

INSTITUTE OF BANKING STUDIES

(INDEPENDENT ENTITY FINANCIALLY AND ADMINISTRATIVELY)

(NOT-FOR-PROFIT - ORGANISATION)

FINANCIAL STATEMENTS

31 DECEMBER 2025

INDEPENDENT AUDITOR'S REPORT
To the Chairman and Board Members of Institute of Banking Studies
Amman - Jordan

Report on the Audit of the Financial Statements

Opinion

We have audited the financial statements of Institute of Banking Studies (the "Institute"), which comprise the statement of financial position as at 31 December 2025, and the statement of comprehensive income, statement of changes in accumulated surplus and statement of cash flows for the year then 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 Institute as at 31 December 2025, and its financial performance and its cash flows for the year then ended in accordance with IFRS Accounting Standards as issued by the International Accounting Standards Board (IASB).

Basis for Opinion

We conducted our audit in accordance with International Standards on Auditing (ISAs). Our responsibilities under those standards, are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are independent of the Institute 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 IFRS Accounting Standards as issued by the International Accounting Standards Board (IASB), and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is responsible for assessing the Institute'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 Institute or to cease operations, or has no realistic alternative but to do so.

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

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

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

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Institute'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 Institute'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 Institute to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

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

Report on Other Legal and Regulatory Requirements

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

INSTITUTE OF BANKING STUDIES
STATEMENT OF FINANCIAL POSITION
AS AT 31 DECEMBER 2025

	<u>Notes</u>	<u>2025</u> JD	<u>2024</u> JD
<u>Assets</u>			
Non-current assets -			
Property and equipment	6	1,081,606	443,006
Intangible assets	7	8,833	23,383
Financial assets at amortized cost	8	2,000,000	2,000,000
Employees' receivables – long-term	9	375,591	327,012
		<u>3,466,030</u>	<u>2,793,401</u>
Current assets -			
Inventory		13,272	-
Accounts receivable	10	54,509	59,556
Other debit balances	11	67,202	73,143
Employees' receivables – short-term	9	16,572	14,112
Cash-on-hand and at banks	12	1,290,921	1,715,392
		<u>1,442,476</u>	<u>1,862,203</u>
Total assets		<u>4,908,506</u>	<u>4,655,604</u>
<u>Accumulated Surplus and Liabilities</u>			
Accumulated surplus -			
Accumulated surplus		2,912,388	2,750,840
Total accumulated surplus		<u>2,912,388</u>	<u>2,750,840</u>
<u>Liabilities</u>			
Non-current liabilities -			
End of service provision	13	1,283,061	1,235,422
Deferred revenues – long-term	14	465,854	522,649
		<u>1,748,915</u>	<u>1,758,071</u>
Current liabilities -			
Accounts payable	15	119,937	41,264
Deferred revenues – short-term	14	56,795	6,796
Other credit balances	16	70,471	98,633
		<u>247,203</u>	<u>146,693</u>
Total Liabilities		<u>1,996,118</u>	<u>1,904,764</u>
Total Liabilities and Accumulated Surplus		<u>4,908,506</u>	<u>4,655,604</u>

The attached notes from 1 to 22 form part of these financial statements

INSTITUTE OF BANKING STUDIES
STATEMENT OF COMPREHENSIVE INCOME
FOR THE YEAR ENDED 31 DECEMBER 2025

	Notes	2025 JD	2024 JD
Revenues	17	2,163,276	1,928,469
Interest income from financial assets at amortized cost	19	146,490	146,490
Interest income		81,682	72,395
Amortization of deferred revenues	14	6,796	6,796
Other income		645	47,169
Total revenues		<u>2,398,889</u>	<u>2,201,319</u>
Administrative expenses	18	(2,024,629)	(1,787,721)
Depreciation of property and equipment	6	(92,798)	(79,002)
Amortization of intangible assets	7	(14,550)	(14,550)
End of service provision	13	(105,364)	(133,555)
Recovered from provision for expected credit losses	10	-	492
Total expenses		<u>(2,237,341)</u>	<u>(2,014,336)</u>
Profit for the year		161,548	186,983
Add: other comprehensive income items		-	-
Total comprehensive income for the year		<u>161,548</u>	<u>186,983</u>

