

**ARAB BANK GROUP**  
**AMMAN – THE HASHEMITE KINGDOM OF JORDAN**  
**CONSOLIDATED FINANCIAL STATEMENTS**

**FOR THE YEAR ENDED DECEMBER 31, 2025**  
**TOGETHER WITH THE**  
**INDEPENDENT AUDITOR'S REPORT**

**ARAB BANK GROUP**  
**AMMAN - JORDAN**  
**DECEMBER 31, 2025**

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## INDEPENDENT AUDITOR'S REPORT

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
<p><b>1. Expected Credit Losses on Credit Facilities</b></p> <p>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.</p> <p>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.</p> <p>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.</p> <p><b>Collectively assessed ECL</b></p> <p>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.</p> <p>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.</p> <p>The key judgements and estimates in determining ECL include:</p> <ul style="list-style-type: none"> <li>• Modelling approach, judgements, and selection of modelling data;</li> <li>• Credit risk ratings for the Corporate sector direct credit facilities, which are performed on a counterparty basis by credit officers; and</li> <li>• The appropriate allocation of direct credit facilities into the correct staging considering any significant increase in credit risk since instrument inception.</li> </ul>	<p>We obtained an understanding of the process adopted by management to determine the allowance for ECL, including the key controls within this process.</p> <p>We assessed the abovementioned controls to determine if they had been appropriately designed and implemented, including those over:</p> <ul style="list-style-type: none"> <li>• Methodology governance, and model outputs;</li> <li>• The determination of credit risk ratings in the corporate sector;</li> <li>• Collaterals valuation;</li> <li>• Completeness and accuracy of the input data used by the model; and</li> <li>• The application of stage overrides, where applicable.</li> </ul> <p>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:</p> <ul style="list-style-type: none"> <li>• Model estimations, where we:               <ul style="list-style-type: none"> <li>○ Evaluated the methodology, the modelling approach and judgements applied, and estimates made by management;</li> <li>○ 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;</li> <li>○ Read and reviewed the latest model calibration and validation reports, and assessed model limitations where applicable; and</li> </ul> </li> <li>• Allocation of assets into stages, where we:               <ul style="list-style-type: none"> <li>○ 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;</li> <li>○ tested the stage allocation for a sample of exposures; and</li> <li>○ tested the key data used by models in assigning stages and evaluated the model logic used.</li> </ul> </li> </ul>

Key Audit Matter	How our audit addressed the key audit matter
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**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.

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;

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.

<u>Key Audit Matter</u>	<u>How our audit addressed the key audit matter</u>
<ul style="list-style-type: none"> <li>• 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</li> <li>• 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.</li> </ul> <p>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.</p>	<ul style="list-style-type: none"> <li>• We examined certain information used in the financial reporting from relevant applications and key controls over their report logics.</li> <li>• We performed testing on the key automated controls on significant IT systems relevant to business processes.</li> </ul> <p>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.</p>

**Other Matter**

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 Consolidated 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 Shtawi**.

Amman - The Hashemite Kingdom of Jordan

February 8, 2026

  
Deloitte & Touche (M.E.) – Jordan

Deloitte & Touche (M.E.)  
ديلويت أند توش (الشرق الأوسط)  
010105

**ARAB BANK GROUP**  
**CONSOLIDATED STATEMENT OF FINANCIAL POSITION**

	Notes	31 December	
		2025	2024
		USD '000	USD '000
<b>ASSETS</b>			
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
<b>Total Assets</b>		<b>78 187 703</b>	<b>71 230 521</b>
<b>LIABILITIES AND SHAREHOLDERS' EQUITY</b>			
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
<b>Total Liabilities</b>		<b>64 954 701</b>	<b>59 095 622</b>
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
<b>Total Equity Attributable to the Shareholders of the Bank</b>		<b>11 759 972</b>	<b>10 761 535</b>
Perpetual tier 1 capital bonds	33	711 064	711 064
Non-controlling interests	34	761 966	662 300
<b>Total Shareholders' Equity</b>		<b>13 233 002</b>	<b>12 134 899</b>
<b>TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY</b>		<b>78 187 703</b>	<b>71 230 521</b>

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

**ARAB BANK GROUP**

**CONSOLIDATED STATEMENT OF PROFIT OR LOSS**

	Notes	For the year ended 31 December	
		2025	2024
		USD '000	USD '000
<b>REVENUE</b>			
Interest income	35	4 005 207	4 013 607
Less: interest expense	36	1 869 926	1 868 321
<b>Net interest income</b>		<b>2 135 281</b>	<b>2 145 286</b>
Net commission income	37	527 036	453 068
<b>Net interest and commissions income</b>		<b>2 662 317</b>	<b>2 598 354</b>
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
<b>TOTAL INCOME</b>		<b>3 586 023</b>	<b>3 395 007</b>
<b>EXPENSES</b>			
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
<b>TOTAL EXPENSES</b>		<b>2 030 774</b>	<b>1 949 497</b>
<b>PROFIT FOR THE YEAR BEFORE INCOME TAX</b>		<b>1 555 249</b>	<b>1 445 510</b>
Less: Income tax expense	22	424 893	438 420
<b>PROFIT FOR THE YEAR</b>		<b>1 130 356</b>	<b>1 007 090</b>
Attributable to :			
Bank's shareholders		1 083 344	969 126
Non-controlling interests	34	47 012	37 964
<b>Total</b>		<b>1 130 356</b>	<b>1 007 090</b>
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.

**ARAB BANK GROUP**

**CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME**

	<u>2025</u>	<u>2024</u>
	<u>USD '000</u>	<u>USD '000</u>
<b>Profit for the year</b>	<b>1 130 356</b>	<b>1 007 090</b>
 <u>Add: Other comprehensive income items - after tax</u>		
<u>Items that will be subsequently transferred to the consolidated statement of profit or loss</u>		
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
 <u>Items that will not be subsequently transferred to the consolidated statement of profit or loss</u>		
<b>Net change in fair value of financial assets at fair value through other comprehensive income</b>	<b>140 716</b>	<b>( 39 666)</b>
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)
<b>Total Other Comprehensive Income Items - after tax</b>	<b>351 177</b>	<b>( 170 109)</b>
<b>TOTAL COMPREHNSIVE INCOME FOR THE YEAR</b>	<b>1 481 533</b>	<b>836 981</b>
 <u>Attributable to :</u>		
- Bank's shareholders	1 423 121	802 476
- Non-controlling interests	58 412	34 505
<b>Total</b>	<b>1 481 533</b>	<b>836 981</b>

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

**ARAB BANK GROUP**

**CONSOLIDATED STATEMENT OF CHANGES IN SHAREHOLDERS' EQUITY**

Notes	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	
	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	
<b>For the year ended 31 December 2025</b>															
<b>Balance at the Beginning of the year</b>	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	
<b>Total Comprehensive Income for the Year</b>	-	-	-	-	-	-	-	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	33	-	-	-	-	-	-	-	-	-	-	-	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 (associated company)*	33	-	-	-	-	-	-	-	-	(19 990)	(19 990)	-	-	(19 990)	
Adjustments during the year	34	-	-	-	-	-	-	(50 277)	-	42 622	(7 655)	-	(4 424)	(12 079)	
<b>Balance at the End of the Year</b>	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	
<b>For the year ended 31 December 2024</b>															
<b>Balance at the Beginning of the year</b>	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)	
<b>Total Comprehensive Income for the Year</b>	-	-	-	-	-	-	-	(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	
<b>Balance at the End of the Year</b>	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.

**ARAB BANK GROUP**  
**CONSOLIDATED STATEMENT OF CASH FLOWS**

	<u>Notes</u>	<u>2025</u>	<u>2024</u>
		USD '000	USD '000
<b><u>CASH FLOWS FROM OPERATING ACTIVITIES</u></b>			
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
<b>Total</b>		<b>1 457 670</b>	<b>1 524 172</b>
<u>(Increase) decrease in assets:</u>			
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
<u>Increase (decrease) in liabilities:</u>			
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
<b>Net Cash flows from Operating Activities before Income Tax</b>		<b>3 053 334</b>	<b>1 709 743</b>
Income tax paid	22	( 420 312)	( 372 382)
<b>Net Cash Flows from Operating Activities</b>		<b>2 633 022</b>	<b>1 337 361</b>
<b><u>CASH FLOWS FROM INVESTING ACTIVITIES</u></b>			
(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)
<b>Net Cash Flows (used in) from Investing Activities</b>		<b>(1 466 773)</b>	<b>(1 763 940)</b>
<b><u>CASH FLOWS FROM FINANCING ACTIVITIES</u></b>			
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)	-
<b>Net Cash Flows (used in) Financing Activities</b>		<b>( 206 986)</b>	<b>( 273 720)</b>
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
<b>Cash and Cash Equivalent at the End of the Year</b>	58	<b>14 843 705</b>	<b>13 681 641</b>
<b>Operational cash flows from interest</b>			
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.

**ARAB BANK GROUP**  
**NOTES TO THE CONSOLIDATED**  
**FINANCIAL STATEMENTS**  
**DECEMBER 31, 2025**

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**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 and the Central Bank of Jordan.

**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 Brokerage	Jordan	JD 50m
Al-Arabi Investment Group L.L.C.	100.00	100.00	1996	and Financial Services	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.

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 acquiree.

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 acquiree 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.

## **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').
- 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 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.

#### *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 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 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	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 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.

#### 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 forbore 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 forbore 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 forbore 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.

### **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 recorded 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 recorded 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 recorded 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.

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.

The financial statements of the associates are prepared for the same reporting period as the Group. When necessary, adjustments are made to bring the accounting policies in line with those of the Group.

### **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.

### **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.

**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.

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.

## 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:

2025					
Notes	Stage 1	Stage 2	Stage 3	Total	
	USD '000	USD '000	USD '000	USD '000	
Balances with central banks	7	72 292	33 103	-	<b>105 395</b>
Balances with banks and financial institutions	8	( 462)	-	-	<b>( 462)</b>
Deposits with banks and financial institutions	9	113	-	-	<b>113</b>
Financial Assets at Fair Value through Other Comprehensive Income	11	337	-	-	<b>337</b>
Direct credit facilities at amortized cost	12	91 352	40 679	173 370	<b>305 401</b>
Other Financial Assets at Amortized Cost	13	( 1 849)	( 114)	-	<b>( 1 963)</b>
Indirect Credit facilities	24	( 1 278)	6 836	8 774	<b>14 332</b>
<b>Total</b>		<b>160 505</b>	<b>80 504</b>	<b>182 144</b>	<b>423 153</b>

  

2024					
Notes	Stage 1	Stage 2	Stage 3	Total	
	USD '000	USD '000	USD '000	USD '000	
Balances with central banks	7	1 316	68 600	-	<b>69 916</b>
Balances with banks and financial institutions	8	18	-	-	<b>18</b>
Deposits with banks and financial institutions	9	( 42)	-	-	<b>( 42)</b>
Financial Assets at Fair Value through Other Comprehensive Income	11	( 108)	-	-	<b>( 108)</b>
Direct credit facilities at amortized cost	12	124 773	221 090	89 292	<b>435 155</b>
Other Financial Assets at Amortized Cost	13	( 9 064)	260	-	<b>( 8 804)</b>
Indirect Credit facilities	24	( 9 121)	1 906	1 810	<b>( 5 405)</b>
<b>Total</b>		<b>107 772</b>	<b>291 856</b>	<b>91 102</b>	<b>490 730</b>

## 7. Cash and Balances with Central Banks

The details of this item are as follows:

	31 December	
	2025	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
<b>Total Balances with Central Banks</b>	<b>12 374 427</b>	<b>12 438 955</b>
<b>Total Cash and Balances with Central Banks</b>	<b>13 973 903</b>	<b>13 555 124</b>
Less: Net ECL Charges	( 573 700)	( 468 399)
<b>Net Cash and Balances with Central Banks</b>	<b>13 400 203</b>	<b>13 086 725</b>

