

**JORDAN KUWAIT BANK**

**(A PUBLIC SHAREHOLDING COMPANY)**

**INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS**  
**(REVIEWED NOT AUDITED)**

**30 JUNE 2024**



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**REVIEW REPORT ON THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS  
TO THE BOARD OF DIRECTORS OF JORDAN KUWAIT BANK  
AMMAN - JORDAN**

**Introduction**

We have reviewed the accompanying interim condensed consolidated financial statements of Jordan Kuwait Bank as of 30 June 2024, comprising of the interim condensed consolidated statement of financial position as of 30 June 2024, interim condensed consolidated statement of income, interim condensed consolidated statement of comprehensive income, interim condensed consolidated statement of changes in equity and interim condensed consolidated statement of cash flows for the six-month period then ended and explanatory notes. Management is responsible for the preparation and presentation of these interim condensed consolidated financial statements in accordance with IAS (34) (Interim Financial Reporting). Our responsibility is to express a conclusion on these interim condensed consolidated financial statements based on our review.

**Scope of review**

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

**Conclusion**

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

**Other Matter**

The consolidated financial statements for the year ended 31 December 2023 and the interim condensed consolidated financial statements for the period ended 30 June 2023 were audited and reviewed by another auditor. An unqualified opinion and unqualified conclusion were issued on 28 February 2024 and 31 July 2023, respectively.

Amman – Jordan  
30 July 2024

**ERNST & YOUNG**  
Amman - Jordan



**JORDAN KUWAIT BANK**  
**(A PUBLIC SHAREHOLDING COMPANY)**  
**INTERIM CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION**  
**AS AT 30 JUNE 2024 (REVIEWED NOT AUDITED)**

|                                                                       | Notes | 30 June<br>2024<br>(Reviewed not<br>audited)<br>JD | 31 December<br>2023<br>(Audited)<br>JD |
|-----------------------------------------------------------------------|-------|----------------------------------------------------|----------------------------------------|
| <b>ASSETS</b>                                                         |       |                                                    |                                        |
| Cash and balances at central banks                                    | 4     | 1,525,952,932                                      | 1,072,306,647                          |
| Balances at banks and financial institutions                          | 5     | 394,271,148                                        | 540,276,278                            |
| Financial assets at fair value through profit or loss                 | 6     | 6,065,854                                          | 24,760,478                             |
| Financial assets at fair value through other comprehensive income     | 7     | 124,124,608                                        | 116,223,622                            |
| Direct credit facilities-net                                          | 8     | 1,968,270,590                                      | 2,006,746,300                          |
| Financial assets at amortised cost                                    | 9     | 1,211,344,255                                      | 1,122,883,189                          |
| Property and equipment - net                                          |       | 83,458,647                                         | 80,450,626                             |
| Intangible assets - net                                               |       | 13,845,106                                         | 11,907,278                             |
| Deferred tax assets                                                   |       | 54,057,024                                         | 58,716,359                             |
| Right-of-use assets                                                   | 10-a  | 12,310,454                                         | 12,559,364                             |
| Other assets                                                          | 11    | 192,503,977                                        | 174,624,209                            |
| Assets held for sale                                                  | 38    | 18,815,467                                         | 22,947,701                             |
| <b>TOTAL ASSETS</b>                                                   |       | <b>5,605,020,062</b>                               | <b>5,244,402,051</b>                   |
| <b>LIABILITIES AND EQUITY</b>                                         |       |                                                    |                                        |
| <b>LIABILITIES</b>                                                    |       |                                                    |                                        |
| Banks and financial institutions deposits                             |       | 31,961,586                                         | 69,620,351                             |
| Customers' deposits                                                   | 12    | 4,050,292,556                                      | 3,707,096,482                          |
| Cash margins                                                          |       | 146,870,316                                        | 139,974,833                            |
| Borrowed funds                                                        | 15    | 342,392,923                                        | 363,157,170                            |
| Sundry provisions                                                     | 13    | 22,320,533                                         | 20,297,592                             |
| Green bonds                                                           | 16    | 35,450,000                                         | 35,450,000                             |
| Income tax provision                                                  | 14-c  | 20,182,907                                         | 32,640,476                             |
| Deferred tax liabilities                                              |       | 3,991,255                                          | 3,497,873                              |
| Lease liabilities                                                     | 10-b  | 12,414,535                                         | 12,791,946                             |
| Other liabilities                                                     | 17    | 118,458,278                                        | 114,258,915                            |
| Liabilities directly attributable to assets held for sale             | 38    | 16,557,229                                         | 18,105,050                             |
| <b>TOTAL LIABILITIES</b>                                              |       | <b>4,800,892,118</b>                               | <b>4,516,890,688</b>                   |
| <b>EQUITY</b>                                                         |       |                                                    |                                        |
| Authorized, issued and paid-in capital                                |       | 150,000,000                                        | 150,000,000                            |
| Perpetual bonds                                                       | 34    | 89,010,000                                         | 89,010,000                             |
| Statutory reserve                                                     | 35    | 106,382,863                                        | 106,382,863                            |
| Voluntary reserve                                                     | 35    | 98,944,584                                         | 110,944,584                            |
| Fair value reserve                                                    | 18    | 21,455,701                                         | 20,004,022                             |
| Actuarial gain from remeasurement of defined post-employment benefits |       | 653,467                                            | 653,467                                |
| Foreign currency translation reserve                                  |       | (3,639,190)                                        | (4,079,865)                            |
| Equity directly attributable to assets held for sale                  |       | (1,605,449)                                        | (1,481,196)                            |
| Retained earnings                                                     | 19    | 139,484,658                                        | 143,309,616                            |
| Profit for the period                                                 |       | 51,083,618                                         | -                                      |
| <b>Total equity attributable to the Bank's shareholders</b>           |       | <b>651,770,252</b>                                 | <b>614,743,491</b>                     |
| Non-controlling Interest                                              |       | 152,357,692                                        | 112,767,872                            |
| <b>TOTAL EQUITY</b>                                                   |       | <b>804,127,944</b>                                 | <b>727,511,363</b>                     |
| <b>TOTAL LIABILITIES AND EQUITY</b>                                   |       | <b>5,605,020,062</b>                               | <b>5,244,402,051</b>                   |

The accompanying notes from 1 to 39 form part of these interim condensed consolidated financial statements



**JORDAN KUWAIT BANK**  
**(A PUBLIC SHAREHOLDING COMPANY)**  
**INTERIM CONDENSED CONSOLIDATED STATEMENT OF INCOME**  
**FOR THE THREE AND SIX MONTHS ENDED ON 30 JUNE 2024 (REVIEWED NOT AUDITED)**

|                                                                                                               | Notes | For the six months ended 30 June |                    | For the three months ended 30 June |                   |
|---------------------------------------------------------------------------------------------------------------|-------|----------------------------------|--------------------|------------------------------------|-------------------|
|                                                                                                               |       | 2024<br>JD                       | 2023<br>JD         | 2024<br>JD                         | 2023<br>JD        |
| Interest income                                                                                               | 20    | 139,844,681                      | 119,293,981        | 72,543,764                         | 62,405,250        |
| Less: Interest expense                                                                                        | 21    | 72,493,414                       | 53,064,593         | 36,336,649                         | 27,912,203        |
| <b>Net interest income</b>                                                                                    |       | <b>67,351,267</b>                | <b>66,229,388</b>  | <b>36,207,115</b>                  | <b>34,493,047</b> |
| Net commission income                                                                                         | 22    | 72,987,464                       | 29,430,402         | 37,604,795                         | 19,479,586        |
| <b>Net interest and commission income</b>                                                                     |       | <b>140,338,731</b>               | <b>95,659,790</b>  | <b>73,811,910</b>                  | <b>53,972,633</b> |
| Gain from foreign currencies                                                                                  |       | 36,249,700                       | 10,147,521         | 20,020,211                         | 4,607,357         |
| Gain (losses) from financial assets at fair value through profit and loss                                     | 6     | 722,317                          | 3,807,756          | 263,709                            | (5,021,543)       |
| Gain from sale of debt instruments at fair value through other comprehensive income                           | 7     | 26,030                           | -                  | -                                  | -                 |
| Cash dividends from financial assets at fair value through other comprehensive income                         | 7     | 1,320,492                        | 2,039,765          | 1,060,961                          | 1,961,015         |
| Other income                                                                                                  | 23    | 6,405,343                        | 8,521,275          | 3,323,752                          | 3,403,544         |
| <b>Gross Income</b>                                                                                           |       | <b>185,062,613</b>               | <b>120,176,107</b> | <b>98,480,543</b>                  | <b>58,923,006</b> |
| Employees' expenses                                                                                           |       | 25,309,335                       | 23,927,063         | 12,517,284                         | 12,359,916        |
| Depreciation and amortization                                                                                 |       | 3,899,708                        | 3,481,201          | 1,927,251                          | 1,808,605         |
| Provision for expected credit losses on direct credit facilities                                              | 8     | 6,535,909                        | 20,524,965         | 11,506,657                         | 10,036,494        |
| (Reversal) provision for expected credit losses on indirect credit facilities                                 | 31    | (1,213,271)                      | 849,658            | (858,620)                          | 638,005           |
| Provision for expected credit losses on deposits at banks and financial institutions                          | 4&5   | 879,942                          | 842,491            | 323,234                            | 791,459           |
| Provision for expected credit losses on investments                                                           | 7&9   | 160,660                          | 520,150            | (38,821)                           | 320,669           |
| Sundry provisions                                                                                             | 13    | 2,928,140                        | 2,305,916          | 1,141,513                          | 1,184,141         |
| Other expenses                                                                                                | 24    | 32,151,983                       | 22,362,513         | 19,390,929                         | 12,223,913        |
| <b>Total expenses</b>                                                                                         |       | <b>70,652,406</b>                | <b>74,813,957</b>  | <b>45,909,427</b>                  | <b>39,363,202</b> |
| Gain from acquisition                                                                                         | 37    | -                                | 15,492,283         | -                                  | 6,626,987         |
| <b>Profit for the period before income tax</b>                                                                |       | <b>114,410,207</b>               | <b>60,854,433</b>  | <b>52,571,116</b>                  | <b>26,186,791</b> |
| Less: income tax expense                                                                                      | 14-d  | 23,896,691                       | 11,882,929         | 11,860,524                         | 4,902,183         |
| <b>Profit for the period</b>                                                                                  |       | <b>90,513,516</b>                | <b>48,971,504</b>  | <b>40,710,592</b>                  | <b>21,284,608</b> |
| <b>Attributable to:</b>                                                                                       |       |                                  |                    |                                    |                   |
| Bank's shareholders                                                                                           |       | 51,083,618                       | 36,343,847         | 20,453,525                         | 13,379,320        |
| Non-controlling interest                                                                                      |       | 39,429,898                       | 12,627,657         | 20,257,067                         | 7,905,288         |
|                                                                                                               |       | <b>90,513,516</b>                | <b>48,971,504</b>  | <b>40,710,592</b>                  | <b>21,284,608</b> |
|                                                                                                               |       | <b>JD/ Fils</b>                  | <b>JD/ Fils</b>    | <b>JD/ Fils</b>                    | <b>JD/ Fils</b>   |
| <b>Earnings per share from profit for the period attributable to Bank's shareholders (basic and diluted):</b> | 25    | <b>0.341</b>                     | <b>0.242</b>       | <b>0.136</b>                       | <b>0.089</b>      |

The accompanying notes from 1 to 39 form part of these interim condensed consolidated financial statements



**JORDAN KUWAIT BANK**  
**(A PUBLIC SHAREHOLDING COMPANY)**  
**INTERIM CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME**  
**FOR THE THREE AND SIX MONTHS ENDED ON 30 JUNE 2024 (REVIEWED NOT AUDITED)**

|                                                                                                                                      | For the six months ended |                   | For the three months ended 30 |                   |
|--------------------------------------------------------------------------------------------------------------------------------------|--------------------------|-------------------|-------------------------------|-------------------|
|                                                                                                                                      | 30 June                  |                   | June                          |                   |
|                                                                                                                                      | 2024                     | 2023              | 2024                          | 2023              |
|                                                                                                                                      | JD                       | JD                | JD                            | JD                |
| Profit for the period                                                                                                                | 90,513,516               | 48,971,504        | 40,710,592                    | 21,284,608        |
| <b>Add:</b>                                                                                                                          |                          |                   |                               |                   |
| <b>Other comprehensive income items:</b>                                                                                             |                          |                   |                               |                   |
| <b>Items that will be subsequently reclassified to interim condensed consolidated statement of income after tax:</b>                 |                          |                   |                               |                   |
| Net change in the valuation reserve of financial assets at fair value through other comprehensive income after tax- debt instruments | (198,747)                | 105,745           | (2,567,769)                   | 252,859           |
| <b>Items that will not be subsequently reclassified to interim condensed consolidated statement of income after tax:</b>             |                          |                   |                               |                   |
| Net change in the valuation reserve of financial assets at fair value through comprehensive income after tax – equity instruments    | 1,426,265                | 285,602           | 1,153,726                     | 2,273,688         |
| Foreign currency translation differences                                                                                             | 824,758                  | (7,291,432)       | 6,739                         | -                 |
| <b>Total comprehensive income for the period</b>                                                                                     | <b>92,565,792</b>        | <b>42,071,419</b> | <b>39,303,288</b>             | <b>23,811,155</b> |
| <b>Attributable to:</b>                                                                                                              |                          |                   |                               |                   |
| <b>Bank's shareholders</b>                                                                                                           | 52,975,972               | 32,655,329        | 19,455,924                    | 13,993,291        |
| <b>Non-controlling interest</b>                                                                                                      | 39,589,820               | 9,416,090         | 19,847,364                    | 9,817,864         |
|                                                                                                                                      | <b>92,565,792</b>        | <b>42,071,419</b> | <b>39,303,288</b>             | <b>23,811,155</b> |

The accompanying notes from 1 to 39 form part of these interim condensed consolidated financial statements



**JORDAN KUWAIT BANK**  
**(A PUBLIC SHAREHOLDING COMPANY)**  
**INTERIM CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY**  
**FOR THE SIX MONTHS ENDED ON 30 JUNE 2024 (REVIEWED NOT AUDITED)**

|                                                                               | Authorized,<br>issued and paid-<br>in capital<br>JD | Perpetual<br>bonds<br>JD | Reserves           |                    |                   | Actuarial gain<br>from re-<br>measurement<br>of defined post-<br>employment<br>benefits<br>JD | Foreign<br>currency<br>translation<br>reserve<br>JD | Equity directly<br>related to<br>assets held for<br>sale | Profit for the<br>period<br>JD | Retained Earnings<br>JD | Total equity<br>attributable to –<br>Bank's<br>Shareholders<br>JD | Non-<br>controlling<br>interest<br>JD | Total equity<br>JD |
|-------------------------------------------------------------------------------|-----------------------------------------------------|--------------------------|--------------------|--------------------|-------------------|-----------------------------------------------------------------------------------------------|-----------------------------------------------------|----------------------------------------------------------|--------------------------------|-------------------------|-------------------------------------------------------------------|---------------------------------------|--------------------|
|                                                                               |                                                     |                          | Statutory<br>JD    | Voluntary<br>JD    | Fair value<br>JD  |                                                                                               |                                                     |                                                          |                                |                         |                                                                   |                                       |                    |
| <b>For the six months ended 30 June 2024 (Reviewed not audited)</b>           |                                                     |                          |                    |                    |                   |                                                                                               |                                                     |                                                          |                                |                         |                                                                   |                                       |                    |
| Balance at the beginning of the period                                        | 150,000,000                                         | 89,010,000               | 106,382,863        | 110,944,584        | 20,004,022        | 653,467                                                                                       | (4,079,865)                                         | (1,481,196)                                              | -                              | 143,309,616             | 614,743,491                                                       | 112,767,872                           | 727,511,363        |
| Profit for the period                                                         | -                                                   | -                        | -                  | -                  | -                 | -                                                                                             | -                                                   | -                                                        | 51,083,618                     | -                       | 51,083,618                                                        | 39,429,898                            | 90,513,516         |
| Net change in the fair value of financial assets through comprehensive income | -                                                   | -                        | -                  | -                  | 1,451,679         | -                                                                                             | -                                                   | -                                                        | -                              | -                       | 1,451,679                                                         | (224,161)                             | 1,227,518          |
| Foreign currency translation differences                                      | -                                                   | -                        | -                  | -                  | -                 | -                                                                                             | 440,675                                             | -                                                        | -                              | -                       | 440,675                                                           | 384,083                               | 824,758            |
| <b>Total comprehensive income</b>                                             | -                                                   | -                        | -                  | -                  | <b>1,451,679</b>  | -                                                                                             | <b>440,675</b>                                      | -                                                        | <b>51,083,618</b>              | -                       | <b>52,975,972</b>                                                 | <b>39,589,820</b>                     | <b>92,565,792</b>  |
| Equity directly attributable with assets held for sale                        | -                                                   | -                        | -                  | -                  | -                 | -                                                                                             | -                                                   | (124,253)                                                | -                              | -                       | (124,253)                                                         | -                                     | (124,253)          |
| Interest related to perpetual bonds, net of tax                               | -                                                   | -                        | -                  | -                  | -                 | -                                                                                             | -                                                   | -                                                        | -                              | (3,824,958)             | (3,824,958)                                                       | -                                     | (3,824,958)        |
| Dividends to shareholders (note 33)                                           | -                                                   | -                        | -                  | (12,000,000)       | -                 | -                                                                                             | -                                                   | -                                                        | -                              | -                       | (12,000,000)                                                      | -                                     | (12,000,000)       |
| <b>Balance at the end of the period</b>                                       | <b>150,000,000</b>                                  | <b>89,010,000</b>        | <b>106,382,863</b> | <b>98,944,584</b>  | <b>21,455,701</b> | <b>653,467</b>                                                                                | <b>(3,639,190)</b>                                  | <b>(1,605,449)</b>                                       | <b>51,083,618</b>              | <b>139,484,658</b>      | <b>651,770,252</b>                                                | <b>152,357,692</b>                    | <b>804,127,944</b> |
| <b>For the six months ended 30 June 2023 (Reviewed not audited)</b>           |                                                     |                          |                    |                    |                   |                                                                                               |                                                     |                                                          |                                |                         |                                                                   |                                       |                    |
| Balance at the beginning of the period                                        | 150,000,000                                         | -                        | 99,983,479         | 122,944,584        | 6,887,913         | 1,050,169                                                                                     | -                                                   | -                                                        | -                              | 94,967,563              | 475,833,708                                                       | 1,721,520                             | 477,555,228        |
| Profit for the period                                                         | -                                                   | -                        | -                  | -                  | -                 | -                                                                                             | -                                                   | -                                                        | 36,343,847                     | -                       | 36,343,847                                                        | 12,627,657                            | 48,971,504         |
| Net change in financial assets at fair value through comprehensive income     | -                                                   | -                        | -                  | -                  | 391,347           | -                                                                                             | -                                                   | -                                                        | -                              | -                       | 391,347                                                           | -                                     | 391,347            |
| Foreign currency translation differences                                      | -                                                   | -                        | -                  | -                  | -                 | -                                                                                             | (4,079,865)                                         | -                                                        | -                              | -                       | (4,079,865)                                                       | (3,211,567)                           | (7,291,432)        |
| <b>Total comprehensive income</b>                                             | -                                                   | -                        | -                  | -                  | <b>391,347</b>    | -                                                                                             | <b>(4,079,865)</b>                                  | -                                                        | <b>36,343,847</b>              | -                       | <b>32,655,329</b>                                                 | <b>9,416,090</b>                      | <b>42,071,419</b>  |
| Non-controlling interest resulted from the acquisition                        | -                                                   | -                        | -                  | -                  | -                 | -                                                                                             | -                                                   | -                                                        | -                              | -                       | -                                                                 | 97,288,969                            | 97,288,969         |
| Gain from sale of equity instruments through other comprehensive income       | -                                                   | -                        | -                  | -                  | 184               | -                                                                                             | -                                                   | -                                                        | -                              | (184)                   | -                                                                 | -                                     | -                  |
| Perpetual bonds issuance                                                      | -                                                   | 89,010,000               | -                  | -                  | -                 | -                                                                                             | -                                                   | -                                                        | -                              | -                       | 89,010,000                                                        | -                                     | 89,010,000         |
| Interest related to perpetual bonds, net of tax                               | -                                                   | -                        | -                  | -                  | -                 | -                                                                                             | -                                                   | -                                                        | -                              | (499,587)               | (499,587)                                                         | -                                     | (499,587)          |
| Dividends to shareholders (note 33)                                           | -                                                   | -                        | -                  | (12,000,000)       | -                 | -                                                                                             | -                                                   | -                                                        | -                              | -                       | (12,000,000)                                                      | -                                     | (12,000,000)       |
| <b>Balance at the end of the period</b>                                       | <b>150,000,000</b>                                  | <b>89,010,000</b>        | <b>99,983,479</b>  | <b>110,944,584</b> | <b>7,279,444</b>  | <b>1,050,169</b>                                                                              | <b>(4,079,865)</b>                                  | <b>-</b>                                                 | <b>36,343,847</b>              | <b>94,467,792</b>       | <b>584,999,450</b>                                                | <b>108,426,579</b>                    | <b>693,426,029</b> |

- Retained earnings include an amount of JD 54,057,024 as of 30 June 2024 (JD 58,716,359 as of 31 December 2023) restricted against deferred tax assets in accordance with the instructions of Central Bank of Jordan.
- Retained earnings include an amount of JD 188,212 as of 30 June 2024 and 31 December 2023 which represents the revaluation differences of financial assets at fair value through profit or loss, as a result of the early adoption of IFRS (9) during the year 2011. This amount is not available for distribution and restricted according to the Jordan Securities Commission regulations until the amount becomes realized.
- According to the Central Bank of Jordan Circular No. 13/2018, the bank transferred the balance of General Banking Risk Reserve in the amount of JD 14,288,875 as of 1 January 2018 to the retained earnings to offset the impact of IFRS 9 and all the balance is utilized.
- An amount equals to the negative balance of fair value reserve is restricted and cannot be utilized expect with the approval of the Central Bank of Jordan.



