

Annual Report 2025

البنك العربي
ARAB BANK



Extended banking network...

Comprehensive banking services

Established in 1930, Arab Bank headquartered in Amman, Jordan has one of the largest global Arab banking networks with over 600 branches. Arab Bank's extensive network covers key financial markets and centres such as London, Dubai, Singapore, Shanghai, Geneva, Paris, Sydney and Manama.

Across its global network, the bank provides a wide range of financial solutions through its main business lines, which entail Consumer Banking and Wealth Management, Corporate and Institutional Banking and Treasury, serving individuals, corporations and other financial institutions. As one of the leading banks in the MENA region, Arab Bank plays an integral role in financing vital infrastructure projects and strategic industries throughout the region.

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Key Financial Indicators

Gross Loans

\$41.2_{bn}

8%

Deposits

\$57.2_{bn}

10%

Return on Equity (attributable to shareholders)

8.8%

Total Equity

\$13.2_{bn}

9%

Total income

\$3.6_{bn}

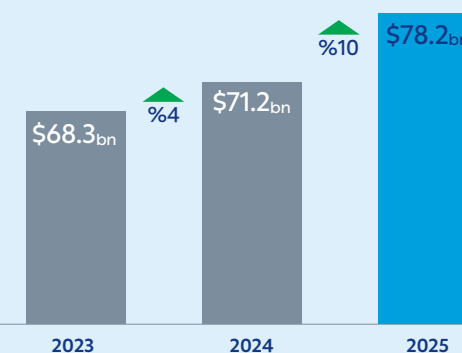
6%

Net Income

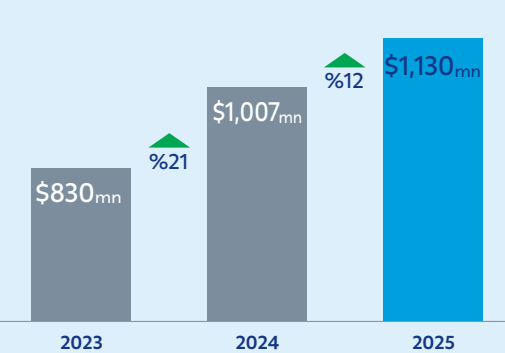
\$1,130_{mn}

12%

Assets



Net Income



Chairman's Message



Esteemed Shareholders of Arab Bank,

In 2025, the global economy demonstrated resilience, maintaining stable growth despite heightened geopolitical tensions, persistent uncertainty, and increased trade barriers between the United States and other major economies. Global growth was supported by strong investment in technology and artificial intelligence, accommodative monetary and fiscal policies, and the private sector's adaptability. The U.S. economy benefited from robust AI investment, tax reductions, and regulatory easing, which together mitigated the impact of trade and migration policies. China sustained stable growth, as its overall exports continued to expand despite reduced exports to the U.S. Meanwhile, European economies faced headwinds from geopolitical risks and higher tariffs. With inflationary pressures easing, major global central banks further reduced interest rates in 2025, albeit at varying speeds.

Arab economies experienced a broadly positive year in 2025. Oil-exporting countries recorded stronger growth as oil production recovered in line with OPEC+ decisions, alongside solid non-oil expansion driven by economic reforms, diversification strategies, and public investment. Oil-importing countries also saw improved performance in general, supported by easing regional tensions, stronger tourism and investment, rising remittances, lower oil prices, improved agriculture, and ongoing structural reforms—though fiscal challenges persist in some cases. Inflation remained contained across much of the region, particularly in countries with currency peg to the U.S. dollar, enabling central banks to reduce interest rates further. Inflation also declined significantly in several other countries as exchange rates stabilised, providing room for monetary easing. By the end of 2025, clear signs of economic recovery had emerged across the region, supported by higher oil production, ongoing reforms, and lower interest rates.

Arab banks maintained financial stability and strengthened their performance in 2025. Central banks nurtured a proactive and prudent regulatory environment, and continued to adopt leading international standards and best practices in banking supervision and governance. The year was marked by strong profitability for Arab banks, solid asset growth, and an expanded role in financing various economic sectors. Arab banks also continued to attract domestic savings, reinforcing depositors' confidence in the financial system. Moreover, the adoption of modern financial technologies accelerated, including AI-driven solutions and expanded digital channels and platforms. These developments became key drivers of improved operational efficiency and broader financial inclusion across many countries.

In light of these conditions and developments, Arab Bank Group continued its record of achievements, delivering distinguished results that reflected sustained growth in operating profits

across many of the regions in which it operates. Supported by the diversification of the Group's business activities, products, funding sources, and revenue base, sustainable value for shareholders was achieved. The Group's net profit after tax and provisions reached USD 1,130.4 million, reflecting a growth of 12%. Based on this performance, the Board of Directors has recommended a cash dividend distribution to shareholders of 40% for the 2025 financial year.

Furthermore, Arab Bank Group continued to strengthen its geographical presence. During 2025, Arab Bank Iraq officially commenced its operations in Iraq through two branches in Baghdad, with work currently underway to open additional branches across several other governorates.

The year 2025 also witnessed the launch of the bank's refreshed corporate visual identity, a defining milestone in its journey of continuous evolution to reinforce its leading position as one of the most established and successful financial institutions in the MENA region. Rooted in the core of the bank's prestigious heritage that dates back to its founding in 1930, this refreshed identity seamlessly blends modernity with simplicity. It embodies the bank's digital readiness and systematic evolution, broadening its visual appeal to resonate with diverse audiences, including the younger generation. Through this evolution, the bank continues to strengthen its position as a modern, dynamic, and digitally empowered institution, capable of keeping pace with the latest developments in the banking industry and meeting the evolving needs of the bank's customers across various sectors and regions in a world of constant change and immense digital transformation.

As part of its steadfast commitment to social responsibility, the bank continued throughout 2025 to focus on integrating sustainability in its most comprehensive sense across all activities. The bank sustained the leading role it plays in corporate social responsibility within the communities where the bank operates, continuing its support for projects and initiatives with a positive impact—specifically in the areas of health, education, poverty alleviation, orphan support, environmental protection, and women empowerment. Furthermore, the bank moved forward in reinforcing the pioneering role of the Abdul Hameed Shoman Foundation in supporting scientific research and cultural enrichment.

As Arab Bank embarks on a new phase in its journey, we will remain committed to implementing our long-term strategic goals. These are rooted in a clear and ambitious future vision that places sustainable growth and value creation at the heart of our priorities. We will also continue to focus on achieving a calculated balance between growth and enhancing the value provided to our customers, by capitalising on the opportunities presented by economic shifts and strengthening our presence in markets with promising potential.

The bank sustains the leading role it plays in corporate social responsibility within the communities where it operates

Moreover, we will continue to strengthen our core business segments and elevate operational efficiency by accelerating the pace of digital transformation and intensifying investments in Artificial Intelligence and data analytics. This is in addition to developing our wealth management services and continuing the expansion of our regional network, thereby building a sustainable competitive advantage and supporting our long-term strategic goals. In parallel, we will continue to invest in our human capital—the fundamental pillar of our success—by developing the capabilities of our staff, attracting specialised talent, and equipping our teams with the necessary skills to meet the requirements of the coming phase.

In conclusion, I would like to express my sincere thanks and appreciation to the Central Bank of Jordan for its pivotal role in maintaining the stability of the Jordanian banking sector and reinforcing its growth. I also extend my deep gratitude to our esteemed shareholders and loyal customers for their invaluable trust. Finally, I thank the entire Arab Bank team and our employees across all regions for their dedication and tireless efforts, which remain the fundamental pillar of all our successes and achievements.

Sabih Taher Masri

Chairman of the Board of Director

Message from the Chief Executive Officer



The financial results of Arab Bank Group for the year 2025 culminated a year of significant achievements and growth across its various business sectors

Esteemed Ladies and Gentlemen, Shareholders of Arab Bank,

I am pleased to present to you the financial results of Arab Bank Group for the year 2025, which culminated a year of significant achievements and growth across our various business sectors, despite an operating environment characterised by persistent economic and financial challenges at both regional and global levels.

During 2025, Arab Bank Group recorded strong financial performance and achieved growth across all business lines. The bank's net profit after tax and provisions reached USD 1,130.4 million, compared to USD 1,007.1 million in 2024, reflecting a growth of 12%. Furthermore, the Group maintained a robust financial position, with total equity standing at USD 13.2 billion.

Arab Bank Group continued its growth throughout 2025, underpinned by its robust financial position and an extensive branch network spanning numerous countries. By the end of 2025, the Group's total assets grew by 10% to reach USD 78.2 billion, while total operating revenue grew by 6% to around USD 3.6 billion. Similarly, the total loan portfolio increased by 8% to reach USD 41.2 billion, and customer deposits grew by 10% to reach USD 57.2 billion.

The strong results achieved by Arab Bank Group in 2025 were driven by notable growth in diversified income sources across its main business sectors and markets, coupled with a disciplined approach to cost and risk management. The Group achieved solid growth in net operating profit, driven by an increase in net interest and commission income resulting from improved lending levels, efficient liquidity management, and diversified funding sources, while leveraging the Group's extensive presence across multiple markets.

The bank continued to record strong performance indicators, alongside improvements in the credit quality of its portfolio, with the coverage ratio for non-performing loans exceeding 100% (excluding collateral value). The Group also maintained healthy liquidity levels, with a loan-to-deposit ratio of 72%. Furthermore, the bank holds a strong capital base, the majority of which is held as core capital; the bank's capital adequacy ratio stood at 17% according to Basel III standards, well above the minimum requirement set by the Central Bank of Jordan.

Across the Group's operational activities, business segments continued to achieve qualitative milestones that reflect the depth of transformation and evolution across various fields. In corporate banking, the digital ecosystem was enhanced through the launch of advanced supply chain finance solutions and cash management services. Within the consumer banking and wealth management sectors, the year witnessed the launch of private banking services in Jordan and the introduction of innovative investment products. This coincided with the successful

completion of the merger between (Banque Gonet & Cie SA) – owned by Arab Bank Switzerland – and the Swiss (Bank ONE), as part of the bank's strategy to strengthen its wealth management and private banking services. This strategic move has contributed to an increase in assets under management (AUM) for the customers of Arab Bank – Switzerland Group.

Furthermore, Arab Bank Group officially commenced operations in the Iraqi market through Arab Bank Iraq, a strategic step that supports its regional expansion. Additionally, the Group is currently in the process of reactivating its presence in Syria.

The bank also continued its digital transformation journey by developing solutions powered by Artificial Intelligence (AI) across all workstreams, aimed at enhancing performance and mitigating operational risks. This is further supported by the deployment of an integrated digital ecosystem that provides a seamless and interactive banking experience, catering to our customers' daily needs across various life stages and providing comprehensive financial solutions that align with the bank's customer first approach.

Culminating this journey of institutional excellence, Arab Bank received several prestigious international awards during the year. Most notably, the bank was named (Best Bank in the Middle East for 2025) by (Global Finance) magazine, and (Bank of the Year in the Middle East and North Africa 2025) by (MEED) magazine, in recognition of the bank's performance and its leading role across the region. Furthermore, the bank received the (Middle East Technology Award for 2025) from the renowned (The Banker) magazine owned by the (Financial Times Group), acknowledging the bank's continuous efforts and leadership in innovation and the provision of advanced digital services and solutions to its customers.

In conclusion, I would like to express my sincere thanks and deep gratitude to our valued customers for their continued trust; they will always remain at the heart of our focus and the core of our efforts and operations. My thanks also go to all colleagues at Arab Bank for their unwavering dedication and commitment, which have played a significant role in achieving these outstanding results.

Randa Mohammad El Sadek

Chief Executive Officer

Arab Bank continues to develop innovative solutions supported by artificial intelligence technologies and integrated digital ecosystem that places the customer at the forefront of its priorities

Net profits after taxes in USD millions

2025	1,130.4
2024	1,007.1

Main Business Activities

Corporate and Institutional Banking (CIB)

Arab Bank's Corporate and Institutional Banking (CIB) division manages banking relationships with a diverse client base across the sector, providing them with a wide range of banking and financial solutions tailored to meet their specific needs. These services are delivered through the bank's extensive global branch network, electronic channels, and advanced digital banking platforms that keep pace with the latest developments in the industry. This breadth and sophistication, combined with deep local market expertise and an ambitious strategy for client base expansion, solidify Arab Bank's position as a leading financial partner for businesses and institutions at local, regional, and international levels.

The division further continues its efforts to deliver a seamless and integrated banking experience that meets the needs of its clients at every stage of their business lifecycle and across all markets where the bank operates, ensuring consistent service levels across its network. In this context, CIB remains committed to providing a holistic range of financial solutions, incorporating products and services from across the bank's diverse business lines.

The Corporate and Institutional Banking (CIB) division plays a pivotal role in driving the bank's digital transformation and enhancing the customer experience for corporates and institutions through its advanced digital channels. Furthermore, it leverages data analytics to improve decision-making efficiency and strengthen the bank's competitive position. Alongside this technological progress, the division recognises the paramount importance of human capital and continues to invest in developing and refining the capabilities and skills of its teams across various regions. This ensures they keep pace with the rapid changes in the banking environment and meet the aspirations of clients in accordance with the highest standards of quality and efficiency.

Consumer Banking and Wealth Management:

The bank continues to advance its operations within the Consumer Banking and Wealth Management division through a targeted approach that prioritises meeting client needs through integrated solutions that keep pace with their evolving aspirations. Advanced digital channels are seamlessly integrated with the bank's extensive regional network to deliver

a streamlined banking experience that combines accessibility, convenience, and excellence.

Customer-centricity serves as the core value underpinning all of the bank's decisions; paving the way for more precise and personalised interactions and providing deeper insights that ensure the delivery of seamless and consistent banking experiences. In line with this, the bank continues to develop its mechanisms for systematically collecting and analysing customer feedback to ensure a proactive response to expectations, while leveraging these insights to drive business development and service enhancements. Similarly, the loyalty programme contributes to deepening customer engagement and empowerment through value-added benefits and experiences that enrich the overall customer journey.

The Consumer Banking and Wealth Management business model is carefully structured to provide personalised banking experiences that meet the aspirations of all customer segments. This is achieved through qualitative benefits tailored to individuals and families, beginning with the (Junior) programme for children and youth under 18, followed by the (Shabab) programme for customers up to the age of 25. Further segmented programmes are designed based on the financial profile of the client; these include (Extra) for salaried employees, (Premium) for the mid-tier segment, and the (Elite) programme serving High-Net-Worth Individuals (HNWIs). These solutions are complemented by specialised services, most notably the (Cross Border) programme, which enables various cross-border banking transactions through Arab Bank's regional branch network, and the (Tabeeb) programme, which offers exclusive financial solutions for doctors.

The Consumer Banking and Wealth Management business model is anchored in customer-centricity and digital innovation, delivering a comprehensive and personalised banking experience that meets the aspirations of all segments, ranging from individuals and families to wealth management and Small and Medium-sized Enterprises (SMEs)

The Corporate and Institutional Banking Group plays a key role in driving the bank's digital transformation and enhancing the customer experience of its corporate and institutional clients globally

The division's Private Banking business model is based on providing bespoke services to High-Net-Worth Individuals through a specialised advisory model. This approach offers comprehensive and carefully designed financial solutions and services aligned with their specific financial needs. The sector is built upon long-term strategic relationships that integrate with the wealth management ecosystem, reinforcing the bank's commitment to providing advanced investment options.

In this context, the wealth management portfolio offers a diverse range of products and services, including investment funds, securities, capital-protected funds, and structured deposits. Furthermore, it provides investments in precious metals, brokerage services, and asset management solutions, catering to various investment preferences and strategies.

The bank's operations also include the expansion of its card portfolio by introducing new products tailored to the needs of various customer segments. This is coupled with the development of the commercial payment acceptance infrastructure through innovative solutions that ensure seamless financial transactions and ultra-fast payment processing, thereby enhancing operational efficiency while adhering to the highest security standards.

In a related context, Arab Bank continues to support the Small and Medium-sized Enterprises (SMEs) sector through a suite of integrated banking solutions designed to meet the requirements of this vital industry. These include innovative options such as the (Arabi Next) application, payment and Point of Sale (POS) solutions, digital supply chain financing, and specialised e-commerce platforms. Such initiatives solidify the bank's role in empowering the sector by providing high-quality financial solutions that support business growth and enhance efficiency.

Innovation stands as a fundamental pillar of the Consumer Banking and Wealth Management division strategy, serving as a driving force that accelerates digital transformation and continuously strengthens the technical infrastructure. This commitment extends to the development of digital channels featuring advanced functionalities and updated user interfaces, ensuring a fluid experience that reinforces the customer-centric approach. Furthermore, the bank's lending framework utilises advanced analytical tools and risk management support systems for credit decision-making, aligning with digital business requirements and globally recognised digitisation standards.

Treasury:

Arab Bank's Treasury division is built upon extensive expertise in managing market and liquidity risks, providing expert advisory and dealing services to the bank's clients globally. By leveraging its advanced systems, the division continuously keeps pace with the latest developments in financial markets and remains committed to regulatory standards. This ensures maximum readiness to meet the requirements of the bank and the needs of clients with high efficiency.

The Treasury division serves as a fundamental pillar of Arab Bank's success, undertaking strategic tasks that contribute to achieving the bank's financial and operational targets, most notably:

- Managing liquidity with high efficiency and within approved limits to ensure its continuous availability and adequacy for all business sectors.

- Managing market risks proactively in accordance with established controls and prescribed risk appetite.
- Maximising revenues through the prudent management of market and liquidity risks.
- Executing bond purchase and sale operations, as well as open market operations, in collaboration with a distinguished team of experts.
- Providing foreign exchange services, selling derivatives, and financial products to clients.
- Providing support and advice to the bank's relevant departments regarding liquidity and market risk management mechanisms.

The Treasury division places utmost priority on the efficient and effective management of liquidity, while maintaining market and credit risks within conservative limits. This approach aligns with the bank's strategy to maintain robust and stable liquidity levels at all times and across its various geographical locations, regardless of market fluctuations. The division's role extends beyond merely securing liquidity surpluses to include the prudent and cautious investment of these surpluses through various channels, including:

- Short-term deposits with central banks.
- Short-term deposits with banking institutions holding high credit ratings.
- A multi-currency investment portfolio comprising of highly liquid bonds, treasury bills, and certificates of deposits.

Arab Bank believes that protecting its own interests is fundamentally integrated with safeguarding the interests of its clients against market volatility, particularly regarding foreign exchange rates and interest rate fluctuations. To reflect this commitment, the Treasury division provides a comprehensive suite of products and services through the bank's extensive branch network. These are designed to meet the requirements of various customer segments - including exporters, importers, and savers - while offering specialised hedging and risk management tools to neutralise the impact of market volatility and enable clients to achieve their financial objectives.

The Treasury division plays a pivotal role in strengthening the bank's financial stability through prudent liquidity and market risk management, and the provision of robust hedging tools that protect clients' interests across diverse markets

Our Network and Employees

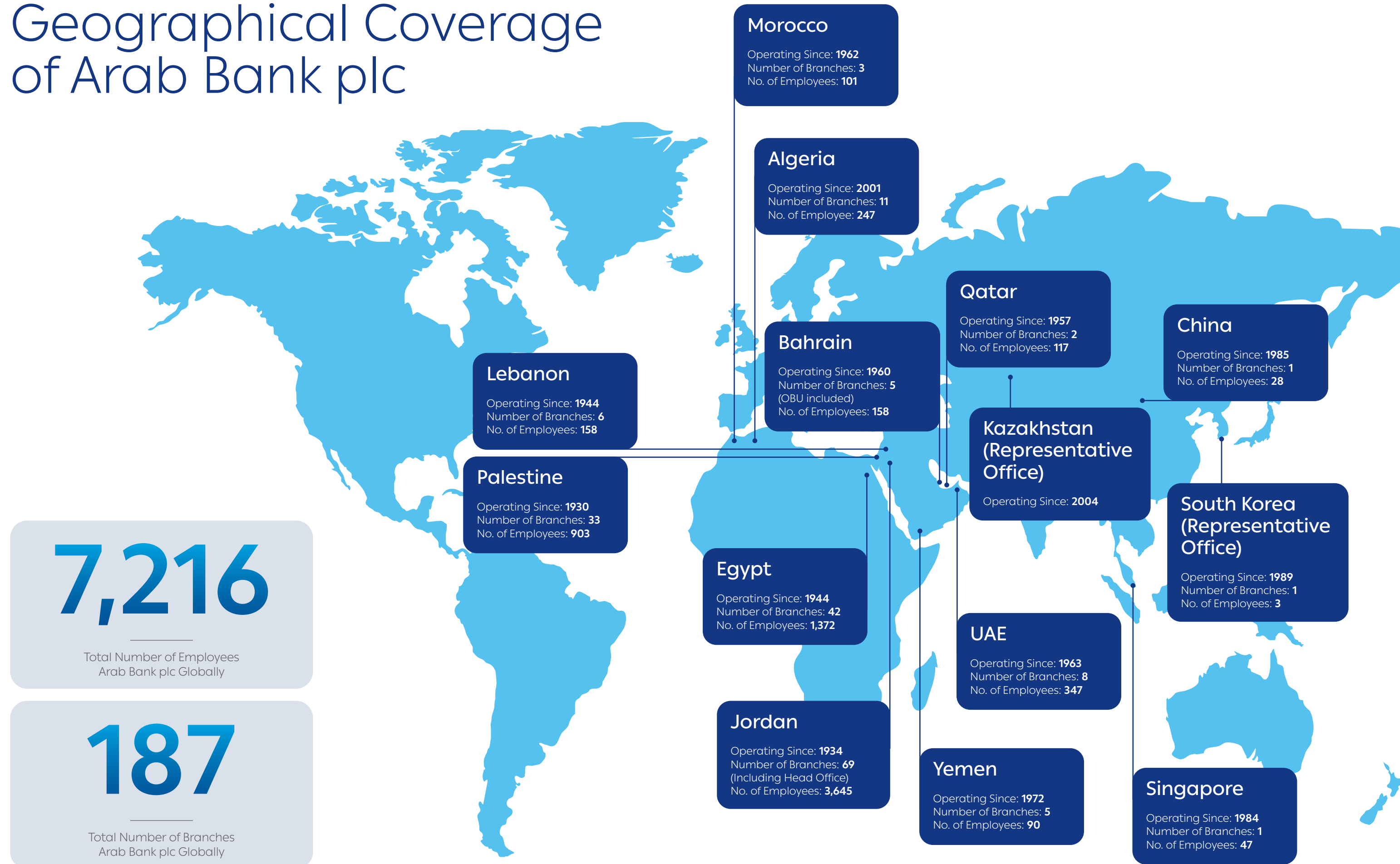
Arab Bank plc has a significant global presence, operating through an extensive network of branches, subsidiaries, and affiliates located in key financial hubs worldwide.

Below is a detailed summary of the bank's branch distribution and employee numbers in Jordan as of the end of 2025:

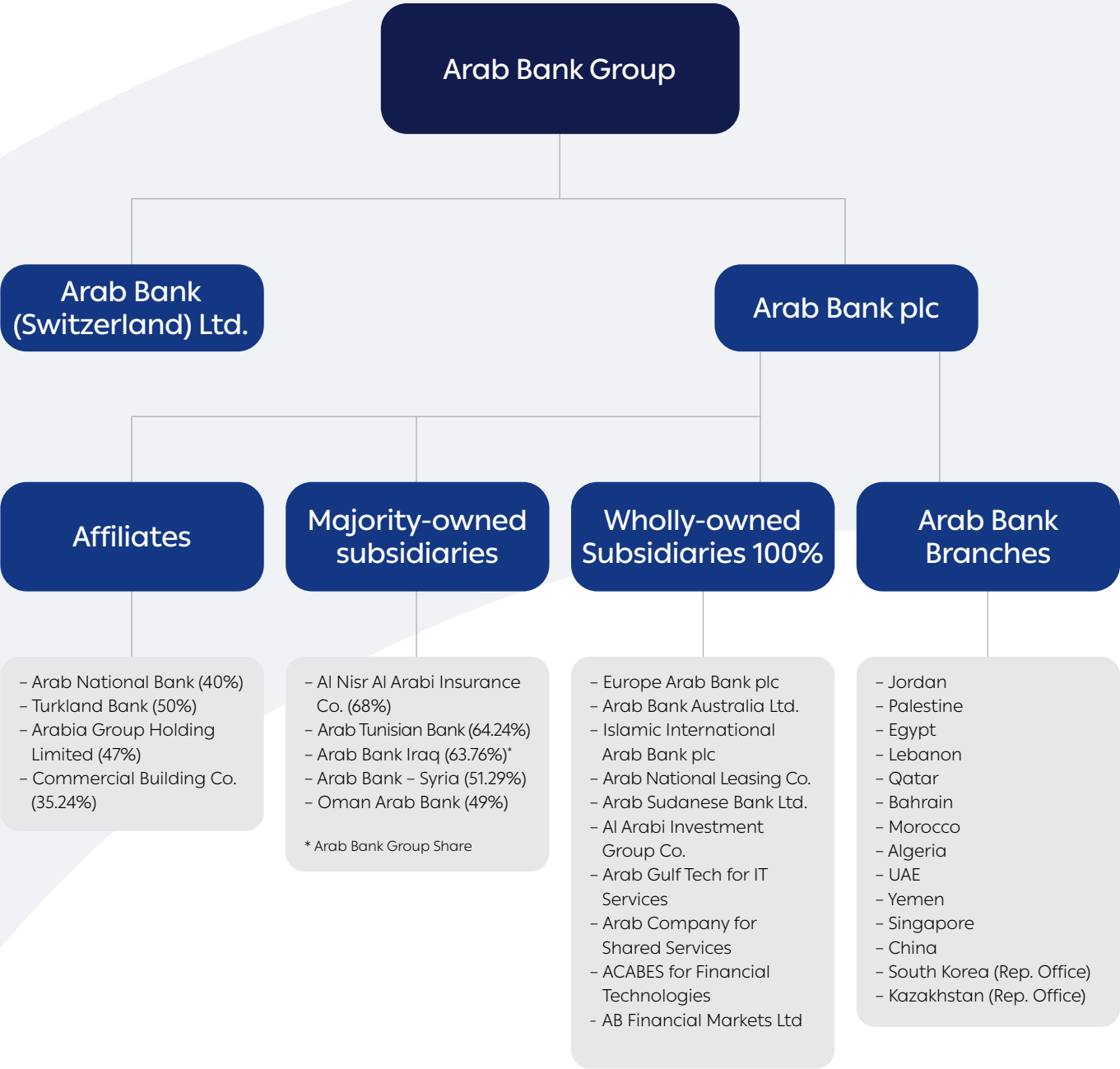
Governorate	Number of Branches	Number of Employees
	49 (Including Head Office)	
Amman		3,442
Irbid	3	41
Zarqa	5	66
Aqaba	1	18
Balqa'a	3	22
Karak	1	13
Mafraq	1	8
Ma'adaba	1	8
Jarash	1	6
Ma'an	2	10
Tafeila	1	6
Ajloun	1	5
Total	69	3,645



Geographical Coverage of Arab Bank plc



Arab Bank Group



Report on the total number of employees in the Arab Bank Group, including subsidiaries and sister companies

Company Name	No. of Employees
Arab Bank plc	7,216
Arab Bank (Switzerland) Ltd.	413
Oman Arab Bank SAOG	1,030
Islamic International Arab Bank	1,194
Europe Arab Bank plc	151
Arab Tunisian Bank	1,628
Arab Bank Australia Ltd.	90
Arab Sudanese Bank Ltd.	80
Arab Bank – Syria	278
Arab Bank Iraq	138
Arab National Leasing Company	26
Al Arabi Investment Group Company	63
Al Nisr Al Arabi Insurance Company	247
Arab Company for Shared Services FZ	111
Arab Gulf Tech for IT Services FZ	27
Acabes International for Financial Technologies Pvt Ltd.	321
Total	13,013

13,013

Total number of employees
in the Arab Bank Group

Capital Investment

The capital investment of Arab Bank plc amounted to JOD 204.3 million, representing net fixed assets of the bank as of the end of year 2025 in comparison to JOD 202.5 million as of the end of year 2024.

Subsidiaries and Sister Company

In addition to its direct presence in various markets, Arab Bank leverages its network of subsidiaries and an affiliate operating within the banking sector. This strategic approach enhances the Bank's reach, diversifies its offerings, and expands its service portfolio. A brief overview of these entities and their activities follows:

Arab Bank (Switzerland) Ltd:

Established in 1962 under Swiss law, Arab Bank (Switzerland) Ltd. is an independent Swiss entity wholly-owned by the shareholders of Arab Bank plc. The company possesses extensive expertise in private banking and investment management. Its core focus lies in providing bespoke services to individuals and institutions, encompassing wealth management, investment advisory, and trade finance. Through its branches, subsidiaries, and digital channels, the Arab Bank Group offers clients in Switzerland a comprehensive suite of commercial and investment banking services

The following table lists the main financial highlights of 2025 compared to 2024:

In CHF (thousands)	2025	2024
Capital	26,700	26,700
Total Shareholders' Equity	760,351	724,941
Total Assets	6,531,317	6,043,123
Cash and Quasi Cash	4,364,033	4,052,418
Direct Credit Facilities	1,821,649	1,764,778
Total External Sources of Funds (Customers' & Banks' Deposits)	5,580,681	5,129,816
Total Income	269,125	243,585
Net Profit/(Loss) Before Tax	48,483	69,036
Net Profit/(Loss) After Tax	36,705	56,151

Oman Arab Bank SAOG:

Oman Arab Bank SAOG was established in the Sultanate of Oman in 1984 as a closed joint-stock company. It has become one of the leading banks in the Omani banking sector, with a current share capital of approximately 217 million Omani rials. Arab Bank owns a 49% stake in this bank. Oman Arab Bank provides a wide range of commercial and investment banking services through its network of 50 branches across the Sultanate of Oman, as well as through various digital channels. Additionally, the bank offers Islamic banking services through its subsidiary, (Al Izz Islamic Bank).

The following table lists the main financial highlights of 2025 compared to 2024:

In OMR (millions)	2025	2024
Capital	216,941	166,941
Total Shareholders' Equity	634,904	560,177
Ownership Percentage	49%	49%
Arab Bank's Share of		
Net Profit/(Loss)	16,832	14,916
Total Assets	4,571,021	4,270,179
Cash and Quasi Cash	772,590	704,700
Direct Credit Facilities	3,676,362	3,446,695
Total External Sources of Funds (Customers' & Banks' Deposits)	3,823,948	3,598,559
Total Revenues	139,343	126,835
Net Profit/(Loss) Before Tax	40,835	36,140
Net Profit/(Loss) After Tax	34,352	30,440

Islamic International Arab Bank plc:

Islamic International Arab Bank plc is a wholly-owned subsidiary of Arab Bank plc. Established in Jordan in 1997 it has grown to become one of Jordan's leading Islamic banking institutions, with a current share capital of JOD 100 million. Islamic International Arab Bank plc provides its clients with a comprehensive range of Sharia-compliant banking products and services. These are delivered through a network of 47 branches located throughout the Kingdom, as well as via the bank's digital channels.

The following table lists the main financial highlights of 2025 compared to 2024:

In JOD (thousands)	2025	2024
Capital	100,000	100,000
Total Shareholders' Equity	327,175	298,900
Ownership Percentage	100%	100%
Arab Bank's Share of		
Net Profit/(Loss)	52,105	44,978
Total Assets	4,159,257	3,704,983
Cash and Quasi Cash	1,262,806	1,058,109
Direct Credit Facilities*	2,802,849	2,556,766
Total External Sources of Funds (Customers' & Banks' Deposits)	3,721,032	3,285,245
Total Revenues	129,076	113,553
Net Profit/(Loss) Before Tax	69,507	61,853
Net Profit/(Loss) After Tax	52,105	44,978

* Includes deferred sales receivables, other receivables, financings, and assets from Ijara Muntahia Bittamleek (lease to own) and Qard Hasan (benevolent loans). All items are presented net of any relevant deductions..

Europe Arab Bank plc:

Europe Arab Bank was established as a limited liability company based in London in 2006. It is a wholly-owned subsidiary of Arab Bank plc. The bank currently has a share capital of EUR 570 million and offers a diverse range of services, including corporate and individual banking, treasury operations, and other services to clients in the United Kingdom, and European Union countries – through its subsidiary in France – and its various digital channels. The bank has the right to open bank branches in any country within the European Union..

The following table lists the main financial highlights of 2025 compared to 2024:

In EUR (thousands)	2025	2024
Capital	569,982	569,982
Total Shareholders' Equity	338,631	312,905
Ownership Percentage	100%	100%
Arab Bank's Share of		
Net Profit/(Loss)	19,756	15,573
Total Assets	3,051,053	2,855,653
Cash and Quasi Cash	1,616,039	1,484,586
Direct Credit Facilities	1,381,146	1,314,790
Total External Sources of Funds (Customers' & Banks' Deposits)	2,653,250	2,468,501
Total Revenues	79,737	73,855
Net Profit/(Loss) Before Tax	22,767	18,573
Net Profit/(Loss) After Tax	19,756	15,573

Subsidiaries and Sister Company

Arab Tunisian Bank:

Arab Tunisian Bank was established in 1982 as an independent Tunisian company. Arab Bank plc holds a 64.24% stake in the bank. With a current share capital of TND 150 million, the bank plays an active role in supporting the Tunisian national economy and its institutions. It offers a full range of banking services through 100 branches located across Tunisia and its digital channels.

The following table lists the main financial highlights of 2025 compared to 2024:

In TND (thousands)	2025	2024
Capital	150,000	128,000
Total Shareholders' Equity	682,024	514,215
Ownership Percentage	64.24%	64.24%
Arab Bank's Share of (Profit/Loss)	5,941	1,956
Total Assets	8,325,760	8,322,986
Cash and Quasi Cash	2,542,051	2,530,984
Direct Credit Facilities	5,336,698	5,381,920
Total External Sources of Funds (Customers' & Banks' Deposits)	7,323,217	7,490,336
Total Revenues	364,832	381,823
Net Profit/(Loss) Before Tax	12,810	15,142
Net Profit/(Loss) After Tax	9,248	3,045

Arab Bank Australia Ltd:

Arab Bank Australia Ltd was established in Australia in 1994 as a wholly-owned subsidiary of Arab Bank plc. With a current share capital of AUD 119.3 million, the bank offers a full range of commercial banking services to individuals and businesses through four branches and various digital channels.

The following table lists the main financial highlights of 2025 compared to 2024:

In AUD (thousands)	2025	2024
Capital	119,314	119,314
Total Shareholders' Equity	177,715	177,346
Ownership Percentage	100%	100%
Arab Bank's Share of (Profit/Loss)	351	5,693
Total Assets	1,290,851	1,197,219
Cash and Quasi Cash	317,628	300,605
Direct Credit Facilities	949,154	870,197
Total External Sources of Funds (Customers' & Banks' Deposits)	1,096,035	997,779
Total Revenues	28,517	29,483
Net Profit/(Loss) Before Tax	356	2,899
Net Profit/(Loss) After Tax	351	5,693

Arab Sudanese Bank Ltd:

A wholly-owned subsidiary of Arab Bank plc, established in 2008. With a paid-up capital of USD 50 million, it offers its clients a variety of Sharia-compliant banking products and services through five branches.

The following table lists the main financial highlights of 2025 compared to 2024:

In SDG (thousands)	2025	2024
Capital	117,515	117,515
Total Shareholders' Equity	(6,236,965)	(135,922)
Ownership Percentage	100%	100%
Arab Bank's Share of Net Profit/(Loss)	(6,101,043)	(3,380,389)
Total Assets	256,706,874	69,475,274
Cash and Quasi Cash	141,840,767	36,778,380
Financings and Deferred Sales Receivables	113,006,074	31,346,869
Total External Sources of Funds (Customers' & Banks' Deposits)	243,749,451	67,161,759
Total Revenues	(3,188,496)	(2,215,651)
Net Profit/(Loss) Before Tax and Zakat	(6,101,043)	(3,380,389)
Net Profit/(Loss) After Tax and Zakat	(6,101,043)	(3,380,389)

Arab Bank – Syria:

Arab Bank–Syria was established in Damascus in 2005 as a bank licensed to conduct all commercial banking activities. Arab Bank plc holds a 51.29% stake in the bank, which currently has a share capital of SYP 10 billion. The bank provides its services through 12 branches located across Syria and through its digital channels.

The following table lists the main financial highlights of 2025 compared to 2024:

In SYP (millions)	2025	2024
Capital	10,000	5,050
Total Shareholders' Equity	574,178	714,232
Ownership Percentage	51.29%	51.29%
Arab Bank's Share of Net Profit/(Loss)	(4,312)	(4,978)
Total Assets	1,960,562	1,538,996
Cash and Quasi Cash	1,727,514	1,394,512
Direct Credit Facilities	164,039	87,910
Total External Sources of Funds (Customers' & Banks' Deposits)	1,347,903	791,481
Total Ordinary Revenues	55,827	53,959
Net Profit/(Loss) Before Tax	(15,379)	(5,842)
Net Profit/(Loss) After Tax	(8,407)	(9,705)

Subsidiaries and Sister Company

Arab Bank Iraq:

Arab Bank Iraq was established in 2023 with a capital of IQD 250 billion, equivalent to approximately \$191 million. Arab Bank PLC holds a 59.74% stake in Arab Bank Iraq, while the Arab Bank Group holds 63.76%. The bank currently operates through two branches.

The following table lists the main financial highlights of 2025 compared to 2024:

In JOD (thousands)	2025	2024
Capital	250,000,000	250,000,000
Total Shareholders' Equity	226,583,754	232,836,565
Ownership Percentage	59.74%	59.74%
Arab Bank's Share of Net Profit/(Loss)	(3,735,429)	(10,253,436)
Total Assets	493,483,004	274,924,514
Cash and Quasi Cash	429,549,010	250,182,374
Direct Credit Facilities	23,647,815	--
Total External Sources of Funds (Customers' & Banks' Deposits)	250,435,614	--
Total Revenues	26,062,736	--
Net Profit/(Loss) Before Tax	(6,252,811)	(17,163,435)
Net Profit/(Loss) After Tax	(6,252,811)	(17,163,435)

Arab National Leasing Company:

Arab National Leasing Company was established in 1996 as a limited liability company and is wholly-owned by Arab Bank plc. The company currently has a share capital of JOD 50 million and offers financial leasing services for all types of assets and products through its sole branch in Jordan.

The following table lists the main financial highlights of 2025 compared to 2024:

In JOD (thousands)	2025	2024
Capital	50,000	50,000
Total Shareholders' Equity	75,515	74,913
Ownership Percentage	100%	100%
Arab Bank's Share of Net Profit/(Loss)	3,602	3,504
Total Assets	89,625	92,420
Cash and Quasi Cash	4,055	12,080
Investment in Lease Contracts	79,776	74,779
Total External Sources of Funds (Customers' & Banks' Deposits)	--	5,000
Total Revenues	6,976	6,272
Net Profit/(Loss) Before Tax	5,118	4,864
Net Profit/(Loss) After Tax	3,602	3,504

Al Arabi Investment Group Company:

Al Arabi Investment Group Company was established in Jordan in 1996 and is considered one of the leading financial institutions in the field of investment banking in the region. The company offers brokerage, asset management, corporate finance, and research services through its branch in Jordan and its digital channels. With a share capital of JOD 14 million, the company is wholly-owned by Arab Bank plc.

The following table lists the main financial highlights of 2025 compared to 2024:

In JOD (thousands)	2025	2024
Capital	14,000	14,000
Total Shareholders' Equity	22,224	18,323
Ownership Percentage	100%	100%
Arab Bank's Share of Net Profit/(Loss)	1,413	985
Total Assets	32,098	24,350
Cash and Quasi Cash	26,809	19,620
Direct Credit Facilities	-	-
Total External Sources of Funds (Customers' & Banks' Deposits)	8,385	5,068
Total Revenues	5,394	4,165
Net Profit/(Loss) Before Tax	1,893	1,274
Net Profit/(Loss) After Tax	1,413	985

Acabes for Financial Technologies:

Acabes for Financial Technologies was established in 2021 with a capital of JOD 50,000 to serve as the technology arm of the Arab Bank Group in the field of financial technology. Acabes provides design, development, and management services for digital solutions to the Arab Bank Group and external parties, in addition to offering financial technology services to the Group's customers. The company currently operates through its headquarters in Jordan, a branch in Saudi Arabia and two subsidiaries in Tunisia and Egypt, with plans to expand into other regions. In 2024, the company's capital was increased to JOD 5 million.

The following table lists the main financial highlights of 2025 compared to 2024:

In JOD (thousands)	2025	2024
Capital	5,000	5,000
Total Shareholders' Equity	5,575	5,553
Ownership Percentage	100%	100%
Arab Bank's Share of Net Profit/(Loss)	21	218
Total Assets	7,378	10,114
Cash and Quasi Cash	4,538	8,074
Total Investments	--	-
Total External Sources of Funds (Customers' & Banks' Deposits)	864	-
Total Revenues	14,929	10,147
Net Profit/(Loss) Before Tax	48	243
Net Profit/(Loss) After Tax	21	218

Al Nisr Al Arabi Insurance Company:

Al Nisr Al Arabi Insurance Company was established in 1976 and is a member of the Arab Bank Group. It is considered one of the leading insurance companies in Jordan, offering a comprehensive range of insurance products through three branches. Arab Bank plc holds a 68% stake in the company, which currently has a share capital of JOD 16 million.

The following table lists the main financial highlights of 2025 compared to 2024:

In JOD (thousands)	2025	2024 (Restated)
Capital	16,000	10,000
Total Shareholders' Equity	35,893	53,465
Ownership Percentage	68%	68%
Arab Bank's Share of Net Profit/(Loss)	3,948	3,757
Total Assets	146,498	143,001
Cash and Quasi Cash	129,450	125,664
Total External Sources of Funds (Customers' & Banks' Deposits)	-	-
Total Revenues	7,712	7,031
Net Profit/(Loss) Before Tax	6,721	6,001
Net Profit/(Loss) After Tax	5,806	5,086

Detailed Information on Subsidiaries and Sister Company

Entity	Type	Address	Type of Activity	Capital	No. of Employees	No. of Branches	Major Shareholders (5% or more of capital)				
							Name	No. of Shares as of 31/12/2024	%	No. of Shares as of 31/12/2025	%
Arab Bank (Switzerland) Limited * Includes Gonet & Cie SA Bank branches	Public Shareholding	10-12 Place de Longemalle P.O. Box 3575, CH 1211 Geneva 3 Phone: +41 22 715 1211 Fax: +41 22 715 1311 www.arabbank.ch	Commercial Banking	26,700,000 CHF	413	7	Shareholders of Arab Bank (Switzerland) Ltd. are the same shareholders of Arab Bank plc, with an identical ownership structure. Arab Bank (Switzerland) Limited				
Oman Arab Bank	Omani Public Shareholding	North Ghubra, P.O.Box 2240 PC 130 Sultanate of Oman Tel. 00968 (24) 754000 Fax. 00968 (24) 797736 www.oman-arabbank.com	Commercial Banking	216,941,000 RO	1030	50	Arab Bank plc	818,010,900	49%	981,344,233	49%
							Oman International Development & Investment Company SAOG (OMINVEST)	517,382,480	30.99%	620,688,933	30.99%
Islamic International Arab Bank	Public Shareholding	Wasfi Al Tal St., Bldg. no. 20, PO Box 925802 Amman 11190 Jordan Tel. +962 6 5003300 Fax. +962 6 5694914 www.iiabank.com.jo	Islamic Banking	100,000,000 JOD	1194	47	Arab Bank plc	100,000,000	100%	100,000,000	100%
Europe Arab Bank	Public Shareholding	35 Park Lane W1K 1RB United Kingdom Phone: +44 20 7315 8500 Fax: +44 20 7600 7620 www.eabplc.com	Commercial Banking	569,925,540 EUR	151	2	Arab Bank plc	50 000 deferred shares of £1 and 569 925 540 ordinary shares of €1	100%	50 000 deferred shares of £1 and 569 925 540 ordinary shares of €1	100%
Arab Tunisian Bank	Public Shareholding	9 Hadi Noura St, Tunis 1001 Tel. +216 71 351 155 Fax. +216 71 342 852 E-Mail: atbbank@atb.com.tn www.atb.com.tn	Commercial Banking	150,000,000 TND	1628	100	Arab Bank plc	64,237,531	64.24%	64,237,531	64.24%
							Zarzari Complex	5,317,921	5.32%	5,241,115	5.24%
Arab Bank Australia Limited	Public Shareholding	Level 7, 20 Bridge Street, Sydney NSW 2000 Australia Phone: +61 2 9377 8900 Fax: +61 2 9221 5428 www.arabbank.com.au	Commercial Banking	119,314,274 AUD	90	4	Arab Bank plc	119,314,274	100%	119,314,274	100%
Arab Sudanese Bank Limited	Private Shareholding	Wahat El- Khartoum Towers, P.O Box 955, Khartoum, Sudan Tel. +249 15 6550001 Fax. +249 15 6550004	Islamic Banking	50,000,000 USD	80	5	Arab Bank plc	5,000,000	100%	5,000,000	100%
Arab Bank - Syria	Public Shareholding	Damascus, Abu Rummana, Mahdi Bin Baraka St., PO Box 38 Damascus, Syria Tel. +963 11 9421 Fax. +963 11 3348136 www.arabbank-syria.sy	Commercial Banking	10,000,000,000 SYP	278	12	Arab Bank plc	25,899,385	51.29%	51,285,910	51.29%
							Alia Talal Zein	2,525,000	5%	5,000,000	5%
							Moh'd Kamel Sharabati	2,525,000	5%	5,000,000	5%
Arab Bank Iraq	Privately Held Joint-Stock Company	District 915 - Street 22 - House 294 - Al-Jadriya, Abu Nuwas St. Al- Janadria - Baghdad Tel: 9647850999999 Email:info@arabbankiraq.com.iq www.arabbankiraq.iq	Commercial Banking	250,000,000,000 IQD	138	2	Arab Bank plc	149.345billion shares	59.74%	149.345billion shares	59.74%
							Arab National Bank	50billion shares	20%	50billion shares	20%
							Esnad Co	25billion shares	10%	25billion shares	10%
Arab National Leasing Co	Limited Liability	Amman, Madina Monawwara St., Arab Bank Bldg. no. 255, PO Box 940638 Amman 11194 Jordan Tel. +962 6 5531640/49/50 Fax. +962 6 5529891 www.anl-jo.com	Financial Leasing	50,000,000 JOD	26	1	Arab Bank plc	50,000,000 JD/ Share	100%	50,000,000 JD/Share	100%

Detailed Information on Subsidiaries and Sister Company

Entity	Type	Address	Type of Activity	Capital	No. of Employees	No. of Branches	Major Shareholders (5% or more of capital)				
							Name	No. of Shares as of 31/12/2024	%	No. of Shares as of 31/12/2025	%
AI Arabi Investment Group (AB Invest)	Limited Liability	Shmeisani, Esam Ajlouni St., Bldg. no. 3, PO Box 143156 Amman 11814 Jordan Tel. +962 6 5522239 Fax. +962 6 5519064 www.ab-invest.net	Investment & Financial Services	14,000,000 JOD	63	1	Arab Bank plc	14,000,000 JD/Share	100%	14,000,000 JD/Share	100%
AI Nisr AI Arabi Insurance Co.	Private Shareholding	Shmeisani, Esam Ajlouni St., Bldg. no. 21, PO Box 9194 Amman 11191 Jordan Tel. +962 6 5685171 Fax. +962 6 5685890 www.al-nisr.com	Insurance Services	16,000,000 JOD	247	3	Arab Bank plc	6,800,766	68%	10,881,225	68%
							Yacoub Manaweel Yacoub Sabella	1,029,752	10.29%	1,658,456	10.37%
							Zaid Manaweel Yacoub Sabella	968,536	9.69%	1,558,795	9.74%
Arab Company for Shared Services FZ	Limited Liability	Dubai Outsource Zone Academic City- Manamah St. P.O.Box 11364 Dubai, UAE Phone: +971 4 4450555 Fax: +971 4 4495463	Financial Services for Arab Bank Branches	40,370,000 AED	111	1	Arab Bank plc	40,370 Shares	100%	40,370 Shares	100%
Arab Gulf Tech for IT Services FZ	Limited Liability	Dubai Outsource Zone Academic City- Manamah St. P.O.Box 500524 Dubai, UAE Phone: +971 4 4450555 Fax :+971 4 4495460	IT Services for Arab Bank Branches	1,500,000 USD	27	1	Arab Bank plc	5,509 Shares	100%	5,509 Shares	100%
Acabes for Financial Technologies	Private Shareholding	King Hussein Business Park, Bldg. No.1 P.O. Box 950545 Amman 11195 Jordan Tel. +962 (6) 5203640 www.acabesinternational.com	IT Services	5,000,000 JOD	321	4	Arab Bank plc	5,000,000	100%	5,000,000	100%

Investments in subsidiaries as of 31/12/2025:

Company Name	Nature of Business	Ownership %	Country
Europe Arab Bank plc	Commercial Banking	100%	UK
Arab Bank Australia Ltd.	Commercial Banking	100%	Australia
Islamic International Arab Bank plc	Islamic Banking	100%	Jordan
Arab National Leasing Company LLC	Financial Leasing	100%	Jordan
Al Arabi Investment Group Company LLC	Financial Services and Investments	100%	Jordan
Arab Sudanese Bank Ltd	Islamic Banking	100%	Sudan
Acabes International for Financial Technologies Pvt Ltd	Information Systems Services	100%	Jordan
AB Financial Markets Ltd	Financial Derivatives	100%	Cayman Islands
Al Nisr Al Arabi Insurance Company PSC	Insurance Services	68%	Jordan
Arab Tunisian Bank	Commercial Banking	64.24%	Tunisia
Arab Bank - Syria	Commercial Banking	51.29%	Syria
Arab Bank Iraq	Commercial Banking	63.76*	Iraq
Oman Arab Bank SAOG	Commercial Banking	49%	Oman

* Arab Bank Group's Share

Investments in affiliated companies as of 31/12/2025:

Company Name	Nature of Business	Ownership %	Country
Arab National Bank	Commercial Banking	40%	Saudi Arabia
Turkland Bank	Commercial Banking	50%	Turkey
Arabia Group Holding Limited	Holding Company	47%	UAE
Commercial Building Company	Real Estate Leasing	35.24%	Lebanon

Board of Directors



Sabih Taher Darwish Masri
Chairman

Date of Membership
27/3/1998

Date of birth
2/12/1937

Academic qualifications
- BSc in Chemical Engineering, University of Texas, Austin, USA, 1963

Experience

- More than 60 years experience in managing private businesses in various areas of investment, finance, industry and commerce
- Founder and Chairman of Astra Group of companies (since 1966)
- Chairman of the Board of Directors of ASTRA Industrial Group - Saudi Arabia (since 2007)
- Chairman of the Board of Directors of ZARA Holding Co. - Jordan (since 5/1999)
- Chairman of the Board of Directors of Palestine Telecommunication Corp. - Palestine (since 1998)
- Member of the Board of Directors of Palestine Development & Investment Co. (Padico) - Palestine (since 1994)
- Chairman of the Board of Directors of Arab Supply & Trading Co. - Saudi Arabia (since 1979)
- Chairman of the Board of Directors of CICON for Building Materials Co. - UAE (since 1968)
- Member of the Board of Directors of Arab Bank (Switzerland) (2005- 2013)
- Chairman of the Board of Directors of Abdul Hameed Shoman Foundation
- Chairman of the Board of Trustees of An-Najah National University

Key
● Non Executive ● Non Independent ● Independent



Khaled Sabih Taher Masri
Deputy Chairman

Date of Membership
25/1/2021

Date of birth
19/2/1966

Academic qualifications
- MBA, Georgetown University, 1990
- B.Sc. in Computer Science and Engineering, M.I.T, 1986

Experience

- President, ASTRA Group (since 1995)
- Vice Chairman, Astra Industrial Group (since 2008)
- Chairman, Ayla Oasis Development Co. (since 2003)
- Board Member, Zara Holding (since 1994), and Vice Chairman (since 2005)
- Board Member, Jordan Hotel and Tourism Co. (since 1997)
- Board Member, Jordan Himmeh Mineral Co. (since 2000)
- Board Member, Cairo Amman Bank (1995 - 2021), and Chairman (1999 - 2012)



Ministry of Finance, Saudi Arabia
Represented by Mr. Hisham
Mohammed Mahmoud Attar
Member of the Board of Directors

Date of Membership
Legal Entity: 29/4/1966
Legal Entity's Representative: 29/3/2018

Date of birth
29/6/1981

Academic qualifications
- Bachelor in Business Economics and Public Private Sector Organizations / Brown University - USA, 2004

Experience

- Cofounder & Managing Partner / Thara Investments - Saudi Arabia (since October 2022)
- Managing Director & Member of the Investment Committee / The Saudi Technology Development And Investment Company (TAQNIA) - Saudi Arabia (since 2022), and Member of the Board of Directors (since 2022)
- Member of the Board of Directors & member of Executive Management committee / Jeddah Transportation Co. - Saudi Arabia (since 2024)
- Vice Chairman & Executive Committee Chairman / Avalon Pharma (since December 2023)
- Vice Chairman of the Board / Al Mamlaka for Healthcare and Medical Education - Amman, Jordan (since June 16, 2022)
- Chairman of the Saudi Jordanian Investment Funds - Jordan (2017 - August 2023)
- Chairman of the Halal Development Company (2021 - 2022)
- Director Local Partnerships Development / The Public Investment Fund - Saudi Arabia (2019 - July 2022)
- Senior Vice President / The Public Investment Fund - Saudi Arabia (2016 - August 2019)
- Member of the Board of Directors / The Saudi Arabian Military Industries Company (SAMI) - Saudi Arabia (2018 - May 2021)
- Member of the Board of Directors / Saudi Industrial Investment Company (Dussur) - Saudi Arabia (2017 - June 2021)
- Member of the Board of Directors / The Industrialization and Energy Services - Saudi Arabia (TAQA) (2017 - Nov. 2019)
- Member of the Board of Directors / Mobile Telecommunication (Zain) - Saudi Arabia (2016 - 2022)



Social Security Corporation
It is a national solidarity insurance scheme corporation. Benefits are funded by the contributions paid by the insured persons and employers and it aims to provide social and economic protection to people.

Represented by Mr. Mohammad
Adnan Hasan Almadi
Member of the Board of Directors

Date of Membership
Legal Entity: 20/9/2001
Legal Entity's Representative: 15/12/2021

Date of birth
18/4/1971

Academic qualifications
- Master of Administrative Science / Finance, University of Jordan, 1998
- Bachelor Degree in Accounting, Yarmouk University - Jordan, 1992

Experience

- Manager of Equity Support Directorate / Social Security Investment Fund (since Oct. 2019)
- Manager of Internal Audit Unit / Social Security Investment Fund (May 2003 - Oct. 2019)
- Senior Internal Auditor / Central Bank of Jordan (Jan. 1994 - May 2003)
- Customer Relationship Officer / Arab Bank PLC (Feb. 1993 - Dec. 1993)
- External Auditor / Deloitte & Touche (Sep. 1992 - Feb. 1993)
- Previous Board Member and Committees member of several companies, Housing Bank for Trade and Finance, Jordan Kuwait Bank, Capital Bank, The Jordan Petroleum Refinery Company, Daman Investments Company, The Jordan Petroleum Products Marketing Company, The National Jordanian Mineral Oils Industry, The Jordan Real Estate Development Company

Board of Directors



Wahbe Abdallah Wahbe Tamari
Member of the Board of Directors

Date of Membership
31/3/2006

Date of birth
14/5/1963

Academic qualifications

- Owner / President Management Program (OMP 43), Harvard Business School, (February 2013)
- BA in Management, Webster University, Geneva, Switzerland, 1985

Experience

- Chairman of the Board of Directors of Arab Bank (Switzerland) Ltd, Geneva, Switzerland (since April 2013), previously Member of the Board of Directors (2007-2013)
- Vice Chairman of the Board of Directors of Oman Arab Bank SAOC- Muscat, Oman (since September 2016 till March 2024)
- Chairman of the Board of Directors of Arabia Insurance Co. SAL. - Beirut, Lebanon (since June 2006)
- Chairman of the Board of Directors of the National Company for Real Estate Projects (NCREP) S.A.L. - Beirut, Lebanon (since May 2013)
- Member of the Board of Directors of ARABIA Insurance Cooperative Company - Riyadh, KSA (since April 2024)
- Member of the Board of Directors of Solidere International PLC. - Dubai, UAE (since May 2016)
- Member of the Board of Directors of Sucafina S.A. Geneva, Switzerland (since August 1998)
- Member of the Board of Directors of Immogroup S.A. - Luxembourg (since June 2011)
- Member of the Board of The Tamari Foundation - Switzerland (since 2012)
- Member of YPO EMIRATES GOLD- UAE (since 2021)



Omar Monther Ibrahim Fahoum
Member of the Board of Directors

Date of Membership
31/3/2022

Date of birth
17/1/1959

Academic qualifications

- BA in Business Administration / (Major Accounting) - University of Texas at Austin, 1980
- CPA / Texas State Board of Public Accounting, 1983

Experience

- 30 years of experience as a partner at Deloitte & Touche and the last 20 years as CEO of the firm. Experiences at Deloitte & Touche Middle East:
 - Chief Executive Officer - Deloitte & Touche Middle East (2001 - 2020)
 - Member of the Global Board - Deloitte Touche Tohmatsu (2017 - 2019) & (2007 - 2011)
 - Director of Operations for Saudi Arabia (1998)
 - Leader of the regional firm's valuation services (1995)
 - Leader of the firm's Eastern Province business in Saudi Arabia (1995)
- Board Member / Royal Jordanian (since March 2021)
- Co-founded of YPO / the Jordan chapter (1998) and Bahrain chapter (2007)
- Regional Board Member / INJAZ (since 2007)
- Founding Chair of the regional chapter 30% Club MENA (2015)
- Chairman / Amman Academy (2021-2022)
- Member of Engineering Academy for Training and Development (EATD) (since 2020)
- Member of Al Hussein Society (AHS) (since 2022)



Nabil Hani Jamil Alqaddumi
Member of the Board of Directors

Date of Membership
31/3/2022

Date of birth
20/9/1954

Academic qualifications

- PhD / Civil Engineering - Massachusetts University - USA, 1982
- MSc. / Civil Engineering - Stanford University - USA, 1977
- Bsc. / Civil Engineering - University of Texas - Austin, 1976

Experience

- Vice Chairman / Arab Fund for Arts and Culture (2007 - 2024), and Chairman (since 2025)
- Founder & Director / Hani Qaddumi Scholarship Foundation (since 2001)
- Chairman / SPETCO International Petroleum Company (since 2000)
- The Governor of Palestine / Arab Fund for Economic and Social Development (2019 - 2021) and (2008 - 2017)
- Board Member / Bank of Palestine (March 2018 - July 2019)
- Board Member / Jordan Investment & Finance Bank (Invest Bank) (2000 - 2017)
- Visiting lecturer / Stanford University (1989 - 1990)
- Founder and Chairman / PROJACS International (1984 - 2020)
- Lecturer / Kuwait University (1982 - 1993)

Key

● Non Executive ● Non Independent ● Independent



Majed Qustandi Elias Sifri
Member of the Board of Directors

Date of Membership
31/3/2022

Date of birth
17/12/1963

Academic qualifications

- J.D. (Doctor of Jurisprudence) / Washington College of Law, American University - Washington, 1989
- MBA (Masters of Business Administration- Finance), George Washington University, 1986
- BA (Economics and Business) - University of Maryland - USA, 1985

Experience

- CEO / OPTIMIZA Co. (since 2010)
- Board Member / ALTIBBI (2017 - 2021)
- CEO / Redline Communications Inc., Toronto (2001 - 2009)
- Chairman / Applications Technology Inc. (AppTek), Washington (1995 - 1999)
- CEO / CTI Datacom Inc., Montreal (1990 - 2001)
- Lawyer / The Law Bureau, Kuwait (1989 - 1990)



Sharif Mohdi Husni Saifi
Member of the Board of Directors

Date of Membership
31/3/2022

Date of birth
6/6/1972

Academic qualifications

- M.A. Leadership in Development Finance / Frankfurt School of Finance & Management, Germany, 2021
- European Certified Compliance Professional Certification, Frankfurt School of Finance & Management, Germany, 2020
- Master in Marine Environmental Protection / University of Wales, Bangor, UK, 1999
- Bachelor of Science in Foreign Service / Georgetown University, Washington DC, 1994

Experience

- Deputy Chairman & Deputy General Manager / Masar United Contracting Co. LLC, (since 2001)
- Board Member / VTEL Holding Co. LLC, (since 2006)
- Board Member / The South Coast Hotel Development Co., (since 1999)
- Chairman / Harmattan for Marine Tourism Co., (since 2009)
- Chairman / Al Mujtama Real Estate Development Co. LLC (since 2021)
- Board Member / Cairo Amman Bank (2010 - Feb. 2022)
- CEO / United Garment Manufacturing Co. / Filwa Investment Co. (2000-2004)
- Board Member / Accelerator Technology Holdings LLC, (2009-2010)
- Board Member / Raya Real Estate Development Co., (2005-2008)



Shahm Munib Elias Al-Wir
Member of the Board of Directors

Date of Membership
31/3/2022

Date of birth
28/12/1976

Academic qualifications

- Juris Doctorate in Law / University of Virginia School of Law, 2001
- Bachelors of Arts in Government (High Honors) / Harvard University, 1998

Experience

- Partner / Foursan Group (since 2007)
- Board Member / The Medjool Village Co., Jordan (since March 2024)
- Board Member / JO Academy (since 2021)
- Board Member / Sands National Academy (since 2019)
- Member of the Board of Trustees / The King Hussein Cancer Foundation (since 2019)
- Board Member / Siniora Food Industries (since 2013)
- Member of the Board of Trustees / Amman Baccalaureate School (since 2012)
- Board Member / Abdul Hamid Shoman Foundation (2013 - March 2022)
- Board Member / ATICO (2017 -2019)
- Board Member / Central Bank of Jordan (2016 - March 2022)
- Board Member / Zalatimo sweets and restaurants (2015 - 2021)
- Board Member / Shamsuna Power Company LLC (2014 - 2017)
- Board Member / Jordan Dubai Islamic Bank (2013 - 2016)
- Senior Associate Attorney / Debevoise & Plimpton LLP, New York

Board of Directors



Nadia Abdelra'uof Salem Rawabdeh
Member of the Board of Directors

Date of Membership
6/1/2025

Date of birth
12/4/1963

Academic qualifications
– Bachelors in Political Science – University of Jordan, 1984

Experience

- Minister of Labor (26/9/2023 – 15/9/2024)
- Vice Chairman & CEO / Social Security Corporation (1/9/2012 – 12/4/2018)
- Board Member / Social Security Investment Fund (1/9/2012 – 12/4/2018)
- Board Member / Jordan Kuwait Bank (4/5/2021 – 26/9/2023)
- Chairman / Wadi Araba Development Company (26/5/2021 – 26/9/2023)
- Chairman / Kingdom of Energy Investment (26/9/2016 – 26/9/2023)
- Chairman / Yarmouk Water (2019 – 2020)
- Chairman / National Company for Tourism Development (Since 10/11/2024)

Resigned Board Members during the year 2025

None

Mrs. Nadia Rawabdeh has joined Arab Bank plc Board of Directors on 6/1/2025 in line with the circular issued by the Central Bank of Jordan regarding the percentage of women's representation on Banks Board of Directors, and this percentage will be increased in the future

Senior Executives



Ms. Randa Mohammad Tawfiq El Sadek
Chief Executive Officer

Date of appointment
1/7/2010

Date of birth
14/11/1962

Academic qualifications
- M.B.A in Finance – American University of Beirut, 1986
- B.A. in Business Administration – American University of Beirut, 1984

Experience
- Chief Executive Officer – Arab Bank (since February 2022)
- Deputy Chief Executive Officer – Arab Bank (since July 1, 2010)
- Group General Manager for International Banking Group – National Bank of Kuwait (2006 – 2010)
- Managing Director – National Bank of Kuwait (International) plc, London (2005 – 2006)
- Assistant General Manager – National Bank of Kuwait (International) plc, London (1998 – 2005)
- Executive Manager & Treasurer – National Bank of Kuwait (International) plc, London (1993 – 1998)
- Head of Asset & Liability Management – National Bank of Kuwait (International) plc, London (1991 – 1993)
- Financial Analyst – National Bank of Kuwait (1986 – 1990)
- Graduate Assistant – American University of Beirut (1985 – 1986)

- Deputy Chairman – Oman Arab Bank – Oman
- Board Member – Arab National Bank – Saudi Arabia
- Chairman – Jordan Capital and Investment Fund Company
- Board Member – Jordan Capital and Investment Fund Management Company
- Board Member – Jordan Payments and Clearing Company
- Board Member – Association of Banks in Jordan
- Board Member – Al Hussein Fund for Excellence
- Board Member of Endeavor Jordan
- Board Member of Madfoatcom for Digital Payments



Mr. Mohammed Ahmed Khaled Masri
Deputy CEO / Corporate and Institutional Banking

Date of appointment
20/5/2018

Date of birth
23/4/1972

Academic qualifications
- BA, Business Administration, Faculty of Economics and Administrative Sciences – University of Jordan, 1995

Experience
- Deputy CEO / Corporate and Institutional Banking (Since August 2022)
- Executive Vice President / Head of Corporate and Institutional Banking, Arab Bank plc (2018 – August 2022)
- Country Manager, Arab Bank / United Arab Emirates (2011 – 2018)
- Senior General Manager, Chief Business Officer, Bank Audi/ Egypt (2006 – 2011)
- Head of Corporate and Institutional Banking, Millennium Capital Holding/ UAE/ Sudan (2006)
- Head of Trade Finance Department, Global Banking Group/ Arab Bank plc (2004 – 2006)
- Head of Corporate and Institutional Banking, Standard Chartered Bank / Jordan (2001 – 2004)
- Regional Manager, Standard Chartered Bank / Palestine (1999 – 2001)
- Branch Management, Standard Chartered Bank (Formerly ANZ Grindlays Bank)/ Palestine (1995 – 1999)
- Board Member – Paltel
- Board Member – Arab Bank Australia Ltd
- Arab Bank Iraq – Vice Chairman



Mr. Naim Rassem Kamel Al-Hussaini
Deputy CEO / Consumer Banking and Wealth Management

Date of appointment
20/11/2011

Date of birth
28/11/1962

Academic qualifications
- B.Sc. of Science, Industrial Management, University of Petroleum & Minerals – Saudi Arabia, 1985

Experience
- Deputy CEO / Consumer Banking and Wealth Management (Since August 2022)
- Head of Consumer Banking Division – Arab Bank (2011 – August 2022)
- Head of Retail Banking Group, Banque Saudi Fransi, Saudi Arabia (2008 – 2011)
- Division Manager, Consumer Assets Sales Division, Retail Banking Group, Banque Saudi Fransi, Saudi Arabia (2005)
- Regional Manager, Retail Banking Division, Eastern Region, Banque Saudi Fransi, Saudi Arabia (2000 – 2005)
- Manager, Network & Financial Planning Department, Retail Banking Group, Head Office, Banque Saudi Fransi, Saudi Arabia (1995 – 2000)
- Manager, Budget & Financial Planning, ITISALAT ALSAUDIA (1988– 1990)
- Chairman of the Board – Arab Tunisian Bank – Tunisia
- Member of the Board of Directors – Arab National Bank Saudi Arabia
- Vice Chairman of the International Islamic Arab Bank
- Board Member of Jordan Hotels and Tourism Company



Mr. Eric Jaques Modave
Deputy CEO/
Chief Operating Officer

Date of appointment
01/07/2014

Date of birth
28/05/1966

Academic qualifications
- Master in Engineering and Business Management (HEC Liege), 1989
- Certified Chartered Accountant (Luxembourg), 2006
- AMP Insead (France), 2013

Experience
- Deputy CEO/ Chief Operating Officer (Since August 2022)
- Chief Operating Officer, Arab Bank plc (Jordan), since (July 2014 – August 2022)
- Chief Operating Officer, Barclays Africa (Kenya) (2009 – 2014)
- Global Payment Operating Head, Barclays (London) (2006 – 2009)
- Head of Operations, Global Consumer Bank Europe Middle-East, Africa and Russia, Citigroup (London) (2005 –2006)
- Head of Retail Operations and Process Re-engineering Global Consumer Bank, Europe Middle-East, Africa and Russia, Citigroup (London) (2003 – 2005)
- Operations and Technology Head, Europe International Personal Banking, Citigroup (London) (2001 – 2002)
- Chief Financial Officer, Europe International Personal Banking, Citigroup (London) (1999 – 2000)
- Head of Business Planning and Analysis, Europe Consumer Bank, Citigroup (Brussels) (1996 – 1999)
- Audit Manager Arthur Andersen (Luxembourg) (1991 – 1996)
- Board Member – Europe Arab Bank plc
- Chairman of the Board of Arab Gulf Tech for IT Services – Dubai
- Chairman of the Board of Arab Company for Shared Services – Dubai
- Deputy Chairman of ACABES for Financial Technologies
- Chairman of the Board of ACABES International Pvt Ltd

Senior Executives



Mr. Ziyad Anwar Abdul Rahman Akrouk

EVP-Head of Group Risk Management

Date of appointment
10/6/2018

Date of birth
26/4/1958

Academic qualifications

- Master of Business Administration: Finance – Syracuse University, Syracuse, USA, 1988
- Bachelor of Science Degree with Honors, Civil Engineering, 1981
- University of Leeds, Leeds, England

Experience

- EVP – Head of Group Risk, Arab Bank plc, Amman, Jordan June 2018
- Chief Executive Officer, Member of the Board of Directors, Europe Arab Bank plc, United Kingdom (2011 – 2018)
- Chief Executive Officer, Citibank, Kuwait (2010 – 2011)
- Chief Executive Officer, Citibank, Jordan (2005 – 2010)
- Regional Risk Manager, Senior Credit Officer, Citibank Egypt, Jordan, Lebanon and Libya (2003 – 2005)
- Risk Manager, Senior Credit Officer, Bank Handlowy (Member of Citigroup), Poland (2000 – 2003)
- Unit Head, Corporate Banking, Corporate Finance & Project Finance, Vice President, Citibank Bahrain (1995 – 2000)
- Relationship Manager, Financial Institutions, Vice President, Citibank Bahrain (1989 – 1994)
- Marketing and Technical Support Engineer, Saudi Arabia (1984 – 1986)
- Project Management Engineer, Kuwait (1981 – 1984)
- Chairman of the Board of Directors, Al Nisr AlArabi Insurance Company, Jordan
- Member of the Board of Directory, Jordan Mortgage Refinance Company, Jordan



Mr. Mohamed Abdul Fattah Hamad Ghanameh

EVP – Chief Credit Officer

Date of appointment
1/2/2007

Date of birth
6/1/1953

Academic qualifications

- B.Sc. in Mathematics, Riyadh University – Saudi Arabia, 1975
- Diploma in Computer Programming, London, 1976

Experience

- EVP – Head of Credit, Arab Bank plc – Head Office, Jordan April 2010
- Executive Vice President / Global Head of Corporate & Investment Banking, Arab Bank plc – Head Office, Jordan (2007 –2010)
- Head of Corporate & Investment Banking Banque Saudi Fransi – Riyadh / Saudi Arabia (1999 – 2007)
- Head of Corporate & Investment Banking United Saudi Bank / USCB – Riyadh / Saudi Arabia (1995 – 1999)
- Assistant General Manager / Head of Corporate – Retail Banking Groups Cairo Amman Bank – Jordan (1990 –1995)
- Vice President / Head of Saudi Corporate Marketing Unit Gulf International Bank – Bahrain (1989 –1990)
- Manager International Corporate – Credit Division Arab Bank plc – General Management Jordan (1987–1989)
- Head of Corporate Banking / Central Region Saudi American Bank / Citibank – Riyadh / Saudi Arabia (1976 –1987)
- Member of the Board of Directors of Arab National Bank – Saudi Arabia
- Member of the Board of Directors of Arab Bank – Syria
- Member of the Board of Directors of Oman Arab Bank
- Vice Chairman of T – Bank – Turkey



Mr. Ra'ed Omar Khaled Himmo

EVP – Head of Treasury

Date of appointment
15/7/2009

Date of birth
27/4/1972

Academic qualifications

- BA, Business Administration, Mutah University – Jordan, 1996

Experience

- Senior Vice President/ Treasury, Arab Bank – Bahrain Since 2015
- Global Head of Treasury Structured Solutions Group, Arab Bank – Bahrain Since 2009
- Regional Head of Structured Sales Advisory MENA, Standard Chartered Bank – Dubai (2008 – 2009)
- Regional Head of Structured Products MENA, Standard Chartered Bank – Dubai (2007 – 2008)
- Associate Director/ Institutional Sales, HSBC Bank Middle East – Dubai (2005 – 2007)
- Portfolio Manager, Arab Monetary Fund – Abu Dhabi (1999 – 2005)
- Dealer/ Money Markets, FX, Capital Markets, Bank of Jordan – Jordan (1996 – 1999)
- AB Financial Markets Ltd. Board Member



Mr. Walid Muhi Eddin Mohammed Al Samhouri

EVP – Jordan Country Head

Date of appointment
15/8/1988

Date of birth
27/10/1962

Academic qualifications

- MSc in Economics University of Jordan, Amman 1994
- BSc in Economics, Statistics & Public Administration – University of Jordan, Amman 1985

Experience

- Executive Vice President – Jordan Country Head October 2015
- Senior Vice President – Senior Credit Officer – Credit Group, Gulf, Egypt & Subsidiaries (2012 – October 2015)
- Senior Vice President – Senior Credit Officer – Credit Group, Gulf, International & subsidiaries (2010 – 2011)
- Senior Vice President – Senior Credit Officer – Credit Group, North Africa and Lebanon (2008 – 2010)
- Head of Global Credit Administration & Control – Credit Group (2007 – 2008)
- Department Head – Corporate & Institutional Banking
- Research & Support – Global Banking Group (GBG) (2003 – 2007)
- Senior Credit Officer – Credit Group (Country Risk, Sovereign and Quasi Sovereign) (1998 – 2003)
- Various responsibilities in credit, banking operations and trade finance in Jordan and Bahrain (1988 – 1998)
- Chairman – Arab Sudanese Bank – Sudan
- Board Member – Arab Tunisian Bank
- Board Member – Oman Arab Bank
- Board Member – Jordan Loan Guarantee Corp.
- Board Member – Commercial Bank Company for Investing in Companies
- Chairman – Company Bank Group Management
- Chairman-Commercial Bank Group Company for Investments



Mr. Firas Jaser Jamil Zayyad

EVP – Chief Financial Officer

Date of appointment
5/6/2011

Date of birth
10/9/1977

Academic qualifications

- B.Sc. in Accounting & Finance, Yarmouk University, Jordan, 1999
- Master of Business Administration (Finance & Accounting), University of Illinois, Chicago, USA, 2003
- Professional certification (CFA, CPA, CMA & CFM) from USA

Experience

- Chief Financial Officer, Arab Bank, (since August 2021)
- Head of Financial Planning & Reporting Function, Arab Bank, (July 2014 – August 2021)
- Head of Corporate Investment Department, Arab Bank (June 2011 – July 2014)
- CFO, Derayah Financials, SA (August 2008 – June 2011)
- Regional Controller ME & Africa, International Air Transportation, Jordan (August 2006 – August 2008)
- Regional Finance Director, Aramark, USA (2003 – 2006)
- Business Analyst, British Petroleum, Chicago, USA, (2000 – 2003)
- Member of the Board of Directors of Arab Tunisian Bank
- Member of the Board of Directors of Al-Izz Islamic Bank – Oman
- Chairman of the Board of Al-Arabi Investment Group Co. (AB Invest)
- Board Member of T – Bank – Turkey
- Chairman of the Board of Directors of Al-Arabi for Finance s.a.l (Holding Company)



Basem Ali Abdallah Al-Imam, Lawyer

Board Secretary / Head of Legal Affairs Division

Date of appointment
15/4/2003

Date of birth
19/4/1968

Academic qualifications

- B.A. in Law, Faculty of Law, University of Jordan, 1988
- Masters in Law, Faculty of Higher Studies, University of Jordan, 1994

Experience

- Head of Legal Affairs Division (September 2012)
- Head of Legal Department – Arab Countries July 2007 – September 2012
- Legal Counsel (April 2003 – July 2007)
- Advocate and Legal Consultant, The Housing Bank for Trade and Commerce (June 1993 – April 2003)
- Advocate, private law office (July 1991 – June 1993)
- Legal Trainee April (1989 – June 1991)

Senior Executives



Ms. Rabab Jamil Said Abbadi
MCIPD

EVP – Head of Human Resources

Date of appointment
22/4/2018
Date of birth
10/12/1963
Academic qualifications
– B.Sc. Chemical Engineering, University of Baghdad, 1987
– Masters of Business Administration (MBA) Marketing, Coventry University, UK, 2003
– Member of the Chartered Institute of Personnel and Development, UK, 2016

- Experience**
- Executive Vice President / Head of Human Resources/ Arab Bank (Since April 2018)
 - Executive Director / Human Resources/Bank of Jordan "Jordan, Palestine, Syria & Bahrain" (2009 – 2018)
 - Head of Human Resources, "Bahrain & Egypt"/ Standard Chartered Bank (2006 – 2009)
 - Head of Human Resources, Levant/ Standard Chartered Bank (2004 – 2006)
 - HR Product Manager /Great Plains Middle East "Dubai" (2000 – 2002)
 - Human Resources Officer/American University of Sharjah (1999 – 2000)



Mr. Michael Alexander Matossian
EVP – Chief Compliance Officer

Date of appointment
28/11/2005
Date of birth
23/2/1956
Academic qualifications
– B.Sc. Accounting, Montclair State University – USA, 1978
– Professional Certificates: Certified Public Accountant, Certified Management Accountant, Certified Fraud Examiner, Certified Risk Professional, Certified Anti-Money Laundering Specialist – USA

- Experience**
- Executive Vice President / Group Regulatory Compliance, Arab Bank plc – (since November 2005)
 - Chief Compliance Officer, Fifth Third Bank – USA (2003 – 2005)
 - Senior Vice President and Director of Regulatory Risk Management, Director Anti-Money Laundering, Director Operational Risk Governance – Wachovia Corporation (formerly First Union) – USA (1995 – 2003)
 - Vice President and Director of Management Internal Control, First Fidelity Bancorporation (acquired by First Union) – USA (1993 – 1995)
 - Senior Vice President and Chief Internal Auditor, National Community Banks, Inc. – USA (1989 – 1993)
 - Senior Manager, Arthur Andersen, LLP – USA (1979 – 1989)
 - Regulatory Inspector, U.S. Treasury Department, Office of the Comptroller of the Currency – USA (1976 – 1979)
 - Deputy Chair of the MENA Financial Crime Compliance Group and Vice Chair of the Global Coalition to Fight Financial Crime – MENA Chapter



Mr. Fadi Joseph Badih Zouein
EVP – Head of Internal Audit

Date of appointment
1/11/2009
Date of birth
14/04/1965
Academic qualifications
– BA, Business Administration, Saint Joseph University – Beirut, 1987
– High Diploma in Commercial Studies, Banking and Finance, Saint Joseph University – Beirut, 1992
– Professional Certifications (CIA, CISA,CFE)

- Experience**
- Executive Vice President/ Head of Internal Audit, Arab Bank plc – (since 2009)
 - General Manager Internal Audit, Gulf Bank – Kuwait, (2008 – 2009)
 - Head of Internal Audit, Bank of Beirut – Lebanon, (1993 – 2008)
 - Senior Auditor Wedge Bank Middle East – Lebanon, (1992 – 1993)
 - Credit Analyst, Bank Tohme – Lebanon, (1989 – 1992)
 - Member of the Institute of Internal Auditors

Resigned Senior Members
during the year 2025

None

Major Shareholders

Names of Major Shareholders of 5% and more

Shareholder's Name	Number of shares 31/12/2024	Ownership %	Number of shares 31/12/2025	Ownership %
Social Security Corporation	110,108,286	17.183%	110,113,290	17.183%

Shareholders who own 1% or more of the share capital of the Bank, the ultimate beneficial owner and number of pledged shares

Shareholder name		Nationality	No. of Shares 31/12/2025	Percentage %	Ultimate Beneficial Owner				No. of pledged Shares	Percentage %	Pledgee			
Social Security Corporation		Jordanian	110,113,290	17.183%	Same				None	None	None			
Abdul Hameed Shoman Foundation CO.		Jordanian	32,023,026	4.997%	Abdul Hameed Shoman Foundation, Panama/ Private Interest Foundation, Foundation Council.				None	None	None			
Ministry of Finance, Saudi Arabia		Saudi	28,800,000	4.494%	Same / Government				None	None	None			
Arab supply & Trading CO.		Saudi	28,043,226	4.376%	– Percentage of Ownership: – Ultimate Beneficial Owner:				Sabih Taher Darwish Masri 9% 0.393%	Khaled Sabih Taher Masri 90% 3.940%	Desert peak Company 1% 0.043%	None	None	None
Arab National Bank CO.		Saudi	21,574,944	3.366%	– Percentage of Ownership: – Ultimate Beneficial Owner:				Arab Bank plc 40% 1.369%	Rashed AlRashed & Sons Company 10% 0.342%	ALJabr Investment Company 5.65% 0.193%	None	None	None
Arcadia CO.		Bahraini	19,999,998	3.121%	ARKAAN Real Estate 100% PADICO 35.57% of ARKAAN Real Estate Siraj Funds Management Co. and related parties 54.24%, Massar International and related parties 13.87%, Mr. Sabih Masri and related parties 13.46% – Ultimate Beneficial Owner 1% or More : None				None				None	None
AlMaseera International CO. E.C.		Bahraini	17,442,846	2.722%	– Percentage of Ownership: – Ultimate Beneficial Owner:				Sabih Taher Darwish Masri 40% 1.089%	Khalid Sabih Taher Masri 60% 1.633%	17,442,846		100%	Gulf International Bank
Dar Al Handasa (Shair and Partners) CO.		Emirates	13,608,972	2.124%	Holding Limited Company owned by Mr. Talal Kamal Abdo Al Shair (28.5%) & others. – Ultimate Beneficial Owner 1% or More : None				None				None	None
Ministry of Economy and Finance / Qatar		Qatari	10,564,164	1.648%	Same / Government				None				None	None
Mohamed Abdel Hamid Abdul Majeed Shoman		Jordanian	10,183,986	1.589%	Same				None				None	None
Palestine Development and Investment LTD (PADICO)		Liberia	7,211,790	1.125%	Siraj Funds Management Co. and related parties 54.24%, Massar International and related parties 13.87%, Mr. Sabih Masri and related parties 13.46% – Ultimate Beneficial Owner 1% or More : None				2,784,870		38.6%	Housing Bank		
Saddiq Omar Hashem Abu Seedo		Jordanian	6,976,026	1.088%	Same				None				None	None
Mary Issa Elias Alousi		Jordanian	6,544,656	1.021%	Same				None				None	None

Summary of Performance Appraisal and Performance Incentives Policies

Arab Bank firmly believes that providing fair and effective rewards is fundamental to attracting and retaining the talent and expertise needed across all areas of its operations. To this end, the bank has adopted competitive policies and an incentive scheme based on the principle of rewarding outstanding performance according to clear and transparent criteria.

These policies aim to enhance the bank's long-term sustainable performance and ensure the actual realisation of revenue, especially future revenue that may involve uncertainties. Consequently, rewards are not granted solely based on the current year's performance but also consider the time required to achieve the long-term goals, the results of which may not be apparent in the same year. The policy emphasises the necessity of linking the value and timing of reward payments to the actual achievement of these future outcomes.

These policies are grounded in specific principles that link the value of rewards to the employees' performance, the performance of their respective departments and regions, and the overall performance of the bank. The nature of the reward instruments offered is also taken into consideration, ensuring alignment with the nature of the position and job level. These rewards include cash compensation, incentives, as well as stock options.

In parallel, Arab Bank implements a comprehensive performance management system based on key performance indicators (KPIs), whereby rewards are granted based on performance and achievement levels, with careful consideration given to differentiating between various performance levels to recognise and retain outstanding employees at all management levels.

In addition, the employee's performance appraisal process at Arab Bank takes a holistic view, considering not only the individual achievements but also the employee's ability to work effectively as part of a team. The individual performance evaluation is directly linked to the achievements and results of the department, the wider business area, and the bank as a whole. When calculating performance rewards, the achievements of the employee's department and the overall achievements of the bank are taken into account, ensuring that individual performance is not the sole determinant of reward. In cases where an employee exceeds their objectives for the year, this performance is assessed based on objective and measurable criteria, including the extent to which the employee has employed innovative working methods that go beyond the traditional approaches.

In its policies concerning employee performance appraisal, incentives, and performance rewards, Arab Bank is committed to full compliance with the corporate governance guidelines issued by the Central Bank of Jordan and the relevant instructions of central banks and official bodies in the countries where the bank operates.

Arab Bank's remuneration policy places particular emphasis on the principle of not rewarding poor performance or accepting any achievements that may expose the bank to risk, whether in the short or long term. To ensure the optimal use of rewards, the bank implements tools that align with the governance guidelines to link rewards to achievement levels, with the possibility of applying deferral, malus, or clawback of rewards when necessary.

To ensure a balance between financial performance and risk levels, Arab Bank's performance evaluation considers the various types of risks associated with its core activities. This includes liquidity risk, the cost of capital, and the prevailing conditions in the regions where it operates, wherever these factors are applicable and measurable.

Furthermore, the bank's remuneration policy upholds objectivity and independence when assessing the performance of staff in control functions, such as risk management, compliance, internal control, and internal audit. Their performance is measured, and their rewards are determined independently of the departments they oversee.

The performance appraisal process at Arab Bank takes a holistic view, linking individual achievements to teamwork, departmental results, and the bank's overall success

The Bank's Competitive Position

Arab Bank's journey of achievement, spanning 95 years, continues to unfold as a compelling success story. The bank maintains its leading position as one of the most prominent, competitive, and diverse financial institutions in the Middle East and North Africa. This prominence stems from its established credibility and the trust it has cultivated among customers and shareholders, as well as its extensive global network of over 600 branches.

Despite the prevailing economic and geopolitical challenges impacting both the Middle East and the global landscape, Arab Bank has consistently reinforced its competitive edge. Central to this resilience is the bank's steadfast commitment to its core principles and values, its distinguished heritage, and its dedication to safeguarding the interests of its customers, shareholders, and employees. This unwavering approach is reflected in the bank's balanced strategy, which prioritises liquidity and the preservation of high capital adequacy ratios. This has enabled the bank to navigate challenging conditions and market volatility effectively, continuing to deliver robust financial performance and sustained profitability.

In line with its ambitious strategy and vision, in which digital transformation plays a key role, Arab Bank has kept pace with the latest technological and digital advancements in information technology. The bank consistently employs cutting-edge digital solutions to provide innovative financial and banking services to its diverse customer base. It also leverages its regional branch network to offer various cross-border banking services that cater to the needs of different sectors.

Regional Leadership:

In 2024, Arab Bank garnered numerous awards and accolades from prestigious international institutions. Some of the most notable recognitions include:

- Global Finance:
- Regional Leadership:
- In 2025, Arab Bank garnered numerous awards and accolades from prestigious international institutions. Some of the most notable recognitions include:

Global Finance Magazine



- Best Bank in the Middle East (for the 10th consecutive year)
- Best Bank for Social Bonds in the Middle East
- The Most Innovative Bank in the Middle East
- Best SME Bank in Jordan
- Best Foreign Exchange Bank in Jordan
- Best Trade Finance Provider in Jordan
- Best Bank for Sustainable Finance in Jordan
- Best Bank in Jordan
- Best Bank for Cash Management in Jordan
- Best Bank for Sustainable Finance in Bahrain
- Best Bank in the Yemen
- Best Bank in the Lebanon
- Best Bank in AI for Credit Assessment in the Middle East (Consumer)
- Best Bank in AI for Chatbots & Virtual Assistants in the Middle East (Consumer)
- Best Bank in AI for Enhanced Customer Experience in the Middle East (Consumer)
- Best Bank in AI for Fraud Detection/Prevention in the Middle East (Consumer)
- Best Bank in AI for Trade Finance in Middle East (Corporate)
- Best Bank in AI for Risk Management in Middle East (Corporate)
- Best Bank in AI for Credit Assessment in Jordan (Consumer)
- Best Bank in AI for Chatbots & Virtual Assistants in Jordan (Consumer)
- Best Bank in AI for Enhanced Customer Experience in Jordan (Consumer)
- Best Bank in AI for Fraud Detection/Prevention in Jordan (Consumer)
- Best Bank in AI for Risk Management in Jordan (Corporate)
- Best Online Treasury & Cash Management Services in the Middle East (Corporate)
- Best Online Treasury & Cash Management Services in Jordan (Corporate)
- Best Open Banking APIs in Jordan (Corporate)
- Best Corporate / Institutional Digital Bank in Jordan (Corporate)
- Best Trade Finance Services in Jordan (Corporate)
- Best Online/User Experience (UX) Portal Services in Jordan (Corporate)
- Best Mobile Banking App in Jordan (Corporate)
- Best Mobile Banking App in Egypt (Corporate)
- Best Open Banking APIs in Egypt (Corporate)
- Best Online/User Experience (UX) Portal Services in Egypt (Corporate)
- Best Trade Finance Services in Egypt (Corporate)
- Best Online Treasury & Cash Management Services in Egypt (Corporate)
- Best Corporate / Institutional Digital Bank in Egypt (Corporate)

Government or International Organisations Regulations

In 2025, Arab Bank received the following ratings from international credit rating agencies, considering the credit rating for the Jordanian Government.

Arab Bank		
Moody's	Ba1	Stable
FitchRatings	BB	Stable
STANDARD & POOR'S	BB-	Stable
Europe Arab Bank		
STANDARD & POOR'S	BB+	Stable

In their reports, the aforementioned agencies stated that Arab Bank follows a prudent risk approach and enjoys a strong franchise and a diverse geographic presence, in addition to sound management

Board of Directors' Report

Market Share

Arab Bank Group enjoys a broad global presence, with operations in 28 countries worldwide. Its market share varies across these countries, reflecting differences in economic conditions and the nature of its banking activities.

The following table presents the Arab Bank Group market share in selected Arab countries where the Bank operates:

Country	Total Assets %	Deposits %	Direct Credit Facilities %
Jordan	25.7	25.9	20.0
Palestine	20.1	21.1	18.7
Sultanate of Oman (Oman Arab Bank Group)	9.6	11.1	11.3
Republic of Tunisia (Arab Tunisian Bank)	5.8	6.6	6.2
Bahrain	3.5	3.0	3.0
Egypt	0.6	0.8	0.6
Qatar	0.4	0.5	0.3
UAE	0.5	0.6	0.7

Arab Bank Group operates in the Kingdom of Saudi Arabia through Arab National Bank, which holds a market share of 6% for both assets, and credit facilities, and 7% for deposits.

These market shares were calculated based on the latest data published by the central banks in those countries. Arab Bank ranks first among banks operating in Jordan in terms of assets, deposits, and credit facilities.

Major Suppliers and Clients

No specific individual supplier or client accounts for 10% or more of the Bank's total purchases and / or sales.

Patents and Government Protection

Arab Bank competes in free and open economies on the basis of fair competition. It does not enjoy any government or preferential protection. It has obtained neither preferential advantages nor specific patents.