- 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:

Credit Rating Categories:	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
<b>Total</b>	<b>11 514 107</b>	<b>860 320</b>	<b>-</b>	<b>12 374 427</b>	<b>12 438 955</b>

-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
	USD '000	USD '000	USD '000	USD '000	USD '000
<b>Balance at the beginning of the year</b>	<b>11 570 399</b>	<b>868 556</b>	<b>-</b>	<b>12 438 955</b>	<b>12 790 213</b>
New balances	653 725	31 124	-	684 849	471 346
Repaid balances	( 879 153)	-	-	( 879 153)	( 690 708)
Translation Adjustments	169 136	( 39 360)	-	129 776	( 131 896)
<b>Balance at the end of the year</b>	<b>11 514 107</b>	<b>860 320</b>	<b>-</b>	<b>12 374 427</b>	<b>12 438 955</b>

The movement of ECL charges on balances with central banks is as follows:

	31 December 2025				31 December 2024
	Stage 1 individual	Stage 2 individual	Stage 3	Total	Total
	USD '000	USD '000	USD '000	USD '000	USD '000
<b>Balance at the beginning of the year</b>	<b>3 137</b>	<b>465 262</b>	<b>-</b>	<b>468 399</b>	<b>350 436</b>
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
<b>Balance at the end of the year</b>	<b>75 335</b>	<b>498 365</b>	<b>-</b>	<b>573 700</b>	<b>468 399</b>

## 8. Balances with Banks and Financial Institutions

The details of this item are as follows:

### Local banks and financial institutions

	31 December	
	2025	2024
	USD '000	USD '000
Current accounts	4 715	2 590
Time deposits maturing within 3 months	408 758	282 148
<b>Total</b>	<b>413 473</b>	<b>284 738</b>

### Abroad Banks and financial institutions

	31 December	
	2025	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
<b>Total</b>	<b>4 462 488</b>	<b>3 466 456</b>
<b>Total Balances with Banks and Financial Institutions</b>	<b>4 875 961</b>	<b>3 751 194</b>
<b>Less: Net ECL Charges</b>	<b>( 2 578)</b>	<b>( 2 806)</b>
<b>Net balances with Banks and Financial Institutions Local and Abroad</b>	<b>4 873 383</b>	<b>3 748 388</b>

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:

Credit Rating Categories:	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
<b>Total</b>	<b>4 875 961</b>	<b>-</b>	<b>-</b>	<b>4 875 961</b>	<b>3 751 194</b>

-Probability of default at low risk 0.0% - 0.22%

-Probability of default at acceptable risk 0.22% - 5.8%

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
<b>Balance at the beginning of the year</b>	<b>3 751 194</b>	<b>-</b>	<b>-</b>	<b>3 751 194</b>	<b>4 207 423</b>
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)
<b>Balance at the end of the year</b>	<b>4 875 961</b>	<b>-</b>	<b>-</b>	<b>4 875 961</b>	<b>3 751 194</b>

The movement of ECL 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
<b>Balance at the beginning of the year</b>	<b>2 806</b>	<b>-</b>	<b>-</b>	<b>2 806</b>	<b>2 943</b>
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)
<b>Balance at the end of the year</b>	<b>2 578</b>	<b>-</b>	<b>-</b>	<b>2 578</b>	<b>2 806</b>

## 9. Deposits with Banks and Financial Institutions

The details of this item are as follows:

	31 December	
	2025	2024
	USD '000	USD '000
<b>Local banks and financial institutions</b>		
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
<b>Total</b>	<b>2 000</b>	<b>81 974</b>
<b>Abroad banks and financial institutions</b>		
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
<b>Total</b>	<b>136 665</b>	<b>177 659</b>
<b>Total Deposits with Banks and Financial Institutions</b>	<b>138 665</b>	<b>259 633</b>
Less: Net ECL Charges	( 1 005)	( 801)
<b>Net Deposits with banks and financial institutions Local and Abroad</b>	<b>137 660</b>	<b>258 832</b>

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
<b>Credit Rating Categories:</b>					
Low risk / performing (1-2)	114 548	-	-	114 548	249 522
Acceptable risk / performing (3-7)	24 117	-	-	24 117	10 111
<b>Total</b>	<b>138 665</b>	<b>-</b>	<b>-</b>	<b>138 665</b>	<b>259 633</b>

-Probability of default at low risk 0.0% - 0.22%

-Probability of default at acceptable risk 0.22% - 5.8%

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
<b>Balance at the beginning of the year</b>	<b>259 633</b>	<b>-</b>	<b>-</b>	<b>259 633</b>	<b>274 698</b>
New balances	3 980	-	-	3 980	68 473
Repaid balances	( 148 121)	-	-	( 148 121)	( 73 690)
Translation Adjustments	23 173	-	-	23 173	( 9 848)
<b>Balance at the end of the year</b>	<b>138 665</b>	<b>-</b>	<b>-</b>	<b>138 665</b>	<b>259 633</b>

The movement of ECL 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
<b>Balance at the beginning of the year</b>	<b>801</b>	<b>-</b>	<b>-</b>	<b>801</b>	<b>891</b>
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)
<b>Balance at the end of the year</b>	<b>1 005</b>	<b>-</b>	<b>-</b>	<b>1 005</b>	<b>801</b>

## 10. Financial Assets at Fair Value through Profit or Loss

The details of this item are as follows:

	31 December	
	2025	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
<b>Total</b>	<b>85 352</b>	<b>74 222</b>

	31 December 2025		
	Designated as FV	Carried Mandatorily at FV	Total
	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
<b>Total</b>	<b>33 761</b>	<b>51 591</b>	<b>85 352</b>

	31 December 2024		
	Designated as FV	Carried Mandatorily at FV	Total
	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
<b>Total</b>	<b>41 676</b>	<b>32 546</b>	<b>74 222</b>

## 11. Financial Assets at Fair Value through Other Comprehensive Income

The details of this item are as follows:

	31 December	
	2025	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
<b>Total Financial Assets at Fair Value through Other Comprehensive Income</b>	<b>1 504 230</b>	<b>1 082 527</b>
Less: Net ECL Charges	( 771)	( 435)
<b>Net Financial Assets at Fair Value through Other Comprehensive Income</b>	<b>1 503 459</b>	<b>1 082 092</b>

\* 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
<b>Credit Rating Categories:</b>					
Low risk / performing (1-2)	725 873	-	-	725 873	507 350
Acceptable risk / performing (3-7)	299 801	-	-	299 801	186 706
<b>Total</b>	<b>1 025 674</b>	<b>-</b>	<b>-</b>	<b>1 025 674</b>	<b>694 056</b>

-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
<b>Balance at the beginning of the year</b>	<b>694 056</b>	-	-	<b>694 056</b>	<b>410 483</b>
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)
<b>Balance at the end of the year</b>	<b>1 025 674</b>	<b>-</b>	<b>-</b>	<b>1 025 674</b>	<b>694 056</b>

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
<b>Balance at the beginning of the year</b>	<b>435</b>	-	-	<b>435</b>	<b>544</b>
New ECL charges during the year	337	-	-	337	61
Recoveries	-	-	-	-	( 169)
Translation Adjustments	( 1)	-	-	( 1)	( 1)
<b>Balance at the end of the year</b>	<b>771</b>	<b>-</b>	<b>-</b>	<b>771</b>	<b>435</b>

	31 December 2025		
	Designated as FV	Carried Mandatorily at FV	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)
<b>Total</b>	<b>1 024 903</b>	<b>478 556</b>	<b>1 503 459</b>

	31 December 2024		
	Designated as FV	Carried Mandatorily at FV	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)
<b>Total</b>	<b>693 621</b>	<b>388 471</b>	<b>1 082 092</b>

## 12. Direct Credit Facilities at Amortized Cost

The details of this item are as follows:

	31 December 2025					
	Consumer Banking	Corporates		Banks and Financial Institutions	Government and Public Sector	Total
	USD '000	Small and Medium	Large	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
<b>Total</b>	<b>12 268 216</b>	<b>4 633 696</b>	<b>20 020 719</b>	<b>468 794</b>	<b>3 814 976</b>	<b>41 206 401</b>
<u>Less: Interest and commission in suspense</u>	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
<b>Total</b>	<b>487 518</b>	<b>633 371</b>	<b>2 496 458</b>	<b>3 664</b>	<b>106 116</b>	<b>3 727 127</b>
<b>Net Direct Credit Facilities at Amortized Cost</b>	<b>11 780 698</b>	<b>4 000 325</b>	<b>17 524 261</b>	<b>465 130</b>	<b>3 708 860</b>	<b>37 479 274</b>

\* 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.

	<b>31 December 2024</b>					
	<b>Consumer Banking</b>	<b>Corporates</b>		<b>Banks and Financial Institutions</b>	<b>Government and Public Sector</b>	<b>Total</b>
	<b>USD '000</b>	<b>Small and Medium</b>	<b>Large</b>	<b>USD '000</b>	<b>USD '000</b>	<b>USD '000</b>
Discounted bills *	32 541	74 669	605 276	392 584	32 136	<b>1 137 206</b>
Overdrafts *	161 030	1 401 622	2 978 965	4 763	285 493	<b>4 831 873</b>
Loans and advances *	5 596 435	2 421 837	15 078 912	67 409	3 223 844	<b>26 388 437</b>
Real-estate loans	4 765 331	509 462	325 468	-	-	<b>5 600 261</b>
Credit cards	333 984	-	-	-	-	<b>333 984</b>
<b>Total</b>	<b>10 889 321</b>	<b>4 407 590</b>	<b>18 988 621</b>	<b>464 756</b>	<b>3 541 473</b>	<b>38 291 761</b>
<u>Less: Interest and commission in suspense</u>	133 469	147 192	543 870	262	-	<b>824 793</b>
Provision for impairment - ECL	372 504	511 208	2 177 860	3 466	18 595	<b>3 083 633</b>
<b>Total</b>	<b>505 973</b>	<b>658 400</b>	<b>2 721 730</b>	<b>3 728</b>	<b>18 595</b>	<b>3 908 426</b>
<b>Net Direct Credit Facilities at Amortized Cost</b>	<b>10 383 348</b>	<b>3 749 190</b>	<b>16 266 891</b>	<b>461 028</b>	<b>3 522 878</b>	<b>34 383 335</b>

\* 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 - ECL are as follows:

31 December 2025						
	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	
<b>Balance at the beginning of the year</b>	<b>372 504</b>	<b>511 208</b>	<b>2 177 860</b>	<b>3 466</b>	<b>18 595</b>	<b>3 083 633</b>
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
<b>Balance at the End of the Year</b>	<b>400 136</b>	<b>552 840</b>	<b>2 040 160</b>	<b>3 613</b>	<b>106 116</b>	<b>3 102 865</b>

31 December 2024						
	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	
<b>Balance at the beginning of the year</b>	<b>274 161</b>	<b>416 169</b>	<b>2 288 380</b>	<b>3 399</b>	<b>23 046</b>	<b>3 005 155</b>
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)
<b>Balance at the End of the Year</b>	<b>372 504</b>	<b>511 208</b>	<b>2 177 860</b>	<b>3 466</b>	<b>18 595</b>	<b>3 083 633</b>

- 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 ECL (Excluding Consumer banking):

31 December 2025								
	Financial Assets		Corporates		Banks and Financial Institutions	Government and Public Sector	Items off statement of financial position	Total
	Due from Banks	Bonds	Large Corporates	Small and Medium Corporates				
	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	<b>3 178 347</b>
Baseline (45%)	560 027	40 939	1 951 187	534 528	3 532	92 654	119 649	<b>3 302 516</b>
Downside (35%)	618 386	66 421	2 248 557	595 567	3 799	136 097	130 211	<b>3 799 038</b>

