020 - December 2022).
- Chair of the Audit Committee – International Criminal Court / The Hague, (March 2017 - March 2020).
- Member of the Audit Committee – International Criminal Court / The Hague, (January 2016 - March 2017).
- Country Senior Partner – PWC, Jordan (2009 – 2012).
- Managing Partner – EY, Jordan (2002 – 2009).
- Office Managing Partner – Arthur Andersen, Jordan (1979 – 2002).
- Senior auditor – Saba & Co. (1976 – 1979).

Ihssan Barakat/ Independent
Date of joining the Board: 6/7/2023

Date of Birth: 5/9/1964

Educational qualifications:
- Bachelor Of Law, University of Jordan, 1986
- International training certificates for mediation from Pepperdine University in the United States of America.
- International certificate in the list of justice experts in the areas of rapid responses in investigating cases of sexual violence from the United Nations

Professional experience and membership:
- Approved Attorney before the Jordanian courts (1988 – 2002).
- Legal advisor to the Central Bank - Al-Batra Bank under liquidation 1990
- Judge of Amman First Instance Court (2002 – 2004).
- Director of the international cooperation Unit, Ministry of Justice (2004 – 2005).
- Member of the National Agenda Drafting Committee (legislation and justice axis) 2005
- Judge of Amman Appeal Court (2004 – 2007).
- Head of the Economic Chamber at the Amman Court of Appeal (2004-2007)
- President of the West Amman Court of First Instance (2007-2010)
- Attorney General of Amman (2010 – 2012).
- Judge of Amman Appeal Court (2012 – 2014).
- Inspector of judicial courts (2014 – 2017).
- Judge of Jordanian Cassation Court (2018).
- Director General of the Jordanian Judicial Institute (2018 – 2020).
- Member of the twenty – eighth Senate (2020 – 2022).
- Member of the Supreme Council of the Jordanian Women's Association (2013-present)
- Head of the legal team at the National Committee for Women's Affairs (2015 – present)
- Member of the Arab Parliament (representative of the Senate) (2020 – present)
- Member of the twenty – ninth Senate (2022 – Present).
- Law graduate 1986.
- Lawyer, professor, practicing 1988
- Legal advisor to the Central Bank - to liquidate Petra Bank 1989

Dr. Khaled Zentuti / Independent
Date of joining the Board as an independent: 17/04/2021

Date of Birth: 24/12/1954

Educational qualifications:
- PhD in Financial Management and Organization and Marketing Management, Bosphorus University – Turkey,1992
- MBA in Managerial Accounting, Hatford C.T. University, United States of America, 1982
- BA in Accounting – Faculty of Economics, University of Benghazi – Libya, 1976

Professional experience and membership:
- (1998 – 2000) Director / Deputy Director of various companies owned by the Libyan Company for Foreign Investments in Italy, Germany, Pakistan and Egypt.
- (2000 – 2002) Assistant Secretary of State for Investment and International Cooperation – Ministry of African Unity – Libyan Council of Ministers.
- (2002 – 2004) Chairman and General Manager of the Libyan Foreign Investment Company
- General Manager and Chairman of the Long-Term Investment Portfolio Management Committee / Libya –Tripoli, 2004 / 2012.
- Part-time faculty member, Academy of Graduate Studies – Tripoli.
- Financial, economic and investment advisor for long-term portfolio / Amman – Jordan, 2016 till now.
- Vice Chairman of the Board of Directors of the British Arab Bank, London / United Kingdom, 2004 / 2012.
- Vice Chairman of the Board of Directors / Etihad Bank / Amman – Jordan, 2007 / 2012.
- Vice Chairman of the Board of Directors of the Libyan External Bank / Tripoli, Libya, 2009 / 2012.
- Member of the Board of Directors of the Arab Banking Corporation, ABC, Manama, Bahrain, 2010 / 2012.
- Advisor to Union Bank, Amman / Jordan, 2012 – 2016.

Salem Burqan / Independent
Date of joining the Board: 17/12/2018
Date of Birth: 1/1/1952

Educational qualifications:
- BA in Accounting / University of Jordan, Amman / Jordan
- Professional License / Jordanian Association of Certified Public Accountants.

Professional experience and membership:
- CEO and Chairman of the Board of Directors of the Islamic International Arab Bank.
- Numerous important managerial positions at Arab Bank, inside and outside of Jordan.
- Deputy Chairman of the Board of Directors – Arab National Leasing Company
- Member of the Board of Directors of Al Nisr Al-Arabi Insurance Company, and then he went on to become the Chairman of its Board of Directors
- Chairman of the Board of Directors – Jordan Group of Maritime Agencies
- Chairman of the Board of Directors of the Arab Investment Group / Palestine, and member of the Board of Directors of the Arab Investment Group, Jordan
- Financial and Administrative Director / Arab Insurance Company
- Auditor / Saba and Co.
- He has held membership at the Boards of Directors of several important companies in the Kingdom
- Member of the Board of Directors of Al-Quds Insurance company and still is.

Dr. Anas Bohowish
Representative of : Etihad Islamic Investment Co.

Date of joining the Board 4/1/2023

Date of Birth: 7/5/1981

Educational qualification:
- D. of International Financial Business, International School of Management, Paris, France.
- MA of Accountancy (specializing in discussing sectoral reports in commercial banks), University of Benghazi, Libya.
- BA of Accountancy, University of Benghazi, Libya.

Professional experience and membership:
- Member of the Board of Directors, the Libyan Investment Corporation.
- Chairman of the Audit, Risk, and Compliance Committee, Libyan Investment Authority.
- Adviser to the Minister of Finance for Investment Affairs (formerly).
- Professor in Accounting Department, University of Benghazi, Libya (formerly).

Dr. Abd AlGhani Al Ftaisi
Representative of : Etihad Islamic Investment Co

Date of joining the Board6 4/1/2023

Date of Birth: 31/7/1970

Educational qualification:

- D. of Accountancy, University of Huddersfield, UK, 2008.
- Higher Diploma of Social Research and Evaluation Methodologies, University of Huddersfield, UK, 2007.
- MA of Accountancy, Libyan Academy, Janzur, Libya, 2001.
- BA of Accountancy, University of Gharyan, College of Accounting, Gharyan, Libya, 1993.

Professional experience and membership:

- Real Estate and Hotels Portfolio Manager - Libyan Investment Corporation, October 2023 to Date.
- General Manager of the long-term investment portfolio, the Libyan Investment Authority, October 2023.
- Senior Management Consultant, Libyan Investment Authority, 04/2022-08/2022.
- Risk Management Consultant, Libyan Investment Authority, 10/2016-02/2018.
- Member of the Board of Executive Directors, Islamic Development Bank, Jeddah, 07/2020-08/2021.
- Elected member of the Libyan Parliament, 08/2014-04/2022.
- Member of the Board of Directors of LAVECO, Algeria Holding Company, the Libyan Foreign Investment Company, 09/2017-09/2019.
- Chairman of the Board of Directors, LAICO Brazzaville, the Libyan African Investment Company, 05/2015-09/2019.

Basem Salfiti
Representative of: Al Etihad Islamic for Investment Company

Date of joining the Board: 4/1/ 2017

Date of Birth: 29/4/1972

Educational qualifications

- Master's in Business Administration, Finance and Company Strategies from Columbia Business School in New York, 1998 – 2000
- BA in Electrical Engineering, Brown University, 1989 – 1993

Professional experience and membership:

- General Partner and Co Manager, Hummingbird Ventures London, UK 2012-2016.
- Managing Director, Head of European Technology Investment Banking,Perella Weinberg Partners London, UK 2007-2012.
- Executive Director, Technology Investment Banking, Morgan Stanley & Co. London, UK 2000-2006.
- Chief Operating Officer, BEST IC Laboratories, Inc. Sunnyvale, CA 1994-1998.
- Non-Executive Board Member, Bank Al-Etihad Amman, Jordan 2009-Present.
- Non – Executive Board Member of Delta Insurance and Advisory 2017-Present.
- Chairman of the Council of Al-Hussein Technical University (HTU) 2019 to date
- Member of the Board of Directors at the Arab Center for Engineering Studies 2019 to date
- Member of the Board of Directors of the National Society for the Preservation of Petra, 2019 to date.
- Member of the Board of Directors of the Jordanian ISSF for Leadership 2020 to date

Deema Aqel
Representative of: Al Etihad Islamic for Investment Co.

The date of joining the Board of directors: 4/1/2017

Date of birth: 13/2/1968

Educational qualifications:

- Masters' in Business Administration, 2001, from Imperial College in London, United Kingdom.
- Master's in Financial Markets, 1998
- BA in Electrical Engineering, 1990

Professional experience and membership:

- Deputy General Manager at Etihad Bank since 01 / 2012
- Assistant General Manager of Etihad Bank for Risk and Compliance Management until 1/2012.
- Assistant General Manager / Director of Risk and Compliance at Ahli Bank Bank, 2005-2007.
- Head of Risk and Credit Policy Department at Housing Bank, 2004-2005..
- Credit Risk Manager at Arab Bank, 1990-2004.
- Member of the Board of Directors at Etihad Financial Brokerage Company
- Member of the Board of Directors at Etihad Leasing Company
- Member of the Board of Directors of Palestine Commercial Bank 09 / 2011 – 07/2013

Dr. Ibrahim Saif

Representative of:Al Etihad Islamic for Investment Company
Date of joining the Board: 22 / 10 / 2017

Date of birth: 10/8/1965

Educational qualification:

- PhD in Economics, London University, 2001
- Master's in Economics – London University, 1988
- BA in Economics and Accounting – Yarmouk University, 1986

Professional experience and membership:

- Minister of Planning and International Cooperation from the beginning of 2013 until 2015, and in March 2015,he took over as the Minister of Energy and Mineral Resources until June 2017.
- Researcher at the Carnegie Middle East Center, where his research focused on Middle Eastern Economics from 2012 – 2015.
- Secretary – General of the Economic and Social Council in Jordan, 2009 – 2012
- Professor of Economics and Director of the Center for Strategic Studies at the University of Jordan, 2002 –2008.
- Executive Director of the Jordan Strategics Forum.

Dr. Nofan Alaqil

Representative of: Social Security Corporation*

Date of joining the Board: 03 / 08 / 2016

Date of Birth: 1/1/1971

*(As of 29 / 04 / 2021, whereby he had previously been a representative of the Governmental Investment Management Company since 03 / 08 / 2016)

Educational qualification:

- PhD in General Law (Administrative Law / Administrative Judiciary), Ain Shams University – Egypt, 2005.
- Master's in General Law (Administrative Law), Al Bayt University, 1997
- BA in Law, Mu'tah University, 1994.

Professional experience and membership:

- Head of the Legislation and Opinion Bureau – Council of Ministers from 30/6/2013 – 8/5/2019.
- Acting Head of the Board of Grievances from 31/12/2014 – 18/10/2015.
- Minister of State for Cabinet Affairs from 8/10/2012 – 30/3/2013.
- Minister of Political Development from 2/5/2012 – 7/10/2012.
- Associate Professor in Public Law at the University of Jordan from 2006 to this date.
- Lawyer and legal advisor from 2006 – 2012.
- Director of the Legal Department / Telecommunications Regulatory Authority from 8/1/2003 – 20/1/2004.
- Legal Researcher at the Audit Bureau of Jordan from 1/1/1999 – 8/12/1999.

Board members resigning during the year 2024:

There were no resignations among the Board Members / Representatives of Board Members during 2024.

Members of the Shari'a Supervisory Board and a profile of each of them:

His Eminence Prof. Ali Al Qaradaghi

Chairman of the Sharia Supervisory Board

Date of Birth: 01/01/1949

Date of appointment: 28/04/2018

Educational certificates:

- PhD in Shariah and law in the field of contracts and financial transactions, Al-Azhar 1985.
- Master of Comparative Jurisprudence, Faculty of Sharia and Law, Al-Azhar University, 1980.
- BA in Islamic Sharia, Baghdad 1975.
- Certificate of Scientific of Completion (Ijaza) in Islamic Sciences by Sheikhs in 1970.
- Graduated from the Islamic Institute in 1969.

Professional experience:

- Expert at the International Islamic Fiqh Academy affiliated with the Organization of Islamic Cooperation in Jeddah.
- Vice Chairman of the European Council for Fatwa and Research.
- Professor and Head of the Department of Jurisprudence and Principles at the Faculty of Sharia, Law and Islamic Studies at Qatar University (formerly).
- Member of the Sharia Board for the Auditing Authority for Islamic Financial Institutions.
- Chairman and executive member of the Fatwa and Sharia Supervisory Board for a number of Islamic Banks and Islamic insurance companies inside Qatar, including Qatar Islamic Insurance Company, inside

and outside of Qatar, Dubai Islamic Bank, Bahrain Investment Bank and First Investment in Kuwait.

Jobs that he currently holds outside of the Bank:

Chairman or Executive Member of the Fatwa and Sharia Supervisory Board of a number of Islamic banks

outside Jordan.

His Excellency Dr. Ahmed Melhem

Deputy Chairman of the Sharia Supervisory Board

Date of birth: 15/02/1961

Date of appointment: 28/4/2018

Educational certificates:

- Doctorate in Comparative Jurisprudence, 1994.
- MA in Jurisprudence and Legislation, 1987.
- Bachelor in Jurisprudence and Legislation 1982.

Professional experience:

- Sharia advisor in the Sharia Supervisory Board affiliated with the World Federation for Islamic Takaful and Insurance Companies in Khartoum.
- Sharia advisor within the advisory board of North African Bank, Libya.
- Part-time lecturer at Al-Zaytoonah Private University.
- Sharia advisor at the Sharia Supervisory Board of the Islamic Insurance company – formerly.
- Sharia advisor in the Sharia Supervisory Board of the Jordanian Engineers Association.
- Sharia advisor in the Sharia Supervisory Board of the Orphans Funds Development Foundation.
- Board of Commissioners of the Securities Commission.

Jobs that he currently holds outside of the Bank:

- Board of Commissioners of the Securities Commission.
- Sharia advisor in the Sharia Supervisory Board of the Jordanian Engineers Association.
- Sharia advisor in the Sharia Supervisory Board of the Orphans Funds Development Foundation

His Eminence Dr. Ali Musa

Member of the Sharia Supervisory Board
Date of Birth: 01 / 01 / 1948

Date of appointment: 29 / 04 / 2021

Educational certificates:
- PhD in Comparative Jurisprudence from Al Azhar University, 1978.

Professional experience:
- University professor at the University of Jordan since 1979 “Previously”.
- University professor at the King Saud University until 1991 “Previously”.
- University professor at Zarqa University until 1996 “Previously”.
- University professor at the University of Kuwait until 2004 “Previously Since 2022”.
- Member of the Sharia Supervisory Board at the Islamic Insurance Company till 2012 “Previously”.
- Member of the Sharia Supervisory Board at First Financing Company till now.
- Permanent member of the Association for Islamic Studies
- Permanent member of Jordanian Afaf Charity Organization.

Jobs that he currently holds outside of the Bank:

The President of The Holy Quran Preservation Society has been appointed since the begging of the current year 2024 AD until now

His Eminence, Dr. Safwan Edibat

Member of the Sharia Supervisory Board
Date of Birth: 10/6/1975

Date of appointment: 29 / 04 / 2021

Educational certificates:
- PhD in Jurisprudence and its Principles, 2012.
- Master’s in Jurisprudence and its Principles, 2005.
- BA in Jurisprudence and its Principles, 1997.

Professional experience:
- Director of Sharia Supervision and Inspection at the General Ifta’ Department.
- Member of the Sharia Supervisory Board at Al-Namothajiyah for Islamic Microfinance.
- Member of the Sharia Supervisory Board at Bandar Trading and Investment Company.
- Representative of the General Ifta’ Department, as a Sharia advisor to the Islamic Finance Department in the Cities and Villages Development Bank affiliated with the Ministry of Local Administration.
- Lecturer at the Al-Um International University / Turkey.
- Researcher and arbitrator in Al-Isbah Journal for International Strategic and Political Studies in France.
- Assigned to the National Center for Security and Crises Management, Media Response Unit.

Jobs that he currently holds outside of the Bank:
- Director of Sharia Supervision and Inspection at the General Ifta’ Department.
- Member of the Human Resources Committee at the General Ifta’ Department.
- Member of the Strategic Planning Committee at the General Ifta› Department.

Members of the Sharia Supervisory Board that resigned during 2024

* There are no resignations from the members of the Sharia Supervisory Board during the year 2024.

Members of the Executive Management and introduction to each of them

Samer "Al-Saheb Al Tamimi" / General Manager, CEO

Date of Birth: 30 / 10 / 1966

Mr. Samer Al-Tamimi joined Safwa Islamic Bank at the beginning of 2018. He enjoys extensive banking and managerial experience in banks and financial institutions, spanning for more than 35 years, during which he worked with reputable financial institutions in the Hashemite Kingdom of Jordan, the United Arab Emirates, the State of Qatar and the United States of America, Australia and the United Kingdom.

Ziad Kokash / Deputy CEO, Chief Credit Officer

Date of Birth: 31/ 8 /1970

Mr. Ziad joined the Bank on 16 / 09 / 2012 as Deputy CEO, Head of Risk Management. He enjoys extensive experience of up to 33 years in credit and risk management, and currently holds the position of Deputy CEO, Head of the Credit Department. He started his career at Cairo Amman Bank / Facilities Department, where he worked as Credit Facilities Officer. He then became the Director of Credit Facilities – Arab Banking Corporation; whereby he later moved to work at National Bank, where he held the title of Assistant General Manager, Head of the Risk Management Group. Mr. Ziad obtained a Master's degree in Financial Management from the Arab Academy for Banking and Financial Sciences in Jordan in 2006, and a BA in Banking and Financial Sciences from Yarmouk University in Jordan in 1992. Mr. Ziad is the Vice-Chairman of the Board of Directors for Misc for Financial Brokerage Company. He also serves as a member of the Board of directors at Jordan Fertilizer Supply Company, as a representative of the Bank.

Masoud Sakf Al-Hait / Chief of Legal & Board Secretarial

Date of Birth: 16/7/1967

Mr. Masoud joined the Bank on 01 / 04 / 2012 as the Head of the Legal Department. He enjoys extensive experience of up to 32 years in the legal domain.

Mr. Masoud started his career as a lawyer at Arab Bank, and then moved to work at Capital Bank as the Head of the Legal Department. He then worked as a lawyer at the Ali Sharif Al Zoubi Law Office.

Mr. Masoud obtained a BA in Law from the University of Jordan in 1992.

Nesfat Taha / Chief of Retail Banking

Date of Birth:26/5/1970

Mr. Nesfat joined the Bank on 21 / 02 / 2010 as Head of the Branch Network, and with extensive experience of up to 31 years in Retail Banking. He started his career at Arab Bank, where his last designation was as Area Manager – Jordan Branches / Major Customers Department. Mr. Nesfat obtained a BA in Business Administration from the American University in Cairo in 1993

Obtained The Executive Leadership program from London Business School (London-United Kingdom) in 2024

Wael Al-Bitar / Chief of Treasury and Investment

Date of Birth:16/8/1973

Mr. Wael Al-Bitar joined the Bank on 03/01/2010 as Senior Manager / Head of Financial Institutions Relations, with more than 30 years of experience.

He has worked in numerous fields, including corporate facilities, treasury and investment, credit and financial institutions with many Jordanian banks, the Arab Bank, Arab Banking Corporation (ABC) and Capital Bank (where he held several important positions in the banking business).

Mr. Wael Al-Bitar obtained a Master's in Business Administration / Finance from the University of Jordan in 1999 and a BA in Economics and Finance from Yarmouk University in 1994.

Mr. Wael Al-Bitar is a member of a number of companies: Vice Chairman of the Sukuk Ownership Committee at the National Electric Power Company, Vice Chairman of the Board of Sukuk Owners at the Ministry of Finance, member of the Board of Directors at the Islamic Banks Group Company for Joint Stock Company Contributions, (he holds a license for Issuance Management, from the Secretariat of Issuance and Safe Custody from the Securities Commission).

Ahmad Ghnaim/ Chief Finance & Corporate Strategies

Date of Birth:8/1/1979

Mr. Ghnaim joined the bank on 15/3/2022, as Chief Financial & Corporate Strategies Officer, with more than 21

Years of banking experience in finance.

He began his career at Citibank – Jordan to become Assistant Chief Financial Officer, and then moved to the UAE to work at Samba Financial Group as a Financial Controller, then returned to Jordan to occupy the position of Chief of Finance in several banks and companies (ABC Bank, Bank Audi, Tamweelcom), and held the position of Chief Business Intelligence Officer at Capital Bank.

Mr. Ghnaim holds a Master's degree in Business Administration (MBA) from Western Michigan University – USA, and a Bachelor's degree in Business Administration (Accounting) from Western Michigan University – USA. He is also a Certified Management Accountant (CMA) and a Fellow Chartered Certified Accountant (FCCA).

Mr. Ahmad Ghnaim is a member of the Board of Directors at Misc for Financial Brokerage Company and the Jordan Polymes & Intermediate chemical company.

Ahmad Jafer / Head of Risk

Date of Birth:20/9/1978

Mr. Ahmad joined the Bank on 06/02/2011 as Senior Manager, Head of Risk Policies, Portfolio Management and Market Risks, with 24 years of banking experience.

He began his career working in the Islamic International Arab Bank from 2000 to 2005 within the Banking Regulations and Laws Department, where he later became supervisor of Banking Policies and Laws.

He then joined Al-Jazira Bank – Saudi Arabia from 2005 – 2011 as Senior Manager of the Credit Risk Management Department and Basel Decisions. Mr. Ahmad Jafar holds a bachelor's degree in Accounting from Al-Ahliyya Amman University, 2000, and a master's degree from Amman Arab University in Accounting, 2003, and holds a professional certificate in International Risk Management Legislation

Khalid Al-Issa / Head of Internal and Sharia Audit

Date of Birth:28/10/1979

Mr. Khalid Al-Issa joined the Bank on 20/02/2011 as a Financial Manager of the Operations and Financial Internal Audit Manager with an extensive experience of 20 years.

He started his career working at the Housing Bank in the Internal Audit Department and his last job was an Operations Auditor.

Mr. Al-Issa holds a bachelor's degree in Accounting He Also holds a number of International certificates: CIA,CISA,CISM, DIP-IFRS, CCSA, CGAP

Muneer Faroneyah / Head of Sharia Compliance

Date of Birth:5/6/1971

Mr. Muneer Faroneyah joined the bank on 01/08/2010 as a Sharia auditor with extensive experience of 21 years in Islamic banking and Sharia audit.

Mr. Muneer worked at the Jordan Islamic Bank in several positions and departments and His last position was senior Auditor, Internal and Sharia Audit.

Mr. Muneer holds a Master's degree in Finance and Banking speciality Islamic banks from the Arab Academy for Banking and Financial Sciences and a Bachelor's degree in Finance and Banking from Yarmouk University. He has got the certificate of Certified Shari'ah Advisor and Auditor (CSAA) from the Accounting and Auditing Organization for Islamic Financial Institutions in Bahrain (AAOIFI).

Mohammed Hawari / Head of HCM and Administrative services

Date of Birth:13/7/1981

Mr. Mohammad joined the Bank on 18 / 01 / 2010 as a manager, Human Resources Operations, with banking experience of up to 21 years.

He started his career working in Jordan Kuwait Bank in the Finance Department, and his last job was as Assistant Manager of the Finance Department.

Mr. Mohammad obtained a BA in Accounting from Mu'tah University in 2003, and a Master's in Accounting from Amman Arab University for Graduate Studies in 2005. He also holds the CHRM professional certificates, accredited Human Resources Manager and (CIPTM) Certified International Professional Training Manager.

Rawand Al Turk / Head of Compliance

Date of Birth:11/4/1980

Mrs. Rawand Al-Turk joined the bank on September 14/9/2023, as Head of the Compliance Department, with extensive experience of up to 21 years.

She worked in many areas of the compliance department at several Jordanian banks (Cairo Amman Bank, Bank of Jordan, Bank Audi, National Bank of Abu Dhabi, Société Générale), and the last position she held was Head of Compliance Department at Invest Bank.

Mrs. Rawand holds a bachelor's degree in Business Administration from Al-Ahliyya Amman University in 2003 and the following international certificates: CAMS, CCM, and CCO.

Zeina Khirfan/ Head of central operations & business Transformation

Date of Birth:17/11/1981

Engineer Zeina Kharfan joined the bank on September 21, 2010, bringing with her more than 21 years of diverse and extensive experience working in local and international companies.

Her practical and professional experiences have encompassed various aspects of excellence management, business transformation, service and product development, and digital transformation.

She started her professional career at Aramex, then moved on to work at PWC Logistics.

Engineer Zeina holds a Bachelor's Degree in Industrial Engineering

She obtained the Senior Executive Leadership Certificate from Harvard Business School in 2023. She also holds several international certifications, including ISO Lead Auditor, EFQM, Six Sigma, and PMP.

Names of senior management appointed after the end of fiscal year 2024:

Mr. Rami Mahmoud has been appointed to Head of Corporate Banking on the date 12-1-2025

Mr. Mohamed Aljaouni has been appointed to Head of Information Technology Department on the date 6-1-2025

Names of Executive Management members that resigned during 2024:

Rami Al Khayyat /Deputy CEO, Chief of Corporate Banking

Date of Birth: 15 / 8 / 1973

Mr. Rami Al Khayyat joined the Bank on 01/03/2010 as Deputy CEO, Chief of Corporate Banking, with about 29 years of experience in corporate banking in reputable commercial and Islamic Jordanian and regional banks.

Mr. Rami started his career as a Credit Officer at Cairo Amman Bank in 1995, Then he moved to Saudi Arabia as Head of Commercial Banking Division in the Western Region at the Arab National Bank. In 2008 he was the Head of Corporate Banking Division for Dubai and North Emirates at Abu Dhabi Islamic Bank in UAE. In addition to this, he worked as a part-time lecturer at the Arab Academy for Banking and Financial Sciences.

Mr. Rami Al- Khayyat is a member of the Board of Directors of several companies. Mr. Rami holds a master's degree in Banking from the Arab Academy for Financial and Banking Sciences and a bachelor's degree in Accounting & Finance from Yarmouk University in Jordan.

-Resigned on 15/9/2024.

Hani Al-Zrari / Deputy CEO, Chief of Central Operations

Date of Birth: 10 / 3 / 1963

Mr. Hani joined the Bank on 01 / 07 / 2010 as Deputy CEO and Head of Operations and Information Technology. He enjoys more than 30 years of experience in Central Operations and Information Technology.

He started his career at Cairo Amman Bank, to become Head of the Remittances and Foreign Exchange Department, then moved on to work for Citibank, where he took on numerous jobs, such as central operations, compliance, and internal control.

He then moved to the United Arab Emirates to work at Dubai Islamic Bank as the Head of the International Projects Support Unit. Mr. Hani obtained a BA in Economics from Yarmouk University in Jordan in 1985.

- Resigned on 31/3/2024.

