

ARAB BANK GROUP
(PUBLIC SHAREHOLDING LIMITED COMPANY)
AMMAN - THE HASHEMITE KINGDOM OF JORDAN

CONDENSED CONSOLIDATED INTERIM FINANCIAL INFORMATION
FOR THREE MONTHS ENDED MARCH 31, 2024
TOGETHER WITH THE REVIEW REPORT

ARAB BANK GROUP
AMMAN - THE HASHEMITE KINGDOM OF JORDAN
FOR THE THREE MONTHS PERIOD ENDED MARCH 31, 2024

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Report on the Review of the Condensed Consolidated Interim Financial Information

AM / 6631

To the Chairman and Members of the Board of Directors
Arab Bank Group
(A Public Shareholding Limited Company)
Amman – The Hashemite Kingdom of Jordan

Introduction

We have reviewed the accompanying condensed consolidated interim statement of financial position for Arab Bank Group (A Public Shareholding Limited Company) as of March 31, 2024, and the related condensed consolidated interim statements of profit or loss and comprehensive income, changes in owners' equity and cash flows for the three-month period then ended, and a summary of significant accounting policies and other explanatory notes. Management is responsible for preparation and fair presentation of interim financial information in accordance with International Accounting Standard 34 Interim Financial Reporting. Our responsibility is to express a conclusion on this condensed consolidated interim financial information based on our review.

Scope of Review

We conducted our review in accordance with 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 condensed consolidated interim financial information is not prepared, in all material respects, in accordance with International Accounting Standard 34 Interim Financial Reporting.

Other Matters

- The accompanying condensed consolidated interim financial information are a translation of the condensed consolidated interim financial information in the Arabic language to which reference is to be made.

Amman – Jordan
April 28, 2024

Deloitte & Touche (M.E.) – Jordan

Deloitte & Touche (M.E.)

ديلويت أند توش (الشرق الأوسط)

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ARAB BANK GROUP
CONDENSED CONSOLIDATED INTERIM
STATEMENT OF FINANCIAL POSITION

	Notes	31 March 2024 (Reviewed not Audited)	31 December 2023 (Audited)
		USD '000	USD '000
<u>ASSETS</u>			
Cash and balances with central banks	4	12 735 831	13 250 460
Balances with banks and financial institutions	5	4 668 899	4 204 480
Deposits with banks and financial institutions	6	303 746	273 807
Financial assets at fair value through profit or loss	7	50 742	55 012
Financial derivatives - positive fair value		220 720	217 629
Direct credit facilities at amortized cost - net	9	33 179 014	33 158 248
Financial assets at fair value through other comprehensive income	8	756 340	759 038
Other financial assets at amortized cost	10	10 749 325	10 376 401
Investments in associates		3 837 449	3 848 257
Fixed assets	11	525 189	523 638
Other assets	12	1 398 826	1 363 343
Deferred tax assets		250 981	243 658
Total Assets		68 677 062	68 273 971
<u>LIABILITIES AND SHAREHOLDERS' EQUITY</u>			
Banks and financial institutions' deposits		4 371 720	3 295 702
Customers' deposits	13	47 017 325	47 811 253
Cash margin		2 781 631	2 813 487
Financial derivatives - negative fair value		158 412	197 538
Borrowed funds	14	503 553	509 809
Provision for income tax	15	303 855	337 202
Other provisions		238 226	244 694
Other liabilities	16	1 989 015	1 691 322
Deferred tax liabilities		16 671	16 113
Total Liabilities		57 380 408	56 917 120
<u>Equity</u>			
Share capital	17	926 615	926 615
Share premium		1 225 747	1 225 747
Statutory reserve	17	926 615	926 615
Voluntary reserve		977 315	977 315
General reserve		1 211 927	1 211 927
General banking risks reserve		153 030	153 030
Reserves with associates		1 540 896	1 540 896
Foreign currency translation reserve		(412 333)	(323 174)
Investments revaluation reserve		(352 034)	(333 110)
Retained earnings	19	3 819 063	3 846 009
Total Equity Attributable to the Shareholders of the Bank		10 016 841	10 151 870
Perpetual tier 1 capital bonds	18	629 870	629 870
Non-controlling interests		649 943	575 111
Total Shareholders' Equity		11 296 654	11 356 851
Total Liabilities and Shareholders' Equity		68 677 062	68 273 971

The accompanying notes from (1) to (34) form an integral part of these condensed consolidated interim financial information and should be read with them and with the review report.

ARAB BANK GROUP
CONDENSED CONSOLIDATED INTERIM STATEMENT OF PROFIT OR LOSS
(REVIEWED NOT AUDITED)

	Notes	For the Three-Months	
		Period Ended 31 March	
		2024	2023
		USD '000	USD '000
REVENUE			
Interest income	20	989 590	831 509
Less: interest expense	21	452 403	353 167
Net Interest Income		537 187	478 342
Net commission income	22	111 719	94 747
Net Interest and Commission Income		648 906	573 089
Foreign exchange differences		20 841	27 837
Gain from financial assets at fair value	23	2 035	1 159
Dividends from financial assets at fair value through other comprehensive income	8	482	4 203
Group's share of profits of associates		147 403	131 726
Other revenue - net	24	15 893	12 723
Total Income		835 560	750 737
EXPENSES			
Employees' expenses		188 516	172 095
Other expenses		115 151	99 755
Depreciation and amortization		31 136	21 473
Expected credit loss on financial assets		123 540	131 454
Other provisions		8 722	5 783
Total Expenses		467 065	430 560
Profit for the Period before Income Tax		368 495	320 177
Less: Income tax expense	15	115 676	103 879
Profit for the Period		252 819	216 298
<u>Attributable to :</u>			
- Bank's shareholders		244 102	208 513
- Non-controlling interests		8 717	7 785
Total		252 819	216 298
Earnings per share attributable to the Bank's shareholders			
- Basic and Diluted (US Dollars)	31	0.38	0.33

The accompanying notes from (1) to (34) form an integral part of these condensed consolidated interim financial information and should be read with them and with the review report.

ARAB BANK GROUP
CONDENSED CONSOLIDATED INTERIM STATEMENT OF COMPREHENSIVE INCOME
(REVIEWED NOT AUDITED)

	For the Three-Months	
	Period Ended 31 March	
	2024	2023
	USD '000	USD '000
Profit for the period	252 819	216 298
Add: Other comprehensive income items - after tax		
Items that will be subsequently transferred to profit or loss		
Exchange differences arising from the translation of foreign currencies	(90 681)	16 617
Revaluation (loss) gain on financial assets at fair value through other comprehensive income	(2 810)	2 608
Items that will not be subsequently transferred to profit or loss		
Net change in fair value of financial assets at fair value through other comprehensive income	(17 555)	(2 268)
Revaluation (loss) on equity instruments at fair value through other comprehensive income	(17 565)	(2 227)
Gain (loss) from sale of financial assets at fair value through other comprehensive income	10	(41)
Total (Other Comprehensive Loss) Other Comprehensive Income Items - after Tax	(111 046)	16 957
Total Comprehensive Income for the Period	141 773	233 255
Attributable to :		
- Bank's shareholders	136 029	223 301
- Non-controlling interests	5 744	9 954
Total	141 773	233 255

The accompanying notes from (1) to (34) form an integral part of these condensed consolidated interim financial information and should be read with them and with the review report.

ARAB BANK GROUP
CONDENSED CONSOLIDATED INTERIM STATEMENT OF CHANGES IN SHAREHOLDERS' EQUITY
(REVIEWED NOT AUDITED)

