

JORDAN KUWAIT BANK

(PUBLIC SHAREHOLDING LIMITED COMPANY)

INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS
(REVIEWED NOT AUDITED)

31 MARCH 2025



**JORDAN KUWAIT BANK
(PUBLIC SHAREHOLDING LIMITED COMPANY)
INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS
31 MARCH 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 ("Bank") and its subsidiaries (the Group) as of 31 March 2025, comprising of the interim condensed consolidated statement of financial position as of 31 March 2025 and the related interim condensed consolidated statement of income, the interim condensed consolidated statement of comprehensive income, the interim condensed consolidated statement of changes in equity and the interim condensed consolidated statement of cash flows for the three-month period then ended and explanatory notes. The Board of Directors is responsible for the preparation and presentation of these interim condensed consolidated financial statements in accordance with 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 International Accounting Standard (34).

Other Matter

The interim condensed consolidated financial statements for the period ended 31 March 2024 were reviewed by another auditor who expressed an unqualified conclusion on those interim condensed consolidated financial statements on 29 April 2024.

Amman – Jordan
30 April 2025

ERNST & YOUNG
Amman - Jordan



JORDAN KUWAIT BANK
(PUBLIC SHAREHOLDING LIMITED COMPANY)
INTERIM CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION
AS AT 31 MARCH 2025 (REVIEWED NOT AUDITED)

	Notes	31 March 2025 JD (Reviewed not audited)	31 December 2024 JD (Audited)
Assets			
Cash and balances at Central Banks	4	1,335,431,933	1,333,864,050
Balances at banks and financial institutions	5	324,201,994	355,396,166
Financial assets at fair value through profit or loss	6	8,664,508	6,938,982
Financial assets at fair value through other comprehensive income	7	142,749,208	124,901,192
Direct credit facilities, net	8	1,990,715,790	2,001,903,672
Financial assets at amortised cost	9	1,572,208,203	1,433,988,867
Property and equipment, net		89,733,729	82,992,207
Intangible assets, net		12,860,167	12,465,570
Deferred tax assets		61,503,105	62,652,590
Right of use assets	10/A	14,779,468	11,301,228
Other assets	11	195,830,823	203,921,338
Total Assets		5,748,678,928	5,630,325,862
Liabilities and Shareholders' Equity			
Liabilities			
Bank's and financial institutions' deposits		68,084,942	44,504,263
Customers' deposits		4,028,856,920	3,974,141,644
Cash margins		153,892,141	154,192,799
Borrowed funds		362,657,185	346,495,061
Sundry provisions		27,670,572	26,695,281
Green bonds	12	35,450,000	35,450,000
Income tax provision	13	12,349,615	38,791,779
Deferred tax liabilities		1,943,454	1,622,124
Lease liabilities	10/B	14,919,551	12,307,675
Other liabilities	14	115,264,398	109,995,152
Total Liabilities		4,821,088,778	4,744,195,778
Equity			
Authorized, issued and paid-in capital	1	150,000,000	150,000,000
Perpetual bonds	24	89,010,000	89,010,000
Statutory reserve	25	118,411,845	118,411,845
Voluntary reserve	25	98,944,584	98,944,584
Fair value reserve – net		15,203,347	14,828,549
Actuarial losses from remeasurement of defined post- employment benefits, net		(294,908)	(294,908)
Foreign currency translation differences		(3,648,428)	(3,648,428)
Retained earnings		238,943,927	240,865,525
Profit for the period		25,617,121	-
Total equity – Bank's shareholders		732,187,488	708,117,167
Non-controlling interests	2	195,402,662	178,012,917
Total Equity		927,590,150	886,130,084
Total Liabilities and Equity		5,748,678,928	5,630,325,862

The accompanying notes from (1) to (26) form part of these interim condensed consolidated financial statements



JORDAN KUWAIT BANK
(PUBLIC SHAREHOLDING LIMITED COMPANY)
INTERIM CONDENSED CONSOLIDATED STATEMENT OF INCOME
FOR THE THREE MONTHS ENDED ON 31 MARCH 2025 (REVIEWED NOT AUDITED)

	Notes	For the three months ended 31 March	
		2025	2024
		JD	JD
		(Reviewed not audited)	(Reviewed not audited)
Interest income		71,160,894	67,300,917
Less: Interest expense		31,462,264	36,156,765
Net interest income		39,698,630	31,144,152
Net commission income	15	26,035,421	36,285,366
Net interest and commission income		65,734,051	67,429,518
Gain from foreign currencies	16	20,750,250	16,229,489
Gain from financial assets at fair value through profit and loss	6	803,597	458,608
Gain from sale of debt instruments at fair value through other comprehensive income	7	7,420	26,030
Cash dividends from financial assets at fair value through other comprehensive income	7	169,250	259,531
Other income		2,749,738	1,277,421
Gross income		90,214,306	85,680,597
Employees' expenses		13,521,421	12,792,051
Depreciation and amortization		2,352,454	1,972,457
Provision (Reversal) for expected credit losses on direct credit facilities		7,277,411	(4,970,748)
Provision (Reversal) for expected credit losses on indirect credit facilities		279,036	(354,651)
Provision for expected credit losses on deposits at banks and financial institutions		22,858	556,708
(Reversal) Provision for expected credit losses on investments		(50,846)	199,481
Sundry provisions		1,176,524	1,786,627
Other expenses		14,773,377	11,859,581
Total expenses		39,352,235	23,841,506
Profit for the period before income tax		50,862,071	61,839,091
Less: income tax expense		7,775,775	12,036,167
Profit for the period		43,086,296	49,802,924
Attributable to:			
Bank's shareholders		25,617,121	30,630,093
Non-controlling interest		17,469,175	19,172,831
		43,086,296	49,802,924
		JD/ Fils	JD/ Fils
Earnings per share from profit for the period attributable to Bank's shareholders (basic and diluted)	17	0.171	0.204

The accompanying notes from (1) to (26) form part of these interim condensed consolidated financial statements



JORDAN KUWAIT BANK
(PUBLIC SHAREHOLDING LIMITED COMPANY)
INTERIM CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME
FOR THE THREE MONTHS ENDED ON 31 MARCH 2025 (REVIEWED NOT AUDITED)

	For the three months ended 31 March	
	2025	2024
	JD	JD
	(Reviewed not audited)	(Reviewed not audited)
Profit for the period	43,086,296	49,802,924
Add: other comprehensive income items		
Items that will be subsequently reclassified to interim condensed consolidated statement of income after tax:		
Net change in the valuation reserve of financial assets at fair value through other comprehensive income after tax - debt instruments	759,165	2,369,022
Foreign currency translation differences	-	818,019
Items that will not be subsequently reclassified to interim condensed consolidated statement of income after tax:		
Net change in the valuation reserve of financial assets at fair value through comprehensive income after tax – equity instruments	(463,797)	272,539
Total comprehensive income for the period	<u>43,381,664</u>	<u>53,262,504</u>
Attributable to:		
Bank's shareholders	25,991,919	33,520,048
Non-controlling interest	17,389,745	19,742,456
Total	<u>43,381,664</u>	<u>53,262,504</u>