Numbers of financial securities owned by Board of Directors members, senior management individuals with executive authority and their relatives, and the companies controlled by them, as the end of 2024 compared to the previous year

31/12/2024							
Member's Name legal entity)	**Nationality**	**Execntive/ Non-Execntive member**	**Independent / non-independent member**	**Member's Name (representative of legal entity)**	**Nationality**	**Number of shares held by the legal entity**	**Direct participation in capital %**
Dr. "Mohammed Naser" Abu Hammour	Jordanian	Non-executive	Is not independent	Al-Etihad Islamic for Investment Co.	Jordanian	74,844,298	62.370%
Basem Salfiti	Jordanian	Non-executive	Is not independent				
Deema Aqel	Jordanian	Non-executive	Is not independent				
Dr. Abd AlGhani Al Ftaisi	Libyan	Non-executive	Is not independent				
Dr. Anas Bohowish	Libyan	Non-executive	Is not independent				
Dr.ibrahim saif	Jordanian	Non-executive	Is not independent				
Dr. Nofan AlAqil	Jordanian	Non-executive	Is not independent	Representative of Social Security Corporation	Jordanian	11,259,644	9.383%
Name of the board member (representing his personal capacity)	**Nationality**	**Execntive/ Non-Execntive member**	**Independent / non-independent member**	**The number of shares owned by a member of the Board of Directors**		**The percentage of shares held in the bank's capital%**	
Samir Abu Lughod	Jordanian	Non-executive	independent	1,800		0.002%	
Salem Burqan	Jordanian	Non-executive	independent	2,400		0.002%	
Dr.Khaled AlZentuti	Libyan	Non-executive	independent	1,200		0,001%	
Ihssan Barakat	Jordanian	Non-executive	independent	2,400		0.002%	
Board member who owns shares in the bank in his personal capacity	**Nationality**	**The number of shares owned by a member of the Board of Directors**		**The percentage of shares held in the bank's capital%**			
Dr. Nofan AlAqil	Jordanian	1,200		0.001%			
Dr. "Mohammed Naser" Abu Hammour	Jordanian	83,000		0.069%			
Dr.ibrahim saif	Jordanian	1,800		0.002%			
Basem Salfiti	Jordanian	-		-			
Deema Aqel	Jordanian	-		-			
Dr. Abd AlGhani Al Ftaisi	Libyan	-		-			
Dr. Anas Bohowish	Libyan	-		-			

31/12/2023							
Member's Name legal entity)	Nationality	Execntive/Non -Execntive member	Independent / Non-independent member	Member's Name (representative of	Nationality	Number of shares held by the legal entity	Direct participation in capital %
Dr. "Mohammed Naser" Abu Hammour	Jordanian	Non-executive	Is not independent	Al-Etihad Islamic for Investment Co.	Jordanian	62,370,249	62.370%
Basem Salfiti	Jordanian	Non-executive	Is not independent		Jordanian		
Deema Aqel	Jordanian	Non-executive	Is not independent		Jordanian		
Dr. Abd AlGhani Al Ftaisi(Since 4/1/2023)	Libyan	Non-executive	Is not independent		Jordanian		
Dr. Anas Bohowish(Since 4/1/2023)	Libyan	Non-executive	Is not independent		Jordanian		
Dr.ibrahim saif	Jordanian	Non-executive	Is not independent		Jordanian		
Dr. Nofan ALAqil	Jordanian	Non-executive	Is not independent	Representative of Social Security Corporation	Jordanian	9,383,037	9.383%
(Abd AL-rahim Al Hazaymah (until 18/6/2023	Jordanian	Non-executive	independent	Orphans Fund Development Foundation	Jordanian	4,900,000	4.900%

Name of the board member (representing his personal capacity)	Nationality	Execntive/Non -Execntive member	Independent / Non-independent member	The number of shares owned by a member of the Board of Directors	The percentage of shares held in the bank's capital%
Samir Abu Lughod	Jordanian	Non-executive	independent	1,500	0.002%
Salem Burqan	Jordanian	Non-executive	independent	2,000	0.002%
Dr.Khaled AlZentuti	Libyan	Non-executive	independent	1,000	0.001%
Ihssan Barakat (Since 6/7/2023)	Jordanian	Non-executive	independent	2,000	0.002%

Board member who owns shares in the bank in his personal capacity	Nationality	The number of shares owned by a member of the Board of Directors	The percentage of shares held in the bank's capital%
Dr. Nofan AlAqil	Jordanian	1,000	0.001%
Dr. "Mohammed Naser" Abu Hammour	Jordanian	65,000	0.065%
Dr.ibrahim saif	Jordanian	1,500	0.002%
Basem Salfiti	Jordanian	-	-
Deema Aqel	Jordanian	-	-
Dr. Abd AlGhani Al Ftaisi(Since 4/1/2023)	Libyan	-	-
Dr. Anas Bohowish(Since 4/1/2023)	Libyan	-	-

Ownerships of Executive Management and their relatives or companies controlled by Them as at the end of 2024

Name	Position	Nationality	No. of Shares at the end of 2024	No. of shares at the end of 2023
Samer Tamimi	General Manager / CEO	Jordanian	27,766	23,139
Ziad Kokash	Deputy CEO, Chief Credit officer	Jordanian	-	-
Masoud "Sakf Al-Hait"	Chief of Legal & Board Secretarial	Jordanian	-	-
Nasfat Taha	Chief of Retail Banking	Jordanian	-	-
Wael Al-Bitar	Chief of Treasury and Investment	Jordanian	-	-
Ahmad Ghnaim	Chief Finance & Corporate Strategies	Jordanian	-	-
Ahmad Jafar	Head of Risk	Jordanian	-	-
Khalid Al-Issa	Head of Internal and Sharia Audit	Jordanian	-	-
Muneer Faroneyah	Head of Shari'a Compliance	Jordanian	-	-
Mohammad Hawari	Head of HCM and Administrative Services	Jordanian	-	-
Rawand Al Turk	Head of Compliance	Jordanian	-	-
Zeina Khirfan	Head of Central Operations & Business Transformation (Since 11/2/2024)	Jordanian	-	-
Hani Al-Zrari	Deputy CEO, Chief of Central Operations (Until 31/3/2024)	Jordanian	-	-
Rami khayyat	Deputy CEO, Chief of Corporate Banking (Until 15/9/2024)	Jordanian	-	-

- There are no other ownerships by individuals from the Executive Management, their relatives or the companies controlled by them, with the exception of what has been mentioned in the table above.
- There are no ownerships by relatives of the Board of Directors' members, except for the ownerships of the sons of Dr. Nofan Mansour Alaqil (Abdullah, Nour, Nouf and Omar), with a total of 1,200 shares owned by each in Safwa Islamic Bank as at the end of 2024 and 1000 shares owned by each in Safwa Islamic Bank as at the end of 2023 .
- There are no companies controlled by members of the Board of Directors, or Senior Management individuals with executive authority, nor any of their relatives.

Financing granted from the Bank to members of the Board of Directors and any other Operations that have been executed between the Bank and members of the Board of Directors or any parties affiliated with them

Current Board of Directors Members	Direct Financing (JOD)	Indirect Financing (JOD)
Dr. Nofan ALaqil (representative of Social Security Corporation)	(470,453)	-
Dr. "Mohammed Naser" Abu Hammour/ Chairman of the Board	(1,545)	-

- There is no other financing or operations that were executed between the Bank and Board of Directors members, with the exception of what has been mentioned in the table above.
- The profit rates on the financing granted to members of the Board of Directors fall withing the limits of the financing granting to the rest of the clients.

Names of major shareholders and the number of shares they own compared to the previous year

name	Nationality	31/12/2023		name	Nationality	31/12/2024	
		Percentage share %	Number of Shares			Percentage share %	Number of Shares
Al-Etihad Islamic for Investment Co.	Jordanian	62.370%	62,370,249	Al-Etihad Islamic for Investment Co.	Jordanian	62.370%	74,844,298
Social Security Corporation	Jordanian	9.383%	9,383,037	Social Security Corporation	Jordanian	9.383%	11,259,644
Government Investment Management Company	Jordanian	5.550%	5,550,000	Government Investment Management Company	Jordanian	5.550%	6,660,000

Names of Shareholders who own 1% or more from of the share capital of the bank and the ultimate beneficial owners of these shares as of 31/12/2024

	Shareholder Name	Nationality	No. of shares owned	Percentage of direct contribution in the capital	Percentage of indirect contribution in the capital	Ultimate Beneficial Owner	No. of pledged shares	Percentage of pledged shares from the total contribution	Party to which the shares are pledged
1	Al-Etihad Islamic for Investment Company	Jordanian	74,844,298	62.370%	-	-	-	-	-
1.1	Bank al Etihad	Jordanian	43,409,693	36.175%	58.00%	-	-	-	-
1.1.1	Libyan Foreign Investment Company	Libyan	8,790,463	7.325%	20.250%	LIA LIBIAN INVESTMENT AUTHORITY Libyan Government	-	-	-
1.1.2	RS FINANCE	Cayman Islands	6,515,795	5.43%	15.010%	Raja›l Salfiti Holding 100% TRHS Holding 25% ownership (Tareq Rajai Salfiti) 100% ZRS Holding 25% ownership (Zaid Rajai Salfiti)100% FRS Holding 25% ownership(Faisal Rajai Salfiti)100% DRS Holding 12.5% ownership (Dina Rajai Salfiti) 100% SRHS Holding 12.5%ownership (Samia Farah issa Fraih)100%	26,640,383	88.72%	Jordan Kuwait Bank
1.1.3	Social Security Corporation	Jordanian	4,783,748	3.986%	11.020%	Government of the Hashemite Kingdom of Jordan	-	-	-
1.1.4	Essam Halim Jeris Salfiti	Jordanian	3,038,678	2.532%	7.000%	Same	4,720,313	33.71%	Capital Bank of Jordan
1.1.5	Sawt AL-Kanar Investment Company	Jordanian	3,355,569	2.796%	7.730%	Essam Halim Salfiti 20% Nadim Essam Salfiti 20% Basem Essam Salfiti 20% Wasim Essam Salfiti 20% Samia Sulaiman Al Sukar 20%	3,097,000 2,100,000	33.54%	The Housing Bank for Trade and Finance Jordan Kuwait Bank
1.1.6	Houria Al Moheet Investment Company	Jordanian	3,025,656	2.521%	6.970%	Tareq Rajai Salfiti 25% Faisal Rajai Salfiti 25% Zaid Rajai Salfiti 25% Dina Rajai Salfiti 12.50% Samia Farah issa Fraih 12.50%	4,097,000 3,600,000	32.54%	The Housing Bank for Trade and Finance Jordan Kuwait Bank
1.1.7	Wedad Ayoub Odeh Allah Al khouri	Jordanian	1,211,130	1.009%	2.790%	Same	-	-	-
1.1.8	Etihad Bank for Savings and Investment Employees and Users Savings Fund	Jordanian	1,241,517	1.035%	2.860%	Etihad bank employees	- - -	- - -	-
1.1.9	Central Company for Trade and Vehicles / Toyota jordan	Jordanian	1,606,159	1.338%	3.700%	A Jordanian company and the ultimate owners are: Ibrahim Emil Haddad (20%) Omar Moatasem Ismail Al-Balbisi (7.5%) Tareq Moatasem Ismail Al-Belbisi (7.5%) Nabil Emil Haddad (20%) Nihad Emil Haddad (20%) George Emil Haddad (25%)	- -	- -	-
1.1.10	Samia Sulaiman Al Sukar	Jordanian	811,761	0.676%	1.870%	Same	-	-	-
1.1.11	Samia Halim Grace Salfiti	Jordanian	507,893	0.423%	1.170%	Same	-	-	-
1.1.12	Ramzi Raouf Grace Salfiti	Jordanian	477,507	0.398%	1.100%	Same	-	-	-
1.2	Libyan Foreign Investment Company	Libyan	31,434,605	26.196%	42.00%	LIA LIBIAN INVESTMENT AUTHORITY Libyan Government	-	-	-
2	Social Security Corporation	Jordanian	11,259,644	9.383%	-	Government of the Hashemite Kingdom of Jordan	-	-	-
3	Government Investment Management Company	Jordanian	6,660,000	5.550%	-	Government of the Hashemite Kingdom of Jordan	-	-	-
4	Orphans Fund Development Corporation	Jordanian	5,370,000	4.475%	-	Government of the Hashemite Kingdom of Jordan	-	-	-
5	Bank AL Etihad	Jordanian	4,401,484	3.668%	-	Please revert to point 1.1	-	-	-
6	Zeina Saad Khalaf Al Tal	Jordanian	1,235,210	1.029%	-	Same	-	-	-
7	Tamara Saad Khalaf Al Tal	Jordanian	1,235,209	1.029%	-	Same	-	-	-

Benefits and remunerations enjoyed by the Chairman and members of the Board of Directors

Board of Directors Members	Mobility Allowances & attending BOD Meetings	Accrued and unpaid bonuses for 2024	Total
Dr. “Mohammed Nasser” Abu Hammour	203,200	5,000	208,200
Samir Abu Lughod	51,000	5,000	56,000
Ihssan Barakat	51,000	5,000	56,000
Dr. Khaled Zentuti	51,000	5,000	56,000
Salem Burqan	51,000	5,000	56,000
Dr. Anas Bohowish	37,200	5,000	42,200
Dr. Abd AlGhani Al Ftaisi	37,200	5,000	42,200
Basem Salfiti	37,200	5,000	42,200
Deema Aqel	37,200	5,000	42,200
Dr. Ibrahim Saif	37,200	5,000	42,200
Social Security Corporation	37,200	5,000	42,200
Total	**630,400**	**55,000**	**685,400**

Board of Directors Declaration

The Board of Directors that there are no material issues that could have an impact on the continuity of the Bank in the subsequent fiscal year of 2025.

The Board of Directors declares its responsibility for the financial statements and providing an effective control system in the Bank.

The Board of Directors confirms the accuracy and appropriateness of the Bank's financial statements and the information contained in the report, as well as the adequacy of the internal control and oversight systems.

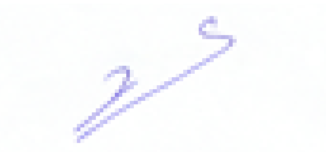
Chairman of the Board of Directors

Dr. "Moh'd Naser" Salem Abu Hammour

Deputy Chairman of the Board
Samir Hasan Ali Abu Lughod

Basem Isam Halim Salfiti

Deema Mefleh Mohammed Aqel



Dr. Nofan Mansour Ageel Alaqil

Dr. Abd AlGhani Al Ftaisi

Dr. Khaled FM Zentuti

Dr. Anas Bohowish

Salem Abdel-Monem Salem Burqan

Ihssan Barakat

Dr. Ibrahim Hasan Mustafa Saif

Board of Directors Declaration

The Board of Directors declares that none of its members have obtained any undeclared benefits from the Bank through their respective memberships of the Board, whether these benefits are of a material or in-kind nature, and whether these benefits are for their own personal use or anyone related to them, during the year 2024.

Chairman of the Board of Directors

Dr. "Moh'd Naser" Salem Abu Hammour

Deputy Chairman of the Board
Samir Hasan Ali Abu Lughod

Basem Isam Halim Salfiti

Deema Mefleh Mohammed Aqel

Dr. Nofan Mansour Ageel Alaqil

Dr. Abd AlGhani Al Ftaisi

Dr. Khaled FM Zentuti

Dr. Anas Bohowish

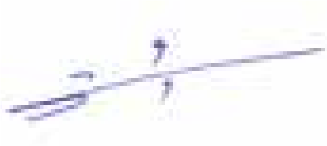
Salem Abdel-Monem Salem Burqan

Ihssan Barakat

Dr. Ibrahim Hasan Mustafa Saif

Declaration

The Board of Directors confirms the that the Bank abides by the disclosures set out in the standards issued by the Accounting and Auditing Organization for Islamic Financial Institutions (AAOIFI) - and the disclosures set by the International Financial Reporting Standards (IFRS) and International Accounting Standards (in the absence of standards for Islamic financial institutions) - the instructions of the Central Bank and other relevant legislation. The Board also confirms that the Executive Management is aware of the changes in the terms issued by AAOIFI and IFRS.



Chairman of the Board of Directors

Dr. "Moh'd Naser" Salem Abu Hammour

Deputy Chairman of the Board
Samir Hasan Ali Abu Lughod

Basem Isam Halim Salfiti

Deema Mefleh Mohammed Aqel

Dr. Nofan Mansour Ageel Alaqil

Dr. Abd AlGhani Al Ftaisi

Dr. Khaled FM Zentuti

Dr. Anas Bohowish

Salem Abdel-Monem Salem Burqan

Ihssan Barakat

Dr. Ibrahim Hasan Mustafa Saif

Declaration

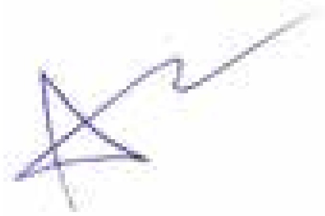
We, the undersigned, hereby declare the accuracy, validity and completeness information and data mentioned with the Annual Report of 2024.

Chairman of the Board of Directors

Dr. "Moh'd Naser" Salem Abu Hammour

CEO

Samer "Al Saheb Al Tamimi"



Chief Finance

& Corporate Strategies

Ahmad Ghnaim

Benefits and remunerations enjoyed by the Chairman and members of the Sharia Supervisory Board

Members of The Shari'a Supervisory Board	Transportation and attending the meetings of the Shari'a Supervisory Board	Number of sessions of the Commission attended	Annual Bonus	Total
His Eminence Professor Dr. Ali Al Qaradaghi	6,600	6	31,100	37,700
His Eminence Dr. Ahmad Melhem	6,600	6	7,100	13,700
His Eminence Professor Dr. Ali Musa	6,600	6	7,100	13,700
His Eminence Dr. Safwan Edibat	6,600	6	7,100	13,700
total	**26,400**		**52,400**	**78,800**

- No. of Sharia Supervisory Body meetings held during 2024 was (6) meetings
- The Sharia Supervisory Board met with the Board of Directors twice during the year 2024
- The Sharia Supervisory Board met with the Audit Committee of the Board of Directors twice during the year 2024
- The Sharia Supervisory Board met with the external auditor twice during the year 2024

Declaration on not obtaining benefits

To Whom it may concern

may peace, mercy and blessing of Allah be upon you, referring to Corporate Governance's instructions of Islamic Banks No (3/2023), we, the Sharia Supervisory Board Members, did not get any benefits which we didn't disclose during our work, whether materialistic or non-materialistic, whether to our personal benefit or to any of the stakeholders, in the past year 2024.

Chairman of the Body

Name: Prof. Dr. Ali Al Qaradaghi

Vice Chairman

Name: Prof. Dr. Ahmad Melhem

Member

Name: Prof. Dr. Ali Musa

Member

Name: Dr. Safwan Edibat

Benefits and remunerations enjoyed by members of the Executive management

Name	Job	Salaries and bonuses for the year	Transportation expenses	Total
Samer "Al Saheb Al Tamimi"	General Manager / CEO	828,897	-	828,897
Ziad Kokash	Deputy CEO, Chief of Credit Officer	218,602	3,300	221,902
Masoud "Sakf al-Hait"	Chief of Legal & Board Secretarial	182,495	3,300	185,795
Nesfat Taha	Chief of Retail Banking	191,310	3,300	194,610
Wael Al-Bitar	Chief of Treasury and Investment	208,662	3,300	211,962
Ahmad Ghnaim	Chief Finance & Corporate Strategies	149,027	2,900	151,927
Ahmad Jafar	Head of Risk	121,700	2,900	124,600
Khalid Al-Issa	Head of Internal and Sharia Audit	82,601	2,900	85,501
Muneer Faroneyah	Head of Sharia Compliance	102,172	2,900	105,072
Mohammad Hawari	Head of HCM and Administrative Services	110,126	2,900	113,026
Rawand Al Turk	Head of Compliance	104,434	2,900	107,334
Zeina Khirfan	Head of Central Operations & Business Transformation	116,922	2,900	119,822
Rami Al khayyat	Deputy CEO, Chief of Corporate Banking*	135,747	2,200	137,947
Hani Al-Zrari	Deputy CEO, Chief of Central Operations**	83,078	825	83,903
Total		**2,635,773**	**36,525**	**2,672,298**

***Resigned Rami Al Khayyat on 15/9/2024.**

****Resigned Hani Al-Zrari 31/3/2024.**

Number of bank employees according to their academic qualifications as of 31/12/2024

Educational Qualification	No. of Employees	The number of employees in the subsidiary company / MISC for Financial Brokerage Co.
PhD	2	-
Master's	59	4
Higher Diploma	2	-
Bachelors	718	5
Diploma	15	-
Secondary School	4	1
Less than Secondary School	11	-
Total	**811**	**10**

Qualification and training programs for the Bank's employees during 2024

Program Name	Number of Programs	Number of Participants	General description of program objectives
Sharia Education Programs	2	576	These programs aim to develop employees' skills in Sharia banking. It provides employees with the basics of Sharia banking to enable them to properly serve customers, and avoid Sharia violations while executing transactions.
Awareness Programs on Policies, Laws and Work Procedures	17	2349	The Bank's management is keen on complying with all approved policies and laws. This contributes to maintaining compliance with relevant regulations and legislations.
Managerial and Positive Behavioral Skills Development	17	527	These programs aim to develop employees' managerial skills, help managers achieve the Bank's objectives, and provide them with the. Skills needed to perform their work in a professional manner.
Customer Service Best Practice Programs	2	28	These programs aim to develop employees' skills in customer service excellence and retention, and handling complaints. The programs assert the Bank's mission in providing distinguished and innovative services, to forge permanent partnerships.
Specialized Programs in Banking	85	712	These programs aim to confirm and enable employees' knowledge of their specialized areas of work, and learn the latest developments in their fields, to increase their efficiency and effectiveness in performing their respective functions.
Training and Capacity Development Programs for New Employees	2	95	Capacity building of new employees, providing them with all the necessary information and support to ensure their smooth integration into the work environment, and to meet expected levels of performance.
Specialized Professional Certifications	20	32	Capacity building of employees, enhancing their knowledge and skills, through obtaining specialized professional certifications.
Conferences and Seminars	44	84	Attending several conferences and seminars.
Total	**189**	**4403**	

The geographical locations of the Bank HQ and branches and the number of employees working at each as of 31/12/2024

Branch / Administration Name	District / Area Name	Street	Building No.	Telephone	No. of employees
Main Headquarters	Abdali / Boulevard project	Finance	38	4602100	333
Headquarters - Jabal Amman	Second Circle	Islamic Scientific College	31	4602100	98
Al-abdali	Abdali / Boulevard project	Finance	38	4602100	10
Jabal Amman	Zahran area	Islamic Scientific College	31	4602100	8
Al-Bayader	Al Rawnq / Wadi Sir	Hosny Suber	33	4602100	10
Al Madina AlMunawwarah	Al Salam neighborhood / Tla ‹Al Ali area	Al Madina AlMunawwarah	121	4602100	10
Shmeisani	Shmeisani district / Abdali area	Ilya Abu Madi	6	4602100	8
Al Wehdat	Alawda / Yarmouk area	Prince Al Hassan	313	4602100	7
Sweifiyeh	Sweifieh district /Wadi al-Sir area	Abdul Rahim Al-Haj Mohammed	70	4602100	7
Al Khaldi	Al-Radwan neighborhood / Zahran area	Ibn Khaldun	38	4602100	6
Khalda	Khalda District /Tlaa Al Ali Area	Wasfi Al-Tal	302	4602100	8
Taj Mall	Southern Abdoun district / Zahran area	Saad Abdo Shammout	2	4602100	13
Al Jubaiha	Al-Fadila neighborhood /Sweileh area	Queen Rania Al Abdullah	329	4602100	9
Al Hashemi	Raghadan district / Basman area	Batha	97	4602100	7
Jabal Al - Hussein	Jabal Al Hussein neighborhood /Abdali area	Khalid ibn al-Walid	170	4602100	8
Gardens	Baraka District / Tla' Al Ali Area	The Martyr Wasfi al - Tal	110	4602100	10
Dabouq	Al-Bashaer district / Sweileh area	King Abdullah II	149	4602100	7
Istiklal Mall	Jabal Al Nozha /Basman area	Istiklal	1	4602100	11
Abu Nseir	Al-Amana neighborhood / Abu Nseir area	Abu Nseir	145	4602100	9
Tabarbour	Tarek area	Tarek	78	4602100	10
Mecca Mall	Tla Al-ali area / Um Alsummaq neighborhood	Abdullah Al-Daoud	20	4602100	13
Al Hureyye Street	Mqablain	Al Hureyye	150	4602100	10
Marka	Al Zahraa district	King Abdullah	440	4602100	9
Sports City	Al Hussein Youth City neighborhood	Sarh Al Shaheed	90	4602100	7
Sahab	King Abdullah II City	Banks	254	4602100	8
Marj Al Hamam	Marj Al Hamam area	Princess Taghreed Mohammed	47	4602100	7
Madaba	West District	Al Yarmouk	*****	4602100	7
Al Zarqa - Saadeh Street	The first area	Saadeh	74	4602100	8
Zarqa	New Zarqa / Fifth Area	Street 36	36	4602100	8
Salt	Al-Kharabsheh neighborhood	Amreya Bridge	*****	4602100	7
Jerash	Kairouan	Kairouan roundabout	*****	4602100	8
Irbid	Hashemi	Al Hashemi	84	4602100	10
Irbid City Center	City Center Mall	Prince Hassan	*****	4602100	12
Aqaba	Hotel Area	Al Nahda	722	4602100	9
Al-Karak	Al-Thaniah	Karak	*****	4602100	9
Queen Rania Street	Haj Fund	Queen Rania	19	4602100	6
Abu-Alanda	Abu - alanda / Alnahar commercial complex	Ibrahim Rashed Alhnadi	*****	4602100	8
Al rawnaq district	International Group Complex/ 7th circle/ Alrawnaq district	maen bin odai street	1	4602100	7
Quba Circle / Irbid	Al Quba Circle	Rateb Al Batayneh	*****	4602100	9
North Mountain	Al Qaisi Commercial Complex	King Abdullah Street	*****	4602100	8
5B Mall	Jerusalem Street	Jerusalem/Jasmine Street	*****	4602100	12
Marka/Nancy Center Expressway	Marka	Marka Autostrad	*****	4602100	7
Mafraq Branch	Mafraq	Jerash Main Street	*****	4602100	7
Ramtha	Street / Damascus RouteWasfi Al Tal Martyr	Wasfi Al Tal Martyr	*****	4602100	9
Bab Al Madinah Market / Zarqa	Holy Mosques City Custodian of the Two	king abdullah bin abdul aziz city	*****	4602100	10
Mecca Street	Mecca Street Safwat Complex	Mecca Street	82	4602100	7
					811

The Bank Bonus Policy

The Bank adopts a clearly outlined policy for granting bonuses, which aims to create excellent results for the Bank by promoting an employee culture of excellence and high performance. This in turn contributes to attracting distinguished, highly qualified expertise, in addition to maintaining, supporting and developing the existing ones, to upgrade the Bank and increase its competitiveness.

Bonuses are annually distributed to employees based on the annual performance appraisal and the extent of achieving goals set at the beginning of the year. The bonus system is transparent and fair, and is in line with human capital policies and corporate governance instructions.

Subsidiaries
Misc For Brokerage (LLC)

- Established in 2011, with a capital of JD 750,000.
- Its capital stood at JD 2 million at end of 2024.
- The company's main business is financial brokerage on the Amman Stock Exchange (ASE).
- The Bank owns 100% share of the company.
- Its address is Jabal Amman, next to the Islamic Scientific College.
- Company Employees: 10
- Company objectives: Trading securities on behalf of others and a broker for their account.

Bank and Subsidiaries' External Auditors Fees, and Additional Fees for 2024
The auditors' fees for the Bank and its subsidiary amounted to JD 112,520 in 2024 (including Sharia audit fees).

The auditor's fees for Misk Financial Brokerage Company's implementation of the provisions of the law and anti-money laundering instructions issued by the Jordan Securities Commission, the decisions issued pursuant thereto, and the adequacy of related policies and procedures amounted to 3,480 Jordanian dinars.

The Audit Committee of the Board of Directors has reviewed the letters of assignment and contracts with the external auditor and their impact on the independence of the external audit office. Due measures were adopted to maintain the independence of the Bank external auditor.

Extent of Reliance on Specific Suppliers or Major Customers (whether Local or Abroad), who constitute 10% or more of Total Purchases and/or Sales or Revenues respectively

Number	Supplier Name	Percentage Total Purchases Handled
1	First Insurance Co.	13.5%

Description of Any Governmental Protection or Privileges enjoyed by the Bank or any of its Products under Laws, Regulations or otherwise, where there are no Patents or Franchises obtained by the Bank

There is no governmental protection or privileges enjoyed by the Bank or any of its products under laws and regulations or otherwise, and there are no patents or franchises obtained by the Bank

Description of any Resolutions issued by the Government, International Organizations or others that have a Material Impact on the Bank's Business, Products or Competitiveness

There are no decisions issued by the government, international organizations or others that have a material impact on the Bank's business, products or competitiveness.

Statement of the Contracts, Projects and Agreements concluded by the Bank with Subsidiaries, Sister or Affiliate companies, Chairman of the Board, Board Members, the General Manager or any Employee of the Bank or their Relatives

There are no contracts, projects or engagements concluded by the Bank with subsidiaries, sister or allied companies, Chairman of the Board, members of the Board, the General Manager or any employee of the Bank or their relatives.

The Bank's Application of International Quality Standards

The Bank applies international quality standards. The Bank obtained the "PCI DSS V4.0" certification to apply the best international standards of information security in bank card transactions, and to provide the highest levels of protection and confidentiality for electronic payment card data, within the latest version (V3,2,1).

