

JORDAN KUWAIT BANK
(A PUBLIC LIMITED SHAREHOLDING COMPANY)
AMMAN – HASHEMITE KINGDOM OF JORDAN

INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

31 MARCH 2024
(UNAUDITED)



JORDAN KUWAIT BANK
(A PUBLIC LIMITED SHAREHOLDING COMPANY)
FOR THE THREE MONTHS ENDED ON 31 MARCH 2024 (REVIEWED AND UNAUDITED)

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**REVIEW REPORT ON THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS
TO THE CHAIRMAN AND THE BOARD OF DIRECTORS OF JORDAN KUWAIT BANK
A PUBLIC LIMITED SHAREHOLDING COMPANY**

Introduction

We have reviewed the accompanying interim condensed consolidated statement of financial position of Jordan Kuwait Bank ("the Bank") and its subsidiaries (together "the Group") as at 31 March 2024 and the interim condensed consolidated statement of income, and the interim condensed statement of comprehensive income and the interim condensed consolidated statements of changes in shareholders' equity and interim condensed consolidated statement of cash flows for the three months period then ended and other explanatory notes. Management is responsible for the preparation and presentation of this interim condensed financial statements in accordance with International Accounting Standard (34) "Interim Financial Reporting" as amended by the Central Bank of Jordan instructions. Our responsibility is to express a conclusion on these interim condensed consolidated financial statement 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 statement 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 IAS (34) as amended by the Central Bank of Jordan instructions.

For and on behalf of PricewaterhouseCoopers "Jordan"


Hazza Hanna Sababa
License No (802)

Amman, Jordan
29 April 2024





JORDAN KUWAIT BANK
(A PUBLIC LIMITED SHAREHOLDING COMPANY)
INTERIM CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION
AS AT 31 MARCH 2024 (REVIEWED AND UNAUDITED)

	Note	31 March 2024 (Reviewed and unaudited) JD	31 December 2023 (Audited) JD
ASSETS			
Cash and balances at central banks	4	1,075,580,736	1,072,306,647
Balances at banks and financial institutions	5	430,162,570	540,276,278
Direct credit facilities-net	6	1,946,020,213	2,006,746,300
Financial assets at fair value through profit and loss	7	6,059,473	24,760,478
Financial assets at fair value through other comprehensive income	8	119,679,705	116,223,622
Financial assets at amortised cost	9	1,261,231,645	1,122,883,189
Property and equipment - net		80,941,881	80,450,626
Intangible assets - net		13,185,558	11,907,278
Deferred tax assets		55,013,935	58,716,359
Right of use assets	10	12,655,919	12,559,364
Other assets	11	186,625,786	174,624,209
Assets held for sale	24	21,379,557	22,947,701
TOTAL ASSETS		5,208,536,978	5,244,402,051
LIABILITIES AND EQUITY			
LIABILITIES			
Banks and financial institutions deposits		32,906,035	69,620,351
Customers deposits		3,670,114,029	3,707,096,482
Cash margins		141,244,779	139,974,833
Borrowed funds		352,106,409	363,157,170
Sundry provisions		21,249,742	20,297,592
Green bonds		35,450,000	35,450,000
Income tax provision	12	31,945,827	32,640,476
Deferred tax liabilities		4,063,024	3,497,873
Lease liabilities	10	12,639,347	12,791,946
Other liabilities	13	110,466,402	114,258,915
Liabilities directly related with assets held for sale	24	17,910,031	18,105,050
TOTAL LIABILITIES		4,430,095,625	4,516,890,688
EQUITY			
Authorized and paid-in capital	20	150,000,000	150,000,000
Perpetual bonds		89,010,000	89,010,000
Statutory reserve	21	106,382,863	106,382,863
Voluntary reserve	21	110,944,584	110,944,584
Financial assets at fair value revaluation reserve - net		22,456,869	20,004,022
Actuarial gain from remeasurement of defined post-employment benefits		653,467	653,467
Foreign currency translation differences		(3,642,757)	(4,079,865)
Equity directly related with assets held for sale	24	(1,901,231)	(1,481,196)
Retained earnings		141,397,137	143,309,616
Profit for the period/year		30,630,093	-
Total equity - Bank's shareholders		645,931,025	614,743,491
Non-controlling Interest		132,510,328	112,767,872
TOTAL EQUITY		778,441,353	727,511,363
TOTAL LIABILITIES AND EQUITY		5,208,536,978	5,244,402,051

The accompanying notes from (1) to (25) constitute an integral part of these interim condensed consolidated financial statements



JORDAN KUWAIT BANK
(A PUBLIC LIMITED SHAREHOLDING COMPANY)
INTERIM CONDENSED CONSOLIDATED STATEMENT OF INCOME
FOR THE THREE MONTHS PERIOD ENDED ON 31 MARCH 2024 (REVIEWED AND UNAUDITED)

		For the Three Months Ended 31 March	
	Note	2024 JD (Reviewed and unaudited)	2023 JD (Reviewed and unaudited)
Interest income		67,300,917	56,888,731
Less: Interest expense		36,156,765	25,152,390
Net Interest Income		31,144,152	31,736,341
Net commission income		35,382,669	9,950,816
Net interest and commission income		66,526,821	41,687,157
Gain from foreign currencies		16,229,489	5,540,164
Gain from financial assets at fair value through profit and loss	7	458,608	8,829,299
Gain from sale of debt instruments at fair value through other comprehensive income	8	26,030	-
Cash dividends from financial assets at fair value through other comprehensive income	8	259,531	78,750
Other income		3,081,591	5,117,731
Gross Income		86,582,070	61,253,101
Employees' expenses		12,792,051	11,567,147
Depreciation and amortisation		1,972,457	1,672,596
(Reversal) Provision for expected credit losses on direct credit facilities	6	(4,970,748)	10,634,703
(Reversal) Provision for expected credit losses on indirect credit facilities		(354,651)	211,654
Provision for expected credit losses on deposits at banks and financial institutions		556,708	51,032
Provision for expected credit losses on investments		199,481	53,248
Sundry provisions		1,786,627	1,121,775
Other expenses		12,761,054	10,138,600
Total expenses		24,742,979	35,450,755
Gain from acquisition	23	-	8,865,296
Profit for the period before income tax		61,839,091	34,667,642
Less: income tax expense		12,036,167	6,980,746
Profit for the period		49,802,924	27,686,896
Attributable to:			
Bank's shareholders		30,630,093	22,964,527
Non-controlling interest		19,172,831	4,722,369
Earnings per share from current period profit for Bank's shareholders (basic and diluted):			
Profit for the period	14	0,204	0,153

The accompanying notes from (1) to (25) constitute an integral part of these interim condensed consolidated financial statements



JORDAN KUWAIT BANK
(A PUBLIC LIMITED SHAREHOLDING COMPANY)
INTERIM CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME
FOR THE THREE MONTHS PERIOD ENDED ON 31 MARCH 2024 (REVIEWED AND UNAUDITED)

	For the Three Months Ended 31 March	
	2024	2023
	JD	JD
	(Reviewed and unaudited)	(Reviewed and unaudited)
Profit for the period	49,802,924	27,686,896
Other Comprehensive Income Items		
Items that may be reclassified in subsequent periods to the consolidated statement of income - after tax:		
Net change in the valuation reserve of financial assets at fair value through other comprehensive income after tax- debt instruments	2,369,022	(147,114)
Total items that may be reclassified in subsequent periods To the consolidated statement of income	2,369,022	(147,114)
Items that may not be reclassified in subsequent periods to the consolidated statement of income - after tax:		
Net change in the valuation reserve of financial assets at fair value through comprehensive income after tax - equity instruments	272,539	(1,988,086)
Foreign currency translation differences	818,019	(7,291,432)
Total items that may not be reclassified in subsequent periods To the consolidated statement of income	1,090,558	(9,279,518)
Total comprehensive income for the period	53,262,504	18,260,264
Attributable to:		
Bank's shareholders	33,520,048	18,662,038
Non-controlling interest	19,742,456	(401,774)

The accompanying notes from (1) to (25) constitute an integral part of these interim condensed consolidated financial statements



JORDAN KUWAIT BANK
(A PUBLIC LIMITED SHAREHOLDING COMPANY)
NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS
FOR THE THREE MONTHS PERIOD ENDED 31 MARCH 2024 (REVIEWED AND UNAUDITED)

