



STRENGTHENING TRADE FOR **DRIVING** **GROWTH**



ANNUAL REPORT **2025**

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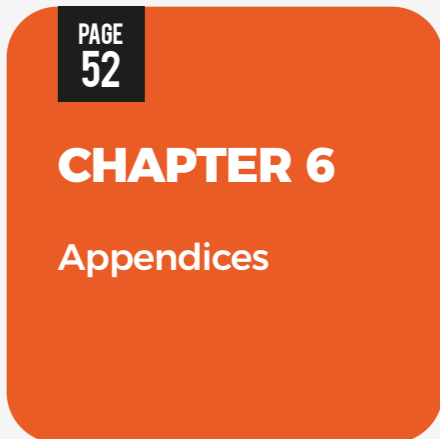
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Introduction



Board of Directors' Letter to the General Assembly

LETTER OF THE BOARD OF DIRECTORS TO THE GENERAL ASSEMBLY

H.E. the Chairman

General Assembly of the International Islamic Trade Finance Corporation

Assalamu Alaikum wa Rahmatullahi wa Barakatuh

Dear Mr. Chairman,

On behalf of the Board of Directors of the International Islamic Trade Finance Corporation (ITFC), I am honored to present to the esteemed Members of the General Assembly the Annual Report of ITFC for the year 2025, in accordance with Article 26(1) of the Articles of agreement.

This comprehensive report provides a detailed overview of ITFC's activities, achievements and audited financial statements for the year ending on December 31, 2025.

Please accept, Mr. Chairman, the assurances of my highest consideration.

Yours Sincerely,

Dr. Muhammad Al Jasser
Chairman, Board of Directors



Message from the Chief Executive Officer

I am pleased to present the Annual Report of the International Islamic Trade Finance Corporation (ITFC) for the year 2025. The report outlines the corporation's operational and financial performance during the year and highlights its continuing contribution to trade-led growth across Member Countries of the Organization of Islamic Cooperation (OIC).

The global economic environment in 2025 was characterized by gradual recovery in international trade flows against the backdrop of heightened uncertainty. Although inflationary pressures moderated in several markets and supply chains showed further normalization, developing economies continued to face constrained liquidity conditions and persistent trade finance gaps. These challenges reinforced the importance of ITFC's role in providing reliable, Shari'ah-compliant financing to sustain strategic imports, support exporters, and enable the private sector to participate effectively in regional and global markets.

Despite these circumstances, ITFC remained firmly committed to its mandate as the trade finance arm of the Islamic Development Bank (IsDB) Group. Guided by our strategy, the focus remained on impact - measured by the extent to which our interventions strengthen trade flows, enable private sector development, and reinforce regional integration.

In 2025, ITFC approved trade finance operations totaling US\$ 9.30 billion, encompassing 144 operations across 25 Member Countries, with

overall disbursements reaching US\$ 7.50 billion. These figures brought cumulative approvals since the inception of ITFC in 2008 to US\$ 92 billion, demonstrating the scale and consistency of the corporation's contribution to trade-led economic outcomes. Importantly, a substantial portion of annual approvals directly supported intra-OIC trade, while 37% of the portfolio was directed toward Least Developed Member Countries (LDMCs), helping to secure access to essential commodities, sustain businesses, and improve livelihoods.

Private sector inclusion, especially support to small and medium-sized enterprises (SMEs), continued to be a key priority. SMEs remain the backbone of employment and value creation in our markets, yet they face persistent constraints in accessing structured and Shari'ah-compliant trade finance. ITFC addressed these gaps through targeted instruments including Murabaha financing, lines of financing with partner banks, structured trade solutions, and the mobilization of funds through syndications. Since inception, US\$ 19.60 billion has been deployed to private sector and SME clients, enabling enterprises to secure inputs and participate more effectively in regional and global markets.

On the trade development front, ITFC deepened collaboration with regional and international partners to strengthen the ecosystem that supports sustainable trade. On-going flagship initiatives such as the Arab Africa Trade Bridges (AATB) Program and the Aid-for-Trade Initiative for Arab States (AFTIAS 2.0) delivered

ITFC approved trade finance
operations totalling

**US\$ 9.30
billion**

Overall disbursements
reaching

**US\$ 7.50
billion**

Cumulative approvals
since the inception

**US\$ 92
billion**

capacity-building, technical assistance, and market connectivity programs designed to reduce trade barriers and unlock new corridors. These integrated interventions continue to promote, among others, women's empowerment, youth participation, and private sector competitiveness, amplifying the development outcomes of ITFC financing.

In 2025, the corporation's strong governance and prudent financial management were reflected by Moody's reaffirmation of the A1 long-term credit rating with a Stable Outlook, supported by solid institutional backing from the IsDB Group. In parallel, ITFC ranked #1 Global Bookrunner and Mandated Lead Arranger (MLA) in the 2025 Bloomberg and LSEG Data & Analytics Islamic Syndications League Tables, underscoring its established structuring expertise and credibility in channeling international capital toward high-quality Islamic trade finance solutions for Member Countries.

Building on the strong performance achieved under its previous five-year plan, ITFC is developing a new Five-Year Corporate Strategy aligned with the Islamic Development Bank (IsDB) Group's recently adopted 10-Year Strategic Framework (2026-2035), which sets the Group's long-term strategic direction. The year 2025 represents the conclusion of the ITFC's current strategy and the transition towards a new strategic phase aligned with the IsDB Group Strategic Framework. Looking ahead, ITFC will remain firmly focused on its core purpose of providing effective trade solutions to our Member

Countries. We will continue to deliver reliable, Shari'ah-compliant trade finance that supports key sectors and priority needs of our markets, while advancing integrated trade development interventions that strengthen institutional capacity, improve market connectivity, and promote deeper regional integration.

I extend my sincere appreciation to our Board of Directors, the Islamic Development Bank, and our Member Countries and partners for their continued guidance and trust. I also thank the ITFC team for their dedication and commitment throughout 2025. Together, we will continue to support inclusive sustainable growth across our Member Countries in line with our mandate of advancing trade and improving lives.

Sincerely,

Eng. Adeeb Yousuf Al-Aama
Chief Executive Officer
International Islamic Trade Finance Corporation
(ITFC)

BOARD OF DIRECTORS



H.E. Dr. Muhammad Al Jasser
Chairman, Board of Directors



H.E. Dr. Hamad Bin Suleiman Al Bazai
IsDB



Hon. Md. Shahriar Kader Siddiky
IsDB



Hon. Zekeriya Kaya
Group A (Asia)



Hon. Saad Mohammed Al-Rashidi
Group C (Arab Countries)



Hon. Ahmed Mohamed Abdelmoneim
Group B (Africa)



Hon. Ali Abdullah Sharafi
IsDB



Hon. Faisal Alsharif
Saudi Arabia



Hon. Mohamadou Lawal
Group B (Africa)



Hon. Dr. Abdullah S. Alsakran
Group D (Financial Institutions)



Hon. Abd Elhamid Abou Mousa
Group D (Financial Institutions)

MANAGEMENT TEAM



Adeeb Yousuf Al Aama
Chief Executive Officer, ITFC



M. Nazeem Noordali
Chief Operating Officer



Ibrahima Sory Soumah
Chief Risk Officer



Abou M.S Jallow
Senior Advisor to the CEO,
Acting General Manager,
Corporate Communications



Ahmed Jan
General Manager,
Treasury



Saif Zawaneh
General Manager,
Credit



Ahmed Jafar Sabbagh
General Manager, Digital &
Corporate Excellence



Mohammad Hafiz Emrith
Advisor to the CEO



Nasser Al-Thekair
General Manager, Trade &
Business Development,
Acting General Manager,
Strategy



Abdihamid Aweis Abu
General Manager,
Trade Finance



Emad Attallah
General Manager,
Operations



Rana Hassan Fatani
General Manager,
People & Culture



Najeeb Rana
General Manager,
Internal Audit



Muhammad Taimoor Chaudhary
General Manager,
Finance

FINANCIAL AND OPERATIONAL HIGHLIGHTS - 2025

COMMENCED OPERATIONS
10 JANUARY, 2008

HEADQUARTERS
JEDDAH, SAUDI ARABIA

MEMBER
 THE ISLAMIC
DEVELOPMENT
BANK GROUP

MANDATE
CONTRIBUTE TO THE ECONOMIC
DEVELOPMENT OF MEMBER
COUNTRIES THROUGH TRADE
ADVANCEMENT

AUTHORIZED CAPITAL

**US\$4
BILLION**

SUBSCRIBED CAPITAL

**US\$858.69
MILLION**

PAID- UP CAPITAL (PAR VALUE)

**US\$747.16
MILLION**

CUMULATIVE TRADE
FINANCE APPROVALS
SINCE INCEPTION
(2008-2025)

**US\$92.10
BILLION**

CUMULATIVE TRADE
FINANCE DISBURSEMENTS
SINCE INCEPTION
(2008-2025)

**US\$77.70
BILLION**

TRADE FINANCE
APPROVALS 2025

**US\$9.35
BILLION**

DISBURSEMENTS 2025

**US\$7.53
BILLION**

APPROVALS BY SECTOR SINCE INCEPTION (2008-2025)

 ENERGY

ASIA &
MIDDLE EAST
**US\$45.40
BILLION**

AFRICA & LATIN
AMERICA
**US\$14.70
BILLION**

 FOOD AND AGRICULTURE

ASIA &
MIDDLE EAST
**US\$11.7
BILLION**

AFRICA & LATIN
AMERICA
**US\$4.50
BILLION**

 APPROVALS BY
REGION 2025

ASIA & MIDDLE EAST
US\$6.67 BILLION

AFRICA & LATIN AMERICA
US\$2.67 BILLION

 APPROVALS BY REGION
SINCE INCEPTION (2008-2025)

ASIA & MIDDLE EAST
US\$67.60 BILLION

AFRICA & LATIN AMERICA
US\$24.40 BILLION

PRIVATE SECTOR
SUPPORT 2025

**US\$1.35
BILLION**

INTRA-OIC TRADE
SUPPORT 2025

**US\$7.79
BILLION**

APPROVALS BY SECTOR 2025



ENERGY

**US\$6.47
BILLION**



FOOD &
AGRICULTURE

**US\$1.57
BILLION**



FINANCIAL

**US\$1.20
BILLION**

NUMBER OF MEMBER
COUNTRIES SERVED 2025

25

NUMBER OF
OPERATIONS 2025

144

32% LEAST DEVELOPED MEMBER COUNTRIES
PORTFOLIO SHARE 2025



The International Islamic Trade Finance Corporation (ITFC) is the trade finance arm of the Islamic Development Bank (IsDB) Group. It was established with the primary objective of advancing trade among OIC member countries, which would ultimately contribute to the overarching goal of improving the socio-economic conditions of the people across the world. Commencing operations in January 2008, ITFC has provided more than US\$92 billion of financing to OIC member countries, making it the leading provider of trade solutions for these member countries' needs. With a mission to become a catalyst for trade development for OIC member countries and beyond, the Corporation helps entities in member countries gain better access to trade finance and provides them with the necessary trade-related capacity-building tools, which would enable them to successfully compete in the global market.



VISION

ITFC is the leading provider of trade solutions for OIC Member Countries' needs

MISSION

ITFC is a catalyst for trade development among OIC Member Countries and beyond

01

ITFC's Footprint in Trade Finance and Development

2025 Key Milestones

Trade Finance and Trade Development

Within the scope of its Strategy 2.0, ITFC enhanced efforts to diversify its trade finance portfolio by expanding its Agriculture/Food Security and Private Sector operations, and expanding operations into new sectors, while adding new Member Countries.



ITFC trade finance approvals amounted to US\$ 9.30 billion, covering 144 operations in 25 countries.




Intra-OIC trade finance approvals amounted to US\$ 7.70 billion.



The LDMC share of the trade finance portfolio was 32%.



Approvals outside the Energy Sector (Agriculture & Food Security, Financial, Health, and Others) reached 11% of total portfolio (US\$ 2.80 billion).



ITFC continued to engage in high level meetings with Governments to strengthen its support, in line with the needs of Member Countries.

Country Programs and Annual Financing Plans were signed with three countries as follows:



Bangladesh: US\$ 2.75 billion (Annual Plan)



Egypt: US\$ 1.50 billion (Annual Work Program)



Senegal: EUR 2 billion (Framework Agreement)



ITFC onboarded 18 new clients from Algeria, Bangladesh, Cameroon, Côte d'Ivoire, Djibouti, Egypt, Italy, Morocco, Türkiye, and Uzbekistan.

Private Sector

approvals reached **US\$ 1.35 billion**

covering corporates and cooperation with FIs to support SMEs in 7 countries, namely: Algeria, Bangladesh, Cameroon, Egypt, Morocco, Türkiye, and Uzbekistan.

LC Confirmation

(un-funded business)

reached **US\$ 1.60 billion**

following the successful expansion of this service since 2022.

ITFC's contribution to the IsDB Group Food Security Program (FSRP)

Approvals between mid-2022 and end 2025 exceeded

US\$ 6.40 billion

Development Impact

(Footprint in Member Countries)

ITFC continued to scale up its trade development operations in 2025, strengthening trade competitiveness, expanding export capacity, and supporting resilient value chains across Member Countries.

KEY RESULTS



63
Trade Development Interventions Implemented



37
Member Countries Reached



2,445
Beneficiaries Trained



32%
Women Beneficiaries

OPERATIONAL DELIVERY MODALITIES



Flagship Programs

AfTIAS 2.0, AATB, TCCA+, and the SMEs Program continued to drive wider-scale trade development interventions supporting export competitiveness and regional trade cooperation.



Integrated Trade Solutions

Country-level integrated support programs were implemented in Burkina Faso, Cameroon, Indonesia, Kazakhstan, and Uzbekistan, combining trade finance with trade related technical assistance for sustainable trade.



Targeted Interventions

Focused technical assistance initiatives addressed specific trade development needs, including:

- AfCFTA Nigeria - Digital Trade
- WTO Trade in Services in Francophone Africa
- Trade Facilitation in West Africa - Phase I
- AfCFTA Comoros - How to Export
- Reverse Linkages between Senegal and Indonesia
- Pilot project on electronic Certificate of Origin exchange in WAEMU



Areas of Development Impact

These interventions supported Member Countries in advancing:

- Digital trade ecosystems
- Services trade development
- Trade facilitation and paperless trade
- SME export readiness and market access
- Islamic trade finance awareness
- South-South cooperation

Collectively, these initiatives strengthened trade competitiveness and economic resilience, particularly across agriculture and agri-food value chains, export market access, and energy-related trade sectors.



ITFC'S FORWARD DIRECTION

As the International Islamic Trade Finance Corporation (ITFC) concludes its Corporate Strategy 2.0 (2021-2025), the year 2025 marks a transition toward a new five-year corporate strategy (2026-2030) aligned with the Islamic Development Bank Group (IsDB Group)'s 10-Year Strategic Framework (2026-2035). This transition builds on a strong performance record and positions the Corporation to respond to evolving global, regional, and member-country priorities.

Looking ahead, ITFC will remain anchored in its mandate of advancing trade and improving lives, while adapting to a more complex global trade environment. OIC Member Countries continue to face structural trade finance gaps, geopolitical and market volatilities, and rising demands related to food security, energy transition, and economic diversification. In this context, ITFC will maintain its counter-cyclical and catalytic role, providing reliable Shari'ah-compliant trade finance solutions alongside integrated trade development support.

Over the next five years, ITFC aims to strengthen its position as the partner of choice for trade solutions for OIC Member Countries,

while sustaining growth to enhance development impact. The Corporation will reinforce this role by remaining a leading provider of Islamic trade finance, supporting trade resilience, facilitating intra-OIC trade cooperation, and continuing to mobilize resources at scale.

ITFC will continue prioritizing strategic sectors critical to member-country resilience, particularly energy, food and agriculture, and private sector development, including SMEs. At the same time, the Corporation will expand intra-OIC trade financing, deepen regional integration, and strengthen value chains through closer alignment between trade finance and trade development initiatives.

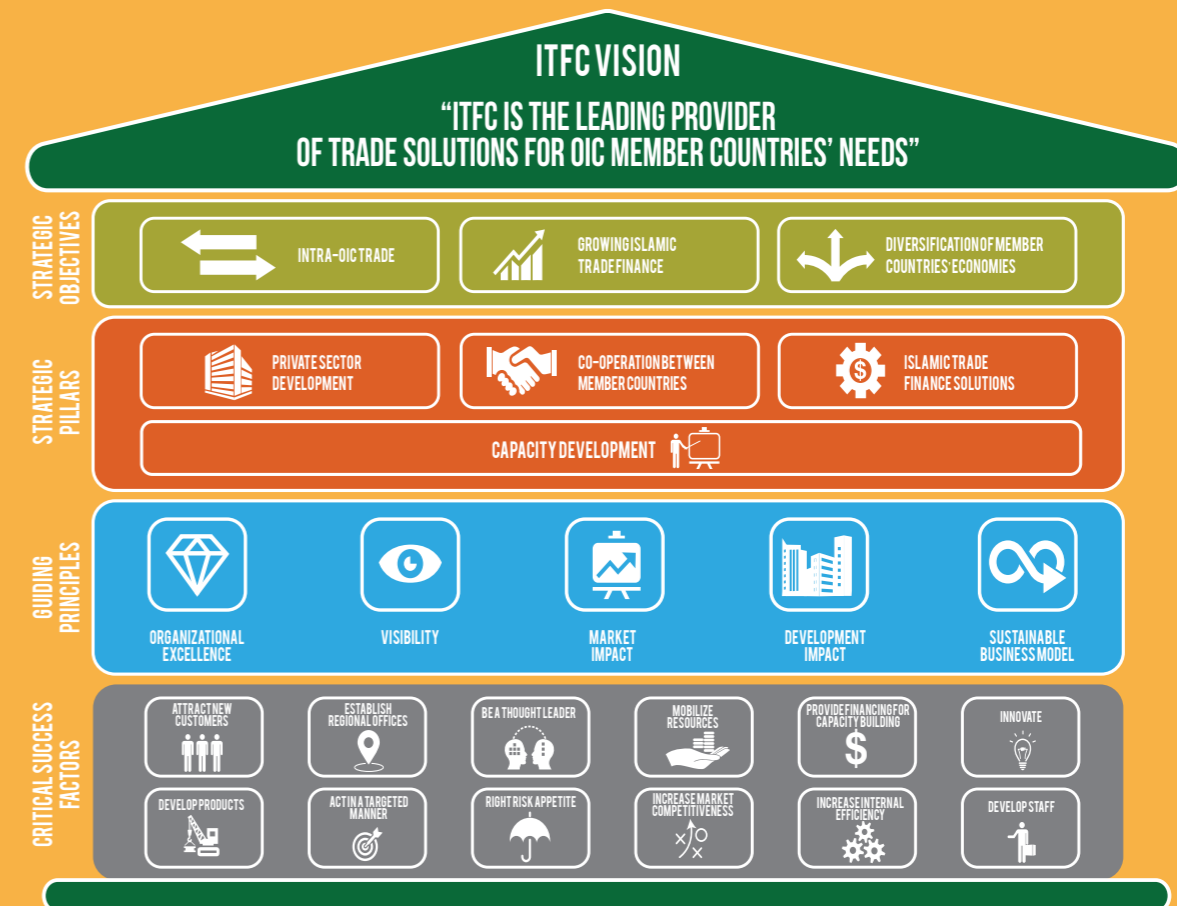
Supported by its strong credit profile, partnerships, and structuring expertise, ITFC will further strengthen balance-sheet resilience and funding diversification, while advancing digitalization, product innovation, and data-driven performance frameworks to enhance efficiency and client reach.

Overall, ITFC enters its next strategic phase with a solid foundation and a clear commitment to delivering scalable trade solutions with measurable development impact.

A 10-Year Strategic Roadmap Concludes on a High

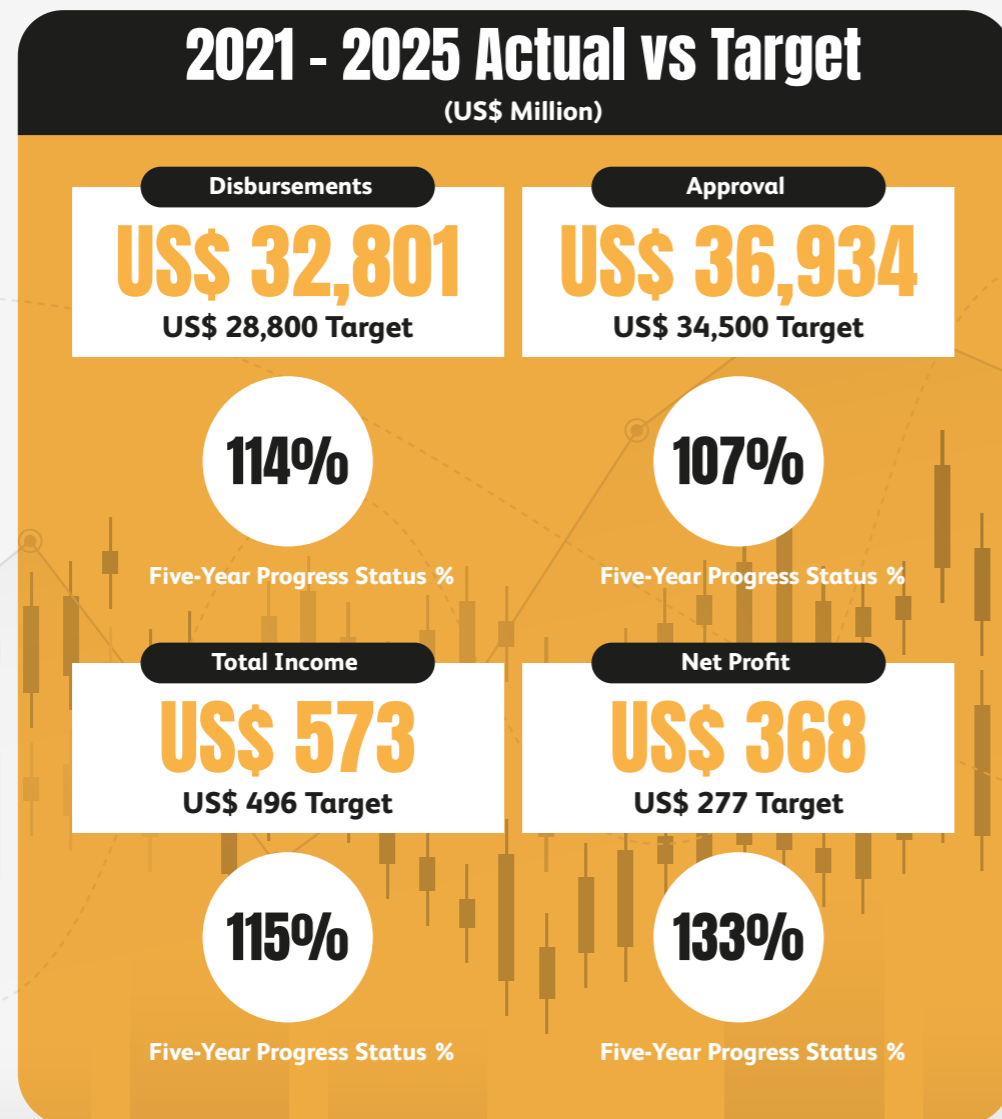
The strategic role of ITFC in *Advancing Trade and Improving Lives* through economic and financial inclusion continues to be integral to the global development agenda. Year after year, ITFC has achieved significant and measurable impact as the leading provider of trade solutions for OIC Member Countries by delivering over and beyond the corporation's 2017-2026 10-Year Strategic Direction shown below.

Within the 10-year roadmap, the entity's Corporate Strategy (2021-2025), a robust five-year plan, has concluded on strong grounds, delivering year-on-year results and impact across sovereign markets, diversification, profits, funding, and organizational capacity. ITFC has continued to break down trade barriers through initiatives that uncover new growth opportunities while expanding its global footprint, moving beyond traditional energy financing into agriculture, health, and private sector support, while tackling climate change and financial inclusion.



ITFC Corporate Strategy (Strategy 2.0): Five-Year Headline Results (2021-2025)

ITFC has delivered upon its Strategy 2.0 goals, approving US\$ 35 billion in trade financing for Member Countries, while adding US\$ 500 Million towards the Corporation's total income between 2021-2025.



Moody's Ratings (Moody's) reaffirmed the International Islamic Trade Finance Corporation's (ITFC) A1 long-term foreign-currency issuer rating, Prime-1 short-term foreign-currency issuer rating with stable outlook. The rating affirmation reflects ITFC's strong capital position supported by its still-low but rising leverage, and its high strength of member support underpinned by the corporation's membership in the Islamic Development Bank (IsDB, Aaa stable) Group.

Riding a Positive Trajectory: Looking Ahead to the Next Five Years



Building on the strong performance achieved under its previous five-year plan, ITFC is developing a new Five-Year Corporate Strategy (2026-2030) aligned with the Islamic Development Bank (IsDB) Group's recently adopted 10-Year Strategic Framework (2026-2035), which sets the Group's long-term strategic direction.

