IMPORTANT NOTICE

THE ATTACHED BASE PROSPECTUS IS AVAILABLE ONLY TO: (i) QIBs (AS DEFINED BELOW) WHO ARE ALSO QPs (AS DEFINED BELOW); OR (ii) CERTAIN NON-U.S. PERSONS OUTSIDE OF THE UNITED STATES.

IMPORTANT: You must read the following before continuing. The following notice applies to the attached base prospectus (the "**Base Prospectus**") following this notice, and you are therefore advised to read this carefully before reading, accessing or making any other use of the Base Prospectus. In accessing the Base Prospectus, you agree to be bound by the following terms and conditions, including any modifications to them at any time you receive any information from the Issuer, the Arrangers and the Dealers (each as defined in the Base Prospectus) as a result of such access.

NOTHING IN THIS ELECTRONIC TRANSMISSION CONSTITUTES AN OFFER TO SELL OR A SOLICITATION OF AN OFFER TO BUY ANY SECURITIES IN THE UNITED STATES OR IN ANY JURISDICTION WHERE IT IS UNLAWFUL TO DO SO. THE SUBORDINATED NOTES DESCRIBED IN THE BASE PROSPECTUS HAVE NOT BEEN, AND WILL NOT BE, REGISTERED UNDER THE U.S. SECURITIES ACT OF 1933, AS AMENDED (THE "**SECURITIES ACT**"), OR THE SECURITIES LAWS OF ANY STATE OF THE UNITED STATES OR OTHER JURISDICTIONS, AND MAY NOT BE OFFERED OR SOLD WITHIN THE UNITED STATES, OR TO, OR FOR THE ACCOUNT OR BENEFIT OF, U.S. PERSONS (AS DEFINED IN REGULATION S UNDER THE SECURITIES ACT), EXCEPT PURSUANT TO AN EXEMPTION FROM, OR IN A TRANSACTION NOT SUBJECT TO, THE REGISTRATION REQUIREMENTS OF THE SECURITIES ACT AND APPLICABLE STATE OR LOCAL SECURITIES LAWS.

THE BASE PROSPECTUS IS NOT BEING DISTRIBUTED TO, AND MUST NOT BE PASSED ON TO, THE GENERAL PUBLIC IN THE UNITED KINGDOM. RATHER, THE COMMUNICATION OF THE BASE PROSPECTUS AS A FINANCIAL PROMOTION IS ONLY BEING MADE TO THOSE PERSONS WHO HAVE PROFESSIONAL EXPERIENCE IN MATTERS RELATING TO INVESTMENTS FALLING WITHIN ARTICLE 19(5) OF THE FINANCIAL SERVICES AND MARKETS ACT 2000 (FINANCIAL PROMOTION) ORDER 2005 (THE "**ORDER**") OR HIGH NET WORTH ENTITIES, AND OTHER PERSONS TO WHOM IT MAY LAWFULLY BE COMMUNICATED, FALLING WITHIN ARTICLE 49(2)(A) TO (D) OF THE ORDER (EACH SUCH PERSON BEING REFERRED TO AS A "**RELEVANT PERSON**").

THIS COMMUNICATION IS BEING DIRECTED ONLY AT RELEVANT PERSONS IN THE UNITED KINGDOM AND ANY INVESTMENT OR INVESTMENT ACTIVITY TO WHICH THIS COMMUNICATION RELATES WILL BE ENGAGED IN ONLY WITH SUCH PERSONS. NO PERSON SHOULD RELY ON IT.

THE FOLLOWING BASE PROSPECTUS MAY NOT BE FORWARDED OR DISTRIBUTED TO ANY OTHER PERSON AND MAY NOT BE REPRODUCED IN ANY MANNER WHATSOEVER. ANY FORWARDING, DISTRIBUTION OR REPRODUCTION OF THIS DOCUMENT IN WHOLE OR IN PART IS UNAUTHORISED. FAILURE TO COMPLY WITH THIS DIRECTIVE MAY RESULT IN A VIOLATION OF THE SECURITIES ACT OR THE APPLICABLE LAWS OF OTHER JURISDICTIONS. IF YOU HAVE GAINED ACCESS TO THIS TRANSMISSION CONTRARY TO ANY OF THE FOREGOING RESTRICTIONS, YOU ARE NOT AUTHORISED AND WILL NOT BE ABLE TO PURCHASE ANY OF THE SECURITIES DESCRIBED THEREIN.

Confirmation of your representation: By accessing the Base Prospectus you confirm to us that: (i) you understand and agree to the terms set out herein; (ii) you consent to delivery of the Base Prospectus and any amendments or supplements thereto by electronic transmission; (iii) you will not transmit the Base Prospectus (or any copy of it or part thereof) or disclose, whether orally or in writing, any of its contents to any other person; and (iv) you acknowledge that you will make your own assessment regarding any credit, investment, legal, taxation or other economic considerations with respect to your decision to subscribe or purchase any of the Subordinated Notes. In order to be eligible to view the Base Prospectus or make an investment decision with respect to the securities, investors must be either: (a) Qualified Institutional Buyers ("**QIBs**") (within the meaning of Rule 144A under the Securities Act) who are also qualified purchasers ("**QPs**") (within the meaning of Section 2(a)(51)(A) of the U.S. Investment Company Act of 1940, as amended), or acting on behalf of such QIBs who are also QPs; or (b) non-U.S. persons outside the United States. The Base Prospectus is being sent at your request and by accepting the e-mail and accessing the Base Prospectus, you shall be deemed to have represented to us that: (1) you and any customers you represent are either: (x) QIBs who are also QPs, or (y) non-U.S. persons and outside the United States, its territories and possessions (including Puerto Rico, the U.S. Virgin Islands, Guam, American Samoa, Wake Island and the Northern Mariana Islands), any State of the United States or the District of Columbia; (2) unless you are a QIB who is also a QP or acting on behalf of a QIB who is also a QP, the electronic mail address that you gave us and to which this e-mail has been delivered is not located in the United States; (3) you are a person who is permitted under applicable law and regulation to receive the Base Prospectus; and (4) you consent to delivery of the Base Prospectus by electronic transmission.

You are reminded that the Base Prospectus has been delivered to you on the basis that you are a person into whose possession the Base Prospectus may be lawfully delivered in accordance with the laws of the jurisdiction in which you are located and you may not, nor are you authorised to, deliver the Base Prospectus to any other person. Failure to comply with this directive may result in a violation of the Securities Act or the applicable laws of other jurisdictions.

The Base Prospectus does not constitute, and may not be used in connection with, an offer or solicitation in any place where offers or solicitations are not permitted by law. If a jurisdiction requires that an offering of securities described herein be made by a licensed broker or dealer and the Arrangers and Dealers or any affiliate of the applicable Arrangers or Dealers is a licensed broker or dealer in that jurisdiction, the offering shall be deemed to be made by such Arranger or Dealer or such affiliate on behalf of the Issuer or holders of the applicable securities in such jurisdiction.

Under no circumstances shall the Base Prospectus constitute an offer to sell or the solicitation of an offer to buy any securities in any jurisdiction. Recipients of the Base Prospectus who intend to subscribe for or purchase the securities are reminded that any subscription or purchase may only be made on the basis of the information contained in the Base Prospectus and relevant Final Terms. The Base Prospectus may only be communicated to persons in the United Kingdom in circumstances where Section 21(1) of the Financial Services and Markets Act 2000 does not apply.

None of the Arrangers, the Dealers or any of their respective affiliates accepts any responsibility whatsoever for the contents of the Base Prospectus or for any statement made or purported to be made by any of them, or on their behalf, in connection with the Issuer or any offer.

The Base Prospectus has been sent to you in an electronic form. You are reminded that documents transmitted via this medium may be altered or changed during the process of electronic transmission and consequently none of the Issuer, the Arrangers, the Dealers, any person who controls them or any director, officer, employee or agent of them or affiliate of any such person accepts any liability or responsibility whatsoever in respect of any difference between the base prospectus distributed to you in electronic format and the hard copy version available to you on request from the Issuer, the Arrangers and Dealers. Please ensure that your copy is complete. If you received the Base Prospectus by e-mail, you should not reply by e-mail to this announcement. Any reply e-mail communications, including those you generate by using the "reply" function on your e-mail software, will be ignored or rejected. You are responsible for protecting against viruses and other destructive items. Your use of this e-mail is at your own risk, and it is your responsibility to take precautions to ensure that it is free from viruses and other items of a destructive nature.

BASE PROSPECTUS

ARAB PETROLEUM INVESTMENTS CORPORATION
(trading as The Arab Energy Fund)

U.S.$1,000,000,000 Subordinated Note Programme

Under this U.S.$1,000,000,000 subordinated note programme (the "**Programme**"), Arab Petroleum Investments Corporation (the "**Issuer**" or "**APICORP**") may from time to time issue deeply subordinated notes (the "**Subordinated Notes**" or the "**Notes**") denominated in any currency agreed between the Issuer and the relevant Dealer (as defined below).

The Subordinated Notes may be issued on a continuing basis to one or more of the Dealers specified under "*Overview of the Programme*" and any additional Dealer appointed under the Programme from time to time by the Issuer (each a "**Dealer**" and together the "**Dealers**"), which appointment may be for a specific issue or on an ongoing basis. References in this Base Prospectus to the "**relevant Dealer**" shall, in the case of an issue of Subordinated Notes being (or intended to be) subscribed by more than one Dealer, be to all Dealers agreeing to subscribe for such Subordinated Notes.

An investment in Subordinated Notes issued under the Programme involves certain risks. For a discussion of these risks see "*Risk Factors*" below.

This base prospectus (the "**Base Prospectus**") has been approved by the Central Bank of Ireland as competent authority under Regulation (EU) 2017/1129 (as amended, the "**Prospectus Regulation**"). The Central Bank of Ireland only approves this Base Prospectus as meeting the standards of completeness, comprehensibility and consistency imposed by the Prospectus Regulation. Such approval should not be considered as an endorsement of the Issuer or the quality of the Subordinated Notes that are the subject of this Base Prospectus. Investors should make their own assessment as to the suitability of investing in the Subordinated Notes. Application has been made to the Irish Stock Exchange plc trading as Euronext Dublin ("**Euronext Dublin**") for Subordinated Notes issued under this Programme during the period of 12 months from the date of this Base Prospectus to be admitted to listing on the official list of Euronext Dublin (the "**Official List**") and to trading on its regulated market. The regulated market of Euronext Dublin is a regulated market for the purposes of the Markets in Financial Instruments Directive (Directive 2014/65/EU (as amended, "**EU MiFID II**")). Such approval relates only to Subordinated Notes which are to be admitted to trading on a regulated market for the purposes of EU MiFID II and/or which are to be offered to the public in any Member State of the European Economic Area ("**EEA**"). This Base Prospectus (as supplemented as at the relevant time, if applicable) is valid for 12 months from the date of its approval in relation to Subordinated Notes which are to be admitted to trading on a regulated market in the EEA. The obligation to supplement this Base Prospectus in the event of a significant new factor, material mistake or material inaccuracy does not apply when this Base Prospectus is no longer valid.

References in this Base Prospectus to Subordinated Notes being "**listed**" (and all related references) shall mean that such Subordinated Notes have been admitted to trading on the regulated market of Euronext Dublin and have been admitted to listing on the Official List.

The Programme also permits Subordinated Notes to be issued on the basis that they will not be admitted to listing, trading on a regulated market for the purposes of EU MiFID II in the EEA and/or quotation by any competent authority, stock exchange and/or quotation system or may be admitted to listing, trading and/or quotation by such other or further competent authorities, stock exchanges and/or quotation systems as may be agreed between the Issuer and the relevant Dealer.

The Issuer has been assigned long-term ratings of Aa2 (stable) by Moody's Deutschland GmbH ("**Moody's**"), AA- (stable) by S&P Global Ratings Europe Limited ("**S&P**") and AA+ (negative) by Fitch Ratings Ltd. ("**Fitch**"). Moody's is established in the European Union ("**EU**") and is registered under Regulation (EC) No. 1060/2009 (as amended, the "**EU CRA Regulation**"). The rating assigned by Moody's has been endorsed by Moody's Investors Service Limited and has not been withdrawn. Moody's Investors Service Limited is established in the United Kingdom ("**UK**") and registered under Regulation (EC) No. 1060/2009 (as amended) as it forms part of domestic law of the UK by virtue of the European Union (Withdrawal) Act 2018 ("**EUWA**") (the "**UK CRA Regulation**"). S&P is established in the EU and registered under the EU CRA Regulation. The rating assigned by S&P has been endorsed by S&P Global Ratings UK Limited and has not been withdrawn. S&P Global Ratings UK Limited is established in the UK and registered under the UK CRA Regulation. Fitch is established in the UK and registered under the UK CRA Regulation. Fitch is not established in the EU and has not applied for registration under the EU CRA Regulation. The rating assigned by Fitch has been endorsed by Fitch Ratings Ireland Limited and has not been withdrawn. Fitch Ratings Ireland Limited is established in the EU and is registered under the EU CRA Regulation. Moody's, S&P and Fitch Ratings Ireland Limited appear on the latest update of the list of registered credit rating agencies on the European Securities and Markets Authority ("**ESMA**") website at https://www.esma.europa.eu/credit-rating-agencies/cra-authorisation in accordance with the EU CRA Regulation. Fitch, S&P Global Ratings UK Limited and Moody's Investors Service Limited appear on the latest update of the list of registered credit rating agencies on the UK Financial Conduct Authority's (the "**FCA**") Financial Services Register. The Programme has been assigned a rating of A2 by Moody's, A- by S&P and A+ by Fitch. The rating of certain Series of Subordinated Notes to be issued under the Programme and the credit rating agency issuing such rating may be specified in the relevant Final Terms. **A security rating is not a recommendation to buy, sell or hold securities and may be subject to suspension, reduction or withdrawal at any time by the assigning rating agency.**

The Subordinated Notes have not been nor will be registered under the U.S. Securities Act of 1933, as amended (the "**Securities Act**"), or any U.S. state securities laws and the Subordinated Notes may not be offered or sold in the United States or to, or for the account or the benefit of, U.S. persons (as defined in Regulation S under the U.S. Securities Act) except pursuant to an exemption from, or in a transaction not subject to the registration requirements of the Securities Act and the offer or sale is made in accordance with all applicable securities laws of any state of the United States and any other jurisdiction. The Subordinated Notes are being offered and sold outside the United States to non-U.S. persons in reliance on Regulation S ("**Regulation S**") under the Securities Act and within the United States only to persons who are "qualified institutional buyers" ("**QIBs**") in reliance on Rule 144A ("**Rule 144A**") under the Securities Act who are also "qualified purchasers" ("**QPs**") within the meaning of Section 2(a)(51)(A) of the U.S. Investment Company Act of 1940, as amended (the "**Investment Company Act**"). See "*Forms of the Subordinated Notes*" for a description of the manner in which Subordinated Notes will be issued. The Subordinated Notes are also subject to certain restrictions on transfer, see "*Subscription and Sale*" and "*Transfer Restrictions*".

ARRANGERS AND DEALERS

Citigroup | **Emirates NBD Capital** | **Standard Chartered Bank**

The date of this Base Prospectus is 20 October 2026.

IMPORTANT NOTICES

This Base Prospectus comprises a base prospectus for the purposes of Article 8 of the Prospectus Regulation.

The Issuer accepts responsibility for the information contained in this Base Prospectus and the applicable Final Terms for each Tranche of Subordinated Notes issued under the Programme. To the best of the knowledge of the Issuer, the information contained in this Base Prospectus is in accordance with the facts and this Base Prospectus does not omit anything likely to affect the import of such information. The information on the websites to which this Base Prospectus refers does not form part of this Base Prospectus and have not been scrutinised or approved by the Central Bank of Ireland.

Certain information contained in "*Risk Factors*" and "*Description of the Group*" (as indicated therein) has been extracted from independent, third-party sources. The Issuer confirms that all third-party information contained in this Base Prospectus has been accurately reproduced and that, so far as it is aware, and is able to ascertain from information published by the relevant third-party sources, no facts have been omitted which would render the reproduced information inaccurate or misleading. The source of any third-party information contained in this Base Prospectus is stated where such information appears in this Base Prospectus.

The language of the Base Prospectus is English. Certain legislative references and technical terms have been cited in their original language in order that the correct technical meaning may be ascribed to them under applicable law.

APICORP's website is www.taef.com. Unless specifically incorporated by reference into this Base Prospectus, the information contained on this website is not incorporated by reference into, or otherwise included in, this Base Prospectus.

Each Tranche of Subordinated Notes will be issued on the terms set out herein under "*Terms and Conditions of the Subordinated Notes*" (the "**Conditions**") as completed by a document specific to such Tranche called final terms (the "**Final Terms**") or in a separate prospectus specific to such Tranche (the "**Drawdown Prospectus**") as described under "*Final Terms and Drawdown Prospectuses*" below.

This Base Prospectus must be read and construed together with any supplements hereto and with any information incorporated by reference herein and, in relation to any Tranche of Subordinated Notes which is the subject of Final Terms, must be read and construed together with the relevant Final Terms. In the case of a Tranche of Subordinated Notes which is the subject of a Drawdown Prospectus, each reference in this Base Prospectus to information being specified or identified in the relevant Final Terms shall be read and construed as a reference to such information being specified or identified in the relevant Drawdown Prospectus unless the context requires otherwise.

The Issuer has confirmed to the Dealers that: (i) this Base Prospectus contains all information with respect to the Issuer and the Group, and to the Subordinated Notes, which is material in the context of the Programme or the issue and offering of the Subordinated Notes (including all information which, according to the particular nature of the Issuer, the Group and the Programme or the Subordinated Notes, is necessary information which is material to an investor for making an informed assessment of the assets and liabilities, financial position, profits and losses and prospects of the Issuer and the Group and of the rights attaching to the Subordinated Notes and the reasons for the issuance and its impact on the Issuer and

the Group); (ii) all statements of fact relating to the Issuer, the Group and to the Programme or the Subordinated Notes contained in this Base Prospectus are in every material respect true and accurate and not misleading; (iii) there are no other facts in relation to the Issuer, the Group and to the Programme or the Subordinated Notes the omission of which would in the context of the Programme or the issue and offering of the Subordinated Notes make any statement in this Base Prospectus misleading in any material respect; (iv) the statements of intention, opinion, belief or expectation with regard to the Issuer and the Group contained in this Base Prospectus are honestly and reasonably made or held; and (v) all reasonable enquiries have been made by the Issuer to ascertain and verify the foregoing.

No person is or has been authorised by the Issuer, the Dealers or the Issuing and Paying Agent to give any information or to make any representation not contained in or not consistent with this Base Prospectus or any other document entered into in relation to the Programme or any other information supplied in connection with the Programme or the Subordinated Notes by the Issuer, the Dealers or the Issuing and Paying Agent, or such other information as is in the public domain and, if given or made, such information or representation should not be relied upon as having been authorised by the Issuer, the Dealers or the Issuing and Paying Agent.

Neither the Issuing and Paying Agent, nor the Dealers nor any of their respective affiliates have authorised the whole or any part of this Base Prospectus and none of them have independently verified all of the information contained or incorporated by reference herein. Accordingly, no representation, warranty or undertaking, express or implied, is made and no responsibility or liability is accepted by any of them as to the accuracy, adequacy, reasonableness or completeness of the information contained or incorporated by reference in this Base Prospectus or any other information provided by the Issuer in connection with the Programme. Neither the Issuing and Paying Agent, nor the Dealers nor any of their respective affiliates accepts any liability in relation to the information contained or incorporated by reference in this Base Prospectus or any other information provided by the Issuer in connection with the Programme, nor is any responsibility or liability accepted by them for any acts or omissions of the Issuer or any other person (other than the relevant Dealer) in connection with the Base Prospectus or the issue and offering of any Subordinated Notes under the Programme. To the fullest extent permitted by law, none of the Dealers accepts any responsibility for the contents of this Base Prospectus or for any other statement, made or purported to be made by a Dealer or on its behalf in connection with the Issuer or the issue and offering of the Subordinated Notes. Each Dealer accordingly disclaims all and any liability whether arising in tort or contract or otherwise (save as referred to above) which it might otherwise have in respect of this Base Prospectus or any such statement.

Neither this Base Prospectus nor any other information supplied in connection with the Programme or any Subordinated Notes: (a) is intended to provide the basis of any credit or other evaluation; or (b) should be considered as a recommendation by the Issuer or any of the Dealers or the Issuing and Paying Agent that any recipient of this Base Prospectus or any other information supplied in connection with the Programme or any Subordinated Notes should purchase any Subordinated Notes. Each investor contemplating purchasing any Subordinated Notes should make its own independent investigation of the financial condition and affairs, and its own appraisal of the creditworthiness of the Issuer. Neither this Base Prospectus nor any other information supplied in connection with the Programme or the issue of any Subordinated Notes constitutes an offer or invitation by or on behalf of the

Issuer or any of the Dealers or the Issuing and Paying Agent to any person to subscribe for or to purchase any Subordinated Notes.

The Subordinated Notes are securities which, because of their nature, are normally bought and traded by a limited number of investors who are particularly knowledgeable in investment matters, and may not be a suitable investment for all investors. Each potential investor in the Subordinated Notes must determine the suitability of that investment in light of its own circumstances. In particular, each potential investor should:

- have sufficient knowledge and experience to make a meaningful evaluation of the Subordinated Notes, the merits and risks of investing in the Subordinated Notes and the information contained or incorporated by reference in this Base Prospectus or any applicable supplement;
- have access to, and knowledge of, appropriate analytical tools to evaluate, in the context of its particular financial situation, an investment in the Subordinated Notes and the impact the Subordinated Notes will have on its overall investment portfolio;
- have sufficient financial resources and liquidity to bear all of the risks of an investment in the Subordinated Notes, including where the currency for principal or interest payments is different from the potential investor's currency;
- understand thoroughly the terms of the Subordinated Notes and be familiar with the behaviour of any relevant indices and financial markets;
- be able to evaluate (either alone or with the help of a financial adviser) possible scenarios for economic, interest rate and other factors that may affect its investment and its ability to bear the applicable risks;
- know that there can be no assurance that a trading market will develop for the Subordinated Notes or, if one does develop, that it will be of sufficient liquidity and that it may not be possible to dispose of the Subordinated Notes for a substantial period of time, if at all; and
- understand the accounting, legal, regulatory and tax implications of a purchase, and the holding and disposal of an interest in the Subordinated Notes.

Sophisticated institutional investors generally do not purchase complex financial instruments as standalone investments. They purchase complex financial instruments as a way to enhance yield with an understood, measured, appropriate addition of risk to their overall portfolios. A potential investor should not invest in the Subordinated Notes unless it has the knowledge and expertise (either alone or with a financial adviser) to evaluate how the Subordinated Notes will perform under changing conditions, the resulting effects on the value of the Subordinated Notes, and the impact this investment will have on the potential investor's overall investment portfolio.

Prior to making an investment decision, potential investors should consider carefully, in light of their own financial circumstances and investment objectives, all the information contained in this Base Prospectus or incorporated by reference herein. Potential investors should not construe anything in this Base Prospectus as legal, tax, business or financial advice. Each investor should consult with his or her own advisers as to the legal, tax, business, financial and related aspects of a purchase of the Subordinated Notes.

Neither the delivery of this Base Prospectus nor any Final Terms nor the offering, sale or delivery of any Subordinated Notes shall, in any circumstances constitute a representation or create any implication that the information contained in this Base Prospectus is correct as of any time subsequent to the date hereof or that any other information supplied in connection with the Programme is correct as of any time subsequent to the date indicated in the document containing the same. The Issuing and Paying Agent and the Dealers expressly do not undertake to review the financial condition or affairs of the Issuer during the life of the Programme or to advise any investor in the Subordinated Notes of any information coming to their attention. Investors should review the most recently published documents incorporated by reference into this Base Prospectus when deciding whether or not to purchase any Subordinated Notes.

The maximum aggregate principal amount of Subordinated Notes outstanding at any one time under the Programme will not exceed U.S.$1,000,000,000 (and for this purpose, any Subordinated Notes denominated in another currency shall be translated into U.S. dollars at the date of the agreement to issue such Subordinated Notes calculated in accordance with the provisions of the Dealer Agreement as defined under "*Subscription and Sale*"). The maximum aggregate principal amount of Subordinated Notes which may be outstanding at any one time under the Programme may be increased from time to time, subject to compliance with the relevant provisions of the Dealer Agreement.

Restrictions on distribution

The distribution of this Base Prospectus and any Final Terms and the offering, sale and delivery of the Subordinated Notes in certain jurisdictions may be restricted by law. Persons into whose possession this Base Prospectus or any Final Terms comes are required by the Issuer and the Dealers to inform themselves about and to observe any such restrictions. For a description of certain restrictions on offers, sales and deliveries of Subordinated Notes and on the distribution of this Base Prospectus, any Final Terms and other offering material relating to the Subordinated Notes, see "*Subscription and Sale*" and "*Transfer Restrictions*".

If a jurisdiction requires that the offering be made by a licensed broker or dealer and the Dealers or any affiliate of the Dealers is a licensed broker or dealer in that jurisdiction, the offering shall be deemed to be made by the Dealers or such affiliate on behalf of the Issuer in such jurisdiction.

In particular, the Subordinated Notes have not been, and will not be, registered under the Securities Act or with any securities regulatory authority of any state or other jurisdiction of the United States. The Subordinated Notes may not be offered or sold within the United States or to, or for the account or benefit of, U.S. persons (as defined in Regulation S) except in certain transactions exempt from the registration requirements of the Securities Act.

The Subordinated Notes may be offered and sold: (i) outside the United States to non-U.S. persons in reliance on Regulation S; and (ii) within the United States to qualified institutional buyers (as defined in Rule 144A) in reliance on Rule 144A who are also qualified purchasers as defined in Section 2(a)(51)(A) of the Investment Company Act. Prospective purchasers are hereby notified that sellers of the Subordinated Notes may be relying on the exemption from the provisions of Section 5 of the Securities Act provided by Rule 144A. For a description of these and certain further restrictions on offers, sales and transfers of Subordinated Notes, see "*Subscription and Sale*" and "*Transfer Restrictions*".

NEITHER THE PROGRAMME NOR THE SUBORDINATED NOTES HAVE BEEN APPROVED OR DISAPPROVED BY THE U.S. SECURITIES AND EXCHANGE COMMISSION, ANY STATE SECURITIES COMMISSION IN THE UNITED STATES OR ANY OTHER U.S. REGULATORY AUTHORITY, NOR HAS ANY OF THE FOREGOING AUTHORITIES PASSED UPON OR ENDORSED THE MERITS OF ANY OFFERING OF SUBORDINATED NOTES OR THE ACCURACY OR ADEQUACY OF THIS BASE PROSPECTUS. ANY REPRESENTATION TO THE CONTRARY IS A CRIMINAL OFFENCE IN THE UNITED STATES.

Neither this Base Prospectus nor any Final Terms constitutes an offer or an invitation to subscribe for or purchase any Subordinated Notes and should not be considered as a recommendation by the Issuer or the Dealers that any recipient of this Base Prospectus or any Final Terms should subscribe for or purchase any Subordinated Notes. Each recipient of this Base Prospectus or any Final Terms shall be taken to have made its own investigation and appraisal of the condition (financial or otherwise) of the Issuer.

EU MiFID PRODUCT GOVERNANCE/TARGET MARKET – A determination will be made in relation to each issue of Subordinated Notes about whether, for the purpose of the EU MiFID Product Governance rules under EU Delegated Directive 2017/593 (the "**EU MiFID Product Governance Rules**"), any Dealer subscribing for any Subordinated Notes is a manufacturer in respect of such Subordinated Notes, but otherwise neither the Dealers nor any of their respective affiliates will be a manufacturer for the purpose of the EU MiFID Product Governance Rules.

The Final Terms or Drawdown Prospectus, as the case may be, in respect of any Subordinated Notes will include a legend entitled "*EU MiFID II Product Governance*" which will outline the target market assessment in respect of the Subordinated Notes and which channels for distribution of the Subordinated Notes are appropriate. Any person subsequently offering, selling or recommending the Subordinated Notes (a "**distributor**") should take into consideration the target market assessment; however, a distributor subject to EU MiFID II is responsible for undertaking its own target market assessment in respect of the Subordinated Notes (by either adopting or refining the target market assessment) and determining appropriate distribution channels.

UK MIFIR PRODUCT GOVERNANCE/TARGET MARKET – A determination will be made in relation to each issue about whether, for the purpose of the UK MiFIR product governance rules set out in the FCA Handbook Product Intervention and Product Governance Sourcebook (the "**UK MiFIR Product Governance Rules**"), any Dealer subscribing for any Subordinated Notes is a manufacturer in respect of such Subordinated Notes, but otherwise neither the Arrangers nor the Dealers nor any of their respective affiliates will be a manufacturer for the purpose of the UK MIFIR Product Governance Rules.

The Final Terms or Drawdown Prospectus, as the case may be, in respect of any Subordinated Notes may include a legend entitled "*UK MiFIR Product Governance*" which will outline the target market assessment in respect of the Subordinated Notes and which channels for distribution of the Subordinated Notes are appropriate. Any distributor should take into consideration the target market assessment; however, a distributor subject to the UK MiFIR Product Governance Rules is responsible for undertaking its own target market assessment in respect of the Subordinated Notes (by either adopting or refining the target market assessment) and determining appropriate distribution channels.

IMPORTANT – EEA RETAIL INVESTORS – If the applicable Final Terms (or Drawdown Prospectus, as the case may be) in respect of any Subordinated Notes includes a legend entitled "*Prohibition of Sales to EEA Retail Investors*", the Subordinated Notes are not intended to be offered, sold or otherwise made available to and should not be offered, sold or otherwise made available to any retail investor in the EEA. For these purposes, a retail investor means a person who is one (or more) of: (i) a retail client as defined in point (11) of Article 4(1) of EU MiFID II; or (ii) a customer within the meaning of Directive (EU) 2016/97 (as amended or superseded, the "**Insurance Distribution Directive**"), where that customer would not qualify as a professional client as defined in point (10) of Article 4(1) of EU MiFID II; or (iii) not a qualified investor as defined in the Prospectus Regulation. Consequently, no key information document required by Regulation (EU) No 1286/2014 (as amended, the "**PRIIPs Regulation**") for offering or selling the Subordinated Notes or otherwise making them available to retail investors in the EEA has been prepared and therefore offering or selling the Subordinated Notes or otherwise making them available to any retail investor in the EEA may be unlawful under the PRIIPs Regulation.

IMPORTANT – UK RETAIL INVESTORS – If the applicable Final Terms (or Drawdown Prospectus, as the case may be) in respect of any Subordinated Notes includes a legend entitled "*Prohibition of Sales to UK Retail Investors*", the Subordinated Notes are not intended to be offered, sold, distributed or otherwise made available to and should not be offered, sold, distributed or otherwise made available to any retail investor in the UK. For these purposes, a retail investor means a person who is either one (or both) of the following: (i) not a professional client, as defined in point (8) of Article 2(1) of Regulation (EU) No 600/2014 as it forms part of domestic law by virtue of the EUWA; or (ii) not a qualified investor as defined in paragraph 15 of Schedule 1 to the Public Offers and Admissions to Trading Regulations 2024. Consequently, no disclosure document required by the FCA Product Disclosure Sourcebook ("**DISC**") for offering, selling or distributing the Subordinated Notes or otherwise making them available to retail investors in the UK has been prepared and therefore offering, selling or distributing the Subordinated Notes or otherwise making them available to any retail investor in the UK may be unlawful under DISC and the Consumer Composite Investments (Designated Activities) Regulations 2024.

ABU DHABI GLOBAL MARKET

This offer document is an Exempt Offer document in accordance with the Market Rulebook of the ADGM Financial Services Regulatory Authority. This Exempt Offer document is intended for distribution only to Persons of a type specified in the Market Rulebook. It must not be delivered to, or relied on by, any other Person. The ADGM Financial Services Regulatory Authority has no responsibility for reviewing or verifying any documents in connection with an Exempt Offer. The ADGM Financial Services Regulatory Authority has not approved this Exempt Offer document nor taken steps to verify the information set out in it and has no responsibility for it. The Subordinated Notes to which this Exempt Offer relates may be illiquid and/or subject to restrictions on their resale. Prospective purchasers of the Subordinated Notes offered should conduct their own due diligence on the Subordinated Notes. If you do not understand the contents of this Exempt Offer document you should consult an authorised financial adviser.

PRODUCT CLASSIFICATION PURSUANT TO SECTION 309B OF THE SECURITIES AND FUTURES ACT 2001 OF SINGAPORE

Unless otherwise stated in the applicable Final Terms, all Subordinated Notes issued or to be issued under the Programme shall be "prescribed capital markets products" (as defined in the Securities and Futures (Capital Markets Products) Regulations 2018 of Singapore) and Excluded Investment Products (as defined in the Monetary Authority of Singapore (the "**MAS**") Notice SFA 04-N12: Notice on the Sale of Investment Products and the MAS Notice FAA-N16: Notice on Recommendations on Investment Products). This notification or any such legend included in the relevant Final Terms will constitute notice to "relevant persons" for purposes of Section 309B(1)(c) of the Securities and Futures Act 2001 of Singapore (as modified or amended from time to time, the "**SFA**").

STABILISATION

In connection with the issue of any Tranche of Subordinated Notes, one or more relevant Dealers named as the stabilisation manager(s) in the applicable Final Terms (the "Stabilisation Manager(s)") (or any person acting on behalf of any Stabilisation Manager(s)) may over-allot Subordinated Notes or effect transactions with a view to supporting the market price of the Subordinated Notes at a level higher than that which might otherwise prevail. However, stabilisation may not necessarily occur. Any stabilisation action or over-allotment may begin on or after the date on which adequate public disclosure of the terms of the offer of the relevant Tranche of Subordinated Notes is made and, if begun, may cease at any time, but it must end no

later than the earlier of 30 days after the issue date of the relevant Tranche of Subordinated Notes and 60 days after the date of the allotment of the relevant Tranche of Subordinated Notes. Any stabilisation action or over-allotment must be conducted by the Stabilisation Manager(s) (or persons acting on behalf of any Stabilisation Manager(s)) in accordance with all applicable laws and rules.

PRESENTATION OF GROUP FINANCIAL INFORMATION

Historical financial statements

The financial statements relating to the Group and incorporated by reference in this Base Prospectus are:

- the unaudited interim condensed consolidated financial information of the Group as at and for the six-month period ended 30 June 2026, together with the notes thereto (the "**Interim Financial Information**");
- the audited consolidated financial statements of the Group as at and for the year ended 31 December 2025, together with the notes thereto (the "**2025 Financial Statements**"); and
- the audited consolidated financial statements of the Group as at and for the year ended 31 December 2024 (including the comparative financial information as at and for the year ended 31 December 2023), together with the notes thereto (the "**2024 Financial Statements**" and, together with the 2025 Financial Statements, the "**Annual Financial Statements**").

The Annual Financial Statements and the Interim Financial Information together are referred to as the "**Financial Statements**".

The Interim Financial Information has been prepared in accordance with International Accounting Standard 34 – "Interim Financial Reporting" (IAS 34), as endorsed in the Kingdom of Saudi Arabia. The review of the Interim Financial Information was performed in accordance with International Standard on Review Engagements (ISRE) 2410 "*Review of Interim Financial Information Performed by the Independent Auditor of the Entity*" as endorsed in the Kingdom of Saudi Arabia.

The Annual 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 audit of the Annual Financial Statements was performed in accordance with International Standards on Auditing that are endorsed in the Kingdom of Saudi Arabia, as stated in the respective audit reports. International Standards on Auditing that are endorsed in the Kingdom of Saudi Arabia are based on International Standards on Auditing (ISAs) of the same title that have been issued by the International Auditing and Assurance Standards Boards (IAASB) published by the International Federation of Accounting ("**IFAC**") and are used with the permission of IFAC.

Unless otherwise indicated in this Base Prospectus, the historical financial information included in this Base Prospectus: (i) as at 30 June 2026 and for the six months ended 30 June 2026 and 30 June 2025 has been derived from the Interim Financial Information; (ii) as at and for the year ended 31 December 2025 has been derived from the 2025 Financial Statements; (iii) as at and for the year ended 31 December 2024 has been derived from the 2024 Financial Statements, except for the reclassified numbers as at and for the year ended 31 December 2024 which have been derived from the comparative financial information included in the 2025 Financial Statements; and (iv) as at and for the year ended 31 December 2023 has been derived from the comparative financial information included in the 2024 Financial Statements.

Reclassification and representation of certain financial information

During the year ended 31 December 2025, 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 and presented under placements with banks, net positive fair value of derivatives, loans and advances, net, and investments in debt securities in the 2024 Financial Statements, which represent amounts accrued but not yet due, have been reclassified to other assets in the 2025 Financial Statements.

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 in the 2024 Financial Statements have been reclassified to other liabilities in the 2025 Financial Statements. These reclassifications have been made to provide a more accurate presentation of accrued interest in the statement of financial position.

This Base Prospectus contains certain reclassified financial information as at and for the year ended 31 December 2024 which was reassessed in presentation to conform with the 2025

Financial Statements. PricewaterhouseCoopers Public Accountants has not audited, reviewed, examined, compiled nor applied agreed-upon procedures with respect to the reclassified financial information (as described above) as at and for the year ended 31 December 2024 for the purpose of its inclusion herein, and, accordingly, PricewaterhouseCoopers Public Accountants does not provide any form of assurance with respect thereto for the purpose of this Base Prospectus. The PricewaterhouseCoopers Public Accountants independent auditor's report incorporated by reference in this Base Prospectus relates solely to the Issuer's previously issued financial statements for the year ended 31 December 2024. It does not extend to the reclassified financial information aforementioned and should not be read to do so.

	As at 31 December 2024		
	Before reclassification	**After reclassification**	**Difference**
		(U.S.$ thousand)	
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	**9,313,674**	**9,313,674**	–
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	**7,564,476**	**7,564,476**	**–**

APICORP's financial year ends on 31 December, and references in this Base Prospectus to "**2025**", "**2024**" and "**2023**" are to the 12-month period ended on 31 December in each such year.

Unless otherwise indicated, the financial information contained in this Base Prospectus has been expressed in U.S. dollars. The Group's functional currency is the U.S. dollars and the Group prepares its financial statements in U.S. dollars.

Certain non-IFRS financial information

This Base Prospectus includes certain financial information which has not been prepared in accordance with IFRS and which also constitutes alternative performance measures such as capital adequacy ratios, return on assets, return on equity, return on paid up capital and total shareholder funds to total assets ("**APMs**") as defined in the European Securities and Markets Authority Guidelines on Alternative Performance Measures. None of this financial information is subject to any audit or review by independent auditors.

- Capital adequacy ratios represent the capital as a percentage of risk-weighted assets, calculated in accordance with the applicable framework.

- Return on assets represents net income for the period/ year as a percentage of total assets at the end of the period/ year. The ratio for the six-month period ended 30 June 2026 has been annualised for comparability with the ratios for the years ended 31 December 2025, 2024 and 2023.

- Return on equity represents net income for the period/ year as a percentage of total equity at the end of the period/ year. The ratio for the six-month period ended 30 June 2026 has been annualised for comparability with the ratios for the years ended 31 December 2025, 2024 and 2023.

- Return on paid up capital represents net income for the period/ year as a percentage of share capital at the end of the period/ year. The ratio for the six-month period ended 30 June 2026 has been annualised for comparability with the ratios for the years ended 31 December 2025, 2024 and 2023.

- Total shareholders' funds to total assets represents total equity attributable to shareholders of the Corporation as a percentage of total assets at the end of the period/ year.

Capital adequacy ratios

This Base Prospectus includes references to capital ratios, such as total and tier 1 capital ratios. Although these ratios are not IFRS measures, APICORP believes that they are important to understanding its capital position. APICORP's interpretation of any future planned ratios and the basis of its calculation of these ratios may be different from those of other financial institutions. See "*Selected Financial Information – Selected financial ratios (APMs)*".

Although the Group is not subject to any regulatory-imposed capital regime, APICORP calculates its capital ratios at Group level in accordance with Central Bank of Bahrain's Basel II and Basel III methodology.

CAUTIONARY STATEMENT REGARDING FORWARD-LOOKING STATEMENTS

Some statements in this Base Prospectus may be deemed to be forward-looking statements. Forward-looking statements include statements concerning APICORP's plans, objectives, goals, strategies, future operations and performance and the assumptions underlying these forward-looking statements. When used in this Base Prospectus, the words "anticipates", "estimates", "expects", "believes", "intends", "plans", "aims", "seeks", "may", "will", "should" and any similar expressions generally identify forward-looking statements. These forward-looking statements are contained in the sections entitled "*Risk Factors – Factors that may affect APICORP's ability to fulfil its obligations under Subordinated Notes issued under the Programme*", "*Description of the Group*" and other sections of this Base Prospectus. APICORP has based these forward-looking statements on the current view of its management with respect to future events and financial performance. Although APICORP believes that the expectations, estimates and projections reflected in its forward-looking statements are reasonable as at the date of this Base Prospectus, if one or more of the risks or uncertainties materialise, including those identified below or which APICORP has otherwise identified in this Base Prospectus, or if APICORP's underlying assumptions prove to be incomplete or inaccurate, APICORP's actual results of operations may vary from those expected, estimated or predicted. Investors are therefore strongly advised to read the sections "*Risk Factors – Factors that may affect APICORP's ability to fulfil its obligations under Subordinated Notes*

issued under the Programme" and "*Description of the Group*", which include a more detailed description of the factors that might have an impact on the Group's business development and on the industry sectors in which the Group operates. This section does not describe the risk factors required by Article 16 of the Prospectus Regulation, and prospective investors in the Subordinated Notes should read the factors which are material for the purpose of assessing the market risks associated with Subordinated Notes issued under the Programme at the section "*Risk Factors*" of this Base Prospectus.

The risks and uncertainties referred to above include:

- the level of international oil and gas prices which are subject to significant fluctuations for reasons that are beyond APICORP's control;
- APICORP's ability to realise the benefits it expects from existing and future investments it is undertaking or plans to undertake;
- APICORP's ability to obtain external financing or maintain sufficient capital to fund its existing and future investments and capital expenditures;
- actions taken by APICORP's joint venture partners or associates that may not be in accordance with its policies and objectives;
- the economic conditions in the markets in which APICORP and its investees operate;
- the impact which any future variants of the COVID-19 pandemic, or any other infectious disease outbreak, may have on the Group; and
- changes in political, social or legal conditions in the markets in which APICORP and its investees operate.

Any forward-looking statements contained in this Base Prospectus speak only as at the date of this Base Prospectus. Without prejudice to any requirements under applicable laws and regulations, APICORP expressly disclaims any obligation or undertaking to disseminate after the date of this Base Prospectus any updates or revisions to any forward-looking statements contained herein to reflect any change in expectations thereof or any change in events, conditions or circumstances on which any such forward-looking statement is based.

CERTAIN DEFINITIONS AND CONVENTIONS

In this Base Prospectus, unless otherwise specified:

- "**AEO**" means the Arab Energy Organisation (formerly, the Organisation of Arab Petroleum Exporting Countries);
- "**AEO Member State**" means each of the 10 member states of AEO, being the Democratic and Popular Republic of Algeria ("**Algeria**"), the Kingdom of Bahrain ("**Bahrain**"), the Arab Republic of Egypt ("**Egypt**"), the Republic of Iraq ("**Iraq**"), the State of Kuwait ("**Kuwait**"), the State of Libya ("**Libya**"), the State of Qatar ("**Qatar**"), the Kingdom of Saudi Arabia ("**Saudi Arabia**"), the Syrian Arab Republic ("**Syria**") and the United Arab Emirates (the "**UAE**");
- "**APICORP**" means Arab Petroleum Investments Corporation, a multilateral financial institution, trading as The Arab Energy Fund.

- "**Establishing Agreement**" means the establishing agreement and statute for APICORP dated 23 November 1975 to which the governments of the 10 AEO Member States are signatories;
- "**GCC**" means the Gulf Cooperation Council;
- "**Group**" means APICORP and its consolidated subsidiaries;
- a "**Member State**" means a Member State of the European Economic Area;
- "**MENA**" means the Middle East and North Africa region;
- "**Relevant Jurisdictions**" means each of Algeria, Bahrain, Egypt, Iraq, Kuwait, Libya, Qatar, Saudi Arabia, Syria and the UAE; and
- "**Shareholders**" means the member states which are shareholders of APICORP, as named in "*Description of the Group – Overview*".

In addition, references in this Base Prospectus to "**U.S.$**", "**U.S. dollars**" or "**dollars**" are to United States dollars, references to "**EUR**" or "**euro**" are to the currency introduced at the start of the third stage of European economic and monetary union, and as defined in Article 2 of Council Regulation (EC) No 974/98 of 3 May 1998 on the introduction of the euro, as amended, references to "**ID**" are to the lawful currency of Iraq, references to "**LD**" are to the lawful currency of Libya, references to "**LE**" are to the lawful currency of Egypt and references to "**SAR**" are to the lawful currency of Saudi Arabia.

Certain figures included in this Base Prospectus have been subject to rounding adjustments; accordingly, figures shown for the same category presented in different tables may vary slightly and figures shown as totals in certain tables may not be an arithmetic aggregation of the figures which precede them. Additionally, the figure "**0**" is used to indicate that a specific figure has been rounded to zero, whereas a dash indicates that there is no value for that column or row.

NOTICE TO RESIDENTS OF THE KINGDOM OF BAHRAIN

In relation to investors in the Kingdom of Bahrain, Subordinated Notes issued in connection with this Base Prospectus and related offering documents may only be offered in registered form to existing accountholders and accredited investors as defined by the Central Bank of Bahrain (the "**CBB**") in the Kingdom of Bahrain where such investors make a minimum investment of at least U.S.$100,000 or any equivalent amount in any other currency or such other amount as the CBB may determine.

This Base Prospectus does not constitute an offer of securities in the Kingdom of Bahrain pursuant to the terms of Article (81) of the Central Bank and Financial Institutions Law 2006 (decree Law No. 64 of 2006). This Base Prospectus and any related offering documents have not been and will not be registered as a prospectus with the CBB. Accordingly, no Subordinated Notes may be offered, sold or made the subject of an invitation for subscription or purchase nor will this Base Prospectus or any other related document or material be used in connection with any offer, sale or invitation to subscribe or purchase Subordinated Notes, whether directly or indirectly, to persons in the Kingdom of Bahrain, other than to accredited investors (as such term is defined by the CBB) for an offer outside the Kingdom of Bahrain.

The CBB has not reviewed, approved or registered this Base Prospectus or any related offering documents and it has not in any way considered the merits of the Subordinated Notes to be offered for investment, whether in or outside the Kingdom of Bahrain. Therefore, the CBB assumes no responsibility for the accuracy and completeness of the statements and information contained in this Base Prospectus and expressly disclaims any liability whatsoever for any loss howsoever arising from reliance upon the whole or any part of the content of this Base Prospectus. No offer of Subordinated Notes will be made to the public in the Kingdom of Bahrain and this Base Prospectus must be read by the addressee only and must not be issued, passed to, or made available to the public generally.

NOTICE TO RESIDENTS OF THE STATE OF QATAR (INCLUDING THE QATAR FINANCIAL CENTRE)

Any Subordinated Notes to be issued under the Programme will not be offered or sold, at any time, directly or indirectly, in the State of Qatar (including the Qatar Financial Centre) in a manner that would constitute a public offering. This Base Prospectus has not been and will not be reviewed or approved by or registered with the Qatar Financial Markets Authority, the Qatar Central Bank, the Qatar Stock Exchange or the Qatar Financial Centre Regulatory Authority in accordance with their regulations or any other regulations in the State of Qatar (including the Qatar Financial Centre). The Subordinated Notes are not and will not be traded on the Qatar Stock Exchange. The Subordinated Notes and interests therein will not be offered to investors domiciled or resident in the State of Qatar (including the Qatar Financial Centre) and do not constitute debt financing in the State of Qatar (including the Qatar Financial Centre) under the Commercial Companies Law No. (11) of 2015 or otherwise under the laws of the State of Qatar (including the Qatar Financial Centre).

NOTICE TO RESIDENTS OF THE KINGDOM OF SAUDI ARABIA

This document may not be distributed in the Kingdom except to such persons as are permitted under the Rules on the Offer of Securities and Continuing Obligations issued by the Capital Market Authority.

The Capital Market Authority does not make any representation as to the accuracy or completeness of this document and expressly disclaims any liability whatsoever for any loss arising from, or incurred in reliance upon, any part of this document. Prospective purchasers of the securities offered hereby should conduct their own due diligence on the accuracy of the information relating to the securities. If you do not understand the contents of this document, you should consult an authorised financial adviser.

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OVERVIEW OF THE PROGRAMME

This overview must be read as an introduction to this Base Prospectus and any decision to invest in the Subordinated Notes should be based on a consideration of the Base Prospectus as a whole, including the documents incorporated by reference. The following overview does not purport to be complete and is taken from, and is qualified in its entirety by, the remainder of this Base Prospectus and, in relation to the terms and conditions of any particular Tranche of Subordinated Notes, is completed by the relevant Final Terms (or, as the case may be, the relevant Drawdown Prospectus).

This overview constitutes a general description of the Programme for the purposes of Article 25(1) of Commission Delegated Regulation (EU) No 2019/980.

Words and expressions defined in the "Terms and Conditions of the Subordinated Notes" below or elsewhere in this Base Prospectus have the same meanings in this overview.

Issuer	Arab Petroleum Investments Corporation.
Issuer Legal Entity Identifier	213800A54KIUYH5YD185.
Description	U.S.$1,000,000,000 Subordinated Note Programme. The maximum aggregate principal amount of Subordinated Notes which may be outstanding at any one time under the Programme may be increased from time to time, subject to compliance with the relevant provisions of the Dealer Agreement.
Risk Factors	There are certain factors that may affect the Issuer's ability to fulfil its obligations under Subordinated Notes issued under the Programme. In addition, there are certain factors which are material for the purpose of assessing the market risks associated with Subordinated Notes issued under the Programme. See "*Risk Factors*".
Arrangers	Citigroup Global Markets Limited, Emirates NBD Bank PJSC and Standard Chartered Bank.
Dealers	Citigroup Global Markets Limited, Emirates NBD Bank PJSC, Standard Chartered Bank and any other Dealers appointed in accordance with the Dealer Agreement.
Certain Restrictions	Each issue of Subordinated Notes denominated in a currency in respect of which particular laws, guidelines, regulations, restrictions or reporting requirements apply will only be issued in circumstances which comply with such laws, guidelines,

	regulations, restrictions or reporting requirements from time to time (see "*Subscription and Sale*") including the following restrictions applicable at the date of this Base Prospectus.
Issuing and Paying Agent and Transfer Agent.....	The Bank of New York Mellon, London Branch.
Registrar.....	The Bank of New York Mellon SA/NV, Luxembourg Branch.
Final Terms or Drawdown Prospectus ..	Subordinated Notes issued under the Programme may be issued either: (i) pursuant to this Base Prospectus and associated Final Terms; or (ii) pursuant to a Drawdown Prospectus. The terms and conditions applicable to any particular Tranche of Subordinated Notes will be the Terms and Conditions of the Subordinated Notes as supplemented, amended and/or replaced to the extent described in the relevant Drawdown Prospectus or, as the case may be, completed by the relevant Final Terms.
Issuance in Series.....	Subordinated Notes will be issued in Series. Each Series may comprise one or more Tranches issued on different issue dates. The Subordinated Notes of each Series will all be subject to identical terms, except that the issue date and the amount of the first payment of interest may be different in respect of different Tranches. The Subordinated Notes of each Tranche will all be subject to identical terms in all respects save that a Tranche may comprise Subordinated Notes of different denominations.
Currencies.....	Subject to any applicable legal or regulatory restrictions, Subordinated Notes may be denominated in any currency agreed between the Issuer and the relevant Dealer.
Issue Price.....	Subordinated Notes may be issued at any price and on a fully-paid basis, as specified in the relevant Final Terms or, as the case may be, a Drawdown Prospectus. The price and amount of Subordinated Notes to be issued under the Programme will be determined by the Issuer and the relevant Dealer(s) at the

time of issue in accordance with prevailing market conditions.

Interest..... Interest on the Subordinated Notes shall accrue at the rate(s) specified in the relevant Final Terms or, as the case may be, a Drawdown Prospectus. The Initial Interest Rate will apply from the Interest Commencement Date to the First Reset Date and the Interest Rate will be reset on each Reset Date in accordance with Condition 5 (*Interest*).

Optional Interest Cancellation..... The Issuer may elect, in its sole and absolute discretion and for any reason, to cancel any interest payment (in whole or in part) (any such cancellation, an "**Optional Interest Cancellation**").

If the Issuer does not make any payment of interest (or part thereof) on any Interest Payment Date, such non-payment shall evidence the cancellation of such interest payment (or relevant part thereof) and, accordingly, such interest (or part thereof) shall not in any case be due and payable.

Any interest payment so cancelled shall not constitute a default by the Issuer under the Subordinated Notes for any purpose.

Mandatory Interest Cancellation..... Upon the occurrence of an Interest Cancellation Trigger Event, the Issuer shall cancel any accrued and unpaid interest due on the two Interest Payment Dates immediately following the relevant Determination Date and on any subsequent Interest Payment Date for so long as that Interest Cancellation Trigger Event is continuing (any such cancellation, a "**Mandatory Interest Cancellation**").

An "**Interest Cancellation Trigger Event**" shall be deemed to occur if, on any Determination Date, the Total Assets to Total Shareholder Equity Ratio is greater than 8.0:1.0. Any such Interest Cancellation Trigger Event shall be deemed to be continuing until the next Determination Date on which the

Total Assets to Total Shareholder Equity Ratio is not more than 8.0:1.0.

Any interest payment so cancelled shall not constitute a default by the Issuer under the Subordinated Notes for any purpose.

Interest Non-Cumulative ..... If, on any Interest Payment Date, any payment of interest is not made as a result of an Optional Interest Cancellation or a Mandatory Interest Cancellation, then the right of Noteholders to receive the relevant interest payment (or part thereof) in respect of the relevant Interest Period will be extinguished and the Issuer will have no obligation to pay such interest (or part thereof) accrued for such Interest Period or to pay any interest thereon, whether or not interest on the Subordinated Notes is paid in respect of any future Interest Period. Noteholders shall have no rights to such cancelled interest (or part thereof) or to receive any additional interest or compensation as a result of such cancellation.

Write-Down ..... If, on any Determination Date, the Total Assets to Total Shareholder Equity Ratio exceeds 16.0:1.0 (a "**Write-Down Trigger Event**"), the Issuer shall: (i) cancel any accrued and unpaid interest in respect of the Subordinated Notes and, subject to Condition 9 (*Write-Up*), no further interest shall accrue or be due and payable on the Subordinated Notes at any time thereafter; and (ii) write down 100 per cent. of the outstanding principal amount of the Subordinated Notes to zero and, subject to Condition 9 (*Write-Up*), such principal amount shall, accordingly, equal zero at all times thereafter, (a "**Write-Down**").

A Write-Down shall automatically and mandatorily take effect upon the occurrence of a Write-Down Trigger Event. In any event, if a Write-Down has not previously taken effect, a Write-Down shall automatically and irrevocably take effect immediately prior to any drawdown by the Issuer of its Conventional Callable Capital (a "**Capital Call**"). A Write-Down shall, in all circumstances, take effect before any Capital Call and before any default by the Issuer in respect of any Senior Obligation. For the

avoidance of doubt, a Write-Down may occur independently of any Capital Call or any default in respect of any Senior Obligation, and the Subordinated Notes shall not benefit from, or have any claim on or recourse to, any Conventional Callable Capital of the Issuer. If the Issuer determines, in its sole discretion, that the Write-Down Trigger Event or either of the requirements set out in above is no longer necessary in order to achieve an "equity content" or "equity credit" of 100 per cent. with all of the Rating Agencies, the relevant provision shall be automatically and irrevocably disapplied in respect of all outstanding Subordinated Notes.

From and including the time at which a Write-Down takes effect, Noteholders will have no rights or claim against the Issuer with respect to the payment of any principal, interest or other amount on or in respect of the Subordinated Notes and the Issuer shall have no further obligations under the Subordinated Notes, in each case subject to Condition 9 (*Write-Up*).

Neither a Write-Down Trigger Event nor a Write-Down shall constitute a default by the Issuer under the Subordinated Notes for any purpose or entitle Noteholders to institute proceedings or take any other action against the Issuer.

For the avoidance of doubt, a Write-Down effects a reduction of the outstanding principal amount of the Subordinated Notes to zero only, and does not convert, exchange or replace the Subordinated Notes for or into, and does not confer on any Noteholder any right to acquire or any interest in, any Ordinary Shares of the Issuer or other equity security of the Issuer.

Write-Up..... Following the occurrence of a Write-Down, the Issuer may, in its sole discretion and without any obligation to do so, at any time, and from time to time, increase the then outstanding principal amount of the Subordinated Notes (a "**Write-Up**") in whole or in part, up to the aggregate principal amount of the Subordinated Notes originally

issued (disregarding for this purpose, any Subordinated Notes purchased and cancelled by the Issuer), provided that: (i) no Write-Up may be effected at any time when an Interest Cancellation Trigger Event or a Write-Down Trigger Event has occurred and is continuing, or would occur as a result of such Write-Up; (ii) no Write-Up may be effected prior to the date falling five years after the date on which the relevant Write-Down took effect pursuant to Condition 8 (*Write-Down*) ("**Five-Year Lock-Up**"); (iii) no Write-Up may be effected unless, during the Five-Year Lock-Up, or at any time after the end of the Five-Year Lock-Up, the Issuer has reported three consecutive years of positive net income (as shown in the audited consolidated annual financial statements of the Issuer for the three consecutive years immediately preceding the most recent Determination Date prior to the date of such Write-Up); and (iv) any Write-Up shall be effected by the Issuer increasing the outstanding principal amount of each Subordinated Note that it elects to Write Up, *pro rata* to the original principal amount of such Subordinated Notes originally issued and then outstanding.

A Write-Up shall not entitle Noteholders to any accrued but uncancelled interest, or to any interest in respect of the period prior to the relevant Write-Up, and shall not constitute a cure of, or otherwise affect the non-cumulative nature of, any interest previously cancelled pursuant to an Optional Interest Cancellation, a Mandatory Interest Cancellation and/or a Write-Down.

Restrictions on Discretionary Payments

If, on any Interest Payment Date, any payment of interest is not made as a result of an Optional Interest Cancellation or a Mandatory Interest Cancellation, the Issuer shall not make any Discretionary Payments until the scheduled interest payment in respect of the Subordinated Notes on any two consecutive Interest Payment Dates is made in full.

Following the occurrence of a Write-Down and for so long as the outstanding principal amount of the Subordinated Notes is less

than the original principal amount of the Subordinated Notes (prior to any Write-Up in full), the Issuer shall not make any Discretionary Payments.

"**Discretionary Payments**" means: (i) the payment of any dividend or any other distribution, whether in cash or in kind, by the Issuer on or in respect of any Junior Obligations; (ii) any redemption, repurchase, repayment or other acquisition by the Issuer of any Junior Obligations or Parity Deeply Subordinated Obligations (other than as a result of the exchange or conversion of Parity Deeply Subordinated Obligations for or into Junior Obligations); or (iii) any payment of any interest, dividend, distribution or other amount on or in respect of any Parity Deeply Subordinated Obligations.

Substitution or Variation..... If an Accounting Event or a Rating Event has occurred, then the Issuer may (without any requirement for the consent or approval of the Noteholders but subject to certain requirements specified in Condition 12 (*Substitution or Variation*)) at any time either: (i) substitute all but not some only, of the Subordinated Notes for Qualifying Deeply Subordinated Notes; or (ii) vary the terms of the Subordinated Notes so that they remain or become Qualifying Deeply Subordinated Notes.

Maturity..... The Subordinated Notes are undated securities with no specified maturity date.

Redemption..... Redemption will, subject to compliance with the relevant conditions precedent specified in Condition 10 (*Redemption and Purchase*), be permitted following the occurrence of a Withholding Tax Event, an Accounting Event, a Rating Event, the exercise by the Issuer of a par call pursuant to Condition 10(e) (*Redemption and Purchase – Redemption at the option of the Issuer at par*) or a Substantial Repurchase Event. Upon any such redemption, the Subordinated Notes will be redeemable at their outstanding principal amount together with accrued and unpaid

	interest to (but excluding) the relevant redemption date. No redemption of the Subordinated Notes shall be permitted while an Interest Cancellation Trigger Event is continuing.
Status of the Subordinated Notes	The Subordinated Notes constitute direct, unsecured and subordinated obligations of the Issuer and will rank: (i) *pari passu* without any preference among themselves and with all Parity Deeply Subordinated Obligations; (ii) subordinated in right of payment to the repayment in full of all Senior Obligations; and (iii) senior only to Junior Obligations, in each case, subject to mandatory provisions of applicable law. The Subordinated Notes are not the obligations of any government.
Negative Pledge and Cross Default.....	There are no negative pledge or cross default provisions in respect of the Subordinated Notes.
Events of Default.....	There are no events of default in respect of the Subordinated Notes.
Denomination of the Subordinated Notes.....	The Subordinated Notes will be issued in registered form (see further "*Forms of the Subordinated Notes*"). No Subordinated Notes may be issued under the Programme with a minimum denomination of less than EUR100,000 (or its equivalent in another currency). Subject thereto, Subordinated Notes will be issued in such denominations as may be specified in the relevant Final Terms or, as the case may be, a Drawdown Prospectus, subject to compliance with all applicable legal and/or regulatory and/or central bank requirements.
Listing and Trading.....	Application has been made for Subordinated Notes to be admitted during the period of 12 months after the date hereof to listing on the Official List and to trading on the regulated market of Euronext Dublin. Subordinated Notes may be listed or admitted to trading, as the case may be, on other or further stock exchanges or markets agreed between the Issuer and the relevant

	Dealer in relation to the Series. Subordinated Notes which are neither listed nor admitted to trading on any market may also be issued.
Clearing Systems.....	Euroclear Bank SA/NV ("**Euroclear**") and/or Clearstream Banking S.A. ("**Clearstream, Luxembourg**") and/or the Depository Trust Company (the "**DTC**") and/or in relation to any Tranche of Subordinated Notes, any other clearing system as may be specified in the relevant Final Terms or, as the case may be, a Drawdown Prospectus.
Rating.....	The Issuer has been assigned long-term ratings of Aa2 (stable) by Moody's, AA- (stable) by S&P and AA+ (negative) by Fitch. The Programme has been assigned a rating of A2 by Moody's, A- by S&P and A+ by Fitch. The rating of certain Series of Subordinated Notes to be issued under the Programme may be specified in the relevant Final Terms or, as the case may be, the Drawdown Prospectus. A rating is not a recommendation to buy, sell or hold securities and may be subject to suspension, change or withdrawal at any time by the assigning rating agency.
Withholding Tax.....	All payments of principal and interest in respect of the Subordinated Notes by or on behalf of the Issuer shall be made free and clear of, and without withholding or deduction for or on account of, any present or future taxes, duties, assessments or governmental charges of whatever nature imposed, levied, collected, withheld or assessed by or on behalf of the Relevant Jurisdictions or any political subdivision thereof or any authority therein or thereof having power to tax, unless the withholding or deduction of such taxes, duties, assessments or governmental charges is required by law. In that event, the Issuer shall pay such additional amounts as will result in receipt by the Noteholders after such withholding or deduction of such amounts as would have been received by them had no such withholding or deduction been required,

	subject to certain exceptions as set out in Condition 15 (*Taxation*).
Governing Law and Dispute Resolution	The Agency Agreement, the Deed of Covenant (together, the "**Transaction Documents**") and the Subordinated Notes and any non-contractual obligations arising out of or in connection with them are governed by, and shall be construed in accordance with, English law. In respect of any dispute under the Transaction Documents and the Subordinated Notes, the parties have consented to arbitration under the LCIA Rules. Any dispute may also in certain circumstances be referred to the courts in England (which shall have exclusive jurisdiction to settle any dispute arising from such documents). See Condition 25 (*Governing Law and Dispute Resolution*).
Selling Restrictions.....	There are restrictions on the distribution of this Base Prospectus and the offer or sale of the Subordinated Notes in the United States, the EEA, the United Kingdom, Switzerland, Sultanate of Oman, the Kingdom of Saudi Arabia, the Kingdom of Bahrain, the United Arab Emirates (excluding the Abu Dhabi Global Market (the "**ADGM**") and the Dubai International Financial Centre (the "**DIFC**")), the ADGM, the DIFC, the State of Qatar (including the Qatar Financial Centre), Singapore, Japan and Hong Kong. See "*Subscription and Sale*".
United States Selling Restrictions.....	United States Selling Restrictions: Regulation S, Category 2; Rule 144A sales to QIBs that are also QPs. ERISA restrictions.

