



# 2025 Sustainable Finance Report

Capital aligned with transition, resilience, and long-term value creation.

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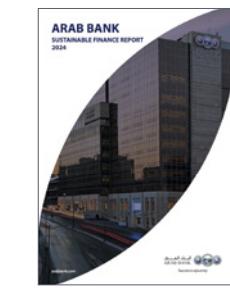
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### 2024 Annual Report

Annual disclosure detailing Arab Bank Group financial performance for the year 2024.



### 2024 ESG Report

Annual disclosure detailing ESG performance, initiative, and progress across the bank's operations and markets.



### Sustainable Finance Framework

Framework defining the bank's eligibility criteria, governance structure, and reporting commitments for issuing sustainable debt instruments.



### ESG Strategy

Public ESG portal outlining the bank's sustainability priorities, commitments, and strategic initiatives.

## About This Report

This report provides an overview of Arab Bank's sustainable finance activities and impact during the reporting period from July 2024 - September 2025. It presents our approach, portfolio, composition and environmental and social impact, supported by established market standards and external assurance. This publication follows the bank's 2024 Sustainable Finance Report and builds on the progress disclosed last year, including continued deployment of capital aligned with Arab Bank Sustainable Finance Framework and the sustainable Additional Tier-1 (AT-1) issuance completed in 2023.

Our disclosure builds on Arab Bank Sustainable Finance Framework, which outlines the governance, eligibility criteria, and reporting principles guiding our sustainable finance activities. The information in this report reflects financed projects aligned to eligible green and social categories under the Framework, consistent with the Green Bond Principles, Social Bond Principles, Sustainability Bond Guidelines, Green Loan Principles, and Social Loan Principles.

Data and impact metrics are presented in accordance with recognized methodologies including the ICMA Harmonized Framework for Impact and the Partnership for Carbon Accounting Financials (PCAF). The allocation information has been subjected to independent limited assurance to support transparency and investor confidence.

This report complements the Sustainable Finance Framework by providing an update on use of proceeds and portfolio allocation impact results, and ongoing governance of our sustainable finance activities.

