

**JORDAN KUWAIT BANK**

**(A PUBLIC SHAREHOLDING COMPANY)**

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

**30 JUNE 2025**



**JORDAN KUWAIT BANK (A PUBLIC SHAREHOLDING COMPANY)**  
**INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS**  
**30 JUNE 2025 (REVIEWED NOT AUDITED)**

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

**Introduction**

We have reviewed the accompanying interim condensed consolidated financial statements of Jordan Kuwait Bank (“the Bank”) and its subsidiaries (“the Group”) as of 30 June 2025, comprising of the interim condensed consolidated statement of financial position as of 30 June 2025 and the interim condensed consolidated statement of income and interim condensed consolidated statement of comprehensive income of the three and six-month period then ended, along with the interim condensed consolidated statement of changes in equity and interim condensed consolidated statement of cash flows for the six-month period then ended and explanatory notes. Board of directors is responsible for the preparation and presentation of these interim condensed consolidated financial statements in accordance with the International Accounting Standard 34 “Interim Financial Reporting” (“IAS 34”). Our responsibility is to express a conclusion on these interim condensed consolidated financial statements based on our review.

**Scope of review**

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

**Conclusion**

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

Amman – Jordan  
29 July 2025

**ERNST & YOUNG**  
Amman - Jordan



**JORDAN KUWAIT BANK**  
**(A PUBLIC SHAREHOLDING COMPANY)**  
**INTERIM CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION**  
**AS AT 30 JUNE 2025 (REVIEWED NOT AUDITED)**

	Notes	30 June 2025 (Reviewed not audited) JD	31 December 2024 (Audited) JD
<b>ASSETS</b>			
Cash and balances at central banks	4	810,221,462	1,333,864,050
Balances at banks and financial institutions	5	357,116,297	355,396,166
Financial assets at fair value through profit or loss	6	10,989,140	6,938,982
Financial assets at fair value through other comprehensive income	7	152,024,736	124,901,192
Direct credit facilities - net	8	2,001,184,824	2,001,903,672
Financial assets at amortised cost - net	9	1,619,385,706	1,433,988,867
Property and equipment - net		100,703,076	88,490,261
Intangible assets - net		6,173,293	6,967,516
Deferred tax assets		63,557,191	62,652,590
Other assets	11	208,525,054	203,921,338
Right-of-use assets	10-A	14,103,211	11,301,228
<b>TOTAL ASSETS</b>		<b>5,343,983,990</b>	<b>5,630,325,862</b>
<b>LIABILITIES AND EQUITY</b>			
<b>LIABILITIES</b>			
Banks and financial institutions deposits		57,906,391	44,504,263
Customers' deposits	12	3,698,497,670	3,974,141,644
Cash margins		161,076,568	154,192,799
Borrowed funds	15	316,794,647	346,495,061
Sundry provisions	13	28,450,443	26,695,281
Green bonds	16	35,450,000	35,450,000
Income tax provision	14-C	15,036,651	38,791,779
Deferred tax liabilities		2,617,390	1,622,124
Lease liabilities	10-B	14,234,377	12,307,675
Other liabilities	17	123,016,585	109,995,152
<b>TOTAL LIABILITIES</b>		<b>4,453,080,722</b>	<b>4,744,195,778</b>
<b>EQUITY</b>			
Authorized, issued and paid-in capital		150,000,000	150,000,000
Perpetual bonds	34	89,010,000	89,010,000
Statutory reserve	35	118,411,845	118,411,845
Voluntary reserve	35	80,944,584	98,944,584
Fair value reserve – net	18	15,945,244	14,828,549
Actuarial loss from remeasurement of defined post-employment benefits – net		(294,908)	(294,908)
Foreign currency translation reserve		(3,648,428)	(3,648,428)
Retained earnings	19	237,000,144	240,865,525
Profit for the period		52,262,348	-
<b>Total equity attributable to the Bank's shareholders</b>		<b>739,630,829</b>	<b>708,117,167</b>
Non-controlling Interest		151,272,439	178,012,917
<b>TOTAL EQUITY</b>		<b>890,903,268</b>	<b>886,130,084</b>
<b>TOTAL LIABILITIES AND EQUITY</b>		<b>5,343,983,990</b>	<b>5,630,325,862</b>

The accompanying notes from 1 to 36 form part of these interim condensed consolidated financial statements and are read with it



**JORDAN KUWAIT BANK**  
**(A PUBLIC SHAREHOLDING COMPANY)**  
**INTERIM CONDENSED CONSOLIDATED STATEMENT OF INCOME**  
**FOR THE THREE AND SIX MONTHS ENDED ON 30 JUNE 2025 (REVIEWED NOT AUDITED)**

	Notes	For the six months ended 30 June		For the three months ended 30 June	
		2025	2024	2025	2024
		JD	JD	JD	JD
Interest income	20	145,176,890	139,844,681	74,015,996	72,543,764
Less: Interest expense	21	63,396,974	72,493,414	31,934,710	36,336,649
<b>Net interest income</b>		<b>81,779,916</b>	<b>67,351,267</b>	<b>42,081,286</b>	<b>36,207,115</b>
Net commission income	22	43,228,959	74,678,807	17,193,538	38,393,441
<b>Net interest and commission income</b>		<b>125,008,875</b>	<b>142,030,074</b>	<b>59,274,824</b>	<b>74,600,556</b>
Gain from foreign currencies		43,624,771	36,249,700	22,874,521	20,020,211
Gain from financial assets at fair value through profit and loss	6	2,064,441	722,317	1,260,844	263,709
Gain from sale of debt instruments at fair value through other comprehensive income	7	128,580	26,030	121,160	-
Cash dividends from financial assets at fair value through other comprehensive income	7	1,036,335	1,320,492	867,085	1,060,961
Other income	23	3,695,591	2,875,429	945,853	1,598,008
<b>Gross Income</b>		<b>175,558,593</b>	<b>183,224,042</b>	<b>85,344,287</b>	<b>97,543,445</b>
Employees' expenses		25,943,594	25,309,335	12,422,173	12,517,284
Depreciation and amortization		4,815,896	3,899,708	2,463,442	1,927,251
Provision for expected credit losses on direct credit facilities	8	14,887,555	6,535,909	7,610,144	11,506,657
Provision (reversal) for expected credit losses on indirect credit facilities	31	642,271	(1,213,271)	363,235	(858,620)
Provision for expected credit losses on deposits at banks and financial institutions	4&5	259,747	879,942	236,889	323,234
(Reversal) Provision for expected credit losses on investments	7&9	(40,971)	160,660	9,875	(38,821)
Sundry provisions	13	2,320,821	2,928,140	1,144,297	1,141,513
Other expenses	24	28,603,195	30,313,412	13,829,818	18,453,831
<b>Total expenses</b>		<b>77,432,108</b>	<b>68,813,835</b>	<b>38,079,873</b>	<b>44,972,329</b>
<b>Profit for the period before income tax</b>		<b>98,126,485</b>	<b>114,410,207</b>	<b>47,264,414</b>	<b>52,571,116</b>
Less: income tax expense	14-d	12,502,158	23,896,691	4,726,383	11,860,524
<b>Profit for the period</b>		<b>85,624,327</b>	<b>90,513,516</b>	<b>42,538,031</b>	<b>40,710,592</b>
<b>Attributable to:</b>					
Bank's shareholders		52,262,348	51,083,618	26,645,227	20,453,525
Non-controlling interest		33,361,979	39,429,898	15,892,804	20,257,067
		<b>85,624,327</b>	<b>90,513,516</b>	<b>42,538,031</b>	<b>40,710,592</b>
		<b>JD/ Fils</b>	<b>JD/ Fils</b>	<b>JD/ Fils</b>	<b>JD/ Fils</b>
<b>Earnings per share from profit for the period attributable to Bank's shareholders (basic and diluted):</b>	25	<b>0.348</b>	<b>0.341</b>	<b>0.178</b>	<b>0.136</b>

The accompanying notes from 1 to 36 form part of these interim condensed consolidated financial statements and are read with it



**JORDAN KUWAIT BANK**  
**(A PUBLIC SHAREHOLDING COMPANY)**  
**INTERIM CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME**  
**FOR THE THREE AND SIX MONTHS ENDED ON 30 JUNE 2025 (REVIEWED NOT AUDITED)**

	For the six months ended 30 June		For the three months ended 30 June	
	2025	2024	2025	2024
	JD	JD	JD	JD
Profit for the period	85,624,327	90,513,516	42,538,031	40,710,592
Other comprehensive Income Items				
<b>Items that may be subsequently reclassified to the consolidated statement of income after tax:</b>				
Net change in the valuation reserve of financial assets at fair value through other comprehensive income after tax- debt instruments	840,050	(198,747)	80,885	(2,567,769)
Foreign currency translation differences	-	824,758	-	6,739
<b>Items that will not be subsequently reclassified to the consolidated statement of income after tax:</b>				
Net change in the valuation reserve of financial assets at fair value through comprehensive income after tax – equity instruments	657,626	1,426,265	1,121,423	1,153,726
<b>Total comprehensive income for the period</b>	<b>87,122,003</b>	<b>92,565,792</b>	<b>43,740,339</b>	<b>39,303,288</b>
<b>Attributable to:</b>				
<b>Bank's shareholders</b>	53,379,043	52,975,972	27,387,124	19,455,924
<b>Non-controlling interest</b>	33,742,960	39,589,820	16,353,215	19,847,364
	<b>87,122,003</b>	<b>92,565,792</b>	<b>43,740,339</b>	<b>39,303,288</b>

The accompanying notes from 1 to 36 form part of these interim condensed consolidated financial statements and are read with it



**JORDAN KUWAIT BANK**  
**(A PUBLIC SHAREHOLDING COMPANY)**  
**INTERIM CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY**  
**FOR THE SIX MONTHS ENDED ON 30 JUNE 2025 (REVIEWED NOT AUDITED)**

	Reserves					Actuarial (loss) gain from re- measurement of defined post- employment benefits	Foreign currency translation reserve	Equity directly related to assets held for sale	Retained Earnings	Profit for the period	Total equity attributable to – Bank's Shareholders	Non- controlling interest	Total equity
	Authorized, issued and paid-in capital	Perpetual bonds	Statutory	Voluntary	Fair value								
	JD	JD	JD	JD	JD	JD	JD	JD	JD	JD	JD	JD	JD
<b>For the six months ended 30 June 2025</b> <b>(Reviewed not audited)</b>													
Balance at the beginning of the period	150,000,000	89,010,000	118,411,845	98,944,584	14,828,549	(294,908)	(3,648,428)	-	240,865,525	-	708,117,167	178,012,917	886,130,084
Profit for the period	-	-	-	-	-	-	-	-	-	52,262,348	52,262,348	33,361,979	85,624,327
Effect of decrease in non-controlling interests	-	-	-	-	-	-	-	-	-	-	-	365,437	365,437
Net change in the fair value of financial assets through comprehensive income	-	-	-	-	1,116,695	-	-	-	-	-	1,116,695	15,544	1,132,239
<b>Total comprehensive income</b>	-	-	-	-	<b>1,116,695</b>	-	-	-	-	<b>52,262,348</b>	<b>53,379,043</b>	<b>33,742,960</b>	<b>87,122,003</b>
Interest related to perpetual bonds, net of tax	-	-	-	-	-	-	-	-	(3,865,381)	-	(3,865,381)	-	(3,865,381)
Dividends to shareholders (note 33)	-	-	-	(18,000,000)	-	-	-	-	-	-	(18,000,000)	(60,483,438)	(78,483,438)
<b>Balance at the end of the period</b>	<b>150,000,000</b>	<b>89,010,000</b>	<b>118,411,845</b>	<b>80,944,584</b>	<b>15,945,244</b>	<b>(294,908)</b>	<b>(3,648,428)</b>	<b>-</b>	<b>237,000,144</b>	<b>52,262,348</b>	<b>739,630,829</b>	<b>151,272,439</b>	<b>890,903,268</b>
<b>For the six months ended 30 June 2024</b> <b>(Reviewed not audited)</b>													
Balance at the beginning of the period	150,000,000	89,010,000	106,382,863	110,944,584	20,004,022	653,467	(4,079,865)	(1,481,196)	143,309,616	-	614,743,491	112,767,872	727,511,363
Profit for the period	-	-	-	-	-	-	-	-	-	51,083,618	51,083,618	39,429,898	90,513,516
Net change in the fair value of financial assets through comprehensive income	-	-	-	-	1,451,679	-	-	-	-	-	1,451,679	(224,161)	1,227,518
Foreign currency translation differences	-	-	-	-	-	-	440,675	-	-	-	440,675	384,083	824,758
<b>Total comprehensive income</b>	-	-	-	-	<b>1,451,679</b>	-	<b>440,675</b>	-	-	<b>51,083,618</b>	<b>52,975,972</b>	<b>39,589,820</b>	<b>92,565,792</b>
Equity directly attributable with assets held for sale	-	-	-	-	-	-	-	(124,253)	-	-	(124,253)	-	(124,253)
Interest related to perpetual bonds, net of tax	-	-	-	-	-	-	-	-	(3,824,958)	-	(3,824,958)	-	(3,824,958)
Dividends to shareholders (note 33)	-	-	-	(12,000,000)	-	-	-	-	-	-	(12,000,000)	-	(12,000,000)
<b>Balance at the end of the period</b>	<b>150,000,000</b>	<b>89,010,000</b>	<b>106,382,863</b>	<b>98,944,584</b>	<b>21,455,701</b>	<b>653,467</b>	<b>(3,639,190)</b>	<b>(1,605,449)</b>	<b>139,484,658</b>	<b>51,083,618</b>	<b>651,770,252</b>	<b>152,357,692</b>	<b>804,127,944</b>