The accompanying notes from (1) to (26) form part of these interim condensed consolidated financial statements



JORDAN KUWAIT BANK
(PUBLIC SHAREHOLDING LIMITED COMPANY)
INTERIM CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
FOR THE THREE MONTHS ENDED ON 31 MARCH 2025 (REVIEWED NOT AUDITED)

	Equity holders of the bank												
	Reserves												
	Authorized, issued and paid- in capital	Perpetual bonds	Statutory	Voluntary	Fair value	Actuarial 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
	JD	JD	JD	JD	JD	JD	JD	JD	JD	JD	JD	JD	JD
For the three months ended 31 March 2025													
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	-	-	-	-	-	-	-	-	-	25,617,121	25,617,121	17,469,175	43,086,296
Net change in the fair value of financial assets through comprehensive income	-	-	-	-	374,798	-	-	-	-	-	374,798	(79,430)	295,368
Total comprehensive income	-	-	-	-	374,798	-	-	-	-	25,617,121	25,991,919	17,389,745	43,381,664
Interest on perpetual bonds	-	-	-	-	-	-	-	-	(1,921,598)	-	(1,921,598)	-	(1,921,598)
Balance at the end of the period	150,000,000	89,010,000	118,411,845	98,944,584	15,203,347	(294,908)	(3,648,428)	-	238,943,927	25,617,121	732,187,488	195,402,662	927,590,150
For the three months ended 31 March 2024													
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	-	-	-	-	-	-	-	-	-	30,630,093	30,630,093	19,172,831	49,802,924
Net change in financial assets at fair value through comprehensive income	-	-	-	-	2,452,847	-	-	-	-	-	2,452,847	188,714	2,641,561
Foreign currency translation differences	-	-	-	-	-	-	437,108	-	-	-	437,108	380,911	818,019
Total comprehensive income	-	-	-	-	2,452,847	-	437,108	-	-	30,630,093	33,520,048	19,742,456	53,262,504
Interest on perpetual bonds	-	-	-	-	-	-	-	-	(1,912,479)	-	(1,912,479)	-	(1,912,479)
Equity directly attributable with assets held for sale	-	-	-	-	-	-	-	(420,035)	-	-	(420,035)	-	(420,035)
Balance at the end of the period	150,000,000	89,010,000	106,382,863	110,944,584	22,456,869	653,467	(3,642,757)	(1,901,231)	141,397,137	30,630,093	645,931,025	132,510,328	778,441,353

- Retained earnings include an amount of JD 61,503,105 as of 31 March 2025 (JD 62,652,590 as of 31 December 2024) restricted against deferred tax assets in accordance with the instructions of the Central Bank of Jordan and Jordan Securities Commission.
- Retained earnings include an amount of JD 188,212 as of 31 March 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 is restricted according to the Jordan Securities Commission regulations until the amount becomes realized.
- According with the Central Bank of Jordan Circular No. 13/2018, the Bank transferred the balance of the 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 was utilized.
- Use of fair value reserve is restricted and requires prior approval from the Central Bank of Jordan.

The accompanying notes from (1) to (26) form part of these interim condensed consolidated financial statements



JORDAN KUWAIT BANK
(PUBLIC SHAREHOLDING LIMITED COMPANY)
INTERIM CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS
FOR THE THREE MONTHS ENDED ON 31 MARCH 2025 (REVIEWED NOT AUDITED)

	Note	For the three months period ended 31 March	
		2025	2024
		JD (Reviewed not audited)	JD (Reviewed not audited)
Cash flows from operating activities:			
Profit for the period before tax		50,862,071	61,839,091
Adjustments:			
Depreciation and amortization		2,352,454	1,972,457
(Recovered from) provision for expected credit losses on direct credit facilities		7,277,411	(4,970,748)
(Recovered from) provision for expected credit losses on indirect credit facilities		279,036	(354,651)
Provision for (Recovered from) expected credit losses on investments		(50,846)	199,481
Provision expected credit losses on balances at banks and financial institutions		22,858	556,708
(Gain) on sale of financial assets at fair value through other comprehensive income – debt instruments		(7,420)	(26,030)
(Gain) on sale of financial assets through profit or loss		(803,597)	(458,608)
Provisions for seized assets		305,346	2,859,098
(Gain) loss on sale of seized assets		(415,348)	629,405
Amortisation of right of use assets		822,434	1,134,974
Net interest income		4,234,520	11,673,504
Sundry provisions		1,176,524	1,786,627
The effect of changes in exchange rates on cash and cash equivalents		(1,878)	(8,200)
Cash flows from operating activities before changes in assets and liabilities		66,053,565	76,833,108
Changes in assets and liabilities:			
Decrease (increase) in restricted cash balances and deposits		41,215,323	(20,277,931)
(Increase) deposits with maturities over 3 months		(10,635,000)	-
Decrease in direct credit facilities		3,910,471	60,726,087
Decrease (increase) in other assets		2,233,880	(21,895,333)
(Increase) decrease in financial assets at fair value through profit and loss		(921,929)	18,701,005
Increase (decrease) in customers deposits		54,715,276	(36,982,453)
(Decrease) increase in cash margins		(300,658)	1,269,946
(Decrease) in other liabilities directly attributable to assets held for sale		-	(195,019)
Increase (decrease) in other liabilities		6,258,120	(5,478,108)
Net change in assets and liabilities		96,475,483	(4,131,806)
Net cash flows from operating activities before income tax and paid provisions		162,529,048	72,701,302
Sundry provisions paid		(201,233)	(834,477)
Income tax paid		(32,788,378)	(8,339,051)
Net cash flows from operating activities		129,539,437	63,527,774
Cash flows from investing activities:			
(Increase) in financial assets at amortised cost		(138,162,111)	(138,348,456)
Equity directly attributable to assets held for sale		-	(420,035)
Decrease in assets held for sale		-	1,568,144
(Increase) in financial assets at fair value through other comprehensive income		(17,113,204)	(3,404,023)
(Increase) in property, equipment and intangible assets		(9,488,573)	(1,769,535)
Net cash flows used in investing activities		(164,763,888)	(142,373,905)
Cash flows from financing activities:			
Increase (decrease) in borrowed funds		16,162,124	(11,050,762)
Interest paid on perpetual bonds		(1,921,598)	(1,912,479)
Lease liabilities payments		(1,688,798)	(1,384,127)
Increase in foreign currency translation differences		-	437,108
Increase in non-controlling interest		-	19,742,456
Net cash flows used from financing activities		12,551,728	5,832,196
The effect of changes in exchange rates on cash and cash equivalents		1,878	8,200
Net (decrease) in cash and cash equivalents		(22,670,845)	(73,005,735)
Cash and cash equivalent - beginning of the period		1,381,939,331	1,356,581,140
Cash and cash equivalent - end of the period	18	1,359,268,486	1,283,575,405