The attached notes from 1 to 22 form part of these financial statements

INSTITUTE OF BANKING STUDIES
STATEMENT OF CHANGES IN ACCUMULATED SURPLUS
FOR THE YEAR ENDED 31 DECEMBER 2025

	Accumulated surplus JD	Total JD
For the year ended 31 December 2025 -		
Balance as at 1 January	2,750,840	2,750,840
Total comprehensive income for the year	161,548	161,548
Balance as at 31 December	2,912,388	2,912,388
For the year ended 31 December 2024 -		
Balance as at 1 January	2,563,857	2,563,857
Total comprehensive income for the year	186,983	186,983
Balance as at 31 December	2,750,840	2,750,840

The attached notes from 1 to 22 form part of these financial statements

INSTITUTE OF BANKING STUDIES
STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 31 DECEMBER 2025

	<u>Notes</u>	<u>2025</u>	<u>2024</u>
		JD	JD
<u>Operating activities</u>			
Profit for the year		161,548	186,983
Adjustments -			
Depreciation of property and equipment	6	92,798	79,002
Amortization of intangible assets	7	14,550	14,550
End-of-service provision	13	105,364	133,555
Loss from disposal of property and equipment		49	-
Interest income		(81,682)	(72,395)
Interest income from financial assets at amortized cost		(146,490)	(146,490)
(Recovered from) provision for expected credit losses	10	-	(492)
Amortization of deferred revenues	14	(6,796)	(6,796)
Working capital changes:			
Inventory		(13,272)	-
Accounts receivable		5,047	(33,049)
Other debit balances		5,941	8,803
Employees' receivables		(51,039)	(33,088)
Accounts payable		78,673	(8,408)
Other credit balances		(49,458)	67,180
End-of-service provision paid	13	(36,429)	(999)
Net cash flows from operating activities		<u>78,804</u>	<u>188,356</u>
<u>Investing activities</u>			
Deposit at bank maturity in six months		450,547	(921,481)
Deferred revenues		-	499,998
Purchase of property and equipment	6	(731,447)	(46,535)
Bank interest income received		81,682	72,395
Interest income from financial assets at amortized cost received		146,490	146,490
Net cash flows used in investing activities		<u>(52,728)</u>	<u>(249,133)</u>
Net increase (decrease) in cash and cash equivalents		26,076	(60,777)
Cash and cash equivalents at the beginning of the year		71,476	132,253
Cash and cash equivalents at the end of the year	12	<u>97,552</u>	<u>71,476</u>

The attached notes from 1 to 22 form part of these financial statements

(1) General

The Institute of Banking Studies was established by the Central Bank of Jordan together with licensed banks and specialized credit institutions in accordance with Article (37) D of the Central Bank of Jordan Law No. (23) of 1971 and its amendments, and under Regulation No. (2) of 2015 issued by the Prime Ministry which replaced the Institute's previous Law No. (69) of 1970 and its amendments.

The address of the Institute is Amman - The Hashemite Kingdom of Jordan. P.O. Box 1378 Amman 11953.

The Institute aims to increase the knowledge of workers in the banking and financial sectors and raise their efficiency through holding training courses and scientific seminars and implementing scientific and training programs in cooperation with higher education institutions along with Arab and international banking and financial institutes.

The financial statements were approved by the Board of Directors on 26 April 2026.

(2) Basis of Preparation

The financial statements have been prepared in accordance with International Financial Reporting Standards (IFRS) as issued by the International Accounting Standards Board (IASB).

The financial statements are prepared on a historical cost basis.

The financial statements are presented in Jordanian Dinars ("JD"), which represents the functional currency of the Institute.