**JORDAN KUWAIT BANK**  
**(A PUBLIC SHAREHOLDING COMPANY)**  
**INTERIM CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS**  
**FOR THE SIX MONTHS ENDED ON 30 JUNE 2024 (REVIEWED NOT AUDITED)**

|                                                                                       | For the six months period ended |                      |
|---------------------------------------------------------------------------------------|---------------------------------|----------------------|
|                                                                                       | 30 June                         |                      |
|                                                                                       | 2024                            | 2023                 |
| Note                                                                                  | JD                              | JD                   |
| <b>Cash flows from operating activities:</b>                                          |                                 |                      |
| Profit for the period before tax                                                      | 114,410,207                     | 60,854,433           |
| <b>Adjustments:</b>                                                                   |                                 |                      |
| Depreciation and amortization                                                         | 3,899,708                       | 3,481,201            |
| Depreciation of right of use assets                                                   | 2,196,411                       | 1,864,721            |
| Provision for expected credit losses on financial assets                              | 6,363,240                       | 22,737,264           |
| Gain from financial assets at fair value through profit and loss                      | (722,317)                       | (3,807,756)          |
| Net interest income                                                                   | (21,026,231)                    | (21,057,752)         |
| End of service provisions                                                             | 2,084,590                       | 1,300,000            |
| Legal provision                                                                       | 843,550                         | 600,000              |
| Seized assets provision                                                               | 751,334                         | 351,980              |
| The effect of changes in exchange rates on cash and cash equivalents                  | (220,850)                       | (906)                |
|                                                                                       | <b>108,579,642</b>              | <b>66,323,185</b>    |
| <b>Changes in assets and liabilities:</b>                                             |                                 |                      |
| Increase in restricted balances and deposits                                          | (46,034,173)                    | (53,316,993)         |
| Decrease (increase) in financial assets at fair value through profit and loss         | 19,416,941                      | (974,375)            |
| Decrease (increase) in direct credit facilities                                       | 31,939,801                      | (260,189,911)        |
| Decrease in other assets                                                              | 26,660,817                      | 25,240,630           |
| Increase in customers deposits                                                        | 343,196,074                     | 687,691,755          |
| Increase in cash margins                                                              | 6,895,483                       | 9,493,494            |
| (Decrease) increase in other liabilities                                              | (20,771,953)                    | 96,331,350           |
| <b>Net change in assets and liabilities</b>                                           | <b>361,302,990</b>              | <b>504,275,950</b>   |
| <b>Net cash flows from operating activities before income tax and paid provisions</b> | <b>469,882,632</b>              | <b>570,599,135</b>   |
| Paid portion of sundry provisions                                                     | (554,122)                       | (454,573)            |
| Paid income tax                                                                       | (31,694,923)                    | (19,056,131)         |
| <b>Net cash flows from operating activities</b>                                       | <b>437,633,587</b>              | <b>551,088,431</b>   |
| <b>Cash flows from investing activities:</b>                                          |                                 |                      |
| Increase in financial assets at amortised cost                                        | (88,621,726)                    | (358,609,496)        |
| Decrease in equity directly attributable to assets held for sale                      | (124,253)                       | -                    |
| Assets held for sale                                                                  | 4,132,234                       | -                    |
| Increase in financial assets at fair value through other comprehensive income         | (5,955,925)                     | (4,936,957)          |
| Increase in property, equipment and intangible assets                                 | (8,845,557)                     | (59,800,585)         |
| <b>Net cash flows used in investing activities</b>                                    | <b>(99,415,227)</b>             | <b>(423,347,038)</b> |
| <b>Cash flows from financing activities:</b>                                          |                                 |                      |
| (Decrease) increase in borrowed funds                                                 | (20,764,247)                    | 100,126,421          |
| Green bonds issuance                                                                  | -                               | 35,450,000           |
| Perpetual bonds issuance                                                              | -                               | 89,010,000           |
| Paid interest on perpetual bonds                                                      | (3,824,958)                     | (499,587)            |
| Lease liabilities payments                                                            | (2,324,912)                     | (1,169,846)          |
| Paid cash dividends to shareholders                                                   | (11,553,148)                    | (10,495,440)         |
| Non-controlling interest                                                              | -                               | 93,938,074           |
| <b>Net cash flows (used in) from financing activities</b>                             | <b>(38,467,265)</b>             | <b>306,359,622</b>   |
| The effect of changes in exchange rates on cash and cash equivalents                  | 220,850                         | 906                  |
| <b>Net increase in cash and cash equivalents</b>                                      | <b>299,971,945</b>              | <b>434,101,921</b>   |
| Cash and cash equivalent - beginning of the period                                    | 1,356,581,140                   | 494,660,535          |
| <b>Cash and cash equivalent - end of the period</b>                                   | <b>1,656,553,085</b>            | <b>928,762,456</b>   |

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The accompanying notes from 1 to 39 form part of these interim condensed consolidated financial statements





## **(1) GENERAL INFORMATION**

Jordan Kuwait Bank was established as a Jordanian Public Shareholding Company under the registration number (108) on 25 October 1976 in accordance with the Jordanian Companies Law No. (13) for the year 1964. The Head Office of the Bank is located in Omayya Bin Abdshams Street, Abdali. Tel. (+962 6 5629400), P.O. Box (9776), Amman – (11191) Jordan. The Bank is current authorized, issued and paid-in capital amounts to JD 150 million distributed on 150 million shares, with a par value of JD 1 per share.

The Bank provides all banking and financial activities related to its operations through its head office and (65) branches inside the Kingdom and (2) foreign branches, and through its group of subsidiaries which provide banking services, financial leasing and financial brokerage services. During 2023, the Bank completed the acquisition of 53.44% of the capital of Bank of Baghdad located in Iraq.

Jordan Kuwait Bank is a Public Shareholding Company and is listed in Amman Stock Exchange.

Jordan Kuwait Bank is 50.927% owned by Al Rawabi United Holding Company and the financial statements of the Bank are consolidated within the consolidated financial statements of the ultimate parent Company Kuwait Projects Holding Company (KIPCO), which is the ultimate parent company.

These interim condensed consolidated financial statements were approved by the Bank's Board of Directors in their meeting number (7/2024) held on 23 July 2024.

## **(2) MATERIAL ACCOUNTING POLICIES**

The following is the material accounting policies followed by the Group in the preparation of these interim condensed consolidated financial statements:

### **(2-1) BASIS OF PREPARATION OF THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS**

The interim condensed consolidated financial statements of the Bank have been prepared in accordance with International Accounting Standards No. (34) ("interim financial reporting"). The Bank has fully transitioned to and adopted International Financial Reporting Standards (IFRS) starting from 1 January 2024, instead of IFRS as amended by the instructions of Central Bank of Jordan. The differences between these two frameworks are not material to the interim condensed consolidated financial statements.

The interim condensed consolidated financial statements have been prepared under the historical cost, except for financial assets at fair value through profit and loss financial instruments through other comprehensive income, which are measured at fair value as of the date of the interim condensed consolidated financial statements.

The interim condensed consolidated financial statements have been presented in Jordanian Dinars.



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The accompanying interim condensed consolidated financial statements do not include all the information and disclosures to the financial statements required in the annual financial statements, which are prepared in accordance with International Financial Reporting Standards. Moreover, the results of the Bank's operations for the six-month period ended on 30 June 2024 are not necessarily indicative of the results for the year ending 31 December 2024. Therefore, these interim condensed consolidated financial statements should be read in conjunction with the Bank's annual report for the year ended 31 December 2023 and the appropriation of profit for the six-month period ended 30 June 2024 were not performed, which is usually performed at year end.

**(2-2) BASIS OF CONSOLIDATION OF THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS**

The interim condensed consolidated financial statements comprise of the financial statements of the Bank and the subsidiaries controlled by it. Control is achieved when the Bank is capable of managing the main activities of its subsidiaries and is exposed, or has rights, to variable returns from its involvement with the subsidiaries and has the ability to affect those returns through its power over the subsidiaries. All balances, transactions, revenues, and expenses between the bank and the subsidiaries are eliminated.

The financial statements of the subsidiary are prepared for the same reporting period as of the Bank, using consistent accounting policies. If the subsidiary has a different accounting policy than the Bank, necessary adjustments will be reflected to match the Bank's accounting policies.

Non-controlling interests represent that portion of the equity interests in subsidiaries not owned by the Bank. The Bank has the following subsidiaries:

**As of 30 June 2024:**

| <b>Company Name</b>                    | <b>Authorized and paid-in capital</b> | <b>Bank's ownership</b> | <b>Nature of operations</b> | <b>Location</b> | <b>Date of acquisition</b>    |
|----------------------------------------|---------------------------------------|-------------------------|-----------------------------|-----------------|-------------------------------|
|                                        | <b>JD</b>                             | <b>%</b>                |                             |                 |                               |
| Bank of Baghdad                        | 216,488,550                           | 53.44                   | Commercial Bank             | Iraq            | 2023                          |
| Ejara Finance Leasing Company          | 20,000,000                            | 100                     | Finance leasing             | Amman           | 2011                          |
| United Financial Investments Company * | 10,000,000                            | 78.46                   | Brokerage and investments   | Amman           | In phases, starting from 2002 |

- Non-controlling interest amounted to JD 152,357,692 as of 30 June 2024, against JD 112,767,872 as of 31 December 2023. Details are as follows:

|                 | <b>30 June 2024</b> | <b>31 December 2023</b> |
|-----------------|---------------------|-------------------------|
|                 | <b>JD</b>           | <b>JD</b>               |
| Bank of Baghdad | 152,357,692         | 112,767,872             |
|                 | <b>152,357,692</b>  | <b>112,767,872</b>      |

\* In accordance with the decision of the Investment Committee and the Board of Directors approving the sale of the Bank's investment in United Financial Investments Company, the investment was reclassified of investment company in accordance with the requirements of IFRS (5): Assets held for sale and non-continued operations as at 30 June 2024 and 31 December 2023 (note 38).



Control is achieved when the Group is exposed, or has rights, to variable returns from its involvement with the investee and has the ability to affect those returns through its power over the investee. Specifically, the Group controls an investee if and only if the Group has:

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

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

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

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

Consolidation of a subsidiary begins when the Group obtains control over the subsidiary and ceases when the Group loses control of the subsidiary. Income and expenses of a subsidiary acquired or disposed of during the year are included in the statement of comprehensive income from the date the Group gains control until the date the Group ceases to control the subsidiary.

Profit or loss and each component of other comprehensive income (OCI) are attributed to the equity holders of the parent of the Group and to the non-controlling interests, even if this results in the non-controlling interests having a deficit balance. When necessary, adjustments are made to the financial statements of subsidiaries to bring their accounting policies into line with the Group's accounting policies. All intra-group assets and liabilities, equity, income, expenses and cash flows relating to transactions between members of the Group are eliminated in full on consolidation.

A change in the ownership interest of a subsidiary without a loss of control is accounted for as an equity transaction. If the Group loses control over a subsidiary, it:

- Derecognizes the assets (including goodwill) and liabilities of the subsidiary.
- Derecognizes the carrying amount of any non- controlling interests.
- Derecognizes the cumulative translation differences, recorded in equity.
- Recognizes the fair value of the consideration received.
- Recognizes the fair value of any investment retained.
- Recognizes the gain or loss resulted from loss of control.

Reclassifying the company's shares that was recorded previously in the other comprehensive income items to retained earnings or losses in the case of the Group directly disposing the assets and liabilities related to it.

The financial statements of the company and the subsidiary are prepared for the same financial year using the same accounting policies.

All balances, transactions, revenues and expenses that result from the transactions between the company and its subsidiary are disposed as well.



### **(2-3) CHANGES IN ACCOUNTING POLICIES**

The accounting policies used in the preparation of the interim condensed consolidated financial statements are consistent with those used in the preparation of the annual interim consolidated 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:

#### **Supplier Finance Arrangements - Amendments to IAS 7 and IFRS 7**

In May 2023, the IASB issued amendments to IAS 7 Statement of Cash Flows and IFRS 7 Financial Instruments: Disclosures to clarify the characteristics of supplier finance arrangements and require additional disclosure of such arrangements. The disclosure requirements in the amendments are intended to assist users of financial statements in understanding the effects of supplier finance arrangements on an entity's liabilities, cash flows and exposure to liquidity risk.

The transition rules clarify that an entity is not required to provide the disclosures in any interim periods in the year of initial application of the amendments. Thus, the amendments had no impact on the Bank's interim condensed consolidated financial statements.

#### **Amendments to IFRS 16: Lease Liability in a Sale and Leaseback**

In September 2022, the IASB issued amendments to IFRS 16 to 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 recognize any amount of the gain or loss that relates to the right of use it retains.

The amendments had no impact on the Bank's interim condensed consolidated financial statements.

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

In January 2020 and October 2022, the IASB issued amendments to paragraphs 69 to 76 of IAS 1 to 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, a requirement has been introduced whereby an entity must 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 Bank's interim condensed consolidated financial statements.



### **(3) USE OF ESTIMATES**

The preparation of the interim condensed consolidated financial statements and the application of accounting policies require the Bank's management to make estimates and judgements that affect the amounts of assets and liabilities and disclosure of contingent liabilities. These estimates and judgments affect the revenues, expenses, provisions and reserve of valuation of financial assets at fair value. In particular, it requires the Bank's management to issue critical judgements to estimate the amounts of future cash flows and their timing.

The mentioned estimates are necessarily based on multiple assumptions and factors involving varying degrees of judgment and uncertainty and that actual results may differ from the estimates as a result of changes resulting from the conditions and circumstances of those estimates in the future. Judgements, estimates and assumptions are reviewed on an ongoing basis. The impact of change in estimates is recognized in the reporting period in which this change occurs if the revision affects only that period and the effect of the change in estimates is recognized in the reporting period in which this change occurs and in future reporting periods if the revision affects both current and future periods.

The Bank's management believes that its estimates within the interim condensed consolidated financial statements are reasonable and detailed as follows:

#### **- Expected credit losses**

Bank management is required to use significant judgments and estimates to estimate the amounts and times of future cash flows, estimate the risks of a significant increase in the credit risk of financial assets after their initial recognition, and future measurement information for expected credit losses.

In determining provision for expected credit losses for direct credit facilities, important judgement is required from the Bank's management in the estimation of the amount and timing of future cash flows as well as an assessment of whether the credit risk on the financial asset has increased significantly since initial recognition and incorporation of forward-looking information in the measurement of expected credit losses. Below are the major estimates used:

#### **- Assessment of Significant Increase in Credit Risk:**

The assessment of a significant increase in credit risk is performed on a relative basis. To assess whether the credit risk on a financial asset has increased significantly since origination, the Bank compares the risk of default occurring over the expected life of the financial asset at the reporting date to the corresponding risk of default at origination, using key risk indicators that are used in the Bank's existing risk management processes. This assessment is used to classify customers and portfolios to credit stages, which are, Stage 1 (low risk), Stage 2 (acceptable risk) and Stage 3 (high risk).

Macroeconomic Factors, Forward Looking Information (FLI) and Multiple Scenarios:

The measurement of expected credit losses for each stage and the assessment of significant increases in credit risk must consider information about past events and current conditions as well as reasonable and supportable forecasts of future events and economic conditions. The estimation and application of forward-looking information will require significant judgment from the bank's management.

Probability of Default (PD), Loss Given Default (LGD) and Exposure At Default (EAD) inputs used to estimate Stage 1 and Stage 2 credit loss allowances are modelled based on the macroeconomic variables (or changes in macroeconomic variables) that are most closely correlated with credit losses in the relevant portfolio.



Each of the macroeconomic scenarios used in calculating the expected credit losses is associated with variable macroeconomic factors.

In our estimates used in calculating the expected credit losses for Stage 1 and Stage 2 using discounted weighted scenarios, which include future macroeconomic information for the next three years.

The Bank uses the following macroeconomic indicators when performing futuristic forecasts for the countries that it operates in:

1. Gross Domestic Product
2. Inflation Rate
3. Stock market index price
4. Consumer Price Index
5. Import price index

The bank uses 3 scenarios to reach a probable value when to estimate the expected credit losses as follows:

1. Main scenario (Baseline) weighted 10%
2. Best scenario (Optimistic S1) weighted 0%
3. Worst case scenario 1 (Pessimistic S3) weighted 90%

The probable options are estimated according to the best approximation related to the historical probability and current affairs. The probable scenarios are evaluated every three months. All scenarios are implemented to all the wallets that are subject to expected credit losses.

Definition of default:

The definition of default used in the measurement of expected credit losses and the assessment to determine movement between stages is consistent with the definition of default used for internal credit risk management purposes. IFRS 9 does not define default but contains a rebuttable presumption that default has occurred when an exposure is greater than 90 days past due.

Exposure at default:

When measuring ECL, the Bank must consider the maximum contractual period over which the Bank is exposed to credit risk. All contractual terms should be considered when determining the expected life, including prepayment options and extension and rollover options. For certain revolving credit facilities that do not have a fixed maturity, the expected life is estimated based on the period over which the Bank is exposed to credit risk and where the credit losses would not be mitigated by management.



**- Income tax**

Income tax expenses represent accrued taxes and deferred taxes.

Income tax expenses are accounted for on the basis of taxable income. Moreover, taxable income differs from income declared in the interim condensed consolidated financial statements because the latter includes non-taxable revenues or taxable expenses disallowed in the current year but deductible in subsequent years or accumulated losses acceptable by the tax law and items not accepted for tax purposes or subject to tax.

Taxes are calculated on the basis of the tax rates according to the prevailing laws regulations and instructions of the countries where the bank operates.

Deferred taxes are taxes expected to be paid or recovered as a result of temporary timing differences between the value of the assets and liabilities in the interim condensed consolidated financial statements and the value of the taxable amount. Deferred tax is calculated on the basis of the liability method in the statement of financial position according to the rates expected to be applied when the tax liability is settled, or tax assets are recognized.

Deferred tax assets and liabilities are reviewed of the date of the interim condensed consolidated financial statements and reduced in case it is expected that no benefit will arise from payment or the elimination of the need for deferred tax liabilities partially or totally.