31 December 2024								
	Financial Assets		Corporates		Banks and Financial Institutions	Government and Public Sector	Items off statement of financial position	Total
	Due from Banks	Bonds	Large Corporates	Small and Medium Corporates				
	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	<b>3 085 472</b>
Baseline (45%)	457 897	41 756	2 084 937	494 275	3 388	14 491	105 931	<b>3 202 675</b>
Downside (35%)	505 613	67 747	2 395 509	550 717	3 644	27 735	115 282	<b>3 666 247</b>

The following tables outline the impact of multiple scenarios on the ECL (Consumer banking):

	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 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 as follows:
	Consumer Banking	Corporates		Banks and Financial Institutions	Government and Public Sector	Total	
		Small and Medium	Large				
	USD '000	USD '000	USD '000	USD '000	USD '000	USD '000	
<b>Balance at the beginning of the year</b>	<b>133 469</b>	<b>147 192</b>	<b>543 870</b>	<b>262</b>	<b>-</b>	<b>824 793</b>	<b>38 154</b>
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)
<b>Balance at the End of the Year</b>	<b>87 382</b>	<b>80 531</b>	<b>456 298</b>	<b>51</b>	<b>-</b>	<b>624 262</b>	<b>29 305</b>

	31 December 2024						The total includes interest and commission in suspense movement on real - estates loans as follows:
	Consumer Banking	Corporates		Banks and Financial Institutions	Government and Public Sector	Total	
		Small and Medium	Large				
	USD '000	USD '000	USD '000	USD '000	USD '000	USD '000	
<b>Balance at the beginning of the year</b>	<b>120 716</b>	<b>149 872</b>	<b>645 656</b>	<b>50</b>	<b>-</b>	<b>916 294</b>	<b>33 959</b>
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)
<b>Balance at the End of the Year</b>	<b>133 469</b>	<b>147 192</b>	<b>543 870</b>	<b>262</b>	<b>-</b>	<b>824 793</b>	<b>38 154</b>

Classification of direct credit facilities at amortized cost based on the geographical and economic sectors as follows:

Economic Sector	Inside Jordan		Outside Jordan		ECL	
	31 December 2025	31 December 2024	31 December 2025	31 December 2024	31 December 2025	31 December 2024
	USD '000	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	
<b>Net Direct Credit Facilities at amortized Cost</b>	<b>9 449 291</b>	<b>28 029 983</b>	<b>37 479 274</b>	<b>34 383 335</b>	<b>3 102 865</b>	

## 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:

	31 December 2025						31 December 2024	
	Stage 1		Stage 2		Stage 3	Total		Total
	Individual	Collective	Individual	Collective	Individual	Individual	Collective	
	USD '000	USD '000	USD '000	USD '000	USD '000	USD '000	USD '000	USD '000
<b>Credit Rating Categories:</b>								
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
<b>Non-performing:</b>								
- Substandard	-	-	-	-	186 807	186 807	-	211 665
- Doubtful	-	-	-	-	322 794	322 794	-	334 357
- Problematic	-	-	-	-	1 979 335	1 979 335	-	2 241 322
<b>Total</b>	<b>22 810 339</b>	<b>11 277 928</b>	<b>4 046 902</b>	<b>582 296</b>	<b>2 488 936</b>	<b>29 346 177</b>	<b>11 860 224</b>	<b>38 291 761</b>

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	Collective	Individual	Collective	Individual	Individual	Collective	
	USD '000	USD '000	USD '000	USD '000	USD '000	USD '000	USD '000	USD '000
<b>Balance at the beginning of the year</b>	<b>21 124 347</b>	<b>9 857 574</b>	<b>3 938 726</b>	<b>583 770</b>	<b>2 787 344</b>	<b>27 850 417</b>	<b>10 441 344</b>	<b>37 079 697</b>
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)
<b>Total</b>	<b>22 810 339</b>	<b>11 277 928</b>	<b>4 046 902</b>	<b>582 296</b>	<b>2 488 936</b>	<b>29 346 177</b>	<b>11 860 224</b>	<b>38 291 761</b>

The movement of ECL charges 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	Collective	Individual	Collective	Individual	Individual	Collective	
	USD '000	USD '000	USD '000	USD '000	USD '000	USD '000	USD '000	USD '000
<b>Balance at the beginning of the year</b>	<b>311 905</b>	<b>54 665</b>	<b>789 986</b>	<b>76 706</b>	<b>1 850 371</b>	<b>2 952 262</b>	<b>131 371</b>	<b>3 005 155</b>
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)
<b>Total</b>	<b>365 559</b>	<b>63 147</b>	<b>745 208</b>	<b>86 144</b>	<b>1 842 807</b>	<b>2 953 574</b>	<b>149 291</b>	<b>3 083 633</b>

**Direct Credit Facilities at Amortized Cost - Consumer Banking**

The following is the distribution of credit exposures for direct credit facilities at amortized cost - CB 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
<b>Credit Rating Categories:</b>					
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
<b>Non-performing:</b>					
- Substandard	-	-	51 205	51 205	41 916
- Doubtful	-	-	48 808	48 808	35 980
- Problematic	-	-	307 979	307 979	370 081
<b>Total</b>	<b>11 277 928</b>	<b>582 296</b>	<b>407 992</b>	<b>12 268 216</b>	<b>10 889 321</b>

-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
	USD '000	USD '000	USD '000	USD '000	USD '000
<b>Balance at the beginning of the year</b>	<b>9 857 574</b>	<b>583 770</b>	<b>447 977</b>	<b>10 889 321</b>	<b>10 511 436</b>
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)
<b>Total</b>	<b>11 277 928</b>	<b>582 296</b>	<b>407 992</b>	<b>12 268 216</b>	<b>10 889 321</b>

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	Stage 2	Stage 3	Total	Total
	USD '000	USD '000	USD '000	USD '000	USD '000
<b>Balance at the beginning of the year</b>	<b>54 665</b>	<b>76 706</b>	<b>241 133</b>	<b>372 504</b>	<b>274 161</b>
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)
<b>Total</b>	<b>63 147</b>	<b>86 144</b>	<b>250 845</b>	<b>400 136</b>	<b>372 504</b>

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
	USD '000	USD '000	USD '000	USD '000	USD '000
<b>Credit Rating Categories:</b>					
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
<b>Non-performing :</b>					
- Substandard	-	-	34 012	34 012	33 510
- Doubtful	-	-	93 847	93 847	84 177
- Problematic	-	-	375 685	375 685	418 399
<b>Total</b>	<b>3 608 444</b>	<b>521 708</b>	<b>503 544</b>	<b>4 633 696</b>	<b>4 407 590</b>

-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
	USD '000	USD '000	USD '000	USD '000	USD '000
<b>Balance at the beginning of the year</b>	<b>3 277 809</b>	<b>593 695</b>	<b>536 086</b>	<b>4 407 590</b>	<b>4 103 716</b>
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)
<b>Total</b>	<b>3 608 444</b>	<b>521 708</b>	<b>503 544</b>	<b>4 633 696</b>	<b>4 407 590</b>

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	Stage 2	Stage 3	Total	Total
	USD '000	USD '000	USD '000	USD '000	USD '000
<b>Balance at the beginning of the year</b>	<b>19 578</b>	<b>120 985</b>	<b>370 645</b>	<b>511 208</b>	<b>416 169</b>
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)
<b>Total</b>	<b>28 034</b>	<b>109 188</b>	<b>415 618</b>	<b>552 840</b>	<b>511 208</b>

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
	USD '000	USD '000	USD '000	USD '000	USD '000
<b>Credit Rating Categories:</b>					
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
<b>Non-performing :</b>					
- Substandard	-	-	101 590	101 590	136 239
- Doubtful	-	-	180 139	180 139	214 200
- Problematic	-	-	1 292 269	1 292 269	1 449 573
<b>Total</b>	<b>15 771 723</b>	<b>2 674 998</b>	<b>1 573 998</b>	<b>20 020 719</b>	<b>18 988 621</b>

-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
	USD '000	USD '000	USD '000	USD '000	USD '000
<b>Balance at the beginning of the year</b>	<b>14 070 279</b>	<b>3 118 330</b>	<b>1 800 012</b>	<b>18 988 621</b>	<b>18 995 178</b>
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)
<b>Total</b>	<b>15 771 723</b>	<b>2 674 998</b>	<b>1 573 998</b>	<b>20 020 719</b>	<b>18 988 621</b>

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	Stage 2	Stage 3	Total	Total
	USD '000	USD '000	USD '000	USD '000	USD '000
<b>Balance at the beginning of the year</b>	<b>284 333</b>	<b>658 076</b>	<b>1 235 451</b>	<b>2 177 860</b>	<b>2 288 380</b>
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)
<b>Total</b>	<b>327 765</b>	<b>539 258</b>	<b>1 173 137</b>	<b>2 040 160</b>	<b>2 177 860</b>

**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 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
<b>Credit Rating Categories:</b>					
Low risk / performing	214 534	-	-	214 534	215 800
Acceptable risk / performing	240 877	10 266	-	251 143	245 974
<b>Non-performing:</b>					
- Problematic	-	-	3 117	3 117	2 982
<b>Total</b>	<b>455 411</b>	<b>10 266</b>	<b>3 117</b>	<b>468 794</b>	<b>464 756</b>

- 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
	USD '000	USD '000	USD '000	USD '000	USD '000
<b>Balance at the beginning of the year</b>	<b>451 537</b>	<b>10 237</b>	<b>2 982</b>	<b>464 756</b>	<b>261 619</b>
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)
<b>Total</b>	<b>455 411</b>	<b>10 266</b>	<b>3 117</b>	<b>468 794</b>	<b>464 756</b>

The movement of ECL charges 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
	USD '000	USD '000	USD '000	USD '000	USD '000
<b>Balance at the beginning of the year</b>	<b>525</b>	<b>10</b>	<b>2 931</b>	<b>3 466</b>	<b>3 399</b>
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)
<b>Total</b>	<b>546</b>	<b>3</b>	<b>3 064</b>	<b>3 613</b>	<b>3 466</b>

**Direct Credit Facilities at Amortized Cost - Government & Public Sector**

The following is the distribution of credit exposures for direct credit facilities at amortized - Gov.& PS 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
<b>Credit Rating Categories:</b>					
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
<b>Non-performing :</b>					
- Problematic	-	-	285	285	287
<b>Total</b>	<b>2 974 761</b>	<b>839 930</b>	<b>285</b>	<b>3 814 976</b>	<b>3 541 473</b>

-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
	USD '000	USD '000	USD '000	USD '000	USD '000
<b>Balance at the beginning of the year</b>	<b>3 324 722</b>	<b>216 464</b>	<b>287</b>	<b>3 541 473</b>	<b>3 207 748</b>
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)
<b>Total</b>	<b>2 974 761</b>	<b>839 930</b>	<b>285</b>	<b>3 814 976</b>	<b>3 541 473</b>

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	Stage 2	Stage 3	Total	Total
	USD '000	USD '000	USD '000	USD '000	USD '000
<b>Balance at the beginning of the year</b>	<b>7 469</b>	<b>10 915</b>	<b>211</b>	<b>18 595</b>	<b>23 046</b>
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)
<b>Total</b>	<b>9 214</b>	<b>96 759</b>	<b>143</b>	<b>106 116</b>	<b>18 595</b>

Direct Credit Facilities at Amortized Cost - Real Estate

The following is the distribution of credit exposures for direct credit facilities at amortized cost - RE 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
<b>Credit Rating Categories:</b>					
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
<b>Non-performing:</b>					
- Substandard	-	-	22 036	22 036	19 266
- Doubtful	-	-	19 278	19 278	19 891
- Problematic	-	-	125 074	125 074	120 837
<b>Total</b>	<b>6 095 198</b>	<b>415 896</b>	<b>166 388</b>	<b>6 677 482</b>	<b>5 600 261</b>

