ARAB CO-OPERATION FOR FINANCIAL INVESTMENT COMPANY

(LIMITED LIABILITY COMPANY)

FINANCIAL STATEMENTS

31 DECEMBER 2024

Ernst & Young Jordan
P.O. Box 1140
300 King Abdulla Street
Amman 11118
Jordan
Tel:00962 6 580 0777 /00962 6552 6111
Fax:00962 6 5538 300
www.ey.com

INDEPENDENT AUDITOR'S REPORT
To the management of Arab Co-operation for Financial Investment Company
Limited Liability Company
Amman- Jordan

Report on the Audit of the Financial Statements

Opinion

We have audited the financial statements of Arab Co-operation for Financial Investment Company Limited Liability Company (the Company), which comprise the statement of financial position as at 31 December 2024, and the statement of comprehensive income, statement of changes in equity and statement of cash flows for the year then ended, and notes to the financial statements, including material accounting policies information.

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

Basis for Opinion

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

Other Matter

The financial statements for the year ended 31 December 2023 were audited by another auditor. Unqualified opinion was issued on the financial statements on 11 March 2024.

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

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

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

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

Auditor's Responsibilities for the Audit of the Financial Statements

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

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

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

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

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

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

- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However future events or conditions may cause the Company to cease to continue as a going concern.

- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

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

Report on Other Legal and Regulatory Requirements

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

For and on behalf of Ernst & Young – Jordan.

Osama Shakhatreh
License No. 1079

Amman - Jordan
17 February 2025

ERNST & YOUNG
Amman - Jordan

ARAB CO-OPERATION FOR FINANCIAL INVESTMENTS COMPANY
LIMITED LIABILITY COMPANY
STATEMENT OF FINANCIAL POSITION
AS AT 31 DECEMBER 2024

	Notes	2024	2023
		JD	JD
ASSETS			
Balances at banks and other financial institutions	6	7,020,384	5,752,771
Financial assets at fair value through other comprehensive income	17	1,094,014	-
Trade receivables - spot	7-a	1,282,385	2,810,641
Trade receivables - margin	7-b	29,602,080	31,425,155
Lands held for sale	9	869,268	1,696,734
Property and equipment	10	41,665	60,690
Intangible assets	11	64,749	61,128
Right of use assets	18	82,900	-
Deferred tax assets	14-c	1,504,969	1,391,766
Other debit balances	8	158,147	148,766
Total Assets		41,720,561	43,347,651
LIABILITIES AND EQUITY			
Liabilities			
Banks overdraft	12	8,864,041	12,293,076
Trade payable - financial brokerage	19	6,934,763	5,738,851
Cash margins		262,301	54,539
Income tax provision	14-a	287,037	266,958
Lease liabilities	18	85,857	-
Other credit balances	13	182,416	185,198
Total Liabilities		16,616,415	18,538,622
Equity			
Paid in capital	15-a	15,600,000	15,600,000
Statutory reserve	15-b	6,282,481	6,231,786
Fair value reserve		(9,220)	-
Retained earnings	16	3,230,885	2,977,243
Total Equity		25,104,146	24,809,029
Total Liabilities and Equity		41,720,561	43,347,651

The accompanying notes from 1 to 30 form part of these financial statements

ARAB CO-OPERATION FOR FINANCIAL INVESTMENTS COMPANY
LIMITED LIABILITY COMPANY
STATEMENT OF COMPREHENSIVE INCOME
FOR THE YEAR ENDED 31 DECEMBER 2024

	Notes	2024	2023
		JD	JD
Interest income		3,432,184	3,502,084
Trading commissions	20	728,267	854,385
Gain (losses) from currency differences		21,091	(34,748)
Other revenues		17,129	22,252
Net revenues		4,198,671	4,343,973
Administrative expenses	21	(1,935,716)	(1,946,054)
Finance cost – banks overdraft		(832,879)	(851,775)
Depreciation and amortization	10,11	(46,861)	(45,827)
Expected credit losses - trade receivables	7	(945,113)	(1,068,869)
Expected credit losses - banks and financial institutions	6	(1,557)	(2,238)
Recovered from (provision) expected credit losses – indirect facilities	13	872	(300)
Recovered from impairment loss provision - lands held for sale	9	69,536	-
Total expenses		(3,691,718)	(3,915,063)
Profit for the year before income tax expense		506,953	428,910
Income tax expense	14-b	(202,616)	(125,204)
Profit for the year		304,337	303,706
Add: net change in fair value of financial assets at fair value through other comprehensive income after tax – shares		(9,220)	-
Total comprehensive income for the year		295,117	303,706

The accompanying notes from 1 to 30 form part of these financial statements

ARAB CO-OPERATION FOR FINANCIAL INVESTMENTS COMPANY
LIMITED LIABILITY COMPANY
STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 31 DECEMBER 2024

	Paid in capital	Statutory reserve	Fair value reserve	Retained earnings*	Total
	JD	JD	JD	JD	JD
For the year ended 31 December 2024					
Balance at the beginning of the year	15,600,000	6,231,786	-	2,977,243	24,809,029
Total comprehensive income for the year	-	-	(9,220)	304,337	295,117
Transferred to statutory reserve	-	50,695	-	(50,695)	-
Balance at the end of the year	15,600,000	6,282,481	(9,220)	3,230,885	25,104,146
For the year ended 31 December 2023					
Balance at the beginning of the year	15,600,000	6,188,895	-	2,716,428	24,505,323
Total comprehensive income for the year	-	-	-	303,706	303,706
Transferred to statutory reserve	-	42,891	-	(42,891)	-
Balance at the end of the year	15,600,000	6,231,786	-	2,977,243	24,809,029

* Retained earnings include an amount of JD 1,504,969 restricted as of 31 December 2024, against deferred tax benefits, including the capitalization or distribution unless actually realized, according to the Central Bank of Jordan instructions and the Jordan Securities Commission (1,391,766 JD as of 31 December 2023).

The accompanying notes from 1 to 30 form part of these financial statements

ARAB CO-OPERATION FOR FINANCIAL INVESTMENTS COMPANY
LIMITED LIABILITY COMPANY
STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 31 DECEMBER 2024

	Notes	2024	2023
		JD	JD
OPERATING ACTIVITIES			
Profit for the year before income tax		506,953	428,910
Adjustments:			
Depreciation and amortization	10,11	46,861	45,827
Expected credit losses - trade receivables	7	945,113	1,068,869
Expected credit losses - banks and financial institutions	6	1,557	2,238
(Recovered from) provision expected credit losses – indirect facilities	13	(872)	300
Loss from the disposal of property and equipment		57	-
Recovered from impairment loss provision – lands held for sale		(69,536)	-
Depreciation on right of use assets	18	41,450	-
Lease liabilities - finance cost	18	7,753	-
Change in assets and liabilities			
Trade receivables - net		2,406,218	(699,312)
Other debit balances		(9,381)	64,450
Trade payable - financial brokerage		1,195,912	(1,328,968)
Other credit balances		(1,910)	(97,645)
Cash margins		207,762	(39,766)
Net cash flows from (used in) operating activities before tax		5,277,937	(555,097)
Income tax paid	14-a	(292,155)	(447,646)
Net cash flows from (used in) operating activities		4,985,782	(1,002,743)
INVESTING ACTIVITIES			
Financial assets at fair value through other comprehensive income		(1,106,819)	-
Purchase of property and equipment	10	(7,113)	(10,649)
Purchase of intangible assets	11	(24,401)	(425)
Proceed from the sale of lands held for sale		897,002	-
Net cash flows used in investing activities		(241,331)	(11,074)
FINANCING ACTIVITIES			
Dividends		-	(1,048,654)
Lease liabilities payments	18	(46,246)	-
Net cash flows used in financing activities		(46,246)	(1,048,654)
Net increase (decrease) in cash and cash equivalents		4,698,205	(2,062,471)
Cash and cash equivalents at the beginning of the year		(6,536,931)	(4,474,460)
Cash and cash equivalents at the end of the year	6	(1,838,726)	(6,536,931)

The accompanying notes from 1 to 30 form part of these financial statements

(1) GENERAL

Arab Co-Operation for Financial Investments was registered and incorporated as a limited liability Company in Jordan on 25 January 1990. The Company registered "ABC Investments" as its trade name on 30 September 2002. The Company's activities include investment management and brokerage activities in securities on behalf of clients, in addition to providing financial advisory services for investing in securities and managing and underwriting new securities issuances.

