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Al Taif Islamic Bank for Investment and Finance (JSC) - Baghdad

The Interim Condensed Financial Statements for the Financial Period Ended on 30/September/ 2025

Adel I. H. Al-Shaybi and Partners Company
For Accounts Monitoring and Auditing/Cooperative- Baghdad
Financial and Administrative Consultancy and Economic Feasibility Studies
Al-Wasiriya – Al-Hariri St. next to Iraqi Scientific Complex

All our Translations are attached
with RED MAROON Tape
and white embossed seal

Hilal Basheer Dawood Hamo
Public Accountant and Auditor
Member of Iraqi Union for Legal Accountants



TRANSLATED BY: *Wathiq Hindo*
Date: **07 DEC 2025**
WATHIQ A. HINDO

Sworn Translator
License Number: 192 Since 1979
NADIR Bureau for Translation
Masbah Road, Baghdad, Iraq, Tel. 07901450493

واثق هندو
مترجم قانوني مجاز
رقم الهوية ٨١/٤ خ من وزارة العدل
عضو جمعية المترجمين العراقيين
رقم الهوية ١٩٢ في ١٩٧٩/١/٢٩
العنوان: مكتب نادر للترجمة - المسيح
بغداد - هاتف: ٠٧٩٠١٤٥٠٤٩٣

I, the above-signed, authorized translator, hereby certify that the above is an accurate translation of the attached photocopied Document, and that I am competent in both Arabic and English to render such translation.
NADIR BUREAU FOR CERTIFIED LEGAL TRANSLATION
Masbah Road - Hay Al-Karrada Sec.903/ St.34 /Building 25/ Baghdad/Iraq /Tel.: 07901450493 -07709880952-
/ E-mail: naderbureau@gmail.com

اني الموقع اعلاه , مترجم مخول , اشهد بهذا بان المذكور اعلاه هي ترجمة صحيحة للوثيقة المترجمة المصورة و المرفقة طياً واني
ممكن في كلا اللغتين العربية و الانكليزية لتقديم مثل هذه الترجمة .
مكتب نادر للترجمة القانونية المعتمدة
طريق المسيح - حي الكرادة محلة ٩٠٣ / زقاق ٣٤ / مبنى ٢٥ / بغداد - العراق
هاتف ٠٧٩٠١٤٥٠٤٩٣ - البريد الإلكتروني naderbureau@gmail.com

No.: 289/18/2025

Date: Baghdad on 5/November/2025

Hilal Basheer Dawood Hamo
Public Accountant and Auditor
Member of Iraqi Union for Legal Accountants

**To the Chairman and Members of Board of Directors of
Al Taif Islamic Bank for Investment and Finance (JSC) - Baghdad**

Sub. / Report on the Review of Condensed Financial Statements

We have reviewed the accompanying condensed interim financial statements of Al Taif Islamic Bank for Investment and Finance (a private shareholding company - Baghdad) for the period ended on 30/ September/ 2025, which include the condensed interim statement of financial position as of 30/ September/ 2025, and the condensed interim statements of income and comprehensive income, the interim statement of changes in shareholders' equity, and the interim statement of cash flows for the nine months ended on 30/September/2020, and clarifications from (1) to (27) thereto.

The Bank's management is responsible for the preparation and presentation of these condensed interim financial statements, in accordance with International Accounting Standard No. 34 "Interim Financial Reporting" and the relevant instructions of the Central Bank of Iraq. Our responsibility is to state the result of the review of these interim financial statements, based on the review procedures we carried out.

Scope of the Review:

We conducted the review in accordance with the International Accounting Standard 2410 "Review of Interim Financial Information by the independent auditor of the institution" stipulate reviewing the interim financial statements, including making initial inquiries with those persons responsible for financial and accounting matters, and applying analytical and other audit procedures. The scope of the review is significantly less than that of an audit under the International Standards on Auditing (ISAs), and therefore, we cannot obtain the assurance that can be obtained on all material matters during a full audit. Accordingly, we do not express an opinion on the audit of these condensed interim financial statements.

Conclusion:

Based on our review, the condensed interim financial statements for the period from 1/January/ 2025, to 30/September/ 2025, have been prepared in accordance with the International Accounting Standard 34 and the relevant instructions of the Central Bank of Iraq.