- Retained earnings include an amount of JD 63,557,191 as of 30 June 2025 (JD 62,652,590 as of 31 December 2024) restricted against deferred tax assets in accordance with the instructions of Central Bank of Jordan.
- Retained earnings include an amount of JD 188,212 as of 30 June 2025 and 31 December 2024 which represents the revaluation differences of financial assets at fair value through profit or loss, as a result of the early adoption of IFRS (9) during the year 2011. This amount is not available for distribution and restricted according to the Jordan Securities Commission regulations until the amount becomes realized.
- According to the Central Bank of Jordan Circular No. 13/2018, the Bank transferred the balance of General Banking Risk Reserve in the amount of JD 14,288,875 as of 1 January 2018 to the retained earnings to offset the impact of IFRS 9 and all the balance is utilized.
- An amount equals to the negative balance of fair value reserve is restricted and cannot be utilized expect with the approval of the Central Bank of Jordan.

The accompanying notes from 1 to 36 form part of these interim condensed consolidated financial statements and are read with it



**JORDAN KUWAIT BANK**  
**(A PUBLIC SHAREHOLDING COMPANY)**  
**INTERIM CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS**  
**FOR THE SIX MONTHS ENDED ON 30 JUNE 2025 (REVIEWED NOT AUDITED)**

	Note	For the six months period ended 30 June	
		2025 JD	2024 JD
<b>Cash flows from operating activities:</b>			
Profit for the period before tax		98,126,485	114,410,207
<b>Adjustments:</b>			
Depreciation and amortization		4,815,896	3,899,708
Depreciation of right of use assets		1,627,663	2,196,411
Payments of interest lease obligations		596,449	541,445
Provision for expected credit losses on financial assets		15,748,602	6,363,240
(Gain) on sale of financial assets at fair value through other comprehensive income - debt instruments		(128,580)	(26,030)
(Gain) from financial assets at fair value through profit and loss		(2,064,441)	(722,317)
Net interest income		(3,313,859)	(21,026,231)
End of service provisions		1,720,821	2,084,590
Legal provision		600,000	843,550
Seized assets provision		57,357	751,334
The effect of changes in exchange rates on cash and cash equivalents		714,756	(220,850)
		<b>118,501,149</b>	<b>109,095,057</b>
<b>Changes in assets and liabilities:</b>			
Decrease (increase) in restricted balances at central banks and balances at banks and financial institutions		54,407,077	(46,034,173)
(Decrease) in deposits at banks and financial institutions that are due in more than 3 months		(12,000,000)	-
(Increase) decrease in financial assets at fair value through profit and loss		(1,985,717)	19,416,941
(Increase) decrease in direct credit facilities		(14,168,707)	31,939,801
(Increase) decrease in other assets		(4,846,277)	26,660,817
(Decrease) increase in customers deposits		(275,643,974)	343,196,074
Increase in cash margins		6,883,769	6,895,483
Increase (decrease) in other liabilities		15,685,608	(20,771,953)
<b>Net change in assets and liabilities</b>		<b>(231,668,221)</b>	<b>361,302,990</b>
<b>Net cash flows (used in) from operating activities before income tax and paid provisions</b>		<b>(113,167,072)</b>	<b>470,398,047</b>
(Paid) portion of sundry provisions		(565,659)	(554,122)
(Paid) income tax		(36,607,138)	(31,694,923)
<b>Net cash flows (used in) from operating activities</b>		<b>(150,339,869)</b>	<b>438,149,002</b>
<b>Cash flows from investing activities:</b>			
(Increase) in financial assets at amortised cost		(185,329,649)	(88,621,726)
(Decrease) in equity directly attributable to assets held for sale		-	(124,253)
Assets held for sale		-	4,132,234
(Increase) in financial assets at fair value through other comprehensive income		(25,904,488)	(5,929,895)
(Increase) in property, equipment and intangible assets		(16,234,488)	(8,845,557)
<b>Net cash flows (used in) investing activities</b>		<b>(227,468,625)</b>	<b>(99,389,197)</b>
<b>Cash flows from financing activities:</b>			
(Decrease) increase in borrowed funds		(29,700,414)	(20,764,247)
(Paid) interest on perpetual bonds		(3,865,381)	(3,824,958)
Lease liabilities payments		(3,099,393)	(2,866,357)
(Paid) cash dividends to shareholders		(77,785,201)	(11,553,148)
<b>Net cash flows (used in) from financing activities</b>		<b>(114,450,389)</b>	<b>(39,008,710)</b>
The effect of changes in exchange rates on cash and cash equivalents		(714,756)	220,850
<b>Net (decrease) increase in cash and cash equivalents</b>		<b>(492,973,639)</b>	<b>299,971,945</b>
Cash and cash equivalent - beginning of the period		1,381,939,331	1,356,581,140
<b>Cash and cash equivalent - end of the period</b>	27	<b>888,965,692</b>	<b>1,656,553,085</b>

The accompanying notes from 1 to 36 form part of these interim condensed consolidated financial statements and are read with it





## **(1) GENERAL INFORMATION**

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

The Bank provides all banking and financial activities related to its operations through its Head Office and (64) branches inside the Kingdom and (2) foreign branches, and through its group of subsidiaries which provide banking services, financial leasing and financial brokerage services, totalling (2) within the Kingdom and (1) outside the Kingdom.

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

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

These interim condensed consolidated financial statements were approved by the Bank's Board of Directors in their meeting number (7/2025) held on 24 July 2025.

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

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

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

The interim condensed consolidated financial statements of the Bank have been prepared in accordance with International Accounting Standards 34 ("Interim Financial Reporting") ("IAS 34").

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

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

The accompanying interim condensed consolidated financial statements do not include all the information and disclosures to the financial statements required in the annual financial statements, which are prepared in accordance with International Financial Reporting Standards (IFRS) Accounting Standards as issued by the International Accounting Standards Board (IASB). Moreover, the results of the Bank's operations for the six-month period ended on 30 June 2025 are not necessarily indicative of the results for the year ending 31 December 2025. Therefore, these interim condensed consolidated financial statements should be read in conjunction with the Bank's annual report for the year ended 31 December 2024 and the appropriation of profit for the six-month period ended 30 June 2025 were not performed, which is usually performed at year end.



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

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

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

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

**The Bank has the following subsidiaries:**

### **As of 30 June 2025 (Reviewed not audited):**

<b>Company Name</b>	<b>Authorized and paid-in capital JD</b>	<b>Bank's ownership %</b>	<b>Nature of operations</b>	<b>Location</b>	<b>Date of acquisition</b>
Ejara Leasing Company	20,000,000	100	Finance leasing	Amman	2011
United Financial Investments Company *	21,160,714	89.79	Brokerage and investments	Amman	In phases, starting from 2002
Bank of Baghdad	216,488,550	53.44	Commercial Bank	Iraq	2023

### **As of 31 December 2024 (Audited):**

Ejara Leasing Company	20,000,000	100	Finance leasing	Amman	2011
United Financial Investments Company *	10,000,000	78.38	Brokerage and investments	Amman	In phases, starting from 2002
Bank of Baghdad	216,488,550	53.44	Commercial Bank	Iraq	2023



**JORDAN KUWAIT BANK**  
**(A PUBLIC SHAREHOLDING COMPANY)**  
**NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS**  
**30 JUNE 2025 (REVIEWED NOT AUDITED)**

- Non-controlling interest amounted to JD 151,272,439 as of 30 June 2025, against JD 178,012,917 as of 31 December 2024. Details are as follows:

	<b>30 June 2025</b>	<b>31 December 2024</b>
	<b>(Reviewed not audited)</b>	<b>(Audited)</b>
	<b>JD</b>	<b>JD</b>
Bank of Baghdad	150,322,541	177,295,247
United Financial Investments Company *	949,898	717,670
	<b>151,272,439</b>	<b>178,012,917</b>

- \* On 4 June 2025, the Company increased its capital to become JD 21,160,714 through Jordan Kuwait Bank, with the number of additional shares amounting to 11,160,714 shares at a par value of JD 1 each.

The financial statements of the subsidiaries are consolidated from the date control is exercised until such control ceases. Control over the subsidiary is established when the group is granted the ability to direct the financial and operational policies of the subsidiary to influence the group's returns.

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

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

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

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

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

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



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

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

- Derecognizes the assets (including goodwill) and liabilities of the subsidiary.
- Derecognizes the carrying amount of any non- controlling interests.
- Derecognizes the cumulative translation differences, recorded in equity.
- Recognizes the fair value of the consideration received.
- Recognizes the fair value of any investment retained.
- Recognizes the gain or loss resulted from loss of control.
- Reclassifying the Company's shares that was recorded previously in the other comprehensive income items to profit or loss

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

The accounting policies used in the preparation of the interim condensed consolidated financial statements are consistent with those used in the preparation of the annual interim consolidated financial statements for the year ended 31 December 2024 except for the adoption of new amendments on the standards effective as of 1 January 2025 shown below:

#### **Lack of exchangeability - Amendments to IAS (21)**

The amendments to IAS (21) The Effects of Changes in Foreign Exchange Rates specify how an entity should assess whether a currency is exchangeable and how it should determine a spot exchange rate when exchangeability is lacking. The amendments also require disclosure of information that enables users of its financial statements to understand how the currency not being exchangeable into the other currency affects, or is expected to affect, the entity's financial performance, financial position and cash flows.

The amendments did not have a material impact on the Group's interim condensed financial statements.



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

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

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

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

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

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

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

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

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



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

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

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

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

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

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

- Gross Domestic Product
- Inflation Rate
- Stock market index price
- Consumer Price Index
- Import price index

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

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

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



### **Definition of default:**

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

### **Exposure at default:**

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

### **Income tax**

Income tax expenses represent accrued taxes and deferred taxes.

