

**BANK AL ETIHAD**

**PUBLIC SHAREHOLDING LIMITED COMPANY**

**CONSOLIDATED FINANCIAL STATEMENTS**

**31 DECEMBER 2024**



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**INDEPENDENT AUDITOR'S REPORT**  
**To the Shareholders of Bank Al Etihad**  
**Amman – Jordan**

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

**Opinion**

We have audited the consolidated financial statements of Bank Al Etihad “the Bank” and its subsidiaries “the Group” which comprise the consolidated statement of financial position as at 31 December 2024, and the consolidated statement of comprehensive income, consolidated statement of changes in equity and consolidated statement of cash flows for the year then ended, and notes to the consolidated financial statements, including material accounting policy information.

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

**Basis for Opinion**

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

**Other matter**

The consolidated financial statements of the Group for the year ended 31 December 2023 were audited by another auditor who expressed an unqualified opinion on 28 February 2024.

## Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the consolidated financial statements for the year ended 31 December 2024. These matters were addressed in the context of our audit of the consolidated financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters. For each matter below, our description of how our audit addressed the matter provided in that context.

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

<p>1- Adequacy of expected credit losses provision for credit facilities</p> <p>Refer to the note (9) to the consolidated financial statements</p>	
<p><b>Key Audit matter</b></p> <p>This is considered as a key audit matter as the Group exercises significant judgement to determine when and how much to record as expected credit losses.</p> <p>The provision for credit facilities is recognized based on the Bank's provisioning and impairment policy which complies with the requirements of IFRS 9.</p> <p>Credit facilities form a major portion of the Bank's assets, there is a risk that inappropriate expected credit losses provisions are booked, whether from the use of inaccurate underlying data, or the use of unreasonable assumptions. Due to the significance of the judgments used in classifying credit facilities into various stages stipulated in IFRS 9 and determining related provision requirements, this audit area is considered a key audit risk.</p>	<p><b>How the key audit matter was addressed in the audit</b></p> <p>Our audit procedures included the following:</p> <ul style="list-style-type: none"> <li>• We gained an understanding of the Company's key credit processes comprising granting and booking and tested the operating effectiveness of key controls over these processes.</li> <li>• We read the Bank's impairment provisioning policy and compared it with the requirements of the International Financial Reporting Standards as well as relevant regulatory guidelines and pronouncements.</li> <li>• We assessed the Bank's expected credit loss model, in particular focusing on its alignment of the expected credit loss model and its underlying methodology with the requirements of IFRS 9.</li> </ul>

As at 31 December 2024, the Bank's gross credit facilities amounted to JD 4,848,493,596 and the related expected credit losses provisions amounted to JD 261,706,245. The expected credit losses provision policy is presented in the accounting policies in note (2) to the consolidated financial statements.

- We tested a sample of exposures, assessed on an individual basis and performed procedures to evaluate the following:
  - Appropriateness of the bank's staging.
  - Appropriateness of determining Exposure at Default, including the consideration of repayments in the cash flows and the resultant arithmetical calculations
  - Appropriateness of the PD, EAD and LGD for different exposures at different stages.
  - Appropriateness of the internal rating and the objectivity, competence and independence of the experts involved in this exercise.
  - Soundness and mathematical integrity of the ECL Model.
  - For exposures moved between stages we have checked the appropriateness of the Bank's determination of significant increase in credit risk and the resultant basis for classification of exposures into various stages. We also checked the timely identification of exposures with a significant deterioration in credit quality.
  - For exposures determined to be individually impaired we re-performed the ECL calculation we also obtained an understanding of the latest developments in the counterparty's situation of the latest developments in estimate of future cash flows, current financial position any rescheduling or restructuring agreements.
- For forward looking assumptions used by the Group in its Expected Credit Loss ("ECL") calculations, we held discussions with management and

	<p>corroborated the assumptions using publicly available information.</p> <p>We assessed the financial statements disclosures to ensure compliance with IFRS 9. Refer to the accounting policies, critical accounting estimates and judgments, disclosures of credit facilities and on credit risk in notes (2), (4), and (9) to the consolidated financial statements.</p>
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### **Other information included in the Group's 2024 annual report**

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

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

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

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

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

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

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

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

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

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

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

- Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the group's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's ability to continue as a going concern. If we conclude that a material uncertainty exist, we are required to draw attention in our auditor's report to the related disclosures in the consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However future events or conditions may cause the Group to cease to continue as a going concern.

- Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Plan and perform the group audit to obtain sufficient appropriate audit evidence regarding the financial information of the entities or business units within the group as a basis for forming an opinion on the consolidated financial statements. We are responsible for the direction, supervision and review of the audit work performed for the purposes of the group audit. We remain solely responsible for our audit opinion.

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

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

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

### **Report on Other Legal and Regulatory Requirements**

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

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

Amman – Jordan  
19 February 2025

**ERNST & YOUNG**  
Amman - Jordan

**BANK AL ETIHAD**  
**(PUBLIC SHAREHOLDING LIMITED COMPANY)**  
**AMMAN - THE HASHEMITE KINGDOM OF JORDAN**  
**CONSOLIDATED STATEMENT OF FINANCIAL POSITION**

	Notes	31 December	
		2024	2023
<b><u>Assets</u></b>		<b>JD</b>	<b>JD</b>
Cash and balances at Central Banks	5	912,773,898	736,205,982
Balances at banks and financial institutions - net	6	487,712,257	371,943,707
Deposits at banks and financial institutions - net	7	17,709,822	14,082,419
Financial assets at fair value through statement of income	8	18,663,543	26,229,319
Direct credit facilities and financing - net	9	4,562,816,078	4,244,911,424
Financial assets at fair value through other comprehensive income - net	10	119,651,740	66,658,121
Financial assets at amortized cost - net	11	1,855,913,452	1,633,814,826
Investment in associates	12	332,759	349,622
Property and equipment - net	13	87,259,347	76,211,079
Deferred tax assets	21/b	45,261,019	37,416,374
Right of use assets - net	44	29,835,954	30,438,070
Intangible assets - net	14	29,629,198	28,532,909
Other assets - net	15	183,447,671	153,225,585
<b>TOTAL ASSETS</b>		<b>8,351,006,738</b>	<b>7,420,019,437</b>
<b><u>LIABILITIES AND OWNERS' EQUITY</u></b>			
<b><u>LIABILITIES:</u></b>			
Banks and financial institutions deposits	16	357,199,782	311,250,220
Customers' deposits	17	6,406,677,540	5,651,353,018
Cash margins	18	374,955,909	329,660,434
Borrowed funds	19/a	220,773,527	190,406,392
Subordinated loans	19/b	60,295,000	60,295,000
Sundry provisions	20	1,421,646	525,787
Lease liabilities	44	30,828,861	31,098,416
Income tax provision	21/a	36,048,153	30,872,484
Deferred tax liabilities	21/b	945,800	20,282
Other liabilities	22	169,050,879	150,936,220
<b>TOTAL LIABILITIES</b>		<b>7,658,197,097</b>	<b>6,756,418,253</b>
<b><u>OWNERS' EQUITY</u></b>			
<b><u>BANK'S SHAREHOLDERS EQUITY:</u></b>			
Authorized and paid-in capital	23	200,000,000	200,000,000
Share premium	23	68,213,173	68,213,173
Statutory reserve	25	94,105,047	85,321,596
Voluntary reserve	25	62,376,599	57,172,423
Fair value reserve - net	27	1,315,151	2,693,754
Retained earnings	28	69,774,670	65,411,367
<b>TOTAL BANK'S SHAREHOLDERS EQUITY</b>		<b>495,784,640</b>	<b>478,812,313</b>
Non-controlling interests		126,125,001	113,888,871
Perpetual bonds	24	70,900,000	70,900,000
<b>TOTAL OWNERS' EQUITY</b>		<b>692,809,641</b>	<b>663,601,184</b>
<b>TOTAL LIABILITIES AND OWNERS' EQUITY</b>		<b>8,351,006,738</b>	<b>7,420,019,437</b>

THE ACCOMPANYING NOTES FROM (1) TO (54) FORM AN INTEGRAL PART OF THESE CONSOLIDATED  
FINANCIAL STATEMENTS AND SHOULD BE READ WITH THEM



**BANK AL ETIHAD**  
**(PUBLIC SHAREHOLDING LIMITED COMPANY)**  
**AMMAN - THE HASHEMITE KINGDOM OF JORDAN**  
**CONSOLIDATED STATEMENT OF INCOME**

	Notes	For the Year Ended 31 December	
		2024	2023
		JD	JD
Interest income and returns	31	490,941,001	430,386,583
Interest expenses	32	254,023,745	217,487,350
<b>Net Interest Income and Returns</b>		<b>236,917,256</b>	<b>212,899,233</b>
Net commission income	33	41,177,032	32,347,286
<b>Net interest and commission income</b>		<b>278,094,288</b>	<b>245,246,519</b>
Gain from foreign currencies	34	17,647,759	13,776,586
Gain from financial assets at fair value through statement of income	35	2,525,348	1,915,615
Gain (Loss) from financial assets at amortized costs	11	48,728	(2,125)
Dividends from financial assets at fair value through other comprehensive income	10 & 36	726,825	1,162,153
Gain from sale of financial assets at fair value through other comprehensive income	10	78,970	-
Other income	37	3,746,422	1,401,394
<b>Gross Income</b>		<b>302,868,340</b>	<b>263,500,142</b>
Employees' expenses	38	66,892,385	62,943,873
Depreciation and amortization	13 & 14	15,218,129	15,059,445
Other expenses	39	59,244,796	46,966,839
Amortization of right of use assets	44	4,774,421	4,575,570
Rent expense		1,044,864	810,851
Lease finance cost	44	1,220,926	1,240,261
Provision for expected credit losses - net	29	68,652,960	41,920,695
(Surplus) Provision for impairment of seized assets	15	(866,590)	(581,164)
Sundry provisions	20	895,859	170,171
<b>Total Expenses</b>		<b>217,077,750</b>	<b>173,106,541</b>
<b>Profit from operations</b>		<b>85,790,590</b>	<b>90,393,601</b>
Bank's share from the (loss) profit of an associate Company	12	(16,863)	3,668
<b>Profit for the year before tax</b>		<b>85,773,727</b>	<b>90,397,269</b>
Income tax	21/a	(31,299,627)	(32,659,994)
<b>Profit for the Year</b>		<b>54,474,100</b>	<b>57,737,275</b>
<b>Attributable to:</b>			
Bank's Shareholders		42,309,640	47,137,256
Non-Controlling Interests		12,164,460	10,600,019
		<b>54,474,100</b>	<b>57,737,275</b>
		<b>JD/ FILS</b>	<b>JD/ FILS</b>
<b>Basic and diluted earnings per share for the year attributable to the Bank's Shareholders</b>	40	<b>0.212</b>	<b>0.236</b>

THE ACCOMPANYING NOTES FROM (1) TO (54) FORM AN INTEGRAL PART OF THESE CONSOLIDATED FINANCIAL STATEMENTS AND SHOULD BE READ WITH THEM

**BANK AL ETIHAD  
(PUBLIC SHAREHOLDING LIMITED COMPANY)  
AMMAN - THE HASHEMITE KINGDOM OF JORDAN  
CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME**

	<b>For the Year Ended 31 December</b>	
	<b>2024</b>	<b>2023</b>
	<b>JD</b>	<b>JD</b>
Profit for the Year	54,474,100	57,737,275
<b><u>Comprehensive income items</u></b>		
<b><u>Items that are unable to be reclassified to the consolidated income statement in subsequent periods</u></b>		
Net change in fair value reserve after tax	(1,400,775)	(3,391,569)
<b>Total Comprehensive Income for the Year</b>	<b><u>53,073,325</u></b>	<b><u>54,345,706</u></b>
<b>Comprehensive income attributable to:</b>		
Bank's Shareholders	40,837,195	43,748,909
Non-Controlling Interests	12,236,130	10,596,797
	<b><u>53,073,325</u></b>	<b><u>54,345,706</u></b>

**THE ACCOMPANYING NOTES FROM (1) TO (54) FORM AN INTEGRAL PART  
OF THESE CONSOLIDATED FINANCIAL STATEMENTS AND SHOULD BE  
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**BANK AL ETIHAD**  
**(PUBLIC SHAREHOLDING LIMITED COMPANY)**  
**AMMAN - THE HASHEMITE KINGDOM OF JORDAN**  
**CONSOLIDATED STATEMENT OF CHANGES IN OWNERS' EQUITY**

Notes	Authorized and paid-in Capital		Share Premium		Reserves		Fair Value		Retained Earnings*	Total Shareholder's Equity	Perpetual Bonds	Non-Controlling Interests	Total Owners' Equity
	JD	JD	JD	JD	JD	JD	JD	JD					
<b>For the Year Ended 31 December 2024</b>													
	200,000,000		68,213,173	85,321,596	57,172,423	2,693,754	65,411,367	478,812,313	70,900,000	113,888,871	663,601,184		JD
	-		-	-	-	(1,472,445)	42,309,640	40,837,195	-	12,236,130	53,073,325		
	-		-	8,786,397	5,204,176	-	(13,990,573)	-	-	-	-		-
23	-		-	-	-	-	(20,000,000)	(20,000,000)	-	-	(20,000,000)		-
	-		-	(2,946)	-	-	102,946	100,000	-	-	100,000		-
10	-		-	-	-	-	93,842	(93,842)	-	-	-		-
	-		-	-	-	-	(150,113)	(150,113)	-	-	(150,113)		-
	-		-	-	-	-	(16,051)	(16,051)	-	-	(16,051)		-
	-		-	-	-	-	(3,798,704)	(3,798,704)	-	-	(3,798,704)		-
	<b>200,000,000</b>		<b>68,213,173</b>	<b>94,105,047</b>	<b>62,376,599</b>	<b>1,315,151</b>	<b>69,774,670</b>	<b>495,784,640</b>	<b>70,900,000</b>	<b>126,125,001</b>	<b>692,809,641</b>		
<b>For the Year Ended 31 December 2023</b>													
	160,000,000		80,213,173	76,227,974	51,192,173	6,482,816	78,930,524	453,046,660	-	106,989,990	560,036,650		
	-		-	-	-	(3,388,347)	47,137,256	43,748,909	-	10,596,797	54,345,706		
	-		-	9,093,622	5,980,250	-	(15,073,872)	-	-	-	-		-
23	-		-	-	-	-	(16,000,000)	(16,000,000)	-	-	(16,000,000)		-
	40,000,000		(12,000,000)	-	-	-	(28,000,000)	-	-	-	-		-
	-		-	-	-	-	(435,765)	(435,765)	-	(3,697,916)	(4,133,681)		-
10	-		-	-	-	(400,715)	400,715	-	-	-	-		-
	-		-	-	-	-	(250,150)	(250,150)	-	-	(250,150)		-
	-		-	-	-	-	(363,234)	(363,234)	70,900,000	-	70,536,766		-
	-		-	-	-	-	(934,107)	(934,107)	-	-	(934,107)		-
	<b>200,000,000</b>		<b>68,213,173</b>	<b>85,321,596</b>	<b>57,172,423</b>	<b>2,693,754</b>	<b>65,411,367</b>	<b>478,812,313</b>	<b>70,900,000</b>	<b>113,888,871</b>	<b>663,601,184</b>		

\* Retained earnings include a restricted amount of JD 44,985,503 as of 31 December 2024 (JD 37,180,506 as of 31 December 2023), which represents deferred tax assets after deducting deferred tax liabilities and in accordance with the instructions of the Central Bank of Jordan. These amounts cannot be used unless a prior approval is obtained.

\* Retained earnings include an amount of JD 2,918,105 which represents unrealized gain from revaluation of financial assets at fair value through income statement (JD 2,174,784 as of 31 December 2023).

- General banking risk reserve include a restricted balance which is transferred to retained earnings with an amount of JD 108,397 as of 31 December 2024 and 2023 that belongs to Safwa Islamic Bank, these amounts cannot be used unless a prior approval is obtained Central Bank of Jordan

**THE ACCOMPANYING NOTES FROM (1) TO (54) FORM AN INTEGRAL PART OF THESE CONSOLIDATED FINANCIAL STATEMENTS AND SHOULD BE READ WITH THEM**

**BANK AL ETIHAD**  
**(PUBLIC SHAREHOLDING LIMITED COMPANY)**  
**AMMAN - THE HASHEMITE KINGDOM OF JORDAN**  
**CONSOLIDATED STATEMENT OF CASH FLOWS**

	Notes	For the Year Ended 31 December	
		2024	2023
<b>Operating Activities</b>		<b>JD</b>	<b>JD</b>
Profit for the year before tax		85,773,727	90,397,269
<b>Adjustments</b>			
Depreciation and amortization	13 & 14	15,218,129	15,059,445
Provision for expected credit loss - net	29	68,652,960	41,920,695
Amortization of right of use assets	44	4,774,421	4,575,570
Lease finance cost	44	1,220,926	1,240,261
Gain from the derecognition of right-of-use assets	44	-	(4,566)
(Gains) from sale of financial assets at fair value through other comprehensive income	10	(78,970)	-
(Gains) losses from sale of financial assets at amortized cost	11	(48,728)	2,125
(Surplus) provision for impairment of seized assets	15	(866,590)	(581,164)
Unrealized (gains) losses from financial assets through statement of income	35	(456,497)	(1,031,495)
(Gains) losses from sale of property and equipment	37 & 39	(2,326,104)	32,116
(Gains) losses on revaluation of convertible loans		(9,104)	23,276
Sundry provisions - net	20	895,859	170,171
Bank's shares of losses (gains) from investment in an associate company	12	16,863	(3,668)
(Gains) losses from the sale of seized assets	37 & 39	(5,288)	11,489
Effect of exchange rate fluctuations on cash and cash equivalents	34	(5,789,534)	(4,238,001)
<b>Profit before changes in assets and liabilities</b>		<b>166,972,070</b>	<b>147,573,523</b>
<b>Changes in Assets and Liabilities</b>			
Restricted cash balances		(4,093,565)	(5,735,244)
Financial assets at fair value through statement of income		8,022,273	(6,773,928)
(Increase) in banks and financial institutions' deposits with maturity exceeding 3 months		(3,635,422)	(69,003)
Deposits at banks and financial institutions with maturity exceeding 3 months		20,411,319	7,495,474
(Increase) in direct credit facilities and financing		(387,229,979)	(296,082,279)
(Increase) decrease in other assets		(29,281,801)	400,574
Increase in customers' deposits		755,324,522	465,008,574
Increase in cash margins		45,295,475	72,292,407
Increase in other liabilities		17,931,961	49,668,401
<b>Net cash flows from operating activities before income tax</b>		<b>589,716,853</b>	<b>433,778,499</b>
Income tax paid	21/a	(33,888,257)	(35,092,191)
Sundry provisions paid	20	-	(276,281)
<b>Net cash flows from operating activities</b>		<b>555,828,596</b>	<b>398,410,027</b>
<b>Investing Activities</b>			
(Purchase) of financial assets at fair value through other comprehensive income		(53,494,001)	(9,795,521)
Matured financial assets at amortized cost	11	353,833,657	398,947,836
(Purchase) of financial assets at amortized cost	11	(575,588,705)	(706,960,536)
(Purchase) of property and equipment and payments for purchase of property and equipment	13	(20,312,422)	(15,987,004)
Proceeds from sale of property and equipment	13	3,240,149	98,232
(Increase) in intangible assets	14	(7,964,309)	(8,536,707)
<b>Net cash flows used in investing activities</b>		<b>(300,285,631)</b>	<b>(342,233,700)</b>
<b>Financing Activities</b>			
Dividends distributed to shareholders		(19,979,315)	(15,993,410)
Increase in borrowed funds	19/a	30,367,135	48,698,446
Increase in subordinated loans	19/b	-	14,180,000
Capital increase fees		(150,113)	(250,150)
Perpetual bonds and their related expenses after excluding the tax effect		(12,506)	(363,234)
Perpetual bonds interest after excluding the tax effect		(2,874,975)	(934,107)
Issuance of Perpetual bonds	24	-	70,900,000
Payments of principal lease liability	44	(5,327,536)	(5,032,119)
Repayment of part of interest of the lease obligation	44	(335,250)	(337,725)
Net change in non-controlling interests as a result of the increase in the ownership of a subsidiary		-	(4,133,681)
<b>Net Cash Flows from Financing Activities</b>		<b>1,687,440</b>	<b>106,734,020</b>
<b>Net increase in cash and cash equivalent</b>		<b>257,230,405</b>	<b>162,910,347</b>
Effect of the exchange rates fluctuations on cash and cash equivalents	34	5,789,534	4,238,001
Cash and cash equivalents at the beginning of the year		830,940,957	663,792,609
<b>Cash and cash equivalents at the end of the year</b>	41	<b>1,093,960,896</b>	<b>830,940,957</b>
<b>Non cash items:</b>			
(Increase) in right of use assets		(4,359,532)	(6,097,366)
Increase in leasing liabilities		4,359,532	6,097,366

THE ACCOMPANYING NOTES FROM (1) TO (54) FORM AN INTEGRAL PART OF THESE CONSOLIDATED FINANCIAL STATEMENTS AND SHOULD BE READ WITH THEM AND WITH THE AUDIT REPORT.

## **1. General Information**

Bank Al Etihad is a public shareholding company incorporated in Jordan during 1978, in accordance with the Companies Law No (12) of (1964). Its main branch is located in Amman, and the Company was transformed into a bank during the year 1991.

The Bank provides all of its financial and banking services through its main branch located in Amman and through its Fifty-seven branches and its subsidiaries in Jordan and Iraq brach, and the number of Safwa Bank branches inside the Kingdom reached forty-four branches and its subsidiary.

The Bank's shares are listed and traded on Amman Stock Exchange - Jordan.

The consolidated financial statements were approved by the Board of Directors on 9 February 2025 and are subject to approval by the General Assembly of Shareholders and the Central Bank of Jordan.

## **2. Material Accounting Policies**

### **Basis of Preparation of the Consolidated Financial Statements**

The accompanying consolidated financial statements for the Bank and its subsidiaries have been prepared in accordance with the International Financial Reporting Standards as issued by the International Accounting Standards Board. The Bank transitioned to fully applying the International Financial Reporting Standards (IFRS) starting from 1 January 2024, instead of IFRS as adopted by the Central Bank of Jordan, the differences between these two frameworks are not material on the consolidated financial statements.

The Bank adheres to the local regulations and instructions of the Central Bank of Jordan.

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

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

**BANK AL ETIHAD**  
**(PUBLIC SHAREHOLDING LIMITED COMPANY)**  
**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS**  
**31 DECEMBER 2024**

**Basis of Consolidation**

The consolidated financial statements comprise the financial statements of the Bank and its subsidiaries were the Bank holds control over the subsidiaries. The control exists when the Bank controls the subsidiaries significant and relevant activities and is exposed, or has rights, to variable returns from its involvement with the subsidiaries and has the ability to affect those returns through its power over the subsidiaries. All transactions balances, income and expenses between the Bank and subsidiaries are eliminated. The following subsidiaries were consolidated in the Group's financial statements:

Company's Name	Ownership of the Bank	31 December 2024			Nature of Operation	Established year	Location
		Paid-up Capital	Investment amount				
	%	JD	JD				
Al-Eithad for Financial Brokerage Company L.L.C.	100	5,000,000	5,000,000		Financial Brokerage	2006	Jordan
Al-Eithad for Financial Leasing Company L.L.C	100	12,000,000	12,000,000		Finance leasing	2015	Jordan
					Acquisition of bonds and shares in companies and borrowing the necessary funds from banks		
Al-Eithad Islamic Investment Company L.L.C*	58	113,039,028	65,562,636		Manufacturing, programming, development and supplying of programs	2016	Jordan
Al-Eithad for Financial Technology Company	100	-	-			2019	Jordan
		<b>130,039,028</b>	<b>82,562,636</b>				

**BANK AL ETIHAD**  
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The Bank owns the following subsidiaries as of 31 December 2023:

Company's Name	Ownership of the Bank %	31 December 2023		Nature of Operation	Established year	Location
		Paid-up Capital	Investment amount			
		JD	JD			
Al-Ethad for Financial Brokerage Company L.L.C.	100	5,000,000	5,000,000	Financial Brokerage	2006	Jordan
Al-Ethad for Financial Leasing Company L.L.C	100	12,000,000	12,000,000	Finance leasing	2015	Jordan
Al-Ethad Islamic Investment Company L.L.C*	58	113,039,028	65,562,636	Acquisition of bonds and shares in companies and borrowing the necessary funds from banks	2016	Jordan
Al-Ethad for Financial Technology Company	100	100,000	100,000	Manufacturing, programming, development and supplying of programs	2019	Jordan
		<b>130,139,028</b>	<b>82,662,636</b>			

- \* The subsidiary (Al-Ethad Islamic Investment Company) which is owned by Bank Al Ethad with a total percentage of 58% has a controlling interest equivalent to 62.4% over Safwa Islamic Bank. Since the bank has control over the subsidiary and Safwa Islamic Bank, their financial information has been consolidated within the consolidated financial information of Bank al Ethad.
- Bank al Ethad owns shares in Safwa Islamic Bank directly, amounting to around 3.67% of the total shares of Safwa Islamic Bank.
  - The General Assembly approved in its extraordinary meeting held on 11 September 2024 the voluntary liquidation of Al-Ethad for Financial Technology Company.

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**B. Investment in Foreign branches**

Company's Name	Ownership of the Bank	31 December 2024			Nature of Operation	Established year	Location
		Paid-up Capital	Investment amount				
	%	JD	JD				
Bank al Etihad – Iraq Branch	100	35,450,000	35,450,000		Commercial Bank	2023	Iraq
		<u>35,450,000</u>	<u>35,450,000</u>				

The Bank owns the following subsidiary as of 31 December 2023

Company's Name	Ownership of the Bank	31 December 2023			Nature of Operation	Established year	Location
		Paid-up Capital	Investment amount				
	%	JD	JD				
Bank al Etihad – Iraq Branch	100	35,450,000	35,450,000		Commercial Bank	2023	Iraq
		<u>35,450,000</u>	<u>35,450,000</u>				



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

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

Non-controlling interest represents the portion that is not owned by the Bank in the owner's equity in the subsidiary companies.

### **Significant Accounting Policies**

#### **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 remeasured at its acquisition date fair value and any resulting gain or loss is recognised in profit or loss.

Any contingent consideration to be transferred by the acquirer will be recognised 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 recognised 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 recognised 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 reassesses 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 recognised 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 recognised 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.

### **Recognition of Interest Income**

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

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

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

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

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

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

### **Fee and commission income**

Fee income can be divided into the following two categories:

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

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

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

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

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

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

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

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

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

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

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

### **Segmental Information**

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

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

### **Direct Credit Facilities**

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

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

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

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

### **Fair Value**

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

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

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

### **Investment in Associate**

An associate company is the company whereby the bank exercises effective influence over their decisions related to financial and operational policies without control, with the bank owning from (20%) to (50%) of the voting rights, and is stated in accordance to the equity method.

Under the equity method, the investment in an associates 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 income statement 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 income statement within operating profit and represents profit or loss after tax and non-controlling interests in the subsidiaries of the associate.

Revenues and expenses resulting from transactions between the Bank and the associate company are eliminated according to the bank's ownership percentage in these company.

### **Financial Assets at Amortized Cost**

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

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

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

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

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

#### **Financial Assets at Fair Value through Profit or Loss**

It is the financial assets purchased by the bank for the purpose of trading in the near future and achieving gains from the fluctuations in the short-term market prices or trading margins.

Financial assets at fair value through profit or loss are initially stated at fair value at acquisition date (purchase costs are recorded in the consolidated statement of income upon acquisition) and subsequently measured in fair value. Moreover changes in fair value are recorded in the consolidated statement of income including the change in fair value resulting from translation of non-monetary assets stated at foreign currency. Gains or losses resulting from the sale of these financial assets or part of them are taken to the consolidated statement of income.

Dividends and interests from these financial assets are recorded in the consolidated statement of income.

It is not allowed to reclassify any financial assets to / from this category except for the cases specified in International Financial Reporting Standard.

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

#### **Financial Assets at Fair Value through Other Comprehensive Income**

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

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

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

Dividends are recorded in the consolidated statement of income.

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

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

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

### **Impairment in Financial Assets**

Overview of the expected credit losses principles

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

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

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

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

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

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

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

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

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

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

#### **Collateral repossessed**

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

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



### **Property and Equipment**

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

	%
Buildings	2-4
Equipment, furniture, and fixtures	7-15
Vehicles	15
Computer	20

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

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

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

### **Leases**

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

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

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

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

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

#### **Lease liabilities**

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

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

#### **Impairment of non-financial assets**

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

## **Intangible Assets**

### **A. Goodwill**

Goodwill is recognized at cost and represents the excess of the acquisition costs or investment costs in an affiliate or a subsidiary over the net assets fair value of the affiliate or subsidiary as of the acquisition date. Goodwill arises from the investment in the subsidiary recognized as a separate item in intangible assets. Later on, goodwill will be reviewed and reduced by any impairment amount.

Goodwill is allocated to cash generating unit(s) to test impairments in its value.

Impairment testing is done on the date of the consolidated financial statements. Goodwill is reduced if the test indicates that there is impairment in its value, and that the estimated recoverable value of the cash generating unit(s) relating to goodwill is less than the book value of the cash generating unit(s). Impairment is recognized in the consolidated statement of income.

### **B. Other Intangible assets**

Intangible assets purchased in an acquisition are stated at fair value at the date of acquisition. Other intangible assets purchased other than through acquisition are recorded at cost.

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

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

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

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

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

	%
Software	25

### **Provisions**

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

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

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

### **Income Tax**

Income tax expenses represent accrued tax and deferred tax.

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

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

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

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

### **Capital Cost of Issuing or Buying the Bank's Shares**

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

### **Accounts Managed on Behalf of Customers**

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

### **Offsetting**

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

### **Realization of Income and Recognition of Expenses**

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

Expenses are recognised according to the accrual basis.

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

### **Date of Recognizing Financial Assets**

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

### **Hedge Accounting and Financial Derivatives**

#### **Financial Derivatives for Hedging:**

For the purpose of hedge accounting the financial derivatives appear at fair value.

#### **Fair Value Hedges:**

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

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

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

#### **Cash flow Hedges:**

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

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

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

#### **Financial derivatives for trading**

The fair value of derivative financial instruments held for trading purposes (such as forward foreign exchange contracts, future interest contracts, swap contracts, and foreign exchange option rights) is recorded in the consolidated statement of financial position. The fair value is determined based on prevailing market prices. If these are not available, the valuation method is stated, and the amount of changes in fair value is recorded in the consolidated statement of income.

### **Assets Seized by the Bank against Due Debts**

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

### **Repurchase and Resale Agreements**

Assets sold with a simultaneous commitment to repurchase at a specified future date (repos) will continue to be recognised in the bank's consolidated financial statements due to the bank's continuing exposure to the risks and rewards of these assets using the same accounting policies. (The buyer has the right to control such assets (by sale or pledge as collateral) which are reclassified as financial assets pledged as collateral). The proceeds of the sale are recorded under loans and borrowings. The difference between the sale and repurchase price is recognised as an interest expense over the agreement term using the effective interest method.

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

### **Foreign Currencies**

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

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

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

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

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

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

### **Cash and Cash Equivalents**

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

### **3. Changes in Accounting Policies**

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

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

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

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

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

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

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

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

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



#### **Supplier Finance Arrangements - Amendments to IAS 7 and IFRS 7**

The amendments announced on May 2023 to IAS 7 Statement of Cash Flows and IFRS 7 Financial Instruments: Disclosures clarify the characteristics of supplier finance arrangements and require additional disclosure of such arrangements. The disclosure requirements in the amendments are intended to assist users of financial statements in understanding the effects of supplier finance arrangements on an entity's liabilities, cash flows and exposure to liquidity risk.

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

#### **4. Significant Judgments and Estimates Used**

##### **Use of Estimate:**

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

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

##### **A. EXPECTED CREDIT LOSS FOR DIRECT CREDIT FACILITIES**

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

##### **Inputs, assumptions and techniques used for ECL calculation – IFRS 9 Methodology**

Key concepts in IFRS 9 that have the most significant impact and require a high level of judgment, as considered by the Bank while determining the impact assessment, including the following:

- The Bank relies on Moody's RA application to classify corporate credit risk ratings, which reviews and analyzes financial and objective information about the borrower, The program generates a comprehensive assessment of the creditworthiness of the borrower, that results in the probability of default (PD), The system classifies the corporate customers within 7 levels of active accounts and 3 levels of non- performing accounts, The probability of default (PD) increase with the level of risk, wherein, 3 segments are adopted at each level (grade) except for grade 1 as shown in the table below:

Risk Grade of the Customer	Credit Rating	Credit Quality
1	Aaa	Facilities of the highest quality and carry the lowest degree of credit risk.
2+	Aa1	
2	Aa2	Facilities are of high quality and carry a very low degree of credit risk.
2-	Aa3	
3+	A1	Facilities are at the upper level of the average rating and carry a low degree
3	A2	of credit risk.
3-	A3	
4+	Baa1	Facilities are at an average rating level and carry a moderate degree of
4	Baa2	credit risk and therefore contain some risk characteristics.
4-	Baa3	
5+	Ba1	
5	Ba2	Facilities that have risk characteristics and carry a significant degree of
5-	Ba3	credit risk
6+	B1	
6	B2	Very high credit risk facilities,
6-	B3	
7+	Caa1	Weak Business credit: judged to be of poor standing and subject to very
7	Caa2	high credit risk.
7-	Caa3	
8	Default Ca	Substandard facilities.
9	Default Ca	Doubtful facilities.
10	Default Ca	Loss facilities.

- Risk of individuals is measured based on portfolio valuation through customer behaviour records and their commitment for timely payments.
- Global ratings are used to measure the risk of other financial assets (fixed-rate financial instruments and credit claims on banks and financial institutions).

- **The mechanism for calculating expected credit losses (ECL) on financial instruments and for each item separately.**

The Bank has adopted a special mechanism for calculating expected credit losses based on the type of financial instrument:

- Financial instruments for the portfolio of companies and instruments with fixed income and credit claims on banks and financial institutions:

In calculating the expected credit losses for this portfolio, the Bank relies on a specialized and developed system from Moody's, Each customer/ instrument is calculated individually at the level of each account/ instrument.

- Portfolio financial instruments:

In collaboration with Moody's, the Bank has developed a retail portfolio model to calculate expected credit loss based on the requirements of the Standard, The provision for the Retail Portfolio is calculated on an aggregate basis.

Governs the application of the requirements of IFRS 9 and includes the responsibilities of the board of directors and executive management to ensure compliance with the requirements of the IFRS.

