

ARAB BANK GROUP

AMMAN - HASHEMITE KINGDOM OF JORDAN

CONDENSED CONSOLIDATED INTERIM FINANCIAL INFORMATION

(REVIEWED NOT AUDITED)

30 SEPTEMBER 2023

ARAB BANK GROUP
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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 September 30, 2023, and the related condensed consolidated interim statements of income and comprehensive income for the three-month and nine-month period ended as of September 30, 2023, and changes in owners' equity and cash flows for the nine-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 condensed consolidated interim financial information of the Bank for the nine-month period ended September 30, 2022 and the annual consolidated financial statements for the year ended December 31, 2022 were reviewed and audited respectively by another auditor who expressed an unmodified conclusion and unmodified opinion on the financial information and the statements on October 30, 2022 and February 12, 2023 respectively.
- 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
October 30, 2023


Deloitte & Touche (M.E.) - Jordan
Deloitte & Touche (M.E.)
ديلويت أند توش (الشرق الأوسط)
010105

ARAB BANK GROUP
CONDENSED CONSOLIDATED INTERIM
STATEMENT OF FINANCIAL POSITION

		30 September 2023 (Reviewed not Audited)	31 December 2022 (Audited)
	Notes	USD '000	USD '000
<u>ASSETS</u>			
Cash and balances with central banks	4	12 181 675	11 695 391
Balances with banks and financial institutions	5	4 733 116	4 008 144
Deposits with banks and financial institutions	6	266 842	610 306
Financial assets at fair value through profit or loss	7	47 398	72 253
Financial derivatives - positive fair value		286 311	196 232
Direct credit facilities at amortized cost	9	32 363 056	31 726 598
Financial assets at fair value through other comprehensive income	8	728 613	750 572
Other financial assets at amortized cost	10	10 145 499	10 002 475
Investments in associates		3 686 050	3 558 864
Fixed assets	11	512 674	530 393
Other assets	12	1 275 492	1 028 650
Deferred tax assets		233 785	279 945
Total Assets		66 460 511	64 459 823
<u>LIABILITIES AND SHAREHOLDERS' EQUITY</u>			
Banks and financial institutions' deposits		3 594 515	3 517 640
Customers' deposits	13	46 501 934	45 287 371
Cash margin		2 521 033	2 461 500
Financial derivatives - negative fair value		199 724	163 611
Borrowed funds	14	513 721	522 368
Provision for income tax	15	271 692	293 029
Other provisions		221 492	232 423
Other liabilities	16	1 863 529	1 570 172
Deferred tax liabilities		11 596	9 253
Total Liabilities		55 699 236	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		(423 102)	(400 986)
Investments revaluation reserve		(370 266)	(362 590)
Retained earnings	19	3 653 988	3 289 293
Total Equity Attributable to the Shareholders of the Bank		9 822 765	9 487 862
Perpetual tier 1 capital bonds	18	360 527	360 527
Non-controlling interests		577 983	554 067
Total Shareholders' Equity		10 761 275	10 402 456
Total Liabilities and Shareholders' Equity		66 460 511	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 review report.

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

		For the Nine-Months Period Ended 30 September		For the Three-Months Period Ended 30 September	
	Notes	2023 USD '000	2022 USD '000	2023 USD '000	2022 USD '000
REVENUE					
Interest income	20	2 648 580	1 794 648	925 382	661 716
<u>Less:</u> interest expense	21	1 151 948	689 825	412 831	257 458
Net Interest Income		1 496 632	1 104 823	512 551	404 258
Net commission income	22	307 197	279 654	107 640	83 637
Net Interest and Commission Income		1 803 829	1 384 477	620 191	487 895
Foreign exchange differences		83 351	81 870	25 917	25 764
Gain from financial assets at fair value	23	1 520	912	38	1 201
Dividends from financial assets at fair value through other comprehensive income	8	8 293	7 568	883	363
Group's share of profits of associates		392 231	283 606	134 069	113 734
Other revenue - net	24	35 882	51 164	13 168	12 459
Total Income		2 325 106	1 809 597	794 266	641 416
EXPENSES					
Employees' expenses		526 566	476 567	182 653	163 157
Other expenses		341 574	292 208	126 531	97 226
Depreciation and amortization		64 051	62 464	21 921	19 869
Expected credit loss on financial assets		429 000	341 042	130 106	119 619
Provision for impairment of investments held for sale		-	13 000	-	-
Other provisions		19 997	8 102	6 865	3 067
Total Expenses		1 381 188	1 193 383	468 076	402 938
Profit for the Period before Income Tax		943 918	616 214	326 190	238 478
<u>Less:</u> Income tax expense	15	313 621	210 410	97 161	85 031
Profit for the Period		630 297	405 804	229 029	153 447
<u>Attributable to :</u>					
- Bank's shareholders		603 901	389 689	220 836	148 042
- Non-controlling interests		26 396	16 115	8 193	5 405
Total		630 297	405 804	229 029	153 447
Earnings per share attributable to the Bank's shareholders					
- Basic and Diluted (US Dollars)	31	0.93	0.60	0.34	0.23

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 review report.

