

CAIRO AMMAN BANK

(PUBLIC SHAREHOLDING LIMITED COMPANY)

INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

30 JUNE 2025

**REPORT ON REVIEW OF INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS
TO THE BOARD OF DIRECTORS OF CAIRO AMMAN BANK
AMMAN – THE HASHEMITE KINGDOME OF JORDAN**

Introduction

We have reviewed the accompanying interim condensed consolidated financial statements of Cairo Amman Bank (Public Shareholding Limited Company) and its subsidiaries (the Bank) as of 30 June 2025, comprising the interim condensed consolidated statement of financial position as of 30 June 2025 and the related interim condensed consolidated income statement, interim condensed consolidated statement of comprehensive income, interim condensed consolidated statement of changes in equity and interim condensed consolidated statement of cash flows for the six months period then ended and explanatory notes. Management is responsible for the preparation and presentation of these interim condensed consolidated financial statements in accordance with IAS 34 (Interim Financial Reporting). Our responsibility is to express a conclusion on these interim condensed consolidated financial statements based on our review.

Scope of review

We conducted our review in accordance with the International Standard on Review Engagements 2410, "Review of Interim Financial Information Performed by the Independent Auditor of the Entity". A review of interim financial information consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with International Standards on Auditing and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

Conclusion

Based on our review, nothing has come to our attention that causes us to believe that the accompanying interim condensed consolidated financial statements are not prepared, in all material respects, in accordance with International Accounting Standard 34.

Amman – Jordan
31 July 2025

ERNST & YOUNG
Amman - Jordan

CAIRO AMMAN BANK – PUBLIC SHAREHOLDING LIMITED COMPANY
INTERIM CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION
AS AT 30 JUNE 2025

	Notes	30 June 2025 JD (Reviewed not audited)	31 December 2024 JD (Audited)
<u>Assets</u>			
Cash and balances at Central Banks - net	4	380,501,251	367,648,318
Balances at banks and financial institutions - net	5	130,370,001	109,359,074
Deposits at banks and financial institutions - net	6	19,851,501	31,941,380
Financial assets at fair value through income statement	7	10,499,840	9,554,285
Financial assets at fair value through other comprehensive income statement - net	8	149,933,838	133,519,239
Financial assets at amortized cost-net	9	926,528,649	862,230,666
Direct credit facilities - net	10	2,190,710,185	2,246,135,972
Property and equipment - net		41,374,059	43,137,654
Intangible assets – net		7,754,014	7,629,845
Right of use assets - net		19,068,244	17,323,698
Deferred tax assets	14	17,911,475	17,971,220
Other assets	11	96,135,555	71,467,991
Total Assets		3,990,638,612	3,917,919,342
<u>Liabilities and Equity</u>			
<u>Liabilities</u>			
Banks and financial institutions' deposits		355,161,075	347,855,359
Customers' deposits	12	2,514,470,665	2,480,501,707
Cash margins		86,966,363	100,040,987
Borrowed funds	13	376,637,192	350,188,609
Subordinated loans		18,540,350	18,540,350
Sundry provisions		13,745,290	13,853,811
Income tax provision	14	16,032,359	9,397,672
Lease liabilities		19,827,608	17,942,924
Deferred tax liabilities	14	7,908,449	5,631,932
Other liabilities	15	76,903,020	83,501,687
Total Liabilities		3,486,192,371	3,427,455,038
<u>Equity</u>			
<u>Bank's Shareholders Equity</u>			
Authorized and paid-in capital		200,000,000	200,000,000
Statutory reserve		97,418,830	97,418,830
General banking risk reserve		6,174,583	6,174,583
Cyclical fluctuations reserve		11,526,630	11,526,630
Fair value reserve-net	16	71,289,248	59,124,709
Foreign currencies translation reserve		(1,584,070)	(1,584,070)
Retained earnings excluding profit for the period	17	88,391,474	100,391,474
Profits for the period attributable to the bank's shareholders		14,038,059	-
Total Bank's Shareholders' Equity		487,254,754	473,052,156
Non-controlling interest		17,191,487	17,412,148
Total Equity		504,446,241	490,464,304
Total Liabilities and Equity		3,990,638,612	3,917,919,342

The accompanying notes from no. (1) to no. (31) form part of these interim condensed consolidated financial statements

CAIRO AMMAN BANK – PUBLIC SHAREHOLDING LIMITED COMPANY
INTERIM CONDENSED CONSOLIDATED INCOME STATEMENT
FOR THE THREE & SIX MONTHS ENDED 30 JUNE 2025 (REVIEWED NOT AUDITED)

	Notes	For the three months ended 30 June		For the six months ended 30 June	
		2025	2024	2025	2024
		JD	JD	JD	JD
Interest income	18	56,062,922	61,784,342	113,805,673	123,196,038
Interest expense	19	(26,147,472)	(28,724,091)	(52,301,903)	(57,473,751)
Net interest income		29,915,450	33,060,251	61,503,770	65,722,287
Net commission income		3,318,220	4,090,504	6,696,541	7,850,493
Net interest and commission income		33,233,670	37,150,755	68,200,311	73,572,780
Gain from foreign currencies		2,350,675	1,835,995	3,992,893	3,552,223
Gain from financial assets at fair value through income statement	20	1,593,786	9,249	2,552,487	208,906
Dividends from financial assets at fair value through other comprehensive income	8	1,646,396	4,843,950	6,270,040	5,137,133
Other revenues		939,073	1,137,382	1,768,897	3,289,497
Gross profit		39,763,600	44,977,331	82,784,628	85,760,539
Employees' expenses		11,660,251	12,227,092	23,854,545	24,433,096
Depreciation and amortization		2,214,016	2,021,233	4,315,960	3,928,903
Other expenses		12,108,749	11,647,896	25,324,222	22,549,837
Provision for expected credit losses	21	4,050,582	21,512,622	6,595,583	30,398,509
Impairment of repossessed assets provision		-	-	-	6,781
Sundry provisions		250,000	210,000	325,000	310,000
Total expenses		30,283,598	47,618,843	60,415,310	81,627,126
Profit for the period before tax		9,480,002	(2,641,512)	22,369,318	4,133,413
Income tax (expense) refund	14	(3,029,019)	3,835,103	(8,551,920)	795,744
Profit for the period		6,450,983	1,193,591	13,817,398	4,929,157
Attributable to:					
Bank's shareholders		6,697,003	2,209,770	14,038,059	6,723,156
Non-controlling interest		(246,020)	(1,016,179)	(220,661)	(1,793,999)
Profit for the period		6,450,983	1,193,591	13,817,398	4,929,157
		<u>JD/Fills</u>	<u>JD/Fills</u>	<u>JD/Fills</u>	<u>JD/Fills</u>
Basic and diluted earnings per share from profit for the period	22	<u>0/033</u>	<u>0/011</u>	<u>0/07</u>	<u>0/034</u>

The accompanying notes from no. (1) to no. (31) form part of these interim condensed consolidated financial statements

CAIRO AMMAN BANK – PUBLIC SHAREHOLDING LIMITED COMPANY
INTERIM CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME
FOR THE THREE & SIX MONTHS ENDED 30 JUNE 2025 (REVIEWED NOT AUDITED)

	For the three months ended 30 June		For the six months ended 30 June	
	2025	2024	2025	2024
	JD	JD	JD	JD
Profit for the period	6,450,983	1,193,591	13,817,398	4,929,157
Other comprehensive income items:				
Items which will not be transferred subsequently to the interim condensed consolidated statement of income:				
Change in net fair value reserve after tax	10,728,688	690,177	12,164,539	15,392,833
Total comprehensive income for the period	17,179,671	1,883,768	25,981,937	20,321,990
Total Comprehensive income for the period attributable to:				
Bank's shareholders	17,425,691	2,899,947	26,202,598	22,115,989
Non-controlling interest	(246,020)	(1,016,179)	(220,661)	(1,793,999)
Total comprehensive Income for the period	17,179,671	1,883,768	25,981,937	20,321,990

CAIRO AMMAN BANK – PUBLIC SHAREHOLDING LIMITED COMPANY
INTERIM CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
FOR THE SIX MONTHS ENDED 30 JUNE 2025 (REVIEWED NOT AUDITED)

	Authorized and paid in capital	Statutory reserve	General banking risk reserve*	Cyclical fluctuations reserve	Fair value reserve net	Foreign currencies translation reserve	Retained earnings excluding profit for the period	Profit for the period attributable to the banks' shareholders'	Total banks' shareholders' equity	Non- controlling interest	Total owners' equity
	JD	JD	JD	JD	JD	JD	JD	JD	JD	JD	JD
For the six months ended 30 June 2025											
Balance at the beginning of the period	200,000,000	97,418,830	6,174,583	11,526,630	59,124,709	(1,584,070)	100,391,474	-	473,052,156	17,412,148	490,464,304
Total comprehensive income for the period	-	-	-	-	12,164,539	-	-	14,038,059	26,202,598	(220,661)	25,981,937
Cash dividends distributed to shareholders (note 17)	-	-	-	-	-	-	(12,000,000)	-	(12,000,000)	-	(12,000,000)
Balance at the end of the period	200,000,000	97,418,830	6,174,583	11,526,630	71,289,248	(1,584,070)	88,391,474	14,038,059	487,254,754	17,191,487	504,446,241
For the six months ended 30 June 2024											
Balance at the beginning of the period	190,000,000	95,868,196	6,174,583	11,526,630	27,494,289	(1,584,070)	108,402,893	-	437,882,521	20,078,545	457,961,066
Total comprehensive income for the period	-	-	-	-	15,392,833	-	-	6,723,156	22,115,989	(1,793,999)	20,321,990
Increase in capital (note 17)	10,000,000	-	-	-	-	-	(10,000,000)	-	-	-	-
Capital increase expenses	-	-	-	-	-	-	(80,312)	-	(80,312)	-	(80,312)
Cash dividends distributed to shareholders (note 17)	-	-	-	-	-	-	(13,300,000)	-	(13,300,000)	-	(13,300,000)
Balance at the end of the period	200,000,000	95,868,196	6,174,583	11,526,630	42,887,122	(1,584,070)	85,022,581	6,723,156	446,618,198	18,284,546	464,902,744

* The general banking risk reserve and the negative balance of the fair value reserve are restricted from use without prior approval from the Central Bank of Jordan.

* This item represents amounts transferred to the reserves and is related to items at the banks' branches in Palestine.

- As of 30 June 2025, the restricted retained earnings balance resulting from the early implementation of International Financial Reporting Standard no. (9) amounted to JD 12,669,542.

- The retained earnings balance includes deferred tax assets amounting to JD 17,911,475 and is restricted from use in accordance with the instructions of the Central Bank of Jordan.

- The Bank is restricted from using JD 1,155,916 which represents the remaining balance of the general banking risk reserve included in retained earnings in accordance with the instructions of the Central Bank of Jordan.