- Best Corporate / Institutional Digital Bank in Morocco (Corporate)
- Best Corporate / Institutional Digital Bank in Algeria (Corporate)
- Best Integrated Consumer Banking Site in the Middle East(Consumer)
- Best Bill Payment and Presentment in the Middle East(Consumer)
- Best Consumer Digital Bank in Jordan
- Best Digital-Only Bank in Jordan(Consumer)
- Best Online Payments Solution in Jordan(Consumer)
- Best Integrated Consumer Banking Site in Jordan(Consumer)
- Best Bill Payment and Presentment in Jordan(Consumer)
- Best User Experience (UX) Design in Jordan(Consumer)
- Best Mobile Banking App in Jordan(Consumer)
- Best in Social Media Marketing and Services in Jordan(Consumer)
- Best in Lending in Jordan(Consumer)
- Most Innovative Digital Bank in Jordan(Consumer)
- Best in Transformation in Jordan(Consumer)

The Banker Magazine
(Owned by the Financial Times)

The Banker

- Middle East Winner for The Banker's Technology Awards 2025
- Euromoney Magazine
- The Middle East's Best Bank for Corporate Responsibility
- Jordan's Best Bank
- Jordan's Best Digital Bank
- Jordan's Best Transaction Bank award
- Palestine's Best Digital Bank

Euromoney Magazine

EUROMONEY

- The Middle East's Best Bank for Corporate Responsibility
- Jordan's Best Bank
- Jordan's Best Digital Bank
- Jordan's Best Transaction Bank award
- Palestine's Best Digital Bank

- EMEA Finance Magazine

emeafinance
Europe • Middle East • Africa
- Corporate Social Responsibility Award in the Middle East
 - Best Local Bank in Jordan
 - Best Foreign Bank in UAE

- Global Trade Review Magazine

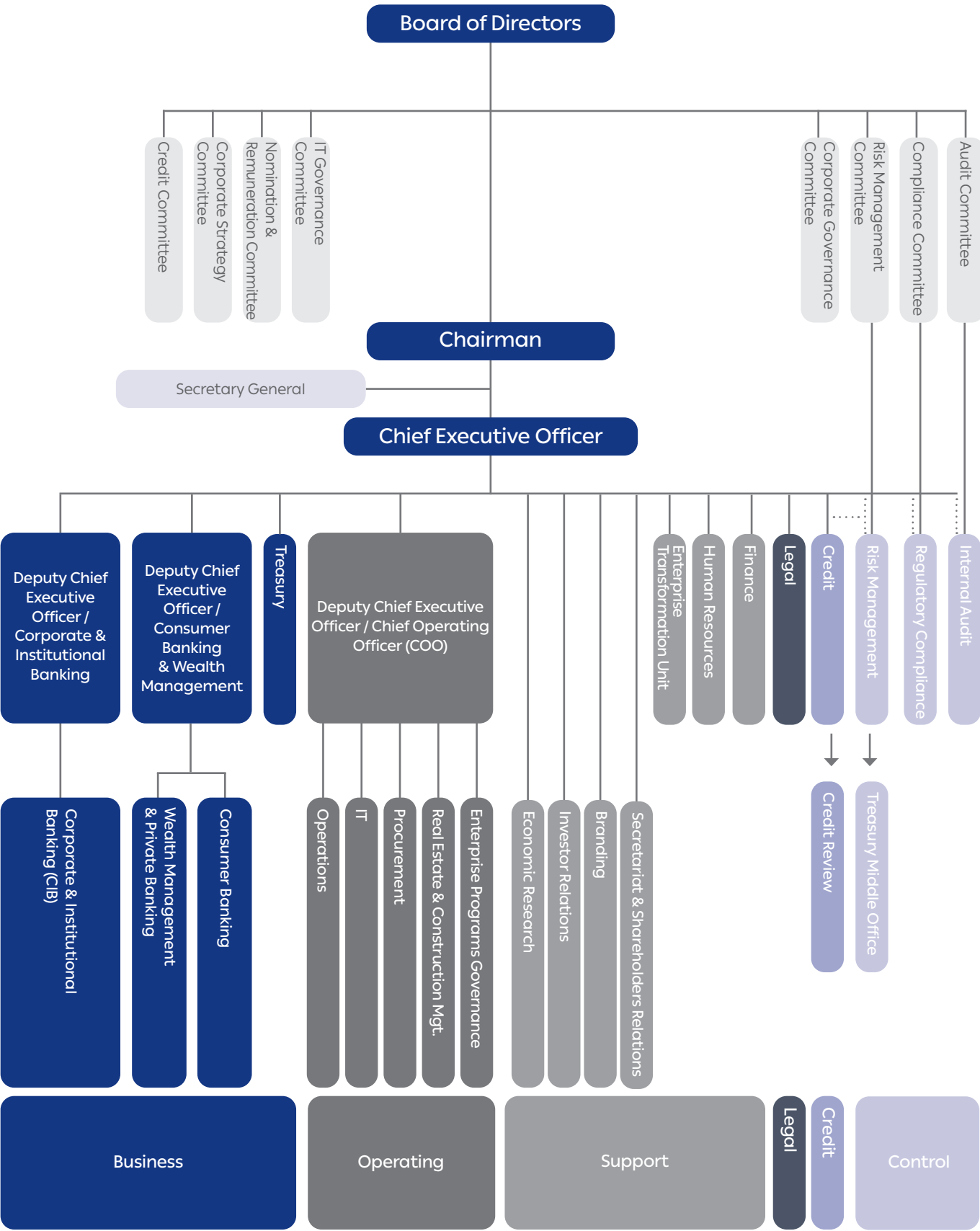
GTR
Global Trade Review
- Best Trade Finance Bank in Jordan

- Meed Magazine

MEED
Middle East business intelligence
- MENA Best Bank of the Year
 - Excellence in Cross-Border Payments in the MENA
 - Best Digital Wallet in the MENA
 - MENA Best for Transaction Banking Services
 - Best Retail Bank in Jordan
 - Best SME Bank in Jordan
 - Best Bank in Jordan



Arab Bank Organisation Chart / Head Office



* There are several executive committees as shown on page 43.
** The organizational structure of the Arab Bank Group, including Arab Bank plc branches and its subsidiaries, affiliates, and sister companies, is shown on page 12.

Executive Committees

There are several executive committees, with the following being the most important:

- High Assets and Liabilities Management Committee
- Corporate & Sovereign Credit Committee
- Financial Institutions Credit Committee
- International Remedial Management Credit Committee
- Investments Committee
- Enterprise IT & AI Innovation Committee
- IT Steering Committee
- Business Continuity and Resilience Committee
- Human Resources Committee
- Ethics Committee
- Procurement Committee
- Health and Safety Committee

Board of Directors' Report

Our Qualified Workforce

Educational Qualification	Arab Bank plc	Arab Bank (Switzerland) Ltd	Oman Arab Bank S.A.O.G.	Islamic International Arab Bank plc	Europe Arab Bank plc	Arab Tunisian Bank	Arab Bank Australia Ltd	Arab Sudanese Bank Ltd	Arab Bank – Syria	Arab Bank Iraq	Arab National Leasing Company	Al Arabi Investment Group Company Llc	Al Nisr Al Arabi Insurance Company	Arab Company for Shared Services FZ	Arab Gulf Tech for IT Services FZ	Acabes for Financial Technologies	Total
Doctorate	10	4	2	15	0	1	1	1	0	0	0	0	0	0	0	0	34
Master's Degree	709	106	85	132	57	323	14	11	27	12	5	9	15	29	2	4	1,540
Higher Education Diploma	26	48	122	5	3	316	4	0	3	0	0	1	0	0	0	0	528
Bachelor's Degree	5,570	119	376	836	62	313	39	60	184	121	16	48	210	77	23	317	8,371
Diploma	277	92	39	97	6	64	22	1	34	1	4	1	11	2	1	0	652
Secondary Education Certificate	390	41	359	46	23	256	9	4	19	4	1	1	4	1	1	0	1,159
Below Secondary Education Level	234	3	47	63	0	355	1	3	11	0	0	3	7	2	0	0	729
Total	7,216	413	1,030	1,194	151	1,628	90	80	278	138	26	63	247	111	27	321	13,013

Area	In house										External									
	Talent and Ruwad		Internal Trainers				In house/Training Partners				Technical		Soft		E-Learning		Certifications and Business Skills		Grand Total Per Area	
	Courses	Trainees	Technical		Soft		Technical		Soft		Courses	Trainees	Courses	Trainees	Courses	Trainees	Courses	Trainees	Courses	Trainees
			Courses	Trainees	Courses	Trainees	Courses	Trainees	Courses	Trainees										
Jordan	0	0	173	3,146	47	3,839	15	348	62	1,034	72	300	0	0	147	19,063	33	121	549	27,851
Palestine	0	0	13	126	2	27	1	1	0	0	47	532	6	59	35	4,510	10	124	114	5,379
Egypt	0	0	88	1,451	3	41	1	1	25	360	97	1,373	48	869	21	7,124	9	106	292	11,325
Morocco	0	0	0	0	0	0	0	0	0	0	0	0	0	0	13	328	0	0	13	328
Algeria	0	0	0	0	0	0	3	68	6	54	8	54	5	46	19	1,278	0	0	41	1,500
Lebanon	0	0	20	252	0	0	0	0	0	0	5	9	0	0	15	804	0	0	40	1,065
Yemen	0	0	0	0	0	0	0	0	0	0	3	3	0	0	7	337	1	1	11	341
Bahrain	0	0	1	3	0	0	1	2	0	0	49	144	22	110	18	972	10	24	101	1,255
UAE	0	0	4	12	0	0	0	0	1	3	165	308	21	49	21	2,206	10	18	222	2,596
Qatar	0	0	3	23	0	0	0	0	0	0	5	30	1	10	20	619	1	1	30	683
Total per Item	0	0	302	5,013	52	3,907	21	420	94	1,451	451	2,753	103	1,143	316	3,7241	74	395	1,413	52,323



Risk Management

Overview

Arab Bank (the 'Bank') addresses the challenges of banking risks comprehensively through an Enterprise Risk Management (ERM) Framework which is built around these main pillars:

Governance and Culture: The Bank's ERM Framework is based on leading best practices and is supported by a Board and Executive-level risk governance structure, consisting of risk-related Board Committees, Executive Management Committees, and three independent levels of oversight.

Strategy and Objective-Setting: A risk appetite is established and aligned with strategy. Business objectives put strategy into practice while serving as a basis for identifying, assessing, and responding to risk.

Performance: Risks that may impact the achievement of strategy and business objectives are identified, assessed, and prioritised by severity in the context of the risk appetite. The Bank then selects risk responses and takes a portfolio view of the amount of risk it has assumed. The results of this process are reported to key risk stakeholders.

Review: By reviewing the Bank's performance, the Bank can consider how well the ERM components are functioning over time in light of substantial changes, and determine what revisions are needed.

Information, Communication, and Reporting: ERM requires a continual process of obtaining and sharing necessary information from both internal and external sources, which flows across the Bank.

Risk Governance: The Board of Directors adopts a corporate culture of high ethical standards and integrity, alongside setting and implementing clear lines of responsibility and accountability throughout the Bank. Furthermore, the Board approves and oversees the execution of the Bank's Risk Management Strategy, Risk Management Frameworks, high-level policies, and the Group Risk Appetite.

In addition, through its various committees, the Board oversees and ensures that comprehensive risk management policies and procedures are established in all of the Bank's locations to manage all types of risks, including Credit Risk, Market Risk, Liquidity Risk, Operational Risk, Information Security, and Business Continuity and Crisis Management.

The Bank governs risk through the following Board and Executive Committees:

- Corporate Governance Committee (Board of Directors)
- Audit Committee (Board of Directors)
- Risk Management Committee (Board of Directors)
- Compliance Committee (Board of Directors)
- Credit Committee (Board of Directors)
- Executive Credit Committee (Executive Management)
- High Asset and Liability Management Committee (Executive Management)
- Operational Risk-related Committees, including Investigation Committee, Information Security and Business Continuity Committee (Executive Management)

The Bank adopts a three-lines-of-defence model for risk control and oversight, and each line has a distinct but interrelated role to ensure that the Bank as a whole manages risk effectively. The responsibilities of each line are outlined below:

- **First Line:** Strategic Business Lines and Country Internal Control Units. The Heads of the Strategic Business Lines manage risks within their specific areas, whether credit or operational. In addition, the Treasury is responsible for the management of market and liquidity risks. They operate within formally delegated risk limits and are responsible and accountable for identifying, assessing, mitigating, and reporting on risks in the course of their business activities.
- **Second Line:** Group Risk Management (GRM) and Group Regulatory Compliance (GRC). The Risk Management function is responsible for ensuring that the Bank has a robust system for the identification and management of risk and for establishing appropriate risk frameworks consistent with the Bank's overall business strategy and risk appetite. The Compliance function challenges the first line on effective compliance risk management, provides advice and guidance, and is responsible for ensuring that the Bank complies with applicable laws, rules, and regulations issued by local regulatory authorities, as well as adherence to the Bank's Code of Conduct.
- **Third Line:** Group Internal Audit (GIA). The Bank's Internal Audit function is independent from executive management and reports to the Audit Committee of the Board. It contributes to achieving the Bank's objectives by following a systematic and disciplined approach to evaluate and improve the effectiveness of risk management, control, and governance processes. The function conducts its activities in accordance with Internal Audit Standards and provides independent and objective assurance that the Bank's functions work in compliance with approved policies and procedures, and that all functions are committed to maintaining an effective and efficient internal control environment within approved methodologies and frameworks. Group Internal Audit provides the Board Audit Committee, the Chief Executive Officer, and the respective business units with the audit outcomes and monitors the implementation of remedial actions.

Risk Management:

Group Risk Management represents one of the fundamental levels of oversight and is part of the organisational framework for managing the Bank's risks. Arab Bank's Risk Management Strategy is designed to provide a structured approach for identifying, assessing, controlling, reporting, and monitoring financial and non-financial risks within the Bank. Refer to the Corporate Governance Code, attached in this report, Article No. (14.d) to view the responsibilities of the Risk Management Department.

Each of the following departments within Group Risk Management has specific roles and responsibilities aimed at advancing the Bank's risk management capabilities based on best practices, international guidelines, and regulatory authorities' requirements. The Group Risk Management Division includes the following departments: Credit Risk Department, Market and Liquidity Risk Department, Operational Risk Department, Enterprise Risk Department, Information Security Department, Business Continuity and Resilience Management Department, and the Insurance Department.

The Bank leverages the latest digital analytics and artificial intelligence technologies to enhance its capabilities in proactively identifying, monitoring, and reporting risks. This supports data-driven decision-making and strengthens the effectiveness of risk management.

Credit Risk:

Credit risk is defined as the potential that a bank's borrower or counterparty will fail to meet its contractual obligations in accordance with the agreed terms. The credit risk department is responsible for the centralised reporting of credit risk, credit policy review, the International Financial Reporting Standard (IFRS9) Impairment Methodology, and the internal risk rating systems designed to enhance "probability of default" measurement. The department is also responsible for implementing Central Banks' and Basel Committee requirements related to credit risk and any amendments thereof.

The Credit department conducts comprehensive individual and portfolio reviews, portfolio, and to ensure that the Bank's various portfolios are aligned with their economic perspective, business strategy, and target market, and recommends corrective action if necessary. Credit Risk also assesses the quality of the loan portfolio, the sound implementation of the lending policies and processes, and the capabilities of the credit staff. Supplemental targeted reviews are undertaken based on market conditions, the size, and the sectoral nature of portfolios.

Arab Bank's conservative risk strategy, combined with its dynamic and proactive approach in managing credit risk, are key elements in achieving its strategic objective of maintaining and further enhancing its asset quality and credit risk profile. The conservative, prudent, and well-established credit standards, policies and procedures, and risk methodologies, as well as strong risk monitoring and control infrastructure, enable the Bank to deal effectively with emerging risks and challenges.

Credit management decisions are based on the Bank's business strategy and risk appetite. The quality of the portfolio is examined on a regular basis in relation to key performance indicators.

Diversification is the cornerstone for mitigating portfolio risks, achieved through industry, geographical, and customer tolerance limits. Periodic stress testing based on conservative scenarios, which are regularly reviewed, is a key tool in managing the credit portfolio.

Arab bank focuses on developing and enhancing credit staff competencies through specialised training programmes to ensure they are well equipped to effectively carry out their roles and responsibilities.

Moreover, within the Credit Risk Department, Arab Bank has established a dedicated Climate Risk Function that operates in close coordination with the Environmental, Social, and Governance Department (ESG). This function is responsible for identifying, assessing, and overseeing climate-related risks and evaluating their potential impact on the Bank's credit risk profile. The establishment of this function reinforces Arab Bank's commitment to integrating climate considerations into the risk management framework and supporting sustainable, resilient credit decision-making.

Moreover, Arab Bank places attention to environmental and social risks, as the credit risk department has developed and issued an environmental and social risk management policy that is considered as an integral part of the Bank's credit policy. The Bank also launched a framework for sustainable financing (published on the Bank's website), which aims to support the Bank's direction and strategy in terms of sustainability and its priorities in the areas of Environmental, Social, and Governance (ESG).

Finally, through an ESG department specialised in sustainable finance, the bank aims to integrate environmental, social, governance, and sustainable finance standards into its strategy and main business.

Market and Liquidity Risk:

Responsible for setting comprehensive market and liquidity risk policy frameworks. The policy framework ensures independent measurement, monitoring, and control of the Bank's market and liquidity risks. The department is also responsible for setting and monitoring risk limits and developing market and liquidity risk measurement tools, such as Value-at-Risk, stress testing, and other quantitative risk assessments (such as those related to Basel), which are performed in coordination with Treasury and Finance. The Treasury Middle Office function is a Treasury Front Office control unit responsible for trade monitoring and validation, monitoring of limits, escalation of breaches, and risk reporting.

Market Risk:

Market risk is defined as the potential for loss from changes in the value of the Bank's portfolios due to movements in interest rates, foreign exchange rates, equity prices, and commodity prices. Market Risk Management defines and implements a framework to systematically identify, assess, monitor, and report the Bank's market risk.

Risks

Historically, the Bank has managed its market risk across its Trading and Banking Books on a consolidated basis, as this is a more conservative approach to managing this risk. In addition, through its Funds Transfer Pricing Policy, the Bank ensures that market risk is transferred from Corporate and Institutional Banking and Consumer Banking to Treasury, where it can be aggregated and centrally managed.

In addition to customer deposit-taking and lending activity, three main activities can expose the Bank to market risk: Money Markets Trading, Foreign Exchange Trading, and Capital Markets Trading.

The Bank's market risk management strategy is to maximise the economic return of assets, taking into account the Bank's risk appetite as well as local regulatory constraints. Market risk is governed by the Global Treasurer, the Head of Group Risk, and the Chief Financial Officer. The High ALCO provides market risk oversight and guidance on risk appetite and policy settings, and establishes the overall limits, which are then allocated to the various entities by the Global Treasurer. The Global Treasury Policies and Procedures clearly define the rules for the active management of all the Group's portfolios subject to market risk. Group Risk Management, in coordination with Global Treasury, ensures that the policies and procedures are updated on a regular basis or when the need arises. The market risk limits are established based on the Bank's strategy and risk appetite, and risks are monitored by an independent Middle Office and reviewed regularly by Global Treasury and Group Risk Management.

The Bank is subject to three types of market risks:

– **Interest Rate Risk:** Interest rate risk in the Group is well managed and continuously supervised. A large proportion of the interest rate exposure is concentrated in the banking book due to limited trading IRR activity. Treasury exposures of more than one year are tightly controlled. Interest rate risk is managed in accordance with the policies and limits established by the High ALCO. The Asset and Liability Management Committees in the various countries, as well as the respective treasurers, handle the day-to-day management of interest rate risks.

The Group manages its IRR exposures using economic value (PV01) as well as earnings-based (NII 100) measures both at the overall portfolio and at the banking book portfolio levels. The Treasury Department is mandated to manage the interest rate risk, with the Group Risk Management Department acting as an independent oversight function.

– **Capital Markets Exposures:** Investments in capital markets instruments are exposed to market risk arising from changes in interest rates and credit spreads. Arab Bank Group's exposure to this kind of risk is limited due to the conservative appetite for credit and interest rate risk. The equity investment portfolio represents a very small percentage of the Bank's overall investments and generally consists of direct investments in strategic alliances as well as seed investments in mutual funds originating from within the Group.

– **Foreign Exchange Risk:** Foreign exchange activity arises from mismatches in assets and liabilities that are denominated in currencies other than the functional currency of the respective entity. Strict foreign exchange risk limits are set to define exposure and sensitivity tolerance for trading in foreign exchange. The Bank hedges itself appropriately against potential currency fluctuations to minimise foreign exchange exposure. In Treasury, positions are usually held open only for small risk equivalents. The majority of positions arising from customers are covered on a daily basis. Positions are measured and supervised daily.

Market Risk Management and Measurement Techniques:

Managing market risk is a key part of the Bank's business planning process, and in line with the Bank's risk appetite, exposure to market risk is kept at a minimal level. The main tools used for measuring and managing market risk are:

- **Present Value One Basis Point (PV01)**
- **Net Interest Income 100 Basis Point (NII 100)**
- **Overall Net Open FX Position**
- **Value at Risk (VaR)**
- **Stress Testing**

Liquidity Risk:

Liquidity is defined as the ability of a bank to fund increases in assets and meet obligations as they come due, without incurring unacceptable losses in accordance with Basel regulations. The objective of the liquidity risk management framework is to ensure that the Group can fulfil its payment obligations at all times and can manage liquidity and funding risks within its risk appetite. Arab Bank has a robust infrastructure of policies, processes, and people to support its strategy and ensure that all obligations are met in a timely manner, under all circumstances, and without undue cost.

Liquidity continues to be an area of great focus for Arab Bank. The Bank has a highly diversified and stable funding footprint. In addition, it maintains a large portfolio of highly liquid assets, which acts as a contingent funding source and further boosts liquidity. Arab Bank's long-standing emphasis on maintaining a broad and stable liquidity base has protected the Bank from any negative effects of market volatility.

Arab Bank's liquidity management strategy is determined by the High Asset and Liability Management Committee (High ALCO). The operations of the country-level Treasury teams are centrally controlled and monitored. In coordination with local Asset and Liability Management Committees, the various countries' Treasury teams across Arab Bank work together to meet local and Group needs. The Asset and Liability Management Committees analyse market and liquidity risk exposures and take action where appropriate to adjust the pricing and product mix, in order to ensure an optimal balance sheet structure and market and liquidity risk profile for the Bank.

The Treasury Department is mandated to manage the overall liquidity and funding position of the Bank, with the Group Risk Management Department acting as an independent control function responsible for reviewing the liquidity risk framework, setting the risk appetite, and developing liquidity risk models,

which are used by Treasury to measure and manage the Group's liquidity risk profile.

The Global Treasury and Group Risk Management receive daily information on actual, forecast, and modelled liquidity. Such information is received at the country level and consolidated at the Group level. This provides the Head of Treasury and Head of Group Risk with high-quality decision-support information and ensures that Treasury can provide the High ALCO with comprehensive management information on liquidity across the Group. The establishment of Arab Bank's liquidity risk appetite, as with other forms of risk, is managed by the Head of Group Risk and the High ALCO.

The Bank uses a variety of tools to measure liquidity risk in the balance sheet. These metrics help the Bank to plan and manage its funding and to identify any mismatches in assets and liabilities, which may expose the Bank to roll risk. These metrics include one-week and one-month liquidity ratios, cumulative liquidity gap modelling, inter-group borrowing and lending analysis, loan-to-deposit ratios, large depositor concentration monitoring, Basel III liquidity ratios, and stress testing.

The Liquidity Stress Testing framework is one of the key tools for anticipating liquidity risk and evaluating the Group's short-term liquidity position. The Bank uses stress tests and scenario analysis to assess the impact of possible future liquidity stresses on its cash flow and liquidity. The liquidity stress-testing methodology consists of hypothetical events inspired by the Bank's own experience, regulatory requirements, and external events relevant to the Bank's portfolio.

Arab Bank's comprehensive approach to measuring and managing liquidity gives the Group confidence in its ability to endure unforeseen market events while still being able to meet all of its obligations to its customers and regulators. This is supported by the Bank's Treasury and Risk systems.

Liquidity risk will continue to have a major influence on how banks operate and interact globally, and regulators will continue to require increasingly high standards of liquidity governance. Arab Bank's approach to liquidity management, along with its current and contingent funding structures, leaves it well-placed to face the future with confidence. Arab Bank's funding model has shown itself to be extremely resilient for many years and hence remains materially unchanged.

Operational Risk:

Operational risk is defined as the risk of loss resulting from inadequate or failed internal processes, people, and systems, or from external events. This definition includes legal risk, but excludes strategic and reputational risk. The Operational Risk Management Department implements a comprehensive framework to identify, assess, control / respond, monitor and report operational risks across the Bank's activities. This framework supports the continuous enhancement of internal control systems and aligns with the Board-approved Risk Appetite Statement.

Supporting Digital Transformation:

As the Bank advances its digital transformation agenda, the Operational Risk Management Department plays a critical role in enabling this journey by ensuring that innovation and technological advancements are implemented securely and effectively. In line with the Bank's strategic direction—anchored by a robust 'three lines of defence' risk governance model and an integrated risk management framework—operational risk management facilitates comprehensive risk assessments for new digital platforms, products, and services. This approach proactively identifies, assesses, and mitigates emerging risks, ensuring that digital initiatives align with the Bank's risk appetite, regulatory requirements, and strategic objectives. Operational risk management supports the Bank's focus on technology-driven risk excellence by embedding robust controls, leveraging automation and AI for enhanced analytics and fraud risk management, and strengthening cybersecurity measures. These efforts are complemented by continuous control testing, and the integration of advanced key risk indicators (KRIs).By embedding these practices into the digital transformation process, the Bank ensures operational stability, regulatory compliance, and the trust of stakeholders, while maintaining a seamless transition to digital operations.

Key tools and Processes for Operational Risk Management:

The Bank's operational risk management tools and processes are closely aligned with its strategic direction, which emphasizes a robust three lines of defence model, integrated risk management, and technology-driven excellence.

- 1- Risk Assessments** such as RCSAs and fraud risk assessments directly support the Bank's commitment to proactive, forward-looking risk management. These assessments enable the early identification, assessment, and mitigation of operational risks, in line with the Bank's integrated framework and regulatory objectives. The ongoing enhancement of Risk Assessment, including the integration of new technologies and automation, reflects the Bank's drive toward technology-driven risk excellence.
- 2- Key Risk Indicators (KRIs)** are designed to provide early warnings of potential risk exposures, supporting the strategic focus on predictive analytics and emerging continuous risk monitoring cross functions, processes and services.
- 3- Loss Data Collection** ensures centralized tracking and analysis of operational loss events, including fraud-related incidents. This process underpins the Bank's risk culture excellence by facilitating root cause analysis, corrective action, and continuous improvement.
- 4- Operational Risk Stress Testing** simulates potential scenarios to assess impacts on capital adequacy and operational resilience. This aligns with the Bank's strategic objectives enhancing overall risk oversight.

Through these enhanced operational risk management practices and ongoing digital transformation, the Bank continues to optimize processes, support sustainable growth, and maintain risks within acceptable levels. These efforts are fully integrated with the Bank's high-level risk management strategy, ensuring alignment with regulatory requirements, strategic objectives, and the evolving risk landscape.

Risks

The Bank’s enhanced Fraud Risk Management framework is fully aligned with its strategic direction, particularly in the areas of operational and non-financial risk maturity, technology-driven risk excellence, and risk culture excellence. The establishment of a dedicated fraud risk management team, policy, strategy, and committee reflects the Bank’s commitment to a robust three lines of defence governance model, ensuring clear roles and responsibilities for managing and mitigating fraud risk.

The implementation of advanced fraud prevention and detection systems leveraging AI and machine learning supports the strategic focus on automation, AI integration, and real-time analytics for risk identification and mitigation. These initiatives also align with the Bank’s emphasis on embedding AI in fraud risk management and strengthening cyber fraud related controls.

Regular fraud awareness programs for employees and customers, along with a structured response framework for incident investigation and mitigation, reinforce the Bank’s risk culture excellence. These efforts contribute to raising risk awareness, building organizational resilience, and ensuring compliance with evolving regulatory requirements.

Overall, the Bank’s proactive approach to fraud risk management supports its strategic objectives of protecting stakeholder interests, maintaining regulatory alignment, and fostering a forward-looking, technology-enabled risk management environment.

Policy Center within Operational Risk Department:

The Policy Centre’s centralized management of the Bank’s high-level policies is closely aligned with the Bank’s strategic direction, particularly in strengthening governance, group integration, and operational excellence.

By overseeing the entire policy lifecycle—from development to approval—within a standardized framework, the Policy Center ensures that all policies are consistent with the Bank’s strategic objectives and regulatory requirements. This approach supports the Bank’s commitment to integrated risk management, compliance adherence, and operational risk maturity.

The integration of high-level policies into operational processes and detailed procedures reinforces the Bank’s three lines of defence model, clarifying roles and responsibilities across the Bank. The implementation of a policy management automation system further advances the Bank’s technology-driven risk excellence by streamlining policy governance, enhancing efficiency, and providing a centralized digital repository for policy access and tracking.

Regular reviews of high-level policies ensure that the Bank remains agile in responding to evolving regulatory requirements, innovations, and changes in products, services, or operating models. This proactive approach supports the Bank’s objectives of maintaining effective risk measurement and monitoring tools, strengthening governance, and ensuring alignment with both regulatory expectations and strategic priorities.

In addition, the Policy Center oversees the publication of approved policies and maintains effective version control to ensure that the most up-to-date documents are available to all relevant stakeholders.

Information Security Risk:

Information security risk is defined as any risk of financial loss, disruption or damage to the reputation of the bank from some sort of failure of its information technology systems. The information security team works across all Arab Bank Group and departments to enable and support business growth. The team has implemented an automated comprehensive framework to analysis global threat universe against Arab Bank ecosystem including third parties supply chain. This while also ensuring ongoing compliance and enabling technology adoption in all lines of businesses including the digital banking services enjoyed by our clients. The goal is to ensure Arab Bank assets (information, people, processes and technologies) are adequately protected from possible threats, whether internal or external, deliberate or accidental. Our strategy recognises the importance of information security in establishing and maintaining a trust relationship with our customers, business partners, regulators, Bank employees, and other stakeholders. This is built to instil good security practices, raise information risk awareness, strengthen controls by ongoing preventative controls effectiveness enhancement, based on real-time intelligence of global incidents along with monitoring and incident response from the Arab Bank Group ecosystem.

Business Continuity and Resilience Risk

Business Continuity and Resilience Risk Management (BCRM) is defined as the risk of the bank’s business being interrupted as a result of any negative events, emergencies, accidents or crises that impede the functioning of normal business activities.

BCRM is a holistic management process that identifies potential impacts which threaten an organisation and provides a framework for building resilience and the capability for an effective response that safeguards the interests of its key stakeholders, reputation, brand and value-creating activities.

The BCRM framework is designed to ensure the uninterrupted operation of the bank’s critical services and the swift resumption of business critical activities during disruptions. Key initiatives over the year include:

Business Impact Analysis (BIA): Identification and prioritisation of critical services to meet stakeholder expectations during disruptions.

Risk Assessments (RA): Evaluation of risks associated with critical services and assessment of the effectiveness of existing controls.

Business Continuity Plans (BCP) / Disaster Recovery (DR) Testing: Routine and enhanced disaster recovery) testing across local, regional, and global levels to ensure readiness and operational continuity.

Incident Handling Process: Incident-handling processes have been further strengthened to ensure a streamlined, coordinated, and timely response to operational disruptions, enabling the Bank to effectively contain incidents, minimise impact, and

restore critical activities in line with established continuity requirements.

Disaster Recovery Readiness and Resilience: Development of resilient IT infrastructure and systems to maintain optimal performance in all disruption scenarios.

Disaster Recovery Monitoring: Implementation of robust monitoring mechanisms to enhance visibility and assurance over the DR setup.

Regional Backup/Disaster Recovery Arrangements: Establishment of regional and out-of-region contingency plans and resilient backup strategies to mitigate communication blackouts and disruptions.

ISO22301 Certification: Arab Bank is committed to establish and certify a Group level business continuity and resilience management system (BCRMS) which is compliant to ISO 22301 standard.

Crisis Simulations: Crisis simulation and response exercises are routinely conducted to enhance the organisation’s preparedness and capability to effectively manage emerging events and crises.

Centralised Continuity Management system: Use of a centralised system to maintain and test continuity plans, ensuring swift resumption of critical operations.

Artificial Intelligence and BCRM Partnership:

This partnership represents a long-term, ongoing effort to integrate advanced technologies into BCRM operations, ensuring that the bank remains resilient in the face of emerging risks.

As a result of this collaboration an advanced playbooks for incident response, leveraging AI and machine learning to predict and response to emerging risks that could impact the bank’s operations or disrupt services.

Third-Party Risk Management (TPRM):

Third-Party Risk Management (TPRM) is a program comprising strategies, processes, and reporting procedures to identify, assess, manage, mitigate, and monitor risks that Arab Bank is or could be exposed to while engaging with third parties, whether affiliated entities within the Group or external providers. The function operates across all relevant risk domains to ensure that risks arising from external service providers, suppliers, and partners are consistently identified, assessed, and mitigated. Integration with all related stakeholders and control functions has been strengthened to ensure full alignment with regulatory expectations and the Bank’s risk appetite.

TPRM follows a structured lifecycle approach designed to maintain comprehensive oversight throughout each third party relationship. This lifecycle includes:

- **New Onboarding:** Conducting due diligence and risk assessments prior to engagement to confirm alignment with operational, security, compliance, and resilience requirements.
- **Ongoing Monitoring:** Maintaining continuous oversight through periodic reviews, performance tracking, and coordinated control validation across all relevant domains.

- **Offboarding:** Ensuring controlled service termination, proper data and access management, and the mitigation of any residual risks.

Future Enhancements – AI Enabled TPRM

As part of the Bank’s commitment to continuously strengthen its third party risk capabilities, the next phase of development will focus on embedding AI within the existing TPRM processes. This enhancement aims to significantly improve efficiency, visibility, and proactive risk management across the full lifecycle. By integrating AI into current workflows, the Bank will be able to:

- Provide live, continuous monitoring across all risk domains.
- Consolidate and automate manual activities within a single integrated platform.
- Enhance visibility and proactively identify potential blind spots.

Improve overall efficiency and support more timely, data driven decision making.

These enhancements will further elevate the Bank’s ability to manage third party risks in a dynamic and increasingly complex operating environment.

Insurance Risk:

The insurance department oversees all the Bank’s insurance operations using a centralised database at the local and Group levels. It arranges adequate insurance cover for all insurable risks. Additionally, the department provides the Bank’s divisions with the necessary support in reviewing, recommending, and delivering customised insurance coverage for products, portfolios, credit facilities, and financial transactions related to the Bank’s clients. The Insurance Department is also responsible for the setup and maintenance of Bancassurance products and agreements.

Other Risks:

In addition to the risks outlined above, Arab Bank is exposed to other risks, including compliance risks related to regulatory and legal requirements, and strategic risks associated with achieving the bank’s long-term objectives.

Compliance Risk Management (Adherence to Regulatory Requirements):

Arab Bank is firmly committed to conducting its activities with the highest standards of integrity, professionalism, and ethical conduct, and to complying with both the letter and spirit of applicable statutory, regulatory, and supervisory requirements across all jurisdictions in which it operates. Compliance risk management is embedded within the Bank’s governance framework and supported by a strong culture of integrity rooted in the Bank’s long-standing values and professional conduct.

The Board of Directors exercises effective oversight of the Compliance Program through the Compliance Committee of the Board, which plays a central role in overseeing all aspects of compliance risk. The Board and Senior Management support the continuous enhancement of compliance controls, including the adoption of innovative, technology-enabled solutions, to ensure the ongoing effectiveness, adaptability, and sustainability of the Bank’s compliance framework.

Risks

The Group Regulatory Compliance (GRC) Division reports directly to the Compliance Committee of the Board of Directors and maintains direct access to the Chief Executive Officer. GRC is responsible for establishing and maintaining policies, procedures, and controls to identify, assess, monitor, and manage compliance risks, including those related to financial crime such as money laundering and terrorism financing, bribery and corruption, and economic sanctions and embargo programs. The standards and controls implemented across the Group represent the minimum requirements necessary to meet regulatory expectations, protect the Bank's interests, and are aligned with applicable laws and leading international best practices.

Compliance requirements and procedures are applied consistently across Arab Bank's branches and subsidiaries, while taking into account applicable local laws and regulatory requirements in each jurisdiction. Where local regulations impose higher standards, the Bank applies these more stringent requirements, ensuring the highest levels of integrity and compliance are maintained both globally and locally.

The Bank also places strong emphasis on managing conduct risk as a core element of its compliance framework. This includes policies and procedures addressing conflicts of interest, fair treatment of customers, consumer protection, transparency, and privacy and data protection. Senior Management leads by example in promoting a culture of compliance and ethical behavior. All employees are expected to adhere to applicable laws, internal policies, and the Bank's Code of Conduct, which serves as a guiding ethical framework for daily decision-making. Employees and third parties are encouraged and required to promptly report any actual or suspected misconduct or irregularities through established reporting channels.

Arab Bank adopts a customer-centric approach in the design, marketing, and delivery of its products and services, with a focus on protecting customers' interests and ensuring fair and transparent treatment. This commitment is reinforced through effective communication, continuous training, and awareness programs designed to embed a culture of integrity and accountability across the Bank.

Customer complaints are treated as an important indicator of service quality and risk management effectiveness. Dedicated and specialized units manage customer complaints in accordance with applicable regulatory requirements and the Bank's internal policies. These units are staffed with trained and qualified personnel responsible for ensuring timely resolution, identifying root causes, and implementing corrective actions to prevent recurrence. During 2025, all customer complaints received by the Bank were addressed in accordance with approved policies and procedures, reflecting the Bank's commitment to fairness, transparency, and high standards of customer care.

The Bank's Compliance Program leverages advanced technological tools and data-driven methodologies to enhance the effectiveness and efficiency of compliance risk management, including regulatory compliance, conduct risk, privacy and data protection, and financial crime prevention. Supported by the strong commitment of the Board of Directors and Senior Management, and the dedication of its employees, Arab Bank remains focused on continuously strengthening its Compliance

Program, maintaining regulatory compliance, and adapting proactively to evolving regulatory expectations and changing customer needs.

Strategic Risk:

Strategic risk is defined as the risk of potential adverse impacts on the bank's earnings, capital, reputation, or standing due to changes in the environment in which the bank operates, or from adverse strategic decisions, inadequate implementation of strategic plans, or failure to respond to industry, economic, or technological changes.

The bank manages strategic risk through a comprehensive Strategic Risk Management Framework, fully aligned with its high-level risk management strategy and the 'three lines of defense' governance model. This framework incorporates a robust risk assessment process to identify, monitor, and mitigate emerging strategic risks, ensuring proactive alignment with both regulatory and strategic objectives. It leverages integrated risk management practices, predictive analytics, and technology-driven solutions—including automation and AI—to enhance scenario modeling, stress testing, and forward-looking risk monitoring.

Strategic risk arises from factors that influence the bank's direction and goals. Addressing these factors is essential for sustainable growth and maintaining a competitive advantage. Key drivers of strategic risk include:

- **Governance:** Effective oversight and decision-making processes, with clear roles and responsibilities across the Bank and strengthened succession planning.
- **Strategic Planning:** Alignment between strategy and operational capabilities, supported by integrated frameworks and risk policies.
- **Execution:** Quality and timeliness in implementing strategic initiatives, reinforced by a strong risk culture and knowledge-sharing.
- **Changes in Operating Environment:** Responsiveness to market, regulatory, and technological changes, including advancements in AI, cybersecurity, and data-driven decision-making.

Through these measures, the bank ensures that strategic risk management remains closely aligned with its long-term objectives, supports operational risk maturity, and maintains resilience in an evolving financial landscape.

The various Group Risk Management departments work in coordination with the Finance Division on Capital Management to assess the impact of new regulations (e.g. Basel III), and to deliver a comprehensive Internal Capital Adequacy Assessment Process (ICAAP) and the Recovery Plan. This is supplemented by a stress-testing framework that includes multiple scenarios covering credit, market, liquidity, and operational risk events. Periodic reporting to Senior Management and banking regulators further ensures that our capital is managed effectively.





A Refreshed Brand Identity. Confident Step Forward

In 2025, Arab Bank unveiled its refreshed visual brand identity, marking an extension of its ongoing journey of evolution. This strategic move aims to reinforce the bank's leading position as one of the most resilient and successful financial institutions in the Middle East and North Africa (MENA) region. It further affirms the bank's future-readiness as a modern, dynamic, and digitally empowered institution capable of meeting the evolving needs of its customers. Drawing inspiration from a legacy established in 1930, the refreshed identity reflects the bank's dedication and long stand commitment to growth and innovation, while seamlessly preserving the foundational elements of more than nine decades of excellence.

This transformation aligns with the bank's strategic pillars, which focus on the optimal utilisation of its regional and global network, the expansion of its core businesses, and the seizing of new growth opportunities across various sectors. Amidst the massive digital transformation occurring regionally and globally, the refreshed identity serves as a demonstration of Arab Bank's readiness to serve a new generation of ambitious, tech-savvy customers.

As the bank continues its transformation journey, the name Arab Bank remains the most prominent and enduring feature of its corporate identity, reflecting the depth of its connection to the history, culture, and authentic values of the Arab world. This heritage will continue to serve as the cornerstone of the bank's future growth and expansion strategy.

The bank's refreshed brand identity reflects its ability to lead, adapt, and create meaningful impact as it continues to thrive in an increasingly digital evolving future

Connected Beyond: A Philosophy for Sustainable Impact

The bank's new vision and refreshed visual brand identity are direct reflections of its core philosophy, embodied in the concept of "Connected Beyond". This concept draws on the bank's heritage as a bridge for the Arab world, connecting individuals, communities, and businesses across the region and beyond to achieve positive impact and reinforce sustainable social, environmental, and economic development. It further celebrates the close personal bonds built with generations of customers and partners. Through this, the bank paves the way for its comprehensive vision: to constantly evolve and grow its dynamic financial services ecosystem to empower customers and communities to achieve their aspirations.

This update is not merely a visual change; rather, it articulates a cohesive narrative that clarifies the bank's mission and embodies it within every experience – whether through digital platforms, branch networks, and every interaction with customers, partners and the communities in which it operates.

Within this context, the bank's core values have been transformed into concrete commitments that define its institutional approach, marking the start of a new chapter where ambitions are translated into tangible achievements. The bank is committed to "Champion the Customer" to ensure they remain at the heart of all its business and initiatives, and to "Working as One" by embracing diverse perspectives and fostering continuous collaboration. Furthermore, the bank strives to "Build Connections" to strengthen its relationships with clients, partners and communities alongside its commitment to "Improve Every Day" by constantly taking the initiative and elevating standards.

The bank's philosophy "Connected Beyond" serves as a bridge that links the bank's region to the world, building sustainable connections that enable individuals, businesses and communities to seize opportunities both locally and globally

Modern Design and Digital Readiness

The refreshed visual brand identity of Arab Bank presents a design that combines dynamism, simplicity and fluidity while embodying digital readiness, highlighting the bank's commitment to placing the customer at the forefront of its priorities. The new logo features a single, continuous line that reflects the bank's pride in its nine-decade legacy, while simultaneously symbolising the institution's continuity and its forward-looking approach. This continuous line seamlessly shapes the logo, expressing the dynamic ecosystem built by the bank and the strong interconnectedness with its customers, partners and communities. Furthermore, the refreshed brand identity retains blue as the bank's primary colour – a signature feature for decades – ensuring it remains a constant element in its visual identity. The new identity showcases a unique brand personality, enabling stakeholders to distinguish Arab Bank not only through the quality of its services but also through its distinctive visual character.

Elements of the Refreshed Visual Identity:

The Name (Arab Bank):

Reflecting the connection to the Arab world, its culture, and a sense of belonging.

Colour – Blue:

Blue has played a major role in Arab Bank's visual identity for many years, carrying strong equity and continuing to represent the Arab Bank brand.



The Symbol – The Three Circles:

They remain the simplest and most symbolic icon of Arab Bank's identity. It is the symbol that has distinguished the bank since 1930 and now represents and reinforces the bank's customer-centricity approach, partnerships, and commitment to the wider community at its core.

Beginnings never end

In the context of refreshing the bank's corporate identity to reflect its dynamic ecosystem and strong ties with customers, partners, and the community, the bank launched the new tagline accompanying its refreshed identity, "Beginnings never end". This serves as a natural evolution of the bank's previous tagline, "Success is a Journey".

This transition reflects the bank's belief that every achieved goal is merely a stronger beginning and a steppingstone towards a new achievement, driven by future aspirations and an authentic commitment to empowering customers, contributing to their success, and sustaining growth.

The refreshed logo preserves the bank's three iconic circles, representing customers, partners, and communities, while the continuous line symbolizes its uninterrupted legacy. Coupled with the new tagline, Beginnings Never End, the bank celebrates a mindset where every finish line is a new starting point

Evolving Identity... Enduring Ambitions

The bank moves towards the future with a refreshed identity and a renewed commitment to the continuous development of its dynamic financial services ecosystem. This ensures the enhancement of customer trust, the ability to overcome challenges, and the agility to capitalise on opportunities, further establishing Arab Bank's journey as an enduring hallmark of leadership and excellence.



Accomplishments 2025

Throughout 2025, the global landscape continued to face persistent challenges at local, regional, and international levels, exerting economic and social pressures across diverse countries, regions, and economies.

Despite the complexities of the global economic environment throughout 2025, and the accompanying regional and international uncertainty, financial market volatility, diverging monetary policies, alongside persistent and intensifying geopolitical pressures, Arab Bank Group successfully navigated these challenges with resilience and efficiency. In doing so, it continued to deliver solid results and further strengthen its growth.

Arab Bank Group achieved a net profit after tax and provisions of USD 1,130.4 million, compared with USD 1,007.1 million in 2024, representing an increase of 12%. The Group maintained a robust financial position, with equity reaching USD 13.2 billion. Furthermore, growth in net operating profits continued across many of the regions in which the Group operates, supported by its diversified business activities, products, funding sources, and revenue streams.

By the end of 2025, the Group's total assets grew by 10% to reach USD 78.2 billion. Similarly, the total loan portfolio increased by 8% to reach USD 41.2 billion, compared to USD 38.3 billion in the previous year, while customer deposits increased by 10% to reach USD 57.2 billion, compared with USD 52.2 billion in the preceding year.

The strong results achieved by Arab Bank Group in 2025 were driven by notable growth in diversified income sources across its main business sectors and markets, in addition to a disciplined approach to cost and risk management. Additionally, the bank achieved sustainable growth in net operating profit, driven by both interest and non-interest income contribution as a result of revenue diversification, growth in lending and efficient management of liquidity and funding sources, benefiting from its presence in the GCC and international markets. The bank continued to record strong performance indicators, alongside improvements in the credit quality of its portfolio, with the coverage ratio for non-performing loans exceeding 100% (excluding the value of collateral). Liquidity levels remained at healthy levels, with a loan-to-deposit ratio of 72%. Furthermore, the bank possesses a strong capital base, the majority of which is held as core capital; its capital adequacy ratio stands at 17% according to Basel III standards, exceeding the minimum requirement set by the Central Bank of Jordan.

As part of its strategic commitment to digital transformation, the Group continued to gradually embed artificial intelligence in its operating model to enhance performance and mitigate operational risks. This is complemented by the deployment of an integrated digital ecosystem that provides a seamless and interactive banking experience, catering to customers' daily needs across various life stages. These efforts provide comprehensive financial solutions that support the bank's Customer First approach, placing the customer at the heart of its priorities.

Corporate and Institutional Banking (CIB)
The Corporate and Institutional Banking (CIB) division delivered a robust financial performance in 2025 across all core business lines. This achievement underscores the resilience of the division's business model in navigating persistent market volatility and regional complexities.

Building on this momentum, the division continued to execute its strategic growth agenda, leveraging the bank's expansive network and regional footprint. These efforts resulted a significant increase in business volumes and successfully attracted a diverse new client base across multiple geographies. This upward trajectory was further strengthened by an expanded market share, driven by a new suite of innovative banking

products and solutions. These offerings, combined with strategic investments in digital transformation, acted as a pivotal catalyst for sustainable growth throughout the year.

In 2025, Arab Bank's Corporate Digital Gateway underwent a comprehensive transformation, marked by significant enhancements to the user interface and platform functionalities. Key upgrades included the introduction of interactive dashboards providing clients with essential indicators to support decision-making, alongside the expansion of Application Programming Interface (API)-based banking services to encompass the processing and tracking of all payment types. These developments represent a pivotal step in line with the bank's strategy to accelerate digital transformation, driving operational efficiency and delivering an immediate positive impact on service levels and client satisfaction.

Building on this progress, the bank launched a new mobile application featuring biometric authentication, offering users exceptional flexibility to execute and authorise transactions instantly and securely. In terms of specialised solutions, the launch of a digital Supply Chain Finance platform in the United Arab Emirates marked a strategic milestone. This platform provides businesses with innovative digital tools to enhance cash flow management, strengthen buyer-supplier partnerships, and streamline financial interactions.

Furthermore, CIB division remained committed to embedding advanced digital capabilities and Artificial Intelligence (AI) within its operations to achieve institutional excellence. Notably, the division revolutionised lead generation within the trade finance sector by deploying automated solutions powered by Natural Language Processing (NLP), Generative AI (GenAI), and Large Language Models (LLMs), enabling the precise identification and capture of promising trade opportunities. In parallel, risk management and decision-making efficiency were bolstered through an advanced Risk-Adjusted Return on Capital (RAROC) framework, which provides comprehensive financial assessments based on sophisticated analytics.

Regarding SMEs banking, the bank continues to provide innovative, tailored financing solutions to meet the needs of this sector in Jordan, Palestine, and Egypt. These efforts have led to a tangible improvement in access to finance, empowering clients to scale their businesses and achieve sustainable growth and expansion.

Consumer Banking and Wealth Management
The Consumer Banking and Wealth Management division continued to strengthen its presence and market positioning across key regions. This was driven by a strategic approach focused on expanding the scope of wealth management products, enhancing card and payment capabilities, and deepening integration across the division's regional network. Furthermore, the division intensified its efforts to deploy Artificial Intelligence (AI) and develop its digital platforms to deliver an exceptional customer experience and drive operational efficiency.

In a significant move to enhance services for High-Net-Worth clients, the division launched Private Banking in Jordan. This service offers a highly personalised banking experience and exclusive solutions tailored to the aspirations of affluent individuals. This segment is served by a distinguished team of certified wealth relationship managers, following a business model designed to deepen client engagement and interaction. To further distinguish this segment, the bank introduced the Visa Infinite Privilege credit card exclusively for Private Banking clients, alongside a dedicated digital interface within the mobile application, carefully designed to suit their lifestyle and specific requirements.

As part of its strategy to diversify investment solutions, the division successfully expanded its wealth management product suite by launching a Real Estate Investment Trust (REIT) and introducing capital-guaranteed US Dollar savings deposits linked to global equity and commodity indices. Additionally, the bank introduced a Precious Metals Account, enabling clients to trade gold and silver via spot execution without the need for physical possession. These qualitative additions complement the existing portfolio, which includes step-up deposits, brokerage, and asset management services, all supported by a wealth management app providing a seamless experience for portfolio management and flexible trading. This comprehensive ecosystem has enabled the bank to meet the aspirations of a broader investor base, from the emerging generation of investors to High-Net-Worth individuals.

To maximise the value of the bank's regional network, a significant milestone was achieved by integrating the (Access) service with the Islamic International Arab Bank (IIAB). This allows joint clients to manage their banking relationships across Jordan and the UAE through a unified digital interface, ensuring seamless account visibility and fund transfers. Similarly, an advanced regional Customer Relationship Management (CRM) platform was deployed across the UAE and Jordan, providing branch and contact centre staff with a holistic view of client relationships in both markets, thereby enhancing service efficiency.

In the cards and payments sector, the bank continued to diversify its strategic options. It strengthened its presence in the Jordanian market by launching American Express cards and introduced dedicated credit cards tailored to the needs of the SMEs sector. Aligning with national electronic payment strategies in the GCC, the bank integrated with the (Himyan) national card network in Qatar and enhanced its partnership with (Qpay) to ensure secure electronic transactions that support the transition toward a cashless society. Similarly, integration with the (Jaywan) local network in the UAE was completed, providing a seamless payment experience in line with the nation's vision to localise payment systems. Furthermore, mobile wallet services were expanded by making (Google Pay) available to clients in Jordan and Qatar, and activating (Samsung Pay) in Qatar.

In Egypt, the bank successfully developed the technical infrastructure required to offer (Cards as a Service (CaaS)) to strategic partners, led by universities. This enables them to issue multi-purpose cards that combine regulatory compliance with the flexibility for cash withdrawals and payments.

Reflecting the division's integrated network approach, the Consumer Banking and Wealth Management provided technical and operational support to the Islamic International Arab Bank (IIAB), expanding ATM services to include cheque processing and activating (Apple Pay). This support extended to Europe Arab Bank (EAB), which activated (Apple Pay) and launched co-branded credit cards in partnership with Royal Jordanian, further integrating banking solutions across the bank's global network.

During 2025, the development of payment acceptance and collection services was a strategic priority. In Jordan, the Ministry of Foreign Affairs and Expatriates selected Arab Bank as the accredited electronic payment gateway for consular services across 57 embassies worldwide, providing flexible payment options including international digital wallets. Additionally, the Ministry of Digital Economy and Entrepreneurship accredited the bank as the acquirer for POS and e-commerce operations for vital government entities, including the Ministry of Health, the Civil Status and Passports Department, and the Driver and Vehicle Licensing Department, aiming to replace cash transactions with secure electronic solutions.

In the Egyptian market, a strategic collaboration with Visa led to the adoption of the (CyberSource) platform as an advanced e-payment gateway. Its AI-driven proactive fraud detection capabilities have improved service quality and ensured the highest security standards for financial transactions.

Sustainability remained at the forefront of the division's strategic priorities in 2025. The eco-friendly card initiative previously launched with the (Shabab Programme) was expanded to include the issuance of biodegradable credit and debit cards across all customer segments, helping to reduce the carbon footprint and minimise plastic waste. The bank also promoted paperless transactions by enabling merchants to use (Soft POS) technology, allowing payment acceptance via smart devices without the need for printed receipts. Internal operations also



Board of Directors' Report

Accomplishments 2025

saw environmental shifts, particularly in Palestine, through the full automation of daily settlements and regulatory reports, alongside the global adoption of streamlined account-opening forms and the elimination of paper card carriers. These efforts collectively reinforce the bank's commitment to adopting responsible, highly efficient, and environmentally friendly banking practices.

Mobile banking continued to be the core of the bank's digital strategy, with 2025 witnessing the launch of major updates tailored to the specific needs of each market. In Jordan, a completely redesigned version of the mobile application was launched, featuring a modern User Interface (UI) and a customer-centric experience. In Palestine, the digital ecosystem was strengthened with (eKYC) and (iDplus) technologies, the launch of (Arabi e-Tadawul) (Electronic Trading), a smart notification system, and a branch appointment-booking feature was made available through the application.

In the Gulf region, the bank kept pace with the rapid advancement of payment solutions, in the UAE, the bank integrated with the (Aani) instant payment platform, allowing for secure, real-time transfers using simplified identifiers such as phone numbers or emails. In Bahrain, cybersecurity was enhanced with additional identity verification for new device registrations.

The loyalty programme saw a qualitative evolution in 2025. In Bahrain, the (Arabi Points) system now allows clients to manage and redeem rewards via the mobile app based on their total banking relationship. Furthermore, a specialised loyalty programme for SMEs was launched, integrated with the (Arabi Next) platform, rewarding businesses based on their overall engagement, including POS transactions and salary transfers. In Jordan, an AI-powered Front-Line Assistant was launched. This Generative AI tool provides branch and contact centre staff with instant, accurate answers regarding policies, products, and regulations, enabling them to serve customers with greater speed and confidence.

As part of the bank's growth strategy and its efforts to further enhance wealth management and private banking services, the merger of Bank Gonet (owned by Arab Bank Switzerland) with Swiss One Bank in mid-2025 contributed to increasing the Assets Under Management (AUM) of Arab Bank Switzerland Group customers to CHF 18 billion. In addition, Arab Bank Group commenced operations in the Iraqi market at the beginning of 2025 through Arab Bank Iraq, providing banking solutions and services to its customers through its operating branches in Iraq.

Treasury

Arab Bank continued to strengthen its position within the Treasury sector by diversifying and reinforcing its funding base, concluding the year with an even more robust and resilient liquidity position. This was achieved alongside the division's ongoing commitment to investing in human capital, expanding the scope of its operations, and elevating the quality of service provided to clients. As a result of these prudent policies, the bank successfully maintained low-risk financial positions while achieving steady growth in foreign exchange and derivatives profit.

Despite global interest rate cuts and financial market volatility in 2025, the Treasury division successfully mitigated these

variables through its prudent balance sheet management and proactive positioning. This resilience in adapting to a changing economic environment effectively protected the bank from price fluctuations while maintaining high levels of stability. In alignment with the bank's commitment to Environmental, Social, and Governance (ESG) standards, the division further advanced its sustainability strategy by expanding its investments in sustainable bonds. These efforts underscore Arab Bank's commitment to sustainable finance and the support of projects with a positive environmental impact.



The year 2025 marked a significant milestone for AB Xelerate and the Innovation Hub (iHub), the fundamental pillars of Arab Bank's innovation ecosystem. During the year, the Innovation Hub hosted more than 17 technical seminars addressing specialised topics such as digital assets and Artificial Intelligence (AI), in collaboration with a selection of leading global technology firms, most notably NVIDIA, Arabic AI, and CoinMENA.

In alignment with the regional expansion plans that headlined the year's priorities, AB Xelerate organised three major technical training programmes across Jordan, Egypt, and Iraq. The Conversational and Agentic AI Startup Bootcamp in Jordan emerged as the most successful to date, culminating in a dedicated Demo Day to showcase the most prominent participant presentations. Similarly, the Bridging the Gap Startup Bootcamp in Egypt focused on startups specialised in financial inclusion, while the inaugural AB Xelerate Iraqi Startup Showcase in Baghdad marked the official launch of the bank's entry into Iraq's emerging entrepreneurship ecosystem. On the operational front, AB Xelerate significantly expanded the scope of its Proof of Concept (PoC) activities, recording a 50% year-on-year growth. These activities were not only vital in providing a robust environment for testing pioneering solutions in advanced Fintech, Artificial Intelligence (AI), automation, cybersecurity, and digital identity, but also led to the successful transition of several initiatives from the pilot stage to full-scale implementation. Furthermore, AI-powered solutions have been officially adopted and rolled out across workstreams that require intensive document processing, delivering a tangible leap in efficiency and precision. Externally, the programme continued to solidify its regional standing as a leading platform for innovative thought through its active participation in prominent international forums.

These included the Jordan Fintech Festival, Web Summit Qatar, and the Egyptian VC Summit, alongside engagement with the Jordan Payments and Clearing Company (JoPACC) in conjunction with Hussein Technical University Global Entrepreneurship Week. Throughout 2025, Reflect continued to solidify its position as a leading digital banking platform in both Jordan and Palestine, providing an integrated ecosystem of financial solutions that cater to customers' daily needs across various life stages. As a milestone in this pioneering journey, Reflect has launched its AI-powered intelligent virtual assistant launched the intelligent assistant, ReVA, to offer a seamless interactive banking experience through text and voice chats powered by Artificial Intelligence (AI). ReVA provides precise analytical insights into spending habits alongside smart product recommendations. Additionally, Reflect introduced an intelligent Sentiment Analysis engine across its chat channels, aimed at enhancing the customer experience from the very first interaction. On the marketing front, Reflect launched an advertising campaign designed entirely using AI technologies. This innovative approach proved its efficacy by reducing production costs by 50%, while driving a 30% growth in cash deposits and a 14% increase in both total spending and loan disbursements. Simultaneously, the Omnify platform, designed specifically to offer a comprehensive suite of Banking-as-a-Service (BaaS), advanced its strategy of integrating financial solutions with advanced technical infrastructure. These efforts culminated in 2025 through a standout collaboration with Menaitech, making Omnify the first platform in Jordan to actively launch its services through a network of active Application Programming Interfaces (APIs). This achievement established the platform as the premier comprehensive choice for integrated financial products in the Kingdom. Parallel to this local success, a comprehensive suite of banking services (BaaS) was introduced in the Egyptian market through the launch of strategic partnerships with Helwan University and Octo. Acabes, the Group's financial technology arm, delivered a standout performance throughout 2025, successfully enhancing the Arabi Mobile application experience and enriching it with a sophisticated suite of digital features and solutions that balance innovation with regulatory compliance. On the technical infrastructure front, the company independently developed a cloud-based B2C Marketplace platform. This strategic move enhanced operational flexibility and market responsiveness while enabling the complete decommissioning of previous external solutions. Compliance remained a top priority during the year, resulting in the successful delivery of over 70 regulatory projects, including the instant payment systems iBURAQ, Aani, and the CliQ instant payment service. Furthermore, the company



enhanced its operational efficiency by developing the cloud-based Digital BPM (Business Process Management) platform, which currently manages 50+ workflows, alongside the activation of the Digital Application Support System (DASS) platform for the centralised monitoring of digital channels. Regionally, Acabes launched a bespoke version of the mobile banking application in Iraq, enhanced with 40% additional features and throughout the year. The company concluded the year by expanding its outsourcing services, providing Arab Bank and its subsidiaries with 120 specialised personnel. This was accompanied by significant progress in the deployment of Artificial Intelligence (AI) applications, including Anomaly Detection technologies for monitoring suspicious activities and the internal development of the JiraGPT tool.

Throughout 2025, Arab Bank continued to achieve qualitative leaps in its strategic transformation journey, adopting Artificial Intelligence (AI) as a fundamental pillar of its operational ecosystem. These efforts culminated in the successful implementation of 30 Generative AI use cases, which delivered direct positive returns across a broad base of approximately 2,000 employees. These digital initiatives significantly boosted operational efficiency, generating an annual saving equivalent to 7,000 working days, particularly through the deployment of the intelligent assistant, Arabi GPT, which enabled staff to reduce individual workloads by five hours per week. Affirming the efficacy of these solutions, internal performance indicators revealed that 85% of employees experienced a substantial improvement in the quality of their work output. In parallel with this technical progress, the bank sustained its efforts to embed a culture of corporate innovation through a suite of training programmes and specialised professional certifications. This was accompanied by empowering front-line staff with advanced tools, such as AI assistants, all of which support the bank's Customer First approach and elevate operational excellence standards to leading levels across the region.



Financial Impact of Non-Recurring Operations

There have been no non-recurring operations that had a material effect on the bank or the group financial position in 2025.

Time Series Data for Major Financial Indicators

Time Series Data for Major Financial Indicators (2021 - 2025):

	Values in JOD Millions for the Bank & in USD Millions for the Group				
	2025	2024	2023	2022	2021
Arab Bank PLC : Net Profit after Tax	554.3	543.2	375.8	327.5	156.1
Arab Bank Group : Net Profit after tax	1 130.4	1 007.1	829.6	544.3	314.5
Arab Bank PLC : Shareholder's Equity	4 944.6	4 629.3	4 319.7	3 929.8	3 816.0
Arab Bank Group : Owner's Equity	13 233.0	12 134.9	11 356.9	10 402.5	10 321.4
Distributed Dividends					
Total Dividends (in JOD millions)	256.3	256.32	192.24	160.20	128.16
Dividends (%)	40%	40%	30%	25%	20%
Number of Issued Shares (in thousands)	640 800	640 800	640 800	640 800	640 800
Share price on Last Working Day (JOD)	6.85	4.50	4.56	4.88	4.89

Financial Performance

This section of the Board of Directors report highlights relevant financial data which is included in the consolidated financial statements of Arab Bank Plc and Arab Bank Group for the year 2025. The financial statements were prepared in accordance with the International Financial Reporting Statndards (IFRS), the interpretations issued by the Committee of the IFRS Board and the prevailing rules of the countries where the Group operates and the Central Bank of Jordan requirements.The accompanying notes are an integral part of the consolidated financial statements.

The Consolidated Financial Statements of Arab Bank Group consolidate the statements of Arab Bank Plc, Arab Bank (Switzerland) and the following main subsidiaries:

Percentage of ownership as of 31 December 2025	
Arab Bank Australia Limited	100.00%
Europe Arab Bank Plc	100.00%
Islamic International Arab Bank Plc	100.00%
Arab National Leasing Company L.L.C	100.00%
Al - Arabi Investment Group L.L.C	100.00%
Arab Sudanese Bank Limited	100.00%
Arab Tunisian Bank	64.24%
Oman Arab Bank	49.00%
Arab Bank Syria	51.29%
Arab Bank Iraq	63.77%
Al Nisr Al Arabi Insurance Plc	68.00%
AB Financial Markets Ltd.	100.00%
Al-Arabi for Finance SAL	100.00%

Subsidiaries are the companies under the effective control of the bank. Control becomes effective when the bank has the power to govern the financial and operating policies of the subsidiary so as to obtain benefits from its activities. Transactions are eliminated between Arab Bank plc, the subsidiaries and Arab Bank (Switzerland) upon the consolidation of the group financial statements.

Arab Bank Group

Consolidated Statement of Profit or Loss

Arab Bank Group's net income for the year ended 31 December 2025 amounted USD 1130.4 million compared to USD 1007 million for the year ended 31 December 2024. Total revenue of the Group stood at USD 3586 million compared to USD 3395 million in 2024 recording an increase of 6%, expected credit losses for financial assets amounted to USD 423.2 million.

The following schedule compares the principal components of the Group's Consolidated Statement of Profit or Loss:

In USD (thousands)	2025	2024	Variance	%
Revenue				
Net interest income	2 135 281	2 145 286	(10 005)	(0%)
Net commission income	527 036	453 068	73 968	16%
Other	923 706	796 653	127 053	16%
Total Income	3 586 023	3 395 007	191 016	6%
Expenses				
Employees Expenses	861 424	786 204	75 220	10%
Other Expenses	746 197	672 563	73 634	11%
Provision for impairment - ECL	423 153	490 730	(67 577)	(14%)
Total Expenses	2 030 774	1 949 497	81 277	4%
Profit For the year before Tax	1 555 249	1 445 510	109 739	8%
Income tax	424 893	438 420	(13 527)	(3%)
Profit for the year	1 130 356	1 007 090	123 266	12%

Financial Performance

Consolidated Statement of Comprehensive Income

Arab Bank Group's comprehensive income for the year ended 31 December 2025 amounted USD 1481.5 million compared to USD 837 million for the year ended 31 December 2024, the following schedule shows the principal components of the Group's consolidated statement of comprehensive income:

In USD (thousands)	2025	2024
Profit for the year	1 130 356	1 007 090
Add:		
Items that will be subsequently transferred to the consolidated statement of profit or loss		
Exchange differences arising from the translation of foreign operations	202 801	(130 851)
Revaluation gain on bonds at fair value through other comprehensive income	7 660	408
Items that will not be subsequently transferred to the consolidated statement of profit or loss		
Net change in fair value of financial assets at fair value through other comprehensive income	140 716	(39 666)
Total Other Comprehensive Income Items - After Tax	351 117	(170 109)
Total Comprehensive Income For The Year	1 481 533	836 981

Consolidated Statement of Financial Position

Arab Bank Group assets reached USD 78.2 billion as at 31 December 2025, Customer deposits amounted USD 57.2 billion. Investment portfolio has reached USD 14.9 billion, Credit facilities amounted USD 37.5 billion forming 48% of total assets while Shareholders' equity reached USD 13.2 billion.

The Following schedule compares the principal components of the Group's consolidated statement of financial posotion:

In USD (thousands)	2025	2024	Variance	%
Assets				
Cash and due from Banks	18 411 246	17 093 945	1 317 301	8%
Investment Portfolio	14 895 663	13 148 916	1746 747	13%
Direct credit facilities at amortized cost	37 479 274	34 383 335	3 095 939	9%
Other	7 401 520	6 604 325	797 195	12%
Total Assets	78 187 703	71 230 521	6 957 182	10%
Liabilities				
Due to banks	4 907 371	4 203 546	703 825	17%
Due to customers	57 163 441	52 165 279	4 998 162	10%
Other	2 883 889	2 726 797	157 092	6%
Shareholders' Equity	13 233 002	12 134 899	1 098 103	9%
Total Liabilities and Shareholders' Equity	78 187 703	71 230 521	6 957 182	10%

Arab Bank plc

Statement of Profit or Loss

Arab Bank plc's net income for the year ended 31 December 2025 amounted JOD 554.3 million compared to JOD 543.2 million for the year ended 31 December 2024. Total revenue of the Bank stood at JOD 1449.4 million compared to JOD 1443.3 million in 2024 recording an increase of 0.4%, expected credit losses for financial assets amounted JOD 167 million.

The following schedule compares the principal components of the Arab Bank plc's Statement of Profit or Loss:

In JOD (thousands)	2025	2024	Variance	%
Revenue				
Net Interest income	992 795	1 040 433	(47 638)	(5%)
Net commission income	168 585	156 171	12 414	8%
other	288 031	246 699	41 332	17%
Total Income	1 449 411	1 443 303	6 108	0.4%
Expenses				
Employees expenses	263 732	261 193	2 539	1%
Other expenses	318 397	282 794	35 603	13%
Provision for impairment - ECL	167 074	193 018	(25 944)	(13%)
Total Expenses	749 203	737 005	12 198	2%
Profit for the year before tax	700 208	706 298	(6 090)	(1%)
Income tax	145 871	163 119	(17 248)	(11%)
Profit for the year	554 337	543 179	11 158	2%

Statement of Comprehensive Income

Arab Bank Plc's comprehensive income for the year ended 31 December 2025 amounted JOD 580.8 million compared to JOD 511.1 million for the year ended 31 December 2024.

The Following schedule shows the principal components of the Arab Bank plc's statement of comprehensive income

In JOD (thousands)	2025	2024
Profit for the year	554 337	543 179
Add:		
Items that will be subsequently transferred to the statement of profit or loss		
Exchange differences arising on the translation of foreign currencies	11 470	(30 673)
Revaluation gain on bonds at fair value through other comprehensive income	1 064	15
Items that will not be subsequently transferred to the statement of profit or loss		
Net change in fair value of financial assets at fair value through other comprehensive income	13 935	(1 457)
Total Other Comprehensive Income Items - After Tax	26 469	(32 115)
Total Comprehensive income for the year	580 806	511 064

Financial Performance

Statement of Financial Position

Arab bank Plc assets reached JOD 32 billion as at 31 December 2025. Customer deposits amounted JOD 23.8 billion and investment portfolio has reached JOD 6.1 billion . Credit facilities amount to JOD 13.4 billion forming 42% of total assets while shareholder's equity reached JOD 4.9 billion.

The following schedule compares the principal components of the Arab Bank plc's statement of financial position

In JOD (thousands)	2025	2024	Variance	%
Assets				
Cash and due from banks	10 485 044	9 948 827	536 217	5%
Investment Portfolio	6 129 980	5 655 472	474 508	8%
Direct credit facilities at amortized cost	13 357 997	12 316 565	1 041 432	8%
other	1 985 279	1 895 513	89 766	5%
Total Assets	31 958 300	29 816 377	2 141 923	7%
Liabilities				
Due to banks	2 281 563	2 062 344	219 219	11%
Due to Customers	23 776 153	22 086 043	1 690 110	8%
Other	956 011	1 038 707	(82 696)	(8%)
Shareholders' equity	4 944 573	4 629 283	315 290	7%
Total Liabilities and shareholders' equity	31 958 300	29 816 377	2 141 923	7%

Capital Adequacy

Arab Bank maintains capital adequacy ratios that exceed the required levels as per Basel committee, and Central Bank of Jordan requirements. The following table presents a summary of the capital adequacy calculations for the years 2025 and 2024 in accordance with Basel III:

Arab Bank Group

Capital Adequacy Ratio as at December 31, 2025 and 2024 in accordance with Basel III requirements

In USD (Thousands)	2025	2024
Risk-weighted assets (RWA)	53 256 562	47 974 210
Common Equity Tier 1	11 694 260	10 665 927
Regulatory Adjustments (Deductions from Common Equity Tier 1)	(3 965 759)	(3 641 396)
Additional Tier 1	545 719	542 990
Supplementary Capital	798 207	663 851
Regulatory Capital	9 072 427	8 231 372
Common Equity Tier 1 Ratio	14.51%	14.64%
Tier 1 Capital Ratio	15.54%	15.77%
Capital Adequacy Ratio	17.04%	17.16%

Arab Bank Plc

Capital Adequacy Ratio as at December 31, 2025 and 2024 in accordance with Basel III requirements

In JOD (Thousands)	2025	2024
Risk-weighted assets (RWA)	22 491 988	20 416 172
Common Equity Tier 1	4 400 489	4 085 199
Regulatory Adjustments (Deductions from Common Equity Tier 1)	(1 082 932)	(985 547)
Additional Tier 1	177 305	177 305
Regulatory Adjustments (Deductions from Additional Tier 1)	(21 307)	(20 179)
Supplementary Capital	332 482	265 167
Regulatory Adjustments (Deductions from Supplementary Capital)	(6 133)	(5 568)
Regulatory Capital	3 799 905	3 516 377
Common Equity Tier 1 Ratio	14.75%	15.18%
Tier 1 Capital Ratio	15.44%	15.95%
Capital Adequacy Ratio	16.89%	17.22%

Income Appropriation for Arab Bank plc

Arab Bank follows a well established policy with regards to cash dividends, which aims at achieving the enhancement of its revenues and financial position , and the distribution of a reasonable dividends to the shareholders.

The Board of Directors recommends the distribution of cash dividends of 40% of the shares par value, or JOD 256.3 million for the years 2025 and 2024 as shown in the table below:

In JOD (Millions)	2025	2024
Income available for appropriation	554.3	543.2
Statutory Reserve	-	-
Voluntary Reserve	-	-
General Reserve	-	-
General banking risk reserve	-	-
Proposed Cash dividends	256.3	256.3
Retained earnings	298.0	286.9
Total Appropriation	554.3	543.2

Financial Ratios related to Arab Bank Group:

	2025	2024
Shareholders' equity / Total Assets	16.9%	17.0%
Loans / Deposits	65.6%	65.9%
Liquidity Ratio (cash and quasi cash)	43.1%	42.7%
Cost / Income	56.6%	57.4%
Cost / Income (excluding provisions for impairment)	44.8%	43.0%
Common Equity Tier 1 Ratio - Basel III	14.51%	14.64%
Tier 1 Capital Ratio - Basel III	15.54%	15.77%
Capital Adequacy Ratio - Basel III	17.04%	17.16%
Return on Equity	8.8%	8.8%
Return on Assets	1.4%	1.4%
Net interest and commission income / total Assets	3.4%	3.6%
EPS (USD)	1.61	1.47

Financial Performance

Financial Ratios related to Arab Bank Plc:

	2025	2024
Shareholders' equity / Total Assets	15.5%	15.5%
Loans / Deposits	56.2%	55.8%
Liquidity ratio (cash and quasi cash)	52.1%	52.5%
Cost / Income	51.7%	51.1%
Cost / income (excluding provisions for impairment)	40.2%	37.7%
Common Equity Tier 1 Ratio - Basel III	14.75%	15.18%
Tier 1 Capital Ratio - Basel III	15.44%	15.95%
Capital Adequacy Ratio - Basel III	16.89%	17.22%
Return on equity	11.6%	12.2%
Return on Assets	1.7%	1.8%
Net interest and commission income / Total Assets	3.6%	4.0%

Future Outlook and Plans for 2026

The bank continues to execute its comprehensive strategic plan for 2026 and beyond, grounded in a deep analysis of local and international market conditions and the evolving banking landscape. This strategy proactively takes into account the rapid shifts across global markets that are expected to have a direct or indirect impact on the bank’s operations.

Arab Bank remains steadfast in its commitment to advancing its ambitious strategic growth vision despite prevailing economic and geopolitical challenges. This will be achieved by enhancing core business lines, pursuing disciplined expansion into new markets and sectors, and refining internal operating models - all while maintaining a primary focus on investing in digital transformation and innovation.

The bank will further solidify its presence in domestic markets while capitalising on growth opportunities within the Gulf Cooperation Council (GCC) countries, leveraging its extensive network to serve an expanding client base. Within this strategic framework, the bank has commenced operations in the Iraqi market through Arab Bank Iraq, enabling it to extend its suite of services into this promising landscape.

In parallel, the bank will continue to enrich its Wealth Management and Private Banking offerings with an integrated range of products and services designed to meet client aspirations and deliver added value. These efforts will coincide with the ongoing execution of the digital transformation strategy, involving the development of advanced digital platforms and the adoption of innovative business models such as Omnify (Banking-as-a-Service (BaaS)) and the digital banking app (Reflect). These initiatives are supported by the leading technical expertise of Acabes, the financial technology arm of Arab Bank. Furthermore, the bank places significant strategic importance on Artificial Intelligence, particularly Generative AI, developing these capabilities through comprehensive institutional initiatives. These efforts aim to enhance the operating model, reduce costs, drive productivity, and elevate the overall customer experience.

Furthermore, through its human capital strategy, the bank will continue to attract and retain top-tier talent, equipping them with the essential skills to meet future demands. The bank also remains committed to sustainability by comprehensively integrating Environmental, Social, and Governance (ESG) standards across all activities and operations. This commitment is reflected in various initiatives, including the establishment of a Sustainable Finance Framework, the adoption of eco-friendly practices, the support of social development programmes, the promotion of diversity and inclusion, and the implementation of a robust governance model.

The bank will also continue to monitor and evaluate global and regional developments proactively, taking the necessary measures to maintain its leading position and the core values that drive its success, notably:

Excellence: Arab Bank reaffirms its unwavering commitment to enhancing customer satisfaction, delivering superior shareholder returns, and driving operational efficiency.

Liquidity: Maintaining high liquidity levels remains a fundamental pillar of the bank and a critical factor in supporting operations and protecting the interests of shareholders and customers across all the bank’s operational regions.

Capital Adequacy: Arab Bank consistently maintains strong capital adequacy ratios that exceed the regulatory requirements of the Basel Committee, the Central Bank of Jordan, and other relevant regulatory authorities in the countries where it operates.

Risk Management: Management operates within a clearly defined risk appetite, strengthening organizational resilience through the proactive identification of emerging risks and forward-looking stress testing.

Arab Bank’s objectives for 2026 centre on strengthening its financial position through disciplined and sustainable growth in core business lines, elevating the customer experience through innovative services, and enhancing operational efficiency. Additionally, the bank will continue to refine its credit management systems and risk management frameworks. By maintaining a prudent and proactive approach, Arab Bank aims to solidify its leading position on the local and regional banking stages, ensuring its resilience and ability to adapt to shifting economic conditions or unforeseen market developments.

Corporate and Institutional Banking (CIB)
The future strategy for the Corporate and Institutional Banking division centres on driving sustainable growth through a balanced approach. This involves expanding market share while deepening the value proposition offered to clients through comprehensive financing solutions and innovative digital offerings tailored to their evolving needs.

Within this framework, the division’s strategy focuses on accelerating the digital transformation trajectory and intensifying strategic investments in data analytics and Artificial Intelligence. These capabilities will enable the division to identify new business opportunities, enhance risk management functionalities, and accelerate growth across both core and emerging sectors. These initiatives are rooted in a customer-centric approach aimed at deepening client relationships, increasing operational agility, and building a sustainable competitive advantage.

In parallel, the division remains steadfast in its commitment to embedding Environmental, Social, and Governance (ESG) standards across all operations and activities. By further promoting sustainable finance as a practical framework for decision-making, the division reinforces the bank’s ambition to maximise its contribution toward economic development, social progress, and environmental sustainability across the markets in which it operates.

Consumer Banking and Wealth Management
In 2026, Arab Bank intends to further strengthen its retail banking and wealth management capabilities, focusing on achieving sustainable growth through a customer-centric, data-driven approach across its key markets. Execution efforts will be anchored by five strategic pillars designed to translate this vision into measurable initiatives including: scaling bespoke

Board of Directors' Report

Ownership of Shares

banking services powered by Machine Learning and Generative AI, integrating behavioural analytics and predictive models into lending operations, accelerating the development and expansion of payment merchant and acquiring services, further refining the wealth management model to provide superior, tailored advisory and investment solutions, and deepening regional synergies and cross-border integration across the division's global footprint.

The Hyper-Personalisation programme is set to leverage advanced analytics and AI to deliver a unique banking experience across all touchpoints, spanning both digital and traditional channels. Periodically updated behavioural insights will drive product recommendations, financial solutions, and proactive support. This ensures high-efficiency interactions tailored to individual needs, fostering deeper customer engagement, increasing product penetration, and solidifying the bank's position as the preferred banking partner.

In terms of Lending Practices, the bank will increasingly adopt statistical behavioural models for credit granting, loan management, and early warning systems. This shift is expected to enhance risk assessment accuracy, pave the way for instant digital lending, and accelerate operational turnaround times. Furthermore, Generative AI capabilities will be utilised to support collection processes through personalised repayment plans and more precise predictions of customers' capacity and willingness to pay, ensuring comprehensive optimisation of the credit portfolio performance.

The bank will also continue to scale its Payment Acceptance business in Jordan, Palestine, and Egypt, while simultaneously expanding into new markets. This strategy is built on creating shared value for merchants by providing premium service packages, competitive loyalty programmes, and AI-powered analytics. The objective is to strengthen the bank's leadership within key target segments and achieve sustainable growth in transaction volumes, revenues, and utilisation rates.

Network Integration will be further strengthened through the adoption of a unified, hyper-personalised operating model that reinforces the "Single Customer View" across all markets. In alignment with the (Cross-Border) programme, the regional product framework will offer bespoke solutions to clients across various global markets. Supported by sophisticated wealth management, mortgage finance, and remittance services, this framework cements the bank's status as the preferred partner for cross-border clients and maximises the capture of growing regional wealth flows.

In the field of Wealth Management, the bank will transition to a Unified Booking Centre (UBC) model for wealth and investment products. By integrating booking, governance, and reporting into a comprehensive global platform, the bank will enhance oversight and expand its international product portfolio. This model links client financial flows to a specialised investment, risk, and compliance hub, facilitating the conversion of these flows into Assets Under Management (AUM) and establishing a foundation for accelerated Group growth across the MENA region.

Treasury
The Treasury division has adopted an ambitious action plan for 2026, primarily aimed at maintaining the bank's profitability levels amidst economic challenges, market volatility, and declining interest rates. This strategy coincides with the expanded deployment of innovative digital solutions to deliver a superior banking experience for Arab Bank's clients across its growing branch network, while further strengthening strategic integration with both the Consumer and Corporate banking sectors.

Furthermore, this investment in digital infrastructure will enhance the bank's operational efficiency and ensure it remains at the forefront of rapid developments in global financial markets. It will also provide real-time data and advanced analytics to support informed decision-making and elevate the quality of services provided to clients.

External Auditors' Compensation in Jordan and Abroad

In JOD Thousands	2025	2024
Fees for quarterly and annual audits and reviews including other related audit reports	1,932	1,842

Following are the Service contracts (outside the auditing scope) provided by the external auditors Deloitte & Touche:

Service	The Party provided to	Fees in JOD thousands
Tax Requirements	Arab Bank Bahrain	7
Preparation of FY 2024 TP Report	Arab Bank Singapore	12
AUP (Agreed Upon Procedures) tax certification FYA25	Arab Bank Singapore	6
Pillar 2 Assessment on Tax Compliance	Arab Bank Head Office - Jordan	35
Validate the use of Proceed of Perpetual Bonds	Arab Bank Head Office - Jordan	32
Management's evaluation of internal controls over financial reporting	Arab Bank Egypt	85

Number of Arab Bank Shares Owned by Members of the Board of Directors and the companies controlled by them in comparison with last year

Name	Position	Nationality	Number of shares		Company Name	No. of shares/ Perpetual Tier 1 Bonds owned by companies controlled by them	
			31/12/2025	31/12/2024		31/12/2025	31/12/2024
Mr. Sabih Taher Darwish Masri	Chairman	Jordanian	1,007,370	1,007,370	ARAB SUPPLY & TRADING CO	28,043,226 Shares	28,043,226 Shares
						20,000 Bonds	20,000 Bonds
					ALMASEERA INTERNATIONAL CO.E.C.	17,442,846 Shares	17,442,846 Shares
					AYLA OASIS DEVELOPMENT CO	10,000 Bonds	10,000 Bonds
Mr. Khaled Sabih Taher Masri	Deputy Chairman	Jordanian	10,008	10,008	ARAB SUPPLY & TRADING CO	28,043,226 Shares	28,043,226 Shares
						20,000 Bonds	20,000 Bonds
					ALMASEERA INTERNATIONAL CO.E.C.	17,442,846 Shares	17,442,846 Shares
					THE VEGETABLE OIL INDUSTRIES CO. LTD	2,524,464 Shares	2,524,464 Shares
						1000 Bonds	1000 Bonds
					JORDAN VEGETABLE OIL INDUSTRIAL CO.	143,064 Shares	143,064 Shares
Messrs. Ministry of Finance, Saudi Arabia	Member	Saudi	28,800,000	28,800,000	AYLA OASIS DEVELOPMENT CO	10,000 Bonds	10,000 Bonds
					None	None	None
Represented by Mr. Hisham Mohammed M. Attar			None	None	None	None	None
Messrs. Social Security Corporation	Member	Jordanian	110,113,290	110,108,286	None	None	None
Represented by Mr. Mohammad Adnan Hasan AlMadi			None	None	None	None	None
Mr. Wahbe Abdallah Wahbe Tamari	Member	Lebanese	18,000	18,000	WATAMAR HOLDING Co. S.A.L	2,885,742 Shares	2,885,742 Shares
Mr. Omar Monther Ibrahim Fahoum	Member	Jordanian	10,512	10,512	None	None	None
Dr. Nabil Hani Jamil Al Qaddumi	Member	Kuwait	419,184	419,184	None	None	None
Mr. Majed Qustandi Elias Sifri	Member	Canadian	10,008	10,008	None	None	None
Mr. Sharif Mohdi Husni Saifi	Member	Jordanian	587,682	587,682	None	None	None
Mr. Shahm Munib Elias Al-Wir	Member	Jordanian	145,980	83,592	None	None	None
Mrs. Nadia Abdelra'uoof Salem Rawabdeh	Member	Jordanian	10,008	10,008	None	None	None

Board of Directors' Report

Ownership of Shares

Number of Arab Bank Shares Owned by the Relatives of Members of the Board of Directors and the companies controlled by them in comparison with last year

Name	Relationship	Nationality	Number of shares		No. of shares/ Perpetual Tier 1 Bonds owned by companies controlled by them	
			31/12/2025	31/12/2024	31/12/2025	31/12/2024
Mr. Sabih Taher Darwish Masri Chairman	Spouse	–	None	None	None	None
	Minors	–	None	None	None	None
Mr. Khaled Sabih Taher Masri Deputy Chairman	Spouse	–	None	None	None	None
	Minors	–	None	None	None	None
Messrs. Ministry of Finance, Saudi Arabia						
Member Represented by Mr. Hisham Mohammed M. Attar	–	–	–	–	–	–
	–	–	–	–	–	–
Messrs. Social Security Corporation						
Member Represented by Mr. Mohammad Adnan Hasan AlMadi	–	–	–	–	–	–
	–	–	–	–	–	–
Mr. Wahbe Abdallah Wahbe Tamari Member	Spouse	–	None	None	None	None
	Minors	–	None	None	None	None
Mr. Omar Monther Ibrahim Fahoum Member	Spouse	–	None	None	None	None
	Minors	–	None	None	None	None
Dr. Nabil Hani Jamil Al Qaddumi Member	Spouse	–	None	None	None	None
	Minors	–	None	None	None	None
Mr. Majed Qustandi Elias Sifri Member	Spouse	–	None	None	None	None
	Minors	–	None	None	None	None
Mr. Sharif Mohdi Husni Saifi Member	Spouse	–	None	None	None	None
	Minors	–	None	None	None	None
Mr. Shahm Munib Elias Al-Wir Member	Spouse	–	None	None	None	None
	Minors	–	None	None	None	None
Mrs. Nadia Abdelra'ouf Salem Rawabdeh Member	Spouse	–	None	None	None	None
	Minors	–	None	None	None	None

Number of Arab Bank Shares Owned by Senior Executives and the companies controlled by them in comparison with last year

Name	Position	Nationality	Number of shares		No. of shares/ Perpetual Tier 1 Bonds owned by companies controlled by them	
			31/12/2025	31/12/2024	31/12/2025	31/12/2024
Ms. Randa Mohammad Tawfiq El Sadek	Chief Executive Officer	Jordanian	34,020	34,020	None	None
Mr. Mohammed Ahmed Khaled Masri	Deputy CEO – Corporate & Institutional Banking	Jordanian	25,434	25,434	None	None
Mr. Naim Rasim Kamel Al Hussaini	Deputy CEO – Consumer banking and Wealth Management	Saudi	None	None	None	None
Mr. Eric Jacques Modave	Deputy CEO – Chief Operating Officer	Belgian	12,006	12,006	None	None
Mr. Ziyad Anwar Abdul Rahman Akrouk	EVP Head of Group Risk	Jordanian	10,206	10,206	None	None
Mr. Mohamed Abdul Fattah Hamad Al Ghanamah	EVP Chief Credit Officer	Jordanian	53,244	53,244	None	None
Mr. Ra'ed Omar Khaled Himmo	SVP Acting Head of Treasury	Jordanian	None	None	None	None
Mr. Walid Muhi Eddin Mohammad Al Samhouri	EVP Jordan Country Head	Jordanian	None	None	None	None
Mr. Firas Jaser Jamil Zayyad	EVP Chief Financial Officer	Jordanian	972	972	None	None
Mr. Basem Ali Abdallah Al Imam	Board Secretary Head of Legal Affairs	Jordanian	1,080	1,080	None	None
Ms. Rabab Jamil Said Abbadi	EVP Head of Human Resources	Jordanian	None	None	None	None
Mr. Michael Alexander Matossian	EVP Chief Compliance Officer	American	1,440	1,440	None	None
Mr. Fadi Joseph Badih Zouein	EVP Head of Internal Audit	Lebanese	None	None	None	None

Board of Directors' Report

Compensations and Benefits

Number of Arab Bank Shares Owned by the Relatives of Senior Executives and the companies controlled by them in comparison with last year

Name	Relationship	Nationality	Number of shares		No. of shares/ Perpetual Tier 1 Bonds owned by companies controlled by them	
			31/12/2025	31/12/2024	31/12/2025	31/12/2024
Ms. Randa Mohammad Tawfiq El Sadek	Spouse	-	None	None	None	None
	Minors	-	None	None	None	None
Mr. Mohammed Ahmed Khaled Masri	Spouse	-	None	None	None	None
	Minors	-	None	None	None	None
Mr. Naim Rasim Kamel Al Hussaini	Spouse	-	None	None	None	None
	Minors	-	None	None	None	None
Mr. Eric Jacques Modave	Spouse	-	None	None	None	None
	Minors	-	None	None	None	None
Mr. Ziyad Anwar Abdul Rahman Akrouk Mrs. Jumana Shuja' Mohammad Al-Asad	Spouse	Jordanian	18,882	18,882	None	None
	Minors	-	None	None	None	None
Mr. Mohamed Abdul Fattah Hamad Ghanamah	Spouse	-	None	None	None	None
	Minors	-	None	None	None	None
Mr. Ra'ed Omar Khaled Himmo	Spouse	-	None	None	None	None
	Minors	-	None	None	None	None
Mr. Walid Muhi Eddin Mohammad Al Samhouri Mrs. Rima Mohammad Abdulkareem Shwaika	Spouse	Jordanian	90	90	None	None
	Minors	-	None	None	None	None
Mr. Firas Jaser Jamil Zayyad	Spouse	-	None	None	None	None
	Minors	-	None	None	None	None
Mr. Basem Ali Abdallah Al Imam	Spouse	-	None	None	None	None
	Minors	-	None	None	None	None
Ms. Rabab Jamil Said Abbadi	Spouse	-	None	None	None	None
	Minors	-	None	None	None	None
Mr. Michael Alexander Matossian	Spouse	-	None	None	None	None
	Minors	-	None	None	None	None
Mr. Fadi Joseph Badih Zouein	Spouse	-	None	None	None	None
	Minors	-	None	None	None	None

Remuneration and Benefits paid to the Board of Directors in 2025 (Amounts in Jordanian Dinar)

Member Name	Title	Annual Salary	Annual Transportation Allowance	Annual Remuneration for Attendance Board & Committees Meetings	Annual Board Remuneration 2025	Total
Mr. Sabih Taher Darwish Masri	Chairman	-	24,000	52,500	4,375	80,875
Mr. Khaled Sabih Taher Masri	Deputy Chairman	-	24,000	55,000	5,000	84,000
Messrs Ministry of Finance, Saudi Arabia Represented by Mr. Hisham Mohammed Mahmoud Attar	Member	-	24,000	55,000	5,000	84,000
Messrs Social Security Corporation Represented by Mr. Mohammad Adnan Hasan AlMadi	Member	-	24,000	52,500	5,000	81,500
Mr. Wahbe Abdallah Wahbe Tamari	Member	-	24,000	45,000	4,375	73,375
Mr. Omar Monther Ibrahim Fahoum	Member	-	24,000	55,000	5,000	84,000
Dr. Nabil Hani Jamil Alqaddumi	Member	-	24,000	52,500	5,000	81,500
Mr. Majed Qustandi Elias Sifri	Member	-	24,000	45,000	4,375	73,375
Mr. Sharif Mohdi Husni Saifi	Member	-	24,000	67,500	5,000	96,500
Mr. Shahm Munib Elias Al-Wir	Member	-	24,000	65,000	5,000	94,000
Mrs. Nadia Abdelra'uof Salem Rawabdeh since 06/01/2025	Member	-	23,677	35,000	0	58,677

Donations and Grants

Executive Management Compensation and Benefits in 2025

Name	Position	Amounts in Jordanian Dinar				Total
		Annual Salary	Annual Transportation Allowance	Annual Travel Expenses (does not include accommodation and tickets)	Performance Bonus paid during 2025	
Ms. Randa Mohammad Tawfiq El Sadek	Chief Executive Officer	776000	0	0	522481	1298481
Mr. Mohammed Ahmed Khaled Masri	Deputy CEO - Corporate & Institutional Banking	617728	0	0	254426	872154
Mr. Naim Rassem Kamel Al Hussaini	Deputy CEO - Consumer Banking and Wealth Management	470992	0	0	192793	663785
Mr. Eric Jacques Modave	Deputy CEO - Chief Operating Officer	327816	0	0	114589	442405
Mr. Ziyad Anwar Abdul Rahman Akrouk	EVP - Head of Group Risk Management	527488	0	0	61363	588851
Mr. Mohamed Abdul Fattah Hamad Ghanameh	EVP - Chief Credit Officer	375920	0	0	68027	443947
Mr. Ra'ed Omar Khaled Himmo	EVP - Head of Treasury effective 05/01/2026	274023	0	0	99606	373629
Mr. Walid Muhi Eddin Mohammed Al Samhour	EVP - Jordan Country Head	416944	0	0	132289	549233
Mr. Firas Jaser Jamil Zayyad	EVP - Chief Financial Officer	341280	0	0	109067	450347
Mr. Basem Ali Abdallah Al Imam, Lawyer	Board Secretary - Head of Legal Affairs Division	308336	0	0	81050	389386
Ms. Rabab Jamil Said Abbadi	EVP - Head of Human Resources	278480	0	0	44325	322805
Mr. Michael Alexander Matossian	EVP - Chief Compliance Officer	530552	0	0	94910	625462
Mr. Fadi Joseph Badih Zoue	EVP - Head of Internal Audit	366669	0	0	74193	440862

* Mr. Ra'ed Himmo worked as acting Head of Treasury for the period (21/5/2024 to 4/1/2026).

Arab Bank's donations during year 2025

Project / Entity	JOD
Supporting the banking sector's initiative for the health and education sectors	6,370,405
Abdul Hameed Shoman Foundation	5,599,359
King Hussein Cancer Foundation	1,208,825
The Queen Rania Foundation for Education and Development	736,921
King's Academy	638,100
Scholarships for Employees' Children	329,252
Tkiyet Um Ali	60,201
Waqf Thareed	45,500
Jordan River Foundation	34,957
Al-Hussein Technical University	30,000
The Crown Prince Foundation	20,000
El-Hassan Youth Award	15,000
SOS Children Villages	15,000
Others	95,404
Total	15,198,924

Transactions with Related Parties

Excluding transactions carried out within the context of the Bank's regular business, the Bank did not enter in any form of contracts, projects or commitments with any of its subsidiaries, sister companies and affiliates. The Bank has neither entered in any form of contracts with its Chairman, any of its directors, the Chief Executives Officer, any of its staff or their relatives.

