

**Arab Banking Corporation (B.S.C.)**

**INTERIM CONDENSED CONSOLIDATED  
FINANCIAL STATEMENTS**

**31 MARCH 2026 (REVIEWED)**

## **REPORT ON REVIEW OF INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS TO THE BOARD OF DIRECTORS OF ARAB BANKING CORPORATION (B.S.C.)**

### ***Introduction***

We have reviewed the accompanying interim condensed consolidated financial statements of Arab Banking Corporation (B.S.C.) [the "Bank"] and its subsidiaries [together the "Group"] as at 31 March 2026, comprising of the interim consolidated statement of financial position as at 31 March 2026, and the related interim consolidated statements of profit or loss, comprehensive income, cash flows and changes in equity for the three-month period then ended, and explanatory notes. The Bank's Board of Directors 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 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 IAS 34.



12 May 2026  
Manama, Kingdom of Bahrain

# Arab Banking Corporation (B.S.C.)

## INTERIM CONSOLIDATED STATEMENT OF FINANCIAL POSITION

31 March 2026 (Reviewed)

*All figures in US\$ Million*

	<i>Notes</i>	<b>Reviewed 31 March 2026</b>	<i>Audited 31 December 2025</i>
<b>ASSETS</b>			
Liquid funds		3,205	3,127
Trading securities		1,711	1,205
Placements with banks and other financial institutions		2,346	2,240
Securities bought under repurchase agreements		1,077	1,310
Non-trading investments	4	13,694	17,445
Loans and advances	5	21,157	20,661
Other assets		3,738	3,687
Premises and equipment		237	237
<b>TOTAL ASSETS</b>		<b>47,165</b>	<b>49,912</b>
<b>LIABILITIES</b>			
Deposits from customers		26,142	26,491
Deposits from banks		4,466	4,065
Certificates of deposit		497	383
Securities sold under repurchase agreements		6,579	9,074
Other liabilities		2,931	3,239
Borrowings		1,434	1,426
<b>Total liabilities</b>		<b>42,049</b>	<b>44,678</b>
<b>EQUITY</b>			
Share capital		3,110	3,110
Treasury shares		(6)	(6)
Statutory reserve		624	624
Retained earnings		1,538	1,585
Other reserves		(1,310)	(1,185)
<b>EQUITY ATTRIBUTABLE TO THE SHAREHOLDERS OF THE PARENT</b>		<b>3,956</b>	<b>4,128</b>
Additional / perpetual tier-1 capital		590	590
Equity attributable to the shareholders of the parent and perpetual instrument holders		4,546	4,718
Non-controlling interests		570	516
<b>Total equity</b>		<b>5,116</b>	<b>5,234</b>
<b>TOTAL LIABILITIES AND EQUITY</b>		<b>47,165</b>	<b>49,912</b>

These interim condensed consolidated financial statements were authorised for issue by the Board of Directors on 12 May 2026 and signed on their behalf by the Chairman, Deputy Chairman and the Acting Group Chief Executive Officer.



H.E. Naji Belgasem  
Chairman



Abdulaziz Fahad Alhudaib  
Deputy Chairman



Brendon Hopkins  
Acting Group Chief Executive  
Officer

The attached notes 1 to 14 form part of these interim condensed consolidated financial statements.

## INTERIM CONSOLIDATED STATEMENT OF PROFIT OR LOSS

Three-month period ended 31 March 2026 (Reviewed)

*All figures in US\$ Million*

	Notes	<b>Reviewed</b>	
		<i>Three months ended</i>	
		<i>31 March</i>	
		<b>2026</b>	<b>2025</b>
<b>OPERATING INCOME</b>			
Interest and similar income		<b>795</b>	741
Interest and similar expense		<b>(554)</b>	(510)
<b>Net interest income</b>		<b>241</b>	231
Other operating income	6	<b>103</b>	97
<b>Total operating income</b>		<b>344</b>	328
<b>OPERATING EXPENSES</b>			
Staff		<b>130</b>	124
Premises and equipment		<b>16</b>	14
Other		<b>66</b>	57
<b>Total operating expenses</b>		<b>212</b>	195
<b>NET OPERATING PROFIT BEFORE</b>			
<b>CREDIT LOSS EXPENSE AND TAXATION</b>			
		<b>132</b>	133
Credit loss expense	7	<b>(46)</b>	(21)
<b>PROFIT BEFORE TAXATION</b>		<b>86</b>	112
Taxation charge	8	<b>(17)</b>	(21)
<b>PROFIT FOR THE PERIOD</b>		<b>69</b>	91
<b>Attributable to:</b>			
Shareholders of the parent		<b>52</b>	76
Non-controlling interests		<b>17</b>	15
		<b>69</b>	91
<b>BASIC AND DILUTED EARNINGS PER</b>			
<b>(EXPRESSED IN US\$)</b>			
		<b>0.014</b>	0.022



H.E. Naji Belgasem  
Chairman



Abdulaziz Fahad Alhudaib  
Deputy Chairman



Brendon Hopkins  
Acting Group Chief Executive Officer

Arab Banking Corporation (B.S.C.)

