

**Arab Banking Corporation SA**  
Annual Report  
**2024**



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**ARAB BANKING CORPORATION IN  
SA with a capital of 169,511,160 Euros  
Registered office: 8 rue Halévy 75009 PARIS  
RCS Paris 844 604 538  
Code APE: 6419Z  
(the "Company")**

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**MANAGEMENT REPORT OF THE BOARD OF DIRECTORS  
AT THE ORDINARY GENERAL MEETING  
AS OF MAY 22, 2025**

**PURSUANT TO ARTICLES L.225-100 AND L.225-37 OF THE FRENCH COMMERCIAL CODE, INCLUDING  
THE REPORT ON CORPORATE GOVERNANCE**

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Ladies and gentlemen

We have brought you together in an Ordinary General Assembly,

- on the one hand, in order to inform you of the situation of ARAB BANKING CORPORATION SA ("ABC SA" or the "bank" or the "company") and its activities during the past financial year, the results of the bank, the progress made or the difficulties encountered, the bank's activities in terms of research and development, the foreseeable development of the Bank's position, future prospects and significant events that have occurred between the closing date of the financial year and the date on which this report is drawn up,
- on the other hand, in order to submit the accounts for this financial year to your approval,

The prescribed invitations have been duly sent to you and all the documents and documents provided for by the regulations in force have been made available to you within the legal deadlines.

**FIRST PART:**  
**Management report of the Board of Directors provided for in Article L.225-100 of the French Commercial Code**

**I. Situation and activity of the bank during the year ended 31 December 2024**

The closing of ABC SA's financial statements as of December 31, 2024 shows a net profit of €6 million. This year follows a net profit of €5.4 million for the 2023 financial year.

The bank is ultimately owned by Arab Banking Corporation BSC. ("ABC BSC" or "the Group") based in Bahrain through ABC International Bank Plc ("ABCIB") based in London. The bank was created in 2018 following Brexit, which has enabled the group to maintain its presence in the European Union, which is one of its strategic markets. The group is a pan-Arab banking institution with operations in 15 countries and total assets of more than 46 billion US dollars.

The main thrust of ABC SA's strategy remains, in line with the group's strategy, to strengthen the group's international reach to better serve its customers and increase trade and investment flows between Europe and the Middle East, North Africa and Turkey (MENAT). Since its creation, ABC SA's priority objective has been to focus on its geographical expertise. The bank aims to provide its clients with products and services as well as operational excellence in the field of trade finance. On the other hand, and in line with the Group's strategy, ABC SA is developing a bank of the future with digital capability and new, innovative state-of-the-art banking platforms, as well as digital solutions for customers.

This approach aims to support higher volumes of transactions as well as to strengthen our attractiveness. The quality of the services offered to our customers is a major strategic focus. We are continuing our development by selectively expanding our customer base in Europe.

The 2024 financial year enabled the bank to generate a result that will allow it to strengthen its equity and continue its development. ABC SA's balance sheet total increased by 20% to just over 1.2 billion euros, while off-balance sheet commitments were stable at 1.4 billion euros.

In addition, this result was supported by the maintenance of strong capital and liquidity ratios throughout 2024.

**II. Analysis of business development**

The bank's activity revolves around three axes:

- Origination, which is the main driver of the company's growth. Transactions come directly from the bank's European customer base, which consists of multinationals and mid-sized companies, or arrive through the bank's extensive network of correspondent banks.
- The second important element of the bank's business model, which complements its customer-centric philosophy, is its expertise in structuring or, where appropriate, restructuring business transactions –

which it usually initiates – to ensure that the most suitable solution for its customers' needs is implemented.

- Finally, the third element that contributes to the growth of the bank's activity is the distribution of assets, which the bank itself has created and/or restructured. The latter is key to boosting the portfolio and improving capital efficiency, with asset sales helping to provide additional room for new business opportunities.

The business focused on wholesale and transactional banking products *Wholesale Banking* is ABC SA's main focus, in line with the group's strategy, with a renewed focus on the needs of European customers.

Within this activity, the *Global Transactional Banking* department is the main driving force of ABC SA in Europe. Trade finance is the main contributor to the bank's revenues through a targeted range of products and services. This department markets or finances documentary export and import letters of credit, guarantees, bonds and payments – still very important for many MENAT countries and in particular for the main North African markets, but also offers pre-export and supply chain finance financing.

The bank has been operationally resilient and, supported by a strong balance sheet and a prudent and carefully calibrated risk appetite, it has been able to take advantage of the current environment, generating a level of Net Banking Income of €41.6 million for the year, up 16% compared to the previous year. Profitability also increased during the year, with pre-tax profits of €10.3 million compared to €7.1 million in the prior year and after-tax profits of €6 million compared to €5.4 million in the previous year.

These results are the consequence of the revenues generated by ABC SA's three geographical units (Paris, Frankfurt and Milan), despite a constantly increasing cost base (+13%) linked to the consolidation and development of the bank.

### **III. Progress and challenges**

The bank's performance in 2024 was achieved in a context that is still as changing as ever. The year was characterized by an unstable geopolitical environment, with ongoing conflicts in Ukraine, Gaza and Syria, and uncertain economic policies following elections in France, Europe and the United States. Inflation has been brought under control in our European domestic markets but remains present in the United Kingdom and the United States. However, it should be noted that the high volatility of monetary policies in the major economies, which created high volatility in exchange rates, had a limited impact on the bank's operations.

Additional resources were required to cope with the constant regulatory changes, as part of the development of a sustainable European bank, and particular attention was paid to the support departments of the Paris headquarters, and more particularly to the risk department.

The success of customer expansion in 2024 has led to an increase in trading volume, which has necessitated increased capital and liquidity management.

### **IV. Guidance for fiscal year 2025**

The bank will continue its digital transformation in line with the group's strategy. Building on the successes of 2024, the bank will continue to develop and adopt innovative digital platforms in 2025 to improve operational efficiency and improve the customer experience.

To sustainably maintain its current commercial momentum and further improve its financial performance, the bank must continue to leverage its competitive advantages related to its geographic expertise and niche products. The bank will have to maintain constant vigilance in the face of a geopolitical and macroeconomic outlook that continues to be unstable in 2025. President Trump's second term could have a strong impact on global trade, most likely raising new challenges as well as opportunities. All these elements will have to be closely and continuously monitored, but the group is sufficiently robust, and its strategic vision will allow it to meet the challenges of the next twelve months.

In the 2025 financial year, work on the new regulatory reporting standards will continue at both bank and group level.

## **V. Key risks and uncertainties related to the business**

Risks that may have a negative impact on the bank's business or results are grouped into the following categories: risks impacting the bank's ability to generate revenue and maintain shareholder confidence, credit risks inherent in its business, emerging ESG risks and operational risks.

### **Macroeconomic, geopolitical and regulatory risks**

The bank operates in a macroeconomic, geopolitical and regulatory context that poses many challenges. ABC SA's activities are sensitive to macroeconomic risks in Europe, North Africa, Turkey and the Middle East (MENAT region) due to the presence of its clients in all these areas.

In addition, the bank, despite its size and relatively simple business model, is subject to a strict French and European regulatory framework that also applies to its branches. The bank operates in an extremely evolving regulation with which it must comply and whose adverse effects on its activity, its financial situation, its costs, but also on the economic and financial environment in which it operates.

Among the regulations that significantly influence the bank are:

- The new requirements under the Capital Requirements Regulation known as "CRR" or "Basel III" (Regulation (EU) No 575/2013) which come into force on 1 January 2025.
- The establishment of the European regulatory framework for sustainable finance with the increase of non-financial reporting obligations, the strengthening of the inclusion of environmental, social and governance risks in the context of risk management and the consideration of these risks in the supervisory and supervisory evaluation process.

### **Credit and counterparty risks**

Credit and counterparty risk is the most significant inherent risk for the bank.

The bank's liabilities include the loan portfolio and funding commitments, as well as guarantees issued, and letters of credit issued and/or confirmed.

It is important to note that as of December 31, 2024, the amount of doubtful debts is almost zero (€29K).

The bank has opted for the standardised approach to credit risk in the calculation of the regulatory solvency ratio. The calculation is carried out daily by the department in charge of regulatory monitoring. As of December 31, 2024, the bank's solvency ratio was 16.45% compared to 18.86% the previous year, still well above the regulatory level.

