

Financial Statements

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05



INDEPENDENT AUDITOR’S REPORT

To the Shareholders of Arab Petroleum Investments Corporation (“APICORP”)

Report on the Audit of the Consolidated Financial Statements

Opinion

We have audited the consolidated financial statements of Arab Petroleum Investments Corporation (“the Corporation”) and its subsidiaries (the “Group”), which comprise the consolidated statement of financial position as at 31 December 2025, and the consolidated statement of comprehensive income, consolidated statement of changes in equity and consolidated statement of cash flows for the year then ended, and notes to the consolidated financial statements, including material accounting policy information.

In our opinion, the accompanying consolidated financial statements present fairly, in all material respects, the consolidated financial position of the Group as at 31 December 2025, and its consolidated financial performance and its consolidated cash flows for the year then ended in accordance with IFRS Accounting Standards that are endorsed in the Kingdom of Saudi Arabia and other standards and pronouncements that are endorsed by the Saudi Organization for Chartered and Professional Accountants.

Basis for Opinion

We conducted our audit in accordance with International Standards on Auditing that are endorsed in the Kingdom of Saudi Arabia. Our responsibilities under those standards are further described in the Auditor’s Responsibilities for the Audit of the Consolidated Financial Statements section of our report. We are independent of the Group in accordance with the International Code of Ethics for Professional Accountants (including International Independence Standards) that is endorsed in the Kingdom of Saudi Arabia, as applicable to audit of consolidated financial statement of public interest entities. We have fulfilled our other ethical responsibilities in accordance with that Code. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the consolidated financial statements of the current period. These matters were addressed in the context of our audit of the consolidated financial statements as a whole, and in forming auditor’s

opinion thereon, and we do not provide a separate opinion on these matters. For each matter below, our description of how our audit addressed the matter is provided in that context.

We have fulfilled the responsibilities described in the Auditor’s responsibilities for the audit of the consolidated financial statements section of our report, including in relation to these matters. Accordingly, our audit included the performance of procedures designed to respond to our assessment of the risks of material misstatement of the consolidated financial statements. The results of our audit procedures, including the procedures performed to address the matters below, provide the basis for our audit opinion on the accompanying consolidated financial statements.

Expected credit loss allowance (ECL) against loans and advances

As at 31 December 2025, the Group had loans and advances amounted to USD 6,025 million (2024: USD 5,563 million), net of expected credit loss (“ECL”) allowance of USD 89 million (2024: USD 115.3 million) was recorded. We considered this as a key audit matter, as the determination of ECL involves significant estimation and management judgement and this has

a material impact on the consolidated financial statements of the Group. The key areas of judgment include:

1. Categorization of loans and advances into stages 1, 2 and 3 based on the identification of:
(a) exposure with a significant increase in credit risk (“SICR”) since their origination; and
(b) individually impaired / defaulted exposures.
(c) The Group has applied additional judgements to identify and estimate the likelihood of borrowers experiencing SICR based on current economic outlook.
2. Assumptions used in the ECL model determining the probability of default (“PD”), loss given default (“LGD”), and exposure at default (“EAD”) including but not limited to assessment of financial condition of counterparties, expected future cashflows, developing and incorporating forward looking assumption, macro-economic factors and the associated scenarios and expected probabilities and weightages;

The application of these judgements and estimates results in greater estimation uncertainty, and the associated audit risk regarding the ECL calculation as at 31 December 2025. Refer to note 3 (M) to the consolidated financial statements which contains the disclosure of critical

accounting judgement, estimates and assumptions relating to the impairments losses on financial assets and the impairment assessment methodology used by the Group; the material accounting policies note 3 (H)(vii) for the impairment of financial instruments; note 5 which contains the disclosure of impairment against loans and advances; and note 26 (a) for details of credit quality analytics and key assumption and factors considered in the determination of ECL.

How our audit addressed the key audit matter

Our audit procedures included, among others, the following:

- We obtained and updated our understanding of management’s assessment of the ECL against loans and advances including the Group’s internal rating model, accounting policy and model methodology, considering any key changes made during the year.
- We ensured that the Group’s ECL accounting policy and methodology were aligned with the requirements of IFRS 9.
- For a sample of customers, we assessed:
 - the internal ratings determined by management based on the Group’s internal rating model and considered these assigned ratings in light of Group’s ECL methodology and available industry information. We also assessed that these were consistent with the ratings used as input in the ECL model; and
 - management’s computations for ECL.

- We assessed the appropriateness of the Group’s criteria for the determination of SICR and identification of “defaulted” or “individually impaired” exposures, and their classification into stages. Furthermore, for a sample of exposures, we assessed the appropriateness of the staging classification of the Group’s loans and advances portfolio.
- For selected loans and advances, we evaluated management’s assessment of recoverable cash flows, including the impact of collateral, and other sources of repayment, if any.
- We assessed the reasonableness of the underlying assumptions used by the Group in the ECL model including forward looking assumptions, keeping in view the uncertainty and volatility in economic scenarios.
- We tested the completeness and accuracy of data supporting the ECL calculations as at 31 December 2025.
- Where required, we involved our experts to assist us in auditing model calculations, evaluating interrelated inputs (including EADs, PDs and LGDs) and assessing reasonableness of assumptions used in the ECL model particularly around macroeconomic variables, forecasted macroeconomic scenarios and probability weights.
- We assessed the adequacy of disclosures in the consolidated financial statements.

Other information included in The Group’s 2025 Annual Report

Other information consists of the information included in the Group’s 2025 annual report, other than the consolidated financial statements and our auditor’s report thereon. Management is responsible for the other information in its annual report. The Group’s 2025 annual report is expected to be made available to us after the date of this auditor’s report.

Our opinion on the consolidated financial statements does not cover the other information and we will not express any form of assurance conclusion thereon.

In connection with our audit of the consolidated financial statements, our responsibility is to read the other information identified above when it becomes available and, in doing so, consider whether the other information is materially inconsistent with the consolidated financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated.

Responsibilities of Management and Those Charged with Governance for the Consolidated Financial Statements

Management is responsible for the preparation and fair presentation of the consolidated financial statements in accordance with IFRS Accounting Standards that are endorsed in the Kingdom of Saudi Arabia and other standards and pronouncements that are endorsed by the Saudi Organization for Chartered and

Professional Accountants and the applicable provisions of the Regulations for Companies and Company’s By-laws, and for such internal control as management determines is necessary to enable the preparation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the consolidated financial statements, management is responsible for assessing the Group’s ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Group or to cease operations, or has no realistic alternative but to do so.

Those charged with governance, i.e., the Audit Committee is responsible for overseeing the Group’s financial reporting process.

Auditor’s Responsibilities for the Audit of the Consolidated Financial Statements

Our objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor’s report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with International Standards on Auditing that are endorsed in the Kingdom of Saudi Arabia will always detect a material misstatement when it exists.

Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated financial statements.

As part of an audit in accordance with International Standards on Auditing that are endorsed in the Kingdom of Saudi Arabia, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group’s internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness

of management’s use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group’s ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor’s report to the related disclosures in the consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor’s report. However, future events or conditions may cause the Group to cease to continue as a going concern.

- Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Plan and perform the group audit to obtain sufficient appropriate audit evidence regarding the financial information of the entities or business units within the group as a basis for forming an opinion on the consolidated financial statements. We are responsible for the direction, supervision and review of the audit work performed for the purposes of the group audit. We remain solely responsible for our audit opinion.

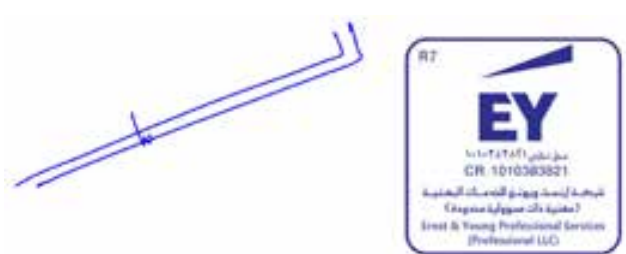
We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, actions taken to eliminate threats or safeguards applied.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the consolidated financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor’s

report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

for Ernst & Young Professional Services



Fahad M. Altoaimi
Certified Public Accountant
License No. (354)

Riyadh: 15 Ramadan 1447H
(4 March 2026)

Consolidated statement of financial position

As at 31 december 2025 (US\$000)

	Note	2025	2024 (Note 33)
ASSETS			
Cash and cash equivalents	30	332,338	137,016
Placements with banks, net	4	1,064,882	237,562
Positive fair value of derivatives	15	125,154	49,529
Loans and advances, net	5	6,025,120	5,562,822
Investments in debt	6	4,074,807	3,352,873
Investments in equity	6	1,471,138	1,341,115
Equity accounted investees, net	7	121,182	96,189
Other assets	9	176,205	110,888
Property, equipment and right of use assets	8	26,814	30,010
Total assets		13,417,640	10,918,004
LIABILITIES			
Deposits	10	457,028	772,655
Securities sold under agreements to repurchase	6(a)	445,542	445,542
Negative fair value of derivatives	15	45,378	121,254
Other liabilities	14	248,194	201,878
Term financing	11	1,850,000	1,450,000
Sukuk and bonds issued	12	6,730,338	4,573,147
Total liabilities		9,776,480	7,564,476

Consolidated statement of financial position

As at 31 december 2025 (US\$000)

	Note	2025	2024 (Note 33)
EQUITY			
Share capital	1	1,500,000	1,500,000
Legal reserve	25	351,238	323,000
General reserve	24	316,149	316,149
Investments fair value and other reserves		608,072	627,839
Retained earnings		865,695	586,520
Total equity attributable to shareholders of the Corporation		3,641,154	3,353,508
Non-controlling interests		6	20
Total equity		3,641,160	3,353,528
Total liabilities and equity		13,417,640	10,918,004



Mohammed
Abdulrahman Albrahim
Chairman



Khalid Ali Al-Ruwaigh
Chief Executive Officer



Vicky Bhatia
Chief Financial Officer

The accompanying notes 1 to 34 form an integral part of these consolidated financial statements

Consolidated statement of income

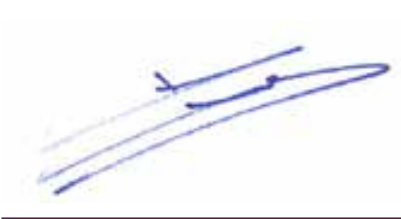
For the year ended 31 december 2025 (US\$000)

	Note	2025	2024
Interest income	16	661,562	632,261
Interest expense	16	(429,665)	(416,077)
Net interest income	16	231,897	216,184
Dividend income	17	65,038	54,500
Net change in fair value of financial assets at FVTPL	18	7,395	41,820
Net gain on disposal of debt securities held at FVOCI		16,057	4,716
Fee income	19	17,296	13,335
Other (expense) / income	20	(7,178)	17,903
Share of profit from equity accounted investees, net	7	9,204	8,984
Total net income before operating expenses and impairments		339,709	357,442

Consolidated statement of income

For the year ended 31 december 2025 (US\$000)

	Note	2025	2024
Operating expenses	21	(66,370)	(67,712)
Impairment loss on financial instruments, net	22	9,044	(24,068)
Net income for the year		282,383	265,662
Net income for the year attributable to:			
Shareholders of the Corporation		282,383	265,663
Non-controlling interests		-	(1)
		282,383	265,662
Per share information attributable to the shareholders of the Corporation			
Basic and diluted earnings per share		US \$188	US \$177


Mohammed Abdulrahman Albrahim
Chairman


Khalid Ali Al-Ruwaigh
Chief Executive Officer


Vicky Bhatia
Chief Financial Officer

The accompanying notes 1 to 34 form an integral part of these consolidated financial statements

Consolidated statement of comprehensive income

For the year ended 31 december 2025 (US\$000)

	2025	2024
Net income for the year	282,383	265,662
Other comprehensive (Loss)/income	-	-
Items that will not be reclassified to the statement of income	-	-
Net change in fair value of equity securities at FVOCI	8,046	(102,975)
Re-measurement gain on end of service benefits	1,545	137
Items that are or may be reclassified subsequently to the statement of income	-	-
Net change in fair value of debt securities at FVOCI	11,729	26,473
Reclassified to statement of income on sale of debt securities at FVOCI	(16,057)	(4,716)
Total other comprehensive income / (loss) for the year	5,263	(81,081)
Total comprehensive income for the year	287,646	184,581
Total comprehensive income for the year attributable to:	-	-
Shareholders of the Corporation	287,646	184,582
Non-controlling interests	-	(1)
	287,646	184,581

The accompanying notes 1 to 34 form an integral part of these consolidated financial statements



Consolidated statement of changes in equity

For the year ended 31 december 2025

(US\$000)

2025	Total equity attributable to shareholders of the Corporation			Total equity attributable to shareholders of the Corporation			Non-controlling interests	Total equity
	Share capital	Legal reserve	General reserve	Investments fair value and other reserves	Retained earnings	Total		
Balance at 1 January 2025	1,500,000	323,000	316,149	627,839	586,520	3,353,508	20	3,353,528
Comprehensive income:	-	-	-	-	-	-	-	-
Net income for the year	-	-	-	-	282,383	282,383	-	282,383
Other comprehensive (loss) / income	-	-	-	-	-	-	-	-
Transfer to retained earnings on sale of equity securities at FVOCI	-	-	-	(25,030)	25,030	-	-	-
Net change in fair value of debt securities at FVOCI	-	-	-	(4,328)	-	(4,328)	-	(4,328)
Re-measurement loss on end of service benefits	-	-	-	1,545	-	1,545	-	1,545
Net change in fair value of equity securities at FVOCI	-	-	-	8,046	-	8,046	-	8,046
Total other comprehensive (loss)/income	-	-	-	(19,767)	25,030	5,263	-	5,263
Total comprehensive income for the year	-	-	-	(19,767)	307,413	287,646	-	287,646
Transfer to legal reserve (Note 24)	-	28,238	-	-	(28,238)	-	-	-
Equity contributed by non-controlling interest	-	-	-	-	-	-	(14)	(14)
Balance as at 31 December 2025	1,500,000	351,238	316,149	608,072	865,695	3,641,154	6	3,641,160

The accompanying notes 1 to 34 form an integral part of these consolidated financial statements

Consolidated statement of changes in equity

For the year ended 31 december 2024

(US\$000)

2024	Total equity attributable to shareholders of the Corporation			Total equity attributable to shareholders of the Corporation			Non-controlling interests	Total equity
	Share capital	Legal reserve	General reserve	Investments fair value and other reserves	Retained earnings	Total		
Balance at 1 January 2024	1,500,000	296,000	316,149	719,778	336,999	3,168,926	17	3,168,943
Comprehensive income:	-	-	-	-	-	-	-	-
Net income for the year	-	-	-	-	265,663	265,663	(1)	265,662
Other comprehensive (loss) / income	-	-	-	-	-	-	-	-
Transfer to retained earnings on sale of equity securities at FVOCI	-	-	-	(10,858)	10,858	-	-	-
Net change in fair value of debt securities at FVOCI	-	-	-	21,757	-	21,757	-	21,757
Re-measurement loss on end of service benefits	-	-	-	137	-	137	-	137
Net change in fair value of equity securities at FVOCI	-	-	-	(102,975)	-	(102,975)	-	(102,975)
Total other comprehensive (loss)/income	-	-	-	(91,939)	10,858	(81,081)	-	(81,081)
Total comprehensive income for the year	-	-	-	(91,939)	276,521	184,582	(1)	184,581
Transfer to legal reserve (Note 24)	-	27,000	-	-	(27,000)	-	-	-
Equity contributed by non-controlling interest	-	-	-	-	-	-	4	4
Balance as at 31 December 2024	1,500,000	323,000	316,149	627,839	586,520	3,353,508	20	3,353,528

The accompanying notes 1 to 34 form an integral part of these consolidated financial statements

Consolidated statement of cash flows

For the year ended 31 december 2025 (US\$000)

	Note	2025	2024
OPERATING ACTIVITIES			
Net income for the year		282,383	265,662
Adjustments for:		-	-
Depreciation	8	4,866	4,519
End-of-service benefits	21	1,443	1,666
Net interest income	16	(231,897)	(216,184)
Gain on sale of equipment		-	(26,052)
Share of profit from associates	7	(9,204)	(8,984)
Net gains from derivative valuation, net		5,970	2,062
Net gain on disposal of debt securities at FVOCI		(16,057)	(4,716)
Dividend income	17	(65,038)	(54,500)
Impairment (release) / loss on financial instruments and others, net		(9,044)	24,068
Net amortization of transaction fee		-	(669)
Changes in operating assets and liabilities			
Interest received		601,916	611,521
Loans and advances, net		(462,298)	(956,401)
Placements with banks, net		(759,963)	268,240

Consolidated statement of cash flows

For the year ended 31 december 2025 (US\$000)

	Note	2025	2024
Investment held at FVTPL		104,676	(224,121)
Other assets		(5,671)	284
Other liabilities		15,291	16,376
Finance charges paid		(395,122)	(403,368)
Dividends received		65,295	56,416
(Repayment) / Proceeds from deposits		(315,627)	(538,933)
End-of-service benefits paid	14.1	(2,094)	(1,283)
Net cash (used in) operating activities		(1,190,175)	(1,184,397)
INVESTING ACTIVITIES			
Purchase of investments at FVOCI		(4,874,098)	(3,300,981)
Sale and redemptions of investments at FVOCI		3,898,491	3,033,212
Purchase of Investments in Associate		20,341	(34,000)
Purchase of equipment	8	(2,221)	(2,705)
Proceeds from sale of equipment		193	42,667
Net cash used in from investing activities		(957,294)	(261,807)

Consolidated statement of cash flows

For the year ended 31 december 2024 (US\$000)

	Note	2025	2024
FINANCING ACTIVITIES			
Proceeds from term financing	11	600,000	500,000
Proceeds from sukuk and bonds	12	3,185,936	1,572,677
Principal repayment against sukuk and bonds		(1,425,000)	(695,000)
Dividend paid		(16,670)	(3,084)
Payments against lease liability	23	(1,475)	(2,948)
Net cash generated from financing activities		2,342,791	1,371,645
Net (decrease) / increase in cash and cash equivalents for the year		195,322	(74,559)
Cash and cash equivalents at beginning of the year		137,016	211,575
Cash and cash equivalents at 31 December	30	332,338	137,016

Notes to the consolidated financial statements

For the year ended 31 december 2025 (US\$000)

1. REPORTING ENTITY

Arab Petroleum Investments Corporation (“APICORP” or the “Corporation”) is an Arab joint stock company established on 23 November 1975 in accordance with an international agreement signed and ratified by the ten member states of the Organization of Arab Petroleum Exporting Countries (OAPEC). The agreement defines the objectives of the Corporation as:

- participation in financing petroleum projects and industries, and in fields of activity which are derived there from, ancillary to, associated with, or complementary to such projects and industries; and
- giving priority to Arab joint ventures which benefit the member states and enhance their capabilities to utilise their petroleum resources and to invest their funds to strengthen their economic and financial development and potential.

Activities

APICORP is independent in its administration and the performance of its activities and operates on a commercial basis with the intention of contributing to the development of its member states as well as generating net income. It operates from its registered head office in

Riyadh, Kingdom of Saudi Arabia and through a banking branch in Manama, Kingdom of Bahrain.

Currently, the Corporation’s financing activities take the form of loans, equity investments and project and trading financing and fund investments as well as treasury investments. These activities are funded by shareholders’ equity, term-financing from banks, bonds, Sukuk, deposits from governments and corporates as well as short-term deposits from banks.

Furthermore, the Corporation is authorized to undertake a wide range of operations to fulfil its objectives, with a preference for projects in the Member States and other Arab countries. These activities encompass project preparation, the establishment of branches and finance companies, shareholding in relevant companies, creation of specialized entities with approval, buying and selling of shares in related companies (particularly in the energy sector), participation in securities issuance, and provision of medium to long-term loans for petroleum industry investments, with guarantees as necessary, including extending guarantees to loans from other financial or business organizations.

The accompanying notes 1 to 34 form an integral part of these consolidated financial statements

Notes to the consolidated financial statements

For the year ended 31 december 2025

1. REPORTING ENTITY (continued)

During 2023, to align with the Group’s strategic plan of becoming a leading energy impact fund in the MENA region and commitment to supporting the MENA region’s energy landscape transition towards a net-zero future, the Group was rebranded from APICORP to The Arab Energy Fund («TAEF»).

Domicile and taxation

The Corporation is an international entity, and operates from its registered head office in Riyadh, Kingdom of Saudi Arabia since April 2023. Previously, the Corporation was operating from its registered head office in Dammam, Kingdom of Saudi Arabia. The establishing agreement states that APICORP is exempt from taxation in respect of its operations in the member states.