INTERIM CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

Three-month period ended 31 March 2026 (Reviewed)

*All figures in US\$ Million*

	<b>Reviewed</b>	
	<i>Three months ended</i>	
	<i>31 March</i>	
	<b>2026</b>	<b>2025</b>
<b>PROFIT FOR THE PERIOD</b>	<b>69</b>	<b>91</b>
<b>Other comprehensive income (loss):</b>		
<i>Other comprehensive income (loss) that will be reclassified (or recycled) to profit or loss in subsequent periods:</i>		
<u>Foreign currency translation:</u>		
Unrealised gain on exchange translation in foreign subsidiaries	17	82
<u>Debt instruments at FVOCI:</u>		
Net change in fair value during the period	(119)	28
	<b>(102)</b>	<b>110</b>
<i>Other comprehensive income (loss) that will not be reclassified (or recycled) to profit or loss in subsequent periods:</i>		
Net change in fair value of FVOCI equity securities during the period	-	1
	-	1
<b>Other comprehensive (loss) income for the period</b>	<b>(102)</b>	<b>111</b>
<b>TOTAL COMPREHENSIVE (LOSS) INCOME FOR THE PERIOD</b>	<b>(33)</b>	<b>202</b>
<b>Attributable to:</b>		
Shareholders of the parent	(73)	154
Non-controlling interests	40	48
	<b>(33)</b>	<b>202</b>

The attached notes 1 to 14 form part of these interim condensed consolidated financial statements.

# Arab Banking Corporation (B.S.C.)

## INTERIM CONSOLIDATED STATEMENT OF CASH FLOWS

Three-month period ended 31 March 2026 (Reviewed)

*All figures in US\$ million*

	<b>Reviewed</b>	
	<i>Three months ended</i>	
	<i>31 March</i>	
	<b>2026</b>	<b>2025</b>
<b>OPERATING ACTIVITIES</b>		
Profit for the period	69	91
Adjustments for:		
Credit loss expense	46	21
Depreciation and amortisation	20	18
Gain on disposal of non-trading debt investments - net	(8)	(9)
Changes in operating assets and liabilities:		
Trading securities	(437)	(125)
Placements with banks and other financial institutions	(167)	(283)
Securities bought under repurchase agreements	275	11
Loans and advances	(370)	(129)
Other assets	42	256
Deposits from customers	(446)	354
Deposits from banks	345	(298)
Securities sold under repurchase agreements	(2,512)	(1,498)
Other liabilities	(470)	(204)
Exchange rate and other non-cash movements	112	5
Net cash used in operating activities	<b>(3,501)</b>	<b>(1,790)</b>
<b>INVESTING ACTIVITIES</b>		
Purchase of non-trading investments	(6,254)	(9,311)
Sale and redemption of non-trading investments	9,803	9,463
Purchase of premises and equipment	(56)	(11)
Sale of premises and equipment	3	1
Investment in subsidiaries - net	2	-
Net cash from investing activities	<b>3,498</b>	<b>142</b>
<b>FINANCING ACTIVITIES</b>		
Issue of certificates of deposit	349	95
Repayment of certificates of deposit	(234)	(74)
Issue of borrowings	-	104
Interest paid on additional / perpetual tier-1 capital	(9)	(9)
Dividend paid to the Bank's shareholders	-	(85)
Dividend paid to non-controlling interests	(10)	(8)
Net cash from financing activities	<b>96</b>	<b>23</b>
Net change in cash and cash equivalents	<b>93</b>	<b>(1,625)</b>
Effect of exchange rate changes on cash and cash equivalents	(15)	21
Cash and cash equivalents at beginning of the period	<b>3,127</b>	<b>3,636</b>
<b>CASH AND CASH EQUIVALENTS AT END OF THE PERIOD</b>	<b>3,205</b>	<b>2,032</b>

The attached notes 1 to 14 form part of these interim condensed consolidated financial statements.

