



البنك الأردني الكويتي
JORDAN KUWAIT BANK



JKB Group Q1 2026

Presentation to Investors and Analysts

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About JKB



About JKB



Jordan Kuwait Bank (JKB) is a leading Jordanian public shareholding bank, established in 1976 and listed on the Amman Stock Exchange, with a paid-up capital of JD 150 million. The Bank is part of the KIPCO Group, providing strong regional backing. JKB operates through a diversified platform across Jordan and Cyprus, complemented by strategic holdings including a 53.4% stake in Bank of Baghdad (Iraq), 100% ownership of Ejara Leasing, and an 89.79% stake in United Financial Investments, enabling a broad offering across banking, leasing, brokerage, and advisory services.

Strategic Positioning

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

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

Diversified Operations across Markets & Segments



 البنك الأردني الكويتي JORDAN KUWAIT BANK	 مصرف بغداد Bank of Baghdad	 شركة إجارة للتأجير التمويلي عضو مجموعة البنك الأردني الكويتي	 UNITED FINANCIAL INVESTMENTS المتحدة للاستثمارات المالية
JKB Standalone and Cyprus	Bank of Baghdad (BoB)	Ejara Leasing Company	United Financial Investments (UFICO)
100% Ownership	53.4% Ownership	100% Ownership	89.79% Ownership
<ul style="list-style-type: none"> • 5th largest commercial bank by total Equity and the 4th in terms of Net Income • Offers retail, corporate, treasury, investment and private & digital banking services in Jordan & Cyprus • Strategic focus on enhancing market share through organic and inorganic growth 	<ul style="list-style-type: none"> • One of the largest private commercial banks in Iraq with a paid-up capital of IQD 400bn • Provide full gamut of offerings to corporates, SMEs and retail clients • Highly liquid financial position 	<ul style="list-style-type: none"> • Established in 2011 with a paid- up capital of JD 20mn • Offers leasing services to supplement the banking services –alternate financing option to clients • Strategic focus on car, home, solar energy, real estate, industrial and medical equipment portfolios 	<ul style="list-style-type: none"> • Established in 1980 and became subsidiary of JKB in 2002 • Offers brokerage, financial services, and advisory services • Acquired Sanad Capital, Al Mawared Brokerage, Arab Financial Investment, EFG Jordan, International Financial Company Co. and Hekma Brokerage Company to achieve leadership position in brokerage market with access to international markets • The current capital is JD/Share 9 mn

Strong Distribution Network



	# of Branches	# of ATMs and ITMs
Amman	43	86 & 8
Zarqa	6	6
Irbid	4	6
Balqa'a	4	5
Al Mafraq	1	1
Jerash	1	1
Madaba	1	1
Al Karak	1	1
Aqaba	1	4
Dead Sea	1	6
Jawwal Branch	1	1
Cyprus	1	0
Total	65	118 ATM and 8 ITMs



	# of Branches	# of ATMs
Baghdad	12	
Al-Basrah	3	
Erbil	3	
Dohouk	2	
Al-Muthanna	1	
Thi-Qar	1	
Al-Najaf	1	
Al-Anbar	1	
Kirkuk	1	
Al-Sulaimaniya	1	
Salahuddin	1	
Diala	1	
Kerbala	1	
Babylon	1	
Wasit	1	
Al-Qadisiya	1	
Missan	1	
Beirut	1	
Total	34	95

Our Team



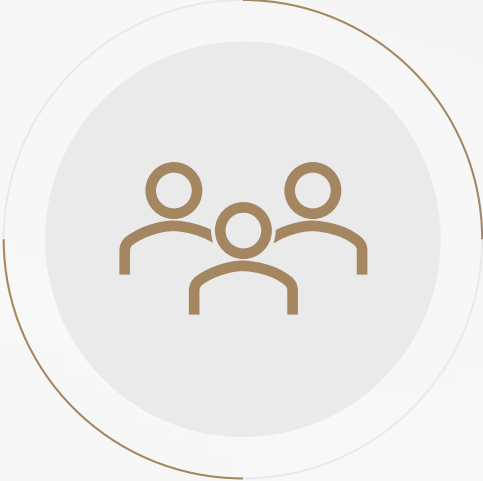
H.E. Sheikha Adana Al-Sabah

Chairperson of the Board

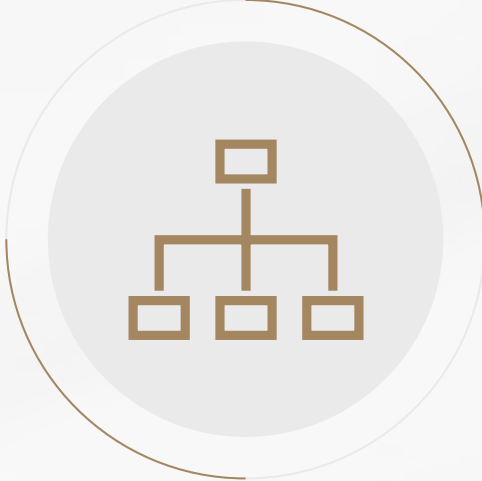


Haethum Buttikhi

Group Chief Executive Officer



Board Members



Executive Management

A Well-Capitalized Regional Banking Platform with Diversified Growth

Stronghold Financial Position

CAR **23.5%** | CET1 **19.46%** | LCR **287.2%** | NSFR **158.7%**
Strong capital and liquidity buffers supporting sustainable expansion

Resilient Core Earnings

10.4% ROE | **+14% Net Interest Income Growth (Q1 2026)**
Resilient and sustainable profitability, despite temporary normalization in Iraq

Diversified Regional Platform

Jordan | Cyprus | Iraq | Malta (EU – subject to approvals)
Reduced concentration risk and broader earnings base

Disciplined Risk Management

~**82%** Stage 3 Coverage Ratio
Conservative provisioning and strong credit governance

Attractive Shareholder Returns

18% Cash Dividend | **5.6%** Dividend Yield | **25%** Total Shareholder Return
Balanced capital allocation between growth and distribution

Positioned for Scalable Growth

Capital increase aligned with expansion
Strategic acquisitions enhancing regional footprint

Strong Shareholder Structure



Al Rawabi United Holding Co.



50.927%
Ownership in JKB



JKB is owned by **Al Rawabi United Holding Co**, a wholly owned subsidiary of **KIPCO**. The Group has strong interest in the Commercial Banking sector (accounting for **73%** of assets and **60%** of revenues).

JKB is the strategic investment for KIPCO Group (accounting for **19%** of its commercial banking assets) as reflected in strong representation of KIPCO's senior leadership on JKB's board

Geography

- Middle East
- North Africa (MENA)

Majority owned by the family office of the Kuwaiti ruling family

Track Record

32 years of Profits⁽²⁾
~10% total

Shareholder return
since 1996

Experienced management team led by Sheikha Dana Al Sabah

Sectors

- Banking
- Asset Management
- Petrochemical
- Food
- Media
- Real Estate
- Healthcare
- Logistics
- Education

Listed on Boursa Kuwait Market cap of \$1.5bn⁽³⁾



\$41.1bn

Total Assets⁽¹⁾



\$30 bn

In Commercial Banking Assets (CBA)



19%

JKB's Share in CBA

Strong Shareholder Structure



المؤسسة العامة للضمان الاجتماعي
Social Security Corporation



\$21bn

Total Assets

21.042%

Ownership in JKB

Social security Corporation is a general solidarity insurance scheme that aims to provide social and economic protection to people.