The Board of Directors has several specialized committees, each with its own objectives and to implement the Standard,

- **Risk Management Committee**

- Review the implementation strategy of the standard and its impact on the risk management of the bank before its adoption by the Board.
- Keeping pace with developments affecting the Bank's risk management and reporting periodically to the Board.
- Verify that there is no difference between the actual risks taken by the Bank and the level of acceptable risks approved by the Board.
- The committee submits a report to the bank's Board of Directors as soon as any significant changes affecting the bank's financial position are identified, in order to take the necessary corrective actions. This follows the receipt of credit exposure classification reports and the quarterly calculation of impairment provisions by the Risk Department, in line with Exposure Instructions (8/2024). A copy of the report must also be provided to the Central Bank of Jordan within a period not exceeding 10 working days from the report submission date.

- **Audit Committee**

- Review the financial statements after application of the Standard to verify the orders of the Central Bank of Jordan regarding the adequacy of the provisions and to give an opinion on the non-performing bank debts before submitting them to the Board of Directors.
- Review the observations contained in the reports of the Central Bank and the reports of the external auditor and follow up the actions taken thereon.
- Review the accounting issues that have a significant impact on the financial statements of the Bank and ensure the accuracy of the accounting and control procedures and their compliance.

- **Finance Department**

- Make necessary accounting adjustments and restrictions after the results are approved and verify that all products have been calculated.
- Prepare the necessary disclosures in cooperation with the concerned departments in the bank in accordance with the requirements of the standard and the instructions of the Central Bank.

- **Risk Management Department**

- Calculating and reviewing expected credit losses and classifying customers according to the three stages on a quarterly basis, in compliance with accounting standards and Central Bank regulations, while informing the executive management of the calculation results.
- Reviewing and approving risk indicators in accordance with the bank's approved policy and methodology.
- \* Definition and mechanism for calculating and monitoring the probability of default (PD) and exposure at default (EAD) and loss given default (LGD).

Corporate and fixed-income financial instruments and credit claims on banks and financial institutions:

– **Probability of default (PD):**

The probability of default is measured for the purpose of calculating the expected credit loss for each stage of the International Financial Reporting Standard (9) using statistical models based on historical default data and the credit classification of exposures, in addition to stress tests related to macroeconomic indicators for the portfolio of facilities for large, medium, and small companies. As for the individual facilities portfolio, statistical models based on product characteristics and the client's credit behavior are used.

According to the standard (9), all credit exposures and debt instruments included in the first stage are considered. The probability of default for the exposure/instrument is taken into account for a period of 12 months from the financial statement date. For credit exposures included in the second stage, the probability of default is considered over the remaining lifetime of the credit exposure.

– **Loss given Default (LGD)**

When calculating the loss given default (LGD), the guarantees provided against the credit exposure are evaluated. Only guarantees classified as risk mitigants (legally secured within credit contracts and with no legal obstacle preventing the bank from accessing the collateral) are considered for the purpose of calculating the recoverable value from the credit exposure after applying the deduction percentages.

The loss given default (LGD) is applied to the uncovered portion of the credit exposure based on historical recovery ratios and the conversion to cash resulting from the enforcement of the collateral due to default, taking into account the time factor.

– **Exposure at Default (EAD):**

When calculating the credit exposure at default for the purpose of calculating the expected credit loss for each stage of the International Financial Reporting Standard (9), the amounts that will be utilized by the debtor and the type of debt instrument are taken into account. The utilization factor is calculated after conducting a study on the historical withdrawal and utilization ratios for different currencies and types of debt.

Indirect credit exposures (unfunded) are also considered as realized credit exposures, and an expected credit loss is calculated for them. Default probabilities (PDs) specific to these exposures are also calculated based on historical studies of default rates and withdrawal probabilities.

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Determines the significant change in credit risk that the Bank has relied on in calculating the expected credit losses.

Stage	Nature of the accounts within the stage
First Stage Stage 1 (First recognition)	<ul style="list-style-type: none"> <li>- Regular financial instruments</li> <li>- Financial instruments with less than 30 days' receivables.</li> <li>- Customers with a risk rating of +7 and below.</li> </ul>
Second Stage Stage 2 (Credit quality decline)	<p>Regular financial instruments that have shown a significant increase in credit risk since the date of initial recognition.</p> <ul style="list-style-type: none"> <li>- Financial instruments that have dues More than 30.</li> <li>- Current and under-exposed accounts if the period of non-payment is more than 30 days and less than 90 days.</li> <li>- Customers with a risk score of -7, 7, and unrated.</li> <li>- A decline in the credit rating since the initial recognition of bonds and financial investments by two degrees or more.</li> <li>- All accounts classified under observation.</li> <li>- Accounts that were restructured or rescheduled due to financial difficulties during the period.</li> </ul>
Third Stage Stage 3 (Decrease in credit value)	Accounts included under the non-performing facilities portfolio.

1. The Bank's policy in identifying the common elements on which the credit risk and expected credit loss were measured on a collective basis.

The Retail Portfolio is calculated on a lump sum basis, The portfolio was divided into three categories:

- 1) Personal loans
- 2) Housing loans.
- 3) Credit cards.
- 4) Car loans.

- **Macroeconomic Factors, Forward Looking Information (FLI) and Multiple Scenarios**

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

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

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

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

The following macroeconomic variables are used when analyzing future forecasts for each country where the bank:

Category	Corporate	Retail
Indicator	Bank interest rate	Bank interest rate
	Consumer Price Index (CPI)	Central bank balance sheet
	Government debt	Transport Consumer Price Index
	Inflation rate	Exports
	Interbank interest rate	Food price inflation
	Loans to the private sector	Import prices
	Money supply M1	Foreign exchange reserves
	Money supply M2	Government debt
	Producer price changes	Interbank interest rate
		Money supply M1
		Money supply M2
		Tourist arrivals

Three scenarios are used to derive a probability-weighted value for measuring Expected Credit Losses (ECL). The ECL is calculated using a multi-year weighted average methodology (2024–2031) to ensure the inclusion of various long-term economic scenarios.

In 2024, the weight assigned to the optimistic scenario is set at 0%, gradually increasing to 20% by 2027, with corresponding adjustments to the remaining scenarios as shown in the table below.

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This approach aims to reflect potential economic improvements progressively, avoiding overestimation of short-term conditions.

Year	Optimistic (%)	Baseline (%)	Pessimistic (%)
2024	0%	75%	25%
2025	10%	70%	20%
2026	15%	65%	20%
2027	20%	60%	20%
2028 - 2031	20%	60%	20%

This gradual approach to scenario weighting ensures a realistic integration of economic recovery within the Expected Credit Loss model, minimizing the risk of excessive optimism in assessing default probabilities. Consequently, the initial credit loss estimates remain conservative, while the positive impact of the optimistic scenario is gradually incorporated over the years, enhancing the model's accuracy and efficiency in forecasting long-term credit risks.

- **Definition of default**

The definition of default used in measuring expected credit losses and in assessing stage transitions is consistent with the definition of default applied by the bank's internal credit risk management. Default is not explicitly defined by the standard, and there is a rebuttable presumption that non-payment for 90 days or more constitutes default.

The probability-weighted estimates are measured based on the best estimate of historical probabilities and current conditions. The weighted scenarios are assessed annually. All scenarios are applied to all portfolios exposed to expected credit losses during the years 2023 and 2024.

## **B. INCOME TAX**

Income tax expenses represent accrued tax and deferred tax.

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

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

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



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

### **C. FAIR VALUE**

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

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

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

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

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

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

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

**5. Cash and Balances at the Central Banks**

	31 December	
	2024	2023
	JD	JD
Cash in treasury	136,793,103	134,884,779
<b>Balances at central banks:</b>		
Current accounts and demand deposits	141,711,899	171,981,428
Term and notice deposits	341,100,000	172,500,000
Statutory cash reserve	293,168,896	256,839,775
<b>Total balances at the central banks</b>	<b>775,980,795</b>	<b>601,321,203</b>
<b>Total</b>	<b>912,773,898</b>	<b>736,205,982</b>

- Except for the statutory cash reserve, there are no restricted balances as of 31 December 2024 and 31 December 2023.

- There are no amounts maturing during a period exceeding three months as of 31 December 2024 and 31 December 2023.

- All balances at the Central Banks are classified within stage 1 based on the requirements of IFRS (9) as adopted by the Central Bank of Jordan . There are also no transfers between Stages (1.2.3) or written-off balances during the year ended 31 December 2024 and 31 December 2023.

- The movement on the gross of cash and balances at central banks:

	31 December	
	2024	2023
	JD	JD
Balance at the beginning of the year	601,321,203	631,678,117
Additions during the year	377,607,373	272,843,086
Settled during the year	(202,947,781)	(303,200,000)
<b>Balance at the end of the Year</b>	<b>775,980,795</b>	<b>601,321,203</b>

**6. Balances at Banks and Financial Institutions - net**

The details of this item are as follows:

Description	Local Banks and Financial		Foreign Banks and Financial		Total	
	31 December		31 December		31 December	
	2024	2023	2024	2023	2024	2023
	JD	JD	JD	JD	JD	JD
Current accounts and demand deposits	479,174	289,028	148,031,878	176,748,357	148,511,052	177,037,385
Deposits maturing within 3 months or less	6,000,000	30,000,000	333,584,664	164,974,500	339,584,664	194,974,500
<b>Total</b>	<b>6,479,174</b>	<b>30,289,028</b>	<b>481,616,542</b>	<b>341,722,857</b>	<b>488,095,716</b>	<b>372,011,885</b>
Provision for expected credit losses	-	-	(383,459)	(68,178)	(383,459)	(68,178)
<b>Balances at Bank and financial institutions - net</b>	<b>6,479,174</b>	<b>30,289,028</b>	<b>481,233,083</b>	<b>341,654,679</b>	<b>487,712,257</b>	<b>371,943,707</b>

- Non-interest bearing balances at banks and financial institutions amounted to JD 50,422,473 as of 31 December 2024 (JD 57,400,238 as of 31 December 2023).

- Restricted balances at banks and financial institutions amounted to JD 19,620,255 as of 31 December 2024 (JD 15,526,690 as of 31 December 2023).

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

	31 December 2024			
	Stage (1)	Stage (2)	Stage (3)	Total
	Individual	Individual	Individual	Individual
	JD	JD	JD	JD
Balance at the beginning of the year	372,011,885	-	-	372,011,885
Additions during the year	429,888,822	-	-	429,888,822
Settled during the year	(303,408,449)	-	-	(303,408,449)
Changes resulted from adjustments	(10,396,542)	-	-	(10,396,542)
<b>Balance at the end of the Year</b>	<b>488,095,716</b>	<b>-</b>	<b>-</b>	<b>488,095,716</b>

  

	31 December 2023			
	Stage (1)	Stage (2)	Stage (3)	Total
	Individual	Individual	Individual	Individual
	JD	JD	JD	JD
Balance at the beginning of the year	207,623,258	-	-	207,623,258
Additions during the year	357,007,710	-	-	357,007,710
Settled during the year	(192,619,083)	-	-	(192,619,083)
Changes resulted from adjustments	-	-	-	-
<b>Balance at the end of the Year</b>	<b>372,011,885</b>	<b>-</b>	<b>-</b>	<b>372,011,885</b>

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- The movement on the provision for expected credit loss:

<b>31 December 2024</b>				
<b>Stage (1)</b>	<b>Stage (2)</b>	<b>Stage (3)</b>	<b>Total</b>	
<b>JD</b>	<b>JD</b>	<b>JD</b>	<b>JD</b>	
Balance at the beginning of the year	68,178	-	-	68,178
Expected credit loss on new balances during the year	383,459	-	-	383,459
Recovered from expected credit loss on settled balances	(68,178)	-	-	(68,178)
Transferred to stage (1)	-	-	-	-
Transferred to stage (2)	-	-	-	-
Transferred to stage (3)	-	-	-	-
Effect on provision at the end of the year due to the change in the classification between the three stages during the year	-	-	-	-
Changes resulted from adjustments	-	-	-	-
<b>Balance at the end of the Year</b>	<b>383,459</b>	<b>-</b>	<b>-</b>	<b>383,459</b>

<b>31 December 2023</b>				
<b>Stage (1)</b>	<b>Stage (2)</b>	<b>Stage (3)</b>	<b>Total</b>	
<b>JD</b>	<b>JD</b>	<b>JD</b>	<b>JD</b>	
Balance at the beginning of the year	280,650	-	-	280,650
Expected credit loss on new balances during the year	68,178	-	-	68,178
Recovered from expected credit loss on settled balances	(280,650)	-	-	(280,650)
Transferred to stage (1)	-	-	-	-
Transferred to stage (2)	-	-	-	-
Transferred to stage (3)	-	-	-	-
Effect on provision at the end of the year due to the change in the classification between the three stages during the year	-	-	-	-
Changes resulted from adjustments	-	-	-	-
<b>Balance at the end of the Year</b>	<b>68,178</b>	<b>-</b>	<b>-</b>	<b>68,178</b>

**7. Deposits at Banks and Financial Institutions - net**

The details of this item are as follows:

	<b>Local Banks and</b>		<b>Foreign Banks and</b>		<b>Total</b>	
	<b>31 December</b>		<b>31 December</b>		<b>31 December</b>	
	<b>2024</b>	<b>2023</b>	<b>2024</b>	<b>2023</b>	<b>2024</b>	<b>2023</b>
	<b>JD</b>	<b>JD</b>	<b>JD</b>	<b>JD</b>	<b>JD</b>	<b>JD</b>
Deposits maturing during the period from 3 months to 6 months	-	-	17,725,000	8,089,578	17,725,000	8,089,578
More than 6 months to 9 months	-	-	-	-	-	-
More than 9 months to 12 months	-	-	-	-	-	-
More than a year	-	6,000,000	-	-	-	6,000,000
<b>Total Balances</b>	<b>-</b>	<b>6,000,000</b>	<b>17,725,000</b>	<b>8,089,578</b>	<b>17,725,000</b>	<b>14,089,578</b>
Provision for expected credit losses	-	-	(15,178)	(7,159)	(15,178)	(7,159)
<b>Net Deposits at bank and financial institutions</b>	<b>-</b>	<b>6,000,000</b>	<b>17,709,822</b>	<b>8,082,419</b>	<b>17,709,822</b>	<b>14,082,419</b>

- There are no restricted deposits at banks and financial institutions as of 31 December 2024 and 31 December 2023.

- The movement on deposits at banks and financial institutions:

<b>31 December 2024</b>				
<b>Stage (1)</b>	<b>Stage (2)</b>	<b>Stage (3)</b>	<b>Total</b>	
<b>Individual</b>	<b>Individual</b>	<b>Individual</b>	<b>Individual</b>	
<b>JD</b>	<b>JD</b>	<b>JD</b>	<b>JD</b>	
Balance at the beginning of the year	14,089,578	-	-	14,089,578
New deposits during the year	17,725,000	-	-	17,725,000
Settled balances during the year	(14,089,578)	-	-	(14,089,578)
<b>Balance at the end of the Year</b>	<b>17,725,000</b>	<b>-</b>	<b>-</b>	<b>17,725,000</b>

  

<b>31 December 2023</b>				
<b>Stage (1)</b>	<b>Stage (2)</b>	<b>Stage (3)</b>	<b>Total</b>	
<b>Individual</b>	<b>Individual</b>	<b>Individual</b>	<b>Individual</b>	
<b>JD</b>	<b>JD</b>	<b>JD</b>	<b>JD</b>	
Balance at the beginning of the year	14,020,575	-	-	14,020,575
New deposits during the year	14,089,578	-	-	14,089,578
Settled balances during the year	(14,020,575)	-	-	(14,020,575)
<b>Balance at the end of the Year</b>	<b>14,089,578</b>	<b>-</b>	<b>-</b>	<b>14,089,578</b>

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- The movement on the provision for expected credit loss is as follows:

<b>31 December 2024</b>				
	<b>Stage (1)</b>	<b>Stage (2)</b>	<b>Stage (3)</b>	<b>Total</b>
	<b>JD</b>	<b>JD</b>	<b>JD</b>	<b>JD</b>
Balance at the beginning of the year	7,159	-	-	7,159
Expected credit loss on new balances during the year	15,178	-	-	15,178
Recovered from expected credit loss on the settled balances	(7,159)	-	-	(7,159)
Transferred to stage (1)	-	-	-	-
Transferred to stage (2)	-	-	-	-
Transferred to stage (3)	-	-	-	-
Effect on provision at the end of the year due to the change in the classification between the three	-	-	-	-
Changes resulted from adjustments	-	-	-	-
<b>Balance at the end of the Year</b>	<b>15,178</b>	<b>-</b>	<b>-</b>	<b>15,178</b>

  

<b>31 December 2023</b>				
	<b>Stage (1)</b>	<b>Stage (2)</b>	<b>Stage (3)</b>	<b>Total</b>
	<b>JD</b>	<b>JD</b>	<b>JD</b>	<b>JD</b>
Balance at the beginning of the year	6,751	-	-	6,751
Expected credit loss on new balances during the year	7,159	-	-	7,159
Recovered from expected credit loss on the settled balances	(6,751)	-	-	(6,751)
Transferred to stage (1)	-	-	-	-
Transferred to stage (2)	-	-	-	-
Transferred to stage (3)	-	-	-	-
Effect on provision at the end of the year due to the change in the classification between the three	-	-	-	-
Changes resulted from adjustments	-	-	-	-
<b>Balance at the end of the Year</b>	<b>7,159</b>	<b>-</b>	<b>-</b>	<b>7,159</b>

**8. Financial Assets at Fair Value through Statement of Income**

The details of this item are as follows:

	31 December	
	2024	2023
	JD	JD
Government bonds listed in financial markets	2,595,510	2,795,239
Corporate bonds listed in financial markets	1,220,338	1,022,642
Corporate shares listed in financial markets	2,286,096	9,965,008
Investment funds	12,561,599	12,446,430
<b>Total</b>	<b>18,663,543</b>	<b>26,229,319</b>

**9. Direct Credit Facilities and Financing - Net**

The details of this item are as follows:

	31 December	
	2024	2023
	JD	JD
<b>Individuals (retail):</b>		
Overdraft accounts	3,174,876	1,971,029
Loans and bills *	1,144,741,322	1,078,707,595
Credit cards	56,949,311	46,515,963
<b>Real estate loans</b>	<b>1,194,207,760</b>	<b>1,116,094,786</b>
<b>Large Corporates</b>		
Overdraft accounts	63,759,521	71,128,650
Loans and bills *	1,370,948,589	1,256,219,953
<b>Small and Medium sized entities</b>		
Overdraft accounts	30,397,703	29,898,877
Loans and bills *	285,109,269	256,477,274
<b>Government and public sector</b>	<b>699,205,245</b>	<b>599,833,607</b>
<b>Total</b>	<b>4,848,493,596</b>	<b>4,456,847,734</b>
<b>Less:</b> Interest and returns in suspense	23,971,273	17,846,427
<b>Less:</b> Provision of expected credit losses	261,706,245	194,089,883
<b>Net Direct Credit Facilities and Financing</b>	<b>4,562,816,078</b>	<b>4,244,911,424</b>

\* Net after deducting interests and commissions received in advance of JD 12,904,376 as of 31 December 2024 (JD 12,077,413 as of 31 December 2023).

- Direct credit facilities and financing included in stage (3) amounted to JD 278,651,103 which is represent 5.75% of total direct credit facilities and financing as of 31 December 2024 (JD 199,435,150 which is represent to 4.47% of total direct credit facilities and financing as of 31 December 2023).
- Direct credit facilities and financing included in stage (3) amounted to JD 254,679,830 which is represent 5.28% of total direct credit facilities and financing balance after deducting interest and revenue in suspense as of 31 December 2024 (JD 181,588,723 which is represent 4.09% of total credit facilities and financing balance after deducting interest and revenue in suspense as of 31 December 2023).
- Direct credit facilities and financing granted to and guaranteed by the Jordanian Government amounted to JD 688,143,933 which is represent to 14.19% of total direct credit facilities and financing as of 31 December 2024 (JD 581,623,355 which is represent to 13.05% as of 31 December 2023).
- Financing in accordance with Islamic Share'a which belongs to Safwa Islamic Bank amounted to JD 2,385,551,289 which is represent 49.20% of total direct credit facilities and financing as of 31 December 2024 (JD 2,069,832,005 which is equivalent to 46.44% as of 31 December 2023).

**Disclosure of the movement on facilities and financing :**

	Corporations				Government and Public Sector	Total
	Individual	Real Estate Loans	Large Corporate	SME's		
	JD	JD	JD	JD	JD	JD
<b>For the Year ended 31 December 2024</b>						
Balance at the beginning of the year	1,127,194,587	1,116,094,786	1,327,348,603	286,376,151	599,833,607	4,456,847,734
New exposures during the year	307,437,642	287,298,685	352,742,416	96,711,108	217,819,275	1,262,009,126
Exposures settled	(106,544,193)	(128,282,502)	(271,557,674)	(47,180,666)	(59,284,668)	(612,849,703)
The total impact on the volume of exposures as a result of changing the classification between stages	(7,995,595)	(7,748,193)	(15,260,672)	(3,643,430)	-	(34,647,890)
Changes resulted from adjustments	(114,479,907)	(72,726,264)	41,923,031	(15,614,694)	(59,162,969)	(220,060,803)
Written off credit facilities or transferred as off financial position items*	(747,025)	(428,752)	(487,594)	(1,141,497)	-	(2,804,868)
<b>Balance at the end of the Year</b>	<b>1,204,865,509</b>	<b>1,194,207,760</b>	<b>1,434,708,110</b>	<b>315,506,972</b>	<b>699,205,245</b>	<b>4,848,493,596</b>

	Corporations				Government and Public Sector	Total
	Individual	Real Estate Loans	Large Corporate	SME's		
	JD	JD	JD	JD	JD	JD
<b>For the Year ended 31 December 2023</b>						
Balance at the beginning of the year	978,779,798	1,020,109,367	1,329,014,820	252,290,795	599,215,519	4,179,410,299
New exposures during the year	366,658,186	259,948,665	294,252,775	86,208,940	54,270,916	1,061,339,482
Exposures settled during the year	(108,908,132)	(104,226,561)	(168,101,165)	(38,798,711)	(14,367,980)	(434,402,549)
The total impact on the volume of exposures as a result of changing the classification between stages	(7,771,717)	(4,262,328)	(1,916,188)	(3,024,596)	-	(16,974,829)
Changes resulted from adjustments	(100,016,406)	(55,474,357)	(107,544,368)	(7,665,547)	(39,284,848)	(309,985,526)
Written off credit facilities or transferred as off financial position items*	(1,547,142)	-	(18,357,271)	(2,634,730)	-	(22,539,143)
<b>Balance at the end of the Year</b>	<b>1,127,194,587</b>	<b>1,116,094,786</b>	<b>1,327,348,603</b>	<b>286,376,151</b>	<b>599,833,607</b>	<b>4,456,847,734</b>

During the year ended on 31 December 2024, direct credit facilities and financing amounting to JD 2,173,109 were transferred to off-balance items (JD 22,019,975 as on 31 December 2023) and direct credit facilities and financing in the amount of JD 631,759 were written off, in accordance with the decisions of the Board of Directors in this regard (JD 519,168 as of 31 December 2023).

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\* The movement on the provision for expected credit losses for the year is as follows:

	Individual JD	Real Estate Loans JD	Large Corporate JD	Small and Medium Enterprises JD	Government and Public Sector JD	Total JD
<b>For the Year ended 31 December 2024</b>						
Balance at the beginning of the year	50,355,818	17,889,300	105,993,907	19,850,858	-	194,089,883
Expected credit loss on new credit facilities during the year	7,641,790	4,106,142	10,796,347	2,987,983	-	25,532,262
Recovered from expected credit loss on settled credit facilities	(2,750,831)	(2,952,717)	(10,017,821)	(2,175,798)	-	(17,897,167)
Transferred to stage (1)	835,595	365,435	2,223,203	59,846	-	3,484,079
Transferred to stage (2)	684,153	(881,094)	(8,949,971)	(458,214)	-	(9,605,126)
Transferred to stage (3)	(1,519,748)	515,659	6,726,768	398,368	-	6,121,047
Effect on the provision as a result of changing the classifications between the three stages during the period	17,597,294	3,740,856	8,873,523	902,682	-	31,114,355
Changes resulted from adjustments	8,511,619	2,548,636	16,541,801	2,973,819	-	30,575,875
Written off or transferred exposures*	(361,927)	(219,694)	(450,434)	(676,908)	-	(1,708,963)
<b>Balance at the end of the Year</b>	<b>80,993,763</b>	<b>25,112,523</b>	<b>131,737,323</b>	<b>23,862,636</b>	<b>-</b>	<b>261,706,245</b>
<b>Reallocation:</b>						
Provisions on individual basis	63,054,106	25,098,685	131,737,323	23,143,468	-	243,033,582
Provisions on collective basis	17,939,657	13,838	-	719,168	-	18,672,663
	<b>80,993,763</b>	<b>25,112,523</b>	<b>131,737,323</b>	<b>23,862,636</b>	<b>-</b>	<b>261,706,245</b>
<b>For the Year ended 31 December 2023</b>						
Balance at the beginning of the year	33,601,233	11,614,714	110,154,001	16,574,834	-	171,944,782
Expected credit loss on new credit facilities during the year	5,715,781	1,358,122	8,645,596	2,232,783	-	17,952,282
Recovered from expected credit loss on settled credit facilities	(1,814,166)	(1,066,271)	(10,009,539)	(204,559)	-	(13,094,535)
Transferred to stage (1)	78,897	(8,660)	161,972	(148,079)	-	84,130
Transferred to stage (2)	2,982,531	(41,669)	(19,644,919)	136,005	-	(16,568,052)
Transferred to stage (3)	(3,061,428)	50,329	19,482,947	12,074	-	16,483,922
Effect on the provision as a result of changing the classifications between the three stages during the period	10,250,482	3,927,164	(275,455)	1,101,285	-	15,003,476
Changes resulted from adjustments	3,643,395	2,055,571	14,505,215	2,224,232	-	22,428,413
Written off or transferred exposures*	(1,040,907)	-	(17,025,911)	(2,077,717)	-	(20,144,535)
<b>Balance at the end of the Year</b>	<b>50,355,818</b>	<b>17,889,300</b>	<b>105,993,907</b>	<b>19,850,858</b>	<b>-</b>	<b>194,089,883</b>
<b>Reallocation:</b>						
Provisions on individual basis	41,316,968	17,883,447	105,993,907	19,330,259	-	184,524,581
Provisions on collective basis	9,038,850	5,853	-	520,599	-	9,565,302
	<b>50,355,818</b>	<b>17,889,300</b>	<b>105,993,907</b>	<b>19,850,858</b>	<b>-</b>	<b>194,089,883</b>

The value of the provisions that were no longer needed as a result of debt settlements and transferred to other debts amounted to JD 17,897,167 as of 31 December 2024 (JD 13,094,535 as of 31 December 2023).

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**Interest and revenues in suspense**

\* The movement on suspended interest and revenues is as follows:

**For the Year ended 31 December 2024**

Balance at the beginning of the year  
Add: Interest and revenues in suspense during the year  
Less: Interest and revenues transferred to revenue  
Interests in suspense written-off  
**Balance at the end of the Year**

Individual JD	Real estate loans JD	Large Corporate JD	Small and Medium Enterprises JD	Banks and financial institutions JD	Total JD
7,467,015	2,809,958	4,710,422	2,859,032	-	17,846,427
4,303,836	1,037,066	1,978,800	1,086,075	-	8,405,777
(776,987)	(189,951)	(33,364)	(184,724)	-	(1,185,026)
(385,096)	(209,061)	(37,159)	(464,589)	-	(1,095,905)
<b>10,608,768</b>	<b>3,448,012</b>	<b>6,618,699</b>	<b>3,295,794</b>	<b>-</b>	<b>23,971,273</b>

**For the Year ended 31 December 2023**

Balance at the beginning of the year  
Add: Interest and revenues in suspense during the year  
Less: Interest and revenues transferred to revenue  
Interests in suspense written-off  
**Balance at the end of the Year**

5,570,164	2,709,063	5,436,609	2,630,900	-	16,346,736
3,029,724	239,542	1,254,684	1,015,538	-	5,539,488
(626,638)	(138,647)	(649,511)	(230,393)	-	(1,645,189)
(506,235)	-	(1,331,360)	(557,013)	-	(2,394,608)
<b>7,467,015</b>	<b>2,809,958</b>	<b>4,710,422</b>	<b>2,859,032</b>	<b>-</b>	<b>17,846,427</b>

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The following are the credit exposures according to IFRS (9) as adopted by central Bank of Jordan:

**As of 31 December 2024**

	According to IFRS (9) as adopted by Central Bank of Jordan					
	Stage (1)			Stage (2)		
	Total	Expected Credit Loss	Interest in Suspense	Total	Expected Credit Loss	Interest in Suspense
	JD	JD	JD	JD	JD	JD
Individual	1,026,357,856	17,059,484	-	103,510,830	6,572,679	-
Real estate loans	976,452,666	673,251	-	177,382,603	8,860,047	-
Corporate	1,076,586,283	9,071,769	-	226,497,248	44,045,333	-
SME's	213,867,798	2,243,081	-	69,981,964	3,350,705	-
Government and Public Sector	699,205,245	-	-	-	-	-
	<b>3,992,469,848</b>	<b>29,047,585</b>	<b>-</b>	<b>577,372,645</b>	<b>62,828,764</b>	<b>-</b>
				<b>278,651,103</b>	<b>169,829,896</b>	<b>23,971,273</b>
				<b>4,848,493,596</b>	<b>261,706,245</b>	<b>23,971,273</b>

**As of 31 December 2023**

	According to IFRS (9) as adopted by Central Bank of Jordan					
	Stage (1)			Stage (2)		
	Total	Expected Credit Loss	Interest in Suspense	Total	Expected Credit Loss	Interest in Suspense
	JD	JD	JD	JD	JD	JD
Individual	1,003,099,217	7,755,128	-	73,330,777	5,735,630	-
Real estate loans	869,042,211	445,152	-	219,122,371	5,912,750	-
Corporate	954,397,586	9,647,306	-	280,380,006	39,846,885	-
SME's	204,406,685	1,975,222	-	53,800,124	2,394,762	-
Government and Public Sector	599,833,607	-	-	-	-	-
	<b>3,630,779,306</b>	<b>19,822,808</b>	<b>-</b>	<b>626,633,278</b>	<b>53,890,027</b>	<b>-</b>
				<b>199,435,150</b>	<b>120,377,048</b>	<b>17,846,427</b>
				<b>4,456,847,734</b>	<b>194,089,883</b>	<b>17,846,427</b>



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The movement on the gross credit facilities and financing as of the year-end:

	31 December 2024				
	Stage (1)		Stage (2)		Total
	Individual	Collective	Individual	Collective	
	JD	JD	JD	JD	JD
Balance at beginning of the year	2,789,176,214	841,603,092	507,423,305	119,209,973	199,435,150
New exposures during the year	855,514,320	312,230,291	70,296,819	6,748,660	17,219,036
Exposures settled during the year	(392,564,180)	(76,807,409)	(109,365,293)	(22,160,333)	(11,952,488)
Transferred to stage (1)	82,088,105	29,283,718	(81,460,735)	(29,281,183)	(629,905)
Transferred to stage (2)	(154,635,339)	(49,880,674)	163,009,951	51,934,092	(10,428,030)
Transferred to stage (3)	(21,213,520)	(2,825,179)	(59,680,107)	(8,615,585)	92,334,391
Effect on exposure as a result of change between stages	(13,533,461)	(3,467,825)	(11,841,450)	(4,085,965)	(1,719,189)
Changes resulted from adjustments	(110,094,213)	(92,404,092)	(9,377,389)	(5,382,115)	(2,802,994)
Written off or transferred exposures*	-	-	-	-	(2,804,868)
Balance at the end of the Year	3,034,737,926	957,731,922	469,005,101	108,367,544	278,651,103
					4,848,493,596

	31 December 2023				
	Stage (1)		Stage (2)		
	Individual	Collective	Individual	Collective	Total
	JD	JD	JD	JD	JD
Balance at beginning of the year	2,683,829,394	809,882,358	479,606,976	52,923,448	4,179,410,299
New exposures during the year	694,711,508	250,376,329	82,191,644	21,303,214	1,061,339,482
Exposures paid during the year	(286,524,220)	(70,752,761)	(54,126,805)	(8,783,667)	(434,402,549)
Transferred to stage (1)	33,502,183	9,310,649	(33,089,643)	(9,279,804)	-
Transferred to stage (2)	(109,566,761)	(70,921,185)	116,384,370	73,780,611	-
Transferred to stage (3)	(13,865,517)	(4,561,201)	(59,818,367)	(2,144,661)	-
Effect on exposure as a result of change between stages	(2,082,440)	928,191	(11,044,904)	(5,555,451)	(16,974,829)
Changes resulted from adjustments	(210,827,933)	(82,659,288)	(12,679,966)	(3,033,717)	(309,985,526)
Written off or transferred exposures*	-	-	-	-	(22,539,143)
<b>Balance at the end of the Year</b>	<b>2,789,176,214</b>	<b>841,603,092</b>	<b>507,423,305</b>	<b>119,209,973</b>	<b>4,456,847,734</b>

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The movement of the provision for expected credit losses as for the year-end:

	31 December 2024				
	Stage (1)		Stage (2)		Total
	Individual	Collective	Individual	Collective	
	JD	JD	JD	JD	JD
Balance at the beginning of the year	13,719,773	6,103,035	50,427,760	3,462,267	194,089,883
Expected credit loss on new exposures during the year	5,072,360	1,322,192	5,575,052	254,258	25,532,262
Recovered from expected credit loss on settled exposures during the year	(4,625,447)	(171,239)	(7,409,864)	(295,311)	(17,897,167)
Transferred to stage (1)	4,179,219	648,979	(3,871,669)	(647,711)	-
Transferred to stage (2)	(1,072,912)	(118,718)	4,871,925	1,177,737	-
Transferred to stage (3)	(133,506)	(18,983)	(10,391,833)	(743,575)	-
Effect on provision as a result of change between stages	(2,762,650)	(604,802)	4,105,096	970,865	31,114,355
Changes resulted from adjustments	(152,173)	7,662,457	15,672,555	(328,788)	30,575,875
Written off or transferred exposures*	-	-	-	-	(1,708,963)
<b>Total ECL Balance at the end of the Year</b>	<b>14,224,664</b>	<b>14,822,921</b>	<b>58,979,022</b>	<b>3,849,742</b>	<b>261,706,245</b>

