



البنك  
الأردني الكويتي  
JORDAN KUWAIT  
BANK

# JKB Group H1 2023 Results To Investors and Analysts

[jkb.com](http://jkb.com)

# Overview

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# About

A Jordanian public shareholding company listed on the Amman Stock Exchange (Ticker: JOKB); founded in 1976 as the country's fifth national commercial bank.

The Bank's paid-up capital is JD 150 million (USD 211m) and is a member of Kuwait Projects Company Holding (KIPCO) group.





# Services



**“MORE THAN JUST A BANK”**



# The Slogan

The context of the slogan “More than just a bank” reflects the Bank’s commitment in achieving a pivotal leap in all areas of business, expanding the services and products offered to include the latest innovations and technologies in the banking arena that relate to banking or that complement it.

Within this concept, the Bank’s services were expanded to include the provision of investment advisory, legal services, financial engineering, insurance, brokerage and other services that global financial institutions already practice, thus turning the Bank into a one stop customer service provider of integrated and comprehensive set of offerings that meet all the needs of individual and institutional customer.





# Vision, Mission & Values

## OUR COMMITMENT

Since Jordan Kuwait Bank's establishment on October 25, 1976, the Bank has been conscientious about playing a leading and distinctive role in serving the national economy through providing distinguished and comprehensive banking services and solutions that meet the needs and interests of the Bank's clients and general public through a wide network of branches in Jordan and Cyprus.



## OUR VISION

"To bring the bright future of banking to our customers today."

## OUR MISSION

"Providing integrated, tailored, and frictionless banking experience through digitally innovative and agile services."

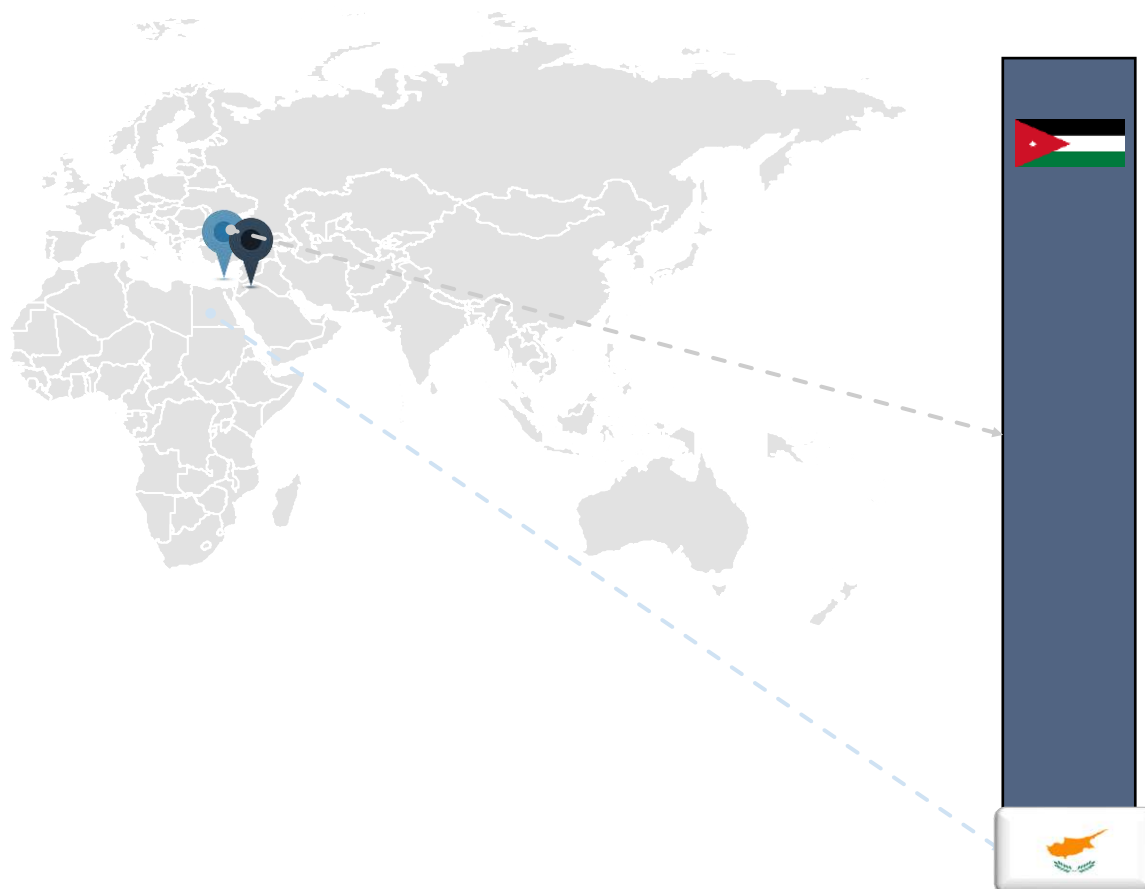


## OUR VALUES

- We thrive on empowerment
- We work together
- We treat all stakeholders as family
- We welcome change
- We are corporate citizens