(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 2024, except for the adoption of new amendments on the standards effective as of 1 January 2025 shown below:

Lack of exchangeability - Amendments to IAS 21

For annual reporting periods beginning on or after 1 January 2025, Lack of Exchangeability – *Amendments to IAS 21 The Effects of Changes in Foreign Exchange Rates* specifies 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 did not have a material impact on the Institute's financial statements.

(4) MATERIAL ACCOUNTING POLICY INFORMATION

Property and equipment

Property and equipment are stated at cost less accumulated depreciation and impairment allowance, if any. Property and equipment (excluding land) are depreciated when they are ready for use by straight-line method over their expected useful life and at annual rates as follows:

	<u>%</u>
Buildings and improvements	4-10
Furniture and equipment	20
Vehicles	20
Machinery and computers	10-40

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

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

Gains or losses on asset disposal (calculated on the basis of the difference between cash receipts and the book value of the excluded asset) are recognized in the statement of comprehensive income upon disposal of the asset.

Intangible assets

Intangible assets acquired separately are measured at cost. Following initial recognition, intangible assets are carried at cost less any accumulated amortisation and accumulated impairment losses, if any.

The useful lives of intangible assets are assessed as either finite or indefinite.

Intangible assets with finite lives are amortized over the expected useful life and it is subjected to impairment whenever there is an indication that the intangible asset is value decreased. The amortization period and the amortization method for an intangible asset with a finite useful life is reviewed at least at the end of each reporting period. The amortization expense is recognised for the intangible assets with finite lives in the statement of profit or loss as part of the expenses. The intangible assets with finite lives are amortized over a useful life of 4 years.

Inventories

Inventories are valued at the lower cost using the weighted average method and net realizable value.

Accounts Receivable

Accounts receivable are shown at the value that the Institute expects to achieve for the provision of services provided after deducting provisions for estimated amounts not collected and provisions for expected credit losses. The Institute applies the simplified method for calculating expected credit losses of receivables. In this method, the Institute does not track changes in customers' credit risk but calculates the provision for expected credit losses over the life of the receivables on the financial statements.

Cash and cash equivalents

Cash and cash equivalents comprise cash-on-hand and bank balances that have original maturities of three months or less so that it does not include the risk of change in value. For the purpose of the statement of cash flows, cash and cash equivalents consist of cash-on-hand and bank balances as defined above, net of bank deposits with maturity of more than 3 months.

Financial assets at amortized cost

They are the financial assets that the Institute's management aims to maintain according to its business model to collect contractual cash flows, which are represented by payments of principal and interest on the outstanding debt balance.

Financial assets are recorded at cost upon purchase plus acquisition expenses, the premium/discount is amortized by using the effective interest rate method and recognized to or against interest. Any provisions arising from impairment are recognized in accordance with the expected credit losses calculation, and the expected credit losses is recorded in the statement of comprehensive income.

The amount of impairment in the value of financial assets at amortized cost represents the expected credit loss of financial assets at amortized cost.

No financial assets may be reclassified from/to this item except in the cases specified in IFRS (in the event that any such asset is sold before its maturity date, the result of the sale shall be recorded in the statement of profit or loss in a separate item and disclosed in accordance with the requirements of IFRS in particular).

Accounts payable and other credit balances

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

Provisions

Provisions are recognized when the Institute has an obligation (legal or actual) as a result of past events, and the cost to settle the obligation are both probable and measured reliably.

End of service provision

In accordance with the decision of the Board of Directors held on 27 April 2011, the balance of the end-of-service indemnity fund for the users and employees of the Institute, which was established in the year 2000 as a separate fund, was transferred to the balances of the Institute to appear in the financial statements as at 31 December 2010, and the provision for end of service indemnity for employees is recognized within the financial statements of the Institute in accordance with International Financial Reporting Standards so that this provision appears as a liability as at the date of the financial statements, taking into account that the accumulated profits from interest are recorded on the deposit for the end of service indemnity fund before 31 January 2010 within the amount calculated as an end of service indemnity allowance for members included in the provision.