	Notes	Share Capital	Share Premium	Statutory Reserve	Voluntary Reserve	General Reserve	General Banking Risks Reserve	Reserves with Associates	Foreign Currency Translation Reserve	Investments revaluation reserve	Retained Earnings	Total Equity Attributable to the Shareholders of the Bank	Perpetual Bonds (Tier 1 Capital)	Non-Controlling Interests	Total Shareholders' Equity
		USD '000	USD '000	USD '000	USD '000	USD '000	USD '000	USD '000	USD '000	USD '000	USD '000	USD '000	USD '000	USD '000	USD '000
For the Three-Months Period Ended 31 March 2024															
Balance at the beginning of the Period		926 615	1 225 747	926 615	977 315	1 211 927	153 030	1 540 896	(323 174)	(333 110)	3 846 009	10 151 870	629 870	575 111	11 356 851
Profit for the period		-	-	-	-	-	-	-	-	-	244 102	244 102	-	8 717	252 819
Other comprehensive income for the period		-	-	-	-	-	-	-	(89 159)	(18 914)	-	(108 073)	-	(2 973)	(111 046)
Total Comprehensive Income for the Period		-	-	-	-	-	-	-	(89 159)	(18 914)	244 102	136 029	-	5 744	141 773
Transferred from investments revaluation reserve to retained earnings	19	-	-	-	-	-	-	-	-	(10)	10	-	-	-	-
Dividends distributed	19	-	-	-	-	-	-	-	-	-	(271 058)	(271 058)	-	-	(271 058)
Net new Investments at subsidiaries		-	-	-	-	-	-	-	-	-	-	-	-	69 088	69 088
Balance at the End of the Period		926 615	1 225 747	926 615	977 315	1 211 927	153 030	1 540 896	(412 333)	(352 034)	3 819 063	10 016 841	629 870	649 943	11 296 654
For the Three-Months Period Ended 31 March 2023															
Balance at the beginning of the period		926 615	1 225 747	926 615	977 315	1 211 927	153 030	1 540 896	(400 986)	(362 590)	3 289 293	9 487 862	360 527	554 067	10 402 456
Profit for the period		-	-	-	-	-	-	-	-	-	208 513	208 513	-	7 785	216 298
Other comprehensive income for the period		-	-	-	-	-	-	-	13 337	1 451	-	14 788	-	2 169	16 957
Total Comprehensive Income for the Period		-	-	-	-	-	-	-	13 337	1 451	208 513	223 301	-	9 954	233 255
Transferred from investments revaluation reserve to retained earnings	19	-	-	-	-	-	-	-	-	41	(41)	-	-	-	-
Dividends distributed	19	-	-	-	-	-	-	-	-	-	(225 882)	(225 882)	-	-	(225 882)
Adjustments during the period	19	-	-	-	-	-	-	-	-	-	1 490	1 490	-	-	1 490
Balance at the End of the Period		926 615	1 225 747	926 615	977 315	1 211 927	153 030	1 540 896	(387 649)	(361 098)	3 273 373	9 486 771	360 527	564 021	10 411 319

* The retained earnings include restricted deferred tax assets in the amount of USD 237.1 million as of 31 March 2024

* The Bank cannot use a restricted amount of USD 352 million which represents the negative investments revaluation reserve in accordance with the instructions of the Jordan Securities Commission and Central Bank of Jordan as of 31 March 2024.

* The Central Bank of Jordan issued regulations No. 13/2018 dated 6 September 2018, which requires the transfer of the general banking risk reserve balance (calculated in accordance with the Central Bank of Jordan's regulations) to the retained earnings to offset the effect of IFRS 9 on the opening balance of the retained earnings account as of 1 January 2018. The regulations also instructs that the extra balance of the general banking risk reserve amounting to (USD 37.6 million) should be restricted and may not be distributed as dividends to the shareholders or used for any other purposes without prior approval from the Central Bank of Jordan.

The accompanying notes from (1) to (34) form an integral part of these condensed consolidated interim financial information and should be read with them and with the review report.

ARAB BANK GROUP
CONDENSED CONSOLIDATED INTERIM STATEMENT OF CASH FLOWS
(REVIEWED NOT AUDITED)

	Notes	For the Three-Months Period Ended 31 March	
		2024	2023
		USD '000	USD '000
<u>CASH FLOWS FROM OPERATING ACTIVITIES</u>			
Profit for the period before tax		368 495	320 177
Adjustments for:			
Group's share of associates' profits		(147 403)	(131 726)
Depreciation and amortization		31 136	21 473
Expected credit losses on financial assets		123 540	131 454
Net accrued interest		(44 075)	(58 496)
(Gain) from sale of fixed assets		(54)	(125)
Dividends on financial assets at fair value through other comprehensive income	8	(482)	(4 203)
(Gain) from revaluation of financial assets at fair value through profit or loss	23	(1 216)	(859)
Other provisions		8 722	5 783
Total		338 663	283 478
<u>(Increase) decrease in assets:</u>			
Deposits with banks and financial institutions (maturing after 3 months)		(30 009)	250 924
Direct credit facilities at amortized cost		(140 541)	(187 259)
Financial assets at fair value through profit or loss		5 486	(2 375)
Other assets and financial derivatives		42 027	(74 962)
<u>Increase (decrease) in liabilities:</u>			
Banks' and financial institutions' deposits (maturing after 3 months)		2 149	(13 259)
Customer's deposits		(793 928)	164 268
Cash margin		(31 856)	(184 422)
Other liabilities and financial derivatives		(6 387)	(71 532)
Net Cash Flows From (Used in) Operating Activities before Income Tax		(614 396)	164 861
Income tax paid	15	(155 587)	(61 058)
Net Cash Flows (Used in) From Operating Activities		(769 983)	103 803
<u>CASH FLOWS FROM INVESTING ACTIVITIES</u>			
(Purchase) of financial assets at fair value through other comprehensive income		(17 676)	(51 024)
(Purchase) of other financial assets at amortized cost		(373 725)	(26 643)
Decrease (Increase) of investments in associates		119	(5 286)
Net cash flows paid from minority for investment in subsidiaries		69 088	-
Dividends received from associates		137 616	71 310
Dividends received from financial assets at fair value through other comprehensive income		482	4 203
(Increase) in fixed assets - net	11	(32 687)	(12 953)
Proceeds from sale of fixed assets		54	125
Net Cash Flows (used in) Investing Activities		(216 729)	(20 268)
<u>CASH FLOWS FROM FINANCING ACTIVITIES</u>			
(Decrease) in borrowed funds		(6 256)	(14 215)
Dividends paid to shareholders		(2 443)	(944)
Net Cash Flows (used in) Financing Activities		(8 699)	(15 159)
Net (Decrease) increase in cash and cash equivalents		(995 411)	68 376
Exchange differences - change in foreign exchange rates		(90 681)	13 337
Cash and cash equivalents at the beginning of the period		14 512 791	12 434 674
Cash and Cash Equivalents at the End of the Period	32	13 426 699	12 516 387
<u>Operational Cash Flows from Interest</u>			
Interest Paid		467 711	313 956
Interest Received		960 823	733 802

The accompanying notes from (1) to (34) form an integral part of these condensed consolidated interim financial information and should be read with them and with the review report.

ARAB BANK GROUP
NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL INFORMATION
31 MARCH 2024
(REVIEWED NOT AUDITED)

1 - GENERAL INFORMATION

Arab Bank was established in 1930, and is registered as a Jordanian public shareholding limited company. The Head Office of the Group is domiciled in Amman - Hashemite Kingdom of Jordan and the Bank operates worldwide through its 68 branches in Jordan and 126 branches abroad. Also, the Group operates through its subsidiaries and Arab Bank (Switzerland) limited.

Arab Bank Plc shares are traded on Amman Stock Exchange. The shareholders of Arab Bank PLC are the same shareholders of Arab Bank Switzerland (every 18 shares of Arab Bank PLC equal/ traded for 1 share of Arab Bank Switzerland).

The accompanying condensed consolidated interim financial information was approved by the Board of Directors in its meeting Number (3) on 25 April 2024.

2 - BASIS OF PREPARATION AND CONSOLIDATION

2 - 1 BASIS OF PREPARATION

The accompanying condensed consolidated interim financial information was prepared in accordance with the international Accounting Standard (IAS) 34 "interim financial reporting".

The condensed consolidated interim financial information is prepared in accordance with the historical cost principle, except for financial assets at fair value through profit or loss, financial assets at fair value through other comprehensive income and financial derivatives which are stated at fair value as of the date of the interim condensed consolidated financial information.

The accompanying condensed consolidated interim financial information do not include all the information and disclosures required for the annual financial statements, which are prepared in accordance with the International Financial Reporting Standards and must be read with the Group consolidated financial statements as of 31 December 2023. In addition, the results of the Group's operations for the three-months period ended 31 March 2024 do not necessarily represent indications of the expected results for the year ending 31 December 2024, and do not contain the appropriation of the profit of the current period, which is usually performed at year end.

The condensed consolidated interim financial information are presented in US dollars (USD) which is the functional currency of the Group.

2-2 BASIS OF CONSOLIDATION

The accompanying condensed consolidated interim financial information of Arab Bank Group, presented in US dollars, comprise the financial statements of Arab Bank plc and the following key subsidiaries:

Company Name	Percentage of Ownership %		Date of acquisition	Principal Activity	Place of Incorporation	Paid in Capital
	31 March 2024	31 December 2023				
Europe Arab Bank plc	100.00	100.00	2006	Banking	United Kingdom	€ 570m
Arab Bank Australia Limited	100.00	100.00	1994	Banking	Australia	AUD 119.3
Islamic International Arab Bank plc	100.00	100.00	1997	Banking	Jordan	JD 100m
Arab National Leasing Company LLC	100.00	100.00	1996	Financial Leasing	Jordan	JD 50m
Al-Arabi Investment Group LLC	100.00	100.00	1996	Brokerage and financial services	Jordan	JD 14m
Arab Sudanese Bank Limited	100.00	100.00	2008	Banking	Sudan	SDG 117.5m
Arab Tunisian Bank	64.24	64.24	1982	Banking	Tunisia	TND 128m
Oman Arab Bank	49.00	49.00	1984	Banking	Oman	OMR 166.9m
Arab Bank Syria	51.29	51.29	2005	Banking	Syria	SYP 5.05b
Arab Bank Iraq*	63.78	-	2024	Banking	Iraq	IQD 250b
Al Nisr Al Arabi Insurance Company	68.00	68.00	2006	Insurance	Jordan	JD 10m

*Public offering was completed on 31 December 2023.

