

PALESTINE ISLAMIC BANK

STATEMENT OF FINANCIAL POSITION

As of December 31, 2025

	December 31,	December 31,
	2025	2024
	U.S. \$	U.S. \$
Assets		
Cash and balances with Palestine Monetary Authority	433,944,511	348,635,863
Balances at banks and financial institutions	233,761,601	138,249,659
Direct Islamic financing	916,120,450	940,177,188
Financial assets at fair value through profit or loss	1,770,381	1,343,865
Financial assets at fair value through other comprehensive income items	92,520,456	64,990,636
Financial assets at amortized cost	20,543,180	22,214,807
Investment in associates	12,507,383	11,526,690
Investment properties	7,846,803	8,567,919
Property, plant and equipment	27,076,022	30,912,066
Projects in progress	31,739	404,106
Right-of-use assets	3,215,610	4,314,210
Deferred tax assets	16,699,755	15,328,327
Intangible assets	1,682,334	1,602,079
Other assets	17,923,391	11,298,083
Total assets	1,785,643,616	1,599,565,498
Liabilities, quasi-equity and equity		
Liabilities		
Banks and financial institutions' deposits	66,460,264	56,235,252
Customers' deposits	453,591,487	391,380,081
Cash margins	89,169,243	77,439,514
Sundry provisions	12,056,188	11,851,062
Tax provisions	768,468	457,210
Lease liabilities	3,345,138	4,508,073
Other liabilities	47,497,849	40,838,268
Total liabilities	672,888,637	582,709,460
Quasi-equity		
Participatory investment accounts	948,184,664	868,782,281
Equity		
Paid-in share capital	106,000,000	100,000,000
Additional paid-in capital	3,200,000	3,200,000
Statutory reserve	14,251,794	13,726,646
General banking risk reserve	4,384,678	4,384,678
Pro-cyclicality reserve	6,023,917	6,023,917
Investment properties reserve	276,426	328,902
Cumulative change in fair value	4,255,441	(1,042,109)
Retained earnings	26,178,059	21,451,723
Net equity	164,570,315	148,073,757
Total liabilities, quasi-equity and equity	1,785,643,616	1,599,565,498
Contingent liabilities and commitments	63,513,622	65,055,407

المدير العام

مساعد المدير العام للشؤون المالية والإدارية

المدير المالي







PALESTINE ISLAMIC BANK

INCOME STATEMENT

For the year ended December 31, 2025

	2025	2024
	U.S. \$	U.S. \$
Revenues		
Net income from financing activities	50,469,174	53,770,750
Net income from investing activities	12,990,151	8,143,392
Net income from financing and investing activities	<u>63,459,325</u>	<u>61,914,142</u>
Fees and commissions income	8,273,457	9,809,978
Fees and commissions expense	(2,384,755)	(2,194,014)
Net fees and commissions income	<u>5,888,702</u>	<u>7,615,964</u>
Foreign currency exchange gains	3,367,833	2,621,648
Bank's share of the associates' results of operations	933,554	521,249
Other revenues	3,320,359	2,259,459
Gross revenues	<u>76,969,773</u>	<u>74,932,462</u>
Expenses		
Personnel expenses	(20,183,473)	(22,141,900)
Other operating expenses	(13,385,346)	(13,057,372)
Depreciation and amortization	(4,598,719)	(4,576,847)
Finance costs on lease liabilities	(110,707)	(136,395)
Palestine Monetary Authority penalties	(119,665)	(50,000)
Gross expenses	<u>(38,397,910)</u>	<u>(39,962,514)</u>
Impairment losses, net	(20,547,924)	(26,461,987)
Net profit for the year before tax and attribution to quasi-equity	<u>18,023,939</u>	<u>8,507,961</u>
Less: Net profit attributable to quasi-equity holders	(9,472,312)	(7,479,099)
Profit before taxes	<u>8,551,627</u>	<u>1,028,862</u>
Taxes expense	(3,300,143)	(19,794)
Profit for the year	<u>5,251,484</u>	<u>1,009,068</u>
Basic and diluted earnings per share of the profit for the year	<u>0.05</u>	<u>0.01</u>