Donations and Grants made by the Bank during 2024

Item	Amount
Ministry of Social Development	36,732
King Hussein Cancer Foundation	15,000
Zakat Fund	10,000
Orphan Funds Development Foundation	10,000
Tkiyet Um Ali	10,000
Al-Malath Foundation Association for Palliative Care	10,000
Crown Prince Foundation	10,000
Amman Association for the Future of Orphans Fund	9,784
INJAZ to Create Opportunities for Jordanian Youth	7,090
National Authority for Mine Clearance and Rehabilitation	7,000
Public Security Directorate	5,000
Crown Prince Foundation/Nawa Sustainable Development Company	5,000
Jordanian Society for Medical Aid to Palestinians	2,000
Nour Al Hussein Secondary School for Girls	2,000
National Assaiation of Children's Museums	1,990
Prince Ali Club	1,201
Jordanian Dental Association	1,044
White Beds Association	1,000
Beit Al Ward Cooperative Society	1,000
Arab Group for the Protection of Nature	1,000
Royal Air Force Women's Club	1,000
Department of Hajj and Umrah	970
Islamic Advocacy Committee	100
Total	**148,910**

Most Significant Lawsuits Filed by and against Safwa Islamic Bank:

First: Most significant lawsuits filed against the Bank:

Case Number	Lawsuit Classification	Claim Value	Court
7381/2022	Claim for material damage	JD 635,000 for the purposes of fees	Amman Court of First Instance

Second: Most significant lawsuits filed by the Bank:

Case Number	Lawsuit Classification	Claim Value	Court
644/2023	Financial claim	JD 15,830,000	Amman Court of First Instance
2614/2024	Execution of a mortgage deed	JD 20,000,000	East Amman Court Execution Department

Bank Risk Exposure

The risks to which the Bank is exposed to, remain within the risk appetite as defined by the Bank's Board of Directors. The Board's Risk Management Committee sets the overarching frameworks for the Bank's risk management strategies and policies, which are subsequently approved by the Board. On an operational level, risk is managed by a dedicated Risk Management Department staffed with qualified professionals, operating in alignment with the Board's directives and the Bank's overall strategy. This Department applies international best practices, including Basel III guidelines, and complies with the requirements and directives of the Central Bank of Jordan and other risk management frameworks across all risk domains.

Risk Management Department: Structure and Function

The Risk Management Department is the core unit responsible to manage the risks that the Bank is exposed to. Its key responsibilities include the development and ongoing review of policies, procedures, controls, and exposure limits related to various risk categories (such as Credit Risk, Operational Risk, Market Risk, Liquidity Risk, Rate of Return Risk, Reputational Risk, Compliance Risk, Sharia Non-Compliance Risk, and other emerging risks).

The Department is responsible for analyzing and measuring these risks, as well as developing suitable risk measurement tools and mitigation methods. These efforts aim to safeguard the Bank's profitability and capital adequacy while aligning with the Bank's approved Enterprise Risk Management Framework. This framework also defines the acceptable Risk Appetite across all banking activities.

Moreover, the Risk Management Framework and related policies serve as the foundation for the Internal Capital Adequacy Assessment Process (ICAAP) and Stress Testing exercises. The Department regularly sets and updates the Bank's Risk Appetite levels, obtains Board approval, and compares these limits against actual exposure to ensure alignment.

In addition, the Department prepares periodic risk reports, which are submitted to the Board of Directors through the Risk Management Committee, providing updates on current developments and obtaining guidance and recommendations as necessary.

The Risk Management Division consists of the following departments:

- Credit Risk Department
- Operational Risk Department
- Market Risk Department
- Cybersecurity, Business Continuity and Electronic Fraud Prevention Department

Risk Management Department: Updates and Developments

In 2024, Safwa Islamic Bank made significant advancements in enhancing its credit evaluation systems across various lending portfolios. These upgrades are expected to positively impact the Bank's ability to assess credit portfolios and support the development of a more robust credit decision-making framework. This progress also brings the Bank a step closer to adopting advanced approaches for credit risk calculation in alignment with Basel standards. The Bank utilizes the CreditLens system by Moody's for corporate client assessments and a Scoring System for evaluating individual clients.

The Bank has enhanced its risk-based pricing methodologies for both corporate and retail portfolios by developing a Risk-Adjusted Return on Capital (RAROC) model. This model enables the Bank to rationally price credit facilities by factoring in collateral value, risk ratings, and risk-weighted capital allocations. The RAROC framework also aligns with Basel guidelines and the regulatory requirements for domestically systemically important banks, linking risk levels to pricing structures.

The Risk Management Department continued implementing Risk and Control Self-Assessment (RCSA) workshops across all business units, including newly established departments under the updated organizational structure. The Department oversees compliance with corrective actions related to control gaps and coordinates closely with internal audit and control units to document internal control reviews. Furthermore, risk Profiles for various departments are regularly updated and shared with Internal Audit teams, forming the basis for risk-based audit methodologies. The Department also compiles and analyzes operational loss data and event records, integrating the findings into risk profiles and identifying control weaknesses for corrective action.

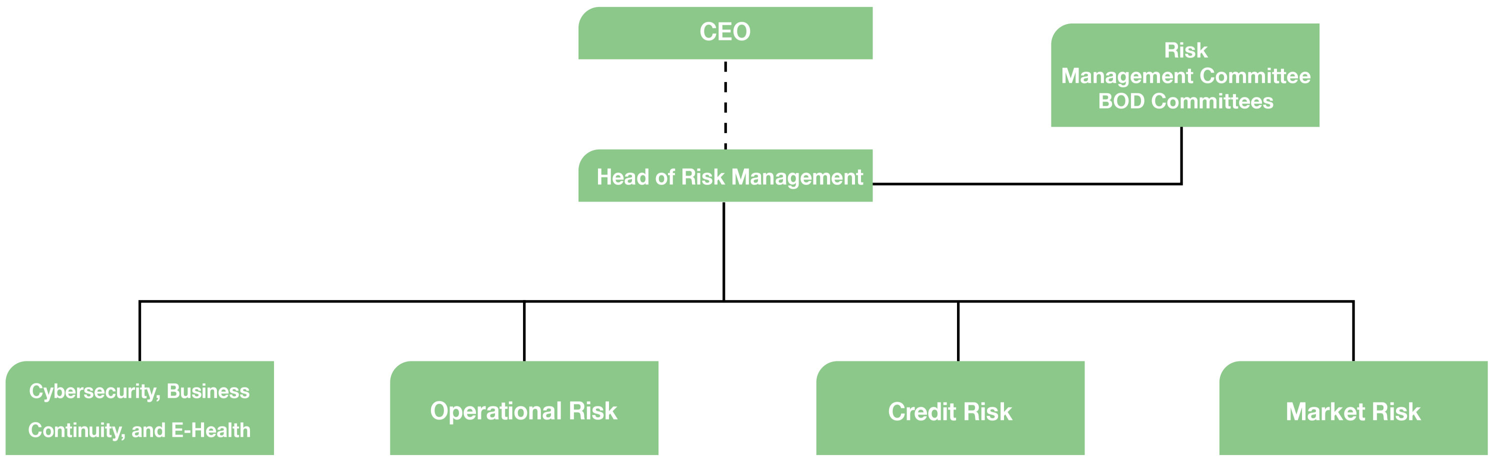
In the domain of cybersecurity, the Bank successfully renewed its PCI DSS compliance certification, reflecting its adherence to updated standards for payment card data security. A comprehensive cybersecurity strategy was developed, including updated information security policies in line with best practices, regulatory requirements from the Central Bank of Jordan, and global cybersecurity frameworks. The Information Security and Cybersecurity Unit continuously monitors security event logs through the Security Operations Center (SOC) and ensures full compliance with the Central Bank's cybersecurity directives. Risk containment tools have been implemented, and multiple penetration tests have been conducted on both networks and banking applications. As part of the Bank's awareness initiatives, annual training workshops are held for staff and branches, and periodic security awareness messages are shared with employees and customers alike.

With regards to business continuity, the Bank has updated its Business Continuity Plans (BCP) in response to evolving external risks, conducting regular tests to ensure readiness at alternate operational sites. The Bank recently upgraded its alternative site by modernizing workstations and facilities to accommodate staff during emergencies. Additionally, remote work protocols have been integrated into the BCP, and the relocation of the alternate site outside Amman was completed to ensure sufficient geographic separation for risk containment.

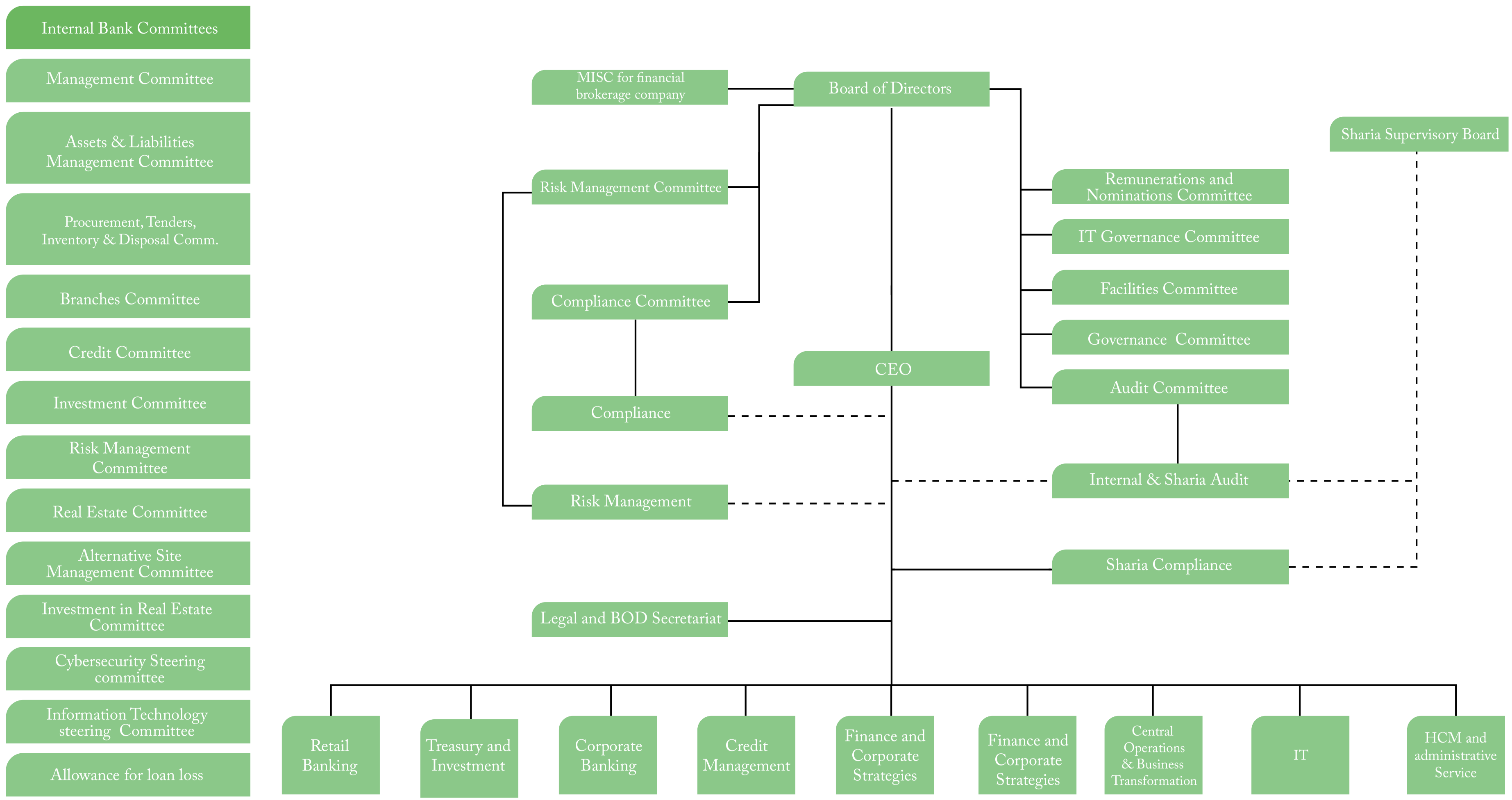
In the area of market risk, the Department developed a reporting system for rate of return risk, incorporating customized methodologies and producing regular analytical reports. Furthermore, most market risk and middle-office reporting processes have been automated, enhancing efficiency and decision-making capabilities.

Facilitation / re-issuance and enhancement of credits issued to correspondent banks.

Risk Management Structure

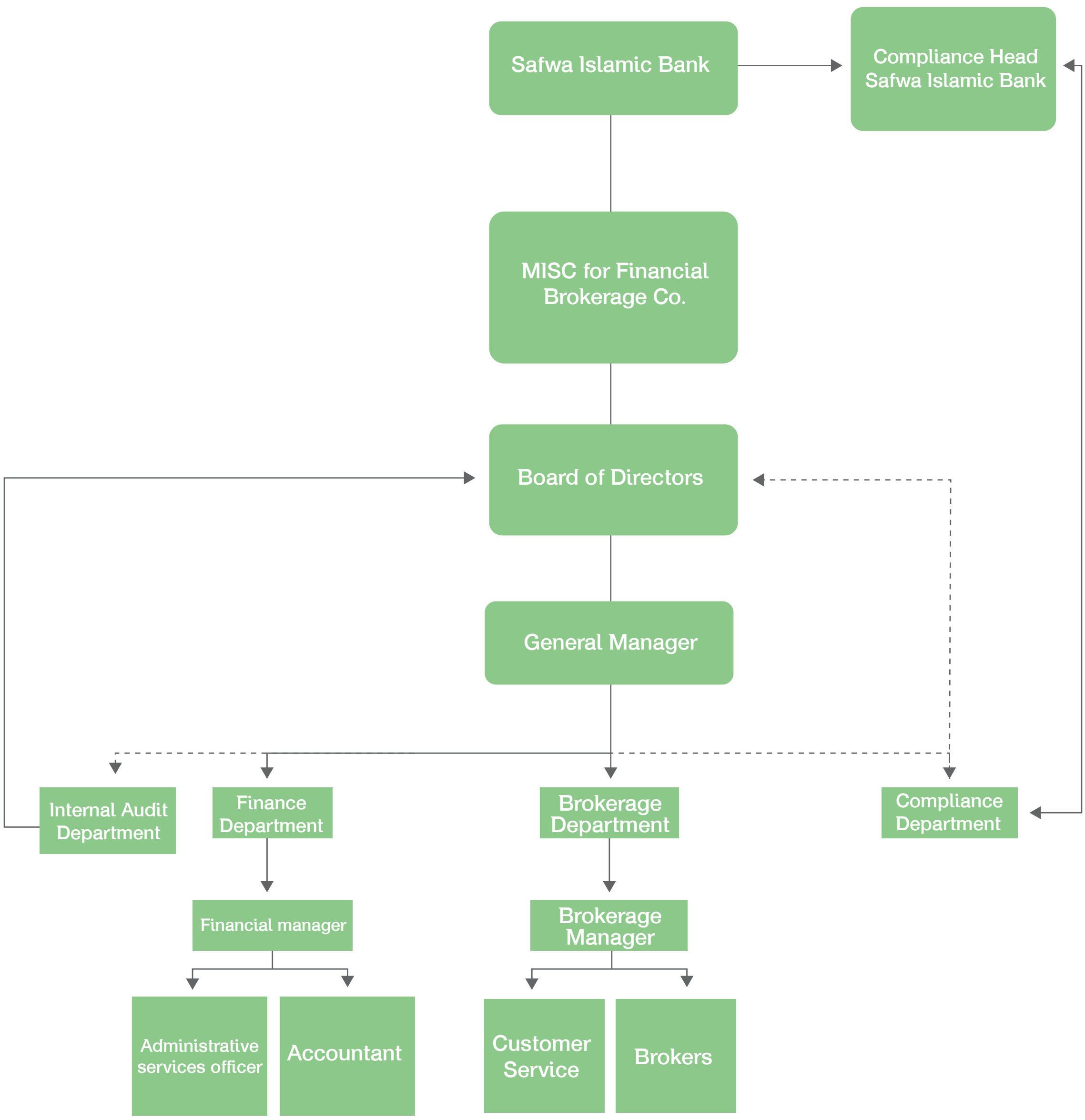


The Banks’ Organizational Structure



The organizational structure of the subsidiary company

(MISC for Financial Brokerage Co.)



Executive Management’s Assessment of the Effectiveness of Internal Control and Oversight Systems

The Bank’s strategic direction, along with the resulting operational plans and associated policies in key areas—including credit, risk, human resources, and information technology—is approved by the Board of Directors. Executive Management is responsible for developing and implementing procedures that govern all Bank operations, ensuring the efficient and effective execution of approved policies. These procedures are subject to regular review to confirm their alignment with the business environment and operational requirements, and to ensure their continued ability to support the optimal implementation of strategic policies.

The Board of Directors and Executive Management of Safwa Islamic Bank are jointly responsible for establishing, maintaining, and enforcing internal control and oversight systems capable of ensuring the following:

- Accuracy of information disclosed in the Annual Report.
- Integrity and reliability of the Bank’s financial and operational data.
- Efficiency and effectiveness of the Bank’s operational performance.
- Safeguarding of the Bank’s assets and resources.
- Compliance with internal policies and procedures, as well as with applicable laws, regulations, and directives.
- Adequacy and effectiveness of Sharia compliance control systems.

The Bank firmly believes in the critical importance of robust and effective internal control and oversight systems as fundamental components of sound governance and operational quality. Accordingly, the Bank has adopted a comprehensive set of internal control frameworks. Executive Management is tasked with designing, implementing, and evaluating the effectiveness of these systems following their approval by the Board of Directors. Executive Management is also responsible for developing and updating the Bank’s strategies, policies, and operating procedures to ensure the identification, measurement, management, and monitoring of all relevant risks. The Board continuously oversees and evaluates the adequacy and effectiveness of these systems to ensure they meet their intended objectives and to strengthen them as needed.

In this regard, the Board of Directors is responsible for defining the Bank’s strategic objectives and monitoring the performance of Executive Management, which is entrusted with day-to-day operations. The Board also approves internal control and oversight systems and ensures the Bank’s adherence to the strategic plan, policies, and procedures, as well as to applicable legal and regulatory requirements. In addition, the Board ensures that all risks are being managed prudently and effectively.

The Bank’s internal control and oversight functions are carried out through the following key departments:

Sharia Compliance Department

The Sharia Compliance Department operates under the guidance of a distinguished Sharia Supervisory Board with extensive expertise in Islamic finance. The Department ensures the implementation of the Board’s fatwas and decisions across all of the Bank’s operations. This includes overseeing all work and thoroughly reviewing contracts, product policies, and procedures to confirm Sharia compliance.

The Department maintained active communication with the Sharia Supervisory Board, presenting updates and critical matters for clarification on relevant fatwas, and ensuring the implementation of all related directives by the relevant departments.

The Department also provides daily support and guidance to the Bank’s various departments and staff, resolving any issues that arise in accordance with the rulings of the Sharia Supervisory Board.

Human Capital Management

The Human Capital Management function is responsible for implementing robust controls to ensure that each employee is assigned to a role that matches their qualifications and job requirements. The function conducts ongoing performance monitoring and semi-annual evaluations. Each employee is provided with a job description aligned with the Bank’s organizational structure and human resources policy.

The Bank also invests in continuous training programs to ensure that all employees possess the necessary qualifications and competencies to perform their duties at a high professional standard.

Internal and Sharia Audit

The mission of the Internal and Sharia Audit Department is to enhance and safeguard the Bank’s institutional value, by adopting a risk-based audit approach and delivering objective assurance, advisory and consultative services. The Department reports administratively to the General Manager and functionally to the Audit Committee, which operates under the authority of the Board of Directors. The Department is directly supervised by the Audit Committee. Audit reports are submitted directly to Executive Management and the Audit Committee, with Sharia-related reports also shared with the Sharia Supervisory Board. The Department is governed by an Internal and Sharia Audit Charter, approved by the Board of Directors, which outlines its mandate, responsibilities, and authority. The Charter has been disseminated throughout the Bank in line with applicable regulatory requirements.

The Department's scope covers all business units, operations, and subsidiaries of the Bank, enabling comprehensive evaluation of the adequacy and effectiveness of internal control, Sharia compliance systems, risk management, and corporate governance frameworks to ensure adherence to internal policies, international standards, and applicable laws and regulations. These frameworks also ensure the Bank's full compliance with Sharia principles, fatwas, and rulings issued by the Sharia Supervisory Board, in accordance with the risk-based annual audit plan approved by the Audit Committee.

In alignment with the International Standards for the Professional Practice of Internal Auditing issued by the Institute of Internal Auditors (IIA), and in accordance with the Corporate Governance Instructions for Banks No (2/2023) issued by the Central Bank of Jordan on February 14, 2023—which require external assessments of internal audit functions at least once every five years by an independent and qualified external reviewer—the Internal and Sharia Audit Department at Safwa Islamic Bank engaged one of the Big Four audit firms to conduct an external quality assessment. The objective of this assessment was to obtain an independent opinion on the Department's compliance with the IIA's Code of Ethics and Professional Standards. The external evaluator's report, issued in 2023, confirmed that the Internal and Sharia Audit function at Safwa Islamic Bank is "fully compliant" with all applicable IIA standards and relevant laws and regulations.

Risk Management
The Bank's risk management framework serves as the overarching structure for managing risks across the organization. This framework is supported by a comprehensive set of risk management policies designed to address various risk exposures inherent in the Bank's operations.

The Risk Management Department is responsible for developing a strong and effective system to identify, measure, and manage risks efficiently. Core responsibilities include formulating relevant risk management policies, establishing the risk appetite in line with the Bank's strategic objectives, reporting breaches and ensuring their resolution, and conducting stress testing to assess the Bank's tolerance and resilience to unusual risk scenarios. The Department also analyzes all forms of risk and promotes a risk-aware culture in line with best practices and regulatory standards in the banking industry.

Finance and Corporate Strategy Department
The Bank's consolidated financial statements are prepared in accordance with the standards issued by the Accounting and Auditing Organization for Islamic Financial Institutions (AAOIFI), applicable local laws, Central Bank of Jordan regulations, and Sharia guidelines. This ensures a fair and transparent presentation of the Bank's financial position and provides accurate and relevant information for informed decision-making. The Bank's financial performance is evaluated objectively and impartially on a quarterly basis, in accordance with targets set in business plans and the approved budget. The Finance Department also oversees the implementation of policies governing both operational and capital expenditures. This includes setting clear guidelines for authority levels, spending limits, approvals, exceptions, measurement methods, and performance analysis. The Department monitors adherence to budgetary allocations and business plans across all departments, covering both ongoing expenditures and new project costs.

Information Technology Department
The Bank's IT Department follows a structured methodology whereby system ownership is clearly defined. This promotes direct accountability and enables efficient use of systems under the highest standards of control and security. Continuous and uninterrupted maintenance ensures that systems remain operational and secure, with well-defined procedures in place to protect data integrity, confidentiality, and availability at all times.

Compliance Department
The Compliance Department ensures the Bank's full adherence to its internal policies as well as all applicable laws, regulations, directives, codes of conduct, and sound banking practices issued by both local and international regulatory authorities. This is achieved through the development and implementation of the Compliance Policy and the Anti-Money Laundering Policy, along with regular training programs for staff. The Department submits relevant reports to the Board-level Compliance and Corporate Governance Committees.

Through these comprehensive frameworks and ongoing processes, Executive Management confirms that all departments responsible for internal control and oversight have effectively executed their approved plans, and conducted their work with a high degree of discipline and professionalism.

Safwa Islamic Bank's Main Activities and Key Products and Services

Corporate Banking Services:
Safwa Islamic Bank offers a wide range of financial solutions tailored to meet all corporate financing needs, whether for the acquisition of fixed assets or working capital financing. The Bank provides a variety of Sharia-compliant financial products and services to support large and medium-sized companies, including direct financing options such as Murabaha, Murabaha agency agreements, and Ijara (leasing), as well as indirect financing options like letters of credit and various types of guarantees. The Corporate Banking Department also designs customized products for specific customers based on their financing needs and business nature.

Safwa Islamic Bank has established itself as a leader in corporate financing across the Jordanian market by understanding customers' needs and aligning with the Bank's vision to become the customers' sole banking destination, serving companies of all sizes and types.

In this context, we are committed to providing a comprehensive range of services and products tailored to meet our customers' needs, offering personalized solutions developed with professionalism, high-quality service, and a personal touch. Consequently, we have introduced a unique set of corporate products and services, constantly working to develop new offerings. For instance, we are currently working on introducing a Bonded Service within the Department.

The Bank's corporate portfolio is diversified across various economic sectors, despite the challenges of a competitive market and difficult economic conditions, as part of our strategic plans for geographic expansion and commitment to enhancing non-funded banking activities and promoting sustainable development.

Safwa Islamic Bank has expanded its corporate internet banking services and cash management services, offering them in a modern and distinguished manner. This includes the launch of the unique Investment Savings Account for Companies — the first of its kind in Jordan. Additionally, innovative financial solutions under the umbrella of Islamic banking have been provided, financing large and medium-sized enterprises across various economic sectors. The Corporate Banking Department focuses on establishing comprehensive strategic relationships centered around exceptional customer service and a deep understanding of individual financing needs.

The Department has also financed renewable energy projects (solar and wind energy) and developed electronic services for companies to enhance cash management by streamlining processes, increasing efficiency, and focusing on services like CDM (Cash Deposit Machines) and online banking. Services such as payroll transfers, completion of Ijara and Murabaha contracts, and problem-solving managed by Relationship Managers (RMs) are being refined to deliver advanced digital services that benefit both the Department and the customers, saving time and effort. Services like issuing letters of credit, guarantees, and short-term Ijara contracts are facilitated via the BI platform for corporate customers.

Furthermore, to ensure the highest level of service, the Bank has strengthened the Deposits Department and the Corporate Operations Services Department (COSO), which handles all corporate transactions such as financing, opening letters of credit, issuing guarantees, and transfers without the need for direct interaction with the account manager. This has significantly improved the speed, efficiency, and quality of customer service. Additional tasks were assigned to designated representatives to manage the receipt of goods related to Murabaha transactions for financing local invoices, enhancing the speed of service delivery.

We must also highlight the role of the Corporate Banking Services Engineer, who supports not only corporate customers but also small business and retail banking customers. Their responsibilities include visiting financed projects and preparing periodic reports, positively impacting the Bank's contractors' portfolio and real estate development sector.

In line with our goal to build strategic relationships with customers, there has been a continued focus on cross-selling between different business units, including Retail Banking and Treasury, to optimally serve corporate customers and extend special offers to employees of these companies.

Retail Banking Services:
The Retail Banking Department provides the following services:

VIP Services (Safwa Gold)
Safwa Islamic Bank is proud to be the first Islamic bank in the Kingdom to offer premium banking services that comply with Sharia principles to VIP customers. Through Safwa Gold Centers, customers enjoy an exclusive banking experience designed for maximum comfort and rapid service. This includes a dedicated relationship manager and banking advisory services covering all of the Bank's products.

Financing Services and Products
The Bank is committed to developing a wide range of financing services and products, fully compliant with Islamic Sharia principles. This commitment is reflected in the simplification of procedures, the enhancement of operational workflows, and a comprehensive focus on meeting the aspirations and ambitions of customers.

Salary in advance Service via Mobile Banking Application
The Bank launched the Salary in advance Service, a Sharia-compliant product that allows customers to access a portion of their salary before its due date and credit it to their account. This service is automated and can be activated directly through the mobile banking app, offering financial flexibility for emergency expenses, installment payments, medical costs, and more.

Financing Products Based on Murabaha
The Bank offers a wide range of Murabaha-based personal financing options covering goods, commodities, shares, motorcycles, land, and solar cell and water heater systems. Key products include:

- Equity Financing, enabling customers to invest in Sharia-compliant shares based on criteria set by the Sharia Supervisory Board.
- Vehicle Financing for new and used cars, with fast processing and minimal requirements, supported by strategic partnerships with car dealerships and agencies offering competitive and convenient financing deals.
- Travel Expense Financing for Hajj, Umrah, and tourism, as well as wedding hall bookings and education costs, via a usufruct ownership agreement between the Bank and the customer.
- Merchandise Financing (Bargaining Model), allowing purchases from approved merchants at the cash price with zero profit added.

- Al-Yusr Product, which enables customers to consolidate and repay existing obligations held with conventional banks (such as personal loans, car loans, and credit card debt).

Financing Products Based on Ijara (Lease-to-Own)
The Bank offers a wide array of Ijara financing solutions, including:

- Financing the purchase of ready-to-move-in apartments and homes, with simplified requirements.
- Financing the purchase of land for construction, as well as agricultural and residential plots.
- Financing for commercial offices, including clinics and engineering offices.
- Refinancing of customer-owned real estate.
- Vehicle leasing under Ijara lease-to-own, in collaboration with leading Jordanian dealerships and showrooms.
- Fixed-profit real estate financing for apartments and houses, providing customers with consistent installment amounts throughout the financing term.

A real estate developer partnership program was also launched, where multiple residential projects are financed by the Bank, offering customers a variety of housing and villa options.