The new strategy reflects the corporation's unique mandate, business model, and comparative advantages, and will be anchored around six strategic pillars:

- Growth across trade business
- Balance sheet expansion
- Impact by design
- Strategic partnerships
- Technology and digital transformation
- People and organizational capabilities

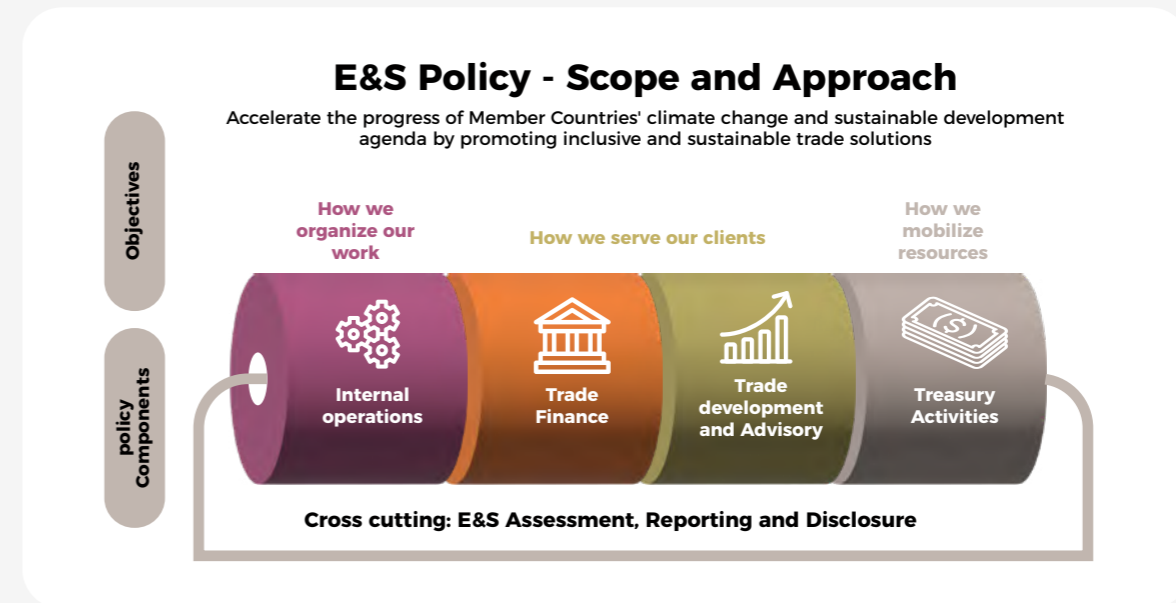


Considering global and regional market dynamics, geopolitical developments, and their implications for OIC Member Countries, the strategy is designed to be structurally implementable, financially sound, and results oriented. It will be supported by robust business models, clear performance frameworks, and practical implementation roadmaps.

Overall, the new five-year corporate strategy will operate within the mandate of the IsDB Group's 10-Year Strategic Framework, reinforcing institutional alignment, operational coherence, and the delivery of measurable development impact.

Embedding Sustainability Across Strategic Operations

An Environmental and Social (E&S) policy framework systematically integrates sustainability considerations across ITFC operations in line with mandates and strategic priorities of its Member Countries. Adopted by the Board in 2024, the E&S Policy is supported by dedicated governance arrangements, including a CEO-led Sustainability Committee and specialized sub-committees, ensuring institutional ownership and cross-functional implementation. The framework spans internal operations, trade finance, trade development, treasury activities, assessment, reporting, and disclosure. It reflects the corporation's commitment to embedding environmental responsibility, social inclusion, and climate resilience throughout its operations.



Key initiatives underway include the development of an E&S Safeguards Directive, the rollout of a carbon accounting framework, and the establishment of a sustainable trade finance framework, with a strong focus on food security, women and youth empowerment, and climate adaptation. ITFC will continue to strengthen impact measurement, transparency, and alignment with internationally recognized frameworks, while leveraging Shari'ah-compliant instruments and partnerships to mobilize sustainable finance - positioning sustainable and inclusive trade as a core driver of resilience and long-term development across OIC Member Countries.



02

**Strengthening Trade
for Driving Growth**

The trade outlook for OIC countries in 2025-2026 is marked by strong GDP growth, a continued push for higher intra-OIC trade, and adaptation to global trends such as digital and green transitions. Between 2025 and 2026, OIC Member States are projected to achieve GDP growth of approximately US\$ 1.9 trillion¹, despite the ongoing challenges and crises impacting their economies, with growth driven by economies such as Bangladesh, Egypt, Indonesia, Malaysia, Saudi Arabia, and Türkiye.

A primary objective for the OIC is to increase the share of trade among its Member Countries, aiming to achieve a trade share of 25% by 2025². This share increased from 19.16% in 2023 to 20.36% in 2024, showing an upward trend and progress towards the target.

However, the OIC group faces challenges from global economic slowdowns, rising protectionism, and geopolitical uncertainties. OIC countries' trade performance will be influenced by this subdued global outlook.

As a result, OIC countries are focusing on economic diversification, industrial and technological capacity building, and strengthening regional cooperation to enhance resilience against external shocks and global policy uncertainties. The region is witnessing strong growth in the digital and service economies, key avenues for attracting foreign direct investment and fostering innovation. The Islamic finance industry continues to grow at a significant rate, providing alternative financing opportunities for trade and development within and among OIC nations.

**Driving Inclusive Growth
Through Intra-OIC Trade**

Given the central role of trade in driving sustainable economic growth across the member states, and the potential of Islamic finance, ITFC continues to advance intra-OIC trade as a strategic lever for economic integration, resilience, and inclusive development.

In 2025, ITFC approved US\$ 7.79 billion in intra-OIC trade financing, representing approximately 83% of the corporation's total approvals of US\$ 9.35 billion for the year. This reflects a year-on-year increase of about 61% compared to US\$ 4.85 billion in intra-OIC approvals in 2024, underscoring a strengthened focus on scaling trade flows among OIC Member Countries and prioritizing transactions with direct development impact.

The regional distribution of intra-OIC trade approvals in 2025 highlights strategic engagement across member regions. Asia and the Middle East accounted for US\$ 5.80 billion, supporting trade in energy, food, and essential commodities. Africa received US\$ 1.90 billion towards expanding trade opportunities and strengthening supply chains across the continent.

Since its establishment in 2008, ITFC has approved US\$ 60.94 billion in intra-OIC trade financing. The strong performance in 2025 contributes to broader OIC efforts to deepen economic integration and increase the share of intra-OIC trade. Institutions such as ITFC continue to play a central role in sustaining momentum through targeted trade finance and partnership-driven solutions.

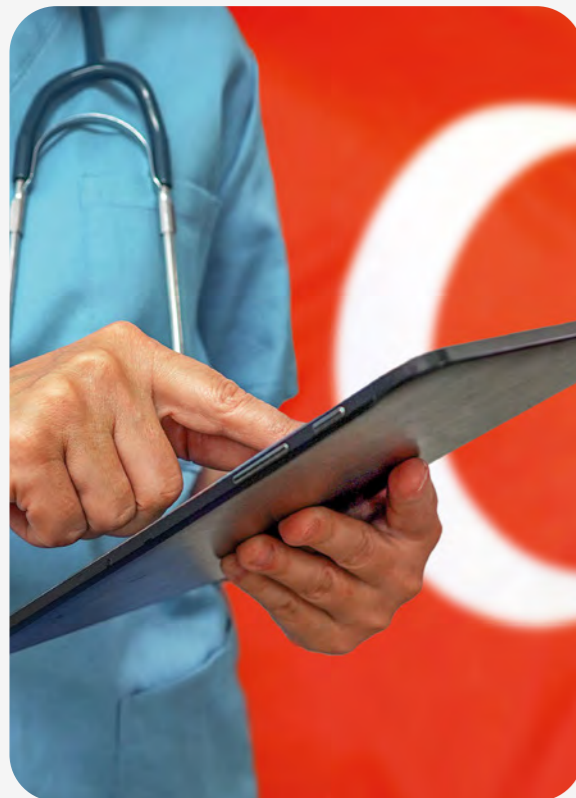
As global trade dynamics continue to evolve, ITFC remains focused on expanding intra-OIC trade, supporting regional value chains, and promoting inclusive economic outcomes for more resilient, connected, and prosperous economies across the region.

¹ COMCEC Annual Report on Trade and Investments Among the Member States of the OIC | <https://www.comcec.org/wp-content/uploads/2025/05/English-Agenda-n%C2%B04-ICDT-Summary-report-on-trade-1.pdf>

² COMCEC Annual Report on Trade Among the OIC Member States | <https://www.comcec.org/wp-content/uploads/2021/07/34-FC-ICDT-SUM.pdf>

Case Study

ITFC Extends Sovereign Financing to the Republic of Türkiye to Support Health Services and SMEs



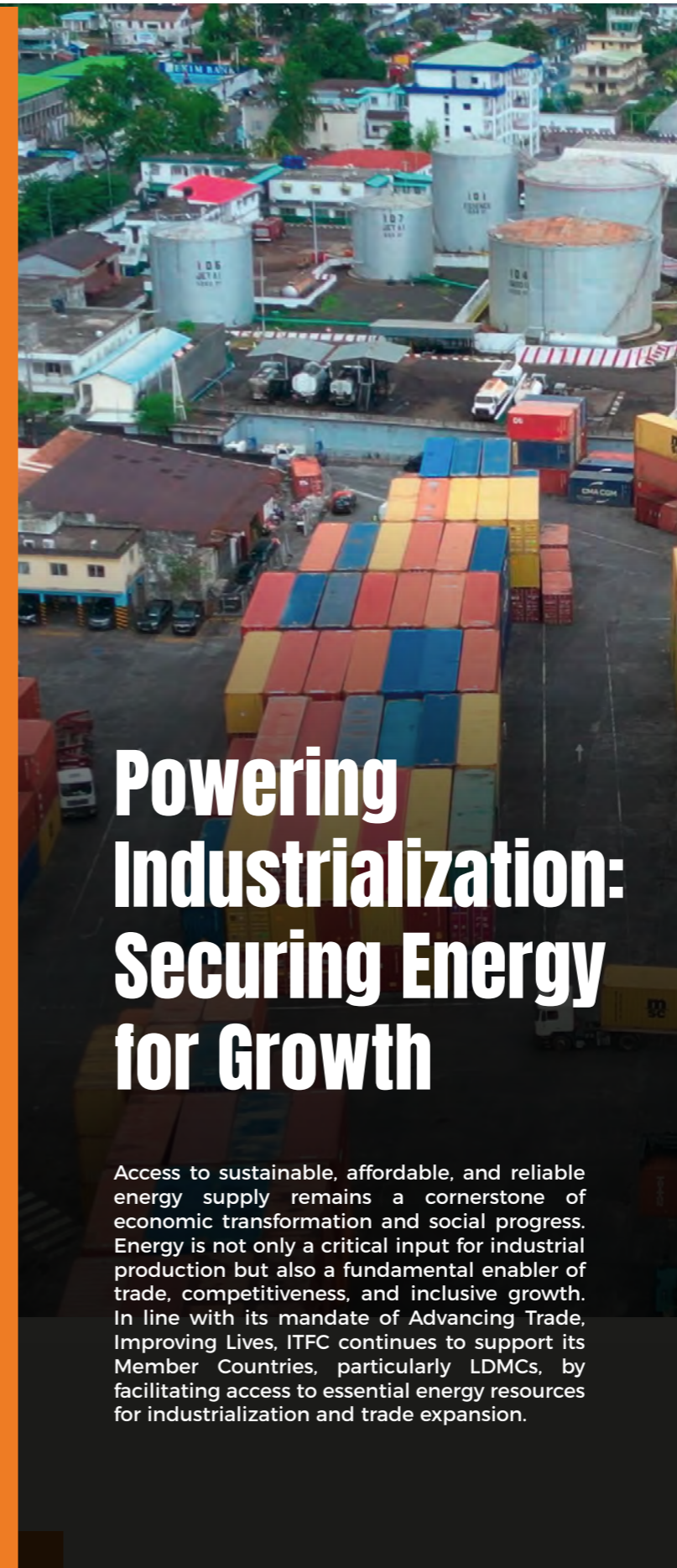
ITFC signed a US\$ 47.60 million Murabaha Financing Agreement with the Ministry of Treasury and Finance (MoTF) of the Republic of Türkiye.

It is both the first sovereign financing facility extended to the country and the first intervention in its healthcare sector.

The facility was designed to strengthen Türkiye's healthcare system and related enterprises to mitigate the impact of the 2023 earthquakes by procuring essential medicines and medical devices for distribution across 53 provinces. By enhancing access to critical healthcare resources, the facility helped restore essential medical services, reinforce the resilience of health institutions, and support ongoing recovery efforts.

In 2024, through the Ministry of Treasury and Finance, ITFC concluded financing agreements totaling US\$ 150 million with the Development and Investment Bank of Türkiye (TKYB) and the Industrial Development Bank of Türkiye (TSKB). Disbursed in 2025, the funding supported post-earthquake recovery efforts for local companies, including SMEs, through trade financing and supply-chain-efficiency enhancements in impacted sectors. The financing – guaranteed by the Ministry of Treasury and Finance – focused on providing working-capital for import and export activities. These facilities were recognized as the “Best Deal of the Year 2025” by Global Trade Review (GTR).

Collectively, these agreements underscore the expanding role of ITFC in supporting Türkiye's public sector and its deepening collaboration with national institutions. They also demonstrate strong synergy within the IsDB Group, with IsDB addressing long-term development financing needs and ITFC on trade finance and working capital solutions. Together, these efforts represent an important contribution to strengthening Türkiye's economic resilience and recovery.



Powering Industrialization: Securing Energy for Growth

Access to sustainable, affordable, and reliable energy supply remains a cornerstone of economic transformation and social progress. Energy is not only a critical input for industrial production but also a fundamental enabler of trade, competitiveness, and inclusive growth. In line with its mandate of Advancing Trade, Improving Lives, ITFC continues to support its Member Countries, particularly LDMCs, by facilitating access to essential energy resources for industrialization and trade expansion.

Reliable electricity generation underpins manufacturing output, strengthens export-oriented industries, and enhances supply chain resilience. Beyond its economic impact, uninterrupted energy supply contributes to improved employment prospects, better access to education and healthcare services, and enhanced social stability, reinforcing the virtuous cycle between trade, growth, and development.

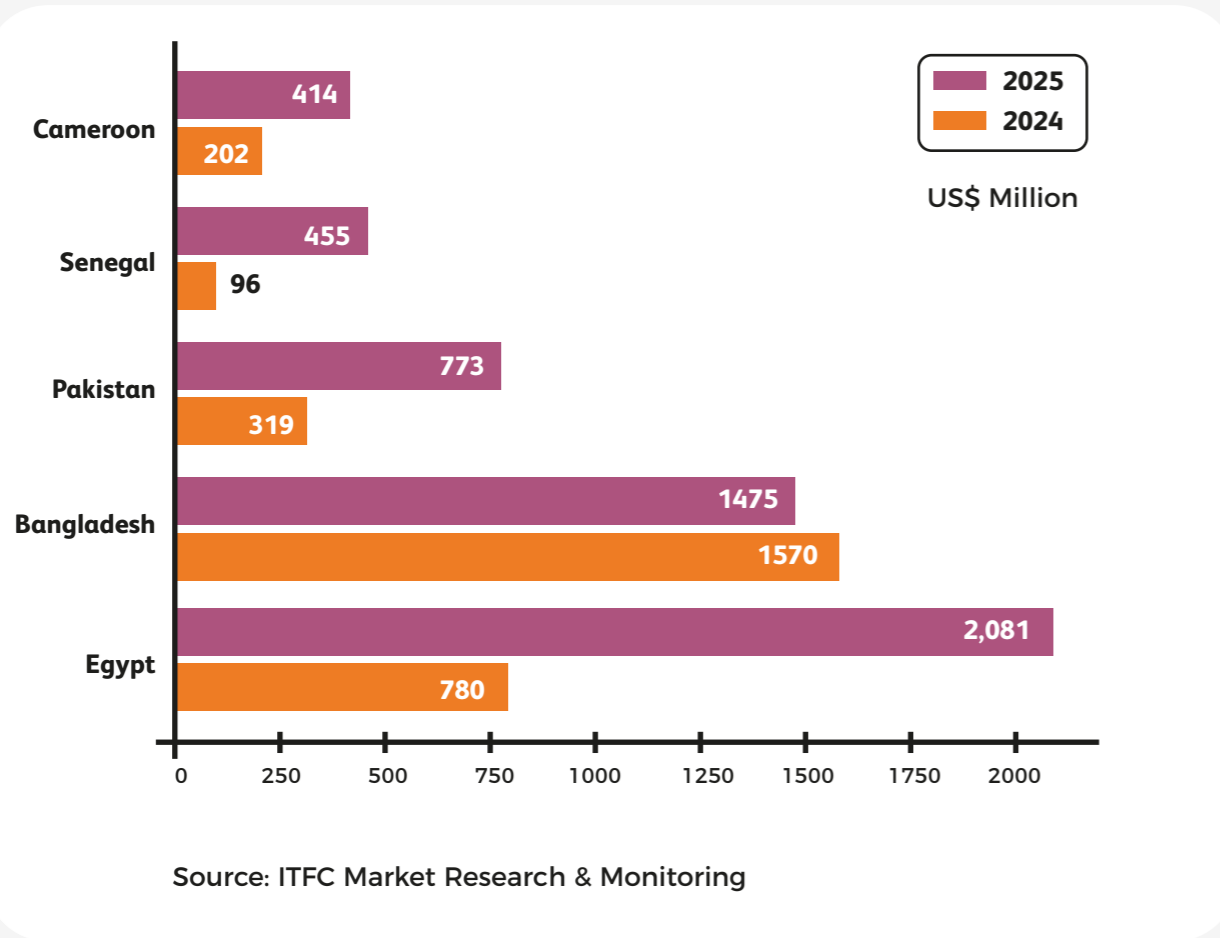
Over the past five years, ITFC has pursued a strategy to diversify its trade finance portfolio while maintaining its energy sector financing as a driver of economic activity. While the share of energy financing has remained below 70% of total approvals to allow increased support for other priority sectors such as agriculture, healthcare, and SME development, energy remains a strategic pillar for ITFC. In 2025, ITFC once again demonstrated capacity to mobilize substantial resources through its extensive global partner network, securing fuel and electricity supplies that enabled Member Countries to sustain stable power generation across both urban and rural areas.

The corporation's strong financial standing, reflected in its Investment Grade (A1/P1) credit rating from Moody's Investors Service, has enabled structured syndicated financing solutions for countries facing structural financing gaps and energy production constraints, directly supporting trade flows and industrial output.

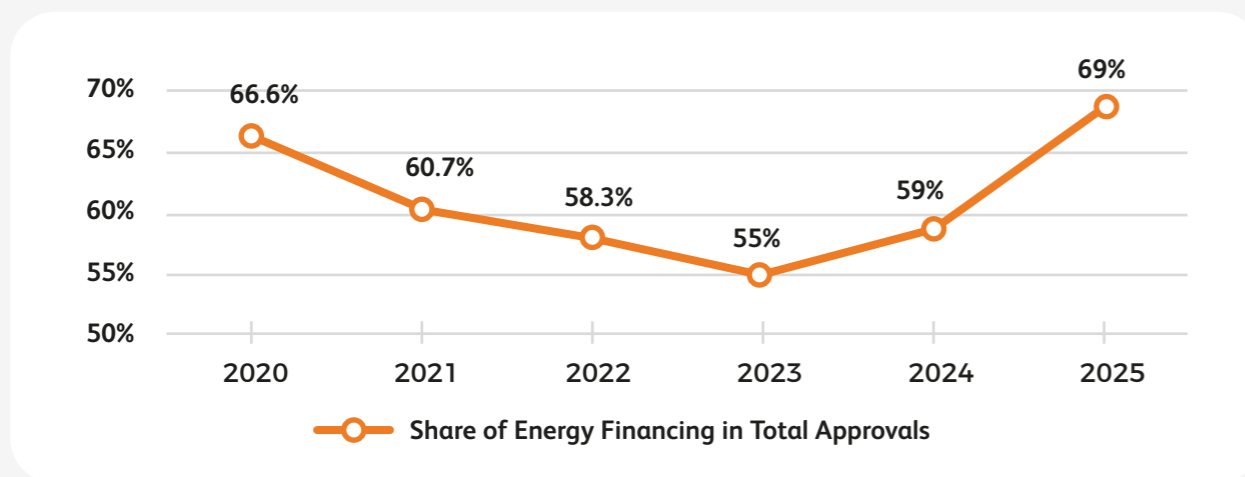
In 2025, ITFC approved US\$ 6.40 billion in energy sector financing, representing 69% of total approvals for the year. Cumulatively, since its inception in 2008, ITFC has provided US\$ 60 billion in financing for the energy sector. These interventions have played a pivotal role in strengthening productive capacity, stabilizing trade-enabling infrastructure, and fostering sustainable economic growth across Member Countries.

By securing access to energy, ITFC continues to act as a catalyst for industrialization, regional integration, and socio-economic development.

Top Five Energy Sector Beneficiaries in 2025 (approvals, US\$ million)



Share of Energy Financing in Total Approvals



Client Testimonial



Harouna Bako
Director General, SONARA



“Our partnership with ITFC has been instrumental in sustaining and revitalizing SONARA’s operations during a critical period in Cameroon’s energy sector.”

SONARA has been collaborating with ITFC since April 2018, building a strong and reliable partnership over the past eight years. As Cameroon’s national oil refinery, SONARA plays a strategic role in the country’s energy sector, and access to sustainable trade finance is essential to fulfilling this mandate.

In 2025, a EUR 83.50 million Murabaha financing facility from ITFC enabled SONARA to secure the country’s importation of refined petroleum products. The remobilization of this financing line was particularly impactful as it enabled SONARA to resume petroleum product imports after operations halted since November 2022.

The renewal of ITFC’s financing line in September 2025 significantly contributed to the improvement of SONARA’s performance. The renewed facility enabled the importation of 318,949 metric tons, representing a 26.23% coverage rate of the country’s total needs. This support directly facilitated the resumption of commercial activities and improved the company’s overall financial outlook.

Beyond its impact on SONARA, the partnership with ITFC has positively influenced the broader petroleum sector in Cameroon by ensuring the availability of refined products and supporting national energy security. Today, ITFC remains SONARA’s primary source of financing for petroleum imports.

We express our strong satisfaction with this partnership, shared by both SONARA and the State of Cameroon. Looking ahead, we remain confident in deepening our collaboration through a new EUR 150 million Financing Agreement.

Food Security- Securing Adequate Supply of Food Commodities



Access to affordable, healthy food items remains out of reach for billions. Globally, efforts to meet SDG 2 targets to end hunger and all forms of malnutrition by 2030 have fallen short. Adequate financing and targeted policies are critical to reverse these trends and strengthen resilient agrifood systems³.

To support the food security objectives of Member Countries, in 2025, ITFC approved US\$ 1.58 billion for the food and agriculture sector, representing 16.84% of total approvals of US\$ 9.30 billion. The financing benefited 11 Member Countries and was implemented through 22 interventions. The top three net beneficiaries were Burkina Faso, Egypt, and Uzbekistan. Since inception in 2008, cumulative approvals for the sector have reached around US\$ 16 billion.

In 2022, the IsDB Group launched the Food Security Response Program (FSRP), a US\$ 10.54 billion package to help Member Countries address the global food security crisis. Between 2022 and 2025, in line with high demand from OIC Member Countries, ITFC provided close to US\$ 6.50 billion in financing for the sector.



ITFC approved

US\$ 1.58 billion

for the food and agriculture sector

Cumulative approvals for the sector have reached

US\$ 16 billion

since inception in 2008

In 2022, IsDB Group launched the Food Security Response Program (FSRP)

US\$ 10.54 billion

package to help Member Countries address the global food security crisis

ITFC provided close to

US\$ 6.50 billion

in financing for the sector in line with high demand from OIC Member Countries

³ FAO, IFAD, UNICEF, WFP & WHO. The State of Food Security and Nutrition in the World 2024 | <https://www.fao.org/agrifood-economics/publications/detail/en/c/1707842/>

Client Testimonial



Azali Hassani
Chief Executive Officer
Banque de Développement
des Comores (BDC)



“Our collaboration with ITFC has delivered tangible economic and social impact, while strengthening BDC’s role in supporting national development priorities.”

Banque de Développement des Comores (BDC) has been collaborating with ITFC since 2024. Established in 1981 as a mixed-economy joint-stock company, BDC plays a central role in supporting the socio-economic development of the Union of Comoros by financing productive activities, trade, housing, and real estate.