-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
	USD '000	USD '000	USD '000	USD '000	USD '000
<b>Balance at the beginning of the year</b>	<b>5 094 798</b>	<b>345 469</b>	<b>159 994</b>	<b>5 600 261</b>	<b>5 346 678</b>
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 statement of financial position	-	-	( 5 517)	( 5 517)	( 1 568)
Translation Adjustments	91 930	771	2 672	95 373	( 59 656)
<b>Total</b>	<b>6 095 198</b>	<b>415 896</b>	<b>166 388</b>	<b>6 677 482</b>	<b>5 600 261</b>

The movement of ECL charges 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
	USD '000	USD '000	USD '000	USD '000	USD '000
<b>Balance at the beginning of the year</b>	<b>10 160</b>	<b>10 933</b>	<b>55 482</b>	<b>76 575</b>	<b>77 443</b>
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 statement of financial position	-	-	( 1 706)	( 1 706)	( 227)
Translation Adjustments	14	46	1 126	1 186	( 674)
<b>Total</b>	<b>19 940</b>	<b>15 289</b>	<b>50 898</b>	<b>86 127</b>	<b>76 575</b>

### **13. Other financial assets at amortized cost**

The details of this item are as follows:

	31 December	
	2025	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
<b>Total Other financial assets at amortized cost</b>	<b>13 354 772</b>	<b>12 041 830</b>
<b>Less: Net ECL Charges</b>	<b>( 47 920)</b>	<b>( 49 228)</b>
<b>Net Other financial assets at amortized cost</b>	<b>13 306 852</b>	<b>11 992 602</b>

#### **Analysis of bonds based on interest nature:**

	31 December	
	2025	2024
	USD '000	USD '000
Floating interest rate	288 315	383 170
Fixed interest rate	13 066 457	11 658 660
<b>Total Other financial assets at amortized cost</b>	<b>13 354 772</b>	<b>12 041 830</b>
<b>Less: Net ECL Charges</b>	<b>( 47 920)</b>	<b>( 49 228)</b>
<b>Net Other financial assets at amortized cost</b>	<b>13 306 852</b>	<b>11 992 602</b>

#### **Analysis of financial assets based on market quotation:**

	31 December	
	2025	2024
	USD '000	USD '000
<b>Quoted other financial assets at amortized cost:</b>		
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
<b>Total quoted other financial assets at amortized cost</b>	<b>8 196 478</b>	<b>6 842 633</b>
<b>Less: Net ECL Charges</b>	<b>( 26 530)</b>	<b>( 29 979)</b>
<b>Net quoted other financial assets at amortized cost</b>	<b>8 169 948</b>	<b>6 812 654</b>

	31 December	
	2025	2024
	USD '000	USD '000
<b>Unquoted other financial assets at amortized cost:</b>		
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
<b>Total unquoted other financial assets at amortized cost</b>	<b>5 158 294</b>	<b>5 199 197</b>
<b>Less: Net ECL Charges</b>	<b>( 21 390)</b>	<b>( 19 249)</b>
<b>Net unquoted other financial assets at amortized cost</b>	<b>5 136 904</b>	<b>5 179 948</b>
<b>Net other financial assets at amortized cost</b>	<b>13 306 852</b>	<b>11 992 602</b>

## 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
<b>Credit Rating Categories:</b>					
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
<b>Total</b>	<b>13 317 926</b>	<b>36 846</b>	<b>-</b>	<b>13 354 772</b>	<b>12 041 830</b>

-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
<b>Balance at the beginning of the year</b>	<b>12 003 455</b>	<b>38 375</b>	<b>-</b>	<b>12 041 830</b>	<b>10 435 455</b>
New investments (Additions)	978 829	-	-	978 829	9 013 178
Matured investments	( 34 672)	( 3 999)	-	( 38 671)	(7 130 526)
Transfers to stage 2	( 2 008)	2 008	-	-	-
Translation Adjustments	372 322	462	-	372 784	( 276 277)
<b>Total</b>	<b>13 317 926</b>	<b>36 846</b>	<b>-</b>	<b>13 354 772</b>	<b>12 041 830</b>

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
<b>Balance at the beginning of the year</b>	<b>23 873</b>	<b>25 355</b>	<b>-</b>	<b>49 228</b>	<b>59 054</b>
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)
<b>Total</b>	<b>20 767</b>	<b>27 153</b>	<b>-</b>	<b>47 920</b>	<b>49 228</b>

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	2024	Banking	1979
Arabia Group Holding Limited (Abu Dhabi)*	47.27	39 644	UAE	Unquoted	2023	Insurance	2022
Commercial buildings	35.39	17 659	Lebanon	Unquoted	2023	Real Estate Operating Lease	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	
<b>Total</b>		<b>4 577 802</b>					

  

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	2022
Commercial buildings	35.39	2 044	Lebanon	Unquoted	2023	Real Estate Operating Lease	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	
<b>Total</b>		<b>4 188 026</b>					

\* 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
<b>Balance at the beginning of the year</b>	<b>4 188 026</b>	<b>3 848 257</b>
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
<b>Balance at the end of the year</b>	<b>4 577 802</b>	<b>4 188 026</b>
<b>Group's share of taxes</b>	<b>142 136</b>	<b>132 730</b>

The Group's share from the profit and loss of the associates are as follows:

31 December		
	2025	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
<b>Total</b>	<b>628 623</b>	<b>591 142</b>

The Group's share of associates are as follows:

31 December					
2025			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
Total Liabilities	25 408 698	181 465	25 590 163	21 523 549	184 268
Total Revenue	1 068 983	117 808	1 186 791	998 273	102 230
Total Expenses	439 932	118 236	558 168	411 669	97 692
Net Profit	629 051	( 428)	628 623	586 604	4 538

## 15. Fixed Assets

The details of this item are as follows:

	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
<b>Historical Cost:</b>							
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)
Translation Adjustments	( 161)	( 4 926)	( 1 249)	( 4 715)	( 205)	( 1 668)	( 12 924)
<b>Balance as of 31 December 2024</b>	<b>124 781</b>	<b>390 617</b>	<b>333 094</b>	<b>399 062</b>	<b>15 290</b>	<b>124 960</b>	<b>1 387 804</b>
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)
Translation Adjustments	2 495	13 121	( 688)	18 800	527	1 039	35 294
<b>Balance at 31 December 2025</b>	<b>135 314</b>	<b>488 761</b>	<b>345 925</b>	<b>453 659</b>	<b>15 999</b>	<b>127 550</b>	<b>1 567 208</b>
<b>Accumulated Depreciation :</b>							
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)
Translation adjustments	-	( 2 439)	( 894)	( 3 100)	( 161)	( 2 039)	( 8 633)
<b>Balance as of 31 December 2024</b>	<b>-</b>	<b>199 534</b>	<b>272 598</b>	<b>284 780</b>	<b>13 736</b>	<b>78 653</b>	<b>849 301</b>
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)
Translation adjustments	-	5 032	( 1 658)	13 552	440	2 597	19 963
<b>Balance at 31 December 2025</b>	<b>-</b>	<b>212 570</b>	<b>283 857</b>	<b>326 171</b>	<b>14 333</b>	<b>83 112</b>	<b>920 043</b>
<b>Net Book Value as of 31 December 2025</b>	<b>135 314</b>	<b>276 191</b>	<b>62 068</b>	<b>127 488</b>	<b>1 666</b>	<b>44 438</b>	<b>647 165</b>
<b>Net Book Value as of 31 December 2024</b>	<b>124 781</b>	<b>191 083</b>	<b>60 496</b>	<b>114 282</b>	<b>1 554</b>	<b>46 307</b>	<b>538 503</b>

\* 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	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
<b>Total</b>	<b>1 576 566</b>	<b>1 399 078</b>

\* 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:

	2025			
	Land	Buildings	Other	Total
	USD '000	USD '000	USD '000	USD '000
<b>Balance at the beginning of the year</b>	<b>182 903</b>	<b>113 788</b>	<b>271</b>	<b>296 962</b>
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
<b>Balance at the end of the year</b>	<b>172 008</b>	<b>200 454</b>	<b>4 301</b>	<b>376 763</b>

	2024			
	Land	Buildings	Other	Total
	USD '000	USD '000	USD '000	USD '000
<b>Balance at the beginning of the year</b>	<b>84 896</b>	<b>93 701</b>	<b>271</b>	<b>178 868</b>
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)
<b>Balance at the End of the Year</b>	<b>182 903</b>	<b>113 788</b>	<b>271</b>	<b>296 962</b>

\*\* 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
<b>Balance at the beginning of the year</b>	<b>29 410</b>	<b>135 485</b>	<b>164 895</b>	<b>201 643</b>
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)
<b>Balance at the End of the Year</b>	<b>38 784</b>	<b>186 451</b>	<b>225 235</b>	<b>164 895</b>

\*\*\* The details of movement of right of use assets are as follows :

	2025	2024
	USD '000	USD '000
	<b>Balance at the beginning of the year</b>	<b>99 042</b>
Additions	30 964	18 820
Depreciation	( 29 072)	( 28 261)
<b>Balance at the End of the Year</b>	<b>100 934</b>	<b>99 042</b>

## 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
<b>Total</b>	<b>994 919</b>	<b>370 875</b>	<b>( 488 558)</b>	<b>10 705</b>	<b>887 941</b>	<b>244 556</b>

	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
<b>Total</b>	<b>936 967</b>	<b>509 736</b>	<b>( 435 078)</b>	<b>( 16 706)</b>	<b>994 919</b>	<b>270 930</b>

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
<b>Balance at the beginning of the year</b>	<b>270 930</b>	<b>243 658</b>
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)
<b>Balance at the end of the year</b>	<b>244 556</b>	<b>270 930</b>

## 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					
Current and demand	4 148	556 232	<b>560 380</b>	-	569 741	<b>569 741</b>
Time deposits	71 862	3 551 303	<b>3 623 165</b>	11 155	3 137 827	<b>3 148 982</b>
<b>Total</b>	<b>76 010</b>	<b>4 107 535</b>	<b>4 183 545</b>	<b>11 155</b>	<b>3 707 568</b>	<b>3 718 723</b>

## 19. Customers' Deposits

The details of this item are as follows:

	31 December 2025				
	Consumer Banking	Corporates		Government and Public Sector	Total
		Small and Medium	Large		
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	<b>21 505 090</b>
Savings	6 247 679	85 011	29 609	40 430	<b>6 402 729</b>
Time and notice deposits	14 232 083	1 455 607	6 069 509	4 482 967	<b>26 240 166</b>
Certificates of deposit	335 835	8 634	109 878	22 137	<b>476 484</b>
<b>Total</b>	<b>32 715 607</b>	<b>4 973 303</b>	<b>10 853 612</b>	<b>6 081 947</b>	<b>54 624 469</b>

	31 December 2024				
	Consumer Banking	Corporates		Government and Public Sector	Total
		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	<b>18 792 378</b>
Savings	5 533 607	43 787	20 722	40 044	<b>5 638 160</b>
Time and notice deposits	13 354 185	1 475 762	5 685 063	4 336 782	<b>24 851 792</b>
Certificates of deposit	237 090	15 232	163 853	77 262	<b>493 437</b>
<b>Total</b>	<b>29 794 926</b>	<b>4 385 910</b>	<b>9 772 955</b>	<b>5 821 976</b>	<b>49 775 767</b>

- 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	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
<b>Total</b>	<b>2 538 972</b>	<b>2 389 512</b>

## 21. Borrowed Funds

The details of this item are as follows:

	31 December	
	2025	2024
	USD '000	USD '000
From Central Banks *	276 062	261 992
From banks and financial institutions **	447 764	222 831
<b>Total</b>	<b>723 826</b>	<b>484 823</b>

Analysis of borrowed funds according to interest nature is as follows:

	31 December	
	2025	2024
	USD '000	USD '000
Floating interest rate	168 394	168 647
Fixed interest rate	555 432	316 176
<b>Total</b>	<b>723 826</b>	<b>484 823</b>

Analysis of borrowed funds according to maturity is as follows:

	31 December	
	2025	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
<b>Total</b>	<b>723 826</b>	<b>484 823</b>

\* 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 settled 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 settled 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 settled 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 9.5 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 USD 6.6 million.