Revenue and expense recognition

Revenue is recorded in accordance with the 5-step method of the International Financial Reporting Standard No. (15) which includes determining the contract and price, determining the performance obligation in the contract and recognizing revenues based on the performance of the performance obligation.

Income from banks and financial institutions contributions.

The amount of the contribution of the Central Bank of Jordan, licensed banks and financial institutions and companies to the expenses of the Institute is represented in accordance with Article 9 of the Institute's regulation as follows:

a) The Central Bank, licensed banks and financial institutions and companies contribute to the expenses of the Institute specified in its annual budget after calculating its internal revenues, and the percentage of this contribution shall be as follows:

	%
Central Bank of Jordan	40
Licensed banks	55
Financial institutions and companies determined by the Board	5

b) The percentage of the licensed banks' contribution to the Institute's expenses stipulated in paragraph (a) above shall be distributed equally among the licensed banks.

c) The Board shall determine the amount of the contribution of financial institutions and companies in the percentage stipulated in paragraph (a).

d) The Board may decide what it deems appropriate regarding financial surpluses in the percentage exceeding the percentage of the contribution of banks, institutions and financial companies in the expenses of the Institute.

Revenues from training courses

This revenue is recognized when the service is provided and invoiced to customers, which is usually done at a certain point in time.

Master's program revenues

The Institute recognizes the amount expected to be due from the provision of services over time and according to the input method.

Donations

The income of donations and grants is recognized when collected through the comprehensive income statement or recorded as deferred income through the statement of financial position at the desire of the donor.

Interest income is recognized when accrued using the effective interest method.

Expenses are recognized on an accrual basis.

Foreign currencies

Transactions in foreign currencies are recorded at the spot rate at the date of the transaction. Financial assets and liabilities denominated in foreign currencies are transferred at the spot rate of exchange at the date of statement of financial positions. Profits and losses resulted from foreign currency translation are recorded in the statement of comprehensive income.

Offsetting

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

Fair value measurement

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date.

The fair value measurement is based on the presumption that the transaction to sell the asset or transfer the liability in the principal market for the asset or liability. In the absence of a principal market, in the most advantageous market for the asset or liability is used. The principal or the most advantageous market must be accessible to the Institute.

The fair value of an asset or a liability is measured using the assumptions that market participants would use when pricing the asset or liability, assuming that market participants act in their economic best interest.

A fair value measurement of a non-financial asset takes into account a market participant's ability to generate economic benefits by using the asset in its highest and best use or by selling it to another market participant that would use the asset in its highest and best use.

The Institute uses valuation techniques that are appropriate in the circumstances and for which sufficient data are available to measure fair value, maximising the use of relevant observable inputs and minimising the use of unobservable inputs.

All assets and liabilities for which fair value is measured or disclosed in the financial statements are categorized within the fair value hierarchy, described as follows, based on the lowest level input that is significant to the fair value measurement as a whole:

- Level 1 - Quoted market prices in active markets for identical assets or liabilities.
- Level 2 - Valuation techniques for which the lowest level input that is significant to the fair value measurement is directly or indirectly observable.
- Level 3 - Valuation techniques for which the lowest level input that is significant to the fair value measurement is unobservable.

For assets and liabilities that are recognised in the financial statements on a recurring basis, the Institute determines whether transfers have occurred between levels in the hierarchy by re-assessing categorization (based on the lowest level input that is significant to the fair value measurement as a whole) at the end of each reporting period.

For the purpose of fair value disclosures, the Institute has determined classes of assets and liabilities on the basis of the nature, characteristics and risks of the asset or liability and the level of the fair value hierarchy.

Impairment of financial assets

The Institute recognizes an allowance for ECLs for all debt instruments not held at fair value through the statement of comprehensive income. ECLs are based on the difference between the contractual cash flows due in accordance with the contract and all the cash flows that the Institute expects to receive, discounted at an approximation of the original effective interest rate. The expected cash flows will include cash flows from the sale of collateral held or other credit enhancements that are integral to the contractual terms (if present).