The details of the outstanding balances with related parties are as follows:

	31 December 2025			
	JD'000			
	Deposits owed from Related Parties	Direct Credit Facilities at Amortised Cost	Deposits owed to Related Parties	LCs, LGs, Unutilised Credit Facilities and Acceptances
Sister and subsidiary companies	1 743 635	19 863	130 035	169 780
Associates companies	105 854	-	20 233	66 173
Major shareholders and members of the Board of Directors	-	149 947	503 131	176 709
Total	1 849 489	169 810	653 399	412 662

	31 December 2024			
	JD'000			
	Deposits owed from Related Parties	Direct Credit Facilities at Amortised Cost	Deposits owed to Related Parties	LCs, LGs, Unutilised Credit Facilities and Acceptances
Sister and subsidiary companies	1 370 889	18 942	100 265	215 562
Associates companies	143 427	-	10 448	68 334
Major shareholders and members of the Board of Directors	-	137 753	444 537	119 431
Total	1 514 316	156 695	555 250	403 327

The details of transactions with related parties are as follows:

	2025		2024	
	JD'000		JD'000	
	Interest Income	Interest Expense	Interest Income	Interest Expense
Sister and subsidiary companies	64 766	4 527	74 839	8 764
Associates companies	6 305	800	4 941	1 099
Total	71 071	5 327	79 780	9 863

The details of the credit facilities granted to members of the Board of Directors and related parties are as follows:

	31 December 2025								
	JD '000								
	Granted to BOD Members			Granted to Related Parties			Total		
	Direct Credit Facilities	Indirect Credit Facilities	Total	Direct Credit Facilities	Indirect Credit Facilities	Total	Direct Credit Facilities	Indirect Credit Facilities	Total
Mr. Sabih Taher Darweesh Masri & Mr. Khaled Sabih Taher Masri	1	1	1	103 491	113 560	217 051	103 492	113 560	217 052
Mr. Wahbe Abdullah Wahbe Tamari	1 776	-	1 776	41 788	22 693	64 481	43 564	22 693	66 257
Dr. Nabil Hani Alqaddumi	-	-	-	1 427	21 908	23 335	1 427	21 908	23 335
Mr. Majed Qustandi Elias Sifri	-	-	-	393	232	625	393	232	625
Mr. Sharif Mohdi Husni Saifi	-	-	-	1 070	18 316	19 385	1 070	18 316	19 386
Total	1 777	1	1 778	148 170	176 708	324 878	149 947	176 709	326 656

Interest on facilities granted to major shareholders and members of the Board of Directors is recorded at arm's length.

Board of Directors' Report

Sustainability, Environmental Protection and Corporate Social Responsibility

Sustainability at Arab Bank

Arab Bank's commitment to sustainability is deeply rooted in its foundation in 1930, evolving as a natural extension of its mission to empower communities and drive sustainable development. In 2010, the bank formalised this commitment by launching its dedicated Sustainability Programme and establishing a specialised department responsible for developing and implementing its strategy. Since then, the bank has consistently issued periodic reports documenting its performance, establishing itself as a regional pioneer in adopting transparent, systematic, and sustainable practices aligned with international frameworks, such as the Global Reporting Initiative (GRI).

In response to growing global awareness of Environmental, Social, and Governance (ESG) standards, the bank enhanced its approach in 2022, transitioning from general principles to an integrated strategy that defines clear priorities for managing this file. This shift marked a milestone in embedding sustainability across all bank operations. Following this, in 2023, the Board of Directors approved the ESG Strategy, which addresses a wide range of critical issues, with a focus on Climate Change, Operational Efficiency, Green Finance, Inclusive Economic Growth, and Community Development.

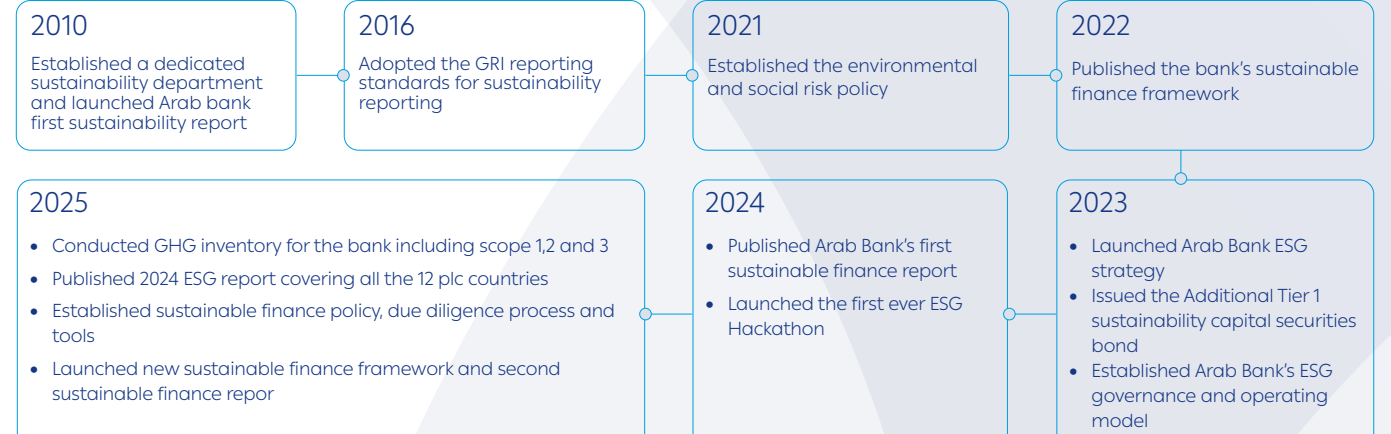
This strategy supports the bank's vision to be a leading regional financial institution in responsible banking practices by delivering long-term positive ESG impact for all stakeholders.

The launch of the bank's ESG strategy coincided with the establishment of a robust ESG governance structure. This framework is overseen by the Board of Directors through the Risk Management Committee, supported by the ESG Steering Committee, composed by members of the Executive Management and chaired by the Chief Executive Officer, which provides strategic direction. The ESG Office plays a pivotal role in executing this strategy, working in close coordination with business sectors, risk, credit, operations, and all key support functions.

To ensure the integration of sustainability into daily operations, the ESG Office implements the strategy through the ESG Champions Program. This programme empowers leaders across various departments and geographical regions to act as ambassadors for sustainability, fostering awareness and applying best practices within their respective markets and functions. This ensures that the bank's ESG commitments are embedded at every level of the organisation.



The bank's adoption of the Environmental, Social, and Governance (ESG) framework reflects the evolution of its institutional approach and the enhancement of integration within its strategy and operational processes



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Reflecting its commitment to transparency, Arab Bank has issued an Annual Sustainability Report since 2010 in accordance with GRI standards. This report serves as a strategic tool for measuring progress and evaluating the bank's economic, environmental, and social performance.

A significant turning point occurred in 2023, when the bank transitioned to specialised ESG Management Reporting, reflecting the maturity of its methodology in responsible investment and risk management. This approach is supported by a comprehensive framework and precise Key Performance Indicators (KPIs) to measure impact. In 2025, the bank released the 15th edition of its sustainability report, covering the bank's operations across 12 countries. During the same year, the bank also published its second annual Sustainable Finance and Impact Report, detailing the progress of sustainable bond issuances and outlining an ambitious plan for annual updates to track the allocation of proceeds with high precision.

Sustainable Finance

Recognising the vital role of sustainable finance in global economic transformation and climate risk management, Arab Bank is dedicated to directing capital toward projects that generate positive environmental and social impacts. These efforts are governed by the Sustainable Finance Framework, ensuring transparency and alignment with international standards. This framework is integrated with the Environmental and Social Risk Policy, which enhances the bank's ability to monitor and mitigate risks through a unified methodology, ensuring the highest levels of efficiency across all operations.

The bank transitioned from pledges to implementation by institutionally embedding sustainable finance into its core operations, this has been achieved through a comprehensive operational framework that positions the principles of sustainable finance as an overarching approach, bringing together business units, control functions, credit, risk management, and operational systems.

In 2025 the bank issued an updated Sustainable Finance Framework (2025), expanding the scope of Eligible Categories from five to 14 categories, encompassing over 30 sub-activities across green, water, and social projects. The new framework introduced advanced instruments, including General Purpose Finance, Sustainability-Linked Finance, and Transition Finance. The framework received a Second Party Opinion (SPO) from ISS Corporate, confirming its alignment with global best practices.

The bank continued to institutionalize sustainable finance through introducing a comprehensive approach based on clear policies, standardised procedures, and advanced operational capabilities. In this context, the bank adopted a Sustainable Finance Policy that precisely defines the roles and responsibilities of the ESG Office, as well as the Business, Credit, and Risk units, to ensure organisational alignment. This policy was further supported by the adoption of a rigorous Sustainable Finance Due Diligence mechanism, which enables the classification and monitoring of sustainable transactions within corporate and operational financing. To ensure digital integration, the bank upgraded its systems with precise technologies to identify sustainable clients and transactions within the core-banking platform, ensuring accurate tracking and systematic reporting. Additionally, the bank launched the ESG Awareness and Maturity Questionnaire to assess client readiness and assist relationship teams in designing bespoke solutions tailored to their needs. The bank also placed a high

priority on capacity building through specialised training programs, empowering employees in Business, Credit, and Risk units to effectively integrate these standards into their daily operations.

The bank launched an integrated suite of sustainable products across business units, including: term loans and project financing dedicated to green and social use of proceeds and institutional banking, in addition to solutions for individuals such as Electric Vehicle (EV) loans, solar personal loan, the (Go Green) campaign, and biodegradable payment cards for consumer banking customers, and a Green Bond purchase programme through the bank's Treasury investments.

To underscore its deep-seated commitment to the principles of sustainable finance, the bank issued \$250 million in Sustainable Perpetual Additional Tier 1 (AT1) Capital Securities in 2023 under its Sustainable Finance Framework. The proceeds of the issuance were fully allocated in 2024, with detailed allocation and impact data disclosed in that year's Sustainable Finance Report. In 2025, the bank published its second report, confirming the continued full allocation of proceeds toward environmental and social projects. These investments are expected to deliver tangible benefits, including the financing of 689 MW of renewable energy projects, the avoidance of approximately 256,832 tonnes of greenhouse gas (GHG) emissions, and the direction of over \$67 million to support Small and Medium Enterprises (SMEs). Notably, these reports are subject to verification and assurance by independent third-party entities.

Reducing Operational Environmental Footprint

The bank is committed to mitigating the environmental impact of its operations by enhancing operational efficiency and adopting sustainable practices. In this context, 2025 witnessed the launch of a new suite of qualitative initiatives while building upon the achievements of programs initiated in previous years.

Throughout 2025, the bank continued to improve resource consumption efficiency by integrating renewable energy into its operational energy mix as much as possible, successfully securing approximately 90% of its electricity requirements in Jordan from renewable sources. During the year, the bank implemented a centralised printing system at its headquarters in Jordan to rationalise paper consumption and ensure the recycling of ink and other related waste. This ran parallel to its ongoing initiative to reduce single-use plastic containers and the expansion of the paper-recycling program, which successfully processed 40 tonnes during the year.

In its efforts to rationalise energy consumption and reduce harmful emissions, Arab Bank continued to deploy advanced Variable Refrigerant Flow (VRF) air conditioning technology in its new locations as a replacement for traditional systems, contributing to a significant reduction in electricity consumption. This was coupled with the implementation of Open Office policies and the use of glass partitions to maximise natural light and reduce reliance on artificial lighting. Furthermore, lighting units were upgraded with energy-efficient technologies, and a new high-efficiency maintenance mechanism was adopted.

Arab Bank achieved a distinguished milestone by modernising its customer and employee parking facilities, reflecting a contemporary aesthetic that is both more efficient and sustainable. These facilities provide a structured, safe, and organised urban approach that aligns with the bank's environmental goals, community service, and user experience enhancement.

Similarly, the bank launched a colour-coded waste container system to improve waste management efficiency and encourage proper waste segregation. This contributes to reducing pollution and increasing the volume of waste directed toward recycling and composting, while simultaneously raising environmental awareness among employees and customers to motivate responsible environmental practices.

In line with its commitment to supporting the transition to clean energy, Arab Bank strengthened its environmental commitment by increasing its share in the (Shams Ma'an) agreement by one Megawatt, bringing its total reserved capacity to 18 MW. This step yielded positive results in reducing reliance on conventional energy and cutting carbon emissions, in addition to achieving significant financial savings that support a responsible energy management approach aligned with the bank's sustainability targets.

The bank also intensified its efforts in environmental sustainability through a package of qualitative initiatives, including:

Paper Reduction Initiatives: The bank adopted measures to reduce reliance on printed-paper, such as automating cash reports, converting paper-based Terms and Conditions into QR codes, and adopting electronic statements (e-statements) in place of paper versions.

Electronic Archiving System: This system was implemented across several departments, including Credit, Legal and Secretariat, Finance, and Human Resources, reducing reliance on physical documents and enhancing operational efficiency.

Regarding environmental and community initiatives, the bank continued its leadership role through a series of regional projects:

Environmental Protection and Reforestation in Jordan: The bank continued its collaboration with the Royal Society for the Conservation of Nature (RSCN) by contributing to the oak tree-planting project in the Ajloun Forest Reserve. It also organised the Clean Up the World campaign in the Dibbeen Forest Reserve, featuring significant participation from bank volunteers and their families. Reforestation efforts also extended to supporting a reforestation project at Mount Nebo, Madaba, in cooperation with the Directorate of Agriculture and civil society organisations.

Environmental Awareness for Children: The bank launched the second edition of the Recycled Art initiative in collaboration with The Children's Museum Jordan, aimed at raising environmental awareness among children and encouraging creative ways to handle recyclable materials.

Community Development and Environmental Enhancement in Palestine: Initiatives included the rehabilitation of the Al-Amal Garden for people with special needs and participation in the Adopt a Street initiative in Ramallah, which involved cleaning, painting, and landscaping. Bank's employees also volunteered to

maintain Ramallah Garden by repainting benches and playground equipment, alongside reforestation campaigns in several public parks.

Enhancing Environmental Sustainability in UAE: The bank supported national environmental efforts by supporting the planting of 5,000 mangrove trees with the active participation of bank volunteers, contributing to the protection and enhancement of the environmental sustainability.

Employee Wellbeing

Based on its firm conviction that human capital is the fundamental pillar for achieving sustainable success, Arab Bank launched the Arab Bank Employee Wellbeing Programme in 2025. This initiative aims to enhance the physical, mental, and social health of its workforce while improving job satisfaction and personal well-being indicators. The programme provides an integrated platform of activities and resources designed to empower employees to achieve an ideal lifestyle balance, including awareness workshops, interactive social events, and health education campaigns.

The programme seeks to create a motivating work environment and strengthen bonds between colleagues, positively impacting their professional and personal quality of life. This support is built upon four key pillars:

Diverse Activities and Events: A suite of programmes specifically designed to support the holistic health and well-being of every employee.

Accessible Resources: Providing a package of information, tools, and programmes that employees can easily utilise.

A Supportive Environment: A corporate commitment to institutionalising a positive work culture that promotes healthy behaviours and encourages balanced lifestyles.

Interactive Platform: A participatory space that allows employees to engage in enjoyable initiatives and activities, fostering team spirit and strengthening social ties.

Building on the strategic women's empowerment framework, the bank also launched its Gender Balance Strategy in 2025 to foster an inclusive and supportive work environment. This step aims to create an empowering professional climate that ensures equal opportunity for both genders. Furthermore, the strategy extends the application of gender balance principles beyond the bank's internal operations to include community initiatives, tailored banking solutions, and supply chain management.

Awareness and Sustainability Culture

Developing a strong corporate culture centred on ESG principles is a core pillar of the bank's direction. Throughout 2025, the bank continued its efforts to raise awareness of these standards through a series of initiatives aimed at elevating institutional knowledge and



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embedding sustainable thinking across various functional tasks and roles.

At the forefront of these initiatives was the organisation of the second edition of the ESG Hackathon, which served as an interactive platform bringing together employees from 12 countries within the bank's network. The event saw widespread engagement, with 125 pioneering ideas submitted. Forty finalists qualified for an intensive three-day workshop at the headquarters in Jordan, focusing on idea development, solution design, and pitching skills. These efforts culminated in the selection of four winning projects for full implementation with the support of senior management, the winners included: Utilising Artificial Intelligence (AI) to empower Small and Medium Enterprises (SMEs) to adopt sustainability practices ranked first, Developing an e-waste management system for both employees and customers ranked second, Facilitating Green Housing Finance and improvements, and a Blue Finance project both ranked third.

Parallel to this, the bank expanded professional learning and development opportunities by introducing specialised training programs. These programs integrate ESG topics into orientation sessions for new hires and offer tailored training paths linked to specific job roles, enabling staff to translate sustainability considerations into effective practical applications within their daily responsibilities.

Corporate Social Responsibility: The (Together) Programme

Arab Bank has continued to diligently strengthen its social impact and expand its contributions through its pioneering CSR programme, (Together). Launched in 2010, the programme empowers employees, customers, and NGOs to contribute to sustainable community development. The programme's initiatives are aligned with the bank's strategic approach, targeting core social issues identified through a comprehensive assessment of

local community needs and the bank's capacity to create a lasting positive impact. The (Together) programme focuses its efforts on six key pillars: Health, Poverty Alleviation, Environmental Protection, Education, Orphan Support, and Women Empowerment. In 2025, the programme's activities in Jordan successfully supported over 1,900,000 beneficiaries.

The strategy of the (Together) programme is built upon three pivotal mechanisms designed to maximise social integration and impact:

Employee Volunteering: The bank provides a motivating environment that allows employees to invest their time, effort, and expertise in volunteer initiatives that serve the programme's six pillars. This impact is precisely measured using key performance indicators and an integrated management system to monitor achievements. In 2025, Jordan saw significant momentum, with employees and their families completing 1,262 participations across 93 volunteer activities, totalling approximately 4,269 volunteer hours.

Collaboration with Non-Profit organisations (NGOs): The bank places great importance on collaborating with a leading NGOs that possess specialised expertise in the (Together) programme's fields. Together, they develop results-oriented initiatives with clear Key Performance Indicators (KPIs) aligned with the bank's sustainability strategy. Within this framework, the bank implements a Capacity Building Programme aimed at developing the functional, technical, and behavioural competencies of NGOs staff. In 2025, certified internal trainers from the Bank conducted 18 training courses for 340 NGO employees, totalling 1,951 training hours.

Facilitating Customer Donations via Banking Channels: The (Together) programme encourages customers to support NGOs through direct financial contributions. The bank provides seamless donation mechanisms across various channels, including Online Banking, ATMs, the branch network, the (Together) Platinum Credit Card, and the eFAWATEERcom service. In 2025, total customer donations through these channels exceeded 2,568,000 JOD.



Below are some of the bank's key community contributions under the (Together) programme:

Health

As part of its efforts to strengthen the healthcare ecosystem, Arab Bank implemented a series of purposeful initiatives in collaboration with leading NGOs. A standout collaboration was with the King Hussein Cancer Foundation (KHCF) to sponsor the "Back to School" programme. This initiative enabled more than 500 paediatric cancer patients at the centre to continue their education during treatment, supported by 26 bank volunteers who provided tutoring and academic support. This was coupled with educational and recreational activities for children in collaboration with the Abdul Hameed Shoman Foundation.

The collaboration extended to providing Diamond Sponsorship for the Hope Gala event and Platinum Sponsorship for the King Hussein Award for Cancer Research aimed at reinforcing oncology research across the Arab world. The award honours leaders, researchers, and scientists across various related disciplines. Furthermore, in collaboration with KHCF and the Jordan Breast Cancer Programme, the bank organised awareness campaigns on the importance of early detection, alongside educational initiatives focused on men's health and common diseases.

The bank also sponsored the Healthy Schools programme in collaboration with the Royal Health Awareness Society (RHAS) to support six schools and improve their environments. It also supported the Mental Health Programme in six other schools, aimed at training educational staff to understand psychological development stages and identify early signs of mental health challenges. Additionally, the bank organised six blood donation drives, where employees contributed 323 units to the Jordanian National Blood Bank.

Recognising the vital role of sports in health, the bank renewed its Golden Sponsorship for the 15th Amman International Marathon 2025, which included races for both children and adults. It also provided Golden Sponsorship for the fourth edition of the women's race under the slogan Run for You highlighting women's achievements and encouraging females of all ages and fitness levels to participate in physical activities, particularly running.

In line with its commitment to community service, the bank continued to sponsor the My School, My Joy campaign, coordinated with the Central Traffic Department. This initiative aims to promote a culture of road safety and safe crossing rules among students. The campaign utilised Virtual Reality (VR) technology, allowing students to simulate traffic scenarios in an interactive educational

environment to instil safety concepts innovatively and effectively.

In Palestine, the bank supported Augusta Victoria Hospital in rehabilitating its Elderly Care Department to enhance the quality of rehabilitation and health services provided to patients and their companions. The bank also supported infrastructure developments at Dura Governmental Hospital and renewed its support for children with special needs at the Princess Basma Centre in Jerusalem through the Comprehensive Rehabilitation and Inclusive Education program. Furthermore, the bank sponsored a breast cancer awareness campaign organised by the Dunyah Women's Cancer Centre, covering early detection costs for over 150 women.

In addition, the bank implemented a comprehensive awareness campaign highlighting the importance of early detection as an effective means of prevention, limiting the spread of the disease, and increasing the chances of recovery and healing.

To improve medical facility efficiency, the bank provided essential medical equipment to public hospitals. This included air conditioning units for Jericho Government Hospital and funding for a new elevator in the surgical department at Rafidia Hospital in Nablus to ensure safe patient transport. Other contributions included the donation of 100 hearing aids for the deaf and the organisation of three blood donation drives with the Palestinian Central Blood Bank, where employees contributed 78 units. The bank also supported a road safety initiative to reduce traffic accidents.

In Egypt, the bank donated toward the establishment of an Adult Intensive Care Unit (ICU) at the Magdi Yacoub Global Heart Centre, enabling underprivileged groups to access high-quality critical care. In collaboration with the Baheya Foundation, the bank organised a breast cancer early detection campaign and a series of workshops and activities to support cancer survivors.

In Bahrain, the bank launched comprehensive awareness campaigns focused on the importance of early breast cancer detection, as well as initiatives dedicated to men's health awareness.

Poverty Alleviation

The bank continues its efforts to support poverty pockets and combat hunger in Jordan. In collaboration with Tkiyet Um Ali (TUA), the bank supported 102 underprivileged families across the Kingdom by providing them with monthly food parcels for an entire year under the Family Support Programme. Furthering these efforts, during the Holy Month of Ramadan, bank employees participated in preparing over 5,000 Iftar meals distributed to families in need during Ramadan. Additionally, the bank contributed to the

Home Renovation Programme to improve the living conditions of underprivileged families and sponsored several charitable Iftars with the Children's Museum, Jordan River Foundation, Haya Cultural Centre, and the Clothing Bank.

The bank also supported Back to School campaigns targeting students in underprivileged areas across various governorates, providing them with school bags, stationery, school uniforms, and winter coats in cooperation with TUA and the Crown Prince Foundation (CPF). In a related context, the bank supported food parcel distribution programmes in collaboration with the Ministry of Digital Economy and Entrepreneurship and the CPF. Reflecting the spirit of social responsibility, bank employees from different governorates engaged in diverse volunteer activities, including preparing, distributing parcels, and Iftar meals, conducting field visits, and organising educational and recreational activities for children from Tkiyet Um Ali. Furthermore, the bank reinforced its support for the Waqf Thareed through the weekly meals programme, which aims to distribute 1,000 meals per week for a full year.

To raise awareness regarding child safety and improve the living conditions of needy families, the bank supported the Child and Family Protection Programme in cooperation with the Jordan River Foundation. Meanwhile, bank volunteers implemented a series of activities at the Queen Rania Family and Child Centre under the Little Home programme.

In Palestine, the bank donated 2,600 food parcels distributed during Ramadan in coordination with the Ministry of Social Development, with active participation from bank volunteers in preparing the parcels. Similarly, the bank sponsored a series of charitable Ramadan Iftars for underprivileged groups, including the elderly, orphans, people with disabilities, and the visually impaired in the governorates of Ramallah, Bethlehem, and Jericho. Additionally, the bank supported the Rawan Association for Child Development, covering the remedial education costs for 20 children with learning difficulties for an entire year.

In Egypt, the bank contributed to the initiative launched by the Central Bank of Egypt and the Tahya Misr Fund to provide Ramadan food parcels. It also sponsored the Ma'edat Rahman initiative in collaboration with the Egyptian Food Bank, securing daily Iftar and Suhoor meals throughout the holy month. This initiative resulted in providing 14,000 meals to those most in need, with field participation from bank volunteers in preparation and distribution. During Eid Al-Adha, the bank supported the Ministry of Endowment's Udhya Certificates initiative to ensure meat distribution to underprivileged families. Furthermore, the bank provided generous support to the Martyrs' Honor Fund, under the supervision of the Central Bank of Egypt, to improve the quality of life for the families of martyrs and secure their educational, health, and living needs.

Environmental Protection

The contributions and efforts of Arab Bank regarding environmental protection have been detailed in the dedicated section for this pillar.

Education

In alignment with its strategy to empower youth, Arab Bank implemented a series of educational and training programmes in collaboration with leading national institutions. Most notably, the bank supported the National Initiative to Advance the Education Sector, launched by the Association of Banks in Jordan, which included a suite of developmental projects and initiatives. Reaffirming this role, bank employees participated in field programs conducted by INJAZ in schools. The bank also strengthened its cooperation with the organisation by participating in job shadowing days, hosting groups of students to provide them with hands-on exposure to the reality of the banking profession.

Continuing its support for the education sector, the bank renewed its sponsorship of the Sonbola initiative in public schools during 2025. This initiative, implemented by the Al-Joud Foundation for Scientific Care in cooperation with the Ministry of Education, aims to spread and instil a culture of innovation among teachers and students. It focuses on enhancing the school environment, addressing challenges with simple creative solutions, and strengthening cooperation between the educational process and the community.

In collaboration with the Haya Cultural Centre, the bank designed and launched an innovative programme titled Financial Literacy and Technological Innovation across four governorates. This programme aims to empower children and youth by providing them with financial and creative skills through an integrated package of educational workshops and innovative artistic and technological activities.

In a related context, Arab Bank and the Abdul Hameed Shoman Foundation continued their support for the National Financial Literacy Programme. Launched by the Central Bank of Jordan, the programme aims to raise financial awareness and literacy among school students, encouraging them to adopt smart saving behaviours and make sound financial decisions. It also seeks to bridge the gap between financial knowledge and practice, introducing students from grades 7 to 12 to fundamental economic and financial concepts.

The bank also continued its support for the Read School Library Project, an affiliate of the Queen Rania Foundation. This project is dedicated to promoting a culture of reading in Jordan by rehabilitating school libraries and equipping them with engaging books and stories suitable for primary school students, alongside training educational staff. Bank volunteers participated in conducting reading sessions in several schools. Furthermore, this support extended to the Iqrali programme, which encourages parents to adopt more effective reading habits with their children.

The bank also extended its support to the Madrasati Initiative by sponsoring six schools under the Masahati programme. This initiative aims to provide a better learning environment and create interactive, creative spaces for students and teachers through extracurricular activities. Furthermore, the bank supported the Proud to be a Teacher programme, which provides personal and practical training to enhance teachers' competencies and foster a sense of professional pride.



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Continuing these efforts, the bank supported the Queen Rania Teacher Academy (QRTA) by sponsoring the Teach Like a Champion 2.0" programme and supporting several massive open online courses (MOOCs) via the Edraak platform. Additionally, several programmes were supported in collaboration with The Children's Museum as part of the Community Connection Programme, including events for Ramadan, International Day of Play, Arab Financial Inclusion Day, Arab Child Day, and Arabic Language Month. The bank also sponsored the Jordan Science and Arts Festival held in Amman, alongside the Bel Arabi Festival, which aims to highlight the Arabic language and enrich scientific and artistic Arabic content for children. In the same context, the bank renewed its support for the My Beautiful Environment project, an affiliate of the Queen Rania Award for Educational Excellence, which promotes a healthy, clean, and stimulating educational environment.

To further youth empowerment, the bank, in cooperation with the Crown Prince Foundation (CPF), organised a series of financial literacy workshops across various governorates. The bank also held specialised courses in Artificial Intelligence (AI) to mark International Youth Day. In the field of educational volunteering, Arab Bank staff participated in activities organised with the Knowledge Path Library of the Abdul Hameed Shoman Foundation for the benefit of paediatric cancer patients.

In Palestine, the bank renewed its agreement to improve the school environment in cooperation with INJAZ and the Ministry of Education for the 11th consecutive year, covering the renovation of eight additional public schools. Bank employees also volunteered to deliver training programmes. Supporting social welfare, the bank continued its School Bag Initiative with the Ministry of Social Development for the sixth year, distributing 4,000 school bags equipped with stationery. The bank also participated in the Banking Week for Children and Youth, organised annually with the Palestine Monetary Authority (PMA) and the Association of Banks, where volunteers delivered banking awareness lectures in schools.

To enhance higher education infrastructure, the bank funded a computer lab at Palestine Technical University - Kadoorie (Ramallah branch) and contributed to building outdoor student waiting areas at universities in Jericho and Dura. Ensuring equal opportunities for



students with disabilities, the bank donated a Braille printer to a local university to meet the needs of visually impaired students.

In Bahrain, Arab Bank organised a two-month training programme for university graduates to prepare them for careers in the banking sector. This falls under the bank's strategic initiatives to empower Bahraini youth. Simultaneously, the bank supported outstanding graduates during the Bahrain Institute of Banking and Finance (BIBF) graduation ceremony. Bank employees also volunteered for the Personal Finance programme in cooperation with INJAZ Bahrain.

Orphan Support

Committed to providing comprehensive care for orphans, the bank implemented several initiatives, including supporting the university education of 30 orphans above the care age, in collaboration with the Al-Aman Fund for the Future of Orphans. The bank also continued its sponsorship of a home in the SOS Children's Village in Amman. Collaborating with the Clothing Bank under the Jordan Hashemite Charity Organisation (JHCO), the bank provided clothing to 1,200 orphans throughout the year, with field participation from bank volunteers in sorting and distribution.

In Palestine, the bank renewed its sponsorship of two homes in the SOS Children's Villages, ensuring a dignified life and comprehensive care for children without parental support.

In the UAE, bank volunteers provided educational supplies to orphaned children during the Back to School season.

Women Empowerment

Driven by a belief in the pivotal economic and social role of women in achieving sustainable development, Arab Bank renewed its support for the Women's Economic Empowerment Project in collaboration with Dar Abu Abdullah. This initiative empowered 14 women and 7 youths by supporting 21 hydroponic greenhouses. This contribution fosters sustainable impact by covering the direct costs of the agricultural cycle, enabling beneficiaries to generate financial returns and recover capital for reinvestment in future cycles, thereby achieving sustainable income.

Within its long-standing collaboration with the Jordan River Foundation (JRF), the bank renewed its support for the Women's Empowerment Programme, which aims to train and employ 18 women within the foundation's handicraft projects and Al Karma Kitchen.

The bank also implemented a specialised Financial Literacy Programme for a group of women with disabilities, in cooperation with the Higher Council for the Rights of Persons with Disabilities. The programme aims to empower them to manage their financial affairs with confidence and awareness by providing them with essential financial knowledge.

In Palestine, the bank strengthened its collaboration with the Business Women Forum to provide support for 30 female-owned micro-enterprises currently under development, with a specific focus on marginalised areas. This support provided the essential elements required for business growth. In a related context, the bank implemented volunteer initiatives in cooperation with women's cooperatives in Deir Sudan and Kafr Ni'ma, aimed at assisting and empowering women in crop cultivation and the preparation of agricultural terraces using traditional environmental methods.

In Egypt, the bank conducted a workshop and educational activities in collaboration with the Baheya Hospital in Sheikh Zayed, focusing on the skill development of cancer survivors.



Other Initiatives

As part of Arab Bank's strategic cooperation with the Union of Arab Banks (UAB), the bank sponsored a series of conferences and forums, including: Harnessing AI to Combat Money Laundering and Terrorism Financing Forum in Jordan, Investing in Construction and the Role of Banks in Lebanon, The Euro-Med Economic and Banking Summit 2025 in Paris, US-MENA Private Sector Dialogue 2025 in USA, Muscat International Forum for Risk Management in Banks and Financial Institutions in Oman, in addition to The First Arab Fraud Combating Summit, Public-Private Partnerships to Finance the Economy, and The Annual Forum for Compliance Officers in Arab Banks 2025 in Egypt.

In a related context, Arab Bank sponsored the third edition of Tawasol 2025 Forum, organised by the Crown Prince Foundation at the King Hussein Business Park. Held under the theme A Dialogue on Reality and Aspirations, the forum was inaugurated in the presence of HRH Crown Prince Al Hussein bin Abdullah II. The event drew a wide audience of decision-makers, entrepreneurs, and youth activists, featuring interactive dialogues to exchange ideas and visions on national issues reflecting the aspirations of the Jordanian youth and society.

Furthermore, through its Singapore branch and in cooperation with the Ministry of Investment and the Jordanian Embassy in Singapore, the bank organised an economic forum titled: Jordan: Jordan, Your Gateway to Talent, Cost Efficiency, Resilience and Global Markets. The forum attracted elite global firms operating in Singapore and the Asia-Pacific region, alongside leading Jordanian companies across various sectors and representatives of sovereign investment funds. The forum aimed to promote Jordan's investment environment, leverage the bank's strategic network with investors and official entities in Singapore, and highlight the competitive advantages the Kingdom offers to international investors.

To reinforce its leadership in the digital transformation landscape, Arab Bank provided Exclusive Platinum Sponsorship for the Jordan Fintech Festival 2025 in Amman. Organised by the Central Bank of Jordan in cooperation with the Arab Monetary Fund and in partnership with the German Agency for International Cooperation (GIZ) and the Association of Banks in Jordan, the event featured high-level participation from central bank governors, securities authorities, and financial sector leaders. The festival served as a platform for regional and international experts to explore the future of the digital financial industry and exchange insights on the latest global trends.

The bank also provided Diamond Sponsorship for the 8th Quality Healthcare Conference and Exhibition, organised by the Health Care Accreditation Council (HCAC) under the theme Resilient

Health Systems: Enhancing Quality and Safety, held under the Royal Patronage of His Majesty King Abdullah II bin Al Hussein and attended by HRH Princess Muna Al Hussein as his representative. The conference brought together ministers, health officials, and international experts to discuss building robust healthcare systems.

On the specialised banking front, the Bank provided Platinum Sponsorship for the BAFT MENA Bank to Bank Forum in Dubai. Attended by thought leaders and executives in transaction banking, trade, payments, and cash management, the forum addressed critical issues for correspondent banks, including technology, digitalisation, innovation, regulatory frameworks, and compliance.

Additionally, Arab Bank participated in a series of youth-oriented initiatives, including Career Days organised by several universities, such as the University of Jordan in Aqaba, German Jordanian University, and Aqaba University of Technology.

In a strategic move, Arab Bank and LALIGA, the Spanish football league, signed an agreement appointing the bank as the Official Banking Sponsor of LALIGA in the Middle East and North Africa (MENA) region, covering several countries. This distinctive partnership is built on shared values of building connections, innovation, and a constant drive to deliver exclusive experiences. It aligns seamlessly with Arab Bank's new corporate visual identity and its slogan: Beginnings never end.

Regarding support for the national economy in Palestine, Arab Bank sponsored the Third Tulkarm Festival for Palestinian National Industries, organised by the Tulkarm Chamber of Commerce, Industry, and Agriculture at Palestine Technical University – Kadoorie. The festival saw wide participation from national companies, factories, and local institutions, alongside a notable official presence. The bank's official sponsorship of this event embodies its commitment to supporting national industries and enhancing the competitiveness of local products. The festival aims to highlight the quality and diversity of Palestinian industries— particularly those from Tulkarm— while encouraging purchasing national products to stimulate economic growth and self-sufficiency.

For the fourth consecutive year, the bank continued its strategic sponsorship of the 10th National Forum, held by the Higher Council for Innovation and Excellence under the theme Palestine X: Innovation Without Borders. The forum saw broad participation from ministers, representatives of the public and private sectors, and elite Palestinian innovators across various scientific and technological fields. This sponsorship reaffirms the forum's importance in fostering a culture of creativity and reflects the bank's firm vision that entrepreneurship and innovation are essential levers for development, progress, and socio-economic stability.

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Abdul Hameed Shoman Foundation (AHSF)

Established in 1978 as a pioneering non-profit initiative by Arab Bank, the Abdul Hameed Shoman Foundation aims to support scientific research and cultural enlightenment, and to encourage innovation and reading across Jordan and the Arab world. Since its inception, the foundation has solidified its presence as the cultural and social arm of Arab Bank, providing a leading Arab model for disseminating knowledge, supporting creativity, and strengthening the community's relationship with culture as a fundamental human right.

The year 2025 marked a prominent milestone in the foundation's journey, witnessing both a horizontal and vertical expansion of its programmes. It achieved a deeper cultural and scientific impact by continuing to build a comprehensive knowledge ecosystem—ranging from libraries to awards, from child development to advanced research, and from arts to sciences. By evolving its digital content and institutional infrastructure, the foundation reinforced the cultural and cognitive sustainability that it adopts as a core methodology in its work and mission.

The Abdul Hameed Shoman Public Library

The Abdul Hameed Shoman Public Library continued to solidify its presence as a cultural lighthouse and a hub for research and knowledge. In 2025, it welcomed more than 52,000 unique visitors visited the library 208,413 times across its network of six branches located in Jabal Amman, Al-Ashrafieh, Al-Muqabalayn, Zarqa, Al-Hussein Technical University, and Ma'an. The library witnessed a notable expansion of its benefactor base with 3,120 new members joining, alongside the enrichment of its collection through the addition of over 6,000 new printed titles. Regarding knowledge engagement, the library recorded 64,552 physical loans of 25,905 book and 4,000 digital loans via its electronic platform, in addition to 28,386 database queries, reflecting the library's role in supporting academic research and self-learning.

The library's role transcended traditional lending services, evolving into a vital interactive space that hosted 581 diverse cultural events, ranging from intellectual sessions and poetry recitals to book clubs and educational programs. In a qualitative milestone, the library launched the Towards a Reading Jordan initiative in cooperation with the Jordanian Senate, aimed at establishing a comprehensive national project to institutionalise reading as a societal and cultural habit.



Similarly, the organisation of the Reading Marathon served as a major highlight in the Jordanian cultural landscape. As the largest event of its kind in the Kingdom, it attracted 1,147,297 participants across 133 locations in 12 governorates, achieving a record-breaking accomplishment of reading 23 million pages in a single day. Complementing this leadership role, the foundation held the 8th Abdul Hameed Shoman Library Symposium, gathering elite local and international experts to discuss modern transformations in the world of libraries and Artificial Intelligence (AI) applications, reinforcing the library's status as a regional reference in library science and thought.

Knowledge Path Library

The Knowledge Path Library for children and youth provided a pioneering model for fostering culture among the new generation. More than 58,000 children and youth benefited from its specialised services across its four branches and during field visits throughout the year. The library received approximately 113,000 visitors in total, who recorded over 124,000 book loans of 31,692 books – a strong indicator of the growing passion for knowledge and genuine engagement with reading among the youth.

The library's role was not limited to providing access to knowledge; it strengthened its presence as an interactive environment by executing 1,641 activities and events. These varied from storytelling sessions and creative writing workshops to seasonal clubs and activities designed to develop critical thinking and innovation skills. On the specialized programmes front 25 students participated in Youth Model United Nations, 55 young innovators joined the Young Innovators Lab to develop technological and scientific projects, additionally the library enhanced its digital reach by publishing visual educational content on YouTube, garnering over 19,000 views across digital platforms.

Cultural Forum

The Abdul Hameed Shoman Cultural Forum experienced an exceptional year of intellectual and knowledge-sharing events. It hosted 49 high-quality seminars and sessions, featuring an elite group of thinkers and experts, including 35 Arab and 179 local personalities. The forum saw widespread engagement, with attendance reaching 3,990 participants, 3332 of which are physical attendees and 658 digital attendees, from both specialised and general audiences.

Key highlights of the 2025 agenda included:

- Honouring H.E. Dr Adnan Badran: A ceremony blending cultural and academic tributes in recognition of his illustrious career.
- Hosting Professor Oussama Khatib from Stanford University: Invited as a guest of honour to exchange insights on the latest scientific advancements.
- Literary Legacy Seminar: A specialised session shedding light on the literary contributions of the late Jordanian poet Amjad Nasser.
- Educational Analysis: An in-depth session titled The Weakness of Jordanian Students in English: Challenges and Solutions addressing one of the most pressing educational hurdles in the Kingdom.

The Abdul Hameed Shoman Award for Children's Literature

The Abdul Hameed Shoman Award for Children's Literature continues to solidify its leading position as one of the most important Arab platforms for children's writing. It plays a pivotal role in driving creativity and motivating authors to refine their artistic tools, ensuring the production of literature that elevates the taste and enriches the imagination of the Arab child.

In its 19th cycle for the year 2025, the award's geographic reach and prestigious standing were evident through the receipt of 910 submissions from 32 Arab and foreign countries. This cycle was dedicated to Travel Literature, chosen for its unique ability to expand a child's cognitive horizons and foster world discovery. Following a rigorous judging process based on strict literary standards, three authors (one male and two females) were announced as winners. Their works were distinguished by innovation, linguistic integrity, and an engaging educational style. The cycle culminated in a special ceremony honouring the winners, reaffirming the award's role in enriching the Arab library.

The Abdul Hameed Shoman Award for Children and Youth's Creative Production "Abde"

The Abde award continues its mission of investing in the energy of rising generations. It serves as a unique national platform in Jordan that empowers children and youth to showcase their creative skills across fields, including literature, arts, sciences, and innovation.

In its 21st cycle in 2025, the award saw remarkable momentum, receiving submissions from 1,685 children and youth representing all governorates of the Kingdom. Participants underwent a multi-stage training, judging, and evaluation process that included mentorship and skill refinement. Ultimately, 27 young creators were honoured in a special ceremony. This achievement embodies the award's success in discovering promising talents and fostering a positive relationship between the youth and the concepts of culture and creativity.

The Abdul Hameed Shoman Arab Researchers Award

The Abdul Hameed Shoman Arab Researchers Award is the first Arab prize dedicated exclusively to scientific research. It stems from a strategic vision aimed at supporting Arab researchers, elevating the standards of scientific inquiry, and stimulating innovation and scientific development across the Arab world.

In its 2025 cycle, the award continued its trajectory of success, attracting 522 research applications from elite scholars at Arab universities and institutions. These submissions covered 12 specialised topics within six primary scientific fields, including Basic Sciences, Medical Sciences, Humanities, and Technology.

This year, the award achieved a historic milestone as a Nobel Prize-winning Arab scientist joined the list of winners for the first time. This achievement represents global recognition of the award's prestige and its profound impact on the research environment and academic circles. The cycle culminated in the honouring of 10 scientists representing four Arab countries, whose research was distinguished by originality, innovation, and direct relevance to pressing scientific and technological issues.

The Scientific Research Support Fund

The Scientific Research Support Fund serves as one of the foundation's most vital tools for empowering Jordanian researchers and opening broader horizons for scientific progress. In 2025, the fund witnessed significant research momentum, receiving 173 project proposals from 44 local universities and scientific institutions. This year, the fund prioritised enhancing scientific research infrastructure, focusing on projects capable of creating tangible added value for society, the economy, education, and science.

Complementing its financial support, the fund organised 17 specialised scientific meetings to build bridges of communication, foster dialogue, and facilitate knowledge exchange among researchers. Through this fund, the foundation actively supports Jordanian universities and young researchers, enabling them to produce new knowledge that addresses national challenges and elevates the quality of education and scientific research in the country.

The Cultural Grants Fund

The Cultural Grants Fund continued its vital role in enriching the national cultural landscape in Jordan and Palestine by supporting projects that foster creativity and achieve sustainable impact. In 2025, the fund saw high demand, with 354 project applications; following a rigorous evaluation of quality, impact, and sustainability, 25 projects were selected for funding.

The foundation's support umbrella extended to national cultural projects with significant social and developmental dimensions. Key initiatives included supporting the libraries of correction and rehabilitation centres to provide an educational environment for inmates, The Jordanian Family Library Project to promote the habit of reading within homes, The Mobile Library to ensuring access to books in underprivileged areas, in addition to Amman International Book Fair 2025 to Provide official sponsorship for the event.

The fund remains a strategic instrument for the foundation to support national creativity, stimulate literary and artistic production, and expand cultural spaces throughout the Kingdom.

Cinema

The Cinema Programme at the Abdul Hameed Shoman Foundation continued to solidify its role as a vital window into both global and local cinematic cultures. In 2025, the programme organised 96 film screenings, featuring a blend of international and Arab productions. This included 13 open-air screenings that offered the public a unique visual experience. To enrich critical and artistic dialogue, the Cinema Club held nine specialised discussion sessions hosting elite critics and film professionals from Jordan, Lebanon, and Egypt. Furthermore, three Film Weeks were organised, showcasing 21 films that represented distinguished artistic experiments. These activities culminated in a Film Marathon that drew significant crowds; 2025 edition was dedicated to celebrating the works of world-renowned director Tim Burton, adding a distinct artistic dimension to the programme's agenda.

Music

The Music Programme regained its momentum this year following a brief pause, delivering a rich artistic experience by hosting 35 artists and musicians from Jordan and the Arab world. They performed three major musical evenings that blended live performance with diverse genres. These evenings were met with widespread public engagement, attended by over 1,417 people, reflecting the audience's passion for the music scene and confirming the foundation's success in providing high-level artistic content. This programme reaffirms the foundation's role in nurturing auditory arts and elevating artistic taste as an essential component of societal culture.

Shoman Cultural Days in Ajloun

The Shoman Cultural Days in Ajloun stood out this year, serving as a testament to the foundation's firm commitment to cultural decentralisation and expanding its impact beyond the capital. The festival featured 34 events, including seminars, workshops, children's activities, artistic evenings, and meet-and-greets with authors and artists. The events successfully attracted more than 4,300 participants from the local community and visitors. This initiative contributed to strengthening Ajloun's cultural identity and highlighting its civilizational heritage, while deepening the bond between the local community and the arts, marking it as one of the most prominent events in the 2025 local cultural landscape.

The Azraq Platform for Arabic Content

In a strategic move to strengthen its digital presence and keep pace with the rapid transformations in the creative content industry, the foundation launched its new digital cultural platform, Azraq, in 2025. The platform delivers high-quality visual, audio, and written content tailored to the interests of youth and the public. In its inaugural year, the platform produced 37 video episodes featuring a rich blend of cultural analysis and storytelling. Additionally, three specialised newsletters were launched: "Al-Aref" for literature, "Al-Shasha" for cinema, and "Al-Mukhtabar" for science, successfully attracting 3,800 subscribers. Furthermore, the platform published over 100 articles spanning various fields of knowledge, arts, and humanities, establishing Azraq as a promising and influential platform in the contemporary Arabic cultural content sector.

The Foundation's Digital Communication

The foundation recorded an influential digital footprint reflecting its expanding audience, achieving 66 million organic reaches across its various platforms and attracting 72,000 new followers. Digital content – totalling over 4,000 posts – garnered more than 66 million views and 27 million engagements. On the media front, the foundation's activities received extensive coverage, including 4,656 media reports and 261 press interviews. The foundation also held two press conferences and signed a strategic media cooperation agreement with Amman TV to further amplify its cultural message.

Human Resources Development

Committed to investing in human capital as a fundamental pillar of institutional excellence, the foundation implemented 42 specialised training workshops and conducted four courses under the Shoman Academy umbrella. Furthermore, the foundation's team participated in 28 local and international events and conferences, directly contributing to enhancing professional competencies, refining skills, and broadening the scope of vocational expertise.



Arab Bank Group

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Consolidated Statement of financial position

	Notes	31 December 2025 USD '000	31 December 2024 USD '000
Assets			
Cash and balances with central banks - net	7	13 400 203	13 086 725
Balances with banks and financial institutions - net	8	4 873 383	3 748 388
Deposits with banks and financial institutions - net	9	137 660	258 832
Financial assets at fair value through profit or loss	10	85 352	74 222
Financial derivatives - positive fair value	42	355 431	207 788
Direct credit facilities at amortized cost - net	12	37 479 274	34 383 335
Financial assets at fair value through other comprehensive income - net	11	1 503 459	1 082 092
Other financial assets at amortized cost -net	13	13 306 852	11 992 602
Investments in associates	14	4 577 802	4 188 026
Fixed assets - net	15	647 165	538 503
Other assets - net	16	1 576 566	1 399 078
Deferred tax assets	17	244 556	270 930
Total Assets		78 187 703	71 230 521
Liabilities and Shareholders' Equity			
Banks' and financial institutions' deposits	18	4 183 545	3 718 723
Customers' deposits	19	54 624 469	49 775 767
Cash margin	20	2 538 972	2 389 512
Financial derivatives - negative fair value	42	329 198	156 123
Borrowed funds	21	723 826	484 823
Provision for income tax	22	391 453	416 942
Other provisions	23	263 806	242 704
Other liabilities	24	1 871 578	1 886 861
Deferred tax liabilities	25	27 854	24 167
Total Liabilities		64 954 701	59 095 622
Equity			
Share capital	26	926 615	926 615
Share premium	26	1 225 747	1 225 747
Statutory reserve	27	926 615	926 615
Voluntary reserve	28	977 315	977 315
General reserve	29	1 211 927	1 211 927
General banking risks reserve	30	153 030	153 030
Reserves with associates		1 540 896	1 540 896
Foreign currency translation reserve	31	(305 798)	(451 377)
Investments revaluation reserve	32	(224 088)	(367 242)
Retained earnings	34	5 327 713	4 618 009
Total Equity Attributable to the Shareholders of the Bank		11 759 972	10 761 535
Perpetual tier 1 capital bonds	33	711 064	711 064
Non-controlling interests	34	761 966	662 300
Total Shareholders' Equity		13 233 002	12 134 899
Total Liabilities And Shareholders' Equity		78 187 703	71 230 521

The accompanying notes from (1) to (59) are an integral part of these consolidated financial statements and should be read with them.

Consolidated statement of profit or loss

	Notes	For the year ended 31 December	
		2025	2024
		USD '000	USD '000
Revenue			
Interest income	35	4 005 207	4 013 607
Less: interest expense	36	1 869 926	1 868 321
Net interest income		2 135 281	2 145 286
Net commission income	37	527 036	453 068
Net interest and commissions income		2 662 317	2 598 354
Foreign exchange differences		188 173	132 399
Gain from financial assets at fair value through profit or loss	38	34 412	6 098
Dividends on financial assets at fair value through other comprehensive income	11	9 645	7 877
Group's share of profits from associates	14	628 623	591 142
Other revenue - net	39	62 853	59 137
TOTAL INCOME		3 586 023	3 395 007
Expenses			
Employees' expenses	40	861 424	786 204
Other expenses	41	567 389	511 212
Depreciation and amortization	16,15	145 073	117 551
Provision for impairment - ECL	6	423 153	490 730
Other provisions	23	33 735	43 800
TOTAL EXPENSES		2 030 774	1 949 497
PROFIT FOR THE YEAR BEFORE INCOME TAX		1 555 249	1 445 510
Less: Income tax expense	22	424 893	438 420
PROFIT FOR THE YEAR		1 130 356	1 007 090
Attributable to :			
Bank's shareholders		1 083 344	969 126
Non-controlling interests	34	47 012	37 964
Total		1 130 356	1 007 090
Earnings per share attributable to the Bank's Shareholders			
– Basic and Diluted (US Dollars)	56	1.61	1.47

The accompanying notes from (1) to (59) are an integral part of these consolidated financial statements and should be read with them.

Consolidated statement of comprehensive income

	For the year ended 31 December	
	2025	2024
	USD '000	USD '000
Profit for the year	1 130 356	1 007 090
Add: Other comprehensive income items - after tax		
Items that will be subsequently transferred to the consolidated statement of profit or loss		
Exchange differences arising from the translation of foreign operations	202 801	(130 851)
Revaluation gain on bonds at fair value through other comprehensive income	7 660	408
Items that will not be subsequently transferred to the consolidated statement of profit or loss		
Net change in fair value of financial assets at fair value through other comprehensive income	140 716	(39 666)
Gain (Loss) from revaluation on equity instruments at fair value through other comprehensive income	139 990	(35 193)
Gain (Loss) from sale of financial assets at fair value through other comprehensive income	726	(4 473)
Total Other Comprehensive Income Items - after tax	351 177	(170 109)
Total Comprehensive Income For The Year	1 481 533	836 981
Attributable to :		
– Bank's shareholders	1 423 121	802 476
– Non-controlling interests	58 412	34 505
Total	1 481 533	836 981

The accompanying notes from (1) to (59) are an integral part of these consolidated financial statements and should be read with them.

Consolidated statement of changes in shareholders' equity

		Share Capital	Share Premium	Statutory Reserve	Voluntary Reserve	General Reserve	General Banking Risks Reserve	Reserves with Associates	Foreign Currency Translation Reserve	Investments Revaluation Reserve	Retained Earnings	Total Equity Attributable to the Shareholders of the Bank	Perpetual tier 1 capital bonds	Non-Controlling Interests	Total Share holders' Equity
	Notes	USD '000	USD '000	USD '000	USD '000	USD '000	USD '000	USD '000	USD '000	USD '000	USD '000	USD '000	USD '000	USD '000	USD '000
For the year ended 31 December 2025															
Balance at the Beginning of the year		926 615	1 225 747	926 615	977 315	1 211 927	153 030	1 540 896	(451 377)	(367 242)	4 618 009	10 761 535	711 064	662 300	12 134 899
Profit for the year		-	-	-	-	-	-	-	-	-	1 083 344	1 083 344	-	47 012	1 130 356
Other comprehensive income for the year		-	-	-	-	-	-	-	195 856	143 921	-	339 777	-	11 400	351 177
Total Comprehensive Income for the Year		-	-	-	-	-	-	-	195 856	143 921	1 083 344	1 423 121	-	58 412	1 481 533
Transferred from Investments revaluation reserve to retained earnings		-	-	-	-	-	-	-	-	(767)	767	-	-	-	-
Transferred from Investments revaluation reserve to non-controlling interests		-	-	-	-	-	-	-	-	-	-	-	-	41	41
Dividends distribution	34	-	-	-	-	-	-	-	-	-	(367 323)	(367 323)	-	(3 384)	(370 707)
New Investment at subsidiaries - net		-	-	-	-	-	-	-	-	-	-	-	-	66 451	66 451
Interest paid on perpetual tier 1 capital bonds - net of tax *	33	-	-	-	-	-	-	-	-	-	(29 716)	(29 716)	-	(17 430)	(47 146)
Interest paid on perpetual tier 1 capital bonds (assocaited company)*	33	-	-	-	-	-	-	-	-	-	(19 990)	(19 990)	-	-	(19 990)
Adjustments during the year	34	-	-	-	-	-	-	-	(50 277)	-	42 622	(7 655)	-	(4 424)	(12 079)
Balance at the End of the Year		926 615	1 225 747	926 615	977 315	1 211 927	153 030	1 540 896	(305 798)	(224 088)	5 327 713	11 759 972	711 064	761 966	13 233 002
For the year ended 31 December 2024															
Balance at the Beginning of the year		926 615	1 225 747	926 615	977 315	1 211 927	153 030	1 540 896	(323 174)	(333 110)	3 846 009	10 151 870	629 870	575 111	11 356 851
Profit for the year		-	-	-	-	-	-	-	-	-	969 126	969 126	-	37 964	1 007 090
Other comprehensive income for the year		-	-	-	-	-	-	-	(128 203)	(38 447)	-	(166 650)	-	(3 459)	(170 109)
Total Comprehensive Income for the Year		-	-	-	-	-	-	-	(128 203)	(38 447)	969 126	802 476	-	34 505	836 981
Transferred from Investments revaluation reserve to retained earnings		-	-	-	-	-	-	-	-	4 315	(4 315)	-	-	-	-
Transferred from Investments revaluation reserve to non-controlling interests		-	-	-	-	-	-	-	-	-	-	-	-	158	158
Dividends distribution	34	-	-	-	-	-	-	-	-	-	(277 402)	(277 402)	-	-	(277 402)
New Investment at subsidiaries - net		-	-	-	-	-	-	-	-	-	-	-	-	69 127	69 127
Issuance and dividends of perpetual tier 1 capital bonds	33	-	-	-	-	-	-	-	-	-	-	-	103 939	-	103 939
Contribution from shareholders, non-controlling interests and subsidiaries in issued perpetual tier 1 capital bonds	33	-	-	-	-	-	-	-	-	-	-	-	(22 745)	(13 268)	(36 013)
Interest paid on perpetual tier 1 capital bonds - net of tax *		-	-	-	-	-	-	-	-	-	(26 839)	(26 839)	-	(12 193)	(39 032)
Adjustments during the year	34	-	-	-	-	-	-	-	-	-	111 430	111 430	-	8 860	120 290
Balance at the End of the Year		926 615	1 225 747	926 615	977 315	1 211 927	153 030	1 540 896	(451 377)	(367 242)	4 618 009	10 761 535	711 064	662 300	12 134 899

- Retained earnings include restricted deferred tax assets in the amount of USD 236.4 million as of 31 December 2025 (USD 257.1 million as of 31 December 2024). Restricted retained earnings that cannot be distributed or otherwise utilized except only under certain circumstances, as a result of adopting of certain International Accounting Standards, amounted to USD 2.8 million as of 31 December 2025 and 31 December 2024.
- The Bank cannot use a restricted amount of USD 224.1 million as of 31 December 2025 (around USD 367.2 million as of 31 December 2024) which represents the negative investments revaluation reserve in accordance with the instructions of the Jordan Securities Commission and Central Bank of Jordan.
- The Central Bank of Jordan issued a new regulations No. 13/2018 dated 6 June 2018, in which it requested the transfer of the general banking risk reserve balance (calculated in accordance with the Central Bank of Jordan's regulations) to the retained earnings to offset the effect of IFRS 9 on the opening balance of the retained earnings account as of 1 January 2018. The regulations also instructs that the extra balance of the general banking risk reserve amounting to (USD 37.6 million) should be restricted and may not be distributed as dividends to the shareholders or used for any other purposes without prior approval from the Central Bank of Jordan.

* The total interest on perpetual tier 1 capital bonds, paid from branches and subsidiaries of Arab Bank PLC and Oman Arab Bank in addition to group's share in associated companies, amounted to USD 75 million, paid net of tax which amounted to USD 7.9 million as of 31 December 2025 (USD 46.9 million, paid net of tax which amounted to USD 7.9 million as of 31 December 2024).

The accompanying notes from (1) to (59) are an integral part of these consolidated financial statements and should be read with them.

Consolidated statement of cash flows

	Notes	For the year ended 31 December	
		2025	2024
		USD '000	USD '000
Cash Flows from Operating Activities			
Profit for the year before income tax		1 555 249	1 445 510
Adjustments for:			
Depreciation and amortization	16,15	145 073	117 551
Depreciation of right of use assets	16	29 072	28 261
Expected credit losses on financial assets	6	423 153	490 730
Net accrued interest		(68 716)	205
Gain from sale of fixed assets		(615)	(217)
(Gain) from revaluation of financial assets at fair value through profit or loss	38	(21 013)	(2 649)
Dividends from financial assets at fair value through other comprehensive income	11	(9 645)	(7 877)
Group's share of profits from associates	14	(628 623)	(591 142)
Other provisions	23	33 735	43 800
Total		1 457 670	1 524 172
(Increase) decrease in assets:			
Deposits with banks and financial institutions (maturing after 3 months)		120 968	15 065
Direct credit facilities at amortized cost		(3 401 340)	(1 660 242)
Financial assets at fair value through profit or loss		(7 584)	(16 561)
Other assets and financial derivatives		(411 115)	22 783
Increase (decrease) in liabilities:			
Bank and financial institutions deposits (maturing after 3 months)		83 340	93 872
Customers' deposits		4 848 702	1 964 514
Cash margin		149 460	(423 975)
Other liabilities and financial derivatives		213 233	190 115
Net Cash flows from Operating Activities before Income Tax		3 053 334	1 709 743
Income tax paid	22	(420 312)	(372 382)
Net Cash Flows from Operating Activities		2 633 022	1 337 361
Cash Flows from Investing Activities			
(Purchase) of financial assets at fair value through other comprehensive income		(273 328)	(362 204)
(Purchase) of other financial assets at amortized cost - net		(1 312 287)	(1 607 397)
(Increase) of investments in associates	14	(980)	(1 533)
Net cash flows paid to non-controlling interest to increase the Group's investment in subsidiaries		66 451	-
Dividends received from associates	14	341 943	309 127
Dividends from financial assets at fair value through other comprehensive income	11	9 645	7 877
(Purchase) of fixed assets - net	15	(176 736)	(94 413)
Proceeds from selling fixed assets		7 176	5 550
(Purchase) of intangible assets	16	(128 657)	(20 947)
Net Cash Flows (used in) Investing Activities		(1 466 773)	(1 763 940)
Cash Flows from Financing Activities			
Increase (decrease) in borrowed funds		239 003	(24 986)
Increase in perpetual tier 1 capital bonds	33	-	67 926
Interest paid on perpetual tier 1 capital bonds		(75 084)	(39 032)
Dividends paid to shareholders	34	(367 521)	(277 628)
Dividends paid to non-controlling interests		(3 384)	-
Net Cash Flows (used in) Financing Activities		(206 986)	(273 720)
Net increase (decrease) in Cash and Cash Equivalents		959 263	(700 299)
Exchange differences - change in foreign exchange rates		202 801	(130 851)
Cash and cash equivalent at the beginning of the year		13 681 641	14 512 791
Cash and Cash Equivalent at the End of the Year	58	14 843 705	13 681 641
Operational cash flows from interest			
Interest Received		4 002 262	3 985 319
Interest Paid		1 935 697	1 839 828

The accompanying notes from (1) to (59) are an integral part of these consolidated financial statements and should be read with them.

Notes to the consolidated financial statements

1. General

Arab Bank was established in 1930, and is registered as a Jordanian Public Shareholding Limited Company. The Head Office of the Bank is domiciled in Amman – Hashemite Kingdom of Jordan and the Bank operates worldwide through its 69 branches in Jordan and 118 branches abroad. Also, the Bank operates through its subsidiaries and Arab Bank (Switzerland).

Arab Bank PLC shares are traded on Amman Stock Exchange. The shareholders of Arab Bank PLC are the same shareholders of Arab Bank Switzerland (every 18 shares of Arab Bank PLC equal/ traded for 1 share of Arab Bank Switzerland.

The accompanying consolidated financial statements were approved by the Board of Directors in its meeting number (1) on 29 January 2026 and are subject to the approval of the General Assembly.

2-1 Basis of Preparation

The accompanying consolidated financial statements are prepared in accordance with the IFRS Accounting Standards as issued by the International Accounting Standards Board.

The consolidated financial statements were prepared following the historical cost basis except for financial assets at fair value through profit or loss, financial assets at fair value through other comprehensive income and financial derivatives measured at fair value at the date of the consolidated financial statements.

The consolidated financial statements are presented in US dollars (USD). For each entity and branch in the Group, the Group determines its functional currency, and items included in the financial statements of each entity are measured using that functional currency.

The accounting policies adopted in the preparation of the consolidated financial statements are consistent with those applied in the year ended December 31, 2024, except for the impact of adopting the new and revised IFRS Accounting Standards, which became effective for the financial period started on or after the 1st of January 2025 as mentioned in Note (3-a).

2-2 Basis of Consolidation

The accompanying consolidated financial statements of Arab Bank Group, presented in US dollars, comprise the financial statements of Arab Bank PLC and the following key subsidiaries:

Company Name	Percentage of ownership (%)		Date of Acquisition	Principal Activity	Place of Incorporation	Paid-up Capital
	2025	2024				
Europe Arab Bank PLC	100.00	100.00	2006	Banking	United Kingdom	€ 570m
Arab Bank Australia Limited	100.00	100.00	1994	Banking	Australia	AUD 119.3m
Islamic International Arab Bank PLC	100.00	100.00	1997	Banking	Jordan	JD 100m
Arab National Leasing Company L.L.C.	100.00	100.00	1996	Financial Leasing	Jordan	JD 50m
				Brokerage and Financial Services		
Al-Arabi Investment Group L.L.C.	100.00	100.00	1996		Jordan	JD 14m
Arab Sudanese Bank Limited	100.00	100.00	2008	Banking	Sudan	SDG 117.5m
Arab Tunisian Bank	64.24	64.24	1982	Banking	Tunisia	TND 150m
Oman Arab Bank S.A.O.	49	49	1984	Banking	Oman	OMR 216.9m
Arab Bank Syria	51.29	51.29	2005	Banking	Syria	SYP 10b
Arab Bank Iraq	63.77	63.77	2024	Banking	Iraq	IQD 250b
Al Nisr Al Arabi Insurance Company PLC	68	68	2006	Insurance	Jordan	JD 16m
AB Financial Markets Ltd.	100	100	2022	Financial Derivatives	Cayman Islands	USD 50k
Al-Arabi for Finance SAL	100	100	1998	Holding Company	Lebanon	USD 26.6m

Arab Bank Switzerland (Limited) which is an integral part of Arab Bank Group is also consolidated in the Group's financial statements.

Consolidation of a subsidiary begins when the Group obtains control over the subsidiary and ceases when the Group loses control of the subsidiary. revenue and expenses of a subsidiary acquired or disposed of during the year are included in the statement of profit or loss from the date the Group gains control until the date the Group ceases to control the subsidiary.

Profit or loss and each component of other comprehensive income (OCI) are attributed to the equity holders of the parent of the Group and to the non-controlling interests, even if this results in the non-controlling interests having a deficit balance. When necessary, adjustments are made to the financial statements of subsidiaries to bring their accounting policies into line with the Group's accounting policies.

Notes to the consolidated financial statements

All intra-group assets and liabilities, equity, revenue, expenses and cash flows relating to transactions between members of the Group are eliminated in full on consolidation.

Control is achieved when the Group is exposed, or has rights, to variable returns from its involvement with the investee and has the ability to affect those returns through its power over the investee. Specifically, the Group controls an investee if and only if the Group has:

- Power over the investee (i.e., existing rights that give it the current ability to direct the relevant activities of the investee).
- Exposure, or rights, to variable returns from its involvement with the investee.
- The ability to use its power over the investee to affect its returns.

The Group re-assesses whether or not it controls an investee if facts and circumstances indicate that there are changes to one or more of the three elements of control.

When the Group has less than the majority of the voting rights of an investee, it considers that it has power over the investee when the voting rights are sufficient to give it the practical ability to direct the relevant activities of the investee unilaterally. In this regard, the Group considers all relevant facts and circumstances in assessing whether or not the Group’s voting rights in an investee are sufficient to give it control, including:

- The size of the Group's holding of voting rights relative to the size and dispersion of holdings of the other vote holders;
- Potential voting rights held by the Group, other vote holders, or other parties;
- Rights arising from other contractual arrangements; and
- Any additional facts and circumstances that indicate that the Group has, or does not have, the current ability to direct the relevant activities at the time that decisions need to be made, including voting patterns at previous shareholders’ meetings.

A change in the ownership interest of a subsidiary without a loss of control is accounted for as an equity transaction. If the Group loses control over a subsidiary, it:

- Derecognizes the assets (including goodwill) and liabilities of the subsidiary.
- Derecognizes the carrying amount of any non- controlling interests.
- Derecognizes the cumulative translation differences, recorded in equity.
- Recognizes the fair value of the consideration received.
- Recognizes the fair value of any investment retained.
- Recognizes the gain or loss resulted from loss of control.
- Reclassifies the parent’s share of components previously recognized in OCI to profit or loss.

The subsidiaries’ financial statements are prepared under the same accounting policies adopted by the Group. If the subsidiaries apply different accounting policies than those used by the Group, the necessary modifications shall be made to the subsidiaries' financial statements to make them comply with the accounting policies used by the Group.

The non-controlling interest represent the portion not owned by the Group relating to the ownership of the subsidiaries.

2-3 Going Concern basis

The Group applies the going concern basis in the preparation of consolidated financial statements based on reasonable assumptions and expectations.

3. Adoption of new and revised Standards

a. New and amended IFRS Standards that are effective for the current year

The following new and revised IFRSs, which became effective for annual periods beginning on or after January 1, 2025, have been adopted in these consolidated financial statements. The application of these revised IFRSs has not had any material impact on the amounts reported for the current and prior years but may affect the accounting for future transactions or arrangements.

- Amendments to IAS 21 – Lack of Exchangeability.
- Amendments to the SASB standards to enhance their international applicability

b. New IFRS Accounting Standards in issue but not yet effective

The Group has not applied the new and revised IFRS Accounting Standards that have been issued but are not yet effective, management is in the process of assessing the impact of the new requirements.

New and revised IFRS Accounting Standards	Effective for annual periods beginning on or after
Amendments IFRS 9 and IFRS 7 regarding the classification and measurement of financial instruments	January 1, 2026
Annual Improvements to IFRS Accounting Standards – Volume 11	January 1, 2026
IFRS - 18 Presentation and Disclosures in Financial Statements	January 1, 2027
IFRS - 19 Subsidiaries without Public Accountability	January 1, 2027
Amendments to Greenhouse Gas Emissions Disclosures (Amendments to IFRS S2)	January 1, 2027

- * Management anticipates adopting these new standards, interpretations, and amendments in the Group's consolidated financial statements during the initial application period. Furthermore, they expect that adopting these new standards, interpretations, and amendments will not have any significant impact on the Group's consolidated financial statements during the initial application period except for IFRS - 18 related to presentation and disclosures in the financial statements.

4. material accounting policies information

Business combinations and goodwill

Business combinations are accounted for using the acquisition method. The cost of an acquisition is measured as the aggregate of the consideration transferred measured at acquisition date fair value, and the amount of any non-controlling interests in the acquiree. For each business combination, the Group elects whether to measure the non-controlling interests in the acquiree at fair value or at the proportionate share of the acquiree's identifiable net assets. Acquisition-related costs are expensed as incurred and included in administrative expenses.

When the Group acquires a business, it assesses the financial assets and liabilities assumed for appropriate classification and designation in accordance with the contractual terms, economic circumstances and pertinent conditions as at the acquisition date. This includes the separation of embedded derivatives in host contracts by the acquire.

If the business combination is achieved in stages, any previously held equity interest is re measured at its acquisition date fair value and any resulting gain or loss is recognized in profit or loss.

Any contingent consideration to be transferred by the acquirer will be recognized at fair value at the acquisition date. Contingent consideration classified as an asset or liability that is a financial instrument and within the scope of IFRS 9 Financial Instruments, is measured at fair value with changes in fair value recognized in the consolidated statement of comprehensive income.

Goodwill is initially measured at cost, being the excess of the aggregate of the consideration transferred and the amount recognized for non-controlling interests, and any previous interest held, over the net identifiable assets acquired and liabilities assumed. If the fair value of the net assets acquired is in excess of the aggregate consideration transferred, the Group re-assesses whether it has correctly identified all of the assets acquired and all of the liabilities assumed and reviews the procedures used to measure the amounts to be recognized at the acquisition date. If the reassessment still results in an excess of the fair value of net assets acquired over the aggregate consideration transferred, then the gain is recognized in profit or loss.

After initial recognition, goodwill is measured at cost less any accumulated impairment losses. For the purpose of impairment testing, goodwill acquired in a business combination is, from the acquisition date, allocated to each of the Group's cash-generating units that are expected to benefit from the combination, irrespective of whether other assets or liabilities of the acquire are assigned to those units.

Where goodwill has been allocated to a cash-generating unit and part of the operation within that unit is disposed of, the goodwill associated with the disposed operation is included in the carrying amount of the operation when determining the gain or loss on disposal. Goodwill disposed in these circumstances is measured based on the relative values of the disposed operation and the portion of the cash-generating unit retained.

Merger between One Swiss Bank and Gonet & Cie Bank

During June 2025, Arab Bank Switzerland, through its subsidiary Gonet & Cie Bank, acquired 100% of the shares constituting the capital of One Swiss Bank – Switzerland and merged the operations of the two companies within Gonet & Cie Bank.

Purchase Price and Net Identifiable Assets Acquired

The acquisition was accounted for using the acquisition accounting method. Accordingly, the acquired assets, assumed liabilities, and consideration exchanged were recorded at their estimated fair value at the acquisition date. The fair values of the assets and liabilities were determined by an external expert.

The difference between the purchase price and the fair value of the net assets of the bank and other contingent considerations was recorded under other assets as other general intangible assets amounting to approximately USD 58 million as of 31 December 2025.

The purchase price allocation for the acquisition of the acquired assets and liabilities had not been distributed until the date of the consolidated financial information. The purchase price allocation is adjusted within twelve months from the date of the business combination (if necessary) to obtain further information about the fair value of the acquired assets and assumed liabilities, including alignment with the business model.

Notes to the consolidated financial statements

Recognition of Interest Income

The effective interest rate (EIR) method

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

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

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

Interest and similar income and expense

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

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

The Group also may hold investments in assets of countries with negative interest rates. The Group discloses interest paid on these assets as interest expense.

Fee and commission income

Fee income can be divided into the following two categories:

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

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

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

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

Financial Instruments – Initial Recognition

Date of recognition

Financial assets and liabilities, with the exception of loans and advances to customers and balances due to customers, are initially recognized on the trade date, i.e., the date that the Group becomes a party to the contractual provisions of the instrument. This includes regular way trades: purchases or sales of financial assets that require delivery of assets within the time frame generally established by regulation or convention in the market place. Loans and advances to customers are recognized when funds are transferred to the customers' accounts. The Group recognizes balances due to customers when funds are transferred to the Group.

Initial measurement of financial instruments

The classification of financial instruments at initial recognition depends on their contractual terms and the business model for managing the instruments. Financial instruments are initially measured at their fair value, except in the case of financial assets and financial liabilities recorded at FVTPL, transaction costs are added to, or subtracted from, this amount. Receivables are measured at the transaction price. When the fair value of financial instruments at initial recognition differs from the transaction price, the Group accounts for the Day 1 profit or loss, as described below.

Day 1 profit or loss

When the transaction price of the instrument differs from the fair value at origination and the fair value is based on a valuation technique using only inputs observable in market transactions, the Group recognizes the difference between the transaction price and fair value in net income. In those cases where fair value is based on models for which some of the inputs are not observable, the difference between the transaction price and the fair value is deferred and is only recognized in the consolidated statement of profit or loss when the inputs become observable, or when the instrument is derecognized.

Measurement categories of financial assets and liabilities

The Group classifies its financial assets (Debt Instruments) based on the business model for managing the assets and the asset's contractual terms, measured at either:

- Amortized cost
- Fair value through other comprehensive income "FVOCI"
- Fair value through profit or loss "FVTPL"

The Group classifies and measures its derivative and trading portfolio at FVTPL. The Group may designate financial instruments at FVTPL, if so doing eliminates or significantly reduces measurement or recognition inconsistencies.

Financial liabilities, other than loan commitments and financial guarantees, are measured at amortized cost or at FVTPL when they are held for trading and derivative instruments or the fair value designation is applied.

Financial Assets and Liabilities

The Group only measures due from banks, loans and advances to customers and other financial investments at amortized cost if both of the following conditions are met:

- The financial asset is held within a business model with the objective to hold financial assets in order to collect contractual cash flows.
- The contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest (SPPI) on the principal amount outstanding.

The details of these conditions are outlined below.

Business model assessment

The Group determines its business model at the level that best reflects how it manages groups of financial assets to achieve its business objective.

The Group's business model is not assessed on an instrument-by-instrument basis, but at a higher level of aggregated portfolios and is based on observable factors such as:

- How the performance of the business model and the financial assets held within that business model are evaluated and reported to the entity's key management personnel.
- The risks that affect the performance of the business model (and the financial assets held within that business model) and, in particular, the way those risks are managed.
- How managers of the business are compensated (for example, whether the compensation is based on the fair value of the assets managed or on the contractual cash flows collected).
- The expected frequency, value and timing of sales are also important aspects of the Group's assessment.

The business model assessment is based on reasonably expected scenarios without taking 'worst case' or 'stress case' scenarios into account. If cash flows after initial recognition are realized in a way that is different from the Group's original expectations, the Group does not change the classification of the remaining financial assets held in that business model, but incorporates such information when assessing newly originated or newly purchased financial assets going forward.

The Sole Payments of Principal and Interest "SPPI" test

As a second step of its classification process the Group assesses the contractual terms of financial to identify whether they meet the SPPI test.

'Principal' for the purpose of this test is defined as the fair value of the financial asset at initial recognition and may change over the life of the financial asset (for example, if there are repayments of principal or amortization of the premium/discount).

The most significant elements of interest within a lending arrangement are typically the consideration for the time value of money and credit risk. To make the SPPI assessment, the Group applies judgement and considers relevant factors such as the currency in which the financial asset is denominated, and the period for which the interest rate is set.

In contrast, contractual terms that introduce a more than de minimis exposure to risks or volatility in the contractual cash flows that are unrelated to a basic lending arrangement do not give rise to contractual cash flows that are solely payments of principal and interest on the amount outstanding. In such cases, the financial asset is required to be measured at FVTPL.

Derivatives recorded at fair value through profit or loss

A derivative is a financial instrument or other contract with all three of the following characteristics:

- Its value changes in response to the change in a specified interest rate, financial instrument price, commodity price, foreign exchange rate, index of prices or rates, credit rating or credit index, or other variable, provided that, in the case of a non-financial variable, it is not specific to a party to the contract (i.e., the 'underlying').

Notes to the consolidated financial statements

- It requires no initial net investment or an initial net investment that is smaller than would be required for other types of contracts expected to have a similar response to changes in market factors.
- It is settled at a future date.

The Group enters into derivative transactions with various counterparties. These include interest rate swaps, futures and cross-currency swaps. Derivatives are recorded at fair value and carried as assets when their fair value is positive and as liabilities when their fair value is negative. Changes in the fair value of derivatives are included in net trading income unless hedge accounting is applied.

Debt instruments at FVOCI

The Group measures of debt instruments at FVOCI when both of the following conditions are met:

- The instrument is held within a business model, the objective of which is achieved by both collecting contractual cash flows and selling financial assets.
- The contractual terms of the financial asset meet the SPPI test.

FVOCI debt instruments are subsequently measured at fair value with gains and losses arising due to changes in fair value recognized in OCI. Interest income and foreign exchange gains and losses are recognized in profit or loss in the same manner as for financial assets measured at amortized cost. Where the Group holds more than one investment in the same security, they are deemed to be disposed of on a first-in first-out basis. On derecognition, cumulative gains or losses previously recognized in OCI are reclassified from OCI to the consolidated statement of profit or loss.

Equity instruments at FVOCI

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

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

Financial assets and financial liabilities at fair value through profit or loss

Financial assets and financial liabilities at FVTPL are recorded in the consolidated statement of financial position at fair value. Changes in fair value are recorded in profit and loss with the exception of movements in fair value of liabilities designated at FVTPL due to changes in the Group's own credit risk. Such changes in fair value are recorded in the Own credit reserve through OCI and do not get recycled to the profit or loss. Interest earned or incurred on instruments designated at FVTPL is accrued in interest income or interest expense, respectively, using the EIR, taking into account any discount/ premium and qualifying transaction costs being an integral part of instrument. Interest earned on assets mandatorily required to be measured at FVTPL is recorded using contractual interest rate. Dividend income from equity instruments measured at FVTPL is recorded in profit or loss as other operating income when the right to the payment has been established.

Financial guarantees, letters of credit and undrawn loan commitments

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

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

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

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

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

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

Derecognition of financial assets and liabilities

Derecognition due to substantial modification of terms and conditions

The Group derecognizes a financial asset, such as a loan to the customer when the terms and conditions have been renegotiated to the extent that, substantially, it becomes a new loan, with the difference recognized as a derecognition gain or loss, to the extent that an impairment loss has not already been recorded. The newly recognized loans are classified as Stage 1 for ECL measurement purposes.

If the modification does not result in cash flows that are substantially different, the modification does not result in derecognition. Based on the change in cash flows discounted at the original EIR, the Group records a modification gain or loss, to the extent that an impairment loss has not already been recorded.

Derecognition other than those for substantial modification

A. Financial assets

A financial asset (or, where applicable, a part of a financial asset or part of a group of similar financial assets) is derecognized when the rights to receive cash flows from the financial asset have expired. The Group also derecognizes the financial asset if it has both transferred the financial asset and the transfer qualifies for derecognition.

The Group has transferred the financial asset if, and only if, either:

- The Group has transferred its contractual rights to receive cash flows from the financial asset

Or

- It retains the rights to the cash flows, but has assumed an obligation to pay the received cash flows in full without material delay to a third party under a 'pass-through' arrangement

Pass-through arrangements are transactions whereby the Group retains the contractual rights to receive the cash flows of a financial asset (the 'original asset'), but assumes a contractual obligation to pay those cash flows to one or more entities (the 'eventual recipients'), when all of the following three conditions are met:

- The Group has no obligation to pay amounts to the eventual recipients unless it has collected equivalent amounts from the original asset, excluding short-term advances with the right to full recovery of the amount lent plus accrued interest at market rates
- The Group cannot sell or pledge the original asset other than as security to the eventual recipients
- The Group has to remit any cash flows it collects on behalf of the eventual recipients without material delay. In addition, the Group is not entitled to reinvest such cash flows, except for investments in cash or cash equivalents including interest earned, during the period between the collection date and the date of required remittance to the eventual recipients.

A transfer only qualifies for derecognition if either:

- The Group has transferred substantially all the risks and rewards of the asset

Or

- The Group has neither transferred nor retained substantially all the risks and rewards of the asset, but has transferred control of the asset

The Group considers control to be transferred if and only if, the transferee has the practical ability to sell the asset in its entirety to an unrelated third party and is able to exercise that ability unilaterally and without imposing additional restrictions on the transfer.

When the Group has neither transferred nor retained substantially all the risks and rewards and has retained control of the asset, the asset continues to be recognized only to the extent of the Group's continuing involvement, in which case, the Group also recognizes an associated liability. The transferred asset and the associated liability are measured on a basis that reflects the rights and obligations that the Group has retained.

Continuing involvement that takes the form of a guarantee over the transferred asset is measured at the lower of the original carrying amount of the asset and the maximum amount of consideration the Group could be required to pay.

If continuing involvement takes the form of a written or purchased option (or both) on the transferred asset, the continuing involvement is measured at the value the Group would be required to pay upon repurchase. In the case of a written put option on an asset that is measured at fair value, the extent of the entity's continuing involvement is limited to the lower of the fair value of the transferred asset and the option exercise price.

Notes to the consolidated financial statements

B. Financial liabilities

A financial liability is derecognized when the obligation under the liability is discharged, cancelled or expires. Where an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as a derecognition of the original liability and the recognition of a new liability. The difference between the carrying value of the original financial liability and the consideration paid is recognized in profit or loss.

Impairment of financial assets

Overview of the ECL principles

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

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

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

Both LTECLs and 12 months ECLs are calculated on either an individual basis or a collective basis, depending on the nature of the underlying portfolio of financial instruments.

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

Based on the above process, the Group classifies its financial assets into Stage 1, Stage 2 and Stage 3, as described below:

- Stage 1: When financial assets are initially recognized, the Group recognizes an allowance based on 12mECLs. Stage 1 loans also i nclude facilities where the credit risk has improved and the loan has been reclassified from Stage 2.
- Stage 2: When a financial asset has shown a significant increase in credit risk since origination, the Group records an allowance for the LTECLs. Stage 2 loans also include facilities, where the credit risk has improved and the loan has been reclassified from Stage 3.
- Stage 3: Financial assets considered credit-impaired. The Group records an allowance for the LTECLs.

For financial assets for which the Group has no reasonable expectations of recovering either the entire outstanding amount, or a proportion thereof, the gross carrying amount of the financial asset is reduced. This is considered a (partial) derecognition of the financial asset.

The Group's internal credit rating system:

The main measure of Credit Risk is at the counterparty level where the exposure is measured in line with the Group's credit standards applicable by the Group and detailed in the policies and procedures. Therefore, Arab Bank implemented an Internal Rating methodology to assess the customers financially and non-financially. In parallel, Arab Bank is using Moody's Risk Analyst (MRA), it is a financial analysis and ratings platform that aggregates quantitative and qualitative information on individual obligors to obtain an assessment that can be used to determine a credit rating for each obligor and the related probability of default (PD). The MRA model has been validated by a third party to ensure the accuracy of the system's outputs in alignment with the historical data study of the Group's clients. It is worth mentioning that Moody's rating system complements the Group's internal credit rating system and provides a mechanism that complies with Basel regulations.

The risk rating of clients, whether using the Group's rating system or Moody's Risk Analyst system, is reviewed annually during the annual review of client facilities on an individual basis.

The calculation of ECL

The Group calculates ECLs based on three probability-weighted scenarios to measure the expected cash shortfalls, discounted at an approximation to the EIR. A cash shortfall is the difference between the cash flows that are due to an entity in accordance with the contract and the cash flows that the entity expects to receive.

During the year 2021 management resolved to use three scenarios using probability weight for each scenario based on the management best estimate for their likelihood. Below are the weights for each scenario for the years 2025 and 2024 for Corporate Banking segment:

Scenario	Assigned weighted average	
	31 December 2025	31 December 2024
Upside	20%	20%
Baseline	45%	45%
Downside	35%	35%

The scenarios for the years 2025 and 2024 for Consumer Banking segment are as follows:

Scenario	Assigned weighted average	
	31 December 2025	31 December 2024
Upside	30%	30%
Baseline	40%	40%
Downside	30%	30%

The mechanism of the ECL calculations is outlined below and the key elements are, as follows:

- PD The Probability of Default is an estimate of the likelihood of default over a given time horizon. A default may only happen at a certain time over the assessed period.
- EAD The Exposure at Default is an estimate of the exposure at a future default date, taking into account expected changes in the exposure after the reporting date, including repayments of principal and interest, whether scheduled by contract or otherwise, expected drawdowns on committed facilities, and accrued interest from missed payments.
- LGD The Loss Given Default is an estimate of the loss arising in the case where a default occurs at a given time. It is based on the difference between the contractual cash flows due and those that the lender would expect to receive, including from the realization of any collateral. It is usually expressed as a percentage of the EAD.

When estimating ECL, the Group considers three scenarios. Each of these is associated with different PDs, EADs and LGDs. When relevant, the assessment of multiple scenarios also incorporates how defaulted loans are expected to be recovered, including the probability that the loans will cure and the value of collateral or the amount that might be received for selling the asset.

With the exception of credit cards and other revolving facilities, the maximum period for which the credit losses are determined is the contractual life of a financial instrument unless the Group has the legal right to call it earlier.

Impairment losses and releases are accounted for and disclosed separately from modification losses or gains that are accounted for as an adjustment of the financial asset's gross carrying value.

The mechanism of the ECL method is summarized below:

- Stage 1: The 12mECL is calculated as the portion of LTECLs that represent the ECLs that result from default events on a financial instrument that are possible within the 12 months after the reporting date. The Group calculates the 12mECL allowance based on the expectation of a default occurring in the 12 months following the reporting date. These expected 12-month default probabilities are applied to a forecast EAD and multiplied by the expected LGD and discounted by an approximation to the original EIR. This calculation is made for each of the three scenarios, as explained above.
- Stage 2: When a financial asset has shown a significant increase in credit risk since origination, the Group records an allowance for the LTECLs. The mechanics are similar to those explained above, including the use of multiple scenarios, but PDs and LGDs are estimated over the lifetime of the instrument. The expected cash shortfalls are discounted by an approximation to the original EIR.
- Stage 3: For financial assets which are considered credit-impaired, the Group recognizes the lifetime expected credit losses for these loans. The method is similar to that for Stage 2 assets, with the PD set at 100% and with higher LGD than the first two stages.

Loan commitments and letter of credit

When estimating LTECLs for undrawn loan commitments, the Group estimates the expected portion of the loan commitment that will be drawn down over its expected life. The ECL is then based on the present value of the expected shortfalls in cash flows if the loan is drawn down, based on a probability-weighting of the three scenarios. The expected cash shortfalls are discounted at an approximation to the expected EIR on the loan.

Financial guarantee contracts

The Group's liability under each guarantee is measured at the higher of the amount initially recognized less cumulative amortization recognized in the consolidated statement of income, and the ECL provision. For this purpose, the Group estimates ECLs based on the present value of the expected payments to reimburse the holder for a credit loss that it incurs. The shortfalls are discounted by the risk-adjusted interest rate relevant to the exposure. The calculation is made using a probability-weighting of the three scenarios. The ECLs related to financial guarantee contracts are recognized within other liabilities.

Notes to the consolidated financial statements

Debt instruments measured at fair value through OCI

The ECLs for debt instruments measured at FVOCI do not reduce the carrying amount of these financial assets in the consolidated statement of financial position, which remains at fair value. Instead, an amount equal to the allowance that would arise if the assets were measured at amortized cost is recognized in OCI as an accumulated impairment amount, with a corresponding charge to profit or loss. The accumulated loss recognized in OCI is recycled to the profit and loss upon derecognition of the assets.

Credit cards and other revolving facilities

The Group's product offering includes a variety of corporate and retail overdraft and credit cards facilities, in which the Group has the right to cancel and/or reduce the facilities with one day's notice. The Group does not limit its exposure to credit losses to the contractual notice period, but, instead calculates ECL over a period that reflects the Group's expectations of the customer behavior, its likelihood of default and the Group's future risk mitigation procedures, which could include reducing or cancelling the facilities.

The ongoing assessment of whether a significant increase in credit risk has occurred for revolving facilities is similar to other lending products. This is based on shifts in the customer's internal credit grade.

The interest rate used to discount the ECLs for credit cards is based on the effective interest rate.

The calculation of ECLs, including the estimation of the expected period of exposure and discount rate is made, on an individual basis for corporate and on a collective basis for retail products. The collective assessments are made separately for portfolios of facilities with similar credit risk characteristics.

Forward looking information

In its ECL models, the Group relies on a broad range of forward looking information as economic inputs, such as:

- GDP growth
- Unemployment rates
- Central Bank base rates

The inputs and models used for calculating ECLs may not always capture all characteristics of the market at the date of the consolidated financial statements. To reflect this, qualitative adjustments or overlays are occasionally made as temporary adjustments when such differences are significantly material.

Collateral valuation

To mitigate its credit risks on financial assets, the Group seeks to use collateral, where possible. The collateral comes in various forms, such as cash, securities, letters of credit/guarantees, real estate, receivables, inventories, other non-financial assets and credit enhancements such as netting agreements. Collateral, unless repossessed, is not recorded on the Group's consolidated statement of financial position. However, the fair value of collateral affects the calculation of ECLs. It is generally assessed, at a minimum, at inception and re-assessed periodically. However, some collateral, for example, cash or securities relating to margining requirements, is valued daily.

To the extent possible, the Group uses active market data for valuing financial assets held as collateral. Other financial assets which do not have readily determinable market values are valued using models. Non-financial collateral, such as real estate, is valued based on data provided by third parties such as mortgage brokers, or based on housing price indices.

Collateral repossessed

The Group's policy is to determine whether a repossessed asset can be best used for its internal operations or should be sold. Assets determined to be useful for the internal operations are transferred to their relevant asset category at the lower of their repossessed value or the carrying value of the original secured asset. Assets for which selling is determined to be a better option are transferred to assets held for sale at their fair value (if financial assets) and fair value less cost to sell for non-financial assets at the repossession date in, line with the Group's policy. In its normal course of business, the Group does not physically repossess properties or other assets in its retail portfolio, but engages external agents to recover funds, generally at auction, to settle outstanding debt. Any surplus funds are returned to the customers/obligors. As a result of this practice, the residential properties under legal repossession processes are not recorded on the balance sheet.

Write-offs

Financial assets are written off either partially or in their entirety only when the Group has stopped pursuing the recovery. If the amount to be written off is greater than the accumulated loss allowance, the difference is first treated as an addition to the allowance that is then applied against the gross carrying amount. Any subsequent recoveries are credited to credit loss expense.

Modified loans

The Group sometimes makes concessions or modifications to the original terms of loans as a response to the borrower's financial difficulties, (rather than taking possession or to otherwise enforce collection of collateral.) The Group considers a loan forborne when such concessions or modifications are provided as a result of the borrower's present or expected financial difficulties and the Group would not have agreed to them if the borrower had been financially healthy. (Indicators of financial difficulties include

defaults on covenants, or significant concerns raised by the Credit Risk Department). Forbearance may involve extending the payment arrangements and the agreement of new loan conditions. (Once the terms have been renegotiated, any impairment is measured using the original EIR as calculated before the modification of terms). It is the Group's policy to monitor forborne loans to help ensure that future payments continue to be likely to occur. Derecognition decisions and classification between Stage 2 and Stage 3 are determined on a case-by-case basis. If these procedures identify a loss in relation to a loan, it is disclosed and managed as an impaired Stage 3 forborne asset until it is collected or written off.

Leases

The Group as a lessee

The Group should be evaluating whether the leasing contract included while starting the contract. The right of use assets and leasing obligations should be recognized by the Group regarding all leasing obligations, except for short-term leasing contracts (12 months or less) and the leasing contracts with low value, in regards to these contracts the Group should recognized these leases as operating expense using the straight-line method over the life of the lease. The initial direct costs incurred in the discussion and arrangement of the operating contract are added to the carrying amount of the leased assets and recognized in accordance with the straight-line method over the lease term.

Leases are classified as finance leases when the terms of the lease provide for substantially all the risks and rewards of ownership of the lessee. All other leases are classified as operating leases.

Leasing payments included in the rental obligation measurement include:

- Fixed leasing payments (essentially included on fixed payments), minus lease incentives receivable;
- Variable rental payments based on an indicator or rate, initially measured using the index or rate at the start date of the contract;
- The amount expected to be paid by the lessor under the remaining value guarantees;
- The price of buying options, if the lessor is reasonably sure of practicing the options; and
- Pay termination fines, if the leasing contract was reflected the terminating the lease.

Lease obligations are subsequently measured by increasing the book value to reflect interest on rental obligations (using the effective interest method) and by reducing the book value to reflect rental payments.

Lease obligations are premeasured (and a similar adjustment to the relevant right of use assets) whenever:

- The period of lease has been changed or there has been an event or change in circumstances that lead to a change in the evaluation of the practice of purchase, in which case the lease obligations are re-assessed by the way adjusted rental payments are deducted using the adjusted discount rate.
- Rental payments change due to changes in index, rate or change in expected payments under the guaranteed remaining value, in which case the rental obligation is remeasured by deducting adjusted rental payments using a non-variable discount rate (unless rental payments change due to change in the floating interest rate, in which case the adjusted discount rate is used).
- The lease contract is adjusted and the lease adjustment is not accounted for as a separate lease, in which case the lease obligation is remeasured based on the duration of the adjusted lease by deducting adjusted rental payments using the adjusted rate discount rate at the actual rate on the date of the amendment.