RISK FACTORS

The Issuer believes that the following factors may affect its ability to fulfil its obligations in respect of the Subordinated Notes issued under the Programme.

The Issuer believes that the factors described below represent the material risks inherent in investing in Subordinated Notes issued under the Programme, but the inability of the Issuer to pay any amounts in connection with any Subordinated Notes may occur for other reasons which may not be considered significant risks by the Issuer based on information currently available to it or which it may not currently be able to anticipate.

*The occurrence of any of the risks described below, or any other risks not currently known to the Issuer, could have a material adverse effect on the Group. As used in this section, "**material adverse effect**" and any similar or related formulations mean a material adverse effect on the Group's financial condition, results of operations, business, liquidity, future prospects and reputation which, in turn, could negatively affect: (i) the Issuer's ability to make payments in respect of Subordinated Notes issued under the Programme; and/or (ii) the market price of any Subordinated Notes so issued.*

Words and expressions defined in "Terms and Conditions of the Subordinated Notes" shall have the same meanings in this section.

FACTORS THAT MAY AFFECT APICORP'S ABILITY TO FULFIL ITS OBLIGATIONS UNDER SUBORDINATED NOTES ISSUED UNDER THE PROGRAMME

The Group's business principally involves lending money to, and making equity investments in, entities engaged in the energy sector, principally in the AEO Member States, which exposes it to significant economic and political risks

The Group's business principally involves lending money to, and making equity investments in, entities engaged in the energy sector, principally in the member states of the Arab Energy Organisation ("**AEO**"), formerly known as the Organisation of Arab Petroleum Exporting Countries ("**OAPEC**"). Historically, the markets for the oil and gas industry, which falls under the energy sector as per APICORP's classification, have been volatile, and they are likely to continue to be volatile in the future. Prices for oil and natural gas are based on world supply and demand and are subject to fluctuations in response to changes in supply and demand, whether the result of uncertainty or a variety of additional factors beyond the control of the Group (as further described under "– *The Group's business is concentrated on the energy sector, which materially increases its economic risks*" below) and the economies of those of the AEO Member States which heavily depend on the energy sector.

Additionally, the Group is exposed to adverse political developments in or affecting any of the AEO Member States including, in particular, the GCC countries, Egypt, Iraq and Syria (as further described under "– *The Group's business is concentrated in geographical terms, which materially increases its political risks*" below).

One or more of these developments could materially negatively impact the business of the Group's equity investees or the ability of the Group's borrowers to pay interest or principal on their loans and could give rise to an increase in non-performing loans ("**NPLs**") in the Group's portfolio of loans and advances, net.

The Group defines NPLs as credit-impaired loans and advances, net classified as Stage 3, including exposures where the borrower is considered unlikely to meet its credit obligations in full without recourse to measures such as realising security, where the borrower is more than 90 days past due on a material obligation, or where restructuring becomes probable because of the borrower's inability to meet its obligations, see "*Risk management – Credit risk management – Credit rating and measurement*" and any increase in the Group's NPLs would in turn be likely to result in an increase in the Group's impairment charges that could adversely affect its profitability.

Either of the developments described above would also be likely to result in (i) an adverse effect on the value of the equity investments which the Group has made, which could negatively affect the Group's other comprehensive income and could also result in certain investments being impaired, (ii) an adverse effect on the ability of the Group's equity investee companies to pay dividends to the Group and/or (iii) potentially material losses if the Group is forced to divest any such investments.

The Group's business is concentrated on the energy sector, which materially increases its economic risks

As at 31 December 2025, 43.4 per cent. of the Group's U.S.$6.0 billion loans and advances, net were to borrowers in the energy sector and the Group also owned U.S.$161.5 million in debt securities at FVOCI issued by entities in the energy sector. As at 30 June 2026, this proportion was 42.1 per cent of the Group's U.S.$6.2 billion loans and advances, net. As at the same date, the Group held U.S.$310.1 million in equity securities at FVOCI issued by entities in the energy sector, and U.S.$242.6 million in debt securities at FVOCI issued by entities in the energy sector. A breakdown of the Group's loan portfolio by sub-sector within this sector is set out under "*Description of the Group – Lending portfolio*."

The oil and gas industry has historically been cyclical, with levels of investment and profitability dependent on prevailing international oil and gas prices, which have fluctuated significantly over the past two decades, and are likely to remain volatile in the future. Recently, this volatility has been exacerbated by increasingly complex interlinkages with other macro-economic conditions and parameters, as shown by the COVID-19 pandemic (which contributed to a significant decline in hydrocarbon prices in 2020), the Russia - Ukraine conflict (which contributed to a significant increase in hydrocarbon prices in 2022), the conflict between the United States, Israel and Iran, the related conflicts throughout the Middle East, including in Gaza, Lebanon, Syria and Yemen and the near total closure of the Strait of Hormuz.

The large-scale military conflict involving Iran, the United States and Israel has resulted in significant casualties, widespread damage to infrastructure and disruption to regional trade and energy markets. There have been continued threats to maritime security and commercial shipping, including in and around the Strait of Hormuz and adjacent waterways such as the Strait of Bab el Mandeb, and further incidents involving damage to energy and transportation infrastructure. Although a provisional two-week ceasefire agreement was announced in April 2026, and a memorandum of understanding was entered into between the United States and Iran in June 2026, both have expired and neither has resulted in a cessation of hostilities with periodic reports of missile launches, retaliatory strikes and cyber and asymmetric attacks by state and non-state actors, as well as heightened military alert levels across the region. These circumstances have collectively contributed to a significant increase in hydrocarbon prices in 2026.

The OPEC reference basket price per barrel, which is a price based on the average of the prices of petroleum blends that are produced by OPEC member countries, in 2023, 2024 and 2025 was U.S.$82.95, U.S.$79.89 and U.S.$69.59, respectively. Prices have been especially volatile since the Iran conflict began on 28 February 2026, with the daily OPEC reference basket price per barrel reaching a high of U.S.$146.05 on 19 March 2026. The average OPEC reference basket price per barrel for September 2026 was U.S.$110.81.

Oil and gas prices are expected to fluctuate in the future in response to changes in factors over which the Group has no control, including as a result of the Iran conflict, the near-total closure of the Strait of Hormuz and related conflicts and strikes in the region. Other factors include, but are not limited to:

- economic and political developments in oil producing regions, particularly in the Middle East, the United States and Russia;
- military conflicts and hostilities in or near to member states, including any escalation of the conflict with Iran;
- global and regional supply and demand dynamics, and expectations regarding future supply and demand, for oil and gas products, especially in the case of an accelerated energy transition scenario;
- the ability of members of OPEC and other oil and gas producing nations to agree upon and maintain specified global production levels and prices;
- global macroeconomic conditions, particularly in emerging and developing economies, including those related to inflation, interest rates, foreign exchange, GDP and global trade levels;
- the impact of international environmental regulations designed to reduce carbon emissions, for example net zero targets;
- other actions taken by major oil and gas producing or consuming countries;
- other armed conflicts, natural disasters or pandemics; and
- global weather and environmental conditions.

The Group mainly invests in longer-term projects. Consequently, any change of circumstances could result in significant and sustained declines in international oil and gas prices which could in turn materially and adversely impact the economics of the projects being financed by the Group, which could result in the projects being restructured or, in extreme cases, becoming unviable. In all cases where there is a significant and sustained decline in oil and gas prices, the Group is likely:

- to experience reduced dividend income from its equity investments – for example the Group's dividend income from its equity investments was U.S.$13.1 million in the six months ended 30 June 2025 when oil prices were low and was U.S.$18.6 million in the six months ended 30 June 2026 when oil prices were significantly higher; and/or
- to incur impairment losses on its lending to, and equity investments in, these projects, which could adversely affect its profitability.

In addition, the fair value of the Group's debt securities at FVOCI issued by oil and gas sector entities may be adversely affected by a sustained decline in the oil and gas sector which could result in significant other comprehensive losses and, potentially, impairment charges.

Reflecting the above, any future substantial decline in oil and gas prices could have a material adverse effect on the Group.

The Group's business is concentrated in geographical terms, which materially increases its political risks

In relation to the geographical concentration of the Group's business, as at 30 June 2026, 70.4 per cent. of the Group's U.S.$6,244.2 million loans and advances, net was to borrowers in the GCC countries and a further 6.6 per cent. was to borrowers in North Africa, principally Egypt. Saudi Arabia remained the Group's largest country exposure, representing 39.9 per cent. of loans and advances, net, while the Group's five largest country exposures represented 74.1 per cent. of loans and advances, net. A geographical breakdown of the Group's portfolio of loans and advances, net is set out under "*Description of the Group – Lending portfolio*". In addition, 69.4 per cent. of the Group's U.S.$1.85 billion Investments in equity Portfolio as at 30 June 2026 were in or were issued by entities in Arab world countries, with seven direct equity investments being in companies in Saudi Arabia, two in Libya, two in the UAE and one each in Egypt, Bahrain, Iraq, Jordan and Kuwait. As at the same date, the Group also had U.S.$1,294.2 million in FVOCI debt securities issued by entities in the GCC and U.S.$2,102.7 million in placements with banks, net in the GCC.

While some countries in the MENA region are seen as having a relatively stable political environment, a number of other jurisdictions in that region are not. Instability in the MENA region may result from several factors, including government or military regime change, civil unrest and terrorism. The recent examples of such events include, among others, the current events in Israel and Gaza that commenced in October 2023, in Lebanon that commenced in mid-2024, the military action undertaken by Israel in Syria that commenced in late 2024 and, most recently, the conflict between the United States, Israel and Iran which began on 28 February 2026. This situation remains volatile and uncertain and could escalate significantly. These, and other, recent and ongoing developments may contribute to continued instability in the MENA region and may have a material adverse effect on investor perceptions as to the attractiveness for foreign investment and capital, attractiveness to tourists, the region's ability to attract the skilled and less skilled expatriates on which it relies for economic stability and growth, its ability to engage in international trade and, consequently, its economy and financial condition and could have a material adverse effect on the Group's business.

The Group does not have operational activities in any of the countries currently affected by armed conflict. However, the Group has certain investment interests in Libya where it has a direct equity investment in Arab Drilling and Workover Company (20 per cent. of equity), which has been revalued following its resumption of operations, and a direct equity investment in Arab Geophysical Exploration Services Company (16.7 per cent. of equity), which has been fully impaired. As at 30 June 2026, these investments together amount to 0.7 per cent. of APICORP's listed and unlisted equity securities, other investments at FVTPL and equity accounted investees. See "*Description of the Group – Business – Investments – Equity Investments' portfolio*".

There is no certainty that extremists or terrorist groups will not escalate violent activities in the MENA region or that any currently stable governments in the MENA region will be

successful in maintaining the prevailing levels of domestic order and stability. It is not generally possible to predict the occurrence of events or circumstances, such as war or hostilities, or the impact of these occurrences, and no assurance can be given that the Group will be able to sustain the profitable operation of its business if adverse political events or circumstances that impact the countries in which it has significant investments occur. By way of example, in September 2026, Al Houthi forces in Yemen are reported to have taken control of the strategic island of Perim in the Bab el-Mandeb Strait, which jeopardises supply chains that pass through the Red Sea, and drone strikes seem to have been undertaken against targets in or near the Red Sea and targeted at oil infrastructure in Saudi Arabia. These include a vital East-West pipeline in Saudi Arabia, which has resulted in its closure and impedes the ability of oil producers to transport oil to Red Sea ports. In addition, recent missile and drone attacks targeting Saudi Arabian airports, including the October 2026 attack targeting King Khalid International Airport in Riyadh, resulted in casualties, disruption to air traffic and damage to civilian infrastructure. This follows several years of similar strikes against facilities in Saudi Arabia as well as numerous maritime incidents in and around the Red Sea.

Investors should also note that the Group's business and financial performance could be adversely affected by political, economic or related developments outside the MENA region that impact the MENA region because of inter-relationships within the global financial markets. For example, the Russia - Ukraine conflict, the Iran conflict and the near-total closure of the Strait of Hormuz and their implications on the European, Asian and global energy markets, commodity prices and global inflationary pressures could have a material adverse effect on the Group's business and financial performance. Moreover, there is no certainty that the governments of the countries to which the Group is particularly exposed will not implement restrictive fiscal or monetary policies or regulations, including changes with respect to interest rates and new legal interpretations of existing regulations, any of which could have a material adverse effect on the Group.

Any delays to, or any failure to successfully implement, the Group's strategic plan could have a material adverse impact on its financial performance

The Group may fail to implement its growth strategy on time or with the expected results. In December 2023, the Group unveiled a five-year strategic plan covering the period from 2024 to 2028. As part of this strategy, the Group plans to focus on long-term growth, continuing to optimise its corporate banking and equity portfolios. APICORP also plans to invest up to U.S.$1 billion in energy transition including decarbonisation technologies. See "*Description of the Group – Strategy*".

If the Group cannot fully implement this growth strategy or if it fails to achieve the expected results, it may incur unexpected costs or fail to realise revenue, which could have a material adverse effect on the Group's business, financial condition or results of operations. Furthermore, even if the Group succeeds in fully implementing this strategic plan, it may not generate revenues or yield returns as expected or could result in an increase in costs and expenses in excess of the Group's budget and/or increased credit risks arising from new markets, new products or new customers. The Group plans to make investments in new industries and technologies in which it has not previously invested, and there can be no assurance that these new investments will yield similar returns to the Group's past investments. Any delays in implementing the Group's strategic initiatives could divert the attention of its management, result in additional expense, prevent the Group from pursuing other initiatives or, ultimately, prevent the Group from realising the anticipated benefits of

this strategic plan, which could adversely affect the Group's business, financial condition, results of operations and prospects.

The Group conducts a significant proportion of its business with affiliates

The Group's principal related parties are its associates and affiliates over which the Group or its shareholders have control or significant influence. While the Group does not transact commercial business directly with its shareholders themselves, the Group conducts a significant amount of business (mostly financing activities) with companies that are either controlled by the shareholders or over which the shareholders have significant influence (such companies are classified as affiliates).

As at 30 June 2026, 1.0 per cent. of the Group's U.S.$6,244.2 million loans and advances, net outstanding were made to affiliates. As at the same date, 6.9 per cent. of the Group's U.S.$1.85 billion investments in equity and equity accounted investees, net were in entities that are affiliates.

It is possible that the Group may, in the future, be influenced in its decision to advance a loan or make a direct equity investment in a related party by virtue of its relationship with the relevant shareholder which owns or significantly influences the prospective investee.

The Group has significant client concentrations in its portfolio of loans and advances, net

As at 30 June 2026, the Group's 10 largest loan exposures accounted for 28.4 per cent. of its loans and advances, net. As a result, if any of these major clients is materially adversely affected, whether by low hydrocarbon prices, adverse economic or political conditions, or other factors, such that its ability to make payments to the Group is affected, this could result in a material increase in the Group's impairment charges and adversely affect its profitability and therefore have a material adverse effect on the Group.

The Group is exposed to significant credit risk as a result of its lending activities and investments in fixed income securities

As at 30 June 2026, the Group's portfolio of loans and advances, net amounted to U.S.$6,244.2 million, or 44.6 per cent. of its total assets, its investments in debt securities at FVOCI amounted to U.S.$2,965.6 million, or 21.2 per cent. of its total assets, and its commitments to underwrite and fund loans amounted to U.S.$1,950.9 million, or 72.9 per cent. of its total off-balance sheet commitments and exposures, as compared to U.S.$2,131.7 million and 73.0 per cent. as at 31 December 2025.

Credit risk is the risk of financial loss to the Group if a customer or counterparty to a financial exposure or instrument fails to meet its contractual obligations. Credit risks arising from adverse changes in the credit quality and recoverability of financings and amounts due from counterparties are inherent in a wide range of the Group's businesses. The Group regularly reviews and analyses its portfolio of loans and advances, net and other credit risks, and the Group's provision for losses on its loans and advances, net is based on, among other things, its analysis of current and historical delinquency rates and loan management and the valuation of the underlying assets, as well as numerous other management assumptions. However, these internal analyses and assumptions may give rise to inaccurate predictions of credit performance, particularly in a volatile economic climate. See "– *The Group's risk*

management policies, systems and procedures may leave it exposed to unidentified or unanticipated risks" below.

Credit risks could arise from a deterioration in the credit quality of specific counterparties, from a general deterioration in local or global economic conditions or from systemic risks within the financial system in which the Group operates. Any of these factors could affect the recoverability and value of the Group's credit-related assets, result in an increase in NPLs and require an increase in impairment provisions, which could have a material adverse effect on the Group.

A substantial increase in impairment provisions related to the Group's loans and advances, net or the occurrence of losses greater than the previously recorded impairment provisions in respect of such lending would have a material adverse effect on the Group

In connection with its loans and advances, net, the Group periodically establishes impairment allowances for losses, which are recorded in its income statement under "*impairment (loss)/release on financial instruments, net*". Impairment provisions for loans and advances, net are determined using a forward-looking ECL model in accordance with IFRS 9. The Group seeks to make an appropriate level of provision for credit losses based on management's best estimate of the amount of loss expected to be incurred, however the Group may have to significantly increase its impairment provision for credit losses in the future as a result of any increase in NPLs or adverse economic conditions leading to increases in customers defaults, or for other reasons. In 2025, the Group recorded an impairment release on loans and advances, net of U.S.$26.3 million, as compared to recording impairment loss on financial instruments, net on Loans and advances of U.S.$17.9 million in 2024.

A significant increase in the Group's impairment charges or any change in its estimate of the risk of loss inherent in its syndicated and direct lending portfolio, as well as the occurrence of credit-related losses in excess of its impairment provisions, could have a material adverse effect on the Group in future periods.

The Group is subject to the risk that liquidity may not always be readily available

Liquidity risk is the risk that the Group will not be able to meet its obligations, including funding commitments, when they fall due or will only be able to secure funding at excessive cost which then adversely impacts its profitability. Liquidity risk arises from the inability to manage unplanned decreases or changes in funding sources, which could result in a reduction in the Group's liquidity buffers or an increase in the share of short-term funding.

The Group's funding as at 30 June 2026 comprised:

- financing through the issue of securities in the form of sukuk and bonds issued, which amounted to U.S.$6,909.5 million, and constituted 70.0 per cent. of its total funding (comprising deposits, securities sold under agreements to repurchase, term financing and sukuk and bonds issued) as at 30 June 2026;
- deposits which it accepts from corporates, as well as from the shareholders and from banks, which amounted to U.S.$830.6 million, and constituted 8.4 per cent. of its total funding, at 30 June 2026;

- term financing, which amounted to U.S.$1,700.0 million, and constituted 17.2 per cent. of its total funding, as at 30 June 2026; and
- securities sold under agreements to repurchase, which amounted to U.S.$445.5 million, and constituted 4.5 per cent. of its total funding, as at 30 June 2026.

There has also been enhanced industry and investor focus on liquidity, including stability of deposits in light of the bank failures in 2023 such as Silicon Valley Bank and Signature Bank in the United States and Credit Suisse in Europe. The Group's ability to continue to obtain financing and the cost of such financing depend on numerous factors including general economic and market conditions, international interest rates, credit availability from banks or other lenders, investor confidence in the Group and the success of the Group's business. There can be no assurance that external financing, either on a short-term or long-term basis and whether to fund new loans and advances, net or investments or to repay existing financing, will be available or, if available, that such financing will be obtainable on terms that are not onerous to the Group.

If appropriate sources of financing are not available or are only available on onerous terms and the Group does not have sufficient operating cash flow or cash generated from asset monetisations, this could adversely affect the Group's business through increased borrowing costs. In addition, the Group may be forced, amongst other measures, to do one or more of the following:

- delay or reduce lending and investment expenditures;
- forgo business opportunities;
- sell assets on less than optimal terms; or
- restructure or refinance all or a portion of its debt on or before maturity, each of which could adversely affect its business.

The Group's deposits are typically short-term in nature, with all of its deposits being demand deposits or deposits with maturities of less than one year at 30 June 2026. Accordingly, there is a risk that if a significant number of the Group's depositors choose not to roll over their deposits at any time or withdraw their deposits at a rate faster than the rate at which obligors repay financing provided by the Group, the Group could experience difficulties in funding those lost deposits. The risk of this happening is likely to increase at times of poor economic performance or material declines in oil and gas prices when the Group's customers are more likely to need cash and, at those times, it is likely to be more expensive for the Group to fund those withdrawals from other sources.

The dividends that the Group receives from its direct and indirect equity investments may vary materially from year to year

The Group derives a considerable portion of its income from dividends from its equity investments and there is no certainty that dividends will be paid or as to the amount of any dividends that are paid. During the six-month periods ended 30 June 2026 and 2025, the Group's dividend income from its equity investments amounted to U.S.$18.6 million and U.S.$13.1 million, respectively, which is equal to 10.9 per cent. and 8.7 per cent. of the Group's total net income before operating expenses in each period. In 2025, 2024 and 2023, the Group's dividend income from its equity investments amounted to U.S.$65.0 million,

U.S.$54.5 million and U.S.$85.0 million, respectively, equal to 19.2 per cent., 15.3 per cent. and 27.8 per cent., respectively, of the Group's total net income before operating expenses and impairments in each year.

Almost all of the companies in the Group's direct equity investment portfolio are directly or indirectly related to the oil and gas sector, which is cyclical by nature. Although the current Iran conflict has caused oil and gas prices to increase since hostilities commenced on 28 February 2026, the ability of the Group's investees to export their oil and gas products has been significantly negatively impacted by the near-total closure of the Strait of Hormuz, military strikes against oil and gas infrastructure in the region and related conflicts, such as in Yemen. The inability over a sustained period of time to export oil and gas could have a significant impact on the Group's equity investees' income and profitability and therefore would be likely to result in those investees declaring significantly lower or no dividends, which could result in a material reduction in the Group's income, profitability and cash flows.

Any easing on the current restrictions on traffic through the Strait of Hormuz and in the region more generally could cause a material and sudden decline in oil and gas prices which could result in a material reduction in the Group's income, profitability and cash flows. In addition, the spillover effect of lower oil and gas revenues for GCC economies typically triggers a move by those countries to reduce government subsidies on local consumption of petrochemicals for both industrial and residential consumers. This is likely to have a significant impact on certain of the Group's investees' income and profitability, which in turn may also have a material adverse effect on the Group.

The majority of the Group's direct and indirect equity investments are illiquid

The majority of the Group's direct and indirect equity investments are not listed on an active market and are therefore illiquid. The value of segment assets of the Group's Equity Investments as at 30 June 2026 was U.S.$1,887.4 million. If the Group elects to exit any of its unlisted direct and indirect equity investments which are fair valued using alternative valuation techniques rather than quoted prices on active markets, monetising these investments could be a lengthy process and there is no certainty as to the price which would be obtainable.

The Group is exposed to various risks related to business investments, such as the possible inability to recover its investments, exit losses, or being unable to earn the planned profits. In order to manage business investment risk, the Group evaluates the meaning and purpose of the investment, quantitatively evaluates the downside risk and return of an investment and whether, based on the characteristics of a business, the return on the investment exceeds the expected rate of return. For example, in 2025, the Group decided to exit its investments in Misr Oil Processing Company in Egypt. These exits were aligned with the Group's strategy of regularly reviewing its portfolio and divesting from investments that have achieved their envisaged objectives.

The Group generally does not control or have significant influence over its direct and indirect equity investments

The Group does not typically consolidate its direct and indirect equity investments as it generally does not hold stakes which give it control or significant influence over its investee companies. The Group's philosophy when making equity investments is that it should principally act in a fiduciary and advisory capacity, typically through a seat on the relevant

investee's board of directors. The Group's inability to exercise control or significant influence over the majority of its equity investments exposes the Group to a situation where an investee may make business, financial or management decisions with which the Group does not agree, or that the majority shareholders or the management of any investee may take risks or otherwise act in a manner that is contrary to the Group's interests. Should this occur, this could result in a significant reduction in dividend income from, or the value of, the Group's direct and indirect equity investments, which could have a material adverse effect on the Group.

APICORP is a multilateral financial institution without guarantee-related support from its shareholders

APICORP is a multilateral financial institution, headquartered in Saudi Arabia and owned by the AEO Member States. Its three largest shareholders, which together own 51.0 per cent. of APICORP's shares, are Saudi Arabia, the UAE and Kuwait.

The AEO Member States have agreed in the Establishing Agreement to support APICORP on a joint and several basis and each shareholder has participated in APICORP's six (issued and fully paid) capital increases since it was established. In addition, APICORP has U.S.$8.5 billion in callable capital, which is a joint and several obligation of each shareholder to support debt servicing obligations. Neither the agreement to support APICORP nor the callable capital is a guarantee and neither should be construed as providing contractual rights to APICORP's creditors. Reflecting the above, there is no certainty that APICORP's shareholders will continue to provide further capital to it and, if they do not, the Group's business and/or financial condition may be constrained.

The Group could be materially adversely affected by market risks

The Group could be materially adversely affected by market risks that are outside its control, including, without limitation, volatility in interest rates, changes in credit spreads, prices of securities and currency exchange rates. In particular, an increase in interest rates generally may decrease the value of the Group's fixed-rate loans and securities and may increase the Group's funding costs and a widening of credit spreads may adversely affect the value of its debt securities portfolio. In addition, it is the Group's experience that its fixed rate assets generally re-price faster than its fixed rate liabilities which means that the Group generally benefits at times of increasing interest rates but is adversely affected at times of falling interest rates. See "*Risk management – Market risk management – Interest rate risk*". Interest rates are sensitive to many factors beyond the Group's control, including the policies of central banks, political factors and domestic and international economic conditions.

The Group is also exposed to foreign exchange rate risk. This risk includes the possibility that the value of a foreign currency asset or liability will change due to changes in currency exchange rates as well as the possibility that the Group may have to close out any open position in a foreign currency at a loss due to an adverse movement in exchange rates. The Group attempts to manage its foreign exchange rate risk by conducting a regular review of exposures to currencies other than the U.S. dollar to ensure that no significant positions are taken which may expose the Group to undue risks, by not trading in foreign exchange and by hedging its exposures in currencies other than the U.S. dollar through forward contracts, although there can be no assurance that any such hedging activity will in all cases protect the Group against its foreign exchange rate risks. See also "*Risk management – Market risk management – Currency risk*".

The Group enters into derivative transactions, such as interest rate swaps and forward foreign exchange contracts to hedge its exposure to interest rate and foreign exchange rate risks. These derivative contracts had a notional value of U.S.$8.1 billion as at 30 June 2026, compared to U.S.$7.5 billion as at 31 December 2025, U.S.$6.7 billion as at 31 December 2024 and U.S.$5.6 billion as at 31 December 2023. As at 30 June 2026, the Group's derivatives portfolio had a positive fair value of U.S.$83.7 million and a negative fair value of U.S.$70.3 million. The Group's derivatives portfolio had a positive fair value of U.S.$125.2 million and a negative fair value of U.S.$45.4 million as at 31 December 2025, a positive fair value of U.S.$49.5 million and a negative fair value of U.S.$121.3 million as at 31 December 2024 and a positive fair value of U.S.$66.8 million and a negative fair value of U.S.$231.2 million as at 31 December 2023. There is no assurance that the Group's derivative contracts and its hedging strategy will be successful in mitigating its interest rate and foreign exchange exposures or that the Group will not experience significant losses on its derivatives contracts from time to time.

Adverse movements in interest and foreign exchange rates may also adversely impact the revenue and financial condition of the Group's depositors, borrowers and other counterparties which, in turn, may impact the Group's deposit base and the quality of its credit exposures to certain borrowers and other counterparties. Ultimately, there can be no assurance that the Group will be able to protect itself from any adverse effects of a currency revaluation or future volatility in interest rates or currency exchange rates.

The Group is exposed to a range of operational risks, including the risk of loss as a result of employee misrepresentation, misconduct and improper practice

Operational risk and losses can result from fraud, errors by employees, failure to document transactions properly or to obtain proper internal authorisation, failure to comply with regulatory requirements and conduct of business rules, systems and equipment failures (including, in particular, information technology ("**IT**") failures), natural disasters or the failure of external systems (for example, those of the Group's counterparties or vendors). The Group has implemented risk controls and loss mitigation strategies, and substantial resources are devoted to developing efficient procedures and to staff training, but it is not possible to eliminate entirely each of the potential operational risks that the Group faces. Losses from the failure of the Group's system of internal controls could have a material adverse effect on its business generally and its reputation.

The Group's employees could engage in misrepresentation, misconduct or improper practice that could expose the Group to direct and indirect financial loss and damage to its reputation. Such practices may include embezzling clients' funds, engaging in corrupt or illegal practices to originate further business, intentionally or inadvertently releasing confidential information about clients or failing to follow internal procedures. It is not always possible to detect or prevent these types of misconduct, and the precautions which the Group takes to detect and prevent such misconduct may not be effective in all cases. There can be no assurance that measures undertaken to combat these types of misconduct will be successful. Any such actions by employees could expose the Group to financial losses resulting from the need to reimburse clients, co-investors or other business partners who suffered loss or because of fines or other regulatory sanctions, and could damage the Group's reputation.

The Group is dependent on its IT systems and any disruption to these systems could materially disrupt the Group's business

The Group depends on its IT systems to process its transactions on an accurate and timely basis and to store and process substantially all of the Group's business and operating data. The proper functioning of the Group's financial control, risk management, credit analysis and reporting, accounting, customer service and other IT systems, as well as the communication networks between its offices and main data processing centres, are critical to its business and its ability to compete effectively. The Group's business would be materially adversely affected if there were a prolonged partial or complete failure of any of these IT systems or communications networks. Such failures can be caused by a variety of reasons some of which are outside the Group's control, including natural disasters, extended power outages, and computer viruses and other external electronic attacks as discussed under "– *The Group's IT systems are subject to potential cyber- attack*" below. The proper functioning of the Group's IT systems also depends on accurate and reliable data and other system inputs, which are subject to internal human errors. Any failure or delay in recording or processing transaction data could subject the Group to claims for losses and regulatory fines and penalties. There can be no assurance that the Group's IT safeguards will be fully effective in the event of a disaster or that they will protect the Group from all losses that could occur.

The Group's IT systems are subject to potential cyber-attack

In common with other financial institutions globally, the threat to the security of the Group's information and customer data from security breaches and cyber-attacks presents a real and growing risk to the Group's business. Activists, rogue states and cyber criminals are among those targeting IT systems around the world. Risks to technology and cyber-security evolve and change rapidly and require continued focus, monitoring and investment in preventative measures. Given the increasing sophistication and scope of potential cyber-attack, it is possible that future attacks may lead to significant breaches of security. A failure to adequately manage cyber-security risk and continually monitor, review and update current processes in response to new threats could have a number of material adverse effects on the Group, including disruption to its business, unauthorised disclosure of confidential information, significant financial and/or legal exposure and damage to its reputation.

The Group's risk management policies, systems and procedures may leave it exposed to unidentified or unanticipated risks

The Group is exposed to a wide range of financial risks, such as credit risk, liquidity risk, interest rate risk, currency exchange rate risk, equity price risk, and IT and other operational risks.

Although the Group has established risk management policies, procedures and internal controls based on international practices and invests substantial time and effort in the development, implementation and monitoring of risk management strategies and techniques, it cannot mitigate risk exposures under all market environments and may fail to manage its risks adequately at all times, particularly, for example, when risks that it has not identified or anticipated materialise.

The Group's methods of managing risk include the use of historical market behaviour and setting appropriate risk appetite and maximum tolerance levels to determine and monitor risk exposures. In addition, stress testing using forward-looking scenarios is designed to assist

the Group in analysing the impact of possible future events on its capital, profitability, liquidity and funding position, which in turn helps to shape the Group's strategy. The Group's risk management methods are intended to assist it in predicting possible impacts on its risk exposures, but actual outcomes may prove to be significantly different from those which its risk management models predict and could be significantly greater than historical measures indicate.

Investors should note that any failure by the Group to adequately control the risks to which it is exposed, including as a result of any failure to successfully implement new risk management systems in the future, could have a material adverse effect on the Group.

The Group's internal compliance systems might not be fully effective in all circumstances

The Group's ability to comply with all applicable regulations largely depends on its maintenance of compliance, audit and reporting systems and procedures, and its ability to attract and retain personnel qualified to manage and monitor such systems and procedures. Although the Group is subject to oversight by regulatory authorities, including the Central Bank of Bahrain with respect to its Bahrain branch, and performs regular internal audits through an external auditing firm, the Group cannot be certain that its systems and procedures will be fully effective in all circumstances, particularly in the case of deliberate employee misconduct or other frauds perpetrated against it. In the case of actual or alleged non-compliance with applicable regulations, the Group could be subject to investigations and judicial or administrative proceedings that may result in substantial penalties or civil lawsuits for damages.

A negative change in APICORP's credit rating could limit its ability to raise funding and may increase the Group's borrowing costs

APICORP is currently rated Aa2 with a stable outlook by Moody's, AA+ with a negative outlook by Fitch and AA- with a stable outlook by S&P. These credit ratings are an important factor in determining the Group's cost of borrowing. The interest rates charged on the Group's borrowings are also partly dependent on its credit ratings.

There is no assurance that APICORP's credit ratings will remain in effect for any given period of time or that any such rating will not be lowered or withdrawn entirely if circumstances in the future so warrant. A downgrade of APICORP's credit ratings, or a negative change in its outlook, may:

- limit APICORP's ability to raise funding;
- increase APICORP's cost of borrowing; and
- limit APICORP's ability to raise capital.

In addition, actual or anticipated changes in APICORP's credit ratings may negatively affect the market value of any Subordinated Notes issued under the Programme.

In its June 2026 rating report, Fitch identified heightened geopolitical risks as the principal reason for revising APICORP's outlook to negative. Fitch indicated that a prolonged conflict could weaken asset quality and capitalisation through higher credit losses and equity-investment impairments. Other factors that could lead to negative rating action include deterioration in asset quality, the NPL ratio remaining above 1 per cent., weakening

capitalisation, reduced liquidity buffers, deterioration in the credit quality of treasury assets or an increase in short-term funding.

In its May 2026 credit opinion, Moody's maintained APICORP's Aa2 rating with a stable outlook. Factors that could exert downward pressure include deterioration in capital adequacy, higher leverage, weakening asset quality, increased exposure to higher-risk equity investments or private-sector lending, or deterioration in the Group's liquidity profile. A more rapid global carbon transition could also create rating pressure because of APICORP's portfolio and shareholder exposure to the energy sector.

In its July 2026 rating report, S&P maintained APICORP's AA- long-term rating with a stable outlook. S&P could consider a downgrade if the Group's financial metrics deteriorated materially, including through a rapid increase in non-performing assets, weakening risk-management practices, reduced shareholder support or declining policy importance.

The ratings assigned to APICORP may not reflect the potential impact of all risks related to the Group, the market or any other factors that may affect the value of Subordinated Notes issued under the Programme. A credit rating is not a recommendation to buy, sell or hold securities and may be revised or withdrawn by the rating agency at any time. In addition, actual or anticipated changes in APICORP's credit rating could negatively affect the market value of Subordinated Notes issued under the Programme.

The Group's continued success depends on its ability to attract and retain key management and qualified personnel

The Group depends on its senior management for the implementation of its strategy and the operation of its day-to-day activities. While the Group has entered into two-year employment contracts with key members of its management, there is no certainty that its current members of senior management will continue to make their services available to the Group on a longer-term basis.

In addition, the Group's success will depend, in part, on its ability to continue to retain, motivate and attract qualified and experienced banking and management personnel and it may need to increase employee compensation levels to do so. Competition within the regional banking industry for qualified banking and management personnel is intense due to the low number of available qualified and/or experienced individuals compared to the level of demand. There is no certainty that the Group will at all times be able to successfully recruit and retain necessary qualified personnel. The loss of members of the Group's senior management team or an inability to recruit, train and/or retain necessary personnel could hinder the growth of the Group's business.

The Group faces significant and increasing competition

The Group principally competes with regional and international banks operating in the MENA region with recognised expertise in project finance as well as in the financing of energy projects. The Group cannot be certain that if its competitors offer more attractively priced and easily accessible products, its customers will nevertheless prefer the products offered by the Group and there is no certainty that the Group will be able to compete effectively against current and future competitors.

The Group is subject to regulation

Subject to the Establishing Agreement, APICORP is subject to certain laws, regulations, administrative actions and policies of Saudi Arabia, Bahrain and any other jurisdiction in which it operates. These regulations may limit the Group's activities, and changes in supervision and regulation, in particular in Bahrain and Saudi Arabia, could materially affect the Group's business, the products or services offered, the value of its assets, and its financial position. Although the Group complies with the policies set by the applicable regulators in each country in which it operates and continually monitors the situation, future changes in regulation, fiscal or other policies cannot be predicted and are beyond the Group's control.

RISKS RELATING TO THE STRUCTURE OF SUBORDINATED NOTES

The Issuer's obligations under the Subordinated Notes are subordinated

The Subordinated Notes will be direct, unsecured and subordinated obligations of the Issuer and will rank: (i) pari passu without any preference among themselves and with all Parity Deeply Subordinated Obligations; (ii) subordinated in right of payment to the repayment in full of all Senior Obligations; and (iii) senior only to Junior Obligations, in each case, subject to mandatory provisions of applicable law. By virtue of such subordination, payments to a Noteholder will, in the events described in the Conditions, only be made after all obligations of the Issuer resulting from higher ranking claims have been satisfied.

In addition, there is no restriction on the amount of further indebtedness which the Issuer may issue, incur or guarantee, including further indebtedness that ranks senior to, or *pari passu* with, the Subordinated Notes. If the Issuer does not have sufficient assets to settle claims in respect of all of its Senior Obligations in full, no payment in respect of the claims of Noteholders will be made and, as a result, Noteholders may lose the entire amount of their investment in the Subordinated Notes. Similarly, the Subordinated Notes will share equally in payment among themselves and with all Parity Deeply Subordinated Obligations and, accordingly, if the Issuer does not have sufficient funds to make full payment on all such parity ranking claims, Noteholders may lose some or all of their investment in the Subordinated Notes.

The Issuer may from time to time without the consent of the Noteholders create and issue Subordinated Notes, having terms and conditions that are the same as those of outstanding Subordinated Notes, or the same except for the amount of the first payment of interest, which new Subordinated Notes may be consolidated and form a single series with the outstanding Subordinated Notes even if doing so may adversely affect the value of the original Subordinated Notes.

Subordinated Notes may be subject to a Write-Down

As at 30 June 2026, the Issuer's Total Assets to Total Shareholder Equity Ratio was 3.7:1.0. If, on any Determination Date, the Total Assets to Total Shareholder Equity Ratio exceeds 16.0:1.0 (a "**Write-Down Trigger Event**"), the Issuer shall: (i) cancel any accrued and unpaid interest in respect of the Subordinated Notes and, subject to Condition 9 (*Write-Up*), no further interest shall accrue or be due and payable on the Subordinated Notes at any time thereafter; and (ii) write down 100 per cent. of the outstanding principal amount of the Subordinated Notes to zero and, subject to Condition 9 (*Write-Up*), such principal amount shall, accordingly, equal zero at all times thereafter, (a "**Write-Down**"). A Write-Down shall automatically and mandatorily take effect upon the occurrence of a Write-Down Trigger

Event. In any event, if a Write-Down has not previously taken effect, a Write-Down shall automatically and irrevocably take effect immediately prior to any drawdown by the Issuer of its Conventional Callable Capital (a "**Capital Call**"). A Write-Down shall, in all circumstances, take effect before any Capital Call and before any default by the Issuer in respect of any Senior Obligation. For the avoidance of doubt, a Write-Down may occur independently of any Capital Call or any default in respect of any Senior Obligation, and the Subordinated Notes shall not benefit from, or have any claim on or recourse to, any Conventional Callable Capital of the Issuer. If the Issuer determines, in its sole discretion, that the Write-Down Trigger Event or either of the requirements set out above is no longer necessary in order to achieve an "equity content" or "equity credit" of 100 per cent. with all of the Rating Agencies, the relevant provision shall be automatically and irrevocably disapplied in respect of all outstanding Subordinated Notes.

From and including the time at which a Write-Down takes effect, Noteholders will have no rights or claim against the Issuer with respect to the payment of any principal, interest or other amount on or in respect of the Subordinated Notes and the Issuer shall have no further obligations under the Subordinated Notes, in each case subject to Condition 9 (*Write-Up*). Further, neither a Write-Down Trigger Event nor a Write-Down shall constitute a default by the Issuer under the Subordinated Notes for any purpose or entitle Noteholders to institute proceedings or take any other action against the Issuer.

The occurrence of a Write-Down Trigger Event or a Write-Down or any suggestion of such occurrence could materially adversely affect the rights of Noteholders, the market price of investments in the Subordinated Notes and/or the ability of the Issuer to satisfy its obligations under the Subordinated Notes.

Although Subordinated Notes may become subject to a Write-Up following a Write-Down, any such exercise of the option to Write-Up is subject to certain conditions and is within the Issuer's sole discretion. Accordingly, there can be no certainty that the principal amount of any Subordinated Notes will be increased following a Write-Down. The Write-Down feature of the Subordinated Notes may therefore materially and adversely affect the market value of the Subordinated Notes even if a Write-Down does not occur.

There are no events of default under the Subordinated Notes and Interest Payments under the Subordinated Notes shall be cancelled mandatorily upon the occurrence of an Interest Cancellation Trigger Event or may be cancelled at the option of the Issuer

The Conditions do not provide for events of default (including by reason of any cross-defaults) allowing acceleration of the Subordinated Notes if certain events occur. Further, payments of interest on the Subordinated Notes shall be cancelled mandatorily upon the occurrence of an Interest Cancellation Trigger Event or may be cancelled at the option of the Issuer (see Condition 6 (*Cancellation of Interest*)). Payments of interest on the Subordinated Notes will also be cancelled in the event of the occurrence of a Write-Down. No such cancellation of interest payment shall constitute a default by the Issuer under the Subordinated Notes for any purpose or entitle Noteholders to institute proceedings or take any other action against the Issuer.

Accordingly, if the Issuer fails to meet any obligations under the Subordinated Notes, including the payment of any interest, Noteholders will not have the right to require the early redemption of the Subordinated Notes and shall not have any rights of enforcement against the Issuer in respect of payments under the Subordinated Notes.

Any cancellation of interest payments will be likely to have an adverse effect on the market price of the Subordinated Notes. In addition, as a result of such interest cancellation provisions of the Subordinated Notes, the market price of the Subordinated Notes may be more volatile than the market prices of other debt securities on which interest accrues that are not subject to the above provisions.

Subordinated Notes are undated securities with no established trading market

The Subordinated Notes are undated securities, with no specified maturity date. The Issuer is under no obligation to redeem or repurchase the Subordinated Notes at any time and the Noteholders have no right to require redemption of the Subordinated Notes. Therefore, prospective investors should be aware that they may be required to bear the financial risks of an investment in Subordinated Notes for an indefinite period of time and may not recover their investment in the foreseeable future.

The Subordinated Notes may have no established trading market when issued or otherwise, and one may never develop. If a market does develop, it may not be very liquid and may be subject to significant price volatility, and it may perform differently from the market for deeply subordinated debt securities issued by other entities. Illiquidity may have a material adverse effect on the market value of Subordinated Notes.

Subordinated Notes are subject to early redemption at the option of the Issuer including upon the occurrence of certain events

The Subordinated Notes may be redeemed in whole, but not in part, at the option of the Issuer, including upon the occurrence of: (i) a Withholding Tax Event; (ii) an Accounting Event; (iii) a Rating Event; or (iv) a Substantial Repurchase Event. The Issuer may also exercise its call option pursuant to Condition 10(e) (*Redemption and Purchase – Redemption at the option of the Issuer at par*). No assurance can be given as to the probability or timing of the occurrence of any of the foregoing.

Any such redemption at the option of the Issuer may affect the market value of the Subordinated Notes. During any period when the Issuer may elect to redeem the Subordinated Notes, the market value of the Subordinated Notes generally will not rise substantially above the price at which they can be redeemed.

The Issuer may be expected to redeem the Subordinated Notes when its cost of borrowing is lower than the interest rate on the Subordinated Notes. At those times, an investor generally would not be able to reinvest the redemption proceeds at an effective interest rate as high as the interest rate on the Subordinated Notes being redeemed and may only be able to do so at a significantly lower rate of return. Potential investors should consider reinvestment risk in light of other investments available at that time.

Furthermore, Noteholders have no right to request the redemption of the Subordinated Notes and should not invest in the Subordinated Notes in the expectation that the Issuer would exercise its option to redeem the Subordinated Notes. Any decision by the Issuer as to whether it will exercise its option to redeem the Subordinated Notes will be taken at the absolute discretion of the Issuer with regard to factors such as, but not limited to, the economic impact of the exercise of such option to redeem the Subordinated Notes and prevailing market conditions.

Substitution or variation of the Subordinated Notes without Noteholders' consent

If an Accounting Event or a Rating Event occurs, the Issuer may, without any requirement for the consent or approval of the Noteholders, substitute all of the Subordinated Notes for, or vary the terms of the Subordinated Notes so that they become or remain, Qualifying Deeply Subordinated Notes.

Whilst Qualifying Deeply Subordinated Notes are required to have terms which are not materially less favourable to Noteholders than the terms of the Subordinated Notes (as reasonably determined by the Issuer), there can be no assurance that the Qualifying Deeply Subordinated Notes will not have a significant adverse impact on the price of, and/or the market for, the Subordinated Notes, nor that there will not be any adverse tax consequences for any Noteholders arising from such substitution or variation.

The interest rate will reset on each Reset Date

Although the Subordinated Notes will earn interest at a fixed rate until (but excluding) the relevant First Reset Date, the current market interest rate on the capital markets typically changes on a daily basis. Since the rate of interest for the Subordinated Notes will be reset on their First Reset Date, and on each subsequent Reset Date, the interest payment on the Subordinated Notes will also change. The interest rate following any Reset Date may be less than the initial interest rate and/or the interest rate that applies immediately prior to such Reset Date, which would result in the amount of any interest under the Subordinated Notes being lower than the interest prior to such Reset Date and so could affect the amount of any interest payments under the Subordinated Notes and the market value of the Subordinated Notes.

Further, for each Reset Period, the interest rate will be determined by the Calculation Agent as the sum of the relevant Reset Rate plus the applicable Margin. However, if a Benchmark Event occurs in respect of the relevant Reset Rate, such rate could be set by reference to a successor rate or an alternative reference rate and that such successor rate or alternative reference rate may be adjusted (if required) as provided in the Conditions. Any such changes may result in the Subordinated Notes performing differently (which may include payment of a lower interest rate) than if the original rate continued to apply.

The U.S. federal income tax characterisation of the Subordinated Notes is unclear

There is no direct legal authority as to the proper U.S. federal income tax characterisation of the Subordinated Notes, and such characterisation is subject to substantial uncertainty. It is reasonable to take the position that the Subordinated Notes are treated as equity in a non-U.S. corporation for U.S. federal income tax purposes because of the perpetual nature of the instruments, the lack of default rights, the potential for cancellation of interest, and the potential for permanent write-down. It is possible, however, that the Internal Revenue Service ("**IRS**") would take the position that the Subordinated Notes should be treated as debt for U.S. federal income tax purposes because the Subordinated Notes are in the legal form of a debt instrument, have a stated interest, and are issued by a supranational organisation whose membership is comprised of countries, rather than a business organisation formed under a domestic law. The Issuer intends, to the extent it is required to take a position, to treat the Subordinated Notes as equity in the Issuer for U.S. federal income tax purposes. If the Subordinated Notes are treated as debt for U.S. federal income tax purposes, U.S. holders may be subject to materially different (and potentially adverse) U.S. federal income tax

consequences, including potential phantom income inclusions in circumstances where interest payments on the Subordinated Notes are delayed or cancelled. See "*Taxation – United States Federal Income Taxation – Characterisation of the Subordinated Notes*". Prospective investors should consult their own tax advisers regarding the proper characterisation of the Subordinated Notes for U.S. federal income tax purposes.

There is a significant risk that the Subordinated Notes will be treated as equity in a passive foreign investment company ("PFIC") for U.S. federal income tax purposes and U.S. investors in the Subordinated Notes may suffer adverse U.S. federal income tax consequences as a result of such treatment

The Issuer intends, to the extent it is required to take a position, to treat the Subordinated Notes as equity in the Issuer for U.S. federal income tax purposes. The Issuer believes that there is a significant risk that the Subordinated Notes will be treated as equity in a PFIC. U.S. investors in the Subordinated Notes therefore may be subject to materially adverse U.S. federal income tax consequences on a disposition of the Subordinated Notes and on certain payments made by the Issuer on the Subordinated Notes.

For a more detailed discussion of the potential tax impact on a U.S. Holder (as defined below) of the Subordinated Notes being treated as equity in a PFIC, see "*Taxation – United States Federal Income Taxation – Passive Foreign Investment Company*".

U.S. investors in the Subordinated Notes may suffer adverse U.S. federal income tax consequences in the event of a substitution or variation of the Subordinated Notes, a Benchmark Event or a Write-Up

The U.S. federal income tax treatment of a substitution or variation of the Subordinated Notes (as discussed under "*Terms and Conditions of the Subordinated Notes – Substitution or Variation*"), a change in the interest rate of the Subordinated Notes as a result of a Benchmark Event (as discussed under "*Terms and Conditions of the Subordinated Notes – Interest*"), or a Write-Up (as discussed under "*Terms and Conditions of the Subordinated Notes – Write-Up*") is not entirely clear. It is possible that, for a U.S. Holder, such event would be treated as a deemed exchange of old Subordinated Notes for new Subordinated Notes. See "*Taxation – United States Federal Income Taxation – Substitution or Variation of the Subordinated Notes, Benchmark Event, Write-Up*".

RISKS RELATING TO ENFORCEMENT

Enforcing foreign judgments and arbitral awards against the Issuer

The Issuer has irrevocably agreed to the Subordinated Notes being governed by English law and that any disputes shall be referred to and finally resolved by arbitration under the LCIA Rules. An arbitration award rendered in London, in favour of the Noteholders should be enforceable against the Issuer in the courts of those Relevant Jurisdictions which are signatories to the New York Convention on the Recognition and Enforcement of Foreign Arbitral Awards 1958 (the "**New York Convention**"). However, in practice, and notwithstanding the New York Convention, such awards may not be enforceable consistently under the laws of all of the Relevant Jurisdictions. The Issuer has also agreed to submit to the jurisdiction of the courts of England (the "**English courts**") at the option of the Noteholders in respect of any dispute relating to the Subordinated Notes. Notwithstanding that a judgment may be obtained in the English courts in favour of the Noteholders, there is no assurance that the Issuer has or would at the relevant time have assets in the UK against

which such a judgment could be enforced. Under the laws of certain of the Relevant Jurisdictions (for example, under the laws of Saudi Arabia) it is unlikely that the courts of such Relevant Jurisdictions would enforce an English court judgment without re-examining the merits of the claim and such courts may not observe the parties' choice of English law as the governing law of the relevant Subordinated Notes. In certain of the Relevant Jurisdictions, foreign law is required to be established as a question of fact and the interpretation of English law by the courts of such Relevant Jurisdictions may not accord with the interpretation of an English court. Additionally, in such Relevant Jurisdictions, the choice of foreign law is recognised if the courts of such Relevant Jurisdictions are satisfied that an appropriate connection exists between the relevant transaction agreement and the foreign law which has been chosen. Such courts are unlikely, however, to honour any provision of foreign law which is contrary to public policy, order or morals in such Relevant Jurisdiction, or to any mandatory law of, or applicable in, such Relevant Jurisdiction.

Accordingly, there is no guarantee that any arbitration award rendered in London or any judgment obtained in the English courts, in each case in favour of the Noteholders, would be enforceable against the Issuer in the courts of a Relevant Jurisdiction.

RISKS RELATING TO SUBORDINATED NOTES GENERALLY

The Conditions contain provisions which may permit modifications or waivers without the consent of all Noteholders

The Conditions contain provisions for calling meetings (including by way of conference call or by use of a videoconference platform) of Noteholders to consider matters affecting their interests generally. These provisions permit defined majorities to bind all Noteholders including Noteholders who did not attend and vote at the relevant meeting and Noteholders who voted in a manner contrary to the majority. The Conditions also contain provisions that permit certain amendments to the terms of the Subordinated Notes without the consent of the Noteholders (see Condition 5(f) (*Interest – Benchmark replacement*) and Condition 21(c) (*Meetings of Noteholders; Modification and Waiver – Modification*)).

Investors who hold less than the minimum Specified Denomination may be unable to sell their Subordinated Notes and may be adversely affected if definitive Subordinated Notes are subsequently required to be issued

In relation to any issue of Subordinated Notes which have denominations consisting of a minimum Specified Denomination plus one or more higher integral multiples of another smaller amount, it is possible that such Subordinated Notes may be traded in amounts in excess of the minimum Specified Denomination that are not integral multiples of such minimum Specified Denomination. In such a case a holder who, as a result of trading such amounts, holds an amount which is less than the minimum Specified Denomination in his account with the relevant clearing system would not be able to sell the remainder of such holding without first purchasing a principal amount of Subordinated Notes at or in excess of the minimum Specified Denomination such that its holding amounts to a Specified Denomination. Further, a holder who, as a result of trading such amounts, holds an amount which is less than the minimum Specified Denomination in his account with the relevant clearing system at the relevant time may not receive a definitive Subordinated Note in respect of such holding (should definitive Subordinated Notes be printed or issued) and would need to purchase a principal amount of Subordinated Notes at or in excess of the minimum Specified Denomination such that its holding amounts to a Specified Denomination.

If such Subordinated Notes in definitive form are issued, holders should be aware that definitive Subordinated Notes which have a denomination that is not an integral multiple of the minimum Specified Denomination may be illiquid and difficult to trade.

Holders of Subordinated Notes held through DTC, Euroclear and Clearstream, Luxembourg must rely on procedures of those clearing systems to effect transfers of Subordinated Notes, receive payments in respect of Subordinated Notes and vote at meetings of Noteholders

Subordinated Notes issued under the Programme will be represented on issue by one or more Global Subordinated Notes that may be deposited with a common depositary for Euroclear and Clearstream, Luxembourg or may be deposited with a nominee for DTC (each as defined under "*Forms of the Subordinated Notes*"). Except in the circumstances described in each Global Subordinated Note, investors will not be entitled to receive Subordinated Notes in definitive form. Each of DTC, Euroclear and Clearstream, Luxembourg and their respective direct and indirect participants will maintain records of the beneficial interests in each Global Subordinated Note held through it. While the Subordinated Notes are represented by a Global Subordinated Note, investors will be able to trade their beneficial interests only through the relevant clearing systems and their respective participants.

While the Subordinated Notes are represented by Global Subordinated Notes, the Issuer will discharge its payment obligation under the Subordinated Notes by making payments through the relevant clearing systems. A holder of a beneficial interest in a Global Subordinated Note must rely on the procedures of the relevant clearing system and its participants to receive payments under the Subordinated Notes. The Issuer has no responsibility or liability for the records relating to, or payments made in respect of, beneficial interests in any Global Subordinated Note.

Holders of beneficial interests in a Global Subordinated Note will not have a direct right to vote in respect of the Subordinated Notes so represented. Instead, such holders will be permitted to act only to the extent that they are enabled by the relevant clearing system and its participants to appoint appropriate proxies.

Subordinated Notes may be subject to exchange rate risks and exchange controls

The Issuer will pay principal and interest on the Subordinated Notes in the Specified Currency. This presents certain risks relating to currency conversions if an investor's financial activities are denominated principally in a currency or currency unit (the "**Investor's Currency**") other than the Specified Currency. These include the risk that exchange rates may significantly change (including changes due to devaluation of the Specified Currency or revaluation of the Investor's Currency) and the risk that authorities with jurisdiction over the Investor's Currency may impose or modify exchange controls. An appreciation in the value of the Investor's Currency relative to the Specified Currency would decrease: (i) the Investor's Currency-equivalent yield on the Subordinated Notes; (ii) the Investor's Currency-equivalent value of the principal payable on the Subordinated Notes; and (iii) the Investor's Currency-equivalent market value of the Subordinated Notes.

Government and monetary authorities may impose (as some have done in the past) exchange controls that could adversely affect an applicable exchange rate or the ability of the Issuer to make payments in respect of the Subordinated Notes. As a result, investors may receive less interest or principal than expected, or no interest or principal.

Credit ratings assigned to the Issuer and/or any Subordinated Notes are subject to ongoing evaluations and there can be no assurance that the ratings currently assigned to the Issuer and/or any Subordinated Notes will not be downgraded

The Subordinated Notes of each Series may be unrated or may be rated by one or more independent credit rating agencies who may also assign credit ratings to the Subordinated Notes. Any ratings of either the Issuer or the Subordinated Notes may not reflect the potential impact of all the risks related to the structure, market, additional factors discussed herein and other factors that may affect the value of the Subordinated Notes. Nevertheless, real or anticipated changes in the Issuer's credit ratings or the ratings of the Subordinated Notes generally may affect the market value of the Subordinated Notes. A credit rating is not a recommendation to buy, sell or hold securities and may be revised, suspended or withdrawn by its assigning rating agency at any time.

In general, European regulated investors are restricted under the EU CRA Regulation from using credit ratings for regulatory purposes, unless such ratings are issued by a credit rating agency established in the EEA and registered under the EU CRA Regulation (and such registration has not been withdrawn or suspended, subject to transitional provisions that apply in certain circumstances). Such general restriction may also apply in the case of credit ratings issued by non-EEA credit rating agencies, unless the relevant credit ratings are endorsed by an EEA-registered credit rating agency or the relevant non-EEA third country rating agency is certified in accordance with the EU CRA Regulation (and such endorsement action or certification, has not been withdrawn or suspended), subject to transitional provisions that apply in certain circumstances. The list of registered and certified rating agencies published by ESMA on its website in accordance with the EU CRA Regulation is not conclusive evidence of the status of the relevant rating agency included in such list, as there may be delays between certain supervisory measures being taken against a relevant rating agency and the publication of the updated ESMA list. Certain information with respect to the credit rating agencies and ratings is set out on the cover of this Base Prospectus.

Investors regulated in the UK are subject to similar restrictions under the UK CRA Regulation. As such, UK regulated investors are required to use for UK regulatory purposes ratings issued by a credit rating agency established in the UK and registered under the UK CRA Regulation. In the case of ratings issued by third country non-UK credit rating agencies, third country credit ratings can either be: (i) endorsed by a UK registered credit rating agency; or (ii) issued by a third country credit rating agency that is certified in accordance with the UK CRA Regulation. Note this is subject, in each case, to (a) the relevant UK registration, certification or endorsement, as the case may be, not having been withdrawn or suspended, and (b) transitional provisions that apply in certain circumstances.

If the status of the rating agency rating the Subordinated Notes changes, relevant regulated investors may no longer be able to use the rating for regulatory purposes in the EEA or the UK, as applicable, and the Subordinated Notes may have a different regulatory treatment. This may result in relevant regulated investors selling the Subordinated Notes which may impact the value of the Subordinated Notes and any secondary market.

DOCUMENTS INCORPORATED BY REFERENCE

The following documents, which have previously been published or are published simultaneously with this Base Prospectus, and have been filed with the Central Bank of Ireland shall be deemed to be incorporated in, and form part of, this Base Prospectus:

(i) the unaudited interim condensed consolidated financial information for the six-month period ended 30 June 2026 (including the independent auditor's review report thereon and notes thereto) of the Group, available at https://taef.com/investor-relations/ir-reports/;

(ii) the audited consolidated financial statements for the year ended 31 December 2025 (including the independent auditor's report thereon and notes thereto) of the Group, available at https://taef.com/investor-relations/ir-reports/; and

(iii) the audited consolidated financial statements for the year ended 31 December 2024 (including the independent auditor's report thereon and notes thereto) of the Group, available at https://taef.com/investor-relations/ir-reports/.

Any information contained in or incorporated by reference in any of the documents specified above which is not incorporated by reference in this Base Prospectus is either not relevant to investors or is covered elsewhere in this Base Prospectus and, for the avoidance of doubt, unless specifically incorporated by reference into this Base Prospectus, information contained on the above-mentioned website does not form part of this Base Prospectus.

Following the publication of this Base Prospectus, a supplement may be prepared by the Issuer and approved by the Central Bank of Ireland in accordance with Article 23 of the Prospectus Regulation. Statements contained in any such supplement (or contained in any document incorporated by reference therein) shall, to the extent applicable (whether expressly, by implication or otherwise), be deemed to modify or supersede statements contained in this Base Prospectus or in a document which is incorporated by reference in this Base Prospectus. Any statement so modified or superseded shall not, except as so modified or superseded, constitute a part of this Base Prospectus.

The Issuer will, in the event of any significant new factor, material mistake or material inaccuracy relating to information included in this Base Prospectus which is capable of affecting the assessment of any Subordinated Notes, prepare a supplement to this Base Prospectus or publish a new Base Prospectus for use in connection with any subsequent issue of Subordinated Notes.

FINAL TERMS AND DRAWDOWN PROSPECTUSES

In this section the expression "**necessary information**" means, in relation to any Tranche of Subordinated Notes, the necessary information which is material to an investor for making an informed assessment of the assets and liabilities, financial position, profits and losses and prospects of the Issuer and of the rights attaching to the Subordinated Notes and the reasons for the issuance and its impact on the Issuer. In relation to the different types of Subordinated Notes which may be issued under the Programme, the Issuer has included in this Base Prospectus all of the necessary information except for information relating to the Subordinated Notes which is not known at the date of this Base Prospectus and which can only be determined at the time of an individual issue of a Tranche of Subordinated Notes.

Any information relating to the Subordinated Notes which is not included in this Base Prospectus and which is required in order to complete the necessary information in relation to a Tranche of Subordinated Notes will be contained either in the relevant Final Terms or in a Drawdown Prospectus.

For a Tranche of Subordinated Notes which is the subject of Final Terms, those Final Terms will, for the purposes of that Tranche only, complete this Base Prospectus and must be read in conjunction with this Base Prospectus. The terms and conditions applicable to any particular Tranche of Subordinated Notes which is the subject of Final Terms are the Conditions described in the relevant Final Terms as supplemented to the extent described in the relevant Final Terms.

The terms and conditions applicable to any particular Tranche of Subordinated Notes which is the subject of a Drawdown Prospectus will be the Conditions as supplemented, amended and/or replaced to the extent described in the relevant Drawdown Prospectus. In the case of a Tranche of Subordinated Notes which is the subject of a Drawdown Prospectus, each reference in this Base Prospectus to information being specified or identified in the relevant Final Terms shall be read and construed as a reference to such information being specified or identified in the relevant Drawdown Prospectus unless the context requires otherwise.

Each Drawdown Prospectus will be constituted by a single document containing the necessary information relating to the Issuer and the relevant Subordinated Notes.

FORMS OF THE SUBORDINATED NOTES

Each Tranche of Subordinated Notes will be represented by either:

(i) individual subordinated note certificates in registered form ("**Individual Subordinated Note Certificates**"); or

(ii) one or more unrestricted global subordinated note certificates in registered form ("**Unrestricted Global Subordinated Note Certificate(s)**") in the case of Subordinated Notes sold outside the United States to non-U.S. persons in reliance on Regulation S ("**Unrestricted Registered Subordinated Notes**") and/or one or more restricted global subordinated note certificates in registered form ("**Restricted Global Subordinated Note Certificate(s)**") in the case of Subordinated Notes sold to QIBs in reliance on Rule 144A who are also QPs ("**Restricted Registered Subordinated Notes**" and, together with Unrestricted Registered Subordinated Notes, "**Global Subordinated Notes**" and each a "**Global Subordinated Note**"),

in each case as specified in the relevant Final Terms. References in this Base Prospectus to "**Global Subordinated Note Certificates**" shall be construed as a reference to Unrestricted Global Subordinated Note Certificates and/or Restricted Global Subordinated Note Certificates and references in this Base Prospectus to "**Subordinated Note Certificates**" shall be construed as a reference to Individual Subordinated Note Certificates and/or Global Subordinated Note Certificates.