	31 December 2023				
	Stage (1)		Stage (2)		Total
	Individual	Collective	Individual	Collective	
	JD	JD	JD	JD	JD
Balance at the beginning of the year	16,130,900	2,529,660	52,226,005	507,776	171,944,782
Expected credit loss on new exposures during the year	3,761,076	624,194	4,332,435	324,835	17,952,282
Recovered from expected credit loss on settled exposures during the year	(4,185,885)	(118,627)	(2,698,247)	(19,409)	(13,094,535)
Transferred to stage (1)	1,213,818	72,853	(922,740)	(68,209)	-
Transferred to stage (2)	(752,935)	(135,066)	4,465,857	1,818,103	-
Transferred to stage (3)	(294,817)	(19,723)	(21,823,401)	(37,662)	-
Effect on exposure as a result of change between stages	(715,586)	(41,354)	(2,085,337)	782,474	15,003,476
Changes resulted from adjustments	(1,436,798)	3,191,098	16,933,188	154,359	22,428,413
Written off or transferred exposures*	-	-	-	-	(20,144,535)
<b>Total ECL Balance at the end of the Year</b>	<b>13,719,773</b>	<b>6,103,035</b>	<b>50,427,760</b>	<b>3,462,267</b>	<b>194,089,883</b>

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**(PUBLIC SHAREHOLDING LIMITED COMPANY)**  
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The distribution of total credit and financing facilities by the internal credit rating for Individuals is as follows:

	31 December 2024					2023	
	Stage (1)	Stage (1)	Stage (2)	Stage (2)	Stage (3)	Total	Total
	Individual	Collective	Individual	Collective	Individual	JD	JD
Credit rating categories based on the Bank's internal system:							
1	141,962	-	-	-	-	141,962	105,400
2	1,133,976	-	9,172	-	-	1,143,148	2,950,302
3	3,863,264	-	56,367	-	-	3,919,631	4,117,373
4	6,762,560	-	413,665	-	-	7,176,225	8,449,012
5	4,985,853	-	426,964	-	-	5,412,817	3,654,866
6	527,681	-	1,658,339	-	-	2,186,020	2,468,159
7	264,307	-	99,553	-	-	363,860	462,835
8-10	-	-	-	-	3,789,946	3,789,946	2,843,208
Not rated	614,200,624	394,477,629	63,163,622	37,683,148	71,206,877	1,180,731,900	1,102,143,432
<b>Total</b>	<b>631,880,227</b>	<b>394,477,629</b>	<b>65,827,682</b>	<b>37,683,148</b>	<b>74,996,823</b>	<b>1,204,865,509</b>	<b>1,127,194,587</b>

The movement on credit facilities and financing for Individuals is as follows:

	31 December 2024						
	Stage (1)	Stage (1)	Stage (2)	Stage (2)	Stage (3)	Total	Total
	Individual	Collective	Individual	Collective	Individual	JD	JD
Balance at the beginning of the year	648,207,695	354,891,522	41,338,446	31,992,331	50,764,593	1,127,194,587	
New exposures during the year	144,110,988	147,765,652	7,672,653	2,019,968	5,868,381	307,437,642	
Settled exposures during the year	(63,995,364)	(33,121,632)	(4,179,287)	(2,597,855)	(2,650,055)	(106,544,193)	
Transferred to stage (1)	8,703,261	4,994,078	(8,389,208)	(4,991,543)	(316,588)	-	
Transferred to stage (2)	(40,997,247)	(22,058,615)	44,393,194	23,413,599	(4,750,931)	-	
Transferred to stage (3)	(9,543,421)	(1,960,016)	(9,428,956)	(5,376,655)	26,309,048	-	
Effect on exposure as a result of change between stages	(530,455)	(1,093,075)	(3,425,412)	(3,299,084)	352,431	(7,995,595)	
Changes resulted from adjustments	(54,075,230)	(54,940,285)	(2,153,748)	(3,477,613)	166,969	(114,479,907)	
Written off or transferred exposures*	-	-	-	-	(747,025)	(747,025)	
<b>Balance at the end of the Year</b>	<b>631,880,227</b>	<b>394,477,629</b>	<b>65,827,682</b>	<b>37,683,148</b>	<b>74,996,823</b>	<b>1,204,865,509</b>	

	31 December 2023						
	Stage (1)	Stage (1)	Stage (2)	Stage (2)	Stage (3)	Total	Total
	Individual	Collective	Individual	Collective	Individual	JD	JD
Balance at the beginning of the year	577,702,192	344,366,930	13,206,878	6,212,909	37,290,889	978,779,798	
New exposures during the year	224,550,116	124,100,204	10,618,167	2,282,844	5,106,855	366,658,186	
Settled exposures during the year	(76,908,510)	(28,147,175)	(1,930,882)	(422,971)	(1,498,594)	(108,908,132)	
Transferred to stage (1)	2,961,072	88,382	(2,623,206)	(88,382)	(337,866)	-	
Transferred to stage (2)	(27,474,384)	(27,797,795)	29,656,709	29,611,235	(3,995,765)	-	
Transferred to stage (3)	(8,950,118)	(3,539,378)	(1,932,098)	(1,333,719)	15,755,313	-	
Effect on exposure as a result of change between stages	(267,600)	(9,900)	(3,613,206)	(3,770,369)	(110,642)	(7,771,717)	
Changes resulted from adjustments	(43,405,073)	(54,169,746)	(2,043,916)	(499,216)	101,545	(100,016,406)	
Written off or transferred exposures*	-	-	-	-	(1,547,142)	(1,547,142)	
<b>Balance at the end of the Year</b>	<b>648,207,695</b>	<b>354,891,522</b>	<b>41,338,446</b>	<b>31,992,331</b>	<b>50,764,593</b>	<b>1,127,194,587</b>	

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The movement on the provision for impairment loss for Individuals credit facilities is as follows:

	31 December 2024			
	Stage (1)		Stage (2)	
	Individual	Collective	Individual	Collective
	JD	JD	JD	JD
Balance at the beginning of the year	1,762,319	5,992,809	2,689,589	3,046,041
Expected credit loss on new exposures during the year	627,700	1,293,243	516,150	232,739
Recovered from expected credit loss on settled exposures during the year	(156,231)	(163,600)	(168,459)	(125,472)
Transferred to stage (1)	751,647	469,048	(544,978)	(467,780)
Transferred to stage (2)	(224,102)	(109,198)	2,068,134	1,062,592
Transferred to stage (3)	(35,115)	(16,685)	(695,077)	(738,738)
Effect on provision as a result of change between stages	(677,668)	(447,870)	(152,863)	964,320
Changes resulted from adjustments	364,744	7,628,443	(433,284)	(680,235)
Written off or transferred exposures*	-	-	-	-
<b>Balance at the end of the Year</b>	<b>2,413,294</b>	<b>14,646,190</b>	<b>3,279,212</b>	<b>3,293,467</b>
			<b>57,361,600</b>	<b>80,993,763</b>

	31 December 2023			
	Stage (1)		Stage (2)	
	Individual	Collective	Individual	Collective
	JD	JD	JD	JD
Balance at the beginning of the year	1,682,528	2,481,109	1,129,850	1,15,823
Impairment loss on new exposures during the year	808,888	597,855	754,919	305,492
Recovered from expected credit loss on settled exposures during the year	(263,165)	(109,294)	(94,641)	(6,063)
Transferred to stage (1)	434,507	2,675	(164,390)	(2,675)
Transferred to stage (2)	(176,102)	(113,335)	1,682,370	1,670,525
Transferred to stage (3)	(51,460)	(17,388)	(174,680)	(28,619)
Total impact on volume of exposures as a result of changing the classification between stages	(423,490)	(1,889)	(376,403)	857,449
Effect on the provision resulted from adjustment	(249,387)	3,153,076	(67,436)	134,109
Written off or transferred exposures*	-	-	-	-
<b>Balance at the end of the Year</b>	<b>1,762,319</b>	<b>5,992,809</b>	<b>2,689,589</b>	<b>3,046,041</b>
			<b>36,865,060</b>	<b>50,355,818</b>

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The distribution of total credit and financing facilities by internal credit rating for Real Estate Loans is as follows:

Credit rating categories based on the Bank's internal system:	31 December 2024						2023
	Stage (1)		Stage (2)		Stage (3)		
	Individual	Collective	Individual	Collective	Individual	Collective	
	JD	JD	JD	JD	JD	JD	
1	993,558	-	-	-	-	993,558	214,746
2	4,394,315	-	-	-	-	4,394,315	6,008,283
3	13,809,876	-	539,373	-	-	14,349,249	22,253,669
4	45,528,909	-	1,278,998	-	-	46,807,907	37,643,316
5	69,925,306	-	22,398,306	-	-	92,323,612	97,813,851
6	34,077,098	-	59,617,789	-	-	93,694,887	72,077,482
7	2,186,540	-	15,744,249	-	-	17,930,789	30,628,776
8-10	-	-	-	-	18,258,321	18,258,321	14,033,821
Not rated	301,390,410	504,146,654	17,971,829	59,832,059	22,114,170	905,455,122	835,420,842
Total	472,306,012	504,146,654	117,550,544	59,832,059	40,372,491	1,194,207,760	1,116,094,786

The movement on credit facilities and financing for Real Estate is as follows:

	31 December 2024					
	Stage (1)		Stage (2)		Stage (3)	
	Individual	Collective	Individual	Collective	Individual	Collective
	JD	JD	JD	JD	JD	JD
Total exposure at the beginning of the year	421,889,214	447,152,997	147,887,682	71,234,689	27,930,204	1,116,094,786
New exposures during the year	131,229,844	146,337,481	4,884,369	3,827,059	1,019,932	287,298,685
Settled exposures during the year	(36,616,125)	(39,186,441)	(30,945,488)	(17,463,575)	(4,070,873)	(128,282,502)
Transferred to stage (1)	25,027,552	16,396,149	(24,931,531)	(16,396,149)	(96,021)	-
Transferred to stage (2)	(32,575,565)	(23,624,647)	32,741,794	24,010,599	(552,181)	-
Transferred to stage (3)	(3,578,626)	(621,911)	(11,279,479)	(2,958,789)	18,438,805	-
Effect on exposures as a result of change between stages	(5,042,456)	(2,161,999)	1,265,469	(1,279,990)	(529,217)	(7,748,193)
Changes resulted from adjustments	(28,027,826)	(40,144,975)	(2,072,272)	(1,141,785)	(1,339,406)	(72,726,264)
Written off or transferred exposures*	-	-	-	-	(428,752)	(428,752)
<b>Total exposure at the end of the Year</b>	<b>472,306,012</b>	<b>504,146,654</b>	<b>117,550,544</b>	<b>59,832,059</b>	<b>40,372,491</b>	<b>1,194,207,760</b>

**31 December 2023**

	31 December 2023					
	Stage (1)		Stage (2)		Stage (3)	
	Individual	Collective	Individual	Collective	Individual	Collective
	JD	JD	JD	JD	JD	JD
Total exposure at the beginning of the year	398,537,703	436,238,718	134,343,010	28,148,955	22,840,981	1,020,109,367
New exposures during the year	114,602,086	113,632,194	14,698,527	15,490,354	1,525,504	259,948,665
Settled exposures during the year	(41,840,660)	(36,488,306)	(16,987,077)	(4,248,377)	(4,662,141)	(104,226,561)
Transferred to stage (1)	4,667,742	1,379,239	(4,667,742)	(1,379,239)	-	-
Transferred to stage (2)	(32,136,296)	(36,160,623)	33,314,567	37,098,989	(2,116,637)	-
Transferred to stage (3)	(947,078)	(321,277)	(8,437,576)	(626,504)	10,332,435	-
Effect on exposures as a result of change between stages	(590,440)	(516,198)	(1,660,711)	(1,604,501)	109,522	(4,262,328)
Changes resulted from adjustments	(20,403,843)	(30,610,750)	(2,715,316)	(1,644,988)	(99,460)	(55,474,357)
Written off or transferred exposures*	-	-	-	-	-	-
<b>Total exposure at the end of the Year</b>	<b>421,889,214</b>	<b>447,152,997</b>	<b>147,887,682</b>	<b>71,234,689</b>	<b>27,930,204</b>	<b>1,116,094,786</b>

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The movement on the provision for impairment for Real Estate credit facilities is as follows:

	31 December 2024				
	Stage (1)		Stage (2)		Total
	Individual	Collective	Individual	Collective	
	JD	JD	JD	JD	JD
Balance at the beginning of the year	441,863	3,289	5,910,186	2,564	17,889,300
Expected credit loss on new credit facilities during the year	78,770	1,381	2,019,802	19	4,106,142
Recovered from expected credit loss on settled exposures	(78,717)	(1,124)	(1,615,858)	-	(2,952,717)
Transferred to stage (1)	393,738	-	(362,613)	-	-
Transferred to stage (2)	(25,664)	(35)	80,461	35	-
Transferred to stage (3)	(2,604)	-	(597,867)	(1,110)	-
Effect on provision as a result of change between stages	(33,701)	132	443,701	4,858	3,740,856
Changes resulted from adjustments	(103,550)	(527)	2,971,513	4,356	2,548,636
Written-off or transferred exposures	-	-	-	-	(219,694)
<b>Balance at the end of the Year</b>	<b>670,135</b>	<b>3,116</b>	<b>8,849,325</b>	<b>10,722</b>	<b>25,112,523</b>

	31 December 2023				
	Stage (1)		Stage (2)		Total
	Individual	Collective	Individual	Collective	
	JD	JD	JD	JD	JD
Balance at the beginning of the year	434,347	4,736	3,791,138	-	11,614,714
Expected credit loss on new credit facilities during the year	142,812	567	11,585	-	1,358,122
Recovered from expected credit loss on settled exposures	(27,012)	(3)	(9,659)	-	(1,066,271)
Transferred to stage (1)	40,643	-	(40,643)	-	-
Transferred to stage (2)	(46,318)	(258)	266,650	89,514	-
Transferred to stage (3)	(2,727)	-	(357,190)	-	-
Effect on provision as a result of change between stages	(33,906)	39	151,884	(86,950)	3,927,164
Changes resulted from adjustments	(65,976)	(1,792)	2,096,421	-	2,055,571
Written-off or transferred exposures	-	-	-	-	-
<b>Balance at the end of the Year</b>	<b>441,863</b>	<b>3,289</b>	<b>5,910,186</b>	<b>2,564</b>	<b>17,889,300</b>

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The distribution of total credit and financing facilities by internal credit rating for corporates is as follows:

	31 December 2024					2023
	Stage (1)	Stage (1)	Stage (2)	Stage (2)	Stage (3)	Total
	Individual	Collective	Individual	Collective	JD	JD
Credit rating categories based on the Bank's internal system:						
1	2,573,579	-	-	-	-	2,573,579
2	74,412,705	-	281	-	-	74,412,986
3	203,279,073	-	605,180	-	-	203,884,253
4	269,609,402	-	12,522,354	-	-	282,131,756
5	340,152,755	-	30,417,318	-	-	370,570,073
6	99,895,889	-	47,851,651	-	-	147,747,540
7	55,997,488	-	134,522,641	-	-	190,520,129
8-10	-	-	-	-	123,823,543	123,823,543
Not rated	30,665,392	-	577,823	-	7,801,036	39,044,251
<b>Total</b>	<b>1,076,586,283</b>	<b>-</b>	<b>226,497,248</b>	<b>-</b>	<b>131,624,579</b>	<b>1,434,708,110</b>
						<b>1,327,348,603</b>

The movement on credit and financing facilities for corporates is as follows:

	31 December 2024				
	Stage (1)	Stage (1)	Stage (2)	Stage (2)	Stage (3)
	Individual	Collective	Individual	Collective	JD
Balance at the beginning of the year	954,397,586	-	280,380,006	-	92,571,011
New exposures during the year	305,586,961	-	39,495,348	-	7,660,107
Settled exposures during the year	(201,272,108)	-	(88,004,940)	-	(2,280,626)
Transferred to stage (1)	42,984,229	-	(42,984,229)	-	-
Transferred to stage (2)	(57,251,331)	-	61,028,644	-	(3,777,313)
Transferred to stage (3)	(6,905,396)	-	(33,588,647)	-	40,494,043
Effect on exposures as a result of change between stages	(6,737,431)	-	(7,204,795)	-	(1,318,446)
Changes resulted from adjustments	45,783,773	-	(2,624,139)	-	(1,236,603)
Written off or transferred exposures*	-	-	-	-	(487,594)
<b>Balance at the end of the Year</b>	<b>1,076,586,283</b>	<b>-</b>	<b>226,497,248</b>	<b>-</b>	<b>131,624,579</b>
					<b>1,434,708,110</b>

**31 December 2023**

	31 December 2023				
	Stage (1)	Stage (1)	Stage (2)	Stage (2)	Stage (3)
	Individual	Collective	Individual	Collective	JD
Balance at the beginning of the year	955,650,437	-	304,983,705	-	68,380,678
New exposures during the year	243,424,110	-	46,434,624	-	4,394,041
Settled exposures during the year	(131,763,043)	-	(29,285,630)	-	(7,052,492)
Transferred to stage (1)	20,994,617	-	(20,994,617)	-	-
Transferred to stage (2)	(33,470,107)	-	36,129,236	-	(2,659,129)
Transferred to stage (3)	(1,029,347)	-	(46,578,129)	-	47,607,476
Effect on exposures as a result of change between stages	(124,043)	-	(2,863,205)	-	1,071,060
Changes resulted from adjustments	(99,285,038)	-	(7,445,978)	-	(813,352)
Written off or transferred exposures*	-	-	-	-	(18,357,271)
<b>Balance at the end of the Year</b>	<b>954,397,586</b>	<b>-</b>	<b>280,380,006</b>	<b>-</b>	<b>92,571,011</b>
					<b>1,327,348,603</b>

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The movement on the provision for impairment for corporates is as follows:

	31 December 2024				
	Stage (1)		Stage (2)		Total
	Individual	Collective	Individual	Collective	
	JD	JD	JD	JD	JD
Balance at the beginning of the year	9,647,306	-	39,846,885	-	105,993,907
Expected credit loss on new credit facilities during the year	3,654,758	-	2,411,179	-	10,796,347
Recovered from expected credit loss on settled exposures during the year	(3,844,135)	-	(5,524,759)	-	(10,017,821)
Transferred to stage (1)	2,886,070	-	(2,886,070)	-	-
Transferred to stage (2)	(583,195)	-	2,242,107	-	(1,658,912)
Transferred to stage (3)	(79,672)	-	(8,306,008)	-	-
Effect on provision as a result of change between stages	(1,959,349)	-	3,556,841	-	8,873,523
Changes resulted from adjustments	(650,014)	-	12,705,158	-	16,541,801
Impairment loss on written off or transferred exposures*	-	-	-	-	(450,434)
<b>Balance at the end of the Year</b>	<b>9,071,769</b>	<b>-</b>	<b>44,045,333</b>	<b>-</b>	<b>131,737,323</b>

	31 December 2023				
	Stage (1)		Stage (2)		Total
	Individual	Collective	Individual	Collective	
	JD	JD	JD	JD	JD
Balance at the beginning of the year	12,699,994	-	46,028,615	-	110,154,001
Expected credit loss on new credit facilities during the year	2,092,476	-	3,348,379	-	8,645,596
Recovered from expected credit loss on settled exposures during the year	(3,709,229)	-	(2,459,645)	-	(10,009,539)
Transferred to stage (1)	576,449	-	(576,449)	-	-
Transferred to stage (2)	(405,365)	-	2,179,492	-	-
Transferred to stage (3)	(9,112)	-	(21,247,962)	-	-
Effect on provision as a result of change between stages	(161,666)	-	(1,701,447)	-	(275,455)
Changes resulted from adjustments	(1,436,241)	-	14,275,902	-	14,505,215
Impairment loss on written off or transferred exposures*	-	-	-	-	(17,025,911)
<b>Balance at the end of the Year</b>	<b>9,647,306</b>	<b>-</b>	<b>39,846,885</b>	<b>-</b>	<b>105,993,907</b>



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The distribution of total credit and financing facilities by internal credit rating for (SME's) is as follows:

	31 December 2024					2023	
	Stage (1)		Stage (2)		Stage (3)		Total
	Individual	Collective	Individual	Collective	Individual	Collective	
	JD	JD	JD	JD	JD	JD	JD
1	-	-	-	-	-	-	-
2	-	-	-	-	-	-	-
3	24,388,884	-	341,709	-	-	-	24,730,593
4	42,447,930	-	2,613,905	-	-	-	45,061,835
5	46,144,275	-	10,856,484	-	-	-	57,000,759
6	31,585,974	-	10,912,667	-	-	-	42,498,641
7	10,060,721	-	34,152,476	-	-	-	44,213,197
8-10	-	-	-	-	25,571,529	-	25,571,529
Not rated	132,375	59,107,639	252,386	10,852,337	6,085,681	-	76,430,418
<b>Total</b>	<b>154,760,159</b>	<b>59,107,639</b>	<b>59,129,627</b>	<b>10,862,337</b>	<b>31,657,210</b>	<b>315,506,972</b>	<b>286,376,151</b>

Credit rating categories based on the Bank's internal system:

1	-	-	-	-	-	-	-
2	-	-	-	-	-	-	-
3	24,388,884	-	341,709	-	-	-	24,730,593
4	42,447,930	-	2,613,905	-	-	-	45,061,835
5	46,144,275	-	10,856,484	-	-	-	57,000,759
6	31,585,974	-	10,912,667	-	-	-	42,498,641
7	10,060,721	-	34,152,476	-	-	-	44,213,197
8-10	-	-	-	-	25,571,529	-	25,571,529
Not rated	132,375	59,107,639	252,386	10,852,337	6,085,681	-	76,430,418
<b>Total</b>	<b>154,760,159</b>	<b>59,107,639</b>	<b>59,129,627</b>	<b>10,862,337</b>	<b>31,657,210</b>	<b>315,506,972</b>	<b>286,376,151</b>

The movement on credit facilities and financing for SME's is as follows:

	31 December 2024						
	Stage (1)		Stage (2)		Stage (3)		Total
	Individual	Collective	Individual	Collective	Individual	Collective	
	JD	JD	JD	JD	JD	JD	JD
Balance at the beginning of the year	164,848,112	39,558,573	37,817,171	15,982,953	28,169,342	-	286,376,151
New exposures during the year	56,767,252	18,127,158	18,244,449	901,633	2,670,616	-	96,711,108
Settled exposures during the year	(31,395,915)	(4,499,336)	(6,235,578)	(2,098,903)	(2,950,934)	-	(47,180,666)
Transferred to stage (1)	5,373,063	7,893,491	(5,155,767)	(7,893,491)	(217,296)	-	-
Transferred to stage (2)	(23,811,196)	(4,197,412)	24,846,319	4,509,894	(1,347,605)	-	-
Transferred to stage (3)	(1,186,077)	(243,252)	(5,383,025)	(280,141)	7,092,495	-	-
Effect on exposures as a result of change between stages	(1,223,119)	(212,751)	(2,476,712)	493,109	(223,957)	-	(3,643,430)
Changes resulted from adjustments	(14,611,961)	2,681,168	(2,527,230)	(762,717)	(393,954)	-	(15,614,694)
Written off or transferred exposures*	-	-	-	-	(1,141,497)	-	(1,141,497)
<b>Balance at the end of the Year</b>	<b>154,760,159</b>	<b>59,107,639</b>	<b>59,129,627</b>	<b>10,862,337</b>	<b>31,657,210</b>	<b>315,506,972</b>	<b>286,376,151</b>

	31 December 2023						
	Stage (1)		Stage (2)		Stage (3)		Total
	Individual	Collective	Individual	Collective	Individual	Collective	
	JD	JD	JD	JD	JD	JD	JD
Balance at the beginning of the year	152,723,543	29,276,710	27,073,383	18,561,584	24,655,575	-	252,290,795
New exposures during the year	57,864,280	12,643,931	10,440,326	3,530,016	1,730,387	-	86,208,940
Settled exposures during the year	(21,644,027)	(6,117,280)	(5,923,216)	(4,112,319)	(1,001,869)	-	(38,798,711)
Transferred to stage (1)	4,878,752	7,843,028	(4,804,078)	(7,812,183)	(105,519)	-	-
Transferred to stage (2)	(16,485,974)	(6,962,767)	17,283,858	7,070,387	(905,504)	-	-
Transferred to stage (3)	(2,938,974)	(700,546)	(2,870,564)	(184,438)	6,694,522	-	-
Effect on exposures as a result of change between stages	(1,100,357)	1,454,289	(2,907,782)	(180,581)	(290,165)	-	(3,024,596)
Changes resulted from adjustments	(8,449,131)	2,121,208	(474,756)	(889,513)	26,645	-	(7,665,547)
Written off or transferred exposures*	-	-	-	-	(2,634,730)	-	(2,634,730)
<b>Balance at the end of the Year</b>	<b>164,848,112</b>	<b>39,558,573</b>	<b>37,817,171</b>	<b>15,982,953</b>	<b>28,169,342</b>	<b>315,506,972</b>	<b>286,376,151</b>

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The movement on the provision for impairment for (SME's) credit facilities is as follows:

	31 December 2024				
	Stage (1)		Stage (2)		Total
	Individual	Collective	Individual	Collective	
	JD	JD	JD	JD	
Balance at the beginning of the year	1,868,285	106,937	1,981,100	413,662	19,850,858
Expected credit loss on new credit facilities during the year	711,132	27,568	627,921	21,500	2,987,983
Recovered from expected credit loss on settled exposures during the year	(546,364)	(6,515)	(100,788)	(169,839)	(2,175,798)
Transferred to stage (1)	147,764	179,931	(78,008)	(179,931)	-
Transferred to stage (2)	(239,951)	(9,485)	481,223	115,110	-
Transferred to stage (3)	(16,115)	(2,298)	(792,881)	(3,727)	-
Effect on provision as a result of change between stages	(91,932)	(157,064)	257,417	1,687	902,682
Changes resulted from adjustments	236,647	34,541	429,168	347,091	2,973,819
Written off or transferred exposures*	-	-	-	-	(676,908)
Balance at the end of the Year	2,069,466	173,615	2,805,152	545,553	23,862,636

	31 December 2023				
	Stage (1)		Stage (2)		Total
	Individual	Collective	Individual	Collective	
	JD	JD	JD	JD	JD
Balance at the beginning of the year	1,314,031	43,815	1,276,402	391,953	16,574,834
Expected credit loss on new credit facilities during the year	716,900	25,772	217,552	19,343	2,232,783
Recovered from expected credit loss on settled exposures during the year	(186,479)	(9,330)	(134,302)	(13,346)	(204,559)
Transferred to stage (1)	162,219	70,178	(141,258)	(65,534)	-
Transferred to stage (2)	(125,150)	(21,473)	337,345	58,064	-
Transferred to stage (3)	(231,518)	(2,335)	(43,569)	(9,043)	-
Effect on provision as a result of change between stages	(96,524)	(39,504)	(159,371)	11,975	1,101,285
Changes resulted from adjustments	314,806	39,814	628,301	20,250	2,224,232
Written off or transferred exposures*	-	-	-	-	(2,077,717)
<b>Balance at the end of the Year</b>	<b>1,868,285</b>	<b>106,937</b>	<b>1,981,100</b>	<b>413,662</b>	<b>19,850,858</b>

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The distribution of total credit and financing facilities by internal credit rating for Government and Public Sector is as follows:

	31 December 2024					2023	
	Stage (1)		Stage (2)		Stage (3)	Total	
	Individual	Collective	Individual	Collective		JD	JD
Credit rating categories based on the Bank's internal system:							
1	595,334,836	-	-	-	-	595,334,836	471,509,426
2	-	-	-	-	-	-	7,950
3	42,699,541	-	-	-	-	42,699,541	17,676,583
4	-	-	-	-	-	-	-
5	35,332,943	-	-	-	-	35,332,943	84,194,219
6	837,894	-	-	-	-	837,894	-
7	-	-	-	-	-	-	1,445,429
8-10	-	-	-	-	-	-	-
Not rated	25,000,031	-	-	-	-	25,000,031	25,000,000
<b>Total</b>	<b>699,205,245</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>699,205,245</b>	<b>599,833,607</b>

The movement on credit facilities and financing for the Government and Public Sector is as follows:

	31 December 2024				
	Stage (1)		Stage (2)		Total
	Individual	Collective	Individual	Collective	
Balance at the beginning of the year	599,833,607	-	-	-	599,833,607
New exposures during the year	217,819,275	-	-	-	217,819,275
Settled exposures during the year	(59,284,668)	-	-	-	(59,284,668)
Transferred to stage (1)	-	-	-	-	-
Transferred to stage (2)	-	-	-	-	-
Transferred to stage (3)	-	-	-	-	-
Effect on exposures as a result of change between stages	-	-	-	-	-
Changes resulted from adjustments	(59,162,969)	-	-	-	(59,162,969)
<b>Balance at the end of the Year</b>	<b>699,205,245</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>699,205,245</b>

	31 December 2023				
	Stage (1)		Stage (2)		Total
	Individual	Collective	Individual	Collective	
Balance at the beginning of the year	599,215,519	-	-	-	599,215,519
New exposures during the year	54,270,916	-	-	-	54,270,916
Settled exposures during the year	(14,367,980)	-	-	-	(14,367,980)
Transferred to stage (1)	-	-	-	-	-
Transferred to stage (2)	-	-	-	-	-
Transferred to stage (3)	-	-	-	-	-
Effect on exposures as a result of change between stages	-	-	-	-	-
Changes resulted from adjustments	(39,284,848)	-	-	-	(39,284,848)
Written off or transferred to off statements of financial position debts	599,833,607	-	-	-	599,833,607
<b>Balance at the end of the Year</b>	<b>599,833,607</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>599,833,607</b>

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The movement on the provision for impairment for the Government and Public Sector credit facilities is as follows:

	31 December 2024				
	Stage (1)		Stage (2)		Total
	Individual	Collective	Individual	Collective	
	JD	JD	JD	JD	JD
Balance at the beginning of the year	-	-	-	-	-
Expected credit loss on new credit facilities during the year	-	-	-	-	-
Recovered from expected credit loss on settled exposures during the year	-	-	-	-	-
Transferred to stage (1)	-	-	-	-	-
Transferred to stage (2)	-	-	-	-	-
Transferred to stage (3)	-	-	-	-	-
Effect on provision as a result of change between stages	-	-	-	-	-
Changes resulted from adjustments	-	-	-	-	-
Written off or transferred exposures*	-	-	-	-	-
<b>Balance at the end of the Year</b>	-	-	-	-	-

	31 December 2023				
	Stage (1)		Stage (2)		Total
	Individual	Collective	Individual	Collective	
	JD	JD	JD	JD	JD
Balance at the beginning of the year	-	-	-	-	-
Expected credit loss on new credit facilities during the year	-	-	-	-	-
Recovered from expected credit loss on settled exposures during the year	-	-	-	-	-
Transferred to stage (1)	-	-	-	-	-
Transferred to stage (2)	-	-	-	-	-
Transferred to stage (3)	-	-	-	-	-
Effect on provision as a result of change between stages	-	-	-	-	-
Changes resulted from adjustments	-	-	-	-	-
Written off or transferred exposures*	-	-	-	-	-
<b>Balance at the end of the Year</b>	-	-	-	-	-

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**10. Financial Assets at Fair Value through Other Comprehensive Income**

The details of this item are as follows:

	31 December	
	2024	2023
	JD	JD
Quoted shares in active markets	28,472,247	31,866,382
Quoted bonds in active markets	45,515,882	-
Unquoted shares	19,367,863	15,159,479
Investment funds	26,360,195	19,632,260
<b>Total</b>	<b>119,716,187</b>	<b>66,658,121</b>
Provision for expected credit losses	(64,447)	-
	<b>119,651,740</b>	<b>66,658,121</b>

- Transferred losses as a result of selling financial assets at fair value through the statement of other comprehensive income amounted to JD 93,842 as of 31 December 2024 (JD 421,65 transferred gains of which JD 20,944 belongs to non-controlling interest as of 31 December 2023).
- The value of profits realized from the sale of debt instruments through other comprehensive income was JD 78,970 as of 31 December 2024 (there were no sales transactions as of 31 December 2023).
- Cash dividends on the above-mentioned financial assets amounted to JD 726,825 for the year ended 31 December 2024 (JD 1,162,153 for the year ended 31 December 2023).

Disclosure of the movement in the balance of debt instruments at fair value through other comprehensive income.