# Arab Banking Corporation (B.S.C.)

## INTERIM CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

Three-month period ended 31 March 2026 (Reviewed)

All figures in US\$ Million

	Equity attributable to the shareholders of the parent								Additional / perpetual tier-1 capital	Non- controlling interests	Total equity	
	Other reserves											
	Share capital	Treasury shares	Statutory reserve	Retained earnings*	General reserve	Foreign exchange translation adjustments	Cumulative changes in fair value	Pension fund reserve				Total
At 31 December 2025	3,110	(6)	624	1,585	100	(1,326)	79	(38)	4,128	590	516	5,234
Profit for the period	-	-	-	52	-	-	-	-	52	-	17	69
Other comprehensive (loss) income for the period	-	-	-	-	-	(6)	(119)	-	(125)	-	23	(102)
Total comprehensive income (loss) for the period	-	-	-	52	-	(6)	(119)	-	(73)	-	40	(33)
Dividend**	-	-	-	(85)	-	-	-	-	(85)	-	(10)	(95)
Interest paid on additional / perpetual tier-1 capital	-	-	-	(9)	-	-	-	-	(9)	-	-	(9)
Other equity movements in subsidiaries	-	-	-	(5)	-	-	-	-	(5)	-	24	19
<b>At 31 March 2026 (reviewed)</b>	<b>3,110</b>	<b>(6)</b>	<b>624</b>	<b>1,538</b>	<b>100</b>	<b>(1,332)</b>	<b>(40)</b>	<b>(38)</b>	<b>3,956</b>	<b>590</b>	<b>570</b>	<b>5,116</b>

\* Retained earnings include non-distributable reserves arising from consolidation of subsidiaries amounting to US\$ 570 million (31 December 2025: US\$ 565 million).

\*\* A dividend of US\$ 0.0275 per share (2024: US\$ 0.0275 per share) for the year 2025 was approved for payment at the Annual General Meeting held on 26 March 2026 and paid on 6 April 2026.

The attached notes 1 to 14 form part of these interim condensed consolidated financial statements.

# Arab Banking Corporation (B.S.C.)

## INTERIM CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

Three-month period ended 31 March 2026 (Reviewed)

All figures in US\$ Million

	Equity attributable to the shareholders of the parent									Additional / perpetual tier-1 capital	Non- controlling interests	Total equity	
	Other reserves												
	Share capital	Treasury shares	Statutory reserve	Retained earnings*	General reserve	Foreign		Cumulative changes in fair value	Pension fund reserve				Total
						exchange	translation						
					adjustments								
At 31 December 2024	3,110	(6)	598	1,458	100	(1,437)	28	(34)	3,817	390	436	4,643	
Profit for the period	-	-	-	76	-	-	-	-	76	-	15	91	
Other comprehensive income for the period	-	-	-	-	-	49	29	-	78	-	33	111	
Total comprehensive income for the period	-	-	-	76	-	49	29	-	154	-	48	202	
Dividend	-	-	-	(85)	-	-	-	-	(85)	-	(8)	(93)	
Interest paid on additional / perpetual tier-1 capital	-	-	-	(9)	-	-	-	-	(9)	-	-	(9)	
Other equity movements in subsidiaries	-	-	-	(1)	-	-	-	-	(1)	-	(1)	(2)	
At 31 March 2025 (reviewed)	3,110	(6)	598	1,439	100	(1,388)	57	(34)	3,876	390	475	4,741	

\* Retained earnings include non-distributable reserves arising from consolidation of subsidiaries amounting to US\$ 564 million (31 December 2024: US\$ 560 million).

\*\* A dividend of US\$ 0.0275 per share (2023: US\$ 0.0225 per share) for the year 2024 was approved for payment at the Annual General Meeting held on 16 March 2025 and paid during the period.

The attached notes 1 to 14 form part of these interim condensed consolidated financial statements.

## **1 INCORPORATION AND ACTIVITIES**

Arab Banking Corporation (B.S.C.) [the "Bank"] is incorporated in the Kingdom of Bahrain by an Amiri decree and operates under a wholesale banking licence issued by the Central Bank of Bahrain (the "CBB"). The Bank is a Bahraini Shareholding Company with limited liability and is listed on the Bahrain Bourse. The Central Bank of Libya is the ultimate parent of the Bank and its subsidiaries (together the "Group").

The Bank's registered office is at ABC Tower, Diplomatic Area, P.O. Box 5698, Manama, Kingdom of Bahrain. The Bank is registered under commercial registration number 10299 issued by the Ministry of Industry and Commerce, Kingdom of Bahrain.

The Group is a leading provider of Trade Finance, Treasury, Project & Structured Finance, Syndications, Corporate & Institutional Banking, Islamic Banking services and the digital, mobile-only banking space named "ila Bank" within retail consumer banking services. Retail banking services are only provided in the MENA region.

## **2 BASIS OF PREPARATION AND CHANGES TO THE GROUP'S ACCOUNTING POLICIES**

### **2.1 Basis of preparation**

The interim condensed consolidated financial statements for the three-month period ended 31 March 2026 have been prepared in accordance with IAS 34 Interim Financial Reporting (IAS 34).

The interim condensed consolidated financial statements do not include all the information and disclosures required in the annual consolidated financial statements, and should be read in conjunction with the Group's annual consolidated financial statements as at 31 December 2025.

### **2.2 New and amended standards and interpretations adopted by the Group**

The accounting policies adopted in the preparation of the interim condensed consolidated financial statements are consistent with those followed in the preparation of the Group's annual consolidated financial statements for the year ended 31 December 2025, except for the adoption of new standards or amendments to existing standards that have become applicable effective from 1 January 2026.