Each Subordinated Note represented by an Unrestricted Global Subordinated Note Certificate will be registered in the name of a common depositary (or its nominee) for which Euroclear Bank SA/NV ("**Euroclear**") and/or Clearstream Banking S.A. ("**Clearstream, Luxembourg**") and/or any other relevant clearing system and the relevant Unrestricted Global Subordinated Note Certificate will be deposited on or about the issue date with the common depositary.

Each Subordinated Note represented by a Restricted Global Subordinated Note Certificate will be registered in the name of Cede & Co. (or such other entity as is specified in the relevant Final Terms) as nominee for The Depository Trust Company ("**DTC**") and the relevant Restricted Global Subordinated Note Certificate will be deposited on or about the issue date with the custodian for DTC (the "**DTC Custodian**"). Beneficial interests in Subordinated Notes represented by a Restricted Global Subordinated Note Certificate may only be held through DTC at any time.

If the relevant Final Terms specifies the form of Subordinated Notes as being "Individual Subordinated Note Certificates", then the Subordinated Notes will at all times be represented by Individual Subordinated Note Certificates issued to each Noteholder in respect of their respective holdings.

Global Subordinated Note Certificate exchangeable for Individual Subordinated Note Certificates

If the relevant Final Terms specifies the form of Subordinated Notes as being "Global Subordinated Note Certificate exchangeable for Individual Subordinated Note Certificates", then the Subordinated Notes will initially be represented by one or more Global Subordinated Note Certificates each of which will be exchangeable in whole, but not in part, for Individual Subordinated Note Certificates:

(i) on the expiry of such period of notice as may be specified in the relevant Final Terms;

(ii) if the relevant Final Terms specifies "in the limited circumstances described in the Global Subordinated Note Certificate", then:

(a) in the case of any Global Subordinated Note Certificate held by or on behalf of DTC, if DTC notifies the Issuer that it is no longer willing or able to discharge properly its responsibilities as depositary with respect to the Global Subordinated Note Certificate or DTC ceases to be a "clearing agency" registered under the Exchange Act or if at any time DTC is no longer eligible to act as such, and the Issuer is unable to locate a qualified successor within 90 days of receiving notice or becoming aware of such ineligibility on the part of DTC; and

(b) in the case of any Unrestricted Global Subordinated Note Certificate, if Euroclear, Clearstream, Luxembourg or any other relevant clearing system is closed for business for a continuous period of 14 days (other than by reason of legal holidays) or announces an intention permanently to cease business.

Whenever a Global Subordinated Note Certificate is to be exchanged for Individual Subordinated Note Certificates, each person having an interest in a Global Subordinated Note Certificate must provide the Registrar (through the relevant clearing system) with such information as the Issuer and the Registrar may require to complete and deliver Individual Subordinated Note Certificates (including the name and address of each person in which the Subordinated Notes represented by the Individual Subordinated Note Certificates are to be registered and the principal amount of each such person's holding). In addition, whenever a Restricted Global Subordinated Note Certificate is to be exchanged for Individual Subordinated Note Certificates, each person having an interest in the Restricted Global Subordinated Note Certificate must provide the Registrar (through the relevant clearing system) with a certificate given by or on behalf of the holder of each beneficial interest in the Restricted Global Subordinated Note Certificate stating either: (i) that such holder is not transferring its interest at the time of such exchange; or (ii) that the transfer or exchange of such interest has been made in compliance with the transfer restrictions applicable to the Subordinated Notes and that the person transferring such interest reasonably believes that the person acquiring such interest is a QIB who is also a QP and is obtaining such beneficial interest in a transaction meeting the requirements of Rule 144A. Individual Subordinated Note Certificates issued in exchange for interests in the Restricted Global Subordinated Note Certificate will bear the legends and be subject to the transfer restrictions set out under "*Transfer Restrictions*".

Whenever a Global Subordinated Note Certificate is to be exchanged for Individual Subordinated Note Certificates, the Issuer shall procure that Individual Subordinated Note Certificates will be issued in an aggregate principal amount equal to the principal amount of the Global Subordinated Note Certificate within five business days of the delivery, by or on behalf of the registered holder of the Global Subordinated Note Certificate to the Registrar of such information as is required to complete and deliver such Individual Subordinated Note Certificates against the surrender of the Global Subordinated Note Certificate at the specified office of the Registrar.

Such exchange will be effected in accordance with the provisions of the Agency Agreement and the regulations concerning the transfer and registration of Subordinated Notes

scheduled to the Agency Agreement and, in particular, shall be effected without charge to any holder, but against such indemnity as the Registrar may require in respect of any tax or other duty of whatsoever nature which may be levied or imposed in connection with such exchange.

Terms and Conditions applicable to the Subordinated Notes

The terms and conditions applicable to any Individual Subordinated Note Certificate will be endorsed on that Individual Subordinated Note Certificate and will consist of the terms and conditions set out under "*Terms and Conditions of the Subordinated Notes*" below and the provisions of the relevant Final Terms which complete those terms and conditions.

The terms and conditions applicable to any Global Subordinated Note will differ from those terms and conditions which would apply to the Subordinated Note were it in definitive form to the extent described under "*Summary of Provisions Relating to the Subordinated Notes while in Global Form*" below.

Summary of Provisions relating to the Subordinated Notes while in Global Form

Clearing System Accountholders

In relation to any Tranche of Subordinated Notes represented by a Global Subordinated Note Certificate, references in the Terms and Conditions of the Subordinated Notes to "**Noteholder**" are references to the registered holder of the relevant Global Subordinated Note Certificate which, for so long as the Global Subordinated Note Certificate is held by a depositary or a common depositary for Euroclear and/or Clearstream, Luxembourg and/or any other relevant clearing system will be that depositary or common depositary.

In relation to any Tranche of Subordinated Notes represented by one or more Global Subordinated Note Certificates, references in the Terms and Conditions of the Subordinated Notes to "**Noteholder**" are references to the person in whose name the relevant Global Subordinated Note Certificate is for the time being registered in the Register which: (i) in the case of a Restricted Global Subordinated Note Certificate held by or on behalf of DTC, will be Cede & Co. (or such other entity as is specified in the relevant Final Terms) as nominee for DTC; and (ii) in the case of any Unrestricted Global Subordinated Note Certificate which is held by or on behalf of a depositary or a common depositary for Euroclear and/or Clearstream, Luxembourg and/or any other relevant clearing system will be that depositary or common depositary.

Each of the persons shown in the records of DTC, Euroclear, Clearstream, Luxembourg and/or any other relevant clearing system as being entitled to an interest in a Global Subordinated Note or a Global Subordinated Note Certificate (each an "**Accountholder**") must look solely to DTC, Euroclear, Clearstream, Luxembourg and/or such other relevant clearing system (as the case may be) for such Accountholder's share of each payment made by the Issuer to the holder of such Global Subordinated Note or Global Subordinated Note Certificate and in relation to all other rights arising under such Global Subordinated Note or Global Subordinated Note Certificate. The extent to which, and the manner in which, Accountholders may exercise any rights arising under a Global Subordinated Note or Global Subordinated Note Certificate will be determined by the respective rules and procedures of DTC, Euroclear and Clearstream, Luxembourg and any other relevant clearing system from time to time. For so long as the relevant Subordinated Notes are represented by a Global Subordinated Note or Global Subordinated Note Certificate, Accountholders shall have no claim directly against

the Issuer in respect of payments due under the Subordinated Notes and such obligations of the Issuer will be discharged by payment to the holder of such Global Subordinated Note or Global Subordinated Note Certificate.

Transfers of interests in Global Subordinated Notes

Transfers of interests in Global Subordinated Notes within DTC, Euroclear and Clearstream, Luxembourg or any other relevant clearing system will be in accordance with their respective rules and operating procedures. None of the Issuer, the Registrar, the Dealers or the Issuing and Paying Agent, the Transfer Agent and the Registrar will have any responsibility or liability for any aspect of the records of DTC, Euroclear and Clearstream, Luxembourg or any other relevant clearing system or any of their respective participants relating to payments made on account of beneficial ownership interests in a Global Subordinated Note or for maintaining, supervising or reviewing any of the records of DTC, Euroclear and Clearstream, Luxembourg or any other relevant clearing system or the records of their respective participants relating to such beneficial ownership interests.

The laws of some states of the United States require that certain persons receive individual certificates in respect of their holdings of Subordinated Notes. Consequently, the ability to transfer interests in a Global Subordinated Note to such persons will be limited. Because clearing systems only act on behalf of participants, who in turn act on behalf of indirect participants, the ability of a person having an interest in a Global Subordinated Note to pledge such interest to persons or entities which do not participate in the relevant clearing systems, or otherwise take actions in respect of such interest, may be affected by the lack of an Individual Subordinated Note Certificate representing such interest.

Subject to compliance with the transfer restrictions applicable to the Subordinated Notes described under "*Transfer Restrictions*", transfers between DTC participants, on the one hand, and Euroclear or Clearstream, Luxembourg accountholders, on the other will be effected by the relevant clearing systems in accordance with their respective rules and through action taken by the DTC Custodian, the Registrar and the Issuing and Paying Agent.

On or after the issue date for any Tranche of Subordinated Notes, transfers of Subordinated Notes of such Tranche between accountholders in Euroclear and/or Clearstream, Luxembourg and transfers of Subordinated Notes of such Tranche between participants in DTC will generally have a settlement date one business day after the trade date (T+1). The customary arrangements for delivery versus payment will apply to such transfers.

Transfers between DTC participants, on the one hand, and Euroclear or Clearstream, Luxembourg accountholders, on the other will need to have an agreed settlement date between the parties to such transfer. Because there is no direct link between DTC, on the one hand, and Euroclear and Clearstream, Luxembourg, on the other, transfers of interests in the relevant Global Subordinated Notes will be effected through the Issuing and Paying Agent, the DTC Custodian, the relevant Registrar and any applicable Transfer Agent receiving instructions (and where appropriate certification) from the transferor and arranging for delivery of the interests being transferred to the credit of the designated account for the transferee. In the case of cross-market transfers, settlement between Euroclear or Clearstream, Luxembourg accountholders and DTC participants cannot be made on a delivery versus payment basis. The securities will be delivered on a free delivery basis and arrangements for payment must be made separately. The customary arrangements for

delivery versus payment between Euroclear and Clearstream, Luxembourg accountholders or between DTC participants are not affected.

For a further description of restrictions on the transfer of Subordinated Notes, see "*Subscription and Sale*" and "*Transfer Restrictions*".

Upon the issue of a Restricted Global Subordinated Note Certificate to be held by or on behalf of DTC, DTC or the DTC Custodian will credit the respective nominal amounts of the individual beneficial interests represented by such Global Subordinated Note Certificate to the account of DTC participants. Ownership of beneficial interests in such Global Subordinated Note Certificate will be held through participants of DTC, including the respective depositaries of Euroclear and Clearstream, Luxembourg. Ownership of beneficial interests in such Global Subordinated Note Certificate will be shown on, and the transfer of such ownership will be effected only through, records maintained by DTC or its nominee. DTC has advised the Issuer that it will take any action permitted to be taken by a holder of Subordinated Notes represented by a Global Subordinated Note Certificate held by or on behalf of DTC (including, without limitation, the presentation of such Global Subordinated Note Certificates for exchange as described above) only at the direction of one or more participants in whose account with DTC interests in such Global Subordinated Note Certificate are credited, and only in respect of such portion of the aggregate nominal amount of such Global Subordinated Note Certificate as to which such participant or participants has or have given such direction. However, in certain circumstances, DTC will exchange the relevant Global Subordinated Note Certificate for Individual Subordinated Note Certificates (which will bear the relevant legends set out in "*Transfer Restrictions*").

Although DTC, Euroclear and Clearstream, Luxembourg have agreed to the foregoing procedures in order to facilitate transfers of interests in the Global Subordinated Note Certificates among participants and accountholders of DTC, Euroclear and Clearstream, Luxembourg, they are under no obligation to perform or continue to perform such procedures, and such procedures may be discontinued at any time. None of the Issuer, the Dealers, the Issuing and Paying Agent, the Transfer Agent or the Registrar will have any responsibility for the performance by DTC, Euroclear or Clearstream, Luxembourg or their respective direct or indirect participants or accountholders of their respective obligations under the rules and procedures governing their respective operations.

While a Global Subordinated Note Certificate is lodged with DTC, Euroclear, Clearstream, Luxembourg or any relevant clearing system, Individual Subordinated Note Certificates for the relevant Series of Subordinated Notes will not be eligible for clearing and settlement through such clearing systems.

Conditions applicable to Global Subordinated Notes

Each Global Subordinated Note will contain provisions which modify the Terms and Conditions of the Subordinated Notes as they apply to the Global Subordinated Note. The following is a summary of certain of those provisions:

Payments: All payments in respect of the Global Subordinated Note which, according to the Terms and Conditions of the Subordinated Notes, require presentation and/or surrender of the note certificate will be made against presentation and (in the case of payment of principal in full with all interest accrued thereon) surrender of the Global Subordinated Note Certificate

to or to the order of any Paying Agent and will be effective to satisfy and discharge the corresponding liabilities of the Issuer in respect of the Subordinated Notes.

Payment Business Day: In the case of a Global Subordinated Note, "**Payment Business Day**" shall be: (i) if the currency of payment is euro, any day which is a T2 Settlement Day and a day on which dealings in foreign currencies may be carried on in each (if any) Additional Financial Centre; or (ii) if the currency of payment is not euro, any day which is a day on which dealings in foreign currencies may be carried on in the Relevant Financial Centre of the currency of payment and in each (if any) Additional Financial Centre.

Payment Record Date: Each payment in respect of a Global Subordinated Note Certificate will be made to the person shown as the Holder in the Register at the close of business (in the relevant clearing system) on the Clearing System Business Day before the due date for such payment (the "**Record Date**") where "**Clearing System Business Day**" means a day on which each clearing system for which the Global Subordinated Note Certificate is being held is open for business.

Write-Up: Any Write-Up in respect of a Global Subordinated Note Certificate will be effected in accordance with the operating procedures of the relevant clearing system(s).

Notices: Notwithstanding Condition 23 (*Notices*), while all the Subordinated Notes are represented by a Global Subordinated Note Certificate registered in the name of DTC's nominee or deposited with a depositary or a common depositary for Euroclear and/or Clearstream, Luxembourg and/or any other relevant clearing system, notices to Noteholders may be given by delivery of the relevant notice to DTC and/or Euroclear and/or Clearstream, Luxembourg and/or any other relevant clearing system and, in any case, such notices shall be deemed to have been given to the Noteholders in accordance with Condition 23 (*Notices*) on the date of delivery to DTC and/or Euroclear and/or Clearstream, Luxembourg and/or any other relevant clearing system.

TERMS AND CONDITIONS OF THE SUBORDINATED NOTES

The following is the text of the terms and conditions which, as completed by the relevant Final Terms, will be endorsed on each Subordinated Note in definitive form issued under the Programme. In the case of any Tranche of Subordinated Notes which are being admitted to trading on a regulated market in a Member State or in the United Kingdom, the relevant Final Terms shall not amend or replace any information in this Base Prospectus. Subject to this, to the extent permitted by applicable law and/or regulation, the Final Terms in respect of any Tranche of Subordinated Notes may supplement, amend or replace any information in this Base Prospectus.

The terms and conditions applicable to any Subordinated Note in global form will differ from those terms and conditions which would apply to the Subordinated Note were it in definitive form to the extent described under "Summary of Provisions Relating to the Subordinated Notes while in Global Form" above.

1. **Introduction**

(a) *Programme*: Arab Petroleum Investments Corporation (the "**Issuer**") has established a programme (the "**Programme**") for the issuance of up to U.S.$1,000,000,000 in aggregate principal amount of deeply subordinated notes by the Issuer (the "**Subordinated Notes**").

(b) *Final Terms*: Subordinated Notes issued under the Programme are issued in series (each a "**Series**") and each Series may comprise one or more tranches (each a "**Tranche**") of Subordinated Notes. Each Tranche is the subject of a final terms (the "**Final Terms**") which completes these terms and conditions (the "**Conditions**"). The terms and conditions applicable to any particular Tranche of Subordinated Notes are these Conditions as completed by the relevant Final Terms. In the event of any inconsistency between these Conditions and the relevant Final Terms, the relevant Final Terms shall prevail.

(c) *Agency Agreement*: The Subordinated Notes are the subject of an agency agreement dated 20 October 2026 (the "**Agency Agreement**") between the Issuer, The Bank of New York Mellon, London Branch as issuing and paying agent (the "**Issuing and Paying Agent**", which expression includes any successor issuing and paying agent appointed from time to time in connection with the Subordinated Notes), The Bank of New York Mellon SA/NV, Luxembourg Branch as registrar (the "**Registrar**") (which expression includes any successor registrar appointed from time to time in connection with the Subordinated Notes) and the transfer agent (the "**Transfer Agent**") (which expression includes any successor transfer agent appointed from time to time in connection with the Subordinated Notes). In these Conditions references to the "**Agents**" are to the Issuing and Paying Agent, the Registrar and the Transfer Agent and any reference to an "**Agent**" is to any one of them and references to the "**Paying Agent**" are to the Issuing and Paying Agent.

(d) *The Subordinated Notes*: The Subordinated Notes shall be issued in registered form. All subsequent references in these Conditions to "**Subordinated Notes**" are to the Subordinated Notes which are the subject of the relevant Final Terms. Copies of the relevant Final Terms are available for viewing during normal business hours at the Specified Offices of the Issuing and Paying Agent.

(e) *Deed of Covenant*: The Subordinated Notes are constituted by, are subject to, and have the benefit of, a deed of covenant dated 20 October 2026 (as amended or supplemented from time to time, the "**Deed of Covenant**").

(f) *Summaries*: Certain provisions of these Conditions are summaries of the Agency Agreement and the Deed of Covenant and are subject to their detailed provisions. Noteholders are bound by, and are deemed to have notice of, all the provisions of the Agency Agreement and the Deed of Covenant applicable to them. Copies of the Agency Agreement and the Deed of Covenant are available for inspection by Noteholders during normal business hours at the Specified Offices of each of the Agents, the initial Specified Offices of which are set out below.

2. **Interpretation**

(a) *Definitions*: In these Conditions the following expressions have the following meanings:

an "**Accounting Event**" shall be deemed to occur if the Issuer has received, and notified the Noteholders in accordance with Condition 23 (*Notices*) that it has so received, a letter or report of a recognised accountancy firm of international standing, acting on the instructions of the Issuer, stating that, as a result of a change in the accounting rules or methodology (or in each case the application thereof) after the Issue Date (the earlier of the date on which the relevant change is officially announced by the IASB or the equivalent body in respect of IFRS or officially adopted or put into practice, the "**Accounting Event Adoption Date**"), the Subordinated Notes may not or may no longer be classified as "equity" in full in the audited annual financial statements of the Issuer pursuant to IFRS or any other accounting standards that may replace IFRS for the purposes of preparing the consolidated financial statements of the Issuer. An Accounting Event shall be deemed to have occurred on the Accounting Event Adoption Date notwithstanding any later effective date. The period during which the Issuer may notify the redemption of the Subordinated Notes as a result of the occurrence of an Accounting Event shall start on (and include) the Accounting Event Adoption Date. For the avoidance of doubt, such period shall include any transitional period between the Accounting Event Adoption Date and the date on which it comes into effect;

"**Additional Amounts**" has the meaning given to it in Condition 15(a) (*Taxation – Gross up*);

"**Additional Business Centre(s)**" means the city or cities specified as such in the relevant Final Terms;

"**Additional Financial Centre(s)**" means the city or cities specified as such in the relevant Final Terms;

"**Adjustment Spread**" means either a spread (which may be positive, negative or zero), or the formula or methodology for calculating a spread, in either case, which the Issuer, following consultation with the Independent Adviser and acting in good faith, determines is required to be applied to the Successor Rate or the Alternative Rate (as the case may be) and is the spread, formula or methodology which:

(i) in the case of a Successor Rate, is formally recommended in relation to the replacement of the Original Reference Rate with the Successor Rate by any Relevant Nominating Body; or (if no such recommendation has been made, or in the case of an Alternative Rate)

(ii) the Issuer determines, following consultation with the Independent Adviser and acting in good faith, is recognised or acknowledged as being the industry standard for over-the-counter derivative transactions or is in customary market usage in the debt capital market for transactions which reference the Original Reference Rate, where such rate has been replaced by the Successor Rate or the Alternative Rate (as the case may be); or (if the Issuer determines that no such industry standard is recognised or acknowledged)

(iii) the Issuer, in its discretion, following consultation with the Independent Adviser and acting in good faith, determines to be appropriate to reduce or eliminate, to the extent reasonably practicable in the circumstances, any economic prejudice or benefit (as the case may be) to Noteholders as a result of the replacement of the Original Reference Rate with the Successor Rate or the Alternative Rate (as the case may be);

"**Alternative Rate**" means an alternative benchmark or screen rate which the Issuer determines, following consultation with the Independent Adviser, has replaced the Original Reference Rate in customary market usage in the international swap markets for the purposes of determining rates of interest (or the relevant component part thereof) for the same interest period and in the Specified Currency;

"**Applicable Business Day Convention**" means the Business Day Convention which may be specified in the relevant Final Terms as applicable to any date in respect of the Subordinated Notes unless the relevant Final Terms specifies "No Adjustment" in relation to any date in which case such date shall not be adjusted in accordance with any Business Day Convention. Different Business Day Conventions may apply, or be specified in relation to, the Interest Payment Dates and any other date or dates in respect of any Subordinated Notes;

"**Banking Day**" means, in respect of any city, any day on which commercial banks are open for business (including dealings in foreign exchange and foreign currency deposits) in that city;

"**Benchmark Amendments**" has the meaning given to it in Condition 5(f) (*Interest – Benchmark replacement*);

"**Benchmark Event**" means:

(i) the Original Reference Rate has ceased to be published as a result of such benchmark ceasing to be calculated or administered; or

(ii) a public statement by the administrator of the Original Reference Rate that (in circumstances where no successor administrator has been or will be appointed that will continue publication of the Original Reference Rate) it has ceased publishing the Original Reference Rate permanently or indefinitely or that it will cease to do so by a specified future date (the "**Specified Future Date**"); or

(iii) a public statement by the supervisor of the administrator of the Original Reference Rate that the Original Reference Rate has been or will, by a specified future date (the "**Specified Future Date**"), be permanently or indefinitely discontinued; or

(iv) a public statement by the supervisor of the administrator of the Original Reference Rate that the Original Reference Rate will, by a specified future date (the "**Specified Future Date**"), be prohibited from being used or that its use will be subject to restrictions or adverse consequences, either generally or in respect of the Subordinated Notes; or

(v) a public statement by the supervisor of the administrator of the Original Reference Rate that, in the view of such supervisor, the Original Reference Rate is or will, by a specified future date (the "**Specified Future Date**"), be no longer representative of an underlying market; or

(vi) it has or will, by a specified date within the following six months, become unlawful for any Paying Agent, Issuing and Paying Agent, Calculation Agent, the Issuer or any other party to calculate any payments due to be made to any Holder using the Original Reference Rate (including, without limitation, under Regulation (EU) 2016/1011, if applicable),

and, notwithstanding the sub-paragraphs above, where the relevant Benchmark Event is a public statement within sub-paragraphs (ii), (iii), (iv) or (v) above and the Specified Future Date is more than six months after the date of that public statement, the Benchmark Event shall not be deemed to occur until the date falling six months prior to such Specified Future Date;

"**Business Day**" means:

(i) in relation to Subordinated Notes denominated or payable in euro, a T2 Settlement Day and a day on which commercial banks and foreign exchange markets settle payments generally in each (if any) Additional Business Centre;

(ii) in relation to Subordinated Notes denominated or payable in a currency other than euro, a day on which commercial banks and foreign exchange markets settle payments in the Relevant Financial Centre of the relevant currency and in each (if any) Additional Business Centre;

"**Business Day Convention**" means a convention for adjusting any relevant date if it would otherwise fall on a day that is not a Business Day and the following terms, where specified in the relevant Final Terms and used in conjunction with the term "Business Day Convention" in relation to any date applicable to any Subordinated Notes, shall have the following meanings:

(i) "**Following Business Day Convention**" means that such date shall be postponed to the first following day that is a Business Day;

(ii) "**Modified Following Business Day Convention**" or "**Modified Business Day Convention**" means that such date shall be postponed to the first following day that is a Business Day unless that day falls in the next calendar

month in which case that date will be the first preceding day that is a Business Day; and

(iii) "**Preceding Business Day Convention**" means that such date shall be brought forward to the first preceding day that is a Business Day;

"**Calculation Agent**" means such agent as may be specified in the relevant Final Terms as the Calculation Agent;

"**Code**" means the United States Internal Revenue Code of 1986, as amended;

"**Conventional Callable Capital**" means the portion of the Issuer's subscribed capital (excluding any contingent capital facilities designed to be called or activated prior to such subscribed capital, which as at 20 October 2026 is zero) which has been subscribed by its member countries (in their capacity as shareholders of the Issuer) but which has not been paid in, and which the Issuer is entitled to call from such members, in accordance with and subject to the limitations of the Establishing Agreement;

"**Day Count Fraction**" means, in respect of the calculation of an amount for any period of time (the "**Calculation Period**"), such day count fraction as may be specified in these Conditions or the relevant Final Terms and:

(i) if "**Actual/Actual (ICMA**)" is so specified, means:

(A) where the Calculation Period is equal to or shorter than the Regular Period during which it falls, the actual number of days in the Calculation Period divided by the product of: (1) the actual number of days in such Regular Period; and (2) the number of Regular Periods in any year; and

(B) where the Calculation Period is longer than one Regular Period, the sum of:

(1) the actual number of days in such Calculation Period falling in the Regular Period in which it begins divided by the product of: (1) the actual number of days in such Regular Period; and (2) the number of Regular Periods in any year; and

(2) the actual number of days in such Calculation Period falling in the next Regular Period divided by the product of: (1) the actual number of days in such Regular Period; and (2) the number of Regular Periods in any year;

(ii) if "**30/360**" is so specified, the number of days in the Calculation Period divided by 360, calculated on a formula basis as follows:

$$\text{Day Count Fraction} = \frac{([360 \; x \; (Y2 - Y1)] + [30 \; x \; (M2 - M1)] + (D2 - D1))}{360}$$

where:

"$\mathbf{Y_1}$" is the year, expressed as a number, in which the first day of the Calculation Period falls;

"**Y_2**" is the year, expressed as a number, in which the day immediately following the last day included in the Calculation Period falls;

"**M_1**" is the calendar month, expressed as a number, in which the first day of the Calculation Period falls;

"**M_2**" is the calendar month, expressed as a number, in which the day immediately following the last day included in the Calculation Period falls;

"**D_1**" is the first calendar day, expressed as a number, of the Calculation Period, unless such number would be 31, in which case D_1 will be 30; and

"**D_2**" is the calendar day, expressed as a number, immediately following the last day included in the Calculation Period, unless such number would be 31 and D_1 is greater than 29, in which case D_2 will be 30; and

(iii) if **"30E/360**" or "**Eurobond Basis**" is so specified, the number of days in the Calculation Period divided by 360, calculated on a formula basis as follows:

$$\text{Day Count Fraction} = \frac{([360 \; x \; (Y2 - Y1)] + [30 \; x \; (M2 - M1)] + (D2 - D1))}{360}$$

where:

"**Y1**" is the year, expressed as a number, in which the first day of the Calculation Period falls;

"**Y2**" is the year, expressed as a number, in which the day immediately following the last day included in the Calculation Period falls;

"**M1**" is the calendar month, expressed as a number, in which the first day of the Calculation Period falls;

"**M2**" is the calendar month, expressed as a number, in which the day immediately following the last day included in the Calculation Period falls;

"**D1**" is the first calendar day, expressed as a number, of the Calculation Period, unless such number would be 31, in which case D1 will be 30; and

"**D2**" is the calendar day, expressed as a number, immediately following the last day included in the Calculation Period, unless such number would be 31, in which case D2 will be 30;

For the purposes of this definition of Day Count Fraction "**Regular Period**" means:

(A) where interest is scheduled to be paid only by means of regular payments, each period from and including the Interest Commencement Date to but excluding the First Interest Payment Date and each successive period from and including one Interest Payment Date to but excluding the next Interest Payment Date;

(B) where, apart from the first Interest Period, interest is scheduled to be paid only by means of regular payments, each period from and including a Regular Date falling in any year to but excluding the next Regular Date, where "**Regular**

Date" means the day and month (but not the year) on which any Interest Payment Date falls; and

(C) where, apart from one Interest Period other than the first Interest Period, interest is scheduled to be paid only by means of regular payments, each period from and including a Regular Date falling in any year to but excluding the next Regular Date, where "**Regular Date**" means the day and month (but not the year) on which any Interest Payment Date falls other than the Interest Payment Date falling at the end of the irregular Interest Period;

"**Determination Date**" means the date on which the Issuer's audited consolidated annual financial statements are published;

"**Discretionary Payments**" means: (i) the payment of any dividend or any other distribution, whether in cash or in kind, by the Issuer on or in respect of any Junior Obligations; (ii) any redemption, repurchase, repayment or other acquisition by the Issuer of any Junior Obligations or Parity Deeply Subordinated Obligations (other than as a result of the exchange or conversion of Parity Deeply Subordinated Obligations for or into Junior Obligations); or (iii) any payment of any interest, dividend, distribution or other amount on or in respect of any Parity Deeply Subordinated Obligations;

"**Establishing Agreement**" means the establishing agreement and statute for the Issuer dated 23 November 1975 to which the governments of the 10 Arab Energy Organisation Member States are signatories;

"**Extraordinary Resolution**" has the meaning given in the Agency Agreement;

"**First Interest Payment Date**" means the date specified in the relevant Final Terms;

"**First Reset Date**" means the date specified as such in the relevant Final Terms, provided, however, that if the date specified in the relevant Final Terms is not a Business Day, then such date shall be postponed to the next day that is a Business Day unless it would thereby fall into the next calendar month, in which event such date shall be brought forward to the immediately preceding Business Day;

"**First Reset Period**" means the period from (and including) the First Reset Date until (but excluding) the next succeeding Reset Date;

"**Fitch**" means Fitch Ratings Limited or any of its subsidiaries or successors in business from time to time;

"**Holder**" has the meaning given in Condition 3(b) (*Denomination, Title and Transfer – Title*);

"**IASB**" means the International Accounting Standards Board;

"**IFRS** " means International Financial Reporting Standards, as endorsed in the Kingdom of Saudi Arabia;

"**Independent Adviser**" means an independent financial institution of international repute or an independent financial adviser with appropriate expertise appointed by the Issuer (at its own expense);

"**Initial Interest Rate**" means the initial Interest Rate specified as such in the relevant Final Terms;

"**Initial Mid-Swap Rate**" has the meaning specified as such in the relevant Final Terms;

"**Initial Reference Bond Price**" has the meaning specified as such in the relevant Final Terms;

"**Interest Cancellation Trigger Event**" has the meaning given in Condition 6(b) (*Cancellation of Interest – Mandatory Interest Cancellation*);

"**Interest Commencement Date**" means the Issue Date of the Subordinated Notes or such other date as may be specified as the Interest Commencement Date in the relevant Final Terms;

"**Interest Payment Date**" means the First Interest Payment Date and any date or dates specified as such in the relevant Final Terms subject to adjustment in accordance with the Applicable Business Day Convention specified in the relevant Final Terms (if any);

"**Interest Period**" means each successive period beginning on and including an Interest Payment Date and ending on but excluding the next succeeding Interest Payment Date provided always that the first Interest Period shall commence on and include the Interest Commencement Date and the final Interest Period shall end on but exclude the date on which the Subordinated Notes cease to bear interest in accordance with Condition 5(a) (*Interest – Accrual of interest*);

"**Interest Rate**" means the rate or rates (expressed as a percentage per annum) or amount or amounts (expressed as a price per unit of relevant currency) of interest payable in respect of the Subordinated Notes specified in the relevant Final Terms;

"**Issue Date**" has the meaning given in the relevant Final Terms;

"**Junior Obligations**" means all issued Ordinary Shares of the Issuer (and, if divided into classes, each class thereof) and all other obligations of the Issuer ranking or expressed to rank junior to the Subordinated Notes;

"**Mandatory Interest Cancellation**" has the meaning given in Condition 6(b) (*Cancellation of Interest – Mandatory Interest Cancellation*);

"**Margin**" has the meaning given in the relevant Final Terms;

"**Mid-Swap Floating Leg Benchmark Rate**" has the meaning specified as such in the relevant Final Terms;

"**Mid-Swap Floating Leg Maturity**" has the meaning specified as such in the relevant Final Terms;

"**Mid-Swap Rate**" means, unless otherwise specified in the relevant Final Terms, in relation to a Reset Interest Determination Date and subject to Condition 5(f) (*Interest – Benchmark replacement*), the rate for swaps in the Specified Currency:

(i) with a term equal to the relevant Reset Period;

(ii) commencing on the relevant Reset Date; and

(iii) payable with a frequency equivalent to the frequency with which scheduled interest payments are payable on the Subordinated Notes during the relevant Reset Period,

which appears on the Mid-Swap Screen Page, as at approximately the Quotation Time on such Reset Interest Determination Date, all as determined by the Calculation Agent.

Subject to the operation of Condition 5(f) (*Interest – Benchmark replacement*), in the event that the relevant Mid-Swap Rate does not appear on the Mid-Swap Screen Page on the relevant Reset Interest Determination Date, the Mid-Swap Rate will be the Reset Reference Bank Rate on such Reset Interest Determination Date;

"**Mid-Swap Rate Quotations**" means, in relation to any Reset Period, the arithmetic mean of the bid and offered rates for the annual fixed leg (calculated on the basis of the Day Count Fraction specified in the relevant Final Terms, as determined by the Calculation Agent) of a fixed-for-floating interest rate swap in the Specified Currency which: (i) has a term equal to the relevant Reset Period; (ii) is in an amount that is representative of a single transaction in the relevant market at the relevant time with an acknowledged dealer of good credit in the swap market; and (iii) has a floating leg based on the Mid-Swap Floating Leg Benchmark Rate for the Mid-Swap Floating Leg Maturity (each as specified in the relevant Final Terms) (calculated on the basis of the Day Count Fraction specified in the relevant Final Terms, as determined by the Calculation Agent);

"**Mid-Swap Screen Page**" means the page, section or other part of a particular information service (including, without limitation, Reuters) specified as the Mid-Swap Screen Page in the relevant Final Terms, or such other page, section or other part as may replace it on that information service or such other information service, in each case, as may be nominated by the person providing or sponsoring the information appearing there for the purpose of displaying the Mid-Swap Rate;

"**Moody's**" means Moody's Investors Service Ltd or any of its subsidiaries or successors in business from time to time;

"**Noteholder**" has the meaning given in Condition 3(d) (*Denomination, Title and Transfer – Transfers*);

"**Optional Interest Cancellation**" has the meaning given in Condition 6(a) (*Cancellation of Interest – Optional Interest Cancellation*);

"**Optional Redemption Date**" means the date fixed for redemption of the Subordinated Notes pursuant to Condition 10 (*Redemption and Purchase*);

"**Ordinary Shares of the Issuer**" means ordinary shares in the capital of the Issuer, having at 20 October 2026 a nominal amount of U.S.$1,000 each;

"**Original Reference Rate**" means the originally specified benchmark or screen rate (as applicable) used to determine the interest rate (or any component part thereof) on the Subordinated Notes;

"**Par Call Date(s)**" means, unless otherwise specified in the relevant Final Terms: (i) any date during the Par Call Period; or (ii) any Interest Payment Date thereafter;

"**Par Call Period**" means the period specified in the relevant Final Terms;

"**Parity Deeply Subordinated Obligations**" means any and all present or future obligations of the Issuer, whether issued directly or through another entity where the payment obligations are guaranteed by the Issuer, which rank or by their terms are expressed to rank *pari passu* in right of payment with the Subordinated Notes;

"**Payment Business Day**" means:

(i) if the currency of payment is euro, any day which is a T2 Settlement Day and a day on which dealings in foreign currencies may be carried on in each (if any) Additional Financial Centre; or

(ii) if the currency of payment is not euro, any day which is a day on which dealings in foreign currencies may be carried on in the Relevant Financial Centre of the currency of payment and in each (if any) Additional Financial Centre;

"**Person**" means any individual, corporation, partnership, joint venture, trust, unincorporated organisation or government or any agency or political subdivision thereof;

"**Proceedings**" has the meaning given to it in Condition 25 (*Governing Law and Dispute Resolution*);

"**Qualifying Deeply Subordinated Notes**" means subordinated notes that:

(i) are issued by the Issuer;

(ii) rank at least equally with the Subordinated Notes prior to the substitution or variation and at least *pari passu* with any Parity Deeply Subordinated Obligations;

(iii) contain terms not materially less favourable to Noteholders than the terms of the Subordinated Notes (as reasonably determined by the Issuer) and which:

(A) provide for the same or a more favourable rate of interest from time to time as applied to the Subordinated Notes immediately prior to such substitution or variation and preserve the same Interest Payment Dates;

(B) preserve the obligations (including the obligations arising from the exercise of any right) of the Issuer as to principal and as to redemption of the Subordinated Notes, including (without limitation) as to the timing of, and amounts payable upon, such redemption; and

(C) preserve any existing rights under these provisions to any accrued interest and any other amounts payable under the Subordinated Notes which, in each case, have accrued to Noteholders and not been paid;

(iv) are: (A) listed on the official list of the Irish Stock Exchange plc trading as Euronext Dublin and admitted to trading on its regulated market; or (B) listed on such other internationally recognised exchange platform in an OECD country as is selected by the Issuer; and

(v) will, immediately after such substitution or variation, be assigned at least the same credit rating(s) by the same Rating Agencies as may have been assigned to the Subordinated Notes at the invitation of the Issuer and classified as equity under IFRS in full in the audited consolidated annual or the reviewed semi-annual consolidated financial statements of the Issuer immediately prior to such substitution or variation (if any);

"**Quotation Time**" has the meaning given in the relevant Final Terms;

"**Rating Agency**" means S&P, Moody's, Fitch, any other credit rating agency specified in the relevant Final Terms or, in each case, any successor to the rating agency business thereof and/or any other rating agency of equivalent standing notified by the Issuer to the Noteholders in accordance with Condition 23 (*Notices*), in each case, solicited by (or with the consent of) the Issuer;

a "**Rating Event**" shall be deemed to occur if the Issuer certifies in a notice to the Noteholders in accordance with Condition 23 (*Notices*) that an amendment, clarification, or change in the "equity credit" or "equity content" criteria as applicable, of any Rating Agency (or the interpretation or application thereof, and including the reversal of any previous amendment, clarification or change), in each case occurring or becoming effective after the Issue Date of the first Tranche of Subordinated Notes in a particular Series has resulted in:

(i) all or any of the Subordinated Notes being assigned a level of "equity credit" or "equity content", as applicable, that is lower than the level or equivalent level of "equity credit" or "equity content", assigned to the Subordinated Notes by such Rating Agency on the Issue Date of the first Tranche of Subordinated Notes in a particular Series, or, if "equity credit" or "equity content", is not assigned to the Subordinated Notes by the relevant Rating Agency on the Issue Date of the first Tranche of Subordinated Notes in a particular Series, at the date on which "equity credit" is assigned by such Rating Agency for the first time (or if the Subordinated Notes have been partially or fully re-financed since the Issue Date of the first Tranche of Subordinated Notes in a particular Series and are no longer eligible for "equity credit" or "equity content" in part or in full as a result, all or any of the Subordinated Notes would no longer have been eligible as a result of such amendment, clarification, change in criteria or change in the interpretation or application had the Subordinated Notes not been re-financed); or

(ii) the length of time the Subordinated Notes are assigned a particular level of "equity credit" or "equity content", as applicable, by that Rating Agency would be shortened as compared to the length of time they would have been assigned that level of "equity credit" or "equity content", as applicable, by that Rating Agency on the Issue Date of the first Tranche of Subordinated Notes in a particular Series or, if later, on the date on which the Subordinated Notes

are assigned "equity credit" or "equity content" by the relevant Rating Agency for the first time;

"**Reference Bond**" means:

(i) in respect of any Reset Interest Determination Date where the U.S. Treasury Rate does not apply, a government security or securities selected by the Independent Adviser as having an actual or interpolated maturity comparable with (in the case) the relevant Reset Period that would be utilised, at the time of selection and in accordance with customary financial practice, in pricing new issues of corporate debt securities denominated in the same currency as the Subordinated Notes and of a comparable maturity to the relevant Reset Period; or

(ii) in respect of any Reset Interest Determination Date where the U.S. Treasury Rate does apply, the United States Treasury security selected by the Independent Adviser maturing on, or with a maturity that is closest to, the last day of the Reset Period, as applicable. If there is no United States Treasury security maturing on the last day of the Reset Period but there are two or more United States Treasury securities with a maturity date equally distant from the last day of the Reset Period, one with a maturity date preceding the last day of the Reset Period and one with a maturity date following the last day of the Reset Period, the Independent Adviser shall select the United States Treasury security with a maturity date preceding the last day of the Reset Period. If there are two or more United States Treasury securities maturing on the last day of the Reset Period or two or more United States Treasury securities meeting the criteria of the preceding sentence, the Independent Adviser shall select from among these two or more United States Treasury securities the United States Treasury security that is trading closest to par based upon the average of the bid and asked prices for such United States Treasury securities at the Quotation Time on the Reset Interest Determination Date;

"**Reference Government Bond Dealer**" means each of five banks selected by the Issuer or their affiliates, which are: (i) primary government securities dealers, and their respective successors; or (ii) market makers in pricing corporate bond issues;

"**Reference Government Bond Dealer Quotations**" means, with respect to each Reference Government Bond Dealer and any Reset Interest Determination Date, the arithmetic average, as determined by the Calculation Agent, of the bid and offered prices for the Reference Bond (expressed in each case as a percentage of its nominal amount) as at the Quotation Time on such Reset Interest Determination Date and, if relevant, on a dealing basis for settlement that is customarily used at such time as quoted in writing to the Issuer by such Reference Government Bond Dealer;

"**Relevant Date**" means in respect of any payment, the date on which such payment first becomes due and payable, but if the full amount of the moneys payable has not been received by the Issuing and Paying Agent on or prior to such due date, it means the first date on which the full amount of such moneys having been so received and being available for payment to Noteholders, notice to that effect shall have been duly given to the Noteholders of the relevant Series in accordance with Condition 23 (*Notices*);

"**Relevant Financial Centre**" means such financial centre or centres as may be specified as such in the relevant Final Terms;

"**Relevant Jurisdictions**" means each of the Kingdom of Saudi Arabia, the State of Kuwait, the United Arab Emirates, the State of Libya, the Republic of Iraq, the State of Qatar, the Democratic and Popular Republic of Algeria, the Kingdom of Bahrain, the Arab Republic of Egypt and the Syrian Arab Republic;

"**Relevant Nominating Body**" means, in respect of a benchmark or screen rate (as applicable):

(i) the central bank for the currency to which the benchmark or screen rate (as applicable) relates, or any central bank or other supervisory authority which is responsible for supervising the administrator of the benchmark or screen rate (as applicable); or

(ii) any working group or committee sponsored by, chaired or co-chaired by or constituted at the request of: (A) the central bank for the currency to which the benchmark or screen rate (as applicable) relates; (B) any central bank or other supervisory authority which is responsible for supervising the administrator of the benchmark or screen rate (as applicable); (C) a group of the aforementioned central banks or other supervisory authorities; or (D) the Financial Stability Board or any part thereof;

"**Relevant Time**" means the time as of which any rate is to be determined as specified in the Final Terms or, if none is specified, at which it is customary to determine such rate;

"**Reserved Noteholder Matter**" means any proposal to change any date fixed for payment of principal or interest in respect of the Subordinated Notes, to reduce the amount of principal or interest payable on any date in respect of the Subordinated Notes, to alter the method of calculating the amount of any payment in respect of the Subordinated Notes (other than as permitted in Condition 5 (*Interest*)) or the date for any such payment, to change the currency of any payment under the Subordinated Notes, to change the quorum requirements relating to meetings or the majority required to pass an Extraordinary Resolution or to change this definition;

"**Reset Date**" means the First Reset Date and each date specified as such in the relevant Final Terms, provided, however, that if any such date is not a Business Day, then such date shall be postponed to the next day that is a Business Day unless it would thereby fall into the next calendar month, in which event such date shall be brought forward to the immediately preceding Business Day;

"**Reset Interest Determination Date**" means, in respect of any Reset Period, the day falling two Business Days prior to the beginning of the relevant Reset Period;

"**Reset Period**" means each successive period from (and including) a Reset Date to (but excluding) the next succeeding Reset Date;

"**Reset Rate**" means:

(i) if Mid-Swap is specified in the relevant Final Terms, the Mid-Swap Rate;

(ii) if Reference Bond is specified in the relevant Final Terms, the Reset Reference Bond Rate; or

(iii) if U.S. Treasury Rate is specified in the relevant Final Terms, the U.S. Treasury Rate;

"**Reset Reference Bank Rate**" means the percentage rate determined by the Calculation Agent on the basis of the Mid-Swap Rate Quotations provided by five leading swap dealers in the interbank market to the Issuer at approximately the Quotation Time in the Relevant Financial Centre of the Specified Currency on the relevant Reset Interest Determination Date. If: (i) at least four quotations are provided, the Reset Reference Bank Rate will be determined by the Calculation Agent on the basis of the arithmetic mean of the quotations provided, eliminating the highest quotation (or, in the event of equality one of the highest) and the lowest quotation (or, in the event of equality, one of the lowest); (ii) if only two or three quotations are provided, the Reset Reference Bank Rate will be the arithmetic mean of the quotations provided; (iii) if only one quotation is provided, the Reset Reference Bank Rate will be the quotation provided; and (iv) if no quotations are provided, the Reset Reference Bank Rate for the relevant period will be: (a) in the case of each Reset Period other than the First Reset Period, the Mid-Swap Rate in respect of the immediately preceding Reset Period; or (b) in the case of the First Reset Period, the Initial Mid-Swap Rate;

"**Reset Reference Bond Price**" means, with respect to the relevant Reset Interest Determination Date, if: (i) at least four Reference Government Bond Dealer Quotations are provided, the Reset Reference Bond Price will be determined by the Calculation Agent on the basis of the arithmetic mean of the Reference Government Bond Dealer Quotations provided, eliminating the highest quotation (or, in the event of equality one of the highest) and the lowest quotation (or, in the event of equality, one of the lowest); (ii) if only two or three Reference Government Bond Dealer Quotations are provided, the Reset Reference Bond Price will be the arithmetic mean of the Reference Government Bond Dealer Quotations provided; (iii) if only one Reference Government Bond Dealer Quotation is provided, the Reset Reference Bond Price will be the Reference Government Bond Dealer Quotation provided; and (iv) if no Reference Government Bond Dealer Quotations are provided, the Reset Reference Bond Price for the relevant period will be: (a) in the case of each Reset Period other than the First Reset Period, the Reset Reference Bond Price in respect of the immediately preceding Reset Period; or (b) in the case of the First Reset Period, the Initial Reference Bond Price;

"**Reset Reference Bond Rate**" means, with respect to the relevant Reset Interest Determination Date, the rate per annum equal to the annual or semi-annual yield (as the case may be) to maturity or interpolated yield to maturity (on the relevant day count basis) of the Reference Bond, assuming a price for the Reference Bond (expressed as a percentage of its nominal amount) equal to the Reset Reference Bond Price for such Reset Interest Determination Date;

"**S&P**" means S&P Global Ratings Europe Limited or any of its subsidiaries or successors in business from time to time;

"**Senior Obligations**" means any and all present or future obligations of the Issuer, other than Parity Deeply Subordinated Obligations and Junior Obligations;

"**Specified Currency**" has the meaning given in the relevant Final Terms;

"**Specified Denomination(s)**" has the meaning given in the relevant Final Terms;

"**Specified Office**" has the meaning given in the Agency Agreement;

a "**Substantial Repurchase Event**" shall be deemed to have occurred if at least 75.0 per cent. of the aggregate principal amount of the Subordinated Notes originally issued (which for these purposes shall include any Subordinated Notes issued pursuant to Condition 22 (*Further Issues*)) is purchased by the Issuer and cancelled in accordance with Condition 10(k) (*Redemption and Purchase – Cancellation*);

"**Successor Rate**" means a successor to or replacement of the Original Reference Rate which is formally recommended by any Relevant Nominating Body;

"**T2**" means the real time gross settlement system operated by the Eurosystem or any successor system;

"**T2 Settlement Day**" means any day on which T2 is open for the settlement of payments in euro;

"**Tax Law Change**" means a change in or proposed change in, or amendment to, or proposed amendment to, the laws or regulations of the Relevant Jurisdictions or any political subdivision or any authority thereof or therein having power to tax, including, without limitation, any treaty to which any Relevant Jurisdiction is a party, or any change in the official or generally published interpretation of such laws or regulations, including a decision of any court or tribunal, or any interpretation or pronouncement by any relevant tax authority that provides for a position with respect to such laws or regulations or interpretations thereof that differs from the previously generally accepted position in relation to similar transactions, which change, amendment or interpretation becomes or would become, effective on or after the Trade Date of the first Tranche of Subordinated Notes of that Series;

"**Taxes**" has the meaning given to it in Condition 15(a) (*Taxation – Gross up*);

"**Taxing Authority**" has the meaning given to it in Condition 15(a) (*Taxation – Gross up*);

"**Total Assets**" means the total assets of the Issuer as shown in the balance sheet of the Issuer contained in its audited consolidated annual financial statements published on the relevant Determination Date;

"**Total Assets to Total Shareholder Equity Ratio**" means, at any Determination Date, the ratio of Total Assets to Total Shareholder Equity as at such Determination Date;

"**Total Shareholder Equity**" means, at any date, the total equity attributable to shareholders of the Issuer as shown in the balance sheet of the Issuer contained in its audited consolidated annual financial statements published on the relevant Determination Date;

"**Trade Date**" has the meaning given in the relevant Final Terms;

"**U.S. Treasury Rate**" means, with respect to any Reset Period and related Reset Interest Determination Date, the rate per annum calculated by the Calculation Agent after 4.15 p.m. (New York City time) (or after such time as yields on U.S. government securities are posted daily by the Board of Governors of the Federal Reserve System) on the Business Day prior to the Reset Interest Determination Date, based upon the yield or yields for the most recent day that appear after such time on such day in the most recent statistical release published by the Board of Governors of the Federal Reserve System designated as "Selected Interest Rates (Daily) – H.15" (or any successor designation or publication) ("**H.15**") under the caption "U.S. government securities—Treasury constant maturities—Nominal" (or any successor caption or heading) ("**H.15 TCM**"). In determining the U.S. Treasury Rate, the Calculation Agent shall select, as applicable: (i) the yield for the Treasury constant maturity on H.15 exactly equal to the Reset Period; or (ii) if there is no such Treasury constant maturity on H.15 exactly equal to the Reset Period, the two yields – one yield corresponding to the Treasury constant maturity on H.15 immediately shorter than and one yield corresponding to the Treasury constant maturity on H.15 immediately longer than the Reset Period – and shall interpolate to the last day of the Reset Period on a straight-line basis (using the actual number of days) using such yields and rounding the result to three decimal places; or (iii) if there is no such Treasury constant maturity on H.15 shorter than or longer than the Reset Period, the yield for the single Treasury constant maturity on H.15 closest to the Reset Period. For purposes of this paragraph, the applicable Treasury constant maturity or maturities on H.15 shall be deemed to have a maturity date equal to the relevant number of months or years, as applicable, of such Treasury constant maturity from the applicable Reset Date.

If on the Business Day prior to the Reset Interest Determination Date H.15 TCM is no longer published, the Calculation Agent shall calculate the U.S. Treasury Rate based on the rate per annum equal to the semi-annual equivalent yield to maturity of the Reference Bond, calculated using a price for the Reference Bond (expressed as a percentage of its principal amount) equal to the Reset Reference Bond Price for such Reset Interest Determination Date;

a "**Withholding Tax Event**" shall be deemed to occur if as a result of a Tax Law Change, in making any payments in respect of the Subordinated Notes, the Issuer has paid or will or would on the next Interest Payment Date be required to pay Additional Amounts in respect of the Subordinated Notes that cannot be avoided by the Issuer, as the case may be, taking measures reasonably available to it;

"**Write-Down**" has the meaning given in Condition 8 (*Write-Down*);

"**Write-Down Trigger Event**" has the meaning given in Condition 8 (*Write-Down*); and

"**Write-Up**" has the meaning given in Condition 9 (*Write-Up*).

(b) *Interpretation*:

In these Conditions:

(i) any reference to principal shall be deemed to include any Additional Amounts in respect of principal which may be payable under Condition 15 (*Taxation*), any premium payable in respect of a Subordinated Note and any other amount in the nature of principal payable pursuant to these Conditions;

(ii) any reference to interest shall be deemed to include any Additional Amounts in respect of interest which may be payable under Condition 15 (*Taxation*) and any other amount in the nature of interest payable pursuant to these Conditions;

(iii) references to Subordinated Notes being "outstanding" shall be construed in accordance with the Agency Agreement;

(iv) if an expression is stated in Condition 2(a) (*Interpretation – Definitions*) to have the meaning given in the relevant Final Terms, but the relevant Final Terms gives no such meaning or specifies that such expression is "Not Applicable" then such expression is not applicable to the Subordinated Notes;

(v) any reference to the Agency Agreement shall be construed as a reference to the Agency Agreement, as amended and/or supplemented up to and including the Issue Date of the Subordinated Notes; and

(vi) any reference in these Conditions to any legislation (whether primary legislation or regulations or other subsidiary legislation made pursuant to primary legislation) shall be construed as a reference to such legislation as the same may have been, or may from time to time be, amended or re-enacted.

3. **Denomination, Title and Transfer**

(a) *Denominations*: Subordinated Notes are in the Specified Denomination(s), which may include a minimum denomination specified in the relevant Final Terms and higher integral multiples of a smaller amount specified in the relevant Final Terms.

(b) *Title*: The Registrar will maintain the register in accordance with the provisions of the Agency Agreement. A certificate (each, a "**Subordinated Note Certificate**") will be issued to each Holder of Subordinated Notes in respect of its registered holding. Each Subordinated Note Certificate will be numbered serially with an identifying number which will be recorded in the register (the "**Register**"). In these Conditions, "**Holder**" means the Person in whose name such Subordinated Note is for the time being registered in the Register (or, in the case of a joint holding, the first named thereof) and "**Noteholder**" shall be construed accordingly.

(c) *Ownership*: The Holder of any Subordinated Note shall (except as otherwise required by applicable law or regulatory requirements) be treated as its absolute owner for all purposes (whether or not it is overdue and regardless of any notice of ownership, trust or any other interest therein, any writing thereon or on the Subordinated Note Certificate relating thereto (other than the endorsed form of transfer) or any notice of

any previous loss or theft thereof) and no Person shall be liable for so treating such Holder. No Person shall have any right to enforce any term or condition of any Subordinated Note under the Contracts (Rights of Third Parties) Act 1999.

(d) *Transfers*: Subject to Condition 3(g) (*Denomination, Title and Transfer – Closed periods*) and Condition 3(h) (*Denomination, Title and Transfer – Regulations concerning transfers and registration*), a Subordinated Note may be transferred upon surrender of the relevant Subordinated Note Certificate, with the endorsed form of transfer duly completed, at the Specified Office of the Registrar or any Transfer Agent, together with such evidence as the Registrar or (as the case may be) such Transfer Agent may reasonably require to prove the title of the transferor and the authority of the individuals who have executed the form of transfer, provided, however, that a Subordinated Note may not be transferred unless the principal amount of Subordinated Notes transferred and (where not all of the Subordinated Notes held by a Noteholder are being transferred) the principal amount of the balance of Subordinated Notes not transferred are Specified Denominations. Where not all the Subordinated Notes represented by the surrendered Subordinated Note Certificate are the subject of the transfer, a new Subordinated Note Certificate in respect of the balance of the Subordinated Notes will be issued to the transferor.

(e) *Registration and delivery of Subordinated Note Certificates*: Within five business days of the surrender of a Subordinated Note Certificate in accordance with Condition 3(d) (*Denomination, Title and Transfer – Transfers*), the Registrar will register the transfer in question and deliver a new Subordinated Note Certificate of a like principal amount to the Subordinated Notes transferred to each relevant Holder at its Specified Office or (as the case may be) the Specified Office of any Transfer Agent or (at the request and risk of any such relevant Holder) by uninsured first class mail (airmail if overseas) to the address specified for the purpose by such relevant Holder. Solely for the purposes of this paragraph, "**business day**" means a day on which commercial banks are open for general business (including dealings in foreign currencies) in the city where the Registrar or (as the case may be) the relevant Transfer Agent has its Specified Office.

(f) *No charge*: The transfer of a Subordinated Note will be effected without charge by or on behalf of the Issuer or the Registrar or any Transfer Agent but against such indemnity as the Registrar or (as the case may be) such Transfer Agent may require in respect of any tax or other duty of whatsoever nature which may be levied or imposed in connection with such transfer.

(g) *Closed periods*: Noteholders may not require the transfer of a Subordinated Note to be registered: (i) during the period of 15 days ending on the due date for any payment of interest; (ii) during the period of 15 days prior to any date on which Subordinated Notes may be redeemed by the Issuer at its option pursuant to Condition 10(e) (*Redemption and Purchase – Redemption at the option of the Issuer at par*); or (iii) after the Subordinated Notes have been called for redemption in whole pursuant to Condition 10 (*Redemption and Purchase*).

(h) *Regulations concerning transfers and registration*: All transfers of Subordinated Notes and entries on the Register are subject to the detailed regulations concerning the transfer of Subordinated Notes scheduled to the Agency Agreement. The regulations may be changed by the Issuer with the prior written approval of the Registrar. A copy

of the current regulations will be mailed (free of charge) by the Registrar to any Noteholder who requests in writing a copy of such regulations.

4. **Status and Subordination**

(a) *Status of the Subordinated Notes*: The Subordinated Notes are not the obligations of any government. The Subordinated Notes constitute direct, unsecured and subordinated obligations of the Issuer and will rank:

(i) *pari passu* without any preference among themselves and with all Parity Deeply Subordinated Obligations;

(ii) subordinated in right of payment to the repayment in full of all Senior Obligations; and

(iii) senior only to Junior Obligations,

in each case, subject to mandatory provisions of applicable law.

(b) *No set-off*: Subject to applicable law, no Noteholder may exercise or claim any right of set-off in respect of any amount owed to it by the Issuer arising under or in connection with the Subordinated Notes and each Noteholder shall, by virtue of being the Holder, be deemed to have waived all such rights of set-off.

(c) *No conversion to equity*: Nothing in these Conditions (including, without limitation, any Write-Down, Write-Up, Optional Interest Cancellation, Mandatory Interest Cancellation or substitution or variation of the Subordinated Notes pursuant to Condition 12 (*Substitution or Variation*)) shall: (i) confer or be construed as conferring on any Noteholder any right to acquire, or any interest in, any Ordinary Shares of the Issuer or other share capital, membership interest or equity security of the Issuer or any other Person; (ii) constitute or give rise to any conversion, exchange or replacement of the Subordinated Notes for or into any such shares, membership interest or equity security; or (iii) result in any Noteholder becoming, or being treated as, a shareholder or equity holder of, or otherwise acquiring any ownership, voting, dividend or other equity-like right in, the Issuer. The Subordinated Notes are, and shall at all times remain, debt obligations of the Issuer, notwithstanding their deeply subordinated ranking, the non-cumulative cancellation of interest, and the write-down and reinstatement of principal provided for in these Conditions.

5. **Interest**

(a) *Accrual of interest*: The Subordinated Notes bear interest from the Interest Commencement Date at the Interest Rate payable in arrear on each Interest Payment Date, subject as provided in Condition 14 (*Payments*). Each Subordinated Note will cease to bear interest from the date of redemption thereof pursuant to Condition 10 (*Redemption and Purchase*) or the date of substitution thereof pursuant to Condition 12 (*Substitution or Variation*) or, if earlier, the date on which a Write-Down takes effect pursuant to Condition 8 (*Write-Down*) unless, upon due presentation, payment of all sums due is improperly withheld or refused, in which case it will continue to bear interest in accordance with this Condition 5 (as well after as before judgment) until whichever is the earlier of: (i) the day on which all sums due in respect of such Subordinated Note up to that day are received by or on behalf of the relevant

Noteholder; and (ii) the day which is seven days after the Issuing and Paying Agent has notified the Noteholders that it has received all sums due in respect of the Subordinated Notes up to such seventh day (except to the extent that there is any subsequent default in payment).

(b) *Calculation of Interest Amount:* Interest shall be calculated in respect of any period in respect of the Subordinated Notes represented by each Subordinated Note Certificate by applying the Interest Rate to the aggregate principal amount of the outstanding Subordinated Notes represented by such Subordinated Note Certificate and multiplying such sum by the number of days in such period (determined as provided in the definition of the Day Count Fraction specified in the relevant Final Terms), and rounding the resultant figure to the fifth decimal place (with 0.000005 being rounded upwards).

(c) *Determination and notification of Interest Rate*: The Calculation Agent will, at or as soon as practicable after the Relevant Time on each Reset Interest Determination Date, determine the Interest Rate for the relevant Reset Period and cause it to be notified to the Issuing and Paying Agent, the Registrar, the Issuer and the Noteholders in accordance with Condition 23 (*Notices*) and, if the Subordinated Notes are listed on a stock exchange and the rules of such exchange so require, such exchange, as soon as possible after such determination but in no event later than the fourth Banking Day thereafter. All certificates, communications, opinions, determinations, calculations, quotations and decisions given, expressed, made or obtained for the purposes of the provisions of this Condition 5 shall (in the absence of wilful default, bad faith or manifest error) be binding on the Issuer, the Issuing and Paying Agent and the Noteholders and (in the absence of wilful default, bad faith or manifest error) no liability to the Issuer or the Noteholders shall attach to the Calculation Agent in connection with the exercise or non-exercise by it of its powers, duties and discretions pursuant to such provisions.

(d) *Interest Rate*: Subject to the further provisions of this Condition 5, the Subordinated Notes will bear interest on their outstanding principal amount as follows:

(i) from (and including) the Interest Commencement Date to (but excluding) the First Reset Date, at the Initial Interest Rate as specified in the relevant Final Terms; and

(ii) for each Reset Period thereafter, at the rate per annum determined by the Calculation Agent on the relevant Reset Interest Determination Date as the sum of the relevant Reset Rate plus the applicable Margin as specified in the relevant Final Terms, with such sum converted (if necessary) in line with market convention to a basis (e.g. annual, semi-annual, quarterly) equivalent to the frequency with which scheduled interest payments are payable on the Subordinated Notes during the relevant Reset Period (such calculation to be made by the Calculation Agent).

(e) *Maximum or Minimum Interest Rate*: If any Maximum Interest Rate or Minimum Interest Rate is specified in the relevant Final Terms, then the Interest Rate shall in no event be greater than the maximum or be less than the minimum so specified.

(f) *Benchmark replacement*: Notwithstanding the provisions above in this Condition 5 (*Interest*), if the Issuer (in consultation with the Calculation Agent) determines that a Benchmark Event has occurred in relation to an Original Reference Rate when any Interest Rate (or any component part thereof) remains to be determined by reference to such Original Reference Rate, then the following provisions of this Condition 5(f) shall apply.

(i) The Issuer shall use its reasonable endeavours to appoint an Independent Adviser, as soon as reasonably practicable, with a view to the Issuer and the Independent Adviser determining, no later than three Business Days prior to the relevant Reset Interest Determination Date, a Successor Rate, failing which an Alternative Rate (in accordance with Condition 5(f)(ii)) and, in either case, an Adjustment Spread if any (in accordance with Condition 5(f)(iii)) and any Benchmark Amendments (in accordance with Condition 5(f)(iv)).