CAIRO AMMAN BANK – PUBLIC SHAREHOLDING LIMITED COMPANY
INTERIM CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS
FOR THE SIX MONTHS ENDED 30 JUNE 2025 (REVIEWED NOT AUDITED)

		For the six months ended 30 June	
	Notes	2025	2024
		JD	JD
<u>Operating Activities</u>			
Profit for the period before tax		22,369,318	4,133,413
Adjustments:			
Depreciation and amortization		5,965,179	5,900,157
Provision for expected credit losses	21	6,595,583	30,398,509
Sundry provisions		982,324	1,346,134
Interest expense on lease contracts		405,552	434,696
(Gain) loss from valuation of financial assets at fair value through income statement	20	(1,725,812)	446,627
Dividends from financial assets at fair value through other comprehensive income	8	(6,270,040)	(5,137,133)
Loss from sale of property and equipment		40,192	895
Loss (gain) from sale of repossessed assets		23,118	(360,137)
Provisions for impairment of repossessed assets		-	6,781
Effect of exchange rate changes on cash and cash equivalents		(3,901,248)	(3,463,942)
Cash flow from operating activities before changes in net assets		24,484,166	33,706,000
Deposits at banks and financial institutions		12,073,008	40,098,743
Financial assets at fair value through income statement		780,257	(79,313)
Direct credit facilities		51,941,772	(13,218,597)
Other assets		(26,192,899)	(8,957,603)
Banks and financial institution' deposits (with maturity date exceeding 3 months)		379,315	(30,333,230)
Customers deposits		33,968,958	(13,428,846)
Cash margins		(13,074,624)	19,718,143
Other liabilities		(7,850,330)	(2,700,860)
Net cash flows from operating activities before income tax and provisions paid		76,509,623	24,804,437
Income tax paid	14	(1,857,487)	(14,351,195)
Provisions paid		(1,090,845)	(2,127,119)
Net cash flows from operating activities		73,561,291	8,326,123
<u>Investing Activities</u>			
(Purchase) of financial assets at fair value through other comprehensive income		(5,163,420)	(1,756,333)
Sale of financial assets at fair value through other comprehensive income		3,189,238	272,950
(Purchase) of other financial assets at amortized cost		(192,079,772)	(187,151,005)
Maturity of other financial assets at amortized cost		127,608,890	135,524,882
Dividends from financial assets at fair value through other comprehensive income	8	6,270,040	5,137,133
(Purchase) of property and equipment		(1,696,139)	(2,164,596)
Sale of property and equipment		118,840	-
(Purchase) of intangible assets		(1,139,427)	(837,184)
Net cash flows used in investing activities		(62,891,750)	(50,974,153)
<u>Financing Activities</u>			
Increase in borrowed funds		60,692,341	125,597,812
(Settled from) borrowed funds		(34,243,758)	(55,949,279)
Lease contracts payments		(1,891,548)	(2,730,464)
Capital increase expenses		-	(80,312)
Dividends distributed to shareholders	17	(12,000,000)	(13,300,000)
Net cash flows from financing activities		12,557,035	53,537,757
Effect of exchange rate changes on cash and cash equivalents		3,901,248	3,463,942
Net increase in cash and cash equivalents		27,127,824	14,353,669
Cash and cash equivalents at the beginning of the period		173,122,686	221,259,732
Cash and cash equivalents at the end of the period	23	200,250,510	235,613,401

The accompanying notes from no. (1) to no. (31) form part of these interim condensed consolidated financial statements.

(1) General

Cairo Amman Bank was established in 1960 and was registered as a public shareholding company headquartered in Amman – the Hashemite Kingdom of Jordan, in accordance with the laws and regulations issued by the Ministry of Justice. The bank's conditions are in compliance with the Jordanian Companies Law No. (12) for the year 1964.

The Bank provides its banking and financial services through its headquarter office in Amman city and its branches in the kingdom amounting to 100 branches, 22 branches in Palestine, one in Bahrain, and through its subsidiaries.

The Banks' authorized and paid-in-capital is equal to 200,000,000 JD/share as of 30 June 2025.

The Bank's shares are listed on the Amman Stock Exchange.

The Bank's Board of Directors approved the interim condensed consolidated financial statements on 31 July 2025.

(2) Basis of preparation and material accounting policies

Basis of Preparation of the Interim Condensed Consolidated Financial Statements:

The accompanying interim condensed consolidated financial statements have been prepared in accordance with the International Accounting Standard IAS 34 "Interim Financial Reporting" and it's in compliance with the requirements of the Central Bank of Jordan.

The interim condensed consolidated financial statements are prepared on the historical cost basis except for financial assets and financial liabilities which have been measured at fair value at the date of the interim condensed consolidated financial statements.

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

The condensed interim consolidated financial statements do not include all the information and disclosures required for full annual financial statements prepared in accordance with International Financial Reporting Standards and should be read in conjunction with the Bank's annual report as of 31 December 2024. Furthermore, the business results for the six months ended 30 June 2025, do not necessarily indicate the expected results for the year ending 31 December 2025. Also, the allocation of the period's profits for the six months ended 30 June 2025, which is carried out at the end of the fiscal year.

CAIRO AMMAN BANK – PUBLIC SHAREHOLDING LIMITED COMPANY
NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS
30 JUNE 2025 (REVIEWED NOT AUDITED)

The interim condensed consolidated financial statements comprise of the financial statements of the Bank and the subsidiaries controlled by the Bank. As of 30 June 2025, the Bank owns the following subsidiaries:

Company's Name	Paid-in Capital (JD)	Ownership Percentage %	Industry	Location	Acquisition Date
			Brokerage and investment management	Jordan	1992
Al-Watanieh Financial Services Company	6,500,000	100			
Al-Watanieh Securities Company	1,600,000	100	Brokerage	Palestine	1995
Tamallak for Financial Leasing Company	8,000,000	100	Finance Leasing	Jordan	2013
Safa Bank	45,231,826	59.956	Islamic Banking	Palestine	2016

Control is achieved when the Bank has rights to variable returns from its involvement with the investee and has the ability to affect those returns through its power over the investee.

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

When the Bank has less than a majority of the voting or similar rights of an investee, therefore, the Bank considers all relevant facts and circumstances in assessing whether it has power over an investee, including:

- The contractual arrangement(s) with the other vote holders of the investee.
- Rights arising from other contractual arrangements.
- The Group's current voting rights and potential voting rights.

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

Consolidation of a subsidiary begins when the Bank obtains control over the subsidiary and ceases when the Bank loses control of the subsidiary. Revenues and expenses of a subsidiary are consolidated in the interim condensed consolidated financial statements from the date the Bank gains control until the date the Bank ceases to control the subsidiary.

Profit or loss and each component of other comprehensive income (OCI) are attributed to the shareholder's rights of the parent Company and to the non-controlling interests, even if this results in the non-controlling interests having a deficit balance. And if necessary, adjustments are made to the financial statements of subsidiaries to bring their accounting policies to be in line with the Bank's accounting policies. Assets and liabilities, equity, revenues, expenses, profit and losses relating to transactions between the Bank and its subsidiaries are fully eliminated at consolidation.

Changes in accounting policies

The accounting policies used in the preparation of the interim condensed consolidated financial statements are consistent with those used in the preparation of the annual consolidated financial statements for the year ended 31 December 2024 except for the adoption of new amendments on the standards effective as of 1 January 2025 shown below:

Lack of exchangeability – Amendments to IAS 21

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 financial statements.

(3) Accounting Estimate

The preparation of the interim condensed 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 interim condensed statement of comprehensive income. In particular, considerable judgment by management is required in the estimation of the amount and timing of future cash flows. These mentioned estimates based on assumptions and multiple factors with varying degrees of uncertainty, and actual results may differ from the estimates due to changes in future circumstances and the management believes that the accounting estimates used in the condensed interim financial statements are reasonable.

The Bank's management believes that its estimates within the interim condensed consolidated financial statements are reasonable and consistent with those estimates used in the preparation of the consolidated financial statement for the year 2024.

A. EXPECTED CREDIT LOSS FOR FINANCIAL INSTRUMENTS AT AMORTIZED COST:

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. Most important judgments and estimates used are as the following:

The Bank's definition of default and default handling mechanism.

Definition of default:

The Bank has adopted the definition of default according to the instructions for applying the International Financial Reporting Standard 9 No.13/2018 in addition to the Central Bank's instructions No. 8/2024, and any debt instrument among the bad debts in case:

- It resulted in dues equal to or greater than (90) days.
- Provides evidence that it has become distressed (irregular), and if one or more of the qualitative indicators are met

Default handling mechanism:

The Bank monitors accounts before they reach the non-performance stage through designated departments and when accounts are classified as non-performing, they are monitored through the credit department before the initiation of legal procedures in case no final settlement with the customer has been reached. The Bank takes adequate provisions for those accounts in accordance with the instructions of the Central Bank of Jordan and the control authorities.

The Bank's internal credit rating system and its working mechanism:

- Corporate portfolio:

It is an internal rating system for comprehensively assessing and measuring the risks of banks, financial institutions, sovereign investments, and clients of large and medium companies.

The Bank uses the (Creditlens) System developed by (Moody's) to measure the risk rating of customers within (7) grades for the performing accounts and within (3) grades for the non-performing accounts in accordance with the instructions of the Central Bank of Jordan. The probability of default (PD) increases as risk rating increases. Three segments are adopted at each grade for performing loans - with the exception of grade (1) where grade (1) is the best and grade (10) is the worst, Where the client's risk degree linked to the client's probability of default (PD) is extracted based on financial and objective data, and the probability of default is extracted for the client's facilities through (Facility Rating).

Retail portfolio:

The portfolio of individuals is classified by adopting programs with common characteristics for the clients granted through each program according to the nature of the purpose of the product (personal, housing, cars, etc.), according to the employer (Public sector, private sector) and the nature of hiring, job, and other relevant factors.

The conditions of the programs are also determined based on the historical performance of each program in terms of grants, defaults and collections, and those programs are reviewed periodically, and their conditions are updated based on their performance.

The approved mechanism for calculating expected credit losses (ECL).

The Bank has adopted (Moody's) system for calculating expected credit losses where the calculation is made by specialized systems for the corporate and retail portfolios after taking into consideration the client's level of risk and probability of default and assessment of collaterals this was applied for Jordan branches, foreign branches and the subsidiaries.

The calculation for each stage is as follows:

- Stage (1): the expected credit losses are calculated within the next 12 months from the date of preparing the financial statements for debt instruments within this phase and in which there has not been a significant increase in its credit risk since the initial recognition of the exposure / instrument, or that it has a low credit risk at the date of preparing the financial statements.
- Stage (2): Expected credit losses are calculated for the entire life of the debt instrument during the remaining period of the life of the debt instrument for debt instruments that fall within this stage and for which there has been a significant increase in its credit risk since its initial recognition, but it has not reached the default stage.

Several determinants have been adopted as an indicator of the increase in credit risk to move the financial instrument from the first stage to the second stage, taking into account many indicators, including:

- The client's rating has been revised down by specific degrees from the initial rating, or he has obtained a high-risk rating.
- Appearance of any negative indicators on the account (it is in the Blacklist of returned checks in the portfolio of individuals for Jordan branches, or its classification is 3 in the money laundering list - Risk Level according to the classification of the Palestinian Monetary Authority for the portfolio of individuals in Al-Safa Bank and Palestine branches).
- There are more than 29 days of dues and less than 90 days.
- Classification of the client within the debt under monitoring.
- Any account was restructured as a result of the client facing financial difficulties
- Stage (3): Expected credit losses are computed for the entire life of the debt instrument for debt instruments that fall within this stage and for which there is evidence / evidences that they have become non-performing (irregular) and as mentioned in the definition of default.

The following debt instruments are included in the calculation:

- Loans, and direct and indirect credit facilities.
- Debt instruments at amortized cost.
- Financial guarantees specified according to IFRS 9.
- Credit exposures on banks and financial institutions.
- Debt instruments through other comprehensive income statement.
- Islamic finance products that have a debt nature.

Definition and mechanism for computing and monitoring probability of default (PD), exposure at default (EAD), and loss given default (LGD).

Probability of Default (PD):

- Retail portfolio:

The probability of default has been computed using the Bank's historical default information for the retail loans and housing loans portfolio. These rates are calculated using independent variables which affect the probability of default rate (loan balance, salary, sector, age, gender, interest rate, loan duration).