\* Arab Bank relented 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) amounting 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 amounting 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	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
<b>Total</b>	<b>90 712</b>	<b>70 750</b>

## 22. Provision for Income Tax

The details of this item are as follows:

	31 December	
	2025	2024
	USD '000	USD '000
<b>Balance at the beginning of the year</b>	<b>416 942</b>	<b>337 202</b>
Income tax charge *	410 051	452 122
Income tax paid	( 420 312)	( 372 382)
Income tax released from provision	( 15 228)	-
<b>Balance at the end of the year</b>	<b>391 453</b>	<b>416 942</b>

\* 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	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)	-
<b>Total</b>	<b>424 893</b>	<b>438 420</b>

- 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
<b>Total</b>	<b>242 704</b>	<b>40 136</b>	<b>( 22 595)</b>	<b>( 6 401)</b>	<b>9 962</b>	<b>263 806</b>

  

	2024					
	Balance at the Beginning of the Year	Addition 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
<b>Total</b>	<b>244 694</b>	<b>49 549</b>	<b>( 36 955)</b>	<b>( 5 749)</b>	<b>( 8 835)</b>	<b>242 704</b>

## 24. Other Liabilities

The details of this item are as follows:

	31 December	
	2025	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
<b>Total</b>	<b>1 871 578</b>	<b>1 886 861</b>

## 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
<b>Total</b>	<b>20 980 472</b>	<b>1 042 235</b>	<b>98 926</b>	<b>22 121 633</b>	<b>19 561 969</b>

-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
<b>Balance at beginning of the year</b>	<b>18 481 794</b>	<b>985 292</b>	<b>94 883</b>	<b>19 561 969</b>	<b>18 014 964</b>
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)
<b>Total</b>	<b>20 980 472</b>	<b>1 042 235</b>	<b>98 926</b>	<b>22 121 633</b>	<b>19 561 969</b>

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
<b>Balance at beginning of the year</b>	<b>33 572</b>	<b>18 730</b>	<b>56 384</b>	<b>108 686</b>	<b>116 425</b>
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)
<b>Total</b>	<b>36 956</b>	<b>21 874</b>	<b>63 931</b>	<b>122 761</b>	<b>108 686</b>

## 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
<b>Total</b>	<b>150 015</b>	<b>24 519</b>	<b>(20 294)</b>	<b>15 796</b>	<b>170 036</b>	<b>27 854</b>

  

	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
<b>Total</b>	<b>80 374</b>	<b>74 316</b>	<b>(1 014)</b>	<b>(3 661)</b>	<b>150 015</b>	<b>24 167</b>

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)
<b>Balance at the end of the year</b>	<b>27 854</b>	<b>24 167</b>

## **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	2024
	USD '000	USD '000
<b>Balance at the beginning of the year</b>	( 451 377)	( 323 174)
Additions (Disposals) during the year transferred to other comprehensive income	195 856	( 128 203)
Adjustments during the year	( 50 277)	-
<b>Balance at the end of the year</b>	<b>( 305 798)</b>	<b>( 451 377)</b>

### 32. Investments Revaluation Reserve

The details of this item are as follows:

	31 December	
	2025	2024
	USD '000	USD '000
<b>Balance at the beginning of the year</b>	( 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
<b>Balance at the End of the Year</b>	<b>( 224 088)</b>	<b>( 367 242)</b>

### 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 second paragraph has First Call date on 4 January 2026 and bond in the third 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	2024
	USD '000	USD '000
<b>Balance at the Beginning of the year</b>	<b>4 618 009</b>	<b>3 846 009</b>
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 (associated company)	(19 990)	-
Adjustments during the year	42 622	111 430
<b>Balance at the end of the year</b>	<b>5 327 713</b>	<b>4 618 009</b>

\*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).

The details of non-controlling interests are as follows:

	31 December 2025			31 December 2024		
	USD '000	USD '000	USD '000	USD '000	USD '000	USD '000
	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)
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	-		-	-
<b>Total</b>		<b>761 966</b>	<b>47 012</b>		<b>662 300</b>	<b>37 964</b>

The following are the additional financial information of significant subsidiaries that contain non-controlling interests:

	31 December 2025					31 December 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
<b>Net Assets</b>	<b>208 055</b>	<b>51 939</b>	<b>1 649 101</b>	<b>49 009</b>	<b>172 884</b>	<b>161 504</b>	<b>52 645</b>	<b>971 196</b>	<b>64 581</b>	<b>177 654</b>
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
<b>Net Profit (Loss)</b>	<b>3 414</b>	<b>(760)</b>	<b>89 226</b>	<b>7 451</b>	<b>(4 771)</b>	<b>1 665</b>	<b>(716)</b>	<b>79 064</b>	<b>6 685</b>	<b>(13 096)</b>

### 35. Interest Income

The details of this item are as follows:

	<b>2025</b>	<b>2024</b>
	<b>USD '000</b>	<b>USD '000</b>
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
<b>Total</b>	<b>4 005 207</b>	<b>4 013 607</b>

\* The details of interest income earned on direct credit facilities at amortized cost are as follows:

	<b>2025</b>					
	<b>Consumer Banking</b>	<b>Corporates</b>		<b>Banks and Financial Institutions</b>	<b>Government and Public Sector</b>	<b>Total</b>
	<b>USD '000</b>	<b>Small and Medium</b>	<b>Large</b>	<b>USD '000</b>	<b>USD '000</b>	<b>USD '000</b>
Discounted bills	1 814	7 780	48 404	17 787	2 870	<b>78 655</b>
Overdrafts	13 988	81 649	265 385	-	26 938	<b>387 960</b>
Loans and advances	432 371	139 003	1 021 565	4 288	142 653	<b>1 739 880</b>
Real estate loans	293 302	45 585	31 084	-	-	<b>369 971</b>
Credit cards	30 817	-	-	-	-	<b>30 817</b>
<b>Total</b>	<b>772 292</b>	<b>274 017</b>	<b>1 366 438</b>	<b>22 075</b>	<b>172 461</b>	<b>2 607 283</b>

	<b>2024</b>					
	<b>Consumer Banking</b>	<b>Corporates</b>		<b>Banks and Financial Institutions</b>	<b>Government and Public Sector</b>	<b>Total</b>
	<b>USD '000</b>	<b>Small and Medium</b>	<b>Large</b>	<b>USD '000</b>	<b>USD '000</b>	<b>USD '000</b>
Discounted bills	1 598	6 486	44 465	16 140	6 179	<b>74 868</b>
Overdrafts	11 763	108 171	251 991	-	14 666	<b>386 591</b>
Loans and advances	409 831	135 822	1 035 753	4 048	156 244	<b>1 741 698</b>
Real estate loans	278 817	42 864	33 980	-	-	<b>355 661</b>
Credit cards	28 572	-	-	-	-	<b>28 572</b>
<b>Total</b>	<b>730 581</b>	<b>293 343</b>	<b>1 366 189</b>	<b>20 188</b>	<b>177 089</b>	<b>2 587 390</b>

### **36. Interest Expense**

The details of this item are as follows:

	<u>2025</u>	<u>2024</u>
	<b>USD '000</b>	<b>USD '000</b>
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
<b>Total</b>	<b><u>1 869 926</u></b>	<b><u>1 868 321</u></b>

\* The details of interest expense paid on customer deposits are as follows:

	<u>2025</u>				
	<b>Consumer Banking</b>	<b>Corporates</b>		<b>Government and Public Sector</b>	<b>Total</b>
	<b>USD '000</b>	<b>Small and Medium</b>	<b>Large</b>	<b>USD '000</b>	<b>USD '000</b>
Current and demand	36 980	5 212	50 743	53 781	<b>146 716</b>
Savings	83 680	778	214	316	<b>84 988</b>
Time and notice deposits	611 554	64 592	288 386	271 257	<b>1 235 789</b>
Certificates of deposit	58 057	1 316	15 608	354	<b>75 335</b>
<b>Total</b>	<b><u>790 271</u></b>	<b><u>71 898</u></b>	<b><u>354 951</u></b>	<b><u>325 708</u></b>	<b><u>1 542 828</u></b>

	<u>2024</u>				
	<b>Consumer Banking</b>	<b>Corporates</b>		<b>Government and Public Sector</b>	<b>Total</b>
	<b>USD '000</b>	<b>Small and Medium</b>	<b>Large</b>	<b>USD '000</b>	<b>USD '000</b>
Current and demand	41 432	3 529	45 193	48 562	<b>138 716</b>
Savings	71 450	783	196	255	<b>72 684</b>
Time and notice	619 902	74 764	291 206	275 069	<b>1 260 941</b>
Certificates of deposit	42 876	829	13 855	1 966	<b>59 526</b>
<b>Total</b>	<b><u>775 660</u></b>	<b><u>79 905</u></b>	<b><u>350 450</u></b>	<b><u>325 852</u></b>	<b><u>1 531 867</u></b>

### **37. Net Commission Income**

The details of this item are as follows:

	<u>2025</u>	<u>2024</u>
	<u>USD '000</u>	<u>USD '000</u>
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)
<b>Net Commission Income</b>	<b><u>527 036</u></b>	<b><u>453 068</u></b>

### **38. Gains from Financial Assets at Fair Value Through Profit or Loss**

The details of this item are as follows:

	<u>2025</u>			
	<u>Realized Gains</u>	<u>Unrealized Gains (Losses)</u>	<u>Dividends</u>	<u>Total</u>
	<u>USD '000</u>	<u>USD '000</u>	<u>USD '000</u>	<u>USD '000</u>
Treasury bills and bonds	13 399	19 266	-	32 665
Companies shares	-	1 619	-	1 619
Mutual funds	-	128	-	128
<b>Total</b>	<b><u>13 399</u></b>	<b><u>21 013</u></b>	<b><u>-</u></b>	<b><u>34 412</u></b>

	<u>2024</u>			
	<u>Realized Gains</u>	<u>Unrealized Gains (Losses)</u>	<u>Dividends</u>	<u>Total</u>
	<u>USD '000</u>	<u>USD '000</u>	<u>USD '000</u>	<u>USD '000</u>
Treasury bills and bonds	3 449	338	-	3 787
Companies shares	-	2 257	-	2 257
Mutual funds	-	54	-	54
<b>Total</b>	<b><u>3 449</u></b>	<b><u>2 649</u></b>	<b><u>-</u></b>	<b><u>6 098</u></b>

### **39. Other Revenue**

The details of this item are as follows:

	<u>2025</u>	<u>2024</u>
	<u>USD '000</u>	<u>USD '000</u>
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
<b>Total</b>	<b><u>62 853</u></b>	<b><u>59 137</u></b>

#### **40. Employees' Expenses**

The details of this item are as follows:

	<b>2025</b>	<b>2024</b>
	<b>USD '000</b>	<b>USD '000</b>
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
<b>Total</b>	<b>861 424</b>	<b>786 204</b>

#### **41. Other Expenses**

The details of this item are as follows:

	<b>2025</b>	<b>2024</b>
	<b>USD '000</b>	<b>USD '000</b>
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
<b>Total</b>	<b>567 389</b>	<b>511 212</b>