In 2024, the bank also initiated a strategic project aimed at integrating ESG risks into credit risk management, in alignment with prudential expectations. The details of this project are presented in the following section, which specifically focuses on these matters.

### **Environmental, Social and Governance (ESG) Risks**

ESG risks are defined as risks arising from the actual or potential impacts of ESG factors on the bank's counterparties or its investments. The Group has identified sustainable development as one of its strategic priorities and established a dedicated department. A triennial development program was launched to that effect at Group level.

The ESG project was launched by the bank, with the support of external consultants, to ensure the identification, measurement and management of ESG risks, and to ensure compliance with new regulations. The priority was to integrate these risks into credit risk management, in line with the guidelines issued by the European Central Bank (ECB) and the European Banking Authority (EBA) on Loan Origination and Monitoring (LOM), while reflecting the structural specificities of ABC SA.

The work carried out led to the progressive deployment of the following tools:

- An ESG questionnaire, designed to collect extra-financial information from counterparties in a consistent and proportionate manner. It helps assess the ESG risk level, identify areas of concern, support credit analysis, and inform both ESG scoring tools and future transparency obligations.
- An Environmental Risk Rating, built to assess the environmental risk level of each counterparty, including transition risks. This rating is then aggregated at portfolio level to generate a sectoral heatmap, enabling ABC SA to identify its areas of highest environmental exposure.
- An ESG scorecard, integrated into the credit process, which combines inputs from the questionnaire and other data sources to evaluate the ESG risk level of the counterparty. In high-risk cases, an ESG due diligence is triggered and may result in the inclusion of specific financing conditions. The tool is calibrated to ABC SA's structure and supports risk-based decision-making.
- The integration of climate scenarios into stress testing exercises, to evaluate the portfolio's exposure to physical and transition risks. These scenarios are gradually applied, targeting high-carbon sectors or those vulnerable to regulatory shocks, to adjust the bank's risk management practices accordingly.
- The implementation of a Sustainable Finance Framework (SFF), providing a structured basis for allocating financing to activities aligned with environmental or social objectives. The SFF defines eligibility criteria and enhances the visibility of the bank's commitments.
- An initial estimate of financed emissions, covering Scopes 1, 2 and 3, has been carried out using market methodologies. This exercise quantifies the carbon footprint of the portfolio and provides a foundation for climate trajectory steering.

### **Operational risks**

As of December 31, 2024, operational risk-weighted assets amounted to €52 million, representing 4.78% of the bank's total RWA. Although the amount of operational risk losses is not material and there were no material operational risk incidents in 2024, this risk remains material for the bank.

In 2024, the bank has carried out the DORA project to ensure its compliance with the regulations that will apply from 17 January 2025 and to be able to publish the regulatory report scheduled for the first quarter of 2025.

## **Liquidity risk management**

The bank's initial objective in terms of liquidity management is to ensure the refinancing of its activities at an optimal cost by controlling liquidity while respecting regulatory requirements. Given the structure of the balance sheet, the bank may be exposed to structural liquidity and/or funding risk. To diversify its sources of liquidity, the bank set up a contract with a deposit aggregator at the end of 2023, thanks to which the bank managed to collect €238 million by the end of 2024.

In accordance with the regulations in force, the bank calculates the LCR and NSFR ratios. As of December 31, 2024, the LCR ratio stood at 367% compared to 275% at the end of 2023; while the NSFR ratio stood at 161% at the end of 2024 compared to 138% on 31 December 2023. Both ratios far exceed the minimum regulatory requirements of 100%.

## **Total interest rate risk measurement**

Interest rate risk is the risk of losses resulting from changes in interest rates. This is a factor in the vulnerability of the bank's financial situation when faced with an unfavourable trend in interest rates.

This rate is measured in accordance with the regulations in force and the bank is well below the regulatory thresholds.

## **VI. Information on social responsibility issues**

The bank's operations and activities inevitably have an impact — although governed by controls that are still being reinforced — on the environment and society at large. In this context, the Group continues its efforts on sustainability by investing in the development of practices aligned with environmental, social and governance (ESG) factors, in accordance with applicable regulations.

In a context of ongoing structural and regulatory change, and as an extension of its ESG initiative, ABC SA launched the implementation of its ESG reporting framework in late 2024, in line with the requirements initially set out under the CSRD. This trajectory has since been called into question following the adoption of the so-called "Omnibus" regulation by the European Parliament, which suspends the application of the directive for the bank. The bank is closely monitoring the implementation of the directive in order to adjust its position accordingly.

Although initially introduced as part of a regulatory anticipation strategy, the double materiality assessment was launched and subsequently pursued by ABC SA, to identify and prioritize the most material ESG issues for its business, and to ensure their integration into its overall strategy. This initiative also aims to ensure the bank's ability to respond to future regulatory expectations, by further embedding ESG considerations into its business model.

## **VII. Disclosure of costs and expenses excluded from deductible expenses for the corporate income tax base**

In accordance with the provisions of Articles 223 *quarter* and *quinquies* of the General Tax Code, it should be noted that no lavish expenditure or charge was recorded in respect of the past financial year that was not deductible from the tax result within the meaning of Article 39-4 of the General Tax Code, nor any excessive overheads within the meaning of Article 39-5 of the General Tax Code.



#### **VIII. Significant events since the end of the year**

Since the end of the financial year, no material event has occurred that has an impact on the bank's business. At the accounting level, all events originating in 2024 and confirmed at the beginning of the 2025 financial year were recorded after the closing date.

#### **IX. The Bank's research and development activities**

The bank did not undertake any research or development programmes during the past financial year.

#### **X. Employee participation in capital**

Pursuant to Article L.225-102 of the French Commercial Code, it should be noted that no employee holds a stake in the company's capital on the last day of the financial year, i.e. December 31, 2024.

#### **XI. Method of valuation and presentation of the accounts for the year**

The presentation rules and valuation methods used to draw up the annual accounts are in accordance with the regulations in force, and with the provisions of ANC Regulation No. 2014-07 of 26 November 2014 on the accounts of companies in the banking sector.

#### **XII. Appropriation of profit**

The financial year ended December 31, 2024, resulted in a profit of €6,000,199.

We offer you the following allocation of this result:

- Allocation of 5% or 300,000 euros to the legal reserve account
- Payment of a dividend of 30% or €1,800,000 to ABCIB
- Recording in the account of other reserves of 65% i.e. 3,900,199 euros

As a reminder, we are bound by the following rules pursuant to Articles L.232-10 and L.232-12 of the French Commercial Code:

- Past losses must be offset by subsequent profits;
- A legal reserve of 10% of the capital must be set up;
- The legal reserve must be endowed each year with a minimum of 5% of the distributable profit until it is fully constituted.

**XIII. Agreements referred to in Articles L. 225-38 et seq. of the French Commercial Code**

No agreement referred to in Articles L. 225-38 et seq. of the French Commercial Code is in place within ABC SA.

**XIV. Normal and current conventions**

Several normal and routine agreements are in place to cover the various services provided to ABC SA on the one hand by ABCIB and on the other hand by ABC BSC.

**XV. Shareholding**

Of the 16,951,116 shares making up the bank's share capital, ABCIB held 16,951,115 shares as of December 31, 2024.

**XVI. Amount of dividends distributed for the last three financial years**

2023 was the first financial year in which dividends were distributed

Exercise	2023	2022	2021
Dividends distributed in euro	1,624,588	0	0

**XVII. Appendix Table**

Pursuant to Article R.225-102 of the French Commercial Code, the table showing the bank's results during the first five financial years (Appendix 1) is attached to this report.

## XVIII. Payment Terms

The company undertakes to pay its suppliers' invoices no later than thirty days following the date of receipt of the invoice, unless there is a contractual negotiation. As a result, the outstanding debt to suppliers as of December 31, 2024, does not include any invoices whose maturity has expired.

In addition, with regard to Article D. 441-4 I-2e, it is agreed that the scope of the information communicated relating to payment terms referred to in Article D. 441-4 of the Commercial Code does not include banking and related transactions.