	Bank's Shareholders Equity											Non-controlling interest	Total
	Reserves							Equity directly related to assets held for sale	Income for the period	Retained Earnings	Total Equity – Bank's Shareholders		
	Authorized and paid-in capital	Perpetual bonds	Statutory	Voluntary	Valuation of financial assets	Actuarial gain from re-measurement of defined post-employment benefits	Foreign currency translation differences						
	JD		JD	JD	JD	JD	JD		JD	JD	JD	JD	JD
For the three months ended 31 March 2024 (reviewed and unaudited)													
Balance - 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	-	-	-	-	-	-	-	-	30,630,093	-	30,630,093	19,172,831	49,802,924
Net change in the fair value of financial assets through comprehensive income	-	-	-	-	2,452,847	-	-	-	-	-	2,452,847	188,714	2,641,561
Foreign currency translation differences	-	-	-	-	-	-	437,108	-	-	-	437,108	380,911	818,019
Total comprehensive income	-	-	-	-	2,452,847	-	437,108	-	30,630,093	-	33,520,048	19,742,456	53,262,504
Non-controlling interest resulted from the acquisition	-	-	-	-	-	-	-	-	-	(1,912,479)	(1,912,479)	-	(1,912,479)
Gain from sale of equity instruments through other comprehensive income	-	-	-	-	-	-	-	(420,035)	-	-	(420,035)	-	(420,035)
Balance - End of the Period	150,000,000	89,010,000	106,382,863	110,944,584	22,456,869	653,467	(3,642,757)	(1,901,231)	30,630,093	141,397,137	645,931,025	132,510,328	778,441,353
For the three months ended 31 March 2023 (reviewed and unaudited)													
Balance - 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	-	-	-	-	-	-	-	-	22,964,527	-	22,964,527	4,722,369	27,686,896
Net change in financial assets at fair value through comprehensive income	-	-	-	-	(222,624)	-	-	-	-	-	(222,624)	(1,912,576)	(2,135,200)
Foreign currency translation differences	-	-	-	-	-	-	(4,079,865)	-	-	-	(4,079,865)	(3,211,567)	(7,291,432)
Total comprehensive income	-	-	-	-	(222,624)	-	(4,079,865)	-	22,964,527	-	18,662,038	(401,774)	18,260,264
Non-controlling interest resulted from the acquisition	-	-	-	-	-	-	-	-	-	-	-	93,260,595	93,260,595
Gain from sale of equity instruments through other comprehensive income	-	-	-	-	(231)	-	-	-	-	231	-	-	-
Balance - End of the Period	150,000,000	-	99,983,479	122,944,584	6,665,058	1,050,169	(4,079,865)	-	22,964,527	94,967,794	494,495,746	94,580,341	589,076,087

- Retained earnings include an amount of JD 55,013,935 as of 31 March 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 and Jordan Securities Commission.
- Retained earnings include an amount of JD 188,212 as of 31 March 2024 and 31 December 2023 which represents the effect of the early adoption of IFRS (9) during the year 2011. Such amount is restricted and cannot be utilized according to Jordan Securities Commission regulations. Which represents the revaluation differences of financial assets.
- According to the Central Bank of Jordan Circular No. 13/2018, the bank has transferred the balance of general banking risk reserve amounting to JD 14,288,875 to the retained earnings to reflect impact of IFRS 9. Surplus amount - if any - after the offset is restricted.
- Use of the credit balance of the valuation reserve of financial assets through other comprehensive is restricted in accordance with the instructions of Central Bank of Jordan and Jordan Securities Commission.

The accompanying notes from (1) to (25) constitute an integral part of these interim condensed consolidated financial statements



JORDAN KUWAIT BANK
(A PUBLIC LIMITED SHAREHOLDING COMPANY)
INTERIM CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS
FOR THE THREE MONTHS PERIOD ENDED ON 31 MARCH 2024

Note	For the three months period ended 31 March	
	2024 JD	2023 JD
Cash flows from operating activities:		
Profit for the period before tax	61,839,091	34,667,642
Adjustments:		
Depreciation and amortisation	1,972,457	1,672,596
(Reversal) Provision for expected credit losses on direct credit facilities	(4,970,748)	10,634,703
(Reversal) Provision for expected credit losses on indirect credit facilities	(354,651)	211,654
Provision for (reversal from) expected credit losses on investments	199,481	53,248
Provision for (reversal from) expected credit losses on deposits at banks and financial institutions	556,708	51,032
Loss from sale of financial assets through other comprehensive income – debt instruments	26,030	-
(Reversal from) seized assets provision	629,405	(588,201)
Net interest income	11,673,504	17,424,616
Sundry provisions	1,786,627	3,437,257
The effect of changes in exchange rates on cash and cash equivalents	(14,902,266)	(1,726,292)
Cash flows generated from operating activities before changes in assets and liabilities	58,455,638	65,838,255
Changes in assets and liabilities:		
(Increase) in balances at banks and financial institutions due more than three months	-	(51,032)
(Increase) Decrease in restricted balances	(20,277,931)	1,287,531
Decrease (Increase) in direct credit facilities	60,726,087	(78,740,799)
(Increase) in other assets	(18,930,737)	(37,080,412)
Decrease (Increase) in financial assets at fair value through profit and loss	18,701,005	(3,343,833)
decrease in deposits from banks and financial institutions due more than three months	-	18,434,000
(Decrease) Increase in customers deposits	(36,982,453)	575,009,737
Increase in cash margins	1,269,946	16,681,630
Increase in liabilities directly related with assets held for sale	(195,019)	-
(Decrease) Increase in other liabilities	(5,832,759)	84,871,392
Net change in assets and liabilities	(1,521,862)	577,068,214
Net cash flows generated from operating activities before income tax paid	56,933,776	642,906,469
Paid portion of sundry provisions	(834,477)	(242,437)
Paid income tax	(8,339,051)	(960,686)
Net cash flows generated from operating activities	47,760,249	641,703,346
Cash flows from investing activities:		
(Increase) in financial assets at amortised cost	(138,348,456)	(432,642,202)
Increase in equity directly related with assets held for sale	(420,035)	-
(Gains) from financial assets through profit and loss	(458,608)	(8,829,299)
Assets held for sale	1,568,144	-
(Increase) decrease in financial assets at fair value through other comprehensive income	(3,456,083)	(2,259,880)
(Increase) in property, equipment and intangible assets	(1,769,535)	(46,332,211)
Net cash flows (used in) investing activities	(142,884,573)	(490,063,592)
Cash flows from financing activities:		
(Decrease) in borrowed funds	(11,050,761)	(4,391,557)
Foreign currency translation differences	437,108	(4,079,865)
Green bonds interest	(1,912,479)	-
Non-controlling interest	19,742,456	88,136,452
Net cash flows generated from financing activities	9,128,803	79,665,030
The effect of changes in exchange rates on cash and cash equivalents	14,902,266	1,726,292
Net (decrease) increase in cash and cash equivalents	(73,005,734)	233,031,076
Cash and cash equivalent - beginning of the period	1,356,581,140	494,660,535
Cash and Cash Equivalent - end of the period	1,283,575,406	727,691,611

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The accompanying notes from (1) to (25) constitute an integral part of these interim condensed consolidated financial statements



JORDAN KUWAIT BANK
(A PUBLIC LIMITED SHAREHOLDING COMPANY)
NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS
FOR THE THREE MONTHS PERIOD ENDED 31 MARCH 2024 (REVIEWED AND UNAUDITED)

(1) GENERAL INFORMATION

Jordan Kuwait Bank was established as a Jordanian Public Limited 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 current authroised 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 (1) foreign branch, 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 limited 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).

These interim condensed consolidated financial statements were approved by the Bank's Board of Directors on their meeting number (5/2024) held on 25 April 2024.

(2) MATERIAL ACCOUNTING POLICY INFORMATION

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

2.1 Basis of preparation

The interim condensed consolidated financial statements of the Bank and its subsidiaries (together 'the group') have been prepared in accordance with International Accounting Standards No. (34) ("interim financial reporting") as amended by Central Bank of Jordan instructions.

The main differences between the IFRSs as they shall be applied and what has been approved by the Central Bank of Jordan are the following:

1. Some items are classified and presented in the consolidated statement of financial position, consolidated statement of income and the consolidated statement of cash flows and the related disclosure, such as credit facilities, interest in suspense, expected credit losses, investments, fair value levels, segments classification and disclosures related to risks and others, are presented and disclosed in accordance with the requirements of the Central Bank of Jordan, its instructions and circulated guidance which might not include all the requirements of IFRS such as IFRS 7, 9 and 13.



JORDAN KUWAIT BANK
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2. Provisions for expected credit losses are formed in accordance with the instructions of the Central Bank of Jordan (No. 13/ 2018) "Application of the IFRS (9)" dated 6 June 2018 and in accordance with the instructions of the supervisory authorities in the countries in which the bank operates, whichever is stricter. The significant differences are as follows:

- a) Debt instruments issued or guaranteed by the Jordanian government are excluded, so that credit exposures are treated and guaranteed by the Jordanian government without credit loss.
- b) When calculating credit losses against credit exposures, the calculation results are compared according to IFRS (9) under the instructions of the Central Bank of Jordan No. (2009/47) of 10 December 2009 for each stage separately and the stricter results are booked.