- Corporate portfolio:

The Probability of Default - PD data used by Moody's has been adopted as input to the calculation system, and the expected credit loss calculation system converts the probability of default from (Through The Cycle Probability of Default - TTC PD) to (Point In Time Probability of Default - PIT PD) for each instrument and after taking into account the risks of the country and the economic sector of the client.

Exposure at Default (EAD):

- One time debt instruments (direct and indirect): the balance as of the date of the financial statements is considered as the balance at the date of default (total account balance + due installments + unpaid accrued interest – adjustment – interest in suspense – interest and commissions received in advance).
- Leasing contracts in Islamic banks: Due and unpaid installments are used in calculating the balance in the event of default.
- Renewing debt instruments (direct and indirect): The balance as of the date of preparing the financial statements or the ceiling, whichever is higher, is adopted as the balance in default for corporate portfolio customers. As for the individual portfolio, a weighting factor is calculated for unutilized ceilings.

Loss Given Default (LGD):

- Retail portfolio:

The probability of default has been computed using the Bank's historical default information for the retail loans and housing loans portfolio. Both rates have approved at the account level for the retail portfolio.

- Corporate portfolio:

The loss ratio is calculated assuming default at the account level and after taking into account several factors and data, the most important of which are (guarantees, the economic sector, the probability of default) The haircut rates were adopted on the guarantees according to the ratios approved by the Central Bank of Jordan, in addition to the adoption of a minimum ratio that is not less than 10%.

The Bank's policy for determining common elements (criteria) that credit risk and expected credit losses on a (Collective Basis) have been measured with.

Credit risk and expected credit losses for retail have been calculated at an individual level for each account separately and not at a collective level.

Economic indicators used by the Bank in calculating expected credit losses (PD).

A group of economic indicators have been reviewed such as (gross domestic product, equities, interest rates, unemployment, and inflation) and the following approved indicators have shown a strong correlation between the indicator value and the default rate for each portfolio using historical information:

- Corporate portfolio: gross domestic product and stock prices.
- Retail portfolio:
 - Jordan: Real Gross Domestic Product and Unemployment Rate.
 - Palestine: Interest Rate on Loans and Unemployment Rate.

The following weights for scenarios were adopted for the year ended 2024 and period ended 30 June 2025:

Jordan and Bahrain:

<u>Baseline Scenario</u>	<u>Downturn Scenario</u>	<u>Upturn Scenario</u>
40%	30%	30%

The following weights for the scenarios were adopted for the year 2024 and the period ended 30 June 2025 as follows:

Palestine:

<u>Baseline Scenario</u>	<u>Downturn Scenario</u>	<u>Upturn Scenario</u>
40%	60%	0%

The Bank manages its various banking risks through comprehensive risk management policies, which define the specific roles of all concerned parties involved in the implementation of these policies. These parties include the Board of Directors and its committees such as the Risk Management Committee, the Compliance Committee, the Audit Committee, the Corporate Governance Committee, the Information Technology Governance Committee, the Nominations and Rewards Committee, the Strategy Committee, and the Facilities Committee, in addition to the Executive Management and its committees such as the Assets and Liabilities Committee, the Procurement and Tendering Committee, the Systems Control and Internal Oversight Development Committee, the Strategy and Branching Committee, the Information Technology Steering Committee, and the Facilities Committees, as well as other specialized departments such as the Risk Management Department, the Compliance Department, the Internal Audit Department, the Financial Crimes Division, and Cybersecurity.

Furthermore, all departments and branches of the Bank are responsible for identifying risks related to banking operations, adhering to appropriate supervisory controls, and monitoring the continued effectiveness of these controls in line with the internal control system.

The Bank's risk management process includes activities of identifying, measuring, evaluating, and managing risks, whether financial or non-financial, that could negatively affect the Bank's performance and reputation or its objectives, ensuring the optimal return against acceptable risks.

B. INCOME TAX

Income tax expenses represent accrued taxes and deferred taxes.

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 taxes are taxes 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 by using the effective interest rate method and amortizing premium / discount 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 evaluating of the financial instrument. When the financial instrument fair value can't be reliably measured, they are stated at cost less any impairment.

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(4) Cash and balances at central banks - net

The item details are as follows:

	30 June 2025	31 December 2024
	JD	JD
	(Reviewed not audited)	(Audited)
Cash in vaults	193,820,134	180,829,448
Balances at Central Banks:		
Current and demand accounts	36,466,476	40,460,564
Time and notice deposits	14,187,400	10,635,000
Statutory cash reserve	136,273,369	135,776,657
Total balances at Central Banks	186,927,245	186,872,221
Provision for expected credit losses (Central Banks)	(246,128)	(53,351)
Total balances at Central Banks – net	186,681,117	186,818,870
Total	380,501,251	367,648,318

- Restricted balances amounted to JD 10,635,000 as of 30 June 2025 (JD 10,635,000 as of 31 December 2024), in addition to the statutory cash reserve balance as shown above.
- There are no balances that mature in a period longer than three months as of 30 June 2025 and 31 December 2024.

Set out below is the movement on the balances at Central Banks during the period / year:

	Stage 1 individual JD	Stage 2 individual JD	Stage 3 JD	Total JD
<u>For the six months ended 30 June 2025</u>				
<u>(Reviewed not audited)</u>				
Total balances as at beginning of the period	186,872,221	-	-	186,872,221
New balances during the period	304,032,010	-	-	304,032,010
Settled balances	(303,976,986)	-	-	(303,976,986)
Total balances as at the end of the period	186,927,245	-	-	186,927,245
<u>For the year ended 31 December 2024 (Audited)</u>				
Total balances as at beginning of the year	198,293,266	-	-	198,293,266
New balances during the year	39,508,333	-	-	39,508,333
Settled balances	(50,929,378)	-	-	(50,929,378)
Total balances as at the end of the year	186,872,221	-	-	186,872,221

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Set out below is the movement on the provision for expected credit losses (Central Banks) during the period / year:

	Stage 1 individual JD	Stage 2 individual JD	Stage 3 JD	Total JD
<u>For the six months ended 30 June 2025 (Reviewed not audited)</u>				
Total balances as at beginning of the period	53,351	-	-	53,351
Credit loss on new balances and deposits during the period	240,385	-	-	240,385
Reversed credit loss on settled balances	(47,608)	-	-	(47,608)
Total balances as at the end of the period	246,128	-	-	246,128
<u>For the year ended 31 December 2024 (Audited)</u>				
Total balances as at beginning of the year	8,397	-	-	8,397
Credit loss on new balances and deposits during the period	47,861	-	-	47,861
Reversed credit loss on settled balances	(2,907)	-	-	(2,907)
Total balances as at the end of the year	53,351	-	-	53,351

(5) Balances at banks and financial institutions - net

The item details are as follows:

	30 June 2025 JD (Reviewed not audited)	31 December 2024 JD (Audited)
Local Banks and financial institutions		
Current and on demand accounts	3,228,452	730,294
Deposits maturing within 3 months or less	37,632,648	29,753,838
Total local	40,861,100	30,484,132
Foreign Banks and financial institutions		
Current and on demand accounts	51,695,507	27,435,163
Deposits maturing within 3 months or less	37,816,246	51,445,043
Total foreign	89,511,753	78,880,206
Total	130,372,853	109,364,338
<u>Less:</u> Provision for expected credit losses (balances at Banks)	(2,852)	(5,264)
Total	130,370,001	109,359,074

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Non-interest bearing balances at banks and financial institutions amounted to JD 54,923,959 as of 30 June 2025 against JD 28,165,457 as of 31 December 2024.

There are no restricted balances as of 30 June 2025 and 31 December 2024.

Set out below is the movement on the balances at Banks and Financial Institutions during the period / year:

	Stage 1 individual JD	Stage 2 individual JD	Stage 3 JD	Total JD
<u>For the six months ended 30 June 2025</u>				
<u>(Reviewed not audited)</u>				
Total balances as at beginning of the period	109,364,338	-	-	109,364,338
New balances during the period	117,605,427	-	-	117,605,427
Settled balances	(96,596,912)	-	-	(96,596,912)
Total balances as at the end of the period	130,372,853	-	-	130,372,853
<u>For the year ended 31 December 2024 (Audited)</u>				
Total balances as at beginning of the year	120,280,028	-	-	120,280,028
New balances during the year	126,975,599	-	-	126,975,599
Settled balances	(137,891,289)	-	-	(137,891,289)
Total balances as at the end of the year	109,364,338	-	-	109,364,338

Movement on the provision for expected credit losses (Balances at banks) during the period/ year:

	Stage 1 individual JD	Stage 2 individual JD	Stage 3 JD	Total JD
<u>For the six months ended 30 June 2025 (Reviewed not audited)</u>				
Total balances as at beginning of the period	5,264	-	-	5,264
Credit loss on new balances and deposits during the period	795	-	-	795
Reversed credit loss on settled balances	(3,207)	-	-	(3,207)
Total balances as at the end of the period	2,852	-	-	2,852
<u>For the year ended 31 December 2024 (Audited)</u>				
Total balances as at beginning of the year	3,232	-	-	3,232
Credit loss on new balances and deposits during the year	14,988	-	-	14,988
Reversed credit loss on settled balances	(12,956)	-	-	(12,956)
Total balances as at the end of the year	5,264	-	-	5,264

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(6) Deposits at banks and financial institutions - net

The item details are as follows:

	30 June 2025	31 December 2024
	JD	JD
	(Reviewed not audited)	(Audited)
Local deposits maturing within:		
More than 3 to 6 months	2,512,366	-
More than 6 to 9 months	2,200,000	6,000,000
More than 9 to 12 months	-	2,481,715
More than a year	15,000,000	15,000,000
Total	19,712,366	23,481,715
Foreign deposits maturing within:		
More than 6 to 9 months	-	-
More than 9 to 12 months	189,211	8,492,870
More than a year	-	-
Total	189,211	8,492,870
Total	19,901,577	31,974,585
Less: Provision for expected credit losses (deposits at banks)	(50,076)	(33,205)
Total	19,851,501	31,941,380

- There are no restricted deposits as of 30 June 2025 and 31 December 2024.

Set out below is the movement on deposits at banks and financial institutions during the period / year:

	Stage 1 Individual JD	Stage 2 Individual JD	Stage 3 JD	Total JD
For the six months ended 30 June 2025 (Reviewed not audited)				
Total balances as at beginning of the period	31,974,585	-	-	31,974,585
New deposits during the period	28,967,476	-	-	28,967,476
Settled deposits	(41,040,484)	-	-	(41,040,484)
Total balances as at the end of the period	19,901,577	-	-	19,901,577
For the year ended 31 December 2024 (Audited)				
Total balances as at beginning of the year	67,325,458	-	-	67,325,458
New deposits during the year	50,757,883	-	-	50,757,883
Settled deposits	(86,108,756)	-	-	(86,108,756)
Total balances as at the end of the year	31,974,585	-	-	31,974,585

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Set out below is the movement on the provision for expected credit losses (deposits at banks) during the period / year:

	Stage 1 Individual JD	Stage 2 Individual JD	Stage 3 JD	Total JD
<u>For the six months ended 30 June 2025 (Reviewed not audited)</u>				
Total balances as at beginning of the period	33,205	-	-	33,205
Credit losses on new balances and deposits during the period	22,002	-	-	22,002
Reversed credit loss on settled deposits	(13,337)	-	-	(13,337)
Changes resulting from adjustments	8,206	-	-	8,206
Total balances as at the end of the period	50,076	-	-	50,076
<u>For the year ended 31 December 2024 (Audited)</u>				
Total balances as at beginning of the year	66,383	-	-	66,383
Credit losses on new balances and deposits during the year	6,546	-	-	6,546
Reversed credit loss on settled deposits	(33,563)	-	-	(33,563)
Changes resulting from adjustments	(6,161)	-	-	(6,161)
Total balances as at the end of the year	33,205	-	-	33,205

(7) Financial assets at fair value through income statement

The item details are as follows:

	30 June 2025 JD (Reviewed not audited)	31 December 2024 JD (Audited)
Quoted corporate shares	10,499,840	9,554,285
Total	10,499,840	9,554,285

(8) Financial assets at fair value through other comprehensive income - net

The item details are as follows:

	30 June 2025 JD (Reviewed not audited)	31 December 2024 JD (Audited)
Quoted shares	134,296,082	119,379,549
Unquoted shares *	15,428,770	13,940,047
Quoted bonds	211,507	201,525
	149,936,359	133,521,121
Less: Expected credit loss	(2,521)	(1,882)
Total	149,933,838	133,519,239

Cash dividends on investments amounted to JD 6,270,040 for the six months ended 30 June 2025 (JD 5,137,133 for the six months ended 30 June 2024).