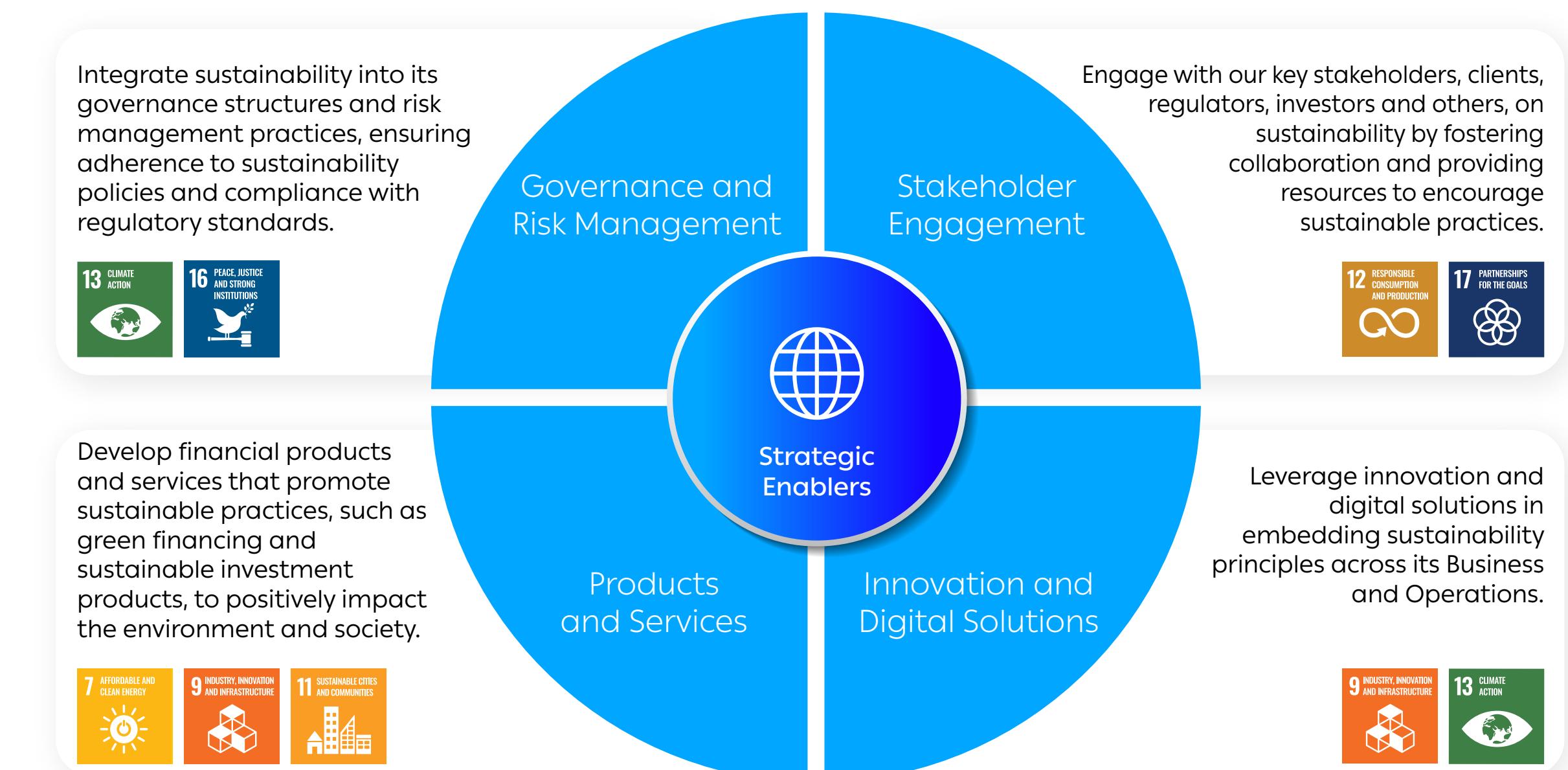


# Sustainable Finance at Arab Bank

Arab Bank's sustainable finance approach directs capital towards activities that support the region's transition to a lower-carbon and more inclusive economy. Our approach is governed by the Sustainable Finance Framework, which sets eligibility criteria for green and social financing, outlines ESG due-diligence expectations, and defines our allocation and reporting requirements.

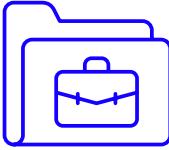
The Framework aligns with international sustainable finance standards, including ICMA's Green Bond principles, Green Loan Principles, Social loan principles and Sustainable Bond guidelines. It sets out the eligibility criteria for financing a wide range of sustainable activities including Renewable Energy, Energy Efficiency, Clean transportation, Employment Generations and Access to Essential Services. It also defines governance, monitoring and external review processes that underlines transparency and accountability.

For further detail on the eligibility criteria, governance processes, and reporting commitments that guide our sustainable finance activities, please refer to Arab Bank Sustainable Finance Frameworks available [here](#).

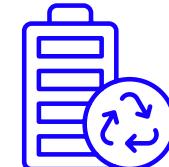


# Allocation and Impact Report

## 2025 Report Highlights

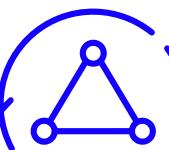
 **USD 255 Million**  
Allocated Sustainable Portfolio

 **USD 188 Million**  
Amounts Allocated to Green Projects

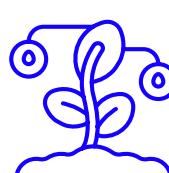
 **689 MW**  
Renewable Energy Capacity Financed

