

ARAB BANKING CORPORATION (JORDAN)

(PUBLIC SHAREHOLDING COMPANY)

INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS
(REVIEWED NOT AUDITED)

30 JUNE 2024

**REPORT ON REVIEW OF INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS
TO THE BOARD OF DIRECTORS OF ARAB BANKING CORPORATION (JORDAN)
AMMAN - JORDAN**

Introduction

We have reviewed the accompanying interim condensed consolidated financial statements of Arab Banking Corporation (Jordan) (Public Shareholding Company) and its subsidiary (the Bank) as of 30 June 2024, comprising of the interim condensed consolidated statement of financial position as of 30 June 2024, interim condensed consolidated income statement, interim condensed consolidated comprehensive income, interim condensed consolidated statement of changes in equity and interim condensed consolidated statement of cash flows for the six months period then ended and explanatory notes. Management is responsible for the preparation and presentation of these interim condensed consolidated financial statements in accordance with IAS 34 (Interim Financial Reporting). Our responsibility is to express a conclusion on these interim condensed consolidated financial statements based on our review.

Scope of review

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

Conclusion

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

Other Matter

The consolidated financial statements for the year ended 31 December 2023 and the interim condensed consolidated financial statements for the period ended 30 June 2023 were audited, and reviewed by another auditor, and an unqualified opinion and unqualified conclusion were issued on 27 February 2024 and 27 July 2023 respectively.

Amman – Jordan
25 July 2024

ARAB BANKING CORPORATION (JORDAN)
(PUBLIC SHAREHOLDING COMPANY)
INTERIM CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION
AS OF 30 JUNE 2024 (REVIEWED NOT AUDITED)

	Notes	30 June 2024	31 December 2023
		JD	JD
		(Reviewed not audited)	(Audited)
Assets			
Cash and balances at the Central Bank of Jordan	5	60,749,887	81,043,680
Balances at banks and financial institutions - net	6	160,405,595	162,385,311
Deposits at banks and financial institutions - net	7	-	17,751,843
Direct credit facilities - net	11	793,448,297	763,168,055
Financial assets at fair value through other comprehensive income	8	64,231,280	94,274,301
Financial assets at amortized cost - net	9	187,185,789	181,452,946
Financial assets at amortized cost - mortgaged	10	30,993,914	30,989,923
Property and equipment - net		34,011,766	32,960,325
Intangible assets - net		951,534	1,080,401
Right of use assets	12 - A	3,543,352	2,905,112
Deferred tax assets	17 - C	7,517,365	8,048,059
Other assets	13	24,031,075	19,886,499
Total Assets		1,367,069,854	1,395,946,455
Liabilities and Equity			
Liabilities:			
Banks' and financial institutions' deposits		145,762,467	168,835,525
Customers' deposits	14	868,521,137	876,623,475
Cash margins	15	50,153,381	44,981,313
Borrowed funds	16	99,611,149	102,921,397
Sundry provisions		19,377	109,377
Income tax provision	17 - A	1,523,368	2,979,746
Deferred tax liabilities	17 - D	447,294	437,484
Lease liabilities	12 - B	3,490,807	2,828,075
Other liabilities	18	32,455,424	30,898,514
Total Liabilities		1,201,984,404	1,230,614,906
Equity			
Bank's Shareholders Equity			
Paid-in Capital	19	110,000,000	110,000,000
Share premium		66,943	66,943
Statutory reserve	20	31,385,324	31,385,324
Voluntary reserve	20	197,281	197,281
Fair value reserve - net	21	117,183	(122,820)
Retained earnings	22	20,504,821	23,804,821
Profit for the period		2,813,898	-
Total Equity		165,085,450	165,331,549
Total Liabilities and Equity		1,367,069,854	1,395,946,455

The accompanying notes from 1 to 36 are part of these interim condensed consolidated financial statements and should be read with them

ARAB BANKING CORPORATION (JORDAN)
(PUBLIC SHAREHOLDING COMPANY)
INTERIM CONDENSED CONSOLIDATED INCOME STATEMENT
FOR THE PERIOD ENDED 30 JUNE 2024 (REVIEWED NOT AUDITED)

	Notes	For the three months ended		For the six months ended	
		30 June		30 June	
		2024	2023	2024	2023
		JD	JD	JD	JD
Revenues					
Interest income	24	25,089,220	24,448,064	50,378,045	46,953,350
Interest expense	25	(15,831,076)	(14,148,852)	(31,973,174)	(26,039,976)
Net interest income		9,258,144	10,299,212	18,404,871	20,913,374
Net commission income		586,574	613,610	1,156,486	1,324,253
Net interest and commission income		9,844,718	10,912,822	19,561,357	22,237,627
Foreign currencies income		313,187	185,572	662,480	457,030
Cash dividends from financial assets at fair value through other comprehensive income	26	8,400	4,800	40,150	40,675
Other income		600,558	679,455	1,267,229	1,549,651
Gross income		10,766,863	11,782,649	21,531,216	24,284,983
Expenses					
Employees expenses		4,397,564	4,135,813	8,407,683	8,202,040
Depreciation and amortization		787,778	888,114	1,581,817	1,794,610
Other expenses		2,799,391	2,553,233	5,375,860	5,016,816
Provision for expected credit losses	23	(1,345,048)	1,144,542	2,080,006	3,505,635
(Recovered from) sundry provisions expense		(42,540)	51,525	(90,000)	69,977
Recovered from sized assets provision	13	(187,926)	-	(187,926)	-
Total expenses		6,409,219	8,773,227	17,167,440	18,589,078
Profit for the period before income tax		4,357,644	3,009,422	4,363,776	5,695,905
Income tax expense	17 - B	(1,587,490)	(1,135,659)	(1,549,878)	(2,136,217)
Profit for the period		2,770,154	1,873,763	2,813,898	3,559,688
		JD/ Share	JD/ Share	JD/ Share	JD/ Share
Basic and diluted earnings per share from the profit for the period	27	0.025	0.017	0.026	0.032

The accompanying notes from 1 to 36 are part of these interim condensed consolidated financial statements and should be read with them

ARAB BANKING CORPORATION (JORDAN)
(PUBLIC SHAREHOLDING COMPANY)
INTERIM CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME
FOR THE PERIOD ENDED 30 JUNE 2024 (REVIEWED NOT AUDITED)

	For the three months ended 30 June		For the six months ended 30 June	
	2024	2023	2024	2023
	JD	JD	JD	JD
Profit for the period	2,770,154	1,873,763	2,813,898	3,559,688
<u>Other comprehensive income items:</u>				
Items which may be transferred to interim condensed consolidated income statement:				
Net change in fair value of financial assets through other comprehensive income after tax - bonds	(8,337)	508,414	215,299	655,306
Net change in fair value of derivatives after Tax	(20,088)	99,345	28,617	69,014
Items not to be subsequently transferred to Interim condensed consolidated income statement				
Net change in fair value of financial assets through other comprehensive income after tax - shares	3,023	(980)	(3,913)	(441)
Total other comprehensive income items for the period after tax	(25,402)	606,779	240,003	723,879
Total Comprehensive Income for the period	2,744,752	2,480,542	3,053,901	4,283,567

The accompanying notes from 1 to 36 are part of these interim condensed consolidated financial statements and should be read with them

ARAB BANKING CORPORATION (JORDAN)
(PUBLIC SHAREHOLDING COMPANY)
INTERIM CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
FOR THE PERIOD ENDED 30 JUNE 2024 (REVIEWED NOT AUDITED)

	Paid in Capital JD	Share Premium JD	Reserves			Retained Earnings*	Profit for the Period JD	Total JD
			Statutory Reserve JD	Voluntary Reserve JD	Fair Value Reserve - Net JD			
For the six months ended 30 June 2024								
Balance at the beginning of the period	110,000,000	66,943	31,385,324	197,281	(122,820)	23,804,821	-	165,331,549
Cash dividends to shareholders (Note 19)	-	-	-	-	-	(3,300,000)	-	(3,300,000)
Total comprehensive income for the period	-	-	-	-	240,003	-	2,813,898	3,053,901
Balance at the end of the period	110,000,000	66,943	31,385,324	197,281	117,183	20,504,821	2,813,898	165,085,450
For the six months ended 30 June 2023								
Balance at the beginning of the period	110,000,000	66,943	30,762,318	197,281	(1,081,938)	23,827,407	-	163,772,011
Cash dividends to shareholders (Note 19)	-	-	-	-	-	(4,400,000)	-	(4,400,000)
Total comprehensive income for the period	-	-	-	-	723,879	-	3,559,688	4,283,567
Balance at the end of the period	110,000,000	66,943	30,762,318	197,281	(358,059)	19,427,407	3,559,688	163,655,578

In accordance with monitoring authorities' instructions:

- * Retained earnings include an amount of JD 7,517,365 against deferred tax benefits as of 30 June 2024, this restricted amount cannot be utilized through capitalization or distribution unless actually realized.
- * The retained earnings balance included a restricted amount of JD 2,761 as of 30 June 2024, which represents the effect of the early adoption of IFRS 9, unless actually realized through sale transactions.