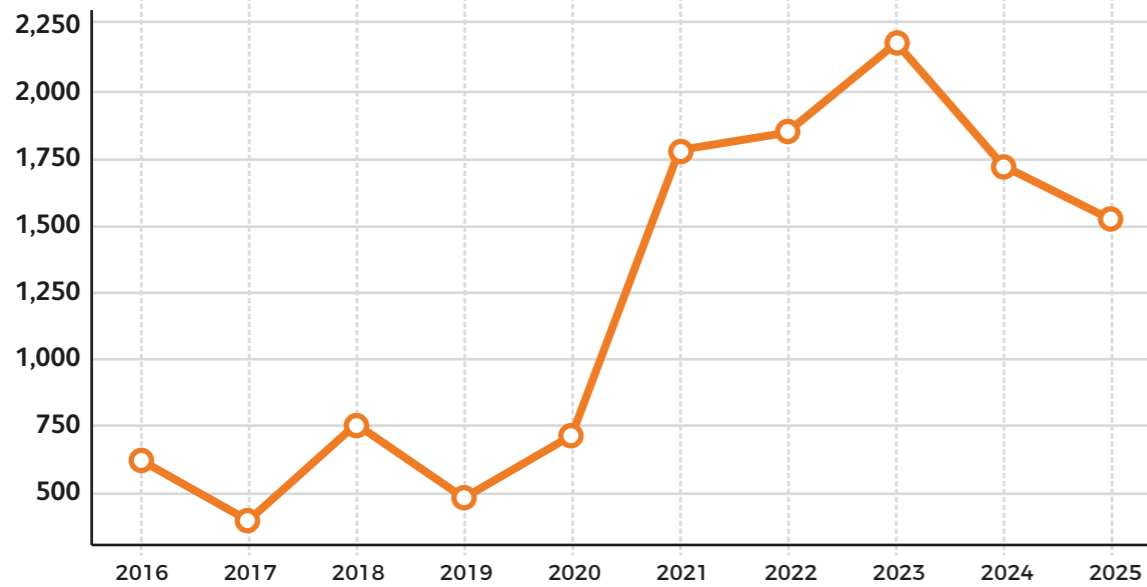
Our partnership with ITFC formally began in September 2024, within the framework of a financial support program aimed at ensuring food security in the Union of Comoros. Under this program, the Comorian Government designated two local banks, including BDC, to act as executing banks for an ITFC Murabaha financing facility granted to the State for an amount of EUR 20 million.

This financing enabled the mobilization of dedicated resources for the importation of essential food commodities. As a result, BDC was able to increase its loan portfolio and interest income, while simultaneously contributing to the stabilization of national food supplies. Notably, the program helped secure the availability of affordable rice after three consecutive years of recurring shortages, delivering significant social impact.

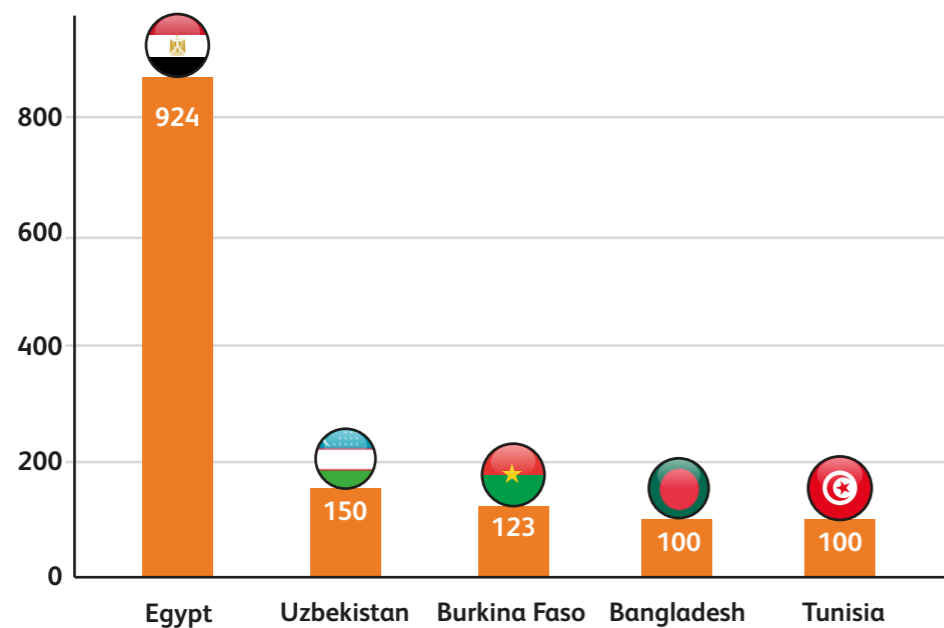
From a business perspective, our collaboration with ITFC led to a 35% increase in BDC’s credit portfolio between 2024 and 2025. These results demonstrate the positive financial and operational effects of the partnership.

Beyond our role as an executing bank for food security financing, we aspire to deepen our collaboration with ITFC in the future. We look forward to establishing a more direct partnership by accessing ITFC’s financing windows to mobilize resources, strengthen our capacities in Islamic finance and trade finance, and further support economic development in the Comoros.

ITFC Approvals for Food & Agriculture (2016–2025, US\$ Million)



Top Five Food & Agriculture Beneficiaries in 2025 (approvals, US\$ million)



Case Study

Boosting Food Security in Bangladesh: ITFC Leads Landmark US\$ 100 Million Syndicated Financing Facility



The agriculture sector forms a cornerstone of Bangladesh's economy, contributing 11% to GDP and providing livelihoods for more than one-third of the national workforce. To support Bangladesh's food security, ITFC partnered with the Government of Bangladesh to arrange timely financing for the importation of fertilizer from overseas producers.

As the first step in this strategic initiative, ITFC arranged a US\$ 100 million Syndicated Murabaha Financing Facility in partnership with the Saudi Export-Import Bank and the OPEC Fund for International Development. The facility is structured in favour of the Government of Bangladesh, with the Bangladesh Agricultural Development Corporation (BADC)—a state-owned enterprise under the Ministry of Agriculture—serving as the executing agency. This landmark partnership, the first of its kind, not only strengthens national food security but also marks a significant Milestone in promoting intra-OIC trade flows by bringing together development partners.

Bangladeshi farmers continue to face significant challenges, including climate-related vulnerabilities such as flooding and drought, alongside rising input costs. ITFC financing is expected to benefit approximately 7.90 million people, primarily rice farmers—by ensuring timely access to essential fertilizers. This intervention is critical for sustaining and improving crop productivity, rural livelihoods, and the overall stability of food supply chains.

The transaction forms part of a broader US\$ 2.75 billion annual Financing Plan for 2025-2026 implemented between ITFC and the Government of Bangladesh to strengthen both the country's energy and food resilience. ITFC is the only external financier supporting Bangladesh's fertilizer imports, covering approximately 12.50% of national requirements. The intervention is fully aligned with the Sustainable Development Goals (SDGs), specifically Zero Hunger (SDG 2), No Poverty (SDG 1), and Good Health and Well-being (SDG 3).

Since commencing operations in January 2008, ITFC has extended more than US\$ 24 billion in financing to Bangladesh, reaffirming its commitment to advancing trade, fostering sustainable development, and improving the livelihoods of millions.

Unlocking Potential:

Empowering SMEs and the Private Sector

Small and medium-sized enterprises (SMEs) are key participants in production and cross-border commerce, but they continue to face limited access to trade finance solutions. Recognizing the gap, ITFC continued to deepen its engagement with the private sector, with a strong focus on SME support. In 2025 ITFC approved US\$ 1.20 billion in lines of financing to strengthen the competitiveness and resilience of smaller enterprises.

Private sector trade finance approvals reached US\$ 1.35 billion, up from US\$ 1.10 billion in 2024, reflecting sustained year-on-year support for private enterprises amid evolving global and regional trade conditions. These approvals enabled businesses to secure essential inputs, expand operations, and enhance participation in cross-border trade.

In 2025, ITFC also expanded its private sector client base, supporting 55 active private sector clients, up from 47 in 2024, with 9 new clients being added. Since its inception in 2008, ITFC has approved a cumulative US\$ 19.60 billion in private sector financing, underscoring its long-term commitment to unlocking the full potential of private sector trade within the OIC. By expanding access to Shari'ah-compliant trade finance and deepening engagement with private enterprises, ITFC is supporting more resilient, inclusive, and growth-oriented economies across the region.

In 2025, ITFC approved

US\$ 1.20 billion

for smaller enterprises

Trade finance approvals reached

US\$ 1.35 billion

for Private sector

Since its inception in 2008, ITFC has approved a cumulative

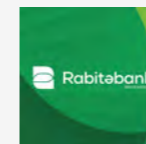
US\$ 19.60 billion

in private sector financing

Client Testimonial



Lala Mammadli
Head of the International Relations Division
Rabitabank OJSC



“Our partnership with ITFC has gone beyond financing – it has become a source of expertise, trust, and long-term value for our institution.”

Rabitabank OJSC provides a comprehensive range of financial services, including retail banking, corporate finance, and trade finance in Azerbaijan. Our collaboration with ITFC, since September 2023, has played a meaningful role in enhancing our service offering.

Through ITFC, we have benefited from tailored Shari'ah-compliant trade finance solutions, which have significantly strengthened our ability to serve customers who require halal financing. This support has enabled us to expand our customer base, reinforce client relationships, and facilitate smoother and more efficient trade transactions.

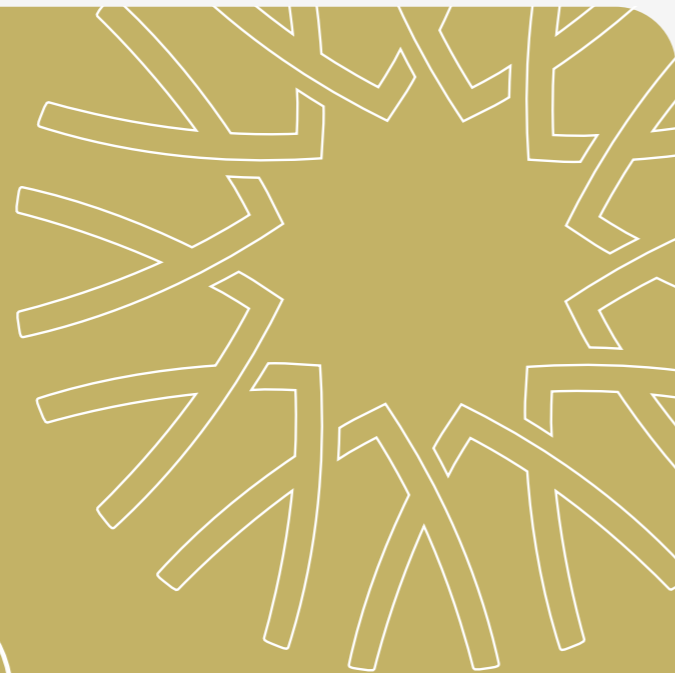
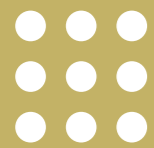
ITFC has played a critical role in situations where our clients required urgent access to Islamic financing and had limited alternatives within conventional financial markets. In such cases, timely and reliable support from ITFC proved instrumental in meeting client needs and maintaining continuity in trade flows.

Beyond direct financial impact, our partnership with ITFC has contributed to our growth in important non-financial ways. The entity's strong institutional credibility and deep expertise in Islamic trade finance have enhanced Rabitabank's market reputation, boosted customer confidence, and strengthened our positioning within the sector.

Overall, working with ITFC has been more than a financial partnership. It has been a valuable source of knowledge, guidance, and confidence, supporting our mission to deliver ethical, inclusive, and high-quality financial solutions.

03

Devising Solutions for Trade and Economic Development



Fostering Inter and Intra-Regional Trade Cooperation

Polarized climate, market, and political dynamics in 2025 continue to fuel the growing threat to food security. This has led to an unprecedented increase in new and stronger trade agreements between nations in the Global South. With a sharp focus on facilitating trade resilience and continuity amidst volatile markets, these agreements are creating more equitable trade opportunities, strengthening regional supply chains, particularly in strategic commodities, and developing environmentally friendly capacities and infrastructure.

In 2025, Trade Development efforts by ITFC continued to support regional economic integration by strengthening inter-regional trade cooperation and enhancing trade capacities and infrastructure in OIC Member States. Initiatives were implemented via four flagship programs, integrated trade solutions and targeted interventions covering more than 45 Member Countries in Central Asia, Arab and African regions.





Arab-Africa Trade Bridges (AATB) Program

Trade between Arab and African economies remains constrained by fragmented markets, limited business connectivity, capacity gaps among SMEs, high logistics costs, and uneven readiness to leverage regional trade frameworks such as the African Continental Free Trade Area (AfCFTA).

The Arab-Africa Trade Bridges (AATB) Program, launched in 2017 by ITFC, in collaboration with IsDB Group, Afreximbank, and the Arab Bank for Economic Development in Africa (BADEA), addresses these long-standing structural barriers through an integrated approach combining trade facilitation, capacity building, standards harmonization, policy dialogue, and structured private-sector engagement, thereby advancing inclusive growth and regional economic integration.

As of November 2025, the Program has mobilized over US\$ 9.68 million from member institutions and

participating countries to support trade development initiatives across priority sectors. AATB operates under a structured governance framework that promotes transparency and accountability in strategic alignment with the development mandate of ITFC. It benefits from strong partnerships with founding members – Afreximbank, BADEA, and IsDB – as well as the Islamic Corporation for the Development of the Private Sector (ICD) and the Islamic Corporation for the Insurance of Investment and Export Credit (ICIEC), ensuring complementarity between trade finance, technical assistance, and risk-mitigation instruments offered. Member Countries include Benin, Burkina Faso, Cameroon, Côte d'Ivoire, Egypt, Mauritania, Morocco, Nigeria, Senegal, Togo and Tunisia, with Djibouti, Guinea, Saudi Arabia, and The Gambia participating as observer countries.

AfCFTA-Oriented Capacity Building and Trade Facilitation

To support the effective operationalization of AfCFTA, AATB scaled up capacity-building and trade facilitation activities targeting exporters, trade support institutions, and policymakers. These initiatives focused on improving understanding of AfCFTA market opportunities, export requirements, and compliance with international standards, thereby enhancing private-sector readiness and institutional effectiveness.

A key initiative is the harmonization of standards in collaboration with the African Organization for Standardization (ARSO). Building on earlier success in pharmaceuticals and medical devices sector, the initiative has turned its focus to the textiles and leather sectors, identified as priority regional value chains by UNECA and Regional Economic Communities. Spanning 2023 to 2026, it aims to

harmonize at least 75 percent of identified standards, reduce technical barriers to trade, and support the competitiveness of the African fashion industry.

Other initiatives include the Common African Agro-Parks (CAAPs) project in partnership with the Forum for Agricultural Research in Africa (FARA), which promotes the establishment of agro-parks as integrated hubs for agricultural production, processing, and marketing. These interventions strengthen value-chain integration, enhance food security, and support rural employment and agro-industrial development.

The programs also provide insights into private-sector challenges, investment priorities, and market opportunities, which inform program design and regional policy discussions.





AATB Country Programs: Tailored Development Solutions

Country-specific programs offer specific interventions, policy recommendations, and capacity-building initiatives in targeted sectors to unlock the economic potential of Member Countries, enhance competitiveness, and achieve shared prosperity between the Arab and African regions.

Seven active country programs with 21 ongoing programs were under implementation in 2025 for Benin, Cameroon, Egypt, Mauritania, Senegal, Togo and Tunisia.

Following the accession of Nigeria, Côte d'Ivoire, and Burkina Faso, preparatory work is underway to launch their respective country programs, with implementation expected to commence by 2026.

Case Study

Building a Sustainable National System to Strengthen Domestic Wheat Cultivation in Mauritania

The Wheat Cultivation Project by AATB supports Mauritania's efforts to strengthen domestic wheat production by introducing improved ACSAD varieties, demonstrating good agricultural practices through pilot plots, and building a sustainable national system for seed multiplication, quality control, and knowledge transfer—anchored through national research and extension institutions.

In its first season, the project successfully delivered a full pilot cycle—from improved seed deployment and field implementation to harvest and post-harvest handling—creating a credible pathway to scale. Reports indicate a +600% productivity breakthrough for the ACSAD wheat variety compared to local varieties in the same area.

Technical training on productivity best practices, seed multiplication, varietal purity, and quality storage was delivered with the aim of strengthening the country's national system for certified seed and post-harvest management.

The success of the project led to the establishment of a wheat breeding/improvement program at the Centre National de Recherches Agricoles in R'Kiz, anchoring sustainability beyond the pilot phase.

With strengthened local capacity, validated agronomic performance, and a national institutional base, the project is positioned to expand acreage and replicate improved practices – accelerating wheat value-chain development and food-security outcomes in Mauritania.



aftias2.0
Aid for Trade Initiative
for the Arab States

The Second Phase of the Aid for Trade Initiative for The Arab States (AFTIAS 2.0) Program

The Aid for Trade Initiative for Arab States (AFTIAS 2.0) is a regional program designed to enhance trade competitiveness and economic integration among Arab countries. The program focuses on trade facilitation, capacity-building, and market access for businesses, particularly small and medium-sized enterprises (SMEs) in the Arab region by reducing trade barriers, improving regulatory frameworks, and fostering a more inclusive trading environment, with a special emphasis on empowering women and youth entrepreneurs. Since its launch in 2021, AFTIAS 2.0 mobilized nearly US\$ 12.90 million to support regional and national projects in beneficiary organizations and countries in the Arab Region.



The Trade Connect Central Asia+ (TCCA+)

Another key initiative is the Trade Connect Central Asia+ (TCCA+) Program with a focus on delivering targeted, demand-driven interventions to strengthen regional trade cooperation and institutional capacity across Central Asia+. In 2025, the TCCA+ Program coordinated regional-level interventions aimed at strengthening trade-related institutions, improving trade facilitation, and promoting export-oriented investment across Central Asia+. Program implementation focused on translating strategic objectives into practical, scalable initiatives in close collaboration with regional and international partners.

The following projects were implemented under the TCCA+ Program in 2025

Boosting Exports through Foreign Direct Investment (FDI)

Launched in July 2024 in collaboration with the United Nations Economic and Social Commission for Asia and the Pacific (UN ESCAP), the project progressed steadily in advancing export-oriented FDI as a driver of regional integration and competitiveness in the Central Asia+ region. An intergovernmental endorsement under the Dushanbe Declaration in November 2024 was successful in positioning Central Asia as a unified investment destination, with a strategic focus on green and digital sectors. Tangible progress was recorded in countries such as Azerbaijan following sector prioritization led by the country's export and investment promotion agency, AZPROMO.

To strengthen regional and global investor engagement, ITFC approved the organization of a Heads of Investment Promotion Agencies (IPAs) meeting on the margins of the World Investment Conference (WIC) in Riyadh, providing a platform for coordinated outreach and dialogue with international investors.

ITFC also supported the implementation of the Central Asia+ (CA+) Accelerator in August 2025 to enable 14 digital start-ups to scale up and expand their access to regional and international markets, reinforcing the link between innovation, investment, and export growth.

Establishment of the TCCA+ Trade Promotion Organizations (TPO) Network

In 2025, engagements were undertaken with relevant national trade promotion and export development agencies to formalize institutional cooperation through the establishment of a

regional TPO Network under the TCCA+ framework. It aims to enhance coordination among TPOs, facilitate knowledge sharing, and promote joint trade promotion activities, thereby improving the quality and effectiveness of export support services for enterprises, particularly Micro, Small and Medium Enterprises (MSMEs), across the region.

Trade Facilitation and Paperless Trade Initiatives

Progress was made on advancing regional trade facilitation and digitalization through the development of a Paperless Trade project in collaboration with UN ESCAP. Approved in 2025, the project will promote paperless trade frameworks, digital procedures, and cross-border interoperability among TCCA+ countries. These efforts are expected to contribute to reduced trade costs, improved transparency, and more efficient border processes.

Policy Dialogue, Regional Engagement, and Knowledge Contribution

Throughout 2025, through the TCCA+ Program, ITFC actively contributed to regional and international policy dialogues on trade facilitation and regional cooperation. Key engagements included participation in the Expert Group Meeting on 'Leveraging Trade Facilitation for Sustainable Development' (UN ESCAP, Almaty, March 2025); the 13th Regional National Trade Facilitation Committee (NTFC) Meeting for Central Asia (with GIZ, April 2025); and Paperless Trade Week 2025 (UN ESCAP, Bangkok, June 2025). These platforms strengthened partnerships, informed project design, and reinforced the role of ITFC as a regional convener and knowledge partner.



ITFC SMEs Development Program

The West Africa (WA) SME Program

is designed to offset the trade finance gap for SMEs and facilitate access to finance. It aims to have a positive impact both on banks and SMEs alike. For Banks, it increases the offering of trade finance products and provides training and assessment tools to build lending practices. For SMEs, it substantially improves access to financing and decreases default rates through capacity building. In 2025, the Global SME Program was introduced in Cameroon in partnership with Afriland First Bank, and l'Agence de Promotion des PME (APME). Implementation commenced in January 2025 and is currently supporting access to finance for up to 120 local SMEs.



Integrated Trade Solutions

In 2025, ITFC continued to strengthen the development impact of its operations by systematically integrating trade finance with targeted trade development interventions. Through its Integrated Trade Solutions (ITS) approach, ITFC complement financing with technical assistance, capacity building, and institutional support, enabling Member Countries to address structural constraints, enhance value chains, and strengthen resilience.

An example of this integrated approach is the Indonesia Coffee Export Development Program, which continued to be successfully implemented in 2025. The program supports coffee producers through a structured Master Trainer Upgrade (MTU) model, equipping local trainers with advanced technical and market knowledge while enabling farmers who excel to establish and scale agribusinesses.

By strengthening skills, improving quality, and

promoting income diversification, the program contributes to more sustainable livelihoods and improved export readiness across the coffee value chain.

Building on its experience, four new trade development projects were approved in 2025 in Burkina Faso, Cameroon, Kazakhstan, and Uzbekistan, reflecting ITFC's growing emphasis on linking financing with institutional and market-level reforms.



In Uzbekistan, ITFC is collaborating with the Food and Agriculture Organization of the United Nations (FAO) to support the Fund for State Support of Agriculture under the Ministry of Economy and Finance. The project focuses on establishing market-based mechanisms to stabilize domestic wheat prices, enhance transparency, improve policy coordination, and strengthen food security outcomes in a strategically important staple sector.

In Burkina Faso, ITFC is working with SOFITEX (Société Burkinabè des Fibres Textiles) to strengthen its advisory services by adopting and enhancing Integrated Pest Management (IPM) practices. The project aims to improve productivity, reduce environmental risks, and reinforce sustainability within the cotton value chain, which remains a key driver of exports and rural incomes.

Through the ITS platform, ITFC also continued to promote Islamic trade finance as an inclusive and ethical financing solution. In 2025, tailored training workshops on Islamic trade finance were delivered to raise awareness, deepen technical understanding, and facilitate knowledge exchange among stakeholders from public and private financial institutions, non-financial entities, government organizations, and regulatory bodies. These engagements support the development of enabling ecosystems for Shari'ah-compliant trade finance and reinforce the role of ITFC as a catalyst for Islamic trade finance development.



Targeted Interventions

Digital Trade and Paperless Trade

Paperless trade ensures the legal recognition and use of electronic trade documents to facilitate digital trade. ITFC approaches paperless trade as a system-wide reform, combining legal frameworks, interoperable digital infrastructure, and institutional capacity. This approach is adapted to country and regional contexts. In the WAEMU region, where an enabling regulatory framework was already in place, ITFC focused on the regional digitalization and legal recognition of Certificates of Origin, and on interoperability between national and regional platforms.



The Electronic Certificate of Origin (eCO) project is a regional initiative covering eight WAEMU countries, Burkina Faso, Côte d'Ivoire, Mali, Senegal, Togo, Benin, Guinea-Bissau, and Niger. The project connects national systems through a Regional Single Window to enable paperless trade and facilitate faster and more transparent intraregional trade.

The project is being implemented in two phases (2024–2026), with implementation led by AACE in partnership with ITFC and WAEMU. A real-time pilot conducted on the Dakar-Kati corridor validated the full eCO process and confirmed feasibility for regional scale-up. Implementation is currently taking place in Burkina Faso, Togo and Cote d'Ivoire.

How to Export with AfCFTA

A capacity-building program was designed by Afreximbank and the International Trade Centre (ITC) to help SMEs fully leverage the opportunities created by the AfCFTA. A hybrid program combining online training and live workshops brings together SMEs and trade-related stakeholders, including customs officers, logistics companies, and banks.

To date, the program has been implemented in 15 countries (including eight ISDB Member Countries), reaching over 300 SMEs and export stakeholders. In addition, 150 local trainers have been trained, ensuring sustainability and retention of expertise within participating countries. The curriculum is currently available in English and French and will be made available in Arabic along with region-specific case studies.

Two national workshops were held in Comoros and Algeria in July and September 2025 respectively, illustrating the program's growing regional footprint and its role in equipping SMEs and trade stakeholders with the skills to access new markets under AfCFTA, particularly the Arab States.

Tomato Learning and Service Center

As part of a joint declaration to strengthen cooperation on industrial and agricultural development, ITFC and the United Nations Industrial Development Organization (UNIDO), together with the Italian Development Cooperation, established the Tomato Learning and Service Center (TLSC) at the University of Alexandria.