The assets of the right of use are consumed over the duration of the lease or the productive life of the asset (which is shorter). If the lease transfers ownership of the underlying asset or the cost of the right of use, which reflects that the Group expects to exercise the purchase option, the value of the relevant right of use is consumed over the productive life of the asset.

The Group applies IAS No. (36) To determine whether the value of the right of use has depreciated and calculates any impairment losses as described in the "Property and Equipment" policy.

Variable rents that do not rely on an indicator or rate are not included in the measurement of rental obligations and right-of-use assets. Related payments are listed as an expense in the period in which the event or condition that leads to these payments occurs and is included in the "Other Expenses" line in the profit or loss consolidated statement.

Foreign currency translation Transactions and balances

Transactions in foreign currencies are initially recorded in the functional currency at the spot rate of exchange ruling at the date of the transaction.

Monetary assets and liabilities denominated in foreign currencies are retranslated into the functional currency at the spot rate of exchange at the reporting date. All foreign exchange differences arising on non-trading activities are taken to other operating income/expense in the consolidated statement of profit or loss.

Notes to the consolidated financial statements

Group companies

On consolidation, the assets and liabilities in foreign operations are translated into dollars at the spot rate of exchange prevailing at the reporting date and their income statements are translated at average exchange rates during the year. The exchange differences arising on translation for consolidation are recognized in OCI.

Translation of financial statements of foreign entities / branches operating under hyperinflationary economy

The Group closely monitors the economic and financial conditions in Lebanon, and exclusively uses the exchange rate issued by the Central Bank of Lebanon in translating the results of AB Lebanon branch when consolidated within the financial statements of the Arab Bank plc.

Noting that most of the AB Lebanon assets are in foreign currencies and are almost equal to the total liabilities in foreign currencies. Therefore, using any other exchange rate will not have a material impact on the net assets of Arab Bank plc.

The results and financial position of an entity whose functional currency is the currency of a hyperinflationary economy shall be translated into a different presentation currency using the following procedures:

- (a) all amounts (i.e., assets, liabilities, equity items, income and expenses, including comparatives) shall be translated at the closing rate at the date of the most recent statement of financial position, except that
- (b) when amounts are translated into the currency of a non-hyperinflationary economy, comparative amounts shall be those that were presented as current year amounts in the relevant prior year financial statements (i.e., not adjusted for subsequent changes in the price level or subsequent changes in exchange rates).

Exchange differences arising on the translation of results and financial position of each of the Group's consolidated entities are included in Exchange differences on translation of foreign operations in other comprehensive income and taken to a separate component of equity which is the foreign currency translation reserve.

Fixed assets

Fixed assets are stated at historical cost, net of accumulated depreciation and any accumulated impairment in value. Such cost includes expenditures that are directly attributable to the acquisition of the asset. When parts of an item of fixed assets have different useful lives, they are accounted for as separate items of fixed assets.

Depreciation is charged so as to allocate the cost of assets using the straight-line method, using the useful lives of the respective assets

Land and assets under construction are not depreciated.

Assets under construction is carried at cost, less any accumulated impairment losses and is depreciated when the assets are ready for intended use using the same depreciation rate of the related category with fixed assets.

Fixed assets are derecognized when disposed of or when no future benefits are expected from their use or disposal.

The gain or loss arising on the disposal of an item (the difference between the net realizable value and the carrying amount of the asset) is recognized in the consolidated statement of income in the year that the assets were disposed.

Impairment of non-financial assets

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

These calculations are corroborated by valuation multiples, quoted share prices for publicly traded subsidiaries or other available fair value indicators.

Intangible Assets

Goodwill

Goodwill is recorded at cost, and represents the excess amount paid to acquire or purchase the investment in an associate or a subsidiary on the date of the transaction over the fair value of the net assets of the associate or subsidiary at the acquisition date. Goodwill resulting from the investment in a subsidiary is recorded as a separate item as part of intangible assets, while goodwill resulting from the investment in an associated company constitutes part of the investment in that company.

Goodwill is distributed over the cash generating units for the purpose of testing the impairment in its value.

The value of goodwill is tested for impairment on the date of the consolidated financial statements. Goodwill value is reduced when there is evidence that its value has declined or the recoverable value of the cash generating units is less than book value. The decline in the values is recoded in the consolidated statement of profit or loss as impairment loss.

Other Intangible Assets

Other intangible assets acquired through mergers are stated at fair value at the date of acquisition, while other intangible assets (not acquired through mergers) are recorded at cost.

Intangible assets are classified as indefinite or with definite useful life. Intangible assets with finite lives are amortized over the useful economic life, and amortization is recorded in the consolidated statement of profit or loss, using the straight-line method during a period not exceeding 5 years from the date of the purchase transaction. Meanwhile, intangible assets with indefinite useful lives are assessed for impairment at each reporting date, and impairment losses are recorded in the consolidated statement of profit or loss.

Internally generated intangible assets are not capitalized and are expensed in the consolidated statement of profit or loss.

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

Repurchase and Resale Agreements

Assets sold with a simultaneous commitment to repurchase them at a future date continue to be recognized in the consolidated financial statements as a result of the Group's continuous control over these assets and as the related risk and benefits are transferred to the Group upon occurrence. They also continue to be measured in accordance with the adopted accounting policies. Amounts received against these contracts are recorded within liabilities under borrowed funds. The difference between the sale price and the repurchase price is recognized as an interest expense amortized over the contract period using the effective interest rate method.

Purchased assets with corresponding commitment to sell at a specific future date are not recognized in the consolidated financial statements because the Group has no control over such assets and the related risks and benefits are not transferred to the Group upon occurrence. Payments related to these contracts are recoded under deposits with banks and other financial institutions or loans and advances in accordance with the nature of each case. The difference between the purchase price and resale price is recoded as interest revenue amortized over the life of the contract using the effective interest rate method.

Capital

Cost of issuing or purchasing the Group's shares are recorded in retained earnings net of any tax effect related to these costs. If the issuing or purchase process has not been completed, these costs are recorded as expenses in the consolidated statement of profit or loss.

Perpetual bonds

The aforementioned bonds are subordinated, unsecured and are classified as equity items in accordance with International Accounting Standard 32: Financial instruments - presentation. Interest payments related to these bonds may be canceled (wholly or partially) based on the Group's discretion. Interest is noncumulative. Whereas, any cancellation will not be considered as a late payment. Interest payments are treated as a reduction of equity and are shown among other changes in equity. These bonds do not have a maturity date and can be called (wholly or partially) at the nominal value based on the Group's discretion on the call date and on each interest payment date thereafter.

Issuance costs are deducted as expenses, and these bonds are shown at the value on the day of issuance with no amendments recognized until called (wholly or partially) where the value is reduced by the amounts paid

Investments in Associates

An associate is an entity over which the Group has significant influence. Significant influence is the power to participate in the financial and operating policy decisions of the investee, but is not control or joint control over those policies.

The considerations made in determining significant influence or joint control are similar to those necessary to determine control over subsidiaries.

Notes to the consolidated financial statements

The Group's investments in its associates are accounted for using the equity method.

Under the equity method, the investment in an associate initially recognised at cost, the carrying amount of the investment is adjusted to recognise changes in the Group's share of net assets of the associates since the acquisition date. Goodwill relating to the associates is included in the carrying amount of the investment and is neither amortised nor individually tested for impairment.

The consolidated statement of profit or loss reflects the Group's share of the results of operations of the associates. Any change in other comprehensive income of those investees is presented as part of the Group's other comprehensive income (OCI). In addition, when there has been a change recognised directly in the equity of the associates, the Group recognises its share of any changes, when applicable, in the statement of changes in equity. Unrealised gains and losses resulting from transactions between the Group and the associates are eliminated to the extent of the interest in the associates.

The aggregate of the Group's share of profit or loss of an associate is shown on the face of the consolidated statement of profit or loss within operating profit and represents profit or loss after tax and non-controlling interests in the subsidiaries of the associate.

Income Taxes

Income tax expenses represent current and deferred taxes for the year.

Income tax expense is measured on the basis of taxable income. Taxable income differs from income reported in the consolidated financial statements, as the latter includes non-taxable revenue, tax expenses not deductible in the current year but deductible in subsequent years, accumulated losses approved by tax authorities and items not accepted for tax purposes or subject to tax.

Taxes are calculated on the basis of the enacted tax rates according to the prevailing laws, regulations and instructions of countries where the Group operates.

Taxes expected to be incurred or recovered as a result of temporary timing differences between the value of the assets and liabilities in the consolidated financial statements and their respective tax bases. Deferred taxes are calculated on the basis of the liability method, and according to the rates expected to be enacted when it is anticipated that the liability will be settled or when tax assets are recognized.

Deferred tax assets are reviewed on the date of the consolidated financial statements, and reduced if it is expected that no benefit will arise from the deferred tax, partially or totally.

Fair value

The Group measures financial instruments at fair value at each financial statements date.

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date.

The fair value measurement is based on the presumption that the transaction to sell the asset or transfer the liability takes place either, in the principal market for the asset or liability, or in the absence of a principal market, in the most advantageous market for the asset or liability.

The fair value of an asset or a liability is measured using the assumptions that market participants would use when pricing the asset or liability, assuming that market participants act in their economic best interest.

A fair value measurement of a non-financial asset takes into account a market participant's ability to generate economic benefits by using the asset in its highest and best use or by selling it to another market participant that would use the asset in its highest and best use.

The Group uses valuation techniques that are appropriate in the circumstances and for which sufficient data are available to measure fair value, maximizing the use of relevant observable inputs and minimizing the use of unobservable inputs.

All assets and liabilities for which fair value is measured or disclosed in the financial statements are categorized within the fair value hierarchy, described as follows, based on the lowest level input that is significant to the fair value measurement as a whole:

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

For assets and liabilities that are recognized in the financial statements on a recurring basis, the Group determines whether transfers have occurred between Levels in the hierarchy by re-assessing categorization (based on the lowest level input that is significant to the fair value measurement as a whole) at the end of each reporting period.

For the purpose of fair value disclosures, the Group has determined classes of assets and liabilities on the basis of the nature, characteristics and risks of the asset or liability and the level of the fair value hierarchy as explained above.

Derivative Financial Instruments

The Group enters into a variety of derivative financial instruments some of which are held for trading while others are held to manage its exposure to interest rate risk; credit risk; and foreign exchange rate risk. Held derivatives include foreign exchange forward contracts, interest rate swaps, cross currency interest rate swaps, and credit default swaps.

Derivatives are initially recognized at fair value at the date a derivative contract is entered into and are subsequently re-measured to their fair value at each balance sheet date. The resulting gain/loss is recognized in the consolidated statement of profit or loss immediately unless the derivative is designated and effective as a hedging instrument, in which event the timing of the recognition in profit or loss depends on the nature of the hedge relationship. The Group designates certain derivatives as either hedges of the fair value of recognized assets, liabilities, or firm commitments (fair value hedges), hedges of highly probable forecast transactions, hedges of foreign currency risk of firm commitments (cash flow hedges), or hedges of net investments in foreign operations (net investment hedges).

A derivative with a positive fair value is recognized as a financial asset whereas a derivative with a negative fair value is recognized as a financial liability. A derivative is presented as a non-current asset or a non-current liability if the remaining maturity of the instrument is more than 12 months, and it is not expected to be realized or settled within 12 months. Other derivatives are presented as current assets or current liabilities.

Embedded derivatives

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

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

Financial Guarantee Contracts

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

Financial guarantee contracts issued by a group entity are initially measured at their fair values and, if not designated as at fair value through the consolidated statement of profit or loss and not arising from a transfer of a financial asset, are subsequently measured at the higher of:

- The amount of the loss allowance determined in accordance with IFRS 9; and
- The amount initially recognized less, where appropriate, the cumulative amount of income recognized in accordance with the Group's revenue recognition policies, whichever is more.

Financial guarantee contracts not designated at fair value through profit or loss are presented as provisions in the consolidated statement of financial position, and the re-measurement is presented in other revenue.

The Group has not designated any financial guarantee contracts as at fair value through profit or loss.

Commitments to Provide a Loan at a Below-Market Interest Rate

Commitments to provide a loan at a below-market interest rate are initially measured at their fair values and, if not designated as at fair value through the statement of profit or loss, are subsequently measured at the higher of:

- The amount of the loss allowance determined in accordance with IFRS 9; and
- The amount initially recognized less, where appropriate, the cumulative amount of income recognized in accordance with the Group's revenue recognition policies, which is higher.

Commitments to provide a loan below market rate not designated at fair value through profit or loss are presented as provisions in the consolidated statement of financial position and the re-measurement is presented in other revenue.

The Group has not designated any commitments to provide a loan below market rate designated at fair value through the statement of profit or loss.

Notes to the consolidated financial statements

Hedge Accounting

The Group designates certain derivatives as hedging instruments in respect of foreign currency risk and interest rate risk in fair value hedges, cash flow hedges, or hedges of net investments in foreign operations, as appropriate. Hedges of foreign exchange risk on firm commitments are accounted for as cash flow hedges. The Group does not apply fair value hedge accounting of portfolio hedges of interest rate risk. In addition, the Group does not use the exemption to continue using IAS 39 hedge accounting rules, i.e. the Group applies IFRS 9 hedge accounting rules in full.

At the inception of the hedge relationship, the Group documents the relationship between the hedging instrument and the hedged item, along with its risk management objectives and its strategy for undertaking various hedge transactions. Furthermore, at the inception of the hedge and on an ongoing basis, the Group documents whether the hedging instrument is effective in offsetting changes in fair values or cash flows of the hedged item attributable to the hedged risk, which is when the hedging relationships meet all of the following hedge effectiveness requirements:

- There is an economic relationship between the hedged item and the hedging instrument;
- The effect of credit risk does not dominate the value changes that result from that economic relationship; and
- The hedge ratio of the hedging relationship is the same as that resulting from the quantity of the hedged item that the Group actually hedges, and the quantity of the hedging instrument that the Group actually uses to hedge that quantity of the hedged item.

The Group rebalances a hedging relationship in order to comply with the hedge ratio requirements when necessary. In such cases discontinuation may apply to only part of the hedging relationship. For example, the hedge ratio might be adjusted in such a way that some of the volume of the hedged item is no longer part of a hedging relationship, hence hedge accounting is discontinued only for the volume of the hedged item that is no longer part of the hedging relationship. If a hedging relationship ceases to meet the hedge effectiveness requirement relating to the hedge ratio but the risk management objective for that designated hedging relationship remains the same, the Group adjusts the hedge ratio of the hedging relationship (i.e. rebalances the hedge) so that it meets the qualifying criteria again.

In some hedge relationships, the Group designates only the intrinsic value of options. In this case, the fair value change of the time value component of the option contract is deferred in OCI, over the term of the hedge, to the extent that it relates to the hedged item and is reclassified from equity to profit or loss when the hedged item does not result in the recognition of a non-financial item. The Group's risk management policy does not include hedges of items that result in the recognition of non-financial items, because the Group's risk exposures relate to financial items only. The hedged items designated by the Group are time-period related hedged items, which means that the amount of the original time value of the option that relates to the hedged item is amortized from equity to profit or loss on a rational basis (e.g. straight-line) over the term of the hedging relationship.

In some hedge relationships, the Group excludes from the designation the forward element of forward contracts or the currency basis spread of cross currency hedging instruments. In this case, a similar treatment is applied to the one applied for the time value of options. The treatment for the forward element of a forward contract and the currency basis element is optional, and the option is applied on a hedge- by- hedge basis, unlike the treatment for the time value of the options which is mandatory. For hedge relationships with forwards, or foreign currency derivatives such as cross currency interest rate swaps, where the forward element or the currency basis spread is excluded from the designation, the Group generally recognizes the excluded element in OCI. The fair values of the derivative instruments used for hedging purposes and movements in the hedging reserve are determined in equity.

Fair Value Hedges

The fair value change on qualifying hedging instruments is recognized in the consolidated statement of profit or loss except when the hedging instrument hedges an equity instrument designated at fair value through other comprehensive income in which case it is recognized in OCI. The Group has not designated fair value hedge relationships where the hedging instrument hedges an equity instrument designated at fair value through other comprehensive income.

The carrying amount of a hedged item not already measured at fair value is adjusted for the fair value change attributable to the hedged risk with a corresponding entry in profit or loss. For debt instruments measured at fair value through other comprehensive income, the carrying amount is not adjusted as it is already at fair value, but the part of the fair value gain or loss on the hedged item associated with the hedged risk is recognized in profit or loss instead of OCI. When the hedged item is an equity instrument designated at fair value through other comprehensive income, the hedging gain/loss remains in other comprehensive income to match that of the hedging instrument.

Where hedging gains/losses are recognized in the consolidated statement of profit or loss, they are recognized in the same line as the hedged item.

The Group discontinues hedge accounting only when the hedging relationship (or a part thereof) ceases to meet the qualifying criteria (after rebalancing, if applicable). This includes instances when the hedging instrument expires or is sold, terminated or exercised. The discontinuation is accounted for prospectively. The fair value adjustment to the carrying amount of hedged items for which the EIR method is used (i.e. debt instruments measured at amortized cost or at fair value through other comprehensive income) arising from the hedged risk is amortized to profit or loss commencing no later than the date when hedge accounting is discontinued.

Cash Flow Hedges

The effective portion of changes in the fair value of derivatives and other qualifying hedging instruments that are designated and qualify as cash flow hedges is recognized in the cash flow hedging reserve, a separate component of other comprehensive income, limited to the cumulative change in fair value of the hedged item from inception of the hedge less any amounts recycled to consolidated statement of profit or loss.

Amounts previously recognized in other comprehensive income and accumulated in equity are reclassified to profit or loss in the periods when the hedged item affects profit or loss, in the same line as the recognized hedged item. If the Group no longer expects the transaction to occur, that amount is immediately reclassified to consolidated statement of profit or loss.

The Group discontinues hedge accounting only when the hedging relationship (or a part thereof) ceases to meet the qualifying criteria (after rebalancing, if applicable). This includes instances when the hedging instrument expires or is sold, terminated or exercised, or where the occurrence of the designated hedged forecast transaction is no longer considered to be highly probable. The discontinuation is accounted for prospectively. Any gain/loss recognized in other comprehensive income and accumulated in equity at that time remains in equity and is recognized when the forecast transaction is ultimately recognized in profit or loss. When a forecast transaction is no longer expected to occur, the gain/loss accumulated in equity is reclassified and recognized immediately in consolidated statement of profit or loss.

Hedges of Net Investments in Foreign Operations

Hedges of net investments in foreign operations are accounted for similarly to cash flow hedges. Any gain/loss on the hedging instrument relating to the effective portion of the hedge is recognized in other comprehensive income and accumulated in the foreign currency translation reserve.

Gains and losses on the hedging instrument relating to the effective portion of the hedge accumulated in the foreign currency translation reserve are reclassified to the statement of profit or loss in the same way as exchange differences relating to the foreign operation as described above.

Foreclosed assets

Such assets are those that have been the subject of foreclosure by the Group, and are initially recognized among "other assets" at the foreclosure value or fair value whichever is less.

At the date of the consolidated financial statements, foreclosed assets are revalued individually (fair value less selling cost); any decline in fair value is recognized in the consolidated statement of profit and loss. Any subsequent increase in value is recognized only to the extent that it does not exceed the previously recognized impairment losses.

Provisions

Provisions are recognized when the Group has an obligation as of the date of the consolidated financial statements as a result of past events, the obligation is likely to be settled, and a reliable estimate can be made of the amount of the obligation.

Provision for employees' end-of-service indemnities is estimated in accordance with the prevailing rules and regulations in the countries in which the Group operates. The expense for the year is recognized in the consolidated statement of profit and loss. Indemnities paid to employees are reduced from the provision upon their resignation or end of service.

Earning per Share

The Group calculates basic and diluted EPS data for its ordinary shares. Basic EPS is calculated by dividing the yearly profit or loss that is attributable to ordinary shareholders of the Group by the weighted-average number of ordinary shares outstanding during the period. Diluted EPS is determined by adjusting the profit or loss that is attributable to ordinary shareholders and the weighted-average number of ordinary shares outstanding for the effects of all dilutive potential ordinary shares.

Segments Information

Segment business represents a group of assets and operations shared to produce products or risk attributable services different from which related to other segments.

Geographic sector linked to present the products or the services in a specific economic environment attributable for risk and other income different from which related to other sectors work in another economic environment.

Notes to the consolidated financial statements

Assets under Management

These represent the accounts managed by the Group on behalf of its customers, but do not represent part of the Group's assets. The fees and commissions on managing these accounts are taken to the consolidated statement of profit or loss. Moreover, a provision is taken for the decline in the value of capital-guaranteed portfolios managed on behalf of its customers.

Offsetting

Financial assets and financial liabilities are offset, and the net amount is presented in the consolidated statement of financial position only when there is a legal right to offset the recognized amounts, and the Group intends to either settle them on a net basis or to realize the assets and settle the liabilities simultaneously.

Cash and cash equivalents

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

5. Significant Accounting Judgements, Estimates and Assumptions

The preparation of the Group's consolidated financial statements requires management to make judgements, estimates and assumptions that affect the reported amounts of revenue, expenses, assets and liabilities, and the accompanying disclosures, and the disclosure of contingent liabilities. Uncertainty about these assumptions and estimates could result in outcomes that require a material adjustment to the carrying amount of assets or liabilities affected in future periods.

In the process of applying the Group's accounting policies, management has made various judgements. Those which management has assessed to have the most significant effect on the amounts recognized in the consolidated financial statements have been discussed in the individual notes of the related financial statement line items.

The key assumptions concerning the future and other key sources of estimation uncertainty at the reporting date, that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year, are also described in the individual notes of the related financial statement line items below. The Group based its assumptions and estimates on parameters available when the consolidated financial statements were prepared.

Existing circumstances and assumptions about future developments, however, may change due to market changes or circumstances arising that are beyond the control of the Group. Such changes are reflected in the assumptions when they occur.

Management believes that the assumptions adopted in the consolidated financial statements are reasonable. The details are as follows:

- Impairment loss for foreclosed assets is booked after a recent valuation of the acquired properties has been conducted by approved surveyors. The impairment loss is reviewed periodically.
- The fiscal year is charged with its portion of income tax expense in accordance with the regulations, laws, and accounting standards. Moreover, deferred tax assets and liabilities and the income tax provision are recorded.
- The Management periodically reassesses the economic useful life of tangible and Intangible assets for the purpose of calculating annual depreciation and amortization based on the general condition of these assets and assessing their expected useful life in the future. The impairment loss is recorded in the consolidated statement of profit or loss.
- A provision is set for lawsuits raised against the Group. This provision is based to an adequate legal study prepared by the Group's legal advisor. Moreover, the study highlights potential risks that the Group may encounter in the future. Such legal assessments are reviewed periodically.

Evaluation of business model

The classification and measurement of financial assets depends on the results of the principal and interest payments test results and business model testing. The Group defines a business model at a level that reflects how groups of financial assets are managed together to achieve a particular business objective. This assessment includes judgment that reflects all relevant evidence including how the asset's performance is evaluated and measured, the risks that affect the performance of the assets and how they are managed and how asset managers are compensated. The Group monitors financial assets measured at amortized cost or fair value through other comprehensive income that are derecognized prior to maturity to understand why they have been derecognized and whether the reasons are consistent with the objective of the business being retained. Monitoring is part of the Group's ongoing assessment of whether the business model under which the remaining financial assets are held is appropriate and, if not, whether there has been a change in the business model and therefore a future change to the classification of those assets is introduced.

Fair value hierarchy:

The level in the fair value hierarchy is determined and disclosed into which the fair value measurements are categorized in their entirety, segregating fair value measurements in accordance with the levels defined in IFRS. The difference between Level 2 and Level 3 fair value measurements represents whether inputs are observable and whether the unobservable inputs are significant, which may require judgment and a careful analysis of the inputs used to measure fair value, including consideration of factors specific to the asset or liability.

Basis of consolidating Group's entities:

According to the criteria established by the International Financial Reporting Standards, the Group assesses the requirements of the standards on an annual basis to ensure that the consolidation of its subsidiaries is still appropriate and inline with these requirements.

The consolidation of Arab Bank Switzerland (limited) which is an integral part of Arab Bank Group was assessed in accordance with the requirements of IFRS. Taking into consideration the de facto structure and the exposure to the variable returns that the Group has, which reflects the full ownership and benefits to the shareholders, Arab Bank Switzerland (Limited) financials statements were consolidated in the Group's consolidated financial statements.

Provisions for impairment - ECL

In determining impairment of financial assets, judgement is required in the estimation of the amount and timing of future cash flows as well as an assessment of whether the credit risk on the financial asset has increased significantly since initial recognition and incorporation of forward-looking information in the measurement of ECL.

Inputs, assumptions and techniques used for ECL calculation – IFRS 9 Methodology

Key concepts in IFRS 9 that have the most significant impact and require a high level of judgment, as considered by the Group while determining the impact assessment, are:

In accordance with IFRS 9, a significant increase in credit risk can be assessed at the group / portfolio level if the common risk characteristics are shared. Any instruments that are collectively assessed must have common credit risk characteristics. The Group has followed the following criteria for determining the ECL calculation on a collective versus individual basis as follows:

- Retail Portfolio: on Collective Basis based on the product level (Loans, Housing Loans, Car Loans, and Credit Cards).
- Corporate Portfolio: individual basis at customer/ facility level.
- Financial Institutions: Individual Basis at Bank/ facility level.
- Debt instruments measured at amortized cost: Individual level at Instrument level.

Assessment of Significant Increase in Credit Risk (SICR)

To assess whether the credit risk on a financial asset has increased significantly since origination, the Group compares the risk of default occurring over the expected life of the financial asset at the reporting date to the corresponding risk of default at origination, using key risk indicators that are used in the Group's existing risk management processes.

Our assessment of significant increases in credit risk will be performed periodically for each individual exposure based on three factors.

If any of the following factors indicates that a significant increase in credit risk has occurred, the instrument will be moved from Stage 1 to Stage 2:

1. We have established thresholds for significant increases in credit risk based on movement in the customer's internal credit grade and the related PDs relative to initial recognition.
2. Restructuring and/or Rescheduling on the customers' accounts/ facilities during the assessment period is considered as indicator for SICR.

Movements between Stage 2 and Stage 3 are based on whether financial assets are credit-impaired as at the reporting date. The determination of credit-impairment under IFRS 9, is mentioned in the "Definition of default" below.

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

The measurement of expected credit losses for each stage and the assessment of significant increases in credit risk must consider information about past events and current conditions as well as reasonable and supportable forecasts of future events and economic conditions. The estimation and application of forward-looking information will require significant judgment in cooperation with international expert in this area.

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

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Each macroeconomic scenario used in our expected credit loss calculation will have forecasts of the relevant macroeconomic variables.

The estimation of expected credit losses in Stage 1 and Stage 2 will be a discounted probability-weighted estimate that considers a minimum of three future macroeconomic scenarios.

The base case scenario will be based on macroeconomic forecasts (e.g.: GDP, inflation, interest rate). Upside and downside scenarios will be set relative to our base case scenario based on reasonably possible alternative macroeconomic conditions.

Scenarios will be probability-weighted according to the best estimate of their relative likelihood based on historical frequency and current trends and conditions. Probability weights will be updated on a quarterly basis. All scenarios considered will be applied to all portfolios subject to expected credit losses with the same probabilities.

Definition of default

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

Notwithstanding the above, the classification of credit facilities is governed by the Central Bank of Jordan regulations unless local regulations in other countries are stricter, or the Group has to adopt the same by law.

The Group has set out the definition of default where a default is considered to have occurred when either or both of the two following events have taken place:

- The obligor is considered unlikely to pay its credit obligations in full
- The obligor is past due for 90 days or more on any material credit obligation.

Expected Life

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

Compliance of the IFRS 9 implementation

To ensure proper compliance of the IFRS9 implementation, a steering committee was formed consisting of the Chief Risk Officer, Chief Financial Officer, Chief Credit Officer, Head of IT and Head of Project Management with the responsibilities to provide decisions/ feedback on the work plan regarding implementation and adoption of IFRS 9 to ensure all relevant policies and procedures are updated in line with the new requirements and systems are modified / updated for the new requirements, in addition to present the ECL results to the CEO and related Committees of the Board of Directors.

Notes to the consolidated financial statements

6. Expected Credit Loss

The below table shows the Expected Credit Loss charges on financial instruments for the year recorded in the consolidated statement of income:

	Notes	2025			
		Stage 1	Stage 2	Stage 3	Total
		USD '000	USD '000	USD '000	USD '000
Balances with central banks	7	72 292	33 103	-	105 395
Balances with banks and financial institutions	8	(462)	-	-	(462)
Deposits with banks and financial institutions	9	113	-	-	113
Financial Assets at Fair Value through Other Comprehensive Income	11	337	-	-	337
Direct credit facilities at amortized cost	12	91 352	40 679	173 370	305 401
Other Financial Assets at Amortized Cost	13	(1 849)	(114)	-	(1 963)
Indirect Credit facilities	24	(1 278)	6 836	8 774	14 332
Total		160 505	80 504	182 144	423 153

	Notes	2024			
		Stage 1	Stage 2	Stage 3	Total
		USD '000	USD '000	USD '000	USD '000
Balances with central banks	7	1 316	68 600	-	69 916
Balances with banks and financial institutions	8	18	-	-	18
Deposits with banks and financial institutions	9	(42)	-	-	(42)
Financial Assets at Fair Value through Other Comprehensive Income	11	(108)	-	-	(108)
Direct credit facilities at amortized cost	12	124 773	221 090	89 292	435 155
Other Financial Assets at Amortized Cost	13	(9 064)	260	-	(8 804)
Indirect Credit facilities	24	(9 121)	1 906	1 810	(5 405)
Total		107 772	291 856	91 102	490 730

7. Cash and Balances with Central Banks

The details of this item are as follows:

	31 December 2025	31 December 2024
	USD '000	USD '000
Cash in vaults	1 599 476	1 116 169
Balances with central banks:		
- Current accounts	4 478 203	3 714 242
- Time and notice deposits	6 200 329	7 107 634
- Mandatory cash reserve	1 647 814	1 514 008
- Certificates of deposit	48 081	103 071
Total Balances with Central Banks	12 374 427	12 438 955
Total Cash and Balances with Central Banks	13 973 903	13 555 124
Less: Net ECL Charges	(573 700)	(468 399)
Net Cash and Balances with Central Banks	13 400 203	13 086 725

- Except for the mandatory cash reserve, there are no restricted balances at Central Banks.

- There were no balances and certificates of deposit maturing after three months as of 31 December 2025 and 31 December 2024.

The classification of gross balances with Central Banks according to the Group's internal credit rating is as follows:

	31 December 2025				31 December 2024
	Stage 1	Stage 2	Stage 3	Total	Total
	USD '000	USD '000	USD '000	USD '000	USD '000
Low risk / performing (1-2)	11 514 107	-	-	11 514 107	11 570 399
Acceptable risk / performing (3-7)	-	860 320	-	860 320	868 556
Total	11 514 107	860 320	-	12 374 427	12 438 955

- Probability of default at low risk 0.0% – 0.22%

- Probability of default at acceptable risk 0.22% – 50%

Notes to the consolidated financial statements

The movement on total balances with central banks is as follows:

	31 December 2025				31 December 2024
	Stage 1	Stage 2	Stage 3	Total	Total
	USD '000	USD '000	USD '000	USD '000	USD '000
Balance at the beginning of the year	11 570 399	868 556	-	12 438 955	12 790 213
New balances	808 430	31 124	-	839 554	471 346
Repaid balances	(1 033 858)	-	-	(1 033 858)	(690 708)
Translation Adjustments	169 136	(39 360)	-	129 776	(131 896)
Balance at the end of the year	11 514 107	860 320	-	12 374 427	12 438 955

The movement of Expected Credit Loss charges on balances with central banks is as follows:

	31 December 2025				31 December 2024
	Stage 1	Stage 2	Stage 3	Total	Total
	USD '000	USD '000	USD '000	USD '000	USD '000
Balance at the beginning of the year	3 137	465 262	-	468 399	350 436
New ECL charges during the year	74 096	33 103	-	107 199	80 716
Recoveries	(1 804)	-	-	(1 804)	(10 800)
Adjustments during the year	-	-	-	-	47 760
Translation Adjustments	(94)	-	-	(94)	287
Balance at the end of the year	75 335	498 365	-	573 700	468 399

8. Balances with Banks and Financial Institutions

The details of this item are as follows:

Local banks and financial institutions

	31 December 2025	31 December 2024
	USD '000	USD '000
Current accounts	4 715	2 590
Time deposits maturing within 3 months	408 758	282 148
Total	413 473	284 738

Foreign Banks and financial institutions

	31 December 2025	31 December 2024
	USD '000	USD '000
Current accounts	2 260 429	1 387 677
Time deposits maturing within 3 months	2 202 059	2 068 378
Certificates of deposit maturing within 3 months	-	10 401
Total	4 462 488	3 466 456
Total Balances with Banks and Financial Institutions	4 875 961	3 751 194
Less: Net ECL Charges	(2 578)	(2 806)
Net balances with Banks and Financial Institutions Local and Abroad	4 873 383	3 748 388

There are no non interest bearing balances as of 31 December 2025 and 2024.

There are no restricted balances as of 31 December 2025 and 2024.

The classification of gross balances with banks and financial institutions according to the Group's internal credit rating is as follows:

	31 December 2025				31 December 2024
	Stage 1	Stage 2	Stage 3	Total	Total
	USD '000	USD '000	USD '000	USD '000	USD '000
Low risk / performing (1-2)	4 622 393	-	-	4 622 393	3 602 977
Acceptable risk / performing (3-7)	253 568	-	-	253 568	148 217
Total	4 875 961	-	-	4 875 961	3 751 194

- Probability of default at low risk 0.0% – 0.22%
- Probability of default at acceptable risk 0.22% – 5.8%

8. Balances with Banks and Financial Institutions

The movement on gross balances with banks and financial institutions is as follows:

	31 December 2025				31 December 2024
	Stage 1	Stage 2	Stage 3	Total	Total
	USD '000	USD '000	USD '000	USD '000	USD '000
Balance at the beginning of the year	3 751 194	-	-	3 751 194	4 207 423
New balances	1 564 884	-	-	1 564 884	165 779
Repaid balances	(676 157)	-	-	(676 157)	(509 379)
Translation Adjustments	236 040	-	-	236 040	(112 629)
Balance at the end of the year	4 875 961	-	-	4 875 961	3 751 194

The movement of Expected Credit Loss charges on balances with banks and financial institutions is as follows:

	31 December 2025				31 December 2024
	Stage 1	Stage 2	Stage 3	Total	Total
	USD '000	USD '000	USD '000	USD '000	USD '000
Balance at the beginning of the year	2 806	-	-	2 806	2 943
New ECL charges during the year	870	-	-	870	894
Recoveries	(1 332)	-	-	(1 332)	(876)
Adjustments during the year	(27)	-	-	(27)	(21)
Translation Adjustments	261	-	-	261	(134)
Balance at the end of the year	2 578	-	-	2 578	2 806

9. Deposits with Banks and Financial Institutions

The details of this item are as follows:

Local banks and financial institutions

	31 December 2025	31 December 2024
	USD '000	USD '000
Time deposits maturing after 3 months and before 6 months	2 000	36 163
Time deposits maturing after 9 months and before one year	-	45 811
Total	2 000	81 974

Foreign Banks and financial institutions

	31 December 2025	31 December 2024
	USD '000	USD '000
Time deposits maturing after 3 months and before 6 months	74 528	117 905
Time deposits maturing after 6 months and before 9 months	45 639	22 251
Time deposits maturing after 9 months and before one year	16 498	37 503
Total	136 665	177 659
Total Deposits with Banks and Financial Institutions	138 665	259 633
Less: Net ECL Charges	(1 005)	(801)
Net Deposits with banks and financial institutions Local and Abroad	137 660	258 832

There are no restricted deposits as of 31 December 2025 and 2024.

The classification of gross deposits with banks and financial institutions according to the Group's internal credit rating is as follows:

	31 December 2025				31 December 2024
	Stage 1	Stage 2	Stage 3	Total	Total
	USD '000	USD '000	USD '000	USD '000	USD '000
Low risk / performing (1-2)	114 548	-	-	114 548	249 522
Acceptable risk / performing (3-7)	24 117	-	-	24 117	10 111
Total	138 665	-	-	138 665	259 633

- Probability of default at low risk 0.0% – 0.22%
- Probability of default at acceptable risk 0.22% – 5.8%

Notes to the consolidated financial statements

The movement on gross deposits with banks and financial institutions is as follows:

	31 December 2025				31 December 2024
	Stage 1	Stage 2	Stage 3	Total	Total
	USD '000	USD '000	USD '000	USD '000	USD '000
Balance at the beginning of the year	259 633	-	-	259 633	274 698
New balances	3 980	-	-	3 980	68 473
Repaid balances	(148 121)	-	-	(148 121)	(73 690)
Translation Adjustments	23 173	-	-	23 173	(9 848)
Balance at the end of the year	138 665	-	-	138 665	259 633

The movement of Expected Credit Loss charges on deposits with banks and financial institutions is as follows:

	31 December 2025				31 December 2024
	Stage 1	Stage 2	Stage 3	Total	Total
	USD '000	USD '000	USD '000	USD '000	USD '000
Balance at the beginning of the year	801	-	-	801	891
New ECL charges during the year	131	-	-	131	32
Recoveries (excluding write offs)	(18)	-	-	(18)	(74)
Adjustments during the year	(16)	-	-	(16)	-
Translation Adjustments	107	-	-	107	(48)
Balance at the end of the year	1 005	-	-	1 005	801

10. Financial Assets at Fair Value through Profit or Loss

The details of this item are as follows:

	31 December 2025	31 December 2024
	USD '000	USD '000
Treasury bills and Government bonds	29 820	33 551
Corporate bonds	3 941	8 125
Corporate shares	6 280	7 198
Mutual funds	45 311	25 348
Total	85 352	74 222

	31 December 2025		Total
	Financial Assets designated as Fair Value	Financial Assets that must be measured at Fair Value	
	USD '000	USD '000	USD '000
Treasury bills and Government bonds	29 820	-	29 820
Corporate bonds	3 941	-	3 941
Corporate shares	-	6 280	6 280
Mutual funds	-	45 311	45 311
Total	33 761	51 591	85 352

	31 December 2024		Total
	Financial Assets designated as Fair Value	Financial Assets that must be measured at Fair Value	
	USD '000	USD '000	USD '000
Treasury bills and Government bonds	33 551	-	33 551
Corporate bonds	8 125	-	8 125
Corporate shares	-	7 198	7 198
Mutual funds	-	25 348	25 348
Total	41 676	32 546	74 222

11. Financial Assets at Fair Value through Other Comprehensive Income

The details of this item are as follows:

	31 December 2025	31 December 2024
	USD '000	USD '000
Quoted shares	208 784	165 724
Un-quoted shares	269 772	222 747
Governmental bonds and bonds guaranteed by the government	725 873	507 350
Corporate bonds	299 801	186 706
Total Financial Assets at Fair Value through Other Comprehensive Income	1 504 230	1 082 527
Less: Net ECL Charges	(771)	(435)
Net Financial Assets at Fair Value through Other Comprehensive Income	1 503 459	1 082 092

* Cash dividends from investments above amounted to USD 9.6 million for the year ended 31 December 2025 (USD 7.9 million for the year ended 31 December 2024).

The classification of Financial Assets at Fair Value through Other Comprehensive Income - Bonds according to the Group's internal credit rating is as follows:

	31 December 2025				31 December 2024
	Stage 1	Stage 2	Stage 3	Total	Total
	USD '000	USD '000	USD '000	USD '000	USD '000
Low risk / performing (1-2)	725 873	-	-	725 873	507 350
Acceptable risk / performing (3-7)	299 801	-	-	299 801	186 706
Total	1 025 674	-	-	1 025 674	694 056

- Probability of default at low risk 0.0% - 10%
 -Probability of default at acceptable risk 10% - 100%
 -Probability of default at high risk 100%

The movement of total financial assets at OCI - Bonds is as follows:

	31 December 2025				31 December 2024
	Stage 1	Stage 2	Stage 3	Total	Total
	USD '000	USD '000	USD '000	USD '000	USD '000
Balance at the beginning of the year	694 056	-	-	694 056	410 483
New investments	625 392	-	-	625 392	348 660
Matured investments	(315 102)	-	-	(315 102)	(58 831)
Change in fair value	7 714	-	-	7 714	421
Translation Adjustments	13 614	-	-	13 614	(6 677)
Balance at the end of the year	1 025 674	-	-	1 025 674	694 056

The movement of ECL charges on Financial Assets at OCI - Bonds is as follows:

	31 December 2025				31 December 2024
	Stage 1	Stage 2	Stage 3	Total	Total
	USD '000	USD '000	USD '000	USD '000	USD '000
Balance at the beginning of the year	435	-	-	435	544
New ECL charges during the year	337	-	-	337	61
Recoveries	-	-	-	-	(169)
Translation Adjustments	(1)	-	-	(1)	(1)
Balance at the end of the year	771	-	-	771	435

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	31 December 2025		
	Financial Assets designated as Fair value	Financial Assets that must be measured at Fair Value	Total
	USD '000	USD '000	USD '000
Quoted shares	-	208 784	208 784
Un-quoted shares	-	269 772	269 772
Governmental bonds and bonds guaranteed by the government through OCI	725 873	-	725 873
Corporate bonds through OCI	299 801	-	299 801
Less: Net ECL Charges	(771)	-	(771)
Total	1 024 903	478 556	1 503 459

	31 December 2024		
	Financial Assets designated as Fair value	Financial Assets that must be measured at Fair Value	Total
	USD '000	USD '000	USD '000
Quoted shares	-	165 724	165 724
Un-quoted shares	-	222 747	222 747
Governmental bonds and bonds guaranteed by the government through OCI	507 350	-	507 350
Corporate bonds through OCI	186 706	-	186 706
Less: Net ECL Charges	(435)	-	(435)
Total	693 621	388 471	1 082 092

12. Direct Credit Facilities at Amortized Cost

The details of this item are as follows:

	31 December 2025					
	Corporates			Banks and Financial Institutions	Government and Public Sector	Total
	Consumer Banking	Small and Medium	Large			
	USD '000	USD '000	USD '000	USD '000	USD '000	USD '000
Discounted bills *	32 803	95 100	732 183	368 374	16 993	1 245 453
Overdrafts *	188 389	1 265 033	3 102 563	3 406	521 121	5 080 512
Loans and advances *	6 166 162	2 663 569	15 636 938	97 014	3 276 862	27 840 545
Real-estate loans	5 518 453	609 994	549 035	-	-	6 677 482
Credit cards	362 409	-	-	-	-	362 409
Total	12 268 216	4 633 696	20 020 719	468 794	3 814 976	41 206 401
Less: Interest and commission in suspense	87 382	80 531	456 298	51	-	624 262
Provision for impairment - ECL	400 136	552 840	2 040 160	3 613	106 116	3 102 865
Total	487 518	633 371	2 496 458	3 664	106 116	3 727 127
Net Direct Credit Facilities at Amortized Cost	11 780 698	4 000 325	17 524 261	465 130	3 708 860	37 479 274

* Net of interest and commission received in advance, which amounted to USD 276 million as of 31 December 2025.

- Rescheduled loans during the year ended 31 December 2025 amounted to USD 348.1 million.
- Restructured loans during the year ended 31 December 2025 amounted to USD 14.5 million noting that these loans are still non-performing and under the test period.
- Restructured loans (transferred from non performing to watch list loans) during the year ended 31 December 2025 amounted to USD 3.2 million.
- Direct credit facilities granted to and guaranteed by the government of Jordan as of 31 December 2025 amounted to USD 400.7 million, or 0.97% of total direct credit facilities.
- Non-performing direct credit facilities as of 31 December 2025 amounted to USD 2488.9 million, or 6.04% of total direct credit facilities.
- Non-performing direct credit facilities net of interest and commission in suspense as of 31 December 2025 amounted to USD 1931.9 million or 4.75% of direct credit facilities, after deducting interest and commission in suspense.

	31 December 2024					
	Corporates			Banks and Financial Institutions	Government and Public Sector	Total
	Consumer Banking	Small and Medium	Large			
	USD '000	USD '000	USD '000	USD '000	USD '000	USD '000
Discounted bills *	32 541	74 669	605 276	392 584	32 136	1 137 206
Overdrafts *	161 030	1 401 622	2 978 965	4 763	285 493	4 831 873
Loans and advances *	5 596 435	2 421 837	15 078 912	67 409	3 223 844	26 388 437
Real-estate loans	4 765 331	509 462	325 468	-	-	5 600 261
Credit cards	333 984	-	-	-	-	333 984
Total	10 889 321	4 407 590	18 988 621	464 756	3 541 473	38 291 761

Less: Interest and commission in suspense	133 469	147 192	543 870	262	-	824 793
Provision for impairment - ECL	372 504	511 208	2 177 860	3 466	18 595	3 083 633
Total	505 973	658 400	2 721 730	3 728	18 595	3 908 426

Net Direct Credit Facilities at Amortized Cost	10 383 348	3 749 190	16 266 891	461 028	3 522 878	34 383 335
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* Net of interest and commission received in advance, which amounted to USD 218.4 million as of 31 December 2024.

- Rescheduled loans during the year ended 31 December 2024 amounted to USD 960 million.
- Restructured loans (transferred from non performing to watch list loans) during the year ended 31 December 2024 amounted to USD 3.8 million.
- Direct credit facilities granted to and guaranteed by the government of Jordan as of 31 December 2024 amounted to USD 260.9 million, or 0.68% of total direct credit facilities.
- Non-performing direct credit facilities as of 31 December 2024 amounted to USD 2787.3 million, or 7.3% of total direct credit facilities.
- Non-performing direct credit facilities net of interest and commission in suspense as of 31 December 2024 amounted to USD 2006 million or 5.4% of direct credit facilities, after deducting interest and commission in suspense.

The details of movement on the provision for impairment – Expected Credit loss as of 31 December 2025 are as follows:

	31 December 2025					
	Corporates			Banks and Financial Institutions	Government and Public Sector	Total
	Consumer Banking	Small and Medium	Large			
	USD '000	USD '000	USD '000	USD '000	USD '000	USD '000
Balance at the beginning of the year	372 504	511 208	2 177 860	3 466	18 595	3 083 633
ECL charges during the year	81 586	95 825	208 014	718	49 154	435 297
Recoveries	(24 640)	(16 811)	(104 601)	(721)	(7 217)	(153 990)
Transferred to Stage 1	47	(177)	8 502	-	(44 252)	(35 880)
Transferred to Stage 2	(6 586)	(17 297)	(99 704)	-	44 252	(79 335)
Transferred to Stage 3	6 539	17 474	91 202	-	-	115 215
Impact on ECL caused by transfers between stages during the year	11 414	7 358	5 322	-	-	24 094
Used from provision (written off or transferred to items off statement of financial position)	(61 431)	(72 122)	(219 787)	-	-	(353 340)
Adjustments during the year	9 493	7 167	(47 552)	5	45 120	14 233
Translation Adjustments	11 210	20 215	20 904	145	464	52 938
Balance at the End of the Year	400 136	552 840	2 040 160	3 613	106 116	3 102 865

Notes to the consolidated financial statements

The following tables outline the impact of multiple scenarios on the Expected Credit Loss (Consumer banking):

	31 December 2024					
	Corporates			Banks and Financial Institutions	Government and Public Sector	Total
	Consumer Banking	Small and Medium	Large			
	USD '000	USD '000	USD '000	USD '000	USD '000	USD '000
Balance at the beginning of the year	274 161	416 169	2 288 380	3 399	23 046	3 005 155
ECL charges during the year	135 561	134 809	382 853	1 038	10 050	664 311
Recoveries	(46 372)	(24 022)	(188 137)	(927)	(14 830)	(274 288)
Transferred to Stage 1	(22 108)	(3 052)	(3 886)	-	1	(29 045)
Transferred to Stage 2	19 488	(12 555)	(77 916)	-	(1)	(70 984)
Transferred to Stage 3	2 620	15 607	81 802	-	-	100 029
Impact on ECL caused by transfers between stages during the year	12 252	8 385	24 495	-	-	45 132
Used from provision (written off or transferred to items off statement of financial position)	(4 927)	(11 859)	(284 145)	-	-	(300 931)
Adjustments during the year	7 776	(1 406)	(277)	(5)	553	6 641
Translation Adjustments	(5 947)	(10 868)	(45 309)	(39)	(224)	(62 387)
Balance at the End of the Year	372 504	511 208	2 177 860	3 466	18 595	3 083 633

- There are no provisions no longer required as a result of settlement or repayment, transferred to non-performing direct credit facilities as of 31 December 2025 and 2024.
- Expected credit loss is assessed based on individual customer accounts for the three stages for corporate customers, and on collective basis for consumer banking customers for stages 1 and 2, and on individual basis for stage 3.
- Non-performing direct credit facilities transferred to off consolidated statement of financial position amounted to USD 588.7 million as of 31 December 2025 (USD 494.4 million as of 31 December 2024) noting that these non-performing direct credit facilities are fully covered by set provisions and suspended interest.

The following tables outline the impact of multiple scenarios on the Expected Credit Loss (Without Consumer banking):

	31 December 2025						
	Corporates				Banks and Financial Institutions	Government and Public Sector	Items off Statement of Financial Position
	Due from Banks	Financial Assets Bonds	Large	Small and Medium			
	USD '000	USD '000	USD '000	USD '000	USD '000	USD '000	USD '000
Upside (20%)	544 180	35 106	1 875 655	519 271	3 472	83 938	116 725
Baseline (45%)	560 027	40 939	1 951 187	534 528	3 532	92 654	119 649
Downside (35%)	618 386	66 421	2 248 557	595 567	3 799	136 097	130 211
							3 178 347
							3 302 516
							3 799 038

	31 December 2024						
	Corporates				Banks and Financial Institutions	Government and Public Sector	Items off Statement of Financial Position
	Due from Banks	Financial Assets Bonds	Large	Small and Medium			
	USD '000	USD '000	USD '000	USD '000	USD '000	USD '000	USD '000
Upside (20%)	444 940	35 807	2 006 051	480 167	3 331	11 834	103 342
Baseline (45%)	457 897	41 756	2 084 937	494 275	3 388	14 491	105 931
Downside (35%)	505 613	67 747	2 395 509	550 717	3 644	27 735	115 282
							3 085 472
							3 202 675
							3 666 247

	31 December 2025	31 December 2024
	USD '000	USD '000
Upside (30%)	373 591	347 792
Baseline (40%)	389 222	362 344
Downside (30%)	441 232	410 762

The above table shows both the contribution to the total ECL for each probability-weighted scenario, in addition to the total additional impact on the ECL for applying multiple economic scenarios compared to the ECL that would have resulted from applying a 100% weighting to the base case scenario.

The of movement on interest and commissions in suspense are as follows:

	31 December 2025						The total includes interest and commission in suspense movement on real-estates loans
	Corporates						
	Consumer Banking	Small and Medium	Large	Banks and Financial Institutions	Government and Public Sector	Total	
	USD '000	USD '000	USD '000	USD '000	USD '000	USD '000	
Balance at the beginning of the year	133 469	147 192	543 870	262	-	824 793	38 154
Interest and commission suspended during the year	28 592	29 096	121 978	-	-	179 666	6 099
Interest and commission in suspense settled (written off or transferred to off consolidated statement of financial position)	(68 890)	(90 644)	(219 095)	-	-	(378 629)	(3 811)
Recoveries	(8 996)	(3 225)	(14 709)	-	-	(26 930)	(5 258)
Translation adjustments	3 207	(1 888)	24 254	(211)	-	25 362	(5 879)
Balance at the End of the Year	87 382	80 531	456 298	51	-	624 262	29 305

	31 December 2024						The total includes interest and commission in suspense movement on real-estates loans
	Corporates					Total	
	Consumer Banking	Small and Medium	Large	Banks and Financial Institutions	Government and Public Sector		
	USD '000	USD '000	USD '000	USD '000	USD '000		
Balance at the beginning of the year	120 716	149 872	645 656	50	-	916 294	33 959
Interest and commission suspended during the year	30 191	25 982	121 980	212	-	178 365	9 301
Interest and commission in suspense settled (written off or transferred to off consolidated statement of financial position)	(8 442)	(23 267)	(206 719)	-	-	(238 428)	(1 341)
Recoveries	(8 212)	(4 596)	(7 062)	-	-	(19 870)	(3 681)
Translation adjustments	(784)	(799)	(9 985)	-	-	(11 568)	(84)
Balance at the End of the Year	133 469	147 192	543 870	262	-	824 793	38 154

Notes to the consolidated financial statements

Classification of direct credit facilities at amortized cost based on the geographical and economic sectors as follows:

					Expected Credit Loss
	Inside Jordan	Outside Jordan	31 December 2025	31 December 2024	31 December 2025
Economic Sector	USD '000	USD '000	USD '000	USD '000	USD '000
Consumer Banking	4 114 112	7 666 586	11 780 698	10 383 348	400 136
Industry and mining	1 507 186	4 141 082	5 648 268	5 044 430	547 908
Constructions	449 033	1 537 184	1 986 217	1 818 040	404 977
Real Estates	174 863	1 338 760	1 513 623	1 258 014	55 548
Trade	1 450 880	3 119 112	4 569 992	4 593 442	816 155
Agriculture	220 199	185 728	405 927	388 133	85 748
Tourism and Hotels	228 414	741 869	970 283	905 668	89 602
Transportations	74 587	360 804	435 391	575 996	51 405
Shares	945	17 452	18 397	32 941	45
General Services	882 996	5 093 492	5 976 488	5 399 417	541 612
Banks and Financial Institutions	46 034	419 096	465 130	461 028	3 613
Government and Public Sector	300 042	3 408 818	3 708 860	3 522 878	106 116
Net Direct Credit Facilities at amortized Cost	9 449 291	28 029 983	37 479 274	34 383 335	3 102 865

Direct Credit Facilities at Amortized Cost

The following is the distribution of credit exposures for direct credit facilities at amortized cost according to the Group's Internal Rating:

Credit Rating Categories:	31 December 2025							31 December 2024
	Stage 1		Stage 2		Stage 3	Total		Total
	Individual USD '000	Collective USD '000	Individual USD '000	Collective USD '000	Individual USD '000	Individual USD '000	Collective USD '000	USD '000
Low risk / performing	5 061 768	2 015 428	-	-	-	5 061 768	2 015 428	6 539 000
Acceptable risk / performing	17 748 571	9 262 500	4 046 902	582 296	-	21 795 473	9 844 796	28 965 417
Non-performing:								
- Substandard	-	-	-	-	186 807	186 807	-	211 665
- Doubtful	-	-	-	-	322 794	322 794	-	334 357
- Problematic	-	-	-	-	1 979 335	1 979 335	-	2 241 322
Total	22 810 339	11 277 928	4 046 902	582 296	2 488 936	29 346 177	11 860 224	38 291 761

The movement on total direct credit facilities at amortized cost – Total:

	31 December 2025							31 December 2024
	Stage 1		Stage 2		Stage 3	Total		Total
	Individual USD '000	Collective USD '000	Individual USD '000	Collective USD '000	Individual USD '000	Individual USD '000	Collective USD '000	USD '000
Balance at the beginning of the year	21 124 347	9 857 574	3 938 726	583 770	2 787 344	27 850 417	10 441 344	37 079 697
Additions to facilities	8 970 701	2 809 623	648 304	139 069	179 154	9 798 159	2 948 692	9 732 452
Repaid balances	(7 054 979)	(1 446 728)	(956 182)	(155 613)	(205 450)	(8 216 611)	(1 602 341)	(7 607 036)
Transfers to stage 1	395 453	70 328	(395 298)	(67 160)	(3 323)	(3 168)	3 168	-
Transfers to stage 2	(1 036 814)	(111 571)	1 061 256	140 242	(53 113)	(28 671)	28 671	-
Transfers to stage 3	(10 573)	(46 189)	(313 563)	(56 222)	426 547	102 411	(102 411)	-
Written off balances or transferred to off consolidated statement of financial position	-	-	-	-	(731 969)	(731 969)	-	(539 359)
Translation adjustments	422 204	144 891	63 659	(1 790)	89 746	575 609	143 101	(373 993)
Total	22 810 339	11 277 928	4 046 902	582 296	2 488 936	29 346 177	11 860 224	38 291 761

The movement of Expected Credit Loss on direct credit facilities at amortized cost by stage is as follows:

	31 December 2025							31 December 2024
	Stage 1		Stage 2		Stage 3	Total		Total
	Individual USD '000	Collective USD '000	Individual USD '000	Collective USD '000	Individual USD '000	Individual USD '000	Collective USD '000	USD '000
Balance at the beginning of the year	311 905	54 665	789 986	76 706	1 850 371	2 952 262	131 371	3 005 155
ECL charges during the year	131 274	8 220	67 841	12 796	215 166	414 281	21 016	664 311
Recoveries	(46 733)	(1 409)	(37 759)	(1 506)	(66 583)	(151 075)	(2 915)	(274 288)
Transfers to stage 1	10 840	2 648	(10 840)	(2 411)	(237)	(237)	237	-
Transfers to stage 2	(46 433)	(2 007)	50 927	2 271	(4 758)	(264)	264	-
Transfers to stage 3	(334)	(594)	(112 836)	(6 446)	120 210	7 040	(7 040)	-
Impact on ECL caused by transfers between stages during the year	-	-	(3 017)	2 324	24 787	21 770	2 324	45 132
Written off balances or transferred to off consolidated statement of financial position	-	-	-	-	(353 340)	(353 340)	-	(300 931)
Adjustments during the year	3 108	1 229	(2 218)	1 590	10 524	11 414	2 819	6 641
Translation adjustments	1 932	395	3 124	820	46 667	51 723	1 215	(62 387)
Total	365 559	63 147	745 208	86 144	1 842 807	2 953 574	149 291	3 083 633

Notes to the consolidated financial statements**Direct Credit Facilities at Amortized Cost – Consumer Banking**

The following is the distribution of credit exposures for direct credit facilities at amortized cost – Consumer Banking according to the Group's Internal Rating:

	31 December 2025				31 December 2024
	Stage 1	Stage 2	Stage 3	Total	Total
	Collective	Collective	Individual		
Credit Rating Categories:	USD '000	USD '000	USD '000	USD '000	USD '000
Low risk / performing	2 015 428	-	-	2 015 428	1 379 592
Acceptable risk / performing	9 262 500	582 296	-	9 844 796	9 061 752
Non-performing:					
– Substandard	-	-	51 205	51 205	41 916
– Doubtful	-	-	48 808	48 808	35 980
– Problematic	-	-	307 979	307 979	370 081
Total	11 277 928	582 296	407 992	12 268 216	10 889 321

- Probability of default at low risk 0.04% -3.5%
- Probability of default at acceptable risk 3.5% - 57%
- Probability of default at high risk 100%

The movement on total direct credit facilities at amortized cost – consumer banking is as follows:

	31 December 2025				31 December 2024
	Stage 1	Stage 2	Stage 3	Total	Total
	Collective	Collective	Individual		
	USD '000	USD '000	USD '000	USD '000	USD '000
Balance at the beginning of the year	9 857 574	583 770	447 977	10 889 321	10 511 436
Additions to facilities	2 809 623	139 069	39 191	2 987 883	1 961 288
Repaid balances	(1 446 728)	(155 613)	(41 857)	(1 644 198)	(1 446 221)
Transfers to stage 1	70 328	(67 160)	(3 168)	-	-
Transfers to stage 2	(111 571)	140 242	(28 671)	-	-
Transfers to stage 3	(46 189)	(56 222)	102 411	-	-
Written off balances or transferred to off consolidated statement of financial position	-	-	(130 321)	(130 321)	(13 369)
Translation Adjustments	144 891	(1 790)	22 430	165 531	(123 813)
Total	11 277 928	582 296	407 992	12 268 216	10 889 321

The movement of Expected Credit Loss on direct credit facilities at amortized cost – consumer banking is as follows:

	31 December 2025				31 December 2024
	Stage 1	Stage 2	Stage 3	Total	Total
	Collective	Collective	Individual		
	USD '000	USD '000	USD '000	USD '000	USD '000
Balance at the beginning of the year	54 665	76 706	241 133	372 504	274 161
ECL charges during the year	8 220	12 796	60 570	81 586	135 561
Recoveries	(1 409)	(1 506)	(21 725)	(24 640)	(46 372)
Transfers to stage 1	2 648	(2 411)	(237)	-	-
Transfers to stage 2	(2 007)	2 271	(264)	-	-
Transfers to stage 3	(594)	(6 446)	7 040	-	-
Impact on ECL caused by transfers between stages during the year	-	2 324	9 090	11 414	12 252
Written off balances or transferred to off consolidated statement of financial position	-	-	(61 431)	(61 431)	(4 927)
Adjustments during the year	1 229	1 590	6 674	9 493	7 776
Translation Adjustments	395	820	9 995	11 210	(5 947)
Total	63 147	86 144	250 845	400 136	372 504

Direct Credit Facilities at Amortized Cost – Small & Medium Enterprises

The following is the distribution of credit exposures for direct credit facilities at amortized cost – SMEs according to the Group's Internal Rating:

	31 December 2025				31 December 2024
	Stage 1	Stage 2	Stage 3	Total	Total
	Individual	Individual	Individual		
Credit Rating Categories:	USD '000	USD '000	USD '000	USD '000	USD '000
Low risk / performing	1 590 508	-	-	1 590 508	1 553 357
Acceptable risk / performing	2 017 936	521 708	-	2 539 644	2 318 147
Non-performing :					
– Substandard	-	-	34 012	34 012	33 510
– Doubtful	-	-	93 847	93 847	84 177
– Problematic	-	-	375 685	375 685	418 399
Total	3 608 444	521 708	503 544	4 633 696	4 407 590

- Probability of default at low risk 0.02% - 15.5%
- Probability of default at acceptable risk 15.5% - 24%
- Probability of default at high risk 100%

The movement on total direct credit facilities at amortized cost – Small & Medium Enterprises is as follows:

	31 December 2025				31 December 2024
	Stage 1	Stage 2	Stage 3	Total	Total
	Individual	Individual	Individual		
	USD '000	USD '000	USD '000	USD '000	USD '000
Balance at the beginning of the year	3 277 809	593 695	536 086	4 407 590	4 103 716
Additions to facilities	789 913	81 911	57 275	929 099	981 468
Repaid balances	(556 853)	(108 047)	(28 766)	(693 666)	(534 487)
Transfers to stage 1	30 522	(30 367)	(155)	-	-
Transfers to stage 2	(54 668)	63 535	(8 867)	-	-
Transfers to stage 3	(5 791)	(84 730)	90 521	-	-
Written off balances or transferred to off consolidated statement of financial position	-	-	(162 766)	(162 766)	(35 126)
Translation Adjustments	127 512	5 711	20 216	153 439	(107 981)
Total	3 608 444	521 708	503 544	4 633 696	4 407 590

The movement of Expected Credit Loss on direct credit facilities at amortized cost – Small & Medium Enterprises is as follows:

	31 December 2025				31 December 2024
	Stage 1	Stage 2	Stage 3	Total	Total
	Individual	Individual	Individual		
	USD '000	USD '000	USD '000	USD '000	USD '000
Balance at the beginning of the year	19 578	120 985	370 645	511 208	416 169
ECL charges during the year	4 115	7 639	84 071	95 825	134 809
Recoveries	(1 142)	(3 323)	(12 346)	(16 811)	(24 022)
Transfers to stage 1	658	(658)	-	-	-
Transfers to stage 2	(814)	814	-	-	-
Transfers to stage 3	(21)	(17 453)	17 474	-	-
Impact on ECL caused by transfers between stages during the year	-	327	7 031	7 358	8 385
Written off balances or transferred to off consolidated statement of financial position	-	-	(72 122)	(72 122)	(11 859)
Adjustments during the year	4 884	243	2 040	7 167	(1 406)
Translation Adjustments	776	614	18 825	20 215	(10 868)
Total	28 034	109 188	415 618	552 840	511 208

Notes to the consolidated financial statements

Direct Credit Facilities at Amortized Cost – Large Corporates

The following is the distribution of credit exposures for direct credit facilities at amortized cost - LCs according to the Group's Internal Rating:

	31 December 2025				31 December 2024
	Stage 1	Stage 2	Stage 3	Total	Total
	Individual	Individual	Individual	USD '000	USD '000
Credit Rating Categories:	USD '000	USD '000	USD '000	USD '000	USD '000
Low risk / performing	1 982 466	-	-	1 982 466	1 589 438
Acceptable risk / performing	13 789 257	2 674 998	-	16 464 255	15 599 171
Non-performing:				-	
- Substandard	-	-	101 590	101 590	136 239
- Doubtful	-	-	180 139	180 139	214 200
- Problematic	-	-	1 292 269	1 292 269	1 449 573
Total	15 771 723	2 674 998	1 573 998	20 020 719	18 988 621

- Probability of default at low risk 0.02% – 15.5%
- Probability of default at acceptable risk 15.5% – 24%
- Probability of default at high risk 100%

The movement on total direct credit facilities at amortized cost – Large Corporates is as follows:

	31 December 2025				31 December 2024
	Stage 1	Stage 2	Stage 3	Total	Total
	Individual	Individual	Individual	USD '000	USD '000
	USD '000	USD '000	USD '000	USD '000	USD '000
Balance at the beginning of the year	14 070 279	3 118 330	1 800 012	18 988 621	18 995 178
Additions to facilities	6 671 973	554 409	82 683	7 309 065	5 087 269
Repaid balances	(5 320 873)	(753 825)	(134 827)	(6 209 525)	(4 473 203)
Transfers to stage 1	364 793	(364 793)	-	-	-
Transfers to stage 2	(280 644)	296 219	(15 575)	-	-
Transfers to stage 3	(4 782)	(228 833)	233 615	-	-
Written off balances or transferred to off consolidated statement of financial position	-	-	(438 882)	(438 882)	(490 864)
Translation Adjustments	270 977	53 491	46 972	371 440	(129 759)
Total	15 771 723	2 674 998	1 573 998	20 020 719	18 988 621

The movement of Expected Credit Loss on direct credit facilities at amortized cost – Large Corporates is as follows:

	31 December 2025				31 December 2024
	Stage 1	Stage 2	Stage 3	Total	Total
	Individual	Individual	Individual	USD '000	USD '000
	USD '000	USD '000	USD '000	USD '000	USD '000
Balance at the beginning of the year	284 333	658 076	1 235 451	2 177 860	2 288 380
ECL charges during the year	78 228	59 261	70 525	208 014	382 853
Recoveries	(42 394)	(29 762)	(32 445)	(104 601)	(188 137)
Transfers to stage 1	10 182	(10 182)	-	-	-
Transfers to stage 2	(1 367)	5 861	(4 494)	-	-
Transfers to stage 3	(313)	(95 383)	95 696	-	-
Impact on ECL caused by transfers between stages during the year	-	(3 344)	8 666	5 322	24 495
Written off balances or transferred to off consolidated statement of financial position	-	-	(219 787)	(219 787)	(284 145)
Adjustments during the year	(1 781)	(47 581)	1 810	(47 552)	(277)
Translation Adjustments	877	2 312	17 715	20 904	(45 309)
Total	327 765	539 258	1 173 137	2 040 160	2 177 860

Direct Credit Facilities at Amortized Cost – Banks & Financial Institutions

The following is the distribution of credit exposures for direct credit facilities at amortized cost – Banks and Financial Institutions according to the Group's Internal Rating:

	31 December 2025				31 December 2024
	Stage 1	Stage 2	Stage 3	Total	Total
	Individual	Individual	Individual	USD '000	USD '000
Credit Rating Categories:	USD '000	USD '000	USD '000	USD '000	USD '000
Low risk / performing	214 534	-	-	214 534	215 800
Acceptable risk / performing	240 877	10 266	-	251 143	245 974
Non-performing:					
- Problematic	-	-	3 117	3 117	2 982
Total	455 411	10 266	3 117	468 794	464 756

- Probability of default at low risk 0.02% – 15.5%
- Probability of default at acceptable risk 15.5% – 24%
- Probability of default at high risk 100%

The movement on total direct credit facilities at amortized cost – Banks & Financial Institutions is as follows:

	31 December 2025				31 December 2024
	Stage 1	Stage 2	Stage 3	Total	Total
	Individual	Individual	Individual	USD '000	USD '000
	USD '000	USD '000	USD '000	USD '000	USD '000
Balance at the beginning of the year	451 537	10 237	2 982	464 756	261 619
Additions to facilities	346 997	10 265	-	357 262	389 437
Repaid balances	(351 667)	(11 306)	-	(362 973)	(180 449)
Translation Adjustments	8 544	1 070	135	9 749	(5 851)
Total	455 411	10 266	3 117	468 794	464 756

The movement of Expected Credit Loss on direct credit facilities at amortized cost – Banks & Financial Institutions is as follows:

	31 December 2025				31 December 2024
	Stage 1	Stage 2	Stage 3	Total	Total
	Individual	Individual	Individual	USD '000	USD '000
	USD '000	USD '000	USD '000	USD '000	USD '000
Balance at the beginning of the year	525	10	2 931	3 466	3 399
ECL charges during the year	713	5	-	718	1 038
Recoveries	(709)	(12)	-	(721)	(927)
Adjustments during the year	5	-	-	5	(5)
Translation Adjustments	12	-	133	145	(39)
Total	546	3	3 064	3 613	3 466

Notes to the consolidated financial statements**Direct Credit Facilities at Amortized Cost – Government & Public Sector**

The following is the distribution of credit exposures for direct credit facilities at amortized – Government and Public Sector cost according to the Group's Internal Rating:

	31 December 2025				31 December 2024
	Stage 1	Stage 2	Stage 3	Total	Total
	Individual	Individual	Individual	Total	Total
Credit Rating Categories:	USD '000	USD '000	USD '000	USD '000	USD '000
Low risk / performing	1 274 260	-	-	1 274 260	1 800 813
Acceptable risk / performing	1 700 501	839 930	-	2 540 431	1 740 373
Non-performing :					
- Problematic	-	-	285	285	287
Total	2 974 761	839 930	285	3 814 976	3 541 473

- Probability of default at low risk 0.02% – 5%
- Probability of default at acceptable risk 5% – 24%
- Probability of default at high risk 100%

The movement on total direct credit facilities at amortized cost – Government & Public Sector is as follows:

	31 December 2025				31 December 2024
	Stage 1	Stage 2	Stage 3	Total	Total
	Individual	Individual	Individual	Total	Total
	USD '000	USD '000	USD '000	USD '000	USD '000
Balance at the beginning of the year	3 324 722	216 464	287	3 541 473	3 207 748
Additions to facilities	1 161 818	1 719	5	1 163 542	1 312 990
Repaid balances	(825 586)	(83 004)	-	(908 590)	(972 676)
Transfers to stage 1	138	(138)	-	-	-
Transfers to stage 2	(701 502)	701 502	-	-	-
Translation Adjustments	15 171	3 387	(7)	18 551	(6 589)
Total	2 974 761	839 930	285	3 814 976	3 541 473

The movement of Expected Credit Loss on direct credit facilities at amortized cost – Government & Public Sector is as follows:

	31 December 2025				31 December 2024
	Stage 1	Stage 2	Stage 3	Total	Total
	Individual	Individual	Individual	Total	Total
	USD '000	USD '000	USD '000	USD '000	USD '000
Balance at the beginning of the year	7 469	10 915	211	18 595	23 046
ECL charges during the year	48 218	936	-	49 154	10 050
Recoveries	(2 488)	(4 662)	(67)	(7 217)	(14 830)
Transfers to stage 2	(44 252)	44 252	-	-	-
Adjustments during the year	-	45 120	-	45 120	553
Translation Adjustments	267	198	(1)	464	(224)
Total	9 214	96 759	143	106 116	18 595

Direct Credit Facilities at Amortized Cost – Real Estate

The following is the distribution of credit exposures for direct credit facilities at amortized cost – Real Estate according to the Group's Internal Rating:

	31 December 2025				31 December 2024
	Stage 1	Stage 2	Stage 3	Total	Total
	Individual	Individual	Individual	Total	Total
Credit Rating Categories:	USD '000	USD '000	USD '000	USD '000	USD '000
Low risk / performing	1 160 279	-	-	1 160 279	752 772
Acceptable risk / performing	4 934 919	415 896	-	5 350 815	4 687 495
Non-performing:					
- Substandard	-	-	22 036	22 036	19 266
- Doubtful	-	-	19 278	19 278	19 891
- Problematic	-	-	125 074	125 074	120 837
Total	6 095 198	415 896	166 388	6 677 482	5 600 261

- Probability of default at low risk 0.04% – 3.5%
- Probability of default at acceptable risk 3.5% – 57%
- Probability of default at high risk 100%

The movement on total direct credit facilities at amortized cost – Real Estate is as follows:

	31 December 2025				31 December 2024
	Stage 1	Stage 2	Stage 3	Total	Total
	Individual	Individual	Individual	Total	Total
	USD '000	USD '000	USD '000	USD '000	USD '000
Balance at the beginning of the year	5 094 798	345 469	159 994	5 600 261	5 346 678
Additions to facilities	1 438 907	70 696	10 525	1 520 128	701 617
Repaid balances	(461 036)	(35 419)	(36 308)	(532 763)	(386 810)
Transfers to stage 1	44 855	(42 420)	(2 435)	-	-
Transfers to stage 2	(89 924)	97 433	(7 509)	-	-
Transfers to stage 3	(24 332)	(20 634)	44 966	-	-
Written off balances or transferred to off consolidated statement of financial position	-	-	(5 517)	(5 517)	(1 568)
Translation Adjustments	91 930	771	2 672	95 373	(59 656)
Total	6 095 198	415 896	166 388	6 677 482	5 600 261

The movement of Expected Credit Loss on direct credit facilities at amortized cost – Real Estate is as follows:

	31 December 2025				31 December 2024
	Stage 1	Stage 2	Stage 3	Total	Total
	Individual	Individual	Individual	Total	Total
	USD '000	USD '000	USD '000	USD '000	USD '000
Balance at the beginning of the year	10 160	10 933	55 482	76 575	77 443
ECL charges during the year	11 990	5 504	6 287	23 781	16 370
Recoveries	(1 163)	(983)	(12 057)	(14 203)	(16 588)
Transfers to stage 1	792	(786)	(6)	-	-
Transfers to stage 2	(1 526)	1 528	(2)	-	-
Transfers to stage 3	(327)	(954)	1 281	-	-
Impact on ECL caused by transfers between stages during the year	-	1	493	494	251
Written off balances or transferred to off consolidated statement of financial position	-	-	(1 706)	(1 706)	(227)
Translation Adjustments	14	46	1 126	1 186	(674)
Total	19 940	15 289	50 898	86 127	76 575

13. Other financial assets at amortized cost

The details of this item are as follows:

	31 December 2025	31 December 2024
	USD '000	USD '000
Treasury bills	2 871 697	2 548 466
Government bonds and bonds guaranteed by the government	7 606 655	6 830 877
Corporate bonds	2 876 420	2 662 487
Total Other financial assets at amortized cost	13 354 772	12 041 830
Less: Net ECL Charges	(47 920)	(49 228)
Net Other financial assets at amortized cost	13 306 852	11 992 602

Analysis of bonds based on interest nature:

	31 December 2025	31 December 2024
	USD '000	USD '000
Floating interest rate	288 315	383 170
Fixed interest rate	13 066 457	11 658 660
Total Other financial assets at amortized cost	13 354 772	12 041 830
Less: Net ECL Charges	(47 920)	(49 228)
Net Other financial assets at amortized cost	13 306 852	11 992 602

Analysis of financial assets based on market quotation:

Quoted other financial assets at amortized cost:

	31 December 2025	31 December 2024
	USD '000	USD '000
Treasury bills	2 625 846	2 224 044
Government bonds and bonds guaranteed by the government	2 847 442	2 050 588
Corporate bonds	2 723 190	2 568 001
Total quoted other financial assets at amortized cost	8 196 478	6 842 633
Less: Net ECL Charges	(26 530)	(29 979)
Net quoted other financial assets at amortized cost	8 169 948	6 812 654

Unquoted other financial assets at amortized cost:

	31 December 2025	31 December 2024
	USD '000	USD '000
Treasury bills	245 851	324 422
Government bonds and bonds guaranteed by the government	4 759 213	4 780 289
Corporate bonds	153 230	94 486
Total unquoted other financial assets at amortized cost	5 158 294	5 199 197
Less: Net ECL Charges	(21 390)	(19 249)
Net unquoted other financial assets at amortized cost	5 136 904	5 179 948
Net other financial assets at amortized cost	13 306 852	11 992 602

Notes to the consolidated financial statements**Other Financial Assets at Amortized Cost**

The following is the distribution of credit exposures for other financial assets at amortized cost according to the Group's Internal Rating:

	31 December 2025				31 December 2024
	Stage 1	Stage 2	Stage 3	Total	Total
	USD '000	USD '000	USD '000	USD '000	USD '000
Credit Rating Categories:					
Low risk / performing	11 935 987	-	-	11 935 987	11 479 197
Acceptable risk / performing	1 381 939	36 846	-	1 418 785	562 633
Total	13 317 926	36 846	-	13 354 772	12 041 830

- Probability of default at low risk 0.0% - 10%
- Probability of default at acceptable risk 10% - 100%
- Probability of default at high risk 100%

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

	31 December 2025				31 December 2024
	Stage 1	Stage 2	Stage 3	Total	Total
	USD '000	USD '000	USD '000	USD '000	USD '000
Balance at the beginning of the year	12 003 455	38 375	-	12 041 830	10 435 455
New investments (Additions)	1 131 127	13	-	1 131 140	9 013 178
Matured investments	(186 970)	(3 999)	-	(190 969)	(7 130 526)
Transfers to stage 2	(2 008)	2 008	-	-	-
Translation Adjustments	372 322	449	-	372 771	(276 277)
Total	13 317 926	36 846	-	13 354 772	12 041 830

The movement of ECL charges on other financial assets at amortized cost is as follows:

	31 December 2025				31 December 2024
	Stage 1	Stage 2	Stage 3	Total	Total
	USD '000	USD '000	USD '000	USD '000	USD '000
Balance at the beginning of the year	23 873	25 355	-	49 228	59 054
ECL charges during the year	8 035	219	-	8 254	6 416
Recoveries from matured investments	(9 884)	(333)	-	(10 217)	(15 220)
Transfers to stage 2	(1 823)	1 823	-	-	-
Translation Adjustments	566	89	-	655	(1 022)
Total	20 767	27 153	-	47 920	49 228

During the year ended 31 December 2025 certain financial assets at amortized cost amounted to USD 58.6 million were sold (USD 10.1 million during the year ended 31 December 2024).

14. Investments in Associates

The details of this item are as follows:

31 December 2025							
	Ownership and Voting Rights	Investment Carrying Value	Place of Incorporation	Market Value	Published Financial Statements Date	Principal Activity	Date of Acquisition
	%	USD '000		USD '000			
Arab National Bank	40.00	4 481 784	Saudi Arabia	4 612 267	2025	Banking	1979
Arabia Group Holding Limited (Abu Dhabi)*	47.27	39 644	UAE	Unquoted	2024	Insurance Real Estate Operating Lease	2022
Commercial buildings	35.39	17 659	Lebanon	Unquoted	2024		1966
Other Associates at Arab Bank Switzerland	Various	24 983	Various			Various	
Other Associates (Mostly owned by Arab Tunisian Bank)**	Various	13 732	Various			Various	
Total		4 577 802					

31 December 2024							
	Ownership and Voting Rights	Investment Carrying Value	Place of Incorporation	Market Value	Published Financial Statements Date	Principal Activity	Date of Acquisition
	%	USD '000		USD '000			
Arab National Bank	40.00	4 109 937	Saudi Arabia	4 650 667	2024	Banking	1979
Arabia Group Holding Limited (Abu Dhabi)*	47.27	46 538	UAE	Unquoted	2023	Insurance Real Estate Operating Lease	2022
Commercial buildings	35.39	2 044	Lebanon	Unquoted	2023		1966
Other Associates at Arab Bank Switzerland	Various	17 382	Various			Various	
Other Associates (Mostly owned by Arab Tunisian Bank)**	Various	12 125	Various			Various	
Total		4 188 026					

* During the year 2024, the shares of Arab Bank have been transferred from Arabia Insurance Company in Lebanon (Acquired since 1972) to Arabia Group Holding Limited in Abu Dhabi without any additional cost. This change has resulted in no adjustment on the value of Arab Bank investment, noting that Arabia Group Holding Limited in Abu Dhabi has been incorporated since 2022.

**It represents mostly the investments in Arab Tunisian Lease in the amount of USD 9.6 million, Arabia Sicaf in the amount of USD 2.2 million and Arab Tunisian Invest in the amount of USD 1.1 million as of 31 December 2025 (As of 31 December 2024 these investments amounted to USD 8.7 million in Arab Tunisian Lease, USD 1.8 million in Arabia Sicaf and USD 0.9 million in Arab Tunisian Invest).

The details of movement on investments in associates are as follows:

	2025	2024
	USD '000	USD '000
Balance at the beginning of the year	4 188 026	3 848 257
Purchase of investments in associates	980	1 533
Group's share of profits for the year	628 623	591 142
Dividends received	(341 943)	(309 127)
Translation Adjustment	14 960	(1 530)
Group's share of other changes in equity	87 156	57 751
Balance at the end of the year	4 577 802	4 188 026
Group's share of taxes	142 136	132 730

Notes to the consolidated financial statements

The Group's share from the profit and loss of the associates are as follows:

	31 December 2025	31 December 2024
	USD '000	USD '000
Arab National Bank	629 051	586 604
Arabia Group Holding Limited (Abu Dhabi)	(100)	2 903
Other	(328)	1 635
Total	628 623	591 142

The Group's share of associates are as follows:

	31 December 2025			31 December 2024		
	Arab National Bank	Others	Total	Arab National Bank	Others	Total
	USD '000	USD '000	USD '000	USD '000	USD '000	USD '000
Total Assets	29 890 482	277 483	30 167 965	25 633 486	262 357	25 895 843
Total Liabilities	25 408 698	181 465	25 590 163	21 523 549	184 268	21 707 817
Total Revenue	1 068 983	117 808	1 186 791	998 273	102 230	1 100 503
Total Expenses	439 932	118 236	558 168	411 669	97 692	509 361
Net Profit	629 051	(428)	628 623	586 604	4 538	591 142

15. Fixed Assets

The details of this item are as follows:

Historical Cost:

	Land	Buildings	Furniture, Fixtures and Equipment	Computers and communication Equipment	Motor Vehicles	Other	Total
	USD '000	USD '000	USD '000	USD '000	USD '000	USD '000	USD '000
Balance as of 1 January 2024	117 332	397 462	323 027	361 936	15 459	120 695	1 335 911
Additions	7 644	3 121	15 080	49 649	504	18 415	94 413
Disposals	(34)	(5 040)	(3 764)	(7 808)	(468)	(12 482)	(29 596)
Adjustments during the year and translation adjustments	(161)	(4 926)	(1 249)	(4 715)	(205)	(1 668)	(12 924)
Balance as of 31 December 2024	124 781	390 617	333 094	399 062	15 290	124 960	1 387 804
Additions	8 419	87 951	18 365	47 877	746	13 378	176 736
Disposals	(381)	(2 928)	(4 846)	(12 080)	(564)	(11 827)	(32 626)
Adjustments during the year and translation adjustments	2 495	13 121	(688)	18 800	527	1 039	35 294
Balance at 31 December 2025	135 314	488 761	345 925	453 659	15 999	127 550	1 567 208

Accumulated Depreciation:

Balance as of 1 January 2024	-	191 736	260 623	259 599	13 451	86 864	812 273
Depreciation charge for the year	-	10 323	16 500	36 013	875	6 213	69 924
Disposals	-	(86)	(3 631)	(7 732)	(429)	(12 385)	(24 263)
Adjustments during the year and translation adjustments	-	(2 439)	(894)	(3 100)	(161)	(2 039)	(8 633)
Balance as of 31 December 2024	-	199 534	272 598	284 780	13 736	78 653	849 301
Depreciation charge for the year	-	10 899	17 425	39 607	702	8 211	76 844
Disposals	-	(2 895)	(4 508)	(11 768)	(545)	(6 349)	(26 065)
Adjustments during the year and translation adjustments	-	5 032	(1 658)	13 552	440	2 597	19 963
Balance at 31 December 2025	-	212 570	283 857	326 171	14 333	83 112	920 043
Net Book Value as of 31 December 2025	135 314	276 191	62 068	127 488	1 666	44 438	647 165
Net Book Value as of 31 December 2024	124 781	191 083	60 496	114 282	1 554	46 307	538 503

- The cost of fully depreciated fixed assets amounted to USD 620.9 million as of 31 December 2025 (USD 597.4 million as of 31 December 2024).

16. Other Assets

The details of this item are as follows:

	31 December 2025	31 December 2024
	USD '000	USD '000
Accrued interest receivable	438 411	435 466
Prepaid expenses	128 381	103 824
Foreclosed assets *	376 763	296 962
Intangible assets - Others **	225 235	164 895
Right of use assets ***	100 934	99 042
Other miscellaneous assets	306 842	298 889
Total	1 576 566	1 399 078

* The Central Bank of Jordan instructions require the disposal of these assets during a maximum period of two years from the date of foreclosure, and allows the extension of this period for an additional two years upon obtaining the approval of the Central Bank of Jordan.

Notes to the consolidated financial statements

* The details of movement on foreclosed assets are as follows:

	2025			
	Land	Buildings	Other	Total
	USD '000	USD '000	USD '000	USD '000
Balance at the beginning of the year	182 903	113 788	271	296 962
Additions	6 631	92 396	4 030	103 057
Disposals	(17 376)	(5 539)	-	(22 915)
Provision for impairment and impairment losses	(150)	(951)	-	(1 101)
Translation adjustments	-	760	-	760
Balance at the end of the year	172 008	200 454	4 301	376 763

	2024			
	Land	Buildings	Other	Total
	USD '000	USD '000	USD '000	USD '000
Balance at the beginning of the year	84 896	93 701	271	178 868
Additions	102 796	32 568	-	135 364
Disposals	(2 257)	(6 670)	-	(8 927)
Provision for impairment and impairment losses	(1 203)	(1 671)	-	(2 874)
Translation adjustments	(1 329)	(4 140)	-	(5 469)
Balance at the End of the Year	182 903	113 788	271	296 962

** The details of movement on intangible assets are as follows:

	31 December 2025		31 December 2024	
	Software	Others	Total	Total
	USD '000	USD '000	USD '000	USD '000
Balance at the beginning of the year	29 410	135 485	164 895	201 643
Additions	30 445	98 212	128 657	20 947
Disposals	(3 525)	(92)	(3 617)	-
Amortization charge for the year	(18 454)	(49 775)	(68 229)	(47 627)
Adjustment during the year and translation adjustments	908	2 621	3 529	(10 068)
Balance at the End of the Year	38 784	186 451	225 235	164 895

*** The details of movement of right of use assets are as follows:

	2025	2024
	USD '000	USD '000
Balance at the beginning of the year	99 042	108 483
Additions	30 964	18 820
Depreciation	(29 072)	(28 261)
Balance at the End of the Year	100 934	99 042

17. Deferred Tax Assets

The details of this item are as follows:

Items attributable to deferred tax assets are as follows:

	2025					
	Balance at the Beginning of the Year	Amounts Added	Amounts Released	Adjustments During the Year and Translation Adjustments	Balance at the End of the Year	Deferred Tax
	USD '000	USD '000	USD '000	USD '000	USD '000	USD '000
Expected Credit Losses	623 193	327 650	(372 238)	484	579 089	172 255
End-of-Service indemnity	57 892	10 236	(15 088)	271	53 311	15 351
Interest in suspense	56 763	15 563	(19 467)	-	52 859	11 177
Revaluation of OCI investments	58 582	-	(17 285)	3,314	44 611	8 112
Other	198 489	17 426	(64 480)	6 636	158 071	37 661
Total	994 919	370 875	(488 558)	10 705	887 941	244 556

Notes to the consolidated financial statements

	2024					
	Balance at the Beginning of the Year	Amounts Added	Amounts Released	Adjustments During the Year and Translation Adjustments	Balance at the End of the Year	Deferred Tax
	USD '000	USD '000	USD '000	USD '000	USD '000	USD '000
Expected Credit Losses	601 284	383 149	(360 537)	(703)	623 193	181 014
End-of-Service indemnity	60 852	22 975	(25 935)	-	57 892	17 071
Interest in suspense	69 312	14 967	(27 628)	112	56 763	13 007
Revaluation of OCI investments	55 846	6 340	(2 524)	(1 080)	58 582	13 812
Other	149 673	82 305	(18 454)	(15 035)	198 489	46 026
Total	936 967	509 736	(435 078)	(16 706)	994 919	270 930

Deferred tax results from temporary timing differences of the provisions not deducted for tax purposes in the current year or previous years. This is calculated according to the regulations of the countries where the Group operates.

The details of movements on deferred tax assets are as follows:

	2025	2024
	USD '000	USD '000
Balance at the beginning of the year	270 930	243 658
Additions during the year	122 667	164 280
Amortized during the year	(150 384)	(133 974)
Adjustments during the year and translation adjustments	1 343	(3 034)
Balance at the end of the year	244 556	270 930

18. Banks and Financial Institutions Deposits

The details of this item are as follows:

	31 December 2025			31 December 2024		
	Inside Jordan	Outside Jordan	Total	Inside Jordan	Outside Jordan	Total
	USD '000	USD '000	USD '000	USD '000	USD '000	USD '000
Current and demand	4 148	556 232	560 380	-	569 741	569 741
Time deposits	71 862	3 551 303	3 623 165	11 155	3 137 827	3 148 982
Total	76 010	4 107 535	4 183 545	11 155	3 707 568	3 718 723

19. Customers' Deposits

The details of this item are as follows:

	31 December 2025					
	Corporates			Government and Public Sector	Total	
	Consumer Banking	Small and Medium	Large			
	USD '000	USD '000	USD '000	USD '000	USD '000	USD '000
Current and demand	11 900 010	3 424 051	4 644 616	1 536 413	21 505 090	
Savings	6 247 679	85 011	29 609	40 430	6 402 729	
Time and notice deposits	14 232 083	1 455 607	6 069 509	4 482 967	26 240 166	
Certificates of deposit	335 835	8 634	109 878	22 137	476 484	
Total	32 715 607	4 973 303	10 853 612	6 081 947	54 624 469	

	31 December 2024				
	Corporates			Government and Public Sector	Total
	Consumer Banking	Small and Medium	Large		
	USD '000	USD '000	USD '000	USD '000	USD '000
Current and demand	10 670 044	2 851 129	3 903 317	1 367 888	18 792 378
Savings	5 533 607	43 787	20 722	40 044	5 638 160
Time and notice deposits	13 354 185	1 475 762	5 685 063	4 336 782	24 851 792
Certificates of deposit	237 090	15 232	163 853	77 262	493 437
Total	29 794 926	4 385 910	9 772 955	5 821 976	49 775 767

- Government of Jordan and Jordanian public sector deposits amounted to USD 1534.2 million, or 2.81% of total customer deposits as of 31 December 2025 (USD 1291.4 million, or 2.6% of total customer deposits as of 31 December 2024).
- Non-interest bearing deposits amounted to USD 17672.6 million, or 32% of total customer deposits as of 31 December 2025 (USD 15434.4 million, or 31% of total customer deposits as of 31 December 2024).
- Blocked deposits amounted to USD 535.5 million, or 0.98% of total customer deposits as of 31 December 2025 (USD 450.6 million, or 0.9% of total customer deposits as of 31 December 2024).
- Dormant deposits amounted to USD 584 million, or 1.07% of total customer deposits as of 31 December 2025 (USD 514.7 million, or 1% of total customer deposits as of 31 December 2024).

