

ARAB ISLAMIC BANK P.L.C.

INTERIM CONDENSED FINANCIAL

STATEMENTS (Unaudited)

Sep 30, 2024

INTERIM CONDENSED STATEMENT OF FINANCIAL POSITION

As at September 30, 2024

	September 30, 2024	December 31, 2023
	Unaudited	Audited
	U.S. \$	U.S. \$
Assets		
Cash and balances at Palestine Monetary Authority	315,305,497	373,440,183
Balances at banks and financial institutions	83,727,380	109,290,665
Investments at Islamic banks	5,998,307	5,998,443
Direct Islamic financing	1,113,374,215	1,108,750,254
Financial assets at fair value through other comprehensive income	10,088,932	9,501,058
Financial assets at amortized cost	34,447,723	40,791,117
Investment properties	24,562,940	24,776,440
Property and equipment	18,040,905	19,701,588
Projects in progress	1,160,555	1,052,091
Right of use assets	5,252,265	5,293,641
Deferred tax assets	10,953,472	9,570,383
Intangible assets	1,779,978	1,545,353
Other assets	18,483,800	28,658,867
Total assets	1,643,175,969	1,738,370,083
Liabilities, quasi-equity and Owners' equity		
Liabilities		
Palestine Monetary Authority's deposits	1,027,187	27,734,228
Banks and financial institutions' deposits	62,306,555	58,361,935
Customers' current accounts	445,305,270	480,041,723
Cash margins	106,030,062	108,479,473
Istidama loans from Palestine Monetary Authority	13,805,579	5,519,687
Sundry provisions	11,382,119	10,447,743
Tax provisions	2,507,725	8,287,973
Deferred tax liabilities	2,686,546	2,686,546
Lease liabilities	5,603,236	5,662,659
Other liabilities	15,284,770	14,435,511
Total Liabilities	665,939,049	721,657,478
Quasi-equity		
Participatory investment accounts	835,264,274	875,708,707
Owners' Equity		
Paid-in share capital	101,119,252	101,119,252
Statutory reserve	10,368,072	10,368,072
General banking risk reserve	8,374,674	8,374,674
Pro-cyclicality reserve	5,200,696	5,200,696
Investment properties reserve	7,359,871	7,359,871
Cumulative change in fair value reserve	(960,165)	(1,369,860)
Retained earnings	10,510,246	9,951,193
Total Owners' equity	141,972,646	141,003,898
Total liabilities, Liabilities, quasi-equity and Owners' equity	1,643,175,969	1,738,370,083
Contingencies and commitments	227,019,563	205,186,728

INTERIM CONDENSED INCOME STATEMENT

For the three and nine months period ended Sep 30, 2024

	For three months period ended 30		For nine months period ended 30	
	Sep		Sep	
	2024	2023	2024	2023
	Unaudited	Unaudited	Unaudited	Unaudited
	U.S. \$	U.S. \$	U.S. \$	U.S. \$
Revenues				
Financing and investment revenues	19,420,736	17,805,198	53,392,615	51,235,606
Net commission revenues	1,332,108	1,722,164	4,302,796	5,505,057
Foreign currencies exchange gain	1,475,316	1,701,204	3,999,008	5,233,667
Financials assets revenues	1,703	-	439,829	226,590
Other revenues	101,176	132,389	753,229	649,007
Total revenues	<u>22,331,039</u>	<u>21,360,955</u>	<u>62,887,477</u>	<u>62,846,927</u>
Expenses				
Personnel expenses	(5,500,452)	(5,773,181)	(16,281,782)	(16,761,588)
Operating expenses	(5,081,694)	(4,892,296)	(13,445,265)	(13,027,824)
Palestinian Monetary Authority penalties	-	-	-	(20,000)
Depreciation and amortization	(1,153,804)	(1,193,456)	(3,534,972)	(3,483,265)
Impairment loss	(8,131,110)	(6,632,654)	(21,335,796)	(10,419,524)
Total expenses	<u>(19,867,060)</u>	<u>(18,491,587)</u>	<u>(54,597,815)</u>	<u>(43,712,201)</u>
Net operating income before tax and net income attributable to quasi-equity	2,463,979	2,869,368	8,289,662	19,134,726
Less: net income attributable to quasi-equity	<u>(2,498,269)</u>	<u>(2,344,176)</u>	<u>(6,804,362)</u>	<u>(6,616,372)</u>
Net operating (loss) income before tax	(34,290)	525,192	1,485,300	12,518,354
Taxes expense	79,909	(1,900,000)	(926,247)	(5,367,788)
Profit (loss) for the period	<u>45,619</u>	<u>(1,374,808)</u>	<u>559,053</u>	<u>7,150,566</u>
Basic and diluted earnings per share for the period	<u>0.001</u>	<u>(0.014)</u>	<u>0.006</u>	<u>0.071</u>