The accompanying notes from 1 to 36 are part of these interim condensed consolidated financial statements and should be read with them

ARAB BANKING CORPORATION (JORDAN)
(PUBLIC SHAREHOLDING COMPANY)
INTERIM CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS
FOR THE PERIOD ENDED 30 JUNE 2024 (REVIEWED NOT AUDITED)

	Notes	For the six months ended 30 June	
		2024 JD	2023 JD
Operating activities:			
Profit for the period before income tax		4,363,776	5,695,905
Adjustments for non-cash items:			
Depreciation and amortization	23	1,581,817	1,794,610
Provision for expected credit losses		2,080,006	3,505,635
Cash dividends from financial assets at fair value through other comprehensive income	26	(40,150)	(40,675)
Gain from sale of property and equipment		(23,213)	(77,079)
Losses (Gain) from sale of seized assets		59,286	(52,999)
Recovered from seized assets provision		(187,926)	-
Sundry provisions		(90,000)	69,977
Accrued interest		(857,630)	4,295,899
Effect of exchange rate fluctuations in cash and cash equivalents		64,007	147,418
Lease liabilities - finance cost	12- A	87,930	76,307
Losses from canceled lease contracts		19,167	-
Cash profit before changes in assets and liabilities		7,057,070	15,414,998
Changes in Assets and Liabilities:			
Deposits at banks and financial institutions (maturing over three months)		17,752,650	(10,123,100)
Direct credit facilities - net		(32,247,316)	(21,430,168)
Other assets		(4,075,102)	(1,567,390)
Banks and financial institutions deposits (maturing over three months)		34,235,696	90,565,358
Customers' deposits		(8,102,338)	(34,188,195)
Cash margins		5,172,068	(2,101,138)
Other liabilities		2,453,661	(157,382)
Net change in assets and liabilities		15,189,319	20,997,985
Net cash flows from operating activities before income tax and paid provisions		22,246,389	36,412,983
Income tax paid		(2,612,851)	(794,077)
Sundry provisions paid		-	-
Net cash flows from operating activities		19,633,538	35,618,906
Investing activities			
Purchase of financial assets at amortized cost - net		(55,391,836)	(25,119,461)
Maturity of financial assets at amortized cost - net		49,625,223	13,656,086
Cash dividends from financial assets at fair value through other comprehensive income	26	40,150	40,675
Purchase of property and equipment		(2,190,238)	(1,333,609)
Purchase of intangible assets		(28,210)	(296,704)
Proceeds from sale of property and equipment		36,041	186,000
Purchase of financial assets at fair value through other comprehensive income - net		(837,993)	(3,024,329)
Sale and maturity of financial assets at fair value through other comprehensive income - net		31,222,296	39,772,958
Net cash flows from investing activities		22,475,433	23,881,616
Financing activities			
Dividends distributed to shareholders		(3,322,634)	(4,348,966)
Paid financial lease liability		(381,377)	(466,773)
Borrowed funds		(3,310,248)	(23,985,783)
Net cash flows used in financing activities		(7,014,259)	(28,801,522)
Net increase in cash and cash equivalents		35,094,712	30,699,000
Effect of exchange rate fluctuations in cash and cash equivalents		(64,007)	(147,418)
Cash and cash equivalent at the beginning of the period		113,608,103	39,318,535
Cash and cash equivalent at the end of the period	28	148,638,808	69,870,117

The accompanying notes from 1 to 36 are part of these interim condensed consolidated financial statements and should be read with them

1. General

Arab Banking Corporation (Jordan) was established as a public shareholding company on 21 January 1990 in accordance with the Companies Law No (1) of 1989 with headquarter in Amman - Jordan.

The Bank provides banking services through its head office in Amman and its 22 branches and an office in Jordan and the subsidiary Company (Arab Co-Operation for Financial Investments Company).

The Bank's shares are listed and traded in Amman Stock Exchange.

The financial statements of the Bank and its subsidiary "the Bank" are consolidated in the Arab Banking Corporation – Bahrain financial statements (The Parent Company).

The interim condensed consolidated financial statements have been approved by the Board of Directors of the Bank on 14 July 2024.

2. Basis of Preparation and Material Accounting Policy Information

Basis of Preparation of The Interim Condensed Consolidated Financial Statements

The interim condensed consolidated financial statements have been prepared for the period ended 30 June 2024 in accordance with International Accounting Standard Number (34) (Interim Financial Reporting).

The bank transitioned to fully applying the International Financial Reporting Standards (IFRS) starting from 1 January 2024, instead of IFRS as adopted by the Central Bank of Jordan, the differences between these two frameworks are not material on the interim condensed consolidated financial statements.

The accompanying interim condensed consolidated financial statements are prepared on the historical cost basis, except for financial assets at fair value through other comprehensive income and financial derivatives, which are presented at fair value as of the date of the interim condensed consolidated financial statements.

The reporting currency of the interim condensed consolidated financial statements is the Jordanian Dinar, which is the functional currency of the Bank.

The accompanying interim condensed consolidated financial statements do not include all the information and disclosures to the financial statements required in the annual financial statements, which are prepared in accordance with International Financial Reporting Standards. Moreover, the results of the Bank's operations for the six-month period ended on 30 June 2024 do not necessarily represent indications of the expected results for the year ending 31 December 2024. Therefore, these interim condensed consolidated financial statements should be read with the Bank's annual report for the year ended 31 December 2023 and it does not contain the appropriation of profit on for the six months period ended at 30 June 2024, which is usually performed at the year end.

ARAB BANKING CORPORATION (JORDAN)
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NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS
30 JUNE 2024 (REVIEWED NOT AUDITED)

Basis of Consolidation of the Interim Condensed Consolidated Financial Statements

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

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

As of 30 June 2024, the bank owns the following subsidiary:

Company Name	Paid In capital	Ownership Percentage	Nature of the company's business	Location	Acquisition date
	JD				
Arab Co-Operation For Financial Investments Company	15,600,000	100%	Financial Brokerage	Jordan	25 January 1990

The subsidiary financial results are consolidated in the interim condensed consolidated statement of income from the date of their acquisition, which is the date on which the control of the bank on the subsidiary takes place. In addition, the financial results of the disposed subsidiaries are consolidated in the interim condensed consolidated statement of income up to the date of the disposal, which is the date on which the Bank loses control over the subsidiary.

3. Changes in Accounting Policies

The accounting policies used in the preparation of the interim condensed consolidated financial statements are consistent with those used in the preparation of the annual consolidated financial statements for the year ended 31 December 2023 except for the adoption of new amendments on the standards effective as of 1 January 2024 shown below:

Supplier Finance Arrangements - Amendments to IAS 7 and IFRS 7

In May 2023, the IASB issued amendments to IAS 7 Statement of Cash Flows and IFRS 7 Financial Instruments: Disclosures to clarify the characteristics of supplier finance arrangements and require additional disclosure of such arrangements. The disclosure requirements in the amendments are intended to assist users of financial statements in understanding the effects of supplier finance arrangements on an entity's liabilities, cash flows and exposure to liquidity risk.

The transition rules clarify that an entity is not required to provide the disclosures in any interim periods in the year of initial application of the amendments. Thus, the amendments had no impact on the Bank's interim condensed consolidated financial statements.

Amendments to IFRS 16: Lease Liability in a Sale and Leaseback

In September 2022, the IASB issued amendments to IFRS 16 to specify the requirements that a seller-lessee uses in measuring the lease liability arising in a sale and leaseback transaction, to ensure the seller-lessee does not recognize any amount of the gain or loss that relates to the right of use it retains.

The amendments had no impact on the Bank's interim condensed consolidated financial statements.

Amendments to IAS 1: Classification of Liabilities as Current or Non-current

In January 2020 and October 2022, the IASB issued amendments to paragraphs 69 to 76 of IAS 1 to specify the requirements for classifying liabilities as current or non-current. The amendments clarify:

- What is meant by a right to defer settlement
- That a right to defer must exist at the end of the reporting period
- That classification is unaffected by the likelihood that an entity will exercise its deferral right
- That only if an embedded derivative in a convertible liability is itself an equity instrument would the terms of a liability not impact its classification

In addition, a requirement has been introduced whereby an entity must disclose when a liability arising from a loan agreement is classified as non-current and the entity's right to defer settlement is contingent on compliance with future covenants within twelve months.

The amendments had no impact on the Bank's interim condensed consolidated financial statements.

4. Significant Judgments and Estimates used

Use of judgements and estimates:

The preparation of the interim condensed consolidated financial statements requires management to make estimates and assumptions that affect the reported amounts of financial assets and liabilities and disclosure of contingent liabilities. These estimates and assumptions also affect the revenues and expenses and the resultant provisions as well as fair value changes reported in equity. In particular, considerable judgment by management is required in the estimation of the amount and timing of future cash flows.

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

A. Expected credit losses for financial instruments at amortized cost:

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

• Assessment of Significant Increase in Credit Risk:

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

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

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

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

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

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

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

Gross Domestic Product
Stock market index price

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

Main scenario (Baseline) weighted 40%
Best scenario (Optimistic S1) weighted 30%
Worst case scenario 1 (Pessimistic S3) weighted 30%

These scenarios are extracted from Data Buffet system of Moody's in 14 historical values format and 20 future estimated value (Forecasted) for all the previously mentioned macroeconomic indicators.

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

Definition of default:

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

Exposure at default:

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

B. Income tax

Income tax expenses represent accrued tax and deferred tax.

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

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

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

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

C. Fair Value

Fair value represents the closing market price (Assets Purchasing/ Liabilities Selling) of financial assets and derivatives on the date of the consolidated financial statements in active markets. In case declared market, prices do not exist active trading of some financial assets and derivatives is not available or the market is inactive fair value is estimated by one of several methods including the following:

- Comparison with the fair value of another financial asset with similar terms and conditions.
- Analysis of the present value of expected future cash flows for similar instruments.
- Adoption of the option pricing models.

Evaluation of long-term assets and liabilities that bear no interest through discounting cash flows and amortizing premium/ discount using the effective interest rate method within interest revenue/ expense in the consolidated statement of income.

The valuation methods aim to provide a fair value reflecting the market's expectations taking into consideration the market expected risks and expected benefits when the value of the financial assets. When the financial assets fair value can't be reliably measured, they are stated at cost less any impairment.

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NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS
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5. Cash and Balances at the Central Bank of Jordan

This item consists of the following:

	30 June 2024	31 December 2023
	JD	JD
	(Reviewed not audited)	(Audited)
Cash in vaults	7,235,970	6,643,878
Balances at Central Bank of Jordan:		
Current accounts and demand deposits	3,582,980	2,834,980
Statutory cash reserve	35,130,937	40,064,822
Certificates of deposits	14,800,000	-
Time and notice deposits	-	31,500,000
Total balances at Central Bank of Jordan	53,513,917	74,399,802
Total	60,749,887	81,043,680

The statutory cash reserve amounted to JD 35,130,937 as of 30 June 2024 (JD 40,064,822 as of 31 December 2023).

There are no restricted balances except for the statutory cash reserve as of 30 June 2024 and 31 December 2023.

Balances with the Central Bank of Jordan are classified as part of the stage 1 in accordance with the requirements of IFRS 9, and there are no transfers between the stages (1, 2, and 3) or written off balances during the six months ended 30 June 2024.