The Company is a wholly owned subsidiary of Arab Banking Corporation (Jordan), of which the Arab Banking Corporation (Bahrain) owns approximately 86.7%.

The financial statements of the Company are consolidated with the financial statements of Arab Banking Corporation (Jordan).

The financial statements were approved by the Company's management on 10 February 2025.

(2) BASIS OF PREPARATION

The Company's financial statements have been prepared in accordance with International Financial Reporting Standards (IFRS) as issued by the International Accounting Standards Board (IASB) and the interpretations issued by the International Financial Reporting Interpretations Committee affiliated with the International Accounting Standards Board.

The financial statements are prepared under the historical cost basis. except for lands for sale and financial assets at fair value through other comprehensive income which are valued at fair value on the date of financial statements.

The financial statements have been presented in Jordanian Dinar "JD" which is the functional currency of the Company.

(3) CHANGES IN ACCOUNTING POLICIES

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

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

The amendments in IFRS 16 specify the requirements that a seller-lessee uses in measuring the lease liability arising in a sale and leaseback transaction, to ensure the seller-lessee does not recognise any amount of the gain or loss that relates to the right of use it retains.
The amendments had no material impact on the Company’s financial statements.

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

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

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

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

The amendments had no material impact on the Company’s financial statements.

Supplier Finance Arrangements - Amendments to IAS 7 and IFRS 7

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

The amendments had no material impact on the Company’s financial statements.

(4) MATERIAL ACCOUNTING POLICIES INFORMATION

Cash and cash equivalents

For the purpose of the statement of cash flows, cash and cash equivalents include cash on hand, bank and financial institution balances and short-term deposits that have maturity dates of three months or less net of banks overdraft.

Lands held for sale

Lands held for sale is valued at the lower of cost or net realizable value, Impairment losses on land held for sale is recognized in the statement of comprehensive income.

Property and equipment

Property and equipment are stated at cost, less accumulated depreciation in value, depreciation is calculated when its ready for use on a straight-line basis over the estimated useful lives of the assets using annual percentages as follows:

	%
Furniture and fixtures	15
Office equipment	25
Vehicles	15

If such indication exists and when the carrying values exceed the estimated recoverable amounts, the assets are written down to their recoverable amount, and the impairment is charged to statement of comprehensive income.

The useful lives and depreciation methods are reviewed periodically to ensure that the method and period of depreciation are consistent with the expected pattern of economic benefits from items of property and equipment.

Intangible assets

Intangible assets appear at cost price less accumulated amortization.

Intangible assets are classified based on the assessment of their useful life as either definite or indefinite. Intangible assets with a definite useful life are amortized over that period, and the amortization expense is recorded in the statement of comprehensive income. As for intangible assets with an indefinite useful life, they are tested for impairment at the financial statement date, and any impairment loss is recognized in the statement of comprehensive income.

Payables and receivables

Liabilities are recognized for future payables for goods and services received whether or not claimed by the supplier.

Provisions

Provisions are recognized when the Company has liabilities at the date of the statement of financial position arising from past events and the repayment of obligations is probable and reliably measurable.

Right to use assets

The Company recognizes the right to use the asset on the date of commencement of the lease (i.e. the date on which the asset is usable). The asset of the right to use is recognized at cost, after deducting accumulated depreciation and impairment losses, and the value is adjusted upon the revaluation of rental liabilities.

The cost of the right to use the asset includes the value of the recognized lease obligations, as well as the initial direct costs incurred, and rental payments made on or before the contract commencement date, less any incentives received in connection with the lease. In the event that the company is not sure of obtaining ownership of the leased asset at the end of the contract term, the value of the recognized right of use of the assets is depreciated on a straight-line basis over the useful life of the assets or the lease period, whichever is less. The right to use the assets is subject to impairment test.

Lease Liabilities

On the date of commencement of the lease, the company acknowledges the obligations of the lease at the present value of the rent payments to be paid during the term of the lease. Rent payments include fixed payments (which include payments that are considered fixed rental payments) minus accrued rent incentives and variable rental payments that depend on indicators or rates agreed upon in accordance with the terms of the contract. Amounts expected to be collected under residual value guarantees. Rent payments also include the value payable upon exercising the call option, which is certain to be exercised by the Company, and the value of the termination penalties, if the Company intends to exercise the termination option in accordance with the terms of the contract.

Variable rental payments that are not based on indicators or rates agreed upon in accordance with the terms of the contract are recognized as expenses in the period in which the event occurs or the condition giving rise to the payment of those amounts.

When calculating the present value of rental payments, the Company uses for the purposes of deducting future rental payments the borrowing rate at the start of the lease if the interest rate implied in the lease is not determinable. Later, the rental obligations are increased by the amount of interest due and reduced by the value of the actual rent payments. In addition, the carrying amount of lease obligations is remeasured if there is any modification or change in the lease term or when there is any change in the payments in which the content is fixed rental payments or when the valuation related to the purchase of the asset is changed.

Revenue and expenses recognition

Revenues are realized in accordance with IFRS 15, where the new standard defines a five-step model for recognizing revenue generated from contracts with customers, and revenue is recognized at a value that represents the amount that the entity expects to achieve in return for providing services to the customer at a certain point in time when the transaction is completed at the time the customer receives and uses the features and services provided by the Company.

Commissions revenue is recognized when trading securities for clients.

Interest revenues are recognized using the effective interest method.

Other income is recognized on an accrual basis.

Dividends of companies are recognized when they are recognized (approved by the management of shareholders).

Expenses are recognized on an accrual basis.

Foreign currency transactions

Balances of financial assets and liabilities are converted at the average foreign currency rates prevailing at the date of the statement of financial position and announced by the Central Bank of Jordan Transactions made in foreign currencies during the year are recorded at the exchange rates prevailing on the date of transactions gains and losses from foreign currency conversion are recorded in the statement of comprehensive income.

Offsetting

An offsetting between financial assets and financial liabilities and the net amount is shown in the statement of financial position is made only when binding legal rights are available as well as when they are settled on the basis of set-off or the assets are realized and liabilities are settled at the same time.

Impairment of financial assets

The Company recognizes an allowance for expected credit losses for all debt instruments not held at fair value through profit or loss. ECLs are based on the difference between the contractual cash flows due in accordance with the contract and all cash flows that the Company expects to receive, discounted when estimating the original effective interest rate. Expected cash flows include cash flows from the sale of collateral held or other credit improvements that are an integral part of the contractual terms (if any).

The Company's management calculate a provision based on its historical credit loss experience adjusted for future debtor-specific factors and the economic environment.