*According to the instructions of the Central Bank of Jordan No. (47/2009) issued on 10 December 2009 regarding the classification of credit facilities and the calculation of the impairment provisions, credit facilities were classified into the following categories:

a) Low risk credit facilities, which do not require any provisions:

These are credit facilities that have any of the following characteristics:

- 1. Facilities granted and guaranteed by the Jordanian government, as well as to the governments of countries in which Jordanian banks have branches, provided that these facilities are granted in the same currency of the host country.
- 2. Cash Guaranteed by (100%) of the outstanding balance at any time.
- 3. Facilities guaranteed with an acceptable bank guarantee at (100%).

b) Acceptable risk credit facilities, which do not require provision:

These are credit facilities that have any of the following characteristics:

- 1. Strong financial positions and adequate cash flows.
- 2. Contracted and covered with duly accepted guarantees.
- 3. Having good sources of repayment.
- 4. Active account movement and regular repayment of principal and interest
- 5. Efficient management of the client.

C) Credit facilities listed under the watch-list (requiring special attention) which impairment allowances for are calculated within a range of (1.5% - 15%):

These are credit facilities that have any of the following characteristics:

- 1) The existence of dues for a period of more than (60) days and less than (90) days for the principal of credit facilities and/or interest.
- 2) Exceeding the overdraft predetermined limit by (10%), and for a period of more than (60) days and less than (90) days.
- 3) Credit facilities that have previously been classified as non-performing credit facilities then reclassified from the list upon meeting the rescheduling criteria.
- 4) Acceptable-risk credit facilities that has been rescheduled twice in one year.
- 5) Credit facilities that have been expired for more than (60) days and less than (90) days and have not been renewed.



JORDAN KUWAIT BANK

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D) Non-performing credit facilities:

The credit facilities that have any of the following characteristics:

- 1) They are past due, or the maturity of one of their instalments, or default payment of the principal amount and / or interest, or dormant current debit account for the following periods:

Classification	Number of past due days	The percentage of the provision for the first year
Sub-standard credit facilities	(90) – (179) days	25%
Doubtful credit facilities	(180) – (359) days	50%
Bad debt/loss credit facilities	(360) days and more	100%

- 2) Overdrafts that exceed the granting limit by (10%) and more, and for the duration of (90) days and more.
- 3) Credit facilities that have been expired for 90 days or more and have not been renewed.
- 4) Credit facilities granted to any customer declared bankrupt or to any company that has been deemed under liquidation.
- 5) Credit facilities that were restructured three times within a year.
- 6) Current and on-demand accounts overdrawn for (90) days or more.
- 7) The value of guarantees paid on behalf of the clients and were not credited to their accounts with past due of (90) days or more.

The expected credit losses provision against credit facilities is calculated in accordance with the 2009/47 instructions for this category of facilities according to the above ratios and the amount of unguaranteed credit facilities during the first year, while the allocation of the covered amount is completed at 25% and over four years.

3. Interest and commissions are suspended on non-performing credit facilities and facilities classified within the third stage in accordance with the instructions of the Central Bank of Jordan and in accordance with the instructions of the supervisory authorities in the countries in which the Bank operates, whichever is stricter.
4. Assets that have been seized by the Bank against debts are stated in the consolidated statement of financial position within other assets at the acquisition cost or the fair value, whichever is lesser, and are revalued on the date of the consolidated financial statements individually. Any impairment in their value is recorded as a loss in the consolidated statement of income and any appreciation in value is not recorded as income. The subsequent increase is taken to the consolidated statement of income to the extent that it does not exceed the value of the previously recorded impairment.

The Central Bank of Jordan, pursuant to Circular No. 10/3/16234 dated 10 October 2022, cancelled all previous circulars, which stipulate the deduction of provisions against seized assets that violates the banking law, while maintaining the provisions balances against real estate and to be released upon the disposal of such assets.



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5. Cash and balances with the Central Bank item include, the cash reserve requirement item, which represents restricted balances according to the Central Bank's instructions and in accordance with the instructions of the supervisory authorities in the countries in which the Bank operates, whichever is stricter.
 6. Intangible assets were not recorded against the value of customers' deposits which resulted from the acquisition of Bank of Baghdad, with an estimated value of USD 37M which is equivalent to JOD 26M.
- The interim condensed financial statements have been prepared under the historical cost except for some financial instruments, which are measured at fair value at the end of each period.
 - The Jordanian Dinar is the presentation currency for the interim condensed consolidated financial statements.
 - These interim condensed consolidated financial statements do not include all information and disclosures required in the annual financial statements prepared in accordance with IFRS Accounting Standards as amended by the Central Bank of Jordan, these interim condensed consolidated financial statements should be read in conjunction with the audited consolidated financial statements of the Group for the year ended on 31 December 2023. Furthermore, the results of operations for the period ended on 31 March 2024 do not necessarily reflect an accurate indicator about the expected results for the year ended 31 December 2024.

The preparation of the interim condensed consolidated financial statements in conformity with IFRS Accounting Standards requires the use of certain critical accounting estimates. It also requires management to exercise its judgment in the process of applying the Bank's accounting policies. The areas involving a higher degree of judgment or complexity, or areas where assumptions and estimates are significant to the interim condensed consolidated financial statements are disclosed in (note 3).



(a) New and amended standards and interpretations issued and adopted by the Group in the financial year beginning on 1 January 2024:

Classification of Liabilities as Current or Non-current – Amendments to IAS 1 Non-current Liabilities with Covenants – Amendments to IAS 1 - These amendments clarify how conditions with which an entity must comply within twelve months after the reporting period affect the classification of a liability. The amendments also aim to improve information an entity provides related to liabilities subject to these conditions.

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

These amendments include requirements for sale and leaseback transactions in IFRS 16 to explain how an entity accounts for a sale and leaseback after the date of the transaction. Sale and leaseback transactions where some or all the lease payments are variable lease payments that do not depend on an index or rate are most likely to be impacted.

Supplier finance arrangements – Amendments to IAS 7 and IFRS 7:

These amendments require disclosures to enhance the transparency of supplier finance arrangements and their effects on an entity's liabilities, cash flows and exposure to liquidity risk. The disclosure requirements are the IASB's response to investors' concerns that some companies' supplier finance arrangements are not sufficiently visible, hindering investors' analysis

Sale or contribution of assets between an investor and its associate or joint venture – Amendments to IFRS 10 and IAS 28 -

The IASB has made limited scope amendments to IFRS 10 Consolidated Financial Statements and IAS 28 Investments in Associates and Joint Ventures.

The amendments clarify the accounting treatment for sales or contribution of assets between an investor and their associates or joint ventures. They confirm that the accounting treatment depends on whether the nonmonetary assets sold or contributed to an associate or joint venture constitute a 'business' (as defined in IFRS 3 Business Combinations).

The implementation of the above standards did not have a material impact on the interim condensed consolidated financial statements.



- (b) The following new standards, amendments and interpretations that have been issued but are not yet effective which will be effective starting from 1 January 2024:**

Amendments to IAS 21 – Lack of Exchangeability (early adoption is available)

An entity is impacted by the amendments when it has a transaction or an operation in a foreign currency that is not exchangeable into another currency at a measurement date for a specified purpose. A currency is exchangeable when there is an ability to obtain the other currency (with a normal administrative delay), and the transaction would take place through a market or exchange mechanism that creates enforceable rights and obligations.

The management is still in the process of evaluating the impact of these new amendments on the Group's interim condensed consolidated financial statements, and it believes that there will be no significant impact on the interim condensed consolidated financial statements when they are implemented.

There are no other standards that are not yet effective and that would be expected to have a material impact on the Group in the current year starting 1 January 2024 or future reporting periods and on foreseeable future transactions.

2.3 Basis of consolidating the interim condensed financial statements

The interim condensed consolidated financial statements include the financial statements of the Bank and the companies under its control (its subsidiaries), and control is achieved when the Bank:

- Has the ability to control the investee;
- Is exposed to variable returns, or has the right to variable returns, resulting from its association with the investee;
- Has the ability to use its power to influence the returns of the investee.

The Bank will re-estimate whether it controls the investees or not if the facts and circumstances indicate that there are changes on one or more of the control points referred to above.

In the event that the Bank's voting rights fall below the majority of voting rights in any of the investees, it will have the power to control when voting rights are sufficient to give the Bank the ability to unilaterally direct the related subsidiary activities. The bank takes into account all facts and circumstances when estimating whether the Bank has voting rights in the investee that are sufficient to give it the ability to control or not. These facts and circumstances include:

- The volume of voting rights the Bank has in relation to the number and distribution of other voting rights;
- Potential voting rights held by the Bank and any other voting rights holders or parties;
- Rights arising from other contractual arrangements; and
- Any additional facts and circumstances indicating that the bank has, or does not have, a current responsibility to direct the relevant activities at the time the required decisions are taken, including how to vote in meetings of previous general assembly's meetings.