# Network



CITY	BRANCHES	ATMS	ITMS
AMMAN	41	82	6
IRBID	4	6	1
DEAD SEA/ SWEIMEH	1	6	-
AQABA	1	4	-
AL – MAFRAQ	1	1	-
AL – KARAK	1	1	-
BALQA'A	4	5	-
JERASH	1	1	-
MADABA	1	1	-
ZARQA	6	5	-
Jawwal Branch	1	1	-
LIMASSOL	1	-	-
Total	63	113	6



# Awards and Recognitions



**JKB received “Best Bank for Social Responsibility in Jordan” award from Global Banking and Finance Review**



**Jordan's Best Domestic Private Bank 2023**



**Bank of Baghdad Best Bank Iraq 2023**



**JKB certified as one of the best places to work in Jordan in 2023**



**JKB Awarded Best Corporate Bank and Best Private Bank in Jordan in 2022**



**JKB received the “Peacock Best Corporate Banking” award at the World Fintech Summit in 2022**



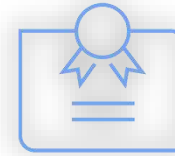
# Key Recent Milestones



During June 2023, Jordan Kuwait Bank has completed the deal of acquiring 76.972% of BHM Capital paid-up capital. BHM Capital Financial Services is a private joint stock company listed in Dubai Financial Market (DFM) and regulated by UAE Securities and Commodities Authority.

For more information about the company, please visit its website: <https://www.bhmuae.ae/>

This purchase decision comes in support of the Bank's expansion strategy, enhancing its market share, and diversifying its sources of income.



## Perpetual Tier 1 Capital Bonds Issuance

Jordan Kuwait Bank is in the process of issuing Tier 1 capital bonds (additional capital) with a maximum amount of JD 89 million (or its equivalent in US Dollars), noting that these bonds will be classified within the additional capital AT1. This step comes as part of Management's strategy to enhance the Bank's performance and financial position, in addition to expanding regionally, contributing towards a diversification in the Bank's revenue sources.



## Green Bonds Issuance

Jordan Kuwait Bank has issued the first green bond in Jordan for the amount of USD 50 million for a period of 5 years.

IFC invested USD 50 million in the five-year bond, issued by Jordan Kuwait Bank. The financing comprises up to \$36 million from IFC's own account, and a blended finance co-investment of up to \$10 million from the Canada-IFC Blended Climate Finance Program and \$4 million from the Dutch-funded MENA Private Sector Development Facility, both implemented by IFC.

Jordan Kuwait Bank will earmark the proceeds for green projects and assets – including renewable energy projects, low-carbon vehicles, green infrastructure such as low-carbon transport, new energy-efficient green buildings, and sustainably managed water resources and waste.

This pioneering step paves the way for issuing more green bonds in the Kingdom; unleashing financing Jordan's economic transformation into a green economy and developing a new asset class to the Jordanian capital market to finance sustainable and environmentally friendly projects that aim to reduce greenhouse gas emissions and unemployment rates.



مصرف بغداد  
Bank of Baghdad

During February 2023, Jordan Kuwait Bank has completed the deal of acquiring 53.4% of Bank of Baghdad "BoB" Capital.

For more information about the Bank, please visit its website: <https://www.bankofbaghdad.com.iq/>

This purchase decision comes in support of the Bank's expansion strategy, enhancing its market share, and diversifying its sources of income.