المدير العام

مساعد المدير العام للشؤون المالية والإدارية

المدير المالي

PALESTINE ISLAMIC BANK

STATEMENT OF COMPREHENSIVE INCOME

For the year ended December 31, 2025

	<u>2025</u>	<u>2024</u>
	U.S. \$	U.S. \$
Profit for the year	5,251,484	1,009,068
Other Comprehensive Income Items:		
<u>Items that will be reclassified to income statement in subsequent periods:</u>		
Change in fair value of debt instruments through other comprehensive income items	1,684,571	(313,657)
Gains from the valuation of investment properties	63,827	294,011
Deferred taxes	<u>(17,055)</u>	<u>(78,560)</u>
	1,731,343	(98,206)
<u>Items that will not be reclassified to income statement in subsequent periods:</u>		
Change in fair value of financial assets through other comprehensive income items	3,106,590	(763,613)
Bank's share of the associate companies' other comprehensive income items	<u>506,389</u>	<u>78,847</u>
	3,612,979	(684,766)
Net other comprehensive income items	<u>5,344,322</u>	<u>(782,972)</u>
Net comprehensive income for the year	<u>10,595,806</u>	<u>226,096</u>

المدير العام

مساعد المدير العام للشؤون المالية والإدارية

المدير المالي

PALESTINE ISLAMIC BANK

STATEMENT OF INCOME AND ATTRIBUTION RELATED TO QUASI-EQUITY

For the year ended December 31, 2025

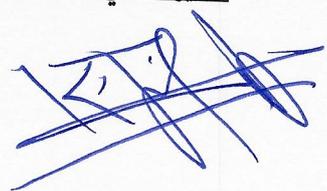
	<u>2025</u>	<u>2024</u>
	U.S. \$	U.S. \$
Net profit for the year before tax and net profit attributable to quasi-equity	18,023,939	8,507,961
Less: Income not attributable to quasi-equity	(12,807,658)	(12,788,720)
Add: Expenses not attributable to quasi-equity	40,013,207	44,670,756
Net profit attributable to quasi-equity before Bank's Mudaraba income	45,229,488	40,389,997
Less: Mudarib's share	(44,238,199)	(39,359,105)
Add: Support provided by the bank	8,481,023	6,448,207
Net profit attributable to quasi-equity holders	<u>9,472,312</u>	<u>7,479,099</u>

المدير العام


مساعد المدير العام للشؤون المالية والإدارية



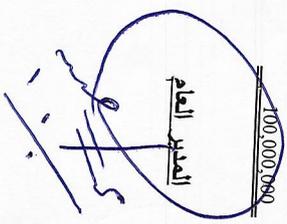
المدير المالي



PALESTINE ISLAMIC BANK

STATEMENT OF CHANGES IN EQUITY
For the year ended December 31, 2025

	Reserves																
	Paid-in share capital		Additional paid-in capital		General banking risk		Pro-cyclicality		Investment properties		Cumulative change in fair value		Retained earnings		Net equity		
	U.S. \$	U.S. \$	U.S. \$	U.S. \$	U.S. \$	U.S. \$	U.S. \$	U.S. \$	U.S. \$	U.S. \$	U.S. \$	U.S. \$	U.S. \$	U.S. \$	U.S. \$	U.S. \$	
December 31, 2025																	
Balance, as of January 1, 2025	100,000,000	3,200,000	13,726,646	4,384,678	6,023,917	328,902	(1,042,109)	21,451,723	148,073,757	-	-	-	-	-	-	-	-
Profit for the year	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Other comprehensive income items	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Total comprehensive income for the year	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Transfers to reserves	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Investment properties reserve recognized in the income statement	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Paid in capital increase	6,000,000	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Balance, as of December 31, 2025	106,000,000	3,200,000	14,251,794	4,384,678	6,023,917	276,426	4,255,441	26,178,059	164,570,315	(99,248)	6,000,000	-	-	-	-	-	-
December 31, 2024																	
Balance, as of January 1, 2024	100,000,000	3,200,000	13,625,739	4,384,678	6,023,917	301,798	(43,686)	20,543,562	148,036,008	-	-	-	-	-	-	-	-
Profit for the year	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Other comprehensive income items	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Total comprehensive income for the year	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Transfers to reserves	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Investment properties reserve recognized in the income statement	-	-	100,907	-	-	-	215,451	(998,423)	1,009,068	226,096	-	-	-	-	-	-	-
Balance, as of December 31, 2024	100,000,000	3,200,000	13,726,646	4,384,678	6,023,917	328,902	(1,042,109)	21,451,723	148,073,757	(188,347)	-	-	-	-	-	-	-