-Sgd.- and stamp

Hilal Basheer Dawood Hamo
Public Accountant and Auditor

Member of Iraqi Union for Legal Accountants
For/Adel I. H. Al-Shaybi and Partners Company

For Accounts Monitoring and Auditing/Cooperative- Baghdad
Financial and Administrative Consultancy and Economic Feasibility Studies



Al Taif Islamic Bank for Investment and Finance (PSC) – Baghdad
Clarifications about the Financial Statements for the Financial Period Ending on 30/September/2025

Statement of Financial Position as on 30/September/2025

	<u>Clarifications</u>	30/9/2025 Review One thousand Iraqi dinars	31/12/2024 Audited One thousand Iraqi dinars
Assets			
Cash & Balances with the Central Bank	3	211191576	182192789
Balances and Deposits with Banks & Other Financial Institutions	4	4369415	4728778
Net Direct Credit Facilitations	5	477059915	463830844
Financial Assets at Fair Value	6	86159390	93001929
Net Properties and Equipment	7	58076115	58608215
Net Other Assets	8	37904559	55757458
Total Assets		874760970	858120013
Liabilities and Shareholders' Equity			
Liabilities:			
Central Bank Loan	9	30963246	37422246
Current and Deposit Accounts	10	509548365	506510911
Cash deposits	11	10413223	8870412
Income Tax Allocation	12	000	1462413
Allocation of Contractual Credit	13	3493694	170352
Other Liabilities	14	45371479	35466392
Total Liabilities		599790007	589902726
Shareholders' Equity			
Capital	15	255093450	250000000
Compulsory Reserve	16	1054638	1054638
Expansions Reserve	17	11000000	11000000
Exchange Prices fluctuation Allocation	18	89762	89762
Carried Forward Profits	19	6072887	6072887
Period Profit Carried Forward from Income Statement		1660226	000
Total Shareholders' Equity		274970963	268217287
Total Liabilities and Shareholders' Equity		874760 970	858120013
Contra Systematic Accounts	20	52874477	49498693

-Sgd.-
Mohammed Naser Mohammed
 For/Financial Manager
 Abdullah Thaeer Noori

-Sgd.-
Managing Director
 Ridha Hamzah Abdulridha

-Sgd.-
Chairman of the Board of Directors
 Ammar Mudhafar Salih

Subject to our report No. 289/18/2025 dated 5/November/ 2025

-Sgd.- and stamp
 Hilal Basheer Dawood Hamo
 Public Accountant and Auditor
 Member of Iraqi Union for Legal Accountants
 For/Adel I. H. Al-Shaybi and Partners Company
 For Accounts Monitoring and Auditing/Cooperative- Baghdad



Al Taif Islamic Bank for Investment and Finance (PSC) – Baghdad
Clarifications about the Financial Statements for the Financial Period Ending on 30/September/2025

Statement of Income for the Period Ending on 30 /September/2025		30 September 2025 Review One thousand Iraqi dinars	30 September 2024 Review One thousand Iraqi dinars
Statement	Clarifications		
Net Cash Credit Revenues	21	51907885	26997782
Investment Projects Returns	22	10928108	4316785
Net Paid Returns of Investment Deposits	23	(27099978)	(13827421)
Net Banking operating Revenues	24	10929311	10561488
Net Other Operating Revenues	25	152144	148876
Net Operations Revenues		64817470	28197510
Deduct:			
Employees' Salaries, Wages and the like	26	6434992	5894191
Operating Expenses and Others	27	9219734	13929134
Credit Risks	5	10403276	3432025
Investment Impairment Risks	6	2000000	000
Consumptions and Amortizations	7	3874934	2189658
Ijara (Leasing) Consumption	5	10771738	1821004
Gross Expenses		(42704674)	(27266012)
Net Current Activity for the Period		4112796	931498
Deduct: Transferable Expenses		(2452570)	000
		1660226	931498
Statement of the Comprehensive Income for Financial Period Ending on 30 /September/2025		30 September 2025 One thousand Iraqi dinars	30 September 2024 One thousand Iraqi dinars
Net Income for the Period		1 660226	931498
Net Surplus for the Period		1 660226	931498

-Sgd.-
Asst. Financial Manager
Mohammed Naser Mohammed
For/Financial Manager
Abdullah Thaer Noori

-Sgd.-
Managing Director
Ridha Hamzah Abdulridha



Al Taif Islamic Bank for Investment and Finance (PSC) – Baghdad
Clarifications about the Financial Statements for the Financial Period Ending on 30/September/2025

Statement of Changes in Ownership Rights (Shareholders' Equity) as on 30/September/2025

Details	Capital IQD Thousand	Compulsory Reserve IQD Thousand	Expansions Reserve IQD Thousand	Exchange Price Fluctuation Reserve IQD Thousand	Carried Forward Profits IQD Thousand	Period Profit IQD Thousand	Total Shareholders' Equity IQD Thousand
Balance as on 1/January/2025	250000000	1054638	11000000	89762	6072887	000	268217287
Additions	5093450	000	000	000	000	000	5093450
Comprehensive Income for the Period	000	000	000	000	000	1660226	1660226
Balance on 30/September/2025	255093450	1054638	11000000	89762	6072887	1660226	274970963

Clarifications: according to the letter of Companies Registration Department letter No. 28242 on 27/8/2025, the legal procedures were completed for increasing the bank's capital from (250 000 000 000) dinars to (5 093 450 000) dinars according to the meeting to the General Body held on (12/7/2024).