Financial assets at fair value through other comprehensive income

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

These financial instruments are initially measured at their fair value plus transaction costs. Subsequently, they are measured at fair value. Gains or losses arising on subsequent measurement of these equity investments including the change in fair value arising from non-monetary assets in foreign currencies are recognized in other comprehensive income in the statement of changes in equity. The gain or loss on disposal of these asset are reclassified from fair value reserve to retained earnings and not through statement of income.

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

Dividend income is recognized in the statement of comprehensive income.

Income tax

The company takes a provision for income tax in accordance with the income tax laws in force in the Hashemite Kingdom of Jordan.

Deferred tax is tax expected to be paid or recovered as a result of temporary timing differences between the value of the assets and liabilities in the financial statements and the value of the taxable amount. Deferred tax is calculated on the basis of the liability method and the deferred tax is calculated in 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 financial statements and reduced in case it is expected that no benefit will arise partially or totally.

Financial assets at amortized cost

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

Assets at amortized cost is recorded at cost upon purchase plus acquisition expenses, the premium/ discount (if any) is amortized by using the effective interest rate method records on the interest or for its account. Any provisions resulted from impairment in its value is deducted and any impairment in its value is recorded in the statement of income.

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

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

Fair Value Measurement

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

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

Fair value represents the price that will be obtained when the asset is sold or that will be paid to settle an obligation in a regulated transaction between market participants at the measurement date.

(5) Significant Accounting Judgments and Estimates

The preparation of the 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. In particular, considerable judgment by management is required in the estimation of the amount and timing of future cash flows when determining the level of provisions required. Such estimates are necessarily based on assumptions about several factors involving varying degrees of judgment and uncertainty and actual results may differ resulting in future changes in such provisions. We believe that our estimates of the financial statement are reasonable and detailed as the following:

Useful life of property and equipment

The Company's management estimates the useful life for property, plant and equipment for the purpose of calculating depreciation by depending on the expected useful life of these assets. Management reviews the remaining book value and useful life annually. Future depreciation expense is adjusted if management believes that the remaining useful life of the assets differs from previous estimations.

Expected credit losses

The determination of expected credit losses requires management to make significant judgments and estimates in assessing the amount and timing of future cash flows. It also involves evaluating whether there has been a significant increase in the credit risk of financial assets since initial recognition, in addition to incorporating forward-looking information in measuring expected credit losses.

- Definition of default implementation and its processing mechanism:

The Company applies IFRS (9) by identifying internal indicators and standards, according to which non-performing credit facilities are manually individually classified on a case-by-case basis according to their current status. This is reflected in the Company's internal system and is embodied in the following classifications (substandard, doubtful, and impaired).

1) The Company's application of the default concept:
   The Company's management adopts an internal policy regarding the classification of defaults and provisions are booked in accordance with it.

2) Default processing mechanism:
   - Taking legal action when it comes to collecting the Company's rights.
   - Moving non-performing accounts to performing accounts for each case separately according to its current status.

The Governance implementation of IFRS (9) requirements, including the responsibilities of the Company's management and the Executive Management to ensure compliance with the requirements of this standard.

- The board of directors of the Company must approve the policies related to the standards, methodologies, and foundations for calculating the requirements of IFRS (9), as it reviews periodically the results of calculating expected credit losses and finds out about developments and developments related to these results, and the foundations and matters related to the calculation.

- The Company's Credit Committee approves any exceptions and cases where provisions for expected credit losses are being booked against it and the resulted amendments to of the calculation on the expected losses which is required according to have clear and documented justifications.

- A steering committee has been formed at the parent Company headed by the General Manager and the membership of each of the heads of the executive departments concerned in the implementation in addition to the membership of the CEO of the Company, where this committee is responsible for implementing the standard and the general supervision of the implementation mechanism. Furthermore, the committee ensures that the concerned departments implement this plan each according to its competence to adhere with the roles assigned to them and the implementation of the procedures related to the execution of the steps and phases of adopting this standard in the Company, in addition to presenting the results of completion all in, and coordinating with the Company's credit committee in order to obtain the necessary approvals for the cases which require amendments on the outcome of the calculation of the expected losses exposures.

Definition and Calculation Mechanism of the Probability of Default (PD), Exposure at Default (EAD), and Rate of Loss Given Default (LGD)

- Accordance with IFRS (9), the expected credit losses measurement model has been applied within the following framework:

- Expected credit losses = exposure at default * client's probability of default * loss given default rate.

- Credit exposure at default has been calculated for banks and financial institutions credit exposures, as well for credit facilities granted to the Company's customers within the margin financing and cash financing products, and according to the company's policy in this regard.

- The loss given default rate for credit exposures related to banks and financial institutions is calculated using the systems adopted by the external supplier, Moody's, assuming the occurrence of default after the calculation of the recoverable amount of the credit exposure and the timing of the recoverable amount, taking into account the collaterals provided against the credit exposure and the application of the discount rates determined in accordance with the internal standard adopted by the Company, this is implemented in coordination with the parent Company's concerned parties in this regard.

The expected credit losses calculation is based on a collective level of the credit portfolio granted by the Company for margin financing and cash financing products, as well as other products, such portfolios or products carry similar credit risk and share several components (type of product, quality of collateral provided, purpose of grants, sector, etc.)

The stress testing required in accordance with the standard have been adopted, these tests are part of the expected credit losses calculation process, Moreover, three scenarios have been adopted to study future forecasts and their effect on the variables of the expected credit losses measurement model, These scenarios represent the normal scenario, worst-case scenario, and best-case scenario, whereby the weighted probability value of these scenarios has been adopted.

For calculating credit losses in the stage three (impaired), adoption of the Company’s internal policy has continued as regards the classification of non-performing debts and the calculation of the provisions thereon and acceptable discount rates of collaterals.

Determinants of the significant change in the credit risk on which the Company relied in calculating the expected credit losses

To calculate the credit loss of the existing credit exposures within the Company's assets in all types, such as balances at banks and other on an individual basis, Where the determinants of the significant change in credit risk (high level of credit risk) approved by the Company were adopted such as margin and cash accounts contribution ratios, exceeding the granted ceilings, the ratio of collateral coverage (shares) for credit exposures, in addition to the extent of stock liquidity.

A decline or decrease in the actual internal credit rating of the borrower (banks) according to the internal rating system applied by the parent Company compared to the internal rating of the borrower / credit exposure at granting.

Accounts that need to be closely monitored as set by the Company.

The Company's policy in identifying the common elements (characteristics) with the parent company based on which the credit risk and the expected loss are measured on a collective basis.

The expected credit losses calculation on a collective basis for the granted credit portfolio by the Company regarding margin financing and cash financing products, as well as other products, Such portfolios or products carry similar credit risk and share several components (type of product, quality of collateral provided, nature of financing, purpose of funding, sector, etc,).

A separate and more detailed methodology was adopted in order to calculate the expected credit losses exposure for the credit portfolio granted by the Company, representing in financing of shares within the margin financing and cash financing products for Stage 1, Stage 2 and Stage 3, noting that the degree of risks for performing customers portfolio classified under Stage 1 is one notch less than the risk degree of the country (Jordan). Meanwhile, the risk degree of the classified customers under Stage 2 is four notches less than the degree of the country (Jordan).

As for the maturity of the facilities, the maturity date was considered depending on the type of the product and the stage of exposure classification, as follows:

Product	Classification stage	Maturity Date
	First	
Spot financing	Second	3 Month
	First	Remaining maturity
Margin financing	Second	Contractual maturity or 2 years from reporting period whichever is greatest

As for the loss given default (LGD), a 5% of LGD floor has been considered for customers classified under Stage 1 (which has been calculated according to the coverage ratio of the collateral to the existing credit facilities) and a 10% LGD floor for customers classified under Stage 2. Moreover, for Stage 3 classifications (Defaulted Accounts); the Company follows the approved internal policy in this regard.

