

ARAB BANK GROUP

AMMAN – HASHEMITE KINGDOM OF JORDAN

CONDENSED CONSOLIDATED INTERIM
FINANCIAL INFORMATION

(REVIEWED NOT AUDITED)

31 MARCH 2023

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Table of contents

Review Report

Condensed Consolidated Interim Statement of Financial Position	1
Condensed Consolidated Interim Statement of Income	2
Condensed Consolidated Interim Statement of Comprehensive Income	3
Condensed Consolidated Interim Statement of Shareholder's Equity	4
Condensed Consolidated Interim Statement of Cash Flows	5
Notes to the Condensed Consolidated Interim Financial Information	<u>Page</u> 6 - 34

ARAB BANK GROUP
CONDENSED CONSOLIDATED INTERIM
STATEMENT OF FINANCIAL POSITION

	Notes	31 March 2023 (Reviewed not Audited)	31 December 2022 (Audited)
		USD '000	USD '000
<u>ASSETS</u>			
Cash and balances with central banks	4	11 423 326	11 695 391
Balances with banks and financial institutions	5	4 627 173	4 008 144
Deposits with banks and financial institutions	6	359 759	610 306
Financial assets at fair value through profit or loss	7	75 487	72 253
Financial derivatives - positive fair value		175 907	196 232
Direct credit facilities at amortized cost - Net	9	31 824 891	31 726 598
Financial assets at fair value through other comprehensive income	8	803 038	750 572
Other financial assets at amortized cost	10	10 022 374	10 002 475
Investments in associates		3 632 422	3 558 864
Fixed assets	11	521 873	530 393
Other assets	12	1 213 175	1 028 650
Deferred tax assets		242 713	279 945
Total Assets		64 922 138	64 459 823
<u>LIABILITIES AND SHAREHOLDERS' EQUITY</u>			
Banks and financial institutions' deposits		3 789 774	3 517 640
Customers' deposits	13	45 451 639	45 287 371
Cash margin		2 277 078	2 461 500
Financial derivatives - negative fair value		142 235	163 611
Borrowed funds	14	508 153	522 368
Provision for income tax	15	297 952	293 029
Other provisions		221 393	232 423
Other liabilities	16	1 812 575	1 570 172
Deferred tax liabilities		10 020	9 253
Total Liabilities		54 510 819	54 057 367
<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		(387 649)	(400 986)
Investments revaluation reserve		(361 098)	(362 590)
Retained earnings	19	3 273 373	3 289 293
Total Equity Attributable to the Shareholders of the Bank		9 486 771	9 487 862
Perpetual tier 1 capital bonds	18	360 527	360 527
Non-controlling interests		564 021	554 067
Total Shareholders' Equity		10 411 319	10 402 456
Total Liabilities and Shareholders' Equity		64 922 138	64 459 823

The accompanying notes from (1) to (35) form an integral part of these condensed consolidated interim financial information and should be read with them and with the auditor's report.

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

	<u>Notes</u>	For The Three-Months Period Ended 31 March	
		2023	2022
		USD '000	USD '000
<u>REVENUE</u>			
Interest income	20	831 509	555 841
Less: interest expense	21	353 167	213 349
Net Interest Income		478 342	342 492
Net commission income	22	94 747	99 051
Net Interest and Commission Income		573 089	441 543
Foreign exchange differences		27 837	26 218
Gain from financial assets at fair value	23	1 159	321
Dividends from financial assets at fair value through other comprehensive income	8	4 203	4 933
Group's share of associates profits		131 726	82 574
Other revenue / Net	24	12 723	18 657
Total Income		750 737	574 246
<u>EXPENSES</u>			
Employees' expenses		172 095	159 725
Other expenses		99 755	90 873
Depreciation and amortization		21 473	20 805
Expected credit loss on the financial assets		131 454	75 655
Other provisions		5 783	1 934
Total Expenses		430 560	348 992
Profit for the period before income tax		320 177	225 254
Less: Income tax expense	15	103 879	59 211
Profit for the period		216 298	166 043
<u>Attributable to :</u>			
- Bank's shareholders		208 513	158 866
- Non-controlling interests		7 785	7 177
Total		216 298	166 043
Earnings per share attributable to the Bank's shareholders			
- Basic and Diluted (US Dollars)	31	0.33	0.25

The accompanying notes from (1) to (35) form an integral part of these condensed consolidated interim financial information and should be read with them and with the auditor's report.

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

	For The Three-Months Period Ended 31 March	
	2023	2022
	USD '000	USD '000
Profit for the period	216 298	166 043
<u>Add: Other comprehensive income items - after tax</u>		
<u>Items that will be subsequently transferred to profit or loss</u>		
Exchange differences arising from the translation of foreign currencies	16 617	(18 893)
Revaluation gain (loss) on financial assets at fair values through other comprehensive income	2 608	(3 988)
<u>Items that will not be subsequently transferred to profit or loss</u>		
Net change in fair value of financial assets at fair value through other comprehensive income	(2 268)	30 367
Revaluation (loss) gain on equity instruments at fair value through other comprehensive income	(2 227)	30 367
(Loss) from sale of financial assets at fair value through other comprehensive income	(41)	-
Total Other Comprehensive Income Items - after Tax	16 957	7 486
Total Comprehensive Income for the period	233 255	173 529
Attributable to :		
- Bank's shareholders	223 301	169 361
- Non-controlling interests	9 954	4 168
Total	233 255	173 529

The accompanying notes from (1) to (35) form an integral part of these condensed consolidated interim financial information and should be read with them and with the auditor's report.

ARAB BANK GROUP

CONDENSED CONSOLIDATED INTERIM STATEMENT OF CHANGES IN SHAREHOLDERS' EQUITY

(REVIEWED NOT AUDITED)

Note	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
For The Three-Months Period Ended 31 March 2023														
	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
Balance at the beginning of the year	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
For The Three-Months Period Ended 31 March 2022														
Balance at the beginning of the year	926 615	1 225 747	926 615	977 315	1 211 927	154 171	1 540 896	(291 987)	(312 553)	2 967 984	9 326 730	438 449	556 173	10 321 352
Profit for the period	-	-	-	-	-	-	-	-	-	158 866	158 866	-	7 177	166 043
Other comprehensive income for the period	-	-	-	-	-	-	-	(17 562)	28 057	-	10 495	-	(3 009)	7 486
Total Comprehensive Income for the period	-	-	-	-	-	-	-	(17 562)	28 057	158 866	169 361	-	4 168	173 529
Dividends Distributed	-	-	-	-	-	-	-	-	-	(180 706)	(180 706)	-	-	(180 706)
(Maturity) of Perpetual Bonds (Tier 1 Capital)	-	-	-	-	-	-	-	-	-	-	-	(77 922)	-	(77 922)
Transferred from general banking risk reserve	-	-	-	-	-	(1 114)	-	-	-	1 114	-	-	-	-
Adjustments during the period	-	-	-	-	-	-	-	-	-	8 077	8 077	-	(341)	7 736
Balance at the end of the period	926 615	1 225 747	926 615	977 315	1 211 927	153 057	1 540 896	(309 549)	(284 496)	2 955 335	9 323 462	360 527	560 000	10 243 989

* Retained earnings include restricted deferred tax assets in the amount of USD 228.7 million, as well as, restricted retained earnings that cannot be distributed or otherwise utilized except only under certain circumstances that result from the adoption of certain Accounting Standards, these have amounted to USD 2.8 million as of 31 March 2023.