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

	For the Nine-Months Period Ended 30 September		For the Three-Months Period Ended 30 September	
	2023	2022	2023	2022
	USD '000	USD '000	USD '000	USD '000
Profit for the period	630 297	405 804	229 029	153 447
Add: Other comprehensive income items - after tax				
<u>Items that will be subsequently transferred to profit or loss</u>				
Exchange differences arising from the translation of foreign currencies	(20 803)	(170 944)	(45 167)	(91 572)
Revaluation gain (loss) on financial assets at fair value through other comprehensive income	1 013	(14 921)	3 665	(7 073)
<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	(7 838)	(25 804)	(265)	(8 969)
Revaluation (loss) on equity instruments at fair value through other comprehensive income	(8 819)	(26 677)	(1 497)	(9 842)
Gain from sale of financial assets at fair value through other comprehensive income	981	873	1 232	873
Total Other Comprehensive Income Items - after Tax	(27 628)	(211 669)	(41 767)	(107 614)
Total Comprehensive Income for the Period	602 669	194 135	187 262	45 833
Attributable to :				
- Bank's shareholders	575 090	193 139	180 515	48 326
- Non-controlling interests	27 579	996	6 747	(2 493)
Total	602 669	194 135	187 262	45 833

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 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
For the Nine-Months Period Ended 30 September 2023															
Balance at the beginning of the Period		USD 926 615 '000	USD 1 225 747 '000	USD 926 615 '000	USD 977 315 '000	USD 1 211 927 '000	USD 153 030 '000	USD 1 540 896 '000	USD (400 986) '000	USD (362 590) '000	USD 3 289 293 '000	USD 9 487 862 '000	USD 360 527 '000	USD 554 067 '000	USD 10 402 456 '000
Profit for the period		-	-	-	-	-	-	-	-	-	603 901	603 901	-	26 396	630 297
Other comprehensive income for the period		-	-	-	-	-	-	-	(22 116)	(6 695)	-	(28 811)	-	1 183	(27 628)
Total Comprehensive Income for the Period		-	-	-	-	-	-	-	(22 116)	(6 695)	603 901	575 090	-	27 579	602 669
Transferred from investments revaluation reserve to retained earnings	19	-	-	-	-	-	-	-	-	(981)	981	-	-	-	-
Dividends distributed	19	-	-	-	-	-	-	-	-	-	(231 640)	(231 640)	-	(1 763)	(233 403)
Net new investments at subsidiaries	-	-	-	-	-	-	-	-	-	-	-	-	-	5 076	5 076
Adjustments during the period	19	-	-	-	-	-	-	-	-	-	(8 547)	(8 547)	-	(6 976)	(15 523)
Balance at the End of the Period		USD 926 615 '000	USD 1 225 747 '000	USD 926 615 '000	USD 977 315 '000	USD 1 211 927 '000	USD 153 030 '000	USD 1 540 896 '000	USD (423 102) '000	USD (370 266) '000	USD 3 653 988 '000	USD 9 822 765 '000	USD 360 527 '000	USD 577 983 '000	USD 10 761 275 '000
For the Nine-Months Period Ended 30 September 2022															
Balance at the beginning of the period		926 615	1 225 747	926 615	977 315	1 211 927	154 171	1 540 896	(291 987)	(312 553)	2 967 984	9 326 740	438 449	556 173	10 321 352
Profit for the period		-	-	-	-	-	-	-	-	-	389 689	389 689	-	16 115	405 804
Other comprehensive income for the period		-	-	-	-	-	-	-	(163 581)	(32 969)	-	(196 550)	-	(15 119)	(211 669)
Total Comprehensive Income for the Period		-	-	-	-	-	-	-	(163 581)	(32 969)	389 689	193 139	-	996	194 135
Transferred from investments revaluation reserve to retained earnings	19	-	-	-	-	-	-	-	-	(873)	873	-	-	-	-
Dividends distributed	19	-	-	-	-	-	-	-	-	-	(186 532)	(186 532)	-	(2 115)	(188 647)
Amortization of Perpetual Tier 1 Bonds	-	-	-	-	-	-	-	-	-	-	-	-	(77 922)	-	(77 922)
Transferred from general banking risk reserve	19	-	-	-	-	-	(1 141)	-	-	-	1 141	-	-	-	-
Adjustments during the period	19	-	-	-	-	-	-	-	-	-	(501)	(501)	-	(7 389)	(7 890)
Balance at the End of the Period		926 615	1 225 747	926 615	977 315	1 211 927	153 030	1 540 896	(455 569)	(346 395)	3 172 654	9 332 836	360 527	547 665	10 241 928

* The retained earnings include restricted deferred tax assets in the amount of USD 220.8 million, as well as, restricted retained earnings that cannot be distributed or otherwise utilized except only under certain circumstances as a result of the adoption of certain Accounting Standards amounted to USD 2.8 million as of 30 September 2023.

* The Bank cannot use a restricted amount of USD 370.3 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 30 September 2023.

* 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 (35) 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)