 **USD 67 Million**  
Amount of Financing to Support SMEs in Jordan and Palestine

 **140 Job Supported per USD 1 Million**

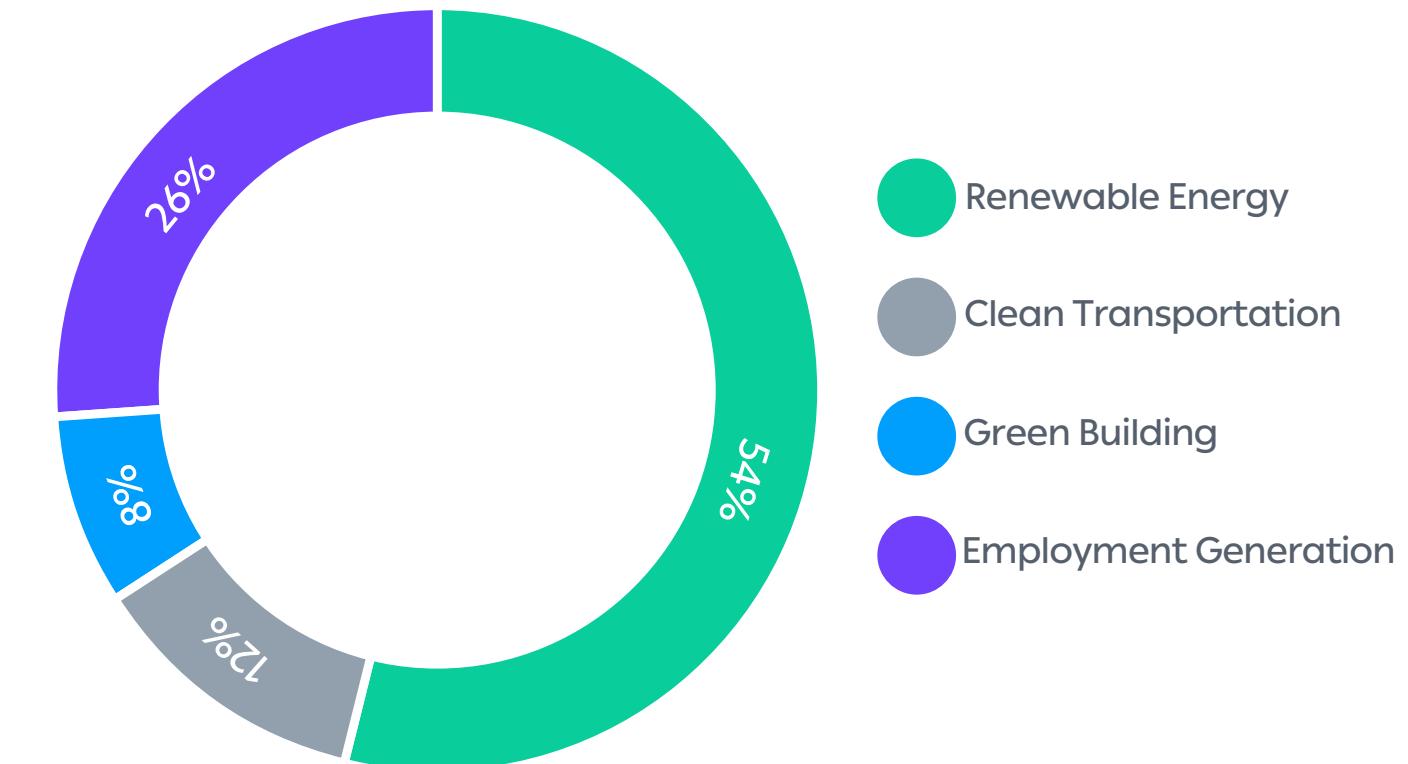
 **USD 155 Million**  
Newly Added Allocation Since Last Year (Green and Social)