Pursuant to the provisions of Article L.441-14 of the French Commercial Code, the breakdown of payment terms for suppliers and customers is presented below:

	Article D.441 L-1°: invoices <i>received</i> and not paid on the closing date of the financial year whose term has expired					Article D.441 L-1°: invoices <i>issued</i> and not paid on the closing date of the financial year whose term has expired				
	0 day (indicative)	1 to 30 days	31 to 60 days	91 days and more	Total	0 day (indicative)	1 to 30 days	31 to 60 days	91 days and more	Total
<b>(A) Late payment tranches</b>										
Number of invoices retained										
Total amount of invoices concerned (including tax)										
Percentage of the total amount of purchases for the financial year (including tax)										
Percentage of turnover for the financial year (including tax)										
<b>(B) Invoices excluded from (A) relating to disputed or unrecorded debts and receivables</b>										
Number of invoices excluded										
Total amount of invoices excluded (including tax)										
<b>(C) Reference payment terms used (contractual or equal period – article L441-6 of the commercial code)</b>										
Payment period used for calculating late payments	Legal deadlines					Legal deadlines				

**XIX. Subsidiaries and shareholdings, controlled companies (Article L. 233-6 of the French Commercial Code)**

Non applicable.

**XX. List of the bank's branches at the end of the financial year (Article L. 232-1, II of the French Commercial Code)**

The bank has two branches located in Milan (Italy) and Frankfurt (Germany).

**XXI. Status of the Statutory Auditors' mandates**

ERNST & YOUNG & YOUNG & Autres was mandated when the bank was created in December 2018 for a period of 6 financial years. We propose to renew this mandate for another 6 years.

The size of the balance sheet after the transfer of assets, in excess of the regulatory 450 million euros, led the company to appoint a co-statutory auditor in the person of KPMG SA in 2020 for a period of 6 years as well.

**XXII. Information on compensation policy and practices**

Article 199 of the Decree of 3 November 2014 provides that credit institutions with a balance sheet total of less than or equal to €10 billion are not subject to the provisions of Articles L. 511-81 and L. 511-82 and the second paragraph of Article L. 511-84 of the Monetary and Financial Code if, for the purpose of limiting excessive risk-taking, identified their staff having a significant impact on the risk of the company or group and put in place and implement rules for limiting, deferring and diversifying the payment instruments of the variable part of the remuneration of these staff in accordance with the long-term interests of the company and provided that the company's ability to strengthen its equity capital is not limited.

Article L. 511-102 of the Monetary and Financial Code provides that the supervised companies that are part of a group may apply the remuneration policy of the company that controls them.

Article 241-1 of the Decree of 3 November 2014 set the threshold above which a specialised remuneration committee must be set up at €5 billion in balance sheet size.

The bank's remuneration policy is therefore in line with that of ABCIB and the group.

This policy is the result of the numerous exchanges that the Group has had with the regulators of the main countries in which the Group is established (Kingdom of Bahrain, United Kingdom and of course France), their requirements and expectations regarding the Group's approach to remuneration.

The main provisions of the current policy are designed to ensure that the compensation offered to employees is sufficient to:

- attract and retain those who have the skills, knowledge and expertise required to perform the duties for which they are appointed.
- Encourage employees to deliver high performance in line with the bank's strategy and objectives, while ensuring full compliance with all risk management and compliance policies and guidelines.
- Promote and encourage behaviour that is consistent with the Bank's culture and values.
- provide remuneration in accordance with market practices, in relation to comparable financial institutions, and within the budget approved by the Bank's Board of Directors, and
- Have an appropriate ratio between fixed and discretionary variable compensation.

This means that the bank complies with all applicable local compensation regulations in France, Germany and Italy.

The remuneration policy includes measures to avoid and mitigate conflicts of interest:

- all discretionary variable remuneration is subject to a set of principles contained in the remuneration policy,
- the document on the annual discretionary bonus programme is mentioned in the remuneration policy and describes in particular how discretionary bonuses will be calculated,
- no executive director is involved in the choice of his or her own remuneration,
- no manager or supervisor can approve the remuneration of a direct report alone, HR oversees all compensation offers and adjustments,
- the Board of Directors of ABC SA is responsible for agreeing on individual remuneration packages (including discretionary bonuses) for the bank's executive directors.

In terms of governance, the group in Bahrain and ABCIB each have remuneration committees. These committees meet at least three times a year. ABC AG does not have its own remuneration committee, but remuneration topics are discussed directly within the board of directors.

Finally, the bank has identified staff whose professional activities have a significant impact on the company's risk (*material risk taker*) in accordance with the criteria mentioned in the European Commission's Delegated Regulation 604/2014 and EBA/RTS/2020/05.

### **XXIII. Regulatory Ratios Information**

ABC SA complies with all local regulations applicable to its three European units (the French headquarters and the Italian and German branches) and in particular those of the Banque de France and the ACPR as well as European regulations.

Ratios are monitored on a daily basis and alert thresholds have been defined as part of the various plans: Risk Appetite Framework, Internal Capital Adequacy Assessment Process (ICAAP) and Internal Liquidity Adequacy Assessment Process (ILAAP).

	<b>Amounts in thousands of euros / ratios in %</b>	<b>31/12/2024</b>	<b>31/12/2023</b>
COREP	Equity	189,375	184,928
	Tier 1 capital	189,375	184,928
	Total Capital Ratio (%)	16.45%	18.86%
	Tier 1 Capital Ratio (%)	16.45%	18.86%
	CET1 Capital Ratio (%)	16.45%	18.86%
	Total amount of risk exposure	1,151,195	980,372
	Risk-weighted exposure amounts for credit, counterparty credit and dilution risks and unliquidated trading positions	1,096,707	937,432
	Total amount of exposure to position, currency and commodity risk	1,229	890
	Total Operational Risk Exposure Amount	52,462	39,855
LCR	Liquidity coverage ratio (%)	367.65%	275.43%
NSFR	Ratio NSFR (%)	161.76%	138.05%
LR	Leverage ratio (%)	10.38%	10.58%

It should be noted that these ratios were reported before the final adjustments related to the closing of the accounts. It is customary to make a new declaration once the accounts have been approved so that the regulator has the final figures in its databases.

In addition, the Shareholders' Equity for these two financial years does not take into account the result of the financial year, which is only added after the approval of the General Meeting (Chapter 2, section 1, article 26.2 of the CRR).

#### **XXIV. Non audit services**

Services provided by the KPMG network in 2024 included the annual external audit and sample check process of the MACCs - Mobilisation and Administration of Credit Claims Process for the Frankfurt branch.

## **SECOND PART :**

### **Report on corporate governance provided for in Article L.225-37 of the French Commercial Code**

#### **I. Agreements entered into between a Director or a significant shareholder of the bank and a subsidiary of the bank**

Non-Applicable

#### **II. Information concerning the Directors**

In accordance with the provisions of Article L.225-37-4, 1° of the French Commercial Code, you will find in the appendix the list of mandates and functions held in any company, during the past financial year, by each of the company's corporate directors (**Appendix 2**).

In accordance with Article L.225-17 of the French Commercial Code, the Board of Directors is composed of a total of 6 directors, including 4 internal directors and 2 external directors ensuring the independence and good governance of the bank.

The selection process for independent directors is based on the following principles:

- the search for a balance in the composition of the Board of Directors with regard to the skills and diversity of its members (professional and international qualifications and experience, balanced representation of women and men),
- the search for complementary profiles, taking into account the existing composition of the Board of Directors.

#### **III. Status of the terms of office of directors**

In accordance with the Bank's Articles of Association, the term of office of the directors is set at three years.

The board of directors in 2024 has been strengthened by the arrival of three new directors.

In addition, it should be noted that it is headed by the same chairman as the board of directors of ABCIB and is composed in addition of two directors who are part of ABC BSC, two directors from ABCIB, two independent directors and the managing director of ABC SA.

The situations of the 8 directors are as follows:

- Ms. Charlotte Wiltshire, Mr. Frédéric Le Serre and Mr. Mazen Ladki were appointed as directors at the AGM of May 23, 2024.
- Mr. Pierre Debray was reappointed as a director on May 25, 2023.