Arab Bank Switzerland (Limited) which is an integral part of Arab Bank Group is also consolidated in the Group's financial statements.

The condensed consolidated interim financial information includes the financial statements of the Bank and the subsidiary companies controlled by the Bank. Control is achieved when the Bank has the power to govern the financial and operating policies of the subsidiaries to obtain benefits from their activities. All intra-group transactions, balances, income, and expenses are eliminated.

The subsidiaries' financial information is prepared under the same accounting policies adopted by the Bank. If the subsidiaries apply different accounting policies than those used by the Bank, the necessary modifications shall be made to the subsidiaries' financial information to ensure compliance with the accounting policies used by the Bank.

The results of the subsidiary companies are incorporated into the condensed consolidated interim statement of profit or loss from the effective date of acquisition, which is the date when the Bank assumes actual control over the subsidiary. Moreover, the operating results of the disposed subsidiary are incorporated into the consolidated condensed interim statement of profit or loss up to the effective date of disposal which is the date on which the Bank loses control over the subsidiary companies.

Non-controlling interest represents the portion of equity not held by the Bank in the subsidiary.

2 - 3 SIGNIFICANT ACCOUNTING POLICIES

The accounting policies used in the preparation of the condensed consolidated interim financial information for the period ended on March 31, 2024 are consistent with those used in the preparation of the annual consolidated financial statement for the year ended December 31, 2023. However, the following new and revised IFRS Accounting Standards, which became effective for annual periods beginning on or after January 1, 2023, have been adopted in this condensed consolidated interim financial information, and have not materially affected the amounts and disclosures in the condensed consolidated interim financial information for the current period and prior years, which may have an impact on the accounting treatment of future transactions and arrangements.

New and amended IFRS Standards that are effective for the current period

- Amendments to IFRS 16 Leases – Lease Liability in as Sale and Leaseback
- Amendments to IAS 1 Presentation of Financial Statements relating to classification of liabilities as current or non-current
- Amendments to IAS 1 Presentation of Financial Statements - Non-current Liabilities with Covenants
- Amendments to IAS 7 Statement of Cash Flows and IFRS 7 Financial Instruments: Disclosures - Supplier Finance Arrangements
- IFRS S1 - General Requirements for Disclosure of Sustainability – related financial information*
- IFRS S2 - Climate Related Disclosures*

* Provided that the regulatory authorities in the countries in which the bank operates approve its application, noting that no instructions have been issued regarding it until the date of the condensed interim consolidated financial information.

IFRS Accounting Standards in issue but not yet effective

The Group has not early adopted the following new and revised standards that have been issued but are not yet effective. The management is in the process of assessing the impact of the new requirements.

<u>New and revised IFRS Accounting Standards</u>	<u>Effective for annual periods beginning on or after</u>
Amendments to IAS 21 - Lack of Exchangeability	January 1, 2025
Amendment to IFRS 10 Consolidated Financial Statements and IAS 28 Investments in Associates and Joint Ventures relating to treatment of sale or contribution of assets from investors	Effective deferred indefinitely.

Management anticipates that these new standards, interpretations and amendments will be adopted in the Group's consolidated financial statements for the period of initial application and adoption of these new standards, interpretations and amendments may have no material impact on the consolidated financial statements of the Group in the period of initial application.

3 - USE OF ESTIMATE

Preparation of the condensed consolidated interim financial information and the application of the Group's accounting policies require the Group's management to make judgments and estimates that affect the financial assets and financial liabilities balances and disclosure of contingent liabilities. They also affect revenue, expenses, provisions, the provision for expected credit loss and the changes in fair value that appear in the condensed statement of comprehensive income and within owner's equity. In particular, this requires the Group's management to make significant judgments to estimate future cash flows and their timing. The mentioned estimates are necessarily based on different assumptions and factors that have varying amounts of estimation and uncertainty, and the actual results may differ from estimates due to changes resulting from those estimates future circumstances.

The estimates and assumptions adopted in preparing these condensed consolidated interim financial information are reasonable and consistent with those used when preparing the year 2023 Consolidated financial statements.

4. CASH AND BALANCES WITH CENTRAL BANKS

The details of this item are as follows:

	31 March 2024 (Reviewed not Audited)	31 December 2023 (Audited)
	USD '000	USD '000
Cash in vaults	865 281	810 683
Balances with central banks:		
Current accounts	3 522 274	3 923 958
Time and notice	7 178 751	7 088 062
Mandatory cash reserve	1 364 946	1 554 990
Certificates of deposit	192 888	223 203
Total Cash and Balances with Central Bank	13 124 140	13 600 896
Less: Expected credit loss	(388 309)	(350 436)
Net Cash and Balances with Central Bank	12 735 831	13 250 460

- Except for the mandatory cash reserve, there are no restricted balances at Central Banks.

- There were no balances and certificates of deposits maturing after three months as of 31 March 2024 and 31 December 2023.

The movement of expected credit loss "ECL" charges on Balances with Central Banks during the period / year ended was as follows:

	31 March 2024 (Reviewed not Audited)			31 December 2023 (Audited)	
	USD '000	USD '000	USD '000	USD '000	USD '000
	Stage 1	Stage 2	Stage 3	Total	Total
Balance at the beginning of the period/ year	1 845	348 591	-	350 436	232 784
Net ECL Charges for the period/ year	1 214	4 360	-	5 574	92 649
Adjustments during the period/ year and translation adjustments	(12)	32 311	-	32 299	25 003
Balance at the end of the period/ year	3 047	385 262	-	388 309	350 436

5. BALANCES WITH BANKS AND FINANCIAL INSTITUTIONS

The details of this item are as follows:

Local banks and financial institutions

	31 March 2024 (Reviewed not Audited)	31 December 2023 (Audited)
	USD '000	USD '000
Current accounts	4 568	2 375
Time deposits maturing within 3 months	181 962	213 443
Total	186 530	215 818

Banks and financial institutions abroad

Current accounts	1 904 252	2 079 488
Time deposits maturing within 3 months	2 506 197	1 912 117
Certificates of deposit maturing within 3 months	74 977	-
Total	4 485 426	3 991 605
Total balances with banks and financial institutions local and abroad	4 671 956	4 207 423
Less: Expected credit loss	(3 057)	(2 943)
Total balances with banks and financial institutions local and abroad	4 668 899	4 204 480

- There are no non-interest bearing balances as of 31 March 2024 and 31 December 2023.

- There are no restricted balances as of 31 March 2024 and 31 December 2023.

The movement of expected credit loss "ECL" charges on Balances with Banks & Financial Institutions during the period / year ended was as follows:

	31 March 2024 (Reviewed not Audited)			31 December 2023 (Audited)	
	USD '000	USD '000	USD '000	USD '000	USD '000
	Stage 1	Stage 2	Stage 3	Total	Total
Balance at the beginning of the period/ year	2 943	-	-	2 943	2 630
Net ECL Charges for the period/ year	240	-	-	240	115
Adjustments during the period/ year and translation adjustments	(126)	-	-	(126)	198
Balance at the end of the period/ year	3 057	-	-	3 057	2 943

6. DEPOSITS WITH BANKS AND FINANCIAL INSTITUTIONS

The details of this item are as follows:

Deposits with Local Banks and Financial Institutions:

	31 March 2024 (Reviewed not Audited)	31 December 2023 (Audited)
	USD '000	USD '000
Time deposits maturing after 3 months and before 6 months	31 126	-
Time deposits maturing after one year	47 610	55 673
Total	78 736	55 673

Deposits with Banks and Financial Institutions Abroad:

Time deposits maturing after 3 months and before 6 months	173 184	140 232
Time deposits maturing after 6 months and before 9 months	11 091	-
Time deposits maturing after 9 months and before a year	3 942	3 816
Certificates of deposits maturing after 3 months and before 6 months	26 967	74 977
Certificates of deposits maturing after 9 months and before a year	10 787	-
Total	225 971	219 025

Total deposits with banks and financial institutions local and abroad

	304 707	274 698
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Less: Expected credit loss

	(961)	(891)
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Net deposits with banks and financial institutions local and abroad

	303 746	273 807
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- There are no restricted deposits as of 31 March 2024 and 31 December 2023.

