



ANNUAL REPORT

2024

**Insuring Deposits
Protects Your Future Savings**



**HIS MAJESTY KING ABDULLAH II IBN AL HUSSEIN
KING OF THE HASHEMITE KINGDOM OF JORDAN**



**HIS ROYAL HIGHNESS
CROWN PRINCE AL HUSSEIN BIN ABDULLAH II**

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مؤسسة ضمان الودائع
Deposit Insurance Corporation

Insuring Deposits Protects Your Future Savings

OUR VISION:

To be a leading corporation in digital transformation in the field of deposit insurance at the regional and international levels.

OUR MISSION:

An independent public corporation aims at protecting depositors with banks by insuring their deposits in accordance with the provisions of its law in order to encourage savings, enhance confidence in the banking system and contribute to maintaining banking and financial stability in the Kingdom.

OUR VALUES:

Integrity	: Adherence to the highest ethical and professional standards.
Responsibility	: A sense of accountability towards actions and decisions, along with a commitment to performing tasks and duties efficiently and effectively.
Transparency	: Providing reliable and accurate information, and accessible communication channels.
Excellence	: Striving to apply the best international practices, skills, knowledge and expertise to carry out our responsibilities efficiently and effectively.
Resilience / adaptability	: Acceptance and readiness to deal with challenges and adjust to changes in the surrounding environment.
Team Spirit	: Fostering cooperation, and maintaining effective communication with all relevant parties.

OUR STRATEGIC GOALS AND OBJECTIVES:

The Strategic Goals		The Strategic Objectives
	Good governance and effective institutional performance	• Enhancing the pillars of good governance. • Achieving excellence in performance and keeping pace with international best practices. • Enhancing digital transformation, automation and improving internal operations and processes.
	Insured deposits and sound banking system	• Developing a system for managing the processes of deposit insurance, liquidation and resolution of a bank faces problem with core effect on its financial position. • Contributing to managing banking crises in collaboration with members of the financial safety-net.
	Innovation and sustainable development	• Optimizing the investment of the corporation's resources. • Promoting a culture of learning, continuous improvement and innovation within the corporation. • Developing sustainable initiatives that have a positive impact on society and the environment.
	Effective communication and strategic partnerships	• Enhancing public awareness about the deposit insurance system in the Kingdom on a continuous basis. • Strengthening regional and international cooperation with relevant parties.



Chairman's Message

Chairman's Message



Dr. Adel Al Sharkas

On behalf of myself and the Board of Directors of the Jordan Deposit Insurance Corporation (JODIC), it is my privilege to present the Corporation's Nineteenth Annual Report for the Year 2024. This report encapsulates a year marked by integrated institutional efforts, a period rich in challenges yet abundant in opportunities. Throughout 2024, JODIC remained steadfastly committed to enhancing its critical role as a main pillar within Jordan's financial safety net, diligently implementing strategic initiatives aimed at strengthening its operational capabilities and ensuring optimal preparedness and responsiveness to potential banking crises.

In this context, I would like to emphasize JODIC's pivotal role in fostering economic growth. This role is manifested through our core mandate,

protecting depositors' funds at banks, thus actively encouraging savings. Indeed, the presence of deposit insurance significantly enhances public confidence in the banking system, reinforcing the Kingdom's overall financial stability. Deposits have consistently proven indispensable as catalysts for economic activity, providing the essential financial resources that stimulate investment and accelerate national economic prosperity.

In 2024, Jordan's economy demonstrated remarkable resilience and balanced performance, enabling it to maintain macroeconomic stability with a growth rate of 2.5%. This growth was underpinned by structural reforms and effective economic and monetary policies, contributing to maintaining the inflation rate at around 1.6%. Despite heightened geopolitical tensions and instability within the region, external sector indicators exhibited substantial resilience in adapting to these challenges, achieving performance exceeding expectations.

In parallel, the Central Bank of Jordan sustained its prudent and flexible monetary policy stance during 2024, successfully preserving monetary stability and strengthening confidence in the Jordanian Dinar as an attractive currency for savings. This was supported by record levels of foreign reserves exceeding USD 21 billion. Concurrently, the robustness of Jordan's banking system was further enhanced, reinforcing its

Chairman's Message

stature as a secure haven for savings and investment. By year-end, aggregate bank deposits increased to nearly JOD 46.7 billion, while total banking sector assets exceeded JOD 69.9 billion. This growth was supported by robust and positive financial indicators, including a capital adequacy ratio of 18%, which notably exceeds both domestic regulatory requirements and international Basel III standards. The banking sector also maintained a commendable liquidity ratio of 144.7%, demonstrating efficient liquidity management and the capacity to fulfill obligations. Regarding credit risk management, banks maintained a low non-performing loan ratio of 5.6%, accompanied by a provision coverage ratio of 74.5%. This underscores the quality of bank assets and the effectiveness of prudent credit risk policies adopted in managing credit portfolios.

These favorable outcomes embody the successful realization of a visionary national strategy, guided by a comprehensive reform roadmap diligently pursued by JODIC. Our Corporation has proactively elevated its operational readiness, adopting a rigorous investment policy designed to ensure liquidity adequacy. As a result, JODIC has accumulated substantial financial reserves approaching JOD 1.3 billion, sufficient to cover 14.5% of the insurance policy, with a maximum coverage limit of JOD 50,000, thereby providing full protection to approximately 97.6% of depositors.

In closing, I extend my heartfelt gratitude and sincere appreciation to all JODIC staff for their unwavering dedication and profound commitment to the Corporation's values and its national mission. I am confident in their continued determination to advance JODIC's institutional development, guided by a clear strategic vision and prudent governance, thereby solidifying JODIC's role as a resilient protector of depositors, enhancing public confidence in our banking sector, and underpinning the Kingdom's monetary and financial stability. These collective efforts align seamlessly with the aspirations of Jordan's Economic Modernization Vision, paving the way towards a prosperous national economy, under the wise Hashemite leadership of His Majesty King Abdullah II ibn Al Hussein and His Royal Highness Crown Prince Al Hussein bin Abdullah II—may God protect and preserve them both.

Foreword

Foreword



Mutaz I. Barbour

It gives me great pleasure to present to you the Annual Report of the Jordan Deposit Insurance Corporation (JODIC) for the year 2024—a year marked by accelerated economic and digital transformations and heightened challenges regarding global financial stability. In this context, JODIC steadfastly pursued its primary objective, effectively safeguarding depositors' rights and reinforcing confidence in the Jordanian banking sector. This was made possible by leveraging its institutional preparedness and maintaining close cooperation within the Banking Crisis Management Committee, alongside the Central Bank of Jordan and the Ministry of Finance. These collaborative efforts have significantly enhanced the integration of roles within the financial safety net, providing unified and

efficient mechanisms for responding to financial and banking crises.

The year 2024 witnessed several pivotal achievements reflecting the maturity of JODIC's institutional experience and the advancement of its operational tools. In terms of liquidity management and enhancing readiness, the Corporation adopted an investment policy involving trading government bonds in the financial markets to fulfill urgent liquidity requirements essential for performing its functions. In another strategic initiative demonstrating JODIC's commitment to long-term planning, the "Bank Resolution Reserve" was established as a precautionary financial instrument to support banking system stability, providing enhanced flexibility in crisis management and mitigating the economic costs associated with potential failures. Furthermore, the Corporation continued implementing the Single Customer View (SCV) project as part of its digital transformation strategy, significantly improving responsiveness and risk management effectiveness.

Financially, JODIC's reserves reached approximately JOD 1,271.5 million by the end of 2024, marking an annual growth rate of 7.9% and constituting a robust buffer against risks,

Foreword

covering 14.52% of insured deposits. Similarly, reserves within the Deposit Insurance Fund for Islamic Banks increased to JOD 114.8 million, achieving a substantial annual growth rate of 29.9%. Consequently, the Corporation provides full protection for approximately 97.6% of depositors in commercial banks and 98.3% in Islamic banks, with a maximum coverage limit set at JOD 50,000 per depositor per bank.

To enhance public awareness, JODIC intensified its outreach efforts, both on the ground and digitally, conducting an extensive electronic survey via SMS covering diverse regions across the Kingdom. The survey results indicated a high level of public awareness regarding the deposit insurance system among citizens. On the international and regional fronts, JODIC continued its active engagement as a member of the Executive Council of the International Association of Deposit Insurers (IADI), participating in specialized committees and regional and international conferences, thereby underscoring its commitment to knowledge exchange and strengthening international cooperation.

In conclusion, I would like to extend my sincere gratitude and appreciation to our esteemed Board of Directors for their continuous support and to all JODIC staff for their unwavering dedication and commitment. May God Almighty guide us in serving our beloved nation under the wise leadership of His Majesty King Abdullah II Ibn Al Hussein and His Royal Highness Crown Prince Al Hussein bin Abdullah, may God preserve and protect them.



JODIC'S KEY ACHIEVEMENTS DURING 2024

JODIC'S KEY ACHIEVEMENTS DURING 2024

In line with its strategic objectives and its pivotal role within the Kingdom's financial safety net, JODIC continued to effectively implement its developmental plans and structural projects throughout 2024, guided by the recommendations of the Financial Sector Assessment Program (FSAP). These diligent efforts yielded substantial accomplishments that significantly bolstered institutional preparedness, enhanced operational efficiency, and solidified JODIC's position as a cornerstone supporting financial and banking stability.

In this regard, JODIC advanced its comprehensive guideline for depositor reimbursement procedures in the event of bank liquidation and progressed significantly with the development of the Single Customer View (SCV) project. Concurrently, considerable progress was made in automating its internal systems, markedly enhancing operational efficiency as part of the Corporation's digital transformation strategy.

To enhance crisis preparedness, JODIC adopted a flexible investment policy that allowed for trading government securities from its portfolio on the Amman Stock Exchange to meet emergency liquidity requirements essential for implementing its mandates, ensuring prompt depositor reimbursement, and addressing bank resolution, consistent with established policies and relevant legislation. Furthermore, JODIC established the "Bank Resolution Fund" by allocating a specified portion of membership fees collected from member banks, ensuring sufficient funding sources to manage potential risks and augment rapid response capabilities during banking crises.

The Corporation intensified its efforts to raise awareness of the deposit insurance system through comprehensive media and field campaigns, promoting its public awareness role. It formed effective partnerships with educational and academic institutions to promote financial literacy, alongside conducting electronic surveys aimed at assessing awareness levels across various community segments.

These achievements underscore JODIC's unwavering commitment to reinforcing institutional readiness, developing its operational infrastructure, and supporting financial stability in the Kingdom. JODIC remains dedicated to fulfilling its main objective of protecting depositors and enhancing confidence in the banking system.



GLOSSARY

GLOSSARY

Deposit Insurance System:

A framework involving the deposit insurer (JODIC) and its cooperative relationships with other financial safety-net participants (The Central Bank of Jordan and The Ministry of Finance). The system primarily aims to protect depositors by insuring their deposits. Additionally, the DIS is responsible for other key mandates, including the Banks' Liquidation and Banks' Resolution.

Coverage Limit:

The maximum amount payable promptly by JODIC as reimbursement to an eligible depositor upon the Central Bank of Jordan's decision to liquidate a bank, capped at JD 50,000 (fifty thousand) per depositor per bank.

Eligible Deposits:

Deposits that fall within the scope of coverage according to JODIC's Law, i.e., deposits denominated in Jordanian Dinar held by member banks, except for Government deposits, interbank deposits, and cash collaterals within the limits of the value of extended facilities guaranteed by the said collaterals.

Deposit Insurance Fund for Islamic Banks:

A Fund enjoys a legal entity status. The relationship between the Fund and the Corporation is on a paid agency basis (Wakalah bi al ujr), the Fund is based on the principle of solidarity and cooperation (Takaful and

Ta'awun), and the contributions from all parties are considered donations (Tabarru').

Member Banks at Jordan Deposit Insurance Corporation:

All Jordanian commercial banks and branches of foreign commercial banks operating in the Kingdom, except for branches of Jordanian commercial banks operating outside the Kingdom.

Member Banks at Deposit Insurance Fund for Islamic Banks:

All Jordanian Islamic banks and branches of foreign Islamic banks operating in the Kingdom, except for branches of Jordanian Islamic banks operating outside the Kingdom.

Fully Insured Deposits:

Eligible deposits that do not exceed the maximum coverage limit of JD 50,000 (fifty thousand) per depositor per bank.

Partially Insured Deposits:

Eligible deposits that exceed the coverage limit of JD 50,000 (fifty thousand).

Insurance Policy:

The total amount paid to insured depositors as prompt reimbursement, subject to a maximum of JD 50,000 per depositor, in the event of a bank liquidation.

GLOSSARY

Liquidation:

The orderly process of winding down the business affairs and operations of any bank whose liquidation has been decided by the Central Bank of Jordan. The Corporation is the liquidator and the sole legal representative of any bank whose liquidation has been decided.

Reimbursement:

The structured process by which JODIC pays the insurance sum due to the insured depositors of any bank that the Central Bank of Jordan has decided to liquidate. The Corporation shall pay the insurance sum due to an insured depositor within 30 days from the date of the liquidation decision.

Banks' Resolution:

A disposition plan and process for a non-viable bank. The resolution may include one action or more if the Corporation finds that such action is less costly than liquidation.

The Revised Core Principles for Effective Deposit Insurance Systems:

An international set of (16) Principles for effective deposit insurance systems issued by the International Association of Deposit Insurers (IADI), and finally revised by a Joint Working Group including representatives from the Basel Committee for Banking Supervision (BCBS), the European Forum of Deposit Insurers (EFDI), the European Commission (EC), the Financial Stability Board (FSB), the

International Monetary Fund (IMF), and the World Bank (WB).

International Association of Deposit Insurers (IADI):

IADI is a forum for deposit insurers from around the world constituted under Swiss Law in May 2002 and domiciled at the Bank for International Settlements (BIS) in Basel, Switzerland. IADI's objectives are to enhance the effectiveness of deposit insurance systems by promoting guidance and international cooperation, as well as exchanging expertise in the deposit insurance field; it provides training and educational programs and produces research and guidance on matters related to deposit insurance. Currently, IADI has 103 Member organizations, 9 Associates, and 17 Partners.



CORPORATE GOVERNANCE

CORPORATE GOVERNANCE

Corporate Governance

As part of developing the institutional and legislative framework as well as enhancing the financial safety-net in the Kingdom, the Jordan Deposit Insurance Corporation (JODIC) was established in the year 2000. Since then, the Corporation has pursued the consolidation of its institutional structure to ensure realizing its mission in protecting depositors by insuring their deposits held with member banks subject to JODIC's Law, and benchmarked with the IADI Revised Core Principles for Effective Deposit Insurance Systems (Principle 3 / Governance) which stipulates the following: "The deposit insurer should be operationally independent, well-governed, transparent, accountable, and insulated from external interference".

Principle 3 (Governance) of the IADI Revised Core Principles for Effective Deposit Insurance Systems stipulates: The deposit insurer should be operationally independent, well-governed, transparent, accountable, and insulated from external interference.

The Institutional and Legislative Framework:

The salient features of the deposit insurance system have been clearly stated within a comprehensive legal framework. The provisions of JODIC's Law stipulate the objectives, roles, responsibilities and procedures that JODIC has to adhere to in order to realize its mission and to carry out its functions efficiently, effectively, and independently. Furthermore, JODIC's Law stipulates the rights of depositors, the collaboration with the Central Bank of Jordan (CBJ) as well as the institutional framework with the related parties.

Board of Directors:

JODIC is managed and supervised by a Board of Directors chaired by the Governor of the Central Bank of Jordan and comprises four members from the public sector, including the Director General of JODIC, in addition to two members from the private sector appointed by the Cabinet. The two members must not be executives of any bank during the period of their membership on the Board and for the two years following the termination of their membership. Also, the Board's members are appointed, including the Director General, according to specific criteria.

JODIC's Law stipulates the Board's functions and authorities such as drawing the Corporation's general policy, approving the general policy for the investment of the Corporation's fund in accordance with the provisions of the Law, formulating the administrative and organizational structure of JODIC and approving estimated annual budget. Moreover, the Board exercises the authorities of the board of directors of a public shareholding company stipulated in the Companies Law to the extent that they do not conflict with the provisions of the JODIC's Law. The Board meets upon the invitation of its Chairman once every two months or whenever the need arises. Additionally, the Board's decisions are taken unanimously or by the majority of its members. In the event of a tie vote, the side with which the meeting's Chairman voted prevails.

Besides, the Corporation's Law stipulates the duties and authorities carried out by the Director General to manage the Corporation's affairs including the implementation of the policies and the decisions made by the Board, as well as the supervision of JODIC's administrative system.