### **2.3 New standards, interpretations and amendments issued but not yet effective**

There are certain new standards, interpretations and amendments that are issued as of 31 March 2026, which were applicable to the Group and not yet effective up to the date of issuance of the Group's interim condensed consolidated financial statements. The management will assess the impact of implementation of these standards prior to their adoption on effective dates. The Group has not early adopted any new and amended standard or interpretation that has been issued but is not yet effective.

## **3 SUMMARY OF MATERIAL ACCOUNTING POLICIES**

The accounting policies, estimates and assumptions used in the preparation of these 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 2025 except for adoption of new standards and amendments effective from 1 January 2026.

NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

31 March 2026 (Reviewed)

*All figures in US\$ million*

**4 NON-TRADING INVESTMENTS**

	<i>Reviewed</i> <i>31 March</i> <i>2026</i>	<i>Audited</i> <i>31 December</i> <i>2025</i>
<b>Debt securities</b>		
At amortised cost	<b>6,084</b>	9,648
At FVOCI	<b>7,661</b>	7,844
	<b>13,745</b>	17,492
ECL allowance	<b>(75)</b>	(75)
<b>Debt securities - net</b>	<b>13,670</b>	17,417
<b>Equity securities</b>		
At FVOCI	<b>24</b>	28
	<b>24</b>	28
	<b>13,694</b>	17,445

Following are the stage wise break-up of debt securities as of 31 March 2026 and 31 December 2025:

	<i>31 March 2026 (Reviewed)</i>			
	<i>Stage 1</i>	<i>Stage 2</i>	<i>Stage 3</i>	<i>Total</i>
Debt securities, gross	<b>13,681</b>	-	<b>64</b>	<b>13,745</b>
ECL allowance	<b>(11)</b>	-	<b>(64)</b>	<b>(75)</b>
	<b>13,670</b>	-	-	<b>13,670</b>
	<i>31 December 2025 (Audited)</i>			
	<i>Stage 1</i>	<i>Stage 2</i>	<i>Stage 3</i>	<i>Total</i>
Debt securities, gross	17,428	-	64	17,492
ECL allowance	(11)	-	(64)	(75)
	17,417	-	-	17,417

NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

31 March 2026 (Reviewed)

*All figures in US\$ million*

**5 LOANS AND ADVANCES**

	<i>31 March 2026 (Reviewed)</i>			
	<i>Stage 1</i>	<i>Stage 2</i>	<i>Stage 3</i>	<i>Total</i>
Loans and advances, gross	20,445	617	716	21,778
ECL allowances	(96)	(60)	(465)	(621)
	<b>20,349</b>	<b>557</b>	<b>251</b>	<b>21,157</b>
	<i>31 December 2025 (Audited)</i>			
	<i>Stage 1</i>	<i>Stage 2</i>	<i>Stage 3</i>	<i>Total</i>
Loans and advances, gross	20,029	568	782	21,379
ECL allowances	(89)	(81)	(548)	(718)
	<b>19,940</b>	<b>487</b>	<b>234</b>	<b>20,661</b>

An analysis of movement in the ECL allowance during the period ended 31 March 2026 and 31 March 2025 are as follows:

<u>Reviewed</u>	<i>Stage 1</i>	<i>Stage 2</i>	<i>Stage 3</i>	<i>Total</i>
As at 1 January 2026	89	81	548	718
Net transfers between stages	(1)	(26)	27	-
Amounts written-off	-	-	(143)	(143)
Charge for the period - net	7	4	32	43
Exchange adjustments and other movements	1	1	1	3
<b>As at 31 March 2026</b>	<b>96</b>	<b>60</b>	<b>465</b>	<b>621</b>
<u>Reviewed</u>	<i>Stage 1</i>	<i>Stage 2</i>	<i>Stage 3</i>	<i>Total</i>
As at 1 January 2025	136	68	413	617
Net transfers between stages	1	7	(8)	-
Amounts written-off	-	-	(5)	(5)
Charge for the period - net	2	(6)	26	22
Exchange adjustments and other movements	-	-	14	14
<b>As at 31 March 2025</b>	<b>139</b>	<b>69</b>	<b>440</b>	<b>648</b>

NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

31 March 2026 (Reviewed)

All figures in US\$ million

**6 OTHER OPERATING INCOME**

	<i>Reviewed</i>	
	<i>31 March 2026</i>	<i>31 March 2025</i>
Fee and commission income*	59	56
Fee and commission expense	(2)	(1)
Fee and commission income - net	57	55
Bureau processing income	9	8
Net gain from trading book (including foreign currencies transaction)	12	8
Gain on disposal of non-trading debt investments - net	8	9
Merchant acquiring income	10	5
Brokerage income - net	6	5
Others - net	1	7
	<b>103</b>	<b>97</b>

\*Included in the fee and commission income is US\$ 2 million (31 March 2025: US\$ 4 million) of fee income relating to funds under management.