		For the Nine-Months Period Ended 30 September	
	Notes	2023 USD '000	2022 USD '000
<u>CASH FLOWS FROM OPERATING ACTIVITIES</u>			
Profit for the period before tax		943 918	616 214
Adjustments for:			
Group's share of associates' profits		(392 231)	(283 606)
Depreciation and amortization		64 051	62 464
Expected credit losses on financial assets		429 000	341 042
Net accrued interest		62 525	36 077
(Gain) from sale of fixed assets		(315)	(558)
Dividends on financial assets at fair value through other comprehensive income	8	(8 293)	(7 568)
(Gain) loss from revaluation of financial assets at fair value through profit or loss	23	(872)	664
Provision for impairment of investments held for sale		-	13 000
Other provisions		19 997	8 102
Total		1 117 780	785 831
<u>(Increase) decrease in assets:</u>			
Balances with central banks (maturing after 3 months)		-	25 000
Deposits with banks and financial institutions (maturing after 3 months)		343 817	(370 848)
Direct credit facilities at amortized cost		(982 521)	(1 005 355)
Financial assets at fair value through profit or loss		25 727	14 672
Other assets and financial derivatives		(257 642)	(294 741)
<u>Increase (decrease) in liabilities:</u>			
Banks' and financial institutions' deposits (maturing after 3 months)		52 916	(309 066)
Customer's deposits		1 214 563	842 094
Cash margin		59 533	(110 590)
Other liabilities and financial derivatives		167 420	179 733
Net Cash Flows From (Used in) Operating Activities before Income Tax		1 741 593	(243 270)
Income tax paid	15	(288 304)	(223 501)
Net Cash Flows From (Used in) Operating Activities		1 453 289	(466 771)
<u>CASH FLOWS FROM INVESTING ACTIVITIES</u>			
Sale (Purchase) of financial assets at fair value through other comprehensive income		15 220	(39 030)
(Purchase) Maturity of other financial assets at amortized cost		(153 759)	763 700
(Increase) of investments in associates		(6 206)	(550)
Dividends received from associates		255 776	196 303
Dividends received from financial assets at fair value through other comprehensive income		8 293	7 568
(Increase) in fixed assets - net		(46 017)	(32 846)
Net Cash Flows from Investing Activities		73 307	895 145
<u>CASH FLOWS FROM FINANCING ACTIVITIES</u>			
(Decrease) in borrowed funds		(8 647)	(104 334)
(Decrease) in Perpetual Tier 1 Bonds		-	(77 922)
Net cash flows paid from minority for investment in subsidiaries		(5 892)	-
Dividends paid to shareholders		(231 327)	(175 864)
Dividends paid to non-controlling interests		(1 763)	(2 115)
Net Cash Flows (used in) Financing Activities		(247 629)	(360 235)
Net increase in cash and cash equivalents		1 278 967	68 139
Exchange differences - change in foreign exchange rates		(22 116)	(163 581)
Cash and cash equivalents at the beginning of the period		12 434 674	12 260 052
Cash and Cash Equivalents at the End of the Period	32	13 691 525	12 164 610
<u>Operational Cash Flows from Interest</u>			
Interest Paid		1 008 835	617 476
Interest Received		2 567 992	1 758 376

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 review report.

ARAB BANK GROUP
NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL INFORMATION
30 SEPTEMBER 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 68 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 (8) on 29 October 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 nine-months period ended 30 September 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 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
	30 September 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	68.00	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.

On 23 July 2023, Arab Bank Group acquired 18% share of the non-controlling interests in Al-Nisr Al-Arabi Insurance Company at a cost of JD 2.3per share increasing Arab Bank Group's stake in Al-Nisr Al-Arabi Insurance Company to become 68% post the arrangement.

During the third quarter of 2023, initial approval was issued by the Central Bank of Iraq to establish a banking subsidiary for Arab Bank Group in Iraq with a capital of IQD250 billion. The group acquired a 59.74% stake through a monetary settlement in the amount of IQD 149.35 billion, noting that Arab Bank Iraq is still under foundation and that it will list 10% of the company's capital for public offering in the Iraqi market at the end of the year based on expectations.

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

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 30 September 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 September 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 September 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.

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.

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:

	30 September 2023 (Reviewed not Audited)	31 December 2022 (Audited)
	USD '000	USD '000
Cash in vaults	763 576	915 691
Balances with central banks:		
Current accounts	3 533 915	3 772 897
Time and notice	6 657 941	5 677 583
Mandatory cash reserve	1 340 485	1 430 592
Certificates of deposit	187 953	131 412
Less: Expected credit loss	(302 195)	(232 784)
Total	12 181 675	11 695 391

- 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 30 September 2023 and 31 December 2022.

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

	30 September 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	106	69 326	-	69 432	30 998
Adjustments during the period/ year and translation adjustments	(11)	(10)	-	(21)	(126)
Balance at the end of the period/ year	1 829	300 366	-	302 195	232 784

5. BALANCES WITH BANKS AND FINANCIAL INSTITUTIONS

The details of this item are as follows:

	30 September 2023 (Reviewed not Audited)	31 December 2022 (Audited)
	USD '000	USD '000
Local banks and financial institutions		
Current accounts	2 212	4 181
Time deposits maturing within 3 months	165 399	194 821
Total	167 611	199 002
Banks and financial institutions abroad		
Current accounts	1 675 999	1 196 198
Time deposits maturing within 3 months	2 892 279	2 615 574
Total	4 568 278	3 811 772
Less: Expected credit loss	(2 773)	(2 630)
Total balances with banks and financial institutions local and abroad	4 733 116	4 008 144

- There are no non-interest bearing balances as of 30 September 2023 and 31 December 2022.
- There are no restricted balances as of 30 September 2023 and 31 December 2022.

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

	30 September 2023 (Reviewed not Audited)			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 period/ year	2 630	-	-	2 630
Net ECL Charges for the period/ year	133	-	-	133
Adjustments during the period/ year and translation adjustments	10	-	-	10
Balance at the end of the period/ year	2 773	-	-	2 773

6. DEPOSITS WITH BANKS AND FINANCIAL INSTITUTIONS

The details of this item are as follows:

Deposits with Local Banks and Financial Institutions:

	30 September 2023 (Reviewed not Audited)	31 December 2022 (Audited)
	USD '000	USD '000
Time deposits maturing after 3 months and before 6 months	41 664	-
Time deposits maturing after one year	47 610	47 610
Total	89 274	47 610

Deposits with Banks and Financial Institutions Abroad:

Time deposits maturing after 3 months and before 6 months	103 480	412 164
Time deposits maturing after 6 months and before 9 months	-	131 816
Time deposits maturing after 9 months and before a year	-	19 958
Certificates of deposits maturing after 6 months and before 9 months	74 977	-
Total	178 457	563 938

Less: Expected credit loss

	(889)	(1 242)
Total deposits with banks and financial institutions local and abroad	266 842	610 306

- There are no restricted deposits as of 30 September 2023 and 31 December 2022.