20. Cash Margin

The details of this item are as follows:

	31 December 2025	31 December 2024
	USD '000	USD '000
Against direct credit facilities at amortized cost	1 710 000	1 655 176
Against indirect credit facilities	804 153	715 346
Against margin trading	22 387	1 918
Other cash margins	2 432	17 072
Total	2 538 972	2 389 512

21. Borrowed Funds

The details of this item are as follows:

	31 December 2025	31 December 2024
	USD '000	USD '000
From Central Banks *	276 062	261 992
From banks and financial institutions **	447 764	222 831
Total	723 826	484 823

Analysis of borrowed funds according to interest nature is as follows:

	31 December 2025	31 December 2024
	USD '000	USD '000
Floating interest rate	168 394	168 647
Fixed interest rate	555 432	316 176
Total	723 826	484 823

Analysis of borrowed funds according to maturity is as follows:

	31 December 2025	31 December 2024
	USD '000	USD '000
Maturing within 1 year	315 813	81 513
Maturing after 1 year and before 3 years	217 994	232 985
Maturing after 3 years	190 019	170 325
Total	723 826	484 823

Notes to the consolidated financial statements

- * During 2013, Arab Bank signed a loan agreement with the Central Bank of Jordan amounting to USD 5.6 million, for the duration of 15 years of which 5 years are grace period with an interest rate of (2.5%) for the year 2013 and a floating interest rate of (1.8%+LIBOR 6 months) for the years after 2013. The agreement aims to support SMEs and Extra Small Companies. The loan is repaid semi-annually, with installments in March and September of each year. The Balance of the loan as of 31 December 2025 amounted to USD 1.1 million (USD 1.7 million as of 31 December 2024).
- * Until 31 December 2025, Arab Bank granted loans against medium term advances from the Central Bank of Jordan with fixed interest rate equal to the discount rate disclosed on the grant day after deducting 0.5% for advances outside Amman and 1% for advances inside Amman, the advances are repaid in accordance with customers monthly installments, these advances amounted to USD 251 million as of 31 December 2025 (USD 236.7 million as of 31 December 2024).
- * During 2016, Arab Bank signed a loan agreement with the Central Bank of Jordan amounting to USD 5.1 million, for the duration of 15 years of which 5 years are grace period with a floating interest rate of (1.85%+LIBOR 6 months). The agreement aims to support SMEs and Extra Small Companies. The loan is repaid semi-annually, with installments in March and September of each year. The Balance of the loan as of 31 December 2025 amounted to USD 2.3 million (USD 2.8 million as of 31 December 2024).
- * During 2017, Arab Bank signed a loan agreement with the Central Bank of Jordan amounting to USD 11 million, for the duration of 22 years of which 5 years are grace period with an interest rate of 3% (CBJ has the right to amend the interest rate every two years up to 3.5%). The agreement aims to support SMEs and Extra Small Companies. The loan is repaid semi-annually, with installments in May and November of each year. The Balance of the loan (and the withdrawn amount) as of 31 December 2025 amounted to USD 10 million (USD 11 million as of 31 December 2024).
- * During 2021, Arab Bank granted loans against diminishing advances in response to the Central Bank of Jordan program to support SMEs to face COVID-19 with 0% fixed interest rate, these loans are repaid on long term extended to 42 months, with a grace period up to 12 months. The amount of the granted loans as of 31 December 2025 amounted to USD 2.5 million (USD 7.5 million as of 31 December 2024).
- * During 2024, Arab Bank signed a loan agreement with the Central Bank of Jordan amounting to USD 2.5 million, for the duration of 9.5 years of which 2 years are grace period with a fixed interest rate of 2.5%. The agreement aims to support SMEs and Extra Small Companies. The loan is repaid semi-annually, with installments in March and September of each year, the first installment is due on 15 March 2026. The Balance of the loan amounted to USD 2.5 million as of 31 December 2025 and as of 31 December 2024.
- ** During 2018, Arab Bank signed loans agreements with European Investment Bank amounting to USD 331 million, for the duration of 7 years, in the same year Arab Bank withdrew the first installment in the amount of USD 100 million for the duration of 7 years with a floating interest rate of (6.87125% Spread + CAS + SOFR), the loan was repaid semi-annually in March and September of each year, the first installment started on 15 September 2020 and the remaining loan was setteled on 30 April 2025 (USD 18 million as of 31 December 2024).
- ** During 2019, Arab Bank withdrew the second installment from European Investment Bank loan in the amount of USD 70 million for the duration of 7 years with a floating interest rate of (6.98225% Spread + CAS + SOFR), the loan was repaid semi-annually in March and September of each year, the first installment started on 15 September 2022 and the remaining loan was setteled on 30 April 2025 (USD 21 million as of 31 December 2024).
- ** During 2020, Arab Bank withdrew the third installment from European Investment Bank loan in the amount of USD 162 million for the duration of 7 years with a floating interest rate of (7.18325% Spread + CAS + SOFR), the loan is repaid semi-annually in March and September of each year, the first installment started on 15 September 2023 and the remaining loan was setteled on 30 April 2025 (USD 81 million as of 31 December 2024).
- * During 2025, Arab Bank (Jordan Branches) signed a loan agreement with the Central Bank of Jordan amounting to USD 9.3 million with an interest rate of 2.5%. The agreement aims to support SMEs and Extra Small Companies to face COVID-19 effects. The Balance of the loan (and the withdrawn amount) as of 31 Decemberr 2025 amounted to USD 6.6 million.
- * Arab Bank relent USD 285 million as of 31 December 2025 against USD 266 million as of 31 December 2024 with interest rate ranging between 2% to 12%.
- ** Arab Bank (OBU Bahrain) signed loan agreements with banks and financial institutions amounting to USD 207 million with fixed interest rates ranging from 4.40% to 4.54%. The loans will be due for settlement during the period 15 January 2026 to 5 February 2026.
- ** During 2024 Arab National Leasing Co. signed loan agreement with Jordanian Mortgage Refinance Company for a duration of one year with a rate of 8.25%, the loan was fully settled in March 2025 (the balance of the loan amounted to USD 7.1 million as of 31 December 2024).
- ** During 2024, Oman Arab Bank signed a loan agreement with the Arab Fund for Economic and Social Development Fund (BADER Fund) amounted to USD 50 million, for the duration of 6 years of which 2 years are grace period with a floating interest rate of (US Treasury Bills 10 years + 0.25%). The loan is repaid semi-annually, with installments in July and January of each year starting from the year 2026. The Balance of the loan amounted to USD 50 million as of 31 December 2025 (USD 25 million as of 31 December 2024).
- ** During 2025, Oman Arab Bank signed a loan agreement with Commerzbank amounted to USD 100 million, for the duration of 2 years with a floating interest rate of (SOFR + 0.9%), the loan will be repaid during the 2 years. The Balance of the loan amounted to USD 100 million as of 31 December 2025.
- ** Arab Tunisian Bank borrowed amounts from banks and financial institutions, as well issued syndicated term loans, the balance amounted to USD 91 million as of 31 December 2025 (USD 71 million as of 31 December 2024) whereas the lowest interest rate is (0.7%) and the highest is (9.95%) and the last maturity date is on 19 May 2032, as per the following details:

	31 December 2025	31 December 2024
	USD '000	USD '000
Loans maturing within one year	63 619	24 924
Loans maturing after 1 year and less than 3 years	12 551	27 727
Loans maturing after 3 years	14 542	18 099
Total	90 712	70 750

22. Provision for Income Tax

The details of this item are as follows:

	31 December 2025	31 December 2024
	USD '000	USD '000
Balance at the beginning of the year	416 942	337 202
Income tax charge *	410 051	452 122
Income tax paid	(420 312)	(372 382)
Income tax released from provision	(15 228)	-
Balance at the end of the year	391 453	416 942

* After the impact of interest on perpetual tier 1 capital bonds paid from the retained earnings..

Income tax expense charged to the consolidated statement of income consists of the following:

	31 December 2025	31 December 2024
	USD '000	USD '000
Income tax charge for the year	410 051	452 122
Tax on interest paid on perpetual tier 1 capital bonds	7 948	7 948
Deferred tax assets for the year	(122 713)	(163 806)
Amortization of deferred tax assets	143 721	133 398
Deferred tax liabilities for the year	4 154	17 427
Amortization of deferred tax liabilities	(3 040)	(8 669)
Income tax released from provision	(15 228)	-
Total	424 893	438 420

- The Banking income tax rate in Jordan is 38% (35% income tax + 3% national contribution tax), while the income tax rate in the countries where the Group has investments and branches ranges from 15% to 38% as of 31 December 2025 (From 0% to 38% as of 31 December 2024). Arab Bank Group effective tax rate was 27.3% as of 31 December 2025 and 30.3% as of 31 December 2024.
- A recent tax settlement has been reached with the Income and Sales Tax Department in Jordan for the year 2024.
- The branches and subsidiaries of Arab Bank Group have reached recent tax settlements for the year 2024 such as Arab Bank Jordan, Palestine, United Arab Emirates and Islamic International Arab Bank, in addition to the year 2023 such as Al-Arabi Invest Group.

23. Other Provisions

The details of this item are as follows:

	2025					
	Balance at the Beginning of the Year	Additions during the Year	Utilized or transferred during the Year	Released to Income	Adjustments during the Year and Translation Adjustments	Balance at the End of the Year
	USD '000	USD '000	USD '000	USD '000	USD '000	USD '000
End-of-service indemnity	115 356	18 018	(18 797)	-	(43)	114 534
Legal cases	16 134	5 724	(3 304)	(1 454)	302	17 402
Other	111 214	16 394	(494)	(4 947)	9 703	131 870
Total	242 704	40 136	(22 595)	(6 401)	9 962	263 806

	2024					
	Balance at the Beginning of the Year	Additions during the Year	Utilized or transferred during the Year	Released to Income	Adjustments during the Year and Translation Adjustments	Balance at the End of the Year
	USD '000	USD '000	USD '000	USD '000	USD '000	USD '000
End-of-service indemnity	124 865	29 506	(34 535)	-	(4 480)	115 356
Legal cases	9 802	7 776	(160)	(566)	(718)	16 134
Other	110 027	12 267	(2 260)	(5 183)	(3 637)	111 214
Total	244 694	49 549	(36 955)	(5 749)	(8 835)	242 704

24. Other Liabilities

The details of this item are as follows:

	31 December 2025	31 December 2024
	USD '000	USD '000
Accrued interest payable	381 361	447 132
Notes payable	187 248	234 276
Interest and commission received in advance	97 006	94 414
Accrued expenses	280 226	255 942
Dividends payable to shareholders	17 083	17 281
Provision for impairment - ECL of the indirect credit facilities*	122 761	108 686
Lease liabilities	97 758	98 719
Structured products at fair value	39 895	-
Other miscellaneous liabilities	648 240	630 411
Total	1 871 578	1 886 861

Indirect Credit Facilities

The following is the distribution of credit exposures for indirect credit facilities at amortized cost according to the Group's Internal Rating

	31 December 2025				31 December 2024
	Stage 1	Stage 2	Stage 3	Total	Total
	USD '000	USD '000	USD '000	USD '000	USD '000
Low risk / performing	1 116 531	-	-	1 116 531	1 043 176
Acceptable risk / performing	19 863 941	1 042 235	-	20 906 176	18 423 910
Non-performing	-	-	98 926	98 926	94 883
Total	20 980 472	1 042 235	98 926	22 121 633	19 561 969

- Probability of default at low risk 0.02% -15.5%
- Probability of default at acceptable risk 15.5% - 24%
- Probability of default at High risk 100%

The movement on total indirect credit facilities is as follows:

	31 December 2025				31 December 2024
	Stage 1	Stage 2	Stage 3	Total	Total
	USD '000	USD '000	USD '000	USD '000	USD '000
Balance at beginning of the year	18 481 794	985 292	94 883	19 561 969	18 014 964
New balances (Additions)	9 911 761	212 748	5 311	10 129 820	10 188 054
Matured balances	(7 789 065)	(224 687)	(11 462)	(8 025 214)	(8 464 708)
Transfers to stage 1	41 638	(41 502)	(136)	-	-
Transfers to stage 2	(78 833)	79 042	(209)	-	-
Transfers to stage 3	(1 023)	(10 544)	11 567	-	-
Adjustments during the year	(207)	-	(3 011)	(3 218)	-
Translation Adjustments	414 407	41 886	1 983	458 276	(176 341)
Total	20 980 472	1 042 235	98 926	22 121 633	19 561 969

The movement of ECL charges on indirect credit facilities is as follows:

	31 December 2025				31 December 2024
	Stage 1	Stage 2	Stage 3	Total	Total
	USD '000	USD '000	USD '000	USD '000	USD '000
Balance at beginning of the year	33 572	18 730	56 384	108 686	116 425
ECL charges during the year	6 185	9 514	13 108	28 807	10 071
Recoveries (excluding write offs)	(7 463)	(2 740)	(6 029)	(16 232)	(17 282)
Transfers to stage 1	4 222	(4 213)	(9)	-	-
Transfers to stage 2	(335)	335	-	-	-
Transfers to stage 3	(2)	(11)	13	-	-
Impact on ECL caused by transfers between stages during the year	-	62	1 695	1 757	1 806
Adjustments during the year	(505)	-	(2 150)	(2 655)	(367)
Translation Adjustments	1 282	197	919	2 398	(1 967)
Total	36 956	21 874	63 931	122 761	108 686

Notes to the consolidated financial statements

25. Deferred Tax Liabilities

Items attributable to deferred tax liabilities are as follows:

	2025					
	Balance at the Beginning of the Year	Amounts Added	Amounts Released	Adjustments During the Year and Translation Adjustments	Balance at the End of the Year	Deferred Tax
	USD '000	USD '000	USD '000	USD '000	USD '000	USD '000
Other	150 015	24 519	(20 294)	15 796	170 036	27 854
Total	150 015	24 519	(20 294)	15 796	170 036	27 854

	2024					
	Balance at the Beginning of the Year	Amounts Added	Amounts Released	Adjustments During the Year and Translation Adjustments	Balance at the End of the Year	Deferred Tax
	USD '000	USD '000	USD '000	USD '000	USD '000	USD '000
Other	80 374	74 316	(1 014)	(3 661)	150 015	24 167
Total	80 374	74 316	(1 014)	(3 661)	150 015	24 167

The details of movements on deferred tax liabilities are as follows:

	2025	2024
	USD '000	USD '000
Balance at the beginning of the year	24 167	16 113
Additions during the year	4 714	17 480
Amortized during the year	(3 038)	(8 700)
Adjustments during the year and translation adjustments	2 011	(726)
Balance at the end of the year	27 854	24 167

26. Share Capital & Premium

a. Share Capital amounted to USD 926.6 million as of 31 December 2025 and 2024 with an authorized capital of 640.8 million shares (at a par value of USD1.41 per share).

b. Share premium amounted to USD 1225.7 million as of 31 December 2025 and 2024.

27. Statutory Reserve

Statutory reserve amounted to USD 926.6 million as of 31 December 2025 and 2024, according to the regulations of the Central Bank of Jordan and Companies Law it can not be distributed to the shareholders of the banks.

28. Voluntary Reserve

The voluntary reserve amounted to USD 977.3 million as of 31 December 2025 and 2024. This reserve is used for purposes determined by the Board of Directors, and the General Assembly has the right to distribute it in whole or part thereof to shareholders as dividends.

29. General Reserve

The general reserve amounted to USD 1211.9 million as of 31 December 2025 and 2024. This reserve is used for purposes determined by the Board of Directors, and the General Assembly has the right to distribute it in whole or part thereof to shareholders as dividends.

30. General Banking Risks Reserve

The general banking risk reserve amounted to USD 153 million as of 31 December 2025 and 2024.

31. Foreign Currency Translation Reserve

The details of this item are as follows:

	31 December 2025	31 December 2024
	USD '000	USD '000
Balance at the beginning of the year	(451 377)	(323 174)
Additions (Disposals) during the year transferred to other comprehensive income	195 856	(128 203)
Adjustments during the year	(50 277)	-
Balance at the end of the year	(305 798)	(451 377)

32. Investment Revaluation Reserve

The details of this item are as follows:

	31 December 2025	31 December 2024
	USD '000	USD '000
Balance at the beginning of the year	(367 242)	(333 110)
Change in fair value during the year	143 921	(38 447)
Transferred from retained earnings to investment revaluation reserve	(767)	4 315
Balance at the End of the Year	(224 088)	(367 242)

33. Perpetual Tier 1 Capital Bonds

A. Oman Arab Bank has issued series of unsecured perpetual Tier 1 bonds, illustrated as below:

- On 4 June 2021, the Bank issued a series of bonds of USD 250 million. The bonds carry a fixed coupon rate of 7.625% per annum payable semi-annually and treated as deduction from equity. Interest is non-cumulative and payable at Bank's discretion.
- On 16 October 2023, the Bank issued another series of bonds in the amount of OMR 50 million equivalent to USD 129.9 million. The bonds carry a fixed coupon rate of 7% per annum payable semi-annually and treated as deduction from equity. Interest is non-cumulative and payable at Bank's discretion.
- On 9 October 2024, the Bank distributed dividends to the shareholders by issuing Mandatory Convertible Bonds to shares amounted to USD 26 million at fixed rate of 6% per annum paid semi-annually. The share of Arab Bank plc amounted to USD 13 million is not disclosed in this item as a result of the elimination of balances and transactions between the Group companies, while the share of the non-controlling interest amounted to USD 13.27 million is disclosed, treated as deduction from equity, non-cumulative and payable at Bank's discretion.
- On 11 December 2024, Izz Islamic Bank (a subsidiary of the bank) issued additional Modaraba Sukuk non-guaranteed secondary and perpetual from the first level amounted to OMR 30 million (equivalent to USD 78 million) at an average profit of 6.5% per annum paid semi-annually, treated as deduction from equity, non-cumulative and payable at Bank's discretion. The investment of Islamic International Arab Bank amounted to USD 10 million is not disclosed in this item as a result of the elimination of balances and transactions between the Group companies.
- All these bonds constitute direct, unconditional, subordinated and unsecured obligations of the Bank and are classified as equity in accordance with IAS 32: Financial Instruments – Classification. The Tier 1 bonds do not have a fixed or final maturity date and are redeemable by the Bank at its sole discretion. Bond in the First paragraph has First Call date on 4 January 2026 and bond in the second paragraph has First Call date on 16 October 2028. These bonds may be recalled on any interest payment date thereafter subject to the prior consent of the regulatory authority.

B. Arab Bank plc has issued series of unsecured perpetual Tier 1 bonds, illustrated as below:

- On 10 October 2023, Arab Bank plc - Jordan branches issued perpetual Tier 1 bonds in the amount of USD 250 million. These bonds carry a fixed coupon rate of 8% per annum payable semi-annually and treated as deduction from equity. Interest is non-cumulative and payable at Bank's discretion. These bonds have been listed in London Stock Exchange - International securities market and perpetual bonds market
- These bonds are classified as equity within the additional Tier 1 of the regulatory capital in accordance with IAS 32: Financial Instruments – Classification. The Tier 1 bonds do not have a fixed or final maturity date and are redeemable by the Bank at its sole discretion and according to issuance terms but subject to the prior consent of the regulatory authority. 10 April 2029 will be the first repricing date.

34. Retained Earnings and Non-controlling interests

The movement of retained earnings are as follows:

	31 December 2025	31 December 2024
	USD '000	USD '000
Balance at the Beginning of the year	4 618 009	3 846 009
Profit for the year Attributable to Shareholders of the Bank	1 083 344	969 126
Transferred from Investments revaluation reserve to retained earnings	767	(4 315)
Dividends paid *	(367 323)	(277 402)
Interest paid on perpetual tier 1 capital bonds - net of tax	(29 716)	(26 839)
Interest paid on perpetual tier 1 capital bonds (assocaited company)	(19 990)	-
Adjustments during the year	42 622	111 430
Balance at the end of the year	5 327 713	4 618 009

* Arab Bank plc Board of Directors recommended to distribute 40% of the nominal value of shares as cash dividends for the year 2025 equivalent to USD 361.4 million to shareholders. This proposal is subject to the approval of the General Assembly of shareholders. (The General Assembly of the Arab Bank PLC in its meeting held on 27 March 2025 approved the recommendation of the Bank's Board of Directors to distribute 40% of the nominal value of shares as cash dividends for the year 2024 equivalent to USD 361.4 million to shareholders).

Notes to the consolidated financial statements

The details of non-controlling interests are as follows:

	31 December 2025			31 December 2024		
	Non-controlling interests	Share of non-controlling interests of net assets	Share of non-controlling interests of net profits (loss)	Non-controlling interests	Share of non-controlling interests of net assets	Share of non-controlling interests of net profits (loss)
	%	USD '000	USD '000	%	USD '000	USD '000
Arab Tunisian Bank	35.76	56 287	1 221	35.76	49 891	595
Arab Bank Syria	48.71	25 226	(369)	48.71	25 570	(349)
Al Nisr Al Arabi Insurance Company plc	32.00	15 683	2 384	32.00	20 666	2 139
Oman Arab Bank	51.00	594 299	45 505	51.00	495 310	40 323
Arab Bank Iraq	36.23	62 653	(1 729)	36.23	64 382	(4 744)
Other at Arab Bank Switzerland		7 389	-		6 481	-
Other at Arab Gulf Tech for IT Services		429	-		-	-
Total		761 966	47 012		662 300	37 964

The following are the additional financial information of significant subsidiaries that contain non-controlling interests.

	2025					2024				
	Arab Tunisian Bank	Arab Bank Syria	Oman Arab Bank	Al Nisr Al Arabi Insurance Company plc	Arab Bank Iraq	Arab Tunisian Bank	Arab Bank Syria	Oman Arab Bank	Al Nisr Al Arabi Insurance Company plc	Arab Bank Iraq
	USD '000	USD '000	USD '000	USD '000	USD '000	USD '000	USD '000	USD '000	USD '000	USD '000
Total Assets	2 854 264	177 347	11 872 783	203 925	376 528	2 614 017	113 437	11 091 375	195 621	209 767
Total Liabilities	2 646 209	125 408	10 223 682	154 916	203 644	2 452 513	60 792	10 120 179	131 040	32 113
Net Assets	208 055	51 939	1 649 101	49 009	172 884	161 504	52 645	971 196	64 581	177 654
Total Income	117 926	5 050	361 930	10 084	19 886	120 629	3 977	329 442	19 135	-
Total Expenses	114 512	5 810	272 704	2 633	24 657	118 964	4 693	250 378	12 450	13 096
Net Profit (Loss)	3 414	(760)	89 226	7 451	(4 771)	1 665	(716)	79 064	6 685	(13 096)

35. Interest Income

The details of this item are as follows:

	2025	2024
	USD '000	USD '000
Direct credit facilities at amortized cost *	2 607 283	2 587 390
Central banks	409 039	521 808
Banks and financial institutions	216 717	229 873
Financial assets at fair value through profit or loss	27 922	25 969
Financial assets at fair value through other comprehensive income	38 028	20 434
Other financial assets at amortized cost	706 218	628 133
Total	4 005 207	4 013 607

* The details of interest income earned on direct credit facilities at amortized cost are as follows:

	2025					
	Corporates			Banks and Financial Institutions	Government and Public Sector	Total
	Consumer Banking	Small and Medium	Large	USD '000	USD '000	USD '000
	USD '000	USD '000	USD '000			
Discounted bills	1 814	7 780	48 404	17 787	2 870	78 655
Overdrafts	13 988	81 649	265 385	-	26 938	387 960
Loans and advances	432 371	139 003	1 021 565	4 288	142 653	1 739 880
Real estate loans	293 302	45 585	31 084	-	-	369 971
Credit cards	30 817	-	-	-	-	30 817
Total	772 292	274 017	1 366 438	22 075	172 461	2 607 283

Notes to the consolidated financial statements

38. Gains from Financial Assets at Fair Value Through Profit or Loss

The details of this item are as follows:

	2025			
	Realised Gains	Unrealised Gains (Losses)	Dividends	Total
	USD '000	USD '000	USD '000	USD '000
Treasury bills and bonds	13 399	19 266	-	32 665
Companies shares	-	1 619	-	1 619
Mutual funds	-	128	-	128
Total	13 399	21 013	-	34 412

	2024			
	Realised Gain	Unrealised Gains (Losses)	Dividends	Total
	USD '000	USD '000	USD '000	USD '000
Treasury bills and bonds	3 449	338	-	3 787
Companies shares	-	2 257	-	2 257
Mutual funds	-	54	-	54
Total	3 449	2 649	-	6 098

39. Other Revenue

The details of this item are as follows:

	2025	2024
	USD '000	USD '000
Revenue from customer services	18 700	15 682
Safe box rent	3 333	3 265
Gains (Losses) from derivatives	877	(509)
Miscellaneous revenues	39 943	40 699
Total	62 853	59 137

40. Employees' Expenses

The details of this item are as follows:

	2025	2024
	USD '000	USD '000
Salaries and other benefits	608 118	566 033
Social security	63 200	53 601
Savings fund	10 826	8 913
Indemnity compensation	5 897	4 782
Medical	22 472	18 822
Training	5 586	4 971
Allowances	117 831	108 808
Other	27 494	20 274
Total	861 424	786 204

41. Other Expenses

	2025	2024
	USD '000	USD '000
Utilities and rent	111 053	108 232
Office	137 663	121 082
Services	103 342	80 138
Fees	31 074	25 571
Information technology	115 573	100 811
Other administrative expenses	68 684	75 378
Total	567 389	511 212

	2024				
	Corporates			Banks and Financial Institutions	Government and Public Sector
	Consumer Banking	Small and Medium	Large		
	USD '000	USD '000	USD '000	USD '000	USD '000
Discounted bills	1 598	6 486	44 465	16 140	6 179
Overdrafts	11 763	108 171	251 991	-	14 666
Loans and advances	409 831	135 822	1 035 753	4 048	156 244
Real estate loans	278 817	42 864	33 980	-	-
Credit cards	28 572	-	-	-	-
Total	730 581	293 343	1 366 189	20 188	177 089

36. Interest Expense

The details of this item are as follows:

	2025	2024
	USD '000	USD '000
Customers' deposits *	1 542 828	1 531 867
Banks' and financial institutions' deposits	185 648	186 307
Cash margins	90 815	98 021
Borrowed funds	18 613	25 505
Deposit insurance fees	32 022	26 621
Total	1 869 926	1 868 321

* The details of interest expense paid on customer deposits are as follows:

	31 December 2025				
	Corporates			Government and Public Sector	Total
	Consumer Banking	Small and Medium	Large		
	USD '000	USD '000	USD '000	USD '000	USD '000
Current and demand	36 980	5 212	50 743	53 781	146 716
Savings	83 680	778	214	316	84 988
Time and notice deposits	611 554	64 592	288 386	271 257	1 235 789
Certificates of deposit	58 057	1 316	15 608	354	75 335
Total	790 271	71 898	354 951	325 708	1 542 828

	31 December 2024				
	Corporates			Government and Public Sector	Total
	Consumer Banking	Small and Medium	Large		
	USD '000	USD '000	USD '000	USD '000	USD '000
Current and demand	41 432	3 529	45 193	48 562	138 716
Savings	71 450	783	196	255	72 684
Time and notice	619 902	74 764	291 206	275 069	1 260 941
Certificates of deposit	42 876	829	13 855	1 966	59 526
Total	775 660	79 905	350 450	325 852	1 531 867

37. Net Commission Income

The details of this item are as follows:

	2025	2024
	USD '000	USD '000
Commission income:		
- Direct credit facilities at amortized cost	121 192	116 480
- Indirect credit facilities	145 119	127 922
- Assets under management	97 314	65 062
- Other	328 909	274 548
Less: commission expense	(165 498)	(130 944)
Net Commission Income	527 036	453 068

42. Financial Derivatives

The details of this item is as follows:

	31 December 2025						
	Positive Fair Value	Negative Fair Value	Total Notional Amount	Notional amounts by maturity			
				Within 3 Months	From 3 months to 1 Years	From 1 Year to 3 Years	More than 3 Years
	USD '000	USD '000	USD '000	USD '000	USD '000	USD '000	USD '000
Forward contracts	5 499	2 868	582 379	241 129	175 548	165 702	-
Interest rate swaps	260 846	222 379	4 154 769	190 460	354 748	839 547	2 770 014
Foreign currency forward contracts	62 489	51 568	13 504 894	10 074 081	2 163 801	1 267 012	-
Derivatives held for trading	328 834	276 815	18 242 042	10 505 670	2 694 097	2 272 261	2 770 014
Interest rate swaps	20 932	17 957	1 703 919	147 235	405 760	386 227	764 697
Foreign currency forward contracts	-	-	181 925	-	6 628	175,297	-
Derivatives held for fair value hedge	20 932	17 957	1 885 844	147 235	412 388	561 524	764 697
Interest rate swaps	4 820	34 426	1 376 852	-	-	306 541	1 070 311
Foreign currency forward contracts	845	-	50 620	15 257	35 363	-	-
Derivatives held for cash flow hedge	5 665	34 426	1 427 472	15 257	35 363	306 541	1 070 311
Total	355 431	329 198	21 555 358	10 668 162	3 141 848	3 140 326	4 605 022

	31 December 2024						
	Positive Fair Value	Negative Fair Value	Total Notional Amount	Notional amounts by maturity			
				Within 3 Months	From 3 months to 1 Years	From 1 Year to 3 Years	More than 3 Years
	USD '000	USD '000	USD '000	USD '000	USD '000	USD '000	USD '000
Forward contracts	3 094	3 040	400 121	166 393	199 022	34 706	-
Interest rate swaps	36 890	31 215	2 403 772	43 338	295 246	743 226	1 321 962
Foreign currency forward contracts	81 248	49 802	12 841 123	9 457 591	3 191 712	191 820	-
Derivatives held for trading	121 232	84 057	15 645 016	9 667 322	3 685 980	969 752	1 321 962
Interest rate swaps	70 032	47 246	2 451 709	12 323	336 923	1 249 033	853 430
Foreign currency forward contracts	-	-	181 198	-	181 198	-	-
Derivatives held for fair value hedge	70 032	47 246	2 632 907	12 323	518 121	1 249 033	853 430
Interest rate swaps	16 182	24 627	1 124 592	-	-	70 813	1 053 779
Foreign currency forward contracts	342	193	47 452	11 355	36 097	-	-
Derivatives held for cash flow hedge	16 524	24 820	1 172 044	11 355	36 097	70 813	1 053 779
Total	207 788	156 123	19 449 967	9 691 000	4 240 198	2 289 598	3 229 171

The notional amount represents the value of the transactions at year-end and does not refer to market or credit risks.

43. Concentration of Assets, Revenues and Capital Expenditures According to the Geographical Distribution

The Group undertakes its banking activities through its branches in Jordan and abroad. The following are the details of the distribution of assets, revenues and capital expenditures inside and outside Jordan:

	Inside Jordan		Outside Jordan		Total	
	2025	2024	2025	2024	2025	2024
	USD'000	USD'000	USD'000	USD'000	USD'000	USD'000
Revenues	973 400	904 777	2 612 623	2 490 230	3 586 023	3 395 007
Assets	24 713 182	20 657 660	53 474 521	50 572 861	78 187 703	71 230 521
Capital Expenditures	34 644	36 075	172 537	79 285	207 181	115 360

Notes to the consolidated financial statements

44. Business Segments

The Group has an integrated group of products and services dedicated to serve the Group's customers and constantly developed in response to the ongoing changes in the banking business environment, and related state-of-the-art tools.

The Groups management monitors the operating results of the business segments separately for making decisions about performance assessment; segmented performance is calculated based on operating profit or loss.

The following is a summary of these Groups' activities stating their business nature and future plans:

1. Corporate and Institutional Banking

Arab Bank's Corporate and Institutional Banking (CIB) division manages the Group's corporate and institutional client base. It offers a comprehensive suite of lending and financial solutions accessible through an extensive branch network and electronic channels. CIB also offers a comprehensive range of advanced corporate digital banking solutions in line with the latest developments in the banking industry. This broad and efficient offering positions Arab Bank as the preferred banking partner for local, regional and international companies and institutions.

CIB is uniquely positioned to provide high quality products and services to meet clients' business requirements. The banking solutions offered are enriched by Arab Bank's global network, understanding of local markets and in-depth expertise. Through its client-focused approach, CIB strengthens its franchise in key markets by building on and solidifying existing client relationships while strategically acquiring new clients.

The CIB division caters to clients' needs over the different stages of their business cycle and across different markets, ensuring consistent service levels across its network. CIB is dedicated to offering an exceptional banking experience by providing a comprehensive range of tailored financial solutions, incorporating products and services from across Arab Bank's diverse business lines.

Digital transformation is pivotal in streamlining CIB operations and enhancing client experiences through electronic channels. The integration of data analytics supports informed decision-making, sustains competitiveness and ensures alignment with the evolving corporate and digital banking landscapes.

The success of CIB is underpinned by the quality and expertise of its staff. The division is proactive in monitoring the ever-changing business environment, constantly investing in the development and expansion of its teams' capabilities to meet the dynamic needs and banking requirements of its clients.

2. Treasury Group

Arab Bank's Treasury manages the bank's liquidity and market risks, and provides expert advice and dealing services to Arab Bank's customers around the globe. Through its state-of-the art systems, Arab Bank's Treasury remains fully up to date with, and prepared to adapt to, the latest market developments and regulatory standards, and is well positioned to meet a wide range of both bank and customer needs.

Arab Bank's Treasury has a broad mandate, including the following responsibilities:

- To manage and optimise the liquidity of the Group within approved limits so that the business is always adequately funded
- To manage the market risk of the Group within approved limits
- To earn revenues from the effective management of liquidity and market risk
- To execute bond, foreign exchange, and money market transactions with market professionals
- To support the distribution of foreign exchange, derivatives, and other treasury products to customers
- To advise internal stakeholders on the consumption and management of liquidity and market risk

It is important for Treasury to balance the need to maintain high liquidity with low credit and low market risk. This approach is consistent with the Group's objective of being fully liquid at all times and under all circumstances, wherever the Group operates.

Treasury's role in managing the Group's liquidity and market risk is to ensure that the Group generates surplus liquidity, but also to invest this liquidity prudently using the following instruments:

- Short-term placements with central banks
- Short-term deposits with high quality banks
- A multi-currency portfolio of highly liquid bonds, treasury bills, and certificates of deposit

Arab Bank believes in the importance of protecting not only its own income, but also the income and interests of its clients, from market volatility. Therefore, the Treasury department offers a full range of treasury products and services to clients throughout the Group's network, whether they are exporters, importers, or savers. These risk management and hedging tools include a broad range of products and derivatives for clients who require protection from interest rate and foreign exchange risks.

3. Consumer Banking

The Consumer Banking division offers customers an extensive range of programs that are specifically designed to cater to the needs of a diverse customer base. These range from "Arabi Junior", the special program for children, to "Elite", the exclusive service offered to our high-net-worth clients which are now available in our main markets. The group aims to continue developing its

programmes to suit different customer segments while providing an appropriate relationship management model, as these programmes represent the core of our services in line with the increasing needs and expectations of customers.

This division also aims to directly communicate with targeted customer segments to provide them with suitable and continuous immediate services through a network of branches and electronic channels such as online banking, mobile banking, direct call centres, ATMs, and SMS via mobile phones.

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Information about the Group's Business Segments

	31 December 2025					
	Consumer Banking					
	Corporate and institutional Banking	Treasury	Elite	Retail Banking	Other	Total
	USD '000	USD '000	USD '000	USD '000	USD '000	USD '000
Total income	1 348 797	1 343 504	(213 418)	454 256	652 884	3 586 023
Net inter-segment interest income	(167 917)	(720 196)	689 284	198 829	-	-
Less :ECL expense on financial assets	273 949	102 861	1 085	45 258	-	423 153
Other provisions	14 975	4 920	4 073	9 767	-	33 735
Direct administrative expenses	144 282	32 902	51 938	370 771	2 333	602 226
Result of operations of segments	747 674	482 625	418 770	227 289	650 551	2 526 909
Less: Indirect expenses on segments	394 150	149 612	193 874	234 024	-	971 660
Profit for the year before income tax	353 524	333 013	224 896	(6 735)	650 551	1 555 249
Less: Income tax	96 583	90 979	61 441	(1 840)	177 730	424 893
Profit for the Year	256 941	242 034	163 455	(4 895)	472 821	1 130 356
Depreciation and amortization	35 484	64 970	4 828	39 791	-	145 073
Other information						
Segment assets	26 975 192	29 755 580	4 783 584	9 772 316	2 323 229	73 609 901
Inter-segment assets	-	-	15 551 697	2 713 611	7 874 998	-
Investment in associates	-	-	-	-	4 577 802	4 577 802
TOTAL ASSETS	26 975 192	29 755 580	20 335 281	12 485 927	14 776 029	78 187 703
Segment liabilities	23 589 463	7 001 003	20 335 281	12 485 927	1 543 027	64 954 701
Shareholders' equity	-	-	-	-	13 233 002	13 233 002
Inter-segment liabilities	3 385 729	22 754 577	-	-	-	-
TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY	26 975 192	29 755 580	20 335 281	12 485 927	14 776 029	78 187 703

Notes to the consolidated financial statements

Information about the Group's Business Segments

	31 December 2024					
	Corporate and institutional Banking	Consumer Banking				
		Treasury	Elite	Retail Banking	Other	Total
	USD '000	USD '000	USD '000	USD '000	USD '000	USD '000
Total income	1 254 734	1 345 229	(279 039)	445 494	628 589	3 395 007
Net inter-segment interest income	(116 072)	(735 808)	698 359	153 521	-	-
ECL expense on financial assets	328 309	60 980	87	101 354	-	490 730
Other provisions	23 588	4 461	3 424	12 327	-	43 800
Direct administrative expenses	135 935	30 800	41 984	334 855	9 844	553 418
Result of operations of segments	650 830	513 180	373 825	150 479	618 745	2 307 059
Less: Indirect expenses on segments	376 163	123 564	157 490	204 332	-	861 549
Profit for the year before income tax	274 667	389 616	216 335	(53 853)	618 745	1 445 510
Less: Income tax	83 305	118 170	65 614	(16 333)	187 664	438 420
Profit for the Year	191 362	271 446	150 721	(37 520)	431 081	1 007 090
Depreciation and amortization	35 308	39 885	3 316	39 042	-	117 551
Other information						
Segment assets	24 863 126	26 926 188	2 909 371	8 815 405	3 528 405	67 042 495
Inter-segment assets	-	-	14 727 966	2 597 883	5 986 214	-
Investment in associates	-	-	-	-	4 188 026	4 188 026
TOTAL ASSETS	24 863 126	26 926 188	17 637 337	11 413 288	13 702 645	71 230 521
Segment liabilities	22 045 598	6 431 653	17 637 337	11 413 288	1 567 746	59 095 622
Shareholders' equity	-	-	-	-	12 134 899	12 134 899
Inter-segment liabilities	2 817 528	20 494 535	-	-	-	-
TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY	24 863 126	26 926 188	17 637 337	11 413 288	13 702 645	71 230 521

45. Banking Risk Management

Arab Bank Group addresses the challenges of banking risks comprehensively through an Enterprise-Wide Risk Management Framework. This framework is built in line with leading practices, and is supported by a risk governance structure consisting of risk-related Board Committees, Executive Management Committees, and three independent levels of control.

As part of the risk governance structure of the Group, and as the second level of control, Group Risk Management is responsible for ensuring that the Group has a robust system for the identification and management of risk. Its mandate is to:

- Reviewing the Group's risk management framework before it is approved by the board of directors.
- Implementing the risk management strategy and developing policies and procedures to manage all types of risks.
- Developing methodologies to identify, measure, monitor, and control each type of risk.
- Reporting to the board of directors through the Risk Management Committee and providing a copy to senior executive management, including information comparing the actual risk system of all the Group's activities with the Risk Profile and Risk Appetite document, and following up on the treatment of negative deviations.
- Enhancing and raising risk awareness based on best practices and leading standards specific to the banking sector.

a. Credit Risk Management

The group adopts a proactive and dynamic approach and applies a conservative strategy in managing this type of risk as a fundamental element to achieve its strategic goal of continuous improvement and maintaining the quality of assets and the composition of the credit portfolio. The group also relies on established credit standards characterized by conservatism and prudence, policies, procedures, methodologies, and general frameworks for risk management that take into account all developments in the banking and legislative environment, in addition to clear organizational structures and automated systems, as well as diligent follow-up and effective oversight. This enables the group to deal with potential risks and the challenges of a changing environment with a high level of confidence and determination. Credit management decisions are based on the group's business strategy and acceptable risk levels. It also focuses on diversification, which is the cornerstone for mitigating and diversifying risks at the individual customer level as well as at the sectoral and geographical levels.

b. Geographic Concentration Risk

The Group reduces the geographic concentration risk through distributing its operations over various sectors and various geographic locations inside and outside the Kingdom. Note (46-F) shows the details of the geographical distribution of assets.

Notes to the consolidated financial statements

c. Liquidity Risk

Liquidity is defined as the group's ability to finance the increase in its assets and meet its obligations as they become due without incurring unacceptable losses. The group has established a robust and solid infrastructure of policies, procedures, and human resources to ensure that the group's obligations are met when due under all circumstances and without additional costs.

The group uses multiple methods to measure and analyze the liquidity of its financial position, which helps the group plan and manage its financial resources, as well as identify mismatches in assets and liabilities that could expose the group to liquidity risks. Note (52) illustrates the maturity dates of assets and liabilities, and Note (49) shows the distribution of liabilities (undiscounted) based on the remaining period to contractual maturity.

d. Market Risk

Market risk is defined as the potential for loss from changes in the value of the Group's portfolios due to movements in interest rates, foreign exchange rates, and equity or commodity prices. The three main activities that expose the Group to market risk are: Money Markets, Foreign Exchange and Capital Markets, across the Trading and Banking books. Note (47) shows the details of market risk sensitivity analysis.

1. Interest Rate Risk

Interest rate risk in the Group is well managed and continuously supervised. A large proportion of the interest rate exposure is concentrated in the banking book due to limited trading IRR activity. Exposures of more than one year are particularly limited. Interest rate risk is managed in accordance with the policies and limits established by the ALCO.

Derivatives held for risk management purposes and hedge accounting:

The Group holds derivatives for risk management purposes, some of which are designated as hedging relationships and management is in the process of assessing the impact. Note (48) shows the details of the interest rate risk sensitivity of the Group.

2. Capital Market Exposures

Investments in capital markets instruments are exposed to market risk arising from changes in interest rates and credit spreads. Arab Bank Group's exposure to this kind of risk is limited due to its strong control over credit and interest rate risk. The equities investment portfolio represents a very small percent of the Group's overall investments.

3. Foreign Exchange Risk

Foreign exchange activity arises from mismatches in assets and liabilities that are denominated in currencies other than the functional currency of the respective entity. Foreign exchange activity arises principally from customers' transactions. Strict foreign exchange risk limits are set to define exposure and sensitivity tolerance for trading in foreign exchange. The Group hedges itself appropriately against potential currency fluctuations in order to minimize foreign exchange exposure. Note (50) shows the net positions of foreign currencies.

e. Operational Risk

Operational risk is defined as the risk of loss resulting from inadequate or failed internal processes, people, and systems, or from external events. This definition includes legal risk but excludes strategic and reputational risk. Such risk is managed through a comprehensive framework, as part of the overall strengthening and continuous improvement of the controls within the Group.

46. Credit Risk

A. Gross exposure to credit risk (net of Expected Credit Loss provisions and interest in suspense and prior to collaterals and other risk mitigations):

	31 December 2025	31 December 2024
	USD '000	USD '000
Credit risk exposures relating to items on the consolidated statement of financial position:		
Balances with central banks	11 800 727	11 970 556
Balances with banks and financial institutions	4 873 383	3 748 388
Deposits with banks and financial institutions	137 660	258 832
Financial assets at fair value through profit or loss	33 761	41 676
Financial assets at fair value through other comprehensive income	1 024 903	693 621
Direct credit facilities at amortized cost	37 479 274	34 383 335
Consumer Banking	11 780 698	10 383 348
Small and Medium Corporate	4 000 325	3 749 190
Large Corporate	17 524 261	16 266 891
Banks and financial institutions	465 130	461 028
Government and public sector	3 708 860	3 522 878
Other financial assets at amortized cost	13 306 852	11 992 602
financial derivatives - positive fair value	355 431	207 788
Other assets	566 792	539 290
Total Credit Exposure related to items on the consolidated statement of financial position:	69 578 783	63 836 088

Credit risk exposures relating to items off the consolidated statement of financial position:

Total	21 998 872	19 453 283
Grand Total for Credit Exposure	91 577 655	83 289 371

The table above shows the maximum limit of the bank credit risk as of 31 December 2025 and 2024 excluding collaterals and risks mitigations.

Notes to the consolidated financial statements

B. Fair value of collaterals obtained against total credit exposures:

	31 December 2025									
	Fair Value of Collaterals									
	Total Credit Risk Exposure	Cash	Banks accepted letters of guarantees	Real estate properties	Listed securities	Vehicles and equipment	Other	Total	Net Exposure	Expected Credit Loss
	USD '000	USD '000	USD '000	USD '000	USD '000	USD '000	USD '000	USD '000	USD '000	USD '000
Credit exposures relating to items on statement of financial position:										
Balances with central banks	12 374 427	-	-	-	-	-	-	-	12 374 427	573 700
Balances with banks and financial institutions	4 875 961	-	-	-	-	-	-	-	4 875 961	2 578
Deposits with banks and financial institutions	138 665	-	-	-	-	-	-	-	138 665	1 005
Financial assets at fair value through profit or loss	33 761	-	-	-	-	-	-	-	33 761	-
Financial assets at fair value through other comprehensive income	1 025 674	-	-	-	-	-	-	-	1 025 674	771
Direct credit facilities at amortized cost	41 206 401	1 699 717	229 006	8 293 543	1 508 805	424 197	8 020 878	20 176 146	21 030 255	3 102 865
Consumer Banking	12 268 216	584 532	3 415	3 395 966	215 104	164 307	1 210 102	5 573 426	6 694 790	400 136
Small and Medium Corporates	4 633 696	409 202	70 058	1 093 726	284 605	37 894	822 528	2 718 013	1 915 683	552 840
Large Corporates	20 020 719	490 137	99 298	3 788 967	1 009 096	221 996	4 473 356	10 082 850	9 937 869	2 040 160
Banks and Financial Institutions	468 794	-	36	-	-	-	253	289	468 505	3 613
Government and Public Sector	3 814 976	215 846	56 199	14 884	-	-	1 514 639	1 801 568	2 013 408	106 116
Other financial assets at amortized cost	13 354 772	-	-	-	-	-	-	-	13 354 772	47 920
Financial derivatives - positive fair value	355 431	-	-	-	-	-	-	-	355 431	-
Other assets	566 792	-	-	-	-	-	-	-	566 792	-
Total credit exposures relating to items on statement of financial position:	73 931 884	1 699 717	229 006	8 293 543	1 508 805	424 197	8 020 878	20 176 146	53 755 738	3 728 839
Credit exposures relating to items off statement of financial position:										
Total	22 121 633	1 119 042	9 173	266 470	3 169	32 984	4 571 859	6 002 697	16 118 936	122 761
Grand Total	96 053 517	2 818 759	238 179	8 560 013	1 511 974	457 181	12 592 737	26 178 843	69 874 674	3 851 600
Grand Total as of 31 December 2024	87 828 152	2 384 321	317 314	7 835 167	1 177 194	523 458	11 504 173	23 741 627	64 086 525	3 713 988

C. Fair value of collaterals obtained against Stage 3 Credit Exposures:

	31 December 2024									
	Fair Value of Collaterals									
	Total Credit Risk Exposure	Cash	Banks accepted letters of guarantees	Real estate properties	Listed securities	Vehicles and equipment	Other	Total	Net Exposure	Expected Credit Loss
	USD '000	USD '000	USD '000	USD '000	USD '000	USD '000	USD '000	USD '000	USD '000	USD '000
Credit exposures relating to items on statement of financial position:										
Cash and balances with central banks	-	-	-	-	-	-	-	-	-	-
Balances with banks and financial institutions	-	-	-	-	-	-	-	-	-	-
Deposits with banks and financial institutions	-	-	-	-	-	-	-	-	-	-
Financial assets at fair value through profit or loss	-	-	-	-	-	-	-	-	-	-
Financial assets at fair value through other comprehensive income	-	-	-	-	-	-	-	-	-	-
Direct credit facilities at amortized cost	2 488 936	18 454	32 148	380 900	25 067	47 300	248 095	751 964	1 736 972	1 842 807
Consumer Banking	407 992	8 453	583	50 254	2 387	4 984	16 290	82 951	325 041	250 845
Small and Medium Corporates	503 544	8 366	4 056	157 934	12 178	592	35 243	218 369	285 175	415 618
Large Corporates	1 573 998	1 635	27 509	172 712	10 502	41 724	196 562	450 644	1 123 354	1 173 137
Banks and Financial Institutions	3 117	-	-	-	-	-	-	-	3 117	3 064
Government and Public Sector	285	-	-	-	-	-	-	-	285	143
Other financial assets at amortized cost	-	-	-	-	-	-	-	-	-	-
Financial derivatives - positive fair value	-	-	-	-	-	-	-	-	-	-
Other assets	-	-	-	-	-	-	-	-	-	-
Total credit exposures relating to items on statement of financial position:	2 488 936	18 454	32 148	380 900	25 067	47 300	248 095	751 964	1 736 972	1 842 807
Credit exposures relating to items off statement of financial position:										
Total	98 926	2 511	-	6 482	-	1 515	18 238	28 746	70 180	63 931
Grand Total	2 587 862	20 965	32 148	387 382	25 067	48 815	266 333	780 710	1 807 152	1 906 738
Grand Total as of 31 December 2024	2 882 227	27 491	31 253	359 690	9 032	37 343	405 517	870 326	2 011 901	2 050 658

Notes to the consolidated financial statements

D. Reclassified Credit Exposures:

	31 December 2025					
	Stage 2		Stage 3		Total Reclassified Credit Risk Exposure	Percentage of Reclassified Credit Risk Exposure
	Total Credit Risk Exposure USD '000	Reclassified Credit Risk Exposure USD '000	Total Credit Risk Exposure USD '000	Reclassified Credit Risk Exposure USD '000		
D.1 - Credit exposures relating to items on statement of financial position:						
Balances with central banks	860 320	-	-	-	-	-
Balances with banks and financial institutions	-	-	-	-	-	-
Deposits with banks and financial institutions	-	-	-	-	-	-
Direct credit facilities at amortized cost	4 629 198	369 255	2 488 936	370 111	739 366	10.4%
Other financial assets at amortized cost	36 846	2 008	-	-	2 008	5.4%
Total credit exposures relating to items on statement of financial position:	5 526 364	371 263	2 488 936	370 111	741 374	9.2%
Credit exposures relating to items off statement of financial position:						
Total	1 042 235	26 996	98 926	11 222	38 218	3.3%
Grand Total	6 568 599	398 259	2 587 862	381 333	779 592	8.5%
Grand Total as of 31 December 2024	6 414 719	959 436	2 882 227	310 296	1 269 732	13.7%

	31 December 2025					
	Stage 2		Stage 3		Total Reclassified Expected Credit Loss	Percentage of Reclassified Expected Credit Loss
	Total Expected Credit Loss USD '000	Reclassified Expected Credit Loss USD '000	Total Expected Credit Loss USD '000	Reclassified Expected Credit Loss USD '000		
D.2 - Credit exposures relating to items on statement of financial position:						
Balances with central banks	498 365	-	-	-	-	-
Balances with banks and financial institutions	-	-	-	-	-	-
Deposits with banks and financial institutions	-	-	-	-	-	-
Direct credit facilities at amortized cost	831 352	(79 335)	1 842 807	115 215	35 880	1.3%
Other financial assets at amortized cost	27 153	1 823	-	-	1 823	6.7%
Total credit exposures relating to items on statement of financial position:	1 356 870	(77 512)	1 842 807	115 215	37 703	1.2%
Credit exposures relating to items off statement of financial position:						
Total	21 874	(3 889)	63 931	4	(3 885)	(0.05)
Grand Total	1 378 744	(81 401)	1 906 738	115 219	33 818	1.0%
Grand Total as of 31 December 2024	1 376 039	(69 249)	1 906 755	100 096	30 847	0.9%

Credit exposures relating to items on statement of financial position::

	31 December 2025						
	Reclassified Credit Exposures			Expected Credit Losses for Reclassified Credit Exposures:			
	Reclassified Credit Exposures from Stage 2 USD '000	Reclassified Credit Exposures from Stage 3 USD '000	Total Reclassified Credit Exposures USD '000	Stage 2 (Individual) USD '000	Stage 2 (Collective) USD '000	Stage 3 USD '000	Total USD '000
Credit exposures relating to items on statement of financial position:							
Balances with central banks	-	-	-	-	-	-	-
Balances with banks and financial institutions	-	-	-	-	-	-	-
Deposits with banks and financial institutions	-	-	-	-	-	-	-
Financial assets at fair value through other comprehensive income	-	-	-	-	-	-	-
Direct credit facilities at amortized cost	369 255	370 111	739 366	(75 766)	(4 262)	140 002	59 974
Other financial assets at amortized cost	2 008	-	2 008	1 823	-	-	1 823
Total credit exposures relating to items on statement of financial position:	371 263	370 111	741 374	(73 943)	(4 262)	140 002	61 797
Credit exposures relating to items off statement of financial position:							
Total	26 996	11 222	38 218	(3 827)	-	1 699	(2 128)
Grand Total	398 259	381 333	779 592	(77 770)	(4 262)	141 701	59 669
Grand Total as of 31 December 2024	959 436	310 296	1 269 732	(81 681)	21 937	137 529	77 785

E. Classification of debt securities facilities based on risk degree:

The table below analyses the credit exposure of the debt securities using the credit rating as per the global credit rating agencies:

Credit rating	31 December 2025			
	Financial Assets at Fair Value through P&L USD '000	Financial assets at fair value through other comprehensive income USD '000	Other financial assets at amortized cost USD '000	Total USD '000
Private sector:				
AAA to A-	-	216 774	2 159 535	2 376 309
BBB+ to B-	3 941	76 281	504 538	584 760
Below B-	-	5 975	200 088	206 063
Governments and public sector	29 820	725 873	10 442 691	11 198 384
Total	33 761	1 024 903	13 306 852	14 365 516
Credit rating	31 December 2024			
	Financial Assets at Fair Value through P&L USD '000	Financial assets at fair value through other comprehensive income USD '000	Other financial assets at amortized cost USD '000	Total USD '000
Private sector:				
AAA to A-	-	39 387	1 981 613	2 021 000
BBB+ to B-	4 363	79 428	465 552	549 343
Below B-	3 762	-	-	3 762
Unrated	-	67 456	205 103	272 559
Governments and public sector	33 551	507 350	9 340 334	9 881 235
Total	41 676	693 621	11 992 602	12 727 899

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F. The following is the distribution of credit exposures for direct credit facilities at amortized cost according to the Group's Internal Rating:

	31 December 2025					
	Probability of Default %				Exposure at Default	Average of Loss Given Default
	Total Exposure	Expected Credit Loss	From	To		
					USD '000	USD '000
Internal Credit Rating system						
1-6	24 774 506	676 712	-	15.5	24 773 505	47.5 - 0
7	2 665 031	520 199	24	24	2 647 721	43 - 0
8	186 807	44 655	100	100	166 741	-
9	322 794	181 476	100	100	276 704	-
10	1 979 335	1 616 676	100	100	1 488 494	-
Unrated	11 277 928	63 147	0.04	57	11 228 973	30 - 0
Total	41 206 401	3 102 865	-	-	40 582 138	-

	31 December 2024					
	Probability of Default %				Exposure at Default	Average of Loss Given Default
	Total Exposure	Expected Credit Loss	From	To		
					USD '000	USD '000
Internal Credit Rating system						
1-6	24 079 987	787 956	-	15.5	24 078 138	67 - 0
7	983 086	313 935	24	24	946 058	58.73 - 0
8	211 665	69 249	100	100	204 154	-
9	334 357	146 918	100	100	241 410	-
10	2 241 322	1 634 204	100	100	1 560 469	-
Unrated	10 441 344	131 371	0.04	57	10 436 739	54.63
Total	38 291 761	3 083 633	-	-	37 466 968	-

- The Group adopts a classification policy based on specific additional criteria for certain facilities that are not internally classified, relying on external rating agencies.

F. Credit exposure for assets categorized by geographical distribution: :

	31 December 2024						
	Jordan	Other Arab Countries	Asia*	Europe	America	Rest of the World	Total
	USD '000	USD '000	USD '000	USD '000	USD '000	USD '000	USD '000
Balances with central banks	5 955 766	4 265 830	2 093	1 560 888	-	16 150	11 800 727
Balances and deposits with banks and financial institutions	415 473	939 490	242 572	2 151 944	1 170 454	91 110	5 011 043
Financial assets at fair value through profit or loss	-	29 820	-	3 941	-	-	33 761
Financial assets at fair value through other comprehensive income	7 216	637 947	-	279 525	-	100 215	1 024 903
Direct credit facilities at amortized cost	9 449 291	23 502 318	739 500	2 682 859	55 970	1 049 336	37 479 274
Consumer Banking	4 114 112	6 543 148	9 176	580 920	8 328	525 014	11 780 698
Small and Medium Corporates	1 063 633	1 870 974	88 880	649 939	25 956	300 943	4 000 325
Large Corporates	3 925 470	11 341 853	639 717	1 372 156	21 686	223 379	17 524 261
Banks and Financial Institutions	46 034	337 525	1 727	79 844	-	-	465 130
Government and public Sector	300 042	3 408 818	-	-	-	-	3 708 860
Other financial assets at amortized cost	4 419 054	5 350 476	333 082	1 940 041	760 553	503 646	13 306 852
financial derivatives - positive fair value	1 890	345 434	118	7 457	254	278	355 431
Other assets	109 901	339 227	6 201	107 089	35	4 339	566 792
Total of credit exposures relating to items on statement of financial position	20 358 591	35 410 542	1 323 566	8 733 744	1 987 266	1 765 074	69 578 783
Total of credit exposures relating to items off statement of financial position	3 470 898	12 101 605	1 991 080	4 025 744	322 290	87 255	21 998 872
Grand Total as of 31 December 2025	23 829 489	47 512 147	3 314 646	12 759 488	2 309 556	1 852 329	91 577 655
Grand Total as of 31 December 2024	23 309 666	44 069 194	2 997 524	9 897 502	1 341 144	1 674 341	83 289 371

* Excluding Other Arab Countries

46. Credit Risk

G. Credit exposure categorized by geographical distribution and staging according to IFRS 9::

	31 December 2025					
	Stage 1		Stage 2		Stage 3	Total
	(Individual) USD '000	(Collective) USD '000	(Individual) USD '000	(Collective) USD '000	USD '000	USD '000
Jordan	19 062 406	4 001 924	626 850	81 499	56 810	23 829 489
Other Arab Countries	37 287 854	6 105 472	3 664 289	401 529	53 003	47 512 147
Asia*	3 305 470	9 176	-	-	-	3 314 646
Europe	11 839 964	573 698	329 080	7 232	9 514	12 759 488
America	2 301 005	8 328	223	-	-	2 309 556
Rest of the World	1 319 458	515 955	6 665	5 445	4 806	1 852 329
Grand Total as of 31 December 2025	75 116 157	11 214 553	4 627 107	495 705	124 133	91 577 655
Grand Total as of 31 December 2024	68 250 744	9 842 859	4 497 561	504 053	194 154	83 289 371

* Excluding Arab Countries.

H. Credit exposure categorized by economic sector

	31 December 2025												
	Corporates										Banks and Financial Institutions	Government and Public Sector	Total
	Consumer Banking	Industry and Mining	Constructions	Real Estate	Trade	Agriculture	Tourism and Hotels	Transportation	Shares	General Services			
	USD '000	USD '000	USD '000	USD '000	USD '000	USD '000	USD '000	USD '000	USD '000	USD '000	USD '000	USD '000	USD '000
Balances with Central Banks	-	-	-	-	-	-	-	-	-	-	-	11 800 727	11 800 727
Balances and deposits with banks and financial institutions	-	-	-	-	-	-	-	-	-	-	5 011 043	-	5 011 043
Financial assets at fair value through profit or loss	-	3 941	-	-	-	-	-	-	-	-	-	29 820	33 761
Financial assets at fair value through other comprehensive income	-	-	-	6 346	-	-	-	-	-	71 923	220 886	725 748	1 024 903
Direct credit facilities at amortized cost	11 780 698	5 648 268	1 986 217	1 513 623	4 569 992	405 927	970 283	435 391	18 397	5 976 488	465 130	3 708 860	37 479 274
Other financial assets at amortized cost	-	224 466	-	27 115	-	-	-	-	-	613 959	1 998 621	10 442 691	13 306 852
Financial derivatives - positive fair value	-	1 238	-	-	481	-	-	16	-	9 986	343 317	393	355 431
Other assets	35 071	40 719	16 411	12 092	25 849	1 426	13 879	7 859	58	165 489	43 787	204 152	566 792
Total of credit exposures relating to items on statement of financial position	11 815 769	5 918 632	2 002 628	1 559 176	4 596 322	407 353	984 162	443 266	18 455	6 837 845	8 082 784	26 912 391	69 578 783
Total of credit exposures relating to items off statement of financial position	41 040	3 917 060	5 103 442	282 053	4 048 562	237 606	86 143	193 963	133	4 992 333	2 595 538	500 999	21 998 872
Grand Total as of 31 December 2025	11 856 809	9 835 692	7 106 070	1 841 229	8 644 884	644 959	1 070 305	637 229	18 588	11 830 178	10 678 322	27 413 390	91 577 655
Grand Total as of 31 December 2024	10 453 815	8 506 558	6 548 809	1 469 525	8 108 293	645 278	1 057 582	807 956	34 645	10 198 161	9 568 899	25 889 850	83 289 371

I. Credit exposure categorized by economic sector and staging according to IFRS 9:

	31 December 2025					
	Stage 1		Stage 2		Stage 3	Total
	(Individual) USD '000	(Collective) USD '000	(Individual) USD '000	(Collective) USD '000	USD '000	USD '000
Consumer Banking	76 035	11 214 553	50	495 705	70 466	11 856 809
Industry and Mining	9 220 628	-	609 774	-	5 290	9 835 692
Constructions	6 213 624	-	870 713	-	21 733	7 106 070
Real Estate	1 741 901	-	96 981	-	2 347	1 841 229
Trade	8 015 958	-	622 588	-	6 338	8 644 884
Agriculture	538 813	-	103 243	-	2 903	644 959
Tourism and Hotels	898 512	-	170 365	-	1 428	1 070 305
Transportation	569 267	-	65 825	-	2 137	637 229
Shares	18 571	-	17	-	-	18 588
General Service	10 867 609	-	957 646	-	4 923	11 830 178
Banks and Financial Institutions	10 661 478	-	10 418	-	6 426	10 678 322
Government and Public Sector	26 293 761	-	1 119 487	-	142	27 413 390
Grand Total as of 31 December 2025	75 116 157	11 214 553	4 627 107	495 705	124 133	91 577 655
Grand Total as of 31 December 2024	68 250 744	9 842 859	4 497 561	504 053	194 154	83 289 371

Notes to the consolidated financial statements

47. Market Risk

Market Risk Sensitivity

- Assuming market prices as at 31 December 2025 and 2024 change by 5%, the impact on statement of income and shareholders equity will be as follows:

	31 December 2025			31 December 2024		
	Statement of Income	Shareholders' Equity	Total	Statement of Income	Shareholders' Equity	Total
	USD '000	USD '000	USD '000	USD '000	USD '000	USD '000
Interest rate sensitivity	77 617	-	77 617	74 763	-	74 763
Foreign exchange rate sensitivity	13 849	92 105	105 954	3 072	82 851	85 923
Equity instruments price sensitivity	1 876	19 424	21 300	1 627	19 424	21 051
Total	93 342	111 529	204 871	79 462	102 275	181 737

48. Interest Rate Risk

A. Below is the Group Exposure to interest rate volatility as of 31 December 2025 (classification is based on interest rate repricing or maturity date, whichever is closer):

	Up to 1 month	More than 1 month and till 3 months	More than 3 months and till 6 months	More than 6 months and till 1 year	More than 1 year and till 3 years	More than 3 years	Not tied to interest rate risk	Total
	USD '000	USD '000	USD '000	USD '000	USD '000	USD '000	USD '000	USD '000
Assets								
Cash at vaults	-	-	-	-	-	-	1 599 476	1 599 476
Mandatory cash reserve	-	-	-	-	-	-	1 647 814	1 647 814
Balances with central banks	5 791 230	210,667	-	-	-	-	4 151 016	10 152 913
Balances and deposits with banks and financial institutions	4 064 517	807 861	76 528	62 137	-	-	-	5 011 043
Financial assets at fair value through profit or loss	6 970	8 969	3,499	5 668	-	8,655	51 591	85 352
Direct credit facilities at amortized cost	9 636 601	9 121 099	5 127 532	3 269 764	4 029 776	6 294 502	-	37 479 274
Financial assets at fair value through other comprehensive income	46 549	81 563	18 491	131 775	191 092	555 433	478 556	1 503 459
Other financial assets at amortized cost	660 913	1 958 164	1 088 491	1 478 674	3 157 206	4 963 404	-	13 306 852
Investments in associates	-	-	-	-	-	-	4 577 802	4 577 802
Fixed assets	-	-	-	-	-	-	647 165	647 165
Other assets and financial derivatives - positive fair value	215 490	164 967	165 485	56 172	168 635	129 105	1 032 143	1 931 997
Deferred tax assets	-	-	-	-	-	-	244 556	244 556
TOTAL ASSETS	20 422 270	12 353 290	6 480 026	5 004 190	7 546 709	11 951 099	14 430 119	78 187 703
LIABILITIES								
Banks and financial institutions' deposits	3 338 616	171 875	1 904	37 193	73 577	-	560 380	4 183 545
Customer deposits	19 642 834	5 420 899	3 601 807	6 435 005	1 815 882	35 420	17 672 622	54 624 469
Cash margin	1 036 991	247 048	304 194	302 890	109 149	52 952	485 748	2 538 972
Borrowed funds	460 302	133 871	30 636	67 460	17 016	14 541	-	723 826
Provision for income tax	-	-	-	-	-	-	391 453	391 453
Other provisions	-	-	-	-	-	-	263 806	263 806
Other liabilities and financial derivatives - negative fair value	213 161	50 346	271 630	22 337	76 232	66 866	1 500 204	2 200 776
Deferred tax liabilities	-	-	-	-	-	-	27 854	27 854
TOTAL LIABILITIES	24 691 904	6 024 039	4 210 171	6 864 885	2 091 856	169 779	20 902 067	64 954 701
Gap	(4 269 634)	6 329 251	2 269 855	(1 860 695)	5 454 853	11 781 320	(6 471 948)	13 233 002

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B. Below is the Group Exposure to interest rate volatility as of 31 December 2024 (classification is based on interest rate repricing or maturity date, whichever is closer):

	Up to 1 month	More than 1 month and till 3 months	More than 3 months and till 6 months	More than 6 months and till 1 year	More than 1 year and till 3 years	More than 3 years	Not tied to interest rate risk	Total
	USD '000	USD '000	USD '000	USD '000	USD '000	USD '000	USD '000	USD '000
Assets								
Cash at vaults	-	-	-	-	-	-	1 116 169	1 116 169
Mandatory cash reserve	-	-	-	-	-	-	1 514 008	1 514 008
Balances with central banks	7 394 853	-	-	-	-	-	3 061 695	10 456 548
Balances and deposits with banks and financial institutions	3 053 798	729 613	155 746	68 063	-	-	-	4 007 220
Financial assets at fair value through profit or loss	4 888	9 902	3,966	5 901	-	17 019	32 546	74 222
Direct credit facilities at amortized cost	7 996 092	6 544 395	4 303 981	2 884 076	4 208 243	8 446 548	-	34 383 335
Financial assets at fair value through OCI	46,414	70 644	28 447	92 838	137 896	317 382	388 471	1 082 092
Other financial assets at amortized cost	794 650	1 223 131	1 102 058	1 768 222	3 309 788	3 794 753	-	11 992 602
Investments in associates	-	-	-	-	-	-	4 188 026	4 188 026
Fixed assets	-	-	-	-	-	-	538 503	538 503
Other assets and financial derivatives - positive fair value	303 342	161 126	107 525	48 268	88 321	80 028	818 256	1 606 866
Deferred tax assets	-	-	-	-	-	-	270 930	270 930
TOTAL ASSETS	19 594 037	8 738 811	5 701 723	4 867 368	7 744 248	12 655 730	11 928 604	71 230 521
LIABILITIES								
Banks and financial institutions' deposits	2 542 332	490 933	21 745	2,000	91,972	-	569 741	3 718 723
Customer deposits	13 750 089	5 980 838	3 651 009	7 726 388	2 313 188	919 807	15 434 448	49 775 767
Cash margin	624 046	529 533	197 012	391 632	151 781	57 214	438 294	2 389 512
Borrowed funds	200 639	151 453	32 127	17 822	42 067	40 715	-	484 823
Provision for income tax	-	-	-	-	-	-	416 942	416 942
Other provisions	-	-	-	-	-	-	242 704	242 704
Other liabilities and financial derivatives - negative fair value	261 093	69 836	127 673	32 377	109 343	63 352	1 379 310	2 042 984
Deferred tax liabilities	-	-	-	-	-	-	24 167	24 167
TOTAL LIABILITIES	17 378 199	7 222 593	4 029 566	8 170 219	2 708 351	1 081 088	18 505 606	59 095 622
Gap	2 215 838	1 516 218	1 672 157	(3 302 851)	5 035 897	11 574 642	(6 577 002)	12 134 899

49. Liquidity Risk

A. The below is the distribution of the liabilities (undiscounted) according to the residual maturity as of 31 December 2025::

	Within 1 month	After 1 month and till 3 months	After 3 months and till 6 months	After 6 months and till 1 year	After one year and till 3 years	After 3 years	Not tied to a specific maturity	Total
	USD '000	USD '000	USD '000	USD '000	USD '000	USD '000	USD '000	USD '000
Liabilities								
Banks and financial institutions' deposits	2 533 043	1 090 940	-	-	-	-	560 380	4 184 363
Customer deposits	13 427 980	6 826 122	3 491 636	6 208 763	2 081 366	1 367 644	21 505 090	54 908 601
Cash margin	646 080	592 979	314 489	347 236	120 725	53 233	478 105	2 552 847
Borrowed funds	158 088	67 402	22 710	76 084	118 089	290 019	-	732 392
Provision for income tax	-	-	-	-	-	-	391 453	391 453
Other Provisions	-	-	-	-	-	-	263 806	263 806
Financial derivatives								
- negative fair value	229 163	21 381	5 025	4 994	15 003	47 282	6 350	329 198
Other liabilities	189 502	28 946	266 273	17 673	60 736	28 875	1 279 573	1 871 578
Deferred tax liabilities	-	-	-	-	-	-	27 854	27 854
Total Liabilities	17 183 856	8 627 770	4 100 133	6 654 750	2 395 919	1 787 053	24 512 611	65 262 092
Total Assets according to expected maturities	15 522 697	8 586 866	5 008 545	4 839 813	10 107 182	20 562 566	13 560 034	78 187 703

B. The below is the distribution of the liabilities (undiscounted) according to the residual maturity as of 31 December 2024:

	Within 1 month	After 1 month and till 3 months	After 3 months and till 6 months	After 6 months and till 1 year	After one year and till 3 years	After 3 years	Not tied to a specific maturity	Total
	USD '000	USD '000	USD '000	USD '000	USD '000	USD '000	USD '000	USD '000
Liabilities								
Banks and financial institutions' deposits	2 614 784	417 816	21 745	2 000	91 972	-	570 639	3 718 956
Customer deposits	11 347 223	5 387 649	3 474 759	7 090 344	1 875 305	729 072	20 322 525	50 226 877
Cash margin	526 415	636 469	199 160	395 521	336 849	57 214	247 303	2 398 931
Borrowed funds	8 256	34 769	18 467	32 225	240 131	170 321	-	504 169
Provision for income tax	-	-	-	-	-	-	416 942	416 942
Other Provisions	-	-	-	-	-	-	242 704	242 704
Financial derivatives								
- negative fair value	28 912	28 390	12 631	8 264	33 863	44 063	-	156 123
Other liabilities	238 281	204 675	112 282	25 228	75 546	16 788	1 214 061	1 886 861
Deferred tax liabilities	-	-	-	-	-	-	24 167	24 167
Total Liabilities	14 763 871	6 709 768	3 839 044	7 553 582	2 653 666	1 017 458	23 038 341	59 575 730
Total Assets according to expected maturities	15 191 503	5 167 326	4 395 442	4 532 502	9 933 466	18 336 072	13 676 990	71 233 301

Notes to the consolidated financial statements

50. Net Foreign Currency Positions

The details of this item are as follows:

	31 December 2025		31 December 2024	
	Base currency in thousands	Equivalent in USD 000	Base currency in thousands	Equivalent in USD 000
USD	290 525	290 525	1 661	1 661
GBP	7 448	9 479	(2 317)	(2 949)
EUR	(8 860)	(9 778)	23 746	26 205
JPY	165 491	1 173	425 508	3 016
CHF	502	596	(1 959)	(2 328)
Other currencies *	-	88 998	-	62 543
		380 993		88 148

* Various foreign currencies translated to US Dollars.

- Details of the Group's total assets and Liabilities as per the main currencies as of 31 December 2025 are as follows:

	USD	GBP	EUR	JPY	CHF
	USD '000	USD '000	USD '000	USD '000	USD '000
Total Assets	18 395 485	1 409 192	2 491 108	175 897	113 797
Total liabilities	17 754 415	1 049 220	1 932 215	89 521	126 034
Total owner's equity	1 846 178	132	406 061	104.00	32
Net Foreign currency forward contract	1 495 633	(350 361)	(162 610)	(85 099)	12 865
Net Open Position	290 525	9 479	(9 778)	1 173	596
Net Open Position as of 31 December 2024	1 661	(2 949)	26 205	3 016	(2 328)

51. Fair Value Hierarchy

Financial instruments include financial assets and financial liabilities.

The Group uses the following methods and alternatives of valuating and presenting the fair value of financial instruments:

Level 1: Quoted (unadjusted) market prices in active markets for identical assets or liabilities.

Level 2: Valuation techniques for which the lowest level input that is significant to the fair value measurement is directly or indirectly observable.

Level 3: Valuation techniques for which the lowest level input that is significant to the fair value measurement is unobservable.

a. Fair value of financial assets and financial liabilities measured at fair value on recurring basis.

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

	Fair Value as at 31 December		Fair Value Hierarchy	Valuation techniques and key inputs	Significant unobservable inputs	Relationship of unobservable inputs to fair value
	2025	2024				
	USD '000	USD '000				
Financial assets at fair value						
Financial assets at fair value through profit or loss:						
Government Bonds and bills	29 820	33 551	Level 1	Quoted Prices	Not Applicable	Not Applicable
Corporate bonds	3 941	8 125	Level 1	Quoted Prices	Not Applicable	Not Applicable
Shares and mutual funds	51 591	32 546	Level 1 & 2	Quoted Prices or through comparison of similar financial instruments	Not Applicable	Not Applicable
Total Financial Assets at fair value through Profit or Loss	85 352	74 222				
Financial derivatives - positive fair value	355 431	207 788	Level 2	Through Comparison of similar financial instruments	Not Applicable	Not Applicable
Financial assets at fair value through other comprehensive income:						
Quoted shares	208 784	165 724	Level 1	Quoted Prices	Not Applicable	Not Applicable
Unquoted shares	269 772	222 747	Level 2 & 3	Through Comparison of similar financial instruments or through using unobservable measurments	Not Applicable	Not Applicable
Governmental bonds and corporate bonds through OCI	1 024 903	693 621	Level 1 & 2	Quoted Prices or through comparison of similar financial instruments	Not Applicable	Not Applicable
Total Financial Assets at fair value through other comprehensive income	1 503 459	1 082 092				
Total Financial Assets at Fair Value	1 944 242	1 364 102				
Financial Liabilities at Fair Value						
Financial derivatives - negative fair value	329 198	156 123	Level 2	Through Comparison of similar financial instruments	Not Applicable	Not Applicable
Stuctured products at fair value	39 895	-	Level 2	Through Comparison of similar financial instruments	Not Applicable	Not Applicable
Total Financial Liabilities at Fair Value	369 093	156 123				

There were no transfers between Level 1 and 2 during 2025 & 2024..

	Fair Value as at 31 December	
	2025	2024
	USD '000	USD '000
Balance at the beginning of the year	222 747	194 589
Purchase of shares - net	47 025	28 158
	269 772	222 747

Notes to the consolidated financial statements

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

Except as detailed in the following table, we believe that the carrying amounts of financial assets and financial liabilities recognized in the Group consolidated financial statements approximate their fair values:

	31 December 2025		31 December 2024		Fair value
	Book value	Fair value	Book value	Fair value	
	USD '000	USD '000	USD '000	USD '000	USD '000
Financial assets not calculated at fair value					
Mandatory reserve , time and notice and certificates of deposits at Central Banks	7 322 524	7 324 658	8 256 314	8 270 199	Level 2 & 3
Balances and Deposits with banks and Financial institutions	5 011 043	5 015 728	4 007 220	4 013 501	Level 2 & 3
Direct credit facilities at amortized cost	37 479 274	37 691 164	34 383 335	34 604 080	Level 2 & 3
Other Financial assets at amortized cost	13 306 852	13 488 155	11 992 602	12 142 262	Level 1 & 2
Total financial assets not calculated at fair value	63 119 693	63 519 705	58 639 471	59 030 042	
Financial liabilities not calculated at fair value					
Banks' and financial institutions' deposits	4 183 545	4 200 349	3 718 723	3 738 269	Level 2 & 3
Customer deposits	54 624 469	54 933 340	49 775 767	50 125 589	Level 2 & 3
Cash margin	2 538 972	2 554 558	2 389 512	2 407 934	Level 2 & 3
Borrowed funds	723 826	727 824	484 823	490 566	Level 2 & 3
Total financial liabilities not calculated at fair value	62 070 812	62 416 071	56 368 825	56 762 358	

The fair values of the financial assets and financial liabilities included in level 2 and 3 categories above have been determined in accordance with the generally accepted pricing models based on a discounted cash flow analysis, with the most significant inputs being that discount rate.

52. Analysis of Assets and Liabilities Maturities

The below is an analysis for assets and liabilities maturities according to the expected period to be recovered or settled as at 31 December 2025:

	Up to one year	More than one year	Total
	USD '000	USD '000	USD '000
Assets			
Cash at vaults	1 599 476	-	1 599 476
Mandatory cash reserve	1 647 814	-	1 647 814
Balances with central banks	10 152 913	-	10 152 913
Balances and deposits with banks and financial institutions	5 011 043	-	5 011 043
Financial assets at fair value through profit or loss	85 352	-	85 352
Direct credit facilities at amortized cost	16 050 490	21 428 784	37 479 274
Financial assets at fair value through other comprehensive income	774 148	729 311	1 503 459
Other financial assets at amortized cost	5 125 600	8 181 252	13 306 852
Investment in subsidiaries and associates	-	4 577 802	4 577 802
Fixed assets	76 844	570 321	647 165
Other assets and financial derivatives - positive fair value	1 588 654	343 343	1 931 997
Deferred tax assets	244 556	-	244 556
Total assets	42 356 890	35 830 813	78 187 703
Liabilities			
Banks' and financial institutions' deposits	4 109 968	73 577	4 183 545
Customer deposits	51 228 950	3 395 519	54 624 469
Cash margin	2 365 484	173 488	2 538 972
Borrowed funds	315 814	408 012	723 826
Provision for income tax	391 453	-	391 453
Other Provisions	263 806	-	263 806
Other liabilities and financial derivatives - negative fair value	2 045 764	155 012	2 200 776
Deferred tax liabilities	27 854	-	27 854
Total liabilities	60 749 093	4 205 608	64 954 701
Net	(18 392 203)	31 625 205	13 233 002

The below is an analysis for assets and liabilities maturities according to the expected period to be recovered or settled as at 31 December 2024:

	Up to one year	More than one year	Total
	USD '000	USD '000	USD '000
Assets			
Cash at vaults	1 116 169	-	1 116 169
Mandatory cash reserve	1 514 008	-	1 514 008
Balances with central banks	10 456 548	-	10 456 548
Balances and deposits with banks and financial institutions	4 007 220	-	4 007 220
Financial assets at fair value through profit or loss	74 222	-	74 222
Direct credit facilities at amortized cost	14 914 165	19 469 170	34 383 335
Financial assets at fair value through other comprehensive income	497 132	584 960	1 082 092
Other financial assets at amortized cost	3 861 165	8 131 437	11 992 602
Investment in subsidiaries and associates	-	4 188 026	4 188 026
Fixed assets	69 924	468 579	538 503
Other assets and financial derivatives - positive fair value	1 420 943	185 923	1 606 866
Deferred tax assets	270 930	-	270 930
Total assets	38 202 426	33 028 095	71 230 521
Liabilities			
Banks' and financial institutions' deposits	3 626 751	91 972	3 718 723
Customer deposits	47 170 265	2 605 502	49 775 767
Cash margin	2 180 524	208 988	2 389 512
Borrowed funds	74 371	410 452	484 823
Other Provisions	416 942	-	416 942
Provision for Income Tax	242 704	-	242 704
Other liabilities and financial derivatives - negative fair value	1 872 724	170 260	2 042 984
Deferred tax liabilities	24 167	-	24 167
Total liabilities	55 608 448	3 487 174	59 095 622
Net	(17 406 022)	29 540 921	12 134 899

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53. Contractual Maturity of the Contingent Accounts

The table below details the maturity of expected liabilities and commitments on the basis of contractual maturity:

	31 December 2025			
	Within 1 year	More than 1 year and up to 5 years	More than 5 years	Total
	USD '000	USD '000	USD '000	USD '000
Letters of credit	3 503 414	44 886	-	3 548 300
Acceptances	816 824	6 753	-	823 577
Letters of guarantee:				
- Payment guarantees	1 028 605	117 038	60 914	1 206 557
- Performance guarantees	3 146 737	1 768 468	223 198	5 138 403
- Other guarantees	2 812 229	1 209 097	131 839	4 153 165
Unutilized credit facilities	6 752 271	475 844	23 516	7 251 631
Total	18 060 080	3 622 086	439 467	22 121 633
Constructions projects contracts	9 183	-	-	9 183
Procurement contracts	15 199	4 269	647	20 115
Total	24 382	4 269	647	29 298

	31 December 2024			
	Within 1 year	More than 1 year and up to 5 years	More than 5 years	Total
	USD '000	USD '000	USD '000	USD '000
Letters of credit	2 961 204	183 050	9 649	3 153 903
Acceptances	658 388	5 140	-	663 528
Letters of guarantee:				
- Payment guarantees	872 920	195 051	157 265	1 225 236
- Performance guarantees	2 809 384	1 525 547	293 451	4 628 382
- Other guarantees	2 295 851	1 004 395	62 152	3 362 398
Unutilized credit facilities	6 078 497	427 665	22 360	6 528 522
Total	15 676 244	3 340 848	544 877	19 561 969
Constructions projects contracts	7 230	-	-	7 230
Procurement contracts	12 773	3 677	810	17 260
Total	20 003	3 677	810	24 490

54. Capital Management

The Group manages its capital to safeguard its ability to continue its operating activities while maximizing the return to shareholders. The composition of the regulatory capital, as defined by Basel III standards is as follows:

	31 December 2025	31 December 2024
	USD '000	USD '000
Common Equity Tier 1	11 694 260	10 665 927
Regulatory Adjustments (Deductions from Common Equity Tier 1)	(3 965 759)	(3 641 396)
Additional Tier 1	545 719	542 990
Supplementary Capital	798 207	663 851
Regulatory Capital	9 072 427	8 231 372
Risk-weighted assets (RWA)	53 256 562	47 974 210

Common Equity Tier 1 Ratio	%14.51	%14.64
Tier 1 Capital Ratio	%15.54	%15.77
Capital Adequacy Ratio	%17.04	%17.16

- The Board of Directors performs an overall review of the capital structure of the Group on a quarterly basis. As part of this review, the Board takes into consideration matters such as cost and risks of capital as integral factors in managing capital through setting dividend policies and capitalization of reserves.
- The liquidity coverage ratio is 229% as of 31 December 2025 and 255% as of 31 December 2024 (According to Central Bank of Jordan instructions no. 5/2020 the minimum liquidity coverage ratio is 100%)

55. Transactions with Related Parties

The details of this item are as follows:

	31 December 2025			
	Deposits owed from related parties	Direct credit facilities at amortized cost	Deposits owed to related parties	LCs, LGs, Unutilised credit facilities and acceptances
	USD '000	USD '000	USD '000	USD '000
Associated companies	150 384	6 954	28 269	93 303
Major Shareholders and Members of the Board of Directors	-	235 265	869 559	249 161
Total	150 384	242 219	897 828	342 464

	31 December 2024			
	Deposits owed from related parties	Direct credit facilities at amortized cost	Deposits owed to related parties	LCs, LGs, Unutilised credit facilities and acceptances
	USD '000	USD '000	USD '000	USD '000
Associated companies	203 168	-	14 944	96 351
Major Shareholders and Members of the Board of Directors	-	207 716	754 570	168 398
Total	203 168	207 716	769 514	264 749

- All facilities granted to related parties are performing loans in accordance with the credit rating of the Group. No provisions for the year have been recorded in relation to impairment in value.

The details of transactions with related parties are as follows:

	2025	
	Interest Income	Interest Expense
	USD '000	USD '000
Associated companies	8 891	1 371

	2024	
	Interest Income	Interest Expense
	USD '000	USD '000
Associated companies	9 938	1 549

- Direct credit facilities granted to key management personnel amounted to USD 1 million and indirect credit facilities amounted to USD 5.6 thousand as of 31 December 2025 (USD 1 million and indirect credit facilities amounted to USD 5.6 thousand as of 31 December 2024).
- Deposits of key management personnel amounted to USD 9.6 million as of 31 December 2025 (USD 6.3 million as of 31 December 2024).
- Interest on credit facilities granted to major shareholders and members of the Board of Directors is recorded at arm's length.
- The salaries and other fringe benefits of the Group's key management personnel, inside and outside Jordan, amounted to USD 96.5 million for the year ended on 31 December 2025 (USD 82.2 million for the year ended on 31 December 2024).

56. Earnings Per Share

The details of this item are as follows:

	31 December 2025	31 December 2024
	USD '000	USD '000
Profit for the year attributable to Shareholders of the Bank	1 083 344	969 126
Less: Groups' share of interest on perpetual tier 1 capital bonds	(29 716)	(26 839)
Less: Interest paid on perpetual tier 1 capital bonds (associated company)	(19 990)	-
Net profit for the period attributable to the Bank's shareholders	1 033 638	942 287

	Thousand Shares	
Average number of shares	640 800	640 800

	USD / Share	
Earnings Per Share (Basic and diluted)	1.61	1.47

There are no instruments that could potentially dilute basic earnings per share in the future.

Notes to the consolidated financial statements

57. Assets under management

Assets under management amounted to USD 22,712 million as of 31 December 2025 (USD 14,521 million as of 31 December 2024). These assets are not included in the Group's consolidated financial statements.

58. Cash and Cash Equivalent

The details of this item are as follows:

	31 December 2025	31 December 2024
	USD '000	USD '000
Cash and balances with central banks maturing within 3 months	13 973 903	13 555 124
Add: balances with banks and financial institutions maturing within 3 months	4 875 961	3 751 194
Less: banks and financial institutions deposits maturing within 3 months	4 006 159	3 624 677
Total	14 843 705	13 681 641

59. Legal Cases

There are lawsuits filed against the Group totaling USD 436.8 million as of 31 December 2025 (USD 355.7 million as of 31 December 2024). In the opinion of the management and the lawyers representing the Group in the litigation at issue, the provisions taken in connection with the lawsuits are adequate.



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AM/6631

To the Shareholders of
Arab Bank Group
Amman – The Hashemite Kingdom of Jordan

Report on the Audit of the Consolidated Financial Statements

Opinion

We have audited the consolidated financial statements of Arab Bank Group, its subsidiaries, and foreign branches, together referred to as “the Group”, which comprise the consolidated statement of financial position as at December 31, 2025, the consolidated statement of profit or loss, the consolidated statement of comprehensive income, consolidated statement of changes in owners' equity and consolidated statement of cash flows for the year then ended, and notes to the consolidated financial statements, including material accounting policy information.

In our opinion, the accompanying consolidated financial statements present fairly, in all material aspects, the consolidated financial position of the Group as at December 31, 2025, and its consolidated financial performance and consolidated cash flows for the year then ended in accordance with IFRS Accounting Standards as issued by the International Accounting Standards Board (IASB).

Basis for Opinion

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



Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the consolidated financial statements for the year ended. 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.

Key Audit Matter	How our audit addressed the key audit matter
1. Expected Credit Losses on Credit Facilities	
As described in note 12 to the consolidated financial statements, gross direct credit facilities amounted to USD 41.2 billion, which represents 53% of total assets as of 31 December 2025. The Group recognized USD 3.1 billion in expected credit loss (ECL) against these facilities as of 31 December 2025.	We obtained an understanding of the process adopted by management to determine the allowance for ECL, including the key controls within this process.
The valuation and allocation of ECL consists of a number of assumptions that are inherently uncertain and require a high degree of complex and subjective management judgement, specialized skills and knowledge, and complex ECL modelling.	We assessed the abovementioned controls to determine if they had been appropriately designed and implemented, including those over: - Methodology governance, and model outputs; - The determination of credit risk ratings in the corporate sector; - Collaterals valuation; - Completeness and accuracy of the input data used by the model; and. - The application of stage overrides, where applicable.
The key areas we identified as having the most significant level of management judgement were in respect of collectively assessed ECL, and ECL model adjustments. Further details in respect of these items are provided below.	Further, with the assistance of our internal credit specialists, our audit procedures over the key areas of the determination of the allowance for ECL addressed the following: - Model estimations, where we: - Evaluated the methodology, the modelling approach and judgements applied, and estimates made by management; - Inspected a model-developer prepared replication of the model calculation for a sample of instruments from in-scope portfolios and compared the outputs to the Group's outputs; - Read and reviewed the latest model calibration and validation reports, and assessed model limitations where applicable; and
Collectively assessed ECL The ECL against the retail and corporate sectors' Stage 1 and Stage 2 direct credit facilities, is determined on a collective basis using ECL calculation models.	- Allocation of assets into stages, where we: - evaluated the key relevant criteria used for allocation into Stage 1 and Stage 2, including independently assessing the credit rating of a sample of corporate sector direct credit facilities; - tested the stage allocation for a sample of exposures; and - tested the key data used by models in assigning stages and evaluated the model logic used.
These models, which are based on discounted cashflows, where applicable, calculate a probability-weighted estimate using several significant judgements by applying probabilities of default, exposure at default and a loss given default assumptions, and also takes collateral held and other loss mitigants into account.	
The key judgements and estimates in determining ECL include: - Modelling approach, judgements, and selection of modelling data; - Credit risk ratings for the Corporate sector direct credit facilities, which are performed on a counterparty basis by credit officers; and - The appropriate allocation of direct credit facilities into the correct staging considering any significant increase in credit risk since instrument inception.	



Key Audit Matter	How our audit addressed the key audit matter
ECL model adjustments Where expected credit loss calculation models do not incorporate all factors relevant to estimating the ECL, adjustments are made by management to address known model limitations identified through validation and calibration exercises, and emerging or non-modelled risks, more specifically to the determination of corporate sector customers staging. The adjustments made to address these limitations require specialist auditor judgement when evaluating the methodology, assumptions, inputs and calculations. Auditing these complex judgements and assumptions involves especially challenging auditor judgement due to the nature and extent of audit evidence and effort required to address these matters and therefore this item is considered to be a key audit matter. Notes 4 and 5 to the consolidated financial statements provides further details on material accounting policy information and key accounting sources of estimation and judgment surrounding the determination of expected credit loss respectively.	In respect of the adjustments to models, we performed the following procedures in conjunction with our internal specialists: - evaluated the methodology, approach and assumptions in developing the adjustments; - evaluated the Group's selection of the approach for a sample of exposures; and - tested the accuracy of the stage allocation for a sample of overridden exposures; We assessed the disclosure in the financial statements relating to this matter against the requirements of IFRS Accounting Standards.
2. Information Technology ('IT') systems and controls over financial reporting The Group's IT environment is inherently complex due to the number of systems it operates and its reliance on automated and IT dependent manual controls. Together, these support a broad range of banking products as well as the processing of the Group's significant volume of transactions, which impact all account balances. As such, IT systems within the Group form a critical component of the Group's financial reporting activities. Due to the significant reliance on IT systems, effective General IT Controls ('GITCs') are critical to allow reliance to be placed on the completeness and accuracy of financial data and the integrity of automated system functionality, such as system calculations.	Our IT audit scope covered the Group's IT controls over information systems deemed relevant to the audit based on the financial data, system configured automated controls and/or key financial reports that reside within them. Consequently, we obtained an understanding of the relevant applications as well as the infrastructure supporting these applications. Our audit approach relies on automated controls and therefore the following procedures were designed to test the access and control over IT systems: - We obtained an understanding of applications relevant to financial reporting and infrastructure supporting these applications. - We tested general IT controls relevant to the identified automated controls and computer-generated information covering access security, program changes, data center and network operations. - We examined certain information used in the financial reporting from relevant applications and key controls over their report logics. - We performed testing on the key automated controls on significant IT systems relevant to business processes.



Key Audit Matter	How our audit addressed the key audit matter
We identified the IT systems that impact financial reporting as a key audit matter because of the: - Reliance on complex technology that is integral to the operation of key business processes and financial reporting; - Reliance on technology which continues to develop in line with the business strategy, such as the increase in the use of automation across the Group and increasing reliance on third parties; and - Importance of IT controls in maintaining an effective control environment. A key interdependency exists between the ability to rely on IT controls and the ability to rely on financial data, system configured automated controls and system reports. IT controls, in the context of our audit scope, primarily relate to privileged access at the infrastructure level, user access security at the application level and change control.	In a limited number of areas where IT systems were identified as out-of-scope, we adopted alternative testing approaches and therefore tested additional manual controls and varied our substantive procedures depending on our risk assessment.
Other Matters The accompanying consolidated financial statements are a translation of the original consolidated financial statements, which are in the Arabic language, to which reference should be made.	
Information Other than the Financial Statements and Auditor's Report Thereon Management is responsible for the other information. The other information comprises the other information in the annual report but does not include the consolidated financial statements and the independent auditors' report thereon. The other information 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 do not express any form of assurance or 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 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 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 exists, we are required to draw attention in our auditor's report to the related disclosures in the consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Plan and perform the group audit to obtain sufficient appropriate audit evidence regarding the financial information of the entities or business units within the Group as a basis for forming an opinion on the group financial statements. We are responsible for the direction, supervision and review of the audit work performed for 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 reasonably 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 engagement partner on the audit resulting in this independent auditor's report is: **Ahmad Fathi Shtawi**



Deloitte & Touche (M.E) - Jordan
Amman - The Hashmite Kingdom of Jordan

February 8, 2026

Arab Bank plc

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Statement of financial position

	Notes	31 December 2025 JD '000	31 December 2024 JD '000
Assets			
Cash and balances with central banks - net	7	6 955 220	7 295 619
Balances with banks and financial institutions - net	8	3 520 714	2 608 333
Deposits with banks and financial institutions - net	9	9 110	44 875
Financial assets at fair value through profit or loss	10	21 149	23 795
Financial derivatives - positive fair value	43	48 226	44 652
Direct credit facilities at amortized cost - net	12	13 357 997	12 316 565
Financial assets at fair value through other comprehensive income - net	11	252 664	180 511
Other financial assets at amortized cost - net	13	5 856 167	5 451 166
Investments in subsidiaries and associates	14	1 030 081	965 528
Fixed assets - net	15	204 275	202 493
Other assets - net	16	546 302	506 275
Deferred tax assets	17	156 395	176 565
Total Assets		31 958 300	29 816 377
Liabilities and Shareholders' Equity			
Banks' and financial institutions' deposits	18	1 938 929	1 791 406
Customer deposits	19	21 927 902	20 412 189
Cash margin	20	1 848 251	1 673 854
Financial derivatives - negative fair value	43	30 440	35 735
Borrowed funds	21	342 634	270 938
Provision for income tax	22	112 769	153 867
Other provisions	23	157 733	149 308
Other liabilities	24	650 763	695 695
Deferred tax liabilities	25	4 306	4 102
Total Liabilities		27 013 727	25 187 094
Share capital	26	640 800	640 800
Share premium	26	859 626	859 626
Statutory reserve	27	640 800	640 800
Voluntary reserve	28	614 920	614 920
General reserve	29	583 695	583 695
General banking risks reserve	30	108 494	108 494
Foreign currency translation reserve	31	(144 611)	(120 424)
Investment revaluation reserve	32	(237 772)	(252 662)
Retained earnings	33	1 701 316	1 376 729
Total Equity Attributable to the Shareholders of the Bank		4 767 268	4 451 978
Perpetual tier 1 capital bonds	34	177 305	177 305
Total Shareholders' Equity		4 944 573	4 629 283
Total Liabilities And Shareholders' Equity		31 958 300	29 816 377

The accompanying notes from (1) to (59) are an integral part of these financial statements and should be read with them.