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

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

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

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



### **Fair value**

Closing prices (purchasing assets/ selling liabilities) on the date of the interim condensed consolidated financial statements in active markets, represent the fair value for the tools and financial derivatives with market prices. In the event that announced prices are not available, there is no active trading in some financial instruments and derivatives, or there is no market activity, their fair value is estimated in several ways, including:

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

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

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

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





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

The details of this item are as follows:

	<b>30 June 2025</b>	<b>31 December 2024</b>
	<b>(Reviewed not audited)</b>	<b>(Audited)</b>
	<b>JD</b>	<b>JD</b>
<b>Cash in vaults</b>	<b>335,266,193</b>	<b>265,270,359</b>
<b>Balances at Central Banks</b>		
Current and demand accounts	163,035,605	696,387,329
Statutory cash reserve	343,427,659	403,480,464
<b>Total balances at Central Banks</b>	<b>506,463,264</b>	<b>1,099,867,793</b>
Less: Expected credit losses on balances at Central Banks *	31,507,995	31,274,102
<b>Net balances at Central Banks</b>	<b>474,955,269</b>	<b>1,068,593,691</b>
<b>Total</b>	<b>810,221,462</b>	<b>1,333,864,050</b>

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

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

<b>Item</b>	<b>Stage 1</b>	<b>Stage 2</b>	<b>Stage 3</b>	<b>30 June 2025</b>	<b>31 December 2024</b>
	<b>JD</b>	<b>JD</b>	<b>JD</b>	<b>(Reviewed not audited)</b>	<b>(Audited)</b>
				<b>JD</b>	<b>JD</b>
<b>Total balance at the beginning of the year</b>	1,068,739,481	-	31,128,312	1,099,867,793	815,164,709
New balances during the period/ year	-	-	-	-	6,747,305
Settled balances during the period/ year	-	-	-	-	(132,566,975)
Transferred to stage 1	-	-	-	-	-
Transferred to stage 2	-	-	-	-	-
Transferred to stage 3	-	-	-	-	-
Total impact resulting from changing classification between stages	-	-	-	-	(14,739,878)
Changes resulting from adjustments	(593,440,876)	-	36,347	(593,404,529)	425,262,632
<b>Total balance at the end of period/ year</b>	<b>475,298,605</b>	<b>-</b>	<b>31,164,659</b>	<b>506,463,264</b>	<b>1,099,867,793</b>



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

	Stage 1	Stage 2	Stage 3	30 June 2025	31 December 2024
	JD	JD	JD	(Reviewed not audited) JD	(Audited) JD
<b>Total balance at the beginning of the year</b>	<b>145,790</b>	-	<b>31,128,312</b>	<b>31,274,102</b>	<b>27,940,942</b>
Expected credit losses during the period/ year	-	-	-	-	6,626,016
Recoveries from expected credit losses during the period/ year	-	-	-	-	(450,005)
Transferred to stage 1	-	-	-	-	-
Transferred to stage 2	-	-	-	-	-
Transferred to stage 3	-	-	-	-	-
Total impact resulting from changing classification between stages	-	-	-	-	(11,069,843)
Changes resulting from adjustments	197,546	-	36,347	233,893	8,226,992
<b>Total balance at the end of period/ year</b>	<b>343,336</b>	-	<b>31,164,659</b>	<b>31,507,995</b>	<b>31,274,102</b>

- Restricted reserves at the Central Bank of Iraq amounted to JD 225,046,091 as of 30 June 2025 against JD 279,453,168 as of 31 December 2024. They are excluded from the cash and cash equivalents for the purposes of the interim condensed consolidated statement of cash flows.
- The balances of Bank of Baghdad at the Central Bank of Iraq branches in Sulaymaniyah and Erbil amounted to JD 9,762,446 and JD 14,739,877 as of 30 June 2025 and 31 December 2024. They are excluded from cash and cash equivalents for the purposes of the interim condensed consolidated statement of cash flows.



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

The details of this item are as follows:

	<b>30 June 2025</b>	<b>31 December 2024</b>
	<b>(Reviewed not audited)</b>	<b>(Audited)</b>
	<b>JD</b>	<b>JD</b>
Current and demand accounts	309,386,710	306,849,131
Deposits maturing within 3 months or less	53,527,133	54,318,727
<b>Total</b>	<b>362,913,843</b>	<b>361,167,858</b>
Less: Expected credit losses on balances at banks and financial institutions	(5,797,546)	(5,771,692)
<b>Net total balances at banks and financial institutions</b>	<b>357,116,297</b>	<b>355,396,166</b>

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

Item	Stage 1	Stage 2	Stage 3	30 June 2025	31 December 2024
	JD	JD	JD	<b>(Reviewed not audited)</b>	<b>(Audited)</b>
				JD	JD
<b>Balance at the beginning of the year</b>	<b>355,501,038</b>	<b>733,570</b>	<b>4,933,250</b>	<b>361,167,858</b>	<b>545,344,790</b>
New balances during the period/ year	1,371,832	-	-	1,371,832	225,689,667
Settled balances during the period/ year	-	-	(1,057)	(1,057)	(355,974,530)
Transferred to stage 1	-	-	-	-	-
Transferred to stage 2	-	-	-	-	-
Transferred to stage 3	-	-	-	-	-
Changes resulting from adjustments	407,683	(32,473)	-	375,210	(53,892,069)
<b>Balance at the end of period/ year</b>	<b>357,280,553</b>	<b>701,097</b>	<b>4,932,193</b>	<b>362,913,843</b>	<b>361,167,858</b>

- Non-interest-bearing balances at banks and financial institutions amounted to JD 220,443,242 as of 30 June 2025 (against JD 251,350,444 as of 31 December 2024).
- Restricted balances amounted to JD 9,599,585 as of 30 June 2025 against JD 9,543,454 as of 31 December 2024.



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

Item	Stage 1	Stage 2	Stage 3	30 June 2025 (Reviewed not audited) JD	31 December 2024 (Audited) JD
	JD	JD	JD		
<b>Balance at the beginning of the year</b>	<b>104,872</b>	<b>733,570</b>	<b>4,933,250</b>	<b>5,771,692</b>	<b>5,068,512</b>
Expected credit losses during the period/ year	-	-	-	-	801,859
Recoveries from expected credit losses during the period/ year	(4,625)	-	(1,057)	(5,682)	(136,650)
Transferred to stage 1	-	-	-	-	-
Transferred to stage 2	-	-	-	-	-
Transferred to stage 3	-	-	-	-	-
Changes resulting from adjustments	64,009	(32,473)	-	31,536	37,971
<b>Balance at the end of period/ year</b>	<b>164,256</b>	<b>701,097</b>	<b>4,932,193</b>	<b>5,797,546</b>	<b>5,771,692</b>

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

The details of this item are as follows:

	30 June 2025 (Reviewed not audited) JD	31 December 2024 (Audited) JD
<b>Financial assets with available market prices:</b>		
Shares listed in an active market	7,448,607	3,452,085
Financial bonds listed in an active market*	3,540,533	3,486,897
<b>Total</b>	<b>10,989,140</b>	<b>6,938,982</b>

- The realized gain from sale of shares at fair value through profit or loss amounted to JD 31,643 for the six months ended 30 June 2025, against a gain of JD 401,917 for the six months ended 30 June 2024.
- The unrealized gain resulting from the valuation of the financial assets at fair value through profit or loss amounted to JD 1,571,545 as of 30 June 2025 against an amount of JD 18,563 for the six months ended 30 June 2024.
- Cash dividends on the investments above amounted to JD 461,253 for the six months ended 30 June 2025 against an amount of JD 301,837 for the six months ended 30 June 2024.

\* All financial Debt instruments measured at fair value through profit or loss are classified within credit ratings from (1) to (5) based on the Bank's internal system and are within stage1.



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

The details of this item are as follows:

	<b>30 June 2025</b>	<b>31 December 2024</b>
	<b>(Reviewed not audited)</b>	<b>(Audited)</b>
	<b>JD</b>	<b>JD</b>
Quoted shares	28,321,695	26,714,208
Unquoted shares	64,242,198	57,279,384
<b>Total Shares</b>	<b>92,563,893</b>	<b>83,993,592</b>
Quoted Bonds	59,460,843	40,907,600
<b>Total Bonds (Debt instruments)</b>	<b>59,460,843</b>	<b>40,907,600</b>
<b>Total financial assets through other comprehensive income</b>	<b>152,024,736</b>	<b>124,901,192</b>
<b>Analysis of bonds and bills:</b>		
Fixed rate	59,460,843	40,907,600
<b>Total</b>	<b>59,460,843</b>	<b>40,907,600</b>

- There were no financial assets at fair value through other comprehensive income sold during the period ended 30 June 2025 and 30 June 2024, which directly included to the retained earnings in the interim condensed consolidated statement of changes in equity.
- The realized gain resulting from the sale of bonds at fair value through other comprehensive income during the six months ended 30 June 2025 amounted to JD 128,580, against a gain of JD 26,030 for the six months ended 30 June 2024, which was directly included in the interim condensed consolidated statement of income.
- Cash dividends on the investments above amounted to JD 1,036,335 for the six months ended 30 June 2025 against JD 1,320,492 for the six months ended 30 June 2024.
- The movement on the financial bonds through other comprehensive income is as follows:

	<b>Stage 1</b>	<b>Stage 2</b>	<b>Stage 3</b>	<b>30 June 2025</b>	<b>31 December 2024</b>
	<b>JD</b>	<b>JD</b>	<b>JD</b>	<b>(Reviewed not audited)</b>	<b>(Audited)</b>
				<b>JD</b>	<b>JD</b>
<b>Balance at the beginning of the year</b>	<b>40,907,600</b>	-	-	<b>40,907,600</b>	<b>32,410,070</b>
New balances during the period/ year	20,849,635	-	-	20,849,635	10,952,682
Settled balances during the period/ year	(4,291,426)	-	-	(4,291,426)	(2,075,723)
Transferred to stage 1	-	-	-	-	-
Transferred to stage 2	-	-	-	-	-
Transferred to stage 3	-	-	-	-	-
Changes resulting from adjustments	1,995,034	-	-	1,995,034	(379,429)
Written off balances	-	-	-	-	-
<b>Balance at the end of period/ year</b>	<b>59,460,843</b>	-	-	<b>59,460,843</b>	<b>40,907,600</b>



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

	Stage 1	Stage 2	Stage 3	30 June 2025	31 December 2024
	JD	JD	JD	JD (Reviewed not audited)	JD (Audited)
<b>Balance at the beginning of the year</b>	<b>150,531</b>	-	-	<b>150,531</b>	<b>44,965</b>
Expected credit losses on new balances during the period/ year	49,504	-	-	49,504	118,887
Recoveries from expected credit losses on paid balances during the period/ year	(38,174)	-	-	(38,174)	(12,257)
Transferred to stage 1	-	-	-	-	-
Transferred to stage 2	-	-	-	-	-
Transferred to stage 3	-	-	-	-	-
Changes resulting from adjustments	14,889	-	-	14,889	(1,064)
<b>Balance at the end of period/ year</b>	<b>176,750</b>	-	-	<b>176,750</b>	<b>150,531</b>

- Credit losses are shown within the fair value reserve in the shareholders' equity.



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

The details of this item are as follows:

	<b>30 June 2025</b>	<b>31 December 2024</b>
	<b>(Reviewed not audited)</b>	<b>(Audited)</b>
	<b>JD</b>	<b>JD</b>
<b>Individuals (retail)</b>		
Overdraft accounts	65,756	113,416
Loans and promissory notes*	385,925,371	390,678,114
Credit cards	14,481,765	14,908,703
<b>Real estate loans</b>	212,467,724	259,488,022
<b>Corporates</b>		
<b>Large corporates</b>		
Overdraft accounts	137,018,249	119,672,878
Loans and promissory notes*	1,157,328,744	1,162,122,787
<b>Small and medium enterprises</b>		
Overdraft accounts	21,316,810	20,887,399
Loans and promissory notes*	132,721,815	131,420,355
<b>Government and public sector</b>	182,383,593	160,136,731
<b>Total</b>	<b>2,243,709,827</b>	<b>2,259,428,405</b>
Less: Provision for expected credit losses	206,934,386	214,864,878
Less: Interest in suspense	35,590,617	42,659,855
<b>Net direct credit facilities</b>	<b>2,001,184,824</b>	<b>2,001,903,672</b>

- \* Net of interest and commission received in advance in the amount of JD 672,298 as of 30 June 2025 against JD 695,943 as of 31 December 2024.
- Credit facilities within stage 3 amounted to JD 170,785,783 which represents 7.61% of the total direct credit facilities as of 30 June 2025 (against JD 187,101,876 which represents 8.28% of the total direct credit facilities as of 31 December 2024).
  - Credit facilities within stage 3, net of interest and commission in suspense, amounted to JD 139,960,436 which represents 6.34% of total direct credit facilities balance after deducting interest and commission in suspense as of 30 June 2025 (against JD 151,563,439 which represents 6.84% of the total direct credit facilities balance after deducting interest and commission in suspense as of 31 December 2024).
  - Direct credit facilities granted to and guaranteed by the Jordanian Government amounted to JD 95,229,139 which represents 4.24% of the total direct credit facilities as of 30 June 2025 (against JD 85,694,501 which represents 3.79% of the total direct credit facilities as of 31 December 2024).