Share capital

The capital is denominated in shares of US \$1,000 each and is owned by the governments of the ten OAPEC states as of 31 December 2025 and 31 December 2024 were as follows:

	(US\$000)				
	Authorised Capital	Subscribed capital	Issued and fully paid	Unissued Capital	Percentage
United Arab Emirates	3,400,000	1,700,000	255,000	1,445,000	17%
Kingdom of Bahrain	600,000	300,000	45,000	255,000	3%
Democratic and Popular Republic of Algeria	1,000,000	500,000	75,000	425,000	5%
Kingdom of Saudi Arabia	3,400,000	1,700,000	255,000	1,445,000	17%
Syrian Arab Republic	600,000	300,000	45,000	255,000	3%
Republic of Iraq	2,000,000	1,000,000	150,000	850,000	10%
State of Qatar	2,000,000	1,000,000	150,000	850,000	10%
State of Kuwait	3,400,000	1,700,000	255,000	1,445,000	17%
Libya	3,000,000	1,500,000	225,000	1,275,000	15%
Arab Republic of Egypt	600,000	300,000	45,000	255,000	3%
	20,000,000	10,000,000	1,500,000	8,500,000	100%

Notes to the consolidated financial statements

For the year ended 31 december 2025

1. REPORTING ENTITY (continued)

Classification of Members’ Share Capital

As per Establishment Agreement (“Agreement”), any Member State may withdraw from this Agreement after the lapse of four years from the effective date thereof by a written notice to Organization of Arab Petroleum Exporting Countries (OAPEC) which shall be conveyed to the other Member States and to the Corporation. If no other Member States purchase the exiting Members’ Share Capital, the agreement states that the Corporation shall conclude a special agreement with the exiting Member State to compensate the Member State for the loss of its shareholding in exiting the Corporation.

Members contributions to capital is accounted for as equity in the consolidated financial statements of the Corporation based on the requirements of IAS 32 – Financial Instruments: Presentation (“IAS 32”). Please refer to the critical judgment set out in note 3 (n) regarding the classification of the Member’s contribution to capital as equity.

Subsidiaries

The consolidated financial statements includes the financial information of APICORP and its subsidiaries (together “the Group”). The subsidiaries in the Group are as follows:

APICORP Sukuk Limited

The Corporation has set up a special purpose vehicle in 2015, APICORP Sukuk Limited, incorporated in Cayman Islands. It is a 100% owned subsidiary with the primary activity to issue Sukuk and related products.

APICORP Trading SPV Limited

The Corporation has set up a special purpose vehicle in 2019, APICORP Trading SPV Limited, incorporated in Cayman Islands. It is a 100% owned subsidiary set up primarily for the purpose of holding interest rate swap, foreign exchange and repurchase agreement deals.

APICORP Managed Investment Vehicle (MIV)

The Corporation has set up a special purpose vehicle, APICORP Managed Account Investment Vehicle L.P, incorporated in Cayman Islands. It is a 100% owned subsidiary. The MIV seeks to provide long-term capital gains and regular yield through the creation of a diversified, global portfolio of energy-related investments. As of the year, the MIV is under liquidation process and does not have any activity.

BMIF Polar Holdings Co-invest Fund, L.P.

The Corporation has co-invest in a limited partnership set up during 2024 incorporated in United Arab Emirates. It is a 99.98% owned subsidiary primarily for the purpose to co-invest alongside BMIF in the portfolio company, to share the profits and losses therefrom and engage in activities and conduct any other business.

2. BASIS OF PREPARATION

The consolidated financial statements have been prepared in accordance with the International Financial Reporting Standards (“IFRS”) that are endorsed in the Kingdom of Saudi Arabia and other standards and pronouncements endorsed by the Saudi Organization for Chartered and Professional Accountants (“SOCPA”).

The consolidated financial statements have been prepared on the historical cost basis except for the measurement at fair value of derivatives, financial instruments held at Fair Value through Profit and Loss (FVTPL) and financial instruments at Fair Value through Other Comprehensive Income (FVOCI) and assets held for sale – measured at the lower of carrying amount and fair value less costs to sell. In addition, financial assets and liabilities that are hedged in a fair value hedging relationship, are adjusted to record changes in fair value attributable to the risk that is being hedged.

The Group’s functional and presentation currency is United States dollars (US\$) because it is a supranational organisation with its capital and majority of its transactions and assets denominated in that currency.

Notes to the consolidated financial statements

For the year ended 31 december 2025

3. MATERIAL ACCOUNTING POLICIES

The material accounting policies applied in the preparation of these consolidated financial statements are set out below. These accounting policies have been applied consistently to all periods presented in the consolidated financial statements and have been consistently applied by the Group except if mentioned otherwise (see note 3c).

A. BASIS OF CONSOLIDATION

“Subsidiaries” are entities controlled by the Group. The Group controls an entity if it is exposed to, or has rights, to variable returns from its involvement with the investee company and has the ability to influence the returns through its power over the entity.

Special Purpose Entities (SPEs) are entities that are created to accomplish a narrow and well defined objective such as the acquisition of shipping vessels as well as the execution of a specific borrowing or investment transaction. An SPE is consolidated if, based on an evaluation of the substance of its relationship with the Group: 1) the Corporation has power over the SPE and is exposed to or has rights to variable returns from its involvement with the SPE; 2) the Corporation has the ability to use its power over the SPE at inception; and

3) the Corporation can subsequently affect the amount of its return, the Corporation concludes that it controls the SPE. The assessment of whether the Corporation has control over a SPE is carried out at inception and normally no further reassessment of control is carried out in the absence of changes in the structure or terms of the SPE, or additional transactions between the Corporation and the SPE, except whenever there is a change in the substance of the relationship between the Corporation and a SPE.

The Group reassesses whether or not it controls an investee if facts and circumstances indicate that there are changes to one or more of the three elements of control listed above.

The financial statements of subsidiaries are included in the consolidated financial statements from the date control commences until the date on which control ceases. When necessary, adjustments are made to the consolidated financial statements of subsidiaries to bring their accounting policies into line with the Group’s accounting policies.

If the Group loses control over a subsidiary, it derecognises the related assets (including goodwill), liabilities, non-controlling interest and other

components of equity, while any resultant gain or loss is recognised in profit or loss. Any investment retained is recognised at fair value.

All significant intragroup assets and liabilities, equity, income, expenses and cash flows relating to transactions between members of the Group are eliminated on consolidation.

B. EQUITY ACCOUNTED INVESTEEES

The Group’s interest in associates comprise interests in associates. An associate is an entity over which the Group has significant influence but not control or joint control over the financial and operating policies.

Interests in associates are accounted for using the equity method of accounting. They are initially recognised at cost, which includes transaction costs. Subsequent to initial recognition, the consolidated financial statements include the Group’s share of profit or loss and OCI of associates until the date on which significant influence ceases.

Distributions received from an investee reduce the carrying amount of the investment. Adjustments to the carrying amount may also be necessary for changes in the

Group’s proportionate interest in the investee arising from changes in the investee’s equity. When the Group’s share of losses exceeds its interest in an associate, the Group’s carrying amount is reduced to nil and recognition of further losses is discontinued, except to the extent that the Group has incurred legal or constructive obligations or made payments on behalf of the associate. Intra-group gains on transactions between the Group and its equity accounted associates are eliminated to the extent of the Group’s interest in the investees.

The carrying amount of the equity accounted investment is tested for impairment in accordance with the policy in Note 3J.

Notes to the consolidated financial statements

For the year ended 31 december 2025

3. MATERIAL ACCOUNTING POLICIES (continued)

C. STANDARDS ISSUED AND EFFECTIVE

New standards, interpretations and amendments adopted by the Group

The accounting policies adopted in the preparation of the consolidated financial statements are consistent with those followed in the preparation of the Group’s annual consolidated financial statements for the year ended December 31, 2025, except for the adoption of new standards effective as of January 1, 2025.

The Group has not early adopted any standard, interpretation or amendment that has been issued but is not yet effective. Several amendments apply for the first time in 2025, but do not have an impact on the consolidated financial statements of the Group.

Following new standards, amendments and revisions to existing standards and interpretations which were issued by the International Accounting Standards Board (IASB) have been effective for reporting periods commencing on or after 1 January 2025:

Standard, interpretation, amendments	Description	Effective date
Amendment to IAS 21 – Lack of exchangeability	IASB amended IAS 21 to add requirements to help in determining whether a currency is exchangeable into another currency, and the spot exchange rate to use when it is not exchangeable. Amendment set out a framework under which the spot exchange rate at the measurement date could be determined using an observable exchange rate without adjustment or another estimation technique.	1 January 2025

The Group management has assessed that the adoption of these new or amended standards and

interpretations applicable to the Group did not have any significant impact on this consolidated financial statement.

D. STANDARDS ISSUED BUT NOT YET EFFECTIVE

Following are the new amendments to standards, which are effective for annual periods beginning on, or after 1 January 2026 and earlier application is

permitted; however, the Group has not early adopted them in preparing this consolidated financial statement. The following standards are not expected to have a significant impact on the consolidated financial statement of the Group upon adoption

Standard, interpretation, amendments	Description	Effective date
Amendments to IFRS 10 and IAS 28– Sale or Contribution of Assets between an Investor and its Associate or Joint Venture	Partial gain or loss recognition for transactions between an investor and its associate or joint venture only apply to the gain or loss resulting from the sale or contribution of assets that do not constitute a business as defined in IFRS 3 Business Combinations and the gain or loss resulting from the sale or contribution to an associate or a joint venture of assets that constitute a business as defined in IFRS 3 is recognized in full.	Effective date deferred indefinitely
Amendments to IFRS 9 Financial Instruments and IFRS 7 Financial Instruments Disclosures	Under the amendments, certain financial assets including those with ESG-linked features could now meet the SPPI criterion, provided that their cash flows are not significantly different from an identical financial asset without such a feature. The IASB has amended IFRS 9 to clarify when a financial asset or a financial liability is recognized and derecognized and to provide an exception for certain financial liabilities settled using an electronic payment system.	1 January 2026

Notes to the consolidated financial statements

For the year ended 31 december 2025

3. MATERIAL ACCOUNTING POLICIES (continued)

D. STANDARDS ISSUED BUT NOT YET EFFECTIVE (continued)

Standard, interpretation, amendments	Description	Effective date
Amendments to IFRS 9 and IFRS 7 Contracts referencing Nature-dependent Electricity	Contracts Referencing Nature-dependent Electricity amends IFRS 9 Financial Instruments and IFRS 7 Financial Instruments: Disclosures to more faithfully reflect the effects of contracts referencing nature-dependent electricity on an entity’s financial statements.	Effective date is 1 January 2026
Annual improvements to IFRS – Volume 11	Annual improvements are limited to changes that either clarify the wording in an Accounting Standard or correct relatively minor unintended consequences, oversights or conflicts between the requirements in the Accounting Standards. The 2024 amendments are to the following standards: IFRS 1 First-time Adoption of International Financial Reporting Standards; IFRS 7 Financial Instruments: Disclosures and its accompanying Guidance on implementing IFRS 7; IFRS 9 Financial Instruments; IFRS 10 Consolidated Financial Statements; and IAS 7 Statement of Cash Flows.	1 January 2026

Standard, interpretation, amendments	Description	Effective date
IFRS 18, Presentation and Disclosure in Financial Statements	IFRS 18 provides guidance on items in statement of profit or loss classified into five categories: operating; investing; financing; income taxes and discontinued operations It defines a subset of measures related to an entity’s financial performance as ‘management-defined performance measures’ (‘MPMs’). The totals, subtotals and line items presented in the primary financial statements and items disclosed in the notes need to be described in a way that represents the characteristics of the item. It requires foreign exchange differences to be classified in the same category as the income and expenses from the items that resulted in the foreign exchange differences.	1 January 2027
IFRS 19, Subsidiaries without Public Accountability: Disclosures	IFRS 19 allows eligible subsidiaries to apply IFRS Accounting Standards with the reduced disclosure requirements of IFRS 19. A subsidiary may choose to apply the new standard in its consolidated, separate or individual financial statements provided that, at the reporting date it does not have public accountability, and its parent produces consolidated financial statements under IFRS Accounting Standards.	1 January 2027

Notes to the consolidated financial statements

For the year ended 31 december 2025

3. MATERIAL ACCOUNTING POLICIES (continued)

E. CASH AND CASH EQUIVALENTS

Cash and cash equivalents comprise cash on hand, bank balances and placements with financial institution with original maturities of less than 3 months from the acquisition date, which are subject to insignificant risk of fluctuation in their realisable value.

F. REPURCHASE AND RESALE AGREEMENTS

Assets sold with a simultaneous commitment to repurchase at a specified future date (repos) are not derecognized, as the Group retains all or substantially all the risks and rewards of the transferred assets. Amounts received under these agreements are treated as liabilities and the difference between the sale and repurchase price treated as interest expense using the effective interest method.

Assets purchased with a corresponding commitment to resell at a specified future date (reverse repos) are not recognised in the consolidated statement of financial position. Amounts paid under these agreements are treated as assets and the difference between the purchase and resale price treated as interest income using the effective interest method.

G. PROPERTY, EQUIPMENT AND RIGHT OF USE ASSETS

(i) Recognition and Measurement

Items of property and equipment are stated at cost less accumulated depreciation and impairment losses, if any. Where items of property and equipment comprise significant components having different useful lives, these components are accounted for as separate items of property and equipment.

Any gain or loss on disposal of an item of property, equipment (calculated as the difference between the net proceeds from disposal and the carrying amount of the item) is recognised within other income in the consolidated statement of income.

(ii) Subsequent expenditure

An expenditure incurred subsequently to replace a major component of an item of property and equipment that is accounted for separately is capitalised if it increases the future economic benefits expected to accrue from the item of property and equipment. All other expenditure, for example on maintenance and repairs, is expensed in the consolidated statement of profit or loss as incurred.

(iii) Depreciation

Depreciation is charged to the consolidated statement of profit or loss on a straight-line basis over the estimated useful lives of the items of

property and equipment. Land is not depreciated. The estimated useful lives of the Group’s property, furniture and equipment are as follows:

Fixture and Furniture	5 to 10 years
Computers & Equipment	3 to 10 years

The property and equipment residual values and useful lives are reviewed, and adjusted if appropriate, at each reporting date. The effects of any revision of the residual value, useful life and depreciation method are included in the consolidated statement of profit or loss for the year in which the changes arise.

Capital work in progress

Assets under construction are classified as Capital work in progress. The Capital work in progress comprises expenditure incurred on the acquisition and installation of assets which is transferred to the appropriate category of asset and depreciated after it is put to commercial or intended use.

Leases

The Group recognises a right-of-use asset and a lease liability at the lease commencement date. The right-of use asset is initially measured at cost,

which comprises the initial amount of the lease liability adjusted for any lease payments made at or before the commencement date plus any initial direct costs incurred and an estimate of costs to dismantle and remove the underlying asset or to restore the underlying asset or the site on which it is located, less any lease incentives received.

The right-of-use asset is subsequently depreciated using the straight-line method from the commencement date to the end of the lease term, unless the lease transfers ownership of the underlying asset to the Group by the end of the lease term or the cost of the right-of-use asset reflects that the Group will exercise a purchase option. In that case the right-of-use asset will be depreciated over the useful life of the underlying asset which is determined on the same basis as those of property and equipment. In addition, the right-of-use asset is periodically reduced by impairment losses, if any, and adjusted for certain remeasurement of the lease liability.

Notes to the consolidated financial statements

For the year ended 31 december 2025

3. MATERIAL ACCOUNTING POLICIES (continued)

H. FINANCIAL INSTRUMENTS

(i) Recognition and initial measurement

The Group initially recognises loans and advances, deposits, term financing, debt securities and Sukuk on the date on which they are originated. All other financial instruments (including regular-way purchases and sales of financial assets) are recognised on the trade date, which is the date on which the Group becomes a party to the contractual provisions of the instrument.

A financial asset or a financial liability is measured initially at fair value plus, for an item not at FVTPL, transaction costs that are directly attributable to its acquisition or issue. Transaction costs on financial instruments at FVTPL are expensed in the consolidated statement of income. The fair value of a financial instrument at initial recognition is generally its transaction price.

(ii) Classification

Financial assets

On initial recognition, a financial asset is classified as measured at: amortised cost, FVOCI or FVTPL.

A financial asset is measured at amortised cost if it meets both of the following conditions and is not designated as at FVTPL:

- the asset is held within a business model whose objective is to hold assets to collect contractual cash flows; and
- the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest (SPPI).

A debt instrument is measured at FVOCI only if it meets both of the following conditions and is not designated as at FVTPL:

- the asset is held within a business model whose objective is achieved by both collecting contractual cash flows and selling financial assets; and
- the contractual terms of the financial asset give rise on specified dates to cash flows that are SPPI.

On initial recognition of an equity investment that is not held for trading, the Group may irrevocably elect to present subsequent changes in fair value in OCI. This election is made on an investment-by-investment basis.

All other financial assets are classified as measured at FVTPL.

In addition, on initial recognition, the Group may irrevocably designate a financial asset that otherwise meets the requirements to be measured at amortised cost or at FVOCI as at FVTPL if doing so eliminates or significantly reduces an accounting mismatch that would otherwise arise.

Business model assessment

The Group makes an assessment of the objective of a business model in which an asset is held at a portfolio level because this best reflects the way the business is managed, and information is provided to stakeholders. The information considered includes:

- the stated policies and objectives for the portfolio and the operation of those policies in practice. In particular, whether management’s strategy focuses on earning contractual interest revenue, maintaining a particular interest rate profile, matching the duration of the financial assets to the duration of the liabilities that are funding those assets or realising cash flows through the sale of the assets;

- how the performance of the portfolio is evaluated and reported to the Group’s management;
- the risks that affect the performance of the business model (and the financial assets held within that business model) and its strategy for how those risks are managed;
- how managers of the business are compensated (e.g. whether compensation is based on the fair value of the assets managed or the contractual cash flows collected); and
- the frequency, volume and timing of sales in prior periods, the reasons for such sales and its expectations about future sales activity. However, information about sales activity is not considered in isolation, but as part of an overall assessment of how the Group’s stated objective for managing the financial assets is achieved and how cash flows are realise.

Reclassifications

Financial assets are not reclassified subsequent to their initial recognition, except in the period after the Group changes its business model for managing financial assets.

Notes to the consolidated financial statements

For the year ended 31 december 2025

3. MATERIAL ACCOUNTING POLICIES (continued)

H. FINANCIAL INSTRUMENTS (continued)

Assessment of whether contractual cash flows are SPPI

For the purposes of this assessment, ‘principal’ is defined as the fair value of the financial asset on initial recognition. ‘Interest’ is defined as consideration for the time value of money and for the credit risk associated with the principal amount outstanding during a particular period of time and for other basic lending risks and costs (e.g. liquidity risk and administrative costs), as well as profit margin.

In assessing whether the contractual cash flows are SPPI, the Group considers the contractual terms of the instrument. This includes assessing whether the financial asset contains a contractual term that could change the timing or amount of contractual cash flows such that it would not meet this condition. In making the assessment, the Group considers:

- contingent events that would change the amount and timing of cash flows;
- leverage features;
- prepayment and extension terms;
- terms that limit the Group’s claim to cash flows from specified assets (e.g. non-recourse loans); and

- features that modify consideration of the time value of money (e.g. periodical reset of interest rates).

Financial liabilities

The Group classifies its financial liabilities, other than financial guarantees and financing commitments, as measured at amortized cost. Amortized cost is calculated by taking into account any discount or premium on issue funds.

Deposits and securities sold under agreements to repurchase are initially recognized at fair value less transaction costs. Subsequently, financial liabilities are measured at amortized cost, unless they are required to be measured at fair value through profit or loss.

(iii) Derecognition

Financial liabilities

The Group derecognises a financial liability when its terms are modified and the cash flows of the modified liability are substantially different. In this case, a new financial liability based on the modified terms is recognised at fair value. The difference

between the carrying amount of the financial liability derecognised and the consideration paid is recognised in the consolidated statement of profit or loss. Consideration paid includes non-financial assets transferred, if any, and the assumption of liabilities, including the new modified financial liability.

If the modification of a financial liability is not accounted for as derecognition, then the amortised cost of the liability is recalculated by discounting the modified cash flows at the original effective interest rate and the resulting gain or loss is recognised in the consolidated statement of profit or loss. For floating-rate financial liabilities, the original effective interest rate used to calculate the modification gain or loss is adjusted to reflect current market terms at the time of the modification. Any costs and fees incurred are recognised as an adjustment to the carrying amount of the liability and amortised over the remaining term of the modified financial liability by re-computing the effective interest rate on the instrument.

(iv) Offsetting

Financial assets and financial liabilities are offset and the net amount presented in the statement of financial position when, and only when, the Group currently has a legally enforceable right to set off the amounts and it intends either to settle them on a net basis or to realise the asset and settle the liability simultaneously.