# Key Financial Highlights & Sustainability Reports





# Financial Highlights

For the period ended 30.06.2023

**32.2%**



Growth in Total Assets

Capital Adequacy Ratio



**17.95%**

**384.8%**



Liquidity Coverage Ratio

Net Interest &  
Commission to Gross  
Income



**79.6%**

**30.4%**



Total ECLs to Total  
Expenses

Growth in net  
Income



**544.8%**

**77.01%**



Stage 3 facilities  
Coverage Ratio

Cash Dividends Paid

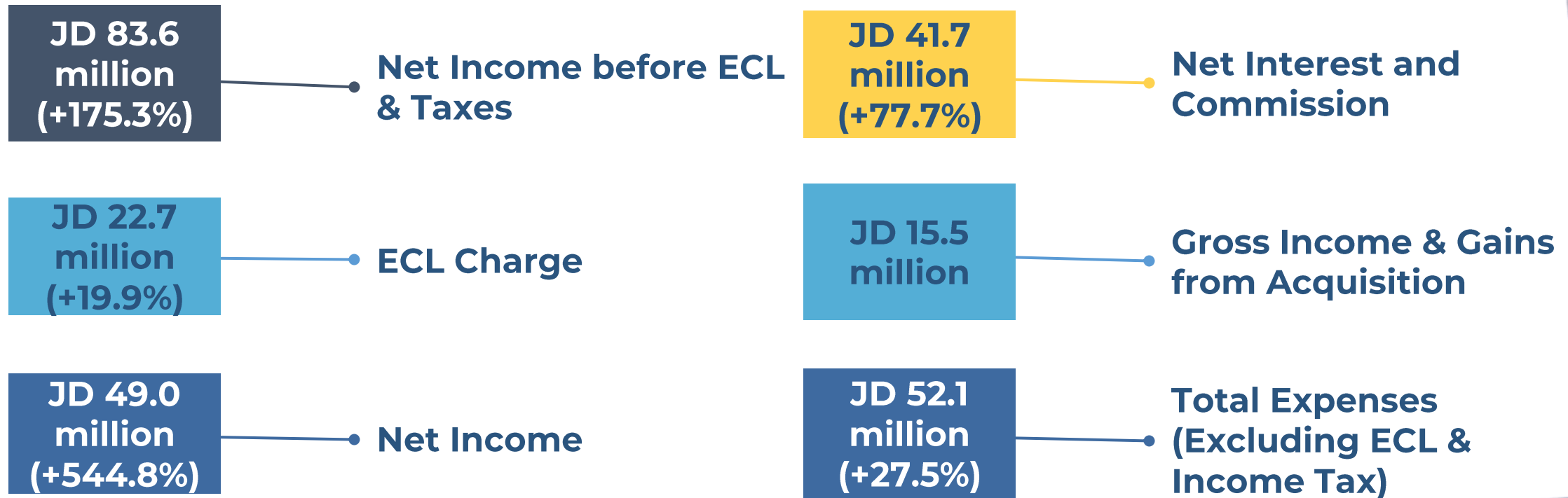


**8%**



# Key Consolidated Financial Performance Figures

For the Six Months Ended at 30.06.2023





# Key Consolidated Financial Position Balances

As at 30.06.2023

Total Assets

JD 4.69 billion  
(+32.1%)

Direct Credit Facilities - Net

JD 2.1 billion  
(+9.1%)

Customer Deposits and Cash  
Margins

JD 3.23 billion  
(+27.5%)

Total Liabilities

JD 3.99 billion  
(+30.1%)

Total Equity

JD 693.4 million  
(+45.2%)

# Consolidated Statement of Financial Position

## – H1 2023

JD mn

	30-June-23	31-Dec-22	Change	
				%
<b>Assets</b>				
Cash and balances with Central Banks	764.9	480.7	284.3	59.1%
Balances at banks and financial institutions	360.3	123.4	236.9	192%
Direct credit facilities - net	2,096.2	1,922.6	174	9.1%
Financial assets at fair value through P/L	25.7	21.0	4.78	22.8%
Financial assets at fair value through other comprehensive income	100.5	95.0	5.56	5.9%
Financial assets at amortized cost	976.6	618.0	358.61	58.0%
Fixed assets – net	81.3	36.0	45.26	125.7%
Intangible assets – net	18.3	7.2	11.06	152.8%
Deferred tax assets	59.3	56.3	2.96	5.3%
Other assets	190.8	176.1	18.82	10.7%
Right of use of leased assets	12.3	10.5	1.79	17.0%
<b>Total assets</b>	<b>4,686.8</b>	<b>3,546.9</b>	<b>1,139.89</b>	<b>32.1%</b>



JD mn

## Liabilities

	30-June-23	31-Dec-22	Change	%
Bank and financial institutions deposits	70.6	107.2	(36.6)	-34.1%
Customers' deposits	3,106.4	2,418.7	687.7	28.4%
Cash margins	127.4	117.9	9.5	8.1%
Borrowed funds	396.7	296.6	100.1	33.8%
Green Bonds	35.5	-	35.5	100.0%
other provisions	16.8	14.5	2.4	16.3%
Bonds	11.0	11.0	-	0.0%
Income tax provision	19.9	18.8	1.1	5.9%
Deferred tax liabilities	7.7	7.5	0.2	3.1%
Liabilities against right of use of leased assets	13.2	10.7	2.5	23.2%
Other liabilities	188.2	66.6	121.6	182.7%
<b>Total liabilities</b>	<b>3,993.4</b>	<b>3,069.4</b>	<b>924.0</b>	<b>30.1%</b>

JD mn

	30-June-23	31-Dec-22	Change	
				%
<b>Equity</b>				
Paid-in capital	150.0	150.0	0.0	0.0%
Perpetual bonds	89.0	0.0	89.0	100.0%
Statutory reserve	100.0	100.0	0.0	0.0%
Voluntary reserve	110.9	122.9	(12.0)	-9.8%
Financial assets revaluation reserve	7.3	6.9	0.4	100.0%
Remeasurement of post-employment benefits	1.1	1.1	0.0	0.0%
FX Translation Reserve	(4.1)	0.0	(4.1)	100.0%
Retained earnings	94.5	95.0	(0.5)	-0.5%
Income for the period	36.3	0.0	36.3	100.0%
<b>Total equity - Bank's shareholders</b>	<b>585.0</b>	<b>475.8</b>	<b>109.2</b>	<b>22.9%</b>
Non-controlling interests	108.4	1.7	106.7	6198.3%
<b>Total equity</b>	<b>693.4</b>	<b>477.6</b>	<b>215.9</b>	<b>45.2%</b>
<b>Total liabilities and equity</b>	<b>4,686.8</b>	<b>3,546.9</b>	<b>1,139.9</b>	<b>32.1%</b>