Major key economic indicators used by the Company to calculate the Expected Credit losses (PD)

The Company has used the external supplier Moody's to calculate the expected credit losses (ECL) Relying on three scenarios to study the future forecasts and its impact to the variables of the credit loss measurement model, Using the economic factors referred in the economic growth rates in Jordan and the stock price index.

(6) BALANCES AT BANKS AND FINANCIAL INSTITUTIONS

The item consists of the following:

	2024	2023
	JD	JD
Balances at local banks	178	43,461
Balances at foreign banks	470,306	571,744
Current accounts with related parties (Note 22)	2,626,395	2,171,234
Balances at other financial institutions	3,928,436	2,969,706
Expected credit losses - banks and financial institutions	(4,931)	(3,374)
	7,020,384	5,752,771

Balances with banks and other financial institutions include an amount of JD 7,023,555 as of 31 December 2024 (JD 5,649,294 as of 31 December 2023) which represents current accounts restricted against brokerage trade payables and computed according to the instructions of the Jordan Security Commission, noting that there is a surplus in the current accounts and that there is no interest due on these accounts.

Below is the movement on balances with banks and other financial institutions:

	2024	2023
	JD	JD
Balance at the beginning of the year	5,756,145	7,127,715
New balances during the year	3,147,515	3,694,924
Paid balances	(1,878,345)	(5,066,494)
	7,025,315	5,756,145
Expected credit losses - banks and financial institutions	(4,931)	(3,374)
Balance at the end of the year	7,020,384	5,752,771

The balances at banks and financial institutions are classified as stage 1.

The movement on the expected credit losses for balances at banks and other financial institutions as follows:

	2024	2023
	JD	JD
Balance at the beginning of the year	3,374	1,136
Addition during the year	1,557	2,238
Balance at the end of the year	4,931	3,374

For the purpose of preparing the statement of cash flows, cash and cash equivalents include:

	2024	2023
	JD	JD
Balances at banks and other financial institutions	7,025,315	5,756,145
Less: banks overdraft (Note 12)	(8,864,041)	(12,293,076)
	(1,838,726)	(6,536,931)

(7) TRADE RECEIVABLES - NET

a. Trade receivables - spot

The item consists of the following:

	2024	2023
	JD	JD
Trade receivables	2,249,463	3,625,331
Brokers Settlement Fund	58,511	-
Less: provision for expected credit losses	(763,297)	(663,463)
Less: suspended interests	(262,292)	(151,227)
	1,282,385	2,810,641

The trade receivables – spot which are doubtfully to be collected according to client basis amounted to JD 1,078,242 as of 31 December 2024 (JD 811,226 as of 31 December 2023).

The following is the movement on the provision for expected credit losses - spot:

	2024	2023
	JD	JD
Balance at the beginning of the year	663,463	1,518,014
Provision (recovered) during the year	99,834	(21,662)
Written off balances	-	(832,889)
Balance at the end of the year	763,297	663,463

The movement on the suspended interests is as follows:

	2024	2023
	JD	JD
Balance at the beginning of the year	151,227	420,957
Additions during the year	111,065	1,235
Written off balances	-	(270,965)
Balance at the end of the year	262,292	151,227

The following is the aging of accounts receivable - spot expected to be settled after deducting doubtful accounts as of 31 December:

	Past due but not Impaired			
	1-30 day	31-60 day	61-90 day	Total
	JD	JD	JD	JD
2024	832,651	229,519	109,051	1,171,221
2023	2,782,637	27,237	4,231	2,814,105

b. Trade receivables - Margin

The item consists of the following:

	2024	2023
	JD	JD
Trade receivables	32,640,069	33,635,991
Less: provision for expected credit losses	(2,657,199)	(1,957,997)
Less: suspended interests	(380,790)	(252,839)
	29,602,080	31,425,155

The trade receivables – margin which are doubtfully to be collected according to client basis amounted to JD 3,516,247 as of 31 December 2024 (JD 3,912,853 as of 31 December 2023).

The following is the movement on the provision for expected credit losses - Margin:

	2024	2023
	JD	JD
Balance at the beginning of the year	1,957,997	2,758,212
Additions during the year	845,279	1,090,531
Written off balances	(146,077)	(1,890,746)
Balance at the end of the year	2,657,199	1,957,997

The movement on the suspended interests is as follows:

	2024	2023
	JD	JD
Balance at the beginning of the year	252,839	358,748
Additions during the year	127,951	129,810
Written off balances	-	(235,719)
Balance at the end of the year	380,790	252,839

The movement on the trade receivables suspended interests (Spot & margin) during the year is as follows:

	2024	2023
	JD	JD
Balance at the beginning of the year	404,066	779,705
Suspended interest on new balances during the year	239,016	131,045
Suspended interest on written off balances	-	(506,684)
Balance at the end of the year	643,082	404,066

The movement of the trade receivables (Spot & Margin) on a collective basis during the year is as follows:

	2024			
	Stage 1	Stage 2	Stage 3	Total
	JD	JD	JD	JD
Balance at the beginning of the year	28,947,368	3,589,875	4,724,079	37,261,322
New balances during the year	5,436,512	563,363	1,344	6,001,219
Paid balances during the year	(6,124,320)	-	(724,006)	(6,848,326)
Transferred to Stage 1	66,826	(66,826)	-	-
Transferred to Stage 2	(1,359,345)	1,359,345	-	-
Transferred to Stage 3	(28)	(739,121)	739,149	-
Changes resulting from changing classification between stages	(21,263)	(1,357,343)	-	(1,378,606)
Written off balances*	-	-	(146,077)	(146,077)
Balance at the end of the year	26,945,750	3,349,293	4,594,489	34,889,532

	2023			
	Stage 1	Stage 2	Stage 3	Total
	JD	JD	JD	JD
Balance at the beginning of the year	30,286,876	3,264,893	6,109,515	39,661,284
New balances during the year	7,667,365	1,280,369	40,985	8,988,719
Paid balances during the year	(5,762,612)	(1,139,738)	(93,478)	(6,995,828)
Transferred to Stage 1	80,398	(80,398)	-	-
Transferred to Stage 2	(1,723,000)	1,723,000	-	-
Transferred to Stage 3	(1,257,563)	(639,813)	1,897,376	-
Changes resulting from changing classification between stages	(344,096)	(818,438)	-	(1,162,534)
Written off balances **	-	-	(3,230,319)	(3,230,319)
Balance at the end of the year	28,947,368	3,589,875	4,724,079	37,261,322

* The Board of Directors decided in its meeting No. 4 of 2024 held on 10 July 2024 to approve the writing off of balances amounting to JD 146,077.

** The Board of Directors decided in its meeting No. 5 of 2023 held on 15 October 2023 to approve the writing off of balances amounting to JD 3,230,319.