**7 CREDIT LOSS EXPENSE**

	<i>Reviewed</i>	
	<i>31 March 2026</i>	<i>31 March 2025</i>
Non-trading debt investments	1	1
Loans and advances	44	26
Credit commitments and contingent items	2	(1)
Other financial assets	-	(1)
Recoveries from written-off loans and advances	(1)	(4)
	<b>46</b>	<b>21</b>

**8 TAXATION**

The tax expense for the period is as follows:

	<i>Reviewed</i>	
	<i>31 March 2026</i>	<i>31 March 2025</i>
<b>Current tax</b>		
- Pillar Two taxes in Kingdom of Bahrain	(1)	2
- on foreign operations (excluding Pillar Two tax charge)	15	17
<b>Deferred tax</b>		
- on Kingdom of Bahrain operations	-	-
- on foreign operations	3	2
	<b>17</b>	<b>21</b>

NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

31 March 2026 (Reviewed)

All figures in US\$ million

**9 OPERATING SEGMENTS**

For management purposes, the Group is organised into five operating segments which are based on business units and their activities. The Group has accordingly been structured to place its activities under the distinct divisions which are as follows:

- **MENA subsidiaries** cover retail, corporate and treasury activities of subsidiaries in North Africa and Levant;
- **International wholesale banking** encompasses corporate and structured finance, trade finance, Islamic banking services and syndications;
- **Group treasury** comprises treasury business of Bahrain Head Office, New York and London;
- **ABC Brasil** primarily reflects the commercial banking and treasury activities of the Brazilian subsidiary Banco ABC Brasil S.A., focusing on the corporate and middle market segments in Brazil and its related holding company; and
- **Others** includes activities of the Head Office, Arab Financial Services Company B.S.C. (c) and ila Bank.

Three-month period ended 31 March 2026 (Reviewed)	<i>International</i>					<i>Total</i>
	<i>MENA subsidiaries</i>	<i>wholesale banking</i>	<i>Group treasury</i>	<i>ABC Brasil</i>	<i>Others</i>	
Net interest income	54	44	8	100	35	241
Other operating income	13	23	18	25	24	103
Total operating income	67	67	26	125	59	344
Operating expenses	(38)	(38)	(10)	(57)	(32)	(175)
Profit before taxation, credit loss and unallocated operating expenses	29	29	16	68	27	169
Credit loss expense	(9)	(16)	-	(20)	(1)	(46)
Taxation charge						(17)
Unallocated operating expenses						(37)
Profit for the period						69
Operating assets as at 31 March 2026	5,492	11,354	16,445	12,877	997	47,165
Operating liabilities as at 31 March 2026	4,693	-	24,695	11,428	1,233	42,049

NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

31 March 2026 (Reviewed)

All figures in US\$ million

**9 OPERATING SEGMENTS (continued)**

Three-month period ended 31 March 2025 (Reviewed)	<i>International</i>		<i>Group treasury</i>	<i>ABC Brasil</i>	<i>Others</i>	<i>Total</i>
	<i>MENA subsidiaries</i>	<i>wholesale banking</i>				
Net interest income	51	63	8	76	33	231
Other operating income	12	27	18	24	16	97
<b>Total operating income</b>	<b>63</b>	<b>90</b>	<b>26</b>	<b>100</b>	<b>49</b>	<b>328</b>
Operating expenses	(37)	(38)	(9)	(46)	(28)	(158)
Profit before taxation, credit loss and unallocated operating expenses	26	52	17	54	21	170
Credit loss expense	3	(11)	-	(13)	-	(21)
Taxation charge						(21)
Unallocated operating expenses						(37)
<b>Profit for the period</b>						<b>91</b>
Operating assets as at 31 December 2025 (Audited)	5,592	11,651	19,857	11,738	1,074	49,912
Operating liabilities as at 31 December 2025 (Audited)	4,796	-	28,247	10,442	1,193	44,678

**10 FAIR VALUE OF FINANCIAL INSTRUMENTS**

The following tables provide the fair value measurement hierarchy of the Group's financial assets and financial liabilities measured at fair value in these financial statements.