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

Item	Stage 1		Stage 2		Stage 3	30 June	31 December
	Individual	Collective	Individual	Collective	Collective	2025	2024
	JD	JD	JD	JD	JD	(Reviewed not audited) JD	(Audited) JD
<b>Balance at the beginning of the year</b>	<b>1,766,630,436</b>	-	<b>305,696,093</b>	-	<b>187,101,876</b>	<b>2,259,428,405</b>	<b>2,236,655,240</b>
Facilities granted through the period/ year	116,342,858	-	3,561,569	-	325,410	120,229,837	238,996,674
Facilities settled through the period/ year	(42,799,843)	-	(3,894,923)	-	(33,915,114)	(80,609,880)	(112,783,253)
Transferred to stage 1	17,560,813	-	(17,192,409)	-	(368,404)	-	-
Transferred to stage 2	(15,949,090)	-	18,548,082	-	(2,598,992)	-	-
Transferred to stage 3	(3,728,526)	-	(50,599,568)	-	54,328,094	-	-
The total impact on the size of exposures resulting from the change in reclassification between stages	(144,956)	-	(1,045,256)	-	(353,209)	(1,543,421)	(369,355)
Changes resulting from adjustments	(19,515,573)	-	(545,663)	-	880,046	(19,181,190)	(88,757,906)
Effect from reclassification of assets held for sale	-	-	-	-	-	-	20,266,407
Written-off facilities (written off and transferred to off balance sheet)	-	-	-	-	(34,613,924)	(34,613,924)	(34,579,402)
<b>Balance at the end of the period/ year</b>	<b>1,818,396,119</b>	-	<b>254,527,925</b>	-	<b>170,785,783</b>	<b>2,243,709,827</b>	<b>2,259,428,405</b>





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

Item	Companies				Government and public sector	30 June 2025 (Reviewed not audited) JD	31 December 2024 (Audited) JD
	Retail JD	Real estate JD	Large JD	SMEs JD			
<b>Balance at the beginning of the year</b>	<b>50,607,345</b>	<b>21,917,375</b>	<b>130,103,274</b>	<b>11,948,348</b>	<b>288,536</b>	<b>214,864,878</b>	<b>195,406,591</b>
Provision during the period/ year	285,331	161,139	326,413	186,518	-	959,401	17,654,151
Provision recovered (surplus) during the period/ year	(1,105,886)	(1,700,313)	(253,629)	(179,577)	-	(3,239,405)	(16,541,869)
The total impact on the size of exposures resulting from the change in reclassification between stages.	624,076	220,582	2,366,310	739,795	-	3,950,763	32,684,798
Changes resulting from adjustments	(1,176,564)	508,933	12,007,158	1,811,986	65,283	13,216,796	9,755,883
Effect from reclassification of assets held for sale	-	-	-	-	-	-	4,103,715
Provisions written off and transferred to off balance sheet	(1,053,470)	(5,622,294)	(15,266,275)	(876,008)	-	(22,818,047)	(28,198,391)
<b>Balance at the end of the period/ year</b>	<b>48,180,832</b>	<b>15,485,422</b>	<b>129,283,251</b>	<b>13,631,062</b>	<b>353,819</b>	<b>206,934,386</b>	<b>214,864,878</b>
Stage 1	10,523,166	1,857,542	9,493,951	936,634	353,819	23,165,112	22,129,229
Stage 2	2,025,184	8,375,783	60,035,039	3,985,010	-	74,421,016	72,253,016
Stage 3	35,632,482	5,252,097	59,754,261	8,709,418	-	109,348,258	120,482,633
<b>Total</b>	<b>48,180,832</b>	<b>15,485,422</b>	<b>129,283,251</b>	<b>13,631,062</b>	<b>353,819</b>	<b>206,934,386</b>	<b>214,864,878</b>



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

A- Based on economic sectors:

	Retail	Real estate	Companies		Government and public sector	Total
	JD	JD	Large	SMEs	JD	JD
			JD	JD		
<b>For the six months ended 30 June 2025 (Reviewed not audited)</b>						
<b>Balance at the beginning of the period</b>	<b>50,607,345</b>	<b>21,917,375</b>	<b>130,103,274</b>	<b>11,948,348</b>	<b>288,536</b>	<b>214,864,878</b>
Provision during the period	285,331	161,139	326,413	186,518	-	959,401
Recoveries from expected credit losses on settled facilities during the period	(1,105,886)	(1,700,313)	(253,629)	(179,577)	-	(3,239,405)
Transferred to stage 1	530,896	111,056	(4,719)	(332,542)	-	304,691
Transferred to stage 2	14,355	(4,324,273)	(4,448,021)	462,346	-	(8,295,593)
Transferred to stage 3	(545,251)	4,213,217	4,452,740	(129,804)	-	7,990,902
The total impact on impairment loss resulting from the change in classification between stages	624,076	220,582	2,366,310	739,795	-	3,950,763
Changes resulting from adjustments	(1,176,564)	508,933	12,007,158	1,811,986	65,283	13,216,796
Provisions written off and transferred to off balance sheet	(1,053,470)	(5,622,294)	(15,266,275)	(876,008)	-	(22,818,047)
<b>Balance at the end of the period</b>	<b>48,180,832</b>	<b>15,485,422</b>	<b>129,283,251</b>	<b>13,631,062</b>	<b>353,819</b>	<b>206,934,386</b>
<u>Re-allocation:</u>						
Provisions on an individual basis	48,180,832	15,485,422	129,283,251	13,631,062	353,819	206,934,386
Provisions on a collective basis	-	-	-	-	-	-



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	Companies				Government and public sector	Total
	Retail JD	Real estate JD	Large JD	SMEs JD		
<b>For the year ended 31 December 2024 (Audited)</b>						
<b>Balance at the beginning of the year</b>	<b>31,618,249</b>	<b>16,679,807</b>	<b>136,826,371</b>	<b>9,970,779</b>	<b>311,385</b>	<b>195,406,591</b>
Provision during the period	12,563,387	2,132,750	1,503,940	1,454,074	-	17,654,151
Recoveries from expected credit losses on settled facilities during the period	(1,533,950)	(659,541)	(13,836,864)	(511,514)	-	(16,541,869)
Transferred to stage 1	501,641	(1,811,813)	(988,815)	(86,162)	-	(2,385,149)
Transferred to stage 2	(1,630,514)	1,749,102	(4,097,491)	1,374,391	-	(2,604,512)
Transferred to stage 3	1,128,873	62,711	5,086,306	(1,288,229)	-	4,989,661
Effect from reclassification assets held for sale	2,462,778	-	50,436	1,590,501	-	4,103,715
The total impact on impairment loss resulting from the change in classification between stages.	7,416,999	2,850,051	21,274,350	1,143,398	-	32,684,798
Changes resulting from adjustments	3,376,624	968,629	4,247,032	1,186,447	(22,849)	9,755,883
Provisions written off and transferred to off balance sheet	(5,296,742)	(54,321)	(19,961,991)	(2,885,337)	-	(28,198,391)
<b>Balance at the end of the year</b>	<b>50,607,345</b>	<b>21,917,375</b>	<b>130,103,274</b>	<b>11,948,348</b>	<b>288,536</b>	<b>214,864,878</b>
<u>Re-allocation:</u>						
Provisions on an individual basis	50,607,345	21,917,375	130,103,274	11,948,348	288,536	214,864,878
Provisions on a collective basis	-	-	-	-	-	-

- Disclosed above the total provisions recorded against debts calculated on a per customer basis.
- Provisions that were no longer needed as a result of settlements or repayment of debts and transferred against other debts amounted JD 3,239,405 as of 30 June 2025 against JD 16,541,869 as of 31 December 2024.
- During the half of the year 2025, direct credit facilities including interest in suspense were transferred / written off the statement of financial position at an amount of JD 34,613,924 (2024: JD 34,579,402), in accordance with the decision of the Board of Directors. Total amount of debts that were transferred off the statement of financial position as at 30 June 2025 amounted to JD 246,378,435 (2024: JD 211,764,511).



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**B- Based on stage:**

	Stage 1 Individuals	Stage 2 Individuals	Stage 3	Total
	JD	JD	JD	JD
<b>For the six months ended on 30 June 2025 (Reviewed not audited)</b>				
Balance at the beginning of the period	22,129,229	72,253,016	120,482,633	214,864,878
New facilities granted during the period	635,038	74,681	249,682	959,401
Facilities settled during the year	(495,513)	(41,426)	(2,702,466)	(3,239,405)
Transferred to stage 1	1,024,478	(839,792)	(184,686)	-
Transferred to stage 2	(623,393)	1,598,254	(974,861)	-
Transferred to stage 3	(96,395)	(9,054,054)	9,150,449	-
The total impact on impairment loss resulting from the change in classification between stages	(718,048)	793,348	3,875,463	3,950,763
Changes resulting from adjustments	1,309,716	9,636,989	2,270,091	13,216,796
Provisions written off and transferred to off balance sheet	-	-	(22,818,047)	(22,818,047)
<b>Balance at the end of the period</b>	<b>23,165,112</b>	<b>74,421,016</b>	<b>109,348,258</b>	<b>206,934,386</b>
	Stage 1 Individuals	Stage 2 Individuals	Stage 3	Total
	JD	JD	JD	JD
<b>For the year ended on 31 December 2024 (Audited)</b>				
Balance at the beginning of the year	25,162,300	64,886,919	105,357,372	195,406,591
New facilities granted during the year	2,346,386	1,514,841	13,792,924	17,654,151
Facilities settled during the year	(927,590)	(2,624,107)	(12,990,172)	(16,541,869)
Transferred to stage 1	1,481,913	(1,060,171)	(421,742)	-
Transferred to stage 2	(3,384,022)	5,168,995	(1,784,973)	-
Transferred to stage 3	(483,040)	(6,713,337)	7,196,377	-
Effect from reclassification assets held for sale	298,482	17,436	3,787,797	4,103,715
The total impact on impairment loss resulting from the change in classification between stages	(1,246,847)	3,566,714	30,364,931	32,684,798
Changes resulting from adjustments	(1,118,353)	7,495,726	3,378,510	9,755,883
Provisions written off and transferred to off balance sheet	-	-	(28,198,391)	(28,198,391)
<b>Balance at the end of the year</b>	<b>22,129,229</b>	<b>72,253,016</b>	<b>120,482,633</b>	<b>214,864,878</b>



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## Interest in Suspense

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

	Companies				Government and public sector	Total
	Individuals	Real Estate Loans	Large	Small and medium		
	JD	JD	JD	JD	JD	JD
<b>For the six months ended on 30 June 2025 (Reviewed not audited)</b>						
<b>Balance at the beginning of the period</b>	7,853,063	6,208,463	27,200,454	1,397,875	-	42,659,855
Add: Interest suspended during the period	33,874	-	19,035	1,034	-	53,943
Less: Interest transferred to income	(399,427)	(20,111)	(10,261)	(23,415)	-	(453,214)
The total impact on interest in suspense resulting from the change in classification between stages	79,398	42,366	375,237	41,182	-	538,183
The impact on interest in suspense resulting from adjustments	759,909	523,292	3,141,748	162,778	-	4,587,727
Interest in suspense transferred off-the statement of financial position	(507,891)	(4,915,760)	(6,115,883)	(256,343)	-	(11,795,877)
<b>Balance at the end of the period</b>	<b>7,818,926</b>	<b>1,838,250</b>	<b>24,610,330</b>	<b>1,323,111</b>	<b>-</b>	<b>35,590,617</b>
	Companies				Government and public sector	Total
	Individuals	Real Estate Loans	Large	Small and medium		
	JD	JD	JD	JD	JD	JD
<b>For the year ended on 31 December 2024 (Audited)</b>						
<b>Balance at the beginning of the year</b>	3,121,388	3,078,553	27,228,259	1,074,149	-	34,502,349
Add: Interest suspended during the year	4,413,916	314	51,779	52,036	-	4,518,045
Less: Interest transferred to income	(213,096)	(619,698)	(3,374,457)	(57,013)	-	(4,264,264)
The total impact on interest in suspense resulting from the change in classification between stages	796,843	3,723,370	2,180,342	163,511	-	6,864,066
The impact on interest in suspense resulting from adjustments	209,999	59,027	6,804,753	267,335	-	7,341,114
Interest in suspense transferred off-the statement of financial position	(509,902)	(33,103)	(5,690,222)	(147,784)	-	(6,381,011)
The effect of reclassifying assets held for sale	33,915	-	-	45,641	-	79,556
<b>Balance at the end of the year</b>	<b>7,853,063</b>	<b>6,208,463</b>	<b>27,200,454</b>	<b>1,397,875</b>	<b>-</b>	<b>42,659,855</b>



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

The details of this item are as follows:

	30 June 2025 (Reviewed not audited) JD	31 December 2024 (Audited) JD
<b>Financial assets with available market prices:</b>		
Foreign government bills and treasury bonds	100,007,885	110,395,801
Corporate loans bonds	1,418,000	1,418,000
<b>Total financial assets with available market price</b>	<b>101,425,885</b>	<b>111,813,801</b>
Impairment provision for financial assets at amortised cost	(15,255,365)	(15,745,080)
<b>Net financial assets with available market prices</b>	<b>86,170,520</b>	<b>96,068,721</b>
 <b>Financial assets with no available market prices:</b>		
Bills and treasury bonds*	1,524,541,097	1,324,269,386
Corporate loans bonds	12,833,600	17,833,600
<b>Total financial assets with no available market prices</b>	<b>1,537,374,697</b>	<b>1,342,102,986</b>
Impairment provision for financial assets at amortised cost	(4,159,511)	(4,182,840)
<b>Net financial assets with no available market prices</b>	<b>1,533,215,186</b>	<b>1,337,920,146</b>
<b>Total</b>	<b>1,619,385,706</b>	<b>1,433,988,867</b>
 <b>Analysis financial bonds:</b>		
With fixed rate	1,631,638,982	1,446,755,187
With floating rate	7,161,600	7,161,600
<b>Total</b>	<b>1,638,800,582</b>	<b>1,453,916,787</b>

- No bonds at amortized cost were sold during the periods ended 30 June 2025 and 30 June 2024, which is directly recorded in the interim condensed consolidated statement of income.