Statement of profit or loss

	Notes	For the Year Ended 31 December	
		2025	2024
		JD '000	JD '000
Revenue			
Interest income	35	1 768 840	1 838 867
Less: Interest expense	36	776 045	798 434
Net Interest Income		992 795	1 040 433
Net commission income	37	168 585	156 171
Net Interest and Commission Income		1 161 380	1 196 604
Foreign exchange differences		66 824	50 264
Gain from financial assets at fair value through profit or loss	38	15 686	1 616
Dividends from financial assets at fair value through other comprehensive income	11	3 490	3 265
Dividends from subsidiaries and associates	39	174 586	168 036
Other revenue - net	40	27 445	23 518
Total Income		1 449 411	1 443 303
Expenses			
Employees expenses	41	263 732	261 193
Other expenses	42	260 558	222 276
Depreciation and amortization	15,16	34 981	33 623
Expected credit loss on financial assets	6	167 074	193 018
Other provisions	23	22 858	26 895
Total Expenses		749 203	737 005
Profit For The Year Before Income Tax		700 208	706 298
Less: Income tax expense	22	145 871	163 119
Profit For The Year		554 337	543 179

The accompanying notes from (1) to (59) are an integral part of these financial statements and should be read with them.

Statement of Comprehensive Income

	Notes	For the Year Ended 31 December	
		2025	2024
		JD '000	JD '000
Profit for the year		554 337	543 179
Add: Other comprehensive income items - after tax			
Items that will be subsequently transferred to the statement of profit or loss			
Exchange differences arising on the translation of foreign currencies	31	11 470	(30 673)
Revaluation gain on bonds at fair value through other comprehensive income		1 064	15
Items that will not be subsequently transferred to the statement of profit or loss			
Net change in fair value of financial assets at fair value through other comprehensive income		13 935	(1 457)
Net change in Investment Revaluation Reserve	32	13 826	(1 457)
Gain from sale of financial assets at fair value through the statement of comprehensive income	32	109	-
Total Other Comprehensive Income Items - After Tax		26 469	(32 115)
Total Comprehensive Income For The Year		580 806	511 064

The accompanying notes from (1) to (59) are an integral part of these financial statements and should be read with them.

Statement of changes in Shareholders' Equity

		Share Capital	Share Premium	Statutory Reserve	Voluntary Reserve	General Reserve	General Banking Risk Reserve	Foreign Currency Translation Reserve	Investment Revaluation Reserve	Retained Earnings	Total Equity Attributable to the Shareholders of the Bank	Perpetual Tier 1 capital bonds	Total Shareholders Equity
	Notes	JD '000	JD '000	JD '000	JD '000	JD '000	JD '000	JD '000	JD '000	JD '000	JD '000	JD '000	JD '000
For the Year Ended 31 December 2025													
Balance at the Beginning of the year		640 800	859 626	640 800	614 920	583 695	108 494	(120 424)	(252 662)	1 376 729	4 451 978	177 305	4 629 283
Profit for the year		-	-	-	-	-	-	-	-	554 337	554 337	-	554 337
Other comprehensive income for the year		-	-	-	-	-	-	11 470	14 999	-	26 469	-	26 469
Total Comprehensive Income for the Year		-	-	-	-	-	-	11 470	14 999	554 337	580 806	-	580 806
Investment revaluation reserve transferred to retained earnings		-	-	-	-	-	-	-	(109)	109	-	-	-
Interest paid on perpetual tier 1 capital bonds - net of tax*	34	-	-	-	-	-	-	-	-	(9 196)	(9 196)	-	(9 196)
Dividends Distribution	33	-	-	-	-	-	-	-	-	(256 320)	(256 320)	-	(256 320)
Adjustment during the year		-	-	-	-	-	-	(35 657)	-	35 657	-	-	-
Balance at the end of the year		640 800	859 626	640 800	614 920	583 695	108 494	(144 611)	(237 772)	1 701 316	4 767 268	177 305	4 944 573
For the year ended 31 December 2024													
Balance at the beginning of the year		640 800	859 626	640 800	614 920	583 695	108 494	(89 751)	(251 220)	1 034 986	4 142 350	177 305	4 319 655
Profit for the year		-	-	-	-	-	-	-	-	543 179	543 179	-	543 179
Other comprehensive income for the year		-	-	-	-	-	-	(30 673)	(1 442)	-	(32 115)	-	(32 115)
Total comprehensive income for the year		-	-	-	-	-	-	(30 673)	(1 442)	543 179	511 064	-	511 064
Interest paid on perpetual tier 1 capital bonds - net of tax*	34	-	-	-	-	-	-	-	-	(9 196)	(9 196)	-	(9 196)
Dividends Distribution	33	-	-	-	-	-	-	-	-	(192 240)	(192 240)	-	(192 240)
Balance at the end of the year		640 800	859 626	640 800	614 920	583 695	108 494	(120 424)	(252 662)	1 376 729	4 451 978	177 305	4 629 283

- Retained earnings include restricted deferred tax assets in the amount of JD 151.8 million as of 31 December 2025 (JD 168.2 million as of 31 December 2024). Restricted retained earnings that cannot be distributed or otherwise utilized except only under certain circumstances, as a result of adopting of certain International Accounting Standards, amounted to JD 2 million as of 31 December 2025 and 31 December 2024.
- The Central Bank of Jordan issued a new regulations No. 13/2018 dated 6 June 2018, in which it requested the transfer of the general banking risk reserve balance (calculated in accordance with the Central Bank of Jordan's regulations) to the retained earnings to offset the effect of IFRS 9 on the opening balance of the retained earnings account as of 1 January 2018. The regulations also instructs that the extra balance of the general banking risk reserve amounting to (JD 26.7 million) should be restricted and may not be distributed as dividends to the shareholders or used for any other purposes without prior approval from the Central Bank of Jordan.
- The Bank can not use the restricted amount of JD 237.8 million as of 31 December 2025 (JD 252.7 million as of 31 December 2024) which represents the negative balance of the investments revaluation reserve in accordance with the Jordan securities commission and Central Bank of Jordan.

* The total interest on perpetual tier 1 capital bonds in the year ended 31 December 2025 and the year ended 31 December 2024 amounted to JD 14.8 million, paid net of tax in the amount of JD 5.6 million. This interest is paid semi-annually during the months of April and October of each year at an interest rate of 8%.

The accompanying notes from (1) to (59) are an integral part of these financial statements and should be read with them.

Statement of Cash Flows

		For the Year Ended 31 December	
		2025	2024
	Notes	JD '000	JD '000
Cash Flows from Operating Activities			
Profit for the year before tax		700 208	706 298
Adjustments for:			
Depreciation and amortization	15,16	34 981	33 623
Depreciation right of use assets	16	10 262	10 426
Expected credit losses on financial assets	6	167 074	193 018
Net accrued Interest		(33 541)	8 407
(Gain) from sale of fixed assets		(371)	(45)
(Gain) from revaluation of financial assets at fair value through profit or loss	38	(13 525)	(240)
Dividends from financial assets at fair value through other comprehensive income	11	(3 490)	(3 265)
Dividends from subsidiaries and associates	39	(174 586)	(158 995)
Other provisions	23	22 858	26 895
Total		709 870	816 122
(Increase) Decrease in Assets			
Deposits with banks and financial institutions (maturing after 3 months)		35 765	52 085
Direct credit facilities at amortized cost		(1 145 574)	(660 668)
Financial assets at fair value through profit or loss		4 438	(14 041)
Other assets and financial derivatives		(42 048)	(106 840)
(Decrease) Increase in Liabilities:			
Banks and financial institutions deposits (maturing after 3 months)		52 440	62 116
Customer deposits		1 515 713	559 380
Cash margin		174 397	87 513
Other liabilities and financial derivatives		(33 057)	91 626
Net Cash Flows From Operating Activities before Income Tax		1 271 944	887 293
Income tax paid	22	(164 690)	(150 898)
Net Cash Flows From Operating Activities		1 107 254	736 395
Cash Flows from Investing Activities			
(Purchase) of financial assets at fair value through other comprehensive income		(57 181)	(53 603)
(Purchase) of other financial assets at amortized cost - net	13	(403 622)	(320 991)
(Increase) in investments in subsidiaries and associates - net		(64 553)	(4 950)
Dividends from subsidiaries and associates - net	39	174 586	158 995
Dividends from financial assets at fair value through other comprehensive income	11	3 490	3 265
(Purchase) of fixed assets - net	15	(28 792)	(27 286)
Proceeds from sale of fixed assets		1 214	3 377
(Purchase) of intangible assets - net		(12 042)	(7 225)
Net Cash flows (used in) Investing Activities		(386 900)	(248 418)
Cash Flows from Financing Activities			
Increase (settlement) in borrowed funds		71 696	(14 171)
Dividends paid to shareholders	33	(256 460)	(192 403)
Interest paid on perpetual tier 1 capital bonds	34	(14 833)	(14 833)
Net Cash flows (Used in) Financing Activities		(199 597)	(221 407)
Net increase in Cash and Cash Equivalent		520 757	266 570
Exchange differences - change in foreign exchange rates		11 470	(30 673)
Cash and cash equivalent at the beginning of the year		8 358 958	8 123 061
Cash and Cash Equivalent at the End of the Year	58	8 891 185	8 358 958
Operational cash flows from interest			
Interest Received		1 770 020	1 834 998
Interest Paid		810 766	786 158

The accompanying notes from (1) to (59) are an integral part of these financial statements and should be read with them.

Notes to the Financial Statements

1. General

Arab Bank was established in 1930 and is registered as a Jordanian public shareholding limited company. The Head Office of the Bank is domiciled in Amman - Hashemite Kingdom of Jordan and the Bank operates worldwide through its 69 branches in Jordan and 118 branches abroad. Also, the bank operates through its subsidiaries and Arab Bank (Switzerland).

Arab Bank PLC shares are traded on Amman Stock Exchange. The shareholders of Arab Bank PLC are the same shareholders of Arab Bank Switzerland (every 18 shares of Arab Bank PLC equal/ traded for 1 share of Arab Bank Switzerland).

The accompanying financial statements was approved by the Board of Directors in its meeting Number (1) on 29 January 2026 and are subject to the approval of the General Assembly.

(2.1) Basis of Preparation of the Financial Statements

The accompanying financial statements are prepared in accordance with the IFRS Accounting Standards as issued by the International Accounting Standards Board.

Arab Bank PLC adheres to the local regulations and instructions of the Central Bank of Jordan, as well as to the prevailing regulations in the countries where the Bank operates.

The financial statements of Arab Bank PLC are presented in conjunction with the consolidated financial statements of Arab Bank Group and which form integral part of the Bank's financial statements.

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

The financial statements have been presented in Jordanian Dinars, where all figures are presented in thousand Jordanian Dinars.

(2.2) Basis of presentation of the financial statements

The accompanying financial statement of Arab Bank PLC comprise the financial statements of Arab Bank branches within the Hashemite Kingdom of Jordan and its foreign branches after excluding balances and transactions between the branches. Transactions on the way at the end of the year are shown under other assets or other liabilities as the case may be. The financial statements of the Bank's branches operating outside the Hashemite Kingdom of Jordan are translated into Jordanian Dinars at the prevailing rates as of the balance sheet date.

The Bank prepares consolidated financial statements for the Bank, its subsidiaries and Arab Bank (Switzerland) Limited.

The accounting policies adopted in the preparation of the financial statements are consistent with those applied in the year ended December 31, 2024, except for the impact of adopting the new and revised International Financial Reporting Standards, which became effective for the financial period started on or after the 1st of January 2025 as mentioned in Note (3-A).

(2-3) GOING CONCERN BASIS

The Bank applies the going concern basis in the preparation of financial statements based on reasonable assumptions and expectations.

(3) ADOPTION OF NEW AND REVISED STANDARDS

a. New and amended IFRS Standards that are effective for the current year

The following new and revised IFRSs, which became effective for annual periods beginning on or after January 1, 2025, have been adopted in these consolidated financial statements. The application of these revised IFRSs has not had any material impact on the amounts reported for the current and prior years but may affect the accounting for future transactions or arrangements.

- Amendments to IAS 21 – Lack of Exchangeability.
- Amendments to the SASB standards to enhance their international applicability

b. New IFRS Accounting Standards in issue but not yet effective

The Bank has not applied the new and revised IFRS Accounting Standards that have been issued but are not yet effective, management is in the process of assessing the impact of the new requirements.

New and revised IFRS Accounting Standards	Effective for annual periods beginning on or after
Amendments IFRS 9 and IFRS 7 regarding the classification and measurement of financial instruments	January 1, 2026
Annual Improvements to IFRS Accounting Standards – Volume 11	January 1, 2026
IFRS - 18 Presentation and Disclosures in Financial Statements	January 1, 2027
IFRS - 19 Subsidiaries without Public Accountability	January 1, 2027
Amendments to Greenhouse Gas Emissions Disclosures (Amendments to IFRS S2)	January 1, 2027

Notes to the Financial Statements

The management anticipates adopting these new standards, interpretations, and amendments in the Bank's financial statements during the initial application period. Furthermore, they expect that adopting these new standards, interpretations, and amendments will not have any significant impact on the Bank's financial statements during the initial application period except for IFRS - 18 related to presentation and disclosures in the financial statements.

4. MATERIAL ACCOUNTING POLICY INFORMATION

Recognition of Interest Income

The effective interest rate method

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

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

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

Interest and similar income and expense

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

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

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

Fee and commission income

Fee income can be divided into the following two categories:

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

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

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

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

Financial Instruments – Initial Recognition

Date of recognition

Financial assets and liabilities, with the exception of loans and advances to customers and balances due to customers, are initially recognized on the trade date, i.e., the date that the Bank becomes a party to the contractual provisions of the instrument. This includes regular way trades: purchases or sales of financial assets that require delivery of assets within the time frame generally established by regulation or convention in the market place. Loans and advances to customers are recognized when funds are transferred to the customers' accounts. The Bank recognizes balances due to customers when funds are transferred to the Bank.

Initial measurement of financial instruments

The classification of financial instruments at initial recognition depends on their contractual terms and the business model for managing the instruments. Financial instruments are initially measured at their fair value, except in the case of financial assets and financial liabilities recorded at FVTPL, transaction costs are added to, or subtracted from, this amount. Trade receivables are measured at the transaction price. When the fair value of financial instruments at initial recognition differs from the transaction price, the Bank accounts for the Day 1 profit or loss, as described below.

Day 1 profit or loss

When the transaction price of the instrument differs from the fair value at origination and the fair value is based on a valuation technique using only inputs observable in market transactions, the Bank recognizes the difference between the transaction price and fair value in net profit or loss for the bank. In those cases where fair value is based on models for which some of the inputs are not observable, the difference between the transaction price and the fair value is deferred and is only recognized in profit or loss when the inputs become observable, or when the instrument is derecognized.

Measurement categories of financial assets and liabilities

The Bank classifies its financial assets (Debt Instruments) based on the business model for managing the assets and the asset's contractual terms, measured at either:

- Amortized cost
- Fair value through other comprehensive income "FVOCI"
- Fair value through profit or loss "FVTPL"

The Bank classifies and measures its derivative and trading portfolio at FVTPL. The Bank may designate financial instruments at FVTPL, if so doing eliminates or significantly reduces measurement or recognition inconsistencies.

Financial liabilities, other than loan commitments and financial guarantees, are measured at amortized cost or at FVTPL when they are held for trading and derivative instruments or the fair value designation is applied.

Financial Assets and Liabilities

The Bank only measures due from banks, loans and advances to customers and other financial investments at amortized cost if both of the following conditions are met:

- The financial asset is held within a business model with the objective to hold financial assets in order to collect contractual cash flows
- The contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest (SPPI) on the principal amount outstanding.

The details of these conditions are outlined below.

Business model assessment

The Bank determines its business model at the level that best reflects how it manages Banks of financial assets to achieve its business objective.

The Bank's business model is not assessed on an instrument-by-instrument basis, but at a higher level of aggregated portfolios and is based on observable factors such as:

- How the performance of the business model and the financial assets held within that business model are evaluated and reported to the entity's key management personnel
- The risks that affect the performance of the business model (and the financial assets held within that business model) and, in particular, the way those risks are managed
- How managers of the business are compensated (for example, whether the compensation is based on the fair value of the assets managed or on the contractual cash flows collected)
- The expected frequency, value and timing of sales are also important aspects of the Bank's assessment.

The business model assessment is based on reasonably expected scenarios without taking 'worst case' or 'stress case' scenarios into account. If cash flows after initial recognition are realized in a way that is different from the Bank's original expectations, the Bank does not change the classification of the remaining financial assets held in that business model, but incorporates such information when assessing newly originated or newly purchased financial assets going forward.

Notes to the Financial Statements

The Sole Payments of Principal and Interest "SPPI" test

As a second step of its classification process the Bank assesses the contractual terms of financial to identify whether they meet the SPPI test.

'Principal' for the purpose of this test is defined as the fair value of the financial asset at initial recognition and may change over the life of the financial asset (for example, if there are repayments of principal or amortization of the premium/discount).

The most significant elements of interest within a lending arrangement are typically the consideration for the time value of money and credit risk. To make the SPPI assessment, the Bank applies judgement and considers relevant factors such as the currency in which the financial asset is denominated, and the period for which the interest rate is set.

In contrast, contractual terms that introduce a more than de minimis exposure to risks or volatility in the contractual cash flows that are unrelated to a basic lending arrangement do not give rise to contractual cash flows that are solely payments of principal and interest on the amount outstanding. In such cases, the financial asset is required to be measured at FVTPL.

Derivatives recorded at fair value through profit or loss

A derivative is a financial instrument or other contract with all three of the following characteristics:

- Its value changes in response to the change in a specified interest rate, financial instrument price, commodity price, foreign exchange rate, index of prices or rates, credit rating or credit index, or other variable, provided that, in the case of a non-financial variable, it is not specific to a party to the contract (i.e., the 'underlying').
- It requires no initial net investment or an initial net investment that is smaller than would be required for other types of contracts expected to have a similar response to changes in market factors.
- It is settled at a future date.

The Bank enters into derivative transactions with various counterparties. These include interest rate swaps, futures and cross-currency swaps. Derivatives are recorded at fair value and carried as assets when their fair value is positive and as liabilities when their fair value is negative. Changes in the fair value of derivatives are included in net trading income unless hedge accounting is applied.

Debt instruments at FVOCI

The Bank measures its debt instruments at FVOCI when both of the following conditions are met:

- The instrument is held within a business model, the objective of which is achieved by both collecting contractual cash flows and selling financial assets
- The contractual terms of the financial asset meet the SPPI test

FVOCI debt instruments are subsequently measured at fair value with gains and losses arising due to changes in fair value recognized in OCI. Interest income and foreign exchange gains and losses are recognized in profit or loss in the same manner as for financial assets measured at amortized cost. Where the Bank holds more than one investment in the same security, they are deemed to be disposed of on a first-in first-out basis. On derecognition, cumulative gains or losses previously recognized in OCI are reclassified from OCI to profit or loss.

Equity instruments at FVOCI

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

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

Financial assets and financial liabilities at fair value through profit or loss

Financial assets and financial liabilities at FVTPL are recorded in the statement of financial position at fair value. Changes in fair value are recorded in profit and loss with the exception of movements in fair value of liabilities designated at FVTPL due to changes in the Bank's own credit risk. Such changes in fair value are recorded in the Own credit reserve through OCI and do not get recycled to the profit or loss. Interest earned or incurred on instruments designated at FVTPL is accrued in interest income or interest expense, respectively, using the EIR, taking into account any discount/ premium and qualifying transaction costs being an integral part of instrument. Interest earned on assets mandatorily required to be measured at FVTPL is recorded using contractual interest rate. Dividend income from equity instruments measured at FVTPL is recorded in profit or loss as other operating income when the right to the payment has been established.

Financial guarantees, letters of credit and undrawn loan commitments

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

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

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

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

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

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

Derecognition of financial assets and liabilities

Derecognition due to substantial modification of terms and conditions

The Bank derecognizes a financial asset, such as a loan to a customer, when the terms and conditions have been renegotiated to the extent that, substantially, it becomes a new loan, with the difference recognized as a derecognition gain or loss, to the extent that an impairment loss has not already been recorded. The newly recognized loans are classified as Stage 1 for ECL measurement purposes.

If the modification does not result in cash flows that are substantially different, the modification does not result in derecognition. Based on the change in cash flows discounted at the original EIR, the Bank records a modification gain or loss, to the extent that an impairment loss has not already been recorded.

Derecognition other than for substantial modification

A. Financial assets

A financial asset (or, where applicable, a part of a financial asset or part of a Bank of similar financial assets) is derecognized when the rights to receive cash flows from the financial asset have expired. The Bank also derecognizes the financial asset if it has both transferred the financial asset and the transfer qualifies for derecognition.

The Bank has transferred the financial asset if, and only if, either:

- The Bank has transferred its contractual rights to receive cash flows from the financial asset

Or

- It retains the rights to the cash flows, but has assumed an obligation to pay the received cash flows in full without material delay to a third party under a 'pass-through' arrangement

Pass-through arrangements are transactions whereby the Bank retains the contractual rights to receive the cash flows of a financial asset (the 'original asset'), but assumes a contractual obligation to pay those cash flows to one or more entities (the 'eventual recipients'), when all of the following three conditions are met:

- The Bank has no obligation to pay amounts to the eventual recipients unless it has collected equivalent amounts from the original asset, excluding short-term advances with the right to full recovery of the amount lent plus accrued interest at market rates
- The Bank cannot sell or pledge the original asset other than as security to the eventual recipients
- The Bank has to remit any cash flows it collects on behalf of the eventual recipients without material delay. In addition, the Bank is not entitled to reinvest such cash flows, except for investments in cash or cash equivalents including interest earned, during the period between the collection date and the date of required remittance to the eventual recipients.

A transfer only qualifies for derecognition if either:

- The Bank has transferred substantially all the risks and rewards of the asset

Or

- The Bank has neither transferred nor retained substantially all the risks and rewards of the asset, but has transferred control of the asset

Notes to the Financial Statements

The Bank considers control to be transferred if and only if, the transferee has the practical ability to sell the asset in its entirety to an unrelated third party and is able to exercise that ability unilaterally and without imposing additional restrictions on the transfer.

When the Bank has neither transferred nor retained substantially all the risks and rewards and has retained control of the asset, the asset continues to be recognized only to the extent of the Bank’s continuing involvement, in which case, the Bank also recognizes an associated liability. The transferred asset and the associated liability are measured on a basis that reflects the rights and obligations that the Bank has retained.

Continuing involvement that takes the form of a guarantee over the transferred asset is measured at the lower of the original carrying amount of the asset and the maximum amount of consideration the Bank could be required to pay.

If continuing involvement takes the form of a written or purchased option (or both) on the transferred asset, the continuing involvement is measured at the value the Bank would be required to pay upon repurchase. In the case of a written put option on an asset that is measured at fair value, the extent of the entity’s continuing involvement is limited to the lower of the fair value of the transferred asset and the option exercise price.

B. Financial liabilities

A financial liability is derecognized when the obligation under the liability is discharged, cancelled or expires. Where an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as a derecognition of the original liability and the recognition of a new liability. The difference between the carrying value of the original financial liability and the consideration paid is recognized in profit or loss.

Impairment of financial assets

Overview of the ECL principles

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

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

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

Both LTECLs and 12m ECLs are calculated on either an individual basis or a collective basis, depending on the nature of the underlying portfolio of financial instruments.

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

Based on the above process, the Bank Banks its financial assets into Stage 1, Stage 2 and Stage 3, as described below:
Stage 1: When financial assets are first recognized, the Bank recognizes an allowance based on 12m ECLs. Stage 1 loans also include facilities where the credit risk has improved and the loan has been reclassified from Stage 2.
Stage 2: When a financial asset has shown a significant increase in credit risk since origination, the Bank records an allowance for the LTECLs. Stage 2 loans also include facilities, where the credit risk has improved and the loan has been reclassified from Stage 3.
Stage 3: Financial assets considered credit-impaired. The Bank records an allowance for the LTECLs.

For financial assets for which the Bank has no reasonable expectations of recovering either the entire outstanding amount, or a proportion thereof, the gross carrying amount of the financial asset is reduced. This is considered a (partial) derecognition of the financial asset.

The Bank’s internal credit rating system:

The main measure of Credit Risk is at the counterparty level where the exposure is measured in line with the Bank’s credit standards applicable by the Bank and detailed in the policies and procedures. Therefore, Arab Bank implemented an Internal Rating methodology to assess the customers financially and non-financially. In parallel, Arab Bank is using Moody’s Risk Analyst (MRA), it is a financial analysis and ratings platform that aggregates quantitative and qualitative information on individual obligors to obtain an assessment that can be used to determine a credit rating for each obligor and the related probability of default (PD). The MRA model has been validated by a third party to ensure the accuracy of the system's outputs in alignment with the historical data study of the Bank’s clients. It is worth mentioning that Moody's rating system complements the Bank’s internal credit rating system and provides a mechanism that complies with Basel regulations.

The risk rating of clients, whether using the Bank’s rating system or Moody’s Risk Analyst system, is reviewed annually during the annual review of client facilities on an individual basis.

The calculation of ECL

The Bank calculates ECLs based on three probability-weighted scenarios to measure the expected cash shortfalls, discounted at an approximation to the EIR. A cash shortfall is the difference between the cash flows that are due to an entity in accordance with the contract and the cash flows that the entity expects to receive.

During the year 2021 management resolved to use three scenarios using probability weight for each scenario based on the management best estimate for their likelihood.

Below are the weights for each scenario for the years 2025 and 2024 for Corporate Banking segment:

Scenario	Assigned weighted average 31 December 2025	Assigned weighted average 31 December 2024
Upside	20%	20%
Baseline	45%	45%
Downside	35%	35%

The scenarios for the years 2025 and 2024 for Consumer Banking segment are as follows:

Scenario	Assigned weighted average 31 December 2025	Assigned weighted average 31 December 2024
Upside	30%	30%
Baseline	40%	40%
Downside	30%	30%

The mechanism of the ECL calculations is outlined below and the key elements are, as follows:

- PD

The Probability of Default is an estimate of the likelihood of default over a given time horizon. A default may only happen at a certain time over the assessed period.
- EAD

The Exposure at Default is an estimate of the exposure at a future default date, taking into account expected changes in the exposure after the reporting date, including repayments of principal and interest, whether scheduled by contract or otherwise, expected drawdowns on committed facilities, and accrued interest from missed payments.
- LGD

The Loss Given Default is an estimate of the loss arising in the case where a default occurs at a given time. It is based on the difference between the contractual cash flows due and those that the lender would expect to receive, including from the realization of any collateral. It is usually expressed as a percentage of the EAD.

When estimating ECL, the Bank considers three scenarios. Each of these is associated with different PDs, EADs and LGDs. When relevant, the assessment of multiple scenarios also incorporates how defaulted loans are expected to be recovered, including the probability that the loans will cure and the value of collateral or the amount that might be received for selling the asset.

With the exception of credit cards and other revolving facilities, the maximum period for which the credit losses are determined is the contractual life of a financial instrument unless the Bank has the legal right to call it earlier.

Impairment losses and releases are accounted for and disclosed separately from modification losses or gains that are accounted for as an adjustment of the financial asset's gross carrying value.

The mechanism of the ECL method is summarized below:

- Stage 1:

The 12m ECL is calculated as the portion of LTECLs that represent the ECLs that result from default events on a financial instrument that are possible within the 12 months after the reporting date. The Bank calculates the 12m ECL allowance based on the expectation of a default occurring in the 12 months following the reporting date. These expected 12-month default probabilities are applied to a forecast EAD and multiplied by the expected LGD and discounted by an approximation to the original EIR. This calculation is made for each of the three scenarios, as explained above.
- Stage 2:

When a financial asset has shown a significant increase in credit risk since origination, the Bank records an allowance for the LTECLs. The mechanics are similar to those explained above, including the use of multiple scenarios, but PDs and LGDs are estimated over the lifetime of the instrument. The expected cash shortfalls are discounted by an approximation to the original EIR.
- Stage 3:

For financial assets which are considered credit-impaired, the Bank recognizes the lifetime expected credit losses for these loans. The method is similar to that for Stage 2 assets, with the PD set at 100% and with higher LGD than the first two stages.

Loan commitments and letter of credit

When estimating LTECLs for undrawn loan commitments, the Bank estimates the expected portion of the loan commitment that will be drawn down over its expected life. The ECL is then based on the present value of the expected shortfalls in cash flows if the loan is drawn down, based on a probability-weighting of the three scenarios. The expected cash shortfalls are discounted at an approximation to the expected EIR on the loan.

Notes to the Financial Statements

Financial guarantee contracts

The Bank's liability under each guarantee is measured at the higher of the amount initially recognized less cumulative amortization recognized in the statement of profit or loss, and the ECL provision. For this purpose, the Bank estimates ECLs based on the present value of the expected payments to reimburse the holder for a credit loss that it incurs. The shortfalls are discounted by the risk-adjusted interest rate relevant to the exposure.

The calculation is made using a probability-weighting of the three scenarios. The ECLs related to financial guarantee contracts are recognized within other liabilities.

Debt instruments measured at fair value through OCI

The ECLs for debt instruments measured at FVOCI do not reduce the carrying amount of these financial assets in the statement of financial position, which remains at fair value. Instead, an amount equal to the allowance that would arise if the assets were measured at amortized cost is recognized in OCI as an accumulated impairment amount, with a corresponding charge to profit or loss. The accumulated loss recognized in OCI is recycled to the profit and loss upon derecognition of the assets.

Credit cards and other revolving facilities

The Bank's product offering includes a variety of corporate and retail overdraft and credit cards facilities, in which the Bank has the right to cancel and/or reduce the facilities with one day's notice. The Bank does not limit its exposure to credit losses to the contractual notice period, but instead calculates ECL over a period that reflects the Bank's expectations of the customer behavior, its likelihood of default and the Bank's future risk mitigation procedures, which could include reducing or cancelling the facilities.

The ongoing assessment of whether a significant increase in credit risk has occurred for revolving facilities is similar to other lending products. This is based on shifts in the customer's internal credit grade.

The interest rate used to discount the ECLs for credit cards is based on the effective interest rate.

The calculation of ECLs, including the estimation of the expected period of exposure and discount rate is made, on an individual basis for corporate and on a collective basis for retail products. The collective assessments are made separately for portfolios of facilities with similar credit risk characteristics.

Forward looking information

In its ECL models, the Bank relies on a broad range of forward-looking information as economic inputs, such as:

- GDP growth
- Unemployment rates
- Central Bank base rates

The inputs and models used for calculating ECLs may not always capture all characteristics of the market at the date of the financial statements. To reflect this, qualitative adjustments or overlays are occasionally made as temporary adjustments when such differences are significantly material.

Collateral valuation

To mitigate its credit risks on financial assets, the Bank seeks to use collateral, where possible. The collateral comes in various forms, such as cash, securities, letters of credit/guarantees, real estate, receivables, inventories, other non-financial assets and credit enhancements such as netting agreements. Collateral, unless repossessed, is not recorded on the Bank's statement of financial position. However, the fair value of collateral affects the calculation of ECLs. It is generally assessed, at a minimum, at inception and re-assessed periodically. However, some collateral, for example, cash or securities relating to margining requirements, is valued daily.

To the extent possible, the Bank uses active market data for valuing financial assets held as collateral. Other financial assets which do not have readily determinable market values are valued using models. Non-financial collateral, such as real estate, is valued based on data provided by third parties such as mortgage brokers, or based on housing price indices.

Collateral repossessed

The Bank's policy is to determine whether a repossessed asset can be best used for its internal operations or should be sold. Assets determined to be useful for the internal operations are transferred to their relevant asset category at the lower of their repossessed value or the carrying value of the original secured asset. Assets for which selling is determined to be a better option are transferred to assets held for sale at their fair value (if financial assets) and fair value less cost to sell for non-financial assets at the repossession date in, line with the Bank's policy. In its normal course of business, the Bank does not physically repossess properties or other assets in its retail portfolio, but engages external agents to recover funds, generally at auction, to settle outstanding debt. Any surplus funds are returned to the customers/obligors. As a result of this practice, the residential properties under legal repossession processes are not recorded on the balance sheet.

Write-offs

Financial assets are written off either partially or in their entirety only when the Bank has stopped pursuing the recovery. If the amount to be written off is greater than the accumulated loss allowance, the difference is first treated as an addition to the allowance that is then applied against the gross carrying amount. Any subsequent recoveries are credited to credit loss expense.

Modified loans

The Bank sometimes makes concessions or modifications to the original terms of loans as a response to the borrower's financial difficulties, (rather than taking possession or to otherwise enforce collection of collateral.) The Bank considers a loan forborne when such concessions or modifications are provided as a result of the borrower's present or expected financial difficulties and the Bank would not have agreed to them if the borrower had been financially healthy. (Indicators of financial difficulties include defaults on covenants, or significant concerns raised by the Credit Risk Department). Forbearance may involve extending the payment arrangements and the agreement of new loan conditions. (Once the terms have been renegotiated, any impairment is measured using the original EIR as calculated before the modification of terms). It is the Bank's policy to monitor forborne loans to help ensure that future payments continue to be likely to occur. Derecognition decisions and classification between Stage 2 and Stage 3 are determined on a case-by-case basis. If these procedures identify a loss in relation to a loan, it is disclosed and managed as an impaired Stage 3 forborne asset until it is collected or written off.

Leases

The Bank as a lessee

The Bank should be evaluating whether the leasing contract included while starting the contract. The right of use assets and leasing obligations should be recognized by the bank regarding all leasing obligations, except for short-term leasing contracts (12 months or less) and the leasing contracts with low value, in regards to these contracts the bank should recognized to these leases as operating expense using the straight-line method over the life of the lease. The initial direct costs incurred in the discussion and arrangement of the operating contract are added to the carrying amount of the leased assets and recognized in accordance with the straight-line method over the lease term.

Leases are classified as finance leases when the terms of the lease provide for substantially all the risks and rewards of ownership of the lessee. All other leases are classified as operating leases.

Leasing payments included in the rental obligation measurement include:

- Fixed leasing payments (essentially included on fixed payments), minus lease incentives receivable;
- Variable rental payments based on an indicator or rate, initially measured using the index or rate at the start date of the contract;
- The amount expected to be paid by the lessor under the remaining value guarantees;
- The price of buying options, if the lessor is reasonably sure of practicing the options; and
- Pay termination fines, if the leasing contract was reflected the terminating the lease.

Lease obligations are subsequently measured by increasing the book value to reflect interest on rental obligations (using the effective interest method) and by reducing the book value to reflect rental payments.

Lease obligations are premeasured (and a similar adjustment to the relevant right of use assets) whenever:

- The period of lease has been changed or there has been an event or change in circumstances that lead to a change in the evaluation of the practice of purchase, in which case the lease obligations are re-assessed by the way adjusted rental payments are deducted using the adjusted discount rate.
- Rental payments change due to changes in index, rate or change in expected payments under the guaranteed remaining value, in which case the rental obligation is remeasured by deducting adjusted rental payments using a non-variable discount rate (unless rental payments change due to change in the floating interest rate, in which case the adjusted discount rate is used).
- The lease contract is adjusted and the lease adjustment is not accounted for as a separate lease, in which case the lease obligation is remeasured based on the duration of the adjusted lease by deducting adjusted rental payments using the adjusted rate discount rate at the actual rate on the date of the amendment.

The assets of the right of use are consumed over the duration of the lease or the productive life of the asset (which is shorter). If the lease transfers ownership of the underlying asset or the cost of the right of use, which reflects that the bank expects to exercise the purchase option, the value of the relevant right of use is consumed over the productive life of the asset.

The Bank applies IAS No. (36) To determine whether the value of the right of use has depreciated and calculates any impairment losses as described in the "Property and Equipment" policy.

Variable rents that do not rely on an indicator or rate are not included in the measurement of rental obligations and right-of-use assets. Related payments are listed as an expense in the period in which the event or condition that leads to these payments occurs and is included in the "Other Expenses" line in the profit or loss statement.

Notes to the Financial Statements

Foreign currency translation

Transactions in foreign currencies are initially recorded in the functional currency at the spot rate of exchange ruling at the date of the transaction.

Monetary assets and liabilities denominated in foreign currencies are retranslated into the functional currency at the spot rate of exchange at the reporting date. All foreign exchange differences arising on non-trading activities are taken to other operating income/expense in the statement of profit or loss.

Non-monetary items that are measured at historical cost in a foreign currency are translated using the spot exchange rates as at the date of recognition.

Translation of financial statements of foreign entities operating under hyperinflationary economy

The results and financial position of an entity whose functional currency is the currency of a hyperinflationary economy shall be the translated into a different presentation currency using the following procedures:

- (a) all amounts (i.e., assets, liabilities, equity items, income and expenses, including comparatives) shall be translated at the closing rate at the date of the most recent statement of financial position, except that
- (b) when amounts are translated into the currency of a non-hyperinflationary economy, comparative amounts shall be those that were presented as current year amounts in the relevant prior year financial statements (i.e., not adjusted for subsequent changes in the price level or subsequent changes in exchange rates).

Exchange differences arising on the translation of results and financial position of each of the branches are included in Exchange differences on translation of foreign operations in other comprehensive income and taken to a separate component of equity which is the foreign currency translation reserve.

The Bank closely monitors the economic and financial conditions in Lebanon, and exclusively uses the exchange rate issued by the Central Bank of Lebanon in translating the results of AB Lebanon branch within the financial statements of the Arab Bank plc.

Noting that most of the AB Lebanon assets are in foreign currencies and are almost equal to the total liabilities in foreign currencies. Therefore, using any other exchange rate will not have a material impact on the net assets of Arab Bank plc.

Fixed assets

Fixed assets are stated at historical cost, net of accumulated depreciation and any accumulated impairment in value. Such cost includes expenditures that are directly attributable to the acquisition of the asset. When parts of an item of fixed assets have different useful lives, they are accounted for as separate items of fixed assets.

Depreciation is charged so as to allocate the cost of assets using the straight-line method, using the useful lives of the respective assets

Land and assets under construction are not depreciated.

Assets under construction is carried at cost, less any accumulated impairment losses and is depreciated when the assets are ready for intended use using the same depreciation rate of the related category with fixed assets.

Fixed assets are derecognized when disposed of or when no future benefits are expected from their use or disposal.

The gain or loss arising on the disposal of an item (the difference between the net realizable value and the carrying amount of the asset) is recognized in the statement of profit or loss in the year that the assets were disposed.

Impairment of non-financial assets

The Bank assesses at each reporting date whether there is an indication that an asset may be impaired. If any such indication exists, or when annual impairment testing for an asset is required, the Bank makes an estimate of the asset's recoverable amount. An asset's recoverable amount is the higher of an assets or cash-generating unit's fair value less costs to sell and its value in use and is determined for an individual asset, unless the asset does not generate cash inflows that are largely independent of those from other assets or groups of assets.

Where the carrying amount of an asset exceeds its recoverable amount, the asset is considered impaired and is written down to its recoverable amount. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. In determining fair value less costs to sell, an appropriate valuation model is used.

These calculations are corroborated by valuation multiples, quoted share prices for publicly traded subsidiaries or other available fair value indicators.

Intangible Assets

Goodwill

Goodwill is recorded at cost, and represents the excess amount paid to acquire or purchase the investment in an associate or a subsidiary on the date of the transaction over the fair value of the net assets of the associate or subsidiary at the acquisition date. Goodwill resulting from the investment in a subsidiary is recorded as a separate item as part of intangible assets, while goodwill resulting from the investment in an associated company constitutes part of the investment in that company.

Goodwill is distributed over the cash generating units for the purpose of testing the impairment in its value.

The value of goodwill is tested for impairment on the date of the financial statements. Good will value is reduced when there is evidence that its value has declined or the recoverable value of the cash generating units is less than book value. The decline in the values is recoded in the statement of profit or loss as impairment loss.

Other Intangible Assets

Other intangible assets acquired through mergers are stated at fair value at the date of acquisition, while other intangible assets (not acquired through mergers) are recorded at cost.

Intangible assets are classified as indefinite or with definite useful life. Intangible assets with finite lives are amortized over the useful economic life, and amortization is recorded in the statement of profit or loss, using the straight-line method during a period not exceeding 5 years from the date of the purchase transaction. Meanwhile, intangible assets with indefinite useful lives are assessed for impairment at each reporting date, and impairment losses are recorded in the statement of profit or loss.

Internally generated intangible assets are not capitalized and are expensed in the statement of profit or loss.

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

Repurchase and Resale Agreements

Assets sold with a simultaneous commitment to repurchase them at a future date continue to be recognized in the financial statements as a result of the bank's continuous control over these assets and as the related risk and benefits are transferred to the Bank upon occurrence. They also continue to be measured in accordance with the adopted accounting policies. Amounts received against these contracts are recorded within liabilities under borrowed funds. The difference between the sale price and the repurchase price is recognized as an interest expense amortized over the contract period using the effective interest rate method.

Purchased assets with corresponding commitment to sell at a specific future date are not recognized in the financial statements because the bank has no control over such assets and the related risks and benefits are not transferred to the Bank upon occurrence. Payments related to these contracts are recoded under deposits with banks and other financial institutions or loans and advances in accordance with the nature of each case. The difference between the purchase price and resale price is recoded as interest revenue amortized over the life of the contract using the effective interest rate method.

Capital

Cost of issuing or purchasing the Bank's shares are recorded in retained earnings net of any tax effect related to these costs. If the issuing or purchase process has not been completed, these costs are recorded as expenses in the statement of profit or loss.

Perpetual bonds

The aforementioned bonds are subordinated, unsecured and are classified as equity items in accordance with International Accounting Standard 32: Financial instruments - presentation. Interest payments related to these bonds may be canceled (wholly or partially) based on the Bank's discretion. Interest is noncumulative. Whereas, any cancellation will not be considered as a late payment. Interest payments are treated as a reduction of equity and are shown among other changes in equity. These bonds do not have a maturity date and can be called (wholly or partially) at the nominal value based on the Bank's discretion on the call date and on each interest payment date thereafter.

Issuance costs are deducted as expenses, and these bonds are shown at the value on the day of issuance with no amendments recognized until called (wholly or partially) where the value is reduced by the amounts paid.

Notes to the Financial Statements

Investments in Associates

An associate is an entity over which the Bank has significant influence. Significant influence is the power to participate in the financial and operating policy decisions of the investee, but is not control or joint control over those policies.

The considerations made in determining significant influence or joint control are similar to those necessary to determine control over subsidiaries.

The Bank’s investments in its associates are accounted at cost.

Investments in Subsidiaries

A subsidiary is an entity that is under the control of the Bank. Control is achieved when the Bank has the power to govern the financial and operating policies of the subsidiary in order to obtain benefits from its activities.

The Bank’s investments in its subsidiaries are accounted at cost when preparing the financial statements of the Bank.

Dividends are recognized after being approved by the general assembly.

Income Taxes

Income tax expenses represent current and deferred taxes for the year.

Income tax expense is measured on the basis of taxable income. Taxable income differs from income reported in the financial statements, as the latter includes non-taxable revenue, tax expenses not deductible in the current year but deductible in subsequent years, accumulated losses approved by tax authorities and items not accepted for tax purposes or subject to tax.

Taxes are calculated on the basis of the enacted tax rates according to the prevailing laws, regulations and instructions of countries where the Bank operates.

Taxes expected to be incurred or recovered as a result of temporary timing differences between the value of the assets and liabilities in the financial statements and their respective tax bases. Deferred taxes are calculated on the basis of the liability method, and according to the rates expected to be enacted when it is anticipated that the liability will be settled or when tax assets are recognized.

Deferred tax assets are reviewed on the date of the financial statements, and reduced if it is expected that no benefit will arise from the deferred tax, partially or totally.

Fair value

The Bank measures financial instruments is at fair value at each financial statements date.

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date.

The fair value measurement is based on the presumption that the transaction to sell the asset or transfer the liability takes place either, in the principal market for the asset or liability, or in the absence of a principal market, in the most advantageous market for the asset or liability.

The fair value of an asset or a liability is measured using the assumptions that market participants would use when pricing the asset or liability, assuming that market participants act in their economic best interest.

A fair value measurement of a non-financial asset takes into account a market participant's ability to generate economic benefits by using the asset in its highest and best use or by selling it to another market participant that would use the asset in its highest and best use.

The Bank uses valuation techniques that are appropriate in the circumstances and for which sufficient data are available to measure fair value, maximizing the use of relevant observable inputs and minimizing the use of unobservable inputs.

All assets and liabilities for which fair value is measured or disclosed in the financial statements are categorized within the fair value hierarchy, described as follows, based on the lowest level input that is significant to the fair value measurement as a whole:
Level 1 - Quoted (unadjusted) market prices in active markets for identical assets or liabilities.
Level 2 - Valuation techniques for which the lowest level input that is significant to the fair value measurement is directly or indirectly observable.
Level 3 - Valuation techniques for which the lowest level input that is significant to the fair value measurement is unobservable.

For assets and liabilities that are recognized in the financial statements on a recurring basis, the Bank determines whether transfers have occurred between Levels in the hierarchy by re-assessing categorization (based on the lowest level input that is significant to the fair value measurement as a whole) at the end of each reporting period.

For the purpose of fair value disclosures, the Bank has determined classes of assets and liabilities on the basis of the nature, characteristics and risks of the asset or liability and the level of the fair value hierarchy as explained above.

Derivative Financial Instruments

The Bank enters into a variety of derivative financial instruments some of which are held for trading while others are held to manage its exposure to interest rate risk; credit risk; and foreign exchange rate risk. Held derivatives include foreign exchange forward contracts, interest rate swaps, cross currency interest rate swaps, and credit default swaps.

Derivatives are initially recognized at fair value at the date a derivative contract is entered into and are subsequently re-measured to their fair value at each balance sheet date. The resulting gain/loss is recognized in profit or loss immediately unless the derivative is designated and effective as a hedging instrument, in which event the timing of the recognition in profit or loss depends on the nature of the hedge relationship. The Bank designates certain derivatives as either hedges of the fair value of recognized assets, liabilities, or firm commitments (fair value hedges), hedges of highly probable forecast transactions, hedges of foreign currency risk of firm commitments (cash flow hedges), or hedges of net investments in foreign operations (net investment hedges).

A derivative with a positive fair value is recognized as a financial asset whereas a derivative with a negative fair value is recognized as a financial liability. A derivative is presented as a non-current asset or a non-current liability if the remaining maturity of the instrument is more than 12 months, and it is not expected to be realized or settled within 12 months. Other derivatives are presented as current assets or current liabilities.

Embedded derivatives

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

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

Financial Guarantee Contracts

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

Financial guarantee contracts issued by a Bank entity are initially measured at their fair values and, if not designated as at fair value through profit or loss and not arising from a transfer of a financial asset, are subsequently measured at the higher of:

- The amount of the loss allowance determined in accordance with IFRS 9; and
- The amount initially recognized less, where appropriate, the cumulative amount of income recognized in accordance with the Bank's revenue recognition policies.

Financial guarantee contracts not designated at fair value through profit or loss are presented as provisions in the statement of financial position, and the re-measurement is presented in other revenue.

The Bank has not designated any financial guarantee contracts as at fair value through profit or loss.

Commitments to Provide a Loan at a Below-Market Interest Rate

Commitments to provide a loan at a below-market interest rate are initially measured at their fair values and, if not designated as at fair value through the statement of profit or loss, are subsequently measured at the higher of:

- The amount of the loss allowance determined in accordance with IFRS 9; and
- The amount initially recognized less, where appropriate, the cumulative amount of income recognized in accordance with the Bank's revenue recognition policies, which is higher.

Commitments to provide a loan below market rate not designated at fair value through profit or loss are presented as provisions in the statement of financial position and the re-measurement is presented in other revenue.

The Bank has not designated any commitments to provide a loan below market rate designated at fair value through the statement of profit or loss.

Notes to the Financial Statements

Hedge Accounting

The Bank designates certain derivatives as hedging instruments in respect of foreign currency risk and interest rate risk in fair value hedges, cash flow hedges, or hedges of net investments in foreign operations, as appropriate. Hedges of foreign exchange risk on firm commitments are accounted for as cash flow hedges. The Bank does not apply fair value hedge accounting of portfolio hedges of interest rate risk. In addition, the Bank does not use the exemption to continue using IAS 39 hedge accounting rules, i.e. the Bank applies IFRS 9 hedge accounting rules in full.

At the inception of the hedge relationship, the Bank documents the relationship between the hedging instrument and the hedged item, along with its risk management objectives and its strategy for undertaking various hedge transactions. Furthermore, at the inception of the hedge and on an ongoing basis, the Bank documents whether the hedging instrument is effective in offsetting changes in fair values or cash flows of the hedged item attributable to the hedged risk, which is when the hedging relationships meet all of the following hedge effectiveness requirements:

- There is an economic relationship between the hedged item and the hedging instrument;
- The effect of credit risk does not dominate the value changes that result from that economic relationship; and
- The hedge ratio of the hedging relationship is the same as that resulting from the quantity of the hedged item that the Bank actually hedges, and the quantity of the hedging instrument that the Bank actually uses to hedge that quantity of the hedged item.

The Bank rebalances a hedging relationship in order to comply with the hedge ratio requirements when necessary. In such cases discontinuation may apply to only part of the hedging relationship. For example, the hedge ratio might be adjusted in such a way that some of the volume of the hedged item is no longer part of a hedging relationship, hence hedge accounting is discontinued only for the volume of the hedged item that is no longer part of the hedging relationship.

If a hedging relationship ceases to meet the hedge effectiveness requirement relating to the hedge ratio but the risk management objective for that designated hedging relationship remains the same, the Bank adjusts the hedge ratio of the hedging relationship (i.e. rebalances the hedge) so that it meets the qualifying criteria again.

In some hedge relationships, the Bank designates only the intrinsic value of options. In this case, the fair value change of the time value component of the option contract is deferred in OCI, over the term of the hedge, to the extent that it relates to the hedged item and is reclassified from equity to profit or loss when the hedged item does not result in the recognition of a non-financial item. The Bank's risk management policy does not include hedges of items that result in the recognition of non-financial items, because the Bank's risk exposures relate to financial items only.

The hedged items designated by the Bank are time-period related hedged items, which means that the amount of the original time value of the option that relates to the hedged item is amortized from equity to profit or loss on a rational basis (e.g., straight-line) over the term of the hedging relationship.

In some hedge relationships, the Bank excludes from the designation the forward element of forward contracts or the currency basis spread of cross currency hedging instruments. In this case, a similar treatment is applied to the one applied for the time value of options. The treatment for the forward element of a forward contract and the currency basis element is optional, and the option is applied on a hedge- by- hedge basis, unlike the treatment for the time value of the options which is mandatory. For hedge relationships with forwards, or foreign currency derivatives such as cross currency interest rate swaps, where the forward element or the currency basis spread is excluded from the designation, the Bank generally recognizes the excluded element in OCI.

The fair values of the derivative instruments used for hedging purposes and movements in the hedging reserve are determined in equity.

Fair Value Hedges

The fair value change on qualifying hedging instruments is recognized in the statement of profit or loss except when the hedging instrument hedges an equity instrument designated at fair value through other comprehensive income in which case it is recognized in OCI. The Bank has not designated fair value hedge relationships where the hedging instrument hedges an equity instrument designated at fair value through other comprehensive income.

The carrying amount of a hedged item not already measured at fair value is adjusted for the fair value change attributable to the hedged risk with a corresponding entry in profit or loss. For debt instruments measured at fair value through other comprehensive income, the carrying amount is not adjusted as it is already at fair value, but the part of the fair value gain or loss on the hedged item associated with the hedged risk is recognized in profit or loss instead of OCI. When the hedged item is an equity instrument designated at fair value through other comprehensive income, the hedging gain/loss remains in other comprehensive income to match that of the hedging instrument.

Where hedging gains/losses are recognized in the statement of profit or loss, they are recognized in the same line as the hedged item.

The Bank discontinues hedge accounting only when the hedging relationship (or a part thereof) ceases to meet the qualifying criteria (after rebalancing, if applicable). This includes instances when the hedging instrument expires or is sold, terminated or exercised. The discontinuation is accounted for prospectively. The fair value adjustment to the carrying amount of hedged items for which the EIR method is used (i.e., debt instruments measured at amortized cost or at fair value through other comprehensive income) arising from the hedged risk is amortized to profit or loss commencing no later than the date when hedge accounting is discontinued.

Cash Flow Hedges

The effective portion of changes in the fair value of derivatives and other qualifying hedging instruments that are designated and qualify as cash flow hedges is recognized in the cash flow hedging reserve, a separate component of other comprehensive income, limited to the cumulative change in fair value of the hedged item from inception of the hedge less any amounts recycled to profit or loss statement.

Amounts previously recognized in other comprehensive income and accumulated in equity are reclassified to profit or loss in the periods when the hedged item affects profit or loss, in the same line as the recognized hedged item. If the Bank no longer expects the transaction to occur, that amount is immediately reclassified to profit or loss statement.

The Bank discontinues hedge accounting only when the hedging relationship (or a part thereof) ceases to meet the qualifying criteria (after rebalancing, if applicable). This includes instances when the hedging instrument expires or is sold, terminated or exercised, or where the occurrence of the designated hedged forecast transaction is no longer considered to be highly probable. The discontinuation is accounted for prospectively. Any gain/loss recognized in other comprehensive income and accumulated in equity at that time remains in equity and is recognized when the forecast transaction is ultimately recognized in profit or loss. When a forecast transaction is no longer expected to occur, the gain/loss accumulated in equity is reclassified and recognized immediately in profit or loss statement.

Hedges of Net Investments in Foreign Operations

Hedges of net investments in foreign operations are accounted for similarly to cash flow hedges. Any gain/loss on the hedging instrument relating to the effective portion of the hedge is recognized in other comprehensive income and accumulated in the foreign currency translation reserve.

Gains and losses on the hedging instrument relating to the effective portion of the hedge accumulated in the foreign currency translation reserve are reclassified to the statement of profit or loss in the same way as exchange differences relating to the foreign operation as described above.

Foreclosed assets

Such assets are those that have been the subject of foreclosure by the Bank, and are initially recognized among "other assets" at the foreclosure value or fair value whichever is less.

At the date of the financial statements, foreclosed assets are revalued individually (fair value less selling cost); any decline in fair value is recognized in the statement of profit or loss. Any subsequent increase in value is recognized only to the extent that it does not exceed the previously recognized impairment losses.

Provisions

Provisions are recognized when the Bank has an obligation as of the date of the financial statements as a result of past events, the obligation is likely to be settled, and a reliable estimate can be made of the amount of the obligation.

Provision for employees' end-of-service indemnities is estimated in accordance with the prevailing rules and regulations in the countries in which the Bank operates. The expense for the year is recognized in the statement of profit or loss. Indemnities paid to employees are reduced from the provision.

Segments Information

Segment business represents a Bank of assets and operations shared to produce products or risk attributable services different from which related to other segments.

Geographic sector linked to present the products or the services in a specific economic environment attributable for risk and other income different from which related to other sectors work in another economic environment.

Assets under Management

These represent the accounts managed by the Bank on behalf of its customers, but do not represent part of the Bank's assets. The fees and commissions on managing these accounts are taken to the statement of profit or loss. Moreover, a provision is taken for the decline in the value of capital-guaranteed portfolios managed on behalf of its customers.

Notes to the Financial Statements

Offsetting

Financial assets and financial liabilities are offset, and the net amount is presented in the statement of financial position only when there is a legal right to offset the recognized amounts, and the Bank intends to either settle them on a net basis or to realize the assets and settle the liabilities simultaneously

Cash and cash equivalents

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

5. SIGNIFICANT ACCOUNTING JUDGEMENTS, ESTIMATES AND ASSUMPTIONS

The preparation of the Bank's financial statements requires management to make judgements, estimates and assumptions that affect the reported amounts of revenues, expenses, assets and liabilities, and the accompanying disclosures, and the disclosure of contingent liabilities. Uncertainty about these assumptions and estimates could result in outcomes that require a material adjustment to the carrying amount of assets or liabilities affected in future periods.

In the process of applying the Bank's accounting policies, management has made various judgements. Those which management has assessed to have the most significant effect on the amounts recognized in the financial statements have been discussed in the individual notes of the related financial statement line items.

The key assumptions concerning the future and other key sources of estimation uncertainty at the reporting date, that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year, are also described in the individual notes of the related financial statement line items below. The Bank based its assumptions and estimates on parameters available when the financial statements were prepared.

Existing circumstances and assumptions about future developments, however, may change due to market changes or circumstances arising that are beyond the control of the Bank. Such changes are reflected in the assumptions when they occur.

Management believes that the assumptions adopted in the financial statements are reasonable. The details are as follows:

- Impairment loss for foreclosed assets is booked after a recent valuation of the acquired properties has been conducted by approved surveyors. The impairment loss is reviewed periodically.
- The fiscal year is charged with its portion of income tax expenditures in accordance with the regulations, laws, and accounting standards. Moreover, deferred tax assets and liabilities and the income tax provision are recorded.
- The Management periodically reassesses the economic useful life of tangible and Intangible assets for the purpose of calculating annual depreciation and amortization based on the general condition of these assets and assessing their expected useful life in the future. The impairment loss is recorded in the statement of profit or loss.
- A provision is set for lawsuits raised against the Bank. This provision is based to an adequate legal study prepared by the Bank's legal advisor. Moreover, the study highlights potential risks that the Bank may encounter in the future. Such legal assessments are reviewed periodically.
- Management frequently reviews financial assets stated at amortized cost and compares to fair value to estimate any impairment in their value. The impairment amount is taken to the statement of profit or loss for the year.

Evaluation of business model

The classification and measurement of financial assets depends on the results of the principal and interest payments test results and business model testing. The Bank defines a business model at a level that reflects how groups of financial assets are managed together to achieve a particular business objective. This assessment includes judgment that reflects all relevant evidence including how the asset's performance is evaluated and measured, the risks that affect the performance of the assets and how they are managed and how asset managers are compensated. The Bank monitors financial assets measured at amortized cost or fair value through other comprehensive income that are derecognized prior to maturity to understand why they have been derecognized and whether the reasons are consistent with the objective of the business being retained. Monitoring is part of the Bank's ongoing assessment of whether the business model under which the remaining financial assets are held is appropriate and, if not, whether there has been a change in the business model and therefore a future change to the classification of those assets is introduced.

Fair value hierarchy:

The level in the fair value hierarchy is determined and disclosed into which the fair value measurements are categorized in their entirety, segregating fair value measurements in accordance with the levels defined in IFRS. The difference between Level 2 and Level 3 fair value measurements represents whether inputs are observable and whether the unobservable inputs are significant, which may require judgment and a careful analysis of the inputs used to measure fair value, including consideration of factors specific to the asset or liability.

Provisions for impairment - ECL

In determining impairment of financial assets, judgement is required in the estimation of the amount and timing of future cash flows as well as an assessment of whether the credit risk on the financial asset has increased significantly since initial recognition and incorporation of forward-looking information in the measurement of ECL.

Inputs, assumptions and techniques used for ECL calculation – IFRS 9 Methodology

Key concepts in IFRS 9 that have the most significant impact and require a high level of judgment, as considered by the Bank while determining the impact assessment, are:

In accordance with IFRS 9, a significant increase in credit risk can be assessed at the bank / portfolio level if the common risk characteristics are shared. Any instruments that are collectively assessed must have common credit risk characteristics. The bank has followed the following criteria for determining the ECL calculation on a collective versus individual basis as follows:

- Retail Portfolio: on Collective Basis based on the product level (Loans, Housing Loans, Car Loans, and Credit Cards)
- Corporate Portfolio: individual basis at customer/ facility level
- Financial Institutions: Individual Basis at Bank/ facility Level.
- Debt instruments measured at amortized cost: Individual Level at Instrument level.

Assessment of Significant Increase in Credit Risk (SICR)

To assess whether the credit risk on a financial asset has increased significantly since origination, the Bank compares the risk of default occurring over the expected life of the financial asset at the reporting date to the corresponding risk of default at origination, using key risk indicators that are used in the Bank's existing risk management processes.

Our assessment of significant increases in credit risk will be performed periodically for each individual exposure based on three factors. If any of the following factors indicates that a significant increase in credit risk has occurred, the instrument will be moved from Stage 1 to Stage 2:

1. We have established thresholds for significant increases in credit risk based on movement in the customer's internal credit grade and the related PDs relative to initial recognition.
2. Restructuring and/or Rescheduling on the customers' accounts/ facilities during the assessment period is considered as indicator for SICR.

Movements between Stage 2 and Stage 3 are based on whether financial assets are credit-impaired as at the reporting date. The determination of credit-impairment under IFRS 9, is mentioned in the "Definition of default" below.

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

The measurement of expected credit losses for each stage and the assessment of significant increases in credit risk must consider information about past events and current conditions as well as reasonable and supportable forecasts of future events and economic conditions. The estimation and application of forward-looking information will require significant judgment in cooperation with international expert in this area.

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

Each macroeconomic scenario used in our expected credit loss calculation will have forecasts of the relevant macroeconomic variables.

The estimation of expected credit losses in Stage 1 and Stage 2 will be a discounted probability-weighted estimate that considers a minimum of three future macroeconomic scenarios.

The base case scenario will be based on macroeconomic forecasts (e.g.: GDP, inflation, interest rate). Upside and downside scenarios will be set relative to our base case scenario based on reasonably possible alternative macroeconomic conditions.

Scenarios will be probability-weighted according to the best estimate of their relative likelihood based on historical frequency and current trends and conditions. Probability weights will be updated on a quarterly basis. All scenarios considered will be applied to all portfolios subject to expected credit losses with the same probabilities.

Definition of default

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

Notwithstanding the above, the classification of credit facilities is governed by the Central Bank of Jordan regulations unless local regulations in other countries are stricter, or the Bank has to adopt the same by law.

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The Bank has set out the definition of default where a default is considered to have occurred when either or both of the two following events have taken place:

- The obligor is considered unlikely to pay its credit obligations in full
- The obligor is past due for 90 days or more on any material credit obligation.

Expected Life

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

Compliance of the IFRS 9 implementation

To ensure proper compliance of the IFRS9 implementation, a steering committee was formed consisting of the Chief Risk Officer, Chief Financial Officer, Chief Credit Officer, Head of IT and Head of Project Management with the responsibilities to provide decisions/ feedback on the work plan regarding implementation and adoption of IFRS 9 to ensure all relevant policies and procedures are updated in line with the new requirements and systems are modified / updated for the new requirements, in addition to present the ECL results to the CEO and related Committees of the Board of Directors.

6. Expected Credit Loss

The below table shows the expected credit losses on financial assets during the year:

	Notes	31 December 2025			
		Stage 1	Stage 2	Stage 3	Total
		JD '000	JD '000	JD '000	JD '000
Balances with central banks	7	32 115	23 478	-	55 593
Balances with banks and financial institutions	8	(269)	-	-	(269)
Deposits with banks and financial institutions	9	-	-	-	-
Financial assets at fair value through other comprehensive income	11	27	-	-	27
Direct credit facilities at amortized cost	12	62 359	11 677	30 106	104 142
Other financial assets at amortized cost	13	(1 297)	(82)	-	(1 379)
Indirect credit facilities	24	1 220	2 203	5 537	8 960
Total		94 155	37 276	35 643	167 074

	Notes	31 December 2024			
		Stage 1	Stage 2	Stage 3	Total
		JD '000	JD '000	JD '000	JD '000
Balances with central banks	7	934	26 667	-	27 601
Balances with banks and financial institutions	8	156	-	-	156
Deposits with banks and financial institutions	9	(35)	-	-	(35)
Direct credit facilities at amortized cost	12	51 002	109 176	15 670	175 848
Other financial assets at amortized cost	13	(6 411)	184	-	(6 227)
Indirect credit facilities	24	(6 673)	739	1 609	(4 325)
Total		38 973	136 766	17 279	193 018

7. Cash and Balances with Central Banks

The details of this item are as follows:

	31 December	
	2025	2024
	JD '000	JD '000
Cash in vaults	966 517	658 386
Balances with central banks:		
- Current accounts	1 173 789	1 214 499
- Time and notice deposits	4 016 098	4 588 188
- Mandatory cash reserve	994 803	935 938
- Certificates of deposit	34 100	73 100
Total Balances with Central Banks	6 218 790	6 811 725
Total Cash and Balances with Central Banks	7 185 307	7 470 111
Less: Net ECL Charges	(230 087)	(174 492)
Cash and Balances with Central Banks - net	6 955 220	7 295 619

- Except for the mandatory cash reserve, there are no restricted balances at Central Banks.
- There are no balances and certificates of deposit maturing after three months as of 31 December 2025 and 31 December 2024.

The table below shows the credit quality and the maximum exposure to credit risk based on the bank's internal credit rating system.

	31 December 2025				31 December 2024
	Stage 1	Stage 2	Stage 3	Total	Total
	JD '000	JD '000	JD '000	JD '000	JD '000
Low risk / performing (1-2)	5 616 275	-	-	5 616 275	6 231 503
Acceptable risk / performing (3-7)	-	602 515	-	602 515	580 222
Total	5 616 275	602 515	-	6 218 790	6 811 725

- Probability of default at low risk 0.0% – 0.22%
- Probability of default at acceptable risk 0.22% – 50%

The movement on total balances with central banks is as follows:

	31 December 2025				31 December 2024
	Stage 1	Stage 2	Stage 3	Total	Total
	JD '000	JD '000	JD '000	JD '000	JD '000
Balance at the beginning of the year	6 231 503	580 222	-	6 811 725	6 809 976
New balances	109 718	22 076	-	131 794	585 436
Repaid balances	(731 445)	-	-	(731 445)	(579 339)
Translation Adjustments	6 499	217	-	6 716	(4 348)
Balance at the end of the year	5 616 275	602 515	-	6 218 790	6 811 725

The movement of Expected Credit Loss on balances with central banks is as follows:

	31 December 2025			31 December 2024	
	Stage 1	Stage 2	Stage 3	Total	Total
	JD '000	JD '000	JD '000	JD '000	JD '000
Balance at the beginning of the year	1 635	172 857	-	174 492	112 799
ECL charges during the year	33 395	23 478	-	56 873	35 259
Recoveries	(1 280)	-	-	(1 280)	(7 658)
Adjustments during the year	-	-	-	-	33 872
Translation Adjustments	2	-	-	2	220
Balance at the end of the year	33 752	196 335	-	230 087	174 492

Notes to the Financial Statements

8. Balances with Banks and Financial Institutions

Local banks and financial institutions

	31 December 2025	31 December 2024
	JD '000	JD '000
Current accounts	2 150	2 005
Time deposits maturing within 3 months	221 656	148 000
Total	223 806	150 005

Foreign Banks and financial institutions

	31 December 2025	31 December 2024
	JD '000	JD '000
Current accounts	914 193	567 929
Time deposits maturing within 3 months	2 382 974	1 883 548
Certificates of deposit maturing within 3 months	-	7 377
Total	3 297 167	2 458 854
Total balances with Banks and Financial Institutions Local and Abroad	3 520 973	2 608 859
Less: Net ECL Charges	(259)	(526)
Net balances with Banks and Financial Institutions Local and Abroad	3 520 714	2 608 333

There are no non-interest bearing balances as of 31 December 2025 and 2024.

There are no restricted balances as of 31 December 2025 and 2024..

The table below shows the credit quality and the maximum exposure to credit risk based on the bank's internal credit rating system.

	31 December 2025				31 December 2024
	Stage 1	Stage 2	Stage 3	Total	Total
	JD '000	JD '000	JD '000	JD '000	JD '000
Low risk / performing (1-2)	3 349 633	-	-	3 349 633	2 531 875
Acceptable risk / performing (3-7)	171 340	-	-	171 340	76 984
Total	3 520 973	-	-	3 520 973	2 608 859

- Probability of default at low risk 0.0% - 0.22%
- Probability of default at acceptable risk 0.22% - 5.8%

The movement on total balances with banks and financial institutions is as follows:

	31 December 2025				31 December 2024
	Stage 1	Stage 2	Stage 3	Total	Total
	JD '000	JD '000	JD '000	JD '000	JD '000
Balance at the beginning of the year	2 608 859	-	-	2 608 859	2 670 115
New balances	1 082 695	-	-	1 082 695	368 452
Repaid balances	(171 833)	-	-	(171 833)	(429 043)
Translation adjustments	1 252	-	-	1 252	(665)
Balance at the end of the year	3 520 973	-	-	3 520 973	2 608 859

The movement of Expected Credit Loss on balances with banks and financial institutions is as follows:

	31 December 2025				31 December 2024
	Stage 1	Stage 2	Stage 3	Total	Total
	JD '000	JD '000	JD '000	JD '000	JD '000
Balance at the beginning of the year	526	-	-	526	376
ECL charges during the year	605	-	-	605	616
Recoveries	(874)	-	-	(874)	(460)
Adjustments during the year	-	-	-	-	(5)
Translation adjustments	2	-	-	2	(1)
Balance at the end of the year	259	-	-	259	526

9. Deposits with Banks and Financial Institutions

The details of this item are as follows:

	31 December 2025	31 December 2024
	JD '000	JD '000
Deposits with local banks and financial institutions		
Time deposits maturing after 9 months and before one year	-	32 490
Total		32 490

	31 December 2025	31 December 2024
	JD '000	JD '000

Deposits with foreign banks and financial institutions		
Time deposits maturing after 3 months and before 6 months	9 110	12 385
Total	9 110	12 385
Total Deposits with banks and financial institutions Local and Abroad	9 110	44 875
Less: Net ECL Charges	-	-
Net Deposits with banks and financial institutions Local and Abroad	9 110	44 875

- There are no restricted deposits as of 31 December 2025 and 2024.

The table below shows the credit quality and the maximum exposure to credit risk based on the bank's internal credit rating system.

	31 December 2025				31 December 2024
	Stage 1	Stage 2	Stage 3	Total	Total
	JD '000	JD '000	JD '000	JD '000	JD '000
Low risk / performing (1-2)	9 110	-	-	9 110	44 875
Total	9 110	-	-	9 110	44 875

- Probability of default at low risk 0.0% - 0.22%
- Probability of default at acceptable risk 0.22% - 5.8%

The movement on total deposits with banks and financial institutions is as follows:

	31 December 2025				31 December 2024
	Stage 1	Stage 2	Stage 3	Total	Total
	JD '000	JD '000	JD '000	JD '000	JD '000
Balance at the beginning of the year	44 875	-	-	44 875	96 960
New balances	425	-	-	425	2 366
Repaid balances	(36 190)	-	-	(36 190)	(54 451)
Balance at the end of the year	9 110	-	-	9 110	44 875

The movement of Expected Credit loss on Deposits with Banks and Financial Institutions is as follows:

	31 December 2025				31 December 2024
	Stage 1	Stage 2	Stage 3	Total	Total
	JD '000	JD '000	JD '000	JD '000	JD '000
Balance at the beginning of the year	-	-	-	-	35
ECL charges during the year	2	-	-	2	5
Recoveries	(2)	-	-	(2)	(40)
Balance at the end of the year	-	-	-	-	-

Notes to the Financial Statements

10. Financial Assets at Fair Value through Profit or Loss

The details of this item are as follows:

	31 December 2025	31 December 2024
	JD '000	JD '000
Treasury bills and Government bonds	21 149	23 795
Total	21 149	23 795

	31 December 2025		
	Designated FV	Carried mandatorily at FV	Total
	JD '000	JD '000	JD '000
Treasury bills and Government bonds	21 149	-	21 149
Total	21 149	-	21 149

	31 December 2024		
	Designated FV	Carried mandatorily at FV	Total
	JD '000	JD '000	JD '000
Treasury bills and Government bonds	23 795	-	23 795
Total	23 795	-	23 795

11. Financial Assets at Fair Value through Other Comprehensive Income

The details of this item are as follows:

	31 December 2025	31 December 2024
	JD '000	JD '000
Quoted shares	89 411	72 618
Unquoted shares	95 145	72 514
Government bonds and bonds guaranteed by the government	59 663	24 876
Corporate bonds	8 472	10 503
Total Financial Assets at Fair Value through OCI	252 691	180 511
Less: Expected credit loss	(27)	-
Net Financial Assets at Fair Value through OCI	252 664	180 511

The following is distribution of total financial assets at OCI - Bonds according to the Bank's internal rating.

	31 December 2025				31 December 2024
	Stage 1	Stage 2	Stage 3	Total	Total
	JD '000	JD '000	JD '000	JD '000	JD '000
Low risk / performing (1-2)	59 663	-	-	59 663	24 876
Acceptable risk / performing (3-7)	8 472	-	-	8 472	10 503
Total	68 135	-	-	68 135	35 379

-Probability of default at low risk 0.0% - 10%

-Probability of default at acceptable risk 10% - 100%

-Probability of default at high risk 100%

The movement of total financial assets at OCI - Bonds is as follows:

	31 December 2025				31 December 2024
	Stage 1	Stage 2	Stage 3	Total	Total
	JD '000	JD '000	JD '000	JD '000	JD '000
Balance at the beginning of the year	35 379	-	-	35379	-
New Investments	42 893	-	-	42 893	35 355
Matured Investments	(11 238)	-	-	(11 238)	-
Change in Fair Value	1 101	-	-	1 101	24
Balance at the end of the year	68 135	-	-	68 135	35 379

	31 December 2025		
	Designated as FV	Carried Mandatorily at FV	Total
	JD '000	JD '000	JD '000
Quoted shares	-	89 411	89 411
Unquoted shares	-	95 145	95 145
Government bonds and bonds guaranteed by the government	59 663	-	59 663
Corporate bonds	8 472	-	8 472
Total Financial Assets at Fair Value through OCI	68 135	184 556	252 691
Less: Expected credit loss	(27)	-	(27)
Net Financial Assets at Fair Value through OCI	68 108	184 556	252 664

	31 December 2024		
	Designated as FV	Carried Mandatorily at FV	Total
	JD '000	JD '000	JD '000
Quoted shares	-	72 618	72 618
Unquoted shares	-	72 514	72 514
Government bonds and bonds guaranteed by the government	24 876	-	24 876
Corporate bonds	10 503	-	10 503
Total	35 379	145 132	180 511

* Cash dividends on the investments above amounted to JD 3.5 million for the year ended 31 December 2025 (JD 3.3 million for the year ended 31 December 2024).

The movement of ECL charges on financial assets at OCI is as follows:

	31 December 2025				31 December 2024
	Stage 1	Stage 2	Stage 3	Total	Total
	JD '000	JD '000	JD '000	JD '000	JD '000
Balance at the beginning of the year	-	-	-	-	-
ECL charges during the year	27	-	-	27	-
Balance at the end of the year	27	-	-	27	-

12. Direct Credit Facilities at Amortized Cost

The details of this item are as follows:

	31 December 2025					
	Corporates			Banks and Financial Institutions	Government and Public Sector	Total
	Consumer Banking	Small and Medium	Large	JD '000	JD '000	JD '000
	JD '000	JD '000	JD '000	JD '000	JD '000	JD '000
Discounted bills *	19 584	33 719	329 327	191 899	-	574 529
Overdrafts *	15 329	264 320	1 829 151	1 920	363 084	2 473 804
Loans and advances *	1 469 529	822 157	6 700 038	87 202	1 011 411	10 090 337
Real-estate loans	1 429 786	562	296	-	-	1 430 644
Credit cards	148 737	-	-	-	-	148 737
Total	3 082 965	1 120 758	8 858 812	281 021	1 374 495	14 718 051
Less: Interest and commission in suspense	40 474	22 755	117 670	37	-	180 936
Provision for impairment - ECL	182 089	150 862	774 833	2 184	69 150	1 179 118
Total	222 563	173 617	892 503	2 221	69 150	1 360 054
Net Direct Credit Facilities at Amortized Cost	2 860 402	947 141	7 966 309	278 800	1 305 345	13 357 997

* Net of interest and commission received in advance, which amounted to JD 26.9 million as at 31 December 2025.

- Rescheduled loans during the year ended 31 December 2025 amounted to JD 165.7 million.

- Restructured loans during the year ended 31 December 2025 amounted to JD 10.26 million noting that these loans are still non-performing and under the test period.

- Restructured loans (transferred from non performing to watch list loans) during the year ended 31 December 2025 amounted to JD 0.3 million.

- Direct credit facilities granted to and guaranteed by the government of Jordan as of 31 December 2025 amounted to JD 284.2 million or 1.93% of total direct credit facilities.

- Non-performing direct credit facilities as of 31 December 2025 amounted to JD 889.5 million or 6.04 % of total direct credit facilities.

- Non-performing direct credit facilities, net of interest and commission in suspense, as of 31 December 2025 amounted to JD 715.5 million or 4.92 % of direct credit facilities, after deducting interest and commission in suspense.

Notes to the Financial Statements

	Corporates			Banks and Financial Institutions	Government and Public Sector	Total
	Consumer Banking	Small and Medium	Large			
	JD '000	JD '000	JD '000	JD '000	JD '000	JD '000
Discounted bills *	20 778	30 227	221 892	228 724	-	501 621
Overdrafts *	44 117	362 582	1 657 654	1 832	191 236	2 257 421
Loans and advances *	1 406 208	749 688	6 487 234	64 514	1 015 685	9 723 329
Real-estate loans	1 229 224	566	343	-	-	1 230 133
Credit cards	136 564	-	-	-	-	136 564
Total	2 836 891	1 143 063	8 367 123	295 070	1 206 921	13 849 068
Less: Interest and commission in suspense	72 595	66 031	152 475	36	-	291 137
Provision for impairment - ECL	189 315	157 319	883 988	2 108	8 636	1 241 366
Total	261 910	223 350	1 036 463	2 144	8 636	1 532 503
Net Direct Credit Facilities at Amortized Cost	2 574 981	919 713	7 330 660	292 926	1 198 285	12 316 565

* Net of interest and commission received in advance, which amounted to JD 23.3 million as at 31 December 2024.

- Rescheduled loans during the year ended 31 December 2024 amounted to JD 633.4 million.
- There are no restructured loans (transferred from non performing to watch list loans) during the year ended 31 December 2024.
- Direct credit facilities granted to and guaranteed by the government of Jordan as of 31 December 2024 amounted to JD 185 million or 1.34% of total direct credit facilities.
- Non-performing direct credit facilities as of 31 December 2024 amounted to JD 1070 million or 7.7 % of total direct credit facilities.
- Non-performing direct credit facilities, net of interest and commission in suspense, as of 31 December 2024 amounted to JD 783.8 million or 5.8 % of direct credit facilities, after deducting interest and commission in suspense.

The details of movement on the provision for impairment of direct credit facilities at amortized cost are as follows:

	31 December 2025					
	Corporates			Banks and Financial Institutions	Government and Public Sector	Total
	Consumer Banking	Small and Medium	Large			
	JD '000	JD '000	JD '000	JD '000	JD '000	JD '000
Balance at the beginning of the year	189 315	157 319	883 988	2 108	8 636	1 241 366
ECL charges during the year	23 861	21 352	93 621	418	33 577	172 829
Recoveries	(7 188)	(6 163)	(66 927)	(433)	(5 070)	(85 781)
Transferred to Stage 1	(160)	84	3 982	-	(31 270)	(27 364)
Transferred to Stage 2	(1 984)	(11 084)	(66 214)	-	31 270	(48 012)
Transferred to Stage 3	2 144	11 000	62 232	-	-	75 376
Impact on year end ECL caused by transfers between stages during the year	8 105	5 244	3 745	-	-	17 094
Used from provision (written off or transferred to off statement of financial position)*	(36 732)	(29 597)	(115 424)	-	-	(181 753)
Adjustments during the year	119	1 534	(31 969)	4	32 002	1 690
Translation Adjustments	4 609	1 173	7 799	87	5	13 673
Balance at the end of the year	182 089	150 862	774 833	2 184	69 150	1 179 118

	Corporates			Banks and Financial Institutions	Government and Public Sector	Total
	Consumer Banking	Small and Medium	Large			
	JD '000	JD '000	JD '000	JD '000	JD '000	JD '000
Balance at the beginning of the year	130 457	136 128	1 007 096	1 998	10 598	1 286 277
ECL charges during the year	78 009	39 411	186 981	697	8 182	313 280
Recoveries	(21 452)	(9 560)	(121 982)	(565)	(10 407)	(163 966)
Transferred to Stage 1	(16 108)	(376)	(2 441)	-	7	(18 918)
Transferred to Stage 2	15 117	(6 157)	(45 871)	-	(7)	(36 918)
Transferred to Stage 3	991	6 533	48 312	-	-	55 836
Impact on year end ECL caused by transfers between stages during the year	8 699	5 883	11 952	-	-	26 534
Used from provision (written off or transferred to off statement of financial position)*	(3 322)	(7 363)	(171 155)	-	-	(181 840)
Adjustments during the year	1	(1 185)	874	(3)	301	(12)
Translation Adjustments	(3 077)	(5 995)	(29 778)	(19)	(38)	(38 907)
Balance at the end of the year	189 315	157 319	883 988	2 108	8 636	1 241 366

- There are no provisions no longer required as a result of settlement or repayment, transferred to non-performing direct credit facilities as of 31 December 2025 and 2024.
- Expected credit loss is assessed based on individual customer accounts for the three stages for corporate customers, and on collective basis for consumer banking customers for stages 1 and 2, and on individual basis for stage 3.
- * Non-performing direct credit facilities transferred to off statement of financial position amounted to JD 263.2 million as of 31 December 2025 (JD 304 million as of 31 December 2024) noting that these non-performing direct credit facilities are fully covered by set provisions and suspended interest.

The following tables outline the impact of multiple scenarios on the Expected Credit Loss (without Consumer):

	31 December 2025							
	Direct Credit Facilities at Amortized Cost						Items off statement of financial position	Total
	Due from Banks	Financial Assets at Amortized Cost	Small and Medium Corporates	Large Corporates	Financial Institutions	Government and Public Sector		
	JD '000	JD '000	JD '000	JD '000	JD '000	JD '000	JD '000	JD '000
Upside (20%)	205 085	9 279	142 784	709 095	2 099	55 642	45 696	1 169 680
Baseline (45%)	217 177	11 579	146 455	739 277	2 135	60 951	46 840	1 224 414
Downside (35%)	261 718	24 322	161 144	858 104	2 296	87 411	50 976	1 445 971

	31 December 2024							
	Direct Credit Facilities at Amortized Cost						Items off statement of financial position	Total
	Due from Banks	Financial Assets at Amortized Cost	Small and Medium Corporates	Large Corporates	Financial Institutions	Government and Public Sector		
	JD '000	JD '000	JD '000	JD '000	JD '000	JD '000	JD '000	JD '000
Upside (20%)	155 823	10 072	148 895	811 967	2 026	5 496	38 284	1 172 563
Baseline (45%)	165 011	12 576	152 723	845 035	2 061	6 730	39 243	1 223 379
Downside (35%)	198 853	26 450	168 041	975 225	2 216	12 881	42 708	1 426 374

The following tables outline the impact of multiple scenarios on the ECL (Consumer):

	31 December 2025	31 December 2024
	JD '000	JD '000
Upside (30%)	171 138	177 929
Baseline (40%)	177 587	184 634
Downside (30%)	199 043	206 942

The above table shows both the contribution to the total ECL for each probability-weighted scenario, in addition to the total additional impact on the ECL for applying multiple economic scenarios compared to the ECL that would have resulted from applying a 100% weighting to the base case scenario.

The details of movement on interest and commissions in suspense are as follows:

31 December 2024

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	31 December 2025						
	Corporates						The total includes interest and commission in suspense movement on real-estate loans as follows
	Consumer Banking	Small and Medium	Large	Banks and Financial Institutions	Government and Public Sector	Total	
	JD '000	JD '000	JD '000	JD '000	JD '000	JD '000	
	JD '000	JD '000	JD '000	JD '000	JD '000	JD '000	
Balance at the beginning of the year	72 595	66 031	152 475	36	-	291 137	17 227
Interest and commission suspended during the year	15 295	10 418	31 577	-	-	57 290	3 309
Interest and commission in suspense settled (written off or transferred to off statement of financial position)	(43 701)	(53 833)	(64 252)	-	-	(161 786)	(2 372)
Interest and commission settled (transferred to revenues)	(3 963)	(456)	(2 820)	-	-	(7 239)	(3 158)
Translation adjustments	248	595	690	1	-	1 534	2
Balance at the End of the Year	40 474	22 755	117 670	37	-	180 936	15 008
	31 December 2024						
	Corporates						The total includes interest and commission in suspense movement on real-estate loans
	Consumer Banking	Small and Medium	Large	Banks and Financial Institutions	Government and Public Sector	Total	
	JD '000	JD '000	JD '000	JD '000	JD '000	JD '000	
	JD '000	JD '000	JD '000	JD '000	JD '000	JD '000	
Balance at the beginning of the year	66 152	71 933	260 222	36	-	398 343	16 726
Interest and commission suspended during the year	14 433	11 632	28 325	-	-	54 390	3 444
Interest and commission in suspense settled (written off or transferred to off statement of financial position)	(4 513)	(16 184)	(133 385)	-	-	(154 082)	(951)
Interest and commission settled (transferred to revenues)	(3 412)	(1 273)	(1 294)	-	-	(5 979)	(1 941)
Translation adjustments	(65)	(77)	(1 393)	-	-	(1 535)	(51)
Balance at the End of the Year	72 595	66 031	152 475	36	-	291 137	17 227

Economic Sector	Inside Jordan	Outside Jordan	31 December 2025	31 December 2024	Expected Credit Loss 31 December 2025
	JD '000	JD '000	JD '000	JD '000	JD '000
Consumer Banking	1 320 205	1 540 197	2 860 402	2 574 981	182 089
Industry and Mining	803 321	1 709 716	2 513 037	2 347 740	190 799
Constructions	245 587	718 419	964 006	906 737	141 190
Real Estate	56 312	513 582	569 894	471 953	18 607
Trade	921 129	1 613 195	2 534 324	2 306 063	273 046
Agriculture	108 098	18 625	126 723	138 363	45 141
Tourism and Hotels	146 054	136 941	282 995	280 469	19 374
Transportation	28 853	100 957	129 810	240 978	24 227
Shares	670	12 377	13 047	23 362	32
General Service	529 470	1 250 144	1 779 614	1 534 708	213 279
Banks and Financial Institutions	23 473	255 327	278 800	292 926	2 184
Government and Public Sector	212 799	1 092 546	1 305 345	1 198 285	69 150
Net Direct Credit Direct Facilities at Amortized Cost	4 395 971	8 962 026	13 357 997	12 316 565	1 179 118

The following is the distribution of credit exposures for direct credit facilities at amortized cost according to the Bank's Internal Rating.

Credit rating categories:	31 December 2025							31 December 2024
	Stage 1		Stage 2		Stage 3	Total		Total
	Individual JD '000	Collective JD '000	Individual JD '000	Collective JD '000	Individual JD '000	Individual JD '000	Collective JD '000	JD '000
Low risk / performing	1 430 239	212 619	-	-	-	1 430 239	212 619	1 806 037
Acceptable risk / performing	8 056 326	2 365 496	1 441 769	322 053	-	9 498 095	2 687 549	10 973 068
Non-performing:								
- Substandard	-	-	-	-	35 961	35 961	-	72 868
- Doubtful	-	-	-	-	95 802	95 802	-	77 950
- Problematic	-	-	-	-	757 786	757 786	-	919 145
Total	9 486 565	2 578 115	1 441 769	322 053	889 549	11 817 883	2 900 168	13 849 068

Classification of direct credit facilities at amortized cost based on the geographical and economic sector as follows:

Notes to the Financial Statements

The movement on total balances of direct credit facilities at amortized cost is as follows:

	31 December 2025							31 December 2024
	Stage 1		Stage 2		Stage 3	Total		Total
	Individual JD '000	Collective JD '000	Individual JD '000	Collective JD '000	Individual JD '000	Individual JD '000	Collective JD '000	JD '000
Balance at the beginning of the year	8 844 262	2 308 229	1 314 167	312 447	1 069 963	11 228 392	2 620 676	13 516 365
New balances (additions)	3 483 687	670 892	71 926	86 226	47 448	3 603 061	757 118	3 325 878
Repaid balances (excluding write offs)	(2 485 906)	(363 169)	(176 193)	(74 105)	(111 060)	(2 773 159)	(437 274)	(2 596 665)
Transfers to stage 1	162 045	10 737	(161 993)	(9 498)	(1 291)	(1 239)	1 239	-
Transfers to stage 2	(538 095)	(35 002)	541 717	35 722	(4 342)	(720)	720	-
Transfers to stage 3	(3 856)	(21 663)	(162 435)	(25 550)	213 504	47 213	(47 213)	-
Written off balances or transferred to off statement of financial position	-	-	-	-	(343 539)	(343 539)	-	(335 922)
Adjustments during the year	(5)	-	-	(3 355)	4 835	4 830	(3 355)	-
Translation Adjustments	24 433	8 091	14 580	166	14 031	53 044	8 257	(60 588)
Balance at the end of the year	9 486 565	2 578 115	1 441 769	322 053	889 549	11 817 883	2 900 168	13 849 068

The movement of Expected Credit Loss on direct credit facilities at amortized cost is as follows:

	31 December 2025							31 December 2024
	Stage 1		Stage 2		Stage 3	Total		Total
	Individual JD '000	Collective JD '000	Individual JD '000	Collective JD '000	Individual JD '000	Individual JD '000	Collective JD '000	JD '000
Balance at the beginning of the year	110 982	28 856	348 243	47 878	705 407	1 164 632	76 734	1 286 277
ECL charges during the year	90 031	3 193	32 011	7 356	40 238	162 280	10 549	313 280
Recoveries (excluding write offs)	(30 053)	(812)	(26 407)	(762)	(27 747)	(84 207)	(1 574)	(163 966)
Transfers to stage 1	4 903	28	(4 903)	(25)	(3)	(3)	3	-
Transfers to stage 2	(31 884)	(92)	32 052	165	(241)	(73)	73	-
Transfers to stage 3	(223)	(96)	(73 177)	(2 124)	75 620	2 220	(2 220)	-
Impact on year end ECL caused by transfers between stages during the year			(2 165)	1 644	17 615	15 450	1 644	26 534
Written off balances or transferred to off statement of financial position	-	-	-	-	(181 753)	(181 753)	-	(181 840)
Adjustments during the year	74	-	19	-	1 597	1 690	-	(12)
Translation Adjustments	254	134	1 011	545	11 729	12 994	679	(38 907)
Balance at the end of the year	144 084	31 211	306 684	54 677	642 462	1 093 230	85 888	1 241 366

Direct Credit Facilities at Amortized Cost – Consumer Banking

The following is the distribution of credit exposures for direct credit facilities – Consumer Banking at amortized cost according to the Bank's Internal Rating.

	31 December 2025				31 December 2024
	Stage 1 Collective	Stage 2 Collective	Stage 3 Individual	Total	Total
	JD '000	JD '000	JD '000	JD '000	JD '000
Low risk / performing	212 619	-	-	212 619	195 845
Acceptable risk / performing	2 365 496	322 053	-	2 687 549	2 424 831
Non-performing :					
- Substandard	-	-	27 708	27 708	20 995
- Doubtful	-	-	22 214	22 214	14 654
- Problematic	-	-	132 875	132 875	180 566
Total		2 578 115	322 053	182 797	2 836 891

- Probability of default at low risk 0.04% - 3.5%
- Probability of default at acceptable risk 3.5% - 57%
- Probability of default at high risk 100%

The movement on total balances of direct credit facilities at amortized cost – consumer banking is as follows:

	31 December 2025				31 December 2024
	Stage 1 Collective	Stage 2 Collective	Stage 3 Individual	Total	Total
	JD '000	JD '000	JD '000	JD '000	JD '000
Balance at the beginning of the year	2 308 229	312 447	216 215	2 836 891	2 773 026
New balances	670 892	86 226	16 128	773 246	509 259
Repaid balances	(363 169)	(74 105)	(22 434)	(459 708)	(404 152)
Transfers to stage 1	10 737	(9 498)	(1 239)	-	-
Transfers to stage 2	(35 002)	35 722	(720)	-	-
Transfers to stage 3	(21 663)	(25 550)	47 213	-	-
Written off balances or transferred to off statement of financial position	-	-	(80 433)	(80 433)	(7 835)
Adjustments during the year	-	(3 355)	3 355	-	-
Translation Adjustments	8 091	166	4 712	12 969	(33 407)
Balance at the end of the year	2 578 115	322 053	182 797	3 082 965	2 836 891

The movement of ECL charges on direct credit facilities at amortized cost - consumer banking is as follows:

	31 December 2025				31 December 2024
	Stage 1 Collective	Stage 2 Collective	Stage 3 Individual	Total	Total
	JD '000	JD '000	JD '000	JD '000	JD '000
Balance at the beginning of the year	28 856	47 878	112 581	189 315	130 457
ECL charges during the year	3 193	7 356	13 312	23 861	78 009
Recoveries	(812)	(762)	(5 614)	(7 188)	(21 452)
Transfers to stage 1	28	(25)	(3)	-	-
Transfers to stage 2	(92)	165	(73)	-	-
Transfers to stage 3	(96)	(2 124)	2 220	-	-
Impact on year end ECL caused by transfers between stages during the year		1 644	6 461	8 105	8 699
Written off balances or transferred to off statement of financial position	-	-	(36 732)	(36 732)	(3 322)
Adjustments during the year	-	-	119	119	1
Translation Adjustments	134	545	3 930	4 609	(3 077)
Balance at the end of the year	31 211	54 677	96 201	182 089	189 315

Direct Credit Facilities at Amortized Cost – Small & Medium Enterprises

The following is the distribution of credit exposures for direct credit facilities at amortized cost – SMEs according to the Bank's Internal Rating.