The benefits and funding sources of this scheme are determined by the law. Benefits are funded by the contributions paid by the insured persons and employers.

This scheme is concerned with achieving social sufficiency considerations.

FAIRFAX
FINANCIAL HOLDINGS LIMITED



\$74bn

Total Assets

5.850%

Ownership in JKB

Odyssey Reinsurance Company

Fairfax Financial Holdings Limited is a holding company primarily engaged, through its subsidiaries, in property and casualty insurance and reinsurance and the associated investment management.

During **2023**, Fairfax acquired controlling interest in Gulf Insurance Group and Falcon Insurance (Thailand).

Fairfax has transformed itself to become one of the largest property and casualty companies in the world with **\$32 billion** in gross written premium and posted a record underwriting profit of **\$1.8 billion** and record net earnings of **\$4.3 billion**.

Fairfax own approximately **7% of JKB** through Odyssey and GIG.

02

Key Financial & Strategic Highlights

Strategic Acquisition of FIM Bank (Malta)



Expanding into an EU-Regulated Banking Platform (Subject to Regulatory Approvals)

Established EU Banking Franchise

- Malta-based, EU-regulated institution
- **Total Assets: USD 1.26 billion** (per FIMBank official disclosure)
- Specialized in trade finance, factoring & niche corporate banking

Strategic Rationale

- Entry into a Euro-denominated earnings environment
- Geographic diversification beyond Jordan, Cyprus & Iraq
- Complementary trade finance expertise aligned with Group capabilities
- Enhanced earnings resilience across cycles

Capital & Governance Discipline

- Board-approved transaction aligned with long-term roadmap
- Conservative capital buffers maintained post-transaction
- Phased integration under dedicated oversight structure

Strategic Outcome

- Strengthens JKB's positioning as a multi-market regional banking group with EU access
- Supporting long-term diversification and scalable growth.

Proactive Capital Planning Supporting Strategic Growth Structure

- Board-approved capital increase aligned with the Group's strategic roadmap
- Participation by existing shareholders reflecting confidence in the strategy
- Structured to fund expansion while maintaining financial flexibility

Capital Philosophy

- Maintain buffers comfortably above regulatory requirements
- Protect dividend capacity alongside growth
- Preserve financial position flexibility for future opportunities

Key Consolidated Financial Position Figures

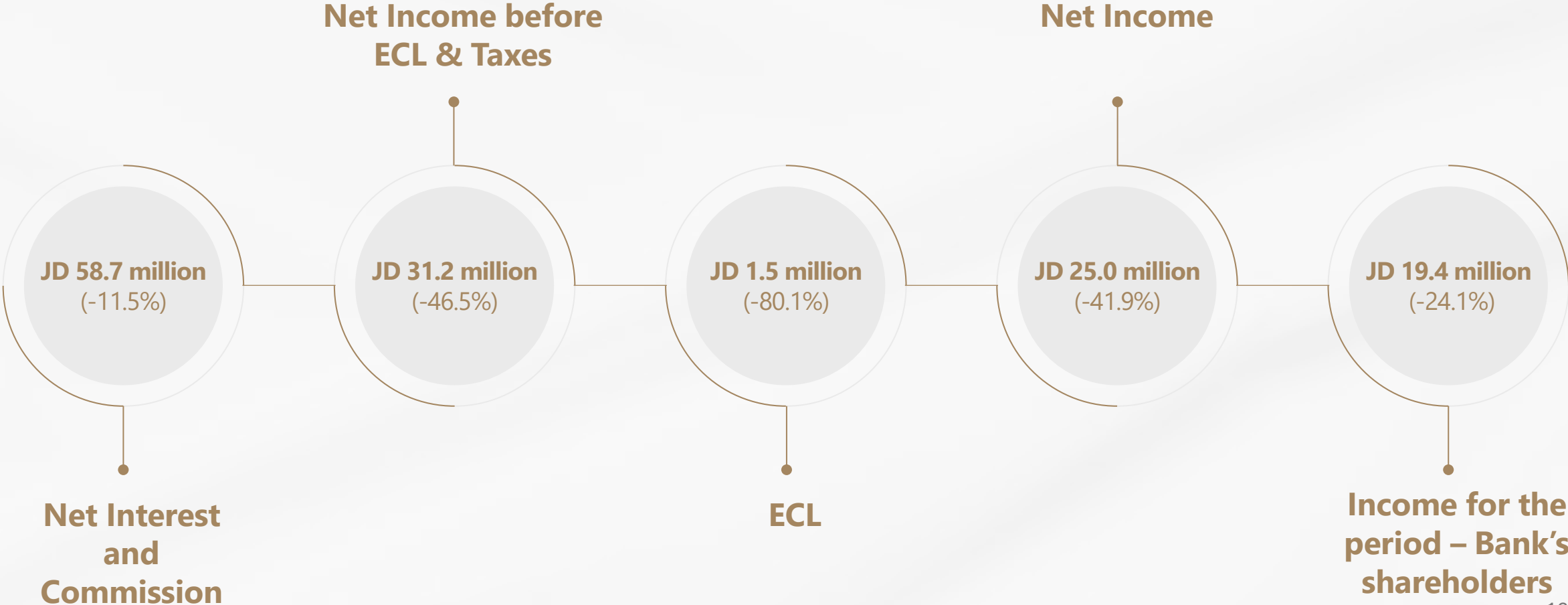
As of March 31, 2026

	Total Assets	>	-1.8%	JD 5,362 million
	Direct Credit Facilities - Net	>	-3.8%	JD 2,012 million
	Customer Deposits and Cash Margins	>	-3.2%	JD 3,805 million
	Total Liabilities	>	-2.7%	JD 4,388 million
	Total Equity	>	+2.4%	JD 975 million

Key Consolidated Financial Performance Figures



For the period ended as of March 31, 2026



Consolidated Financial Ratios



As of March 31, 2026

10.4% Return on Equity

1.9% Return on Assets

287.2% Liquidity Coverage Ratio

158.7% Net Stable Funding Ratio

63.8% Total Expenses (Excl. ECL) to Net Interest & Commission

81.6% Stage 3 facilities Coverage Ratio

9.5% Stage 3 to Total Facilities

23.5% CAR | Capital Adequacy Ratio

18% Proposed Cash Dividends

12% Cash Dividends - 2024

Consolidated Financial Position Summary

March 31, 2026



JOD m	Q1 2026	YE 2025	Change	Change%
Total assets	5,362.4	5,460.6	-98.2	-1.8%
Direct credit facilities – net	2,012.0	2,091.8	-79.7	-3.8%
Investments Portfolio	1,896.5	1,789.6	106.9	6.0%
Total liabilities	4,387.6	4,508.5	-120.9	-2.7%
Customers' Deposits	3,563.5	3,749.9	-186.5	-5.0%
Total equity	974.8	952.1	22.7	2.4%
Total equity - Bank's shareholders	796.7	779.5	17.2	2.2%
Non-controlling interests	178.0	172.5	5.5	3.2%

Financial position reflects proactive balance sheet optimization and liquidity repositioning in Iraq, alongside a cautious operating stance in response to geopolitical developments.