The movement of expected credit loss "ECL" charges on Deposits with Banks & Financial Institutions during the period / year ended was as follows:

	31 March 2024 (Reviewed not Audited)			31 December 2023 (Audited)	
	USD '000	USD '000	USD '000	USD '000	USD '000
	Stage 1	Stage 2	Stage 3	Total	Total
Balance at the beginning of the period/ year	891	-	-	891	1 242
Net ECL Charges for the period/ year	126	-	-	126	(469)
Adjustments during the period/ year and translation adjustments	(56)	-	-	(56)	118
Balance at the end of the period/ year	961	-	-	961	891

7- **FINANCIAL ASSETS AT FAIR VALUE THROUGH PROFIT OR LOSS**

The details of this item are as follows:

	31 March 2024 (Reviewed not Audited)	31 December 2023 (Audited)
	USD '000	USD '000
Treasury bills and Governmental bonds	9 494	13 414
Corporate bonds	9 745	10 443
Corporate shares	7 187	9 557
Mutual funds	24 316	21 598
Total	50 742	55 012

8- **FINANCIAL ASSETS AT FAIR VALUE THROUGH OTHER COMPREHENSIVE INCOME**

The details of this item are as follows:

	31 March 2024 (Reviewed not Audited)	31 December 2023 (Audited)
	USD '000	USD '000
Quoted shares	155 512	154 510
Unquoted shares	200 109	194 589
Governmental bonds and bonds guaranteed by the government through OCI	271 679	302 481
Corporate bonds through OCI	129 595	108 002
Less: Expected credit loss on bonds	(555)	(544)
Total	756 340	759 038

- Cash dividends from the investments above amounted to almost USD 482 thousand for the three-months period ended 31 March 2024 (USD 4.2 millions for the three-months period ended 31 March 2023).

The movement of expected credit loss "ECL" charges on Financial Assets at OCI during the period / year ended was as follows:

	31 March 2024 (Reviewed not Audited)			31 December 2023 (Audited)	
	USD '000	USD '000	USD '000	USD '000	USD '000
	Stage 1	Stage 2	Stage 3	Total	Total
Balance at the beginning of the period/ year	544	-	-	544	536
Net ECL Charges for the period/ year	9	-	-	9	61
Adjustments during the period/ year and translation adjustments	2	-	-	2	(53)
Balance at the end of the period/ year	555	-	-	555	544

9- DIRECT CREDIT FACILITIES AT AMORTIZED COST

The details of this item are as follows:

	31 March 2024					
	(Reviewed not Audited)					
	Consumer Banking	Corporates		Banks and Financial Institutions	Government and Public Sector	Total
	USD '000	Small and Medium	Large	USD '000	USD '000	USD '000
Discounted bills *	40 811	69 316	602 349	313 476	27 332	1 053 284
Overdrafts *	129 682	1 227 862	3 029 203	4 792	73 090	4 464 629
Loans and advances *	5 412 383	2 238 992	15 273 640	-	3 015 710	25 940 725
Real-estate loans	4 621 432	444 708	281 308	-	-	5 347 448
Credit cards	295 528	-	-	-	-	295 528
Total	10 499 836	3 980 878	19 186 500	318 268	3 116 132	37 101 614
<u>Less:</u> Interest and commission in suspense	125 149	154 039	661 406	50	-	940 644
Expected Credit Loss	276 961	411 587	2 267 858	3 446	22 104	2 981 956
Total	402 110	565 626	2 929 264	3 496	22 104	3 922 600
Net Direct Credit Facilities At Amortized Cost	10 097 726	3 415 252	16 257 236	314 772	3 094 028	33 179 014

* Net of interest and commission received in advance which amounted to USD 191.7 million as of 31 March 2024.

- Rescheduled loans during the three-months period ended 31 March 2024 amounted to USD 211.6 million..
- Restructured loans (transferred from non performing to watch list loans) during the three-months period ended 31 March 2024 amounted to USD 5.4 million.
- Direct credit facilities granted to and guaranteed by the Government of Jordan amounted to USD 169.1 million, or 0.5% of total direct credit facilities as of 31 March 2024.
- Non-performing direct credit facilities amounted to USD 2941.7 million, or 7.9% of total direct credit facilities as of 31 March 2024.
- Non-performing direct credit facilities (net of interest and commission in suspense) amounted to USD 2035.3 million, or 5.6% of direct credit facilities after deducting interest and commission in suspense as of 31 March 2024.

31 December 2023

(Audited)

	Consumer Banking	Corporates		Banks and Financial Institutions	Government and Public Sector	Total
		Small and Medium	Large			
	USD '000	USD '000	USD '000	USD '000	USD '000	USD '000
Discounted bills *	46 272	69 985	597 759	244 847	28 686	987 549
Overdrafts *	99 127	1 326 921	2 932 846	4 794	211 721	4 575 409
Loans and advances *	5 451 028	2 252 877	15 187 618	11 978	2 967 341	25 870 842
Real-estate loans	4 615 790	453 933	276 955	-	-	5 346 678
Credit cards	299 219	-	-	-	-	299 219
Total	10 511 436	4 103 716	18 995 178	261 619	3 207 748	37 079 697
<u>Less:</u> Interest and commission in suspense	120 716	149 872	645 656	50	-	916 294
Expected Credit Loss	274 161	416 169	2 288 380	3 399	23 046	3 005 155
Total	394 877	566 041	2 934 036	3 449	23 046	3 921 449
Net Direct Credit Facilities at Amortized Cost	10 116 559	3 537 675	16 061 142	258 170	3 184 702	33 158 248

* Net of interest and commission received in advance which amounted to USD 183.8 million as of 31 December 2023.

- Rescheduled loans during the year ended 31 December 2023 amounted to USD 479.9 million .
- Restructured loans (transferred from non performing to watch list loans) during the year ended 31 December 2023 amounted to USD 5.6 million.
- Direct credit facilities granted to and guaranteed by the Government of Jordan amounted to USD 156.7 million, or 0.42% of total direct credit facilities as of 31 December 2023.
- Non-performing direct credit facilities amounted to USD 3037.3 million, or 8.2% of total direct credit facilities as of 31 December 2023.
- Non-performing direct credit facilities (net of interest and commission in suspense) amounted to USD 2152.2 million, or 6% of direct credit facilities after deducting interest and commission in suspense as of 31 December 2023.

The details of movement on the provision for expected credit loss "ECL" during the period ended was as follows:

	31 March 2024 (Reviewed not Audited)			
	USD '000	USD '000	USD '000	USD '000
	Stage 1	Stage 2	Stage 3	Total
Balance at the beginning of the period	276 145	732 894	1 996 116	3 005 155
Transferred to Stage 1	9 183	(9 074)	(109)	-
Transferred to Stage 2	(5 889)	7 315	(1 426)	-
Transferred to Stage 3	(124)	(17 327)	17 451	-
Net ECL Charges for the period	35 556	35 572	48 647	119 775
Used from provision (written off or transferred to off condensed consolidated interim statement of financial position)	-	-	(97 150)	(97 150)
Adjustments during the period and translation adjustments	(4 229)	(13 428)	(28 167)	(45 824)
Balance at the end of the period	310 642	735 952	1 935 362	2 981 956

The details of movement on the provision for expected credit loss "ECL" during the year ended was as follows:

	31 December 2023 (Audited)			
	USD '000	USD '000	USD '000	USD '000
	Stage 1	Stage 2	Stage 3	Total
Balance at the beginning of the year	130 778	792 482	1 889 268	2 812 528
Transferred to Stage 1	42 809	(21 184)	(21 625)	-
Transferred to Stage 2	(8 337)	14 272	(5 935)	-
Transferred to Stage 3	(2 778)	(268 091)	270 869	-
Net ECL Charges for the year	114 708	224 601	143 423	482 732
Used from provision (written off or transferred to off consolidated statement of financial position)	-	-	(341 377)	(341 377)
Adjustments during the year and translation adjustments	(1 035)	(9 186)	61 493	51 272
Balance at the end of the year	276 145	732 894	1 996 116	3 005 155

- Impairment is assessed based on individual customer accounts.

* Non-performing loans transferred to off interim condensed consolidated statement of financial position amounted to USD 106.7 million as of 31 March 2024 (USD 440 million as of 31 December 2023) noting that these non-performing direct credit facilities are fully covered by set provisions and suspended interest.

