

Arab Bank Plc, Retail Bank (Bahrain Branch)
Audited Financial Statements for the Year Ended
December 31, 2025



Statement of Financial Position
As at December 31, 2025

	December 31, 2025	December 31, 2024
	BD '000	BD '000
Assets		
Cash and deposits with Central Bank of Bahrain	320,881	479,566
Balances with banks and financial institutions	8	56
Balances with Head Office, other branches and affiliates	67,957	76,215
Investments at fair value through other comprehensive income	2,600	2,551
Investments at amortised cost	132,978	57,408
Derivative assets	2,861	11,868
Loans and advances	231,133	232,055
Interest receivable	2,834	2,395
Other assets	6,128	5,729
Premises and equipment	963	730
Total assets	768,343	868,573
Liabilities and Head Office Funds		
Liabilities		
Due to banks and financial institutions	283	17,342
Due to Head Office, other branches and affiliates	250,857	317,616
Customers' deposits	474,773	468,755
Derivative liabilities	2,093	10,541
Interest payable	3,780	5,396
Other liabilities	3,456	3,629
Provision for income tax	279	-
Employees' end-of-service benefits	267	279
Total liabilities	735,788	823,558
Head Office Funds		
Head Office capital	20,058	20,058
Fair value reserve	299	250
Unremitted profits to the Head Office	12,198	24,707
Total Head Office funds	32,555	45,015
Total liabilities and Head Office funds	768,343	868,573

The financial statements and notes to the financial statements were approved and authorised for issue on 30 March 2026 by Nadya Talhouni - Country Manager and Samer Haddad - Country Finance Head.

Statement of Profit or Loss and Other Comprehensive Income
Year Ended December 31, 2025

	December 31, 2025	December 31, 2024
	BD '000	BD '000
Interest income	45,720	65,739
Interest expense	(34,829)	(55,924)
Net interest income	10,891	9,815
Fees and commission income, net	3,947	4,228
Foreign exchange gain, net	788	775
Other income, net	754	790
Operating income	16,380	15,608
Staff expenses	(3,101)	(2,961)
Depreciation	(259)	(290)
Premises and equipment expenses	(843)	(979)
General and administrative expenses	(2,448)	(2,440)
Operating expenses	(6,651)	(6,670)
Operating profit before expected credit losses	9,729	8,938
Allowance for expected credit losses, net	(1,815)	(897)
Profit before tax	7,914	8,041
Income tax	(1,187)	-
Profit after tax	6,727	8,041
Other comprehensive income:		
Items that will not be reclassified subsequently to profit or loss:		
- Net change in fair value of financial assets at fair value through other comprehensive income	49	(4)
Other comprehensive (loss)/income for the year	49	(4)
Total comprehensive income for the year	6,776	8,037

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

Statement of Changes in Head Office Funds
Year Ended December 31, 2025

	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, 2025	20,058	250	24,707	45,015
Profit after tax	-	-	6,727	6,727
Remitted profits to the Head Office	-	-	(19,236)	(19,236)
Other comprehensive income for the year	-	49	-	49
Balance at December 31, 2025	20,058	299	12,198	32,555
Balance at January 1, 2024	20,058	254	16,666	36,978
Profit after tax	-	-	8,041	8,041
Other comprehensive loss for the year	-	(4)	-	(4)
Balance at December 31, 2024	20,058	250	24,707	45,015

Statement of Cash Flows
Year Ended December 31, 2025

	December 31, 2025	December 31, 2024
	BD '000	BD '000
Cash flows from operating activities		
Profit before tax	7,914	8,041
Adjustments for:		
Depreciation	259	290
Gain on write off of fixed assets	(410)	(183)
Allowance for expected credit losses, net	1,815	897
Provision for employees' end-of-service benefits	67	72
Net cash generated before changes in operating assets and liabilities	9,645	9,117
Changes in operating assets and liabilities:		
Compulsory regulatory reserve with Central Bank of Bahrain	170	(2,288)
Balances with the Head Office, other branches and affiliates	(28)	-
Derivative assets	9,007	(762)
Loans and advances	(823)	(1,926)
Interest receivable	(439)	1,853
Other assets	(399)	452
Due to banks and financial institutions	(17,059)	17,097
Due to the Head Office, other branches and affiliates	(66,759)	(301,679)
Customers' deposits	6,018	33,323
Derivative liabilities	(8,448)	865
Interest payable	(1,616)	(1,227)
Other liabilities	(200)	1,059
	(70,931)	(244,116)
Employees' end-of-service benefits paid	(79)	(66)
Tax paid	(908)	-
Net cash used in operating activities	(71,918)	(244,182)
Cash flows from investing activities		
Addition to premises and equipment	(82)	(247)
Disposal of investments at amortised cost	(75,614)	47,433
Remitted profits to the Head Office	(19,236)	-
Purchase of investments at fair value through other comprehensive income	-	(46)
Net cash (used in) / generated from investing activities	(94,932)	47,140
Net change in cash and cash equivalents	(166,850)	(197,042)
Cash and cash equivalents at the beginning of the year	518,103	715,145
Cash and cash equivalents at the closing of the year	351,253	518,103