Ali Ghalib & Co.
Public Accountant, Auditors/ Joint Stock Company

Credit Bank of Iraq

Private Joint Stock Company – Baghdad

Consolidated Financial Statements for the Year Ended December 31, 2025

Annual Report

11905
Seal of Professional Council
Data Reviewer

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Ali Ghalib & Co.
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Credit Bank of Iraq

(Private Joint Stock Company) - Baghdad

Auditors' Report

and Consolidated Financial Statements with Notes

for the Year Ended December 31, 2025

Contents

Ref. A.Gh/42/26
Date: 27/04/2026

Members of the General Assembly
Credit Bank of Iraq
(Private Joint Stock Company) - Baghdad

Auditor's Report

We have examined the consolidated statement of financial position of the Credit Bank of Iraq (Private Joint Stock Company) - Baghdad as of December 31, 2025, and the consolidated statement of income, consolidated statement of comprehensive income, consolidated statement of changes in shareholders' equity, and consolidated statement of cash flows for the year then ended, together with the accompanying notes, and the bank's annual report prepared in accordance with the provisions of Companies Law No. 21 of 1997, as amended, and the regulations and instructions issued thereunder.

Bank Management's Responsibility:

The Bank's management is responsible for the preparation and fair disclosure of these statements in accordance with local and international accounting rules and standards. It is also responsible for developing and implementing a system of internal control to ensure the preparation and fair disclosure of consolidated financial statements that are free from material misstatement, whether due to errors or manipulation. This responsibility also includes selecting and applying appropriate accounting policies and using appropriate accounting estimates.

Auditor's Responsibility:

Our responsibility is to express an impartial opinion on the consolidated financial statements presented to us in accordance with local and international auditing standards and guidelines. These standards require that we plan and perform the audit to obtain reasonable assurance about whether these financial statements are free from material misstatement. An audit also includes examining, on a test basis, the data and documents supporting the amounts disclosed in the financial statements for the year ended December 31, 2024, and their disclosure, as well as assessing the accounting principles. We believe that our audit provides a reasonable basis for our opinion. The following notes and explanations are included below:

First: Requirements of the Accounts Supervision and Audit Council:

The financial statements and information were submitted in accordance with the requirements for completing the audit of financial statements contained in the circular of the Accounts Supervision and Audit Council No. (18) dated 22/01/2025.

Second: The Bank's Application of International Accounting Standards:

The Bank has prepared the consolidated financial statements in accordance with International Accounting Standards, in line with the effective instructions issued by the Central Bank of Iraq, which mandate the transition from local to international accounting standards. It is also worth noting that the Bank has adopted the historical cost principle for recording real estate and equipment, and has not revalued these assets. Instead, their valuation is based on fair value principles.

Third: Shareholders' Equity

1- Shareholders' equity increased by (18,865,858) thousand dinars compared to the previous year. This increase represents 5% of the capital and sound reserves, due to a cash subscription to increase capital and the realization of profits during the current year.
2- The General Assembly of the Bank, in its meeting held on July 1, 2025, decided to transfer the amount of (1,500,000) thousand dinars from the Expansion Reserve Account to the Accumulated Surplus Account.
3- During the year, the bank's capital was increased from 319,870,000 Iraqi dinars to 346,870,000 Iraqi dinars, an increase of 27,000,000 Iraqi dinars. This was achieved by capitalizing 27 billion Iraqi dinars from retained earnings (accumulated surplus) from previous years and offering 53.13 billion new shares for public subscription. The cash subscription period ran from September 11, 2025, to November 9, 2025, but no shareholders or members of the public subscribed. The capital increase procedures were concluded based on the Ministry of Trade - Companies Registration Directorate's letter No. (42238) dated December 9, 2025. It should also be noted that the bank's capital did not reach 400 billion Iraqi dinars, as per the directives of the Central Bank of Iraq in its letter No. (439/2/9) dated August 21, 2023.

We recommend that the necessary procedures be expedited to complete the amount of the increase in order to avoid any actions that may be taken by the Central Bank of Iraq in this regard.

Fourth: The Bank's Activity During the Year Under Review

1. The bank's net profit for the current year, after tax, amounted to 22,006,650 Iraqi dinars, while the bank's net profit for the previous year was 26,707,117 Iraqi dinars.
2. The majority of the profits mentioned in paragraph (1) above for both the current and previous years resulted from investments in Iraqi government bonds (Ministry of Finance). The bank's management continues to maintain a conservative policy regarding the granting of credit facilities to its clients.

Fifth: Other Assets

1. 1. The other assets listed in Note (10) of the audited financial statements for the year constitute less than (0.5%) of total current assets, which is less than the percentage set by the Central Bank of Iraq, which is (10%).
2. The Bank does not own any real estate properties acquired through debt settlements.

Sixth: Miscellaneous Provisions

The balance of the account for the compensation of the service of affiliates as of 12/31/2025 amounted to (61,330) thousand dinars in total, and the entitlement of each affiliate to this allocation was not determined.

Seventh: Fixed Assets

All fixed assets, including real estate, are fully owned by the Bank and are registered in its name the relevant official departments.

Eighth: Capital Adequacy

Based on the decision of the Central Bank of Iraq No. (110) of 2020, which includes the approval of the supervisory controls related to the capital adequacy standard for commercial banks in accordance with the requirements of Basel (III & II), and through our examination of the accounting records and our review of the nature of the banking operations carried out by the bank during the year under audit, and the statements prepared for the purpose of calculating capital adequacy, the capital adequacy ratio at the end of the year reached (136%) of the capital and sound reserves.

Ninth: Foreign Exchange Rate

The foreign currency exchange rates applied in the Bank's accounting records as of 31/12/2025, are presented in the table below:

Currency	Exchange Rate
US Dollar	1.310
Euro	1.540
British Pound	1.769
UAE Dirham	357
Jordanian Dinar	1.850
Kuwaiti Dinar	4.282

Tenth: Delisting of the Brokerage Firm (Subsidiary):

Pursuant to the Bank's Board of Directors Resolution No. (18) dated 06/12/2020 regarding the liquidation of the subsidiary and the commencement of legal proceedings, the Iraq Stock Exchange suspended the subsidiary's trading activity effective 29/08/2021. The Cash Margins Commission revoked the subsidiary's brokerage status on 24/01/2022. The Registrar of Companies issued a decision on 05/06/2022 approving the decision of the Credit Company for Brokerage in Cash Margins Sales and Purchases (the subsidiary), dated 06/02/2022, which included placing the subsidiary under liquidation and appointing a liquidator. All legal procedures for delisting the company's name from the records of the Ministry of Trade/Companies Registration Directorate were completed effective 01/10/2025, based on the "Completion of Delisting Procedures" letter issued by the Ministry of Trade/Companies Registration Directorate, No. (33823), dated 08/10/2025.

Eleventh: Currency Auction Window

The bank’s purchases on behalf of customers from the currency window amounted to (131,457,252) US dollars and generated commission revenues of (1,227,149) thousand dinars (Note 20).

Twelfth: Money Laundering and Terrorist Financing

Based on our examination of the accounting records and review of the Bank’s operations during the audited year, no evidence was found of any transactions related to money laundering or the financing of terrorist activities. Moreover, the Bank has implemented adequate preventive measures to combat money laundering and terrorist financing, in compliance with the applicable regulations and directives issued by the Central Bank of Iraq.

The Credit Bank of Iraq has adopted the following measures to combat money laundering and terrorist financing:

1. The electronic system (Side Safewatch) is a search and investigation tool containing international and local watchlists. It is connected to the Bank's systems and is used to automatically screen and investigate new customers before they open accounts. It also performs daily automated reviews of existing accounts and monitors any outgoing/incoming foreign and domestic transfers prior to execution. The blacklists are updated periodically through this system, which is directly linked to the Core Banking system.

