

# EU prepared for 'every scenario' after Trump car tariff threat

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AFP | Yerevan, Armenia



Armenia's Prime Minister Nikol Pashinyan, European Commission President Ursula von der Leyen and European Council President Antonio Costa attend the Armenia-European Union summit in Yerevan

EU chief Ursula von der Leyen said yesterday the bloc is "prepared for every scenario" after US President Donald Trump threatened to hike levies on European cars.

Trump vowed Friday to raise tariffs on EU cars and trucks from 15 to 25 percent, accusing the bloc of renegeing on a trade accord struck last year -- a charge von der Leyen rejected.

"A deal is a deal, and we have a deal," the European Commission president told reporters in Yerevan. "We are both implementing

this deal while respecting the different democratic procedures we have on both sides."

The European Parliament has given conditional approval to the EU-US trade pact, but a final ver-

sion still needs to be negotiated with the bloc's member states.

The EU's trade chief Maros Sefcovic is to hold talks in Paris Tuesday with US Trade Representative Jamieson Greer, who

has complained about a "very slow" EU approval process as well as amendments that would "limit the deal".

"The president decided that if the Europeans aren't implementing the deal right now, then we don't have to implement all of it either at this time," Greer said Monday.

The European Commission, which leads trade policy for the 27-nation EU, has made clear it is keeping its options open should Trump's new car tariffs kick in, without speculating on what action it might take.

Macron demands 'bazooka' But French President Emmanuel Macron, also in Armenia on a state visit, said yesterday the bloc should be ready to activate its powerful anti-coercion instrument (ACI).

Slamming the US president for brandishing "threats of destabilisation", Macron said the EU had "equipped itself with instruments that would then have to be activated, because that is precisely what they are for".

Key EU power France has re-

peatedly pressed for the bloc to unleash the potent ACI trade tool, should Trump make good on successive trade threats aimed at European countries.

The EU has never deployed the instrument, aimed at dissuading countries from exerting geopolitical pressure on the bloc.

Dubbed the EU's "bazooka", it allows for a range of responses from tariffs on US goods to curbs on the export of strategic goods and the exclusion of American firms from tenders in Europe.

Last year's trade deal capped US tariffs at 15% on most EU goods, including cars -- lower than the 25 percent Trump imposed on vehicles from many other trading partners.

The commission insists it remains committed to the accord. "On the European Union side, we are now in the final stages of implementing the remaining tariff commitments," said von der Leyen.

"At the same time, the US has the commitment -- for example where alignment with the agreed ceiling is still outstand-

ing," she said.

"So we want from this work mutual gain, cooperation and reliability -- and we are prepared for every scenario."



The Anti-Coercion Instrument is designed to act only as a last resort—the European Union must first try dialogue and diplomatic solutions before triggering any retaliation measures.

This makes the so-called "bazooka" not just a weapon, but a rules-based safeguard, ensuring that any response to economic coercion is legally structured and proportionate rather than immediate or arbitrary.