BOARD OF DIRECTORS - MEMBERS

BOARD OF DIRECTORS



Chairman of the Board of Directors
H.E. Dr. Adel Ahmad Al-Sharkas
Governor of the Central Bank of Jordan



Vice Chairman of the
Board of Directors
H.E. Mr. Ziad Asa'ad Ghanma
Deputy Governor of
the Central Bank of Jordan



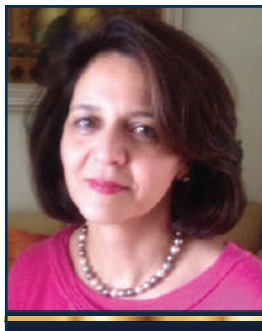
H.E. Salem Al-Qudah
Secretary General of the
Ministry of Finance



H.E. Dr. Wael Ali Armouti
Companies General
Controller -Ministry of
Industry, Trade and Supply



H.E. Mr. Mu'taz Ibrahim Barbour
Director General of Jordan
Deposit Insurance Corporation
(JODIC)



H.E. Mrs. Hala Bsaisu Lattouf
Partner in AYA for
Consultancy & Development



H.E. Dr. Adli Shehadeh Kandah
Economist

Administrative and Functional Apparatus

The administrative and functional apparatus of the corporation consists of the following departments and units:

- Insurance and Liquidation Department:

The Department carries out the responsibilities of proposing, implementing, and continuously developing deposit insurance policies within the corporation, ensuring the establishment of the required levels of incentives for depositors to enforce market discipline, and for banks to encourage them to better manage their risk levels. It also undertakes the tasks assigned to the corporation as a liquidator for any bank decided to be liquidated according to its provisions of JODIC's law and other relevant regulations or decisions. The department works on formulating and developing various policies for the liquidation process to execute its procedures efficiently and effectively. Additionally, the department is responsible for formulating, developing, and managing reimbursement procedures for depositors according to its provisions and any regulations or decisions issued pursuant thereto.

- The Administrative Department:

The department is responsible for securing the corporation's needs for qualified human resources and supervising all related matters such as recruitment, hiring, training, and the medical care file. Additionally, it supervises the file of regulations that govern the corporation's work, organizational structure, job classification table, and job description cards. It also ensures the provision and maintenance of all supplies, devices, and equipment, manages the provision of necessary support services for the corporation's

operations, calculates all self and administrative expenses related to the corporation and its employees, and manages the relations file.

- The Finance and Investment Department:

The Department is responsible for managing the investment of JODIC's funds, including depositing necessary funds in any bank and managing borrowing to meet its obligations in accordance with its law. It also implements the necessary procedures to cover self-expenses, administrative expenses, and maintain central accounting records and ledgers.

- Risk Management Unit:

The Unit is responsible for preparing and developing the general framework for the risk management at the organizational level and within departments and units of JODIC, conducting studies and research related to risks, in addition to managing the strategic plan file in the corporation at all its stages in coordination with the corporation's departments and units and senior management.

- Internal Audit Unit:

The audit unit is linked to the audit committee and is responsible for verifying the accuracy and integrity of JODIC's various activities, and for submitting its recommendations based on the results of inspection, evaluation, and analysis to the corporation's different departments with the aim of enhancing their responsibilities efficiently and effectively.

Administrative and Functional Apparatus

Technical Support and Information Technology Unit:

The Unit is responsible for managing the corporation's computer systems, information technology, and computer network, performing maintenance on computers, operating systems, and software, managing the systems related to the building and its annexes, in addition to contributing to providing technical support and supplementary services for the corporation.

The permanent specialized committees in the corporation:

To enhance the principles of corporate governance within JODIC, several permanent specialized committees are formed within the corporation and appear in its organizational structure. These committees are either associated with the Board of Directors, such as the Audit Committee, or are associated with the Director General or his assistant, and their recommendations are approved by the Director General. These committees include:

1. Human Resources Committee.
2. Supplies Committee.
3. Investment and Finance Committee.
4. Social Activity Committee.
5. Governance and Legislation Committee.

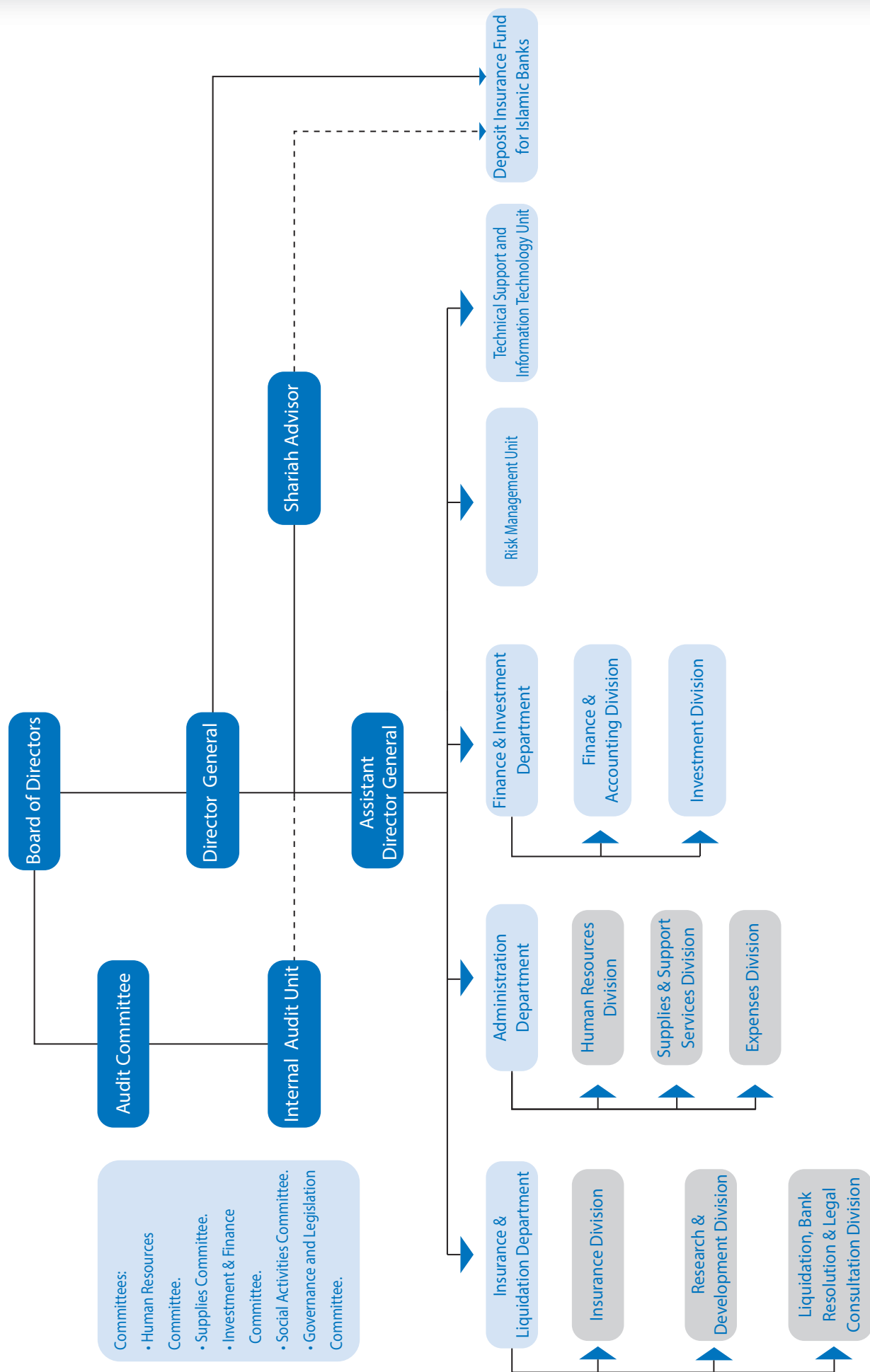
Additionally, The Director General may also form permanent or temporary specialized committees to study any aspects of the corporation's activities and management affairs, and to provide recommendations accordingly.

Committees derived from the Board of Directors

Internal Audit Committee:

The internal audit committee is formed by a decision of the board of directors and consists of independent members who are not entrusted with the executive duties within the corporation. Among them, there must be with at least one member having expertise in financial reports. The audit committee assists the board of directors in fulfilling its responsibilities related to overseeing the preparation and presentation of financial reports, the internal control system, the audit process, and the corporation's operations to monitor compliance with laws, regulations, and codes of ethics. The internal audit is directly linked to the audit committee.

Organizational Structure



Corporate Governance

Disclosure and Transparency:

Disclosure and transparency are fundamental principles within the governance framework, aiming to ensure that stakeholders understand and are aware of the essential information resulting from the corporation's operations and activities.

The corporation is committed to disclosure requirements in accordance with standards and regulatory authorities and the management emphasizes its responsibility to present financial statements accurately and fairly. JODIC is also committed to disclosure through its annual report and website, providing all reliable information to relevant parties, with a focus on information that is of clear and timely interest to depositors, enabling the assessment of the corporation's financial position, achievements, and ability to achieve strategic objectives.

The annual report also reviews the organizational structure of the corporation, the structure and tasks of the risk management, and the board of directors and its committees. The executive management submits reports on the developments of performance indicators, in addition to providing recommendations on ways to enhance these indicators.

THE RIGHT TO OBTAIN THE INFORMATION:

In accordance with the requirements of "institutionalization of procedures for the right to obtain information" and Law No. (47) of 2007 of the right to obtain information, the corporation is implementing the protocols of "Institutionalization

Procedures" and "Government Data Classification and Management Policy" approved by the Council of Ministers in line with the Corporation's business nature. The approved Corporation's data classification forms are constantly reviewed and amendments are submitted to the "Data Classification" platform. Also, JODIC's open government data set is constantly published on the "Open Government Data" platform.

Risk Management:

In pursuit of maintaining the positive image of the corporation and achieving the main objective of risk management to develop JODIC's performance and mitigate risks, JODIC adopts an integrated approach in applying risk management by identifying and assessing risks, developing strategies to deal with them, mitigating their negative impact, and increasing the level of risks awareness within the corporation.



Information Security and Cybersecurity Management Policies

Information Security and Cybersecurity Management Policies

The corporation realizes that the management of information security and cybersecurity has become an essential and important part of wise administration that effectively contributes to the achievement of institutional objectives. The corporation must develop an information security management system that includes cybersecurity as an integral part of it, encompassing a set of policies, standards and procedures, and processes under best practices.

These policies present comprehensive and fundamental corporation-wide principles of security, technical and procedural requirements to protect the confidentiality, integrity and availability of corporation information, as well as the administrative commitment and support for information security and cybersecurity.

These policies apply to:

- 1.** All information assets in the corporation, all operations and tasks of the corporation associated with its information assets, infrastructure/equipment used for the establishment, processing, storage, transfer and/or destruction of the corporation, whether managed by the corporation and/or by a third party on its behalf.
- 2.** All users of the information assets of the corporation, including, employees of the corporation and/or contractors permanently or temporarily, to perform work for the corporation, all of which must be accepted and abide by when using or handling the Enterprise's information assets.

These policies include the following:

- Information Security Regulation Policy.
- Information Asset Management Policy.
- Backup and Restore Policy.
- Mobile Device Security Policy.
- Vulnerability management policy.
- Systems Development and Maintenance Policy.
- Information Security Policy.
- Operational security policy.
- Remote work Policy.
- Malicious Software Protection Policy.
- External contracting/Engagement policy with external parties.
- Access Control Policy.

Information Security and Cybersecurity Management Policies

- Human Resources Security Policy.
- Physical Security and Surrounding Environment Policy.
- Business Continuity Management Policy.
- Communications Security Policy.
- Information Security and Cybersecurity Incidents Management Policy.
- Compatibility Policy with Jordanian and International Laws and Legislation.

These policies aim to ensure that the corporation complies with Jordanian and international laws and legislation and does not override the corporation's work, especially on issues related to information technology and security and cybersecurity:

- 1.** Compliance with Jordanian and international legislation and laws.
- 2.** Intellectual property rights.
- 3.** Protection and confidentiality of personal data.
- 4.** Information systems auditing considerations.
- 5.** Compliance with information security policies and requirements.



OVERVIEW

OVERVIEW

The Jordan Deposit Insurance Corporation (JODIC) was established with the issuance of its law No.33 of the year 2000 as a legal entity status with financial and administrative independence. Its primary objective is to protect depositors with banks by insuring their deposits in accordance with the provisions of its Law in order to encourage savings, enhance confidence in the banking system, and contribute to maintaining banking and financial stability in the Kingdom. In 2019, the law was amended to include Islamic banks under the umbrella of the insurance system by establishing the Deposit Insurance Fund for Islamic banks.

The Corporation, in accordance with its law, has two primary mandates: deposit insurance and bank liquidation. It serves as the sole insurer, liquidator, and legal representative of any bank subject to liquidation in the Kingdom. In order to fulfill its assigned mandate, the Corporation has been endowed, according to its law, with a wide range of powers in the field of deposit insurance and bank liquidation. In addition to its powers to find solutions for banks that face problems with core effect on its financial position, whereby the Corporation, with the approval of the Central Bank, may take any of the actions set out in its law.

Main Features of the Deposit Insurance System in Jordan:

The deposit insurance umbrella in the Kingdom includes the member banks at JODIC and the member banks at the Deposit Insurance Fund for Islamic Banks.

THE MAIN FEATURES OF JODIC

MEMBERSHIP

Jordanian banks and branches of foreign banks operating in the Kingdom, except for the branches of Jordanian banks operating outside the Kingdom.

Coverage Limit:

The maximum coverage limit is JD 50,000 (fifty thousand) per depositor per bank.

The JD 50,000 deposit insurance coverage limit is approximately 15.5 times the per capita GDP.

Scope Of Coverage:

The Corporation insures all types of deposits at JODIC's member banks denominated in Jordanian dinar for individuals, corporate, residents, and non-residents, except for the following:

- Government deposits.
- Interbank deposits.
- Cash collaterals within the limits of the value of the extended facilities guaranteed by the said collaterals.

OVERVIEW

The Corporation currently insures deposits denominated in the Jordanian Dinar only. The Corporation may insure deposits in any foreign currency, that the Central Bank decides to be subject to the provisions of the law.

Funding Sources:

1- Membership Fee:

The member bank shall pay an annual membership fee to the Corporation at the rate of 2.5 per thousand of the total eligible deposits. As the Corporation has exceeded the legally targeted reserves ratio, which is (3.0%) of the total eligible deposits, the Board of Directors decided to reduce the membership fee for member banks from 2.5 to 1.75 per thousand for a consecutive four-year period in accordance with the provisions of Article (19/b) of JODIC's Law. Subsequently, the Board decided to levy the annual membership fee for the years 2023 and 2024 at a rate of one per thousand of the total eligible deposits.

The annual membership fee may be amended, and the rules for its calculation may be changed by a decision of the Council of Ministers, based on the recommendation of the Board, after the banks have been rated.

2- Investment Returns on the Corporation's Funds:

The Corporation invests its funds in government securities, considering the returns as part of the Corporation's reserves. These investments contribute to enhancing

the Corporation's financial capacity and supporting its ability to meet its obligations to depositors. This, in turn, enhances confidence in the banking system and promotes financial stability.

3- Any loans obtained by the Corporation in accordance with the provisions of JODIC's Law.

The Corporation may borrow directly or issue debenture bonds to fulfill its obligations in accordance with the provisions of its Law.

4- Any financial grants given to the Corporation with the approval of the Central Bank's board of directors. The Council of Ministers' approval must also be obtained if the grant is given by a non-Jordanian agency.

5- Any refunds received by the Corporation from liquidation processes or as a result of any of the procedures stipulated in Article (38 bis) of JODIC's Law.

MANDATES AND POWERS:

- Deposit Insurance:

JODIC is legally responsible for protecting depositors by insuring their deposits with the banks and reimbursing insured depositors with any member bank that the Central Bank of Jordan decides to liquidate. Therefore, JODIC shall be obliged to pay the insurance sum from its reserves and financial resources instead of resorting to the Treasury and taxpayers.

OVERVIEW

The insurance sum shall become payable if the Central Bank of Jordan (CBJ) decides to liquidate a bank, and JODIC shall pay the insurance sum to an insured depositor within 30 days from the date of the liquidation decision.

The Corporation calculates the insurance sum for each depositor by setting off between the deposits against the debts and liabilities of each depositor. This assists the Corporation in determining the value of the insurance sum for the depositor. All accounts at branches of the same bank are considered as one account. If the account is jointly held by two or more persons, the insurance sum shall be distributed among them according to each person's share in the account. If their shares in the account are unspecified, their shares are considered equal, provided that the total amount received by one person does not exceed the maximum insurance sum if they have another account or accounts at the same bank.

- Liquidation:

According to JODIC's Law no. (33) of the year 2000 and its amendments, JODIC is the liquidator and the sole legal representative of any bank whose liquidation has been decided by the Central Bank of Jordan. JODIC is endowed with broad and flexible powers under its law, enabling it to complete the liquidation process in a systematic and legally clear manner within a period of two years from the date of the liquidation decision.

- JODIC's Reserves Management:

The Corporation, in accordance with its law, builds reserves to efficiently and effectively fulfill its primary mandate and ensure full protection for the majority of depositors in banks. The Corporation primarily builds its reserves from membership fee levied on banks and returns on investments in government securities. JODIC may deposit its funds with the Central Bank by a decision of its Board of Directors, in accordance with Article (24/A) of the Corporation's Law.

- Banks' Resolution:

The amending law of the Corporation, Law No. (8/2019), aims to enhance the Corporation's pivotal role within the financial safety net framework and contribute to maintaining banking and financial stability in the Kingdom. It grants the Corporation additional powers to find solutions to a bank facing problems with core effect on its financial position by taking one or more of the actions outlined below if it determines that such action is less costly than proceeding with liquidation procedures:

1. Bear the financial cost of the bank's merger with another bank, or transfer all or some of its assets, rights, liabilities, and obligations to a third party.
2. Subscribe to any new shares issued to increase the bank's capital.
3. Apply for a bridge bank license to which all or some of the bank's assets, rights, liabilities, and obligations are transferred.