As on 31/December 2024

Details	Capital IQD Thousand	Compulsory Reserve IQD Thousand	Expansions Reserve IQD Thousand	Exchange Price Fluctuation Reserve IQD Thousand	Carried Forward Profits IQD Thousand	Total Shareholders' Equity IQD Thousand
Balance as on 1/January/2024	250000000	935258	1000000	89762	13804676	265829696
Comprehensive Income for the period	000	119380	000	000	2268211	2387591
Transfers between the Reserves	000	000	1000000	000	(10000000)	000
Balance on 31/December/2024	250000000	1054638	11000000	89762	6072887	268217287



Clarifications: According to the instructions of the Central Bank of Iraq letter No. 9/3/32680 on 19/12/2022 : due to the requirement of maintaining a sufficient balance in the expansion reserve within equity, an amount of one billion dinars has been appropriated from the net profit of 2022 year after tax as an expansion reserve.

Clarifications: According to the letter of the Central Bank of Iraq No.9/3/2654 on 19/5/2011 : the exchange price fluctuation allocation is calculated in the exchange companies with a ratio of (2%) from the profit after tax. This was stopped after the company transferred to a bank.

Clarifications: According to the meeting of the general body held on 12/11/2024, it was decided to transfer the amount (10000000) dinars from carried forward profits and add it to the expansion reserve to be used in the establishment of electronic payment company.

Al Taif Islamic Bank for Investment and Finance (PSC) – Baghdad
Clarifications about the Financial Statements for the Financial Period Ending on 30/September/2025

Statement of Cash Flow for the Period Ending on 30 September 2025

	30 September 2025 Review IQD thousand	30 September 2024 Review IQD thousand
<u>Cash Flows from Operating Activities</u>		
Surplus of Current Period	1660226	931498
Amendment to Non-Cash Items:		
Credit Risks	10403276	3432025
Consumptions and Amortizations	3874934	2189658
Investment Impairment Risks	2000000	000
Ejara Consumption and Amortization Activities	10771738	1821004
	28710174	8374185
<u>Changes in Assets and Liabilities</u>		
(Increase) Direct Credit Facilities	(34404085)	(123010292)
Decrease (Increase) in Financial Assets	4842539	(38324877)
Decrease (Increase) in Other Assets	17852899	(2698215)
Increase in Current and Deposit Accounts	3037454	227043170
Increase (Decrease) in Insurances of Letters of Guarantee	1542811	(519334)
Settlement of Income Tax	(1462413)	000
Increase in Contractual Credit Allocation	3323342	000
Increase in Other Liabilities	9905087	10063905
Net Cash Flow of Assets and Liabilities	4637634	72554357
Net Cash Flow (Used in) of Operating Activity	33347808	80928542
<u>Cash Flow from Investment and Financing Activities</u>		
Additions to Properties and Equipment	(3342834)	(25371111)
(Decrease) of Central Bank Loan	(6459000)	(9197123)
Increase in Capital	5093450	000
Net Cash Flow from Investment and Financing Activity	(4708384)	(34568234)
Net (decrease) increase in Cash and the like	28639424	46360308
Cash and the Like at the beginning of the Year	186921567	151567975
Cash and the Like at the End of the Period	215560991	197928283



Al Taif Islamic Bank for Investment and Finance (PSC) – Baghdad
Clarifications about the Financial Statements for the Financial Period Statements Ending on
30/September/2025

Policies and Clarifications for the Period Ending on 30/September/ 2025

1. Policies and General Information

Al Taif Islamic Bank for Investment and Finance is an Iraqi private shareholding company whose activity was changed from a financial institution to a bank in 2018, according to the Companies Registration Department's letter No. 9/3/30217 dated 31/12/2018. Its headquarters are in Baghdad, and its nominal capital is (250) billion Iraqi dinars. It operates under a banking license issued by the Central Bank of Iraq, No. 9/3/30217 on 31/12/2018. The bank conducts all Islamic banking activities, providing all services related to its operations through its headquarters in (Baghdad -Al-Karrada Dakhel- near Kahrawan Sq.), and its 24 branches throughout Iraq.