 **256,832 TONS**  
of GHG Emissions Avoided

 **4.2 Million**  
Equivalent to Carbon Sequestered from Tree Seedlings Grown for 10 Years<sup>(1)</sup>

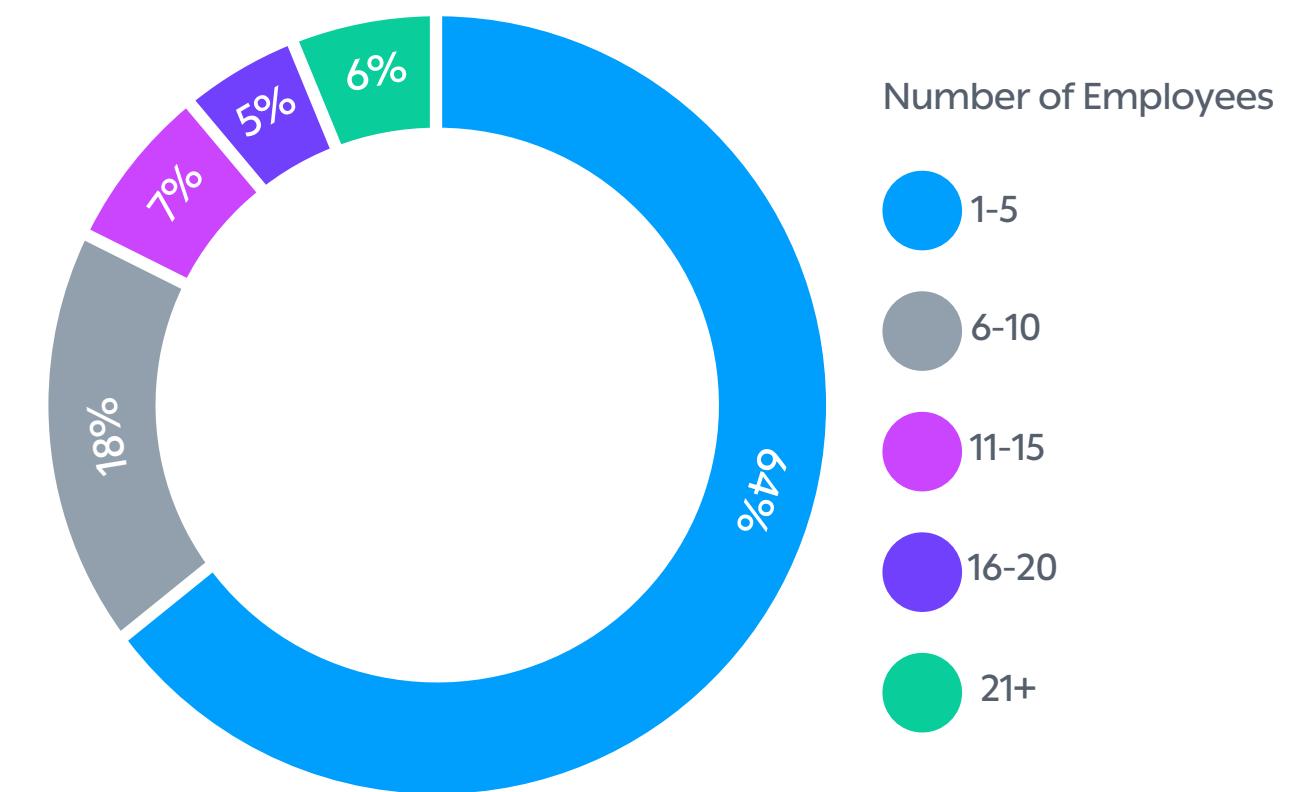
 **Over 9,000 jobs**  
Supported through SME Financing

## Allocation by Category



- Renewable Energy
- Clean Transportation
- Green Building
- Employment Generation

## Share of SME Financing



- Number of Employees
- 1-5
- 6-10
- 11-15
- 16-20
- 21+

<sup>1</sup><https://www.epa.gov/energy/greenhouse-gas-equivalencies-calculator#results>.

## Allocation Overview

On the 10 October 2023 Arab Bank issued its first Sustainable Additional Tier 1 (AT1) Capital Securities of USD 250 million. Details of those securities are shown below:

Issuer	Arab Bank plc
Notes	<ul style="list-style-type: none"> <li>AT1 – Additional Tier 1 Capital</li> <li>Currency: USD</li> <li>Type: Sustainable Bond</li> </ul>
Rank	<ul style="list-style-type: none"> <li>Junior Subordinated Unsecured</li> </ul>
Principal amount	<ul style="list-style-type: none"> <li>USD 250 mn</li> </ul>
Net Proceeds	<ul style="list-style-type: none"> <li>USD 250 mn</li> </ul>
Issuance Date	<ul style="list-style-type: none"> <li>10 October 2023</li> </ul>
Coupon	<ul style="list-style-type: none"> <li>8%</li> </ul>
Tenor	<ul style="list-style-type: none"> <li>Perpetual, next call date 10 January 2029</li> </ul>
ISIN	<ul style="list-style-type: none"> <li>XS2528336170</li> </ul>
Key Indicators	
Sustainable Bond Amount	USD 250,000,000
Sustainable Loan Portfolio (as of 30th September 2025)	USD 255,624,783
Net Proceeds of Sustainable Bond allocated to Sustainable Loan Portfolio	100%
Eligible Sustainable Loan Portfolio allocated	98%
Eligible Sustainable Loan Portfolio unallocated	2%
New loans added to the portfolio post issuance of inaugural Sustainable Bond	45%
New loans added to the portfolio since last Sustainable Finance Report publication	61%