OVERVIEW

With the approval of the Central Bank, the Corporation is authorized to participate in any committees established to examine the conditions of the bank, facilitating the adoption of appropriate and less costly than liquidation measures.

- Monitoring Banks Operating in the Kingdom:

To enable the Corporation to fulfill its mandates as a deposit insurer and bank liquidator, alongside its other legal responsibilities, efficiently and effectively, it collaborates and coordinates with the Central Bank to monitor and evaluate the financial conditions and performance of banks. The Corporation conducts offsite supervision in accordance with Article (29) of its law, examining banks' closing financial statements and operational results available at the Central Bank. Additionally, as per Article (30) of the Corporation's law, a joint inspection team, comprising employees of JODIC and CBJ, may be formed to review or examine the operations, records, and statements of any bank, upon JODIC's request and CBJ's approval. The team prepares a joint report containing the results of the bank's activities and recommendations, which is then submitted to both the CBJ and the JODIC.

Deposit Insurance Fund for Islamic Banks

The Deposit Insurance Fund for Islamic Banks was established at the Corporation by virtue of the amending Law of the Corporation's Law in 2019. The Fund has a legal entity status to be managed by the Corporation. The Fund aims to protect depositors with Islamic banks by insuring their deposits in accordance with

the provisions of the law, encouraging savings, enhancing confidence in these banks, achieving fairness among depositors in the banking system, and protecting competitiveness among banks. The relationship between the Corporation and the Fund is based on a paid agency basis (Wakalah bi al ujr).

The provisions of the Corporation Law shall apply to the Fund to the extent not contrary to the provisions related to the Fund in the same law. The Fund is based on the principle of solidarity and cooperation (Takaful and Ta'awun), and the contributions made by Islamic banks, depositors, and the Corporation are considered donations. Additionally, a Sharia Advisor shall be appointed to the Fund by a decision of the Corporation's Board of Directors based on the nomination of the Iftaa Board, ensuring that the advisor possesses practical experience and expertise in Islamic jurisprudence related to financial transactions.

The Fund is the sole insurer of any Islamic bank in the Jordanian Banking System in accordance with the provisions of JODIC's Law and in compliance with Shariah principles.

MAIN FEATURES OF THE DEPOSIT INSURANCE FUND FOR ISLAMIC BANKS:

Membership:

Membership is mandatory for all Jordanian Islamic banks and branches of foreign Islamic banks operating in the Kingdom, except for the branches of Jordanian Islamic banks operating outside the Kingdom.

OVERVIEW

Coverage Limit:

The maximum coverage limit is JD 50,000 (fifty thousand) per depositor per Islamic bank.

Scope of Coverage:

The Fund insures credit accounts and mutual investment accounts at Islamic banks denominated in Jordanian Dinar for individuals, corporate, residents, and non-residents.

Funding Sources

1- Membership Fee

The Islamic bank shall pay an annual membership fee of 2.5 per thousand of the following balances to be calculated and collected on the basis of the total of such accounts at the end of each year:

1. On the balance of credit accounts or the like.
2. On the balance of mutual investment accounts or the like.

2- Returns on the investments of the Fund.

3- Any non-interest loan “Qard Hasan” received by the Fund.

4- Any financial grants given to the Fund with the approval of the Central Bank's board of directors. The Council of Ministers' approval must be also obtained if the grant is given by a non-Jordanian agency.

Fund's reserves management

The funds shall be invested in government securities that comply with the principles and provisions of Islamic Sharia, in accordance with the provisions of Article (35 bis) of the Corporation's Law.



Development of Deposits in the Banking System

Development of Deposits in the Banking System

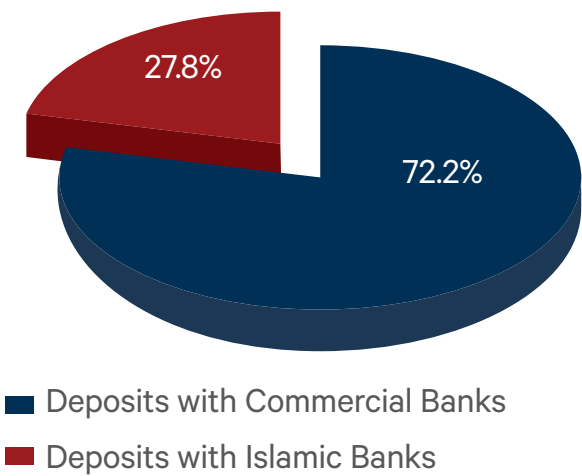
Jordan’s banking sector sustained robust performance throughout 2024. Total deposits—across Jordanian dinar and foreign currency deposits—rose to JD 46,699.9 million at year-end, up by JD 2,955.6 million (6.8%). This performance reflects the system’s resilience and financial soundness.

DEPOSITS DENOMINATED IN JORDANIAN DINAR:

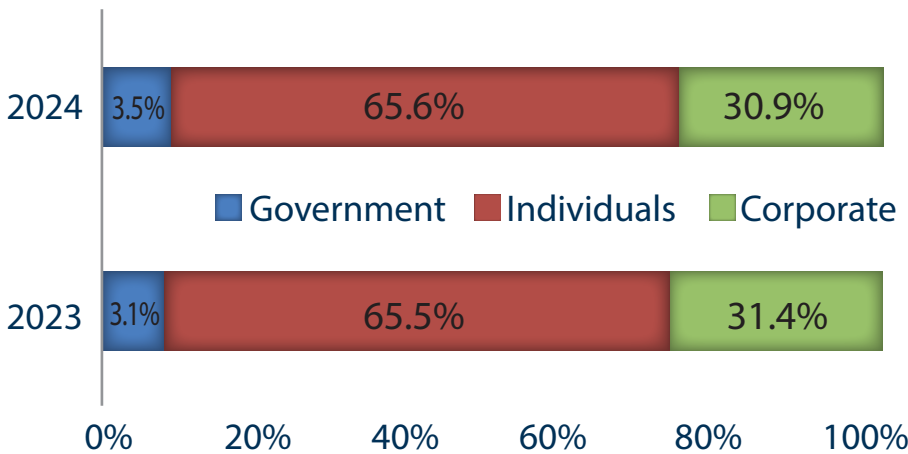
Total deposits denominated in Jordanian dinars reached JD 36,701.2 million by year-end 2024, up from JD 34,468.9 million at the end of 2023, increased by (6.5%). Of this total, commercial banks held JD 26,491.2 million, while Islamic banks held JD 10,210.0 million.

The distribution of these deposits within the banking system reveals that Individuals’ deposits totaled JD 24,068.7 million (65.6%), corporate deposits reached JD 11,348.4 million (30.9%), and government deposits stood at JD 1,284.0 million (3.5%).

Distribution of Deposits



Distribution of Deposits Denominated in Jordanian Dinar Across Various Sectors

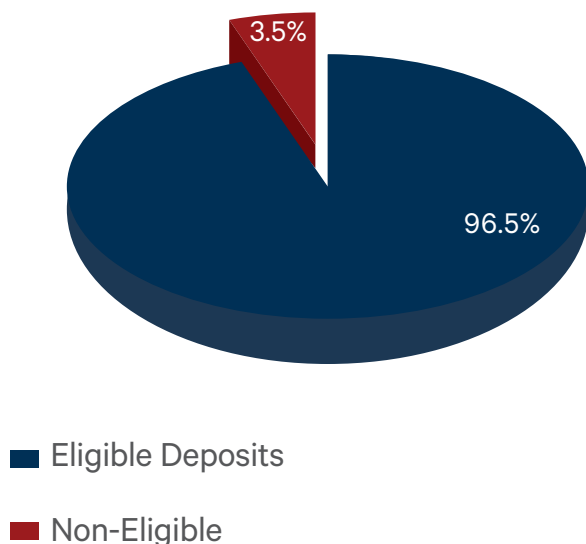


Development of Deposits in the Banking System

ELIGIBLE DEPOSITS AT JODIC's MEMBER BANKS

Eligible deposits at JODIC's member commercial banks totaled JD 25,567.6 million at end-2024, compared with JD 24,526.0 million at end-2023—an increase of 4.2%. These deposits accounted for 96.5% of total Jordanian-dinar deposits at commercial banks and were held by about 2,708.1 thousand depositors, up from 2,370.8 thousand a year earlier.

JODIC's Member Banks



FULLY INSURED DEPOSITS:

Fully insured deposits, equal to or less than JD 50,000, totaled JD 5,475.2 million at end-2024, representing 21.4% of eligible deposits. These deposits were held by about 2,642.4 thousand depositors, compared with JD 5,328.9 million and 2,308.4 thousand depositors at end-2023. The proportion of fully insured depositors to total eligible depositors reached 97.6% at end-2024.

PARTIALLY INSURED DEPOSITS:

Partially insured deposits, in excess of JD 50,000, totaled JD 20,092.4 million at end-2024 (78.6% of total eligible deposits), compared with JD 19,197.1 million at end-2023. These deposits were held by about 65.7 thousand depositors (2.4% of total eligible depositors) at end-2024, up from 62.4 thousand a year earlier.

ESTIMATED REIMBURSEMENT AMOUNT (INSURANCE POLICY):

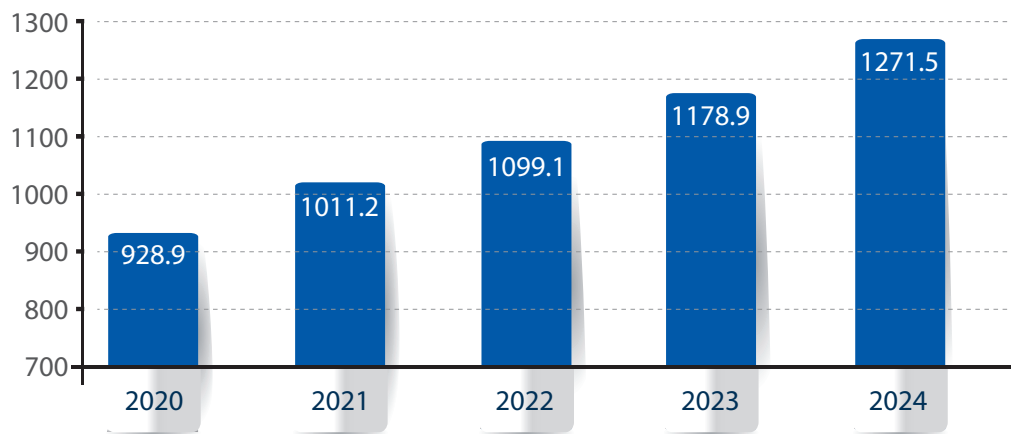
At JODIC's member banks, deposits eligible for prompt reimbursement ("Insurance Policy") totaled JD 8,759.7 million at end-2024, up from JD 8,451.0 million at end-2023—an increase of 3.7%. The Insurance Policy as a share of eligible deposits stood at 34.3% at end-2024, compared with 34.5% at end-2023.

Development of Deposits in the Banking System

JODIC's RESERVES:

JODIC's reserves stood at JD 1,271.5 million at end-2024, an increase of JD 92.6 million (7.9%) from a year earlier. These reserves cover (4.97%) of total eligible deposits and (14.52%) of the insurance policy. The chart below presents the five-year trend in JODIC's reserves.

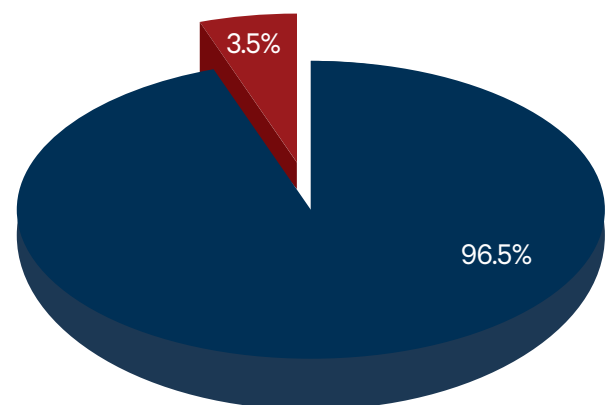
JODIC'S RESERVES (JD Million)



Deposit Insurance Fund for Islamic Banks

Total deposits with Islamic banks amounted to JD 10,210.0 million at end-2024, compared with JD 9,207.7 million at end-2023—an increase of JD 1,002.3 million (10.9%). These deposits were held by 1,727.7 thousand depositors at end-2024, compared with 1,594.7 thousand a year earlier—an increase of 133.0 thousand (8.3%).

Islamic Banks



ELIGIBLE DEPOSITS WITH ISLAMIC BANKS:

Total eligible deposits with Islamic Banks amounted to JD 9,849.6 million (27.8% of total eligible deposits in the banking system). These deposits were held by about 1,727.3 thousand depositors (38.9% of the total eligible depositors in the banking system) at end-2024.

- Eligible Deposits
- Non-eligible Deposits

Development of Deposits in the Banking System

FULLY INSURED DEPOSITS:

Fully insured deposits, equal to or less than JD 50,000, reached JD 3,986.5 million (40.5% of total eligible deposits) at end-2024, and were held by about 1,697.2 thousand depositors (98.3% of all eligible depositors). A year earlier, fully insured deposits totaled JD 3,735.5 million and were held by about 1,566.7 thousand depositors.

PARTIALLY INSURED DEPOSITS:

Partially insured deposits, in excess of JD 50,000, amounted to JD 5,863.0 million at end-2024 (59.5% of total eligible deposits) and were held by about 30.1 thousand depositors (1.7% of all eligible depositors), compared with JD 5,141.3 million and 27.6 thousand depositors a year earlier.

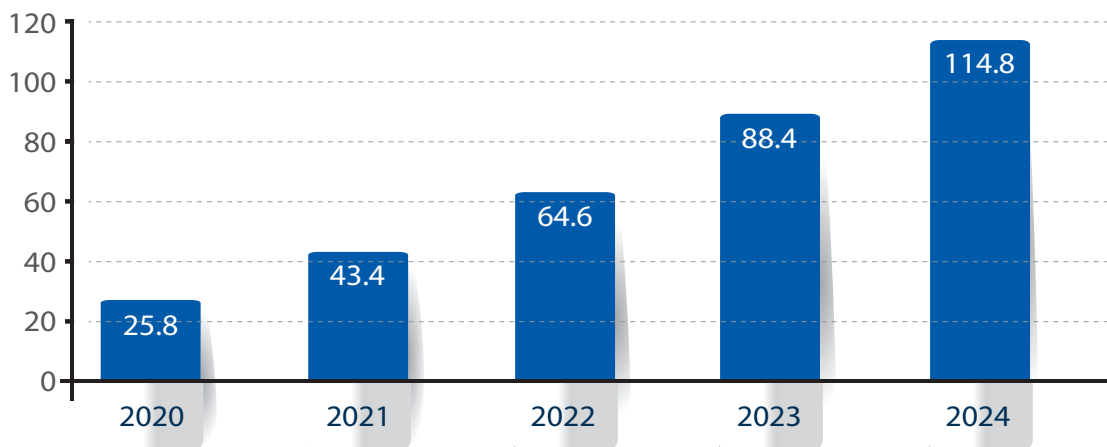
ESTIMATED REIMBURSEMENT AMOUNT (INSURANCE POLICY):

The estimated reimbursement amount at Islamic banks amounted to JD 5,492.8 million at end-2024, compared to JD 5,117.4 million a year earlier, reflecting a growth rate of 7.3%. The Insurance Policy as a proportion of total eligible deposits stood at 55.8% at end-2024, compared with 57.6% a year earlier.