**- Fair value**

Closing prices (purchasing assets/ selling liabilities) on the date of the interim condensed consolidated financial statements in active markets, represent the fair value for the tools and financial derivatives with market prices.

In the event that announced prices are not available, there is no active trading in some financial instruments and derivatives, or there is no market activity, their fair value is estimated in several ways, including:

- Comparing it to the market value for a similar financial instrument
- Analyzing future cash flows and discounting expected cash flows with a used percentage in a similar financial instrument,
- Options pricing models
- Long term financial assets and liabilities with no interest regarding discounting cash flows and regarding active interest rate are evaluated, the discount/ premium is amortized within the interest revenue received/ paid in the interim condensed consolidated statement of income.

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

**- Assets seized by the Bank against due debts**

Assets seized by the Bank against due debts are recorded at the value at which they were transferred to the bank or at the fair value, whichever is less. At the date of the consolidated financial statements, foreclosed assets are revalued individually (fair value less selling cost); any decline in fair value is recognized in the consolidated statement of income. Any subsequent increase in value is recognized only to the extent that it does not exceed the previously recognized impairment losses. Note that it is subject to the instructions of the Central Bank.



**(4) CASH AND BALANCES AT CENTRAL BANKS**

The details of this item are as follows:

|                                                             | <b>30 June<br/>2024</b>           | <b>31 December<br/>2023</b> |
|-------------------------------------------------------------|-----------------------------------|-----------------------------|
|                                                             | <b>JD</b>                         | <b>JD</b>                   |
|                                                             | <b>(Reviewed not<br/>audited)</b> | <b>(Audited)</b>            |
| <b>Cash in vaults</b>                                       | <b>359,261,268</b>                | <b>285,082,880</b>          |
| <b>Balances at Central Banks</b>                            |                                   |                             |
| Current and call accounts                                   | 755,743,440                       | 390,776,557                 |
| Time and notice deposits                                    | 104,100,000                       | 108,000,000                 |
| Statutory cash reserve                                      | 334,881,251                       | 316,388,152                 |
| <b>Total balances at Central Banks</b>                      | <b>1,194,724,691</b>              | <b>815,164,709</b>          |
| Less: Expected credit losses on balances at Central Banks * | 28,033,027                        | 27,940,942                  |
| <b>Net balances at Central Banks</b>                        | <b>1,166,691,664</b>              | <b>787,223,767</b>          |
| <b>Total</b>                                                | <b>1,525,952,932</b>              | <b>1,072,306,647</b>        |

\* Related to balances of a subsidiary with a foreign central bank. There are no credit losses against local balances.

- The movement on the balances at Central Banks is as follows:

| <b>Item</b>                                       | <b>Stage 1</b>     | <b>Stage 2</b>    | <b>Stage 3</b>     | <b>30 June<br/>2024</b>           | <b>31 December<br/>2023</b> |
|---------------------------------------------------|--------------------|-------------------|--------------------|-----------------------------------|-----------------------------|
|                                                   | <b>JD</b>          | <b>JD</b>         | <b>JD</b>          | <b>JD</b>                         | <b>JD</b>                   |
|                                                   |                    |                   |                    | <b>(Reviewed not<br/>audited)</b> | <b>(Audited)</b>            |
| <b>Total balance at the beginning of the year</b> | <b>783,553,751</b> | <b>24,502,304</b> | <b>7,108,654</b>   | <b>815,164,709</b>                | <b>419,143,482</b>          |
| New balances during the period/ year              | 27,522,215         | 24,558,980        | 900,310,146        | 952,391,341                       | 250,152,121                 |
| Paid balances during the period/ year             | (541,220,401)      | (24,502,304)      | (7,108,654)        | (572,831,359)                     | (112,440,554)               |
| Transferred to stage 1                            | -                  | -                 | -                  | -                                 | -                           |
| Transferred to stage 2                            | -                  | -                 | -                  | -                                 | -                           |
| Transferred to stage 3                            | -                  | -                 | -                  | -                                 | -                           |
| Additions resulted from Acquisition (note 37)     | -                  | -                 | -                  | -                                 | 258,309,660                 |
| <b>Total balance at the end of period/ year</b>   | <b>269,855,565</b> | <b>24,558,980</b> | <b>900,310,146</b> | <b>1,194,724,691</b>              | <b>815,164,709</b>          |





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- The movement on the expected credit losses as at the end of the period/ year is as follows:

|                                                                | <u>Stage 1</u> | <u>Stage 2</u>           | <u>Stage 3</u>          | <u>30 June</u><br><u>2024</u> | <u>31 December</u><br><u>2023</u> |
|----------------------------------------------------------------|----------------|--------------------------|-------------------------|-------------------------------|-----------------------------------|
|                                                                | JD             | JD                       | JD                      | JD                            | JD                                |
|                                                                |                |                          |                         | (Reviewed not<br>audited)     | (Audited)                         |
| <b>Total balance at the beginning of the year</b>              | -              | <b>20,832,288</b>        | <b>7,108,654</b>        | <b>27,940,942</b>             | -                                 |
| Expected credit losses during the period/ year                 | -              | 21,393,852               | 6,639,175               | 28,033,027                    | 18,926,243                        |
| Recoveries from expected credit losses during the period/ year | -              | (20,832,288)             | (7,108,654)             | (27,940,942)                  | -                                 |
| Transferred to stage 1                                         | -              | -                        | -                       | -                             | -                                 |
| Transferred to stage 2                                         | -              | -                        | -                       | -                             | -                                 |
| Transferred to stage 3                                         | -              | -                        | -                       | -                             | -                                 |
| Additions resulted from Acquisition (note 37)                  | -              | -                        | -                       | -                             | 9,014,699                         |
| Changes resulted from adjustments                              | -              | -                        | -                       | -                             | -                                 |
| Written off balances                                           | -              | -                        | -                       | -                             | -                                 |
| <b>Total balance at the end of period/ year</b>                | <u>-</u>       | <u><b>21,393,852</b></u> | <u><b>6,639,175</b></u> | <u><b>28,033,027</b></u>      | <u><b>27,940,942</b></u>          |

- Restricted reserves at the Central Bank of Iraq amounted to JD 209,736,281 as of 30 June 2024 against JD 188,997,501 as of 31 December 2023. They are excluded from the cash and cash equivalents for the purposes of the interim condensed consolidated statement of cash flows.
- The balances of Bank of Baghdad at the Central Bank of Iraq branches in Sulaymaniyah and Erbil amounted to JD 9,762,446 and JD 14,739,877 as of 30 June 2024 against JD 9,762,637 and JD 14,740,069 as of 31 December 2023. They are excluded from cash and cash equivalents for the purposes of the interim condensed consolidated statement of cash flows.
- There are no balances maturing within a period longer than three months as of 30 June 2024 and 31 December 2023.
- There are no certificate deposits as of 30 June 2024 and 31 December 2023.



**(5) BALANCES AT BANKS AND FINANCIAL INSTITUTIONS**

The details of this item are as follows:

|                                                               | <b>30 June<br/>2024</b>                  | <b>31 December<br/>2023</b> |
|---------------------------------------------------------------|------------------------------------------|-----------------------------|
|                                                               | <b>JD<br/>(Reviewed not<br/>audited)</b> | <b>JD<br/>(Audited)</b>     |
| Current and call accounts                                     | 338,445,977                              | 507,795,423                 |
| Deposits maturing within 3 months or less                     | 61,681,540                               | 37,549,367                  |
| <b>Total</b>                                                  | <b>400,127,517</b>                       | <b>545,344,790</b>          |
| Less: Expected credit losses on balances at banks             | 5,856,369                                | 5,068,512                   |
| <b>Net total balances at banks and financial institutions</b> | <b>394,271,148</b>                       | <b>540,276,278</b>          |

- The movement on balances at banks and financial institutions is as follows:

| Item                                          | Stage 1            | Stage 2          | Stage 3       | 30 June<br>2024                 | 31 December<br>2023 |
|-----------------------------------------------|--------------------|------------------|---------------|---------------------------------|---------------------|
|                                               | JD                 | JD               | JD            | JD<br>(Reviewed not<br>audited) | JD<br>(Audited)     |
| <b>Balance at the beginning of the year</b>   | 540,409,385        | 4,910,328        | 25,077        | 545,344,790                     | 123,437,378         |
| New balances during the period/ year          | 270,553,148        | 5,660,135        | 23,992        | 276,237,275                     | 369,858,876         |
| Paid balances during the period/ year         | (416,519,143)      | (4,910,328)      | (25,077)      | (421,454,548)                   | (15,218,622)        |
| Transferred to stage 1                        | -                  | -                | -             | -                               | -                   |
| Transferred to stage 2                        | -                  | -                | -             | -                               | -                   |
| Transferred to stage 3                        | -                  | -                | -             | -                               | -                   |
| Additions resulted from acquisition (Note 37) | -                  | -                | -             | -                               | 67,267,158          |
| Changes resulted from adjustments             | -                  | -                | -             | -                               | -                   |
| Written off balances                          | -                  | -                | -             | -                               | -                   |
| <b>Balance at the end of period/ year</b>     | <b>394,443,390</b> | <b>5,660,135</b> | <b>23,992</b> | <b>400,127,517</b>              | <b>545,344,790</b>  |

- Non-interest-bearing balances at banks and financial institutions amounted to JD 260,205,482 as of 30 June 2024 (against JD 428,470,213 as of 31 December 2023).

- Restricted balances amounted to JD 9,470,805 as of 30 June 2024 against JD 9,383,933 as of 31 December 2023.



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**NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS**  
**30 JUNE 2024 (REVIEWED NOT AUDITED)**

- The movement on the expected credit losses on balances at Banks and financial institutions is as follows:

| Item                                                           | Stage 1<br>JD  | Stage 2<br>JD    | Stage 3<br>JD | 30 June<br>2024<br>JD<br>(Reviewed not<br>audited) | 31 December<br>2023<br>JD<br>(Audited) |
|----------------------------------------------------------------|----------------|------------------|---------------|----------------------------------------------------|----------------------------------------|
| <b>Balance at the beginning of the year</b>                    | 133,104        | 4,910,329        | 25,079        | 5,068,512                                          | 1,425                                  |
| Expected credit losses during the period/ year                 | 150,980        | 5,660,135        | 23,992        | 5,835,107                                          | 3,634,552                              |
| Recoveries from expected credit losses during the period/ year | (111,845)      | (4,910,328)      | (25,077)      | (5,047,250)                                        | (1,046)                                |
| Transferred to stage 1                                         | -              | -                | -             | -                                                  | -                                      |
| Transferred to stage 2                                         | -              | -                | -             | -                                                  | -                                      |
| Transferred to stage 3                                         | -              | -                | -             | -                                                  | -                                      |
| Additions resulted from Acquisition (note 37)                  | -              | -                | -             | -                                                  | 1,433,581                              |
| Written off balances                                           | -              | -                | -             | -                                                  | -                                      |
| <b>Balance at the end of period/ year</b>                      | <b>172,239</b> | <b>5,660,136</b> | <b>23,994</b> | <b>5,856,369</b>                                   | <b>5,068,512</b>                       |

**(6) FINANCIAL ASSETS AT FAIR VALUE THROUGH PROFIT OR LOSS**

The details of this item are as follows:

|                                                      | 30 June<br>2024<br>JD<br>(Reviewed not<br>audited) | 31 December<br>2023<br>JD<br>(Audited) |
|------------------------------------------------------|----------------------------------------------------|----------------------------------------|
| <b>Quoted financial assets</b>                       |                                                    |                                        |
| Quoted shares                                        | 2,627,204                                          | 21,299,672                             |
| Quoted bonds                                         | 3,438,650                                          | 3,460,806                              |
| <b>Total financial assets through profit or loss</b> | <b>6,065,854</b>                                   | <b>24,760,478</b>                      |

- The realized gain from sale of shares at fair value through profit or loss amounted to JD 401,917 for the six months ended 30 June 2024, which was recorded in the interim condensed consolidated statement of income against a loss of JD 2,279 for the six months ended 30 June 2023.
- The unrealized gain resulting from the valuation of the financial assets at fair value through profit or loss amounted to JD 18,563 as of 30 June 2024 against an amount of JD 1,125,927 for the six months ended 30 June 2023.
- Cash dividends on the investments above amounted to JD 301,837 for the six months ended 30 June 2024 against an amount of JD 2,684,108 for the six months ended 30 June 2023.



**(7) FINANCIAL ASSETS AT FAIR VALUE THROUGH OTHER COMPREHENSIVE INCOME**

The details of this item are as follows:

|                                                                  | <b>30 June<br/>2024</b>                  | <b>31 December<br/>2023</b> |
|------------------------------------------------------------------|------------------------------------------|-----------------------------|
|                                                                  | <b>JD<br/>(Reviewed<br/>not audited)</b> | <b>JD<br/>(Audited)</b>     |
| Quoted shares                                                    | 30,957,950                               | 27,928,802                  |
| Unquoted shares                                                  | 56,106,175                               | 55,884,750                  |
| <b>Total Shares</b>                                              | <b>87,064,125</b>                        | <b>83,813,552</b>           |
| Quoted Bonds                                                     | 37,060,483                               | 32,410,070                  |
| Unquoted Bonds                                                   | -                                        | -                           |
| <b>Total Bonds</b>                                               | <b>37,060,483</b>                        | <b>32,410,070</b>           |
| <b>Total financial assets through other comprehensive income</b> | <b>124,124,608</b>                       | <b>116,223,622</b>          |
| <b>Analysis of bonds and bills:</b>                              |                                          |                             |
| Fixed rate                                                       | 37,060,483                               | 32,410,070                  |
| <b>Total</b>                                                     | <b>37,060,483</b>                        | <b>32,410,070</b>           |

- There were no financial assets at fair value through other comprehensive income sold during the period ended 30 June 2024. A gain in the amount of JD 184 was realized, resulting from the sale of financial assets at fair value through other comprehensive income for the six months ended 30 June 2023, which was directly included to the retained earnings in the interim condensed consolidated statement of changes in equity.
- The realized gain resulting from the sale of bonds at fair value through other comprehensive income during the six months ended 30 June 2024 amounted to JD 26,030, which was directly included in the interim condensed consolidated statement of income, while no bonds at fair value through other comprehensive income were sold for the six months ended 30 June 2023.
- Cash dividends on the investments above amounted to JD 1,320,492 for the six months ended 30 June 2024 against JD 2,039,765 for the six months ended 30 June 2023.
- The movement on the financial bonds through other comprehensive income is as follows:

|                                             | <b>Stage 1</b>    | <b>Stage 2</b> | <b>Stage 3</b> | <b>30 June<br/>2024</b>                  | <b>31 December<br/>2023</b> |
|---------------------------------------------|-------------------|----------------|----------------|------------------------------------------|-----------------------------|
|                                             | <b>JD</b>         | <b>JD</b>      | <b>JD</b>      | <b>JD<br/>(Reviewed not<br/>audited)</b> | <b>JD<br/>(Audited)</b>     |
| <b>Balance at the beginning of the year</b> | <b>32,410,070</b> | -              | -              | <b>32,410,070</b>                        | <b>22,578,510</b>           |
| New balances during the period/ year        | 7,118,446         | -              | -              | 7,118,446                                | 10,390,575                  |
| Paid balances during the period/ year       | (2,468,033)       | -              | -              | (2,468,033)                              | (559,015)                   |
| Transferred to stage 1                      | -                 | -              | -              | -                                        | -                           |
| Transferred to stage 2                      | -                 | -              | -              | -                                        | -                           |
| Transferred to stage 3                      | -                 | -              | -              | -                                        | -                           |
| Changes resulted from adjustments           | -                 | -              | -              | -                                        | -                           |
| Written off balances                        | -                 | -              | -              | -                                        | -                           |
| <b>Balance at the end of period/ year</b>   | <b>37,060,483</b> | <b>-</b>       | <b>-</b>       | <b>37,060,483</b>                        | <b>32,410,070</b>           |



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- The movement on expected credit losses for the financial assets through other comprehensive income is as follows:

|                                                                                 | <u>Stage 1</u>        | <u>Stage 2</u>  | <u>Stage 3</u>  | <u>30 June</u><br><u>2024</u>           | <u>31 December</u><br><u>2023</u> |
|---------------------------------------------------------------------------------|-----------------------|-----------------|-----------------|-----------------------------------------|-----------------------------------|
|                                                                                 | <u>JD</u>             | <u>JD</u>       | <u>JD</u>       | <u>JD</u>                               | <u>JD</u>                         |
|                                                                                 |                       |                 |                 | <u>(Reviewed</u><br><u>not audited)</u> | <u>(Audited)</u>                  |
| <b>Balance at the beginning of the year</b>                                     | <b>44,965</b>         | -               | -               | <b>44,965</b>                           | <b>11,264</b>                     |
| Expected credit losses on new balances during the period/ year                  | 98,810                | -               | -               | 98,810                                  | 34,793                            |
| Recoveries from expected credit losses on paid balances during the period/ year | (8,528)               | -               | -               | (8,528)                                 | (1,092)                           |
| Transferred to stage 1                                                          | -                     | -               | -               | -                                       | -                                 |
| Transferred to stage 2                                                          | -                     | -               | -               | -                                       | -                                 |
| Transferred to stage 3                                                          | -                     | -               | -               | -                                       | -                                 |
| Changes resulted from adjustments                                               | -                     | -               | -               | -                                       | -                                 |
| <b>Balance at the end of period/ year</b>                                       | <b><u>135,247</u></b> | <b><u>-</u></b> | <b><u>-</u></b> | <b><u>135,247</u></b>                   | <b><u>44,965</u></b>              |

- The Bank did not calculate a provision for expected credit losses on debt instruments issued by the Jordanian government in accordance with the instructions of the Central Bank of Jordan related to the implementation of International Financial Reporting Standard No. (9).
- Credit losses are shown in the fair value reserve within the shareholders' equity.



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**INTERIM CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS**  
**FOR THE SIX MONTHS PERIOD ENDED ON 30 JUNE 2024 (REVIEWED AND UNAUDITED)**

**(8) DIRECT CREDIT FACILITIES – NET**

The details of this item are as follows:

|                                            | <b>30 June<br/>2024</b>           | <b>31 December<br/>2023</b> |
|--------------------------------------------|-----------------------------------|-----------------------------|
|                                            | <b>JD</b>                         | <b>JD</b>                   |
|                                            | <b>(Reviewed not<br/>audited)</b> | <b>(Audited)</b>            |
| <b>Individuals (retail)</b>                |                                   |                             |
| Overdraft accounts                         | 172,541                           | 165,525                     |
| Loans and promissory notes*                | 291,482,627                       | 293,994,349                 |
| Credit cards                               | 14,587,131                        | 14,682,316                  |
| <b>Real estate loans</b>                   | <b>244,709,032</b>                | <b>225,459,851</b>          |
| <b>Corporates</b>                          |                                   |                             |
| <b>Large corporates</b>                    |                                   |                             |
| Overdraft accounts                         | 131,824,865                       | 134,310,075                 |
| Loans and promissory notes*                | 1,172,285,425                     | 1,173,501,319               |
| <b>Small and medium enterprises</b>        |                                   |                             |
| Overdraft accounts                         | 18,805,790                        | 24,201,352                  |
| Loans and promissory notes*                | 181,010,411                       | 194,554,014                 |
| <b>Government and public sector</b>        | <b>152,431,186</b>                | <b>175,786,439</b>          |
| <b>Total</b>                               | <b>2,207,309,008</b>              | <b>2,236,655,240</b>        |
| Less: Provision for expected credit losses | 197,659,619                       | 195,406,591                 |
| Interest in suspense                       | 41,378,799                        | 34,502,349                  |
| <b>Net direct credit facilities</b>        | <b>1,968,270,590</b>              | <b>2,006,746,300</b>        |

\* Net of interest and commission received in advance in the amount of JD 636,879 as of 30 June 2024 against JD 730,704 as of 31 December 2023.

Credit facilities within stage 3 amounted to JD 189,266,629 which represents 8.57% of the total direct credit facilities as of 30 June 2024 (against JD 169,196,812 which represents 7.56% of the total direct credit facilities as of 31 December 2023).