The movement of the expected credit losses on trade receivables (Spot & Margin) on a collective basis during the year is as follows:

	2024			
	Stage 1	Stage 2	Stage 3	Total
	JD	JD	JD	JD
Balance at the beginning of the year	38,286	50,709	2,532,465	2,621,460
Expected credit losses on new balances during the year	3,452	3,763	880,938	888,153
Recovered from expected credit losses on paid balances during the year	(14,247)	(5,607)	(57,115)	(76,969)
Transferred to Stage 1	62	(62)	-	-
Transferred to Stage 2	(15,148)	15,148	-	-
Transferred to Stage 3	(26)	(142,275)	142,301	-
Changes resulting from changing classification between stages	13,263	120,666	-	133,929
Written off balances	-	-	(146,077)	(146,077)
Balance at the end of the year	25,642	42,342	3,352,512	3,420,496

	2023			
	Stage 1	Stage 2	Stage 3	Total
	JD	JD	JD	JD
Balance at the beginning of the year	46,504	180,192	4,049,530	4,276,226
Expected credit losses on new balances during the year	8,448	3,843	649,966	662,257
Recovered from expected credit losses on paid balances during the year	(10,553)	(22,737)	-	(33,290)
Transferred to Stage 1	127	(127)	-	-
Transferred to Stage 2	(35,136)	35,136	-	-
Transferred to Stage 3	(359,401)	(197,203)	556,604	-
Changes resulting from changing classification between stages	388,297	51,605	-	439,902
Written off balances	-	-	(2,723,635)	(2,723,635)
Balance at the end of the year	38,286	50,709	2,532,465	2,621,460

The movement in expected credit losses on account receivables (spot and margin) in a collective basis during the year is as follows:

	2024		
	Companies	Individuals	Total
	JD	JD	JD
Balance at the beginning of the year	488,207	2,133,253	2,621,460
Expected credit losses on new balances during the year	602,537	285,616	888,153
Recovered from expected credit losses on paid balances during the year	(5,776)	(71,193)	(76,969)
Changes resulting from changing classification between stages	103,083	30,846	133,929
Written off balances	(146,077)	-	(146,077)
Balance at the end of the year	1,041,974	2,378,522	3,420,496

	2023		
	Companies	Individuals	Total
	JD	JD	JD
Balance at the beginning of the year	1,111,537	3,164,689	4,276,226
Expected credit losses on new balances during the year	53,404	608,853	662,257
Recovered from expected credit losses on paid balances during the year	(23,671)	(9,619)	(33,290)
Changes resulting from changing classification between stages	369,413	70,489	439,902
Written off balances	(1,022,476)	(1,701,159)	(2,723,635)
Balance at the end of the year	488,207	2,133,253	2,621,460

Distribution of fair value of collateral against trade receivables (Spot & Margin):

Total trade receivables (Spot & Margin) in accordance with IFRS 9

Item	Gross exposure amount	Fair value of collaterals: Cash margins	Quoted shares	Accepted banking guarantees	Housing	Vehicles and machines	Others	Gross collateral amount	Net exposure after collaterals	Expected credit losses
	JD	JD	JD	JD	JD	JD	JD	JD	JD	JD
Trade receivables – margin	32,640,069	-	29,564,147	-	-	-	-	29,564,147	3,075,922	2,657,199
Trade receivables – spot	2,249,463	-	1,252,657	-	-	-	-	1,252,657	996,806	763,297
Total	34,889,532	-	30,816,804	-	-	-	-	30,816,804	4,072,728	3,420,496

Trade receivables (Spot & Margin) stage 3 in accordance with IFRS 9

Item	Gross exposure amount	Fair value of collaterals: Cash margins	Quoted shares	Accepted banking guarantees	Housing	Vehicles and machines	Others	Gross collateral amount	Net exposure after collaterals	Expected credit losses
	JD	JD	JD	JD	JD	JD	JD	JD	JD	JD
Trade receivables – margin	3,516,247	-	473,477	-	-	-	-	473,477	3,042,770	2,589,458
Trade receivables – spot	1,078,242	-	81,436	-	-	-	-	81,436	996,806	763,054
Total	4,594,489	-	554,913	-	-	-	-	554,913	4,039,576	3,352,512

(8) OTHER DEBIT BALANCES

This item consists of the following:

	2024	2023
	JD	JD
Prepaid expenses	83,308	77,136
Employees receivables	39,876	45,210
Settlement guarantee fund contribution	25,000	25,000
Refundable deposits	-	1,420
Others	9,963	-
	158,147	148,766

(9) LANDS HELD FOR SALE

This item represents lands that the company owned in settlement of financial brokerage clients' debts, represented by a land with an area of 9,916 square meters in the Umm Rumana area, lands south of Amman, held for sale amounting to JD 1,153,658, and a land with an area of 83,442 square meters in the Quneitra area, lands south of Amman, held for sale amounting to JD 1,153,588. During the year 2024, the land in the Quneitra area, lands south of Amman, was sold.

	2024	2023
	JD	JD
Cost of lands	1,153,658	2,307,246
Provision for impairment loss	(284,390)	(610,512)
	869,268	1,696,734

The movement on the impairment loss provision was as follows:

	2024	2023
	JD	JD
Balance at the beginning of the year	610,512	610,512
Provision used during the year	(256,586)	-
Recovered provision during the year	(69,536)	-
Balance at the end of the year	284,390	610,512

(10) PROPERTY AND EQUIPMENT

	Furniture and fixtures	Office equipment	Vehicles	Total
2024-	JD	JD	JD	JD
Cost -				
At 1 January	13,679	196,527	24,000	234,206
Additions	-	7,113	-	7,113
Disposals	-	(20,922)	-	(20,922)
At 31 December	13,679	182,718	24,000	220,397
Accumulated Depreciation -				
At 1 January	13,671	135,847	23,998	173,516
Depreciation for the year	-	26,081	-	26,081
Disposals	-	(20,865)	-	(20,865)
At 31 December	13,671	141,063	23,998	178,732
Net Book Value				
As of 31 December 2024	8	41,655	2	41,665

	Furniture and fixtures	Office equipment	Vehicles	Total
2023-	JD	JD	JD	JD
Cost -				
At 1 January	13,679	185,878	24,000	223,557
Additions	-	10,649	-	10,649
At 31 December	13,679	196,527	24,000	234,206
Accumulated Depreciation -				
At 1 January	13,671	109,258	23,998	146,927
Depreciation for the year	-	26,589	-	26,589
At 31 December	13,671	135,847	23,998	173,516
Net Book Value				
As of 31 December 2023	8	60,680	2	60,690

The fully depreciated property and equipment amounted to JD 134,246 as of 31 December 2024 (JD 119,595 as of 31 December 2023).

(11) INTANGIBLE ASSETS

	Computer Software's	
	2024	2023
	JD	JD
Cost -		
At 1 January	201,656	201,231
Additions	24,401	425
At 31 December	226,057	201,656
Accumulated Depreciation -		
At 1 January	140,528	121,290
Amortization for the year	20,780	19,238
At 31 December	161,308	140,528
Net Book Value -		
As of 31 December	64,749	61,128

The fully amortized computer software amounted to JD 112,540 as of 31 December 2024 (JD 109,215 as of 31 December 2023).