* The Bank cannot use a restricted amount of USD 361.1 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 2023.

* The Central Bank of Jordan issued regulations No. 13/2018 dated 6 June 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 (35) form an integral part of these condensed consolidated interim financial information and should be read with them and with the auditor's report.

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

	Notes	For The Three-Months Period Ended 31 March	
		2023	2022
		USD '000	USD '000
<u>CASH FLOWS FROM OPERATING ACTIVITIES</u>			
Profit for the period before tax		320 177	225 254
Adjustments for:			
Group's share of profits of associates		(131 726)	(82 574)
Depreciation and amortization		21 473	20 805
Expected credit losses on financial assets		131 454	75 655
Net accrued interest		(58 496)	(39 978)
(Gain) from sale of fixed assets		(125)	(125)
Dividends on financial assets at fair value through other comprehensive income	8	(4 203)	(4 933)
(Gain) loss from revaluation of financial assets at fair value through profit or loss	23	(859)	69
Other provisions		5 783	1 934
Total		283 478	196 107
<u>(Increase) decrease in assets:</u>			
Deposits with banks and financial institutions (maturing after 3 months)		250 924	(124 423)
Direct credit facilities at amortized cost		(187 259)	(637 785)
Financial assets at fair value through profit or loss		(2 375)	(4 078)
Other assets and financial derivatives		(74 962)	(115 062)
<u>Increase (decrease) in liabilities:</u>			
Banks' and financial institutions' deposits (maturing after 3 months)		(13 259)	484 566
Customers' deposits		164 268	162 856
Cash margin		(184 422)	83 179
Other liabilities and financial derivatives		(71 532)	(45 832)
Net Cash Flows From (Used in) Operating Activities before Income Tax		164 861	(472)
Income tax paid	15	(61 058)	(47 208)
Net Cash Flows From (Used in) Operating Activities		103 803	(47 680)
<u>CASH FLOWS FROM INVESTING ACTIVITIES</u>			
(Purchase) Sale of financial assets at fair value through other comprehensive income		(51 024)	44 038
(Purchase) Maturity of other financial assets at amortized cost		(26 643)	386 009
(Increase) of investments in associates		(5 286)	(437)
Dividends received from associates		71 310	51 857
Dividends received from financial assets at fair value through other comprehensive income		4 203	4 933
(Increase) in fixed assets - net	11	(12 953)	(17 750)
Proceeds from sale of fixed assets		125	125
Net Cash Flows (Used in) From Investing Activities		(20 268)	468 775
<u>CASH FLOWS FROM FINANCING ACTIVITIES</u>			
(Decrease) in borrowed funds		(14 215)	(31 765)
(Decrease) in perpetual bonds - tier 1		-	(77 922)
Dividends paid to shareholders		(944)	(485)
Net Cash Flows (Used in) Financing Activities		(15 159)	(110 172)
Net Increase in cash and cash equivalents		68 376	310 923
Exchange differences - change in foreign exchange rates		13 337	(17 562)
Cash and cash equivalents at the beginning of the Year		12 434 674	12 260 052
Cash and Cash Equivalents at the end of the period	32	12 516 387	12 553 413
<u>Operational Cash Flows From Interest</u>			
Interest Paid		313 956	209 799
Interest Received		733 802	512 313

The accompanying notes from (1) to (35) form an integral part of these condensed consolidated interim financial information and should be read with them and with the auditor's report.

ARAB BANK GROUP
NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL INFORMATION
31 MARCH 2023
(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 72 branches in Jordan and 129 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 (4) on 30 April 2023.

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 2022. In addition, the results of the Group's operations for the three-months period ended 31 March 2023 do not necessarily represent indications of the expected results for the year ending 31 December 2023, and do not contain the appropriation of the profit of the current period, which is usually performed at year end.

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

ARAB BANK GROUP
NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL INFORMATION
31 MARCH 2023
(REVIEWED NOT AUDITED)

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 2023	31 December 2022				
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
Al Arabi Investment Group	100.00	100.00	2009	Brokerage and financial services	Palestine	JD 1.7m
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
Al Nisr Al Arabi Insurance Company	50.00	50.00	2006	Insurance	Jordan	JD 10m

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

The consolidated condensed 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 are 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.

ARAB BANK GROUP
NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL INFORMATION
31 MARCH 2023
(REVIEWED NOT AUDITED)

2-3 CHANGES IN ACCOUNTING POLICIES

The accounting policies used in the preparation of the condensed consolidated interim financial information for the period ended on 31 March 2023 are consistent with those used in the preparation of the annual financial statement for the year ended 31 December 2022. However, the Bank has adopted the following amendments and interpretations that apply for the first time in 2023 and have not materially affected the amounts and disclosures in the condensed interim financial information for the period and prior years, which may have an impact on the accounting treatment of future transactions and arrangements:

IFRS 17 Insurance Contracts (including the June 2020 amendments to IFRS 17)

IFRS 17 establishes the principles for the recognition, measurement, presentation and disclosure of insurance contracts and supersedes IFRS 4 Insurance Contracts.

IFRS 17 outlines a general model, which is modified for insurance contracts with direct participation features, described as the variable fee approach. The general model is simplified if certain criteria are met by measuring the liability for remaining coverage using the premium allocation approach.

The general model uses current assumptions to estimate the amount, timing and uncertainty of future cash flows and it explicitly measures the cost of that uncertainty. It takes into account market interest rates and the impact of policyholders' options and guarantees.

In June 2020, the Board issued Amendments to IFRS 17 to address concerns and implementation challenges that were identified after IFRS 17 was published. The amendments defer the date of initial application of IFRS 17 (incorporating the amendments) to annual reporting periods beginning on or after 1 January 2023. At the same time, the Board issued Extension of the Temporary Exemption from Applying IFRS 9 (Amendments to IFRS 4) that extends the fixed expiry date of the temporary exemption from applying IFRS 9 in IFRS 4 to annual reporting periods beginning on or after 1 January 2023.

In December 2021, the IASB issued Initial Application of IFRS 17 and IFRS 9—Comparative Information (Amendment to IFRS 17) to address implementation challenges that were identified after IFRS 17 was published. The amendment addresses challenges in the presentation of comparative information.

Amendments to IAS 1 Presentation of Financial Statements – Classification of Liabilities as Current or Non-current

The amendments to IAS 1 affect only the presentation of liabilities as current or non-current in the statement of financial position and not the amount or timing of recognition of any asset, liability, income or expenses, or the information disclosed about those items.

The amendments clarify that the classification of liabilities as current or noncurrent is based on rights that are in existence at the end of the reporting period, specify that classification is unaffected by expectations about whether an entity will exercise its right to defer settlement of a liability, explain that rights are in existence if covenants are complied with at the end of the reporting period, and introduce a definition of 'settlement' to make clear that settlement refers to the transfer to the counterparty of cash, equity instruments, other assets or services.