Credit facilities within stage 3, net of interest and commission in suspense, amounted to JD 153,056,718 which represents 7.05% of total direct credit facilities balance after deducting interest and commission in suspense as of 30 June 2024 (against JD 135,958,344 which represents 6.17% of the total direct credit facilities balance after deducting interest and commission in suspense as of 31 December 2023).

Direct credit facilities granted to and guaranteed by the Jordanian Government amounted to JD 77,993,377 which represents 3.53% of the total direct credit facilities as of 30 June 2024 (against JD 101,239,716 which represents 4.53% of the total direct credit facilities as of 31 December 2023).



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- The following is the movement on direct credit facilities balance on a collective basis:

| Item                                                                       | Stage 1              |            | Stage 2            |            | Stage 3            | 30 June                      | 31 December          |
|----------------------------------------------------------------------------|----------------------|------------|--------------------|------------|--------------------|------------------------------|----------------------|
|                                                                            | Individual           | Collective | Individual         | Collective | Total              | 2024                         | 2023                 |
|                                                                            | JD                   | JD         | JD                 | JD         | JD                 | JD<br>(Reviewed not audited) | JD<br>(Audited)      |
| <b>Balance at the beginning of the year</b>                                | 1,768,094,984        | -          | 299,363,444        | -          | 169,196,812        | 2,236,655,240                | 2,105,087,176        |
| New balances through the period/ year                                      | 270,291,414          | -          | 37,939,587         | -          | 35,555,779         | 343,786,780                  | 530,932,668          |
| Repaid balances through the period/ year                                   | (236,109,494)        | -          | (93,971,495)       | -          | (40,501,752)       | (370,582,741)                | (437,551,477)        |
| Transferred to stage 1                                                     | 6,437,139            | -          | (6,198,518)        | -          | (238,621)          | -                            | -                    |
| Transferred to stage 2                                                     | (26,405,842)         | -          | 27,444,299         | -          | (1,038,457)        | -                            | -                    |
| Transferred to stage 3                                                     | (7,076,643)          | -          | (21,766,496)       | -          | 28,843,139         | -                            | -                    |
| Impact of assets held for sale                                             | -                    | -          | -                  | -          | -                  | -                            | (15,789,098)         |
| Additions due to the acquisition (note 37)                                 | -                    | -          | -                  | -          | -                  | -                            | 75,425,585           |
| Written-off facilities (written off or transferred to off balance sheet) * | -                    | -          | -                  | -          | (2,550,271)        | (2,550,271)                  | (21,449,614)         |
| <b>Balance at the end of the period/ year</b>                              | <b>1,775,231,558</b> | <b>-</b>   | <b>242,810,821</b> | <b>-</b>   | <b>189,266,629</b> | <b>2,207,309,008</b>         | <b>2,236,655,240</b> |



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- The following is the movement on the provision for expected credit losses on a collective basis:

| Item                                                          | Companies         |                   |                    |                   | Government and public sector | 30 June 2024                 | 31 December 2023   |
|---------------------------------------------------------------|-------------------|-------------------|--------------------|-------------------|------------------------------|------------------------------|--------------------|
|                                                               | Retail            | Real estate       | Large              | SMEs              |                              |                              |                    |
|                                                               | JD                | JD                | JD                 | JD                | JD                           | JD<br>(Reviewed not audited) | JD<br>(Audited)    |
| <b>Balance at the beginning of the year</b>                   | 29,391,919        | 16,679,808        | 136,835,364        | 12,188,115        | 311,385                      | 195,406,591                  | 152,369,384        |
| New balances through the period/ year                         | 10,407,741        | 5,011,745         | 33,906,621         | 3,242,564         | -                            | 52,568,671                   | 62,061,679         |
| Repaid balances through the period/ year                      | (6,291,488)       | (1,547,380)       | (36,513,035)       | (1,666,637)       | (14,222)                     | (46,032,762)                 | (24,316,339)       |
| Repaid assets held for sale balances                          | -                 | -                 | -                  | -                 | -                            | -                            | (3,134,450)        |
| Additions due to the acquisition (note 37)                    | -                 | -                 | -                  | -                 | -                            | -                            | 22,961,143         |
| Impact of assets held for sale                                | -                 | -                 | (1,732,611)        | -                 | -                            | (1,732,611)                  | -                  |
| Provisions written off and transferred to off balance sheet * | (1,710,559)       | -                 | (839,711)          | -                 | -                            | (2,550,270)                  | (14,534,826)       |
| <b>Balance at the end of the period/ year</b>                 | <b>31,797,613</b> | <b>20,144,173</b> | <b>131,656,628</b> | <b>13,764,042</b> | <b>297,163</b>               | <b>197,659,619</b>           | <b>195,406,591</b> |
| Stage 1                                                       | 11,050,576        | 5,174,799         | 9,287,769          | 1,061,594         | 297,163                      | 26,871,901                   | 25,162,371         |
| Stage 2                                                       | 1,901,923         | 7,399,150         | 45,452,595         | 330,911           | -                            | 55,084,579                   | 64,886,923         |
| Stage 3                                                       | 18,845,114        | 7,570,224         | 76,916,264         | 12,371,537        | -                            | 115,703,139                  | 105,357,297        |
| <b>Total</b>                                                  | <b>31,797,613</b> | <b>20,144,173</b> | <b>131,656,628</b> | <b>13,764,042</b> | <b>297,163</b>               | <b>197,659,619</b>           | <b>195,406,591</b> |

\* Related to written off facilities with subsidiaries.





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- The following is the movement on the provision for expected credit losses on collective basis during the period/ year:

A- Based on economic sectors:

|                                                                             | Companies                |                          |                           |                          | Government<br>and public<br>sector | Total                     |
|-----------------------------------------------------------------------------|--------------------------|--------------------------|---------------------------|--------------------------|------------------------------------|---------------------------|
|                                                                             | Retail                   | Real<br>estate           | Large                     | SMEs                     |                                    |                           |
|                                                                             | JD                       | JD                       | JD                        | JD                       | JD                                 | JD                        |
| <b>For the six months ended 30 June 2024</b>                                |                          |                          |                           |                          |                                    |                           |
| <b>(Reviewed not audited)</b>                                               |                          |                          |                           |                          |                                    |                           |
| <b>Balance at the beginning of the period</b>                               | 29,391,919               | 16,679,808               | 136,835,364               | 12,188,115               | 311,385                            | 195,406,591               |
| Expected credit losses on new facilities during the period                  | 10,407,741               | 5,011,745                | 33,906,621                | 3,242,564                | -                                  | 52,568,671                |
| Recoveries from expected credit losses on paid facilities during the period | (6,291,488)              | (1,547,380)              | (36,513,035)              | (1,666,637)              | (14,222)                           | (46,032,762)              |
| Impact of assets held for sale                                              | -                        | -                        | (1,732,611)               | -                        | -                                  | (1,732,611)               |
| Provisions written off and transferred to off balance sheet *               | (1,710,559)              | -                        | (839,711)                 | -                        | -                                  | (2,550,270)               |
| <b>Balance at the end of the period</b>                                     | <b><u>31,797,613</u></b> | <b><u>20,144,173</u></b> | <b><u>131,656,628</u></b> | <b><u>13,764,042</u></b> | <b><u>297,163</u></b>              | <b><u>197,659,619</u></b> |
| <u>Re-allocation:</u>                                                       |                          |                          |                           |                          |                                    |                           |
| Provisions on an individual basis                                           | <b><u>31,797,613</u></b> | <b><u>20,144,173</u></b> | <b><u>131,656,628</u></b> | <b><u>13,764,042</u></b> | <b><u>297,163</u></b>              | <b><u>197,659,619</u></b> |
| Provisions on a collective basis                                            | <b><u>-</u></b>          | <b><u>-</u></b>          | <b><u>-</u></b>           | <b><u>-</u></b>          | <b><u>-</u></b>                    | <b><u>-</u></b>           |



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|                                                                           | Companies         |                   |                    |                   | Government<br>and public<br>sector | Total              |
|---------------------------------------------------------------------------|-------------------|-------------------|--------------------|-------------------|------------------------------------|--------------------|
|                                                                           | Retail<br>JD      | Real estate<br>JD | Large<br>JD        | SMEs<br>JD        |                                    |                    |
| <b>For the year ended 31 December 2023</b>                                |                   |                   |                    |                   |                                    |                    |
| <b>(Audited)</b>                                                          |                   |                   |                    |                   |                                    |                    |
| <b>Balance at the beginning of the year</b>                               | 24,580,458        | 29,214,284        | 88,931,601         | 9,007,121         | 635,920                            | 152,369,384        |
| Expected credit losses on new facilities during the year                  | 13,568,258        | 4,648,600         | 37,657,008         | 6,176,793         | 11,020                             | 62,061,679         |
| Recoveries from expected credit losses on paid facilities during the year | (3,268,997)       | (7,325,762)       | (11,758,002)       | (1,628,023)       | (335,555)                          | (24,316,339)       |
| Transferred to stage 1                                                    | 363,699           | 83,502            | (11,444,247)       | (18,179)          | -                                  | (11,015,225)       |
| Transferred to stage 2                                                    | 88,317            | 174,463           | 7,448,347          | (1,221,783)       | -                                  | 6,489,344          |
| Transferred to stage 3                                                    | (452,016)         | (257,965)         | 3,995,900          | 1,239,962         | -                                  | 4,525,881          |
| Impact of assets held for sale                                            | (2,752,600)       | -                 | -                  | (381,850)         | -                                  | (3,134,450)        |
| Additions due to the acquisition (note 37)                                | -                 | -                 | 22,961,143         | -                 | -                                  | 22,961,143         |
| Provisions written off and transferred to off balance sheet               | (2,735,200)       | (9,857,314)       | (956,386)          | (985,926)         | -                                  | (14,534,826)       |
| <b>Balance at the end of the year</b>                                     | <b>29,391,919</b> | <b>16,679,808</b> | <b>136,835,364</b> | <b>12,188,115</b> | <b>311,385</b>                     | <b>195,406,591</b> |
| <u>Re-allocation:</u>                                                     |                   |                   |                    |                   |                                    |                    |
| Provisions on an individual basis                                         | <b>29,391,919</b> | <b>16,679,808</b> | <b>136,835,364</b> | <b>12,188,115</b> | <b>311,385</b>                     | <b>195,406,591</b> |
| Provisions on a collective basis                                          | -                 | -                 | -                  | -                 | -                                  | -                  |

\* Related to written off facilities with subsidiaries.



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**B- Based on stage:**

|                                                                             | <b>Stage 1</b>     | <b>Stage 2</b>     | <b>Stage 3</b>     | <b>Total</b>       |
|-----------------------------------------------------------------------------|--------------------|--------------------|--------------------|--------------------|
|                                                                             | <b>Individuals</b> | <b>Individuals</b> | <b>Individuals</b> | <b>Individuals</b> |
|                                                                             | <b>JD</b>          | <b>JD</b>          | <b>JD</b>          | <b>JD</b>          |
| <b>For the six months ended on 30 June 2024 (Reviewed not audited)</b>      |                    |                    |                    |                    |
| Balance at the beginning of the period                                      | 25,162,371         | 64,886,923         | 105,357,297        | 195,406,591        |
| Expected credit losses on new facilities during the period                  | 9,895,835          | 10,918,910         | 31,753,926         | 52,568,671         |
| Recoveries from expected credit losses on paid facilities during the period | (4,454,468)        | (14,357,850)       | (27,220,444)       | (46,032,762)       |
| Transferred to stage 1                                                      | 1,162,840          | (1,060,775)        | (102,065)          | -                  |
| Transferred to stage 2                                                      | (449,138)          | 920,687            | (471,549)          | -                  |
| Transferred to stage 3                                                      | (2,701,304)        | (6,257,997)        | 8,959,301          | -                  |
| Impact of assets held for sale                                              | (1,744,235)        | 34,681             | (23,057)           | (1,732,611)        |
| Provisions written off and transferred to off balance sheet *               | -                  | -                  | (2,550,270)        | (2,550,270)        |
| <b>Balance at the end of the period</b>                                     | <b>26,871,901</b>  | <b>55,084,579</b>  | <b>115,703,139</b> | <b>197,659,619</b> |

|                                                                           | <b>Stage 1</b>     | <b>Stage 2</b>     | <b>Stage 3</b>     | <b>Total</b>       |
|---------------------------------------------------------------------------|--------------------|--------------------|--------------------|--------------------|
|                                                                           | <b>Individuals</b> | <b>Individuals</b> | <b>Individuals</b> | <b>Individuals</b> |
|                                                                           | <b>JD</b>          | <b>JD</b>          | <b>JD</b>          | <b>JD</b>          |
| <b>For the year ended on 31 December 2023 (Audited)</b>                   |                    |                    |                    |                    |
| Balance at the beginning of the year                                      | 33,732,005         | 34,109,552         | 84,527,827         | 152,369,384        |
| Expected credit losses on new facilities during the year                  | 9,436,378          | 25,177,525         | 27,447,776         | 62,061,679         |
| Recoveries from expected credit losses on paid facilities during the year | (6,867,757)        | (1,670,776)        | (15,777,806)       | (24,316,339)       |
| Transferred to stage 1                                                    | 3,214,047          | (2,567,530)        | (646,517)          | -                  |
| Transferred to stage 2                                                    | (13,876,734)       | 14,669,749         | (793,015)          | -                  |
| Transferred to stage 3                                                    | (352,538)          | (5,612,875)        | 5,965,413          | -                  |
| Impact of assets held for sale                                            | (570,651)          | (22,096)           | (2,541,703)        | (3,134,450)        |
| Additions due to the acquisition (note 37)                                | 447,621            | 803,374            | 21,710,148         | 22,961,143         |
| Provisions written off and transferred to off balance sheet               | -                  | -                  | (14,534,826)       | (14,534,826)       |
| <b>Balance at the end of the year</b>                                     | <b>25,162,371</b>  | <b>64,886,923</b>  | <b>105,357,297</b> | <b>195,406,591</b> |

\* Related to written off facilities with subsidiaries.



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**Interest in Suspense**

The movement on interest in suspense during the period / year is as follows:

|                                                                        | Companies        |                  |                   |                  |                                    | Government<br>and public<br>sector | Total |
|------------------------------------------------------------------------|------------------|------------------|-------------------|------------------|------------------------------------|------------------------------------|-------|
|                                                                        | Individuals      | Real Estate      | Large             | Small and        | Government<br>and public<br>sector |                                    |       |
|                                                                        |                  | Loans            |                   | medium           |                                    |                                    |       |
|                                                                        | JD               | JD               | JD                | JD               | JD                                 | JD                                 |       |
| <b>For the six months ended on 30 June 2024 (Reviewed not audited)</b> |                  |                  |                   |                  |                                    |                                    |       |
| Balance at the beginning of the period                                 | 2,418,076        | 3,078,551        | 27,228,261        | 1,777,461        | -                                  | 34,502,349                         |       |
| Add: Interest suspended during the period                              | 1,546,267        | 252,304          | 9,356,516         | 515,066          | -                                  | 11,670,153                         |       |
| Less: Interest transferred to income                                   | (646,635)        | (316,472)        | (3,748,396)       | (82,200)         | -                                  | (4,793,703)                        |       |
| Balance at the end of the period                                       | <b>3,317,708</b> | <b>3,014,383</b> | <b>32,836,381</b> | <b>2,210,327</b> | -                                  | <b>41,378,799</b>                  |       |

|                                                         | Companies        |                  |                   |                  |                                    | Government<br>and public<br>sector | Total |
|---------------------------------------------------------|------------------|------------------|-------------------|------------------|------------------------------------|------------------------------------|-------|
|                                                         | Individuals      | Real Estate      | Large             | Small and        | Government<br>and public<br>sector |                                    |       |
|                                                         |                  | Loans            |                   | medium           |                                    |                                    |       |
|                                                         | JD               | JD               | JD                | JD               | JD                                 | JD                                 |       |
| <b>For the year ended on 31 December 2023 (Audited)</b> |                  |                  |                   |                  |                                    |                                    |       |
| Balance at the beginning of the year                    | 1,977,406        | 8,857,656        | 17,872,134        | 1,370,158        | -                                  | 30,077,354                         |       |
| Add: Interest suspended during the year                 | 724,049          | 767,994          | 5,715,427         | 747,551          | -                                  | 7,955,021                          |       |
| Less: Interest transferred to income                    | (244,129)        | (202,987)        | (60,606)          | (293,133)        | -                                  | (800,855)                          |       |
| Additions from acquisition (note 37)                    | 455,957          | -                | 3,729,661         | -                | -                                  | 4,185,618                          |       |
| Interest in suspense transferred off balance sheet      | (495,207)        | (6,344,112)      | (28,355)          | (47,115)         | -                                  | (6,914,789)                        |       |
| Balance at the end of the year                          | <b>2,418,076</b> | <b>3,078,551</b> | <b>27,228,261</b> | <b>1,777,461</b> | -                                  | <b>34,502,349</b>                  |       |



**(9) FINANCIAL ASSETS AT AMORTIZED COST**

The details of this item are as follows:

|                                                                | <b>30 June<br/>2024</b>           | <b>31 December<br/>2023</b> |
|----------------------------------------------------------------|-----------------------------------|-----------------------------|
|                                                                | <b>JD</b>                         | <b>JD</b>                   |
|                                                                | <b>(Reviewed not<br/>audited)</b> | <b>(Audited)</b>            |
| <b>Financial assets with available market prices:</b>          |                                   |                             |
| Foreign government bills and treasury bonds*                   | 36,338,496                        | 36,352,291                  |
| <b>Total financial assets with available market price</b>      | <b>36,338,496</b>                 | <b>36,352,291</b>           |
| Impairment provision for financial assets<br>at amortised cost | (15,794,374)                      | (15,858,918)                |
| <b>Net financial assets with available market prices</b>       | <b>20,544,122</b>                 | <b>20,493,373</b>           |
| <b>Financial assets with no available market prices:</b>       |                                   |                             |
| Bills and treasury bonds*                                      | 1,177,230,488                     | 1,094,357,249               |
| Corporate loans bonds                                          | 17,833,600                        | 12,161,600                  |
| <b>Total financial assets with no available market prices</b>  | <b>1,195,064,088</b>              | <b>1,106,518,849</b>        |
| Impairment provision for financial assets<br>at amortised cost | (4,263,955)                       | (4,129,033)                 |
| Net financial assets with no available market prices           | 1,190,800,133                     | 1,102,389,816               |
| <b>Total</b>                                                   | <b>1,211,344,255</b>              | <b>1,122,883,189</b>        |
| <b>Analysis financial bonds:</b>                               |                                   |                             |
| With fixed rate                                                | 1,224,240,984                     | 1,130,709,540               |
| With floating rate                                             | 7,161,600                         | 12,161,600                  |
| <b>Total</b>                                                   | <b>1,231,402,584</b>              | <b>1,142,871,140</b>        |

- No bonds at amortized cost were sold during the periods ended 30 June 2024 and 30 June 2023, which is directly recorded in the interim condensed consolidated statement of income.

- No provision for expected credit losses was calculated against Jordanian Government bonds and treasury bills.

\* Financial assets at amortized cost include government bonds in the amount of JD 80,039,898 held in safe custody with the Central Bank of Jordan at one of the local banks in exchange for a repurchase agreement with the Social Security Investment Fund, noting that the accrued interest and any returns generated from these bonds during the term of the agreement are for the benefit of the Bank.