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

	30 September 2023 (Reviewed not Audited)			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 period/ year	1 242	-	-	1 242
Net ECL Charges for the period/ year	(367)	-	-	404
Adjustments during the period/ year and translation adjustments	14	-	-	14
Balance at the end of the period/ year	889	-	-	1 242

7- FINANCIAL ASSETS AT FAIR VALUE THROUGH PROFIT OR LOSS

The details of this item are as follows:

	30 September 2023 (Reviewed not Audited)	31 December 2022 (Audited)
	USD '000	USD '000
Treasury bills and Governmental bonds	12 359	35 315
Corporate bonds	10 491	13 347
Corporate shares	2 324	1 981
Mutual funds	22 224	21 610
Total	47 398	72 253

8- FINANCIAL ASSETS AT FAIR VALUE THROUGH OTHER COMPREHENSIVE INCOME

The details of this item are as follows:

	30 September 2023 (Reviewed not Audited)	31 December 2022 (Audited)
	USD '000	USD '000
Quoted shares	156 931	152 699
Unquoted shares	187 898	197 111
Governmental bonds and bonds guaranteed by the government through OCI	270 634	292 294
Corporate bonds through OCI	113 716	109 004
Less: Expected credit loss on bonds	(566)	(536)
Total	728 613	750 572

- Cash dividends from the investments above amounted to USD 8.3 million for the nine-months period ended 30 September 2023 (USD 7.6 millions for the nine-months period ended 30 September 2022).

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

	30 September 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	44	-	-	44	64
Adjustments during the period/ year and translation adjustments	(14)	-	-	(14)	-
Balance at the end of the period/ year	566	-	-	566	536

9- DIRECT CREDIT FACILITIES AT AMORTIZED COST

The details of this item are as follows:

30 September 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 *	43 251	86 746	503 841	149 022	19 647	802 507
Overdrafts *	124 046	1 313 358	2 917 432	7 424	283 095	4 645 355
Loans and advances *	5 461 457	2 347 411	14 578 004	19 962	2 869 153	25 275 987
Real-estate loans	4 538 361	451 416	261 197	-	-	5 250 974
Credit cards	317 312	-	-	-	-	317 312
Total	10 484 427	4 198 931	18 260 474	176 408	3 171 895	36 292 135
Less: Interest and commission in suspense	124 697	144 763	640 311	49	-	909 820
Expected Credit Loss	286 540	388 485	2 324 780	3 932	15 522	3 019 259
Total	411 237	533 248	2 965 091	3 981	15 522	3 929 079
Net Direct Credit Facilities At Amortized Cost	10 073 190	3 665 683	15 295 383	172 427	3 156 373	32 363 056

- * Net of interest and commission received in advance which amounted to USD 174,7 million as of 30 September 2023.
- Rescheduled loans during the nine-months period ended 30 September 2023 amounted to USD 343,8 million..
 - Restructured loans (transferred from non performing to watch list loans) during the nine-months period ended 30 September 2023 amounted to USD 2,3 million.
 - Direct credit facilities granted to and guaranteed by the Government of Jordan amounted to USD 163,2 million, or 0,4% of total direct credit facilities as of 30 September 2023.
 - Non-performing direct credit facilities amounted to USD 3172 million, or 8,7% of total direct credit facilities as of 30 September 2023.
 - Non-performing direct credit facilities (net of interest and commission in suspense) amounted to USD 2275,2 million, or 6,4% of direct credit facilities after deducting interest and commission in suspense as of 30 September 2023.

31 December 2022
(Audited)

	Corporates			Banks and Financial Institutions	Government and Public Sector	Total
	Consumer Banking	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
Less: Interest and commission in suspense	112 987	141 609	646 506	49	-	901 151
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" during the period ended was as follows:

	30 September 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 period	130 778	792 482	1 889 268	2 812 528
Transferred to Stage 1	19 573	(8 365)	(11 208)	-
Transferred to Stage 2	(10 289)	16 078	(5 789)	-
Transferred to Stage 3	(2 553)	(262 742)	265 295	-
Net ECL Charges for the period	76 250	118 857	150 956	346 063
Used from provision (written off or transferred to off condensed consolidated interim statement of financial position)	-	-	(174 352)	(174 352)
Adjustments during the period and translation adjustments	(4 697)	(8 380)	48 097	35 020
Balance at the end of the period	209 062	647 930	2 162 267	3 019 259

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

* Non-performing loans transferred to off interim condensed consolidated statement of financial position amounted to USD 288.6 million as of 30 September 2023 (USD 96.2 million as of 31 December 2022) 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:

30 September 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	20 580	19 941	118 198	-	-	158 719
Interest and commissions in suspense settled (written off or transferred to off condensed consolidated interim statement of financial position)	(2 005)	(13 764)	(117 976)	-	-	(133 745)
Recoveries	(6 000)	(2 136)	(4 086)	-	-	(12 222)
Adjustments during the period	(23)	699	(676)	-	-	-
Translation adjustments	(842)	(1 586)	(1 655)	-	-	(4 083)
Balance at the End of the Period	124 697	144 763	640 311	49	-	909 820