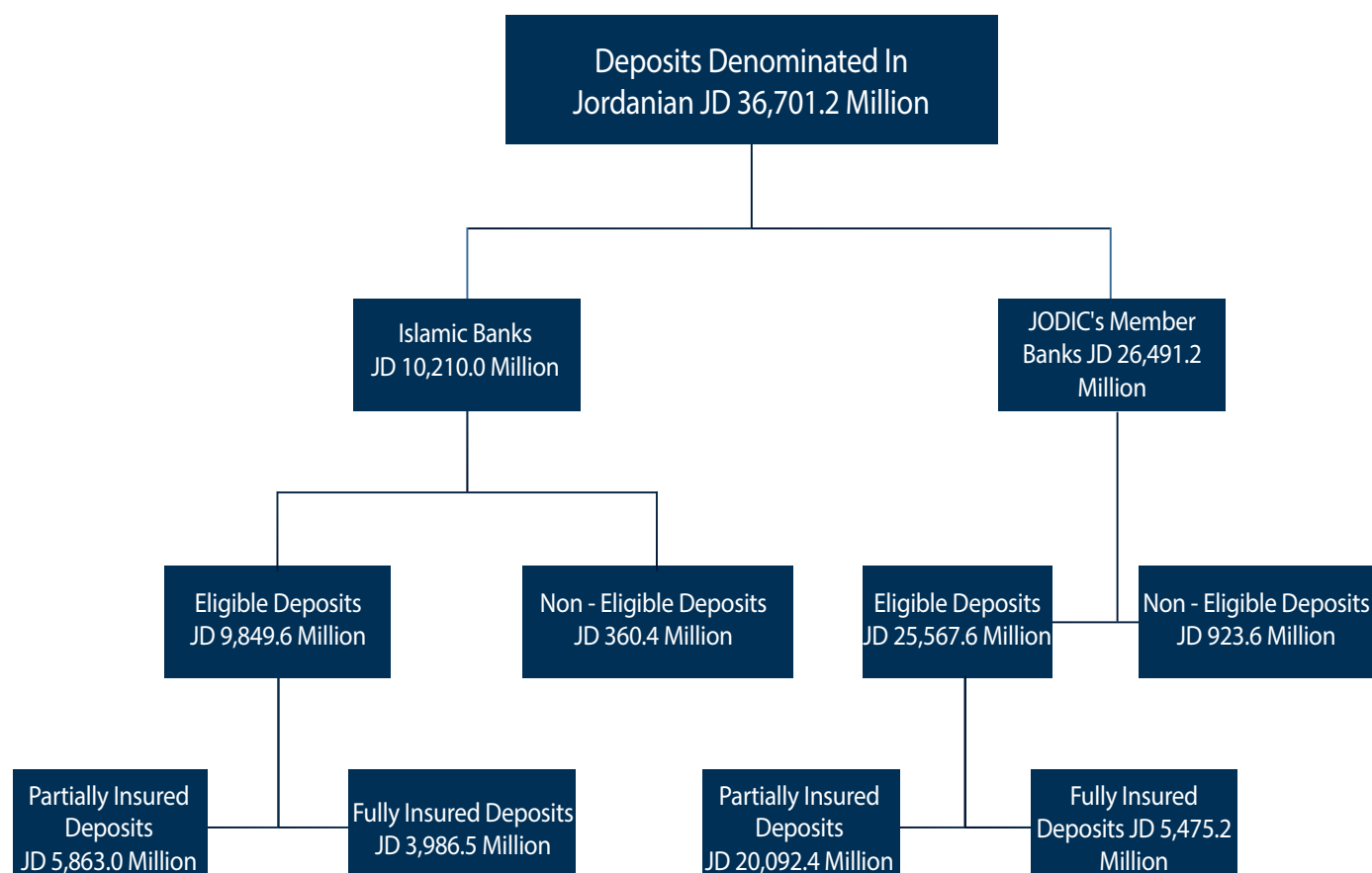
THE FUND'S RESERVES:

The reserves of the Deposit Insurance Fund for Islamic Banks amounted to JD 114.8 million at end-2024, an increase of approximately JD 26.4 million (29.9%) from a year earlier. These reserves cover (1.17%) of total eligible deposits and (2.09%) of the estimated reimbursement amount. The following chart illustrates the development of the Fund's reserves over the last five years.

THE FUND'S RESERVES (JD Million)



Development of Deposits in the Banking System



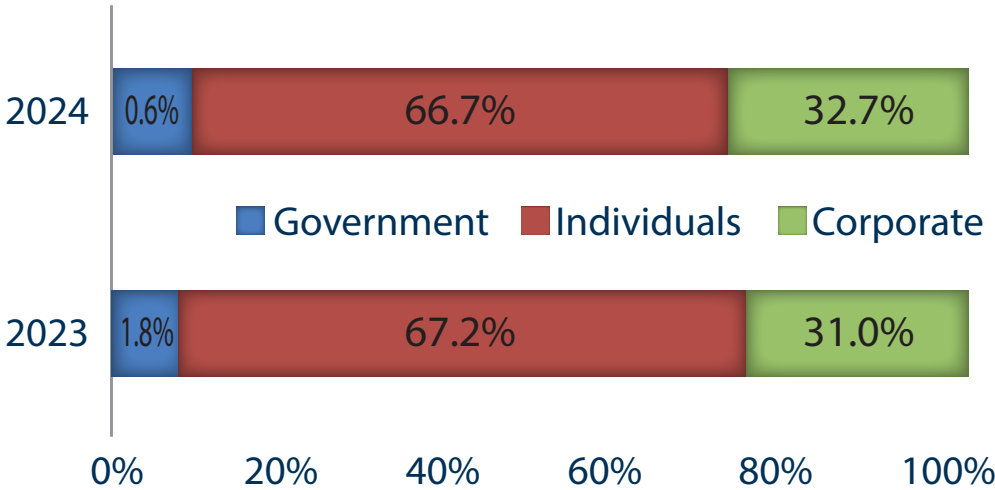
Deposits Denominated in Foreign Currencies¹

Deposits denominated in foreign currencies in the banking system reached JD 9,998.7 million at the year-end 2024 compared to JD 9,275.4 million a year earlier, which increased by (7.8%). These deposits belong to 281.2 thousand depositors at the year-end of 2024, compared to 277.6 thousand depositors a year earlier.

¹- Deposits denominated in foreign currencies are not insured by the Corporation. However, in accordance with the Article (32 /a) of JODIC's Law, these deposits may be insured upon the decision of the Central Bank of Jordan (CBJ).

Development of Deposits in the Banking System

Distribution of Deposits denominated in Foreign Currencies Across Various Sectors



Deposits denominated in foreign currencies held at JODIC's member banks reached JD 8,521.9 million (85.2% of total foreign currency deposits in the banking system) at the year-end 2024, compared to JD 8,349.5 million a year earlier, representing an increase of (2.1%). These deposits belong to 235.6 thousand depositors at the year-end 2024, compared to 237.0 thousand depositors a year earlier.

Total deposits denominated in foreign currencies at Islamic Banks reached JD 1,476.8 million (14.8% of total foreign currency deposits in the banking system) at the year-end 2024, compared to JD 925.9 million a year earlier, reflecting an increase of (59.5%). These deposits belong to 45.6 thousand depositors at the year-end 2024, compared to 40.6 thousand depositors a year earlier.

BANKS OPERATING IN THE KINGDOM AS END OF 2024

BANKS OPERATING IN THE KINGDOM AS END OF 2024

MEMBER BANKS AT DEPOSIT INSURANCE CORPORATION

Jordanian Banks

Arab Bank PLC

The Housing Bank for Trade & Finance

Jordan Kuwait Bank

Jordan Ahli Bank

Bank of Jordan

Cairo Amman Bank

Bank al Etihad

Capital Bank of Jordan

Jordan Commercial Bank

Arab Banking Corporation - Jordan

Invest Bank

Arab Jordan Investment Bank

Branches of Foreign Banks Operating in the Kingdom

BLOM Bank S.A.L

Egyptian Arab Land Bank

Citibank N.A

Rafidain Bank

MEMBER BANKS AT DEPOSIT INSURANCE FUND FOR ISLAMIC BANKS

Jordanian Islamic Banks

Jordan Islamic Bank

Islamic International Arab Bank

Safwa Islamic Bank

Branches of Foreign Islamic Banks Operating in the Kingdom

Al Rajhi Bank

THE FINANCIAL PERFORMANCE OF THE CORPORATION AND THE DEPOSIT INSURANCE FUND FOR ISLAMIC BANKS

THE FINANCIAL PERFORMANCE OF THE CORPORATION AND THE DEPOSIT INSURANCE FUND FOR ISLAMIC BANKS

JODIC continued throughout the year 2024 to boost its reserves' level to ultimately achieve its mandatory requirements efficiently and effectively as deposit insurer and liquidator, and in protecting depositors by insuring their deposits, encouraging savings, as well as enhancing confidence in the Jordanian banking system.

JODIC's financial resources consist mainly of the annual membership fees contributed by member banks (annual flat fee of 2.5 per thousand of total eligible deposits), in addition to the returns on its investments, and any obtained loans or financial grants given to the Corporation in accordance with the provisions of JODIC's Law. The percentage of annual membership fees that will be collected during the year 2024 has continued modified to 1 per thousand. In accordance with the provisions of Article (19/b) of JODIC's Law and its amendments.

JODIC invests its funds in securities issued or guaranteed by the Government in accordance with the provisions of Article 24 (a) of JODIC's Law number (33) for the year 2000 and its amendments. It utilizes the best investment opportunities available in the primary market taking into account their term, yield-to-maturity (YTM) and JODIC's share of each issuance, along with the maturity structure of JODIC's portfolio for the purpose of managing

the prospective opportunities as well as the reinvestment risk.

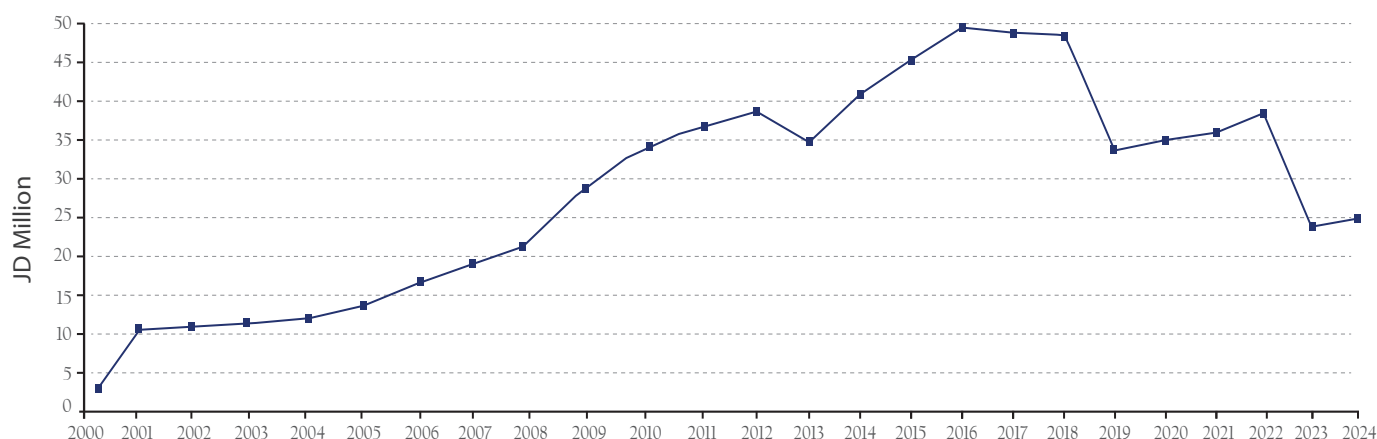
The interest rate structure in the market is closely monitored when diversifying portfolio investments in order to achieve the best possible returns in both the medium and long terms.

The Financial Performance

Total owners' equity increased to reach JD 1274 million by the end of 2024 compared with JD 1182 million by the end of 2023. JODIC's capital amounted to JD 3.15 million of which JD (0.85) million was paid by the Government and JD 2.3 million was paid by member banks (JD 100,000 as a non-refundable initiation fee paid by each member bank). The accumulated reserves by the end of 2024, generated from the annual surplus and premiums (annual membership fees), formed the bulk of total owners' equity and reached JD 1271 million with an increase of JD 92.5 million from the previous year. Annual membership fees collected from member banks amounted to JD 24.8 million during the year 2024, compared with JD 23.6 million collected a year earlier and reflected 5.08% increase rate, while the net investments income amounted to JD 67.7 million during 2024, compared with JD 56.1 million during 2023 with an increase of 20.6%.

THE FINANCIAL PERFORMANCE OF THE CORPORATION AND THE DEPOSIT INSURANCE FUND FOR ISLAMIC BANKS

The Annual Membership Fees (2000-2024)



JODIC's revenues and expenses are monitored and evaluated on an ongoing basis to ensure the effective implementation of the annual budget that has been approved by the Board of Directors (BOD) in accordance with the Provisions of Article 7 (a/5) of JODIC's Law.

Investment's Portfolio and Investment's Income

The outstanding value of JODIC's Held-to-Maturity bonds portfolio increased to reach JD 1204.3 million by the end of 2024 compared with JD 1135.3 million a year earlier, with an increase of JD 69 million and a growth rate of 6.08%.

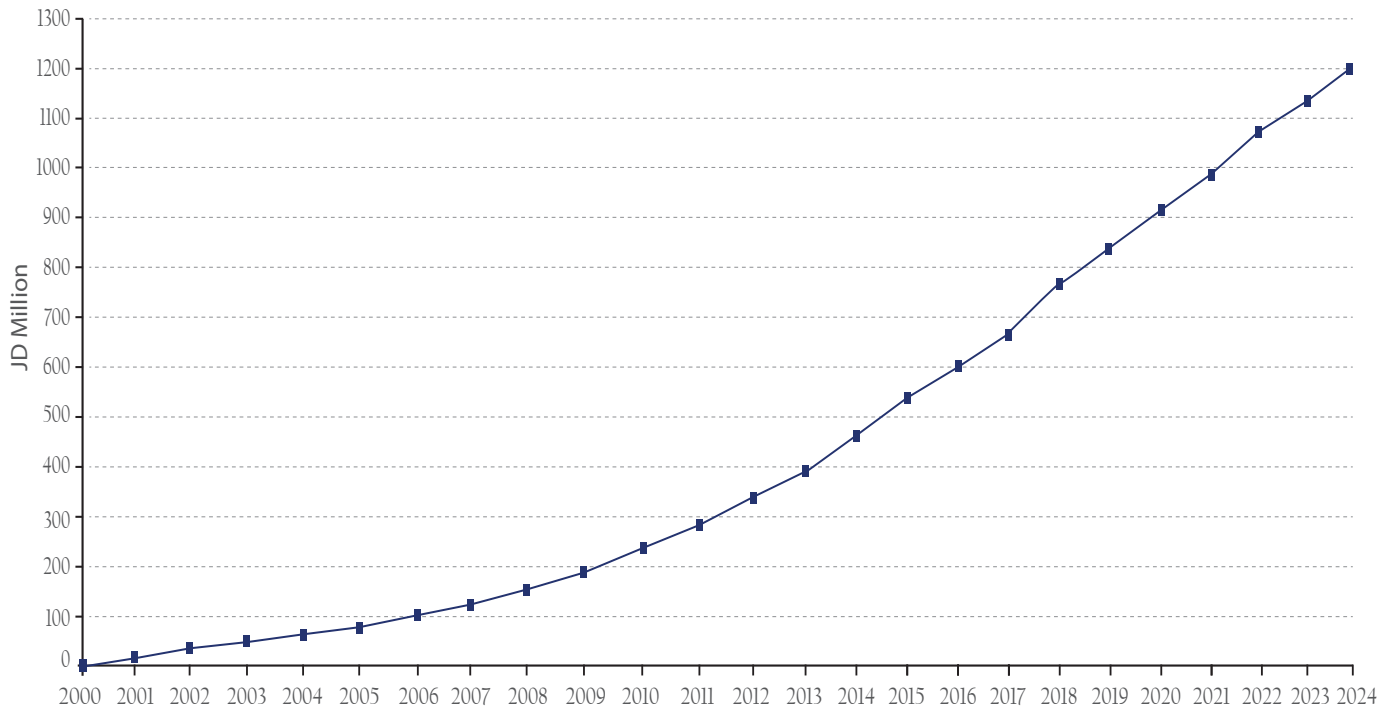
The portfolio consists of:

1. Treasury bonds with a value of JD 1144.5 million; representing 95.03 of total value of the portfolio.
2. Public entities bonds with a value of JD 57 million; representing 4.73% of total value of the portfolio.
3. Treasury and Public entities bills with a value of JD 2.8 million; representing 0.23% of total value of the portfolio.

Outstanding balance of public debt instruments portfolio amounted to JD 1204.3 million representing 94% of the Corporation's total assets by the end of 2024.

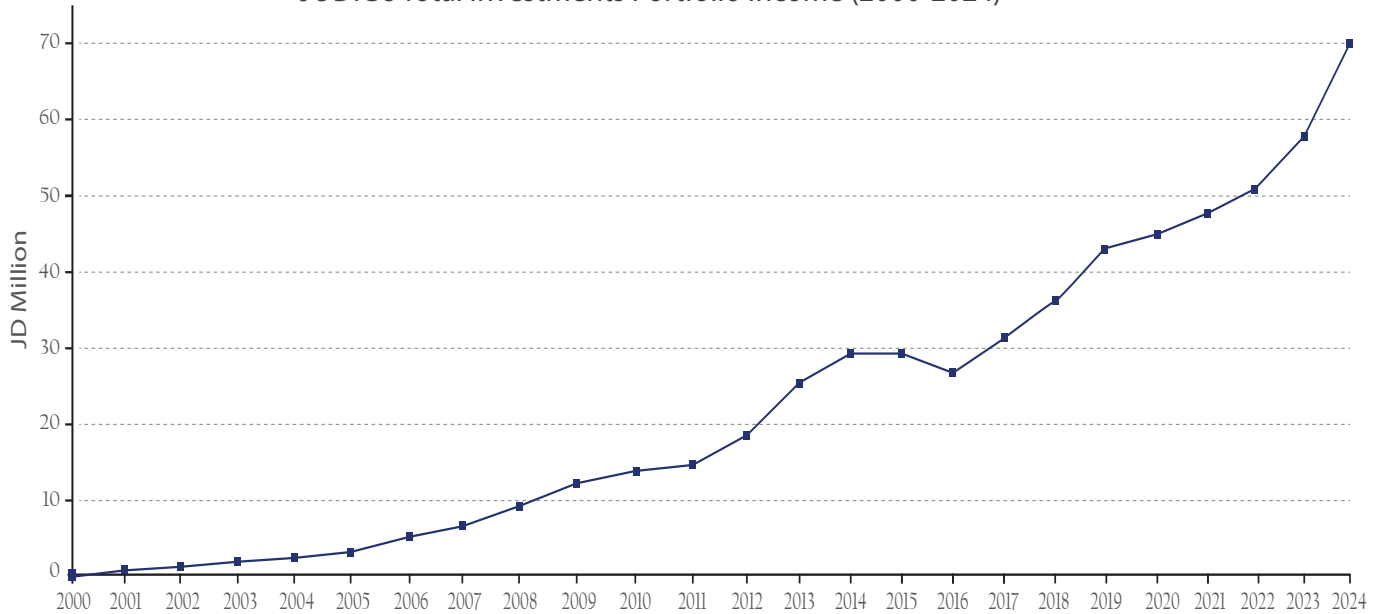
THE FINANCIAL PERFORMANCE OF THE CORPORATION AND THE DEPOSIT INSURANCE FUND FOR ISLAMIC BANKS

JODIC's Investments Portfolio (2000-2024)



JODIC's total investments portfolio income amounted to approximately JD 69.7 million during the year 2024 compared with JD 57.8 million during the year 2023, with an increase of 20.5%.