The movement on balances at Central Bank of Jordan is as follows:

	30 June 2024 (Reviewed not audited)				31 December 2023 (Audited)
	Stage 1	Stage 2	Stage 3	Total	Total
	JD	JD	JD	JD	JD
Total balance at the beginning of period/ year	74,399,802	-	-	74,399,802	53,013,713
New balances	-	-	-	-	21,386,089
Paid balances	(20,885,885)	-	-	(20,885,885)	-
Total balance at the end of period/ year	53,513,917	-	-	53,513,917	74,399,802

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6. Balances at Banks and Financial Institutions – net

The details of this item are as follows:

Description	Local banks and financial institutions		Foreign banks and financial institutions		Total	
	30 June 2024	31 December 2023	30 June 2024	31 December 2023	30 June 2024	31 December 2023
	JD	JD	JD	JD	JD	JD
	(Reviewed not audited)	(Audited)	(Reviewed not audited)	(Audited)	(Reviewed not audited)	(Audited)
Current accounts and demand deposits	274,754	43,461	8,169,830	40,290,192	8,444,584	40,333,653
Deposits maturing within 3 months or less	56,177,255	36,112,245	95,798,853	85,959,050	151,976,108	122,071,295
Total	56,452,009	36,155,706	103,968,683	126,249,242	160,420,692	162,404,948
Deduct: expected credit losses	(7,348)	(2,461)	(7,749)	(17,176)	(15,097)	(19,637)
	56,444,661	36,153,245	103,960,934	126,232,066	160,405,595	162,385,311

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

	30 June 2024 (Reviewed not audited)			31 December 2023 (Audited)	
	Stage 1	Stage 2	Stage 3	Total	Total
	JD	JD	JD	JD	JD
Total Balance as at the beginning of period/ year	162,404,948	-	-	162,404,948	116,667,469
New balances	64,939,759	-	-	64,939,759	101,771,047
Paid balances	(66,924,015)	-	-	(66,924,015)	(56,033,568)
Total Balance as at the end of period/ year	160,420,692	-	-	160,420,692	162,404,948
Less: expected credit losses	(15,097)	-	-	(15,097)	(19,637)
	160,405,595	-	-	160,405,595	162,385,311

- Balances at banks and financial institutions that bears no interest amounted to JD 3,547,460 as of 30 June 2024 (JD 3,848,473 as of 31 December 2023).
- There are no restricted balances as of 30 June 2024 and 31 December 2023.

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The movement on expected credit losses for balances at banks and financial institutions is as follows:

	30 June 2024 (Reviewed not audited)			31 December 2023 (Audited)	
	Stage 1	Stage 2	Stage 3	Total	Total
	JD	JD	JD	JD	JD
Total balance as at the beginning of the period/ year	19,637	-	-	19,637	13,167
New balances	13,503	-	-	13,503	18,761
Paid balances	(18,043)	-	-	(18,043)	(12,291)
Total balance as at the end of period/ year	15,097	-	-	15,097	19,637

7. Deposits at Banks and Financial Institutions - net

The details of this item are as follows:

Description	Local Banks and financial institutions		Foreign Banks and financial institutions		Total	
	30 June 2024	31 December 2023	30 June 2024	31 December 2023	30 June 2024	31 December 2023
	JD	JD	JD	JD	JD	JD
	(Reviewed not audited)	(Audited)	(Reviewed not audited)	(Audited)	(Reviewed not audited)	(Audited)
Deposits maturing within 3 - 6 months	-	-	-	17,752,650	-	17,752,650
Less: excepted credit losses	-	-	-	17,752,650	-	17,752,650
Total balances at the end of period/ year	-	-	-	(807)	-	(807)
	-	-	-	17,751,843	-	17,751,843

There are no deposits maturing within a period longer than six months as of 30 June 2024.

There are no restricted deposits as of 30 June 2024 and 31 December 2023.

There are no deposits at banks and financial institutions as of 30 June 2024 that are classified in stage 1 also no transfers between the stages (1, 2 and 3) or written off balances during the six months ended 30 June 2024.

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

	30 June 2024 (Reviewed not audited)			31 December 2023 (Audited)
	Stage 1	Stage 2	Stage 3	Total
	JD	JD	JD	JD
Total balance as at the beginning of period/ year	17,752,650	-	-	17,752,650
New balances	-	-	-	17,752,650
Paid balances	(17,752,650)	-	-	(7,533,150)
Total balance as at the end of period/ year	-	-	-	17,752,650

The movement on expected credit losses for deposits at banks and financial institutions is as follows:

	30 June 2024 (Reviewed not audited)			31 December 2023 (Audited)
	Stage 1	Stage 2	Stage 3	Total
	JD	JD	JD	JD
Total balance at the beginning of period/ year	807	-	-	807
New balances	-	-	-	807
Paid balances	(807)	-	-	(579)
Total balance at the end of period/ year	-	-	-	807

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8. Financial Assets at Fair Value Through Other Comprehensive Income

	30 June 2024 JD (Reviewed not audited)	31 December 2023 JD (Audited)
Quoted shares	1,245,699	1,251,906
Unquoted shares	4,251,805	3,414,222
Governmental bonds and with their guarantee	45,299,254	76,288,863
Other financial bonds	13,442,540	13,327,665
	<u>64,239,298</u>	<u>94,282,656</u>
<u>Less:</u> excepted credit losses	<u>(8,018)</u>	<u>(8,355)</u>
	<u>64,231,280</u>	<u>94,274,301</u>

Cash dividends on the investments above amounted to JD 40,150 for the period ended 30 June 2024 (JD 40,675 for the period ended 30 June 2023).

There are no mortgaged shares as of 30 June 2024, and 31 December 2023.

The movement on expected credit losses for the financial assets through other comprehensive income (financial bonds) is as follows:

	30 June 2024 (Reviewed not audited)				31 December 2023 (Audited)
	Stage 1	Stage 2	Stage 3	Total	Total
	JD	JD	JD	JD	JD
Total balance as at the beginning of the period/ year	8,355	-	-	8,355	4,453
New balances	628	-	-	628	3,902
Paid balances	(965)	-	-	(965)	-
Total balance as at the end of the period/ year	<u>8,018</u>	<u>-</u>	<u>-</u>	<u>8,018</u>	<u>8,355</u>

The movement on the financial bonds through other comprehensive income is as follows:

	30 June 2024 (Reviewed not audited)				31 December 2023 (Audited)
	Stage 1	Stage 2	Stage 3	Total	Total
	JD	JD	JD	JD	JD
Total balance as at the beginning of the period/ year	89,616,528	-	-	89,616,528	141,114,781
New balances	-	-	-	-	3,024,328
Paid balances	(31,222,296)	-	-	(31,222,296)	(56,076,077)
Change in fair value	347,562	-	-	347,562	1,553,496
Total balance as at the end of the period/ year	<u>58,741,794</u>	<u>-</u>	<u>-</u>	<u>58,741,794</u>	<u>89,616,528</u>

There were no transfers between stages (1, 2 and 3) or written-off balances during the six-month period ended 30 June 2024 and the year ended 31 December 2023.

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9. Financial Assets at Amortized Cost - net

The details of this item are as follows:

	30 June 2024	31 December 2023
	JD (Reviewed not audited)	JD (Audited)
Unquoted financial assets:		
Jordanian treasury bills	23,425,654	13,800,725
Governmental bonds and with their guarantee	143,131,911	152,666,218
Other financial bonds	20,672,000	15,000,000
	187,229,565	181,466,943
<u>Less:</u> excepted credit losses	(43,776)	(13,997)
Total	187,185,789	181,452,946

Debt instruments analysis- net

	30 June 2024	31 December 2023
	JD (Reviewed not audited)	JD (Audited)
With fixed return	187,229,565	181,466,943
With variable return	-	-
Total	187,229,565	181,466,943

The movement on the financial assets at amortized cost is as follow:

	30 June 2024 (Reviewed not audited)				31 December 2023 (Audited)
	Stage 1	Stage 2	Stage 3	Total	Total
	JD	JD	JD	JD	JD
Balance at the beginning of the period					
/year	181,466,943	-	-	181,466,943	140,537,459
New investment	55,391,836	-	-	55,391,836	64,241,193
Maturing investment	(49,629,214)	-	-	(49,629,214)	(23,311,709)
Total balance at the end of the period/ year	187,229,565	-	-	187,229,565	181,466,943

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The movement on expected credit losses for financial assets at amortized cost is as follows:

	30 June 2024 (Reviewed not audited)				31 December 2023 (Audited)
	Stage 1	Stage 2	Stage 3	Total	Total
	JD	JD	JD	JD	JD
Balance at the beginning of the period/ year	13,997	-	-	13,997	15,204
New balances	30,157	-	-	30,157	-
Paid balances	(378)	-	-	(378)	(1,207)
Balance at the end of the period/ year	43,776	-	-	43,776	13,997

10. Financial Assets at Amortized Cost - Mortgaged

The details of this item are as follows:

	30 June 2024	31 December 2023
	JD	JD
	(Reviewed not audited)	(Audited)
Governmental bonds and guaranteed financial bonds	30,993,914	30,989,923
Total	30,993,914	30,989,923

On 4 April 2021, the Bank sold three Jordanian treasury bonds with a nominal value of JD 31,000,000 to Arab Bank. The price of repurchase agreement of these bonds was JD 34,455,130, the proceeds, which amounted to JD 32,742,417, were recorded as borrowed funds at an interest rate of 6.15%, as indicated in note (16). The Bank did not recognize this transaction as a sale transaction since the bank reserves the right to repurchase these bonds on 3 July 2025.

11. Direct Credit Facilities - Net

The details of these items are as follows:

	30 June 2024	31 December 2023
	JD (Reviewed not audited)	JD (Audited)
Individuals (Retail)		
Overdrafts*	26,323,856	26,261,592
Loans and bills **	398,409,585	396,635,172
Credit cards	4,301,446	3,798,255
Housing loans	72,337,979	67,512,513
Large companies		
Overdrafts*	78,504,751	76,787,806
Loans and bills **	216,641,850	192,257,578
Small and medium companies		
Overdrafts*	5,650,525	5,087,600
Loans and bills **	20,781,787	19,032,615
Government and public sector **	66,498,424	67,116,613
Total	889,450,203	854,489,744
<u>Less: suspended interest</u>	(26,471,779)	(23,742,903)
<u>Less: expected credit losses</u>	(69,530,127)	(67,578,786)
Net direct facilities	793,448,297	763,168,055

* Net after deducting interests and commission received in advance amounting to JD 3,392 as of 30 June 2024 (JD 9,190 as of 31 December 2023).

** Net after deducting interests and commissions received in advance amounting to JD 133,771 as of 30 June 2024 (JD 86,117 as of 31 December 2023).

The non-performing credit facilities amounted to JD 92,463,083 which represents 10.396% of total direct credit facilities as of 30 June 2024 (JD 88,477,060 which represents 10.354% of total direct credit facilities as of 31 December 2023).

The non-performing credit facilities after deducting the suspended interest amounted to JD 65,991,304 which represents 7.647% of total direct credit facilities after deducting the suspended interest as of 30 June 2024 (JD 64,734,157 which represents 7.792% of total direct credit facilities as of 31 December 2023).

Credit facilities granted to and guaranteed by the Jordanian Government amounted to JD 66,498,424 which represents 7.476% of the total direct credit facilities as of 30 June 2024 (JD 67,116,613 which represents 7.855% of the total direct credit facilities as of 31 December 2023).