\* Financial assets at amortized cost include government bonds in the amount of JD 100,023,493 as of 30 June 2025, against JD 80,032,977 as of 31 December 2024 held in safe custody with the Central Bank of Jordan at one of the local banks in exchange for a repurchase agreement with the Social Security Investment Fund, noting that the accrued interest and any returns generated from these bonds during the term of the agreement are for the benefit of the Jordan Kuwait Bank.

- During the first half of 2025, financial assets at amortized cost were written off within Stage 3 and transferred off the statement of financial position in the amount of JD 425,364.



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

	Stage 1	Stage 2	Stage 3	30 June 2025	31 December 2024
	JD	JD	JD	(Reviewed not audited) JD	(Audited) JD
<b>Balance at the beginning of the year</b>	<b>1,425,856,515</b>	<b>6,187,738</b>	<b>21,872,534</b>	<b>1,453,916,787</b>	<b>1,142,871,140</b>
New investments during the period/ year	95,099,914	-	-	95,099,914	284,936,332
Settled investments during the period/ year	(89,858,422)	-	(40)	(89,858,462)	(143,505,086)
Transferred to stage 1	-	-	-	-	-
Transferred to stage 2	-	-	-	-	-
Transferred to stage 3	-	-	-	-	-
Changes resulting from adjustments	180,098,872	(10,675)	-	180,088,197	169,614,401
Written-off balances	-	-	(425,364)	(425,364)	-
Adjustments resulting from changes in exchange rates	-	-	(20,490)	(20,490)	-
<b>Balance at the end of the period/ year</b>	<b>1,611,196,879</b>	<b>6,177,063</b>	<b>21,426,640</b>	<b>1,638,800,582</b>	<b>1,453,916,787</b>

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

	Stage 1	Stage 2	Stage 3	30 June 2025	31 December 2024
	JD	JD	JD	(Reviewed not audited) JD	(Audited) JD
<b>Balance at the beginning of the year</b>	<b>214,688</b>	<b>1,002,299</b>	<b>18,710,933</b>	<b>19,927,920</b>	<b>19,987,951</b>
Expected credit losses on new investments during the period	-	-	-	-	138,975
Recoveries from expected credit losses on paid investments during the period/ year	(26,971)	-	(3,044)	(30,015)	-
Transferred to stage 1	-	-	-	-	-
Transferred to stage 2	-	-	-	-	-
Transferred to stage 3	-	-	-	-	-
Changes resulting from adjustments	9,156	(46,331)	-	(37,175)	(154,064)
Written-off balances	-	-	(425,364)	(425,364)	-
Adjustments resulting from changes in exchange rates	-	-	(20,490)	(20,490)	(44,942)
<b>Balance at the end of the period/ year</b>	<b>196,873</b>	<b>955,968</b>	<b>18,262,035</b>	<b>19,414,876</b>	<b>19,927,920</b>



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

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

	<b>30 June 2025</b>	<b>31 December 2024</b>
	<b>(Reviewed not audited)</b>	<b>(Audited)</b>
	<b>JD</b>	<b>JD</b>
Balance at the beginning of the year	11,301,228	12,559,364
Add: new contracts during the period / year	4,429,646	2,782,644
Less: depreciation during the period / year	1,627,663	4,040,780
<b>Balance at the end of the period / year</b>	<b>14,103,211</b>	<b>11,301,228</b>

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

	<b>30 June 2025</b>	<b>31 December 2024</b>
	<b>(Reviewed not audited)</b>	<b>(Audited)</b>
	<b>JD</b>	<b>JD</b>
Balance at the beginning of the year	12,307,675	12,791,946
Add: interest expense during the period / year	596,449	1,253,308
Add: new contracts during the period / year	4,429,646	2,782,644
Less: paid obligations	3,099,393	4,520,223
<b>Balance at the end of the period / year</b>	<b>14,234,377</b>	<b>12,307,675</b>

(c) Analysis of due payments:

	<b>For the period ended 30 June 2025</b>	
	<b>(Reviewed not audited)</b>	
	<b>1-3 Years</b>	<b>Over 3 Years</b>
	<b>JD</b>	<b>JD</b>
Lease liabilities	854,063	13,380,314

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





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**(11) OTHER ASSETS**

The details of this item are as follows:

	<b>30 June 2025</b>	<b>31 December 2024</b>
	<b>(Reviewed not audited)</b>	<b>(Audited)</b>
	<b>JD</b>	<b>JD</b>
Accrued interest and revenues*	51,757,118	51,942,322
Prepaid expenses	8,283,745	6,476,547
Assets seized by the Bank against due debts, net **	112,787,102	114,355,120
Clearing cheques	1,570,168	435,009
Debtors	2,929,104	6,259,473
Others	31,197,817	24,452,867
<b>Total</b>	<b>208,525,054</b>	<b>203,921,338</b>

\* Net of interest in suspense in the amount of JD 3,749,802 as of 30 June 2025 and as of 31 December 2024.

- Debtors, seized assets by the Bank against due debts and other assets include balances related to subsidiaries in the amount of JD 33,306,218 as of 30 June 2025 against to JD 14,571,224 as of 31 December 2024.

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

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

	<b>For the six months ended</b>			<b>For the year ended</b>
	<b>30 June 2025</b>			<b>31 December 2024</b>
	<b>(Reviewed not audited)</b>			<b>(Audited)</b>
	<b>Seized properties</b>	<b>Other seized assets*</b>	<b>Total</b>	<b>Total</b>
	<b>JD</b>	<b>JD</b>	<b>JD</b>	<b>JD</b>
<b>Balance at the beginning of the period– net</b>	113,602,650	752,470	114,355,120	103,289,000
Additions	4,726,265	-	4,726,265	21,682,520
Disposals	(6,236,926)	-	(6,236,926)	(11,815,069)
Additions from assets held for sale	-	-	-	4,057,767
(Impairment for) seized assets	247,989	(305,346)	(57,357)	(2,859,098)
<b>Balance at the end of the period/ year</b>	<b>112,339,978</b>	<b>447,124</b>	<b>112,787,102</b>	<b>114,355,120</b>

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

- Loss on disposal of seized assets amounted to JD 20,042 for the period ended 30 June 2025, against JD 890,497 for the period ended 30 June 2024, which was recorded within other expenses.
- The Central Bank of Jordan, pursuant to circular No. 10/3/16234 dated 10 October 2022, canceled all previous circulars that require deducting provisions against seized assets in violation of the provisions of the Banking Law, while maintaining the provisions allocated against real estate to be released upon disposal.



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**(12) CUSTOMERS' DEPOSITS**

	<b>Companies</b>			<b>Government and public sector</b>	<b>Total</b>
	<b>Individuals</b>	<b>Large</b>	<b>Small and medium</b>		
	<b>JD</b>	<b>JD</b>	<b>JD</b>	<b>JD</b>	<b>JD</b>
<b>For the period ended on 30 June 2025</b>					
<b>(Reviewed not audited)</b>					
Current accounts and demand deposits	324,647,852	944,926,305	215,055,165	8,037,621	1,492,666,943
Saving accounts	339,223,146	27,852,482	2,892,523	3,038,228	373,006,379
Time and notice deposits	969,809,758	466,361,765	145,566,560	251,086,265	1,832,824,348
<b>Total</b>	<b>1,633,680,756</b>	<b>1,439,140,552</b>	<b>363,514,248</b>	<b>262,162,114</b>	<b>3,698,497,670</b>
	<b>Companies</b>			<b>Government and public sector</b>	<b>Total</b>
	<b>Individuals</b>	<b>Large</b>	<b>Small and medium</b>		
	<b>JD</b>	<b>JD</b>	<b>JD</b>	<b>JD</b>	<b>JD</b>
<b>For the year ended on 31 December 2024</b>					
<b>(Audited)</b>					
Current accounts and demand deposits	329,067,415	1,242,784,558	246,478,355	6,402,041	1,824,732,369
Saving accounts	341,638,856	14,506,310	4,384,086	2,875,914	363,405,166
Time and notice deposits	922,881,065	610,151,048	141,559,618	111,412,378	1,786,004,109
<b>Total</b>	<b>1,593,587,336</b>	<b>1,867,441,916</b>	<b>392,422,059</b>	<b>120,690,333</b>	<b>3,974,141,644</b>

- The deposits of the government and the public sector inside the Kingdom amounted to JD 262,162,114, which represents 7.09% of the total deposits as of 30 June 2025 (against to JD 120,690,333, or 3.04% as of 31 December 2024).
- Non-interest-bearing deposits amounted to JD 1,407,203,118 which represent 38.05% of total deposits as of 30 June 2025 (JD 1,811,872,436 which represent 45.59% as of 31 December 2024).
- Restricted deposits amounted to JD 52,777,391 which represent 1.43% of total deposits as of 30 June 2025 (JD 64,563,160 which represent 1.62% as of 31 December 2024).
- Dormant deposits amounted to JD 48,311,577 as of 30 June 2025 against JD 73,020,257 as of 31 December 2024.



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**(13) SUNDRY PROVISIONS**

	Balance at the beginning of the year	Additions	Paid	30 June 2025 (Reviewed not audited)	31 December 2024 (Audited)
	JD	JD	JD	JD	JD
End of service provision	21,474,096	1,720,821	(560,659)	22,634,258	21,474,096
Legal and contingent liabilities provision	5,221,185	600,000	(5,000)	5,816,185	5,221,185
<b>Total</b>	<b>26,695,281</b>	<b>2,320,821</b>	<b>(565,659)</b>	<b>28,450,443</b>	<b>26,695,281</b>

**(14) INCOME TAX**

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

	30 June 2025	31 December 2024
Jordan branches	38%	38%
Cyprus branch	12.5%	12.5%
Subsidiaries inside Jordan	21% - 28%	21% - 28%
Bank of Baghdad	15%	15%



## B. Tax Status

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	2024	2020	Accrued tax has been paid	None
Cyprus Branch	2024	2020	Accrued tax has been paid	None
Ejara Leasing Company	2024	2020	Accrued tax has been paid	None
Bank of Baghdad	2024	2023	Accrued tax has been paid	None
United Financial Investment Company	2024	2021	Accrued tax has been paid	None

In the opinion of the tax advisor of the Bank and its subsidiaries, the Bank and its subsidiaries will not have any obligations that exceed the booked provisions.

The necessary documents have been submitted in accordance with the transfer pricing system for income tax purposes for the year 2024.