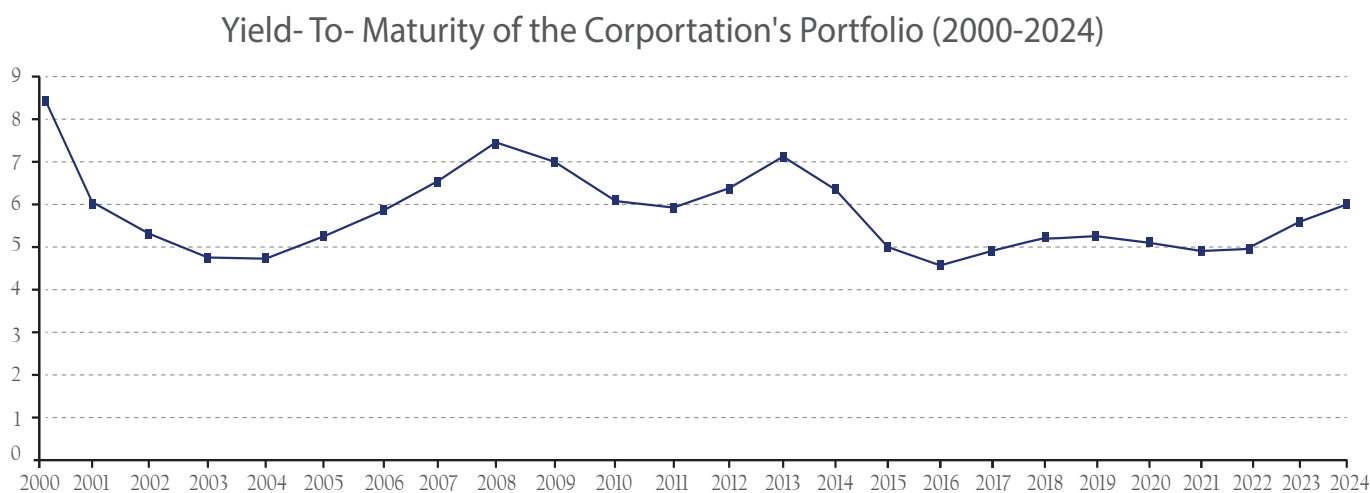
JODIC's Total Investments Portfolio Income (2000-2024)



THE FINANCIAL PERFORMANCE OF THE CORPORATION AND THE DEPOSIT INSURANCE FUND FOR ISLAMIC BANKS

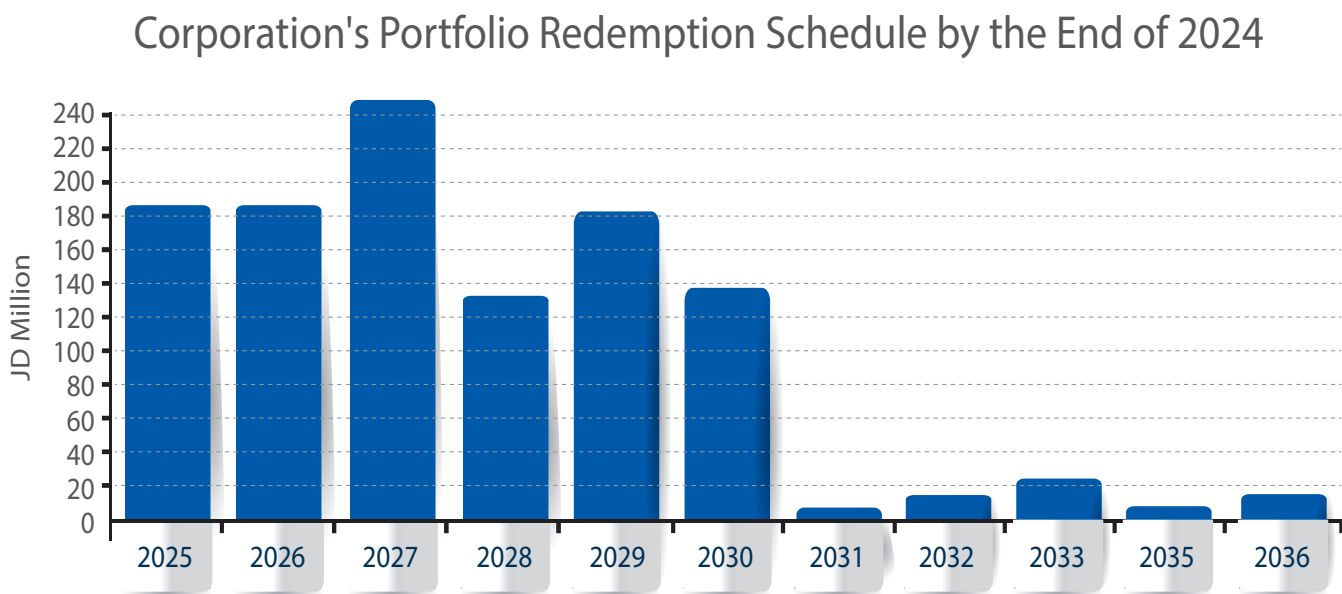
Portfolio's Yield- to- Maturity and Modified Duration:

The Yield-to-Maturity (YTM) of the portfolio increase by 0.497% to reach 6.040% by the end of 2024 compared with 5.543% a year earlier, and the modified duration decreased to reach 2.691 year by the end of 2024 compared with 2.965 year from the previous year.



Maturities of Financial Instruments:

By the end of 2024, the value of the redeemed bonds and bills amounted to approximately JD 164.8 million. However, short term investments in JODIC's portfolio amounted to JD 188.3 million by the end of 2024.



THE FINANCIAL PERFORMANCE OF THE CORPORATION AND THE DEPOSIT INSURANCE FUND FOR ISLAMIC BANKS

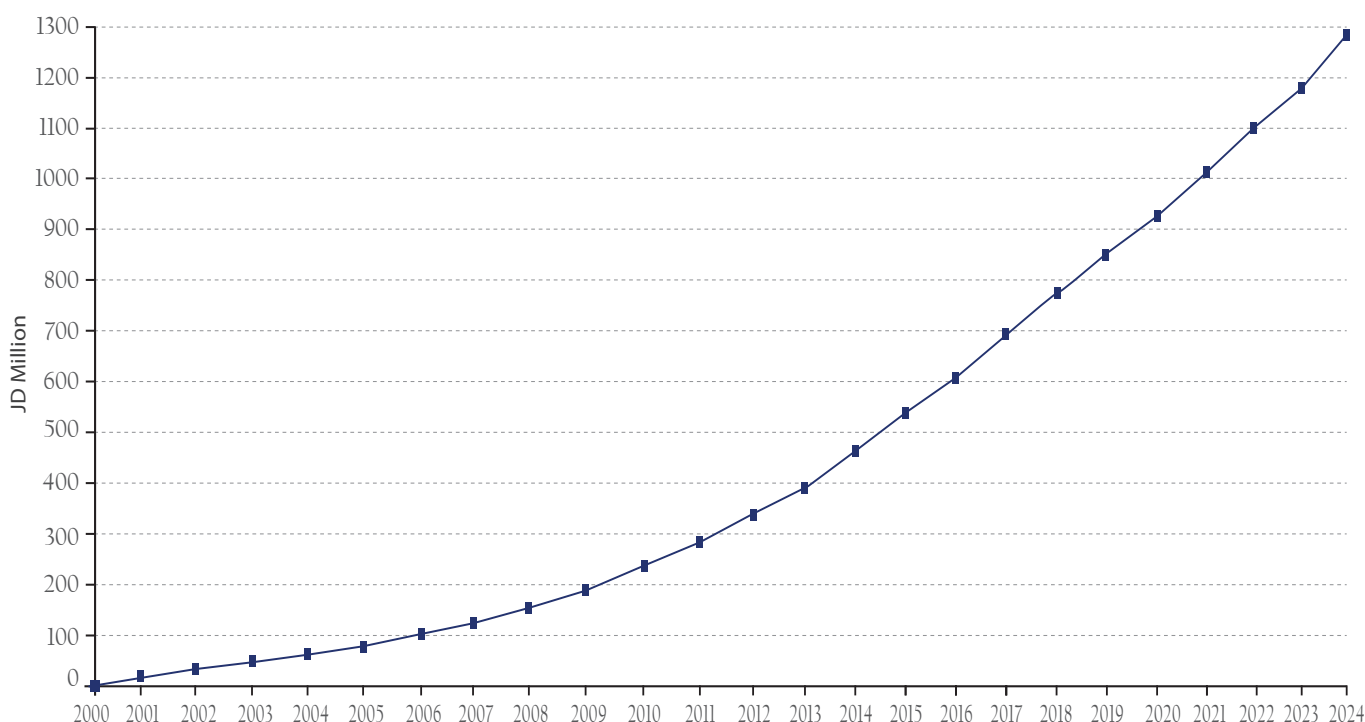
Cash Account:

JODIC's cash balances not invested in public debt instruments is deposited at the Central Bank of Jordan (CBJ) in accordance with the Provisions of Article 24(b) of JODIC's Law. The balance of this account amounted to JD 46.2 million by the end of 2024.

Total Reserves

The premiums contributed by member banks and investments income resulted in raising JODIC's total reserves from JD 1179 million by the end of 2023 to JD 1271 million by the end of 2024 with an increase of JD 92 million, or by 7.8%. This level of reserves formed 4.97% of total eligible deposits amounting to JD 25567.6 million by the end of 2024, and 14.52% of estimated reimbursement amount being JD 8759.7 million.

JODIC's Reserves During (2000-2024)



THE FINANCIAL PERFORMANCE OF THE CORPORATION AND THE DEPOSIT INSURANCE FUND FOR ISLAMIC BANKS

The Deposit Insurance Fund for Islamic Banks was established at the Jordan Deposit Insurance Corporation by the virtue of the amending law of JODIC's Law No. (8/2019) issued on Apr 1st, 2019. The Fund enjoys a legal entity status managed by the Corporation, as the Fund is based on the principle of Solidarity and Cooperation "Takaful and Ta'awun". The provisions of JODIC's Law shall apply to the Fund to the extent not contrary to the specific provisions of the Fund in the Law. Two separate portfolios are established in the Fund as follows:

1. Takaful Portfolio of Credit Accounts: The annual membership fees paid by Islamic banks for credit accounts or the like, and the portion of Unrestricted Investment Accounts "Mutual Fund Accounts" not sharing in profits, shall be credited to the portfolio.
2. Takaful Portfolio of Unrestricted Investment Accounts "Mutual Fund Accounts": The annual membership fees paid by Islamic banks shall be credited to the portfolio on behalf of Unrestricted Investment Accounts "Mutual Fund Accounts" holders or the like.

Deposit insurance fund for Islamic banks financial resources consist mainly of the annual membership fees contributed by member

banks (annual flat fee of 2.5 per thousand on the balance of credit accounts and the balance of Unrestricted Investment Accounts "Mutual Fund Accounts" or the like to be calculated and levied on the basis of the balances of the total of such accounts at the end of each year, accordance with the provisions of Article (33 bis/b), in addition to the Returns on the investments of the Fund, and Any non-interest loan "Qard Hasan" received by the Fund in accordance with the provisions of JODIC's Law.

The Corporation shall invest the financial sources of the Fund in Government securities complying with Shariah principles and rulings according to Article (35 bis) of JODIC's law number (33) for the year (2000).

The fund's financial performance

Total owners' equity increased to reach JD 115.3 million by the end of 2024 compared with JD 88.9 million by the end of 2023. Deposit insurance fund for Islamic banks capital amounted to JD (0.550) million of which JD (0.150) million was paid by the Government out of its contribution to the JODIC's capital in the fund, and JD (0.400) million was paid by member Islamic banks (JD 100,000 as a non-refundable initiation fee paid by each Islamic member bank). The accumulated reserves by

THE FINANCIAL PERFORMANCE OF THE CORPORATION AND THE DEPOSIT INSURANCE FUND FOR ISLAMIC BANKS

the end of 2024, generated from the annual surplus and premiums (annual membership fees), formed the bulk of total owners' equity and reached JD 114.7million with an increase of JD 26.4 million from the previous year. Annual membership fees collected from member Islamic banks amounted to JD 22.1 million during the year 2024, compared with JD 21.1 million collected a year earlier and reflected 4.7% increase rate. While the investment income in Islamic Sukuk amounted to JD 3.7 million during 2024 compared with JD 2.6 million by the end of 2023.

Investment's Fund Portfolio

The outstanding value of the fund's portfolio of government securities that complying with Shariah principles and rulings amounted to about JD 96.4 million by the end of 2024, distributed as follows:

1. Takaful Portfolio of Credit Accounts with a value of JD 44 million; representing 45.6% of total value of the fund's portfolio.
2. Takaful Portfolio of Unrestricted Investment Accounts "Mutual Fund Accounts" with a value of JD 52.4 million; representing 54.3% of total value of the fund's portfolio.

Cash Account

Deposit Insurance Fund for Islamic Banks cash balances not invested in government securities complying with Shariah principles and rulings is deposited at the Central Bank of Jordan (CBJ) in accordance with the Provisions of Article 24(b) and Article 3(b) of JODIC's Law. The balance of this account amounted to JD 17.4 million by the end of 2024.

Total Reserves

The premiums contributed by member Islamic banks resulted in raising Deposit Insurance Fund for Islamic Banks total reserves from JD 88.4 million by the end of 2023 to JD 114.7 million by the end of 2024 with an increase of JD 26.3 million, or by 29.7%. This level of reserves formed 1.17% of total eligible deposits amounting to JD 9849.6 million by the end of 2024, and 2.09% of estimated reimbursement amount being JD 5492.8 million.

Public Awareness & Regional and International Contributions

Public Awareness & Regional and International Contributions

The corporation is committed to effective communication with all relevant parties and participation in various events and activities aimed at increasing awareness of the deposit insurance system in the Kingdom. It also works on strengthen frameworks of joint cooperation with banks and their partners in the banking sector through constant communication with their managements and activating their role in various ways to engage with different segments of the Jordanian society.

In order to activate JODIC's role in direct communication with students of public and private universities, awareness lectures on the deposit insurance system in the Kingdom have been held at several public universities, and work is underway to extend to private universities as a subsequent step to public universities.

In addition, JODIC based on the provisions of Article (33) of its law, is committed to publishing an announcement with the names of commercial and Islamic banks that are subject to the provisions of the law, the type of currency of the deposits covered by the corporation's insurance, and the maximum amount insured in two local daily newspapers during the month of February each year. Additionally, the financial statements of both the corporation and the Deposit Insurance Fund at Islamic banks are published in local daily newspapers.

In line with the JODIC's commitment to convey its message and objectives to raise awareness

among depositors about the deposit insurance system in the Kingdom, efforts are continuously made to update the website and published news, events, and the latest developments regarding the deposit Insurance system. The corporation also works on managing and continuously updating its page within the e-government portal.

JODIC also manages and updates its social media pages. This is done through managing and updating the corporation's official Facebook page, linking it with JODIC's website, and continuously coordinating with the relevant departments and units within the corporation to respond to inquiries received through the page. In Addition, the official email of JODIC (dicjor@dic.gov.jo) is managed, and coordination is carried out with the relevant departments and units within the corporation. Incoming emails are forwarded to the appropriate departments for necessary actions to be taken.

As part of the JODIC's plan for direct communication with various segments of the public in the Kingdom, a radio interview was conducted to introduce the nature of the corporation's work with the aim of reaching larger segments of the community. JODIC also printed a set of promotional materials, which were distributed along with informational brochures about the corporation to various entities and different community segments as part of activities it shared with several of its partners in the banking sector.

Public Awareness & Regional and International Contributions

And as an expression of JODIC's pride and great appreciation for the Hashemite leadership, the corporation participated in the Kingdom's celebrations of the silver jubilee of His Majesty King Abdullah II Ibn Al-Hussein's assumption of his constitutional powers. JODIC's building was adorned with prints and a display of photos commemorating this occasion. Many materials were printed featuring the silver jubilee logo alongside the corporation's logo, that were distributed to various segments of society as part of JODIC's role in these celebrations.

In light of JODIC's ongoing efforts to communicate with various national institutions, especially medical care institutions, the corporation contributed to the success of the awareness campaign launched by the King Hussein Cancer Foundation titled "Insurance is a Necessity... Security Against Cancer at the King Hussein Cancer Center" as part of the Cancer Care Insurance Program. The corporation welcomed a team from the Hussein Cancer Foundation to hold an awareness lecture for its employees aimed at spreading awareness and health education about cancer. JODIC also contributed by sponsoring part of the efforts made to treat cancer patients at the Hussein Cancer Center.