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The following is the movement on direct credit facilities on collective basis as at the end of the period/ year:

	30 June 2024 (Reviewed not audited)				
	Stage 1		Stage 2		Total
	Individual	Collective	Individual	Collective	
	JD	JD	JD	JD	JD
Total balance as at 31 December 2023 (Audited)	269,349,511	436,315,420	33,713,042	26,634,711	854,489,744
New balances through the period	93,883,352	43,353,374	1,657,952	199,501	141,383,581
Repaid balances	(63,724,027)	(35,292,873)	(2,608,626)	(1,056,712)	(106,996,994)
Net transferred to stage 1	2,554,889	5,158,985	(2,554,889)	(4,949,233)	-
Net transferred to stage 2	(2,264,700)	(10,733,501)	2,264,700	11,427,204	-
Net transferred to stage 3	-	(1,690,425)	(479,104)	(4,986,695)	-
Net effect resulted by changes on categories between the three stages	8,257	(67,292)	854,194	20,105	787,885
Written-off facilities	-	-	-	-	(214,013)
Total balance as at 30 June 2024 (reviewed not audited)	299,807,282	437,043,688	32,847,269	27,288,881	889,450,203
	31 December 2023 (Audited)				
	Stage 1		Stage 2		Total
	Individual	Collective	Individual	Collective	
	JD	JD	JD	JD	JD
Total balance as at 31 December 2022	262,526,849	447,788,005	40,058,124	22,128,309	856,604,748
New balances during the year	107,051,589	77,739,088	1,815,425	2,066,270	193,494,232
Repaid balances	(98,010,618)	(70,773,373)	(5,331,874)	(3,534,103)	(179,702,100)
Transferred to Stage 1	-	4,149,981	-	(3,826,174)	-
Transferred to Stage 2	(2,593,215)	(14,854,126)	2,593,215	15,137,269	-
Transferred to Stage 3	(126,046)	(7,301,462)	(5,770,593)	(4,394,131)	-
Net effect resulted by changes on categories between the three stages	500,952	(432,693)	348,745	(942,729)	(569,265)
Written-off facilities	-	-	-	-	(15,337,871)
Total balance as at 31 December 2023	269,349,511	436,315,420	33,713,042	26,634,711	854,489,744

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The following is the movement on the expected credit losses on collective basis as at the end of the period/ year:

	30 June 2024 (Reviewed not audited)				
	Stage 1		Stage 2		Total
	Individual	Collective	Individual	Collective	
	JD	JD	JD	JD	JD
Total balance as at 31 December 2023 (Audited)	1,376,574	2,524,106	5,967,081	2,371,650	67,578,786
Expected credit losses on new balances through the period	169,748	319,841	155,225	169,374	5,174,517
Expected credit losses on repaid balances	(684,252)	(330,765)	(513,946)	(190,596)	(5,726,721)
Transferred to Stage 1	11,540	31,591	(11,540)	(30,688)	-
Transferred to Stage 2	(18,320)	(1,175,768)	18,320	1,245,579	-
Transferred to Stage 3	-	(709,941)	(156,135)	(2,416,375)	-
Net effect resulted by changes on categories between the three stages	(29,471)	1,702,008	69,619	1,299,456	2,519,279
Written-off facilities	-	-	-	-	(15,734)
Total balance as at 30 June 2024 (reviewed not audited)	825,819	2,361,072	5,528,624	2,448,400	69,530,127

	31 December 2023 (Audited)				
	Stage 1		Stage 2		Total
	Individual	Collective	Individual	Collective	
	JD	JD	JD	JD	JD
Total balance as at 31 December 2022	1,424,631	2,501,980	4,382,190	1,699,524	68,130,794
Expected credit losses on new balances through the year	557,733	602,305	1,889,589	176,191	5,203,239
Expected credit losses on repaid balances	(586,142)	(475,470)	(242,181)	(195,601)	(3,155,088)
Transferred to Stage 1	-	32,413	-	(28,474)	-
Transferred to Stage 2	(70,047)	(1,632,627)	70,047	1,665,542	-
Transferred to Stage 3	(11,879)	(3,852,809)	(1,736,068)	(2,791,990)	-
Net effect resulted by changes on categories between the three stages	62,278	5,348,314	1,603,504	1,846,458	8,416,450
Written-off facilities	-	-	-	-	(11,016,609)
Total balance as at 31 December 2023	1,376,574	2,524,106	5,967,081	2,371,650	67,578,786

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The following is the movement on expected credit losses according to the sectors on collective basis as at the end of the period/ year:

	30 June 2024 (Reviewed not audited)				
	Individual	Real estate loan	Large companies	Small and medium companies	Government and public sector
	JD	JD	JD	JD	JD
Total balance as at 31 December 2023 (Audited)	30,086,935	738,494	34,717,196	2,031,952	4,209
Expected credit losses on new balances through the period	2,803,265	99,157	2,123,968	148,128	-
Expected credit losses on repaid balances	(1,041,532)	(155,671)	(4,346,384)	(180,706)	(2,428)
Transferred to Stage 1	(1,836,723)	(13,471)	(7,395)	615	-
Transferred to Stage 2	(1,215,203)	12,798	7,395	(156,750)	-
Transferred to Stage 3	3,051,926	673	-	156,135	-
Net effect resulted by changes on categories between the three stages	2,539,682	(60,552)	(64,324)	104,472	-
Written off facilities	(15,734)	-	-	-	-
Total balance as at 30 June 2024 (Reviewed not audited)	34,372,616	621,428	32,430,456	2,103,846	1,781
					69,530,127

	31 December 2023 (Audited)				
	Individual	Real estate loan	Large companies	Small and medium companies	Government and public sector
	JD	JD	JD	JD	JD
Total balance as at 31 December 2022	24,689,835	826,598	40,516,982	2,092,680	4,699
Expected credit losses on new balances through the period	2,364,806	202,694	2,296,359	339,382	-
Expected credit losses on repaid balances	(1,597,522)	(222,226)	(1,226,738)	(108,113)	(490)
Transferred to Stage 1	(5,041,361)	(17,252)	(36,516)	(45,410)	-
Transferred to Stage 2	(969,435)	(23,293)	(1,519,784)	(146,237)	-
Transferred to Stage 3	6,010,796	40,545	1,556,300	191,647	-
Net effect resulted by changes on categories between the three stages	6,354,236	27,019	1,848,139	187,055	-
Written-off facilities	(1,724,420)	(95,591)	(8,717,546)	(479,052)	-
Total balance as at 31 December 2023	30,086,935	738,494	34,717,196	2,031,952	4,209
- The amount of provisions no longer needed as a result of the settlement or debts repayments and which were converted to other debts is JD 4,773,931 as of 30 June 2024 (JD 2,658,137 as of 31 December 2023).					67,578,786

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Credit exposures according to IFRS 9 are as follows:

30 June 2024 (Reviewed not audited)												
	Stage 1			Stage 2			Stage 3			Total		
	Expected credit losses		Interest in suspense	Expected credit losses		Interest in suspense	Expected credit losses		Interest in suspense	Expected credit losses		Interest in suspense
	Gross	JD		Gross	JD		Gross	JD		Gross	JD	
Individual	363,562,311	(2,300,900)	-	20,685,274	(2,359,372)	-	44,787,302	(29,712,344)	(12,464,378)	429,034,887	(34,372,616)	(12,464,378)
Real estate loans	64,948,573	(56,617)	-	5,972,877	(81,975)	-	1,416,529	(482,836)	(456,820)	72,337,979	(621,428)	(456,820)
Large companies	223,237,963	(720,808)	-	28,971,135	(5,383,652)	-	42,937,503	(26,325,996)	(12,766,333)	295,146,601	(32,430,456)	(12,766,333)
Small and medium companies	18,623,699	(106,785)	-	4,486,863	(152,025)	-	3,321,750	(1,845,036)	(784,248)	26,432,312	(2,103,846)	(784,248)
Government and Public Sector	66,498,424	(1,781)	-	-	-	-	-	-	-	66,498,424	(1,781)	-
	736,870,970	(3,186,891)	-	60,116,149	(7,977,024)	-	92,463,084	(58,366,212)	(26,471,779)	889,450,203	(69,530,127)	(26,471,779)

31 December 2023 (Audited)												
	Stage 1			Stage 2			Stage 3			Total		
	Expected credit losses		Interest in suspense	Expected credit losses		Interest in suspense	Expected credit losses		Interest in suspense	Expected credit losses		Interest in suspense
	Gross	JD		Gross	JD		Gross	JD		Gross	JD	
Individual	367,699,807	(2,457,862)	-	18,663,078	(2,261,861)	-	40,332,134	(25,367,212)	(11,379,104)	426,695,019	(30,086,935)	(11,379,104)
Real estate loans	59,638,027	(55,127)	-	6,019,720	(92,171)	-	1,854,766	(591,196)	(476,552)	67,512,513	(738,494)	(476,552)
Large companies	195,605,610	(1,246,088)	-	29,996,602	(5,752,999)	-	43,443,172	(27,718,109)	(11,182,955)	269,045,384	(34,717,196)	(11,182,955)
Small and medium companies	15,604,874	(137,394)	-	5,668,353	(231,700)	-	2,846,988	(1,662,858)	(704,292)	24,120,215	(2,031,952)	(704,292)
Government and public sector	67,116,613	(4,209)	-	-	-	-	-	-	-	67,116,613	(4,209)	-
	705,664,931	(3,900,680)	-	60,347,753	(8,338,731)	-	88,477,060	(55,339,375)	(23,742,903)	854,489,744	(67,578,786)	(23,742,903)

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Interest in Suspense:

The movement on interest in suspense is as follows:

For the six months ended on 30 June 2024 (Reviewed not audited)

Balance at the beginning of the period
Add: interest suspended during the period
Less: interest transferred to revenues
Less: written-off suspended interest
Balance at the end of the period

	Individuals	Real estate	Companies			Total
	JD	JD	Large companies	Small and medium companies	JD	JD
	11,379,104	476,552	11,182,955	704,292	23,742,903	
	1,569,869	36,910	1,602,099	79,956	3,288,834	
	(290,862)	(52,171)	(18,646)	-	(361,679)	
	(193,733)	(4,471)	(75)	-	(198,279)	
	<u>12,464,378</u>	<u>456,820</u>	<u>12,766,333</u>	<u>784,248</u>	<u>26,471,779</u>	

For the year ended 31 December 2023 (Audited)