2. Key Accounting Policies

Basics of the preparation of Financial Statements

- a. Preparation of condensed interim financial statements for the bank for the period from 1/January/2025, to 30/ September/2025, in accordance with the International Accounting Standard No. 34, "Interim Financial Reporting," for the preparation of condensed interim financial statements. These condensed interim financial statements do not include all the information and disclosures required for the preparation of annual financial statements and should be read in conjunction with the bank's annual financial statements as of 31 / December 2024. Furthermore, the results for the nine-month period ending 30/September/2025, are not necessarily indicative of the results that can be expected for the financial year ending 31/December/ 2025.
- b. The currency used to present the interim financial statements, which is the bank's main currency, is the Iraqi Dinar. All amounts have been rounded to the nearest thousand Iraqi Dinars.
- c. The exchange rate is 1310 Iraqi dinars per one US dollar. This is used in converting foreign currencies from US dollars to dinar.
- d. The interim financial statements include all the information and disclosures required in the annual financial statements, as presented in conjunction with the bank's financial statements as of 31/December/ 2024.
- e. The information presented in these interim statements is not necessarily indicative of the results expected for the year ending 31/December/ 2025.



Al Taif Islamic Bank for Investment and Finance (PSC) – Baghdad

Clarification about the Financial Statements for the Financial Period Ending on 30 /September/ 2025

3. Cash and Balances with the Central Bank

The details of this item are as follows:	30 September /2025 Review IQD thousand	31/December/2024 Audited IQD thousand
<u>Gold Bars in Vault</u>	2874623	6813362
<u>Cash in Vault</u>		
Local Currency	43233249	62657408
Foreign Cash Instruments	675651	1786471
	43908900	64443879
<u>Cash in ATM</u>	77902650	000
<u>Balances with Central Bank of Iraq</u>		
Current Accounts	23190943	25821479
Legal Reserve	55457777	52504257
Reserve of Letters of Guarantee	136474	178432
Legal Deposits	7593450	000
Clearance Room	148200	000
Total Cash at Central Bank of Iraq	86526844	78504168
Total Cash and Balances at Central Bank of Iraq	211213017	182209169
Deduct: Expected losses under International Financial Reporting Standard (IFRS) 9	(21441)	(16380)
	<u>211191576</u>	<u>182192789</u>

4. Balances with banks and other Financial Institutions

<u>The details of this item are as follows:</u>	30/9 /2025 IQD thousand	31/12/2024 IQD thousand
Local Banks and Financial Institutions	754057	749366
Foreign Banks and Financial Institutions	4313654	4072874
Total	5067711	4822240
Deduct: Probability of default according to accounting standard No. (9)	(698296)	(93409)
	<u>4369415</u>	<u>4728778</u>



Al Taif Islamic Bank for Investment and Finance (PSC) – Baghdad

Clarification about the Financial Statements for the Financial Period Ending on 30 September 2025

5. Direct Credit Facilities, Net

The details of this item are as follows:

	30/9/ 2025 Review IQD thousand	31/12/2024 Audited IQD thousand
Cash Credit		
Benevolent Loan *1	272835	000
Profitability (Murabahat) *2	196421683	203364277
Manufacturing (Istisna)	244553079	218126050
Net Rental ended with owning *3	47 528719	44433381
Murabaha of Central Bank Initiative	15203298	38384574
Easy Loans	000	513234
Non-Productive Debits	69338110	50220091
Total Cash Credit	573317724	555041607
Deduct: Murabaha revenues received in advance	(78127910)	(79349715)
Cash Credit After Deducting Deferred Revenues	495189814	475691892
Deduct: Credit Allocation	(18129899)	(11861048)
Net Credit Facilities	477059915	463830844

*1 the Benevolent loan includes (34671 thousand) dinars non-performing loan.

*2 Due Murabaha installments include (7139930 thousand) dinars and inactive Murabaha (68979995 thousand) dinars.

*3 Net rent ending with owning includes a discount amounted to (13798017 thousand) dinars for Accumulated Depreciation of Ijarah Assets.