ARAB BANK GROUP
NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL INFORMATION
31 MARCH 2023
(REVIEWED NOT AUDITED)

For the purpose of the transition requirements, the date of initial application is the start of the annual reporting period in which the entity first applies the Standard, and the transition date is the beginning of the period immediately preceding the date of initial application.

Amendments to IAS 1 Presentation of Financial Statements and IFRS Practice Statement 2 Making Materiality Judgements - Disclosure of Accounting Policies

The amendments change the requirements in IAS 1 with regard to disclosure of accounting policies. The amendments replace all instances of the term ‘significant accounting policies’ with ‘material accounting policy information’. Accounting policy information is material if, when considered together with other information included in an entity’s financial statements, it can reasonably be expected to influence decisions that the primary users of general purpose financial statements make on the basis of those financial statements.

The supporting paragraphs in IAS 1 are also amended to clarify that accounting policy information that relates to immaterial transactions, other events or conditions is immaterial and need not be disclosed. Accounting policy information may be material because of the nature of the related transactions, other events or conditions, even if the amounts are immaterial. However, not all accounting policy information relating to material transactions, other events or conditions is itself material.

The Board has also developed guidance and examples to explain and demonstrate the application of the ‘four-step materiality process’ described in IFRS Practice Statement 2.

Amendments to IAS 8 Accounting Policies, Changes in Accounting Estimates and Errors - Definition of Accounting Estimates

The amendments replace the definition of a change in accounting estimates with a definition of accounting estimates. Under the new definition, accounting estimates are “monetary amounts in financial statements that are subject to measurement uncertainty”.

The definition of a change in accounting estimates was deleted. However, the Board retained the concept of changes in accounting estimates in the Standard with the following clarifications:

- A change in accounting estimate that results from new information or new developments is not the correction of an error
- The effects of a change in an input or a measurement technique used to develop an accounting estimate are changes in accounting estimates if they do not result from the correction of prior period errors

The IASB added two examples (Examples 4-5) to the Guidance on implementing IAS 8, which accompanies the Standard. The IASB has deleted one example (Example 3) as it could cause confusion in light of the amendments.

Amendments to IAS 12 Income Taxes - Deferred Tax related to Assets and Liabilities arising from a Single Transaction

The amendments introduce a further exception from the initial recognition exemption. Under the amendments, an entity does not apply the initial recognition exemption for transactions that give rise to equal taxable and deductible temporary differences.

ARAB BANK GROUP

NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL INFORMATION

31 MARCH 2023

(REVIEWED NOT AUDITED)

Depending on the applicable tax law, equal taxable and deductible temporary differences may arise on initial recognition of an asset and liability in a transaction that is not a business combination and affects neither accounting nor taxable profit. For example, this may arise upon recognition of a lease liability and the corresponding right-of-use asset applying IFRS 16 at the commencement date of a lease.

Following the amendments to IAS 12, an entity is required to recognise the related deferred tax asset and liability, with the recognition of any deferred tax asset being subject to the recoverability criteria in IAS 12.

The Board also adds an illustrative example to IAS 12 that explains how the amendments are applied.

The amendments apply to transactions that occur on or after the beginning of the earliest comparative period presented. In addition, at the beginning of the earliest comparative period an entity recognises:

- A deferred tax asset (to the extent that it is probable that taxable profit will be available against which the deductible temporary difference can be utilised) and a deferred tax liability for all deductible and taxable temporary differences associated with:
 - Right-of-use assets and lease liabilities
 - Decommissioning, restoration and similar liabilities and the corresponding amounts recognised as part of the cost of the related asset

The cumulative effect of initially applying the amendments as an adjustment to the opening balance of retained earnings (or other component of equity, as appropriate) at that date.

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 2022 Consolidated financial statements.

4 - CASH AND BALANCES WITH CENTRAL BANKS

The details of this item are as follows:

	31 March 2023 (Reviewed not Audited)	31 December 2022 (Audited)
	USD '000	USD '000
Cash in vaults	816 278	915 691
Balances with central banks:		
Current accounts	3 778 981	3 772 897
Time and notice	5 411 656	5 677 583
Mandatory cash reserve	1 505 948	1 430 592
Certificates of deposit	163 419	131 412
<u>Less: Expected credit loss</u>	<u>(252 956)</u>	<u>(232 784)</u>
Total	<u>11 423 326</u>	<u>11 695 391</u>

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

- There are no balances and certificates of deposits maturing after three months as of 31 March 2023 and 31 December 2022.

The movement of expected credit loss "ECL" charges on balances with central banks is as follows:

	31 March 2023 (Reviewed not Audited)			31 December 2022 (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	1 734	231 050	-	232 784	201 912
Net ECL Charges for the period/ year	(70)	20 222	-	20 152	30 998
Adjustments during the period and translation adjustments	20	-	-	20	(126)
Balance at the end of the period / year	<u>1 684</u>	<u>251 272</u>	<u>-</u>	<u>252 956</u>	<u>232 784</u>

5 - BALANCES WITH BANKS AND FINANCIAL INSTITUTIONS

Local banks and financial institutions

	31 March 2023 (Reviewed not Audited)	31 December 2022 (Audited)
	USD '000	USD '000
Current Accounts	5 104	4 181
Time deposits maturing within 3 months	274 561	194 821
Total	<u>279 665</u>	<u>199 002</u>

Banks and financial institutions abroad

Current accounts	885 580	1 196 198
Time deposits maturing within 3 months	3 464 529	2 615 574
Certificates of deposit maturing within 3 months	-	-
Total	<u>4 350 109</u>	<u>3 811 772</u>
<u>Less: Expected credit loss</u>	<u>(2 601)</u>	<u>(2 630)</u>
Total balances with banks and financial institutions local and abroad	<u>4 627 173</u>	<u>4 008 144</u>

- There are no non-interest bearing balances as of 31 March 2023 and 31 December 2022.

- There are no restricted balances as of 31 March 2023 and 31 December 2022.

The movement of expected credit loss charges on Balances with Banks and Financial Institutions is as follows:

	31 March 2023 (Reviewed not Audited)			31 December 2022 (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	2 630	-	-	2 630	2 765
Net ECL Charges for the period / year	(48)	-	-	(48)	(81)
Adjustments during the period and translation adjustments	19	-	-	19	(54)
Balance at the end of the period / year	2 601	-	-	2 601	2 630

6 - DEPOSITS WITH BANKS AND FINANCIAL INSTITUTIONS

The details of this item are as follows:

Deposits with Local Banks and Financial Institutions:

	31 March 2023 (Reviewed not Audited)	31 December 2022 (Audited)
	USD '000	USD '000
Time deposits maturing after one year	47 610	47 610
Total	47 610	47 610

Deposits with Banks and Financial Institutions Abroad:

Time deposits maturing after 3 months and before 6 months	279 388	412 164
Time deposits maturing after 6 months and before 9 months	19 889	131 816
Time deposits maturing after 9 months and before a year	13 737	19 958
Total	313 014	563 938
Less: Expected credit loss	(865)	(1 242)
Total deposits with banks and financial institutions Local and Abroad	359 759	610 306

- There are no restricted deposits as of 31 March 2023 and 31 December 2022.