The subsidiary is consolidated when the Bank controls the subsidiary and is deconsolidated when the Bank loses control of the subsidiary. Specifically, the results of operations of subsidiaries acquired or excluded during the year are included in the interim condensed consolidated statement of profit or loss from the date on which control is achieved until the date the control of the subsidiary is lost.



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Profits and losses and each item of the comprehensive income are distributed to the owners in the entity and the non-controlling interest, the comprehensive income for the subsidiaries belonging to the owners in the entity and the non-controlling share is distributed even if this distribution will lead to a deficit in the balance of the non-controlling interest.

Adjustments are made to the financial statements of the subsidiaries, when required, to align their accounting policies with those used by the Bank.

Non-controlling interests in the subsidiaries are determined separately from the Bank's equity in these entities. The non-controlling interests of the shareholders currently present in the equity granted to their owners with a proportionate share of the net assets upon liquidation may be measured initially at fair value or by the proportionate share of non-controlling interests in the fair value of the identifiable net purchase amount of assets. The measurement is selected on an acquisition basis. Other non-controlling interests are initially measured at fair value. After acquisition, the carrying value of non-controlling interests is the value of these interests upon initial recognition, in addition to the non-controlling interest's share of subsequent changes in equity. Total comprehensive income is attributable to the non-controlling interests even if that results in a deficit in the non-controlling interests balance.

Changes in the Bank's interest in subsidiaries that do not result in loss of control are accounted for as equity transactions. The present value of the Bank's and non-controlling interests are adjusted to reflect changes in their relative shares in the subsidiaries. Any difference between the amount by which the non-controlling interests are adjusted and the fair value of the consideration paid or received is recognised directly in equity and attributed to the owners of the Bank.

When the bank loses control of a subsidiary, the profit or loss resulting from the disposal is calculated in the interim condensed consolidated statement of profit or loss, with the difference between (1) the total fair value of the consideration received and the fair value of any remaining shares and (2) the present value of the assets (including goodwill), less the liabilities of the subsidiary and any non-controlling interests.

All amounts previously recognised in the other comprehensive income in relation to that subsidiary are accounted for as if the Bank had directly disposed of the assets or liabilities related to the subsidiary.

The fair value of the investment that is held in the previous subsidiary at the date of loss of control is considered to be the fair value upon initial recognition of subsequent accounting under IFRS (9) "Financial instruments" when the provisions of this standard apply, or the cost of initial recognition of investment in an associate or a joint venture.

The result of operations of the subsidiaries are consolidated in the consolidated statement of income from the date of their ownership which is the date on which the control on the subsidiaries is actually transferred to the Bank. The results of disposed operations of subsidiaries are consolidated in the consolidated statement of income up to the disposal date, which is the date on which the Bank loses control over the subsidiaries.



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The result of operations of the subsidiaries are consolidated in the consolidated statement of income from the date of their ownership which is the date on which the control on the subsidiaries is actually transferred to the Bank. The results of disposed operations of subsidiaries are consolidated in the consolidated statement of income up to the disposal date, which is the date on which the Bank loses control over the subsidiaries.

The Bank has the following subsidiaries:

31 March 2024 and 31 December 2023

<u>Company's name</u>	<u>Paid in capital</u> JD	<u>Bank's ownership</u> %	<u>Nature of operations</u>	<u>Location</u>	<u>Date of acquisition</u>
Bank of Baghdad	162,366,412	53,44	Commercial Bank	Iraq	2023
Ejara Finance Leasing Company	20,000,000	100	Finance leasing	Amman, Jordan	2011
*United Financial Investments Company	10,000,000	78,46	Brokerage and investments	Amman, Jordan	In phases, starting from 2002

- Non-controlling interest amounted to JD 132,510,328 as of 31 March 2024, against JD 112,767,872 as of 31 December 2023. Details are as follows:

	<u>31 March 2024</u> JD	<u>31 December 2023</u> JD
Bank of Baghdad	132,510,328	112,767,872
	<u>132,510,328</u>	<u>112,767,872</u>

*This investment was accounted for as held for sale in accordance with IFRS 5 "Held for sale" starting from 31 De



(3) ACCOUNTING 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 recognised 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 recognised in the reporting period in which this change occurs and in future reporting periods if the revision affects both current and future periods.

The accounting estimates used in preparing these interim condensed consolidated financial statements are the same as those applied in the preparation of the audited consolidated financial statements for the year ended 31 December 2023.

The Bank's management believes that the estimates included in the interim condensed consolidated financial statements are reasonable.



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(4) CASH AND BALANCES AT CENTRAL BANKS

- Restricted reserves at the Central Bank of Iraq amounted to JD 168,047,781 as of 31 March 2024 against JD 188,997,501 as of 31 December 2023 and they were excluded from the cash and cash equivalents for the purposes of the 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 24,502,323 as of 31 March 2024 against JD 24,502,706 as of 31 December 2023 and they have been excluded from cash and cash equivalents for the purposes of the consolidated statement of cash flows.
- Expected credit losses on balances at central banks amounted to JD 28,265,675 as of 31 March 2024 against JD 27,940,942 as of 31 December 2023 which is related to the balances at foreign central banks while the Bank didn't calculate the expected credit losses on balances with the Central Bank of Jordan in accordance with the instructions of the Central Bank of Jordan related to the application of International Financial Reporting Standard No. (9).
- Statutory cash reserve amounted to JD 294,443,168 as of 31 March 2024 against JD 316,388,152 as of 31 December 2023.

(5) BALANCES AT BANKS AND FINANCIAL INSTITUTIONS

Non-interest-bearing balances at banks and financial institutions amounted to JD 239,985,562 as of 31 March 2024 against JD 428,470,213 as of 31 December 2023.

The expected credit loss provision on balances with banks and financial institutions in accordance with International Financial Reporting Standard No. (9). Amounted to JD 5,300,052 as of 31 March 2024 against JD 5,068,512 as of 31 December 2023.

Restricted balances amounted to JD 8,711,762 as of 31 March 2024 against JD 9,383,933 as of 31 December 2023.



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(6) DIRECT CREDIT FACILITIES – NET

	31 March 2024	31 December
	(Reviewed and	2023
	unaudited)	(Audited)
	JD	JD
Individuals (retail):		
Overdraft accounts	222,133	165,525
Loans and promissory notes*	291,580,260	293,994,349
Credit cards	14,240,853	14,682,316
Real estate loans	246,811,450	225,459,851
Corporates:		
Large		
Overdraft accounts	159,197,437	134,310,075
Loans and promissory notes*	1,067,856,152	1,173,501,319
Small and Medium		
Overdraft accounts	21,325,036	24,201,352
Loans and promissory notes*	203,221,448	194,554,014
Government and public sector	168,163,824	175,786,439
Total	2,172,618,593	2,236,655,240
Less: Expected credit loss provision	187,885,572	195,406,591
Interest in suspense	38,712,808	34,502,349
Net direct credit facilities	1,946,020,213	2,006,746,300

*Net after deducting interest and commission collected in advance of JD 728,733 as of 31 March 2024 (JD 730,704 as of 31 December 2023).

Credit facilities within stage 3 amounted to JD 186,273,654 which is equivalent to 8.57% of total direct credit facilities as of 31 March 2024 (against JD 169,196,812 which is equivalent to 7.56% of total direct credit facilities as of 31 December 2023).

Credit facilities within stage 3 net of interest and commission in suspense amounted to JD 148,776,401 which is equivalent to 6.97% of total direct credit facilities balance after deducting interest and commission in suspense as of 31 March 2024 (against JD 135,958,344 which is equivalent to 6.17% of 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 93,785,991 which is equivalent to 4.32% of total direct credit facilities as of 31 March 2024 (against JD 101,239,716 which is equivalent to 4.66% as of 31 December 2023).