The details of movement on interest and commission in suspense are as follows:

31 March 2024 (Reviewed not Audited)						
Consumer Banking	Corporates		Banks and Financial Institutions	Government and Public Sector	Total	
	Small & Medium	Large				
USD '000	USD '000	USD '000	USD '000	USD '000	USD '000	
Balance at the beginning of the period	120 716	149 872	645 656	50	-	916 294
Interest and commissions suspended during the period	8 377	7 112	29 520	-	-	45 009
Interest and commissions in suspense settled (written off or transferred to off condensed consolidated interim statement of financial position)	(977)	(2 115)	(8 856)	-	-	(11 948)
Recoveries	(2 520)	(299)	(1 881)	-	-	(4 700)
Adjustments during the period	-	-	-	-	-	-
Translation adjustments	(447)	(531)	(3 033)	-	-	(4 011)
Balance at the End of the Period	125 149	154 039	661 406	50	-	940 644

31 December 2023 (Audited)						
Consumer Banking	Corporates		Banks and Financial Institutions	Government and Public Sector	Total	
	Small & Medium	Large				
USD '000	USD '000	USD '000	USD '000	USD '000	USD '000	
Balance at the beginning of the year	112 987	141 609	646 506	49	-	901 151
Interest and commissions suspended during the year	28 415	30 311	145 410	-	-	204 136
Interest and commissions in suspense settled (written off or transferred to off condensed consolidated interim statement of financial position)	(13 241)	(17 825)	(145 231)	-	-	(176 297)
Recoveries	(7 417)	(3 291)	(8 121)	-	-	(18 829)
Adjustment during the year	(13)	(210)	223	-	-	-
Translation adjustments	(15)	(722)	6 869	1	-	6 133
Balance at the End of the Year	120 716	149 872	645 656	50	-	916 294

Classification of direct credit facilities at amortized cost based on the geographical and economic sectors as follows:

Economic Sector	Inside Jordan	Outside Jordan	31 March 2024	31 December 2023
			(Reviewed not Audited)	(Audited)
	USD '000	USD '000	USD '000	USD '000
Consumer banking	3 766 175	6 331 551	10 097 726	10 116 559
Industry and mining	1 419 254	3 253 528	4 672 782	4 732 437
Constructions	409 679	1 444 725	1 854 404	1 982 529
Real - Estates	252 623	970 846	1 223 469	1 375 367
Trade	1 476 906	3 141 954	4 618 860	4 425 760
Agriculture	216 049	305 006	521 055	432 562
Tourism and hotels	231 327	551 922	783 249	789 024
Transportations	69 018	354 911	423 929	395 149
Shares	-	34 968	34 968	34 968
General services	694 973	4 844 799	5 539 772	5 431 021
Banks and financial institutions	100 686	214 086	314 772	258 170
Government and public sector	243 803	2 850 225	3 094 028	3 184 702
Net Direct Credit Facilities at amortized Cost	8 880 493	24 298 521	33 179 014	33 158 248

10- OTHER FINANCIAL ASSETS AT AMORTIZED COST

The details of this item are as follows:

	31 March 2024 (Reviewed not Audited)	31 December 2023 (Audited)
	USD '000	USD '000
Treasury bills	2 379 350	2 158 762
Governmental bonds and bonds guaranteed by the government	6 340 869	6 805 097
Corporate bonds	2 088 400	1 471 596
Less: Expected credit loss	(59 294)	(59 054)
Total	10 749 325	10 376 401

Analysis of bonds based on interest type:

	31 March 2024 (Reviewed not Audited)	31 December 2023 (Audited)
	USD '000	USD '000
Floating interest rate	357 681	334 461
Fixed interest rate	10 450 938	10 100 994
Less: Expected credit loss	(59 294)	(59 054)
Total	10 749 325	10 376 401

Analysis of financial assets based on market quotation:

	31 March 2024 (Reviewed not Audited)	31 December 2023 (Audited)
	USD '000	USD '000
Financial assets quoted in the market:		
Treasury bills	2 054 930	1 834 339
Governmental bonds and bonds guaranteed by the government	1 659 302	2 147 564
Corporate bonds	1 987 402	1 374 886
Total	5 701 634	5 356 789

	31 March 2024 (Reviewed not Audited)	31 December 2023 (Audited)
	USD '000	USD '000
Financial assets unquoted in the market:		
Treasury bills	324 420	324 423
Governmental bonds and bonds guaranteed by the government	4 681 567	4 657 533
Corporate bonds	100 998	96 710
Total	5 106 985	5 078 666
Total financial assets at amortized cost	10 808 619	10 435 455
Less: Expected credit loss	(59 294)	(59 054)
Grand Total	10 749 325	10 376 401

The movement of expected credit loss "ECL" charges on Other Financial Assets at Amortized Cost during the period / year ended was as follows:

	31 March 2024 (Reviewed not Audited)			31 December 2023 (Audited)	
	USD '000	USD '000	USD '000	USD '000	USD '000
	Stage 1	Stage 2	Stage 3	Total	Total
Balance at the beginning of the period/ year	34 146	24 908	-	59 054	44 046
Net ECL Charges for the period/ year	801	-	-	801	15 134
Adjustments during the period/ year and translation adjustments	(487)	(74)	-	(561)	(126)
Balance at the end of the period/ Year	34 460	24 834	-	59 294	59 054

During the three-months period ended 31 March 2024 no financial assets at amortized cost were sold (USD 2 million during the year ended 31 December 2023).

11- FIXED ASSETS

The additions to and disposals of fixed assets during the three-months period ended 31 March 2024 amounted to USD 28.3 million and USD 10.8 million respectively (USD 13 million and USD 1.7 million for the three-months period ended 31 March 2023).

The cost of fully depreciated fixed assets amounted to USD 573.3 million as of 31 March 2024 (USD 571.7 million as of 31 December 2023)

12- OTHER ASSETS

The details of this item are as follows:

	31 March 2024 (Reviewed not Audited)	31 December 2023 (Audited)
	USD '000	USD '000
Accrued interest receivable	435 945	407 178
Prepaid expenses	116 999	68 708
Foreclosed assets *	255 539	178 868
Intangible assets	188 774	201 643
Right-of-use Assets	108 145	108 483
Other miscellaneous assets	293 424	398 463
Total	1 398 826	1 363 343

* The Central Bank of Jordan instructions require the disposal of these assets during a maximum period of two years from the date of foreclosure, with a grace period of another two years under the CBJ approval.

13- CUSTOMERS' DEPOSITS

The details of this item are as follows:

31 March 2024 (Reviewed not Audited)

	Consumer Banking	Corporates		Government and Public Sector	Total
		Small & Medium	Large		
	USD '000	USD '000	USD '000	USD '000	USD '000
Current and demand	11 044 110	2 556 774	3 688 753	1 059 318	18 348 955
Savings	5 396 743	53 406	23 250	32 125	5 505 524
Time and notice	12 046 696	1 528 425	5 385 757	3 853 979	22 814 857
Certificates of deposit	200 565	4 320	94 784	48 320	347 989
Total	28 688 114	4 142 925	9 192 544	4 993 742	47 017 325

31 December 2023 (Audited)

	Consumer Banking	Corporates		Government and Public Sector	Total
		Small & Medium	Large		
	USD '000	USD '000	USD '000	USD '000	USD '000
Current and demand	10 850 004	2 595 076	3 506 857	990 898	17 942 835
Savings	5 307 173	47 324	20 092	33 009	5 407 598
Time and notice	11 938 124	1 652 770	6 299 618	4 066 167	23 956 679
Certificates of deposit	312 484	20 528	122 741	48 388	504 141
Total	28 407 785	4 315 698	9 949 308	5 138 462	47 811 253

- Total Government of Jordan and Jordanian public sector deposits amounted to USD 1021.6 millions, or 2.2% of total customer's deposits as of 31 March 2024 (USD 1018.2 million, or 2.1% of total customer's deposits as of 31 December 2023).
- Non-interest bearing deposits amounted to USD 15487.1 million, or 32.9% of total customer's deposits as of 31 March 2024 (USD 15260.9 million, or 31.9% of total customer's deposits as of 31 December 2023).
- Blocked deposits amounted to USD 397.2 million, or 0.8% of total customer's deposits as of 31 March 2024 (USD 428.6 million, or 0.9% of total customer's deposits as of 31 December 2023).
- Dormant deposits amounted to USD 508.8 million, or 1.1% of total customer's deposits as of 31 March 2024 (USD 524.5 million, or 1.1% of total customer's deposits as of 31 December 2023).

14- BORROWED FUNDS

The details of this item are as follows:

	31 March 2024 (Reviewed not Audited)	31 December 2023 (Audited)
	USD '000	USD '000
From Central Banks	224 669	217 469
From banks and financial institutions	278 884	292 340
Total	503 553	509 809

Analysis of borrowed funds according to interest nature is as follows:

	31 March 2024 (Reviewed not Audited)	31 December 2023 (Audited)
	USD '000	USD '000
Floating interest rate	177 940	213 490
Fixed interest rate	325 613	296 319
Total	503 553	509 809

15- PROVISION FOR INCOME TAX

The details of this item are as follows:

	31 March 2024 (Reviewed not Audited)	31 December 2023 (Audited)
	USD '000	USD '000
Balance at the beginning of the period/ year	337 202	293 029
Income tax expense	122 240	344 633
Income tax paid	(155 587)	(300 460)
Balance at the End of the period / year	303 855	337 202

Income tax expense charged to the consolidated condensed interim statement of income consists of the following:

	For the Three-Months	
	31 March 2024 (Reviewed not Audited)	31 March 2023 (Reviewed not Audited)
	USD '000	USD '000
Income tax expense for the period	122 240	65 981
Effect of deferred tax	(6 564)	37 898
Total	115 676	103 879

- The Banking income tax rate in Jordan is 38% (35% income tax + 3% national contribution tax), while the income tax rate in the countries where the Group has subsidiaries and branches ranges from zero to 38% as of 31 March 2024 and 31 December 2023. The effective tax rate for the Group is 31.4% as of 31 March 2024 and 32.4% as of 31 March 2023.
- The subsidiaries and branches of Arab Bank Group have reached recent tax settlements ranging between 2022 such as Arab Bank United Arab Emirates Arab National Leasing Company and 2020 such as Islamic International Arab Bank.