(ii) If the Issuer and the Independent Adviser:

(A) agree that there is a Successor Rate, then such Successor Rate shall (subject to adjustment as provided in Condition 5(f)(iii)) subsequently be used in place of the Original Reference Rate to determine the Interest Rate (or the relevant component part thereof) for all future payments of interest on the Subordinated Notes (subject to the subsequent operation of this Condition 5(f)); or

(B) agree that there is no Successor Rate, determine an alternative rate (the "**Alternative Rate**") for the purposes of determining the Interest Rate (or the relevant component part thereof) for all future payments of interest on the Subordinated Notes (subject to the subsequent operation of this Condition 5(f)).

(iii) If the Issuer and the Independent Adviser agree: (A) that an Adjustment Spread is required to be applied to the Successor Rate or the Alternative Rate (as the case may be); and (B) the quantum of, or a formula or methodology for determining, such Adjustment Spread, then such Adjustment Spread shall be applied to the Successor Rate or the Alternative Rate (as the case may be).

(iv) If any Successor Rate, Alternative Rate or Adjustment Spread is determined in accordance with this Condition 5(f) and the Issuer and the Independent Adviser agree: (A) that amendments to these Conditions and/or the Agency Agreement are necessary to ensure the proper operation of such Successor Rate, Alternative Rate and/or Adjustment Spread (such amendments, the "**Benchmark Amendments**"); and (B) the terms of the Benchmark Amendments, then the Issuer shall, subject to giving notice thereof in accordance with Condition 5(f)(v), without any requirement for the consent or approval of Noteholders, vary these Conditions and/or the Agency Agreement to give effect to such Benchmark Amendments with effect from the date specified in such notice. In connection with any such variation in accordance with this Condition 5(f)(iv), the Issuer shall comply with the rules of any stock exchange on which the Subordinated Notes are for the time being listed or admitted to trading.

(v) Any Successor Rate, Alternative Rate, Adjustment Spread and the specific terms of any Benchmark Amendments, determined under this Condition 5(f) will be notified promptly by the Issuer to the Issuing and Paying Agent, the Calculation Agent, the Paying Agents and, in accordance with Condition 23 (*Notices*), the Noteholders. Such notice shall be irrevocable and shall specify the effective date of the Benchmark Amendments, if any, and will be binding on the Issuer, the Issuing and Paying Agent, the Calculation Agent, the Paying Agents and the Noteholders.

(vi) Without prejudice to the obligations of the Issuer under Condition 5(f)(i) to Condition 5(f)(v), the Original Reference Rate will continue to apply unless and until the Calculation Agent has been notified of the Successor Rate or the Alternative Rate (as the case may be), and any Adjustment Spread and Benchmark Amendments, in accordance with this Condition 5(f).

Notwithstanding any other provision of this Condition 5(f), no Successor Rate or Alternative Rate (as applicable) will be adopted, nor will the applicable Adjustment Spread be applied, nor will any Benchmark Amendments be made, if and to the extent that, in the determination of the Issuer, the same could reasonably be expected to cause a loss or reduction in "equity credit" or "equity content" (or such other nomenclature that the relevant Rating Agency may then use to describe the degree to which an instrument exhibits the characteristics of an ordinary share) of the Subordinated Notes or shortening of time for which the Subordinated Notes are assigned "equity credit" or "equity content".

6. **Cancellation of Interest**

(a) **Optional Interest Cancellation**

(i) The Issuer may elect, in its sole and absolute discretion and for any reason, to cancel any interest payment (in whole or in part) (and any such cancellation, an "**Optional Interest Cancellation**").

(ii) If the Issuer does not make any payment of interest (or part thereof) on any Interest Payment Date, such non-payment shall evidence the cancellation of such interest payment (or relevant part thereof) and, accordingly, such interest (or part thereof) shall not in any case be due and payable.

(iii) Any interest payment so cancelled pursuant to this Condition 6 shall not constitute a default by the Issuer under the Subordinated Notes for any purpose.

(b) **Mandatory Interest Cancellation**

(i) Upon the occurrence of an Interest Cancellation Trigger Event, the Issuer shall cancel any accrued and unpaid interest due on the two Interest Payment Dates immediately following the relevant Determination Date and on any subsequent Interest Payment Date for so long as that Interest Cancellation Trigger Event is continuing (any such interest cancellation, a "**Mandatory Interest Cancellation**").

(ii) Any interest payment so cancelled pursuant to this Condition 6(b) shall not constitute a default by the Issuer under the Subordinated Notes for any purpose.

(iii) In this Condition 6(b), a trigger event ("**Interest Cancellation Trigger Event**") is deemed to occur if on any Determination Date, the Total Assets to Total Shareholder Equity Ratio is greater than 8.0:1.0. Any such Interest Cancellation Trigger Event shall be deemed to be continuing until the next Determination Date on which the Total Assets to Total Shareholder Equity Ratio is not more than 8.0:1.0.

(c) **Undertaking in relation to interest cancellation**

If, on any Interest Payment Date, any payment of interest is not made as a result of an Optional Interest Cancellation in accordance with Condition 6(a) (*Cancellation of Interest – Optional Interest Cancellation*), or a Mandatory Interest Cancellation in accordance with Condition 6(b) (*Cancellation of Interest – Mandatory Interest Cancellation*), the Issuer shall not make any Discretionary Payments until the scheduled interest payment in respect of the Subordinated Notes on any two consecutive Interest Payment Dates is made in full. Following the occurrence of a Write-Down and for so long as the outstanding principal amount of the Subordinated Notes is less than the original principal amount of the Subordinated Notes (prior to any Write-Up in full pursuant to Condition 9), the Issuer shall not make any Discretionary Payments.

7. **Interest Payment Non-cumulative**

Interest payments in respect of the Subordinated Notes will be non-cumulative. Accordingly, if any payment of interest (or part thereof) is not made in respect of the Subordinated Notes as a result of any Optional Interest Cancellation in accordance with Condition 6(a) (*Cancellation of Interest – Optional Interest Cancellation*) or Mandatory Interest Cancellation in accordance with Condition 6(b) (*Cancellation of Interest – Mandatory Interest Cancellation*), then the right of Noteholders to receive the relevant interest payment (or part thereof) in respect of the relevant Interest Period will be extinguished and the Issuer will have no obligation to pay such interest (or part thereof) accrued for such Interest Period or to pay any interest thereon, whether or not interest on the Subordinated Notes is paid in respect of any future Interest Period. Noteholders shall have no rights to such cancelled interest (or part thereof) or to receive any additional interest or compensation as a result of such cancellation.

8. **Write-Down**

(i) If, on any Determination Date, the Total Assets to Total Shareholder Equity Ratio exceeds 16.0:1.0 (a "**Write-Down Trigger Event**"), the Issuer shall:

(A) cancel any accrued and unpaid interest in respect of the Subordinated Notes and, subject to Condition 9 (*Write-Up*), no further interest shall accrue or be due and payable on the Subordinated Notes at any time thereafter; and

(B) write down 100 per cent. of the outstanding principal amount of the Subordinated Notes to zero and, subject to Condition 9 (*Write-Up*), such principal amount shall, accordingly, equal zero at all times thereafter,

(a "**Write-Down**").

(ii) A Write-Down shall automatically and mandatorily take effect upon the occurrence of a Write-Down Trigger Event. In any event, if a Write-Down has not previously taken effect, a Write-Down shall automatically and irrevocably take effect immediately prior to any drawdown by the Issuer of its Conventional Callable Capital (a "**Capital Call**"). A Write-Down shall, in all circumstances, take effect before any Capital Call and before any default by the Issuer in respect of any Senior Obligation. For the avoidance of doubt, a Write-Down may occur independently of any Capital Call or any default in respect of any Senior Obligation, and the Subordinated Notes shall not benefit from, or have any claim on or recourse to, any Conventional Callable Capital of the Issuer.

If the Issuer determines, in its sole discretion, that the Write-Down Trigger Event or either of the requirements set out in paragraph (ii) above is no longer necessary in order to achieve an "equity content" or "equity credit" of 100 per cent. with all of the Rating Agencies, the relevant provision shall be automatically and irrevocably disapplied in respect of all outstanding Subordinated Notes. The Issuer shall promptly notify Noteholders in accordance with Condition 23 (*Notices*) of any such determination and any such determination shall be final and binding on all Noteholders.

(iii) From and including the time at which a Write-Down takes effect, Noteholders will have no rights or claim against the Issuer with respect to the payment of any principal, interest or other amount on or in respect of the Subordinated Notes and the Issuer shall have no further obligations under the Subordinated Notes, in each case subject to Condition 9 (*Write-Up*).

(iv) Neither a Write-Down Trigger Event nor a Write-Down shall constitute a default by the Issuer under the Subordinated Notes for any purpose or entitle Noteholders to institute proceedings or take any other action against the Issuer.

(v) For the avoidance of doubt, a Write-Down effects a reduction of the outstanding principal amount of the Subordinated Notes to zero only, and does not convert, exchange or replace the Subordinated Notes for or into, and does not confer on any Noteholder any right to acquire or any interest in, any Ordinary Shares of the Issuer or other equity security of the Issuer, in each case in accordance with Condition 4(c) (*Status and Subordination – No conversion to equity*).

(vi) Upon a Write-Down taking effect, the Issuer shall: (i) promptly deliver to the Issuing and Paying Agent and the Registrar a certificate signed by two authorised signatories of the Issuer certifying that such Write-Down has taken effect, and stating as at which date such Write-Down took effect; and (ii)

following the delivery of such certificate, promptly give notice of such Write-Down to Noteholders in accordance with Condition 23 (*Notices*) and to the Issuing and Paying Agent, the Paying Agents and the Registrar but any failure by the Issuer to give any such certificate or notice will not in any way impact on the effectiveness of, or otherwise invalidate, any Write-Down, or give Noteholders any rights as a result of such failure.

9. **Write-Up**

(i) Following the occurrence of a Write-Down, the Issuer may, in its sole discretion and without any obligation to do so, at any time, and from time to time, increase the then outstanding principal amount of the Subordinated Notes (a "**Write-Up**") in whole or in part, up to the aggregate principal amount of the Subordinated Notes originally issued (disregarding for this purpose, any Subordinated Notes purchased and cancelled by the Issuer pursuant to Condition 10(k) (*Redemption and Purchase – Cancellation*)), provided that:

(A) no Write-Up may be effected at any time when an Interest Cancellation Trigger Event or a Write-Down Trigger Event has occurred and is continuing, or would occur as a result of such Write-Up;

(B) no Write-Up may be effected prior to the date falling five years after the date on which the relevant Write-Down took effect pursuant to Condition 8 (*Write-Down*) ("**Five-Year Lock-Up**");

(C) no Write-Up may be effected unless:

(1) during the Five-Year Lock-Up; or

(2) at any time after the end of the Five-Year Lock-Up,

the Issuer has reported three consecutive years of positive net income (as shown in the audited consolidated annual financial statements of the Issuer for the three consecutive years immediately preceding the most recent Determination Date prior to the date of such Write-Up); and

(D) any Write-Up shall be effected by the Issuer increasing the outstanding principal amount of each Subordinated Note that it elects to Write-Up, *pro rata* to the original principal amount of such Subordinated Notes originally issued and then outstanding.

(ii) A Write-Up shall not entitle Noteholders to any accrued but uncancelled interest, or to any interest in respect of the period prior to the relevant Write-Up, and shall not constitute a cure of, or otherwise affect the non-cumulative nature of, any interest previously cancelled in accordance with Condition 6 (*Cancellation of Interest*) or Condition 8 (*Write-Down*).

(iii) Upon the Issuer effecting a Write-Up, the Issuer shall:

(A) deliver to the Issuing and Paying Agent, the Paying Agents and the Registrar a certificate signed by two authorised signatories of the

Issuer specifying the amount of the Write-Up and the resulting outstanding principal amount of the Subordinated Notes, and

(B) give notice thereof to Noteholders in accordance with Condition 23 (*Notices*), in each case as soon as reasonably practicable following the relevant Write-Up, but any failure by the Issuer to give any such certificate or notice will not in any way impact on the effectiveness of, or otherwise invalidate, any Write-Up.

(iv) No Noteholder shall have any right to take any action against the Issuer, by reason of the Issuer's exercise of, or failure or delay in exercising, its discretion to effect a Write-Up under this Condition.

10. **Redemption and Purchase**

(a) *No maturity:* The Subordinated Notes are undated securities with no specified maturity date.

(b) *Redemption for tax reasons*: If, immediately prior to the giving of the notice referred to below, a Withholding Tax Event has occurred and is continuing and the Issuer has received an opinion of independent legal or other tax advisers to that effect, then the Issuer may, subject to having given not less than 10 nor more than 60 calendar days' notice to the Issuing and Paying Agent, the Paying Agents, the Registrar and, in accordance with Condition 23 (*Notices*), the Noteholders or such other notice period as may be specified in the relevant Final Terms (which notice shall be irrevocable) and subject to Condition 10(i) (*Redemption and Purchase – Preconditions to Redemption*), redeem the Subordinated Notes in whole, but not in part, in accordance with these Conditions at any time at their outstanding principal amount (together with any accrued and unpaid interest up to (but excluding) the Optional Redemption Date). Upon the expiry of such notice, the Issuer shall redeem the Subordinated Notes.

(c) *Redemption for accounting reasons*: If, immediately prior to the giving of the notice referred to below, an Accounting Event has occurred and is continuing, then the Issuer may, subject to having given not less than 10 nor more than 60 calendar days' notice to the Issuing and Paying Agent, the Paying Agents, the Registrar and, in accordance with Condition 23 (*Notices*), the Noteholders (which notice shall be irrevocable) and subject to Condition 10(i) (*Redemption and Purchase – Preconditions to Redemption*), redeem the Subordinated Notes in accordance with these Conditions in whole, but not in part, at any time at their outstanding principal amount (together with any accrued and unpaid interest up to (but excluding) the Optional Redemption Date). Upon the expiry of such notice, the Issuer shall redeem the Subordinated Notes.

(d) *Redemption for rating reasons*: If, immediately prior to the giving of the notice referred to below, a Rating Event has occurred and is continuing, then the Issuer may, subject to having given not less than 10 nor more than 60 calendar days' notice to the Issuing and Paying Agent, the Paying Agents, the Registrar and, in accordance with Condition 23 (*Notices*), the Noteholders (which notice shall be irrevocable) and subject to Condition 10(i) (*Redemption and Purchase – Preconditions to Redemption*), redeem the Subordinated Notes in accordance with these Conditions in whole, but not in part, at any time, in each case at their outstanding principal amount (together with any

accrued and unpaid interest up to (but excluding) the Optional Redemption Date). Upon the expiry of such notice, the Issuer shall redeem the Subordinated Notes.

(e) *Redemption at the option of the Issuer at par*: The Subordinated Notes may be redeemed at the sole discretion of the Issuer in whole on any Par Call Date on the Issuer giving not less than 10 nor more than 60 calendar days' notice to the Issuing and Paying Agent, the Paying Agents, the Registrar and, in accordance with Condition 23 (*Notices*), the Noteholders, or such other period(s) as may be specified in the relevant Final Terms (which notice shall be irrevocable) and shall oblige the Issuer to redeem the Subordinated Notes or, as the case may be, the Subordinated Notes specified in such notice on the relevant Par Call Date at their outstanding principal amount (together with accrued and unpaid interest to (but excluding) the relevant Par Call Date). Upon the expiry of such notice, the Issuer shall redeem the Subordinated Notes.

(f) *Redemption following a Substantial Repurchase Event*: In the event that a Substantial Repurchase Event has occurred, the Issuer may, at its option but subject to having given not less than 10 nor more than 60 calendar days' notice (or such other period of notice as may be specified in the relevant Final Terms) to the Noteholders in accordance with Condition 23 (*Notices*) (which notice shall be irrevocable) and subject to Condition 10(i) (*Redemption and Purchase – Preconditions to Redemption*), redeem all, but not some only, of the outstanding Subordinated Notes at their outstanding principal amount, together with any accrued and unpaid interest up to (but excluding) the date fixed for redemption. Upon the expiry of such notice, the Issuer shall redeem the Subordinated Notes.

(g) Any such notice of the redemption of the Subordinated Notes may, at the Issuer's sole discretion, be subject to one or more conditions precedent, in which case such notice shall state that, in the Issuer's discretion, the Optional Redemption Date may be delayed until such time as any or all such conditions shall be satisfied (or waived by the Issuer in its sole discretion), or such redemption may not occur and such notice may be rescinded in the event that any or all such conditions shall not have been satisfied (or waived by the Issuer in its sole discretion) by the Optional Redemption Date, or by the Optional Redemption Date so delayed. The Issuer shall notify the Issuing and Paying Agent, the Paying Agents, the Registrar and, in accordance with Condition 23 (*Notices*), the Noteholders of any delay to the Optional Redemption Date or rescindment of the notice of the redemption of the Subordinated Notes (as applicable).

(h) All notifications, opinions, determinations, certifications, calculations and decisions given, expressed or made for the purposes of this Condition by the Calculation Agent, shall (in the absence of wilful default, bad faith or manifest error) be binding on the Issuer, the Paying Agents, the Registrar and all Noteholders and (in the absence as aforesaid) no liability to the Noteholders shall attach to the Calculation Agent in connection with the exercise or non-exercise by it of its powers, duties and discretions pursuant to such provisions.

(i) *Preconditions to Redemption:* Prior to serving any notice of redemption pursuant to this Condition 10 (*Redemption and Purchase*) (other than Condition 10(e) (*Redemption and Purchase – Redemption at the option of the Issuer at par*)), the Issuer shall deliver to the Issuing and Paying Agent, the Paying Agents and the Registrar a certificate

signed by two authorised signatories of the Issuer stating that the relevant requirement or circumstance giving rise to the right to redeem is satisfied.

(j) *Purchase*: The Issuer may at any time purchase Subordinated Notes in the open market or otherwise and at any price. The Subordinated Notes so purchased may be held, re-issued or re-sold or, at the option of the relevant purchaser, surrendered to the Issuing and Paying Agent, the Paying Agents, the Registrar for cancellation, but while held by or on behalf of the Issuer shall not entitle the Holder to vote at any meetings of the Noteholders and shall not be deemed to be outstanding for the purposes of calculating quorums at meetings of the Noteholders or for the purposes of Condition 21 (*Meetings of Noteholders; Modification and Waiver*).

(k) *Cancellation*: All Subordinated Notes redeemed or surrendered for cancellation by the Issuer shall be cancelled and may not be reissued or resold.

11. **Mandatory Redemption Deferral**

No redemption of the Subordinated Notes shall be permitted while an Interest Cancellation Trigger Event is continuing.

12. **Substitution or Variation**

(a) If an Accounting Event or a Rating Event (each a **"Substitution or Variation Event**") has occurred, then the Issuer may (without any requirement for the consent or approval of the Noteholders), on giving not less than 10 nor more than 60 calendar days' notice to Noteholders (which notice shall be irrevocable and shall specify the date fixed for substitution or variation, as applicable) in accordance with Condition 23 (*Notices*), at any time either:

(i) substitute all but not some only, of the Subordinated Notes for Qualifying Deeply Subordinated Notes; or

(ii) vary the terms of the Subordinated Notes so that they remain or become Qualifying Deeply Subordinated Notes.

Upon expiry of such notice referenced above, the Issuer shall either vary the terms of or, as the case may be, substitute the Subordinated Notes in accordance with this Condition 12.

(b) In connection with any substitution or variation in accordance with this Condition 12, the Issuer shall comply with the rules of any stock exchange on which the Subordinated Notes are for the time being listed or admitted to trading.

(c) Any such substitution or variation in accordance with the foregoing provisions following a Substitution or Variation Event shall only be permitted if it does not: (i) give rise to any other Substitution or Variation Event with respect to the Qualifying Deeply Subordinated Notes; or (ii) result in the Qualifying Deeply Subordinated Notes no longer being eligible for the same, or a higher amount of, "equity credit" or "equity content" (or such similar nomenclature used by the relevant Rating Agency from time to time) (and classified as equity under IFRS) as is attributed to the Subordinated Notes on the date notice is given to Noteholders of the substitution or variation.

(d) In addition to meeting the requirements of the definition of Qualifying Deeply Subordinated Notes, the Qualifying Deeply Subordinated Notes or the Subordinated Notes (as varied) shall:

(i) not contain terms providing for the mandatory deferral of interest that were not contained in the Subordinated Notes immediately prior to such substitution or variation; and

(ii) not contain terms providing for loss absorption through principal write-down or conversion to shares that were not contained in the Subordinated Notes immediately prior to such substitution or variation.

(e) Any substitution or variation pursuant to this Condition 12 shall be subject to the following conditions:

(i) the terms of the substitution or variation not being, in the sole opinion of the Issuer (acting reasonably), prejudicial to the interests of the Noteholders, including compliance with the definition of Qualifying Deeply Subordinated Notes and paragraph (d) above, as certified to the benefit of the Noteholders by two authorised signatories of the Issuer, having consulted with an independent investment bank of international standing, and any such certificate shall, absent fraud or manifest error, be final and binding on all parties; and

(ii) the issue of legal opinions addressed to the Issuer (copies of which shall be made available to the Noteholders for inspection on a non-reliance basis at the specified offices of the Issuing and Paying Agent during usual office hours) from one or more international law firms of good reputation selected by the Issuer confirming: (x) that the Issuer has capacity to assume all rights, duties and obligations under the Qualifying Deeply Subordinated Notes or the Subordinated Notes (as varied) and has obtained all necessary corporate or governmental authorisation to assume all such rights and obligations; and (y) the legality, validity and enforceability of the Qualifying Deeply Subordinated Notes or the Subordinated Notes (as varied).

13. **Replacement Intention**

The replacement intentions of the Issuer may be set out in the applicable Final Terms.

14. **Payments**

(a) *Principal*: Payments of principal shall be made by transfer to an account denominated in the currency in which the payment is due (or, if that currency is euro, any other account to which euro may be credited or transferred) and maintained by the payee with, a bank in the Relevant Financial Centre of that currency and (in the case of redemption) upon surrender (or, in the case of part payment only, endorsement) of the relevant Subordinated Note Certificates at the Specified Office of any Paying Agent.

(b) *Interest*: Payments of interest shall be made by transfer to an account denominated in the currency in which the payment is due (or, if that currency is euro, any other account to which euro may be credited or transferred) and maintained by the payee

with, a bank in the Relevant Financial Centre of that currency and (in the case of interest payable on redemption) upon surrender (or, in the case of part payment only, endorsement) of the relevant Subordinated Note Certificates at the Specified Office of any Paying Agent.

(c) *Payments subject to fiscal laws*: All payments in respect of the Subordinated Notes are subject in all cases to any applicable fiscal or other laws and regulations in the place of payment, but without prejudice to the provisions of Condition 15 (*Taxation*). No commissions or expenses shall be charged to the Noteholders in respect of such payments.

(d) *Payments on Payment Business Days*: Payment instructions will be initiated for value the due date, or, if the due date is not Payment Business Day, for value the next succeeding Payment Business Day. A Noteholder shall not be entitled to any interest or other payment in respect of any delay in payment resulting from the due date for a payment not being a Payment Business Day.

(e) *Partial payments*: If a Paying Agent makes a partial payment in respect of any Subordinated Note, the Issuer shall procure that the amount and date of such payment are noted on the Register and, in the case of partial payment upon presentation of a Subordinated Note Certificate, that a statement indicating the amount and the date of such payment is endorsed on the relevant Subordinated Note Certificate.

(f) *Record date*: Each payment in respect of a Subordinated Note will be made to the Person shown as the Holder in the Register at the opening of business in the place of the Registrar's Specified Office on the fifteenth day before the due date for such payment (the "**Record Date**").

15. **Taxation**

(a) *Gross up*: All payments of principal and interest in respect of the Subordinated Notes by the Issuer will be made without withholding or deduction for or on account of, any present or future taxes, duties, assessments or governmental charges (collectively, "**Taxes**") of whatever nature imposed, levied, collected, withheld or assessed by or on behalf of any Relevant Jurisdiction or any political subdivision or any authority therein or thereof having power to tax (each a "**Taxing Authority**"), unless the withholding or deduction of such Taxes is required by law. In that event, the Issuer will pay such additional amounts ("**Additional Amounts**") as may be necessary in order that the net amounts received by the Noteholders after such withholding or deduction of Taxes shall equal the respective amounts of principal and interest which would have been received by them in respect of the Subordinated Notes, in the absence of such withholding or deduction of Taxes, except that no such Additional Amounts shall be payable in respect of any Subordinated Note:

(i) held by or on behalf of a Noteholder which is liable to such Taxes in respect of such Subordinated Note by reason of its having some connection with the jurisdiction by which such Taxes have been imposed, levied, collected, withheld or assessed other than the mere holding of the Subordinated Note; or

(ii) where the relevant Subordinated Note Certificate is presented or surrendered for payment more than 30 days after the Relevant Date except to the extent that the holder of such Subordinated Note would have been entitled to such additional amounts on presenting or surrendering such Subordinated Note Certificate for payment on the last day of such period of 30 days; or

(iii) where such withholding or deduction is required pursuant to an agreement described in Section 1471(b) of the Code or otherwise imposed pursuant to Sections 1471 through 1474 of the Code, any regulations or agreements thereunder or any official interpretations thereof.

If the Issuer becomes subject at any time to any taxing jurisdiction other than the Relevant Jurisdictions, references in these Conditions to Relevant Jurisdictions shall be construed as references to Relevant Jurisdictions and/or such other jurisdiction.

(b) *Definitions*: References in these Conditions to: (i) "principal" shall be deemed to include all amounts in the nature of principal payable pursuant to Condition 10 (*Redemption and Purchase*) or any amendment or supplement to it; (ii) "interest" shall be deemed to include all other amounts payable pursuant to Condition 5 (*Interest*) or any amendment or supplement to it; and (iii) "principal" and/or "interest" shall be deemed to include any Additional Amounts.

16. No Events of Default

There are no events of default in respect of the Subordinated Notes.

17. Negative Pledge and Cross Default

There are no negative pledge or cross default provisions in respect of the Subordinated Notes.

18. Prescription

Claims against the Issuer for payment, whether of principal and interest or otherwise, in respect of Subordinated Notes will be prescribed and become void unless made, in the case of principal, within ten years or, in the case of interest, five years after the appropriate Relevant Date.

19. Replacement of Subordinated Notes

If any Subordinated Note Certificate is lost, stolen, mutilated, defaced or destroyed, it may be replaced at the Specified Office of the Registrar (and, if the Subordinated Notes are then admitted to listing, trading and/or quotation by any competent authority, stock exchange and/or quotation system which requires the appointment of a Paying Agent or Transfer Agent in any particular place, the Paying Agent or Transfer Agent having its Specified Office in the place required by such competent authority, stock exchange and/or quotation system), subject to all applicable laws and competent authority, stock exchange and/or quotation system requirements, upon payment by the claimant of the expenses incurred in connection with such replacement and on such terms as to evidence, security, indemnity and otherwise as the Issuer may reasonably require. Mutilated or defaced Subordinated Note Certificates must be surrendered before replacements will be issued.

20. **Agents**

In acting under the Agency Agreement and in connection with the Subordinated Notes, the Agents act solely as agents of the Issuer and do not assume any obligations towards or relationship of agency or trust for or with any of the Noteholders. The initial Calculation Agent (if any) is specified in the relevant Final Terms. The Issuer reserves the right at any time to vary or terminate the appointment of any Agent and to appoint a successor issuing and paying agent or registrar or Calculation Agent and additional or successor paying agents, provided, however, that:

(i) the Issuer shall at all times maintain an issuing and paying agent and a registrar;

(ii) if a Calculation Agent is specified in the relevant Final Terms, the Issuer shall at all times maintain a Calculation Agent; and

(iii) if and for so long as the Subordinated Notes are admitted to listing, trading and/or quotation by any competent authority, stock exchange and/or quotation system which requires the appointment of a Paying Agent and/or a Transfer Agent in any particular place, the Issuer shall maintain a Paying Agent and/or a Transfer Agent having its Specified Office in the place required by such competent authority, stock exchange and/or quotation system.

Notice of any change in any of the Agents or in their Specified Offices shall promptly be given to the Noteholders.

21. **Meetings of Noteholders; Modification and Waiver**

(a) *Meetings of Noteholders*: The Agency Agreement contains provisions for convening meetings of Noteholders to consider matters relating to the Subordinated Notes, including the modification of any provision of these Conditions. Any such modification may be made if sanctioned by an Extraordinary Resolution. Such a meeting may be convened by the Issuer and shall be convened by it upon the request in writing of Noteholders holding not less than 10 per cent. of the aggregate principal amount of the outstanding Subordinated Notes. The quorum at any meeting convened to vote on an Extraordinary Resolution will be two or more Persons holding or representing not less than 50 per cent. of the aggregate principal amount of the outstanding Subordinated Notes or, at any adjourned meeting, two or more Persons being or representing Noteholders whatever the principal amount of the Subordinated Notes held or represented, provided, however, that Reserved Noteholder Matters may only be sanctioned by an Extraordinary Resolution passed at a meeting of Noteholders at which two or more Persons holding or representing not less than 75 per cent. or, at any adjourned meeting, 25 per cent. of the aggregate principal amount of the outstanding Subordinated Notes form a quorum. Any Extraordinary Resolution duly passed shall be binding on Noteholders (whether or not they were present at the meeting at which such resolution was passed).

(b) *Written resolutions*: a resolution in writing signed by or on behalf of the Holders of not less than 90 per cent. in principal amount of the outstanding Subordinated Notes outstanding will take effect as if it were an Extraordinary Resolution. Such a resolution in writing may be contained in one document or several documents in the same form, each signed by or on behalf of one or more Noteholders.

(c) *Modification*: The Subordinated Notes, these Conditions and the Deed of Covenant may be amended without the consent of the Noteholders to correct a manifest error. In addition, the parties to the Agency Agreement may agree to modify any provision thereof, but the Issuer shall not agree, without the consent of the Noteholders, to any such modification unless, in the opinion of the Issuer (acting reasonably): (i) it is of a formal, minor or technical nature; (ii) it is made to correct a manifest error; or (iii) it is, in the sole opinion of the Issuer (acting reasonably), not materially prejudicial to the interests of the Noteholders. Notwithstanding the foregoing, pursuant to Condition 5(f) (*Interest – Benchmark replacement*) and Condition 12 (*Substitution or Variation*), certain changes may be made to the provisions of the Subordinated Notes in the circumstances and as otherwise set out in that Condition, without the requirement for consent of the Noteholders. For the avoidance of doubt, any substitution or variation pursuant to Condition 12 (*Substitution or Variation*) shall not require the consent or approval of the Noteholders.

22. **Further Issues**

The Issuer may from time to time, without the consent of the Noteholders, create and issue further notes having the same terms and conditions as the Subordinated Notes in all respects (or in all respects except for the first payment of interest, if any, on them and/or the denomination thereof) so as to form a single series with the Subordinated Notes of any particular Series, provided, however, that if such further notes are not fungible with the Subordinated Notes for United States federal income tax purposes, the further notes will be issued under a separate CUSIP, ISIN, Common Code or other identifying number.

23. **Notices**

(a) *Delivery of notices*: Notices to the Noteholders shall be sent to them by first class mail (or its equivalent) or (if posted to an overseas address) by airmail at their respective addresses on the Register or, if such publication is not practicable, in a leading English language daily newspaper having general circulation in Europe. Any such notice shall be deemed to have been given on the fourth day after the date of mailing.

(b) *Stock exchange*: The Issuer shall also ensure that notices are duly given in a manner which complies with the rules and regulations of any listing authority, stock exchange and/or quotation system on which the Subordinated Notes are for the time being listed.

24. **Rounding**

For the purposes of any calculations referred to in these Conditions (unless otherwise specified in the Final Terms): (a) all percentages resulting from such calculations will be rounded, if necessary, to the nearest one hundred-thousandth of a percentage point (with 0.000005 per cent. being rounded up to 0.00001 per cent.); (b) all United States Dollar amounts used in or resulting from such calculations will be rounded to the nearest cent (with one half cent being rounded up); (c) all Japanese Yen amounts used in or resulting from such calculations will be rounded downwards to the next lower whole Japanese Yen amount; and (d) all amounts denominated in euro or any other currency used in or resulting from such calculations will be rounded to the nearest two decimal places in such currency, with 0.005 being rounded upwards.

25. **Governing Law and Dispute Resolution**

(a) *Governing law*: The Subordinated Notes, the Agency Agreement and the Deed of Covenant and any non-contractual obligations arising out of or in connection with the same are governed by, and shall be construed in accordance with, English law.

(b) *Arbitration*: Subject to Condition 25(c) (*Governing Law and Dispute Resolution – Option to litigate*), any dispute, claim, difference or controversy arising out of, relating to or having any connection with the Agency Agreement, the Deed of Covenant and the Subordinated Notes (including these Conditions) (including a dispute regarding the existence, validity, interpretation, performance, breach or termination or the consequences of the nullity of the same and any dispute relating to any non-contractual obligations arising out of or in connection with the same) (a "**Dispute**") shall be referred to and finally resolved by arbitration under the London Court of International Arbitration ("**LCIA**") Arbitration Rules (the "**Rules**"), which Rules (as amended from time to time) are incorporated by reference into this Condition 25(b). For these purposes:

(i) the seat of arbitration shall be London, England;

(ii) there shall be three arbitrators, each of whom shall be disinterested in the arbitration, shall have no connection with any party thereto and shall be an attorney experienced in international securities transactions; and

(iii) the language of the arbitration shall be English.

(c) *Option to litigate*: Notwithstanding Condition 25(b) (*Governing Law and Dispute Resolution – Arbitration*), any Noteholder (only where permitted so to do in accordance with the terms of the Deed of Covenant) may, in the alternative, and at its sole discretion, by notice in writing to the Issuer:

(i) within 28 days of service of a Request for Arbitration (as defined in the Rules); or

(ii) in the event no arbitration is commenced,

require that a Dispute be heard by a court of law. If any Noteholder (only where permitted so to do in accordance with the terms of the Deed of Covenant) gives such notice, the Dispute to which such notice refers shall be determined in accordance with Condition 25(e) (*Governing Law and Dispute Resolution – Court proceedings*) and, subject as provided below, any arbitration commenced under Condition 25(b) (*Governing Law and Dispute Resolution – Arbitration*) in respect of that Dispute will be terminated. Each of the parties to the terminated arbitration will bear its own costs in relation thereto.

(d) *Termination of arbitration*: If any notice to terminate is given after service of any Request for Arbitration in respect of any Dispute, the relevant Noteholder (only where permitted so to do in accordance with the terms of the Deed of Covenant and as applicable) must also promptly give notice to the LCIA Court and to any Tribunal (each as defined in the Rules) already appointed in relation to the Dispute that such Dispute will be settled by the courts. Upon receipt of such notice by the LCIA Court, the arbitration and any appointment of any arbitrator in relation to such Dispute will

immediately terminate. Any such arbitrator will be deemed to be *functus officio*. The termination is without prejudice to:

(i) the validity of any act done or order made by that arbitrator or by the court in support of that arbitration before his appointment is terminated;

(ii) such arbitrator's entitlement to be paid his proper fees and disbursements; and

(iii) the date when any claim or defence was raised for the purpose of applying any limitation bar or any similar rule or provision.

(e) *Court proceedings*: In the event that a notice pursuant to Condition 25(c) (*Governing Law and Dispute Resolution – Option to litigate*) is issued, the following provisions shall apply:

(i) subject to paragraph (iii) below, the courts of England shall have exclusive jurisdiction to settle any Dispute and the Issuer submits to the exclusive jurisdiction of such courts;

(ii) the Issuer agrees that the courts of England are the most appropriate and convenient courts to settle any Dispute and, accordingly, that it will not argue to the contrary; and

(iii) this Condition 25(e) is for the benefit of the Noteholders only. As a result, and notwithstanding paragraph (ii) above, the Noteholder (only where permitted so to do in accordance with the terms of the Deed of Covenant) may take proceedings relating to a Dispute ("**Proceedings**") in any other courts with jurisdiction. To the extent allowed by law, the Noteholder (only where permitted so to do in accordance with the terms of the Deed of Covenant) may take concurrent Proceedings in any number of jurisdictions.

(f) *Process Agent*: The Issuer agrees that the documents which start any Proceedings and any other documents required to be served in relation to those Proceedings may be served on it by being delivered to Maples and Calder at its registered office at 6th Floor, DUO, 280 Bishopsgate, London EC2M 4RB, or to such other person with an address in England or Wales and/or at such other address in England or Wales as the Issuer may specify by notice in writing to the Noteholders. Nothing in this paragraph shall affect the right of any Noteholder to serve process in any other manner permitted by law. This Condition applies to Proceedings in England and to Proceedings elsewhere.

(g) *Waiver of immunity*: The Issuer irrevocably agrees that no immunity (to the extent that it may now or hereafter exist, whether on the grounds of sovereignty or otherwise) from any Proceedings or from execution of judgment shall be claimed by or on behalf of it or with respect to its respective assets, any such immunity being irrevocably waived by the Issuer, and the Issuer irrevocably consents generally in respect of any such Proceedings to the giving of any relief or the issue of any process in connection with any such Proceedings including, without limitation, the making, enforcement or execution against any property whatsoever of any order or judgment which may be made or given in such Proceedings.

FORM OF FINAL TERMS

[**PROHIBITION OF SALES TO EEA RETAIL INVESTORS** - The Subordinated Notes are not intended to be offered, sold or otherwise made available to and should not be offered, sold or otherwise made available to any retail investor in the European Economic Area ("**EEA**"). For these purposes, a retail investor means a person who is one (or more) of: (i) a retail client as defined in point (11) of Article 4(1) of Directive 2014/65/EU (as amended, "**MiFID II**"); (ii) a customer within the meaning of Directive 2016/97/EU (the "**Insurance Distribution Directive**"), where that customer would not qualify as a professional client as defined in point (10) of Article 4(1) of MiFID II; or (iii) not a qualified investor as defined in the Prospectus Regulation. Consequently no key information document required by Regulation (EU) No 1286/2014 (as amended, the "**PRIIPs Regulation**") for offering or selling the Subordinated Notes or otherwise making them available to retail investors in the EEA has been prepared and therefore offering or selling the Subordinated Notes or otherwise making them available to any retail investor in the EEA may be unlawful under the PRIIPs Regulation.] [*Include unless the Final Terms specifies "Prohibition of Sales to EEA Retail Investors" as "Not Applicable"*]

[**PROHIBITION OF SALES TO UK RETAIL INVESTORS** – The Subordinated Notes are not intended to be offered, sold, distributed or otherwise made available to and should not be offered, sold, distributed or otherwise made available to any retail investor in the United Kingdom (the "**UK**"). For these purposes, a retail investor means a person who is either one (or both) of the following: (i) not a professional client, as defined in point (8) of Article 2(1) of Regulation (EU) No 600/2014 as it forms part of domestic law by virtue of the European Union (Withdrawal) Act 2018 (the "**EUWA**"); or (ii) not a qualified investor as defined in paragraph 15 of Schedule 1 to the Public Offers and Admissions to Trading Regulations 2024. Consequently no disclosure document required by the FCA Product Disclosure Sourcebook ("**DISC**") for offering, selling or distributing the Subordinated Notes or otherwise making them available to retail investors in the UK has been prepared and therefore offering, selling or distributing the Subordinated Notes or otherwise making them available to any retail investor in the UK may be unlawful under DISC and the Consumer Composite Investments (Designated Activities) Regulations 2024.] [*Include unless the Final Terms specifies "Prohibition of Sales to UK Retail Investors" as "Not Applicable"*]

[MIFID II PRODUCT GOVERNANCE/PROFESSIONAL INVESTORS AND ELIGIBLE COUNTERPARTIES ONLY TARGET MARKET – Solely for the purposes of [the/each] manufacturer's product approval process, the target market assessment in respect of the Subordinated Notes has led to the conclusion that: (i) the target market for the Subordinated Notes is [eligible counterparties and professional clients only, each defined in [Directive 2014/65/EU (as amended, "**MiFID II**")/MiFID II]]; and (ii) [all channels for distribution of the Subordinated Notes to eligible counterparties and professional clients are appropriate]. [*Consider any negative target market*]. Any person subsequently offering, selling or recommending the Subordinated Notes (a "**distributor**") should take into consideration the manufacturer['s/s'] target market assessment; however, a distributor subject to MiFID II is responsible for undertaking its own target market assessment in respect of the Subordinated Notes (by either adopting or refining the manufacturer['s/s'] target market assessment) and determining appropriate distribution channels.]

[UK MIFIR PRODUCT GOVERNANCE/PROFESSIONAL INVESTORS AND ECPs ONLY TARGET MARKET – Solely for the purposes of [the/each] manufacturer's product approval process, the target market assessment in respect of the Subordinated Notes has led to the conclusion that: (i) the target market for the Subordinated Notes is only eligible

counterparties, as defined in the FCA Handbook Conduct of Business Sourcebook ("**COBS**"), and professional clients, as defined in Regulation (EU) No 600/2014 as it forms part of domestic law by virtue of the European Union (Withdrawal) Act 2018 ("**UK MiFIR**"); and (ii) all channels for distribution of the Subordinated Notes to eligible counterparties and professional clients are appropriate. [Consider any negative target market]. Any person subsequently offering, selling or recommending the Subordinated Notes (a "**distributor**") should take into consideration the manufacturer['s/s'] target market assessment; however, a distributor subject to the FCA Handbook Product Intervention and Product Governance Sourcebook (the "**UK MiFIR Product Governance Rules**") is responsible for undertaking its own target market assessment in respect of the Subordinated Notes (by either adopting or refining the manufacturer['s/s'] target market assessment) and determining appropriate distribution channels.]

[**Singapore Securities and Futures Act Product Classification** – Solely for the purposes of its obligations pursuant to sections 309B(1)(a) and 309B(1)(c) of the Securities and Futures Act 2001 (2020 Revised Edition) of Singapore, as amended or modified from time to time (the "**SFA**"), the Issuer has determined, and hereby notifies all relevant persons (as defined in Section 309A of the SFA) that the Subordinated Notes are ["prescribed capital markets products"]/[capital markets products other than "prescribed capital markets products"] (as defined in the Securities and Futures (Capital Markets Products) Regulations 2018) [and Excluded Investment Products (as defined in MAS Notice SFA 04-N12: Notice on the Sale of Investment Products and MAS Notice FAA-N16: Notice on Recommendations on Investment Products)].]

Final Terms dated [ ]

ARAB PETROLEUM INVESTMENTS CORPORATION
LEI: 213800A54KIUYH5YD185

Issue of [*Aggregate Nominal Amount of Tranche*] [*Title of Subordinated Notes*]

under the USD 1,000,000,000 Subordinated Note Programme

PART A – CONTRACTUAL TERMS

[Terms used herein shall be deemed to be defined as such for the purposes of the terms and conditions (the "**Conditions**") set forth in the base prospectus dated 20 October 2026 [and the supplemental base prospectus dated [ ]] which [together] constitute[s] a base prospectus (the "**Base Prospectus**") for the purposes of the Prospectus Regulation. This document constitutes the Final Terms of the Subordinated Notes described herein [for the purposes of the Prospectus Regulation and] must be read in conjunction with such Base Prospectus.

The Base Prospectus [and these Final Terms] [is/are] available for viewing on the website of Euronext Dublin (https://live.euronext.com/en/markets/dublin/bonds/list) and during normal business hours at the registered office of Arab Petroleum Investments Corporation at 7116 Prince Turki Ibn Abdulaziz Al Awal Road, 4400 Al Malqa District, Riyadh 13523, Kingdom of Saudi Arabia [and copies may be obtained during normal business hours from the specified office of the Issuing and Paying Agent at 160 Queen Victoria Street, London EC4V 4LA, United Kingdom.]

The expression "**Prospectus Regulation**" means Regulation (EU) 2017/1129, as amended.]

1.	Issuer:		Arab Petroleum Investments Corporation
2.	[(i)]	Series Number:	[ ]
	[(ii)	Tranche Number:	[ ]]
	[(iii)	Date on which the Subordinated Notes become fungible:	[Not Applicable/The Subordinated Notes shall be consolidated, form a single series and be interchangeable for trading purposes with the [ ] on [[ ]/the Issue Date] [which is expected to occur on or about [ ]]]
3.	Specified Currency or Currencies:		[ ] (*If Notes are being cleared through DTC with interest and or principal payable in a currency other than U.S. dollars, check whether DTC will accept payments in such currency*)
4.	Aggregate Nominal Amount:		
	[(i)]	Series:	[ ]
	[(ii)	Tranche:	[ ]]
5.	Issue Price:		[ ] per cent. of the Aggregate Nominal Amount [plus accrued interest from [ ] (if applicable)]
6.	(i)	Specified Denominations:	[ ]
	(ii)	Calculation Amount:	[ ]
7.	(i)	Trade Date:	[ ]
	(ii)	Issue Date:	[ ]
	(iii)	Interest Commencement Date:	[[ ]/Issue Date/Not Applicable]
8.	Interest Basis:		[[ ] per cent. Fixed Rate Reset]
9.	Call Options:		The Conditions include call options at par on any Par Call Date and following an Accounting Event, Rating Event, a Withholding Tax Event or a Substantial Repurchase Event ((*N.B. The scheduled redemption amount will be at least 100 per cent. of the principal amount of the Subordinated Notes*)

10.	Date [Board] approval for issuance of Subordinated Notes obtained:	[[ ]/Not Applicable]

PROVISIONS RELATING TO INTEREST (IF ANY) PAYABLE

11. Reset Provisions:

(i)	Initial Interest Rate:	[ ] per cent. per annum [payable [annually/semi-annually/quarterly/monthly] in arrear]
(ii)	Interest Rate (subsequent to Initial Interest Rate (if any)):	[ ] per cent. per annum [payable [annually/semi-annually/quarterly/monthly] in arrear]/[Not Applicable]
(iii)	Interest Payment Date(s):	[ ] in each year, subject to adjustment in accordance with the Business Day Convention set out in (iv) below
(iv)	First Interest Payment Date:	[ ]/[Not Applicable]
(v)	Business Day Convention:	[Following Business Day Convention/Modified Following Business Day Convention/Preceding Business Day Convention/No Adjustment]
(vi)	Reset Rate:	[Mid-Swap] [Reference Bond] [U.S. Treasury Rate]
(vii)	Reference Bond:	[[ ]/Not Applicable]
(viii)	Initial Reference Bond Price:	[[ ]/Not Applicable]
(ix)	Mid-Swap Rate:	[As per the Conditions/[ ]/Not Applicable]
(x)	Mid-Swap Screen Page:	[[ ]/Not Applicable]
(xi)	Mid-Swap Floating Leg Maturity:	[[ ]/Not Applicable]
(xii)	Mid-Swap Floating Leg Benchmark Rate:	[[ ]/Not Applicable]
(xiii)	Initial Mid-Swap Rate:	[[ ] per cent./Not Applicable]
(xiv)	First Reset Date:	[ ]
(xv)	Subsequent Reset Date(s):	[ ]
(xvi)	Margin(s):	[From (and including) [ ] to (but excluding) [ ], [+/-] [ ] per cent. per annum]

(xvii)	Minimum Interest Rate:	[[ ] per cent. per annum/Not Applicable]
(xviii)	Maximum Interest Rate:	[[ ] per cent. per annum/Not Applicable]
(xix)	Quotation Time:	[ ]
(xx)	Day Count Fraction:	[Actual/Actual (ICMA)]/[30/360]/[30E/360]]
(xxi)	Additional Business Centre(s):	[[ ]/Not Applicable]
(xxii)	Calculation Agent:	[ ]

PROVISIONS RELATING TO REDEMPTION

12. Par Call Option:

(i)	Par Call Date(s):	[As per Conditions/[ ]]
(ii)	Par Call Period:	[ ]
(iii)	Notice period:	[As per Conditions/[ ]]

13. Redemption following a Withholding Tax Event, a Rating Event or an Accounting Event:

(i)	Notice period:	[As per Conditions/[ ]]

14. Redemption following a Substantial Repurchase Event:

(i)	Notice period:	[As per Conditions/[ ]]

GENERAL PROVISIONS APPLICABLE TO THE SUBORDINATED NOTES

15. Form of Subordinated Notes: [Unrestricted Global Subordinated Note Certificate exchangeable for Unrestricted Individual Subordinated Note Certificates [on [ ] days' notice/at any time]/[in the limited circumstances specified in the Unrestricted Global Subordinated Note Certificate] and registered in the name of a [common depositary] (or its nominee) for Euroclear and/or Clearstream, Luxembourg]

[and]

		[Restricted Global Subordinated Note Certificate exchangeable for Restricted Individual Subordinated Note Certificates [on [ ] days' notice/at any time]/[in the limited circumstances described in the Restricted Global Subordinated Note Certificate] and registered in the name of a nominee for DTC]
16.	Relevant Financial Centre(s) or other special provisions relating to payment dates:	[Not Applicable/[ ]]
17.	Relevant Time:	[Not Applicable/[ ]]
18.	Additional Financial Centre(s) or other special provisions relating to payment dates:	[Not Applicable/[ ]]

SIGNED on behalf of
ARAB PETROLEUM INVESTMENTS CORPORATION:

By: .....

Duly authorised

PART B – OTHER INFORMATION

1. **LISTING**

(i)	Admission to trading	[Application [has been/is expected to be] made by the Issuer (or on its behalf) for the Subordinated Notes to be admitted to trading on the regulated market of The Irish Stock Exchange plc, trading as Euronext Dublin, with effect from [ ]]
(ii)	Estimate of total expenses related to admission to trading:	[ ]

2. **RATINGS**

(i)	Ratings:	The Subordinated Notes to be issued [[have been/are expected to be] rated]/[The following ratings reflect ratings assigned to Subordinated Notes of this type issued under the Programme generally]: [Fitch: [ ]] [Fitch is established in the UK and registered under Regulation (EC) No. 1060/2009, as amended, as it forms part of domestic law of the UK by virtue of the European Union (Withdrawal) Act 2018] [ ] [Moody's: [ ]] [Moody's is established in the EU and registered under Regulation (EC) No. 1060/2009, as amended] [ ] [S&P: [ ]] [S&P is established in the EU and registered under Regulation (EC) No. 1060/2009, as amended] [ ]
(ii)	Replacement Intention:	[The following paragraphs in italics do not form part of the Terms and Conditions. *Restrictions regarding redemption and repurchase of the Subordinated Notes* *For so long as the Issuer solicits an issuer rating (or such similar nomenclature used by any Rating Agency from time to time) from a Rating Agency, the Issuer intends (without thereby assuming any legal or contractual obligation) that it will only redeem or repurchase the Subordinated Notes of a Series to the extent that the aggregate principal amount of the*

Subordinated Notes of such Series to be redeemed or repurchased does not exceed such part of the net proceeds received by the Issuer on or prior to the date of such redemption or repurchase from the sale or issuance of securities by the Issuer to third party purchasers that are assigned by the relevant Rating Agency, following the sale or issuance of such securities (but prior to the redemption or repurchase of the relevant Subordinated Notes), a level of "equity credit" or "equity content" (or such similar nomenclature used by the relevant Rating Agency from time to time) that is equal to or greater than the "equity credit" or "equity content" assigned to the Subordinated Notes on the Issue Date of the first Tranche of Subordinated Notes of the relevant Series (but taking into account any changes in hybrid capital methodology or another relevant methodology or the interpretation thereof since the date of issue of the relevant Subordinated Notes).

Capitalised terms used but not defined in the above paragraphs shall have the same meanings as those set out in the Terms and Conditions.]

[Provide any alternative replacement intention, or specify "*None*"]

3. **INTERESTS OF NATURAL AND LEGAL PERSONS INVOLVED IN THE ISSUE/OFFER**

[Save for any fees payable to the [Managers/Dealers], so far as the Issuer is aware, no person involved in the offer of the Subordinated Notes has an interest material to the offer. The [Managers/Dealers] and their affiliates have engaged, and may in the future engage, in investment banking and/or commercial banking transactions with, and may perform other services for, the Issuer and its affiliates in the ordinary course of business.]/[ ]/[Not Applicable]

4. **[YIELD**

Indication of yield: [ ] per cent. per annum

The yield is calculated at the Issue Date on the basis of the Issue Price. It is not an indication of future yield.]

5. **OPERATIONAL INFORMATION**

(i) CUSIP [ ]/ [Not Applicable] (*specify if Restricted Registered Subordinated Notes are issued in reliance on Rule 144A*)

(ii) ISIN: [ ]

(iii)	Common Code:	[ ]
(iv)	FISN:	[[See]/[[*include code*], as updated, as set out on] the website of the Association of National Numbering Agencies (ANNA) or alternatively sourced from the responsible National Numbering Agency that assigned the ISIN]/[Not Applicable]/[Not Available]
(v)	CFI Code:	[[See]/[[*include code*], as updated, as set out on] the website of the Association of National Numbering Agencies (ANNA) or alternatively sourced from the responsible National Numbering Agency that assigned the ISIN]/[Not Applicable]/[Not Available]
(vi)	Delivery:	Delivery [against]/[free of] payment
(vii)	Names and addresses of additional Paying Agent(s) (if any):	[ ]/[Not Applicable]

6. **DISTRIBUTION**

(i)	Method of distribution:	[Syndicated/Non-syndicated]
(ii)	If syndicated, name of Dealers:	[ ]/[Not Applicable]
(iii)	If syndicated, name of Stabilisation Manager(s):	[ ]/[Not Applicable]
(iv)	If non-syndicated, name of Dealer:	[ ]/[Not Applicable]
(v)	U.S. selling restrictions:	Regulation S Compliance Category 2. ERISA restrictions apply. [Rule 144A also applicable – the Subordinated Notes will be offered and sold within the United States only to "qualified institutional buyers" (as defined in Rule 144A) who are also "qualified purchasers" (as defined in Section 2(a)(51)(A) of the U.S. Investment Company Act of 1940, as amended)/Not Applicable]
(vi)	Prohibition of sales to EEA Retail Investors:	[Applicable/Not Applicable]
(vii)	Prohibition of sales to UK Retail Investors:	[Applicable/Not Applicable]

[(viii) Estimated net proceeds: [ ]]

7. **[THIRD PARTY INFORMATION]**

[[ ] has been extracted from [ ]. The Issuer confirms that such information has been accurately reproduced and that, so far as it is aware, and is able to ascertain from information published by [ ], no facts have been omitted which would render the reproduced information inaccurate or misleading] [Not Applicable]

DESCRIPTION OF THE GROUP

Overview

APICORP, a multilateral financial institution focused on the energy industry, was established on 23 November 1975 pursuant to the Establishing Agreement.

The Establishing Agreement defines APICORP's purpose as:

- participating in financing petroleum projects and industries, and in fields of activity which are derived from, ancillary to, associated with or complementary to petroleum projects and industries; and
- giving priority to Arab joint ventures which benefit the AEO Member States and enhance their ability to utilise their petroleum resources and to invest their savings to strengthen their economic and financial potential.

APICORP seeks to achieve this purpose by supporting relevant projects through participating in syndicated loans or making direct loans and/or through equity investments. It also participates in trade financing activities, provides project-related financial advisory services and publishes research relating to strategic and relevant issues in the energy industry.

In December 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 or TAEF. As part of this strategic shift, the Group plans to invest up to U.S.$1 billion towards advancing energy transition with a focus on decarbonisation and related technologies by the end of 2028. APICORP's five-year strategic plan for 2024–2028 is progressing well, with continued progress toward its strategic objective of supporting the Arab region's energy security and transition. As at 30 June 2026, APICORP had approved approximately U.S.$663.6 million toward its U.S.$1 billion decarbonisation commitment; U.S.$508.9 million had been deployed and U.S.$154.7 million remained committed but undisbursed.

The table below shows details of APICORP's shareholders as at 30 June 2026.

Member State	Authorised capital[(1)]	Subscribed capital[(2)]	Issued and fully paid	Callable capital	Percentage ownership[(3)]
		(U.S.$ millions)			*(per cent.)*
State of Kuwait	3,400	1,700	255	1,445	17.0
Kingdom of Saudi Arabia	3,400	1,700	255	1,445	17.0
United Arab Emirates	3,400	1,700	255	1,445	17.0
Libya	3,000	1,500	225	1,275	15.0
Republic of Iraq	2,000	1,000	150	850	10.0
State of Qatar	2,000	1,000	150	850	10.0
Republic of Algeria	1,000	500	75	425	5.0
Kingdom of Bahrain	600	300	45	255	3.0
Arab Republic of Egypt	600	300	45	255	3.0
Syrian Arab Republic	600	300	45	255	3.0
	20,000	**10,000**	**1,500**	**8,500**	**100.0**

Notes:

(1) All shares have a nominal value of U.S.$1,000.

(2) Subscribed capital is the sum of issued and fully paid capital and capital which remains callable if recommended by the Board and approved by APICORP's general assembly. In April 2016, APICORP's subscribed capital was increased

to U.S.$2,000 million from U.S.$1,500 million. In April 2020, APICORP's subscribed capital was increased to U.S.$10,000 million.

(3) Based on issued and fully paid capital.

APICORP's initial authorised share capital was SAR 3.6 billion (U.S.$960 million) and its initial subscribed capital was SAR 1.2 billion (U.S.$320 million). APICORP's authorised and subscribed capital has increased since then.

In May 2011, the shareholders agreed to change APICORP's capital structure by introducing callable capital in the amount of U.S.$750 million. Callable capital, which can be requested in order to service debt is a joint and several obligation of each member country to provide additional capital when called. In April 2016, APICORP's total callable capital was increased to U.S.$1 billion.

On 12 April 2020, the shareholders approved the following changes in APICORP's capital:

- an increase in authorised capital from U.S.$2.4 billion to U.S.$20 billion;
- an increase in paid up capital from U.S.$1 billion to U.S.$1.5 billion through the transfer of U.S.$500 million from reserves; and
- an increase in callable capital from U.S.$1 billion to U.S.$8.5 billion, bringing the subscribed capital to U.S.$10 billion.

Although APICORP does not have specific guarantees from its shareholders, APICORP believes that the introduction of callable capital demonstrates strong support by its shareholders. See "*Risk Factors – Factors that may affect APICORP's ability to fulfil its obligations under Subordinated Notes issued under the Programme – APICORP is a multilateral financial institution without guarantee-related support from its shareholders*".

The rights of the shareholders are contained in the Establishing Agreement and APICORP is managed in accordance with the provisions contained in the Establishing Agreement. The Establishing Agreement ensures that APICORP is not controlled by any single member state. All resolutions are required to be approved by a majority of the votes cast, with each shareholder having one vote per share held.

APICORP is independent in its administration and in the performance of its activities and carries out its operations on a commercial basis with the intention of generating a profit.

APICORP's financial year corresponds to the calendar year. As at 30 June 2026, the Group had total assets of U.S.$13,996.0 million, including U.S.$6,244.2 million in loans and advances, net and U.S.$1,845.3 million in investments in equity and equity accounted investees, net. The Group also has a significant debt securities at FVOCI, amounting to U.S.$2,965.6 million as at 30 June 2026, which is intended to provide earnings which are not correlated to the Group's two other more cyclical business lines of lending to, and making equity investments in, relevant projects.

In the six months ended 30 June 2026, the Group had interest income of U.S.$319.7 million, received U.S.$18.6 million in dividend income and recorded U.S.$125.4 million in net income for the period. In 2025, the Group had interest income of U.S.$661.6 million and received U.S.$65.0 million in dividend income. The Group's net income for the year ended 31 December 2025 was U.S.$282.4 million.

The Group's headquarters is in Riyadh, Saudi Arabia. In addition, APICORP has a wholesale banking branch in Manama, Bahrain, which is regulated by the Central Bank of Bahrain. Its headquarters office address is 7116 Prince Turki Ibn Abdulaziz Al Awal Road, 4400 Al Malqa District, Riyadh 13523, Saudi Arabia and its telephone number is +966 (0) 3 847 0444.

History

Following its establishment, APICORP commenced loan financing and direct equity investment activity with various Arab petroleum companies. Trade financing of petroleum, gas and petrochemicals began in 1975. In 2001, the Group commenced financial advisory services to assist the AEO Member States and companies within them with the financing of their projects. In 2006, APICORP established its branch in Bahrain with a view to broadening its financing services. In 2007, the Board approved the financing of energy intensive industries such as aluminium and the establishment of energy funds. APICORP developed a new strategy, in consultation with a consulting firm McKinsey & Company, which was approved by the Board on 9 June 2023. See "– *Strategy*" below.

In December 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 or TAEF.

Legal Status of APICORP

APICORP is a corporation established in accordance with a special international agreement, the Establishing Agreement, is hosted by Saudi Arabia and enjoys, with respect to AEO Member States and third parties, all the rights and privileges of nationality which national companies enjoy in each Member State. APICORP is subject to the provisions of the Establishing Agreement, which are expressed to prevail in the event that there is a conflict with the internal laws of any AEO Member State. APICORP is also exempt from the payment of duties, taxes and all public financial costs and burdens in respect of all operations related to its objectives. APICORP is also exempted from any special fees related to subscription, incorporation, registration, increase of capital, dissolution and liquidation. The Establishing Agreement explicitly grants APICORP privileges throughout the AEO Member States. These privileges include:

- an undertaking by the AEO Member States, jointly and severally, to support APICORP, although see "*Risk Factors – Factors that may affect APICORP's ability to fulfil its obligations under Subordinated Notes issued under the Programme – APICORP is a multilateral financial institution without guarantee-related support from its shareholders*";
- APICORP's rights and privileges of nationality within any AEO Member State;
- APICORP's exemptions from payment of duties and all public and financial costs within AEO Member States;
- APICORP's exemption from any currency controls, including from convertibility and transfer restrictions;
- support for APICORP's personnel in entry and residency throughout the AEO Member States; and

- an undertaking by the AEO Member States to refrain from appropriating any of APICORP's assets.

APICORP's shareholders and their shareholding percentages have remained unchanged since it was established. The Establishing Agreement provides that only member countries of AEO (formerly OAPEC) may be shareholders in APICORP. If any shareholder ceases to be an AEO Member State, it would also cease to be a shareholder in APICORP and its shares would be distributed among the remaining AEO Member State shareholders on a *pro rata* basis.

Strategy

APICORP is a multilateral impact-focused financial institution with the goal of contributing to the growth, development and transformation of the Arab energy industries through the following activities:

- providing debt funding in the form of project finance, asset-based finance and structured trade finance;
- providing financial structuring and advisory services; and
- providing equity funding to companies and projects.

APICORP aims to consolidate its role as a leading financial institution that focuses on impact in the energy and related sectors.

APICORP believes that the energy sector in the MENA region and beyond offers significant prospects for investors both in terms of the number of energy and related projects and the scale of the investment required.

In December 2023, the Group unveiled its five-year strategic plan, setting out its ambition to become a leading energy impact fund in the MENA region. The strategy focuses on investments across the energy value chain, including energy transition, decarbonisation and related technologies, while balancing energy security and sustainability. As at 30 June 2026, the strategy remained unchanged, and the Group continued to implement its strategic priorities through its financing and investment activities. The Group expects to review and update the strategic plan towards the end of 2027 or the beginning of 2028.

Under the strategy, APICORP's mandate is defined as "Enabling a secure and sustainable energy future". This mandate establishes the role and purpose of APICORP as follows:

- *Commercial with Impact*. APICORP will continue doing business on commercial terms, while seeking to achieve maximum positive impact;
- *Dual focus*. APICORP's dual focus will entail a continuation of responsible investments in hydrocarbons, with simultaneous active support for the new energy sector, including the energy transition ambitions of its oil and gas exporting member countries; and
- *Investment growth*. APICORP will aim to grow its overall balance sheet and to rebalance and optimise its overall asset portfolio, with an increased focus on growing its equity portfolio on a relative basis.

As part of the strategy, APICORP intends to further expand its role as a leading provider of both debt and equity funding to the energy sector in the region, with a special interest in creating positive impact and supporting the energy transition ambitions of its member countries. To help realise this strategy, the Group committed an investment of up to U.S.$1 billion by the end of 2028 in energy transition and energy-efficiency related technologies. Additionally, in May 2024, the Group signed a Memorandum of Understanding with the Saudi Arabian Industrial Investments Company ("**Dussur**") to fast-track and facilitate prospective financing opportunities for the Group of up to U.S.$200 million through bridge financing in selected green field projects promoted by Dussur.