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Direct credit facilities balance

The following is the movement on direct credit facilities balance in aggregate during the period/year:

	Stage 1 Individual JD	Stage 2 Individual JD	Stage 3 JD	Total JD
For the three months ended on 31 March 2024				
(Reviewed and unaudited)				
Balance at the beginning of the period	1,768,094,984	299,363,444	169,196,812	2,236,655,240
New facilities during the period	181,045,494	36,696,733	33,934,592	251,676,819
Facilities paid during the period	(184,185,745)	(95,654,313)	(33,323,137)	(313,163,195)
Transferred to stage 1	3,729,056	(3,729,056)	-	-
Transferred to stage 2	(26,149,383)	27,140,298	(990,915)	-
Transferred to stage 3	(990,479)	(19,016,094)	20,006,573	-
Written-off facilities (transferred off-the statement of financial position)	-	-	(2,550,271)	(2,550,271)
Balance at the end of the period	1,741,543,927	244,801,012	186,273,654	2,172,618,593
For the year ended on 31 December 2023				
(Audited)				
Balance at the beginning of the year	1,775,575,136	191,854,673	137,657,367	2,105,087,176
New facilities during the year	465,950,553	51,980,516	13,001,599	530,932,668
Facilities paid during the year	(365,502,648)	(15,296,382)	(56,752,447)	(437,551,477)
Transferred to stage 1	28,796,170	(27,395,178)	(1,400,992)	-
Transferred to stage 2	(127,178,520)	128,988,705	(1,810,185)	-
Transferred to stage 3	(9,081,917)	(26,953,761)	36,035,678	-
Impact of assets held for sale	(8,607,838)	(4,025,828)	(3,155,432)	(15,789,098)
Additions due to the acquisition	8,144,048	210,699	67,070,838	75,425,585
Written-off facilities (transferred off-the statement of financial position)	-	-	(21,449,614)	(21,449,614)
Balance at the end of the year	1,768,094,984	299,363,444	169,196,812	2,236,655,240



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The following is the movement on expected credit losses provision on direct credit facilities balance in aggregate during the period/year:

	Stage 1 Individual JD	Stage 2 Individual JD	Stage 3 JD	Total JD
For the three months ended on 31 March 2024				
(Reviewed and unaudited)				
Balance at the beginning of the period	25,162,371	64,886,923	105,357,297	195,406,591
New facilities during the period	2,861,251	7,071,945	24,442,881	34,376,077
Facilities paid during the period	(3,038,707)	(15,767,281)	(20,540,837)	(39,346,825)
Transferred to stage 1	802,941	(802,941)	-	-
Transferred to stage 2	(720,756)	1,073,724	(352,968)	-
Transferred to stage 3	(35,800)	(5,959,243)	5,995,043	-
Bad debts transferred off-the statement of financial position	-	-	(2,550,271)	(2,550,271)
Balance at the end of the period	25,031,300	50,503,127	112,351,145	187,885,572
For the year ended on 31 December 2023				
(Audited)				
Balance at the beginning of the year	33,732,006	34,109,552	84,527,827	152,369,385
New facilities during the year	9,436,378	25,177,525	27,447,776	62,061,679
Facilities paid during the year	(6,867,758)	(1,670,776)	(15,777,806)	(24,316,340)
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	-
Effect from disposing assets held for sale	(570,651)	(22,096)	(2,541,703)	(3,134,450)
Additions during the period which resulted from the acquisition transactions (Note 23)	447,621	803,374	21,710,148	22,961,143
Bad debts transferred off-the statement of financial position	-	-	(14,534,826)	(14,534,826)
Balance at the end of the year	25,162,371	64,886,923	105,357,297	195,406,591



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Disclosures according to the requirements of the Central Bank of Jordan regarding the presentation of International Financial Reporting Standard No. (9):

The following is the movement on the expected credit loss provisions of direct credit facilities in aggregate during the period/year ended on 31 March 2024:

A) Per economic sector:

	Retail	Real estate mortgage	Companies		Government and public sector	Total
			Large	SMEs		
	JD	JD	JD	JD	JD	JD
For the three months ended on 31 March 2023 (Reviewed and unaudited)						
Balance at the beginning of the period	29,391,918	16,679,808	136,835,364	12,188,116	311,385	195,406,591
Expected credit loss on new facilities during the period	5,999,257	4,106,459	22,099,291	2,171,070	-	34,376,077
Reversal from expected credit loss on paid facilities during the period	(3,846,257)	(1,093,091)	(33,855,714)	(538,684)	(13,079)	(39,346,825)
Transferred to stage 1	452,836	(50,552)	(335,320)	(20,580)	-	46,384
Transferred to stage 2	(872,583)	109,526	(4,484,980)	(440,421)	-	(5,688,458)
Transferred to stage 3	427,797	(58,975)	4,811,307	461,945	-	5,642,074
Bad debts transferred off-the statement of financial position	(1,710,559)	-	(839,711)	-	-	(2,550,271)
Balance at the end of the period	29,842,409	19,693,175	124,230,237	13,821,446	298,306	187,885,572
Re-allocation:						
Provisions on an individual basis	29,842,409	19,693,175	124,230,237	13,821,446	298,306	187,885,572
Provisions on a collective basis	-	-	-	-	-	-



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Impairment provision on direct credit facilities

The following is the movement on the impairment provision of direct credit facilities during the period/year:

	Retail	Real estate mortgage	Companies		Government and public sector	Total
			Large	SMEs		
	JD	JD	JD	JD	JD	JD
For the three months ended on 31 March 2024 (Reviewed and unaudited)						
Balance at the beginning of the period	29,391,918	16,679,808	136,835,365	12,188,115	311,385	195,406,591
Provision recorded during the period	5,999,257	4,106,459	22,099,291	2,171,070	-	34,376,077
Reversed provision (surplus) during the period	(3,846,257)	(1,093,091)	(33,855,714)	(538,684)	(13,079)	(39,346,825)
Provision related to written off balances and transferred off balance sheet	(1,710,559)	-	(839,711)	-	-	(2,550,271)
Balance at the end of the period	29,834,359	19,693,176	124,239,231	13,820,501	298,306	187,885,572
Stage 1	11,080,718	3,589,696	8,905,562	1,157,018	298,306	25,031,300
Stage 2	3,403,722	8,731,215	37,627,554	740,636	-	50,503,127
Stage 3	15,349,919	7,372,265	77,706,115	11,922,847	-	112,351,145
Total	29,834,359	19,693,176	124,239,231	13,820,501	298,306	187,885,572
For the year ended on 31 December 2023						
Balance at the beginning of the year	24,580,458	29,214,284	88,931,602	9,007,121	635,920	152,369,385
Provision recorded during the year	13,568,258	4,648,600	37,657,008	6,176,793	11,020	62,061,679
Reversed provision (surplus) during the year	(3,268,998)	(7,325,762)	(11,758,002)	(1,628,023)	(335,555)	(24,316,340)
	(2,752,600)	-	-	(381,850)	-	(3,134,450)
	-	-	22,961,143	-	-	22,961,143
Provision related to written off balances and transferred off balance sheet	(2,735,200)	(9,857,314)	(956,386)	(985,926)	-	(14,534,826)
Balance at the end of the year	29,391,918	16,679,808	136,835,365	12,188,115	311,385	195,406,591
Stage 1	11,153,736	3,426,029	9,416,372	854,846	311,385	25,162,368
Stage 2	2,282,973	5,951,516	55,746,490	905,945	-	64,886,924
Stage 3	15,955,209	7,302,263	71,672,503	10,427,324	-	105,357,299
Total	29,391,918	16,679,808	136,835,365	12,188,115	311,385	195,406,591

- Disclosed above is the total provisions recorded against debts calculated on a per customer basis.
- The value of provisions that were no longer needed as a result of settlements or repayment of debts and transferred against other debts amounted to JD 34,376,077 as at 31 March 2024 (JD 24,316,340 as at 31 December 2023).
- Based on the instructions of the Central Bank of Jordan related to the application of IFRS (9), no provision was calculated for expected credit losses on credit facilities granted and guaranteed by the Jordanian government.
- During the first quarter of 2024, debts were written off and transferred off the statement of financial position in an amount of JD 2,550,271 as at 31 March 2024 (JD 21,449,614 as at 31 December 2023) in accordance with the decision of the Board of Directors.