# Consolidated Statement of Income

## – H1 2023

JD mn

	For the six months ended June 30,			
	2023	2022	Change	%
Interest income	119.3	72.1	47.2	65.5%
Less: Interest expense	53.1	25.0	28.1	112.2%
<b>Net interest income</b>	<b>66.2</b>	<b>47.1</b>	<b>19.2</b>	<b>40.8%</b>
Commission income	29.4	4.7	24.7	525.5%
<b>Net interest and commission income</b>	<b>95.7</b>	<b>51.8</b>	<b>43.9</b>	<b>84.8%</b>
Foreign currency exchange gain	10.1	1.6	8.5	534.6%
Gain from financial assets (Investments portfolio)	5.8	5.3	0.5	10.1%
Other income	8.5	12.5	(4.0)	-32.1%
<b>Gross income</b>	<b>120.2</b>	<b>71.2</b>	<b>49.0</b>	<b>68.7%</b>

*JD mn*

**For the six months ended June 30.**

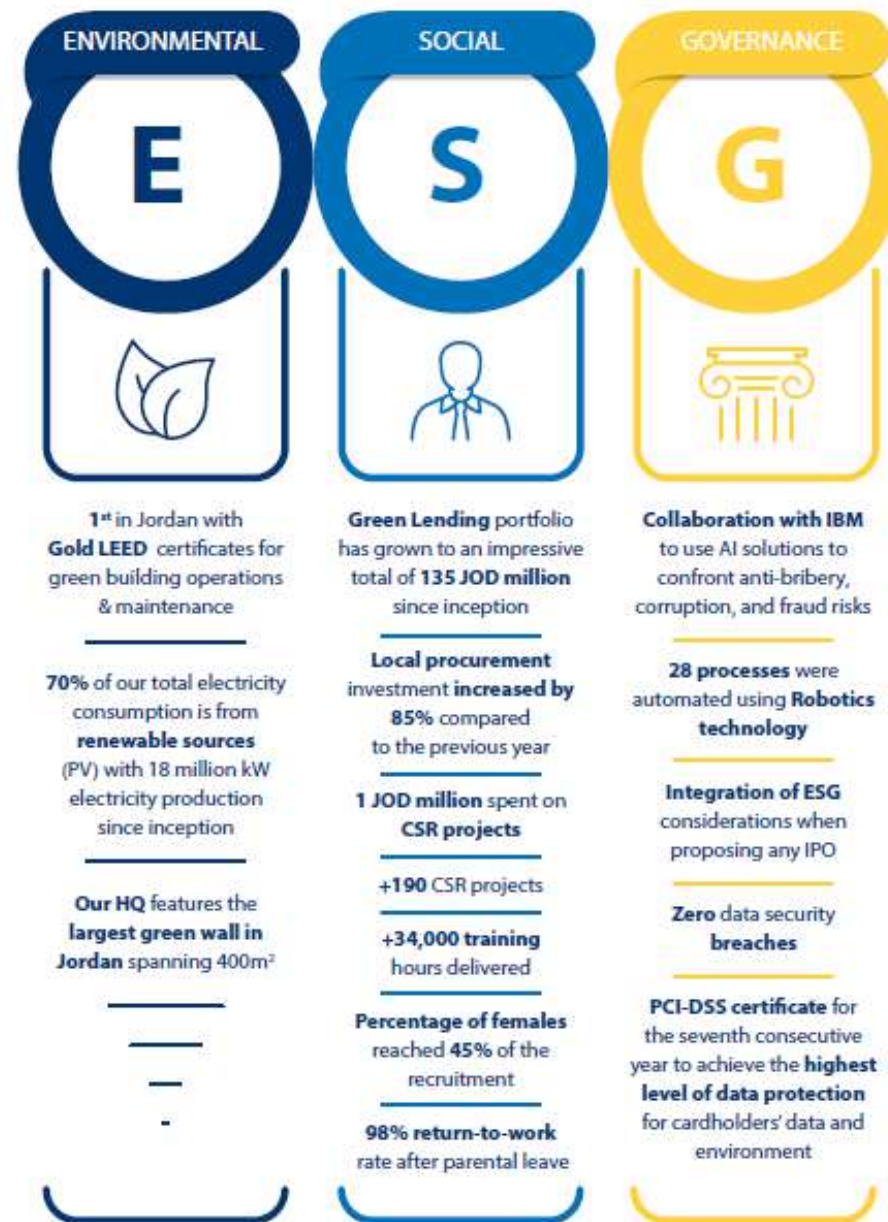
	<b>2023</b>	<b>2022</b>	<b>Change</b>	<b>%</b>
Employees' expenses	23.9	16.8	7.1	42.3%
Depreciation and amortization	3.5	2.4	1.1	45.8%
Expected credit losses	22.7	18.9	3.8	20.1%
Other provisions	2.3	1.0	1.3	130.0%
Other expenses	22.4	20.6	1.8	8.7%
<b>Total expenses</b>	<b>74.8</b>	<b>59.8</b>	<b>15</b>	<b>25.1%</b>
Gain from acquisition	15.5	-	15.5	100.0%
<b>Profit for the Period before income tax</b>	<b>60.9</b>	<b>11.4</b>	<b>49.5</b>	<b>434.2%</b>
Income tax expense	11.9	3.8	8.1	213.2%
<b>Income for the Period</b>	<b>49</b>	<b>7.6</b>	<b>41.4</b>	<b>544.7%</b>