APICORP's strategy is built on two pillars and two enablers. The two pillars are:

- becoming the pre-eminent impact investor in the energy sector in the MENA region; and
- enhancing corporate lending profitability.

The two enablers are:

- building a professional and performance-driven culture; and
- improving organisational health.

In December 2023, APICORP was rebranded as The Arab Energy Fund (TAEF) to align its identity with the Group's five-year strategic plan. As part of the implementation of the strategy, the Group relocated its head office and business operations to Riyadh, Saudi Arabia, positioning the Group closer to a major regional commercial and financial centre. As at 30 June 2026, the five-year strategic plan remained unchanged, and the Group continued to implement the strategic initiatives described below. The Group expects to review and update the strategic plan towards the end of 2027 or the beginning of 2028. The implementation of the strategy involves the following initiatives:

- APICORP's equity business focusing on two broad main investment themes – new technologies and solutions and the energy supply chain. Sub-themes of new technologies and solutions include technologies and solutions and energy transition. Sub-themes of energy supply chain include chemicals, minerals, local content manufacturing and services;
- APICORP's lending business (which provides mainly project and trade finance) continuing to support the various components of the energy value chain, including traditional hydrocarbons, utilities, and energy transition; and
- the development of new product and service offerings, especially in the energy transition/decarbonisation and ESG spaces.

Strengths

The Group believes that it benefits from a number of strengths. These include:

Sovereign ownership and special privileges

APICORP is 100 per cent. owned by AEO Member State governments, 64.0 per cent. owned by GCC governments and 51 per cent. owned by Kuwait, Saudi Arabia and the UAE

collectively. APICORP benefits from a number of special privileges afforded to it by the Establishing Agreement, see "– *Legal status of APICORP*" above. APICORP also has de facto preferred creditor status by virtue of its multilateral status. De facto preferred creditor status is based solely on historical practice in relation to multilateral financial institutions. Preferred creditor status is not, however, a legal status. The preferred creditor status enjoyed by APICORP is also reflected in the fact that the AEO Member States have, in the Establishing Agreement, exempted APICORP from all restrictions relating to currency control and fund transfer.

Strong shareholder support

The Establishing Agreement provides that the AEO Member States undertake:

- jointly and severally, to support APICORP, protect it and embrace its causes in every way that ensures the protection of its rights and interests internationally and otherwise (although APICORP does not benefit from a specific guarantee from its shareholders); and
- to facilitate all the activities related to APICORP's objectives and to adopt all possible measures to that end.

The AEO Member States have supported each of APICORP's six capital increases since it was established and have also supported it with significant deposits. The Group also benefits from U.S.$8.5 billion in callable capital, which provides a further indication of potential future shareholder support. In addition, the AEO Member States elected not to declare dividends in respect of each of 2008, 2009, 2010, 2012, 2013, 2014, 2016, 2019, 2020 and 2021 to further strengthen APICORP's financial position. Total dividends of U.S.$30.0 million, U.S.$30.8 million and U.S.$37.2 million were declared in respect of 2017, 2018 and 2022, respectively. To fund its growth strategy, APICORP's board provided a commitment not to declare any dividends for the 2023, 2024 and 2025 financial years. For 2026, the declaration of dividends is expected to continue to be considered and determined by the Board prior to approval at the annual general assembly meeting. Member States, through their representatives on the Board, provide APICORP with opportunities to participate in, or initiate, projects in the various Member States.

Solid capitalisation and low leverage

As at 30 June 2026, the Group's capital adequacy ratios were determined in accordance with Central Bank of Bahrain's Basel II and Basel III methodology. The capital adequacy ratio was 27.91 per cent. and Tier 1 Capital ratio was 26.97 per cent as at 30 June 2026.

The Group seeks to maintain conservative leverage levels, which it calculates as its total liabilities divided by its total equity. As at 30 June 2026, the Group's leverage level was 2.71 times while as at 31 December in each of 2025, 2024 and 2023, the Group's leverage levels were 2.68 times, 2.25 times and 2.12 times.

Sustained and strong financial performance

The Group has been profitable in almost every year since it was established, including throughout the global financial crisis. In October 2019, Moody's upgraded APICORP's ratings from Aa3 to Aa2 with a stable outlook, principally reflecting steady and sustained improvements in its liquidity and funding profile coupled with a track record of strong asset

performance, and it affirmed that rating in August 2021, June 2022, August 2023 and July 2024. In June 2020, Fitch assigned APICORP an AA long-term issuer default rating with stable outlook and affirmed that rating in June 2021, June 2022 (when it revised the outlook to positive) and June 2023 before upgrading the Group's rating to AA+ with stable outlook in June 2024. In March 2023, S&P assigned APICORP a AA- long-term rating with stable outlook and affirmed that rating in March 2024 and again in June 2025.

The Group also has a relatively low amount of NPLs which were U.S.$59.5 million as at 30 June 2026, U.S.$13.5 million as at 31 December 2025, U.S.$26.4 million as at 31 December 2024 and U.S.$36.5 million as at 31 December 2023. These mainly comprise customers in stage 3 which is covered by specific provisions . The Group's NPLs comprised 0.93 per cent., 0.22 per cent., 0.46 per cent. and 0.78 per cent., respectively, of its total gross loans as at 30 June 2026 and 31 December in each of 2025, 2024 and 2023.

Focus on strategic energy sector and geographically focussed on the GCC

The Group focuses on financing projects in the oil and gas, petrochemical and energy sectors and has developed significant expertise in these areas since it was established in 1975. As at 30 June 2026, 41.4 per cent. and 3.8 per cent. of APICORP's assets were in Saudi Arabia and Qatar, respectively, and 21.1 per cent. were in the rest of the GCC. As at 31 December 2025, 64.8 per cent. of APICORP's assets were in the GCC and 41.3 per cent. and 3.9 per cent. were in Saudi Arabia and Qatar, respectively.

Business

The Group has three principal operating business areas and a fourth, central segment:

- project finance, asset-based finance, trade finance, structured commodity finance and financial advisory (together referred to as "**Corporate Banking**");
- captive private equity investments through direct or indirect equity investments (together referred to as "**Equity Investments**");
- funding and liquidity management and the investment of excess liquidity in the Group's investment portfolio (together referred to as "**Treasury and Capital Markets**"); and
- the assets and liabilities held centrally which are not directly attributed to any of the above business lines and overall general and administrative expenses which are not allocated to the respective business segments (together referred to as "**Enterprise**").

Corporate Banking principally provides debt finance and financial advisory services to businesses and projects in the oil and gas and related energy sectors.

Equity Investments principally invests in businesses and projects in the oil and gas and related energy sectors (including new technologies and solutions) through direct equity investments and indirect equity investments through funds.

Treasury and Capital Markets is principally responsible for funding and managing the Group's liquidity needs and for investing its excess liquidity.

In addition, Enterprise principally comprises the assets and liabilities held centrally which are not directly attributed to any of the above business lines, including overall general and administrative expenses which are not allocated to the respective business segments.

Corporate Banking

Introduction

Corporate Banking arranges financing through loans and credits for projects developed by local, regional and international sponsors in the energy sector. This financing activity is a major contributor to the Group's interest income, with loans and advances, net contributing U.S.$195.5 million, or 61.2 per cent., of the Group's total interest income in the six months ended 30 June 2026. The Group also provides financial advisory services to clients when specifically requested, primarily to assist them in raising finance but also in terms of project development guidance, financial feasibility studies, validation of commercial viability and structure and transaction structuring. This advice generates a small amount of fee income. Including other minor sources of income, Corporate Banking generated total income (which is composed of interest income and non-interest income) of U.S.$198.2 million in the six months ended 30 June 2026, U.S.$450.3 million in 2025, U.S.$447.3 million in 2024 and U.S.$360.2 million in 2023, equal to 52.7 per cent., 58.5 per cent., 57.8 per cent. and 55.9 per cent., respectively, of the Group's total income in each year/period.

Products and services

Corporate Banking principally arranges medium- to long-term finance, although it also offers shorter-term trade finance and structured commodity finance. The Group offers loans and credits both on a conventional and on an Islamic finance basis. Key medium- to long-term finance products include project finance, asset-based finance (vessels and rigs), reserve-based finance, acquisition finance, equity bridge finance and working capital finance.

The Group offers a suite of trade finance products and services, comprising letters of credit ("**LCs**") and letters of guarantee; and the handling of export LCs, including advising, negotiation and confirmation. The Group's range of structured commodity finance products includes transactional and inventory financings, borrowing base facilities, pre-export financings and prepayment facilities.

Although the Group does not have its own Islamic banking unit and Shari'a board, it typically arranges and advises on Islamic transactions and has established strong relationships with major participants in the Islamic finance industry. In 2014 the Group launched an initiative to increase the visibility of its Islamic finance capabilities and started to systematically offer Shari'a-compliant finance solutions to its clients along with conventional products. As at 30 June 2026, the share of Islamic loans held at amortised cost as a percentage of the Group's total gross loans and advances was 17.9 per cent.

Clients

Corporate Banking's client base includes the national oil and gas companies of the AEO Member States, international companies which are active in the MENA region and a select group of privately owned companies from the MENA region. Corporate Banking's particular focus in relation to its medium- and longer-term financing is investment projects that are deemed strategic because of their economic impact, size, location, technology or diversification. These projects typically have strong support from their sponsors, which

frequently include governments. Through participating in arranging and implementing the financing for these investments, Corporate Banking has developed close and long-standing relationships with the sponsors of these projects.

Corporate Banking also enjoys close relationships with all the major international and regional financial institutions which are active in financing the energy industry throughout the MENA region, and beyond when the project or trade transaction financed benefits the MENA region. Therefore, in terms of geography, the Group does not focus exclusively on transactions within the Arab world but is also supporting its Arab clients in their projects and trade flows outside the Arab region. The Group exclusively finances the energy sector and is active throughout the energy value chain. The segments within these sectors financed by the Group include:

- *upstream*: oil field services and drilling; offshore service vessels; and mining;
- *midstream*: oil and product tankers; liquefied natural gas ("**LNG**") tankers; pipelines and oil and product terminals;
- *downstream*: refinery, petrochemical and gas projects;
- *utilities*: conventional power and water desalination projects; water treatment; waste management and renewables projects; and
- *energy intensive*: aluminium and metals; cement; and polysilicon.

Lending criteria

Corporate Banking aims to finance investment projects and commodity trade flows which have a strong economic rationale and that meet a strategic purpose. The criteria applied by the Group when selecting transactions include:

- the strategic fit of the transaction and the impact of the Group's involvement in it;
- the quality of the sponsors, the degree of their commitment and the strength of the Group's relationship with them;
- the economic rationale, resilience and competitiveness of the project;
- the degree of export orientation and foreign currency generation;
- the degree of protection of the project from local factors, such as exchange rates, inflation and regulation;
- the strength of the credit terms, including security, collateral and sponsor support;
- the involvement along with the Group of export credit agencies, developmental agencies and multilateral financial institutions in any financing in high political risk countries;
- the role and visibility of the Group in the financing; and
- the remuneration – the Group provides medium-to long-term financing at market rates. However, while profit is an important factor, its decision to advance financing is

not solely driven by profitability and it also takes into account the developmental impact of the project.

As a general rule, a country which has significant economic or political challenges is considered a less robust sponsor. In these instances, the Group's criteria concerning equity, project structure, guarantees, export-credits and multilateral financings are more stringent.

The Group requires prior approval from its credit committee and from the Board before committing to any funded or unfunded credit facility. Each approval is required to be supported by a detailed credit application, which includes a thorough due diligence and a comprehensive rating scorecard specific to the nature of the transaction.

APICORP maintains country specific lending limits, single obligor limits, single group level limits and rating wise portfolio limits for its Corporate Banking business.

The country limit for member countries is 10 times their respective equity contributions, while the country cap for non-member countries is linked to their sovereign ratings as well as to a certain percentage of APICORP's total shareholders' equity, the maximum being 30 per cent. The maximum single obligor limit is 10 per cent. of the Group's net worth (being its total assets less its total liabilities). In addition, no lending commitment to any one group of companies may exceed 25 per cent. of the Group's net worth. APICORP follows a risk-based approach in assigning the country limits based on various factors that include (a) the sovereign rating of each country, (b) the size of the economy and the relative potential of doing business, reflected through key economic indicators (e.g., total GDP size), and (c) the nature of each country (i.e., Member or non-member country). This risk-based approach supports the optimisation of the lending book concentration and diversification.

In addition to the country limits, APICORP has set the following limits:

- Group limit – Investment Grade rating (BBB- and above): loans to borrowers that are members of a group may not exceed 25 per cent. of the shareholders' equity.
- Group limit – Non-Investment Grade rating (BB+ and below): loans to borrowers that are members of a group may not exceed 15 per cent. of the shareholders' equity.
- Single Facility limit – Investment Grade rating of the facility (BBB- and above): loans to a single borrower may not exceed 10 per cent. of the shareholders' equity.
- Single Facility limit – Non-Investment Grade rating of the facility (BB+ and below): loans to a single borrower may not exceed 7.5 per cent. of the shareholders' equity.
- Portfolio Quality – Corporate Banking total portfolio rating – minimum 'BBB' weighted average internal rating.

Lending portfolio

The Group provides syndicated and direct loans for projects developed by local, regional and international sponsors in the energy sector.

Portfolio status and risk classification

The table below shows the status of the Group's loans and advances, net outstanding as at 30 June 2026 and 31 December in each of 2025, 2024 and 2023.

	As at 30 June	As at 31 December		
	2026 (Unaudited)	2025	2024	2023
	(U.S.$ million)		*(U.S.$ million)*	
Islamic loans held at amortised cost	1,144.8	1,009.9	743.2	700.7
Conventional loans held at amortised cost	5,248.5	5,152.7	4,983.2	4,040.6
Interest receivable	-	-	-[(1)]	42.2
Unamortised participation and upfront fees	(86.1)	(92.1)	(91.8)	(79.7)
	6,307.2	**6,070.6**	**5,634.6[(1)]**	**4,703.8**
Expected credit losses	(106.6)	(89.0)	(115.3)	(97.4)
Loans and advanced at amortised cost, net	**6,200.7**	**5,981.6**	**5,519.3[(1)]**	**4,606.4**
Conventional loans held at FVTPL	43.5	43.5	43.5	42.2
Total loans and advances (including FVTPL)	**6,244.2**	**6,025.1**	**5,562.8[(1)]**	**4,648.6**

Note:

(1) During 2025, the Group reassessed the presentation of certain interest-related balances as at 31 December 2024 to align with the nature of the underlying assets and liabilities. For further information, please refer to note 33 to the 2025 Financial Statements. For avoidance of doubt, similar reclassification is not made to the balances as at 31 December 2023 and to that extent, the balances as at 31 December 2023 are not comparable to the balances as at 30 June 2026, 31 December 2025 and 31 December 2024.

The internal rating classification of the Group's loans and advances, net outstanding as at 30 June 2026 and 31 December in each of 2025, 2024 and 2023 is set out under "*Risk management – Credit risk management – Generating the term structure of PD*". For information regarding the Group's internal rating classifications, see "*Risk management – Credit risk management – Credit rating and measurement*".

Portfolio sector and sub-sector concentration

The Group's loans and advances, net are concentrated within the energy sector by virtue of APICORP's founding mandate. However, the Group seeks to maintain a diversified profile of loans within that sector. The table below shows the classification by sub-sector within the energy sector of the Group's loans and advances, net outstanding by amount as at 30 June 2026 and 31 December in each of 2025, 2024 and 2023.

	As at 30 June	As at 31 December		
	2026 (Unaudited)	2025	2024	2023
		(U.S.$ million)		
Energy	2,630.4	2,613.0	2,566.4[(1)]	1,929.4
Materials	663.5	773.4	714.0	803.8
Financials and Sovereign	–	–	–	12.7
Utilities	2,737.6	2,411.0	2,099.8	1,658.6
Industrials	212.7	227.7	182.6	244.1
Total loans and advances, net	**6,244.2**	**6,025.1**	**5,562.8[(1)]**	**4,648.6**

Note:

(1) During 2025, the Group reassessed the presentation of certain interest-related balances as at 31 December 2024 to align with the nature of the underlying assets and liabilities. For further information, please refer to note 33 to the 2025 Financial Statements. For avoidance of doubt, similar reclassification is not made to the balances as at 31 December 2023 and to that extent, the balances as at 31 December 2023 are not comparable to the balances as at 30 June 2026, 31 December 2025 and 31 December 2024.

The table below shows the classification by sub-sector within the energy sector of the Group's loans and advances, net outstanding by proportion of the total loans and advances, net as at 30 June 2026 and 31 December in each of 2025, 2024 and 2023.

	As at 30 June	As at 31 December		
	2026 (Unaudited)	2025	2024	2023
		(per cent.)		
Energy	42.1	43.4	46.1[(1)]	41.5
Materials	10.6	12.8	12.8	17.3
Financials and Sovereign	–	–	–	0.3
Utilities	43.8	40.0	37.7	35.7
Industrials	3.4	3.8	3.3	5.3
Total	**100.0**	**100.0**	**100.0**	**100.0**

Note:

(1) During 2025, the Group reassessed the presentation of certain interest-related balances as at 31 December 2024 to align with the nature of the underlying assets and liabilities. For further information, please refer to note 33 to the 2025 Financial Statements. For avoidance of doubt, similar reclassification is not made to the balances as at 31 December 2023 and to that extent, the balances as at 31 December 2023 are not comparable to the balances as at 30 June 2026, 31 December 2025 and 31 December 2024.

Portfolio geographical concentration

The table below shows the geographical classification of the Group's loans and advances, net outstanding by amount as at 30 June 2026 and 31 December in each of 2025, 2024 and 2023.

	As at 30 June	As at 31 December		
	2026 (Unaudited)	2025	2024	2023
		(U.S.$ million)		
Kingdom of Saudi Arabia	2,488.4	2,407.3	2,048.1[(1)]	1,723.4
State of Qatar	402.5	415.5	477.3	427.6
Other Gulf Cooperation Council States	1,503.2	1,845.7	1,847.2	1,764.4
Egypt and North Africa	413.4	256.1	258.8	191.1
Total Arab world	**4,807.5**	**4,924.6**	**4,631.4[(1)]**	**4,106.7**
Europe	808.1	381.6	314.0	180.4
Asia and Oceania	547.1	347.7	449.4	196.9
United States	81.4	351.3	168.0	164.6
Other North & South Americas	–	19.9	–	–
Total loans and advances, net	**6,244.2**	**6,025.1**	**5,562.8[(1)]**	**4,648.6**

Note:

(1) During 2025, the Group reassessed the presentation of certain interest-related balances as at 31 December 2024 to align with the nature of the underlying assets and liabilities. For further information, please refer to note 33 to the 2025 Financial Statements. For avoidance of doubt, similar reclassification is not made to the balances as at 31 December 2023 and to that extent, the balances as at 31 December 2023 are not comparable to the balances as at 30 June 2026, 31 December 2025 and 31 December 2024.

The Group's loans and advances, net are also concentrated within the Arab world, again reflecting APICORP's mandate and its shareholder base.

The table below shows the geographical classification of the Group's loans and advances, net outstanding by proportion of the total loans and advances, net as at 30 June 2026 and 31 December in each of 2025, 2024 and 2023.

	As at 30 June	As at 31 December		
	2026 (Unaudited)	2025	2024	2023
		(per cent.)		
Kingdom of Saudi Arabia	39.9	40.0	36.8[(1)]	37.1
State of Qatar	6.4	6.9	8.6	9.2
Other Gulf Cooperation Council States	24.1	30.6	33.2	38.0
Egypt and North Africa	6.6	4.3	4.7	4.1
Total Arab world	**77.0**	**81.7**	**83.3[(1)]**	**88.3**
Europe	12.9	6.3	5.6	3.9
Asia and Oceania	8.8	5.8	8.1	4.2
United States	1.3	5.8	3.0	3.5
Other North & South Americas	–	0.3	–	–
Total loans and advances, net	**100.0**	**100.0**	**100.0**	**100.0**

Note:

(1) During 2025, the Group reassessed the presentation of certain interest-related balances as at 31 December 2024 to align with the nature of the underlying assets and liabilities. For further information, please refer to note 33 to the 2025 Financial Statements. For avoidance of doubt, similar reclassification is not made to the balances as at 31 December 2023 and to that extent, the balances as at 31 December 2023 are not comparable to the balances as at 30 June 2026, 31 December 2025 and 31 December 2024.

The Group's loans and advances, net are principally denominated in U.S. dollars although it also has a small amount of loans and advances, net denominated in Saudi Arabian riyal. Almost all the Group's loans and advances, net bear interest at floating rates of interest that reprice within one year or less.

The table below shows the weighted average effective interest rates of the Group's loans and advances, net as at 30 June 2026 and 31 December in each of 2025, 2024 and 2023.

	As at 30 June	As at 31 December		
	2026 (Unaudited)	2025	2024	2023
		(per cent.)		
Loans and advances, net	6.16	6.47	6.40	7.54
U.S. dollar denominated	6.16	6.47	6.40	7.54
Non-U.S. dollar denominated	5.96	5.79	5.79	7.50

Portfolio maturity breakdown

The table below shows a maturity profile of the Group's loans and advances, net as at 30 June 2026.

	Up to 3 months	3 months to one year	1 to 5 years	5 years and over	Total
Loans and advances, net (*U.S.$ million*)	288.4	625.9	2,836.9	2,493.0	**6,244.2**
Loans and advances, net (*per cent.*)	4.6	10.0	45.4	39.9	**100.0**

Commitments to lend and guarantees

The Group's principal commitments are to underwrite and fund loans to be made by it and to subscribe capital to direct equity investees. The Group's other commitments comprise its commitments relating to a number of projects mainly in the facility management areas.

The table below shows the Group's commitments and contingent liabilities as at 30 June 2026.

	As at 30 June 2026 (Unaudited)
	(U.S.$ million)
Commitments to underwrite and fund loans and trade finance	2,303.1
Commitments to subscribe capital to investments	372.4
Other commitments	0.5
	2,676.0

Equity Investments

Introduction

APICORP's primary focus in equity investments is investing directly in private companies. It also invests in public companies and/or indirectly in private and public companies through an investment in funds. The private companies invested in operate in the oil and gas industries, and in other industries derived from, ancillary to, associated with and/or complementary to, the oil and gas industry. Priority is given to Arab joint ventures that enhance the ability of the AEO Member States to utilise their petroleum resources. APICORP also seeks to play an active role in energy transition in the AEO Member States. APICORP is a responsible investor and is actively implementing a robust ESG framework and principles.

As at 30 June 2026, the Group's investment in equities and equity accounted investees, net (the "**Equity Investments' Portfolio**") principally comprised 19 direct equity investments in companies. Of these investments, 15 are in companies located in eight Arab countries: six in Saudi Arabia, two in Libya, two in the UAE and one each in Kuwait, Bahrain, Iraq and Jordan. The remaining four investment are in a company based in the United Kingdom and Global.

The Group continued to execute its investment strategy in line with its investment framework and business plan, including investments in Jafurah Midstream Assets and Tagaddod in 2025, and PAL Cooling and APSCO in 2026, while continuing to optimise and recycle capital through selective portfolio disposals, including the divestment of its investment in Misr Oil Processing Company ("**MOPCO**") in 2025.

During the six months ended 30 June 2024, the Group entered into an agreement to acquire a 19.2 per cent. stake in Acteon Group Ltd ("**Acteon**") alongside funds that are managed separately by One Equity Partners and Buckthorn Partners. Acteon is primarily engaged in the business of offshore and subsea foundations and engineering services. Further, the Group subscribed to a secondary public offering of Aramco which took place in June 2024. The Group received an allocation of U.S.$ 26.7 million. The Group also participated in the IPO of Parkin Company ("**Parkin**"), and the Group sold its allocation during the same period. In terms of exits, the Group exited from its investment in Coretrax, a platform that offers wellbore services. The transaction close was achieved in May 2024 and full exit proceeds realisation occurred by August 2024.

During 2023, the Group entered into separate discretionary portfolio management ("**DPM**") arrangements with two fund managers, Jadwa Investments and Ashmore Investments. Under these DPM arrangements, as of June 2024, an amount of U.S.$152.2 million was invested in public listed equities in the MENA region. The performance of each DPM will be evaluated

against the industry standard performance metrics of an established benchmark and risk parameters.

In the second quarter of 2023, the Group converted an Equity Bridge Loan Facility of U.S.$22.5 million into equity in an existing portfolio company Shuqaiq International Water and Electricity Company ("**SIWEC**").

In the third quarter of 2023, the Group entered into a limited partnership agreement with Energy Growth Momentum III (the "**EGM III Fund**"). The EGM III Fund will target companies in North America, Europe and Australia engaged in scalable operations and digital technology that improves the commercial and carbon efficiency of energy assets and utilities.

In terms of exits, the Group took advantage of the positive momentum in the oil and gas industry. The Group sold its entire holding in Aramco and successfully exited its holding in Lucid Energy Group, the last investment held under the managed account arrangement with Goldman Sachs & Co. In addition, the Group completed its exit from its investment in Ashtead Technology ("**Ashtead**") through two secondary offerings in 2022 and a final sale in 2023. During 2023, the Group also wound up APICORP Petroleum Shipping Fund Limited ("**APSF**") following the sale of its underlying assets. In addition, the Group's investment in the joint venture GC-16 Project ("**GC-16**") started returning capital as the contract comes to an end of its life and ultimately wound-up in May 2024. The Group also exited from Coretrax between May 2024 to September 2024.

The total fair value of the Equity Investments' Portfolio was U.S.$1.9 billion and U.S.$1.6 billion as at 30 June 2026 and 31 December 2025, respectively. The Equity Investments' Portfolio generated dividend income of U.S.$65.0 million in 2025, equal to 19.1 per cent. of the Group's total net income before operating expenses and impairments in 2025.

Most of the Group's 18 direct equity investments in companies are held at fair value, although the Equity Investments' Portfolio also includes three investments – Falcon Cement Company, Al-Khorayef United Holding Company ("**Al Khorayef**") and JWPC – which are equity accounted investees.

In addition to the 18 direct equity investments in companies, APICORP also has capital commitments in four funds.

Investment criteria

The Group typically invests in meaningful minority stakes when making direct equity investments and acts in a fiduciary and advisory capacity through board representation. The Group typically does not exercise significant direct influence over the management or operations of its investee companies.

The Group's investment guidelines for equity investments include:

- a targeted minimum level of dividend yield to be maintained on the overall equity portfolio;
- the targeting of investments in the energy sector as well as in industries derived from, ancillary to, associated with, and/or complementary to, this sector. The guidelines also make allowance for a limited level of investment outside these sectors;

- the prioritisation of investments in the MENA region and broadly investments with an Arab connection, with allowance for investments beyond these criteria subject to adhering to specific requirements;
- the provision for direct equity investments and indirect equity investments through funds;
- guidance on the collective level of investments in companies at different stages of the business life cycle, with a specific limit on investments in the early stages of development;
- guidance on targeted investment return ranges;
- guidance on preferred investment size ranges and a limit on the maximum size of each new investment;
- guidance on the preferred level of shareholding and board representation;
- guidance on the preferred and maximum investment periods;
- guidance on qualitative and developmental factors to be considered; and
- guidance on the preferred types of partners in equity investments.

Equity Investments' portfolio

The table below summarises the Equity Investments' Portfolio at 30 June 2026 (excluding DPM). These investments are at FVOCI, save where noted below.

Company	Paid up capital	APICORP's Effective share	Other major shareholders	Main activities
Arab Drilling and Workover Company (ADWOC), Libya	LD 60 million (equal to U.S.$12.6 million)	20.00%	Arab Petroleum Services Co. ("**APSCO**"), Libya; First Energy Bank, Bahrain	Drilling and related operations in the Arab world
Arab Company for Detergent Chemicals (ARADET), Iraq[(1)]	IQD 36 million (equal to U.S.$0.03 thousand)	32.00%	Iraqi, Saudi Arabian and Kuwaiti governments; Arab Mining Company, Amman, Jordan; The Arab Investments Co., Saudi Arabia	Production and marketing of linear alkyl benzene (LAB) and by-products
Arab Geophysical Exploration Services Company (AGESCO), Libya[(1)]	LD 35 million (equal to U.S.$7.3 million)	16.67%	APSCO, Libya; National Oil Company, Libya	Providing seismic services for the oil and gas industry in the Arab world
Saudi European Petrochemical Company (IBN ZAHR), Saudi Arabia	SAR 1,025 million (equal to U.S.$273.3 million)	10.00%	Saudi Basic Industries Corporation ("**SABIC**"), Saudi Arabia; Ecofuel, Italy	Production and marketing of methyl tertiary butyl ether (MTBE) and polypropylene (PP)

Company	Paid up capital	APICORP's Effective share	Other major shareholders	Main activities
The Arabian Industrial Fibers Company (IBN RUSHD), Saudi Arabia[(1)]	SAR 2,000 million (equal to U.S.$533.3 million)	3.45%	SABIC, Saudi Arabia; Public Investments Fund ("**PIF**"), Saudi Arabia	Production and marketing of aromatics, purified terephthalic acid (PTA) and polyester fibres
Arabian Petroleum Supply Company (APSCO)	U.S.$106.7 million	18.00%	HAACO; Other Minority Shareholders	Specializes in aviation fuels, lubricants manufacturing and distributions, service centers and recently fueling stations
Metito Utilities Limited (MUL)	U.S.$ 88.2 million	45.30%	Ghandour Family; Zamil	Water/waste water platform with presence across GCC, Africa, Europe, and Asia
PAL Cooling (DIF VII Co-Invest Project 4 C.V.)	U.S.$72.2 million	9.40%	CVC; Tabreed	A co-investment vehicle that has invested in Pal Cooling, one of the leading district cooling players in the region
Black Palm Holdings - Jafurah	U.S.$1,839 million	4.08%		Jafurah is an onshore gas development project located in Saudi Arabia's Eastern Province and is considered the largest non-associated gas field in the Middle East. The project covers a vast area of approximately 17,000 km^2 and focuses on the development of liquid-rich shale gas resources.
Egyptian Methanex Methanol Company (eMethanex), Egypt	U.S.$215 million	17.00%	Methanex Corporation, Canada; Egyptian Petrochemicals Holding Company ("**Echem**"), Egypt; Egyptian Natural Gas Holding Company ("**Egas**"), Egypt; Egyptian Natural Gas Company ("**EGASCO**"), Egypt	Production and marketing of methanol
The Industrialization & Energy Services Company (TAQA), Saudi Arabia	SAR 7,179 million (equal to U.S.$1,914 million)	5.94%	PIF, Saudi Arabia; General Organization for Social Insurance (GOSI), Saudi Arabia	Energy and related sectors (drilling, oil and gas fields services, seamless pipe manufacturing and industrial gases, among others)
Saudi Mechanical Industries Co.	SAR 250 million (equal to	15.00%	Fajr Capital; Jadwa Investment Company	Industrial Manufacturing (oil and gas, water pump

Company	Paid up capital	APICORP's Effective share	Other major shareholders	Main activities
(SMI), Saudi Arabia	U.S.$66.7 million)			systems and engineering components)
Falcon Cement Company B.S.C., Bahrain[1][2]	BD 17.4 million (equal to U.S.$46.1 million)	30.00%	GFH Financial Group	Production and marketing of cement
Shuqaiq International Water and Electricity Company (SIWEC), Saudi Arabia	SAR 3 million (equal to U.S.$0.8 million)	8.00%	Al Jomaih Energy and Water Company Limited; GIC, Kuwait	Holding company for the Shuqaiq Independent Water & Power Project
Al-Khorayef United Holding Company, Kuwait[2]	KD 4 million (equal to U.S.$13 million)	24.00%	Al Khorayef Group; United Oil Projects Company	Ownership and management of oil and gas gathering and steam injection facilities
Yellow Door Energy (YDE), UAE	U.S.$209.84 million	11.52%	Actis, International Finance Corporation; Mitsui & Co.	Distributed solar energy systems
MidOcean[3]	U.S.$638.8 million	6.2%	EIG; Saudi Aramco; Mitsubishi Corporation; Idemitsu Kosan; NYK Line; Shizuoka Gas	Investing and developing a diversified, cost-competitive global portfolio of liquefied natural gas (LNG) assets
IntraTaf Holding – Jordan Wind Power Company (JWPC), Jordan[2]	U.S$28.0 million	20.00%	Masdar; Al Blagha Group	Holding company that owns Tafila Wind Farms, an independent wind power project in Jordan
Project Santis L.P. (Acteon Group)	GBP 114 million (equal to USD 145 million)	19.2%	Funds managed by: • One Equity Partners • Buckthorn Partners	Offshore and subsea foundations and engineering services.
IFC Middle East and North Africa Fund, LLP (IFC Fund)	U.S.$108.0 million[4]	10.00%	IFC Founder Partner, LLC; Arab Fund for Economic and Social Development; The Arab Investment Company; Japan International Cooperation Agency	Investment in equity, quasi-equity or equity-related investments in IFC's member countries in the MENA region
Abrdn Investcorp Infrastructure	U.S.$262.5 million[4]	9.52%	PIF, Asian Infrastructure Investment Bank (AIIB), Aberdeen Standard	Invest in essential infrastructure investments

Company	Paid up capital	APICORP's Effective share	Other major shareholders	Main activities
Partners, LP (Abrdn Fund)			Investment and Investcorp	in the GCC and wider MENA region.
GIP Emerging Market Fund 1 (GIP Fund)	U.S.$2,100 million[4]	4.7%	Mubadala (UAE), Asian Infrastructure Investment Bank (AIIB), Abu Dhabi Retirement Pension & Benefits Fund (UAE) and Government Service Insurance System (Philippines)	Mandated to invest in the Energy, Transportation and Water/Waste sectors in Asia and Latin America
Energy Growth Momentum Fund III (EGM III Fund)	U.S.$95.8 million[4]	10.0%	Commonfund Capital Environmental Sustainability, Red Planet Investments Limited and Lotus International Limited Partners	Targets scalable operations and digital technology that improves the commercial and carbon efficiency of energy assets and utilities
Tagaddod	U.S.$ 27.4 million	33.00%	A15; FMO; VKAV	A prominent UCO player – largest in North Africa – with unique integrated proposition combining sizeable UCO handling volume using a proven smart technology solution
BlackRock Middle East Infrastructure Fund (BMIF)	U.S.$1,300.0 million	12.0%	PIF Hassana Al Fozan Group	Infrastructure Fund which aims to build a portfolio of critical infrastructure assets and businesses in Middle East countries.
TAEF Hartree Cleantech LP (Vertree)	U.S.$120.0 million	50.0%	Hartree	Investments in global VC energy transition with current themes focused on decarbonisation
BMIF Polar Holdings Co-Invest Fund, L.P. UAE (5)	U.S.$20.3 million	100.0%	–	A co-investment vehicle that has invested in positive zero, an integrated energy transition platform
Oaktree Power Opportunities Fund	U.S.$3,038 million	2.50%	-	A PE fund that invests in products and services supporting Power Supply Chain across a multitude of industries.
TPG Rise Climate II, L.P.	U.S.$8,000 million	0.63%	Lunate	A PE fund that allocates capital across three major climate sectors: Clean Electrons (energy transition, green mobility), Clean Molecules & Materials

Company	Paid up capital	APICORP's Effective share	Other major shareholders	Main activities
				(sustainable fuels, sustainable materials and products), and Negative Emissions (carbon solutions)
TPG Rise Climate Global South Initiative, L.P.	U.S.$2,500 million	1.00%	Alterra	Is a climate-focused private equity fund built around a blended-finance structure, and it sits alongside TPG Rise Climate II as a dedicated Global South sleeve of TPG's ~$19bn impact platform.
Stonepeak Global Renewables Fund II L.P. (GRF II)	U.S.$5,000 million	1.50%	KIA	A PE fund that iinvests in renewable energy infrastructure across developed (OECD) markets — primarily North America, Europe, and developed Asia — where regulatory frameworks are stable.

Notes:
(1) Fully impaired investment.
(2) Equity accounted investees.
(3) This is the capital of the holding company and not the company in which TAEF invested directly.
(4) Total committed capital of the fund. IFC Fund, Abrdn Fund, GIP Fund and EGM III Fund are classified as investments at FVTPL.
(5) Consolidated as a subsidiary.

Note: The Group contributed a total of U.S.$84.5 million towards the managed account arrangement with Goldman, Sachs & Co. The vehicle made three investments which have been exited. The APICORP Managed Account Investment Vehicle, North America (MAIV) is consolidated as a subsidiary of APICORP but is now pursuing voluntary liquidation.

The table below summarises the geographical spread of the Equity Investments' Portfolio (including the DPM but, save as noted in note (1) to the table) at 30 June 2026.

Country	No. of investments	Fair value at 30 June 2026	Percentage of portfolio
		(U.S.$ million)	*(per cent.)*
Kingdom of Saudi Arabia	7	785.0	41.6
Egypt	1	217.9	11.5
Libya	2	12.8	0.7
Kuwait	1	47.1	2.5
UAE	2	46.4	2.5
MENA(1)	4	57.9	3.1
Jordan	1	24.8	1.3
United Kingdom	2	165.4	8.8
Global(2)	11	353.3	18.7
DPM	3	176.8	9.4
	34.0	**1,887.4**	**100.0**

Notes:
(1) Comprises the investment in the Adwoc, IFC Fund and Abrdn Fund.
(2) Comprises the investment in the respective Funds and Taggadod.

Each company in the Equity Investments' Portfolio has its own dividend policy, which is usually governed by the amount of the annual profit earned, the company's liquidity, its business growth plans and the policies and priorities of the majority shareholders.

Exit strategy

The Equity Investments team is responsible for identifying potential exit opportunities, assessing the feasibility and desirability of potential exits and recommending potential divestments to the appropriate decision-making body in accordance with the Group's approved authority matrix. In addition, the team is responsible for the effective execution of exit mandates in line with the Group's investment guidelines.

Given its development mandate, the Group's direct and indirect equity investments have typically been long-term and strategic in nature. For example, four of its current direct equity investments have been held for over 30 years and the average holding period in the Equity Investments' Portfolio is approximately 14 years.

While maintaining this long-term investment approach, the Group continues to optimise its portfolio.

During the six months ended 30 June 2026, the Group exited from its direct investment in Yansab, a listed company in Saudi Arabia,

In 2025, the portfolio also reflected disciplined portfolio management through significant exits, including the full divestment of the Group's investment in MOPCO.

During the six months ended 30 June 2024, the Group exited from its investment in Coretrax, a platform that offers wellbore services. The transaction was closed in May 2024 and full exit proceeds realisation occurred by August 2024.

In May 2023, the Group announced the completion of its exit from its investment in Ashtead Technology, in line with its strategy of regularly reviewing its portfolio and divesting from investments that have achieved their envisaged objectives. In addition, the APSF was wound up during 2023 following its successful sale of the underlying assets, being five medium range petroleum products tankers.

During 2023, the Group's investment in the joint venture, GC-16, started returning capital as the contract nears maturity. The joint venture was wound-up in May 2024. The managed account arrangement with Goldman Sachs & Co. has exited all its investments and is pursuing voluntary liquidation.

Treasury and Capital Markets

Introduction

Treasury and Capital Markets' mandate is to:

- ensure that APICORP is adequately funded and that a diverse range of counterparties, products and maturity profiles are available at any given time;

- manage market risks proactively. See further "*Risk management – Market risk management*"; and

  manage an investment portfolio with the aim of providing enhanced earnings not correlated to the Group's other two main cyclical business lines.

As at 30 June 2026, Treasury and Capital Markets had assets of U.S.$5,419.0 million. The total market value of Treasury and Capital Markets' debt securities at FVOCI at 30 June 2026 was U.S.$2,965.6 million and was principally invested in issuers with ratings between AAA and BBB. The average rating of the debt portfolio as at 30 June 2026 was A+. During the six-month period ended 30 June 2026, Treasury and Capital Markets' debt securities at FVOCI generated U.S.$55.7 million of interest income, equal to 17.4 per cent. of the Group's total interest income in that period.

Investment strategy

Treasury and Capital Markets operates out of two centres: APICORP's head office in Riyadh and APICORP's branch in Bahrain. Both treasuries work closely together, and consider their operations as one, except to the extent that local regulation dictates otherwise.

The Group's treasury investment strategy is conservative, targeting high-quality assets and liquid investments aiming to provide a stable and reliable source of income throughout different economic and market conditions and un-correlated to the economic cycles inherent in the Corporate Banking and Equity Investments business lines. Treasury's investment policy permits investments in three major asset classes, fixed income securities (including treasury bills), funds and equities.

The aim of this strategy is to enhance profitability by providing stable year-on-year returns over cost of funds and to manage the Group's liquidity while remaining within defined risk parameters. The majority of the Debt securities at FVOCI comprises fixed income securities which can either be sold or used to raise finance through sale and repurchase transactions if necessary.

The allocation of investments is mainly based on the performance outlook of each asset class, taking into account liquidity considerations, which on occasion leads the Group to adjust its asset mix to ensure that it maintains a conservative approach. Treasury and Capital Markets endeavours to avoid significant volatility in its investment portfolio and focuses on capital preservation. Currently, the majority of the portfolio is invested in fixed income securities, almost all of which are denominated in U.S. dollars and none of which include embedded derivative elements.

Treasury's debt securities at FVOCI

The Group, through its Treasury & Capital Markets business line, manages a debt securities at FVOCI with the aim of providing enhanced earnings not correlated to its other two main cyclical business lines, which are direct and syndicated lending to, and direct equity investments in, companies and other entities engaged in the oil and gas and energy industries. The debt securities at FVOCI principally comprises fixed and floating rate bonds and sukuk and treasury bills make up the balance of the portfolio.

Portfolio breakdown by security type

The table below shows a breakdown of the Group's debt securities at FVOCI by amount and proportion of the total as at 30 June 2026 and 31 December in each of 2025, 2024 and 2023.

	As at 30 June	As at 31 December		
	2026 (Unaudited)	2025	2024	2023
		(U.S.$ million)		
Treasury bills	999.8	2,198.5	1,224.2	878.4
Fixed-rate bonds	1,929.3	1,756.0	1,781.5	1,844.7
Floating-rate bonds	36.5	92.7	155.0	188.6
Interest receivable	-	-	-[(1)]	21.6
	2,965.6	**4,047.3**	**3,160.7[(1)]**	**2,933.4**
		(per cent.)		
Treasury bills	33.7	54.3	38.7	29.9
Fixed-rate bonds	65.1	43.4	56.4	62.9
Floating-rate bonds	1.2	2.3	4.9	6.4
Interest receivable	-	-	-[(1)]	0.7
	100.0	**100.0**	**100.0**	**100.0**

Note:

(1) During 2025, the Group reassessed the presentation of certain interest-related balances as at 31 December 2024 to align with the nature of the underlying assets and liabilities. For further information, please refer to note 33 to the 2025 Financial Statements. For avoidance of doubt, similar reclassification is not made to the balances as at 31 December 2023 and to that extent, the balances as at 31 December 2023 are not comparable to the balances as at 30 June 2026, 31 December 2025 and 31 December 2024.

All of the Group's treasury investments are fair valued using quoted prices on active markets or using observable or derived prices for similar instruments from active markets at the end of each reporting period. The Group uses a portion of the securities within the portfolio as collateral for repo-based financing transactions, and as at 30 June 2026, the fair value of debt investments at FVOCI pledged as collateral under repurchase agreements was U.S.$494.0 million. As at 31 December 2025, 2024 and 2023, the fair value of debt investments at FVOCI pledged as collateral under repurchase agreements was U.S.$503.0 million, U.S.$493.0 million and U.S.$551.0 million, respectively.

Portfolio maturity breakdown

The table below shows a maturity profile of the fixed and floating income securities in the Group's debt securities at FVOCI as at 30 June 2026.

	Up to 3 months	3 months to one year	1 to 5 years	5 years and over	Total
Debt securities at FVOCI (U.S.$ million)	1,017.4	287.9	797.6	862.7	**2,965.6**
Debt securities at FVOCI (per cent.)	34.3	9.7	26.8	29.1	**100.0**

Ratings classification of debt securities at FVOCI

As at 30 June 2026, the Group's debt securities at FVOCI had a weighted average credit rating of 'A+'.

The table below shows the ratings classification by issuer type of the Group's debt securities at FVOCI by amount as at 30 June 2026.

	Stage 1	Stage 2	Stage 3	Total
AAA to AA-	1,319.8	–	–	1,319.8
A+ to A-	1,115.7	–	–	1,115.7
BBB to BBB-	363.3	–	–	363.3
BB+ to B-	165.5	–	–	165.5
C	1.3	–	–	1.3
Unrated	-	–	–	-
Gross amount	**2,965.6**	–	–	**2,965.6**
ECL allowance	(8.4)	–	–	(8.4)
	2,957.2	–	–	**2,957.2**

Sectoral breakdown of debt securities at FVOCI

The Group's debt securities at FVOCI principally comprises debt securities at FVOCI issued by financial institutions and governments and public sector bodies. The remaining debt securities at FVOCI are principally invested within the utilities and energy sectors.

The table below shows the sectoral breakdown of the Group's debt securities at FVOCI by amount as at 30 June 2026 and 31 December 2025, 2024 and 2023.

	As at 30 June	As at 31 December		
	2026 (Unaudited)	2025	2024	2023
		(U.S.$ million)		
Energy	242.6	161.5	276.7	277.7
Materials	53.5	43.4	26.4	46.9
Financials and sovereign	2,428.3	3,713.7	2,641.4[(1)]	2,437.4
Utilities	69.2	42.3	99.2	57.6
Industrials	172.0	86.3	117.0	113.8
Total debt securities at FVOCI	**2,965.6**	**4,047.3**	**3,160.7[(1)]**	**2,933.4**

Note:

(1) During 2025, the Group reassessed the presentation of certain interest-related balances as at 31 December 2024 to align with the nature of the underlying assets and liabilities. For further information, please refer to note 33 to the 2025 Financial Statements. For avoidance of doubt, similar reclassification is not made to the balances as at 31 December 2023 and to that extent, the balances as at 31 December 2023 are not comparable to the balances as at 30 June 2026, 31 December 2025 and 31 December 2024.

The table below shows the sectoral breakdown of the Group's debt securities at FVOCI by proportion of the total as at 30 June 2026 and 31 December 2025, 2024 and 2023.

	As at 30 June	As at 31 December		
	2026 (Unaudited)	2025	2024	2023
		(per cent.)		
Energy	8.2	4.0	8.8	9.5
Materials	1.8	1.1	0.8	1.6
Financials and sovereign	81.9	91.8	83.6[(1)]	83.1
Utilities	2.3	1.0	3.1	2.0
Industrials	5.8	2.1	3.7	3.9
Total	**100.0**	**100.0**	**100.0**	**100.0**

Note:

(1) During 2025, the Group reassessed the presentation of certain interest-related balances as at 31 December 2024 to align with the nature of the underlying assets and liabilities. For further information, please refer to note 33 to the 2025 Financial Statements. For avoidance of doubt, similar reclassification is not made to the balances as at 31 December 2023 and to that extent, the balances as at 31 December 2023 are not comparable to the balances as at 30 June 2026, 31 December 2025 and 31 December 2024.

Geographic concentration of debt securities at FVOCI

The table below shows the geographic classification of the Group's debt securities at FVOCI by amount as at 30 June 2026 and 31 December 2025, 2024 and 2023.

	As at 30 June	As at 31 December		
	2026 (Unaudited)	2025	2024	2023
		(U.S.$ million)		
Kingdom of Saudi Arabia	659.2	439.8	496.4	143.3
State of Qatar	100.0	101.8	63.7	140.5
Egypt and North Africa	20.6	22.6	10.0	75.9
Other Gulf Cooperation Council States	535.0	532.9	574.4[(1)]	807.8
Total Arab world	**1,314.8**	**1,097.2**	**1,144.5[(1)]**	**1,167.6**
Europe	102.9	184.3	233.6	268.6
Asia and Oceania	83.5	104.5	466.8	103.3
United States	1,052.3	2,216.9	1,315.7	1,393.9
Other North & South Americas	412.1	444.4	–	–
Total debt securities at FVOCI	**2,965.6**	**4,047.3**	**3,160.7[(1)]**	**2,933.4**

Note:

(1) During 2025, the Group reassessed the presentation of certain interest-related balances as at 31 December 2024 to align with the nature of the underlying assets and liabilities. For further information, please refer to note 33 to the 2025 Financial Statements. For avoidance of doubt, similar reclassification is not made to the balances as at 31 December 2023 and to that extent, the balances as at 31 December 2023 are not comparable to the balances as at 30 June 2026, 31 December 2025 and 31 December 2024.

The table below shows the geographic classification of the Group's debt securities at FVOCI by proportion of the total as at 30 June 2026 and 31 December 2025, 2024 and 2023.

	As at 30 June	As at 31 December		
	2026 (Unaudited)	2025	2024	2023
		(per cent.)		
Kingdom of Saudi Arabia	22.2	10.9	15.7	4.9
State of Qatar	3.4	2.5	2.0	4.8
Egypt and North Africa	0.7	0.6	0.3	2.6
Other Gulf Cooperation Council States	18.0	13.2	18.2[(1)]	27.5
Total Arab world	**44.3**	**27.1**	**36.2[(1)]**	**39.4**
Europe	3.5	4.6	7.4	9.2
Asia and Oceania	2.8	2.6	14.8	3.5
United States	35.5	54.8	41.6	47.5
Other North & South Americas	13.9	11.0	–	–
Total	**100.0**	**100.0**	**100.0**	**100.0**

Note:

(1) During 2025, the Group reassessed the presentation of certain interest-related balances as at 31 December 2024 to align with the nature of the underlying assets and liabilities. For further information, please refer to note 33 to the 2025 Financial Statements. For avoidance of doubt, similar reclassification is not made to the balances as at 31

December 2023 and to that extent, the balances as at 31 December 2023 are not comparable to the balances as at 30 June 2026, 31 December 2025 and 31 December 2024.

Interest rate structure of fixed income portfolio

The table below shows the weighted average effective interest rates of the fixed and floating rate bonds within the Group's debt securities at FVOCI as at 30 June 2026 and 31 December 2025, 2024 and 2023.

	As at 30 June	As at 31 December		
	2026 (Unaudited)	2025	2024	2023
		(per cent.)		
Fixed-rate bonds	5.25	4.97	4.90	3.12
Floating-rate bonds	4.93	4.22	5.60	6.56

Competition

The Group's primary competition is from regional, international and development banks which have recognised expertise in project finance, ship finance and structured commodity finance as well as the financing of energy projects and energy trade in the MENA region. However, in many cases competitors on certain deals are also partners on other deals leading to competitive partnership. The Group is also increasingly facing competition from local banks in their own jurisdictions which have established expertise in the project financing area and are prepared to support aggressively their national champions and landmark projects. These banks also benefit from the ability to fund themselves with low-cost retail deposits in their local currency. This competition directly impacts the Group's ability to win advisory and structuring mandates and also affects the pricing of transactions, particularly at times where there is significant market liquidity. This competition may also lead to certain transactions being structured in a more aggressive manner than the Group considers appropriate in light of the risks involved.

With regard to direct equity investments, the Group's competition includes investment funds and private equity companies, large family holding companies with interest in the oil and gas industry, and energy project developers.

See generally "*Risk Factors – Factors that may affect APICORP's ability to fulfil its obligations under Subordinated Notes issued under the Programme – The Group faces significant and increasing competition*".

Compliance

The Group is committed to building and maintaining a culture of ethical behaviour, corporate governance and regulatory compliance. The Group's compliance function is independent from its business activities. Among other things, the compliance function is responsible for:

- determining the internal measures and procedures needed to comply with applicable laws, regulations, procedures and internal standards and providing appropriate guidance to employees;
- monitoring adherence to all applicable laws, regulations, procedures and internal standards either directly or by delegating this responsibility to other clearly identified departments or persons as part of the Group's internal control process;

- assisting management in ensuring that all activities are conducted in conformity with all applicable requirements; and
- assessing the appropriateness of the Group's compliance-related guidelines and, where necessary, proposing amendments.

The Group's Compliance and Anti-money Laundering ("**AML**") policy sets out minimum standards which must be complied with across the Group. These include:

- the appointment and approval of the Compliance Officer, who is responsible for overseeing compliance with relevant regulations, rules and best practices;
- the appointment and approval of the Money Laundering Reporting Officer, who is responsible for overseeing all AML activity within the Group;
- establishing and maintaining thorough customer due diligence, identification, verification and know your customer ("**KYC**") procedures, including enhanced due diligence for high risk counterparties (such as certain correspondent banks and politically exposed persons);
- in accordance with Central Bank of Bahrain regulations and Financial Action Task Force ("**FATF**") recommendations, the Group does not deal with banks that have no physical presence;
- ongoing monitoring of counterparty activities and frequent counterparty reviews;
- procedures for identifying and reporting suspicious transactions internally and/or to regulatory bodies (such as the Central Bank of Bahrain);
- the retention of records for minimum prescribed periods in accordance with applicable regulations; and
- appropriate reporting on compliance/AML matters to senior management and the Board (where material).

The Group is committed to preventing the use of its operations for money laundering, terrorist financing and other criminal purposes. In its approach to combat money laundering and terrorist financing, the Group is committed to adhering to all laws and regulations that are applicable in Saudi Arabia, Bahrain and other countries in which it operates. It is also committed to complying with international best practices, especially those endorsed by the FATF, the Basel Committee on Banking Supervision and the Wolfsberg Group.

The Group seeks to ensure that it maintains full compliance with all applicable laws and regulations in all jurisdictions in which it does business (including those promulgated by the U.S. Office of Foreign Assets Control, the European Union and the United Nations). APICORP complies with all applicable laws and regulations on sanctioned countries or entities regardless of its Syrian and Libyan shareholders, including blocking transactions where appropriate, including with respect to shareholders, investments and lending activity. The Group's Sanctions Compliance Policy covers:

- screening customers/clients and transactions globally against the sanctions lists issued by the United Kingdom's HM Treasury, the European Union, the United Nations

and the United States of America Department of the Treasury – Office of Foreign Assets Control;

- prohibiting business activity, including prohibitions on commencing or continuing customer relationships or providing products or services or facilitating transactions that the Group believes may violate applicable sanctions laws or its Sanctions Compliance Policy, including dealing with individuals or entities named on a sanctions list or conducting business, directly or indirectly, involving countries or territories subject to comprehensive sanctions;

- restricting business activity involving, directly or indirectly, countries or persons subject to more selective or targeted sanctions programmes, which impacts not only the types of products or services that the Group may make available but also the types of transactions the Group may process;

- investigating all customer/client alerts or transactions that are flagged in the Group's screening systems; and

- reporting breaches of sanctions laws to the relevant regulatory authority.

Effective AML and KYC procedures form a fundamental part of the Group's internal control regime. Ongoing KYC, AML and sanctions training is provided to all of the Group's employees on a regular basis.

Internal Audit

The Group has engaged Deloitte & Touche Advisory Saudi Limited ("**Deloitte**") to conduct the internal audit of all of its activities. Deloitte reports its findings to the Board Audit and Compliance Committee.

Information Technology

The Group uses IT to support the delivery of its business strategy. The Group uses market leading software solutions for its financial services and enterprise resource planning to provide services to its business and to respond to new trends in business strategies as they arise. The Group deals with a range of hardware and software partners as well as outsourcing vendors to achieve its long-term strategic IT vision, which is to ensure that the IT services that it delivers are reliable, secure and business aligned.

The Group has a data centre with appropriate redundancy levels, high availability and a managed virtualised environment. It has also established a disaster recovery site which enables data replication with the main data centre for all critical applications.

APICORP's cyber-security procedures aim to ensure the maximum information and network protection from cyber threats and operate at four main levels:

- network security, which aims to ensure the security of APICORP's network from threats originating both inside and outside APICORP;

- application security, which is designed to ensure that any application developed or acquired meets stringent standards of security;

- information system security, which comprises the processes and methodologies involved in keeping information confidential and available and assuring its integrity; and
- end-users security, which seeks to protect APICORP from end-users' activity and end-users from threats emanating from both within and outside APICORP.

RISK MANAGEMENT

Introduction

The role of risk management is to understand, measure and manage risk in all aspects of the Group's business. The Group aims to embed a risk management culture in all its business processes and to ensure that a risk management culture is adopted throughout the organisation. Accordingly, the Group seeks to continually improve its risk management in line with industry standards and Central Bank of Bahrain guidelines and by investing in the right people and systems.

The Group's risk management framework is designed to integrate risk management across its strategy, business activities and internal corporate functions. The framework is underpinned by a comprehensive Risk Appetite Framework, aligned with global best practices and reviewed regularly by senior management and the Board. The Group strengthened its enterprise-wide risk culture by extending risk oversight across internal functions, updating core risk policies and enhancing its risk monitoring systems, reporting processes and limit frameworks. These measures support the proactive identification, assessment and management of risk and help maintain a risk profile consistent with the Group's mandate, strategic objectives and high investment-grade rating standards.

The Group's risk management framework is supported by a comprehensive set of Board-approved policies that define its risk appetite, establish control parameters and guide decision-making across its activities. These include, among others, the Credit Risk Policy, Expected Credit Loss Policy, Liquidity Risk Policy, Market Risk Policy, Interest Rate Risk in the Banking Book Policy, Operational Risk Policy, and Stress Testing Policy. Collectively, these policies establish the principles and requirements for identifying, measuring, managing, monitoring and reporting risk and support prudent capital deployment, disciplined balance sheet management and responsible integration of sustainability considerations. The policies are reviewed and updated periodically to reflect changes in the Group's strategy, activities, operating environment and applicable standards.

Financial Risk Management Objectives

The Board has overall responsibility for overseeing the Group's risk management framework and operates through specialised Board committees with clearly defined mandates. Following the reorganisation of the Board committee structure, the Board Risk and Sustainability Committee oversees the Group's Risk Framework, Risk Appetite Statement, ESG and Sustainability Risk Framework and risk-related internal controls. The Board Audit and Compliance Committee separately oversees financial reporting, internal control, compliance, external audit and internal audit. This structure provides specialised oversight of risk, sustainability, compliance and assurance matters.

At management level, the Risk Management and Compliance Committee oversees the Risk Appetite Framework, risk monitoring, compliance monitoring and cybersecurity. The Credit Committee oversees credit and loan approvals, credit portfolio oversight, credit risk management, credit products and expected credit loss management. The Asset and Liability Committee oversees the asset-liability management framework, treasury products, liquidity planning, liquidity risk assessment and liquidity performance monitoring. The Sustainability Committee oversees ESG risk management, green finance and green bonds, and sustainability reporting. The Investment Committee oversees the investment pipeline,

investment portfolio performance and investment governance. These committees provide management-level review and escalation of matters within their respective mandates and support implementation of the Board-approved risk framework and policies.

For a further discussion of the Group's Board and senior management committees, see "*Management and employees – Management*".

The Group's Risk Management function is responsible for maintaining and implementing the enterprise-wide risk management framework, including the Risk Appetite Framework, risk policies, exposure and concentration limits, risk measurement methodologies, rating models and related manuals. The function independently monitors the Group's risk profile against approved limits and thresholds, provides risk reporting to the relevant management and Board committees, and supports the identification, assessment, escalation and mitigation of material risks across the Group's business activities and internal functions.

Credit Risk Management

Introduction

Credit risk is the risk that a borrower or counterparty will be unable or unwilling to meet a commitment that it has entered into with the Group, causing a financial loss to the Group. Credit risk principally arises from the Group's lending, treasury and other activities. The Group has established policies and procedures to control and monitor these risks and it also monitors concentration of credit risk by sector and by geographic location.

Proposed loans and direct and indirect equity investments are subject to systematic investigation, analysis and appraisal as set forth below. Once approved, all loan commitments, whether drawn or undrawn, are subject to systematic monitoring so that potential problems may be detected early and remedial action taken.

The Group's treasury activities, including its investments in fixed income securities and its bank placements, are controlled by means of a framework of limits and external credit ratings. Investing in marketable securities is primarily restricted to GCC countries, the United States and major European 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 Risk Management Committee.

Credit approval process

All of the Group's credit transactions undergo two levels of review before being proposed for Board approval, with interim approval being granted as a clearance to perform further due diligence. Final approval is only granted after detailed due diligence has been conducted and the results are considered satisfactory.

Applicants for direct credit are required to submit detailed information to the Group, including relevant background information as well as specific information on their management, business model, major suppliers and customers and bank relationships and limits. In addition, the Group typically requires audited financial statements for the last three years as well as current year financial information where available. The availability of sovereign guarantees and commitments and export credit agency cover are also key factors in the evaluation of a credit application.

Officers within Corporate Banking conduct a financial analysis of the applicant, propose an internal credit grade and negotiate the key terms of the proposed facility with the applicant. They also conduct screening checks and undertake site visits. All credit applications are also reviewed independently by the Risk Management Department. Risk queries are discussed with the transaction team and the queries and their resolution are reflected in the credit application. Reference checks are made through market sources and intermediaries. Where appropriate, specialist consultants may be engaged to undertake technical, financial and/or legal due diligence. Once the credit application has been completed, it and the accompanying risk review and any external due diligence reports obtained are submitted to the management level Credit Committee for review and approval.

Where the Group is participating in a syndicated loan, the Group typically receives and reviews the standard credit package submitted to all potential syndicate participants. The Group's review process for syndicated loan participations does not materially differ from that for its direct lending.

In each case, once all internal review and validation steps have been completed, the application is submitted to the Credit Committee, which makes an appropriate recommendation to the Board. The Board has the ultimate authority to sanction commitments.

Credit rating and measurement

The Group's risk rating system is the basis for determining the credit risk of its asset portfolio and, therefore, appropriate asset pricing, the portfolio management strategy and loss provisions and reserves. The risk rating is also a key factor in credit approval.

The Group 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 judgment. 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.

Each exposure is allocated to a credit risk grade at initial recognition based on available information about the borrower and the relevant transaction. Exposures are subject to ongoing monitoring and periodic review, which may result in an exposure being reassigned to a different credit risk grade where its credit profile changes. Internal risk reports covering key portfolio indicators, credit quality, delinquency, impairment and concentration risk are presented to the relevant management committees and to the Board Risk and Sustainability Committee. Exposures are monitored for performance through established portfolio-review processes, including review of financial performance, covenant compliance, payment behaviour, utilisation and other relevant qualitative and quantitative indicators. Client engagement and account monitoring are undertaken to support the early identification and proactive management of emerging credit concerns.

The information used to assign and monitor credit risk grades comprises:

- information obtained from customer files, including audited financial statements, management accounts, budgets and projections. Example areas of particular focus

are: gross profit margins, financial leverage ratios, debt service coverage, compliance with covenants, quality of management and senior management changes;

- data from credit reference agencies, press articles and changes in external credit ratings;
- quoted bond and credit default swap 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;
- the borrower's payment record, including its overdue status as well as a range of variables about payment ratios;
- utilisation of the granted limit;
- requests for and granting of forbearance; and
- existing and forecast changes in business, financial and economic conditions.

The Group also 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;
- the criteria do not align with the point in time when an asset becomes 30 days past due; and
- there is no unwarranted volatility in loss allowance from transfers between 12-month probability of default ("**PD**") (stage 1 under IFRS 9) and lifetime PD (stage 2 under IFRS 9).

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

The Group 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. While the internal credit grade system is not intended to replicate external credit grades, factors used to grade a borrower may be similar and 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 Group to decide the maximum lending amount and to set minimum pricing thresholds.

The Group has adopted a five-tiered asset classification, being Standard, Watch List, Substandard, Doubtful and Loss, and grades its assets under 10 rating categories. Assets within the AAA to C rating band (that is, AAA, AA, A, BBB, BB, B and C) are considered to be performing assets and assets graded DDD, DD or D are considered to be non-performing assets.

The Group 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 Group will measure the loss allowance based on lifetime rather than 12-month expected credit losses.

The table below summarises the Group's asset classification and grading model.