المدير العام


مساعدة المدير العام للشؤون المالية والإدارية


المدير المالي


PALESTINE ISLAMIC BANK

STATEMENT OF CASH FLOWS

For the year ended December 31, 2025

	2025	2024
	U.S. \$	U.S. \$
Operating activities		
Profit before taxes	8,551,627	1,028,862
Adjustments for:		
(Gains) losses from revaluation of financial assets at fair value through profit or loss	(426,516)	291,114
Impairment losses, net	20,547,924	22,683,175
Sundry provisions	1,904,303	3,548,294
Depreciation and amortization	4,598,719	4,576,847
Bank's share of the associate companies' results of operations	(933,554)	(521,249)
Cash dividends	(376,560)	(376,587)
Gains from sale of investment properties	(161,493)	(405,807)
Gains from disposal of lease liabilities and plant and equipment	(115,386)	(7,459)
Amortization of net discount and premium on financial assets at amortized cost and at fair value through other comprehensive income items	(501,939)	(473,239)
Finance costs paid on lease liabilities	110,707	136,395
Other non-cash items	(721,047)	604,562
	<u>32,476,785</u>	<u>31,084,908</u>
Changes in assets and liabilities:		
Statutory cash reserve	5,904,846	13,875,988
Restricted balances with Banks and financial institutions	(8,922)	477,960
Deposits at banks and financial institutions maturing within a period of more than three months	(97,402,678)	(7,052,186)
Banks and financial institutions deposit maturing within a period of more than three months	7,217,271	-
Direct Islamic financing	6,269,696	24,510,595
Other assets	(6,625,308)	9,465,766
Customers' deposits	62,211,406	50,793,270
Cash margins	11,729,729	1,947,549
Other liabilities	6,730,963	4,599,191
Net cash flows from operating activities before provisions and paid taxes	<u>28,503,788</u>	<u>129,703,041</u>
Taxes paid	(3,684,537)	(13,485,056)
Sundry provisions paid	(1,699,177)	(3,430,749)
Net cash flows from operating activities	<u>23,120,074</u>	<u>112,787,236</u>
Investing activities		
Purchase of property, plant and equipment and intangible assets	(1,338,167)	(1,751,438)
Sale of property, plant and equipment	80,809	12,040
Projects in progress additions	(158,632)	(1,476,152)
Cash dividends received from associates	459,250	459,250
Cash dividends received	375,560	376,587
Matured financial assets at amortized cost	11,623,062	3,820,874
Purchase of financial assets at amortized cost	(9,873,061)	-
Sale of investment properties	327,999	1,078,043
Purchase of investment properties	-	-
Matured financial assets at fair value through other comprehensive income items	2,700,000	3,000,000
Purchase of financial assets at fair value through other comprehensive income items	(24,934,550)	(22,705,233)
Net cash flows used in investing activities	<u>(20,736,730)</u>	<u>(17,186,029)</u>
Financing activities		
Cash dividends paid	(52,248)	(195,158)
Paid in capital increase	6,000,000	-
Lease liabilities paid	(1,268,958)	(1,215,682)
Participatory investment accounts	79,402,383	(51,114,176)
Net cash flows from (used in) financing activities	<u>84,081,177</u>	<u>(52,525,016)</u>
Increase in cash and cash equivalents	<u>86,464,521</u>	<u>43,076,191</u>
Cash and cash equivalents, beginning of the year	227,809,557	184,733,366
Cash and cash equivalents, end of the year	<u>314,274,078</u>	<u>227,809,557</u>

المدير العام

مساعد المدير العام للشؤون المالية والإدارية

المدير المالي