* Fair value calculation for unquoted investments is based on the most recent financial data available for the investee company.

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Set out below is the movement on the provision for expected credit loss on financial assets at other comprehensive income (including pledged financials assets) during the period / year:

	Stage 1 individual JD	Stage 2 individual JD	Stage 3 JD	Total JD
<u>For the Six Months Ended 30 June 2025 (Reviewed not audited)</u>				
Total balances as at beginning of the period	1,882	-	-	1,882
Changes resulted from adjustment	639	-	-	639
Total balances as at the end of the period	2,521	-	-	2,521
<u>For the Year Ended 31 December 2024 (Audited)</u>				
Total balances as at beginning of the year	4,041	-	-	4,041
Changes resulted from adjustment	(2,159)	-	-	(2,159)
Total balances as at the end of the year	1,882	-	-	1,882

(9) Financial assets at amortized cost - net

The item details are as follows:

	30 June 2025 JD (Reviewed not audited)	31 December 2024 JD (Audited)
Quoted financial assets		
Foreign government treasury bonds	68,462,461	62,372,948
Bonds and corporate loan bonds	53,836,270	40,147,978
Total quoted financial assets	122,298,731	102,520,926
Unquoted financial assets		
Governmental treasury bills	-	10,401,348
Governmental treasury bonds	713,411,885	680,862,460
Bonds and corporate loan bonds	91,545,000	69,000,000
Total unquoted financial assets	804,956,885	760,263,808
Total	927,255,616	862,784,734
<u>Less:</u> Provision for expected credit losses	(726,967)	(554,068)
	926,528,649	862,230,666
Analysis of bonds:		
Fixed rate bonds	927,255,616	862,784,734
Total	927,255,616	862,784,734

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Set out below is the movement on the financial assets at amortized costs during the period / year:

	Stage 1 individual JD	Stage 2 individual JD	Stage 3 JD	Total JD
<u>For the Six Months Ended 30 June 2025 (Reviewed not audited)</u>				
Total balances as at beginning of the period	862,784,734	-	-	862,784,734
New investment during the period	192,079,772	-	-	192,079,772
Matured investments	(127,608,890)	-	-	(127,608,890)
Total balances as at the end of the period	927,255,616	-	-	927,255,616
<u>For the Year Ended 31 December 2024 (Audited)</u>				
Total balances as at beginning of the year	802,850,433	-	-	802,850,433
New investment during the year	267,439,435	-	-	267,439,435
Matured investments	(207,505,134)	-	-	(207,505,134)
Total balances as at the end of the year	862,784,734	-	-	862,784,734

The movement on the provision for expected credit losses for financial assets at amortized cost during the period / year:

	Stage 1 individual JD	Stage 2 individual JD	Stage 3 JD	Total JD
<u>For the Six Months Ended 30 June 2025 (Reviewed not audited)</u>				
Total balances as at beginning of the period	554,068	-	-	554,068
Credit losses on new investments during the period	259,339	-	-	259,339
Reversed credit loss on matured investments	(86,440)	-	-	(86,440)
Total balances as at the end of the period	726,967	-	-	726,967
<u>For the Year Ended 31 December 2024 (Audited)</u>				
Total balances as at beginning of the year	761,756	-	-	761,756
Credit losses on new investments during the year	220,258	-	-	220,258
Reversed credit loss on matured investments	(443,868)	-	-	(443,868)
Changes resulting from adjustments	15,922	-	-	15,922
Total balances as at the end of the year	554,068	-	-	554,068

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(10) Direct credit facilities - net

The item details are as follows:

	30 June 2025	31 December 2024
	JD	JD
	(Reviewed not audited)	(Audited)
Individuals (Retail)		
Overdrafts	14,607,550	16,854,089
Loans and bills *	749,934,470	785,853,220
Credit cards	16,021,424	16,857,979
Others	6,873,932	6,707,169
Real-estate loans	323,078,229	340,728,621
Corporate		
Overdrafts	151,687,298	126,402,236
Loans and bills *	618,551,019	618,947,463
Small and medium enterprises “SMEs”		
Overdrafts	29,559,947	29,617,356
Loans and bills *	198,749,230	204,877,804
Government and Public sector	281,576,198	290,823,729
Total	<u>2,390,639,297</u>	<u>2,437,669,666</u>
<u>Less: Interest in suspense</u>	(18,270,651)	(14,729,654)
<u>Less: Expected credit losses</u>	(181,658,461)	(176,804,040)
Net- Direct Credit Facilities	<u>2,190,710,185</u>	<u>2,246,135,972</u>

- * Net of interest and commissions collected in advance amounting to JD 1,537,099 as of 30 June 2025 (JD 1,614,030 as of 31 December 2024).
- Non-performing stage 3 credit facilities amounted to JD 248,974,968 representing 10.41% of gross direct credit facilities as of 30 June 2025 (JD 230,987,887 representing 9.48% of gross direct credit facilities as of 31 December 2024).
 - Non-performing stage 3 credit facilities net of suspended interest amounted to JD 231,152,961 representing 9.74% of gross direct credit facilities net of suspended interest as of 30 June 2025 (JD 216,258,233 representing 8.93% of gross direct credit facilities net of suspended interest as of 31 December 2024).
 - Credit facilities granted to the Government of Jordan under its own guarantee, amounted to JD 12,090 representing 0.0% of gross direct credit facilities as of 30 June 2025 (JD 2,618 representing 0.0% of gross credit facilities as of 31 December 2024).
 - Credit facilities granted to the public sector in Palestine amounted to JD 101,085,254 representing 4.23% of gross direct credit facilities as of 30 June 2025 (JD 93,748,050 representing 3.85% of gross direct credit facilities as of 31 December 2024).

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Disclosure on the movement of facilities at a collective level at the end of the period/ year:

	Stage 1		Stage 2		Stage 3	Total
	Individual	Collective	Individual	Collective		
	JD	JD	JD	JD	JD	JD
For the Six Months Ended 30 June 2025 (Reviewed not audited)						
Total balances as at beginning of the period	909,787,645	772,236,228	260,373,339	264,284,567	230,987,887	2,437,669,666
New facilities during the period	228,919,676	53,056,409	44,302,310	17,076,993	17,673,253	361,028,641
Settled facilities	(197,375,372)	(93,833,833)	(59,282,901)	(33,191,367)	(24,187,343)	(407,870,816)
Transferred to stage 1	97,586,108	51,846,145	(95,728,495)	(45,996,837)	(7,706,921)	-
Transferred to stage 2	(45,307,890)	(21,903,413)	49,690,386	34,356,721	(16,835,804)	-
Transferred to stage 3	(2,847,727)	(8,842,528)	(14,495,202)	(23,046,633)	49,232,090	-
Written off facilities	-	-	-	-	(188,194)	(188,194)
Total balances at the end of the period	990,762,440	752,559,008	184,859,437	213,483,444	248,974,968	2,390,639,297

For the Year Ended 31 December 2024 (Audited)						
Total balances as at beginning of the year	766,274,553	907,347,794	403,771,857	197,624,132	163,916,822	2,438,935,158
New facilities during the year	195,878,775	102,206,253	60,035,297	15,513,558	16,829,579	390,463,462
Settled facilities	(154,839,892)	(126,090,672)	(64,596,738)	(19,411,282)	(21,442,722)	(386,381,306)
Transferred to stage 1	191,265,873	70,040,634	(189,792,762)	(55,904,966)	(15,608,779)	-
Transferred to stage 2	(80,240,524)	(151,054,713)	82,721,766	161,535,621	(12,962,150)	-
Transferred to stage 3	(8,551,140)	(30,213,068)	(31,766,081)	(35,072,496)	105,602,785	-
Written off facilities	-	-	-	-	(5,347,648)	(5,347,648)
Total balances as at the end of the year	909,787,645	772,236,228	260,373,339	264,284,567	230,987,887	2,437,669,666

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Set out below is the movement on the provision for expected credit losses (Direct Credit Facilities) during the period / year:

	Corporates						Government and		Total		
	Individual		Real-estate loans		Large		SMEs			Public sector	
	JD		JD		JD		JD			JD	
For the Six Months Ended 30 June 2025 (Reviewed not audited)											
Total balances as at beginning of the period	105,681,380		11,383,079		39,146,198		18,332,301		2,261,082		176,804,040
Credit loss on new facilities during the period	16,190,248		3,201,625		8,279,286		3,050,070		1,558,337		32,279,566
Reversed credit loss on settled facilities	(28,043,820)		(2,332,259)		(4,765,665)		(6,505,292)		(168,828)		(41,815,864)
Transferred to stage 1	3,834,010		952,528		2,345,072		153,386		-		7,284,996
Transferred to stage 2	(3,441,840)		227,218		(2,811,497)		885,598		-		(5,140,521)
Transferred to stage 3	(392,170)		(1,179,746)		466,425		(1,038,984)		-		(2,144,475)
Effect on the provision at the end of the period – resulting from the reclassification between the three stages during the period	4,672,403		(2,252,118)		695,426		2,298,505		-		5,414,216
Changes resulting from adjustments	4,716,626		(209,661)		1,114,113		1,985,019		-		7,606,097
Written off facilities	(37,247)		(55,468)		-		(95,478)		-		(188,193)
Valuation differences	850,441		250,888		136,760		320,510		-		1,558,599
Total balances as at the end of the period	104,030,031		9,986,086		44,606,118		19,385,635		3,650,591		181,658,461
For the Year Ended 31 December 2024 (Audited)											
Total balances as at beginning of the year	75,785,245		10,614,391		26,879,319		16,107,277		2,003,478		131,389,710
Credit loss on new facilities during the year	12,455,809		1,071,762		3,608,551		1,455,565		407,824		18,999,511
Reversed credit loss on settled facilities	(3,610,273)		(3,108,541)		(2,031,969)		(3,580,141)		10,851		(12,320,073)
Transferred to stage 1	9,889,455		1,171,695		763,031		897,034		1,561,019		14,282,234
Transferred to stage 2	(4,093,121)		67,472		(4,446,220)		(320,343)		(1,561,019)		(10,353,231)
Transferred to stage 3	(5,796,334)		(1,239,167)		3,683,189		(576,691)		-		(3,929,003)
Effect on the provision at the end of the year - resulting from the reclassification between the three stages during the year	14,766,823		2,242,014		9,903,734		4,714,508		-		31,627,079
Changes resulting from adjustments	10,283,491		638,451		1,206,042		(376,049)		(209,985)		11,541,950
Written off facilities	(4,122,681)		(179,171)		(434,900)		(89,113)		-		(4,825,865)
Valuation differences	122,966		104,173		15,421		100,254		48,914		391,728
Total balances as at the end of the year	105,681,380		11,383,079		39,146,198		18,332,301		2,261,082		176,804,040

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The amount of JD 25,932,233 was reversed due to settlements or repayments and reclassified to the other facilities provision as of 30 June 2025 (JD 19,533,824 as of 31 December 2024).