JKB continues to demonstrate financial strength and prudent risk management, with a Common Equity Tier 1 ratio of **19.46%**

JKB continues to be conservative by maintaining Stage 3 coverage ratio at **81.6%**

Consolidated Financial Performance Summary March 31, 2026



JOD m	Q1 2026	Q1 2025	Change	Change%
Net interest income	45.1	39.7	5.4	13.7%
Commission & FX income	18.3	47.4	-29.1	-61.4%
Other Income	5.3	2.9	2.4	83.2%
Operating income	68.7	90.0	-21.3	-23.7%
Operating expenses	37.5	31.6	5.9	18.5%
Profit before ECL	31.2	58.4	-27.2	-46.5%
Expected credit losses	1.5	7.5	-6.0	-80.1%
EBT	29.7	50.9	-21.1	-41.5%
Income tax expense	4.7	7.8	-3.1	-39.7%
Net profit	25.0	43.1	-18.0	-41.9%

Core profitability remains resilient, supported by 13.7% increase in net interest income

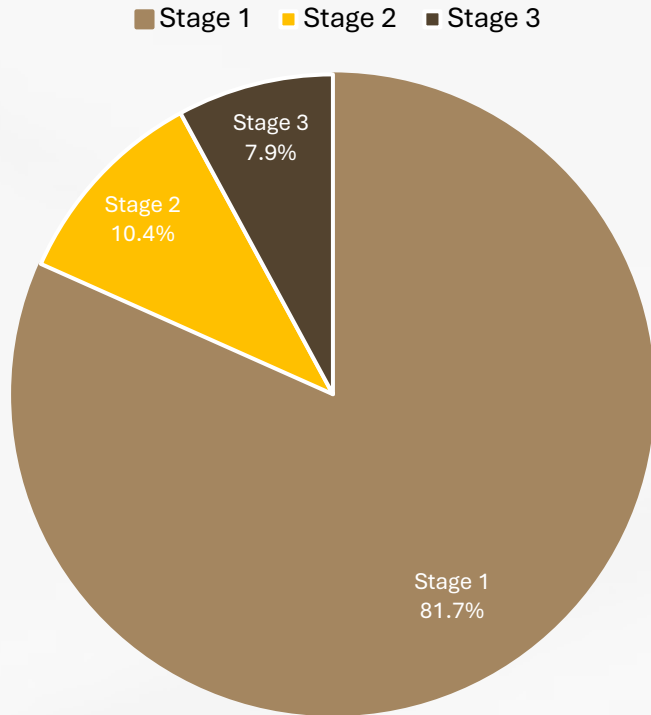
The year-on-year decline in commission and FX income was primarily driven by lower transfer volumes at Bank of Baghdad, reflecting the impact of the geopolitical environment on transaction flows alongside a more cautious operating approach.

Expected credit losses declined significantly year-on-year, reflecting improved asset quality and a normalization of provisioning levels, supporting overall earnings resilience.

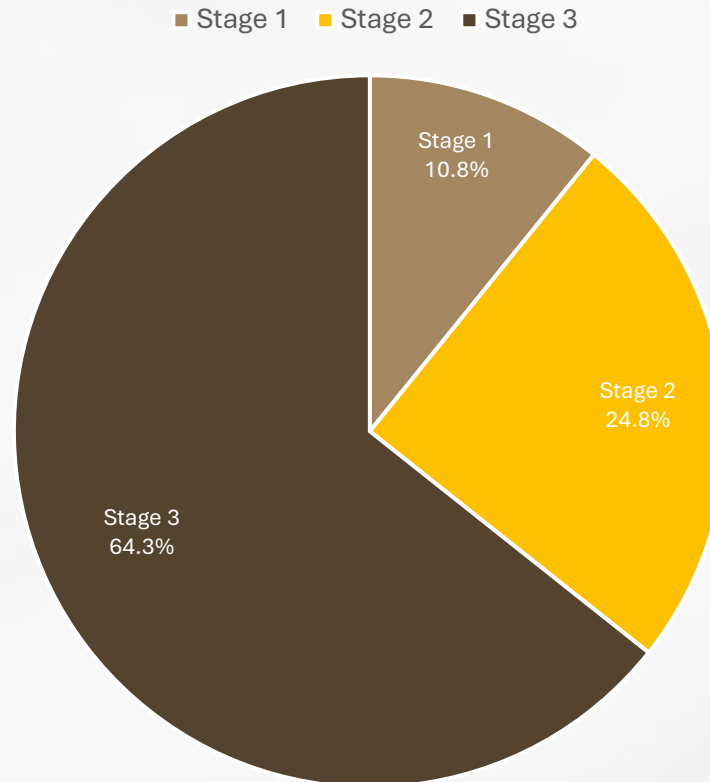
Asset Quality – Credit Facilities



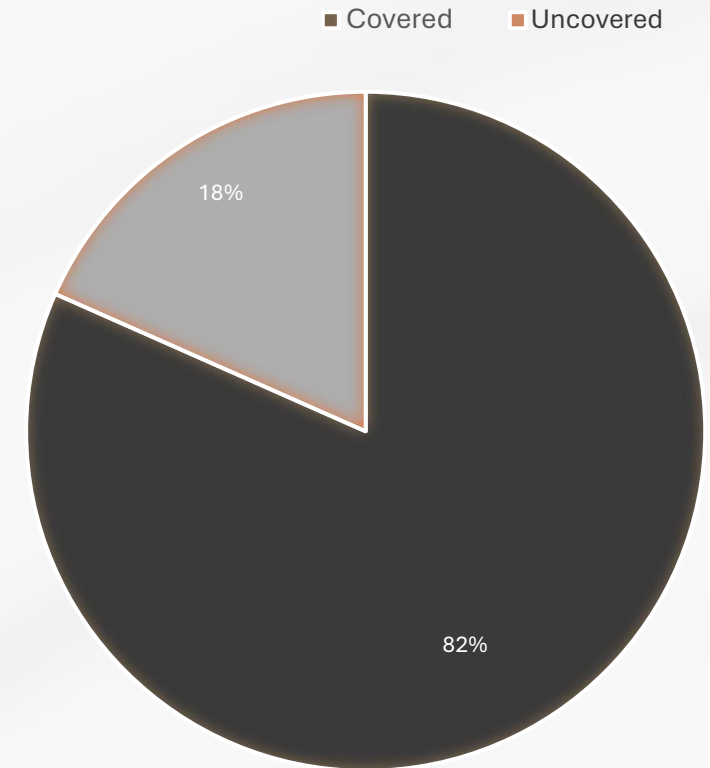
Gross Facilities Net of Suspended Interest



ECL



STAGE 3 COVERAGE RATIO

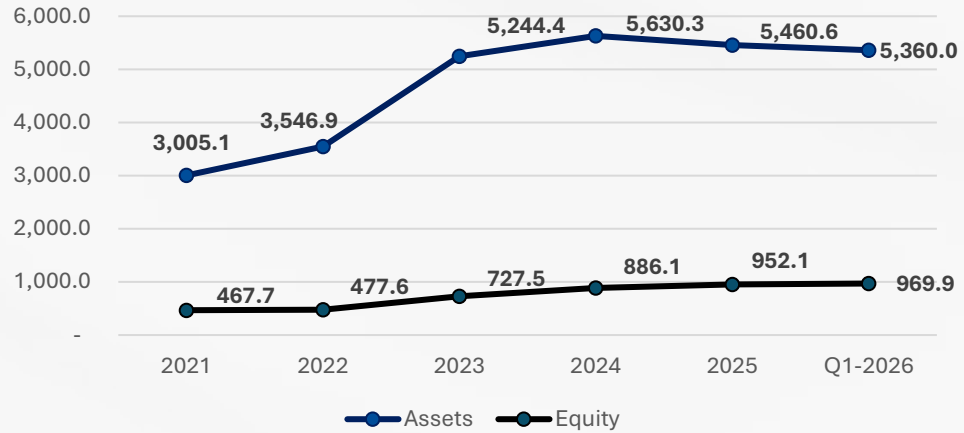


Trends (2021-2026)