Al Taif Islamic Bank for Investment and Finance (PSC) – Baghdad

Clarification about the Financial Statements for the Financial Period Ending on 30 September 2025

Financial Assets at Fair Value through Other Comprehensive Income

The details of this item are as follows:

	30 /9//2025 Review IQD thousand	31/12/2024 Audited IQD thousand
<u>Investment in Shares and Participations:</u>		
Companies Owned by the Bank:		
Bait Al Akhdher Real Estate Investment LLC	5000000	5000000
Alkookh Al Dhahabi General Trading Company LLC	2000000	2000000
Al Taif Translation LLC	10000	10000
Al Taif for Electronic Payment LLC	10000000	000
Total Companies Owned by the Bank	17010000	7010000
Iraqi Deposit Insurance Company	750000	750000
National Takaful Company (1)	550000	550000
Total Investments in Shares and Participations	18310000	8310000
Gables in Al-Zafaraniya Area in Baghdad:	3167276	3167276
Calf Farm Project in Al-Mahmoodiya	36030439	41974609
Total investments	57507715	53451885
<u>Real Estate Investments under construction</u>		
Residential Complexes for Sale	000	5564740
Mall in the Center of the City of Karbala	33121099	33104865
Abu Ghraib Poultry Project	000	1393019
Real Estate Investment Lands	000	1755710
Total Real Estate Investments under Construction	33121099	41818334
Total Financial Assets at Fair Value	90628814	95270219
Probability of default according to International Standard *1	(4469424)	(2268290)
Total Financial Assets at Fair Value	86159390	93001929

*1 the amount consists of (2 000 000 thousand) dinars impairment of financial investment allocation, the amount (2 469 424 thousand) dinars is the probability of default under IFRS 9.



Al Taif Islamic Bank for Investment and Finance (PSC) – Baghdad

Clarification about the Financial Statements for the Financial Period Ending on 30 September 2025

7. Properties and Equipment, Net
As on 30/September/2025

Details	Lands IQD thousand	Buildings IQD thousand	Machinery and Equipment IQD thousand	Transport Means IQD thousand	Tools and Molds IQD thousand	Furniture IQD thousand	Systems IQD thousand	Improvements IQD thousand	Total IQD thousand
Cost:									
Balance on 1/1/2025	15607475	11912751	484311	1055902	209152	10445036	12847448	7365601	59927676
Additions	000	8224419	34711	000	55103	3085934	000	669667	12069834
Exclusions	000	000	(95)	000	(17999)	(641005)	000	(1083839)	(1742938)
Balance on 30/9/2025	15607475	20137170	518927	1055902	246256	12889965	12847448	6951429	70254572
Depreciation percentage	00	2%	20%	20%	20%	20%	20%	20%	
Accumulated Consumption									
Balance on 1/1/2025	000	1652270	219067	640991	93130	3618807	2117170	000	8341435
Carried Forward for the Period	000	224890	51085	80892	14980	1455622	963626	1083839	3874934
Settlements and Exclusions	000	000	(95)	000	(14999)	(253338)	(687)	(1083839)	(13529958)
Balance on 30/9/2025	000	1877160	270057	721883	93111	4821091	3080109	000	10863411
Net Book Value	15607475	18260010	248870	334019	153145	8068874	9767339	6951429	59391161
Deduct: Losses real estate impairment	(225764)	(2784017)	000	000	000	000	000	000	(3009781)
Pre-Payments	341601	000	000	000	000	000	000	(1353134)	1694735
Net book value	15723312	15475993	248870	334019	153145	8068874	9767339	8304563	58076115



Al Taif Islamic Bank for Investment and Finance (PSC) – Baghdad

Clarification about the Financial Statements for the Financial Period on 30 September 2025

7.a- Properties and Equipment, Net

As on 31/December/2024

Details	Lands	Buildings	Machinery	Transport	Tools and	Furniture	Systems	Improvements	Total
	IQD thousand	IQD thousand	and Equipment IQD thousand	Means IQD thousand	Molds IQD thousand	IQD thousand	IQD thousand	IQD thousand	IQD thousand
Cost:									
Balance on 1/1/2024	15607475	11912751	436862	1013299	222348	7251962	4281668	3190045	43916409
Additions	000	000	111824	153425	61915	4718624	8565780	4772648	18384216
Exclusions	000	000	(64375)	(110822)	(75111)	(1525550)	000	(597092)	(2372950)
Balance on 31/12/2024	15607475	11912751	484311	1055902	209152	10445036	12847448	7365601	59927676
Depreciation percentage	00	2%	20%	20%	20%	20%	20%	20%	20%
Accumulated Consumption									
Balance on 1/1/2024	000	1414280	217163	611408	132419	2986921	1190159	000	6552350
Carried Forward for the Period	000	237990	59637	113818	18625	1350891	927011	477050	3185022
Settlements and Exclusions	000	000	(57733)	(84235)	(57914)	(719005)	000	(477050)	(1395937)
Balance on 31/12/2024	000	1652270	219067	640991	93130	3618807	2117170	000	8341435
Net Book Value	15607475	10260481	265244	414911	116022	6826229	10730278	7365601	51586241
Deduct: Losses real estate impairment	(225764)	(2784017)	000	000	000	000	000	000	(3009781)
Projects in Progress	000	7029674	000	000	000	203093	000	2798988	10031755
Net book value*	15381711	14506138	265244	414911	116022	7029322	10730278	10164589	58608215