	31 December 2024				31 December 2023
	Stage 1 -Individual	Stage 2	Stage 3	Total	
	JD	JD	JD	JD	JD
Balance at the beginning of the year	-	-	-	-	-
New investments during the year	45,515,882	-	-	45,515,882	-
Accrued investments	-	-	-	-	-
changes in fair value	-	-	-	-	-
Transferred to stage (1)	-	-	-	-	-
Transferred to stage (2)	-	-	-	-	-
Transferred to stage (3)	-	-	-	-	-
Effect on the exposure results change classification between stages	-	-	-	-	-
Changes resulted from adjustments	-	-	-	-	-
Written off investments	-	-	-	-	-
Adjustments due to exchange rate changes.	-	-	-	-	-
<b>Balance at the end of the Year</b>	<b>45,515,882</b>	<b>-</b>	<b>-</b>	<b>45,515,882</b>	<b>-</b>

Disclosure of the movement in the allowance for expected credit losses on debt instruments through other comprehensive income

	31 December 2024				31 December 2023
	Stage 1 -Individual	Stage 2	Stage 3	Total	
	JD	JD	JD	JD	JD
Balance at the beginning of the year	-	-	-	-	-
Credit loss and expected loss on new investments during the year	64,447	-	-	64,447	-
Recovery from expected credit loss on due investments	-	-	-	-	-
Transferred to stage (1)	-	-	-	-	-
Transferred to stage (2)	-	-	-	-	-
Transferred to stage (3)	-	-	-	-	-
Effect on the exposure results change classification between stages	-	-	-	-	-
Changes resulted from adjustments	-	-	-	-	-
Written off investments	-	-	-	-	-
Deduction during the period from revenues	-	-	-	-	-
<b>Balance at the end of the Year</b>	<b>64,447</b>	<b>-</b>	<b>-</b>	<b>64,447</b>	<b>-</b>

**11. Financial Assets at Amortized Cost - net**

The details of this item are as follows:

	31 December	
	2024	2023
	JD	JD
Quoted Financial Assets:		
Foreign treasury bonds	69,618,697	91,696,901
Corporate bonds and debentures	221,514,401	189,613,293
Unquoted Financial Assets:		
Governmental treasury bills	106,960,168	108,877,524
Governmental guaranteed bonds	1,451,005,828	1,221,607,600
Corporate bonds and debentures	7,152,000	22,652,000
	<b>1,856,251,094</b>	<b>1,634,447,318</b>
Less: Provision for impairment related to financial assets within stage (1)	337,642	632,492
	<b>1,855,913,452</b>	<b>1,633,814,826</b>
Bonds and Bills Analysis	-	-
With Fixed rate	1,856,251,094	1,634,055,985
With Floating rate	-	391,333
<b>Total</b>	<b>1,856,251,094</b>	<b>1,634,447,318</b>
Bonds Analysis as per International Financial Reporting Standard (9):		
stage (1)	1,856,251,094	1,634,447,318
<b>Total</b>	<b>1,856,251,094</b>	<b>1,634,447,318</b>

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- The following is the movement on financial assets at amortized cost before provision:

	<b>Stage (1)</b>	<b>Stage (2)</b>	<b>Stage (3)</b>	<b>Total</b>
	<b>Individual</b>	<b>Individual</b>	<b>Individual</b>	<b>JD</b>
	<b>JD</b>	<b>JD</b>	<b>JD</b>	
<b>31 December 2024</b>				
Balance at the beginning of the year	1,634,447,318	-	-	1,634,447,318
New investments during the year	575,588,705	-	-	575,588,705
Accrued investment	(325,546,433)	-	-	(325,546,433)
Transferred to Stage (1)	-	-	-	-
Transferred to Stage (2)	-	-	-	-
Transferred to Stage (3)	-	-	-	-
Effect on volume of exposures due to the changes between stages	-	-	-	-
Change resulting from adjustments	(28,238,496)	-	-	(28,238,496)
<b>Balance at the end of the Year</b>	<b>1,856,251,094</b>	<b>-</b>	<b>-</b>	<b>1,856,251,094</b>

	<b>Stage (1)</b>	<b>Stage (2)</b>	<b>Stage (3)</b>	<b>Total</b>
	<b>Individual</b>	<b>Individual</b>	<b>Individual</b>	<b>JD</b>
	<b>JD</b>	<b>JD</b>	<b>JD</b>	
<b>31 December 2023</b>				
Balance at the beginning of the year	1,326,436,743	-	-	1,326,436,743
New investments during the year	706,960,536	-	-	706,960,536
Accrued investment	(385,726,260)	-	-	(385,726,260)
Transferred to Stage (1)	-	-	-	-
Transferred to Stage (2)	-	-	-	-
Transferred to Stage (3)	-	-	-	-
Effect on volume of exposures due to the changes between stages	-	-	-	-
Change resulting from adjustments	(13,223,701)	-	-	(13,223,701)
<b>Balance at the end of the Year</b>	<b>1,634,447,318</b>	<b>-</b>	<b>-</b>	<b>1,634,447,318</b>

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- The following is the movement on the provision for expected credit losses for financial assets at amortized cost:

	31 December 2024				2023
	Stage (1)	Stage (2)	Stage (3)	Total	Total
	Individual	Individual	Individual	JD	JD
Balance at the beginning of the year	632,492	-	-	632,492	670,099
Expected credit loss on new investments during the year	105,105	-	-	105,105	159,280
Recovered from expected credit loss on accrued investments	(337,749)	-	-	(337,749)	(136,581)
Transferred to Stage (1)	-	-	-	-	-
Transferred to Stage (2)	-	-	-	-	-
Transferred to Stage (3)	-	-	-	-	-
Effect on provision as a result of change between stages during the year	-	-	-	-	-
Change resulted from adjustments	(62,206)	-	-	(62,206)	(60,306)
<b>Balance at the end of the Year</b>	<b>337,642</b>	<b>-</b>	<b>-</b>	<b>337,642</b>	<b>632,492</b>

During the year 2024, financial assets at amortized cost were sold with a nominal value amounting to JD 13,165,421 (JD 11,414,900 during the year 2023). The operation resulted in a gain of JD 48,728 during the year 2024 (loss of JD 2,125 during 2023).

**12. Investments in Associates**

The details of this item are as follows:

Company Name	Country of Residence	Ownership %	Nature of Activity	31 December	
				2024	2023
				JD	JD
Jordan Blending & Packing of Fertilizers Co.	Jordan	25%	Industrial	332,759	349,622

	31 December	
	2024	2023
	JD	JD
Balance at the beginning of the year	349,622	345,954
Group's share from profit of the year - net	(16,863)	3,668
Collected cash dividends	-	-
<b>Balance at the end of the Year</b>	<b>332,759</b>	<b>349,622</b>

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**13. Property and Equipment - Net**

The details of this item are as follows:

**For the year ended 31 December 2024**

**Cost:**

Balance at the beginning of the year	31,016,007	24,690,329	66,435,361	1,568,675	20,959,938	144,670,310
Additions	3,516,922	862,526	6,056,097	624,314	3,908,105	14,967,964
Disposals	(324,564)	(789,161)	(4,660,183)	(380,900)	(2,691,985)	(8,846,793)
<b>Balance at the end of the Year</b>	<b>34,208,365</b>	<b>24,763,694</b>	<b>67,831,275</b>	<b>1,812,089</b>	<b>22,176,058</b>	<b>150,791,481</b>

**Accumulated Depreciation:**

Balance at the beginning of the year	-	8,999,780	47,653,550	984,938	14,904,941	72,543,209
Annual depreciation	-	500,432	5,426,552	208,304	2,214,821	8,350,109
Disposals	-	(697,567)	(4,261,043)	(354,164)	(2,619,974)	(7,932,748)
<b>Balance at the end of the Year</b>	<b>-</b>	<b>8,802,645</b>	<b>48,819,059</b>	<b>839,078</b>	<b>14,499,788</b>	<b>72,960,570</b>
Net book value of property and equipment	34,208,365	15,961,049	19,012,216	973,011	7,676,270	77,830,911
Payments to purchase property and equipment	-	2,652,788	6,614,835	-	160,813	9,428,436
<b>Net Book Value at the end of the Year</b>	<b>34,208,365</b>	<b>18,613,837</b>	<b>25,627,051</b>	<b>973,011</b>	<b>7,837,083</b>	<b>87,259,347</b>

**For the year ended 31 December 2023**

**Cost:**

Balance at the beginning of the year	25,451,167	24,479,357	62,677,201	1,390,840	20,088,750	134,087,315
Additions	5,564,840	223,110	5,506,392	365,801	3,300,401	14,960,544
Disposals	-	(12,138)	(1,748,232)	(187,966)	(2,429,213)	(4,377,549)
<b>Balance at the end of the Year</b>	<b>31,016,007</b>	<b>24,690,329</b>	<b>66,435,361</b>	<b>1,568,675</b>	<b>20,959,938</b>	<b>144,670,310</b>

**Accumulated Depreciation:**

Balance at the beginning of the year	-	8,485,842	43,826,473	923,982	15,392,159	68,628,456
Annual depreciation	-	524,117	5,506,842	197,648	1,933,347	8,161,954
Disposals	-	(10,179)	(1,679,765)	(136,692)	(2,420,565)	(4,247,201)
<b>Balance at the end of the Year</b>	<b>-</b>	<b>8,999,780</b>	<b>47,653,550</b>	<b>984,938</b>	<b>14,904,941</b>	<b>72,543,209</b>
Net book value of property and equipment	31,016,007	15,690,549	18,781,811	583,737	6,054,997	72,127,101
Payments to purchase property and equipment	-	2,255,011	1,495,569	-	333,398	4,083,978
<b>Net Book Value at the end of the Year</b>	<b>31,016,007</b>	<b>17,945,560</b>	<b>20,277,380</b>	<b>583,737</b>	<b>6,388,395</b>	<b>76,211,079</b>
<b>Annual depreciation rate %</b>	<b>-</b>	<b>2 - 4</b>	<b>7 - 15</b>	<b>15</b>	<b>20</b>	

- Property and equipment include fully depreciated assets of JD 39,315,184 as of 31 December 2024 (JD 40,096,031 as of 31 December 2023), which are still in-use by the Bank.



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**14. Intangible Assets - net**

The details of this item are as follows:

**For the year ended 31 December 2024**

Balance at the beginning of the year

Additions

Amortization for the year

**Balance at the end of the Year**

Computer Software	Bank's License	Goodwill*	Total
JD	JD	JD	JD
17,224,397	9,928,000	1,380,512	28,532,909
7,964,309	-	-	7,964,309
(6,868,020)	-	-	(6,868,020)
<b>18,320,686</b>	<b>9,928,000</b>	<b>1,380,512</b>	<b>29,629,198</b>

**For the year ended 31 December 2023**

Balance at the beginning of the year

Additions

Amortization for the year

**Balance at the end of the Year**

15,585,181	9,928,000	1,380,512	26,893,693
8,536,707	-	-	8,536,707
(6,897,491)	-	-	(6,897,491)
<b>17,224,397</b>	<b>9,928,000</b>	<b>1,380,512</b>	<b>28,532,909</b>

\* This item represents the intangible assets resulting from the acquisition of Safwa Islamic Bank during the year 2017 and it is subject to fair value impairment tests at the end of each year.

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**15. Other Assets - Net**

The details of this item are as follows:

	31 December	
	2024	2023
	JD	JD
Interests and revenues under collection	34,734,988	27,100,676
Prepaid expenses	7,679,184	7,562,688
Assets seized by Bank against due debts *	94,284,400	78,038,809
Clearing cheques	694,012	307,331
Transfers and cheques under collection	753,075	233,915
Paid margins on letter of guarantees	5,511,896	6,389,990
Discounted commercial papers	19,555,499	17,341,650
Convertible loans	1,013,877	1,004,774
Other	19,220,740	15,245,752
<b>Total</b>	<b>183,447,671</b>	<b>153,225,585</b>

\* The regulations of the Central Bank of Jordan requires the disposal of the assets seized by Bank in repayment of debts during a maximum period of two years from the acquisition date. However, in some exceptional cases, the Central Bank of Jordan has the right to extend the period for a maximum of two subsequent years.

- The following is a summary of the movement on the assets seized by bank in repayment of debts:

	31 December	
	2024	2023
	JD	JD
Balance at the beginning of the year	83,528,320	59,048,934
Additions	31,056,924	28,807,610
Disposals	(15,677,923)	(4,328,224)
Surplus impairment (provision) during the year	(4,622,921)	(5,489,511)
<b>Balance at the end of the Year</b>	<b>94,284,400</b>	<b>78,038,809</b>

Below is a summary of the movement on the provision for the assets seized by bank:

Balance beginning of year	5,489,511	6,070,677
(Surplus) additions during the year	(866,590)	(581,166)
<b>Balance at the end of the Year</b>	<b>4,622,921</b>	<b>5,489,511</b>

- The impairment provision against the assets seized by the Bank amounted to JD 2,173,431 as of 31 December 2024 (JD 1,349,193 as of 31 December 2023). Furthermore, the provision for the assets seized by the Bank for a period of more than (4) years amounted to JD 2,449,490 as of 31 December 2024 (JD 4,140,318 as of 31 December 2023).

**16. Banks' and Financial Institutions Deposits**

The details of this item are as follows:

	31 December 2024			31 December 2023		
	Inside Jordan	Outside Jordan	Total	Inside Jordan	Outside Jordan	Total
	JD	JD	JD	JD	JD	JD
Current accounts and demand deposits	42,206,497	104,129,547	146,336,044	44,773,242	133,809,282	178,582,524
Time deposits						
Deposits maturing during the period 3 months:	6,000,000	134,952,419	140,952,419	-	83,167,696	83,167,696
More than 3 months to 6 months	-	51,911,319	51,911,319	-	-	-
More than 6 months to 9 months	-	2,000,000	2,000,000	-	5,500,000	5,500,000
More than 9 months to 12 months	-	7,000,000	7,000,000	-	13,000,000	13,000,000
More than a year	-	9,000,000	9,000,000	6,000,000	25,000,000	31,000,000
<b>Total</b>	<b>48,206,497</b>	<b>308,993,285</b>	<b>357,199,782</b>	<b>50,773,242</b>	<b>260,476,978</b>	<b>311,250,220</b>

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**17. Customers' Deposits**

The details of this item are as follows:

**For the year ended 31 December 2024**

	Individual JD	Corporate JD	SMEs JD	Government and Public Sector JD	Total JD
Current accounts and demand accounts	501,857,482	266,881,853	439,162,949	5,384,923	1,213,287,207
Saving deposits	995,614,478	58,056,358	173,112,585	10,376,328	1,237,159,749
Time and notice deposits	1,881,854,325	714,118,527	175,814,566	405,692,437	3,177,479,855
Certificates of deposit	639,264,619	41,752,540	38,394,570	59,339,000	778,750,729
<b>Total</b>	<b>4,018,590,904</b>	<b>1,080,809,278</b>	<b>826,484,670</b>	<b>480,792,688</b>	<b>6,406,677,540</b>

**For the year ended 31 December 2023**

	Individual JD	Corporate JD	SMEs JD	Government and Public Sector JD	Total JD
Current accounts and demand accounts	506,333,549	193,872,804	408,774,305	9,943,945	1,118,924,603
Saving deposits	862,848,432	28,513,684	88,598,277	8,157,365	988,117,758
Time and notice deposits	1,728,339,919	581,973,635	185,300,102	411,903,611	2,907,517,267
Certificates of deposit	531,540,903	25,843,940	35,731,547	43,677,000	636,793,390
<b>Total</b>	<b>3,629,062,803</b>	<b>830,204,063</b>	<b>718,404,231</b>	<b>473,681,921</b>	<b>5,651,353,018</b>

- The Jordanian government and public sector's deposits inside the kingdom reached JD 480,792,688 representing 7.50% of total deposits as of 31 December 2024 (JD 473,681,921 representing 8.38% of total deposits as of 31 December 2023).

- Non-interest bearing deposits reached JD 1,164,618,145 representing 18.18% of total deposits as of 31 December 2024 (JD 1,109,911,255 representing 19.64% of total deposits as of 31 December 2023).

- Restricted deposits amounted to JD 15,646,813 representing 0.24% of total deposits as of 31 December 2024 (JD 9,838,084 representing 0.17% of total deposits as of 31 December 2023).

- Dormant deposits reached JD 56,712,591 representing 0.89% of total deposits as of 31 December 2024 (JD 39,908,496 representing 0.71% of total deposits as of 31 December 2023).

- Customers' deposits include an amount of JD 2,596,270,510 which represents the shared customers' investments related to Safwa Islamic Bank as of 31 December 2024 (2,114,530,041 as of 31 December 2023).

**18. Cash Margins**

The details of this item are as follows:

	31 December	
	2024	2023
	JD	JD
Margins against direct credit facilities	222,896,882	235,112,411
Margins against indirect credit facilities	131,135,046	78,788,880
Balances against margin receivables	2,911,910	3,594,790
Other margins	18,012,071	12,164,353
<b>Total</b>	<b>374,955,909</b>	<b>329,660,434</b>

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**19. Borrowed Funds and Subordinated Loans**

**19.a. Borrowed Funds**

The details of this item are as follows:

**31 December 2024**

	Amount JD	Total no. of payments	Number of total payments	Remaining payments	Payments frequency	Collaterals	Loan interest rate price
Central Bank of Jordan borrowing *	90,629,065	15,979	10,146		Monthly	Bank Promissories	0.50 - 1.00
Central Bank of Jordan borrowing *	392,968	37	18		Quarterly	Bank Promissory	0.50 - 1.00
Central Bank of Jordan borrowing *	2,753,545	36	20		Semi-annual	Bank Promissory	0.50 - 1.00
Central Bank of Jordan borrowing *	3,042,815	21	21		Annual	Bank Promissory	0.50 - 1.00
Central Bank of Jordan borrowing *	28,163,994	17,651	7,347		Monthly	Bank Promissory	0.00
International Bank for Reconstruction and Development **	1,800,000	20	6		Semi-annual starting from 15 September 2018	Bank Promissory	6.25
Arab Fund for Economic and Social Development ***	1,772,498	15	15		Semi-annual	Bank Promissory	2.50
Arab Fund for Economic and Social Development ***	7,160,214	35	30		Semi-annual	Bank Promissory	3.00
European Bank for Reconstruction and Development	5,768,400	7	6		Semi-annual starting from 1 September 2024	-	8.65
European Bank for Reconstruction and Development	303,857	7	6		Semi-annual starting from 1 September 2024	-	5.67
European Investment Bank	29,545,714	6	6		Semi-annual starting from 21 December 2024	-	4.45
Jordan Mortgage Refinance Company (Relating to a subsidiary)	5,000,000	1	1		One instalment	-	8.00
Local Banks (Relating to a subsidiary)	5,800,781	252	205		Quarterly	-	6.75
Local Banks (Relating to a subsidiary)	1,000,000	8	8		Quarterly	-	7.75
Local Banks (Relating to a subsidiary)	14,664,787	937	881		Quarterly	-	7.25
Local Banks (Relating to a subsidiary)	9,995,000	396	396		Quarterly	-	7.25
Local Banks (Relating to a subsidiary)	3,000,000	127	126		Monthly	-	7.50
Local Banks (Relating to a subsidiary)	4,304,556	192	178		Monthly	-	6.00
Local Banks (Relating to a subsidiary)	676,000	120	120		Monthly	-	6.25
Local Banks (Relating to a subsidiary)	4,999,333	60	59		Monthly	-	6.50
<b>Total</b>	<b>220,773,527</b>						

**31 December 2023**

Central Bank of Jordan borrowing *	52,172,227	13,400	8,287		Monthly	Bank Promissories	0.5 - 1.75
Central Bank of Jordan borrowing *	345,900	37	16		Quarterly	Bank Promissory	1.00
Central Bank of Jordan borrowing *	3,152,402	37	24		Semi-annual	Bank Promissory	0.5 - 1.00
Central Bank of Jordan borrowing *	2,200,645	17	17		Annual	Bank Promissory	0.5 - 1.00
Central Bank of Jordan borrowing *	48,237,651	24,212	14,012		Monthly	Bank Promissory	0.00
International Bank for Reconstruction and Development **	2,400,000	20	8		Semi-annual starting from 15 September 2018	Bank Promissory	7.61
Arab Fund for Economic and Social Development ***	270,000	15	2		Semi-annual	Bank Promissory	2.50
Arab Fund for Economic and Social Development ***	7,118,694	34	32		Semi-annual	Bank Promissory	3.00
Jordan Mortgage Refinance Company	2,020,650	7	7		Semi-annual starting from 1 September 2024	-	8.65
The European Bank for Reconstruction and Development	106,350	7	7		Semi-annual starting from 1 September 2024	-	5.88
Jordan Mortgage Refinance Company (related to subsidiary)	34,470,000	7	7		Semi-annual starting from 1 September 2024	-	4.45
Jordan Mortgage Refinance Company (related to subsidiary)	2,000,000	1	1		One instalment	-	7.75
Jordan Mortgage Refinance Company (related to subsidiary)	2,000,000	1	1		One instalment	-	4.70
Jordan Mortgage Refinance Company (related to subsidiary)	2,500,000	1	1		One instalment	-	4.60
Local Banks (related to a subsidiary)	5,000,000	1	1		One instalment	-	7.60
Local Banks (related to a subsidiary)	5,781,250	100	94		Quarterly	-	6.75
Local Banks (related to a subsidiary)	700,000	36	36		Monthly	-	7.25
Local Banks (related to a subsidiary)	14,630,423	828	827		Monthly	-	6.00
Local Banks (related to a subsidiary)	5,000,000	30	30		Monthly	-	6.00
<b>Total</b>	<b>190,406,332</b>						

\* Funds have been reborrowed from the Central Bank of Jordan to corporates and SMEs sectors at an interest rate ranging from 2% - 4.5%.

\*\* Funds have been reborrowed from the International Bank for Reconstruction and Development to corporates and SMEs sectors at an interest rate ranging from 8% - 10%.

\*\*\* Funds have been reborrowed from the Arab Fund for Economic and Social Development to corporates and SMEs sectors at an interest rate ranging from 4.50% - 10.25%.

\*\*\*\* Funds have been reborrowed from The European Bank for Reconstruction and Development at an interest rate ranging from 7% - 9.5%.

**19.b. Subordinated Loans**

The details of this item are as follows:

**31 December 2024**

	Amount JD	Total no. of payments	Number of total payments	Remaining payments	Payments frequency	Collaterals	Loan interest rate price
The European Bank for Reconstruction and Development	24,815,000	1	1		one instalment dated 6 December 2032	-	12.10
The European Bank for Reconstruction and Development	21,300,000	1	1		one instalment dated 8 April 2027	-	11.75
Sanad Fund for financing micro, SME's	14,180,000	1	1		one instalment dated 30 March 2030	-	10.10
<b>Total</b>	<b>60,295,000</b>						

**31 December 2023**

	Amount JD	Total no. of payments	Number of total payments	Remaining payments	Payments frequency	Collaterals	Loan interest rate price
The European Bank for Reconstruction and Development	24,815,000	1	1		one instalment dated 6 December 2032	-	12.85
The European Bank for Reconstruction and Development	21,300,000	1	1		one instalment dated 8 April 2027	-	11.75
Sanad Fund for financing micro, SME's	14,180,000	1	1		one instalment dated 30 March 2030	-	10.91
<b>Total</b>	<b>60,295,000</b>						

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**20. Sundry Provisions**

The details of this item are as follows:

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Provision for end-of-service indemnity	123,605	31,828	-	-	155,433
Provision for lawsuits and contingent liabilities	302,182	715,650	-	16,619	1,001,213
Other provisions	100,000	165,000	-	-	265,000
<b>Total</b>	<b>525,787</b>	<b>912,478</b>	<b>-</b>	<b>16,619</b>	<b>1,421,646</b>

**For the Year Ended 31 December 2023**

Provision for end-of-service indemnity	79,722	52,161	-	8,278	123,605
Provision for lawsuits and contingent liabilities	452,175	131,788	276,281	5,500	302,182
Other provisions	100,000	-	-	-	100,000
<b>Total</b>	<b>631,897</b>	<b>183,949</b>	<b>276,281</b>	<b>13,778</b>	<b>525,787</b>

**21. Income Tax**

a. Income tax provision

The movement on the income tax provision during the year is as follows:

	<b>31 December</b>	
	<b>2024</b>	<b>2023</b>
	<b>JD</b>	<b>JD</b>
Balance at the beginning of the year	30,872,484	28,930,915
Income tax paid	(33,888,257)	(35,092,191)
Accrued income tax	38,559,156	37,020,220
Income tax from profits from financial assets	-	13,540
Provision for prior years income tax	504,770	-
<b>Balance at the end of the Year</b>	<b>36,048,153</b>	<b>30,872,484</b>

Income tax appearing in the consolidated statement of income represents the following:

	<b>For the year ended 31 December</b>	
	<b>2024</b>	<b>2023</b>
	<b>JD</b>	<b>JD</b>
Income tax accrued for the current year profit	38,559,156	37,020,220
Income tax for prior years	545,467	-
Deferred tax assets	(8,060,230)	(4,380,508)
Deferred tax liability for the year	255,234	20,282
	<b>31,299,627</b>	<b>32,659,994</b>

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**b. Deferred Tax Assets/Liabilities**

The details of this item are as follows:

	31 December 2024			2023		
	Beginning Balance	Amounts Released	Amounts Added	Ending Balance	Deferred Tax	Deferred Tax
	JD	JD	JD	JD	JD	JD
<b>Deferred Tax Assets</b>						
Financial assets at fair value through other comprehensive income*	2,497,918	2,497,918	-	-	-	215,586
Provision seized assets	5,387,822	866,590	-	4,521,232	1,718,068	2,047,372
Provision for bonuses	6,016,260	6,016,260	5,032,657	5,032,657	1,912,410	2,286,179
Provision for lawsuits against the Bank	295,801	-	705,412	1,001,213	380,461	112,404
Unaccepted provision for credit financing and facilities stage 3	9,330,740	-	673,787	10,004,527	3,801,720	3,545,681
General provision	250,261	-	80,922	331,183	92,731	70,073
Provision for contingent liabilities	100,000	-	165,000	265,000	100,700	38,000
Differences due to the application IFRS 16	889,002	-	598,658	1,487,660	565,311	337,821
Provision for expected credit losses stage 1 or 2	75,487,105	-	20,813,298	96,300,403	36,594,153	28,685,100
Provision for end-of-service indemnity	123,605	-	31,828	155,433	59,065	46,970
Provision for finance lease awards	105,005	-	24,995	130,000	36,400	29,401
Legal expenses	6,381	6,381	-	-	-	1,787
<b>Total</b>	<b>100,489,900</b>	<b>9,387,149</b>	<b>28,126,557</b>	<b>119,229,308</b>	<b>45,261,019</b>	<b>37,416,374</b>

**31 December 2024**

	Beginning Balance	Amounts Released	Amounts Added	Ending Balance	Deferred Tax	Deferred Tax
	JD	JD	JD	JD	JD	JD
<b>Deferred tax liabilities</b>						
Financial assets at fair value through statement of income	2,174,784	970,123	1,713,444	2,918,105	275,516	20,282
Financial assets at fair value through comprehensive income *	-	-	3,028,743	3,028,743	670,284	-
<b>Total</b>	<b>2,174,784</b>	<b>970,123</b>	<b>4,742,187</b>	<b>5,946,848</b>	<b>945,800</b>	<b>20,282</b>

\*Deferred tax liabilities include an amount of JD 670,284 resulting from the profits of evaluating financial assets at fair value through the statement of other comprehensive income that appears within the fair value reserve in owners' equity as of 31 December 2024 (JD 215,586 deferred tax assets as of 31 December 2023).

- The movement on the deferred income tax assets is as follows:

	Assets		Liabilities	
	31 December		31 December	
	2024	2023	2024	2023
	JD	JD	JD	JD
Balance at the beginning of the year	37,416,374	32,820,280	20,282	844,854
Additions	10,677,501	7,289,685	1,118,521	778,567
Disposals	(2,832,856)	(2,693,591)	(193,003)	(1,603,139)
<b>Balance at the end of the Year</b>	<b>45,261,019</b>	<b>37,416,374</b>	<b>945,800</b>	<b>20,282</b>

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**c. Reconciliation of the accounting profit with taxable profit**

	<b>31 December</b>	
	<b>2024</b>	<b>2023</b>
	<b>JD</b>	<b>JD</b>
Accounting profit	85,773,727	90,397,269
Non-taxable income	(26,104,890)	(18,924,243)
Non-deductible expenses for tax purposes	39,663,114	27,537,745
Taxable Profit	<b>99,331,951</b>	<b>99,010,771</b>
Effective income tax rate	36.49%	36.13%

- The legal income tax rate for the Bank was 35% in addition to the national contribution of 3%. the legal income tax rate for Al Etihad Leasing Company and AL Etihad Financial Brokerage company has reached 24% in addition to the national contribution of 4% and the income tax rate for Al Etihad Financial Technology has reached to 20% in addition to the national contribution of 1%.
- The Bank submitted the tax return until the year 2023 and a final settlement was reached with Income Tax and sales Department on the results of the bank until end of the year 2020. and The Income and Sales Tax Department has not reviewed the bank's accounting records for the years 2021 and 2022 and 2023.
- A final settlement with the income tax department for Safwa Islamic Bank has been reached up to the year 2020. The tax return for the year 2021 and 2022 and 2023 was submitted within the legal period. and the income and sales tax department did not review the accounting records until the date of preparing the consolidated financial statements.
- A final settlement with the Income Tax Department for Misk Financial Brokerage Company (a subsidiary of Safwa Islamic Bank) has been reached up to the year 2023.
- A final settlement for Al Etihad for Financial Brokerage Company has been reached. with the income tax department up to the year 2023 except for the year 2021 as the self detection has been submitted and the income tax and sales department did not review the accounting records until the date of the consolidated financial information.
- A final settlement with the Income Tax Department for Al Etihad for Financial Leasing Company has been reached up to the year 2021. And the self detection has been submitted for the year 2022 & 2023 and the income tax and sales department did not review the accounting records until the date of the consolidated financial information.
- A final settlement with the Income Tax Department for Al Etihad for Financial Technology Company has been reached up to the year 2023.
- A final settlement with the Income Tax Department for Etihad Islamic Investment company has been reached up to the year 2023.
- The percentage of deferred tax was 38% for the income from inside Jordan and 13% for the income from outside Jordan and in the Bank's management opinion these deferred taxes will be realized in the future.

**22. Other Liabilities**

The details of this item are as follows:

	<b>31 December</b>	
	<b>2024</b>	<b>2023</b>
	<b>JD</b>	<b>JD</b>
Accrued interest expenses	71,646,273	61,266,169
Revenue received in advance	2,857,245	2,758,168
Accounts payable	486,013	698,706
Accrued and unpaid expenses	15,472,768	16,357,721
Incoming transfers	9,370,948	453,698
Deffered cheques	22,226,115	18,008,141
Temporary deposits	12,561,651	10,390,652
Provision for expected credit losses for the off-balance sheet items	4,137,355	4,902,617
Dividends payable	488,378	467,693
Electronic payments system reconciliations	2,713,988	3,196,747
Card settlement accounts	13,381,457	11,398,830
Liabilities payment broker	890,182	6,839,593
Other liabilities	12,818,506	14,197,485
<b>Total</b>	<b>169,050,879</b>	<b>150,936,220</b>

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Below is the movement of the indirect facilities on a collective basis during the year:

<b>For the year ended 31 December 2024</b>					
	<b>Stage (1)</b>		<b>Stage (2)</b>		<b>Total</b>
	<b>Individual</b>	<b>Collective</b>	<b>Individual</b>	<b>Collective</b>	
	<b>JD</b>	<b>JD</b>	<b>JD</b>	<b>JD</b>	<b>JD</b>
Balance at the beginning of the year	1,395,440,964	-	53,928,063	-	1,452,245,575
New exposure during the year	957,383,014	-	88,968,497	-	1,046,385,056
Accrued exposure	(704,501,906)	-	(17,498,551)	-	(722,321,119)
Transferred to stage (1)	16,130,355	-	(15,447,355)	-	-
Transferred to stage (2)	(18,798,048)	-	18,878,542	-	-
Transferred to stage (3)	(647,317)	-	(2,120,300)	-	-
Effect on the exposure results change classification between stages	59,216	-	(109,346)	-	(135,619)
Changes resulted from adjustments	(94,400,159)	-	(3,754,792)	-	(98,157,651)
<b>Balance at the end of the Year</b>	<b>1,550,666,119</b>	<b>-</b>	<b>122,844,758</b>	<b>-</b>	<b>1,678,016,242</b>

<b>For the year ended 31 December 2023</b>					
	<b>Stage (1)</b>		<b>Stage (2)</b>		<b>Total</b>
	<b>Individual</b>	<b>Collective</b>	<b>Individual</b>	<b>Collective</b>	
	<b>JD</b>	<b>JD</b>	<b>JD</b>	<b>JD</b>	<b>JD</b>
Balance at the beginning of the year	1,303,196,285	-	106,484,731	-	1,411,929,588
New exposure during the year	904,296,552	-	15,893,999	-	920,210,563
Accrued exposure	(789,546,331)	-	(52,990,946)	-	(843,281,923)
Transferred to stage (1)	11,438,049	-	(11,371,049)	-	-
Transferred to stage (2)	(2,668,261)	-	2,668,261	-	-
Transferred to stage (3)	(1,394,977)	-	(32,500)	-	-
Total impact on volume of exposures as a result of changing the classification between stages	(737,375)	-	(327,494)	-	(1,072,736)
Changes resulting from adjustments	(29,142,978)	-	(6,396,939)	-	(35,539,917)
<b>Balance at the end of the Year</b>	<b>1,395,440,964</b>	<b>-</b>	<b>53,928,063</b>	<b>-</b>	<b>1,452,245,575</b>

Below is the movement on the impairment loss for indirect facilities on a collective bases during the year:

<b>For the year ended 31 December 2024</b>					
	<b>Stage (1)</b>		<b>Stage (2)</b>		<b>Total</b>
	<b>Individual</b>	<b>Collective</b>	<b>Individual</b>	<b>Collective</b>	
	<b>JD</b>	<b>JD</b>	<b>JD</b>	<b>JD</b>	<b>JD</b>
Balance at the beginning of the year	4,492,510	-	301,536	-	4,902,617
Expected credit loss on new exposures during the year	1,674,085	-	234,940	-	1,909,025
Recovered from the expected credit loss of the accrued exposures	(2,152,612)	-	(108,841)	-	(2,261,453)
Transferred to stage (1)	41,957	-	(32,957)	-	-
Transferred to stage (2)	(74,385)	-	97,330	-	-
Transferred to stage (3)	(2,498)	-	(5,902)	-	-
Total impact on volume of exposures as a result of changing the classification between stages	(28,003)	-	104,635	-	534,692
Changes resulting from adjustments	(841,309)	-	(106,217)	-	(947,526)
<b>Balance at the end of the Year</b>	<b>3,109,745</b>	<b>-</b>	<b>484,524</b>	<b>-</b>	<b>4,137,355</b>

<b>For the year ended 31 December 2023</b>					
	<b>Stage (1)</b>		<b>Stage (2)</b>		<b>Total</b>
	<b>Individual</b>	<b>Collective</b>	<b>Individual</b>	<b>Collective</b>	
	<b>JD</b>	<b>JD</b>	<b>JD</b>	<b>JD</b>	<b>JD</b>
Balance at the beginning of the year	4,143,411	-	667,307	-	5,021,887
Expected credit loss on new exposures during the year	2,329,572	-	99,315	-	2,428,887
Recovered from the expected credit loss of the accrued exposures	(1,851,261)	-	(422,806)	-	(2,421,609)
Transferred to stage (1)	94,047	-	(94,047)	-	-
Transferred to stage (2)	(11,361)	-	11,361	-	-
Transferred to stage (3)	(566)	-	(811)	-	-
Total impact on volume of exposures as a result of changing the classification between stages	(44,566)	-	18,861	-	21,862
Changes resulting from adjustments	(166,766)	-	22,356	-	(148,410)
<b>Balance at the end of the Year</b>	<b>4,492,510</b>	<b>-</b>	<b>301,536</b>	<b>-</b>	<b>4,902,617</b>



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The distribution of the total indirect facilities (guarantees) according to the Bank's internal credit ratings:

	31 December 2024				2023	
	Stage (1)		Stage (2)		Total	Total
	Individual	Collective	Individual	Collective		
	JD	JD	JD	JD	JD	JD
Credit rating categories based on the Bank's internal system:						
1	59,250	-	-	-	59,250	8,000
2	15,875,163	-	-	-	15,875,163	27,573,841
3	50,384,300	-	-	-	50,384,300	50,936,634
4	40,758,562	-	4,707,006	-	45,465,568	25,608,870
5	37,715,927	-	2,500,318	-	40,216,245	43,213,555
6	21,051,683	-	4,751,026	-	25,802,709	21,308,359
7	12,524,369	-	8,218,148	-	20,742,517	18,117,217
8-10	-	-	-	3,913,306	3,913,306	2,595,817
Not rated	33,032,300	-	13,116,772	592,059	46,741,131	40,734,917
<b>Total</b>	<b>211,401,554</b>	<b>-</b>	<b>33,293,270</b>	<b>-</b>	<b>249,200,189</b>	<b>230,097,210</b>

Below is the movement on the indirect facilities- guarantees:

	31 December 2024					
	Stage (1)		Stage (2)		Total	Total
	Individual	Collective	Individual	Collective		
	JD	JD	JD	JD	JD	JD
Balance at the beginning of the year	208,619,066	-	18,601,596	-	2,876,548	230,097,210
New exposure during the year	73,532,948	-	8,622,602	-	33,545	82,189,095
Accrued exposure	(47,455,715)	-	(3,173,602)	-	(320,662)	(50,949,979)
Transferred to stage (1)	1,421,838	-	(738,838)	-	(683,000)	-
Transferred to stage (2)	(10,509,104)	-	10,589,598	-	(80,494)	-
Transferred to stage (3)	(561,828)	-	(2,120,300)	-	2,682,128	-
Total impact - as of end of the year - on volume of exposures as a result of changing the classification between the three stages during the year	(23,244)	-	1,904,470	-	-	1,881,226
Changes resulting from adjustments	(13,622,407)	-	(392,256)	-	(2,700)	(14,017,363)
<b>Balance at the end of the Year</b>	<b>211,401,554</b>	<b>-</b>	<b>33,293,270</b>	<b>-</b>	<b>4,505,365</b>	<b>249,200,189</b>

	31 December 2023					
	Stage (1)		Stage (2)		Total	Total
	Individual	Collective	Individual	Collective		
	JD	JD	JD	JD	JD	JD
Balance at the beginning of the year	197,996,383	-	21,876,438	-	2,248,572	222,121,393
New exposure during the year	68,500,167	-	4,872,192	-	20,012	73,392,371
Accrued exposure	(57,615,265)	-	(5,557,249)	-	(744,646)	(63,917,160)
Transferred to stage (1)	4,255,784	-	(4,188,784)	-	(67,000)	-
Transferred to stage (2)	(1,400,965)	-	1,400,965	-	-	-
Transferred to stage (3)	(1,394,590)	-	(32,500)	-	1,427,090	-
Total impact - as of end of the year - on volume of exposures as a result of changing the classification between the three stages during the year	(578,737)	-	(133,740)	-	(7,480)	(719,957)
Changes resulting from adjustments	(1,143,711)	-	364,274	-	-	(779,437)
<b>Balance at the end of the Year</b>	<b>208,619,066</b>	<b>-</b>	<b>18,601,596</b>	<b>-</b>	<b>2,876,548</b>	<b>230,097,210</b>

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Below is the movement on the provision for the indirect facilities - guarantees:

	31 December 2024				
	Stage (1)		Stage (2)		Total
	Individual	Collective	Individual	Collective	
	JD	JD	JD	JD	JD
Balance at the beginning of the year	316,432	-	56,296	-	481,299
Expected credit loss on new exposures during the year	60,871	-	20,497	-	81,368
Recovered from the expected credit loss of the accrued exposures	(46,479)	-	(9,090)	-	(55,569)
Transferred to stage (1)	9,981	-	(981)	-	-
Transferred to stage (2)	(40,134)	-	63,079	-	-
Transferred to stage (3)	(499)	-	(5,902)	-	-
Total impact - as of end of the year - on volume of exposures as a result of changing the classification between the three stages during the year	(9,485)	-	73,857	-	524,431
Changes resulting from adjustments	(81,316)	-	(9,801)	-	(91,117)
<b>Balance at the end of the Year</b>	<b>209,371</b>	<b>-</b>	<b>187,955</b>	<b>-</b>	<b>940,412</b>

	31 December 2023				
	Stage (1)		Stage (2)		Total
	Individual	Collective	Individual	Collective	
	JD	JD	JD	JD	JD
Balance at the beginning of the year	360,763	-	169,336	-	741,268
Expected credit loss on new exposures during the year	61,665	-	22,271	-	83,936
Recovered from the expected credit loss of the accrued exposures	(54,025)	-	(40,196)	-	(241,763)
Transferred to stage (1)	37,875	-	(37,875)	-	-
Transferred to stage (2)	(1,297)	-	1,297	-	-
Transferred to stage (3)	(566)	-	(811)	-	-
Total impact - as of end of the year - on volume of exposures as a result of changing the classification between the three stages during the year	(30,589)	-	(52)	-	16,926
Changes resulting from adjustments	(57,394)	-	(57,674)	-	(119,068)
<b>Balance at the end of the Year</b>	<b>316,432</b>	<b>-</b>	<b>56,296</b>	<b>-</b>	<b>481,299</b>

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The distribution of the total indirect facilities (unutilized limits) according to the Bank's internal credit ratings:

	31 December 2024				
	Stage (1)		Stage (2)		2023
	Individual	Collective	Individual	Collective	Total
	JD	JD	JD	JD	JD
Credit rating categories based on the bank's internal system:					
1	12,621,980	-	-	-	12,621,980
2	37,802,244	-	-	-	37,802,244
3	163,865,865	-	-	-	163,865,865
4	172,753,961	-	1,052,504	-	173,806,465
5	144,207,972	-	2,794,238	-	147,002,210
6	29,019,957	-	3,161,307	-	32,181,264
7	24,647,130	-	10,542,750	-	35,189,880
8-10	-	-	-	-	-
Not rated	114,199,626	-	13,505,805	-	127,705,431
<b>Total</b>	<b>699,118,735</b>	<b>-</b>	<b>31,056,604</b>	<b>-</b>	<b>730,175,339</b>

Below is the movement on the indirect facilities - unutilized limits

	31 December 2024				
	Stage (1)		Stage (2)		Total
	Individual	Collective	Individual	Collective	JD
	JD	JD	JD	JD	JD
Balance at the beginning of the year	681,190,182	-	28,305,643	-	709,495,825
New exposure during the year	411,871,197	-	24,918,585	-	436,789,782
Accrued exposure	(342,800,985)	-	(7,695,457)	-	(350,496,442)
Transferred to stage (1)	14,708,517	-	(14,708,517)	-	-
Transferred to stage (2)	(3,749,586)	-	3,749,586	-	-
Transferred to stage (3)	(85,489)	-	-	-	85,489
Effect on the exposure results change classification between the three stages	82,460	-	(394,498)	-	(397,527)
Changes resulting from adjustments	(62,097,561)	-	(3,118,738)	-	(65,216,299)
<b>Balance at the end of the Year</b>	<b>699,118,735</b>	<b>-</b>	<b>31,056,604</b>	<b>-</b>	<b>730,175,339</b>

	31 December 2023				
	Stage (1)		Stage (2)		Total
	Individual	Collective	Individual	Collective	JD
	JD	JD	JD	JD	JD
Balance at the beginning of the year	609,241,051	-	45,447,332	-	654,688,383
New exposure during the year	378,575,417	-	6,013,329	-	384,588,746
Accrued exposure	(330,613,883)	-	(14,529,605)	-	(345,143,488)
Transferred to stage (1)	5,196,419	-	(5,196,419)	-	-
Transferred to stage (2)	(1,267,296)	-	1,267,296	-	-
Transferred to stage (3)	(387)	-	-	-	387
Effect on the exposure results change classification between the three stages	291,362	-	(193,754)	-	97,221
Changes resulting from adjustments	19,767,499	-	(4,502,536)	-	15,264,963
<b>Balance at the end of the Year</b>	<b>681,190,182</b>	<b>-</b>	<b>28,305,643</b>	<b>-</b>	<b>709,495,825</b>

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Below is the movement on the provision for the indirect facilities - unutilized ceilings:

	31 December 2024				
	Stage (1)		Stage (2)		Total
	Individual	Collective	Individual	Collective	
	JD	JD	JD	JD	JD
Balance at the beginning of the year	3,979,251	-	243,538	-	4,222,789
Expected credit loss on new exposures during the year	1,450,101	-	93,511	-	1,543,612
Recovered from the expected credit loss of the accrued exposures	(1,977,944)	-	(98,049)	-	(2,075,993)
Transferred to stage (1)	31,976	-	(31,976)	-	-
Transferred to stage (2)	(31,806)	-	31,806	-	-
Transferred to stage (3)	(1,999)	-	-	-	-
Effect on the provision as a result of changing the classifications between the three stages during the period	(18,518)	-	31,700	-	11,183
Changes resulting from adjustments	(754,660)	-	(96,416)	-	(851,076)
<b>Balance at the end of the Year</b>	<b>2,676,401</b>	<b>-</b>	<b>174,114</b>	<b>-</b>	<b>2,850,515</b>

	31 December 2023				
	Stage (1)		Stage (2)		Total
	Individual	Collective	Individual	Collective	
	JD	JD	JD	JD	JD
Balance at the beginning of the year	3,518,047	-	435,951	-	3,953,998
Expected credit loss on new exposures during the year	2,083,451	-	75,342	-	2,158,793
Recovered from the expected credit loss of the accrued exposures	(1,555,596)	-	(323,065)	-	(1,878,661)
Transferred to stage (1)	53,731	-	(53,731)	-	-
Transferred to stage (2)	(10,064)	-	10,064	-	-
Transferred to stage (3)	-	-	-	-	-
Effect on the provision as a result of changing the classifications between the three stages during the period	(12,014)	-	18,913	-	6,899
Changes resulting from adjustments	(98,304)	-	80,064	-	(18,240)
<b>Balance at the end of the Year</b>	<b>3,979,251</b>	<b>-</b>	<b>243,538</b>	<b>-</b>	<b>4,222,789</b>

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The distribution of the total indirect facilities (letter of credits) according to the Bank's internal credit ratings:

	31 December 2024				2023	
	Stage (1)		Stage (2)		Total	
	Individual JD	Collective JD	Individual JD	Collective JD	Stage (3) JD	Total JD
Credit rating categories based on the bank's internal system:						
1	8,824,869	-	-	-	-	8,824,869
2	103,491,285	-	-	-	-	103,491,285
3	71,703,745	-	-	-	-	71,703,745
4	160,803,420	-	2,979,633	-	-	163,783,053
5	13,627,966	-	2,201,154	-	-	15,829,120
6	10,488,897	-	332,375	-	-	10,821,272
7	1,514,551	-	9,695,328	-	-	11,209,879
8-10	-	-	-	-	-	-
Not rated	106,327,899	-	35,394,124	-	-	141,722,023
<b>Total</b>	<b>476,782,632</b>	<b>-</b>	<b>50,602,614</b>	<b>-</b>	<b>-</b>	<b>527,385,246</b>

Below is the movement on the indirect facilities - letters of credit :

	31 December 2024					
	Stage (1)		Stage (2)		Total	
	Individual JD	Collective JD	Individual JD	Collective JD	Stage (3) JD	Total JD
Balance at the beginning of the year	370,745,651	-	7,020,824	-	-	377,766,475
New exposure during the year	322,309,375	-	47,535,040	-	-	369,844,415
Accrued exposure	(195,443,800)	-	(6,629,492)	-	-	(202,073,292)
Transferred to stage (1)	-	-	-	-	-	-
Transferred to stage (2)	(4,539,358)	-	4,539,358	-	-	-
Transferred to stage (3)	-	-	-	-	-	-
Effect on the exposure results change classification between the three stages	-	-	(1,619,318)	-	-	(1,619,318)
Changes resulting from adjustments	(16,289,236)	-	(243,798)	-	-	(16,533,034)
<b>Balance at the end of the Year</b>	<b>476,782,632</b>	<b>-</b>	<b>50,602,614</b>	<b>-</b>	<b>-</b>	<b>527,385,246</b>

	31 December 2023					
	Stage (1)		Stage (2)		Total	
	Individual JD	Collective JD	Individual JD	Collective JD	Stage (3) JD	Total JD
Balance at the beginning of the year	310,326,179	-	16,566,773	-	-	326,892,952
New exposure during the year	338,256,361	-	5,008,478	-	-	343,264,839
Accrued exposure	(277,752,795)	-	(10,309,904)	-	-	(288,062,699)
Transferred to stage (1)	1,985,846	-	(1,985,846)	-	-	-
Transferred to stage (2)	-	-	-	-	-	-
Transferred to stage (3)	-	-	-	-	-	-
Effect on the exposure results change classification between the three stages	(450,000)	-	-	-	-	(450,000)
Changes resulting from adjustments	(1,619,940)	-	(2,258,677)	-	-	(3,878,617)
<b>Balance at the end of the Year</b>	<b>370,745,651</b>	<b>-</b>	<b>7,020,824</b>	<b>-</b>	<b>-</b>	<b>377,766,475</b>

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Below is the movement on the indirect facilities provision - letter of credit:

	31 December 2024				
	Stage (1)		Stage (2)		Total
	Individual	Collective	Individual	Collective	
	JD	JD	JD	JD	JD
Balance at the beginning of the year	129,852	-	1,702	-	131,554
Expected credit loss on new exposures during the year	83,304	-	100,149	-	183,453
Recovered from the expected credit loss of the accrued exposures	(61,233)	-	(1,702)	-	(62,935)
Transferred to stage (1)	-	-	-	-	-
Transferred to stage (2)	(2,445)	-	2,445	-	-
Transferred to stage (3)	-	-	-	-	-
Effect on the provision as a result of changing the classifications between the three stages during the period	-	-	(922)	-	(922)
Changes resulting from adjustments	(5,326)	-	-	-	(5,326)
<b>Balance at the end of the Year</b>	<b>144,152</b>	<b>-</b>	<b>101,672</b>	<b>-</b>	<b>245,824</b>

	31 December 2023				
	Stage (1)		Stage (2)		Total
	Individual	Collective	Individual	Collective	
	JD	JD	JD	JD	JD
Balance at the beginning of the year	171,573	-	13,691	-	185,264
Expected credit loss on new exposures during the year	118,139	-	1,702	-	119,841
Recovered from the expected credit loss of the accrued exposures	(154,748)	-	(11,216)	-	(165,964)
Transferred to stage (1)	2,441	-	(2,441)	-	-
Transferred to stage (2)	-	-	-	-	-
Transferred to stage (3)	-	-	-	-	-
Effect on the provision as a result of changing the classifications between the three stages during the period	(1,963)	-	-	-	(1,963)
Changes resulting from adjustments	(5,590)	-	(34)	-	(5,624)
<b>Balance at the end of the Year</b>	<b>129,852</b>	<b>-</b>	<b>1,702</b>	<b>-</b>	<b>131,554</b>

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The distribution of the total indirect facilities (acceptances) according to the Bank's internal credit ratings:

	31 December 2024					2023
	Stage (1)		Stage (2)		Total	Total
	Individual	Collective	Individual	Collective		
	JD	JD	JD	JD	JD	JD
1	-	-	-	-	-	-
2	90,066,322	-	-	-	90,066,322	8,494,300
3	17,664,507	-	-	-	17,664,507	39,030,439
4	30,841,423	-	58,847	-	30,900,270	50,212,562
5	10,797,922	-	-	-	10,797,922	11,088,082
6	752,643	-	-	-	752,643	9,008,047
7	-	-	-	-	-	-
8-10	-	-	-	-	-	-
Not rated	13,240,381	-	7,833,423	-	21,073,804	17,052,635
<b>Total</b>	<b>163,363,198</b>	<b>-</b>	<b>7,892,270</b>	<b>-</b>	<b>171,255,468</b>	<b>134,886,065</b>

Credit rating categories based on the bank's internal system:

Below is the movement on the indirect facilities acceptances:

	31 December 2024				
	Stage (1)		Stage (2)		Total
	Individual	Collective	Individual	Collective	
	JD	JD	JD	JD	JD
Balance at the beginning of the year	134,886,065	-	-	-	134,886,065
New exposure during the year	149,669,494	-	7,892,270	-	157,561,764
Accrued exposure	(118,801,406)	-	-	-	(118,801,406)
Transferred to stage (1)	-	-	-	-	-
Transferred to stage (2)	-	-	-	-	-
Transferred to stage (3)	-	-	-	-	-
Effect on the exposure results change classification between the three stages	-	-	-	-	-
Changes resulting from adjustments	(2,390,955)	-	-	-	(2,390,955)
<b>Balance at the end of the Year</b>	<b>163,363,198</b>	<b>-</b>	<b>7,892,270</b>	<b>-</b>	<b>171,255,468</b>

	31 December 2023				
	Stage (1)		Stage (2)		Total
	Individual	Collective	Individual	Collective	
	JD	JD	JD	JD	JD
Balance at the beginning of the year	185,632,672	-	22,594,188	-	208,226,860
New exposure during the year	118,964,607	-	-	-	118,964,607
Accrued exposure	(123,564,388)	-	(22,594,188)	-	(146,158,576)
Transferred to stage (1)	-	-	-	-	-
Transferred to stage (2)	-	-	-	-	-
Transferred to stage (3)	-	-	-	-	-
Effect on the exposure results change classification between the three stages	-	-	-	-	-
Changes resulting from adjustments	(46,146,826)	-	-	-	(46,146,826)
<b>Balance at the end of the Year</b>	<b>134,886,065</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>134,886,065</b>

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Below is the movement on the indirect facilities provision - Acceptance:

	31 December 2024				
	Stage (1)		Stage (2)		Total
	Individual	Collective	Individual	Collective	
	JD	JD	JD	JD	JD
Balance at the beginning of the year	66,975	-	-	-	66,975
Expected credit loss on new exposures during the year	79,809	-	20,783	-	100,592
Recovered from the expected credit loss of the accrued exposures	(66,956)	-	-	-	(66,956)
Transferred to stage (1)	-	-	-	-	-
Transferred to stage (2)	-	-	-	-	-
Transferred to stage (3)	-	-	-	-	-
Effect on the provision as a result of changing the classifications between the three stages during the period	-	-	-	-	-
Changes resulting from adjustments	(7)	-	-	-	(7)
<b>Balance at the end of the Year</b>	<b>79,821</b>	<b>-</b>	<b>20,783</b>	<b>-</b>	<b>100,604</b>
<b>31 December 2023</b>					
	Stage (1)		Stage (2)		Total
	Individual	Collective	Individual	Collective	
	JD	JD	JD	JD	JD
Balance at the beginning of the year	93,028	-	48,329	-	141,357
Expected credit loss on new exposures during the year	66,317	-	-	-	66,317
Recovered from the expected credit loss of the accrued exposures	(86,892)	-	(48,329)	-	(135,221)
Transferred to stage (1)	-	-	-	-	-
Transferred to stage (2)	-	-	-	-	-
Transferred to stage (3)	-	-	-	-	-
Effect on the provision as a result of changing the classifications between the three stages during the period	-	-	-	-	-
Changes resulting from adjustments	(5,478)	-	-	-	(5,478)
<b>Balance at the end of the Year</b>	<b>66,975</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>66,975</b>



### **23. Paid-up Capital and Share Premium**

#### Authorized and paid-in capital

The authorized and paid-in capital amounted to JD 200 million, divided into 200 million shares at a par value of JD 1 per share as of 31 December 2024, and JD 200 Million divided over 200 Million shares, where the par value per share was JD 1 as of 31 December 2023.

#### Share Premium

The share premium amounted to JD 68,213,173 as of 31 December 2024 (JD 68,213,173 as of 31 December 2023).

#### Dividends Paid

The dividends distributed to shareholders amounted to JD 20 million for the year 2023 (JD 16 million for the year 2022).

### **24. Perpetual Bonds**

On October 3, 2023, the bank issued perpetual non-convertible bonds to shares worth USD 100 million. They were listed on the Amman Stock Exchange, where the nominal value of each bond was USD 10,000, with a total number of 10,000 bonds at a fixed interest rate of 8.5% for the first five years, and then a variable interest rate every three months. It is calculated based on the return on Treasury bonds issued by the United States government for a period of five years, plus a margin of 4.25%. These bonds were classified as an additional Tier 1 of regulatory capital in accordance with Basel III requirements.

The value of interest due on these bonds amounted to JD 3,798,704 as of 31 December 2024 ( JD 934,107 as of 31 December 2023), reduced directly from retained earnings net of taxes.

### **25. Reserves**

The details of the reserves as of 31 December 2024 and 2023 are as follows:

#### a. Statutory Reserve

This reserve represents amounts transferred from income before tax at a rate of 10% during the year and the prior years, and according to the Banking law, the statutory reserve is not available for distribution to shareholders.

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b. Voluntary reserve

This reserve represents amounts transferred from the pre-tax profits at a rate not exceeding 20% during the year and the prior years. The voluntary reserve shall be utilized for the purposes determined by the Board of Directors and the General Assembly shall have the right to distribute it in whole or in part as dividends to the shareholders.

The restricted reserves are as follows:

<u>Reserve Name</u>	<b>31 December</b>		<b>Regulation</b>
	<b>2024</b>	<b>2023</b>	
	<b>JD</b>	<b>JD</b>	
Statutory reserve	94,105,047	85,321,596	According to the Bank regulatory authorities' regulations and companies' regulations.
Fair value reserve – net	1,315,151	2,693,754	According to the regulations of the Central Bank of Jordan and the Jordan Securities Commission.

**26. Proposed Dividends and shares**

The Board of Directors proposed in its meeting that was held on 9 February 2025, a recommendation to the General assembly of shareholders to approve the distribution of cash dividends amounted to JD 20 million at 10% of authorized and paid-in capital and is subject to the approval of the Central Bank of Jordan and the General Assembly of Shareholders.

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**27. Fair Value Reserve - Net**

The details are as follows:

	<b>31 December</b>	
	<b>2024</b>	<b>2023</b>
	<b>JD</b>	<b>JD</b>
Balance at the beginning of the year	2,693,754	6,482,816
(losses) Unrealized gains	(586,575)	(4,448,787)
Deferred tax assets	(215,586)	215,586
Deferred tax liabilities	(670,284)	844,854
Losses (Gains) from sale of financial assets at fair value through other comprehensive income	93,842	(400,715)
<b>Balance at the end of the Year</b>	<b>1,315,151</b>	<b>2,693,754</b>

- The fair value reserve appears after netting the balance of deferred tax liabilities of JD 670,284 as of 31 December 2024 (after deducting of deferred tax assets of JD 215,586 as of 31 December 2023).

**28. Retained Earnings**

The movement on retained earnings is as follows:

	<b>31 December</b>	
	<b>2024</b>	<b>2023</b>
	<b>JD</b>	<b>JD</b>
Balance – beginning of the year	65,411,367	78,930,524
Profit for the year	42,309,640	47,137,256
Realized (loss) gain from sale of financial assets at fair value through other comprehensive income	(93,842)	400,715
Transferred to reserves	(13,990,573)	(15,073,872)
Capital increase	-	(28,000,000)
Dividends distributed	(20,000,000)	(16,000,000)
Capital increase fees	(150,113)	(250,150)
The effect of excluding a subsidiary company	102,946	-
Shares in subsidiaries	-	(435,765)
Perpetual bonds expenses after excluding the tax effect	(16,051)	(363,234)
Perpetual bond interest after excluding the tax effect	(3,798,704)	(934,107)
<b>Balance – End of the Year</b>	<b>69,774,670</b>	<b>65,411,367</b>

- Retained earnings includes an amount of JD 2,918,105 which represents gains from the differences on the revaluation of the financial assets at fair value through the statement of income as of 31 December 2024 (JD 2,174,784 as of 31 December 2023).

- Retained earnings includes a restricted amount of JD 44,985,503 as of 31 December 2024 (JD 37,180,506 as of 31 December 2023). which represents deferred tax assets after deducting part of deferred tax liabilities.

According to the Central Bank of Jordan's instructions. this amount should not be used unless prior approval is obtained from the Central Bank of Jordan.

**29. Provision for Expected Credit Losses - Net**

The details are follows:

	<b>31 December</b>	
	<b>2024</b>	<b>2023</b>
	<b>JD</b>	<b>JD</b>
Balances at banks and financial institutions	315,281	(212,472)
Deposits at banks and financial institutions	8,019	408
Financial assets at fair value through other comprehensive income	64,447	-
Financial assets at amortized costs	(294,850)	(37,607)
Direct credit facilities and financing	69,325,325	42,289,636
Contingent liabilities and commitments	(765,262)	(119,270)
	<b>68,652,960</b>	<b>41,920,695</b>

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**30. Subsidiaries with material non-controlling interests**

First: Percentage owned by non-controlling interests

**31 December 2024**

<u>Company's Name</u>	<u>Country of residence</u>	<u>Non-controlling ownership Percentage</u>	<u>Activity Nature</u>	<u>Distributions</u>
				JD
Safwa Islamic Bank (Owned by Al Etihad Islamic for Investment Company)	Jordan	60.16%	Provides all financial, banking and investment services according to Islamic Sharia.	-
Al Etihad Islamic for Investment Company LLC.	Jordan	42.00%	The Company's purposes are to acquire companies' stocks, bonds and shares.	-

**31 December 2023**

<u>Company's Name</u>	<u>Country of residence</u>	<u>Non-controlling ownership Percentage</u>	<u>Activity Nature</u>	<u>Distributions</u>
				JD
Safwa Islamic Bank (Owned by Al Etihad Islamic for Investment Company)	Jordan	60.16%	Provides all financial, banking and investment services according to Islamic Sharia.	-
Al Etihad Islamic for Investment Company LLC.	Jordan	42.00%	The Company's purposes are to acquire companies' stocks, bonds and shares.	-

Second: The following is selected financial information for subsidiaries with material non-controlling interests

a. Condensed statement of financial position before the elimination of inter-company transactions and after reclassification for some items:

	<b>Safwa Islamic Bank (Al Etihad Islamic for Investment Company) 31 December 2024</b>	<b>Safwa Islamic Bank (Al Etihad Islamic for Investment Company) 31 December 2023</b>
	JD	JD
Financial assets	3,420,717,509	2,838,930,921
Other assets	106,552,150	80,410,457
<b>Total assets</b>	<b>3,527,269,659</b>	<b>2,919,341,378</b>
Financial Liabilities	3,213,857,637	2,634,666,551
Other Liabilities	103,908,347	95,365,087
<b>Total Liabilities</b>	<b>3,317,765,984</b>	<b>2,730,031,638</b>
Equity	209,503,675	189,309,740
<b>Total Liabilities and Equity</b>	<b>3,527,269,659</b>	<b>2,919,341,378</b>
Equity attributed to non-controlling interests	125,501,149	113,265,019
Non-Controlling Interest Share at Al Etihad Islamic for Investment Company	623,852	623,852
<b>Total non-controlling interests</b>	<b>126,125,001</b>	<b>113,888,871</b>

b. Condensed statement of income before the elimination of inter-company transactions:

	<b>Safwa Islamic Bank (Al Etihad Islamic for Investment Company) 31 December 2024</b>	<b>Safwa Islamic Bank (Al Etihad Islamic for Investment Company) 31 December 2023</b>
	JD	JD
Gross Income	103,352,028	77,984,186
Profit for the year	20,224,911	17,510,246
Total Comprehensive Income	20,344,048	17,505,399
Attributable to non-controlling interests	12,318,974	10,600,081
Non-controlling interests share in profits (losses) of Al Etihad Islamic for Investment Company	(2,311)	(3,284)
Non-Controlling Interests	12,316,663	10,596,797

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**31. Interest Income**

The details of this item are as follows:

	<b>31 December</b>	
	<b>2024</b>	<b>2023</b>
	<b>JD</b>	<b>JD</b>
Direct Credit Facilities and Financing		
<b>Individual (retail)</b>		
Overdraft accounts	172,240	153,082
Loans and discounted bills	102,236,461	94,151,682
Credit cards	5,092,906	3,502,304
<b>Real estate Loans</b>	104,684,368	91,318,244
<b>Large corporates</b>		
Overdraft accounts	5,697,151	6,325,218
Loans and discounted bills	87,172,850	89,055,381
<b>SME's</b>		
Overdraft accounts	2,672,781	2,578,506
Loans and discounted bills	18,697,110	16,334,180
<b>Government and Public Sector</b>	30,920,995	28,080,113
Balances at the Central Bank	15,248,655	15,607,450
Balances and deposits at banks and financial institutions	16,943,055	9,358,207
Financial assets at fair value through statement of income	261,879	217,354
Financial assets at fair value through other comprehensive income	736,723	-
Financial assets at amortized cost	98,864,897	71,562,128
Others	1,538,930	2,142,734
	<b>490,941,001</b>	<b>430,386,583</b>

**32. Interest Expense**

The details of this item are as follows:

	<b>31 December</b>	
	<b>2024</b>	<b>2023</b>
	<b>JD</b>	<b>JD</b>
Banks and financial institutions deposits	10,585,611	9,300,363
<b>Customers' deposits:</b>		
Current accounts and demand deposits	8,419,068	7,668,446
Saving deposits	7,436,974	6,688,041
Term and notice deposits	160,765,670	144,217,464
Certificates of deposit	40,466,337	27,862,637
Cash margins	5,483,686	4,866,706
Borrowed funds	6,133,382	3,586,276
Subordinated loans	7,335,599	6,673,091
Deposits Insurance Corporation's fees	7,397,418	6,624,326
	<b>254,023,745</b>	<b>217,487,350</b>

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**33. Net Commission Income**

The details of this item are as follows:

	<b>31 December</b>	
	<b>2024</b>	<b>2023</b>
	<b>JD</b>	<b>JD</b>
Direct credit facilities and financing commissions	6,046,420	3,653,370
Indirect credit facilities and financing commissions	17,988,829	14,878,771
Other	19,276,949	16,787,345
Less: Commission expense	(2,135,166)	(2,972,200)
<b>Net Commission Income</b>	<b>41,177,032</b>	<b>32,347,286</b>

**34. Gains from Foreign Currencies**

The details of this item are as follows:

	<b>31 December</b>	
	<b>2024</b>	<b>2023</b>
	<b>JD</b>	<b>JD</b>
Resulting from dealings / tradings	11,858,225	9,538,585
Resulting from valuations	5,789,534	4,238,001
	<b>17,647,759</b>	<b>13,776,586</b>

**35. Gains from Financial Assets at Fair Value through Statement of Income**

The details of this item are as follows:

	<b>Gains Realized JD</b>	<b>Gains Unrealized JD</b>	<b>Dividends income JD</b>	<b>Total JD</b>
<b>31 December 2024</b>				
Treasury bills and bonds	61,344	(27,016)	-	34,328
Corporate shares	1,833,642	(93,957)	258,583	1,998,268
Financial derivatives	(81,928)	-	-	(81,928)
Investment funds	(10,069)	577,470	7,279	574,680
	<b>1,802,989</b>	<b>456,497</b>	<b>265,862</b>	<b>2,525,348</b>
<b>31 December 2023</b>				
Treasury bills and bonds	299,224	79,409	-	378,633
Corporate shares	539,063	335,184	146,028	1,020,275
Financial derivatives	(83,600)	(19,700)	-	(103,300)
Investment funds	(18,463)	636,602	1,868	620,007
	<b>736,224</b>	<b>1,031,495</b>	<b>147,896</b>	<b>1,915,615</b>

**36. Dividends from Financial Assets at Fair Value through other Comprehensive Income**

The details of this item are as follows:

	<b>31 December</b>	
	<b>2024</b>	<b>2023</b>
	<b>JD</b>	<b>JD</b>
Dividends from stock investments	657,305	1,157,134
Dividends from investment fund distributions	69,520	5,019
	<b>726,825</b>	<b>1,162,153</b>

**37. Other Income**

The details of this item are as follows:

	<b>31 December</b>	
	<b>2024</b>	<b>2023</b>
	<b>JD</b>	<b>JD</b>
Gain on sale of property and equipment	2,326,104	-
Safety deposits boxes rental	273,820	238,510
Bonded revenue	150,557	254,165
Net income from recovered bad debts	143,215	544,020
Dormant accounts	119,009	115,721
Income from sale of seized assets	5,288	-
Other income	728,429	248,978
	<b>3,746,422</b>	<b>1,401,394</b>

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**38. Employees' Expenses**

The details of this item are as follows:

	<b>31 December</b>	
	<b>2024</b>	<b>2023</b>
	<b>JD</b>	<b>JD</b>
Salaries, benefits and allowances	49,402,456	46,365,376
Bank's contribution to social security	5,149,228	4,837,288
Bank's contribution to saving fund	2,070,118	1,955,346
Medical expenses	2,774,133	2,360,530
Per diems	644,792	533,753
Training expenses	961,934	936,810
Uniforms	7,063	29,454
Advertising and marketing incentives	5,696,017	5,725,388
Employees' life insurance expense	186,644	199,678
Others	-	250
	<b>66,892,385</b>	<b>62,943,873</b>

**39. Other Expenses**

The details of this item are as follows:

	<b>31 December</b>	
	<b>2024</b>	<b>2023</b>
	<b>JD</b>	<b>JD</b>
Postage, telephone telex and reutters	5,260,463	4,303,832
Stationery and printing	1,654,795	1,569,273
Water, electricity and fuel expense	1,513,604	1,434,214
Maintenance of machines and equipment	19,917,801	15,726,460
Insurance expenses on the Bank's assets and activities	2,608,928	2,709,758
Lawyer, auditing, maintenance, programs and consulting fees	4,681,023	3,089,129
Govermental Fees and professional licenses	2,069,281	1,846,499
Loss from disposal of property and equipment	-	32,116
Board of Directors' transportations and allowances	1,656,152	1,601,405
Advertising	8,580,694	7,634,068
Donations and subscriptions	2,961,233	4,649,790
Board of Directors' remuneration	4,940,508	109,996
Loss from disposal of owned assets	-	11,489
Others	3,400,314	2,248,810
	<b>59,244,796</b>	<b>46,966,839</b>

**40. Basic and diluted earnings per share for the period attributable to the Bank's shareholders**

The details of this item are as follows:

	<b>31 December</b>	
	<b>2024</b>	<b>2023</b>
	<b>JD</b>	<b>JD</b>
Profit for the year	42,309,640	47,137,256
Weighted average number of shares	200,000,000	200,000,000
Earnings per share attributable to the Bank's shareholders:		
Basic and diluted	0.212	0.236

The weighted average number of shares per share of profit attributable to the bank's shareholders was calculated based on the number of shares as of 31 December 2024 and 2023. the figures for the year ended 31 December 2023 were calculated for the average profit. For the number of shares after taking into account the share dividends being free.

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**41. Cash and Cash Equivalents**

The details of this item are as follows:

	<b>31 December</b>	
	<b>2024</b>	<b>2023</b>
	<b>JD</b>	<b>JD</b>
Balances at central banks due within 3 months	912,773,898	736,205,982
Add: Balances at banks and financial institutions due within 3 months	488,095,716	372,011,885
Less: Banks and financial institutions deposit due within 3 months	(287,288,463)	(261,750,220)
Less: Restricted balances	(19,620,255)	(15,526,690)
	<b>1,093,960,896</b>	<b>830,940,957</b>

**42. Derivatives**

The following table shows the positive and negative fair value for the financial derivatives along with the distribution of their nominal value based on their maturities.