In addition, special financing offers were provided for military retirees and veterans, under a royal initiative in partnership with the Military Credit Fund and the Association of Banks in Jordan. This program supports first-time homebuyers with preferential profit rates and flexible conditions.

Accounts and Deposits Services
The Bank provides a comprehensive suite of account and deposit products to meet diverse customer needs, ease financial transactions, and provide returns on investments. These include varied current and savings accounts, such as “Kanzy” children and “Harir” women accounts; and corporate savings accounts, offering features such as unlimited withdrawals, the ability to open accounts in JD and USD, and daily interest calculation. The Bank offers Term Investment Deposits, with competitive returns distributed quarterly, enhancing the Bank’s market edge.

Islamic Certificates of Deposit are also available, catering to customers seeking high and suitable returns. Customers can also invest in Hajj Sukuk, allowing performing Hajj pilgrimage at a young age. The Bank also rents out Safe Deposit Box services at various branches, offering secure storage for customers’ valuables.

The Bank launched the Offset Savings Account, linked to housing finance. The account allows customers to recover part of the profit paid on their home finance based on the average balance in the Offset account. The higher the balance, the greater the recovery.

The Bank is a pioneer in launching reward-based savings accounts, offering daily, monthly, quarterly, and annual cash and in-kind prizes based on average monthly balances.

Digital Banking Services
The Bank introduced a number of innovative and seasonal campaigns tailored to meet customer needs during religious and social events. These initiatives encourage the use of Safwa Islamic Bank’s Murabaha e-card, positioning it as the preferred payment and purchase method, and aiming to increase the volume of cards issued and used, thus increasing its market share in the Jordanian market.

The campaigns contributed to a 15% increase in issued Murabaha e-cards compared to 2023; and a 30% increase in utilized credit limits from total approved limits. The number of bargaining merchants contracted by Safwa Islamic Bank rose as well, reaching a total of 120 merchants—a 73% increase compared to 2023.

In addition, the Bank introduced a suite of distinguished services designed to meet evolving customer needs and attract new customers. These include:

- POS Services (Point of Sale): A strategic partnership was established with Network International to provide POS terminals, enabling merchants to accept all types of payments efficiently.
- CliQ for Businesses: The Bank launched the CliQ service for large and medium-sized businesses, enabling them to transfer funds seamlessly via their dedicated corporate e-banking platforms.
- Corporate Deposit Cards: A new deposit card product tailored for medium and large corporations was launched, allowing customers to deposit cash directly through the Bank’s ATMs at any time.
- Advance in Salary Service: This service allows individuals to access a portion of their salary before the official payment date, supporting liquidity during urgent financial needs.
- Offset Account Opening via Mobile App: Customers with Ijara-based financing can now open an Offset Account through the mobile application, enabling them to reclaim a portion of profits paid on their housing finance.
- NFC-Enabled ATMs: The Bank enhanced its ATMs with Near Field Communication (NFC) functionality, allowing customers to deposit or withdraw cash using e-wallets or cards by simply tapping their card or mobile device.

- Extension Wallet Integration with Apple Pay: Enhancements were made to the Apple Pay service through the Extension Wallet feature, making it easier for customers to link and manage their cards.

Additionally, several refinements were made to the Murabaha e-card services, further enhancing user experience and aligning with customer expectations while supporting the Bank’s strategic objectives.

Banking Services for Small Businesses
The Small Business Banking Department at the Bank offers a range of Sharia-compliant financing solutions tailored to support small enterprises across various economic sectors, including:

1. Working Capital Financing for both local and international procurement (goods, inventory, raw materials).
2. POS-Based Financing for working capital supported by sales proceeds from point-of-sale terminals.
3. Ijara for Service Businesses, including travel and tourism offices.
4. Murabaha Financing for Fixed Assets, such as vehicles, machinery, production lines, and equipment.
5. Real Estate Financing through Ijara (lease-to-own) and Murabaha, covering land, offices, and commercial centres.
6. Real Estate Developer Leasing Programs, supporting the construction and marketing of residential projects.
7. Letters of Credit and Their Financing, to facilitate international trade operations.
8. Bills for Collection and Their Financing, providing liquidity against export and import documents.
9. Various Types of Guarantees, including:
   - Payment Guarantees
   - Bid Bonds
   - Performance Bonds
   - Maintenance Guarantees
   - Foreign Guarantees
10. Central Bank Programs for Capital and Asset Financing, under the Investment Agreement, including:
    - Renewable Energy Financing
    - Machinery and Equipment Financing
    - Tourism Sector Financing
    - Agricultural Sector Financing (IFAD Program)
    - “Inhad” Program for Self-Employment and Entrepreneurship

Treasury and Investment Management
As part of Safwa Islamic Bank’s strategic objectives to expand its service offerings and enhance income sources in line with the principles of Islamic Sharia, the Treasury and Investment Department has implemented innovative initiatives aimed at increasing the Bank’s market share and addressing the needs of both corporate and retail customers.

Products and Services
1. Foreign Exchange Services:

- Provision of spot foreign exchange services.
- Offering forward foreign exchange transactions through a Sharia-compliant “Wa’ad-based currency exchange” product to hedge against exchange rate fluctuations.

2. Investment Activities:

- Investment in international agency arrangements and Murabaha transactions.
- Participation in both international and local Sukuk markets.
- Investment in Sharia-compliant equities across local, regional, and international markets.

3. Sukuk Issuance and Related Services:

- Structuring and managing Sukuk issuances for local corporations and institutions, with a particular focus on sovereign issuances or those backed by government guarantees.
- Providing trustee services for Sukuk to ensure the protection of Sukuk holders’ rights.
- Offering Sukuk custody, trading, and settlement services.

4. Specialized Services:

- Investment in Sharia-compliant investment deposit certificates issued by the Bank for customers and financial institutions.
- Advising on and confirming incoming letters of credit.
- Facilitating the issuance, reissuance, and confirmation of outgoing letters of credit for correspondent banks.
- Providing Sharia-compliant stock trading services through Misc Brokerage Company, a wholly owned subsidiary of Safwa Islamic Bank.

Expansion of International Relations

As part of efforts to facilitate international remittances for customers, the Bank expanded its network of foreign currency accounts with overseas banks in 2024. This expansion has brought the total number of accounts to a notable level, strengthening the Bank's capacity to deliver comprehensive banking services.

Additionally, the Financial Institutions Unit has broadened its relationships with global settlement banks and trading intermediaries to support the operations of the Investment and Capital Markets Units—further enhancing the Bank's ability to offer high-quality, customer-focused services.

Foreign Investments

In alignment with Safwa Islamic Bank's strategic vision to expand regionally, diversify its regional and international investments, and strengthen its presence in promising markets—with the ultimate goal of generating returns for its shareholders—the Bank is in the process of completing the acquisition requirements for a 10% stake in the capital of the Iraqi Islamic Bank for Investment and Development.

Future Outlook

The Treasury and Investment Department continues to develop innovative, Sharia-compliant financial solutions that reinforce the Bank's position as a reliable and sustainable financial partner.

Statistics on Complaints Received from Customers Through Various Channels During 2024

Complaint Category	Total Number of Complaints
Electronic Services	27
Fees and Commissions	17
Profit Rates / Returns	8
Professional Conduct	173
Payment Cards	76
Contracts and Terms of Service	47
Work Environment	25
Transfers	9
Credit Inquiry	16
Other	13
Total	**411**

Safwa Islamic Bank places a high priority on customer complaints, recognizing them as a key indicator of service quality and the performance of the products offered to our customers. The Customer Complaints Department operates under the Compliance Department, ensuring alignment with regulatory requirements. Each complaint is handled with the utmost professionalism and efficiency, and is promptly escalated to the relevant departments for resolution. We are committed to addressing complaints thoroughly, identifying root causes, and implementing lasting solutions to prevent recurrence with other customers.

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Thousand
Service Beneficiaries


Our Success... Built on Your Trust

Summary of the Policy Regulating the Relationship Between the Bank (Mudarib) and Investment Account Holders (Rub Al Mal)

First: Investment Accounts and Investment Priority

1.1 Joint Investment Accounts

Joint investment accounts represent funds received by the Bank (Mudarib) from depositors under a Mudaraba contract. The account holders (Rub Al Mal) authorize the Bank to invest these funds in accordance with the principles of Mudaraba. These accounts are classified as follows:

1.1.1Unrestricted Investment Accounts:

In these accounts, the Bank is granted full discretion to invest the funds in any Sharia-compliant manner, without being tied to a specific project or investment program. The relationship is structured as a single Mudarib (the Bank) with multiple capital providers (Rub Al Mal), and governed by the Sharia principles of joint Mudaraba. Profits, if generated, are distributed between the account holders and the Bank based on pre-agreed ratios outlined in the Mudaraba agreement or account opening application. Losses are borne solely by the account holders in proportion to their investment, unless caused by negligence, misconduct, or breach of contractual terms by the Bank, in which case the Bank assumes responsibility.

1.1.2 Restricted Investment Accounts:

These accounts involve funds deposited with the Bank (Mudarib) under specific conditions that restrict the investment to a designated project or investment program, as determined by the account holder (Rub Al Mal). Profits, if realized, are shared between the account holder and the Bank in accordance with the profit-sharing ratios stipulated in the Mudaraba agreement or the approved account opening request. Any losses are borne by the respective account holder in proportion to their capital contribution, unless the loss results from the Bank's negligence, misconduct, or breach of terms.

1.2 Investment Priority and Equal Opportunity

The principle of equal opportunity in investment is applied between shareholders' funds and the funds of joint investment account holders (Rub Al Mal) within the Mudaraba pool. The Bank's (Mudarib) proprietary investments are managed in separate accounts, distinct from joint investment accounts, and the Bank is required to disclose this.

Components/ Basis of Profit Distribution:

- Allocation of the Bank's (Mudarib's) share from the profits of the joint investment pool
- Assignment of points (to reflect the average balances held over time)
- Determination of shareholders' (Rub Al Mal) invested amounts within the joint pool
- Determination of funds held in Unrestricted Investment Accounts within the joint pool
- Calculation of net profit for the joint investment pool
- Maintenance of a Profit Equalization Reserve (PER)

Second: Profit Distribution Mechanism

This section outlines the methodology for distributing net profits between shareholders and holders of Unrestricted Investment Accounts (Rub Al Mal), within a single joint investment pool that consolidates the funds of both parties for investment in Sharia-compliant financial products.

2.1 Allocation of the Bank's (Mudarib) Share in the Profits

Following adjustments related to the credit loss provision for the financial period and the calculation of profit entitlements for joint investment account holders, the Bank's share of profits is determined by applying a pre-approved percentage to the net profit of the pool.

This percentage must be approved by the relevant Sharia Supervisory Board and internal governance committees. The Bank is required to publish these profit-sharing ratios at least once annually in its branches and on its official website by the end of the first month of the new financial year. Should any amendments occur, updated weightings must be published prior to the beginning of the quarter in which the changes take effect.

2.2 Assignment of Points (Profit Distribution Weight Methodology)

Accurate and equitable weightings are applied consistently across all customers.

Profit distribution points are calculated as follows: Points = Average Balance × Weighting Percentage

It is implicitly understood that returns on investment deposits and investment certificates are paid based on the average balance of the deposit or certificate, and that the weighting mechanism serves solely to determine each client's share of returns from the joint investment pool.

Assignment of weightings must be approved by the relevant internal committee and endorsed by the Sharia Supervisory Board.

2.2.1 Weighting Allocation, based on the following criteria:

a. Amount of the Deposit: A predefined table is used to determine weightings based on deposit size, and is made available to customers for full transparency.
b. Investment Term: The duration of the investment deposit or investment certificate.
c. Profit Distribution Frequency: Whether profits are distributed periodically during the investment term, or in full upon maturity.
d. To clarify, a six-month investment deposit may receive a different weighting depending on whether profits are paid only at maturity or periodically during the investment period. This includes classifications such as “Maturity” and “Primary” accounts.
e. Profit Payment Frequency: Monthly, quarterly, semi-annually, annually, or upon maturity.

2.3.1 Determining Shareholders’ Invested Amounts in the Joint Investment Pool

Shareholders’ invested amounts participate in the results of the joint investment pool, and appropriate weightings are assigned based on a framework approved by the committee and endorsed by the Sharia Supervisory Board.

The average daily balance of the following accounts constitutes the total investment of shareholders in the joint pool:

- Paid-up Capital
- Statutory Reserves
- Voluntary Reserves
- Other Shareholder-Specific Reserves
- Retained Earnings Attributable to Shareholders

2.3.2 Funds Belonging to Customers but Guaranteed by Shareholders

These funds are invested within the joint investment pool, with returns allocated to shareholders based on the Sharia principle of “al-kharaj bi al-daman” (entitlement to gain is contingent on bearing risk) or “Al Ghunm bil Ghurm” (profit earning is legitimized only by risk-sharing and engaging in an economic venture). These balances include:

a. Current Account Balances, after deducting:

   - Statutory reserves held with the Central Bank
   - Cash on hand, including amounts in ATMs

- Current accounts with other local and international banks

b. Employees’ end-of-service benefit provisions
c. Long-term client-held trust accounts, based on account nature
d. Cash collateral on indirect obligations (e.g., letters of credit, guarantees)
e. Cash collateral on direct obligations that do not participate in profits
f. Other non-profit-participating cash collaterals
g. Outstanding shareholder liabilities, such as unpaid balances from previous years

2.3.3 Deductions from the Above Total, include:

- Funds not invested in the joint investment pool
- Net fixed assets, as they are not part of the investment pool
- Prepaid expenses related to shareholders and not part of the pool
- Self-funded investments and financings executed by the Bank as an entity (e.g., branches, subsidiaries, etc.)
- Bank investments in restricted accounts or activities
- Weighted balances of client products not part of the profit pool (e.g., Qard Hasan, Visa fees, overdrafts)

After accounting for all the above, the net average balance represents the shareholders’ invested funds within the joint investment pool.

2.4 Determining the Amounts of Unrestricted Investment Account Holders (Rub Al Mal) in the Joint Investment Pool

Unrestricted Investment Accounts participate in the profit outcomes of the joint investment pool. Profits are allocated to account holders proportionally, based on their share in the pool, and considering the specific weighting assigned to each account and the terms agreed upon between the Bank and the depositor.

The assignment of weighting to these accounts is determined by the committee and approved by the Sharia Supervisory Board. (Appendix of examples is provided separately).

2.4.1 The amounts allocated to unrestricted investment account holders (Rub Al Mal) are determined based on the deposited amount, adjusted by the weighting ratio assigned to the investment category of that amount.

2.4.2 Average Balances for Joint Investment Accounts and Profit Entitlement:

First – Savings Accounts:

For a savings account to be eligible/qualified to receive profits from the income/revenues of the joint fund, the following standards and conditions must be adopted:

a. Minimum balance for a regular savings account and a “Kanzy” children’s savings account must not fall below 200 (regardless of currency) at any time during the month. For a “Harir” women’s savings account, the minimum balance must not fall below 500 (regardless of currency) at any time during the month.

b. Maximum number of withdrawals allowed during any calendar month is four (4) per account.

c. Savings accounts opened during the month will not be eligible to receive profits for that month unless the account was opened on the first business day of the month. Otherwise, the investment will be considered to have started at the beginning of the following month.

d. Weighting ratio assigned to savings accounts is lower than that of one-month investment deposits and lower than the weighting ratio of special savings accounts.

e. Weighting ratio for savings accounts remains the same regardless of the average monthly balance of the account.

f. Lowest balance in the savings account at any point during the month is considered the average monthly balance of the account.

Second – Special Savings Account:

a. Average balance for this account is calculated using the following formula: Average Balance = (Total end-of-day balances) ÷ (Total number of days in the current profit distribution period).

b. If the end-of-day balance on any day during the month falls below the minimum specified amount (2,000 Jordanian Dinars or its equivalent in any other currency), the balance for that day is considered zero in the total calculation.

c. No maximum limit on the number of withdrawals allowed during any calendar month.

d. Weighting ratio for special savings accounts remains the same regardless of the total average monthly balance or the end of the profit distribution period.

e. Weighting ratio assigned to the special savings account is lower than that of a one-month investment deposit and higher than that of a regular savings account.

Third – Investment Deposits (Term Accounts) and Investment Certificates of Deposit:

a. Average balance of investment deposits and certificates of deposit is calculated according to the following formula: Average Balance = (Deposit amount or investment certificate amount × Actual number of days) ÷ (Total number of days in the current profit distribution period).

b. Weighting ratio proposed by the committee and approved by the authority is allocated based on the following factors:

- Deposit amount.
- Term/duration of the deposit or investment certificate.
- Frequency of profit distribution (monthly, quarterly, semi-annually, annually, or at maturity).

c. Profit calculation for certificates of deposit starts from the subscription closing date and from the issuance date.

d. Minimum investment term for certificates of deposit is 13 months or more.

e. In order for the investment deposit to be eligible for the weighting ratio assigned to its category, the client must retain it until the end of the agreed investment period (i.e., the maturity of the deposit or certificate of deposit). If the deposit is not held until the end of the investment term, a modified weighting ratio is applied based on the closest completed period, and 10% is deducted from the calculated profit.

For example, if an investment deposit originally for one year is broken/withdrawn after 9 months or more, a modified weighting ratio equivalent to a 9-month deposit will be used, and 10% of the calculated profit will be deducted. (Annexed examples attached).

As for investment certificates of deposit, the Bank (Mudarib) is not obligated to accept the client's request to withdraw the certificate amount before the agreed maturity date. However, early withdrawal may be allowed in the event of a court order and/or a legal seizure by an authorized entity, and/or in the case of death upon presentation of a death certificate, and/or at the discretion of the Bank. Withdrawn certificates are treated according to the profit rate applicable to the actual full period they remained in the joint investment pool, after deducting 30% of the entitled profit.

2.5 Calculation of Net Profits of the Joint Investment Pool:

The net profits of the joint investment pool that are eligible for distribution between shareholders and unrestricted investment account holders (Rub Al Mal) represent the final result of total revenues after deducting shared expenses, as detailed below:

2.5.1 Shared Revenues:

a. Net income derived from Sharia-compliant financing and investment activities shall be determined. (Financing activities include Murabaha, Istisna'a, Salam, and Ijara, while investment activities include Musharakah, Mudaraba, Wakalah for investment, and other investments in Sharia-compliant stocks, securities, and Sukuk, or as decided by the Sharia Board).

b. New products within the joint investment pool: If the Bank (Mudarib) introduces any new product, whether within joint investments/financing or within the framework of joint investment deposits, and it has an impact on the profitability of unrestricted investment account holders (Rub Al Mal), it requires the approval of the Sharia Board. The product must be offered under the terms and conditions approved by the Board.

c. Profit Realization Conditions:

Profits eligible for distribution are considered realized only if the following conditions are met:

- Capital Preservation: Profit is not realized for joint investment accounts unless capital is protected.
- Actual or deemed liquidation: Profits for joint investment accounts are realized after liquidation (Tanadud) of Mudaraba assets, either actual, by converting all assets to cash and collecting all receivables, or deemed, by evaluating non-cash assets and assessing the collectability of receivables, and forming provisions for receivables as per Central Bank Instruction No. (47/2009) or Expected Credit Loss provisions as per Central Bank Instruction No. (6/2020), whichever is stricter. Cash assets are recorded at face value.

d. Any income deemed impermissible due to non-compliance with Sharia principles, as determined by the Sharia Compliance Department and approved by the Sharia Board, shall be deducted from shareholders' profits if applicable. Otherwise, it shall be deducted from the joint pool and recorded under the charity account at the Bank (Mudarib).

2.5.2 Shared Expenses:

- The following expenses are charged to the net income of the joint investment pool:

a. Direct expenses related to Islamic financing and investment activities.

b. Depreciation of investment assets within the joint investment pool, if any.

c. Impairment losses on assets and potential liabilities, and any other obligations funded by unrestricted investment account holders (Rub Al Mal).

d. Credit losses for the financial period.

e. All types of shared provisions.

f. Expenses related to deploying joint investment account balances, with each transaction bearing its necessary direct costs.

g. The annual subscription fee paid to the Deposit Insurance Corporation (shared portion) in Jordanian Dinars.

h. Any shared expenses related to deploying joint investment account balances, excluding those related to the Bank's (Mudarib's) proprietary operations.

i. Investment Operation Losses:

If losses occur in some joint investment operations, whether from the current or previous periods, and without negligence or misconduct by the Mudarib or a breach of the terms agreed upon in the investment contract or account opening form, they are charged to the shared expenses for the current year.

- Joint investment accounts are not liable for expenses related to the Mudarib's operational obligations, including general and administrative expenses such as rent for bank branches, other operational costs (maintenance, telephones, staff salaries, etc.), expenses for departments related to financing and investment, such as the Risk Management, Retail and Corporate Financing, and Finance Departments, among others (this list is illustrative, not exhaustive).

2.5.3 Allocation of Profits, Reserves, and the Share of the Mudarib from Profits, and the Contribution of Shareholders in Certain Deposit Categories.

2.5.3.1 After calculating the points for each category of the joint investment accounts and after calculating the net profits from the pool, and determining the total points for the shareholders and the holders of the absolute investment accounts (the Rub Al Mal), the profit per point is calculated by dividing the net profit by the total weighted balance points for the shareholders and the holders of the absolute investment accounts (Rub Al Mal).

2.5.3.2 Profit per Category = Net Profit ÷ Total Points

The profit for each category of the client deposits and investment certificates is then calculated separately. The amounts of shareholders are considered as a single category. The profits are calculated by multiplying the category points by the profit per point.

Profit per Category = Profit per Point × Points of Each Category

The annual profit rate for each category is calculated by dividing the profit for each category by the balance rate of each category.

Annual Profit Rate for Each Category = Profit per Category ÷ Balance Rate of Each Category × 365 (number of days in the profit distribution period).

2.5.4 Deduction of Fees Paid to the Jordan Deposit Insurance Corporation (JODIC):

After deducting the Mudarib's share from the profits, the fees paid to JODIC for the joint investment accounts in Jordanian Dinar and investment certificates in Jordanian Dinar are deducted. This amount is paid on their behalf to JODIC at a rate of 2.5 per thousand of the year-end balance in Jordanian Dinar or any percentage determined by JODIC, after deducting the portion that does not participate in the profits from these accounts.

The annual profit rate for each category is then determined by reversing the deduction for each deposit category (proportionally) and for investment certificates.

Annual Profit Rate for Each Category in Jordanian Dinar after Deducting the Mudarib's Share and Fees Paid to JODIC = Annual Profit Rate for Each Category after Credit Loss Provision for the Financial Period × (1 - Mudarib's Share %).

Annual Profit Rate for Each Category in Other Currencies after Deducting the Mudarib's Share = Annual Profit Rate for Each Category after Expected Credit Loss Provision × (1 - Mudarib's Share %).

2.5.5 Income Tax on Absolute/Restricted Investment Account Holders (Rub Al Mal) "Withheld Tax":

Income tax is deducted from all profits of the absolute/restricted investment account holders (Rub Al Mal) based on the income tax law, unless these deposits and investment certificates are exempted by law.

2.5.6 Profit Entitlement:

The Bank (Mudarib) must announce all types of accounts and investment certificates managed under the joint investment pool and the approved distribution ratios for each of these accounts and investment certificates at all branches of the Bank and in a prominent place in front of the public, and on the Bank's website, no later than the end of the first month of each year. In case of any changes during the year, the announcement must be made before the next distribution period begins.

"Profit is entitled to the holders of the joint investment accounts (Rub Al Mal) at the time of distribution and sharing, based on the percentage, and it cannot be determined as a fixed amount." The Bank (Mudarib) may set different percentages between itself and different categories of the joint investment account holders. It may also have a unified profit ratio between itself and all joint investment account holders, and the profit ratios between joint investment account holders may be uniform or different, and based on known weights.

An agreement may be made on any method for distributing profits, whether fixed for the entire period or variable for specific periods after settlement for each period.

If the Bank mixes its own funds with the funds of the Mudaraba (technically), it becomes both a partner and Mudarib with the funds of the other party. The profit is divided between the two funds, with the Bank receiving profit for both its work and its capital. The same treatment applies to its share of the profit as applies to other joint investment account holders.

2.5.7 Self Expenses:

2.5.7.1 The Bank bears all pre-operation expenses as a Mudarib. This is a Sharia requirement when establishing the Bank. The Mudarib is required to establish itself as a legal entity with all necessary infrastructure, workforce, systems, and to comply with the licensing and regulatory authorities' requirements, allowing it to start receiving deposits from the public based on a Mudaraba contract.

2.5.7.2 The shareholders alone bear all administrative and general expenses (including employee expenses) starting from the date the Bank (Mudarib) begins its operations. This is because the Bank, owned by the shareholders, is an independent entity from the Mudaraba portfolio, and the holders of the absolute investment accounts are the Rub Al Mal, while the Bank is the Mudarib.

2.5.7.3 Depreciation expenses related to fixed assets owned by the Bank (Mudarib) are not charged to the joint investment pool. These assets are financed by the shareholders, who are solely responsible for bearing these expenses.

2.5.8 Self-generated Revenues:

2.5.8.1 The Bank (Mudarib), as an independent entity, is entitled to receive commissions and fees for the services it provides to customers. For example, documentary credit opening, guarantees, and general banking services, etc. This income is not included in the joint investment pool, as the Bank generates this income as an entity separate from the Mudaraba and without investing any funds from the Mudaraba portfolio capital.

2.5.8.2 The Bank (Mudarib) is entitled to a percentage of the profits from the joint portfolio, and this percentage is predetermined and communicated to the customers.

2.5.8.3 The Bank (Mudarib) is entitled to another portion of income, which is the return on investment of amounts that belong to it or are guaranteed by it and invested in the joint investment pool with the holders of the absolute investment accounts (Rub Al Mal).

2.5.8.4 Any additional income earned by the shareholders from direct investments of the shareholders' funds, invested independently outside the investment pool in compliance with Sharia principles, will be added to the shareholders' income, subject to the approval of the committee.

2.6 Allocating a Share of Shareholder Profits to Holders of Absolute Investment Accounts (Rub Al Mal):

2.6.1 The committee, in case of insufficient reserves of the PER, may allocate a portion of the shareholder profits as a donation, which shall not exceed 10% of the shared revenues for the distribution period. Any amount exceeding this percentage will require approval from the Bank's Board of Directors for specific deposit categories or investment certificates. This could be due to an increase in the profit rates announced by financial institutions (competitors) or to encourage certain categories of holders of absolute investment accounts (Rub Al Mal).

(Note that the allocation of a share of the shareholder profits to the holders of absolute investment accounts (Rub Al Mal) applies to all customers who meet the conditions of a specific category, not to a specific number of them).

2.6.2 In such cases, the Bank (Mudarib) will decide on the category(s) / issuance of the deposit and investment certificates it wants to increase the profit rates for, and determine the desired profit rates for these categories.

2.6.3 The Bank (Mudarib) will decide for each deposit category / issuance of investment certificates the increase intended to adjust the profit rate of that category and the issuance of investment certificates, and specify the amount to be taken from the shareholders' profit account by multiplying the difference in the profit rates (old – new) by the rate of the concerned category and/or issuance, according to the following formula:

The amount to be taken from the shareholders' profit account for a deposit category and/or issuance of investment certificates = (Achieved profit rate – Profit rate after PER) x Rate of the concerned category and issuance of investment certificates x (Number of days in the profit distribution period ÷ 365).

2.6.4 The total amount of the account mentioned in sub-clause 2.7.3 for all deposit categories and issuance of investment certificates will give the total amount to be deducted from the shareholders' profit account.

2.6.5 The above applies when necessary, in any quarter/month during the fiscal year. This differs from the review of the weights (points) between the different categories of holders of absolute investment accounts (Rub Al Mal) and the Mudarib (shareholders), which is done at the beginning of the fiscal year and/or the beginning of the profit distribution period. In such cases, the Bank waives its share of the total profits or part of it to support the profit share of the joint investment accounts. This waiver process is primarily for increasing the profit distribution percentages, especially when the percentages fall below competitors. As a result, the PER is used, and if the reserve balance is insufficient, a waiver (donation) process is applied to maintain competitiveness and meet strategic goals.

2.7 Profit Equalization Reserve (PER)

2.7.1 Definition of PER:

The amount deducted by the Bank from the revenues of the joint investment pool (the pool shared by depositors and shareholders) before deducting the Mudarib's share, aiming to maintain stable return ratios and avoid sharp fluctuations in the profit distribution levels to the joint investment account holders. It serves as a tool for managing return risks on joint investment accounts, especially in cases of exceptional circumstances during the profit distribution period or when sharp market fluctuations occur.