2. The website (World Check) is a search and investigation platform containing international watchlists. It is used to screen and investigate new customers prior to account opening.

3. The electronic system (ORACLE AML System), dedicated to combating money laundering and terrorist financing, is integrated with the Bank’s internal systems and monitors financial transactions on customer accounts through pre-developed scenarios designed to detect suspicious activity and generate alerts (daily and monthly). These alerts are reviewed by the Money Laundering and Terrorist Financing Reporting Department and branch compliance officers, and appropriate actions are taken. This system is also directly linked to the Core Banking system.

4. The Equation system, which is the Bank's Core Banking System, includes a field for classifying customers according to their risk level. It is linked to both the ORACLE AML System and the Side Safewatch investigation tool.

5. The GO AML system, introduced by the Anti-Money Laundering and Counter-Terrorism Financing Office in 2024, is directly connected to the Bank. Access is restricted to the department manager and assistant. Through this system, the Bank submits Suspicious Transaction Reports (STRs) directly, ensuring confidentiality and speed, in addition to submitting the daily reports required by the Anti-Money Laundering and Counter-Terrorism Financing Office.

Thirteenth: Compliance Reports:

The Compliance Department's reports sent to the Central Bank and to the Audit Committee of the Bank's Board of Directors were reviewed. The Bank's management verified full compliance with all laws and instructions issued by the Central Bank pertaining to the Bank's activities for the year under audit, and submitted periodic reports within the specified timeframes and according to the required formats.

Fourteenth: Off-Balance Sheet Cash Credit

In accordance with Board of Directors Resolution No. (5/17) dated May 18, 2023—approving the transfer of non-performing credit facilities from on-balance sheet to off-balance sheet, in implementation of the Central Bank of Iraq's relevant directives—the Bank transferred non-performing credit facilities in 2024 totaling IQD 6,143,268 thousand. In this regard, we would like to clarify the following:

- These non-performing credit facilities are fully covered by provisions equal to 100% of their value.
- We recommend that the Bank's management continue its efforts to pursue legal action and recovery measures for these outstanding facilities.

Fifteenth: Contractual Credit

The contractual credit portfolio, with a total balance of IQD 100,558,908 thousand as of December 31, 2025, was reviewed. The following points are noted:

- The reserve balance for letters of guarantee held with the Central Bank of Iraq amounts to IQD 817,423 thousand. This amount has been deducted by the Central Bank and is included in Note No. 3, "Cash and Balances at the Central Bank."
- The total outstanding balance of letters of guarantee is IQD 96,443,446 thousand dinars.
- The balance of documentary credits amounts to IQD 4,115,462 thousand dinars.

Sixteenth: Other Clarifications

1. Implementation of Corporate Governance Instructions:
   The Bank is generally in compliance with both the quantitative and qualitative requirements set by the Central Bank of Iraq. The Board of Directors and executive management continue to make diligent efforts to implement corporate governance instructions, particularly those related to disclosure and transparency practices.

2. Results of the Office Audit by the Central Bank of Iraq:
   Correspondence from the Central Bank regarding the results of the quarterly budget reviews submitted by the Bank at the end of each quarter was examined. The Bank was found to be implementing the Central Bank's required procedures related to quarterly budgets, including any specific directives such as the submission of quarterly reports from the Internal Control Department.

3. Based on our review of the Bank's correspondence with the Central Bank regarding monthly and quarterly reporting, no material issues were noted that would affect the adequacy or reliability of the information submitted to the Central Bank of Iraq.

4. The Bank uses electronic systems to record financial transactions in accordance with the core banking system (Equation). All accounting records are maintained electronically, while supporting documents are archived in hard copy and stored securely in designated safe and protected locations.

5. Balances with Correspondent Banks:
   As of December 31, 2025, balances held with correspondent banks abroad represented 11% of the Bank's capital and sound reserves, remaining within the 20% limit prescribed by the Central Bank of Iraq.

6. Foreign Exchange Positions:
   The Bank calculated its foreign exchange positions in line with the Central Bank of Iraq's regulations and required disclosures. As of December 31, 2025, the Bank reported a 1% long foreign exchange position (debit cash position), which is within the 20% cap of capital and sound reserves.

7. Solvency and Financial Liquidity

a) The Liquidity Coverage Ratio (LCR) under Basel III regulations reached 671%, while the minimum requirement set by the central bank is 100%.
b) The Net Stable Funding Ratio (NSFR) under Basel III regulations reached 1,025%, while the minimum requirement set by the central bank is 100%.

These ratios indicate that there are no concerns regarding the Bank's ability to meet its obligations to depositors in the foreseeable future.

8. Implementation of International Financial Reporting Standard (IFRS) 9
   The bank adheres to International Accounting Standard (IAS) 9 in calculating expected credit losses (ECL). The application of EAS 9 resulted in a surplus of 998,860 dinars between the total expected credit losses (ECL) of 223,652 dinars and the book balance of existing provisions of 1,222,512 dinars as of December 31, 2025. The bank retained the surplus in the existing provisions balance (Note 29).

9. The balance of other liabilities, detailed in Note 15 of the financial statements, amounted to 10,645,026 dinars as of the end of the audited year. The balances of all accounts comprising this balance were examined.

10. Credit Concentrations
    There are no credit concentrations among the Bank's customers.

11. Related Party Transactions

The Bank entered into transactions with the National Bank of Kuwait (the major shareholder) in the normal course of business, using prevailing commercial interest and commission rates, as shown below:

	31 December 2025 Iraqi Dinar (Thousands of Dinars)	31 December 2024 Iraqi Dinar (Thousands of Dinars)
On-balance sheet items	8,831,377	10,514.398
Balances with banks and financial institutions	19,650,000	27,510,000
Deposits with banks and financial institutions		
Off-balance sheet items		
Indirect facilities	84,070,411	47,570.620
Income statement items		
Interest income	892,361	1,786,462
Indirect facilities commission	311,521	169,783

12. Board of Directors' Remuneration
    Remuneration for non-employees include a reward for members of the Board of Directors in the amount of (10,000) thousand dinars for each member of the Board of Directors for the fiscal year 2024, according to the decision of the General Assembly of the Bank dated 01/07/2025.
13. According to the latest bulletin issued in 2025, the Bank's share price on the Iraq Stock Exchange was IQD 0.60.

<u>Seventeen: The Path of Banking Reform</u>:

1. Based on the minutes of the meeting of the Board of Directors of the bank dated 28/08/2025 and pursuant to its decision No. (1/10) and the approval of the General Assembly to continue in its current state without resorting to the option of merger or liquidation, based on the meeting of the General Assembly of the bank held on 22/10/2025.

2. The bank deducted the fees for reforming the banking sector, amounting to (3,168,000) thousand dinars, from the mandatory reserve account, according to the approval of the Central Bank of Iraq No. (12735/5/9) dated 07/12/2025, given that the reform project adopted by the Central Bank of Iraq in cooperation with the company (Oliver Wyman) aims for a comprehensive reform of the private banking sector in general and is included in the bank's development plans and expansion of its business, based on the provisions of the Companies Law No. (21) of 1997 amended in 2004.

In our opinion, and to the best of our knowledge, based on our examination and the information and explanations provided to us, we conclude the following:

1. The bookkeeping system adopted by the Bank complies with the applicable bookkeeping requirements and, in our opinion, includes the proper recording of all assets, liabilities, revenues, and expenses. Furthermore, the internal control system incorporates adequate procedures to ensure the accuracy and reliability of this information, in a manner appropriate to the scope of the Bank's operations.