Balance at the beginning of the period/ year
Add: interest suspended during the period/ year
Less: interest transferred to revenues
Less: written-off suspended interest
Balance at the end of the year

	9,941,172	490,537	10,763,643	1,155,857	22,351,209
	2,517,098	160,184	3,514,574	130,057	6,321,913
	(421,799)	(69,085)	(100,493)	(17,580)	(608,957)
	(657,367)	(105,084)	(2,994,769)	(564,042)	(4,321,262)
	<u>11,379,104</u>	<u>476,552</u>	<u>11,182,955</u>	<u>704,292</u>	<u>23,742,903</u>

12. Right of Use Assets and Lease Liabilities

The details of these items are as follows:

A. Right of use assets:

The Bank leases many assets, including lands and buildings, and the average lease term is 8 years, the following is the movement on the right- of-use assets during the year:

	30 June 2024	31 December 2023
	JD	JD
	(Reviewed not audited)	(Audited)
Balance at the beginning of the period/ year	2,905,112	2,926,289
<u>Add:</u> additions during the period/ year	1,025,353	615,455
<u>Less:</u> cancellation of lease contracts for the period/ year	(88,341)	-
<u>Less:</u> depreciation for the period/ year	(298,772)	(636,632)
Balance at the end of the period/ year	3,543,352	2,905,112

For the period ended 30 June
(Reviewed not audited)

	2024	2023
	JD	JD
<u>Amounts recorded on the interim condensed consolidated income statement</u>		
Depreciation for the period	298,772	319,966
Interest for the period	87,930	76,307
Lease expense during the period	386,702	396,273

B. Lease liabilities

	30 June 2024	31 December 2023
	JD	JD
	(Reviewed not audited)	(Audited)
Balance at the beginning of the period/ year	2,828,075	2,819,028
<u>Add:</u> additions during the period/ year	1,025,353	615,455
<u>Add:</u> interest during the period/ year	87,930	153,548
<u>Less:</u> paid during the period/ year	(381,377)	(759,956)
<u>Less:</u> cancellation of lease contracts	(69,174)	-
Balance at the end of the period/ year	3,490,807	2,828,075

13. Other Assets

The details of this item are as follows:

	30 June 2024	31 December 2023
	JD	JD
	(Reviewed not audited)	(Audited)
Accrued interest and commissions	6,682,154	6,741,320
Prepaid expenses	1,648,896	900,324
Assets seized by the Bank against due debts *	4,928,305	2,815,582
Assets - unrealized gain of financial derivatives	430,221	384,065
Other receivables - brokerage company	1,240,891	46,066
Land held for sale - brokerage company	1,696,734	1,696,734
Seized assets sold in installments	3,822,675	3,822,675
Other	3,581,199	3,479,733
Total	24,031,075	19,886,499

* The details of the movement on the assets seized by the bank to against due debts are as follows:

	30 June 2024	31 December 2023
	JD	JD
	(Reviewed not audited)	(Audited)
Balance at the beginning of the period/ year	2,815,582	3,034,678
Additions	3,847,628	135,905
Disposals	(1,922,831)	(355,001)
Recovered form seized assets provision	187,926	-
Total	4,928,305	2,815,582

* The regulations of Central Bank of Jordan require to dispose the assets seized by the Bank by a maximum period of two years from the date of its acquisition. In exceptional cases, the Central Bank may extend this period to a maximum of two consecutive years.

- The provision for the seized assets was JD 13,396 as of 30 June 2024 (JD 201,322 as of 31 December 2023) for assets which have been possessed by the Bank for a period longer than four years.

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14. Customers' Deposits

	Individual JD	Large companies JD	Small and medium companies JD	Government and public sector JD	Total JD
For the six months ended as of 30 June 2024 (Reviewed not audited)					
Current accounts and demand deposits	42,172,489	42,877,417	8,588,004	1,096,977	94,734,887
Saving accounts	23,266,967	112,197	95,415	86	23,474,665
Time and notice deposits	374,613,182	246,654,622	16,099,819	112,943,962	750,311,585
Total	440,052,638	289,644,236	24,783,238	114,041,025	868,521,137

For the year ended as of 31 December 2023 (Audited)

Current accounts and demand deposits	41,924,420	54,060,791	9,231,972	574,721	105,791,904
Saving accounts	17,702,723	181,325	157,262	86	18,041,396
Time and notice deposits	349,180,156	272,612,151	15,387,421	115,610,447	752,790,175
Total	408,807,299	326,854,267	24,776,655	116,185,254	876,623,475

- Jordanian government and public sector deposits inside Jordan amounted to JD 114,041,025 as of 30 June 2024 which represent 13.13% of total customers' deposits (JD 116,185,254 which represent 13.254% of total customers' deposits as of 31 December 2023).
- Non-interest-bearing deposits amounted to JD 70,712,854 which represent 8.142% of total deposits as of 30 June 2024 (JD 70,560,283 which represent 8.049% of total customers' deposits as of 31 December 2023).
- Restricted deposits amounted to JD 105,892,135 as of 30 June 2024 which represent 12.192% of total deposits (JD 102,817,184 which represent 11.729% of total customers' deposits as of 31 December 2023).
- Dormant deposits amounted to JD 7,511,109 as of 30 June 2024 (JD 8,877,870 as of 31 December 2023).

15. Cash Margins

This item consists of the following:

	30 June 2024 JD (Reviewed not audited)	31 December 2023 JD (Audited)
Margins against direct credit facilities	39,098,137	37,035,726
Margins against indirect credit facilities	7,484,377	5,073,752
Other margins	3,570,867	2,871,835
Total	50,153,381	44,981,313

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16. Borrowed Funds

Borrowed funds consists of the following:

		Number of payments				
	Amount	Total no. of payments	Outstanding payments	Instalments maturity	collaterals	Interest rate
<u>For the six months ended 30 June 2024 (Reviewed not audited)</u>						
	JD					
Borrowing from Arab Bank*	32,742,417	1	1	36 months	CBJ bonds mortgage	6,150%
Borrowing from Central Bank of Jordan**	27,000	34	2	semi annually	-	2,500%
Borrowing from Central Bank of Jordan***	1,030,114	24	13	semi annually	-	3,000%
European Investment Bank ****	19,336,364	24	23	quarterly	-	6,532%
Borrowing from Central Bank of Jordan	5,319,621	504	295	monthly	-	1,000%
Jordan Mortgage Refinance Company	15,000,000	1	1	24 months	loan portfolio mortgage bonds	5,900%
Jordan Mortgage Refinance Company	10,001,342	1	1	7 years	loan portfolio mortgage bonds	4,900%
Borrowing from Central Bank of Jordan loan *****	5,168,456	1200	555	monthly	-	0,000%
Arab Jordan Investment Bank *****	2,137,397	1	1	monthly	-	7,750%
Cairo Amman Bank *****	8,848,438	1	1	monthly	-	7,625%
Total	99,611,149					
<u>For the year ended 31 December 2023 (Audited)</u>						
Borrowing from Arab Bank*	33,766,027	1	1	36 months	CBJ bonds mortgage	5,880%
Borrowing from Central Bank of Jordan**	122,426	34	4	semi annually	-	2,500%
Borrowing from Central Bank of Jordan***	1,002,638	24	24	semi annually	-	3,000%
Borrowing from Central Bank of Jordan	3,050,098	264	109	monthly	-	1,000%
Jordan Mortgage Refinance Company	15,000,000	1	1	24 months	loan portfolio mortgage bonds	5,90%
Jordan Mortgage Refinance Company	10,000,000	1	1	7 years	loan portfolio mortgage bonds	4,900%
Borrowing from Central Bank of Jordan loan *****	7,422,736	1621	794	monthly	-	0,000%
European Investment Bank****	21,270,000	11	11	semi annually	-	6,532%
Arab Jordan Investment Bank *****	2,835,091	1	1	Monthly	-	7,750%
Arab Banking Corporation (Bahrain)	2,481,500	1	1	2 weeks	-	6,000%
Cairo Amman Bank *****	5,970,881	1	1	monthly	-	7,625%
Total	102,921,397					

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- * The funds borrowed from the Arab Bank which amounted to JD 32,742,417 represent, a repurchase agreement of treasury bonds amounted to nominal value of JD 31M, that the bank holds the repurchase right of these bonds on 3 July 2025.
- ** The funds borrowed from the Central Bank amounted to JD 27,000 as of 30 June 2024 represent the loan agreement of the Arab Fund for Economic and Social Development to finance the sector of micro, small and medium enterprises against JD 122,426 as of 31 December 2023.
- *** The funds borrowed from the Central Bank amounted to JD 1,030,114 as of 30 June 2024 represent the loan agreement of the Arab Fund for Economic and Social Development to finance the sector of micro, small and medium enterprises against JD 1,002,638 as of 31 December 2023.
- **** The fund borrowed from European Investment Bank amounted to JD 19,336,364 as of 30 June 2024 and JD 21,270,000 as of 31 December 2023.
- ***** The funds borrowed from the Central Bank of Jordan amounting to JD 5,168,456 represent a loan agreement to support companies as a result of the Covid-19 pandemic as of June 2024 against JD 7,422,736 as of 31 December 2023.
- ***** The funds borrowed from the Arab Jordan Investment Bank amounting to JD 2,137,397 represent the financing agreement of the subsidiary company (Arab Cooperation Financial Investments Company) as of 30 June 2024 against JD 2,835,091 as of 31 December 2023.
- ***** The fund borrowed from Cairo Amman Bank amounted to JD 8,848,438 represents an agreement to fund the subsidiary (Arab Cooperation Financial Investment Company) as of 30 June 2024 against JD 5,970,881 as of 31 December 2023.