In its efforts to evaluate the performance of its media campaign, JODIC designed a questionnaire to study and measure awareness level of the deposit insurance system in the

Kingdom. Field teams were formed to engage with various segments of the public in different geographical areas of the Kingdom to fill out the questionnaire, in addition to sending text messages with this questionnaire to a large segment of the community for the purpose of measuring the results and comparing them with previous percentages to benefit from them in future awareness campaigns.

Within the framework of cooperation between deposit insurance institutions in the Middle East and North Africa, which aims to exchange expertise and knowledge related to deposit insurance, JODIC hosted a delegation from the Bank Insurance Deposit Fund (Republic of Tunisia). A memorandum of understanding was signed on the sidelines of that visit with the aim of cooperation and exchanging expertise and experiences in the field of deposit insurance through the exchange of visits, provision of experts, and training to maintain an effective deposit insurance system in both countries.

JODIC also participated locally in various seminars and workshops, the most important of which were: "Creating Links Between Risk Assessment and Capital Planning," "A Specialized Forum Titled: Environmental, Social, and Governance Standards in the Financial Sector," "Modern Methodologies in Combating Financial Crimes According to the Risk-Based Approach," and "The Second Cybersecurity Summit in Jordan."

Public Awareness & Regional and International Contributions

At the international and regional levels, JODIC maintained its membership in the Executive Council of the International Association of Deposit Insurers (IADI), in addition to its membership in the IADI Standing Committees of the Member Relations Council Committee (MRCC), the Middle East and North Africa (MENA) Regional Committee, the Islamic Deposit Insurance Technical Committee (IDITC), Core Principles and Research Council Committee (CPRC) which includes subcommittees.



JODIC is also keen to participate in the events and activities organized by the (IADI), including the 23rd Annual General Meeting and the 2024 International Conference held in Tokyo, Japan. The Corporation also participated in a number of training programs held by the Federal Deposit Insurance Corporation (FDIC), the training workshop entitled: Basic Tools for Coordination and Cooperation within the Bank Protection Network held by the International Association of Deposit Insurers and the Moroccan Deposit Guarantee Fund, and the 2024 Global Training Program organized by the Korea Deposit Insurance Corporation (KDIC).



JODIC's Strategic Planning

JODIC's Strategic Planning

In fulfillment of its legal mandates and in response to emerging challenges in order to contribute in enhancing confidence in the banking system and achieving financial stability in the Kingdom, JODIC integrates a strategic planning approach as a core management practice to steer its functions and operations since its inception. Therefore, it has adopted a strategic plan for the years 2024-2028 through which it has defined a forward-looking vision that it constantly strives to achieve: " To be a leading corporation in digital transformation in the deposit insurance field at the regional and international levels."

JODIC's strategic plan is guided by the Royal Initiatives, the Jordan Vision 2025 document, and the Economic Modernization Vision 2033, in addition to JODIC's Law No.33 of the Year 2000 and its amendment.

JODIC also adopted a broad participatory approach in its strategic planning, engaging all employees across the corporation. It was also based on the results of an analysis of its internal and external environment, which identified the areas of strengths, opportunities, weaknesses, and threats.

Anchored in JODIC's vision, mission and core values, its future aspirations were articulated in alignment with its strategic goals, which were transformed into specific strategic objectives, integrated into executive work plan that spans all organizational units within JODIC. Furthermore, and to ensure the achievement of JODIC's strategic objectives, a set of procedures and initiatives have been developed to support their achievement at the required level. Key performance indicators have been also identified to assess the level of achievement of strategic objectives, and JODIC employs a methodology to oversee the implementation of the strategic plan, review outcomes, and address any deviations that may occur.

**JODIC's Financial Statements &
Independent Auditor's Report for the
Year Ended 31 December 2024**

JODIC's Financial Statements & Independent Auditor's Report for the Year Ended 31 December 2024

INDEPENDENT AUDITOR'S REPORT

To the Board of Directors

Deposit Insurance Corporation

Established by Law

Amman- Jordan

Opinion

We have audited the financial statements of Deposit Insurance Corporation, (the Corporation), which comprise the statement of financial position as at 31 December 2024, the statement of revenues and expenses, statement of changes in equity and statement of cash flows for the year 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 Corporation as at 31 December 2024, and its financial performance and its cash flows for the year then ended in accordance with International Financial Reporting Standards (IFRSs).

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 Corporation 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.

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 IFRSs, 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 Corporation'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 Corporation or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Corporation'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.

JODIC's Financial Statements & Independent Auditor's Report for the Year Ended 31 December 2024

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 exist. 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 Corporation'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 Corporation's ability to continue as a going concern. If we conclude that a material uncertainty exist, we are required to draw attention in our auditor's report to the related disclosures in the 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 Corporation 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.

For and behalf of Ernst & Young -Jordan

Osama Shakhathreh
License No. 1079
Amman – Jordan
8 April 2025

JODIC's Financial Statements & Independent Auditor's Report for the Year Ended 31 December 2024

Statement of Financial Position as at 31 December 2024

	Notes	2024	2023
		JD	JD
Assets			
Current Assets			
Current account at Central Bank of Jordan		46,223,922	25,491,674
Accrued interests of financial assets at amortized cost and not received		19,945,798	16,975,407
Other debit balances		8,255	75,494
Financing and housing loans granted to employees – short term	6	46,976	139,067
Financial assets at amortized cost – short term	7	188,300,828	164,800,000
Total current assets		254,525,779	207,481,642
Non - Current Assets			
Financing and housing loans granted to employees – long term	6	669,608	734,654
Financial assets at amortized cost – long term	7	1,015,999,290	970,497,763
Property and equipment	8	3,497,461	3,584,745
Total Non – current assets		1,020,166,359	974,817,162
TOTAL ASSETS		1,274,692,138	1,182,298,804
LIABILITIES AND EQUITY			
Liabilities			
Other credit balances		49,473	221,793
Total Liabilities		49,473	221,793
Equity			
Paid in capital	9	3,150,000	3,150,000
Reserves	10	1,271,492,665	1,178,927,011
Total Equity		1,274,642,665	1,182,077,011
Total Liabilities and Equity		1,274,692,138	1,182,298,804

The attached notes from 1 to 17 form part of these financial statements

JODIC's Financial Statements & Independent Auditor's Report for the Year Ended 31 December 2024

Statement of Revenues and Expenses for the Year Ended 31 December 2024

	Notes	2024	2023
		JD	JD
Revenues			
Membership fees	11	24,803,666	23,629,442
Interest of financial assets at amortized cost		69,792,227	57,836,131
Finance revenues and Interest revenues from housing loans		17,966	21,257
Losses from sale of property and equipment		-	(764)
Other revenues		7,798	6,006
Total revenues		94,621,657	81,492,072
Administrative expenses	12	(2,056,003)	(1,706,094)
Excess in revenues over expenses		92,565,654	79,785,978

Statement of Changes in Equity for the Year Ended 31 December 2023

	Paid in Capital	Reserves	Total
	JD	JD	JD
2024 -			
Balance at 1 January 2024	3,150,000	1,178,927,011	1,182,077,011
Excess in revenues over expenses	-	92,565,654	92,565,654
Balance as at 31 December 2024	3,150,000	1,271,492,665	1,274,642,665
2023 -			
Balance at 1 January 2023	3,150,000	1,099,141,033	1,102,291,033
Excess in revenues over expenses	-	79,785,978	79,785,978
Balance as at 31 December 2023	3,150,000	1,178,927,011	1,182,077,011

The attached notes from 1 to 17 form part of these financial statements

JODIC's Financial Statements & Independent Auditor's Report

for the Year Ended 31 December 2024

Statement of Cash Flows for the Year Ended 31 December 2024

	Notes	2024	2023
		JD	JD
Operating Activities			
Excess in revenues over expenses		92,565,654	79,785,978
Adjustments-			
Depreciation	8	149,970	143,972
Losses from sale of property and equipment		-	764
Interest revenues		(69,792,227)	(57,836,131)
Working capital changes-			
Other debit balances		5,279	(50,025)
Other credit balances		(172,320)	187,292
Net cash flows from operating activities		22,756,356	22,231,850
Investing Activities			
Purchase of financial assets at amortized cost		(311,664,980)	(287,565,900)
Maturity of financial assets at amortized cost		192,660,400	224,169,138
Proceed from sale financial assets at amortized cost		50,000,000	3,000,000
Proceed from sale of property and equipment		-	364
Financing and housing loans granted to employees		157,137	59,781
Interest received		66,824,061	56,292,388
Purchase of property and equipment	8	(726)	(48,040)
Net cash flows used in investing activities		(2,024,108)	(4,092,269)
Net increase in cash and cash equivalents		20,732,248	18,139,581
Cash and cash equivalents, at the beginning of the year		25,491,674	7,352,093
Cash and cash equivalents, at the end of the year		46,223,922	25,491,674

- Board of Directors decision No. (7/2022) dated 15 June 2022 approves the sale of government securities amounted to JD 150,000,000. Where financial assets were sold at amortized cost in 2024 at a value of 50,000,000 JD (2023: 3,000,000 JD).

The attached notes from 1 to 17 form part of these financial statements

JODIC's Financial Statements & Independent Auditor's Report

for the Year Ended 31 December 2024

NOTES TO THE FINANCIAL STATEMENTS

31 DECEMBER 2024

(1) GENERAL

The Corporation was established on 17 September 2000 as a legal entity with financial and administrative independence by virtue of law number 33 for year 2000 and its amendments. The corporation aims to protect bank depositors by insuring their deposits under the provisions of this law, in order to encourage savings, promote confidence in the banking system and contribute to maintain banking and financial stability in the Kingdom. This is done by ensuring that depositors have access to their deposits in any bank to be liquidated within the limits set by the law, which aims in its entirety to compensate the depositors up to fifty thousand Jordanian Dinars. Moreover, to urge senior depositors to impose their own and additional supervision on banks alongside the ongoing monitoring carried out by the Central Bank of Jordan.

The following deposits are not subject to the provisions of law:

- Government deposits.
- Interbank deposits.
- Cash collaterals within the limits of the value of the facilities guaranteed by the cash collaterals.

The Corporation only insures bank deposits in Jordanian Dinars with an amount not exceeding fifty thousand Jordanian Dinars per

depositor per member bank. Member banks are represented in all Jordanian banks and the branches of foreign banks operation in the Kingdom, with exception to the branches of Jordanian banks operating outside the Kingdom.

The Corporation shall as well insure bank deposits in any foreign currency that the Central Bank shall decide to make subject to the provisions of this law.

The Corporation sources of fund consist of the following:

- Annual membership fees paid by the banks to corporation.
- Return on investments of the Corporation's funds.
- Any loans obtained by the corporation in accordance with the provisions of this law.
- Any financial grants shall be given to the corporation with the approval of the Central Bank's Board of directors. In the event that these grants are provided by non - Jordanian parties, the approval of the Council of Ministers must be obtained.
- Any refunds received by the corporation from liquidation proceedings or as a result of any of the procedures stipulated in Article No. (38 bis) of this law.

(2) BASIS OF PREPARATION OF FINANCIAL STATEMENTS

The financial statements have been prepared in accordance with International Financial Reporting Standards.

JODIC's Financial Statements & Independent Auditor's Report

for the Year Ended 31 December 2024

The financial statements have been prepared on a historical cost basis.

The financial statements are presented in Jordanian Dinar, which represents the functional currency of the corporation.

(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 impact on the Corporation financial statements.

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

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

- What is meant by a right to defer settlement.
- That a right to defer must exist at the end of

the reporting period.

- That classification is unaffected by the likelihood that an entity will exercise its deferral right.

- That only if an embedded derivative in a convertible liability is itself an equity instrument would the terms of a liability not impact its classification.

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

The amendments had no impact on the Corporation 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.

As a result of implementing the amendment.

The amendments had no impact on the Corporation financial statements.

JODIC's Financial Statements & Independent Auditor's Report

for the Year Ended 31 December 2024

(4) MATERIAL ACCOUNTING POLICIES

Cash and cash equivalents

For the purpose of the statement of cash flows, cash and cash equivalents consist of cash in hand and bank balances.

Offsetting

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

Property and equipment

Property and equipment are stated at cost less accumulated depreciation and any impairment in value. Land is not depreciated, property and equipment are depreciated when its ready to use on a straight-line basis over the estimated useful lives of the assets using the following depreciation rates.

Buildings	3%
Furniture and fixture	10-15%
Tools, office equipment and software	10-25%
Vehicles	15%

When the recoverable amount of any property and equipment is less than its net book value, its value is reduced to its recoverable amount and the impairment amount will be recorded in the statement of revenue and expenses.

The useful life and depreciation method are reviewed periodically to ensure that the method and period of depreciation are commensurate with the expected economic benefits from property and equipment.

Fair value

For investments and derivatives quoted in an active market, fair value is determined by reference to quoted market prices.

For financial instruments where there is no active market, fair value is normally based on one of the following methods:

- Comparison with the current market value of a highly similar financial instrument.
- The expected cash flows discounted at current rates applicable for items with similar terms and risk characteristics.
- Options pricing models.

Valuation methods aim to obtain a fair value that reflects market expectations and considers market factors and any expected risks or benefits when estimating the value of financial instruments, and in the event that there are financial instruments whose fair value cannot be measured reliably, they are shown at cost after deducting any decrease in their value.

FINANCIAL ASSETS AT AMORTIZED COST

Financial assets are measured at amortized cost only if these assets are held within a business model whose objective is to hold the assets to collect their contractual cash flows.

JODIC's Financial Statements & Independent Auditor's Report

for the Year Ended 31 December 2024

(4) MATERIAL ACCOUNTING POLICIES (Continued)

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 revenues and expenses.

The impairment amount of financial assets measured at amortized cost represents the expected credit loss on financial assets at amortized cost.

Financial reclassification from / to this item may be carried out in the case of an International Financial Reporting Provider (and in my case a Financial Reporting Provider) before the due date of registration as a result of the sale in the revenue and expenses statement in a separate item and disclosed in accordance with International Financial Reporting Standards in particular).

Accounts payable

Liabilities are recognized for amounts to be paid in the future for services received, whether billed by the supplier or not.

Revenue recognition

The annual subscription fees from banks are recognized in the ratio of 1 per thousand of the total deposits which subject to the provision of law.

Other income is recognized according to the accrual basis.

Expenses are recognized according to the accrual basis.

Interest income is calculated on the accrual basis, based on the time periods due, the principal amounts and the interest earned rate.

Impairment of non-financial assets

The company assesses at each reporting date, whether there is an indication that an asset may be impaired. If any indication exists, or when annual impairment testing for an asset is required, the company estimates the asset's recoverable amount. An asset's recoverable amount is the higher of an asset's or cash-generating unit's (CGU) fair value less costs to sell and its value in use. Recoverable amount is determined for an individual asset, unless the asset does not generate cash inflows that are largely independent of those from other assets or group of assets. When the carrying amount of an asset or CGU exceeds its recoverable amount, the asset is considered impaired and is written down to its recoverable amount. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. In determining fair value less costs to sell, recent market transactions are considered. If no such transactions can be identified, an appropriate valuation model is used. These calculations are fixed by valuation multiples of traded subsidiaries' share prices or other available fair value indices.

JODIC's Financial Statements & Independent Auditor's Report for the Year Ended 31 December 2024

(4) MATERIAL ACCOUNTING POLICIES (Continued)

End of service indemnity

The employees' end of service compensation expense is calculated as follows:

- One month's salary for each year of service for an employee whose service period in the corporation does not exceed five years.
- A salary of one and a half months for each year of service for an employee whose service period in the corporation exceeds five years and does not exceed ten years.
- A salary of two months for each year of service for an employee whose service period in the corporation exceeds ten years.

The Corporation shall pay the amount calculated during the year to the End of Service Compensation Fund.

Housing loans

The loan / housing finance is granted to build or buy housing inside the Kingdom at an interest rate 5% annually, and the loan and its interest must be paid within a period not exceeding thirty years from the date of granting it, provided that the employee's age does not exceed seventy years at the end of this period.

(5) USE OF 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 as well as fair value changes reported in equity. 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.

JODIC's Financial Statements & Independent Auditor's Report for the Year Ended 31 December 2024

(6) FINANCING AND HOUSING LOANS GRANTED TO EMPLOYEES

Movement on financing and housing loans provided to employees during the year is as follows:

	31 December 2024	31 December 2023
	JD	JD
Financing and loans balance at the beginning of the year	873,721	933,502
The amount of financing and loans granted during the year	157,675	-
Finance revenues *	12,966	16,352
Interest added on loan balances during the year	5,000	4,905
The amount of financing and loan proceeds during the year	(332,778)	(81,038)
Financing and loans balances at the end of year	716,584	873,721
Housing financing and loans granted – short term	46,976	139,067
Housing financing and loan granted – long term	669,608	734,654
Financing and loans balances at the end of year	716,584	873,721

This item represents the value of the remaining balance of housing financing and loans granted to sixteen employees of the Corporation as in 31 December 2024 and eighteen employees as in 31 December 2023, loans were granted to employees with a first-class insurance mortgage guarantee for the Deposit Insurance Corporation in accordance with the provisions of Article 101-Paragraph (b) of administrative instructions for personnel affairs and amendments.