(12) BANKS OVERDARFT

The item consists of the following:

	2024	2023
	JD	JD
Arab Banking Corporation – Bahrain - overdraft	-	2,481,500
Arab Banking Corporation – Jordan - overdraft	186,823	1,005,604
Cairo Amman Bank – overdraft	8,677,218	5,970,881
Arab Jordan Investment Bank - overdraft	-	2,835,091
	8,864,041	12,293,076

The overdraft limits granted to the Company are as follows:

	Granted limit	Interest rate
	JD	%
Arab Banking Corporation – Bahrain	11,344,000	5,25
Arab Banking Corporation – Jordan	1,383,000	7,5
Capital Bank of Jordan - overdraft	3,000,000	9
Cairo Amman Bank - overdraft	9,000,000	7,25
Arab Jordan Investment Bank - overdraft	3,000,000	7,25

(13) OTHER CREDIT BALANCES

The item consists of the following:

	2024	2023
	JD	JD
Accrued expenses	164,389	159,889
Expected credit losses – indirect facilities	893	1,765
Others	17,134	23,544
	182,416	185,198

The movement for indirect credit facilities on a collective basis during the year:

	2024	2023
	JD	JD
Balance at the beginning of the year	1,335,324	954,638
New balances during the year	671,083	1,041,669
Paid balances during the year	(1,067,182)	(660,983)
Total	939,225	1,335,324

The movement on expected credit losses for indirect credit facilities during the year:

	2024	2023
	JD	JD
Balance at the beginning of the year	1,765	1,465
New balances during the year	633	1,377
Paid balances during the year	(1,505)	(1,077)
Total	893	1,765

(14) INCOME TAX

a- Income tax provision

The movement on income tax provision is as follows:

	2024	2023
	JD	JD
Balance at the beginning of the year	266,958	395,706
Income tax paid	(292,155)	(447,646)
Income tax expense	312,234	318,898
Balance at the end of the year	287,037	266,958

b- Income tax expense in the statement of comprehensive income represents the following:

	2024	2023
	JD	JD
Income tax expense for the year	312,234	318,898
Deferred tax assets effect for the year	(109,618)	(193,694)
	202,616	125,204

c- Deferred tax assets

The movement in deferred tax assets during the year as follows:

	2024					2023
	Beginning Balance	Amounts Released	Amounts Added	Ending Balance	Deferred Tax	Deferred Tax
	JD	JD	JD	JD	JD	JD
Deferred tax assets arising from the application of IFRS 9, recognized from retained earnings	2,626,599	(78,474)	1,024,272	3,572,397	1,000,271	735,448
Deferred tax assets arising from the write-off of non-performing loans under settlement	2,343,993	(408,227)	-	1,935,766	542,015	656,318
Deferred tax assets arising from the write-off of non-performing loans	-	(146,077)	-	(146,077)	(40,902)	-
Unrealized losses on financial assets at fair value through other Comprehensive income - shares	-	-	12,805	12,805	3,585	-
Total	4,970,592	(632,778)	1,037,077	5,374,891	1,504,969	1,391,766

The movement on deferred tax assets is as follows:

	2024	2023
	JD	JD
Balance at the beginning of the year	1,391,766	1,198,072
Additions	290,381	956,312
Released	(177,178)	(762,618)
Balance at the end of the year	1,504,969	1,391,766

Reconciliation between accounting profit and taxable profit is as follows:

	2024	2023
	JD	JD
Accounting profit	506,953	428,910
Non- taxable expenses	1,195,491	1,202,452
Taxable expenses	(587,320)	(492,439)
Taxable profit	1,115,124	1,138,923
Statutory income tax rate	28%	28%
Effective income tax rate	61.6%	74.4%

Income tax expense has been calculated in accordance with Income Tax Law No. (34) of 2014, as amended by Law No. (38) of 2018, at a rate of 24%, in addition to the national contribution of 4%, as at 31 December 2024 and 31 December 2023.

A final settlement has been reached with the Income and Sales Tax Department up to the end of 2022, except for the year 2021. The income tax return for the year 2023 has been filed but has not yet been reviewed by the Income and Sales Tax Department as of the date of the financial statements.

(15) EQUITY

a- Paid in capital
The paid-in capital amounted to JD 15,600,000, divided into 15,600,000 shares at a par value of JD 1 per share.

b- Statutory reserve
The amounts accumulated in this account represent 10% of the profit before tax transferred over the years and are not distributable to the partners.

(16) RETAINED EARNINGS

The item consists of the following:

	2024	2023
	JD	JD
Balance at the beginning of the year	2,977,243	2,716,428
Profit for the year	304,337	303,706
Transferred to reserves	(50,695)	(42,891)
Balance at the end of the year	3,230,885	2,977,243

(17) FINANCIAL ASSETS AT FAIR VALUE THROUGH OTHER COMPREHENSIVE INCOME

The item consists of the following:

	2024	2023
	JD	JD
Financial assets with available market prices		
Companies Shares	1,094,014	-

(18) RIGHT OF USE ASSETS AND LEASE LIABILITIES

The company has a lease contract for the company's offices that are used in its activities by the parent company "Arab Banking Corporation (Jordan)" and the table below shows the book value of the right to use assets and the movement on it during the year:

	Right of use assets	Lease liabilities
	JD	JD
2024 -		
Balance at the beginning of the year	-	-
Additions	124,350	124,350
Right of use assets depreciation	(41,450)	-
Lease liabilities interest expense	-	7,753
Paid to related party	-	(46,246)
Balance at the end of the year	82,900	85,857
2023 -		
Balance at the beginning of the year	-	-
Additions	-	-
Right of use assets depreciation	-	-
Lease liabilities interest expense	-	-
Paid to related party	-	-
Balance at the end of the year	-	-

The details of lease liabilities as at 31 December 2024 and 2023:

31 December 2024			31 December 2023		
Short term	Long term	Total	Short term	Long term	Total
JD	JD	JD	JD	JD	JD
46,246	39,611	85,857	-	-	-

*Lease liabilities relating to the right of use assets are discounted at 7.25% which represents the borrowing rate.

(19) TRADE PAYABLE - FINANCIAL BROKERAGE

The item consists of the following:

	2024	2023
	JD	JD
International brokerage accounts	5,029,449	4,244,405
Local brokerage accounts	1,905,314	1,494,446
	6,934,763	5,738,851

(20) TRADING COMMISSIONS

The item consists of the following:

	2024	2023
	JD	JD
Local market trading commissions	328,782	549,335
International market trading commissions	384,347	293,490
Regional market trading commissions	15,138	11,560
	728,267	854,385

(21) ADMINISTRATIVE EXPENSES

The item consists of the following:

	2024	2023
	JD	JD
Salaries and bonuses	1,153,934	1,108,085
Social security contribution	114,040	120,306
Postage and telephone	162,904	156,774
Management transportation and bonuses	71,325	71,409
Cost of services provided by the Arab Banking Corporation – Jordan (Note 22)	56,369	102,615
Fees and licenses	51,242	48,886
Life insurance and medical expenses	50,892	52,564
Software subscriptions and systems	42,578	38,769
Depreciation of right of use assets (Note 18)	41,450	-
Stamps and letters of guarantee commissions	29,625	38,761
Legal fees and expenses	27,752	80,110
Maintenance	19,701	17,383
Professional fees	18,825	19,676
Other employee expenses	13,867	14,339
Banking commissions	12,050	11,139
Hospitality	11,395	7,808
Stationery and printing	7,827	6,434
Finance cost lease liabilities (Note 18)	7,753	-
Courses and training	1,932	1,252
Rent expense	1,260	11,375
Compensation for broker mistakes	1,167	959
Vehicles expenses	961	1,276
Other	36,867	36,134
	1,935,716	1,946,054

(22) RELATED PARTY TRANSACTIONS

The related parties represent the partner (Arab Banking Corporation), sister companies and senior management. The prices and conditions related to these operations are approved by the company's management.

These transactions were made with related parties within the normal course of the Company's activities and using commercial interest rates and commissions.