17. Income Tax

A- Income tax provision

The movement on the income tax provision is as follows:

	30 June 2024	31 December 2023
	JD (Reviewed not audited)	JD (Audited)
Balance at the beginning of the period/ year	2,979,746	2,283,188
Income tax paid	(2,612,851)	(1,121,387)
Accrued income tax	1,156,473	1,817,945
Balance at the end of the period/ year	1,523,368	2,979,746

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

	For the six months ended (Reviewed not audited)	
	2024	2023
	JD	JD
Accrued income tax on the profit of the period	1,156,473	2,850,697
Deferred tax assets for the period	393,405	(714,480)
	<u>1,549,878</u>	<u>2,136,217</u>

C- Deferred tax assets

The details of this item are as follows:

	30 June 2024 (Reviewed not audited)					31 December 2023 (Audited)
	Beginning balance	Released during the period	Additions during the period	Ending balance	Deferred tax	Deferred tax
	JD	JD	JD	JD	JD	JD
Deferred tax assets						
Provision of non-performing loans from prior years	8,902	-	-	8,902	3,383	3,383
Difference in credit facilities provision	101,398	(31,208)	-	70,190	26,672	38,531
Unrealized losses on financial assets at fair value through other comprehensive income - shares	100,854	-	6,207	107,061	40,684	38,325
Unrealized losses on financial assets at fair value through other comprehensive income - bonds	1,244,066	(367,495)	-	876,571	333,097	472,745
Deferred tax assets on provision for expected credit losses	17,526,822	(1,195,834)	317,045	16,648,033	5,816,709	6,163,133
Employees bonus	573,740	(573,740)	398,219	398,219	151,323	218,021
Others	<u>2,931,371</u>	<u>(1,985)</u>	<u>85,080</u>	<u>3,014,466</u>	<u>1,145,497</u>	<u>1,113,921</u>
Total	<u>22,487,153</u>	<u>(2,170,262)</u>	<u>806,551</u>	<u>21,123,442</u>	<u>7,517,365</u>	<u>8,048,059</u>

The movement on deferred tax assets accounts are as follows:

	30 June 2024	31 December 2023
	JD	JD
	(Reviewed not audited)	(Audited)
Balance at the beginning of the period/ year	8,048,060	8,071,489
Additions	186,012	1,359,369
Released	<u>(716,707)</u>	<u>(1,382,799)</u>
Balance at the end of the period/ year	<u>7,517,365</u>	<u>8,048,059</u>

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D- Deferred tax liabilities

	30 June 2024 (Reviewed not audited)					31 December 2023 (Audited)
<u>Deferred tax liabilities</u>	Beginning balance	Released during the period	Additions during the period	Ending Balance	Deferred tax	Deferred tax
	JD	JD	JD	JD	JD	JD
Unrealized gain of financial assets resulted from the adoption of IFRS (9)	4,453	-	-	4,453	1,692	1,692
Unrealized gain on financial assets (financial derivatives)	384,065	-	46,156	430,221	163,484	145,945
Unrealized gain on financial assets at fair value through other comprehensive income - bonds	80,194	(20,240)	-	59,954	22,783	30,474
Unrealized losses on financial assets at fair value through other comprehensive income - shares	682,563	(103)	-	682,460	259,335	259,373
Total	1,151,275	(20,343)	46,156	1,177,088	447,294	437,484

The movement on deferred tax liabilities accounts are as follows:

	30 June 2024	31 December 2023
	JD	JD
	(Reviewed not audited)	(Audited)
Balance at the beginning of the period/ year	437,484	461,371
Additions	17,540	17,178
Released	(7,730)	(41,065)
Balance at the end of the period/ year	<u>447,294</u>	<u>437,484</u>

- The legal tax rate for banks in Jordan is 35% and 3% as national contribution, and for subsidiary (Arab Co-Operation Company for Financial Investments) it is 24%, and 4% as national contribution.

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E- Tax status

- The bank has reached a final settlement with the Income and Sales Tax Department for all previous years up to the year 2020.
- The Bank has submitted its tax returns for the years 2021, 2022 and 2023 which has not yet been reviewed yet by the Income and Sales Tax Department until the date of the interim condensed consolidated financial statements.
- Arab Co-Operation Company for Financial Investments (the subsidiary) has reached a final settlement with the Income and Sales Tax Department in Jordan up to the year 2022 except for the year 2021, In addition the company has already submitted its tax returns for the years 2021, and 2023 which has not been reviewed by the Income and Sales Tax Department until the date of the interim condensed consolidated financial statements.
- The Bank has booked a provision against any expected tax liabilities for the period ended 30 June 2024 and the above-mentioned years, in the opinion of the bank's management and its tax consultant the income tax provision booked in the interim condensed consolidated financial statements is sufficient to cover any future tax liabilities that may arise.

18. Other Liabilities

The details for this item are as follows:

	30 June 2024	31 December 2023
	JD (Reviewed not audited)	JD (Audited)
Accrued interest expense	11,203,556	12,120,352
Revenue received in advanced	182,852	194,913
Accounts payable	6,932,118	5,827,262
Accrued and unpaid expenses	1,825,168	1,656,923
Liabilities - unrealized losses of financial derivatives	48,574	96,049
Certified cheques withdrawn by the bank	1,418,141	1,849,574
Provision for expected credit losses - indirect facilities	3,388,381	3,299,545
Board of directors' remunerations	42,750	89,718
Transfers held for payment	2,260,535	1,277,430
Deferred income	246,633	272,391
Other liabilities	4,906,716	4,214,357
Total	32,455,424	30,898,514

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* The movement on indirect facilities on a collective basis as at the end of the period/ year was as follows:

	30 June 2024 (Reviewed not audited)						31 December 2023 (Audited)
	Stage 1		Stage 2		Stage 3	Total	Total
	Individual	Collective	Individual	Collective			
	JD	JD	JD	JD	JD	JD	JD
Total balance as at the beginning of the period/ year	125,724,275	9,063,939	2,394,663	-	4,697,351	141,880,228	135,554,923
New balances	93,387,009	2,730,745	88,873	-	-	96,206,627	64,813,126
Paid balances	(45,923,126)	(2,144,182)	(859,389)	-	(10,204)	(48,936,901)	(57,734,853)
Transferred to stage 1	580,904	-	(580,904)	-	-	-	-
Transferred to stage 2	(19,500)	(611)	19,500	611	-	-	-
Transferred to stage 3	-	-	-	-	-	-	-
Net effect resulted by changes on categories between the three stages	-	(594)	(42,911)	-	-	(43,505)	(752,968)
Total balance as at the end of the period/ year	173,749,562	9,649,297	1,019,832	611	4,687,147	189,106,449	141,880,228

The movement on the expected credit losses on indirect facilities on a collective basis as at the end of the period/ year was as follows:

	30 June 2024 (Reviewed not audited)						31 December 2023 (Audited)
	Stage 1		Stage 2		Stage 3	Total	Total
	Individual	Collective	Individual	Collective			
	JD	JD	JD	JD	JD	JD	JD
Total balance as at the beginning of the period/ year	288,357	12,796	67,020	-	2,931,372	3,299,545	3,416,365
New balances	225,965	3,244	219	-	85,080	314,508	372,338
Paid balances	(177,083)	(4,298)	(26,716)	-	(1,985)	(210,082)	(463,228)
Transferred to stage 1	6,900	-	(6,900)	-	-	-	-
Transferred to stage 2	(139)	(67)	139	67	-	-	-
Transferred to stage 3	-	-	-	-	-	-	-
Net effect resulted by changes on categories between the three stages	115	66	(15,771)	-	-	(15,590)	(25,930)
Total balance as at the ending of the period/ year	344,115	11,741	17,991	67	3,014,467	3,388,381	3,299,545

19. Paid-In Capital

The paid-in capital amounted to JD 110,000,000, divided into 110,000,000 shares at a par value of JD 1 per share as of 30 June 2024 and 31 December 2023.

Distributed dividends

The general assembly decided on 13 April 2024 to distribute cash dividends with an amount of JD 3,300,000 which represent 3% of its paid-in capital (The general assembly decided on 13 April 2023 to distribute cash dividends with an amount of JD 4,400,000).

20. Reserves:

The details of the reserves as of 30 June 2024 and December 2023 are as follows:

Statutory Reserve

The amount accumulated in this account is transferred from the annual income before tax at 10% during the year and previous years according to the companies Law, this reserve cannot be distributed to shareholders.

Voluntary Reserve

The total amount in this balance represents what has been transferred from the annual income before tax at a rate of no more than 20% during the period as well as previous years. The voluntary reserve is used in situations specified by the board of directors and the general assembly has the authority to distribute all or part of this reserve as dividends to shareholders.

The bank has not deducted the legal reserves and fees according to the provisions of the Companies Law and the issued instructions, as these statements are interim. The deductions will be made at the end of the financial year.

21. Fair Value Reserve – Net

This item consists of the following:

	30 June 2024	31 December 2023
	JD	JD
	(Reviewed not audited)	(Audited)
Balance at the beginning of the period/ year	(122,820)	(1,081,938)
Unrealized gains	387,102	1,546,965
Deferred tax liabilities	(9,810)	23,886
Deferred tax assets	(137,289)	(611,733)
Balance at the end of the period/ year	117,183	(122,820)

The fair value reserve is shown net after deducting deferred tax assets amounting to 373,781 JD and deferred tax liabilities amounting to 445,602 JD.

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22. Retained Earnings

This item consists of the following:

	30 June 2024	31 December 2023
	JD	JD
	(Reviewed not audited)	(Audited)
Balance at the beginning of the period/ year	23,804,821	23,827,407
Profit for the period/ year	-	5,000,420
Transferred to reserve	-	(623,006)
Distribution of cash dividends	(3,300,000)	(4,400,000)
Balance at the end of the period/ year	20,504,821	23,804,821

- An amount of JD 7,517,365 is restricted against deferred tax assets as of 30 June 2024 (JD 8,048,059 as of 31 December 2023), including the capitalization or distribution, except for what is actually realized, according to the Central Bank of Jordan instructions.
- Retained earnings balance included a restricted amount of JD 2,761 as of 30 June 2024 and 31 December 2023, which represents the effect of the early adoption of IFRS 9, except for what is actually realized from the sales transactions.