	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 condensed consolidated interim statement of financial position)	(7 542)	(21 085)	(33 653)	-	-	(62 280)
Recoveries	(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:

	Inside Jordan	Outside Jordan	30 September 2023 (Reviewed not Audited)	31 December 2022 (Audited)
	USD '000	USD '000	USD '000	USD '000
Economic Sector				
Consumer banking	3 781 777	6 291 413	10 073 190	9 614 613
Industry and mining	1 397 425	3 573 632	4 971 057	5 002 459
Constructions	471 990	1 708 321	2 180 311	2 089 411
Real - Estates	232 610	959 665	1 192 275	1 455 609
Trade	1 405 149	2 867 260	4 272 409	4 306 033
Agriculture	230 153	178 925	409 078	396 992
Tourism and hotels	260 775	522 122	782 897	705 434
Transportations	72 418	253 373	325 791	273 184
Shares	-	24 989	24 989	39 484
General services	765 798	4 036 461	4 802 259	4 479 172
Banks and financial institutions	41 709	130 718	172 427	348 988
Government and public sector	232 515	2 923 858	3 156 373	3 015 219
Net Direct Credit Facilities at amortized Cost	8 892 319	23 470 737	32 363 056	31 726 598

10- OTHER FINANCIAL ASSETS AT AMORTIZED COST

The details of this item are as follows:

	30 September 2023 (Reviewed not Audited)	31 December 2022 (Audited)
	USD '000	USD '000
Treasury bills	2 315 967	2 583 487
Governmental bonds and bonds guaranteed by the government	6 531 100	6 075 044
Corporate bonds	1 352 889	1 387 990
Less: Expected credit loss	(54 457)	(44 046)
Total	10 145 499	10 002 475

Analysis of bonds based on interest type:

	30 September 2023 (Reviewed not Audited)	31 December 2022 (Audited)
	USD '000	USD '000
Floating interest rate	323 101	374 082
Fixed interest rate	9 876 855	9 672 439
Less: Expected credit loss	(54 457)	(44 046)
Total	10 145 499	10 002 475

Analysis of financial assets based on market quotation:

	30 September 2023 (Reviewed not Audited)	31 December 2022 (Audited)
	USD '000	USD '000
Financial assets quoted in the market:		
Treasury bills	1 885 183	1 219 414
Governmental bonds and bonds guaranteed by the government	1 866 587	1 559 113
Corporate bonds	1 261 281	1 276 778
Total	5 013 051	4 055 305

	30 September 2023 (Reviewed not Audited)	31 December 2022 (Audited)
	USD '000	USD '000
Financial assets unquoted in the market:		
Treasury bills	430 784	1 364 073
Governmental bonds and bonds guaranteed by the government	4 664 513	4 515 931
Corporate bonds	91 608	111 212
Total	5 186 905	5 991 216
Less: Expected credit loss	(54 457)	(44 046)
Grand Total	10 145 499	10 002 475

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

	30 September 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	5 204	5 531	-	10 735	10 930
Adjustments during the period/ year and translation adjustments	(735)	411	-	(324)	(1 249)
Balance at the end of the period/ Year	29 395	25 062	-	54 457	44 046

During the Nine-months period ended 30 September 2023 certain financial assets at amortized cost in the amount of USD 1.7 million were sold (USD 52.9 million during the year ended 31 December 2022).

11- FIXED ASSETS

The cost of fully depreciated fixed assets amounted to USD 561.8 million as of 30 September 2023 (USD 519 million as of 31 December 2022)

12- OTHER ASSETS

The details of this item are as follows:

	30 September 2023 (Reviewed not Audited)	31 December 2022 (Audited)
	USD '000	USD '000
Accrued interest receivable	473 249	392 661
Prepaid expenses	73 691	49 457
Foreclosed assets *	176 884	177 325
Intangible assets - Software Licenses	27 239	31 404
Intangible assets - Other **	171 137	42 000
Right-of-use Assets	99 039	87 697
Other miscellaneous assets	254 253	248 106
Total	1 275 492	1 028 650

* 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.

This item includes the amount of USD 130 million in intangible assets resulting from Arab Bank Group acquisition of a subsidiary; whereby the Group has completed during the nine-months period ended September 2023 all the legal procedures required to acquire a 90% stake in Gonet & Cie SA.

The accounting of the initial purchases is based on the temporary fair value of the assets and liabilities acquired by the company. The study of the distribution of the purchase price on the assets purchased by the management will be completed during the 12 months following the date of the purchase. The completion of this study may lead to a change in the fair value of the acquired assets and liabilities, and thus to a change in the intangible assets.