- The amount (225 464 thousand) represents the decrease loss in lands in al-Anbar Governorate (18 000 thousand) dinars, added to decrease loss in
- Al- land in Al-Diwaniya county Umm Al-Khail amounted to (207 764 thousand) dinars.
- The amount (58 608 215 thousand) dinars, the amount (37 846 182 thousand) dinars under the title of net properties, equipment, building, the amount (
- 10 730 278 thousand) dinars under title intangible assets, the amount (10031755 thousand under title projects in progress, shown in the financial position of the bank as on 31/December/2024.



Al Taif Islamic Bank for Investment and Finance (PSC) – Baghdad

Clarification about the Interim Financial Statements for the Financial Period Ending on 30 September 2025

8. Other assets

The details of this item are as follows:	30/9 /2025 Review IQD thousand	31/December/2024 Audited IQD thousand
Inventory *1	7253364	994800
Debt Current Activity	85483	000
Debt Non-Current Activity	6766539	000
Pending Financial Transactions	484	000
Electronic Payment Balances	13067	1922250
External World Debtors	17111533	39079393
Deposits with Others/ Miscellaneous	1773033	2008833
Pre-Paid Expenses	3008668	3039257
Due Rent Un-received	894068	000
Revenues Due	2561203	2679603
Loans for Activity Purposes	243494	136394
Cash differences	3899	896
Other Debtor Accounts	136	7706444
Total before Calculating Quantitative Impact	39714971	57567870
Deduct: Excepted Credit Losses	(1810412)	(1810412)
Total after Calculating Quantitative Impact	37904559	55757458

*1 the inventory includes: 1 366 million dinars fixed assets, 580 million dinars different material, 5 307 million dinars commodity bought for sale.

9. Loan of the Central Bank of Iraq:

The details of this item are as follows:	30/9 /2025 Review IQD thousand	31/December/2024 Audited IQD thousand
The remaining from Financing loans for the year 2020	1378988	1589990
The remaining from Financing loans for the year 2021	5754068	7761480
The remaining from Financing loans for the year 2022	18938032	25085476
The remaining from Financing loans for the year 2023	4517150	2585300
The remaining from Financing loans for the year 2024	375008	400000
Total	30963246	37422246

10. Current and Deposits accounts:

The details of this item are as follows:	30/9 /2025 Review IQD thousand	31/December/2024 Audited IQD thousand
Current Accounts/ Private Sector -Companies	51202402	67618196
Current Accounts/ Private Sector -Individuals	56989742	66072691
Savings Accounts	86902234	90196266
Investment Deposits	304981152	282623758
Salaries Localization	6050294	000
Pre-Paid Cards	3422541	000
Total Current and Deposit Accounts	509548365	506510011



Al Taif Islamic Bank for Investment and Finance (PSC) – Baghdad

Clarification about the Interim Financial Statements for the Financial Period Ending on 30 September 2025

15. The Capital

- A. The company was established in 2006 as a exchange company and commenced operations in the same year. At the beginning of 2018, it was converted into a bank. The following table shows the capital developments over the last five years:

Year	Capital/Billion Dinars
2018	100
2019	100
2020	153
2021	203
2023	250
2025	255

- B. Share of the year's surplus after tax: The surplus accrued to the primary shareholder for the year was calculated by dividing the net surplus after tax for the current year by the weighted average number of outstanding shares, as follows:

	30/9 /2025 Review IQD thousand	31/December/2024 Audited IQD thousand
Profits of the period after tax for current year	1660226	2387591
Weighted average for number of shares (in thousands)	255093450	250000000
Primary shareholders share from the annual profit	0007	0009

16. Compulsory Reserve

According to the amended Companies Law No. 21 for the year 1997, a minimum of 5% of the annual income after taxes must be deducted as a compulsory reserve. The total amount accumulated in this account may not exceed 50% of the bank's capital. The compulsory reserve, or any returns derived from it, may not be distributed to shareholders. Continued deductions may be approved by the bank's general body, provided that the total does not exceed 100% of the capital. As of 31/12/ 2024, the reserve balance was 935,258 thousand dinars, as follows:

	30/9 /2025 Review IQD thousand	31/December/2024 Audited IQD thousand
Balance at the Beginning of the Period	1054638	935258
Additions	000	119380
Balance at the End of the Period	1054638	1054638



17. Expansion Reserve

1. In accordance with the directives of the Central Bank of Iraq, as per its letter No. 9/3/32680 dated 19/December/2022, regarding the requirement to maintain a sufficient balance in the expansion reserve within equity, an amount of (1 000 000 thousand) dinars were deducted from the profits of the year ending on 31/December/2022, as an expansion reserve.
2. According to the General Body meeting held on 12/11/2024, it was decided to transfer an amount of (10 000 000 thousand) dinars from carried forward and add it to the expansion reserve, bringing the total to (11 000 000 thousand) dinars, to be used for establishing the electronic payment company.

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Clarification about the Interim Financial Statements for the Financial Period Ending on 30 September 2025

18. Exchange Price fluctuations Reserve

In accordance with the instructions of the Central Bank of Iraq, as per its letter No.9/3/ 2654 dated 19/5/2011, a allocation for exchange rate fluctuations was calculated as a percentage of the profit after deducting income tax for money transfer companies, and its balance amounted to (89 762 thousand) dinars. The bank stopped calculating these allocations as of the financial year 2020.

19. Carried Forward:

The details of this account are as follows:

	30/9 /2025 Review IQD thousand	31/December/2024 Audited IQD thousand
Balance at beginning of the Period	6072887	13804676
Additions	000	2268211
Discounts *1	000	(10000000)
Balance at the end of the Period	6072887	6072887

*1 the discounts represent the shareholders' donations

20. Contra Systematic Accounts

The details of this item are as follows:

	30/9 /2025 Review IQD thousand	31/December/2024 Audited IQD thousand
<u>Obligations of Issued Letters of Credit</u>		
Letters of Guarantee	6669932	6324583
Letters of Guarantee Deposits	(6618932)	(6273583)
Net Obligations against Guarantee Deposits	51000	51000
<u>Obligations of Documentary Credits</u>		
Documentary Credits	6550000	6550000
Deduct: Documentary Credits Deposits	(1310000)	(1310000)
Net Obligations against Guarantee Deposits	5240000	5240000
Obligations of Ijara Contracts	47583470	44204687
Important Documents in the Bank's Custody (5205 documents)	7	6
Total	52874477	49495693



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Clarification about the Interim Financial Statements for the Financial Period Ending on 30 September 2025

21. Net Cash Credit Revenues

The details of this item are as follows:

	30/9 /2025 Review IQD thousand	30/9/2024 Review IQD thousand
Murabaha Revenue	19496863	17819659
Financing Ijara Revenue	14387337	5013337
Istisna Operations Revenue	17957753	4132649
Net Revenue of Financing Operations Implementation	65932	32137
Total Cash Credit Revenue	51907885	26997782

22. Investments Returns

The details of this item are as the following

	30/9 /2025 Review IQD thousand	30/9/2024 Review IQD thousand
<u>Subsidiary Companies Investment Returns</u>	000	000
<u>Investment Projects Returns</u>		
Net Gable Returns in Al-Zafaraniya Gables	88315	138400
Bank's Share from Calf fattening project Profits	3000000	3307231
Residential Unit Sale Profit/ in Al-Rataj Complex	150000	000
Abu Ghrib Land Sale Profit	3445503	000
Profit of Abu Khaseeb in Al-Basrah Land Profits	4244290	000
Returns of Investment Certificates	000	871154
Net Investment Projects Returns	10928108	4316785
Total Investment Returns	10928108	4316785

23. Net Paid up Investments Returns and Deposits

The details of this account are as follows:

	30/9 /2025 Review IQD thousand	30/9/2024 Review IQD thousand
Distribution of Savings Accounts Returns	(4128200)	(3575035)
Distribution of Fixed Deposits Returns	(28683691)	(11015327)
Deduct: Income From Fractional Deposits and Depositors Due	5711913	762941
Net Paid up Investments Returns and Deposits	(27099978)	(13827421)



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Clarification about the Interim Financial Statements for the Financial Period Ending on 30 September 2025