**Quantitative disclosure of fair value measurement hierarchy for assets as at 31 March 2026 (Reviewed):**

**Financial assets measured at fair value:**

	<i>Level 1</i>	<i>Level 2</i>	<i>Level 3</i>	<i>Total</i>
Trading securities	870	651	190	1,711
Non-trading investments	7,012	673	-	7,685
Loans and advances	-	1,765	-	1,765
Derivatives held for trading	852	492	-	1,344
Derivatives held as hedges	-	49	-	49

**Quantitative disclosure of fair value measurement hierarchy for liabilities as at 31 March 2026 (Reviewed):**

**Financial liabilities measured at fair value:**

	<i>Level 1</i>	<i>Level 2</i>	<i>Level 3</i>	<i>Total</i>
Derivatives held for trading	642	329	-	971
Derivatives held as hedges	-	51	-	51

NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

31 March 2026 (Reviewed)

All figures in US\$ million

**10 FAIR VALUE OF FINANCIAL INSTRUMENTS (continued)**

Quantitative disclosure of fair value measurement hierarchy for assets as at 31 December 2025 (Audited):

Financial assets measured at fair value:

	<i>Level 1</i>	<i>Level 2</i>	<i>Level 3</i>	<i>Total</i>
Trading securities	781	240	184	1,205
Non-trading investments	7,211	661	-	7,872
Loans and advances	-	867	-	867
Derivatives held for trading	638	387	-	1,025
Derivatives held as hedges	-	34	-	34

Quantitative disclosure of fair value measurement hierarchy for assets as at 31 December 2025 (Audited):

Financial liabilities measured at fair value:

	<i>Level 1</i>	<i>Level 2</i>	<i>Level 3</i>	<i>Total</i>
Derivatives held for trading	461	249	-	710
Derivatives held as hedges	-	79	-	79

**Fair values of financial instruments not carried at fair value**

Except for the following, the fair value of financial instruments which are not carried at fair value are not materially different from their carrying value.

	<i>Reviewed</i>		<i>Audited</i>	
	<i>31 March 2026</i>		<i>31 December 2025</i>	
	<i>Carrying value</i>	<i>Fair value</i>	<i>Carrying value</i>	<i>Fair value</i>
<b>Financial assets</b>				
Non-trading debt investments at amortised cost - gross (level 1 and 2)	<b>6,084</b>	<b>6,066</b>	9,648	9,645
<b>Financial liabilities</b>				
Borrowings - perpetual (level 1)	<b>192</b>	<b>215</b>	182	196

For financial instruments that are recognised at fair value on a recurring basis, the Group determines whether transfers have occurred between levels in the hierarchy by re-assessing categorisation at the end of each reporting period.

**Financial instruments in level 1**

The fair value of financial instruments traded in active markets is based on quoted market prices at the reporting date. A market is regarded as active if quoted prices are readily and regularly available from an exchange, dealer, broker, industry group, pricing service, or regulatory agency, and those prices represent actual and regularly occurring market transactions on an arm's length basis. The quoted market price used for financial assets held by the Group is the current bid price. These instruments are included in Level 1.

**Financial instruments in level 2**

The fair value of financial instruments that are not traded in an active market (for example, over-the-counter derivatives) is determined by using valuation techniques. These valuation techniques maximise the use of observable market data where it is available and rely as little as possible on entity specific estimates. If all significant inputs required to fair value an instrument are observable, the instrument is included in level 2.

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31 March 2026 (Reviewed)

*All figures in US\$ million*

**10 FAIR VALUE OF FINANCIAL INSTRUMENTS (continued)**

**Financial instruments in level 3**

The fair value of financial instruments that are neither traded in an active market nor have observable inputs is determined by valuation techniques. These valuation techniques include an internal model which uses observable market yield curves and expected loss methodology for securities. Quotes provided by fund administrators are used for funds valuation.

**Transfers between level 1, level 2 and level 3**

There were no transfers between level 1, level 2 and level 3 during the current and prior period.

**11 CREDIT COMMITMENTS AND CONTINGENT ITEMS**

**a) Exposure and ECL by Stage**

	<i>31 March 2026 (Reviewed)</i>			
	<i>Stage 1</i>	<i>Stage 2</i>	<i>Stage 3</i>	<i>Total</i>
Short-term self-liquidating trade and transaction-related contingent items	4,163	39	53	4,255
Direct credit substitutes, guarantees	3,082	47	3	3,132
Undrawn loans and other commitments	3,716	31	1	3,748
Credit exposure before applying credit conversion factor	10,961	117	57	11,135
Credit exposure after applying credit conversion factor	4,602	89	27	4,718
Risk weighted equivalents				3,781
ECL allowance	8	9	12	29
	<i>31 December 2025 (Audited)</i>			
	<i>Stage 1</i>	<i>Stage 2</i>	<i>Stage 3</i>	<i>Total</i>
Short-term self-liquidating trade and transaction-related contingent items	4,474	51	41	4,566
Direct credit substitutes, guarantees	2,816	73	12	2,901
Undrawn loans and other commitments	3,261	42	7	3,310
Credit exposure before applying credit conversion factor	10,551	166	60	10,777
Credit exposure after applying credit conversion factor	4,366	103	32	4,501
Risk weighted equivalents				3,860
ECL allowance	8	7	12	27

Arab Banking Corporation (B.S.C.)