#### 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	-
<b>Derivatives held for trading</b>	<b>328 834</b>	<b>276 815</b>	<b>18 242 042</b>	<b>10 505 670</b>	<b>2 694 097</b>	<b>2 272 261</b>	<b>2 770 014</b>
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	-
<b>Derivatives held for fair value hedge</b>	<b>20 932</b>	<b>17 957</b>	<b>1 885 844</b>	<b>147 235</b>	<b>412 388</b>	<b>561 524</b>	<b>764 697</b>
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	-	-
<b>Derivatives held for cash flow hedge</b>	<b>5 665</b>	<b>34 426</b>	<b>1 427 472</b>	<b>15 257</b>	<b>35 363</b>	<b>306 541</b>	<b>1 070 311</b>
<b>Total</b>	<b>355 431</b>	<b>329 198</b>	<b>21 555 358</b>	<b>10 668 162</b>	<b>3 141 848</b>	<b>3 140 326</b>	<b>4 605 022</b>

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
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	-
<b>Derivatives held for trading</b>	<b>121 232</b>	<b>84 057</b>	<b>15 645 016</b>	<b>9 667 322</b>	<b>3 685 980</b>	<b>969 752</b>	<b>1 321 962</b>
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	-	-
<b>Derivatives held for fair value hedge</b>	<b>70 032</b>	<b>47 246</b>	<b>2 632 907</b>	<b>12 323</b>	<b>518 121</b>	<b>1 249 033</b>	<b>853 430</b>
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	-	-
<b>Derivatives held for cash flow hedge</b>	<b>16 524</b>	<b>24 820</b>	<b>1 172 044</b>	<b>11 355</b>	<b>36 097</b>	<b>70 813</b>	<b>1 053 779</b>
<b>Total</b>	<b>207 788</b>	<b>156 123</b>	<b>19 449 967</b>	<b>9 691 000</b>	<b>4 240 198</b>	<b>2 289 598</b>	<b>3 229 171</b>

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, revenue 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	<b>3 586 023</b>	<b>3 395 007</b>
Assets	24 713 182	20 657 660	53 474 521	50 572 861	<b>78 187 703</b>	<b>71 230 521</b>
Capital Expenditures	34 644	36 075	172 537	79 285	<b>207 181</b>	<b>115 360</b>

#### **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.

**Information about the Group's Business Segments**

	31 December 2025					Total
	Corporate and institutional Banking	Treasury	Consumer Banking		Other	
			Elite	Retail Banking		
			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	-	-
<u>Less</u> :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
<b>Result of operations of segments</b>	<b>747 674</b>	<b>482 625</b>	<b>418 770</b>	<b>227 289</b>	<b>650 551</b>	<b>2 526 909</b>
Less: Indirect expenses on segments	394 150	149 612	193 874	234 024	-	<b>971 660</b>
<b>Profit for the year before income tax</b>	<b>353 524</b>	<b>333 013</b>	<b>224 896</b>	<b>( 6 735)</b>	<b>650 551</b>	<b>1 555 249</b>
Less: Income tax	96 583	90 979	61 441	( 1 840)	177 730	424 893
<b>Profit for the Year</b>	<b>256 941</b>	<b>242 034</b>	<b>163 455</b>	<b>( 4 895)</b>	<b>472 821</b>	<b>1 130 356</b>
Depreciation and amortization	35 484	64 970	4 828	39 791	-	145 073
<b>Other information</b>						
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
<b>TOTAL ASSETS</b>	<b>26 975 192</b>	<b>29 755 580</b>	<b>20 335 281</b>	<b>12 485 927</b>	<b>14 776 029</b>	<b>78 187 703</b>
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	-	-	-	-
<b>TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY</b>	<b>26 975 192</b>	<b>29 755 580</b>	<b>20 335 281</b>	<b>12 485 927</b>	<b>14 776 029</b>	<b>78 187 703</b>

**Information about the Group's Business Segments**

	31 December 2024					Total
	Corporate and institutional Banking	Consumer Banking				
		Treasury	Elite	Retail Banking	Other	
			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
<b>Result of operations of segments</b>	<b>650 830</b>	<b>513 180</b>	<b>373 825</b>	<b>150 479</b>	<b>618 745</b>	<b>2 307 059</b>
Less: Indirect expenses on segments	376 163	123 564	157 490	204 332		861 549
<b>Profit for the year before income tax</b>	<b>274 667</b>	<b>389 616</b>	<b>216 335</b>	<b>( 53 853)</b>	<b>618 745</b>	<b>1 445 510</b>
Less: Income tax	83 305	118 170	65 614	( 16 333)	187 664	438 420
<b>Profit for the Year</b>	<b>191 362</b>	<b>271 446</b>	<b>150 721</b>	<b>( 37 520)</b>	<b>431 081</b>	<b>1 007 090</b>
Depreciation and amortization	35 308	39 885	3 316	39 042	-	117 551
<b>Other information</b>						
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
<b>TOTAL ASSETS</b>	<b>24 863 126</b>	<b>26 926 188</b>	<b>17 637 337</b>	<b>11 413 288</b>	<b>13 702 645</b>	<b>71 230 521</b>
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	-	-	-	-
<b>TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY</b>	<b>24 863 126</b>	<b>26 926 188</b>	<b>17 637 337</b>	<b>11 413 288</b>	<b>13 702 645</b>	<b>71 230 521</b>

## **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.

### **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 ECL provisions and interest in suspense and prior to collaterals and other risk mitigations):**

	<b>31 December</b>	
	<b>2025</b>	<b>2024</b>
	<b>USD '000</b>	<b>USD '000</b>
<b>Credit risk exposures relating to items on the consolidated statement of financial position:</b>		
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
<b>Direct credit facilities at amortized cost</b>	<b>37 479 274</b>	<b>34 383 335</b>
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
<b>Total Credit Exposure related to items on the consolidated statement of financial position:</b>	<b>69 578 783</b>	<b>63 836 088</b>
<b>Credit risk exposures relating to items off the consolidated statement of financial position:</b>		
<b>Total of indirect facilities</b>	<b>21 998 872</b>	<b>19 453 283</b>
<b>Grand Total for Credit Exposure</b>	<b>91 577 655</b>	<b>83 289 371</b>

The table above shows the maximum limit of the bank credit risk as of 31 December 2025 and 2024 excluding collaterals and risks mitigations.

**46. Credit Risk**

**B. Fair value of collaterals obtained against total credit exposures :**

31 December 2025

Total Credit Risk Exposure	Fair Value of Collaterals						Total	Net Exposure	Expected Credit Loss	
	Cash	Banks accepted letters of guarantees	Real estate properties	Listed securities	Vehicles and equipment	Other				
	USD '000	USD '000	USD '000	USD '000	USD '000	USD '000				USD '000
<b>Credit exposures relating to items on statement of financial position:</b>										
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	
<b>Direct credit facilities at amortized cost</b>	<b>41 206 401</b>	<b>1 699 717</b>	<b>229 006</b>	<b>8 293 543</b>	<b>1 508 805</b>	<b>424 197</b>	<b>8 020 878</b>	<b>20 176 146</b>	<b>21 030 255</b>	<b>3 102 865</b>
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	-
<b>Total credit exposures relating to items on statement of financial position:</b>	<b>73 931 884</b>	<b>1 699 717</b>	<b>229 006</b>	<b>8 293 543</b>	<b>1 508 805</b>	<b>424 197</b>	<b>8 020 878</b>	<b>20 176 146</b>	<b>53 755 738</b>	<b>3 728 839</b>
<b>Credit exposures relating to items off statement of financial position:</b>										
<b>Total</b>	<b>22 121 633</b>	<b>1 119 042</b>	<b>9 173</b>	<b>266 470</b>	<b>3 169</b>	<b>32 984</b>	<b>4 571 859</b>	<b>6 002 697</b>	<b>16 118 936</b>	<b>122 761</b>
<b>Grand Total</b>	<b>96 053 517</b>	<b>2 818 759</b>	<b>238 179</b>	<b>8 560 013</b>	<b>1 511 974</b>	<b>457 181</b>	<b>12 592 737</b>	<b>26 178 843</b>	<b>69 874 674</b>	<b>3 851 600</b>
<b>Grand Total as of 31 December 2024</b>	<b>87 828 152</b>	<b>2 384 321</b>	<b>317 314</b>	<b>7 835 167</b>	<b>1 177 194</b>	<b>523 458</b>	<b>11 504 173</b>	<b>23 741 627</b>	<b>64 086 525</b>	<b>3 713 988</b>

#### 46. Credit Risk

##### C. Fair value of collaterals obtained against Stage 3 Credit Exposures :

	31 December 2025									
	Total Credit Risk Exposure USD '000	Fair Value of Collaterals						Total USD '000	Net Exposure USD '000	Expected Credit Loss USD '000
		Cash USD '000	Banks accepted letters of guarantees USD '000	Real estate properties USD '000	Listed securities USD '000	Vehicles and equipment USD '000	Other USD '000			
<b>Credit exposures relating to items on statement of financial position:</b>										
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	-	-	-	-	-	-	-	-	-	
<b>Direct credit facilities at amortized cost</b>	<b>2 488 936</b>	<b>18 454</b>	<b>32 148</b>	<b>380 900</b>	<b>25 067</b>	<b>47 300</b>	<b>248 095</b>	<b>751 964</b>	<b>1 736 972</b>	<b>1 842 807</b>
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	-	-	-	-	-	-	-	-	-	-
<b>Total credit exposures relating to items on statement of financial position:</b>	<b>2 488 936</b>	<b>18 454</b>	<b>32 148</b>	<b>380 900</b>	<b>25 067</b>	<b>47 300</b>	<b>248 095</b>	<b>751 964</b>	<b>1 736 972</b>	<b>1 842 807</b>
<b>Credit exposures relating to items off statement of financial position:</b>										
<b>Total</b>	<b>98 926</b>	<b>2 511</b>	<b>-</b>	<b>6 482</b>	<b>-</b>	<b>1 515</b>	<b>18 238</b>	<b>28 746</b>	<b>70 180</b>	<b>63 931</b>
<b>Grand Total</b>	<b>2 587 862</b>	<b>20 965</b>	<b>32 148</b>	<b>387 382</b>	<b>25 067</b>	<b>48 815</b>	<b>266 333</b>	<b>780 710</b>	<b>1 807 152</b>	<b>1 906 738</b>
<b>Grand Total as of 31 December 2024</b>	<b>2 882 227</b>	<b>27 491</b>	<b>31 253</b>	<b>359 690</b>	<b>9 032</b>	<b>37 343</b>	<b>405 517</b>	<b>870 326</b>	<b>2 011 901</b>	<b>2 050 658</b>

#### 46. Credit Risk

##### D. Reclassified Credit Exposures :

	31 December 2025					
	Stage 2		Stage 3		Total Reclassified Credit Risk Exposure	Percentage of Reclassified Credit Risk Exposure (%)
	Reclassified Credit Risk Exposure	Reclassified Credit Risk Exposure	Total Credit Risk Exposure	Reclassified Credit Risk Exposure		
	USD '000	USD '000	USD '000	USD '000	USD '000	USD '000
<b>D.1 - Credit exposures relating to items on statement of financial position:</b>						
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%
<b>Total credit exposures relating to items on statement of financial position:</b>	<b>5 526 364</b>	<b>371 263</b>	<b>2 488 936</b>	<b>370 111</b>	<b>741 374</b>	<b>9.2%</b>
<b>Credit exposures relating to items off statement of financial position:</b>						
<b>Total</b>	<b>1 042 235</b>	<b>26 996</b>	<b>98 926</b>	<b>11 222</b>	<b>38 218</b>	<b>3.3%</b>
<b>Grand Total</b>	<b>6 568 599</b>	<b>398 259</b>	<b>2 587 862</b>	<b>381 333</b>	<b>779 592</b>	<b>8.5%</b>
<b>Grand Total as of 31 December 2024</b>	<b>6 414 719</b>	<b>959 436</b>	<b>2 882 227</b>	<b>310 296</b>	<b>1 269 732</b>	<b>13.7%</b>