2. The physical inventory of fixed and cash assets was carried out appropriately and under our supervision. The results of the inventory were consistent with the supporting records, and the assets were valued in accordance with the approved accounting principles and in a manner consistent with the prior year.

3. The annual report and the financial and accounting information it contains provide a comprehensive reflection of the Bank's performance during the audited year and do not include any statements that contravene the provisions of applicable laws and regulations.

4. The financial statements and final accounts were prepared in accordance with the relevant accounting standards and applicable legislation, and are consistent with the Bank's accounting records. They are also presented in compliance with the Companies Law, the relevant regulations and instructions issued thereunder, and the Banking Law.

Opinion

Based on the explanations and observations detailed in this report, we are of the opinion that the consolidated financial statements of the Credit Bank of Iraq (a private joint-stock company), along with the accompanying management report, are consistent with the Bank's records and comply with legal requirements. They present a clear and fair view of the Bank's financial position as of December 31, 2025, as well as the results of its operations and cash flows for the year then ended.

Seal of Ali Ghalib & Co.
Public Accountant, Auditors/ Joint Stock Company

Signature of Ali Ghalib Abbas Al-Azzawi
Member of Iraqi Union of Accountants and Auditors
From Ali Ghalib & Co.
Public Accountant, Auditors/ Joint Stock Company

Credit Bank of Iraq
(Private Joint Stock Company) – Baghdad
Consolidated Financial Statements
December 31, 2025

Credit Bank of Iraq

Consolidated Balance Sheet Statement as of December 31, 2025 — Statement (A)

	Note	December 31, 2025 Audited Iraqi Dinar (Thousands of Dinars)	December 31, 2024 Audited Iraqi Dinar (Thousands of Dinars)
Assets			
Cash and balances with the Central Bank of Iraq	3	321,753,677	128,751,841
Due to banks and other financial institutions	4	39,434,288	40,544,157
Financial assets at fair value through other comprehensive income	6	150,789,474	350,786,474
Property and equipment, net	7	8,578,401	8,766,267
Intangible assets, net	8	103,512	98,413
Other assets	9	2,579,442	8,317,380
Total assets		523,238,794	537,267,532
Liabilities			
Customer deposits	10	113,412,194	143,473,929
Cash margins	11	13,543,373	16,205,213
Miscellaneous provisions	12	1,160,240	1,305,297
Income tax provision	13	-	668,020
Other liabilities	14	10,645,026	10,002,970
Total liabilities		138,760,833	171,655,429
Shareholders' equity			
Paid-up capital	15	346,870,000	319,870,000
Statutory reserve	16	16,391,890	18,468,834
Expansion reserve	16	-	1,500,000
Retained earnings (accumulated surplus)		21,216,071	25,773,269
Total shareholders' equity		384,477,961	365,612,103
Total liabilities and shareholders' equity		523,238,794	537,267,532

Signature of Finance Manager Assistant
Ameer Hamid Ibrahim
M/26634

Signature of Finance Manager
Ali Nizar Al-Hasani

Signature of Managing Director
Amr Mustafa Al-Shinawi

Signature of Vice Chairman of Board of Directors
Walid Jamal Al-Din Al-Saiufi

Seal of Credit Bank of Iraq

Signature of Ali Ghalib Abbas Al-Azzawi
Member of Iraqi Union of Accountants and Auditors
From Ali Ghalib & Co.
Public Accountant, Auditors/ Joint Stock Company

Subject to our report No. A.Gh.42/26 dated 27/04/2026

The accompanying notes from 1 to 23 form part of these financial statements.

Consolidated Income Statement as of December 31, 2025 — Statement (B)

	Note	December 31, 2025 Audited Iraqi Dinar (Thousands of Dinars)	December 31, 2024 Audited Iraqi Dinar (Thousands of Dinars)
Interest Income	17	25,565,423	25,293,631
Interest Expense	18	(1,923,712)	(1,346,945)
Net Interest Income		23,641,711	23,946,686
Net Commission Income	19	5,629,598	6,058,610
Net Interest and Commission Income		29,271,309	30,005,296
Foreign Exchange Gains and Losses		1,164,030	4,415,167
Exchange Gain (Loss)		-	373,006
Currency Valuation Gain (Loss) Due to Changes in the Exchange Rate		-	231,500
Reversal of Other Provisions		41,739	32,838
Reversal of Provision for Cash Credit Losses		324,874	11,059
Capital Gains		30,801,952	35,068,866
Other Operating Profits			
Net Operating Income			
Expenses			
Salaries and Employee Benefits	20	(3,968,288)	(3,429,092)
Operating Expenses	21	(4,337,241)	(3,751,058)
Capital Losses	2	(29,799)	-
Depreciation and Amortization	8,7	(459,974)	(513,579)
Total Expenses		(8,795,302)	(7,693,729)
Net Income Before Income Tax		22,006,650	27,375,137
Income Tax	13	-	(668,020)
Net Income		22,006,650	26,707,117
Distributed as follows:			
Required Reserve		1,100,332	1,335,356
Retained Earnings		20,906,318	25,371,761
		22,006,650	26,707,117
		Fils/Dinar	Fils/Dinar
Current Year Earnings Per Share	22	0.066	0.094

Signature of Finance Manager Assistant Ameer Hamid Ibrahim M/26634	Signature of Finance Manager Ali Nizar Al-Hasani	Signature of Managing Director Amr Mustafa Al-Shinawi	Signature of Vice Chairman of Board of Directors Walid Jamal Al-Din Al-Saiufi

Seal of Credit Bank of Iraq

Seal of Republic of Iraq
Council of the Auditing and Control Profession
Council Secretariat
We certify the authenticity of the auditor's seal and signature and that he is practicing the auditing and control profession for the year 2026, based on Article (6-A-First) of the Professional Practice Regulations No. (2) of 1999, as amended, without any responsibility for the contents of these financial statements.
No. 4816 on 03/05
Signature: signed by Ahmed Taha Hasan Ahmed

The accompanying notes from 1 to 23 form part of these financial statements.

Consolidated Statement of Comprehensive Income as of December 31, 2025 Statement (C)

	Note	December 31, 2025 Audited Iraqi Dinar (Thousands of Dinars)	December 31, 2024 Audited Iraqi Dinar (Thousands of Dinars)
Net Income		22,006,650	26,707,117
Other Comprehensive Income that will not be reclassified to the income statement in subsequent periods			
Change in the fair value of financial assets at fair value through other comprehensive income		-	-
Total Other Comprehensive Income		-	-
Total Comprehensive Income		22,006,650	26,707,117

The accompanying notes from 1 to 23 form part of these financial statements.

Consolidated Statement of Changes in Shareholders' Equity as of December 31, 2025 Statement (D)

	Capital Iraqi Dinars (Thousands of Dinars)	Statutory Reserve Iraqi Dinars (Thousands of Dinars)	Expansion Reserve Iraqi Dinars (Thousands of Dinars)	Retained Earnings (Accumulated Surplus) Iraqi Dinars (Thousands of Dinars)	Total Shareholders' Equity Iraqi Dinars (Thousands of Dinars)
2025					
Balance as of January 1, 2025	319,870,000	18,468,834	1,500,000	25,773,269	365,612,103
Current Year Income	-	-	-	22,006,650	22,006,650
Transfer of Expansion Reserve (Note 15)	-	-	(1,500,000)	1,500,000	-
Capitalization of Retained Earnings (Note 16)	27,000,000	-	-	(27,000,000)	-
Banking Sector Reform Fees (Note 16)	-	(3,168,000)	-	-	(3,168,000)
Wrapping of Brokerage Firm (Note 2)	-	(9,276)	-	36,484	27,208
Transfer of Reserves	-	1,100,332	-	(1,100,332)	-
Balance as of December 31, 2025	346,870,000	16,391,890	-	21,216,071	384,477,961
2024					
Balance as of January 1, 2024	250,000,000	17,133,478	1,500,000	18,401,508	287,034,986
Current year income	-	-	-	26,707,117	26,707,117
Capitalization of retained earnings (Note 15)	18,000,000	-	-	(18,000,000)	-
Cash subscription (Note 15)	51,870,000	-	-	-	51,870,000
Transfer of reserves	-	1,335,356	-	(1,335,356)	-
Balance as of December 31, 2024	319,870,000	18,468,834	1,500,000	25,773,269	365,612,103

The accompanying notes from 1 to 23 form part of these financial statements.