Instruments are used to maintain the stability of return ratios on joint investment accounts, which include:

- Donation (transferring profits from shareholders or part of them to the holders of joint investment accounts).
- Adjusting the Mudarib's share or the weighted ratios either completely or partially before the beginning of the new distribution period.
- Profit Equalization Reserve (PER).

2.7.2 Building/Creating/Adding Profit Equalization Reserve:

- Reserve is built by deducting an amount from the net revenue of the joint investment pool before distributing the Mudarib's (Bank) share and transferring this amount to the PER. It is built when the achieved return on profits is higher than market rates, in a way that impacts the Bank's strategic plan to maintain stable investment returns in the future.
- Risk appetite for the PER does not exceed 5% of the net shared revenue by the end of each quarter, with an acceptable deviation of 1% when preparing the profit distribution ratios for depositors.
- The Bank adds balances to the reserve in the case of having PERs from previous periods and continues to achieve return rates on profits higher than market rates. The acceptable level of the cumulative balance in the PER must not exceed at any time 5% of the Bank's regulatory capital, with an acceptable deviation of 1%.

- PER is released (used) in subsequent periods when the return on joint investment deposits is lower than market rates. A donation from the reserve to support the profit of joint investment accounts can only be made if the PER balance is insufficient.

2.7.3 Controls and Supervisory Procedures:

- Approval must be obtained from the Assets and Liabilities Committee and the Sharia Supervisory Board when deducting amounts from the profits of the joint investment pool for the purpose of building/adding to the PER. If the deduction exceeds the acceptable risk level, the procedure must be reinforced with approval from the Bank's Board of Directors.
- The Bank's banking services contract includes approval from the holders of joint investment accounts to deduct a certain percentage from the shares of both depositors and shareholders of net profits in the joint investment pool for the PER and provisions for expected credit losses.
- This reserve is used in a way that ensures fair and equal treatment for each category of depositors, so that all customers who meet the conditions of the same category are included.
- The level of adequacy of the PER is reviewed annually, and a clear plan is developed to restore the reserve to its previous level if the acceptable reserve level falls below the required level.
- The Assets and Liabilities Committee, during its quarterly meeting focused on determining profit distribution ratios, balances the return rate on deposits with the transferred commercial risks (competition risks arising from differences between market return rates and our achieved return rates) by aligning business results, market return ratios, and the acceptable level of risk.
- The Bank adheres to Financial Accounting Standard No. (35) issued by the Accounting and Auditing Organization for Islamic Financial Institutions, in addition to using the guiding models attached in the Jordan Central Bank Instructions No. (2020/6).
- The Bank waives its share of the total profits or part of it to support the profit share of joint investment accounts. This waiver process is primarily for increasing the profit distribution percentages, especially when these percentages fall below competitors. As a result, the PER is used, and if the balance is insufficient, a waiver (donation) process is applied to maintain competitiveness and meet strategic goals.

2.7.4 Investing the PER:

The Bank may invest the PER or part of it in Sharia-compliant instruments. The goal of this investment is to increase the reserve balance.

Investments can be made internally through available joint investment accounts (savings, term deposits, certificates of deposit) or externally in Sharia-compliant instruments (such as murabaha transactions and international agency contracts).

If there are losses from these investments funded by the reserve balance, such losses are recorded against the reserve account.

2.7.5 PER in Case of Liquidation:

In the event of liquidation, the balance of the PER will be allocated to both shareholders and holders of joint investment accounts, each according to their share of the deduction,

Third: Zakat

The obligation of paying Zakat lies with the shareholders and the holders of unrestricted/restricted investment accounts (Rub Al Mal), as there is no authorization for the Bank's (Mudarib) management to pay it directly, nor a law for its collection, a provision in the Bank's Articles of Association, General Assembly resolutions, nor a mandate from shareholders.

Accordingly, each shareholder and absolute unrestricted investment account holder (Rub Al Mal) is responsible for calculating and paying Zakat on their shares and funds when the Sharia conditions and requirements are met. The Sharia Board will announce the Zakat percentage on shares at the end of each year in its annual report, which is attached to the financial statements.

Fourth: Disengagement / Discharge (Mubara'ah)

When a joint account holder (Rub Al Mal) disengages from the account by withdrawing all or part of his funds, this is considered a settlement of his share in the Mudaraba assets, not a full or partial refund of the original cash deposit. If the Bank determines the amount of the disengagement such that the account holder does not receive any profit or lower profit than he would have earned, had he remained, this is permissible. This does not constitute a deprivation of profit but is considered a discharge (Mubara'ah) based on market dynamics of supply and demand.

Accordingly, the disengaging Rub Al Mal absolves the other account holders from any profit that was not distributed or not yet realized, as well as from any remaining balance in the investment risk reserves or PER, and agrees to donate any such remainder to the Zakat fund upon liquidation of the investment pool.

Similarly, the other account holders (Rub Al Mal) release the disengaging party from any unrealized losses. The disengaging party bears any losses in proportion to the time his funds remained invested prior to withdrawal and does not bear losses incurred after the funds have been withdrawn.

Fifth: Corporate Governance

Board of Directors

The Board of Directors and the Sharia Board must ensure that the Bank's annual report includes disclosures allowing current or potential account holders to view the Bank's performance, financial position, and Sharia compliance.

The Board must ensure that the Sharia Board reviews and approves all contracts, agreements, products, services, investment policies, profit distributions, loss allocations, revenue segregations, and the handling of income that is not Sharia-compliant.

It must adopt and publish a policy governing the relationship between the Bank/shareholders and account holders (Rub Al Mal), subject to Sharia Board review, and publish it on the Bank's website.

A dedicated section of the website should clearly explain rights of account holders (Rub Al Mal) and include the full text of the policy governing their relationship with the Bank (Mudarib), with both quantitative and qualitative disclosures.

Sharia Supervisory Board

The Sharia Board shall review and approve all contracts, transactions, agreements, products, services, investment policies, and the policy governing the relationship between shareholders and owners of the money. This includes mechanisms for profit distribution, loss allocation, revenue segregation, and handling of income not compliant with Sharia.

It is also responsible for approving the allocation of any losses resulting from the Bank's operations that pertain to the owners of the money, and for guiding the payment of Zakat on shareholders' and depositors' funds in the annual Sharia report.

Sharia Compliance Department

The Department is responsible for reviewing accounts and financings classified as non-performing or written off, which are funded from joint investment accounts, to ensure there has been no misconduct or negligence by the Bank.

It also verifies that the executive management complies with the policy governing the relationship between shareholders and owners of the money—especially the principles of profit distribution.


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Information and details regarding applying the provisions of Corporate Governance and Companies Governance Guidelines

The Bank Corporate Governance Manual and Governance Report have been prepared in line with the amended Corporate Governance Directives of Islamic banks no. (2/2023), which is issued by the Central Bank of Jordan and the Corporate Governance Regulations of listed companies for the year 2019 issued by Jordan Securities Commission.

The Bank top management and under the supervision of the committees emerging from the Board of Directors perform the tasks and procedures necessary to comply with the instructions of the Central Bank of Jordan and the Jordan Securities Commission in addition to submitting periodic reports to the Board of Directors on the extent of compliance with the instructions and procedures taken in this regard.

Corporate Governance Manual

Contents

Article (1): Introduction
The Corporate Governance Guide was prepared in line with the Corporate Governance Instructions for Banks No. (2/2023) issued by the Central Bank of Jordan on 2/14/2023 and in application of best banking practices in this regard in a manner consistent with the bank's needs and policies.

Applying the principles of corporate governance in the bank provides a basis for future institutional development and performance, supports confidence in the bank's activities and dealings, and enables it to successfully contribute to the development of the Jordanian banking system, which contributes to raising the efficiency of the national economy and creating an atmosphere of reassurance for shareholders and customers.

Article (2): Definitions
The terms and phrases included in this guide shall have the meanings assigned to each hereunder, unless the context indicates otherwise.

Phrase	Definition
Corporate Governance	The system by which the bank is oriented and directed, that aims to identifying and achieving the corporate goals of the bank, managing the bank's operations in a safe and sound manner, protecting depositors interests, committing to the responsibility towards investment account holders, shareholders and other stakeholders, and ensuring the bank's compliance with laws and regulations, and its internal policies and procedures.
Stakeholders	Any party of interest in the bank; depositors, investment accounts holders, shareholders, employees, creditors, customers or concerned regulators.
Board	The Board of directors of the bank.
Independent Member	A board member other than the major shareholders- and who is not under the control of any thereof. He/ she shall have financial or banking qualifications or expertise, and in whom the conditions stipulated in Article)4/e) herein are present.
Sharia Board	The Islamic Jurisprudence Supervision Board of the bank.
Sharia Compliance	The framework that ensures compliance of the agreements, contracts and financial transactions of the Bank with the principles and rules of Islamic Sharia.
Senior Executive Management	Includes the general manager (Chief Executive Officer, "CEO"), deputy general manager, Chief Financial Officer "CFO", Chief Operational Officer "COO", Chief Credit Officer, Chief Treasury (and investment) Officer, Chief Risk Officer "CRO", Internal and Sharia Audit Manager, Chief Compliance Officer "CCO", Chief Sharia Compliance Officer, and any other employee in the bank who occupies the same job position and has an executive power parallel to the powers of the aforementioned and/ or is directly reporting to the general manager.
Fit and Proper	Certain requirements, and standards relating to honesty, integrity, reputation, competence and qualifications in accordance with the requirements contained in this guide to be present in those nominated to be members of the bank's board, its senior executive management, and Sharia board.
Consulting Position	The position whose occupant has a contract or agreement with the bank to provide temporary consulting services, or who does so under an annual contract.
External auditor	Includes the audit office, partners in the audit office, and audit team members.
Audit Office	The office through which the audit team practices the profession and is registered with the Companies Control Department at the Ministry of Industry, Trade and Supply as a civil company to practice the profession in accordance with the legislations in force.
The partner in charge of the audit	The licensed partner in the audit office who is responsible for the audit task and for the report issued on behalf of the audit office, and who possesses the experience, academic qualifications, and professional certificate that qualify him/ her to sign off the audit report.
Audit Team	The team members who perform audit procedures under the supervision of the partner in charge of the audit. This does not include members of the additional service team of non-audit services.

Article (3): Board of Directors Composition
a. The board should consist of no less than eleven members.

b. Neither the chairman nor any board member has the right to combine their position with any executive position or any position under which they participate in managing the daily work of the bank or any consulting position therein.

c. Independent members of the board shall not be less than four, except where the bank is owned by one shareholder.

d. The diversity and integration of skills and experiences amongst board members shall be taken into account so as to provide a wide range of visions and viewpoints in line with the size of the bank (or banking group), the nature of its activity and its strategy.

Article (4): Fit and Proper Criteria of Board Members

a. The board shall approve a policy to ensure the fit and proper of its members. Such policy shall include the minimum standards, requirements and conditions, which are to be fulfilled by the candidate member. This policy should be reviewed whenever needed. The board shall also set out adequate procedures and systems to ensure that all members meet these criteria and continue to do such.

b. Those who assume the chairman (or membership) of the board must meet the following requirements:

1. He/ she shall be of 25 years of age or more.
2. He/ she shall not be a board member, general manager, regional manager, or an employee of any other bank operating in the kingdom, unless the other bank is a subsidiary.
3. He/ she shall not be an attorney, legal counselor, or auditor of the bank, or a counselor of any other bank inside the kingdom.
4. He/ she shall hold a university degree, as a minimum, in economics, finance, accounting, business administration, or any other similar specialties. The nomination and compensation committee has the right to consider other specialties (such as Law and Information Technology) if coupled with banking business expertise or activities relating thereto in accordance with Paragraph (3/ d) of This guide.
5. He/ she shall not be a government employee or public official, unless a representative of them.
6. He/ she shall have experience for at least five years in banking, finance, economics, or other fields related to banking activities.
7. He/ she shall not have any relationship, including kinship up to the third degree, with the general manager of the bank, and of the first degree, with any other member of the senior executive management.

c. The Central Bank's no- objection statement shall be obtained prior to the nomination of any person (and of the nomination of the representative of the legal entity including temporary representative of any government entity, public institution, or public legal institution) to be a board member. Therefore, the bank shall enclose in its no- objection request the board's decision, the recommendation of the nomination and compensation committee, which includes its depiction of the added value that the nominated member will provide for the board's tasks, the declaration (the attachment No. 1 and its annex), the declaration of the independent member shown in attachment No. 6, the candidate's CV, all academic certificates, experience, and no- criminal record certificate, and a copy of the identification card (passport for non- Jordanians). The Central Bank will not consider any no-objection request unless it is completed with the above attachments.

d. The chairman shall make sure to notify the Central Bank of any material information which may negatively affect the fit and proper of any members thereof and of the representative of the legal entity.

e. The Nomination and Compensation Committee shall determine the requirements necessary to ensure the independence of the member, which shall include the following conditions as a minimum:

1. He/ she shall be a natural person.
2. He/ she shall not have worked as an employee or a consultant in the bank or in any of its subsidiaries during the past 3 years prior to his/ her nomination.
3. He/ she shall not be related (up to 2nd degree relatives) to any other board member of the bank, or to board/ management committee members of other subsidiaries of the bank, or to any major shareholder thereof.
4. He/ she shall not be related (up to 2nd degree relatives) to any of the senior executive management members of the bank (other than the general manager), or to any of the senior executive management member of subsidiaries thereof.
5. He/ she shall be neither a partner or employee for the external auditor of the bank, nor has been such during the last three years prior to his/ her nomination.
6. He/ she shall not be a major shareholder, or an affiliate of a major shareholder in the bank. Neither his/ her contribution with an affiliate contribution shall equal shares of that of a major shareholder, or of a major shareholder in the bank's subsidiaries, or of a major shareholder in the group owning the bank.
7. He/ she shall not have been a board member of the bank or of any of its subsidiaries or a member of the management committee therein for more than eight aggregate years for the aforementioned memberships. If any member has lost his/ her independence pursuant to this item, the bank has the right to following a cooling- off period of at least (4) consecutive years and in the event of having sufficient justifications, obtain the Central Bank no- objection to consider that member as an independent member.
8. Neither he/ she, their spouse, relative of the 1st degree, or any company in which he/ she is a member of the board or of the senior executive management, which he/ she owns, or in which he/ she is a major shareholder shall have obtained a credit from the bank exceeding 5% of the bank regulatory capital, nor shall he/ she be a guarantor of credit exceeding the mentioned percentage. The Central Bank has the right to consider some cases related to nominated persons who have

memberships in public shareholding companies.

f. The Board has the right to, if it deems it necessary and for clear and specific justifications, appoint a consultant. Doing such shall be within the scope of tasks consistent with the nature of the consultant's work, shall not include supervisory or executive tasks in any way, shall be within a specific timeframe and shall not negatively affect the board role of overseeing the bank's business in line with its tasks stipulated in the legislations, including the Banking Law. The Central Bank no-objection should be obtained for this appointment.

Article (5): The Board tasks

1. The board shall oversee the executive management, approve a policy for monitoring and reviewing their performance to achieve the corporate goals and ensure the soundness of all bank operations.
2. The board shall define the bank's strategic goals, orient the executive management to prepare a strategy to fulfill these goals and, then, approve the strategy and the related action plans that go in line with this strategy.
3. The board shall ensure the availability of policies, plans and work procedures in the bank that cover all of its functions, and which are in line with the concerned regulations. All of such are to be circulated across all managerial levels and reviewed on a regular basis.
4. The board shall establish the bank corporate values, draw clear lines as to the responsibilities and accountability for all bank functions, as well as establish a high- level culture in terms of moral standards, integrity and professional conduct of the bank administrator.
5. The board shall be responsible for carrying out the Central Bank requirements and those of other supervisory and regulatory authorities, and taking care of the stakeholders interests. It shall ensure also that the bank is duly managed within the framework of the laws and regulations and its internal policies, and that the effective monitoring of the bank's activities, including outsourced activities, is always in place.
6. the board, in light of the recommendations made by the relevant committee, must approve the appointment of the general manager, the internal and sharia audit manager - in consultation with sharia board- ,CRO and CCO, and is responsible for accepting their resignations or termination of services.
7. The board shall approve a risk management strategy and monitor its continuous implementation. Such strategy shall include the bank's risk appetite that prevents exposing the bank to high risks. The board shall be aware completely of the operational work environment and associated risks thereto. The board also shall ensure the availability of tools and infrastructure to manage the risks and that they are capable to define, measure, analyze, evaluate, and control all risk types which the bank may be exposed to.
8. The board shall ensure the availability of sufficient Management Information Systems "MIS", that are reliable and covering all the bank activities.
9. The board shall verify that the "bank business credit policy" include an assessment of the customers' corporate governance quality for public shareholding companies, in a way that customers risk assessment shall be done by adopting strength and weakness points according to their governance performance.
10. The board shall develop an environmental and social policy. This policy shall include the bank disclosures of the initiatives it conducts in this regard within its annual report and/ or sustainability report. Such initiatives shall at least be:
    a. Social initiatives in protecting the environment, health and education.
    b. Social initiatives to fight poverty and unemployment.
    c. Encouragement of micro and medium finance.
    d. Participation in initiatives of added economic value to society..
11. The board should take adequate measures to ensure clear segregation of the powers of major shareholders and those of the executive management. It must also allocate suitable mechanisms to minimize the influence of major shareholders. The senior executive management shall derive its power only from the board and shall act within the framework of delegation granted thereto by the board.
12. The board shall approve the bank's overall organizational structure.
13. The board shall specify the banking operations which require its approval in a way that is not exhaustive and jeopardizing its supervisory role, and shall not grant executive authority, including granting credit, to a sole board member including the chairman.
14. The board members and committees shall have the ability to directly contact the executive management and the board secretary, and they shall be empowered to do the duties entrusted to them. However, no board member shall affect the senior executive management decisions unless through negotiations conducted in the board's or its committees' meetings.
15. The board shall take due diligence measures when deciding on any of the issues related to the bank business, and consider the sound bases in the decisions taken in this regard in a manner that guarantees carrying out its duties at highest levels of professionalism.

16. Verify setting the adequate controls that ensure the compliance of all the banking activities with the provisions and principles of Islamic Sharia, fatwas and Sharia decisions issued by the Sharia board.
17. Approve the policy that organizes the relationship between the bank/ shareholders and the investment accounts holders, provided that such policy is reviewed by the Sharia board and published on the bank's website, so that it includes quantitative and qualitative disclosures.
18. Approve the code of policies and procedures relating to the compliance with the Islamic Sharia provisions and principles. This code shall include the following as a minimum:
    a. The mechanism of presenting topics to the Sharia board to get the Fatwa and/ or the Sharia board's decisions regarding them.
    b. Working procedures manual (Action Guide) of the Sharia board.
    c. The mechanism of ensuring compliance with the Fatwas or decisions issued by the Sharia board.
    d. A mechanism to facilitate communication of the various bank's units and the bank's customers with the Sharia board.
19. Ensure the availability of a mechanism to provide the bank's customers- upon their request- with a clarification of any Fatwa issued by the Sharia board.
20. Ensuring that all the Fatwas and decisions issued by Sharia board that related to launching a new product or service, or adopting a processing or a mechanism related to the product or service, for which Fatwas and decisions were issued, are published on the bank's website within a period of no more than two months as from the date of issuance/ adoption.
21. Ensure the organizational structure shall include the Sharia board, the internal and sharia audit department and Sharia compliance.
22. Ensure the adherence to the governance standards issued by Accounting and Auditing Organization for Islamic Financial Institutions (AAOIFI).
23. Ensure allocating part of the bank's website to include clarification on the rights of investment accounts holders.
24. Verify that the general manager implements all decisions and Fatwas issued by the Sharia board and adheres to them.
25. Ensure that Sharia risks, which the bank may be expose to, are included in the ICAAP methodology of the bank.
26. The chairman must undertake the following as a minimum:
    a. Establishing a constructive relationship between the board and the senior executive management.
    b. Encouraging expression of opinions on issues discussed in general, and on those that raise different points of view amongst the board members, and encouraging negotiation and voting on such issues.
    c. Discussing, in detail, the strategic and important issues in the board meetings.
    d. That all board members receive and sign the minutes of previous meetings, and that they receive the meeting agenda well before the meeting is held. The agenda shall include enough written information about the topics to be discussed in the meeting. The handing of such shall be made via the secretary of the board.
    e. The availability of a charter governing and identifying the board scope of work.
    f. Providing each member in the board, once elected, with the concerned laws related to banking; the Central Bank instructions pertaining to the scope of work of the board; a booklet stating the member's rights and tasks; and the secretary's duties.
    g. Providing each member with sufficient summary on the bank's operations on the date of appointment or upon request.
    h. With the assistance of both the bank's legal counselor/ legal department manager and the secretary of the board, deliberating with any new member on the board's responsibilities and roles, especially those relating to legal and organizational requirements, so as to clarify the tasks, authorities, and other matters of membership such as membership term, meetings schedules, committees' responsibilities, remunerations, and the possibility of obtaining independent technical advice when necessary.
    i. Meeting the board members' needs for developing their expertise and continuous learning. The new board member shall participate in an Orientation (induction) Program that suits his/ her banking background and includes, as a minimum, the following topics:
        1. The bank's organizational structure, corporate governance, and code of conduct.
        2. Corporate goals, the bank's strategic plan, and its approved policies.
        3. Financial position of the bank.
        4. The bank's risks profile and Risks management framework therein.
        5. Sharia controls

27. Each board member must undertake the following as a minimum:
    a. To have sufficient knowledge of legislations and principles of banking, the bank's operational environment, and to be up to date with the developments taking place therein as well as with related external updates.
    b. Attending all meetings of the board, its committees, and of the General Assembly, as necessary.
    c. Devoting enough time to undertake his/ her roles and duties as board member. The nomination and compensation committee shall find a clear methodology to verify this; (for example but not limited to) the number of memberships of such member in other boards/ bodies/ fora…etc.).
28. The board duties with respect to disclosure and transparency include the following, as a minimum:
    a. Maintain a specific mechanism to ensure interconnection with stakeholders through disclosing and providing significant information on the bank activities by virtue of the following:
        1. General Assembly meetings.
        2. Annual report.
        3. Quarterly reports including financial information, in addition to the board report on bank stocks trading, and its financial position during the year.
        4. Website of the bank
        5. Shareholders relationship section.
    b. Make sure of allocating part of the bank website to include clarification on shareholders rights, and encouraging them to attend and cast their votes in the General Assembly meetings. This is in addition to publishing meetings documents including complete text of the invitation and meetings minutes.
    c. Make sure that the financial and non- financial information of concern to stakeholders has been published at the earliest convenience.
    d. Make sure that the bank annual report includes a statement from the board to the effect that the board is responsible for the accuracy and sufficiency of financial data, all data included in the report, and the adequacy of the internal controls.
    e. Make sure of the bank's commitment to disclosures defined under the international financial reporting standards (IFRSs), international accounting standards (IASs), Central Bank instructions, and other legislations of concern. The board shall also ensure that the executive management is aware of the changes on International Financial Reporting Standards.
    f. Ensure publishing the corporate governance code on the bank's website and through any other suitable means to make it available for public viewing. The bank shall include and disclose in its annual report the presence of the code, and to what extent the bank complies with its contents.
    g. Ensure that the annual and quarterly reports of the bank include disclosures that enable the current or prospective shareholders to access operations outcomes and the financial position of the bank.
    h. Make sure that the annual report includes the following, as a minimum:
        1. Summary of the bank's organizational structure.
        2. Summary of the responsibilities and roles of the board committees and any other authorities delegated by the board for such committees.
        3. Information of concern to stakeholders contained in the corporate governance code of the bank.
        4. Information on each board member in terms of his/ her qualifications, expertise, shares in the capital, being independent or not, membership in board committees, date of appointment, and memberships in other companies' boards.
        5. Information on the risk management department including its structure, nature of operations, and developments undergone thereon.
        6. Number of the meetings of the board and its committees and the number of each member's attendance of these meetings.
        7. Names of all board members and senior executive management who resigned during the year.
        8. Summary on remuneration granting policy in the bank, disclosing all remuneration types and forms of the board members on individual basis, and remuneration of all types which have been granted to the senior executive management on individual basis, for the last year.
        9. Declarations by all board members stating that neither they nor any related entity received any benefits, whether financial or otherwise, from the bank without declaring it, for the last year.
        10. The board shall ensure the bank's commitment to disclosures defined under the standards of (AAOIFI)- with the disclosures defined under the international financial reporting standards (IFRS) and international accounting

standards (IAS) in case there are no standards for Islamic financial institutions- Central Bank instructions, and other related legislations. As well, the board shall ensure that the executive management is aware of the changes on the standards of (AAOIFI) and (IFRS).

11. Disclosures that enable the current or future investment accounts holders to be informed with the operations results and the financial and Sharia position of the bank, and the board and the sharia board shall ensure that this is included in the bank's annual report.
12. Information on each member of the Sharia board regarding his/ her qualifications, expertise, date of appointment, and the jobs he/ she currently occupies outside the bank and the names of the resigned members. Also, information on the number of the Sharia board meetings as well as the number of each member's attendance of these meetings shall be included.
13. Disclosures of the compensations granted to the Sharia board members on individual basis, in addition to declarations by all Sharia board members stating that neither they nor any of their related counterparties received any benefits, whether financial or in- kind from the bank without declaring such, for the previous year.

29. The board shall appoint the board secretary and be responsible for the termination of his/ her services and the determination of his/ her compensations and remunerations. The duties of the board secretary include::
    a. Attending all board meetings, and accurately recording all discussions, suggestions, objections, reservations and voting methods on the drafted board decisions.
    b. Scheduling the board meetings in coordination with the chairman.
    c. Verifying that all board members sign the meetings minutes and decisions.
    d. Following up the execution of decisions made by the board, and the discussion of any topics adjourned from a previous meeting.
    e. Maintaining the records and documents of the board meetings.
    f. Taking appropriate actions to ensure that the drafted decisions to be issued by the board are in conformity with the laws and regulations including those issued by the Central Bank.
    g. Preparing for General Assembly meetings.
    h. Coordinating with board committees.
    i. Providing the Central Bank with fit and proper declarations signed by board members.

Article (6): Board Meetings and its Committees

a. the quorum for any committee meeting shall not be less than (3) members, including the committee chair. It is not permissible to nominate an alternate member in any committee meeting in the absence of any member.

b. the board members have the right to attend its meetings and those of its committees by any means of video conferencing, provided that the board chairman and the secretary approve the minutes of the board meeting and its quorum, and the committee chair and the secretary approve the minutes of the committee meeting and its quorum.

Article (7): Board Committees

a. The board of directors shall form committees from its members, approve the charter for each committee that include as a minimum the committee composition, its duties and authorities, frequency and quorum of its meetings, nomination of a secretary thereof, while defining his/ her duties including accurately recording all discussions, suggestions, objections, reservations and methods of voting on the drafted committee decisions. Such committees shall report periodically to the board. The existence of such committees shall not relieve the board from its responsibilities.

b. The board shall form the following committees as a minimum:

1. Corporate Governance Committee:

It shall consist of at least 3 members, the majority of whom shall be independent, and it shall include the chairman. The committee shall assume the following:

a. To oversee the preparation of a corporate governance code and its approval from the board, so that to express the bank's view of corporate governance in terms of its concept, importance and basic principles, in a manner that at least conforms with the legislation in force and ensures the achievement of best practices in this field. This code should be updated whenever necessary.

b. To provide the Central Bank with a letter signed by all the committee members confirming that the code conforms with Corporate Governance Instructions for Banks No. (2/2023) dated 2/14/2023. This should be done within two months from the date of any subsequent amendment.

c. To verify that the observations contained in the report of the Internal Audit Department- or any other relevant body- have been corrected, with regard to the bank's compliance with the corporate governance code.

d. To inform the Central Bank immediately upon any violations of the provisions and requirements of Corporate Governance Instructions for Banks No. (2/2023) dated 2/14/2023.