Interest in suspense

Set out below is the movement on the interest in suspense during the period/ year:

	Corporates						Government and Public sector	Total		
	Individual		Real-estate loans		Large				SMEs	
	JD		JD		JD				JD	
For the Six Months Ended 30 June 2025 (Reviewed not audited)										
Total balances as at the beginning of the period	3,739,805		1,409,348		6,713,957	2,866,544	-		14,729,654	
Interest in suspense on new exposures during the period	1,708,619		572,262		1,000,555	577,217	151,982		4,010,635	
Interest in suspense on settled exposures transferred to revenue during the period	(159,953.00)		(172,645)		(34,365)	(98,617)	-		(465,580)	
Transferred to stage 1	1,759		151		-	13,708	-		15,618	
Transferred to stage 2	442		348		-	119	-		909	
Transferred to stage 3	(6,259)		(499)		-	(13,827)	-		(20,585)	
Total balances as at the end of the period	5,284,413		1,808,965		7,680,147	3,345,144	151,982		18,270,651	
For the Year Ended 31 December 2024 (Audited)										
Total balances as at the beginning of the year	2,999,507		1,513,370		6,355,367	2,442,066	-		13,310,310	
Interest in suspense on new exposures during the year	1,096,985		503,300		931,474	570,797	-		3,102,556	
Interest in suspense on settled exposures transferred to revenue during the year	(282,054)		(605,170)		(122,147)	(141,291)	-		(1,150,662)	
Transferred to stage 1	3,585		-		57,692	-	-		61,277	
Transferred to stage 2	(4,197)		29,878		-	2,688	-		28,369	
Transferred to stage 3	612		(29,878)		(57,692)	(2,688)	-		(89,646)	
Interest in suspense on written off exposures	(74,633)		(2,152)		(450,737)	(5,028)	-		(532,550)	
Total balances as at the end of the year	3,739,805		1,409,348		6,713,957	2,866,544	-		14,729,654	

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(11) Other Assets

The item details are as follows:

	30 June 2025	31 December 2024
	JD	JD
	(Reviewed not audited)	(Audited)
Accrued revenues	27,598,093	24,846,553
Prepaid expenses	15,053,462	8,088,714
Reposessed assets – net*	26,987,326	17,988,541
Accounts receivable – net	8,599,105	4,109,722
Clearing checks	3,347,463	5,648,783
Settlement guarantee fund	83,000	25,000
Refundable deposits	751,758	768,572
Cards deposits	6,274,160	5,916,225
Others	7,441,188	4,075,881
Total	96,135,555	71,467,991

- * The instruction of the Central Bank of Jordan requires the Bank to dispose the assets it seizes during a maximum period of two years from the acquisition date, the Central Bank of Jordan might provide an exceptional exemption for an additional period of up to 2 consecutive years.

Set out below is the movement on reposessed assets as a settlement against defaulted facilities:

	30 June 2025	31 December 2024
	JD	JD
	(Reviewed not audited)	(Audited)
Balance as at the beginning of the period / year	19,812,739	19,818,954
Additions	9,492,733	3,477,572
Disposals	(602,152)	(3,483,787)
Total	28,703,320	19,812,739
Impairment of reposessed assets provision	(1,715,994)	(1,824,198)
Balance as at the end of the Period / Year	26,987,326	17,988,541

A summary of the movement on reposessed assets impairment provision

Balance as at the beginning of the period / year	1,824,198	2,386,301
Additions	-	482,627
Recovered to the income statement	-	(1,000,000)
Disposals	(108,204)	(44,730)
Balance as at the end of the Period / Year	1,715,994	1,824,198

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(12) Customers deposits

	Retail	Corporate	SMEs	Government and Public sector	Total
	JD	JD	JD	JD	JD
<u>For the Six Months Ended 30 June</u>					
<u>2025 (Reviewed not audited)</u>					
Current and on demand accounts	350,964,199	173,984,441	88,862,074	92,605,048	706,415,762
Saving deposits	516,195,688	3,047,454	4,737,326	575,628	524,556,096
Time and notice deposits	581,946,957	352,158,666	77,507,855	271,885,329	1,283,498,807
Total	1,449,106,844	529,190,561	171,107,255	365,066,005	2,514,470,665
<u>For the Year Ended 31 December</u>					
<u>2024 (Audited)</u>					
Current and on demand accounts	336,766,087	135,988,746	80,410,730	93,829,958	646,995,521
Saving deposits	520,869,910	4,376,675	4,800,335	553,821	530,600,741
Time and notice deposits	587,927,789	379,740,181	81,074,514	254,162,961	1,302,905,445
Total	1,445,563,786	520,105,602	166,285,579	348,546,740	2,480,501,707

- The Government of Jordan and the public sector deposits inside Jordan amounted to JD 340,346,060 equivalent to 13.54% of total deposits as of 30 June 2025 (JD 324,107,230 equivalent to 13.07% of total deposits as of 31 December 2024).
- There are no restricted deposits as of 30 June 2025 and 31 December 2024.
- Non-interest bearing deposits amounted to JD 614,915,618 equivalent to 24.46% of total deposits as of 30 June 2025 (JD 557,137,358 equivalent to 22.46% of total deposits as of 31 December 2024).
- Dormant deposit accounts amounted to JD 56,937,226 as of 30 June 2025 (JD 47,875,024 as of 31 December 2024).

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(13) Borrowed Funds

The item details are as follows:

	Amount	No. of Installments		Installment Frequency	Maturity date	Collaterals	Interest rate
		Total	Remaining				
	JD						
30 June 2025 (Reviewed not audited)							
Amounts borrowed from overseas investment company (OPIC)	15,598,000	1	1	At maturity	2034	None	4.845%-4.895%
Amounts borrowed from Central Bank of Jordan	2,375,000	20	5	Semi- annually	2027	None	7.174%
Amounts borrowed from Central Bank of Jordan	114,967,022	1064	1064	At maturity / per Loan	2025-2035	None	0.5%-1.75%
Amounts borrowed from Central Bank of Jordan	10,900,943	155	155	At maturity / per Loan	2025-2030	None	-
Amounts borrowed from Central Bank of Jordan	2,050,000	20	9	Semi- annually	2030	None	7.174%
Amounts borrowed from Central Bank of Jordan	6,247,772	35	29	Semi- annually	2039	None	3%
European Investment Bank (EIB)	63,626,606	7	6	Semi- annually	2028	None	4.47%
Jordan Mortgage Refinance Company	15,000,000	1	1	At maturity	2026	None	7.1%
Jordan Mortgage Refinance Company	30,000,000	1	1	At maturity	2026	None	6.75%
Jordan Mortgage Refinance Company	10,000,000	1	1	At maturity	2028	None	4.75%
Jordan Mortgage Refinance Company	4,000,000	1	1	At maturity	2026	None	4.65%
Jordan Mortgage Refinance Company	19,000,000	1	1	At maturity	2029	None	6.9%
Arab fund for economic and social development	5,317,500	11	11	Semi- annually	2031	None	3.50%
Amounts borrowed from European Bank for Reconstruction and Development (EBRD)	3,205,326	7	5	Semi- annually	2027	None	6.96%
Amounts borrowed from European Bank for Reconstruction and Development (EBRD)	1,266,071	7	5	Semi- annually	2027	None	5.84%
Palestine Monetary Authority	1,109,069	-	-	Monthly	-	None	3%
European Bank for Reconstruction and Development (EBRD)	4,186,476	7	4	Semi- annually	2027	None	6.5%
Proparco	2,754,255	13	10	Semi- annually	2030	None	7.42%
European Investment Bank (EIB)	15,598,000	10	10	Semi- annually	2031	None	6.38%
Amounts borrowed from International Financial Markets (FMI)	1,074,224	1	1	1	-	None	-
Jordan Kuwait Bank	13,676,264	Revolving loan	-	Quarterly	2028	None	5%
Etihad Bank	5,999,999	Revolving loan	-	Quarterly	2029	None	6.75%
Housing Bank for Trade and Finance	5,627,053	Overdraft	-	-	2026	None	6.75%
Jordan Ahli Bank	4,989,087	Revolving loan	-	Monthly	2028	None	5.75%
Jordan Ahli Bank	10,000,000	Revolving loan	-	Monthly	2027	None	4.75%
Invest Bank	1,500,000	Revolving loan	-	Monthly	2029	None	7.25%
Amounts borrowed from European Bank for Reconstruction and Development (EBRD)	592,136	8	8	Semi- annually	2027	None	7%
Invest Bank	5,976,389	1	1	Monthly	2026	None	6%
Total	376,637,192						

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	Amount JD	No. of Installments		Payment frequency	Maturity Date	Collaterals	Interest Rate
		Total	Outstanding				
Amounts borrowed from overseas investment company (OPIC)	15,598,000	1	1	At maturity	2034		4.845%-
Amounts borrowed from French Development Agency	177,250	20	1	Semi- annually	2025	None	4.895%
Amounts borrowed from Central Bank of Jordan*	2,850,000	20	6	Semi- annually	2027	None	3.358%
				At maturity / per Loan			7.174%
Amounts borrowed from Central Bank of Jordan**	106,298,468	984	984	At maturity / per Loan	2025-2035	None	0.5%-1.75%
Amounts borrowed from Central Bank of Jordan**	15,528,918	196	196	At maturity / per Loan	2025-2030	None	-
Amounts borrowed from Central Bank of Jordan*	2,255,000	20	10	Semi- annually	2030	None	7.174%
Amounts borrowed from Central Bank of Jordan*	6,464,079	35	30	Semi- annually	2039	None	3%
Amounts borrowed from European Bank for Reconstruction and Development (EBRD)	74,231,040	7	7	Semi- annually		None	
Jordan Mortgage Refinance Company ***	15,000,000	1	1	At maturity	2028	None	4.47%
Jordan Mortgage Refinance Company ***	30,000,000	1	1	At maturity	2026	None	7.1%
Jordan Mortgage Refinance Company ***	10,000,000	1	1	At maturity	2026	None	6.75%
Jordan Mortgage Refinance Company ***	10,000,000	1	1	At maturity	2025	None	4.9%
Jordan Mortgage Refinance Company ***	10,000,000	1	1	At maturity	2028	None	4.75%
Jordan Mortgage Refinance Company ***	4,000,000	1	1	At maturity	2026	None	4.65%
Arab Fund for economic and social development	5,319,035	11	11	Semi- annually	2031	None	3.5%
Amounts borrowed from European Bank for Reconstruction and Development (EBRD)	4,557,857	7	6	Semi- annually	2027	None	6.96%
Amounts borrowed from European Bank for Reconstruction and Development (EBRD)	1,519,286	7	6	Semi- annually	2027	None	5.84%
Palestine Monetary Authority	1,224,134	-	-	Monthly	-	None	3%
Amounts borrowed from European Bank for Reconstruction and Development (EBRD)	5,233,095	7	5	Semi- annually	2027	None	6.5%
Proparco	3,078,899	13	11	Semi- annually	2030	None	7.71%
Amounts borrowed from International Financial Markets (IFMI)	1,074,224	1	1	1	-	None	-
Jordan Kuwait Bank	13,670,605	Revolving loan	-	Monthly	2027	None	5%
Etiihad Bank	5,949,999	Revolving loan	-	Quarterly	2028	None	6.75%
Housing Bank for Trade and Finance	1,169,616	Overdraft	-	-	2025	None	6.75%
Jordan Ahli Bank	4,989,104	Revolving loan	-	Monthly	2027	None	5.75%
Jordan Ahli Bank	10,000,000	Revolving loan	-	Monthly	2025	None	4.75%
Total	350,188,609						