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- The movement on the financial assets at amortized cost during the period/ year is as follow:

|                                               | <u>Stage 1</u>            | <u>Stage 2</u>          | <u>Stage 3</u>            | <u>30 June 2024</u>         | <u>31 December 2023</u>     |
|-----------------------------------------------|---------------------------|-------------------------|---------------------------|-----------------------------|-----------------------------|
|                                               | JD                        | JD                      | JD                        | JD                          | JD                          |
|                                               |                           |                         |                           | (Reviewed not audited)      | (Audited)                   |
| <b>Balance at the beginning of the year</b>   | 1,114,748,401             | 6,208,304               | 21,914,435                | 1,142,871,140               | 622,744,070                 |
| New balances through the period/ year         | 217,146,718               | -                       | 295,741,474               | 512,888,192                 | 384,796,992                 |
| Repaid balances through the period/ year      | (410,019,307)             | (10,060)                | (14,327,381)              | (424,356,748)               | (243,038,016)               |
| Transferred to stage 1                        | -                         | -                       | -                         | -                           | -                           |
| Transferred to stage 2                        | -                         | -                       | -                         | -                           | -                           |
| Transferred to stage 3                        | -                         | -                       | -                         | -                           | -                           |
| Additions due to the acquisition (note 37)    | -                         | -                       | -                         | -                           | 378,368,094                 |
| Written-off balances                          | -                         | -                       | -                         | -                           | -                           |
| <b>Balance at the end of the period/ year</b> | <u><u>921,875,812</u></u> | <u><u>6,198,244</u></u> | <u><u>303,328,528</u></u> | <u><u>1,231,402,584</u></u> | <u><u>1,142,871,140</u></u> |

The movement on the expected credit losses on the financial assets at amortized cost during the period/ year is as follow:

|                                                                                    | <u>Stage 1</u>        | <u>Stage 2</u>          | <u>Stage 3</u>           | <u>30 June 2024</u>      | <u>31 December 2023</u>  |
|------------------------------------------------------------------------------------|-----------------------|-------------------------|--------------------------|--------------------------|--------------------------|
|                                                                                    | JD                    | JD                      | JD                       | JD                       | JD                       |
|                                                                                    |                       |                         |                          | (Reviewed not audited)   | (Audited)                |
| <b>Balance at the beginning of the year</b>                                        | 159,503               | 1,075,611               | 18,752,837               | 19,987,951               | 4,755,468                |
| Expected credit losses on new investments during the period/ year                  | 191,086               | -                       | 14,306,246               | 14,497,332               | 794,504                  |
| Recoveries from expected credit losses on paid investments during the period/ year | (56,916)              | (42,657)                | (14,327,381)             | (14,426,954)             | (169,115)                |
| Transferred to stage 1                                                             | -                     | -                       | -                        | -                        | -                        |
| Transferred to stage 2                                                             | -                     | -                       | -                        | -                        | -                        |
| Transferred to stage 3                                                             | -                     | -                       | -                        | -                        | -                        |
| Additions due to the acquisition (note 37)                                         | -                     | -                       | -                        | -                        | 14,607,094               |
| Written-off balances                                                               | -                     | -                       | -                        | -                        | -                        |
| Adjustments resulting from changes in exchange rates                               | -                     | -                       | -                        | -                        | -                        |
| <b>Balance at the end of the period/ year</b>                                      | <u><u>293,673</u></u> | <u><u>1,032,954</u></u> | <u><u>18,731,702</u></u> | <u><u>20,058,329</u></u> | <u><u>19,987,951</u></u> |



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**(10) RIGHT OF USE ASSETS AND LEASE LIABILITIES**

(a) The movement on right of use assets is as follows:

|                                                                                | <b>30 June<br/>2024</b>           | <b>31 December<br/>2023</b> |
|--------------------------------------------------------------------------------|-----------------------------------|-----------------------------|
|                                                                                | <b>JD</b>                         | <b>JD</b>                   |
|                                                                                | <b>(Reviewed not<br/>audited)</b> | <b>(Audited)</b>            |
| <b>Balance at the beginning of the year</b>                                    | <b>12,559,364</b>                 | <b>10,524,060</b>           |
| Add: additions during the period which resulted from the acquisition (note 37) | -                                 | 1,139,128                   |
| Add: new contracts during the period / year                                    | 1,947,501                         | 4,616,698                   |
| Less: depreciation during the period / year                                    | 2,196,411                         | 3,720,522                   |
| <b>Balance at the end of the period / year</b>                                 | <b>12,310,454</b>                 | <b>12,559,364</b>           |

(b) The movement on lease liabilities is as follows:

|                                                                                | <b>30 June<br/>2024</b>           | <b>31 December<br/>2023</b> |
|--------------------------------------------------------------------------------|-----------------------------------|-----------------------------|
|                                                                                | <b>JD</b>                         | <b>JD</b>                   |
|                                                                                | <b>(Reviewed not<br/>audited)</b> | <b>(Audited)</b>            |
| <b>Balance at the beginning of the year</b>                                    | <b>12,791,946</b>                 | <b>10,733,682</b>           |
| Add: additions during the period which resulted from the acquisition (note 37) | -                                 | 1,161,539                   |
| Add: interest expense                                                          | 541,445                           | 1,228,502                   |
| Add: new contracts during the period / year                                    | 1,947,501                         | 4,616,698                   |
| Less: paid obligations                                                         | 2,866,357                         | 4,948,475                   |
| <b>Balance at the end of the period / year</b>                                 | <b>12,414,535</b>                 | <b>12,791,946</b>           |

(c) Analysis of due payments:

|                     | <b>For the period ended 30 June<br/>2024</b> |                     |
|---------------------|----------------------------------------------|---------------------|
|                     | <b>(Reviewed not audited)</b>                |                     |
|                     | <b>1-3 Years</b>                             | <b>Over 3 Years</b> |
|                     | <b>JD</b>                                    | <b>JD</b>           |
| Right of use assets | 984,836                                      | 11,325,618          |
| Lease liabilities   | 993,163                                      | 11,421,372          |

The Bank chose to use the exemption available in the standard by not recognizing right of use assets which are short-term in nature and low in value.



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**(11) OTHER ASSETS**

The details of this item are as follows:

|                                                     | <b>30 June<br/>2024</b>           | <b>31 December<br/>2023</b> |
|-----------------------------------------------------|-----------------------------------|-----------------------------|
|                                                     | <b>JD</b>                         | <b>JD</b>                   |
|                                                     | <b>(Reviewed not<br/>audited)</b> | <b>(Audited)</b>            |
| Accrued interest and revenues*                      | 47,210,818                        | 50,176,297                  |
| Prepaid expenses                                    | 7,655,334                         | 7,477,488                   |
| Assets seized by the Bank against due debts, net ** | 116,536,326                       | 103,289,000                 |
| Clearing cheques                                    | 991,170                           | 398,488                     |
| Debtors                                             | 6,227,326                         | 3,226,690                   |
| Dividends receivable                                | 650,000                           | -                           |
| Others                                              | 13,233,003                        | 10,056,246                  |
| <b>Total</b>                                        | <b>192,503,977</b>                | <b>174,624,209</b>          |

\* Net of interest in suspense in the amount of JD 2,710,174 as of 30 June 2024 and as of 31 December 2023 against debt instruments.

- Debtors, seized assets and other assets include balances related to subsidiaries in the amount of JD 9,425,623 as of 30 June 2024 against to JD 8,035,531 as of 31 December 2023.

\*\* According to the regulations of the Central Bank of Jordan, the Bank is required to dispose seized assets in a maximum period of two years from the acquisition date. The Central Bank may approve of an extension up to two years at most in exceptional cases.

- The movement on assets seized by the Bank against due debts during the period / year is as follows:

|                                                               | <b>For the six months ended<br/>30 June 2024</b> |                                 |                    | <b>For the year ended<br/>31 December 2023</b> |
|---------------------------------------------------------------|--------------------------------------------------|---------------------------------|--------------------|------------------------------------------------|
|                                                               | <b>(Reviewed not audited)</b>                    |                                 |                    | <b>(Audited)</b>                               |
|                                                               | <b>Seized<br/>assets</b>                         | <b>Other seized<br/>assets*</b> | <b>Total</b>       | <b>Total</b>                                   |
|                                                               | <b>JD</b>                                        | <b>JD</b>                       | <b>JD</b>          | <b>JD</b>                                      |
| <b>Balance at the beginning of the<br/>period/ year – net</b> | 102,841,879                                      | 447,121                         | 103,289,000        | 125,328,002                                    |
| Additions                                                     | 17,736,908                                       | 1,372,800                       | 19,109,708         | 12,476,919                                     |
| Disposals                                                     | (5,111,048)                                      | -                               | (5,111,048)        | (33,560,002)                                   |
| Provision for seized assets                                   | (380,957)                                        | (370,377)                       | (751,334)          | (955,919)                                      |
| <b>Balance at the end of the period/<br/>year</b>             | <b>115,086,782</b>                               | <b>1,449,544</b>                | <b>116,536,326</b> | <b>103,289,000</b>                             |

\* This balance represents seized shares and machines against due debts.

- Loss on disposal of seized assets amounted to JD 890,497 for the period ended 30 June 2024, which was recorded within other expenses, against a gain amounted to JD 206,915 recorded within other revenues for the period ended 30 June 2023.

- The Central Bank of Jordan, pursuant to circular No. 10/3/16234 dated 10 October 2022, canceled all previous circulars that require deducting provisions against seized assets in violation of the provisions of the Banking Law, while maintaining the provisions allocated against real estate to be released upon disposal.





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**(12) CUSTOMERS' DEPOSITS**

|                                                                        | Companies            |                      |                    | Government and<br>public sector | Total                |
|------------------------------------------------------------------------|----------------------|----------------------|--------------------|---------------------------------|----------------------|
|                                                                        | Individuals          | Large                | Small and medium   |                                 |                      |
|                                                                        | JD                   | JD                   | JD                 | JD                              | JD                   |
| <b>For the period ended on 30 June 2024<br/>(Reviewed not audited)</b> |                      |                      |                    |                                 |                      |
| Current accounts and demand deposits                                   | 337,599,787          | 1,389,404,300        | 216,770,444        | 1,438,803                       | 1,945,213,334        |
| Saving accounts                                                        | 297,121,860          | 11,105,026           | 5,853,427          | 2,816,765                       | 316,897,078          |
| Time and notice deposits                                               | 917,491,576          | 718,084,764          | 45,045,058         | 107,560,746                     | 1,788,182,144        |
| <b>Total</b>                                                           | <b>1,552,213,223</b> | <b>2,118,594,090</b> | <b>267,668,929</b> | <b>111,816,314</b>              | <b>4,050,292,556</b> |

|                                                         | Companies            |                    |                      | Government and<br>public sector | Total                |
|---------------------------------------------------------|----------------------|--------------------|----------------------|---------------------------------|----------------------|
|                                                         | Individuals          | Large              | Small and medium     |                                 |                      |
|                                                         | JD                   | JD                 | JD                   | JD                              | JD                   |
| <b>For the year ended on 31 December 2023 (Audited)</b> |                      |                    |                      |                                 |                      |
| Current accounts and demand deposits                    | 352,573,247          | 181,513,035        | 1,130,336,360        | 1,710,101                       | 1,666,132,743        |
| Saving accounts                                         | 295,491,085          | 255,932            | 14,606,209           | 3,077,664                       | 313,430,890          |
| Time and notice deposits                                | 883,852,980          | 557,633,875        | 186,580,624          | 99,429,920                      | 1,727,497,399        |
| Deposits certificate                                    | 35,450               | -                  | -                    | -                               | 35,450               |
| <b>Total</b>                                            | <b>1,531,952,762</b> | <b>739,402,842</b> | <b>1,331,523,193</b> | <b>104,217,685</b>              | <b>3,707,096,482</b> |

The deposits of the government and the public sector inside the Kingdom amounted to JD 111,816,314, which represents 2.76% of the total deposits as of 30 June 2024 (against to JD 104,217,685, or 2.81% as of 31 December 2023).

Non-interest-bearing deposits amounted to JD 1,724,087,168 which represent 42.57% of total deposits as of 30 June 2024 (JD 1,598,498,342 which represent 43.12% of total customers' deposits as of 31 December 2023).

Restricted deposits amounted to JD 57,447,789 which represent 1.42% of total deposits as of 30 June 2024 (JD 43,154,048 which represent 1.16% of total customers' deposits as of 31 December 2023).

Dormant deposits amounted to JD 44,989,495 as of 30 June 2024 (JD 48,696,430 as of 31 December 2023).



**(13) SUNDRY PROVISIONS**

|                                            | <b>Balance at the<br/>beginning of<br/>the period</b> | <b>Additions</b> | <b>Paid</b>      | <b>Foreign<br/>currency<br/>translation<br/>differences</b> | <b>30 June 2024<br/>(Reviewed<br/>not audited)</b> | <b>31 December<br/>2023<br/>(Audited)</b> |
|--------------------------------------------|-------------------------------------------------------|------------------|------------------|-------------------------------------------------------------|----------------------------------------------------|-------------------------------------------|
|                                            | <b>JD</b>                                             | <b>JD</b>        | <b>JD</b>        | <b>JD</b>                                                   | <b>JD</b>                                          | <b>JD</b>                                 |
| End of service provision                   | 16,719,423                                            | 2,084,590        | (510,039)        | (351,077)                                                   | 17,942,897                                         | 16,719,423                                |
| Legal and contingent liabilities provision | 3,578,169                                             | 843,550          | (44,083)         | -                                                           | 4,377,636                                          | 3,578,169                                 |
| <b>Total</b>                               | <b>20,297,592</b>                                     | <b>2,928,140</b> | <b>(554,122)</b> | <b>(351,077)</b>                                            | <b>22,320,533</b>                                  | <b>20,297,592</b>                         |



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**(14) INCOME TAX**

**A. Below is the table for the tax rates and national contribution:**

|                 | <b>30 June<br/>2024</b> | <b>31 December<br/>2023</b> |
|-----------------|-------------------------|-----------------------------|
| Jordan branches | 38%                     | 38%                         |
| Cyprus branch   | 12.5%                   | 12.5%                       |
| Subsidiaries    | 21%-28%                 | 21%-28%                     |
| Bank Of Baghdad | 15%                     | 15%                         |

**B. Tax Status**

| <b>Branches /<br/>subsidiaries</b> | <b>tax-assessment<br/>report submitted up<br/>to the end of the year</b> | <b>Final settlement<br/>up to end of the<br/>year</b> | <b>Payments to the<br/>Income and Sales<br/>Tax Department</b> | <b>Disputed<br/>years</b> |
|------------------------------------|--------------------------------------------------------------------------|-------------------------------------------------------|----------------------------------------------------------------|---------------------------|
| Jordan Branches                    | 2023                                                                     | 2019                                                  | Accrued tax has<br>been paid                                   | None                      |
| Cyprus Branch                      | 2023                                                                     | 2019                                                  | Accrued tax has<br>been paid                                   | None                      |
| Ejara Finance<br>Leasing Company   | 2023                                                                     | 2019                                                  | Accrued tax has<br>been paid                                   | None                      |
| Bank of Baghdad                    | 2023                                                                     | 2023                                                  | Accrued tax has<br>been paid                                   | None                      |

In the opinion of the management and the tax advisor of the bank and its subsidiaries, the Bank and its subsidiaries will not have any obligations that exceed the booked provisions as of the date of the interim condensed consolidated financial statements.

**C. Income Tax Provision**

- The movement on income tax provision during the period / year is as follows:

|                                                | <b>30 June<br/>2024</b>           | <b>31 December<br/>2023</b> |
|------------------------------------------------|-----------------------------------|-----------------------------|
|                                                | <b>(Reviewed not<br/>audited)</b> | <b>(Audited)</b>            |
|                                                | <b>JD</b>                         | <b>JD</b>                   |
| Balance at the beginning of the period / year  | 32,640,476                        | 18,784,419                  |
| Additions as a result of the acquisition       | -                                 | 5,756,062                   |
| Income tax expense for the period / year       | 19,237,354                        | 34,070,422                  |
| Income tax paid during the period / year       | <u>(31,694,923)</u>               | <u>(25,970,427)</u>         |
| <b>Balance at the end of the period / year</b> | <b><u>20,182,907</u></b>          | <b><u>32,640,476</u></b>    |



**D. Income Tax Expense**

Income tax expense in the interim condensed consolidated statement of income represents the following:

|                                         | <b>For the six months ended<br/>on 30 June</b> |                   |
|-----------------------------------------|------------------------------------------------|-------------------|
|                                         | <b>2024</b>                                    | <b>2023</b>       |
|                                         | <b>JD</b>                                      | <b>JD</b>         |
| Accrued income tax                      | 19,237,354                                     | 14,410,075        |
| Deferred tax assets for the period      | 4,659,337                                      | (2,955,767)       |
| Deferred tax liabilities for the period | -                                              | 428,621           |
| <b>Total</b>                            | <b>23,896,691</b>                              | <b>11,882,929</b> |



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**(15) BORROWED FUNDS**

These funds were obtained under agreements signed with various financial institutions, with the aim of using them to finance micro, small and medium enterprises, as follows:

| <u>30 June 2024 (Reviewed not audited)</u> | <u>Amount</u>             | <u>Total number of payments</u> | <u>Outstanding payments</u> | <u>Instalments maturity</u>             | <u>Collaterals</u> | <u>Interest rate</u> | <u>Fixed/Variable</u> |
|--------------------------------------------|---------------------------|---------------------------------|-----------------------------|-----------------------------------------|--------------------|----------------------|-----------------------|
|                                            | JD                        |                                 |                             |                                         |                    |                      |                       |
| Borrowing from Central banks               | 60,617,990                | 6,551                           | 5,188                       | Monthly, semiannually and upon maturity | Bill of exchange   | 0.0% to 7.21%        | Fixed/Variable        |
| Borrowing from local banks/ institutions   | 169,177,225               | 43                              | 30                          | Monthly, semiannually and upon maturity | -                  | 4.5% to 6.65%        | Fixed                 |
| Borrowing from foreign banks/ institutions | 112,597,708               | 41                              | 39                          | Monthly, semiannually and upon maturity | -                  | 1.79% to 6.1%        | Fixed                 |
|                                            | <b><u>342,392,923</u></b> |                                 |                             |                                         |                    |                      |                       |
| <u>31 December 2023 (Audited)</u>          | <u>Amount</u>             | <u>Total number of payments</u> | <u>Outstanding payments</u> | <u>Instalments maturity</u>             | <u>Collaterals</u> | <u>Interest rate</u> | <u>Fixed/Variable</u> |
|                                            | JD                        |                                 |                             |                                         |                    |                      |                       |
| Borrowing from Central banks               | 63,301,563                | 5,786                           | 3,427                       | Monthly, semiannually and upon maturity | Bill of exchange   | 0.00% to 6.27%       | Fixed/Variable        |
| Borrowing from local banks/ institutions   | 178,799,529               | 43                              | 37                          | Monthly, semiannually and upon maturity | -                  | 4.5% to 6.60%        | Fixed                 |
| Borrowing from foreign banks/ institutions | 121,056,078               | 41                              | 40                          | Monthly, semiannually and upon maturity | -                  | 1.79% to 6.1%        | Fixed                 |
|                                            | <b><u>363,157,170</u></b> |                                 |                             |                                         |                    |                      |                       |

- The above balances re-lend with a margin ranging from 3% to 5%.



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**(16) GREEN BONDS**

During the first quarter of 2023, the Bank signed the agreement to issue bonds with a total face value of USD 50 million for 5 years with the International Financial Corporation – IFC. The purpose of these bonds is green financing.

|                                            | <u>Amount</u>     | <u>Interest</u> |
|--------------------------------------------|-------------------|-----------------|
|                                            | <u>JD</u>         |                 |
| <b>30 June 2024 (Reviewed not audited)</b> |                   |                 |
| Green Bond (1)                             | 2,836,000         | 6.44%           |
| Green Bond (2)                             | 7,090,000         | 6.44%           |
| Green Bond (3)                             | 25,524,000        | 7.99%           |
|                                            | <u>35,450,000</u> |                 |

**(17) OTHER LIABILITIES**

|                                                              | <u>30 June</u>                | <u>31 December</u>        |
|--------------------------------------------------------------|-------------------------------|---------------------------|
|                                                              | <u>2024</u>                   | <u>2023</u>               |
|                                                              | <u>JD</u>                     | <u>JD</u>                 |
|                                                              | <b>(Reviewed not audited)</b> | <b>(Audited)</b>          |
| Accrued interest                                             | 26,184,587                    | 27,102,957                |
| Inward transfers                                             | 10,390,487                    | 3,209,447                 |
| Accounts payable                                             | 5,276,809                     | 4,807,505                 |
| Amounts for registering companies – subsidiary               | 1,835,996                     | 3,121,125                 |
| Obligations for ATM services – subsidiary                    | 7,175,951                     | 1,976,513                 |
| Accrued expenses                                             | 3,532,576                     | 1,314,306                 |
| Temporary deposits (a)                                       | 5,631,960                     | 9,296,104                 |
| Temporary deposits - customers                               | 7,587,066                     | 8,292,453                 |
| Shareholders' deposits (b)                                   | 5,245,502                     | 10,011,315                |
| Accepted and certified checks                                | 12,090,065                    | 11,142,349                |
| Vaults insurance                                             | 583,639                       | 541,825                   |
| Subscription deposits (b)                                    | 59,622                        | 59,622                    |
| Expected credit losses against indirect facilities (note 31) | 12,814,872                    | 14,028,143                |
| Additional provisions – equity instruments*                  | -                             | 4,200,000                 |
| Additional provision – deferred installments                 | 1,685,000                     | 1,685,000                 |
| Additional provisions – subsidiary                           | 5,258,599                     | 1,188,272                 |
| Other liabilities                                            | 13,105,547                    | 12,281,979                |
| <b>Total</b>                                                 | <b><u>118,458,278</u></b>     | <b><u>114,258,915</u></b> |

(a) This item represents temporary deposits for public and other joint stock companies.