	31 December 2025				31 December 2024
	Stage 1 Individual	Stage 2 Individual	Stage 3 Individual	Total	Total
	JD '000	JD '000	JD '000	JD '000	JD '000
Low risk / performing	161 528	-	-	161 528	131 868
Acceptable risk / performing	677 646	129 769	-	807 415	828 643
Non-performing :					
- Substandard	-	-	3 700	3 700	13 451
- Doubtful	-	-	12 979	12 979	7 044
- Problematic	-	-	135 136	135 136	162 057
Total	839 174	129 769	151 815	1 120 758	1 143 063

- Probability of default at low risk 0.02% - 15.5%
- Probability of default at acceptable risk 15.5% - 24%
- Probability of default at high risk 100%

Notes to the Financial Statements

The movement on total balances of direct credit facilities at amortized cost – Small & Medium Enterprises is as follows:

	31 December 2025				31 December 2024
	Stage 1 Individual	Stage 2 Individual	Stage 3 Individual	Total	Total
	JD '000	JD '000	JD '000	JD '000	JD '000
Balance at the beginning of the year	783 831	176 680	182 552	1 143 063	1 094 815
New balances	270 989	8 116	7 924	287 029	308 883
Repaid balances	(166 423)	(21 250)	(6 993)	(194 666)	(227 641)
Transfers to stage 1	9 397	(9 345)	(52)	-	-
Transfers to stage 2	(18 437)	18 445	(8)	-	-
Transfers to stage 3	(3 856)	(43 950)	47 806	-	-
Written off balances or transferred to off statement of financial position	-	-	(83 430)	(83 430)	(23 547)
Adjustments during the year	(13 019)	(193)	1 004	(12 208)	-
Translation Adjustments	(23 308)	1 266	3 012	(19 030)	(9 447)
Balance at the end of the year	839 174	129 769	151 815	1 120 758	1 143 063

The movement of ECL charges on direct credit facilities at amortized cost - Small & Medium Enterprises is as follows:

	31 December 2025				31 December 2024
	Stage 1 Individual	Stage 2 Individual	Stage 3 Individual	Total	Total
	JD '000	JD '000	JD '000	JD '000	JD '000
Balance at the beginning of the year	6 283	45 444	105 592	157 319	136 128
ECL charges during the year	1 779	7 863	11 710	21 352	39 411
Recoveries	(773)	(2 260)	(3 130)	(6 163)	(9 560)
Transfers to stage 1	205	(205)	-	-	-
Transfers to stage 2	(108)	108	-	-	-
Transfers to stage 3	(13)	(10 987)	11 000	-	-
Impact on year end ECL caused by transfers between stages during the year	-	238	5 006	5 244	5 883
Written off balances or transferred to off statement of financial position	-	-	(29 597)	(29 597)	(7 363)
Adjustments during the year	13	55	1 466	1 534	(1 185)
Translation Adjustments	29	38	1 106	1 173	(5 995)
Balance at the end of the year	7 415	40 294	103 153	150 862	157 319

Direct Credit Facilities at Amortized Cost – Large Corporates

The following is the distribution of credit exposures for direct credit facilities at amortized cost – LCs according to the Bank's Internal Rating.

	31 December 2025				31 December 2024
	Stage 1 Individual	Stage 2 Individual	Stage 3 Individual	Total	Total
	JD '000	JD '000	JD '000	JD '000	JD '000
Low risk / performing	655 418	-	-	655 418	531 133
Acceptable risk / performing	6 841 107	809 270	-	7 650 377	7 166 627
Non-performing:					
- Substandard	-	-	4 553	4 553	38 422
- Doubtful	-	-	60 609	60 609	56 252
- Problematic	-	-	487 855	487 855	574 689
Total	7 496 525	809 270	553 017	8 858 812	8 367 123

- Probability of default at low risk 0.02% - 15.5%
- Probability of default at acceptable risk 15.5% - 24%
- Probability of default at high risk 100%

The movement on total balances of direct credit facilities at amortized cost - Large Corporates is as follows:

	31 December 2025				31 December 2024
	Stage 1 Individual	Stage 2 Individual	Stage 3 Individual	Total	Total
	JD '000	JD '000	JD '000	JD '000	JD '000
Balance at the beginning of the year	6 685 971	1 011 789	669 363	8 367 123	8 463 149
New balances	2 579 239	63 653	23 396	2 666 288	1 882 962
Repaid balances	(1 884 873)	(107 683)	(81 633)	(2 074 189)	(1 657 359)
Transfers to stage 1	152 648	(152 648)	-	-	-
Transfers to stage 2	(95 523)	99 137	(3 614)	-	-
Transfers to stage 3	-	(118 485)	118 485	-	-
Written off balances or transferred to off statement of financial position	-	-	(179 676)	(179 676)	(304 540)
Adjustments during the year	13 014	193	476	13 683	-
Translation Adjustments	46 049	13 314	6 220	65 583	(17 089)
Balance at the end of the year	7 496 525	809 270	553 017	8 858 812	8 367 123

The movement of ECL charges on direct credit facilities at amortized cost - Large Corporates is as follows:

	31 December 2025				31 December 2024
	Stage 1 Individual	Stage 2 Individual	Stage 3 Individual	Total	Total
	JD '000	JD '000	JD '000	JD '000	JD '000
Balance at the beginning of the year	102 043	296 508	485 437	883 988	1 007 096
ECL charges during the year	54 257	24 148	15 216	93 621	186 981
Recoveries	(27 083)	(20 841)	(19 003)	(66 927)	(121 982)
Transfers to stage 1	4 698	(4 698)	-	-	-
Transfers to stage 2	(506)	674	(168)	-	-
Transfers to stage 3	(210)	(62 190)	62 400	-	-
Impact on year end ECL caused by transfers between stages during the year	-	(2 403)	6 148	3 745	11 952
Written off balances or transferred to off statement of financial position	-	-	(115 424)	(115 424)	(171 155)
Adjustments during the year	57	(32 038)	12	(31 969)	874
Translation Adjustments	219	973	6 607	7 799	(29 778)
Balance at the end of the year	133 475	200 133	441 225	774 833	883 988

Direct Credit Facilities at Amortized Cost – Banks & Financial Institutions

The following is the distribution of credit exposures for direct credit facilities at amortized cost - B&FI according to the Bank's Internal Rating.

	31 December 2025				31 December 2024
	Stage 1 Individual	Stage 2 Individual	Stage 3 Individual	Total	Total
	JD '000	JD '000	JD '000	JD '000	JD '000
Credit rating categories:					
Low risk / performing	164 701	-	-	164 701	152 550
Acceptable risk / performing	114 400	-	-	114 400	140 687
Non-performing :					
- Problematic	-	-	1 920	1 920	1 833
Total	279 101	-	1 920	281 021	295 070

- Probability of default at low risk 0.02% - 15.5%
- Probability of default at acceptable risk 15.5% - 24%
- Probability of default at high risk 100%

The movement on total balances of direct credit facilities at amortized cost – Banks & Financial Institutions is as follows:

	31 December 2025				31 December 2024
	Stage 1 Individual	Stage 2 Individual	Stage 3 Individual	Total	Total
	JD '000	JD '000	JD '000	JD '000	JD '000
Balance at the beginning of the year	293 237	-	1 833	295 070	135 252
New balances	184 018	-	-	184 018	225 935
Repaid balances	(199 846)	-	-	(199 846)	(65 472)
Translation Adjustments	1 692	-	87	1 779	(645)
Balance at the end of the year	279 101	-	1 920	281 021	295 070

Notes to the Financial Statements

The movement of Expected Credit Loss on direct credit facilities at amortized cost – Banks & Financial Institutions is as follows:

	31 December 2025				31 December 2024
	Stage 1 Individual	Stage 2 Individual	Stage 3 Individual	Total	Total
	JD '000	JD '000	JD '000	JD '000	JD '000
Balance at the beginning of the year	311	-	1 797	2 108	1 998
ECL charges during the year	418	-	-	418	697
Recoveries	(433)	-	-	(433)	(565)
Adjustments during the year	4	-	-	4	(3)
Translation Adjustments	1	-	86	87	(19)
Balance at the end of the year	301	-	1 883	2 184	2 108

Direct Credit Facilities at Amortized Cost – Government & Public Sector

The following is the distribution of credit exposures for direct credit facilities at amortized cost – Government & Public Sector according to the Bank's Internal Rating.

	31 December 2025				31 December 2024
	Stage 1 Individual	Stage 2 Individual	Stage 3 Individual	Total	Total
	JD '000	JD '000	JD '000	JD '000	JD '000
Low risk / performing	448 592	-	-	448 592	794 641
Acceptable risk / performing	423 173	502 730	-	925 903	412 280
Total	871 765	502 730	-	1 374 495	1 206 921

- Probability of default at low risk 0.02% – 5%
- Probability of default at acceptable risk 5% – 24%
- Probability of default at High risk 100%

The movement on total balances of direct credit facilities at amortized cost – Government & Public Sector is as follows:

	31 December 2025				31 December 2024
	Stage 1 Individual	Stage 2 Individual	Stage 3 Individual	Total	Total
	JD '000	JD '000	JD '000	JD '000	JD '000
Balance at the beginning of the year	1 081 223	125 698	-	1 206 921	1 050 123
New balances	449 441	157	-	449 598	398 839
Repaid balances	(234 764)	(47 260)	-	(282 024)	(242 041)
Transfers to stage 2	(424 135)	424 135	-	-	-
Balance at the end of the year	871 765	502 730	-	1 374 495	1 206 921

The movement of ECL charges on direct credit facilities at amortized cost - Government & Public Sector is as follows:

	31 December 2025				31 December 2024
	Stage 1 Individual	Stage 2 Individual	Stage 3 Individual	Total	Total
	JD '000	JD '000	JD '000	JD '000	JD '000
Balance at the beginning of the year	2 345	6 291	-	8 636	10 598
ECL charges during the year	33 577	-	-	33 577	8 182
Recoveries	(1 764)	(3 306)	-	(5 070)	(10 407)
Transfers to stage 2	(31 270)	31 270	-	-	-
Adjustments during the year	-	32 002	-	32 002	301
Translation Adjustments	5	-	-	5	(38)
Balance at the end of the year	2 893	66 257	-	69 150	8 636

Direct Credit Facilities at Amortized Cost – Real Estate

The following is the distribution of credit exposures for direct credit facilities at amortized cost – Real Estate according to the Bank's Internal Rating.

	31 December 2025				31 December 2024
	Stage 1	Stage 2	Stage 3	Total	Total
	JD '000	JD '000	JD '000	JD '000	JD '000
Low risk / performing	-	-	-	-	1 595
Acceptable risk / performing	1 260 818	107 262	-	1 368 080	1 173 267
Non-performing:					
- Substandard	-	-	10 309	10 309	7 090
- Doubtful	-	-	8 596	8 596	4 191
- Problematic	-	-	43 659	43 659	43 990
Total	1 260 818	107 262	62 564	1 430 644	1 230 133

- Probability of default at low risk 0.04% – 3.5%
- Probability of default at acceptable risk 3.5% – 57%
- Probability of default at high risk 100%

The movement on total balances of direct credit facilities at amortized cost – Real Estate is as follows:

	31 December 2025				31 December 2024
	Stage 1	Stage 2	Stage 3	Total	Total
	JD '000	JD '000	JD '000	JD '000	JD '000
Balance at the beginning of the year	1 060 070	114 792	55 271	1 230 133	1 177 622
New balances	311 125	10 496	2 367	323 988	145 883
Repaid balances	(92 864)	(14 886)	(13 206)	(120 956)	(92 004)
Transfers to stage 1	6 543	(5 433)	(1 110)	-	-
Transfers to stage 2	(12 985)	13 261	(276)	-	-
Transfers to stage 3	(11 556)	(10 968)	22 524	-	-
Written off balances or transferred to off statement of financial position	-	-	(2 950)	(2 950)	(1 112)
Translation Adjustments	485	-	(56)	429	(256)
Balance at the end of the year	1 260 818	107 262	62 564	1 430 644	1 230 133

The movement of ECL charges on direct credit facilities at amortized cost - RE is as follows:

	31 December 2025				31 December 2024
	Stage 1	Stage 2	Stage 3	Total	Total
	JD '000	JD '000	JD '000	JD '000	JD '000
Balance at the beginning of the year	873	1 199	19 820	21 892	26 756
ECL charges during the year	523	148	2 820	3 491	3 562
Recoveries	(627)	(656)	(4 903)	(6 186)	(8 214)
Transfers to stage 1	1	(1)	-	-	-
Transfers to stage 2	(8)	8	-	-	-
Transfers to stage 3	(15)	(49)	64	-	-
Impact on year end ECL caused by transfers between stages during the year	-	(17)	392	375	135
Written off balances or transferred to off statement of financial position	-	-	(578)	(578)	(161)
Translation Adjustments	7	(2)	21	26	(186)
Balance at the end of the year	754	630	17 636	19 020	21 892

Notes to the Financial Statements

13. Other Financial Assets at Amortized Cost

The details of this item are as follows:

	31 December	
	2025	2024
	JD '000	JD '000
Treasury bills	1 707 024	1 619 516
Government bonds and bonds guaranteed by the government	3 691 697	3 333 319
Corporate bonds	473 000	515 262
Total other Financial Assets at Amortized Cost	5 871 721	5 468 097
Less: Net ECL Charges	(15 554)	(16 931)
Net other Financial Assets at Amortized Cost	5 856 167	5 451 166

Analysis of bonds based on interest nature:

	31 December	
	2025	2024
	JD '000	JD '000
Floating interest rate	86 290	107 416
Fixed interest rate	5 785 431	5 360 681
Total other Financial Assets at Amortized Cost	5 871 721	5 468 097
Less: Net ECL Charges	(15 554)	(16 931)
Net other Financial Assets at Amortized Cost	5 856 167	5 451 166

Analysis of financial assets based on market quotation:

	31 December	
	2025	2024
	JD '000	JD '000
Quoted Financial assets in the market:		
Treasury bills	1 532 662	1 389 431
Government bonds and bonds guaranteed by the government	876 404	519 080
Corporate bonds	377 088	448 933
Total other financial assets at amortized cost with quoted prices	2 786 154	2 357 444
Less: Net ECL Charges	(13 518)	(16 110)
Net other financial assets at amortized cost with quoted prices	2 772 636	2 341 334

	31 December	
	2025	2024
	JD '000	JD '000
Unquoted Financial assets in the market:		
Treasury bills	174 362	230 085
Government bonds and bonds guaranteed by the government	2 815 293	2 814 239
Corporate bonds	95 912	66 329
Total other financial assets at amortized cost with unquoted prices	3 085 567	3 110 653
Less: Net ECL Charges	(2 036)	(821)
Net other financial assets at amortized cost with unquoted prices	3 083 531	3 109 832
Net Other Financial Assets at Amortized Cost	5 856 167	5 451 166

The table below shows the credit quality and the maximum exposure to credit risk based on the bank's internal credit rating system.

	31 December 2025				31 December 2024
	Stage 1	Stage 2	Stage 3	Total	Total
	JD '000	JD '000	JD '000	JD '000	JD '000
Low risk / performing (1-2)	5 608 717	-	-	5 608 717	5 377 981
Acceptable risk / performing (3-7)	241 756	21 248	-	263 004	90 116
Total	5 850 473	21 248	-	5 871 721	5 468 097

- Probability of default at low risk 0.0% - 10%
- Probability of default at acceptable risk 10% - 100%
- Probability of default at high risk 100%

The movement on total balances of other financial assets at amortized cost is as follows:

	31 December 2025				31 December 2024
	Stage 1	Stage 2	Stage 3	Total	Total
	JD '000	JD '000	JD '000	JD '000	JD '000
Balance at the beginning of the year	5 446 858	21 239	-	5 468 097	5 138 065
New investments	503 342	9	-	503 351	4 812 594
Matured investments	(108 012)	-	-	(108 012)	(4 383 506)
Translation Adjustments	8 285	-	-	8 285	(99 056)
Balance at the end of the year	5 850 473	21 248	-	5 871 721	5 468 097

The movement of ECL charges on other financial assets at amortized cost is as follows:

	31 December 2025				31 December 2024
	Stage 1	Stage 2	Stage 3	Total	Total
	JD '000	JD '000	JD '000	JD '000	JD '000
Balance at the beginning of the year	9 412	7 519	-	16 931	23 158
ECL charges during the year	5 566	154	-	5 720	4 277
Recoveries from matured investments	(6 863)	(236)	-	(7 099)	(10 504)
Translation Adjustments	2	-	-	2	-
Total	8 117	7 437	-	15 554	16 931

- During the year ended 31 December 2025 certain financial assets at amortized cost amounted to JD 38.2 million were sold (No other financial assets at amortized cost were sold during the year ended 31 December 2024).

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14. Investment in Subsidiaries and Associates

The details of this item are as follows:

	31 December 2025		31 December 2024		Place of Incorporation	Principal activity	Date of Ownership
	Ownership and Voting Right	Cost	Ownership and Voting Right	Cost			
	%	JD '000	%	JD '000			
The Bank's investments in subsidiaries and associates:							
Europe Arab Bank plc	100	287 546	100	287 546	U.K.	Banking	2006
Arab Bank Australia Limited	100	57 109	100	57 109	Australia	Banking	1994
Islamic International Arab Bank	100	73 500	100	73 500	Jordan	Banking	1997
Al-Arabi for Finance SAL	100	18 859	100	18 859	Lebanon	Holding company	1998
Arab National Leasing Company Ltd	100	15 000	100	15 000	Jordan	Finance leasing	1996
Al-Arabi Investment Group Ltd	100	8 900	100	8 900	Jordan	Financial services	1996
Acabes - Fin Tech Company	100	5 000	100	5 000	Jordan	Information technology services	2021
Arab Sudanese Bank Limited	100	1 386	100	1 386	Sudan	Banking	2008
Al Arabi Investment Group Limited - Palestine	100	1 600	100	1 600	Palestine	Financial services	2009
Arab Company for shared Services	100	7 793	100	7 793	UAE	Banking services	2006
Arab Gulf Tech for IT Services	100	1 064	100	1 064	UAE	Information technology services	2004
Arab Tunisian Bank	64.24	67 308	64.24	48 119	Tunisia	Banking	1982
Arab Bank Syria	51.29	775	51.29	611	Syria	Banking	2005
Al-Nisr Al Arabi plc	68	15 429	68	15 429	Jordan	Insurance	2006
Oman Arab Bank	49	219 921	49	174 802	Oman	Banking	1984
Arab Bank Iraq	59.74	81 651	59.74	81 570	Iraq	Banking	2023
Arab National Bank	40	161 534	40	161 534	Saudi Arabia	Banking	1979
Arabia Group Holding Ltd (Abu Dhabi) *	47.27	5 326	47.27	5 326	UAE	Insurance	2024
Commercial Building Company S.A.L	35.24	380	35.24	380	Lebanon	Real estate operating leasing	1966
Total		1 030 081		965 528			

* During the year 2024 the shares of Arab Bank have been transferred from Arabia Insurance Company in Lebanon (Acquired since 1972) to Arabia Group Holding Limited in Abu Dhabi without any additional cost. This change has resulted in no adjustment on the value of Arab Bank investment.

The details of movement on investments in associates and subsidiaries are as follows:

	31 December	
	2025	2024
	JD '000	JD '000
Balance at the beginning of the year	965 528	879 008
Purchase of additional investments in subsidiaries and associates	64 553	4 950
Reclassification of investment in Arab Bank Iraq *	-	81 570
Balance at the end of the year	1 030 081	965 528

*During December 2024, Arab Bank Iraq obtained a license for banking services from the Central Bank of Iraq.

15. Fixed Assets

The details of this item are as follows:

	Land JD '000	Buildings JD '000	Furniture, Fixtures and Equipment JD '000	Computers and Communication Equipment JD '000	Motor Vehicles JD '000	Others JD '000	Total JD '000
Historical Cost:							
Balance as of 1 January 2024	61 822	172 755	168 017	112 887	6 915	23 010	545 406
Additions	-	1 713	6 648	17 215	339	1 371	27 286
Disposals	-	(3 187)	(1 706)	(1 385)	(129)	(8 046)	(14 453)
Translation adjustments	(68)	(854)	(405)	(826)	(20)	(272)	(2 445)
Balance as of 31 December 2024	61 754	170 427	172 554	127 891	7 105	16 063	555 794
Additions	191	433	7 192	17 601	309	3 066	28 792
Disposals	(270)	(719)	(2 386)	(5 979)	(3)	(2 160)	(11 517)
Translation adjustments	318	1 472	502	646	16	19	2 973
Balance as of 31 December 2025	61 993	171 613	177 862	140 159	7 427	16 988	576 042

Accumulated Depreciation :

Balance as of 1 January 2024	-	93 612	134 394	87 623	6 469	19 181	341 279
Depreciation charge for the year	-	4 265	7 893	11 753	226	1 479	25 616
Disposals	-	-	(1 636)	(1 343)	(129)	(8 013)	(11 121)
Translation adjustments	-	(545)	(352)	(722)	(20)	(834)	(2 473)
Balance as of 31 December 2024	-	97 332	140 299	97 311	6 546	11 813	353 301
Depreciation charge for the year	-	4 426	8 071	13 169	177	1 501	27 344
Disposals	-	(696)	(2 169)	(5 953)	(3)	(1 853)	(10 674)
Translation adjustments	-	946	238	579	15	18	1 796
Balance as of 31 December 2025	-	102 008	146 439	105 106	6 735	11 479	371 767
Net Book Value as of 31 December 2025	61 993	69 605	31 423	35 053	692	5 509	204 275
Net Book Value as of 31 December 2024	61 754	73 095	32 255	30 580	559	4 250	202 493

The cost of the fully depreciated fixed assets amounted to JD 236.7 million as of 31 December 2025 (JD 219.4 million as of 31 December 2024).

16. Other Assets

The details of this item are as follows:

	31 December	
	2025	2024
	JD '000	JD '000
Accrued interest receivable	149 222	150 402
Prepaid expenses	36 197	31 262
Foreclosed assets *	233 423	179 922
Intangible assets **	15 180	10 694
Right of Use Assets ***	30 956	33 607
Other miscellaneous assets	81 324	100 388
Total	546 302	506 275

* The Central Bank of Jordan instructions require the disposal of these assets during a maximum period of two years from the date of foreclosure, and allows the extension of this period for an additional two years upon obtaining the approval of the Central Bank of Jordan.

The details of movement on foreclosed assets are as follows:

	31 December 2025			
	Land	Buildings	Others	Total
	JD '000	JD '000	JD '000	JD '000
Balance at the beginning of the year	116 189	63 733	-	179 922
Additions	1 853	60 360	2 856	65 069
Disposals	(8 453)	(3 385)	-	(11 838)
Provision for impairment and impairment loss	271	(376)	-	(105)
Translation Adjustment	-	375	-	375
Balance at the End of the Year	109 860	120 707	2 856	233 423

Notes to the Financial Statements

	31 December 2024			
	Land	Buildings	Others	Total
	JD '000	JD '000	JD '000	JD '000
Balance at the beginning of the year	46 446	55 773	-	102 219
Additions	72 900	14 470	-	87 370
Disposals	(1 488)	(3 121)	-	(4 609)
Provision for impairment and impairment loss	(727)	(459)	-	(1 186)
Translation Adjustment	(942)	(2 930)	-	(3 872)
Balance at the End of the Year	116 189	63 733	-	179 922

** The movement on intangible assets (software) was as follows:

	31 December	
	2025	2024
	JD '000	JD '000
Balance at the beginning of the year	10 694	11 837
Additions	12 042	7 225
Adjustments during the year and translation adjustments	81	(361)
Amortization during the year	(7 637)	(8 007)
Balance at the End of the Year	15 180	10 694

*** The details of movement of right of use assets are as follows:

	2025	2024
	JD '000	JD '000
Balance at the beginning of the year	33 607	40 524
Additions	7 611	3 509
Depreciation	(10 262)	(10 426)
Balance at the end of the year	30 956	33 607

17. Deferred Tax Assets

The details of this item are as follows:

Items attributable to deferred tax assets are as follows:

	31 December 2025					
	Balance at the Beginning of the Year	Amounts Added	Amounts Released	Adjustments During the Year and Translation Adjustments	Balance at the End of the Year	Deferred Tax
	JD '000	JD '000	JD '000	JD '000	JD '000	JD '000
Expected credit losses	424 187	227 346	(260 183)	70	391 420	117 304
End-of-Service indemnity	37 543	6 961	(10 277)	142	34 369	9 585
Interest in suspense - net of tax	35 850	10 964	(13 635)	-	33 180	7 821
Revaluation of OCI investments	15 065	-	(9 287)	-	5 778	4 643
Others	104 615	9 455	(45 436)	345	68 979	17 042
Total	617 260	254 726	(338 818)	557	533 726	156 395

	31 December 2024					
	Balance at the Beginning of the Year	Amounts Added	Amounts Released	Adjustments During the Year and Translation Adjustments	Balance at the End of the Year	Deferred Tax
	JD '000	JD '000	JD '000	JD '000	JD '000	JD '000
Expected credit losses	407 878	269 534	(253 225)	-	424 187	125 123
End-of-Service indemnity	39 543	15 978	(17 978)	-	37 543	10 760
Interest in suspense - net of tax	45 738	9 417	(19 384)	79	35 850	7 991
Revaluation of OCI investments	16 855	-	(1 790)	-	15 065	8 409
Others	63 292	53 668	(4 946)	(7 399)	104 615	24 282
Total	573 306	348 597	(297 323)	(7 320)	617 260	176 565

The details of movement on deferred tax assets are as follows:

	2025	2024
	JD '000	JD '000
Balance at the beginning of the year	176 565	157 247
Additions during the year	84 835	113 378
Amortized during the year	(105 093)	(92 611)
Adjustments during the year and translation adjustments	88	(1 449)
Balance at the End of the Year	156 395	176 565

18. Banks and Financial Institutions Deposits

The details of this item are as follows:

	31 December 2025			31 December 2024		
	Inside Jordan	Outside Jordan	Total	Inside Jordan	Outside Jordan	Total
	JD '000	JD '000	JD '000	JD '000	JD '000	JD '000
Current and demand	2 942	178 762	181 704	3 501	102 205	105 706
Time deposits	50 966	1 706 259	1 757 225	7 911	1 677 789	1 685 700
Total	53 908	1 885 021	1 938 929	11 412	1 779 994	1 791 406

19. Customer Deposits

The details of this item are as follows:

	31 December 2025				
	Corporates			Government and public sector	Total
	Consumer Banking	Small and medium	Large		
	JD '000	JD '000	JD '000	JD '000	JD '000
Current and demand	5 159 408	1 261 838	1 799 866	125 700	8 346 812
Savings	2 321 117	3 225	10 612	9	2 334 963
Time and notice deposits	6 739 472	604 159	2 676 791	994 238	11 014 660
Certificates of deposit	230 208	1 095	164	-	231 467
Total	14 450 205	1 870 317	4 487 433	1 119 947	21 927 902

	31 December 2024				
	Corporates			Government and public sector	Total
	Consumer Banking	Small and medium	Large		
	JD '000	JD '000	JD '000	JD '000	JD '000
Current and demand	4 741 633	1 119 172	1 583 883	89 778	7 534 466
Savings	2 138 544	4 822	9 048	14	2 152 428
Time and notice deposits	6 290 655	647 983	2 609 989	1 020 992	10 569 619
Certificates of deposit	155 519	-	157	-	155 676
Total	13 326 351	1 771 977	4 203 077	1 110 784	20 412 189

- Government of Jordan and Jordanian Public Sector deposits amounted to JD 496 million, or 2.26% of total customer deposits as of 31 December 2025 (JD 458.2 million, or 2.2% of total customer deposits as of 31 December 2024).
- Non-interest bearing deposits amounted to JD 7345 million, or 33.5% of total customer deposits as of 31 December 2025 (JD 6663 million, or 32.6% of total customer deposits as of 31 December 2024).
- Blocked deposits amounted to JD 46 million, or 0.21% of total customer deposits as of 31 December 2025 (JD 62.3 million, or 0.31% of total customer deposits as of 31 December 2024).
- Dormant deposits amounted to JD 309.5 million, or 1.41% of total customer deposits as of 31 December 2025 (JD 257.2 million, or 1.3% of total customer deposits as of 31 December 2024).

20. Cash Margin

The details of this item are as follows:

	31 December	
	2025	2024
	JD '000	JD '000
Against direct credit facilities at amortized cost	773 407	727 841
Against indirect credit facilities	1 057 818	943 556
Against margin trading	15 877	1 360
Other cash margins	1 149	1 097
Total	1 848 251	1 673 854

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21. Borrowed Funds

The details of this item are as follows:

	31 December	
	2025	2024
	JD '000	JD '000
From central banks	195 789	185 810
From banks and financial institutions	146 845	85 128
Total	342 634	270 938

Analysis of borrowed funds according to interest nature is as follows:

	31 December	
	2025	2024
	JD '000	JD '000
Floating interest rate	9 454	95 966
Fixed interest rate	333 180	174 972
Total	342 634	270 938

Analysis of borrowed funds according to maturity is as follows:

	31 December	
	2025	2024
	JD '000	JD '000
Maturing within 1 year	178 861	35 134
Maturing after 1 year and before 3 years	74 782	145 573
Maturing after 3 years	88 991	90 231
Total	342 634	270 938

- During 2013, Arab Bank (Jordan Branches) signed a loan agreement with the Central Bank of Jordan amounting to JD 4 million, for the duration of 15 years of which 5 years are grace period with an interest rate of (2.5%) for the year 2013 and a floating interest rate of (1.8%+LIBOR 6 months) for the years after 2013. The agreement aims to support SMEs and Extra Small Companies. The loan is repaid semi-annually, with installments in March and September of each year. The Balance of the loan as of 31 December 2025 amounted to JD 0.8 million (JD 1.2 million as of 31 December 2024).
- Until December 31, 2025, Arab Bank (Jordan Branches) granted loans against medium term advances from the Central Bank of Jordan with fixed interest rate equal to the discount rate disclosed on the grant day after deducting 0.5% for advances outside Amman and 1% for advances inside Amman , The advances are repaid in accordance with customers monthly installments, these advances amounted JD 178 million as of 31 December 2025 (JD 167.9 million as of 31 December 2024).
- During 2016, Arab Bank (Jordan Branches) signed a loan agreement with the Central Bank of Jordan amounting to JD 3.6 million, for the duration of 15 years of which 5 years are grace period with a floating interest rate of (1.85%+LIBOR 6 months). The agreement aims to support SMEs and Extra Small Companies. The loan is repaid semi-annually, with installments in March and September of each year. The Balance of the loan as of 31 December 2025 amounted to JD 1.6 million (JD 2 million as of 31 December 2024).
- During 2017, Arab Bank (Jordan Branches) signed a loan agreement with the Central Bank of Jordan amounting to JD 7.7 million, for the duration of 22 years of which 5 years are grace period with an interest rate of 3% (CBJ has the right to amend the interest rate every two years up to 3.5%). The agreement aims to support SMEs and Extra Small Companies. The loan is repaid semi-annually, with installments in May and November of each year. The Balance of the loan (and the withdrawn amount) as of 31 December 2025 amounted to JD 7 million (JD 7.7 million as of 31 December 2024).
- During 2021, Arab Bank (Jordan branches) granted loans against diminishing advances in response to the Central Bank of Jordan program to support SMEs to face COVID-19 effects with 0% fixed interest rate, These loans are repaid on long term extended to 42 months, with a grace period up to 12 months. The amount of the granted loans as of 31 December 2025 amounted to JD 1.8 million (JD 5.3 million as of 31 December 2024).
- During 2024, Arab Bank (Jordan Branches) signed a loan agreement with the Central Bank of Jordan amounting to JD 1.8 million, for the duration of 9.5 years of which 2 years are grace period with a fixed interest rate of 2.5%. The agreement aims to support SMEs and Extra Small Companies. The loan is repaid semi-annually, with installments in March and September of each year, the first installment is due on 15 March 2026. The Balance of the loan as of 31 December 2025 amounted to JD 1.8 million (JD 1.8 million as of 31 December 2024).
- During 2018, Arab Bank (Jordan Branches) signed loans agreements with European Investment Bank amounting to JD 235 million, for the duration of 7 years, in the same year Arab Bank withdrew the first installment in the amount of JD 70.9 million for the duration of 7 years with a floating interest rate of (6.87125% Spread + CAS + SOFR), the loan is repaid semi-annually in March and September of each year, the first installment started on 15 September 2020 and the remaining loan balance was settled on 30 April 2025 (Loan balance amounted to JD 13 million as of 31 December 2024).
- During 2019, Arab Bank (Jordan Branches) withdrew the second installment from European Investment Bank loan in the amount of JD 49.5 million for the duration of 7 years with a floating interest rate of (6.98225% Spread + CAS + SOFR), the loan is repaid

semi-annually in March and September of each year, the first installment was on 15 September 2022 and the remaining loan balance was settled on 30 April 2025 (Loan balance amounted to JD 14.9 million as of 31 December 2024).

- During 2020, Arab Bank (Jordan Branches) withdrew the third installment from European Investment Bank loan in the amount of JD 114.8 million for the duration of 7 years with a floating interest rate of (7.18325% Spread + CAS + SOFR), the loan is repaid semi-annually in March and September of each year, the first installment was on 15 September 2023 and the remaining loan balance was settled on 30 April 2025 (Loan balance amounted to JD 57.4 million as of 31 December 2024).
- During 2025, Arab Bank (Jordan Branches) signed a loan agreement with the Central Bank of Jordan amounting to JD 6.6 million with an interest rate of 2.5%. The agreement aims to support SMEs and Extra Small Companies to face COVID-19 effects. The Balance of the loan (and the withdrawn amount) as of 31 December 2025 amounted to JD 4.7 million.
- Arab Bank (OBU Bahrain) signed loan agreements with banks and financial institutions amounting to JD 147 million with fixed interest rates ranging from 4.40% to 4.54%. The loans will be due for settlement during the period 15 January 2026 to 5 February 2026.
- Arab Bank (Jordan Branches) has re-lent an amount of JD 202 million as of 31 December 2025 against JD 188.6 million as of 31 December 2024 with interest rates ranging between 2% to 12%.

22. Provision for Income Tax

The details of this item are as follows:

	2025	2024
	JD '000	JD '000
Balance at the beginning of the year	153 867	126 506
Income tax charge for the year *	134 392	178 259
Income tax paid	(164 690)	(150 898)
Income tax released from provision	(10 800)	-
Balance at the End of the Year	112 769	153 867

* After the impact of interest on perpetual tier 1 capital bonds paid from the ratined earnings..

Income tax expense charged to the statement of profit or loss consists of the following:

	2025	2024
	JD '000	JD '000
Income tax charge for the year	134 392	178 259
Tax on interest on perpetual tier 1 capital bonds paid from retained earnings	5 637	5 637
Deferred tax assets for the year	(84 870)	(113 394)
Amortization of deferred tax assets	100 720	92 203
Deferred tax liabilities for the year	817	414
Amortization of deferred tax liabilities	(25)	-
Income tax released from provision	(10 800)	-
Total	145 871	163 119

- The Banking income tax rate in Jordan is 38% (35% income tax + 3% national contribution), while the income tax rate in the countries where the Bank has branches ranges from 15% to 38% as of 31 December 2025 (From 0% to 38% as of 31 December 2024).
- Arab Bank Plc effective tax rate was 20.8% as of 31 December 2025 and 23.1% as of 31 December 2024.
- A recent tax settlement has been reached with the Income Tax Department in Jordan for the year 2024.
- The branches of Arab bank Plc have reached a recent tax settlements for the year 2024 such as Arab Bank Jordan, Palestine and United Arab Emirates.

23. Other Provisions

The details of this item are as follows:

	2025					
	Balance at the Beginning of the Year	Additions during the Year	Utilized or transferred during the Year	Returned to Income	Adjustments During the Year and Translation Adjustments	Balance at the End of the Year
	JD '000	JD '000	JD '000	JD '000	JD '000	JD '000
End-of-service indemnity	75 090	11 046	(12 227)	(2)	177	74 084
Legal cases	9 027	3 007	(2 341)	(1 021)	112	8 784
Other	65 191	10 314	(209)	(486)	55	74 865
Total	149 308	24 367	(14 777)	(1 509)	344	157 733

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	2024					
	Balance at the Beginning of the Year	Additions during the Year	Utilized or transferred during the Year	Returned to Income	Adjustments During the Year and Translation	Balance at the End of the Year
					Adjustments	
	JD '000	JD '000	JD '000	JD '000	JD '000	JD '000
End-of-service indemnity	82 148	19 073	(23 086)	(1)	(3 044)	75 090
Legal cases	4 410	5 076	(109)	(257)	(93)	9 027
Other	64 763	5 241	(1 607)	(2 237)	(969)	65 191
Total	151 321	29 390	(24 802)	(2 495)	(4 106)	149 308

24. Other Liabilities

The details of this item are as follows:

	31 December	
	2025	2024
	JD '000	JD '000
Accrued interest payable	134 310	169 031
Notes payable	101 269	120 929
Interest and commission received in advance	52 542	56 217
Accrued expenses	42 709	47 152
Dividends payable to shareholders	12 113	12 253
Lease Contracts Liabilities	28 426	32 053
Provision for impairment - ECL of the indirect credit facilities*	48 059	40 264
Structured products at fair value	28 294	-
Other miscellaneous liabilities	203 041	217 796
Total	650 763	695 695

Indirect Credit Facilities

The following is the distribution of credit exposures for indirect credit facilities at amortized cost according to the Bank's Internal Rating.

	31 December 2025				31 December 2024
	Stage 1	Stage 2	Stage 3	Total	Total
	JD '000	JD '000	JD '000	JD '000	JD '000
Credit rating categories:					
Low risk / performing (1-2)	927 150	-	-	927 150	929 039
Acceptable risk / performing (3-7)	10 879 349	310 057	-	11 189 406	9 911 853
Non-performing (8-10)	-	-	49 232	49 232	50 328
Total	11 806 499	310 057	49 232	12 165 788	10 891 220

- Probability of default at low risk 0.02% – 15.5%
- Probability of default at acceptable risk 15.5% – 24%
- Probability of default at high risk 100%

The movement on total balances of indirect credit facilities is as follows:

	31 December 2025				31 December 2024
	Stage 1	Stage 2	Stage 3	Total	Total
	JD '000	JD '000	JD '000	JD '000	JD '000
Balance at the beginning of the year	10 503 073	337 819	50 328	10 891 220	9 880 539
New balances	5 858 585	85 966	47	5 944 598	6 500 132
Matured balances	(4 605 711)	(137 015)	(7 401)	(4 750 127)	(5 474 584)
Transfers to stage 1	23 651	(23 650)	(1)	-	-
Transfers to stage 2	(53 960)	53 974	(14)	-	-
Transfers to stage 3	(142)	(8 038)	8 180	-	-
Translation Adjustments	81 003	1 001	(1 907)	80 097	(14 867)
Balance at the end of the year	11 806 499	310 057	49 232	12 165 788	10 891 220

The movement of ECL charges on indirect credit facilities is as follows:

	31 December 2025				31 December 2024
	Stage 1	Stage 2	Stage 3	Total	Total
	JD '000	JD '000	JD '000	JD '000	JD '000
Balance at the beginning of the year	5 262	3 701	31 301	40 264	45 366
ECL charges during the year	3 809	4 098	8 603	16 510	6 476
Recoveries	(2 589)	(1 939)	(4 268)	(8 796)	(12 082)
Transfers to stage 1	61	(61)	-	-	-
Transfers to stage 2	(87)	87	-	-	-
Transfers to stage 3	-	(4)	4	-	-
Impact on year end ECL caused by transfers between stages during the year	-	44	1 202	1 246	1 281
Translation Adjustments	82	(21)	(1 226)	(1 165)	(777)
Balance at the end of the year	6 538	5 905	35 616	48 059	40 264

25. Deferred Tax Liabilities

The details of this item are as follows:

Items attributable to deferred tax liabilities are as follows:

	31 December 2025				
	Balance at the Beginning of the Year	Amounts Added	Amounts Released	Translation Adjustments	Balance at the End of the Year
	JD '000	JD '000	JD '000	JD '000	JD '000
Other	18 203	1 031	(125)	-	19 109
Total	18 203	1 031	(125)	-	19 109

	31 December 2024				
	Balance at the Beginning of the Year	Amounts Added	Amounts Released	Translation Adjustments	Balance at the End of the Year
	JD '000	JD '000	JD '000	JD '000	JD '000
Other	16 258	1 945	-	-	18 203
Total	16 258	1 945	-	-	18 203

The details of movement on deferred tax liabilities are as follows:

	2025	2024
	JD '000	JD '000
Balance at the beginning of the year	4 102	3 653
Additions during the year	231	449
Amortized during the year	(27)	-
Balance at the End of the Year	4 306	4 102

26. Share Capital and Share Premium

A. Share capital amounted to JD 640.8 million distributed over 640.8 million shares with a par value of 1 JD per share as of 31 December 2025 and 31 December 2024.

B. Share premium amounted to JD 859.6 million as at 31 December 2025 and 2024.

27. Statutory Reserve

The statutory reserve amounted to JD 640.8 million as at 31 December 2025 and 2024 according to the regulations of the central bank of Jordan and companies law and it can't be distributed to the shareholders of the bank.

28. Voluntary Reserve

The voluntary reserve amounted to JD 614.9 million as at 31 December 2025 and 2024. This reserve is used for the purposes determined by the Board of Directors, and the General Assembly has the right to distribute it in whole or part thereof to shareholders as dividends.

29. General Reserve

The general reserve amounted to JD 583.7 million as of 31 December 2025 and 2024. This reserve is used for purposes determined by the Board of Directors, and the General Assembly has the right to distribute it in whole or part thereof to shareholders as dividends.

30. General Banking Risk Reserve

The general banking risk reserve amounted to JD 108.5 million as at 31 December 2025 and 2024, these amounts are for branches outside Jordan.

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31. Foreign Currency Translation Reserve

The details of this item are as follows:

	31 December	
	2025	2024
	JD '000	JD '000
Balance at the beginning of the year	(120 424)	(89 751)
Additions during the year transferred to other comprehensive income	11 470	-
Adjustment during the year	(35 657)	(30 673)
Balance at the end of the year	(144 611)	(120 424)

32. Investment Revaluation Reserve

The details of this item are as follows:

	31 December	
	2025	2024
	JD '000	JD '000
Balance at the beginning of the year	(252 662)	(251 220)
Change in fair value during the year	14 999	(1 442)
Transferred from retained earnings to investment revaluation reserve	(109)	-
Balance at the end of the year	(237 772)	(252 662)

33. Retained Earnings

The details of the movement on the retained earnings are as follows:

	31 December	
	2025	2024
	JD '000	JD '000
Balance at the Beginning of the year	1 376 729	1 034 986
Profit for the year	554 337	543 179
Investments revaluation reserve transferred to retained earnings	109	-
Dividends paid *	(256 320)	(192 240)
Interest paid on perpetual tier 1 capital bonds (net of tax)	(9 196)	(9 196)
Adjustment during the year	35 657	-
Balance at the end of the year	1 701 316	1 376 729

* Arab Bank plc Board of Directors recommended to distribute 40% of the nominal value of shares as cash dividends for the year 2025 equivalent to JD 256.3 million to shareholders. This proposal is subject to the approval of the General Assembly of shareholders (The General Assembly of Arab Bank PLC in its meeting held on 27 March 2025 approved the recommendation of the Bank's Board of Directors to distribute 40% of the nominal value of shares as cash dividends for the year 2024 equivalent to JD 256.3 million to shareholders)..

34. Perpetual Tier 1 Capital Bonds

On 10 October 2023, Arab Bank plc - Jordan branches issued perpetual Tier 1 bonds in the amount of USD 250 million (JD 177.3 million). These bonds carry a fixed coupon rate of 8% per annum payable semi-annually and treated as deduction from equity. Interest is non-cumulative and payable at Bank's discretion. These bonds have been listed in London Stock Exchange - International securities market and perpetual bonds market.

These bonds are classified as equity within the additional Tier 1 of the regulatory capital in accordance with IAS 32: Financial Instruments - Classification. The Tier 1 bonds do not have a fixed or final maturity date and are redeemable by the Bank at its sole discretion and according to issuance terms but subject to the prior consent of the regulatory authority. 10 April 2029 will be the first repricing date.

35. Interest Income

The details of this item are as follows:

	2025	2024
	JD '000	JD '000
Direct credit facilities at amortized cost *	1 010 352	1 020 244
Central Banks	274 567	348 553
Banks and financial institutions deposits	124 325	134 764
Financial assets at fair value through profit or loss	9 070	5 811
Financial assets at fair value through OCI	1 809	289
Other financial assets at amortized cost	348 717	329 206
Total	1 768 840	1 838 867

* The details of interest income earned on direct credit facilities at amortized cost are as follows:

	2025					
	Corporates			Banks and Financial Institutions	Government and Public Sector	Total
	Consumer Banking	Small and Medium	Large			
	JD '000	JD '000	JD '000	JD '000	JD '000	JD '000
Discounted bills	511	2 791	15 266	10 158	-	28 726
Overdrafts	1 738	28 656	158 297	-	18 038	206 729
Loans and advances	117 761	50 101	425 818	3 041	81 657	678 378
Real estate loans	77 849	37	15	-	-	77 901
Credit cards	18 618	-	-	-	-	18 618
Total	216 477	81 585	599 396	13 199	99 695	1 010 352

	2024					
	Corporates			Banks and Financial Institutions	Government and Public Sector	Total
	Consumer Banking	Small and Medium	Large			
	JD '000	JD '000	JD '000	JD '000	JD '000	JD '000
Discounted bills	590	2 850	17 414	9 371	202	30 427
Overdrafts	1 864	36 193	148 629	-	9 036	195 722
Loans and advances	118 517	51 194	447 279	2 857	81 165	701 012
Real estate loans	75 738	44	18	-	-	75 800
Credit cards	17 283	-	-	-	-	17 283
Total	213 992	90 281	613 340	12 228	90 403	1 020 244

Notes to the Financial Statements

36. Interest Expense

The details of this item are as follows:

	2025 JD '000	2024 JD '000
Customer deposits *	611 554	613 462
Banks' and financial institutions' deposits	85 514	101 439
Cash margins	54 929	60 743
Borrowed funds	8 068	9 756
Deposit insurance fees	15 980	13 034
Total	776 045	798 434

* The details of interest expense paid on customer deposits are as follows:

	2025				
	Corporates			Government and Public Sector	Total
	Consumer Banking	Small and Medium	Large		
	JD '000	JD '000	JD '000		
Current and demand	25 188	2 622	12 433	3 434	43 677
Savings	5 086	6	5	-	5 097
Time and notice	286 940	27 599	125 921	84 252	524 712
Certificates of deposit	38 043	20	5	-	38 068
Total	355 257	30 247	138 364	87 686	611 554

	2024				
	Corporates			Government and Public Sector	Total
	Consumer Banking	Small and Medium	Large		
	JD '000	JD '000	JD '000		
Current and demand	28 446	1 385	12 115	1 474	43 420
Savings	3 664	6	3	-	3 673
Time and notice	288 415	35 816	130 850	84 441	539 522
Certificates of deposit	26 840	-	7	-	26 847
Total	347 365	37 207	142 975	85 915	613 462

37. Net Commission Income

The details of this item are as follows:

	2025 JD '000	2024 JD '000
Commission income:		
- Direct credit facilities at amortized cost	65 037	60 824
- Indirect credit facilities	66 798	57 755
- Other	102 325	89 448
Less: Commission expense	(65 575)	(51 856)
Net Commission Income	168 585	156 171

38. Gains from Financial Assets at Fair Value Through Profit or Loss

The details of this item are as follows:

	2025			
	Realised Gains	Unrealised Gains	Dividends	Total
	JD '000	JD '000	JD '000	JD '000
Treasury bills and bonds	2 161	13 525	-	15 686
Total	2 161	13 525	-	15 686

	2024			
	Realised Gains	Unrealised (Loss) Gains	Dividends	Total
	JD '000	JD '000	JD '000	JD '000
Treasury bills and bonds	1 376	240	-	1 616
Total	1 376	240	-	1 616

39. Dividends from Subsidiaries and Associates

The details of this item are as follows:

	2025 JD '000	2024 JD '000
Islamic International Arab Bank plc	24 000	20 000
Arab National Leasing Company L.L.C	3 000	3 000
Al-Nisr Al Arabi Insurance Company plc	5 100	-
Al-Arabi Investment Group Company L.L.C	800	600
Oman Arab Bank *	-	9 041
Total Dividends from Subsidiaries	32 900	32 641
Arab National Bank	141 670	135 077
Other	16	318
Total Dividends from Associates	141 686	135 395
Total Dividends from Subsidiaries and Associates	174 586	168 036

* During 2024, Oman Arab Bank distributed dividends through issuing mandatory convertible bonds at a rate of 6%.

40. Other Revenue

The details of this item are as follows:

	2025 JD '000	2024 JD '000
Revenue from customer services	8 208	7 725
Safe box rent	1 023	1 117
(Losses) from financial derivatives	(33)	(322)
Miscellaneous revenue	18 247	14 998
Total	27 445	23 518

41. Employees' Expenses

The details of this item are as follows:

	2025 JD '000	2024 JD '000
Salaries and benefits	174 377	179 222
Social security	15 004	13 798
Savings fund	1 617	1 560
Indemnity compensation	3 521	2 585
Medical	10 113	8 898
Training	1 968	1 830
Allowances	50 533	47 992
Other	6 599	5 308
Total	263 732	261 193

42. Other Expenses

The details of this item are as follows:

	2025 JD '000	2024 JD '000
Occupancy	38 760	41 758
Office	63 699	57 988
External Services	36 252	25 446
Fees	9 674	7 931
Information technology	79 404	56 762
Other administrative expenses	32 769	32 391
Total	260 558	222 276

Notes to the Financial Statements

43. Financial Derivatives

The details of movement on financial derivatives are as follows:

	31 December 2025						
	Positive Fair Value JD '000	Negative Fair Value JD '000	Total Notional Amount JD '000	Notional amounts by maturity			
				Within 3 months JD '000	From 3 months to 1 years JD '000	From 1 year to 3 years JD '000	More than 3 years JD '000
Interest rate swaps	27 290	9 137	3 085 848	287 404	370 842	692 152	1 735 450
Foreign currency forward contracts	10 803	11 458	5 882 064	3 337 051	992 776	1 552 237	-
Derivatives held for trading	38 093	20 595	8 967 912	3 624 455	1 363 618	2 244 389	1 735 450
Interest rate swaps	10 133	9 845	724 287	-	210 963	296 904	216 420
Derivatives held for fair value hedge	10 133	9 845	724 287	-	210 963	296 904	216 420
Total	48 226	30 440	9 692 199	3 624 455	1 574 581	2 541 293	1 951 870

	31 December 2024						
	Positive Fair Value JD '000	Negative Fair Value JD '000	Total Notional Amount JD '000	Notional amounts by maturity			
				Within 3 months JD '000	From 3 months to 1 years JD '000	From 1 year to 3 years JD '000	More than 3 years JD '000
Interest rate swaps	16 377	13 137	1 876 228	122 589	229 177	573 870	950 592
Foreign currency forward contracts	5 790	738	5 977 870	4 238 089	1 603 902	135 879	-
Derivatives held for trading	22 167	13 875	7 854 098	4 360 678	1 833 079	709 749	950 592
Interest rate swaps	22 485	21 860	856 845	645	301 600	366 590	188 010
Derivatives held for fair value hedge	22 485	21 860	856 845	645	301 600	366 590	188 010
Total	44 652	35 735	8 710 943	4 361 323	2 134 679	1 076 339	1 138 602

The notional amount represents the value of the transactions at year-end and does not refer to market risk or credit risk.

44. Concentration of Assets and Revenues and Capital Expenditures According to the Geographical Distribution

The Bank undertakes its banking activities through its branches in Jordan and abroad. The following are the details of the distribution of assets, revenues and capital expenses inside and outside Jordan:

	Inside Jordan		Outside Jordan		Total	
	2025	2024	2025	2024	2025	2024
	JD '000	JD '000	JD '000	JD '000	JD '000	JD '000
Revenue	528 996	517 557	920 415	925 746	1 449 411	1 443 303
Assets	11 484 645	11 715 934	20 473 655	18 100 443	31 958 300	29 816 377
Capital expenditures	22 857	18 828	17 977	15 683	40 834	34 511

45. Business Segments

The Bank has an integrated group of products and services dedicated to serve the Bank's customers and constantly developed in response to the ongoing changes in the banking business environment, and related state-of-the-art tools.

The Banks management monitors the operating results of the business segments separately for making decisions about performance assessment; segmented performance is calculated based on operating profit or loss.

The following is a summary of these Banks' activities stating their business nature and future plans:

1. Corporate and Institutional Banking

Arab Bank's Corporate and Institutional Banking (CIB) division manages the Bank's corporate and institutional client base. It offers a comprehensive suite of lending and financial solutions accessible through an extensive branch network and electronic channels. CIB also offers a comprehensive range of advanced corporate digital banking solutions in line with the latest developments in the banking industry. This broad and efficient offering positions Arab Bank as the preferred banking partner for local, regional and international companies and institutions.

CIB is uniquely positioned to provide high quality products and services to meet clients' business requirements. The banking solutions offered are enriched by Arab Bank's global network, understanding of local markets and in-depth expertise. Through its client-focused approach, CIB strengthens its franchise in key markets by building on and solidifying existing client relationships while strategically acquiring new clients.

The CIB division caters to clients' needs over the different stages of their business cycle and across different markets, ensuring consistent service levels across its network. CIB is dedicated to offering an exceptional banking experience by providing a comprehensive range of tailored financial solutions, incorporating products and services from across Arab Bank's diverse business lines.

Digital transformation is pivotal in streamlining CIB operations and enhancing client experiences through electronic channels. The integration of data analytics supports informed decision-making, sustains competitiveness and ensures alignment with the evolving corporate and digital banking landscapes.

The success of CIB is underpinned by the quality and expertise of its staff. The division is proactive in monitoring the ever-changing business environment, constantly investing in the development and expansion of its teams' capabilities to meet the dynamic needs and banking requirements of its clients.

2. Treasury Group

Arab Bank's Treasury manages the bank's liquidity and market risks, and provides expert advice and dealing services to Arab Bank's customers around the globe. Through its state-of-the-art systems, Arab Bank's Treasury remains fully up to date with, and prepared to adapt to, the latest market developments and regulatory standards, and is well positioned to meet a wide range of both bank and customer needs.

Arab Bank's Treasury has a broad mandate, including the following responsibilities:

- To manage and optimise the liquidity of the Bank within approved limits so that the business is always adequately funded
- To manage the market risk of the Bank within approved limits
- To earn revenue from the effective management of liquidity and market risk
- To execute bond, foreign exchange, and money market transactions with market professionals
- To support the distribution of foreign exchange, derivatives, and other treasury products to customers
- To advise internal stakeholders on the consumption and management of liquidity and market risk

It is important for Treasury to balance the need to maintain high liquidity with low credit and low market risk. This approach is consistent with the Bank's objective of being fully liquid at all times and under all circumstances, wherever the Bank operates.

Treasury's role in managing the Bank's liquidity and market risk is to ensure that the Bank generates surplus liquidity, but also to invest this liquidity prudently using the following instruments:

- Short-term placements with central banks
- Short-term deposits with high quality banks
- A multi-currency portfolio of highly liquid bonds, treasury bills, and certificates of deposit

Arab Bank believes in the importance of protecting not only its own income, but also the income and interests of its clients, from market volatility. Therefore, the Treasury department offers a full range of treasury products and services to clients throughout the Bank's network, whether they are exporters, importers, or savers. These risk management and hedging tools include a broad range of products and derivatives for clients who require protection from interest rate and foreign exchange risks.

3. Consumer Banking

The Consumer Banking division offers customers an extensive range of programs that are specifically designed to cater to the needs of a diverse customer base. These range from "Arabi Junior", the special program for children, to "Elite", the exclusive service offered to our high-net-worth clients which are now available in our main markets. The bank believes in building meaningful customer relationships, placing client needs at the heart of our services and constantly reassessing those services in line with evolving customer needs and expectations.

Notes to the Financial Statements

This division also seeks to communicate directly with the target customer groups in order to provide them with immediate and convenient services through the branch network and integrated direct banking channels such as online banking applications, mobile phones, direct dial center, ATMs and SMS via mobile phones.

Information about the Bank's Business Segments

	2025					
	Corporate and Institutional Banking	Consumer Banking				
		Treasury	Elite	Retail Banking	Other	Total
	JD '000	JD '000	JD '000	JD '000	JD '000	JD '000
Total income	664 168	683 158	(240 490)	159 593	182 982	1 449 411
Net inter-segment interest income	(138 704)	(379 751)	457 335	61 120	-	-
Less:					-	
Provision for impairment -ECL	77 386	53 618	683	35 387	-	167 074
Other provisions	10 621	2 913	2 774	6 550	-	22 858
Direct administrative expenses	47 129	8 474	5 913	165 086	-	226 602
Result of operations of segments	390 328	238 402	207 475	13 690	182 982	1 032 877
Indirect expenses on segments	162 269	44 057	45 023	81 320		332 669
Profit for the year before income tax	228 059	194 345	162 452	(67 630)	182 982	700 208
Less: Income tax expense	47 510	40 487	33 843	(14 089)	38 120	145 871
Profit (loss) for the year	180 549	153 858	128 609	(53 541)	144 862	554 337
Depreciation and amortization	14 258	2 802	3 060	14 861	-	34 981
Other Information						
Segment assets	11 132 010	15 740 122	1 018 188	2 877 846	160 053	30 928 219
Inter-segment assets	-	-	10 287 113	703 087	3 757 290	-
Investments in associates and subsidiaries	-	-	-	-	1 030 081	1 030 081
Total Assets	11 132 010	15 740 122	11 305 301	3 580 933	4 947 424	31 958 300
Segment liabilities	9 252 625	2 872 017	11 305 301	3 580 933	2 851	27 013 727
Shareholders' equity	-	-	-	-	4 944 573	4 944 573
Inter-segment liabilities	1 879 385	12 868 105	-	-	-	-
Total Liabilities and Shareholders' Equity	11 132 010	15 740 122	11 305 301	3 580 933	4 947 424	31 958 300

Information about the Bank's Business Segments

	2024					
	Corporate and Institutional Banking	Consumer Banking				
		Treasury	Elite	Retail Banking	Other	Total
	JD '000	JD '000	JD '000	JD '000	JD '000	JD '000
Total income	625 414	720 650	(249 992)	171 002	176 229	1 443 303
Net inter-segment interest income	(130 782)	(372 366)	461 985	41 163	-	-
Less:						
Provision for impairment -ECL	106 267	21 495	15	65 241	-	193 018
Other provisions	13 442	2 856	2 232	8 365	-	26 895
Direct administrative expenses	39 640	7 065	4 207	145 596	-	196 508
Result of operations of segment	335 283	316 868	205 539	(7 037)	176 229	1 026 882
Less: Indirect expenses on segments	157 027	51 701	41 848	70 008		320 584
Profit for the year before income tax	178 256	265 167	163 691	(77 045)	176 229	706 298
Less: Income tax expense	41 168	61 240	37 804	(17 793)	40 700	163 119
Profit (loss) for the year	137 088	203 927	125 887	(59 252)	135 529	543 179
Depreciation and amortization	14 352	3 045	2 743	13 483	-	33 623
Other Information						
Segment assets	10 179 445	14 826 220	824 596	2 491 171	529 417	28 850 849
Inter-segment assets	-	-	9 732 478	682 662	3 346 893	-
Investments in associates and subsidiaries	-	-	-	-	965 528	965 528
Total Assets	10 179 445	14 826 220	10 557 074	3 173 833	4 841 838	29 816 377
Segment liabilities	8 727 321	2 516 311	10 557 074	3 173 833	212 555	25 187 094
Shareholders' equity	-	-	-	-	4 629 283	4 629 283
Inter-segment liabilities	1 452 124	12 309 909	-	-	-	-
Total Liabilities and Shareholders' Equity	10 179 445	14 826 220	10 557 074	3 173 833	4 841 838	29 816 377

46. Banking Risk Management

Arab Bank addresses the challenges of banking risks comprehensively through an Enterprise-Wide Risk Management Framework. This framework is built in line with leading practices, and is supported by a risk governance structure consisting of risk-related Board Committees, Executive Management Committees, and three independent levels of control.

As part of the risk governance structure of the Bank, and as the second level of control, Group Risk Management is responsible for ensuring that the Bank has a robust system for the identification and management of risk. Its mandate is to:

- Reviewing the Bank's risk management framework before it is approved by the board of directors.
- Implementing the risk management strategy and developing policies and procedures to manage all types of risks.
- Developing methodologies to identify, measure, monitor, and control each type of risk.
- Reporting to the board of directors through the Risk Management Committee and providing a copy to senior executive management, including information comparing the actual risk system of all the Bank's activities with the Risk Profile and Risk Appetite document, and following up on the treatment of negative deviations.
- Enhancing and raising risk awareness based on best practices and leading standards specific to the banking sector.

Credit Risk Management

The Bank adopts a proactive and dynamic approach and applies a conservative strategy in managing this type of risk as a fundamental element to achieve its strategic goal of continuous improvement and maintaining the quality of assets and the composition of the credit portfolio. The Bank also relies on established credit standards characterized by conservatism and prudence, policies, procedures, methodologies, and general frameworks for risk management that take into account all developments in the banking and legislative environment, in addition to clear organizational structures and automated systems, as well as diligent follow-up and effective oversight. This enables the Bank to deal with potential risks and the challenges of a changing environment with a high level of confidence and determination. Credit management decisions are based on the Bank's business strategy and acceptable risk levels. It also focuses on diversification, which is the cornerstone for mitigating and diversifying risks at the individual customer level as well as at the sectoral and geographical levels.

Notes to the Financial Statements

Geographic Concentration Risk

The Bank reduces the geographic concentration risk through distributing its operations over various sectors and various geographic locations inside and outside the Kingdom.

Note (47-I) shows the details of the geographical distribution of assets.

Liquidity Risk

Liquidity is defined as the Bank's ability to finance the increase in its assets and meet its obligations as they become due without incurring unacceptable losses. The Bank has established a robust and solid infrastructure of policies, procedures, and human resources to ensure that the Bank's obligations are met when due under all circumstances and without additional costs.

The Bank uses multiple methods to measure and analyze the liquidity of its financial position, which helps the Bank plan and manage its financial resources, as well as identify mismatches in assets and liabilities that could expose the Bank to liquidity risks. Note (53) illustrates the maturity dates of assets and liabilities, and Note (50) shows the distribution of liabilities (undiscounted) based on the remaining period to contractual maturity.

Market Risk

Market risk is defined as the potential for loss from changes in the value of the Bank's portfolios due to movements in interest rates, foreign exchange rates, and equity or commodity prices.

The three main activities that expose the Bank to market risk are: Money Markets, Foreign Exchange and Capital Markets, across the Trading and Banking books.

Note (48) shows the details of market risk sensitivity analysis.

1. Interest Rate Risk

Interest rate risk in the Bank is well managed and continuously supervised. A large proportion of the interest rate exposure is concentrated in the banking book due to limited trading IRR activity. Exposures of more than one year are particularly limited. Interest rate risk is managed in accordance with the policies and limits established by the ALCO.

Derivatives held for risk management purposes and hedge accounting:

The Bank holds derivatives for risk management purposes, some of which are designated as hedging relationships and management is in the process of assessing the impact.

Note (49) shows the details of the interest rate risk sensitivity of the Bank.

2. Capital Market Exposures

Investments in capital markets instruments are exposed to market risk arising from changes in interest rates and credit spreads. Arab Bank exposure to this kind of risk is limited due to its strong control over credit and interest rate risk. The equities investment portfolio represents a very small percent of the Bank's overall investments.

3. Foreign Exchange Risk

Foreign exchange activity arises from mismatches in assets and liabilities that are denominated in currencies other than the functional currency of the respective entity. Foreign exchange activity arises principally from customers' transactions. Strict foreign exchange risk limits are set to define exposure and sensitivity tolerance for trading in foreign exchange. The Bank hedges itself appropriately against potential currency fluctuations in order to minimize foreign exchange exposure. Note (51) shows the net positions of foreign currencies.

e. Operational Risk

Operational risk is defined as the risk of loss resulting from inadequate or failed internal processes, people, and systems, or from external events. This definition includes legal risk but excludes strategic and reputational risk. Such risk is managed through a comprehensive framework, as part of the overall strengthening and continuous improvement of the controls within the Bank.

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47. Credit Risk

A. Gross exposure to credit risk (net of impairment provisions and interest in suspense and prior to collaterals and other risk mitigations):

	31 December	
	2025	2024
	JD '000	JD '000
Credit risk exposures relating to items on statement of financial position:		
Balances with central banks - net	5 988 703	6 637 233
Balances with banks and financial institutions - net	3 520 714	2 608 333
Deposits with banks and financial institutions - net	9 110	44 875
Financial assets at fair value through profit or loss	21 149	23 795
Financial assets at fair value through OCI - net	68 108	35 379
Direct credit facilities at amortized cost - net	13 357 997	12 316 565
Consumer banking	2 860 402	2 574 981
Small and medium corporate	947 141	919 713
Large corporate	7 966 309	7 330 660
Banks and financial institutions	278 800	292 926
Government and public sector	1 305 345	1 198 285
Other financial assets at amortized cost - net	5 856 167	5 451 166
Financial derivatives - positive fair value	48 226	44 652
Other assets - net	185 419	181 664
Total credit exposure related to items on statement of financial position	29 055 593	27 343 662
Credit risk exposures relating to items off the statement of financial position		
Total items off the statement of financial position	12 117 729	10 850 956
Grand total for credit exposure	41 173 322	38 194 618

The table above shows the maximum limit of the bank credit risk as of 31 December 2025 and 2024 excluding collaterals or risks mitigations.

Notes to the Financial Statements

B. Fair value of collaterals obtained against total credit exposures as of 31 December 2025:

	Total Credit Risk Exposure JD '000	31 December 2025 Fair Value of Collaterals							Net Exposure JD '000	Expected Credit Loss JD '000
		Cash	Banks accepted letters of guarantees	Real estate properties	Listed securities	Vehicles and equipment	Other	Total		
		JD '000	JD '000	JD '000	JD '000	JD '000	JD '000	JD '000		
Credit exposures relating to items on statement of financial position:										
Balances with central banks -net	6 218 790	-	-	-	-	-	-	-	6 218 790	230 087
Balances with banks and financial institutions - net	3 520 973	-	-	-	-	-	-	-	3 520 973	259
Deposits with banks and financial institutions - net	9 110	-	-	-	-	-	-	-	9 110	-
Financial assets at fair value through profit or loss	21 149	-	-	-	-	-	-	-	21 149	-
Financial assets at fair value through OCI - net	68 108	-	-	-	-	-	-	-	68 108	27
Direct credit facilities at amortized cost - net	14 718 051	681 278	78 295	3 134 856	193 232	206 586	4 287 411	8 581 658	6 136 393	1 179 118
Consumer Banking	3 082 965	211 575	-	1 305 627	3 900	35 259	381 345	1 937 706	1 145 259	182 089
Small and Medium Corporates	1 120 758	83 123	18 926	306 062	1 312	14 847	458 468	882 738	238 020	150 862
Large Corporates	8 858 812	233 674	59 369	1 518 703	188 020	156 480	2 723 390	4 879 636	3 979 176	774 833
Banks and Financial Institutions	281 021	-	-	-	-	-	-	-	281 021	2 184
Government and Public Sector	1 374 495	152 906	-	4 464	-	-	724 208	881 578	492 917	69 150
Other financial assets at amortized cost - net	5 871 721	-	-	-	-	-	-	-	5 871 721	15 554
Financial derivatives - positive fair value	48 226	-	-	-	-	-	-	-	48 226	-
Other assets - net	185 419	-	-	-	-	-	-	-	185 419	-
Total credit exposures relating to items on statement of financial position:	30 661 547	681 278	78 295	3 134 856	193 232	206 586	4 287 411	8 581 658	22 079 889	1 425 045
Total credit exposures relating to items off statement of financial position:	12 165 788	943 944	4 811	128 183	461	20 472	2 802 517	3 900 388	8 265 400	48 059
Grand Total	42 827 335	1 625 222	83 106	3 263 039	193 693	227 058	7 089 928	12 482 046	30 345 289	1 473 104
Grand Total as of 31 December 2024	39 959 334	1 588 168	88 785	2 952 906	213 859	249 944	6 616 013	11 709 675	28 249 659	1 473 579

C. Fair value of collaterals obtained against Stage 3 Credit Exposures as of 31 December 2025::

	Total Credit Risk Exposure JD '000	31 December 2025 Fair Value of Collaterals							Net Exposure JD '000	Expected Credit Loss JD '000
		Cash	Banks accepted letters of guarantees	Real estate properties	Listed securities	Vehicles and equipment	Other	Total		
		JD '000	JD '000	JD '000	JD '000	JD '000	JD '000	JD '000		
Credit exposures relating to items on statement of financial position:										
Balances with central banks -net	-	-	-	-	-	-	-	-	-	-
Balances with banks and financial institutions - net	-	-	-	-	-	-	-	-	-	-
Deposits with banks and financial institutions - net	-	-	-	-	-	-	-	-	-	-
Financial assets at fair value through profit or loss	-	-	-	-	-	-	-	-	-	-
Financial assets at fair value through OCI - net	-	-	-	-	-	-	-	-	-	-
Direct credit facilities at amortized cost - net	889 549	3 709	47	113 779	-	30 658	109 713	257 906	631 643	642 462
Consumer Banking	182 797	5	-	21 123	-	879	7 253	29 260	153 537	96 201
Small and Medium Corporates	151 815	3 270	47	44 944	-	188	14 595	63 044	88 771	103 153
Large Corporates	553 017	434	-	47 712	-	29 591	87 865	165 602	387 415	441 225
Banks and Financial Institutions	1 920	-	-	-	-	-	-	-	1 920	1 883
Government and Public Sector	-	-	-	-	-	-	-	-	-	-
Other financial assets at amortized cost - net	-	-	-	-	-	-	-	-	-	-
Financial derivatives - positive fair value	-	-	-	-	-	-	-	-	-	-
Other assets - net	-	-	-	-	-	-	-	-	-	-
Total credit exposures relating to items on statement of financial position:	889 549	3 709	47	113 779	-	30 658	109 713	257 906	631 643	642 462
Total credit exposures relating to items off statement of financial position:	49 232	1 735	-	2 200	-	1 048	12 787	17 770	31 462	35 616
Grand Total	938 781	5 444	47	115 979	-	31 706	122 500	275 676	663 105	678 078
Grand Total as of 31 December 2024	1 120 291	6 950	-	146 081	82	26 227	146 471	325 811	794 480	736 708

Notes to the Financial Statements

D- Reclassified Credit Exposures as of 31 December 2025:

	31 December 2025					
	Stage 2		Stage 3		Total Reclassified Credit Risk Exposure	Percentage of Reclassified Credit Risk Exposure
	Total Credit Risk Exposure	Reclassified Credit Risk Exposure	Total Credit Risk Exposure	Reclassified Credit Risk Exposure		
	JD '000	JD '000	JD '000	JD '000	JD '000	(%)
Credit exposures relating to items on statement of financial position:						
Balances with central banks - net	602 515	-	-	-	-	-
Direct credit facilities at amortized cost - net	1 763 822	217 963	889 549	207 871	425 834	16.0%
Other financial assets at amortized cost - net	21 248	-	-	-	-	-
Total	2 387 585	217 963	889 549	207 871	425 834	13.0%
Credit exposures relating to items off statement of financial position:						
Total	310 057	22 286	49 232	8 165	30 451	8%
Grand Total	2 697 642	240 249	938 781	216 036	456 285	12.5%
Grand Total as of 31 December 2024	2 565 894	585 946	1 120 291	150 497	736 443	20%

E- Reclassified Expected Credit Losses as of 31 December 2025:

	31 December 2024					
	Stage 2		Stage 3		Total Reclassified Expected Credit Loss	Percentage of Reclassified Expected Credit Loss
	Total Expected Credit Loss	Reclassified Expected Credit Loss	Total Expected Credit Loss	Reclassified Expected Credit Loss		
	JD '000	JD '000	JD '000	JD '000	JD '000	(%)
Credit exposures relating to items on statement of financial position:						
Balances with central banks - net	196 335	-	-	-	-	-
Direct credit facilities at amortized cost - net	361 361	(48 012)	642 462	75 376	27 364	2.7%
Other financial assets at amortized cost - net	7 437	-	-	-	-	-
Total	565 133	(48 012)	642 462	75 376	27 364	2.3%
Credit exposures relating to items off statement of financial position:						
Total	5 905	22	35 616	4	26	0.1%
Grand Total	571 038	(47 990)	678 078	75 380	27 390	2.2%
Grand Total as of 31 December 2024	580 198	(35 489)	736 708	55 879	20 390	1.5%

F- Expected Credit Losses for Reclassified Credit Exposures as of 31 December 2025:

	31 December 2025						
	Reclassified Credit Exposures			Expected Credit Losses for Reclassified Credit Exposures:			
	Reclassified Credit Exposures from Stage 2	Reclassified Credit Exposures from Stage 3	Total Reclassified Credit Exposures	Stage 2 (Individual)	Stage 2 (Collective)	Stage 3	Total
	JD '000	JD '000	JD '000	JD '000	JD '000	JD '000	JD '000
Credit exposures relating to items on statement of financial position:							
Balances with central banks - net	-	-	-	-	-	-	-
Direct credit facilities at amortized cost - net	217 963	207 871	425 834	(48 193)	(340)	92 991	44 458
Other financial assets at amortized cost - net	-	-	-	-	-	-	-
Total	217 963	207 871	425 834	(48 193)	(340)	92 991	44 458
Credit exposures relating to items off statement of financial position:							
Total	22 286	8 165	30 451	66	-	4	70
Grand Total	240 249	216 036	456 285	(48 127)	(340)	92 995	44 528
Grand Total as of 31 December 2024	585 946	150 497	736 443	(45 732)	16 838	77 099	48 205

G. Classification of debt securities based on risk degree:

The table below analyzes the credit exposure of the debt securities using the credit rating as per the global credit rating agencies.

	31 December 2025			
	Financial Assets at Fair Value through Profit or Loss	Financial Assets at Fair Value through Other Comprehensive Income	Other Financial Assets at Amortized Cost	Total
	JD '000	JD '000	JD '000	JD '000
Credit Rating				
Private sector:				
AAA to A-	-	8 472	209 740	218 212
BBB+ to B-	-	-	166 094	166 094
Unrated	-	-	93 950	93 950
Government and public sector	21 149	59 636	5 386 383	5 467 168
Total	21 149	68 108	5 856 167	5 945 424

	31 December 2024			
	Financial Assets at Fair Value through Profit or Loss	Financial Assets at Fair Value through Other Comprehensive Income	Other Financial Assets at Amortized Cost	Total
	JD '000	JD '000	JD '000	JD '000
Credit Rating				
Private sector:				
AAA to A-	-	10 503	278 503	289 006
BBB+ to B-	-	-	169 284	169 284
Unrated	-	-	65 579	65 579
Government and public sector	23 795	24 876	4 937 800	4 986 471
Total	23 795	35 379	5 451 166	5 510 340

Notes to the Financial Statements

H. The following is the distribution of credit exposures for direct credit facilities at amortized cost according to the Bank's Internal Rating:

	31 December 2025					
	Probability of Default %				Exposure at Default	Average of Loss Given Default
	Total Exposure	Expected Credit Loss	From	To		
Internal Credit Rating system						
1-6	10 879 591	364 760	-	15.5	10 878 882	0 - 60.54
7	370 796	140 685	24	24	364 788	0 - 43
8	35 961	6 844	100	100	34 286	-
9	95 802	49 970	100	100	90 714	-
10	757 786	585 648	100	100	590 489	-
Unrated	2 578 115	31 211	0.04	57	2 577 956	30 - 0
Total	14 718 051	1 179 118	-	-	14 537 115	-

	31 December 2024					
	Probability of Default %				Exposure at Default	Average of Loss Given Default
	Total Exposure	Expected Credit Loss	From	To		
Internal Credit Rating system						
1-6	9 698 487	291 726	-	15.5	9 698 487	67 - 0
7	459 942	167 499	24	24	457 691	58.73 - 0
8	72 868	25 461	100	100	71 393	-
9	77 950	47 778	100	100	74 891	-
10	919 145	632 168	100	100	637 557	-
Unrated	2 620 676	76 734	0.04	57	2 617 912	54.63
Total	13 849 068	1 241 366	-	-	13 557 931	-

- The Bank adopts a classification policy based on specific additional criteria for certain facilities that are not internally classified, relying on external rating agencies.

I. Credit exposure categorized by geographical distribution:

	31 December 2025						Total JD '000
	Jordan	Other Arab Countries	Asia*	Europe	America	Rest of the World	
	JD '000	JD '000	JD '000	JD '000	JD '000	JD '000	
Balances with central banks	3 504 203	2 483 016	1 484	-	-	-	5 988 703
Balances and deposits with banks and financial institutions	223 806	470 425	94 633	2 102 293	632 166	6 501	3 529 824
Financial assets at fair value through profit or loss	-	21 149	-	-	-	-	21 149
Financial assets at fair value through OCI	5 118	62 990	-	-	-	-	68 108
Direct credit facilities at amortized cost	4 395 971	8 313 102	454 926	148 543	13 776	31 679	13 357 997
Consumer banking	1 320 205	1 538 238	-	1 582	291	86	2 860 402
Small and medium corporates	531 048	416 093	-	-	-	-	947 141
Large corporates	2 308 446	5 068 751	453 700	90 334	13 485	31 593	7 966 309
Banks and financial institutions	23 473	197 474	1 226	56 627	-	-	278 800
Government and public sector	212 799	1 092 546	-	-	-	-	1 305 345
Other financial assets at amortized cost	2 681 740	2 985 882	122 151	66 394	-	-	5 856 167
Financial derivatives - positive fair value	764	39 108	-	8 354	-	-	48 226
Other assets	64 817	115 695	4 339	224	-	344	185 419
Total of credit exposures relating to items on statement of financial position	10 876 419	14 491 367	677 533	2 325 808	645 942	38 524	29 055 593
Total of credit exposures relating to items off statement of financial position	2 322 776	6 666 553	1 412 114	1 537 933	176 541	1 812	12 117 729
Grand Total as of 31 December 2025	13 199 195	21 157 920	2 089 647	3 863 741	822 483	40 336	41 173 322
Grand Total as of 31 December 2024	13 179 059	19 470 376	1 842 020	3 099 167	475 552	128 444	38 194 618

* Excluding Arab Countries.

J. Credit exposure categorized by geographical distribution and staging according to IFRS 9:

	31 December 2025					
	Stage 1		Stage 2		Stage 3	Total
	(Individual)	(Collective)	(Individual)	(Collective)		
	JD '000	JD '000	JD '000	JD '000	JD '000	JD '000
Jordan	11 450 773	1 280 991	414 199	21 809	31 423	13 199 195
Other Arab Countries	18 158 103	1 263 797	1 437 033	245 249	53 738	21 157 920
Asia*	2 089 647	-	-	-	-	2 089 647
Europe	3 859 080	1 581	1 591	-	1 489	3 863 741
America	822 192	291	-	-	-	822 483
Rest of the World	40 250	86	-	-	-	40 336
Grand Total as of 31 December 2025	36 420 045	2 546 746	1 852 823	267 058	86 650	41 173 322
Grand Total as of 31 December 2024	33 833 120	2 282 735	1 718 873	262 431	97 459	38 194 618

* Excluding Arab Countries.

Notes to the Financial Statements

K. Credit exposure categorized by economic sector:

	31 December 2025												
	Corporates										Banks and Financial Institutions	Government and Public Sector	Total
	Consumer Banking	Industry and Mining	Constructions	Real estate	Trade	Agriculture	Tourism and Hotels	Transportation	Shares	General Services			
	JD '000	JD '000	JD '000	JD '000	JD '000	JD '000	JD '000	JD '000	JD '000	JD '000			
Balances with Central Banks	-	-	-	-	-	-	-	-	-	-	-	5 988 703	5 988 703
Balances and deposits with banks and financial institutions	-	-	-	-	-	-	-	-	-	-	3 529 824	-	3 529 824
Financial assets at fair value through profit or loss	-	-	-	-	-	-	-	-	-	-	-	21 149	21 149
Financial assets at fair value through OCI	-	-	-	-	-	-	-	-	-	-	8 472	59 636	68 108
Direct credit facilities at amortized cost	2 860 402	2 513 037	964 006	569 894	2 534 324	126 723	282 995	129 810	13 047	1 779 614	278 800	1 305 345	13 357 997
Other financial assets at amortized cost	-	159 196	-	19 231	-	-	-	-	-	107 916	183 441	5 386 383	5 856 167
Financial derivatives - positive fair value	-	878	-	-	295	-	-	11	-	100	46 664	278	48 226
Other assets	9 134	9 252	4 439	1 216	10 710	232	472	335	-	57 282	9 575	82 772	185 419
Total of credit exposures relating to items on statement of financial position	2 869 536	2 682 363	968 445	590 341	2 545 329	126 955	283 467	130 156	13 047	1 944 912	4 056 776	12 844 266	29 055 593
Total of credit exposures relating to items off statement of financial position	5 325	2 244 031	3 169 724	113 138	2 468 121	71 996	21 412	111 757	-	1 200 601	2 431 763	279 861	12 117 729
Grand Total as of 31 December 2025	2 874 861	4 926 394	4 138 169	703 479	5 013 450	198 951	304 879	241 913	13 047	3 145 513	6 488 539	13 124 127	41 173 322
Grand Total as of 31 December 2024	2 586 621	4 224 147	3 831 633	519 529	4 573 520	217 972	299 774	348 229	23 362	2 770 598	5 740 256	13 058 977	38 194 618

L. Credit exposure categorized by economic sector and staging according to IFRS 9:

	31 December 2025					
	Stage 1		Stage 2		Stage 3	Total
	(Individual)	(Collective)	(Individual)	(Collective)		
	JD '000	JD '000	JD '000	JD '000	JD '000	JD '000
Consumer banking	14 408	2 546 746	33	267 058	46 616	2 874 861
Industry and mining	4 812 918	-	107 789	-	5 687	4 926 394
Constructions	3 694 697	-	435 214	-	8 258	4 138 169
Real estate	676 260	-	15 623	-	11 596	703 479
Trade	4 726 167	-	281 822	-	5 461	5 013 450
Agriculture	154 069	-	44 670	-	212	198 951
Tourism and hotels	234 303	-	67 135	-	3 441	304 879
Transportation	223 948	-	13 248	-	4 717	241 913
Shares	13 047	-	-	-	-	13 047
General service	3 117 337	-	27 514	-	662	3 145 513
Banks and financial institutions	6 488 539	-	-	-	-	6 488 539
Government and public sector	12 264 352	-	859 775	-	-	13 124 127
Grand Total as of 31 December 2025	36 420 045	2 546 746	1 852 823	267 058	86 650	41 173 322
Grand Total as of 31 December 2024	33 833 120	2 282 735	1 718 873	262 431	97 459	38 194 618

48. Market Risk

Assuming market prices as at 31 December 2025 and 2024 change by 5%, the impact on statement of income and shareholders equity will be as follows:

	31 December 2025			31 December 2024		
	Statement of Income	Shareholders' Equity	Total	Statement of Income	Shareholders' Equity	Total
	JD '000	JD '000	JD '000	JD '000	JD '000	JD '000
Interest rate sensitivity	39 299	-	39 299	40 007	-	40 007
Foreign exchange rate sensitivity	2 645	17 471	20 116	1 932	12 491	14 423
Equity instruments price sensitivity	-	9 228	9 228	-	9 026	9 026
Total	41 944	26 699	68 643	41 939	21 517	63 456

49. Interest Rate Risk

Exposure to interest rate volatility as of 31 December 2025 (classification is based on interest rate repricing or maturity date, whichever is nearer).

	Up to 1 Month	More than 1 Month and till 3 months	More than 3 months and till 6 months	More than 6 months and till 1 year	More than 1 year and till 3 years	More than 3 years	Not Tied to Interest Rate Risk	Total
	JD '000	JD '000	JD '000	JD '000	JD '000	JD '000	JD '000	JD '000
Assets								
Cash at vaults	-	-	-	-	-	-	966 517	966 517
Mandatory cash reserve	-	-	-	-	-	-	994 803	994 803
Balances with central banks	3 875 461	-	-	-	-	-	1 118 439	4 993 900
Balances and deposits with banks and financial institutions	2 191 436	1 329 277	9 111	-	-	-	-	3 529 824
Financial assets at fair value through profit or loss	2 142	6 367	2 482	4 020	-	6 138	-	21 149
Direct credit facilities at amortized cost	4 062 915	3 022 126	1 949 997	965 738	1 098 227	2 258 994	-	13 357 997
Financial assets at fair value through other comprehensive income	6 359	2 088	10 662	10 418	33 465	5 116	184 556	252 664
Other financial assets at amortized cost	236 273	1 062 127	695 236	914 588	1 571 216	1 376 727	-	5 856 167
Investment in subsidiaries and associates	-	-	-	-	-	-	1 030 081	1 030 081
Fixed assets	-	-	-	-	-	-	204 275	204 275
Other assets and financial derivatives - positive fair value	29 931	29 679	46 600	3 240	45 101	9 843	430 134	594 528
Deferred tax assets	-	-	-	-	-	-	156 395	156 395
Total assets	10 404 517	5 451 664	2 714 088	1 898 004	2 748 009	3 656 818	5 085 200	31 958 300
Liabilities								
Banks' and financial institutions' deposits	1 700 296	4 017	730	-	52 182	-	181 704	1 938 929
Customer deposits	7 922 908	2 415 403	1 371 607	2 519 933	337 067	15 919	7 345 065	21 927 902
Cash margin	1 235 609	114 806	162 430	152 239	49 761	10 533	122 873	1 848 251
Borrowed funds	255 071	58 901	19 682	5 814	3 166	-	-	342 634
Provision for income tax	-	-	-	-	-	-	112 769	112 769
Other Provisions	-	-	-	-	-	-	157 733	157 733
Other liabilities and financial derivatives - negative fair value	27 966	17 712	143 919	8 310	19 355	8 718	455 223	681 203
Deferred tax liabilities	-	-	-	-	-	-	4 306	4 306
Total liabilities	11 141 850	2 610 839	1 698 368	2 686 296	461 531	35 170	8 379 673	27 013 727
Gap	(737 333)	2 840 825	1 015 720	(788 292)	2 286 478	3 621 648	(3 294 473)	4 944 573

Notes to the Financial Statements

Exposure to interest rate volatility as of 31 December 2024 (classification is based on interest rate repricing or maturity date, whichever is nearer).

	Up to 1 month	More than 1 month and till 3 months	More than 3 Months and till 6 months	More than 6 months and till 1 year	More than 1 year and till 3 years	More than 3 years	Not Tied to Interest Rate Risk	Total
	JD '000	JD '000	JD '000	JD '000	JD '000	JD '000	JD '000	JD '000
Assets								
Cash at vaults	-	-	-	-	-	-	658 386	658 386
Mandatory cash reserve	-	-	-	-	-	-	935 938	935 938
Balances with central banks	4 941 995	-	-	-	-	-	759 300	5 701 295
Balances and deposits with banks and financial institutions	1 216 107	1 392 226	12 385	32 490	-	-	-	2 653 208
Financial assets at fair value through profit or loss	3 467	7 023	2 813	4 185	-	6 307	-	23 795
Direct credit facilities at amortized cost	3 618 612	3 176 504	2 114 417	1 181 902	785 042	1 440 088	-	12 316 565
Financial assets at fair value through other comprehensive income	-	708	12 108	10 440	7 034	5 089	145 132	180 511
Other financial assets at amortized cost	240 270	655 123	599 204	1 172 798	1 792 460	991 311	-	5 451 166
Investment in subsidiaries and associates	-	-	-	-	-	-	965 528	965 528
Fixed assets	-	-	-	-	-	-	202 493	202 493
Other assets and financial derivatives - positive fair value	25 877	24 079	39 498	1 642	20 768	12 628	426 435	550 927
Deferred tax assets	-	-	-	-	-	-	176 565	176 565
Total assets	10 046 328	5 255 663	2 780 425	2 403 457	2 605 304	2 455 423	4 269 777	29 816 377
Liabilities								
Banks' and financial institutions' deposits	1 301 407	312 899	6 165	-	65 229	-	105 706	1 791 406
Customer deposits	6 767 066	2 642 274	1 544 264	2 234 463	472 681	88 421	6 663 020	20 412 189
Cash margin	869 174	326 837	123 607	179 446	49 726	11 103	113 961	1 673 854
Borrowed funds	131 469	106 274	19 952	7 200	6 043	-	-	270 938
Provision for income tax	-	-	-	-	-	-	153 867	153 867
Other Provisions	-	-	-	-	-	-	149 308	149 308
Other liabilities and financial derivatives - negative fair value	25 517	23 752	36 683	5 418	17 611	11 383	611 066	731 430
Deferred tax liabilities	-	-	-	-	-	-	4 102	4 102
Total liabilities	9 094 633	3 412 036	1 730 671	2 426 527	611 290	110 907	7 801 030	25 187 094
Gap	951 695	1 843 627	1 049 754	(23 070)	1994 014	2 344 516	(3 531 253)	4 629 283

50. Liquidity Risk

The below is the distribution of the liabilities (undiscounted) according to the residual maturity as of 31 December 2025::

	Within 1 month	After 1 month and till 3 Months	After 3 months and till 6 months	After 6 Months and till 1 year	After 1 Year and till 3 years	After 3 years	Not Tied to a specific maturity	Total
	JD '000	JD '000	JD '000	JD '000	JD '000	JD '000	JD '000	JD '000
Liabilities								
Banks' and financial institutions' deposits	1 193 415	440 188	71 668	-	52 247	-	181 704	1 939 222
Customer deposits	6 993 986	2 522 601	1 406 402	2 399 464	335 829	15 919	8 346 812	22 021 013
Cash margin	965 737	356 039	167 550	174 514	57 480	10 533	122 872	1 854 725
Borrowed funds	105 973	47 221	14 061	11 930	74 850	88 991	-	343 026
Provision for income tax	-	-	-	-	-	-	112 769	112 769
Other provisions	-	-	-	-	-	-	157 733	157 733
Financial derivatives - negative fair value	9 545	641	703	2 208	3 282	8 718	5 343	30 440
Other liabilities	18 421	17 071	143 216	6 102	16 073	-	449 880	650 763
Deferred tax liabilities	-	-	-	-	-	-	4 306	4 306
Total Liabilities	9 287 077	3 383 761	1 803 600	2 594 218	539 761	124 161	9 381 419	27 113 997
Total assets according to expected maturities	7 826 401	3 623 120	2 638 155	2 218 985	3 670 267	6 045 627	5 935 745	31 958 300

The below is the distribution of the liabilities (undiscounted) according to the residual maturity as of 31 December 2024:

	Within 1 month	After 1 month and till 3 Months	After 3 months and till 6 months	After 6 Months and till 1 year	After 1 Year and till 3 years	After 3 years	Not Tied to a specific maturity	Total
	JD '000	JD '000	JD '000	JD '000	JD '000	JD '000	JD '000	JD '000
Liabilities								
Banks' and financial institutions' deposits	1 301 498	313 074	6 299	-	65 228	-	105 706	1 791 805
Customer deposits	5 840 632	2 656 537	1 586 033	2 363 140	560 806	88 421	7 534 466	20 630 035
Cash margin	329 126	870 140	125 130	182 205	49 726	11 103	112 546	1 679 976
Borrowed funds	216	21 312	9 847	17 415	145 641	90 230	-	284 661
Provision for income tax	-	-	-	-	-	-	153 867	153 867
Other provisions	-	-	-	-	-	-	149 308	149 308
Financial derivatives - negative fair value	6 107	379	205	214	17 523	11 307	-	35 735
Other liabilities	25 451	141 675	36 478	5 204	88	76	486 723	695 695
Deferred tax liabilities	-	-	-	-	-	-	4 102	4 102
Total Liabilities	7 503 030	4 003 117	1 763 992	2 568 178	839 012	201 137	8 546 718	25 425 184
Total assets according to expected maturities	7 962 532	3 275 825	2 234 855	2 116 058	3 743 232	5 386 864	5 097 011	29 816 377

51. Net Foreign Currency Positions

The details of this item are as follows:

	31 December 2025		31 December 2024	
	Base Currency in Thousand	Equivalent in JD '000	Base Currency in Thousand	Equivalent in JD '000
USD	70 046	49 663	48 762	34 573
GBP	192	143	35	32
EUR	(13 082)	(11 152)	(12 218)	(9 013)
JPY	131 186	841	395 872	1 781
Other currencies *	-	39 920	-	21 426
Total		79 415		48 798

* Various foreign currencies translated to Jordanian Dinars.

- Details of the bank's total assets and liabilities as per the main currencies as of 31 December 2025 are as follows::

	USD JD '000	GBP JD '000	EUR JD '000	JPY JD '000
Total Assets	9 495 521	293 585	1 049 244	106 209
Total Liabilities	8 932 960	298 793	699 752	43 054
Total Owners' Equity	1 088 646	94	287 987	74
Net Foreign currency forward contracts	575 748	5 444	(72 656)	(62 241)
Net open position	49 663	143	(11 152)	841
Net open position as of 31 December 2024	34 573	32	(9 013)	1 781

52. Fair Value Hierarchy

Financial instruments include financial assets and financial liabilities.

The Bank uses the following methods and alternatives of valuating and presenting the fair value of financial instruments:

Level 1: Quoted (unadjusted) market prices in active markets for identical assets or liabilities.

Level 2: Valuation techniques for which the lowest level input that is significant to the fair value measurement is directly or indirectly observable.

Level 3: Valuation techniques for which the lowest level input that is significant to the fair value measurement is unobservable.