The movement of expected credit loss "ECL" charges on Deposits with Banks and Financial Institutions is as follows:

	31 March 2023 (Reviewed not Audited)			31 December 2022 (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	1 242	-	-	1 242	846
Net ECL Charges for the period/ year	(392)	-	-	(392)	404
Adjustments during the period and translation adjustments	15	-	-	15	(8)
Balance at the end of the period / year	865	-	-	865	1 242

7 - FINANCIAL ASSETS AT FAIR VALUE THROUGH PROFIT OR LOSS

The details of this item are as follows:

	31 March 2023 (Reviewed not Audited)	31 December 2022 (Audited)
	USD '000	USD '000
Treasury bills and Governmental bonds	38 289	35 315
Corporate bonds	13 434	13 347
Corporate shares	1 960	1 981
Mutual funds	21 804	21 610
Total	75 487	72 253

8 - FINANCIAL ASSETS AT FAIR VALUE THROUGH OTHER COMPREHENSIVE INCOME "OCI"

The details of this item are as follows:

	31 March 2023 (Reviewed not Audited)	31 December 2022 (Audited)
	USD '000	USD '000
Quoted shares	156 563	152 699
Unquoted shares	179 227	197 111
Governmental bonds and bonds guaranteed by the government through OCI	311 438	292 294
Corporate bonds through OCI	156 333	109 004
<u>Less: Net ECL Charges on bonds</u>	<u>(523)</u>	<u>(536)</u>
Total	803 038	750 572

- Cash dividends from the investments above amounted to USD 4.2 million for the three-months period ended 31 March 2023 (USD 4.9 millions for the three-months period ended 31 March 2022).

The movement of Expected Credit Loss "ECL" charges on Financial Assets at OCI is as follows:

	31 March 2023 (Reviewed not Audited)				31 December 2022 (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	536	-	-	536	472
Net ECL Charges for the period / year	9	-	-	9	64
Adjustments and translation during the period	(22)	-	-	(22)	-
Balance at the end of the period / year	523	-	-	523	536

9 - DIRECT CREDIT FACILITIES AT AMORTIZED COST

The details of this item are as follows:

	31 March 2023					
	(Reviewed not 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 *	46 165	81 951	523 615	206 091	17 637	875 459
Overdrafts *	103 684	1 259 450	2 961 606	5 334	265 287	4 595 361
Loans and advances *	5 298 639	2 489 369	13 969 073	24 941	2 957 151	24 739 173
Real-estate loans	4 386 073	259 725	251 897	-	-	4 897 695
Credit cards	267 710	-	-	-	-	267 710
Total	10 102 271	4 090 495	17 706 191	236 366	3 240 075	35 375 398
<u>Less:</u> Interest and commission in suspense	116 649	133 825	578 219	49	-	828 742
Provision for expected credit loss	285 204	373 770	2 040 222	4 287	18 282	2 721 765
Total	401 853	507 595	2 618 441	4 336	18 282	3 550 507
Net Direct Credit Facilities At Amortized Cost	9 700 418	3 582 900	15 087 750	232 030	3 221 793	31 824 891

* Net of interest and commission received in advance which amounted to USD 161.5 million as of 31 March 2023.

- Rescheduled loans during the three-months period ended 31 March 2023 amounted to USD 151.95 million .

- Restructured loans (transferred from non performing to watch list loans) during the three-months period ended 31 March 2023 amounted to USD 2.7 million.

- Direct credit facilities granted to and guaranteed by the Government of Jordan amounted to USD 136.3 million, or 0.4% of total direct credit facilities as of 31 March 2023.

- Non-performing direct credit facilities amounted to USD 2986.2 million, or 8.4% of total direct credit facilities as of 31 March 2023.

- Non-performing direct credit facilities (net of interest and commission in suspense) amounted to USD 2177.7 million, or 6.3% of direct credit facilities (after deducting interest and commission in suspense) as of 31 March 2023.

31 December 2022

(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 *	46 125	82 585	654 372	318 226	16 000	1 117 308
Overdrafts *	91 982	1 291 488	3 163 709	5 337	343 839	4 896 355
Loans and advances *	5 253 959	2 332 858	13 815 556	30 225	2 671 387	24 103 985
Real-estate loans	4 338 549	404 266	290 822	-	-	5 033 637
Credit cards	288 992	-	-	-	-	288 992
Total	10 019 607	4 111 197	17 924 459	353 788	3 031 226	35 440 277
<u>Less:</u> Interest and commission in suspense	112 987	141 609	646 506	49	-	901 151
Provision for expected credit loss	292 007	421 493	2 078 270	4 751	16 007	2 812 528
Total	404 994	563 102	2 724 776	4 800	16 007	3 713 679
Net Direct Credit Facilities at Amortized Cost	9 614 613	3 548 095	15 199 683	348 988	3 015 219	31 726 598

* Net of interest and commission received in advance which amounted to USD 136 million as of 31 December 2022.

- Rescheduled loans during the year ended 31 December 2022 amounted to USD 1001.9 million .

- Restructured loans (transferred from non performing to watch list loans) during the year ended 31 December 2022 amounted to USD 4.6 million.

- Direct credit facilities granted to and guaranteed by the Government of Jordan amounted to USD 139.5 million, or 0.4% of total direct credit facilities as of 31 December 2022.

- Non-performing direct credit facilities amounted to USD 2930 million, or 8.3% of total direct credit facilities as of 31 December 2022.

- Non-performing direct credit facilities (net of interest and commission in suspense) amounted to USD 2084.1 million, or 6% of direct credit facilities (after deducting interest and commission in suspense) as of 31 December 2022.

The details of movement on the provision for expected credit loss "ECL" as of 31 March 2023 are as follows:

	31 March 2023 (Reviewed not 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	2 215	(2 213)	(2)	-
Transferred to Stage 2	(3 768)	4 520	(752)	-
Transferred to Stage 3	(163)	(239 934)	240 097	-
Net ECL Charges for the period	34 988	45 581	20 744	101 313
Used from provision (written off or transferred to off interim condensed consolidated statement of financial position)	-	-	(161 551)	(161 551)
Adjustments during the period and translation adjustments	1 563	(17 898)	(14 190)	(30 525)
Balance at the end of the period	165 613	582 538	1 973 614	2 721 765

The details of movement on the provision for expected credit loss "ECL" as of 31 December 2022 are as follows:

	31 December 2022 (Audited)			
	USD '000	USD '000	USD '000	USD '000
	Stage 1	Stage 2	Stage 3	Total
Balance at the beginning of the year	101 833	655 000	1 826 301	2 583 134
Transferred to Stage 1	13 297	(13 212)	(85)	-
Transferred to Stage 2	(4 752)	5 900	(1 148)	-
Transferred to Stage 3	(1 281)	(61 994)	63 275	-
Net ECL Charges for the year	28 810	199 792	190 438	419 040
Used from provision (written off or transferred to off consolidated statement of financial position)	-	-	(114 242)	(114 242)
Adjustments during the period and translation adjustments	(7 129)	6 996	(75 271)	(75 404)
Balance at the end of the year	130 778	792 482	1 889 268	2 812 528

- Impairment is assessed based on individual customer accounts and on an individual basis.