## Eligible Sustainable Loan Portfolio as of 30 September 2025<sup>(2)</sup>

Eligible Sustainable Loan Portfolio by Category	Number of Projects	Funded (USD mn) <sup>(3)</sup>	Sustainable Lending Portfolio (%)
<b>Eligible Green Categories</b>			
<b>Renewable Energy</b>	<b>9</b>	<b>137</b>	<b>54%</b>
Wind	2	107	42%
Solar	7	30	12%
Energy Efficiency	-	-	-
<b>Clean Transportation</b>	<b>2</b>	<b>31</b>	<b>12%</b>
Freight transportation	1	30	11%
EV	1	1	1%
Sustainable Water and Wastewater Management	-	-	-
<b>Green Building</b>	<b>1</b>	<b>20</b>	<b>8%</b>
<b>Total Green Loans</b>	<b>12</b>	<b>188</b>	<b>74%</b>
<b>Eligible Social Categories</b>			
<b>Employment Generation<sup>(4)</sup></b>	<b>Multiple Loans</b>	<b>67<sup>(5)</sup></b>	<b>26%</b>
Access to Essential Services	-	-	-
<b>Total Social Loans</b>	<b>Multiple Loans</b>	<b>67</b>	<b>26%</b>

<sup>(2)</sup> Deloitte's Limited Assurance Report in relation to the Eligible Sustainable loan portfolio and respective disclosed amounts, is included in page 10.

<sup>(3)</sup> These amounts represent the Funded outstanding loans that Arab Bank has identified as eligible sustainable loans in accordance with the bank's Sustainable Finance Framework.

<sup>(4)</sup> As per the bank's Sustainable Finance Framework, Employment generation is stated as "employment generation, and programs designed to prevent and/or alleviate unemployment stemming from socioeconomic crises".

<sup>(5)</sup> Data considered for allocation under employment generation category only includes the "small business" segment of the bank's total SME portfolio for Jordan. For portfolio details, refer to Arab Bank's Annual Report.

## Green and Social Impact

Category	Allocated Amount (USD mn) <sup>(6)</sup>	Annual Financed Emissions Avoided (tCO2) <sup>(7)</sup>	SDG
<b>Eligible Green Categories</b>			
<b>Renewable Energy</b>	<b>136</b>	<b>247,375</b>	
Wind	106	193,471	 
Solar	30	53,904	 
<b>Clean Transportation</b>	<b>31</b>	<b>7,802</b>	
Freight transportation	30	6,268	 
EV	1	1,534	 
<b>Green Buildings</b>	<b>20</b>	<b>1,655</b> <b>LEED Platinum Certification</b>	 
<b>Total</b>	<b>188</b>		

Category	Allocated Amount (mn) <sup>(6)</sup>	Jobs Supported	SDG
<b>Eligible Social Categories</b>			
<b>Employment Generation</b>	<b>67</b>	<b>9,365</b>	
<b>Total</b>	<b>67</b>	<b>9,365</b>	