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Additional disclosures related to the acquisition in accordance with the International Financial Reporting Standard No. (9) - If it differs from the Central Bank of Jordan instructions

The following is the movement on the direct credit facilities balance during the period 31 March 2024:

	Stage 1 Individual	Stage 2 Individual	Stage 3	Low value purchased facilities	Total
	JD	JD	JD	JD	JD
For the three months ended on 31 March 2024 (Reviewed and unaudited)					
Balance at the beginning of the period	1,767,054,688	299,152,745	102,125,974	41,175,072	2,209,508,479
New facilities during the period	181,134,164	36,608,063	33,859,984	74,608	251,676,819
Facilities paid during the period	(184,275,497)	(95,564,561)	(32,822,157)	(500,980)	(313,163,195)
Transferred to stage 1	3,729,056	(3,729,056)	-	-	-
Transferred to stage 2	(26,149,383)	27,140,298	(990,915)	-	-
Transferred to stage 3	(990,479)	(19,016,094)	20,006,573	-	-
Balance at the end of the period	1,740,502,549	244,591,394	122,179,460	40,748,699	2,148,022,103



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Net direct credit facilities are distributed according to geographical distribution and economic sector as follows:

Sector / Geographical distribution	As of 31 March 2024,			As of 31 December 2023
	Inside the kingdom	Outside the kingdom	Total	Total
	JD	JD	JD	JD
Financial	99,322,814	108,504,723	207,827,537	225,776,476
Industrial	213,342,977	49,260,017	262,602,994	349,221,458
Commercial	279,439,110	65,140,889	344,579,999	340,571,247
Real estates	205,888,719	54,501,852	260,390,571	238,250,802
Agriculture	32,763,753	-	32,763,753	31,766,163
Stocks	10,438,806	-	10,438,806	9,782,829
Individuals	230,678,626	54,882,874	285,561,500	287,831,248
Government and public sector	167,865,518	-	167,865,518	175,475,054
Services	338,127,392	35,862,143	373,989,535	348,071,023
Total	1,577,867,715	368,152,498	1,946,020,213	2,006,746,300



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Interest in Suspense

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

	Individuals	Real Estate Loans	Companies		Government and public sector	Total
	JD	JD	Large	Small and medium	JD	JD
			JD	JD		
For the three months ended on 31 March 2024						
(Reviewed and unaudited)						
Balance at the beginning of the period	1,978,368	3,078,551	27,667,969	1,777,461	-	34,502,349
Add: Interest suspended during the period	247,559	155,895	8,158,637	230,603	-	8,792,694
Less: Interest transferred to income	(606,727)	(226,716)	(3,732,614)	(16,178)	-	(4,582,235)
Balance at the end of the period	1,619,200	3,007,730	32,093,992	1,991,886	-	38,712,808

	Individuals	Real Estate Loans	Companies		Government and public sector	Total
	JD	JD	Large	Small and medium	JD	JD
			JD	JD		
For the year ended on 31 December 2023						
(audited)						
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	284,341	767,994	6,155,135	747,551	-	7,955,021
Less: Interest transferred to income	(244,129)	(202,987)	(60,606)	(293,133)	-	(800,855)
Additions from acquisition	455,957	-	3,729,661	-	-	4,185,618
Interest in suspense related to debts transferred off balance sheet	(495,207)	(6,344,112)	(28,355)	(47,115)	-	(6,914,789)
Balance at the end of the year	1,978,368	3,078,551	27,667,969	1,777,461	-	34,502,349



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(7) FINANCIAL ASSETS AT FAIR VALUE THROUGH PROFIT AND LOSS

The details of this item are as follows:

	31 March 2024 (Reviewed and unaudited)	31 December 2023
	JD	JD
Quoted shares in active markets	2,629,685	21,299,672
Unquoted shares in active markets	3,429,788	3,460,806
Total shares	6,059,473	24,760,478

- Realized losses from selling shares at fair value through profit or loss amounted to JD 401,900 for the period ended 31 March 2024, against a loss of JD 2,279 for the period ended on 31 March 2023 recorded in the interim condensed consolidated income statement.
- Unrealized losses from the valuation of shares at fair value through profit or loss amounted to JD 56,708 for the period ended 31 March 2024, against a gain of JD 8,827,020 for the period ended on 31 March 2023 recorded in the interim condensed consolidated income statement.
- There are no dividends distributed from shares at fair value through profit and loss for the period ended on 31 March 2024 and 2023.

(8) FINANCIAL ASSETS AT FAIR VALUE THROUGH OTHER COMPREHENSIVE INCOME

The details of this item are as follows:

	31 March 2024 (Reviewed and unaudited)	31 December 2023
	JD	JD
Quoted shares in active markets	30,528,244	27,928,802
Unquoted shares in active markets	55,879,495	55,884,750
Total shares	86,407,739	83,813,552
Quoted bonds in active markets	33,271,966	32,410,070
Total bonds	33,271,966	32,410,070
Total	119,679,705	116,223,622
Bonds Analysis:		
Fixed rate	33,271,966	32,410,070
Total	33,271,966	32,410,070

- Gains from sale of shares at fair value through other comprehensive income amounted to JD 26,030 for the period ended on 31 March 2024 (JD 231 for the period ended on 31 March 2023)
- Cash dividends on the above investments amounted to JD 259,531 for the period ended on 31 March 2024, (against JD 78,750 for the period ended on 31 March 2023).



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- The realized expected credit losses against financial assets at fair value through other comprehensive income (debt instruments) amounted to JD 80,982 as of 31 March 2024, (against JD 44,965 as of 31 December 2023).

(9) FINANCIAL ASSETS AT AMORTISED COST

The details of this item are as follows:

	31 March 2024	31 December
	(Reviewed and	2023
	unaudited)	(Audited)
	JD	JD
Financial assets with available market prices:		
Foreign government bills and treasury bonds*	36,348,859	36,352,291
Impairment provision for financial assets at amortised cost	(15,832,787)	(15,858,918)
Net financial assets with available market prices	<u>20,516,072</u>	<u>20,493,373</u>
Financial assets with no available market prices:		
Jordanian and foreign bills and treasury bonds*	1,227,200,601	1,094,357,249
Corporate loans bonds	17,833,600	12,161,600
Total financial assets with no available market prices	<u>1,245,034,201</u>	<u>1,106,518,849</u>
Less: impairment provision for financial assets at amortised cost	(4,318,628)	(4,129,033)
Net financial assets with no available market prices	<u>1,240,715,573</u>	<u>1,102,389,816</u>
Total	<u>1,261,231,645</u>	<u>1,122,883,189</u>
Analysis financial bonds:		
With fixed rate	1,263,549,460	1,130,709,540
With floating rate	17,833,600	12,161,600
Total	<u>1,281,383,060</u>	<u>1,142,871,140</u>

- No realized gain or losses from the sale of bonds recorded in the interim condensed consolidated income statement for the periods 31 March 2024 and 31 December 2023.
- No provision for expected credit was calculated against Jordanian Government bonds and treasury bills in accordance with the application of IFRS 9 as amended by the Central Bank of Jordan.
- Financial assets at amortized cost include government bonds in the amount of JD 80,017,850 held with the Central Bank of Jordan with 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 on these bonds during the term of the agreement are for the benefit of the Jordan Kuwait bank.



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(10) RIGHT OF USE ASSETS AND LEASE LIABILITIES

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

	31 March 2024	31 December 2023
	(Reviewed and unaudited)	(Audited)
	JD	JD
Balance at the beginning of the period / year	12,559,364	10,524,060
Add: additions during the period which resulted from the acquisition transaction (Note 23)	-	4,616,698
Add: new contracts during the period / year	1,231,528	1,139,128
Less: depreciation during the period / year	1,134,973	3,720,522
Balance at the end of the period / year	<u>12,655,919</u>	<u>12,559,364</u>

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

	31 March 2024	31 December 2023
	(Reviewed and unaudited)	(Audited)
	JD	JD
Balance at the beginning of the period / year	12,791,946	10,733,682
Add: additions during the period which resulted from the acquisition transaction (Note 24)	-	1,161,539
Add: interest expense	215,708	1,228,502
Add: new contracts during the period / year	1,231,528	4,616,698
Less: paid obligations	1,599,835	4,948,475
Balance at the end of the period / year	<u>12,639,347</u>	<u>12,791,946</u>

(c) Analysis of due payments:

	31 March 2024	
	1-3 Years	Over 3 Years
	JD	JD
Right to use assets	1,012,474	11,643,445
Lease liabilities	1,011,147	11,628,199

The bank chose to use the exemption available in the standard of not capitalising right of use assets which are short-term in nature and not significant in value.



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(11) OTHER ASSETS

(a) The details of this item are as follows:

	31 March 2024	31 December
	(Reviewed and	2023
	unaudited)	(Audited)
	JD	JD
Accrued interest and revenue	43,247,137	50,176,297
Prepaid expenses	8,976,739	7,477,488
Assets seized by the Bank against due debts, net	115,230,520	103,289,000
Clearing cheques	3,182,408	398,488
Debtors, net*	3,897,682	3,226,690
Others	12,091,300	10,056,246
Total	186,625,786	174,624,209

The Central Bank of Jordan's instructions require the disposal of seized assets and seized shares within a period not exceeding two years from the start date of seizure and to the Central Bank, in exceptional cases, extending this period for a maximum of two consecutive years.

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

	Seized assets	Other seized	Total
	JD	assets*	JD
	JD	JD	JD
For the three months ended on			
31 March 2024 (Reviewed and unaudited)			
Balance at the beginning of the period	102,841,879	447,121	103,289,000
Additions	15,488,514	-	15,488,514
Disposals**	(3,050,772)	-	(3,050,772)
Provision	(496,223)	-	(496,223)
Balance at the end of the period	114,783,399	447,121	115,230,520
	Seized assets	Other seized	Total
	JD	assets*	JD
	JD	JD	JD
For the year ended on 31 December 2023			
Audited)			
Balance at the beginning of the year	124,287,727	1,040,275	125,328,002
Additions	10,292,668	2,184,251	12,476,919
Disposals**	(32,966,848)	(593,154)	(33,560,002)
Provision	1,228,332	(2,184,251)	(955,919)
Balance at the end of the year	102,841,879	447,121	103,289,000

*This balance represents seized shares in a foreign bank against a customer due debt, which were seized during the first quarter of 2023.