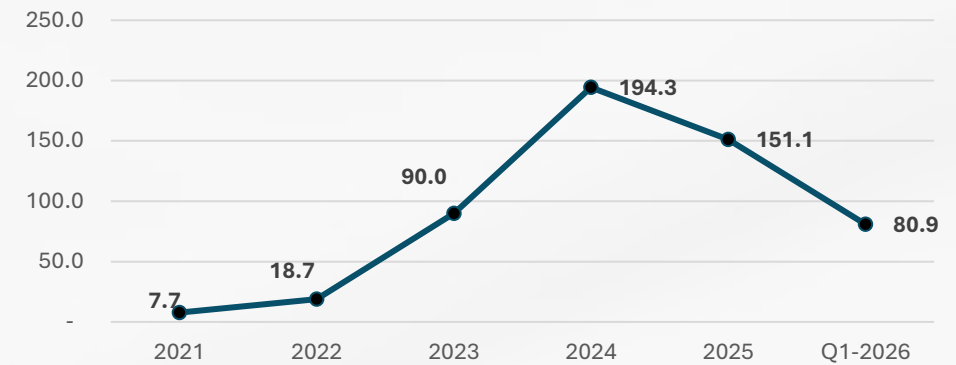
JD mn



Assets & Equity

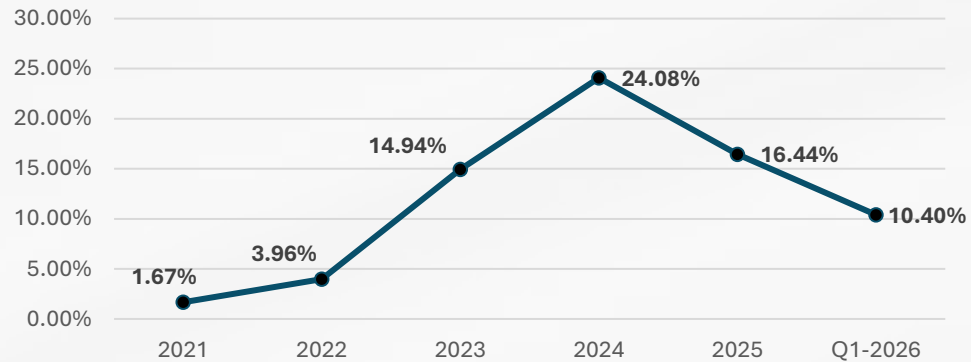


Income

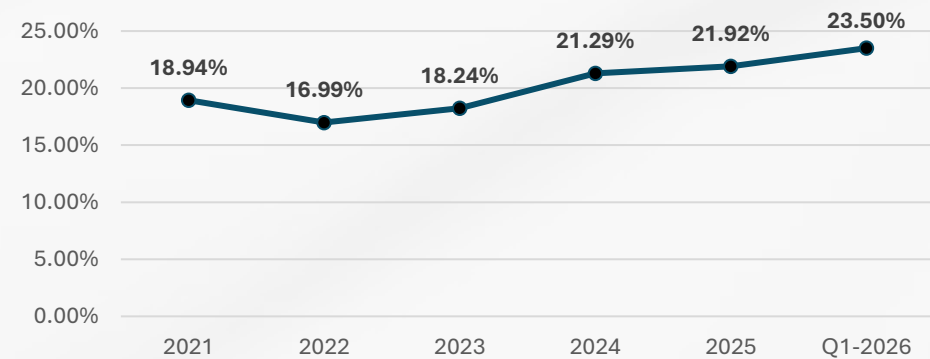


Q1 2026 figures are annualized for comparability purposes

ROE



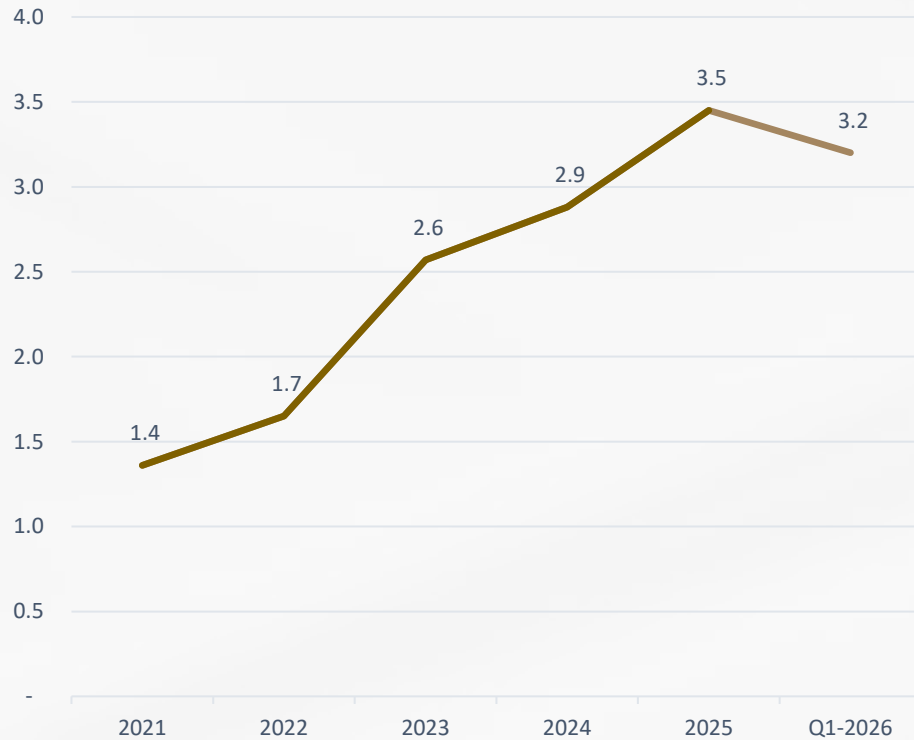
CAR



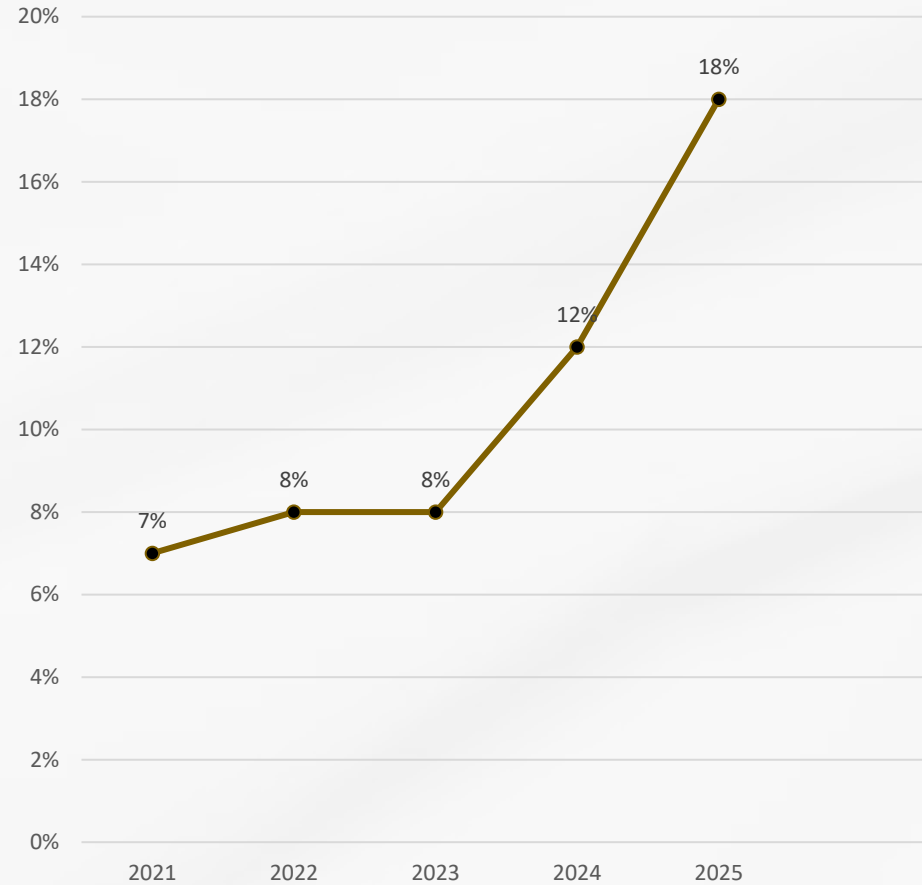
Trends (2021-2026)



Share Price (JD)



Dividend



Dividend & Shareholder Return



Proposed Dividend

- **18%** of par value (JOD 0.18/share)
- Reflects earnings quality and capital strength
- Balanced between shareholder distribution and reinvestment needs

Share Performance (12 months)

- Share price increased from **JOD 2.68 to JOD 3.20**
- Capital appreciation of **+19.4%**

Total Shareholder Return

- Dividend yield of **~5.6%**
- **Total Shareholder return of ~ 25%**

03

Financial, Credit Rating, Coverage & Sustainability Reports

Financial, Credit Rating, Coverage & Sustainability Reports



JKB FINANCIAL
REPORTS

[Click Here to view](#)



CREDIT RATING &
COVERAGE REPORTS

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JKB SUSTAINABILITY
REPORTS

[Click Here to view](#)

04

Credit Rating

Credit Rating



FitchRatings

Sovereign	>	LT	BB-
JKB Foreign Currency Inheritance Planning	>	LT	B+
		ST	BB
Outlook	>	Stable	



Sovereign	>	LT	BB-
JKB Foreign Currency BSR	>	LT	BB-
		ST	B
Outlook	>	Stable	

05

Coverage Report