# Sustainability Report

## 2022 Highlights

As we continue to prioritize sustainability, Jordan Kuwait Bank made significant strides in 2022. We are thrilled to share our key accomplishments, which underscore our efforts to address climate change and reduce greenhouse gas (GHG) emissions. Our achievements demonstrate our commitment to environmental responsibility, social impact, and good governance.





# Financial & Sustainability Reports



## JKB Financial Reports

[Click Here to view](#)



## JKB Sustainability Reports

[Click Here to view](#)

# Credit Rating

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Sovereign	LT	B+
	ST	B
JKB Foreign Currency	LT (Positive Outlook)	B+
	ST	B
JKB FS	BB	
JKB BSR Outlook	Stable	



# Jordan Macro Economy

# Jordan at Glance

Despite a challenging global environment, Jordan's growth exceeded expectations during the first half of 2022. Propelled by a strong rebound in international tourism, the full reopening of the economy, and improving exports, real GDP accelerated to 2.7%. Inflation has reached its highest level since 2018, but remains contained compared to regional peers. On the external front, elevated global commodity prices led to a significant rise in Jordan's import bill, outpacing the effect of the increased merchandise exports and tourism. Moreover, capital and financial inflows did not keep up with the widening current account deficit, resulting in a widening of the balance of payment deficit and a drawdown in foreign exchange reserves.



Nonetheless. due to its substantial reserve buffers. the Central Bank's gross foreign reserves remained at an adequate level. while Jordan continues to retain investors' confidence and access to foreign financial markets.

2023 Projected Real GDP (% Change)

2.7

Unemployment Rate

24.4

Inflation rate. average consumer prices

3.8

Current account balance. (% of GDP)