Income and expenses are presented on a net basis only when permitted under IFRS or for gains and losses arising from a group of similar transactions such as in the Group’s trading activity.

(v) Fair value measurement

‘Fair value’ is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date in the principal or, in its absence, the most advantageous market to which the Group has access at that date. The fair value of a liability reflects its non-performance risk.

Notes to the consolidated financial statements

For the year ended 31 december 2025

3. MATERIAL ACCOUNTING POLICIES (continued)

H. FINANCIAL INSTRUMENTS (continued)

When one is available, the Group measures the fair value of an instrument using the quoted price in an active market for that instrument. A market is regarded as 'active' if transactions for the asset or liability take place with sufficient frequency and volume to provide pricing information on an ongoing basis.

The best evidence of the fair value of a financial instrument on initial recognition is normally the transaction price – i.e. the fair value of the consideration given or received.

If a market for a financial instrument is not active or there is no market, the Group establishes fair value using well-recognised valuation techniques that may include recent arm's length transactions between knowledgeable, willing parties (if available), discounted cash flows or market multiples for similar instruments.

The objective of valuation techniques is to arrive at a fair value measurement that reflects the price that would be received to sell the asset or paid to transfer the liability in an orderly transaction between market participants at the measurement date. In determining fair valuation, the

Group in many instances relies on the financial data of investees and on estimates by the management of the investee companies as to the effect of future developments. Although the Group uses its best judgment, there are inherent limitations in any estimation technique. The fair value estimates presented herein are not necessarily indicative of an amount the Group could realise in a current transaction. Future confirming events will also affect the estimates of fair value. The effect of such events on the estimates of fair value, including the ultimate liquidation of investments, could be material to the consolidated financial statements.

The fair value of a financial liability with a demand feature (e.g. a demand deposit) is not less than the amount payable on demand, discounted from the first date on which the amount could be required to be paid.

The Group recognises transfers between levels of the fair value hierarchy as of the end of the reporting period during which the change has occurred.

(vi) Foreign exchange gains and losses

The carrying amount of financial assets that are denominated in a foreign currency is determined in that foreign currency and translated at the spot rate at the end of each reporting period. Specifically:

- for financial assets measured at amortised cost exchange differences are recognised in the consolidated statement of income in the 'other income' line item;
- for debt instruments measured at FVTOCI, exchange differences on the amortised cost of the debt instrument are recognised in the consolidated statement of income in the 'other income' line item;
- for financial assets measured at FVTPL, exchange differences are recognised in the consolidated statement of income in the 'net change in fair value of financial assets at FVTPL line item; and
- for equity instruments measured at FVTOCI, exchange differences are recognised in OCI in the investment fair value reserve are recognised in the consolidated statement of comprehensive income in the 'net change in fair value of debt securities at FVOCI line item.

(vii) Impairment of exposures subject to credit risk

The measurement of ECL under IFRS 9 across all categories of financial assets requires judgement. In particular, the estimation of the amount and timing of future cash flows and collateral values when determining impairment losses and the assessment of a significant increase in credit risk. These estimates are driven by a number of factors, changes in which can result in different levels of allowances.

The Group's ECL calculations are outputs of complex models with a number of underlying assumptions regarding the choice of variable inputs and their interdependencies. Elements of the ECL models that are considered accounting judgements and estimates include:

The selection of an estimation technique or modelling methodology, covering below key judgements and assumptions:

a) The Group's internal credit grading model, which assigns Probability of default (PD) to the individual grades;

Notes to the consolidated financial statements

For the year ended 31 december 2025

3. MATERIAL ACCOUNTING POLICIES (continued)

H. FINANCIAL INSTRUMENTS (continued)

- b) The Group’s criteria for assessing if there has been a significant increase in credit risk and so allowances for financial assets should be measured on a lifetime ECL basis and the qualitative assessment.
- c) The segmentation of financial assets when their ECL is assessed on a collective basis;
- d) Development of ECL models, including the various formulas; and
- e) Selection of forward-looking macroeconomic scenarios and their probability weightings, to derive the economic inputs into the ECL models.

The Group recognises loss allowances for ECLs on the following financial instruments that are not measured at FVTPL:

- Cash and cash equivalents
- Placements with banks
- Securities purchased under agreements to re-sell;
- Debt securities;
- Loans and advances;
- Loan commitments issued; and
- Financial guarantee contracts issued.

No impairment loss is recognised on equity investments.

- The Group measures ECL through a loss allowance at an amount equal to:
- 12month ECL, i.e. lifetime ECL that result from those default events on the financial instrument that are possible within 12 months after the reporting date, (referred to as Stage 1); or
 - full lifetime ECL, i.e. lifetime ECL that result from all possible default events over the life of the financial instrument, (referred to as Stage 2 and Stage 3).

A loss allowance for full lifetime ECL is required for a financial instrument if the credit risk on that financial instrument has increased significantly since initial recognition. For all other financial instruments, ECLs are measured at an amount equal to the 12-month ECL.

Significant increase in credit risk
When determining whether the risk of default on a financial instrument has increased significantly since initial recognition, the Group considers reasonable and supportable information that is relevant and available without undue cost or effort. This includes both quantitative and qualitative information and

analysis, based on the Group’s historical experience and expert credit assessment as well as forward-looking information. The Group’s accounting policy is to use the practical expedient that financial assets with ‘low’ credit risk at the reporting date are deemed not to have had a significant increase in credit risk.

In determining whether credit risk has increased significantly since initial recognition, the following criteria are considered:

- Downgrade in risk rating according to the approved ECL policy;
- Facilities restructured during previous twelve months;
- Qualitative indicators; and
- Facilities overdue by 30 days as at the reporting date subject to rebuttal in deserving circumstance

Definition of default

The Group considers a financial asset to be in default when:

- the borrower is unlikely to pay its credit obligations to the Group in full, without recourse by the Group to actions such as realising security (if any is held); or

- the borrower is more than 90 days past due on any material obligation to the Group; or
- It is becoming probable that the borrower will restructure the asset as a result of bankruptcy due to the borrower’s inability to pay its credit obligation.

In assessing whether a borrower is in default. The Group considers indicators that are:

- qualitative- e.g., breaches of covenant, borrower is deceased, insolvent or its is becoming probable that the borrower will entry bankruptcy.
- quantitative- e.g., overdue status, 90 days past due on its contractual payments and non-payment on another obligation of the same issuer to the Corporation; and
- based on data developed internally and obtained from external sources.
- Inputs into the assessment of whether a financial instrument is in default and their significance may vary over time to reflect changes in circumstances.

Notes to the consolidated financial statements

For the year ended 31 december 2025

3. MATERIAL ACCOUNTING POLICIES (continued)

H. FINANCIAL INSTRUMENTS (continued)

Measurement of ECLs

ECLs are a probability-weighted estimate of credit losses. Credit losses are measured as the present value of all cash shortfalls (i.e. the difference between the cash flows due to the entity in accordance with the contract and the cash flows that the Group expects to receive). ECLs are discounted at the effective profit rate of the financial asset.

The key inputs into the measurement of ECL are the term structure of the following variables:

- Probability of default (PD);
- Loss given default (LGD); and
- Exposure at default (EAD).

These parameters are generally derived from internally developed statistical models and other historical data. They are adjusted to reflect forward-looking information as described above.

PD estimates are estimates at a certain date, which are calculated based on statistical rating models, and assessed using rating tools tailored to the various categories of counterparties and exposures. These

statistical models are based on internally compiled data comprising both quantitative and qualitative factors. Where it is available, market data may also be used to derive the PD for large corporate counterparties. If a counterparty or exposure migrates between rating classes, then this will lead to a change in the estimate of the associated PD.

LGD is the magnitude of the likely loss if there is a default. The Group estimates LGD parameters based on the history of recovery rates of claims against defaulted counterparties. The LGD models consider the structure, collateral, seniority of the claim, counterparty industry and recovery costs of any collateral that is integral to the financial asset. In absence of adequate loss history, suitable proxies as well as regulatory parameters and guidance is used to determine the LGD.

EAD represents the expected exposure in the event of a default. The Group derives the EAD from the current exposure to the counterparty and potential changes to the current amount allowed under the contract including amortisation. The EAD of a financial asset is its gross carrying

amount. For lending commitments and financial guarantees, the EAD includes the amount drawn, as well as potential future amounts that may be drawn under the contract, which are estimated based on historical observations.

Credit-impaired financial assets

A financial asset is ‘credit-impaired’ when one or more events that have a detrimental impact on the estimated future cash flows of the financial asset have occurred. Credit-impaired financial assets are referred to as Stage 3 assets. The group defines a financial instrument as in default, which is fully aligned with the definition of credit-impaired, when it meets once or more of the following criteria:

Quantitative criteria:
Borrower is more than 90 days past due on its contractual payments

Qualitative criteria:
The borrower meets unlikelihood to pay criteria, which indicates the borrower is in significant financial difficulties. Evidence of credit-impairment includes observable data about the following events:

- significant financial difficulty of the borrower or issuer;
- a breach of contract such as a default or past due event;
- the lender of the borrower, for economic or contractual reasons relating to the borrower’s financial difficulty, having granted to the borrower a concession that the lender would not otherwise consider;
- the disappearance of an active market for a security because of financial difficulties; or
- the purchase of a financial asset at a deep discount that reflects the incurred credit losses.

It may not be possible to identify a single discrete event—instead, the combined effect of several events may have caused financial assets to become credit-impaired. The Group assesses whether debt instruments that are financial assets measured at amortised cost or FVTOCI are credit-impaired at each reporting date. To assess if sovereign and corporate debt instruments are credit impaired, the Group considers factors such as bond yields, credit ratings and the ability of the borrower to raise funding.

A loan is considered credit-impaired when a concession is granted to the

Notes to the consolidated financial statements

For the year ended 31 december 2025

3. MATERIAL ACCOUNTING POLICIES (continued)

H. FINANCIAL INSTRUMENTS (continued)

borrower due to a deterioration in the borrower’s financial condition, unless there is evidence that as a result of granting the concession the risk of not receiving the contractual cash flows has reduced significantly and there are no other indicators of impairment. For financial assets where concessions are contemplated but not granted, the asset is deemed credit impaired when there is observable evidence of credit-impairment including meeting the definition of default. The definition of default includes unlikelihood to pay indicators and a back-stop if amounts are overdue for 90 days or more.

The criteria above have been applied to all financial instruments held by the Group and are consistent with the definition of details used for internal credit risk management purposes. The default definition has been applied consistently to model the Probability of Default (PD), Exposure at Default (EAD) and Loss given Default (LGD) through the Groups expected loss calculations.

(viii) Derivative financial instruments and hedging activities

Derivatives are initially recognised at fair value on the date a derivative contract is entered into, and they

are subsequently remeasured to their fair value at the end of each reporting period. The accounting for subsequent changes in fair value depends on whether the derivative is designated as a hedging instrument and, if so, the nature of the item being hedged. The group designates certain derivatives as hedges of the fair value of recognised assets or liabilities or a firm commitment (fair value hedges).

Derivatives are classified as assets when their fair value is positive or as liabilities when their fair value is negative.

At inception of the hedge relationship, the group documents the economic relationship between hedging instruments and hedged items, including whether changes in the fair value of the hedging instruments are expected to offset changes in the fair value of hedged items. The group documents its risk management objective and strategy for undertaking its hedge transactions.

Fair value hedge accounting

Changes in the fair value of derivatives that are designated and qualify as fair value hedges are recorded in profit

or loss, together with any changes in the fair value of the hedged asset or liability that are attributable to the hedged risk. The gain or loss relating to the effective portion of interest rate swaps hedging fixed rate instruments is recognised in profit or loss within finance costs, together with changes in the fair value of the hedged fixed rate instruments attributable to interest rate risk. The gain or loss relating to the ineffective portion is recognised in profit or loss within other gains / (losses).

If the hedge no longer meets the criteria for hedge accounting, the adjustment to the carrying amount of a hedged item for which the effective interest method is used is amortised to profit or loss over the period to maturity using a recalculated effective interest rate.

Embedded derivatives

Derivatives may be embedded in another contractual arrangement (a host contract). The Group accounts for an embedded derivative separately from the host contract when:

- A. the host contract is not an asset in the scope of IFRS 9;
- B. the terms of the embedded derivative would meet the definition of a derivative if they were contained in a separate contract; and
- C. the economic characteristics and risks of the embedded derivative are not closely related to the economic characteristics and risks of the host contract.

Separated embedded derivatives are measured at fair value, with all changes in fair value recognized in consolidated statement of income unless they form part of a qualifying cash flow or net investment hedging relationship. Separated embedded derivatives are presented in the statement of financial position together with the host contract.

Notes to the consolidated financial statements

For the year ended 31 december 2025

3. MATERIAL ACCOUNTING POLICIES (continued)

I. REVENUE RECOGNITION

(i) Interest income and expense

Interest income and expense is recognised in the consolidated statement of income, using the effective interest rate method.

When calculating the effective interest rate for financial instruments other than purchased or originated credit-impaired assets, the Group estimates future cash flows considering all contractual terms of the financial instrument, but not ECL.

The calculation of the effective interest rate includes transaction costs and fees and points paid or received that are an integral part of the effective interest rate. Transaction costs include incremental costs that are directly attributable to the acquisition or issue of a financial asset or financial liability.

The effective interest rate of a financial asset or financial liability is calculated on initial recognition of a financial asset or a financial liability. In calculating interest income and expense, the effective interest rate is applied to the gross carrying amount of the asset (when the asset is not credit impaired) or to the amortised cost of the liability. The effective interest rate is revised as a result of

periodic re-estimation of cash flows of floating rate instruments to reflect movements in market rates of interest

Amortised cost and gross carrying amount
The 'amortised cost' of a financial asset or financial liability is the amount at which the financial asset or financial liability is measured on initial recognition minus the principal repayments, plus or minus the cumulative amortisation using the effective interest method of any difference between that initial amount and the maturity amount and, for financial assets, adjusted for any expected credit loss allowance.

The 'gross carrying amount of a financial asset' is the amortised cost of a financial asset before adjusting for any expected credit loss allowance.

(ii) Dividend income

Dividend income is recognized when the right to receive income is established. This is usually when approved by the shareholders.

J. IMPAIRMENT OF NON-FINANCIAL ASSETS

At each reporting date, the Group reviews the carrying amounts of its non-financial assets to determine

whether there is any indication of impairment. If any such indication exists, then the asset's recoverable amount is estimated. Recoverable amount is the higher of fair value less costs to sell and value in use. An impairment loss is recognised if the carrying amount of an asset exceeds its recoverable amount. Impairment losses are recognised in the consolidated statement of income.

Where an impairment loss subsequently reverses, the carrying amount of the asset is increased to the revised estimate of its recoverable amount, to the extent that the asset's carrying amount does not exceed the carrying amount that would have been determined net of depreciation or amortisation, if no impairment loss had been recognised. A reversal of an impairment loss is recognised immediately in the consolidated statement of profit or loss.

K. LEGAL AND GENERAL RESERVES

Under Article 35 of APICORP's Establishment Agreement and statute, 10% of profit for the year is to be appropriated to a legal reserve until such reserve equals the paid-up share capital. The Legal Reserve is not available for distribution and is not subject to release by the Group.

Article 35 also permits the creation of other reserves such as a general reserve on the recommendation of the directors and approval of the shareholders. The General Reserve may be applied as is consistent with the objectives of the Corporation, and as may be decided by the General Assembly, on the recommendation of the Board of Directors. The General Reserve is provided for based on the recommendation of the Board of Directors. The General Assembly, on the recommendation of the Board of Directors, may resolve to utilize general reserves in harmony with the objectives of the Corporation.

L. END OF SERVICE BENEFITS

The corporation has a defined benefit plan. A defined benefit plan is a post employment benefit plan other than a defined contribution plan. The liability recognised in the statement of financial position in respect of defined benefit gratuity plans is the present value of the defined benefit obligation at the end of the reporting period together with adjustments for unrecognised past service costs. The defined benefit obligation is calculated periodically by independent actuaries using the projected unit credit method. The present value of the defined benefit obligation is determined by

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For the year ended 31 december 2025

3. MATERIAL ACCOUNTING POLICIES (continued)

L. END OF SERVICE BENEFITS (continued)

discounting the estimated future cash outflows using interest rates of high quality corporate bonds that are denominated in the currency in which the benefits will be paid, and that have terms to maturity approximating to the terms of the related obligation.

Past service costs are recognised immediately in the consolidated statement of income, unless the changes to the gratuity plan are conditional on the employees remaining in service for a specified period of time (the vesting period). In this case, the past service costs are amortised on a straight line basis over the vesting period.

The Corporation provides end of service benefits for its employees. The entitlement to these benefits is based upon the employees’ length of service and completion of a minimum service period. The expected costs of these benefits are accrued over the period of employment.

M. USE OF JUDGEMENTS AND ESTIMATES

The preparation of the consolidated financial statements in conformity with IFRSs requires management

to make judgements, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets, liabilities, income and expenses. Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimates are revised and in any future periods affected.

(i) Judgements

Classification of financial assets
Assessment of the business model within which the assets are held and assessment of whether contractual terms of the financial assets are SPPI on the principal amount outstanding. Refer Note 3H(ii).

Significant increase of credit risk
Establishing the criteria for determining whether credit risk on the financial asset has increased significantly since initial recognition, determining the methodology for incorporating forward-looking information into the measurement of ECL and selection and approvals of models used to measure ECL. (Refer Note 26(a)).

Impairment allowance on loans and advances at amortised cost
In determining the appropriate level of expected credit losses (ECLs) the Group considered the macro-economic outlook, customer credit quality, the type of collateral held, exposure at default, and the effect of payment deferral options as at the reporting date.

The model inputs, including forward-looking information, scenarios, and associated weightings, were revised to reflect the current outlook.

The Group’s models are calibrated to consider past performance and macroeconomic forward-looking variables as inputs. This includes consideration of significant government support and the high degree of uncertainty around historic long-term trends used in determining reasonable and supportable forward-looking information as well as the assessment of underlying credit deterioration and migration of balances to progressive stages.

The Group considers both qualitative and quantitative information in the assessment of significant increase in credit risk.

(ii) Assumptions and estimation uncertainties

The key assumptions concerning the future and other key sources of estimation uncertainty at the reporting date, that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are discussed below:

Impairment of financial instruments
Determination of inputs into the ECL measurement model, including key assumptions used in estimating recoverable cash flows and incorporation of forward-looking information. (Refer Note 26 (a)).

Measurement of fair value of financial instruments with significant unobservable inputs (level 3). (Refer Note (28)).

Climate and sustainability related developments

The petroleum and energy industries are resource-intensive. The Group is committed to Green Bonds Principles of the International Capital Markets Association (ICMA) when using the proceeds of the Green

Notes to the consolidated financial statements

For the year ended 31 december 2025

3. MATERIAL ACCOUNTING

POLICIES (continued)

M. USE OF JUDGEMENTS AND ESTIMATES (continued)

Bonds issued by the Group. In accordance with the Green Bond Principles, the Group commits to report information on the allocation of proceeds. The Group adopts the harmonised reporting framework, developed by an informal group of eleven international development banks including the World Bank (IBRD), the International Finance Corporation (IFC) and the European Investment Bank (EIB). The harmonized reporting framework provides core principles and recommendations for green bond reporting, and also recommends core indicators for the two sectors renewable energy and energy efficiency. For this reason, current developments and measures relating to climate change and sustainability do not lead to fundamentally changed expectations with regard to recoverability of the majority of assets. Any change in legislation or commitment could affect the assessment and subsequent measurement. Climate policies and energy transformation are also offering business opportunities, like demand for lightweight materials. Therefore, currently it is assessed that there are no adjustments required for the impairment test and no impairment was recognised. See

notes 12 and 27 of these consolidated financial statements.

Ns. FOREIGN CURRENCY TRANSACTIONS

Transactions in currencies other than US dollars (foreign currencies) are translated at the exchange rates ruling at the date of the transaction. All monetary assets and liabilities, denominated in foreign currencies, are translated into US dollars at rates prevailing at the reporting date. Differences arising from changes in exchange rates are recognised in the consolidated statement of profit or loss.

Investments (non-monetary assets) denominated in foreign currencies that are stated at fair value are translated to US dollars at reporting date. Differences arising from changes in rates are included in the fair value reserve in equity for FVOCI investments and in statement of profit or loss for FVTPL investments. All other non-monetary assets and liabilities are stated at the historical rates of exchange.