## C. Income Tax Provision

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

	30 June 2025 (Reviewed not audited) JD	31 December 2024 (Audited) JD
<b>Balance at the beginning of the year</b>	38,791,779	32,640,476
Accrued income tax expense	12,852,010	40,722,143
Transferred from liabilities against assets held-for-sale	-	178,170
Income tax paid	(36,607,138)	(34,749,010)
<b>Balance at the end of the period / year</b>	<b>15,036,651</b>	<b>38,791,779</b>

## D. Income Tax Expense

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

	For the six months ended on 30 June (Reviewed not audited)	
	2025 JD	2024 JD
Accrued income tax	12,852,010	19,237,354
Deferred tax assets for the period	(349,852)	4,659,337
<b>Total</b>	<b>12,502,158</b>	<b>23,896,691</b>



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**(15) BORROWED FUNDS**

Borrowings were obtained under agreements signed with variances financial institutions, for the purpose of financing micro enterprises and SMEs, as follows:

<b>30 June 2025 (Reviewed not audited)</b>	<b>Amount</b>	<b>Number of instalments</b>		<b>Instalments maturity</b>	<b>Collaterals</b>	<b>Interest rate</b>	<b>Fixed/Variable</b>
		<b>Total number of payments</b>	<b>Outstanding payments</b>				
	JD						
Borrowing from Central banks	55,027,911	9,763	4,767	Monthly, semi-annually, and upon maturity	Demand promissory notes	0.00% to 6.63%	Fixed/Variable
Borrowing from local banks/ institutions	166,085,768	1,204	716	Monthly, semi-annually, and upon maturity	-	4.90% to 7.15%	Fixed
Borrowing from foreign banks/ institutions	95,680,968	41	38	Monthly, semi-annually, and upon maturity	-	1.79% to 6.10%	Fixed
	<b><u>316,794,647</u></b>						
<b>31 December 2024 (Audited)</b>	<b>Amount</b>	<b>Number of instalments</b>		<b>Instalments maturity</b>	<b>Collaterals</b>	<b>Interest rate</b>	<b>Fixed/Variable</b>
		<b>Total number of payments</b>	<b>Outstanding payments</b>				
	JD						
Borrowing from Central banks	58,768,300	12,753	5,444	Monthly, semi-annually, and upon maturity	Demand promissory notes	0.00% to 6.98%	Fixed/Variable
Borrowing from local banks/ institutions	183,585,603	1,588	1,105	Monthly, semi-annually, and upon maturity	-	4.50% to 6.60%	Fixed
Borrowing from foreign banks/ institutions	104,141,158	41	39	Monthly, semi-annually, and upon maturity	-	1.79% to 6.1%	Fixed
	<b><u>346,495,061</u></b>						

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



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**(16) GREEN BONDS**

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

	<u>Amount</u>	<u>Interest</u>
	<u>JD</u>	
Green Bond (1)	2,836,000	5.39%
Green Bond (2)	7,090,000	5.39%
Green Bond (3)	25,524,000	6.94%
	<u><b>35,450,000</b></u>	

**(17) OTHER LIABILITIES**

	<u>30 June</u>	<u>31 December</u>
	<u>2025</u>	<u>2024</u>
	<u>(Reviewed not</u>	<u>(Audited)</u>
	<u>audited)</u>	
	<u>JD</u>	<u>JD</u>
Accrued interest	23,035,617	26,534,680
Inward transfers	5,723,614	3,462,854
Accounts payable	1,679,342	1,605,904
Amounts for registering companies – subsidiary	2,388,146	5,552,072
Obligations for ATM services – subsidiary	274,294	472,088
Accrued expenses	3,884,596	5,213,296
Temporary deposits (a)	2,340,761	9,304,745
Temporary deposits - customers	11,768,550	8,702,921
Shareholders' deposits (b)	26,542,315	6,689,151
Accepted and certified checks	13,762,539	12,365,810
Safe boxes insurance	620,242	576,894
Subscription deposits (b)	52,215	53,775
Expected credit losses against indirect facilities (note 31)	14,983,348	14,341,077
Additional provision – deferred installments	1,685,000	1,685,000
Additional provisions – subsidiary	1,188,272	1,188,272
Other liabilities	13,087,734	12,246,613
<b>Total</b>	<u><b>123,016,585</b></u>	<u><b>109,995,152</b></u>

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

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



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**(18) FAIR VALUE RESERVE - NET**

	<b>30 June 2025</b>	<b>31 December 2024</b>
	<b>(Reviewed not audited)</b>	<b>(Audited)</b>
	<b>JD</b>	<b>JD</b>
<b>Balance at the beginning of the year</b>	14,828,549	20,004,022
Unrealized gains (losses)	649,959	(2,886,938)
Realized gain from financial assets through comprehensive income	-	52,267
Impact from the reclassification of a subsidiary	-	(2,510,341)
Expected credit losses against debt instruments	26,219	105,566
Deferred tax liabilities	440,517	63,973
<b>Balance at the end of the period / year *</b>	<b>15,945,244</b>	<b>14,828,549</b>

\* The fair value reserve for financial assets at fair value is presented net of deferred tax liabilities in the amount of JD 1,888,592 as at 30 June 2025 against JD 1,448,076 as at 31 December 2024 and it will not be transferred to the interim condensed consolidated statement of income.

- Expected credit losses on financial assets in other comprehensive income are transferred from the fair value reserve of financial assets to profit and loss.

**(19) RETAINED EARNINGS**

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

	<b>30 June 2025</b>	<b>31 December 2024</b>
	<b>(Reviewed not audited)</b>	<b>(Audited)</b>
	<b>JD</b>	<b>JD</b>
<b>Balance at the beginning of the year</b>	240,865,525	143,309,616
Profit for the year	-	117,329,104
(Losses) realized from the sale of financial assets - debt instruments through comprehensive income	-	(52,267)
Interest on perpetual bonds	(3,865,381)	(7,691,946)
Transferred to reserves	-	(12,028,982)
<b>Balance at the end of the period / year</b>	<b>237,000,144</b>	<b>240,865,525</b>

- Retained earnings include an amount of JD 63,557,191 as of 30 June 2025 (JD 62,652,590 as of 31 December 2024) restricted against deferred tax assets in accordance with the instructions of Central Bank of Jordan.

- Retained earnings include an amount of JD 188,212 as of 30 June 2025 and 31 December 2024 which represents the revaluation differences of financial assets at fair value through profit or loss, as a result of the early adoption of IFRS (9) during the year 2011. This amount is not available for distribution and restricted according to the Jordan Securities Commission regulations until the amount becomes realized.

- According to the instructions of the Central Bank of Jordan No. 13/2018, the accumulated balance of the general banking risk reserve amounting to JD 14,288,875 as of 1 January 2018, was transferred to the retained earnings account to offset the impact of International Financial Reporting Standard No. (9), as the reserve was fully utilized.

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



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**(20) INTEREST INCOME**

The details of interest income are as follows:

	For the six months ended on 30 June	
	2025	2024
	JD	JD
<b>Direct credit facilities</b>		
<b>Individuals (retail)</b>		
Overdrafts	915,598	47,129
Loans and bills	14,416,558	13,811,374
Credit cards	944,706	982,589
Real estate	10,748,930	12,185,849
<b>Large Companies</b>		
Overdrafts	4,019,855	1,754,769
Loans and bills	39,134,528	38,447,616
<b>SMEs</b>		
Overdrafts	1,369,843	1,156,116
Loans and bills	3,983,243	5,975,688
Government and public sector	5,874,079	7,390,308
Balances with central banks	2,383,098	5,263,760
Balances and deposits with banks and financial institutions	2,380,459	8,159,354
Financial assets at amortized cost	57,035,975	43,408,474
Financial assets through profit and loss	454,803	154,277
Financial assets at fair value through other comprehensive income – debt instruments	1,515,215	1,107,378
<b>Total</b>	<b>145,176,890</b>	<b>139,844,681</b>

**(21) INTEREST EXPENSE**

The details of this item are as follows:

	For the six months ended on 30 June	
	2025	2024
	JD	JD
Deposits with banks and financial institutions	1,985,297	4,589,558
<b>Customers' deposits</b>		
Current and on demand accounts	1,323,197	990,242
Saving deposits	1,747,152	2,590,691
Term and call deposits	46,309,591	51,486,038
Certificate of deposits	-	152
Cash margins	2,524,873	2,282,897
Borrowed funds	6,281,238	7,612,497
Lease liability interest	596,449	541,445
Green bonds interest	1,312,722	1,355,014
Deposit insurance company fees	1,316,455	1,044,880
<b>Total</b>	<b>63,396,974</b>	<b>72,493,414</b>





**(22) NET COMMISSION INCOME**

The details of net commission income are as follows:

	<b>For the six months ended on</b>	
	<b>30 June</b>	
	<b>2025</b>	<b>2024</b>
	<b>JD</b>	<b>JD</b>
Commission on direct credit facilities	2,963,755	3,344,280
Commission on indirect credit facilities	4,218,599	3,651,128
Commission on bank transfers *	27,983,046	57,948,161
Commission on electronic services	4,684,375	5,883,832
Other commissions	3,379,184	3,851,406
<b>Total</b>	<b>43,228,959</b>	<b>74,678,807</b>

\* During the year 2025, ceilings for commissions on transfers and other products were set by the Central Bank of Iraq, and Bank of Baghdad has complied with these regulations.

**(23) OTHER INCOME**

The details of this item are as follows:

	<b>For the six months ended on</b>	
	<b>30 June</b>	
	<b>2025</b>	<b>2024</b>
	<b>JD</b>	<b>JD</b>
Safe boxes rent	114,801	104,442
Stamp's revenues	31,680	30,754
Written off debts recovered	351,869	198,719
Telecommunication revenues	48,295	54,512
Transfers income	614,151	623,854
Others	2,534,795	1,863,148
<b>Total</b>	<b>3,695,591</b>	<b>2,875,429</b>



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**(24) OTHER EXPENSES**

	For the six months ended on	
	30 June	
	2025	2024
	JD	JD
Rent	201,562	71,191
Stationary	433,837	479,203
Advertisement	1,263,313	1,260,975
Subscriptions and consulting	3,119,329	2,143,151
Communication expenses	1,474,377	1,472,898
Maintenance and repairs information technology	6,068,191	5,260,221
Insurance expenses	812,184	1,066,871
Legal charges and fees	1,673,337	262,358
Electricity, water and heater	638,492	701,365
Fees, taxes and stamps	841,131	1,006,085
Professional fees	224,971	219,468
Transportation expenses	871,871	531,024
Corresponding bank service expenses	351,161	263,691
Safety and security services	469,390	389,250
Donations and social responsibility	1,980,571	1,328,230
Hospitality	257,490	80,851
Loss on sale of seized assets	20,042	890,497
Seized assets provision	57,357	751,334
Depreciation of right of use assets	1,627,663	2,196,411
Additional provisions – subsidiaries	-	4,070,327
Others	6,216,926	5,868,011
<b>Total</b>	<b>28,603,195</b>	<b>30,313,412</b>

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

The details of this item are as follows:

	For the six months ended on	
	30 June	
	2025	2024
	JD	JD
<b>Profit for the year attributable to the bank's shareholders</b>	<b>52,262,348</b>	<b>51,083,618</b>
<b>Weighted average number of shares</b>	<b>150,000,000</b>	<b>150,000,000</b>
	<b>JD/ share</b>	<b>JD/ share</b>
<b>Earnings per share</b>	<b>0.348</b>	<b>0.341</b>

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



**(26) CAPITAL MANAGEMENT**

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

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

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

There is third part (Tier 3) might be established in case the capital adequacy ratio dropped below 12% from the result of including market risk to the capital adequacy ratio.

Investments in banks and subsidiaries financial institutions (if not consolidated) as well the investments in banks, insurance companies and other financial institutions share capital.

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

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

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

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

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

It is worth noting that during the year 2024, the Jordan Kuwait Bank was classified among the locally systemically important banks. Consequently, the additional requirement imposed on the bank (in addition to the required capital adequacy ratio for banks) is (0.5%) over a period of four years, making the minimum required capital adequacy ratio for the bank at all levels (14.5%), as long as the bank remains classified as a locally systemically important bank. It should be noted that the additional requirement will begin to be met one year from the date of the data on which the calculations were based, starting from the first quarter of 2025, in accordance with the instructions of the Central Bank of Jordan regarding dealing with locally systemically important banks No. (2/2017).