-6.7

Country Population

10.312  
M

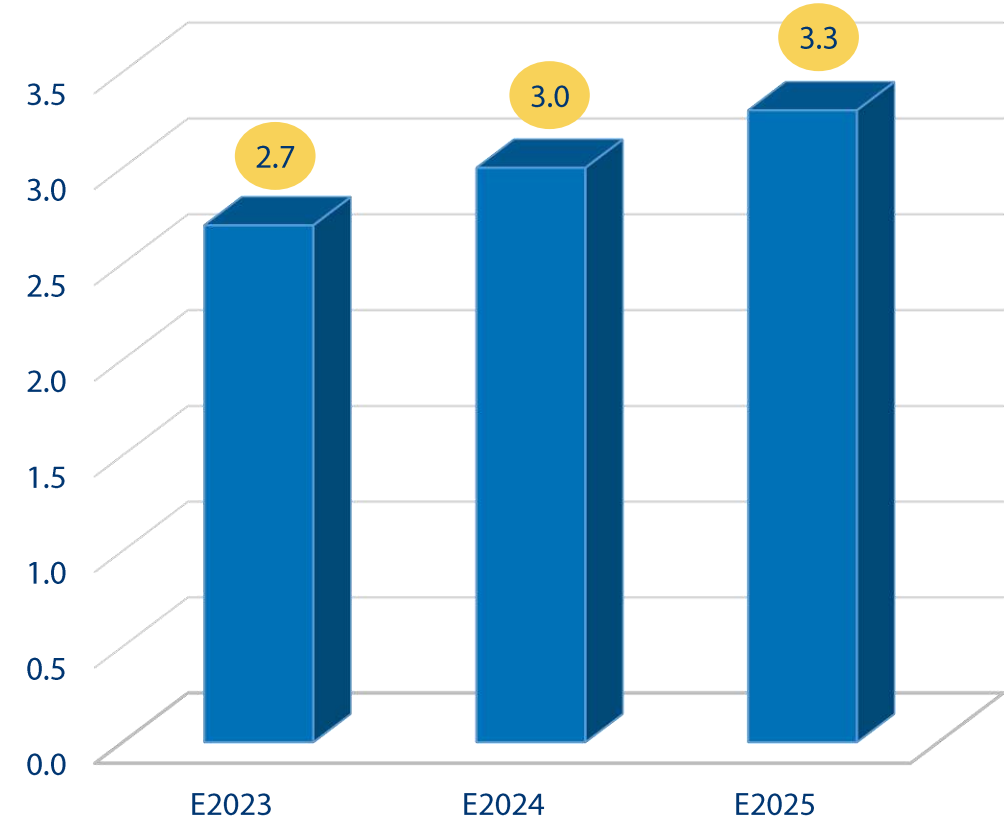
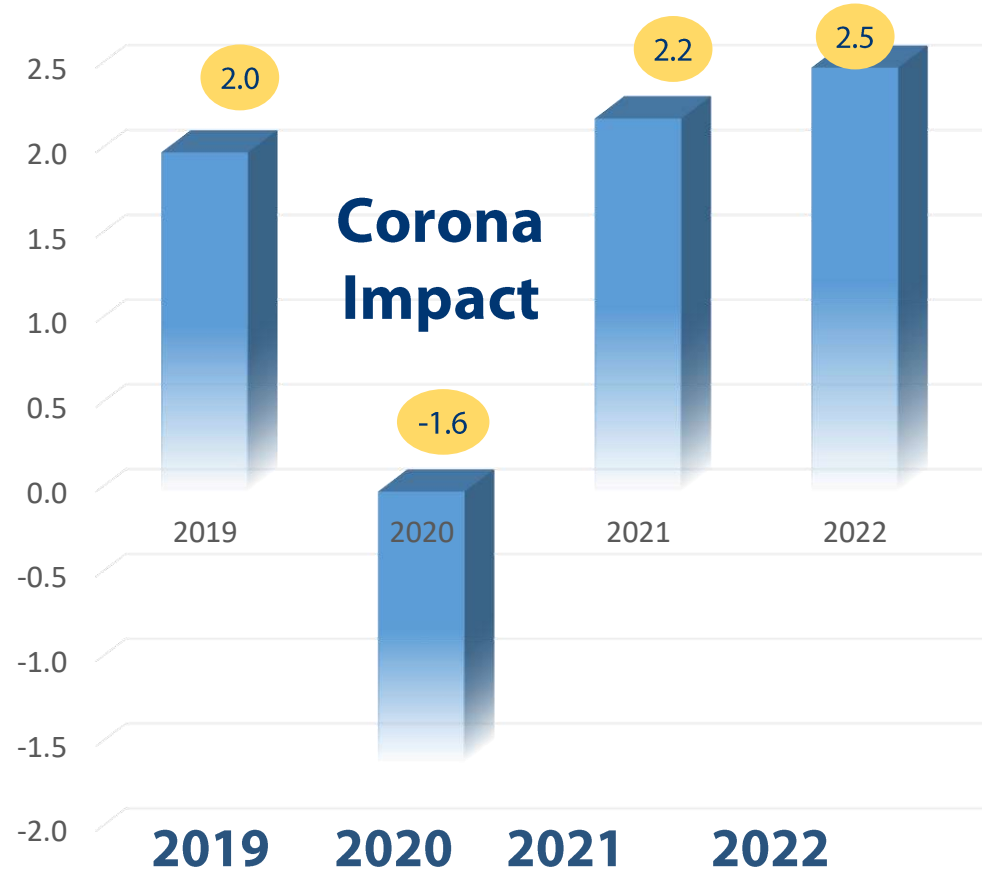
General government gross debt  
(% of GDP)

91

Sources: Department of Statistics of Jordan, World Bank, International Monetary Fund