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

	31 March 2023 (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	112 987	141 609	646 506	49	-	901 151
Interest and commissions suspended during the period	6 700	6 605	44 167	-	-	57 472
Interest and commissions in suspense settled / written off or transferred to off condensed consolidated interim statement of financial position	(1 008)	(12 381)	(113 222)	-	-	(126 611)
Interest and commission reversed to revenue	(2 107)	(1 172)	(1 511)	-	-	(4 790)
Adjustments during the period	(13)	(155)	168	-	-	-
Translation adjustments	90	(681)	2 111	-	-	1 520
Balance at the end of the period	116 649	133 825	578 219	49	-	828 742

	31 December 2022 (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	106 284	143 654	528 556	49	-	778 543
Interest and commissions suspended during the year	22 982	25 025	172 697	-	-	220 704
Interest and commissions in suspense settled / written off or transferred to off consolidated statement of financial position	(7 542)	(21 085)	(33 653)	-	-	(62 280)
Interest and commission reversed to revenue	(6 906)	(2 328)	(6 990)	-	-	(16 224)
Adjustment during the year	-	(1 925)	1 925	-	-	-
Translation adjustments	(1 831)	(1 732)	(16 029)	-	-	(19 592)
Balance at the end of the Year	112 987	141 609	646 506	49	-	901 151

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 2023	31 December 2022
			(Reviewed not Audited)	(Audited)
	USD '000	USD '000	USD '000	USD '000
Consumer Banking	3 705 996	5 994 422	9 700 418	9 614 613
Industry and mining	1 422 724	3 417 312	4 840 036	5 002 459
Constructions	467 969	1 625 053	2 093 022	2 089 411
Real - Estates	303 726	946 890	1 250 616	1 455 609
Trade	1 461 850	2 775 396	4 237 246	4 306 033
Agriculture	206 762	185 182	391 944	396 992
Tourism and Hotels	246 462	528 544	775 006	705 434
Transportations	79 979	236 380	316 359	273 184
Shares	-	37 959	37 959	39 484
General Services	692 667	4 035 795	4 728 462	4 479 172
Banks and Financial Institutions	68 760	163 270	232 030	348 988
Government and Public Sector	236 441	2 985 352	3 221 793	3 015 219
Net Direct Credit Facilities at Amortized Cost	8 893 336	22 931 555	31 824 891	31 726 598

10 - OTHER FINANCIAL ASSETS AT AMORTIZED COST

The details of this item are as follows:

	31 March 2023 (Reviewed not Audited)	31 December 2022 (Audited)
	USD '000	USD '000
Treasury bills	2 609 621	2 583 487
Governmental bonds and bonds guaranteed by the government	6 062 694	6 075 043
Corporate bonds	1 400 052	1 387 991
Less: Expected credit loss	(49 993)	(44 046)
Total	10 022 374	10 002 475

Analysis of bonds based on interest nature:

	31 March 2023 (Reviewed not Audited)	31 December 2022 (Audited)
	USD '000	USD '000
Floating interest rate	439 710	374 082
Fixed interest rate	9 632 657	9 672 439
Less: Expected credit loss	(49 993)	(44 046)
Total	10 022 374	10 002 475

Analysis of financial assets based on market quotation:

	31 March 2023 (Reviewed not Audited)	31 December 2022 (Audited)
	USD '000	USD '000
Financial assets quoted in the market:		
Treasury bills	1 308 111	1 219 414
Governmental bonds and bonds guaranteed by the government	1 517 656	1 559 113
Corporate bonds	1 288 747	1 276 778
Total	4 114 514	4 055 305

Financial assets unquoted in the market:

Treasury bills	1 301 510	1 364 073
Governmental bonds and bonds guaranteed by the government	4 545 039	4 515 931
Corporate bonds	111 304	111 212
Total	5 957 853	5 991 216
Less: Expected credit loss	(49 993)	(44 046)
Grand Total	10 022 374	10 002 475

The movement of expected credit loss "ECL" charges on Other Financial Assets at Amortized Cost is as

	31 March 2023 (Reviewed not Audited)			31 December 2022 (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	24 926	19 120	-	44 046	34 365
Net ECL Charges for the period / year	3 263	3 482	-	6 745	10 930
Adjustments during the period and translation adjustments	(231)	(567)	-	(798)	(1 249)
Balance at the end of the period / year	27 958	22 035	-	49 993	44 046

* No other financial assets at amortized cost were sold during the three-months period ended 31 March 2023 (USD 52.9 million during the year ended 31 December 2022).

11 - FIXED ASSETS

The additions to and disposals of fixed assets during the three-months period ended 31 March 2023 amounted to USD 12.95 million and USD 1.7 million respectively (USD 17.75 million and USD 3.2 million for the three-months period ended 31 March 2022).

The cost of fully depreciated fixed assets amounted to USD 513.7 million as of 31 March 2023 (USD 519 million as of 31 December 2022).

12 - OTHER ASSETS

The details of this item are as follows:

	31 March 2023 (Reviewed not Audited)	31 December 2022 (Audited)
	USD '000	USD '000
Accrued interest receivable	490 368	392 661
Prepaid expenses	92 536	49 457
Foreclosed assets *	174 242	177 325
Intangible assets	29 339	31 404
Right-of-use Assets	85 867	87 697
Other miscellaneous assets	340 823	290 106
Total	1 213 175	1 028 650

* Central Bank of Jordan instructions requires disposal of these assets during a maximum period of four years from the date of foreclosure.

13 - CUSTOMERS' DEPOSITS

The details of this item are as follows:

	31 March 2023				Total
	(Reviewed not Audited)				
	Consumer Banking	Corporates		Government and Public Sector	
	Small & Medium	Large			
	USD '000	USD '000	USD '000	USD '000	USD '000
Current and demand	9 958 499	2 604 843	4 756 707	1 059 451	18 379 500
Savings	5 415 985	72 042	20 554	34 563	5 543 144
Time and notice	10 736 051	1 538 380	4 846 065	3 925 626	21 046 122
Certificates of deposit	303 162	23 746	93 733	62 232	482 873
Total	26 413 697	4 239 011	9 717 059	5 081 872	45 451 639

	31 December 2022				Total
	(Audited)				
	Consumer Banking	Corporates		Government and Public Sector	
	Small & Medium	Large			
	USD '000	USD '000	USD '000	USD '000	USD '000
Current and demand	10 096 899	2 756 827	4 582 419	1 150 800	18 586 945
Savings	5 378 739	95 669	14 969	33 731	5 523 108
Time and notice	10 345 385	1 499 245	4 804 215	3 935 047	20 583 892
Certificates of deposit	379 111	34 010	100 895	79 410	593 426
Total	26 200 134	4 385 751	9 502 498	5 198 988	45 287 371

- Total Government of Jordan and Jordanian public sector deposits amounted to USD 1165.2 millions, or 2.6% of total customer's deposits as of 31 March 2023 (USD 1305.1 million, or 2.9% of total customer's deposits as of 31 December 2022).
- Non-interest bearing deposits amounted to USD 15372.3 million, or 33.8% of total customer's deposits as of 31 March 2023 (USD 15437.1 million, or 34.1% of total customer's deposits as of 31 December 2022).
- Blocked deposits amounted to USD 216.6 million, or 0.5% of total customer's deposits as of 31 March 2023 (USD 177.6 million, or 0.4% of total customer's deposits as of 31 December 2022).
- Dormant deposits amounted to USD 417.4 million, or 0.9% of total customer's deposits as of 31 March 2023 (USD 389.3 million, or 0.9% of total customer's deposits as of 31 December 2022).