The Institute has established a provision calculation that is based on its historical credit loss experience adjusted for forward-looking factors specific to the debtors and the economic environment in accordance with the simplified approach to calculating credit losses in accordance with International Financial Reporting Standard (9).

Impairment of non- financial assets

The Institute 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 Institute 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 available. 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.

Classification of current versus non-current

The Institute presents assets and liabilities in the financial statements based on current / non-current classification. An asset is current when it is:

- Expected to be realized or intended to be sold or consumed in the normal operating cycle.
- Held primarily for the purpose of trading.
- Expected to be realized within twelve months after the reporting period. or
- Cash or cash equivalent unless restricted from being exchanged or used to settle a liability for at least twelve months after the reporting period.

All other assets are classified as non-current.

A current liability is when:

- It is expected to be settled in the normal operating cycle.
- It is held primarily for the purpose of trading.
- It is due to be settled within twelve months after the reporting period. or
- There is no unconditional right to defer the settlement of the liability for at least twelve months after the reporting period.

All other liabilities are classified as non-current liabilities.

(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 and, in particular, require management of the Institute to make important judgments to estimate the amounts and timing of future cash flows resulting from the future conditions and circumstances of such estimates. These estimates are based on assumptions about several factors involving varying degrees of judgment and uncertainty and actual results may differ resulting in future changes in such provisions.

- The provision for expected credit losses on receivables is reviewed according to the simplified method and within the principles and assumptions approved by the Institute's management to estimate the provision to be formed in accordance with the requirements of International Financial Reporting Standards.
- Management estimates the useful lives of tangible and intangible assets in order to calculate the depreciation and amortization depending on the expected useful life of such assets. Moreover, Management annually re-assesses the useful lives of tangible and intangible assets. Future depreciation charges would be adjusted if management assesses that the remaining useful life of these assets differs from previous estimates.

INSTITUTE OF BANKING STUDIES
NOTES TO THE FINANCIAL STATEMENTS
31 DECEMBER 2025

(6) Property and Equipment

	Land		Buildings and improvements		Furniture and equipment		Vehicles		Machinery and computers		Total	
	JD		JD		JD		JD		JD		JD	
2025 -												
Cost:												
As at 1 January	217,593		2,140,064		156,099		70,986		558,441		3,143,183	
Additions	-		514,508		65,977		-		150,962		731,447	
Disposals	-		-		(33,553)		-		(99,572)		(133,125)	
As at 31 December	217,593		2,654,572		188,523		70,986		609,831		3,741,505	
Accumulated depreciation:												
As at 1 January	-		2,057,543		105,647		40,760		496,227		2,700,177	
Depreciation	-		9,041		16,121		11,700		55,936		92,798	
Disposals	-		-		(33,504)		-		(99,572)		(133,076)	
As at 31 December	-		2,066,584		88,264		52,460		452,591		2,659,899	
Net book value as at 31 December 2025	217,593		587,988		100,259		18,526		157,240		1,081,606	

- The cost of fully depreciated property and equipment as at 31 December 2025 amounted to JD 2,332,670 (2024: JD 2,494,451).

INSTITUTE OF BANKING STUDIES
NOTES TO THE FINANCIAL STATEMENTS
31 DECEMBER 2025

	Land		Buildings and improvements		Furniture and equipment		Vehicles		Machinery and computers		Total	
	JD		JD		JD		JD		JD		JD	
2024 -												
Cost:												
As at 1 January	217,593		2,125,637		163,837		70,986		631,641			3,209,694
Additions	-		14,427		11,263		-		20,845			46,535
Disposals	-		-		(19,001)		-		(94,045)			(113,046)
As at 31 December	217,593		2,140,064		156,099		70,986		558,441			3,143,183
Accumulated depreciation:												
As at 1 January	-		2,049,256		111,379		29,060		544,526			2,734,221
Depreciation	-		8,287		13,269		11,700		45,746			79,002
Disposals	-		-		(19,001)		-		(94,045)			(113,046)
As at 31 December	-		2,057,543		105,647		40,760		496,227			2,700,177
Net book value as at 31 December 2024	217,593		82,521		50,452		30,226		62,214			443,006