Consolidated Statement of Cash Flows as of December 31, 2025 — Statement (E)

	Note	December 31, 2025 Audited Iraqi Dinar (Thousands of Dinars)	December 31, 2024 Audited Iraqi Dinar (Thousands of Dinars)
Operating Activities			
Profit for the Year Before Tax		22,006,650	27,375,137
Adjustments for Non-Cash Items:			
Depreciation and Amortization	8,7	459,973	513,579
Expenses (Recoveries) of Other Provisions		-	(373,006)
Cash Flows from Operating Activities Before Changes in Assets and Liabilities		22,466,623	27,515,710
Change in Assets and Liabilities			
(Increase) Decrease in Other Assets	9	5,737,938	(7,540,556)
(Decrease) Increase in Customer Deposits	10	(30,061,735)	(7,183,755)
(Decrease) Increase in Cash Margins	11	(2,661,840)	10,495,747
(Decrease) Increase in Miscellaneous Provisions	12	(145,057)	(575,163)
(Decrease) Increase in Other Liabilities	14	642,056	(51,167,070)
Net Cash Flow Used from Operating Activities Before Tax		(4,022,015)	(28,455,087)
Taxes Paid	13	(668,020)	(903,532)
Net Cash Flow Used from Operating Activities		(4,690,035)	(29,358,619)
Investing Activities			
(Purchase) Sale of Financial Assets at Amortized Cost			
(Purchase) Sale of Financial Assets at Fair Value Through Other Comprehensive Income	6	200,000,000	(150,000,000)
(Purchase) Sale of Intangible Assets	8	(72,393)	-
(Purchase) Sale of Plant and Equipment	7	(204,813)	(212,939)
Net Cash Flow Used from Investing Activities		199,722,794	(150,212,939)
Financial Activities			
Capital increase (cash subscription)	15	-	51,870,000
Deletion of brokerage firm	2	27,208	-
Mandatory reserve (banking sector reform fees)	16	(3,168,000)	-
Net cash flow utilized from financing activities		(3,140,792)	51,870,000
Net increase (decrease) in cash and cash equivalents		191,891,967	(127,701,558)
Cash and cash equivalents at the beginning of the year		169,295,998	296,997,556
Cash and cash equivalents at the end of the year	23	361,187,965	169,295,998

The accompanying notes from 1 to 23 form part of these financial statements.

1. General Information

A. Bank Establishment

The Credit Bank of Iraq was established in 1998 with an initial capital of IQD 200 million, pursuant to Certificate of Incorporation No. C/R/6615 dated July 25, 1998, and a banking license issued on October 6, 1998. The Bank commenced its banking operations on October 14, 1998.

Following the acquisition of a 75% stake in the Bank's capital by the National Bank of Kuwait (NBK) and a 10% stake by the International Finance Corporation (IFC) in 2005, the Bank has continued to strengthen its financial position and expand its range of services. These efforts have contributed to supporting the development of the Iraqi economy through the provision of high-quality banking, commercial, and investment services in accordance with the provisions of Banking Law No. 94 of 2004. The Bank has also pursued a policy of expansion across its departments and activities, in compliance with applicable policies, procedures, laws, and regulations.

On June 29, 2012, the General Assembly approved an increase in the Bank's capital to IQD 150 billion. This increase was completed pursuant to Companies Registration Directorate Letter No. 22735 dated September 8, 2013.

In accordance with the Central Bank of Iraq's instructions and based on the resolution of the General Assembly in its meeting held on October 1, 2013, the Bank initiated a further capital increase from IQD 150 billion to IQD 250 billion. The procedures began on December 1, 2013, and were completed in February 2014, pursuant to letter No. 3421 from the Companies Registration Directorate dated February 6, 2014.

In 2014, the National Bank of Kuwait increased its shareholding to 84.3%, while the International Finance Corporation's stake decreased to 6.7%, and a new Board of Directors was elected. In 2019, NBK further increased its ownership to 91.0% following the full acquisition of the IFC's 6.7% share.

In accordance with the instructions of the Central Bank of Iraq No. (439/2/9) dated August 2, 2023, to increase the capital of banks to (400) billion dinars, the bank's management decided to increase the capital in several phases:

Phase One: The bank's General Assembly, in its meeting held on May 2, 2024, decided to increase the bank's capital. The capital increase procedures were completed on September 11, 2024, and the bank's capital became (319.87) billion dinars, as per the Companies Registration Directorate's letter No. 30034 dated October 16, 2024. The National Bank of Kuwait's shareholding became (92.46%).

The second phase: The bank's general assembly decided in its meeting held on July 1, 2025 to increase the bank's capital, and the capital increase procedures were completed on November 9, 2025, and the bank's capital became (346.87) billion dinars according to the Companies Registration Directorate's letter No. 42238 dated December 9, 2025, and the National Bank of Kuwait's contribution percentage became (92.46%).

The Bank provides a full range of banking and financial services through its three branches located in Iraq, including exchange and financial brokerage services.

B. The Bank's Main Objectives

The Bank carries out its banking, investment, and financing activities under the supervision and regulation of the Central Bank of Iraq, in accordance with Central Bank Law No. 56 of 2004, Banking Law No. 94 of 2004, and the instructions issued thereunder. These activities are also conducted in compliance with Companies Law No. 21 of 1997 and its associated regulations and directives.

Basis of Preparation and Accounting Policies

The consolidated financial statements have been prepared in accordance with International Accounting Standards (IAS) and the interpretations issued by the International Financial Reporting Interpretations Committee (IFRIC) of the Accounting Standards Board (ASB), as well as in compliance with applicable local laws and the regulatory instructions of the Central Bank of Iraq, including those related to the transition from local to international accounting standards.

The Iraqi dinar (IQD) is the presentation currency of the financial statements and is also the Bank's functional currency. All amounts are presented in thousands of Iraqi dinars, rounded to the nearest thousand.

Foreign Currency Exchange Rate

In accordance with the Central Bank of Iraq's decision, as per the Banking Control Department's letter No. 95/2/9, dated February 8, 2023, which introduced a revised exchange rate policy, the Bank adopted the new exchange rate of IQD 1,310 per USD, replacing the previous rate of IQD 1,460 per USD. This adjustment has been reflected in the Bank's accounting records and core banking systems effective from the specified date.

2. Bases for Consolidating Financial Statements (Deletion of Brokerage Firm)

The consolidated financial statements include the financial statements of the bank and its subsidiary under its control as of December 31, 2025. The subsidiary's financial statements were consolidated from the date of control. Control is established when the bank is able to manage the subsidiary's principal activities and is exposed to or entitled to variable returns from its investment in the subsidiary, and is able to exercise control over the subsidiary. Transactions, balances, revenues, and expenses between the bank and the subsidiary are excluded. The accompanying consolidated financial statements include the assets, liabilities, and operating results of the bank (Iraq branch and management) and the assets, liabilities, and operating results of the Credit Company for Brokerage of Cash Margins (the subsidiary), which is 100% owned by the bank. The subsidiary was established under the Companies Law as a limited liability company.