14 - BORROWED FUNDS

The details of this item are as follows:

	31 March 2023 (Reviewed not Audited)	31 December 2022 (Audited)
	USD '000	USD '000
From central banks	166 845	162 385
From banks and financial institutions	341 308	359 983
Total	508 153	522 368

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

	31 March 2023 (Reviewed not Audited)	31 December 2022 (Audited)
	USD '000	USD '000
Floating interest rate	239 805	351 604
Fixed interest rate	268 348	170 764
Total	508 153	522 368

15 - PROVISION FOR INCOME TAX

The details of this item are as follows:

	31 March 2023 (Reviewed not Audited)	31 December 2022 (Audited)
	USD '000	USD '000
Balance at the beginning of the period / year	293 029	202 477
Income tax expense	65 981	331 988
Income tax paid	(61 058)	(241 436)
Balance at the end of the period / year	297 952	293 029

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

	For The Three-Months Period Ended 31 March	
	2023	2022
	USD '000	USD '000
Income tax expense for the period	65 981	64 344
Effect of deferred tax	37 898	(5 133)
Total	103 879	59 211

- The income tax rate for the banking sector 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 2023 and 31 December 2022. The effective tax rate for the Group is 32.4% as of 31 March 2023 and 26.3% as of 31 March 2022.
- The subsidiaries and branches of Arab Bank Group have reached recent tax settlements ranging between 2021 such as Arab Bank United Arab Emirates and 2020 such as Islamic International Arab Bank

16 - OTHER LIABILITIES

The details of this item are as follows:

	31 March 2023 (Reviewed not Audited)	31 December 2022 (Audited)
	USD '000	USD '000
Accrued interest payable	338 983	299 772
Notes payable	171 318	150 927
Interest and commission received in advance	78 171	80 463
Accrued expenses	129 134	148 965
Dividends payable to shareholders	242 393	17 455
Provision for impairment - ECL of the indirect credit facilities*	190 513	176 384
Lease contracts liability	82 423	86 056
Other miscellaneous liabilities	579 640	610 150
Total	1 812 575	1 570 172

* The details of movement on the provision for expected credit loss "ECL" on indirect credit facilities are as follows:

	31 March 2023 (Reviewed not Audited)				31 December 2022 (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	32 871	22 575	120 938	176 384	145 511
Transferred to Stage 1	875	(875)	-	-	-
Transferred to Stage 2	(320)	320	-	-	-
Transferred to Stage 3	-	(55)	55	-	-
Net ECL Charges for the period / year	4 023	(1 504)	1 156	3 675	11 651
Adjustments during the period and translation Adjustments	(1 289)	13 102	(1 359)	10 454	19 222
Balance at the end of the period / year	36 160	33 563	120 790	190 513	176 384

17 - SHARE CAPITAL AND RESERVES

A. Share Capital amounted to USD 926.6 million distributed to 640.8 million shares as of 31 March 2023 and 31 December 2022.

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

18 - PERPETUAL TIER 1 CAPITAL BONDS

A. Additionally, on 17 October 2018, the Bank issued another series of unsecured perpetual Tier 1 bonds of USD 110.5 million. The bonds carry a fixed coupon rate of 7.5% per annum payable semi-annually and treated as deduction from equity. Interest is non-cumulative and payable at Bank's discretion. The bonds are in pari-passu with earlier issue.

B. Additionally, on 4 June 2021, the Bank issued another series of unsecured perpetual Tier 1 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. The bonds are in pari-passu with earlier issue.

C. The Tier 1 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. The Bond under note (A) has First Call date on 17 October 2023 bond under note (B) has First Call date on 4 January 2026. These bonds may be recalled on any interest payment date thereafter subject to the prior consent of the regulatory authority.

19 - RETAINED EARNINGS

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

	31 March 2023 (Reviewed not Audited)	31 December 2022 (Audited)
	USD '000	USD '000
Balance at the beginning of the period / year	3 289 293	2 967 984
Profit for the period/year attributable to the shareholders of the bank	208 513	520 276
Transferred from investment revaluation reserve to retained earnings	(41)	(2 171)
Dividends paid *	(225 882)	(186 532)
Transferred from / to general banking risk reserve	-	1 141
Adjustment during the period / year	1 490	(11 405)
Balance at the end of the period / year	3 273 373	3 289 293

* The General Assembly of Arab Bank Plc in its meeting held on 30 March 2023 approved the recommendations of the Banks's Board of Directors to distribute 25% of par value as cash dividend, equivalent to USD 225.9 million for the year 2022.
(The General Assembly of the Arab Bank plc in its meeting held on 31 March 2022 approved the recommendation of the Bank's Board of Directors to distribute 20% of par value as cash dividends for the year 2021 equivalent to USD 180.7 million).

20 - INTEREST INCOME

The details of this item are as follows:

	For The Three Months Period Ending 31 March	
	2023	2022
	(Reviewed not Audited)	
	USD '000	USD '000
Direct credit facilities at amortized cost	564 490	423 370
Balances with central banks	94 739	20 221
Balances and deposits with banks and financial institutions	47 567	5 255
Financial assets at fair value through profit or loss	2 757	2 480
Financial assets at fair value through OCI	3 794	5 055
Other financial assets at amortized cost	118 162	99 460
Total	831 509	555 841

21 - INTEREST EXPENSE

The details of this item are as follows:

	For The Three Months Period Ending 31 March	
	2023	2022
	(Reviewed not Audited)	
	USD '000	USD '000
Customers' deposits	283 654	188 305
Banks and financial institutions deposits	42 814	5 680
Cash margins	13 429	6 349
Borrowed funds	7 009	5 202
Deposit insurance fees	6 261	7 813
Total	353 167	213 349

22 - NET COMMISSION INCOME

The details of this item are as follows:

	For The Three Months Period Ending 31 March	
	2023	2022
	(Reviewed not Audited)	
	USD '000	USD '000
Commission income:		
Direct credit facilities at amortized cost	27 242	26 088
Indirect credit facilities	29 208	31 602
Assets under management	8 374	7 151
Other	54 399	51 454
Less: commission expense	(24 476)	(17 244)
Net Commission Income	94 747	99 051

23 - GAIN FROM FINANCIAL ASSETS AT FAIR VALUE

The details of this item are as follows:

	For The Three Months Period Ending 31 March			
	2023		2022	
	(Reviewed not Audited)			
	Realized gains at FVTPL	Unrealized gains (loss) at FVTPL	Total	Total
	USD '000	USD '000	USD '000	USD '000
Treasury bills and bonds	300	762	1 062	582
Corporate shares	-	123	123	44
Mutual funds	-	(26)	(26)	(305)
Total	300	859	1 159	321

24 - OTHER REVENUE

The details of this item are as follows:

	For The Three Months Period Ending 31 March	
	2023	2022
	(Reviewed not Audited)	
	USD '000	USD '000
Revenue from customer services	3 523	4 082
Safe box and other rentals	919	1 025
Gain (loss) from derivatives	330	(23)
Miscellaneous revenue	7 951	13 573
Total	12 723	18 657

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.