	31 December 2025					
	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		
	USD '000	USD '000	USD '000	USD '000	USD '000	USD '000
<b>D.2 - Credit exposures relating to items on statement of financial position:</b>						
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%
<b>Total credit exposures relating to items on statement of financial position:</b>	<b>1 356 870</b>	<b>(77 512)</b>	<b>1 842 807</b>	<b>115 215</b>	<b>37 703</b>	<b>1.2%</b>
<b>Credit exposures relating to items off statement of financial position:</b>						
<b>Total</b>	<b>21 874</b>	<b>(3 889)</b>	<b>63 931</b>	<b>4</b>	<b>(3 885)</b>	<b>(0.05)</b>
<b>Grand Total</b>	<b>1 378 744</b>	<b>(81 401)</b>	<b>1 906 738</b>	<b>115 219</b>	<b>33 818</b>	<b>1.0%</b>
<b>Grand Total as of 31 December 2024</b>	<b>1 376 039</b>	<b>(69 249)</b>	<b>1 906 755</b>	<b>100 096</b>	<b>30 847</b>	<b>0.9%</b>

##### D.3 - Expected Credit Losses for Reclassified Credit Exposures:

	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
	USD '000	USD '000	USD '000	USD '000	USD '000	USD '000	USD '000
<b>Credit exposures relating to items on statement of financial position:</b>							
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
<b>Total credit exposures relating to items on statement of financial position:</b>	<b>371 263</b>	<b>370 111</b>	<b>741 374</b>	<b>(73 943)</b>	<b>(4 262)</b>	<b>140 002</b>	<b>61 797</b>
<b>Credit exposures relating to items off statement of financial position:</b>							
<b>Total</b>	<b>26 996</b>	<b>11 222</b>	<b>38 218</b>	<b>(3 827)</b>	<b>-</b>	<b>1 699</b>	<b>(2 128)</b>
<b>Grand Total</b>	<b>398 259</b>	<b>381 333</b>	<b>779 592</b>	<b>(77 770)</b>	<b>(4 262)</b>	<b>141 701</b>	<b>59 669</b>
<b>Grand Total as of 31 December 2024</b>	<b>959 436</b>	<b>310 296</b>	<b>1 269 732</b>	<b>(81 681)</b>	<b>21 937</b>	<b>137 529</b>	<b>77 785</b>

#### 46. Credit Risk

##### E. Classification of debt securities facilities 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:

Credit rating	31 December 2025			
	Financial Assets at Fair Value through P&L	Financial assets at fair value through other comprehensive income	Other financial assets at amortized cost	Total
	USD '000	USD '000	USD '000	USD '000
Private sector:				
AAA to A-	-	216 774	2 159 535	<b>2 376 309</b>
BBB+ to B-	3 941	76 281	504 538	<b>584 760</b>
Unrated	-	5 975	200 088	<b>206 063</b>
Governments and public sector	29 820	725 873	10 442 691	<b>11 198 384</b>
<b>Total</b>	<b>33 761</b>	<b>1 024 903</b>	<b>13 306 852</b>	<b>14 365 516</b>

Credit rating	31 December 2024			
	Financial Assets at Fair Value through P&L	Financial assets at fair value through other comprehensive income	Other Financial Assets at Amortized Cost	Total
	USD '000	USD '000	USD '000	USD '000
Private sector:				
AAA to A-	-	39 387	1 981 613	<b>2 021 000</b>
BBB+ to B-	4 363	79 428	465 552	<b>549 343</b>
Below B-	3 762	-	-	<b>3 762</b>
Unrated	-	67 456	205 103	<b>272 559</b>
Governments and public sector	33 551	507 350	9 340 334	<b>9 881 235</b>
<b>Total</b>	<b>41 676</b>	<b>693 621</b>	<b>11 992 602</b>	<b>12 727 899</b>

#### 46. Credit Risk

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						
Internal Credit Rating system	Total Exposure	Expected Credit Loss	Probability of Default %		Exposure at Default	Average of Loss Given Default
			From	To		
	USD '000	USD '000			USD '000	
1-6	24 774 506	676 712	-	15.5	24 773 505	0 - 47.5
7	2 665 031	520 199	24	24	2 647 721	0 - 43
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	0 - 30
<b>Total</b>	<b>41 206 401</b>	<b>3 102 865</b>	<b>-</b>	<b>-</b>	<b>40 582 138</b>	<b>-</b>

  

31 December 2024						
Internal Credit Rating system	Total Exposure	Expected Credit Loss	Probability of Default %		Exposure at Default	Average of Loss Given Default
			From	To		
	USD '000	USD '000			USD '000	
1-6	24 079 987	787 956	-	15.5	24 078 138	0 - 67
7	983 086	313 935	24	24	946 058	0 - 58.73
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
<b>Total</b>	<b>38 291 761</b>	<b>3 083 633</b>	<b>-</b>	<b>-</b>	<b>37 466 968</b>	<b>-</b>

- The Group adopts a classification policy based on specific additional criteria for certain facilities that are not internally classified, relying on external rating agencies.

#### **46. Credit Risk**

##### **F. Credit exposure for assets categorized by geographical distribution:**

	31 December 2025						
	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
<b>Direct credit facilities at amortized cost</b>	<b>9 449 291</b>	<b>23 502 318</b>	<b>739 500</b>	<b>2 682 859</b>	<b>55 970</b>	<b>1 049 336</b>	<b>37 479 274</b>
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
<b>Total of credit exposures relating to items on statement of financial position</b>	<b>20 358 591</b>	<b>35 410 542</b>	<b>1 323 566</b>	<b>8 733 744</b>	<b>1 987 266</b>	<b>1 765 074</b>	<b>69 578 783</b>
<b>Total of credit exposures relating to items off statement of financial position</b>	<b>3 470 898</b>	<b>12 101 605</b>	<b>1 991 080</b>	<b>4 025 744</b>	<b>322 290</b>	<b>87 255</b>	<b>21 998 872</b>
<b>Grand Total as of 31 December 2025</b>	<b>23 829 489</b>	<b>47 512 147</b>	<b>3 314 646</b>	<b>12 759 488</b>	<b>2 309 556</b>	<b>1 852 329</b>	<b>91 577 655</b>
<b>Grand Total as of 31 December 2024</b>	<b>23 309 666</b>	<b>44 069 194</b>	<b>2 997 524</b>	<b>9 897 502</b>	<b>1 341 144</b>	<b>1 674 341</b>	<b>83 289 371</b>

\* Excluding 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)	(Collective)	(Individual)	(Collective)		
	USD '000	USD '000	USD '000	USD '000	USD '000	USD '000
Jordan	19 062 406	4 001 924	626 850	81 499	56 810	<b>23 829 489</b>
Other Arab Countries	37 287 854	6 105 472	3 664 289	401 529	53 003	<b>47 512 147</b>
Asia*	3 305 470	9 176	-	-	-	<b>3 314 646</b>
Europe	11 839 964	573 698	329 080	7 232	9 514	<b>12 759 488</b>
America	2 301 005	8 328	223	-	-	<b>2 309 556</b>
Rest of the World	1 319 458	515 955	6 665	5 445	4 806	<b>1 852 329</b>
<b>Grand Total as of 31 December 2025</b>	<b>75 116 157</b>	<b>11 214 553</b>	<b>4 627 107</b>	<b>495 705</b>	<b>124 133</b>	<b>91 577 655</b>
<b>Grand Total as of 31 December 2024</b>	<b>68 250 744</b>	<b>9 842 859</b>	<b>4 497 561</b>	<b>504 053</b>	<b>194 154</b>	<b>83 289 371</b>

\* Excluding Arab Countries.

**46. Credit Risk**

**H. Credit exposure categorized by economic sector**

	31 December 2025											Total	
	Consumer Banking	Corporates								Banks and Financial Institutions	Government and Public Sector		
		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
<b>Total of credit exposures relating to items on statement of financial position</b>	<b>11 815 769</b>	<b>5 918 632</b>	<b>2 002 628</b>	<b>1 559 176</b>	<b>4 596 322</b>	<b>407 353</b>	<b>984 162</b>	<b>443 266</b>	<b>18 455</b>	<b>6 837 845</b>	<b>8 082 784</b>	<b>26 912 391</b>	<b>69 578 783</b>
<b>Total of credit exposures relating to items off statement of financial position</b>	<b>41 040</b>	<b>3 917 060</b>	<b>5 103 442</b>	<b>282 053</b>	<b>4 048 562</b>	<b>237 606</b>	<b>86 143</b>	<b>193 963</b>	<b>133</b>	<b>4 992 333</b>	<b>2 595 538</b>	<b>500 999</b>	<b>21 998 872</b>
<b>Grand Total as of 31 December 2025</b>	<b>11 856 809</b>	<b>9 835 692</b>	<b>7 106 070</b>	<b>1 841 229</b>	<b>8 644 884</b>	<b>644 959</b>	<b>1 070 305</b>	<b>637 229</b>	<b>18 588</b>	<b>11 830 178</b>	<b>10 678 322</b>	<b>27 413 390</b>	<b>91 577 655</b>
<b>Grand Total as of 31 December 2024</b>	<b>10 453 815</b>	<b>8 506 558</b>	<b>6 548 809</b>	<b>1 469 525</b>	<b>8 108 293</b>	<b>645 278</b>	<b>1 057 582</b>	<b>807 956</b>	<b>34 645</b>	<b>10 198 161</b>	<b>9 568 899</b>	<b>25 889 850</b>	<b>83 289 371</b>

**46. Credit Risk**

**I. 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)		
	USD '000	USD '000	USD '000	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
<b>Grand Total as of 31 December 2025</b>	<b>75 116 157</b>	<b>11 214 553</b>	<b>4 627 107</b>	<b>495 705</b>	<b>124 133</b>	<b>91 577 655</b>
<b>Grand Total as of 31 December 2024</b>	<b>68 250 744</b>	<b>9 842 859</b>	<b>4 497 561</b>	<b>504 053</b>	<b>194 154</b>	<b>83 289 371</b>

**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
<b>Total</b>	<b>93 342</b>	<b>111 529</b>	<b>204 871</b>	<b>79 462</b>	<b>102 275</b>	<b>181 737</b>

#### 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
<b>ASSETS</b>								
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
<b>TOTAL ASSETS</b>	<b>20 422 270</b>	<b>12 353 290</b>	<b>6 480 026</b>	<b>5 004 190</b>	<b>7 546 709</b>	<b>11 951 099</b>	<b>14 430 119</b>	<b>78 187 703</b>
<b>LIABILITIES</b>								
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
<b>TOTAL LIABILITIES</b>	<b>24 691 904</b>	<b>6 024 039</b>	<b>4 210 171</b>	<b>6 864 885</b>	<b>2 091 856</b>	<b>169 779</b>	<b>20 902 067</b>	<b>64 954 701</b>
<b>Gap</b>	<b>(4 269 634)</b>	<b>6 329 251</b>	<b>2 269 855</b>	<b>(1 860 695)</b>	<b>5 454 853</b>	<b>11 781 320</b>	<b>(6 471 948)</b>	<b>13 233 002</b>