The results of a subsidiary's operations are consolidated in the consolidated income statement from the date of acquisition, which is the date on which the bank's control of the subsidiary is effectively transferred. The results of a divested subsidiary's operations are consolidated in the consolidated income statement up to the date of divestment, which is the date on which the bank loses control of the subsidiary.

Pursuant to the bank's Board of Directors Resolution No. (18) dated December 6, 2020, to liquidate the subsidiary and initiate legal proceedings, the Iraq Stock Exchange suspended trading activity for the subsidiary effective August 29, 2021, and the Cash Margins Commission revoked the subsidiary's brokerage license on January 24, 2022. The Registrar of Companies issued a decision on 05/06/2022 approving the decision of Al-Etimad Brokerage Company (the subsidiary) dated 06/02/2022, which included placing the subsidiary company under liquidation and appointing a liquidator for it. The financial statements (final liquidation) of Al-Etimad Brokerage Company were issued on 18 July 2023. All legal procedures for deleting the company's name from the records of the Companies Registration Directorate were completed as of 01/10/2025, according to the letter of the Companies Registration Directorate No. (33823) dated 08/10/2025. The bank made the deletion entries for the company and recognized capital losses amounting to (28,213) thousand dinars.

Notes to the Consolidated Financial Statements as of December 31, 2025

3. Cash and Balances with the Central Bank

The composition of this item is detailed as follows:

	December 31, 2025 Iraqi Dinar (Thousands of Dinars)	December 31, 2024 Iraqi Dinar (Thousands of Dinars)
Cash on hand (in safes)	10,629,239	17,684,459
Gold coins	300	300
Balances with the Central Bank of Iraq:		
Current accounts	281,499,452	29,401,175
Temporary / capital increase accounts	-	51,870,000
Statutory reserve requirements	22,281,808	23,082,968
Dormant account balances at CBI	6,525,455	5,901,899
Reserve for letters of guarantee	817,423	811,040
Total	321,753,677	128,751,841

4. Balances with Banks and Other Financial Institutions

The details of this item are as follows:

	December 31, 2025 Iraqi Dinar (Thousands of Dinars)	December 31, 2024 Iraqi Dinar (Thousands of Dinars)
Current and demand accounts:		
Local banks and financial institutions	277,817	271,390
Foreign banks and financial institution	19,630,073	12,886,369
Time deposits with foreign banks	19,650,000	27,510,000
Less: Allowance for expected credit losses	(123,602)	(123,602)
Total	39,434,288	40,544,157

The accompanying notes from 1 to 23 form part of these financial statements.

5. Direct Net Credit Facilities

The details of this item are as follows:
Based on the Board of Directors' Resolution No. (5/17) dated May 18, 2023, which approved the transfer of non-performing credit facilities from the balance sheet to the off-balance sheet in accordance with the relevant Central Bank instructions, the Bank transferred non-performing credit facilities amounting to (6,143,268) thousand Iraqi dinars from the balance sheet to the off-balance sheet during 2024. These facilities are fully covered by provisions and suspended interest at a rate of 100%. The Bank's management will continue to pursue the collection of these debts through legal channels to safeguard the Bank's rights. The balance of these facilities amounted to (6,078,536) thousand Iraqi dinars as of December 31, 2025.

6. Financial Assets at Fair Value Through Other Comprehensive Income

	December 31, 2025 Iraqi Dinar (Thousands of Dinars)	December 31, 2024 Iraqi Dinar (Thousands of Dinars)
Shares of companies not listed on financial markets*	789,474	789,474
Iraqi government bonds**	150,000,000	350,000,000
Total	150,789,474	350,789,474

* Shares of companies not listed on financial markets are recorded at cost, as management cannot reliably obtain the fair value of these shares.
* The bank contributed to the Deposit Guarantee Company with an amount of (789,474) thousand dinars. According to Central Bank letter No. 167821219 dated November 21, 2017, the bank deposited the amount into a guarantee account with the Central Bank. According to Central Bank letter No. (94/2/9) dated March 2, 2020, the procedures for establishing the Iraqi Deposit Guarantee Company were completed, and it acquired legal personality.

**The bank invested in Iraqi government bonds (Ministry of Finance) denominated in Iraqi dinars (building, reconstruction, and completion bonds) at an interest rate ranging from (6% to 8.5%) for terms of two and four years, with interest paid semi-annually.

- Interest earned on these bonds is exempt from all fees and taxes.
- These bonds can be traded on the Iraq Stock Exchange.
- Iraqi government bonds denominated in Iraqi dinars are not subject to expected credit losses.

7. Property and equipment, net

The details of this item are as follows:

	31 December 2025							
	Land	Buildings	Right-of-use assets	Machinery and equipment	Transportation vehicles	furniture and equipment	Computers and accessories Office	Total
	Iraqi Dinar (Thousands of Dinars)	Iraqi Dinar (Thousands of Dinars)	Iraqi Dinar (Thousands of Dinars)	Iraqi Dinar (Thousands of Dinars)	Iraqi Dinar (Thousands of Dinars)	Iraqi Dinar (Thousands of Dinars)	Iraqi Dinar (Thousands of Dinars)	Iraqi Dinar (Thousands of Dinars)
Cost:								
Beginning of the Year	3,725,679	4,652,618	667,587	664,090	229,202	860,891	3,749,487	14,549,554
Additions*	-	-	-	26,650	-	68,298	81,286	176,234
Disposals**	-	-	-	(51,647)	(65,179)	(31,539)	(89,350)	(237,715)
End of the Year	3,725,679	4,652,618	667,587	639,093	164,023	897,650	3,741,423	14,488,073
Accumulated Depreciation:								
Beginning of the Year	-	442,873	435,114	630,719	229,202	746,723	3,321,777	5,806,408
Charge for the Year	-	93,052	67,177	11,065	-	41,774	179,612	392,680
Disposals	-	-	-	(51,647)	(65,179)	(31,045)	(88,163)	(236,034)
End of the Year	-	535,925	502,291	590,137	164,023	757,452	3,413,226	5,963,054
Net Book Value	3,725,679	4,116,693	165,296	48,956	-	140,198	328,197	8,525,019
Projects in Progress***	-	-	-	-	-	-	53,382	53,382
Net Book Value	3,725,679	4,116,693	165,296	48,956	-	140,198	381,579	8,578,401

The accompanying notes from 1 to 23 form part of these financial statements.

Property and equipment, net (continued)

	31 December 2024							
	Land	Buildings	Right-of-use assets	Machinery and equipment	Transportation vehicles	furniture and equipment	Computers and accessories Office	Total
	Iraqi Dinar (Thousands of Dinars)	Iraqi Dinar (Thousands of Dinars)	Iraqi Dinar (Thousands of Dinars)	Iraqi Dinar (Thousands of Dinars)	Iraqi Dinar (Thousands of Dinars)	Iraqi Dinar (Thousands of Dinars)	Iraqi Dinar (Thousands of Dinars)	Iraqi Dinar (Thousands of Dinars)
Cost:								
Beginning of the Year	3,725,679	4,652,618	667,587	662,563	229,202	852,915	3,642,572	14,433,136
Additions*	-	-	-	25,307	-	10,010	154,505	189,822
Disposals**	-	-	-	(23,780)	-	(2,034)	(47,590)	(73,404)
End of the Year	3,725,679	4,652,618	667,587	664,090	229,202	860,891	3,749,487	14,549,554
Accumulated Depreciation:								
Beginning of the Year	-	349,821	367,937	631,394	229,202	689,707	3,196,335	5,464,396
Charge for the Year	-	93,052	67,177	23,105	-	59,050	173,028	415,412
Disposals	-	-	-	(23,780)	-	(2,034)	(47,586)	(73,400)
End of the Year	-	442,873	435,114	630,719	229,202	746,723	3,321,777	5,806,408
Net Book Value	3,725,679	4,209,745	232,473	33,371	-	114,168	427,710	8,743,146
Projects in Progress***	-	-	-	-	-	-	23,121	23,121
Net Book Value	3,725,679	4,209,745	232,473	33,371	-	114,168	450,831	8,766,267

8. Net Intangible Assets

The details of this item are as follows:

	December 31, 2025 Iraqi Dinar (Thousands of Dinars)	December 31, 2024 Iraqi Dinar (Thousands of Dinars)
Balance at the beginning of the year	98,413	196,580
Additions during the year	72,393	-
Less: Amortization for the year	(67,294)	(98,167)
Total	103,512	98,413

- Intangible assets include computer software and systems, which are amortized using the straight-line method at 20% of their cost.