Notes to the Financial Statements

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

Some of the financial assets and financial liabilities are measured at fair value at the end of each reporting period. The following table gives information about how the fair value of these

Financial assets / Financial liabilities	Fair Value as at 31 December		Fair Value Hierarchy	Valuation techniques and key inputs	Significant unobservable inputs	Relationship of unobservable inputs to fair value
	2025	2024				
	JD '000	JD '000				
Financial assets at fair value						
Financial assets at fair value through profit or loss:						
Treasury bills and Bonds	21 149	23 795	Level 1	Quoted Prices	Not Applicable	Not Applicable
Total Financial Assets at Fair Value through Profit or Loss	21 149	23 795				
Financial derivatives - positive fair value	48 226	44 652	Level 2	Through Comparison of similar financial instruments	Not Applicable	Not Applicable
Financial assets at fair value through other comprehensive income:						
Quoted shares	89 411	72 618	Level 1	Quoted Prices	Not Applicable	Not Applicable
Unquoted shares	95 145	72 514	Level 2 & 3	Through Comparison of similar financial instruments or through using unobservable measurements	Not Applicable	Not Applicable
Government bonds and bonds guaranteed by the government - Quoted	54 518	19 788	Level 1	Quoted Prices	Not Applicable	Not Applicable
Government bonds and bonds guaranteed by the government - Unquoted	5 118	5 088	Level 2	Through Comparison of similar financial instruments	Not Applicable	Not Applicable
Corporate bonds	8 472	10 503	Level 1	Quoted Prices	Not Applicable	Not Applicable
Total financial assets at fair value through other comprehensive income	252 664	180 511				
Total Financial Assets at Fair Value	322 039	248 958				
Financial Liabilities at Fair Value						
Financial derivatives - negative fair value	30 440	35 735	Level 2	Through Comparison of similar financial instruments	Not Applicable	Not Applicable
Structured products at fair value	28 294	-	Level 2	Through Comparison of similar financial instruments	Not Applicable	Not Applicable
Total Financial Liabilities at Fair Value	58 734	35 735				

There were no transfers between Level 1 and 2, during 2025 & 2024.

The table below shows the movement on the shares at fair value through other comprehensive income - Level 2 & 3:

	Fair Value as at 31 December	
	2025	2024
	JD '000	JD '000
Balance at the beginning of the year	72 514	52 918
Change in Fair value - net	22 631	19 596
Balance at the end of the year	95 145	72 514

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

Except as detailed in the following table, we believe that the carrying amounts of financial assets and financial liabilities recognized in the banks financial statements approximate their fair values:

	31 December 2025		31 December 2024		Fair Value Hierarchy
	Book value	Fair value	Book value	Fair value	
	JD '000	JD '000	JD '000	JD '000	
Financial assets not calculated at fair value					
Mandatory reserve time and notice and certificates of deposits with central banks	4 814 914	4 816 413	5 422 734	5 425 173	Level 2 & 3
Balances and Deposits with banks and financial institutions	3 529 824	3 531 993	2 653 208	2 656 358	Level 2 & 3
Direct credit facilities at amortized cost	13 357 997	13 404 483	12 316 565	12 364 440	Level 2 & 3
Other Financial assets at amortized cost	5 856 167	5 934 034	5 451 166	5 514 108	Level 1 & 2
Total financial assets not calculated at fair value	27 558 902	27 686 923	25 843 673	25 960 079	
Financial liabilities not calculated at fair value					
Banks' and financial institutions' deposits	1 938 929	1 947 025	1 791 406	1 800 628	Level 2 & 3
Customer deposits	21 927 902	22 020 304	20 412 189	20 523 107	Level 2 & 3
Cash margin	1 848 251	1 855 940	1 673 854	1 683 574	Level 2 & 3
Borrowed funds	342 634	344 429	270 938	272 842	Level 2 & 3
Total financial liabilities not calculated at fair value	26 057 716	26 167 698	24 148 387	24 280 151	

The fair values of the financial assets and financial liabilities included in level 2 categories above have been determined in accordance with the generally accepted pricing models based on a discounted cash flow analysis, with the most significant inputs being the discount rate that reflects the credit risk of counterparties.

53. Analysis for Assets and Liabilities Maturities

The below is an analysis for assets and liabilities maturities according to the expected period to be recovered or settled as at 31 December 2025.

	UP to 1 year	More than 1 year	Total
	JD '000	JD '000	JD '000
Assets			
Cash at vaults	966 517	-	966 517
Mandatory cash reserve	994 803	-	994 803
Balances with central banks	4 993 900	-	4 993 900
Balances and deposits with banks and financial institutions	3 529 824	-	3 529 824
Financial assets at fair value through profit or loss	21 149	-	21 149
Direct credit facilities at amortized cost	6 726 647	6 631 350	13 357 997
Financial assets at fair value through other comprehensive income	214 080	38 584	252 664
Other financial assets at amortized cost	2 917 265	2 938 902	5 856 167
Investment in subsidiaries and associates	-	1 030 081	1 030 081
Fixed assets	27 344	176 931	204 275
Other assets and financial derivatives - positive fair value	33 765	560 763	594 528
Deferred tax assets	156 395	-	156 395
Total Assets	20 581 689	11 376 611	31 958 300
Liabilities			
Banks' and financial institutions' deposits	1 886 747	52 182	1 938 929
Customer deposits	21 585 708	342 194	21 927 902
Cash margin	1 779 880	68 371	1 848 251
Borrowed funds	178 862	163 772	342 634
Provision for income tax	112 769	-	112 769
Other provisions	157 733	-	157 733
Other liabilities and financial derivatives - negative fair value	18 440	662 763	681 203
Deferred tax liabilities	4 306	-	4 306
Total Liabilities	25 724 445	1 289 282	27 013 727
Net	(5 142 756)	10 087 329	4 944 573

Notes to the Financial Statements

The below is an analysis for assets and liabilities maturities according to the expected period to be recovered or settled as at 31 December 2024

	UP to 1 year	More than 1 year	Total
	JD '000	JD '000	JD '000
Assets			
Cash at vaults	658 386	-	658 386
Mandatory cash reserve	935 938	-	935 938
Balances with central banks	5 701 295	-	5 701 295
Balances and deposits with banks and financial institutions	2 653 208	-	2 653 208
Financial assets at fair value through profit or loss	23 795	-	23 795
Direct credit facilities at amortized cost	6 302 662	6 013 903	12 316 565
Financial assets at fair value through other comprehensive income	23 257	157 254	180 511
Other financial assets at amortized cost	2 288 939	3 162 227	5 451 166
Investment in subsidiaries and associates	-	965 528	965 528
Fixed assets	25 616	176 877	202 493
Other assets and financial derivatives - positive fair value	115 057	435 870	550 927
Deferred tax assets	176 565	-	176 565
Total Assets	18 904 718	10 911 659	29 816 377
Liabilities			
Banks' and financial institutions' deposits	1 621 414	169 992	1 791 406
Customer deposits	19 762 649	649 540	20 412 189
Cash margin	1 566 811	107 043	1 673 854
Borrowed funds	35 135	235 803	270 938
Provision for income tax	153 867	-	153 867
Other provisions	149 308	-	149 308
Other liabilities and financial derivatives - negative fair value	209 670	521 760	731 430
Deferred tax liabilities	4 102	-	4 102
Total Liabilities	23 502 956	1 684 138	25 187 094
Net	(4 598 238)	9 227 521	4 629 283

54. Contractual Maturity of the Contingent Accounts

The table below details the maturity of expected liabilities and commitments on the basis of contractual maturity:

	31 December 2025			
	Within 1 year	After 1 year and before 5 years	After 5 years	Total
	JD '000	JD '000	JD '000	JD '000
Letters of credit	1 173 715	20 410	-	1 194 125
Acceptances	459 780	207	-	459 987
Letters of guarantee:				
- Payment guarantees	1 028 930	20 726	10	1 049 666
- Performance guarantees	1 907 667	1 128 202	91 087	3 126 956
- Other guarantees	1 824 526	805 062	7 456	2 637 044
Unutilized credit facilities	3 427 299	270 711	-	3 698 010
Total	9 821 917	2 245 318	98 553	12 165 788

	31 December 2025			
	JD '000	JD '000	JD '000	JD '000
Constructions projects contracts	1 282	-	-	1 282
Procurement contracts	10 751	3 028	459	14 238
Total	12 033	3 028	459	15 520

	31 December 2024			
	Within 1 year	After 1 year and before 5 years	After 5 years	Total
	JD '000	JD '000	JD '000	JD '000
Letters of credit	1 136 952	13 404	-	1 150 356
Acceptances	344 213	3 645	-	347 858
Letters of guarantee:				
- Payment guarantees	1 019 893	19 848	2 526	1 042 267
- Performance guarantees	1 889 922	911 166	40 509	2 841 597
- Other guarantees	1 482 292	650 743	3 646	2 136 681
Unutilized credit facilities	3 125 821	246 640	-	3 372 461
Total	8 999 093	1 845 446	46 681	10 891 220

	31 December 2024			
	JD '000	JD '000	JD '000	JD '000
Constructions projects contracts	1 366	-	-	1 366
Procurement contracts	9 059	2 608	575	12 242
Total	10 425	2 608	575	13 608

55. Capital Management

The Bank manages it's capital to safeguard it's ability to continue it's operating activities while maximizing the return to shareholders. The composition of the regulatory capital as defined by Basel III Committee is as follows:

	31 December	
	2025	2024
	JD '000	JD '000
Common Equity Tier 1	4 400 489	4 085 199
Regulatory Adjustments (Deductions from Common Equity Tier 1)	(1 082 932)	(985 547)
Additional Tier 1	177 305	177 305
Regulatory Adjustments (Deductions from Additional Tier 1)	(21 307)	(20 179)
Supplementary Capital	332 482	265 167
Regulatory Adjustments (Deductions from Supplementary Capital)	(6 133)	(5 568)
Regulatory Capital	3 799 905	3 516 377
Risk-weighted assets (RWA)	22 491 988	20 416 172
Common Equity Tier 1 Ratio	%14.75	%15.18
Tier 1 Capital Ratio	%15.44	%15.95
Capital Adequacy Ratio	%16.89	%17.22

The Board of Directors performs an overall review of the capital structure of the Bank on quarterly basis. As part of this review, the Board takes into consideration matters such as cost and risks of capital as integral factors in managing capital through setting dividend policies and capitalization of reserves.

The liquidity coverage ratio is 216% as of 31 December 2025 and 236% as of 31 December 2024 (According to Central Bank of Jordan instructions no. 5/2020 the minimum liquidity coverage ratio is 100%).

56. Transactions with Related Parties

The details of this item are as follows:

	31 December 2025			
	Deposits owed from Related Parties	Direct Credit Facilities at Amortized Cost	Deposits owed to Related Parties	LCs, LGs, Unutilised Credit Facilities and Acceptances
	JD '000	JD '000	JD '000	JD '000
Sister and subsidiary companies	1 743 635	19 863	130 035	169 780
Associated companies	105 854	-	20 233	66 173
Major shareholders and members of the Board of Directors	-	149 947	503 131	176 709
Total	1 849 489	169 810	653 399	412 662

	31 December 2024			
	Deposits owed from Related Parties	Direct Credit Facilities at Amortized Cost	Deposits owed to Related Parties	LCs, LGs, Unutilised Credit Facilities and Acceptances
	JD '000	JD '000	JD '000	JD '000
Sister and subsidiary companies	1 370 889	18 942	100 265	215 562
Associated companies	143 427	-	10 448	68 334
Major shareholders and members of the Board of Directors	-	137 753	444 537	119 431
Total	1 514 316	156 695	555 250	403 327

- Direct credit facilities granted to key management personnel amounted to JD 0.7 million and indirect credit facilities amounted to JD 4 thousands as of 31 December 2025 (Direct credit facilities JD 0.7 million and indirect credit facilities JD 4 thousand as of 31 December 2024).
- Top management deposits amounted to JD 6.8 million as of 31 December 2025 (JD 4.4 million as of 31 December 2024)
- All facilities granted to related parties are performing loans in accordance with the credit rating of the Bank.

Notes to the Financial Statements

The details of transactions with related parties are as follows:

	2025		2024	
	Interest Income	Interest Expense	Interest Income	Interest Expense
	JD '000	JD '000	JD '000	JD '000
Sister and subsidiary companies	64 766	4 527	74 839	8 764
Associated companies	6 305	800	4 941	1 099
Total	71 071	5 327	79 780	9 863

Interest on facilities granted to major shareholders and members of the Board of Directors is recorded at arm's length.

The salaries and other fringe benefits of the Bank's key management personnel, inside and outside Jordan, amounted to JD 37.5 million for the year ended on 31 December 2025 (JD 34.6 million for the year ended on 31 December 2024).

57. Assets under Management

There are no assets under management as of 31 December 2025 and 2024.

58. Cash and Cash Equivalent

The details of this item are as follows:

	31 December	
	2025	2024
	JD '000	JD '000
Cash and balances with central banks maturing within 3 months	7 185 307	7 470 111
Add: Balances with banks and financial institutions maturing within 3 months	3 520 973	2 608 859
Less: Banks and financial institutions deposits maturing within 3 months	1 815 095	1 720 012
Total	8 891 185	8 358 958

59. Legal Cases

There are lawsuits filed against the Bank totaling almost JD 222.6 million as of 31 December 2025 (JD 176.9 million as of 31 December 2024). In the opinion of the management and the lawyers representing the Bank in the litigation at issue, the provisions taken in connection with the lawsuits are adequate.

Independent Auditor's Report



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To the Shareholders of
Arab Bank P.L.C
(A public Shareholding Company)
Amman – The Hashemite Kingdom of Jordan

Report on the Audit of the Financial Statements

Opinion

We have audited the financial statements of Arab Bank PLC and its foreign branches, together referred to as “the Bank”, which comprise the statement of financial position as at December 31, 2025, the statement of profit or loss, the statement of comprehensive income, statement of changes in owners' equity and statement of cash flows for the year then ended, and notes to the financial statements, including material accounting policy information.

In our opinion, the accompanying financial statements present fairly, in all material aspects, the financial position of the Bank as at December 31, 2025, and its financial performance and cash flows for the year then ended in accordance with IFRS Accounting Standards as issued by the International Accounting Standards Board (IASB).

Basis for Opinion

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



Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the financial statements for the year ended. These matters were addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

Key Audit Matter	How our audit addressed the key audit matter
1. Expected Credit Losses on Credit Facilities As described in note 12 to the financial statements, gross direct credit facilities amounted to JOD 14.7 billion, which represents 46% of total assets as of 31 December 2025. The Bank recognized JOD 1.2 billion in expected credit loss (ECL) against these facilities as of 31 December 2025. The valuation and allocation of ECL consists of a number of assumptions that are inherently uncertain and require a high degree of complex and subjective management judgement, specialized skills and knowledge, and complex ECL modelling. The key areas we identified as having the most significant level of management judgement were in respect of collectively assessed ECL, and ECL model adjustments. Further details in respect of these items are provided below. Collectively assessed ECL The ECL against the retail and corporate sectors' Stage 1 and Stage 2 direct credit facilities, is determined on a collective basis using ECL calculation models. These models, which are based on discounted cashflows, where applicable, calculate a probability-weighted estimate using several significant judgements by applying probabilities of default, exposure at default and a loss given default assumption, and also takes collateral held and other loss mitigants into account. The key judgements and estimates in determining ECL include: • Modelling approach, judgements, and selection of modelling data; • Credit risk ratings for the Corporate sector direct credit facilities, which are performed on a counterparty basis by credit officers; and • The appropriate allocation of direct credit facilities into the correct staging considering any significant increase in credit risk since instrument inception.	We obtained an understanding of the process adopted by management to determine the allowance for ECL, including the key controls within this process. We assessed the abovementioned controls to determine if they had been appropriately designed and implemented, including those over: • Methodology governance, and model outputs; • The determination of credit risk ratings in the corporate sector; • Collaterals valuation; • Completeness and accuracy of the input data used by the model; and • The application of stage overrides, where applicable. Further, with the assistance of our internal credit specialists, our audit procedures over the key areas of the determination of the allowance for ECL addressed the following: • Model estimations, where we: - Evaluated the methodology, the modelling approach and judgements applied, and estimates made by management; - Inspected a model-developer prepared replication of the model calculation for a sample of instruments from in-scope portfolios and compared the outputs to the Bank's outputs; - Read and reviewed the latest model calibration and validation reports, and assessed model limitations where applicable; and • Allocation of assets into stages, where we: - evaluated the key relevant criteria used for allocation into Stage 1 and Stage 2, including independently assessing the credit rating of a sample of corporate sector direct credit facilities; - tested the stage allocation for a sample of exposures; and - tested the key data used by models in assigning stages and evaluated the model logic used.



Key Audit Matter

ECL model adjustments

Where expected credit loss calculation models do not incorporate all factors relevant to estimating the ECL, adjustments are made by management to address known model limitations identified through validation and calibration exercises, and emerging or non-modelled risks, more specifically to the determination of corporate sector customers staging. The adjustments made to address these limitations require specialist auditor judgement when evaluating the methodology, assumptions, inputs and calculations.

Auditing these complex judgements and assumptions involves especially challenging auditor judgement due to the nature and extent of audit evidence and effort required to address these matters and therefore this item is considered to be a key audit matter.

Notes 4 and 5 to the financial statements provides further details on material accounting policy information and key accounting sources of estimation and judgment surrounding the determination of expected credit loss respectively.

2. Information Technology ('IT') systems and controls over financial reporting

The Bank's IT environment is inherently complex due to the number of systems it operates and its reliance on automated and IT dependent manual controls. Together, these support a broad range of banking products as well as the processing of the Bank's significant volume of transactions, which impact all account balances.

As such, IT systems within the Bank form a critical component of the Bank's financial reporting activities.

Due to the significant reliance on IT systems, effective General IT Controls ('GITCs') are critical to allow reliance to be placed on the completeness and accuracy of financial data and the integrity of automated system functionality, such as system calculations

How our audit addressed the key audit matter

In respect of the adjustments to models, we performed the following procedures in conjunction with our internal specialists:

- evaluated the methodology, approach and assumptions in developing the adjustments;
- evaluated the Bank's selection of the approach for a sample of exposures; and
- tested the accuracy of the stage allocation for a sample of overridden exposures;

We assessed the disclosure in the financial statements relating to this matter against the requirements of IFRS Accounting Standards

Our IT audit scope covered the Bank's IT controls over information systems deemed relevant to the audit based on the financial data, system configured automated controls and/or key financial reports that reside within them. Consequently, we obtained an understanding of the relevant applications as well as the infrastructure supporting these applications.

Our audit approach relies on automated controls and therefore the following procedures were designed to test the access and control over IT systems:

- We obtained an understanding of applications relevant to financial reporting and infrastructure supporting these applications.



Key Audit Matter	How our audit addressed the key audit matter
We identified the IT systems that impact financial reporting as a key audit matter because of the: • Reliance on complex technology that is integral to the operation of key business processes and financial reporting; • Reliance on technology which continues to develop in line with the business strategy, such as the increase in the use of automation across the Bank and increasing reliance on third parties; and • Importance of IT controls in maintaining an effective control environment. A key interdependency exists between the ability to rely on IT controls and the ability to rely on financial data, system configured automated controls and system reports.	• We tested general IT controls relevant to the identified automated controls and computer-generated information covering access security, program changes, data center and network operations. • We examined certain information used in the financial reporting from relevant applications and key controls over their report logics. • We performed testing on the key automated controls on significant IT systems relevant to business processes. In a limited number of areas where IT systems were identified as out-of-scope, we adopted alternative testing approaches and therefore tested additional manual controls and varied our substantive procedures depending on our risk assessment.

IT controls, in the context of our audit scope, primarily relate to privileged access at the infrastructure level, user access security at the application level and change control.

Other Matters

The accompanying financial statements are a translation of the original financial statements, which are in the Arabic language, to which reference should be made.

Information Other than the Financial Statements and Auditor’s Report Thereon

Management is responsible for the other information. The other information comprises the other information in the annual report but does not include the financial statements and the independent auditors' report thereon. The other information is expected to be made available to us after the date of this auditor's report.

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

In connection with our audit of the 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 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 Financial Statements

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

In preparing the financial statements, management is responsible for assessing the Bank’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 Bank or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Bank’s financial reporting process.



Auditor’s Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the 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 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 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 Bank’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 Bank’s ability to continue as a going concern. If we conclude that a material uncertainty exists, 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 Bank to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Plan and perform the Bank audit to obtain sufficient appropriate audit evidence regarding the financial information of the entities or business units within the Bank as a basis for forming an opinion on the Bank financial statements. We are responsible for the direction, supervision and review of the audit work performed for purposes of the Bank’s 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.

Independent Auditor's Report

Deloitte.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the 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 reasonably be expected to outweigh the public interest benefits of such communication.

Report on Other Legal and Regulatory Requirements

The Bank maintains proper books of accounts which are in agreement with the financial statements. We recommend that the General Assembly of the Shareholders approve these financial statements.

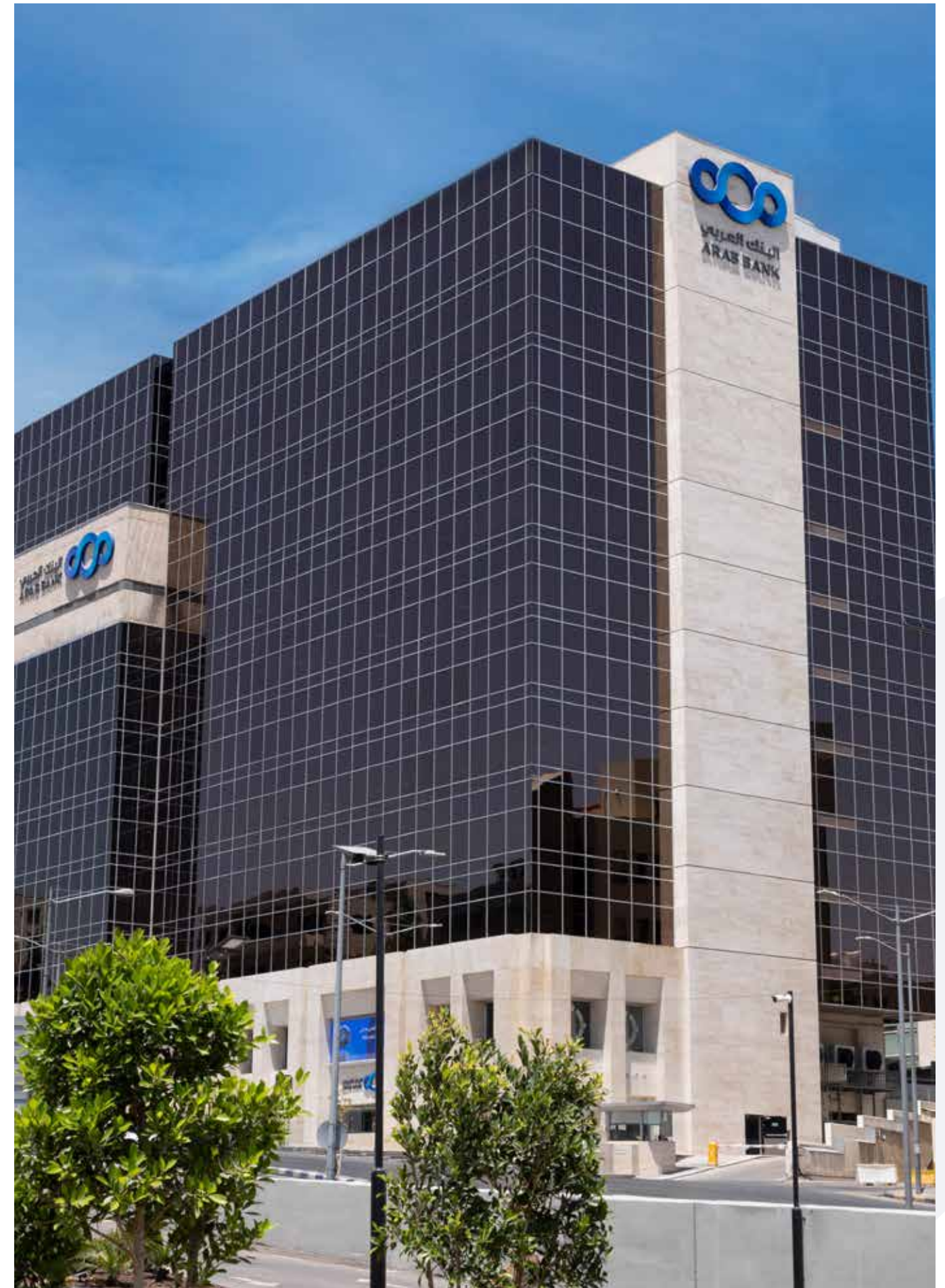
The engagement partner on the audit resulting in this independent auditor's report is: **Ahmad Fathi Shtawi**



Deloitte & Touche (M.E.)
ديلويت آند توش (الشرق الأوسط)
010105

Deloitte & Touche (M.E) – Jordan
Amman – The Hashmite Kingdom of Jordan

February 8, 2026



Attestation Statements from Board of Directors and Financial Management

The Board of Directors confirms that there are no significant issues that may affect the continued operations of the bank during the financial year 2026.

The Board of Directors confirms its responsibility for the preparation of the financial statements, and for implementing an effective internal control system in line with international standards.


Sabih Taher Darwish Masri
Chairman


Khaled Sabih Taher Masri
Deputy Chairman


Sabih Taher Darwish Masri
Chairman


Khaled Sabih Taher Masri
Deputy Chairman


Hisham Mohammed Mahmoud Attar
Representing
The Ministry of Finance
Saudi Arabia


Wahbe Abdallah Wahbe Tamari


Hisham Mohammed Mahmoud Attar
Representing
The Ministry of Finance
Saudi Arabia


Wahbe Abdallah Wahbe Tamari


Mohammad Adnan Hasan Almadi
Representing
The Social Security Corporation


Nabil Hani Jamil Alqaddumi


Mohammad Adnan Hasan Almadi
Representing
The Social Security Corporation


Nabil Hani Jamil Alqaddumi


Sharif Mohdi Husni Saifi


Omar Munther Ibrahim Fahoum


Sharif Mohdi Husni Saifi


Omar Munther Ibrahim Fahoum


Shahm Munib Elias Al-Wir


Nadia Abdelra'uof Salem Rawabdeh


Majed Qustandi Elias Sifri


Shahm Munib Elias Al-Wir


Nadia Abdelra'uof Salem Rawabdeh


Majed Qustandi Elias Sifri

Attestation Statements from Board of Directors and Financial Management

The Chairman, the Chief Executive Officer and the Group Chief Financial Officer attest to the accuracy and completeness of the financial statements and the financial information of this report as at 31 December 2025.

The Board of Directors confirms that none of its members or those related to them received any benefits, whether material or in-kind, for the fiscal year 2025.



Sabih Taher Darwish Masri
Chairman



Randa Mohammad Tawfiq El Sadek
Chief Executive Officer



Sabih Taher Darwish Masri
Chairman



Khaled Sabih Taher Masri
Deputy Chairman



Firas Jaser Jamil Zayyad
Chief Financial Officer



Hisham Mohammed Mahmoud Attar
Representing
The Ministry of Finance
Saudi Arabia



Wahbe Abdallah Wahbe Tamari



Mohammad Adnan Hasan Almadi
Representing
The Social Security Corporation



Nabil Hani Jamil Alqaddumi



Sharif Mohdi Husni Saifi



Omar Munther Ibrahim Fahoum



Shahm Munib Elias Al-Wir



Nadia Abdelra'uof Salem Rawabdeh



Majed Qustandi Elias Sifri

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Introduction

Arab Bank attaches considerable importance to good corporate governance practices and the Board is committed to implementing the highest professional standards in all the Bank's activities. In this regard the Bank follows the instructions of the Central Bank of Jordan which adopted the Basel Committee's recommendations on Corporate Governance. The Bank also observes the requirements of the relevant regulatory / official entities in Jordan and in the other countries in which it operates.

A pioneer to commit to best practices of Corporate Governance in the Middle East, Arab Bank established the Audit Committee in early 1996 followed by the Corporate Governance Board Committee in 2002. The Nomination and Remuneration Committee was established in 2006, while the Risk Management Committee and the Strategy Committee were formed in 2007. The Bank established the Credit Committee in 2010, the IT Governance Committee in 2017 and the Compliance Committee in 2018.

This Corporate Governance Code is based on the Instructions of Corporate Governance for Banks issued by the Central Bank of Jordan no. (2/2023) and after aligning it with the Jordanian Banking Law, the Companies Law in addition to the Memorandum and Articles of Association of the Bank.

This Code will continue to be reviewed and developed from time to time and whenever necessary to meet the Bank's changing needs and expectations and to keep up with the changes that may occur in the legislations organizing operations and the marketplace.

Article (1): Commitment to Corporate Governance

There is a consistent set of relationships between the Bank, its Board of Directors, the stakeholders and other interest groups. The relationship structure deals with the general framework of the Bank's strategy and the necessary means to achieve its goals. The general framework of corporate governance ensures a fair treatment of all shareholders including minority and foreign shareholders. The Bank also recognizes the rights of all shareholders as stipulated by the law, and assures providing them with all necessary information on the Bank's activities and the commitment of its Board members and their accountability to the Bank and its Shareholders.

The Bank has amended this Code in compliance with the instructions of the Central Bank of Jordan issued in its circular No. 58/2014 "The Corporate Governance Regulations for Banks" and in alignment with its needs and policies. This Code has been approved by the Board of Directors in its meeting of 29/1/2015 and has been amended on 28/1/2016, as on 27/10/2016 this Code was amended in compliance with the requirements of the Amended Corporate Governance Regulations for Banks issued by the Central Bank of Jordan No. 63/2016, and Arab Bank updated its Corporate Governance Code on 30/4/2023 after the issuance of the Corporate Governance Regulations no. (2/2023) issued by Central Bank of Jordan. An updated version has been posted on the Bank's website. It is also available to the public upon request. The Bank discloses its compliance with the Corporate Governance Code in its Annual Report.

Article (2): Definitions

In this Code (and unless the context requires otherwise) the following words and expressions shall have the meanings respectively assigned to them herein below:

- a) Corporate Governance:** The system of rules by which the Bank is directed and controlled and which essentially involves identifying the Bank's corporate objectives and the framework for attaining them, the safe operation of the Bank's business, securing the interests of depositors, shareholders and other stakeholders, and compliance with the Bank's bylaws and internal policies.
- b) Stakeholders:** any person/group/organization that has interest or concern in the Bank such as depositors, shareholders, employees, debtors, customers or competent regulatory authorities.
- c) The Board:** the Board of Directors of the Bank.
- d) An Independent Director:** a member of the Board apart from major shareholders - and who is not under control of any of them - and who has financial or banking qualifications and who satisfies the conditions set out in Article (4/e) of this Code.
- e) An Administrator:** a member of the Board whether in his personal capacity or as a representative of a legal entity, the Chief Executive Officer or any employee in the Bank.
- f) Senior Executive Management:** includes the Chief Executive Officer, Deputies to the Chief Executive Officer, Chief Financial Officer, Chief Operations Officer, Chief Credit Officer, Chief Risk Officer, Head of Group Internal Audit, Head of Treasury, Head of Regulatory Compliance in addition to any other Bank employee who maintains a parallel functional level and an executive authority that is equal to the authority of any of the aforementioned and/or reports directly to the Chief Executive Officer.

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- g) Fit and proper / Suitability:** certain requirements and standards relating to honesty, integrity, reputation, competence and qualifications in accordance with the requirements contained in this Code to be present in those nominated to be members of the bank's board and the Senior Executive Management.
- h) Major Shareholder:** The person holding not less than (5%) of the Bank's share capital whether directly or indirectly.
- i) 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.
- j) External Auditor:** includes the audit office, partners in the audit office, and audit team members.
- k) 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 (or the relevant competent authority in the countries in which the Bank operates) as a civil company to practice the profession in accordance with the legislations in force.
- l) 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.
- m) Audit Team:** The audit 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 outside the scope of the audit services.

Article (3): Composition of the Board

- a) The Board shall be comprised of eleven non-executive members who shall be elected by the General Assembly for a term of four years. The Chairman and Deputy Chairman shall be elected by the members of the Board.
- b) The Board shall have one third of its members as independent with a minimum of four members.
- c) 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.
- d) The diversity and integration of skills and experiences amongst board members shall be taken into account to provide a wide range of visions and viewpoints in line with the size of the Bank, the nature of its activity and strategy.

Article (4): Fit and Proper Criteria of Board Members

- a) The Board of Directors shall approve an effective policy to ensure Suitability of its members provided that the said policy includes the minimum standards, requirements and conditions that a nominated member should fulfil and that such policy be reviewed whenever necessary. Sufficient procedures and controls should also be identified to ensure that all members fulfil those criteria and continue as such.
- b) The Chairman or Board members should meet the following criteria:
1. He/she shall not be less than twenty-five years of age.
 2. He/she shall not be a member of the Board of any other bank in Jordan or its General Manager or employee unless the other bank is a subsidiary of Arab Bank.
 3. He/she shall not be the Bank's lawyer, legal advisor, auditor or a counselor to any other bank inside the Kingdom.
 4. He/she shall hold a bachelor degree, at a minimum, in economics, finance, accounting or business administration or any other similar fields. The Nomination and Remuneration Committee has the right to consider similar fields (such as law and information technology) if coupled with banking business expertise or activities relating thereto in accordance with Paragraph (3/d) of this Code.
 5. He/she shall not be a government employee or employee of any official public institution unless he/she is a representative of that entity.
 6. He/she shall not be a member of the board of directors of more than five public shareholding companies in the Kingdom whether in a personal capacity or as a representative of a legal entity.
 7. He/she shall possess expertise of not less than 5 years in banking, finance, economic or other fields related to banking activities.
 8. He/she does not have any relationship, including kinship up to the third degree, with the Chief Executive Officer of the Bank, and of the first degree, with any other member of the Senior Executive Management.
- c) The Central Bank of Jordan's no- objection 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 entity institution) to the board membership. The Bank shall attached in its no-objection request the Board's decision, the recommendation of the Nomination and Remuneration Committee, which includes its view of the added value that the nominated member will provide for the Board's responsibilities, the declaration and its attachment, the declaration of the Independent Member, the candidate's CV, all academic and experience certificates, no criminal record certificate, and a copy of the identification card (passport for non- Jordanians). The Chairman shall ensure that any critical information that may adversely affect the suitability of any Member thereof and of the representative of the legal entity is disclosed to the Central Bank of Jordan.

- d) The Nomination and Remuneration Committee shall specify the necessary conditions that ensure the independence of the Director, which shall include, at a minimum, the following conditions:
1. He/she shall be a natural person.
 2. He/she has not been employed by the Bank or any of its subsidiaries or worked as a consultant to the Bank or to any of its subsidiaries in the three years preceding the date of his/her nomination.
 2. He/she is not a relative up to the second degree of any of the other members of the Board or any member of board of directors/management committees of the Bank's subsidiaries or any of the Bank's Major Shareholders.
 3. He/she is not a relative of any of the Senior Executive Management members of the Bank or any of the senior executive management members of any of the subsidiaries of the Bank up to the second degree and is not a relative to the Chief Executive Officer up to the third degree.
 4. He/she is not a partner or employee of the External Auditor of the Bank, or has been such a partner or employee during the past three years preceding the date of his/her nomination.
 5. He/she is not a Major Shareholder in the Bank or an associate of a Major Shareholder in the Bank, nor should his shareholding constitute, along with his associate shareholder, a major shareholding, nor is he a major shareholder of one any of the Bank's subsidiaries.
 6. He/she has not been a member of the Board of Directors of the Bank or any of its subsidiaries or their management committee for more than eight combined years for the aforementioned memberships, and if any member has lost his/ her independence pursuant to this item, the Bank has the right to follow a cooling- off period of at least four consecutive years and in the event of having sufficient justifications, obtain the Central Bank of Jordan no-objection to consider him/her as an independent member.
 7. Neither he/she nor his/her spouse or any of his relatives of the first degree, or through any other company in which he/she is a board member or owner or a major shareholder or a senior executive management member, have obtained credit facilities from the Bank in excess of 5% of the Bank's regulatory share capital, nor is a guarantor of a facility in an amount in excess of the said percentage.
- e. The Board shall have the right, if it deems it necessary and for clear and specific justifications, to appoint a consultant, which shall be within the tasks scope consistent with the nature of the consultant's work, and shall not include supervisory or executive tasks in any way, and shall be within a specific timeframe and shall not negatively affect the Board's role of overseeing the Bank's business in line with its responsibilities as stipulated in the legislations, including the Banking Law. The Central Bank of Jordan's no-objection should be obtained for this appointment.

Article (5): The Board of Directors' Responsibilities

First: The Board of Directors shall:-

- a) Oversee the executive management and approve a policy for monitoring and reviewing its performance, to achieve the corporate goals and ensure the soundness of all Bank operations.
- b) Specify the strategic objectives of the Bank, instruct the executive management to set a strategy for achieving those objectives and approve the strategy and such work plans that are compatible therewith.
- c) Ensure the availability of policies, plans and procedures for all the Bank's activities and that such policies, plans and procedures are in compliance with the relevant applicable legislation, are being circulated to all levels of management and are being regularly reviewed.
- d) Identify the Bank's corporate values alongside setting and enforcing clear lines of responsibility and accountability throughout the Bank, as well as establish a corporate culture of high ethical standards and integrity and professional conduct of the Administrators of the Bank.
- e) Bear the ultimate responsibility of carrying out the Central Bank of Jordan's requirements and those of other related regulatory authorities in relation to the Bank's business safeguarding the interests of the Stakeholders, ensuring that the Bank is being operated in accordance with its bylaws and internal policies and that effective supervision over the activities of the Bank, including those outsourced, is always available.
- f) Taking into account Article (9/c) of this Code, the Board, upon the recommendation of the Nomination and Remuneration Committee, shall approve the appointment, resignation or termination of service of the Chief Executive Officer, the Head of the Internal Audit Division and the Heads of the Compliance Division and the Risk Management Division.
- g) Approve and continuously monitor the implementation of a risk management strategy including the Bank's risk tolerance/appetite and ensure that the Bank is not exposed to high risks, that the Board is cognizant of the operational environment and associated risks and that all needed risk management instruments and infrastructure are available and able to identify, measure, analyze, assess and monitor all kinds of risks to which the Bank may be exposed to.
- h) Ensure an adequate and reliable information management system (MIS) covering all the activities of the Bank.
- i) Ensure that the Bank's credit policy includes a corporate governance evaluation for its customers of public shareholding companies whereby the risk is evaluated by weakness and strength points according to their corporate governance level.
- j) Set an environmental and social policy, The policy shall include the Bank's disclosures of the initiatives it conducts in this regard within its annual report and/or sustainability report. Such initiatives shall at least be:

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- Social initiatives in protecting the environment, health and education.
 - Social initiatives to fight poverty and unemployment.
 - Encouragement of micro and medium finance.
 - Participation in initiatives of added economic value to the society.
- k) Adopt sufficient measures to ensure clear separation of powers between Major Shareholders on the one part and the executive management of the Bank on the other.
- l) Approve the Bank's overall Organizational Chart.
- m) Approve the strategies and general policies of the. Approve a corporate governance code at the Group level taking into account the regulations issued in this regard by regulatory authorities in the countries in which the subsidiaries operate.
- n) Determine the banking operations, which require the approval of the Board of Directors while not expanding the scope that require the Board's approval in order not to prejudice the supervisory role of the Board. The Board shall not be granted any executive authorities including granting credit authorities to a single Board Member including the Chairman.
- o) Approve the internal control systems of the Bank.
- p) Ensure the constant independence of the external auditor.
- q) Approve a succession policy and approve a policy for human resources and training.
- r) Set and adopt a code of conduct for the Board of Directors, the Executive Management and the employees and review it annually.
- s) Establish Board Committees and determine their responsibilities.
- t) Appoint the Secretary of the Board, terminate his/her services, determine his/her responsibilities, compensations and remunerations. His/her responsibilities shall include: -

1. Attend all meetings of the Board and accurately record all deliberations, suggestions, objections, reservations, and voting methods on the draft Board resolutions.
2. Set the dates for the Board meetings in coordination with the Chairman.
3. Ensure that all Board members sign the meetings minutes and resolutions.
4. Follow-up on the implementation of the Board resolutions and following up on any topics postponed from previous meetings.
5. Maintain records and documents of board meetings.
6. Ensure that the draft resolutions intended to be issued by the Board are consistent with the applicable legislations.
7. Prepare for the General Assembly meetings.
8. Cooperate with the Board's Committees.
9. Submit the suitability attestations of the Board members to the Central Bank of Jordan.

- u) Enable direct communication between members of the Board of Directors and its Committees with the Senior Executive Management and the Secretary of the Board and facilitate the performance of their responsibilities provided that the members of the Board do not influence the decisions of the Senior Executive Management except through deliberations conducted during the meetings of the Board or its Committees.
- v) Undertake due diligence measures when deciding on any of the issues related to the Bank's business, and observe sound bases in the decisions taken in this regard in a manner that guarantees carrying out its duties at highest levels of professionalism.
- w) Determine the highest limits of the authorities granted to the Credit Committee in relation to granting, adjusting, renewing, restructuring, scheduling, or settling the credit facilities whereby there are clear authorities for the Board.
- x) Approve to exclude direct credit exposures from the financial statement.
- y) Approve to exclude credit exposures covered by 100% impairment provisions and classified as non-performing/ bad facilities that are five years old or more, and have not been excluded from the financial statement. A detailed report of those exposures shall be prepared to include the justifications for not excluding them from the financial statement.

Second: The Chairman of the Board, at a minimum, shall undertake the following responsibilities:-

- a) Encourage a constructive relationship between the Board of Directors and the Bank's Senior Executive Management.
- b) Encourage expression of views on issues discussed in general, and on those that raise different points of view amongst the Members and encourage discussion and voting on such issues.
- c) Encourage thorough discussions of strategic and critical issues by the Board.
- d) Ensure that the Board members are provided with the minutes of previous meetings and are signed, and ensure timely provision of board meetings' agendas provided that the said agendas contain sufficient information about the items that will be discussed in the meeting. The Secretary of the Board shall be responsible for providing the Board members with the documents.
- e) Ensure that there exists a charter that sets out the Board of Directors' mandate and scope of work.
- f) Ensure providing each Board Member, upon his election, with the laws that govern Bank's activities and the instructions of the Central Bank of Jordan including this Corporate Governance Code and a manual outlining the rights, responsibilities and duties of the Member and the duties of the Secretary of the Board.
- g) Ensure providing each member with comprehensive summary of the Bank's activities upon his/her election or request.

- h) Discussing with each new member, and in cooperation with the Bank's Legal Counsel / Head of Legal Affairs Division and the Secretary of the Board, the duties of the Board and in particular issues pertaining to the legal and regulatory requirements to clarify the responsibilities, authorities and other matters regarding the membership including the term of the membership, dates of the meetings, responsibilities of the Committees, the amount of remuneration and the ability to obtain an independent specialized opinion if the need arises.
- i) To accommodate the Board members' needs for continuous enhancement of their knowledge and expertise and to allow new Board members, taking into consideration his/her banking background, to join an orientation program that includes at the minimum:
1. The organizational structure of the Bank, corporate governance and the code of conduct.
 2. The corporate objectives, the Bank's strategic plan and approved policies.
 3. The financial position of the Bank.
 4. The Bank's risk structure and the risk management framework.

Third: Members of the Board of Directors shall:-

- a) Have adequate knowledge of applicable legislation and principles pertaining to the banking industry and the operational environment of the Bank and keep up with major changes in these fields.
- b) Attend Board meetings, Board Committees and the General Assembly meetings.
- c) Dedicate enough time to fulfill his/her duties as a member of the Board of Directors.

Fourth: The Board responsibilities with respect to disclosure and transparency are as follows:-

- a) Develop a specific mechanism to guarantee communication with Stakeholders by disclosing and providing relevant information about the Bank's activities through:
 1. General Assembly meetings.
 2. Annual Report.
 3. Quarterly financial reports which enclose financial data, and the Board's report on the Bank's share trading and its financial status during the year.
 4. The Bank's website.
 5. Shareholders' division.
- b) Make sure to designate part of the Bank's website to clarify shareholders' rights and to encourage them to attend and vote at the General Assembly meetings. The documents of the General Assembly meetings, including the invitation and minutes of meetings shall also be published on the website.
- c) Ensure that all financial and non-financial information that are of interest to the Stakeholders are published at the proper time.

- d) Make sure that the corporate governance code is published on the Bank's website and the annual report shall include a statement to the effect that the Board is liable for the accuracy and completeness of the financial statements of the Bank and all other information in the report in addition to the adequacy of the internal control systems.
- e) Ensure that the Bank's financial disclosures are consistent with the International Financial Reporting Standards (IFRS), International Accounting Standards (IAS), Central Bank of Jordan regulations, and other relevant legislations and also that the executive management is aware of changes and updates on the related International Financial Reporting Standards.
- f) Ensure that the Bank's annual and quarterly reports identify key financial and operational results that enable the shareholders to understand the financial position of the Bank.
- g) Ensure that the annual report includes, at a minimum, the following information:
1. Summary of the organizational chart of the Bank;
 2. Summary of the Board Committees' roles, and any authorities delegated to the Committees;
 3. Useful information to Stakeholders as identified in the Bank's Corporate Governance Code;
 4. Information about each Board member in terms of his/her qualifications, experience, shareholding, whether independent or not, membership in Board Committees, date of appointment, any other board memberships in the boards of other companies and remunerations in all forms obtained from the Bank for the previous year in addition to loans granted to the member by the Bank and any other transaction that undertaken between the Bank on the one part and the member or related parties on the other;
 5. Information on the Risk Management Division, including its structure and nature of its operations and its development;
 6. Number of Board's and Board Committees' meetings and attendance of each member at such meetings;
 7. Names of each board member and senior executives who have resigned during the year;
 8. Summary of the Bank's remuneration policy and full disclosure of all forms of remuneration to the Senior Executive Management individually for the previous year;
 9. A list of shareholders who own 1% or more of the share capital of the Bank, the ultimate beneficiary owner of such shareholdings or any part thereof, in addition to a clarification as to whether the shareholdings are wholly or partially pledged;
 10. Attestations of all Board members confirming that the member did not receive any undeclared benefits from the Bank during his/her tenor, whether personally or for any relative related to him/her for the previous year.

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Article (6): Board and Committees Meetings

- a) The Board shall meet not less than 6 times per year.
- b) With observance to the provisions of Article (7/Second/g/1) of this Code, the quorum for any committee meeting shall not be less than (3) members, including the committee Chairman. It is not permissible to nominate an alternate member in any committee meeting in the absence of any member.
- c) With the observance to the provisions of Article (5/First/t/3) of this Code, the Board members shall have the right to attend its meetings and those of its committees by any means of conferencing (telephone or video) provided that the Chairman and the Board Secretary shall endorse the minutes of the board meeting and its legal quorum and the Committee Chairman and Secretary shall endorse the minutes of the Committee and its legal quorum.
- d) The Senior Executive Management should provide the Members of the Board with the agenda of the meeting and all relevant documents prior to the meetings and the Chairman should ensure that.
- e) Deliberations and proceedings of the meetings of the Board and its Committees shall be fully and accurately noted down along with any reservation that may be voiced by any member. The Bank shall duly and properly keep such minutes.

Article (7): Board Committees

- First:** Board Committees shall be formed by the Board from among its members. The Board shall approve a charter for each committee that includes as a minimum the committee composition, its responsibilities and authorities, frequency and quorum of its meetings, nomination of secretary thereof and defining his/her duties including recording all discussions, suggestions, objections, reservations and methods of voting accurately on the drafted committee decisions. These committees shall periodically submit reports to the Board of Directors. The formation of these Committees shall not exonerate the Board from its responsibilities.
- Second:** The Board shall form the following committees as a minimum, in which a member of the Board of Directors cannot be Chairman of more than one of these Committees (Corporate Governance, Audit, Nomination and Remuneration, Risk Management and Compliance Committees). Moreover, a member of the Board of Directors cannot be a chairman of more than two Board Committees. It is prohibited to delegate the authorities of any Board committee mentioned hereof to any other party, it is also prohibited from forming any committee that has any executive authorities, with the exception of the Credit Committee stipulated in this Code:

a. The Corporate Governance Committee:

1. The Committee shall comprise of, at least, three Board members provided that the majority of the members are independent directors and should include the Chairman of the Board. The Chief Executive Officer may be invited to attend the meetings of the Committee.
2. At the invitation from the Committee's Chairman, the committee shall meet at least twice during the year.
3. Quorum of the meeting shall be deemed legal if attended by three members including the committee Chairman. The Committee members have the right to attend its meetings by any means of conferencing (telephone or video) provided that the Committee Chairman and the Board Secretary shall endorse the minutes of the meeting and the legal quorum.
4. The committee shall take its decisions by a majority of the votes of the attendees, in case the votes are equal, the chairman shall have the casting vote. The votes can be caste by any means of conferencing (telephone or video) when the personal presence of the member is not possible.
5. The Corporate Governance Committee shall undertake the following:
 - a. Oversee the preparation of a corporate governance code and its approval from the Board. This code should be updated whenever necessary.
 - b. Establish written work procedures to implement the regulations for Corporate Governance, review them and evaluate their implementation annually.
 - c. Ensure that the Bank complies with the corporate governance regulations issued by the regulatory authorities.
 - d. Review the regulators' observations regarding the implementation of corporate governance in the Bank and follow up on what has been done in this regard.
 - e. Verify that the observations contained in the report of the Internal Audit Department- or any other relevant party - have been corrected in relation to the Bank's compliance with the corporate governance code.
 - f. Inform the Central Bank of Jordan immediately upon the verification of any violations of the provisions and requirements of these instructions.
 - g. Prepare the corporate governance report and submit it to the Board.

b. The Audit Committee:

1. The Audit Committee shall be comprised of a chairman and two members at least, provided that the chairman and at least another member are independent members and also provided that the chairman of the Committee shall not be the chairman of any other Board Committee. The committee shall not include the Chairman of the Board. The Chief Executive Officer may be invited to attend the meetings of the Committee.
2. The Audit Committee members must have academic qualifications in the fields of accounting, finance or have professional certifications in these two areas. They must also have relevant experience in the fields of accountancy, finance, external audit, internal audit, or banking.
3. The Audit Committee shall meet periodically every three months as a minimum, provided that the number of its meetings is not less than four times per year, and that the minutes of these meetings are duly recorded.
4. The quorum for Audit Committee meeting shall not be less than (3) members, including the committee Chairman. The meeting may be attended by any means of communication (video or telephone) provided that the Chairman and the Secretary shall endorse the minutes of the meeting and the legal quorum.
5. The committee shall take its decisions by a majority of the votes of the attendees, in case the votes are equal, the chairman shall have the casting vote. Votes by video phone communication are allowed when the personal presence of the member is not possible.
6. The Audit Committee shall review the following:
 - a) The scope, results and adequacy of the Bank's internal and external audits.
 - b) Accountancy issues that will have a significant impact on the Bank's financial statements.
 - c) The Bank's internal controls.
7. The Audit Committee shall submit its recommendations to the Board regarding the external auditor's appointment / termination of appointment, remuneration, and other terms of engagement including any other responsibilities that the committee intends to assign him, in addition to assessing the independence of the external auditor.
8. The Committee has the authority to obtain any information from executive management directly or through the Internal Audit Manager, and summon any executive to attend its meetings.
9. The Audit Committee shall meet, at least once a year and separately with each of the Bank's external auditor, the Internal Audit Division Manager and Compliance Manager without the presence of any other member from the Senior Executive Management.

10. The Audit Committee shall review and monitor the procedures that enable employees to confidentially communicate any error in the financial reports or any other observation. The Committee shall ensure proper arrangements to ascertain an independent investigation of that and follow up the results and solving them objectively.
11. The Committee shall evaluate the performance of the Internal Audit Manager and determine his/her remuneration in accordance with the performance appraisal policy approved by the Board.
12. The Committee shall undertake the following:
 - a) Verify the availability of sufficient resources and a sufficient number of qualified human staff for the Internal Audit Division and enrolling them in specialized training programs, including those in the field of corporate governance.
 - b) 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.
 - c) Verify that the Internal Audit staff are not assigned any executive tasks.
 - d) Approve and recommend to the Board of Directors to exclude the credit exposures from the financial statement.
 - e) Annually review the report of the credit exposures which were excluded, evaluate the procedures taken to collect the Bank's rights, review any weaknesses that might have led to the Bank's inability to collect its rights, take necessary measures to address them, and provide the Central Bank of Jordan with those measures.
 - f) The Audit Committee shall review the Internal Audit Department's report regarding the amount of dues owed by related parties and the recommendations regarding them, and provide the Central Bank of Jordan with a copy of the report.
13. The Committee shall ensure that all activities of the Bank are subject to audit -in accordance with the risk- based approach including outsourced activities.
14. The Committee shall verify that the Internal Audit Division 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 of Jordan with a copy thereof.

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c. The Nomination & Remuneration Committee:

1. The Nomination and Remuneration Committee shall be comprised of at least three Board members the majority of whom including its Chairman shall be Independent members. The Chief Executive Officer may be invited to attend the committee's meetings.
2. The Committee shall meet at least twice during the year.
3. The quorum for Nomination and Remuneration Committee meeting shall not be less than (3) members, including the committee Chairman. The meeting may be attended by any means of communication (video or telephone) provided that the Chairman and the Secretary shall endorse the minutes of the meeting and the legal quorum.
4. The committee shall take its decisions by a majority of the votes of the attendees, in case the votes are equal, the chairman shall have the casting vote. Votes by any means of communication (video or telephone) are allowed when the personal presence of the member is not possible.
5. Duties and responsibilities of the Nomination and Remuneration Committee shall be as follows:
 - a) Studying the suitability of qualified candidates for the membership of the Board of Directors taking into consideration the candidates' qualifications and skills and submitting proper recommendation thereon to the Board. In case of re-nomination, the regular attendance of such candidate of Board and committees meetings and active participation in the meetings shall be taken into consideration.
 - b) Identify competency requirements at the Senior Executive Management level and the basis for their selection and recommend to the Board the qualified candidates for appointment in Senior Executive Management jobs.
 - c) Ensuring that Board members attend workshops or seminars related to Banking topics with particular emphasis on Risk management, Corporate Governance and other latest updates in the banking industry.
 - d) Defining and annually reviewing the fulfilment of criteria that designates a member as independent, taking into consideration the minimum conditions stipulated for in the Corporate Governance Code issued by the Bank, putting and periodically reviewing the methodology for examining the conditions of independence. The Central Bank of Jordan shall be provided with any updates on the independence of any of the independent members.

- e) Annually assessing the performance of the Board as whole, and of its individual committees and members, while following the committee's defined and approved assessment basis that is built on an objective assessment standard. The results of this assessment shall be duly reported to the related regulatory authorities. The board members (other than those of the Nomination and Remuneration Committee) shall, on an annual basis, assess the performance of the Nomination and Remuneration Committee and its individual members.
- f) Review the succession plan policy and the policy for human resources and training and monitor their implementation annually.
- g) Providing, upon request, background information and summaries to the members of the Board regarding certain significant matters about the Bank and ensure keeping the members up with material updates in the Banking industry.
- h) Developing Performance Appraisal and Performance Incentives Policies for executives and that such policy are being periodically reviewed. These policies include a mechanism for determining the salaries, the compensation and benefit plan for the Chief Executive Officer and other senior executive managers. The committee does not have the right to delegate this task to the executive management, and this policy shall be approved by the Board.
- i) Creating a clear methodology to ascertain that a member of the Board dedicates adequate time to carry out their duties as a Board member.

d. The Risk Management Committee:

1. The Risk Management Committee shall be comprised of, at least, three Board members, the majority of whom, including the Chairman, should be independent members. The Chief Executive Officer may be invited to attend the meetings of the Committee.
2. The Committee shall meet at least once every three months and whenever necessary.
3. The quorum for Risk Management Committee meeting shall not be less than (3) members, including the Committee Chairman. The meeting may be attended by any means of communication (video or telephone) provided that the Chairman and the Secretary shall endorse the minutes of the meeting and the legal quorum.
4. The Committee shall take its decisions by the majority of the votes of the attendees, in case the votes are equal, the chairman shall have the casting vote. Votes by any means of communication (video or telephone) are allowed when the personal presence of the member is not possible.
5. Duties and responsibilities of the Risk Management Committee shall include:
 - a) Ensuring the availability of a comprehensive risk management strategy for the Bank that includes the type and level of risk appetite for all types of risks and for all of Bank's activities.
 - b) Verifying the availability of policies, frameworks and tools for identifying, measuring, analyzing, assessing and controlling risks while reviewing such on an annual basis to ensure their effectiveness and amending them when necessary.
 - c) 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.
 - d) Ensuring the effectiveness of the risk management division's work procedures and assessing the extent to which the executive management abide by the approved policies and procedures.
 - e) Ensuring the availability of risk management means that help in risk management, including but not limited to:
 - Risk self-assessment and controls and developing risk indicators.
 - Preparing a historical database of losses, identifying the sources of such, and classifying them according to the type of risk.
 - The availability of the necessary equipment, appropriate automated systems and quantitative methods.

- f) Reviewing and approving the organizational structure of the Risk Management Division by the Board, including ensuring the availability of sufficient and qualified resources for the Risk Management Division and enrolling them in specialized training programs.
- g) Assessing the performance of Risk Management Head (Head of Group Risk) and determining his/her remunerations in accordance with the performance appraisal policy approved by the Board, after seeking the opinion of the Chief Executive Officer.
- h) Annual review and approval of credit risk appetite limits for Arab Bank and lending limits authority for the Subsidiaries.
- i) Annual review and approval of group risk appetite for key risks and provide the Board with periodic reports that include any violations of these levels and the procedures taken to address them.
- j) Review the results of the Internal Capital Adequacy Assessment Process (ICAAP).
- k) Review the Recovery Plan.
- l) Oversee/review the performance of credit portfolios.
- m) Ensure that the Risk Management Division is conducting stress testing periodically, participate in adopting the hypotheses, review the results, and take the necessary actions in this regard.
- n) Oversee the development of the database necessary for risk management.
- o) Ensure that there is a business continuity plan and review it periodically.
- p) Ongoing monitoring of developments that might affect the risk profile of the Bank.
- q) Supervising and providing support to the Board of Directors regarding Environmental, Social and Governance (ESG) topics, including approving policies and strategies related to them, reviewing the risks associated with them, and reviewing updates to environmental, social and governance programs.
- r) Review key operational events and fraud incidents, including cyber incidents and the actions taken in this regard.
- s) Verify the implementation of necessary awareness programs, to reinforce the bank's risk culture excellence, including fraud awareness programs for employees at all functional levels and customers.
- t) Review the periodic reports issued by the Risk Management Division, including those related to the Bank's use of artificial intelligence (AI), and ensure compliance with the instructions of the Central Bank of Jordan and the international standards, including risk management reports.

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e. The Compliance Committee:

1. The Compliance Committee shall be comprised of at least three Board Members provided that the majority of the members are independent directors. The Chief Executive Officer may be invited to attend the meetings of the Committee.
2. The Committee shall meet at least once every three months and whenever necessary.
3. The quorum for Compliance Committee meeting shall not be less than (3) members, including the committee Chairman. The meeting may be attended by any means of communication (video or telephone) provided that the Chairman and the Secretary shall endorse the minutes of the meeting and the legal quorum.
4. The committee shall take its decisions by the majority of the votes of the attendees, in case the votes are equal, the chairman shall have the casting vote. Votes by any means of communication (video or telephone) are allowed when the personal presence of the member is not possible.
5. In addition to what is stated in the relevant legislation, the committee undertakes the following roles:
 - a) 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 for the risks of non-compliance.
 - b) Approving the annual plan and reviewing the periodic reports prepared by the Compliance Division, which include non-compliance risks assessment, violations, deficiencies and corrective measures taken.
 - c) 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.
 - d) The Committee shall supervise and monitor the operations of the Compliance Division and ensure that the Bank is in full compliance with the applicable legislations, regulatory requirements and international standards, including the recommendations of the Financial Action Task Force (FATF).
 - e) 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 Chief Executive Officer.
 - f) Ensuring the availability of sufficient resources and qualified human staff for the Compliance Division and enrolling the latter in specialized training programs.

f. The Corporate Strategy Committee:

1. The Corporate Strategy Committee shall be comprised of three Board members at least in addition to the Deputy Chairman of the Board, Chief Executive Officer.
2. The Committee shall meet whenever necessary.
3. The quorum for Corporate Strategy Committee meeting shall not be less than (3) members, including the committee Chairman. The meeting may be attended by any means of communication (video or telephone) provided that the Chairman and the Secretary shall endorse the minutes of the meeting and the legal quorum.
4. The committee shall take its decisions by the majority of the votes of the attendees, in case the votes are equal, the chairman shall have the casting vote. Votes by any means of communication (video or telephone) are allowed when the personal presence of the member is not possible.
5. Duties of the Corporate Strategy Committee shall include:
 - a) Supervising all elements pertaining to the Bank's strategy and ensuring that there is in place general policies for the implementation of the Bank's strategy.
 - b) Approving all strategic decisions and providing direction to the executive management including strategies, action plans and following up on the implementation of strategies.
 - c) Reviewing and approving any new investments such as mergers, acquisitions, penetration of new markets, and disposing of any of the Bank's assets or of its subsidiaries or affiliates.

g. The Credit Committee:

1. The Credit Committee shall be comprised of the Chairman of the Board and four Board members, one of them may be independent and provided that none of them shall be a member of the Audit Committee. The Chief Executive Officer may be invited to attend the meetings of the Committee.
2. The Committee shall meet whenever necessary.
3. The meeting shall be considered legal if attended by at least four members of the Board. The meeting may be attended by any means of communication (video or telephone) provided that the Chairman and the Secretary shall endorse the minutes of the meeting and the legal quorum.
4. The committee takes its decisions by the majority votes of its members. Voting on its decisions is in person, and in the event that personal attendance is not possible, the member can express his/her point of view through video phone communication, and he has the right to vote and sign the minutes of the meeting, provided that this is duly documented.

5. The Board Credit Committee shall approve granting , modifying or renewing or structuring or scheduling or settling loans and credit which amounts exceed those within the authority of the credit committees headed by the CEO upon the recommendation of the credit committees in the Bank and in accordance with the credit policy and credit limitations approved by the Board of Directors.
6. The Credit Committee shall regularly submit to the Board details of the credit facilities approved thereby.

h. The IT Governance Committee:

1. The Information Technology Governance Committee shall be comprised of at least three members of the Board, it is preferable to include in its membership individuals with experience or knowledge in information technology. The Chief Executive Officer may be invited to attend the meetings of the Committee.
2. The IT Governance Committee can invite any of the Bank's executives to attend its meetings to seek their opinion, including those involved in internal audit, members of Senior Executive Management or those involved in external audit.
3. The Committee shall meet at least quarterly, and documented meetings' minutes shall be kept.
4. The quorum for IT Governance Committee meeting shall not be less than (3) members, including the committee Chairman. The meeting may be attended by any means of communication (video or telephone) provided that the Chairman and the Secretary shall endorse the minutes of the meeting and the legal quorum.
5. The committee shall take its decisions by the majority of the votes of the attendees, in case the votes are equal, the chairman shall have the casting vote. Votes by any means of communication (video or telephone) are allowed when the personal presence of the member is not possible.
6. The IT Governance Committee shall carry out its duties according to the IT Governance & Management Manual approved by the Board of Directors.

Article (8): The Executives Management's Responsibilities:

- 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, ensuring 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 the Bank's activities in line with the legislations in force and the strategies/ policies approved by the Board, provided that these procedures are approved by the Chief Executive Officer (except for the supervisory departments since they must be approved by the relevant committee), and to ensure that these procedures are applied.
- c) To prepare the financial statements.
- d) To prepare the general organizational structure of the Bank and get it approved by the Board, and to prepare the sub-organizational structures of all units operating in the Bank and approving them by the Chief Executive Officer, except for the sub-organizational structures of the supervisory departments that are approved by the Board based on the recommendation of the relevant committee, provided that these structures indicate the hierarchical order and reflect the lines of authority and responsibility in a detailed and clear manner. The general organizational structure shall include, 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 audit, in a manner that enables them to carry out their tasks with complete independence without performing any executive activities. These departments are connected to the relevant committee with a solid line and connection to the relevant committee is shown in a dotted line with the Chief Executive Officer.
 4. Units that do not perform 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 performance reports to the Board showing the actual vs budget and explanation of any variances 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 about these matters.
- g) To provide the regulator entity, the external and internal audit and any other relevant entities, at their request,

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with the required information and statements which are necessary to carry out their tasks in an optimal manner.

- h) To prepare the Bank's Code of Conduct, approve it by the Board, and circulate it.
- i) To develop the skills and ethical behavior of the Bank's employees to comply with the latest standards of ethics and code of 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) In addition to the legislations in force, The Chief Executive Officer shall undertake the following:
 1. Develop the strategic direction of the Bank.
 2. Implement the Bank's strategies and policies.
 3. Implement the Board's decisions.
 4. Provide guidance for the implementation of short and long-term action plans.
 5. Establish mechanisms to convey the Bank's vision, mission and strategy to the employees.
 6. Inform the Board of all significant aspects of the Bank's operations.
 7. Manage day-to-day operations of the Bank.
 8. To approve a detailed job description of the tasks of each organizational unit (except for the supervisory departments that must be approved by the relevant committee).

Article (9): Suitability of Senior Executives:

- a) The Board of Directors shall:
 1. Approve a policy that would ensure the suitability of the members of the Senior Executive Management provided that such policy include the minimum criteria, procedures and controls that ought to be met by the members. The policy is to be reviewed by the Board of Directors from time to time and the Board should set out procedures, and adequate controls to ascertain that the criteria is being met by all members of the Senior Executive Management and they continue to be met.
 2. Verify that the Chief Executive Officer enjoys integrity, technical competence and banking experience.
 3. Approve the appointment/ transfer/ promote/ assign, accept the resignation of or terminate the services of any of the Senior Executive Management members.
 4. Approve a succession plan for the Senior Executive Management and review the plan at least once a year.
 5. Ensure that the Central Bank of Jordan is notified of any material information that may adversely affect the suitability of any member of the Senior Executive Management.
- b) The Following conditions should be fulfilled by an appointed senior executive:
 1. Should not be a member of the Board of Directors of any other bank unless the other bank is a subsidiary of Arab Bank's.
 2. Should be dedicated full time to the management of the

Bank's business.

3. Should have, at a minimum, a bachelor degree in economics, finance, accounting or business administration or any other related field.
 4. Should have a minimum of five year experience in banking (mostly in the field of the job for which he is nominated) or a related field, except the Chief Executive Officer which occupant should have a minimum of ten year experience in banking.
 5. Not 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 Chief Executive Officer and to a first degree in the case of any other member of the Senior Executive Management.
- c) A "no objection" letter should be obtained from the Central Bank of Jordan on the resignation or termination of the Chief Executive Officer, the Head of Internal Audit, Head of Risk Management, Head of Compliance. The Central Bank has the right to call upon any of them to inquire about the reasons of resignation or termination of services.
 - d) A "no objection" letter should be obtained from the Central Bank of Jordan prior to the appointment/ transfer/ promote/ assign of any member of the Senior Executive Management, enclosing Board's resolution, the relevant committee's recommendation, the approved general organizational structure, signed attestation of the member, Curriculum Vitae, academic certificates, certificates of expertise, a no-criminal record certificate and a copy of the ID card (passport for non-Jordanians).

Article (10): Conflict of Interests

- a) The Board shall adopt a policy to handle conflict of interests of all forms including those which may arise as a result of inter-group relationships, and the necessary measures shall be approved to ensure the adequacy of the controls and internal oversight to monitor the compliance to this policy and prevent violations thereof. This policy shall include, at a minimum, the following:
 1. Avoid activities that may result in a conflict of the Bank's interest and the interest of any executive in the Bank 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 Bank executive in the Bank 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 executive of the legal entity.
 4. The board member shall prioritize 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 for his/her own personal gain, and shall avoid conflict of interest and disclose to the Board in detail any conflict of interest, if any, the Board Member shall abstain from attending the meeting or participate in the decision taken therein, where such a matter is discussed, and to record this disclosure in the minutes of the meeting of the Board or its committees.
 5. Examples of cases resulting in conflict of interests shall be, provided including conflicts that may arise between the interest of the Board member 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 Group, subsidiaries or affiliates 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 Group.
 7. Determine the nature of transactions with the related counterparties to include all types of transactions without being limited to credit facilities only.
 8. The procedures followed by the Bank when identifying cases of non-compliance with the above policy.

- b) The Board should approve a Code of Conduct that ensures that the Bank conducts its business with high integrity. This Code includes, at a minimum, cases where conflict of interests may arise, and shall verify that it has been circulated to all levels of management within the Bank.
- c) The Internal Audit Division shall conduct a test at least once a year to ensure that all the transactions with related parties have been executed in accordance with the prevailing regulations and the Bank's internal policies and approved procedures. The reports and recommendations shall be submitted to the audit committee. The audit committee shall inform the Central Bank of Jordan upon verification of any violation of the internal policies in this regard.
- d) The Board shall ensure that the Executive Management has high level integrity in conducting its work, avoids conflict of interests and objectively implements the approved policies and procedures.
- e) The Board shall adopt controls for the transfer of information within various departments, that prevent its exploitation for personal gain.

Article (11): Evaluating the performance of the Directors

- a) The Board shall ensure a mechanism to evaluate its performance and that of its committees and members provided that such mechanism shall, at least, include the following:
 1. Identify Key Performance Indicators (KPIs) based on the plans and strategic goals and use them to measure the performance of the Board and its committees.
 2. Communication between the Board and the shareholders and the regularity of such communication.
 3. Regularity of the meetings of the Board of Directors with the senior executive management.
 4. The member's attendance of the Board and committee meetings and their active participation, also comparing his/her performance with that of other Board members. Feedback from the members must be obtained to enhance the evaluation process.
 5. The extent to which the member has developed his knowledge of the banking operation through his/her participation in training programs.
- b) The Board shall annually evaluate the performance of the Chief Executive Officer according to an evaluation system set by the Nomination and Remuneration Committee and approved by the Board, which shall include key performance indicators. The criteria for evaluating the performance of the Chief Executive Officer shall include at a minimum, the administrative and financial operation of the Bank compared to the size of the risks and the achievement of the medium and long term goals and strategies of the Bank. Weighting should be assigned to each item of the evaluation. The Committee shall inform the Central Bank of Jordan of the results of the evaluation.

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- c) The Board shall adopt a system to measure the performance of the Bank's executives who are not members of the Board and Chief Executive Officer. Such system shall take into consideration key performance indicators that vary according to the nature of each department operations and their achievement of their goals. This system should include, at a minimum, the following:
1. To appropriately measure the extent of commitment to the framework of Risk Management, Compliance Department, Internal Controls and Regulatory requirements.
 2. The total revenue and profitability shall not be the sole criteria for performance measurement. Other elements shall be considered to measure the performance of Executives such as, risks associated with core operations and the achievement of every department's goals and its annual plans, in addition, customer satisfaction should be measured when applicable.
- d) The performance of the Internal Audit Department employees shall be evaluated by the Head of Internal Audit, in accordance with the performance evaluation policy approved by the Board.

Article (12): The Remuneration for the Executives

- a) The Board of Directors shall adopt procedures to determine the remuneration of its members, based on the evaluation system, approved thereby.
- b) The Remuneration policy should include the following key points at a minimum:
1. To be structured to attract and retain highly qualified and experienced executives, and to motivate them and promote their performance.
 2. The controls related to the compensation of the Chairman of the Board, its members and committees are provided for the tasks outlined as stipulated in this Code. These compensations may vary based on the evaluation of the Board/ committee/ members and the Bank's solvency and performance.
 3. To be designed to ensure that the Executives are motivated to achieve the Bank's goals without causing high risks that may negatively affect the soundness and reputation of the Bank or expose it to legal risks.
 4. To ensure that remuneration is not based on the performance of the current year only but takes into consideration the medium and long term performance (3-5 years).
 5. A mechanism for deferring a reasonable portion of the bonus (excluding salaries) should be established. Where the proportion and deferral period determined based on the nature of the work, associated risks and the activities of the concerned Executive.
 6. To define the form of the remuneration such as fees, salaries, allowances, bonuses, stock options or any other benefit, provided that the instructions issued by the Central Bank of Jordan in relation to Effective Interest Ownership are considered.

7. A process for clawing back deferred compensation granted to Executives should be established in the event that there are any performance issues or if the Bank is exposed to high risks as a result of the decisions undertake by him/her within his/her authority and could have been avoided.
8. Executives of supervisory departments should not be given remunerations based on the performance of the departments under their oversight.

Article (13): Internal Audit

(1) The Board of Directors shall:

- a) Take the necessary measures to enhance the effectiveness of the Internal Audit by giving the necessary importance to the Internal Audit function and embedding it in the Bank. Ensure and enhance the independence of Internal Auditors, and ensure that they are well positioned in the Bank's organizational hierarchy, equip them with the necessary knowledge, skills and competencies necessary to perform their duties, and their right to access all records, information and to communicate with any executive in the Bank to enable them to perform their duties and prepare their reports without any interference.
- b) Verify that the Internal Audit Department is under the direct supervision of the Audit Committee, and submit its reports directly to the Audit Committee with a copy to the Chief Executive Officer. With the approval of the Chairman of Audit Committee the Chief Executive Officer may assign to the Internal Audit Department additional assurance or advisory tasks, provided that this assignment does not affect the independence of the Internal Audit Department.

(2) The internal audit division shall carry out the following tasks as a minimum:

- a) Verify the adequacy of the internal controls of the Bank's activities and its subsidiaries, to ensure compliance, and review any modifications made to the structure of these systems in addition to documenting them.
- b) Prepare the Internal Audit Charter and have it approved by the Board based on the Audit Committee recommendation. The Charter shall include the duties, authorities and work methodology of the Internal Audit Department.
- c) Prepare an audit plan that comprises the Bank's activities including the activities of other supervisory departments and outsourced activities, based on the level of risk associated with these activities. This plan shall be approved by the Audit Committee.
- d) Review the compliance with the Corporate Governance Code, policies and charters on an annual basis. Prepare a detailed report on this review, and submit it to the Audit Committee with a copy sent to the Corporate Governance Committee.
- e) Review the accuracy and comprehensiveness of the Stress Testing in accordance with the methodology approved by the Board.

- f) Ensure the accuracy of the procedures followed for the Bank's internal capital adequacy assessment (ICAAP).
- g) Auditing the financial and administrative matters.
- h) Monitor violations and observations included in the reports of the Regulatory Authority and the external auditors, also ensure that appropriate controls are in place to prevent their recurrence.
- i) Ensure the presence of necessary procedures for receiving, handling and keeping complaints of the Bank's customers, and the observations related to the accounting system, internal control, auditing processes, and submitting periodic reports thereof.
- j) Keeping the audit reports and work papers, in an organized and secure manner as required by the prevailing regulations, to be reading accessible to the regulatory authority and the external auditor.

Article (14): Risk Management

- a) The Board of Directors shall ensure the independence of the Risk Management Department and grant it necessary authorities to access information from various departments and to cooperate with other committees in order to carry out its duties.
- b) The Board of Directors shall verify the handling of breaches to mitigate acceptable risk exposures, and holding Senior Executive Management accountable these breaches.
- c) The Board of Directors shall verify that the Risk Management Department conducts periodical stress tests to measure the Bank's capacity to absorb shocks and deal with high risks situations. The Board shall also have a key role in approving the assumptions and scenarios used, and discuss the stress tests results and approve the measures to be taken based on the said 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 procedures to manage all types of risks.
 2. Prepare a risk management policies that covers all Bank's operations, setting clear and limits for each type of risk. Ensure that all employees, benchmarks according to their administrative level, are fully informed and aware of this/ these policies, while reviewing them periodically. The Risk Management policies shall be approved by the Board.
 3. Prepare a comprehensive document covering all Bank's acceptable risks and approving it by the board.
 4. Reviewing the Risk Management framework before being approved by the Board.
 5. Developing the internal Capital Adequacy Assessment Process document (ICAAP), review it periodically and ensure its implementation. whereby the document should be comprehensive, capable of identifying all risks considering the Bank's strategic plan and capital plan. The document should be approved by the Board.
 6. Develop methodologies to identify, measure, analyze, assess and monitor all types of risks.

7. Verify the compatibility of the risk measurement methodologies with the applied management information systems.
8. Developing a business continuity plan and approving it by the Board, provided that it is checked periodically.
9. Ensure, prior to launching/ introducing any new (product/ service/ process/ system), that it aligns with the Bank's strategy, and that all risks involved, including operational/ information security/ cyber risks, have been identified. New controls, procedures or amendments should be made in accordance with the Bank's acceptable risk limits.
10. Provide necessary information about the Bank risks for use in the Bank's disclosures.
11. Submitting recommendations to the Risk Management Committee on risk exposures and any exception to the Risk Management Policy.
12. Monitor the compliance of the executive departments at the Bank with the levels of risk acceptable.
13. Reporting to the Board of Directors, through the Risk Management Committee, and with a copy to the Chief Executive Officer, on the actual risk exposures for all the Bank's operations compared to the accepted risk document, and to follow-up on the measures taken to remedy any negative deviations. The executive management has the right to request special reports, as needed, from the Bank's risk management department.

Article (15): Compliance

- a) The Board shall ensure the independence of Compliance Department.
- b) The Board shall approve the responsibilities of the Compliance Department, so that these responsibilities shall include as a minimum:
1. Develop a compliance policy to ensure the Bank's commitment to all relevant regulations, and ensuring that all the employees, each according to their administrative level, are fully informed and familiar with this policy. This policy should be approved by the Board.
 2. Prepare an annual compliance plan, which should be endorsed by the Compliance Committee.
 3. Monitor the compliance of all the administrative levels within the Bank with all regulatory requirements and legislations in force and international standards including the recommendations of the Financial Action Task Force (FATF).
 4. Prepare regular reports that include an assessment for the risks of non-compliance, violations, deficiencies and the corrective measures taken. These reports should be submitted to Compliance Committee with a copy sent to the CEO.

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Article (16): External Audit

- a) The Bank is required to prepare an external audit policy, and have it approved 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 not be 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. Should 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. Should 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 legal 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 from the Jordanian Association of Certified Public Accountants or the internationally acknowledged professional associations 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 of Jordan.
- 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 of Jordan 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 a partner with any member of the Bank's board / senior executive management, or with any member of the Bank's subsidiaries' board/ 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 Senior Executive Management of the Bank or any of its subsidiaries.
 5. The external auditor cannot own, deal with or speculation in 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 the external 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 (17): General Provisions

- a. The Chairman of the Board shall;
1. Send an invitation, well ahead of time, to the Central Bank of Jordan to attend the General Assembly meetings by nominating a representative.
 2. Provide the Central Bank of Jordan with the General Assembly meetings minutes within no more than 5 days since the date of attesting the minutes by the General Companies Controller or its representative.
- b. The Bank shall;
1. Inform the Central Bank of Jordan, 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.
 2. Verify that any major shareholder in the Bank is not related, including kinship up to the third degree, to the CEO and the first degree to any other member of the senior executive management.
 3. Take into account the representation of women in the membership of the Board and in the Senior Executive Management.
 4. Obtain a no-objection letter from the Central Bank of Jordan to nominate any member to the 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 of Jordan to that.
 5. Provide the Central Bank of Jordan with its general organizational structure when making any amendment to it, with a clarification of that amendment.
 6. Provide the Central Bank of Jordan with information on the board members, its committees and members of its Senior Executive Management once an amendment takes place.
 7. Provide the Central Bank of Jordan with information on the Board members, Board of Directors and senior executive managements of its subsidiaries (including the subsidiaries thereof) inside and outside the Kingdom once an amendment takes place.
 8. Provide the Central Bank of Jordan with the declarations of the current members of the Board and the declarations of the current members of the Senior Executive Management.

Governance Report

Arab Bank is one of the leading banks and financial institutions to implement corporate governance. The Bank has established the Audit Committee, the Nomination and Remuneration Committee, the Corporate Governance Committee and the Risk Management Committee also the Corporate Strategy Committee and Credit Committee, and this followed by establishing the other Committees, IT Governance Committee and Compliance Committee. Arab Bank issued its first Corporate Governance Code in 2007 and continued to update this Code in alignment with the Regulations issued by the relevant regulatory authorities; also the Bank regularly makes necessary amendments to the Memorandum & Articles of Association, the internal controls and policies to comply with any legislative amendments related to banking regulations or the Companies Law and the Securities Commission.

Arab Bank put in place the following mechanism and procedures to assure the proper implementation of the Corporate Governance Regulations issued by all regulatory authorities, which is being revised annually:

1. Ensure that there exists an approved corporate governance code prepared in accordance with the Corporate Governance Regulations issued by the Central Bank of Jordan and the Jordan Securities Commission, and ensure that the code is being revised and updated in alignment with the requirement of the regulatory authorities.
2. Ensure that there exist a Charter for the Board of Directors and charters for all committees in alignment with the Regulations.
3. Ensure that there exist written and approved policies for the Bank's various activities in accordance with the Regulations.
4. Ensure that the Board of Directors' meetings and Committees' meetings are held in accordance with the Regulations.
5. Ensure that there exist timetables set for the work of the Board of Directors and committees to ensure that all tasks and responsibilities are carried out according to the instructions.
6. Ensure that the Board of Directors and its respective committees carry out an annual self-assessment prepared according to the Regulations.
7. Ensure that the supervisory departments (Audit, Risk, Compliance) submit their reports to the relevant committees of the Board of Directors.
8. Ensure that the new Board Member is enrolled in an Orientation Program.
9. Ensure timely provisions of the Board and the Committee invitations in addition to the related agenda documents.

In compliance with the Corporate Governance Regulations for Listed Shareholding Companies for the year 2017 issued by the Jordan Securities Commission, this report has been prepared to include the following data:

The names of the members of the Board of Directors of Arab Bank

Name	Position	Independent / Non-Independent	Executive / Non-Executive
Mr. Sabih Taher Darwish Masri Since 27/3/1998	Chairman	Non-Independent	Non-Executive
Mr. Khaled Sabih Taher Masri Since 25/1/2021	Deputy Chairman	Non-Independent	Non-Executive
Ministry of Finance, Saudi Arabia Since 29/4/1966 Represented by Mr. Hisham Mohammed Mahmoud Attar Since 29/3/2018	Member	Non-Independent	Non-Executive
Social Security Corp. Since 20/9/2001 Represented by Mr. Mohammed Adnan Hasan Almadi Since 15/12/2021	Member	Non-Independent	Non-Executive
Mr. Wahbe Abdallah Wahbe Tamari Since 31/3/2006	Member	Non-Independent	Non-Executive
Mr. Omar Monther Ibrahim Fahoum Since 31/3/2022	Member	Independent	Non-Executive
Dr. Nabil Hani Jamil Alqaddumi Since 31/3/2022	Member	Independent	Non-Executive
Mr. Majed Qustandi Elias Sifri Since 31/3/2022	Member	Non-Independent	Non-Executive
Mr. Sharif Mohdi Husni Saifi Since 31/3/2022	Member	Independent	Non-Executive
Mr. Shahm Munib Elias Al-Wir Since 31/3/2022	Member	Independent	Non-Executive
Mrs. Nadia Abdelra'uof Salem Rawabdeh Since 6/1/2025	Member	Independent	Non-Executive

* The Board of Directors of Arab Bank plc was elected by the Ordinary General Assembly of the Bank in its meeting held on 31/3/2022 for four years end in 30/3/2026.

Executive positions in the Bank and the names of the persons who occupy them

Name	Position
Ms. Randa Mohammad Tawfiq El Sadek	Chief Executive Officer
Mr. Mohammed Ahmed Khaled Masri	Deputy CEO - Corporate & Institutional Banking
Mr. Naim Rasim Kamel Al Hussaini	Deputy CEO - Consumer Banking and Wealth Management
Mr. Eric Jacques Modave	Deputy CEO - Chief Operating Officer
Mr. Ziyad Anwar Abdul Rahman Akrouk	EVP - Head of Group Risk Management
Mr. Mohammad Abdel Fattah Hamad Al Ghanamah	EVP - Chief Credit Officer
Mr. Ra'ed Omar Khaled Himmo	EVP - Head of Treasury
Mr. Walid Muhi Eddin Mohammad Al Samhour	EVP - Jordan Country Head
Mr. Firas Jaser Jamil Zayyad	EVP - Chief Financial Officer
Mr. Basem Ali Abdallah Al Imam, Lawyer	Board Secretary - Head of Legal Affairs
Ms. Rabab Jamil Said Abbadi	EVP - Head of Human Resources
Mr. Michael Alexander Matossian	EVP - Chief Compliance Officer
Mr. Fadi Joseph Badih Zoue	EVP - Head of Internal Audit

Memberships of the Board of Directors held by the Member of the Board of Directors (Natural person) in Public Shareholding Companies inside Jordan

Name	Membership in the Boards of Public Shareholding Companies
Mr. Sabih Taher Darwish Masri	Chairman / ZARA Holding Co. (since May 1999).
Mr. Khaled Sabih Taher Masri	- Vice Chairman / Zara Holding (since 2005), and Board Member (since 1994). - Board Member / Jordan Himmeh Mineral Co. (since 2000). - Board Member / Jordan Hotel and Tourism Co. (since 1997).
Mr. Wahbe Abdallah Wahbe Tamari	None
Mr. Omar Monther Ibrahim Fahoum	Board Member / Royal Jordanian (since March 2021).
Dr. Nabil Hani Jamil Alqaddumi	None
Mr. Majed Qustandi Elias Sifri	None
Mr. Sharif Mohdi Husni Saifi	None
Mr. Shahm Munib Elias Al-Wir	Board Member / Siniora Food Industries (since 2013).
Mrs. Nadia Abdelra'uof Salem Rawabdeh	None

The Name of the Corporate Governance Officer in the Bank

- Mrs. Khulud Walid Khaled Eisawi / Head of Secretariat Department - Shareholders Section

Board Committees

- Corporate Governance Committee
- Audit Committee
- Nomination & Remuneration Committee
- Risk Management Committee
- Corporate Strategy Committee
- IT Governance Committee
- Compliance Committee
- Credit Committee

Governance Report

The names of the members of the Audit Committee and their financial and accounting qualifications

Member	Qualifications	Experience
Mr. Omar Monther Ibrahim Fahoum / Chairman	– BA in Business Administration / Accounting (Major Accounting) – University of Texas, Austin 1980 – CPA / Texas State Board of Public Accounting, 1983	– 30 years of experience as a partner in Deloitte & Touche and the last 20 years as CEO of the firm. - Experiences in Deloitte & Touche Middle East: • Chief Executive Officer – Deloitte & Touche Middle East (2001 – 2020) • Member of the Global Board – Deloitte Touche Tohmatsu (2017 – 2019) & (2007 – 2011) • Director of Operations for Saudi Arabia (1998) • Leader of the regional firm's valuation services (1995) • Leader of the firm's Eastern Province business in Saudi Arabia (1995) – Board Member / Royal Jordanian (since March 2021) – Co-founded in YPO / the Jordan chapter (since 1998) and Bahrain chapter (since 2007) – Regional Board Member / INJAZ (since 2007) – Founding Chair of the regional chapter / Club MENA 30% (2015) – Chairman / Amman Academy (2021-2022) – Member of Engineering Academy for Training and Development (EATD) (since 2020) – Member of Al Hussein Society (AHS) (since 2022)
Mr. Mohammed Adnan Hasan Almadi Representative of Social Security Corporation / Member	– Master of Administrative Science/ Finance, University of Jordan 1998 – Bachelor Degree in Accounting, Yarmouk University – Jordan 1992	– Manager of Equity Support Directorate / Social Security Investment Fund. (Oct. 2019 – present) – Manager of Internal Audit Unit / Social Security Investment Fund. (May 2003 – Oct. 2019) – Senior Internal Auditor / Central Bank of Jordan. (Jan. 1994 – May 2003) – Customer Relationship Officer - Arab Bank PLC. (Feb. 1993 – Dec. 1993) – External Auditor / Deloitte & Touche (Sep. 1992 – Feb. 1993) – Previous Board Member and Committees member of several companies, Housing Bank for Trade and Finance, Jordan Kuwait Bank, Capital Bank, The Jordan Petroleum Refinery Company, Daman Investments Company, The Jordan Petroleum Products Marketing Company, The National Jordanian Mineral Oils Industry, The Jordan Real Estate Development Company
Mr. Sharif Mohdi Husni Saifi/ Member	– M.A. Leadership in Development Finance / Frankfurt School of Finance & Management, Germany, 2021 – European Certified Compliance Professional Certification, Frankfurt School of Finance & Management, Germany 2020 – Master in Marine Environmental Protection / University of Wales, Bangor, UK, 1999 – Bachelor of Science in Foreign Service / Georgetown University, Washington DC, 1994	– Deputy Chairman & Deputy General Manager / Masar United Contracting Co. LLC, (since 2001) – Board Member / VTEL Holding Co. LLC, (since 2006) – Board Member / The South Coast Hotel Development Co., (since 1999) – Chairman / Harmattan for Marine Tourism Co., (since 2009) – Chairman / Al Mujtama Real Estate Development Co. LLC (since 2021) – Board Member / Cairo Amman Bank (2010 – Feb. 2022) – CEO / United Garment Manufacturing Co. / Filwa Investment Co. (2000-2004) – Board Member / Accelerator Technology Holdings LLC, (2009-2010) – Board Member / Raya Real Estate Development Co., (2005-2008)

Name of the Chairman and members of the Corporate Governance Committee, Nomination and Remuneration Committee, and Risk Management Committee

Corporate Governance Committee	– Mr. Sabih Taher Darwish Masri / Chairman – Mr. Shahm Munib Elias Al-Wir / Member – Mr. Omar Monther Ibrahim Fahoum / Member – Mrs. Nadia Abdelra'uof Salem Rawabdeh / Member
Nomination and Remuneration Committee	– Dr. Nabil Hani Jamil Alqaddumi / Chairman – Mr. Sabih Taher Darwish Masri / Member – Mr. Omar Monther Ibrahim Fahoum / Member
Risk Management Committee	– Mr. Shahm Munib Elias Al-Wir / Chairman – Social Security Corp. Represented by Mr. Mohammad Adnan Hasan Almadi / Member – Dr. Nabil Hani Jamil Alqaddumi / Member

Governance Report

Number of Board committees meetings held during the year 2025 & the names of the attendees*

	Audit Committee **					Nomination and Remuneration Committee			Corporate Governance Committee		Corporate Strategy Committee ***		Risk Management Committee				IT Governance Committee				Compliance Committee				Credit Committee			
	First	Second	Third	Fourth	Fifth	First	Second	Third	First	Second	First	Second	First	Second	Third	Fourth	First	Second	Third	Fourth	First	Second	Third	Fourth	First	Second	Third	Fourth
Sabih Taher Darwish Masri						✓	✓	✓	✓	✓															✓	✓	✓	✓
Khaled Sabih Taher Masri											✓	✓					✓	✓	✓	✓					✓	✓	✓	✓
Ministry of Finance, Saudi Arabia Represented by Hisham Mohammed Mahmoud Attar											✓	✓									✓	✓	✓	✓	✓	✓	✓	✓
Social Security Corp. Represented by Mohammad Adnan Hasan Almadi	✓	✓	✓	✓	✓								✓	✓	✓	✓												
Wahbe Abdallah Wahbe Tamari											✓	✓													✓	✓	✓	✓
Omar Monther Ibrahim Fahoum	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓																		
Nabil Hani Jamil Alqaddumi						✓	✓	✓			✓	✓	✓	✓	✓	✓												
Majed Qustandi Elias Sifri											✓	✓					✓	✓	✓	✓								
Sharif Mohdi Husni Saifi	✓	✓	✓	✓	✓						✓	✓					✓	✓	✓	✓	✓	✓	✓	✓				
Shahm Munib Elias Al-Wir									✓	✓			✓	✓	✓	✓					✓	✓	✓	✓	✓	✓	✓	✓
Nadia Abdelra'uof Salem Rawabdeh									✓	✓																		

* Roles and responsibilities of the committees are in compliance with the Corporate Governance Code.

** The Bank's external auditors attended all Audit Committee meetings.

*** The Corporate Strategy Committee includes the Chief Executive Officer who attended all committee meetings.

Governance Report

Number of Board meetings & the attendees during 2025

Board of Directors	Meetings of the Board of Directors					
	First	Second	Third	Fourth	Fifth	Sixth
Mr. Sabih Taher Darwish Masri / Chairman	✓	✓	✓	✓	✓	✓
Mr. Khaled Sabih Taher Masri / Deputy Chairman	✓	✓	✓	✓	✓	✓
Ministry of Finance, Saudi Arabia / Member Represented by Mr. Hisham Mohammed Mahmoud Attar	✓	✓	✓	✓	✓	✓
Social Security Corp. / Member Represented by Mr. Mohammad Adnan Hasan Almadi	✓	✓	✓	✓	✓	✓
Mr. Wahbe Abdallah Wahbe Tamari / Member	✓	✓	✓	✓	✓	✓
Mr. Omar Monther Ibrahim Fahoum / Member	✓	✓	✓	✓	✓	✓
Dr. Nabil Hani Jamil Alqaddumi / Member	✓	✓	✓	✓	✓	✓
Mr. Majed Qustandi Elias Sifri / Member	✓	✓	✓	✓	✓	✓
Mr. Sharif Mohdi Husni Saifi / Member	✓	✓	✓	✓	✓	✓
Mr. Shahm Munib Elias Al-Wir / Member	✓	✓	✓	✓	✓	✓
Mrs. Nadia Abdelra'uoof Salem Rawabdeh / Member	✓	✓	✓	✓	✓	✓



Sabih T. Masri
Chairman

Disclosure about Corporate Governance

Arab Bank confirms its commitment to apply all articles of the Corporate Governance Code as approved by the Board of Directors and published on the website.

Arab Bank approved and published the IT Governance Management Manual on its website in line with the regulations of the Central Bank of Jordan and confirms its commitment to apply all articles of the code.

Agenda of the 96th Ordinary General Assembly Meeting

1. Reciting the resolutions of the previous 95th General Assembly Ordinary Meeting.
2. Voting and approval of the report of the Board of Directors for the fiscal year 2025 and the future business plan of the Bank.
3. Voting and approval of the auditors' report for the fiscal year 2025 and voting on the financial statements and balance sheet of the Bank for the fiscal year 2025, and approval of the recommendation of the Board of Directors to pay dividends to shareholders at the rate of JOD 0.400 per share, i.e. 40% of the nominal value of the share being JOD 1.00.
4. Release of the members of the Board of Directors from liability for the fiscal year 2025.
5. Election of the Bank's auditors for the fiscal year 2026 and authorizing the Board of Directors to determine their remuneration.
6. Approval of the General Assembly to the Board of Directors' resolution adopted on 29/1/2026 regarding the appointment of Messrs. Deloitte & Touche to the functions of the audit of Arab Bank plc branches working in Lebanon for three years from 1/1/2026 until 31/12/2028 according to the provisions of Article No. (189) read along with Article No. (186) of the Lebanese Law of Money and Credit.
7. Election of new members of the Board of Directors of Arab Bank plc for the next term of four years as of the date of the elections.

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