- Dr. Khaled Kawan and Mr. Rajeev Adrian were reappointed as directors at the Annual General Meeting on May 24, 2022.
- Mr. Fouad Salame was appointed as a director at the same AGM on May 24, 2022.
- Mrs. Bayone Sisombat was appointed as a director on December 9, 2021.

In addition, we can note that the two independent directors chair the two committees attached to the board of directors. Indeed, Mr. Debray chairs the risk committee of the board (BRC) and Mrs. Sisombat chairs the audit committee of the board (BAC).

It is expected that during the next general meeting, Dr. Kawan, Messrs. Salame and Ladki will not be reappointed as directors, and that a new director, Mr. Al Waary, will be appointed in order to reduce the board of directors from 8 to 6 directors.

#### **IV. Information on delegations**

Non applicable.

We will now present you in detail the annual accounts that we will submit for your approval.

The statutory auditors, in their report on the annual accounts, report on the accomplishment of their mission.

It is under these conditions that we ask you to approve the resolutions submitted to your vote.

The Chairman of the Board of Directors



**APPENDIX 1: TABLE OF THE COMPANY'S RESULTS OVER THE LAST FIVE FINANCIAL YEARS (in thousands of Euros except Number of shares, earnings per share and Workforce)**

NATURE OF THE INDICATIONS	2024	2023	2022	2021	2020
<b><u>I. - Financial position at the end of the financial year:</u></b>					
a) Capital social	169,511	169,511	169,511	169,511	169,511
b) Number of shares issued	16,951,116	16,951,116	16,951,116	16,951,116	16,951,116
c) Number of bonds convertible into shares	-	-	-	-	-
<b><u>II. - Overall result of actual operations:</u></b>					
a) Turnover excluding tax	41,564	35,739	24,118	24,083	3,523
(b) Profits before taxes, depreciation and amortization and provisions	10,298	7,841	-390	2,194	-266
(c) Income taxes	-3,797	-1,872	-535	-1,059	55
(d) Profits after tax, depreciation and amortization and provisions	6,000	5,415	1,738	2,736	-2,040
(e) Amount of distributed profits	-	-	-	-	-
<b><u>III. - Result of operations reduced to a single share:</u></b>					
(a) Profit after tax, but before depreciation and amortization and provisions	0.38	0.35	0.01	0.19	-0.02
(b) Profit after tax, depreciation and amortization and provisions	0.35	0.32	0.10	0.16	-0.12
c) Dividend paid on each share	-	-	-	-	-
<b><u>IV. - Personnel:</u></b>					
a) Number of employees	106	99	85	78	74
b) Amount of the wage bill	13,844	12,400	8,602	6,810	1,312
(c) Amount of money paid for social benefits (social security, charities, etc.)	3,487	3,646	2,893	2,246	466

APPENDIX 2: LIST OF MANDATES AND FUNCTIONS HELD BY THE COMPANY'S CORPORATE OFFICERS  
(ARTICLE 225-37-4, 1° OF THE FRENCH COMMERCIAL CODE)

- Mr. Rajeev ADRIAN held the following positions in 2024 in the following companies:
  - ABC International Bank Plc, Chief Executive Officer and Director
  - ABC International Bank Plc. Islamic Asset Management Ltd, Director
  - ABCINT Nominees Limited, Director
  - ABC Investment Holdings Limited, Director
  - Arab Banking Corporation SA, Director
  - The Libyan British Business Counsel Secretariat, Director
  - Arab Bankers Association, Director
- In 2024, Mr. Pierre DEBRAY held the following positions in the following companies:
  - Chairman of the consulting firm Inboard Partners
  - President Marjuguilauralex Conseil
  - Senior Advisor at Nemrod Finance SA
  - Senior Advisor at Sustainable Revolution SAS
  - Arab Banking Corporation SA, Director and Chairman of the Risk Committee
- Dr. Khaled KAWAN held the following positions in 2024 in the following companies:
  - Arab Banking Corporation (B.S.C.), Director
  - ABC International Bank Plc, Chairman of the Board of Directors
  - Banco ABC Brasil, Chairman of the Board of Directors
  - Arab Banking Corporation SA, Chairman of the Board of Directors
- In 2024, Mr. Mazen Ladki held the following positions in the following companies:
  - Arab Banking Corporation (B.S.C.), Group Head of Corporate Treasury and Proprietary Investment
  - Arab Banking Corporation - Tunisia, Director
  - Arab Banking Corporation SA, Director
  - Charity: Non-Executive Director at St Christopher's School in Bahrain.
- In 2024, Mr. Frédéric Le Serre held the following positions in the following companies:
  - Arab Banking Corporation SA, Chief Executive Officer and Director
  - Arab Banking Corporation Algeria, Director
- In 2024, Mr. Arnaud Roumilhac held the following positions in the following companies:
  - Arab Banking Corporation SA, Deputy Chief Executive Officer
  - Association of Chartered Accountants in Business, Director
- In 2024, Mr. Fouad SALAME held the following positions in the following companies:
  - Arab Banking Corporation (B.S.C.), Group Head of Financial Institutions
  - Arab Banking Corporation SA, Director

- In 2024, Mrs. Bayone SISOMBAT held the following positions in the following companies:
  - President of the consulting firm BS Partner SAS
  - Member of the Finance Committee of Apivia Macif Mutuelle
  - Member of the CSR Committee of Apivia Macif Mutuelle
  - Chartered Accountant
  - Arab Banking Corporation SA, Director and Chairwoman of the Audit Committee
- In 2024, Ms. Charlotte Wiltshire held the following positions in the following companies:
  - ABC International Bank plc, Head of Wholesale Banking
  - Arab Banking Corporation SA, Director
  - ABC International Bank Plc, Trustee in the Life Insurance and Retirement Program

*This is a translation into English of the statutory auditors' report on the financial statements of the Company issued in French and it is provided solely for the convenience of English-speaking users.*

*This statutory auditors' report includes information required by European regulations and French law, such as information about the appointment of the statutory auditors or verification of the management report and other documents provided to the shareholders.*

*This report should be read in conjunction with, and construed in accordance with, French law and professional auditing standards applicable in France.*

## **Arab Banking Corporation S.A.**

Year ended 31 December 2024

### **Statutory auditors' report on the financial statements**

**KPMG S.A.**  
Tour Eqho  
2, avenue Gambetta  
CS 60055  
92066 Paris-La Défense cedex  
S.A. au capital de € 5 497 100  
775 726 417 R.C.S. Nanterre

Commissaire aux Comptes  
Membre de la compagnie  
régionale de Versailles et du Centre

**ERNST & YOUNG et Autres**  
Tour First  
TSA 14444  
92037 Paris-La Défense Cedex  
S.A.S. à capital variable  
438 476 913 R.C.S. Nanterre

Commissaire aux Comptes  
Membre de la compagnie  
régionale de Versailles et du Centre

## Arab Banking Corporation S.A.

Year ended 31 December 2024

### Statutory auditors' report on the financial statements

To the Annual General Meeting of Arab Banking Corporation S.A.,

#### Opinion

In compliance with the engagement entrusted to us by your Annual General Meeting and the Articles of Association, we have audited the accompanying financial statements of Arab Banking Corporation S.A. for the year ended 31 December 2024.

In our opinion, the financial statements give a true and fair view of the assets and liabilities and of the financial position of the Company as at 31 December 2024 and of the results of its operations for the year then ended in accordance with French accounting principles.

The audit opinion expressed above is consistent with our report to the Audit Committee.

#### Basis for Opinion

##### ■ Audit Framework

We conducted our audit in accordance with professional standards applicable in France. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Our responsibilities under those standards are further described in the *Statutory Auditors' Responsibilities for the Audit of the Financial Statements* section of our report.

## ■ Independence

We conducted our audit engagement in compliance with the independence requirements of the French Commercial Code (*Code de commerce*) and the French Code of Ethics for Statutory Auditors (*Code de déontologie de la profession de commissaire aux comptes*) for the period from 1<sup>st</sup> January 2024 to the date of our report, and specifically we did not provide any prohibited non-audit services referred to in Article 5(1) of Regulation (EU) No. 537/2014.

## Justification of Assessments - Key Audit Matters

In accordance with the requirements of Articles L. 821-53 and R. 821-180 of the French Commercial Code (*Code de commerce*) relating to the justification of our assessments, we inform you of the key audit matters relating to risks of material misstatement that, in our professional judgment, were of most significance in our audit of the financial statements of the current period, as well as how we addressed those risks.