16- OTHER LIABILITIES

The details of this item are as follows:

	31 March 2024 (Reviewed not Audited)	31 December 2023 (Audited)
	USD '000	USD '000
Accrued interest payable	403 331	418 639
Notes payable	228 207	159 882
Interest and commission received in advance	76 216	68 370
Accrued expenses	228 331	232 408
Dividends payable to shareholders	286 122	17 507
Provision for impairment - ECL of the indirect credit facilities*	111 677	116 425
Contracts lease liability	104 547	106 489
Other miscellaneous liabilities	550 584	571 602
Total	1 989 015	1 691 322

*The details of movement on the provision for impairment of the "ECL" of the indirect credit facilities during the period / year ended was as follows:

	31 March 2024 (Reviewed not Audited)				31 December 2023 (Audited)
	USD '000	USD '000	USD '000	USD '000	USD '000
	Stage 1	Stage 2	Stage 3	Total	Total
Balance at the beginning of the period/ year	45 886	15 997	54 542	116 425	176 384
Transferred to Stage 1	254	(254)	-	-	-
Transferred to Stage 2	(1 705)	1 705	-	-	-
Transferred to Stage 3	-	(31)	31	-	-
Net ECL charges for the period/ year	(408)	(986)	(1 591)	(2 985)	2 060
Adjustments during the period/ year and translation adjustments	(5 760)	(401)	4 398	(1 763)	(62 019)
Balance at the End of the period/ year	38 267	16 030	57 380	111 677	116 425

17- SHARE CAPITAL AND RESERVES

A. Share Capital amounted to USD 926.6 million as of 31 March 2024 and 31 December 2023.

B. The Group did not make any appropriation to the legal reserves, in accordance with companies law, in the consolidated condensed interim financial statements as such appropriations are performed at year end.

18- PERPETUAL TIER 1 CAPITAL BONDS

A. Oman Arab Bank has issued series of unsecured perpetual Tier 1 bonds, illustrated as below:

- On 4 June 2021, the Bank issued another series of bonds of USD 250 million. The bonds carry a fixed coupon rate of 7.625% per annum payable semi-annually and treated as deduction from equity. Interest is non-cumulative and payable at Bank's discretion.

- On 16 October 2023, the Bank issued another series of bonds in the amount of OMR 50 million equivalent to USD 129.9 million. The bonds carry a fixed coupon rate of 7% per annum payable semi-annually and treated as deduction from equity. Interest is non-cumulative and payable at Bank's discretion.

All these bonds constitute direct, unconditional, subordinated and unsecured obligations of the Bank and are classified as equity in accordance with IAS 32: Financial Instruments – Classification. The Tier 1 bonds do not have a fixed or final maturity date and are redeemable by the Bank at its sole discretion. Bond in the second paragraph has First Call date on 4 January 2026 and bond in the third paragraph has First Call date on 16 October 2028. These bonds may be recalled on any interest payment date thereafter subject to the prior consent of the regulatory authority.

B. Arab Bank plc has issued series of unsecured perpetual Tier 1 bonds, illustrated as below:

- On 10 October 2023, Arab Bank plc - Jordan branches issued perpetual Tier 1 bonds in the amount of USD 250 million. These bonds carry a fixed coupon rate of 8% per annum payable semi-annually and treated as deduction from equity. Interest is non-cumulative and payable at Bank's discretion. These bonds have been listed in London Stock Exchange - International securities market and perpetual bonds market

- These bonds are classified as equity within the additional Tier 1 of the regulatory capital in accordance with IAS 32: Financial Instruments – Classification. The Tier 1 bonds do not have a fixed or final maturity date and are redeemable by the Bank at its sole discretion and according to issuance terms but subject to the prior consent of the regulatory authority. 10 April 2029 will be the first repricing date.

19- RETAINED EARNINGS

The details of movement on the retained earnings are as follows:

	31 March 2024 (Reviewed not Audited)	31 December 2023 (Audited)
	USD '000	USD '000
Balance at the beginning of the period/ year	3 846 009	3 289 293
Profit for the period/ year attributable to the shareholders of the bank	244 102	800 695
Transferred from investment revaluation reserve to retained earnings	10	1 776
Dividends paid *	(271 058)	(231 640)
Adjustment during the period/ year	-	(14 115)
Balance at the end of the period/ year	3 819 063	3 846 009

* The General Assembly of Arab Bank Plc in its meeting held on 28 March 2024 approved the recommendations of the Banks's Board of Directors to distribute 30% of par value as cash dividend, equivalent to USD 271.1 million for the year 2023.

(The General Assembly of the Arab Bank plc in its meeting held on 30 March 2023 approved the recommendation of the Bank's Board of Directors to distribute 25% of par value as cash dividends for the year 2022 equivalent to USD 225.9 million).

20- INTEREST INCOME

The details of this item are as follows:

	For the Three-Months Period Ended 31 March	
	2024	2023
	(Reviewed not Audited)	
	USD '000	USD '000
Direct credit facilities at amortized cost	625 843	564 490
Balances with central banks	138 248	94 739
Balances and deposits with banks and financial institutions	62 131	47 567
Financial assets at fair value through profit or loss	4 919	2 757
Financial assets at fair value through other comprehensive income	4 462	3 794
Other financial assets at amortized cost	153 987	118 162
Total	989 590	831 509

21- INTEREST EXPENSE

The details of this item are as follows:

	For the Three-Months Period Ended 31 March	
	2024	2023
	(Reviewed not Audited)	
Customer deposits	370 395	283 654
Banks and financial institutions deposits	44 268	42 814
Cash margins	23 968	13 429
Borrowed funds	7 120	7 009
Deposit insurance fees	6 652	6 261
Total	452 403	353 167

22- NET COMMISSION INCOME

The details of this item are as follows:

	For the Three-Months Period Ended 31 March	
	2024	2023
	(Reviewed not Audited)	
	USD '000	USD '000
Commission income:		
Direct credit facilities at amortized cost	31 499	27 242
Indirect credit facilities	29 751	29 208
Assets under management	15 106	8 374
Other	65 939	54 399
Less: commission expense	(30 576)	(24 476)
Net Commission Income	111 719	94 747

23- GAIN FROM FINANCIAL ASSETS AT FAIR VALUE

The details of this item are as follows:

	For the Three-Months Period Ended 31 March			
	2024		2023	
	(Reviewed not Audited)			
	Realized Gain at FVTPL	Unrealized Gain at FVTPL	Total	Total
USD '000	USD '000	USD '000	USD '000	
Treasury bills and bonds	819	407	1 226	1 062
Corporate shares	-	726	726	123
Mutual funds	-	83	83	(26)
Total	819	1 216	2 035	1 159

24- OTHER REVENUE

The details of this item are as follows:

	For the Three-Months Period Ended 31 March	
	2024	2023
	(Reviewed not Audited)	
	USD '000	USD '000
Revenue from customer services	4 152	3 523
Safe box and other rentals	1 005	919
Gain from Financial derivatives	(373)	330
Miscellaneous revenue	11 109	7 951
Total	15 893	12 723

25- BUSINESS SEGMENTS

The Group has an integrated group of products and services dedicated to serve the Group's customers and constantly developed in response to the ongoing changes in the banking business environment and the related state-of-the art tools by the executive management in the Group.

The following is a summary of these Group's activities stating their business nature and future plans:

1. Corporate and Institutional Banking Group

This group provides banking services and finances with the following: corporate sector, private projects, foreign trading, small and medium sized projects, and banks and financial institutions, in addition to various banking services, through its network of branches spread around the world, starting from commercial lending, commercial finance and cash management to complex financing facilities. Arab Bank Group also provides its customers from the private and public sectors, large companies, medium and small- sized institutions, in addition to financial institutions, advanced and specialized products, services and solutions, through banking channels to implement their transactions effectively, through different branches or electronic channels.

2. Treasury Group

Treasury department at Arab Bank Group manages market and liquidity risks, and provides advice and trading services to Arab Bank clients internationally.

The Treasury Department at the Arab Banks has responsibilities, the main responsibilities are:

- Liquidity management according to the highest standards of efficiency and within the established limits, while ensuring that liquidity is sufficiently available to business sectors at all times.
- Managing Market risk within the established limits.
- Generate revenue by managing both liquidity and market risk.
- Limiting the use of financial derivatives.
- Executing operations related to buying and selling bonds and derivatives and exchanging foreign currencies with Market expects. The treasury also carries out lending and borrowing operations for the money market with banks and other financial institutions.
- Selling foreign currencies, derivatives and other financial products to clients.
- Providing advice related to liquidity management and market risks to the relevant departments of the bank.