13- CUSTOMERS' DEPOSITS

The details of this item are as follows:

	30 September 2023 (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	10 619 423	2 520 256	4 175 486	961 033	18 276 198
Savings	5 281 532	52 405	15 526	36 993	5 386 456
Time and notice	11 517 127	1 607 433	5 346 231	3 924 091	22 394 882
Certificates of deposit	308 140	5 806	86 518	43 934	444 398
Total	27 726 222	4 185 900	9 623 761	4 966 051	46 501 934

31 December 2022 (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	10 096 899	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 860.1 millions, or 1.8% of total customer's deposits as of 30 September 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 15423.9 million, or 33.2% of total customer's deposits as of 30 September 2023 (USD 15437.1 million, or 34.1% of total customer's deposits as of 31 December 2022).
- Blocked deposits amounted to USD 431.2 million, or 0.9% of total customer's deposits as of 30 September 2023 (USD 177.6 million, or 0.4% of total customer's deposits as of 31 December 2022).
- Dormant deposits amounted to USD 509.3 million, or 1.1% of total customer's deposits as of 30 September 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:

	30 September 2023 (Reviewed not Audited)	31 December 2022 (Audited)
	USD '000	USD '000
From Central Banks	197 437	162 385
From banks and financial institutions	316 284	359 983
Total	513 721	522 368

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

	30 September 2023 (Reviewed not Audited)	31 December 2022 (Audited)
	USD '000	USD '000
Floating interest rate	207 440	351 604
Fixed interest rate	306 281	170 764
Total	513 721	522 368

15- PROVISION FOR INCOME TAX

The details of this item are as follows:

	30 September 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	266 967	331 988
Income tax paid	(288 304)	(241 436)
Balance at the End of the period / year	271 692	293 029

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

	For the Nine-Months	
	30 September 2023 (Reviewed not Audited)	30 September 2022 (Reviewed not Audited)
	USD '000	USD '000
Income tax expense for the period	266 967	230 149
Effect of deferred tax	46 654	(19 739)
Total	313 621	210 410

- 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 30 September 2023 and 31 December 2022. The effective tax rate for the Group is 33.2% as of 30 September 2023 and 34.1% as of 30 September 2022.
- The subsidiaries and branches of Arab Bank Group have reached recent tax settlements ranging between 2022 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:

	30 September 2023 (Reviewed not Audited)	31 December 2022 (Audited)
	USD '000	USD '000
Accrued interest payable	442 885	299 772
Notes payable	173 257	150 927
Interest and commission received in advance	67 707	80 463
Accrued expenses	214 774	148 965
Dividends payable to shareholders	17 768	17 455
Provision for impairment - ECL of the indirect credit facilities*	116 760	176 384
Contracts lease liability	96 020	86 056
Other miscellaneous liabilities	734 358	610 150
Total	1 863 529	1 570 172

*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:

	30 September 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	32 873	22 573	120 938	176 384	145 511
Transferred to Stage 1	585	(585)	-	-	-
Transferred to Stage 2	(478)	478	-	-	-
Transferred to Stage 3	(102)	(27)	129	-	-
Net ECL charges for the period/ year	8 435	(5 789)	314	2 960	11 651
Adjustments during the period/ year and translation adjustments	256	(159)	(62 681)	(62 584)	19 222
Balance at the End of the period/ year	41 569	16 491	58 700	116 760	176 384

17- SHARE CAPITAL AND RESERVES

A. Share Capital amounted to USD 926.6 million as of 30 September 2023 and 31 December 2022.

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. 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:

	30 September 2023 (Reviewed not Audited) USD '000	31 December 2022 (Audited) 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	603 901	520 276
Transferred from investment revaluation reserve to retained earnings	981	(2 171)
Dividends paid *	(231 640)	(186 532)
Transferred from general banking risk reserve	-	1 141
Adjustment during the period/ year	(8 547)	(11 405)
Balance at the end of the period/ year	3 653 988	3 289 293

* The General Assembly of Arab Bank Plc in its meeting held on 30 March 2023 approved the recommendations of the Bank'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 Nine-Months Period Ended 30 September	
	2023	2022
	(Reviewed not Audited)	
	USD '000	USD '000
Direct credit facilities at amortized cost	1 768 120	1 345 021
Balances with central banks	328 272	92 479
Balances and deposits with banks and financial institutions	158 748	32 816
Financial assets at fair value through profit or loss	10 376	4 351
Financial assets at fair value through other comprehensive income	13 232	9 727
Other financial assets at amortized cost	369 832	310 254
Total	2 648 580	1 794 648

21- INTEREST EXPENSE

The details of this item are as follows:

	For the Nine-Months Period Ended 30 September	
	2023	2022
	(Reviewed not Audited)	
Customer deposits	935 615	587 347
Banks and financial institutions deposits	128 540	38 670
Cash margins	47 385	24 499
Borrowed funds	21 927	16 662
Deposit insurance fees	18 481	22 647
Total	1 151 948	689 825

22- NET COMMISSION INCOME

The details of this item are as follows:

	For the Nine-Months Period Ended 30	
	September	
	2023	2022
	(Reviewed not Audited)	
	USD '000	USD '000
Commission income:		
Direct credit facilities at amortized cost	91 544	83 502
Indirect credit facilities	86 283	94 129
Assets under management	32 384	20 180
Other	177 203	141 535
Less: commission expense	(80 217)	(59 692)
Net Commission Income	307 197	279 654

23- GAIN FROM FINANCIAL ASSETS AT FAIR VALUE

The details of this item are as follows:

	For the Nine-Months Period Ended 30 September			
	2023			2022
	(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	648	755	1 403	2 293
Corporate shares	-	48	48	-
Mutual funds	-	69	69	(1 381)
Total	648	872	1 520	912

24- OTHER REVENUE

The details of this item are as follows:

	For the Nine-Months Period Ended 30	
	September	
	2023	2022
	(Reviewed not Audited)	
	USD '000	USD '000
Revenue from customer services	11 230	11 001
Safe box and other rentals	2 240	2 198
Gain from Financial derivatives	914	8
Miscellaneous revenue	21 498	37 957
Total	35 882	51 164