INTERIM CONDENSED STATEMENT OF COMPREHENSIVE INCOME

For the three and nine months period ended Sep 30, 2024

	For three months period ended 30 Sep		For nine months period ended 30 Sep	
	2024	2023	2024	2023
	Unaudited	Unaudited	Unaudited	Unaudited
	U.S. \$	U.S. \$	U.S. \$	U.S. \$
Profit (loss) for the period	<u>45,619</u>	<u>(1,374,808)</u>	<u>559,053</u>	<u>7,150,566</u>
Other comprehensive income:				
Items won't be reclassified in the income statement in subsequent periods:				
Change in fair value of financial assets	<u>780</u>	<u>82,597</u>	<u>409,695</u>	<u>(228,904)</u>
Total other comprehensive income items	<u>780</u>	<u>82,597</u>	<u>409,695</u>	<u>(228,904)</u>
Total comprehensive income for the period	<u><u>46,399</u></u>	<u><u>(1,292,211)</u></u>	<u><u>968,748</u></u>	<u><u>6,921,662</u></u>

INTERIM CONDENSED STATEMENT OF INCOME AND ATTRIBUTION RELATED TO QUASI-EQUITY

For the three and nine months period ended June 30, 2024

	For nine months period ended 30		For nine months period ended 30	
	Sep		Sep	
	2024	2023	2024	2023
	Unaudited	Unaudited	Unaudited	Unaudited
	U.S. \$	U.S. \$	U.S. \$	U.S. \$
Net operating income before tax and net income attributable to quasi-equity	2,463,979	2,869,368	8,289,662	19,134,726
Less: income not attributable to quasi-equity	(2,910,303)	(3,555,757)	(9,494,862)	(11,611,321)
Add: expenses not attributable to quasi-equity	11,735,950	11,858,933	33,262,019	33,292,677
Total income attributable to quasi-equity	11,289,626	11,172,544	32,056,819	40,816,082
Less: Mudarib's share	(10,725,145)	(10,613,917)	(30,453,978)	(38,775,278)
Add: Hiba by Mudarib to the quasi-equity	1,933,788	1,785,549	5,201,521	4,575,568
Profit for the period	<u>2,498,269</u>	<u>2,344,176</u>	<u>6,804,362</u>	<u>6,616,372</u>

ARAB ISLAMIC BANK

INTERIM CONDENSED STATEMENT OF CHANGES IN EQUITY

For the nine months period ended in Sep 30, 2024

	Reserves							
	Paid-in share capital	Statutory	General banking risk	Pro-cyclicality	Investment properties	Cumulative change in fair value	Retained earnings	Net equity
	U.S. \$	U.S. \$	U.S. \$	U.S. \$	U.S. \$	U.S. \$	U.S. \$	U.S. \$
Sep 30, 2024								
Balance, beginning of the year	101,119,252	10,368,072	8,374,674	5,200,696	7,359,871	(1,369,860)	9,951,193	141,003,898
Profit for the period	-	-	-	-	-	-	559,053	559,053
Other comprehensive income	-	-	-	-	-	409,695	-	409,695
Total comprehensive income for the period	-	-	-	-	-	409,695	559,053	968,748
Balance, end of the period (Unaudited)	<u>101,119,252</u>	<u>10,368,072</u>	<u>8,374,674</u>	<u>5,200,696</u>	<u>7,359,871</u>	<u>(960,165)</u>	<u>10,510,246</u>	<u>141,972,646</u>