(7) Intangible Assets

	Electronic platform JD	Total JD
2025 -		
Cost:		
As at 1 January	88,360	88,360
As at 31 December	88,360	88,360
Accumulated amortization:		
As at 1 January	64,977	64,977
Amortization for the year	14,550	14,550
As at 31 December	79,527	79,527
Net book value as at 31 December 2025	8,833	8,833
2024 -		
Cost:		
As at 1 January	88,360	88,360
As at 31 December	88,360	88,360
Accumulated amortization:		
As at 1 January	50,427	50,427
Amortization for the year	14,550	14,550
As at 31 December	64,977	64,977
Net book value as at 31 December 2024	23,383	23,383

(8) Financial Assets at Amortized Cost

	2025 JD	2024 JD
Unquoted financial assets:		
Treasury Bonds – Government of the Hashemite Kingdom of Jordan	2,000,000	2,000,000
	2,000,000	2,000,000

- The annual average interest rate on the bonds amounted to 7.3% during the years 2025 and 2024 and these bonds mature during 2032.

(9) Employees' Receivables

This item represents advances granted to staff under the principles of granting advances from the end-of-service provision to the Institute's staff. The details of employees' receivables are as follows:

	<u>2025</u>	<u>2024</u>
	JD	JD
Employees' receivables – short-term	16,572	14,112
Employees' receivables – long-term	375,591	327,012
	<u>392,163</u>	<u>341,124</u>

(10) Accounts Receivable

	<u>2025</u>	<u>2024</u>
	JD	JD
Trade receivables	55,217	60,264
Provision for expected credit losses*	(708)	(708)
	<u>54,509</u>	<u>59,556</u>

* Movements on the provision for expected credit losses during the year were as follows:

	<u>2025</u>	<u>2024</u>
	JD	JD
Balance at 1 January	708	1,200
Recovered from provision for expected credit losses	-	(492)
Balance at 31 December	<u>708</u>	<u>708</u>

As at 31 December, the aging of trade receivables was as follows:

	<u>1 – 30</u>	<u>31 – 90</u>	<u>91 – 180</u>	<u>181 – 364</u>	<u>More than</u>	<u>Total</u>
	days	days	days	days	365 days	JD
	JD	JD	JD	JD	JD	JD
2025	17,830	17,618	12,651	6,314	96	54,509
2024	44,553	12,137	1,906	960	-	59,556

(11) Other Debit Balances

	<u>2025</u>	<u>2024</u>
	JD	JD
Accrued interest income (Note 19)	40,252	40,650
Prepaid expenses	21,611	21,444
Accrued revenues	411	3,357
Refundable cash deposits	300	300
Others	4,628	7,392
	<u>67,202</u>	<u>73,143</u>

(12) Cash-on-Hand and at Banks

	<u>2025</u>	<u>2024</u>
	JD	JD
Cash-on-hand	44	385
Cash at banks*	1,290,877	1,715,007
	<u>1,290,921</u>	<u>1,715,392</u>

* This item includes a deposit that matures within six-month at an annual interest rate of 5.25% as at 31 December 2025 (31 December 2024: 5.75%).

Cash and cash equivalents in the statement of cash flows consist of the following:

	<u>2025</u>	<u>2024</u>
	JD	JD
Cash-on-hand and at banks	1,290,921	1,715,392
Short-term deposit matures within six months	(1,193,369)	(1,643,916)
	<u>97,552</u>	<u>71,476</u>

(13) End-of-Service Provision

The movement on the end of service provision during the year is as follows:

	<u>2025</u>	<u>2024</u>
	JD	JD
Balance as at 1 January	1,235,422	1,102,866
Provision for the year	105,364	133,555
Transferred to employees payables (Note 16)	(21,296)	-
Paid from the provision	(36,429)	(999)
Balance as at 31 December	<u>1,283,061</u>	<u>1,235,422</u>

(14) Deferred Revenues

The movement on the deferred revenues during the year is as follows:

	<u>2025</u>	<u>2024</u>
	JD	JD
Balance as at 1 January	529,445	36,243
Additions during the year	-	499,998
Amortization of revenues for the year	(6,796)	(6,796)
Balance as at 31 December	<u>522,649</u>	<u>529,445</u>

The details of the deferred revenues is as follows:

	<u>2025</u>	<u>2024</u>
	JD	JD
Deferred revenues – short-term	56,795	6,796
Deferred revenues – long-term	465,854	522,649
	<u>522,649</u>	<u>529,445</u>

(15) Accounts Payable

	<u>2025</u>	<u>2024</u>
	JD	JD
Suppliers' payables	111,957	34,696
Lecturers' payables	7,980	6,568
	<u>119,937</u>	<u>41,264</u>

(16) Other Credit Balances

	<u>2025</u>	<u>2024</u>
	JD	JD
Employees payables (Note 13)	21,296	-
Accrued expenses	13,757	46,239
Social Security Corporation payables	10,185	8,059
Master's program payables to the University of Jordan	8,673	7,201
Income tax deposits	8,087	-
Unearned revenues	7,614	36,327
Ministry of Finance payables	475	424
Others	384	383
	<u>70,471</u>	<u>98,633</u>

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(17) Revenues

	<u>2025</u>	<u>2024</u>
	JD	JD
Training courses revenues	1,200,449	1,001,024
Banks and financial institutions' contribution	875,086	862,246
Master's program revenue	87,741	65,199
	<u>2,163,276</u>	<u>1,928,469</u>

(18) Administrative expenses

	<u>2025</u>	<u>2024</u>
	JD	JD
Training courses' expenses	745,841	667,139
Salaries and wages	689,846	629,459
Building maintenance and cleaning	119,348	53,683
Institute contribution in social security	81,215	63,671
Medical treatments	80,135	80,656
Master's program expenses	66,028	56,771
Institute contribution in saving fund	48,748	44,462
Board of directors members' transportation allowance	29,400	29,400
Modernization committee expenses	25,266	23,600
Professional fees	23,681	20,035
Machinery and software maintenance	22,328	23,742
Official visits and missions	21,471	14,786
Supplies and stationery	13,271	24,964
Post, telephone, fax and internet	11,802	12,053
Life and job accident insurance expenses	10,315	7,621
Water, electricity and fuel	8,488	8,559
Hospitality expenses	6,887	4,541
Vehicle expenses	6,554	6,553
Building garden expenses	1,450	3,674
Building insurance fees	1,020	1,020
Books and publications	603	191
Newspapers and magazines subscriptions	300	425
Others	10,632	10,716
	<u>2,024,629</u>	<u>1,787,721</u>

(19) Related Parties Transactions

Related parties represent the Central Bank, top management and members of the board of directors. Prices and conditions related to these transactions are approved by the Institute's management.

The following is a summary of related parties balances in the statement of financial position:

	<u>2025</u>	<u>2024</u>
	JD	JD
Financial assets at amortized cost	<u>2,000,000</u>	<u>2,000,000</u>
Bank accounts with the Central Bank	<u>93,558</u>	<u>57,471</u>
Accrued interest income (Note 11)	<u>40,252</u>	<u>40,650</u>
End of service provision for top management	<u>186,388</u>	<u>171,532</u>

The following is a summary of related parties' transactions in the statement of comprehensive income.

	<u>2025</u>	<u>2024</u>
	JD	JD
Central Bank's contribution in revenues	<u>305,207</u>	<u>328,375</u>
Interest income from financial assets at amortized cost	<u>146,490</u>	<u>146,490</u>
Salaries and benefits of top management	<u>87,413</u>	<u>85,586</u>
Board of Directors transportation allowance	<u>29,400</u>	<u>29,400</u>
End of service provision for top management	<u>14,857</u>	<u>14,174</u>

(20) Income and Sales Tax

The Institute benefits from an income tax exemption as it is a non-profit organization in accordance to Article (4) of Income Tax Law No (34) for the year 2014 and its amendments, and the Institute is exempted from general sales tax since its education and training services are exempted from sales tax under schedule (3) attached to General Sales Tax Law No (6) for the year 1994 and its amendments.