(b) This amount represents the proceeds of subscription returns in public shareholding companies under incorporation.

\* Sold during the year 2024 and accordingly the provisions were reversed.



**(18) FAIR VALUE RESERVE**

|                                                  | <b>30 June<br/>2024</b>           | <b>31 December<br/>2023</b> |
|--------------------------------------------------|-----------------------------------|-----------------------------|
|                                                  | <b>JD</b>                         | <b>JD</b>                   |
|                                                  | <b>(Reviewed not<br/>audited)</b> | <b>(Audited)</b>            |
| <b>Balance at the beginning of the year</b>      | 20,004,022                        | 6,887,913                   |
| Unrealized gain                                  | 1,854,778                         | 4,675,202                   |
| Expected credit losses against debt instruments  | 90,282                            | 33,701                      |
| Deferred tax liabilities                         | (493,381)                         | 8,407,206                   |
| <b>Balance at the end of the period / year *</b> | <b><u>21,455,701</u></b>          | <b><u>20,004,022</u></b>    |

\* The fair value reserve for financial assets at fair value is presented net of deferred tax liabilities in the amount of JD 2,005,430 as at 30 June 2024 against JD 1,512,049 as at 31 December 2023 and it is not transferable to the interim condensed consolidated statement of income.

**(19) RETAINED EARNINGS**

The movement on retained earnings during the period / year is as follows:

|                                                     | <b>30 June<br/>2024</b>           | <b>31 December<br/>2023</b> |
|-----------------------------------------------------|-----------------------------------|-----------------------------|
|                                                     | <b>JD</b>                         | <b>JD</b>                   |
|                                                     | <b>(Reviewed not<br/>audited)</b> | <b>(Audited)</b>            |
| <b>Balance at the beginning of the period/ year</b> | 143,309,616                       | 94,967,563                  |
| Income for the year                                 | -                                 | 59,108,014                  |
| Interest on perpetual bonds                         | (3,824,958)                       | (4,366,577)                 |
| Transferred to reserves                             | -                                 | (6,399,384)                 |
| <b>Balance at the end of the period / year</b>      | <b><u>139,484,658</u></b>         | <b><u>143,309,616</u></b>   |

Retained earnings include an amount of JD 54,057,024 as of 30 June 2024 (JD 58,716,359 as of 31 December 2023) restricted against deferred tax assets in accordance with the instructions of Central Bank of Jordan.

Retained earnings include an amount of JD 188,212 as of 30 June 2024 and 31 December 2023 which represents the revaluation differences of financial assets at fair value through profit or loss, as a result of the early adoption of IFRS (9) during the year 2011. This amount is not available for distribution and restricted according to the Jordan Securities Commission regulations until the amount becomes realized.

An amount equals to the negative balance of fair value reserve is restricted and cannot be utilized expect with the approval of the Central Bank of Jordan.



**(20) INTEREST INCOME**

The details of interest income are as follows:

|                                                                   | <b>For the six months ended<br/>on 30 June</b> |                    |
|-------------------------------------------------------------------|------------------------------------------------|--------------------|
|                                                                   | <b>2024</b>                                    | <b>2023</b>        |
|                                                                   | <b>JD</b>                                      | <b>JD</b>          |
| <b>Direct credit facilities</b>                                   |                                                |                    |
| <b>Individuals (retail)</b>                                       |                                                |                    |
| Overdrafts                                                        | 47,129                                         | 22,156             |
| Loans and bills                                                   | 13,811,374                                     | 14,350,688         |
| Credit cards                                                      | 982,589                                        | 917,833            |
| Real estate                                                       | 12,185,849                                     | 7,911,575          |
| <b>Large Companies</b>                                            |                                                |                    |
| Overdrafts                                                        | 1,754,769                                      | 804,211            |
| Loans and bills                                                   | 38,447,616                                     | 52,456,479         |
| <b>SMEs</b>                                                       |                                                |                    |
| Overdrafts                                                        | 1,156,116                                      | 563,649            |
| Loans and bills                                                   | 5,975,688                                      | 5,919,959          |
| Government and public sector                                      | 7,390,308                                      | 3,110,935          |
| Balances with central banks                                       | 5,263,760                                      | 4,353,096          |
| Balances and deposits with banks and financial institutions       | 8,159,354                                      | 2,595,805          |
| Financial assets at amortized cost                                | 43,408,474                                     | 25,592,860         |
| Financial assets through profit and loss                          | 154,277                                        | -                  |
| Financial assets at fair value through other comprehensive income | 1,107,378                                      | 694,735            |
| <b>Total</b>                                                      | <b>139,844,681</b>                             | <b>119,293,981</b> |

**(21) INTEREST EXPENSE**

The details of this item are as follows:

|                                                | <b>For the six months ended<br/>on 30 June</b> |                   |
|------------------------------------------------|------------------------------------------------|-------------------|
|                                                | <b>2024</b>                                    | <b>2023</b>       |
|                                                | <b>JD</b>                                      | <b>JD</b>         |
| Deposits with banks and financial institutions | 4,589,558                                      | 4,547,402         |
| <b>Customers' deposits</b>                     |                                                |                   |
| Current and on demand accounts                 | 990,242                                        | 522,713           |
| Saving deposits                                | 2,590,691                                      | 2,537,425         |
| Term and call deposits                         | 51,486,038                                     | 37,270,964        |
| Certificate of deposits                        | 152                                            | 523               |
| Cash margins                                   | 2,282,897                                      | 1,810,123         |
| Borrowed funds                                 | 7,612,497                                      | 4,786,992         |
| Lease liability interest                       | 541,445                                        | 574,419           |
| Green bonds interest                           | 1,355,014                                      | 119,122           |
| Deposit insurance company fees                 | 1,044,880                                      | 894,910           |
| <b>Total</b>                                   | <b>72,493,414</b>                              | <b>53,064,593</b> |





**(22) NET COMMISSION INCOME**

The details of net commission income are as follows:

|                                          | <b>For the six months ended on</b> |                   |
|------------------------------------------|------------------------------------|-------------------|
|                                          | <b>30 June</b>                     |                   |
|                                          | <b>2024</b>                        | <b>2023</b>       |
|                                          | <b>JD</b>                          | <b>JD</b>         |
| Commission on direct credit facilities   | 1,652,937                          | 1,820,657         |
| Commission on indirect credit facilities | 3,651,128                          | 2,926,660         |
| Commission on bank transfers             | 57,948,161                         | 20,052,445        |
| Commission on electronic services        | 5,883,832                          | 1,338,876         |
| Other commissions                        | 3,851,406                          | 3,291,764         |
| <b>Total</b>                             | <b>72,987,464</b>                  | <b>29,430,402</b> |

**(23) OTHER INCOME**

The details of this item are as follows:

|                                 | <b>For the six months ended on</b> |                  |
|---------------------------------|------------------------------------|------------------|
|                                 | <b>30 June</b>                     |                  |
|                                 | <b>2024</b>                        | <b>2023</b>      |
|                                 | <b>JD</b>                          | <b>JD</b>        |
| Vaults and safes rent           | 104,442                            | 91,421           |
| Stamp's revenues                | 30,754                             | 33,601           |
| Credit cards income             | 3,529,914                          | 3,018,384        |
| Written off debts recovered     | 198,719                            | 2,637,507        |
| Telecommunication revenues      | 54,512                             | 62,751           |
| Transfers income                | 623,854                            | 656,618          |
| Gain from sale of seized assets | -                                  | 206,915          |
| Others                          | 1,863,148                          | 1,814,078        |
| <b>Total</b>                    | <b>6,405,343</b>                   | <b>8,521,275</b> |



**(24) OTHER EXPENSES**

|                                      | <b>For the six months ended on</b> |                   |
|--------------------------------------|------------------------------------|-------------------|
|                                      | <b>30 June</b>                     |                   |
|                                      | <b>2024</b>                        | <b>2023</b>       |
|                                      | <b>JD</b>                          | <b>JD</b>         |
| Rent                                 | 71,191                             | 125,872           |
| Stationary                           | 479,203                            | 362,233           |
| Advertisement                        | 1,260,975                          | 1,306,274         |
| Subscriptions and consulting         | 2,143,151                          | 855,889           |
| Communication expenses               | 1,472,898                          | 1,399,717         |
| Maintenance and repairs              | 5,260,221                          | 3,965,295         |
| Insurance expenses                   | 1,066,871                          | 1,091,421         |
| Legal charges and fees               | 262,358                            | 129,161           |
| Electricity, water and heater        | 701,365                            | 488,763           |
| Fees, levies and stamps              | 1,006,085                          | 1,257,339         |
| Professional fees                    | 219,468                            | 182,490           |
| Card service expenses                | 1,838,571                          | 2,425,343         |
| Transportation expenses              | 531,024                            | 457,505           |
| Corresponding bank service expenses  | 263,691                            | 251,635           |
| Safety and security services         | 389,250                            | 385,404           |
| Donations and social responsibility  | 1,328,230                          | 1,167,508         |
| Hospitality                          | 80,851                             | 68,596            |
| Loss on sale of seized assets        | 890,497                            | -                 |
| Seized assets provision              | 751,334                            | 351,980           |
| Depreciation of right of use assets  | 2,196,411                          | 1,864,721         |
| Additional provision – securities    | -                                  | 700,000           |
| Additional provisions – subsidiaries | 4,070,327                          | -                 |
| Others                               | 5,868,011                          | 3,525,367         |
| <b>Total</b>                         | <b>32,151,983</b>                  | <b>22,362,513</b> |

**(25) EARNINGS PER SHARE FROM PROFIT OF THE PERIOD ATTRIBUTABLE TO BANK'S SHAREHOLDERS**

The details of this item are as follows:

|                                                                    | <b>For the six months ended on</b> |                    |
|--------------------------------------------------------------------|------------------------------------|--------------------|
|                                                                    | <b>30 June</b>                     |                    |
|                                                                    | <b>2024</b>                        | <b>2023</b>        |
|                                                                    | <b>JD</b>                          | <b>JD</b>          |
| <b>Profit for the year attributable to the bank's shareholders</b> | <u>51,083,618</u>                  | <u>36,343,847</u>  |
| <b>Weighted average number of shares</b>                           | <u>150,000,000</u>                 | <u>150,000,000</u> |
|                                                                    | <b>JD/ share</b>                   | <b>JD/ share</b>   |
| <b>Earnings per share</b>                                          | <u>0.341</u>                       | <u>0.242</u>       |

- Basic earnings per share equal to the diluted earnings per share, as the Bank did not issue any financial instruments that may reduce the basic earnings per share.



## **(26) CAPITAL MANAGEMENT**

### **(A) Description of what is considered to be capital.**

Capital is classified into several categories as paid capital, economic capital and regulatory capital. The regulatory capital is defined as per the Banks Law by the total value of the items determined by the Central Bank for control purposes in order to meet the requirements of the capital adequacy ratio established in accordance with instructions issued by the Central Bank. The regulatory capital consists of two parts, the first part is called core capital (Tier 1) and consists of paid in capital, disclosed reserves (include statutory reserve, voluntary, share premium, treasury shares premium and foreign currency translation differences), retained earnings after deducting any amounts subject for any restrictions, non-controlling interest and deducting period losses, cost of treasury share purchases, deferred provision with the Central Bank of Jordan approval and goodwill.

The second part additional paid in capital (Tier 2) consists of foreign currencies translation difference, general banking risk reserve, debt and equity securities that have the same characteristics, support debts and 45% from valuation of financial assets at fair value through other comprehensive income reserve if positive and deducted in full if negative.

There is third part (Tier 3) might be established in case the capital adequacy ratio dropped below 12% from the result of including market risk to the capital adequacy ratio. Investments in banks and subsidiaries financial institutions (if not consolidated) as well the investments in banks, insurance companies and other financial institutions share capital.

### **(B) Regulatory requirements for capital, and how to meet these requirements:**

The instructions of the Central Bank require that the paid-up capital is not less than JD 100 million, and that the ratio of shareholders' equity to assets is not less than 6%. As for the regulatory capital, the instructions of the Central Bank require that its ratio to the weighted assets (capital adequacy ratio) is not less than 12% and for banks with foreign branches 14% and the Bank ensures that it is compliant there with.

The Bank is committed to Article (62) of the Banks Law, which requires the Bank to deduct annually 10% of its net profit in the Kingdom to the legal reserve account and to continue to deduct it until such reserve reaches the equivalent of the Bank's subscribed capital, and this deduction corresponds to the statutory reserve stipulated in the Companies Law.

The Bank is committed to Article (41) of the Banks Law, which requires compliance with the limits set by the Central Bank relating to the following:

1. Risk ratios of its assets and risk-weighted assets, as well as the elements of capital, reserves, and regulatory accounts.
2. Ratio of the total borrowings to the regulatory capital that the Bank is allowed to grant for the benefit of a person and his associates or the related parties.
3. Ratio of the total borrowings granted to the Bank's top ten customers to the total amount of borrowings granted by the Bank.



### How to achieve the objectives of capital management.

The Bank ensures the compatibility of the capital amount with the amount, nature and complexity of the risks to which the Bank is exposed to, in a manner that does not contradict with the legislation and instructions in force. The Bank reflects this in its strategic plans as well as its annual estimated budgets. For more precaution, and given the surrounding circumstances and economic cycles, the Board of Directors decided, within the Bank's strategy, that the capital adequacy ratio will not be less than 14%.

When entering into investments, effects on the capital adequacy ratio are recorded and capital and adequacy are monitored periodically as the capital adequacy ratio is calculated at the Group level as well as at the Bank's level on a quarterly basis. In addition to the continuous monitoring of capital ratios which are monitored on a monthly basis, including financial leverage ratios: assets to equity ratio, customer deposits to equity ratio, internal growth rate of equity ratio, provisions and free share capital, which achieves the appropriate financial leverage.

No dividends will be distributed to shareholders from the regulatory capital components if such distribution would lead to failure to comply with the required minimum capital. The Bank focuses on the internal generation of capital and can resort to public offering to meet the requirements of expansions and future plans or the requirements of the regulatory authorities according to specific studies.

### Capital adequacy

On 31 November 2016, the Central Bank of Jordan issued capital adequacy instructions in accordance with Basel III and cancelled the implementation of regulatory capital adequacy instructions in accordance with Basel II.

The Bank manages the capital in a way that ensures the continuity of its operations and achieves the highest possible return on equity, and the capital is as defined by Basel III, as shown in the following table:

|                                                                   | <b>30 June<br/>2024</b>           | <b>31 December<br/>2023</b> |
|-------------------------------------------------------------------|-----------------------------------|-----------------------------|
|                                                                   | <b>JD '000</b>                    | <b>JD '000</b>              |
|                                                                   | <b>(Reviewed not<br/>audited)</b> | <b>(Audited)</b>            |
| Common Equity Tier 1 Holders (CET 1)                              | 571,150                           | 531,419                     |
| Regulatory adjustments (deductions from Common Equity Tier 1)     | (68,962)                          | (72,744)                    |
| Additional paid-in capital (AT1)                                  | 91,814                            | 92,131                      |
| Tier-II Capital                                                   | 36,775                            | 36,262                      |
| <b>Regulatory Capital</b>                                         | <b>630,776</b>                    | <b>587,068</b>              |
| <b>Risk-weighted assets</b>                                       | <b>2,937,931</b>                  | <b>3,131,389</b>            |
| <b>Capital adequacy ratio for ordinary equity holders (CET 1)</b> | <b>17.09%</b>                     | <b>14.65%</b>               |
| <b>Capital adequacy ratio on Tier-I Capital</b>                   | <b>20.22%</b>                     | <b>17.59%</b>               |
| <b>Regulatory capital adequacy ratio</b>                          | <b>21.47%</b>                     | <b>18.75%</b>               |

\* The basic capital was calculated after deducting the investments in banks and a financial subsidiary.



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|                                                                                               | <b>30 June<br/>2024</b> | <b>31 December<br/>2023</b> |
|-----------------------------------------------------------------------------------------------|-------------------------|-----------------------------|
|                                                                                               | <b>JD '000</b>          | <b>JD '000</b>              |
| <b><u>Liquidity coverage ratio (LCR):</u></b>                                                 |                         |                             |
| Total high quality liquid assets                                                              | 1,714,381               | 1,577,750                   |
| Total high quality liquid assets after deducting the maximum adjustments                      | 1,714,381               | 1,577,750                   |
| Net cash outflow                                                                              | 726,623                 | 1,050,496                   |
| Liquidity coverage ratio                                                                      | 235.90%                 | 340.40%                     |
| Liquidity coverage according to the average end of each month                                 | 303.20%                 | 290.32%                     |
|                                                                                               |                         | <b>30 June<br/>2024</b>     |
|                                                                                               |                         | <b>JD '000</b>              |
| <b><u>Net stable funding ratio (NSFR):</u></b>                                                |                         |                             |
| Total stable funding available (after stable funding coefficient Disposable)                  |                         | 4,332,542                   |
| Total stable funding required (after stable funding coefficient required)                     |                         | 2,290,385                   |
| Total stable funding required for extrabudgetary items (after Stable funding factor required) |                         | 42,643                      |
| Total stable funding required                                                                 |                         | 2,333,028                   |
| Net stable funding ratio                                                                      |                         | 185.70%                     |

**(27) CASH AND CASH EQUIVALENTS**

The details of this item are as follows:

|                                                                            | <b>30 June<br/>2024</b>           | <b>30 June<br/>2023</b>           |
|----------------------------------------------------------------------------|-----------------------------------|-----------------------------------|
|                                                                            | <b>JD</b>                         | <b>JD</b>                         |
|                                                                            | <b>(Reviewed not<br/>audited)</b> | <b>(Reviewed not<br/>audited)</b> |
| Cash and balances at Central Banks                                         | 1,291,714,328                     | 617,970,028                       |
| Add: Balances at banks and financial institutions due within three months  | 394,271,148                       | 360,372,515                       |
| Less: Deposits at banks and financial institutions due within three months | 19,961,586                        | 40,179,457                        |
| Less: Restricted balances                                                  | 9,470,805                         | 9,400,630                         |
| <b>Total</b>                                                               | <b><u>1,656,553,085</u></b>       | <b><u>928,762,456</u></b>         |



**(28) BUSINESS SEGMENT INFORMATION**

**1- Information about the group activities**

The Group is organized, for managerial purposes, into four major segments. These segments are measured according to reports used by the executive management and key decision makers at the Bank. Moreover, the Bank owns two branches at Cyprus and three subsidiaries specialized in finance leasing, brokerage and financial investments and one of those subsidiaries owns two companies specialized in brokerage and financial advisory services as of the interim condensed consolidated financial statements.

- Individual accounts: This item includes following up on individual customer's deposits, and granting them credit facilities, credit cards, and other services.
- Corporate accounts: This item includes following up on deposits, credit facilities, and other banking services related to corporate customers.
- Treasury: This item includes providing dealing services and managing the Bank's funds.
- Others: This industry includes the activities which do not meet the definition of the Bank's business activities mentioned above.
- Financial brokerage services: This item includes practicing most of the brokerage and financial consultation services.
- Finance leasing services: This item includes leasing services and real estate development projects.
- Consulting and Issuance Services: This item includes providing financial consultation and issuance management services.