TLSC was set up as a national center of excellence providing training, applied services, and technology transfer for tomato production and processing, with the objective of scaling the development of Egypt's tomato value chain.

ITFC supported targeted capacity-building activities and delivered hands-on training to students, farmers, technicians, and tomato processors. Concluded in 2025, over 734 participants were trained across cultivation, processing, and food industry practices,

strengthening skills across the value chain.

The intervention strengthened technical capacities in production, processing, food safety, and quality management, supported compliance with international standards, and positioned the TLSC as a sustainable national platform for value addition, innovation, and upgrading of Egypt's tomato sector.



Business Development

The year marked significant progress in diversifying the Corporation's product suite, expanding business lines, and building innovation capabilities while advancing the Trade Development Fund to promote intra-OIC trade, private sector development, and sustainable economic growth across Member Countries.

Diversifying ITFC's Product Suite and Business Lines

In 2025, ITFC successfully advanced the approvals and piloting of a diversified pipeline of Shari'ah-compliant trade finance and treasury solutions as outlined below.



1. **LC Confirmation Program:** Developed in partnership with local banks and financial institutions to facilitate international trade transactions through the provision of necessary confirmations.



2. **Salam Financing:** Pre-harvest and pre-production financing to cover agriculture-related costs such as fertilizers and seeds, and general production costs such as for raw materials.



3. **Istijrar for Electricity Financing:** Designed specifically to: finance the purchase and importation of electricity power.



4. **Local Currency Financing:** Shari'ah-compliant structure to facilitate transactions in local currencies without foreign exchange exposure.

Launching in 2026, they enhance the Corporation's value proposition and product base, improve client accessibility to Shari'ah-compliant solutions, and support sustainable trade flows in Member Countries.

The Trade Development Fund



TRADE DEVELOPMENT FUND



The Trade Development Fund (TDF) is an ITFC administered Waqf-based fund to support sustainable trade development and economic empowerment in Member Countries. Established in 2020, TDF mobilizes charitable resources to finance programs that enhance human and institutional capacity, promote SME development, and expand income opportunities for vulnerable communities.

It operates under a sustainability model in which its capital is invested in Shari'ah-compliant instruments. Net investment returns are partly used to finance development and humanitarian initiatives, while the remainder is reinvested to preserve and grow the fund's capital base.

ITFC serves as Trustee and administrator of the fund and is responsible for its financial management, investment activities, and reporting. TDF is overseen by an Executive Committee that reviews its annual budget and operational plan, approves investment activities, and reviews financial statements before submission to the ITFC Board of Directors.

Since its establishment, TDF has supported a range of development and humanitarian initiatives across OIC Member Countries, including:



- Supporting emergency response efforts during the COVID-19 pandemic, including the provision of medical equipment, essential supplies, and food assistance.
- Contributing to the Aid for Trade Initiative for Arab States 2.0 to mitigate the pandemic's impact on regional trade.
- Supporting initiatives to advance the African Continental Free Trade Area (AfCFTA) and strengthening regional trade integration.
- Enhancing SME competitiveness through programs such as the Export Launchpad Program, enabling enterprises to access export markets in Europe and Canada.
- Delivering trade-related capacity-building programs to help SMEs develop export strategies and improving market access.
- Supporting income-generating initiatives in rural areas, including vocational production facilities that providing training and employment opportunities for women.
- Providing grants to communities affected by natural disasters and economic hardship, and supporting projects that improve agricultural productivity, producer cooperatives, and access to education.
- Financing social support initiatives in 2025, including food assistance to vulnerable families, distribution of environmentally friendly cooking kits in rural areas, and support for transportation and irrigation infrastructure benefiting smallholder farmers.



Through these initiatives, TDF continues to play an important role in advancing inclusive development and economic empowerment across OIC Member Countries.

Advisory Services

In 2025, ITFC Advisory Services executed a series of engagements, delivering comprehensive Shari'ah review and compliance services, international trade-related capacity building, and targeted Islamic finance skills development workshops.

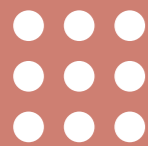
An expert workshop delivered in partnership with Alizz Islamic Bank in Muscat allowed Omani businesses to explore Shari'ah-compliant financing instruments, international trade best practices, and practical approaches to facilitating cross-border trade. In Tashkent, a training program was delivered on the principles and dynamics of Murabaha financing, including relevant Shari'ah considerations, associated risks and risk mitigation techniques.

In 2025, Advisory Services expanded to cover a broader range of partners and companies requiring reviews and due diligence on products and solutions to obtain certification for Shari'ah compliance. A professional e-learning program will be launched in 2026 to further strengthen capacity building and knowledge dissemination across Member Countries.



04

Strengthening Partnerships



Syndications:

Amplifying Impact Through Partnerships

Among its Shari'ah-compliant instruments, Syndications remain the most active mobilization mechanism, enabling ITFC to crowd in external funding and scale impact beyond its own balance sheet.

In 2025, ITFC further strengthened its syndications activities franchise by deepening long-standing relationships and broadening its network of syndicate partners across Asia, Europe, the GCC, and the wider Middle East. Sustained partner engagement has been built on consistent confidence, disciplined execution, and reliable delivery, supported by a proven ability to originate, structure, and lead complex Shari'ah-compliant syndicated trade finance transactions aligned with the priorities of its Member Countries.

In 2025, ITFC mobilized US\$ 6.35 billion from private and public sector partners, representing 68% of total approvals for the year. These mobilized resources strengthened the corporation's capacity to provide scalable trade finance solutions and respond efficiently to evolving markets.

Independent market benchmarks further validate strong standing. Since 2021, ITFC has maintained leading positions in the Bloomberg and LSEG (formerly Refinitiv) Islamic Syndications League Tables. In 2025, ITFC was ranked Global #1

Bookrunner and Mandated Lead Arranger (MLA) by both Bloomberg and LSEG – an endorsement of ITFC's ability to originate, structure, and execute Islamic syndicated transactions at scale.

Together, these outcomes reinforce the role of ITFC in connecting a broad network of international financial institutions with high-quality, development-aligned trade finance opportunities, while supporting Member Countries in strengthening trade flows that underpin resilience and growth.



Leveraging Capital

for a Sustainable Business Model

In 2025, ITFC continued to broaden and deepen its engagement with a diversified base of treasury partners across regions and markets, while actively accessing multiple funding channels. The deliberate diversification of funding sources further enhanced the corporation's standing as a reliable, well-governed, and sought-after borrower. During the year, additional borrowing lines were secured, and the use of innovative liquidity solutions – such as committed and contingent facilities – expanded to ensure uninterrupted access to liquidity during periods of market stress or unforeseen funding requirements. In addition, ITFC extended its borrowing tenor by entering into three-year term loan facilities, contributing to greater diversification of funding maturities.

In the medium-term, ITFC aims to further increase its leveraging capacity and sustain organic balance sheet growth in 2026, underpinned by stronger partnerships with financial institutions to mobilize larger volumes of funding at competitive rates, strict adherence to prudent liquidity management practices and conservative investment policies.

Beyond balance sheet funding and liquidity management, Treasury services is increasingly offering client-facing solutions, complementing the core trade finance

mandate through value-added services to clients and Member Countries. In 2025, fund management services were offered to clients, supporting income enhancement, liquidity deployment, and balance sheet optimization through tailored mandates, risk limits, and disciplined reporting.

In parallel, ITFC is advancing hedging solutions as an integrated service to Member Countries and eligible clients, helping them manage market risks and improve budget predictability, particularly in environments characterized by commodity price volatility, FX fluctuations, and shifting profit-rate expectations.

ITFC is also enhancing its ability to provide structuring solutions for Member Countries, developing Shari'ah-compliant financing and risk-management structures aligned with country-specific needs, market conditions, and developmental priorities. These structuring capabilities, spanning instrument selection, tenor and currency optimization, and risk allocation are intended to mobilize funding efficiently, strengthen local market development, and enable Member Countries to access sustainable financial solutions. These efforts contribute to broader development objectives and strengthen the corporation's financial performance and long-term value creation.



ITFC is advancing hedging solutions as an integrated service to Member Countries and eligible clients

Synergy with IsDB Group

ITFC has been actively collaborating with IsDB and the Group entities to enhance synergy and harmonization. In 2025, ITFC contributed actively to the Technical Coordination Committee (TCC), which is a platform among the entities to explore co-financing opportunities, exchange business pipelines, and share market-related risk knowledge. ITFC exceeded group targets in terms of potential deals and engagement reached and joint transactions approved.

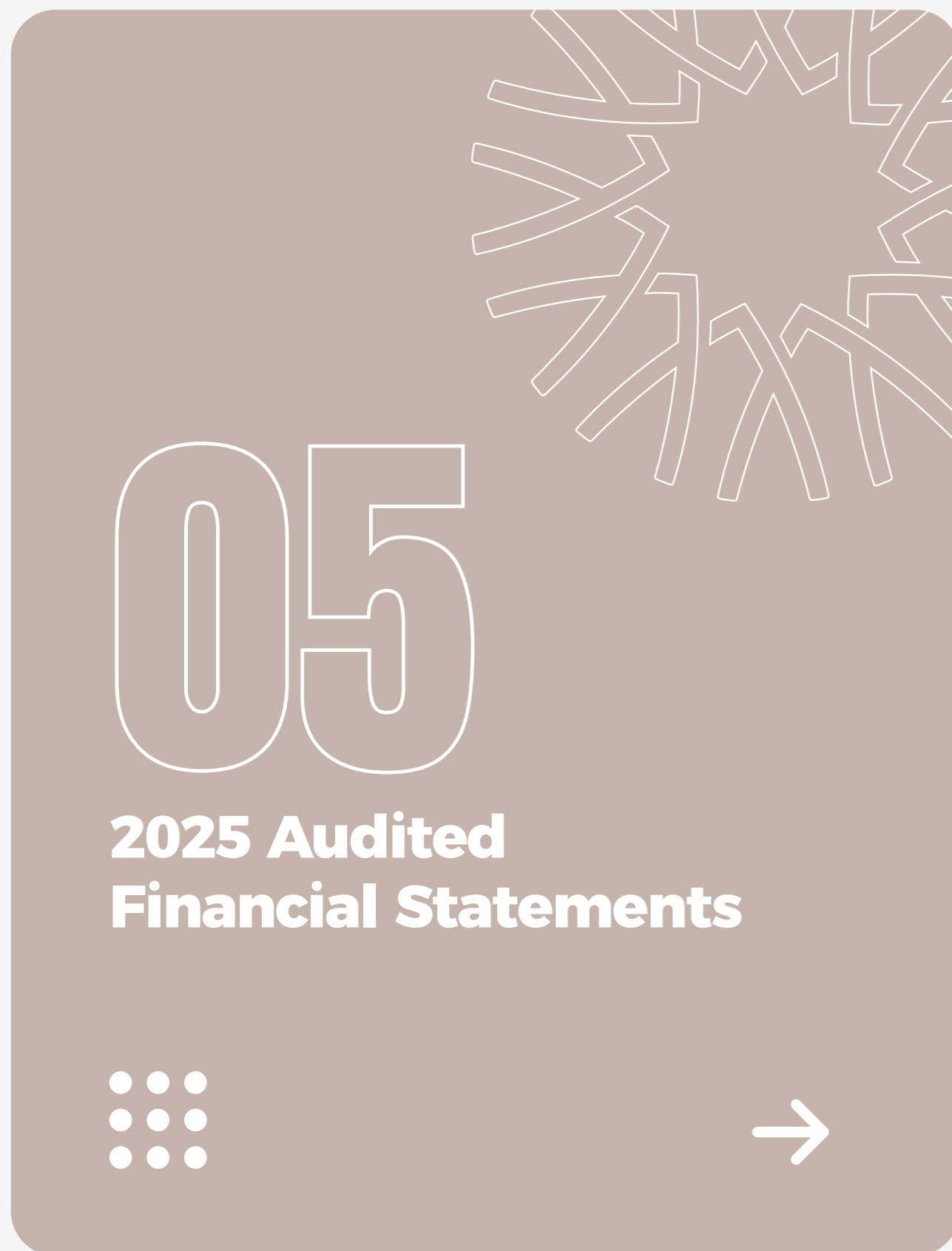
Similarly, in 2025, ITFC actively contributed to the Group Executive Committee Meetings (GECM); IsDB Group 10 Year Strategy Framework; Member Country Strategy Papers (MCPS); Country Engagement Frameworks (CEF); and other group-level platforms and initiatives.

ITFC supported the IsDB Group Food Security Response Program (FSRP), designed to address food security challenges facing Member Countries. As of the end of 2025, FSRP approvals exceeded the initial commitment to US\$ 6.48 billion.

IsDB and Group Entities continued to be among the key partners in the implementation of all ITFC flagship Trade Development programs, including AfTIAS 2.0; AATB; and TCCA+, bringing a holistic approach to trade development across the Group in 2025.



AS OF THE END OF 2025,
**FSRP APPROVALS
EXCEEDED THE
INITIAL
COMMITMENT TO**
US\$
6.48
BILLION



THE INTERNATIONAL ISLAMIC TRADE FINANCE CORPORATION
FINANCIAL STATEMENTS AND INDEPENDENT AUDITOR'S REPORT
YEAR ENDED DECEMBER 31, 2025 (11 RAJAB, 1447H)

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INDEPENDENT AUDITOR'S REPORT

To your Excellencies
The Chairman and Members of the General Assembly
The International Islamic Trade Finance Corporation

Report on the Audit of the Financial Statements

Opinion

We have audited the accompanying financial statements of The International Islamic Trade Finance Corporation (the "Corporation"), which comprise the statement of financial position as of December 31, 2025, and the related statement of income, statement of other comprehensive income, statement of changes in members' equity, statement of cash flows and statement of changes in off-balance sheet assets under management for the year then ended, and the notes to the financial statements, including a summary of significant accounting policies.

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of the Corporation as of December 31, 2025, and the results of its operations, changes in members' equity, its cash flows and changes in off-balance sheet assets under management for the year then ended in accordance with the Financial Accounting Standards ("FAS") issued by the Accounting and Auditing Organization for Islamic Financial Institutions ("AAOIFI").

In our opinion, the Corporation has also complied with the Shari'ah Rules and Principles as determined by the Group Shari'ah Board of the Islamic Development Bank Group during the period under audit.

Basis for Opinion

We conducted our audit in accordance with Auditing Standards for Islamic Financial Institutions ("ASIFIs") issued by AAOIFI. Our responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Financial Statements* section of our report. We are independent of the Corporation in accordance with the AAOIFI's Code of Ethics for Accountants and Auditors of Islamic Financial Institutions ("AAOIFI Code"), and we have fulfilled our other ethical responsibilities in accordance with the AAOIFI Code. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

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

These financial statements and the Corporation's undertaking to operate in accordance with Islamic Shari'ah Rules and Principles are the responsibility of the Corporation's management and the Board of Directors.

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



Deloitte and Touche & Co.
Chartered Accountants

INDEPENDENT AUDITOR'S REPORT - Continued

To your Excellencies
The Chairman and Members of the General Assembly
The International Islamic Trade Finance Corporation

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

In preparing the financial statements, the management is responsible for assessing the Corporation'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 the management either intends to liquidate the Corporation or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Corporation's financial reporting process.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not a guarantee that an audit conducted in accordance with ASIFIs issued by AAOIFI 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 taken on the basis of these financial statements.

As part of an audit in accordance with ASIFIs issued by AAOIFI, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our 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.
- Obtain 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 Corporation's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on 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 Corporation's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Corporation to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

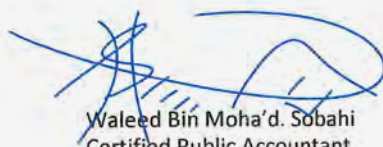
Deloitte.Deloitte and Touche & Co.
Chartered Accountants**INDEPENDENT AUDITOR'S REPORT - Continued**

To your Excellencies
The Chairman and Members of the General Assembly
The International Islamic Trade Finance Corporation

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

Deloitte and Touche & Co.
Chartered Accountants




Waleed Bin Moha'd. Sobahi
Certified Public Accountant
License No. 378

24 Dhual-Qa'dah 1447H
May 11, 2026

THE INTERNATIONAL ISLAMIC TRADE FINANCE CORPORATION**STATEMENT OF FINANCIAL POSITION
AS OF DECEMBER 31, 2025**

(Expressed in Thousands of US Dollars unless otherwise stated)

	Note	2025	2024
ASSETS			
Cash and cash equivalents	5	225,774	161,684
Commodity murabaha placements	6	67,594	31,745
Trade murabaha financing, net	7	1,616,975	1,340,415
Investments in sukuk	8	596,630	527,831
Accrued income and other assets	9	14,480	9,201
Property and equipment		641	1,266
TOTAL ASSETS		2,522,094	2,072,142
LIABILITIES AND MEMBERS' EQUITY			
LIABILITIES			
Accruals and other liabilities	10	107,313	45,343
Due to related parties	11	2,748	759
Commodity murabaha payable	12	1,058,772	788,676
TOTAL LIABILITIES		1,168,833	834,778
MEMBERS' EQUITY			
Paid-up capital	14	747,148	746,818
Paid-up share premium	14	9,155	8,980
General reserve	15	592,475	479,285
Actuarial gain on post-employment benefit plans		2,065	1,579
Fair value reserve		2,418	702
TOTAL MEMBERS' EQUITY		1,353,261	1,237,364
TOTAL LIABILITIES AND MEMBERS' EQUITY		2,522,094	2,072,142
OFF-BALANCE SHEET ASSETS UNDER MANAGEMENT	23	5,042,684	3,842,849
UNDISBURSED COMMITMENTS	17		

The accompanying notes from 1 to 24 form an integral part of these financial statements.

THE INTERNATIONAL ISLAMIC TRADE FINANCE CORPORATION

STATEMENT OF INCOME

YEAR ENDED DECEMBER 31, 2025

(Expressed in Thousands of US Dollars unless otherwise stated)

	Note	2025	2024
INCOME FROM:			
Trade murabaha financing		98,945	94,689
Mudarib share of profit		13,169	13,989
Syndication arrangement fee		17,847	12,763
Implementation fees		17,897	12,211
Letter of credit issuance fees		11,128	11,022
Income from investments in sukuk		20,570	16,892
Income from commodity murabaha placements		6,572	11,756
Income from wakala placements		287	1,598
Fund management fees		1,260	-
Trade finance services and other income		164	80
Foreign currency gain		3,999	3,047
		191,838	178,047
Financing cost		(36,264)	(35,165)
Net income before expenses		155,574	142,882
OPERATING EXPENSES:			
Staff costs		(37,925)	(37,349)
Other administrative expenses	16	(12,918)	(10,181)
Depreciation		(364)	(488)
		(51,207)	(48,018)
Net operating income before impairment and expected credit losses		104,367	94,864
Impairment reversal / (allowance) on financial assets	21	7,445	(3,976)
Recovery against written off receivables		1,378	434
Net income for the year		113,190	91,322

The accompanying notes from 1 to 24 form an integral part of these financial statements.

THE INTERNATIONAL ISLAMIC TRADE FINANCE CORPORATION

STATEMENT OF OTHER COMPREHENSIVE INCOME

YEAR ENDED DECEMBER 31, 2025

(Expressed in Thousands of US Dollars unless otherwise stated)

	Note	2025	2024
Net income for the year		113,190	91,322
Other comprehensive income:			
<u>Items that will not be reclassified to statement of income:</u>			
Actuarial gain on post-employment benefit plans	13	486	8,576
		486	8,576
<u>Items that may subsequently be reclassified to the statement of income:</u>			
Fair value changes on investments in sukuk carried at fair value through OCI	8	1,716	(5)
		1,716	(5)
Total other comprehensive income for the year		2,202	8,571
Total comprehensive income for the year		115,392	99,893

The accompanying notes from 1 to 24 form an integral part of these financial statements.

THE INTERNATIONAL ISLAMIC TRADE FINANCE CORPORATION

STATEMENT OF CHANGES IN MEMBERS' EQUITY

YEAR ENDED DECEMBER 31, 2025

(Expressed in Thousands of US Dollars unless otherwise stated)

	Paid-up Capital	Paid-up share premium	General reserve	Actuarial gain / (loss) on post- employment benefit plans	Fair value reserve	Total members' equity
Balance as of January 1, 2024	746,658	8,895	392,963	(6,997)	707	1,142,226
Net income for the year	-	-	91,322	-	-	91,322
Other comprehensive income for the year	-	-	-	8,576	(5)	8,571
Total comprehensive income for the year	-	-	91,322	8,576	(5)	99,893
Capital contributed/(Grant)	160	85	(5,000)	-	-	(4,755)
Balance as of December 31, 2024	746,818	8,980	479,285	1,579	702	1,237,364
Net income for the year	-	-	113,190	-	-	113,190
Other comprehensive income for the year	-	-	-	486	1,716	2,202
Total comprehensive income for the year	-	-	113,190	486	1,716	115,392
Capital contributed	330	175	-	-	-	505
Balance as of December 31, 2025	747,148	9,155	592,475	2,065	2,418	1,353,261

The accompanying notes from 1 to 24 form an integral part of these financial statements.

THE INTERNATIONAL ISLAMIC TRADE FINANCE CORPORATION

STATEMENT OF CASH FLOWS

YEAR ENDED DECEMBER 31, 2025

(Expressed in Thousands of US Dollars unless otherwise stated)

	Note	2025	2024
Cash flows from operating activities:			
Net income for the year		113,190	91,322
<i>Adjustments for:</i>			
Depreciation		364	488
Impairment (reversal) / allowance on financial assets		(7,445)	3,976
Cost of post-employment benefit plans		3,510	3,852
Amortization of discount on sukuk		(138)	(324)
		109,481	99,314
<i>Net change in operating assets and liabilities:</i>			
Trade murabaha financing		(268,931)	(321,893)
Accrued income and other assets		(2,214)	(1,296)
Due to related parties		1,989	(389)
Accruals and other liabilities		58,832	(6,545)
Cash used in operations		(100,843)	(230,809)
Post-employment benefit plans paid		(3,875)	(3,775)
Net cash used in operating activities		(104,718)	(234,584)
Cash flows from investing activities:			
Investments in sukuk		(172,694)	(136,845)
Proceeds from disposal of sukuk		106,489	39,050
Commodity murabaha placement		(35,849)	(21,745)
Wakala placements		-	20,000
Proceeds from property and equipment		261	(629)
Net cash used in investing activities		(101,793)	(100,169)
Cash flows from financing activities:			
Capital contribution		505	245
Grant for the Corporation's trade business initiative		-	(5,000)
Commodity murabaha payable		270,096	373,464
Net cash generated from financing activities		270,601	368,709
Net change in cash and cash equivalents		64,090	33,956
Cash and cash equivalents, January 1		161,684	127,727
Reversal of impairment allowance on cash and cash equivalents		-	1
CASH AND CASH EQUIVALENTS, DECEMBER 31	5	225,774	161,684

The accompanying notes from 1 to 24 form an integral part of these financial statements.

THE INTERNATIONAL ISLAMIC TRADE FINANCE CORPORATION

STATEMENT OF CHANGES IN OFF-BALANCE SHEET ASSETS UNDER MANAGEMENT
YEAR ENDED DECEMBER 31, 2025

(Expressed in Thousands of US Dollars unless otherwise stated)

	Notes	January 1, 2025	Additions	Net disposals/ withdrawals	Mudarib's share of profit	December 31, 2025
Current accounts with syndication members- net	23	3,709,447	5,293,443	(4,401,958)	13,169	4,614,101
Wakala arrangement						
- Cash and bank	23	35,000	575,927	(609,206)	-	1,721
- Commodity murabaha placements	23	40,000	396,227	(235,000)	-	201,227
- Wakala placements	23	-	320,203	(154,000)	-	166,203
- Trade murabaha financing	23	58,402	1,294,978	(1,293,948)	-	59,432
Total		3,842,849	7,880,778	(6,694,112)	13,169	5,042,684

	Notes	January 1, 2024	Additions	Net disposals/ withdrawals	Mudarib's share of profit	December 31, 2024
Current accounts with syndication members- net	23	3,655,376	2,022,809	(1,982,727)	13,989	3,709,447
Wakala placements						
- Cash and bank	23	-	35,000	-	-	35,000
- Commodity murabaha placements	23	17,725	40,000	(17,725)	-	40,000
- Trade murabaha financing	23	-	1,754,710	(1,696,308)	-	58,402
Total		3,673,101	3,852,519	(3,696,760)	13,989	3,842,849

The accompanying notes from 1 to 24 form an integral part of these financial statements.

THE INTERNATIONAL ISLAMIC TRADE FINANCE CORPORATION

NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED DECEMBER 31, 2025

(Expressed in Thousands of US Dollars unless otherwise stated)

1. ORGANIZATION AND ACTIVITIES

The International Islamic Trade Finance Corporation (the "Corporation" or "ITFC") was established, pursuant to the decision taken by the Board of Governors ("BOG") of the Islamic Development Bank ("IsDB" or the "Bank") in their 30th meeting held on 24 June 2005 (17 Jumada-al-Awwal 1426H). The Corporation is governed by the terms of the Articles of Agreement of the Corporation. The Corporation is an international organization and derives its legal personality from public international law. As a result, it is able to enter into contracts, acquire and dispose of property, and take legal action. As an international institution, the Corporation is not subject to any external regulatory authority.