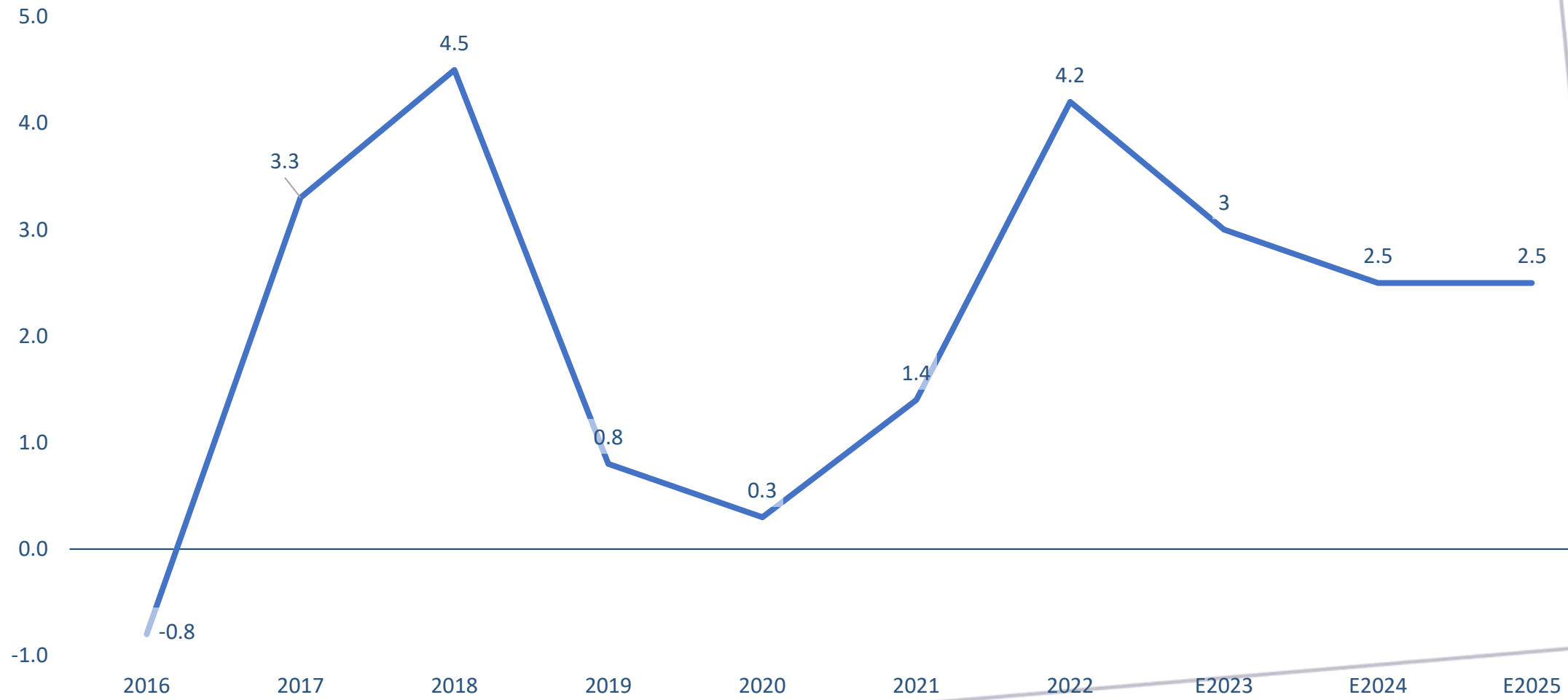
# Economic Growth %



\*Source: IMF website



# Inflation in Jordan



Sources: Central Bank of Jordan, World Bank, International Monetary Fund



# Interest on Monetary policy instrument and open market operations at CBJ rate

Description	Rate (May 2023)
CBJ main Rate	7.25%
Re-discount Rate	8.25%
Overnight Deposit Window Rate	7.00%
Repurchase agreements Interest Rate	8.00%
Repurchase agreements Interest Rate – One week/ One month	7.25%
Certificate of Deposit Interest Rate – One week	7.25%



# Affiliates & Partners

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#### **Kuwait Projects Company Holding (KIPCO)**

Relationship with Bank: KIPCO is the main shareholder in Al Rawabi United Holding Co., which in turn owns about 51% of Jordan Kuwait Bank's capital.

Kuwait Projects Company (Holding) – KIPCO – is a holding company that focuses on investments in the Middle East and North Africa. It's strategy of acquiring, building, scaling and selling companies in the MENA region has worked successfully for over 30 years. KIPCO's main business sectors are financial services, media, real estate and industry. KIPCO's financial service interests include holdings in commercial banks, insurance companies, asset management and investment banking.

[www.kipco.com](http://www.kipco.com)

#### **Al Rawabi United Holding Co.**

Relationship with Bank: Al Rawabi United Holding Co. owns about 51% of Jordan Kuwait Bank's capital. Al Rawabi United Holding Co. is a subsidiary of KIPCO (Kuwait Investment Projects Company).



#### **Quds Bank**

Relationship with Bank: Jordan Kuwait Bank holds 10% of its capital.

Established in Ramallah in 1995, Quds Bank today has a portfolio that offers a wide range of retail and corporate banking solutions including but not limited to personal account services, home and auto financing, SME's financing, commercial loans and project support.

The bank runs its' main operations through its' headquarter located in Ramallah, Al Masyoun, in addition to 37 fully-fledged branches and offices across Palestine (West Bank and Gaza).

[www.qudsbank.ps](http://www.qudsbank.ps)



#### **Tunis International Bank**

Relationship with Bank: A sister company. Tunis International Bank is a subsidiary of Burgan Bank Group.

Tunis International Bank offers a comprehensive range of financial services to corporations, financial institutions, governments and individuals in Tunisia and abroad, including foreign exchange and money market operations in all currencies, international trade finance, commercial banking, investments and others.

[www.tib.com](http://www.tib.com)



#### **United Gulf Bank**

Relationship with Bank: A sister company. United Gulf Bank is a subsidiary of Kuwait Projects Company Holding (KIPCO).

United Gulf Bank B.S.C., the investment banking arm of Kuwait Projects Company (Holding) (KIPCO), it operates as a wholesale bank from its home base in Bahrain. The bank's current business model is focused on asset management, investment banking and brokerage services through a network of financial service entities with footprints across the Middle East and North Africa region.

[www.ugbbh.com](http://www.ugbbh.com)



#### **Gulf Bank Algeria**

Relationship with Bank: A sister company. Gulf Bank Algeria is a subsidiary of Burgan Bank Group. Jordan Kuwait Bank holds a stake of 10% in its capital.