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B- The following is information about the Bank's business distributed according to activities:

|                                            | Individuals       | Corporations      | Treasury          | Others              | Total                               |                      |
|--------------------------------------------|-------------------|-------------------|-------------------|---------------------|-------------------------------------|----------------------|
|                                            |                   |                   |                   |                     | For the six months ended on 30 June |                      |
|                                            |                   |                   |                   |                     | 2024                                | 2023                 |
|                                            | JD                | JD                | JD                | JD                  | JD                                  | JD                   |
| Gross income                               | 29,471,421        | 79,602,140        | 30,450,678        | 45,538,374          | 185,062,613                         | 120,176,107          |
| Expected credit losses                     | 7,580,618         | (1,044,709)       | (172,669)         | -                   | 6,363,240                           | 22,737,264           |
| Results of the segment's business          | 21,890,803        | 80,646,849        | 30,623,347        | 45,538,374          | 178,699,373                         | 97,438,843           |
| Add: Gains resulted from the acquisition   | -                 | -                 | -                 | -                   | -                                   | 15,492,283           |
| Less: expenses not distributed on segments | -                 | -                 | -                 | 64,289,166          | 64,289,166                          | 52,076,693           |
| Profit for the period before income tax    | 21,890,803        | 80,646,849        | 30,623,347        | (18,750,792)        | 114,410,207                         | 60,854,433           |
| Less: income tax expense for the period    | -                 | -                 | -                 | (23,896,691)        | (23,896,691)                        | (11,882,929)         |
| Net income the period                      | <b>21,890,803</b> | <b>80,646,849</b> | <b>30,623,347</b> | <b>(42,647,483)</b> | <b>90,513,516</b>                   | <b>48,971,504</b>    |
| <b>Other information</b>                   |                   |                   |                   |                     |                                     |                      |
| Capital expenditures                       |                   |                   |                   | 14,906,829          | <b>14,906,829</b>                   | <b>8,123,612</b>     |
| Depreciation and amortization              |                   |                   |                   | 3,899,708           | <b>3,899,708</b>                    | <b>3,481,201</b>     |
|                                            |                   |                   |                   |                     | Total                               |                      |
|                                            |                   |                   |                   |                     | 30 June 2024                        | 31 December 2023     |
|                                            |                   |                   |                   |                     | JD                                  | JD                   |
|                                            |                   |                   |                   |                     | (Reviewed not audited)              | (Audited)            |
| Total segment assets                       | 492,677,454       | 1,475,593,136     | 3,280,574,264     | 356,175,208         | <b>5,605,020,062</b>                | <b>5,244,402,051</b> |
| Total segment liabilities                  | 1,588,976,305     | 2,608,186,567     | 426,361,738       | 177,367,508         | <b>4,800,892,118</b>                | <b>4,516,890,688</b> |



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**C- Geographical distribution information:**

This disclosure represents the geographical distribution of the Bank and its subsidiaries operations, where the Bank performs its operations mainly within Kingdom, as well as its international operations through its branch in Cyprus and Bank of Baghdad (a subsidiary)

- The following is the Bank's gross income, assets, and capital expenditures according to the geographical segment:

|                      | <b>Inside the Kingdom</b>                  |             | <b>Outside the Kingdom</b>                 |             | <b>Total</b>                               |             |
|----------------------|--------------------------------------------|-------------|--------------------------------------------|-------------|--------------------------------------------|-------------|
|                      | <b>For the six months ended on 30 June</b> |             | <b>For the six months ended on 30 June</b> |             | <b>For the six months ended on 30 June</b> |             |
|                      | <b>2024</b>                                | <b>2023</b> | <b>2024</b>                                | <b>2023</b> | <b>2024</b>                                | <b>2023</b> |
|                      | <b>JD</b>                                  | <b>JD</b>   | <b>JD</b>                                  | <b>JD</b>   | <b>JD</b>                                  | <b>JD</b>   |
| Gross income         | 62,548,616                                 | 89,027,534  | 122,513,997                                | 31,148,573  | 185,062,613                                | 120,176,107 |
| Capital expenditures | 7,273,186                                  | 7,868,762   | 7,633,643                                  | 254,850     | 14,906,829                                 | 8,123,612   |

|              | <b>Inside the Kingdom</b>     |                         | <b>Outside the Kingdom</b>    |                         | <b>Total</b>                  |                         |
|--------------|-------------------------------|-------------------------|-------------------------------|-------------------------|-------------------------------|-------------------------|
|              | <b>30 June 2024</b>           | <b>31 December 2023</b> | <b>30 June 2024</b>           | <b>31 December 2023</b> | <b>30 June 2024</b>           | <b>31 December 2023</b> |
|              | <b>(Reviewed not audited)</b> | <b>(Audited)</b>        | <b>(Reviewed not audited)</b> | <b>(Audited)</b>        | <b>(Reviewed not audited)</b> | <b>(Audited)</b>        |
|              | <b>JD</b>                     | <b>JD</b>               | <b>JD</b>                     | <b>JD</b>               | <b>JD</b>                     | <b>JD</b>               |
| Total assets | 3,604,730,516                 | 3,714,157,924           | 2,000,289,546                 | 1,530,244,127           | 5,605,020,062                 | 5,244,402,051           |





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**(29) RISK MANAGEMENT**

**A- Total exposure distribution based on geographic region – net:**

|                                                                             | Inside Jordan        | Other Middle<br>East countries | Europe             | Asia              | Africa           | America            | Other<br>countries | 30 June 2024<br>(Reviewed not<br>audited) | 31 December<br>2023<br>(Audited) |
|-----------------------------------------------------------------------------|----------------------|--------------------------------|--------------------|-------------------|------------------|--------------------|--------------------|-------------------------------------------|----------------------------------|
|                                                                             | JD                   | JD                             | JD                 | JD                | JD               | JD                 | JD                 | JD                                        | JD                               |
| Cash and balances at Central Banks                                          | 239,881,811          | 923,635,218                    | 3,174,635          | -                 | -                | -                  | -                  | 1,166,691,664                             | 787,223,767                      |
| Balances at banks and financial institutions-net                            | 6,815                | 51,816,282                     | 47,829,709         | 11,374,001        | 104,295          | 269,495,135        | 13,644,911         | 394,271,148                               | 540,276,278                      |
| Direct credit facilities - net                                              | 1,698,365,421        | 31,601,273                     | 238,303,896        | -                 | -                | -                  | -                  | 1,968,270,590                             | 2,006,746,300                    |
| <b>Bills and Bonds:</b>                                                     |                      |                                |                    |                   |                  |                    |                    |                                           |                                  |
| Within financial assets at fair value through of other comprehensive income | 23,046,701           | 5,804,611                      | 3,173,705          | -                 | 726,725          | 448,541            | 3,860,200          | 37,060,483                                | 32,410,070                       |
| Within financial assets at amortized cost                                   | 839,648,302          | 366,530,663                    | -                  | -                 | 5,165,290        | -                  | -                  | 1,211,344,255                             | 1,122,883,189                    |
| Other assets                                                                | 38,177,622           | 10,338,844                     | 5,912,848          | -                 | -                | -                  | -                  | 54,429,314                                | 53,801,475                       |
| <b>Total for the current period/ year</b>                                   | <b>2,839,126,672</b> | <b>1,389,726,891</b>           | <b>298,394,793</b> | <b>11,374,001</b> | <b>5,996,310</b> | <b>269,943,676</b> | <b>17,505,111</b>  | <b>4,832,067,454</b>                      | <b>4,543,341,079</b>             |
| Letter of credit                                                            | 216,512,304          | 30,383,593                     | 31,573,747         | 644               | -                | 1,830,642          | -                  | 280,300,930                               | 300,012,622                      |
| Letter of guarantees                                                        | 45,087,081           | 4,121,639                      | 6,229,551          | -                 | -                | -                  | -                  | 55,438,271                                | 59,774,795                       |
| Other liabilities                                                           | 464,166,351          | 22,568,654                     | 17,570,200         | -                 | -                | -                  | -                  | 504,305,205                               | 440,025,892                      |
| <b>Grand total</b>                                                          | <b>3,564,892,408</b> | <b>1,446,800,777</b>           | <b>353,768,291</b> | <b>11,374,645</b> | <b>5,996,310</b> | <b>271,774,318</b> | <b>17,505,111</b>  | <b>5,672,111,860</b>                      | <b>5,343,154,388</b>             |



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**- Exposure distribution based on classification steps according to the International Financial Reporting Standard No. (9):**

|                             | <b>Stage 1</b>       | <b>Stage 1</b>    | <b>Stage 2</b>     | <b>Stage 2</b>    |                   | <b>30 June 2024</b>           | <b>31 December 2023</b> |
|-----------------------------|----------------------|-------------------|--------------------|-------------------|-------------------|-------------------------------|-------------------------|
|                             | <b>Individual</b>    | <b>Collective</b> | <b>Individual</b>  | <b>Collective</b> | <b>Stage 3</b>    | <b>(Reviewed not audited)</b> | <b>(Audited)</b>        |
|                             | <b>JD</b>            | <b>JD</b>         | <b>JD</b>          | <b>JD</b>         | <b>JD</b>         | <b>JD</b>                     | <b>JD</b>               |
| Inside Jordan               | 3,351,520,872        | -                 | 182,697,115        | -                 | 30,674,421        | 3,564,892,408                 | 3,601,644,309           |
| Other middle east countries | 1,418,385,463        | -                 | 17,615,400         | -                 | 10,799,914        | 1,446,800,777                 | 1,250,270,227           |
| Europe                      | 352,399,794          | -                 | 507,106            | -                 | 861,391           | 353,768,291                   | 386,107,898             |
| Asia                        | 11,374,645           | -                 | -                  | -                 | -                 | 11,374,645                    | 1,137,904               |
| Africa                      | 831,020              | -                 | 5,165,290          | -                 | -                 | 5,996,310                     | 5,237,099               |
| America                     | 271,774,318          | -                 | -                  | -                 | -                 | 271,774,318                   | 83,418,175              |
| Other countries             | 17,505,111           | -                 | -                  | -                 | -                 | 17,505,111                    | 15,338,776              |
| <b>Total</b>                | <b>5,423,791,223</b> | <b>-</b>          | <b>205,984,911</b> | <b>-</b>          | <b>42,335,726</b> | <b>5,672,111,860</b>          | <b>5,343,154,388</b>    |



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**B- Total exposure distribution based on financial instruments – net:**

|                                                                          | Financial            | Industrial         | Trading            | Real estates       | Agriculture       | Shares            | Individual         | Government and public sector | Services           | Others            | 30 June 2024<br>(Reviewed not audited) | 31 December 2023<br>(Audited) |
|--------------------------------------------------------------------------|----------------------|--------------------|--------------------|--------------------|-------------------|-------------------|--------------------|------------------------------|--------------------|-------------------|----------------------------------------|-------------------------------|
|                                                                          | JD                   | JD                 | JD                 | JD                 | JD                | JD                | JD                 | JD                           | JD                 | JD                | JD                                     | JD                            |
| Cash and balances at Central Banks                                       | 923,635,218          | -                  | -                  | -                  | -                 | -                 | -                  | 243,056,446                  | -                  | -                 | 1,166,691,664                          | 787,223,767                   |
| Balances at banks and financial institutions                             | 380,557,425          | -                  | -                  | -                  | -                 | 1,485,581         | -                  | 12,228,142                   | -                  | -                 | 394,271,148                            | 540,276,278                   |
| Direct credit facilities – net                                           | 228,922,573          | 271,595,049        | 384,030,842        | 252,342,665        | 33,606,181        | 8,126,175         | 291,410,332        | 152,134,023                  | 346,090,890        | 11,860            | 1,968,270,590                          | 2,006,746,300                 |
| Bills and Bonds:                                                         |                      |                    |                    |                    |                   |                   |                    |                              |                    |                   |                                        |                               |
| Within financial assets at fair value through other comprehensive income | -                    | -                  | 9,061,284          | -                  | -                 | -                 | -                  | 26,656,035                   | 1,343,164          | -                 | 37,060,483                             | 32,410,070                    |
| Within financial assets at amortized cost                                | 83,769,484           | -                  | 8,642,514          | -                  | -                 | -                 | -                  | 1,114,005,126                | 4,927,131          | -                 | 1,211,344,255                          | 1,122,883,189                 |
| Other assets                                                             | 54,429,314           |                    |                    |                    |                   |                   |                    |                              |                    |                   | 54,429,314                             | 53,801,475                    |
| Letter of credit                                                         | 75,235,075           | 50,211,963         | 44,438,612         | 65,962             | 552,250           | 1,852,650         | 1,533,968          | 652                          | 95,931,119         | 10,478,679        | 280,300,930                            | 300,012,622                   |
| Letter of guarantees                                                     | -                    | 12,811,293         | 27,147,705         | -                  | 836,304           | -                 | -                  | -                            | 10,521,417         | 4,121,552         | 55,438,271                             | 59,774,795                    |
| Other liabilities                                                        | 33,450,605           | 167,946,144        | 159,870,148        | 9,327,148          | 29,029,226        | 2,014,263         | 22,255,077         | 4,963,000                    | 75,449,594         | -                 | 504,305,205                            | 440,025,892                   |
| <b>Total</b>                                                             | <b>1,779,999,694</b> | <b>502,564,449</b> | <b>633,191,105</b> | <b>261,735,775</b> | <b>64,023,961</b> | <b>13,478,669</b> | <b>315,199,377</b> | <b>1,553,043,424</b>         | <b>534,263,315</b> | <b>14,612,091</b> | <b>5,672,111,860</b>                   | <b>5,343,154,388</b>          |



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**- Exposure distribution based on classification stage according to the International Financial Reporting Standard No. (9)**

|                              | Stage 1              |            | Stage 2            |            | Stage 3           | 30 June 2024         | 31 December 2023     |
|------------------------------|----------------------|------------|--------------------|------------|-------------------|----------------------|----------------------|
|                              | Individual           | Collective | Individual         | Collective |                   | (Reviewed no         | (Audited)            |
|                              | JD                   | JD         | JD                 | JD         |                   | audited)             | JD                   |
| Financial                    | 1,776,867,243        | -          | 3,108,710          | -          | 23,741            | 1,779,999,694        | 1,682,426,122        |
| Industrial                   | 431,958,825          | -          | 61,111,146         | -          | 9,494,478         | 502,564,449          | 588,459,859          |
| Trading                      | 586,490,081          | -          | 37,382,637         | -          | 9,318,387         | 633,191,105          | 569,473,114          |
| Real estate                  | 227,730,699          | -          | 28,726,109         | -          | 5,278,967         | 261,735,775          | 243,274,045          |
| Agriculture                  | 45,545,127           | -          | 10,164,434         | -          | 8,314,400         | 64,023,961           | 67,566,568           |
| Shares                       | 13,478,669           | -          | -                  | -          | -                 | 13,478,669           | 15,826,094           |
| Individual                   | 288,185,116          | -          | 20,221,520         | -          | 6,792,741         | 315,199,377          | 311,455,759          |
| Government and public sector | 1,547,878,022        | -          | 5,165,289          | -          | 113               | 1,553,043,424        | 1,305,867,026        |
| Services                     | 491,045,367          | -          | 40,105,066         | -          | 3,112,882         | 534,263,315          | 558,805,801          |
| Other                        | 14,612,074           | -          | -                  | -          | 17                | 14,612,091           | -                    |
| <b>Total</b>                 | <b>5,423,791,223</b> | <b>-</b>   | <b>205,984,911</b> | <b>-</b>   | <b>42,335,726</b> | <b>5,672,111,860</b> | <b>5,343,154,388</b> |



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**(30) TRANSACTIONS WITH RELATED PARTIES**

The Bank entered into transactions with the subsidiaries, major shareholders', sister companies, board of directors, and executive management within the normal banking practice and according to the normal interest rates and commercial commissions. All the credit facilities granted to related parties are considered acceptable risks and classified as stage 1 as of 30 June 2024.

**A. The following is a summary of the balances / transactions with related parties during the period / year:**

|                                                                                       | Sister companies | Board of directors' members | Subsidiaries** | Executive managers | Others*    | Total                                      |                  |
|---------------------------------------------------------------------------------------|------------------|-----------------------------|----------------|--------------------|------------|--------------------------------------------|------------------|
|                                                                                       |                  |                             |                |                    |            | 30 June 2024                               | 31 December 2023 |
|                                                                                       |                  |                             |                |                    |            | (Reviewed not audited)                     | (Audited)        |
|                                                                                       | JD               | JD                          | JD             | JD                 | JD         | JD                                         | JD               |
| <b>Interim condensed consolidated statement of financial position Items:</b>          |                  |                             |                |                    |            |                                            |                  |
| Direct credit facilities                                                              | 38,215,100       | 852,374                     | 778,783        | 4,403,100          | -          | 44,249,357                                 | 46,530,542       |
| Deposits from banks and financial institutions                                        | 2,952,344        | -                           | -              | -                  | -          | 2,952,344                                  | 12,248,542       |
| Customers' deposits                                                                   | 759,932          | 94,436,262                  | 1,949,130      | 1,335,141          | 3,087,327  | 101,567,792                                | 110,935,581      |
| Deposits at banks and financial institutions                                          | 35,970,765       | -                           | 357,087        | -                  | 372,612    | 36,700,464                                 | 4,786,501        |
| Cash margins                                                                          | -                | -                           | -              | 10,551             | 14,725     | 25,276                                     | 28,526           |
| Financial assets at fair value through comprehensive income                           | 24,815,000       | -                           | 877,648        | -                  | 44,826,841 | 70,519,489                                 | 59,871,352       |
| Right of use assets                                                                   | -                | 211,284                     | -              | -                  | -          | 211,284                                    | 237,270          |
| Lease liabilities                                                                     | -                | 235,445                     | -              | -                  | -          | 235,445                                    | 235,445          |
| Financial assets at amortised cost / borrowed funds                                   | -                | 80,039,898                  | -              | -                  | -          | 80,039,898                                 | 80,017,850       |
| <b>Off Interim condensed consolidated statement of financial position Items:</b>      |                  |                             |                |                    |            |                                            |                  |
| Letters of credit                                                                     | 23,243,383       | -                           | 504,908        | -                  | 147,500    | 23,895,791                                 | 19,468,853       |
| Letters of guarantee                                                                  | 1,261,655        | -                           | -              | -                  | 3,828,600  | 5,090,255                                  | 5,417,758        |
|                                                                                       |                  |                             |                |                    |            | <b>Total</b>                               |                  |
|                                                                                       |                  |                             |                |                    |            | <b>For the six months ended on 30 June</b> |                  |
|                                                                                       |                  |                             |                |                    |            | <b>2024</b>                                | <b>2023</b>      |
|                                                                                       |                  |                             |                |                    |            | <b>JD</b>                                  | <b>JD</b>        |
|                                                                                       |                  |                             |                |                    |            | <b>(Reviewed not audited)</b>              |                  |
| <b>Interim condensed consolidated statement of comprehensive income Items:</b>        |                  |                             |                |                    |            |                                            |                  |
| Interest and commission income ***                                                    | 1,446,633        | 15,805                      | -              | 185,917            | -          | 1,648,355                                  | 1,662,813        |
| Interest and commission expense ****                                                  | -                | 7,469,482                   | 12,267         | 548,846            | -          | 8,030,595                                  | 1,290,338        |
| Amortisation of right of use assets                                                   | -                | 25,986                      | -              | -                  | -          | 25,986                                     | 12,993           |
| Interest on lease liability                                                           | -                | 10,388                      | -              | -                  | -          | 10,388                                     | 6,062            |
| Cash dividends from financial assets at fair value through other comprehensive income | 650,000          | -                           | -              | -                  | 259,531    | 909,531                                    | -                |
| Cash dividends from subsidiary                                                        | -                | -                           | 13,882,978     | -                  | -          | 13,882,978                                 | -                |
| Managerial contracts                                                                  | -                | -                           | 3,610,409      | -                  | -          | 3,610,409                                  | -                |



Included in the direct credit facilities granted to the members of the board of directors and executive management an amount of JD 760,978 which is related to the board of directors of Ejara Finance Leasing Company (subsidiary company) as of 30 June 2024, against JD 639,153 as of 31 December 2023.