2. Audit Committee:

a. Subject to the Banking Law, the majority of the committee members including the committee chair shall be independent members. The chair of the committee shall not be a chair of any other committee derived from the board, nor the committee shall include the chairman.

b. The majority of the committee members must have academic qualifications in the fields of accounting, finance, or to have professional certifications in these two areas. They must also have relevant experience in the fields of accounting, finance, external audit, internal audit, or banking.

c. In case any member of the audit committee of the Islamic bank does not have appropriate expertise in Islamic bank's business, he/ she shall be subjected to appropriate training program in fields of the standards of accounting and auditing, and the Sharia controls and the standards issued by (AAOIFI) and (IFSB).

d. Subject to the Banking Law regarding the committee tasks and authority, it shall review the following matters:

  1. Scope, outcomes, and adequacy of the internal and external audit in the bank.
  2. Accounting issues that have material impact on the bank financial statements.
  3. Internal control systems.

e. The committee shall recommend to the board the appointment of the external auditor, the termination of their service, determination of their fees, their independency assessment and any other provisions relating to contracting with them. This is in addition to any other services assigned to the auditor.

f. The committee charter shall include the following:

  1. The committee shall possess the authority to get any information from the executive management either directly or through the internal and sharia audit manager.
  2. The committee shall has the right to call any administrator to attend any of its meetings.

g. The committee shall hold meetings (separate meetings) with the external auditor, Chief Compliance Officer, Internal and Sharia Audit Manager, Chief Sharia Compliance Officer at least once a year without the presence of other senior executive management members.

h. The committee shall review, oversee and ensure that the bank has appropriate and effective whistleblowing procedures, which enable the employee to speak up in a confidential way about any errors in the financial statements, Sharia breaches or any other matters. The committee shall also ensure the availability of arrangements necessary for independent investigation and shall ensure following up investigation outcomes, and treatment actions in an objective manner.

i. The committee shall verify that the internal audit department complies with the International Standards for the Professional Practice of Internal Auditing issued by the Institute of Internal Auditors (IIA), including conducting an independent external evaluation of the internal audit activity at least once every five years and providing the Central Bank with a copy thereof.

j. The Committee shall verify the availability of sufficient resources and a sufficient number of qualified human staff for the Internal and Sharia Audit Department and enrolling them in specialized training programs, including those in the field of corporate governance, provided that the employees of the internal sharia audit department meet the following minimum requirements:

  1. An appropriate university degree along with knowledge of the principles of the Islamic financial transactions and the terms of every contract and the reasons behind its being void.
  2. Experience and knowledge of standards issued by the (AAOIFI) and (IFSB).

k. The committee shall verify that the internal audit staff are rotated to the bank audit activities every three years as a maximum. In the event of the inability to achieve this in certain areas, the committee's approval shall be taken regarding the justifications for non- compliance, especially in specialized cases such as the information technology and cybersecurity audit.

l. The committee shall verify that the internal audit staff are not assigned any executive tasks.

m. The committee shall ensure that all activities of the bank are subject to internal and sharia audit- in accordance with the risk-based approach- including outsourced activities.

n. The committee shall evaluate the performance of the internal and sharia audit manager and determine his/ her remunerations in accordance with the performance appraisal policy approved by the board.

o. Recommending to the board to approve the appointment of the internal and sharia audit manager, accepting his resignation or terminating his services, based on the recommendations made by the nomination and compensation committee in consultation with the sharia board, provided that the prior No- objection is obtained from the Central Bank, and the Central Bank has the right to call upon him to inquire about the reasons of resignation or termination of services.

p. Verify the rotation of the internal sharia audit employees to audit various bank activities every three years as a maximum. In the event that this is not possible in certain areas, the Committee's approval must be obtained on the justifications for non-compliance, especially in specialized cases.

q. Verify that none of the internal sharia audit employees is assigned with any executive tasks.

r. recommend to the board to approve the internal and sharia audit charter and verify that it includes the tasks of the internal and Sharia audit department, provided that it shall include the duties, authorities and work methodology of the internal audit department, before circulating it within the bank.

s. Ensure the adequacy and efficiency of the internal Sharia audit department through reviewing its reports and the executive management's feedback on such reports.

t. Ensure the capability of the external auditor to review the compliance of the bank with the Sharia controls within the conditions stated in the engagement letter signed with him and make sure he is doing so.

3. Nomination and Remuneration committee:

a. This committee consists of at least 3 members, the majority thereof including the chair are independent members.

b. This committee shall have the following roles:

1. Studying the fit and proper of the members nominated to join the board taking into consideration the candidates' capabilities and qualifications, and raising proper recommendation thereon to the board. In case of a member being re-nominated, his/ her attendance and efficient participation in the board and committees meetings must be considered.
2. Ensure that the candidate to join the board's membership has knowledge of banking activities that are compatible with the provisions of Islamic sharia.
3. Informing in writing any member (including the representative of the legal entity), who applies to join the board, of the board's decision which states that he/ she does not meet the provisions of corporate governance instructions for banks No. (2/2023) dated 2/14/2023.
4. Recommending to the board the qualified candidates to join the senior executive management.
5. Ensuring that the board members attend banking- related workshops or seminars, especially risks management, corporate governance, and the latest banking developments, especially in the latest Islamic banking developments.
6. Ensure that the Sharia board members attend banking- related workshops or seminars, especially in the latest Islamic banking developments.
7. Determining whether the member fulfills the independent member requirements, taking into consideration the minimum conditions stipulated for in Article (4/e) of this guide, and reviewing such on an annual basis. The Central Bank should be provided with any updates on the independence of any of the independent members.
8. Assessing annually the performance of the board as whole, and of its individual committees and members, while following defined and approved assessment basis that is built on objective assessment standard. The results of this assessment shall be reported to the Central Bank. The board members (other than those of the Nomination and Compensation Committee) shall, on an annual basis, assess the performance of the Nomination and Compensation Committee and its individual members.
9. Providing board members upon request with the required information and summaries on some important matters in the bank, and making sure to keep them abreast of current topics related to the banking sector.
10. Developing a performance appraisal and compensation policy for the bank's administrator, and reviewing it periodically. This policy should include a mechanism for determining the salaries, remunerations, and other privileges of the general manger and other executive management members. The committee does not have the right to delegate this task to the executive management, and this policy must be approved by the Board.
11. Verify having an experience of at least five years in Islamic banking by the candidates to be appointed in the senior executive management before approving their appointment. Otherwise, the member of the senior executive management shall be subjected to a comprehensive qualifying training program, of no less than three months, in the fields of Islamic banks, accounting and governance standards, Sharia standards issued by (AAOIFI), and (IFSB).
12. Study the fit and proper of the candidates nominated to join the sharia board, taking into account their qualifications and experience. Also, in the case of re- nominating the member, the number of his attendance, and the effectiveness of his participation in the meetings of the Sharia Board must be considered, and it shall recommend to the board the names of those candidates.
13. Set specific, approved and objective bases for the purposes of performance appraisal of the sharia board and its members.
14. Verify the fit and proper of the member of the sharia board, taking into account the minimum conditions mentioned in paragraph (9/ b) of this guide, review this on an annual basis, and provide the Central Bank with any updates on the fit and proper of the member.
15. Recommend to the board the approval of a policy to determine the compensations of the members of the sharia board.

4. Risk Management committee:

a. This committee shall consist of, at least, three members, the majority of whom, including the chair, should be independent members.

b. The committee shall convene at least once every three months and whenever necessary.

c. The committee shall have the following roles:

1. Ensuring the availability of a comprehensive risk management strategy for the bank that includes the type and level of risk appetite for all bank's activities.
2. Verifying the availability of policies and tools for identifying, measuring, analyzing, assessing and controlling risks, while reviewing such on an annual basis as a minimum to ensure their effectiveness and amending them when necessary.
3. Verifying the availability of a risk management system that ensures the accuracy and adequacy of the data used to identify, measure, analyze, assess and control the risks and losses that may result from them, and maintain the necessary capital to meet them.
4. Ensuring the effectiveness of the risk management department's work procedures and assessing the extent to which the executive management abide by the approved policies and procedures.
5. Reporting to the board periodically on the risks to which the bank is exposed, including the exceeding of the accepted risk appetite levels and the procedures to treat them.
6. Following up developments that impact the bank's risk management.
7. Ensuring the availability of risk management measures, including but not limited to:
    a. Risk self- assessment and risk indicators.
    b. Preparing a historical database of losses, identifying the sources of such, and classifying them according to the type of risk.
    c. Ensuring the availability of the necessary equipment, appropriate automated systems and quantitative methods.
8. Ensuring the availability of sufficient resources and enough qualified human staff for the Risk Management Department and enrolling the latter in specialized training programs.
9. Assessing the performance of Chief Risk Officer and determining his/ her remunerations in accordance with the performance appraisal policy approved by the board, after seeking the opinion of the general manager.

5. Compliance Committee:

a. This committee shall consist of, at least, three members, provided that they include an independent member.

b. The committee shall convene once every three months and whenever necessary.

c. The committee shall have the following roles:

1. Ensuring the availability of the bank's compliance policy and procedures issued pursuant thereto, in order to guarantee the establishment of a compliance function capable of performing its tasks effectively. The committee should conduct, at least once a year, an assessment of the effectiveness of the bank's management of non- compliance risks.
2. Approving the annual plan and reviewing the periodic reports prepared by the Compliance Department, which include non- compliance risks assessment, violations, deficiencies and corrective measures taken.
3. Overseeing the implementation of the bank's compliance policy, and making sure that the bank's executive management resolves all compliance- related issues in an appropriate and effective manner.
4. Overseeing the Compliance Department work, and ensuring that appropriate mechanisms are in place to monitor the compliance of all administrative levels in the bank with all regulatory requirements, legislations in force, and international standards, including the recommendations of the Financial Action Task Force (FATF).
5. Ensuring the availability of sufficient resources and qualified human staff for the Compliance Department and enrolling the latter in specialized training programs.
6. Assessing the performance of the Chief Compliance Officer and defining his/ her remunerations in accordance with the performance appraisal policy approved by the board, after seeking the opinion of the general manager.

It is prohibited for any board member to be the chair of more than one of the committees mentioned above, nor he/ she can be the chair of more than two of all board committees. The authorities of any board committee mentioned hereof shall not be delegated to any other party. Banks are also prohibited from forming any committee that has any executive authorities, while this does not include the "credit committee" stipulated in this guide.

6. Credit Committee:

The board constitutes this committee to look exclusively into credit exceeding the authority of the highest committee in the executive management, as follows:

a. The number of the committee members shall not be less than five, one of whom can be independent but not any of them a member in the audit committee.

b. Its authorities shall be exclusively to take suitable decisions for such credit facilities, which have been recommended by the above-mentioned executive committee.

c. The highest limits of the authorities granted to this committee with regards to granting, adjusting, renewing, restructuring, scheduling, or settling the credit facilities shall be defined in a way to make such authorities clear for the board.

d. The minimum quorum to hold the committee meetings is at least four members, and the decisions should be taken by the majority regardless of the number of present members.

e. It shall report to the board the details of the credit facilities it has approved.

7. IT governance committee:

a. The committee must consist at least three members that will be elected based on their experience and strategic knowledge in the Information technology field.

b. The committee must hold meetings on a quarterly basis at least.

c. The committee shall be responsible for the following:

1. The committee shall approve the strategic objectives of IT and the appropriate organizational structure, including the steering committees, specifically at the top executive management level (the steering IT committees), in order to guarantee the achievement of the bank's strategic objectives and the best value added from the projects and IT resource investment. The committee shall use the tools and needed measures to supervise and ensure the achievement of these objectives, such as IT Balance Scorecards and the return on investment (ROI). The committee shall measure the impact of contributions made to enhance financial and operational efficiency.
2. The committee shall approve the general framework of managing, regulating, and supervising IT resources and projects that simulates the best approved international practices in this regard, especially Control Objectives for Information and Related Technology (COBIT) that conform with and achieve the objectives and the requirements of instructions through the continuous fulfillment of the institutional objectives, along with the achievement of the accompanying IT objectives' matrix, and covering the processes of IT governance.
3. The committee shall approve the institutional objectives matrix and the accompanying IT objectives, consider their givens as minimum requirements, and describe the sub-objectives needed to achieve them.
4. The committee shall approve the (RACI chart) matrix regarding the main processes of IT governance along with the secondary processes related to: the entity(s), person(s), or party(s) primarily responsible, those who are ultimately responsible (accountable), those who are consulted, and those who are informed for all processes in light of COBIT 2019 Enabling Processes in this regard.
5. The committee shall ensure that a general framework for IT risk management is in place. And will be consistent and integrated with the overall framework of risk management in the bank, considering and achieving all IT governance processes.
6. The committee shall approve the IT projects and resources' budget in accordance with the bank's strategic objectives.
7. The committee shall undertake the general supervision and monitoring of IT processes, projects, and resources to ensure their sufficiency and effective contribution in achieving the bank's requirements and works.
8. The committee shall monitor IT auditing reports and take the necessary actions to handle deviations.
9. The committee shall give recommendations to the Board to take the necessary actions to correct any deviations.

Article (8): Sharia Supervision Board

Taking into consideration article (58) of the Banking Law no. (28) of year (2000) and its amendments, the bank shall comply with the following in respect to the sharia board:

a. The board of the bank shall be responsible for the following:

1. Ensure the presence of a fit and proper sharia board and a system of Sharia controls that includes an internal Sharia supervisory system to achieve effective and independent Sharia supervision over each unit of the bank. The board shall also approve appropriate supervisory and Sharia controls that enable it to accountable the senior executive management.
2. Ensure obtaining the opinion of the sharia board on all policies (including investments, the distribution of profits, allocation of losses, and avoiding earnings on the investment accounts), contracts, transactions, agreements, products and services related to the banking operations only, while non- banking contracts, transactions and agreements shall be presented to the sharia board if they contain sharia dimensions.
3. Ensure the fit and proper of the members of the Sharia board at the beginning and continuation.
4. Performance appraisal of the Sharia board as well as its members on an annual basis according to an assessment system developed by the nomination and compensation committee. Such system shall set key performance indicators that include as a minimum the extent to which the Sharia board achieves its tasks, and the effectiveness of Sharia controls and supervision system. In addition, these performance assessment standards shall include the role of the member in the meetings of the Sharia board as well as comparing his/ her performance with other members of the Sharia board. A feedback shall be obtained from the assessed member in order to improve the assessment process, and the bank shall notify the Central Bank of this assessment.

5. Ensure signing an engagement letter between the Sharia board and the bank in which the scope of the Sharia board work is specified in addition to its tasks and compensations.

6. Ensure that the Sharia board has the necessary information and unrestricted access to all bank's activities and to contact any administrator in the bank, and has all the authorities that enable it to perform its tasks.

B. The Sharia board Meetings:

1. The Sharia board shall periodically meet to carry out periodical reviews and to follow up the Sharia compliance of the bank transactions, provided that the meetings shall not be less than (6) meetings a year, and the Sharia board shall meet with the board, the audit committee and the external auditor at least once every six months.

2. The Sharia board members have the right to attend its meetings by any means of video conferencing to discuss the agenda of the meeting, provided that the Chair and the Secretary of the Sharia board ratify the minutes of the meeting and its quorum.

3. The senior executive management, enough time ahead of the Sharia board meeting, shall present full and accurate information to Sharia board members, and the chair of the Sharia board shall verify that.

   c. The Sharia board shall consider the Sharia' and the legislative environment in the Kingdom- taking into consideration the provisions of paragraph (53/ a) of the Banking Law no. (28) of year (2000) and its amendments-.

   d. The Sharia board shall establish a procedures manual that includes the working system of the Sharia board; its specializations and tasks; regulating its relationship with the board and the senior executive management; the mechanism of submitting its reports to the management, the board, and the shareholders; its approach in Sharia supervision and the mechanism of its meetings.

   e. The Sharia board shall suggest the Sharia training programs for the bank's administrators.

   f. The Sharia board shall attend the general assembly meetings and read the report of the Sharia board by its chair or whoever he delegates out of the Sharia board members.

   g. The Sharia board shall give an opinion of the Memorandum of Agreement and the Article of Association of the bank, and ensure their compliance with the Islamic Sharia provisions and principles.

   h. The Code of Conduct of the bank shall apply to the members of the sharia board.

   i. The member of the Sharia board shall avoid conflict of interests and maintain justice and fairness among stakeholders.

   j. The Sharia compliance officer shall be appointed as secretary of the Sharia board, and shall carry out the following tasks:

      1. Attending all the Sharia board meetings and precisely documenting in writing all the discussions, suggestions, objections, reservations, and the voting methods on the Sharia board decisions.
      2. Scheduling the dates of the Sharia board meetings in coordination with the chair of the Sharia board.
      3. Preparing for the Sharia board meetings and receiving Sharia inquiries from all bank's departments to present them to the Sharia board.
      4. Verifying that the Sharia board members sign on the meetings minutes and decisions.
      5. Following up the implementation of Fatwas and decisions taken by the Sharia board, and providing the internal and Sharia audit department and Sharia compliance department with such and with any amendments or developments thereto, in order to notify and work on them, and follow up on the discussion of any topics adjourned from a previous meeting.
      6. Maintaining the records and documents of the Sharia board meetings.
      7. Providing the Central Bank with the fit and proper declarations of the Sharia board members.

k. The Sharia board shall carry out the activities of the Fatwa and Sharia supervision according to the following:

   1. Give opinion of and approve all policies (including investments, the distribution of profits, allocating losses, and avoiding earnings on the investment accounts), contracts, transactions, agreements, products, services related to banking operations only, and non- banking contracts of transactions and agreements if they contain sharia dimensions.
   2. Agree on allocating any losses resulting from the bank's operations regarding the holders of investment accounts.
   3. Review the policies and instructions related to the Islamic Sharia provisions and approve them.
   4. Provide consultation to the parties providing services to the bank such as auditors, lawyers, and consultants.
   5. Approve semi- annual/ annual report about the Sharia commitment, which includes the efficiency of internal Sharia controls and any weaknesses in the systems of the Sharia controls and the internal Sharia supervision, which have a crucial impact. The semi- annual report shall be submitted to the board of directors and the annual report to the general assembly of shareholders with a copy of each sent to the audit committee and the Central Bank.

Article (9): Fit and Proper criteria of Sharia Supervision Board Members
The bank shall ensure the fit and proper of the Sharia board members through the following:

a. The board shall approve a policy to ensure the fit and proper of the Sharia board members. Such policy shall include the minimum standards, requirements, and conditions to be fulfilled by the nominated and appointed member. This policy shall be subject to review whenever needed.

b. Those who assume the chair and membership of the Sharia board must meet the following requirements:

   1. To hold a Bachelor degree, as a minimum, in Sharia science in the fields of Islamic jurisprudence and principles, Islamic economy, or Islamic finance.
   2. To have at least a three- year experience in issuing Fatwa and Sharia provisions and/ or experience in teaching or research of no less than four years after graduation.
   3. Not to get any funding for himself/ herself, his/ her spouse, or for any of his/ her second degree relatives from the bank or from any of the subsidiary companies of the bank during his/ her membership in the Sharia board.
   4. Not to have worked as an employee of the bank or of any of its subsidiary companies during the two years prior to the date of nomination.
   5. Not to be a member of a Sharia board at any other licensed Islamic bank in the Kingdom. Neither shall he/ she be a member of Sharia boards of more than four financial institutions that do not accept deposits and are operating in the Kingdom.
   6. Not to be a member of the bank's board of directors or owning a company, which the bank deals with, except for transactions arising because of the services, and/ or ordinary business, which the bank delivers to its clients provided that the same terms, of similar transactions with any other party, are applied without any preferential terms.
   7. Not up to a second degree relative to any of the board's members or any other person from the senior executive management at the bank. He/ she shall not get from the bank any salary, cash amounts, compensation, privileges, or gifts except what he/ she receives in return of his/ her membership in the Sharia board or in return of any additional tasks he/ she is assigned without affecting his/ her fit and proper.
   8. Not to be a shareholder of the bank, a shareholder of any of the subsidiary companies of the bank, or a shareholder of the group owning the bank.

c. The chair/ member of the Sharia board in the bank shall be appointed for four renewable years.

d. The bank shall obtain a no- objection letter from the Central Bank to nominate any person for membership of the Sharia board, provided that the recommendations of the Nomination and Compensation Committee and of the board, the declaration (according to the attached form No. (3) and its annex), the nominee's CV, academic certificates, experience certificates, a certificate of no- criminal record, and a copy of the identification card (passport for non-Jordanians) are attached to the no- objection request. The Central Bank will not consider any no- objection request unless it is completed with the above attachments.

e. The chairman of the board shall make sure that the Central Bank is notified of any material information that may negatively affect the fit and proper of any member in the Sharia board.

f. When there is a need to appoint members of the Sharia board who reside outside the kingdom, the number of such members shall not exceed half of the Sharia board members.

Article (10): The Executive Management Tasks

a. To execute and manage the bank's activities in accordance with the strategies/ policies approved by the board, systems, risk management, operations and controls necessary to manage all kinds of risks to which the bank is exposed, to ensure that the levels of risk appetite approved by the board are not exceeded, and to comply with all legislations in force and the bank's internal policies.

b. To verify that there are comprehensive work procedures for all bank's activities, that are in line with the legislations in force and the strategies/ policies approved by the board, provided that these procedures are approved by the general manager (except for the supervisory departments since they must be approved by the relevant committee/ sharia board), and to ensure that these procedures are applied.

c. To prepare the financial statements.

d. To develop the general organizational structure of the bank and approve it by the board, as well as developing the sub-organizational structures of all units operating in the bank and approving them by the general manager, except for the sub- organizational structures of the supervisory departments in local banks that are approved by the board based on the recommendation of the relevant committee/ authority, provided that these structures indicate the hierarchical order and reflect the lines of authority and responsibility in a detailed and clear manner, and that the general organizational structure includes, at a minimum, the following:

   1. The board and its committees.
   2. The executive management and its committees.

3. Separate departments for risk management, compliance, and internal and Sharia audit, in a manner that enables them to carry out their tasks with complete independence including not performing any executive activities, so that their connection to the relevant committee is shown in a continuous line and in a dotted line with the general manager.
4. Units that are not engaged in the executive activities such as the employees of credit review and middle office.
5. Subsidiaries and foreign branches.

e. To prepare an annual budget, approve it by the board and periodically reporting to the board showing the deviation of the actual performance from the estimated and its reasons.

f. To refrain from doing any practices that could affect the independency and objectivity of the supervisory departments, since the cooperation of these departments with the bank's various units and the executive management is essential to carry out their tasks. Supervisory departments are required to inform the senior executive management of any important issues that require immediate measures to be addressed if they are identified by any of these departments. This does not prevent these departments from informing the relevant committee/ sharia board about these matters.

g. To provide the supervisory entity, the external and internal audit and any other relevant entities, at the time specified by such entities, with the required information and statements which are necessary to carry out their tasks in an optimal manner.

h. To develop the bank's Code of Conduct, approve it by the board, and circulate it among all administrators in the bank.

i. To develop the skills and professional behavior of the bank's employees to comply with the latest standards of ethics and code of professional conduct.

j. To verify that there are appropriate supervisory controls for each activity or operation, and to separate the procedures administratively and practically among the tasks of approval and execution.

k. The general manager, in addition to legislations in force, shall:
1. Develop the strategic direction of the bank.
2. Implement bank's strategies and policies.
3. Implement the board decisions.
4. Provide guidance for executing short and long- term action plans.
5. Establish mechanisms to convey bank's vision, mission and strategy to employees.
6. Inform the board of all important aspects of the bank's activities.
7. Manage the daily activities of the bank.
8. To approve a detailed description of the tasks of each organizational unit (except for the supervisory departments that must be approved by the relevant committee/ sharia board), provided that all staff of the bank are informed of it each according to their specialization.

Article (11): Fit and Proper criteria of the Senior Executive Management Members

a. The board shall approve a policy to ensure the fit and proper of the senior executive management members in the bank. Such policy shall include the standards, requirements and conditions that must be met by any member of the senior executive management. The board shall review this policy periodically, and set out adequate procedures and systems to ensure that all senior executive management members meet the fit and proper criteria and continue to do such.

b. The board shall verify that the general manager enjoys integrity and has technical competency and banking expertise.

c. The bank shall obtain the board's approval on appointing/ transferring/ promoting/ assigning or accepting the resignation of, or terminating the services of any of the senior executive management members in the bank.

d. The board shall set up a succession plan to the senior executive management members in the bank, and review it at least once a year.

e. The chairman shall ensure that the Central Bank is notified of any material information that may negatively affect the fit and proper of any member of the senior executive management.

f. Any member appointed in the senior executive management of the bank shall meet the following conditions:
1. Not to be a board member of any other bank unless it is a subsidiary.
2. To be fully devoted for the management of the bank's activities.
3. To hold a bachelor degree, as a minimum, in economics, finance, accounting, business administration, or any other similar specialties related to the bank business.
4. To have at least five years of experience in the field of banking (mostly in the field of the job for which he is nominated) or related business, except for the general manager who must have at least ten years of experience in the field of banking.
5. Not to be a major shareholder and not to be related to the chairman of the board, or any of the board's members, or any major shareholder in the bank up to a third degree kinship in the case of the general manager, and to a first degree kinship in the case of any other member of the senior executive management.

g. The Bank shall obtain a No- Objection from the Central Bank before appointing/ transferring/ promoting/ assigning any member of the senior executive management, provided that the board's decision, the relevant committee's recommendation, the approved general organizational structure, the member's declaration (according to attachment (2) and its annex), CV, academic and experience certificates, a no- criminal record certificate, and a copy of the identification card (passport for non- Jordanians) shall be attached to the No- Objection request, since the Central Bank will not consider any No- objection request unless it is complete with the above attachments.

h. The Bank shall obtain a No- Objection from the Central Bank on the resignation or termination of the services of the general manager, the internal and Sharia audit manager, risk management manager, compliance manager, Sharia compliance officer, and the Central Bank has the right call upon any administrator to inquire about the reasons of resignation or termination of services.

Article (12): Conflict of Interests

a. The board shall approve a policy that governs conflict of interests of all forms including those arising from the bank's connection to the companies within the banking group, and shall approve the necessary measures to ensure the adequacy of the controls and internal supervision to monitor the compliance to this policy and prevent violations thereof. This policy shall include the following as a minimum:

   1. Avoid activities that result in a conflict of the bank's interest and the interest of any administrator in the bank or of any sharia board member of all forms.

   2. Immediate disclosure upon the verification of any issue that resulted in or may result in a conflict of the bank's interest and the interest of any administrator in the bank or of any sharia board member of all forms.

   3. The board member shall not disclose the confidential information of the bank or use it to his/ her own interest or for the benefit of others, and the representative of the legal entity shall not disclose any confidential information circulated during the meetings of the board or its committees to any person, including any administrator of the legal entity.

   4. The board member shall favor the bank's interest in all business transactions conducted with any other company in which he/ she has a personal interest. In addition, he/ she shall not use the bank's commercial business opportunities to his/ her own interest, and shall avoid conflict of interests and disclose to the board in detail any conflict of interests, if any, with a commitment not to attend a meeting or participate in a decision taken therein, where such a topic is discussed, and to record this disclosure in the minutes of any meeting of the board or its committees..

   5. Examples of cases that result into conflict of interests, provided that they include conflicts that arise between the interest of the board member and the interest of the bank, or between the interest of the member of the Sharia Board and the interest of the bank, or between the interest of the member of the executive management and the interest of the bank, or between the interest of any of the companies within the banking group, subsidiaries or affiliates of the bank and the interest of the bank.

   6. Identify the bank's related counterparties in accordance with the legislations in force and determine the conditions of transactions with those parties in a manner that ensures that the bank's related counterparty does not get better conditions than the conditions applied by the bank to another customer who does not have a relationship with the bank, and this includes all the bank's transactions with any of the companies within the banking group of which the bank is a part.

   7. Determine the nature of transactions with the related counterparties to include all types of transactions without being limited to credit facilities only.

   8. Procedures followed by the bank when identifying cases of non- compliance with the above policy.

b. The Board shall approve a code of professional conduct enabling the bank to carry out its business with high integrity, and includes at a minimum the cases that may result in a conflict of interests, and shall verify that it has been circulated to all administrative levels of the bank.

c. The internal audit department shall conduct a test at least once a year to ensure that all the transactions carried out with the bank's related counterparties have been executed in accordance with the legislations in force and the bank's internal policies and approved procedures, and it shall submit its reports and recommendations thereon to the audit committee. The audit committee shall inform the Central Bank upon verification of any violation of any of the legislations in force and internal policies in this field.

d. The board shall ensure that the executive management has high integrity in conducting their work, avoids conflict of interests, and objectively implements the approved policies and procedures.

e. The board shall approve controls for transfer of information among the various departments to prevent its exploitation for personal interest.

Article (13): Assessment of administrators Performance

a. The board shall ensure the presence of a system to assess its business and its members and committees' businesses. Such system shall include the following at a minimum:-

   1. Key Performance Indicators (KPIs) derived from strategic plans and goals to be used for performance appraisal of the board and its committees.