4. PLACEMENTS WITH BANKS, NET

	2025	2024
With Islamic financial institutions	900,000	30,000
With conventional financial institutions	95,124	195,356
Margin call accounts	3,458	79,641
High quality liquid assets	165,886	-
Expected credit losses (note 26)	(4,462)	(78)
	1,160,006	304,919
Placements with banks (with an original maturity of less than 90 days) (note 30)	(95,124)	(67,357)
	1,064,882	237,562

5. LOANS AND ADVANCES, NET

	2025	2024
Islamic loans held at amortised cost	1,009,889	743,180
Conventional loans held at amortised cost	5,152,748	4,983,222
Gross Loans	6,162,637	5,726,402
Unamortized participation and upfront fees	(92,053)	(91,847)
	6,070,584	5,634,555
Expected credit losses	(89,000)	(115,269)
Loans and advances at amortised cost, net	5,981,584	5,519,286
Conventional loans held at FVTPL	43,536	43,536
	6,025,120	5,562,822

Notes to the consolidated financial statements

For the year ended 31 december 2025

5. LOANS AND ADVANCES, NET (continued)

Below tables show the loans and advances breakdown of credit exposure and expected credit losses of loans and advances at amortized cost:

31 December 2025	Performing	Non-performing	Gross	Unamortized participation and upfront fees	Expected credit losses	Loans and advances at amortised cost, net
Islamic loans	1,009,889	-	1,009,889	(19,956)	(16,215)	973,718
Conventional loans	5,139,284	13,464	5,152,748	(72,097)	(72,785)	5,007,866
Total	6,149,173	13,464	6,162,637	(92,053)	(89,000)	5,981,584

31 December 2024	Performing	Non-performing	Gross	Unamortized participation and upfront fees	Expected credit losses	Loans and advances at amortised cost, net
Islamic loans	743,180	-	743,180	(12,088)	(16,425)	714,667
Conventional loans	4,956,862	26,360	4,983,222	(79,759)	(98,844)	4,804,619
Total	5,700,042	26,360	5,726,402	(91,847)	(115,269)	5,519,286

Performing loans are under stage 1 and stage 2 i.e. 12-month ECL and lifetime ECL not credit impaired, and the non-performing loans includes all the loans that are under stage 3 i.e. lifetime ECL credit impaired. FVTPL loans are also classified as performing.

Notes to the consolidated financial statements

For the year ended 31 december 2025

5. LOANS AND ADVANCES, NET (continued)

Below tables show the stage-wise breakdown of gross exposure and expected credit losses of loan and advances at amortized cost:

w					31 December 2025				
Gross exposure					Expected credit losses				
	12-month ECL	Lifetime ECL not credit impaired	Lifetime ECL credit impaired	Total Gross Exposure		12-month ECL	Lifetime ECL not credit impaired	Lifetime ECL credit impaired	Total Expected credit losses
Islamic loans	1,009,889	-	-	1,009,889		(16,215)	-	-	(16,215)
Conventional loans	5,090,523	48,761	13,464	5,152,748		(43,220)	(16,101)	(13,464)	(72,785)
Total	6,100,412	48,761	13,464	6,162,637		(59,435)	(16,101)	(13,464)	(89,000)

31 December 2024					31 December 2024				
Gross exposure					Expected credit losses				
	12-month ECL	Lifetime ECL not credit impaired	Lifetime ECL credit impaired	Total Gross Exposure		12-month ECL	Lifetime ECL not credit impaired	Lifetime ECL credit impaired	Total Expected credit losses
Islamic loans	490,890	252,290	-	743,180		(200)	(16,225)	-	(16,425)
Conventional loans	4,127,617	829,245	26,360	4,983,222		(11,371)	(61,113)	(26,360)	(98,844)
Total	4,618,507	1,081,535	26,360	5,726,402		(11,571)	(77,338)	(26,360)	(115,269)

Notes to the consolidated financial statements

For the year ended 31 december 2025

5. LOANS AND ADVANCES, NET (continued)

Movement of gross loan exposure for Islamic loans is as follows:

	31 December 2025			
	12-month ECL	Lifetime ECL not credit impaired	Lifetime ECL credit impaired	Total Gross Exposure
Opening balance at 1 January	490,890	252,290	-	743,180
Transfer to 12-month ECL	252,290	(252,290)	-	-
Transfer to life-time ECL, not credit impaired	-	-	-	-
New loans and advances originated	400,762	-	-	400,762
Loans and advances settled	(134,053)	-	-	(134,053)
Balance as at 31 December	1,009,889	-	-	1,009,889

	31 December 2024			
	12-month ECL	Lifetime ECL not credit impaired	Lifetime ECL credit impaired	Total Gross Exposure
Opening balance at 1 January	433,492	267,222	-	700,714
Transfer to 12-month ECL	-	-	-	-
Transfer to life-time ECL, not credit impaired	(240,000)	240,000	-	-
New loans and advances originated	359,869	-	-	359,869
Loans and advances settled	(62,471)	(254,932)	-	(317,403)
Balance as at 31 December	490,890	252,290	-	743,180

Notes to the consolidated financial statements

For the year ended 31 december 2025

5. LOANS AND ADVANCES, NET (continued)

Movement in expected credit losses for Islamic loans is as follows:

	31 December 2025			
	12-month ECL	Lifetime ECL not credit impaired	Lifetime ECL credit impaired	Total
Opening allowance at 1 January	200	16,225	-	16,425
Transfer to 12-month ECL	16,225	(16,225)	-	-
Transfer to life-time ECL, not credit impaired	-	-	-	-
Net reversal for the year	(210)	-	-	(210)
Balance as at 31 December	16,215	-	-	16,215

	31 December 2024			
	12-month ECL	Lifetime ECL not credit impaired	Lifetime ECL credit impaired	Total
Opening allowance at 1 January	260	14,457	-	14,717
Transfer to 12-month ECL	-	-	-	-
Transfer to life-time ECL, not credit impaired	(15,010)	15,010	-	-
Net charge / (reversal) for the year	14,950	(13,242)	-	1,708
Balance as at 31 December	200	16,225	-	16,425

Movement of gross loan exposure for conventional loans is as follows:

	31 December 2025			
	12-month ECL	Lifetime ECL not credit impaired	Lifetime ECL credit impaired	Total Gross Exposure
Opening balance at 1 January	4,127,617	829,245	26,360	4,983,222
Transfer to 12-month ECL	829,245	(829,245)	-	-
Transfer to life-time ECL, not credit impaired	(37,883)	48,761	(10,878)	-
New loans and advances originated	1,946,429	-	-	1,946,429
Loans and advances settled	(1,774,885)	-	(2,018)	(1,776,903)
Balance as at 31 December	5,090,523	48,761	13,464	5,152,748

	31 December 2024			
	12-month ECL	Lifetime ECL not credit impaired	Lifetime ECL credit impaired	Total Gross Exposure
Opening balance at 1 January	3,191,377	775,183	36,526	4,003,086
Transfer to 12-month ECL	-	-	-	-
Transfer to life-time ECL, not credit impaired	(584,995)	584,995	-	-
New loans and advances originated	1,959,760	-	-	1,959,760
Loans and advances settled	(438,525)	(530,933)	(10,166)	(979,624)
Balance as at 31 December	4,127,617	829,245	26,360	4,983,222

Notes to the consolidated financial statements

For the year ended 31 december 2025

5. LOANS AND ADVANCES, NET (continued)

Movement in expected credit losses for conventional loans is as follows:

	31 December 2025			
	12-month ECL	Lifetime ECL not credit impaired	Lifetime ECL credit impaired	Total
Opening allowance at 1 January	11,371	61,113	26,360	98,844
Transfer to 12-month ECL	61,113	(61,113)	-	-
Transfer to life-time ECL, not credit impaired	(15,989)	26,867	(10,878)	-
Net reversal for the year	(13,275)	(10,766)	(2,018)	(26,059)
Balance as at 31 December	43,220	16,101	13,464	72,785

	31 December 2024			
	12-month ECL	Lifetime ECL not credit impaired	Lifetime ECL credit impaired	Total
Opening allowance at 1 January	3,741	42,380	36,526	82,647
Transfer to 12-month ECL	-	-	-	-
Transfer to life-time ECL, not credit impaired	(127,639)	127,639	-	-
Net charge / (reversal) for the year	135,269	(108,906)	(10,166)	16,197
Balance as at 31 December	11,371	61,113	26,360	98,844

Notes to the consolidated financial statements

For the year ended 31 december 2025

6. INVESTMENTS

	2025	2024
Debt securities at FVOCI		
Conventional		
Treasury bills	2,198,499	1,224,190
Fixed-rate bonds	1,144,522	1,198,497
Floating-rate bonds	84,553	148,287
	3,427,574	2,570,974
Islamic		
Fixed-rate bonds	611,526	582,972
Floating-rate bonds	8,187	6,740
	619,713	589,712
Total debt securities at FVOCI	4,047,287	3,160,686
Debt securities at FVTPL		
Debt securities – Islamic	-	10,438
Conventional	-	37,775
Managed funds	27,520	143,974
Total debt securities at FVTPL	27,520	192,187

Notes to the consolidated financial statements

For the year ended 31 december 2025

6. INVESTMENTS (continued)

	2025	2024
Investments in debt securities	4,074,807	3,352,873
Equity securities at FVOCI		
Unlisted equities	1,053,490	913,815
Listed equities	32,702	102,346
Total equity securities at FVOCI	1,086,192	1,016,161
Equity securities at FVTPL		
Managed funds	207,366	129,329
Listed equities	177,580	195,625
Total equity securities at FVTPL	384,946	324,954
Investments in equity	1,471,138	1,341,115
Total investments	5,545,945	4,693,988

Equity Securities at FVOCI:

The following table represents the sector concentration for Equity securities at FVOCI:

	2025	2024
Energy	332,806	211,311
Materials	625,523	728,112
Utilities	23,183	31,787
Industrials	104,680	44,951
Balance at 31 December	1,086,192	1,016,161

Debt Securities at FVOCI:

The following table further explains changes in gross carrying amount of the debt securities measured at FVOCI to help explain their significance to the changes in the provision for ECL of the same portfolio.

Movement of gross exposure for securities at FVOCI is as follows:

	31 December 2025			
	12-month ECL	Lifetime ECL not credit impaired	Lifetime ECL credit impaired	Total
Opening balance at 1 January	2,422,819	132,878	15,277	2,570,974
Transfer to life-time ECL not credit impaired	6,796	(6,796)	-	-
Transfer to life-time ECL credit impaired	-	-	-	-
Purchase of new investments	4,456,634	11,385	-	4,468,019
Disposals and maturities during the year	(3,452,863)	(143,279)	(1,817)	(3,597,959)
Write-off	-	-	(13,460)	(13,460)
Balance as at 31 December	3,433,386	(5,812)	-	3,427,574

Notes to the consolidated financial statements

For the year ended 31 december 2025

6. INVESTMENTS (continued)

	31 December 2024			
	12-month ECL	Lifetime ECL not credit impaired	Lifetime ECL credit impaired	Total
Opening balance at 1 January	2,110,816	155,331	15,040	2,281,187
Transfer to life-time ECL not credit impaired	(10,635)	10,635	-	-
Transfer to life-time ECL credit impaired	(277)	-	277	-
Purchase of new investments	3,724,671	17,297	-	3,741,968
Disposals and maturities during the year	(3,401,756)	(50,385)	(40)	(3,452,181)
Balance as at 31 December	2,422,819	132,878	15,277	2,570,974

Movement of gross exposure for conventional debt securities at FVOCI is as follows:

	31 December 2025			
	12-month ECL	Lifetime ECL not credit impaired	Lifetime ECL credit impaired	Total
Opening balance at 1 January	588,728	984	-	589,712
Transfer to life-time ECL not credit impaired	-	-	-	-
Purchase of new investments	282,079	-	-	282,079
Disposals and maturities during the year	(251,094)	(984)	-	(252,078)
Balance as at 31 December	619,713	-	-	619,713

	31 December 2024			
	12-month ECL	Lifetime ECL not credit impaired	Lifetime ECL credit impaired	Total
Opening balance at 1 January	628,312	23,903	-	652,215
Transfer to life-time ECL not credit impaired	(997)	997	-	-
Purchase of new investments	305,331	-	-	305,331
Disposals and maturities during the year	(343,918)	(23,916)	-	(367,834)
Balance as at 31 December	588,728	984	-	589,712

Notes to the consolidated financial statements

For the year ended 31 december 2025

6. INVESTMENTS (continued)

An analysis of changes in expected credit losses of conventional debt securities measured at FVOCI, is as follows:

	31 December 2025			
	12-month ECL	Lifetime ECL not credit impaired	Lifetime ECL credit impaired	Total
Opening allowance at 1 January	1,112	3,893	15,277	20,282
Transfer to life-time ECL, not credit impaired	246	(246)	-	-
Transfer to life-time ECL, credit impaired	-	-	(13,460)	(13,460)
Net charge / (reversal) for the year	4,910	(3,647)	(1,817)	(554)
Balance as at 31 December	6,268	-	-	6,268

	31 December 2024			
	12-month ECL	Lifetime ECL not credit impaired	Lifetime ECL credit impaired	Total
Opening allowance at 1 January	497	4,294	9,024	13,815
Transfer to life-time ECL, not credit impaired	(213)	213	-	-
Transfer to life-time ECL, credit impaired	(277)	-	277	-
Net charge for the year	1,105	(614)	5,976	6,467
Balance as at 31 December	1,112	3,893	15,277	20,282

Notes to the consolidated financial statements

For the year ended 31 december 2025

6. INVESTMENTS (continued)

An analysis of changes in expected credit losses of Islamic debt securities measured at FVOCI, is as follows:

	31 December 2025			Total
	12-month ECL	Lifetime ECL not credit impaired	Lifetime ECL credit impaired	
Opening allowance at 1 January	614	17	-	631
Transfer to 12-month ECL	-	-	-	-
Transfer to life-time ECL, credit impaired	-	-	-	-
Net charge / (reversal) for the year	1,252	(17)	-	1,235
Balance as at 31 December	1,866	-	-	1,866

	31 December 2024			Total
	12-month ECL	Lifetime ECL not credit impaired	Lifetime ECL credit impaired	
Opening allowance at 1 January	315	675	-	990
Transfer to 12-month ECL	-	-	-	-
Transfer to life-time ECL, credit impaired	-	-	-	-
Net charge / (reversal) for the year	299	(658)	-	(359)
Balance as at 31 December	614	17	-	631

Investments at FVTPL:

All the investments at FVTPL are classified as performing. Performing investments are those that are expected to generate returns in line with projections.

6 (a) Securities sold under agreements to repurchase:

The Group enters into collateralised borrowing transactions (repurchase agreements) in the ordinary course of its financing activities. Collateral is provided in the form of debt securities at FVOCI. At 31 December 2025, the fair value of debt investment at FVOCI pledged as collateral under repurchase agreements was US\$ 503 million (31 December 2024: US\$ 493 million). These transactions are conducted under the terms that are usual and customary to standard securities borrowings and lending activities. The increase in the amount of debt securities used as collateral under repurchase agreements is primarily driven by the Group's financing needs.

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7. EQUITY ACCOUNTED INVESTEEES, NET

2025	GC- 16 JV	Al Khorayef United Holding	Intra Taf Holding	Metito Utilities Limited	Tagaddod	Total
Opening balance at 1 January	-	41,770	20,419	34,000	-	96,189
Purchases	-	-	-	-	20,341	20,341
Share of profit for the year	-	5,567	2,477	1,160	-	9,204
Dividends paid during the year	-	(2,576)	(2,208)	-	-	(4,784)
Change in foreign exchange value	-	232	-	-	-	232
Balance as at 31 December	-	44,993	20,688	35,160	20,341	121,182

2024	GC- 16 JV	Al Khorayef United Holding	Intra Taf Holding	Metito Utilities Limited	Tagaddod	Total
Opening balance at 1 January	1,282	34,144	19,003	-	-	54,429
Purchases	-	-	-	34,000	-	34,000
Settlement of JV on liquidation	(1,282)	-	-	-	-	(1,282)
Share of profit for the year	-	5,528	3,456	-	-	8,984
Dividends paid during the year	-	-	(2,040)	-	-	(2,040)
Change in foreign exchange value	-	2,098	-	-	-	2,098
Balance as at 31 December	-	41,770	20,419	34,000	-	96,189

7.1 During 2024, the parties for GC16- JV issued a discharged, rescission and release agreement on 18 May 2024 for the conclusion of the joint venture agreement.

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7. EQUITY ACCOUNTED INVESTEEES, NET
(continued)

Below are the equity accounted investees as at 31 December 2025 and 31 December 2024;

Name	Country	31 December 2025	31 December 2024	% holding		Nature of business
				31 December 2025	31 December 2024	
Al Khorayef United Holding	State of Kuwait	44,993	41,770	24	24	Oil and gas services and facilities management company
Intra Taf Holding	Luxembourg	20,688	20,419	40	40	Holding and management company
Metito Utilities Limited	United Arab Emirates	35,160	34,000	40	40	Water utilities company
Tagaddod	Egypt	20,341	-	33	-	Waste management company

The summarized financial information below represents the latest financial information available for the investees:

Investee Companies latest Financial Information								
Name	Current Assets	Non-current Assets	Total Assets	Current Liabilities	Non-current Liabilities	Total Liabilities	Total Revenues	Total Income / (Loss)
Al Khorayef United Holding	149,916	88,728	238,644	40,473	19,484	59,957	182,224	30,135
Intra Taf Holding	189	20,955	21,144	27	-	27	-	6,062
Metito Utilities Limited	75,852	130,704	206,556	17,068	40,962	58,030	29,881	3,519
Tagaddod	23,162	1,049	24,211	4,758	-	4,758	106,279	(2,277)

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8. PROPERTY, EQUIPMENT AND RIGHT OF USE ASSETS

Below are the equity accounted investees as at 31 December 2025 and 31 December 2024;

	Land	Buildings	Right of Use Assets (note 23)	Fixtures, Computer & Equipment	Capital work in progress	Total
Cost						
At 1 January 2024	4,004	40,167	23,567	24,683	5,856	98,277
Additions	-	-	-	2,536	169	2,705
Transfers	-	5,081	-	-	(5,081)	-
Disposals	(4,004)	(38,846)	(21)	(17,889)	-	(60,760)
At 1 January 2025	-	6,402	23,546	9,330	944	40,222
Additions	-	-	-	1,632	589	2,221
Transfers	-	(6,402)	-	7,346	(944)	-
Adjustment	-	-	(662)	-	-	(662)
Disposals	-	-	-	(193)	-	(193)
At 31 December 2025	-	-	22,884	18,115	589	41,588

	Land	Buildings	Right of Use Assets (note 23)	Fixtures, Computer & Equipment	Capital work in progress	Total
Depreciation and impairment						
At 1 January 2024	-	39,499	1,110	23,821	-	64,430
Additions	-	682	2,443	1,394	-	4,519
Transfers	-	-	-	-	-	-
Disposals	-	(38,228)	(21)	(20,488)	-	(58,737)
At 1 January 2025	-	1,953	3,532	4,727	-	10,212
Additions	-	-	2,363	2,503	-	4,866
Transfers	-	(1,953)	-	1,953	-	-
Adjustment	-	-	(147)	-	-	(147)
Disposals	-	-	-	(157)	-	(157)
At 31 December 2025	-	-	5,748	9,026	-	14,774
Carrying Amount						
At 31 December 2025	-	-	17,136	9,089	589	26,814
At 31 December 2024	-	4,449	20,014	4,603	944	30,010

Right-of-use asset relates to the Group agreement for a period of 10 years (depreciation period) for Riyadh head office operation in the Kingdom of Saudi Arabia. Fixtures and fittings have been reclassified from the Buildings category to Fixtures, Computer & Equipment category.

During October 2024, the Group successfully sold the old Head office in Dammam, Kingdom of Saudi Arabia classified as asset held for sale with net proceeds of US \$ 42.7 million and resulted in a gain of US \$ 26.1 million.

Notes to the consolidated financial statements

For the year ended 31 december 2025

9. OTHER ASSETS

	2025	2024
Interest receivables	167,163	107,517
Other receivables and prepayments, net	7,934	1,835
Employee loans and advances	864	1,035
Dividends receivable	244	501
	176,205	110,888

10. DEPOSITS

	2025	2024
Deposits from banks	199,531	492,000
Deposits from corporates	92,624	122,513
Deposits from shareholders	164,873	158,142
	457,028	772,655

11. TERM FINANCING

Movement of term financing during the year is as follow:

	2025	2024
Balance as at 1 January	1,450,000	950,000
Proceeds during the year	600,000	500,000
Payments during the year	(200,000)	-
Balance as at 31 December	1,850,000	1,450,000

The Corporation was fully compliant with the above covenants during the year ended 31 December 2025 and year ended 31 December 2024.

12. SUKUK AND BONDS ISSUED

	2025	2024
Public bond issued *	2,860,917	3,413,376
Private placement issued	3,869,421	1,159,771
	6,730,338	4,573,147

*These sukuk and bonds were issued and listed in Irish Stock Exchange plc trading as Euronext Dublin («Euronext Dublin»).

**These sukuks and bonds were issued and listed in Irish Stock Exchange plc trading as Euronext Dublin («Euronext Dublin») and Taipei Exchange (“TPex”).