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**11 CREDIT COMMITMENTS AND CONTINGENT ITEMS (continued)**

**a) Exposure and ECL by Stage (continued)**

An analysis of movement in the ECL allowance during the period are as follows:

	<i>Stage 1</i>	<i>Stage 2</i>	<i>Stage 3</i>	<i>Total</i>
As at 1 January 2026	8	7	12	27
ECL movements for the period - net	-	2	-	2
<b>As at 31 March 2026 (reviewed)</b>	<b>8</b>	<b>9</b>	<b>12</b>	<b>29</b>
	<i>Stage 1</i>	<i>Stage 2</i>	<i>Stage 3</i>	<i>Total</i>
As at 1 January 2025	8	11	10	29
ECL movements for the period - net	1	-	3	4
As at 31 March 2025 (reviewed)	9	11	13	33

**b) Derivatives**

The outstanding notional amounts at the reporting date were as follows:

	<i>Reviewed 31 March 2026</i>	<i>Audited 31 December 2025</i>
Interest rate swaps	28,577	28,924
Currency swaps	2,344	2,136
Forward foreign exchange contracts	19,499	17,655
Options	18,695	16,119
Futures	4,110	4,060
	<b>73,225</b>	<b>68,894</b>
Risk weighted equivalents (credit and market risk)	<b>2,302</b>	<b>2,434</b>

**12 RISK MANAGEMENT****Liquidity risk**

The Group is required to comply with the liquidity requirements as stipulated by its regulator, the CBB. These requirements relate to maintaining a minimum of 100% for liquidity coverage ratio (LCR) and net stable funding ratio (NSFR). LCR is calculated as a ratio of its stock of high quality liquid assets (HQLA) and net outflows over the next 30 calendar days. NSFR is calculated as a ratio of 'available stable funding' to 'required stable funding'. As at 31 March 2026, the Group's LCR and NSFR were at 311.% (31 December 2025: 237%) and 127% (31 December 2025: 127%) respectively.

	31 March 2026					31 December 2025				
	Unweighted Values (i.e. before applying relevant factors)					Unweighted Values (i.e. before applying relevant factors)				
	No specified maturity	Less than 6 months	Over 6 months and less than one year	Over one year	Total weighted value	No specified maturity	Less than 6 months	Over 6 months and less than one year	Over one year	Total weighted value
<b>Available Stable Funding (ASF):</b>										
<b>Capital:</b>										
Regulatory Capital	4,265	-	-	-	4,265	4,427	-	-	-	4,427
Other Capital Instruments	727	-	-	289	1,016	710	-	-	293	1,003
<b>Retail deposits and deposits from small business customers:</b>										
Stable deposits	-	-	-	-	-	-	-	-	-	-
Less stable deposits	-	2,351	597	374	3,027	-	2,178	679	357	2,928
<b>Wholesale funding:</b>										
Operational deposits	-	-	-	-	-	-	-	-	-	-
Other wholesale funding	-	22,490	7,400	6,889	14,868	-	27,603	5,270	6,435	14,196
Other liabilities:										
NSFR derivative liabilities	-	21	-	-	-	-	29	-	-	-
All other liabilities not included in the above categories	-	739	-	-	-	-	815	-	-	-
<b>Total ASF (A)</b>					<b>23,176</b>					<b>22,554</b>

## 12 RISK MANAGEMENT (continued)

	31 March 2026					31 December 2025				
	Unweighted Values (i.e. before applying relevant factors)					Unweighted Values (i.e. before applying relevant factors)				
	No specified maturity	Less than 6 months	Over 6 months and less than one year	Over one year	Total weighted value	No specified maturity	Less than 6 months	Over 6 months and less than one year	Over one year	Total weighted value
<b>Required Stable Funding (RSF):</b>										
Total NSFR high-quality liquid assets (HQLA)	13,914	131	-	-	907	17,610	152	-	-	1,174
Deposits held at other financial institutions for operational purposes	-	-	-	-	-	-	-	-	-	-
Performing loans and securities:										
Performing loans to financial institutions secured by Level 1 HQLA	-	-	-	-	-	-	-	-	-	-
Performing loans to financial institutions secured by non-level 1 HQLA and unsecured performing loans to financial institutions	-	4,864	1,399	876	2,276	-	4,626	1,311	829	2,140
Performing loans to non- financial corporate clients, loans to retail and small business customers, and loans to sovereigns, central banks and PSEs, of which:	-	7,238	2,666	6,657	10,611	-	7,117	2,507	6,384	10,238
With a risk weight of less than or equal to 35% as per the CBB Capital Adequacy Ratio guidelines	-	-	-	150	97	-	-	-	289	188
Performing residential mortgages, of which:										
With a risk weight of less than or equal to 35% under the CBB Capital Adequacy Ratio Guidelines	-	-	-	-	-	-	-	-	-	-
Securities that are not in default and do not qualify as HQLA, including exchange-traded equities	-	226	717	2,129	2,281	-	246	396	2,412	2,370
Other assets:										
Physical traded commodities, including gold	-	-	-	-	-	-	-	-	-	-
Assets posted as initial margin for derivative contracts and contributions to default funds of CCPs	-	-	-	-	-	-	-	-	-	-
NSFR derivative assets	-	-	-	-	-	-	-	-	-	-
NSFR derivative liabilities before deduction of variation margin posted	-	4	-	-	4	-	6	-	-	6
All other assets not included in the above categories	3,213	497	40	1,220	1,537	3,461	460	6	784	1,076
OBS items	-	11,920	-	-	596	-	11,614	-	-	581
<b>Total RSF (B)</b>					<b>18,309</b>					<b>17,773</b>
<b>NSFR (A/B)</b>					<b>127%</b>					<b>127%</b>