JOKB has established itself as a geographically well-diversified bank, expanding its presence in Jordan, Iraq and now entering Europe, through its subsidiaries. The bank's FY25 performance highlights resilient core profitability, supported by solid growth in net interest income and margin expansion. Management remains focused on enhancing operational efficiency through ongoing digitalization initiatives while maintaining a prudent approach toward credit expansion. Overall, the bank's strategy underscores a balanced focus on sustainable growth, earnings stability and disciplined risk management. We reiterate our Overweight rating on the shares of JOKB with a revised target price of JD 4.00 per share (previously JD 3.95 per share), translating to an upside of 22.6% from the last close. We expect the bank to continue growing the net loan book at a CAGR of 8.2% between FY26F and FY30F. The C/I ratio is expected to remain well below 40% over the next three to five years on the back of the bank's continuous efforts on digitization and cost rationalization despite any integration challenges of new acquisitions. Since our last report, the shares of JOKB have appreciated 21.6% and we anticipate a further upside of 22.6% due to continued mispricing of the shares.

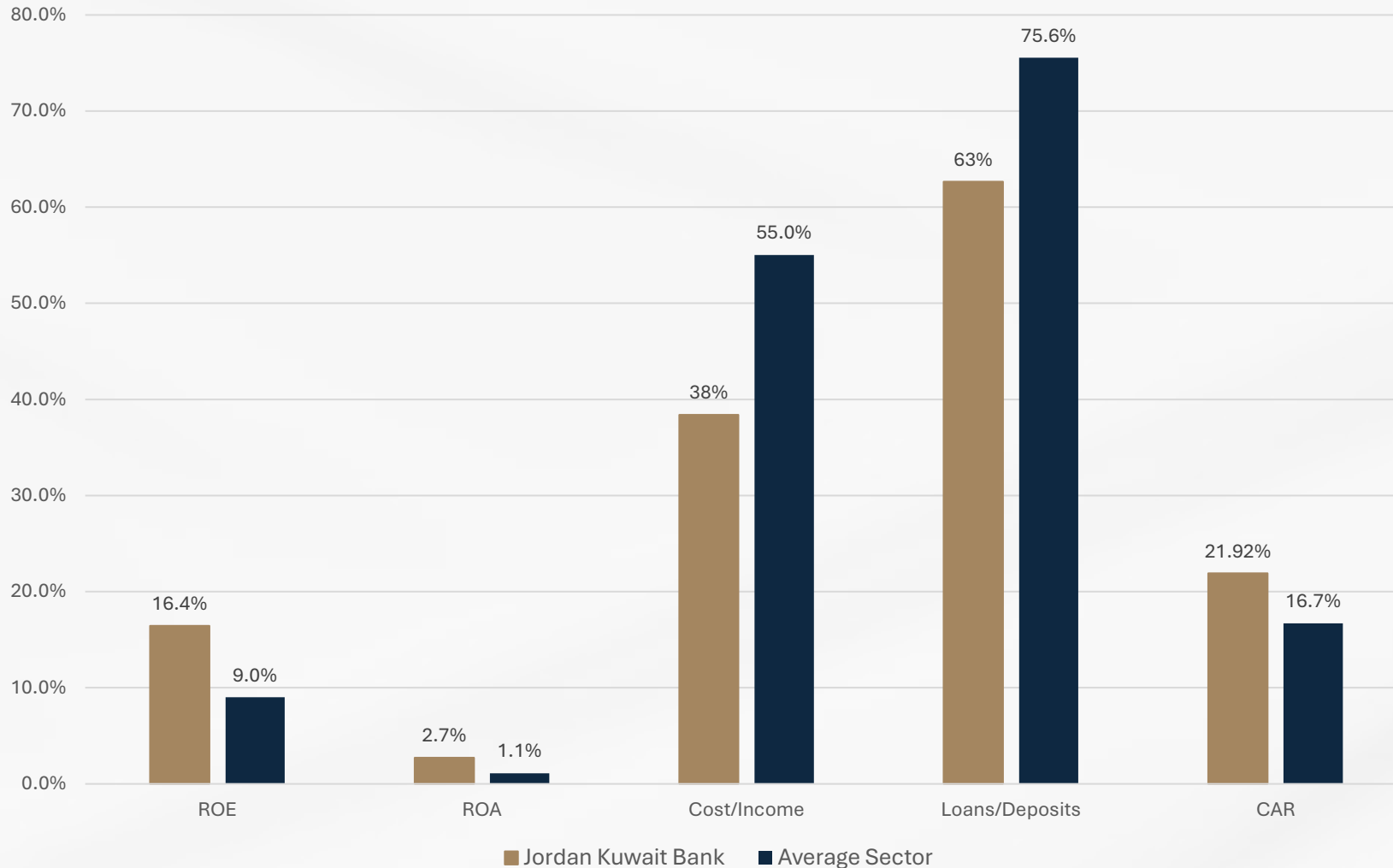
Valuation summary

Methodology	Weightage	JD per share
Justified PB multiple	33.3%	4.25
Relative P/E	33.3%	3.05
Relative P/B	33.3%	4.69
Target valuation		4.00
Current market price (JD)		3.26
Upside / (Downside)		22.6%