The purpose of the Corporation is to promote trade of member countries of the Organization of the Islamic Cooperation through providing trade finance and engaging in activities that facilitate intra-trade and international trade. Most the Corporation's operational assets are considered sovereign debts made to or guaranteed by the respective member countries or investments in member countries, which are guaranteed in a manner acceptable to the Corporation.

The Corporation carries out its business activities from the Bank's headquarters in Jeddah, Saudi Arabia. The financial statements of the Corporation are expressed in thousands of United States Dollars ("USD").

2. BASIS OF PREPARATION

2.1. Statement of compliance

The financial statements are prepared in accordance with the Financial Accounting Standards ("FAS") issued by the Accounting and Auditing Organization for Islamic Financial Institutions ("AAOIFI") and the Shari'ah rules and principles as determined by the Shari'ah Board of the Bank. In accordance with the requirements of AAOIFI, for matters for which no AAOIFI standard exists, the Corporation seeks guidance from generally accepted accounting principles as per the conceptual framework of AAOIFI provided they do not contradict the Rules and Principles of Islamic Shari'ah.

2.2. Basis of measurement

The financial statements are prepared under the historic cost convention except for the following items:

- Certain investments in sukuk which are measured at fair value through other comprehensive income.
- Post employment benefit plans obligation is measured using actuarial present value calculation based on projected unit credit method.

3. SIGNIFICANT ACCOUNTING POLICIES

a) Foreign currency

(i) *Functional and presentation currency*

These financial statements are presented in thousands of United States Dollars ("USD") which is the functional and presentation currency of the Corporation.

(ii) *Transactions and balances*

Foreign currency transactions are translated into USD using the exchange rates prevailing at the dates of the transactions. Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation of monetary assets and liabilities denominated in foreign currencies at the reporting date exchange rates are recognized in the statement of income.

Non-monetary items measured at historical cost denominated in a foreign currency are translated with the exchange rate at the date of initial recognition.

THE INTERNATIONAL ISLAMIC TRADE FINANCE CORPORATION**NOTES TO THE FINANCIAL STATEMENTS****YEAR ENDED DECEMBER 31, 2025**

(Expressed in Thousands of US Dollars unless otherwise stated)

b) Cash and cash equivalents

Cash and cash equivalents comprise bank balances and other short term highly liquid investments having an original maturity of three months or less at the date of placement.

c) Commodity murabaha placements

Commodity murabaha placements are made in Shari'ah compliant instruments with banks at a fixed profit. The buying and selling of commodities are limited by the terms of agreement between the Corporation and the various banks. The placements are initially recorded at cost, including acquisition charges and subsequently measured at cost less impairment (if any).

d) Wakala placements

Wakala placements are the investments where the Corporation acts as a principal/investor and which are managed on a wakala investment agency basis. For accounting purposes, these are accounted for under the Wakala Venture approach whereby the principal (hereinafter referred to as the "Muwakkil") initially recognizes the investment at cost and subsequently adjusts it to include Muwakkil's share in the profit or loss of the Wakala venture net of any agent's remuneration including any variable remuneration payable as of the reporting date.

e) Al-Wakala Bi Al-Istithmar

Al-Wakala Bi Al-Istithmar is used as a short to medium- and long-term working capital financing tool. The Corporation, in its capacity as the principal (hereinafter referred to as the "Muwakkil") appoints the client as its agent (hereinafter referred to as the "Wakil") to manage the investment amount (hereinafter referred to as the "Investment amount") in Shari'ah compliant activities that may be entered into, as agreed, by the Wakil on behalf of the Muwakkil. The prime objective of making such an investment is to generate profit from the business activities and get the Investment Amount paid back along with the profit amount, if any, on the investment maturity date based on the anticipated profit rate on the investments.

f) Trade murabaha financing

Trade murabaha is an agreement whereby the Corporation sells to a customer a commodity or an asset, which the Corporation has purchased and acquired based on a promise received from the customer to buy. The selling price comprises the cost plus an agreed profit margin.

Amounts receivable from trade murabaha financing are stated at the cost of goods sold or disbursements made to the beneficiaries plus profit recognized by the Corporation up to the reporting date, less repayments received and expected credit losses.

Unearned income represents the unamortized portion of total trade murabaha financing income committed at the time of actual disbursement of funds.

Commodities under trade murabaha are stated at cost, less impairment, if any.

g) Mudaraba

A contract between the Corporation and a customer whereby the customer provides the funds/resources ("Rab Al Mal"), and the Corporation (as "Mudarib") invests the funds in a project and any generated profits are distributed between the parties according to profit shares that were pre-agreed upon in the contract. The Mudarib is responsible for all losses caused by his misconduct, negligence or violation of the terms and conditions of the mudaraba, otherwise, losses are born by the Rab Al Mal.

THE INTERNATIONAL ISLAMIC TRADE FINANCE CORPORATION**NOTES TO THE FINANCIAL STATEMENTS****YEAR ENDED DECEMBER 31, 2025**

(Expressed in Thousands of US Dollars unless otherwise stated)

h) Investments in sukuk

Investments in sukuk are classified under core portfolio and treasury investment portfolio. In 2023, the Corporation has changed the business model for its investments in sukuk. This change in the classification of sukuk aims to better align the Corporation's investment strategy with its long-term liquidity and investment requirements (for definitions and details refer to note 8).

Sukuk under core portfolio are acquired with the objective to hold the instrument till its maturity and to collect expected cash flows until they are matured. These sukuk are measured at amortized cost less allowance for expected credit losses.

Sukuk that are acquired under treasury investment portfolio are initially recognized at fair value plus transaction costs at the date the contract is entered and are subsequently re-measured to their fair value at the end of each reporting period with the resulting gain or loss recognized in the statement of other comprehensive income.

The Corporation exercises judgment to consider impairment on the financial assets designated at fair value through statement of other comprehensive income, at each reporting date. This includes determination of a significant or prolonged decline in the fair value of investments below cost. The determination of what is 'significant' or 'prolonged' requires judgment. In making this judgment, the Corporation evaluates among other factors, the normal volatility in prices. In addition, the Corporation considers impairment to be appropriate when there is evidence of deterioration in the financial health of the investee, industry and sector performance, changes in technology, and operational and financing cash flows. Any resulting impairment is recognized in statement of income. Any subsequent increase in the fair value is recognized as fair value gain in statement of other comprehensive income.

i) Financial assets and liabilities

Financial assets and liabilities are recognized in the statement of financial position when the Corporation assumes related contractual rights or obligations.

A financial asset is any asset that is cash, an equity instrument of another entity, a contractual right to receive cash or another financial asset from another entity or to exchange financial assets or financial liabilities with another entity under conditions that are potentially favorable to the Corporation.

A financial liability is any liability that is a contractual obligation to deliver cash or another financial asset to another entity or to exchange financial assets or financial liabilities with another entity under conditions that are potentially unfavorable to the Corporation.

Recognized financial assets and financial liabilities are initially measured at fair value which is best evidenced by the transaction amount. Transaction costs that are directly attributable to the acquisition or issue of financial assets and financial liabilities (other than financial assets and financial liabilities at fair value through statement of income) are added to or deducted from the fair value of the financial assets or financial liabilities, as appropriate. Transaction costs directly attributable to the acquisition of financial assets or financial liabilities at fair value through statement of income are recognized immediately in statement of income.

On initial recognition, financial assets are classified and measured at either of (i) amortized cost, (ii) fair value through other comprehensive income or (iii) fair value through statement of income, on the basis of both:

- a. the Corporation's business model for managing the investments; and
- b. the expected cash flow characteristics of the investment in line with the nature of the underlying Islamic finance contracts.

THE INTERNATIONAL ISLAMIC TRADE FINANCE CORPORATION**NOTES TO THE FINANCIAL STATEMENTS****YEAR ENDED DECEMBER 31, 2025**

(Expressed in Thousands of US Dollars unless otherwise stated)

Financial assets comprise investments in debt-type instruments.

(i) Classification

Debt-type instruments

Categorization

Debt-type instruments are instruments, whereby the transaction structure results in creation of a monetary or non-monetary liability. Investments in debt-type instruments are categorized into following a) non-monetary debt-type instruments or b) monetary debt-type instruments.

a) Non-monetary debt-type instruments – these are debt-type instruments whereby the transaction structure results in creation of a non-financial liability or usufruct or services to be delivered in future; and are classified into the following categories: 1) at amortized cost, 2) at fair value through other comprehensive income or 3) fair value through statement of income.

A non-monetary debt-type instrument is classified and measured at amortized cost only if investment is held within a business model whose objective is to hold such investment in order to collect expected cash flows till maturity of the instrument and the investment have a reasonably determinable effective yield.

A non-monetary debt-type instrument classified and measured at fair value through other comprehensive income only if the investment is held within a business model whose objective is achieved by both collecting expected cash flows and selling the investment and the investment have a reasonably determinable effective yield.

A non-monetary debt-type instrument classified and measured at fair value through statement of income include investments held for trading or designated at fair value through statement of income at inception. At inception, a non-monetary debt-type instrument can only be designated at fair value through statement of income if it eliminates or significantly reduces a measurement or recognition inconsistency that would otherwise arise on measuring the assets or liabilities or quasi equity recognizing the gains or losses on them on different bases.

b) Monetary debt-type instruments – these are debt-type instruments whereby the transaction structure results in creation of a financial liability / debt; and are classified and measured at cost, till the time the transaction at the back-end is executed: and at amortized cost thereafter.

(ii) Recognition and derecognition

Instruments are derecognized at the trade date i.e., the date that the Corporation contracts to purchase or sell the asset, at which date the Corporation becomes party to the contractual provisions of the instrument. Instruments are derecognized when the rights to receive cash flows from the financial assets have expired or where the Corporation has transferred substantially all risk and rewards of ownership.

(iii) Measurement

Initial recognition

Instruments are initially recognised at fair value plus transaction costs, except for transaction costs incurred to acquire investments at fair value through statement of income which are charged to statement of income.

THE INTERNATIONAL ISLAMIC TRADE FINANCE CORPORATION**NOTES TO THE FINANCIAL STATEMENTS****YEAR ENDED DECEMBER 31, 2025**

(Expressed in Thousands of US Dollars unless otherwise stated)

Subsequent measurement

Investments at fair value through statement of income are re-measured at fair value at the end of each reporting period and the resultant re-measurement gains or losses is recognised in the statement of income in the period in which they arise. Subsequent to initial recognition, investments classified at amortized cost are measured at amortized cost using the effective profit method less any impairment allowance. All gains or losses arising from the amortization process and those arising on de-recognition or impairment of the investments, are recognised in the statement of income.

Investments at fair value through other comprehensive income are re-measured at their fair values at the end of each reporting period and the resultant gain or loss, arising from a change in the fair value of investments are recognised in the statement of changes in members' equity and presented in a separate fair value reserve within equity. When the investments classified as fair value through equity are sold, impaired, collected or otherwise disposed of, the cumulative gain or loss previously recognised in the statement of other comprehensive income is transferred to the statement of income.

Investments which do not have a quoted market price or other appropriate methods from which to derive a reliable measure of fair value when on a continuous basis cannot be determined, are stated at cost less impairment allowance, (if any).

(iv) Measurement principles

Amortised cost measurement

The amortized cost of a financial asset or liability is the amount at which the financial asset or liability is measured at initial recognition, minus capital repayments, plus or minus the cumulative amortization using the effective profit method of any difference between the initial amount recognised and the maturity amount, minus any reduction for impairment. The calculation of the effective profit rate includes all fee and points paid or received that are an integral part of the effective profit rate.

Fair value measurement

Fair value is the amount for which an asset could be exchanged, or an obligation settled between well informed and willing parties (seller and buyer) in an arm's length transaction. The Corporation measures the fair value of quoted investments using the market bid price for that instrument at the close of business on the statement of financial position date. For investment where there is no quoted market price, a reasonable estimate of the fair value is determined by reference to the current market value of another instrument, which is substantially the same or is based on the assessment of future cash flows. The cash equivalent values are determined by the Corporation by discounting future cash flows at current profit rates for contracts with similar term and risk characteristics.

(v) Reclassification

The Corporation reclassifies the financial assets if there is a change in the business model for managing those financial assets. Changes to the business model are infrequent and determined by the Corporation's senior management as a result of external or internal changes and are significant to the Corporation's operations and evident to external parties.

Reclassifications are accounted for prospectively from the reclassification date. The Corporation does not restate any previously recognised gains or losses (including impairment gains or losses) or profit.

During 2023, the Corporation reassessed and changed the business model of certain investments in Sukuk measured at fair value through other comprehensive income, Financial assets measured at fair value through other comprehensive income are reclassified to amortized cost by transferring the balance in fair value reserve in other comprehensive income immediately before reclassification to the fair value of the financial asset on the statement of financial position immediately before the reclassification.

THE INTERNATIONAL ISLAMIC TRADE FINANCE CORPORATION

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED DECEMBER 31, 2025

(Expressed in Thousands of US Dollars unless otherwise stated)

Financial assets comprise cash and cash equivalents, Wakala/Commodity murabaha placements, trade murabaha financing, and investments in sukuk. These financial assets are measured at amortized cost less impairment except for certain investments in sukuk which are measured at fair value through other comprehensive income.

Financial liabilities are classified according to the substance of the contractual arrangements entered into. Significant financial liabilities include commodity murabaha payable and due to related parties and are initially measured at their fair values and thereafter stated at their costs.

j) Impairment of financial assets**Expected credit loss against financial assets held at amortized cost and at fair value through other comprehensive income**

The Corporation applies a three-stage approach to measuring Expected Credit Losses (ECLs) for financial assets measured at amortized cost and at fair value through other comprehensive income. Financial assets migrate through the following three stages based on the change in credit risk since initial recognition.

i) Stage 1: 12-months ECL

Stage 1 includes financial assets that have not had a significant increase in credit risk (SICR) since initial recognition. The Corporation recognizes 12 months of ECL for stage 1 financial assets. In assessing whether credit risk has increased significantly, the Corporation compares the risk of a default occurring on the financial asset as at the reporting date, with the risk of a default occurring on the financial asset as at the date of its initial recognition.

ii) Stage 2: Lifetime ECL – Significant increase in credit risk

Stage 2 comprises financial assets that have had a significant increase in credit risk since initial recognition, but for which there is no objective evidence of impairment. The Corporation recognizes lifetime ECL for stage 2 financial assets. For these exposures, the Corporation recognizes an allowance amount based on lifetime ECL (i.e. an allowance amount reflecting the remaining lifetime of the financial asset). A significant increase in credit risk is considered to have occurred when contractual payments are more than 180 days past due for sovereign assets and more than 90 days past due for non-sovereign assets.

iii) Stage 3: Lifetime ECL - credit impaired

Included in stage 3 are assets that have been categorized as credit impaired. The Corporation recognizes lifetime ECL for all net recoverable amount from the customer or from the resale of goods sold to that customer.

The expected credit loss allowance on financial assets at amortized cost is recognized in statement of income with corresponding effect to that financial asset. The expected credit loss allowance on financial assets at fair value through other comprehensive income is recognized in statement of income with corresponding effect to fair value reserve of that asset in other comprehensive income.

Offsetting of financial assets and liabilities

Financial assets and liabilities are offset only when there is a legally enforceable right to set off the recognized amounts and the Corporation intends to either settle on a net basis, or to realize the asset and settle the liability simultaneously. Income and expenses are presented on a net basis only when permitted under FAS issued by AAOIFI, or for gains and losses arising from a group of similar transactions.

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k) Fixed assets

Fixed assets are recorded at cost, less accumulated depreciation. Depreciation is charged to the statement of income, using the straight-line method, to allocate their cost to their residual values over the following estimated useful lives:

Office and computer equipment	4 years
Motor vehicles	5 years

Maintenance and repair costs which do not materially extend the estimated useful life of an asset are expensed and charged to the statement of income as and when incurred. Major renewals and improvements, if any, are capitalized and the assets so replaced are retired.

Gains or losses on disposals are determined by comparing proceeds with carrying amount. These are included in the statement of income.

l) Provisions

Provisions are recognized when the Corporation has a present legal or constructive obligation as a result of a past event, it is probable that an outflow of economic resources will be required to settle the obligation and the amount can be reliably measured.

m) Revenue recognition***Trade murabaha financing***

Income from trade murabaha financing is accrued on a time apportionment basis over the period from the date of the actual disbursement of funds to the scheduled repayment date of instalments.

Commodity murabaha placements

Income from placements is recognized on a time apportionment basis over the period from the actual disbursement of funds to the date of maturity.

Wakala placements

Income from placements is recognized on a time apportionment basis over the period from the actual disbursement of funds to the date of maturity.

Investments in sukuk

Income from investments in sukuk is accrued on a time apportionment basis using the rate of return advised by the issuing entities

Mudarib share of profit

Income from Mudarib's share of profit is recognized on a time apportionment basis over the period from when the right to receive payment is established to date of repayment of all the murabaha receivable.

Syndication arrangement income and implementation fee

Income from syndication arrangement and implementation fee is recognized when beneficiary and syndication arranger have agreed upon the syndication terms and conditions, and the financing facility is declared effective. As such, revenue is recognized at a point in time when related arrangement and implementation is completed.

Letter of Credit issuance income

Letter of Credit fee income is recognized at a point in time when the related performance obligations are satisfied.

Earnings not approved by Shari'ah board.

Any income from cash and cash equivalents and other investments, which is not approved by Shari'ah board, is not included in the Corporation's statement of income. Such income is transferred instantly to Trade Development Fund for onward disbursement to charitable needs, unless the Board of directors and Shari'ah Board decide otherwise.

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n) Zakat and income tax

The Corporation is not subject to Zakat or income tax. Any liability for zakat and income tax is the responsibility of the individual members.

o) Post – employment benefit plans

The Corporation operates three defined post-employment benefit plans for its employees, the Staff Pension Plan (“SPP”), the Staff Retirement Medical Plan (“SRMP”) and the Retirement Medical Solidarity Plan (“RMSP”). All of these plans require contributions to be made to separately administered funds. A defined benefit plan is a plan that defines an amount of benefit that an employee will receive on retirement, usually dependent on one or more factors such as age, years of service and percentage of final gross salary. Independent actuaries calculate the defined benefit obligation on an annual basis by using the Projected Unit Credit Method to determine the present value of the defined benefit plan and the related service costs. The underlying actuarial assumptions are used to determine the projected benefit obligations.

A full actuarial valuation is performed every three years by engaging independent actuaries. For intermediate years, the defined benefit obligation is estimated by the independent actuaries using approximate actuarial roll-forward techniques that allow for additional benefit accrual, actual cash flows and changes in the underlying actuarial assumptions.

Actuarial valuation results presented as of December 31, 2025, RMSP full valuation was performed based on data as of November 30, 2025, and then roll forwarded to December 31, 2025. Except for RMSP, actuarial valuation results presented as of December 31, 2025, is based on a roll forward of the data as of 2024.

The present value of the defined benefit obligation due until the retirement date is determined by discounting the estimated future cash outflows (relating to service accrued to the reporting date) using the yields available on US AA rated corporate bonds. The bonds have terms to maturity closely matching the terms of the actual defined benefit obligation.

The current service cost of the defined benefit plan recognized in the statement of income reflects the increase in the defined benefit obligation resulting from employee service in the current year. The cost on defined benefit obligation represents increase in liability due to passage of time.

Retrospective modifications to benefits or curtailment gain or loss are accounted for as past service costs or income in the statement of income in the period of plan amendment.

Actuarial gains or losses, if material, are recognized immediately in the reserves under members’ equity in the year they occur. The liability represents the present value of the Corporation’s defined benefit obligations, net of the fair value of plan assets.

The pension committee, with advice from the Corporation’s actuaries, determines the Corporation’s contributions to the defined benefit scheme and the contributions are transferred to the scheme’s independent custodians.

p) Commodity murabaha payable

Commodity murabaha placements entails the purchase and sale of commodities at fixed profit. The buying and selling of commodities is limited by the terms of agreement between the Corporation and other Islamic and conventional financial institutions. Commodity murabaha placements are carried at amortized cost.

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q) Wakala payable

A Wakala is an agreement whereby one party (the “Muwakkil” / “Principal”) appoints an investment agent (the “Wakeel” / “Agent”) to invest the Muwakkil’s funds (the “Wakala Capital”) on the basis of an investment Wakala agreement (the “Wakala”).

The Corporation, acting as Wakeel decides in respect to the investments to be made from the Wakala Capital, subject to the terms of the Wakala agreement but in a fiduciary capacity and the Corporation bears no loss from and is not exposed to any variable negative returns except for the losses resulting from misconduct, negligence or violation of any of the terms of the Wakala agreements. Consequently, the Corporation does not control the underlying funds and therefore, does not recognize the Wakala capital and related investments on the statement of financial position.

Wakala fee is accrued on a time apportioned basis over the period of the contract based on the principal amounts outstanding.

Critical accounting judgements and estimates

The preparation of financial statements in accordance with FAS issued by AAOIFI, requires the use of certain critical accounting estimates and assumptions that affect the reported amounts of assets and liabilities and income and expenses. It also requires Management to exercise its judgment in the process of applying the Corporation’s accounting policies. Such estimates, assumptions and judgments are continually evaluated and are based on historical experience and other factors, including obtaining professional advice and expectations of future events that are believed to be reasonable under the circumstances. The most significant judgements and estimates are summarized below:

Significant judgements**Business model assessment**

Classification and measurement of financial assets depends on the results of the business model test. The Corporation determines the business model at a level that reflects how groups of financial assets are managed together to achieve a particular business objective. This assessment includes judgement reflecting all relevant evidence including how the performance of the assets is evaluated and their performance measured, the risks that affect the performance of the assets and how these are managed and how the managers of the assets are compensated. The Corporation monitors financial assets measured at fair value through equity. Monitoring is part of the Corporation’s continuous assessment of whether the business model for which the financial assets are held continues to be appropriate and if it is not appropriate whether there has been a change in business model and so a prospective change to the classification of those assets. For change in business model during the year, see note 8.

Going concern

The Corporation’s management has assessed the Corporation’s ability to continue as a going concern and is satisfied that the Corporation has the resources to continue in business for the foreseeable future. Furthermore, the management is not aware of any material uncertainties that may cast significant doubt upon the Corporation’s ability to continue as a going concern. Therefore, the financial statements continue to be prepared on the going concern basis.

Significant accounting estimates**Expected credit losses against financial assets**

The measurement of credit losses under FAS 30 across all categories of financial assets requires judgement, in particular, the estimation of the amount and timing of future cash flows and collateral values when determining impairment losses and the assessment of a significant increase in credit risk. These estimates are driven by a number of factors, changes in which can result in different levels of allowances. The methodology and assumptions used for estimating both the amount and timing of future cash flows are reviewed regularly to reduce any differences between loss estimates and actual loss experience.

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The Corporation's Expected Credit Losses ("ECL") calculations are outputs of complex models with a number of underlying assumptions regarding the choice of variable inputs and their interdependencies. Elements of the ECL models that are considered accounting judgements and estimates include:

- i) The Corporation's internal credit grading model, which assigns PDs to the individual grades;
- ii) The Corporation's criteria for assessing if there has been a significant increase in credit risk necessitating the loss allowance to be measured on a 12 month or lifetime ECL basis and the applicable qualitative assessment;
- iii) Development of ECL models, including the various formulas and the choice of inputs
- iv) Determination of associations between macroeconomic scenarios and, economic inputs, such as unemployment levels and collateral values, and the effect on PDs and LGDs
- v) Selection of forward-looking macroeconomic scenarios and their probability weightings, to derive the economic inputs into the ECL models.

Post - employment benefits plan

The Corporation uses the projected unit credit method to determine the present value of its defined benefit plans and the related service costs. In this regard, the Corporation uses certain assumptions of discount rates, expected return on plan assets and rate of salary increases, which may differ from actual experiences. These estimates are updated on an annual basis and are subject to an evaluation by an independent actuary.

Effects of new and revised financial accounting standards

The following new financial accounting standards ("FAS") of The Accounting and Auditing Organization for Islamic Financial Institutions ("AAOIFI"), which became effective for annual periods beginning on or after January 1, 2025, have been adopted in these financial statements if found to be applicable.

(i) Financial Accounting Standard – 40 "Financial Reporting for Islamic Finance Windows"

This standard improves upon and supersedes the AAOIFI's FAS 18 "Islamic Financial Services Offered by Conventional Financial Institutions" issued in 2002. This standard requires conventional financial institutions offering Islamic financial services through an Islamic finance window to prepare and present the financial statements of the Islamic finance window in line with the requirement of this standard, read with other AAOIFI FASs. This standard provides principles of financial reporting including the presentation and disclosure requirements applicable on Islamic finance windows.