9. Other Assets

The details of this item are as follows:

	December 31, 2025 Iraqi Dinar (Thousands of Dinars)	December 31, 2024 Iraqi Dinar (Thousands of Dinars)
Interest and accrued revenues	1,723,860	2,808,609
Prepaid expenses	686,673	329,284
Debtors of other current activities	154,371	169,341
Cash Margins held by third parties	11,000	10,000
Legal expenses	3,000	-
Contribution to Riyada Bank / Banks under establishment*	-	5,000,000
Other	538	146
Total	2,579,442	8,317,380

* The bank has withdrawn its contribution to the establishment of the Riyada Development Bank with an amount of 5 billion dinars, and the contribution amount has been deposited into our current account at the Central Bank of Iraq.

10. Clients Deposits

The details of this item are as follows:

	31 December 2025			
	Companies	Financial Companies	Individuals	Total
	Iraqi Dinar (Thousands of Dinars)	Iraqi Dinar (Thousands of Dinars)	Iraqi Dinar (Thousands of Dinars)	Iraqi Dinar (Thousands of Dinars)
Current and Call Accounts*	63,712,035	425,130	3,870,454	68,007,619
Savings Deposits	992	40,624,138	4,779,445	45,404,575
Total	63,713,027	41,049,268	8,649,899	113,412,194

* There are balances for the foreign currency sales window insurance for customers within the current accounts amounting to (146,746) thousand dinars as of December 31, 2025.

	31 December 2024			
	Companies	Financial Companies	Individuals	Total
	Iraqi Dinar (Thousands of Dinars)	Iraqi Dinar (Thousands of Dinars)	Iraqi Dinar (Thousands of Dinars)	Iraqi Dinar (Thousands of Dinars)
Current and Call Accounts*	93,633,736	667,669	2,498,773	96,800,178
Term Deposits	-	-	800,000	800,000
Savings Deposits	1,170	38,487,008	7,385,573	45,873,751
Total	93,634,906	39,154,677	10,684,346	143,473,929

11. Cash Guarantees

The details of this item are as follows:

	December 31, 2025 Iraqi Dinar (Thousands of Dinars)	December 31, 2024 Iraqi Dinar (Thousands of Dinars)
Cash Margins against letters of guarantee	13,543,373	16,205,213
Total	13,543,373	16,205,213

The accompanying notes from 1 to 23 form part of these financial statements.

12. Miscellaneous Provisions

The details of this item are as follows:

	December 31, 2025 Iraqi Dinar (Thousands of Dinars)	December 31, 2024 Iraqi Dinar (Thousands of Dinars)
Provision for Contractual Credit Risk	1,098,910	1,098,910
Provision for Employee Service Compensation	61,330	206,388
Total	1,160,240	1,305,298

13. Income Tax Provision

The movement in the income tax provision is as follows:

	December 31, 2025 Iraqi Dinar (Thousands of Dinars)	December 31, 2024 Iraqi Dinar (Thousands of Dinars)
Balance at the beginning of the year	668,020	903,532
Income tax paid during the year*	(668,020)	(903,532)
Income tax due on profits for the year	-	668,020
Balance at the end of the year	-	668,020

* The bank paid an amount of (668,020) thousand dinars to the General Commission for Taxes for the income tax for the year 2024.

14. Other Liabilities

	December 31, 2025 Iraqi Dinar (Thousands of Dinars)	December 31, 2024 Iraqi Dinar (Thousands of Dinars)
Dormant Customer Accounts Transferred to the Central Bank*	6,525,455	5,901,899
Unclaimed Amounts	1,063,897	1,064,883
Accompanied Interest Not Paid	1,008,285	820,369
Accounts Payable - Cash Dividends	707,237	940,466
Certified Bank Checks	468,435	415,840
National Switch Settlements	254,804	10,326
Balances and Compensation of Deceased Customers	123,199	58,825
Accompanied and Uncollected Revenues	113,041	128,011
Accompanied and Unpaid Expenses	96,327	209,607
Clearing Accounts	72,711	-
Lease Contract Liabilities	72,245	142,743
Deductions from Third-Party Affiliates	42,195	33,241
Stamp Fees	40,614	-
Checks and Bills Drawn on the Bank	25,229	155,486
Amounts Received for Company Registration	20,100	20,100
Amounts Reserved at the Request of Official Authorities	7,375	32,738
Creditors of Non-Current Activity	1,175	1,175
Amounts Received for the Sale of Vehicles	-	21,000
Foreign Transfers Drawn on the Bank	-	39,693
Other	2,702	6,571
Total*	10,645,026	10,002,973

*Represents the balances of dormant customer accounts that the bank transferred to the Central Bank in accordance with instructions regarding dormant accounts and funds left behind during previous periods. A corresponding account exists at the Central Bank for these balances (Note 3).

15. Capital

The bank's authorized and paid-up capital is 346.87 billion Iraqi dinars, divided into 346.87 billion shares with a par value of 1 Iraqi dinar per share, as of December 31, 2025. As of December 31, 2024, the bank's authorized and paid-up capital was 319.87 billion Iraqi dinars, divided into 319.87 billion shares with a par value of 1 Iraqi dinar per share.

In accordance with the Central Bank of Iraq's Instruction No. (439/2/9) dated August 2, 2023, requiring banks to increase their capital to no less than IQD 400 billion, the Bank commenced the second phase of its capital increase process. The General Assembly, at its meeting held on July 1, 2025, resolved the following:

1. To transfer IQD 1.5 billion from the Expansion Reserve to the Accumulated Surplus account, in accordance with the provisions of Article (55/Third) and pursuant to the approval of the Central Bank of Iraq No. (14174/4/9) dated November 25, 2024.
2. To capitalize IQD 27 billion from the Retained Earnings (Accumulated Surplus) account relating to previous years and add it to the Bank's capital, through the issuance of 27 billion bonus shares to be distributed to shareholders in proportion to their respective shareholdings.
3. To offer 53.13 billion new shares for public subscription, payable in cash at a nominal value of one Iraqi dinar per share. The subscription period extended from September 11, 2025, to November 9, 2025; however, no subscriptions were received from either shareholders or members of the public.

Accordingly, the Bank's capital increased to IQD 346.87 billion through the issuance of 27 billion bonus shares, which were distributed to shareholders in proportion to their existing shareholdings.

16. Reserves

Reserves consist of the following:

- **Statutory Reserve**

  In accordance with the Iraqi Companies Law, a minimum of 5% of the annual income after taxes is deducted as a statutory reserve.

  The accumulated amounts in this account may not exceed 50% of the bank's capital. The statutory reserve or any returns resulting from it may not be distributed to shareholders. Deductions may continue with the approval of the bank's General Assembly, provided that the statutory reserve does not exceed 100% of the bank's capital. As of December 31, 2025, its balance amounted to (16,391,890) thousand dinars.

