Arab Bank plc – Kingdom of Bahrain – Retail Branch
Branch of Foreign Bank

البنك العربي
ARAB BANK

Condensed Interim Statement of Financial Position
As at June 30, 2026

	(Reviewed) June 30, 2026	(Audited) December 31, 2025
	BD '000	BD '000
Assets		
Cash and deposits with Central Bank of Bahrain	42,445	320,881
Balances with banks and financial institutions	256	8
Balances with Head Office, other branches and affiliates	70,051	67,957
Investment at fair value through other comprehensive income	2,600	2,600
Investments at amortised cost	155,148	132,978
Derivative assets	1,250	2,861
Loans and advances	223,120	231,133
Interest receivable	3,463	2,834
Other assets	6,384	6,128
Premises and equipment	906	963
Total assets	**505,623**	**768,343**
Liabilities and Head Office Funds		
Liabilities		
Due to banks and financial institutions	1,016	283
Due to the Head Office, other branches and affiliates	12,191	250,857
Customers' deposits	446,461	474,773
Derivative liabilities	1,078	2,093
Interest payable	3,165	3,780
Other liabilities	4,718	3,456
Provision for income tax	251	279
Employees' end-of-service benefits	237	267
Total liabilities	**469,117**	**735,788**
Head Office Funds		
Head Office capital	20,058	20,058
Fair value reserve	299	299
Unremitted profits to the Head Office	16,149	12,198
Total Head Office funds	**36,506**	**32,555**
Total liabilities and Head Office funds	**505,623**	**768,343**

The condensed interim financial information was approved and authorised for issue on August 12, 2026, by Nadya Talhouni - Country Manager and Samer Haddad - Country Finance Head.

Condensed Interim Statement of Profit or Loss and Other Comprehensive Income
Six-Month Period Ended June 30, 2026

	(Reviewed) June 30, 2026	(Reviewed) June 30, 2025
	BD '000	BD '000
Interest income	18,875	23,306
Interest expense	(13,800)	(17,878)
Net interest income	**5,075**	**5,428**
Fees and commission income, net	1,818	2,183
Foreign exchange gain, net	321	406
Other income, net	941	334
Operating income	**8,155**	**8,351**
Staff expenses	(1,255)	(1,480)
Depreciation	(125)	(127)
Premises and equipment expenses	(497)	(389)
General and administrative expenses	(1,288)	(1,184)
Operating expenses	**(3,165)**	**(3,180)**
Operating profit before expected credit losses	4,990	5,171
Allowance for expected credit losses, net	(342)	(730)
Profit before tax	**4,648**	**4,441**
Income tax	(697)	(666)
Profit after tax	**3,951**	**3,775**
Other comprehensive income for the period	-	-
Total comprehensive income for the period	**3,951**	**3,775**

The aforementioned information was extracted from the financial statements reviewed by Deloitte & Touche - Middle East.

Condensed Interim Statement of Cash Flows
Six-Month Period Ended June 30, 2026

	(Reviewed) June 30, 2026	(Reviewed) June 30, 2025
	BD '000	BD '000
Cash flows from operating activities		
Profit before tax	4,648	4,441
Adjustments for:		
Depreciation of premises and equipment	53	48
Depreciation of right-of-use assets	72	79
Interest expense on lease liabilities	11	9
Loss on write-off of fixed assets	8	4
Allowance for expected credit losses, net	342	730
Provision for employees' end-of-service benefits	25	27
Net cash generated before changes in operating assets and liabilities	**5,159**	**5,338**
Changes in operating assets and liabilities:		
Statutory reserve deposits	5,837	288
Balances with Head office, other branches and affiliates – with maturity more than three months	(621)	-
Derivative assets	1,611	2,463
Loans and advances	7,680	8,927
Interest receivable	(629)	(981)
Other assets	(256)	(403)
Due to banks and financial institutions	733	(16,908)
Due to the Head Office, other branches and affiliates	(238,666)	14,524
Customers' deposits	(28,312)	(48,417)
Derivative liabilities	(1,015)	(2,160)
Interest payable	(615)	(357)
Other liabilities	1,247	1,667
Provision for income tax	-	(666)
Employees' end-of-service benefits	(55)	(52)
Interest paid on lease liabilities	(11)	(9)
Tax paid	(725)	-
Net cash flows used in operating activities	**(248,638)**	**(36,746)**
Cash flows from investing activities		
Additions to premises and equipment	(76)	(355)
Purchase of investments at amortised cost	(22,119)	(63,853)
Net cash flows used in investing activities	**(22,195)**	**(64,208)**
Cash flow from financing activities		
Repayment on principal portion of lease liabilities	(44)	280
Net cash (used in) / generated from financing activities	**(44)**	**280**
Net change in cash and cash equivalents	**(270,877)**	**(100,674)**
Cash and cash equivalents at the beginning of the period	351,253	518,103
Cash and cash equivalents at the closing of the period	**80,376**	**417,429**

Condensed Interim Statement of Changes in Head Office Funds
Six-Month Period Ended June 30, 2026

	Head Office Capital	Fair Value Reserve	Unremitted Profits to the Head Office	Total
	BD '000	BD '000	BD '000	BD '000
Balance at January 1, 2026 (Audited)	20,058	299	12,198	32,555
Profit for the period	-	-	3,951	3,951
Balance at June 30, 2026 (Reviewed)	**20,058**	**299**	**16,149**	**36,506**
Balance at January 1, 2025 (Audited)	20,058	250	24,707	45,015
Profit for the period	-	-	3,775	3,775
Balance at June 30, 2025 (Reviewed)	**20,058**	**250**	**28,482**	**48,790**