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

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

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

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

### **Capital adequacy**

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

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

	<b>30 June 2025</b>	<b>31 December 2024</b>
	<b>(Reviewed not audited)</b>	<b>(Audited)</b>
	<b>JD '000</b>	<b>JD '000</b>
Common Equity Tier 1 Holders (CET 1)	664,029	628,119
Regulatory adjustments (deductions from Common Equity Tier 1)	(69,730)	(75,118)
Additional paid-in capital (AT1)	92,964	93,777
Tier-II Capital	35,690	35,815
<b>Regulatory Capital</b>	<b>722,953</b>	<b>682,593</b>
<b>Risk-weighted assets</b>	<b>3,204,273</b>	<b>3,205,455</b>
<b>Capital adequacy ratio for ordinary equity holders (CET 1)</b>	<b>18.55%</b>	<b>17.25%</b>
<b>Capital adequacy ratio on Tier-I Capital</b>	<b>21.45%</b>	<b>20.18%</b>
<b>Regulatory capital adequacy ratio</b>	<b>22.56%</b>	<b>21.29%</b>

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



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	<b>30 June 2025</b>	<b>31 December 2024</b>
	<b>JD '000</b>	<b>JD '000</b>
<b><u>Liquidity coverage ratio (LCR):</u></b>		
Total high quality liquid assets	2,129,187	3,741,458
Total high quality liquid assets after deducting the maximum adjustments	2,129,187	3,741,458
Net cash outflow	692,611	1,635,501
<b>Liquidity coverage ratio</b>	<b>307.41%</b>	<b>323.70%</b>
<b>Liquidity coverage according to the average end of each month</b>	<b>286.61%</b>	<b>289.18%</b>

	<b>30 June 2025</b>	<b>31 December 2024</b>
	<b>JD '000</b>	<b>JD '000</b>
<b><u>Net stable funding ratio (NSFR):</u></b>		
Total stable funding available (after stable funding coefficient Disposable)	3,942,491	4,066,609
Total stable funding required (after stable funding coefficient required)	2,475,822	2,337,716
Total stable funding required for extra budgetary items (after Stable funding factor required)	18,331	19,632
Total stable funding required	2,494,152	2,357,348
<b>Net stable funding ratio</b>	<b>158.07%</b>	<b>172.51%</b>

**(27) CASH AND CASH EQUIVALENTS**

The details of this item are as follows:

	<b>30 June 2025</b>	<b>30 June 2024</b>
	<b>(Reviewed not audited) JD</b>	<b>(Reviewed not audited) JD</b>
Cash and balances at Central Banks	585,175,371	1,291,714,328
Add: Balances at banks and financial institutions due within three months	357,116,297	394,271,148
Less: Deposits at banks and financial institutions due within three months	43,726,391	19,961,586
Less: Restricted balances	9,599,585	9,470,805
<b>Total</b>	<b>888,965,692</b>	<b>1,656,553,085</b>

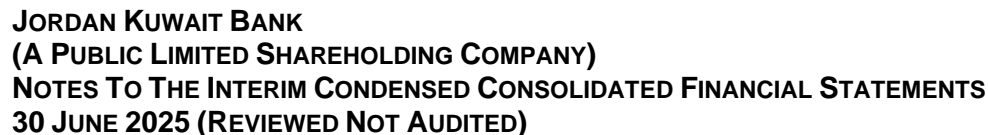


**(28) BUSINESS SEGMENT INFORMATION**

**1- Information about the group activities**

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

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



					Total	
					For the six months ended on 30 June	
	Individuals	Corporations	Treasury	Others	2025	2024
	JD	JD	JD	JD	JD	JD
Gross income	27,969,361	75,545,086	28,898,710	43,145,436	175,558,593	183,224,042
Expected credit losses	(2,182,702)	17,070,257	861,047	-	15,748,602	6,363,240
Results of the segment's business	30,152,063	58,474,829	28,037,663	43,145,436	159,809,991	176,860,802
Less: expenses not distributed on segments	-	-	-	61,683,506	61,683,506	62,450,595
Profit for the period before income tax	30,152,063	58,474,829	28,037,663	(18,538,070)	98,126,485	114,410,207
Less: income tax expense for the period	-	-	-	12,502,158	12,502,158	23,896,691
Net income the period	30,152,063	58,474,829	28,037,663	(31,040,228)	85,624,327	90,513,516

Capital expenditures	16,234,488	16,234,488	8,845,557
Depreciation and amortization	4,815,896	4,815,896	3,899,708

					Total	
					30 June 2025	31 December 2024
					(Reviewed not audited)	(Audited)
					JD	JD
Total segment assets	539,617,186	1,461,567,638	2,949,737,341	393,061,825	5,343,983,990	5,630,325,862
Total segment liabilities	1,677,114,867	2,182,459,371	410,151,038	183,355,446	4,453,080,722	4,744,195,778



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**C- Geographical distribution information:**

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

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

	<b>Inside the Kingdom</b>		<b>Outside the Kingdom</b>		<b>Total</b>	
	<b>For the six months ended on 30 June</b>		<b>For the six months ended on 30 June</b>		<b>For the six months ended on 30 June</b>	
	<b>2025</b>	<b>2024</b>	<b>2025</b>	<b>2024</b>	<b>2025</b>	<b>2024</b>
	<b>JD</b>	<b>JD</b>	<b>JD</b>	<b>JD</b>	<b>JD</b>	<b>JD</b>
<b>Gross income</b>	72,212,202	60,710,045	103,346,391	122,513,997	<b>175,558,593</b>	<b>183,224,042</b>
<b>Capital expenditures</b>	16,074,648	7,273,186	159,840	1,572,371	<b>16,234,488</b>	<b>8,845,557</b>

	<b>Inside the Kingdom</b>		<b>Outside the Kingdom</b>		<b>Total</b>	
	<b>30 June 2025</b>	<b>31 December 2024</b>	<b>30 June 2025</b>	<b>31 December 2024</b>	<b>30 June 2025</b>	<b>31 December 2024</b>
	<b>(Reviewed not audited)</b>	<b>(Audited)</b>	<b>(Reviewed not audited)</b>	<b>(Audited)</b>	<b>(Reviewed not audited)</b>	<b>(Audited)</b>
	<b>JD</b>	<b>JD</b>	<b>JD</b>	<b>JD</b>	<b>JD</b>	<b>JD</b>
<b>Total assets</b>	<u>3,619,180,883</u>	<u>3,596,556,316</u>	<u>1,724,803,107</u>	<u>2,033,769,546</u>	<u><b>5,343,983,990</b></u>	<u><b>5,630,325,862</b></u>





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**(29) RISK MANAGEMENT**

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

								30 June 2025 (Reviewed not audited)	31 December 2024 (Audited)
	Inside Jordan	Other Middle East countries	Europe	Asia	Africa	America	Other countries		
	JD	JD	JD	JD	JD	JD	JD	JD	JD
Cash and balances at									
Central Banks	167,738,809	303,641,052	3,575,408	-	-	-	-	474,955,269	1,068,593,691
Balances at banks and									
financial institutions-net	292,281	36,152,739	48,064,939	54,182,691	443,805	208,425,607	9,554,235	357,116,297	355,396,166
Direct credit facilities -									
net	1,699,635,844	20,736,976	280,812,004	-	-	-	-	2,001,184,824	2,001,903,672
<b>Bills and Bonds:</b>									
Within financial assets									
at fair value through									
the statement of other									
comprehensive									
income	-	-	3,540,533	-	-	-	-	3,540,533	3,486,897
Within financial assets									
at fair value through of									
comprehensive other									
income	38,183,598	4,044,496	4,721,250	-	2,207,571	494,639	9,809,289	59,460,843	40,907,600
Within financial assets									
at amortized cost	924,910,889	687,835,925	-	-	5,221,094	1,417,798	-	1,619,385,706	1,433,988,867
Other assets	56,256,390	-	-	-	-	-	-	56,256,390	58,636,804
Total for the current									
period/ year	<b>2,887,017,811</b>	<b>1,052,411,188</b>	<b>340,714,134</b>	<b>54,182,691</b>	<b>7,872,470</b>	<b>210,338,044</b>	<b>19,363,524</b>	<b>4,571,899,862</b>	<b>4,962,913,697</b>
Letter of credit	227,417,378	32,950,211	46,928,362	6,428,656	-	343,163	-	314,067,770	299,213,500
Letter of guarantees	37,265,381	3,201,944	6,339,089	-	-	-	-	46,806,414	40,706,212
Other liabilities	447,489,803	16,266,644	57,051,335	-	-	-	-	520,807,782	512,582,062
Grand total	<b>3,599,190,373</b>	<b>1,104,829,987</b>	<b>451,032,920</b>	<b>60,611,347</b>	<b>7,872,470</b>	<b>210,681,207</b>	<b>19,363,524</b>	<b>5,453,581,828</b>	<b>5,815,415,471</b>



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

	Stage 1 Individual	Stage 1 Collective	Stage 2 Individual	Stage 2 Collective	Stage 3	30 June 2025 (Reviewed not audited)	31 December 2024 (Audited)
	JD	JD	JD	JD	JD	JD	JD
Inside Jordan	3,395,287,607	-	172,700,313	-	31,202,453	3,599,190,373	3,631,397,973
Other Middle East countries	1,099,398,502	-	2,106,702	-	3,324,783	1,104,829,987	1,501,516,795
Europe	427,213,990	-	23,234,491	-	584,439	451,032,920	375,421,507
Asia	59,755,811	-	-	-	855,536	60,611,347	40,659,671
Africa	2,651,376	-	5,221,094	-	-	7,872,470	7,012,978
America	210,681,207	-	-	-	-	210,681,207	242,444,026
Other countries	19,363,524	-	-	-	-	19,363,524	16,962,521
<b>Total</b>	<b>5,214,352,017</b>	<b>-</b>	<b>203,262,600</b>	<b>-</b>	<b>35,967,211</b>	<b>5,453,581,828</b>	<b>5,815,415,471</b>



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

								Government and public sector	Services	Others	30 June 2025 (Reviewed not audited)	31 December 2024 (Audited)
	Financial	Industrial	Trading	Real estates	Agriculture	Shares	Individual					
	JD	JD	JD	JD	JD	JD	JD	JD	JD	JD	JD	JD
Cash and balances at Central												
Banks	303,641,052	-	-	-	-	-	-	171,314,217	-	-	474,955,269	1,068,593,691
Balances at banks and financial												
institutions	329,997,223	-	-	-	-	12,738,061	-	-	-	14,381,013	357,116,297	355,396,166
Direct credit facilities – net	238,899,427	254,607,378	392,660,688	224,817,383	26,881,191	5,525,968	286,759,721	182,029,775	386,362,768	2,640,525	2,001,184,824	2,001,903,672
Bills and Bonds:												
Within financial assets at fair value												
through the income statement.	-	-	-	-	-	-	-	3,540,533	-	-	3,540,533	3,486,897
Within financial assets at fair value												
through other comprehensive												
income	-	-	11,147,306	-	-	-	-	46,840,092	1,473,445	-	59,460,843	40,907,600
Within financial assets at amortized												
cost	64,117,017	-	10,107,172	-	-	-	-	1,545,161,517	-	-	1,619,385,706	1,433,988,867
Other assets	56,256,390	-	-	-	-	-	-	-	-	-	56,256,390	58,636,804
Letter of credit	105,303,427	43,060,196	62,369,737	2,136,737	641,190	1,404,084	510,111	-	95,733,724	2,908,564	314,067,770	299,213,500
Letter of guarantees	5,305,039	17,298,394	16,902,294	-	1,486,922	-	-	-	2,868,302	2,945,463	46,806,414	40,706,212
Other liabilities	33,874,161	191,364,223	150,158,507	-	28,691,525	1,943,666	22,142,768	4,885,121	87,747,811	-	520,807,782	512,582,062
<b>Total</b>	<b>1,137,393,736</b>	<b>506,330,191</b>	<b>643,345,704</b>	<b>226,954,120</b>	<b>57,700,828</b>	<b>21,611,779</b>	<b>309,412,600</b>	<b>1,953,771,255</b>	<b>574,186,050</b>	<b>22,875,565</b>	<b>5,453,581,828</b>	<b>5,815,415,471</b>



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

	Stage 1 Individual	Stage 1 Collective	Stage 2 Individual	Stage 2 Collective	Stage 3	30 June 2025 (Reviewed no audited)	31 December 2024 (Audited)
	JD	JD	JD	JD	JD	JD	JD
Financial	1,132,609,307	-	4,727,119	-	57,310	1,137,393,736	1,715,671,646
Industrial	435,424,587	-	69,721,700	-	1,183,904	506,330,191	472,599,629
Trading	605,053,578	-	26,798,947	-	11,493,179	643,345,704	652,961,287
Real estate	204,495,952	-	16,727,650	-	5,730,518	226,954,120	263,816,800
Agriculture	35,474,051	-	17,428,511	-	4,798,266	57,700,828	68,308,598
Shares	21,611,779	-	-	-	-	21,611,779	20,173,493
Individual	281,026,984	-	19,882,600	-	8,503,016	309,412,600	325,073,487
Government and public sector	1,948,550,161	-	5,221,094	-	-	1,953,771,255	1,745,918,349
Services	528,334,079	-	42,528,137	-	3,323,834	574,186,050	542,830,535
Other	21,771,539	-	226,842	-	877,184	22,875,565	8,061,647
<b>Total</b>	<b>5,214,352,017</b>	<b>-</b>	<b>203,262,600</b>	<b>-</b>	<b>35,967,211</b>	<b>5,453,581,828</b>	<b>5,815,415,471</b>



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**(30) TRANSACTIONS WITH RELATED PARTIES**

The Bank entered into transactions with the subsidiaries, major shareholders', sister companies, board of directors, and executive management within the normal banking practice and according to the normal interest rates and commercial commissions. All the credit facilities granted to related parties are considered acceptable risks and no provisions were taken as of the date of the interim condensed consolidated financial statements.