- The bank deducted the fees for reforming the banking sector, amounting to (3,168,000) thousand dinars, from the mandatory reserve account, according to the approval of the Central Bank of Iraq No. (12735/5/9) dated 2025/12/7, given that the reform project adopted by the Central Bank of Iraq in cooperation with the company (Oliver Wyman) aims for a comprehensive reform of the private banking sector in general and is included in the bank's development plans and expansion of its business, based on the provisions of the Companies Law No. (21) of 1997 amended in 2004.

17. Interest Income

The details of this item are as follows:

	December 31, 2025 Iraqi Dinar (Thousands of Dinars)	December 31, 2024 Iraqi Dinar (Thousands of Dinars)
Interest on Iraqi government bonds (Note 6)*	23,250,000	22,608,889
Interest on balances and deposits with banks and financial institutions	892,361	1,786,462
Interest on Central Bank of Iraq transfers	1,423,062	895,680
Interest on loans and facilities	-	2,600
Total	25,565,423	25,293,631

* The bank invests in Iraqi government (Ministry of Finance) bonds in Iraqi dinars (construction, reconstruction, and achievement bonds) at an interest rate ranging from 6% to 8.5% for two- to four-year terms, with interest paid semi-annually.

- The interest earned on these bonds is exempt from all fees and taxes.
- These bonds may be traded on the Iraq Stock Exchange for both buying and selling.

18. Interest Expense

The details of this item are as follows:

	December 31, 2025 Iraqi Dinar (Thousands of Dinars)	December 31, 2024 Iraqi Dinar (Thousands of Dinars)
Interest on savings deposits	1,897,543	1,310,707
Interest on term deposits	22,784	31,131
Interest on lease liabilities	3,385	5,107
Total	1,923,712	1,346,945

19. Net Commission Income

The details of this item are as follows:

	December 31, 2025 Iraqi Dinar (Thousands of Dinars)	December 31, 2024 Iraqi Dinar (Thousands of Dinars)
Credit Commissions:		
Bank Transfer Commissions	1,797,829	3,426,250
Indirect Facilities Commissions	819,420	441,346
Foreign Exchange Window Commission*	1,227,149	134,133
Other Bank Commissions	2,617,983	2,637,320
Total Credit Commissions	6,462,381	6,639,049
Less: Debit Commissions	(832,783)	(580,439)
Net Commission Income	5,629,598	6,058,610

*The bank's purchases on behalf of customers through the currency window amounted to (131,457,252) US dollars.

20. Employee Salaries and the Like

	December 31, 2025 Iraqi Dinar (Thousands of Dinars)	December 31, 2024 Iraqi Dinar (Thousands of Dinars)
Employee Salaries and Benefits	3,709,658	3,221,197
Bank Contribution to Social Security	258,630	207,895
Total	3,968,288	30,429,092

Notes to the Consolidated Financial Statements as of December 31, 2025

21. Operating Expenses

	December 31, 2025 Iraqi Dinar (Thousands of Dinars)	December 31, 2024 Iraqi Dinar (Thousands of Dinars)
Licenses and Software	620,283	77,329
Insurance	400,575	405,575
Data Center Maintenance	392,601	413,439
Professional Services and Consulting	379,089	340,394
Employee Taxes	276,097	201,209
Legal Services	271,845	294,006
Fees*	247,339	523,603
Electronic Card Service Fees	215,411	159,370
Cash Transfer	152,726	88,813
Security and Guarding Company Expenses	144,000	59,419
Cleaning and Service Company Expenses	140,463	122,744
Subscriptions	109,618	110,103
Travel and Travel Allowances	103,220	81,816
Phone Lines	104,221	24,000
Deposit Guarantee Company Fees**	95,084	133,811
Fuel and Oil	76,207	66,982
Compensation and Penalties	63,845	79,452
Internet	63,725	75,200
Auditor's Fees	62,000	54,000
Accounting Fees	9,300	8,100
ATM Maintenance	57,469	67,973
Health Insurance	53,500	53,486
Electricity	49,935	62,480
General Maintenance	44,825	29,088
Supplies and Equipment	34,578	34,210
Non-Employee Bonuses***	32,550	34,140
Other Service Expenses	24,563	23,518
Training and Development	22,258	12,629
Hospitality	21,776	11,597
Stationery	20,934	21,095
General and Mobile Communications	19,512	21,493
Transportation Rental	10,486	9,374
Water	8,226	7,831
Celebrations and Conferences	6,260	5,383
Advertising	2,720	3,635
Donations	-	24,000
Employee Benefits	-	9,761
Total	4,337,241	3,751,058

*Fees include capital increase fees of (178,289) thousand dinars, professional fees for the Baghdad Municipality of (52,640) thousand dinars, and other fees payable to government entities.

** Deposit Guarantee Company fees: The bank pays the deposit guarantee fee of 1 dinar for every 10,000 dinars of the bank's deposits monthly to the Iraqi Deposit Guarantee Company, starting from December 2020.

*** Non-employee bonuses: This includes bonuses for members of the Board of Directors of (10,000) thousand dinars for each member for the fiscal year 2024, as per the decision of the bank's General Assembly dated July 1, 2025.

The accompanying notes from 1 to 23 form part of these financial statements.

22. Basic Earnings Per Share for the Year

Basic earnings per share for the year were calculated by dividing the net income for the year by the weighted average number of shares outstanding at the end of the year.

	December 31, 2025 Iraqi Dinar (Thousands of Dinars)	December 31, 2024 Iraqi Dinar (Thousands of Dinars)
Net profit for the year (in thousands of Iraqi dinars)	22,006,650	26,707,117
Weighted average number of shares (in thousands)	333,370,000	284,935,000
	Fils/Dinar	Fils/Dinar
Earnings per share for the year	0.066	0.094

23. Cash and Cash Equivalents

For the purposes of the statement of cash flows, cash and cash equivalents consist of the following:

	December 31, 2025 Iraqi Dinar (Thousands of Dinars)	December 31, 2024 Iraqi Dinar (Thousands of Dinars)
Cash and balances with the Central Bank of Iraq	321,753,677	128,751,841
Balances with banks and other financial institutions	39,434,288	40,544,157
Total	361,187,965	169,295,998

The accompanying notes from 1 to 23 form part of these financial statements.

Credit Bank of Iraq
(Private Joint Stock Company) – Baghdad
Separate Financial Statements
December 31, 2025

Credit Bank of Iraq

Separate Balance Sheet Statement as of December 31, 2025 — Statement (A)

	Note	December 31, 2025 Audited Iraqi Dinar (Thousands of Dinars)	December 31, 2024 Audited Iraqi Dinar (Thousands of Dinars)
Assets			
Cash and balances with the Central Bank of Iraq	3	321,753,677	128,751,841
Due to banks and other financial institutions	4	39,434,288	40,544,157
Financial assets at fair value through other comprehensive income	6	150,789,474	350,789,474
Investment in a subsidiary	7	-	57,458
Property and equipment, net	8	8,578,401	8,766,267
Intangible assets, net	9	103,512	98,413
Other assets	10	2,579,442	8,317,380
Total assets		523,238,794	537,324,990
Liabilities			
Customer deposits	11	113,412,194	143,504,176
Cash margins	12	13,543,373	16,205,213
Miscellaneous provisions	13	1,160,240	1,305,297
Income tax provision	14	-	668,020
Other liabilities	15	10,645,026	10,002,973
Total liabilities		138,760,833	171,685,679
Shareholders' equity			
Paid-up capital	16	346,870,000	319,870,000
Statutory reserve	17	16,391,890	18,459,558
Expansion reserve	16	-	1,500,000
Retained earnings (accumulated surplus)		21,216,071	25,809,753
Total shareholders' equity		384,477,961	365,639,311
Total liabilities and shareholders' equity		523,238,794	537,324,990

Signature of Finance Manager Assistant
Ameer Hamid Ibrahim
M/26634

Signature of Finance Manager
Ali Nizar Al-Hasani

Signature of Managing Director
Amr Mustafa Al-Shinawi

Signature of Vice Chairman of Board of Directors
Walid Jamal Al-Din Al-Saiufi

Seal of Credit Bank of Iraq

Signature of Ali Ghalib Abbas Al-Azzawi
Member of Iraqi Union of Accountants and Auditors
From Ali Ghalib & Co.
Public Accountant, Auditors/ Joint Stock Company

Subject to our report No. A.Gh.42/26 dated 27/04/2026

The accompanying notes from 1 to 30 form part of these financial statements.