The accompanying notes from (1) to (26) form part of these interim condensed consolidated financial statements



(1) GENERAL INFORMATION

Jordan Kuwait Bank was established as a Jordanian Public Shareholding Company under the registration number (108) on 25 October 1976 in accordance with the Jordanian Companies Law No. (13) for the year 1964. The Head Office of the Bank is located in Omayya Bin Abdshams Street, Abdali. Tel. (+962 6 5629400), P.O. Box (9776), Amman – (11191) Jordan. The Bank's 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.

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

Jordan Kuwait Bank is 50.927% owned by Al Rawabi United Holding Company - Kuwait and the financial statements of the Bank are consolidated within the consolidated financial statements of the 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 its meeting number (5/2025) held on 28 April 2025.

(2) MATERIAL ACCOUNTING POLICIES

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

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

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

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

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



JORDAN KUWAIT BANK
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NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS
31 MARCH 2025 (REVIEWED NOT AUDITED)

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 IFRS. Moreover, the results of the Bank's operations for the three-month period ended on 31 March 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 three -month period ended 31 March 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 and companies under its control. 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 subsidiaries 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 owns the following subsidiaries:

<u>Company Name</u>	<u>Paid in capital</u>	<u>Bank's ownership</u>	<u>Nature of operations</u>	<u>Location</u>	<u>Date of acquisition</u>
	<u>JD</u>	<u>%</u>			
Ejara Finance 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	162,366,412	53.44	Commercial Bank	Iraq	2023



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31 MARCH 2025 (REVIEWED NOT AUDITED)

- Non-controlling interest amounted to JD 195,402,662 as of 31 March 2025, against JD 178,012,917 as of 31 December 2024. Details are as follows:

	31 March 2025	31 December 2024
	JD	JD
Bank of Baghdad	195,018,119	177,295,247
United Financial Investments Company *	384,543	717,670
	195,402,662	178,012,917

- * During 2024, the decision to sell was canceled, and the investment in United Financial Investments Company was reclassified from assets held for sale to an investment in a subsidiary.

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).
- The Bank is exposed, or has 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:

- Contractual arrangements with holders of voting rights of others in the investee company.
- Rights arising from other contractual arrangements.
- The current voting rights and potential voting rights of the Group.

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.

The subsidiary's financial statements are consolidated from the date on which control is exercised until such control ceases. The revenues and expenses of the subsidiaries are consolidated in the consolidated statement of comprehensive income from the date the Bank took control of the subsidiaries until stopping that control.



Profits and losses and each item of other comprehensive income are charged to the equity holders of the parent company and the interests of the non-controlling ones even if this leads to a deficit in the balance of the non-controlling interests. If necessary, the financial statements of the subsidiaries are amended to bring their accounting policies in line with the accounting policies of the Bank. Assets, liabilities, equity, revenues, expenses, profits and losses relating to transactions between the Bank and its subsidiaries are eliminated.

The effect resulting from a change in the ownership interest in the subsidiary that does not result in a loss of control is recorded in equity. Upon losing control over the subsidiary, the group does the following:

- 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

In August 2023, the IASB issued amendments to IAS 21 The Effects of Changes in Foreign Exchange Rates to 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 will be effective for annual reporting periods beginning on or after 1 January 2025. Early adoption is permitted but will need to be disclosed. When applying the amendments, an entity cannot restate comparative information.

The amendments are not expected to have a material impact on the Group's interim condensed consolidated financial statements.



(3) USE OF ESTIMATES

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

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

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

- Expected credit losses

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

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

- Assessment of Significant Increase in Credit Risk:

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



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

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

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

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

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

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

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

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

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

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

Definition of default:

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



Exposure at default:

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

- Income tax

Income tax expenses represent accrued taxes and deferred taxes.

Income tax expenses are calculated 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, considering the ownership of the funds invested in these assets. 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:

	31 March 2025	31 December 2024
	JD	JD
	(Reviewed not audited)	(Audited)
Cash in vaults	378,846,390	265,270,359
Balances at Central Banks		
Current and demand accounts	582,116,651	696,387,329
Term, notice deposits and certificate of deposits	42,900,000	-
Statutory cash reserve	362,842,994	403,480,464
Total balances at Central Banks	987,859,645	1,099,867,793
Less: Expected credit losses on balances at foreign Central Banks *	31,274,102	31,274,102
Net balances at Central Banks	956,585,543	1,068,593,691
Total	1,335,431,933	1,333,864,050

- Restricted reserves at the Central Bank of Iraq amounted to JD 238,259,945 as of 31 March 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, respectively as of 31 March 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.

(5) BALANCES AT BANKS AND FINANCIAL INSTITUTIONS

The details of this item are as follows:

	31 March 2025	31 December 2024
	JD	JD
	(Reviewed not audited)	(Audited)
Current and demand accounts	270,668,449	306,849,131
Deposits maturing within 3 months or less	48,693,095	54,318,727
Deposits maturing more than 3 months	10,635,000	-
Total	329,996,544	361,167,858
Less: Expected credit losses on balances at banks and financial institutions	5,794,550	5,771,692
Net total balances at banks and financial institutions	324,201,994	355,396,166



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- Non-interest-bearing balances at banks and financial institutions amounted to JD 243,022,944 as of 31 March 2025 (JD 251,350,444 as of 31 December 2024).
- Restricted balances amounted to JD 9,565,554 as of 31 March 2025 (JD 9,543,454 as of 31 December 2024).

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

The details of this item are as follows:

	31 March 2025	31 December 2024
	JD	JD
	(Reviewed not audited)	(Audited)
Quoted financial assets:		
Quoted shares in active markets	5,132,944	3,452,085
Quoted bonds in active markets	3,531,564	3,486,897
Total financial assets through profit or loss	8,664,508	6,938,982

- There were no realized gains or losses resulting from the sale of financial assets at fair value through profit or loss for the period ended 31 March 2025, while there was a gain in the amount of JD 401,900 for the period ended 31 March 2024, which was recorded in the interim condensed consolidated statement of income.
- The unrealized gain from the valuation of shares at fair value through profit or loss amounted to JD 803,597 for the three months ended 31 March 2025, which was recorded in the interim condensed consolidated statement of income against a gain of JD 56,708 for the three months ended 31 March 2024.
- There were no cash dividends on the financial assets at fair value through profit or loss investments for the three months ended 31 March 2025 and 31 March 2024 which were recorded in the interim condensed consolidated statement of income.