3. Consumer Banking Group

This group provides banking services to individuals and high-net worth elite customers, and endeavors to meet their financial service needs using the best methods, through effective distribution channels, and a variety of product services. Moreover, this group is in direct and close contact with the customers in order to provide them with timely and continuous services through different electronic channels such as direct phone calls, ATMs, the internet and text messaging via cellular phones

Information about the Group's Business Segments

For the Three-Months Period Ended 31 March							
2024						2023	
(Reviewed not Audited)							
	Corporate and Institutional Banking	Treasury	Consumer Banking		Other	Total	Total
			Elite	Retail Banking			
	USD '000	USD '000	USD '000	USD '000	USD '000	USD '000	USD '000
Total income	286 598	340 513	(61 901)	114 043	156 307	835 560	750 737
Net inter-segment interest income	(17 224)	(190 014)	172 857	34 381	-	-	-
<u>Less:</u>							
Provision for impairment - ECL	96 547	21 361	(10)	5 642	-	123 540	131 454
Other provisions	3 844	972	991	2 915	-	8 722	5 783
Direct administrative expenses	32 709	5 766	8 491	75 375	-	122 341	124 685
Result of Operations of Segments	136 274	122 400	101 484	64 492	156 307	580 957	488 815
Less :Indirect expenses on segments	96 496	29 954	34 573	51 439	-	212 462	168 638
Profit for the Period before Income Tax	39 778	92 446	66 911	13 053	156 307	368 495	320 177
Less :Income tax expense	12 488	29 020	21 004	4 097	49 067	115 676	103 879
Profit for the Period	27 290	63 426	45 907	8 956	107 240	252 819	216 298
Depreciation and Amortization	8 244	10 338	1 844	10 710	-	31 136	21 473

31 March 2024							31 December 2023
(Reviewed not Audited)						(Audited)	
Other Information	Corporate and Institutional Banking	Treasury	Consumer Banking		Other	Total	Total
			Elite	Retail Banking			
	USD '000	USD '000	USD '000	USD '000	USD '000	USD '000	USD '000
Segment assets	21 601 246	25 209 370	4 043 688	8 705 968	5 279 341	64 839 613	64 425 714
Inter-segment assets	-	-	14 093 486	1 502 265	5 935 278	-	-
Investments in associates	-	-	-	-	3 837 449	3 837 449	3 848 257
Total Assets	21 601 246	25 209 370	18 137 174	10 208 233	15 052 068	68 677 062	68 273 971
Segment liabilities	19 001 417	6 278 170	18 137 174	10 208 233	3 755 414	57 380 408	56 917 120
Shareholders' Equity	-	-	-	-	11 296 654	11 296 654	11 356 851
Inter-segment liabilities	2 599 829	18 931 200	-	-	-	-	-
Total Liabilities and Shareholders' Equity	21 601 246	25 209 370	18 137 174	10 208 233	15 052 068	68 677 062	68 273 971

26- MATURITY OF THE CONTINGENT ACCOUNTS

The table below details the maturity of expected liabilities and commitments on the basis of maturity:

31 March 2024				
(Reviewed not Audited)				
	Within 1 Year	From 1 Year and up to 5 Years	More than 5 Years	Total
	USD '000	USD '000	USD '000	USD '000
Letters of credit	2 975 869	238 954	6 077	3 220 900
Acceptances	534 194	25 168	-	559 362
Letters of guarantees:				
- Payment guarantees	933 364	147 503	102 799	1 183 666
- Performance guarantees	2 742 807	1 443 174	156 621	4 342 602
- Other guarantees	2 110 509	399 639	148 795	2 658 943
Unutilized credit facilities	6 018 251	346 303	29 478	6 394 032
Total	15 314 994	2 600 741	443 770	18 359 505
Construction projects contracts	7 164	-	-	7 164
Procurement contracts	11 700	3 595	899	16 194
Total	18 864	3 595	899	23 358
31 December 2023				
(Audited)				
	Within 1 Year	From 1 Year and up to 5 Years	More than 5 Years	Total
	USD '000	USD '000	USD '000	USD '000
Letters of credit	2 963 850	287 453	6 065	3 257 368
Acceptances	517 394	46 989	-	564 383
Letters of guarantees:				
- Payment guarantees	815 225	174 058	246 501	1 235 784
- Performance guarantees	2 620 130	1 440 740	333 608	4 394 478
- Other guarantees	1 780 039	611 228	241 064	2 632 331
Unutilized credit facilities	5 665 933	189 719	74 968	5 930 620
Total	14 362 571	2 750 187	902 206	18 014 964
Construction projects contracts	7 593	-	-	7 593
Procurement contracts	14 092	5 983	1 000	21 075
Total	21 685	5 983	1 000	28 668

27. CREDIT EXPOSURE FOR ASSETS CATEGORIZED BY GEOGRAPHICAL REGION:

The details for this items are as follows:

31 March 2024
(Reviewed not Audited)

	Jordan	Other Arab Countries	Asia *	Europe	America	Rest of the World	Total
	USD '000	USD '000	USD '000	USD '000	USD '000	USD '000	USD '000
Balances with central banks	5 550 169	4 790 404	1 727	1 511 903	-	16 347	11 870 550
Balances and deposits with banks and financial institutions	265 240	801 421	600 005	2 405 135	798 793	102 051	4 972 645
Financial assets at fair value through profit or loss	-	9 494	-	5 596	-	4 149	19 239
Financial assets at fair value through OCI	1 440	304 776	-	94 503	-	-	400 719
Direct credit facilities at amortized cost	8 880 493	20 936 809	540 127	1 941 730	19 965	859 890	33 179 014
Consumer Banking	3 766 175	5 682 367	6 634	280 907	228	361 415	10 097 726
Small and Medium Corporates	899 402	1 604 397	74 222	591 958	-	245 273	3 415 252
Large Corporates	3 870 427	10 675 939	428 768	1 009 163	19 737	253 202	16 257 236
Banks and Financial Institutions	100 686	154 384	-	59 702	-	-	314 772
Government and Public Sector	243 803	2 819 722	30 503	-	-	-	3 094 028
Other financial assets at amortized cost	4 181 204	4 691 364	224 534	1 183 253	145 905	323 065	10 749 325
Other assets and financial derivatives - positive fair value	103 894	466 990	4 323	191 979	889	5 589	773 664
Total	18 982 440	32 001 258	1 370 716	7 334 099	965 552	1 311 091	61 965 156
Total as of 31 December 2023 (Audited)	18 942 700	32 187 809	1 169 478	6 933 587	1 097 838	1 248 612	61 580 024

* Excluding Arab Countries.

28. CREDIT EXPOSURE FOR ASSETS CATEGORIZED BY ECONOMIC SECTOR

The details for this items are as follows:

31 March 2024
(Reviewed not Audited)

	Consumer Banking	Corporations								Banks and Financial Institutions	Government and Public Sector	Total
		Industry and Mining	Constructions	Real Estate	Trade	Agriculture	Tourism and Hotels	Transportation	Shares			
	USD '000	USD '000	USD '000	USD '000	USD '000	USD '000	USD '000	USD '000	USD '000	USD '000	USD '000	USD '000
Balances with central banks	-	-	-	-	-	-	-	-	-	-	11 870 550	11 870 550
Balances and deposits with banks and financial institutions	-	-	-	-	-	-	-	-	-	4 972 645	-	4 972 645
Financial assets at fair value through profit or loss	-	9 745	-	-	-	-	-	-	-	-	9 494	19 239
Financial assets at fair value through OCI	-	-	-	3 712	-	-	-	1 997	-	66 433	56 919	400 719
Direct credit facilities at amortized cost	10 097 726	4 672 782	1 854 404	1 223 469	4 618 860	521 055	783 249	423 929	34 968	5 539 772	314 772	33 179 014
Other financial assets at amortized cost	-	191 289	-	7 050	-	-	-	-	-	626 757	1 251 597	10 749 325
Other assets & Financial Derivatives - positive fair value	46 261	54 669	25 446	8 553	34 811	1 074	22 419	8 212	-	201 941	226 733	773 664
Total	10 143 987	4 928 485	1 879 850	1 242 784	4 653 671	522 129	805 668	434 138	34 968	6 434 903	6 822 666	61 965 156
Total as of 31 December 2023 (Audited)	10 142 790	4 918 085	2 009 783	1 398 693	4 462 714	433 628	797 365	405 249	37 049	5 880 332	6 103 653	61 580 024

29- CAPITAL MANAGEMENT

The Group manages its capital to safeguard its ability to continue its operating activities while maximizing the return to shareholders. The composition of the regulatory capital, as defined by Basel III standards is as follows:

	31 March 2024 (Reviewed not Audited)	31 December 2023 (Audited)
	USD '000	USD '000
Common Equity Tier 1	10 211 559	10 121 289
Regulatory Adjustments (Deductions from Common Equity Tier 1)	(3 340 979)	(3 366 915)
Additional Tier 1	501 428	498 642
Deductions from Additional Tier 1	(6 234)	(6 234)
Supplementary Capital	622 907	590 782
Regulatory Capital	7 988 681	7 837 564
Risk-weighted assets (RWA)	45 005 660	44 684 580
Common Equity Tier 1 Ratio	%15.27	%15.12
Tier 1 Capital Ratio	%16.37	%16.22
Capital Adequacy Ratio	%17.75	%17.54

- The Board of Directors performs an overall review of the capital structure of the Group on a quarterly basis. As part of this review, the Board takes into consideration matters such as cost and risks of capital as integral factors in managing capital through setting dividend policies and capitalization of reserves.
- The liquidity coverage ratio is 238% as of 31 March 2024 and 235% as of 31 December 2023 (According to Central Bank of Jordan Memo no. 5/2020 the minimum liquidity coverage ratio is 100%).