			<b>Par Value Maturity</b>				
			<b>Total Nominal Value</b>	<b>Due in three Months</b>	<b>Due in 3 - 12 Months</b>	<b>From 1 to 3 Years</b>	<b>More than 3 Years</b>
<b>31 December 2024</b>	<b>Positive Fair Value</b>	<b>Negative Fair Value</b>	<b>JD</b>	<b>JD</b>	<b>JD</b>	<b>JD</b>	<b>JD</b>
Customers' commitments against purchased forward agreements	2,117	336,411	12,382,407	6,776,911	5,605,496	-	-
Banks' commitments against purchased forward agreements	772,318	928,704	115,337,594	109,644,918	5,692,676	-	-
	<b>774,435</b>	<b>1,265,115</b>	<b>127,720,001</b>	<b>116,421,829</b>	<b>11,298,172</b>	<b>-</b>	<b>-</b>
<b>31 December 2023</b>							
Customers' commitments against purchased forward agreements	33,935	31,688	9,145,986	7,984,995	1,160,991	-	-
Banks' commitments against purchased forward agreements	116,584	181,052	53,357,562	51,852,717	1,504,845	-	-
	<b>150,519</b>	<b>212,740</b>	<b>62,503,548</b>	<b>59,837,712</b>	<b>2,665,836</b>	<b>-</b>	<b>-</b>

Nominal value represents the value of transactions outstanding at year-end and does not refer to market risks or credit risks.



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**43. Related Party Transactions and Balances**

The accompanying consolidated financial statements include the financial statements of the Bank and the following subsidiaries:

Company's Name	Ownership %	The Company's Capital	
		2024	2023
		JD	JD
Al Etihad Islamic for Investment Company LLC.	58	113,039,028	113,039,028
Safwa Islamic Bank	39.84	120,000,000	100,000,000
Al- Etihad for Financial Brokerage Co. Ltd	100	5,000,000	5,000,000
Al- Etihad for Financial Leasing Co.	100	12,000,000	12,000,000
Al- Etihad for Financial Technology (under liquidation)	100	-	100,000
Bank al Etihad - Iraq Branch	100	35,450,000	35,450,000

The balances and transactions between the Bank and its subsidiaries and the foreign branch have been eliminated.

The Group entered into transactions with major shareholders, directors, senior management in the ordinary course of business at commercial interest and commission rates. All the credit facilities granted to related parties are performing, and no provisions have been taken for:

The details of this item are as follows:

	Related Party				Total	
	Board of Directors	Executive management members and Major Shareholders	Subsidiaries	Others (Executive Management of the Bank and Related Parties)	2024	2023
	JD	JD	JD	JD	JD	JD
<b><u>On- Consolidated Statement of Financial Position Items:</u></b>						
Direct credit facilities and financing	2,759,563	3,779,682	1,454,292	71,039,647	79,033,184	65,354,966
Deposits	179,471,247	5,201,334	17,273,616	20,100,537	222,046,734	209,604,862
Deposits at banks and financial institutions	-	-	987,046	-	987,046	1,636,036
Intangible assets	-	-	-	-	-	2,211,755
<b><u>Off- Consolidated Statement of Financial Position Items:</u></b>						
Letter of credits	-	-	-	4,571,338	4,571,338	627,513
Acceptance	-	-	431,540	102,459	533,999	4,043,519
Letter of guarantee	10,000	-	1,396,670	11,000,940	12,407,610	9,234,720
					<b>For the Year Ended 31 December</b>	
					<b>2024</b>	<b>2023</b>
					<b>JD</b>	<b>JD</b>
<b><u>Consolidated Statement of income Items</u></b>						
Interests, returns, and commissions income	150,891	96,786	220,686	5,815,865	6,284,228	5,397,742
Interests, returns, and commissions expense	9,254,904	176,022	823,946	1,094,270	11,349,142	9,486,397
Software maintenance expenses	-	-	-	-	-	163,081

- The interest income rates on credit facilities range from 2% to 17%, and interest expense rates on customers' deposits range from 0.25% to 6.85%.

Below is a summary of the remunerations for the Bank's executive management:

	2024	2023
	JD	JD
Salaries and bonuses of the Executive Management	6,325,911	6,545,192
Board of Directors' transportation and allowances	6,554,248	1,633,766
<b>Total</b>	<b>12,880,159</b>	<b>8,178,958</b>

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**44. Right-of-Use Assets/ Lease Liabilities**

**A. Right-of-use assets - net**

The Bank leases many assets including land and buildings. and the average lease term is 11 years. Below is the movement on the right-of-use assets during the year:

	<b>For the Year Ended 31 December</b>	
	<b>2024</b>	<b>2023</b>
	<b>JD</b>	<b>JD</b>
Beginning balance	30,438,070	29,461,656
<u>Add:</u> Additions during the year	4,359,532	6,097,366
<u>less:</u> Disposal during the year	(187,227)	(545,382)
<u>Less:</u> Amortization for the year	(4,774,421)	(4,575,570)
<b>Balance at the end of the Year</b>	<b>29,835,954</b>	<b>30,438,070</b>

	<b>For the Year Ended 31 December</b>	
<u>Amounts recorded in the Statement of Income</u>	<b>2024</b>	<b>2023</b>
	<b>JD</b>	<b>JD</b>
Amortization of right of use assets	(4,774,421)	(4,575,570)
Lease liabilities finance cost	(1,220,926)	(1,240,261)
Lease expense during the year	-	(810,851)
Gain from the derecognition of right-of-use assets	-	4,566

**B. Lease Liabilities**

	<b>For the Year Ended 31 December</b>	
	<b>2024</b>	<b>2023</b>
	<b>JD</b>	<b>JD</b>
Beginning balance	31,098,416	29,680,581
<u>Add:</u> Additions during the year	4,359,532	6,097,366
Interest during the year	1,220,926	1,240,261
<u>Less:</u> Disposal during the year	(187,227)	(549,948)
Paid during the year	(5,662,786)	(5,369,844)
<b>Balance at the end of the Year</b>	<b>30,828,861</b>	<b>31,098,416</b>

\*Including interest of JD 337,725 (JD 361,996 As of 31 December 2023).

	<b>For the Year Ended 31 December</b>	
<u>Analysis of the accrual of lease liabilities:</u>	<b>2024</b>	<b>2023</b>
	<b>JD</b>	<b>JD</b>
Less than one year	2,754,056	2,353,829
From 1 year to 5 years	11,043,635	9,687,436
More than 5 years	17,031,170	19,057,151
	<b>30,828,861</b>	<b>31,098,416</b>

The undiscounted lease liabilities amounted to JD 36,128,203 as of 31 December 2024 (JD 37,779,860 as of 31 December 2023). The following is the analysis of the maturity:

	<b>For the Year Ended 31 December</b>	
	<b>2024</b>	<b>2023</b>
	<b>JD</b>	<b>JD</b>
Less than one year	3,540,418	3,141,180
From 1 year to 5 years	13,259,468	12,082,566
More than 5 years	19,328,317	22,556,114
	<b>36,128,203</b>	<b>37,779,860</b>

#### **45. Risk Management**

The Bank continuously develops the risk management structure to ensure effective management of all of its operations, the efficiency of the risk management process, and proper application of the regulatory controls across all of the Bank's operations.

The risk management responsibility is allocated across various levels as summarized below:

##### **1. Business Units:**

The Business units comprise of employees who, through thier nature of work, manage the various risks associated with the Bank's operations in line with the acceptable risk appetite as determined by the Bank and specified in its policies.

To ensure efficient risk management, the Bank fully separates the functions of the business units from those of risk management. For example, credit underwriting and credit administration function is completely independent from Customer Relations Management (CRM) within the business units. This ensures the integrity of credit decisions, and higher efficiency. In addition, the Middle Office operates under the umbrella of market risk, independent from the treasury.

##### **2. Risk Management**

This department operates independently from all business units. It reports to the Board of Directors through the Risk Management Committee to ensure its independence and ability to detect, measure, govern, and monitor risks within acceptable risk appetite as determined by the Bank; as well as submit periodic reports to the Board of Directors in this regard.

##### **3. Internal Audit:**

The Internal Audit Department is fully independent and directly reports to the Board Audit Committee. The Department functions as the last line of defense through implementing an audit plan that includes periodic audits of all the Bank's activities to ensure the detection of any violations of systems and noncompliance with the Banks' policies and procedures or the supervisors' regulations.

##### **4. Risk Management Committee:**

The Board of Directors endorsed the Risk Management Committee as stipulated in it's charter, which has been drafted in accordance with best risk management practices and CBJ requirements. The Committee comprises of Board members and the Chief Risk Officer. All reports prepared by the Risk Management Department are submitted to the Committee periodically to ensure that the Committee's members are well informed of all risks in a timely manner. This enables the committee members to make decisions, and take measures to mitigate risks that are not in line with the established risk appetite, and submit reports to the Board in this regard.

##### **5. Board of Directors:**

The Board of Directors has the following responsibilities with regard to risk management:

- Determining the acceptable risk levels for the Bank's various activities.
- Reviewing and approving the various risk policies.
- Monitoring risks and ensuring that necessary controls are in place through the Risk Management Committee.

- Delegating authority related to the approval, amendment, and renewal of credit to the credit committees while reviewing their performance and the validity of their decisions, a matter which would reflect on the quality of the credit portfolio.
- Set the investments policies and decisions and approving investment transactions and dealing limits.
- Receiving reports as necessary and appropriate on climate change risks, overseeing progress in sustainability, and ensuring the integration of environmental and social risk management strategies with the bank's overall business strategies. Additionally, supervising annual reports related to sustainability, environmental and social risks, and their financing opportunities, while ensuring the bank's compliance with the Central Bank's green finance strategy and the Amman Stock Exchange's regulations on annual sustainability reporting, including disclosures on climate change risks and assumptions.

**6. Assets and Liabilities Management Committee:**

The Assets and Liabilities Management Committee comprises of the CEO as President and the Head of Business units, Head of Finance and Head of Risk as members. The Committee reviews the statement of financial position and recommends any amendments thereto, in addition to approving the liquidity and market risk management principles. Moreover, the Committee reviews the policies related to these risks, recommends their approval by the Board, and studies the various risk reports in order to take any necessary decisions related to amending the acceptable risks levels by the Bank.

The Committee also recommends to the Board the allocation of capital for the various activities of the Bank in a manner that ensures that the use of capital is optimized.

**a. Credit risks:**

Credit risks are controlled within acceptable risk levels by the Bank through the following:

1. Credit Policy: This policy accurately determines the general guidelines for credit underwriting, levels of acceptable credit risks, and basis used for establishing credit risk pricing and acceptable collateral. In addition, the policy outlines the monitoring activities over credit and ensure early detection of credit quality deterioration of the portfolio.
2. Training and Development: The continuous training and development of all credit staff and managers ensures better understanding of the client's business activity and needs, the fostering of expertise in credit analysis, and a better understanding of risks when taking credit decisions ; as well as ensuring the effective management of portfolios.
3. Authority to Grant Credit: Credit applications are approved by specialized credit committees which are appointed and granted authorities by the Board of Directors.
4. Credit Risk Measurement: The Bank put in place, a credit rating system for corporate and medium-size companies. In addition, the Bank implements a scorecards framework for retail products as a basis for underwriting and cross-selling of retail customers and small institutions.
5. Internal Valuation for Capital Adequacy: The Bank developed a model to measure capital adequacy based on a 5-year data forecast to calculate the potential capital requirements and the effect of stress testing on the Bank's capital adequacy, profitability, and liquidity.

6. Credit Risk Monitoring :A specialized unit within the Risk Management Department monitors the credit portfolio and prepares the relevant reports.

Through the early credit risk warning system, the Risk Management Department examines any indicators that may signal the deterioration of the risk profile of a customer. Such indicators include customer's transactions, financial performance, and the risk of their economic sectors , in addition to indicators related to the performance of the client's account at the Bank. This system allows the bank to detect, early on, any deterioration in the performance of the account and enables to the bank to take necessary measures to reduce any possible losses that may result from that and to ensure the adequacy of the allocations allocated to these accounts.

7. Credit Portfolio Management :All departments concerned with credit continuously review the credit portfolio to maintain a good level of credit exposure quality.

In managing the portfolio, efforts are made to ensure that the portfolio is diversified to avoid any concentration that could lead to an increase in the risk level of the portfolio. In this regard, the sectoral and the geographical distribution of the portfolio are monitored, in addition single borrower and related parties exposures are monitored and reported in addition to avoiding large credit exposures for a single customer except in exceptional cases and for discerning clients.

8. Credit Risk Mitigation :As a basic step to hedge credit risk, cash flows of financed projects are taken into account when determining the structure of facilities and payment schedules for any facilities granted to clients and the necessary controls to control these cash flows for use for repayment, as well as obtaining collaterals as stipulated in the credit policy, taking into account the quality and liquidity collaterals, in addition to the efficient application of procedures that ensure proper control of these guarantees and control their value and the ease of monetization where necessary.

#### B. Operational risks

Operational risk is defined as the risk of loss resulting from failure or inadequacy of internal processes, people or systems, or resulting from an external source (event). This definition includes legal risks and risks related to regulatory authorities.

The Operational Risk Policy covers the role of Operational Risk Management in how we identify, evaluate (periodically), monitor and control operational risks, and comply with all relevant regulatory requirements, to limit some or all of the negative impacts resulting from these risks. It relied on more than one methodology to manage these risks, the first of which is implementing a system for self-evaluation of control procedures (CRSA), by identifying the risks specific to each department and/or unit and evaluating the control procedures to identify weak points and measuring the level of effectiveness of the current control procedures, as these procedures are examined. Self-reporting on a regular basis and submitting reports on the results to the sector management and senior management at the bank. The evaluation of control procedures aims to verify the effectiveness and efficiency of these procedures so that weak control procedures are improved or new control procedures are established aimed at preventing risks or mitigating their severity. Operational Risk Management also builds key risk indicators that will enhance the risk monitoring mechanism as it is an early warning tool that enables decision makers to identify undesirable events and potential losses before they occur.

In addition to building a database on monetary losses resulting from operational risks in order to evaluate the extent of exposure facing the bank to operational risks in addition to the effectiveness of the applied control procedures. Note that the bank's operational risk management process does not aim to design systems that eliminate all potential operational risks, but rather to understand the financial effects - and any other possible effects - of these risks and develop systems and control procedures that would (if they continue to operate) keep the losses (The potential effects of these risks are within acceptable levels).

#### **C . Information security risks**

Information security risk management is based on the use of means, tools and procedures and following international standards to ensure the protection of information from internal and external risks, to prevent the information from reaching unauthorized persons, to maintain the confidentiality and integrity of the information, and to ensure its availability and the continuity of the systems supporting it.

For this reason, Bank Al Etihad has provided qualified personnel and the necessary resources to protect information security and cybersecurity from security breaches, based on best international practices and standards for protecting bank and customer information, with a plan for business continuity during disasters and crises to ensure the continuation of the bank's business and the provision of all services provided to all its customers at all times.

#### **Stress testing**

The objectives of stress testing are to determine the negative stress events that could face the bank and its business, and measure their impact on the bank's solvency, liquidity and reputation. Also, stress testing will identify the areas of weaknesses that the bank could face as a result of these negative stress events and allow the board of directors and executive management, to develop a strategic plan to reduce its impact and confronting them when they occur or avoid them. The stress test process aims to improve and enhance the sound management of the bank's risks, in addition to complying with the instructions of the regulatory authorities issued in this regard, and international best practices.

#### **Choosing the stress testing scenarios**

Stress scenarios that cover all possible risks encountered by the Bank are selected. The impact of stressful scenarios are assessed on different bank portfolios, and on Profit and Loss, Capital Adequacy Ratio and other regulatory limits , as follows:

1. Measuring the effect of stress scenarios on the Bank's credit portfolio concerning the increase in the percentage of non-performing loans due to many factors, including concentration in granting credits, deterioration of the economic sectors due to financial crises, quality of the credit portfolio, decrease in the value of collaterals, and other factors. The impact of these stress scenarios on income statement, Balance sheet, and capital adequacy ratios.
2. Measuring the effect of stress situations on the Bank's investments in terms of liquidity and change in the market prices such as Interest Rates, Foreign Exchange rate etc. The impact of these risk scenarios is assessed on the income statement, statement of financial position, and capital adequacy ratios.
3. Measuring the effect of stress scenarios on the Bank's assets and liabilities in the event of depreciation or appreciation of local currency against foreign currencies.
4. Measuring the effect of stress scenarios on the Bank's liquidity due to several factors, including the loss of the bank's investments in deposits with correspondent banks, the concentration of customer's deposits and deposits from banks held with us, extensive deposits withdrawals, fluctuations in the exchange rate of the dinar against foreign currencies, and other factors. The effect of these risk scenarios is calculated on the legal liquidity ratio and on liquidity according to the maturity ladder.
5. Measuring the effect of stress on the Bank's operational risks. The impact of this risk scenario is assessed on the capital adequacy ratio.

Based on the results of these tests, contingency and recovery plans are established to face financial and economic crises should they arise. Furthermore, risk mitigation tools are implemented, such as hedging and risk transfer strategies and minimum accepted collaterals limits, and what corresponds to the results of stress tests.

Governance of the Application of Stress-testing Situations:

Responsibility of the Board of Directors:

1. Reviewing the results of the stress tests of the bank on a semi-annual basis (every six months), in order to direct the bank to take measures and/or enforce controls accordingly.
2. Ensuring that the executive management complies by the plans and policies prepared to face any stress scenarios as it arises.
3. Verifying that the Risk Management Department is performing stress tests periodically and that the Board has a major role in approving the underlying assumptions and scenarios, test results analysis, and endorsing the actions to be taken based on these results.

Executive Management's Responsibility

1. Making the right recommendations, based on the stress-testing results, and reporting them to the Board of Directors.
2. Implementing the decisions of the Board of Directors related to the Bank's stress testing results, in addition to informing the Board about these results.
3. Implementing and controlling stress testing, in compliance with the methodology approved by the Board of Directors.
4. Taking the stress testing results into consideration when planning capital with the aim of reaching the capital that matches the Bank's strategy and risk structure, in addition to taking the results into consideration while performing (ICAAP).
5. Ensuring full cooperation among the Bank's different departments through coordinating with the Risk Management Department to come up with the closest real world stress testing results that the Bank might be prone to as a result of the local and international financial and economic circumstances.

**The Bank's Definition for Applying Default and the Mechanism for Processing Default:**

The group is committed to the instructions of the regulatory authorities and best practices in the banking sector with regard to the application of default and the mechanism for dealing with bad debts .

Non-performing facilities are defined as those facilities that carry high levels of risk or needs supervision, and the following is a brief description of these statuses:

• **Watch List:**

Borrower with no assured profits and extremely unstable operational revenues. The obligors' assets are witnessing a decrease in their value, coupled with an increase in doubtful debts without sufficient collaterals. Meanwhile, his exposure is constantly increasing and is greater than the accepted standards in his sector. In addition, the management and controls are weak. Debts classified as watch list will remain as such for a period of time under this rating to be monitored, so that their credit rating is improved in case the data that led to their classification under watch list will change or their credit rating downgraded.

- **Substandard:**

Borrower is considered non-performing. Where Recovering the granted credit facilities based on the client's operational revenues is questionable, and their assets are not protected at an acceptable degree by net equity. In addition, the borrower's ability to commit to financial obligations or provide additional collaterals is weak. The facilities classified under this level of risks require a special provision according to the instructions of the Central Bank of Jordan.

- **Doubtful:**

The Bank's chances of recovering the debts granted to the borrower is doubtful, and part of the principal is likely to be lost under the given circumstances that demonstrate the borrower's inability to fulfill their obligations towards the Bank. The facilities classified under this level of risks require a special provision according to the instructions of the Central Bank of Jordan.

- **Loss:**

It is probable that part of the granted amount will be recovered in the future, and the Bank is still not fully convinced that recovery is unlikely. This matter does not encourage the Bank to irrevocably write off the debt, or cease the recovery process. The facilities classified under this level require special provision according to the instructions of the Central Bank of Jordan.

**General Guildlines for dealing with default:**

- Proposed rescheduling arrangements are based on the client's ability to commit to its financial obligations, as the Bank's aim is not only to improve the credit portfolio classification, but to also recover the loan amount granted to the client.
- While rescheduling debt repayment, a study of the borrower's cash flows must be conducted, especially if the borrower has liabilities towards creditors other than the Bank. This entails studying the borrower's cash flows, current guarantees, and any other extra assets that can be liquidated as an extra source for the repayment, or as an additional guarantee to mitigate the client's credit risk. Other aspects of the client are also studied, including the client's ability to manage the facilities, and validity of the legal documents and contracts in the Bank's possession, to ensure that they maintain the Bank's rights in case legal actions are taken against the borrower.
- In case the client commits to their repayment schedule for a period of not less than 3 months, the account classification is upgraded to a performing status.

**Internal Credit Classification System:**

The Bank adopts an internal risk rating system to calculate the Risk Rating of Corporate and SMEs clients. The aim of this system is to assess credit risks at client and facility level. For each borrower a risk grade from 1-10 is calculated, where risk grade (1) is the least risky, The calculation of Obligor and facility risk rating is the responsibility of the credit department.

When implementing this system, the following matters can be ensured:

- The ability to maintain a high asset quality, monitor the portfolio's quality, and identify effective plans and future strategies for managing credit risks.
- Linking credit quality, performance efficiency and pricing.
- Determining the authority level for granting and/or renewing the credit limits.



The following table shows the building blocks of the Risk Grade:

<b>Indicator</b>	<b>Indicator's nature</b>
Financial items	Quantitative
Management	Qualitative
Corporate	Qualitative
Economic sector	Qualitative

In order to calculate the Risk Rating, financial statements for 3 years and information about the economic sectors performance should be submitted, accordingly obligors are classified as follows:

<b><u>Risk level</u></b>	<b><u>Risk rank</u></b>
Excellent	1
Strong	2+ to 2-
Good	3+ to 3-
Satisfactory	4+ to 4-
Adequate	5+ to 5-
Marginal	7+ to 6-
Watch List	7 and 7-
Non-performing	8 to 10

**Mechanism Used to Calculate the Expected Credit Losses on the Financial Instruments for Each Item Separately**

Expected credit losses are calculated on an individual basis on the system that is implemented by the Bank based on parameterized models and methodologies adopted by the Board of Directors and approved by the external auditor in the preparation of interim and year-end financial statements.

**a. Probability of Default (PD)**

The probability of default is measured for the purpose of calculating the expected credit losses in accordance with IFRS9 through using statistical models based on historical default data, credit exposure classification, and stressed and forecasted macroeconomic trends for corporates and SME's portfolio. As for the retail facilities portfolio, statistical models have been adopted based on the product characteristics and the client's credit behavior.

Under IFRS (9) all credit exposures and debt instruments that are listed under stage (1), are assigned a 12 month Probability of default. As for the credit exposures under Stage 2, the probability of default on a credit exposures is taken into consideration over the lifetime of the exposure.

**b. Loss Given Default (LGD) (Guarantees/Risk mitigators)**

When calculating the loss given default (LGD), the collaterals pledged against granting the credit exposure are evaluated. Moreover, only collaterals classified as risk mitigants are taken into account (legally documented within credit contracts, while nothing precludes the Bank from reaching the collateral) for the purpose of calculating the repayable amount of the credit exposure after applying haircuts as stipulated in CBJ Debt Classification Instructions No. (47/2009). In addition, LGDs are applied on the uncovered portion of the credit exposure. The LGD estimates are based on historical data related to recoveries upon liquidation as a result of execution on the guarantee due to default, taking into account the time dimension.

**c. Exposure at Default (EAD)**

When calculating Exposure at Default (EAD), the outstanding amount and type of debt instrument that will be utilized by the debtor will be taken into consideration when calculating the expected credit loss to each stage from International financial reporting standard (9) stages. The exploitation factor is calculated after conducting a study on the withdrawal ratios and the historical exploitations of currencies and different types of debt.

Furthermore, indirect credit exposures (non-financed) are considered on-balance credit exposures on which expected credit loss is calculated. Their probability of default is calculated as well based on historical default and probabilities of withdrawal.

**d. Time Value of Money**

The expected credit loss is calculated by using the time value and Effective interest rate (EIR) as a discounting factor.

Governance of applying the requirements of the International Financial Reporting Standard, including the responsibilities of management and executive management, to ensure compliance with the regulatory requirements and applying the international standard.

**The Board of Directors:**

The Board of Directors will overreview the process and results of calculating provisions according to the international standard in order to make decisions that are consistent with these results and ensure that the executive management adheres to the processes and policies set for the adequacy of provisions. An approved policy that identifies exceptional and justified cases in which the results and outputs of the system are modified and that An independent body shall be determined to be the authority to make the exception or amendment decision and these cases shall be presented to the board for approval.

**Risk Committee**

The Risk Committee oversees the process of calculating provisions according to international standards and ensures the following:

- Ensuring that provisions cover expected credit losses.
- The capital adequacy ratio is maintained at the required level and does not fall below the permissible limit.
- The pricing mechanism covers the costs of provisions.

**Audit Committee**

The provision calculation results according to the international standard are submitted to the Audit Committee, which verifies the adequacy of the Bank's coverage of the expected credit loss in all of the Bank's financial statements.

**Executive Management**

The senior management demonstrates and presents the risks when pricing credit exposure. Appropriate policies and procedures are implemented and updated to communicate regarding the credit risk assessment process and the measurement process to all relevant individuals.

Executive Management is responsible for implementing the reliable credit risk strategies approved by the Board of Directors and for developing the policies and procedures stated above.

**Risk Management Department**

The Risk Management Department ensures that the provisions adequately cover credit exposures. Ensure that the process and outputs of the system are fairly presented. The results are presented to the Board of Directors, the Risk Committee and Executive Management.

**Rescheduled Loans:**

These represent loans previously classified under within Stage (3) in accordance with rescheduling principles. These loans amounted to JD 49,230,731 as of 31 December 2024 (JD 43,269,782 as of 31 December 2023).

**Restructured Loans:**

Restructuring is the rearranging credit obligations in terms of adjusting installments, extending the tenor of the facility, postponing installments, or extending the grace period. These loans amounted to JD 346,668,983 during the year 2024 (JD 279,310,336 during the year 2023).

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Debt Securities and Treasury Bills:

The Schedule below shows the distribution of bonds according to the rating agencies classification:

Rating grade	Rating Institution	Within financial assets at fair value through statement of income 2024 JD	Within financial assets amortized cost 2024 JD	Within financial assets at fair value through other comprehensive income 2024 JD	Total 2024 JD	Total 2023 JD
AA+	S&P	-	58,587,014	-	58,587,014	83,081,434
AA-	S&P	-	52,286,326	13,716,361	66,002,687	16,225,186
A+	S&P	-	21,355,413	-	21,355,413	35,478,241
A	S&P	-	62,570,346	6,446,591	69,016,937	42,555,329
A-	S&P	-	26,191,541	710,427	26,901,968	29,213,225
AAA	S&P	-	14,411,923	-	14,411,923	-
BBB+	S&P	-	16,065,429	-	16,065,429	18,238,621
BBB	S&P	-	16,379,941	-	16,379,941	24,740,754
BBB-	S&P	-	10,790,963	15,704,827	26,495,790	7,211,535
BB+	S&P	1,220,338	3,531,495	8,873,229	13,625,062	8,149,771
BB-	S&P	-	-	-	-	1,266,326
BB	S&P	-	2,202,875	-	2,202,875	7,784,886
B+	S&P	2,595,510	5,159,771	-	7,755,281	9,705,226
B-	S&P	-	-	-	-	1,060,482
NR	S&P	-	8,414,419	-	8,414,419	22,436,567
Governmental	S&P	-	1,557,965,996	-	1,557,965,996	1,330,485,124
<b>Total</b>		<b>3,815,848</b>	<b>1,855,913,452</b>	<b>45,451,435</b>	<b>1,905,180,735</b>	<b>1,637,632,707</b>

All the above bonds are classified under stage 1.

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**1. Credit Exposures Distributions**

For the year ended 31 December 2024							
Internal Rating for the Bank	Category Classification According to (47/2009)	Total Exposure Value JD	Expected Credit Loss JD	Probability of Default %	Classification according to external classification institutions	Exposure when Default JD	Average Loss on Default %
<b>Performing exposures</b>							
1	Performing Loans	620,550,034	1,608	(0.00% - 1.28%)	Unclassified	579	46.0
2	Performing Loans	322,782,061	163,131	(0.00% - 2.08%)	Unclassified	192	51.3
3	Performing Loans	583,779,637	1,680,528	(0.00% - 8.85%)	Unclassified	440	51.2
4	Performing Loans	782,969,212	3,107,058	(0.00% - 16.80%)	Unclassified	567	51.2
5	Performing Loans	773,194,587	4,165,502	(0.00% - 22.68%)	Unclassified	568	51.2
6	Performing Loans	355,677,773	15,720,785	(0.00% - 31.36%)	Unclassified	293	51.1
7	Performing Loans	319,621,773	46,396,360	(0.11% - 37.05%)	Unclassified	244	51.5
Unclassified	Performing Loans	4,149,008,787	24,848,633	(0.00% - 100%)	Unclassified	1,613	51.0
Unclassified	Performing	282,826,380	26,612	(0.00% - 0.10%)	AA- to AAA	283	75.0
Unclassified	Performing	86,082,424	-	(0.00% - 0.00%)	A- to A+	87	75.0
Unclassified	Performing	30,630,455	38,651	(0.10% - 0.30%)	BBB- to BBB+	31	75.0
Unclassified	Performing	1,138,815,565	122,475	(0.00% - 1.90%)	Below BBB+ or unrated FFIs	1,157	75.0
<b>Total</b>		<b>9,445,938,688</b>	<b>96,271,343</b>			<b>6,054</b>	
<b>Non-performing exposures</b>							
8 - 10	Non - performing	175,356,646	98,107,151	100%	Unclassified	149	68.0
Unclassified	Non - performing	107,799,822	72,265,832	100%	Unclassified	87	68.8
<b>Total</b>		<b>283,156,468</b>	<b>170,372,983</b>			<b>236</b>	
<b>Grand Total</b>		<b>9,729,095,156</b>	<b>266,644,326</b>			<b>6,290</b>	

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**2. Credit risk according to economic sectors:**

**a. Total exposure distribution according to financial instruments:**

	Financial		Manufacturing		Trading		Real Estate		Agriculture		Shares		Individuals		Government and Public sector		Other		Total	
	JD		JD		JD		JD		JD		JD		JD		JD		JD		JD	
Balances at central banks	775,980,795		-		-		-		-		-		-		-		-		775,980,795	
Balances at banks and financial institutions	487,712,257		-		-		-		-		-		-		-		-		487,712,257	
Deposits at banks and financial institutions	17,709,822		-		-		-		-		-		-		-		-		17,709,822	
Direct credit facilities and financing	35,317,595		429,292,435		609,566,214		1,165,647,225		93,364,860		297,714,881		852,306,742		699,205,245		380,400,881		4,562,816,078	
<b>Treasury, bills and Bonds are as follows:</b>																				
Within: Financial assets at fair value through																				
Statement of Income	1,220,338		-		-		-		-		-		-		2,595,510		-		3,815,848	
Within: Financial assets at fair value through																				
other comprehensive income	45,451,435		-		-		-		-		-		-		-		-		45,451,435	
Within: Financial assets at amortized cost	196,337,152		25,350,395		5,773,939		-		-		-		-		1,625,077,696		3,374,270		1,855,913,452	
Other Assets	10,529,497		760,583		11,999,911		989,939		7,734,875		3,211		1,133,073		19,557,909		31,389,816		84,098,814	
<b>Total</b>	<b>1,570,258,891</b>		<b>455,403,413</b>		<b>627,340,064</b>		<b>1,166,637,164</b>		<b>101,099,735</b>		<b>297,718,092</b>		<b>853,438,815</b>		<b>2,346,436,360</b>		<b>415,164,967</b>		<b>7,833,498,501</b>	
Letter of guarantees	26,348,829		34,908,574		49,216,722		3,945,294		5,191,414		252,962		62,513,032		277,595		65,605,355		248,259,777	
Letter of credit	18,040,048		43,791,896		238,472,926		213,813		2,402,545		1,350,944		116,577,625		-		37,391,794		458,241,591	
Acceptances	1,292,683		91,681,631		28,441,080		-		8,362,267		-		6,610,167		-		34,767,036		171,154,864	
Other Liabilities	4,521,204		159,069,010		282,583,031		4,211,805		18,278,408		232,948		109,943,685		3,566,957		144,917,776		727,324,824	
<b>Total 2024</b>	<b>1,620,461,655</b>		<b>784,854,524</b>		<b>1,226,053,823</b>		<b>1,175,008,076</b>		<b>135,334,369</b>		<b>299,554,946</b>		<b>1,149,084,324</b>		<b>2,350,280,912</b>		<b>697,846,928</b>		<b>9,438,479,557</b>	
<b>Total 2023</b>	<b>1,261,383,559</b>		<b>702,392,607</b>		<b>969,400,167</b>		<b>1,104,949,889</b>		<b>134,762,334</b>		<b>277,183,457</b>		<b>1,126,188,435</b>		<b>2,040,713,155</b>		<b>724,059,679</b>		<b>8,341,033,282</b>	

**b. - Distribution of exposures according to classification stages according to IFRS No. (9)**

	Stage (1)		Stage (2)		Stage (3)		Total	
	Individual	Collective	Individual	Collective	Individual	Collective	Individual	Collective
Financial	1,602,796,661	-	16,905,284	-	759,710	-	1,620,461,655	-
Manufacturing	705,042,412	10,631,989	54,003,511	1,536,140	13,640,472	1,536,140	784,854,524	1,536,140
Trading	1,030,049,643	22,665,903	148,640,486	3,919,268	20,778,523	3,919,268	1,226,053,823	3,919,268
Real Estates	478,442,955	507,494,469	110,591,879	60,798,703	17,680,070	60,798,703	1,175,008,076	17,680,070
Agriculture	105,555,888	4,326,980	24,862,917	326,392	262,192	326,392	135,334,369	262,192
Shares	19,267,065	239,560,370	16,414,010	15,983,581	8,329,920	15,983,581	299,554,946	8,329,920
Individual	915,940,583	140,790,941	69,093,490	17,014,631	6,244,679	17,014,631	1,149,084,324	6,244,679
Government and public sector	2,350,280,912	-	-	-	-	-	2,350,280,912	-
Other	562,478,108	17,438,349	91,874,737	4,939,087	21,116,647	4,939,087	697,846,928	21,116,647
<b>Total 2024</b>	<b>7,769,854,227</b>	<b>942,909,001</b>	<b>532,386,314</b>	<b>104,517,802</b>	<b>88,812,213</b>	<b>104,517,802</b>	<b>9,438,479,557</b>	<b>104,517,802</b>
<b>Total 2023</b>	<b>6,815,183,795</b>	<b>835,500,057</b>	<b>510,622,072</b>	<b>115,747,706</b>	<b>63,979,652</b>	<b>115,747,706</b>	<b>8,341,033,282</b>	<b>63,979,652</b>