These matters were addressed in the context of our audit of the financial statements as a whole and in forming our opinion thereon, and we do not provide a separate opinion on specific items of the financial statements.

## ■ Credit risk impairments

Risk identified	Audit procedures implemented to answer this risk
<p>Your company is exposed to credit risks which are inherent to its activities and which are borne by loans and commitments to banks and customers.</p> <p>As indicated in Note 3 "Accounting principles and valuation methods" of the notes to the financial statements, your company classifies these loans as non-performing when they bear an incurred credit risk and books impairments against that risk. Provision on performing exposures are also calculated using a statistical model based on a number of assumptions as defined in the note 3.2.3 "Impairment and credit risk provisions". These provisions are booked under "Provisions for risks and charges" as liabilities.</p> <p>As of 31 December 2024, non-performing loans amount to € 29 thousand and associated impairment to € 29 thousand. Provisions for performing exposures amount to € 2 037 thousand.</p> <p>We considered the evaluation of such impairments and provisions to be a key audit matter because of the judgment in assessing credit risk.</p>	<p>Our work consisted in:</p> <ul style="list-style-type: none"><li>• Gaining an understanding of the processes relating to the identification of non-performing exposures as well as the procedures for evaluating and booking the corresponding impairment;</li><li>• Reviewing, on a sample basis, the classification of exposures between performing and non-performing and the documentation of the risk of non-recovery;</li><li>• Testing the non-performing exposures to assess the impairment booked;</li><li>• Performing a critical review of the conclusions of the work carried out by the auditors of your majority shareholder on the process of assessing the provisions on performing exposures and assessing the correct application of these methods by your company;</li><li>• Reading the credit risk disclosures in the notes to the financial statements.</li></ul>

## Specific Verifications

We have also performed, in accordance with professional standards applicable in France, the specific verifications required by laws and regulations.

### ■ Information given in the management report and in the other documents with respect to the financial position and the financial statements provided to the shareholders

We have no matters to report as to the fair presentation and the consistency with the financial statements of the information given in the management report of the Board of Directors and in the other documents with respect to the financial position and the financial statements provided to the shareholders, with the exception of the following point.

The fairness and consistency with the financial statements of the information relating to the payment deadlines referred to in Article D. 441-6 of the French Commercial Code (*Code de commerce*) leads us to make the following observation: as indicated in the management report, this information does not include banking and related transactions as your Company considers that such information is not part of the scope of information to be provided.

### ■ Information relating to Corporate Governance

We attest that the section of the Board of Directors' report relating to Corporate Governance sets out the information required by Article L. 225-37-4 of the French Commercial Code.

## Report on Other Legal and Regulatory Requirements

### ■ Appointment of the Statutory Auditors

We were appointed as statutory auditors of Arab Banking Corporation S.A. by your annual general meeting held on 4 November 2020 for KPMG S.A. and by your articles of association of 10 December 2018 for ERNST & YOUNG et Autres.

As at 31 December 2024, KPMG S.A. and ERNST & YOUNG et Autres were respectively in their fifth and sixth year (including five years since the Company became a public interest entity due to its status as a credit establishment) of total uninterrupted engagement.

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

Management is responsible for the preparation and fair presentation of the financial statements in accordance with French accounting principles and for such internal control as Management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, Management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless it is expected to liquidate the Company or to cease operations.

The Audit Committee is responsible for monitoring the financial reporting process and the effectiveness of internal control and risk management systems and where applicable, its internal audit, regarding the accounting and financial reporting procedures.

The financial statements were approved by the Board of Directors.

## Statutory Auditors' Responsibilities for the Audit of the Financial Statements

### ■ Objectives and audit approach

Our role is to issue a report on the financial statements. Our objective is to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with professional standards will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users made on the basis of these financial statements.

As specified in Article L. 821-55 of the French Commercial Code (*Code de commerce*), our statutory audit does not include assurance on the viability of the Company or the quality of management of the affairs of the Company.

As part of an audit conducted in accordance with professional standards applicable in France, the statutory auditor exercises professional judgment throughout the audit and furthermore:

- ▶ Identifies and assesses the risks of material misstatement of the financial statements, whether due to fraud or error, designs and performs audit procedures responsive to those risks, and obtains audit evidence considered to be sufficient and appropriate to provide a basis for his opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- ▶ Obtains an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the internal control.
- ▶ Evaluates the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by Management in the financial statements.
- ▶ Assesses the appropriateness of Management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. This assessment is based on the audit evidence obtained up to the date of his audit report. However, future events or conditions may cause the Company to cease to continue as a going concern. If the statutory auditor concludes that a material uncertainty exists, there is a requirement to draw attention in the audit report to the related disclosures in the financial statements or, if such disclosures are not provided or inadequate, to modify the opinion expressed therein.
- ▶ Evaluates the overall presentation of the financial statements and assesses whether these statements represent the underlying transactions and events in a manner that achieves fair presentation.

### ■ Report to the Audit Committee

We submit to the Audit Committee a report which includes in particular a description of the scope of the audit and the audit program implemented, as well as the results of our audit. We also report significant deficiencies, if any, in internal control regarding the accounting and financial reporting procedures that we have identified.



Our report to the Audit Committee includes the risks of material misstatement that, in our professional judgment, were of most significance in the audit of the financial statements of the current period and which are therefore the key audit matters that we are required to describe in this report.

We also provide the Audit Committee with the declaration provided for in Article 6 of Regulation (EU) No. 537/2014, confirming our independence within the meaning of the rules applicable in France as set out in particular in Articles L. 821-27 to L. 821-34 of the French Commercial Code (*Code de commerce*) and in the French Code of Ethics for Statutory Auditors (*Code de déontologie de la profession de commissaire aux comptes*). Where appropriate, we discuss with the Audit Committee the risks that may reasonably be thought to bear on our independence, and the related safeguards.

Paris La Défense, 6 May 2025

The Statutory Auditors  
*French original signed by*

KPMG S.A.



Valéry Foussé

ERNST & YOUNG et Autres



Matthieu Préchoux

**Financial Statements as of 31 december 2024**  
**(in thousands of Euros)**

<b>ASSETS</b>		<b>31/12/2024</b>	<b>31/12/2023</b>
Cash, Central Bank	4.1	238,917	161,311
Loans and advances to credit institutions	4.1	198,167	240,981
Operations with customers	5.1	726,977	569,639
Shares, bonds and other securities	6	47,846	36,168
Intangible assets	7	212	123
Tangible Fixed assets	7	742	694
Other assets	8	6,560	4,749
Prepayments, accrued income and other debtors	10.1	1,638	2,148
<b>Total Assets</b>		<b>1,221,059</b>	<b>1,015,813</b>

**Financial Statements as of 31 december 2024**  
**(in thousands of Euros)**

<b>LIABILITIES</b>		<b>31/12/2024</b>	<b>31/12/2023</b>
Deposits from banks and other financial institutions	4.2	898,647	567,980
Operations with customers	5.2	97,975	235,273
Other liabilities, accruals and deferred income	9	16,635	11,821
Prepayments	10.2	8,466	6,348
Provisions for risks and charges	11	3,961	3,892
Funds for General Banking Risk	12	1,000	500
Equity (excluding FGBR)	19.1	<b>194,375</b>	189,999
- Share capital		169,511	169,511
- Retained earnings		16,159	12,639
- Legal retained earnings		2,705	2,434
- Previous year profit & loss		-	-
- Financial year profit & loss		6,000	5,415
<b>Total equity and liabilities</b>		<b>1,221,059</b>	1,015,813

**Financial Statements as of 31 december 2024**  
**(in thousands of Euros)**

OFF-BALANCE SHEET ITEMS		31/12/2024	31/12/2023
Commitments given to credit institutions	13		
of which financing commitments		687,495	809,957
of which guarantees		492,947	455,381
Commitments given to customers			
of which financing commitments			
of which guarantees			
Guarantees received from insurance companies			
of which guarantees received		242,869	179,685
Conditional instruments			
of which fx Swaps		20	-
<b>Total off-balance sheet items</b>		<b>1,423,331</b>	<b>1,445,023</b>