## Allocation and Impact by Project

### Renewable Energy

Project Sub Category Type	Project #	Location	Allocated Amount (USD mn)	Share of Total Project Financing (%)	Project Capacity (MW)	Bank's Share of Annual Emissions Avoided (tCO2)	SDG Mapping
Wind	Project 1	Uzbekistan	57	48%	100	95,726	 
Wind	Project 2	Uzbekistan	50	29%	200	97,745	
Solar PV	Project 3	Egypt	14	11%	200	31,974	
Solar PV	Project 4	Palestine	1.2	67%	4.5	3,245	
Solar PV	Project 5	Palestine	4	87%	6.28	5,848	
Solar PV	Project 6	Palestine	1.9	76%	2	1,625	
Solar PV	Project 7	Morocco	0.7	7%	20	1,670	
Solar PV	Project 8	Morocco	5	5%	84.5	5,215	
Solar PV	Project 9	Morocco	3.4	5%	71.5	4,327	

### Clean Transportation

Project Sub Category Type	Project #	Location	Allocated Amount (USD mn)	Share of Total Project Financing (%)	Bank's Share of Annual Emissions Avoided (tCO2)	SDG Mapping
Freight Transportation	Project 10	UAE	30	2%	6,268	 
EV	Project 11	UAE	1.4	100%	1,534	

### Green Buildings

Project Sub Category Type	Project #	Location	Allocated Amount (USD mn)	Share of Total Project Financing (%)	Impact (Certification)	Bank's Share of Annual Emissions Avoided (tCO2)	SDG Mapping
Green Building Construction	Project 12	UAE	20	14%	LEED Platinum	1,655	 

### Social Loans

Project Sub Category Type	Project #	Location	Impact (USD mn in Financing)	Impact (Job Supported)	SDG Mapping
Employment Generation	Multiple Loans	Jordan	53.3	8,230	
Employment Generation	Multiple Loans	Palestine	13.6	1,135	

<sup>6</sup> Rounding has been reflected on Allocated amount

<sup>7</sup> For Impact reflected in this report, please refer back to ICMAs handbook on harmonized framework for Impact reporting

# Methodology Note

## General Guidance

- All data points related to the balances reported are as of 30 September 2025.
- Arab Bank's impact indicators are based on ICMA's harmonized framework for impact reporting 2025<sup>(8)</sup> and the bank's Sustainable Finance Framework<sup>9</sup>. The bank's impact assessment methodology is aligned with the Partnership for Carbon Accounting Financials (PCAF)<sup>10</sup> and Greenhouse Gas Protocol<sup>11</sup> to calculate avoided emissions.
- Arab Bank's impact report covers the anticipated impacts of projects under construction and verified impacts of projects in operation.
- The environmental impact reported is calculated in proportion to Arab Bank's financing share of the total project cost.

## Renewable Energy

- For emissions avoided by renewable energy projects, it is assumed that the energy generated by such projects shall avoid emissions that would otherwise be in line with grid emission factors of the relevant country. The emissions of renewable energy project are often (but not always) zero.
- When available, actual energy generation is used (MWH) and emissions avoided data based on impact reports or publicly available data as reported by relevant projects and companies. If such data is not available, project technical reports are used or global capacity factors and country level grid emission factors are applied from International Renewable Energy Agency (IRENA)<sup>12</sup> and the Institute for Global Environmental Strategies<sup>13</sup>.

## Clean Transportation:

- For emissions avoided by clean transportation projects, we rely on customer's submitted verified emissions data or models, provided such data or models has been assured by a third party.
- For emissions avoided by electric vehicles, we used data provided by the customer and transport emissions tools provided by GHG protocol to calculate the baseline emissions (non-EV vehicles). From the baseline emissions we subtracted the corresponding emissions by EVs based on publicly available data reported by the manufacturer and grid emission factors published by the Institute for Global Environmental Strategies.

## Green Building

- For our green building project, we rely on the project obtaining the LEED certification as outlined in the bank's Sustainable Finance Framework. Although these projects are still under construction, the bank exercises additional due diligence by obtaining interim reports from third-party auditors that demonstrate progress towards achieving certification.
- In calculating estimated avoided emissions from green buildings, we rely on assessing the reduction in GHG emissions resulting from improved energy performance compared to conventional baseline building. The calculation is based on the difference between the expected energy consumption (EUI) of the green building and that of baseline energy consumption (EUI) sourced from recognized local publications, these impact calculations are based on an ex-ante basis.