Gulf Bank Algeria was established in March 2004 with a paid-up capital of \$90 million. The bank's main mission is contributing to the financial and economic growth in Algeria. The Bank offers a wide range of banking products and services in addition to traditional banking services that are "sharia" compliant to meet the needs of different segments of customers.

<https://www.agb.dz/>

**Simplifions la Banque**



güçün merkezindedir

#### **Burgan Bank – Turkey**

Relationship with Bank: A sister company. Burgan Bank – Turkey is a fully owned subsidiary of Burgan Bank Group.

Burgan Bank – Turkey is a fully owned subsidiary of Burgan Bank Group. The bank is backed by a clear cut strategy that focuses on the upside geo-economic growth potential Turkey provides, along with the benefits of the bank's wider group synergies across Jordan, Iraq, Tunisia, Algeria and Lebanon.

[www.burgan.com.tr](http://www.burgan.com.tr)



#### **Burgan Bank**

Relationship with Bank: A sister company. Burgan Bank – Kuwait is a fully owned subsidiary of Burgan Bank Group.

Burgan Bank, a subsidiary of KIPCO (Kuwait Investment Projects Company), is a regional bank with majority owned subsidiaries in the MENA region. The youngest and most dynamic regional commercial bank, established in 1977, the Bank has acquired a leading role in the retail, corporate and investment banking sector through innovative product offers and technologically advanced delivery channels.

[www.burgan.com](http://www.burgan.com)



#### **FIMBank**

Relationship with Bank: A sister company. United Gulf Bank is a subsidiary of Kuwait Projects Company Holding (KIPCO).

FIMBank is an international trade finance specialist offering a comprehensive range of trade finance and banking services. The Bank has an established reputation as a dynamic and customer-driven provider of trade finance solutions and is at the forefront of introducing and developing receivable finance techniques in emerging markets. FIMBank is headquartered in Malta and benefits from a physical presence in more than ten financial centers worldwide serving clients located in over 50 countries.

[www.fimbank.com](http://www.fimbank.com)

# Subsidiaries

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United Financial Investments Company (UFICO) was established in 1980 to be later listed in 1996 (Ticker: UCFI). UFICO is considered one of the best brokerage firms and financial services companies operating in Jordan as it depends on the latest technology and direct electronic link with global financial markets. In 2002, UFICO became a subsidiary of Jordan Kuwait Bank.

In October 2021, UFICO acquired Sanad Capital, a fully-owned subsidiary of Jordan Kuwait Bank. Sanad Capital was established in 2016 and offers a wide range of financial advisory services including lead managing stocks and bonds issuances, financial advisory services to companies and family groups, in addition to offering financial investment opportunities.

UFICO also acquired Al Mawared Brokerage in Q2 2022, previously a subsidiary of Invest Bank, offering brokerage services.

During December 2022, UFICO acquired Arab Financial Investment Company ("AFIN") which offers local and foreign brokerage services.



Ejara Leasing Company (Ejara) was established in 2011, as a private shareholding company with a paid-up capital of JD 20 million, fully owned by the Bank.

Ejara aims to provide innovative and high-quality leasing services to supplement the banking and financing services offered at Jordan Kuwait Bank to be in line with the developments in the financial market, meet the needs of the Bank's clients and support the various economic activities, while developing the concept of financial leasing and providing the Bank's clients with different financing alternatives.





BoB is one of the largest private commercial banks in Iraq with a paid-up capital of IQD 250 billion. BoB provides trusted high-quality financial services through offering its commercial and international services to small and medium enterprises, including commercial real estate and construction loans, credit services, letters of credit and trade finance, in addition to individual customers' services which include a full range of savings accounts, housing loans, personal loans and auto loans through its Head office and 33 branches inside Iraq in addition to 1 branch located in Lebanon.

BoB is a member of the Kuwait Projects Company (Holding), has presence in the MENA region, and is part of a group of seven partner banks: The Bank of Baghdad in Iraq, Gulf Bank Algeria in Algeria, Jordan Kuwait Bank in Jordan, Tunis International Bank in Tunisia, Burgan Bank in Kuwait and United Gulf Bank in Bahrain.



BHM Capital Financial Services is a private joint stock company listed in Dubai Financial Market (DFM) and regulated by UAE Securities and Commodities Authority.

Since its inception in 2006, it has been ranked as one of the top firms in the country's financial markets. It is considered a pioneer in providing specialized technological services to its retail and corporate clients on a regional level due to its advanced systems.

BHM also offers other trade fields to its clients through access to capital markets in UAE, KSA, USA, UK, Europe and other regional and international markets as well as a wide range of financial services and investment instruments including prime brokerage, investment management, liquidity providing, market making, corporate advisory and research.

The head office is located in Dubai, and has branches in Abu Dhabi, Sharjah, RAK, Al Ain and inside Dubai Financial Market (DFM).



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