2. The communication between the board and the shareholders, and its periodicity.
3. Periodicity of the meetings between the board and the senior executive management.
4. The member's attendance of the meetings of the board and its committees and his/ her active participation in these meetings, as well as comparing his/ her performance with that of other members. A feedback shall be obtained from the concerned member in order to improve the evaluation process.
5. The extent to which the member has developed his knowledge of the banking business through his/ her participation in training programs.

b. The board shall annually assess the performance of the general manager according to a system prepared by the nomination and compensation committee and approved by the board, where it includes setting key performance indicators. The assessment standards of the general manager performance shall include at a minimum the financial and administrative performance of the bank compared to the size of the risks, and the general manager achievement of the bank's medium and long- term plans and strategies. A suitable weighting is set for each item of the assessment, provided that the committee shall notify the Central Bank of this assessment.

c. The board shall approve a system to measure the performance of the bank's administrators other than the board members and the general manager. Such system shall take into consideration performance indicators that differ according to the nature of the departments' business and the extent to which they achieve their goals, provided that it shall include, as a minimum, the following:

1. suitable weighting to measure the compliance with the framework of the risk management department and the compliance department and the implementation of internal controls and organizational requirements.
2. Gross income or profit shall not be the sole factor to measure the performance; that is other factors shall be considered to measure the performance of administrators such as, risks associated with major operations and the achievement of every department's goals and their annual plans, in addition to measuring customer satisfaction as applicable.

d. The performance of the internal audit department's employees shall be assessed by the internal audit manager, in accordance with the performance appraisal policy approved by the board.

Article (14): Financial Compensations for the administrators

a. The board shall set procedures to determine its members' compensation based on the approved assessment system.

b. The policy for granting financial compensation shall include the following elements as a minimum:

1. To be designed to recruit and retain competent, skilled and experienced administrators as well as to motivate them and develop their performance.
2. The controls related to the compensation of the chairman of the board, its members and committees for the tasks they carry out as stipulated in this guide; these compensations may vary according to the performance assessment of the board/ committees/ members and the bank's solvency and performance.
3. To be designed to ensure that the administrators are motivated to achieve the bank's goals without causing high risks that may negatively affect the bank's solvency or reputation or expose it to legal risks.
4. Granting the financial compensation shall not be based on the current year performance only, but it shall be based also on the medium and long- term performance (3-5) years.
5. A mechanism for postponing the payment of a reasonable percentage of the compensations (excluding salaries), so that this percentage and the period of postponement are determined based on the nature and risks of the work as well as on the concerned administrator's activities.
6. The form of compensation shall be determined in the form of fees, salaries, allowances, bonuses, stock options or any other benefits, provided that the instructions of effective interest ownership are considered.
7. A mechanism for claw back the deferred compensation granted to the administrator in case it turns out later that there are any problems in his/ her performance or that he/ she exposed the bank to high risks due to the decisions that fall within his/ her authorities and were taken by him/ her and could have been avoided.
8. Financial compensations shall not be granted to administrators of supervisory departments based on the results of the work of the departments under their supervision.

Article (15): Internal and Sharia Audit Department

a. The board shall take the necessary measures to promote the effectiveness of the internal and sharia audit by giving the necessary importance to the internal and sharia audit activity and establishing it in the bank, ensuring and enhancing the independence of internal and sharia auditors, and giving them an appropriate position in the bank's career ladder. The board shall ascertain that they have the knowledge, skills and competence necessary to perform their tasks, and shall guarantee their access to all records and information, and to contact with any administrator to enable them to perform the duties assigned to them and prepare their reports without any interference.

b. The board shall verify that the internal and sharia audit department is subject to the direct supervision of the audit committee, and that it reports directly to the audit committee with a copy sent to the general manager. In addition, the general manager has the right, with the approval of the audit committee chair, assign the internal and sharia audit department with assurance or consulting tasks, provided that this assignment does not affect the independence of the internal and sharia audit department.

c. The internal audit department:

The internal audit shall carry out the following tasks as a minimum:

1. Verifying the adequacy of the internal control and monitoring systems for the activities of the bank and its subsidiaries and compliance with them, and reviewing and documenting any modifications made to the structure of these systems.
2. Developing an audit plan that comprises the bank's activities including the activities of other supervisory departments and outsourced activities, according to the risk degree of these activities, provided that this plan is approved by the audit committee.
3. Reviewing the compliance with the corporate governance code and its related policies and charters on an annual basis, preparing a detailed report thereof, and submitting it to the audit committee with a copy sent to the corporate governance committee.
4. Reviewing the accuracy and comprehensiveness of stress testing in accordance with the methodology approved by the board.
5. Ensuring the accuracy of the procedures followed for Internal Capital Adequacy Assessment Process (ICAAP).
6. Auditing the financial and managerial matters.
7. Following up the violations and observations included in the reports of the supervisory authority and the external auditor, and making sure to address them and that the executive management has the appropriate controls to prevent their recurrence.
8. Ensuring the availability of the procedures required for receiving, handling and keeping the complaints of the bank's customers, and the observations related to the accounting system, internal control, auditing processes, and submitting periodic reports thereof.
9. Keeping the audit reports and working papers, for a period consistent with the provisions of the legislations in force in this regard, in an orderly and safe manner to be ready for reviewing by the supervisory authority and the external auditor.

D. The internal sharia audit department:

1. The internal sharia audit department shall share draft preliminary reports and observations with the Sharia board to obtain their opinions and conclusions regarding Sharia issues when needed.
2. The audit committee shall make sure that the internal Sharia audit department is capable of carrying out the following tasks as a minimum:

a. Ensure the presence of an appropriate governance framework in line with the principles and rules of Sharia.

b. Check and assess the adequacy and effectiveness of the internal Sharia supervisory system in the bank.

c. Follow up the compliance of the bank to Sharia aspects, Fatwa and decisions issued by the Sharia board.

d. Follow- up the Sharia observations and violations contained in the reports of the supervisory entity and the external auditor, and ensure that they are addressed and that appropriate controls are in place with the executive management so as not to repeat them.

e. Set the internal Sharia audit plan, which contains bank's activities related to Sharia aspects including supervisory departments' activities according to the level of Sharia risks in those activities and commit to implement its provisions, provided that it is approved by the audit committee.

f. Check the liabilities and finances classified as Non- Performing Facilities or those which have been decided to be written off, and which have been funded by the joint investment accounts to verify not having trespassing or negligence by the bank.

g. Filtrate the gains violating Sharia and follow up the way they are dealt with as per the Sharia board decisions.

h. Verify that the executive management sticks to the policy which organizes the relationship among the shareholders and the investment accounts holders, in particular the bases of dividends distribution.

i. Submit an annual report about the efficiency and effectiveness of internal Sharia control and supervision systems, and any weakness in those systems, while providing proper corrective recommendations, to the audit committee and a copy for the Sharia board.

Article (16): Risk Management Department

a. The board shall ensure the independence of the Risk Management Department and grant the department the authorities required to access information from other bank's departments and to cooperate with other committees to perform its tasks.

b. The board shall verify the remedy of the overrides beyond the risk appetite, including accountability of the concerned senior executive management with such overriding.

c. The board shall make sure that the Risk Management Department uses periodical stress testing to measure the bank's ability to withstand the high risks & stressed conditions. The board shall have also the main role in approving the used assumptions and scenarios, discussing the results of such tests, and approving the procedures to be taken in light of these results.

d. The Risk Management Department shall carry out the following tasks as a minimum:

1. Implementing the risk management strategy in addition to developing policies and work procedures to manage all risks types.
2. Developing a Risk Management Policy(s) that covers all bank's activities and sets clear scale and thresholds for each type of risk, and ensuring that all the employees, each according to his/ her administrative level, are fully informed and aware of this/ these policy(s), while reviewing them periodically, provided that the risk management policy(s) shall be approved by the Board.
3. Developing a comprehensive statement for all the risk appetite by the bank and approving it by the Board.
4. Reviewing the Risk Management Framework in the bank and approving it by the Board.
5. Developing the internal assessment statement for the adequacy of the bank's capital (ICAAP), reviewing it periodically and verifying the implementation thereof, so that it shall be comprehensive, effective and capable to identify all risks that the bank may expose, taking into consideration the strategic plan of the bank and the capital plan, and the board shall approve it.
6. Developing methodologies to identify, measure, analyze, assess and monitor every risks type.
7. Verifying the integration of the risk measurement mechanisms with MIS used therein.
8. Developing Business Continuity Plan and approving it by the Board, provided that it is tested periodically.
9. Before launching/ introducing any new (product/ service/ process/ system), ensuring that it is consistent with the bank's strategy, and that all risks arising therefrom, including Operational/ Information Security/ Cyber risks, have been identified and that the new supervisory controls and procedures or amendments made are in accordance with the bank's risk appetite threshold.
10. Providing necessary information on the bank risks, to be used for disclosure purposes.
11. Recommending the Risk Management Committee on the bank exposures to risks, and recording the cases of exceptions to risk management policy.
12. Monitoring the adherence of the bank's executive departments with the risk appetite levels.
13. Reporting to the Board through Risk Management Committee, with a copy sent to the general manager that includes information on actual risk profile of all bank's activities compared with the risk appetite document, and following up the remedy of negative deviations. The executive management has the right to request special reports, as needed, from the bank's Risk Management Department.

Article (17): Compliance Department

a. The board shall ensure the independence of compliance department.

b. The board shall approve the tasks of the compliance department, so that these tasks are as a minimum:

1. Develop a compliance policy to ensure the bank's commitment to all related regulations, and to ensure that all the employees, each according to his/ her administrative level, are fully informed and aware of this policy, provided that such policy is approved by the board.
2. Develop an annual compliance plan, and approve it by the compliance committee.
3. Monitor the compliance of all the administrative levels in the bank with all the supervisory requirements and legislations in force and international standards including the FATF Recommendations.
4. Develop periodic reports that include assessing the risks of non- compliance, violations, deficiencies and the corrective actions taken, and submitting them to compliance committee, with a copy sent to the general manager.

Article (18): Sharia Compliance

a. The board shall ensure that there is a Sharia compliance function and that it performs its tasks effectively.

b. The Sharia Board shall supervise the Sharia compliance function, which is in dotted line with the Sharia board- and submits its reports (quarterly/ annual) to the general manager and a copy of them to the Sharia board. The board must communicate, effectively and periodically, with the Sharia board to obtain its views on the general situation of Sharia compliance within the bank.

c. The Sharia Board shall recommend to the board to approve the appointment of a Sharia Compliance Officer and accept his/ her resignation or terminate his/ her services based on the recommendation of the Nomination and Compensation Committee.

d. The Sharia board shall ensure supporting the Sharia compliance function with adequate resources and a sufficient number of qualified staff, provided that the employees shall have the following requirements as a minimum:

1. An appropriate university degree along with knowledge of the origins of the Islamic financial transactions and the terms of contracts and the reasons behind their being void.
2. Experience and knowledge of standards issued by the Accounting and Auditing Organization for Islamic Financial Institutions (AAOIFI) as well as the Islamic Financial Services Board (IFSB).

e. The bank shall identify the Sharia compliance requirements for each department, the person in charge within that department who is responsible for ensuring Sharia compliance in the course of work or during the performance of their tasks, and shall clearly define the scope of the Sharia compliance function and communicate it to the relevant staff.

f. The bank shall ensure the independence of the Sharia compliance function from executive activities.

g. The bank shall take the necessary procedures in case of Sharia non- compliance by the bank's employees, provided that these procedures include consideration of this in evaluating the employees' performance and their compensation.

h. Sharia Compliance shall perform the following tasks, as a minimum:

1. Preparing a comprehensive Sharia compliance policy, in coordination with the Sharia board, and having it approved by the board.
2. Preparing a Sharia compliance code approved by the Sharia board, which includes defining the risks of Sharia non-compliance, as well as the procedures, supervisory controls, documentation and evaluation of the risks of Sharia non- compliance, and preparing an annual plan and developing Sharia compliance programs.
3. Preparing a system to monitor material risks related to Sharia non- compliance in coordination with the Risk Management Department, and developing an effective mechanism for reporting and managing the risks, and including these risks under the "Operational Risks" item while referring to them in the internal and regulatory risk reports, for purposes including calculating regulatory capital requirements.
4. Reviewing all new products and services before they are launched, as well as reviewing the policies, procedures, processes and transaction models related to them, to ensure their compatibility with the decisions and Fatwas of the Sharia board and the legislations that govern the work of the Islamic bank and with the provisions and principles of Islamic Sharia.
5. Cooperating with the bank in developing the Sharia skills of the bank's employees.
6. Coordinating with the internal Sharia audit department and the external auditor on matters related to Sharia compliance.
7. Cooperating with the Risk Management Department to periodically conduct comprehensive tests to identify, analyze and assess the risks of Sharia non- compliance regarding the products, services, processes, and policies, and to prepare a comprehensive scope of Sharia non- compliance risks.

Article (19): External Audit

a. The bank shall develop a policy for external audit, and approve it by the board, provided that it is amended when necessary. Such policy shall include as a minimum the following:

1. The mechanism of nomination and assignment of the auditing office.
2. The mechanism of setting fees of the auditing office.
3. The periodical alteration of the auditing office and team.
4. The independence requirements of the external audit stipulated in paragraph (D) of this article as a minimum.
5. The tasks of the auditing office and team.
6. The relation between the auditing committee and the auditing office and team.
7. Non-audit services that can be assigned to the audit office.
8. Criteria of selecting the audit office and the partner in charge, taking into account the following requirements as a minimum:

a. Audit office:
   1. The number of partners in charge for auditing at the office should be no less than two partners.
   2. The office or the international company, which the office is deemed a member of, should have adequate experience of no less than (10) years in auditing banks.
b. The partner in charge:
   1. Is to be of good conduct and behavior with sound professional reputation.
   2. Should not be convicted in any felony or crime for any act considered against honor, or duty of trust.
   3. Hold a valid certificate of practicing the profession of auditing, and is registered with the Jordanian Association of Certified Public Accountants according to the provisions of the law regulating the profession of accounting.
   4. Should not be suspended from practicing the auditing profession within the last five years, or have been convicted of a final judgment because of professional fault or legal violation related to practicing the profession.
   5. Must hold at a minimum a bachelor degree in the field of accounting or any of the fields relevant to the banking business.
   6. Hold one of the professional certificates in the field of accounting or auditing issued by one of the internationally acknowledged professional associations for legal accountants or auditors that is recognized by the Jordanian Association of Certified Public Accountants.
   7. Have a practical experience in the field of auditing for a period of no less than (10) years, with at least (7) years of which being in the field of banks' auditing, and to be fully knowledgeable of banking business and their risks as well as the related legislations including the legislations issued by the Central Bank.
   8. As for the experience and knowledge required for auditing Islamic banks, the auditor must:
      a. Have practical experience in the field of auditing accounts for a period of no less than (10) years, at least (7) years of which being in the field of auditing banks' accounts, with no less than (2) years of it being in the field of auditing Islamic banks, and to be fully knowledgeable of legislations related to Islamic banks' business including the legislations issued by the Central Bank.
      b. Be fully knowledgeable of Islamic banks' business, their risks, and the standards for accounting and auditing issued by the Accounting and Auditing Organization for Islamic Financial Institutions (AAOIFI) and the Islamic Financial Services Board (IFSB).
b. The bank shall ensure regular rotation of the external auditor every seven years as a maximum, provided that the external auditor shall not be changed during the contract period except after obtaining the approval of the Central Bank and based on substantial reasons.
c. The previous office should not be re- elected before at least three years from the date of its last election with the bank.
d. The audit committee shall verify the independence of the external auditor during the contract period, beginning and continuing, so as to ensure absence of any conflict of interests between the bank and the external auditor, and the board shall ensure that, and verify that the terms of contract with the external auditor include the following as a minimum:
   1. The external auditor cannot be a member of the bank's board or of the board of directors of any of its subsidiaries.
   2. The external auditor cannot permanently carry out any technical, administrative or consultative tasks for the bank or for any of its subsidiaries during the audit mission.
   3. The external auditor cannot be partner with any member of the bank's board/ sharia board/ senior executive management, or with any member of the subsidiaries' board/ Sharia Board/ directors' body/ senior executive management.
   4. The partner in charge or any member of the auditing team shall not relate, up to the second degree, with any member of the board, any member of the Sharia Board, any member of the senior executive management of the bank or any of its subsidiaries.
   5. The external auditor cannot own or deal with the shares of the bank or any of the bank's subsidiaries, whether directly or indirectly.
   6. The external auditor shall not combine auditing of the bank's accounts and any of non-audit services assigned to the office.
e. The Audit Committee shall verify the qualifications and effectiveness of the external auditor and shall ensure that the letter of engagement clearly includes the scope of the audit, fees, contract period and any other conditions, taking into consideration the nature of the bank, the size of its business, the complexity of its operations and risks.

Article (20): General Provisions

a. The chairman of the board shall, well ahead of time, invite the Central Bank to attend the General Assembly meetings by nominating a representative.
b. The chairman of the board shall provide the Central Bank with the General Assembly meeting minutes within no more than 5 days since the date of attesting the minutes by the companies' controller or its representative.

c. The bank shall inform the Central Bank, at least 30 days prior to the General Assembly meeting date, of its desire to nominate the external auditor to be elected (or re- elected) by the General Assembly.
d. The bank shall verify that any major shareholder in the bank is not related, including kinship up to the third degree, to the General Manager and the first degree to any other member of the senior executive management.
e. The bank shall take into account the representation of women in the membership of the board and in the senior executive management.
f. The bank shall obtain a no- objection letter from the Central Bank to nominate any member to the board or any member to the Sharia board prior to the date of the meeting of the general assembly of the bank with a sufficient period of not less than one month, and it shall notify those who wish to be nominated that there must be a no- objection letter of the Central Bank to that.
g. The bank shall provide the Central Bank with its general organizational structure when making any amendment to it, with a clarification of that amendment.
h. The bank shall provide the Central Bank with information on the board members, its committees, members of its senior executive management, and of its Sharia board according to the attached forms (4/1, 4/2, 4/3, 4/4) once an amendment takes place.
i. The bank shall provide the Central Bank with information on the board members, and senior executive managements of its subsidiaries (including the subsidiaries thereof) inside and outside the Kingdom, according to the attached forms (5/1, 5/2, 5/3) once an amendment takes place.

Governance Report

Contents

Names of the Board of Directors members 2024

name	date of re-election	Trait of independence / Representative
Dr. "Mohammed Naser" Abu Hammour	Chairman of the Board since29/4/2021	Non-independent Representative of Al Etihad Islamic for Investment Co
Samir Abu Lughod	He was re-elected to the Board of as Since of 29/4/2021 Deputy Chairman of the Board Since20/7/2023	Independent
Ihssan Barakat	Since 6/7/2023	Independent
Dr. Khaled Zentuti	Since 29/4/2021	Independent
Salem Burqan	Since 29/4/2021	Independent
Dr. Anas Bohowish	Since 4/1/2023	Non-independent Representative of Al Etihad Islamic for Investment Co
Dr. Abd AlGhani Al Ftaisi	Since 4/1/2023	Non-independent Representative of Al Etihad Islamic for Investment Co
Basem Salfiti	Since 29/4/2021	Non-independent Representative of Al Etihad Islamic for Investment Co
Deema Aqel	Since 29/4/2021	Non-independent Representative of Al Etihad Islamic for Investment Co
Dr. Ibrahim Saif	Since 29/4/2021	Non-independent Representative of Al Etihad Islamic for Investment Co
Dr. Nofan Alaqil	Since 29/4/2021	Non-independent Representative of Social Security Corporation

All board members are non-executives

Board members resigning during the year 2024:

There were no resignations among the Board Members / Representatives of Board Members during 2024

Names of members of the Sharia Supervisory Board during the year 2024

His Eminence Prof. Dr. Ali Al Qaradaghi	Since 22/9/2020 *	Chairman of the Shari'a Supervisory Board
His Eminence Dr. Ahmad Melhem Deputy	Since 22/11/2020 **	Chairman of the Shari'a Supervisory Board
His Eminence Dr. Ali Musa	Since 29/4/2021	Member of the Shari'a Supervisory Board
His Eminence Dr. Safwan Edibat	Since 29/4/2021	Member of the Shari'a Supervisory Board

** The Sharia Supervisory Board approved the appointment of Prof. Dr. Ali Al Qaradaghi as Chairman of the Sharia Supervisory Board and an executive member of it on 22/9/2020, noting that Prof. Dr. Ali Al Qaradaghi held the position of Vice President from 28/4/2018 until 21/9/2020.

** The Sharia Supervisory Board approved the appointment of His Eminence Dr. Ahmad Melhem Deputy as Vice-Chairman of the Sharia Supervisory Board on 22/11/2020, knowing that His Eminence Dr. Ahmad Melhem Deputy held the position of a member of the Sharia Supervisory Board from 28/4/2020 until 21/11/2020

Resigned Shari’a Supervisory Board members during 2024

There were no resignations among the members of the Sharia Supervisory Board during 2024

Executive Managment of Safwa Islamic Bank

Samer Tamimi	General Manager / CEO
Ziad Kokash	Deputy CEO, Chief Credit Officer
Masoud “Sakf Al-Hait”	Chief of Legal & Board Secretarial
Nasfat Taha	Chief of Retail Banking
Wael Al-Bitar	Chief of Treasury and Investment
Ahmad Ghnaim	Chief Finance & Corporate Strategies
Ahmad Jafar	Head of Risk
Khalid Al-Issa	Head of Internal and Sharia Audit
Muneer Faroneyah	Head of Shari’a Compliance
Mohammad Hawari	Head of HCM and Administrative Services
Rawand Al Turk	Head of Compliance
Zeina Khirfan	Head of central operations & Business Transformation (Since 11/2/2024)

Resigned Executive Management members during 2024

Name	Date of resignation	Job title
Rami Al khayyat	Deputy CEO, Chief of Corporate Banking	15/9/2024
Hani Al-Zrari	Deputy CEO, Chief of Central Operations	31/3/2024

Name of Governance Officer in the Bank

Rawand Al Turk / Head of Compliance

Names of Committees Originating from the Board

- Nomination and Remuneration Committee
- Compliance Committee
- Risk Management Committee
- Corporate Governance Committee
- Audit Committee
- IT Governance Committee
- Credit Committee

Name of the Chairman and members of the Corporate Governance Committee and the Nominations, Remuneration and Risks Committee A committee

Corporate Governance Committee

- Dr. “Mohammed Naser” Abu Hammour (Chairman)
- Samir Abu Lughod (Deputy Chairman)
- Ihssan Barakat

Nomination and Remuneration Committee

- Salem Burqan (Chairman)
- Samir Abu Lughod (Deputy Chairman)
- Basem Salfiti

Risk Committee

- Dr. Khaled Zentuti (Chairman)
- Deema Aqel (Deputy Chairman)
- Salem Burqan
- Samir Abu Lughod
- Dr. Abd AlGhani Al Ftaisi

Name of the Audit Committee Members and a brief profile on their relative qualifications and experiences concerning financial and accounting affairs:

Samir Abu Lughod (Head of the Committee)

Qualifications:

- Bachelor's Degree in Accounting 1976.

Professional experience and membership:

- Member of The Audit Committee – The International Criminal Court / The Hague, Netherlands March 2020-December 2022.
- Chair of the Audit Committee - The International Criminal Court / The Hague,Netherlands March 2017-March 2020.
- Member of the Audit Committee - The International Criminal Court / The Hague, Netherlands January 2016-March 2017.
- Country Senior Partner - PWC, Jordan (2009-2012).
- Managing Partner - EY, Jordan (2002-2009).
- Office Managing Partner - Arthur Andersen, Jordan (1979-2002).
- Senior Auditor - Saba&Co 1976-1979.

Dr. Khaled Zentuti

Qualifications:

- PhD in Finance Administration and Management of Organization and Marketing , Bosphorus University Turkey 1992.
- MBA in Management Accounting University of Hartford C.T USA (Hons) 1982.
- Bachelor of Accounting, Faculty of Economics, Qaryounis University, Benghazi, Libya 1976.

Experience and Memberships:

- (1988 – 2000) Different positions , as Manager and DM in different companies owned by Libyan Arab Foreign Investment

Company (LAFICO) in Turkey, Italy, Germany, Pakistan, Egypt.

- (2000 – 2002) State Secretary – Investment and International Cooperation – Libyan Cabinet.
- (2002 – 2004) Chairman and General Manager Libyan Arab Foreign Investment Co. (LAFICO).
- (2012 – 2016) Full time Ass. Proff. Of Finance and Accounting at PUST University.
- (2004 – 2012) General Manager and Chairman of the Management Committee / Long Term Investment Portfolio /Libya - Tripoli.
- (2012 - 2016) Advisor to Bank Al-Etihad Amman / Jordan.
- (2004 - 2012) Vice Chairman of the Board of Directors of the British Arab Bank London / Britain.
- (2007 - 2012) Vice Chairman / Union Bank Amman Jordan 2007/2012.
- (2009 - 2012) Vice Chairman of the Board / Libyan Foreign Bank / Tripoli Libya.
- (2010 - 2012) Member of the Board of Directors of the Arab Banking Corporation ABC Manama Bahrain.

Dr. Anas Bohowish

Qualifications:

- D. of International Financial Business, International School of Management, Paris, France.
- MA of Accountancy (specializing in discussing sectoral reports in commercial banks), University of Benghazi, Libya.
- BA of Accountancy, University of Benghazi, Libya.

Experience and Memberships:

- Member of the Board of Directors, the Libyan Investment Corporation.
- Chairman of the Audit, Risk, and Compliance Committee, Libyan Investment Authority.
- Adviser to the Minister of Finance for Investment Affairs (formerly).
- Professor in Accounting Department, University of Benghazi, Libya (formerly).

Number of BOD Meetings and its Committee's during 2024

Board / Committee	NRC Committee	Governance Committee	Compliance committee	Audit Committee	Risk Management Committee	IT Governance Committee	Credit Committee	Board of Directors Meetings
Number of Meetings / BOD Number Name	**4**	**2**	**4**	**7**	**7**	**4**	**23**	**7**
Dr. "Mohammad Naser" Salem Abu Hammour	-	2/2	-	-	-	-	23/23	7/7
Samir Abu Lughod	4/4	2/2	-	7/7	7/7	-	-	7/7
Ihssan Barakat	-	2/2	4/4	-	-	-	-	7/7
Dr. Khaled Zentuti	-	-	-	7/7	7/7	-	-	7/7
Salem Burqan	4/4	-	-	-	7/7	-	22/23	7/7
Dr. Anas Bohowish	-	-	-	7/7	-	2/4	-	7/7
Dr. Abd AlGhani Al Ftaisi	-	-	-	-	6/7	-	-	7/7
Basem Slfiti	4/4	-	-	-	-	4/4	21/23	7/7
Deema Aqel	-	-	4/4	-	6/7	-	22/23	7/7
Dr. Ibrahim Saif	-	-	-	-	-	4/4	21/23	7/7
Dr. Nofan Alaqil	-	-	4/4	-	-	4/4	-	7/7

- The Audit Committee held separate meetings during the year with the External Auditor, the Head of Compliance, the Head of Sharia Compliance, and the Head of Internal and Sharia Audit, once, without the presence of any other members of the executive management.
- The Board of Directors met with the Sharia Supervisory Board (twice) during the year 2024

Membership of the Board of Directors, which is occupied by a member of the Board of Directors in other companies

Dr. "Mohammed Naser" Abu Hammour - Chairman of the Board
- Chairman of the Board of Al Salam Transport Company
- Chairman of the Board of Al Salam Investment Company
- Chairman of the Board of Directors of the Luxury Restaurants Company
- Chairman of the Board of Directors of the Jordanian Institute of Marine Studies

Samir Abu Lughod
- No membership.

Basem Salfiti
- Chairman of the Board of Directors of Union Bank
- Member of the Board of Directors of the Islamic Union Investment Company
- Member of the Board of Directors of Delta Insurance Company
- Vice Chairman of the Board of Directors of Sawt Al-Kanar Investment Company
- Chairman of the Board of Directors of Amman Offices for Real Estate Projects Management
- Member of the Board of Directors of the Jordanian Entrepreneurship Association
- Member of the Board of Directors of Al-Asnaf Al-Awal Company for Tourism Projects Management
- Member of the Board of Directors of the Luxury Food Company for Tourism Projects Management
- Member of the Board of Directors of Four Seasons Management Consulting Company
- Chairman of the Board of Directors of Union Leasing Company

Deema Aqel
- Non-Executive Board Member, AL Etihad Brokerage Company.

Dr. Nofan Alaqil
- No membership.

Dr. Abd AlGhani Al Ftaisi
- No membership.

Dr. Anas Bohowish
- Member of the Board of Directors of the Libyan Investment Corporation

Dr. Khaled Al Zantouti
- No membership.