The Corporation has assessed the requirements of this standard and concluded that it is not applicable as the Corporation is not a conventional financial institution.

(ii) Financial Accounting Standard - 42 "Presentation and Disclosures in the Financial Statements of Takaful Institutions"

This standard sets out the principles for the presentation and disclosure for the financial statements of Takaful institutions. It aims to ensure that the Takaful institutions faithfully present the information related to these arrangements to the relevant stakeholders as per the contractual relationship between the parties and the business model of the Takaful business in line with the Shari'ah principles and rules.

This standard improves the presentation and disclosure requirements, in line with the global best practices and supersedes the existing FAS 12, "General Presentation and Disclosures in the financial statements of Islamic Insurance Companies".

The Corporation has assessed the requirements of this standard and concluded that it is not applicable as the Corporation is not Takaful institutions.

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(iii) Financial Accounting Standard - 43 "Accounting for Takaful: Recognition and Measurement"

This standard sets out the principles for the recognition, measurement and reporting of Takaful arrangements and ancillary transactions for the Takaful institutions. It aims to ensure that the Takaful institutions faithfully present the information related to these arrangements to the relevant stakeholders as per the contractual relationship between the parties and the business model of the Takaful business in line with the Shari'ah principles and rules. The requirements of this standard are duly aligned with the international best practices of financial reporting for the insurance business.

The Corporation has assessed the requirements of this standard and concluded that it is not applicable as the Corporation is not on Takaful institutions

New and amended FAS in issue but not yet effective and not early adopted

The following new FASs have been issued. The Corporation intends to adopt these financial reporting standards when they become effective and is currently assessing the impact of these new FASs on its financial statements and systems.

i) Financial Accounting Standard - 45 "Quasi-Equity (including Investment Accounts)"

This standard prescribes the principles of financial reporting related to the participatory investment instruments (including investment accounts) in which an Islamic financial institution controls the underlying assets (mostly, as a working partner), on behalf of the stakeholders other than the owners' equity. Such instruments (including, in particular, the unrestricted investment accounts) normally qualify for on-balance sheet accounting and are reported as quasi-equity.

This standard provides the overall criteria for on-balance-sheet accounting for participatory investment instruments and quasi-equity, as well as, pooling, recognition, derecognition, measurement, presentation and disclosure of quasi-equity. It further addresses financial reporting related to other quasi-equity instruments and certain specific issues.

This standard shall be effective for the financial reporting period beginning on or after January 1, 2026, with early adoption permitted. The Corporation is currently evaluating the impact of this standard on its financial statements.

ii) Financial Accounting Standard - 46 "Off-Balance-Sheet Assets Under Management"

This standard prescribes the criteria for characterization of off-balance sheet assets under management and the related principles of financial reporting in line with the "AAOIFI conceptual framework for financial reporting".

This standard encompasses the aspects of recognition, derecognition, measurement, selection and adoption of accounting policies etc. relating to off balance sheet assets under management, as well as, certain specific aspects of financial reporting, e.g. impairment and onerous commitments by the institution. The standard also includes the presentation and disclosure requirements, particularly aligning the same with the requirements of FAS 1 "General Presentation and Disclosures in the Financial Statements" in respect of the Statement of changes in the off-balance sheet assets under management.

This standard shall be effective for the financial reporting period beginning on or after January 1, 2026, with early adoption permitted. This standard shall be adopted at the same time as adoption of FAS 45 "Quasi-Equity (including Investment Accounts)". The Corporation is currently evaluating the impact of this standard on its financial statements.

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iii) Financial Accounting Standard - 47 "Transfer of Assets Between Investment Pools"

This standard prescribes the financial reporting principles and disclosure requirements applicable to all transfer of assets between investment pools related to (and where material, between significant categories of) owners' equity, quasi-equity and off-balance sheet assets under management of an institution. It requires adoption and consistent application of accounting policies for such transfers in line with Shari'ah principles and rules and describes general disclosure requirements in this respect.

This standard shall be effective for the financial reporting period beginning on or after January 1, 2026, with early adoption permitted. The Corporation is currently evaluating the impact of this standard on its financial statements.

iv) Financial Accounting Standard - 48 "Promotional gifts and prizes"

This standard prescribes accounting and reporting principles for recognition, measurement, presentation and disclosures applicable to promotional gifts and prizes awarded by the Islamic Financial Institutions to their customers, including quasi-equity and other investment account holders.

This standard shall be effective for the financial reporting period beginning on or after January 1, 2026, with early adoption permitted. This standard is not applicable to the Corporation as it does not award promotional gifts or prizes to its member countries.

v) Financial Accounting Standard - 49 "Financial reporting for institutions operating in Hyperinflationary economies"

This standard outlines the principles governing financial reporting, including accounting treatments, presentation of financial statements and necessary disclosures for institutions applying AAOIFI FAS, operating within hyperinflationary economies. This standard is developed taking into account the applicable Shari'ah principles and rules, as well as the unique business models of such institutions while stipulating appropriate principles of financial reporting. This standard also prescribes a definition of a hyperinflationary economy and provides guidance on as to how to determine whether an economy qualifies as hyperinflationary.

This standard shall be effective for the financial reporting period beginning on or after January 1, 2026, with early adoption permitted. This standard is currently not applicable to the Corporation, as it does not operate in a hyperinflationary economy and, given its status as an international institution, is not subject to the circumstances addressed by this standard.

vi) Financial Accounting Standard - 50 "Financial reporting for Islamic Investment Institutions (Including Investment Funds)"

This standard prescribes the financial reporting principles applicable to the Islamic investment institutions. In particular it emphasizes on standardization with regard to the form and contents of the financial statements of investment institution. This standard prescribes the overall requirements for the presentation, minimum contents and recommended structure of their financial statements in a manner that facilitates truthful and fair presentation in line with Shari'ah principles and rules.

This standard shall be effective for the financial reporting period beginning on or after January 1, 2027, with early adoption permitted. The Corporation is currently evaluating the impact of this standard on its financial statements.

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vii) Financial Accounting Standard - 51 "Participatory ventures"

This standard prescribes accounting and financial reporting principles for recognition, measurement, presentation and disclosures to apply in relation to the participatory ventures (including most of the common structures/products based on Mudaraba and Musharaka). This standard shall be applied in respect of accounting and financial reporting by the investor(s), the working partner(s), as well as the participatory ventures with regard to all such participatory ventures that fall within the scope of this standard, including those with fixed and variable equity/quasi-equity shares.

This standard shall be effective for the financial reporting period beginning on or after January 1, 2027, with early adoption permitted. The Corporation is currently evaluating the impact of this standard on its financial statements.

viii) Financial Accounting Standard - 52 "Deferred Delivery Sales: Salam and Istisna"

This standard prescribes the accounting and financial reporting principles for recognition, measurement, presentation and disclosures related to deferred delivery sales transactions, applicable to the respective buyers and sellers. Such transactions include both, Salam and Istisna-based deferred delivery sales transactions, but do not include Istisna-based development contracts which are subject of another standard being simultaneously issued.

This standard shall be effective for the financial reporting period beginning on or after January 1, 2027, with early adoption permitted. The Corporation is currently evaluating the impact of this standard on its financial statements.

4. ISDB GROUP SHARI'AH BOARD

The Corporation's business activities are subject to the supervision of the single Shari'ah Board of the IsDB Group. The members of the single Shari'ah Board of the IsDB Group have been appointed by IsDB Board of Executive Directors through Resolution No. BED/20/10/432/ (278)/125 for a renewable period of 3 years.

The Board of the Corporation through their resolution No. ITFC/BD/24/432(24)/5 delegated the authority to the President, IsDB Group, to implement the aforesaid Resolution of the IsDB BED, in the Corporation.

The functions of the Board include the following:

- i. To consider all that are referred to it of transactions and products introduced by the Corporation for use for the first time and rule on its conformity with the principles of the Shari'ah, and to lay down the basic principles for the drafting of related contracts and other documents.
- ii. To give its opinion on the Shari'ah alternatives to conventional products which the Corporation intends to use, and to lay down the basic principles for the drafting of related contracts and other documents, and to contribute to its development with a view to enhancing the Corporation's experience in this regard.
- iii. To respond to the questions, enquiries and explications referred to it by the Board of Directors or the Management of the Corporation.
- iv. To contribute to the Corporation's program for enhancing the awareness of its staff members of Islamic Banking and to deepen their understanding of the fundamentals, principles, rules and values relative to Islamic financial transactions.
- v. To submit to the Board of Directors a comprehensive report showing the measure of the Corporation's commitment to principles of Shari'ah in the light of the opinions and directions given and the transactions reviewed.

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5. CASH AND CASH EQUIVALENTS

	2025	2024
Cash at banks (note 5.1)	225,774	161,684

5.1. It includes commodity murabaha placements with original maturities of less than three months.

5.2. As of each reporting date, all bank balances are assessed to have low credit risk as they are held with reputable and high credit rating banking institutions and there has been no history of default with any of the Corporation's bank balances. Therefore, the probability of default based on forward looking factors and any loss given defaults are considered to be negligible.

6. COMMODITY MURABAHA PLACEMENTS

	2025	2024
Placements with conventional bank	67,594	71,745
Commodity murabaha placements with maturities less than 3 months (note 5)	-	(40,000)
	67,594	31,745

Commodity murabaha placements entails the purchase and sale of commodities at agreed profit rates. The buying and selling of commodities is limited by the terms of agreement between the Bank and other Islamic and conventional financial institutions with Islamic windows.

7. TRADE MURABAHA FINANCING, NET

	2025	2024
Gross amounts receivable	1,683,823	1,404,799
Less: unearned income	(59,496)	(49,403)
	1,624,327	1,355,396
Allowance for expected credit losses	(7,352)	(14,981)
Net receivable under murabaha financing	1,616,975	1,340,415

All goods purchased for resale under murabaha financing are made on the basis of specific purchase for resale to a specific customer. The promise of the customer is considered to be binding. Consequently, any loss suffered by the Corporation as a result of impairment of commodities or default by the customer prior to the sale of goods would be reimbursed by the customer. The Corporation also participates in syndicated murabaha financing as a lead syndicate manager. The net assets managed on behalf of syndicate member is presented in statement of changes in off-balance sheet assets under management.

The movement in the expected credit losses and exposure at default on trade murabaha financing at the end of the reporting period is as follows:

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Exposure at default

2025	Stage 1	Stage 2	Stage 3	Total
January 1	1,058,901	296,495	-	1,355,396
Net change for the year	268,845	86	-	268,931
December 31	1,327,746	296,581	-	1,624,327

Expected credit losses

2025	Stage 1	Stage 2	Stage 3	Total
January 1	8,140	6,841	-	14,981
Reversal for the year	(2,306)	(5,323)	-	(7,629)
December 31	5,834	1,518	-	7,352

Exposure at default

2024	Stage 1	Stage 2	Stage 3	Total
January 1	854,527	178,976	-	1,033,503
Net change for the year	204,374	117,519	-	321,893
December 31	1,058,901	296,495	-	1,355,396

Expected credit losses

2024	Stage 1	Stage 2	Stage 3	Total
January 1	8,950	2,186	-	11,136
(Reversal)/ charge for the year	(810)	4,655	-	3,845
December 31	8,140	6,841	-	14,981

No income is accrued on the credit-impaired trade murabaha financing assets for the year ended December 31, 2025, and 2024.

The past due balance as of December 31, 2025, amounted to USD nil (2024: USD 38.9 million).

8. INVESTMENTS IN SUKUK

	2025	2024
Investments at amortized cost	514,183	464,983
Investments at fair value through other comprehensive income	82,447	62,848
	596,630	527,831

The movement in investments in sukuk is summarized as follows:

	2025	2024
January 1	527,831	426,417
Investments during the year	172,694	136,845
Disposals / matured during the year	(106,489)	(39,050)
Accrued income	924	3,432
Net movement in the fair value reserve	1,716	(5)
Charge of allowance for expected credit losses	(184)	(104)
Charge for impairment	-	(28)
Amortization of discount on purchase of sukuks, net	138	324
December 31	596,630	527,831

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Investments in sukuk as of December 31, 2025, and 2024 represent sukuks issued by various governments and certain other entities. Till September 2023, before the change in business model, the Corporation's investment in sukuk were designated as at fair value through statement of other comprehensive income.

In October 2023, the Corporation changed the business model for its investments in sukuk. This change in the classification of sukuks aimed to better align the Corporation's investment strategy with its long-term liquidity and investment requirements. The revised business model consists of:

- (i) A core portfolio consisting of high-quality liquid assets with the objective to hold investments in order to collect expected cash flows until the instrument's maturity. Assets held under this portfolio are measured at amortized cost.
- (ii) A treasury investment portfolio ("TIP") generates incremental returns to achieve both collections of expected cash flows and selling. Assets held under this portfolio are designated, upon initial recognition, as fair value through statement of other comprehensive income.

As of December 31, 2025, the amortized cost of sukuk measured at fair value through statement of other comprehensive income is USD 80.6 million (2024: USD 66.8 million). The fair value of sukuk measured at amortized cost is USD 498.4 million (2024: 437.2 million).

Investments in sukuk includes sukuks issued by a related party recognized at the carrying value of USD 50 million (2024: USD 50 million).

The unrealized loss on revaluation recognized in equity is net of realized gain / (loss) on Investments in sukuk.

December 31, 2025	Counterparty rating					Total
	AAA	AA+ to AA-	A+ to A-	BBB BB and below		
- Governments	-	71,958	159,419	73,098	74,986	379,461
- Other entities	50,195	35,014	129,802	-	2,158	217,169
	50,195	106,972	289,221	73,098	77,144	596,630

December 31, 2024	Counterparty rating					Total
	AAA	AA+ to AA-	A+ to A-	BBB BB and below		
- Governments	50,395	41,654	124,830	50,965	14,892	282,736
- Other entities	-	35,554	160,457	29,182	19,902	245,095
	50,395	77,208	285,287	80,147	34,794	527,831

Expected credit losses

2025	Stage 1	Stage 2	Stage 3	Total
January 1	344	-	-	344
Charge for the year	184	-	-	184
December 31	528	-	-	528
2024	Stage 1	Stage 2	Stage 3	Total
January 1	292	-	-	292
Reversal during the year	(52)	-	-	(52)
Charge for the year	104	-	-	104
December 31	344	-	-	344

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9. ACCRUED INCOME AND OTHER ASSETS

	2025	2024
Accrued income on investments in sukuk	827	515
Retirees Medical Solidarity Fund Assets	3,989	-
Employee advances	7,464	5,942
Other receivables	2,200	2,744
	14,480	9,201

10. ACCRUALS AND OTHER LIABILITIES

	2025	2024
Accrued and other expenses	3,995	2,778
Staff pension and retirement medical plans liability	9,013	5,875
Staff related provisions	5,793	8,267
Other creditors	359	288
Advances from customers and payable to syndicate members	80,022	7,202
Grant accrual for the Corporation's trade business initiative	5,000	9,297
Other payable	3,131	11,636
	107,313	45,343

11. RELATED PARTY TRANSACTIONS AND BALANCES

Related parties represent Board of Governors, Directors and key management personnel of the Corporation, and affiliate entities of IsDB Group. In the ordinary course of its activities, the Corporation receives funds from IsDB and executes business transactions with related parties. The terms of the funding that is provided by IsDB and the transactions that are executed with related parties are approved by the Corporation's management and subject to current IsDB rules, regulations and guidelines.

(a) Significant transaction executed during the year are as follows:

	2025	2024
Mudarib's share of profit from affiliate	5,209	5,353
Trade murabaha income paid to affiliate members on their share in the syndicated trade murabaha	33,033	36,442

Due to related party comprises of:

	2025	2024
IsDB - Ordinary Capital Resources	2,163	587
IsDB Medical Fund	86	-
Islamic Corporation for the Development of the Private Sector	21	34
Special Account Resources Waqf Fund	7	-
IsDB Pension Fund	471	138
	2,748	759

- i. According to the IsDB's Board of Executive Directors' resolution number BED/27/12/428(249)/157, dated January 6, 2008 (27 Dhul Hijja 1428H), the Board resolved to allocate USD 1 billion of IsDB-OCR resources for the Corporation, wherein the Corporation will act as Mudarib under a Mudaraba agreement dated March 18, 2008 (10 Rabi al Awal 1429H).

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- ii. As of December 31, 2025, the balance of USD 444.8 million (2024: 542.3 million) payable to related parties is presented in statement of changes in off-balance sheet assets under management (note 23). This includes cumulative disbursements and repayment during the year of USD 696.9 million (2024: USD 820 million) and USD 794.4 million (2024: USD 865.2 million), respectively.
- iii. The Corporation earns Mudarib's share of profit from IsDB group entities based on its agreed share of profit related to trade murabaha financing transactions.

(b) Key management compensation

Key management personnel include Corporation Manager, Deputy Corporation Manager and other senior management personnel. Compensation to Corporation's senior management personnel includes salaries and related benefits and Board of director's fee.

The compensation to key management is as follows:

	2025	2024
Salaries and other benefits	367	911
Board of directors' fee	818	736

12. COMMODITY MURABAHA PAYABLE

The Corporation has entered into commodity murabaha purchase and sale agreements with certain counterparties. Under the terms of the agreements, the Corporation has purchased certain commodities from these counter parties on deferred payment basis and has simultaneously sold these through those counter properties to third parties. The outstanding balance as of December 31 represents the purchase price under these agreements. Financing cost incurred on commodity murabaha purchases during 2025 was USD 31.2 million (2024: USD 26.5 million).

13. POST – EMPLOYMENT BENEFITS PLANS

IsDB Group staff retirement plan comprises of defined benefit and hybrid plans within Staff Pension Plan ("SPP") and Retirees Medical Solidarity Plan ("RMSF"), and defined benefit plan within Staff Retirement Medical Plan ("SRMP") (collectively referred to as staff retirement plans ("SRPs")). Every person employed by the Bank and its affiliates under regular appointment or a fixed term contract commencing from 01/07/1447H (01/01/2025G), as defined in the Bank and affiliates employment policies, is eligible to participate in the SRP from the date of joining the Bank.

IsDB Group has a multi-employer plan and includes the Corporation, Islamic Development Bank - Ordinary Capital Resources (IsDB-OCR), Special Account Resources Waqf Fund (WAQF), The Islamic Corporation for Development of the Private Sector (ICD), The Islamic Corporation for the Insurance of Investments and Export Credit (ICIEC) and Islamic Solidarity Fund for Development (ISFD).

Staff Pension Plan ("SPP")

SPP is a combination of both old defined benefit plan (Pillar I) and new hybrid pension plan (Pillar II) and became effective on 1st Rajab 1399H (corresponding to May 27, 1979) and 17/05/1442H (01/01/2021G) respectively. Every person employed by the Bank and its affiliates under a regular appointment or a fixed term contract commencing from 01/07/1447H (01/01/2025G), as defined in the employment policies of the Bank and its affiliates, is eligible to participate in the SPP, from the date of joining the Bank and its affiliates. Participation in the hybrid pension plan (Pillar II) is limited to those who have less than five years of service as of December 31, 2020, on optional basis however, those who joined the Bank from January 1, 2021, are enrolled automatically.

In both pillars, the employee contributes at a rate of 11.1% (2024-11.1%) of the basic annual salary while the Bank and its affiliates contribute 25.9% (2024-25.9%).

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The main features of the SPP are:

- (i) Normal retirement age is the 62nd anniversary of the participant's birth
- (ii) On retirement, the eligible retired employee is entitled to 2.5% under the old staff retirement plan or 1% under the hybrid plan in the Defined Benefit ("DB") component, of the Weighted Highest Average Remuneration ("WHAR") for the old pension plan and Highest Average Remuneration ("HAR") (as defined by the pension committee) for each year of pensionable service and limited to a maximum of 30 hijri years.
- (iii) 10% of Bank and its affiliates contribution of 25.9%, and 5% of employee's contribution of 11.1%, are used to fund the Defined Contribution ("DC") component of the hybrid plan. The accumulated fund and its investment returns will be paid as retirement lump sum benefits to the participants in the hybrid plan.
- (iv) Benefits payment upon early retirement, disability benefits, termination benefits, pre-retirement death or post-retirement death benefits are also paid as determined by the pension committee.

Staff Retirement Medical Plan ("SRMP")

Effective 1st Muharram 1421H (corresponding to April 6, 2000), the Bank established the medical benefit scheme for retired employees via the BED resolution dated 18 Shawwal 1418H (corresponding to February 15, 1998). This was extended to eligible staff members of the Bank's affiliates i.e. for SPP. The Bank and its affiliates at a rate of 1% and the staff at a rate of 0.5% of the basic salaries respectively fund the SRMP. The purpose of the SRMP is to pay a monthly amount to eligible retired employees towards their medical expenses.

The entitlements payable for each retired employee under the medical plan is computed according to the following formula:

WHAR (as defined by the pension committee) X contributory period (limited to a maximum of 30 Hijri years) X 0.18%

Benefits payment upon early retirement, disability benefits, termination benefits, pre-retirement death or post-retirement death benefits are also paid as determined by the pension committee.

Retirees Medical Solidarity Fund ("RMSF")

In February 2019, the BED approved, establishment of the Retirees Medical Solidarity Fund (RMSF) which would provide new medical coverage benefits for IsDB Group staff future retirees. Under the proposal, active staff members who have at least 10 years of service period before their normal retirement age as of January 1, 2019, will automatically fall under RMSF. Those staff members who do not meet the minimum service period threshold will be offered the option to join the new Fund.

Under RMSF, retirees will have their actual medical costs covered as per the minimum guaranteed benefit schedule. This mainly covers hospitalization and emergency care, repatriation and ambulance transport. Overseas specialist hospitalization and outpatient care is also covered but only in specified countries.

Members of RMSF started to receive benefits as from April 1, 2022 (the full implementation date of the Plan).

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RMSF is funded on 4/4/4 % contribution basis. Employees contribute 4% of their pensionable salaries and the employer matches it with 4%. Retirees also contribute 4% of their pension (before commutation withdrawals). Both employer and employee contributions started to accrue on January 1, 2019.

Retirees who were eligible to be covered by the Fund were asked to pay up the 10 years minimum required contributions period to receive benefits.

Administration of SRPs

The Pension Committee appointed by the President of IsDB Group, administers SPP and SRMP whereas the Executive Committee (EC) administers RMSF as separate funds on behalf of its employees. These two committees are responsible for the oversight of investment and actuarial activities of the SRPs. The SPP's assets are invested in accordance with the policies set out by the Pension Committee. The Bank and its affiliates underwrite the investment and actuarial risk of the SRPs and share the administrative expenses of SPP and Medical Plan, whereas RMSF pays its administrative expenses.

Risks*Investment risk*

The present value of the SRPs' liability is calculated using a discount rate determined by reference to the US AA- Rated corporate bond market; if the return on SRPs' asset is below this rate, it will create a plan deficit. Currently the SRPs' have a relatively balanced investment in equity securities, debt instruments and real estate. Due to the long-term nature of the SRPs' liabilities, the administrator of SRPs' considers it appropriate that a reasonable portion of the SRPs' assets should be invested in equity securities and in real estate to leverage the return generated by the fund.

Discount rate

A decrease in the bond return rate will increase the SRPs' liability but this will be partially offset by an increase in the return on the SRPs' debt investments.

Longevity risk

The present value of the SRPs' liability is calculated by reference to the best estimate of the mortality of SRPs' participants both during and after their employment. An increase in the life expectancy of the SRPs' participants will increase the SRPs' liability.

Salary risk

The present value of the SRPs' liability is calculated by reference to the future salaries of SRPs' participants. As such, an increase in the salary of the SRPs' participants will increase the SRPs' liability.

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The following table summarizes the movements on the present value of the defined benefit obligation:

	SPP		SRMP		RMSF	
	2025	2024	2025	2024	2025	2024
Benefit obligation as of January 1	54,909	55,930	1,361	1,420	562	700
Current service costs	3,022	3,025	7	12	165	195
Cost on defined benefit obligation ("DBO")	3,020	2,727	76	69	46	47
Plan participants contributions	1,325	1,344	3	3	608	527
Disbursements from plan assets	(3,923)	(837)	(37)	(38)	(27)	(9)
Net actuarial (gain) / loss	2,686	(7,280)	(26)	(105)	(932)	(898)
Benefit obligation as of December 31	61,039	54,909	1,384	1,361	422	562

The movements in the plan assets are as follows:

	SPP		SRMP		RMSF	
	2025	2024	2025	2025	2025	2024
Fair value of plan assets as of January 1	47,011	40,893	862	775	3,084	2,008
Adjustment of fair value at beginning of the year	160	1,104	1	4	3	5
Income on plan assets	2,660	2,044	48	37	118	142
Return on plan assets greater / (less) than discount rate	2,048	(772)	2	59	-	(107)
Plan participants contribution	1,325	1,344	3	3	608	527
Employer contribution	3,227	3,235	23	22	625	518
Disbursements from plan assets	(3,923)	(837)	(37)	(38)	(27)	(9)
Fair value of plan assets as of December 31	52,508	47,011	902	862	4,411	3,084
Deficit/ (surplus)	8,531	7,898	482	499	(3,989)	(2,522)

December 31, 2025		December 31, 2024	
Deficit (liability)	Surplus (Asset)	Deficit (liability)	Surplus (Asset)
9,013	(3,989)	5,875	-

Funded status – liability / (asset) recognized in the statement of financial position representing excess of benefit obligation over fair value of plan assets (note 9 and note 10)

9,013 **(3,989)** 5,875 -

The above net liability/ (asset) mainly represents the cumulative actuarial losses/ (gains) resulting from the difference between the actual experience and the assumptions used in estimating the liability, which is recognized by the Corporation in the statement of other comprehensive income immediately in the year, it arises, if material.