Internal rating	Asset classification	Default indicator
AAA to AA-	Standard	No past due payments
A+ to A-	Standard	No past due payments
BBB+ to BBB-	Standard	No past due payments
BB+ to B-	Standard	No past due payments
NR	NR	No past due payments
C	Watch list	Past due payments of 90 days or less
DDD	Substandard	Past due payment of 180 days or less
DD	Doubtful	Past due payment of 360 days or less
D	Loss	Past due payment of more than 360 days

The Group has a risk-based pricing mechanism under which the allocation of capital for each loan is based on the loan's internal rating, in accordance with Basel guidance that riskier assets should require more capital. The Group's loans are priced to derive an acceptable return on capital which means that higher pricing is applied to riskier loans.

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 Group 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 Group 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 (such as forbearance experience) on the risk of default. For most exposures, key macro-economic indicators include GDP growth.

Based on advice from the Risk Management Department 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 Group then uses these forecasts to adjust its estimates of PDs.

The base case represents a most-likely outcome and is aligned with information used by the Group for other purposes, such as strategic planning and budgeting. The other scenarios represent more optimistic and more pessimistic outcomes.

The Group 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 use the key indicators for the selected countries such as interest rates and GDP growth.

The tables below show the internal rating classification of the Group's loans and advances at amortised cost and their corresponding IFRS 9 stage classification as at 30 June 2026 and 31 December in each of 2025, 2024 and 2023.

	As at 30 June 2026 (Unaudited)			
	(U.S.$ million)			
	Stage 1	**Stage 2**	**Stage 3**	**Total**
AAA – AA-	668.8	–	–	668.8
A+ - A-	2,498.2	–	–	2,498.2
BBB – BBB-	1,973.5	–	–	1,973.5
BB+ - C	1,193.2	–	–	1,193.2
D		–	59.5	59.5
Gross amount	**6,333.7**	–	**59.5**	**6,393.2**
ECL allowance	(65.5)	–	(41.1)	(106.6)
Carrying amount	**6,268.2**	–	**18.4**	**6,286.6**

	As at 31 December 2025			
	(U.S.$ million)			
	Stage 1	**Stage 2**	**Stage 3**	**Total**
AAA to AA-	466.9	–	–	**466.9**
A	2,433.8	–	–	**2,433.8**
BBB	1,875.9	1.3	–	**1,877.1**
BB to C	1,323.8	47.4	–	**1,371.3**
D	–	–	13.5	**13.5**
Gross amount	**6,100.4**	**48.8**	**13.5**	**6,162.6**
ECL allowance	(59.4)	(16.1)	(13.5)	(89.0)
Carrying amount	**6,041.0**	**32.7**	–	**6,073.6**

	As at 31 December 2024			
	(U.S.$ million)			
	Stage 1	**Stage 2**	**Stage 3**	**Total**
AAA to AA	503.9	–	–	**503.9**
A	2,122.4	–	–	**2,122.4**
BBB	1,992.2[(1)]	101.3	–	**2,093.5[(1)]**
BB to C	–	980.3	–	**980.3**
D	–	–	26.4	**26.4**
Gross amount	**4,618.5[(1)]**	**1,081.5**	**26.4**	**5,726.4[(1)]**
ECL allowance	(11.6)	(77.3)	(26.4)	(115.3)
Carrying amount	**4,606.9[(1)]**	**1,004.2**	–	**5,611.1[(1)]**

Note:

(1) During 2025, the Group reassessed the presentation of certain interest-related balances as at 31 December 2024 to align with the nature of the underlying assets and liabilities. For further information, please refer to note 33 to the 2025 Financial Statements. For avoidance of doubt, similar reclassification is not made to the balances as at 31 December 2023 and to that extent, the balances as at 31 December 2023 are not comparable to the balances as at 30 June 2026, 31 December 2025 and 31 December 2024.

	As at 31 December 2023			
	(U.S.$ million)			
	Stage 1	**Stage 2**	**Stage 3**	**Total**
AAA – AA-	522.4	–	–	522.4
A+ - A-	1,782.7	–	–	1,782.7
BBB – BBB-	1.030.8	198.0	–	1,228.7
BB+ - C	289.0	844.4	–	1,133.4
D	–	–	36.5	36.5
Gross amount	**3,624.9**	**1,042.4**	**36.5**	**4,703.8**
ECL allowance	(4.0)	(56.8)	(36.5)	(97.4)
Carrying amount	**3,620.9**	**985.6**	–	**4,606.4**

Credit mitigation

The Group seeks to mitigate potential credit losses from any given account, customer or portfolio using a range of tools, including taking collateral or guarantees in particular. The reliance that can be placed on these credit mitigation resources is carefully assessed taking into account their legal enforceability, the market value of any collateral and the counterparty risk of any guarantor.

The Group accepts a range of collateral types, including receivables; fixed assets such as plant and machinery; marketable securities; commodities; bank guarantees; and LCs. Risk mitigation policies control the approval of different collateral types.

The Group values its collateral in accordance with its risk mitigation policy, which prescribes the frequency of valuation for different collateral types. The valuation frequency is driven by the level of price volatility of each type of collateral and the nature of the underlying product or risk exposure. Collateral held against impaired financings is maintained at fair value.

The Group also purchases comprehensive non-payment insurance cover for certain exposures in non- investment grade countries based on transaction credit assessments.

Exposure Management Framework

The Group manages and monitors its credit risk exposure by deploying a risk-based approach for setting credit risk limits on APICORP's lending portfolio.

The Group's Exposure Management Framework sets the boundaries of various lending exposures at APICORP, enhancing risk-based diversification and efficient capital utilisation across geographies, counterparties and asset classes to maintain the diversified nature of the lending portfolio and avoiding concentration in terms of individual counterparties, groups (i.e., connected counterparties), countries and exposures that are significant in size.

Liquidity Risk

Liquidity risk is the risk that the Group will encounter difficulty in meeting obligations associated with financial liabilities that are settled by delivering cash or another financial asset. Liquidity risk management aims to ensure that funds are available to meet the Group's funding requirements.

The Group's liquidity management policies are designed to ensure that even under adverse conditions, the Group has access to adequate funds to meet its obligations, and to service its core investment and lending functions. This is achieved by the application of prudent but flexible controls, which provide security of access to liquidity without undue exposure to increased costs from the liquidation of assets or the need to bid aggressively for deposits.

The Group seeks to maintain an adequate level of quality liquid assets to continuously support its liquidity needs. Well-diversified sources of funding are also maintained, and liquidity mismatches are monitored and managed on a proactive basis. The Group's liquidity risk policy is in compliance with the Central Bank of Bahrain's Basel II and Basel III guidelines. As part of liquidity management, the Group also seeks to ensure the availability of term financing at competitive rates at all times to meet its long-term funding requirements.

Management continues to monitor and respond to all liquidity and funding requirements that are presented. The Group also continues to calibrate stress testing scenarios to current market conditions in order to assess the impact on the Group in extreme stress. The liquidity and funding position of the Group remains strong and management believes that the Group is well placed to absorb and manage the impacts of market stress.

The Group monitors its daily liquidity position and regularly conducts stress testing under a variety of scenarios covering both normal and more severe market conditions.

All the Group's liquidity policies are subject to review and approval by the Asset and Liability Committee (the "**ALCO**"). Liquidity controls are provided for an adequately diversified deposit base in terms of maturities and the range of counterparties.

The table below summarises the Group's asset and liability maturity profile, based on management's estimates of repayment, as at 30 June 2026 and 31 December in each of 2025, 2024 and 2023. A more detailed table showing individual statement of financial position line items is set out in note 26 of the 2025 Financial Statements and note 27 of the 2024 Financial Statements.

	Up to 3 months	3 months to 1 year	1 – 5 years	5 years and over	Total
			(U.S.$ million)		
30 June 2026					
Total assets	1,686.9	2,973.1	3,912.3	5,423.90	**13,996.00**
Total liabilities and off-balance sheet exposures	(954.4)	(2,079.2)	(8,177.3)	(1,693.1)	**(12,904.0)**
Maturity gap	732.5	893.9	(4,265.2)	3,730.8	**1,092.00**
Cumulative maturity gap	732.5	1,626.4	(2,638.8)	1,092.0	–
31 December 2025					
Total assets	2,811.0	1,922.9	3,787.9	4,895.8	**13,417.6**
Total liabilities and equity	(2,265.1)	(1,514.9)	(6,298.3)	(2,643.3)	**(12,721.6)**
Maturity gap	546.0	408.0	(2,510.4)	2,252.5	**696.1**
31 December 2024					
Total assets	1,833.2	601.6	3,469.9	5,013.3	**10,918.0**

	Up to 3 months	3 months to 1 year	1 – 5 years	5 years and over	Total
			(U.S.$ million)		
Total liabilities and off-balance sheet exposures	(1,083.2)	(1,834.1)	(6,411.3)	(1,169.8)	**(10,498.4)**
Maturity gap	750.0	(1,232.5)	(2,941.4)	3,843.6	**419.6**
Cumulative maturity gap	750.0	(482.5)	(3,423.9)	419.6	–
31 December 2023					
Total assets	1,712.37	439.1	3,602.3	4,127.7	**9,881.4**
Total liabilities and off-balance sheet exposures	(1,511.8)	(1,475.7)	(5,740.0)	(371.1)	**(9,098.5)**
Maturity gap	200.5	(1,036.6)	(2,137.7)	3,756.7	**782.9**
Cumulative maturity gap	200.5	(836.1)	(2,973.8)	782.9	–

The Group's funding profile has been strengthened by increasing the amount of its medium- and long-term funding. As a result, the Group's liquidity mismatch position has improved as evidenced by the trend in maturity gaps shown in the table above.

Market Risk Management

Market risk is the risk that changes in market factors, such as interest rates, equity prices and foreign exchange rates, will affect the Group'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 optimising the return on risk.

The majority of the Group's investments (which are not actively traded) are debt securities at FVOCI. The Group also has a small amount of equity-related funds and equity securities at FVOCI. 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 recognised rating agencies.

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

Interest rate risk

The Group's loans and advances, net and its funding are principally denominated in U.S. dollars and the interest rates for both are typically linked to underlying reference rates, significantly hedging its floating interest rate positions. The Group's exposure to interest rate fluctuations on certain financial assets and liabilities is also contractually hedged through interest rate swap agreements.

The Group's exposure to interest rate risk is restricted by permitting only a limited mismatch between the re-pricing of the main components of its assets and liabilities. The table below summarises the Group's interest rate sensitivity gap by repricing period and its cumulative gap as at 30 June 2026 and 31 December in each of 2025, 2024 and 2023. A more detailed table showing individual statement of financial position line items is set out in note 26 of the 2025 Financial Statements and note 27 of the 2024 Financial Statements.

	Up to 3 months	3 months to 1 year	1 – 5 years	5 years and over	Total
			(U.S.$ million)		
30 June 2026					
Interest rate sensitivity gap	1,177.7	634.3	20.0	21.1	1,853.1
Cumulative gap	1,177.7	1,812.02	1,832.0	1,853.1	1,853.1

	Up to 3 months	3 months to 1 year	1 – 5 years	5 years and over	Total
			(U.S.$ million)		
31 December 2025					
Interest rate sensitivity gap	2,266.3	69.2	(268.9)	–	2,066.5
Cumulative gap	2,266.3	2,335.4	2,066.5	2,066.5	2,066.5
31 December 2024					
Interest rate sensitivity gap	2,027.1	(2,048.8)	1,125.8	747.9	1,852.0
Cumulative gap	2,027.1	(21.7)	1,104.1	1,851.9	1,851.9
31 December 2023					
Interest rate sensitivity gap	1,203.2	(1,048.0)	1,011.1	634.7	1,801.0
Cumulative gap	1,203.2	155.2	1,166.3	1,801.1	1,801.1

A positive figure in the table above indicates that the Group has a higher volume of assets than liabilities which re-priced in the relevant period. Where the Group's gaps are positive, this means that the Group typically benefits in an increasing interest rate environment but is adversely affected in a falling interest rate environment.

The management of interest rate risk against interest rate gap limits is supplemented by monitoring the sensitivity of the Group'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 parallel fall or rise in all yield curves worldwide.

The table shows an analysis of the sensitivity of the Group's statement of income and equity as at 30 June 2026 and 31 December in each of 2025, 2024 and 2023 and to an increase or decrease in market interest rates (assuming no asymmetrical movement in yield curves and a constant consolidated statement of financial position).

	100 basis point parallel increase		100 basis point parallel decrease	
	Profit or loss	Equity	Profit or loss	Equity
		(U.S.$ million)		
As at 30 June 2026	(60.1)	3.8	60.1	(3.8)
As at 31 December 2025	(37.8)	(65.8)	37.8	65.8
As at 31 December 2024	19.3	0.3	(19.3)	(0.3)
As at 31 December 2023	16.8	0.3	(16.8)	(0.3)

Treasury's fixed income portfolio is also exposed to credit spread risk. APICORP manages this risk through investing in highly rated securities (with a target portfolio rating of "A") with shorter tenor and diversified characteristics.

Currency risk

Currency risk is minimised by conducting a regular review of exposures to currencies other than the U.S. dollar to ensure that no significant positions are taken which may expose the Group to undue risks. The Group does not trade in foreign exchange. The Group's exposures in currencies other than the U.S. dollar are also partially hedged by entering into forward contracts.

The table below shows an analysis of the sensitivity of the Group's statement of income to a 5 per cent. strengthening or a 5 per cent. weakening of the U.S. dollar against major un-pegged foreign currencies as at 30 June 2026 and 31 December in each of 2025, 2024 and 2023. The analysis assumes that all other variables, in particular interest rates, remain the same.

	5 per cent. strengthening of U.S. dollar	5 per cent. weakening of U.S. dollar
	(U.S.$ million)	
As at 30 June 2026		
EGP	(0.68)	0.68
GBP	15.93	(15.93)
KWD	(2.07)	2.07
EUR	27.05	(27.05)
As at 31 December 2025		
EGP	(0.56)	0.56
GBP	(1.67)	1.67
KWD	–	–
EUR	(0.16)	0.16
As at 31 December 2024		
EGP	(0.08)	0.08
GBP	7.98	(7.98)
KWD	(1.36)	1.36
EUR	6.36	(6.36)
As at 31 December 2023		
EGP	(0.19)	0.19
GBP	(0.79)	0.79
KWD	(8.12)	8.12
EUR	(0.26)	0.26

The Group also has minor sensitivities in other currencies. For further information see note 26 to the 2025 Financial Statements and 27 to the 2024 Financial Statements. The Group's only material exposures are in U.S. dollars and currencies linked to the U.S. dollar.

Equity price risk

Equity price risk is the risk that the Group's quoted equity investments will depreciate in value due to movements in their quoted equity prices. The ALCO is responsible for managing equity price risk. Periodic listed equity price movements are reviewed by executive management and the ALCO. The Group believes that it has an insignificant exposure to listed equities.

Note 28 to the 2025 Financial Statements contains details of the Group's fair value hierarchy and categories of financial instruments.

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 Group's 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. The Group's internal audit function makes regular, 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 and, as part of the Group's overall business continuity planning, APICORP has established crisis management communication guidelines to ensure that all appropriate initial steps are taken in relation to both internal and external stakeholders, such as customers, employees, regulators and counterparties, in the event of a crisis. In addition, an incident management system has been developed to report, assess and control operational risks across the Group.

Cybersecurity Risk

Cybersecurity risk is the risk of operational disruption, unauthorised access, information compromise or other adverse consequences arising from cyber threats or weaknesses in information systems. The Group manages this risk through a dedicated cybersecurity framework that includes continuous monitoring, vulnerability assessments, penetration testing, incident-response arrangements and recovery capabilities. During 2025, the Group further strengthened its cybersecurity governance and controls, including through ISO/IEC 27001 certification, enhancement of its Security Operations Centre, strengthened privileged-access and vulnerability-management controls, and integration of cybersecurity risk into the wider enterprise risk management framework.

ESG and Climate Change Risk

ESG and climate change risk is the risk of financial, operational or reputational impacts arising from environmental, social and governance factors, including physical and transition climate risks. The Group manages these risks through its ESG risk policy and toolkit, which support the identification, assessment and monitoring of relevant risks across its activities and portfolio. During 2025, the Group completed an ESG and Climate Change Risk Baseline Assessment, providing a structured foundation for further integrating ESG and climate-related considerations into the enterprise risk management framework and enhancing related governance, analysis and reporting.

CAPITALISATION

The table below shows the Group's cash and cash equivalents, total financial debt, total equity and total capitalisation as at 30 June 2026. This table should be read in conjunction with the Interim Financial Information.

	As at 30 June 2026
	(U.S.$ million) *(Unaudited)*
Cash and cash equivalents	**270.7**
Term financing[(1)] (unguaranteed and unsecured)	1,700.0
Sukuk and bonds issued[(2)] (unguaranteed and unsecured)	6,909.5
Total financial debt[(3)]	**8,609.5**
Share capital	1,500.0
Legal reserve	351.3
Other reserves[(4)]	1,916.7
Total equity[(5)]	**3,768.0**
Total capitalisation[(6)]	**12,377.5**

Notes:

(1) Includes current portion of term financing amounting to U.S.$300.0 million.

(2) Includes current portion of sukuk and bonds issued amounting to U.S.$1,127.8 million.

(3) Total financial debt represents the sum of term financing and sukuk and bonds issued.

(4) Other reserves represents the sum of general reserve, investments fair value and other reserves, and retained earnings.

(5) Total equity represents the sum of share capital, legal reserve and other reserves.

(6) Total capitalisation represents the sum of total financial debt and total equity.

Except as described in this Base Prospectus, there has been no material change in the Group's capitalisation since 30 June 2026.

DISTANCE TO TRIGGER EVENTS[1]

Capitalised terms used but not defined in this section shall have the same meaning as that set out in "Terms and Conditions of the Subordinated Notes" above.

If, on any Determination Date, the ratio of Total Assets to Total Equity exceeds 8.0 to 1.0 this will result in the occurrence of an Interest Cancellation Trigger Event, upon which a Mandatory Interest Cancellation will occur.

If, on any Determination Date, the ratio of Total Assets to Total Equity exceeds 16.0 to 1.0, this will result in the occurrence of a Write-Down Event, upon which a Write-Down will occur.

The table below sets forth the Total Assets, Total Equity, the ratio of Total Assets to Total Equity and the distance to each of (i) Interest Cancellation Trigger Event and (ii) Write-Down Event, in each case, as at 30 June 2026, 31 December 2025, 31 December 2024 and 31 December 2023 derived from the Financial Statements. This table should be read in conjunction with the Financial Statements and related notes:

	As at 30 June 2026	**As at 31 December**		
	(Unaudited)	**2025**	**2024**	**2023**
		(U.S.$ in millions except ratios)		
Total Assets	13,996.0	13,417.6	10,918.0	9,881.4
Total Equity	3,768.0	3,641.2	3,353.5	3,168.9
(Total Assets to Total Equity) Ratio	3.7	3.7	3.3	3.1
Distance to Interest Cancellation Trigger Event	16,147.8	15,711.6	15,910.1	15,470.0
Distance to Write-Down Trigger Event	46,291.7	44,840.8	42,738.1	40,821.4

[1] References to "Total Equity" in this section are to Total Shareholder Equity for the purposes of the Terms and Conditions of the Subordinated Notes.

SELECTED FINANCIAL INFORMATION

The following information has been extracted from, and should be read in conjunction with, and is qualified in its entirety by reference to, the Financial Statements. This Base Prospectus contains certain reclassified financial information for the year ended 31 December 2024 which was reassessed in presentation to conform with the 2025 Financial Statements. PricewaterhouseCoopers Public Accountants has not audited, reviewed, examined, compiled nor applied agreed-upon procedures with respect to the reclassified financial information (as included in the selected financial information below) as at and for the year ended 31 December 2024 for the purpose of its inclusion herein, and, accordingly, PricewaterhouseCoopers Public Accountants does not provide any form of assurance with respect thereto for the purpose of this Base Prospectus. The PricewaterhouseCoopers Public Accountants independent auditor's report incorporated by reference in this Base Prospectus relates solely to the Issuer's previously issued financial statements for the year ended 31 December 2024. It does not extend to the reclassified financial information mentioned below and should not be read to do so.

See also "Presentation of Group financial information" for a discussion of the sources of the numbers contained in this section.

Consolidated Statement of Financial Position Data

The table below shows the Group's consolidated statement of financial position data as at 30 June 2026 and 31 December 2025, 2024 and 2023.

	As at 30 June	As at 31 December		
	2026 (Unaudited)	2025	2024	2023
			(U.S.$ million)	
Assets				
Cash and cash equivalents	270.7	332.3	137.0	211.6
Placements with banks, net	2,006.8	1,064.9	237.6[(1)]	507.9
Assets held for sale	–	–	–	12.6
Positive fair value of derivatives	83.7	125.2	49.5[(1)]	66.8
Loans and advances, net	6,244.2	6,025.1	5,562.8[(1)]	4,648.6
Investments in debt[(2)]	3,198.3	4,074.8	N/A	N/A
Investments in equity[(2)]	1,717.3	1,471.1	N/A	N/A
Investments[(2)]	N/A	N/A	4,718.4	4,342.0
Equity accounted investees, net	128.0	121.2	96.2	54.4
Other assets	322.3	176.2	110.9[(1)]	3.7
Property, equipment and right of use assets	24.8	26.8	30.0	33.8
Total assets	**13,996.0**	**13,417.6**	**10,918.0**	**9,881.4**
Liabilities				
Deposits	830.6	457.0	772.7[(1)]	1,270.4
Securities sold under agreements to repurchase	445.5	445.5	445.5[(1)]	500.5
Negative fair value of derivatives	70.3	45.4	121.3[(1)]	231.2
Other liabilities	272.1	248.2	201.9[(1)]	99.2
Term financing	1,700.0	1,850.0	1,450.0[(1)]	957.6
Sukuk and bonds issued	6,909.5	6,730.3	4,573.1[(1)]	3,653.6
Total liabilities	**10,228.0**	**9,776.5**	**7,564.5**	**6,712.5**
Equity				
Share capital	1,500.0	1,500.0	1,500.0	1,500.0
Legal reserve	351.3	351.2	323.0	296.0
General reserve	316.1	316.1	316.1	316.1

	As at 30 June	As at 31 December		
	2026 (Unaudited)	2025	2024	2023
			(U.S.$ million)	
Investments fair value and other reserves	578.8	608.1	627.8	719.8
Retained earnings	1,021.8	865.7	586.5	337.0
Total equity attributable to shareholders of the Corporation	**3,768.0**	**3,641.2**	**3,353.5**	**3,168.9**
Non-controlling interests	0.0	0.0	0.0	0.0
Total equity	**3,768.0**	**3,641.2**	**3,353.5**	**3,168.9**
Total liabilities and equity	**13,996.0**	**13,417.6**	**10,918.0**	**9,881.4**

Notes:

(1) During 2025, the Group reassessed the presentation of certain interest-related balances as at 31 December 2024 to align with the nature of the underlying assets and liabilities. For further information, please refer to note 33 to the 2025 Financial Statements. For avoidance of doubt, similar reclassification is not made to the balances as at 31 December 2023 and to that extent, the balances as at 31 December 2023 are not comparable to the balances as at 30 June 2026, 31 December 2025 and 31 December 2024.

(2) The "investments in debt" and "investments in equity" line items were combined and disclosed as a single line item labelled "investments" in the 2024 Financial Statements.

Consolidated Statements of Income and Comprehensive Income Data

The table below shows the Group's consolidated statement of income for the six months ended 30 June 2026 and 2025 and for the years ended 31 December 2025, 2024 and 2023.

	For the six months ended 30 June		For the year ended 31 December		
	2026 (Unaudited)	2025 (Unaudited)	2025	2024	2023
	(U.S.$ million)			*(U.S.$ million)*	
Interest income	319.7	315.4	661.6	632.3	523.8
Interest expense	(205.0)	(204.2)	(429.7)	(416.1)	(338.4)
Net interest income	**114.6**	**111.2**	**231.9**	**216.2**	**185.4**
Dividend income	18.6	13.1	65.0	54.5	85.0
Net change in fair value of financial assets at FVTPL	20.5	(0.3)	7.4	41.8	23.3
Net gain/(loss) on disposal of financial assets at FVOCI[(1)]	8.2	10.6	16.1	4.7	(5.5)
Fee income	2.7	10.9	17.3	13.3	5.8
Other income, net[(2)]	3.7	1.3	(7.2)	17.9	5.1
Share of profit from equity accounted investees, net	3.0	4.2	9.2	9.0	6.5
Total net income before operating expenses[(3)]	**171.3**	**151.0**	**339.7**	**357.4**	**305.6**
Operating expenses	(27.1)	(27.1)	(66.4)	(67.7)	(63.0)
Impairment (loss)/ release on financial instruments, net	(18.8)	5.2	9.0	(24.1)	(10.6)
Impairment loss on other assets	–	–	–	–	(6.7)
Net income for the period/year	**125.4**	**129.1**	**282.4**	**265.7**	**225.3**
Net income for the period/year attributable to:					
Shareholders of the Corporation	125.4	129.1	282.4	265.7	225.4
Non-controlling interests	–	0.0	–	(0.0)	(0.1)
Net income for the period/year	**125.4**	**129.1**	**282.4**	**265.7**	**225.3**

Note

(1) This line item was labelled as "Net gain/ (loss) on disposal of debt securities held at FVOCI" in the 2025 Financial Statements and the 2024 Financial Statements.

(2) This line item was labelled as "Other (expense)/ income" in the 2025 Financial Statements and "Other income" in the 2024 Financial Statements.

(3) This line item was labelled as "Total net income before operating expenses and impairments" in the 2025 Financial Statements and the 2024 Financial Statements.

The table below shows a summary of the Group's consolidated statement of comprehensive income data for the six months ended 30 June 2026 and 2025 and for the years ended 31 December 2025, 2024 and 2023.

	For the six months ended 30 June		For the year ended 31 December		
	2026 (Unaudited)	2025 (Unaudited)	2025	2024	2023
	(U.S.$ million)			*(U.S.$ million)*	
Net income for the period/year	125.4	129.1	282.4	265.7	225.3
Other comprehensive income/(loss)					
Items that will not be reclassified to the statement of income					
Net change in fair value of equity securities at FVOCI	13.0	5.5	8.0	(103.0)	11.8
Re-measurement gain/(loss) on end of service benefits	–	–	1.5	0.1	(1.2)
Items that are or may be reclassified subsequently to the statement of income					
Net change in fair value of debt securities at FVOCI	(8.6)	(28.9)	11.7	26.5	44.1
Share of other comprehensive income from equity accounted investees	5.3	–	–	–	–
Reclassified to statement of income on sale of debt securities at FVOCI	(8.2)	(10.6)	(16.1)	(4.7)	5.5
Total other comprehensive income/(loss) for the period/year	**1.4**	**(34.0)**	**5.3**	**(81.1)**	**60.2**
Total comprehensive income for the period/year	**126.8**	**95.1**	**287.6**	**184.6**	**285.5**

Consolidated Statement of Cash Flows Data

The table below shows a summary of the Group's consolidated statement of cash flows data for the six months ended 30 June 2026 and 2025 and for the years ended 31 December 2025, 2024 and 2023.

	For the six months ended 30 June		For the year ended 31 December		
	2026 (Unaudited)	2025 (Unaudited)	2025	2024	2023
	(U.S.$ million)			*(U.S.$ million)*	
Net cash generated from/(used in) operating activities	(1,186.1)	(1,119.1)	(1,190.2)	(1,184.4)	550.3
Net cash generated from/(used in) investing activities	1,011.8	(12.4)	(957.3)	(261.8)	(402.4)
Net cash generated from financing activities	112.6	1,190.1	2,342.8	1,371.6	42.1
Cash and cash equivalents at beginning of the period/year	332.3	137.0	137.0	211.6	21.6
Cash and cash equivalents at end of period/year	270.7	195.6	332.3	137.0	211.6

Selected Financial Ratios (APMs)

The table below shows certain financial ratios for the Group as at and for the six months ended 30 June 2026 and as at and for the years ended 31 December 2025, 2024 and 2023. Each of these ratios is an APM, see "*Presentation of Group Financial Information – Certain non-IFRS financial information*".

	As at and for the six months ended 30 June	As at 31 December		
	2026 (Unaudited)	2025	2024	2023
	(per cent.)		*(per cent.)*	
Return on assets[(1)]	1.79	2.10	2.43	2.28
Return on equity[(2)]	6.66	7.76	7.92	7.11
Return on paid up capital[(3)]	16.72	18.83	17.71	15.02
Capital adequacy ratio[(4)]	27.91	30.45	29.12	29.17
Tier 1 capital ratio[(4)]	26.97	29.51	28.04	28.18
Total shareholders' funds/total assets[(5)]	**26.92**	**27.14**	**30.72**	**32.07**

Notes:

(1) Net Income for the period/year divided by total assets at the end of the period/year. The ratio presented for the six-month period ended 30 June 2026 has been annualised for comparability with the ratios for the years ended 31 December 2025, 2024 and 2023.

(2) Net Income for the period/year divided by total equity at the end of the period/year. The ratio presented for the six-month period ended 30 June 2026 has been annualised for comparability with the ratios for the years ended 31 December 2025, 2024 and 2023.

(3) Net Income for the period/year divided by share capital at the end of the period/year. The ratio presented for the six-month period ended 30 June 2026 has been annualised for comparability with the ratios for the years ended 31 December 2025, 2024 and 2023.

(4) Calculated in accordance with Central Bank of Bahrain's Basel II and Basel III requirements.

(5) Total equity attributable to shareholders of the corporation divided by total assets at the end of the period/year.

MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS OF APICORP

The following discussion and analysis should be read in conjunction with the information set out in "Presentation of Group financial information", "Capitalisation", "Selected financial information" and the Interim Financial Information and Annual Financial Statements.

The discussion of the Group's financial condition and results of operations is based upon the Interim Financial Information, which has been prepared in accordance with IAS 34 as endorsed in the Kingdom of Saudi Arabia, and the Annual Financial Statements, which have been prepared in accordance with IFRS as endorsed in the Kingdom of Saudi Arabia. This Base Prospectus contains certain reclassified financial information for the year ended 31 December 2024 which were reassessed in presentation to conform with the 2025 Financial Statements. PricewaterhouseCoopers Public Accountants has not audited, reviewed, examined, compiled nor applied agreed-upon procedures with respect to the reclassified financial information (as described below in the "Management's Discussion and Analysis of Financial Condition and Results of Operations of APICORP" section) as at and for the year ended 31 December 2024 for the purpose of its inclusion herein, and, accordingly, PricewaterhouseCoopers Public Accountants does not provide any form of assurance with respect thereto for the purpose of this Base Prospectus. The PricewaterhouseCoopers Public Accountants independent auditor's report incorporated by reference in this Base Prospectus relates solely to the Issuer's previously issued financial statements for the year ended 31 December 2024. It does not extend to the reclassified financial information mentioned below and should not be read to do so. This discussion contains forward-looking statements that involve risks and uncertainties. The Group's actual results could differ materially from those anticipated in these forward-looking statements as a result of various factors, including those discussed below and elsewhere in this Base Prospectus, particularly under the headings "Cautionary statement regarding forward-looking statements" and "Risk factors".

See "Presentation of Group financial information" for a discussion of the source of the numbers presented in this section.

Overview

APICORP is a multilateral financial institution focused on the energy industry. Its purposes, as set out in the Establishing Agreement, are:

- participating in financing petroleum projects and industries, and in fields of activity which are derived from, ancillary to, associated with or complementary to petroleum projects and industries; and
- giving priority to Arab joint ventures which benefit the AEO Member States and enhance their ability to utilise their petroleum resources and to invest their savings to strengthen their economic and financial potential.

APICORP seeks to achieve its purpose by supporting relevant projects through participating in syndicated loans or making direct loans, giving guarantees and/or through equity investments. It also participates in trade financing activities, provides project-related financial advisory services and publishes research insights relating to strategic and relevant issues in the MENA region energy industry.

The Group's principal assets are its loans and advances, net which principally generate interest income, its direct and indirect equity investments which principally generate dividend income and its debt securities at FVOCI which generates interest income and is intended to provide earnings which are not correlated to the Group's two other more cyclical business lines of lending to, and making equity investments in, projects in the oil and gas and energy industries.

For the six-month period ended 30 June 2026, the Group had net interest income of U.S.$114.6 million and U.S.$18.6 million in dividend income. The Group's net income for this period was U.S.$125.4 million.

Principal Factors Affecting Results of Operations

The following is a discussion of the principal factors that have affected, or are expected to affect, the Group's results of operations.

Changes in international oil prices

Reflecting APICORP's mandate, the majority of the Group's direct and syndicated lending is to borrowers in the oil and gas and energy industries (including downstream/petrochemicals, utilities and maritime transport of related products). In addition, a significant proportion of the Group's direct and indirect equity investments are in the oil and gas and energy sectors (including downstream/petrochemicals and utilities) and the Group also owns debt securities issued by entities in the oil and gas sector.

The oil and gas industry has historically been cyclical, with levels of investment and profitability dependent on prevailing international oil and gas prices, which have fluctuated significantly over the past two decades, and are likely to remain volatile in the future. The OPEC reference basket price per barrel, which is a price based on the average of the prices of petroleum blends that are produced by OPEC member countries, in 2023, 2024 and 2025 was U.S.$82.95, U.S.$79.89 and U.S.$69.59, respectively. Prices have been especially volatile since the Iran conflict began on 28 February 2026, with the daily OPEC reference basket price per barrel reaching a high of U.S.$146.05 on 19 March 2026. The daily OPEC reference basket price per barrel was U.S.$76.87 on 30 June 2026.

In the six months ended 30 June 2026, the Group experienced:

- an increase in its net interest income compared to the six months ended 30 June 2025, see "– *Factors affecting net interest income*" below;
- an increase in its dividend income compared to the six months ended 30 June 2025, see "– *Factors affecting dividend income*" below;
- an increase in demand for syndicated and direct lending, illustrated by a 3.6 per cent. increase in loans and advances, net outstanding as at 30 June 2026 compared to 31 December 2025;
- higher impairment losses on financial instruments compared to the six months ended 30 June 2025, see "– *Results of operations – Impairment, net*" below; and
- changes in fair value of its financial assets at FVTPL and gains and losses on disposal of its financial assets at FVOCI, which impacted its consolidated statement of income, and changes in the fair value of its equity and debt securities at FVOCI, which

impacted its consolidated statement of comprehensive income, as further described under "– *Results of operations*" below.

While these are unprecedented times for the entire region, the impact of these events on the Group's overall credit profile has been relatively well contained given its diversified exposures across sectors, counterparties, and geographies. The Group continues to benefit from prudent risk management practices, a high-quality asset base, strong liquidity profile and capital metrics

In 2025, average oil prices were lower than in 2024 although the loan portfolio remained resilient due to low correlation between the Group's interest income and oil prices as a result of diversification in the oil sector through loans to refineries and trading companies as well as loans to other industries such as utilities and renewables.

In 2024, oil and gas prices decreased compared to 2023. Although upstream oil and gas exporters benefit from high prices, downstream industries (for example, the refining, petrochemicals and utilities sectors to which the Group is exposed) typically continue operating under tightening margins due to rising feedstock and raw material prices.

Factors affecting net interest income

The Group's net interest income represents the difference between its interest income and its interest expense. The Group derives interest income principally from its loans and advances, net made, its debt securities at FVOCI, its placements with banks and the amortisation of loan participation and up-front fees. The Group incurs interest expense principally on its bank financing, its sukuk and bonds issued, the deposits it takes from banks, corporates and shareholders and its securities sold under agreement to repurchase. The Group's interest-bearing assets and liabilities increased at the end of each period under review in this section, except for: (i) its deposits, which decreased as at 31 December 2025 compared to 31 December 2024, and as at 31 December 2024 compared to 31 December 2023; and (ii) its term financing, which decreased as at 30 June 2026 compared to 31 December 2025.

The Group's interest income is principally affected by the volume of its interest earning assets and the rates of interest that it charges on those assets whilst its interest expense is principally affected by the volume of its interest-bearing liabilities and the rates of interest that it is charged on those liabilities.

Three-month SOFR rates varied from 3.65 per cent. to 4.33 per cent. during 2025, with an average rate of 4.15 per cent. As a result of the global decrease in interest rates in 2025, the Group's weighted average effective interest rates for both its interest-bearing financial assets and its interest-bearing financial liabilities generally decreased (significantly in the case of the Group's principal asset category) in 2025 compared to 2024 as illustrated in the table below.

	As at 30 June	As at 31 December		
	2026	2025	2024	2023
		(per cent.)		
Interest-bearing financial assets				
Fixed-rate debt securities	5.25	4.97	4.90	3.12
Floating-rate debt securities	4.93	4.22	5.60	6.56
Placements with banks	4.03	3.25	5.03	5.21
Loans and advances, net	6.16	6.47	6.40	7.54

	As at 30 June	As at 31 December		
	2026	2025	2024	2023
		(per cent.)		
Interest-bearing financial liabilities				
Bank term financing	4.41	4.55	5.14	6.06
Sukuk and bonds	3.97	3.46	2.65	2.61
Deposits from banks	3.90	4.03	4.87	5.77
Deposits from corporates	3.82	3.92	4.89	5.79
Deposits from Shareholders	3.59	3.86	4.52	6.11
Securities sold under repurchase agreements	4.60	4.62	5.31	6.16

For an analysis of the factors driving the changes in the Group's net interest income, see "– *Results of operations – Net interest income*" below.

Factors affecting dividend income

The Group derives dividend income from its direct and indirect equity investments at FVOCI. For the six months ended 30 June 2026, the Group's dividend income amounted to U.S.$18.6 million compared to U.S.$13.1 million for the six months ended 30 June 2025. For the year ended 31 December 2025, the Group's dividend income amounted to U.S.$65.0 million compared to U.S.$54.5 million in 2024 and U.S.$85.0 million in 2023.

For an analysis of the factors driving the changes in the Group's dividend income, see "– *Results of operations – Net other income – Dividend income*" below.

Change in fair value of financial assets at FVTPL

The Group's financial assets at FVTPL are described under "*Description of the Group – Business – Equity Investments*". These assets are measured at fair value on each reporting date with any change in fair value being recorded in the income statement under this line item. Almost all these assets are classified as level 3, which means that their fair values are not determined by reference to quoted prices or other observable inputs. The fair value of these investments has fluctuated in the periods under review, see "– *Results of operations – Net other income – Change in fair value of financial assets at FVTPL*" below.

Impairment release/(loss) on financial instruments, net

The Group's impairment release/(loss) on financial instruments, net have also fluctuated in the periods under review. In 2025, the Group recorded an impairment release on financial instruments, net of U.S.$9.0 million compared to impairment loss on financial instruments, net of U.S.$24.1 million in 2024, see "– *Results of operations – Impairment losses on financial instruments, net*" below.

Material Accounting Policies

The Annual Financial Statements have been prepared in accordance with IFRS as endorsed in the Kingdom of Saudi Arabia and other standards and pronouncements that are endorsed by SOCPA. The Interim Financial Information have been prepared in accordance with International Accounting Standard (IAS) 34 – Interim Financial Reporting as endorsed in the

Kingdom of Saudi Arabia. For a discussion of the accounting policies applied by the Group generally, see notes 3A to 3N in the 2025 Financial Statements.

Critical Accounting Judgments and Key Sources of Estimation Uncertainty

In preparing the Group's financial statements, management is required to make certain estimates, judgments and assumptions. These affect the reported amounts of the Group's assets and liabilities, including disclosure of contingent assets and liabilities, at the date of the financial statements as well as the reported amounts of the Group's revenue and expenses during the periods presented. Management bases its estimates and assumptions on historical experience and other factors that it believes to be reasonable at the time the estimates and assumptions are made and evaluates the estimates and assumptions on an ongoing basis. However, future events and their effects cannot be predicted with certainty and the determination of appropriate estimates and assumptions requires the use of judgment. Actual outcomes may differ from any estimates or assumptions made and such differences may be material to the Group's financial statements.

The Group's most significant accounting estimates, judgments and assumptions made in the preparation of the Group's financial statements are identified in note 3M to the 2025 Financial Statements. This note identifies three critical judgments involved in the application of the Group's accounting policies and three key assumptions and estimates that have a significant risk of causing a material adjustment to the carrying amounts of the Group's assets and liabilities within the next financial year. In addition to the critical judgments and key assumptions and estimates stated in the Base Prospectus, note 3M to the 2025 Financial Statements, also identifies the following key assumptions and estimates:

Climate and sustainability related developments

Changes in legislation or APICORP's commitment to its green financing framework could affect the assessment and subsequent measurement of the majority of APICORP's assets. Climate policies and energy transformation are also offering business opportunities. Therefore, APICORP has currently assessed that there are no adjustments required for the impairment test and no impairment was recognised. See notes 12 and 26 to the 2025 Financial Statements.

In addition, for further information relating to:

- Classification of financial assets – see note 3H(ii) to the 2025 Financial Statements;
- Significant increase of credit risk – see notes 3H(vii) and 26(a) to the 2025 Financial Statements;
- Impairment of financial instruments – see note 26(a) to the 2025 Financial Statements; and
- Measurement of fair value of financial instruments with significant unobservable inputs (level 3) – see notes 3H(v) and 28(b) to the 2025 Financial Statements.

Results of Operations

Comparison of the six-month period ended 30 June 2026 with the six-month period ended 30 June 2025

Net interest income

The Group's net interest income for the six months ended 30 June 2026 was U.S.$114.6 million compared to U.S.$111.2 million for the six months ended 30 June 2025. This increase of U.S.$3.4 million, or 3.1 per cent., is principally due to increased interest income of U.S.$4.3 million during the same period, partly offset by increased interest expenses of U.S.$0.9 million which were primarily attributable to the increase in funding for business needs.

The tables below show the Group's interest income and its interest expense for the six months ended 30 June 2026 and 2025.

	For the six months ended 30 June			
	2026 (Unaudited)		2025 (Unaudited)	
	(U.S.$ million)	*(per cent.)*	*(U.S.$ million)*	*(per cent.)*
Interest income				
Cash and cash equivalents	1.4	0.4	0.6	0.2
Placements with banks[1]	67.1	21.0	46.7	14.8
Debt securities at FVOCI	55.7	17.4	60.0	19.0
Loans and advances[1]	182.0	57.0	192.8	61.1
Amortisation of loan participation and upfront fees	13.5	4.2	15.3	4.9
Total interest income	**319.7**	**100.0**	**315.4**	**100.0**
Interest expense				
Deposits[1] [2]	16.6	8.1	12.9	6.3
Securities sold under agreement to repurchase	8.4	4.1	11.8	5.8
Term financing	37.2	18.1	37.6	18.4
Sukuk and bonds issued	142.3	69.4	141.4	69.2
Lease liability	0.5	0.3	0.6	0.3
Total interest expense	**205.0**	**100.0**	**204.2**	**100.0**
Net interest income	**114.6**	**100.0**	**111.2**	**100.0**

Note

(1) Aggregates Islamic banks and conventional banks income and expense sources.

(2) Comprises deposits from banks and deposits from corporates & shareholders.

The Group's total interest income was U.S.$319.7 million for the six months ended 30 June 2026 compared to U.S.$315.4 million for the six months ended 30 June 2025. This increase of U.S.$4.3 million, or 1.4 per cent., principally reflected the increase in interest on placements during the period.

The Group's total interest expense was U.S.$205.0 million for the six months ended 30 June 2026 compared to U.S.$204.2 million for the six months ended 30 June 2025. This increase of U.S.$0.9 million principally reflected an increase in funding during the period due to business needs.

Dividend income

The Group's dividend income was U.S.$18.6 million for the six months ended 30 June 2026 compared to U.S.$13.1 million for the six months ended 30 June 2025. The increase of U.S.$5.6 million, or 42.7 per cent., due to increase of dividends from unlisted equities compared previous period.

Net gain on disposal of financial assets at FVOCI

The Group recorded a U.S.$8.2 million net gain on the disposal of financial assets at FVOCI for the six months ended 30 June 2026 compared to U.S.$10.6 million for the six months ended 30 June 2025. This decrease of U.S.$2.4 million, or 22.5 per cent., principally related to the sale of the Corporate Banking debt portfolio during 2025.

Net change in fair value of financial assets at FVTPL

The Group recorded a net change in fair value of financial assets at FVTPL of U.S.$20.5 million for the six months ended 30 June 2026 compared to negative U.S.$0.3 million for the six months ended 30 June 2025. This change principally reflected the current listed equities market environment during the period.

Fee income

The Group's fee income (which is derived from agency, advisory and other services) was U.S.$2.7 million for the six months ended 30 June 2026 compared to U.S.$10.9 million for the six months ended 30 June 2025. The decrease of U.S.$8.2 million, or 75.2 per cent., principally reflected a decrease in originating loans and trade finance transactions during the period compared to the same period in the previous year.

Other income, net

The Group's other income, net accounted for U.S.$3.7 million of net income for the six months ended 30 June 2026 compared to U.S.$1.3 million for the six months ended 30 June 2025. This increase of U.S.$2.4 million, or 180.6 per cent., mainly due to the hedge ineffectiveness during the period which shows gain compared to loss previous year.

Share of profit from equity accounted investees, net

The Group's share of profit from its equity accounted investees was U.S.$3.0 million for the six months ended 30 June 2026 compared to U.S.$4.2 million for the six months ended 30 June 2025. This decrease of U.S.$1.2 million, or 28.5 per cent., is principally attributable share of loss from newly acquired associates compare to nil same period last year.

Operating expenses

The table below shows the breakdown of the Group's operating expenses for the six months ended 30 June 2026 and 2025.

	For the six months ended 30 June			
	2026		**2025**	
	(U.S.$ million)	*(per cent.)*	*(U.S.$ million)*	*(per cent.)*
Employee related costs[(1)]	(16.5)	60.9	(17.0)	62.7
Premises costs, including depreciation	(2.8)	10.3	(3.4)	12.5
Equipment and communications costs	(2.9)	10.7	(2.1)	7.7
Board of directors' remunerations, fees and related committees	(2.1)	7.7	(1.9)	7.0
Consultancy and legal fees	(2.7)	10.0	(2.5)	9.2
Corporate social responsibility (CSR)	(0.1)	0.4	(0.2)	0.7
Total	**(27.1)**	**100.0**	**(27.1)**	**100.0**

Note
(1) Comprises staff cost and end of services benefits.

The Group's operating expenses were U.S.$27.1 million for the six months ended 30 June 2026 compared to U.S.$27.1 million for the six months ended 30 June 2025.

Impairment (loss)/release on financial instruments, net

The table below shows the composition of the Group's impairment (loss)/release on financial instruments, net for the six months ended 30 June 2026 and 2025.

	For the six months ended 30 June	
	2026	**2025**
	(U.S.$ million)	
Impairment loss for the period		
Placements with banks	(3.0)	(4.0)
Loans and advances, net	(17.6)	–
Debt securities at FVOCI	(0.3)	–
Loan commitments and guarantees	—	(12.2)
	(20.9)	**(16.3)**
Impairment Release for the period		
Placements with banks	–	–
Loans and advances, net	–	16.9
Debt securities at FVOCI	–	4.6
Loan commitments and guarantees	2.1	–
	2.1	**21.5**
	(18.8)	**5.2**

For the six months ended 30 June 2026, the Group recognised a U.S.$18.8 million impairment loss on financial instruments, net. This primarily reflected from the specific provision for Rawabi customer downgraded to stage 3 and the current geopolitical environment in the region.

For the six months ended 30 June 2025, the Group recognised a U.S.$5.2 million impairment release on financial instruments, net. This primarily reflected the upgrade of a previously stage 3 customer to stage 2 and write off of impairment bonds.

Net income for the period

Reflecting the above factors, the Group recorded net income for the six months ended 30 June 2026 of U.S.$125.4 million compared to U.S.$129.1 million in the six months ended 30 June 2025, a decrease of U.S.$3.7 million, or 2.9 per cent.

Other comprehensive income/(loss)

The Group recorded other comprehensive income for the six months ended 30 June 2026 of U.S.$1.4 million compared to an other comprehensive loss of U.S.$34.0 million for the six months ended 30 June 2025. This primarily reflected the changes in market value of debt securities and higher equity securities change in market value compared to the same period last year.

Total comprehensive income

The Group's total comprehensive income was U.S.$126.8 million for the six months ended 30 June 2026 compared to U.S.$95.1 million for the six months ended 30 June 2025.

Comparison of the year ended 31 December 2025 with the year ended 31 December 2024

The Group's net interest income was U.S.$231.9 million for the year ended 31 December 2025 compared to U.S.$216.2 million for the year ended 31 December 2024. The increase of U.S.$15.7 million, or 7.3 per cent., in 2025 compared to 2024 reflected the changes in interest income and interest expense described below.

The tables below show the Group's interest income and its interest expense for the years ended 31 December 2025 and 2024.

	For the year ended 31 December			
	2025		2024	
	(U.S.$ million)	*(per cent.)*	*(U.S.$ million)*	*(per cent.)*
Interest income from				
Cash and cash equivalents	1.4	0.2	4.1	0.7
Placements with banks[(1)]	109.0	16.5	49.5	7.8
Amortisation of loan participation and upfront fees	29.3	4.4	27.3	4.3
Debt securities at FVOCI	128.3	19.4	157.8	25.0
Loans and advances[(1)]	393.6	59.5	393.6	62.2
Total interest income	**661.6**	**100.0**	**632.3**	**100.0**
Interest expense on				
Deposits[(2)]	30.0	7.0	54.2	13.0
Securities sold under agreement to repurchase	23.3	5.4	30.0	7.2
Term financing	185.8	43.2	60.2	14.5
Sukuk and bonds issued	189.4	44.1	270.5	65.0
Lease liability	1.1	0.3	1.2	0.3
Total interest expense	**429.7**	**100.0**	**416.1**	**100.0**
Net interest income	**231.9**		**216.2**	

Notes
(1) Aggregates Islamic banks and conventional banks income and expense sources.
(2) Comprises deposits from banks and deposits from corporates & shareholders.

The Group's total interest income was U.S.$661.6 million for the year ended 31 December 2025 compared to U.S.$632.3 million for the year ended 31 December 2024. The increase of U.S.$29.3 million, or 4.6 per cent., in 2025 compared to 2024 principally reflected an increase of U.S.$59.5 million, or 120.1 per cent., in placements with banks of Islamic and conventional bonds, offset in part by a decrease of U.S.$29.4 million, or 18.6 per cent., in income from debt securities at FVOCI. See "– *Principal factors affecting results of operations – Factors affecting net interest income*".

In addition:

- interest income from placements with banks increased by U.S.$59.5 million, or 120.1 per cent., in 2025 compared to 2024, which was mainly driven by increase in volume with better margin and

- interest income from debt securities at FVOCI decreased by U.S.$29.4 million, or 18.6 per cent., in 2025 compared to 2024, primarily driven by decreasing interest environment.

The Group's total interest expense was U.S.$429.7 million in 2025 compared to U.S.$416.1 million in 2024. The increase of U.S.$13.6 million, or 3.3 per cent., in 2025 compared to 2024 principally reflected an increase of U.S.$125.6 million, or 208.6 per cent., in interest expense on term financing, which principally reflected an increase in funding from term financing, offset in part primarily by a decrease of U.S.$81.1 million, or 30.0 per cent., in interest expense on sukuk and bonds issued and by a decrease of U.S.$21.6 million, or 61.2 per cent., in interest expense on deposits from conventional banks, in each case principally reflecting a shift of funding to medium term.

Dividend income

The Group's dividend income was U.S.$65.0 million for the year ended 31 December 2025 compared to U.S.$54.5 million for the year ended 31 December 2024. The increase of U.S.$10.5 million, or 19.3 per cent., in 2025 compared to 2024 principally reflected increased dividends from the Group's unlisted equities primarily from Emethanex.

Net change in fair value of financial assets at FVTPL

The Group recorded an unrealised fair value gain of U.S.$7.4 million on financial assets at FVTPL in 2025 compared to U.S.$41.8 million of unrealised fair value gain in 2024. The gain in 2025 principally reflected a U.S.$5.7 million fair value gain related to a loan designated at FVTPL and a U.S.$1.7 million fair value gain on its managed account investment vehicle. The gain in 2024 principally reflected a U.S.$6.8 million fair value gain related to a loan designated at FVTPL and a U.S.$35.0 million fair value gain on its investments at FVTPL.

Net gain on disposal of debt securities held at FVOCI

The Group recorded a U.S.$16.1 million gain on the disposal of debt securities held at FVOCI in 2025 compared to a U.S.$4.7 million gain on the disposal of debt securities held at FVOCI in 2024, in each period principally related to significant sale of corporate banking debt portfolio during 2025.

Fee income

The Group's fee income was U.S.$17.3 million in 2025 compared to U.S.$13.3 million in 2024. The increase of U.S.$4.0 million, or 29.7 per cent., in 2025 compared to 2024 principally reflected an increase in loan servicing fees from originating loans during 2025.

Other (expense) / income

The table below shows the breakdown of the Group's other expense and income items for the years ended 31 December 2025 and 2024.

	For the year ended 31 December			
	2025		**2024**	
	(*U.S.$ million*)	(*per cent.*)	*(U.S.$ million)*	*(per cent.)*
Foreign exchange gain / (loss), net	1.7	(23.6)	(0.7)	(3.9)
Net (loss)/gain from hedge ineffectiveness	(3.7)	51.4	(2.1)	(11.7)
Gain from sale of disposal of assets	–	–	26.1	145.8
Fund management and custody fees	(1.6)	22.2	(2.9)	(16.2)

	For the year ended 31 December			
	2025		2024	
	(*U.S.$ million*)	(*per cent.*)	*(U.S.$ million)*	*(per cent.)*
Others	(3.6)	50.0	(2.4)[1]	(13.4)
Total	**(7.2)**	**100.0**	**17.9**	**100.0**

Note:

(1) During 2025, the Group reassessed the presentation of certain line items in Other (expense)/ income for the year ended 31 December 2024 to align with the nature of the expense/ income.

The Group's other expense, net was U.S.$7.2 million for the year ended 31 December 2025 compared to other income of U.S.$17.9 million for the year ended 31 December 2024. The change principally reflected:

- no gain from the sale of disposal of assets in 2025 compared to a gain on the disposal of previous Head Office in Eastern region of U.S.$26.1 million gain in 2024;
- an increase of U.S.$1.7 million in net loss from hedge ineffectiveness in 2025 compared to 2024; and
- an increase of U.S.$1.2 million in other miscellaneous sources of other income in 2025 compared to 2024.

This negative change was partly offset by:

- a foreign exchange gain of U.S.$1.7 million in 2025 compared to a loss of U.S.$0.7 million in 2024; and
- a decrease of U.S.$1.3 million in fund management and custody fees in 2025 compared to 2024.

Share of profit from equity accounted investees, net

As at 31 December 2025, the Group had four associates, Al Khorayef United Holding, Intra Taf Holding, Metito Utilities Limited and Tagaddod. Tagaddod was acquired in 2025 and Metito Utilities Limited was acquired in 2024. The Group's share of profit from its equity accounted investees, net was U.S.$9.2 million in 2025 compared to U.S.$9.0 million in 2024. The increase of U.S.$0.2 million, or 2.4 per cent., was due to an increase of U.S.$0.4 million in the share of the results of Al Khorayef United Holding in 2025 and the inclusion of U.S.$1.2 million in the share of the results of Metito Utilities Limited, which had been acquired in 2024, in 2025, offset in part by a decrease of U.S.$1.0 million in the share of results of Intra Taf Holding.

Operating expenses

The table below shows the breakdown of the Group's operating expenses for the years ended 31 December 2025 and 2024.

	For the year ended 31 December			
	2025		2024	
	(U.S.$ million)	*(per cent.)*	*(U.S.$ million)*	*(per cent.)*
Staff cost	37.4	56.3	34.3[1]	50.7
End of service benefits	1.4	2.1	1.7	2.5
Premises costs, including depreciation	7.5	11.3	6.2	9.2

	For the year ended 31 December			
	2025		2024	
	(U.S.$ million)	*(per cent.)*	*(U.S.$ million)*	*(per cent.)*
Equipment and communications costs	6.0	9.0	6.1	9.0
Board of directors' remunerations, fees and related committees	6.1	9.2	6.1[(1)]	9.0
Consultancy and legal fee	7.8	11.7	12.3	18.2
Corporate social responsibility (CSR)	0.2	0.4	1.0	1.5
Total	**66.4**	**100.0**	**67.7**	**100.0**

Note:

(1) During 2025, the Group reassessed the presentation of certain operating expenses for the year ended 31 December 2024 to align with the nature of the underlying expense.

The Group's operating expenses were U.S.$66.4 million in 2025 and U.S.$67.7 million in 2024. This decrease of U.S.$1.3 million, or 2.0 per cent., principally reflected a decrease of U.S.$4.5 million, or 36.6 per cent., in consultancy and legal fees, which principally related to the ESG sustainability and governance project during 2024., offset in part by an increase of U.S.$3.1 million, or 9.0 per cent., in staff costs, which principally related to higher headcount during the year compared to the previous year and an increase in premises costs, including depreciation, of U.S.$1.3 million, or 21.7 per cent., which principally related to repair and maintenance of premises.

Impairment release / (loss) on financial instruments, net

The table below shows the composition of the Group's impairment release/(loss) on financial instruments, net for the years ended 31 December 2025 and 2024.

	For the year ended 31 December	
	2025	2024
	(U.S.$ million)	
Impairment loss for the year		
Placements with banks	(4.4)	(0.0)
Loans and advances	–	(17.9)
Debt securities at FVOCI	(0.7)	(6.1)
Loan commitments and guarantees	(12.2)	(0.0)
	(17.2)	**(24.1)**
Impairment release for the year		
Placements with banks	–	–
Loans and advances	26.3	–
Debt securities at FVOCI	–	–
Loan commitments and guarantees	–	–
	26.3	–
	9.0	**(24.1)**

The Group had a U.S.$9.0 million of impairment release on financial instruments, net in 2025 compared to an impairment loss of U.S.$24.1 million in 2024. This change primarily reflected a U.S.$26.3 million impairment release in respect of loans and advances in 2025 compared to a U.S.$17.9 million impairment loss in 2024 and principally related to the upgrade of customers during the year. This positive factor was partially offset by a U.S.$12.2 million impairment loss on loan commitments and guarantees and a U.S.$4.4 million impairment loss on placements with banks, in each case in 2025.

Net income for the year

The Group recorded net income for the year ended 31 December 2025 of U.S.$282.4 million compared to U.S.$265.7 million for the year ended 31 December 2024, an increase of U.S.$16.7 million, or 6.3 per cent., for the reasons described above.

Other comprehensive income/(loss)

The Group's Total other comprehensive income for the year was U.S.$5.3 million in 2025 compared to a Total other comprehensive loss for the year of U.S.$81.1 million in 2024. This change principally reflected a U.S.$8.0 million positive net change in the fair value of equity securities at FVOCI in 2025 compared to a U.S.$103.0 million negative net change in the fair value of equity securities in 2024, offset in part by a loss of U.S.$16.1 million due to Reclassified to statement of income on sale of debt securities at FVOCI in 2025 compared to a loss of U.S.$4.7 million in 2024, an increase of U.S.$11.4 million, or 242.6 per cent., and a positive net change in the fair value of debt securities at FVOCI of U.S.$11.7 million in 2025 compared to U.S.$26.5 million in 2024, a decrease of U.S.$14.8 million, or 55.8 per cent.

Total comprehensive income for the year

Reflecting the Group's profit for the year and its other comprehensive income in 2025 and loss in 2024, the Group's Total comprehensive income for the year was U.S.$287.6 million in 2025 compared U.S.$184.6 million in 2024.

Comparison of the year ended 31 December 2024 with the year ended 31 December 2023

The Group's net interest income was U.S.$216.2 million for the year ended 31 December 2024 compared to U.S.$185.4 million for the year ended 31 December 2023. The increase of U.S.$30.8 million, or 16.6 per cent., in 2024 compared to 2023 reflected the changes in interest income and interest expense described below.

The tables below show the Group's interest income and its interest expense for the years ended 31 December 2024 and 2023.

	For the year ended 31 December			
	2024		2023	
	(U.S.$ million)	*(per cent.)*	*(U.S.$ million)*	*(per cent.)*
Interest income from				
Cash and cash equivalent	4.1	0.7	4.7	0.9
Placements with banks[1]	49.5	7.8	64.6	12.3
Amortisation of loan participation and fees	27.3	4.3	29.2	5.6
Debt securities at FVOCI	157.8	25.0	103.8	19.8
Loans and advances[1]	393.6	62.2	321.5	61.4
Total interest income	**632.3**	**100.0**	**523.8**	**100.0**
Interest expense on				
Deposits[1] [2]	54.2	13.0	42.0	12.4
Securities sold under agreement to repurchase	30.0	7.2	4.6	1.4
Term financing	60.2	14.5	42.1	12.4
Sukuk and bonds issued	270.5	65.0	249.0	73.6
Lease liability	1.2	0.3	0.7	0.2
Total interest expense	**416.1**	**100.0**	**338.4**	**100.0**

	For the year ended 31 December			
	2024		2023	
	(U.S.$ million)	*(per cent.)*	*(U.S.$ million)*	*(per cent.)*
Net interest income.....	**216.2**		**185.4**	

Notes
(1) Aggregates Islamic and conventional income and expense sources.
(2) Comprises deposits from banks, corporates and shareholders.

The Group's total interest income was U.S.$632.3 million in 2024 compared to U.S.$523.8 million in 2023. The increase of U.S.$108.5 million, or 20.7 per cent., in 2024 compared to 2023 principally reflected an increase of U.S.$54.0 million, or 52.0 per cent., in income from debt securities at FVOCI, net and an increase of U.S.$72.0 million or 22.4 per cent., in income from loans and advances, net, offset in part by a decrease of U.S.$15.1 million, or 23.4 per cent., in income from placements with banks of Islamic and conventional bonds. See "*– Principal factors affecting results of operations – Factors affecting net interest income*".

In addition:

- interest income from placements with banks decreased by U.S.$15.1 million, or 23.4 per cent., in 2024 compared to 2023, which was mainly driven by decrease in placements during the year;
- interest income from debt securities at FVOCI increased by U.S.$54.0 million, or 52.0 per cent., in 2024 compared to 2023, primarily driven by increasing interest environment during the year; and
- interest income from loans and advances, net increased by U.S.$72.0 million, or 22.4 per cent., in 2024 compared to 2023, primarily driven by significant increase in drawdown during the year.

The Group's total interest expense was U.S.$416.1 million in 2024 compared to U.S.$338.4 million in 2023. The increase of U.S.$77.7 million, or 23.0 per cent., in 2024 compared to 2023 principally reflected increases of:

- U.S.$18.1 million, or 43.1 per cent., in interest expense on term financing, which principally reflected increased in volume for working purposes;
- U.S.$21.6 million, or 8.7 per cent., in interest expense on sukuk and bonds issued, which principally reflected new issuance during the period to finance growth in business operation; and
- U.S.$25.3 million, or 547.0 per cent., in interest expense on securities sold under agreements to repurchase, which principally reflected increase in volume for the instrument started late of 2023;

offset in part by a decrease of U.S.$2.8 million, or 13.4 per cent., in interest expense on conventional deposits from corporates and shareholders, which principally reflected the shift of funding from short term to medium term.

Dividend income

The Group's dividend income was U.S.$54.5 million in 2024 compared to U.S.$85.0 million in 2023. The decrease of U.S.$30.5 million, or 35.9 per cent., in 2024 compared to 2023

principally reflected increased dividends from the Group's lower receipt of dividend from Ibn Zahr from U.S.$59.5 million during 2023 to U.S.$24.0 million during 2024.

Net change in fair value of financial assets at FVTPL

The Group recorded an unrealised fair value gain of U.S.$41.8 million on financial assets at FVTPL in 2024 compared to U.S.$23.3 million of unrealised fair value gain in 2023. The gain in 2024 principally reflected a U.S.$6.8 million fair value gain related to a loan designated at FVTPL and a U.S.$35.0 million fair value gain on its managed account investment vehicle. The gain in 2023 principally reflected a U.S.$18.9 million fair value gain related to its managed account investment vehicle and a U.S.$4.4 million fair value gain on a loan designated at FVTPL.

Net gain on disposal of debt securities held at FVOCI

The Group recorded a U.S.$4.7 million net gain on the disposal of debt securities held at FVOCI in 2024, principally related to the debt instrument held by the external fund managers.