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

The details of this item are as follows:

	31 March 2025	31 December 2024
	JD	JD
	(Reviewed not audited)	(Audited)
Quoted shares in active markets	26,512,886	26,714,208
Unquoted shares in active markets	62,242,445	57,279,384
Total Shares (equity instruments)	88,755,331	83,993,592
Quoted bonds in active markets	53,993,877	40,907,600
Total Bonds (debt instruments)	53,993,877	40,907,600
Total financial assets through other comprehensive income	142,749,208	124,901,192
Analysis of bonds and bills:		
Fixed rate	53,993,877	40,907,600

- Realized profit for the sale of investments at fair value through other comprehensive income (debt instruments) sold during the period ended amounted to a gain of JD 7,420 for the three months ended 31 March 2025 (JD 26,030 for the three months ended 31 March 2024), which were recorded directly in the interim condensed consolidated statement of income.
- Cash dividends from the financial assets at fair value through other comprehensive income amounted to JD 169,250 for the three months ended 31 March 2025 (JD 259,531 for the period ended 31 March 2024).
- Total expected credit losses on debt instruments at fair value through other comprehensive income amounted to JD 156,910 for the period ended 31 March 2025 (JD 150,531 as of 31 December 2024). These credit losses are recorded in the fair value reserve within the interim condensed consolidated statement of changes in equity.



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(8) DIRECT CREDIT FACILITIES – NET

The details of this item are as follows:

	31 March 2025	31 December 2024
	JD	JD
	(Reviewed not audited)	(Audited)
Individuals (Retail):		
Overdraft accounts	61,954	113,416
Loans and promissory notes*	386,139,741	390,678,114
Credit cards	13,815,188	14,908,703
Real estate mortgage	212,461,049	259,488,022
Corporates:		
Large corporates		
Overdraft accounts	132,367,659	119,672,878
Loans and promissory notes*	1,123,342,423	1,162,122,787
Small and medium enterprises		
Overdraft accounts	21,603,160	20,887,399
Loans and promissory notes*	142,340,326	131,420,355
Government and public sector	191,365,238	160,136,731
Total	2,223,496,738	2,259,428,405
Less: Provision for expected credit losses	199,335,109	214,864,878
Less: Interest in suspense	33,445,839	42,659,855
Net direct credit facilities	1,990,715,790	2,001,903,672

* Net after deducting interest and commission received in advance amounted to JD 619,870 as of 31 March 2025 (against JD 695,943 as of 31 December 2024).

- Credit facilities within stage 3 amounted to JD 171,517,294 which is equivalent to 7.71% of the total direct credit facilities as of 31 March 2025 (against JD 187,101,876 which is equivalent to 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 141,909,797 which is equivalent to 6.48% of total direct credit facilities balance after deducting interest and commission in suspense as of 31 March 2025 (JD 151,563,439 which is equivalent to 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 107,076,751 which is equivalent to 4.82% of the total direct credit facilities as of 31 March 2025 (JD 85,694,501 which is equivalent to 3.79% of the total direct credit facilities as of 31 December 2024).



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- The movement on direct credit facilities balance on a collective basis as at the end of period / year is as follows:

Item	Stage 1		Stage 2		Stage 3	31 March	31 December
	Individual	Collective	Individual	Collective	Collective	2025	2024
	JD	JD	JD	JD	JD	JD	JD
						(Reviewed not audited)	(Audited)
Balance at the beginning of the period / year	1,766,630,435	-	305,696,094	-	187,101,876	2,259,428,405	2,236,655,240
New facilities granted during the period / year	61,842,740	-	142,867	-	220,232	62,205,839	238,996,674
Facilities settled through the period / year	(19,599,365)	-	(3,347,471)	-	(31,973,859)	(54,920,695)	(112,783,253)
Transferred to stage 1	7,126,866	-	(6,615,125)	-	(511,741)	-	-
Transferred to stage 2	(11,405,731)	-	12,902,524	-	(1,496,793)	-	-
Transferred to stage 3	(3,259,718)	-	(49,675,289)	-	52,935,007	-	-
The total impact on the size of exposures resulting from the change in reclassification between stages.	(40,575)	-	(991,261)	-	204,316	(827,520)	(369,355)
Changes resulting from adjustments	(6,766,759)	-	(660,788)	-	(359,039)	(7,786,586)	(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)	-	-	-	-	(34,602,705)	(34,602,705)	(34,579,402)
Balance at the end of the period / year	1,794,527,893	-	257,451,551	-	171,517,294	2,223,496,738	2,259,428,405



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- The movement on the provision for expected credit losses on direct credit facilities on a collective basis is as follows:

Item	Retail JD	Real estate JD	Corporates		Government and public sector JD	31 March 2025	31 December 2024
			Large JD	SMEs JD		JD (Reviewed not audited)	JD (Audited)
Balance at the beginning of the period/ year	50,607,345	21,917,375	130,103,274	11,948,348	288,536	214,864,878	195,406,591
Provision during the period/ year	86,656	60,132	835,569	155,108	-	1,137,465	17,654,151
Provision recovered (surplus) during the period/ year	(703,375)	(1,545,222)	(159,478)	(177,332)	-	(2,585,407)	(16,541,869)
The total impact on the size of exposures resulting from the change in reclassification between stages.	1,075,373	174,231	1,223,417	169,186	-	2,642,207	32,684,798
Changes resulting from adjustments	(2,318,265)	624,034	5,588,294	2,132,603	56,480	6,083,146	9,755,883
Effect from reclassification of assets held for sale	-	-	-	-	-	-	4,103,715
Provisions written off and transferred to off balance sheet	(978,286)	(5,540,856)	(15,472,549)	(815,489)	-	(22,807,180)	(28,198,391)
Balance at the end of the period/ year	47,769,448	15,689,694	122,118,527	13,412,424	345,016	199,335,109	214,864,878
Stage 1	10,631,633	1,933,687	9,210,933	1,775,601	345,016	23,896,870	22,129,229
Stage 2	2,356,947	8,308,026	55,381,582	2,961,835	-	69,008,390	72,253,016
Stage 3	34,780,868	5,447,981	57,526,012	8,674,988	-	106,429,849	120,482,633
Total	47,769,448	15,689,694	122,118,527	13,412,424	345,016	199,335,109	214,864,878

During the first quarter 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 34,602,705 (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 31 March 2025 amounted to JD 235,427,571 (2024: JD 211,764,511). The cash collections made from bad debts over the previous years until 2025 amounted to JD 10,939,645.