The bonds issued include Green Bonds of US\$ 1,700 million (31 December 2024: US\$ 1,500 million).

The proceeds from any of the Green Bonds will exclusively be used to finance, refinance and/or invest in whole or in part, new or existing projects under development and/or projects in operation from any of the Eligible Green Categories. All Eligible

Notes to the consolidated financial statements

For the year ended 31 december 2025

12. SUKUK AND BONDS ISSUED (continued)

Green Projects are expected to provide significant environmental benefits towards Climate Change Mitigation while avoiding significant harm to either Climate Change Adaptation, Sustainable Use of Water Resources, the Transition to a Circular Economy, Pollution Prevention and Control and

Biodiversity Preservation. The Group commits to comply with the Green Bond Framework which is in accordance with the International Capital Markets Association (“ICMA”) Green Bond Principles and UN Sustainable Development Goals (“SDGs”).

Movement of sukuks and bonds issued during the year is as follow:

	2025	2024
Balance at the beginning of the year	4,573,147	3,672,187
Proceeds during the year	3,185,936	1,572,008
Repayments during the year	(1,225,000)	(894,132)
Foreign currency translation and other adjustment	196,255	223,084
Balance at the end of the year	6,730,338	4,573,147

13. COMMITMENTS AND GUARANTEES

	2025	2024
Commitments to underwrite unfunded and funded loans	2,131,699	2,106,362
Letters of credit	1,073	260,917
Letters of guarantee	301,131	372,591
Expected credit losses	(25,938)	(13,778)
	2,407,965	2,726,092
Commitments to subscribe capital investments	509,468	192,023
Other commitments	1,733	2,056
	2,919,166	2,920,171

Notes to the consolidated financial statements

For the year ended 31 december 2025

13. COMMITMENTS AND GUARANTEES
(continued)

Irrevocable commitments to extend credit represent a commitment / guarantee of the Group issued to local exporters, to honour or negotiate LC's issued to the exporters. The contractual maturity structure of the Group's commitments and guarantees as of 31 December 2025 and 31 December 2024 is as follows:

	Within 3 months	3-12 months	1-5 years	Over 5 years	Total
2025					
Commitments to underwrite and fund loans	22,689	266,719	596,534	1,245,757	2,131,699
Letters of credit	1,073	-	-	-	1,073
Letters of guarantee	35,553	126,533	136,660	2,385	301,131
Commitments to subscribe capital investments	-	-	509,468	-	509,468
Other commitments	-	1,733	-	-	1,733
Total	59,315	394,985	1,242,662	1,248,142	2,945,104
2024					
Commitments to underwrite and fund loans	25,000	375,165	607,049	1,099,148	2,106,362
Letters of credit	146,649	61,418	52,850	-	260,917
Letters of guarantee	25,376	147,314	167,420	32,481	372,591
Commitments to subscribe capital investments	-	-	192,023	-	192,023
Other commitments	-	2,056	-	-	2,056
Total	197,025	585,953	1,019,342	1,131,629	2,933,949

The following table shows reconciliations from the opening to the closing balance of the gross exposure of credit commitments and contingencies:

	31 December 2025			
	12-month ECL	Lifetime ECL not credit impaired	Lifetime ECL credit impaired	Total Gross Exposure
Opening balance at 1 January	2,447,132	292,738	-	2,739,870
Transfer to life-time ECL, not credit impaired	292,738	(260,256)	-	32,482
Net commitments – issued / expired and matured during the year	(338,449)	-	-	(338,449)
Balance as at 31 December	2,401,421	32,482	-	2,433,903
	31 December 2024			
	12-month ECL	Lifetime ECL not credit impaired	Lifetime ECL credit impaired	Total Gross Exposure
Opening balance at 1 January	1,851,878	462,762	-	2,314,640
Transfer to life-time ECL, not credit impaired	(176,587)	176,587	-	-
Net commitments – issued / expired and matured during the year	771,841	(346,611)	-	425,230
Balance as at 31 December	2,447,132	292,738	-	2,739,870

Notes to the consolidated financial statements

For the year ended 31 december 2025

13. COMMITMENTS AND GUARANTEES
(continued)

The movement of expected credit losses related to commitments and guarantees is as below:

	31 December 2025			
	12-month ECL	Lifetime ECL not credit impaired	Lifetime ECL credit impaired	Total
Opening allowance at 1 January	3,238	10,540	-	13,778
Transfer to life-time ECL, not credit impaired	10,540	(10,540)	-	-
ECL on newly originated commitments and guarantees	18,212	-	-	18,212
Net reversal for the year	(6,052)	-	-	(6,052)
Balance as at 31 December	25,938	-	-	25,938

	31 December 2024			
	12-month ECL	Lifetime ECL not credit impaired	Lifetime ECL credit impaired	Total
Opening allowance at 1 January 2024	1,796	11,971	-	13,767
Transfer to life-time ECL, not credit impaired	(3,283)	3,283	-	-
ECL on newly originated commitments and guarantees	705	3,030	-	3,735
Net (reversal) / charge for the year	4,020	(7,744)	-	(3,724)
Balance as at 31 December 2024	3,238	10,540	-	13,778

As at 31 December 2025, there were no new significant legal proceedings outstanding against the Group with no previous provided provisions, and therefore, no provision has been made in these consolidated financial statements.

Notes to the consolidated financial statements

For the year ended 31 december 2025

14. OTHER LIABILITIES

	2025	2024
Interest payable	123,388	88,845
Accrued expenses	28,346	22,987
Other payables	27,569	21,834
Expected credit losses for commitments and financial guarantees (note 26)	25,938	13,778
Lease liabilities (note 23)	19,670	20,933
End of service benefits (note 14.1)	9,182	9,896
Dividend payable to shareholders	5,492	22,162
Treasury related payables	4,472	1,296
Call account liability	4,137	147
	248,194	201,878

14.1 End of service benefits

General Description:

The Group operates an end of service benefit plan for its employees based on the prevailing Saudi Labour Laws. Accruals are made in accordance with the actuarial valuation under projected unit credit method while the benefit payments obligation is discharged as and when it falls due.

The amounts recognized in the consolidated statement of financial position and movement in the obligation during the year based on its present value are as follows:

	2025	2024
Balance as at 1 January	9,896	9,650
Current service cost charge for the year	1,586	1,615
Finance cost	477	51
Benefits paid	(2,094)	(1,283)
Re-measurements (gain)	(683)	(137)
Balance as at 31 December	9,182	9,896

Re-measurement recognised in consolidated other comprehensive income:

	2025	2024
Changes in experience assumptions	(600)	184
Changes in financial assumptions	(83)	(420)
	(683)	(236)

Notes to the consolidated financial statements

For the year ended 31 december 2025

14. OTHER LIABILITIES (continued)

Principal actuarial assumptions used in estimating the end of service benefit plan included:

	2025	2024
Discount rate	5.40%	4.55%
Expected rate of salary increase	6.3%	6.7%
Withdrawal rate	16%	10%
Average duration	7.53 years	7.13 years
Normal retirement age	60 years	60 years

The table below illustrates the sensitivity of the end of service benefits plan due to changes in the key assumptions and holding all other variables constant:

		2025	2024
	Change in assumption	Increase / (decrease)	Increase / (decrease)
Discount rate	+/- 1%	+ 809 / (698)	+ 756 / (654)
Expected rate of salary increase	+/- 1%	+ 841 / (741)	+ 789 / (696)
Withdrawal rates	+/- 10%	5 / (5)	47 / (44)

The sensitivity analysis presented above may not be representative of the actual change in the end of service benefits liability as it is unlikely that the change in assumptions would occur in isolation of one another as some of the assumptions are correlated.

Expected maturity analysis of undiscounted end of service benefits for the end of service plan is as follows:

	2025	2024
Within a year	2,322	3,130
2-3 years	1,322	1,317
4-5 years	641	574
6-10 years	2,708	2,264
Over 11 years	7,558	8,539
Total	14,551	15,824

Notes to the consolidated financial statements

For the year ended 31 december 2025

15. DERIVATIVE FINANCIAL INSTRUMENTS

Fair value hedges

The Group enters into fixed-for-floating-interest-rate swaps to manage the exposure to changes in fair value due to movements in market interest rates on certain fixed rate financial instruments which are not measured at fair value through profit or loss, including debt securities held and issued.

Other derivatives held for risk management

The Group uses derivatives, not designated in qualifying accounting hedge relationship, to manage its exposure to market risks. The Group enters into foreign exchange forward contracts to manage against foreign exchange fluctuations. Fair values of the forward currency contracts are estimated based on the prevailing market rates of interest and forward rates of the related foreign currencies, respectively.

The tables below summarise the positive and negative fair values of derivative financial instruments, together with the notional amounts. The notional amounts, which provide an indication of the volumes of the transactions outstanding at the year-end, do not necessarily reflect the amounts of future cash flows involved. These notional amounts, therefore, are neither indicative of the Group’s exposure to credit risk, which is generally limited to the positive/negative fair value of the derivatives, nor market risk.



Notes to the consolidated financial statements

For the year ended 31 december 2025

15. DERIVATIVE FINANCIAL INSTRUMENTS
(continued)

2025	Positive fair value	Negative fair value	Notional amount total	Within 3 months	3-12 months	1-5 years	Over than 5 years
Held as fair value hedges:							
Interest rate swaps	125,154	45,378	7,526,294	1,119,982	967,100	3,811,101	1,628,111
Total	125,154	45,378	7,526,294	1,119,982	967,100	3,811,101	1,628,111

2024	Positive fair value	Negative fair value	Notional amount total	Within 3 months	3-12 months	1-5 years	Over than 5 years
Held as fair value hedges:							
Interest rate swaps	48,639	121,254	6,635,458	7,000	1,226,200	4,916,017	486,241
Foreign currency	890	-	19,000	19,000	-	-	-
Total	49,529	121,254	6,654,458	26,000	1,226,200	4,916,017	486,241

Notes to the consolidated financial statements

For the year ended 31 december 2025

15. DERIVATIVE FINANCIAL INSTRUMENTS
(continued)

Hedging instrument by hedged risk

2025 Hedge risk	Notional amount*	Carrying amount		Statement of financial position presentation	Change in fair value**
		Assets	Liabilities		
Interest rate	7,526,294	125,154	45,378	Positive / Negative fair value of derivative	(3,969)
Total	7,526,294	125,154	45,378		(3,969)

2024 Hedge risk	Notional amount*	Carrying amount		Statement of financial position presentation	Change in fair value**
		Assets	Liabilities		
Interest rate	6,635,458	48,639	121,254	Positive / Negative fair value of derivative	(2,062)
Foreign currency	19,000	890	-	Positive / Negative fair value of derivative	890
Total	6,654,458	49,529	121,254		(1,172)

* The notional contract amounts of derivatives designated in qualifying hedge accounting relationships indicate the nominal value of transactions outstanding at the balance sheet date; they do not represent amounts at risk.

** Used in effectiveness testing; comprising the full fair value change of the hedging instrument.

Notes to the consolidated financial statements

For the year ended 31 december 2025

15. DERIVATIVE FINANCIAL INSTRUMENTS

(continued)

Hedged item by hedged risk

2025 Hedge risk	Carrying amount		Accumulated fair value hedge adjustment included in carrying amount		Statement of financial position presentation	Change in fair value**	Recognised in statement of income
	Assets	Liabilities	Assets	Liabilities			
Interest rate	1,057,830	-	-	6,912	Investments	862	-
Interest rate	105,800	-	7,280	-	Loans and advances	(1,459)	(3,749)
Interest rate	-	6,365,266	79,408	-	Sukuk and bonds issued	(775)	-
Total	1,163,630	6,365,266	86,688	6,912		(1,372)	(3,749)

2024 Hedge risk	Carrying amount		Accumulated fair value hedge adjustment included in carrying amount		Statement of financial position presentation	Change in fair value**	Recognised in statement of income
	Assets	Liabilities	Assets	Liabilities			
Interest rate	2,824,810	-	22,166	-	Investments	17,255	-
Interest rate	105,775	-	10,039	-	Loans and advances	1,979	(2,062)
Interest rate	-	3,900,055	-	104,625	Sukuk and bonds issued	(13,757)	-
Total	2,930,585	3,900,055	32,205	104,625		5,477	(2,062)

*Presentation in statement of income as other income, net.

**Used in effectiveness assessment; comprising amount attributable to the designated hedged risk that can be a risk component. The hedged item is either the benchmark interest rate risk portion within the fixed rate of the hedged item or the full fixed rate and it is hedged for changes in fair value due to changes in the benchmark interest rate risk. Sources of hedge ineffectiveness may arise from basis risk including but not limited

to the discount rates used for calculating the fair value of derivatives, hedges using instruments with a non-zero fair value and notional and timing differences between the hedged items and hedging instruments.

The contractual maturity analysis of the derivative instruments are included as part of liquidity risk information in note 26.

Notes to the consolidated financial statements

For the year ended 31 december 2025

16. NET INTEREST INCOME

	2025	2024
Interest income from		
Cash and cash equivalents	1,373	4,112
Placements with banks – Islamic banks	52,918	15,009
Placements with banks – Conventional banks	56,121	34,523
Debt securities at FVOCI	128,337	157,759
Loans and advances – Islamic banks	76,005	76,005
Loans and advances – Conventional banks	317,557	317,559
Amortisation of loan participation and upfront fees	29,251	27,294
Total interest income	661,562	632,261
Interest expense on		
Deposits from banks – Islamic banks	7,531	10
Deposits from banks – Conventional banks	13,704	35,280
Securities sold under agreement to repurchase	23,283	29,950
Deposits from corporates & shareholders – Islamic institutions	736	774
Deposits from corporates & shareholders – Conventional	7,983	18,090
Term financing	185,839	60,188
Sukuk and bonds issued	189,446	270,541
Lease liability	1,143	1,244
Total interest expense	429,665	416,077
Net interest income	231,897	216,184

17. DIVIDEND INCOME

	2025	2024
Equity securities at FVOCI		
- Listed	15,502	16,645
- Unlisted	49,536	37,855
	65,038	54,500

18. NET CHANGE IN FAIR VALUE OF FINANCIAL ASSETS AT FVTPL

	2025	2024
Loan designated at FVTPL	5,736	6,778
Investments at FVTPL	1,659	35,042
	7,395	41,820

19. FEE INCOME

	2025	2024
Loan servicing and trade finance fee	17,296	13,335
	17,296	13,335

Notes to the consolidated financial statements

For the year ended 31 december 2025

20. OTHER (EXPENSE) / INCOME

	2025	2024
Foreign exchange gain / (loss), net	1,743	(708)
Net loss from hedge ineffectiveness	(3,749)	(2,062)
Gain from sale of disposal of assets	-	26,052
Fund management and custody fees	(1,619)	(2,954)
Others	(3,553)	(2,425)
	(7,178)	17,903

21. OPERATING EXPENSES

	2025	2024
Staff cost	37,345	34,331
End of service benefits	1,443	1,666
Premises costs, including depreciation	7,490	6,152
Equipment and communications costs	5,970	6,144
Board of directors' remunerations, fees and related committees	6,108	6,094
Consultancy and legal fee	7,811	12,308
Corporate social responsibility (CSR)	203	1,017
	66,370	67,712

22. IMPAIRMENT RELEASE / (LOSS) ON FINANCIAL INSTRUMENTS, NET

	2025	2024
Placements with banks	(4,384)	(44)
Loans and advances (Note 5)	26,269	(17,905)
Debt securities at FVOCI (Note 6)	(681)	(6,108)
Loan commitments and guarantees (Note 13)	(12,160)	(11)
	9,044	(24,068)

23. LEASE LIABILITIES AND RIGHT OF USE ASSETS

(i) Amounts recognised in the consolidated statement of financial position

The consolidated statement of financial position shows the following amounts relating to leases (net of depreciation):

Right of use assets	2025	2024
Carrying amount at the beginning of year	20,014	22,457
Depreciation charge for the year (note 8)	(2,363)	(2,443)
Adjustments relating to disposal / addition	(515)	-
Carrying amount at the end of year	17,136	20,014

Right of use assets are included in Property and equipment.

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For the year ended 31 december 2025

23. LEASE LIABILITIES AND RIGHT OF USE ASSETS (continued)

Lease liabilities	2025	2024
Carrying amount at the beginning of year	20,933	22,637
Finance cost	1,143	1,244
Lease payments during the year	(1,475)	(2,948)
Adjustments relating to disposal / addition	(931)	-
Carrying amount at the end of year*	19,670	20,933

* Lease liabilities are included in the other liabilities

(ii) Amounts recognised in the consolidated statement of income

The consolidated statement of income shows the following amounts relating to leases:

	2025	2024
Depreciation charge of right-of-use assets (note 8)	2,363	2,443
Interest expense on lease liabilities	1,143	1,244

(iii) Minimum lease payment

The minimum lease payments as at the date of the consolidated statement of financial position are as follows:

	Gross future minimum lease payments	Interest	Present value of minimum lease payments
Less than one year	2,886	1,085	1,801
Between one to five years	12,288	3,188	9,100
More than 5 years	9,658	889	8,769
	24,832	5,162	19,670

24. APPROPRIATIONS

The following appropriations for the year ended 31 December 2024 were approved by the shareholders on 10 May 2025 and for the year ended 31 December 2025 will be presented to the general assembly for approval.

	2025	2024
Legal reserve	28,238	27,000

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For the year ended 31 december 2025

25. RELATED PARTY TRANSACTIONS AND BALANCES

The Corporation’s principal related parties are its associates or affiliate which associates have control or significant influence. Related party balances as of 31 December 2025 and 31 December 2024 was as follows:

	Nature of relationship	2025	2024
Loans and advances, net of expected credit loss	Affiliates	61,314	55,356
Commitments, net of expected credit loss	Affiliates	35,612	7,025
Equity accounted investees	Associates	121,182	96,189
Interest and fee income	Affiliates	7,584	3,393
expected credit loss charges	Affiliates	(74)	(1,461)

For key management personnel transactions refer to the summarized table below:

	2025	2024
Key management salaries and related compensations*	4,827	6,766
End of service benefits accrued	323	2,020
Board of directors’ remunerations and related committees	6,108	6,094

* Key management personnel are those persons, including executive directors, having authority and responsibility for planning, directing and controlling the activities at the Group level.

26. FINANCIAL RISK MANAGEMENT

Financial risk management objectives

The Board of Directors has overall responsibility for the establishment and oversight of the risk management framework. The Board of Directors has established the Risk Management Committee, which is responsible for developing and monitoring risk management policies.

The risk management policies are established to identify and analyse the risks, to set appropriate risk limits and controls, and to monitor risks and adherence to limits. Risk management policies and systems are reviewed regularly to reflect changes in market conditions and the Corporation’s activities. The Corporation, through its training as well as management standards and procedures, aims to develop a disciplined and constructive control environment in which all employees understand their roles and obligations.

The Board Audit and Risk Committee oversees how management monitors compliance with the Group’s risk management policies and procedures and reviews the adequacy of the risk management framework in relation to the risks faced by the Corporation. The Board Audit and Risk Committee is assisted in its oversight role by Internal Audit. Internal Audit undertakes both regular and ad hoc reviews of risk management controls and

procedures, the results of which are reported to the Board Audit and Risk Committee.

For the year ended 31 December 2025 and 2024, the Group is exposed to credit risk, liquidity risk, market risk, operational risk and capital management risk details relating to which are disclosed below:

a) Credit risk management

Credit risk is the risk that a borrower or counterparty of the Corporation will be unable or unwilling to meet a commitment that it has entered into with the Corporation, causing a financial loss to the Corporation. It arises from the lending, treasury and other activities undertaken by the Corporation. Policies and procedures have been established for the control and monitoring of all such exposures. Credit exposures arise principally in lending activities that lead to loans and advances, and investment activities. There is also credit risk in off consolidated statement of financial position financial instruments, such as commitments.

Proposed loans and investments are subject to detailed due diligence, analysis and appraisal before being reviewed by the Credit and Investments Committee (consisting of the CEO and Senior Managers of the Corporation), which makes

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For the year ended 31 december 2025

26. FINANCIAL RISK MANAGEMENT (continued)

appropriate recommendations to the Board of Directors, who have the ultimate authority to sanction commitments. These procedures, plus the fact that most of the loans are sponsored by sovereign and semi sovereign entities limit the Corporation’s exposure to credit risk.

The Corporation faces a credit risk on undrawn commitments because it is potentially exposed to loss in an amount equal to the total unused commitments. However, the eventual loss, if any, will be considerably less than the total unused commitments since most commitments to extend credit are contingent upon borrowers maintaining specified credit standards. All loan commitments, whether drawn or undrawn, are subject to systematic monitoring so that potential problems may be detected early and remedial actions taken.