06

Peer Comparison YE 2025

Key Financial Indicators



JKB continues to demonstrate strong financial performance across key indicators, outperforming the sector in profitability and operational efficiency. Return on Equity and Return on Assets stand at 16.4% and 2.7% respectively, both significantly above sector averages, reflecting effective capital and asset utilization. The Bank also maintains a highly efficient operating model with a cost-to-income ratio of 38% compared to the sector's 55%. In addition, the loan-to-deposit ratio of 63% indicates a prudent liquidity position with room for further lending growth, while a strong capital adequacy ratio of 21.9% underscores the Bank's solid capital base and financial resilience.

07

Economy Overview

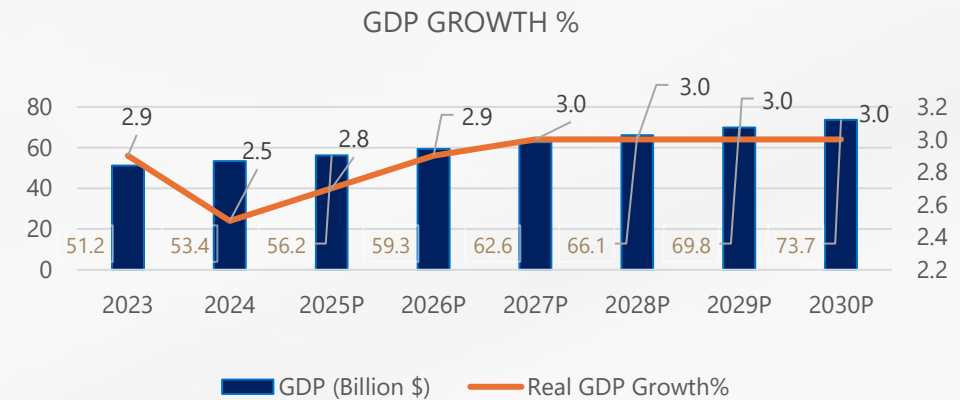
Jordan's Macroeconomic Overview



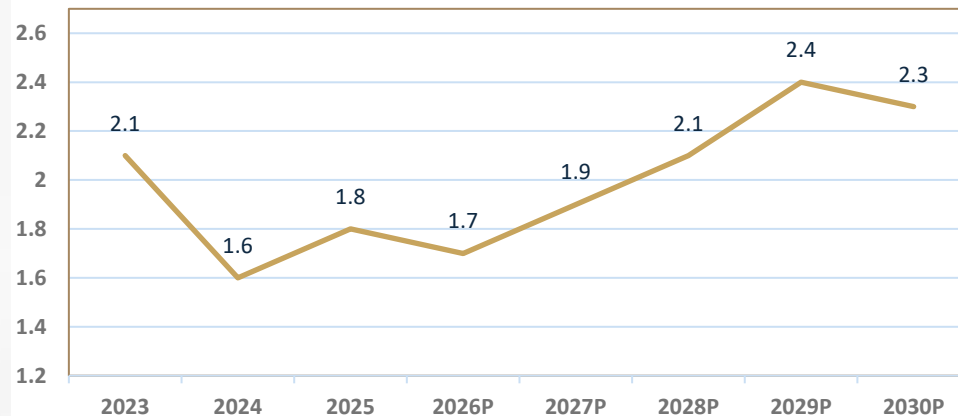
Snapshot of Jordan's Economy

- Jordan's economy is characterized by resilience, macroeconomic stability, and a reform-driven policy environment.
- Despite limited natural resources, Jordan benefits from a well-educated labor force, strong banking and financial institutions, and consistent government commitment to fiscal discipline.
- Real GDP growth has remained moderate, supported by services, remittances, and foreign investment inflows. Ongoing structural reforms, particularly in energy diversification, digitalization, and business climate enhancement are positioning Jordan as a stable investment hub in a turbulent region.

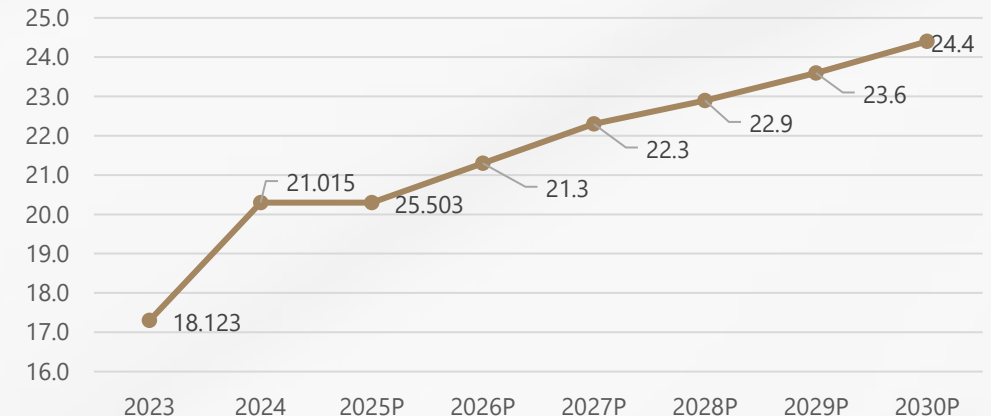
Nominal and Real GDP (\$ bn)



Inflation Rate (%)



Gross International Reserves (\$bn)



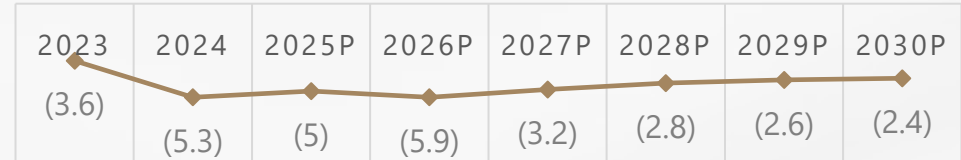
Gross International Reserves are estimated Based on IMF Projections and Calculations

Jordan: Macroeconomic Overview (Contd.)

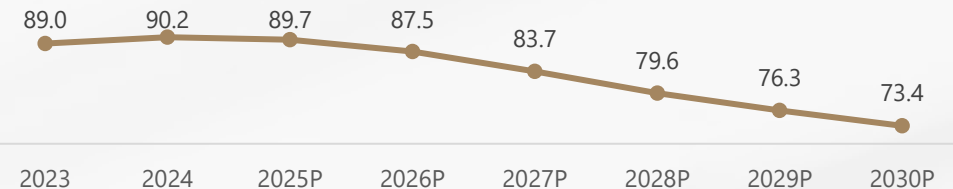


- Inflation remains contained at around **1.9%-2.2%**, reflecting the prudent monetary policy by the Central Bank of Jordan and the strength of the dinar's peg to the U.S dollar.
- Based on this, Jordan holds the strongest foreign currency reserves ever , and there are no signs of dollarization, instead, depositors are increasingly converting their saving from us dollar to Jordanian dinar.
- This shift reflects growing confidence in the local currency and supports overall monetary stability.
- For the monetary policy, the fiscal deficit is gradually narrowing due to stronger tax revenues and restrained current spending, while public debt has stabilized at roughly 84% of GDP.
- On the external front, remittances and tourism receipts are cushioning the current account, and foreign reserves remain ample.
- Looking ahead, Jordan's growth outlook is constructive, anchored in structural reforms, digital transformation, and renewed regional investment momentum, particularly from Gulf partners.