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Based on the actuarial valuations, the pension and medical benefit expenses for the year 2025 comprised the following:

	SPP		SRMP		RMSF	
	2025	2024	2025	2024	2025	2024
Current service costs	3,022	3,025	7	12	165	195
Expense on defined benefit obligation	3,020	2,727	76	69	46	47
Income on assets	(2,660)	(2,044)	(48)	(37)	(118)	(142)
Amount recognized in the statement of income	3,382	3,708	35	44	93	100
Actuarial (gain)/ loss due to change in assumptions	2,686	(7,280)	(26)	(105)	(932)	(898)
Return on plan assets (greater / less than discount rate)	(2,048)	772	(2)	(59)	-	107
Accumulated opening contributions	(160)	(1,104)	(1)	(4)	(3)	(5)
(Gain)/ loss recognized in the statement of other comprehensive income	478	(7,612)	(29)	(168)	(935)	(796)

Principal assumptions used in the actuarial valuations are as follows:

	SPP		SRMP		RMSF	
	2025	2024	2025	2024	2025	2024
Discount rate	5.50%	5.66%	5.50%	5.66%	5.50%	5.66%
Rate of expected salary increase	4.5%-6.5%	4.5%-6.5%	4.5%-6.5%	4.5%-6.5%	4.5%-6.5%	4.5%-6.5%

The discount rate used in determining the benefit obligations is selected by reference to the long-term rates on AA rated corporate bonds. Rate of expected salaries increase for 2025 and 2024 was based on age i.e., 20-35 years – 6.5%, 35-50 years – 5.0% and above 50 years - 4.5%.

The sensitivity of defined benefit obligation to changes in the weighted principal assumptions is as follows:

	SPP		SRMP		RMSF	
	+0.5%	-0.5%	+0.5%	-0.5%	+0.5%	-0.5%
2025	(Decrease in liability)/increase in liability					
Discount rate	(4,230)	4,770	(61)	65	(115)	143
Rate of salary increase	2,104	(1,968)	-	(1)	-	-
2024	(Decrease in liability)/increase in liability					
Discount rate	(3,820)	4,308	(61)	65	(116)	142
Rate of salary increase	1,922	(1,794)	1	(1)	-	-

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The following table presents the plan assets by major category:

	SPP	SRMP	RMSF	Total	Total
	2025	2025	2025	2025	2024
Cash and cash equivalent and commodity placements	16,188	845	984	18,017	21,361
Managed funds and instalment sales	21,222	-	3,122	24,344	13,733
Investments in sukuk	13,987	49	250	14,286	14,986
Land	630	-	-	630	581
Other (net)	481	8	55	544	296
Plan assets	52,508	902	4,411	57,821	50,957

The following table summarizes the expected funding status for the next year:

	SPP	SRMP	RMSF
	2026		
Present value of defined benefit obligation	63,963	1,364	1,199
Fair value of plan assets	(55,197)	(854)	(5,762)
Plan deficit/ (surplus)	8,766	510	(4,563)
2025			
Present value of defined benefit obligation	57,837	1,398	1,288
Fair value of plan assets	(49,634)	(871)	(4,269)
Plan deficit/ (surplus)	8,203	527	(2,981)

SPP

The expected employer contribution for year ended December 31, 2026, is USD 3,227 thousand and expected costs to be recognized in profit or loss is USD 3,463 thousand.

SRMP

The expected employer contribution for year ended December 31, 2026, is USD 6 thousand and expected costs to be recognized in profit or loss is USD 33 thousand.

RMSF

The expected employer contribution for year ended December 31, 2026, is USD 517 thousand and expected gain to be recognized in profit or loss is USD 58 thousand.

The amounts recognized in the pension and medical obligations reserve are as follows:

	SPP	SRMP	RMSF	Total	Total
	2025	2025	2025	2025	2024
January 1	806	251	(2,636)	(1,579)	6,997
Effect of changes in financial assumptions	1,409	20	187	1,616	(6,085)
Effect of changes in demographic assumptions	-	-	(72)	(72)	204
Effect of experience adjustments	1,277	(46)	(1,047)	184	(2,402)
Return on plan assets (greater)/ less than discount rate	(2,048)	(2)	-	(2,050)	820
Other adjustments	(160)	(1)	(3)	(164)	(1,113)
December 31	1,284	222	(3,571)	(2,065)	(1,579)

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The expected maturity analysis is below:

2025	SPP	SRMP	RMSF
Year 1	4,784	103	(25)
Year 2	2,879	116	(16)
Year 3	1,489	114	(14)
Year 4	2,776	113	(18)
Year 5	2,257	111	(17)
Next five years	8,803	527	(113)
2024	SPP	SRMP	RMSF
Year 1	4,413	48	(19)
Year 2	1,495	79	(18)
Year 3	2,793	95	(16)
Year 4	1,457	98	(7)
Year 5	2,684	101	(5)
Next five years	12,444	556	(54)

14. PAID-UP CAPITAL

The capital of the Corporation at end of the reporting period comprised the following:

	2025	2024
Authorized capital	4,000,000	4,000,000
Subscribed capital	858,690	858,690
Subscribed not yet called	(25,730)	(25,730)
Called-up share capital (par value)	832,960	832,960
Installment due but not paid	(85,812)	(86,142)
Paid-up capital (par value)	747,148	746,818
Subscribed premium	81,992	67,902
Subscribed premium not yet called	(16,901)	(13,631)
Called up share premium	65,091	54,271
Installment due but not paid	(55,936)	(45,291)
Paid-up capital (premium)	9,155	8,980
Paid-up capital (par value plus premium)	756,303	755,798

15. GENERAL RESERVE

In accordance with Article 27 of the Articles of Agreement of the Corporation, the General Assembly shall annually determine the dividends to be distributed only after the reserve reaches 25% of the subscribed capital.

In accordance with General Assembly's resolution no. GA16/5-442 adopted on September 4, 2022, during the 16th meeting of General Assembly, the Corporation is required to allocate 6% of its net income but no less than USD 2 million annually and no more than USD 5 million annually for Corporation's trade development programs, initiatives, and other engagements for a period of next 5 years starting from the year 2020 till year 2024. This arrangement has ended in 2024 and consequently the Corporation has allocated USD Nil for 2025 (2024: USD 5 million) for this purpose.

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16. OTHER ADMINISTRATIVE EXPENSES

	2025	2024
Consultancy and marketing	2,786	3,030
Office rent and support services	2,410	1,663
Digitalization and subscription	4,685	2,508
Travel expenses	1,013	1,309
Meeting expenses	1,253	973
Other expenses	771	698
	12,918	10,181

17. UNDISBURSED COMMITMENTS

Undisbursed commitments are trade finance operations which are declared effective, and for which customers can call on for disbursement at any point in time. The items making up these undisbursed commitments are:

- Operations declared effective but disbursement yet to commence; and
- The undisbursed portion of those operations under active disbursement including Letters of Credit (L/Cs) issued, valid not yet drawn, unmatured Usance L/Cs and Standby L/Cs.

Undisbursed commitments comprised the following:

	2025	2024
Undisbursed commitments – trade murabaha financing	588,220	496,563
LCs and standby obligations	45,494	72,044
	633,714	568,607

The allowance for expected credit losses related to LCs and undisbursed commitments amounting to USD 1.2 million (2024: USD 1.06 million) is recorded under trade murabaha financing.

18. MATURITY PROFILE

Financial assets and liabilities according to their respective contractual maturity periods is as following:

2025	Maturity period determined				Maturity period not determined	Total
	Less than 3 months	3 to 12 months	1 to 5 years	Over 5 years		
Assets						
Cash and cash equivalents	225,774	-	-	-	-	225,774
Commodity murabaha placements	-	67,594	-	-	-	67,594
Trade murabaha financing	623,774	764,932	228,269	-	-	1,616,975
Investments in sukuk	9,889	44,495	382,774	159,472	-	596,630
	859,437	877,021	611,043	159,472	-	2,506,973

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2025	Maturity period determined				Maturity period not determined	Total
	Less than 3 months	3 to 12 months	1 to 5 years	Over 5 years		
Liabilities						
Due to related parties	2,748	-	-	-	-	2,748
Commodity murabaha payable	524,547	213,109	120,181	200,935	-	1,058,772
Total financial liabilities	527,295	213,109	120,181	200,935	-	1,061,520
Undisbursed commitments (note 17)	49,866	538,354	-	-	-	588,220
2024	Maturity period determined				Maturity period not determined	Total
	Less than 3 months	3 to 12 months	1 to 5 years	Over 5 years		
Assets						
Cash and cash equivalents	161,684	-	-	-	-	161,684
Commodity murabaha placements	-	31,745	-	-	-	31,745
Wakala placements	-	-	-	-	-	-
Trade murabaha financing	460,367	690,436	189,612	-	-	1,340,415
Investments in sukuk	43,625	47,996	256,515	179,695	-	527,831
Total financial assets	665,676	770,177	446,127	179,695	-	2,061,675
2024	Maturity period determined				Maturity period not determined	Total
	Less than 3 months	3 to 12 months	1 to 5 years	Over 5 years		
Liabilities						
Due to related parties	759	-	-	-	-	759
Commodity murabaha payable	498,239	290,437	-	-	-	788,676
Total financial liabilities	498,998	290,437	-	-	-	789,435
Undisbursed commitments (note 17)	266,602	229,961	-	-	-	496,563

19. NET ASSETS IN FOREIGN CURRENCIES

	2025	2024
Saudi Riyal	1,201	1,712
Euro	11,969	6,549
AED	9	9

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20. CONCENTRATION OF FINANCIAL ASSETS

The geographical distribution of net financial assets are as follows:

2025	Cash and cash equivalents	Commodity murabaha placements	Trade murabaha financing	Investments in sukuk	Total
Azerbaijan	-	-	1,064	-	1,064
Bahrain	-	30,226	-	15,116	45,342
Bangladesh	-	-	140,483	-	140,483
Belgium	180	-	-	-	180
Burkina Faso	-	-	56,768	-	56,768
Cameroon	-	-	8,300	-	8,300
Comoros	-	-	16,499	-	16,499
Djibouti	-	-	13,700	-	13,700
Egypt	-	-	286,336	-	286,336
Gambia	-	-	18,640	-	18,640
Guinea	-	-	890	-	890
Hong Kong	-	-	-	42,261	42,261
Indonesia	8	-	10,112	50,302	60,422
Kenya	-	-	20,483	-	20,483
Malaysia	-	-	-	53,160	53,160
Maldives	-	-	61,476	-	61,476
Mauritania	-	-	53,032	-	53,032
Nigeria	-	-	44,759	-	44,759
Oman	-	-	98	13,356	13,454
Pakistan	-	-	225,579	-	225,579
Philippines	-	-	-	10,102	10,102
Qatar	-	30,301	-	30,041	60,342
IsDB	-	-	-	50,391	50,391
Regional	-	-	56,898	-	56,898
Saudi Arabia	1,202	-	-	185,882	187,084
Senegal	-	-	87,722	-	87,722
Tajikistan	-	-	20,491	-	20,491
Togo	-	-	33,891	-	33,891
Tunisia	-	-	45,801	-	45,801
Turkiye	-	-	137,830	20,744	158,574
United Arab Emirates	376	-	-	125,275	125,651
United Kingdom	224,008	7,067	-	-	231,075
Uzbekistan	-	-	276,123	-	276,123
Total	225,774	67,594	1,616,975	596,630	2,506,973

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2024	Cash and cash equivalents	Commodity murabaha placements	Trade murabaha financing	Investments in sukuk	Total
Bahrain	10,000	10,249	-	16,114	36,363
Bangladesh	-	-	172,952	-	172,952
Belgium	10	-	-	-	10
Burkina Faso	-	-	49,699	-	49,699
Cameroon	-	-	12,685	-	12,685
France	10,000	-	-	-	10,000
Comoros	-	-	15,290	-	15,290
Djibouti	-	-	10,305	-	10,305
Egypt	-	-	242,819	-	242,819
Gambia	-	-	38,512	-	38,512
Guinea	-	-	3,457	-	3,457
Hong Kong	-	-	-	41,654	41,654
Indonesia	-	-	-	43,217	43,217
Kuwait	-	-	-	24,824	24,824
Malaysia	-	-	-	39,890	39,890
Maldives	-	-	65,156	-	65,156
Mali	-	-	36,950	-	36,950
Mauritania	-	-	13,809	-	13,809
Oman	-	-	-	2,090	2,090
Pakistan	-	-	188,332	-	188,332
Qatar	20,000	21,496	-	19,169	60,665
IsDB	-	-	-	50,395	50,395
Saudi Arabia	1,713	-	-	142,862	144,575
Senegal	-	-	156,249	-	156,249
Tajikistan	-	-	17,487	-	17,487
Togo	-	-	25,878	-	25,878
Tunisia	-	-	57,405	-	57,405
Turkiye	-	-	96,827	-	96,827
United Arab Emirates	1,125	-	-	147,616	148,741
United Kingdom	118,836	-	-	-	118,836
Uzbekistan	-	-	136,603	-	136,603
Total	161,684	31,745	1,340,415	527,831	2,061,675

The geographical locations of assets reflect the countries in which the beneficiaries of the assets are located.

21. RISK MANAGEMENT

The Corporation's risk management is governed by various risk management policies, procedures and guidelines. The Risk Management Department ("RMD") is responsible for dealing with all risk policies, guidelines and procedures with a view to achieving sound, safe and sustainable low risk profile for the Corporation through the identification, measurement and monitoring of all types of risks inherent in its activities. The Corporation's management committee is responsible for reviewing the risk management policies, procedures, guidelines and defining the Corporation's risk management framework and appetite, with a view to ensuring that there are appropriate controls on all major risks resulting from the Corporation's activities and financial transactions.

THE INTERNATIONAL ISLAMIC TRADE FINANCE CORPORATION

NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED DECEMBER 31, 2025

(Expressed in Thousands of US Dollars unless otherwise stated)

Management level committees perform risk monitoring and oversight roles: the Asset and Liability Management Committee ("ALCO"), the Credit Committees ("CC") and Investment Committees ("IC") and Risk Management Committee ("RMC"). The ALCO is the oversight and control organ of the Corporation's finance and treasury risk management activities. CC and IC ensure effective implementation of the Bank's credit and investment policies and oversees all credit risk issues related to sovereign and non-sovereign operations. The RMC ensures that there is appropriate monitoring and oversight on all major risks arising from financing and investment operations through adopting relevant risk management frameworks, policies, guidelines and risk reports.

a) Credit risk

Credit risk is the risk that one party to a financial instrument will fail to discharge an obligation and cause the other party to incur a financial loss.

For all classes of financial assets held by the Corporation, the maximum credit risk exposure to the Corporation is their carrying value as disclosed in the statement of financial position (note 6, 7 and 8). The assets which subject the Corporation to credit risk principally consist of Wakala / Commodity Murabaha placements, trade Murabaha financing and investments in sukuk which are, in accordance with specific eligibility criteria and credit risk assessments. Trade Murabaha financing is covered, in most cases, by sovereign guarantees from Member Countries, or commercial bank guarantees from Corporations whose ratings are acceptable to the Corporation per its policies.

Credit risk includes potential losses arising from a counterparty's (i.e., countries and banks/financial institutions, corporates, etc.) inability or unwillingness to service its obligation to the Corporation. In this respect, the Corporation has developed and put in place comprehensive credit policies and guidelines as a part of the overall credit risk management framework to provide clear guidance on various types of financing. In addition, the Corporation has in place a counterparty's assessment criteria and detailed structured exposure limits in line with the best banking practices. As a matter of fact, an important element tool of credit risk management is the established exposure limits for single beneficiary or an obligor and group of connected obligors. In this respect, the Corporation has a well-developed limit structure, which is based on the credit strength of the beneficiary.

The Corporation maintains a comprehensive internal rating system for various classes of counterparties that are eligible for financing. While extending financing to its member countries, the Corporation safeguards its interests by obtaining the relevant guarantees for its financing operations and has to ensure that the concerned beneficiaries as well as the guarantors are able to meet their obligations to the Corporation.

These policies and guidelines are clearly communicated within the Corporation with a view to maintain overall credit risk appetite and profile within the parameters set by Management. The credit policy formulation, credit limit setting, monitoring of credit exceptions/exposures and review /monitoring functions are performed independently by the RMD, which endeavors to ensure that business lines comply with risk parameters established by the Board of Directors ("BOD") and Management.

Country risk refers to the risks associated with the economic, social and political environments of the beneficiary's home country. Guidelines were developed for monitoring country exposure to safeguard the Corporation against undue risk. The country exposure limits are determined and periodically reviewed and updated taking into consideration the recent macro-economic, financial, and other developments in the member countries, and the status of their business relationship with the Corporation.

The (reversal)/ allowance recognized during the year is as follows:

	2025	2024
Murabaha receivables (note 7)	(7,629)	3,845
Investments in sukuk (note 8)	184	132
Cash and cash equivalents (note 5)	-	(1)
Total	(7,445)	3,976

THE INTERNATIONAL ISLAMIC TRADE FINANCE CORPORATION**NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED DECEMBER 31, 2025**

(Expressed in Thousands of US Dollars unless otherwise stated)

b) Market and liquidity risks

The Corporation is exposed to following risks:

i) Currency risk

Currency risk arises from the possibility that changes in foreign exchange rates will affect the value of the financial assets and liabilities denominated in foreign currencies. The Corporation does not hedge its currency exposure by means of hedging instruments. The Corporation monitors the composition of its assets and liabilities and adjusts balances regularly to limit its exposure to fluctuations in foreign exchange rates. A significant portion of the Corporation's financing operations are USD-denominated, the same currency in which the Corporation resources – i.e., equity is denominated. Any financing denominated in currencies other than the functional currency is based on matched-funding principles or funded through external syndicate partners. The Corporation does not actively trade in currencies.

ii) Liquidity risk

Liquidity risk is the risk that the Corporation will be unable to meet its net funding requirements. To guard against this risk, the Corporation adopts a conservative approach by maintaining high liquidity levels through investment in cash, cash equivalents, placements through banks and trade Murabaha financing with short-term maturity of three to twelve months. The maturity profile of the Corporation's financial assets and liabilities has been presented in note 18.

iii) Mark-up risk

Mark-up risk arises from the possibility that changes in mark-up will affect the value of the financial instruments. The Corporation is exposed to mark-up on its investments in placements through banks, investments in sukuk and trade Murabaha financing. In respect of the financial assets, the Corporation's returns are based on a benchmark and hence vary according to the market conditions.

The sensitivity analysis has been determined based on the exposure to profit rates at the reporting date and the stipulated change taking place at the beginning of the financial year and held constant throughout the reporting period. A 50-basis point change is used when reporting profit rate risk internally to key management personnel and represents management's assessment of the possible change in profit rates.

c) Operational risk

The Corporation leverages on risk & control self-assessment (RCSA), incident and collection of loss (event) data (IMDC), and monitoring of key risk indicators (KRI) for the identification and assessment of operational risks. The operational risk management function is fully integrated into the overall risk management structure and is based on a decentralized ownership model that relies on the following three lines of defense: (1) Business Line Management, (2) Operational Risk Management, and (3) Audit Independent Review.

d) Shari'ah non-compliance risks

The Corporation attaches value in safeguarding its operations from Shari'ah non-compliance risk (SNCR) which is considered a part of operating risks. Shari'ah compliance forms an integral part of Corporation's purpose in line with its Articles of Agreement. Consequently, the Corporation effectively manages SNCRs through robust framework of procedures and policies. The business or risk-taking unit embeds a culture of Shari'ah compliance within its procedures, as the 1st line of defense, while the Shari'ah Compliance function of IsDB Group serves as the 2nd line of defense to strategically manage and monitor SNCRs pre-execution of transactions/operations. The IsDB Group's Internal Shari'ah Audit function provides independent reasonable assurance as the 3rd line of defense post-execution of transactions/operations adopting a risk based internal Shari'ah audit methodology.

THE INTERNATIONAL ISLAMIC TRADE FINANCE CORPORATION**NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED DECEMBER 31, 2025**

(Expressed in Thousands of US Dollars unless otherwise stated)

e) Fair values of financial assets and liabilities

The fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The fair values of operational assets are not significantly different from the carrying values included in the financial statements.

Level 1: quoted prices in active markets for the same instrument (i.e., without modification or repackaging);

Level 2: quoted prices in active markets for similar assets and liabilities or other valuation techniques for which all significant inputs are based on observable market data; and

Level 3: valuation techniques for which any significant input is not based on observable market data.

Investment in Sukuks is measured using Level 1 techniques.

There were no transfers between the levels during the current and previous year.

22. SEGMENT INFORMATION

The Board of Directors approves the global allocation of resources for the different development activities of the Corporation. In order to ensure sufficient resources to enable it to meet its developmental objectives, the Corporation actively engages in treasury and liquidity management. Development initiatives are undertaken through a number of Islamic finance products as disclosed on the face of the Statement of Financial Position which are financed centrally through the Corporation's capital. Management has not identified separate operating segments within the definition of FAS 22 "Segment Reporting" since the Board of Directors monitors the performance and financial position of the Corporation as a whole, without distinguishing between the developmental activities and the ancillary supporting liquidity management activities or geographical distribution of its development programs. Further, the internal reports furnished to the Board of Directors do not present discrete financial information with respect to the Corporation's performance to the extent envisaged in FAS 22. The geographical distribution of the Corporation's financial assets is set out in note 20.

23. OFF-BALANCE SHEET ASSETS UNDER MANAGEMENT

The Corporation manages three categories of investment accounts/assets under management.

1. The Corporation receives funds from external and related parties to provide trade Murabaha financing to its customers. These funds are received from syndicate members under the principles of Mudaraba whereby the Corporation does not have the authority over decisions with regards to the deployment of the funds received by the Corporation and, therefore, these are treated as quasi-equity of investment account holders. The Corporation agrees a fixed profit rate ranging from 1% - 15% (2024: 1%-15%) of the profit earned on the trade Murabaha financing with the investment account holders and is presented as Mudarib share of profit in the statement of income.

Assets managed on behalf of related parties as of December 31, 2025, were USD 444.8 million (2024: 542.3 million).

2. The Corporation has outstanding funds of USD 428 million (2024: 133 million) under Wakala based arrangement. The Corporation has invested these funds in cash and bank, Wakala placements, commodity trade murabaha placements and trade murabaha financing and acts as its agent.

THE INTERNATIONAL ISLAMIC TRADE FINANCE CORPORATION**NOTES TO THE FINANCIAL STATEMENTS****YEAR ENDED DECEMBER 31, 2025**

(Expressed in Thousands of US Dollars unless otherwise stated)

24. GEOPOLITICAL DEVELOPMENTS IN THE MIDDLE EAST

Subsequent to the reporting date and prior to the authorization of these financial statements for issue, geopolitical tensions in the Middle East increased following recent military developments in the wider region. The management has been monitoring the situation constantly and has assessed the potential implications of these developments on the Corporation's financial position, operations, liquidity, and investment portfolio as at the date of issuance of these financial statements.

The Corporation's direct exposure through financing operations in the region is limited and, accordingly, management does not expect any immediate material impact on the performance or quality of its financing portfolio. The Corporation maintains exposure to financial institutions in the region through treasury liquidity placements and sukuk investment in sovereign and quasi-sovereign issuers. While significant portion of sukuk exposure is held to maturity, and hence not affected by short-term market volatility. However, as at the date of approval of these financial statements, management has not identified any indicators of counterparty non-performance, impairment, or the need to recognize additional expected credit losses.

The Corporation continues to maintain a strong liquidity position, supported by cash balances, diversified treasury placements, and high-quality liquid sukuk instruments. While market volatility and regional risks may persist, management's stress testing and scenario analysis indicate that the Corporation is able to meet its obligations under both normal and stressed conditions.

Based on the information available at the date of issuance of these financial statements, the management concluded that these developments do not require adjustments to the carrying amounts of assets and liabilities as at 31 December 2025. The situation remains dynamic and the management will continue to monitor developments.

25. AUTHORIZATION OF FINANCIAL STATEMENTS

The financial statements were authorized for issue by the Corporation's Board of Directors on April 7, 2026 (corresponding to 18 Shawwal, 1447H) for submission to members of the General Assembly for approval.