**Financial Statements as of 31 december 2024**  
**(in thousands of Euros)**

		<b>31/12/2024</b>	<b>31/12/2023</b>
- Net interest income		19,099	13,052
- Income from securities		2,371	4,661
- Commission and fee income (Net)		20,401	18,266
- Other banking operating P&L		(307)	(239)
<b>Net banking income</b>	<b>14</b>	<b>41,564</b>	<b>35,739</b>
- General operating expenses	15	(31,581)	(27,899)
- Depreciation and amortisation on fixed assets	7	(281)	(245)
<b>Gross operating P&amp;L</b>		<b>9,703</b>	<b>7,596</b>
- Provision for credit loss (cost of risk)	16	594	(465)
<b>Operating P&amp;L</b>		<b>10,298</b>	<b>7,131</b>
- Gain or losses on fixed assets		-	-
<b>Earnings before tax and interest</b>		<b>10,298</b>	<b>7,131</b>
- Exceptional income		-	-
- Allocations / reversals Fund for General Banking Risks		(500)	156
- Corporate income tax		(3,797)	(1,872)
<b>Profit for the year attributable to owners</b>		<b>6,000</b>	<b>5,415</b>

## **NOTES TO THE FINANCIAL STATEMENTS**

### **1. HIGHLIGHTS OF THE YEAR**

The financial statements for the year ended 31 December 2024 are the fourth for Arab Banking Corporation SA (ABC SA) following a complete exercise.

For ABC SA, this financial year 2024 was a positive year that saw ABC SA's balance sheet total increase by 20% to just over 1,2 billion euros, while off-balance sheet commitments were stable at 14 billion euros.

The year ended with a profit of 6,000 thousand euros, following a profit of 5,415 thousand euros in 2023.

The financial year was marked by the diversification of the bank's sources of liquidity. ABC SA established a contract with a deposit aggregator at the end of 2023, thanks to which the bank managed to collect €238 million by the end of 2024.

### **2. SIGNIFICANT EVENTS SINCE THE BALANCE SHEET DATE**

No significant accounting events have occurred since the balance sheet date.

### **3. ACCOUNTING PRINCIPLES AND VALUATION METHODS**

The annual financial statements have been prepared in accordance with ANC regulation no. 2014-07.

#### **3.1. Accounting principles**

The accounting policies have been applied fairly, in accordance with the principle of prudence and the underlying assumptions:

- going concern,
- consistency of accounting methods from one financial year to the next,
- independence of exercises.

We have also complied with the general rules governing the preparation and presentation of the annual financial statements.

The basic method used to value items recorded in the accounts is the historical cost method.

### 3.2. Loans and advances to credit institutions and customers

#### 3.2.1. Receivables and payables:

Receivables and payables are recognised in the balance sheet at the transaction date and at their nominal value.

However, in the case of firm commitments to carry out a transaction at a later date, these are recorded off-balance sheet at the date of the commitment (see paragraph on off-balance sheet items).

Accrued interest on receivables is recorded in the related receivables account and offset against the income statement.

ABC SA's balance sheet does not contain any moratoria or state-guaranteed loans (PGE).

#### 3.2.2. Doubtful loans to credit institutions and customers

Loans are classified as doubtful if they have at least one of the following three characteristics:

- there is a probable or certain risk of total or partial non-recovery,
- claims for principal or interest have been outstanding for more than three months,
- receivables are disputed.

If a proven credit risk is identified, the loan will be reclassified as doubtful.

Interests on doubtful debts are determined on the date of the recognition of the stage 3 event and provisioned based on the amount determined.

#### 3.2.3. Impairments and provisions for credit risk:

Impairment losses relating to credit risk on doubtful debts are deducted from assets.

Provisions for performing loans, calculated using the statistical model defined below, are recognised under risks and charges.

The measurement of credit risk allowances for valued financial assets requires the use of models and significant assumptions about future economic conditions, credit behaviour (e.g. the probability of customer default and resulting losses), estimates of the amount and timing of future cash flows and collateral values. These estimates are driven by several factors, changes in which may result in different levels of allowances.

The Bank's calculations are the results of a model with several underlying assumptions affecting the choice of variables and their interdependencies. This model includes in particular:

- An internal credit rating model, which assigns a probability of default (PD) to individual ratings;
- Determining criteria for significant increases in credit risk;
- The choice of appropriate models and assumptions for measuring the provision ;

- Determining associations between macroeconomic scenarios, economic data such as unemployment levels, guarantee values and the effect on PD, exposure at default (EAD) and loss given default (LGD);
- The selection and relative weighting of forward-looking scenarios to derive economic data for provisioning models; and
- The determination of relevant exposure periods in respect of revolving credit facilities and facilities under restructuring at the reporting date.

These calculations cover both outstanding and off-balance sheet commitments.

If a probable loss is identified on an off-balance sheet commitment, a provision for signature commitments is recognised. This provision will be included in the cost of risk.

The Bank applies the principle of contagion of impairment to all exposures to a defaulting counterparty.

Impairment charges and reversals for the risk of non-recovery of doubtful debts are recorded under cost of risk.

The model used for credit risk impairment and provisions is a model commonly used within the ABC Group.

This model is based on a three-stage impairment model, based on changes in credit quality since initial recognition:

- A financial instrument is classified by default as "Stage 1" and its credit risk is continuously monitored by the Bank using the statistical calculations mentioned above.
- If a significant increase in credit risk is identified, the financial instrument is moved to "Stage 2" but is not yet impaired via a separate provision.
- If the financial instrument is recognized as doubtful, it is then moved to "Stage 3" and appropriately provisioned.

Provisions calculated on Stage 1 and 2 assets are recognized as credit risk liabilities. Provisions for doubtful debts are recognized as assets.

### 3.3. Intangible and tangible fixed assets

They are recorded at acquisition cost (purchase price plus incidental expenses).

Fixed assets are depreciated on a straight-line basis over the useful life of the asset:

- |  |               |
|--|---------------|
| • Fixtures and furniture               | 5 to 10 years |
| • Office and IT equipment <sup>3</sup> | to 5 years    |
| • Intangible fixed assets              | 1 to 3 years  |

### 3.4. Commissions

ABC SA earns commission on a diverse range of services it provides to its customers. Fees are recognised when ABC SA fulfils a service obligation.

These costs include commission income and other management and advisory fees.



Fees received for the provision of services over a given period are amortised on a straight-line basis over that period.

### 3.5. Provisions for liabilities and charges

#### 3.5.1. Provisions for employee benefits:

ABC SA makes provision in its accounts for all pension and seniority commitments granted to its employees in accordance with applicable local regulations.

The amount of commitments relating to retirement gratuities and long-service awards calculated by the French and Italian actuaries is €1,778k at end 2024, compared with €1,705k at end 2023.

Post-employment benefits in France:

- long-service awards have been calculated and provisioned on the assumption that they will be paid in accordance with the collective bargaining agreement for credit institutions.
- end-of-career indemnities have been calculated and provisioned on the assumption that they will be paid in accordance with the collective bargaining agreement for credit institutions, based on voluntary departure of employees at the legal retirement age. This calculation includes employer's contributions.
- defined contribution pension plans, where the company's commitment is limited to the payment of contributions, are expensed in the period.

Post-employment benefits in Italy have also been calculated and provisioned in accordance with local legislation.

No post-employment benefits are recognised in Germany.

In-service benefits, such as medical insurance contributions, are expensed as incurred.

As specified in ANC recommendation no. 2013-02 of November 7, 2013, relating to the rules for measuring and recognizing retirement commitments and similar benefits in the annual financial statements and consolidated financial statements prepared in accordance with French accounting standards, by way of exception, companies or groups with fewer than 250 employees may define their own methods for measuring retirement commitments and similar benefits. The bank has therefore adopted this simplified method.

#### 3.5.2. Other provisions for liabilities and charges:

Any tax disputes give rise to a provision as from the date of notification of the reassessment, depending on the estimated risk.

Other provisions for legal disputes are established based on the net risk measured, and may be calibrated by an external legal consultancy, or on a flat-rate basis at 100%.

### 3.6. Exceptional income and expenses

Exceptional items include all items which, due to their nature or amount, cannot be allocated to the company's ordinary activities.