**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
<b>ASSETS</b>								
Cash at vaults	-	-	-	-	-	-	1 116 169	<b>1 116 169</b>
Mandatory cash reserve	-	-	-	-	-	-	1 514 008	<b>1 514 008</b>
Balances with central banks	7 394 853	-	-	-	-	-	3 061 695	<b>10 456 548</b>
Balances and deposits with banks and financial institutions	3 053 798	729 613	155 746	68 063	-	-	-	<b>4 007 220</b>
Financial assets at fair value through profit or loss	4 888	9 902	3,966	5 901	-	17 019	32 546	<b>74 222</b>
Direct credit facilities at amortized cost	7 996 092	6 544 395	4 303 981	2 884 076	4 208 243	8 446 548	-	<b>34 383 335</b>
Financial assets at fair value through OCI	46,414	70 644	28 447	92 838	137 896	317 382	388 471	<b>1 082 092</b>
Other financial assets at amortized cost	794 650	1 223 131	1 102 058	1 768 222	3 309 788	3 794 753	-	<b>11 992 602</b>
Investments in associates	-	-	-	-	-	-	4 188 026	<b>4 188 026</b>
Fixed assets	-	-	-	-	-	-	538 503	<b>538 503</b>
Other assets and financial derivatives - positive fair value	303 342	161 126	107 525	48 268	88 321	80 028	818 256	<b>1 606 866</b>
Deferred tax assets	-	-	-	-	-	-	270 930	<b>270 930</b>
<b>TOTAL ASSETS</b>	<b>19 594 037</b>	<b>8 738 811</b>	<b>5 701 723</b>	<b>4 867 368</b>	<b>7 744 248</b>	<b>12 655 730</b>	<b>11 928 604</b>	<b>71 230 521</b>
<b>LIABILITIES</b>								
Banks and financial institutions' deposits	2 542 332	490 933	21 745	2,000	91,972	-	569 741	<b>3 718 723</b>
Customer deposits	13 750 089	5 980 838	3 651 009	7 726 388	2 313 188	919 807	15 434 448	<b>49 775 767</b>
Cash margin	624 046	529 533	197 012	391 632	151 781	57 214	438 294	<b>2 389 512</b>
Borrowed funds	200 639	151 453	32 127	17 822	42 067	40 715	-	<b>484 823</b>
Provision for income tax	-	-	-	-	-	-	416 942	<b>416 942</b>
Other provisions	-	-	-	-	-	-	242 704	<b>242 704</b>
Other liabilities and financial derivatives - negative fair value	261 093	69 836	127 673	32 377	109 343	63 352	1 379 310	<b>2 042 984</b>
Deferred tax liabilities	-	-	-	-	-	-	24 167	<b>24 167</b>
<b>TOTAL LIABILITIES</b>	<b>17 378 199</b>	<b>7 222 593</b>	<b>4 029 566</b>	<b>8 170 219</b>	<b>2 708 351</b>	<b>1 081 088</b>	<b>18 505 606</b>	<b>59 095 622</b>
<b>Gap</b>	<b>2 215 838</b>	<b>1 516 218</b>	<b>1 672 157</b>	<b>(3 302 851)</b>	<b>5 035 897</b>	<b>11 574 642</b>	<b>(6 577 002)</b>	<b>12 134 899</b>

#### 49. Liquidity Risk

A. The below is the distribution of the liabilities (undiscounted) according to the residual maturity as of 31 December 2025:

Liabilities	Within 1 month	After 1 months and till 3 months	After 3 months and till 6 months	After 6 months and till one 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
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
<b>Total Liabilities</b>	<b>17 183 856</b>	<b>8 627 770</b>	<b>4 100 133</b>	<b>6 654 750</b>	<b>2 395 919</b>	<b>1 787 053</b>	<b>24 512 611</b>	<b>65 262 092</b>
<b>Total Assets according to expected maturities</b>	<b>15 522 697</b>	<b>8 586 866</b>	<b>5 008 545</b>	<b>4 839 813</b>	<b>10 107 182</b>	<b>20 562 566</b>	<b>13 560 034</b>	<b>78 187 703</b>

B. The below is the distribution of the liabilities (undiscounted) according to the residual maturity as of 31 December 2024:

Liabilities	Within 1 month	After 1 months and till 3 months	After 3 months and till 6 months	After 6 months and till one 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
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
<b>Total Liabilities</b>	<b>14 763 871</b>	<b>6 709 768</b>	<b>3 839 044</b>	<b>7 553 582</b>	<b>2 653 666</b>	<b>1 017 458</b>	<b>23 038 341</b>	<b>59 575 730</b>
<b>Total Assets according to expected maturities</b>	<b>15 191 503</b>	<b>5 167 326</b>	<b>4 395 442</b>	<b>4 532 502</b>	<b>9 933 466</b>	<b>18 336 072</b>	<b>13 676 990</b>	<b>71 233 301</b>

## 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	168 491	1 173	425 508	3 016
CHF	502	596	(1 959)	(2 326)
Other currencies *	-	58 999	-	62 543
		<b>388 993</b>		<b>88 148</b>

\* 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	1 049 230	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)	(1 162 610)	(85 099)	12 865
<b>Net Open Position</b>	<b>290 525</b>	<b>9 479</b>	<b>(9 778)</b>	<b>1 173</b>	<b>596</b>
<b>Net Open Position as of 31 December 2024</b>	<b>1 661</b>	<b>(2 949)</b>	<b>26 205</b>	<b>3 016</b>	<b>(2 328)</b>

## 51. Fair Value Hierarchy

Financial instruments include financial assets and financial liabilities.

The Group uses the following methods and alternatives of valuing 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):

Financial assets / Financial liabilities	Fair Value as at		Fair Value Hierarchy	Valuation techniques and key inputs	Significant unobservable inputs	Relationship of unobservable inputs to fair value
	31 December 2025	31 December 2024				
	USD '000	USD '000				
<b>Financial assets at fair value</b>						
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
<b>Total Financial Assets at fair value through Profit or Loss</b>	<b>85 352</b>	<b>74 222</b>				
Financial derivatives - positive fair value	<b>355 431</b>	<b>207 788</b>	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 measurements	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
<b>Total Financial Assets at fair value through other comprehensive income</b>	<b>1 503 459</b>	<b>1 082 092</b>				
<b>Total Financial Assets at Fair Value</b>	<b>1 944 242</b>	<b>1 364 102</b>				
<b>Financial Liabilities at Fair Value</b>						
Financial derivatives - negative fair value	329 198	156 123	Level 2	Through Comparison of similar financial instruments	Not Applicable	Not Applicable
Structured products at fair value	39 895	-	Level 2	Through Comparison of similar financial instruments	Not Applicable	Not Applicable
<b>Total Financial Liabilities at Fair Value</b>	<b>369 093</b>	<b>156 123</b>				

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	31 December 2024
	USD '000	USD '000
<b>Balance at the beginning of the year</b>	<b>222 747</b>	<b>194 589</b>
Purchase of shares - net	47 025	28 158
	<b>269 772</b>	<b>222 747</b>

### 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 Hierarchy
	Book value	Fair value	Book value	Fair value	
	USD '000	USD '000	USD '000	USD '000	
<b>Financial assets not calculated at fair value</b>					
Mandatory reserve, time and notice and certificates of deposits at Central Banks	7 322 524	7 324 058	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
<b>Total financial assets not calculated at fair value</b>	<b>63 119 693</b>	<b>63 519 795</b>	<b>58 639 471</b>	<b>59 038 042</b>	
<b>Financial liabilities not calculated at fair value</b>					
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
<b>Total financial liabilities not calculated at fair value</b>	<b>62 070 812</b>	<b>62 416 071</b>	<b>56 368 825</b>	<b>56 762 358</b>	

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
<b>Assets</b>			
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
<b>Total assets</b>	<b>42 356 890</b>	<b>35 830 813</b>	<b>78 187 703</b>
<b>Liabilities</b>			
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
<b>Total liabilities</b>	<b>60 749 093</b>	<b>4 205 608</b>	<b>64 954 701</b>
<b>Net</b>	<b>(18 392 203)</b>	<b>31 625 205</b>	<b>13 233 002</b>

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
<b>Assets</b>			
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
<b>Total assets</b>	<b>38 202 426</b>	<b>33 028 095</b>	<b>71 230 521</b>
<b>Liabilities</b>			
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
<b>Total liabilities</b>	<b>55 608 448</b>	<b>3 487 174</b>	<b>59 095 622</b>
<b>Net</b>	<b>(17 406 022)</b>	<b>29 540 921</b>	<b>12 134 899</b>

### 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
<b>Total</b>	<b>18 060 080</b>	<b>3 622 086</b>	<b>439 467</b>	<b>22 121 633</b>
Constructions projects contracts	9 183	-	-	9 183
Procurement contracts	15 199	4 269	647	20 115
<b>Total</b>	<b>24 382</b>	<b>4 269</b>	<b>647</b>	<b>29 298</b>

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
<b>Total</b>	<b>15 676 244</b>	<b>3 340 848</b>	<b>544 877</b>	<b>19 561 969</b>
Constructions projects contracts	7 230	-	-	7 230
Procurement contracts	12 773	3 677	810	17 260
<b>Total</b>	<b>20 003</b>	<b>3 677</b>	<b>810</b>	<b>24 490</b>

#### **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:

	<b>31 December</b>	
	<b>2025</b>	<b>2024</b>
	<b>USD '000</b>	<b>USD '000</b>
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
<b>Regulatory Capital</b>	<b>9 072 427</b>	<b>8 231 372</b>
<b>Risk-weighted assets (RWA)</b>	<b>53 256 562</b>	<b>47 974 210</b>
<b>Common Equity Tier 1 Ratio</b>	<b>%14.51</b>	<b>%14.64</b>
<b>Tier 1 Capital Ratio</b>	<b>%15.54</b>	<b>%15.77</b>
<b>Capital Adequacy Ratio</b>	<b>%17.04</b>	<b>%17.16</b>

- 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:

<b>31 December 2025</b>				
	<b>Deposits owed from related parties</b>	<b>Direct credit facilities at amortized cost</b>	<b>Deposits to related parties</b>	<b>LCs, LGs, Unutilized credit facilities and acceptances</b>
	<b>USD '000</b>	<b>USD '000</b>	<b>USD '000</b>	<b>USD '000</b>
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
<b>Total</b>	<b>150 384</b>	<b>242 219</b>	<b>897 828</b>	<b>342 464</b>

  

<b>31 December 2024</b>				
	<b>Deposits owed from related parties</b>	<b>Direct credit facilities at amortized cost</b>	<b>Deposits to related parties</b>	<b>LCs, LGs, Unutilized credit facilities and acceptances</b>
	<b>USD '000</b>	<b>USD '000</b>	<b>USD '000</b>	<b>USD '000</b>
Associated companies	203 168	-	14 944	96 351
Major Shareholders and Members of the Board of Directors	-	207 716	754 570	168 398
<b>Total</b>	<b>203 168</b>	<b>207 716</b>	<b>769 514</b>	<b>264 749</b>

- All facilities granted to related parties are performing loans in accordance with the credit rating of the Group.

The details of transactions with related parties are as follows:

	<b>2025</b>	
	<b>Interest Income</b>	<b>Interest Expense</b>
	<b>USD '000</b>	<b>USD '000</b>
Associated companies	8 891	1 371

  

	<b>2024</b>	
	<b>Interest Income</b>	<b>Interest Expense</b>
	<b>USD '000</b>	<b>USD '000</b>
Associated companies	9 938	8 403

- 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:

	<b>31 December</b>	
	<b>2025</b>	<b>2024</b>
	<b>USD '000</b>	<b>USD '000</b>
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)	-
<b>Net profit for the period attributable to the Bank's shareholders</b>	<b>1 033 638</b>	<b>942 287</b>
	<b>Thousand Shares</b>	
Average number of shares	640 800	640 800
	<b>USD / Share</b>	
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.

## **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:

	<b>31 December</b>	
	<b>2025</b>	<b>2024</b>
	<b>USD '000</b>	<b>USD '000</b>
Cash and balances with central banks maturing within 3 months	13 973 903	13 555 124
<u>Add:</u> balances with banks and financial institutions maturing within 3 months	4 875 961	3 751 194
<u>Less:</u> banks and financial institutions deposits maturing within 3 months	4 006 159	3 624 677
<b>Total</b>	<b>14 843 705</b>	<b>13 681 641</b>

## **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.