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- The movement on the provision for expected credit losses on direct credit facilities on collective basis during the period/ year is as follows:

A- Based on economic sectors:

	<u>Corporates</u>				<u>Government and public sector</u>	<u>Total</u>
	<u>Retail</u>	<u>Real estate</u>	<u>Large</u>	<u>SMEs</u>		
	<u>JD</u>	<u>JD</u>	<u>JD</u>	<u>JD</u>	<u>JD</u>	<u>JD</u>
For the three months ended 31 March 2025 (Reviewed not audited)						
Balance at the beginning of the period	50,607,345	21,917,375	130,103,274	11,948,348	288,536	214,864,878
Provision during the period	86,656	60,132	835,569	155,108	-	1,137,465
Recoveries from expected credit losses on settled facilities during the period	(703,376)	(1,545,221)	(159,478)	(177,332)	-	(2,585,407)
Transferred to stage 1	492,670	(57,113)	(387,698)	9,779	-	57,638
Transferred to stage 2	49,462	(4,277,624)	(4,447,719)	(14,621)	-	(8,690,502)
Transferred to stage 3	(542,131)	4,334,736	4,835,417	4,842	-	8,632,864
The total impact on impairment loss resulting from the change in classification between stages.	1,075,373	174,231	1,223,417	169,186	-	2,642,207
Changes resulting from adjustments	(2,318,265)	624,034	5,588,294	2,132,603	56,480	6,083,146
Provisions written off and transferred to off balance sheet	(978,286)	(5,540,856)	(15,472,549)	(815,489)	-	(22,807,180)
Balance at the end of the period	47,769,448	15,689,694	122,118,527	13,412,424	345,016	199,335,109
<u>Re-allocation:</u>						
Provisions on an individual basis	47,769,448	15,689,694	122,118,527	13,412,424	345,016	199,335,109
Provisions on a collective basis	-	-	-	-	-	-



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	Corporates				Government and public sector	Total
	Retail	Real estate	Large	SMEs		
	JD	JD	JD	JD	JD	JD
For the year ended 31 December 2024 (Audited)						
Balance at the beginning of the year	31,618,249	16,679,807	136,826,371	9,970,779	311,385	195,406,591
Expected credit losses on new facilities during the year	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 year	(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)
Balance at the end of the year	50,607,345	21,917,375	130,103,274	11,948,348	288,536	214,864,878
Re-allocation:						
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	-	-	-	-	-	-



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B- Based on stage:

	Stage 1 Individuals	Stage 2 Individuals	Stage 3	Total
	JD	JD	JD	JD
For the three months ended 31 March 2025 (Reviewed not audited)				
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	1,038,833	2,962	95,670	1,137,465
Facilities settled during the period	(205,757)	(29,779)	(2,349,871)	(2,585,407)
Transferred to stage 1	748,663	(309,804)	(438,859)	-
Transferred to stage 2	(271,295)	614,915	(343,620)	-
Transferred to stage 3	(419,731)	(8,995,611)	9,415,342	-
The total impact on impairment loss resulting from the change in classification between stages	(668,092)	511,856	2,798,443	2,642,207
Changes resulting from adjustments	1,545,020	4,960,835	(422,709)	6,083,146
Provisions written off and transferred to off balance sheet	-	-	(22,807,180)	(22,807,180)
Balance at the end of the period	23,896,870	69,008,390	106,429,849	199,335,109

	Stage 1 Individuals	Stage 2 Individuals	Stage 3	Total
	JD	JD	JD	JD
For the year ended 31 December 2024 (Audited)				
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)
Balance at the end of the year	22,129,229	72,253,016	120,482,633	214,864,878



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Economic And Geographic Distribution:

The movement on the direct credit facilities balance according to economic and geographic basis is as follows:

	31 March 2025			31 December
	(Reviewed no audited)			2024
	Inside Jordan	Outside Jordan	Total	(Audited)
	JD	JD	JD	Total
				JD
Financial	113,731,453	125,423,689	239,155,142	230,620,418
Industrial	224,201,181	35,431,547	259,632,728	259,065,111
Trading	325,585,127	76,324,628	401,909,755	418,236,675
Real estate	182,497,443	41,622,124	224,119,567	257,870,553
Agriculture	25,005,785	1,291,502	26,297,287	26,014,867
Shares	6,767,808	-	6,767,808	8,177,934
Individual	226,274,473	65,928,147	292,202,620	301,471,149
Government and public sector	191,604,840	-	191,604,840	159,848,184
Services	315,323,051	33,702,992	349,026,043	340,598,781
Total	1,610,991,161	379,724,629	1,990,715,790	2,001,903,672



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Interest in Suspense

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

	Corporates				
				Small and	
	Retail	Real estate	Large	medium	Total
	JD	JD	JD	JD	JD
For the three months ended 31 March 2025					
(Reviewed not audited)					
Balance at the beginning of the period	7,853,063	6,208,463	27,200,454	1,397,875	42,659,855
Add: Interest suspended during the period	-	-	379,181	1,574	380,755
Less: Interest transferred to income	(100,589)	(137,218)	(9,435)	(23,300)	(270,542)
The total impact on interest in suspense resulting from the change in classification between stages	4,550	3,087	341,363	12,953	361,953
The impact on interest in suspense resulting from adjustments	523,848	125,637	1,393,273	66,585	2,109,343
Interest in suspense transferred off-the statement of financial position	(445,357)	(4,780,592)	(6,330,317)	(239,259)	(11,795,525)
Balance at the end of the period	7,835,515	1,419,377	22,974,519	1,216,428	33,445,839
For the year ended on 31 December 2024					
(Audited)					
Balance at the beginning of the year	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
Balance at the end of the year	7,853,063	6,208,463	27,200,454	1,397,875	42,659,855



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(9) FINANCIAL ASSETS AT AMORTIZED COST

The details of this item are as follows:

	31 March 2025	31 December 2024
	JD (Reviewed not audited)	JD (Audited)
Financial assets with available market prices:		
Foreign government bills and treasury bonds	99,350,191	110,395,801
Corporate loans bonds	1,418,000	1,418,000
Total financial assets with available market price	100,768,191	111,813,801
Expected credit losses against financial assets at amortised cost	(15,281,360)	(15,745,080)
Net financial assets with available market prices	85,486,831	96,068,721
Financial assets with no available market prices:		
Bills and treasury bonds*	1,473,051,743	1,324,269,386
Corporate loans bonds	17,833,600	17,833,600
Total financial assets with no available market prices	1,490,885,343	1,342,102,986
Expected credit losses against financial assets at amortised cost	(4,163,971)	(4,182,840)
Net financial assets with no available market prices	1,486,721,372	1,337,920,146
Total	1,572,208,203	1,433,988,867
Analysis financial bonds:		
With fixed rate	1,584,491,934	1,446,755,187
With floating rate	7,161,600	7,161,600
Total	1,591,653,534	1,453,916,787

- There are no loss or gain resulted from the sale of bonds at amortized cost during the period ended 31 March 2025 and 31 December 2024.
- During the year 2025, financial assets at amortized cost were written off within the third stage and transferred off the statement of financial position in the amount of JD 425,364.