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**3. Exposure according to geographical distribution**

**a. Total exposure distribution according to the geographical regions - net:**

	Inside Jordan	Other Middle East Countries	Europe	Asia *	Africa	America	Other Countries	Total
	JD	JD	JD	JD	JD	JD	JD	JD
Balances at central banks	739,422,635	36,558,160	-	-	-	-	-	775,980,795
Balances at banks and financial institutions	6,479,173	290,285,383	69,518,066	39,835,534	-	78,681,114	2,912,987	487,712,257
Deposits at banks and financial institutions	-	17,709,822	-	-	-	-	-	17,709,822
Direct credit facilities and financing	4,534,003,619	28,812,459	-	-	-	-	-	4,562,816,078
Treasury Bills and Bonds are as follows:								
Within: Financial assets at fair value through Statement of Income	-	-	-	-	-	3,815,848	-	3,815,848
Within: Financial assets at fair value through other comprehensive income	-	45,451,435	-	-	-	-	-	45,451,435
Within: Financial assets at amortized cost	1,565,119,350	116,713,335	66,519,603	33,668,957	-	73,892,207	-	1,855,913,452
Other Assets	84,098,814	-	-	-	-	-	-	84,098,814
<b>Total</b>	<b>6,929,123,591</b>	<b>535,530,594</b>	<b>136,037,669</b>	<b>73,504,491</b>	<b>-</b>	<b>156,389,169</b>	<b>2,912,987</b>	<b>7,833,498,501</b>
Letter of guarantees	248,206,777	48,000	-	-	-	-	5,000	248,259,777
Letter of credit	343,248,629	114,992,962	-	-	-	-	-	458,241,591
Acceptances	169,928,376	1,226,488	-	-	-	-	-	171,154,864
Other Liabilities	727,324,824	-	-	-	-	-	-	727,324,824
<b>Total 2024</b>	<b>8,417,832,197</b>	<b>651,798,044</b>	<b>136,037,669</b>	<b>73,504,491</b>	<b>-</b>	<b>156,389,169</b>	<b>2,917,987</b>	<b>9,438,479,557</b>
<b>Total 2023</b>	<b>7,636,784,369</b>	<b>291,998,867</b>	<b>195,947,521</b>	<b>61,377,412</b>	<b>-</b>	<b>153,140,082</b>	<b>1,785,031</b>	<b>8,341,033,282</b>

**b. Distribution of exposures according to classification stages according to IFRS No. (9)**

	Stage (1)		Stage (2)		Stage (3)		Total
	Individual	Collective	Individual	Collective	Stage (3)	JD	JD
Inside Jordan	6,749,206,867	942,909,001	532,386,314	104,517,802	88,812,213	8,417,832,197	
Other Middle East countries	651,798,044	-	-	-	-	651,798,044	
Europe	136,037,669	-	-	-	-	136,037,669	
Asia	73,504,491	-	-	-	-	73,504,491	
Africa	-	-	-	-	-	-	
America	156,389,169	-	-	-	-	156,389,169	
Other Countries	2,917,987	-	-	-	-	2,917,987	
<b>Total 2024</b>	<b>7,769,854,227</b>	<b>942,909,001</b>	<b>532,386,314</b>	<b>104,517,802</b>	<b>88,812,213</b>	<b>9,438,479,557</b>	
<b>Total 2023</b>	<b>6,815,183,795</b>	<b>835,500,057</b>	<b>510,622,072</b>	<b>115,747,706</b>	<b>63,979,652</b>	<b>8,341,033,282</b>	

\* Except middle east countries

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**4. Credit exposures that have been reclassified**

**a. Total credit exposures that have been classified**

	Stage (2)		Stage (3)		Total Exposure that have been Reclassified JD	Percentage of Exposure that have been Reclassified %
	Total Exposure Amount JD	Exposure that have been Reclassified JD	Total Exposure Amount JD	Exposure that have been Reclassified JD		
<b>31 December 2024</b>						
Balances at central banks	-	-	-	-	-	0.00
Balances at banks and financial institutions	-	-	-	-	-	0.00
Deposits at banks and financial institutions	-	-	-	-	-	0.00
Direct credit facilities and financing	577,372,645	214,944,043	278,651,103	92,334,391	307,278,434	6.34
Treasury Bills and Bonds are as follows:	-	-	-	-	-	0.00
Within: Financial assets at fair value through Statement of Income	-	-	-	-	-	0.00
Within: Financial assets at fair value through other comprehensive income	-	-	-	-	-	0.00
Within: Financial assets at amortized cost	-	-	-	-	-	0.00
Other Assets	-	-	-	-	-	0.00
<b>Total</b>	<b>577,372,645</b>	<b>214,944,043</b>	<b>278,651,103</b>	<b>92,334,391</b>	<b>307,278,434</b>	<b>6.34</b>
Letter of guarantees	33,293,270	12,464,415	4,505,365	2,682,128	15,146,543	6.10
Letter of credit	22,621,631	4,539,358	-	-	4,539,358	0.72
Acceptances	7,892,270	-	-	-	-	0.00
Other Liabilities	59,037,587	1,874,769	-	85,489	1,960,258	0.27
<b>Grand Total</b>	<b>700,217,403</b>	<b>233,822,585</b>	<b>283,156,468</b>	<b>95,102,008</b>	<b>328,924,593</b>	<b>5.10</b>



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**Credit exposures that have been reclassified:**

**b. Expected credit loss for exposures that have been reclassified**

	Exposures that have been reclassified			Expected credit loss due to reclassified exposures				
	Exposure Reclassified from Stage (2)	Exposure Reclassified from Stage (3)	Total Exposures Reclassified	Stage (2) - Individual	Stage (2) - Collective	Stage (3) - Individual	Stage (3) - Collective	Total
	JD	JD	JD	JD	JD	JD	JD	JD
<b>31 December 2024</b>								
Balances at central banks	-	-	-	-	-	-	-	-
Balances at banks and financial institutions	-	-	-	-	-	-	-	-
Deposits at banks and financial institutions	-	-	-	-	-	-	-	-
Direct credit facilities and financing	214,944,043	92,334,391	307,278,434	(1,869,035)	(213,549)	8,722,823	(93,495)	6,546,744
Treasury Bills and Bonds are as follows:								
Within: Financial assets at fair value through	-	-	-	-	-	-	-	-
Statement of Income	-	-	-	-	-	-	-	-
Within: Financial assets at fair value through	-	-	-	-	-	-	-	-
other comprehensive income	-	-	-	-	-	-	-	-
Within: Financial assets at amortized cost	-	-	-	-	-	-	-	-
Derivative financial instruments	-	-	-	-	-	-	-	-
Pledged financial assets (debt instruments)	-	-	-	-	-	-	-	-
Other assets	-	-	-	-	-	-	-	-
<b>Total</b>	<b>214,944,043</b>	<b>92,334,391</b>	<b>307,278,434</b>	<b>(1,869,035)</b>	<b>(213,549)</b>	<b>8,722,823</b>	<b>(93,495)</b>	<b>6,546,744</b>
Letter of guarantees	12,464,415	2,682,128	15,146,543	62,467	482	5,919	-	68,868
Letter of credit	4,539,358	-	4,539,358	-	-	-	-	-
Acceptances	-	-	-	-	-	-	-	-
Other Liabilities	1,874,769	85,489	1,960,258	23,644	-	-	-	23,644
<b>Grand Total</b>	<b>233,822,585</b>	<b>95,102,008</b>	<b>328,924,593</b>	<b>(1,782,924)</b>	<b>(213,067)</b>	<b>8,728,742</b>	<b>(93,495)</b>	<b>6,639,256</b>

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**5. Credit Risk Exposures (after provision for impairment. outstanding interest and returns. and before collateral and other risk mitigators):**

	<b>31 December</b>	
	<b>2024</b>	<b>2023</b>
	<b>JD</b>	<b>JD</b>
<b>Items inside Consolidated Financial Position</b>		
Balances at central bank	775,980,795	601,321,203
Balances at banks and financial institutions	487,712,257	371,943,707
Deposits at banks and financial institutions	17,709,822	14,082,419
<b>Direct Credit Facilities and Financing - Net:</b>		
Individual	1,113,262,978	1,069,371,754
Real estate	1,165,647,225	1,095,395,528
Corporates:		
Large corporates	1,296,352,088	1,216,644,274
SME's	288,348,542	263,666,261
Government and Public Sector	699,205,245	599,833,607
<b>Total</b>	<b>4,562,816,078</b>	<b>4,244,911,424</b>
<b>Treasury Bills and Bonds:</b>		
Within financial assets at fair value through Statement of Income	3,815,848	3,817,881
Within financial assets at amortized cost	1,855,913,452	1,633,814,826
Within Financial assets at fair value through other comprehensive income	45,451,435	-
Other assets	84,098,814	71,728,338
<b>Total Financial Position Items</b>	<b>7,833,498,501</b>	<b>6,941,619,798</b>
<b>Off- Consolidated Financial Position Items</b>		
Letters of guarantees	248,259,777	229,615,911
Letters of credits	458,241,591	329,705,447
Acceptances	171,154,864	134,819,090
Un-utilized limits of credit facilities and financing	727,324,824	705,273,036
<b>Total Off-Consolidated Financial Position Items</b>	<b>1,604,981,056</b>	<b>1,399,413,484</b>
<b>Total On- and Off - Consolidated Financial Position Items</b>	<b>9,438,479,557</b>	<b>8,341,033,282</b>

The above table represents the Bank's maximum credit exposure as of 31 December 2024 and 2023 without taking into account collaterals or other credit risk mitigators.

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**6. Expected Credit Losses as of 31 December 2024:**

<b><u>Description</u></b>	<b>Stage (1) - Individual JD</b>	<b>Stage (1) - Collective JD</b>	<b>Stage (2) - Individual JD</b>	<b>Stage (2) - Collective JD</b>	<b>Stage (3) JD</b>	<b>Total JD</b>
Balances at central banks	-	-	-	-	-	-
Balances and deposits at banks and financial institutions	383,459	-	-	-	-	383,459
Deposits at bank and financial institutions	15,178	-	-	-	-	15,178
Direct credit facilities and financing	14,224,666	14,822,921	58,979,021	3,849,742	169,829,895	261,706,245
Debt instruments within portfolio of the financial assets at amortized costs	337,642	-	-	-	-	337,642
Debt instruments within financial assets at fair value through other comprehensive income.	64,447	-	-	-	-	64,447
Letters of guarantees	209,371	-	187,955	-	543,086	940,412
Un-utilized limits	2,676,401	-	174,114	-	-	2,850,515
Letters of credit	144,152	-	101,672	-	-	245,824
Acceptances	79,821	-	20,783	-	-	100,604

**Expected Credit Losses as of 31 December 2023**

<b><u>Description</u></b>	<b>Stage (1) - Individual JD</b>	<b>Stage (1) - Collective JD</b>	<b>Stage (2) - Individual JD</b>	<b>Stage (2) - Collective JD</b>	<b>Stage (3) JD</b>	<b>Total JD</b>
Balances at central banks	-	-	-	-	-	-
Balances and deposits at banks and financial institutions	68,178	-	-	-	-	68,178
Deposits at bank and financial institutions	7,159	-	-	-	-	7,159
Direct credit facilities and financing	13,719,773	6,103,035	50,427,760	3,462,267	120,377,048	194,089,883
Debt instruments within portfolio of the financial assets at amortized costs	632,492	-	-	-	-	632,492
Debt instruments within financial assets at fair value through other comprehensive income.	-	-	-	-	-	-
Letters of guarantees	316,432	-	56,296	-	108,571	481,299
Un-utilized limits	3,979,251	-	243,538	-	-	4,222,789
Letters of credit	129,852	-	1,702	-	-	131,554
Acceptances	66,975	-	-	-	-	66,975

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The distribution of the collaterals' fair value against the total credit exposures is as follows:

Description	Collaterals' Fair Value											Expected Credit Loss
	Total Exposure JD	Cash Margin JD	Trading Shares JD	Accepted Bank Guarantees JD	Real Estates		Vehicles and Equipment		Other JD	Total Collaterals JD	Net Exposures after the Collaterals JD	
					JD	JD	JD	JD				
31 December 2024												
Cash and balances at central banks	775,980,795	-	-	-	-	-	-	-	-	-	775,980,795	-
Balances at banks and financial institutions	488,095,716	-	-	-	-	-	-	-	-	-	488,095,716	383,459
Deposits at banks and financial institutions	17,725,000	6,000,000	-	-	-	-	-	-	-	6,000,000	11,725,000	15,178
Credit and Financing Facilities :												
Individual	1,204,865,509	42,685,977	953,791	-	515,616,032	284,881,351	-	-	-	844,137,151	360,728,358	80,993,763
Real estate mortgages	1,194,207,760	7,954,737	-	-	427,537,068	1,426,283	-	1,050,396	-	437,968,484	756,239,276	25,112,523
Large corporates	1,434,708,110	39,259,676	465,135	239,714	246,643,619	46,975,325	-	75,715,109	-	409,298,578	1,025,409,532	131,737,323
SME's	315,506,972	18,658,930	111,925	-	113,993,335	5,360,398	-	45,639,121	-	183,763,709	131,743,263	23,862,636
Government and Public Sector	699,205,245	-	-	-	-	-	-	30,000,000	-	30,000,000	669,205,245	-
Treasury Bills and Bonds are as follows:												
Within Financial assets at fair value through												
Statement of Income	3,815,848	-	-	-	-	-	-	-	-	-	3,815,848	-
Within financial assets at fair value through												
statement of other comprehensive income	45,515,882	-	-	-	-	-	-	-	-	-	45,515,882	-
Within financial assets at amortized cost	1,856,251,094	-	-	-	-	-	-	-	-	-	1,856,251,094	337,642
Other assets	84,098,814	-	-	-	-	-	-	-	-	-	84,098,814	-
Total	8,119,976,745	114,559,320	1,530,851	239,714	1,303,790,054	338,643,357	152,404,626	1,911,167,922	6,208,808,823	262,442,524	262,442,524	940,412
Financial guarantees	249,200,189	32,738,990	8,416	-	14,554,420	188,400	5,300,603	52,790,829	196,409,360	356,634,908	245,824	100,604
Letter of credit	458,487,415	94,328,118	-	18,672	5,975,214	-	1,530,503	101,852,507	165,969,488	730,175,339	2,850,515	266,579,879
Acceptances	171,255,468	5,285,980	-	-	-	-	-	5,285,980	-	-	-	-
Other liabilities	730,175,339	-	-	-	-	-	-	-	-	-	-	-
Grand Total	9,729,095,156	246,912,408	1,539,267	258,386	1,324,319,688	338,831,757	159,235,732	2,071,097,238	7,657,997,918	266,579,879	266,579,879	940,412

The bank maintains collateral or other credit enhancements to mitigate credit risk associated with financial assets. The Group maintains financial instruments amounting to JD 2,001,750,594 as of 31 December 2024 (compared to JD 1,851,483,447 as of 31 December 2023) with a loss allowance for it due to guarantees at the end of the reporting period.

The estimated value of collateral, which is not recognized, held at the end of the reporting period is JD 2,164,693,718 as of 31 December 2024 (compared to JD 2,064,932,557 as of 31 December 2023). The value of collateral is not considered except to the extent that mitigates credit risk. There was no change in the bank's collateral policy during the current year. The following are the main types of collateral and associated asset types.

Financial Assets	Related collaterals
Real estate loans	Real estate guarantees, cash margins and personal guarantees
Personal loans	The portfolio consists of personal loans and credit cards and is linked to guarantees such as salary transfer, personal guarantees, cash margins
Corporate Loans	Real estate, equity shares, cash margins, personal guarantees, bank guarantees, transfer of dues from government and private agencies
SME's	Real estate, equity shares, cash guarantees, personal guarantees, bank guarantees, transfer of dues from government and private agencies, insurance policies, cars and machinery
Government and public sector	-
Deposits with banks and banking institutions	Cash margins
Guarantees	Real estate, cash margins, personal guarantees, bank guarantees, transfer of dues from government and private agencies, insurance policies
Documentary credits and acceptances	Real estate, cash margins, personal guarantees, bank guarantees, transfer of dues from government and private agencies, insurance policies
Other Liabilities	Real estate, cash margins, personal guarantees, bank guarantees, transfer of dues from government and private agencies, insurance policies

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The distribution of the collaterals' fair value against the total credit exposures is as follows:

<u>Description</u>	<u>Collaterals' Fair Value</u>									
	<u>Total Exposure</u> JD	<u>Cash Margin</u> JD	<u>Trading</u> <u>Shares</u> JD	<u>Accepted</u> <u>Bank</u> <u>Guarantees</u> JD		<u>Real Estates</u> JD	<u>Vehicles and</u> <u>Equipment</u> JD		<u>Other</u> JD	<u>Total</u> <u>Collaterals</u> JD
<b>31 December 2023</b>										
Cash and balances at central banks	601,321,203	-	-	-	-	-	-	-	-	601,321,203
Balances at banks and financial institutions	372,011,885	-	-	-	-	-	-	-	-	372,011,885
Deposits at banks and financial institutions	14,089,578	6,000,000	-	-	-	-	-	-	-	8,089,578
<b>Credit and Financing Facilities :</b>										
Individual	1,127,194,587	39,359,118	881,403	-	-	505,971,768	259,960,016	161,000	-	806,333,305
Real estate mortgages	1,116,094,786	3,169,908	335,688	-	-	379,704,548	279,416	2,150,000	-	385,639,560
Large corporates	1,327,348,603	24,989,803	6,001,406	253,517	-	262,062,497	45,996,388	104,134,319	-	443,437,930
SME's	286,376,151	14,682,027	99,500	-	-	99,572,101	4,168,150	96,498,948	-	215,020,726
Government and Public Sector	599,833,607	-	-	-	-	-	-	-	-	599,833,607
Treasury Bills and Bonds are as follows:										
<u>Within:</u> Financial assets at fair value through										
<u>Statement of Income</u>	3,817,881	-	-	-	-	-	-	-	-	3,817,881
<u>Within:</u> Financial assets at fair value through other										
<u>comprehensive income</u>	-	-	-	-	-	-	-	-	-	-
<u>Within:</u> Financial assets at amortized cost	1,634,447,318	-	-	-	-	-	-	-	-	1,634,447,318
Other assets	71,728,338	-	-	-	-	-	-	-	-	71,728,338
<b>Total</b>	<b>7,154,263,937</b>	<b>88,200,856</b>	<b>7,317,997</b>	<b>253,517</b>	<b>1,247,310,914</b>	<b>310,403,970</b>	<b>202,944,267</b>	<b>1,856,431,521</b>	<b>5,297,832,415</b>	<b>194,797,712</b>
Financial guarantees	230,097,210	28,193,986	5,286	-	13,486,341	62,153	583,592	42,331,358	187,765,852	481,299
Letter of credit	329,837,001	57,162,970	-	713,461	13,009,117	-	1,860,273	72,745,821	257,091,180	131,554
Acceptances	134,886,065	8,338,565	-	-	-	-	-	8,338,565	126,547,500	66,975
Other liabilities	709,495,825	-	-	-	-	-	-	-	709,495,825	4,222,789
<b>Grand Total</b>	<b>8,558,580,038</b>	<b>181,896,377</b>	<b>7,323,283</b>	<b>966,978</b>	<b>1,273,806,372</b>	<b>310,466,123</b>	<b>205,388,132</b>	<b>1,979,847,266</b>	<b>6,578,732,772</b>	<b>199,700,329</b>

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The distribution of the collaterals' fair value against the total credit exposures within stage (3) is as follows:

Description	Collaterals' Fair Value									
	Total Exposure	Cash Margin	Trading Shares	Accepted Bank	Real Estates	Vehicles and	Other	Total	Net Exposures	Expected
	JD	JD	JD	Guarantees	JD	Machinery	JD	Collaterals	after the	Credit Loss
31 December 2024										
Cash and balances at central banks	-	-	-	-	-	-	-	-	-	-
Balances at banks and financial institutions	-	-	-	-	-	-	-	-	-	-
Deposits at banks and financial institutions	-	-	-	-	-	-	-	-	-	-
Direct credit facilities and financing :										
Individual	74,996,823	12,161	-	-	8,114,218	14,378,546	41,477	22,546,402	52,450,421	57,361,599
Real estate	40,372,491	-	-	-	16,587,779	-	83,350	16,671,129	23,701,362	15,579,225
Large corporates	131,624,579	253,973	-	-	35,527,958	4,093,687	214,052	40,089,670	91,534,909	78,620,221
SME's	31,657,210	676,920	-	-	8,764,158	895,885	3,368,513	13,705,476	17,951,734	18,266,850
Government and Public Sector	-	-	-	-	-	-	-	-	-	-
Treasury Bills and Bonds are as follows:										
Within: Financial assets at fair value through										
Statement of Income	-	-	-	-	-	-	-	-	-	-
Within: Financial assets at fair value through										
other comprehensive income	-	-	-	-	-	-	-	-	-	-
Within: Financial assets at amortized cost										
Other assets	-	-	-	-	-	-	-	-	-	-
Total	278,651,103	943,054	-	-	68,994,113	19,368,118	3,707,392	93,012,677	185,638,426	169,829,895
Letter of guarantees	4,505,365	346,076	-	-	237,727	-	-	583,803	3,921,562	543,086
Letters of credit	-	-	-	-	-	-	-	-	-	-
Acceptances	-	-	-	-	-	-	-	-	-	-
Other liabilities	-	-	-	-	-	-	-	-	-	-
Grand Total	283,156,468	1,289,130	-	-	69,231,840	19,368,118	3,707,392	93,596,480	189,559,988	170,372,981

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The distribution of the collaterals' fair value against the total credit exposures within stage (3) is as follows:

Description	Collaterals' Fair Value													
	Total Exposure JD	Cash Margin JD	Trading Shares JD	Accepted Bank Guarantees		Real Estates		Vehicles and Machinery		Other JD	Total Collaterals JD	Net Exposures after the Collaterals		Expected Credit Loss JD
				JD	JD	JD	JD	JD	JD			JD	JD	
31 December 2023														
Cash and balances at central banks	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Balances at banks and financial institutions	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Deposits at banks and financial institutions	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Direct credit facilities and financing :														
Individual	50,764,593	3,065	-	-	6,865,787	9,978,205	46,944	16,894,001	33,870,592					36,865,060
Real estate mortgages	27,930,204	-	-	-	10,972,405	169,230	11,141,635	16,788,569	11,531,398					11,531,398
Large corporates	92,571,011	10,972	-	-	34,163,709	4,093,687	1,495,000	39,763,368	52,807,643					56,499,716
SME's	28,169,342	684,377	-	-	8,819,760	908,321	6,349,804	16,762,262	11,407,080					15,480,874
Government and Public Sector	-	-	-	-	-	-	-	-	-					-
Treasury Bills and Bonds are as follows:														
Within: Financial assets at fair value through														
Statement of Income	-	-	-	-	-	-	-	-	-					-
Within: Financial assets at fair value through														
other comprehensive income	-	-	-	-	-	-	-	-	-					-
Within: Financial assets at amortized cost														-
Other assets	-	-	-	-	-	-	-	-	-					-
Total	199,435,150	698,414	-	-	60,821,661	14,980,213	8,060,978	84,561,266	114,873,884					120,377,048
Letter of guarantees	2,876,548	524,025	-	-	-	-	-	524,025	2,352,523					108,571
Letters of credit	-	-	-	-	-	-	-	-	-					-
Acceptances	-	-	-	-	-	-	-	-	-					-
Other liabilities	-	-	-	-	-	-	-	-	-					-
Grand Total	202,311,698	1,222,439	-	-	60,821,661	14,980,213	8,060,978	85,085,291	117,226,407					120,485,619

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**b. Market Risks:**

Market risk is defined as the risk arising from changes in interest rates, exchange rates, and the prices of securities, as well as any other instruments held by the bank, such as commodities. Fluctuations in their prices can lead the Bank to incur losses due to any financial positions held on or off the balance sheet.

The Bank uses a conservative policy to manage market risk. Moreover, these risks are controlled through the adoption of clear policies in this regard and establishing risk limits for each risk type. Our policy aims to reduce/minimize these risks.

**1. Interest Rate Risks:**

The losses arising from fluctuations in interest rates in the markets or resulting from changes in the prices of products due to changes in interest rates have a negative impact on the Bank's revenues and equity.

These risks may also arise from mismatches in the repricing dates between assets and liabilities, which could lead to a decrease in the bank's revenues due to the timing difference in repricing.

The risks of interest rates lie in debt instruments and derivatives that include debt instruments, in addition to other derivatives whose values are linked to market prices.

Interest rate risks are managed by the Asset and Liability Management Committee, which is provided with periodic reports on interest rate repricing gaps, in addition to sensitivity reports to changes in interest rates, which indicate that the impact of these risks is kept to a minimum.

**31 December 2024**

Currency	Increase in Interest Rate	Sensitivity of Net Interest Income (Gains/ Losses) in (Thousands)	Sensitivity on Equity
		JD	JD
Jordanian Dinar	1%	9,637	9,637
US Dollar	1%	1,825	1,825
Euro	1%	169	169
GBP	1%	34	34
Japanese Yen	1%	330	330
Other Currencies	1%	(32)	(32)

**December 31, 2023**

Currency	Increase in Interest Rate	Sensitivity of Net Interest Income (Gains/ Losses) in (Thousands)	Sensitivity on Equity
		JD	JD
Jordanian Dinar	1%	9,188	9,188
US Dollar	1%	2,052	2,052
Euro	1%	70	70
GBP	1%	10	10
Japanese Yen	1%	(93)	(93)
Other Currencies	1%	41	41

In case of a negative change in the interest rate, then the effect will be the same as the change in the above-mentioned table with an opposite sign.



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The following is the sensitivity analysis of the impact on the provision for expected credit losses as a result of the change in the economic indicators used in calculating the provision for credit losses for the year 2024:

	Credit facilities				Indirect credit	
	Corporate credit facilities	for the government and the public sector	Credit Facilities Real Estate Loans	Credit facilities for small and medium entites (SMEs)	facilities (contingent liabilities)	Other credit facilities
<u>Companies:</u>	JD	JD	JD	JD	JD	JD
M2 Cash						
5%	47,064	-	1,072	-	-	9,215
-5%	(47,376)	-	(1,079)	-	-	(9,269)
Central bank financial statements						
5%	144,868	-	3,302	-	-	28,394
-5%	(147,876)	-	(3,368)	-	-	(28,902)
Trade Terms						
5%	69,847	-	1,592	-	-	13,679
-5%	(70,538)	-	(1,607)	-	-	(13,797)
Loans Granted to the Private Sector						
5%	149,813	-	3,415	-	-	29,365
-5%	(153,032)	-	(3,485)	-	-	(29,909)
<u>Small and Medium Enterprises (SME):</u>						
Number of tourists						
5%	-	-	159	7,680	-	1,527
-5%	-	-	(161)	(7,815)	-	(1,551)
Consumer Price Index						
5%	-	-	2,000	97,122	-	19,585
-5%	-	-	(2,560)	(123,959)	-	(24,282)
Bank lending rate						
5%	-	-	184	8,914	-	1,773
-5%	-	-	(188)	(9,097)	-	(1,805)
<u>Retail:</u>						
M1 Cash						
5%	-	-	380	-	(60,784)	266
-5%	-	-	(379)	-	109,847	(236)
Producer Price Index						
5%	-	-	9,919	22	47,601	7,223
-5%	-	-	(9,349)	(22)	(44,300)	(7,986)
Product price index						
5%	-	-	12,785	29	65,496	9,105
-5%	-	-	(11,853)	(28)	(66,643)	(10,354)

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**2. Currency Risks:**

The Group's policy is to fully hedge the currency risk by limiting open positions in foreign currencies only within the limits set and according to a clear policy which reduces the sensitivity of the Group's profitability to currency price changes. limits are placed for open positions for each currency and total currencies. and daily evaluations of these positions are made to reduce the risks of currency exchange rates to the minimum.

<b>Currency</b>	<b>Change in Currency Exchange Rate</b>	<b>Effect on Profits and Losses</b>	<b>Effect on Equity</b>
<b><u>For the Year ended 31 December 2024</u></b>		<b>JD</b>	<b>JD</b>
US Dollar	1%	(174,876)	36,336
Euro	1%	4,889	-
GBP	1%	22,290	-
Japanese Yen	1%	447,055	-
Other Currencies	1%	(153,652)	-
<b><u>For the Year ended 31 December 2023</u></b>			
US Dollar	1%	299,664	36,336
Euro	1%	(38,645)	-
GBP	1%	(6,704)	-
Japanese Yen	1%	9,023	-
Other Currencies	1%	313,432	-

In case of a 1% decrease in the currency exchange rate. the effect will be the same as the financial effect mentioned in the tables above with an opposite sign.

**3. Change in Stock Price Risks:**

Trading portfolio risk management depends on a policy that is based on diversification of investments. where investments are distributed on a sectoral basis. within the most stable sectors. and across several financial markets to reduce risks to acceptable levels. Regular monitoring of risks is also conducted through:

Determining the different investments limits

Determining limits to stop losses per investment coupled with daily monitoring

Regularly assessing the investment portfolio by an independent body (intermediary office)

Performing sensitivity analysis to measure the extent to which these investments may be impacted in case the markets invested in drop. so as to maintain risks within levels acceptable to the Bank.

These risks are managed by the Risks Management Department in cooperation with the Treasury Department. Moreover. their recommendations are submitted to the Assets and Liabilities Management Committee.

<b>Market</b>	<b>Change in Market Index</b>	<b>Effect on profits and losses</b>	<b>Effect on Equity</b>
		<b>JD</b>	<b>JD</b>
<b><u>For the Year ended 31 December 2024:</u></b>			
Amman Stock Exchange	5%	114,305	637,451
Al-Quds Stock Exchange (Palestine)	5%	-	734,527
NEW YORK STOCK EXCHANGE	5%	-	51,634
<b><u>For the Year ended 31 December 2023:</u></b>			
Amman Stock Exchange	5%	263,835	625,210
Al-Quds Stock Exchange (Palestine)	5%	-	927,964
Abu Dhabi Stock Exchange	5%	1,886	-
Australian Stock Exchange Ltd	5%	3,472	-
EN Paris	5%	16,684	-
EURO NEXT AMSTERDAM	5%	7,224	-
GERMAN STOCK EXCAHNGE	5%	3,703	-
London Stock Exchange	5%	14,460	-
Milan Stock Exchange	5%	10,788	-
NEW YORK STOCK EXCHANGE	5%	165,903	40,145
Qatar Stock Exchange	5%	1,877	-
Saudi Arabian Stock Exchange	5%	1,975	-
The Stock Exchange of Hong Kong Ltd	5%	2,658	-
Toronto	5%	3,783	-

In case of a negative change in the index. the impact will be equal to the change mentioned above but with the opposite sign.

c. Liquidity Risks

The Bank continuously expands its depositors' base and diversifies the sources of its funds with the aim of maintaining its stability. In this respect, the Bank maintains its liquidity level within risk appetite limits.

Bank's liquidity risk management policy ensures that the bank maintains liquidity limits at the corresponding banks to ensure easy access to high quality liquid assets and can be liquidated at reasonable cost and time in case of an unexpected demand.

To measure the Bank's liquidity levels, a schedule is prepared periodically to verify that liquidity is within the acceptable levels. In addition, the Legal liquidity ratio is calculated on daily basis to ensure compliance with the regulatory requirements and internal policies. Various stress scenarios' identified and measured to ensure the Bank's ability to withstand any changes that might take place in the financial markets.

The Treasury Department manages funds in line with the Bank's liquidity policy endorsed by the Assets and Liabilities Management Committee and submits regular reports to the Committee. Moreover, the Risk Management Department monitors the liquidity levels and ensures adherence to the Bank's internal policies.

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**(45/c) Liquidity Risks:**

First: The table below summarizes the distribution of (undiscounted) liabilities based on the remaining contractual maturity period on the date of the financial statements:

<b>As of 31 December 2024:</b>	<b>Less than a Month</b>	<b>1-3 Months</b>	<b>3-6 Months</b>	<b>6 months-1 year</b>	<b>1-3 Years</b>	<b>More than 3 Years</b>	<b>Without Maturity</b>	<b>Total</b>
	<b>JD</b>	<b>JD</b>	<b>JD</b>	<b>JD</b>	<b>JD</b>	<b>JD</b>	<b>JD</b>	<b>JD</b>
<b>Liabilities:</b>								
Banks and financial institution deposits	177,809,293	38,770,184	52,168,016	9,000,000	9,000,000	-	72,048,754	358,796,247
Customers' deposits	1,908,675,476	1,121,692,897	1,126,215,843	1,718,928,042	566,125,576	-	-	6,441,637,834
Margin accounts	140,604,307	29,940,734	33,120,362	20,562,855	34,604,076	126,792,160	-	385,624,494
Borrowed Funds	3,753	211,869	449,419	24,417,669	89,583,908	112,906,501	-	227,573,119
Subordinated loans	-	-	-	-	-	80,689,791	-	80,689,791
Sundry provisions	-	-	-	-	-	-	1,421,646	1,421,646
Income tax provision	-	-	-	-	-	-	36,048,153	36,048,153
Lease liabilities	397,806	493,418	1,025,412	1,623,782	6,866,086	25,721,699	-	36,128,203
Deferred tax liability	-	-	-	-	-	-	945,800	945,800
Other liabilities	-	-	-	-	-	-	169,050,879	169,050,879
<b>Total</b>	<b>2,227,490,635</b>	<b>1,191,109,102</b>	<b>1,212,979,052</b>	<b>1,774,532,348</b>	<b>706,179,646</b>	<b>346,110,151</b>	<b>279,515,232</b>	<b>7,737,916,166</b>
<b>Total assets (according to expected maturities)</b>	<b>1,565,794,097</b>	<b>481,467,446</b>	<b>480,162,102</b>	<b>617,049,399</b>	<b>1,802,255,663</b>	<b>2,979,963,198</b>	<b>424,314,833</b>	<b>8,351,006,738</b>
<b>As of 31 December 2023:</b>								
<b>Liabilities:</b>								
Banks and financial institution deposits	194,020,613	7,822,719	5,500,000	11,000,000	33,410,167	-	61,641,722	313,395,221
Customers' deposits	1,685,222,747	983,934,935	1,061,044,727	1,444,014,636	510,328,163	197,540	-	5,684,742,748
Margin accounts	57,576,976	33,725,468	32,374,507	45,896,641	35,413,788	133,769,491	-	338,756,871
Borrowed Funds	30,402	2,044,996	639,302	24,008,225	50,795,800	123,260,859	-	200,779,584
Subordinated loans	-	-	-	-	-	80,172,527	-	80,172,527
Sundry provisions	-	-	-	-	-	-	525,787	525,787
Income tax provision	-	-	-	-	-	-	30,872,484	30,872,484
Lease liabilities	339,990	421,176	943,392	1,436,622	7,973,839	26,664,841	-	37,779,860
Deferred tax liability	-	-	-	-	-	-	20,282	20,282
Other liabilities	-	-	-	-	-	-	150,936,220	150,936,220
<b>Total</b>	<b>1,937,190,728</b>	<b>1,027,949,294</b>	<b>1,100,501,928</b>	<b>1,526,356,124</b>	<b>637,921,757</b>	<b>364,065,258</b>	<b>243,996,495</b>	<b>6,837,981,584</b>
<b>Total assets (according to expected maturities)</b>	<b>1,338,391,828</b>	<b>349,652,884</b>	<b>435,987,195</b>	<b>603,311,028</b>	<b>1,721,811,966</b>	<b>2,582,519,046</b>	<b>388,345,490</b>	<b>7,420,019,437</b>

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**Interest Rate Re-Pricing Gap:**

Classification is based on interest re-pricing or maturing, whichever is closer.