The Group recognised a U.S.$5.5 million net loss on the disposal of debt securities at FVOCI in 2023, principally fixed-rate bonds.

Fee income

The Group's fee income was U.S.$13.3 million in 2024 compared to U.S.$5.8 million in 2023. The increase of U.S.$7.6 million, or 131.7 per cent., in 2024 compared to 2023 was mainly due to higher trade finance transaction and technical fees received during 2024.

Other income

The table below shows the breakdown of the Group's other income for the years ended 31 December 2024 and 2023.

	For the year ended 31 December			
	2024		**2023**	
	(*U.S.$ million*)	(*per cent.*)	*(U.S.$ million)*	*(per cent.)*
Foreign exchange (loss) / gain, net	(0.7)	(3.9)	3.3	65.5
Net (loss) / gain from hedge ineffectiveness	(2.1)	(11.7)	0.9	16.7
Gain from sale of disposal of assets	26.1	145.8	–	–
Rental income	–	–	0.0	–
Due diligence	(1.4)	(7.8)	–	–
Fund management and custody fees	(2.9)	(16.2)	–	–
Others	(1.0)	(6.1)	0.9	17.7
Total	**17.9**	**100.0**	**5.1**	**100.0**

The Group's other income accounted for U.S.$17.9 million of net income in 2024 and U.S.$5.1 million of net income in 2023. The increase of U.S.$12.8 million, or 250.1 per cent., principally reflected a gain from the sale of disposal of assets of U.S.$26.1 million in 2024 compared to nil in 2023, offset in part by a foreign exchange loss of U.S.$0.7 million in 2024 compared to a gain of U.S.$3.3 million in 2023, a net loss of U.S.$2.1 million from hedging ineffectiveness

in 2024 compared to a gain of U.S.$0.9 million in 2023 and fund management and custody fees of U.S.$2.9 million in 2024 compared to nil in 2023.

Share of profit from equity accounted investees

The Group's share of profit from its equity accounted investees, net was U.S.$9.0 million in 2024 compared to U.S.$6.5 million in 2023. The increase of U.S.$2.5 million, or 38.1 per cent., was principally due to an increase of U.S.$0.6 million in the share of the results of Al Khorayef United Holding and an increase of U.S.$1.8 million in the share of the results of Intra Taf Holding in 2024.

Operating expenses

The table below shows the breakdown of the Group's operating expenses for the years ended 31 December 2024 and 2023.

	For the year ended 31 December			
	2024		2023	
	(U.S.$ million)	*(per cent.)*	*(U.S.$ million)*	*(per cent.)*
Staff costs	34.3[1]	50.7	32.3	51.3
End of service benefits	1.7	2.5	2.0	3.2
Premises costs, including depreciation	6.2	9.2	5.3	8.3
Equipment and communications costs	6.1	9.0	5.5	8.7
Key managements and board benefits, fees and charges	6.1[1]	9.0	5.6	8.8
Consultancy and legal fees	12.3	18.2	10.9	17.3
Corporate social responsibility (CSR)	1.0	1.5	1.5	2.5
Total	**67.7**	**100.0**	**63.0**	**100.0**

Note:

(1) During 2025, the Group reassessed the presentation of certain operating expenses for the year ended 31 December 2024 to align with the nature of the underlying expense.

The Group's operating expenses were U.S.$67.7 million for the year ended 31 December 2024, reflecting a U.S.$4.7 million, or 7.5 per cent., increase compared to U.S.$63.0 million for the year ended 31 December 2023. This principally reflected an increase of U.S.$3.4 million, or 9.7 per cent., in staff costs and end of service benefits, which principally related to *an increase in* headcount and bonus provision. In addition, premises costs, including depreciation, increased by U.S.$0.9 million, which principally related to lease contract and building repairs and maintenance, equipment and communications costs increased by U.S.$0.7 million, which principally related to licenses cost and other software maintenance and consultancy and legal fees increased by U.S.$1.4 million, or 12.7 per cent., attributable to ESG sustainability and Governance project. These increases were offset in part by decreases of U.S.$1.1 million, or 20.6 per cent., in key managements and board benefits, fees and charges which principally related to Board governance and other related meetings and of U.S.$0.5 million, or 33.3 per cent., in corporate and service responsibility expenses.

Impairment loss on financial instruments, net

The table below shows the composition of the Group's impairment loss on financial instruments, net on financial instruments, net for the years ended 31 December 2024 and 2023.

	For the years ended 31 December	
	2024	2023
	(U.S.$ million)	
Charge for the year		
Placements with banks	(0.0)	–
Loans and advances, net	(17.9)	–
Debt securities at FVOCI	(6.1)	(12.6)
Loan commitments and guarantees	(0.0)	(4.2)
	(24.1)	**(16.8)**
Release for the year		
Placements with banks	–	0.0
Loans and Advances, net	–	6.2
Debt securities at FVOCI	–	–
Loan commitments and guarantees	–	–
	–	**6.2**
	(24.1)	**(10.6)**

The Group had a U.S.$24.1 million impairment loss on financial instruments, net in 2024 compared to U.S.$10.6 million in 2023. This increase of U.S.$13.5 million, or 127.4 per cent. primarily reflected a U.S.$17.9 million impairment charges in respect of loans and advances, net in 2024 compared to a U.S.$6.2 million reversal of impairment charge in 2023, which was principally related to significant increase in the loan and advances and debt securities exposure during 2024. This impairment loss was partially offset by a U.S.$6.5 million decrease in impairment loss on debt securities at FVOCI in 2024 compared to 2023 and a U.S.$4.2 million decrease in impairment loss on loan commitments and guarantees in 2024 compared to 2023.

Impairment losses on other assets, net

The Group recorded nil net impairment loss on other assets in 2024 compared to a U.S.$6.7 million net impairment loss on other assets in 2023. The loss in the 2023 period related to the revaluation of Falcon Cement Company's market value to nil.

Net income for the year

The Group recorded net income for the year ended 31 December 2024 of U.S.$265.7 million compared to U.S.$225.3 million for the year ended 31 December 2023, an increase of U.S.$40.3 million, or 17.9 per cent., for the reasons described above.

Other comprehensive (loss)/income

The Group's other comprehensive loss for the year was U.S.$81.1 million in 2024 compared to other comprehensive income of U.S.$60.2 million in 2023, a change of U.S.$141.3 million. This change principally reflected a U.S.$103.0 million negative net change in the fair value of the Group's equity securities at FVOCI in 2024 compared to a U.S.$11.8 million positive net change in the fair value of the Group's equity securities at FVOCI in 2023, a difference of U.S.$114.8 million which primarily related to decreased on unlisted equity securities related to energy sector during the period, and a U.S.$26.5 million positive net change in fair value of debt securities at FVOCI in 2024 compared to U.S.$44.1 million in 2023, a decrease of U.S.$17.6 million, or 40.0 per cent., primarily related to effect of the volatility in the interest rate environment, offset in part by a loss of U.S.$4.7 million on the reclassified to statement of income on sale of debt securities at FVOCI in 2024 compared to income of U.S.$5.5 million

in 2023, an difference of U.S.$10.2 million, which primarily related to internal debt securities portfolio.

Total comprehensive income for the year

Reflecting the Group's profit for the year and its other comprehensive loss or income in each year, the Group's total comprehensive income for the year was U.S.$184.6 million in 2024 compared to U.S.$285.5 million in 2023.

Liquidity and Funding

Overview

The Group principally uses cash to advance loans and make direct and indirect equity investments and treasury investments. The Group also uses cash to pay interest on and repay its financing and to pay dividends to its shareholders. The Group's principal source of cash is its cash flow from operating activities, although it also raises funding through bank term loans and the issue of sukuk and bonds, accepts deposits from banks, corporates and shareholders and generates cash through the sale of investments. In addition, although the Group does not benefit from shareholder guarantees, APICORP has U.S.$8.5 billion in callable capital, which is a joint and several obligation of each shareholder to provide additional capital if required in certain cases and subject to the approval of its shareholders. See "*Risk Factors – Factors that may affect APICORP's ability to fulfil its obligations under Subordinated Notes issued under the Programme – APICORP is a multilateral financial institution without guarantee-related support from its shareholders*".

Cash flow data

The table below summarises the Group's cash flow data from operating activities, investing activities and financing activities for the six months ended 30 June 2026 and 2025 and for the year ended 31 December of each 2025, 2024 and 2023.

	For the six months ended 30 June		For the year ended 31 December		
	2026 (Unaudited)	2025 (Unaudited)	2025	2024	2023
			(U.S.$ million)		
Net cash (used in)/ generated from operating activities	(1,186.1)	(1,119.1)	(1,190.2)	(1,184.4)	550.3
Net cash generated from/(used in) investing activities	1,011.8	(12.4)	(957.3)	(261.8)	(402.4)
Net cash generated from financing activities	112.6	1,190.1	2,342.8	1,371.6	42.1
Cash and cash equivalents at beginning of period/year	332.3	137.0	137.0	211.6	21.6
Cash and cash equivalents at end of period/year	270.7	195.6	332.3	137.0	211.6

Net cash (used in)/generated from operating activities

The Group's net cash used in operating activities in the six months ended 30 June 2026 was U.S.$1,186.1 million compared to U.S.$1,119.1 million of net cash used in operating activities in the six months ended 30 June 2025. This increase was primarily attributable to the placement to banks and purchases of FVTPL instruments during the period. This increase was offset by the repayments of deposit during the period.

The Group's net cash used in operating activities in 2025 was U.S.$1,190.2 million compared to U.S.$1,184.4 million in 2024 and compared to cash generated from operating activities of U.S.$550.3 million in 2023. The Group's cash flow in each year before changes in operating assets and liabilities principally reflects its net income for the year adjusted to deduct non-cash net interest income, share of profit from associates, net gain on disposal of debt securities at FVOCI, dividend income and impairment charges.

The variation in the Group's operating cash flow between the years principally reflect changes in interest receivable, in loans and advances, net, in placements with banks, in investments held at FVTPL, in finance charges paid, dividends received and in repayments of deposits. In particular:

- In June 2026, the Group's changes in operating assets and liabilities was primarily from (i) interest received of U.S.$251.2 million, (ii) dividends received of U.S.$20.1 million and (iii) deposits of U.S.$373.6 million, (iv) loans and advances, net of negative U.S.$236.6 million, (v) placements with banks of negative U.S.$944.9 million, (vi) interest paid of U.S.$157.6 million, and (vii) investment held at FVTPL of negative U.S.$390.3 million;

- in 2025, the Group's changes in operating assets and liabilities was primarily from (i) interest received of U.S.$601.9 million, (ii) investment held at FVTPL of U.S.$104.7 million (iii) dividends received of U.S.$65.3 million (iv) loans and advances, net of negative U.S.$462.3 million, (v) placements with banks of negative U.S.$760.0 million and (vi) finance charges paid of U.S.$395.1 million;

- in 2024, the Group's inflows from (i) interest received of U.S.$611.5 million, (ii) placements with banks, net at U.S.$268.2 million and (iii) dividends received of U.S.$56.4 million aggregated U.S.$936.1 million exceeded its outflows from (i) loans and advances, net of U.S.$956.4 million, (ii) investment held at FVTPL of U.S.$224.1 million, finance charges of U.S.$403.4 million and (iii) repayment of deposits at U.S.$538.9 million, which together aggregated U.S.$2,122.8 million; and

- in 2023, the Group's inflows from (i) proceeds from deposits of U.S.$668.8 million, (ii) interest received of U.S.$512.8 million and (iii) placements with banks of U.S.$273.7 million aggregated U.S.$1,455.3 million and exceeded its outflows from loans and advances, net of U.S.$405.7 million, finance charges paid of U.S.$313.6 million and investments held at FVTPL of U.S.$260.5 million, which together aggregated U.S.$979.8 million.

Net cash generated from/(used in) investing activities

For the six months ended 30 June 2026, the Group's net cash from investing activities was U.S.$1,011.8 million compared to net cash used in investing activities of U.S.$12.4 million for the six months ended 30 June 2025.

For the six months ended 30 June 2026, the Group's investment flow was a net inflow of U.S.$1,011.8 million from the purchase and sale or redemption of investments at FVOCI. For the six months ended 30 June 2025, the Group's principal investment flow was a net outflow of U.S.$12.4 million from the purchase and sale or redemption of investments at FVOCI.

The Group's net cash used in investing activities was U.S.$957.3 million for the year ended 31 December 2025 compared to net cash used in investing activities of U.S.$261.8 million for

the year ended 31 December 2024 and net cash used in investing activities was U.S.$402.4 million for the year ended 31 December 2023.

For the year ended 31 December 2025, the principal investment flow was a net outflow of U.S.$975.6 million from the purchase and sale or redemption of investments at FVOCI. In 2024, the principal investment flow was a net outflow of U.S.$267.8 million from the purchase and sale or redemption of investments at FVOCI. For the year ended 31 December 2023, the principal investment flow was a net outflow of U.S.$396.6 million from the purchase and sale or redemption of investments at FVOCI.

Net cash generated from financing activities

For the six months ended 30 June 2026, the Group's net cash generated from financing activities was U.S.$112.6 million compared to net cash generated from financing activities of U.S.$1,190.1 million in the six months ended 30 June 2025.

For the six months ended 30 June 2026, the Group's principal financing cash inflow was U.S.$1,349.4 million in proceeds from sukuk and bonds. This inflow was offset by an outflow of U.S.$1,086.7 million in repayment against sukuk and bonds and a net outflow of proceeds from bank term financing of U.S.$150.0 million.

For the six months ended 30 June 2025, the Group's principal financing cash inflows were a net inflow of U.S.$1,056.8 million in repayment against sukuk and bonds net of proceeds from sukuk and bonds and U.S.$150.0 million in proceeds from term financing, offset in part by a cash outflow of U.S.$16.7 million in dividends paid.

The Group's net cash generated from financing activities for the year ended 31 December 2025 was U.S.$2,342.8 million compared to net cash from financing activities for the year ended 31 December 2024 of U.S.$1,371.6 million and net cash from financing activities of U.S.$42.1 million for the year ended 31 December 2023.

For the year ended 31 December 2025, the net cash inflow of U.S.$2,360.9 million from proceeds from term financing and sukuk and bonds net of principal repayments against term financing and sukuk and bonds.

For the year ended 31 December 2024, the principal financing cash inflows were U.S.$500.0 million from new bank term financing and net cash inflow of U.S.$1,572.0 million from proceeds of new sukuk and bonds issued net of principal repayments against bond and sukuk.

For the year ended 31 December 2023, the Group's principal financing cash inflow was U.S.$700.0 million proceeds from new term financing. This inflow was substantially offset principally by a net outflow of U.S.$870.3 million in repayment against sukuk and bonds net of proceeds of new sukuk and bonds issued.

Liquidity

The Group's liquidity comprises its debt securities at FVOCI, placements with banks and cash and bank balances. The table below shows the Group's liquidity as at 30 June 2026 and 31 December 2025, 2024 and 2023.

	As at 30 June	As at 31 December		
	2026 (Unaudited)	2025	2024	2023
		(U.S.$ million)		
Debt securities at FVOCI	2,965.6	4,047.3	3,160.7[1]	2,933.4
Placements with banks, net	2,006.8	1,064.9	237.6[1]	507.9
Cash and cash equivalents	270.7	332.3	137.0	211.6
Total liquidity	**5,243.1**	**5,444.5**	**3,535.3**	**3,652.9**

Note:

(1) During 2025, the Group reassessed the presentation of certain interest-related balances as at 31 December 2024 to align with the nature of the underlying assets and liabilities. For further information, please refer to note 33 to the 2025 Financial Statements. For avoidance of doubt, similar reclassification is not made to the balances as at 31 December 2023 and to that extent, the balances as at 31 December 2023 are not comparable to the balances as at 30 June 2026, 31 December 2025 and 31 December 2024.

As at 30 June 2026, 2.8 per cent. of the gross amount of the Group's bank placements were with institutions that were rated AAA to AA-, 97.2 per cent. were with institutions that were rated A+ to A- and nil per cent. were with institutions that were rated BB+ to B-. The Group's debt securities at FVOCI is described under "– *Analysis of certain statement of financial position items – Debt securities at FVOCI*" below.

Funding

The Group actively manages a net funding requirement of between U.S.$1.5 billion to U.S.$2.0 billion a year. To this end, it maintains an active relationship with counterparties across the GCC, Europe, the United States, Asia and Africa, although it remains significantly reliant on the GCC for funding.

The Group's funding strategy relies on a mixture of medium to longer-term borrowings and shorter-term deposits together with a small amount of funding raised from repo-transactions using securities in its investment portfolio.

The table below shows the Group's sources of funding by amount and proportion of the total as at 30 June 2026 and 31 December 2025, 2024 and 2023.

	As at 30 June	As at 31 December		
	2026 (Unaudited)	2025	2024	2023
		(U.S.$ million)		
Term financing and sukuk and bonds issued	8,609.5	8,580.3	6,023.1[1]	4,611.1
Deposits	830.6	457.0	772.7[1]	1,270.4
Securities sold under agreements to repurchase	445.5	445.5	445.5[1]	500.5
Total funding	**9,885.6**	**9,482.8**	**7,241.3**[1]	**6,382.0**
			(per cent.)	
Term financing and sukuk and bonds issued	87.1	90.5	83.2[2]	72.3
Deposits	8.4	4.8	10.6[2]	19.9
Securities sold under agreements to repurchase	4.5	4.7	6.2[2]	7.8
Total funding	**100.0**	**100.0**	**100.0**	**100.0**

Note:

(1) During 2025, the Group reassessed the presentation of certain interest-related balances as at 31 December 2024 to align with the nature of the underlying assets and liabilities. For further information, please refer to note 33 to the 2025 Financial Statements. For avoidance of doubt, similar reclassification is not made to the balances as at 31 December 2023 and to that extent, the balances as at 31 December 2023 are not comparable to the balances as at 30 June 2026, 31 December 2025 and 31 December 2024.

In the six months ended 30 June 2026, the Group raised a total of U.S.$1,349.4 million as proceeds from sukuk and bonds and U.S.$350.0 million in proceeds from term financing. In this period, the Group paid U.S.$1,086.7 million in repayment against sukuk and bonds.

In 2025, the Group raised a total of U.S.$3,185.9 million from proceeds from sukuk and bonds and U.S.$600 million proceeds from term financing. In 2025, the Group made principal repayments against term financing and sukuk and bonds of U.S.$1,425.0 million.

In 2024, the Group raised a total of U.S.$1,572.6 million from public bond issuance and private placement issuances and U.S.$500 million in bank term financing. In 2024, the Group made principal repayments of U.S.$695.0 million with respect to the bonds.

In 2023, the Group raised a total of U.S.$238.0 million from public bond issuance and private placement issuances U.S.$700.0 million in bank term financing. In 2023, the Group made principal repayments of U.S.$870.3 million with respect to bonds and sukuk.

The Group's bond issuances have helped to significantly extend the maturity profile of its funding and have also allowed it to reduce its reliance on wholesale deposits and eliminate previous short-term asset/liability mismatches.

Term financing and sukuk and bonds issued

As at 30 June 2026, the Group had U.S.$1,700.0 million of term financing and U.S.$6,909.5 million of sukuk and bonds issued.

The table below provides details of the Group's outstanding issuance bonds as at 30 June 2026.

	As at 30 June 2026 (Unaudited)
	(U.S.$ million)
Sukuk and Bonds Issued	
Public bond issued[(1)]	4,907.9
Private placement issued	2,001.6
Total sukuk and bonds issued	**6,909.5**

Note

(1) These sukuk and bonds were issued and listed on Euronext Dublin.

All the Group's sukuk and bonds issued are listed. The Group has entered into interest/profit rate swaps in relation to each series of fixed rate sukuk and bonds with a view to hedging its exposure to changes in fair value as a result of changes in market interest/profit rates.

Deposits

The Group is one of only a few multilateral financial institutions which accepts wholesale deposits. The table below shows a breakdown of the Group's deposits by amount and proportion as at 30 June 2026 and 31 December 2025, 2024 and 2023.

	As at 30 June	As at 31 December		
	2026 (Unaudited)	2025	2024	2023
		(U.S.$ million)		
Deposits from banks	96.8	199.5	492.0	669.4
Deposits from corporates	566.8	92.6	122.5	457.9
Deposits from shareholders	167.0	164.9	158.1	130.6
Interest payable	-	-	-[(1)]	12.6
Total	**830.6**	**457.0**	**772.7[(1)]**	**1,270.4**
		(per cent.)		
Deposits from banks	11.7	43.7	63.7	52.7
Deposits from corporates	68.2	20.3	15.9	36.0
Deposits from shareholders	20.1	36.0	20.4	10.4
Interest payable	-	-	-[(1)]	1.0
Total	**100.0**	**100.0**	**100.0**	**100.0**

Note:

(1) During 2025, the Group reassessed the presentation of certain interest-related balances as at 31 December 2024 to align with the nature of the underlying assets and liabilities. For further information, please refer to note 33 to the 2025 Financial Statements. For avoidance of doubt, similar reclassification is not made to the balances as at 31 December 2023 and to that extent, the balances as at 31 December 2023 are not comparable to the balances as at 30 June 2026, 31 December 2025 and 31 December 2024.

The Group's deposits are contractually short-term in nature and comprise a mix of conventional and Islamic bank deposits, deposits from corporates and deposits from APICORP's shareholders. As at 30 June 2026, the Group's deposits totalled U.S.$830.6 million, compared to U.S.$457.0 million as at 31 December 2025. This increase is primarily attributable to increase in deposit from corporate amounting to U.S$474 million during the period.

As at 31 December 2025, the Group's deposits totalled U.S.$457.0 million as compared to U.S.$772.7 million as at 31 December 2024. This decrease was driven by decreases in deposits from banks and corporate deposits, which were principally due to shifting of the funding to medium term during the year. As at 31 December 2025, 99 per cent. of the Group's deposits had maturities of up to three months with the remainder having maturities of between 3 and 6 months. The Group's deposit counterparty base includes a range of conventional and Islamic banks, companies, governments and government agencies.

The Group accepts deposits in a range of currencies although, as at 30 June 2026, all its deposits were denominated in U.S. dollars.

The table below shows the weighted average effective interest rates of the Group's deposits as at 30 June 2026 and 31 December in each of 2025, 2024 and 2023.

	As at 30 June	As at 31 December		
	2026	2025	2024	2023
		(per cent.)		
Deposits from banks	3.59	4.03	4.87	5.77
Deposits from corporates	3.82	3.92	4.89	5.79
Deposits from shareholders	3.59	3.86	4.52	6.11

Maturity profile of the Group's funding

Of the Group's U.S.$9,885.6 million funding as at 30 June 2026, 22.4 per cent. was scheduled to mature within 12 months.

The table below summarises the maturity profile of the Group's funding (including short-term funding) as at 30 June 2026.

	As at 30 June 2026	
	(U.S.$ million)	*(per cent.)*
Repayable within 12 months	2,213.1	22.4
Repayable between one and three years	3,015.3	30.5
Repayable between three and five years	3,957.2	40.0
Repayable after five years	700.0	7.1
Total funding	**9,885.6**	**100.0**

Analysis of Certain Statement of Financial Position Items

The Group's principal assets are its loans and advances, net, its direct and indirect investments (principally in the form of investments in equity and equity accounted investments) and its investments in debt, each of which are discussed in more detail below. As at 30 June 2026, the Group's loans and advances, net amounted to U.S.$6,244.2 million, or 44.6 per cent. of its total assets, its debt securities at FVOCI amounted to U.S.$2,965.6 million, or 21.2 per cent. of its total assets, and its direct and indirect investments aggregated U.S.$1,845.3 million, or 13.2 per cent. of its total assets.

The Group's principal liabilities are its sukuk and bonds issued, which are discussed under "– *Liquidity and funding – Borrowings*" above, and its deposits, which are discussed under "– *Liquidity and funding – Deposits*" above. As at 30 June 2026, the Group's sukuk and bonds issued amounted to U.S.$6,909.5 million, or 67.6 per cent. of its total liabilities compared to U.S.$6,730.3 million, or 68.8 per cent., of its total liabilities as at 31 December 2025, compared to U.S.$4,573.1 million, or 60.4 per cent., of its total liabilities as at 31 December 2024 and U.S.$3,653.6 million as at 31 December 2023, or 54.4 per cent. of its total liabilities, as at 31 December 2023. As at 30 June 2026, the Group's deposits amounted to U.S.$830.6 million, or 8.1 per cent., of its total liabilities, compared to U.S.$457.0 million, or 4.7 per cent. of its total liabilities, as at 31 December 2025, U.S.$772.7 million, or 10.2 per cent. of its total liabilities, as at 31 December 2024 and U.S.$1,270.4 million, or 18.9 per cent. of its total liabilities, as at 31 December 2023.

Loans and advances, net

The Group provides syndicated and direct loans for projects developed by local, regional and international sponsors in the energy sector.

Portfolio status and risk classification

The table below shows the status of the Group's loans and advances, net outstanding as at 30 June 2026 and 31 December 2025, 2024 and 2023.

	As at 30 June	As at 31 December		
	2026 (Unaudited)	2025	2024	2023
		(U.S.$ million)		
Islamic loans held at amortised cost	1,144.8	1,009.9	743.2	700.7
Conventional loans held at amortised cost	5,248.5	5,152.7	4,983.2	4,040.6
Interest receivable	-	-	-[(1)]	42.2
Gross loans	**6,393.3**	**6,162.6**	**5,726.4[(1)]**	**4,783.5**
Unamortised participation and upfront fees	**(86.1)**	(92.1)	(91.8)	(79.7)
	6,307.2	**6,070.6**	**5,634.6[(1)]**	**4,703.8**
Expected credit losses	(106.6)	(89.0)	(115.3)	(97.4)
Loans and advances at amortised cost, net	**6,200.7**	**5,981.6**	**5,519.3[(1)]**	**4,606.4**
Conventional loans held at FVTPL	**43.5**	43.5	43.5	42.2
	6,244.2	**6,025.1**	**5,562.8[(1)]**	**4,648.6**

Note:

(1) During 2025, the Group reassessed the presentation of certain interest-related balances as at 31 December 2024 to align with the nature of the underlying assets and liabilities. For further information, please refer to note 33 to the 2025 Financial Statements. For avoidance of doubt, similar reclassification is not made to the balances as at 31 December 2023 and to that extent, the balances as at 31 December 2023 are not comparable to the balances as at 30 June 2026, 31 December 2025 and 31 December 2024.

The internal rating classification of the Group's loans and advances, net outstanding as at 30 June 2026 and 31 December 2025, 2024 and 2023 is set out under "*Risk management – Credit risk management – Generating the term structure of PD*". For information regarding the Group's internal rating classifications, see "*Risk management – Credit risk management – Credit rating and measurement*".

Portfolio sector and sub-sector concentration

The Group's loans and advances, net are concentrated within the energy sector by virtue of APICORP's founding mandate. However, the Group seeks to maintain a diversified profile of loans within that sector. The table below shows the classification by sub-sector within the energy sector of the Group's loans and advances, net outstanding by amount as at 30 June 2026 and 31 December 2025, 2024 and 2023.

	As at 30 June	As at 31 December		
	2026 (Unaudited)	2025	2024	2023
		(U.S.$ million)		
Energy	2,630.4	2,613.0	2,566.4[(1)]	1,929.4
Materials	663.5	773.4	714.0	803.8
Financials and Sovereign	–	–	–	12.7
Utilities	2,737.6	2,411.0	2,099.8	1,658.6
Industrials	212.7	227.7	182.6	244.1
Total loans and advances, net	**6,244.2**	**6,025.1**	**5,562.8[(1)]**	**4,648.6**

Note:

(1) During 2025, the Group reassessed the presentation of certain interest-related balances as at 31 December 2024 to align with the nature of the underlying assets and liabilities. For further information, please refer to note 33 to the 2025 Financial Statements. For avoidance of doubt, similar reclassification is not made to the balances as at 31 December 2023 and to that extent, the balances as at 31 December 2023 are not comparable to the balances as at 30 June 2026, 31 December 2025 and 31 December 2024.

The table below shows the classification by sub-sector within the energy sector of the Group's loans and advances, net outstanding by proportion of the total as at 30 June 2026 and 31 December 2025, 2024 and 2023.

	As at 30 June	As at 31 December		
	2026 (Unaudited)	2025	2024	2023
		(per cent.)		
Energy	42.1	43.4	46.1[1]	41.5
Materials	10.6	12.8	12.8	17.3
Financials and Sovereign	–	–	–	0.3
Utilities	43.8	40.0	37.7	35.7
Industrials	3.4	3.8	3.3	5.3
Total	**100.0**	**100.0**	**100.0**	**100.0**

Note:
(1) During 2025, the Group reassessed the presentation of certain interest-related balances as at 31 December 2024 to align with the nature of the underlying assets and liabilities. For further information, please refer to note 33 to the 2025 Financial Statements. For avoidance of doubt, similar reclassification is not made to the balances as at 31 December 2023 and to that extent, the balances as at 31 December 2023 are not comparable to the balances as at 30 June 2026, 31 December 2025 and 31 December 2024.

Portfolio geographical concentration

The table below shows the geographical classification of the Group's loans and advances, net outstanding by amount as at 30 June 2026 and 31 December 2025, 2024 and 2023.

	As at 30 June	As at 31 December		
	2026 (Unaudited)	2025	2024	2023
		(U.S.$ million)		
Kingdom of Saudi Arabia	2,488.4	2,407.3	2,048.1[1]	1,723.4
State of Qatar	402.5	415.5	477.3	427.6
Other Gulf Cooperation Council States	1,503.2	1,845.7	1,847.2	1,764.4
Egypt and North Africa	413.4	256.1	258.8	191.1
Total Arab world	**4,807.5**	**4,924.6**	**4,631.4[1]**	**4,106.7**
Europe	808.1	381.6	314.0	180.4
Asia and Oceania	547.1	347.7	449.4	196.9
United States	81.4	351.3	168.0	164.6
Other North & South Americas	–	19.9	–	–
Total loans and advances, net	**6,244.2**	**6,025.1**	**5,562.8[1]**	**4,648.6**

Note:
(1) During 2025, the Group reassessed the presentation of certain interest-related balances as at 31 December 2024 to align with the nature of the underlying assets and liabilities. For further information, please refer to note 33 to the 2025 Financial Statements. For avoidance of doubt, similar reclassification is not made to the balances as at 31 December 2023 and to that extent, the balances as at 31 December 2023 are not comparable to the balances as at 30 June 2026, 31 December 2025 and 31 December 2024.

The Group's loans and advances, net are also concentrated within the Arab world, again reflecting APICORP's mandate and its shareholder base.

The table below shows the geographical classification of the Group's loans and advances, net outstanding by proportion of the total as at 30 June 2026 and 31 December 2025, 2024 and 2023.

	As at 30 June	As at 31 December		
	2026 (Unaudited)	2025	2024	2023
		(per cent.)		
Kingdom of Saudi Arabia	39.9	40.0	36.8[1]	37.1
State of Qatar	6.4	6.9	8.6	9.2
Other Gulf Cooperation Council States	24.1	30.6	33.2	38.0
Egypt and North Africa	6.6	4.3	4.7	4.1
Total Arab world	**77.0**	**81.7**	**83.3[1]**	**88.3**
Europe	12.9	6.3	5.6	3.9
Asia and Oceania	8.8	5.8	8.1	4.2
United States	1.3	5.8	3.0	3.5
Other North & South Americas	–	0.3	–	–
Total loans and advances, net	**100.0**	**100.0**	**100.0**	**100.0**

Note:

(1) During 2025, the Group reassessed the presentation of certain interest-related balances as at 31 December 2024 to align with the nature of the underlying assets and liabilities. For further information, please refer to note 33 to the 2025 Financial Statements. For avoidance of doubt, similar reclassification is not made to the balances as at 31 December 2023 and to that extent, the balances as at 31 December 2023 are not comparable to the balances as at 30 June 2026, 31 December 2025 and 31 December 2024.

The Group's loans and advances, net are principally denominated in U.S. dollars although it also has a small amount of loans and advances, net denominated in Saudi Arabian riyal. Almost all of the Group's loans and advances, net bear interest at floating rates of interest that reprice within one year or less.

The table below shows the weighted average effective interest rates of the Group's loans and advances, net as at 30 June 2026 and 31 December in each of 2025, 2024 and 2023.

	As at 30 June	As at 31 December		
	2026	2025	2024	2023
Loans and advances, net	6.16	6.47	6.40	7.54
U.S. dollar denominated	6.16	6.47	6.40	7.54
Non-U.S. dollar denominated	5.96	5.79	5.79	7.50

Portfolio maturity breakdown

The table below shows a maturity profile of the Group's loans and advances, net as at 30 June 2026.

	Up to 3 months	3 months to one year	1 to 5 years	5 years and over	Total
Loans and advances, net (*U.S.$ million*)	288.4	625.9	2,836.9	2,493.0	6,244.2
Loans and advances, net (*per cent.*)	4.6	10.0	45.4	39.9	100.0

Direct and indirect equity investments

The Group's direct and indirect equity investments are described under "*Description of the Group – Business – Equity Investments*".

Debt securities at FVOCI

The Group, through its T&CM business line, manages a debt securities at FVOCI with the aim of providing enhanced earnings not correlated to its other two main cyclical business lines, which are direct and syndicated lending to, and direct equity investments in, companies and other entities engaged in the oil and gas and energy industries. The debt securities at FVOCI principally comprises fixed and floating rate bonds, which comprised 66.3 per cent. of the portfolio (before interest receivable) as at 30 June 2026. Treasury bills make up the balance of the portfolio.

Portfolio breakdown by security type

The table below shows a breakdown of the Group's debt securities at FVOCI by amount as at 30 June 2026 and 31 December 2025, 2024 and 2023.

	As at 30 June	As at 31 December		
	2026 (Unaudited)	2025	2024	2023
		(U.S.$ million)		
Conventional				
Treasury bills	999.8	2,198.5	1,224.2	878.4
Fixed-rate bonds	1,242.5	1,144.5	1,198.5	1,224.0
Floating-rate bonds	26.4	84.6	148.3	164.2
Interest receivable	-	-	-[(1)]	14.6
Islamic				
Fixed-rate bonds	686.8	611.5	583.0	620.8
Floating-rate bonds	10.1	8.2	6.7	24.4
Interest receivable	-	-	-[(1)]	7.0
	2,965.6	**4,047.3**	**3,160.7[(1)]**	**2,933.4**

Note:

(1) During 2025, the Group reassessed the presentation of certain interest-related balances as at 31 December 2024 to align with the nature of the underlying assets and liabilities. For further information, please refer to note 33 to the 2025 Financial Statements. For avoidance of doubt, similar reclassification is not made to the balances as at 31 December 2023 and to that extent, the balances as at 31 December 2023 are not comparable to the balances as at 30 June 2026, 31 December 2025 and 31 December 2024.

The table below shows a breakdown of the Group's debt securities at FVOCI by proportion as at 30 June 2026 and 31 December 2025, 2024 and 2023.

	As at 30 June	As at 31 December		
	2026 (Unaudited)	2025	2024	2023
		(per cent.)		
Conventional				
Treasury bills	33.7	54.3	38.7	29.9
Fixed-rate bonds	41.9	28.3	37.9	41.7
Floating-rate bonds	0.9	2.1	4.7	5.6
Interest receivable	-	-	-[(1)]	0.5
Islamic				
Fixed-rate bonds	23.2	15.1	18.4	21.2

	As at 30 June	As at 31 December		
	2026 (Unaudited)	2025	2024	2023
		(per cent.)		
Floating-rate bonds	0.3	0.2	0.2	0.8
Interest receivable	-	-	-[1]	0.2
	100.0	**100.0**	**100.0**	**100.0**

Note:

(1) During 2025, the Group reassessed the presentation of certain interest-related balances as at 31 December 2024 to align with the nature of the underlying assets and liabilities. For further information, please refer to note 33 to the 2025 Financial Statements. For avoidance of doubt, similar reclassification is not made to the balances as at 31 December 2023 and to that extent, the balances as at 31 December 2023 are not comparable to the balances as at 30 June 2026, 31 December 2025 and 31 December 2024.

All of the Group's treasury investments are fair valued using quoted prices on active markets or using observable or derived prices for similar instruments from active markets at the end of each reporting period. The Group uses a portion of the securities within the portfolio as collateral for repo-based financing transactions, and as at 30 June 2026, the fair value of debt investments at FVOCI pledged as collateral under repurchase agreements was U.S.$494.0 million. As at 31 December, 2025, 2024 and 2023, the fair value of debt investments at FVOCI pledged as collateral under repurchase agreements was U.S.$503.0 million, U.S.$493.0 million and U.S.$551.0 million, respectively.

Portfolio maturity breakdown

The table below shows a maturity profile of the fixed income securities in the Group's debt securities at FVOCI as at 30 June 2026.

	Up to 3 months	3 months to one year	1 to 5 years	5 years and over	Total
Debt securities at FVOCI (*U.S.$ million*)	1,017.4	287.9	795.9	864.4	2,965.6
Debt securities at FVOCI (*per cent.*)	34.3	9.7	26.8	29.1	100.0

Ratings classification of debt securities at FVOCI

As at 30 June 2026, the Group's debt securities at FVOCI had a weighted average credit rating of 'A+'.

The table below shows the ratings classification by issuer type of the Group's debt securities at FVOCI by amount as at 30 June 2026.

	Stage 1	Stage 2	Stage 3	Total
AAA to AA-	1,319.8	–	–	1,319.8
A+ to A-	1,115.7	–	–	1,115.7
BBB to BBB-	363.3	–	–	363.3
BB+ to B-	165.5	–	–	165.5
C	1.3	–	–	1.3
Unrated	-	–	–	-
Gross amount	**2,965.6**	–	–	**2,965.6**
ECL allowance	(8.4)	–	–	(8.4)
	2,957.2	–	–	**2,957.2**

Sectoral breakdown of debt securities at FVOCI

The Group's debt securities at FVOCI principally comprises debt securities at FVOCI issued by financial institutions and governments and public sector bodies. The remaining debt securities at FVOCI are principally invested within the utilities and energy sectors.

The table below shows the sectoral breakdown of the Group's debt securities at FVOCI by amount as at 30 June 2026 and 31 December 2025, 2024 and 2023.

	As at 30 June	As at 31 December		
	2026 (Unaudited)	2025	2024	2023
		(U.S.$ million)		
Energy	242.6	161.5	276.7	277.7
Materials	53.5	43.4	26.4	46.9
Financials and Sovereign	2,428.3	3,713.7	2,641.4[(1)]	2,437.4
Utilities	69.2	42.3	99.2	57.6
Industrials	172.0	86.3	117.0	113.8
Total debt securities at FVOCI	**2,965.6**	**4,047.3**	**3,160.7[(1)]**	**2,933.4**

Note:

(1) During 2025, the Group reassessed the presentation of certain interest-related balances as at 31 December 2024 to align with the nature of the underlying assets and liabilities. For further information, please refer to note 33 to the 2025 Financial Statements. For avoidance of doubt, similar reclassification is not made to the balances as at 31 December 2023 and to that extent, the balances as at 31 December 2023 are not comparable to the balances as at 30 June 2026, 31 December 2025 and 31 December 2024.

The table below shows the sectoral breakdown of the Group's debt securities at FVOCI by proportion of the total as at 30 June 2026 and 31 December 2025, 2024 and 2023.

	As at 30 June	As at 31 December		
	2026 (Unaudited)	2025	2024	2023
		(per cent.)		
Energy	8.2	4.0	8.8	9.5
Materials	1.8	1.1	0.8	1.6
Financials and Sovereign	81.9	91.8	83.6[(1)]	83.1
Utilities	2.3	1.0	3.1	2.0
Industrials	5.8	2.1	3.7	3.9
Total	**100.0**	**100.0**	**100.0**	**100.0**

Note:

(1) During 2025, the Group reassessed the presentation of certain interest-related balances as at 31 December 2024 to align with the nature of the underlying assets and liabilities. For further information, please refer to note 33 to the 2025 Financial Statements. For avoidance of doubt, similar reclassification is not made to the balances as at 31 December 2023 and to that extent, the balances as at 31 December 2023 are not comparable to the balances as at 30 June 2026, 31 December 2025 and 31 December 2024.

Geographical concentration of debt securities at FVOCI

As at 30 June 2026, the Group's debt securities at FVOCI principally comprised debt securities at FVOCI issued by issuers from the GCC and the rest of the world.

The table below shows the geographical classification of the Group's debt securities at FVOCI by amount as at 30 June 2026 and 31 December 2025, 2024 and 2023.

	As at 30 June	As at 31 December		
	2026 (Unaudited)	2025	2024	2023
		(U.S.$ million)		
Kingdom of Saudi Arabia	659.2	439.8	496.4	143.3
State of Qatar	100.0	101.8	63.7	140.5
Other Gulf Cooperation Council States	535.0	532.9	574.4[1]	807.8
Egypt and North Africa	20.6	22.6	10.0	75.9
Total Arab world	**1,314.8**	**1,097.2**	**1,144.5[1]**	**1,167.6**
Europe	102.9	184.3	233.6	268.6
Asia and Oceania	83.5	104.5	466.8	103.3
United States	1,052.3	2,216.9	1,315.7	1,393.9
Other North & South Americas	412.1	444.4	–	–
Total debt securities at FVOCI	**2,965.6**	**4,047.3**	**3,160.7[1]**	**2,933.4**

Note:

(1) During 2025, the Group reassessed the presentation of certain interest-related balances as at 31 December 2024 to align with the nature of the underlying assets and liabilities. For further information, please refer to note 33 to the 2025 Financial Statements. For avoidance of doubt, similar reclassification is not made to the balances as at 31 December 2023 and to that extent, the balances as at 31 December 2023 are not comparable to the balances as at 30 June 2026, 31 December 2025 and 31 December 2024.

The table below shows the geographical classification of the Group's debt securities at FVOCI by proportion of the total as at 30 June 2026 and 31 December 2025, 2024 and 2023.

	As at 30 June	As at 31 December		
	2026 (Unaudited)	2025	2024	2023
		(per cent.)		
Kingdom of Saudi Arabia	22.2	10.9	15.7	4.9
State of Qatar	3.4	2.5	2.0	4.8
Other Gulf Cooperation Council States	18.0	13.2	18.2[1]	27.0
Egypt and North Africa	0.7	0.6	0.3	2.6
Total Arab world	**44.3**	**27.1**	**36.2[1]**	**39.4**
Europe	3.5	4.6	7.4	9.2
Asia and Oceania	2.8	2.6	14.8	3.5
United States	35.5	54.8	41.6	47.9
Other North & South Americas	13.9	11.0	–	–
Total debt securities at FVOCI	**100.0**	**100.0**	**100.0**	**100.0**

Note:

(1) During 2025, the Group reassessed the presentation of certain interest-related balances as at 31 December 2024 to align with the nature of the underlying assets and liabilities. For further information, please refer to note 33 to the 2025 Financial Statements. For avoidance of doubt, similar reclassification is not made to the balances as at 31 December 2023 and to that extent, the balances as at 31 December 2023 are not comparable to the balances as at 30 June 2026, 31 December 2025 and 31 December 2024.

Interest rate structure of fixed income portfolio

The table below shows the weighted average effective interest rates of the fixed and floating rate bonds within the Group's debt securities at FVOCI as at 30 June 2026 and 31 December 2025, 2024 and 2023.

	As at 30 June	As at 31 December		
	2026	2025	2024	2023
		(per cent.)		
Fixed-rate bonds	5.25	4.97	4.90	3.12
Floating-rate bonds	4.93	4.22	5.60	6.56

Commitments and Contingent Liabilities

The Group's principal commitments are to underwrite and fund loans to be made by it and to subscribe capital to direct equity investees. The Group's other commitments comprise its commitments relating to a number of projects mainly in the facility management areas.

The table below shows the Group's commitments and contingent liabilities as at 30 June 2026.

	As at 30 June 2026 (Unaudited)
	(U.S.$ million)
Commitments to underwrite, fund loans and trade finance	2,303.1
Commitments to subscribe capital to investments	372.4
Other commitments	0.5
	2,676.0

Related Party Transactions

APICORP's principal related parties comprise its associates, affiliates, key management personnel, and entities over which APICORP has significant influence. Although the Group does not transact any commercial business directly with the shareholders themselves (other than accepting wholesale deposits), it is engaged in financing activities with companies which are either controlled by the shareholder governments or over which they have significant influence. The majority of loans to related parties are syndicated, which means that participation and terms are negotiated by a group of arrangers, of which APICORP may, or may not, be a leader. No loans to related parties were written off in 2025, 2024 or 2023.

The table below summarises the Group's related party loans, direct equity investments in related parties and deposits from related parties as at 30 June 2026 and 31 December 2025, 2024 and 2023.

	As at 30 June	As at 31 December		
	2026 (Unaudited)	2025	2024	2023
		(U.S.$ million)		
Loans to related parties				
Loans and advances, net of expected credit loss	64.3	61.3	55.4[1]	3,463.9
Commitments, net of expected credit loss	41.2	35.6	7.0[1]	782.5
Interest and fee income	3.2	7.6	3.4[1]	174.8
Investments in related parties				
Equity accounted investees	128.0	121.2	96.2[1]	54.4
Others				

	As at 30 June	As at 31 December		
	2026 (Unaudited)	2025	2024	2023
		(U.S.$ million)		
Key management salaries and related compensations	2.2	4.8	6.8	6.2
End of service benefits accrued	0.1	0.3	2.0	2.0
Board of directors' remunerations and related committees	2.1	6.1	6.1[(1)]	4.5

Note:

(1) During 2025, the Group reassessed the presentation of related party balances as at and for the year ended 31 December 2024 to align with the presentation in the 2025 Financial Statements. For avoidance of doubt, similar reassessment and presentation is not made to the balances as at and for the year ended 31 December 2023 and to that extent, the balances as at and for the year ended 31 December 2023 are not comparable to the balances as at and for the period ended 30 June 2026 and as at and for the years ended 31 December 2025 and 31 December 2024.

As at 30 June 2026, the Group's gross loans outstanding to related parties were 1.0 per cent. of its gross total loans outstanding, excluding conventional loans at FVTPL, compared to 1.0 per cent. as at 31 December 2025, 1.0 per cent. as at 31 December 2024 and 74.3 per cent. as at 31 December 2023.

As at 30 June 2026, the Group's investments in related parties were 6.8 per cent. of its total investments, compared to 7.4 per cent. as at 31 December 2025, 2.0 per cent. as at 31 December 2024 and 1.5 per cent. as at 31 December 2023.

Capital Adequacy

The Group's policy is to maintain a strong capital base so as to maintain investor, creditor and market confidence and to sustain the future development of its business. The Group recognises the need to maintain a balance between the higher returns that might be possible with greater gearing and the advantages and security afforded by a sound capital position. Although the Group is not subject to regulatory-imposed capital requirements, it monitors and manages its capital based on the capital adequacy ratios prescribed by the Central Bank of Bahrain's Basel II and Basel III methodology. The Group's capital adequacy as at 30 June 2026 based on qualifying capital to total risk weighted exposure was 27.91 per cent.

The table below shows the Group's capital adequacy as at 30 June 2026 and 31 December 2025, 2024 and 2023.

	As at 30 June	As at 31 December		
	2026 (Unaudited)	2025	2024	2023
		(U.S.$ million, except percentages)		
Risk weighted exposures				
On balance sheet assets	12,526.6	10,793.5	10,443.9	10,584.8
Off balance sheet exposures	1,442.8	1,543.6	1,515.0	1,210.5
Total risk weighted exposures	**13,969.0**	**12,337.1**	**11,958.9**	**11,243.5**
Capital adequacy				
CET 1 capital[(1)]	3,768.0	3,641.2	3,353.5	3,168.9
Tier 2 capital[(2)]	130.4	114.9	129.0	111.1
Total capital base	**3,898.4**	**3,756.1**	**3,482.6**	**3,280.1**
Capital adequacy ratio[(3)]	27.91%	30.45%	29.12%	29.17%
Tier 1 capital ratio[(3)]	26.97%	29.51%	28.04%	28.18%

Notes:
(1) Comprises share capital, legal reserves, general reserves and retained earnings. This line item was labelled as "Total CET 1 Capital" in the 2025 Financial Statements.
(2) Comprises investments fair value reserve and collective impairment allowance. This line item was labelled as “Total Tier 2 Capital” in the 2025 Financial Statements.
(3) In accordance with Central Bank of Bahrain’s Basel II and Basel III methodology.

Disclosures about Risk

The Group is exposed to a number of risks and takes steps to mitigate certain of these risks as described in "*Risk management*".

MANAGEMENT AND EMPLOYEES

Management

Introduction

APICORP's governing bodies include the General Assembly, the Board and its committees and the Office of the Chief Executive Officer. The Chief Executive Officer, appointed by the Board, is responsible for all the activities of the Group under the supervision of the Board. The Chief Executive Officer is assisted by the senior management team.

The Board

The Board comprises one director appointed by each of the AEO Member States. The Board elects its chairman. Membership of the Board is for a term of four years and may be renewed for any number of successive terms. The Board meets once every three months.

The members of the current Board are listed below. Members of the Board represent their respective country's interest in APICORP and, as shown in the table below, most Board members are in current leadership positions in their countries.

Name	Title	Principal occupation outside APICORP	Member State
Eng. Mohamed Abdulrahman Albrahim	Chairman	Assistant Minister for Oil and Gas, Ministry of Energy	Saudi Arabia
Mr. Moussa Alhassan Atiq Ali	Deputy Chairman	General Manager, Libyan Foreign Investment Company	Libya
Sheikh Dr. Nimr Fahad Al-Sabah	Member	Undersecretary, Ministry of Oil	Kuwait
Mr. Yusuf Abdulla Alhumood	Member	Undersecretary of Financial Affairs, Ministry of Finance & National Economy	Bahrain
Eng. Sharif Salim Alolama	Member	Undersecretary of Energy and Petroleum Affairs, Ministry of Energy & Infrastructure	UAE
Mr. Khalid Khalifa Aljalahma	Member	Manager, Budgeting & Group Finance Management Reporting Controls, Qatar Energy	Qatar
H.E. Eng. Karim Badawi	Member	Minister of Petroleum and Mineral Resources	Egypt
Hamdan Aueajal Al-Rashid	Member	Advisor to the Ministry of Oil for Legal and Administrative Affairs	Iraq

Name	Title	Principal occupation outside APICORP	Member State
Mr. Djamel Eddine Zellagui	Member	Head of Minister Cabinet, Ministry of Finance	Algeria

The address of each Board member is the registered office of APICORP at 7116 Prince Turki Ibn Abdulaziz Al Awal Road, 4400 Al Malqa District, Riyadh 13523 Saudi Arabia and their post office box address is 13523, Riyadh Saudi Arabia. There are no actual or potential conflicts of interest between the private interests or other duties of the directors listed above and their duties to the Group.

Board committees

The Board has established four committees: the Board Audit and Compliance Risk Committee (the "**BACC**"), Board Risk & Sustainability Committee (the "**BRSC**"), Nomination and Remuneration Committee (the "**NRC**") and the Board Executive Committee (the "**BEC**").

The Board Audit and Compliance Risk Committee

The BACC oversees the Group's financial activities, internal control, corporate governance and risk governance. The BACC is responsible for oversight of the Group's:

- financial activities and reporting system;
- internal controls and risk management framework;
- audit functions; and
- legal and compliance requirements.

The BACC comprises Engr. Sharif Salim Alolama (as Chairman), Mr. Yusuf Abdulla Alhumood (as member) and Mr. Sadhak Bindal (as an independent member).

The Board Risk and Sustainability Committee

The BRSC oversees the Group's risk framework, policies and processes and comprises Khalid Khalifa Aljalahama (as Chairman), Hamdan Auejeal Al-Rashid (as member) and Mr. Lyman Choudhry (as an independent member).

The Nomination and Remuneration Committee

The NRC oversees human capital compensation policy, benefits framework policy, succession planning and performance-based remuneration. The NRC is responsible for:

- nominations for N-1, compensation, KPIs and performance evaluation;
- recommending appropriate remuneration and reward policies to the Board; and
- ensuring that human resources policies and practices are in line with applicable laws and regulations.

The NRC comprises Sheikh Dr Nimr Fahad Al-Sabah (as Chairman), Mr. Moussa Alhassan Atiq Ali (as member) and Dr. Fahad bin Mousa Alzahrani (as an independent member).

The Board Executive Committee

The BEC oversees timely decisions on strategic, financial, and investment matters and is responsible for:

- reviewing and approving items delegated within authority limits;
- monitoring the implementation of the corporate strategy; and
- Strategy oversight, budget review, lending & investment transactions, and KPI review.

The BEC comprises Mr. Mohammed Abdulrahman Albrahim (as Chairman), H.E. Eng. Karim Badawi, Mr. Djamel Eddine Zellagui (as members) and Mr. Shafik Zahr (as an independent member).

Senior management

The members of the Group's senior management team are:

Name	Title
Mr. Khalid bin Ali Al-Ruwaigh	Chief Executive Officer
Mr. Nicolas Thévenot	Chief Banking Officer
Mr. Maheur Mourali	Chief Investment Officer
Mr. Vicky Bhatia	Chief Financial Officer
Eng. Fahad Alshahrani	Chief Shared Services Officer
Mr. Moied Alhussain	Chief Legal & Compliance Officer
Mr. Mehdi Rizvi	Chief Risk Officer
Mr. Henrik Martensen	Chief of Staff

The address of each member of senior management is the registered office of APICORP at 7116 Prince Turki Ibn Abdulaziz Al Awal Road, 4400 Al Malqa District, Riyadh 13523, Saudi Arabia and their postal address is P.O. Box 13523, Riyadh Saudi Arabia. There are no potential conflicts of interest between the private interests or other duties of the members of senior management listed above and their duties to the Group.

Mr. Khalid bin Ali Al-Ruwaigh (Chief Executive Officer)

Mr. Al-Ruwaigh joined APICORP in May 2022 from Emirates NBD Capital in Saudi Arabia, where he served as Chief Executive Officer since March 2019. At Emirates NBD Capital he led the successful transformation of the business and supported product development, resulting in the quadrupling of revenues and turning the company into a profitable venture. He has previously worked at Naseel Holding, as Chief Investment Officer, where he was in charge of

direct investments and acquisitions covering regional and international portfolios across a number of asset classes.

Mr. Al-Ruwaigh holds an MBA from California State University and a bachelor's degree in information systems from King Saud University, Saudi Arabia.

Mr. Nicolas Thévenot (Chief Banking Officer)

Mr. Thévenot has 27 years' experience in the financial services industry. He has previously worked at Crédit Agricole Indosuez in a range of roles between 1992 and 2000, most recently as Vice President-Asset Based Finance/MENA (between 1998 and 2000). He joined the Group in 2000 as head of the business group for North Africa and the Mediterranean basin in the department that handles the Group's project finance, financial advisory and trade finance activities ("**P&TF**"). In October 2004, he was appointed head of P&TF.

Mr. Thévenot has a Bachelor's degree and a Master's degree in Public Administration and Economics and a post graduate diploma in International Economics from l'Institut d'Etudes Politiques de Paris, France.

Mr. Maheur Mourali (Chief Investment Officer)

Mr. Mourali has over 20 years' experience in the financial services industry with an established history of success both in leading and closing deals and has acquired strong financial and technical capabilities through active involvement in complex transactions across several countries including Spain, Italy, China, Colombia and the United Kingdom. Prior to joining APICORP, Mr. Mourali was the Chief Investment Officer of Fawaz Alhokhair Group where he was responsible for developing the group's long-term strategy and key initiatives. He has also held various key executive roles at National Center for Privatization & PPP, Swicorp and BNP Paribas.

Mr. Mourali holds an Engineering Diploma at Ecole Polytechnique and Engineering and a Diploma in Finance, Management and Economics at Ecole Nationale des Ponts et Chaussées, France.

Mr. Vicky Bhatia (Chief Financial Officer)

Mr. Bhatia has been working in the financial sector for 28 years with a demonstrated history of business transformations and delivering sustainable financial results. Prior to joining APICORP in April 2024, he was most recently the Chief Financial Officer at ZAND Bank in the UAE and prior that, he was the Chief Financial Officer at Noor Bank in the UAE. Mr. Bhatia also worked at Standard Chartered Bank for 17 years where held senior finance positions across different regions including the Middle East. Africa and Asia at Standard. He has a master's degree in business administration with a Specialisation in Finance from the International University, Missouri, United States and a bachelor's degree in Commerce, Accounting and Economics from University of Mumbai, India.

Eng. Fahad Alshahrani (Chief Shared Services Officer)

Eng. Alshahrani has more than 16 years of experience in Human Resources, Talent Management, Performance Management and Compensation & Benefits, leading private and government sectors in diverse environment and implementing complex strategic initiatives in delivering proficient business value and operational efficiency through design and implementation of management practices, mostly in Human Resources.

Prior to joining APICORP in August 2022, Eng. Alshahrani served as GM Human Resources at Ministry of Industry and Mineral Resources, GM Talent Management and Rewards at Diplomatic Quarter Authority, GM HR at General Entertainment Authority. He has also held various positions in different organisations, such as STC Solutions and Mobily.

Eng. Alshahrani is a Certified Compensation Professional (CCP), Global Remuneration Professional (GRP), and a certified leadership professional of Foundation for Business Leadership FBL – IMD School, Certified Leadership Program by Michigan Ross, Business College. Eng. Alshahrani is also a member of the Nomination and Remuneration Committee of a Saudi public company. Eng. Alshahrani completed his bachelor's degree in Industrial Engineering at King Saud University, Saudi Arabia.

Mr. Moied Alhussain (Chief Legal & Compliance Officer)

Mr. Alhussain is a seasoned legal expert with over 15 years of experience in corporate and commercial law, specialising in governance and compliance. Prior to joining APICORP in September 2022, he served as Executive Director of Legal and Governance at both Awqaf Investment Company and Gulf International Bank, managing legal operations and corporate governance. His educational background includes an LLM in Commercial Law from La Trobe University, Australia, and a B.A. in Islamic Law from Imam Muhammad bin Saud University, Saudi Arabia.

Mr. Mehdi Rizvi (Chief Risk Officer)

Mr. Rizvi has more than 20 years' experience in corporate & investment banking and risk management across diverse operating environments. He has led the design, development and implementation of risk management frameworks, systems, and models across credit risk, liquidity risk, market risk and operational risk. Before joining APICORP in 2019, he worked 15 years in London, United Kingdom in industry leading organisations, including Gazprom Marketing & Trading, Crédit Agricole, Standard Bank and Standard Chartered Bank, managing risks across project and trade finance, leverage finance, private equity, commodity trading, treasury and capital market portfolios.

Mr. Rizvi holds a bachelor's degree in Chemical Engineering from CCS University, India and an MBA in Finance from Charles Sturt University, UK. He also holds a postgraduate Diploma in Accounting & Finance from the London School of Economics and Political Science (LSE), UK. In addition, he is a certified Financial Risk Manager (FRM).

Mr. Henrik Martensen (Chief of Staff)

Mr. Martensen joined The Arab Energy Fund in June 2025. Prior to this, he served as Head of Corporate Strategy and M&A for EMEA at Deutsche Bank in Frankfurt. He holds a bachelor's degree in Economics from the University of Cambridge and is a CFA charterholder.

Management committees

The Group has four management level committees.

Executive Management Committee

The Executive Management Committee's responsibilities include:

- reviewing and recommending the Group's corporate strategy, annual budget, business plan, human resource policy and corporate governance policy;
- periodically reviewing the Group's financial performance against its approved plan; and
- managing dispute solutions, crisis situations and key reputational risk events.

The Executive Management Committee comprises the Chief Executive Officer (as Chairman) and the Chiefs of Investments, Corporate Banking, Finance, Staff, Risk, Shared Services and Legal.

The committee generally meets monthly.

Credit Committee

The Credit Committee's responsibilities include:

- reviewing renewals and extensions of existing credit facilities and non-performing credit facilities;
- ensuring compliance with credit policies and procedures, and direct investments and exit guidelines; and
- reviewing joint ventures, feasibility studies and due diligence reports.

The Credit Committee comprises of four voting members: the Chief Executive Officer (as Chairman) and the Chiefs of Finance, Corporate Banking, Risk, Staff and one to two independent members.

The Credit Committee met 23 times in 2025 and 29 in 2024.

Investment Committee

The Investment Committee's responsibilities include reviewing and recommending to the Board new debt-related transactions, equity investment proposals, and direct investment and exit guidelines.

The Investment Committee comprises of three voting members: the Chief Executive Officer (as Chairman) and the Chiefs of Investments, Legal & Compliance and Staff and three independent members and the adviser to the Chief Executive Officer (as observer).

The Investment Committee met 17 times in 2025 and 11 times in 2024.

Risk Management & Compliance Committee

The Risk Management & Compliance Committee's responsibilities include:

- reviewing and recommending the risk appetite framework for Board approval;
- reviewing and recommending the credit, market, operational and liquidity risk management policies/manuals and procedures, including the associated methodologies. The Risk Management Committee also reviews the stress test results provided by risk management as well as the financial planning and analytics unit on the above risk areas;

- reviewing and recommending the list of eligible instruments and respective limits, country risk profile updates and resulting exposure limit changes, any breach of limits, and assignment of financial institution and corporate limits;
- reviewing and recommending internal rating models and rating score cards for the loan portfolio and reviewing the risk reports for the equity portfolio;
- reviewing and recommending all operational risk management policies, including the business continuity policy/plan, the disaster recovery policy/plan and operational risk software;
- reviewing the exposure dashboard and approving risk exposure thresholds within limits set by the Board;
- reviewing the external rating of APICORP and providing its feedback to the ALCO on areas of improvement and the impact of changes in rating methodology;
- monitoring and reviewing all aspects of regulatory compliance;
- reporting key risk indicators and risk positions to the Board Audit & Compliance Risk Committee and provide recommendations; and
- reviewing risk management reports submitted to it.

The Risk Management & Compliance Committee comprises the Chief Executive Officer (as Chairman), and the Chiefs of Finance, Risk, Legal & Compliance, Shared Services and Cyber Security Senior Specialist.

The Risk Management & Compliance Committee met 3 times in 2025 and 3 times in 2024.

Asset Liability Management Committee (the "ALCO")

The ALCO's responsibilities include:

- reviewing and recommending the asset and liability management ("**ALM**") framework and related policies (including the liquidity policy, the hedging policy and the pricing policy);
- reviewing the balance sheet composition (including asset mix and maturity profile) and cash flows for APICORP;
- reviewing the alignment and adjustments of the annual budget/forecast *vis-à-vis t*he ALM framework;
- reviewing and recommending the annual funding plan, including the issuance of sukuk and bonds, as well as the contingency funding plan;
- reviewing and recommending the medium-term and long-term financial strategies and projections required to adjust the assets and liabilities in order to manage liquidity, leverage, funding, earnings, pricing, hedging and off-balance sheet exposures in order to ensure long-term financial sustainability;
- reviewing the robustness of cash flow projections;

- reviewing and recommending the target prudential minimum liquidity for APICORP and monitoring the liquidity position;
- reviewing the impact of liquidity measures, funding structure and interest-bearing asset compositions to optimise the earnings (net interest income) for APICORP;
- reviewing and assessing the stress test scenarios for liquidity and ALM;
- reviewing and approving the early redemptions of medium and long-term liabilities if internal and/or market conditions so warrant;
- reviewing and approving the external asset management programme and the appointment of asset managers for treasury assets;
- reviewing and approving the fund transfer pricing model, cost and profit allocations and pricing policy for APICORP;
- reviewing APICORP's capital structure and various financial ratios, including capital adequacy;
- reviewing and recommending the calling of capital payments;
- reviewing and clearing any breaches of ALM and treasury portfolio limits; and
- ensuring that the ALCO reporting pack is presented and deliberated.

The ALCO comprises the Chief Executive Officer (as Chairman), and the Chiefs of Finance, Corporate Finance, Staff, and Risk.

The ALCO committee met 6 times in 2025 and 6 times in 2024.

Procurement Committee

The Procurement Committee's responsibilities include:

- approving and awarding contracts within its approved budget and authority;
- reviewing and recommending tender and bid policies and procedures, including the vendor selection process;
- ensuring the development of clear guidelines for bidders;
- ensuring that ethical practices are followed and recorded; and
- facilitating purchase decisions within its authority.