06

Appendices



APPENDIX 1

CORPORATE PROFILE OF THE ISLAMIC DEVELOPMENT BANK

ESTABLISHMENT

The Islamic Development Bank (IsDB) is a Multilateral Development Bank established pursuant to Articles of Agreement signed in Jeddah, Kingdom of Saudi Arabia, on 21 Rajab 1394H, corresponding to 12 August 1974. The Inaugural Meeting of the IsDB Board of Governors was held in Rajab 1395H (July 1975), and the IsDB formally commenced operations on 15 Shawwal 1395H (20 October 1975).

VISION

IsDB Group strives to become the development partner of choice for its member countries, inspired by Islamic principles, that helps transform the landscape of comprehensive human development in the Muslim world and preserve human dignity.

MISSION

The IsDB Group exists to foster economic development and social progress of member countries and Muslim communities individually as well as jointly in accordance with the principles of the Shari'ah.

MEMBERSHIP

The IsDB has 57 member countries across various regions. The primary conditions for membership are that the prospective country should be a member of the Organisation of Islamic Cooperation (OIC), that it pays the first instalment of its minimum subscription to the Capital Stock of the IsDB, and that it accepts the terms and conditions that may be decided upon by the Board of Governors.

CAPITAL

As at the end of 2025, the subscribed capital of the IsDB stood at ID 65.6 billion.

ISLAMIC DEVELOPMENT BANK GROUP

The IsDB Group comprises Islamic Development Bank (IsDB) and its affiliates, Islamic Development Bank Institute (IsDBI), Islamic Corporation for the Insurance of Investment and Export Credit (ICIEC), Islamic Corporation for the Development of the Private Sector (ICD), and International Islamic Trade Finance Corporation (ITFC).

HEADQUARTER AND REGIONAL HUBS

The IsDB is headquartered in Jeddah, Kingdom of Saudi Arabia. It has 10 Regional Hubs in Abuja, Nigeria; Almaty, Kazakhstan; Ankara, Türkiye; Cairo, Egypt; Dakar, Senegal; Dhaka, Bangladesh; Jakarta, Indonesia; Jeddah, Saudi Arabia; Kampala, Uganda; and Rabat, Morocco. It also has a Center of Excellence in Kuala Lumpur, Malaysia.

FINANCIAL YEAR

The Hijra calendar is the official calendar of the Bank. However, the Financial Year of the Bank begins from 1st of January and ends on to 31st of December of every year.

ACCOUNTING UNIT

The accounting unit of the IsDB is the Islamic Dinar (ID), which is equivalent to one Special Drawing Right (SDR) of the International Monetary Fund.

LANGUAGE

The official language of the IsDB is Arabic. In addition, English and French are working languages.

APPENDIX 2

ITFC SHAREHOLDERS' INFORMATION

itfc, International Islamic Trade Finance Corporation

Subscribed, Called-up, and Paid-up Capital , As of 31/12/2025 (Sorted by Paid-up)

Sr. No.	Member	Subscribed	Percent of Subscribed	Called-up	Percent of Called-up	Number of Shares	
						Paid-up	Percent of Paid-up
1	Islamic Development Bank	26,637	31.02 %	26,637	31.98 %	26,637	35.65 %
2	Saudi Arabia	14,557	16.95 %	12,000	14.41 %	12,000	16.06 %
3	Saudi Fund for Development, Saudi Arabia	6,065	7.06 %	6,065	7.28 %	6,065	8.12 %
4	Kuwait	4,821	5.61 %	4,821	5.79 %	4,821	6.45 %
5	Republic of Turkey	3,536	4.12 %	3,536	4.25 %	3,536	4.73 %
6	Public Investments Fund, Saudi Arabia	3,000	3.49 %	3,000	3.60 %	3,000	4.02 %
7	Malaysia	2,898	3.37 %	2,898	3.48 %	2,898	3.88 %
8	Export Development Bank, Iran	2,500	2.91 %	2,500	3.00 %	2,486	3.33 %
9	Egypt	1,513	1.76 %	1,513	1.82 %	1,513	2.03 %
10	Nigeria	1,000	1.16 %	1,000	1.20 %	1,000	1.34 %
11	Qatar	1,000	1.16 %	1,000	1.20 %	1,000	1.34 %
12	Iraq	850	0.99 %	850	1.02 %	850	1.14 %
13	Pakistan	843	0.98 %	843	1.01 %	843	1.13 %
14	Albaraka Islamic Bank, Bahrain	818	0.95 %	818	0.98 %	818	1.09 %
15	Faisal Islamic Bank of Egypt, Egypt	718	0.84 %	718	0.86 %	718	0.96 %
16	Algeria	608	0.71 %	608	0.73 %	608	0.81 %
17	Brunei Darussalam	582	0.68 %	582	0.70 %	582	0.78 %
18	Tunisia	560	0.65 %	560	0.67 %	560	0.75 %
19	Morocco	510	0.59 %	510	0.61 %	510	0.68 %
20	Bank Mellat, Iran	500	0.58 %	500	0.60 %	500	0.67 %
21	Indonesia	206	0.24 %	206	0.25 %	206	0.28 %
22	Bangladesh	202	0.24 %	202	0.24 %	202	0.27 %
23	Iran	8,692	10.12 %	8,692	10.44 %	192	0.26 %
24	Bahrain	185	0.22 %	185	0.22 %	185	0.25 %
25	Syria	185	0.22 %	185	0.22 %	185	0.25 %
26	Palestine	184	0.21 %	184	0.22 %	184	0.25 %
27	UAE	184	0.21 %	184	0.22 %	184	0.25 %
28	Albaraka Investment Company, London	161	0.19 %	161	0.19 %	161	0.22 %
29	Libya	139	0.16 %	139	0.17 %	139	0.19 %
30	Jordan	130	0.15 %	130	0.16 %	130	0.17 %
31	Jordan Islamic Bank	118	0.14 %	118	0.14 %	118	0.16 %
32	Bank Keshavarzi, Iran	100	0.12 %	100	0.12 %	100	0.13 %

Sr. No.	Member	Subscribed	Percent of Subscribed	Called-up	Percent of Called-up	Number of Shares	
						Paid-up	Percent of Paid-up
33	EN Bank, Iran	100	0.12 %	100	0.12 %	100	0.13 %
34	Mauritania	100	0.12 %	100	0.12 %	100	0.13 %
35	Bank Melli, Iran	100	0.12 %	100	0.12 %	100	0.13 %
36	Bank of Industry and Mine, Iran	100	0.12 %	100	0.12 %	100	0.13 %
37	Yemen	100	0.12 %	100	0.12 %	99	0.13 %
38	Cote D' Ivoire	85	0.10 %	85	0.10 %	85	0.11 %
39	Sudan	93	0.11 %	77	0.09 %	77	0.10 %
40	Burkina Faso	75	0.09 %	75	0.09 %	75	0.10 %
41	Somalia	72	0.08 %	72	0.09 %	72	0.10 %
42	Albaraka Turk Katilim Bankasi A.S.	69	0.08 %	69	0.08 %	69	0.09 %
43	Lebanon	61	0.07 %	61	0.07 %	61	0.08 %
44	Mozambique	60	0.07 %	60	0.07 %	60	0.08 %
45	Bank Al baraka, Tunis	53	0.06 %	53	0.06 %	53	0.07 %
46	Azerbaijan	50	0.06 %	50	0.06 %	50	0.07 %
47	Bank Tejarat, Iran	50	0.06 %	50	0.06 %	50	0.07 %
48	Benin	50	0.06 %	50	0.06 %	50	0.07 %
49	Djibouti	50	0.06 %	50	0.06 %	50	0.07 %
50	Gambia	50	0.06 %	50	0.06 %	50	0.07 %
51	Suriname	50	0.06 %	50	0.06 %	50	0.07 %
52	Uzbekistan	50	0.06 %	50	0.06 %	50	0.07 %
53	Kyrgyzstan	50	0.06 %	50	0.06 %	50	0.07 %
54	Turkmenistan	50	0.06 %	50	0.06 %	50	0.07 %
55	Maldives	50	0.06 %	50	0.06 %	50	0.07 %
61	Uganda	49	0.06 %	49	0.06 %	49	0.07 %
56	Senegal	48	0.06 %	48	0.06 %	48	0.06 %
57	Tajikistan	50	0.06 %	50	0.06 %	34	0.05 %
58	Nile Bank for Commerce & Dev. - Sudan	26	0.03 %	26	0.03 %	26	0.03 %
59	Sudanese Islamic Bank, Sudan	26	0.03 %	26	0.03 %	26	0.03 %
60	Tadamon Islamic Bank, Sudan	26	0.03 %	26	0.03 %	26	0.03 %
62	Gabon	22	0.03 %	22	0.03 %	22	0.03 %
63	Cameroon	2	0.00 %	2	0.00 %	2	0.00 %
64	Niger	50	0.06 %	50	0.06 %	-	0.00 %
		85,869	100%	83,296	100%	74,715	100%

APPENDIX 3

RISK MANAGEMENT, LEGAL, COMPLIANCE AND INTERNAL AUDIT

RISK MANAGEMENT

ITFC pursues its efforts to enhance risk management infrastructure and practices to further ensure the corporation's ability to effectively address risks stemming from the volatile business environment and various operational challenges. The current focus is to further strengthen the capacity to manage both financial and non-financial risks consistent with standards implied by the A1 long-term issuer rating assigned by Moody's Investors Services.

For the effective implementation of the risk management framework, responsibilities are assigned at supervisory, management, and department levels as described below.

At Supervisory Level

(Board of Directors and Audit, Risk and Compliance Committee of the Board)

The Board provides strategic direction for effective risk management and has the ultimate responsibility for managing all material risks that ITFC may be exposed to and ensuring that the required resources, systems, practices, and culture are in place to address such risks. In this connection, the Board has established the Audit, Risk and Compliance Committee (ARCC) to assist in fulfilling its oversight responsibilities for internal controls, the audit process, risk management, compliance, and governance framework.

At Management Level

(Management Committee, Risk Management Committee, Credit Committee, Asset - Liability Committee, Investment Committee, Compliance Assessment Committee and Portfolio Assessment Committee)

The Management Committee and Risk Management Committee focus on corporate-wide risk-related issues in terms of policy and risk infrastructure. Credit Committee, Investment Committee, Compliance Assessment Committee, and Portfolio Assessment Committee are responsible for credit and other relevant risks at transaction level. On the other hand, the Asset - Liability Committee (ALCO) focuses on liquidity and market risk-related matters.

At Department Level

(Business Functions/Owners of Risk, Support Functions, Control Functions, & Compliance)

Risk Management Department

For effective implementation of the risk management framework, a dedicated Risk Management Department independent from business functions and reporting to the Chief Risk Officer focuses on credit, market, liquidity, and operational risks.

Legal Department

A dedicated Legal Department reporting to the Chief Risk Officer provides legal advice and manages legal and regulatory risks. A non-exhaustive list of regular legal function daily activities includes the drafting of agreements, supporting the structuring of transactions, advising various ITFC teams on legal matters, and acting as a focal point for all matters involving IsDB Shari'ah Division.

Compliance Function

A dedicated Compliance Function reporting to the Chief Risk Officer is responsible for the implementation of the framework and measures aiming to identify and mitigate compliance risk with the ultimate objective of safeguarding ITFC from regulatory sanctions, financial and reputational loss. The Compliance Function of ITFC implements a risk-based AML Compliance Program designed to comply with international standards on AML and the laws and regulations of OIC Member Countries. Further, the Compliance Function shapes the culture through in-person training and awareness sessions across the corporation.

INTERNAL AUDIT OFFICE

The Internal Audit Office (IAO) operates with functional reporting to the Board of Executive Directors (BED) through the Board Audit, Risk, and Compliance Committee (ARCC). Its primary mandate is to help ITFC create, protect, and sustain value.

As a critical component of corporate governance, IAO provides the Board and Senior Management with objective and independent assurance, insight, foresight, and advisory services mainly pertaining to the effectiveness and efficiency of internal controls and governance processes.

Its strategic direction and audit plan are continuously refined in response to comprehensive risk assessments and resource considerations. All audit and advisory engagements are conducted with reference to the Global Internal Audit Standards (GIAS).

During 2025, IAO advanced its capabilities by updating its strategy, enhancing team expertise, optimizing systems, processes, and elevating core competencies. These enhancements were facilitated through targeted training programs, professional certifications, participation in industry conferences, and upgrades to audit methodologies and technological platforms, ensuring alignment with global best practices.

Moreover, IAO regularly reviews and aligns its activities with ITFC's institutional strategy, organizational objectives, stakeholder priorities, and emerging risk exposures to ensure that audit engagements remain relevant, effective, and within the budget and resources approved by the ARCC and Board.

APPENDIX 4

TRADE FINANCE APPROVALS FOR LDMCs

Trade Approvals for LDMCs in 2025 (US\$ million)



Total LDMCs
2,959

Total Approvals
9,348

% of Total
32%

ITFC Trade Approvals for LDMCs since Inception (US\$ million)

COUNTRIES	2008-2025	SECTORS FINANCED
BANGLADESH	21,010	ENERGY, FINANCE
BENIN	168	ENERGY, FOOD, HEALTH
BURKINA FASO	3,474	ENERGY, FOOD, FINANCE
CHAD	11	FOOD
COMOROS	840	ENERGY, FOOD, FINANCE
DJIBOUTI	1,838	ENERGY
ETHIOPIA	40	ENERGY
GAMBIA	851	ENERGY, FOOD, FINANCE
GUINEA	45	HEALTH
MALAWI	55	ENERGY, FINANCE
MALI	792	ENERGY, FOOD
MAURITANIA	1,407	ENERGY, FOOD, HEALTH, INDUSTRIAL MANUFACTURING
MOZAMBIQUE	20	FOOD, FINANCE
NIGER	45	ENERGY, FOOD
REGIONAL (EBID)	158	FINANCE (PART OF THE FINANCING EXTENDED TO LDCS)
RWANDA	5	ENERGY
SENEGAL	2,511	ENERGY, FOOD, FINANCE
SIERRA LEONE	15	ENERGY
SUDAN	126	FOOD
TOGO	694	ENERGY, FINANCE
UGANDA	40	FINANCE
ZAMBIA	25	FOOD
GRAND TOTAL	34,168	
SHARE OF TOTAL APPROVALS SINCE INCEPTION (%)	37%	

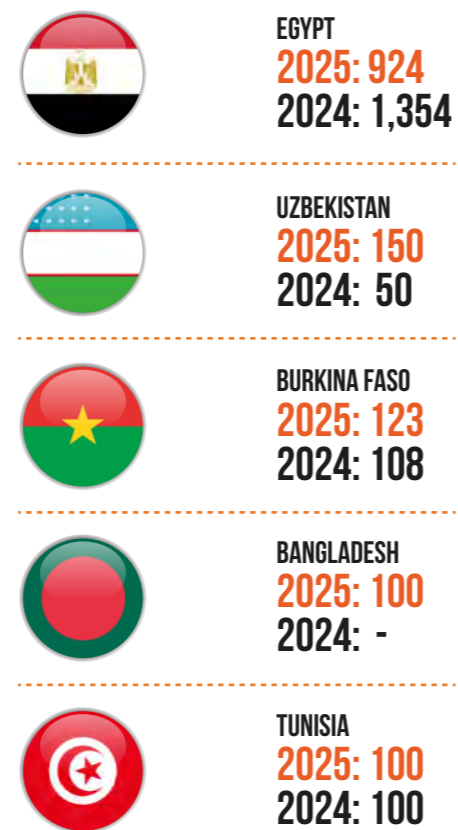
APPENDIX 5

2025 TRADE FINANCE APPROVALS BY COUNTRY AND BY SECTOR

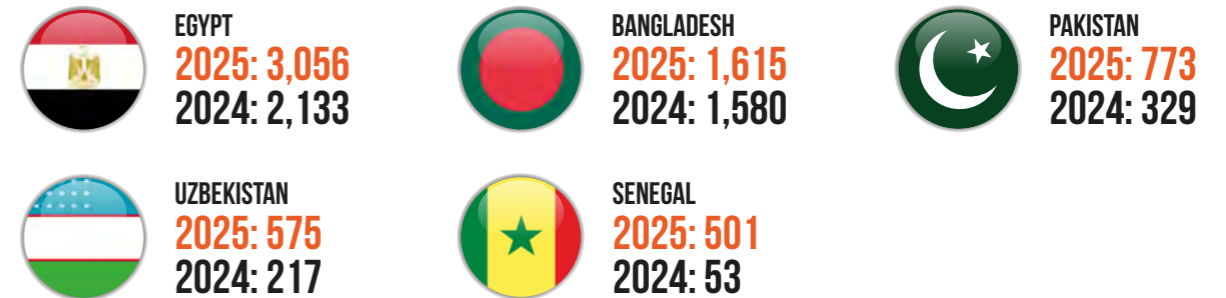
Top Five Energy Sector Beneficiaries in 2025 (approvals, US\$ million)



Top Five Food & Agriculture Sector Beneficiaries in 2025 (approvals, US\$ million)



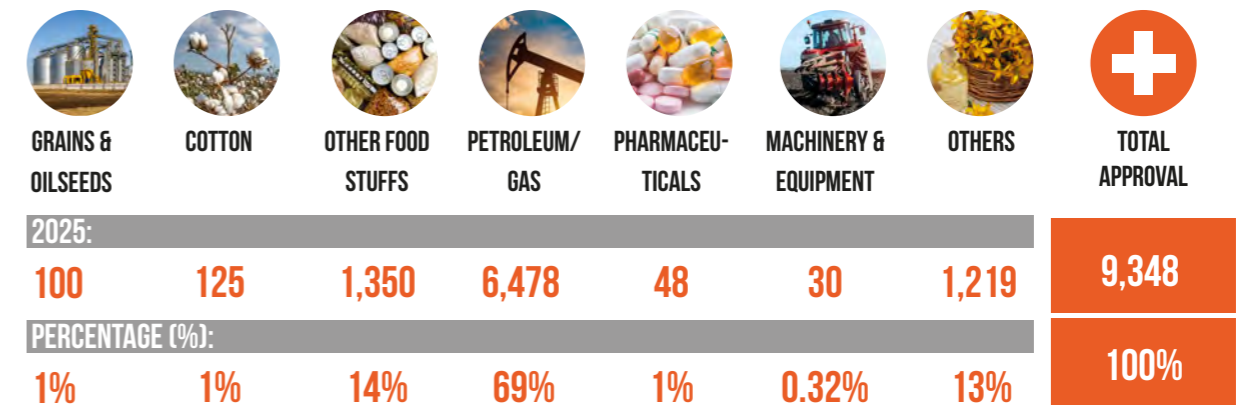
Top Five Country Approvals in 2025 (US\$ million)



ITFC Intra-OIC Trade by Region in 2025 (US\$ million)



ITFC Trade Approvals by Commodities in 2025 (US\$ million)



Source: ITFC Market Research & Monitoring

Top Five Private Sector Beneficiaries in 2025 (approvals, US\$ million)



Source: ITFC Market Research & Monitoring

APPENDIX 6

SHARIAH BOARD CERTIFICATE

Protected

Conseil de Charia du Groupe de la
Banque Islamique de DéveloppementThe Islamic Development Bank
Group Shari'ah Boardالهيئة الشرعية لمجموعة
البنك الإسلامي للتنمية

بِسْمِ اللَّهِ الرَّحْمَنِ الرَّحِيمِ

Islamic Development Group Shari'ah Board

IsDB Group Shari'ah Board Annual Report 1446H/1447H

All praise is due to Allah, the Lord of the Universe; and may blessings and peace be upon Prophet Muhammad and upon his household and companions.

**H.E. Chairman of the Board of Governors,
Honorable Members of the Board of Governors,**

Assalaamu alaikum warahmatullahi wabarakaatuh

According to the regulations of the Shari'ah Board of the Islamic Development Bank Group (IsDB Group), we are required to submit an annual Shari'ah report to the honorable Board of Governors on the extent to which the transactions and activities conducted by the IsDB Group comply with Shari'ah, in light of the fatwas and resolutions issued by the IsDB Group Shari'ah Board and its Subcommittee. We have reviewed the activities of the IsDB Group for the year 1446/1447 through the Subcommittee – in accordance with the approach practiced by the IsDB Group Shari'ah Board - which involved an overall Shariah audit of the applied principles and contracts pertaining to the transactions and applications that have been presented to us.

The review covers the following:

- IsDB Group (Ordinary Capital Resources),
- The Special Account Resources Waqf Fund (Waqf Fund),
- the Islamic Corporation for the Insurance of Investment and Export Credit,
- the Islamic Corporation for the Development of the Private Sector,
- the International Islamic Trade Finance Corporation,
- the Islamic Solidarity Fund for Development,
- the Awqaf Properties Investment Fund,
- the World Waqf Foundation, and;
- all funds managed by IsDB during the financial year ending on 31 December 2025G (11 Rajeb 1447H).

We have undertaken the required review with the help of Shari'ah Affairs Division to express an independent opinion on whether the IsDB Group has complied with the rules and principles of the Shari'ah as well as the specific Fatwas, resolutions, rulings, and guidelines that we have issued.

It is noteworthy that the responsibility for ensuring IsDB Group's compliance with the Shari'ah rules and principles lies with the management of the IsDB Group, while our responsibility is limited to expressing an independent Shari'ah opinion based on our Shariah review of the IsDB Group's operations.

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Protected

Conseil de Charia du Groupe de la
Banque Islamique de DéveloppementThe Islamic Development Bank
Group Shari'ah Boardالهيئة الشرعية لمجموعة
البنك الإسلامي للتنمية

We performed our Shariah review by examining and verifying the procedures followed by the IsDB Group, inspecting each type of operation. Our Shariah review was planned and executed to obtain all necessary facts and explanations thereby providing sufficient evidence to reasonably confirm that the IsDB Group has not contravened the rules and principles of Shari'ah.

Accordingly, it is our opinion that:

1. The IsDB Group has followed the procedures required to comply with the contracts that we prepared and audited.
2. The dividends paid and the losses incurred on the investment accounts are in conformity with the bases that we adopted in line with the rules and principles of Shari'ah.
3. All gains achieved from transactions or methods prohibited by Shari'ah have been set aside in accordance with the resolutions we issued in preparation for spending them for charitable purposes under our clearance.
4. The IsDB Group is not obligated to pay Zakat because the sources of its assets are either from public or Waqf funds. As for the funds of other institutions, IsDB Group does not pay Zakat on behalf of their owners without their authorization. Accordingly, the payment of due Zakat of these funds is the sole responsibility of their owners.

We pray that Allah the Almighty continues to guide the IsDB Group to follow the right path for the benefit of the Ummah and all humanity.

Wassalaamu alaikum warahmatullahi wabarakaatuh

His Eminence Dr. Mohamed Ali Elgari
Chairman of the Shari'ah Board

His Eminence Dr. Aznan Hasan
Member of the Shari'ah Board

His Eminence Mufti Muhammad Hassaan Kaleem
Member of the Shari'ah Board

Jeddah, 22 Shaaban 1447H (10 Feb 2025)

His Eminence Dr. Nizam Yaqoobi
Deputy Chairman of the Shari'ah Board

His Eminence Dr. Sa'id Adekunle Mikail
Member of the Shari'ah Board

Dr. Abdallahi Mohamed
Manager, the Shari'ah Affairs Division

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APPENDIX 7 AWARDS

ITFC Wins GTR Best Deal of 2025 for Türkiye Earthquake Response Financing

US\$150 million Sovereign Guaranteed Murabaha financing facility, designed to support Türkiye's post-earthquake economic recovery.

This landmark transaction was executed in close collaboration with the Ministry of Treasury and Finance of the Republic of Türkiye, the Industrial Development Bank of Türkiye (TSKB), and the Development and Investment Bank of Türkiye (TKYB). It provided vital Shariah-compliant liquidity to help sustain the operations of businesses impacted by the devastating earthquakes that struck Türkiye in February 2023—an event that caused an estimated US\$100 billion in damages and disrupted over 220,000 businesses.



ITFC recognized by IFN for Outstanding Trade Finance Deals in Egypt and Tajikistan

In Egypt, the ITFC record-breaking US\$604 million syndicated financing for the Arab Republic of Egypt represented by Egyptian General Petroleum Corporation (EGPC) was recognized as the Sovereign Deal of the Year award. The financing, which saw participation from 17 banks, was mobilized in just three weeks to support EGPC's urgent trade financing requirements. This achievement underscores the pivotal role of ITFC in enhancing the Government of Egypt's energy security.

The second deal, a US\$30 million Sovereign Murabaha Financing Facility, for the Republic of Tajikistan, was recognized as the IFN Trade Finance Deal of the Year 2024. The financing for the Government of Tajikistan represented by the Agency of State Material Reserves (ASMR), was for the procurement of strategic food and energy commodities for the Tajik economy. The financing helped enable the government to stabilize domestic market prices while ensuring that people in remote areas have access to quality food at an affordable prices.



ITFC Named Best Development Finance Company – Middle East 2025

ITFC has been recognized by the Global Banking & Finance Awards as the Best Development Finance Company – Middle East 2025.

This accolade reflects ITFC's innovative role in blending trade finance and development to build economic resilience and inclusive growth across member countries.





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