Treasury activities are controlled by means of a framework of limits and external credit ratings. Dealing in marketable securities is primarily restricted to GCC countries, the United States and major European and Asian stock exchanges. Dealings are only permitted with approved internationally rated banks, brokers and other counterparties. Securities portfolios and investing policies are reviewed from time to time by the Assets and Liabilities Committee (“ALCO”).

Credit risk grades

The Corporation allocates each exposure to a credit risk grade based on a variety of data that is determined to be predictive of the risk of default and applying experienced credit judgement. Credit risk grades are defined using qualitative and quantitative factors that are indicative of risk of default. These factors vary depending on the nature of the exposure and the type of borrower.

Credit risk grades are defined and calibrated such that the risk of default occurring increases exponentially as the credit risk deteriorates so, for example, the difference in probability of default between credit risk grades 1 and 2 is smaller than the difference between credit risk grades 2 and 3.

Each exposure is allocated to a credit risk grade at initial recognition based on available information about the borrower. Exposures are subject to ongoing monitoring, which may result in an exposure being moved to a different credit risk grade. The monitoring of exposures involves use of the following data:

- Information obtained during periodic review of customer files– e.g. audited financial statements, management accounts, budgets and projections. Examples of areas of particular focus are: gross profit

margins, financial leverage ratios, debt service coverage, compliance with covenants, quality of management, senior management changes;

- Data from credit reference agencies. press articles, changes in external credit ratings;
- Quoted bond and credit default swap (CDS) prices for the borrower where available;
- Actual and expected significant changes in the political, regulatory and technological environment of the borrower or in its business activities;
- Payment record including overdue status; and
- Utilisation of the granted limit.

The Corporation uses credit risk grades as a primary input into the determination of the term structure of the PD for exposure.

The Corporation collects performance and default information about its credit exposure analysed by jurisdiction or region and by type of product and borrower as well as credit risk grading. The information used is based on the internally generated rating model. The internal credit grade system is not intended to replicate external credit grades, but factors used to grade a borrower may be similar, a borrower rated poorly by an external rating agency is typically assigned a lower internal credit

grade. Lower grades are indicative of a higher likelihood of default. Credit ratings are used by the Corporation to decide the maximum lending amount per transaction and to set minimum pricing thresholds.

The Corporation monitors all financial assets that are subject to impairment requirements to assess whether there has been a significant increase in credit risk since initial recognition. If there has been a significant increase in credit risk, the Corporation will measure the loss allowance based on lifetime rather than 12 month ECL.

Amounts arising from ECL – Significant increase in credit risk

When determining whether the risk of default on a financial instrument has increased significantly since initial recognition, the Group considers reasonable and supportable information that is relevant and available without undue cost or effort. This includes both quantitative and qualitative information and analysis, based on the Group’s historical experience and expert credit assessment and including forward looking information.

The objective of the assessment is to identify whether a significant increase in credit risk has occurred for an exposure by comparing:

Notes to the consolidated financial statements

For the year ended 31 december 2025

26. FINANCIAL RISK MANAGEMENT (continued)

- the remaining lifetime probability of default (PD) as at the reporting date; with
- the remaining lifetime PD for this point in time that was estimated at the time of initial recognition of the exposure (adjusted where relevant for changes in prepayment expectations).

The Group classifies its financing into Stage 1, Stage 2 and Stage 3 as described below:

Stage 1 (12 month ECL): When a financing is first recognised, the Group recognises an allowance based on 12 months ECLs. Stage 1 financing also include facilities where the credit risk has improved and the financing has been reclassified from Stage 2.

Stage 2 (Life time ECL not credit impaired): When a financing has shown a significant increase in credit risk ("SICR") since origination, the Group records an allowance for the Lifetime ECL. Stage 2 financing also include facilities, where the credit risk has improved and the financing has been reclassified from Stage 3.

Stage 3 (Lifetime ECL credit impaired): Financing considered credit-impaired. The Group records an allowance for the Lifetime ECL.

Determining whether credit risk has increased significantly

The criteria for determining whether credit risk has increased significantly vary by portfolio and include quantitative changes in PDs and qualitative factors, including a backstop based on delinquency. The credit risk of a particular exposure is deemed to have increased significantly since initial recognition if, based on the Group's quantitative modelling, the remaining lifetime PD is determined to have increased by more than a predetermined percentage / range.

The remaining Lifetime PD at the reporting date has increased, compared to the residual lifetime PD expected at the reporting date when the exposure was first recognised, so that it exceeds the relevant threshold per the table below:

Lifetime PD band at initial recognition Ranges of PD	Increase in lifetime PD at reporting date which is considered significant
≤ 0.03%	17bps
> 0.03% and ≤0.14%	6bps
> 0.14% and ≤0.2%	1bps
Using its expert credit judgment and, where possible, relevant historical experience, the Group may determine that an exposure has undergone a significant increase in credit risk based on qualitative indicators that it considers are indicative of such and whose effect may not otherwise be fully reflected in its quantitative analysis on a timely basis. Significant increase in credit risk is also evaluated based on the credit monitoring framework, including decrease in internal rating and macroeconomic factors and is subject to management overrides.	adverse change in operating results of the borrower Early signs of cashflow/liquidity problems such as delay in servicing of loans.
For loans and advances and investment portfolio, if the borrower is on the watchlist and/or the instrument meets one or more of the following criteria: - Significant increase in credit spread - Significant adverse changes in business, financial and/or economic condition in which the borrower operates - Actual or expected significant	The assessment of SICR incorporates forward-looking information and is performed on a quarterly basis at a portfolio level for all loans and advances held by the Group/ In relation to investment portfolio, where a Watchlist is used to monitor credit risk, this assessment is performed at the counterparty level and on a periodic basis. The criteria used to identify SICR are monitored and reviewed periodically for appropriateness by the Credit Risk Committee.
	The Corporation monitors the effectiveness of the criteria used to identify significant increases in credit risk by regular reviews to confirm that: the criteria are capable of identifying significant increases in credit risk before an exposure is in default; and

Notes to the consolidated financial statements

For the year ended 31 december 2025

26. FINANCIAL RISK MANAGEMENT (continued)

- the criteria do not align with the point in time when an asset becomes 30 days past due;

Generating the term structure of PD

Credit risk grades are a primary input into the determination of the term structure of PD for exposures. The Corporation collects performance and default information about its credit risk exposures analysed by jurisdiction or region and by type of product and borrower as well as by credit risk grading.

The Corporation employs statistical models to analyse the data collected and generate estimates of the remaining lifetime PD of exposures and how these are expected to change as a result of the passage of time.

This analysis includes the identification and calibration of relationships between changes in default rates and changes in key macro-economic factors, as well as in-depth analysis of the impact of certain other factors (e.g. forbearance experience and geopolitical situation) on the risk of default. For most exposures, key macro-economic indicators include GDP growth (refer economic indicators below).

The Corporation has identified and documented key drivers of credit risk and credit losses for each portfolio

of financial instruments and, using an analysis of historical data, has estimated relationships between macro-economic variables and credit risk and credit losses. The economic scenarios used the key indicators for the selected countries such as the interest rates and the GDP growth.

Incorporation of forward-looking information

The Corporation incorporates forward-looking information into both its assessment of whether the credit risk of an instrument has increased significantly since its initial recognition and its measurement of ECL. Based on advice from the ALCO and economic experts and consideration of a variety of external actual and forecast information, the Group formulates a ‘base case’ view of the future direction of relevant economic variables as well as a representative range of other possible forecast scenarios. The Corporation then uses these forecasts to adjust its estimates of PDs. This process involves developing two or more additional economic scenarios and considering the relative probabilities of each outcome. External information includes economic data and forecasts published by independent external agencies.

The base case represents a most-likely outcome and provides the best estimate view of the economy.

The other scenarios represent more optimistic (upside or improved) and more pessimistic (downside or stressed) outcomes. Periodically, the Group carries out stress testing of more extreme shocks to calibrate its determination of these other

representative scenarios. Considering that major loans and advances exposure of the Group is relating to energy sector, therefore, the economic scenarios used as at 31 December 2024 included the following ranges of key indicators for selected countries:

Economic indicators	31 December 2025	31 December 2024
Oil prices, CPI, GDP growth, Real interest rate and Central Govt. revenue and Central Govt. expenditure	Improved case 10% Base case 60% Stressed case 30%	Improved case 10% Base case 60% Stressed case 30%

Sensitivity of ECL allowance

Given current economic conditions and the judgment applied to factors used in determining the expected default of loans and advances in future periods, expected credit losses reported by the Group should be considered as a best estimate within a range of possible estimates.

Due to impracticability to disclose the extend of the possible effects of an assumption or another source of estimation uncertainty at the end of the reporting period. The Group within reasonably possibility, on the basis of existing knowledge, that outcomes within the next financial year might be different from the current assumption and could require a material adjustment to the carrying amount of the asset affected.

The following table sets out information about credit quality of financial assets measured at amortised cost and debt investment securities at FVOCI. For loan commitments and financial guarantee contracts, the amounts in the table represents the amounts committed or guaranteed respectively. In addition, the Group also uses external ratings from major rating agencies where available.

Notes to the consolidated financial statements

For the year ended 31 december 2025

26. FINANCIAL RISK MANAGEMENT (continued)

i. Placements with banks at amortised cost

	Stage 1	Stage 2	Stage 3	Total
2025				
AAA to AA	201,824	-	-	201,824
A	937,644	-	-	937,644
BBB	25,000	-	-	25,000
BB to B	-	-	-	-
Gross amount	1,164,468	-	-	1,164,468
ECL Allowance	(4,462)	-	-	(4,462)
Carrying Amount	1,160,006	-	-	1,160,006
2024				
AAA to AA	150,000	-	-	150,000
A	154,997	-	-	154,997
BBB	-	-	-	-
BB to B	-	-	-	-
Gross amount	304,997	-	-	304,997
ECL Allowance	(78)	-	-	(78)
Carrying Amount	304,919	-	-	304,919

ii. Investments in debt securities at measured at FVOCI

	Stage 1	Stage 2	Stage 3	Total
2025				
AAA to AA	2,523,998	-	-	2,523,998
A	1,051,659	-	-	1,051,659
BBB	361,967	-	-	361,967
BB to B	109,663	-	-	109,663
Carrying Amount	4,047,287	-	-	4,047,287
2024				
AAA to AA	1,449,592	-	-	1,449,592
A	1,204,936	-	-	1,204,936
BBB	357,019	-	-	357,019
BB to B	-	133,862	15,277	149,139
Carrying Amount	3,011,547	133,862	15,277	3,160,686

Notes to the consolidated financial statements

For the year ended 31 december 2025

26. FINANCIAL RISK MANAGEMENT (continued)

iii. Loans and advances at amortised cost

	Stage 1	Stage 2	Stage 3	Total
2025				
AAA to AA	466,896	-	-	466,896
A	2,433,829	-	-	2,433,829
BBB	1,875,860	1,313	-	1,877,173
BB to C	1,323,827	47,448	-	1,371,275
D	-	-	13,464	13,464
Gross amount	6,100,412	48,761	13,464	6,162,637
ECL Allowance	(59,435)	(16,101)	(13,464)	(89,000)
Carrying Amount	6,040,977	32,660	-	6,073,637
2024				
AAA to AA	503,874	-	-	503,874
A	2,122,397	-	-	2,122,397
BBB	1,992,236	101,285	-	2,093,521
BB to C	-	980,250	-	980,250
D	-	-	26,360	26,360
Gross amount	4,618,507	1,081,535	26,360	5,726,402
ECL Allowance	(11,571)	(77,338)	(26,360)	(115,269)
Carrying Amount	4,606,936	1,004,197	-	5,611,133

iv. Loans commitments and guarantees

	Stage 1	Stage 2	Stage 3	Total
2025				
AAA to AA	6,589	-	-	6,589
A	1,035,126	-	-	1,035,126
BBB	1,216,655	-	-	1,216,655
BB to C	143,051	32,482	-	175,533
Gross amount	2,401,421	32,482	-	2,433,903
ECL Allowance	(18,212)	(7,726)	-	(25,938)
Carrying Amount	2,383,209	24,756	-	2,407,965
2024				
AAA to AA	106,583	-	-	106,583
A	922,346	-	-	922,346
BBB	1,418,204	-	-	1,418,204
BB to C	-	292,737	-	292,737
Gross amount	2,447,133	292,737	-	2,739,870
ECL Allowance	(3,238)	(10,540)	-	(13,778)
Carrying Amount	2,443,895	282,197	-	2,726,092

Notes to the consolidated financial statements

For the year ended 31 december 2025

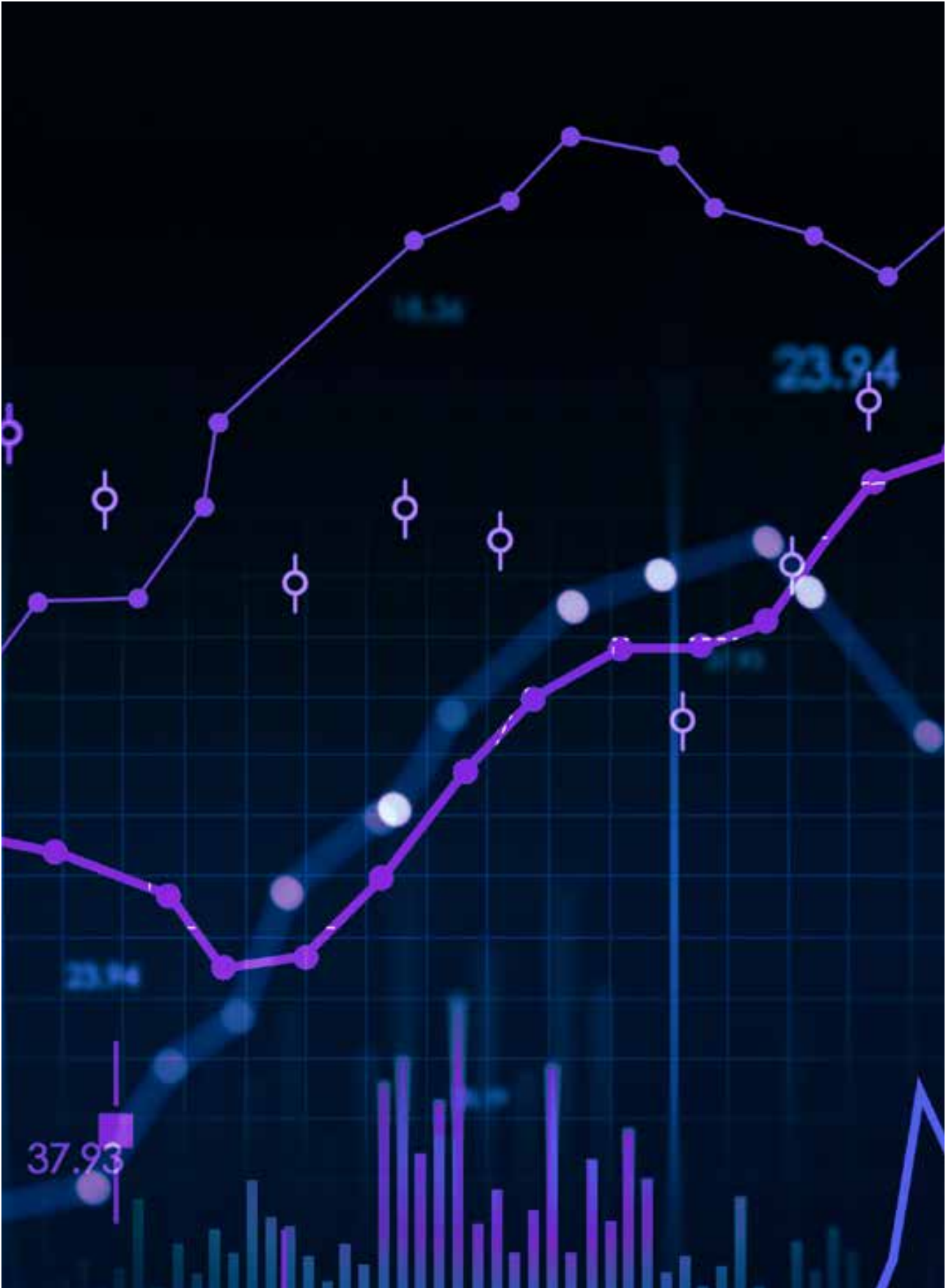
26. FINANCIAL RISK MANAGEMENT (continued)

Climate-related risk

Climate-Related Risk refers to the potential negative impacts of Climate Change on an organization. It includes the potential for adverse effects on lives, livelihoods, health status, economic, social, and cultural assets, services (including environmental), and infrastructure due to climate change. Other than as disclosed in note 3 (n) of these consolidated financial statements, management believes the Group has limited exposure to climate related risk.

Concentration risk

Concentration of risk arises when several counterparties are engaged in similar business activities, or activities in the same geographic region, or have similar economic features that would cause their ability to meet contractual obligations to be similarly affected by changes in economic, political, or other conditions. Concentration risk indicates the relative sensitivity of the Group’s performance to developments affecting a particular industry or geographical location. The Group seeks to manage its risk exposure through diversification of its activities to ensure that there is no undue concentration of risks with individuals or groups of customers in specific locations or market sectors. The Corporation monitors concentration of credit risk by sector and by geographic location. The Group did not have significant risk concentrations on 31 December 2025 and 31 December 2024. An analysis of concentration of risk at the reporting date is shown below;



Notes to the consolidated financial statements

For the year ended 31 december 2025

26. FINANCIAL RISK MANAGEMENT (continued)

The Corporation monitors concentration of credit risk by sector and by geographic location.

	Loans and advances (note 5)		Placements with banks (note 4)		Debt securities at FVOCI (note 6)	
	2025	2024	2025	2024	2025	2024
Concentration of credit risk by sector						
Energy	2,613,011	2,566,369	-	-	161,512	276,685
Materials	773,379	714,013	-	-	43,440	26,410
Financials and Sovereign	-	-	1,160,006	304,919	3,713,715	2,641,381
Utilities	2,411,060	2,099,839	-	-	42,339	99,170
Industrials	227,670	182,601	-	-	86,281	117,040
Carrying amount at 31 December	6,025,120	5,562,822	1,160,006	304,919	4,047,287	3,160,686

Notes to the consolidated financial statements

For the year ended 31 december 2025

26. FINANCIAL RISK MANAGEMENT (continued)

	Loans and advances (note 5)		Placements with banks (note 4)		Debt securities at FVOCI (note 6)	
	2025	2024	2025	2024	2025	2024
Concentration of credit risk by location						
Kingdom of Saudi Arabia	2,407,433	2,048,069	1,073,335	157,818	439,794	496,442
State of Qatar	415,467	477,287	-	30,000	101,848	63,699
Other Gulf Cooperation Council states	1,845,666	1,847,172	25,000	31,500	532,914	574,436
Egypt and North Africa	256,055	258,830	-	-	22,612	9,958
Total Arab World	4,924,621	4,631,358	1,098,335	219,318	1,097,168	1,144,535
Europe	381,607	314,043	61,671	85,601	184,342	233,633
Asia and Oceania	347,659	449,431	-	-	104,504	466,795
United States	351,353	167,990	-	-	2,216,892	1,315,723
Other North & South Americas	19,880	-	-	-	444,381	-
Carrying amount at 31 December	6,025,120	5,562,822	1,160,006	304,919	4,047,287	3,160,686

Notes to the consolidated financial statements

For the year ended 31 december 2025

26. FINANCIAL RISK MANAGEMENT (continued)

The industry distribution of the Group's assets and liabilities was as follows:

	2025	2024
ASSETS		
Energy	3,111,154	2,998,734
Materials	1,442,342	832,831
Financials & Sovereign Financials	5,992,114	4,661,253
Utilities	2,558,079	2,190,438
Industrials	313,951	234,748
Total assets at 31 December	13,417,640	10,918,004
LIABILITIES AND EQUITY		
Energy	-	2,660
Financials & Sovereign	9,776,480	7,561,816
Equity	3,641,160	3,353,528
Total liabilities and equity at 31 December	13,417,640	10,918,004
COMMITMENTS AND GUARANTEES		
Energy	1,273,513	1,262,358
Materials	258,945	258,945
Financials	356,634	356,634
Utilities	1,023,530	1,023,530
Industrials	32,482	32,482
Total commitments and guarantees at 31 December	2,945,104	2,933,949

The geographical distribution of risk of the Group's assets and liabilities, after taking into account insurance and third-party guarantees, was as follows:

	2025	2024
ASSETS		
Kingdom of Saudi Arabia	5,539,460	6,674,635
State of Qatar	528,186	481,453
Other Gulf Cooperation Council states	2,624,930	2,287,506
Egypt and North Africa	415,045	376,268
Total Arab world	9,107,621	9,819,862
Europe	814,368	458,173
Asia and Oceania	452,163	387,768
United States	2,579,227	162,298
Other North and South America	464,261	89,903
Total assets	13,417,640	10,918,004
LIABILITIES AND EQUITY		
Kingdom of Saudi Arabia	9,755,026	6,391,816
State of Qatar	199,181	339,242
Other Gulf Cooperation Council states	3,168,662	2,790,974
Other Middle East states	11,646	718,717
Egypt and North Africa	67,701	563,626

Notes to the consolidated financial statements

For the year ended 31 december 2025

26. FINANCIAL RISK MANAGEMENT (continued)

	2025	2024
Total Arab world	13,202,216	10,804,375
Europe	49,524	105,609
Asia and Oceania	144,618	2,749
Other North and South America	21,282	5,271
Total liabilities and equity	13,417,640	10,918,004
COMMITMENTS AND FINANCIAL GUARANTEES		
Kingdom of Saudi Arabia	1,131,475	1,120,320
Other Gulf Cooperation Council states	575,597	575,597
Egypt and North Africa	282,610	282,610
Total Arab world	1,989,682	1,978,527
Europe	274,851	274,851
Asia and Oceania	338,707	338,707
United States	341,864	341,864
	2,945,104	2,933,949

b) Liquidity risk and funding management

Liquidity risk is the risk that the Group will be unable to meet its payment obligations when they fall due under normal and stress circumstances. Liquidity risk can be caused by market disruptions or credit downgrades, which may cause certain sources of funding to be less readily available. To mitigate this risk, management has diversified funding sources in addition to its core issued Sukuk and bonds and term financing, manages assets with liquidity in mind, maintaining an appropriate balance of cash, cash equivalents and readily marketable securities and monitors future cash flows and liquidity on daily basis.