Moreover, this group is responsible for the management of the Group's assets and liabilities within the frame set by the Assets and Liabilities Committee.

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 Ending 31 March

	2023					2022	
	(Reviewed not Audited)						
	Corporate and Institutional Banking	Treasury	Consumer Banking		Other	Total	
			Elite	Retail Banking		Total	
	USD '000	USD '000	USD '000	USD '000	USD '000	USD '000	
Total income	298 180	233 029	(42 137)	117 470	144 195	750 737	574 246
Net inter-segment interest income	(42 389)	(118 415)	135 382	25 422	-	-	-
Less :Provision for impairment - ECL	110 165	24 910	(263)	(3 358)	-	131 454	75 655
Less :Other provisions	1 623	828	763	2 569	-	5 783	1 934
Less :Direct administrative expenses	38 986	7 141	12 422	55 060	11 076	124 685	124 488
Result of Operations of Segments	105 017	81 735	80 323	88 621	133 119	488 815	372 169
Less :Indirect expenses on segments	70 498	21 974	17 927	57 763	476	168 638	146 915
Profit for the period before Income Tax	34 519	59 761	62 396	30 858	132 643	320 177	225 254
Less :Income tax expense	11 199	19 389	20 244	10 012	43 035	103 879	59 211
Profit for the period	23 320	40 372	42 152	20 846	89 608	216 298	166 043
Depreciation and Amortization	6 751	2 367	1 358	10 997	-	21 473	20 805

	31 March 2023					31 December 2022	
	(Reviewed not Audited)						
	Corporate and Institutional Banking	Treasury	Consumer Banking		Other	Total	
			Elite	Retail Banking		Total	
	USD '000	USD '000	USD '000	USD '000	USD '000	USD '000	
Segment assets	22 001 061	23 264 902	4 131 968	8 994 735	2 897 050	61 289 716	60 900 959
Inter-segment assets	-	-	13 568 558	2 040 576	6 339 221	-	-
Investments in associates	-	-	-	-	3 632 422	3 632 422	3 558 864
Total Assets	22 001 061	23 264 902	17 700 526	11 035 311	12 868 693	64 922 138	64 459 823
Segment liabilities	19 585 055	3 732 553	17 700 526	11 035 311	2 457 374	54 510 819	54 057 367
Shareholders' Equity	-	-	-	-	10 411 319	10 411 319	10 402 456
Inter-segment liabilities	2 416 006	19 532 349	-	-	-	-	-
Total Liabilities and Shareholders' Equity	22 001 061	23 264 902	17 700 526	11 035 311	12 868 693	64 922 138	64 459 823

26 - MATURITY OF CONTINGENT LIABILITES

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

31 March 2023				
(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	2 783 621	205 035	-	2 988 656
Acceptances	663 539	13 651	-	677 190
Letters of guarantees:				
- Payment guarantees	873 100	161 569	115 859	1 150 528
- Performance guarantees	2 950 712	1 241 152	165 306	4 357 170
- Other guarantees	1 796 035	190 663	87 741	2 074 439
Unutilized credit facilities	5 248 739	234 578	30 673	5 513 990
Total	14 315 746	2 046 648	399 579	16 761 973
Construction projects contracts	3 910	-	-	3 910
Procurement contracts	13 183	1 476	646	15 305
Total	17 093	1 476	646	19 215
31 December 2022				
(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	2 711 022	163 284	-	2 874 306
Acceptances	747 489	14 031	-	761 520
Letters of guarantees:				
- Payment guarantees	1 093 722	188 515	129 364	1 411 601
- Performance guarantees	3 198 828	1 034 938	163 681	4 397 447
- Other guarantees	2 148 029	127 659	85 854	2 361 542
Unutilized credit facilities	5 398 449	264 603	29 556	5 692 608
Total	15 297 539	1 793 030	408 455	17 499 024
Construction projects contracts	2 892	-	-	2 892
Procurement contracts	18 141	1 455	400	19 996
Total	21 033	1 455	400	22 888

27 - CREDIT EXPOSURE FOR ASSETS CATEGORIZED BY GEOGRAPHICAL REGION:

The details for this items are as follows:

31 March 2023
(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	4 773 752	4 337 973	1 037	1 485 649	-	8 637	10 607 048
Balances and deposits with banks and financial institutions	327 294	1 072 155	684 018	2 420 255	430 050	53 160	4 986 932
Financial assets at fair value through profit or loss	-	38 289	-	8 376	-	5 058	51 723
Financial assets at fair value through other comprehensive income	-	271 715	-	195 533	-	-	467 248
Direct credit facilities at amortized cost	8 893 336	20 250 131	407 933	1 426 736	28 384	818 371	31 824 891
Consumer Banking	3 705 996	5 482 218	88	154 942	18 047	339 127	9 700 418
Small and Medium Corporates	863 165	1 901 540	25 237	548 726	10 337	233 895	3 582 900
Large Corporates	4 018 974	9 813 081	347 706	662 640	-	245 349	15 087 750
Banks and Financial Institutions	68 760	151 449	-	11 821	-	-	232 030
Government and Public Sector	236 441	2 901 843	34 902	48 607	-	-	3 221 793
Other financial assets at amortized cost	4 358 043	4 691 579	92 163	511 662	143 463	225 464	10 022 374
Other assets and financial derivatives - positive fair value	109 755	505 775	3 154	135 539	356	4 232	758 811
Total	18 462 180	31 167 617	1 188 305	6 183 750	602 253	1 114 922	58 719 027
Total as of 31 December 2022 (Audited)	18 337 487	31 386 621	1 011 056	5 567 499	762 184	1 150 150	58 214 997

* Excluding Arab Countries.