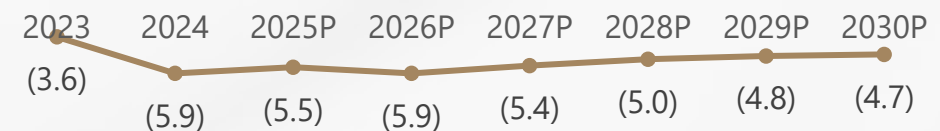
Current Account Balance (% of GDP)



Net Debt to GDP (%)



Jordan Government Fiscal policy trends





Jordan's Economic Resilience Amid Regional Pressures

- Despite regional tensions and the ongoing U.S-Iran war, Jordan's key economic indicators are expected to remain within a stable range, broadly in line with prior trends, provided the conflict is not prolonged.
- The Central Bank of Jordan deployed JD760 million in precautionary measures, combining liquidity injections with targeted sectoral support, especially for the tourism sector.
- Banking liquidity was enhanced through reduced reserve requirements and certificates of deposit, injecting JD700 million and expanding lending capacity by JD300–400 million.
- Concessional financing for tourism, with government-covered interest, preserves operations, safeguards jobs, and positions the sector for faster recovery once conditions stabilize.
- JD60 million in support for essential food imports, with 85% loan guarantees, strengthens supply chains and helps contain inflationary pressures.
- Overall, these coordinated measures reinforce liquidity, protect critical sectors, and maintain macroeconomic stability while supporting investor confidence.

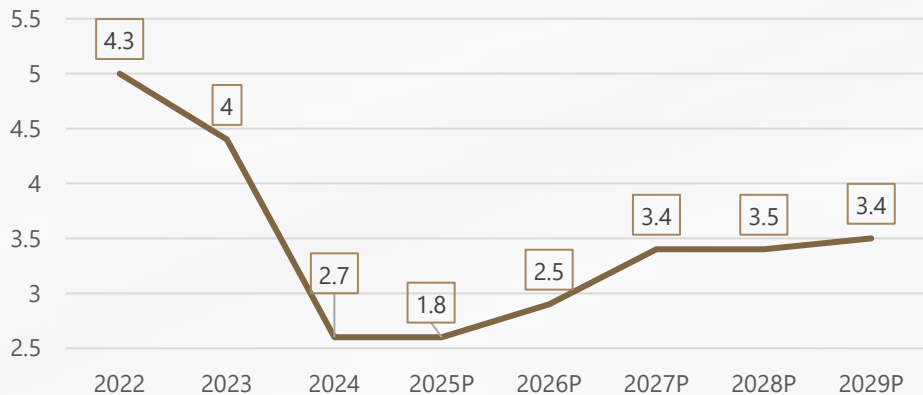
Iraq's Macroeconomic Overview



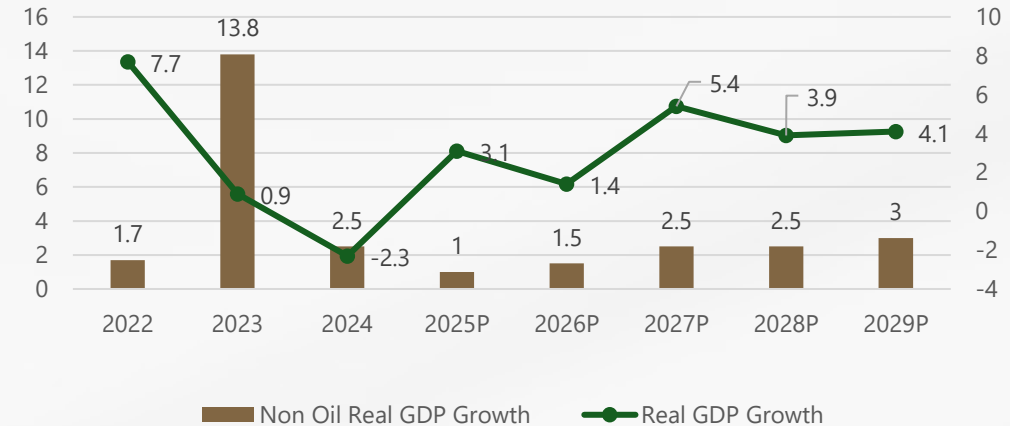
Snapshot of Iraq's Economy

- Iraq's macroeconomic landscape is shaped by oil market dynamics and ongoing fiscal reforms.
- Oil is the overwhelming contributor to Iraq's economy with around 91%, accounting for most of its federal revenue, exports, and GDP, making the country highly vulnerable to fluctuations in global oil prices.
- Real GDP is expected to rebound by 3–4% in 2025 as oil output and exports normalize.
- The non-oil economy driven by construction, retail, and public spending and agriculture continues to expand moderately, supported by higher budget allocations and improving domestic liquidity.

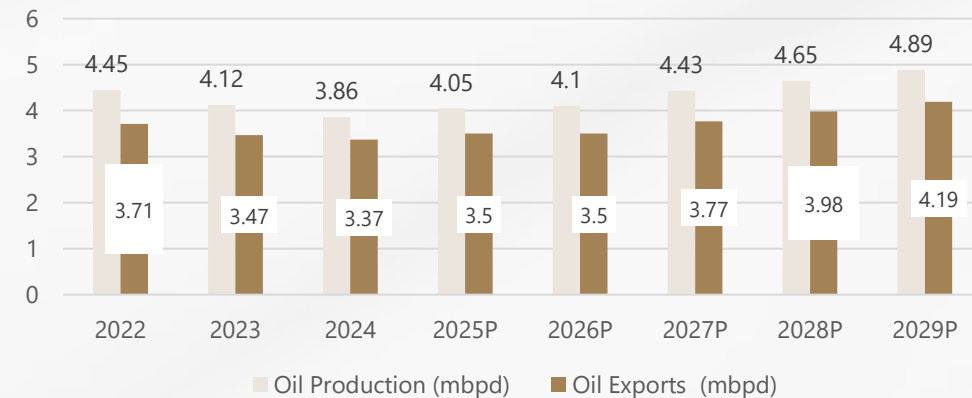
Inflation Rate (%)



Real GDP Growth % Vs. Non-Oil GDP Growth %



Oil Production Vs. Oil Exports

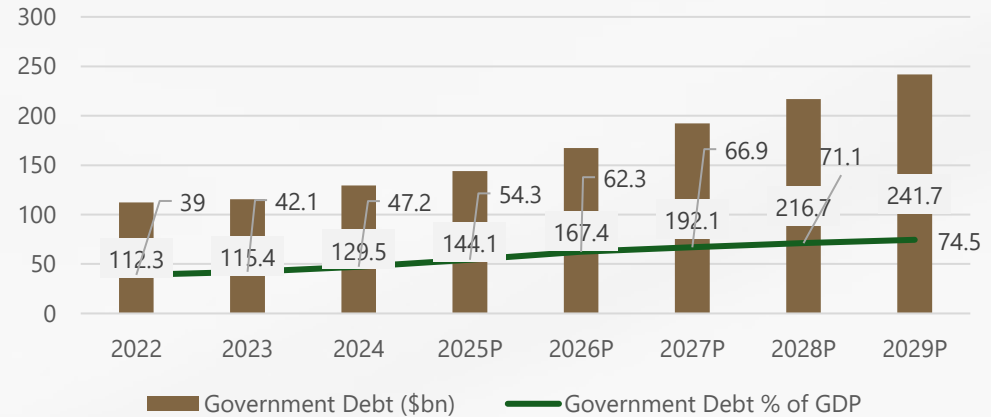


Iraq: Macroeconomic Overview (Contd.)