Management monitors the maturity profile to ensure that adequate liquidity is maintained. The weekly liquidity position is monitored, and regular liquidity stress testing is conducted under a variety of scenarios covering both normal and more severe market conditions. All liquidity policies and procedures are subject to review and approval by Asset and Liability Committee (“ALCO”). A summary report, covering the Group and operating subsidiaries, including any exceptions and remedial action taken, is submitted monthly to ALCO. Furthermore, APICORP has a board-approved Contingency Funding Plan (CFP) to define relevant actions and responsibilities should the Corporation

encounter a severe liquidity crisis. The Group should monitor the triggers and early warning indicators for activating the Contingency Funding Plan, along with the associated strategies for addressing liquidity shortfalls.

The Group invests the funds in diversified portfolios of liquid assets, in order to be able to respond quickly and smoothly to unforeseen liquidity requirements. The Treasury Department then provides for an adequate portfolio of short-term liquid assets, largely made up of short-term liquid trading securities and placements with banks, to ensure that sufficient liquidity is maintained within the Group as a whole

Analysis of undiscounted financial liabilities by remaining contractual maturities

The table below summarizes the maturity profile of Group’s financial liabilities on 31 December 2025 and 31 December 2024, based on contractual undiscounted repayment obligations. The table below summarises the maturity profile of the Group’s financial liabilities. The contractual maturities of liabilities have been determined based on the remaining period at the reporting date to the contractual maturity date. The amounts disclosed in the table are the contractual cash flows:

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For the year ended 31 december 2025

26. FINANCIAL RISK MANAGEMENT (continued)

2025	Up to 3 months	3 months to 1 year	1 year to 5 years	5 years and over	Contractual Outflows	Carrying Value
Liabilities						
Deposits	(452,698)	(6,425)	-	-	(459,123)	(457,028)
Securities sold under agreements to repurchase	(1,024)	(173,115)	(272,427)	-	(446,566)	(445,542)
Term financing	(509,641)	(62)	(1,150,000)	(200,000)	(1,859,703)	(1,850,000)
Sukuk and bonds issued	(1,124,053)	(921,842)	(3,571,424)	(1,175,561)	(6,792,880)	(6,730,338)
	(2,087,416)	(1,101,444)	(4,993,851)	(1,375,561)	(9,558,272)	(9,482,908)
Derivative instruments:						
Negative fair value of derivatives	(4,931)	(15,481)	(5,419)	(19,547)	(45,378)	(45,378)
Off-balance sheet exposures	(59,315)	(394,985)	(1,242,662)	(1,248,142)	(2,945,104)	(2,945,104)
	(2,151,662)	(1,511,910)	(6,241,932)	(2,643,250)	(12,548,754)	(12,473,390)

Notes to the consolidated financial statements

For the year ended 31 december 2025

26. FINANCIAL RISK MANAGEMENT (continued)

2024	Up to 3 months	3 months to 1 year	1 year to 5 years	5 years and over	Contractual Outflows	Carrying Value
Liabilities						
Deposits	(775,858)	-	-	-	(775,858)	(774,632)
Securities sold under agreements to repurchase	-	-	(451,474)	-	(451,474)	(446,785)
Term financing	-	-	(1,474,928)	-	(1,474,928)	(1,455,955)
Sukuk and bonds issued	(25,000)	(1,187,405)	(3,397,427)	-	(4,609,832)	(4,601,975)
	(800,858)	(1,187,405)	(5,323,829)	-	(7,312,092)	(7,279,347)
Derivative instruments:						
Negative fair value of derivatives	(50,842)	(16,365)	(101,758)	(3,131)	(172,096)	(172,096)
Off-balance sheet exposures	(197,025)	(585,953)	(1,019,342)	(1,131,629)	(2,933,949)	(2,933,949)
	(1,048,725)	(1,789,723)	(6,444,929)	(1,134,760)	(10,418,137)	(10,385,392)

Notes to the consolidated financial statements

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26. FINANCIAL RISK MANAGEMENT (continued)

The maturity profile of the Group’s assets and liabilities is set out below.

31 December 2025	Up to 3 months	3 months to 1 year	1 year to 5 years	5 years and over	Total
Assets					
Cash and cash equivalents	332,338	-	-	-	332,338
Placements with banks, net	20,329	1,044,553	-	-	1,064,882
Positive fair value of derivatives	42	1,451	116,025	7,636	125,154
Loans and advances, net	76,878	671,707	2,735,357	2,541,178	6,025,120
Investments in debt	2,258,755	152,137	936,105	727,810	4,074,807
Investments in equity	-	-	-	1,471,138	1,471,138
Equity accounted investee, net	-	-	-	121,182	121,182
Other assets	122,697	53,056	452	-	176,205
Property and equipment and right of use assets	-	-	-	26,814	26,814
Total assets	2,811,039	1,922,904	3,787,939	4,895,758	13,417,640

Notes to the consolidated financial statements

For the year ended 31 december 2025

26. FINANCIAL RISK MANAGEMENT (continued)

31 December 2025	Up to 3 months	3 months to 1 year	1 year to 5 years	5 years and over	Total
Liabilities					
Deposits	(450,619)	(6,409)	-	-	(457,028)
Securities sold under repurchase agreements	-	(173,115)	(272,427)	-	(445,542)
Negative fair value of derivatives	(4,931)	(15,481)	(5,419)	(19,547)	(45,378)
Other liabilities	(164,395)	(24,949)	(58,850)	-	(248,194)
Term financing	(500,000)	-	(1,150,000)	(200,000)	(1,850,000)
Sukuk and bonds issued	(1,085,804)	(900,000)	(3,568,973)	(1,175,561)	(6,730,338)
Off-balance sheet exposures:					
Commitments to underwrite and fund loans	(22,689)	(266,719)	(596,534)	(1,245,757)	(2,131,699)
Letters of credit	(1,073)	-	-	-	(1,073)
Letters of guarantee	(35,553)	(126,533)	(136,660)	(2,385)	(301,131)
Commitments to subscribe capital investments	-	-	(509,468)	-	(509,468)
Other commitments	-	(1,733)	-	-	(1,733)
Total liabilities	(2,265,064)	(1,514,939)	(6,298,331)	(2,643,250)	(12,721,584)
Maturity gap	545,975	407,965	(2,510,392)	2,252,508	696,056

Notes to the consolidated financial statements

For the year ended 31 december 2025

26. FINANCIAL RISK MANAGEMENT (continued)

31 December 2024	Up to 3 months	3 months to 1 year	1 year to 5 years	5 years and over	Total
Assets					
Cash and cash equivalents	137,016	-	-	-	137,016
Placements with banks, net	154,972	3,027	79,563	-	237,562
Positive fair value of derivatives	7,904	10,018	17,071	14,536	49,529
Loans and advances, net	157,264	469,344	2,310,968	2,625,246	5,562,822
Investments in debt	1,331,132	74,350	1,041,146	906,245	3,352,873
Investments in equity	-	-	-	1,341,115	1,341,115
Equity accounted investee, net	-	-	-	96,189	96,189
Other assets	44,942	44,833	21,113	-	110,888
Property and equipment and right of use assets	-	-	-	30,010	30,01
Total assets	1,833,230	601,572	3,469,861	5,013,341	10,918,004

Notes to the consolidated financial statements

For the year ended 31 december 2025

26. FINANCIAL RISK MANAGEMENT (continued)

31 December 2024	Up to 3 months	3 months to 1 year	1 year to 5 years	5 years and over	Total
Liabilities					
Deposits	(772,655)	-	-	-	(772,655)
Securities sold under repurchase agreements	-	-	(445,542)	-	(445,542)
Negative fair value of derivatives	(32,907)	(10,592)	(49,788)	(27,967)	(121,254)
Other liabilities	(55,637)	(39,652)	(96,414)	(10,175)	(201,878)
Term financing	-	-	(1,450,000)	-	(1,450,000)
Sukuk and bonds issued	(25,000)	(1,197,916)	(3,350,231)	-	(4,573,147)
Off-balance sheet exposures:					
Commitments to underwrite and fund loans	(25,000)	(375,165)	(607,049)	(1,099,148)	(2,106,362)
Letters of credit	(146,649)	(61,418)	(52,850)	-	(260,917)
Letters of guarantee	(25,376)	(147,314)	(167,420)	(32,481)	(372,591)
Commitments to subscribe capital investments	-	-	(192,023)	-	(192,023)
Other commitments	-	(2,056)	-	-	(2,056)
Total liabilities	(1,083,224)	(1,834,113)	(6,411,317)	(1,169,771)	(10,498,425)
Maturity gap	750,006	(1,232,541)	(2,941,456)	3,843,570	419,579

Notes to the consolidated financial statements

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26. FINANCIAL RISK MANAGEMENT (continued)

The entire portfolio of placements with bank, investments held at FVTPL, is classified within demand and less than one month based on management’s assessment of the portfolio’s realisability.

Liquidity requirements to support calls under guarantees and standby letters of credit are considerably less than the amount of the commitment disclosed in the above maturity analysis, because the Group does not generally expect the third party to draw funds under the agreement. The total outstanding contractual amount of commitments to extend credit as included in the above maturity table does not necessarily represent future cash requirements, since many of these commitments will expire or terminate without being funded.

Management believes that despite a substantial portion of deposits, diversification of these deposits by type of depositors, and the past experience of the Group would indicate that these deposit accounts provide a long-term and stable source of funding for the Group.

c) Market risk management

Market risk is the risk that changes in market factors, such as interest rate, equity prices and foreign exchange rates will affect the Corporation’s income or the value of its holdings of financial instruments. The objective of

market risk management is to manage and control market risk exposures within acceptable parameters, while optimizing the return on risk. Management sets limits on the value of risk that may be accepted, which is monitored on a daily basis.

Market Risk metrics are measured and monitored on a continuous basis through the use of dedicated systems approved by ALCO. Treasury & Capital Market department take appropriate steps to maintain and update market risk systems to monitor and manage market risks as well as to conduct stress tests. In addition to Board level limits, Early Warning Indicators are established within the Board limits to permit proactive management of market risk.

The Corporation holds (but currently does not actively trade) debt and equity securities. Treasury activities are controlled by the ALCO and are also subject to a framework of Board-approved currency, industry and geographical limits and ratings by credit rating agencies.

The principal risk to which non-trading portfolios are exposed is the risk of loss from fluctuations in the future cash flows or fair values of financial instrument because of a change in market interest rates, foreign exchange rates and equity prices.

Interest rate risk: Loans and advances are normally denominated in United States dollars, as is the Corporation’s funding, and interest rates for both are normally linked to SOFR. The Corporation’s exposure to interest rate fluctuations on certain financial assets and liabilities is also hedged by entering into interest rate swap agreements.

Exposure to interest rate risk is restricted by permitting only a limited mismatch between the re-pricing of the main components of the Corporation’s assets and liabilities. Corporation monitors on a regular basis and sets limits on the level of mismatch of interest rate repricing that may be undertaken.

Notes to the consolidated financial statements

For the year ended 31 december 2025

26. FINANCIAL RISK MANAGEMENT (continued)

The repricing profile of the Group's interest-bearing financial assets and financial liabilities at 31 December was as follows:

31 December 2025	Up to 3 months	3 months to 1 year	1 year to 5 years	More than 5 years	Non-interest Bearing	Total
ASSETS						
Cash and cash equivalents	332,338	-	-	-	-	332,338
Placements with banks	20,329	1,044,553	-	-	-	1,064,882
Positive fair value of derivatives	55,734	69,420	-	-	-	125,154
Loans and advances	4,528,734	1,389,106	107,280	-	-	6,025,120
Investments						
Investments at FVOCI	3,470,561	576,726	-	-	-	4,047,287
Equity securities at FVOCI	-	-	-	-	1,086,192	1,086,192
Investments at FVTPL	-	-	-	-	412,466	412,466
Equity accounted investees	-	-	-	-	121,182	121,182
Other assets	-	-	-	-	176,205	176,205
LIABILITIES						
Deposits	(450,619)	(6,409)	-	-	-	(457,028)
Negative fair value of derivatives	(27,818)	(17,560)	-	-	-	(45,378)
Other liabilities	-	-	-	-	(248,194)	(248,194)
Securities sold under agreements to repurchase	-	(445,542)	-	-	-	(445,542)
Term financing	(1,600,000)	(250,000)	-	-	-	(1,850,000)
Sukuks and Bonds issued	(4,063,007)	(2,291,111)	(376,220)	-	-	(6,730,338)
Interest rate sensitivity gap	2,266,252	69,183	(268,940)	-	1,547,851	3,614,346
Cumulative gap	2,266,252	2,335,435	2,066,495	2,066,495	3,614,346	

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For the year ended 31 december 2025

26. FINANCIAL RISK MANAGEMENT (continued)

31 December 2024	Up to 3 months	3 months to 1 year	1 year to 5 years	More than 5 years	Non-interest Bearing	Total
ASSETS						
Cash and cash equivalents	137,016	-	-	-	-	137,016
Placements with banks	234,895	2,667	-	-	-	237,562
Positive fair value of derivatives	25,406	24,123	-	-	-	49,529
Loans and advances	3,891,215	1,628,071	-	43,536	-	5,562,822
Investments						
Investments at FVOCI	1,319,201	57,426	1,114,398	669,661	-	3,160,686
Equity securities at FVOCI	-	-	-	-	1,016,161	1,016,161
Investments at FVTPL	1,551	635	11,367	34,660	468,928	517,141
Equity accounted investees	-	-	-	-	96,189	96,189
Other assets	-	-	-	-	110,888	110,888
LIABILITIES						
Deposits	(772,655)	-	-	-	-	(772,655)
Negative fair value of derivatives	(116,417)	(4,837)	-	-	-	(121,254)
Other liabilities	-	-	-	-	(201,878)	(201,878)
Securities sold under agreements to repurchase	(445,542)	-	-	-	-	(445,542)
Term financing	(998,492)	(451,508)	-	-	-	(1,450,000)
Sukuks and Bonds issued	(1,248,421)	(3,324,726)	-	-	-	(4,573,147)
Interest rate sensitivity gap	2,027,757	(2,068,149)	1,125,765	747,857	1,490,288	3,323,518
Cumulative gap	2,027,757	(40,392)	1,085,373	1,833,230	3,323,518	

Notes to the consolidated financial statements

For the year ended 31 december 2025

26. FINANCIAL RISK MANAGEMENT (continued)

Non-derivative financial assets and liabilities
The Group’s exposure to its floating non-derivative financial assets and liabilities is linked to SOFR.

Derivatives
The Group’s interest rate derivative instruments have floating legs predominantly linked to USD LIBOR. Such instruments are governed by the International Swaps and Derivatives Association (ISDA) Master Agreements. ISDA has defined a fall-back logic (ISDA protocol) to replace the LIBOR fixings following the transition. These fall-back rates are published by Bloomberg Index Securities Limited for use in legacy derivatives contracts. The existing contracts can be transitioned to these alternatives.

The Group has applied the hedging relief available under the amendments to IFRS 9 Financial Instruments

relating to interest rate benchmark reforms and assessment of economic relationship between hedged items and hedging instruments.

The management of interest rate risk against interest rate gap limits is supplemented by monitoring the sensitivity of the Corporation’s financial assets and liabilities to various standard and non-standard interest rate scenarios. Standard scenarios that are considered on a periodic basis include a 100 basis point (bp) parallel fall or 100 basis point (bp) rise in all yield curves worldwide. An analysis of sensitivity of the Corporation’s consolidated statement of income and equity to an increase or decrease in market interest rates (assuming no asymmetrical movement in yield curves and a constant consolidated statement of financial position) is as follows:

	100 bp parallel increase		100 bp parallel decrease	
	Income	Equity	Income	Equity
At 31 December 2025	(37,795)	(65,816)	37,795	65,816
At 31 December 2024	19,346	336	(19,346)	(336)

At reporting date, the interest rate profile of the Corporation’s interest-bearing financial instruments was:

	2025	2024
Fixed rate instruments		
Financial assets	10,339,289	7,663,625
Financial liabilities	(7,449,689)	(5,995,016)
	2,889,600	1,668,609
Variable rate instruments		
Financial assets	8,563,124	7,479,567
Financial liabilities	(9,436,272)	(7,267,412)
	(873,148)	212,155

Currency risk is minimised by regular review of exposures to currencies other than United States dollars to ensure that no significant positions are taken, which may expose the Corporation to undue risks. Currently, there is no trading in foreign exchange. Risk Management Committee monitors and assess all market risk metrics semi-annually including, interest rate risk, forex risk, credit spread risk, and equity price risk, along with any recorded limit breaches.

An analysis of the Corporation’s consolidated statement of income sensitivity to 5% strengthening or 5% weakening of US dollar against major un-pegged foreign currencies is shown below. This analysis assumes that all other variables, in particular interest rates, remain same.

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For the year ended 31 december 2025

26. FINANCIAL RISK MANAGEMENT (continued)

At 31 December 2025	5% strengthening of USD	5% weakening of USD
EGP	(556)	556
EUR	(163)	163
GBP	(1,674)	1,674
KWD	-	-

At 31 December 2024	5% strengthening of USD	5% weakening of USD
EGP	(84)	84
EUR	6,355	(6,355)
GBP	7,981	(7,981)
KWD	(1,360)	1,360

The Corporation’s net currency exposures are as follows:

			31 December 2025	31 December 2024
	Assets	Liabilities and equity	Net Exposure	Net Exposure
ASSETS, LIABILITIES AND EQUITY				
United States dollar	12,743,598	(11,905,319)	838,279	144,800
Euro	74,200	(658,621)	(584,421)	(134,624)
Other OECD currencies	119,445	(461,923)	(342,478)	(167,579)
Chinese Yuan Renminbi	6,804	(381,895)	(375,091)	(360,167)
Arab currencies	-	-	-	-
GCC currencies	473,593	(9,882)	463,711	517,570
	13,417,640	(13,417,640)	-	-

	2025	2024
COMMITMENTS AND GUARANTEES		
United States dollar	2,772,844	2,806,743
Saudi Riyal	55,045	45,352
Kuwaiti Dinar	19,302	13,053
Euro / GBP	97,913	68,801
	2,945,104	2,933,949

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For the year ended 31 december 2025

26. FINANCIAL RISK MANAGEMENT (continued)

GCC

The member states of the Gulf Co-operation Council are: Bahrain, Kuwait, Oman, Qatar, Saudi Arabia and the United Arab Emirates. Their currencies except for Kuwait are pegged against the United States dollar.

Significant exchange rates

The following year-end rates have been used in translating other currencies to United States dollars:

		2025	2024
Euro	EUR 1=US\$	1.1748	1.0407
Saudi riyal	SAR 1=US\$	0.2666	0.2666
British pound	GBP 1=US\$	1.3468	1.2550
Egyptian pound	EGP 1=US\$	0.0210	0.0196

Since the Group’s net foreign currency exposures to currencies other than US dollar and GCC currencies is not significant, the sensitivity of fluctuation in the currencies will not be significant.

Equity prices risk is the risk that Corporations quoted equity investments will depreciate in value due to movements in the quoted equity prices. The overall authority of equity prices risk management is vested in ALCO. APICORP manages the equity risk by reducing its exposure to public equities except in relatively longer-term strategic and mandate-driven investment, which are not influenced by short-term market movements. Strategic investment in managed funds and trading

equity investments are managed by the investments and / or portfolio management teams, are monitored separately by Risk and compliance department. Periodical listed equity prices movements are reviewed by executive management and ALCO.