Interests rates sensitivity is as follows:

<b>As of 31 December 2024</b>	<b>Less than 1 Month</b> JD	<b>From 1 Month to 3 Months</b> JD	<b>More than 3 Months to 6 Months</b> JD	<b>More than 6 Months to 1 Year</b> JD	<b>From 1-3 Years</b> JD	<b>More than 3 Years</b> JD	<b>Non-interest Bearing</b> JD	<b>Total</b> JD
<b>Assets:</b>								
Cash and Balances at central banks	341,100,000	-	-	-	-	-	571,673,898	912,773,898
Balances at banks and financial institutions	437,673,243	-	-	-	-	-	50,039,014	487,712,257
Deposits at banks and financial institutions	-	-	17,725,000	-	-	-	(15,178)	17,709,822
Financial assets at fair value through Statement of Income	-	-	-	10,785	3,344,347	460,715	14,847,696	18,663,543
Direct credit facilities and financing - net	47,934,510	184,317,353	2,350,757,186	278,308,566	765,379,736	943,145,143	(7,026,416)	4,562,816,078
Financial assets at fair value through statement other comprehensive income	-	-	-	-	-	-	119,651,740	119,651,740
Financial assets at amortized cost	367,768,469	114,248,418	84,506,402	152,838,150	386,405,480	750,484,175	(337,642)	1,855,913,452
Investments in associates	-	-	-	-	-	-	332,759	332,759
Right of use assets	-	-	-	-	-	-	29,835,954	29,835,954
Property and equipment	-	-	-	-	-	-	87,259,347	87,259,347
Intangible assets	-	-	-	-	-	-	29,629,198	29,629,198
Deferred tax assets	-	-	-	-	-	-	45,261,019	45,261,019
Other assets	7,656,306	801,450	10,846,308	5,763,331	-	-	158,380,276	183,447,671
<b>Total Assets</b>	<b>1,202,132,528</b>	<b>299,367,221</b>	<b>2,463,834,896</b>	<b>436,920,832</b>	<b>1,155,129,563</b>	<b>1,694,090,033</b>	<b>1,099,531,665</b>	<b>8,351,006,738</b>
<b>Liabilities</b>								
Banks and financial institution deposits	102,297,069	38,655,350	51,911,319	9,000,000	9,000,000	-	146,336,044	357,199,782
Customers' deposits	1,772,820,325	849,620,737	897,943,894	1,526,063,779	195,610,660	-	1,164,618,145	6,406,677,540
Margin accounts	251,994,124	10,825,354	14,777,500	8,080,000	-	-	89,278,931	374,955,909
Borrowed Funds	27,687	435,902	1,331,951	19,009,874	61,133,805	110,670,315	28,163,993	220,773,527
Subordinated Loans	-	-	-	-	-	60,295,000	-	60,295,000
Sundry provisions	-	-	-	-	-	-	1,421,646	1,421,646
Income tax provision	-	-	-	-	-	-	36,048,153	36,048,153
Lease liabilities	-	-	-	-	-	-	30,828,861	30,828,861
Deferred tax liability	-	-	-	-	-	-	945,800	945,800
Other liabilities	-	-	-	-	-	-	169,050,879	169,050,879
<b>Total Liabilities</b>	<b>2,127,139,205</b>	<b>899,537,343</b>	<b>965,964,664</b>	<b>1,562,153,653</b>	<b>265,744,465</b>	<b>170,965,315</b>	<b>1,666,692,452</b>	<b>7,658,197,097</b>
<b>Interest Rate Re- Pricing Gap</b>	<b>(925,006,677)</b>	<b>(600,170,122)</b>	<b>1,497,870,232</b>	<b>(1,125,232,821)</b>	<b>889,385,098</b>	<b>1,523,124,718</b>	<b>(567,160,787)</b>	<b>692,809,641</b>
<b>As of 31 December 2023</b>								
<b>Total Assets</b>	<b>542,804,011</b>	<b>177,701,281</b>	<b>2,426,447,879</b>	<b>436,590,253</b>	<b>1,416,066,423</b>	<b>1,421,000,792</b>	<b>999,408,798</b>	<b>7,420,019,437</b>
<b>Total Liabilities</b>	<b>1,746,452,798</b>	<b>742,751,712</b>	<b>852,523,275</b>	<b>1,324,628,542</b>	<b>265,270,414</b>	<b>147,325,670</b>	<b>1,677,465,842</b>	<b>6,756,418,253</b>
<b>Interest Rate Re- Pricing Gap</b>	<b>(1,203,648,787)</b>	<b>(565,050,431)</b>	<b>1,573,924,604</b>	<b>(888,038,289)</b>	<b>1,150,796,009</b>	<b>1,273,675,122</b>	<b>(678,057,044)</b>	<b>663,601,184</b>

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Concentration in currency risk:

**As of 31 December 2024**

**Assets**

	USD JD	EUR JD	GBP JD	JPY JD	Other JD	Total JD
Cash and balances at central Banks	166,622,431	6,352,838	1,395,775	-	9,099,285	183,470,329
Balances at banks and financial institutions	342,261,365	65,556,999	8,101,735	2,685,063	62,779,282	481,384,444
Deposits at banks and financial institutions	17,725,000	-	-	-	-	17,725,000
Financial assets at fair value through Statement of Income	11,617,556	4,759,891	-	-	-	16,377,447
Direct credit and financing facilities- net	422,512,810	11,744,068	140,509	61,604,023	406,200	496,407,610
Financial assets at fair value through other comprehensive income	77,409,974	7,607,200	-	-	-	85,017,174
Financial assets at amortized cost	458,425,593	45,361,413	8,123,974	-	775,947	512,686,927
Convertible Loans	-	-	-	-	-	-
Property and equipment - net	68,897	-	-	-	1,852,792	1,921,689
Right of use assets	-	-	-	-	974,864	974,864
Intangible assets	-	-	-	-	1,455,345	1,455,345
Other assets	34,438,790	(1,083,923)	106,965	546,284	(17,718,235)	16,289,881
<b>Total Assets</b>	<b>1,531,082,416</b>	<b>140,298,486</b>	<b>17,868,958</b>	<b>64,835,370</b>	<b>59,625,480</b>	<b>1,813,710,710</b>

**Liabilities**

Banks and financial institution deposits	125,728,321	22,371,464	76,837	17,247,952	1,242,427	166,667,001
Customers' deposits	1,157,259,146	91,789,708	15,134,717	2,287,266	61,133,621	1,327,604,458
Cash margin	163,032,123	22,621,923	163,604	504,676	4,962,935	191,285,261
Borrowed amounts	303,857	-	-	-	-	303,857
Subordinated loans	14,180,000	-	-	-	-	14,180,000
Lease liabilities	-	-	-	-	791,158	791,158
Other liabilities	17,166,549	3,026,444	264,771	89,972	6,860,501	27,408,237
<b>Total Liabilities</b>	<b>1,477,669,996</b>	<b>139,809,539</b>	<b>15,639,929</b>	<b>20,129,866</b>	<b>74,990,642</b>	<b>1,728,239,972</b>

**Bank's Shareholders**

<b>Perpetual Bonds</b>	<b>70,900,000</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>70,900,000</b>
<b>Net concentration in the Consolidated Statement of Financial Position</b>	<b>(17,487,580)</b>	<b>488,947</b>	<b>2,229,029</b>	<b>44,705,504</b>	<b>(15,365,162)</b>	<b>14,570,738</b>
<b>Contingent Liabilities Off - Consolidated Statement of Financial Position</b>	<b>918,698,088</b>	<b>176,555,955</b>	<b>1,746,038</b>	<b>45,975,976</b>	<b>49,290,312</b>	<b>1,192,266,369</b>

**As of 31 December 2023**

<b>Total Assets</b>	<b>1,351,148,166</b>	<b>107,262,863</b>	<b>16,444,275</b>	<b>37,097,575</b>	<b>91,370,035</b>	<b>1,603,322,914</b>
<b>Total Liabilities</b>	<b>1,250,281,729</b>	<b>111,127,373</b>	<b>17,114,691</b>	<b>36,195,296</b>	<b>60,026,791</b>	<b>1,474,745,880</b>
<b>Net concentration in the Consolidated Statement of Financial Position</b>	<b>29,966,437</b>	<b>(3,864,510)</b>	<b>(670,416)</b>	<b>902,279</b>	<b>31,343,244</b>	<b>57,677,034</b>
<b>Contingent Liabilities Off - Consolidated Statement of Financial Position</b>	<b>662,360,433</b>	<b>163,389,729</b>	<b>2,523,864</b>	<b>26,859,352</b>	<b>26,885,826</b>	<b>882,019,204</b>

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Secondly: Off- Consolidated of Financial Position Items:

<b><u>As of 31 December 2024</u></b>	<b><u>Up to 1 Year</u></b>	<b><u>1 - 5 Years</u></b>	<b><u>Over 5 Years</u></b>	<b><u>Total</u></b>
	<b>JD</b>	<b>JD</b>	<b>JD</b>	<b>JD</b>
Letters of credit	478,077,725	49,307,521	-	527,385,246
Acceptances	170,881,467	374,001	-	171,255,468
Unutilized limits	730,175,339	-	-	730,175,339
Letters of guarantees	225,064,598	23,684,292	451,299	249,200,189
<b>Total</b>	<b>1,604,199,129</b>	<b>73,365,814</b>	<b>451,299</b>	<b>1,678,016,242</b>
<b><u>As of 31 December 2023</u></b>				
Letters of credit	354,708,896	23,057,579	-	377,766,475
Acceptances	134,886,065	-	-	134,886,065
Unutilized limits	709,495,825	-	-	709,495,825
Letters of guarantees	195,461,451	34,477,978	157,781	230,097,210
<b>Total</b>	<b>1,394,552,237</b>	<b>57,535,557</b>	<b>157,781</b>	<b>1,452,245,575</b>

45/d. Climate Change Risks

The Bank integrates climate change into its strategies through four main pillars: governance, strategy, risk management, and metrics and objectives, aiming to achieve sustainable transformation and reduce environmental impacts.

The Bank identifies two main types of risks: physical risks arising from acute and chronic climate events, and transition risks associated with moving to a low-carbon economy due to changes in policies, technology, and consumer behavior.

These risks are managed proactively using scenarios from specialized bodies, under the supervision of the Risk Committee derived from the Board of Directors. The Bank has also established an institutional transition plan to measure and implement the impacts of climate change between 2024 and 2025.

The Bank relies on four pillars for managing climate transition: governance, strategy, risk management systems, and metrics and objectives, to ensure addressing climate challenges and achieving greater sustainability in its operations.

Alongside the requirements of the Amman Stock Exchange and the Central Bank of Jordan, the bank assesses climate impacts through forward-looking analysis to comply with climate-related disclosure standards.



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**46. Sectoral Analysis**

**A. Bank Activities Information:**

For management purposes, the Bank is organized into the following major business segments based on the reports used by the general manager and decision of the Bank through the following main business sectors :

- Individual accounts: This item includes following up on individual customer's deposits and granting them credit facilities, credit cards and other services.
- Small and Medium Enterprises Accounts: This item includes following up on the client's deposits and credit facilities. Moreover, these clients are classified based on the volume of the granted deposits and facilities according to the Bank's instructions and principles and in compliance with the regulatory bodies' instructions.
- Large Companies' Accounts: This item includes following up on the client's deposits and credit facilities. Moreover, these clients are classified based on the volume of the deposits and facilities according to the Bank's instructions and principles and in compliance with the regulatory bodies' instructions.
- Treasury: This item includes providing treasury and trading services and managing the Bank's funds and long-term investments at amortized costs, which are maintained to collect the contractual cash flows.
- Investments and Foreign Currencies Management: This item includes the Bank's local and foreign investments which are recorded at fair value, in addition to the foreign currencies trading / services.
- Others: This sector includes all the accounts not listed within the sectors mentioned above, such as shareholder's rights, investments in associates, property and equipment, general management, support management, and the treasury.
- The bank manages concentrations in the business sectors based on the instructions of the Central Bank in this regard, which stipulated that the customer concentration does not exceed 25% of the bank's regulatory capital.

The following table represents information on the Bank's business sectors:

						<b>For the Year Ended</b>
						<b>31 December 2024</b>
<b>Description</b>	<b>Individual</b>	<b>Corporates</b>	<b>SMEs</b>	<b>Treasury</b>	<b>Other</b>	<b>JD</b>
	<b>JD</b>	<b>JD</b>	<b>JD</b>	<b>JD</b>	<b>JD</b>	
Total Income	179,037,096	181,401,672	33,110,545	163,077,818	2,400,120	559,027,251
(Provision) Impairment of direct credit facilities and financing	(37,284,611)	(26,011,272)	(6,726,131)	1,369,054	-	(68,652,960)
Segments' results*	23,922,969	58,237,881	10,028,553	140,063,302	1,962,675	234,215,380
Expenses not allocated to sectors						(148,424,790)
<b>Operating profit</b>						<b>85,790,590</b>
The bank's share of the profits of an associate company						(16,863)
<b>Operating income before tax</b>						<b>85,773,727</b>
Income tax						(31,299,627)
<b>Income for the Year</b>						<b>54,474,100</b>
Capital Expenditures						28,276,731
Depreciation and Amortization						15,218,129

						<b>31 December 2024</b>
						<b>JD</b>
<b>Other Information</b>						
Segment Assets	1,886,314,788	2,140,897,524	385,302,196	3,563,182,472	-	7,975,696,980
Undistributed assets on segments	-	-	-	-	375,309,758	375,309,758
<b>Total Assets</b>	<b>1,886,314,788</b>	<b>2,140,897,524</b>	<b>385,302,196</b>	<b>3,563,182,472</b>	<b>375,309,758</b>	<b>8,351,006,738</b>
Segment Liabilities	4,105,568,689	1,732,814,326	864,502,749	703,496,164	-	7,406,381,928
Undistributed liabilities	-	-	-	-	251,815,169	251,815,169
<b>Total Liabilities</b>	<b>4,105,568,689</b>	<b>1,732,814,326</b>	<b>864,502,749</b>	<b>703,496,164</b>	<b>251,815,169</b>	<b>7,658,197,097</b>

						<b>For the Year Ended</b>
						<b>31 December 2023</b>
<b>Description</b>	<b>Individual</b>	<b>Corporates</b>	<b>SMEs</b>	<b>Treasury</b>	<b>Other</b>	<b>JD</b>
	<b>JD</b>	<b>JD</b>	<b>JD</b>	<b>JD</b>	<b>JD</b>	
Total Income	188,219,842	145,694,968	27,719,732	121,482,667	842,483	483,959,692
(Provision) Impairment of direct credit facilities and financing	(20,193,406)	(18,417,877)	(5,611,788)	2,302,376	-	(41,920,695)
Segments' results*	43,928,929	61,532,747	9,741,657	105,638,575	737,539	221,579,447
Expenses not allocated to sectors						(131,185,846)
<b>Operating profit</b>						<b>90,393,601</b>
The bank's share of the profits of an associate company						3,668
<b>Operating income before tax</b>						<b>90,397,269</b>
Income tax						(32,659,994)
<b>Income for the Year</b>						<b>57,737,275</b>
Capital Expenditures						24,523,711
Depreciation and Amortization						15,059,445

						<b>31 December 2023</b>
						<b>JD</b>
<b>Other Information</b>						
Segment Assets	1,773,810,436	1,987,934,937	332,071,235	2,999,808,996	-	7,093,625,604
Undistributed assets on segments	-	-	-	-	326,393,833	326,393,833
<b>Total Assets</b>	<b>1,773,810,436</b>	<b>1,987,934,937</b>	<b>332,071,235</b>	<b>2,999,808,996</b>	<b>326,393,833</b>	<b>7,420,019,437</b>
Segment Liabilities	3,722,139,453	1,493,897,342	688,301,806	628,528,816	-	6,532,867,417
Undistributed liabilities	-	-	-	-	223,550,836	223,550,836
<b>Total Liabilities</b>	<b>3,722,139,453</b>	<b>1,493,897,342</b>	<b>688,301,806</b>	<b>628,528,816</b>	<b>223,550,836</b>	<b>6,756,418,253</b>

\* The segment results item includes the results obtained for each business sector, which represents the total income after deducting the expected credit losses expense.

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**B - Geographical distribution information**

This note represents the geographical distribution of the Bank's business. The Bank mainly operates in the Kingdom. which represents local business.

The following is the distribution of the Bank's revenues. assets and capital expenditures by geographical sector:

	Inside Jordan		Outside Jordan		Total	
	2024	2023	2024	2023	2024	2023
	JD	JD	JD	JD	JD	JD
Total Income	522,476,094	461,423,600	36,551,157	22,536,092	559,027,251	483,959,692
Capital Expenditure	22,554,237	15,484,990	5,722,494	9,038,721	28,276,731	24,523,711
	Inside Jordan		Outside Jordan		Total	
	31 December		31 December		31 December	
	2024	2023	2024	2023	2024	2023
	JD	JD	JD	JD	JD	JD
Total Assets	7,446,631,828	6,740,981,035	904,374,910	679,038,402	8,351,006,738	7,420,019,437

**47. Capital Management**

- a. The capital adequacy ratio as of 31 December 2024, and 2023 has been calculated based on the Basel III Committee regulations, where the bank's regulatory capital consists of Common Equity Tier 1 (CET1), Additional Tier 1 capital, and Tier 2 capital.

b. **Regulatory Requirements Regarding Common Equity Capital**

The Central Bank of Jordan's regulations require that the minimum regulatory capital be equivalent to 12% of risk-weighted assets and off-balance-sheet items, as well as market and operational risks. Additionally, a 2% capital buffer is required in accordance with external branch regulations, along with an extra 0.5% buffer for banks classified as domestically systemically important banks. This percentage represents the minimum capital adequacy requirement, and the bank is committed to maintaining a capital adequacy ratio that exceeds the minimum threshold with an appropriate margin, in line with the requirements of Basel III.

c. **How to Achieve Capital Management Objectives**

Capital management involves the optimal utilization of financial resources to achieve the highest possible return on capital while maintaining an acceptable level of risk, as approved by the Board of Directors, and complying with the minimum requirements set by laws and regulations. The bank follows a strategy aimed at minimizing the Cost of Funds by securing low-cost funding sources, expanding its customer base, and efficiently deploying these resources in low-risk investments to maximize returns on capital.

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**d. Capital Adequacy**

In addition to subscribed capital, capital includes the statutory reserve, voluntary reserve, share premium, retained earnings, cumulative change in fair value, general banking risk reserve and treasury stocks.

The Bank is committed to applying the requirements set forth by regulators concerning capital, as follows:

- 1- Central Bank of Jordan instructions that capital adequacy ratio should not be less than 12% in addition to a 2% additional reserve according to the external branching instructions and an additional reserve of 0.5% for banks classified as locally systemically important banks.
- 2- Compliance with the minimum limit set for the paid capital of Jordanian Banks, which should not be less than JD 100 million.
- 3- The Bank's investments in stocks and shares should not exceed 50% of subscribed capital.
- 4- The ratio of credit limits "credit concentration" to regulatory capital.
- 5- Banks and Companies' laws related to the deduction of the legal reserve at a rate of 10% of the Bank's profit before tax.

	<b>31 December</b>	
	<b>2024</b>	<b>2023</b>
	<b>JD</b>	<b>JD</b>
Common Equity Shareholders Rights		
Authorized and paid-up capital	200,000,000	200,000,000
Retained earnings after deducting expected dividends	49,774,670	45,411,367
The cumulative change in fair value	1,315,151	2,693,754
Share premium	68,213,173	68,213,173
Statutory reserve	94,105,047	85,321,596
Voluntary reserve	62,376,599	57,172,423
Recognizable non-controlling interests	65,703,289	57,478,118
<b>Total Equity capital for common stock</b>	<b>541,487,929</b>	<b>516,290,431</b>
Regulatory Adjustments (deductions from Capital)		
Goodwill and intangible assets	(29,629,198)	(28,532,909)
Deferred tax assets resulting from investments within Tier 1 (10%)	(45,261,019)	(37,416,374)
<b>Net Equity of common stockholders</b>	<b>466,597,712</b>	<b>450,341,148</b>
Additional capital		
Recognizable non-controlling interests	11,594,698	10,143,197
Perpetual bonds	70,900,000	70,900,000
<b>Total Capital (Tier 1 capital)</b>	<b>549,092,410</b>	<b>531,384,345</b>
Tier 2 Capital		
Capital provision for debts instruments tools listed in Tier 1	22,703,341	15,280,504
Recognizable non-controlling shareholders	15,459,597	13,524,263
Financial tools issued by the Bank that bear supporting capital	47,515,000	51,775,000
<b>Total Supporting Capital</b>	<b>85,677,938</b>	<b>80,579,767</b>
<b>Total Regulatory Capital</b>	<b>634,770,348</b>	<b>611,964,112</b>
<b>Total Risk Weighted Assets</b>	<b>4,342,932,637</b>	<b>4,083,424,049</b>
<b>Capital Adequacy Ratio</b>	<b>14.62%</b>	<b>14.99%</b>
<b>Primary Capital Adequacy Ratio</b>	<b>12.64%</b>	<b>13.01%</b>
<b>Supporting Capital Adequacy Ratio</b>	<b>1.97%</b>	<b>1.97%</b>
	<b>2024</b>	<b>2023</b>
	<b>JD</b>	<b>JD</b>
Financial leverage rate		
Tier 1 Capital	549,092,410	531,384,345
Total assets in and out of the statement of financial positions after removing deductible items from Tier 1	9,303,239,180	8,129,292,079
Financial leverage rate	<b>5.90%</b>	<b>6.54%</b>

Capital adequacy was calculated as of 31 December 2024 and 31 December 2023 based on the instruction of Basel Committee III.

**Liquidity Coverage Ratio (LCR):**

	<b>31 December</b>	
	<b>2024</b>	<b>2023</b>
	<b>JD</b>	<b>JD</b>
Total high quality liquid assets	2,393,506,812	2,020,674,210
Total high-quality liquid assets after deducting and subtracting cap adjustments		
For both Level 2 (A) and (B) assets	2,369,977,194	1,986,819,408
<b>Net cash outflow</b>	<b>862,247,704</b>	<b>858,979,314</b>
Liquidity Coverage Ratio (LCR)	<b>274.86%</b>	<b>231.30%</b>
The liquidity coverage ratio is according to the average end of each month	<b>265.04%</b>	<b>207.38%</b>

**Net Stable Funding Ratio (NSFR):**

	<b>31 December</b>	
	<b>2024</b>	<b>2023</b>
Total available stable funding (after the available stable funding factor)	6,341,133	5,717,329
Total required stable funding	4,318,459	3,949,253
<b>Net Stable Funding Ratio (NSFR)</b>	<b>146.84%</b>	<b>144.77%</b>

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**48. Analysis of the Maturities of Assets and Liabilities**

The following table illustrates the assets and liabilities according to the expected maturity periods:

	Up to 1 Year	Over 1 Year	Total
	JD	JD	JD
<b>31 December 2024</b>			
<b>Assets:</b>			
Cash and balances at central banks	912,773,898	-	912,773,898
Balances at banks and financial institutions	487,712,257	-	487,712,257
Deposits at banks and financial institutions	17,709,822	-	17,709,822
Direct credit facilities and financing - net	1,364,833,793	3,197,982,285	4,562,816,078
Financial assets at fair value through Statement of Income	18,663,543	-	18,663,543
Financial assets at fair value through statement of other comprehensive income	-	119,651,740	119,651,740
Financial assets at amortized cost - net	719,361,439	1,136,552,013	1,855,913,452
Right of use assets- net	4,560,567	25,275,387	29,835,954
Investments in associates	332,759	-	332,759
Property and equipment- net	-	87,259,347	87,259,347
Intangible assets- net	-	29,629,198	29,629,198
Deferred tax assets	45,261,019	-	45,261,019
Other assets- net	183,447,671	-	183,447,671
<b>Total Assets</b>	<b>3,754,656,768</b>	<b>4,596,349,970</b>	<b>8,351,006,738</b>
<b>Liabilities:</b>			
Banks and financial institutions deposits	357,199,782	-	357,199,782
Customers' deposits	6,406,677,540	-	6,406,677,540
Margin accounts	215,590,147	159,365,762	374,955,909
Borrowed funds	3,532,163	217,241,364	220,773,527
Subordinated loan	-	60,295,000	60,295,000
Sundry provisions	1,421,646	-	1,421,646
Income tax provision	36,048,153	-	36,048,153
Lease liabilities	2,754,056	28,074,805	30,828,861
Deferred tax liability	945,800	-	945,800
Other liabilities	166,507,327	2,543,552	169,050,879
<b>Total Liabilities</b>	<b>7,190,676,614</b>	<b>467,520,483</b>	<b>7,658,197,097</b>
<b>Net</b>	<b>(3,436,019,846)</b>	<b>4,128,829,487</b>	<b>692,809,641</b>

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	Up to 1 Year JD	Over 1 Year JD	Total JD
<b>31 December 2023</b>			
<b>Assets:</b>			
Cash and balances at central banks	736,205,982	-	736,205,982
Balances at banks and financial institutions	371,943,707	-	371,943,707
Deposits at banks and financial institutions	8,082,419	6,000,000	14,082,419
Direct credit facilities and financing - net	1,251,404,593	2,993,506,831	4,244,911,424
Financial assets at fair value through Statement of Income	26,229,319	-	26,229,319
Financial assets at fair value through statement of other comprehensive income	-	66,658,121	66,658,121
Financial assets at amortized cost - net	321,935,737	1,311,879,089	1,633,814,826
Right of use assets- net	2,747,053	27,691,017	30,438,070
Investments in associates	349,622	-	349,622
Property and equipment- net	-	76,211,079	76,211,079
Intangible assets- net	-	28,532,909	28,532,909
Deferred tax assets	37,416,374	-	37,416,374
Other assets- net	153,151,382	74,203	153,225,585
<b>Total Assets</b>	<b>2,909,466,188</b>	<b>4,510,553,249</b>	<b>7,420,019,437</b>
<b>Liabilities:</b>			
Banks and financial institutions deposits	305,250,220	6,000,000	311,250,220
Customers' deposits	5,574,307,562	77,045,456	5,651,353,018
Margin accounts	162,893,804	166,766,630	329,660,434
Borrowed funds	5,999,413	184,406,979	190,406,392
Subordinated loan	-	60,295,000	60,295,000
Sundry provisions	525,787	-	525,787
Income tax provision	30,872,484	-	30,872,484
Lease liabilities	2,353,829	28,744,587	31,098,416
Deferred tax liability	20,282	-	20,282
Other liabilities	148,392,668	2,543,552	150,936,220
<b>Total Liabilities</b>	<b>6,230,616,049</b>	<b>525,802,204</b>	<b>6,756,418,253</b>
<b>Net</b>	<b>(3,321,149,861)</b>	<b>3,984,751,045</b>	<b>663,601,184</b>

**49. Contingent Liabilities and Commitments**

**a. Credit liabilities and commitments:**

The details of this item are as follows:

	31 December	
	2024	2023
	JD	JD
Letters of credit	527,385,246	377,766,475
Acceptances	171,255,468	134,886,065
Letters of guarantees:		
- Payments	64,669,529	66,849,149
- Performance	105,145,960	94,941,945
- Other	79,384,700	68,306,116
Futures currency contracts	127,720,001	62,503,548
Un-utilized Limits of Credit Facilities and Financing	730,175,339	709,495,825
<b>Total</b>	<b><u>1,805,736,243</u></b>	<b><u>1,514,749,123</u></b>

**b. Contractual Obligations:**

The details of this item are as follows:

	31 December	
	2024	2023
	JD	JD
Property and equipment purchase contracts	9,883,954	6,379,137
Intangible assets purchase contracts	4,085,620	5,129,836

**50. Lawsuits against the Bank**

The total cases filed against the Group amounted to JD 4,606,218 as of 31 December 2024 (JD 2,354,730 as of 31 December 2023), and the provisions prepared for them amounted to JD 1,001,213 as of 31 December 2024 ( JD 302,182 as of 31 December 2023) and according to the estimation of the bank management and the consultant It is legal that the allocations deducted for these cases are sufficient.

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**51. Fair Value Hierarchy**

a. The fair value of financial assets and financial liabilities of the Bank specified at fair value on an ongoing basis:

Some financial assets and liabilities of the Bank are evaluated at fair value at the end of each financial period. The following table shows the information about how to determine the fair value of these financial assets and liabilities (evaluation methods and inputs used):

	Fair Value		The Level of	Evaluation Method and Inputs used	Important Intangible Inputs	Relation between the Fair Value and the Important Intangible Inputs
	31 December					
	2024 JD	2023 JD				
<u>Financial Assets</u>						
<b>Financial Assets at Fair Value</b>						
Financial Assets at Fair Value through Statement of Income:						
Government bonds listed on financial markets	2,595,510	2,795,239	Level 1	Quoted prices in financial markets	N/A	N/A
Corporate bonds listed on financial markets	1,220,338	1,022,642	Level 1	Quoted prices in financial markets	N/A	N/A
Corporate shares listed on financial market	2,286,096	9,965,008	Level 1	Quoted prices in financial markets	N/A	N/A
Investment funds	12,561,599	12,446,430	Level 2	The treasury manager evaluation of fair value	N/A	N/A
Total	<b>18,663,543</b>	<b>26,229,319</b>				
<b>Financial Assets at Fair Value through Other Comprehensive Income:</b>						
Quoted Shares in active markets	28,472,247	31,866,382	Level 1	Quoted prices in financial markets	N/A	N/A
Corporate bonds listed on financial markets	45,515,882	-	Level 1	Quoted prices in financial markets	N/A	N/A
Investment funds	26,360,195	19,632,260	level 2	The treasury manager evaluation of fair value	N/A	N/A
				Through using equity method and based on the latest available financial information		
Unquoted Shares in active markets	19,367,863	15,159,479	Level 3		N/A	N/A
Total	<b>119,716,187</b>	<b>66,658,121</b>				
Total Financial Assets at Fair Value	<b>138,379,730</b>	<b>92,887,440</b>				

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

The movement financial assets classification fair value through (level 3):

	For the year ended 31 December	
	2024	2023
	JD	JD
Beginning balance	15,159,479	15,601,160
Additional	2,364,944	2,111,468
Disposal	(223,590)	-
Change in fair value	2,067,030	(2,553,149)
Total	<b>19,367,863</b>	<b>15,159,479</b>



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**b. The fair value of the financial assets and financial liabilities of the Bank non-specific fair value on an ongoing basis:**

Except for what is set out in the table below, we believe that the carrying amount of financial assets and liabilities shown in the consolidated financial statements of the Bank approximates their fair value:

	31 December 2024		31 December 2023		The level of Fair Value
	Book value	Fair value	Book value	Fair value	
	JD	JD	JD	JD	
Financial Assets of Non-specified Fair Value					
Term deposits, call accounts and certificate of deposits at the Central Bank	341,100,000	341,123,901	172,500,000	172,646,479	Level 2
Current accounts, and balances at Banks and Financial Institutions	505,422,079	506,003,564	386,026,126	386,391,285	Level 2
Direct credit facilities at amortized costs	4,562,816,078	4,568,788,193	4,244,911,424	4,250,588,835	Level 2
Other financial assets at amortized costs	1,855,913,452	1,884,048,905	1,633,814,826	1,654,472,456	Level 2
<b>Total Financial Assets of Non-specified Fair Value</b>	<b>7,265,251,609</b>	<b>7,299,964,563</b>	<b>6,437,252,376</b>	<b>6,464,099,055</b>	
Financial Liabilities of Non-specified Fair Value					
Banks' and Financial Institutions' deposits	357,199,782	359,012,968	311,250,220	312,020,823	Level 2
Customers' deposits	6,406,677,540	6,468,007,257	5,651,353,018	5,708,140,738	Level 2
Margin accounts	374,955,909	375,928,974	329,660,434	330,258,548	Level 2
Borrowed funds	220,773,527	221,164,373	190,406,392	190,875,472	Level 2
Subordinated loans	60,295,000	61,449,661	60,295,000	61,429,028	
<b>Total Financial Liabilities of Non-specified Fair Value</b>	<b>7,419,901,758</b>	<b>7,485,563,233</b>	<b>6,542,965,064</b>	<b>6,602,724,609</b>	

The fair value of the financial assets and liabilities for level 2 was determined in accordance with agreed pricing models, which reflect the credit risk of the parties dealt with.

**52. Other Information**

Regarding the merger discussions with the Jordan Kuwait Bank, the Board of Directors of the Bank decided in its meeting held on 25 September 2024, to amicably terminate these discussions without reaching a final agreement. Consequently, both Bank al Etihad and Jordan Kuwait Bank will continue to focus on implementing their independent growth strategies and executing their future plans separately.

### **53. Standards Issued But Not Yet Effective**

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

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

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

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

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

The Bank is working on identifying all the effects of the amendments on the consolidated financial statements and the accompanying notes.

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

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

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

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

**Lack of exchangeability – Amendments to IAS 21**

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

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

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

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

In April 2024, the IASB issued IFRS 18, which replaces IAS 1 Presentation of Financial Statements. IFRS 18 introduces new requirements for presentation within the statement of profit or loss, including specified totals and subtotals. Furthermore, entities are required to classify all income and expenses within the statement of profit or loss into one of five categories: operating, investing, financing, income taxes and discontinued operations, whereof the first three are new. It also requires disclosure of newly defined management-defined performance measures, subtotals of income and expenses, and includes new requirements for aggregation and disaggregation of financial information based on the identified 'roles' of the primary financial statements (PFS) and the notes.

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

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

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

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

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

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

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

**54. Comparative Figures**

The reclassification of certain figures in the consolidated financial statements for 2023 has been made to align with the presentation of figures in the consolidated financial statements for 2024. The reclassification did not result in any impact on the loss or equity for 2023.