	2024	2023
Items of the statement of financial position	JD	JD
Current accounts at Arab Banking Corporation - Jordan (Note 6)	2,599,459	2,146,747
Current accounts at Arab Banking Corporation - Egypt (Note 6)	26,936	24,487
Bank overdraft from Arab Banking Corporation - Jordan (Note 12)	(186,823)	(1,005,604)
Bank overdraft from Arab Banking Corporation - Bahrain (Note 12)	-	(2,481,500)
Items of the statement of comprehensive income		
Interest income	26,147	10,634
Interest and commission expenses	(59,507)	(365,083)
Stamps and commission bank guarantees	(13,518)	(13,783)
Cost of services provided by the Arab Banking Corporation – Jordan*	(56,369)	(102,615)
Finance cost lease liabilities and depreciation of right of use assets (Note 18)	(49,203)	-

*This item represents the administrative services provided by the parent company "Arab Banking Corporation Jordan Bank" such as information systems services and human resources services provided to the Company in the amount of JD 56,369 in addition to the costs of financing lease liabilities in the amount of JD 49,203, subsequent to executive Instructions No. (3) of 2021 regarding the transfer pricing system for income tax purposes No. (40) of 2021, and the comparative price method was relied upon in calculating it, noting that these services entered into force as of July 2021.

The following is a summary of the senior executive management benefits:

	2024	2023
	JD	JD
Salaries and bonuses	487,904	489,378

	2024	2023
	JD	JD
Off Balance sheet items		
Letters of guarantee	1,684,000	1,684,000
Unutilized facility limits- Jordan	1,196,177	249,396
Unutilized facility limits- Bahrain	11,344,000	8,862,500

(23) CONTINGENT LIABILITIES

	2024	2023
	JD	JD
Unutilized customer facilities limits	939,226	1,135,324
Guarantees *	2,454,000	2,439,000
	3,393,226	3,574,324

* This item includes a guarantee of JD 1,835,000 issued in favor of the Jordan Securities Commission as a performance guarantee for the Company brokerage license as an intermediate in the Jordan Securities Commission, in addition to a guarantee of JD 100,000 as a performance guarantee for the underwriting license, a guarantee of JD 159,000 issued in favor of the Securities Depository Center as a clearance guarantee to ensure settlement, and lawsuit guarantees of JD 360,000.

(24) RISK MANAGEMENT

Credit Risk

Credit risk is the risk that debtors and other parties will default or fail to meet their obligations to the company.

The company believes that it is not significantly exposed to credit risks, as it sets a credit ceiling for customers, monitors existing receivables on an ongoing basis, and maintains collaterals against these receivables. The company also maintains balances and deposits with leading banking institutions.

The trade receivable balances and the market values of the collateral securities as of 31 December 2024 are distributed as follows:

	Balance	Portfolio market value/ cash margin
	JD	JD
2024		
Trade receivables- margin	29,123,822	50,918,068
Trade receivables- non-performing margin	3,516,247	421,553
2023		
Trade receivables- margin	29,723,138	52,742,568
Trade receivables- non-performing margin	3,912,853	2,358,705

Currency Risks

Company’s material transactions are in Jordanian Dinars and US Dollars. The Jordanian Dinar is pegged to the US dollar (USD 1/41 for JD 1).

The company prepares a sensitivity analysis to monitor the impact of changes in exchange rates by (+/-1%) on net profits, losses and equity.

Currency	change in currency exchange rate	Financial position	Impact on comprehensive income statement
	%	JD	JD
2024			
USD	1	77,369	774
GBP	1	(968)	(10)
EUR	1	1,612	20
QAR	1	(2,814)	(30)
2023			
USD	1	65,139	651
GBP	1	1,981	20
EUR	1	21	-
QAR	1	1,289	10

Interest rate risk

Interest rate risk is the risk that may result from fluctuations in the fair value or future cash flows of financial instruments due to changes in interest rates.

The Company is exposed to interest rate risk on its interest-bearing assets and liabilities that held interest such as banks overdraft.

The sensitivity of the statement of comprehensive income is the effect of the assumed changes in interest rate on the Company's profit for one year, based on the floating rate financial assets and liabilities held at 31 December.

The following table shows the sensitivity of the income statement to reasonable possible changes in interest rates are at 31 December, with all other variables affecting remain constant.

2024	Increase (decrease) in interest rate	Impact on profit for the year
Currency	(%)	JD
Jordanian Dinar	100	88,640
Jordanian Dinar	(100)	(88,640)
2023		
Currency		
Jordanian Dinar	100	122,931
Jordanian Dinar	(100)	(122,931)

The interest rate gap is as follows:

	Less than 3 months	3 – 6 months	6 months – 1 year	1 – 3 years	Over 3 years	Zero interest elements	Total	%
31 December 2024	JD	JD	JD	JD	JD	JD	JD	
Assets:								
Balances at banks and other financial institutions	-	-	-	-	-	7,020,384	7,020,384	-
Financial assets at fair value through other comprehensive income	-	-	-	-	-	1,094,014	1,094,014	-
Trade receivables	8,082,220	6,942,875	15,328,459	530,911	-	-	30,884,465	10%
Lands held for sale	-	-	-	-	-	869,268	869,268	-
Property and equipment	-	-	-	-	-	41,665	41,665	-
Intangible assets	-	-	-	-	-	64,749	64,749	-
Right of use assets	10,362	10,363	20,725	41,450	-	-	82,900	7.25%
Deferred tax assets	-	-	-	-	-	1,504,969	1,504,969	-
Other debit balances	31,867	6,867	13,734	9,125	-	96,554	158,147	5%
Total assets	8,124,449	6,960,105	15,362,918	581,486	-	10,691,603	41,720,561	
Liabilities:								
Banks overdraft	8,864,041	-	-	-	-	-	8,864,041	7.26%
Trade payables- financial brokerage	-	-	-	-	-	6,934,763	6,934,763	-
Cash margins	-	-	-	-	-	262,301	262,301	-
Income tax provision	-	-	-	-	-	287,037	287,037	-
Lease liabilities	11,562	11,562	23,122	39,611	-	-	85,857	7.25%
Other credit balances	-	-	-	-	-	182,416	182,416	-
Total liabilities	8,875,603	11,562	23,122	39,611	-	7,666,517	16,616,415	
Interest rate sensitivity gap	(751,154)	6,948,543	15,339,796	541,875	-	3,025,086	25,104,146	

31 December 2023	Less than 3 months	3 – 6 months	6 months – 1 year	1 – 3 years	Over 3 years	Zero interest elements	Total	%
	JD	JD	JD	JD	JD	JD	JD	
Assets:								
Balances at banks and other financial institutions	-	-	-	-	-	5,752,771	5,752,771	-
Trade receivables	8,803,847	8,450,103	15,283,293	1,698,553	-	-	34,235,796	10.5%
Lands held for sale	-	-	-	-	-	1,696,734	1,696,734	-
Property and equipment	-	-	-	-	-	60,690	60,690	-
Intangible assets	-	-	-	-	-	61,128	61,128	-
Deferred tax assets	-	-	-	-	-	1,391,766	1,391,766	-
Other debit balances	30,745	5,745	11,490	18,944	-	81,842	148,766	5%
Total assets	8,834,592	8,455,848	15,294,783	1,717,497	-	9,044,931	43,347,651	
Liabilities:								
Banks overdraft	12,293,076	-	-	-	-	-	12,293,076	7.84%
Trade payables- financial brokerage	-	-	-	-	-	5,738,851	5,738,851	-
Cash margins	-	-	-	-	-	54,539	54,539	-
Income tax provision	-	-	-	-	-	266,958	266,958	-
Other credit balances	-	-	-	-	-	185,198	185,198	-
Total liabilities	12,293,076	-	-	-	-	6,245,546	18,538,622	
Interest rate sensitivity gap	(3,458,484)	8,455,848	15,294,783	1,717,497	-	2,799,385	24,809,029	

Liquidity Risks

Liquidity risk is the inability of the Company to meet its financial obligations when they are due.