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*All figures in US\$ million*

**13 TRANSACTIONS AND BALANCES WITH RELATED PARTIES**

Related parties represent the ultimate parent, major shareholders, associates, directors and key management personnel of the Group and entities controlled, jointly controlled or significantly influenced by such parties. Pricing policies and terms of these transactions are approved by the Group's management.

The period-end and year-end balances in respect of related parties included in the interim consolidated statement of financial position are as follows:

	<i>Ultimate parent</i>	<i>Major share- holder</i>	<i>Directors</i>	<i>31 March 2026 (Reviewed)</i>
Deposits from customers	2,874	-	1	2,875
Borrowings	1,115	-	-	1,115
Additional / perpetual tier-1 capital*	590	-	-	590
Short-term self-liquidating trade and transaction-related contingent items	585	-	-	585
	<i>Ultimate parent</i>	<i>Major share- holder</i>	<i>Directors</i>	<i>31 December 2025 (Audited)</i>
Deposits from customers	2,809	-	1	2,810
Borrowings	1,115	-	-	1,115
Additional / perpetual tier-1 capital*	590	-	-	590
Short-term self-liquidating trade and transaction-related contingent items	862	-	-	862

\* During the period, the Group has paid interest on additional / perpetual tier-1 capital amounting to US\$ 9 million (31 March 2025: US\$ 9 million) which has been charged to the interim consolidated statement of changes in equity.

The income and expenses in respect of transactions with related parties included in the interim consolidated statement of profit or loss are as follows:

	<i>31 March 2026 Reviewed</i>	<i>31 March 2025</i>
Commission income	4	6
Interest expense	45	58

**14 ESTIMATES AND JUDGEMENTS**

**Geopolitical developments in the Middle East**

The geopolitical situation in the Middle East has intensified since 28 February 2026, with ongoing developments creating secondary impacts across multiple countries in the region, including the Kingdom of Bahrain. These circumstances have contributed to heightened uncertainty in the economic environment and have resulted in disruption to certain business and economic activities across the region where the Group operates.

**14 ESTIMATES AND JUDGEMENTS (continued)**

**Geopolitical developments in the Middle East (continued)**

The Group is closely monitoring the situation and has activated its business continuity planning and other risk management practices to manage the potential impact of the business disruption on its performance and enhanced its risk management and monitoring practices to address potential operational, credit, and liquidity risks arising from these developments. Management continues to closely monitor the situation and its potential implications for the Group's operations, financial position, and performance.

**Reasonableness of forward looking information and related impact on expected credit losses (ECL)**

The Group uses a range of macro-economic factors in ECL assessment relevant to multiple jurisdictions of operations considering its global footprint under three scenarios, upward, base and downward case. The Group reviews and updates selected economic series on regular basis and applies its judgement in determining what constitutes reasonable and forward-looking estimates. In light of the prevailing economic uncertainty, management has reassessed the macro-economic scenarios and probability weightings used in estimating ECL as at 31 March 2026, in accordance with IFRS 9 – Financial instruments (IFRS 9). The revised weightings reflect management's updated view of the increased likelihood of adverse economic outcomes in the current environment. The probability weightings assigned to each macro-economic scenario are summarised below:

	<i>31 March</i>	<i>31 March</i>	<i>31 December</i>
Scenarios	<b>2026</b>	2025	2025
Base case	<b>50%</b>	40%	40%
Upward case	<b>0%</b>	30%	30%
Downward case	<b>50%</b>	30%	30%

The Group will continue to assess the effects of the geopolitical situation on its portfolio and any impacts as and when known will be incorporated into the determination of the Group's estimates relating to significant increase in credit risk (SICR), inputs, macro-economic variables and weightages applied to scenarios in the ECL model and fair valuation of financial assets in the interim condensed consolidated financial statements for the periods ending 30 June 2026 and 30 September 2026 as well as the annual consolidated financial statements for the year ending 31 December 2026.

Management remains focused on maintaining prudent risk management, capital adequacy, and liquidity buffers to support the Group's resilience in the current environment.