* The loan / housing finance is granted to build or buy housing inside the Kingdom at an interest rate 5% annually, and the loan and its interest must be paid within a period not exceeding thirty years from the date of granting it, provided that the employee's age does not exceed seventy years at the end of this period.

JODIC's Financial Statements & Independent Auditor's Report for the Year Ended 31 December 2024

(7) FINANCIAL ASSETS AT AMORTIZED COST

	31 December 2024		
	Short Term JD	Long term JD	Total JD
Treasury bonds	178,496,248	965,999,290	1,144,495,538
National Electricity Corporation bills	2,804,580	-	2,804,580
National Electricity Corporation bonds	7,000,000	50,000,000	57,000,000
	188,300,828	1,015,999,290	1,204,300,118
	31 December 2023		
	Short Term JD	Long term JD	Total JD
Treasury bonds	154,800,000	913,497,763	1,068,297,763
National Electricity Corporation Bonds	-	57,000,000	57,000,000
Water Authority Bonds	10,000,000	-	10,000,000
	164,800,000	970,497,763	1,135,297,763

- The average interest rates on bonds ranging 3,573%-7,999% for the year ended 31 December 2024 (ranging 3,025%-7,999% for the year ended 31 December 2023).

- The details of total financial assets at amortized cost by credit rating categories are as follows:

	31 December 2024			
	Level 1	Level 2	Level 3	Total
	JD	JD	JD	JD
Financial assets at amortized cost	1,204,300,118	-	-	1,204,300,118

- Board of Directors decision No. (7/2022) dated 15 June 2022 approves the sale of government securities amounted to JD 150,000,000. Where financial assets were sold at amortized cost in 2024 at a value of 50,000,000 JD (2023: JD 3,000,000).

JODIC's Financial Statements & Independent Auditor's Report for the Year Ended 31 December 2024

(8) PROPERTY AND EQUIPMENT

2024	Land	Buildings	Furniture and fixture	Tools, office equipment's and software	Vehicles	Projects in progress*	Total
	JD	JD	JD	JD	JD	JD	JD
Cost							
As at 1 January 2024	1,157,050	4,233,761	211,495	127,798	66,633	14,350	5,811,087
Additions	-	-	-	62,686	-	-	62,686
As at 31 December 2024	1,157,050	4,233,761	211,495	190,484	66,633	14,350	5,873,773
Accumulated Depreciation -							
As at 1 January 2024	-	1,916,781	179,358	89,204	40,999	-	2,226,342
Deprecation charge for the year	-	127,013	4,070	14,892	3,995	-	149,970
As at 31 December 2024	-	2,043,794	183,428	104,096	44,994	-	2,376,312
Net book value -							
As at 31 December 2024	1,157,050	2,189,967	28,067	86,388	21,639	14,350	3,497,461
2023-							
As at 1 January 2023	1,157,050	4,233,761	219,199	134,441	57,657	8,400	5,810,508
Additions	-	-	869	14,589	26,632	5,950	48,040
Disposals **	-	-	(8,573)	(21,232)	(17,656)	-	(47,461)
As at 31 December 2023	1,157,050	4,233,761	211,495	127,798	66,633	14,350	5,811,087
Accumulated Depreciation -							
As at 1 January 2023	-	1,789,769	183,901	97,378	57,655	-	2,128,703
Deprecation charge for the year	-	127,012	4,026	11,935	999	-	143,972
Disposals	-	-	(8,569)	(20,109)	(17,655)	-	(46,333)
As at 31 December 2023	-	1,916,781	179,358	89,204	40,999	-	2,226,342
Net book value -							
As at 31 December 2023	1,157,050	2,316,980	32,137	38,594	25,634	14,350	3,584,745

* Projects in progress represent a project for the development and maintenance of enterprise systems and supporting software at an estimated total cost of JD 130,000, which was started in 2022 and the project is expected to be completed during 2025.

JODIC's Financial Statements & Independent Auditor's Report for the Year Ended 31 December 2024

(9) PAID-IN CAPITAL

This account represents non-refunds of JD 100,000 from each bank member of the Corporation. In addition to a payment from the Jordanian government of JD 1,000,000. It was subsequently decided on the basis of the amended Law of the Deposit Insurance Corporation No. 8 of 2019 to establish a deposit Insurance fund for Islamic banks, and it was decided that the Corporation would pay JD 150,000 and deduct it out of the government's contribution to the Corporation's capital to JD 850,000, Therefore, The total capital became JD 3,150,000.

(10) RESERVES

According to the requirements of the articles 18 and 19 of the Deposit Insurance Corporation law No. 33 for the year 2000 and its amendments, the corporation must:

- The corporation is required to build reserves amounting to 3% of the total deposits subject to the provisions of this law, The Council of Ministry may, based on the recommendation of the corporation's Board of Directors, decide to increase the set-limit for the corporation's reserves, If the corporation's reserves do not reach the set-limit within the period of ten years from the enforcement of this law, or if the corporation's reserves fall short of the set limit after having reached it, or if bank is to be liquidated before the corporation's reserve

reach the set limit, the corporation's Board of Directors may increase the bank's annual membership fee for banks stipulated by the law.

- If the corporation reserves exceed the legal limit of 3% of the total deposits subject to the provisions of this law, corporation's Board of Directors may reduce the annual membership fee or exempt banks from paying the fee for one year or more as the circumstances require.

(11) MEMBERSHIP FEES

During the year, the corporation collected annual subscription fees from the banks at a rate of 1 per thousand of the total deposits subject to the provisions of the law, with the exception to the following deposits:

- Government deposits
- Interbank deposits
- Cash collaterals within the limits of the value of the facilities guaranteed by the cash collaterals,
- According to the Corporation's Board of Directors decision number (21/2023) on 13 December 2023, The annual membership fee payable by banks to the Corporation for the year 2024 has been approved at a rate of one per thousand of the total deposits subject to the provisions of the law. The membership fee was also collected at a rate of one per thousand in 2023.

JODIC's Financial Statements & Independent Auditor's Report

for the Year Ended 31 December 2024

(12) ADMINISTRATIVE EXPENSES

	2024	2023
	JD	JD
Salaries and wages	806,782	792,671
End of service indemnity	515,044	225,611
Depreciation (note 8)	149,970	143,972
Health Insurance	100,964	69,910
Company social security contribution	83,002	81,777
Water and electricity	78,350	76,092
Savings fund company contribution	59,696	58,298
Subscriptions	34,147	32,490
Security	27,462	26,877
Training	25,899	13,576
Social activity committee	24,898	19,754
Professional fees	21,600	21,400
Members and secretary Board of Director's remunerations	20,913	18,600
Insurance	16,779	19,000
Cleaning	15,493	15,820
Fuel	14,520	17,086
Advertisements	14,446	14,190
Maintenance	14,111	22,383
Transportation and travel	9,641	12,960
Hospitality	6,407	6,281
Government Fees and Licenses	5,760	4,838
Telephone, Fax, and Internet	3,156	2,774
Stationery	2,833	5,909
Other	4,130	3,825
Total	2,056,003	1,706,094

JODIC's Financial Statements & Independent Auditor's Report for the Year Ended 31 December 2024

(13) CONTINGENT LIABILITIES

Letter of credits and bank guarantees

The Corporation does not have potential obligations of credits and guarantees as of 31 December 2024 and 31 December 2023.

Lawsuits against the corporation:

There are no cases brought against the Corporation as of 31 December 2024 and 31 December 2023.

(14) INCOME TAX

In accordance with the Deposit Insurance Corporation Act No. (33) of 2000 and its amendments, the corporation has been exempted from income tax, in accordance with Article (27) of the Act.

(15) RISK MANAGEMENT

Interest rate risk

The Corporation is exposed to interest rate risk on its assets interest bearing e.g bank deposits.

The sensitivity of the statement of comprehensive income is the effect of the assumed changes in interest rates on the Corporation's profit for one year, based on the floating rate financial assets held at 31 December 2024 and 2023.

The corporation is not at risk of interest as all investments in the amortized cost and carry fixed interest rates.

Credit risk

Credit risk is the risk that one party to a financial instrument will fail to discharge an obligation, resulting in a financial loss to the Corporation.

The Corporation is not exposed to credit risk, as it maintains its balances with the Central Bank of Jordan, and all investments measured at amortized cost consist of bonds issued by, or guaranteed by, the Government of Jordan.

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Liquidity risk

The corporation limits its liquidity risk by ensuring bank facilities are available.

The table below summarizes the maturities of the corporation financial liabilities at 31 December 2024 and 2023, (undiscounted) based on contractual maturity and current interest rates.

	Less than 3 months JD	3 to 12 months JD	Total JD
31 December 2024			
Other current liabilities	49,473	-	49,473
Total	49,473	-	49,473

	Less than 3 months JD	3 to 12 months JD	Total JD
31 December 2023			
Other current liabilities	221,793	-	221,793
Total	221,793	-	221,793

(16) CAPITAL MANAGEMENT

The main objective of managing the Corporation capital is to ensure that appropriate capital ratios are maintained in a way that supports the Corporation activity and maximizes equity.

The Corporation manages the capital structure and makes the necessary adjustments to it in light of changes in working conditions. The Corporation has not made any adjustments to the objectives, policies and procedures relating to capital structure during the current year and the previous year.

The items included in the capital structure are paid-up capital, reserves totaling JD 1,274,642,665 as of 31 December 2024 compared to 1,182,077,011 as of 31 December 2023.

The Corporation paid JD 150,000 to the Deposit Insurance Fund for Islamic banks and was deducted from the government's contribution to the Corporation's capital to JD 850,000.

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(17) 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 corporation financial statements are disclosed below. The Corporation intends to adopt these standards, if applicable, when they become effective.

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

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

- A clarification that a financial liability is derecognised on the 'settlement date' and introduce an accounting policy choice (if specific conditions are met) to derecognise financial liabilities settled using an electronic payment system before the settlement date
- Additional guidance on how the contractual cash flows for financial assets with environmental, social and corporate governance (ESG) and similar features should be assessed

- Clarifications on what constitute 'non-recourse features' and what are the characteristics of contractually linked instruments

- The introduction of disclosures for financial instruments with contingent features and additional disclosure requirements for equity instruments classified at fair value through other comprehensive income (OCI).

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

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(17) STANDARDS ISSUED BUT NOT YET EFFECTIVE (Continued)

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 Corporation 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 Corporation 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

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(17) STANDARDS ISSUED BUT NOT YET EFFECTIVE (Continued)

within the statement of profit or loss into one of five categories: operating, investing, financing, income taxes and discontinued operations, whereof the first three are new.

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

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

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

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

IFRS 19 Subsidiaries without Public Accountability: Disclosures

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

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

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

The amendments are not expected to have a material impact on the Corporation financial statements.

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Financial Statements and Independent Auditor's Report for the Deposit Insurance Fund for Islamic Banks for the Year Ended 31 December 2024

INDEPENDENT AUDITOR'S REPORT

To the Board of Directors

Deposit Insurance Fund for Islamic Banks

Established by Law

Amman - Jordan

Opinion

We have audited the financial statements of Deposit Insurance Fund for Islamic Banks, (the Fund), which comprise the statement of financial position as at 31 December 2024, and the statement of revenue and expenses and statement of changes in equity and statement of cash flows for the year ended, and notes to the financial statements, including material accounting policy information.

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of the Fund as at 31 December 2024, and its financial performance and its cash flows for the year then ended in accordance with Islamic Financial Accounting Standards as issued by the Accounting and Auditing Organization for Islamic Financial Institutions (AAOIFI).

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 Fund in accordance with the International Ethics Standards Board for Accountants' 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.

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 Islamic Financial Accounting Standards as issued by the Accounting and Auditing Organization for Islamic Financial Institutions (AAOIFI), 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 Fund'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 Fund's or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Fund'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

Financial Statements and Independent Auditor's Report for the Deposit Insurance Fund for Islamic Banks for the Year Ended 31 December 2024

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 Fund'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 Fund'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 Fund 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.

For and on behalf of Ernst & Young – Jordan.

Osama Shakhathreh
License No. 1079
Amman – Jordan
8 April 2025

Financial Statements and Independent Auditor's Report for the Deposit Insurance Fund for Islamic Banks for the Year Ended 31 December 2024

Statement of Financial Position as at 31 December 2024

	Notes	31 December 2024	31 December 2023
		JD	JD
Assets			
Current assets			
Current account at Central Bank of Jordan		17,407,372	8,337,230
Accrued returns and not received		1,445,177	940,239
Non-Current Assets			
Financial assets at amortized cost	4	96,484,100	79,656,600
Total Assets		115,336,649	88,934,069
Liabilities and Equity			
Liabilities			
Accrued expenses		1,000	1,000
Total Liabilities		1,000	1,000
Equity			
Paid-in capital	5	550,000	550,000
Reserves	6	114,785,649	88,383,069
Total equity		115,335,649	88,933,069
Total liabilities and equity		115,336,649	88,934,069

The attached notes from 1 to 12 form part of these financial statements

Financial Statements and Independent Auditor's Report for the Deposit Insurance Fund for Islamic Banks for the Year Ended 31 December 2024

Statement of Revenues and expenses For the year ended 31 December 2024

	Notes	2024	2023
		JD	JD
Membership fees	7	22,172,711	21,111,571
Gains from Islamic Sukuk		4,242,760	2,686,735
Administrative expneses	8	(12,891)	(14,233)
Excess of revnues over expenses for the year		26,402,580	23,784,073

Statement of Changes in Equity for the Year Ended 31 December 2024

	Paid in Capital*	Reserves	Total
	JD	JD	JD
2024 -			
Balance at 1 January 2024	550,000	88,383,069	88,933,069
Excess of revnues over expenses for the Year	-	26,402,580	26,402,580
Balance as at 31 December 2024	550,000	114,785,649	115,335,649
2023 -			
Balance at 1 January 2023	550,000	64,598,996	65,148,996
Excess of revnues over expenses for the year	-	23,784,073	23,784,073
Balance as at 31 December 2023	550,000	88,383,069	88,933,069

* This account represents non-refundable amounts of JD 100,000 collected from each Islamic bank member at the Fund, in addition to a payment of JD 150,000 from the government's contribution to deposit insurance corporation's capital.

The attached notes from 1 to 12 form part of these financial statements

Financial Statements and Independent Auditor's Report for the Deposit Insurance Fund for Islamic Banks for the Year Ended 31 December 2024

Statement of Cash flows For the year ended 31 December 2024

	2024	2023
	JD	JD
Operating activities		
Excess of revnues over expenses	26,402,580	23,784,073
Gains from Islamic Sukuk	(4,242,760)	(2,686,735)
Net cash from operating activities	22,159,820	21,097,338
Investing activities		
Collected gains from Islamic Sukuk	3,737,822	2,194,334
Purchase of financial assets at amortized cost	(30,221,000)	(32,097,000)
Matured Islamic Sukuk	13,393,500	13,393,500
Net cash used in investing activities	(13,089,678)	(16,509,166)
Net increase in cash and cash equivalents	9,070,142	4,588,172
Cash and cash equivalents at the beginning of the year	8,337,230	3,749,058
Cash and cash equivalents at the end of the year	17,407,372	8,337,230

The attached notes from 1 to 12 form part of these financial statements

Financial Statements and Independent Auditor's Report for the Deposit Insurance Fund for Islamic Banks for the Year Ended 31 December 2024

Notes to the financial statements 31 December 2024

(1) GENERAL

The fund was established by law on 1 April 2019 by virtue of the amending law of the Deposit Insurance Corporation law number 8 for the year 2019, the fund is managed by Deposit Insurance Corporation. The relationship between the fund and the corporation is on the basis of Wakalah bi al ajr "agency with fee", and all matters of this relationship governed by a decision of the board. The fund's structure is compliant with the principles of Solidarity and cooperation Benefits (Takaful and Ta'awun). Therefore, the fund's financial resources that are paid by Islamic banks, deposit holders and the corporation shall be considered as donations (tabarru').

The corporation aims, through the Deposit Insurance Fund for Islamic Banks; to protect depositors at Islamic banks by insuring their deposits under the provision of this law, in order to encourage savings, promote confidence in the banking system and contribute to maintain banking and financial stability in the Kingdom. This is done by ensuring that depositors have access to their deposits in any Islamic bank to be liquidated within the limits set by the law, which aims in its entirety to compensate depositors up to fifty thousand Jordanian

Dinars. Moreover, to urge Senior depositors to impose their own and additional supervision on Islamic banks alongside the ongoing monitoring carried out by the Central Bank of Jordan.

The financial resources of the Fund consist of the following:

- Annual membership fee paid by Islamic banks.
- Returns on the investments of the Fund.
- Any Qard Hasan received by the Fund.
- Any financial grants given to the Fund with the approval of the Central Bank's Board of Directors and the Council of Ministers' approval must be also obtained if the grant is given by a non-Jordanian agency.

The fund of the Deposit Insurance Fund for Islamic Banks shall be transferred, in case of liquidation, to the Zakat Fund in the kingdom after covering all expenses and losses related to the Fund.