(14) Income Tax

Income Tax Provision

Set out below is the movement on income tax provision during the period/ year:

	30 June 2025	31 December 2024
	JD (Reviewed not audited)	JD (Audited)
Balance as at the beginning of the period / year	9,397,672	23,492,297
Income tax paid	(1,857,487)	(20,037,625)
Income tax expense	8,492,174	5,943,000
Balance as at the end of the period / year	16,032,359	9,397,672

Set out below is the income tax appearing on the income statement:

	30 June 2025	30 June 2024
	JD (Reviewed not audited)	JD (Reviewed not audited)
Income tax for the period	8,492,174	2,588,805
Deferred tax assets	59,746	(3,384,549)
Income tax expense (surplus)	8,551,920	(795,744)

- The income tax rate on Banks in Jordan is 38% and varies between 0%-31% in countries that the bank has branches and subsidiaries. Banks in Palestine are subject to an income tax rate of 15% and VAT of 16%.
- The Bank has reached a final settlement with the Income and Sales Tax Department up to the end of the year 2020 for the Bank's branches in Jordan. The Income and Sales Tax Department did not review 2021, 2022, 2023 and 2024.
- A final settlement was reached with the tax authorities for the Bank's branches in Palestine up until the end of the year 2023. The Income and Sales Tax Department did not review 2024.
- Al-Watanieh Financial Services Company (Jordan) Awraq has reached a final settlement with the Income and Sales Tax Department up to the end of the year 2022, and the accounts for the year 2023 and 2024 have not been reviewed.
- A final settlement was made for the Al-Watanieh Securities Company (Palestine) up to the end of the year 2023, and the accounts for the year 2024 have not been reviewed.
- A final settlement was made with the Income and Sales Tax Department for Tamalak Financial Leasing Company up to the end of the year 2022, and the accounts for the years 2023 and 2024 have not been reviewed.

In the opinion of the Bank's management, the tax provisions as of 30 June 2025 are sufficient to cover any future tax liabilities.

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Set out below is the movement on the deferred tax assets and liabilities:

	30 June 2025		31 December 2024	
	Assets	Liabilities	Assets	Liabilities
	JD	JD	JD	JD
	(Reviewed not audited)	(Reviewed not audited)	(Audited)	(Audited)
Balance as at beginning of the period / year	17,971,220	5,631,932	16,266,401	2,684,880
Additions	651,953	2,280,621	4,544,283	4,254,115
Disposal	(711,698)	(4,104)	(2,839,464)	(1,307,063)
Balance as at the end of the period / year	17,911,475	7,908,449	17,971,220	5,631,932

Deferred tax is calculated using the tax rates that are expected to be applied when the deferred tax assets / liabilities will be realized, or the deferred tax liabilities will be settled.

(15) Other Liabilities

	30 June 2025	31 December 2024
	JD	JD
	(Reviewed not audited)	(Audited)
Accrued interest	18,129,844	20,994,050
Unearned Revenue	787,522	544,903
Accounts payable	7,916,460	5,383,264
Accrued expenses	10,521,512	9,413,902
Temporary deposits	24,755,880	33,608,812
Checks and withdrawals for payments	3,982,826	7,807,276
Others	4,859,970	2,531,268
	70,954,014	80,283,475
Provision for expected credit losses on indirect credit facilities	5,949,006	3,218,212
Total	76,903,020	83,501,687

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Disclosure on the movement of indirect credit facilities at a collective level at the end of the period / year:

	Stage 1		Stage 2		Stage 3	Total
	Individual	Collective	Individual	Collective		
	JD	JD	JD	JD		
<u>For the Six Months Ended 30 June 2025 (Reviewed not audited)</u>						
Total balances as at beginning of the period	362,400,508	14,263,352	91,906,064	1,751,434	3,337,957	473,659,315
New exposures during the period	153,713,109	24,270,276	6,613,254	1,897,536	732,291	187,226,466
Accrued exposures	(68,645,489)	(10,353,496)	(29,227,189)	(1,226,270)	(2,473,324)	(111,925,768)
Transferred to stage 1	36,581,193	705,998	(36,440,629)	(487,770)	(358,792)	-
Transferred to stage 2	(14,281,788)	(427,236)	14,510,455	464,739	(266,170)	-
Transferred to stage 3	(151,379)	(153,910)	(3,450,037)	(151,569)	3,906,895	-
Total balances as at the end of the period	469,616,154	28,304,984	43,911,918	2,248,100	4,878,857	548,960,013
<u>For the Year Ended 31 December 2024 (Audited)</u>						
Total balances as at beginning of the year	344,601,132	13,374,087	98,107,971	1,550,047	2,913,575	460,546,812
New exposures during the year	124,549,908	10,052,469	29,956,206	1,132,938	2,053,106	167,744,627
Accrued exposures	(101,515,374)	(9,078,963)	(42,419,560)	(801,636)	(816,591)	(154,632,124)
Transferred to stage 1	20,692,743	448,913	(20,637,919)	(378,200)	(125,537)	-
Transferred to stage 2	(25,773,011)	(290,675)	27,719,426	346,926	(2,002,666)	-
Transferred to stage 3	(154,890)	(242,479)	(820,060)	(98,641)	1,316,070	-
Total balances as at the end of the year	362,400,508	14,263,352	91,906,064	1,751,434	3,337,957	473,659,315

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Set out below is the disclosure on the movement of the provision for expected credit losses for indirect facilities at a collective level as of period / year:

	Stage 1		Stage 2		Total
	Individual	Collective	Individual	Collective	
	JD	JD	JD	JD	JD
For the Six Months Ended 30 June 2025 (Reviewed not audited)					
Total balances as at beginning of the period	660,572	105,001	1,630,391	150,566	3,218,212
Credit loss on new exposures during the period	470,767	175,284	597,091	179,854	1,558,761
Credit loss on accrued exposures	(169,293)	(37,265)	(391,825)	(53,643)	(790,668)
Transferred to stage 1	392,129	72,380	(390,121)	(42,793)	-
Transferred to stage 2	(53,095)	(1,957)	152,174	6,597	-
Transferred to stage 3	(1,687)	(337)	(91,242)	(12,002)	-
Effect on the provision at the end of the period - resulting from the reclassification between the three stages at the end of the period	(286,380)	(65,842)	169,904	51,409	1,612,222
Changes resulting from adjustments	81,474	-	264,545	-	350,479
Total balances as at the end of the period	1,094,487	247,264	1,940,917	279,988	5,949,006
For the Year Ended 31 December 2024 (Audited)					
Total balances as at beginning of the year	426,847	52,284	2,465,298	132,171	4,320,898
Credit loss on new exposures during the year	378,355	74,167	893,179	108,830	1,881,862
Credit loss on accrued exposures	(206,455)	(22,261)	(1,600,279)	(98,267)	(2,187,163)
Transferred to stage 1	527,177	39,963	(491,337)	(29,130)	-
Transferred to stage 2	(84,759)	(1,513)	939,046	10,336	-
Transferred to stage 3	(2)	(1,122)	(2,996)	(8,061)	-
Effect on the provision at the end of the year - resulting from the reclassification between the three stages at the end of the year	(480,267)	(36,517)	(550,030)	34,687	(890,518)
Changes resulting from adjustments	99,676	-	(22,490)	-	93,133
Total balances as at the end of the year	660,572	105,001	1,630,391	150,566	3,218,212

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(16) Fair Value Reserve - net

The item details are as follows:

	30 June 2025	31 December 2024
	JD	JD
	(Reviewed not audited)	(Audited)
Balance at the beginning of the period / year	59,124,709	27,494,289
Unrealized gains	14,441,056	34,578,889
Deferred tax assets	-	(1,417)
Deferred tax liabilities	(2,276,517)	(2,947,052)
Balance as at the end of the period / year	<u>71,289,248</u>	<u>59,124,709</u>

The fair value reserve appears net after deducting deferred tax liabilities in the amount of JD 7,378,868.

(17) Retained Earnings excluding profit for the period

The item details are as follows:

	30 June 2025	31 December 2024
	JD	JD
	(Reviewed not audited)	(Audited)
Balance at the beginning of the period / year	100,391,474	108,402,893
Profit for the year	-	16,560,714
Transferred to statutory reserve	-	(1,550,634)
Cash dividends distributed to shareholders	(12,000,000)	(13,300,000)
Transfer for capital increase	-	(10,000,000)
Capital increase expenses	-	(80,312)
Net change in non-controlling interest	-	358,813
Balance as at the end of the period / year	<u>88,391,474</u>	<u>100,391,474</u>

- Retained earnings as of 30 June 2025 include JD 12,669,542 resulting from the early implementation of International Financial Reporting Standard no. (9). This amount is not available for distribution in accordance with the Securities Commission instructions, except for the amounts realized through the sale of the financial assets.
- Retained earnings includes deferred tax assets amounting to JD 17,911,475 as of 30 June 2025, JD 17,971,220 as of 31 December 2024, which is not available for distribution in accordance with the Central Bank of Jordan instructions.
- The Bank cannot use a restricted amount of JD 1,155,916 which represents the remaining balance of the general banking risk reserve included in retained earnings in accordance with the instructions of the Central Bank of Jordan.

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- The General Assembly of Shareholders decided in its ordinary meeting held on 14 April 2025 to approve the distribution of cash dividends to shareholders at 60 Fils per share i.e., 6% of the par value per share amounting to JD 1.
- The General Assembly of Shareholders decided in its ordinary meeting held on 3 April 2024 to approve the distribution of cash dividends to shareholders at 70 Fils per share i.e., 7% of the par value per share amounting to JD 1 as dividends for the year 2023
- The General Assembly of Shareholders decided in its extraordinary meeting held on 3 April 2024, to approve an increase in the bank's capital by JD 10 million and to capitalize it from the retained earnings by distributing free shares at a rate of 5.263% to the shareholders.