	Reserves							
	Paid-in share Capital	Statutory	General banking risk	Pro-cyclicality	Investment properties	Cumulative change in fair value	Retained earnings	Net equity
	U.S. \$	U.S. \$	U.S. \$	U.S. \$	U.S. \$	U.S. \$	U.S. \$	U.S. \$
June 30, 2023								
Balance, beginning of the year	96,219,252	9,816,101	8,374,674	4,113,369	7,088,707	(1,299,351)	14,970,785	139,283,537
Profit for the period	-	-	-	-	-	-	7,150,566	7,150,566
Other comprehensive income	-	-	-	-	-	(228,904)	-	(228,904)
Total comprehensive income for the period	-	-	-	-	-	(228,904)	7,150,566	6,921,662
Transfer to reserves	-	-	-	715,618	-	-	-	-
Distributed stock dividends (note 34)	4,900,000	-	-	-	-	-	(4,900,000)	-
Distributed cash dividends (note 34)	-	-	-	-	-	-	(4,000,000)	(4,000,000)
Balance, end of the period (Unaudited)	<u>101,119,252</u>	<u>9,816,101</u>	<u>8,374,674</u>	<u>4,828,987</u>	<u>7,088,707</u>	<u>(1,528,255)</u>	<u>12,505,733</u>	<u>142,205,199</u>

INTERIM CONDENSED STATEMENT OF CASH FLOWS

For the nine months period ended in Sep 30, 2024

	For nine months period ended 30 Sep	
	2024	2023
	Unaudited U.S. \$	Unaudited U.S. \$
<u>Operating activities</u>		
Profit before taxes	1,485,300	12,518,354
Adjustments:		
Sundry provisions	1,535,722	1,803,653
Depreciation and amortization	3,534,972	3,483,265
Impairment loss	9,635,796	10,419,524
Financials assets revenues	(439,829)	(226,590)
Finance cost on lease liabilities	97,856	93,582
Loss (Gain) from disposal of property and equipment	(575)	-
Non cash items	-	29,084
	(335,777)	(322,829)
	15,513,465	27,798,043
Changes in assets and liabilities:		
Statutory cash reserve	5,725,614	(4,065,351)
Direct Islamic financing	(13,821,134)	(62,075,897)
Other assets	10,175,067	(2,989,627)
Customers' current accounts	(34,736,453)	50,176,242
Cash margins	(601,346)	10,380,853
Other liabilities	(7,753,807)	(2,800,210)
Net cash flows used in operating activities before taxes and provisions	(14,647,718)	16,424,053
Sundry provisions paid	(601,346)	(1,288,195)
Taxes paid	(7,753,807)	(4,534,242)
Net cash flows used in operating activities	(23,002,871)	10,601,616
<u>Investing activities</u>		
Purchase of financial assets at fair value through other comprehensive income	(178,179)	(4,829,904)
Purchase of financial assets at amortized cost	(5,529,630)	(37,520,822)
Matured financial assets at amortized cost	11,961,557	24,898,264
	-	(1,810,161)
Purchase of property and equipment	(357,951)	(1,329,575)
Sale of property and equipment	7,563	36,371
Balances at banks and financial institutions maturing after three months	(19,040,902)	(29,710,674)
Deposits at monetary authority for more than three months	290,142	(20,056,164)
Investments at Islamic banks	(874,337)	163,976
Deposits at banks and financial institutions maturing after three months	(1,801,961)	(3,374,450)
Projects in progress additions	(665,545)	(1,500,794)
Purchase of intangible assets	(655,158)	(162,483)
Financials assets revenues received	439,829	226,590
Net cash flows used in investing activities	(16,404,572)	(74,969,826)
<u>Financing activities</u>		
Cash dividends distributions	-	(4,000,000)
Lease liabilities paid	(961,615)	(961,615)
Istidama loans from Palestine Monetary Authority	8,285,892	(397,311)
Participatory investment accounts	(40,444,433)	(33,086,296)
Net cash flows used in financing activities	(33,120,156)	(38,445,222)
Decrease in cash and cash equivalents	(72,527,599)	(102,813,432)
Cash and cash equivalents, beginning of the period	243,409,110	324,459,845
Cash and cash equivalents, end of the period	170,881,511	221,646,413
Paid profits	7,224,565	7,033,311
Received profits	53,103,698	50,827,869