**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*	Foreign Branches	Total	
							30 June 2025	31 December 2024
							(Reviewed not audited)	(Audited)
	JD	JD	JD	JD	JD		JD	JD
<b>Interim condensed consolidated statement of financial position Items:</b>								
Direct credit facilities	38,215,100	586,005	598,281	4,442,226	-	-	43,841,612	45,753,203
Deposits from banks and financial institutions	9,293,246	-	22,263,729	-	-	129,011,440	160,568,415	136,094,190
Customers' deposits	120,905	106,833,887	14,426,883	1,594,899	469,980	-	123,446,554	110,020,205
Deposits at banks and financial institutions	11,876,283	-	1,644,842	-	10,990,109	175,779,861	200,291,095	198,643,861
Cash margins	-	-	95,750	11,204	14,325	-	121,279	25,929
Financial assets at fair value through comprehensive income	24,815,000	-	-	-	39,713,994	-	64,528,994	64,861,240
Right of use assets	-	202,608	-	-	-	-	202,608	107,340
Lease liabilities	-	274,713	-	-	-	-	274,713	197,438
Financial assets at amortised cost / borrowed funds	-	100,024,786	-	-	-	-	100,024,786	80,032,977
<b>Off Interim condensed consolidated statement of financial position Items:</b>								
Letters of credit	5,428,850	-	2,117,858	-	143,500	-	7,690,208	5,369,928
Letters of guarantee	-	-	552,659	-	3,828,600	-	4,381,259	8,033,300
							Total	
							For the six months ended on 30 June	
							2025	2024
							JD	JD
<b>Interim condensed consolidated statement of comprehensive income Items:</b>								
Interest and commission income ***	1,978,038	8,935	295,171	110,571	-	636,240	3,028,955	1,648,355
Interest and commission expense ****	-	2,309,425	130,657	19,274	-	629,441	3,088,797	8,030,595
Amortisation of right of use assets	-	21,684	-	-	-	-	21,684	25,986
Interest on lease liability	-	7,955	-	-	-	-	7,955	10,388
Cash dividends from financial assets at fair value through other comprehensive income	-	-	-	-	595,560	-	595,560	909,531
Cash dividends from subsidiary	-	-	68,813,691	-	-	-	68,813,691	13,882,978
Managerial contracts	-	-	3,597,668	-	-	-	3,597,668	3,610,409



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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 903,137 which is related to the board of directors of Ejara Leasing Company (subsidiary company) as of 30 June 2025, against JD 938,335 as of 31 December 2024.

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

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

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

\*\*\*\* Interest expense rates ranges from (0.001)% to (7.5)%.

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

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

The salaries of the Bank's executive management and its subsidiaries amounted to JD 2,014,867 for the six months ended on 30 June 2025 against JD 2,707,972 for the six months ended on 30 June 2024.

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

A- Credit commitments and liabilities:

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

	<b>30 June 2025</b>	<b>31 December 2024</b>
	<b>(Reviewed not audited)</b>	<b>(Audited)</b>
	<b>JD</b>	<b>JD</b>
<b>(A) Letters of credits, guarantees and acceptances</b>		
<b>Letters of credit</b>	47,125,049	41,289,686
<b>Guarantees</b>		
Payment	173,437,794	159,162,580
Performance bonds	105,887,633	103,510,961
Others	45,093,880	46,005,528
<b>Acceptances</b>	57,255,457	42,103,788
<b>Total</b>	<b>428,799,813</b>	<b>392,072,543</b>
<b>(B) Other commitments and contingent liabilities</b>		
Unutilised direct credit facilities limits	344,384,731	340,813,754
Unutilised indirect credit facilities limits	123,480,770	133,956,554
<b>Total</b>	<b>467,865,501</b>	<b>474,770,308</b>
<b>Total indirect facilities</b>	<b>896,665,314</b>	<b>866,842,851</b>
<b>Expected credit losses</b>	<b>14,983,348</b>	<b>14,341,077</b>
<b>Total indirect facilities – net</b>	<b>881,681,966</b>	<b>852,501,774</b>



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

	Stage 1		Stage 2		Stage 3	30 June 2025 (Reviewed not audited)	31 December 2024 (Audited)
	Individual JD	Collective JD	Individual JD	Collective JD	Collective JD	JD	JD
Balance at the beginning of the period/ year	839,819,560	-	25,821,654	-	1,201,637	866,842,851	813,841,452
New exposures during the period/ year	68,566,594	-	56,722	-	9,464	68,632,780	122,386,566
Repaid balances through the period/ year	(40,354,001)	-	(940,918)	-	(87,444)	(41,382,363)	(102,698,194)
Transferred to stage 1	621,464	-	(561,109)	-	(60,355)	-	-
Transferred to stage 2	(15,537,733)	-	15,541,707	-	(3,974)	-	-
Transferred to stage 3	(1,151,738)	-	(13,244)	-	1,164,982	-	-
The total impact on impairment loss resulting from the change in classification between stages.	65,546	-	(5,168,445)	-	927,286	(4,175,613)	(2,390,119)
Changes resulted from adjustments	9,819,183	-	(3,088,084)	-	16,560	6,747,659	35,703,146
<b>Balance at the end of the period/ year</b>	<b>861,848,875</b>	<b>-</b>	<b>31,648,283</b>	<b>-</b>	<b>3,168,156</b>	<b>896,665,314</b>	<b>866,842,851</b>

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

	30 June 2025 (Reviewed not audited)						31 December 2024 (Audited)
	Stage 1		Stage 2		Stage 3	Total	Total
	Individual JD	Collective JD	Individual JD	Collective JD	JD	JD	JD
Balance at the beginning of the period/ year	5,125,255	-	8,284,734	-	931,088	14,341,077	14,028,144
Expected credit losses on the new exposures during the period/ year	643,351	-	19,703	-	8,410	671,464	1,542,145
Recoveries from expected credit losses on settled facilities during the period	(719,668)	-	(354,391)	-	(56,196)	(1,130,255)	(1,657,939)
Transferred to stage 1	49,156	-	(15,814)	-	(33,342)	-	-
Transferred to stage 2	(197,873)	-	198,442	-	(569)	-	-
Transferred to stage 3	(19,282)	-	(4,593)	-	23,875	-	-
The total impact on impairment loss resulting from the change in classification between stages.	(35,544)	-	103,680	-	140,866	209,002	242,505
Changes resulted from adjustments	210,140	-	721,333	-	(39,413)	892,060	186,222
<b>Balance at the end of the period/ year</b>	<b>5,055,535</b>	<b>-</b>	<b>8,953,094</b>	<b>-</b>	<b>974,719</b>	<b>14,983,348</b>	<b>14,341,077</b>



**(32) LAWSUITS AGAINST THE BANK**

Legal cases filed against the bank and its subsidiaries (Bank of Baghdad) amounted to JD 24,841,540 as of 30 June 2025, compared to JD 26,012,887 as of 31 December 2024. In the opinion of the management and the Bank's legal advisor, the Bank will not have obligations that exceed the provision taken against them in the amount of JD 5,816,185 as of 30 June 2025 compared to JD 5,221,185 as of 31 December 2024.

Legal cases filed against Ejara Leasing Company clients amounted to JD 9,524 as of 30 June 2025 against JD 44,554 as of 31 December 2024 and will not result in any obligations.

Legal cases filed against the United Company amounted to JD 15 million as of 30 June 2025 and as of 31 December 2024. According to the legal advisor, the Company has no legal obligations related to these lawsuits.

**(33) DISTRIBUTED DIVIDENDS**

The General Assembly approved the distribution of cash dividends to shareholders in their meeting held on 28 April 2025 at 12% of the total paid-in capital and that from the voluntary reserve which is equivalent to JD 18 million for the year 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 JD 12 million for the year 2023.

**(34) PERPETUAL BONDS**

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

The interest rate is 8.50% for the first 24 months, and the interest rate will float later on based on the re-discount rate issued by the Central Bank of Jordan plus a margin of 1.40%, which is calculated every three months. The interest rate for the US dollar tranche after the first 24 months is the Secured Overnight Financing Rate (SOFR) plus a margin of 4.7%, calculated every three months.

The aim of the issuance is to support the Bank's expansion plans in the region to diversify its sources of revenue in the coming years.

During the period ended 30 June 2025, interest expense amounting to JD 3,865,381 was recorded against JD 3,824,958 for the period ended 30 June 2024, which was recorded directly from retained earnings in the interim condensed consolidated statement of changes in equity.





### **(35) STATUTORY AND VOLUNTARY RESERVE**

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

Cash dividends were distributed on the shareholders at 12% from total paid-in capital and that from the voluntary reserve which is equivalent to JD 18 million for the year 2024 against JD 12 million which is equivalent to 8% for the year 2023.

### **(36) FAIR VALUE HIERARCHY**

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

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

	<u>Fair value</u>	<u>Fair value</u>				
<u>Financial assets</u>	<u>30 June 2025</u>	<u>31 December 2024</u>	<u>Level of fair value</u>	<u>Valuation method and inputs used</u>	<u>Significant intangible inputs</u>	<u>Relationship between fair value and significant intangible inputs</u>
	<u>(Reviewed not audited)</u>	<u>(Audited)</u>				
	<u>JD</u>	<u>JD</u>				
<b>Financial assets at fair value through profit and loss:</b>						
Shares with available market prices	7,448,607	3,452,085	Level 1	Quoted prices in financial markets	Not applicable	Not applicable
Bonds with available market prices	3,540,533	3,486,897	Level 1	Quoted prices in financial markets	Not applicable	Not applicable
<b>Financial assets at fair value through other comprehensive income:</b>						
Shares with available market prices	28,321,695	26,714,208	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 (DDM)	Not applicable	Not applicable
Shares with no available market prices	64,242,198	57,279,384	Level 2			
Bonds listed in active markets	59,460,843	40,907,600	Level 1	Quoted prices in financial markets	Not applicable	Not applicable
<b>Total</b>	<b>163,013,876</b>	<b>131,840,174</b>				

There were no transfers between level 1 and level 2 during the six months ended on 30 June 2025 and 31 December 2024.



**JORDAN KUWAIT BANK**  
**(A PUBLIC LIMITED SHAREHOLDING COMPANY)**  
**NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS**  
**30 JUNE 2025 (REVIEWED NOT AUDITED)**

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

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

	30 June 2025		31 December 2024		Level of fair value
	Book value (Reviewed not audited) JD	Fair value (Reviewed not audited) JD	Book value (Audited) JD	Fair value (Audited) JD	
<b>Financial assets with non-specified fair value:</b>					
Balances at central banks	474,955,269	475,378,224	1,068,593,691	1,069,018,159	Level 2
Balances at banks and financial institutions	357,116,297	358,851,825	355,396,166	357,137,904	Level 2
Direct financial facilities, net	2,001,184,824	2,038,721,997	2,001,903,672	2,039,575,166	Level 2
Financial assets at amortised cost, net	1,619,385,706	1,631,447,169	1,433,988,867	1,446,093,490	Level 1 and 2
<b>Total financial assets with non-specified fair value</b>	<b>4,452,642,096</b>	<b>4,504,399,215</b>	<b>4,859,882,396</b>	<b>4,911,824,719</b>	
<b>Financial liabilities with non-specified fair value</b>					
Banks and financial institutions deposits	57,906,391	59,546,898	44,504,263	46,442,867	Level 2
Customers' deposits	3,698,497,670	3,715,629,348	3,974,141,644	3,994,386,328	Level 2
Cash margin	161,076,568	162,437,532	154,192,799	155,801,064	Level 2
Borrowed funds	316,794,647	318,742,401	346,495,061	348,796,743	Level 2
Green bonds	35,450,000	35,823,564	35,450,000	35,891,444	Level 2
<b>Total financial liabilities with non-specified fair value</b>	<b>4,269,725,276</b>	<b>4,292,179,743</b>	<b>4,554,783,767</b>	<b>4,581,318,446</b>	

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