### 3.7. Conversion of foreign currency transactions

Balance sheet transactions in foreign currencies are translated at the year-end exchange rate, based on rates communicated by the Group.

### 3.8. Consolidation principles

As ABC SA is part of the ABC Group, the annual accounts of our company are included in the consolidated accounts of Arab Banking Corporation B.S.C. using the full consolidation method.

The Group's registered office is in Manama, in the Kingdom of Bahrain, at the following address: Bank ABC Tower, Diplomatic Area, PO Box 5698. Arab Banking Corporation B.S.C. is registered in the Commercial Register of the Kingdom of Bahrain under number 10299.

### 3.9. Net interest income

Investment securities are recorded on the date of their acquisition for their acquisition price.

Acquisition costs are recognized directly as expenses.

When the acquisition price of fixed-income securities is higher than their redemption price, the difference is amortized over the remaining life of the securities. When the acquisition price of fixed-income securities is lower than their redemption price, the difference is recognized as income over the remaining life of the securities.

The method used is a simplified spreading method.

At each accounting close, the unrealized capital losses arising from the difference between the book value, corrected for depreciation and reversals of difference mentioned in the previous paragraph, and the market price of the securities "as defined in these regulations" are subject to depreciation which can be assessed for homogeneous groups of securities, without compensation with the capital gains observed on other categories of securities. Gains from hedging, within the meaning of article 2514-1 of these regulations, taking the form of purchase or sale of forward financial instruments, are taken into account for the calculation of depreciation. Unrealized capital gains are not recognized.

At each accounting close, attached accounts are used to record the interest accrued since the acquisition of the fixed-income securities.

### 3.10. Information on Derivative Financial Instruments

The bank records over-the-counter foreign exchange swaps at fixed rates with its parent company to hedge its significant foreign currency positions.

These overnight swaps mainly concern the US dollar against the euro and are recorded off-balance sheet.

Accrued interest is recognized on the balance sheet under other assets or other liabilities.

#### 4. CASH, CENTRAL BANKS, CCP AND CREDITS ON CREDIT INSTITUTIONS (in thousands of euros)

##### 4.1. Assets

ASSETS	31/12/2024	31/12/2023
Cash, Post Office accounts	6	6
Central banks	238,859	161,214
Accrued interest receivable	52	91
<b>TOTAL</b>	<b>238,917</b>	<b>161,311</b>
Current accounts	12,445	15,450
Term loans and advances	178,945	222,769
Accrued interest receivable	6,778	2,762
Provisions for non-performing receivables		
<b>TOTAL</b>	<b>198,167</b>	<b>240,981</b>

There are no compromised or restructured doubtful loans on the balance sheet.

Loans and advances to credit institutions break down as follows:

	31/12/2024		31/12/2023	
	Related companies	Other	Related companies	Other
Current accounts	2,312	10,133	330	15,120
Term loans and advances	25,557	153,388	1,726	221,042
Accrued interest receivable	-	6,778		2,762
<b>TOTAL</b>	<b>27,869</b>	<b>170,298</b>	<b>2,056</b>	<b>238,925</b>

Maturities break down as follows:

31/12/2024				
	Less than 3 months	3 months to one year	1 to 5 years	More than 5 years
Current accounts	12,087	-	357	-
Term loans and advances	40,802	28,731	109,412	-
Accrued interest receivable	1,800	1,546	3,433	-
<b>TOTAL</b>	<b>54,688</b>	<b>30,227</b>	<b>113,202</b>	<b>-</b>

Loans and advances to credit institutions break down geographically as follows:

31/12/2024		31/12/2023	
Turkey	85,744	Belgium	90,499
Egypt	58,338	Egypt	68,069
Libya	34,590	Algeria	28,961
United Kingdom	6,928	Turkey	28,693
Qatar	3,414	Qatar	11,919
Rest of the world	9,152	Rest of the world	12,840
<b>TOTAL</b>	<b>198,167</b>	<b>TOTAL</b>	<b>240,981</b>

#### 4.2. Liabilities

	31/12/2024	31/12/2023
Current accounts	182,864	248,517
Term loans and advances	714,777	319,395
Accrued interest receivable	1,005	68
<b>TOTAL</b>	<b>898,647</b>	<b>567,980</b>

Amounts owed to credit institutions break down as follows:

	31/12/2024		31/12/2023	
	Related companies	Other	Related companies	Other
Current accounts	180,496	2,369	245,249	3,268
Term loans and advances	466,547	248,230	308,578	10,817
Accrued interest receivable	-	1,005	-	68
<b>TOTAL</b>	<b>647,043</b>	<b>251,604</b>	<b>553,827</b>	<b>14,153</b>

Maturities break down as follows:

	31/12/2024		
	Less than 3 months	3 months to one year	More than 1 year
Ordinary accounts	182,864	-	-
Term loans and advances	155,777	147,034	411,966
Accrued interest receivable	1,005	-	-
<b>TOTAL</b>	<b>339,647</b>	<b>147,034</b>	<b>411,966</b>

## 5. OPERATIONS WITH CUSTOMERS (in thousands of euros)

### 5.1. Assets

	31/12/2024	31/12/2023
Discounts and similar items	176,754	114,416
Loans and advances	547,872	449,017
Accrued interest receivable	2,357	4,997
Non-performing receivables	24	2,111
Impairment of non-performing receivables	(29)	(902)
<b>TOTAL</b>	<b>726,977</b>	<b>569,639</b>

The geographical breakdown of operations is as follows:

31/12/2024		31/12/2023	
Germany	177,956	Germany	140,977
Italy	140,951	Italy	133,200
United Kingdom	69,680	France	94,215
France	63,305	Singapore	48,506
United Arab Emirates	49,394	Switzerland	29,820
Singapore	47,858	Denmark	20,182
Switzerland	38,430	United Arab Emirates	16,248
Algeria	33,799	Bermuda	15,800
Iraq	23,847	United Kingdom	14,852
Denmark	20,139	Algeria	13,671
Rest of the world	61,618	Rest of the world	42,167
<b>TOTAL</b>	<b>726,977</b>	<b>TOTAL</b>	<b>569,639</b>

Maturities break down as follows:

	<b>31/12/2024</b>			
	Less than 3 months	3 months to one year	1 to 5 years	More than 5 years
Discounts and similar transactions	168,140	3,197	5,417	-
Permanent and other loans	86,119	55,000	406,753	-
Related receivables	691	295	1,372	-
Doubtful debts	-	-	24	-
Impairment of doubtful debts	-	-	(29)	-
<b>TOTAL</b>	<b>254,950</b>	<b>58,491</b>	<b>413,536</b>	<b>-</b>

## 5.2. Liabilities

	<b>31/12/2024</b>	<b>31/12/2023</b>
Current accounts	47,450	51,291
Term deposits	48,072	180,500
Security deposits	2,393	2,932
Accrued interest payable	60	550
<b>TOTAL</b>	<b>97,975</b>	<b>235,273</b>

## 6. **SHARES, BONDS AND OTHER SECURITIES**

	<b>31/12/2023</b>	<b>Acquisitions</b>	<b>Disposals</b>	<b>31/12/2024</b>
Shares	12	1	-	<b>13</b>
Bonds	36,156	47,833	36,156	<b>47,833</b>
Other variable-income securities	-	-	-	-
<b>TOTAL</b>	<b>36,168</b>	<b>47,833</b>	<b>36,156</b>	<b>47,846</b>

## 7. INTANGIBLE ASSETS AND GOODWILL (in thousands of euros)

	31/12/2023	Acquisitions	Disposals	31/12/2024
<b>Gross values</b>				
Intangible fixed assets	1,709	196	-	1,905
Tangible fixed assets	2,134	222	-	2,356
<b>TOTAL</b>	<b>3,844</b>	<b>372</b>	<b>-</b>	<b>4,261</b>

	31/12/2023	Endowments	Trade-ins	31/12/2024
<b>Depreciation and amortisation</b>	-	-	-	-
Intangible fixed assets	1,587	107	-	1,693
Tangible fixed assets	1,440	174	-	1,614
<b>TOTAL</b>	<b>3,027</b>	<b>280</b>	<b>-</b>	<b>3,307</b>