* Financial assets at amortized cost include government bonds in the amount of JD 100,024,786 as of 31 March 2025 (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 Bank.



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(10) RIGHT OF USE ASSETS AND LEASE LIABILITIES

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

	31 March 2025	31 December 2024
	JD	JD
	(Reviewed not audited)	(Audited)
Balance at the beginning of the period / year	11,301,228	12,559,364
Add: new contracts during the period / year	4,300,674	2,782,644
Less: depreciation during the period / year	822,434	4,040,780
Balance at the end of the period / year	14,779,468	11,301,228

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

	31 March 2025	31 December 2024
	JD	JD
	(Reviewed not audited)	(Audited)
Balance at the beginning of the period / year	12,307,675	12,791,946
Add: interest expense	291,729	1,253,308
Add: new contracts during the period / year	4,300,674	2,782,644
Less: Settled liabilities	1,980,527	4,520,223
Balance at the end of the period / year	14,919,551	12,307,675

(c) Analysis of due payments:

	For the period ended 31 March 2025	
	1-3 Years	Over 3 Years
	JD	JD
Lease liabilities	1,193,564	13,725,987

The Bank has elected to apply the exemption available under the standard, which is not recognizing right-of-use assets that are short-term and low in value.



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(11) OTHER ASSETS

The details of this item are as follows:

	31 March 2025	31 December 2024
	JD	JD
	(Reviewed not audited)	(Audited)
Accrued interest and revenues*	45,975,685	51,942,322
Prepaid expenses	9,383,290	6,476,547
Assets seized by the Bank in settlement of debts, net **	114,931,786	114,355,120
Clearing cheques	1,703,408	435,009
Debtors, net	2,133,666	6,259,473
Others	21,702,988	24,452,867
Total	195,830,823	203,921,338

* Accrued interest balance is shown at net after deducting suspended interest amount of JD 3,749,802 as of 31 March 2025 and as of 31 December 2024.

- Items of debtors, seized assets and other assets include balances related to subsidiaries in the amount of JD 21,327,141 as of 31 March 2025 (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:

	Seized real-estate	Other seized assets*	Total
	JD	JD	JD
For the three months ended on 31 March 2025			
(Reviewed not audited)			
Balance at the beginning of the period – net	113,602,650	752,470	114,355,120
Additions	1,825,813	-	1,825,813
Disposals **	(943,801)	-	(943,801)
(Provision) on seized assets	-	(305,346)	(305,346)
Balance at the end of the period	114,484,662	447,124	114,931,786

For the year ended on 31 December 2024
(Audited)

Balance at the beginning of the year – net	102,841,879	447,121	103,289,000
Additions	20,309,720	1,372,800	21,682,520
Disposals	(11,815,069)	-	(11,815,069)
Additions from assets held for sale	4,057,767	-	4,057,767
(Provision) on seized assets	(1,791,647)	(1,067,451)	(2,859,098)
Balance at the end of the year	113,602,650	752,470	114,355,120

* This balance represents seized shares and machinery against due debts.



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- 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.

****Gain on sale of seized assets amounted to JD 415,348 for the period ended 31 March 2025, which was recorded within other income, against a loss amounted to JD 629,405 recorded within other expenses for the period ended 31 March 2024.**

(12) GREEN BONDS

During the first quarter of 2023, the Bank signed an 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. Below are the details as of 31 March 2025:

	Amount	Interest rate
<u>31 March 2025 (Reviewed not audited)</u>	<u>JD</u>	
Green Bond (1)	2,836,000	6.42%
Green Bond (2)	7,090,000	6.42%
Green Bond (3)	25,524,000	7.97%
	<u>35,450,000</u>	

- Unpaid accrued interest is recorded within other liabilities.

(13) INCOME TAX

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

	31 March 2025	31 December 2024
	(Reviewed not audited)	(audited)
Jordan branches	38%	38%
Cyprus branch	12.5%	12.5%
Subsidiaries in Jordan	21% - 28%	21% - 28%
Bank of Baghdad	15%	15%



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B. Tax Status

Branches / subsidiaries	tax-assessment report submitted up to the end of the year	Final clearance until the end of the year	Payment to the Tax Authorities	Disputed years
Jordan Branches	2024	2020	Accrued tax has been paid	None
Cyprus Branch	2024	2019	Accrued tax has been paid	None
Ejara Finance Leasing Company	2024	2020	Accrued tax has been paid	None
Bank of Baghdad	2024	2023	Accrued tax has been paid	None
United Financial Investments Company	2024	2021	Accrued tax has been paid	None

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

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:

	31 March 2025 JD (Reviewed not audited)	31 December 2024 JD (Audited)
Balance at the beginning of the period / year	38,791,779	32,640,476
Accrued income tax expense	6,346,214	40,722,143
Transferred from liabilities against assets held-for-sale	-	178,170
Income tax paid during the period / year	(32,788,378)	(34,749,010)
Balance at the end of the period / year	12,349,615	38,791,779



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(14) OTHER LIABILITIES

	31 March 2025	31 December 2024
	JD	JD
	(Reviewed not audited)	(Audited)
Accrued interest	24,802,563	26,534,680
Inward transfers	3,526,001	3,462,854
Accounts payable	1,637,661	1,605,904
Amounts for registering companies – subsidiary	2,566,749	5,552,072
Obligations for ATM services – subsidiary	2,791,016	472,088
Accrued expenses	3,429,660	5,213,296
Temporary deposits (a)	12,265,592	9,304,745
Temporary deposits - customers	14,706,914	8,702,921
Shareholders' deposits	6,282,881	6,689,151
Accepted and certified checks	12,762,242	12,365,810
Vaults insurance	595,075	576,894
Subscription deposits (b)	52,215	53,775
Expected credit losses against indirect facilities (note 21)	14,620,113	14,341,077
Additional provisions – deferred installments *	1,685,000	1,685,000
Additional provisions – subsidiary	1,188,272	1,188,272
Other liabilities	12,352,444	12,246,613
Total	115,264,398	109,995,152

(a) This item represents temporary deposits for public shareholding companies and others.

(B) This amount represents proceeds from subscription refunds in public shareholding companies under establishment.