23. Provision For Expected Credit Losses

This item consists of the following:

	For the six months ended 30 June (Reviewed not audited)	
	2024	2023
	JD	JD
Deposits and balances at banks and financial institutions	(5,347)	19,993
Financial assets at fair value through other comprehensive income	(337)	3,903
Financial assets at amortized cost	29,779	(2,240)
Direct credit facilities	1,967,075	3,599,505
Discounted letter of credits	-	969
Indirect credit facilities	88,836	(116,495)
Total	2,080,006	3,505,635

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24. Interest Income

This item consists of the following:

	For the six months ended 30 June (Reviewed not audited)	
	2024	2023
	JD	JD
Direct credit facilities		
Individual (Retail)		
Overdrafts	20,058	29,339
Loans and bills	18,861,710	19,011,622
Credit cards	332,090	280,494
Real estate loans	2,503,290	2,218,895
Large companies		
Overdrafts	2,398,759	2,080,430
Loans and bills	7,384,480	6,784,915
Small and medium enterprises lending "SME's"		
Overdrafts	239,246	255,029
Loans and bills	591,627	719,656
Government and public sector		
Balances at Central Banks	2,169,459	2,178,884
Balances at banks and financial institutions	1,529,428	266,179
Financial assets at fair value through other comprehensive income	3,959,632	3,069,294
Financial assets at amortized cost	1,963,099	3,110,108
Interest income on margin financing - subsidiary's customers	6,280,357	4,802,791
Interest income on interest rate swap contracts	1,655,874	1,729,933
	488,936	415,781
Total	50,378,045	46,953,350

25. Interest Expense

This item consists of the following:

	For the six months ended as of 30 June (Reviewed not audited)	
	2024	2023
	JD	JD
Banks' and financial institutions' deposits	4,125,619	4,529,443
Customers' deposits:		
Current accounts and demand deposits	304,733	260,476
Saving accounts	102,076	7,611
Time and notice deposits	22,787,038	16,478,831
Cash margins	762,285	744,777
Borrowed funds	2,863,458	2,612,869
Deposit guarantee fees	328,787	307,592
Interest paid on lease liabilities	87,930	76,307
Interest paid on interest rate swap contracts	611,248	1,022,070
Total	31,973,174	26,039,976

26. Cash dividends from financial assets at fair value through other comprehensive income

The details for this item are as follows:

	For the six months ended as of 30 June (Reviewed not audited)	
	2024	2023
	JD	JD
Dividends from financial assets – shares	40,150	40,675
Total	40,150	40,675

27. Basic and diluted earnings per share from profit for the period

The details for this item are as follows:

	For the three months ended 30 June (Reviewed not audited)		For the six months ended 30 June (Reviewed not audited)	
	2024	2023	2024	2023
	JD	JD	JD	JD
Profit for the period	2,770,154	1,873,763	2,813,898	3,559,688
Weighted average number of shares	110,000,000	110,000,000	110,000,000	110,000,000
Basic and diluted earnings per share from profit for the period JD/ share	0.025	0.017	0.026	0.032

The diluted earnings per share for the period is equivalent to the basic earnings per share for the period.

28. Cash and Cash Equivalents

The details for this item are as follows:

	For the six months ended as of 30 June (Reviewed not audited)	
	2024	2023
	JD	JD
Cash and balances with Central Bank of Jordan maturing within three months	60,749,887	109,301,068
Add: balances at banks and financial institutions maturing within three months	160,420,692	125,713,192
Less: deposits from banks' and financial institutions' maturing within three months	(72,531,771)	(165,144,143)
Total	148,638,808	69,870,117

29. Related Parties Transactions

The Bank entered into transactions with the parent company, affiliate companies, directors, senior management, and their related subsidiaries in the ordinary course of business at commercial interest and commission rates.

All loans and advances granted to related parties are performing loans and are free of any provisions for impairment.

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	Related party				Total	
	Parent and affiliated companies	Senior management	Bank's employees	Board of Directors	30 June 2024	31 December 2023
	JD	JD	JD	JD	JD (Reviewed not audited)	JD (Audited)
<u>Statement of financial position Items:</u>						
Direct credit facilities	-	2,510,027	12,321,992	13,733	14,845,752	14,772,342
Balance at banks and financial institutions	30,393,036	-	-	-	30,393,036	13,400,781
Deposits at banks and financial institutions	73,687,248	-	-	-	73,687,248	75,429,629
Customers' deposits	-	2,543,904	1,971,443	466,305	4,981,652	5,502,549
Borrowed funds	-	-	-	-	-	2,481,500
<u>Off statement of financial position Items:</u>						
Letters of guarantee	42,201,340				42,201,340	34,783,792
Letters of credit	5,737,453				5,737,453	6,810,823
Interest rate swap contracts	13,825,500				13,825,500	13,825,500
					For the six months ended as of 30 June (Reviewed not audited)	
					2024	2023

Income statements Items:

Interest and commission income	1,337,604	34,275	153,738	1,525,617	1,348,985
Interest and commission expense	(2,406,205)	(64,553)	(51,420)	(2,535,887)	(2,125,155)

* Interest rates on credit facilities range between 3% to 8.72% while interest rates on customers' deposits range between 0.01% to 6.99%.

* In addition to what was disclosed in the above table, the total balance of credit facilities provided to related parties in the bank amounted to JD 6,940,359 and they numbered 109 clients against acceptable guarantees amounted to JD 4,770,138. The interest rates payable on credit facilities range from 2% to 14% Commission rates range from 0.5% to 1%.

Compensation of the benefits of the senior management is as follows:

	For the six months ended as of 30 June (Reviewed not audited)	
	2024	2023
Salaries and remunerations	JD 1,537,711	JD 1,639,012

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30. Segment Analysis

- a. Information on Bank business segment:
For management purposes, the Bank's operations have been classified into the following major operating segments, measured in accordance with the reports used by the chief executive officer and the main decision maker:

- 1- Individual accounts.
- 2- Corporate accounts.
- 3- Treasury.

The following are the information of the bank's business segments:

Description	Retail JD	Corporate JD	Treasury JD	Other JD	Total For the six months ended as of 30 June	
					2024	2023
					JD	JD
					(Reviewed not audited)	(Reviewed not audited)
Gross direct revenue	22,482,599	14,136,648	16,763,365	121,778	53,504,390	50,324,959
Expected credit loss on financial assets	(4,065,175)	2,325,672	(340,503)	-	(2,080,006)	(3,505,635)
Interest expense	(12,624,322)	(9,127,549)	(10,137,630)	(83,673)	(31,973,174)	(26,039,976)
Business segments results	5,793,102	7,334,771	6,285,232	38,105	19,451,210	20,779,348
Undisturbed segmental expenses					(15,087,434)	(15,083,443)
Profit before tax					4,363,776	5,695,905
Income tax					(1,549,878)	(2,136,217)
Net profit for the period					2,813,898	3,559,688
Capital expenditures					(2,218,448)	(1,630,313)
Depreciation and amortization					(1,581,817)	(1,794,610)
					30 June 2024	31 December 2023
					JD	JD
					(Reviewed not audited)	(Audited)
Segmental assets	449,554,713	335,172,995	536,248,325	-	1,320,976,033	1,351,798,019
Undisturbed segmental assets	-	-	-	46,093,821	46,093,821	44,148,436
Total assets	449,554,713	335,172,995	536,248,325	46,093,821	1,367,069,854	1,395,946,455
Segmental liabilities	697,489,501	273,186,560	220,238,695	-	1,190,914,756	1,219,388,356
Undisturbed segmental liabilities	-	-	-	11,069,648	11,069,648	11,226,550
Total liabilities	697,489,501	273,186,560	220,238,695	11,069,648	1,201,984,404	1,230,614,906

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b. Geographical distribution information

This disclosure represents the geographical distribution of the Bank business. The Bank operations are mainly concentrated within the local business.

The following shows the distribution of the Bank's operating income and capital expenditure by geographical segmentation:

	Inside Jordan		Outside Jordan		Total	
	30 June 2024	30 June 2023	30 June 2024	30 June 2023	30 June 2024	30 June 2023
	JD	JD	JD	JD	JD	JD
	(Reviewed not audited)	(Reviewed not audited)	(Reviewed not audited)	(Reviewed not audited)	(Reviewed not audited)	(Reviewed not audited)
Total direct revenues	49,336,937	47,647,094	4,167,453	2,677,865	53,504,390	50,324,959
Capital expenditures	1,464,034	1,591,732	754,414	38,581	2,218,448	1,630,313

	Inside Jordan		Outside Jordan		Total	
	30 June 2024	31 December 2023	30 June 2024	31 December 2023	30 June 2024	31 December 2023
	JD	JD	JD	JD	JD	JD
	(Reviewed not audited)	(Audited)	(Reviewed not audited)	(Audited)	(Reviewed not audited)	(Audited)
Total assets	1,249,421,963	1,237,674,441	117,647,891	158,272,014	1,367,069,854	1,395,946,455

31. Capital Adequacy Ratio

The schedule below shows capital components total risk weighted assets and capital adequacy ratio for the period ended 30 June 2024, and for the year ended 31 December 2023 according to the Central Bank of Jordan instructions in accordance with Basel III Committee regulations:

	30 June 2024	31 December 2023
	Thousands JD (Reviewed not audited)	Thousands JD (Audited)
<u>Common equity shareholder rights</u>		
Paid-in Capital	110,000	110,000
Retained earnings less proposed dividends Plus profit for the period	23,316	20,502
Cumulative change in fair value of financial assets	117	(123)
Share premium	67	67
Statutory reserve	31,385	31,385
Voluntary reserve	197	197
Total ordinary shares' capital	165,082	162,028
<u>Regulatory amendments (deduction from capital)</u>		
Goodwill and intangible assets	(952)	(1,080)
Deferred tax assets	(7,517)	(8,048)
Net ordinary shareholders' equity	156,613	152,900
<u>Additional Capital</u>		
Total primary capital (Tier1 capital)	156,613	152,900
Tier 2 capital		
Stage 1 IFRS 9/ general banking risk reserve	3,610	4,245
Regulatory amendments (capital offerings) Investments in the capital of subsidiaries		
Total supplementary capital	3,610	4,245
Total regulatory capital	160,223	157,145
Total risk-weighted assets	983,668	913,757
Capital adequacy ratio (%)	16,29%	17,20%
Primary capital adequacy ratio (%)	15,92%	16,73%

Liquidity coverage ratio (LCR):

	30 June 2024
	Thousands JD (Reviewed not audited)
Total adjusted high-quality liquid assets	226,853
Net cash outflows for the subsequent 30 days	83,312
Liquidity coverage ratio (LCR)	272,3%

- The banking Group's average liquidity coverage ratio for the period from 1 January 2024 to 30 June 2024 equals 324.80%.

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32. Risk Management

The bank is constantly developing its risk and credit management structure to ensure its effective management across all procedures as well as the efficiency of the risk and credit management process and the proper application of controls in all of the Bank's operations.

The Bank's risk management policies for the six-month period ended 30 June 2024 are the same as the policies followed in the year ended 31 December 2023, which were disclosed in the Bank's annual report as of 31 December 2023.