28 - CREDIT EXPOSURE FOR ASSETS CATEGORIZED BY ECONOMIC SECTOR

The details for this items are as follows:

31 March 2023
(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				General Services
	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	-	-	-	-	-	-	-	-	-	-	-	10 607 048	10 607 048
Balances and deposits with banks and financial institutions	-	-	-	-	-	-	-	-	-	-	4 986 932	-	4 986 932
Financial assets at fair value through profit or loss	-	13 434	-	-	-	-	-	-	-	-	-	38 289	51 723
Financial assets at fair value through OCI	-	-	-	-	-	-	-	-	-	60 938	94 926	311 384	467 248
Direct credit facilities at amortized cost	9 700 418	4 840 036	2 093 022	1 250 616	4 237 246	391 944	775 006	316 359	37 959	4 728 462	232 030	3 221 793	31 824 891
Other financial assets at amortized cost	-	109 564	-	6 835	-	-	-	-	-	256 437	1 014 361	8 635 177	10 022 374
Other assets and Financial Derivatives - positive fair value	41 370	55 200	30 433	13 013	61 421	2 477	17 440	9 735	-	98 994	307 561	121 167	758 811
Total	9 741 788	5 018 234	2 123 455	1 270 464	4 298 667	394 421	792 446	326 094	37 959	5 144 831	6 635 810	22 934 858	58 719 027
Total as of 31 December 2022 (Audited)	9 646 566	5 172 353	2 123 500	1 473 615	4 347 510	401 507	721 075	278 545	39 484	4 893 101	6 284 435	22 833 306	58 214 997

29 - CAPITAL MANAGEMENT

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

	31 March 2023 (Reviewed not Audited)	31 December 2022 (Audited)
	USD '000	USD '000
Common Equity Tier 1	9 652 857	9 486 770
Regulatory Adjustments (Deductions from Common Equity Tier 1)	(3 047 838)	(3 034 121)
Additional Tier 1	238 777	236 262
Deductions from additional Tier 1	(6 234)	(6 234)
Supplementary Capital	467 683	423 755
Regulatory Adjustments (Deductions from Supplementary Capital)	-	-
Regulatory Capital	7 305 245	7 106 432
Risk-weighted assets (RWA)	43 430 004	42 717 383
Common Equity Tier 1 Ratio	%15.21	%15.11
Tier 1 Capital Ratio	%15.74	%15.64
Capital Adequacy Ratio	%16.82	%16.64

- 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 240% as of 31 March 2023 and 217% as of 31 December 2022 (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 2023 (Reviewed not Audited)	31 December 2022 (Audited)				
	USD '000	USD '000				
Financial Assets at Fair Value						
Financial assets at fair value through profit or loss:						
Treasury bills and bonds	38 289	35 315	Level 1	Quoted Shares	Not Applicable	Not Applicable
Corporate bonds	13 434	13 347	Level 1	Quoted Shares	Not Applicable	Not Applicable
Shares and mutual funds	23 764	23 591	Level 1	Quoted Shares	Not Applicable	Not Applicable
Total Financial Assets at Fair Value through Profit or Loss	75 487	72 253				
Financial derivatives - positive fair value	175 907	196 232	Level 2	Through Comparison of similar financial instruments	Not Applicable	Not Applicable
Financial assets at fair value through other comprehensive income:						
Quoted shares	156 563	152 699	Level 1	Quoted Shares	Not Applicable	Not Applicable
Unquoted shares	179 227	197 111	Level 2	Through using the index sector in the market	Not Applicable	Not Applicable
Governmental and Corporate bonds through OCI	467 248	400 762	Level 2	Through using the index sector in the market	Not Applicable	Not Applicable
Total financial assets at fair value through other comprehensive income	803 038	750 572				
Total Financial Assets at Fair Value	1 054 432	1 019 057				
Financial Liabilities at Fair Value						
Financial derivatives - negative fair value	142 235	163 611	Level 2	Through Comparison of similar financial instruments	Not Applicable	Not Applicable
Total Financial Liabilities at Fair Value	142 235	163 611				

There were no transfers between Level 1 and 2 during the three-months period ended 31 March 2023 and the year 2022.

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 2023 (Reviewed not Audited)		31 December 2022 (Audited)		Fair Value Hierarchy
	Book value	Fair value	Book value	Fair value	
	USD '000	USD '000	USD '000	USD '000	
Financial assets not calculated at fair value					
Mandatory cash reserve, Time and notice balances and Certificates of deposit with central banks	6 828 067	6 834 184	7 006 803	7 013 277	Level 2
Balances and deposits with banks and financial institutions	4 986 932	4 999 814	4 618 450	4 630 626	Level 2
Direct credit facilities at amortized cost	31 824 891	32 075 785	31 726 598	31 970 615	Level 2
Other financial assets at amortized cost	10 022 374	10 113 445	10 002 475	10 097 692	Level 1 & 2
Total financial assets not calculated at fair value	53 662 264	54 023 228	53 354 326	53 712 210	
Financial liabilities not calculated at fair value					
Banks' and financial institutions' deposits	3 789 774	3 803 861	3 517 640	3 530 783	Level 2
Customer deposits	45 451 639	45 699 543	45 287 371	45 518 129	Level 2
Cash margin	2 277 078	2 286 382	2 461 500	2 472 581	Level 2
Borrowed funds	508 153	511 968	522 368	530 109	Level 2
Total financial liabilities not calculated at fair value	52 026 644	52 301 754	51 788 879	52 051 602	

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	
	2023	2022
	USD '000	USD '000
Profit for the period attributable to the Bank's shareholders	208 513	158 866
	<u>Thousand Shares</u>	
Average number of shares	640 800	640 800
	<u>USD / Share</u>	
Earnings Per Share for the period (Basic and diluted)	0.33	0.25

32 - CASH AND CASH EQUIVALENTS

The details of this item are as follows:

	For The Three-Months Period Ended 31 March	
	2023	2022
	USD '000	USD '000
Cash and balances with central banks maturing within 3 months	11 676 282	11 780 723
<u>Add:</u> Balances with banks and financial institutions maturing within 3 months	4 629 774	3 983 898
<u>Less:</u> Banks and financial institutions deposits maturing within 3 months	3 789 669	3 211 208
Total	12 516 387	12 553 413

33 - RELATED PARTIES TRANSACTIONS

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

	31 March 2023 (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
Associated Companies	95 341	-	89 217	21 932
Major Shareholders and Members of the Board of Directors	-	258 566	744 975	122 843
Total	95 341	258 566	834 192	144 775

	31 December 2022 (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
Associated Companies	78 087	-	58 084	26 393
Major Shareholders and Members of the Board of Directors	-	306 763	783 128	50 831
Total	78 087	306 763	841 212	77 224

- 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:

	31 March 2023 (Reviewed not Audited)	
	Interest Income	Interest Expense
	USD '000	USD '000
Associated Companies	1 039	1 102

	31 March 2022 (Reviewed not Audited)	
	Interest Income	Interest Expense
	USD '000	USD '000
Associated Companies	179	19

- Direct credit facilities granted to top management personnel amounted to USD 1.4 million and indirect credit facilities amounted to USD 5.6 thousand as of 31 March 2023 (USD 1.6 million direct credit facilities and USD 5.6 thousand indirect credit facilities as of 31 December 2022).

- 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 5.3 million as of 31 March 2023 (USD 4.8 million as of 31 December 2022).

- The salaries and other fringe benefits of the Group's top management personnel, inside and outside Jordan, amounted to USD 28.3 million for the three-months period ended 31 March 2023 (USD 23 million for the three-months period ended 31 March 2022).

34 - LEGAL CASES

There are lawsuits filed against the Group which amounted to USD 306.9 million as of 31 March 2023 (USD 290.4 million as of 31 December 2022). 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 adequate.

35 - COMPARATIVE FIGURES

Some the comparative figures for the year 2022 have been reclassified to correspond with the three-months period ended 31 March 2023 presentation, and it did not result in any change to last year's operating results.