Dr. Ibrahim Saif
- Member of the Board of Director, Jordan Loan Guarantee Corporation.
- Member of the Board of Director of the Jordanian National Shipping Lines Company.
- Member of the Board of Directors of Manaseer Group for Industrial & Commercial Investments.
- Member of the Board of Directors of Jordan Institute of Maritime Studies.
- Member of the Board of Directors of Jordan Maritime Complex Real Estate Investments.
- Member of the Board of Directors of Doha Al Adab Educational Investment.
- Member of the Board of Directors of Blue Diamond Company for Trading Oil Derivatives

Salem Burgan
- Member of the Board of Directors, Jerusalem Insurance Company

Ihssan Barakat
- No membership

Chairman of the Board

Dr. "Moh'd Naser" Salem Abu Hammour

Guide for Information and Associated Technology

Governance and Management

Table of Contents

Introduction

In alignment with the directives governing information and technology governance, the Board of Directors and Executive Management of Safwa Islamic Bank have adopted several strategic measures to elevate the Information Technology Department to a level equivalent to other key business divisions within the Bank.

Safwa Islamic Bank implements the COBIT 2019 framework to govern and manage information, technology, and IT-related projects. This framework enables the Bank to optimize the value derived from technology by maintaining a balance between delivering benefits, managing risk, and efficiently utilizing resources.

COBIT 2019 provides a comprehensive structure for overseeing IT projects across their entire lifecycle. It accounts for both functional and technical responsibilities from initiation to completion and considers the interests of both internal and external stakeholders. The Bank is also working to implement an integrated IT risk management framework aligned with its overall enterprise risk management practices. This approach supports sound, risk-based decision-making processes that enhance value creation, reduce costs, and mitigate expected risks and losses—all in accordance with the Bank's vision and within its acceptable risk appetite.

Definitions

Unless otherwise indicated by the context, the following terms and expressions shall have the meanings assigned to them below wherever they appear in this document:

Term	Definition
Board	Safwa Islamic Bank Board of Directors
Committee	Governance and management of information and associated technology.
Organizational Structure	Organizational structure of the Bank.
Senior Executive Management	Includes the Bank General Manager CEO and his deputies, CFO, COO, Head of Credit, Chief of Treasury and Investment, Head of Risk Management, Head of Internal and Sharia Audit, Head of Sharia Compliance, and others.
Stakeholders	Any Bank stakeholders such as shareholders, employees, creditors, customers, external providers, relevant regulatory authorities, or investment account holders.
Guide	A governance and management guide for information and associated technology that provides recommendations and guidance.
Information Governance and Associated Technology	Division of roles and responsibilities and defining relationships between various parties and stakeholders, such as the Board of Directors and executive management, in order to increase the institution's added value and define strategic directions and Bank objectives and mechanism for monitoring and assessment of compliance with its achievement, which guarantees the sustainability and development of the Bank.
Information Management and Associated Technology	A set of ongoing activities that fall under executive management's responsibilities. They include planning for the purpose of achieving strategic objectives, which include alignment and organization, construction and development activities plus procurement and execution, operational activities such as service delivery and support, and monitoring activities such as measurement and assessment. This guarantees the sustainability of achieving the Bank's objectives and strategic directions.
Information Technology Governance Processes	A set of practices and activities stemming from the institution's policies, necessary to achieve IT governance goals.
Information Objectives and Associated Technology	Group of main and sub- objectives related to information governance and management activities, and associated technology necessary for achieving institutional objectives.
Institutional Objectives	Group of objectives related to institutional governance and management, necessary to meet stakeholder needs and objectives of these instructions.
Auditor	The legal or actual person or entity responsible for assessing the Bank's IT-depending operations consistent with instructions and requirements approved by the Bank's management in this regard, for no less than 3 consecutive years, and no more than 6 consecutive years.
Cyber Adaptation	The ability of the organization to quickly detect, respond to, and recover from cyberattacks, minimizing business disruption.
Cybersecurity	The ability of the Bank to safeguard confidentiality and availability of its information and information assets in the cyber realm against any cyber threats, by using a group of methods, policies, instructions and best practices in this regard.
On-Site	The location of the operation is in the Bank's General Administration in Jordan.
Off-Site	Operation is located in a building other than that of the Bank's General Administration in Jordan, yet in the same county.
Near-Site	Operation is located in a country other than that of the Bank's General Administration in Jordan.
Off-Shore	Operation is located in a country other than that of the Bank's General Administration.

Scope of Work

The Information Technology Department is the primary authority responsible for this governance guide. Compliance with its implementation is monitored by the Bank's oversight departments. This guide is subject to review as needed.

The scope of this guide covers all operations across Safwa Islamic Bank that utilize information technology, including all departments and branches. All relevant stakeholders are expected to support its implementation, each according to their role and area of responsibility.

General Policies and Guidelines

1. Responsibilities of Key Stakeholders

- Chairman, Board Members, and External Experts:

  Their responsibilities include overseeing and guiding the governance program, approving the program's objectives and responsibilities, providing strategic direction and support, and ensuring the allocation of necessary resources.

- General Manager and Senior Executive Management:

  Responsible for appointing qualified and experienced individuals to represent their respective departments in the governance program and clearly defining their roles and responsibilities.

- Information Technology Department and Project Management Office (PMO):

  Tasked with the direct management and execution of the governance program.

- Internal Audit and Sharia Audit Departments:

  Actively involved in the program as independent advisors and monitors, performing their responsibilities in accordance with the Bank's governance framework to support the success and integrity of the implementation.

- Risk Management, Information Security, Compliance, and Legal Departments:

  Participate in the program in line with their respective functions, ensuring that their areas of expertise are represented in the governance process.

- Certified Professionals and Subject Matter Experts (internal and external), including COBIT 2019 Foundation/Design holders:

  Serve as facilitators and knowledge leaders, supporting the dissemination of best practices and aiding in the successful implementation of the framework.

- Board of Directors:

  The Board is ultimately responsible for overseeing the implementation of the five key governance practices, including establishing structures, evaluating, directing, and monitoring performance, along with "Ensure Risk Optimization" (EDM03) and "Manage Risk" (APO12). This is in line with the Information Governance Instructions issued by the Central Bank of Jordan.

Objectives of Information and Associated Technology Governance and Management

The Information and Technology Governance Committee is responsible for approving a set of bank-wide and IT-specific objectives, guided by the COBIT 2019 framework. These objectives are periodically reviewed and updated to ensure they remain aligned with the evolving needs of stakeholders. IT Steering Committee & Cyber Security Steering Committee is primarily responsible for ensuring compliance and achieving these objectives. Meanwhile, the IT Governance Committee, a subcommittee of the Board, along with the Board itself, holds ultimate accountability. All departments across the Bank—particularly the IT Department, Information Security, and the Project Management Office—are required to define and align their operations with the full scope of IT governance processes.

Safwa Islamic Bank has adopted a structured set of objectives under the COBIT 2019 framework to translate stakeholder needs into clearly defined, actionable, and demand-driven outcomes. These include IT-related goals and enabling components, helping to cascade strategic objectives across all levels, departments, and branches of the Bank. The Board and Risk Management Department are directly responsible for "Ensuring Prudent Management of IT-Related Risks" (EDM03) and "Managing Risk" (APO12).

Key governance objectives of information and associated technology include:

a. Meeting stakeholder expectations and supporting the Bank's strategic goals by leveraging the governance framework to:

   - Deliver value through digital services that comply with information and technology governance standards.
   - Address risks in a controlled and proactive manner.
   - Ensure optimal utilization of resources.
   - Provide reliable and high-quality information to support decision-making.
   - Establish a robust infrastructure that enables the delivery of digital services aligned with the Bank's goals.
   - Drive continuous improvement through increased automation and the implementation of reliable, efficient, and purpose-driven technology systems.

- Manage IT risks to safeguard the Bank's information assets and critical infrastructure.
- Build a digital ecosystem that complies with applicable laws, regulations, and supervisory guidelines.
- Enhance the reliability and effectiveness of the internal control environment.
- Maximize user satisfaction by delivering efficient and effective IT services that meet business needs.
- Manage services provided by third-party vendors or partners (outsourcing), ensuring that external providers delivering products or services on behalf of the Bank meet all necessary standards and requirements.

b. The use of COBIT 2019 is adopted as the reference framework for the design of all electronic systems and effective solutions, ensuring they align with the objectives of Safwa Islamic Bank and meet the expectations of all stakeholders.

c. A clear distinction is maintained between governance and management, in accordance with internationally recognized standards for information and technology governance. Governance responsibilities assigned to the Board are separated from those assigned to executive management, particularly with respect to information and technology, in line with global best practices.

d. The governance and management of information and associated technology take a holistic approach, encompassing not just technology itself but also the seven enablers as defined by the COBIT 2019 framework.

e. Policies and operational practices are developed and structured based on leading international standards related to IT governance, IT project management, and technology resource oversight.

f. Mechanisms for self-monitoring, independent oversight, and compliance verification are strengthened to ensure continuous development and improvement in the governance and management of information and technology.

g. The objectives outlined in COBIT 2019, along with the seven related enablers, are directly linked to critical areas such as cybersecurity, risk management, data privacy and protection, compliance, auditing, monitoring, and strategic alignment — all considered high-priority Focus Areas.

h. The capability level of all activities related to the COBIT 2019 framework and its enablers must be proportionate to their assessed importance and priority, as determined by the IT Governance Committee reporting to the Board. For high-priority objectives, the capability level must not fall below Level 3 (Fully Achieved), as defined in the COBIT 2019 maturity model. No more than nine out of the 35 strategic management objectives may be classified as lower priority, based on the governance and IT management framework assessment approved by the IT Governance Committee.

Internal Sharia and IT Audit Department and External Auditor

a. The Board of Directors, through its Audit Committee, is responsible for allocating adequate budgets and resources — including qualified human capital within specialized IT audit departments — to ensure comprehensive and professional IT auditing. The Internal Sharia and IT Audit Department at the Bank, along with the external auditor, must be fully equipped to audit IT resource management, project oversight, and technology-dependent operations. These audits must be carried out by internationally certified professionals (e.g., CISA), accredited in accordance with ISO/IEC 17024 or equivalent international certification standards.

b. The Internal Sharia and IT Audit Department must provide an annual report to both the Audit Committee and the IT Governance Committee of the Board. Similarly, the external auditor must submit an annual report to the IT Governance Committee. These reports must include management's response, in line with the requirements set out under section (d/2) below and according to the reporting template defined in the information and technology governance guidelines issued by the Central Bank of Jordan. Reports must be submitted during the first quarter of each year. The IT Governance Committee is responsible for approving the reports and submitting them to the Central Bank of Jordan, in coordination with the relevant departments at the Bank and within the timelines specified in the applicable regulatory guidelines.

b. The responsibilities, authority, and scope of IT audit must be clearly defined within the Internal and Sharia Audit Charter, which is approved by the Audit Committee and the Board of Directors. The Charter must be circulated across the Bank and reviewed at least annually. Any revisions must be presented to senior executive management and approved by the Audit Committee or the Board. For external auditors, their responsibilities, authority, and scope must be formalized in written agreements and aligned with the relevant regulatory frameworks and the governance and IT management guidelines.

b. In conducting specialized audits of information and associated technology, the Internal Sharia and IT Audit Department and the external auditor must comply with the following:

1. IT audits must conform to the most recent version of the Information Technology Assurance Framework (ITAF) issued by ISACA, including:
   - Executing audit tasks under an approved audit plan that considers the materiality, risk levels, and potential impacts on the Bank's objectives and stakeholders.
   - Ensuring that audit staff engage in continuous professional development and training.
   - Upholding organizational and professional independence, and avoiding any present or future conflicts of interest.
   - Maintaining objectivity, applying due professional care, and preserving a high level of competency, including a thorough understanding of the Bank's IT systems and operations. Auditors must also be capable of interpreting various audit

reports (financial, operational, legal), gathering appropriate evidence, and identifying unacceptable practices or violations of laws and regulations.

2. The audit must include a review of the recruitment and management of IT resources and related Bank operations. Auditors must issue a general opinion regarding the overall level of IT-related risk. The audit program should, at a minimum, cover the key focus areas outlined in the Central Bank of Jordan's governance guidelines. The frequency and scope of these audits — whether full or partial — must align with the Bank's approved annual audit plan and the regulatory requirements. Audit findings must be submitted to the Central Bank (in coordination with the relevant departments within the Bank). The report must include the agreed-upon corrective actions that management intends to implement, along with clearly defined deadlines for their completion.
3. Implement structured procedures to follow up on audit results to ensure that all observations and deficiencies highlighted in audit reports are addressed within the specified timeframes. Escalation measures must be taken in the event of non-compliance, based on the level of importance and risk. The Board, through the Audit Committee, must be kept informed as necessary.
4. Annual performance evaluations of IT audit staff must include objective measurement criteria that take into account all considerations outlined in section (c) above.
5. IT auditors within the Internal Sharia and IT Audit Department at the Bank, as well as the external auditor, must adhere to the ethical standards and professional practices adopted by the Bank. These must include, at a minimum, the ethical code outlined in the ITAF issued by ISACA and its most recent updates. Reports issued by both internal and external auditors must be approved by the IT Governance Committee of the Board, and the Board must be kept informed of such reports.

Risk, Compliance, and Legal Affairs

A key role in the governance of information and related technology is played by the Risk Management Department, which ensures the existence of a general IT risk management framework aligned with the Bank's overall enterprise risk management framework. The Legal Department contributes by providing legal advice and guidance, when consulted, on relevant legal matters and proposed legal safeguards. The Compliance Department ensures that all Bank activities remain compliant with applicable regulations, whether issued by local regulatory authorities in Jordan or by international bodies, and that the Bank continues to meet all legal and regulatory requirements.

References

1. This Guide is based on the Central Bank of Jordan's Instruction No. 65/2016 and Circular No. 984/6/10 dated 21/01/2019, as well as the COBIT 2019 framework. It must be reviewed and updated regularly by the IT Governance Committee of the Board or whenever relevant directives are issued by the Central Bank of Jordan.
2. The Bank will publish this Guide on its website and may also make it available to the public through other appropriate means. The Bank shall disclose in its annual report the existence of this Guide and the extent of compliance with its provisions.

Committees

Safwa Islamic Bank has formed the following committees:

1. IT Governance Committee of the Board
2. IT steering Committee
3. Cybersecurity Steering Committee

The Board of Directors of Safwa Islamic Bank has approved the Bank's overall organizational structure, along with specific structures related to the management of IT resources and projects, risk management, information security, and cybersecurity. These are designed to meet the operational needs of the information and technology governance framework and ensure both efficiency and effectiveness.

IT Governance Committee of the Board

1. In accordance with the Central Bank of Jordan's directives, the Bank has formed the IT Governance Committee of the Board. The Committee comprises four members who have been selected based on their strategic expertise and experience in information technology.
2. The Committee meets at least quarterly and maintains documentation of its meetings. Its responsibilities, as outlined in its charter, include the following:

   a. Approving strategic IT objectives and appropriate organizational structures, including executive-level steering committees — particularly the IT Steering Committee — to ensure alignment with the Bank's strategic goals and maximize value from IT investments and projects. The Committee also ensures the use of appropriate monitoring tools and standards, such as the Balanced IT Scorecards and Return on Investment (ROI) calculations, to measure financial and operational efficiency.

b. Approving the overarching framework for managing, controlling, and monitoring IT resources and projects in accordance with globally accepted best practices — specifically COBIT 2019 — to meet the goals and requirements of the Central Bank of Jordan's Instruction No. 65/2016 on information and technology governance and management, enabling sustainable achievement of corporate objectives and fulfillment of the related information and technology objective matrix.

c. Approving the matrix of corporate objectives and associated information and technology objectives, considering these as minimum standards, and defining the necessary sub-objectives required to achieve them.

d. Approving a RACI chart (Responsible, Accountable, Consulted, Informed) for the key IT governance processes and their sub-processes, identifying the parties with primary responsibility, final accountability, advisory roles, and those to be informed, based on the enabling processes and guidance of COBIT 2019.

e. Ensuring that a comprehensive IT risk management framework exists and is integrated with the Bank's overall enterprise risk framework, addressing all aspects of IT governance operations.

f. Approving the budget for IT resources and projects in alignment with the Bank's strategic objectives.

g. Exercising overall oversight and monitoring of IT operations, resources, and projects to ensure their adequacy and effective contribution to meeting the Bank's requirements and objectives.

h. Reviewing IT audit reports and taking necessary actions to address any deviations.

i. Recommending to the Board any required corrective actions for identified deviations.

j. Submitting periodic reports to the Board.

k. Approving the prioritization and importance of Governance and Management Objectives and their alignment with Enterprise Goals and Alignment Goals, as well as their relevance to the seven Enabler Components outlined in the relevant regulations. This shall be based on qualitative and/or quantitative studies conducted for this purpose at least once a year, and shall take into consideration the Design Factors set out in the COBIT 2019 Design Guide.

IT Steering Committee

The Bank has formed an Executive IT Steering Committee composed of members from senior executive management, to ensure strategic alignment of IT with the Bank's long-term goals and to sustainably achieve strategic objectives. The committee is chaired by the General Manager and includes senior executives such as the Head of IT, Head of Risk Management, and Head of Information Security. A Board member is appointed as an observer, along with the Head of Internal and Sharia Audit. Other parties may be invited to meetings as needed, as specified in the Terms of Reference (TOR). The committee documents its meetings and convenes at least once every three months.

The responsibilities of this committee are as follows:

1. Reviewing and recommending the approval of annual plans aimed at achieving the strategic objectives approved by the Board, overseeing their implementation, and continuously monitoring internal and external factors affecting them.

2. Linking the Enterprise Goals Matrix with the Information and Technology Goals Matrix, approving and continuously reviewing them to ensure alignment with the Bank's strategic goals and regulatory requirements. This includes defining performance measurement criteria, regularly reviewing them, and assigning responsible executives to monitor these indicators and report to the committee.

3. Recommending the allocation of financial and non-financial resources necessary to achieve the objectives and to support IT governance processes. This includes appointing qualified personnel in suitable roles through organizational structures that uphold task separation and prevent conflicts of interest. The IT infrastructure and related services should be customized to support the objectives, while the committee also supervises the implementation of IT governance projects and processes.

4. Prioritizing IT projects and programs.

5. Monitoring the quality and efficiency of technical and technological services, and working on their continuous improvement.

6. Submitting recommendations to the IT Governance Committee concerning the following:
   - Allocation of the resources and mechanisms necessary to fulfill the duties of the IT Governance Committee.
   - Any deviations that could negatively impact the achievement of strategic objectives.
   - Any unacceptable risks related to IT, information security, or cybersecurity.
   - Performance and compliance reports related to the overarching framework for managing, controlling, and monitoring IT resources and projects.

7. Providing the IT Governance Committee with its meeting minutes on a regular basis and ensuring their review and follow-up.

Cybersecurity Steering Committee

The Bank has formed a Cybersecurity Steering Committee composed of senior executive management members to ensure strategic alignment of information security and to sustainably achieve the Bank's strategic objectives. The committee is chaired by the General Manager and includes senior executives such as the Head of Information Security, Head of Risk Management, and Head of Infrastructure. The Head of Internal and Sharia Audit serves as an observer. Other parties may be invited to meetings as needed, as outlined in the Terms of Reference (TOR), which are approved by the Board. The committee documents its meetings and convenes at least once every three months. The responsibilities of the committee are as follows:

1. Reviewing and providing input to the Board's Risk Management Committee regarding regular assessments of cybersecurity risks and the Bank's Cyber Risk Appetite.
2. Reviewing the cybersecurity strategy and policy to ensure alignment with business objectives.
3. Reviewing cybersecurity risk management processes, including Key Risk Indicators (KRIs) and Key Performance Indicators (KPIs) for the cybersecurity program.
4. Assessing the Bank's resilience to cyber risks and its current cybersecurity posture, through Cyber Risk Resiliency and Posture Assessments Reports.
5. Ensuring the availability of necessary resources to implement cybersecurity programs.
6. Reviewing cybersecurity awareness programs.
7. Monitoring the evolving landscape of cyber threats and supporting initiatives related to cybersecurity.
8. Approving, supervising, and monitoring the implementation of Bank projects related to information security and cybersecurity, and providing related recommendations.
9. Approving and reviewing the annual and strategic cybersecurity plan.
10. Ensuring the alignment of information security with the Bank's strategic objectives.
11. Reviewing and evaluating security incidents related to cybersecurity.
12. 1Approving the formation of a Security Incident Response Team and defining its responsibilities and authorities.
13. Recommending the approval of information security and cybersecurity policies and their amendments.
14. Recommending the approval of exceptions to information security and cybersecurity policies.
15. Reviewing periodic reports on the results of vulnerability and penetration tests.

The Seven IT Governance System Components

The seven enablers of the IT governance system are:

1. Processes and Objectives
2. Organizational Structures
3. Principles, Policies, and Frameworks
4. Information and Reports
5. Ethics, Values, and Behaviors
6. Knowledge, Skills, Experience, and Competencies
7. Services, Programs, and IT Infrastructure

First: IT Governance Processes and Objectives

1. Bank shall prepare and approve a Responsibility and Information Matrix (RACI) in accordance with the objectives and processes outlined in the COBIT 2019 reference framework, identifying for each process:
   - Responsible party
   - Accountable
   - Consulted
   - Informed

This matrix shall be guided by COBIT 2019 and approved by the committees referenced in the regulations.

2. Bank shall provide the means to achieve IT Governance Goals and Goals Alignment as outlined in the COBIT 2019 reference framework.
3. Bank shall develop an overarching IT Risk Management Framework that aligns with and integrates into the Bank's enterprise-wide risk management framework. This framework should address and fulfill all IT governance objectives stated in the COBIT 2019 reference framework.

The IT Governance Goals and Goals Alignment listed in COBIT 2019 and their accompanying elements represent a minimum standard that executive management must comply with and continually work to achieve. The IT Steering Committeeis primarily responsible for ensuring compliance with these requirements, while the Governance Committee and the Board of Directors bear the ultimate accountability. All Bank departments—especially Information Systems, Information Security, Cybersecurity, and Project Management—must define and restructure their operations to reflect and cover all IT governance processes.

Second: Organizational Structures

The Board must approve the Bank's overall organizational structure, particularly those structures related to IT resources, operations, and project management, risk management, human resources, information security, and cybersecurity. These structures must fulfill the objectives and requirements of IT governance processes as defined in the COBIT 2019 framework. This includes ensuring segregation of duties for inherently conflicting functions, meeting minimum requirements for organizational control and dual oversight, and updating job descriptions and modifying organizational structures as needed.

Third: Principles, Policies, and Frameworks

- The Board, or any of its delegated committees, shall approve the set of principles and frameworks required to establish the overall framework for managing, controlling, and monitoring IT resources and projects, in accordance with the IT governance objectives and processes outlined in COBIT 2019.
- The Board, or its delegated committees, must also approve the principles, policies, and frameworks—especially those related to IT risk management, information security and cybersecurity, and human resources—that align with IT governance goals and requirements specified in the COBIT 2019 framework.
- The Board, or its delegated committees, must approve a system of policies governing IT governance resources and operations, as outlined in the COBIT 2019 reference framework. This policy system shall be considered a minimum standard. However, combining and integrating policies may be permitted based on business needs. Additional policies may also be developed to reflect the Bank's evolving objectives and operational mechanisms. Each policy must clearly identify the owning entity, and the scope of application, responsibilities, and related procedures.
- When developing policies, it is important to ensure the involvement of all relevant internal and external parties and to adopt international best practices and their updates as references for policy formulation. The committee may, when necessary and at the Bank's expense and in coordination with the Board Chairman, seek the assistance of external experts—both to fill gaps in expertise and to reinforce objectivity. The committee may also invite any Bank executives to attend its meetings to obtain their input, including those involved in internal audit and senior executive management (such as the IT Director), or those related to external audit.

Below are the principles of the IT Governance Framework, which are divided into two groups:

Group One: Core and Foundational Principles that Constitute the Governance System

- Principle 1: Implementing a Flexible Governance System

  The adopted governance system must be flexible, adaptable, and responsive to internal and external changes and developments.

- Principle 2: Ensuring Inclusiveness

  Governance must encompass all technological aspects and related business operations as defined in the COBIT 2019 reference framework.

- Principle 3: Creating Added Value for Stakeholders

  Added value is achieved by establishing a clear governance framework that defines tasks and responsibilities for work teams.

- Principle 4: Implementing an Integrated Governance System

  The availability of policies and procedures ensures the effective use of IT resources to meet the objectives and governance processes outlined in the COBIT 2019 reference framework.

- Principle 5: Aligning with Bank Requirements and Needs

  The objectives and governance processes in the COBIT 2019 reference framework must align with the specific needs and requirements of the Bank.

- Principle 6: Separating Governance from Management

  Governance should ensure oversight and supervision, while management handles operational execution.

Group Two: Principles Related to the Governance Framework Needed to Build the Governance System Across the Bank

- A flexible framework that is modifiable and updatable
- Based on a conceptual model serving as an analytical tool
- Adoption of practices, rules, and organizational structures according to key standards

Fourth: Information and Reports

The Board and executive management are responsible for developing the infrastructure and information systems necessary to provide information and reports to users as a foundation for decision-making within the Bank. The Board, or any of its delegated committees, must approve the information and reporting system outlined in the COBIT 2019 reference framework, which should be treated as a minimum standard.

Information/report owners must be identified to manage permissions for access and usage, based on business needs and relevant stakeholders. This system must be reviewed and developed regularly to keep pace with the Bank's evolving goals and operations and in line with internationally accepted best practices.

Fifth: Values, Ethics, and Behavior Framework

- The Board, or any of its delegated committees, must approve a professional institutional code of ethics that reflects internationally accepted behavioral standards in dealing with information and its accompanying technologies. This code must clearly define desirable and undesirable behaviors and their consequences.
- The Board and executive management are responsible for implementing mechanisms that promote desired behaviors and discourage undesirable ones by applying governance methods.

Sixth: Knowledge, Skills, and Expertise

- The Board, or any of its delegated committees, shall approve an HR Competencies matrix and HR management policies necessary to fulfill the requirements of IT governance operations and the broader requirements of these guidelines, ensuring the right person is placed in the right position.
- The Bank's management shall employ qualified and trained personnel with expertise in managing IT resources, risk management, information security, and internal and external IT audit. This should be based on academic and professional knowledge standards and practical experience, recognized by internationally accredited organizations according to the international certification standards (ISO/IEC 17024), and/or other equivalent standards based on each field of specialization. Existing staff must be requalified and trained to meet the requirements outlined in these guidelines.
- Executive management is responsible for continuously providing its staff with training and ongoing education programs to maintain the level of knowledge and skills required to achieve IT governance operations.
- Executive management is also responsible for incorporating annual performance evaluation mechanisms based on objective performance measurement standards, taking into account the role and contribution of each position in achieving the Bank's goals.

Seventh: IT Services, Programs, and Infrastructure

The Board, or any of its delegated committees, along with senior management, shall approve the suite of programs and supporting infrastructure necessary to achieve the Bank's objectives and reach an acceptable level of governance for information and its associated technologies.

IT Services, Software and Infrastructure

The Board, or its delegated committees and senior management, shall approve the system of services, programs and infrastructure supporting to achieve the objectives of the Bank and reach an acceptable level in the governance of information and associated technology.

Knowledge, Skills and Experience

A. The Board, or its delegated committees, shall approve the HR Competencies matrix, and HR management policies, which are necessary to meet the requirements of IT governance processes, and the requirements of these instructions in general. Meanwhile, ensuring that the right person is placed in the right position.

B. The Bank›s management shall recruit qualified and trained human resources from persons with experience in the fields of IT resource management, risk management, information security management and internal and external IT audit management. They shall be hired based on the standards of academic and professional knowledge, and practical experience, recognized by qualified international associations under the International Accreditation Standards for Professional Certification Institutions (ISO/IEC 17024) and/or any other equivalent standards, each according to its specialization. Existing employees shall also be trained and requalified to meet the aforementioned requirements within two years from the date of these instructions.

C. Executive management is responsible for providing employees with continuous training and education programs, to maintain a level of knowledge and skills that meets and achieves IT governance processes.

D. The executive management is responsible for including objective measurement criteria to employees' annual performance evaluation mechanisms, which shall take into account the contribution through the job position to achieving the Bank›s objectives.

Value, Morals and Behavior System

A. The Board, or its delegated committees, shall adopt an institutional professional ethical system that reflects the accepted international professional code of conduct regarding the handling of information and associated technology. The system shall clearly define the desirable and undesirable rules of conduct and their consequences.

B. The Board and senior executive management employ various mechanisms to encourage the application of desirable behaviors, and avoidance of undesirable behaviors, through the adoption of governance methods.