<sup>8</sup> <https://www.icmagroup.org/sustainable-finance/the-principles-guidelines-and-handbooks/green-bond-principles-gbp/>

<sup>9</sup> <https://www.arabbank.com/mainmenu/home/sustainability/sustainable-finance-framework>

<sup>10</sup> <https://carbonaccountingfinancials.com/en/standard>

<sup>11</sup> <https://ghgprotocol.org/>

<sup>12</sup> <https://www.irena.org/Publications>

<sup>13</sup> <https://www.iges.or.jp/en/pub/list-grid-emission-factor/en>

- Key formulas applied are:

**Energy Savings (MWh p.a.): (Baseline EUI – Actual EUI) × Gross Floor Area**

**Avoided Emissions: (tCO<sub>2</sub>e) Energy Savings × Emission Factor**

Where:

**EUI:** Refers to Energy Use Intensity, reported in MWh/ m<sup>2</sup>/year.

**Estimated EUI:** Derived from modeled design values or green building benchmarks published by local or regional bodies.

**Baseline EUI:** Sourced from recognized national or regional benchmarks.

**Emission Factor:** The amount of CO<sub>2</sub> equivalent emitted per unit of electricity consumed (tCO<sub>2</sub>e/MWh), based on country-specific grid emission factors from the Institute for Global Environmental Strategies.

### **Social Loans**

- For Eligible Social Projects Finance, the bank considered funded facilities for targeted segments within its SME portfolio for Jordan and Palestine based on internal segmentation criteria and both Central Bank of Jordan and the Palestinian Monetary Authority definition.
- As per the bank's Sustainable Finance Framework and availability of data points, we applied exclusions to total funded facilities to derive the eligible portfolio, which includes, applicable look back period for the Bond, credit performance status, excluded sectors for sustainable classification and soon to mature facilities.
- For calculating the number of jobs supported, as aligned with ICMA's Harmonized Framework for Impact Reporting for Social Bonds<sup>14</sup>, Arab Bank obtained the number of employees per each SME customer, the assumption was made that through the bank financing, indirect contribution was made to retain those jobs. The number of employees was calculated by taking into consideration all employees working for the SME customer obtaining the financing. Where a customer has multiple eligible facilities, the employee count was considered once at customer level to avoid double counting.

<sup>14</sup> <https://www.icmagroup.org/sustainable-finance/impact-reporting/social-projects/>

# Independent Limited Assurance

**Deloitte.**

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## Independent Limited Assurance Report to the Directors of Arab Bank plc

We have been engaged by the Directors of Arab Bank plc (the "Bank") to perform a limited assurance engagement relating to the Selected Information, as outlined below, within The Bank's Sustainable Finance Report (the "Report"), which discloses the use of net proceeds of USD 250 million from the Sustainable Bond issued in October 2023.

### Use of report

This report is made to the Directors of the Bank, in accordance with the International Standard on Assurance Engagements 3000, Assurance Engagements Other than Audits or Reviews of Historical Financial Information, issued by the International Auditing and Assurance Standards Board (IAASB) ("ISAE 3000 (Revised)") and our agreed terms of engagement. Our work has been undertaken so that we might state to the Bank those matters we are required to state to them in this limited assurance report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the Bank for our work, for this report, or for the conclusion we have formed.

### Our conclusion

Based on our work as described in this report, nothing has come to our attention that causes us to believe that the Selected Information, as set out on page 6 of the Report has not been prepared, in all material respects, in accordance with the criteria as shown in Section 2 of the Sustainable Finance Framework (2022) (the 'Applicable Criteria').

### Respective responsibilities

The Bank's management is responsible for:

- Establishing the Applicable Criteria for preparing the Selected Information;
- Designing, implementing and maintaining internal processes and controls over the information that is relevant to the preparation of the Selected Information to ensure the information is free from material misstatement, whether due to fraud or error and
- Measuring and reporting the Selected Information based on the Applicable Criteria.

Our responsibility is to express a conclusion on the Selected Information based on our procedures. We conducted our engagement in accordance with ISAE 3000 (Revised), in order to state whether anything had come to our attention that causes us to believe that the Selected Information has not been prepared, in all material respects, in accordance with the Applicable Criteria as defined within the Report.