(2) BASIS of PREPARATION of FINANCIAL STATEMENT

The accompanying financial statements of the Fund have been prepared in accordance with the Financial Accounting Standards issued by the Accounting and Auditing Organization for Islamic Financial Institutions (AAOIFI), and in the absence of Financial Accounting Standards

Financial Statements and Independent Auditor's Report for the Deposit Insurance Fund for Islamic Banks for the Year Ended 31 December 2024

issued by the Accounting and Auditing Organization for Islamic Financial Institutions relating to financial statements items, the International Financial Reporting Standards and related interpretations are applied in conformity with the Shari'a standards, pending the promulgation of Islamic Standards therefor.

The financial statements have been prepared on a historical cost basis.

The financial statements have been presented in Jordanian Dinars "JD", which is the functional currency of the Fund.

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 financial statements for the year ended 31 December 2023 except for the impact of the application of the following standards:

Financial Accounting Standard No. (1) (Revised 2021) - General Presentation and Disclosure in Financial Statements

The Accounting and Auditing Organization for Islamic Financial Institutions (AAOIFI) has issued this revised standard, which supersedes the previous Financial Accounting Standard No. (1) "General Presentation and Disclosure in the Financial Statements of Islamic Banks and Financial Institutions." The standard introduces the concepts of quasi-equity, off-balance sheet

assets under management and Revenues and expenses to enhance the information provided to users of financial statements.

The following illustrates the most important amendments to the standard:

- The revised conceptual framework is now an integral part of the Financial Accounting Standards issued by the Accounting and Auditing Organization for Islamic Financial Institutions.
- The term quasi-equity has been added to the standard, which represents a broader concept to include "joint investment accounts" and other transactions under similar structures. Similarly, the broader term "off-balance sheet assets under management" is now used instead of "restricted investment accounts."
- The concept of other comprehensive income has been included, with the option of preparing a single statement that is a combination of the income statement and other comprehensive income statement or preparing the two statements separately. The Bank has chosen to prepare a single statement.
- A new statement "statement of income and attribution related to quasi-equity" has been added.
- The statement of Al Qard Al Hasan has been moved to the notes to the financial statements and hence the statement of Al Qard Al Hasan has been removed as a main statement.
- Treatment of changes in accounting

Financial Statements and Independent Auditor's Report for the Deposit Insurance Fund for Islamic Banks for the Year Ended 31 December 2024

policies, changes in estimates and correction of errors has been improved.

- The disclosures of related parties, subsequent events and the going concern basis have been improved.
- The disclosures of foreign currencies and segment reporting have been improved.

The application of this standard had no impact on the financial statements.

Financial Accounting Standard No. (40) "Financial Reporting for Islamic Finance Windows"

This standard improves and replaces FAS no. (18) "Islamic financial services provided by conventional financial institutions" and specifies financial reporting requirements applicable to conventional financial institutions that provide Islamic financial services. This standard requires traditional financial institutions that provide Islamic financial services through Islamic financing windows to prepare and submit financial statements for Islamic financing windows aligned with the requirements of this standard and other financial accounting standards issued by the Accounting and Auditing Organization for Islamic Financial Institutions (AAOIFI). This standard provides principles of financial reporting including presentation and disclosure requirements applicable to Islamic finance windows.

This standard is not applicable to the fund.

Financial Accounting Standard No. (44) "Determining Control of Assets and Business"

Financial Accounting Standard no. (44) aims to establish principles for assessing whether an enterprise controls assets and business projects both in the case of assets subject to a participatory structure contract (so as to determine whether they are on or off-balance sheet) as well as to enforce the consolidation of the financial statements of subsidiaries.

The application of this standard had no impact on the financial statements.

New Standard Issued but Not Yet Effective

The following new accounting standard issued but not yet effective up to the date of the financial statements is listed below, and the fund will apply the standards when they become effective:

Financial Accounting Standard No. (42) "Presentation and Disclosures in the Financial Statements of Takaful Institutions"

The Accounting and Auditing Organization for Islamic Financial Institutions issued Financial Accounting Standard No. (42) in 2022. This standard replaces Financial Accounting Standard No. (12) "General Presentation and Disclosures in the Financial Statements of Islamic Insurance Companies". This standard specifies the requirements for the presentation of financial statements and related disclosures

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for Takaful institutions. This standard aims to improve the presentation of financial statements of Takaful institutions by introducing additional disclosure requirements aimed at enhancing transparency.

This standard is effective for financial reporting periods beginning on or after 1 January 2025, with early application permitted if applied in conjunction with Financial Accounting Standard No. (43) "Accounting for Takaful: Recognition and Measurement". The standard will be applied as of 1 January 2025 and is not expected to have a material impact on the fund upon its application.

Financial Accounting Standard No. (43) "Accounting for Takaful: Recognition and Measurement"

The Accounting and Auditing Organization for Islamic Financial Institutions issued Financial Accounting Standard No. (43) in 2022. This standard replaces Financial Accounting Standard No. (13) "Disclosure of the Basis for Determining and Allocation of Surplus or Deficit in Islamic Insurance Companies". This standard addresses the principles of recognition and measurement of Takaful arrangements and related transactions. The standard should be read in conjunction with Financial Accounting Standard No. (42) "Presentation and Disclosures in the Financial Statements of Takaful Institutions".

This standard is effective for financial reporting

periods beginning on or after 1 January 2025, with early adoption permitted if applied in conjunction with Financial Accounting Standard No. (42) "Presentation and Disclosures in the Financial Statements of Takaful Institutions". The standard will be applied as of 1 January 2025 and is not expected to have a material impact on the fund upon its application.

Financial Accounting Standard No. (45) "Quasi-equity (including investment accounts)"

The Accounting and Auditing Organization for Islamic Financial Institutions issued Financial Accounting Standard No. (45) in 2023. This standard describes the principles of financial reporting related to participatory investment instruments (including investment accounts) in which an Islamic financial institution controls the underlying assets (usually as a working partner), on behalf of stakeholders other than the shareholders' equity. Such instruments (including, in particular, unrestricted investment accounts) are usually eligible for accounting in the statement of financial position and are recorded as quasi-equity. This standard also provides general accounting standards in the statement of financial position for participatory investment instruments and quasi-equity, in addition to the aggregation, recognition, derecognition, measurement, presentation and disclosure of quasi-equity. The standard also addresses financial reporting related to quasi-equity instruments. The standard also addresses

Financial Statements and Independent Auditor's Report for the Deposit Insurance Fund for Islamic Banks for the Year Ended 31 December 2024

financial reporting related to other quasi-equity instruments and some specific issues. The concept of quasi-equity is introduced in Financial Accounting Standard No. (1) "General Presentation and Disclosures in Financial Statements" (revised in 2021).

This standard is effective for financial reporting periods beginning on or after 1 January 2026. The standard will be applied from 1 January 2026 and is not expected to have a material impact on the fund upon its application.

Financial Accounting Standard (46) "Off-balance Sheet Assets"

The Accounting and Auditing Organization for Islamic Financial Institutions issued Financial Accounting Standard No. (46) in 2023. This standard replaces Financial Accounting Standard No. (27) "Investment Accounts" in terms of presentation and disclosure. This standard specifies the classification of off-balance sheet assets and the principles related to financial reporting in line with the AAOIFI Conceptual Framework for Financial Reporting. The standard covers aspects of recognition, derecognition, subsequent recognition and measurement of assets related to off-balance sheet assets, in addition to reporting requirements and financial obligations incurred by the institution. The standard also integrates the presentation and disclosure requirements that are specifically aligned with the requirements of Financial Accounting

Standard No. (1) "General Presentation and Disclosures in Financial Statements" (as amended in 2021) regarding the disclosure of off-balance sheet assets to management.

This standard is effective for financial reporting periods beginning on or after 1 January 2026 and must be applied simultaneously with Financial Accounting Standard No. (45) "Quasi-equity (including investment accounts)". The standard will be applied as of 1 January 2026 and is not expected to have a material impact on the fund upon its application.

Financial Accounting Standard No. (47) "Transfer of Assets between Investment Groups"

The Accounting and Auditing Organization for Islamic Financial Institutions issued Financial Accounting Standard No. (47) in 2023 and replaces Financial Accounting Standard No. (21) "Disclosure of Transfer of Assets". This standard describes the financial reporting principles and disclosure requirements applicable to all transfers between different investment groups (and their establishment was permanent, between ownership by equity, equity and quasi-equity and off-balance sheet assets under the management of an entity), and requires the application of accounting policies for such transfers in a consistent manner in line with the principles and rules of Islamic Sharia and describes the general disclosure requirements in this regard.

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This standard is effective for financial reporting periods beginning on or after 1 January 2026. The standard will be applied from 1 January 2026 and is not expected to have a material impact on the fund upon its application.

Financial Accounting Standard No. (48) "Promotional Gifts and Prizes"

The Accounting and Auditing Organization for Islamic Financial Institutions issued Financial Accounting Standard No. (48) in 2024. This standard aims to set out the accounting and financial reporting principles for recognition, measurement, presentation and disclosure that apply to promotional gifts and prizes provided by Islamic financial institutions to their customers, including quasi-equity and other investment account holders.

This standard is effective for financial reporting periods beginning on or after 1 January 2026. The standard will be applied from 1 January 2026 and is not expected to have a material impact on the fund upon its application.

Financial Accounting Standard No. (49) "Financial Reporting for Entities Operating in Hyperinflationary Economies"

The Accounting and Auditing Organization for Islamic Financial Institutions issued Financial Accounting Standard No. (49) in 2024. The standard sets out the principles of financial reporting for entities that apply financial accounting standards and operate

in hyperinflationary economies, taking into account Shariah principles, provisions and their business model. The Accounting Board of AAOIFI recognizes that the economic environment in many countries operating under hyperinflationary conditions sometimes makes financial statements prepared under AASIs less relevant and not comparable over multiple reporting periods. Accordingly, the Board recognized the need for institutions following AASIs in such economic environments to apply specific financial reporting requirements that make their financial statements more relevant and comparable. The Board also recognized that some financial reporting requirements under GAAP may not be appropriate for institutions following AASIs, given the requirements of relevant Shari'a principles and rules and their business models. Accordingly, the Board decided to develop a specific standard on this subject.

This standard is effective for financial reporting periods beginning on or after 1 January 2026. It is recommended that all institutions operating in hyperinflationary economies apply this standard from the date of its issuance to ensure comparability of their results. The standard will be effective from 1 January 2026 and is not expected to have a material impact on the fund upon its application.

Financial Statements and Independent Auditor's Report for the Deposit Insurance Fund for Islamic Banks for the Year Ended 31 December 2024

Financial Accounting Standard No. (50) "Financial Reporting for Islamic Investment Institutions (Including Investment Funds)"

The Accounting and Auditing Organization for Islamic Financial Institutions issued Financial Accounting Standard No. (50) in 2024. This standard replaces Financial Accounting Standard No. (14) "Investment Funds". The standard sets out the principles of financial reporting that apply to Islamic investment institutions and focuses specifically on achieving consistency and providing a unified basis for the format and content of financial statements for Islamic investment institutions. It also sets out the general requirements for presentation and the minimum content and recommended structure of their financial statements to enhance true and fair presentation in accordance with the principles and provisions of Sharia.

This standard is effective for financial reporting periods beginning on or after 1 January 2027. The standard will be applied from 1 January 2027 and is not expected to have a material impact on the fund upon its application.

MATERIAL ACCOUNTING POLICIES

Cash and cash equivalents:

For the purpose of the statement of cash flows, cash and cash equivalents include cash on hand and bank balances.

Revenues and expenses recognition:

It is recognized that the annual membership fees collected from banks by law is two and a

half per thousand of total deposits subject to the provisions of the law.

Other income is recognized according to the accrual basis.

Expenses are recognized according to the accrual basis.

Impairment of financial assets:

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

Financial assets at amortized cost:

Financial assets are measured at amortized cost only if these assets are held within a business model whose objective is to hold the assets to collect their contractual cash flows which represent fixed or determinable payments for the capital and profits of these assets.

Assets at amortized cost is recorded at cost upon purchase plus acquisition expenses and re-evaluated at the end of the current period using the effective profit rate method. Any gains or losses resulting from the amortization process appear in the statement of revenues

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and expenses, and any impairment in its value is recorded in the statement of revenues and expenses.

The amount of impairment in the value of these assets represents the difference between the value recorded in the records and the present value of the expected cash flows discounted at the original effective profit rate, so that any provision for expected credit losses calculated from it is deducted from the value of these assets. No financial assets may be reclassified to/from this item.

In the event of selling any of these assets financed by the fund's own funds - before their maturity date, the result of the sale is recorded in the statement of Revenues and expenses in a separate item and that is disclosed.

Fair value:

The closing prices (purchase of assets / sale of liabilities) on the date of the financial statements in active markets represent the fair value of the instruments that have market prices. In the absence of advertised prices, no active trading of some instruments, or inactivity of the market, their fair value is estimated in a number of ways, including:

- comparing it to the current market value of a financial instrument that is substantially similar to it.
- Analyzing future cash flows and discounting the expected cash flows with a percentage used in a similar financial instrument.

- Option pricing models.

Valuation methods aim to obtain a fair value that reflects market expectations and takes into account the market factors and any expected risks or benefits when assessing the value of financial instruments.

Offsetting

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

(3) Use of 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 as well as fair value changes reported in shareholders' equity and unrestricted account holders' equity. In particular, considerable judgment by management is required in the estimation of the amount and timing of future cash flows. Such estimates are necessarily based on assumptions about several factors involving varying degrees of judgment and uncertainty and actual results may differ as a result of changes in conditions and circumstances of those estimates in the future.

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(4) FINANCIAL ASSETS AT AMORTIZED COST

	31 December 2024 JD	31 December 2023 JD
Sukuk accounts (Credit)	44,050,181	36,669,044
Sukuk accounts (Mutual)	52,433,919	42,987,556
Total	96,484,100	79,656,600

(5) CAPITAL

This account represents non-refundable amounts of JD 100,000 collected from each Islamic bank member at the Fund, in addition to a payment of JD 150,000 from the government's contribution to deposit insurance corporation's capital. Therefore, The total capital became 550,000 JD.

(6) RESERVES

The amounts accumulated in this item represent the transfer of surplus revenues over expenditures during the years.

	31 December 2024 JD	31 December 2023 JD
Reserves takaful portfolio of Mutual Fund Accounts	63,216,613	47,975,593
Reserves takaful portfolio of Credit Accounts	51,569,036	40,407,476
Total	114,785,649	88,383,069

(7) MEMBERSHIP FEES

The Fund meets an annual subscription fee from Islamic banks of 2.5 per 1,000 of the total deposits subject to the provisions of Law No. (33) of 2000 and its amendments and the subscription fee consists as follows:

	31 December 2024 JD	31 December 2023 JD
Membership fees of "Takaful" portfolio of Mutual Fund Accounts	12,944,987	11,781,017
Membership fees of "Takaful" portfolio of Credit Accounts	9,227,724	9,330,554
Total	22,172,711	21,111,571

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(8) ADMINISTRATIVE EXPENSES

	31 December 2024 JD	31 December 2023 JD
Wakaleh bi al-ajir *	5,000	5,000
Professional fees	6,000	5,825
Advertisements	1,891	3,378
Stationery	-	30
Total	12,891	14,233

* This item represents an annual payment of JD 5,000 as Wakaleh bi al-ajir to the Deposit Insurance Corporation.

(9) INCOME TAX

In accordance with the Deposit Insurance Corporation Act No. (33) of 2000 and its amendments, the Fund has been exempted from income tax, in accordance with Article (27) of the Act.

(10) CONTINGENT LIABILITIES

Letters of credits and Bank guarantees

The Fund does not have potential liabilities for the letters of credits and the bank guarantees as of 31 December 2024 and 31 December 2023.

Lawsuits against the Fund:

There are no cases against the Fund as of 31 December 2024 and 31 December 2023.

(11) Risk MANAGEMENT

Interest rate risk

The Fund is not exposed to interest rate risks on its assets that includes interest such as bank deposits.

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The sensitivity of the statement of Revenues and expenses represents the impact of expected changes in interest rate on the Fund's one-year profit, calculated based on financial assets with a variable interest rate as at 31 December 2024 and 2023.

Credit risk

Credit risk is the risk arising from the default or inability of debtors and other parties to fulfill their obligations towards the fund.

The fund is not exposed to credit risk as it maintains balances with leading banking institutions (at the Central Bank of Jordan).

Liquidity risk

The Fund manage its liquidity risk by ensuring bank facilities are available.

The table below summarises the maturities of the Fund's financial liabilities (undiscounted) as at 31 December 2024 and 2023 based on remaining contractual maturity and current market interest rates:

	Less than 3 months JD	Total JD
As at 31 December 2024		
Accrued expenses	1,000	1,000
Total	1,000	1,000

	Less than 3 months JD	Total JD
As at 31 December 2023		
Accrued expenses	1,000	1,000
Total	1,000	1,000

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(12) CAPITAL MANAGEMENT

The main objective of managing the fund's capital is to ensure that appropriate capital ratios are maintained in a way that supports the fund's activity and maximizes equity.

The corporation manages the capital structure and makes the necessary adjustments to it in light of changes in working conditions. The corporation has not made any adjustments to the objectives, policies and procedures relating to capital structure during the current year and the previous year.

The items included in the capital structure are paid-in capital and reserves which amounted to JD 115,335,649 as of 31 December 2024 and JD 88,933,069 as of 31 December 2023.



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