## 8. OTHER ASSETS (in thousands of euros)

	31/12/2024	31/12/2023
VAT and other taxes	4,128	3,365
Other miscellaneous debtors	2,432	1,384
<b>TOTAL</b>	<b>6,560</b>	<b>4,749</b>

## 9. OTHER LIABILITIES (in thousands of euros)

	31/12/2024	31/12/2023
Accrued taxes (VAT, corporation tax and others)	5,639	5,637
Accrual bonus & other HR	4,480	5,013
Other miscellaneous creditors	6,516	1,172
<b>TOTAL</b>	<b>16,635</b>	<b>11,821</b>

## 10. REGULARISATION ACCOUNTS (in thousands of euros)

### 10.1. Assets

	31/12/2024	31/12/2023
Currency adjustment account	(5)	44
Forward financial instruments adjustment account	20	1,068
Prepaid expenses	1,143	626
Accrued income	529	456
Other adjustments	(48)	(46)
<b>TOTAL</b>	<b>1,638</b>	<b>2,148</b>

### 10.2. Liabilities

	31/12/2024	31/12/2023
Deferred income	7,112	4,155
Accrued expenses	1,354	1,125
Forward financial instruments adjustment account	-	1,068
Other adjustments	-	-
<b>TOTAL</b>	<b>8,466</b>	<b>6,348</b>

## 11. PROVISIONS FOR CONTINGENCIES AND CHARGES (in thousands of euros)

	31/12/2024	31/12/2023
Provisions for pensions and long-service awards	1,778	1,705
Other provisions for liabilities and charges	2,008	1,984
Provision for regulatory litigation	175	203
<b>TOTAL</b>	<b>3,961</b>	<b>3,892</b>

Other provisions for risks and charges correspond to provision calculations based on performing loans. They are calculated by the risk department based on statistical models (see paragraph 3.5.1.).

Movements in provisions for liabilities and charges during the year were as follows:

Provisions at 31/12/2023	3,892
Accrual	97
Release	28
<b>Provisions at 31/12/2024</b>	<b>3,961</b>

None of the amounts shown correspond to the use of this provision.



## 12. FUND FOR GENERAL BANKING RISKS (in thousands of euros)

FGBR at 31/12/2023	500
Accrual	500
Release	-
<b>FGBR at 31/12/2024</b>	<b>1,000</b>

ABC SA has reinforced its provision to be able to face geopolitical risks.

## 13. OFF-BALANCE SHEET (in thousands of euros)

Off-balance sheet items comprise commitments given in connection with the Trade Finance business and guarantees received to cover related commitments or loans.

Off-balance sheet items break down as follows:

	<b>31/12/2024</b>	31/12/2023
Commitments given to credit institutions	<b>455,348</b>	574,763
- of which financing commitments	430,163	525,157
- of which Guarantees	25,186	49,606
Commitments given to customers	<b>725,093</b>	690,574
- of which financing commitments	257,333	284,800
- of which Guarantees	467,761	405,774
Guarantees received from insurance companies	<b>242,869</b>	179,685
- of which Guarantees received	242,849	179,685
Conditional instruments	<b>20</b>	-
- of which fx Swaps	20	-
<b>TOTAL</b>	<b>1,423,331</b>	1,445,023

## 14. INCOME (in thousands of euros)

Net banking income has risen by 16% between 2023 and 2024. The rise in interest income and expenses is a reflection of the interest rates movements.

	<b>31/12/2024</b>	31/12/2023
Interest and similar income	59,934	50,927
- Of which financial institutions	13,861	11,566
- Of which corporate customers	46,072	39,361
Interest and similar expenses	(40,835)	(37,876)
Gains or losses on trading portfolio transactions (fx)	2,371	4,661
Fee and commission income	25,114	20,543
Fee and commission expenses	(4,713)	(2,277)
Other banking income and expenses	(307)	(239)
<b>Net Banking Income</b>	<b>41,564</b>	35,739

Net Banking Income is divided geographically as follows:

	<b>31/12/2024</b>	31/12/2023
TOI Paris	17,352	15,935
TOI Milan branch	11,502	7,864
TOI Frankfurt branch	12,711	11,940
<b>Total net banking income</b>	<b>41,564</b>	35,739

## 15. GENERAL OPERATING EXPENSES (in thousands of euros)

General operating expenses break down as follows:

	<b>31/12/2024</b>	31/12/2023
<b>Payroll costs</b>	<b>17,555</b>	16,046
- Wages and salaries	13,845	12,400
- Social security contributions	2,821	2,796
- Other taxes	223	27
- Change in retirement benefits provision	667	823
<b>Other operating expenses</b>	<b>14,026</b>	11,853
- Other external services	5,177	5,201

- Expenses recharged by the Group	5,737	4,899
- Rent	1,420	1,435
- Transport	480	494
- Other taxes and miscellaneous	1,212	(177)
<b>Total general operating expenses</b>	<b>31,581</b>	<b>27,899</b>

## 16. COST OF RISK

The change for the year is due to:

- the reversal of the €1,465k stage 3 provision for doubtful debt booked in 2024 with a loss of €289k
- the variation over the year in provisions for credit risk based on performing loans. This calculation is based on the group statistical models as described in paragraph 3.2.3. The variation for 2024 is a net reversal.

	<b>31/12/2024</b>	31/12/2023
Accrual	(1,159)	(857)
Release	1,465	392
Amounts booked as a loss	289	-
<b>Annual variation</b>	<b>594</b>	<b>(465)</b>

## 17. GAINS OR LOSSES ON FIXED ASSETS

No fixed assets were disposed of during the year.

## 18. INCOME AND EXPENSES FOR PREVIOUS FINANCIAL YEARS

No prior year income or expense was recognised during the year.

## 19. GENERAL INFORMATION ABOUT THE COMPANY

### 19.1 Shareholders' equity

The company's share capital of EUR 169,511,160 is made up of 16,951,116 fully paid-up shares of EUR 10 each, of which 16,451,116 were issued at the time of the partial transfer of assets.

Shareholders' equity excluding FRBG at 31 December 2024 breaks down as follows:

<b>In thousands of Euros</b>	<b>31/12/2024</b>	31/12/2023
Share capital	169,511	169,511
Legal reserve	2,705	2,434
Other reserves	16,159	12,639
Profit (loss) for the year	6,000	5,415
<b>Shareholders' equity</b>	<b>194,375</b>	189,999

Movements in the year were as follows:

	Share capital	Legal reserve	Other reserves	General reserves	Retained earnings	Distributed dividend	Net profit for the year	Shareholders' equity
31/12/2023	169,511	2,434	12,639	-	5,415	-	-	189,999
Allocation of 31/12/2023 Retained earnings	-	271	-	3,520	(5,415)	1,625	-	-
Distributed dividend				-	-	(1,625)	-	(1,625)
Profit (loss) for the year	-	-	-	-	-	-	6,000	6,000
<b>31/12/2024</b>	<b>169,511</b>	<b>2,705</b>	<b>12,639</b>	<b>3,520</b>	<b>-</b>	<b>-</b>	<b>6,000</b>	<b>194,375</b>

#### 19.2. Related party transactions

Transactions between related parties are carried out under normal market conditions and are described in the Transfer Pricing documentation.

#### 19.3. Earnings per share

Earnings per share were €0.35.

#### 19.4. Full-time equivalent employees

ABC SA employs 99 full-time equivalent staff in 2024, including 35 in France and 64 in the branches (Germany and Italy).

The executive/non-executive breakdown is as follows:

	Officer	Non-officer	Total
Paris	33	2	<b>35</b>
Frankfurt	9	31	<b>40</b>
Milan	15	16	<b>31</b>
<b>Total</b>	<b>57</b>	<b>49</b>	<b>106</b>

\*The Chief Executive Officer, who is not an employee, is not included in this breakdown, which only includes the bank's employees.

#### 19.5. Directors' remuneration

The overall remuneration allocated to the board of directors in 2024 is 246,000 euros.

#### 19.6. Loans and advances granted to all members of the management body

No loans or advances were granted to members of the management body in 2023.

#### 19.7. Consolidation principles and methods

Not applicable.

#### 19.8. Auditors' fees

The following amounts of fees have been booked over 2024 for the audit fees:

- EY : 89.471 euros
- KPMG : 88.738 euros