\* Represents companies the bank has the right to vote on its boards of directors.

\*\* The transactions with subsidiaries at the level of consolidated data are eliminated and shown for disclosure purposes.

\*\*\* Interest income rates range from 1.75% to 10.75%.

\*\*\*\* Interest expense rates ranges from 1.25% to 6.75%.

The bank is represented by three members on the Board of Directors of the United Financial Investments Company.

### **Executive management salaries and benefits**

The salaries of the Bank's executive management and its subsidiaries amounted to JD 2,707,972 for the six months ended on 30 June 2024 against JD 2,392,127 for the six months ended on 30 June 2023.

### **(31) COMMITMENTS AND CONTINGENT LIABILITIES**

A- Credit commitments and liabilities:

- The Group had the below contingent liabilities at the date of the interim condensed consolidated financial statements:

|                                                           | <b>30 June<br/>2024</b>           | <b>31 December<br/>2023</b> |
|-----------------------------------------------------------|-----------------------------------|-----------------------------|
|                                                           | <b>JD</b>                         | <b>JD</b>                   |
|                                                           | <b>(Reviewed not<br/>audited)</b> | <b>(Audited)</b>            |
| <b>(A) Letters of credits, guarantees and acceptances</b> |                                   |                             |
| <b>Letters of credit</b>                                  | 55,827,254                        | 60,247,710                  |
| <b>Guarantees</b>                                         |                                   |                             |
| Payment                                                   | 166,344,359                       | 182,320,346                 |
| Performance bonds                                         | 121,913,478                       | 91,935,815                  |
| Others                                                    | 800,772                           | 35,367,697                  |
| <b>Acceptances</b>                                        | 50,981,161                        | 32,881,534                  |
| <b>Total</b>                                              | <b>395,867,024</b>                | <b>402,753,102</b>          |
| <b>(B) Other commitments and contingent liabilities</b>   |                                   |                             |
| Unutilised direct credit facilities limits                | 343,284,855                       | 303,002,687                 |
| Unutilised indirect credit facilities limits              | 113,707,399                       | 108,085,663                 |
| <b>Total</b>                                              | <b>456,992,254</b>                | <b>411,088,350</b>          |
| <b>Total indirect facilities</b>                          | <b>852,859,278</b>                | <b>813,841,452</b>          |
| <b>Expected credit losses</b>                             | <b>12,814,872</b>                 | <b>14,028,143</b>           |
| <b>Total indirect facilities – net</b>                    | <b>840,044,406</b>                | <b>799,813,309</b>          |



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- The movement on the commitments and contingent liabilities collectively at the end of the period/ year is as follows:

|                                               | Stage 1            |            | Stage 2           |            | Stage 3          | 30 June 2024           | 31 December 2023   |
|-----------------------------------------------|--------------------|------------|-------------------|------------|------------------|------------------------|--------------------|
|                                               | Individual         | Collective | Individual        | Collective | Collective       | (Reviewed not audited) | (Audited)          |
|                                               | JD                 | JD         | JD                | JD         | JD               | JD                     | JD                 |
| Balance at the beginning of the period/ year  | 781,967,724        | -          | 29,977,611        | -          | 1,896,117        | 813,841,452            | 693,912,133        |
| New exposures during the period/ year         | 283,345,325        | -          | 3,567,931         | -          | 29,953           | 286,943,209            | 333,556,330        |
| Accrued exposures                             | (232,792,683)      | -          | (14,618,452)      | -          | (514,248)        | (247,925,383)          | (236,885,581)      |
| Transferred to stage 1                        | 1,774,626          | -          | (1,772,064)       | -          | (2,562)          | -                      | -                  |
| Transferred to stage 2                        | (3,600,683)        | -          | 3,610,945         | -          | (10,262)         | -                      | -                  |
| Transferred to stage 3                        | (174,229)          | -          | (468,201)         | -          | 642,430          | -                      | -                  |
| Changes resulted from adjustments             | -                  | -          | -                 | -          | -                | -                      | -                  |
| Additions due to the acquisition              | -                  | -          | -                 | -          | -                | -                      | 23,258,570         |
| <b>Balance at the end of the period/ year</b> | <b>830,520,080</b> | <b>-</b>   | <b>20,297,770</b> | <b>-</b>   | <b>2,041,428</b> | <b>852,859,278</b>     | <b>813,841,452</b> |

The movement on the expected credit losses on commitments and contingent liabilities collectively at the end of the period/ year is as follows:

|                                                                     | 30 June 2024 (Reviewed not audited) |            |                  |            |                  | 31 December 2023  |                   |
|---------------------------------------------------------------------|-------------------------------------|------------|------------------|------------|------------------|-------------------|-------------------|
|                                                                     | Stage 1                             |            | Stage 2          |            | Stage 3          | Total             |                   |
|                                                                     | Individual                          | Collective | Individual       | Collective | JD               | Total             |                   |
|                                                                     | JD                                  | JD         | JD               | JD         | JD               | JD                |                   |
| Balance at the beginning of the period/ year                        | 6,348,989                           | -          | 6,150,909        | -          | 1,528,245        | 14,028,143        | 9,680,098         |
| Expected credit losses on the new exposures during the period/ year | 3,036,716                           | -          | 314,794          | -          | 331,408          | 3,682,918         | 6,975,109         |
| Expected credit losses on the accrued exposures                     | (2,947,958)                         | -          | (1,358,824)      | -          | (589,407)        | (4,896,189)       | (3,394,312)       |
| Transferred to stage 1                                              | 31,250                              | -          | (29,816)         | -          | (1,434)          | -                 | -                 |
| Transferred to stage 2                                              | (80,179)                            | -          | 88,686           | -          | (8,507)          | -                 | -                 |
| Transferred to stage 3                                              | (772)                               | -          | (9,917)          | -          | 10,689           | -                 | -                 |
| Additions due to the acquisition                                    | -                                   | -          | -                | -          | -                | -                 | 767,248           |
| <b>Balance at the end of the period/ year</b>                       | <b>6,388,046</b>                    | <b>-</b>   | <b>5,155,832</b> | <b>-</b>   | <b>1,270,994</b> | <b>12,814,872</b> | <b>14,028,143</b> |



**(32) LAWSUITS AGAINST THE BANK**

Legal cases filed against the bank and its subsidiaries amounted to JD 27,922,555 as of 30 June 2024, compared to JD 11,172,851 as of 31 December 2023. In the opinion of the management and the bank's legal advisor, the Bank will not have obligations that exceed the provision taken against them in the amount of JD 4,377,636 as of 30 June 2024 compared to JD 3,578,169 as of 31 December 2023.

Legal cases filed against Ejara Finance Leasing Company amounted to JD 44,874 as of 30 June 2024 against JD 217,334 as of 31 December 2023 and will not result in obligations.

**(33) DISTRIBUTED DIVIDENDS**

The General Assembly approved the distribution of cash dividends to shareholders in their meeting held on 25 April 2024 at 8% of the total paid-in, from the voluntary reserve which is equivalent to JD 12 million for the year 2023.

Cash dividends were distributed on the shareholders at 8% from total paid-in capital and that from the voluntary reserve which is equivalent to JD 12 million for the year 2022.

**(34) PERPETUAL BONDS**

During the first quarter of 2023, perpetual bonds classified as (Additional Tier I Capital) were issued, with a total value of JD 89.01 million. The bond consists of two issuances, the first is a non-public issuance of USD 90 million that is not listed on the Amman Stock Exchange, and the other is a public issuance of JD 25.2 million that was offered for public subscription.

The interest rate is 8.50% for the first 24 months, and the interest rate will float later on based on the discount rate issued by the Central Bank of Jordan plus a margin of 1.25%, which is calculated every three months.

The aim of the issuance is to support the Bank's expansion plans in the region to diversify its sources of revenue in the coming years, especially with regard to recent acquisitions such as the Bank of Baghdad.

During the period, interest expense amounting to JD 3,824,958 was recorded, which was recorded directly from retained earnings.





**(35) STATUTORY AND VOLUNTARY RESERVE**

The Bank did not deduct the statutory reserve according to the Jordanian Companies Law as these are interim financial statements. The deduction is made at the end of the financial year.

Cash dividends were distributed on the shareholders at 8% from total paid in capital and that from the voluntary reserve which is equivalent to JD 12 million for the years 2023 and 2022.

**(36) FAIR VALUE HIERARCHY**

**A. The Fair Value of Financial Assets And Financial Liabilities Of The Bank Specified At Fair Value on An Ongoing Basis:**

Some financial assets and liabilities of the Bank are evaluated at fair value at the end of each fiscal period. The following table shows the information about financial assets and liabilities (evaluation methods and inputs used).

| Financial assets                                                          | Fair value                   | Fair value         | Level of fair value | Valuation method and inputs used                                                                                  | Significant intangible inputs | Relationship between fair value and significant intangible inputs |
|---------------------------------------------------------------------------|------------------------------|--------------------|---------------------|-------------------------------------------------------------------------------------------------------------------|-------------------------------|-------------------------------------------------------------------|
|                                                                           | 30 June 2024                 | 31 December 2023   |                     |                                                                                                                   |                               |                                                                   |
|                                                                           | JD<br>(Reviewed not audited) | JD<br>(Audited)    |                     |                                                                                                                   |                               |                                                                   |
| <b>Financial assets at fair value through profit and loss:</b>            |                              |                    |                     |                                                                                                                   |                               |                                                                   |
| Shares with available market prices                                       | 2,627,204                    | 21,299,672         | Level 1             | Quoted prices in financial markets                                                                                | Not applicable                | Not applicable                                                    |
| Bonds with available market prices                                        | 3,438,650                    | 3,460,806          | Level 1             | Quoted prices in financial markets                                                                                | Not applicable                | Not applicable                                                    |
| <b>Financial assets at fair value through other comprehensive income:</b> |                              |                    |                     |                                                                                                                   |                               |                                                                   |
| Shares with available market prices                                       | 30,957,950                   | 27,928,802         | Level 1             | Quoted prices in financial markets                                                                                | Not applicable                | Not applicable                                                    |
| Shares with no available market prices                                    | 56,106,175                   | 55,884,750         | Level 2             | Quoted prices in financial markets and comparison of similar financial instruments and discounted dividends model | Not applicable                | Not applicable                                                    |
| Bonds listed in active markets                                            | 37,060,483                   | 32,410,070         | Level 1             | Quoted prices in financial markets                                                                                | Not applicable                | Not applicable                                                    |
| <b>Total</b>                                                              | <b>130,190,462</b>           | <b>140,984,100</b> |                     |                                                                                                                   |                               |                                                                   |

There were no transfers between level 1 and level 2 during the six months ended on 30 June 2024 and 31 December 2023.



**B. The Fair Value of The Financial Assets and Financial Liabilities Of The Bank (Non-Specified Fair Value On An Ongoing Basis):**

Except for what is described in the table below, we believe that the carrying amounts of the financial assets and financial liabilities shown in the Bank's financial statements approximate their fair values because the Bank's management believes that the carrying amount of the items below is approximately equivalent to their fair value due to their short-term maturities, or their interest rates are re-priced during the year.

|                                                                  | 30 June 2024           |                        | 31 December 2023     |                      | Level of fair value |
|------------------------------------------------------------------|------------------------|------------------------|----------------------|----------------------|---------------------|
|                                                                  | Book value             | Fair value             | Book value           | Fair value           |                     |
|                                                                  | JD                     | JD                     | JD                   | JD                   | JD                  |
|                                                                  | (Reviewed not audited) | (Reviewed not audited) | (Audited)            | (Audited)            |                     |
| <b>Financial assets with non-specified fair value:</b>           |                        |                        |                      |                      |                     |
| Balances at central banks                                        | 1,166,691,664          | 1,167,077,466          | 787,223,767          | 787,633,803          | Level 2             |
| Balances at banks and financial institutions                     | 394,271,148            | 395,854,228            | 540,276,278          | 541,958,797          | Level 2             |
| Direct financial facilities, net                                 | 1,968,270,590          | 2,002,510,531          | 2,006,746,300        | 2,043,136,973        | Level 2             |
| Financial assets at amortised cost, net                          | 1,211,344,255          | 1,222,346,250          | 1,122,883,189        | 1,134,576,258        | Level 1 and 2       |
| <b>Total financial assets with non-specified fair value</b>      | <b>4,740,577,657</b>   | <b>4,787,788,475</b>   | <b>4,457,129,534</b> | <b>4,507,305,831</b> |                     |
| <b>Financial liabilities with non-specified fair value</b>       |                        |                        |                      |                      |                     |
| Banks and financial institutions deposits                        | 31,961,586             | 33,826,350             | 69,620,351           | 71,633,973           | Level 2             |
| Customers' deposits                                              | 4,050,292,556          | 4,069,766,134          | 3,707,096,482        | 3,728,124,568        | Level 2             |
| Cash margin                                                      | 146,870,316            | 148,417,324            | 139,974,833          | 141,645,333          | Level 2             |
| Borrowed funds                                                   | 342,392,923            | 344,606,936            | 363,157,170          | 365,547,920          | Level 2             |
| Green bonds                                                      | 35,450,000             | 35,874,629             | 35,450,000           | 35,908,526           | Level 2             |
| <b>Total financial liabilities with non-specified fair value</b> | <b>4,606,967,381</b>   | <b>4,632,491,373</b>   | <b>4,315,298,836</b> | <b>4,342,860,320</b> |                     |

The fair value of the financial assets and liabilities for level 2 and level 3 was determined in accordance with agreed pricing models, which reflect the credit risk of the parties dealt with.



**(37) ACQUISITION OF A SUBSIDIARY**

**A- Bank of Baghdad**

During the first quarter of the year 2023, the Bank acquired 53.44% of the outstanding shares of Bank of Baghdad. Bank of Baghdad is one of the largest private commercial banks in Iraq and is classified as a private shareholding company that was established in 1992 and the Bank's head office is in Baghdad and its current capital is IQD 400 billion. The Bank provides all banking and financial activities through its head office and (36) branches inside Iraq and (1) foreign branch in Lebanon.

|                                 | <b>As at 30 June<br/>2024</b>                                    |
|---------------------------------|------------------------------------------------------------------|
|                                 | <b>JD '000</b>                                                   |
| <b>Total assets</b>             | 1,928,329                                                        |
| <b>Total liabilities</b>        | 1,588,528                                                        |
| <b>Net shareholders' equity</b> | 339,801                                                          |
|                                 | <b>From the<br/>acquisition date<br/>until 31 March<br/>2023</b> |
|                                 | <b>JD '000</b>                                                   |
| <b>Profit for the period</b>    | 9,888                                                            |

- The table below shows a summary of the net fair value of the acquired assets and liabilities on the acquisition date and the profits of the deal:

|                              | <b>For the period<br/>ended 31 March<br/>2023</b> |
|------------------------------|---------------------------------------------------|
|                              | <b>JD '000</b>                                    |
| <b>Net fair value</b>        | 97,920                                            |
| <b>Purchase price</b>        | 89,054                                            |
| <b>Gain from acquisition</b> | <b>8,865</b>                                      |



## **B- BHM Capital**

|                                                                   | <b>As at 31 May<br/>2023</b> |
|-------------------------------------------------------------------|------------------------------|
|                                                                   | <b>JD '000</b>               |
| <b><u>Assets</u></b>                                              |                              |
| Cash and balances with Banks and Central Banks                    | 115,785                      |
| Direct credit facilities, net                                     | 63,208                       |
| Financial assets at fair value through Profit or loss             | 2,142                        |
| Financial assets at fair value through other comprehensive income | 744                          |
| Other assets                                                      | 27,359                       |
| <b>Total assets</b>                                               | <b>209,238</b>               |
| <b><u>Liabilities and shareholders' equity</u></b>                |                              |
| Customers' deposits                                               | 113,658                      |
| Borrowed funds                                                    | 17,942                       |
| Other liabilities                                                 | 42,347                       |
| <b>Total liabilities</b>                                          | <b>173,947</b>               |
| <b>Net fair value of acquisition transaction</b>                  | <b>35,291</b>                |
| <b>Amount in acquisition percentage 76.972%</b>                   | <b>27,164</b>                |
| <b>Purchase price</b>                                             | <b>20,537</b>                |
| <b>Bargain Purchase</b>                                           | <b>6,627</b>                 |

On 4 October 2023, 116,146,786 shares of the bank's investment in BHM Capital - a subsidiary (i.e. 66.97% of the company's capital) were sold. After the sale, the investment percentage reached 10% of the company's capital. The sale was carried out at a price of 161 million dirhams, equivalent to JD 31 million, as shown below:

|                                                                          | <b>As at 31 May<br/>2023</b> |
|--------------------------------------------------------------------------|------------------------------|
|                                                                          | <b>JD '000</b>               |
| Cost of shares                                                           | 17,869,611                   |
| Net selling price                                                        | 30,995,240                   |
| <b>Profit</b>                                                            | <b>13,125,629</b>            |
| <b>Distributed as follows:</b>                                           |                              |
| The company's profits for the period from the date of control until sold | 1,719,997                    |
| Proceeds from acquisition                                                | 6,627,320                    |
| Gain from sale of subsidiary                                             | 4,778,312                    |
| <b>Total profit</b>                                                      | <b>13,125,629</b>            |



**(38) ASSETS HELD FOR SALE**

In accordance with the decision of the Investment Committee and the Board of Directors, it was approved to sell the bank's investment in the United Financial Investments Company, accordingly the investment was reclassified in accordance with the requirements of International Financial Reporting Standard No. (5) Assets held for sale. For the purpose of sale and discontinued operations as at 30 June 2024 and 31 December 2023.

**Financial assets held for sale:**

|                                                                   | <b>30 June<br/>2024</b>           | <b>31 December<br/>2023</b> |
|-------------------------------------------------------------------|-----------------------------------|-----------------------------|
|                                                                   | <b>(Reviewed not<br/>audited)</b> | <b>(Audited)</b>            |
|                                                                   | <b>JD '000</b>                    | <b>JD '000</b>              |
| Balances at Banks and financial institutions                      | 2,588,912                         | 4,189,814                   |
| Direct credit facilities, net                                     | 13,855,871                        | 16,308,005                  |
| Financial assets at fair value through other comprehensive income | 23,981                            | 1,402,903                   |
| Property and equipment-net                                        | 1,074,113                         | 1,914,218                   |
| Other assets                                                      | 6,437,311                         | 5,431,754                   |
| <b>Total assets</b>                                               | <b>23,980,188</b>                 | <b>29,246,694</b>           |
| Bank share                                                        | 18,815,467                        | 22,947,701                  |

**Liabilities and equity directly attributable to assets held for sale:**

|                          |                    |                    |
|--------------------------|--------------------|--------------------|
| Customer deposits        | 1,691,531          | 2,285,888          |
| Borrowed money           | 17,696,004         | 19,218,504         |
| Sundry provisions        | 429,344            | 419,020            |
| Other liabilities        | 1,285,199          | 1,151,354          |
| <b>Total liabilities</b> | <b>21,102,078</b>  | <b>23,074,766</b>  |
| <b>Bank share</b>        | <b>16,557,229</b>  | <b>18,105,050</b>  |
| <b>Total equity</b>      | <b>(2,046,134)</b> | <b>(1,887,774)</b> |
| <b>Bank share</b>        | <b>(1,605,449)</b> | <b>(1,481,196)</b> |

**(39) MATERIAL EVENTS THAT REQUIRE DISCLOSURE AND HAS NO FINANCIAL IMPACT**

According to the Bank's disclosure to the Jordan Securities Commission and the Amman Stock Exchange on 22 February 2024, the Board of Directors of the Jordan Kuwait Bank has approved the commencement of technical, financial, and legal assessments to assess the prospect of merging with Bank al Etihad, this assessment will serve as the foundation for determining the appropriate course of action. The preliminary study phase is currently underway.