**Gain on disposal of seized assets amounted to JD 629,405 as of 31 March 2024, which was recorded within other expenses. Against losses for the same period prior year which amounted to JD 1,237,245 and was recorded within other expenses.



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(12) INCOME TAX

A. STATUTORY INCOME TAX RATES:

	31 March 2024 (Reviewed and unaudited)	31 December 2023 (Audited)
	JD %	JD %
Jordan branches	38%	38%
Cyprus branch	12,5%	12,5%
Subsidiaries	15-28%	21-28%

B. TAX STATUS

Branches / subsidiaries

Branches / subsidiaries	tax- assessment report submitted up to the end of the year	Final settlement up to end of the year	Payments to the Income and Sales Tax Department	Disputed years
Jordan Branches	2022	2018	Accrued tax has been paid	None
Cyprus Branch	2023	2022	Accrued tax has been paid	None
Ejara Finance Leasing Company	2022	2019	Accrued tax has been paid	None
Bank of Baghdad	2022	2021	Accrued tax has been paid	None

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

The necessary documents have been submitted in accordance with the transfer pricing system for income tax purposes for the year 2023.

C. PROVISION FOR INCOME TAX

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

	31 March 2024 (Reviewed and unaudited)	31 December 2023 (Audited)
	JD	JD
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	7,644,402	34,070,422
Income tax paid during the period / year	(8,339,051)	(25,970,427)
Balance at the end of the period / year	<u>31,945,827</u>	<u>32,640,476</u>



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(13) OTHER LIABILITIES

The details of this item are as follows:

	31 March 2024 (Reviewed and unaudited)	31 December 2023 (Audited)
	JD	JD
Accrued interest	31,573,633	27,102,957
Inward transfers	5,094,362	3,209,447
Accounts payable*	4,348,836	4,807,505
Amounts for registering companies - subsidiaries	1,498,367	3,121,125
Obligations for ATM services - subsidiaries	3,048,584	1,976,513
Accrued expenses	1,712,911	1,314,306
Temporary deposits	9,558,659	9,296,104
Temporary deposits - customers	6,802,413	8,292,453
Shareholders' deposits	5,524,213	10,011,315
Accepted and certified checks	9,611,965	11,142,349
Vaults insurance	560,643	541,825
Subscription deposits	59,622	59,622
Expected credit losses against indirect facilities	13,673,491	14,028,142
Additional provisions – equity instruments	-	4,200,000
Additional provision – deferred installments	1,685,000	1,685,000
Additional provisions - subsidiaries	1,188,272	1,188,272
Other liabilities*	16,023,797	15,403,105
	110,466,402	114,258,915

(14) EARNINGS PER SHARE FOR THE YEAR ATTRIBUTABLE TO THE BANK'S SHAREHOLDERS
(BASIC AND DILUTED)

The details of this item are as follows:

	For the three months ended 31 March	
	2024 (Reviewed and unaudited)	2023 (Reviewed and unaudited)
	JD	JD
Profit for the year attributable to the bank's shareholders	30,630,093	22,964,527
Weighted average number of shares	Share 150,000,000	Share 150,000,000
Earnings per share	JD/ share 0,204	JD/ share 0,153

Basic earnings per share equal to the diluted earning per share, as the bank didn't issue any financial instruments that may reduce the basic earnings per share.



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(15) CASH AND CASH EQUIVALENTS

	As of 31 March	
	2024	2023
	(Reviewed and unaudited)	(Reviewed and unaudited)
	JD	JD
Cash and balances at Central Banks due within three months	883,030,632	648,521,781
Add: Balances at banks and financial institutions due within three months	430,162,570	181,316,743
Less: Deposits at banks and financial institutions due within three months	20,906,035	98,554,576
Restricted balances	8,711,762	3,592,337
Balance at the end of the period	<u>1,283,575,405</u>	<u>727,691,611</u>

(16) BUSINESS SEGMENT INFORMATION

1- Information about the group activities

The Bank is organised, for managerial purposes, into four major sectors. These sectors are measured according to reports used by the executive management and key decision makers at the Bank. Moreover, the Bank owns two 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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The following is information about the Bank's business distributed according to activities:

							Total For the three months ended on 31 March	
	Individuals (Reviewed and unaudited) JD	Corporations (Reviewed and unaudited) JD	Treasury (Reviewed and unaudited) JD	Financial Brokerage (Reviewed and unaudited)	Financial Leasing (Reviewed and unaudited)	Others (Reviewed and unaudited) JD	2024 (Reviewed and unaudited) JD	2023 (Reviewed and unaudited) JD
Gross income for the period	13,788,288	37,242,088	14,246,437	774,624	1,825,231	18,705,403	86,582,070	61,253,101
Expected credit losses	4,762,764	(10,137,116)	756,189	-	403,604	(354,651)	(4,569,210)	10,950,637
Results of the sector's business	9,025,524	47,379,204	13,490,248	774,624	1,421,627	19,060,054	91,151,280	50,302,464
Gains resulted from the acquisition transaction	-	-	-	-	-	-	-	8,865,296
Less: expenses not distributed on sectors	-	-	-	-	-	29,312,189	29,312,189	24,500,118
Profit for the period before Income Tax	9,025,524	47,379,204	13,490,248	774,624	1,421,627	(10,252,135)	61,839,091	34,667,642
Less: income tax expense for the period	-	-	-	-	-	12,036,167	12,036,167	6,980,746
Net income the period	9,025,524	47,379,204	13,490,248	774,624	1,421,627	(22,288,302)	49,802,924	27,686,896
Other information								
Capital expenditures						1,769,535	1,769,535	46,332,211
Depreciation and amortisation						1,972,457	1,972,457	1,672,596

							Total For the period ended on	
							31 March 2024 (Reviewed and unaudited) JD	31 December 2023 (Audited) JD
Total sector's assets	479,432,400	1,513,590,294	2,856,778,935	21,792,176	99,086,729	237,856,443	5,208,536,978	2,505,013,410
Total sector's liabilities	1,502,515,269	1,133,346,885	459,230,218	17,910,031	52,527,556	264,565,666	4,430,095,625	2,237,678,974



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2- Geographical distribution information

This disclosure represents the geographical distribution of the Bank and its subsidiaries operations. As, the Group performs its operations mainly within Kingdom. Also, the bank performs international operations through its branch in Cyprus and Bank of Baghdad (subsidiary of the bank)

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

	Inside the Kingdom		Outside the Kingdom		Total	
	For the three months ended on 31 March		For the three months ended on 31 March		For the three months ended on 31 March	
	2024	2023	2024	2023	2024	2023
	(Reviewed and unaudited)	(Reviewed and unaudited)	(Reviewed and unaudited)	(Reviewed and unaudited)	(Reviewed and unaudited)	(Reviewed and unaudited)
	JD	JD	JD	JD	JD	JD
Gross income	43,264,004	43,170,001	43,318,066	18,083,100	86,582,070	61,253,101
Capital expenditures	1,769,535	45,736,516	-	595,695	1,769,535	46,332,211

	Inside the Kingdom		Outside the Kingdom		Total	
	31 March 2024	31 December 2023	31 March 2024	31 December 2023	31 March 2024	31 December 2023
	(Reviewed and unaudited)	(Audited)	(Reviewed and unaudited)	(Audited)	(Reviewed and unaudited)	(Audited)
	JD	JD	JD	JD	JD	JD
Total assets	3,267,743,602	3,714,157,924	1,940,793,376	1,530,244,127	5,208,536,978	5,244,402,051



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(17) TRANSACTIONS WITH RELATED PARTIES