Our procedures consisted primarily of:

- Performing enquiries with management to understand how the Applicable Criteria has been applied in the preparation of the Selected Information;
- Obtaining an understanding of the key systems, processes and controls for managing and reporting the Selected Information;
- Inspecting issuance documentation to confirm the total reported value of net proceeds;
- Inspecting minutes of the Sustainable Finance Committee to confirm the value of portfolio allocations during the period and that allocated projects were considered against the eligible categories and approved;
- Substantive testing to confirm that a sample of identified assets from the approved listing were funded in line with the approach set out in the Applicable Criteria;
- Obtaining a listing of assets to confirm this is consistent with the disclosure relating to proportion of total proceeds refinanced;
- For a sample of assets refinanced, inspecting operational records or other appropriate project documentation to confirm the amounts refinanced and that refinancing eligibility is in line with the Applicable Criteria; and
- Accumulating misstatements and control deficiencies identified and assessing whether material.

## Criteria

The Applicable Criteria is published within Section 2 of the Sustainable Finance Framework (2022).

The self-defined Applicable Criteria; the nature of the Selected Information; and absence of consistent external standards allow for different, but acceptable, measurement methodologies to be adopted which may result in variances between entities. The adopted measurement methodologies may also impact comparability of the Selected Information reported by different organisations and from year to year within an organisation as methodologies develop.

## Inherent limitations

Our engagement provides limited assurance as defined in ISAE 3000 (Revised). The procedures performed in a limited assurance engagement vary in nature and timing from, and are less in extent than for, a reasonable assurance engagement and consequently, the level of assurance obtained in a limited assurance engagement is substantially lower than the assurance that would have been obtained had a reasonable assurance engagement been performed.

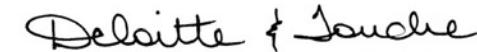
Inherent limitations exist in all assurance engagements due to the selective enquiry of the information being examined. Therefore fraud, error or non-compliance may occur and not be detected. Our work does not involve testing the operating effectiveness of controls over the underlying data, nor have we sought to review systems and controls beyond those relevant to the Selected Information.

## Our independence and competence

We complied with Deloitte's independence policies, which address and, in certain cases, exceed the requirements of the International Ethics Standards Board for Accountants' Code of Ethics for Professional Accountants in their role as independent auditors, and in particular preclude us from taking financial, commercial, governance and ownership positions which might affect, or be perceived to affect, our independence and impartiality, and from any involvement in the preparation of the report.

We applied the International Standard on Quality Management ("ISQM") 1, Quality Management for Firms that Perform Audits or Reviews of Financial Statements, or Other Assurance or Related Services Engagements. Accordingly, we maintained a comprehensive system of quality management including documented policies and procedures regarding compliance with ethical requirements, professional standards and applicable legal and regulatory requirements.

**For and on behalf of Deloitte & Touche (M.E.) – Jordan**  
**December 24, 2025**

  
**Deloitte & Touche (M.E.)**  
دليويت آند توش (الشرق الأوسط)  
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## Disclaimer

This report includes forward-looking statements based on current beliefs and expectations about future events. Forward-looking statements include projections and estimates. Forward-looking statements are not guarantees of future performance, results or occurrences and are subject to inherent risks, uncertainties and assumptions about Arab Bank plc investments, developments, banking industry trends, changes in political, social and/or economic conditions globally, in particular energy prices, technological innovations, climate-related events and other unforeseen events or conditions.

Those events are uncertain; their outcome may differ from current expectations which may in turn significantly affect expected results. Actual results may differ materially from those projected or implied in these forward-looking statements. Any forward-looking statement contained in this report speaks as of the date of this report. Arab Bank plc undertakes no obligation to publicly revise or update any forward-looking statements in light of new information or future events. The information contained in this report as it relates to parties other than Arab Bank plc or derived from external sources has not been independently verified and no representation or warranty expressed or implied is made as to, and no reliance should be placed on, the fairness, accuracy, completeness or correctness of the information or opinions contained herein.

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You are advised to exercise your own independent judgment (with the advice of your professional advisers as necessary) with respect to the risks and consequences of any matter contained in this report.