24. Net Banking Operations Revenues

	30/9 /2025 Review IQD thousand	30/September/2024 Review IQD thousand
The details of this item are as follows:		
<u>Foreign Currencies Revenues</u>		
Revenue of Foreign Currencies Selling and Buying	3099826	8201932
Currency Auction Window Revenue	000	000
Exchange Rate Differences	937913	504274
(Losses) of Foreign Currencies Selling and Buying	(1048000)	(2436910)
Net Foreign Currencies Revenues	2989739	6269296
<u>Commission Revenues</u>		
Internal Remittances Commissions	10254415	6949824
External Remittances Commissions	733441	000
Credit Card Commissions	2900704	1229291
Documentary Credit Commissions	4000	440
Internal Letters of Guarantee Commission	25147	28573
Cashier's Check Issuance Commission	2968	1443
Miscellaneous Banking Commission	1425690	1019040
Total Commission Revenue	15346365	9228611
<u>Commission Expenses</u>		
Remittances Commissions	5866194	3706603
Other Transfer Commission	628284	383251
Printing and Operating Credit Card Expenses	912315	793407
Other Paid up Banking Commission	000	000
Promoting Discounts	000	53158
Total Commission Expenses	(7406793)	(4936419)
Total Banking Operation Revenues	10929311	10561488

25. Net Other Operational Revenues

	30/9 /2025 Review IQD thousand	30/September/2024 Review IQD thousand
The details of this item are as follows:		
<u>Revenues</u>		
Recovered Expenses/ Checkbooks	8020	5030
Bank Prints Sales	93741	58454
Refundable Communication Expenses	000	12
Capital Revenues	53283	24353
Gained Discount	9053	10844
Miscellaneous Services Revenues	130	224
Accidental Revenues	25809	96184
Total Revenues	190036	195101
<u>Expenses</u>		
Capital Losses	37667	46225
Accidental Expenses/Cash Differences	225	000
Total Expenses	(37892)	(46225)
Net Other Operational Revenues	152144	148876



Al Taif Islamic Bank for Investment and Finance (PSC) – Baghdad

Clarification about the Interim Financial Statements for the Financial Period on 30 September 2025

19. Salaries and Wages of the Employees and the Like

The details of this term are as follows:	30/9 /2025 Review IQD thousand	30/9/2024 Review IQD thousand
Basic Wages*1	2673030	2433482
Supplying Workers	000	495
Food and Accommodation Allocations	341429	343077
Additional Works Wages	66593	66220
Incentive Bounces	84231	218690
Other Allocations	2296875	1855430
Transportation of Workers	477438	499668
Training and Rehabilitation	23388	18325
Bank's Contribution in Health Insurance	178755	183380
Bank's Contribution in Social Security	293253	275424
Total Salaries and Wages of the Employees and the Like	6434992	5894191



Al Taif Islamic Bank for Investment and Finance (PSC) – Baghdad

Clarification about the Interim Financial Statements for the Financial Period Ending on 30 September 2025

27 Operating Expenses

The details of this item are as follows:

Commodity Requirements

Fuel and Oils

Necessities and Accessories

Stationary

Water and Electricity

Total Commodity Requirements

Services Requirements

Maintenance services

Systems and Programs Services

Research and Consultancy Services

Publicity and Advertisement

Publication and Printing

Hospitality

Money and Commodity Transport

Travel and Delegation

General Communications

Renting Buildings

Renting Transport Means and Movement

Subscriptions and Affiliations

Insurance

Bounces for Non-Workers for Services Done

Legal Services

Banking services

Accounts Auditing Fees

Other Service Expenses

Total Service Requirements

Total Operating Expenses

Transferable Expenses

Miscellaneous Taxes and Fees

Compensations and Fines

Donations to Others

Special services Expenses

Total Transferable Expenses

Total Operating and Transferable Expenses

	30/9 /2024 Review IQD thousand	30/9/2024 Review IQD thousand
	206569	139652
	82685	212936
	26419	51212
	253650	224600
	569323	628400
	128330	220263
	1203211	1894023
	391629	176037
	1298321	2810119
	48202	72891
	77340	63217
	119990	102700
	82089	177174
	558807	469177
	3147447	2633172
	000	5800
	69725	56520
	580501	508087
	148309	322295
	177907	125116
	365206	418024
	2125	851350
	251272	244703
	8650411	11150668
	9219734	11779068
	751339	1166545
	799113	291345
	000	24000
	902118	668176
	2452570	2150066
	11672304	13929134

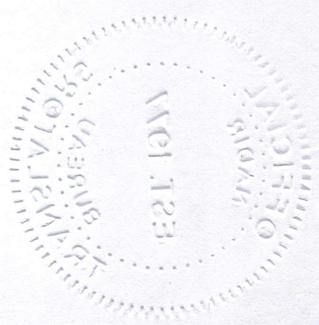


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NABIR BUREAU

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مكتب تادر



All our translations are attached with RED MAROON Tape and white embossed seal

Handwritten Arabic notes in red ink, including a date and various identifiers.

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