The Bank entered into transactions with the subsidiaries, sister companies, major shareholders, 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 31 March 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	
						31 March 2024	31 December 2023
						(Reviewed and unaudited) JD	(Audited) JD
Interim condensed consolidated statement of financial position Items:	JD	JD	JD	JD	JD		
Direct credit facilities	38,215,100	967,042	1,027,922	4,240,012	-	44,450,076	46,530,542
Deposits from banks and financial institutions	1,662,857	-	-	-	347	1,663,204	12,248,542
Customers' deposits	370,383	93,657,618	1,147,113	1,608,977	3,410,760	100,194,851	110,935,581
Deposits at banks and financial institutions	26,280,718	7,374,429	419,280	-	797,468	34,871,895	4,786,501
Cash margins	-	-	-	10,551	16,725	27,276	28,526
Financial assets at fair value through comprehensive income	24,815,000	-	-	-	45,179,651	69,994,651	59,871,352
Right of use assets	-	224,277	-	-	-	224,277	237,270
Lease liabilities	-	235,445	-	-	-	235,445	235,445
Financial assets at amortised cost / borrowed funds	-	80,043,223	-	-	-	80,043,223	80,017,850
Off Interim condensed consolidated statement of financial position Items:							
Letters of guarantee	4,719,850	-	504,908	-	167,500	5,392,258	5,417,758
Letters of credit	1,058,076	-	-	-	20,284,602	21,342,679	19,468,853
						Total	
						For the three months ended on 31	
						March	
						2024	2023
Interim condensed consolidated statement of comprehensive income Items:							
Interest and commission income ***	245,565	15,849	-	188,784	57	450,255	1,330,590
Interest and commission expense ****	-	1,568,469	-	39,531	841,397	2,449,397	1,266,467
Amortisation of right of use assets	-	12,993	-	-	-	12,993	6,062
Interest on lease liability	-	5,194	-	-	-	5,194	12,993
Cash dividends from financial assets at fair value through other comprehensive income	-	-	-	-	259,531	259,531	-
Operational expenses	-	103,048	-	-	125,493	228,541	221,383
Managerial contracts	-	-	-	-	-	-	200,236



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Included in the direct credit facilities granted to the members of the board of directors and executive management an amount of JD 775,852 which is related to the board of directors of Ejara Finance Leasing Company (subsidiary company) as of 31 March 2024, against JD 639,153 as of 31 December 2023.

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

**Interest income rates ranges from 1.75% to 10.75%.

***Interest expense rates ranges from 1.25% to 7.5%.

- The Salaries of the Bank's executive management and its subsidiaries amounted to JD 1,887,948 for the period ended on 31 March 2024 (JD 776,080 for the period ended on 31 March 2023).

(18) COMMITMENTS AND CONTINGENT LIABILITIES

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

	31 March 2024 (Reviewed and unaudited) JD	31 December 2023 (Audited) JD
(A) Letters of credits, guarantees and acceptances		
Letters of credit	48,725,015	60,247,710
Guarantees		
Payment	195,375,608	182,320,346
Performance bonds	117,246,204	91,935,815
Others	5,545,409	35,367,697
Acceptances	42,516,121	32,881,534
Total	409,408,357	402,753,102
(B) Unutilised limits		
Unutilised direct credit facilities limits	352,088,291	303,002,687
Unutilised indirect credit facilities limits	109,106,196	108,085,663
Total	461,194,487	411,088,350
Total indirect facilities	870,602,844	813,841,452
	31 March 2024 (Reviewed and unaudited)	31 December 2023 (Audited)
(C) Expected credit losses		
Letters of credit	390,646	472,915
Guarantees	9,592,155	9,611,235
Acceptances	331,831	330,797
Non-unutilised direct credit facilities limits	2,557,315	2,457,897
Non-unutilised indirect credit facilities limits	801,544	1,155,298
Expected credit losses net	13,673,491	14,028,142
net indirect facilities	856,929,353	799,813,310



(19) LAWSUITS AGAINST THE BANK

The value of the cases filed against the bank and its subsidiaries amounted to JD 29,519,989 as of 31 March 2024, compared to JD 11,172,851 as on 31 December 2023, as per the opinion of the management and the bank's legal advisor, the bank will not have obligations that exceed the provision taken for it, which amounted to JD 4,240,000 as of 31 March 2024 compared to JD 3,578,169 as of 31 December 2023.

The value of the cases against Ejara Finance Leasing Company amounts to JD 217,334 and will not result in obligations

(20) AUTHORIZED AND PAID IN CAPITAL AND DISTRIBUTED DIVIDENDS

The Board of Directors recommended the distribution of cash dividends to shareholders at 8% of the total paid in capital and that from the voluntary reserve which is equivalent to JOD 12 million. This percentage was approved by General Assembly of shareholder of Jordan on 25 April 2024.

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



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(21) STATUTORY AND VOLUNTARY RESERVE

The bank did not deduct the statutory and voluntary reserves according to the Jordanian Companies Law as these are interim financial statements. As the deduction is made at the end of the year

(22) 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).

	Fair Value		Level of fair value	Valuation method and inputs used	Significant intangible inputs	Relationship between fair value and significant intangible inputs
	31 March 2024	31 December 2023				
	JD	JD				
Financial assets at fair value through profit and loss						
Shares with available market prices	2,629,685	21,299,672	Level 1	Quoted prices in financial markets	Not applicable	Not applicable
Bonds with available market prices	3,429,788	3,460,806	Level 1	Quoted prices in financial markets	Not applicable	Not applicable
Financial assets at fair value through other comprehensive income						
Shares with available market prices	30,528,244	27,928,802	Level 1	Quoted prices in financial markets	Not applicable	Not applicable
				Quoted prices in financial markets and comparison of similar financial instruments and discounted dividends model	Not applicable	Not applicable
Shares with no available market prices	55,879,495	55,884,750	Level 2			
Bonds listed in active markets	33,271,966	32,410,070	Level 1	Quoted prices in financial markets	Not applicable	Not applicable
Total	125,739,178	140,984,100				

There were no transfers between level 1 and level 2 during the period ended on 31 March 2024.

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.

	31 March 2024		31 December 2023		Level of fair value
	Book value	Fair value	Book value	Fair value	
	(Reviewed and unaudited)	(Reviewed and unaudited)	(Audited)	(Audited)	
	JD	JD	JD	JD	
Financial assets with non-specified fair value					
Balances at central banks	693,375,333	693,728,745	787,223,767	787,633,803	Level 2
Balances at banks and financial institutions	430,162,570	431,612,740	540,276,278	541,958,797	Level 2
Direct financial facilities, net	1,946,020,213	1,977,385,469	2,006,746,300	2,043,136,973	Level 2
Financial assets at amortised cost, net	1,261,231,645	1,271,309,944	1,122,883,189	1,134,576,258	Level 1 and 2
Total financial assets with non-specified fair value	4,330,789,761	4,374,036,898	4,457,129,534	4,507,305,831	
Financial liabilities with non-specified fair value					
Banks and financial institutions deposits	32,906,035	35,212,781	69,620,351	71,633,973	Level 2
Customers' deposits	3,670,114,029	3,694,203,192	3,707,096,482	3,728,124,568	Level 2
Cash Margin	141,244,779	143,158,456	139,974,833	141,645,333	Level 2
Borrowed funds	352,106,409	354,845,182	363,157,170	365,547,920	Level 2
Green bonds	35,450,000	35,975,274	35,450,000	35,908,526	
Total financial liabilities with non-specified fair value	4,231,821,252	4,263,394,885	4,315,298,836	4,342,860,319	

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.



JORDAN KUWAIT BANK
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(23) ACQUISITION OF A SUBSIDIARY

During the first quarter of 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 300 billion. The Bank provides all banking and financial activities through its head office and (36) branches inside Iraq and (1) foreign branch in Lebanon.

	<u>31 January 2023</u>
	Thousands of dinars
Total assets	904,895
Total liabilities	716,654
Net shareholders' equity	188,241
	From the acquisition date until 31 March 2023
	Thousands of dinars
Profit for the period	<u>9,888</u>
	For the period ended 31 March 2023
	Thousands of dinars
Net fair value	97,920
Purchase price	<u>89,054</u>
Gain from acquisition	<u>8,865</u>

Study of the purchase price allocation:

The purchase price allocation study has been completed during the first quarter of 2024 and resulted in JOD 26 million as an additional intangible asset, which were not recorded in the bank's consolidated financial statements.

(24) ASSETS HELD FOR SALE AND DISCONTINUED OPERATIONS

In accordance with the decision of the Investment Committee and the Conditional Sale Agreement (with the financial study and obtaining the approval of the regulatory authorities signed on 28 September 2023, which included approval for the sale of the bank's investment in the United Financial Investment Company), the investment in the company was reclassified in accordance with the requirements of International Financial Reporting Standard No. (5) "Asset held for sale".



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Financial assets held for sale:

	31 March 2023
	In thousands of
	dinars
	JD
Assets	(Unaudited review)
Cash and balances with Banks and Central Banks	2,959,158
Direct credit facilities, net	17,319,946
Financial assets at fair value through other comprehensive income	183,908
Financial assets at amortized cost	1,123,328
Other assets	5,661,765
Total assets	27,248,105
Bank share	21,379,557

Liabilities and equity directly attributable to assets held for sale:

Customer deposits	2,759,160
Borrowed money	18,457,254
Various allocations	419,298
Other liabilities	1,190,505
Total liabilities	22,826,216
Bank share	17,910,031
Total Equity	(2,423,098)
Bank share	(1,901,231)

(25) 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.