(21) Risk Management

Interest rate risk

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates.

The Institute is exposed to interest rate risk on its assets and liabilities that carry a variable interest rate such as deposits.

The statement of comprehensive income sensitivity is represented by the impact of the potential assumed changes in interest rates on the Institute's profit for one year, which is calculated on the financial assets and liabilities that have a variable interest rate as at 31 December.

The following table summarizes the sensitivity analysis for the changes in the interest rates as of 31 December with all other variables held constant:

2025 -	Increase in interest rate	Effect on profit for the year
Currency	%	JD
JD	1	11,934
2024 -	Increase in interest rate	Effect on profit for the year
Currency	%	JD
JD	1	16,439

Credit risk

Credit risk is the risk that one party to a financial instrument will fail to discharge an obligation and cause the other party to incur a financial loss.

The institute believes that it is not highly exposed to credit risks. The Institute seeks to limit its credit risk with respect to customers by setting credit limits for customers and monitoring outstanding receivables and with respect to banks by only dealing with reputable banks.

Liquidity risk

Liquidity risk is represented by the possibility that the Institute may not be able to meet its liabilities when due.

The Institute limits its liquidity risk by ensuring sufficient liquidity is available.

Management of the Institute believes that it maintains the liquidity required to meet its obligations when they fall due for at least one year from the date of the financial statements.

The table below summarizes the maturities of the Institute's financial liabilities (undiscounted) as at 31 December 2025 and 2024, based on contractual payment dates and current market interest rates.

	Less than one year	More than one year	Total
	JD	JD	JD
31 December 2025 -			
End of service provision	-	1,283,061	1,283,061
Accounts payable	119,937	-	119,937
Other credit balances	62,857	-	62,857
	<u>182,794</u>	<u>1,283,061</u>	<u>1,465,855</u>

	Less than one year	More than one year	Total
31 December 2024 -	JD	JD	JD
End of service provision	-	1,235,422	1,235,422
Accounts payable	41,264	-	41,264
Other credit balances	62,306	-	62,306
	<u>103,570</u>	<u>1,235,422</u>	<u>1,338,992</u>

Currency risk

Foreign currency risk is the risk arising from the change in the foreign currency prices.

The majority of the Institute's transactions are in Jordanian Dinars. Accordingly, there is no significant currency risk on the financial statements.

(22) 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 Institute's financial statements are disclosed below. The Institute 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 amendments are not expected to have a material impact on the Institute's financial statements.

IFRS 18 Presentation and Disclosure in Financial Statements

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

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

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

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

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

The Institute is currently working to identify all impacts the amendments will have on the primary financial statements and notes to the financial statements.

IFRS 19 Subsidiaries without Public Accountability: Disclosures

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

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

The standard is not expected to have a material impact on the Institute's financial statements.

Translation to a Hyperinflationary Presentation Currency – Amendments to IAS 21

In November 2025, the Board issued Translation to a Hyperinflationary Presentation Currency – Amendments to IAS 21. The amendments require translation from a non-hyperinflationary functional currency into a hyperinflationary presentation currency at the closing rate.

If an entity's functional currency is the currency of a non-hyperinflationary economy, but its presentation currency is the currency of a hyperinflationary economy, its results and financial position are translated into the presentation currency by translating all amounts (i.e., assets, liabilities, equity items, income and expenses) and all comparatives at the closing rate at the date of the most recent statement of financial position.

An entity whose functional currency and presentation currency are the currency of a hyperinflationary economy, restates the comparative amounts of a foreign operation, whose functional currency is that of a non-hyperinflationary economy, by applying the general price index, in accordance with paragraph 34 of IAS 29, to the foreign operation's comparative figures.

The amendments also introduce certain additional disclosure requirements.

The amendments apply for annual reporting periods beginning on or after 1 January 2027 and earlier application is permitted.