CONDENSED CONSOLIDATED STATEMENT OF INCOME For the three months ended 31 March 2026			CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION As at 31 March 2026			CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS For the three months ended 31 March 2026		
	31 March 2026	31 March 2025		31 March 2026	31 December 2025		31 March 2026	31 March 2025
	BD'000 (reviewed)	BD'000 (reviewed)		BD'000 (reviewed)	BD'000 (audited)		BD'000 (reviewed)	BD'000 (reviewed)
<b>INCOME</b>			<b>ASSETS</b>			<b>OPERATING ACTIVITIES</b>		
Income from financing contracts	12,845	13,283	Cash and balances with banks and Central Bank	77,476	73,664	Profit for the period	3,180	10,002
Income from placements with financial institutions	3,060	1,924	Placements with financial institutions	226,243	293,129	Adjustments for non-cash items:		
Income from investment in Sukuk	5,293	3,532	Financing contracts	995,017	998,523	Depreciation and amortization	428	317
Expense on placements from financial institutions	(770)	(1,141)	Investment securities	412,627	390,347	Impairment allowance on financial instruments, net	1,464	2,688
Expense on placements from non-financial institutions and individuals	(2,303)	(5,449)	Investment in associates	7,691	7,691	Amortization of right-of-use asset	75	86
Expense on financing from financial institutions	(3,146)	(2,179)	Investment in real estate	13,721	13,721	Gain on sale of investment in Sukuk	(2)	(4)
<b>Net finance income</b>	<b>14,979</b>	<b>9,970</b>	Property and equipment	16,218	15,948	Gain on sale of investment in real estate	-	(9,523)
Fee and commission income, net	1,615	1,740	Other assets	11,211	11,253	Share of results of associates, net	-	(35)
Income from investment in real estate, net	7	9,554	<b>TOTAL ASSETS</b>	<b>1,760,204</b>	<b>1,804,276</b>	Operating profit before changes in operating assets and liabilities	5,145	3,531
Share of results of associates, net	-	35	<b>LIABILITIES, QUASI-EQUITY AND OWNERS' EQUITY</b>			Working capital adjustments:		
Other income, net	1,111	753	<b>Liabilities</b>			Mandatory reserve with Central Bank of Bahrain	(2,465)	175
<b>Total income</b>	<b>17,712</b>	<b>22,052</b>	Placements from financial institutions	29,078	90,595	Financing contracts	2,370	(4,680)
<b>EXPENSES</b>			Placements from non-financial institutions and individuals	156,131	167,054	Other assets	2,304	(1,426)
Staff costs	3,565	4,292	Financing from financial institutions	280,907	260,125	Customers' current accounts	29,026	25,536
Depreciation and amortization	503	403	Customers' current accounts	283,622	254,596	Other liabilities	2,431	9,799
Other operating expenses	3,278	2,838	Other liabilities	46,226	43,296	Placements from financial institutions	(68,523)	32,753
<b>Total expenses</b>	<b>7,346</b>	<b>7,533</b>	<b>Total Liabilities</b>	<b>795,964</b>	<b>815,666</b>	Placements from non-financial institutions and individuals	(10,923)	(148,551)
<b>Profit before impairment allowances and attribution to quasi-equity</b>	<b>10,366</b>	<b>14,519</b>	<b>Quasi-equity</b>			Quasi-equity	(21,816)	125,317
Impairment allowance on financial instruments, net	(1,464)	(2,688)	Financial institutions	35,083	73,261	<b>Net cash (used in) / from operating activities</b>	<b>(62,451)</b>	<b>42,454</b>
<b>Profit before attribution to quasi-equity</b>	<b>8,902</b>	<b>11,831</b>	Non-financial institutions and individuals	768,428	752,066	<b>INVESTING ACTIVITIES</b>		
Profit attributable to quasi-equity	(5,722)	(1,829)	<b>Total Quasi-equity</b>	<b>803,511</b>	<b>825,327</b>	Purchase of property and equipment	(698)	(355)
<b>PROFIT FOR THE PERIOD</b>	<b>3,180</b>	<b>10,002</b>	<b>Owners' Equity</b>			Purchase of investment securities	(27,403)	(20,929)
<b>BASIC AND DILUTED EARNINGS PER SHARE (fls)</b>	<b>3.01</b>	<b>9.48</b>	Share capital	106,406	106,406	Disposal of investment securities	2,524	41,169
			Treasury shares	(677)	(677)	<b>Net cash (used in) / from investing activities</b>	<b>(25,577)</b>	<b>19,885</b>
			Shares under employee share incentive scheme	(50)	(245)	<b>FINANCING ACTIVITIES</b>		
			Share premium	197	132	Proceeds from financing from financial institutions	20,782	6,790
			Reserves	29,853	32,667	Dividends paid	(5,298)	-
			<b>Equity attributable to Bank's shareholders</b>	<b>135,729</b>	<b>138,283</b>	<b>Net cash from financing activities</b>	<b>15,484</b>	<b>6,790</b>
			Subordinated Mudaraba (ATI)	25,000	25,000	<b>NET (DECREASE) / INCREASE IN CASH AND CASH EQUIVALENTS</b>	<b>(72,544)</b>	<b>69,129</b>
			<b>Total Owners' Equity</b>	<b>160,729</b>	<b>163,283</b>	Cash and cash equivalents at 1 January	314,201	175,629
			<b>TOTAL LIABILITIES, QUASI-EQUITY AND OWNERS' EQUITY</b>	<b>1,760,204</b>	<b>1,804,276</b>	<b>CASH AND CASH EQUIVALENTS AT 31 MARCH</b>	<b>241,657</b>	<b>244,758</b>
						Cash and cash equivalents comprise:		
						Cash on hand	5,935	9,881
						Balances with CBB, excluding mandatory reserve deposits	761	578
						Balances with banks and other financial institutions excluding restricted balances	8,718	14,942
						Placements with financial institutions with original maturities less than 90 days	226,243	219,357
							241,657	244,758

The condensed consolidated interim financial information was approved by the Board of Directors on 5 May 2026 and has been reviewed by KPMG.

Zaid Khalid Abdulrahman Chairman Usman Ahmed Vice Chairman Fatema AlAlawi Chief Executive Officer