(18) Interest Income

This item consists of the following:

	30 June 2025	30 June 2024
	JD	JD
	(Reviewed not audited)	(Reviewed not audited)
Direct credit facilities:		
Individuals (Retail)		
Overdrafts	426,165	664,438
Loans and bills	30,767,380	37,230,306
Credit cards	1,358,599	1,418,075
Brokerage margin accounts	256,024	250,943
Real-estate loans	9,687,118	11,019,847
Corporate		
Large corporate		
Overdrafts	4,953,836	4,302,602
Loans and bills	19,871,251	22,318,961
Small and medium enterprises		
Overdrafts	1,189,151	1,293,127
Loans and bills	5,111,870	5,125,975
Government and public sector	9,561,586	9,707,341
Balances at Central Banks	241,970	766,571
Balances and deposits at banks and financial institutions	2,284,278	3,650,920
Financial assets at fair value	6,168	136,447
Financial assets at amortized cost	28,090,277	25,310,485
Total	113,805,673	123,196,038

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(19) Interest Expense

The item details are as follows:

	30 June 2025	30 June 2024
	JD	JD
	(Reviewed not audited)	(Reviewed not audited)
Banks and financial institutions deposits	8,638,654	8,103,371
Customers' deposits:		
Current and on demand accounts	2,261,446	1,913,694
Saving accounts	795,181	1,208,333
Time and notice deposits	31,545,468	37,333,196
Cash margins	275,299	164,703
Loans and borrowings	7,229,526	7,238,122
Deposits guarantee fees	1,556,329	1,512,332
Total	52,301,903	57,473,751

(20) Gains from financial assets at fair value through income statement

The item details are as follows:

	Realized gains (Losses)	Unrealized gain (Losses)	Dividends income	Total
	JD	JD	JD	JD
<u>For the Six Months Ended 30 June 2025 (Reviewed not audited)</u>				
Corporate shares	189,522	1,725,812	637,153	2,552,487
Total	189,522	1,725,812	637,153	2,552,487
<u>For the Six Months Ended 30 June 2024 (Reviewed not audited)</u>				
Corporate shares	(6,346)	(342,319)	661,879	313,214
Government bonds	-	(104,308)	-	(104,308)
Total	(6,346)	(446,627)	661,879	208,906

(21) Provision for expected credit losses

The item details are as follows:

	30 June 2025	30 June 2024
	JD	JD
	(Reviewed not audited)	(Reviewed not audited)
Balances at Central Banks	192,777	6,211
Balances at banks and financial institutions	(2,412)	3,078
Deposits at banks and financial institutions	16,871	9,511
Financial assets at amortized cost	172,899	438,775
Financial assets at fair value through other comprehensive income	639	(1,686)
Direct credit facilities	3,484,015	29,955,351
Indirect credit facilities	2,730,794	(12,731)
	6,595,583	30,398,509

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(22) Earnings per Share for the period attributable to (Bank's Shareholders)

The item details are as follows:

	For the Three Months Ended 30 June		For the Six Months Ended 30 June	
	2025	2024	2025	2024
	(Reviewed not audited)		(Reviewed not audited)	
Profit for the period attributable to bank's shareholders (JD)	6,697,003	2,209,770	14,038,059	6,723,156
Weighted average number of shares	200,000,000	200,000,000	200,000,000	200,000,000
	(JD/ Fills)	(JD/ Fills)	(JD/ Fills)	(JD/ Fills)
Basic and diluted earnings per share for the period - (Bank's Shareholders)	0/033	0/011	0/07	0/034

(23) Cash and Cash Equivalents

The item details are as follows:

	30 June 2025	30 June 2024
	JD	JD
	(Reviewed not audited)	(Reviewed not audited)
Cash and balances at Central Banks maturing within three months	380,747,379	338,885,007
<u>Add:</u> Balances at banks and financial institutions maturing within three months	130,372,853	167,782,373
<u>Less:</u> Banks and financial institutions deposits maturing within three months	(300,234,722)	(260,418,979)
<u>Less:</u> Restricted balances	(10,635,000)	(10,635,000)
	200,250,510	235,613,401

(24) Balances and Transactions with Related Parties

The Bank entered into transactions with major shareholders, members of the board of directors, and senior management in the ordinary course of business at commercial interest and commission rates. The interim condensed consolidated financial statements include the bank's financial statement and the following subsidiaries:

Company Name	Ownership %	Company's Capital	
		2025	2024
		JD	JD
Al-Watanieh Financial Services Company Limited Liability	100	6,500,000	6,500,000
Al-Watanieh Securities Company Private shareholding	100	1,600,000	1,600,000
Tamallak for Financial Leasing Company	100	8,000,000	5,000,000
Safa Bank	59.956	45,231,826	45,231,826

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Set out below is the related party transactions that took place during the period:

	Related Parties				Total	
	Major shareholders	Board of directors and relatives	Executive management	Other *	30 June	31 December
					2025	2024
	JD	JD	JD	JD	JD	JD
					(Reviewed not audited)	(Audited)

Statement of Financial

Position Items:

Direct credit facilities	11,826,134	34,403,204	2,905,580	36,747,049	85,881,967	87,250,386
Deposits at the Bank	21,826,918	46,803,338	2,588,246	21,594,752	92,813,254	82,067,408
Cash Margins	99,685	1,389,680	10,929	102,946	1,603,240	3,343,381

Off Statement of Financial

Position Items:

Indirect credit facilities	1,069,988	4,380,008	-	3,245,746	8,695,742	6,039,301
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30 June 2025	30 June 2024
JD	JD
(Reviewed not audited)	(Reviewed not audited)

Income Statements Items:

Interest and commission income	591,306	1,548,144	78,745	1,102,411	3,320,606	3,222,209
Interest and commission expense	545,672	1,170,083	87,521	354,521	2,157,797	2,338,098

* Others include the rest of bank employees and their relatives up to the third degree.

- Interest income rates on credit facilities in Jordanian Dinar range between 2% - 21%.
- Interest income rates on credit facilities in foreign currency range between 4% - 7.5%.
- Interest expense rates on deposits in Jordanian Dinar range between zero% - 6.95%.
- Interest expense rates on deposits in foreign currency range between zero% - 5.25%.

Salaries, wages and bonuses of executive management amounted to JD 2,292,424 as of 30 June 2025 (JD 2,440,682 as of 30 June 2024).

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(25) Capital Adequacy

The capital adequacy ratio is calculated in accordance with the Central Bank of Jordan instructions which are based on Basel committee decisions. Below is the capital adequacy ratio as per Basel III:

	30 June 2025	31 December 2024
	JD (Reviewed not audited)	JD (Audited)
Ordinary share rights		
Subscribed and paid-in capital	200,000,000	200,000,000
Retained earnings	88,391,474	88,391,474
Fair value reserve - net	71,289,248	59,124,709
Legal reserve	97,418,830	97,418,830
Other reserves approved by the Central Bank	11,526,630	11,526,630
Foreign Currencies translation reserve	(1,584,070)	(1,584,070)
Minority rights allowed to be recognized	6,511,605	7,702,093
Profits for the period	7,038,059	-
Total ordinary shares' capital	480,591,776	462,579,666
Regulatory adjustments (deductible from capital)		
Intangible assets	(7,754,014)	(7,629,845)
Deferred tax assets that should be deducted	(17,911,475)	(17,971,220)
Net ordinary shareholders' equity	454,926,287	436,978,601
Net primary capital (Tier I)		
Tier II capital		
Subordinated loans	-	5,835,700
General banking risk reserve	6,174,583	6,174,583
Required provisions against debt instruments for stage 1 according to IFRS (9)	15,499,032	11,346,312
Minority rights allowed to be recognized	1,479,910	1,750,475
Tier II Capital Total	23,153,525	25,107,070
Net Tier II Capital	23,153,525	25,107,070
Regulatory capital	478,079,812	462,085,671
Total risk weighted assets	2,881,747,858	2,811,672,994
Capital adequacy percentage (%)	16.59%	16.43%
Primary capital percentage (%)	15.79%	15.54%
Subordinated capital percentage (%)	0.80%	0.89%
Liquidity coverage ratio (LCR)		
Total high quality liquid assets	1,114,876,130	1,045,639,661
Total high quality liquid assets after deduction and subtracting maximum adjustments	1,114,876,130	1,045,639,661
Net cash outflow	614,305,872	538,108,446
Liquidity coverage Ratio (LCR)	181.49%	194.3%

- Liquidity coverage ratio based on average of all business days 183.05%.

Net Stable Funding Ratio (NSFR)

Net stable funding reached 124.20% as of 30 June 2025 (133.23% as of 31 December 2024).

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(26) Segment Information

Information on the Bank's Segments:

For management purposes, the Bank is organized into major business segments which are measured according to reports used by the CEO and key decision maker at the Bank, through the following major sectors:

- Retail banking: Principally handling individual customers' deposits, and providing consumer type loans, overdrafts, credit cards facilities and other services.
- Corporate banking: Principally handling deposits, loans and other credit facilities, and other services related to corporate and institutional customers.
- Treasury: Principally providing trading, treasury services, and management of the Bank's money and investments.

Below is information on the bank's segments:

	Retail	Corporate	Treasury	Other	30 June 2025	30 June 2024
	JD	JD	JD	JD	JD (Reviewed not audited)	JD (Reviewed not audited)
Gross revenues	49,990,717	42,225,430	41,132,577	1,737,807	135,086,531	143,234,290
Expected credit losses	4,771,056	1,505,791	244,897	73,839	6,595,583	30,398,509
Impairment of repossessed assets provision	-	-	-	-	-	6,781
Sundry provisions	-	-	-	325,000	325,000	310,000
Segment result	34,075,344	24,724,344	15,892,840	1,171,517	75,864,045	55,045,249
Unallocated costs					(53,494,727)	(50,911,836)
Profit before tax					22,369,318	4,133,413
Income tax (expense) surplus					(8,551,920)	795,744
Profit for the period					13,817,398	4,929,157
Other information						
Capital expenditure					2,835,566	3,001,780
Depreciation and amortization					4,315,960	3,928,903
					30 June 2025	31 December 2024
					JD	JD
					(Reviewed not audited)	(Audited)
Total segment assets	1,009,177,903	1,165,067,721	1,603,811,411	212,581,577	3,990,638,612	3,917,919,342
Total segment liabilities	1,423,148,217	1,191,161,909	676,059,137	195,823,108	3,486,192,371	3,427,455,038

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Geographical Information

The following note shows the geographical distribution of the Bank's business, the bank carries out its activities mainly in the Kingdom of Jordan which represents the local business, and the bank also carries its activities in Palestine and Bahrain.

The below note shows the geographical distribution of the bank's business, the bank carries its activities mainly in the Kingdom of Jordan which represents the bank's local business.

	Inside Jordan		Outside Jordan		Total	
	30 June 2025	30 June 2024	30 June 2025	30 June 2024	30 June 2025	30 June 2024
	JD	JD	JD	JD	JD	JD
	(Reviewed not audited)		(Reviewed not audited)		(Reviewed not audited)	
Gross revenue	101,594,775	115,701,296	33,491,756	27,532,994	135,086,531	143,234,290
Capital expenditures	1,510,031	2,321,030	1,325,535	680,750	2,835,566	3,001,780

	Inside Jordan		Outside Jordan		Total	
	31 30 June 2025	31 December 2024	31 30 June 2025	31 December 2024	31 30 June 2025	31 December 2024
	JD	JD	JD	JD	JD	JD
	(Reviewed not audited)	(Audited)	(Reviewed not audited)	(Audited)	(Reviewed not audited)	(Audited)
Total assets	2,763,817,104	2,731,938,272	1,226,821,508	1,185,981,070	3,990,638,612	3,917,919,342

(27) Risk Management

The Bank's risk management is performed based on a comprehensive strategy for risk reduction and mitigation, after identifying acceptable risks by the Bank to manage its business to ensure the level and quality of the various risks the Bank wishes to accept, in which it will not affect the achievement of the strategic objectives, in addition to mitigating the negative effects of internal and external events on the profitability of the bank, the rate of capital, market share and any other intangible factors such as Bank's reputation.

The Bank's risk management policies for the six-month period ended 30 June 2025 are consistent with the policies for the year ended 31 December 2024, which are disclosed with the Bank's annual report as of 31 December 2024.