(15) NET COMMISSION INCOME

The details of net commission income are as follows:

	For the three months ended on 31 March	
	2025	2024
	JD	JD
	(Reviewed not audited)	(Reviewed not audited)
Commission on direct credit facilities	1,532,600	1,803,853
Commission on indirect credit facilities	2,767,040	1,792,122
Commission on bank transfers	16,945,302	25,063,039
Other commissions	4,790,479	7,626,352
Total	26,035,421	36,285,366



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(16) GAIN FROM FOREIGN CURRENCIES

The details of this item are as follows:

	For the three months ended on 31 March	
	2025	2024
	JD	JD
	(Reviewed not audited)	(Reviewed not audited)
Results from trading/ transaction	20,748,372	16,237,689
Gain (loss) resulting from valuation	1,878	(8,200)
Total	20,750,250	16,229,489

**(17) EARNINGS PER SHARE FROM PROFIT OF THE PERIOD ATTRIBUTABLE TO BANK'S
SHAREHOLDERS (BASIC AND DILUTED)**

The details of this item are as follows:

	For the three months ended on 31 March	
	2025	2024
	JD	JD
	(Reviewed not audited)	(Reviewed not audited)
Profit for the period attributable to the Bank's shareholders	25,617,121	30,630,093
Weighted average number of shares	Share	Share
	150,000,000	150,000,000
	JD/ Fils	JD/ Fils
Earnings per share from profit for the period	0.171	0.204

- 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.



(18) CASH AND CASH EQUIVALENTS

The details of this item are as follows:

	31 March 2025	31 March 2024
	JD	JD
	(Reviewed not audited)	(Reviewed not audited)
Cash and balances at Central Banks due within three months	1,097,171,988	883,030,632
Add: Balances at banks and financial institutions due within three months	313,566,994	430,162,570
Less: Deposits at banks and financial institutions due within three months	41,904,942	20,906,035
Restricted balances	9,565,554	8,711,762
Balance at the end of the period	<u>1,359,268,486</u>	<u>1,283,575,405</u>

(19) 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 Bank of Baghdad, as well as two subsidiaries specialized in finance leasing, brokerage and financial investments and one of those subsidiaries owns two companies specialized in brokerage and financial advisory services as of the interim condensed consolidated financial statements:

- Retail accounts: Includes handling individual customers' deposits, and providing credit facilities, credit cards and other services.
- Corporate accounts: Includes handling deposits, credit facilities, and other banking services related to corporates' customers.
- Treasury: Includes providing trading and treasury services and the management of the Bank's fund.
- Others: Includes activities not applicable to the definition of the Bank's above-mentioned segment.



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

	Retail	Corporates	Treasury	Others	Total	
					For the period ended 31 March	
					2025	2024
	JD	JD	JD	JD	JD (Reviewed not audited)	JD (Reviewed not audited)
Gross income	14,366,726	41,513,366	14,844,094	19,490,120	90,214,306	85,680,597
Less: Expected credit losses / released	(2,546,436)	9,823,847	251,048	-	7,528,459	(4,569,210)
Results of the segment's business	16,913,162	31,689,519	14,593,046	19,490,120	82,685,847	90,249,807
Less: Expenses not distributed on segments	-	-	-	31,823,776	31,823,776	28,410,716
Profit for the period before income tax	16,913,162	31,689,519	14,593,046	(12,333,656)	50,862,071	61,839,091
Less: Income tax expense for the period	-	-	-	7,775,775	7,775,775	12,036,167
Net income the period	16,913,162	31,689,519	14,593,046	(20,109,431)	43,086,296	49,802,924
Other information						
Capital expenditures				9,488,573	9,488,573	1,769,535
Depreciation and amortization				2,352,454	2,352,454	1,972,457
					Total	
					31 March 2025	31 December 2024
					JD	JD
					(Reviewed not audited)	(Audited)
Total segment assets	539,763,898	1,450,951,892	3,383,255,846	374,707,292	5,748,678,928	5,630,325,862
Total segment liabilities	1,595,660,899	2,619,158,831	428,155,380	178,113,668	4,821,088,778	4,744,195,778



2- Geographical distribution information:

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

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

	Inside the Kingdom		Outside the Kingdom		Total	
	For the period ended on 31 March		For the period ended on 31 March		For the period ended on 31 March	
	2025	2024	2025	2024	2025	2024
	JD (Reviewed not audited)	JD (Reviewed not audited)	JD (Reviewed not audited)	JD (Reviewed not audited)	JD (Reviewed not audited)	JD (Reviewed not audited)
Gross income	37,829,295	43,264,004	52,385,011	42,416,593	90,214,306	85,680,597
Capital expenditures	3,072,649	1,321,704	6,415,924	447,831	9,488,573	1,769,535

	Inside the Kingdom		Outside the Kingdom		Total	
	31 March 2025	31 December 2024	31 March 2025	31 December 2024	31 March 2025	31 December 2024
	JD (Reviewed not audited)	JD (Audited)	JD (Reviewed not audited)	JD (Audited)	JD (Reviewed not audited)	JD (Audited)
Total assets	3,657,898,860	3,596,556,316	2,090,780,068	2,033,769,546	5,748,678,928	5,630,325,862



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(20) TRANSACTIONS WITH RELATED PARTIES

The Bank engaged in transactions with the subsidiaries, major shareholders', sister companies, board of directors, and executive management within the normal banking practice and according to the normal interest rates and commercial commissions. All the credit facilities granted to related parties are considered acceptable risks and classified as stage 1 as of 31 March 2025.

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	Foreign Branches	Others*	Total	
							31 March 2025	31 December 2024
	JD	JD	JD	JD	JD	JD	JD (Reviewed not audited)	JD (Audited)
Interim condensed consolidated statement of financial position Items:								
Direct credit facilities	39,492,492	680,587	774,921	4,484,170	-	-	45,432,170	45,753,203
Deposits from banks and financial institutions	1,375,670	-	3,274,944	-	138,132,770	-	142,783,384	136,094,190
Customers' deposits	37,568	105,147,823	3,553,702	1,133,202	-	162,229	110,034,524	110,020,205
Deposits at banks and financial institutions	10,635,000	-	-	-	185,070,574	270,853	195,976,427	198,643,861
Cash margins	-	-	-	11,204	-	14,825	26,029	25,929
Financial assets at fair value through comprehensive income	24,815,000	-	-	-	-	40,073,039	64,888,039	64,861,240
Right of use assets	-	213,450	-	-	-	-	213,450	107,340
Lease liabilities	-	270,736	-	-	-	-	270,736	197,438
Financial assets at amortised cost / borrowed funds	-	100,024,786	-	-	-	-	100,024,786	80,032,977
Off Interim condensed consolidated statement of financial position Items:								
Letters of guarantee	4,010,850	-	1,049,858	-	-	148,500	5,209,208	5,369,928
Letters of credit	115,709	-	1,007,590	-	-	3,828,600	4,951,899	8,033,300
							For the three months ended 31 March	
							2025	2024
							JD (Reviewed not audited)	JD (Reviewed not audited)
Interim condensed consolidated statement of income items:								
Interest and commissions income **	828,925	613	4,087	4,889	1,991,075	-	2,829,589	1,832,561
Interest and commission expense ***	-	1,786,262	1,372	2,033	1,956,595	-	3,746,262	4,108,451
Amortisation of right of use assets	-	10,842	-	-	-	-	10,842	12,993
Interest on lease liability	-	3,977	-	-	-	-	3,977	5,194
Cash dividends from financial assets through comprehensive income	-	-	-	-	-	-	-	259,531
Subsidiaries managerial agreement	-	-	1,911,286	-	-	-	1,911,286	-
Operating expense	-	-	85,250	-	-	-	85,250	228,541
Management agreement	-	-	21,648	-	-	-	21,648	-



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- Transactions with subsidiaries and foreign branches are eliminated and are presented only for disclosure purposes.