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 Nine-Months Period Ended 30 September						
	2023					2022	
	(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	893 414	813 871	(159 061)	359 057	417 825	2 325 106	1 809 597
Net inter-segment interest income	(120 286)	(401 569)	438 141	83 714	-	-	-
Less:							
Provision for impairment - ECL	353 632	75 184	223	(39)	-	429 000	341 042
Other provisions	9 295	1 833	1 494	7 375	-	19 997	8 102
Direct administrative expenses	100 587	17 440	24 252	227 328	6 223	375 830	323 268
Result of Operations of Segments	309 614	317 845	253 111	208 107	411 602	1 500 279	1 137 185
Less :Indirect expenses on segments	245 028	77 070	77 884	153 727	2 652	556 361	520 971
Profit for the Period before Income Tax	64 586	240 775	175 227	54 380	408 950	943 918	616 214
Less :Income tax expense	21 458	79 999	58 220	18 068	135 876	313 621	210 410
Profit for the Period	43 128	160 776	117 007	36 312	273 074	630 297	405 804
Depreciation and Amortization	20 662	9 303	4 198	29 888	-	64 051	62 464
	30 September 2023 (Reviewed not Audited)					31 December 2022 (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
Segment assets	22 046 382	22 596 785	4 057 309	9 103 385	4 970 600	62 774 461	60 900 959
Inter-segment assets	-	-	13 887 591	1 917 474	3 985 515	-	-
Investments in associates	-	-	-	-	3 686 050	3 686 050	3 558 864
Total Assets	22 046 382	22 596 785	17 944 900	11 020 859	12 642 165	66 460 511	64 459 823
Segment liabilities	20 259 306	4 593 281	17 944 900	11 020 859	1 880 890	55 699 236	54 057 367
Shareholders' Equity	-	-	-	-	10 761 275	10 761 275	10 402 456
Inter-segment liabilities	1 787 076	18 003 504	-	-	-	-	-
Total Liabilities and Shareholders' Equity	22 046 382	22 596 785	17 944 900	11 020 859	12 642 165	66 460 511	64 459 823

26- MATURITY OF THE CONTINGENT ACCOUNTS

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

30 September 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	2 687 473	214 727	-	2 902 200
Acceptances	686 086	38 790	-	724 876
Letters of guarantees:				
- Payment guarantees	1 069 626	190 081	96 776	1 356 483
- Performance guarantees	2 878 592	1 329 411	133 310	4 341 313
- Other guarantees	1 936 248	542 269	75 733	2 554 250
Unutilized credit facilities	5 438 057	323 818	24 727	5 786 602
Total	14 696 082	2 639 096	330 546	17 665 724
Construction projects contracts	5 896	-	-	5 896
Procurement contracts	10 197	1 670	200	12 067
Total	16 093	1 670	200	17 963
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:

30 September 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	5 113 389	4 818 860	1 420	1 443 667	-	40 763	11 418 099
Balances and deposits with banks and financial institutions	256 868	1 197 806	599 152	2 333 699	554 690	57 743	4 999 958
Financial assets at fair value through profit or loss	-	12 359	-	5 737	-	4 754	22 850
Financial assets at fair value through OCI	-	275 196	-	108 054	534	-	383 784
Direct credit facilities at amortized cost	8 892 319	20 538 900	398 067	1 644 474	62 365	826 931	32 363 056
Consumer Banking	3 781 777	5 664 090	7 260	256 340	31 924	331 799	10 073 190
Small and Medium Corporates	904 466	1 852 844	24 584	618 453	10 493	254 843	3 665 683
Large Corporates	3 931 852	10 082 752	334 972	685 570	19 948	240 289	15 295 383
Banks and Financial Institutions	41 709	117 147	792	12 779	-	-	172 427
Government and Public Sector	232 515	2 822 067	30 459	71 332	-	-	3 156 373
Other financial assets at amortized cost	4 240 060	4 524 452	121 525	869 925	199 943	189 594	10 145 499
Other assets and financial derivatives - positive fair value	91 428	476 588	3 511	212 366	43 831	5 527	833 251
Total	18 594 064	31 844 161	1 123 675	6 617 922	861 363	1 125 312	60 166 497
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:

30 September 2023 (Reviewed not Audited)													
	Corporations												
	Consumer Banking	Industry and Mining	Constructions	Real Estate	Trade	Agriculture	Tourism and Hotels	Transportation	Shares	General Services	Banks and Financial Institutions	Government and Public Sector	Total
	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
Balances with central banks	-	-	-	-	-	-	-	-	-	-	-	11 418 099	11 418 099
Balances and deposits with banks and financial institutions	-	-	-	-	-	-	-	-	-	-	4 999 958	-	4 999 958
Financial assets at fair value through profit or loss	-	10 491	-	-	-	-	-	-	-	-	-	12 359	22 850
Financial assets at fair value through OCI	-	-	-	3 629	-	-	-	1 972	-	62 746	44 856	270 581	383 784
Direct credit facilities at amortized cost	10 073 190	4 971 057	2 180 311	1 192 275	4 272 409	409 078	782 897	325 791	24 989	4 802 259	172 427	3 156 373	32 363 056
Other financial assets at amortized cost	-	74 245	-	6 962	-	-	-	-	-	272 843	988 813	8 802 636	10 145 499
Other assets & Financial Derivatives - positive fair value	46 707	90 405	28 378	10 620	47 807	2 467	19 556	9 846	3 752	152 829	306 181	114 703	833 251
Total	10 119 897	5 146 198	2 208 689	1 213 486	4 320 216	411 545	802 453	337 609	28 741	5 290 677	6 512 235	23 774 751	60 166 497
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 shareholders. The composition of the regulatory capital, as defined by Basel III standards is as follows:

	30 September 2023 (Reviewed not Audited)	31 December 2022 (Audited)
	USD '000	USD '000
Common Equity Tier 1	9 799 941	9 486 770
Regulatory Adjustments (Deductions from Common Equity Tier 1)	(3 246 339)	(3 034 121)
Additional Tier 1	240 678	236 262
Deductions from Additional Tier 1	(6 234)	(6 234)
Supplementary Capital	521 193	423 755
Regulatory Capital	7 309 239	7 106 432
Risk-weighted assets (RWA)	43 182 238	42 717 383
Common Equity Tier 1 Ratio	%15.18	%15.11
Tier 1 Capital Ratio	%15.72	%15.64
Capital Adequacy Ratio	%16.93	%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 221% as of 30 September 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
	30 September 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 Government Bonds	12 359	35 315	Level 1	Quoted Shares	Not Applicable	Not Applicable
Corporate Bonds	10 491	13 347	Level 1	Quoted Shares	Not Applicable	Not Applicable
Shares and mutual funds	24 548	23 591	Level 1	Quoted Shares	Not Applicable	Not Applicable
Total Financial Assets at Fair Value through Profit or Loss	47 398	72 253				
Financial derivatives - positive fair value	286 311	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	156 931	152 699	Level 1	Quoted Shares	Not Applicable	Not Applicable
Unquoted shares	187 898	197 111	Level 2	Through using the index sector in the market	Not Applicable	Not Applicable
Governmental and Corporate bonds through OCI	383 784	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	728 613	750 572				
Total Financial Assets at Fair Value	1 062 322	1 019 057				
Financial Liabilities at Fair Value						
Financial derivatives - negative fair value	199 724	163 611	Level 2	Through Comparison of similar financial instruments	Not Applicable	Not Applicable
Total Financial Liabilities at Fair Value	199 724	163 611				

There were no transfers between Level 1 and 2 during the nine-months period ended 30 September 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:

	30 September 2023 (Reviewed not Audited)		31 December 2022 (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	7 884 184	7 895 729	7 006 803	7 013 277	Level 2
Balances and deposits with banks and financial institutions	4 999 958	5 010 527	4 618 450	4 630 626	Level 2
Direct credit facilities at amortized cost	32 363 056	32 644 064	31 726 598	31 970 615	Level 2
Other financial assets at amortized cost	10 145 499	10 247 088	10 002 475	10 097 692	Level 1 & 2
Total financial assets not calculated at fair value	55 392 697	55 797 408	53 354 326	53 712 210	
Financial liabilities not calculated at fair value					
Banks' and financial institutions' deposits	3 594 515	3 609 057	3 517 640	3 530 783	Level 2
Customer deposits	46 501 934	46 841 408	45 287 371	45 518 129	Level 2
Cash margin	2 521 033	2 535 675	2 461 500	2 472 581	Level 2
Borrowed funds	513 721	520 033	522 368	530 109	Level 2
Total financial liabilities not calculated at fair value	53 131 203	53 506 173	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 Nine-Months Period Ended 30 September		For the Three-Months Period Ended 30 September	
	(Reviewed not Audited)			
	2023	2022	2023	2022
	USD '000	USD '000	USD '000	USD '000
Profit for the period attributable to the Bank's shareholders	603 901	389 689	220 836	148 042
Less: Group's share of Interest on Perpetual Bonds	(6 702)	(7 096)	-	-
Net Profit for the period attributable to the Bank's shareholders	597 199	382 593	220 836	148 042
	Thousand / Shares		Thousand / Shares	
Average number of shares	640 800	640 800	640 800	640 800
	USD / Share		USD / Share	
Earnings Per Share for the period (Basic and diluted)	0.93	0.60	0.34	0.23

32- CASH AND CASH EQUIVALENTS

The details of this item are as follows:

	For the Nine-Months Period Ended 30 September	
	2023	2022
	(Reviewed not Audited)	
	USD '000	USD '000
Cash and balances with central banks maturing within 3 months	12 483 870	12 231 840
<u>Add:</u> Balances with banks and financial institutions maturing within 3 months	4 735 889	3 949 355
<u>Less:</u> Banks and financial institutions deposits maturing within 3 months	3 528 234	4 016 585
Total	13 691 525	12 164 610

33. RELATED PARTIES TRANSACTIONS

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

30 September 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
Associates	282 556	-	10 844	89 552
Major Shareholders and Members of the Board of Directors	-	218 433	478 511	66 250
Total	282 556	218 433	489 355	155 802

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
Associates	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:

For the Nine-Months Period Ended 30 September 2023		
(Reviewed not Audited)		
	Interest Income	Interest Expense
	USD '000	USD '000
Associated Companies	4 150	1 170

For the Nine-Months Period Ended 30 September 2022		
(Reviewed not Audited)		
	Interest Income	Interest Expense
	USD '000	USD '000
Associated Companies	1 431	217

- 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 30 September 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 5.1 million as of 30 September 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 62.3 million for the nine-months period ended 30 September 2023 (USD 60.3 million for the nine-months period ended 30 September 2022).

34 - LEGAL CASES

There are lawsuits filed against the Group which amounted to USD 327.9 million as of 30 September 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

35 - SUBSEQUENT EVENTS

On 10 October 2023, Arab Bank plc has completed the private placement of additional Tier 1 sustainable bonds at a value of USD 250 million and a fixed interest rate of 8%. These bonds are listed on the International Securities Market (ISM) and the sustainable bonds market of the London Stock Exchange.