1. Exposure distribution based on economic sectors:

a. Total exposure distribution based on financial instruments – net (Reviewed not audited):

	Financial JD	Industrial JD	Trading JD	Real estates JD	Agriculture JD	shares JD	Individual JD	Government and public sector JD	Services JD	Total JD
Cash and balances at Central Bank of Jordan	-	-	-	-	-	-	-	53,513,917	-	53,513,917
Balances at banks and financial institutions	160,405,595	-	-	-	-	-	-	-	-	160,405,595
Direct credit facilities – net	32,164,362	94,422,214	57,154,075	84,259,464	5,621,890	33,751,403	359,517,969	66,498,424	60,058,496	793,448,297
Bills and Bonds:										
Within financial assets at amortized cost	20,628,224	-	-	-	-	-	-	166,557,565	-	187,185,789
Within financial assets at fair value through other comprehensive income	13,434,522	-	-	-	-	-	-	45,299,254	-	58,733,776
Mortgaged financial assets	-	-	-	-	-	-	-	30,993,914	-	30,993,914
Other assets	927,903	33,985	204,724	440,608	1,041	-	751,093	4,492,534	141,781	6,993,669
Total for the current period	227,560,606	94,456,199	57,358,799	84,700,072	5,622,931	33,751,403	360,269,062	367,355,608	60,200,277	1,291,274,957
Letter of guarantees	70,260,208	19,759,731	9,873,528	5,838,609	135,114	-	-	-	17,812,790	123,479,980
Letter of credit	16,051,562	11,021,231	11,081,161	-	-	-	-	-	-	38,153,954
Other liabilities	5,344,956	2,285,135	6,998,120	1,149,769	156,552	1,196,680	8,441,421	-	1,525,966	27,098,599
Grand total	319,217,332	127,522,296	85,111,608	91,688,450	5,914,597	34,948,083	368,710,483	367,355,608	79,539,033	1,480,007,490

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b. Exposure distribution based on classification stage according to the International Financial Reporting Standard No. (9) (Reviewed not audited):

	Stage 1		Stage 2		Stage 3	Total
	Individual	Collective	Individual	Collective		
	JD	JD	JD	JD	JD	JD
Financial	319,205,333	-	-	-	11,999	319,217,332
Industrial	109,727,715	-	16,935,339	-	859,242	127,522,296
Trading	74,132,550	-	8,645,760	-	2,333,298	85,111,608
Real estate	13,936,790	64,873,873	2,739,385	5,909,559	4,228,843	91,688,450
Agriculture	5,904,597	-	-	-	10,000	5,914,597
Shares	-	30,176,524	-	2,535,256	2,236,303	34,948,083
Individual	691,790	349,329,078	-	16,396,214	2,293,401	368,710,483
Government and public sector	367,355,608	-	-	-	-	367,355,608
Services	79,199,880	-	-	-	339,153	79,539,033
Total	970,154,263	444,379,475	28,320,484	24,841,029	12,312,239	1,480,007,490

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2. Exposure distribution based on geographical distribution:

a. Total exposure distribution based on geographic region – net (Reviewed not audited):

	Inside Jordan		Other Middle East countries		Europe		Asia		Africa		America		Other countries		Total	
	JD		JD		JD		JD		JD		JD		JD		JD	
Cash and balances at Central Bank of Jordan	53,513,917		-		-		-		-		-		-		53,513,917	
Balances at banks and financial institutions	56,441,903		55,695,063		44,279,612		-		42,878		3,946,139		-		160,405,595	
Direct credit facilities - net	793,448,297		-		-		-		-		-		-		793,448,297	
Bills and Bonds:																
Within financial assets at fair value through of other comprehensive income	45,299,254		13,434,522		-		-		-		-		-		58,733,776	
Within financial assets at amortized cost	187,185,789		-		-		-		-		-		-		187,185,789	
Financial assets at amortized cost mortgaged	30,993,914		-		-		-		-		-		-		30,993,914	
Other assets	6,276,854		466,436		182,104		-		68,241		34		-		6,993,669	
Total for the current period	1,173,159,928		69,596,021		44,461,716		-		111,119		3,946,173		-		1,291,274,957	
Letter of guarantees	53,644,719		20,121,602		41,661,014		3,536,779		34,970		4,480,896		-		123,479,980	
Letter of credit	23,373,571		14,132,424		-		-		647,959		-		-		38,153,954	
Other liabilities	27,098,599		-		-		-		-		-		-		27,098,599	
Grand total	1,277,276,817		103,850,047		86,122,730		3,536,779		794,048		8,427,069		-		1,480,007,490	

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b. Exposure distribution based on classification steps according to the International Financial Reporting Standard No. (9) (Reviewed not audited):

	Stage 1		Stage 2		Total
	Individual	Collective	Individual	Collective	
	JD	JD	JD	JD	JD
Inside Jordan	767,423,590	444,379,475	28,320,484	24,841,029	1,277,276,817
Other middle east countries	103,850,047	-	-	-	103,850,047
Europe	86,122,730	-	-	-	86,122,730
Asia	3,536,779	-	-	-	3,536,779
Africa	794,048	-	-	-	794,048
America	8,427,069	-	-	-	8,427,069
Other countries	-	-	-	-	-
Total	970,154,263	444,379,475	28,320,484	24,841,029	1,480,007,490

3. Credit exposure that has been reclassified:

a. Gross credit exposures that have been reclassified (Reviewed not audited):

Item	Stage 2		Stage 3		Percentage of exposure that have been reclassified
	Gross exposure amount	Exposure that have been reclassified	Gross exposure amount	Exposure that have been reclassified	
	JD	JD	JD	JD	%
Cash and balances at Central Bank of Jordan	-	-	-	-	-
Balances at banks and financial institutions	-	-	-	-	-
Credit facilities within financial assets at fair value	52,159,126	12,428,005	7,625,094	3,485,422	1,37%
Other assets					
Letter of guarantees	579,562	19,361	1,672,680	-	0,0017%
Letter of credits	14,546	-	-	-	0,000%
Other liabilities	408,274	544	-	-	0,000%
Total	53,161,508	12,447,910	9,297,774	3,485,422	1,37%

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b. Expected credit losses for the exposures that have been reclassified (Reviewed not audited):

Item	Exposures that have been reclassified			Expected credit loss due to reclassified exposures					
	Exposure reclassified from stage 2	Exposure reclassified from stage 3	Total exposures that have been reclassified	Stage 2		Stage 3		Total	JD
	JD	JD	JD	Individual	Collective	Individual	Collective		
Credit facilities within financial assets at amortized cost	12,428,005	3,485,422	15,913,427	18,320	1,245,579	3,279,448	3,003	4,546,350	
Letter of guarantees	19,361	-	19,361	139	-	-	-	139	
Letter of credits	-	-	-	-	-	-	-	-	
Other liabilities	544	-	544	-	-	-	-	-	
Total	12,447,910	3,485,422	15,933,332	18,459	1,245,579	3,279,448	3,003	4,546,489	

33. Contingent Liabilities and Commitments

The following are potential liabilities for the Bank at the date of the financial statements:

	30 June 2024	31 December 2023
	JD (Reviewed not audited)	JD (Audited)
Letters of gurantee:		
Import LGs	25,771,792	25,838,208
Export LGs	27,537,100	4,250,182
Acceptances	10,135,224	4,401,105
Letters of credit:		
Payments	22,956,004	22,463,115
Performance	74,350,383	55,609,836
Other	26,262,057	24,321,125
Unutilized credit facilities	27,216,776	28,419,905
Futures contracts in foreign currency	49,363,208	51,680,144
Interest swap contracts	13,825,500	13,825,500
Total	<u>277,418,044</u>	<u>230,809,120</u>

34. Lawsuits Raised Against the Bank

The lawsuits raised against the Bank amounted to JD 4,988,368 as of 30 June 2024 (JD 4,503,987 as of 31 December 2023). In the opinion of management and the legal advisors, no material liability will arise as a result of these lawsuits in excess of the amount already provisioned for, which amounted to JD 84,376 as of 30 June 2024 (JD 174,346 as of 31 December 2023).

35. Fair Value Hierarchy

A- Fair value of financial assets and financial liabilities that are measured at fair value on recurring basis:

Some of the financial assets and financial liabilities are measured at fair value at the end of each reporting period, the following table gives information about how the fair value of these financial assets and financial liabilities are determined (valuation techniques and key inputs).

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	Fair Value		Fair value hierarchy	Valuation techniques and key inputs	Important inputs intangibles	Relationship between important inputs and fair value
	30 June 2024 JD (Reviewed not audited)	31 December 2023 JD (Audited)				
Financial assets						
Financial assets at fair value through other comprehensive income						
Bonds	45,299,254	76,288,863	Level 2	According to the latest available financial information	Not applicable	Not applicable
Quoted shares and bonds	14,688,239	14,579,571	Level 1	Quoted rates in financial markets	Not applicable	Not applicable
Unquoted shares	4,251,805	3,414,222	Level 2	According to the latest available financial information	Not applicable	Not applicable
	64,239,298	94,282,656				
Total financial assets at fair value	64,239,298	94,282,656				
Gain of unrealized financial derivatives	430,221	384,065	Level 2	According to the latest available financial information	Not applicable	Not applicable
Financial Liabilities						
Unrealized derivatives losses	48,574	96,049	Level 2	According to the latest available financial information	Not applicable	Not applicable
Total financial liabilities at fair value	48,574	96,049				

There were no transfers between level 1 and 2 during the six months period ended at 30 June 2024 and the year ended 31 December 2023.

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B- Fair value of financial assets and financial liabilities that are not measured at fair value on recurring basis:

Except what is detailed in following table we believe that the carrying amounts of financial assets, and financial liabilities recognized in the Bank's consolidated financial statements approximate their fair values:

	30 June 2024		31 December 2023		Fair value hierarchy
	Book value	Fair value	Book value	Fair value	
	JD	JD	JD	JD	
	(Reviewed not audited)	(Reviewed not audited)	(Audited)	(Audited)	
Financial assets not measured at fair value					
Cash reserve and time and notice deposits at central bank	14,800,000	14,818,247	31,500,000	31,506,257	Level 2
Balances at Banks and Financial Institutions	160,420,692	160,958,767	180,157,598	180,620,482	Level 2
Direct credit facilities	889,450,203	890,968,137	854,489,744	855,908,405	Level 2
Financial assets at amortized cost and mortgaged	218,223,479	221,790,448	212,456,866	215,894,118	Level 2
	<u>1,282,894,374</u>	<u>1,288,535,599</u>	<u>1,278,604,208</u>	<u>1,283,929,262</u>	
Financial liabilities not measured at fair value					
Banks and financial institution deposits	145,762,467	147,311,341	168,835,525	170,314,192	Level 2
Customer deposits	868,521,137	877,582,047	876,623,475	886,634,298	Level 2
Cash margins	50,153,381	50,154,380	44,981,313	44,981,720	Level 2
Borrowed funds	99,611,149	100,203,922	102,921,397	103,551,851	Level 2
	<u>1,164,048,134</u>	<u>1,175,251,690</u>	<u>1,193,361,710</u>	<u>1,205,482,061</u>	

(36) Comparative figures

Some of 2023 balances were reclassified to correspond with the interim condensed consolidated financial statements figures for the period 30 June 2024 presentation, with no effect on profit and equity for the year 2023.