The Procurement Committee comprises the Chief Legal & Compliance Officer (as Chairman), and the Chiefs of Finance, Shared Services and Risk.

The Procurement Committee met 54 times in 2025 and 5 times in 2024.

Sustainability Committee

The Sustainability Committee's responsibilities include:

- endorsing long-term sustainability roadmap and targets;

- monitoring sustainability strategy implementation and evaluating progress;
- identifying and recommending management or mitigation strategies related to ESG risks;
- undertaking a formal review of the portfolio of Eligible Green Projects for continuing eligibility against the Green Finance Framework;
- evaluating and monitoring the green assets that are financed by the Green Finance Proceeds, as well as recommending an appropriate course of action for assets that no longer meet the eligibility criteria;
- managing allocations and excess funds from green assets;
- reviewing and approving publication of the Green Finance Framework-related reports;
- preparing sustainability reports;
- ensuring compliance with sustainable financing principles and disclosure requirements; and
- engaging with key stakeholders to ensure alignment and addressing concerns regarding sustainability issues.

The Sustainability Committee comprises the Chief Executive Officer (as Chairman) and the Chiefs of Finance, Risk and Staff.

The Sustainability Committee met 3 times in 2025 and 3 times in 2024.

Compensation

APICORP's Board of directors' remunerations, fees and related committees costs amounted to U.S.$6.1 million in 2025, U.S.$6.1 million in 2024 and U.S.$5.6 million in 2023.

Employees

As of 30 June 2026, APICORP had 108 full-time employees compared to 114 as of 30 June 2025, 110 as of 31 December 2025 and 109 as of 31 December 2024. APICORP embraces diversity and there were 21 different nationalities among its employees as of 30 June 2026.

APICORP is a performance-driven organisation, reflected in its reward philosophy which links performance to rewards. It aims to pay competitive rates of remuneration and seeks to match best pay practices in the region markets. It offers its employees a wide range of benefits, including housing and transportation allowances, covering children's education through competitive allowances and providing an annual air flight allowance on a yearly basis. APICORP also offers relocation packages, subscription allocations, readership programmes, premium health coverage, life insurance and different work life balance programmes. APICORP also provides financial assistance to its employees by providing them with loans free of interest. It pays employee-differentiated bonuses in accordance with performance scorecards and pays above market average for end of service benefits. It also provides a comprehensive training and development programme for all its employees. APICORP believes that its employees are its most valuable assets and focuses on ensuring they have optimal working conditions.

USE OF PROCEEDS

The Issuer will use the net proceeds from the issue of each Tranche of Subordinated Notes for its general corporate purposes, including for its general financing and refinancing requirements, or for any other purpose specified in the relevant Final Terms.

TAXATION

The following is a general description of certain tax considerations relating to the Subordinated Notes. It does not purport to be a complete analysis of all tax considerations relating to the Subordinated Notes, whether in the Relevant Jurisdictions or elsewhere. Prospective purchasers of Subordinated Notes should consult their own tax advisers as to which countries' tax laws could be relevant to acquiring, holding and disposing of Subordinated Notes and receiving payments of interest, principal and/or other amounts under the Subordinated Notes and the consequences of such actions under the tax laws of those countries. This summary is based upon the law as in effect on the date of this Base Prospectus and is subject to any change in law that may take effect after such date.

United States Federal Income Taxation

The following summary discusses the principal U.S. federal income tax consequences of the ownership and disposition of the Subordinated Notes. Except as specifically noted below, this discussion applies only to:

- Subordinated Notes purchased on original issuance;
- Subordinated Notes held as capital assets; and
- U.S. Holders (as defined below).

This discussion does not describe all of the tax consequences that may be relevant in light of a holder's particular circumstances or to Noteholders subject to special rules, such as:

- financial institutions;
- insurance companies;
- dealers in securities or currencies;
- persons holding Subordinated Notes as part of a hedging transaction, "straddle", conversion transaction or other integrated transaction;
- former citizens or residents of the United States;
- U.S. Holders whose functional currency is not the U.S. dollar;
- persons that actually or through attribution own 10 per cent. or more of the total voting power or value of all of the Issuer's outstanding stock (including the Subordinated Notes and any other securities of the Issuer treated as equity for U.S. federal income tax purposes);
- partnerships or entities or arrangements classified as partnerships for U.S. federal income tax purposes; or
- tax exempt organisations or governmental organisations; individual retirement or tax-deferred accounts.

This summary is based on the Internal Revenue Code of 1986, as amended to the date hereof (the "**Code**"), administrative pronouncements, judicial decisions and final, temporary and proposed U.S. Treasury Regulations, as of the day hereof, changes to any of which subsequent

to the date of this Base Prospectus may affect the tax consequences described below. Persons considering the purchase of the Subordinated Notes should consult their own tax advisers with regard to the application of the U.S. federal income tax laws to their particular situations (including the application of any alternative minimum tax, special tax accounting rules that apply to accrual basis taxpayers under Section 451(b) of the Code and the Medicare tax on net investment income) as well as any tax consequences arising under U.S. federal tax laws other than income tax laws (e.g., gift tax or estate tax), or the laws of any state, local or foreign taxing jurisdiction.

As used herein, the term "**U.S. Holder**" means a beneficial owner of a Subordinated Note that is for U.S. federal income tax purposes:

- a citizen or individual resident of the United States;
- a corporation created or organised in or under the laws of the United States, any state thereof or the District of Columbia;
- an estate the income of which is subject to U.S. federal income taxation regardless of its source; or
- a trust if a court within the United States is able to exercise primary supervision over the administration of the trust and one or more U.S. persons have the authority to control all substantial decisions of the trust.

If an entity or arrangement that is classified as a partnership for U.S. federal income tax purposes holds Subordinated Notes, the U.S. federal income tax treatment of a partner will generally depend on the status of the partner and upon the activities of the partnership. Partners of such entities or arrangements holding Subordinated Notes should consult with their own tax advisers regarding the tax consequences of an investment in the Subordinated Notes.

Characterisation of the Subordinated Notes

Prospective investors should note that the tax characterisation of an instrument as debt or equity for U.S. federal income tax purposes is highly factual and based on applicable law and the facts and circumstances existing at the time the instrument is issued. Although no single factor is dispositive, instruments that lack a fixed maturity date are generally treated as equity for U.S. federal income tax purposes. The Issuer intends, to the extent it is required to take a position, to treat the Subordinated Notes as equity in the Issuer, and not as debt, for U.S. federal income tax purposes, and such characterisation is binding on all U.S. Holders unless a U.S. Holder discloses otherwise on its U.S. federal income tax return. No rulings have been or will be sought from the IRS with respect to the tax characterisation of the Subordinated Notes, either in general or with respect to any particular series of Subordinated Notes, and there can be no assurance that the IRS or the courts would agree with the Issuer's characterisation of the Subordinated Notes (either in general or with respect to a particular Series). Prospective investors should consult their own advisers with respect to the characterisation of the Subordinated Notes for U.S. federal income tax purposes and the consequences of investing in any Subordinated Notes that are classified as debt for U.S. federal income tax purposes, including the possibility of the Subordinated Notes being issued with original issue discount because interest on the Subordinated Notes is subject to cancellation and may not be considered "qualified stated interest" for such purposes. The proper application of the original issue discount rules to a perpetual debt instrument with

cancellable interest is unclear but could result in U.S. Holders being required to include the entire amount of interest in income as it accrues, regardless of whether the Issuer has cancelled such interest. U.S. Holders should consult their own tax advisers regarding the potential application of these rules. If treated as debt for U.S. federal income tax purpose, the Subordinated Notes could also be subject to special tax rules under the rules governing contingent payment debt instruments that may adversely impact the character and timing of the income U.S. Holders accrue with respect to the Subordinated Notes.

The remainder of this discussion assumes that the Subordinated Notes are equity for U.S. federal income tax purposes.

Substitution or Variation of the Subordinated Notes, Benchmark Event, Write-Up

In certain circumstances, there may be an exchange of Subordinated Notes for other securities or a change to certain terms of the Subordinated Notes (see, e.g., "*Terms and Conditions of the Subordinated Notes – Substitution or Variation*" and "*Terms and Conditions of the Subordinated Notes – Interest*" and "*Terms and Conditions of the Subordinated Notes – Write-Up*"). Depending on the circumstances, for U.S. federal income tax purposes such an exchange or change in terms could result in a deemed taxable disposition of the Subordinated Notes in which a U.S. Holder may be required to recognise gain or loss. However, any such deemed exchange might constitute a recapitalisation or other tax-free reorganisation for U.S. federal income tax purposes, in which case no loss would be recognised and the U.S. Holder may not be required to recognise some or all of any gain.

U.S. Holders should consult their own tax advisers regarding the U.S. federal income tax treatment of any modification to the terms of the Subordinated Notes or an exchange of the Subordinated Notes for other securities in light of their particular circumstances.

Passive Foreign Investment Company

In general, an entity classified as a corporation for U.S. federal income tax purposes organised outside the United States will be treated as a PFIC for U.S. federal income tax purposes in any taxable year in which either: (i) at least 75 per cent. of its gross income is "passive income"; or (ii) at least 50 per cent. of the average fair market value of its assets is attributable to assets that produce passive income or are held for the production of passive income. Passive income for this purpose generally includes, among other things, interest and gains from the sale or exchange of property that gives rise to passive income. For this purpose, under certain "look-through" rules, a corporation will be treated as owning its proportionate share of the assets and earning its proportionate share of the income of any other corporation in which it owns, directly or indirectly, 25 per cent. or more (by value) of the stock. Although interest income is generally passive, under IRS guidance, certain banking income of licensed active banks is treated as non-passive (the "**active banking exception**"). The active banking exception has detailed and technical requirements that are highly factual.

Based on the present nature of its activities and the present composition of its assets and sources of income, the Issuer believes that there is a significant risk that the Subordinated Notes could be treated as equity in a PFIC for the current taxable year and for the foreseeable future, and the Issuer has not made any determinations regarding its PFIC status. The remainder of this discussion assumes that the Issuer is and will continue to be a PFIC. If the Issuer is classified as a PFIC in any year that a U.S. holder is a shareholder, the Issuer generally

will continue to be treated as a PFIC for that U.S. Holder in all succeeding years, regardless of whether the Issuer continues to meet the income or asset test described above.

If any entity in which the Issuer owns or is deemed to own equity interests is also a PFIC (any such entity, a "**Lower-tier PFIC**"), U.S. Holders will generally be deemed to own a proportionate amount (by value) of the shares of each such Lower-tier PFIC and will generally be subject to U.S. federal income tax according to the rules described below under "– *Payments of interest*" or "– *Sale, exchange or other disposition of the Subordinated Notes*" on: (i) certain distributions by a Lower-tier PFIC; and (ii) dispositions of shares of Lower-tier PFICs, in each case as if the U.S. Holder held such shares directly, even though the U.S. Holder did not receive any proceeds of those distributions or dispositions. U.S. Holders should consult their own tax advisers regarding the tax issues raised by Lower-tier PFICs.

Payments of interest

Payments of stated interest on the Subordinated Notes (including any applicable withholding thereon and any additional amounts paid in respect of such withholding) will be treated as non-U.S. source distributions on the Issuer's stock for U.S. federal income tax purposes.

A payment of interest on the Subordinated Notes to a U.S. Holder during a taxable year generally will be treated as an "excess distribution" to the extent such payment exceeds the ratable portion of the "total excess distribution" with respect to such Subordinated Notes for such taxable year. For each taxable year, the total excess distribution is generally the excess of: (i) the sum of all of the payments to the U.S. Holder on such Subordinated Notes during such taxable year, over (ii) 125 per cent. of the average annual payments to the U.S. Holder on such Subordinated Notes during the preceding three taxable years (or, if shorter, the period during which the U.S. Holder held such Subordinated Notes). The total excess distribution with respect to such Subordinated Notes is deemed to be zero for the taxable year in which such U.S. Holder's holding period for such Subordinated Notes begins. The tax payable by a U.S. Holder on an excess distribution with respect to the Subordinated Notes will be determined by allocating such excess distribution rateably to each day of the U.S. Holder's holding period for such Subordinated Notes. The amount of excess distribution allocated to the taxable year of such distribution will be included as ordinary income for the taxable year of such distribution. The amount of excess distribution allocated to any other period included in such U.S. Holder's holding period cannot be offset by any net operating losses of such U.S. Holder and will be taxed at the highest marginal rates in effect for individual or corporate taxpayers, as applicable for each such period and, in addition, an interest charge will be imposed on the amount of tax for each such period.

To the extent a payment of interest with respect to the Subordinated Notes does not constitute an excess distribution to a U.S. Holder, such U.S. Holder generally should expect to include the amount of such payment in gross income as a dividend.

Payments of interest with respect to the Subordinated Notes that are treated as dividends will not be eligible for either the "dividends received" deduction generally allowed to corporate shareholders with respect to dividends received from U.S. corporations or the reduced tax rate applicable to "qualified dividend income" of non-corporate taxpayers.

The amount of any distribution on a Subordinated Note paid in a currency other than the U.S. dollar will be calculated in U.S. dollar terms regardless of whether the payment is in fact

converted into U.S. dollars. U.S. Holders should consult their own tax advisers regarding how to account for payments in a currency other than the U.S. dollar.

Sale, exchange or other disposition of the Subordinated Notes

A U.S. Holder generally will recognise U.S. source gain or loss for U.S. federal income tax purposes upon the sale, exchange or other disposition of the Subordinated Notes in an amount equal to the difference, if any, between the U.S. dollar amount realised on such sale, exchange or other disposition and the U.S. Holder's adjusted tax basis in the Subordinated Notes. Subject to the discussion under "– *Mark-to-market election*", any such gain generally will be treated as an excess distribution subject to the tax consequences described above under "– *Payments of interest*". Any such loss generally will be treated as a capital loss. The deductibility of capital losses is subject to limitations.

U.S. Holders should consult their own tax advisers regarding how to account for payments made or received in a currency other than the U.S. dollar.

A redemption of the Subordinated Notes will be treated as a sale or exchange described in the first paragraph above if the redemption, based on the facts and circumstances, is treated for U.S. federal income tax purposes as: (i) a "complete termination" of the stock interest in the Issuer; (ii) a "substantially disproportionate" redemption of stock with respect to the U.S. Holder; or (iii) is "not essentially equivalent to a dividend" with respect to the U.S. Holder, each within the meaning of the relevant U.S. tax rules. In determining whether any of these tests has been met, a U.S. Holder must take into account not only the Subordinated Notes and other equity interests in the Issuer that a U.S. Holder actually owns but also other equity interests in the Issuer (including any other interests in the Issuer treated as equity for U.S. federal income tax purposes) that a U.S. Holder constructively owns under U.S. federal income tax rules. A U.S. Holder that owns (actually or through attribution) only an insubstantial percentage of Issuer's total equity interests and that exercises no control over the Issuer's corporate affairs will likely be entitled to sale or exchange treatment on a redemption of the Subordinated Notes if such holder experiences a reduction in its equity interest (taking into account any constructively owned equity interests) as a result of the redemption.

If a U.S. Holder meets none of the alternative tests described above, the redemption will be treated as a distribution subject to the rules described under "– *Payments of interest*". If a redemption of the Subordinated Notes is treated as a distribution, U.S. Holders should consult their own tax advisers regarding the allocation of their tax basis in the redeemed and remaining shares of the Issuer and the tax consequences of the redemption.

Because the determination as to whether any of the alternative tests described above is satisfied with respect to any particular holder of the Subordinated Notes will depend upon the facts and circumstances as of the time the determination is made, U.S. Holders should consult their own tax advisers regarding the tax treatment of a redemption including the possibility that a redemption will be treated as a distribution rather than a sale or exchange.

Mark-to-market election

If the Subordinated Notes are "regularly traded" on a "qualified exchange", a U.S. Holder may make a mark-to-market election with respect to the Subordinated Notes, which may help to mitigate the materially adverse tax consequences resulting from the Issuer's PFIC status. The Subordinated Notes will be treated as "regularly traded" in any calendar year in which more than a *de minimis* quantity of the Subordinated Notes are traded on a qualified exchange on

at least 15 days during each calendar quarter (or a certain lesser amount of days for the quarter that includes the date the Subordinated Notes are issued). No assurance can be given that the Subordinated Notes will be "regularly traded" for purposes of the mark-to-market election.

A non-U.S. securities exchange constitutes a qualified exchange if it is regulated or supervised by a governmental authority of the country in which the securities exchange is located and meets certain trading, listing, financial disclosure and other requirements set forth in U.S. Treasury regulations.

If a "mark-to-market" election is available and a U.S. Holder validly makes such an election as of the beginning of the U.S. Holder's holding period, the U.S. Holder generally will not be subject to the adverse tax consequences relating to an excess distribution or gain described above under "– *Payments of interest*" or "– *Sale, exchange or other disposition of the Subordinated Notes*". Instead, the U.S. Holder generally will be required to take into account the difference, if any, between the fair market value of, and its adjusted tax basis in, its Subordinated Notes at the end of each taxable year as ordinary income or to the extent of any net mark-to-market gains previously included in income, ordinary loss, and to make corresponding adjustments to the U.S. Holder's adjusted tax basis in the Subordinated Notes. In addition, any gain from a sale, exchange or other disposition of the Subordinated Notes will be treated as ordinary income, and any loss will be treated as ordinary loss to the extent of any net mark-to-market gains previously included in income, and as a capital loss to the extent the loss exceeds such net mark-to-market gains. Although a mark-to-market election may be available with respect to the Subordinated Notes, a mark-to-market election generally would not be available with respect to any Lower-tier PFIC and distributions or gain treated as attributable to a Lower-tier PFIC generally would be subject to the general PFIC rules.

U.S. Holders should consult their own tax advisers with respect to the availability and tax consequences of a mark-to-market election with respect to the Subordinated Notes.

Qualified electing fund election

The tax consequences described above under "– *Payments of interest*" and "– *Sale, exchange or other disposition of the Subordinated Notes*" generally would not apply if a "qualified electing fund" ("**QEF**") election were available and a U.S. Holder had validly made such an election as of the beginning of such U.S. Holder's holding period for the Subordinated Notes. A QEF election would only be available to a U.S. Holder, however, if the Issuer agrees to annually provide such U.S. Holder with certain information. The Issuer does not intend to provide U.S. Holders with the required information and prospective investors should assume that a QEF election will not be available in respect of the Subordinated Notes.

Backup Withholding and Information Reporting

Information returns may be filed with the IRS in connection with payments on the Subordinated Notes and the proceeds from a sale or other disposition of the Subordinated Notes. A U.S. Holder may be subject to U.S. backup withholding on these payments if it fails to provide its tax identification number to the paying agent and comply with certain certification procedures or otherwise establish an exemption from backup withholding. The amount of any backup withholding from a payment to a U.S. Holder will be allowed as a

credit against the U.S. Holder's U.S. federal income tax liability and may entitle them to a refund, provided that the required information is timely furnished to the IRS.

U.S. Holders should consult their own tax advisers regarding any additional tax reporting or filing requirements they may have as a result of the acquisition, ownership or disposition of the Subordinated Notes, including under the PFIC rules. Failure to comply with certain reporting obligations could result in the imposition of substantial penalties.

The U.S. federal income tax discussion set forth above is included for general information only and may not be applicable depending upon a U.S. Holder's particular situation. U.S. Holders should consult their own tax advisors with respect to the tax consequences to them of the ownership and disposition of the Subordinated Notes, including the tax consequences under state, local, foreign and other tax laws and the possible effects of changes in U.S. federal or other tax laws.

FATCA

Pursuant to certain provisions of the U.S. Internal Revenue Code of 1986, commonly known as FATCA, a "foreign financial institution" may be required to withhold on certain payments it makes ("**foreign passthru payments**") to persons that fail to meet certain certification, reporting or related requirements. The Issuer may be a foreign financial institution for these purposes. A number of jurisdictions have entered into, or have agreed in substance to, intergovernmental agreements with the United States to implement FATCA ("**IGAs**"), which modify the way in which FATCA applies in their jurisdictions. Under the provisions of IGAs as currently in effect, a foreign financial institution in an IGA jurisdiction would generally not be required to withhold under FATCA or an IGA from payments that it makes. Certain aspects of the application of the FATCA provisions and IGAs to instruments such as the Subordinated Notes, including whether withholding would ever be required pursuant to FATCA or an IGA with respect to payments on instruments such as the Subordinated Notes, are uncertain and may be subject to change. Even if withholding would be required pursuant to FATCA or an IGA with respect to payments on instruments such as the Subordinated Notes, such withholding would not apply prior to the date that is two years after the final regulations defining "foreign passthru payment" are published. Prospective investors should consult their own tax advisers regarding how these rules may apply to their investment in the Subordinated Notes.

CERTAIN ERISA CONSIDERATIONS

Section 406 of the U.S. Employee Retirement Income Security Act of 1974, as amended ("**ERISA**"), and Section 4975 of the Code, prohibit certain transactions involving: (i)(a) "employee benefit plans" (as defined in Section 3(3) of ERISA) that are subject to Part 4 of Subtitle B of Title I of ERISA, (b) "plans" (as defined in Section 4975(e)(1) of the Code) that are subject to Section 4975 of the Code (together with (a), "**Plans**"), or (c) any person or entity whose underlying assets include "plan assets" by reason of such Plan's investment in the person or entity under the U.S. Department of Labor regulation at 29 C.F.R. § 2510.3-101, as modified by Section 3(42) of ERISA (the "**Plan Asset Regulation**") (each of (a), (b) or (c), a "**Benefit Plan Investor**"); and (ii) persons who have certain specified relationships to such Plans ("parties in interest" under Section 3(14) of ERISA and "disqualified persons" under Section 4975(e)(2) of the Code and collectively, "**Parties in Interest**"), unless an exemption is available. A violation of these "prohibited transaction" rules may result in the imposition of an excise tax, the rescission of the applicable transaction or other liabilities under ERISA or Section 4975 of the Code for such persons, unless relief is available under an applicable statutory or administrative exemption. Certain exemptions from the prohibited transaction provisions of Section 406 of ERISA and Section 4975 of the Code may apply depending in part on the type of Plan fiduciary making the decision to acquire a Subordinated Note and the circumstances under which such decision is made. Included among these exemptions are Section 408(b)(17) of ERISA and Section 4975(d)(20) of the Code (relating to purchase and sale of securities and related lending transactions, provided that neither the issuer of the securities nor its affiliate has or exercises any discretionary authority or control or renders any investment advice with respect to the assets of any Plan involved in the transaction (in other words, not a fiduciary) and provided further that the Plan pays no more than, and receives no less than, "adequate consideration" in connection with the transaction), Prohibited Transaction Class Exemption ("**PTCE**") 95-60 (relating to investments by insurance company general accounts), PTCE 91-38 (relating to investments by bank collective investment funds), PTCE 84-14 (relating to transactions effected by a "**qualified professional asset manager**"), PTCE 90-1 (relating to investments by insurance company pooled separate accounts) and PTCE 96-23 (relating to transactions determined by an in-house asset manager). There can be no assurance that any of these class exemptions or any other exemption will be available with respect to any particular transaction involving the Subordinated Notes.

Governmental plans (as defined in Section 3(32) of ERISA), certain church plans (as defined in Section 3(33) of ERISA) and non-U.S. plans (as described in Section 4(b)(4) of ERISA), while not subject to the fiduciary responsibility provisions of ERISA or the prohibited transaction provisions of Section 406 of ERISA or Section 4975 of the Code, may nevertheless be subject to U.S. federal, state or local, or non-U.S. laws or regulations that contain one or more provisions that are similar to the prohibited transaction provisions of Section 406 of ERISA or Section 4975 of the Code ("**Similar Law**"). Fiduciaries of such plans should consult with their counsel before they purchase any of the Subordinated Notes (or any interest therein).

Under the Plan Asset Regulation, when a Benefit Plan Investor acquires 25 per cent. or more of the total value of any class of equity in an entity interests, the underlying assets owned by that entity will be treated as if they were plan assets of such Benefit Plan Investors, unless an exception applies. For purposes of this calculation, the value of any equity interests in an entity held by (i) persons (other than Benefit Plan Investors), that have discretionary authority or control over, or that provide investment advice for a fee (directly or indirectly), with respect to the assets of the entity or (ii) "affiliates" within the meaning of paragraph (f)(3) of the Plan

Asset Regulation (other than Benefit Plan Investors) of the foregoing (i) persons are excluded. If the assets of the Issuer were deemed to be plan assets of a Benefit Plan Investor, the Issuer would be subject to certain fiduciary obligations under ERISA, and certain transactions that the Issuer might enter into, or may have entered into, in the ordinary course of business might constitute or result in non-exempt prohibited transactions under Section 406 of ERISA and Section 4975 of the Code.

Although no assurance can be given, the Subordinated Notes issued should not be considered "equity interests" for purposes of the Plan Asset Regulation and the Issuer intends to treat the Subordinated Notes as indebtedness. Nevertheless, prohibited transactions within the meaning of Section 406 of ERISA or Section 4975 of the Code may arise if the Subordinated Notes (or any interest therein) are acquired by a Benefit Plan Investor with respect to which any of the Issuer, the Dealers, the Arrangers or any of their respective affiliates ("**Transaction Parties**") is considered a Party in Interest. Accordingly, each purchaser and transferee of any Subordinated Note (or any interest therein) will be deemed to represent, warrant and agree that either: (a) it is not and for so long as it holds such Subordinated Note (or any interest therein) will not be and will not be acting on behalf of, or with the assets of, a Benefit Plan Investor or a governmental, church or non-U.S. plan that is subject to any Similar Law; or (b) its acquisition, holding and disposition of such Subordinated Note (or any interest therein) do not and will not constitute or result in a non-exempt prohibited transaction under Section 406 of ERISA or Section 4975 of the Code or, in the case of a governmental, church or non-U.S. plan, a violation of any applicable Similar Law. Any purported purchase or transfer of such a Subordinated Note (or any interest therein) that does not comply with the foregoing shall be null and void *ab initio*.

Each purchaser or transferee of any Subordinated Note or any interest in any Subordinated Note that is a Benefit Plan Investor will be deemed to have represented by its acquisition that: (1) none of the Transaction Parties has provided any investment recommendation or investment advice to the Benefit Plan Investor or any fiduciary or other person investing on behalf of the Benefit Plan Investor or who otherwise has discretion or control over the investment and management of "plan assets" (a "**Plan Fiduciary**") in connection with the decision to acquire any interest in the Subordinated Notes; (2) none of the Transaction Parties is undertaking to act as a "fiduciary" within the meaning of Section 3(21) of ERISA or Section 4975(e)(3) of the Code to the Benefit Plan Investor or Plan Fiduciary in connection with the Benefit Plan Investor's acquisition of any interest in the Subordinated Notes; and (3) the Plan Fiduciary is exercising its own independent judgment in evaluating the acquisition of any interest in the Subordinated Notes.

This Base Prospectus is not directed to any particular purchaser, nor does it address the needs of any particular purchaser. None of the Transaction Parties shall provide any advice or recommendation with respect to the management of any purchase of Subordinated Notes or the advisability of acquiring, holding, disposing or exchanging of any Subordinated Notes.

SUBSCRIPTION AND SALE

Subordinated Notes may be sold from time to time by the Issuer to any one or more of Citigroup Global Markets Limited, Emirates NBD Bank PJSC and Standard Chartered Bank and any additional Dealer appointed under the Programme from time to time by the Issuer (the "**Dealers**"). The arrangements under which Subordinated Notes may from time to time be agreed to be sold by the Issuer to, and subscribed by, Dealers are set out in a dealer agreement dated 20 October 2026 (the "**Dealer Agreement**") and made between the Issuer and the Dealers. If in the case of any Tranche of Subordinated Notes the method of distribution is an agreement between the Issuer and a single Dealer for that Tranche to be issued by the Issuer and subscribed by that Dealer, the method of distribution will be described in the relevant Final Terms as "Non-syndicated" and the name of that Dealer and any other interest of that Dealer which is material to the issue of that Tranche beyond the fact of the appointment of that Dealer will be set out in the relevant Final Terms or Drawdown Prospectus, as the case may be. If in the case of any Tranche of Subordinated Notes the method of distribution is an agreement between the Issuer and more than one Dealer for that Tranche to be issued by the Issuer and subscribed by those Dealers, the method of distribution will be described in the relevant Final Terms as "Syndicated", the addresses of those Dealers and any other interests of any of those Dealers which is material to the issue of that Tranche beyond the fact of the appointment of those Dealers (including whether any of those Dealers has also been appointed to act as Stabilisation Manager in relation to that Tranche) will be set out in the relevant Final Terms or Drawdown Prospectus, as the case may be.

Any such agreement will, *inter alia,* make provision for the form and terms and conditions of the relevant Subordinated Notes, the price at which such Subordinated Notes will be subscribed by the Dealer(s) and the commissions or other agreed deductibles (if any) payable or allowable by the Issuer in respect of such subscription. The Dealer Agreement makes provision for the resignation or termination of appointment of existing Dealers and for the appointment of additional or other Dealers either generally in respect of the Programme or in relation to a particular Tranche of Subordinated Notes.

United States of America

Regulation S Category 2.

The Subordinated Notes have not been, and will not be, registered under the Securities Act or with any securities regulatory authority of any state or other jurisdiction of the United States and may not be offered or sold within the United States or to, or for the account or benefit of, U.S. persons (as defined in Regulation S) except in certain transactions exempt from the registration requirements of the Securities Act.

Each Dealer has agreed that it will not offer, sell or deliver Subordinated Notes: (i) as part of their distribution at any time; or (ii) otherwise until 40 days after the completion of the distribution of the Subordinated Notes comprising the relevant Tranche, within the United States or to, or for the account or benefit of, U.S. persons, except pursuant to Rule 144A or another exemption from, or in a transaction not subject to, the registration requirements of the Securities Act, and such Dealer will have sent to each dealer to which it sells Subordinated Notes during the distribution compliance period relating thereto, a confirmation or notice setting forth the restrictions on offers and sales of the Subordinated Notes within the United

States or to, or for the account or benefit of, U.S. persons, as further specified in the Dealer Agreement.

In addition, until 40 days after the completion of the distribution of the Subordinated Notes comprising the relevant Tranche, as described above, any offer or sale of Subordinated Notes within the United States by any dealer (whether or not participating in the offering) may violate the registration requirements of the Securities Act if such offer or sale is made otherwise than in accordance with an available exemption from, or in a transaction not subject to, the registration requirements under the Securities Act.

The Dealer Agreement provides that each Arranger, or any other Dealer, may directly or through its respective agents or affiliates arrange for the resale of Restricted Registered Subordinated Notes in the United States only to qualified institutional buyers pursuant to Rule 144A who are also qualified purchasers as defined in Section 2(a)(51)(A) of the Investment Company Act.

Prohibition of Sales to EEA Retail Investors

Unless the Final Terms (or Drawdown Prospectus, as the case may be) in respect of any Subordinated Notes specifies the "*Prohibition of Sales to EEA Retail Investors*" as "Not Applicable", each Dealer has represented, warranted and agreed, and each further Dealer appointed under the Programme will be required to represent, warrant and agree, that it has not offered, sold or otherwise made available and will not offer, sell or otherwise make available any Subordinated Notes which are the subject of the offering contemplated by this Base Prospectus as completed by the Final Terms (or are the subject of the offering contemplated by a Drawdown Prospectus) in relation thereto to any retail investor in the European Economic Area. For the purposes of this provision, the expression "**retail investor**" means a person who is one (or more) of the following:

(i) a retail client as defined in point (11) of Article 4(1) of Directive 2014/65/EU (as amended, "**MiFID II**"); or

(ii) a customer within the meaning of Directive (EU) 2016/97 (as amended, the "**Insurance Distribution Directive**"), where that customer would not qualify as a professional client as defined in point (10) of Article 4(1) of MiFID II.

If the Final Terms (or Drawdown Prospectus, as the case may be) in respect of any Subordinated Notes specifies "*Prohibition of Sales to EEA Retail Investors*" as "Not Applicable", in relation to each Member State of the European Economic Area, each Dealer has represented, warranted and agreed, and each further Dealer appointed under the Programme will be required to represent, warrant and agree, that it has not made and will not make an offer of Subordinated Notes which are the subject of the offering contemplated by this Base Prospectus as completed by the Final Terms in relation thereto (or are the subject of the offering contemplated by a Drawdown Prospectus, as the case may be) to the public in that Member State except that it may make an offer of such Subordinated Notes to the public in that Member State:

(a) *Qualified investors*: at any time to any legal entity which is a qualified investor as defined in the Prospectus Regulation;

(b) *Fewer than 150 offerees*: at any time to fewer than 150 natural or legal persons (other than qualified investors as defined in the Prospectus Regulation), subject to obtaining

the prior consent of the relevant Dealer or Dealers nominated by the Issuer for any such offer; or

(c) *Other exempt offers*: at any time in any other circumstances falling within Article 1(4) of the Prospectus Regulation,

provided that no such offer of Subordinated Notes referred to above shall require the Issuer or any Dealer to publish a prospectus pursuant to Article 3 of the Prospectus Regulation or supplement a prospectus pursuant to Article 23 of the Prospectus Regulation.

For the purposes of this provision, the expression an "**offer of Subordinated Notes to the public**" in relation to any Subordinated Notes in any Member State means the communication in any form and by any means of sufficient information on the terms of the offer and the Subordinated Notes to be offered so as to enable an investor to decide to purchase or subscribe for the Subordinated Notes and the expression "**Prospectus Regulation**" means Regulation (EU) 2017/1129, as amended.

Prohibition of Sales to UK Retail Investors

Unless the Final Terms (or Drawdown Prospectus, as the case may be) in respect of any Subordinated Notes specifies the "*Prohibition of Sales to UK Retail Investors*" as "Not Applicable", each Dealer has represented, warranted and agreed, and each further Dealer appointed under the Programme will be required to represent, warrant and agree, that it has not offered, sold or otherwise made available and will not offer, sell or otherwise make available any Subordinated Notes which are the subject of this Base Prospectus as completed by the Final Terms (or are the subject of the offering contemplated by a Drawdown Prospectus, as the case may be) in relation thereto to any retail investor in the United Kingdom.

For the purposes of this provision:

(i) the expression "**retail investor**" means a person who is neither:

(a) a professional client, as defined in point (8) of Article 2(1) of Regulation (EU) No 600/2014 as it forms part of domestic law by virtue of the European Union (Withdrawal) Act 2018; nor

(b) a qualified investor as defined in paragraph 15 of Schedule 1 to the Public Offers and Admissions to Trading Regulations 2024; and

(ii) the expression "**offer**" includes the communication in any form and by any means of sufficient information on the terms of the offer and the Subordinated Notes to be offered so as to enable an investor to decide to buy or subscribe for the Subordinated Notes.

If the Final Terms (or Drawdown Prospectus, as the case may be) in respect of any Subordinated Notes specifies "*Prohibition of Sales to UK Retail Investors*" as "Not Applicable", each Dealer has represented, warranted and agreed, and each further Dealer appointed under the Programme will be required to represent, warrant and agree, that it has not offered, sold or otherwise made available and will not offer, sell or otherwise make available any Subordinated Notes which are the subject of the offering contemplated by this Base Prospectus as completed by the Final Terms (or are the subject of the offering contemplated

by a Drawdown Prospectus, as the case may be) in relation thereto to the public in the United Kingdom, except that it may make an offer:

(1) at any time to any legal entity which is a qualified investor as defined in paragraph 15 of Schedule 1 to the POATRs;

(2) at any time to fewer than 150 persons (other than qualified investors as defined in paragraph 15 of Schedule 1 to the POATRs) in the United Kingdom subject to obtaining the prior consent of the relevant Dealer or Dealers nominated by the Issuer for any such offer;

(3) at any time if the denomination per Subordinated Note being offered amounts to at least GBP50,000 (or equivalent); or

(4) at any time in any other circumstances falling within Part 1 of Schedule 1 to the POATRs.

For the purposes of this provision, the expression "**an offer of Subordinated Notes to the public**" in relation to any Subordinated Notes means the communication in any form and by any means of sufficient information on the terms of the offer and the Subordinated Notes to be offered so as to enable an investor to decide to buy or subscribe for the Subordinated Notes and the expression "**POATRs**" means the Public Offers and Admissions to Trading Regulations 2024.

Other UK regulatory restrictions

Each Dealer has represented, warranted and agreed, and each further Dealer appointed under the Programme will be required to represent, warrant and agree, that:

(i) *Financial promotion:* it has only communicated or caused to be communicated and will only communicate or cause to be communicated any invitation or inducement to engage in investment activity (within the meaning of section 21 of the Financial Services and Markets Act 2000 (as amended) ("**FSMA**")) received by it in connection with the issue or sale of any Subordinated Notes in circumstances in which section 21(1) of the FSMA does not apply to the Issuer; and

(ii) *General compliance*: it has complied and will comply with all applicable provisions of the FSMA with respect to anything done by it in relation to any Subordinated Notes in, from or otherwise involving the United Kingdom.

Switzerland

Each Dealer has acknowledged and each further Dealer appointed under the Programme will be required to acknowledge that this Base Prospectus is not intended to constitute an offer or solicitation to purchase or invest in the Subordinated Notes. Each Dealer has represented and agreed, and each further Dealer appointed under the Programme will be required to represent and agree that: (i) the Subordinated Notes may not be publicly offered, sold or advertised, directly or indirectly, in or from Switzerland within the meaning of the Swiss Financial Services Act ("**FinSA**") and no application has or will be made by it to admit any Subordinated Notes to trading on any trading venue (exchange or multilateral trading facility) in Switzerland; (ii) neither this Base Prospectus nor any other offering or marketing material relating to the Subordinated Notes constitutes a prospectus as such term is understood pursuant to FinSA; and (iii) neither this Base Prospectus nor any other offering or marketing

material relating to the Subordinated Notes may be publicly distributed or otherwise made publicly available in Switzerland.

Sultanate of Oman

Each Dealer has represented, warranted and agreed, and each further Dealer appointed under the Programme will be required to represent, warrant and agree, that:

(i) this Base Prospectus has not been filed by it with the Financial Services Authority of Oman, in relation to a public offering or private placement of securities inside the Sultanate of Oman, pursuant to Article 28 of the Securities Law (Sultani Decree 46/2022) and the Subordinated Notes will not be offered or sold by it as an offer of securities in the Sultanate of Oman as contemplated by the Commercial Companies Law of Oman (Sultani Decree 18/19, as amended); and

(ii) the Subordinated Notes have not been and will not be offered, sold or delivered by it and no invitation to subscribe for or to purchase the Subordinated Notes has been or will be made by it, directly or indirectly, nor may any document or other material in connection therewith be distributed in the Sultanate of Oman to any person in the Sultanate of Oman other than through an entity duly licensed by the Financial Services Authority of Oman to market non-Omani securities in the Sultanate of Oman and then only in accordance with all applicable laws and regulations, including Article 139 of the Executive Regulations of the Capital Markets Law (Decision No. 1/2009, as amended).

Kingdom of Saudi Arabia

No action has been or will be taken in the Kingdom of Saudi Arabia that would permit a public offering of the Subordinated Notes. Any investor in the Kingdom of Saudi Arabia or who is a Saudi person (a "**Saudi Investor**") who acquires any Subordinated Notes pursuant to an offering should note that the offer of Subordinated Notes is a private placement under Article 8 of the "Rules on the Offer of Securities and Continuing Obligations" as issued by the Board of the Capital Market Authority (the "**CMA**") resolution number 3-123-2017 dated 27 December 2017 (as amended from time to time, the "**KSA Regulations**"), made through a capital market institution licensed to carry out arranging activities by the CMA under Article 10 of the KSA Regulations.

The Subordinated Notes may thus not be advertised, offered or sold to any person in the Kingdom of Saudi Arabia other than to "institutional and qualified clients" under Article 8(a)(1) of the KSA Regulations or by way of a limited offer under Article 9 of the KSA Regulations. Each Dealer has represented and agreed, and each further Dealer appointed under the Programme will be required to represent and agree, that any offer of Subordinated Notes made by it to a Saudi Investor will be made in compliance with Article 10 and either Article 8(a)(1) or Article 9 of the KSA Regulations.

Each offer of Subordinated Notes shall not therefore constitute a "public offer", an "exempt offer" or a "parallel market offer" pursuant to the KSA Regulations, but is subject to the restrictions on secondary market activity under Article 14 of the KSA Regulations.

Kingdom of Bahrain

Each Dealer has represented, warranted and agreed, and each further Dealer appointed under the Programme will be required to represent, warrant and agree, that it has not offered or sold, and will not offer or sell any Subordinated Notes except on a private placement basis to persons in the Kingdom of Bahrain who are "accredited investors".

For this purpose, an "**accredited investor**" means:

(i) an individual holding financial assets (either singly or jointly with a spouse) of U.S.$1,000,000 or more (excluding that person's principal place of residence);

(ii) a company, partnership, trust or other commercial undertaking which has financial assets available for investment of not less than U.S.$1,000,000;

(iii) a government, supranational organisation, central bank or other national monetary authority or a state organisation whose main activity is to invest in financial instruments (such as a state pension fund); or

(iv) any other entity which is an "accredited investor" as defined in the Central Bank of Bahrain Rulebook.

United Arab Emirates (excluding the Abu Dhabi Global Market and the Dubai International Financial Centre)

Each Dealer has represented, warranted and agreed, and each further Dealer appointed under the Programme will be required to represent, warrant and agree, that the Subordinated Notes to be issued under the Programme have not been and will not be offered, sold or publicly promoted or advertised by it in the United Arab Emirates (excluding the Abu Dhabi Global Market and the Dubai International Financial Centre) other than in compliance with any laws applicable in the United Arab Emirates (excluding the Abu Dhabi Global Market and the Dubai International Financial Centre) governing the issue, offering and sale of securities.

Abu Dhabi Global Market

Each Dealer has represented, warranted and agreed, and each further Dealer appointed under the Programme will be required to represent, warrant and agree, that it has not offered and will not offer the Subordinated Notes to be issued under the Programme to any person in the Abu Dhabi Global Market unless such offer is:

(i) an "Exempt Offer" in accordance with the Market Rulebook (MKT) of the FSRA;

(ii) made only to persons who meet the Professional Client criteria set out in Rule 2.4.1 of the Conduct of Business Rulebook of the FSRA; and

(iii) made only in circumstances in which the "Financial Promotion Restriction" set out in section 18(1) of the Financial Services and Markets Regulations 2015 does not apply.

Dubai International Financial Centre

Each Dealer has represented, warranted and agreed, and each further Dealer appointed under the Programme will be required to represent, warrant and agree, that it has not offered and will not offer the Subordinated Notes to be issued under the Programme to any person in the Dubai International Financial Centre unless such offer is:

(i) an "Exempt Offer" in accordance with the Markets Rules (MKT) Module of the Dubai Financial Services Authority rulebook (the "**DFSA Rulebook**"); and

(ii) made only to persons who meet the Professional Client criteria set out in Rule 2.3.3 of the Conduct of Business (COB) Module of the DFSA Rulebook.

State of Qatar (including the Qatar Financial Centre)

Each Dealer has represented, warranted and agreed, and each further Dealer appointed under the Programme will be required to represent, warrant and agree, that it has not offered, sold or delivered, and will not offer, sell or deliver, directly or indirectly, any Subordinated Notes in the State of Qatar (including the Qatar Financial Centre), except: (i) in compliance with all applicable laws and regulations of the State of Qatar (including the Qatar Financial Centre); and (ii) through persons or corporate entities authorised and licensed to provide investment advice and/or engage in brokerage activity and/or trade in respect of foreign securities in the State of Qatar (including the Qatar Financial Centre).

This Base Prospectus: (i) has not been, and will not be, filed, reviewed, registered with or approved by the Qatar Financial Markets Authority, the Qatar Central Bank, the Qatar Stock Exchange or the Qatar Financial Centre Regulatory Authority and may not be publicly distributed in the State of Qatar (including the Qatar Financial Centre); (ii) is intended for the original recipient only and must not be provided to any other person; and (iii) is not for general circulation in the State of Qatar (including the Qatar Financial Centre) and may not be reproduced or used for any other purpose.

Singapore

Each Dealer has acknowledged, and each further Dealer appointed under the Programme will be required to acknowledge, that this Base Prospectus has not been and will not be registered as a prospectus with the Monetary Authority of Singapore. Accordingly, each Dealer has represented and agreed, and each further Dealer appointed under the Programme will be required to represent and agree, that it has not offered or sold any Subordinated Notes or caused such Subordinated Notes to be made the subject of an invitation for subscription or purchase and will not offer or sell any Subordinated Notes or cause the Subordinated Notes to be made the subject of an invitation for subscription or purchase, and has not circulated or distributed, nor will it circulate or distribute, this Base Prospectus or any other document or material in connection with the offer or sale or invitation for subscription or purchase of the Subordinated Notes, whether directly or indirectly, to any person in Singapore other than: (i) to an institutional investor (as defined in Section 4A of the Securities and Futures Act 2001 of Singapore, as modified or amended from time to time (the "**SFA**")) pursuant to Section 274 of the SFA; or (ii) to an accredited investor (as defined in Section 4A of the SFA) pursuant to and in accordance with the conditions specified in Section 275 of the SFA.

Japan

The Subordinated Notes have not been and will not be registered under the Financial Instruments and Exchange Act of Japan (Act No. 25 of 1948, as amended, the "**FIEA**"). Accordingly, each Dealer has represented, warranted and agreed, and each further Dealer appointed under the Programme will be required to represent, warrant and agree, that it has not offered or sold, and that it will not offer or sell, directly or indirectly, any Subordinated Notes in Japan or to, or for the benefit of, any resident of Japan (as defined under Item 5, Paragraph 1, Article 6 of the Foreign Exchange and Foreign Trade Act (Act No. 228 of 1949,

as amended)), or to others for re-offering or re-sale, directly or indirectly, in Japan or to, or for the benefit of, a resident of Japan, except pursuant to an exemption from the registration requirements of, and otherwise in compliance with, the FIEA and any other relevant laws and regulations and ministerial guidelines of Japan. As used in this paragraph, "**resident of Japan**" means any person resident in Japan, including any corporation or other entity organised under the laws of Japan.

Hong Kong

Each Dealer has represented, warranted and agreed, and each further Dealer appointed under the Programme will be required to represent, warrant and agree, that:

(i) it has not offered or sold and will not offer or sell in Hong Kong, by means of any document, any Subordinated Notes (except for Subordinated Notes which are a "structured product" as defined in the Securities and Futures Ordinance (Cap. 571) of Hong Kong (the "**SFO**")) other than: (a) to "professional investors" as defined in the SFO and any rules made under the SFO; or (b) in other circumstances which do not result in the document being a "prospectus" as defined in the Companies (Winding Up and Miscellaneous Provisions) Ordinance (Cap. 32) of Hong Kong (the "**C(WUMP)O**") or which do not constitute an offer to the public within the meaning of the C(WUMP)O; and

(ii) it has not issued or had in its possession for the purposes of issue, in each case, and will not issue or have in its possession for the purposes of issue, in each case, whether in Hong Kong or elsewhere, any advertisement, invitation or document relating to any Subordinated Notes, which is directed at, or the contents of which are likely to be accessed or read by, the public of Hong Kong (except if permitted to do so under the securities laws of Hong Kong) other than with respect to any Subordinated Notes which are or are intended to be disposed of only to persons outside Hong Kong or only to "professional investors" as defined in the SFO and any rules made under the SFO.

General

Each Dealer has represented, warranted and agreed, and each further Dealer appointed under the Programme will be required to represent, warrant and agree, that, to the best of its knowledge and belief, it has complied and will comply with all applicable laws and regulations in each country or jurisdiction in or from which it purchases, offers, sells or delivers Subordinated Notes or possesses, distributes or publishes this Base Prospectus, any Drawdown Prospectus or any Final Terms or any related offering material, in all cases at its own expense. Other persons into whose hands this Base Prospectus or any Final Terms comes are required by the Issuer and the Dealers to comply with all applicable laws and regulations in each country or jurisdiction in or from which they purchase, offer, sell or deliver Subordinated Notes or possess, distribute or publish this Base Prospectus or any Final Terms or any related offering material, in all cases at their own expense.

Selling restrictions may be supplemented or modified with the agreement of the Issuer. Any such supplement or modification may be set out in a supplement to this Base Prospectus.

TRANSFER RESTRICTIONS

Regulation S Subordinated Notes

Each purchaser of Unrestricted Registered Subordinated Notes outside the United States pursuant to Regulation S and each subsequent purchaser of such Subordinated Notes in resales prior to the expiration of the distribution compliance period, by accepting delivery of this Base Prospectus and the Subordinated Notes, will be deemed to have represented, agreed and acknowledged that:

(i) it is, or at the time Subordinated Notes are purchased will be, the beneficial owner of such Subordinated Notes and:

  (a) it is not a U.S. person and it is located outside the United States (within the meaning of Regulation S); and

  (b) it is not an affiliate of the Issuer or a person acting on behalf of such an affiliate;

(ii) it understands that such Subordinated Notes have not been and will not be registered under the Securities Act and that, prior to the expiration of the distribution compliance period (as defined in Regulation S), it will not offer, sell, pledge or otherwise transfer such Subordinated Notes except:

  (a) in an offshore transaction in accordance with Rule 903 or Rule 904 of Regulation S; or

  (b) to the Issuer; or

  (c) in the case of Unrestricted Registered Subordinated Notes only, in accordance with Rule 144A to a person that it and any person acting on its behalf reasonably believe is a QIB who is also a QP purchasing for its own account or the account of a QIB who is also a QP,

  in each case in accordance with any applicable securities laws of any State of the United States;

(iii) it understands that the Issuer, the Registrar, the Dealers and their affiliates, and others will rely upon the truth and accuracy of the foregoing acknowledgements, representations and agreements.

Subordinated Notes represented by an interest in an Unrestricted Global Subordinated Note Certificate may be transferred to a person who wishes to hold such Subordinated Notes in the form of an interest in a Restricted Global Subordinated Note Certificate only upon receipt by the Registrar of a written certification from the transferor (in the form set out in schedule 10 (*Form of Transfer Certificate*) to the Agency Agreement) to the effect that such transfer is being made to a person whom the transferor reasonably believes is a QIB who is also a QP, in a transaction meeting the requirements of Rule 144A and in accordance with any applicable securities laws of any state of the United States.

Subordinated Notes represented by an interest in a Restricted Global Subordinated Note Certificate may also be transferred to a person who wishes to hold such Subordinated Notes in the form of an interest in an Unrestricted Global Subordinated Note Certificate, but only upon receipt by the Registrar of a written certification from the transferor (in the form set out

in schedule 10 (*Form of Transfer Certificate*) to the Agency Agreement) to the effect that such transfer is being made in accordance with Regulation S or Rule 144A (if available) under the Securities Act.

Any interest in a Subordinated Note represented by an Unrestricted Global Subordinated Note Certificate that is transferred to a person who takes delivery in the form of an interest in a Subordinated Note represented by a Restricted Global Subordinated Note Certificate will, upon transfer, cease to be an interest in a Subordinated Note represented by an Unrestricted Global Subordinated Note Certificate and become an interest in a Subordinated Note represented by a Restricted Global Subordinated Note Certificate and, accordingly, will thereafter be subject to all transfer restrictions and other procedures applicable to Subordinated Notes represented by a Restricted Global Subordinated Note Certificate.

Rule 144A Subordinated Notes

Each purchaser of Restricted Registered Subordinated Notes in reliance on Rule 144A, by accepting delivery of this Base Prospectus, will be deemed to have represented, agreed and acknowledged as follows (terms used in the following paragraphs that are defined in Rule 144A have the respective meanings given to them in Rule 144A):

(i) the purchaser is: (a) a QIB who is also a QP; (b) acquiring the Subordinated Notes for its own account or for the account of one or more QIBs who are also QPs; (c) not formed for the purpose of investing in the Subordinated Notes or the Issuer; and (d) is aware, and each beneficial owner of such Subordinated Notes has been advised that the sale of the Subordinated Notes to it is being made in reliance on Rule 144A;

(ii) the purchaser understands that: (a) the Subordinated Notes have not been and will not be registered under the Securities Act and may not be offered, sold, pledged or otherwise transferred except: (1) in accordance with Rule 144A to a person that it, and any person acting on its behalf, reasonably believes is a QIB who is also a QP purchasing for its own account or for the account of one or more QIBs who are also QPs; (2) in an offshore transaction in accordance with Rule 903 or Rule 904 of Regulation S under the Securities Act; (3) pursuant to an exemption from registration under the Securities Act provided by Rule 144A thereunder (if available); (4) pursuant to an effective registration statement under the Securities Act; or (5) to the Issuer or any of its affiliates, in each case in accordance with any applicable securities laws of any State of the United States; and (b) it will, and each subsequent holder of the Restricted Registered Subordinated Notes is required to, notify any purchaser of the Restricted Registered Subordinated Notes from it of the resale restrictions applicable to the Restricted Registered Subordinated Notes;

(iii) the purchaser understands that the Restricted Global Subordinated Note Certificate and any restricted Individual Subordinated Note Certificate (a "**Restricted Individual Subordinated Note Certificate**") will bear a legend to the following effect, unless the Issuer determines otherwise in accordance with applicable law:

THE SUBORDINATED NOTES REPRESENTED HEREBY HAVE NOT BEEN AND WILL NOT BE REGISTERED UNDER THE UNITED STATES SECURITIES ACT OF 1933, AS AMENDED (THE "**SECURITIES ACT**") OR ANY SECURITIES LAW OF ANY STATE OF THE UNITED STATES. THE HOLDER HEREOF, BY PURCHASING THE SUBORDINATED NOTES REPRESENTED HEREBY, AGREES FOR THE BENEFIT OF THE ISSUER THAT THE

SUBORDINATED NOTES REPRESENTED HEREBY MAY BE REOFFERED, RESOLD, PLEDGED OR OTHERWISE TRANSFERRED ONLY IN COMPLIANCE WITH THE SECURITIES ACT AND OTHER APPLICABLE LAWS AND ONLY: (1) PURSUANT TO RULE 144A UNDER THE SECURITIES ACT TO A PERSON THAT THE HOLDER REASONABLY BELIEVES IS A QUALIFIED INSTITUTIONAL BUYER WITHIN THE MEANING OF RULE 144A WHO IS ALSO A QUALIFIED PURCHASER AS DEFINED IN SECTION 2(A)(51)(A) OF THE U.S. INVESTMENT COMPANY ACT OF 1940, AS AMENDED PURCHASING FOR ITS OWN ACCOUNT OR A PERSON PURCHASING FOR THE ACCOUNT OF A QUALIFIED INSTITUTIONAL BUYER WHO IS ALSO A QUALIFIED PURCHASER WHOM THE HOLDER HAS INFORMED, IN EACH CASE, THAT THE REOFFER, RESALE, PLEDGE OR OTHER TRANSFER IS BEING MADE IN RELIANCE ON RULE 144A, (2) IN AN OFFSHORE TRANSACTION IN ACCORDANCE WITH RULE 903 OR 904 OF REGULATION S UNDER THE SECURITIES ACT, (3) PURSUANT TO AN EXEMPTION FROM, OR IN A TRANSACTION NOT SUBJECT TO, THE REGISTRATION REQUIREMENTS PROVIDED BY RULE 144 UNDER THE SECURITIES ACT (IF AVAILABLE) OR (4) TO THE ISSUER OR ITS AFFILIATES.

(iv) if it is acquiring any Subordinated Notes for the account of one or more QIBs who are also QPs the purchaser represents that it has sole investment discretion with respect to each such account and that it has full power to make the foregoing acknowledgements, representations and agreements on behalf of each such account; and

(v) the purchaser understands that the Issuer, the Registrar, the Dealers and their affiliates, and others will rely upon the truth and accuracy of the foregoing acknowledgements, representations and agreements.

Upon the transfer, exchange or replacement of a Restricted Global Subordinated Note Certificate or a Restricted Individual Subordinated Note Certificate, or upon specific request for removal of the legend, the Issuer will deliver only a Restricted Global Subordinated Note Certificate or one or more Restricted Individual Subordinated Note Certificates that bear such legend or will refuse to remove such legend, unless there is delivered to the Issuer and the Registrar such satisfactory evidence (which may include a legal opinion) as may reasonably be required by the Issuer that neither the legend nor the restrictions on transfer set forth therein are required to ensure compliance with the provisions of the Securities Act.

Any interest in a Restricted Global Subordinated Note Certificate that is transferred to a person who takes delivery in the form of an interest in an Unrestricted Global Subordinated Note Certificate will, upon transfer, cease to be an interest in a Restricted Global Subordinated Note Certificate and become an interest in an Unrestricted Global Subordinated Note Certificate and, accordingly, will thereafter be subject to all transfer restrictions and other procedures applicable to an interest in an Unrestricted Global Subordinated Note Certificate.

Prospective purchasers that are QIBs who are also QPs are hereby notified that sellers of the Restricted Registered Subordinated Notes may be relying on the exemption from the provisions of Section 5 of the Securities Act provided by Rule 144A.

GENERAL INFORMATION

1. **Authorisation**

The establishment of the Programme was authorised by resolutions of the Board of Directors of the Issuer dated 19 September 2026. The Issuer has obtained or will obtain from time to time all necessary consents, approvals and authorisations in connection with the issue and performance of the Subordinated Notes.

2. **Listing**

It is expected that each Tranche of Subordinated Notes which is to be admitted to the Official List and to trading on the regulated market of Euronext Dublin will be admitted separately as and when issued, subject only to the issue of one or more Global Subordinated Notes initially representing the Subordinated Notes of such Tranche. Application has been made to Euronext Dublin for Subordinated Notes issued under the Programme during the period of 12 months from the date of this Base Prospectus to be admitted to the Official List and to be admitted to trading on the regulated market of Euronext Dublin.

Arthur Cox Listing Services Limited is acting solely in its capacity as listing agent for the Issuer in relation to the Subordinated Notes and is not itself seeking admission of the Subordinated Notes to the Official List or to trading on the regulated market of Euronext Dublin.

3. **Legal and Arbitration Proceedings**

There are no governmental, legal or arbitration proceedings, (including any such proceedings which are pending or threatened, of which the Issuer is aware), which may have, or have had during the 12 months prior to the date of this Base Prospectus, a significant effect on the financial position or profitability of the Issuer or the Group.

4. **Significant/Material Change**

There has been: (i) no significant change in the financial performance or financial position of the Issuer or of the Group since 30 June 2026; and (ii) no material adverse change in the prospects of the Issuer or of the Group since 31 December 2025.

5. **Independent Auditors**

The Interim Financial Information incorporated by reference in this Base Prospectus have not been audited but have been reviewed by Ernst & Young Professional Services (Professional LLC) ("**EY**"), independent auditor, in accordance with the International Standard on Review Engagements 2410, "Review of Interim Financial Information Performed by the Independent Auditor of the Entity", as endorsed in the Kingdom of Saudi Arabia, as stated in their review report incorporated by reference herein. EY has reported that they have applied limited procedures in accordance with International Standard on Review Engagements 2410, "Review of Interim Financial Information Performed by the Independent Auditor of the Entity" as endorsed in the Kingdom of Saudi Arabia. EY's review report dated 24 September 2026, incorporated by reference herein, states that they did not audit and they do not express any audit opinion on that interim financial information. Accordingly, the degree of reliance on

EY's report on such information should be restricted in light of the limited nature of the review procedures applied.

The 2025 Financial Statements incorporated by reference in this Base Prospectus have been audited by EY, independent auditor, as stated in their audit report incorporated by reference herein. EY is authorised and regulated by the Saudi Organisation for Chartered and Professional Accountants in Saudi Arabia.

The 2024 Financial Statements incorporated by reference in this Base Prospectus have been audited by PricewaterhouseCoopers Public Accountants, independent auditor, as stated in their audit report incorporated by reference herein.

6. Documents on Display

For the period of 12 months following from the date of this Base Prospectus, copies of the following documents (together with English translations thereof where the documents in question are not in English) may be inspected during normal business hours at the offices of the Issuing and Paying Agent in London:

(a) the Establishing Agreement;

(b) the Issuer's registration certificate number 2050003977 dated 5/11/1396H (corresponding to 29 October 1976);

(c) the Deed of Covenant;

(d) this Base Prospectus; and

(e) any future offering circulars, prospectuses or information memoranda and any other documents incorporated herein or therein.

The document(s) listed above in paragraphs (a) to (e) will also be available for viewing on the website of APICORP at: https://taef.com/investor-relations/.

For the avoidance of doubt, unless specifically incorporated by reference into this Base Prospectus, information contained on the above-mentioned websites does not form part of this Base Prospectus.

7. Clearing of the Subordinated Notes

The Subordinated Notes have been accepted for clearance through DTC, Euroclear and Clearstream, Luxembourg. The appropriate common code, International Securities Identification Number (ISIN), Financial Instrument Short Name (FISN) and Classification of Financial Instruments (CFI) code (as applicable) and/or the Committee on Uniform Security Identification Procedures (CUSIP) Number in relation to the Subordinated Notes of each Tranche will be specified in the relevant Final Terms. The relevant Final Terms shall specify any other clearing system as shall have accepted the relevant Subordinated Notes for clearance together with any further appropriate information.

8. Issue Price and Yield

Subordinated Notes may be issued at any price. The issue price of each Tranche of Subordinated Notes to be issued under the Programme will be determined by the

Issuer and the relevant Dealer(s) at the time of issue in accordance with prevailing market conditions and the issue price of the relevant Subordinated Notes or the method of determining the price and the process for its disclosure will be set out in the relevant Final Terms. In the case of different Tranches of a Series of Subordinated Notes, the issue price may include accrued interest in respect of the period from the interest commencement date of the relevant Tranche (which may be the issue date of the first Tranche of the Series or, if interest payment dates have already passed, the most recent interest payment date in respect of the Series) to the issue date of the relevant Tranche.

The yield of each Tranche of Subordinated Notes set out in the relevant Final Terms will be calculated as of the relevant issue date on an annual or semi-annual basis using the relevant issue price. It is not an indication of future yield.

9. **Legal Entity Identifier**

The Legal Entity Identifier (LEI) code of the Issuer is 213800A54KIUYH5YD185.

10. **Issuer Website**

The Issuer's website is www.taef.com. Unless specifically incorporated by reference into this Base Prospectus, information contained on this website does not form part of this Base Prospectus.

11. **Validity of this Base Prospectus**

This Base Prospectus (as supplemented as at the relevant time, if applicable) is valid for 12 months from its date in relation to Subordinated Notes which are to be admitted to trading on a regulated market in the EEA. The obligation to supplement this Base Prospectus in the event of a significant new factor, material mistake or material inaccuracy does not apply when this Base Prospectus is no longer valid.

12. **Dealers Transacting with the Issuer**

Certain of the Dealers and their affiliates have engaged, and may in the future engage, in investment banking and/or commercial banking transactions with, and may perform services for, the Issuer (and its affiliates) in the ordinary course of business. They have received, or may in the future receive, customary fees and commissions for these transactions. In addition, in the ordinary course of their business activities, the Dealers and their affiliates may make or hold a broad array of investments and actively trade debt and equity securities (or related derivative securities) and financial instruments (including bank loans) for their own account and for the accounts of their customers. Such investments and securities activities may involve securities and/or instruments of the Issuer or its affiliates (including the Subordinated Notes). The Dealers and/or their affiliates may receive allocations of Subordinated Notes (subject to customary closing conditions), which could affect future trading of the Subordinated Notes. Certain of the Dealers or their affiliates that have a lending relationship with the Issuer or its affiliates routinely hedge their credit exposure to the Issuer or its affiliates, as the case may be, consistent with their customary risk management policies. Typically, such Dealers and their affiliates would hedge such exposure by entering into transactions which consist of either the purchase of credit default swaps or the creation of short positions in securities, including potentially the

Subordinated Notes. Any such short positions could adversely affect future trading prices of the Subordinated Notes. The Dealers and their affiliates may also make investment recommendations and/or publish or express independent research views in respect of such securities or financial instruments and may hold, or recommend to clients that they acquire, long and/or short positions in such securities and instruments. See also "*Subscription and Sale*".

THE ISSUER

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For the year ended 31 December 2024

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For the year ended 31 December 2025 and six months ended 30 June 2026

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