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Reclassified credit exposures

Gross reclassified credit exposures

	Stage 2		Stage 3		Gross reclassified exposures	Reclassified exposures percentage
	Gross exposure amount	Reclassified exposures	Gross exposure amount	Reclassified exposures		
	JD	JD	JD	JD		
Direct credit and finance facilities	398,342,881	84,047,107	248,974,968	49,232,090	282,711,450	11.83%
Total	398,342,881	84,047,107	248,974,968	49,232,090	282,711,450	
Financial guarantees	18,057,699	3,932,797	1,601,453	1,185,696	17,570,475	16.45%
Letters of credit	2,763,673	-	665,352	590,140	3,036,346	5.71%
Other commitment	25,338,646	11,042,397	2,612,052	2,131,059	35,562,459	9.14%
Total	444,502,899	99,022,301	253,853,825	53,138,985	338,880,730	

Expected credit losses of reclassified credit exposures

	Reclassified credit exposures			Expected credit losses of reclassified credit exposures				
	Gross exposures reclassified from stage 2 JD	Gross exposures reclassified from stage 3 JD	Gross reclassified exposures JD	Stage 2		Stage 3		Total JD
				Individual	Collective	Individual	Collective	
Direct credit and finance facilities	84,047,107	49,232,090	282,711,450	2,126,940	3,817,414	4,120,814	-	10,065,168
Total	84,047,107	49,232,090	282,711,450	2,126,940	3,817,414	4,120,814	-	10,065,168
Financial guarantees	3,932,797	1,185,696	17,570,475	110,439	-	25,548	-	135,987
Letters of credit	-	590,140	3,036,346	-	-	48,671	-	48,671
Other commitment	11,042,397	2,131,059	35,562,459	41,735	6,597	31,049	-	79,381
Total	99,022,301	53,138,985	338,880,730	2,279,114	3,824,011	4,226,082	-	10,329,207

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Allocation of exposures according to economic sectors

Allocation of exposures according to financial instruments – net:

	Financial	Industrial	Commercial	Real Estate*	Agricultural	Trading	Retail	Government and Public Sector	Total
	JD	JD	JD	JD	JD	JD	JD	JD	JD
Balances at central banks	-	-	-	-	-	-	-	186,681,117	186,681,117
Balances at banks and financial institutions	130,370,001	-	-	-	-	-	-	-	130,370,001
Deposits at banks and financial institutions	19,851,501	-	-	-	-	-	-	-	19,851,501
Credit facilities	134,081,642	140,202,968	474,737,400	450,736,039	25,095,871	19,784,787	668,275,669	277,795,809	2,190,710,185
Financial assets at fair value through other comprehensive income-Net	-	-	-	-	-	-	-	208,986	208,986
Financial assets at amortized cost - net	109,837,667	4,244,763	31,843,989	-	-	-	-	780,602,230	926,528,649
Other assets	10,245,672	825,422	14,352,542	1,357,528	553,266	335,372	2,275,279	15,873,740	45,818,821
Total assets	404,386,483	145,273,153	520,933,931	452,093,567	25,649,137	20,120,159	670,550,948	1,261,161,882	3,500,169,260
Financial guarantees	19,214,067	10,498,409	62,908,342	9,070,374	99,578	-	-	2,988,118	104,778,888
Letters of credit and acceptances	19,391,764	6,360,233	20,675,393	-	-	-	-	6,124,417	52,551,807
Other commitment	46,588,905	87,858,467	199,320,108	14,236,700	5,099,728	1,028,081	22,003,173	9,545,150	385,680,312
Total	489,581,219	249,990,262	803,837,774	475,400,641	30,848,443	21,148,240	692,554,121	1,279,819,567	4,043,180,267

* The economic sector of real estate includes loans granted to corporates and housing loans.

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Allocation of exposures according to stages categories of International Financial Reporting Standard no. (9):

	Stage 1		Stage 2		Stage 3	Total
	Individual	Collective	Individual	Collective		
	JD	JD	JD	JD	JD	JD
Financial	482,425,031	5,832,403	1,293,225	-	30,560	489,581,219
Industrial	175,211,577	3,865,056	58,212,185	1,596,015	11,105,429	249,990,262
Commercial	585,337,067	82,924,425	75,830,790	34,762,021	24,983,471	803,837,774
Real estate	183,055,481	144,623,251	61,960,933	51,210,652	34,550,324	475,400,641
Agricultural	20,783,190	553,266	3,303,274	1,654,865	4,553,848	30,848,443
Trading	15,418,044	5,730,196	-	-	-	21,148,240
Retail	6,758,098	563,408,833	1,384,036	90,663,510	30,339,644	692,554,121
Government and public sector	1,244,809,858	13,102,692	21,907,017	-	-	1,279,819,567
Total	2,713,798,346	820,040,122	223,891,460	179,887,063	105,563,276	4,043,180,267

Allocation of exposures according to geographical regions:

Allocation of exposures according to financial instruments – net:

	Other Middle Eastern		Other				Total
	Inside Jordan	Countries	Europe	Asia*	America	Countries	
	JD	JD	JD	JD	JD	JD	JD
Balances at central banks	79,651,410	107,029,707	-	-	-	-	186,681,117
Balances at banks and financial institutions	40,860,870	29,838,638	41,630,135	150,912	17,873,935	15,511	130,370,001
Deposits at banks and financial institutions	19,696,542	154,959	-	-	-	-	19,851,501
Credit Facilities	1,640,385,011	539,891,101	10,304,623	-	129,450	-	2,190,710,185
Financial assets at fair value through other comprehensive income - net	-	208,986	-	-	-	-	208,986
Financial Assets at amortized cost - net	867,670,946	58,857,703	-	-	-	-	926,528,649
Other assets	30,728,762	8,785,496	6,294,146	-	10,417	-	45,818,821
Total assets	2,678,993,541	744,766,590	58,228,904	150,912	18,013,802	15,511	3,500,169,260
Financial guarantees	80,830,101	21,872,389	1,565,078	298,778	212,542	-	104,778,888
Letters of credit and acceptances	22,322,637	30,229,170	-	-	-	-	52,551,807
Other commitment	335,681,271	48,970,960	1,028,081	-	-	-	385,680,312
Total	3,117,827,550	845,839,109	60,822,063	449,690	18,226,344	15,511	4,043,180,267

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Allocation of exposures according to stage categories of International Financial Reporting Standard no. (9):

	Stage 1		Stage 2		Stage 3	Total
	Individual	Collective	Individual	Collective		
	JD	JD	JD	JD	JD	JD
Inside Jordan	2,100,674,537	724,977,794	173,960,692	40,313,527	77,901,000	3,117,827,550
Other Middle Eastern Countries	541,047,884	88,788,168	48,767,245	139,573,536	27,662,276	845,839,109
Europe	53,384,380	6,274,160	1,163,523	-	-	60,822,063
Asia	449,690	-	-	-	-	449,690
America	18,226,344	-	-	-	-	18,226,344
Other Countries	15,511	-	-	-	-	15,511
Total	2,713,798,346	820,040,122	223,891,460	179,887,063	105,563,276	4,043,180,267

(28) Fair Value Hierarchy

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

Some financial assets and liabilities of the Bank are measured at fair value at the end of each fiscal period. The following table shows information about how the fair value of these financial assets and financial liabilities is determined (valuation methods and inputs used):

Financial Assets / Financial Liabilities	Fair value		The Level of Fair Value	Valuation Method and Inputs Used	Important Intangible Inputs
	30 June 2025	31 December 2024			
	JD (Reviewed not audited)	JD (Audited)			
<u>Financial Assets at Fair Value through income statement</u>					
Corporate shares	10,499,840	9,554,285	Level I	Prices listed in stock exchange market	Not Applicable
Total	10,499,840	9,554,285			
<u>Financial Assets at Fair Value through Other Comprehensive Income</u>					
Quoted shares	134,296,082	119,379,549	Level I	Prices listed in stock exchange market	Not Applicable
Unquoted shares	15,428,770	13,940,047	Level III	Equity method and using latest available financial information	Not Applicable
Quoted bonds	208,986	199,643	Level I	Prices listed in stock exchange market	Not Applicable
Total	149,933,838	133,519,239			
Total financial assets at fair value	160,433,678	143,073,524			

There were no transfers between the first level and second level during period.

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Fair value of financial assets and financial liabilities of the Bank with no specific fair value on an ongoing basis:

Except as set out in the table below, we believe that the carrying value of financial assets and financial liabilities in the financial statements of the Bank approximates their fair value, as the Bank's management believes that the carrying value of the items listed below approximate their fair value, due to either their short-term maturity or repricing of their interest rates during the year.

	30 June 2025		31 December 2024		Fair Value
	Book Value	Fair Value	Book Value	Fair Value	Level
	JD	JD	JD	JD	JD
	(Reviewed not audited)		(Audited)		
<u>Financial assets with unspecified fair value</u>					
Balances at Central Banks – net	186,681,117	186,681,117	186,818,870	186,818,870	Level II
Balances at Banks and other Financial Institutes - net	130,370,001	130,778,750	109,359,074	110,098,664	Level II
Deposits at Banks and other Financial Institutes - net	19,851,501	20,231,861	31,941,380	32,412,970	Level II
Financial assets at amortized costs	926,528,649	944,282,783	862,230,666	877,450,839	Level I & Level II
Direct credit facilities - net	2,190,710,185	2,199,765,035	2,246,135,972	2,254,551,172	Level II
Total financial assets with unspecified fair value	3,454,141,453	3,481,739,546	3,436,485,962	3,461,332,515	
<u>Financial liabilities with unspecified fair value</u>					
Banks and financial institutions' deposits	355,161,075	357,264,827	347,855,359	349,573,557	Level II
Customer Deposits	2,514,470,665	2,527,904,531	2,480,501,707	2,496,935,088	Level II
Margin account	86,966,363	86,977,770	100,040,987	100,048,125	Level II
Borrowed funds	376,637,192	378,693,866	350,188,609	352,496,919	Level II
Subordinated loans	18,540,350	19,064,495	18,540,350	19,067,373	Level II
Total financial liabilities with unspecified fair value	3,351,775,645	3,369,905,489	3,297,127,012	3,318,121,062	

For the above-mentioned items, the second level financial liabilities and financial assets have been determined at fair value according to the agreed-upon pricing model, which reflects the credit risk of the parties dealt with.

CAIRO AMMAN BANK – PUBLIC SHAREHOLDING LIMITED COMPANY
NOTES TO THE INTERIM CONDENSED FINANCIAL STATEMENTS
30 JUNE 2025 (REVIEWED NOT AUDITED)

(29) Contingent Liabilities and Commitments

The item details are as follows:

	30 June 2025	31 December 2024
	JD (Reviewed not audited)	JD (Audited)
Letters of credit:		
Issuances	50,113,896	53,901,619
Acceptances	3,046,991	12,774,124
Letters of guarantee:		
Payments	59,363,634	49,876,193
Performance	30,904,063	32,036,128
Other	16,555,686	19,483,312
Unutilized direct credit facilities ceilings	299,099,532	229,129,838
	<u>459,083,802</u>	<u>397,201,214</u>

(30) Lawsuits

In the normal course of business, the Bank appears as a defendant in a number of lawsuits amounted to JD 24,609,258 and JD 25,641,111 as of 30 June 2025 and 31 December 2024 respectively. In the opinion of the Bank's management and legal counsel, the Bank maintains adequate provisions against these lawsuits.

Provisions against the cases amounted to JD 2,497,394 and JD 2,846,002 as of 30 June 2025 and 31 December 2024, respectively.

On 1 January 2019 multiple civil lawsuits have been filed at US courts against multiple banks and financial institutions claiming financial compensation using the US antiterrorism law for damages allegedly resulting from attacks by groups listed under the US sanctions list in 2001. These lawsuits have been filed at courts hours before their filing deadline and have been filed by an attorney office which has filed several similar complaints against other banking institutions on behalf of the same plaintiffs claiming the damages. Cairo Amman Bank is one of the banks the aforementioned lawsuit has been filed against.

In the opinion of management and legal counsel, no provisions should be recorded for the lawsuits filed at US courts against the Bank as of 30 June 2025 as the Bank has consulted with legal consultants specialized in US courts and concluded that the legal status of the lawsuits is in favour of the Bank and that there are no legal or judicial grounds for the lawsuits, as the Legal consultant believes that the legal status of the bank is favourable in regard to this lawsuit.

(31) Statutory Reserve

The Bank did not deduct the statutory reserves during the period in accordance with the companies' law, as these statements are interim financial statements.