The Company manages assets and liabilities, harmonizes their maturities and maintains an adequate balance of cash to ensure that sufficient liquidity is available to meet its obligations when they are due.

The following table summarizes the maturities of the company (undiscounted) as at 31 December based on contractual undiscounted repayments obligation:

	Up to 1 month	1 – 3 months	3 – 6 months	6 months – 1 year	1 – 3 years	Total
2024	JD	JD	JD	JD	JD	JD
Liabilities:						
Banks overdraft	8,864,041	-	-	-	-	8,864,041
Trade payables – financial brokerage	6,934,763	-	-	-	-	6,934,763
Cash margins	262,301	-	-	-	-	262,301
Income tax provision	60,733	-	226,304	-	-	287,037
Lease liabilities	3,854	7,708	11,562	23,122	39,611	85,857
Other credit balances	22,151	85,384	6,960	-	67,921	182,416
Total Liabilities	16,147,843	93,092	244,826	23,122	107,532	16,616,415
2023						
Liabilities:						
Banks overdraft	12,293,076	-	-	-	-	12,293,076
Trade payables – financial brokerage	5,738,851	-	-	-	-	5,738,851
Cash margins	54,539	-	-	-	-	54,539
Income tax provision	34,993	-	231,965	-	-	266,958
Other credit balances	27,467	-	86,280	-	71,451	185,198
Total liabilities	18,148,926	-	318,245	-	71,451	18,538,622

(25) CAPITAL MANAGEMENT

The Company's primary objective in capital management is to ensure the maintenance of appropriate capital ratios to support the Company's activities and maximize its equity.

The Company manages its capital structure and makes necessary adjustments in light of changing business conditions. It has not made any adjustments to the objectives, policies, and procedures related to capital structure in the current year and the previous year.

Capital comprises of paid-in capital, statutory reserve, fair value reserve and retained earnings totaling JD 25,104,146 as at 31 December 2024 (JD 24,809,029 as at 31 December 2023).

(26) ASSETS AND LIABILITIES MATURITY ANALYSIS

The following table analyzes assets and liabilities according to the expected period of their recoverability or settlement:

	Up to 1 year	More than 1 year	Total
2024	JD	JD	JD
Assets:			
Balances at banks and financial institutions	7,020,384	-	7,020,384
Financial assets at fair value through other comprehensive income	-	1,094,014	1,094,014
Trade receivables	30,353,554	530,911	30,884,465
Lands held for sale	-	869,268	869,268
Property and equipment	-	41,665	41,665
Intangible assets	-	64,749	64,749
Right of use assets	41,450	41,450	82,900
Deferred tax assets	-	1,504,969	1,504,969
Other debit balances	148,011	10,136	158,147
Total assets	37,563,399	4,157,162	41,720,561
Liabilities:			
Banks overdraft	8,864,041	-	8,864,041
Trade payable - financial brokerage	6,934,763	-	6,934,763
Cash margins	262,301	-	262,301
Income tax provision	287,037	-	287,037
Lease liabilities	46,246	39,611	85,857
Other credit balances	114,495	67,921	182,416
Total liabilities	16,508,883	107,532	16,616,415
Net	21,054,516	4,049,630	25,104,146

	Up to 1 year	Over 1 year	Total
2023	JD	JD	JD
Assets:			
Balances at banks and financial institutions	5,752,771	-	5,752,771
Trade receivables	32,537,243	1,698,553	34,235,796
Lands held for sale	-	1,696,734	1,696,734
Property and equipment	-	60,690	60,690
Intangible assets	-	61,128	61,128
Deferred tax assets	-	1,391,766	1,391,766
Other debit balances	127,698	21,068	148,766
Total assets	38,417,712	4,929,939	43,347,651
Liabilities:			
Banks overdraft	12,293,076	-	12,293,076
Trade payable - financial brokerage	5,738,851	-	5,738,851
Cash margins	54,539	-	54,539
Income tax provision	266,958	-	266,958
Other credit balances	113,747	71,451	185,198
Total liabilities	18,467,171	71,451	18,538,622
Net	19,950,541	4,858,488	24,809,029

(27) MANAGED ACCOUNTS FOR CLIENTS

These accounts represent cash and investments for accounts managed for the benefit of some of the Company's clients, where the Company manages these accounts at the responsibility of customers in exchange for management fees, and the management of these accounts is subject to the desire of customers and is not for guaranteed capital. These accounts are not included in the assets and liabilities of the Company as of 31 December 2024, and 2023.

There are no investments managed by the Company for the benefit of clients as of 31 December 2024 and 2023.

(28) LAWSUITS AGAINST THE COMPANY

Lawsuits raised against the company amounted to JD 70,635 as of 31 December 2024 (JD 61,744 as of 31 December 2023), In the opinion of the management and the Company's lawyer, the Company will not incur any significant amount against these lawsuits except for the booked provision which amounted to JD 65,000 as of 31 December 2024 (JD 65,000 as of 31 December 2023).

(29) FAIR VALUE HIERARCHY

Financial instruments comprise of financial assets and financial liabilities.

Financial assets consist of balances at banks and other financial institutions, trade receivables, financial assets through other comprehensive income and some other debit balances, and financial liabilities consist of banks overdrafts, trade payables – financial brokerage and some other credit balances.

The fair values of financial instruments are not materially different from their carrying values, except for financial instruments shown at fair value.

The Company uses the following hierarchy for determining and disclosing the fair value of financial instruments by valuation technique:

Level 1: market prices in active markets for identical assets or liabilities.
Level 2: Other techniques where all inputs which have a significant effect on the fair value are observable, directly or indirectly, from market data.
Level 3: Other techniques use inputs that have a significant effect on the fair value, but are not based on observable market data.

Fair value of the company's financial assets that are determined at fair value on an ongoing basis:

	Fair Value			
Financial assets	2024	2023	Fair value hierarchy	Valuation techniques and key inputs
	JD	JD		
Financial assets at fair value through other comprehensive income				
Financial assets with available market prices	1,094,014	-	Level 1	Quoted rates in financial markets

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

(30) STANDARDS ISSUED BUT NOT YET EFFECTIVE

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

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

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

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

The Amendments are effective for annual periods starting on or after 1 January 2026. Early adoption is permitted, with an option to early adopt the amendments for classification of financial assets and related disclosures only. The Company is currently not intending to early adopt the Amendments.

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

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

The Amendments are effective for annual periods starting on or after 1 January 2026. Early adoption is permitted, but will need to be disclosed.
The amendments are not expected to have a material impact on the Company's financial statements.

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

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

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

IFRS 18 Presentation and Disclosure in Financial Statements
In April 2024, the IASB issued IFRS 18, which replaces IAS 1 Presentation of Financial Statements. IFRS 18 introduces new requirements for presentation within the statement of profit or loss, including specified totals and subtotals. Furthermore, entities are required to classify all income and expenses within the statement of profit or loss into one of five categories: operating, investing, financing, income taxes and discontinued operations, whereof the first three are new.

It also requires disclosure of newly defined management-defined performance measures, subtotals of income and expenses, and includes new requirements for aggregation and disaggregation of financial information based on the identified 'roles' of the primary financial statements (PFS) and the notes.

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

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

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

IFRS 19 Subsidiaries without Public Accountability: Disclosures

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

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

The amendments are not expected to have a material impact on the Company’s financial statements.