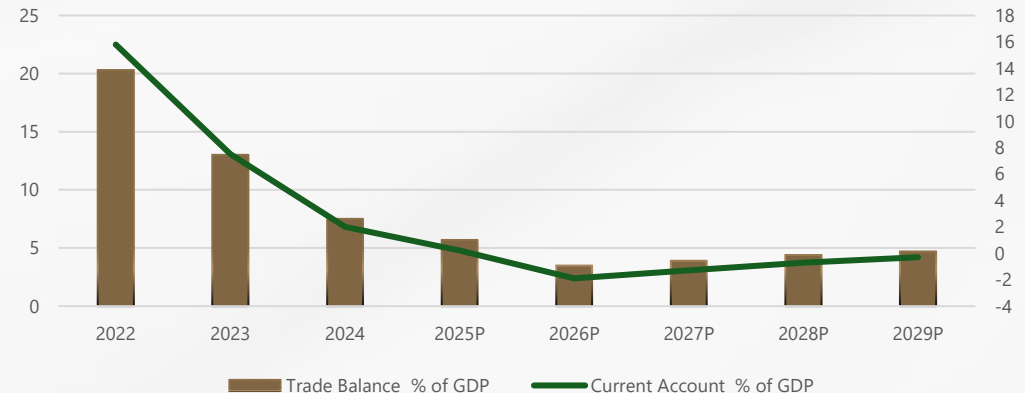


- Inflation has eased below 3%, reflecting exchange rate stability and lower import prices.
- Efforts to diversify the economy, enhance governance, and improve electricity supply remain critical for sustainable long-term growth.
- The outlook is cautiously optimistic, balancing near-term oil gains against structural and institutional constraints.
- Reforms aimed at strengthening governance, modernizing the financial sector, and enhancing the business environment are essential for attracting private investment and fostering sustainable, long-term growth.
- Around two-thirds of the government’s savings would be used to reduce the overall deficit, stabilize public debt albeit only by 2030, while one third would support an increase in non-oil investment by around 20 percent relative to the baseline.
- Priority areas for additional investment could be trade and transportation infrastructure, where Iraq underperforms regional peers.

Iraq’s Government Public Debts Trend



Trade Balance Vs. Current Account





Iraq: Economic Outlook Amid Regional Risks

- Iraq's stability is threatened by spillovers from the US–Iran conflict, putting oil revenues, fiscal health, and foreign investment at risk.
- Disruptions to oil exports or Gulf shipping could eliminate windfalls, constrain liquidity, and pressure the exchange rate.
- Reliance on Iranian gas and electricity makes infrastructure vulnerable to supply shocks, while security risks deter international oil majors.
- Political paralysis and potential militia activity heighten social and economic instability, underscoring the fragility of the Iraqi economic environment.

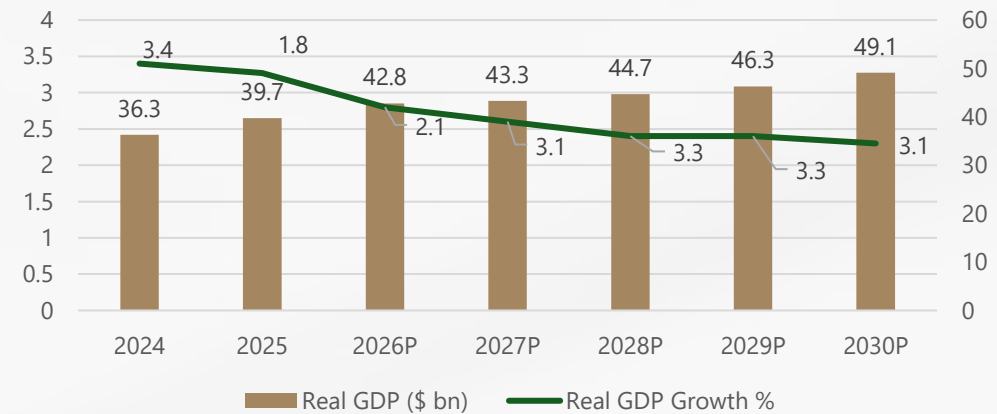
Cyprus's Macroeconomic Overview



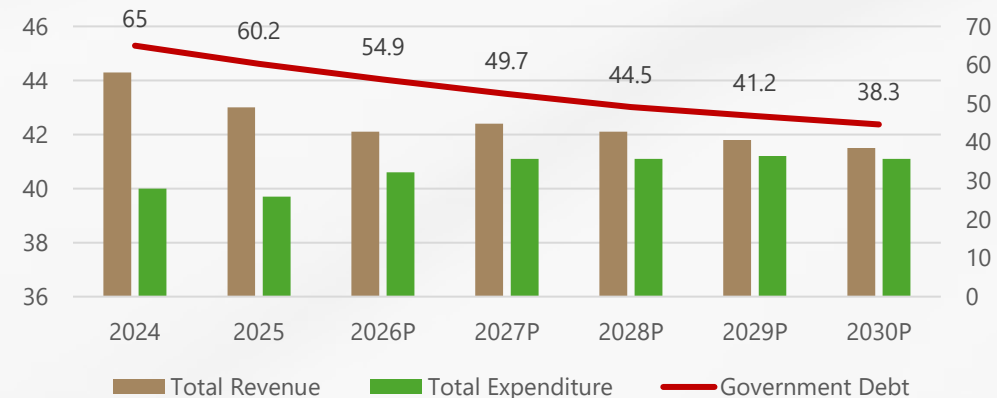
Snapshot of Cyprus's Economy

- Cyprus maintains one of the most resilient and reform-oriented economies in the Eastern Mediterranean.
- Real GDP growth is projected to be near 2.5% in 2025, underpinned by strong domestic demand, tourism recovery, and expanding financial and ICT services.
- Inflation has moderated to around 2%, while unemployment has fallen below 5%, reflecting solid labor market conditions.
- The fiscal balance remains in surplus, supported by prudent public finances and robust revenue collection, which supported the gradual decrease in public debt to GDP to be around 60% at the end of 2025 with outlook to reach below 50% in 2027.
- The external sector benefits from healthy tourism inflows and diversified services exports.
- Cyprus continues to leverage its strategic geographic position, EU membership, and sound regulatory framework to attract foreign investment in technology, renewable energy, and professional services.
- The medium-term outlook is positive, anchored in fiscal discipline, digital transition, and energy sector development.

Nominal and Real GDP Growth



Cyprus Fiscal Policy main Drivers(% of GDP)





البنك الأردني الكويتي
JORDAN KUWAIT BANK



Thank You

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