Fair valuation of managed Fund are monitored by the Investment department. Details of unobservable inputs are disclosed under note (28) of these consolidated financial statements.

The effect on the Group’s investments due to reasonable possible change in market indices, with all other variables held constant is as follows:

	31 December 2025		31 December 2024	
	Change in investment price %	Effect in USD '000	Change in investment price %	Effect in USD '000
Security types				
Equity securities at FVOCI – Retained earnings				
Unlisted equities	+/- 5	46,788 / (46,788)	+/- 5	45,691 / (45,691)
Listed equities	+/- 5	1,635 / (1,635)	+/- 5	5,117 / (5,117)
Investments at FVTPL – Statement of income				
Managed funds	+/- 5	17,899 / (17,899)	+/- 5	13,704 / (13,704)
Listed equities	+/- 5	8,802 / (8,802)	+/- 5	9,781 / (9,781)

d) Operational risk

Operational risk is the risk of unexpected losses resulting from inadequate or failed internal controls or procedures, systems failures, fraud, business interruption, compliance breaches, human error, management failure or inadequate staffing. A framework and methodology has

been developed to identify and control the various operational risks. While operational risk cannot be entirely eliminated, it is managed and mitigated by ensuring that the appropriate infrastructure, controls, systems, procedures, and trained and competent people are in place throughout the Corporation. A strong internal audit function makes regular,

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For the year ended 31 december 2025

26. FINANCIAL RISK MANAGEMENT (continued)

independent appraisals of the control environment in all identified risk areas. Adequately tested contingency arrangements are also in place to support operations in the event of a range of possible disaster scenarios.

e) Capital management

The Corporation manages its capital to ensure that entities in the Corporation will be able to continue as a going concern while maximizing the return to stakeholders through the optimization of the debt and equity balances. The capital structure of the Corporation consists of net debt and equity of the Corporation. The Corporation is not subject to any externally imposed capital requirements.

27. EFFECTIVE INTEREST RATES

The weighted average effective interest rates of the Group’s financial instruments at the reporting date were:

	2025	2024
Interest-bearing financial assets		
Fixed-rate bonds	4.97%	4.90%
Floating-rate bonds	4.22%	5.60%
Placements with banks	3.25%	5.03%
Loans and advances	6.47%	6.40%
US dollar denominated	6.47%	6.40%
Non-US dollar denominated	5.79%	5.79%
Interest-bearing financial liabilities		
Deposits from banks	4.03%	4.87%
Deposits from corporates	3.92%	4.89%
Deposits from shareholders	3.86%	4.52%
Securities sold under repurchase agreements	4.62%	5.31%
Bank term financing	4.55%	5.14%
Sukuk and Bonds	3.46%	2.65%
US\$ SOFR as at 31 December was:		
One-month	3.69%	4.34%
Three-month	3.65%	4.31%
Six-month	3.57%	4.26%

Notes to the consolidated financial statements

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28. FAIR VALUE HIERARCHY AND CLASSIFICATION OF FINANCIAL INSTRUMENTS

a) Fair value

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an ordinary transaction between market participants at the measurement date.

b) Fair value hierarchy

The Group measures fair values using the following fair value hierarchy that reflects the significance of the inputs used in making the measurements.

- **Level 1:** quoted prices (unadjusted) in active markets for identical assets and liabilities
- **Level 2:** Valuation techniques based on observable inputs, either directly (i.e. as prices) or indirectly (i.e. as derived from prices). This category includes instruments valued using: quoted market prices in active markets for similar instruments; quoted prices for identical or similar instruments in markets that are considered less active; or other valuation techniques where all significant inputs are directly or indirectly observable from market data.

- **Level 3:** Valuation techniques using significant unobservable inputs. This category includes all instruments where the valuation technique includes inputs not based on observable data and the unobservable inputs have a significant effect on the instrument's valuation. This category includes instruments that are valued based on quoted market prices for similar instruments where significant unobservable adjustments or assumptions are required to reflect differences between the instruments.

Notes to the consolidated financial statements

For the year ended 31 december 2025

28. FAIR VALUE HIERARCHY AND CLASSIFICATION OF FINANCIAL INSTRUMENTS (continued)

The table below analyses financial instruments, measured at fair value as at the end of the year, by level in the fair value hierarchy into which the fair value measurement is categorized:

31 December 2025	Carrying Value	Level 1	Level 2	Level 3	Total
Financial assets measured at fair value					
Loans and advances at FVTPL	43,536	-	-	43,536	43,536
Debt securities at FVOCI:					
Treasury Bill	2,198,499	2,198,499	-	-	2,198,499
Fixed-rate bonds	1,756,048	1,756,048	-	-	1,756,048
Floating-rate bonds	92,740	92,740	-	-	92,740
Investments at FVTPL					
Managed funds	234,886	-	27,520	207,366	234,886
Listed equities	177,580	177,580	-	-	177,580
Equity securities at FVOCI					
Unlisted equities	1,053,490	-	-	1,053,490	1,053,490
Listed equities	32,702	32,702	-	-	32,702
Positive fair value of derivatives	125,154	-	125,154	-	125,154
	5,714,635	4,257,569	152,674	1,304,392	5,714,635

Notes to the consolidated financial statements

For the year ended 31 december 2025

28. FAIR VALUE HIERARCHY AND CLASSIFICATION OF FINANCIAL INSTRUMENTS (continued)

31 December 2025	Carrying Value	Level 1	Level 2	Level 3	Total
Financial assets not measured at fair value					
Cash and cash equivalents	332,338	-	-	332,338	332,338
Placements with banks, net	1,064,882	-	-	1,064,882	1,064,882
Loans and advances, net	5,981,584	-	-	5,981,584	5,981,584
Equity accounted investees, net	121,182	-	-	121,182	121,182
	7,499,986	-	-	7,499,986	7,499,986
	13,214,621	4,257,569	152,674	8,804,378	13,214,621
Financial liabilities measured at fair value					
Negative fair value of derivatives	45,378	-	45,378	-	45,378
Financial liabilities not measured at fair value					
Deposits	457,028	-	-	457,028	457,028
Securities sold under repurchase agreements	445,542	-	-	445,542	445,542
Term financing	1,850,000	-	-	1,850,000	1,850,000
Sukuk and bonds issued	6,730,338	-	6,730,338	-	6,730,338
	9,528,286	-	6,775,716	2,752,570	9,528,286

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For the year ended 31 december 2025

28. FAIR VALUE HIERARCHY AND CLASSIFICATION OF FINANCIAL INSTRUMENTS (continued)

31 December 2024	Carrying Value	Level 1	Level 2	Level 3	Total
Financial assets measured at fair value					
Loans and advances at FVTPL	43,536	-	-	43,536	43,536
Debt securities at FVOCI:					
Treasury Bill	1,224,190	-	1,224,190	-	1,224,190
Fixed-rate bonds	1,781,469	-	1,781,469	-	1,781,469
Floating-rate bonds	155,027	-	155,027	-	155,027
Investments at FVTPL					
Debt securities	48,213	48,213	-	-	48,213
Managed funds	273,303	-	143,974	129,329	273,303
Listed equities	195,625	195,625	-	-	195,625
Equity securities at FVOCI					
Unlisted equities	913,815	-	-	913,815	913,815
Listed equities	102,346	102,346	-	-	102,346
Positive fair value of derivatives	49,529	-	49,529	-	49,529
	4,787,053	346,184	3,354,189	1,086,680	4,787,053

Notes to the consolidated financial statements

For the year ended 31 december 2025

28. FAIR VALUE HIERARCHY AND CLASSIFICATION OF FINANCIAL INSTRUMENTS (continued)

31 December 2024	Carrying Value	Level 1	Level 2	Level 3	Total
Financial assets not measured at fair value					
Cash and cash equivalents	137,016	-	-	137,016	137,016
Placements with banks, net	239,957	-	-	239,957	239,957
Loans and advances, net	5,561,256	-	-	5,561,256	5,561,256
Equity accounted investees, net	96,189	-	-	96,189	96,189
	6,034,418	-	-	6,034,418	6,034,418
	10,821,471	346,184	3,354,189	7,121,098	10,821,471
Financial liabilities measured at fair value					
Negative fair value of derivatives	172,096	-	172,096	-	172,096
Financial liabilities not measured at fair value					
Deposits	774,632	-	-	774,632	774,632
Securities sold under repurchase agreements	446,785	-	-	446,785	446,785
Term financing	1,455,955	-	-	1,455,955	1,455,955
Sukuk and bonds issued	4,607,831	-	4,607,831	-	4,607,831
	7,457,299	-	4,779,927	2,677,372	7,457,299

Notes to the consolidated financial statements

For the year ended 31 december 2025

28. FAIR VALUE HIERARCHY AND CLASSIFICATION OF FINANCIAL INSTRUMENTS (continued)

Level 3 valuations are reviewed monthly by the Group’s Chief Investment Committee who report to the Board of Directors on a monthly basis. The committee considers the appropriateness of the valuation model inputs, as well as the valuation result using various valuation methods and techniques generally recognised as standard within the financial services industry. In selecting the most appropriate valuation model the committee performs back testing and considers which model’s results have historically aligned most closely to actual market transactions.

To value level 3 investments, the Group utilises comparable trading multiples. Management determines comparable public companies (peers) based on industry, size, developmental stage and strategy. Management then calculates a trading multiple for each comparable company identified. The multiple is calculated by dividing the enterprise value of the comparable company by its earnings before interest, taxes, depreciation and amortisation (EBITDA). The trading multiple is then discounted for considerations such as illiquidity and differences between the comparable companies based on company-specific facts and circumstances.

The fair values in level 2 and level 3 of fair value hierarchy were estimated using the discounted cash flows valuation technique. The fair value of floating rate instruments that are not quoted in an active market was estimated to be equal to their carrying amount. The fair value of unquoted fixed interest rate instruments was estimated based on estimated future cash flows expected to be received discounted at current interest rates for new instruments with similar credit risk and remaining maturity.

Liabilities were discounted at the Group’s own incremental borrowing rate. Liabilities due on demand were discounted from the first date that the amount could be required to be paid by the Group.

The valuation technique, inputs used in the fair value measurement of the financial assets and financial liabilities are as of 31 December 2025 are as follows:

Type	Accounting Classification	Valuation Technique
– Investment held at FVOCI – Sukuks, bonds & equities	FVOCI	Fair valued using the broker quoted prices or estimating present value by discounting cash flows using adjusted discount rate, revenue and market multiple.
– Forward foreign exchange contracts and Interest rate swaps and equities.	FVTPL	Forward foreign exchange contracts: Fair valued using discounted Notional techniques that use observable market data inputs for Foreign Exchange (FX) and yield curves Interest rate swaps: The fair value is determined by discounting the future cash flows using observable market data inputs for yield curves. Listed equity securities are fair valued based on market prices as available on stock exchange.

Valuation technique used for loans and advances held at FVTPL include in level 3 is discounted cash flow and for investments held at FVTPL is based on market approach (secondary market prices). Investment in listed equity securities held at FVOCI are valued using quoted market prices and investment in unlisted equity

securities held a FVOCI are valued using discounted cash flows and market multiples. Sukuks and Bonds are valued using discounted cash flow techniques.

Notes to the consolidated financial statements

For the year ended 31 december 2025

28. FAIR VALUE HIERARCHY AND CLASSIFICATION OF FINANCIAL INSTRUMENTS (continued)

There were no changes in valuation technique for other level 3 recurring fair value measurements during the year ended 31 December 2025.

Movement of Level 3 fair value measurements

	2025	2024
Balance at 1 January	1,086,680	1,074,367
Total gains or losses:		
In other comprehensive income	15,792	(77,706)
In profit and loss	12,260	15,357
Purchases	197,769	93,157
Sold	(8,109)	(18,495)
Balance at 31 December	1,304,392	1,086,680

There were no transfers between the levels of fair value hierarchies during the year.

The Group’s derivatives are classified as Level 2 as they are valued using inputs that can be observed in the market.

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For the year ended 31 december 2025

28. FAIR VALUE HIERARCHY AND CLASSIFICATION OF FINANCIAL INSTRUMENTS (continued)

c) Categories of financial instruments

The following table summarizes the balances of financial assets and financial liabilities by measurement category in the consolidated statement of financial position as of 31 December:

31 December 2025	Amortised cost	FVTPL	FVOCI – equity securities	FVOCI – debt securities	Total carrying amount
Financial assets					
Cash and cash equivalents	332,338	-	-	-	332,338
Placement with banks, net	1,064,882	-	-	-	1,064,882
Positive fair value of derivatives	-	125,154	-	-	125,154
Loans and advances, net	5,981,584	43,536	-	-	6,025,120
Investments in debt	-	27,520	-	4,047,287	4,074,807
Investments in equity		506,502	964,636	-	1,471,138
Equity accounted investees, net	121,182	-	-	-	121,182
	7,499,986	702,712	964,636	4,047,287	13,214,621
Financial liabilities					
Deposits	457,028	-	-	-	457,028
Securities sold under agreements to repurchase	445,542	-	-	-	445,542
Negative fair value of derivatives	-	45,378	-	-	45,378
Term financing	1,850,000	-	-	-	1,850,000
Sukuk and bonds issued	6,730,338	-	-	-	6,730,338
	9,482,908	45,378	-	-	9,528,286

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For the year ended 31 december 2025

28. FAIR VALUE HIERARCHY AND CLASSIFICATION OF FINANCIAL INSTRUMENTS (continued)

31 December 2024	Amortised cost	FVTPL	FVOCI – equity securities	FVOCI – debt securities	Total carrying amount
Financial assets					
Cash and cash equivalents	137,016	-	-	-	137,016
Placement with banks, net	237,562	-	-	-	237,562
Positive fair value of derivatives	-	49,529	-	-	49,529
Loans and advances, net	5,519,286	43,536	-	-	5,562,822
Investments	-	517,141	1,016,161	3,160,686	4,693,988
Equity accounted investees, net	96,189	-	-	-	96,189
	5,990,053	610,206	1,016,161	3,160,686	10,777,106
Financial liabilities					
Deposits	772,655	-	-	-	772,655
Securities sold under agreements to repurchase	445,542	-	-	-	445,542
Negative fair value of derivatives	-	121,254	-	-	121,254
Term financing	1,450,000	-	-	-	1,450,000
Sukuk and bonds issued	4,573,147	-	-	-	4,573,147
	7,241,344	121,254	-	-	7,362,598

Notes to the consolidated financial statements

For the year ended 31 december 2025

29. SEGMENTAL INFORMATION

Reportable segments

The Group’s reportable segments are therefore as follows:

Corporate banking – caters mainly to the banking requirements of corporate and institutional banking.

Equity Investments – includes activities of the Group’s equity securities, investment in its associates and subsidiaries.

Treasury and capital markets –

manages the Group’s liquidity, currency, and interest rate risks. It is also responsible for funding the Group’s operations and managing the Group’s fixed income portfolio and liquidity position. This segment also holds the capital for the group and manages deployment for the same.

Others – assets and liabilities held centrally which are not directly attributed to any of the above business lines.

31 December 2025	Corporate Banking	Equity Investments	Treasury and Capital Markets	Others	Total
Segment assets	5,981,584	1,635,349	5,472,534	328,173	13,417,640
Segment liabilities	-	-	9,482,908	293,572	9,776,480
Interest income	426,688	-	234,874	-	661,562
Interest expense	(310,171)	-	(119,494)	-	(429,665)
Net interest income	116,517	-	115,380	-	231,897
Non interest income	23,579	66,994	17,239	-	107,812
Operating income	140,096	66,994	132,619	-	339,709
Operating expenses	-	-	-	(66,370)	(66,370)
Impairment charge	14,109	-	(5,065)	-	9,044
Net income / (loss) for the year	154,205	66,994	127,554	(66,370)	282,383
Attributable to:					
Shareholders of the Corporation					282,383
Non-controlling interest					-

Notes to the consolidated financial statements

For the year ended 31 december 2025

29. SEGMENTAL INFORMATION (continued)

31 December 2024	Corporate Banking	Equity Investments	Treasury and Capital Markets	Others	Total
Segment assets	5,756,687	1,477,691	3,561,970	121,656	10,918,004
Segment liabilities	-	-	7,279,347	283,449	7,562,796
Interest income	433,564	-	198,697	-	632,261
Interest expense	(328,514)	-	(86,319)	(1,244)	(416,077)
Net interest income	105,050	-	112,378	(1,244)	216,184
Non interest income	13,731	89,207	12,269	26,051	141,258
Operating income	118,781	89,207	124,647	24,807	357,442
Operating expenses	-	-	-	(67,712)	(67,712)
Impairment charge	(17,916)	-	(6,152)	-	(24,068)
Net income / (loss) for the year	100,865	89,207	118,495	(42,905)	265,662
Attributable to:					
Shareholders of the Corporation					265,663
Non-controlling interest					(1)

Geographical information

Geographical information is disclosed in Note 26 (a) of these consolidated financial statements.

Notes to the consolidated financial statements

For the year ended 31 december 2025

30. CASH AND CASH EQUIVALENTS

Cash and cash equivalents included in the consolidated statement of cash flows comprise the following:

	31 December 2025	31 December 2024
Cash balances with banks and cash in hand	237,214	69,659
Placements with banks (with an original maturity of less than 90 days)	95,124	67,357
Total	332,338	137,016

31. CAPITAL ADEQUACY

The Group uses the standardized approach of Basel III to calculate the Risk Weighted Assets (RWAs) and Pillar -1 capital (including Credit Risk, Market Risk and Operational Risk). The Group’s capital base primarily comprises:

Common Equity Tier 1 capital (CET 1) of the Group comprises share capital, statutory reserve, other reserves, proposed dividend, retained earnings, Tier 1 eligible debt securities, foreign currency translation reserve and non-controlling interests less treasury shares, goodwill, intangible assets and other prescribed deductions.

Tier 2 Capital includes expected credit losses.

The following table summarizes the Group’s Pillar1- Risk Weighted Assets, Tier 1 and Tier 2 capital and capital adequacy ratios:

	31 December 2025	31 December 2024
CET 1 Capital		
Share capital	1,500,000	1,500,000
Legal reserve	351,238	323,000
General reserve	316,149	316,149
Retained earnings	865,695	586,520
Fair value reserve	608,072	627,839
Total CET 1 Capital	3,641,154	3,353,508
Tier 2 Capital		
General loan loss provision	114,938	129,047
Total Tier 2 Capital	114,938	129,047
Total capital base	3,756,092	3,482,555
Risk weighted assets		
Credit risk	11,351,595	11,039,654
Market risk	355,163	334,100
Operational risk	630,300	585,163
Total risk weighted assets	12,337,058	11,958,917
Common equity tier 1 ratio	29.51%	28.04%
Tier 1 capital ratio	29.51%	28.04%
Capital adequacy ratio	30.45%	29.12%

Notes to the consolidated financial statements

For the year ended 31 december 2025

32. EVENTS AFTER THE END OF THE REPORTING YEAR

During February 2026, the Group has a public issuance of US\$ 500 million having a maturity of ten years.

Other than the above mentioned, there have been no events subsequent to the reporting date that would

significantly affect the amounts reported in the consolidated financial statements as at and for the twelve-month year ended 31 December 2025.

33. COMPARATIVE FIGURES

During the period, the Group reassessed the presentation of certain interest-related balances to align with the nature of the underlying assets and liabilities. Accordingly, interest receivable previously recorded under placements with banks, positive fair value of derivatives, loans and advances, and investments in debt securities, which represents amounts accrued but not yet due, has been reclassified to other assets.

Similarly, interest payable previously included within deposits, securities sold under agreements to repurchase, negative fair value of derivatives, term financing, subordinated borrowings, and bonds issued has been reclassified to other liabilities. These reclassifications have been made to provide a more accurate presentation of accrued interest in the statement of financial position.

Statement of financial position

	Before reclassification	After reclassification	Difference
	31 December 2024	31 December 2024	
ASSETS			
Placements with banks, net	239,957	237,562	(2,395)
Positive fair value of derivatives	88,275	49,529	(38,746)
Loans and advances, net	5,604,792	5,562,822	(41,970)
Investments in debt	3,377,279	3,352,873	(24,406)
Other assets	3,371	110,888	107,517
Total			-
LIABILITIES			
Deposits	774,632	772,655	(1,977)
Securities sold under agreements to repurchase	446,785	445,542	(1,243)
Negative fair value of derivatives	172,096	121,254	(50,842)
Other liabilities	113,033	201,878	88,845
Term financing	1,455,955	1,450,000	(5,955)
Sukuk and bonds issued	4,601,975	4,573,147	(28,828)
Total			-

34. APPROVAL OF THE CONSOLIDATED FINANCIAL STATEMENTS

These consolidated financial statements were approved by the Board of directors of the Group on 21 February 2026.