30. Fair Value Hierarchy

Financial Instruments are either financial assets or financial liabilities

The Group uses the following methods and alternatives of valuating and presenting the fair value of financial instruments:

Level 1: Quoted (unadjusted) market prices in active markets for identical assets or liabilities.

Level 2: Valuation techniques for which the lowest level input that is significant to the fair value measurement is directly or indirectly observable.

Level 3: Valuation techniques for which the lowest level input that is significant to the fair value measurement is unobservable.

A. Fair Value of the Group financial assets and financial liabilities measured at fair value on a recurring basis.

Some financial assets and financial liabilities are measured at fair value at the end of each reporting period, the following note illustrates how the fair value is determined (Valuation techniques and key inputs):

Financial Assets / Financial Liabilities	Fair Value as at		Fair Value Hierarchy	Valuation techniques and key inputs	Significant unobservable inputs	Relationship of unobservable inputs to fair value
	31 March 2024 (Reviewed not Audited)	31 December 2023 (Audited)				
	USD '000	USD '000				
Financial Assets at Fair Value						
Financial assets at fair value through profit or loss:						
Treasury bills and Government Bonds	9 494	13 414	Level 1	Quoted Shares	Not Applicable	Not Applicable
Corporate Bonds	9 745	10 443	Level 1	Quoted Shares	Not Applicable	Not Applicable
Shares and mutual funds	31 503	31 155	Level 1	Quoted Shares	Not Applicable	Not Applicable
Total Financial Assets at Fair Value through Profit or Loss	50 742	55 012				
Financial derivatives - positive fair value	220 720	217 629	Level 2	Through Comparison of similar financial instruments	Not Applicable	Not Applicable
Financial assets at fair value through other comprehensive income:						
Quoted shares	155 512	154 510	Level 1	Quoted Shares	Not Applicable	Not Applicable
Unquoted shares	200 109	194 589	Level 2	Through using the index sector in the market	Not Applicable	Not Applicable
Governmental and Corporate bonds through OCI	400 719	409 939	Level 2	Through using the index sector in the market	Not Applicable	Not Applicable
Total financial assets at fair value through other comprehensive income	756 340	759 038				
Total Financial Assets at Fair Value	1 027 802	1 031 679				
Financial Liabilities at Fair Value						
Financial derivatives - negative fair value	158 412	197 538	Level 2	Through Comparison of similar financial instruments	Not Applicable	Not Applicable
Total Financial Liabilities at Fair Value	158 412	197 538				

There were no transfers between Level 1 and 2 during the three-months period ended 31 March 2024 and the year 2023.

B. Fair value of the Group financial assets and financial liabilities that are not measured at fair value on a recurring basis.

Except as detailed in the following table, we believe that the carrying amounts of financial assets and financial liabilities recognized in the banks financial statements approximate their fair values:

	31 March 2024 (Reviewed not Audited)		31 December 2023 (Audited)		Fair Value Hierarchy
	Book value USD '000	Fair value USD '000	Book value USD '000	Fair value USD '000	
Financial assets not calculated at fair value					
Mandatory cash reserve, Time and notice balances and Certificates of deposit with central banks	8 348 276	8 358 707	8 515 819	8 525 937	Level 2
Balances and deposits with banks and financial institutions	4 972 645	4 978 086	4 478 287	4 487 885	Level 2
Direct credit facilities at amortized cost	33 179 014	33 428 980	33 158 248	33 389 563	Level 2
Other financial assets at amortized cost	10 749 325	10 858 097	10 376 401	10 492 219	Level 1 & 2
Total financial assets not calculated at fair value	57 249 260	57 623 870	56 528 755	56 895 604	
Financial liabilities not calculated at fair value					
Banks' and financial institutions' deposits	4 371 720	4 387 010	3 295 702	3 310 942	Level 2
Customer deposits	47 017 325	47 330 566	47 811 253	48 150 490	Level 2
Cash margin	2 781 631	2 795 762	2 813 487	2 827 902	Level 2
Borrowed funds	503 553	507 074	509 809	517 890	Level 2
Total financial liabilities not calculated at fair value	54 674 229	55 020 412	54 430 251	54 807 224	

The fair values of the financial assets and financial liabilities included in level 2 categories above have been determined in accordance with the generally accepted pricing models based on a discounted cash flow analysis, with the most significant inputs being the discount rate that reflects the credit risk of counterparties.

31- EARNINGS PER SHARE ATTRIBUTABLE TO THE BANK'S SHAREHOLDERS

The details of this item are as follows:

	For the Three-Months Period Ended 31 March	
	(Reviewed not Audited)	
	2024	2023
	USD '000	USD '000
Profit for the period attributable to the Bank's shareholders	244 102	208 513
Less: Group's share of Interest on Perpetual Bonds	-	-
Net Profit for the period attributable to the Bank's shareholders	244 102	208 513
	Thousand / Shares	
Average number of shares	640 800	640 800
	USD / Share	
Earnings Per Share for the period (Basic and diluted)	0.38	0.33

32- CASH AND CASH EQUIVALENTS

The details of this item are as follows:

	For the Three-Months Period Ended 31 March	
	2024	2023
	(Reviewed not Audited)	
	USD '000	USD '000
Cash and balances with central banks maturing within 3 months	13 124 140	11 676 282
<u>Add:</u> Balances with banks and financial institutions maturing within 3 months	4 671 956	4 629 774
<u>Less:</u> Banks and financial institutions deposits maturing within 3 months	4 369 397	3 789 669
Total	13 426 699	12 516 387

33. RELATED PARTIES TRANSACTIONS

The details of the balances with related parties are as follows:

	31 March 2024 (Reviewed not Audited)			
	Deposits owed from Related Parties	Direct Credit Facilities at Amortized Cost	Deposits owed to Related Parties	LCs, LGs, Unutilized Credit Facilities and Acceptances
	USD '000	USD '000	USD '000	USD '000
Associates	88 184	-	16 521	89 328
Major Shareholders and Members of the Board of Directors	-	203 322	626 772	123 242
Total	88 184	203 322	643 293	212 570

	31 December 2023 (Audited)			
	Deposits owed from Related Parties	Direct Credit Facilities at Amortized Cost	Deposits owed to Related Parties	LCs, LGs, Unutilized Credit Facilities and Acceptances
	USD '000	USD '000	USD '000	USD '000
Associates	115 015	-	8 859	90 015
Major Shareholders and Members of the Board of Directors	-	199 068	603 203	80 869
Total	115 015	199 068	612 062	170 884

- All facilities granted to related parties are performing loans in accordance with the internal credit rating of the Group.

The details of transactions with related parties are as follows:

	For the Three-Months Period Ended 31 March 2024 (Reviewed not Audited)	
	Interest Income	Interest Expense
	USD '000	USD '000
Associated Companies	2 745	4 332

	For the Three-Months Period Ended 31 March 2023 (Reviewed not Audited)	
	Interest Income	Interest Expense
	USD '000	USD '000
Associated Companies	1 039	1 102

- Direct credit facilities granted to top management personnel amounted to USD 1.2 million and indirect credit facilities amounted to USD 5.6 thousand as of 31 March 2024 (USD 1.2 million direct credit facilities and USD 5.6 thousand indirect credit facilities as of 31 December 2023).

- Interest on credit facilities granted to major shareholders and members of the Board of Directors is recorded at arm's length.

- Deposits of key management personnel amounted to USD 5.6 million as of 31 March 2024 (USD 5.2 million as of 31 December 2023).

- The salaries and other fringe benefits of the Group's top management personnel, inside and outside Jordan, amounted to USD 30.2 million for the three-months period ended 31 March 2024 (USD 28.3 million for the three-months period ended 31 March 2023).

34 - LEGAL CASES

There are lawsuits filed against the Group which amounted to USD 346.1 million as of 31 March 2024 (USD 343.4 million as of 31 December 2023). In the opinion of the management and the lawyers representing the Group in the litigations at issue, the provisions taken in connection with these lawsuits are