* Included in the direct credit facilities granted to the members of the Board of Directors and executive management an amount of JD 929,635 which is related to the Board of Directors of Ejara Finance Leasing Company (a subsidiary) as of 31 March 2025,

* Represents companies which the Bank has the right to vote on its Boards of Directors.

** Interest expense rates range from 1.75% to 10.75%.

*** Interest income rates range from 0.001% to 7.5%.

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

The salaries of the Bank's executive management and its subsidiaries amounted to JD 903,751 during the three months ended 31 March 2025 against JD 1,887,948 for the same period of the year 2024.

(21) CONTINGENT COMMITMENTS AND LIABILITIES

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

	31 March 2025	31 December 2024
	JD	JD
	(Reviewed not audited)	(Audited)
(A) Letters of credits, guarantees and acceptances		
Letters of credit	44,699,893	41,289,686
Guarantees:		
Payment	164,101,971	159,162,580
Performance	101,221,606	103,510,961
Others	43,751,718	46,005,528
Acceptances	60,753,252	42,103,788
Total	414,528,440	392,072,543
(B) Other commitments and contingent liabilities		
Unutilised direct credit facilities limits	329,448,371	340,813,754
Unutilised indirect credit facilities limits	144,511,515	133,956,554
Total	473,959,886	474,770,308
Total indirect facilities	888,488,326	866,842,851
Provision for expected credit losses	14,620,113	14,341,077
Total indirect facilities – net	873,868,213	852,501,774



(22) LAWSUITS AGAINST THE BANK

Legal cases filed against the Bank and its subsidiaries (Bank of Baghdad) amounted to JD 24,818,305 as of 31 March 2025, against 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 5,516,185 as of 31 March 2025 against JD 5,221,185 as of 31 December 2024.

Legal cases filed against customers of Ejara Finance Leasing Company amounted to JD 9,524 as of 31 March 2025 against JD 44,554 as of 31 December 2024. According to the legal advisor, the Company has no legal obligations related to these lawsuits.

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

(23) DISTRIBUTED DIVIDENDS

The General Assembly recommended the distribution of cash dividends to shareholders of 12% of the total paid-in capital and from the voluntary reserve, which is equivalent to JD 18 million for the results of the year 2024. This proposed distribution is subject to the approval of the General Assembly which will be held on 28 April 2025.

The Bank's General Assembly, approved in its meeting held on 25 April 2024, the recommendation of the Board of Directors to distribute cash dividends of 8% equivalent to JD 12 million from the voluntary reserve account.

(24) PERPETUAL BONDS

During the first quarter of the year 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, interest expense amounting to JD 1,921,598 was recorded against JD 1,912,479 for the period ended 31 March 2024, which was recorded directly from retained earnings in the interim condensed consolidated statement of changes in equity.



(25) 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.

(26) FAIR VALUE HIERARCHY

A. The Fair Value of Financial Assets and Financial Liabilities of the Bank Specified at Fair Value on an Ongoing Basis:

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

Financial assets	Fair value 31 March 2025 JD (Reviewed not audited)	Fair value 31 December 2024 JD (Audited)	Fair value level	Valuation method and inputs used	Significant intangible inputs	Relationship between fair value and significant intangible inputs
Financial assets at fair value through profit and loss:						
Shares with available market prices	5,132,944	3,452,085	Level 1	Quoted prices in financial markets	Not applicable	Not applicable
Bonds with available market prices	3,531,564	3,486,897	Level 1	Quoted prices in financial markets	Not applicable	Not applicable
Financial assets at fair value through other comprehensive income:						
Shares with available market prices	26,512,886	26,714,208	Level 1	Quoted prices in financial markets	Not applicable	Not applicable
Shares with no available market prices	62,242,445	57,279,384	Level 2	Quoted prices in financial markets and comparison of similar financial instruments and discounted dividends model	Not applicable	Not applicable
Bonds listed in active markets	53,993,877	40,907,600	Level 1	Quoted prices in financial markets	Not applicable	Not applicable
Total	151,413,716	131,840,174				

There were no transfers between level 1 and level 2 during the three months ended 31 March 2025.



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 interim condensed consolidated financial statements approximate their fair values because the Bank's management believes that the carrying amount of the items below is approximately equivalent to their fair value due to their short-term maturities, or their interest rates are re-priced during the year.

	31 March 2025		31 December 2024		Fair value level
	Book value	Fair value	Book value	Fair value	
	JD	JD	JD	JD	JD
	(Reviewed not audited)	(Reviewed not audited)	(Audited)	(Audited)	
Financial assets with non-specified fair value:					
Balances at central banks	956,585,543	956,961,252	1,068,593,691	1,069,018,159	Level 2
Balances at banks and financial institutions	324,201,994	325,743,658	355,396,166	357,137,904	Level 2
Direct financial facilities, net	1,990,715,790	2,024,059,943	2,001,903,672	2,039,575,166	Level 2
Financial assets at amortised cost, net	1,572,208,203	1,582,922,363	1,433,988,867	1,446,093,490	Level 1&2
Total financial assets with non-specified fair value	4,843,711,530	4,889,687,216	4,859,882,396	4,911,824,719	
Financial liabilities with non-specified fair value					
Banks and financial institutions deposits	68,084,942	69,896,999	44,504,263	46,442,867	Level 2
Customers' deposits	4,028,856,920	4,047,780,083	3,974,141,644	3,994,386,328	Level 2
Cash margin	153,892,141	155,395,423	154,192,799	155,801,064	Level 2
Borrowed funds	362,657,185	364,808,619	346,495,061	348,796,743	Level 2
Green bonds	35,450,000	35,862,628	35,450,000	35,891,444	Level 2
Total financial liabilities with non-specified fair value	4,648,941,188	4,673,743,752	4,554,783,767	4,581,318,446	

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