Credit Bank of Iraq

Separated Income Statement as of December 31, 2025 Statement (B)

	Note	December 31, 2025 Audited Iraqi Dinar (Thousands of Dinars)	December 31, 2024 Audited Iraqi Dinar (Thousands of Dinars)
Interest Income	18	25,565,423	25,293,631
Interest Expense	19	(1,923,712)	(1,346,945)
Net Interest Income		23,641,711	23,946,686
Net Commission Income	20	5,629,598	6,058,610
Net Interest and Commission Income		29,271,309	30,005,296
Foreign Exchange Gains and Losses		1,164,030	4,415,167
Currency Valuation Gain (Loss) Due to Changes in the Exchange Rate		-	373,006
Reversal of Other Provisions		-	231,500
Reversal of Provision for Cash Credit Losses		41,739	32,838
Capital Gains		324,874	11,059
Other Operating Profits		30,801,952	35,068,866
Net Operating Income			
Expenses	21	(3,968,288)	(3,429,092)
Salaries and Employee Benefits	22	(4,337,241)	(3,751,058)
Capital Losses	7	(29,799)	-
Operating Expenses	8,9	(459,974)	(513,579)
Depreciation and Amortization		(8,795,302)	(7,693,729)
Total Expenses			
		22,006.650	27,375,137
Net Income Before Income Tax	14	-	(668,020)
Income Tax		22,006.650	26,707,117
Net Income			
Distributed as follows:		1,100,332	1,335,356
Required Reserve		20,906,318	25,371,761
Retained Earnings		22,006.650	26,707,117
		Fils/Dinar	Fils/Dinar
Current Year Earnings Per Share	23	0.066	0.094

Signature of Finance Manager Assistant	Signature of Finance Manager	Signature of Managing Director	Signature of Vice Chairman of Board of Directors
Ameer Hamid Ibrahim M/26634	Ali Nizar Al-Hasani	Amr Mustafa Al-Shinawi	Walid Jamal Al-Din Al-Saiufi

Seal of Credit Bank of Iraq

The accompanying notes from 1 to 30 form part of these financial statements.

Separated Statement of Comprehensive Income as of December 31, 2025 Statement (C)

	Note	December 31, 2025 Audited Iraqi Dinar (Thousands of Dinars)	December 31, 2024 Audited Iraqi Dinar (Thousands of Dinars)
Net Income		22,006,650	26,707,117
Other Comprehensive Income that will not be reclassified to the income statement in subsequent periods			
Change in the fair value of financial assets at fair value through other comprehensive income		-	-
Total Other Comprehensive Income		-	-
Total Comprehensive Income		22,006,650	26,707,117

The accompanying notes from 1 to 30 form part of these financial statements.

Consolidated Statement of Changes in Shareholders' Equity as of December 31, 2025 Statement (D)

	Capital Iraqi Dinars (Thousands of Dinars)	Statutory Reserve Iraqi Dinars (Thousands of Dinars)	Expansion Reserve Iraqi Dinars (Thousands of Dinars)	Retained Earnings (Accumulated Surplus) Iraqi Dinars (Thousands of Dinars)	Total Shareholders' Equity Iraqi Dinars (Thousands of Dinars)
2025					
Balance as of January 1, 2025	319,870,000	18,459,558	1,500,000	25,809,753	365,639,311
Current Year Income		-	-	22,006,650	22,006,650
Transfer of Expansion Reserve (Note 16)	-	-	(1,500,000)	1,500,000	-
Capitalization of Retained Earnings (Note 16)	27,000,000	-	-	(27,000,000)	-
Banking Sector Reform Fees (Note 17)	-	(3,168,000)	-	-	(3,168,000)
Transfer of Reserves	-	1,100,332	-	(1,100,332)	-
Balance as of December 31, 2025	346,870,000	16,391,890	-	21,216,071	384,477,961
2024					
Balance as of January 1, 2024	250,000,000	17,124,202	1,500,000	18,437,992	287,062,194
Current year income	-	-	-	26,707,117	26,707,117
Capitalization of retained earnings (Note 15)	18,000,000	-	-	(18,000,000)	-
Cash subscription (Note 15)	51,870,000	-	-	-	51,870,000
Transfer of reserves	-	1,335,356	-	(1,335,356)	-
Balance as of December 31, 2024	319,870,000	18,459,558	1,500,000	25,809,753	365,639,311

The accompanying notes from 1 to 30 form part of these financial statements.

Separate Statement of Cash Flows as of December 31, 2025 — Statement (E)

	Note	December 31, 2023 Audited Iraqi Dinar (Thousands of Dinars)	December 31, 2024 Audited Iraqi Dinar (Thousands of Dinars)
Operating Activities			
Profit for the Year Before Tax		22,006,650	27,375,137
Adjustments for Non-Cash Items:			
Depreciation and Amortization	8,9	459,973	513,579
Expenses (Recoveries) of Other Provisions		-	(373,006)
Cash Flows from Operating Activities Before Changes in Assets and Liabilities		22,466,623	27,515,710
Change in Assets and Liabilities			
(Increase) Decrease in Other Assets	10	5,737,938	(7,540,556)
(Decrease) Increase in Customer Deposits	11	(30,091,982)	(7,183,755)
(Decrease) Increase in Cash Margins	12	(2,661,840)	10,495,747
(Decrease) Increase in Miscellaneous Provisions	13	(145,057)	(575,163)
(Decrease) Increase in Other Liabilities	15	642,053	(51,167,070)
Net Cash Flow Used from Operating Activities Before Tax		(4,052,265)	(28,455,087)
Taxes Paid	14	(668,020)	(903,532)
Net Cash Flow Used from Operating Activities		(4,720,285)	(29,358,619)
Investing Activities			
(Purchase) Sale of financial assets at fair value through other comprehensive income	6	200,000,000	(150,000,000)
Investment in a subsidiary	7	57,458	-
(Purchase) Sale of intangible assets	9	(72,393)	-
(Purchase) Sale of property and equipment	8	(204,813)	(212,939)
Net cash flow used from investing activities		199,780,252	(150,212,939)
Financial Activities			
Capital increase (cash subscription)	17	-	51,870,000
Required reserve		(3,168,000)	-
Net cash flow utilized from financing activities		(3,168,000)	51,870,000
Net increase (decrease) in cash and cash equivalents		191,891,967	(127,701,558)
Cash and cash equivalents at the beginning of the year		169,295,998	296,997,556
Cash and cash equivalents at the end of the year	24	361,187,965	169,295,998

The accompanying notes from 1 to 30 form part of these financial statements.

Notes to the Separated Financial Statements as of December 31, 2025

1. General Information

A. Bank Establishment

The Credit Bank of Iraq was established in 1998 with an initial capital of IQD 200 million, pursuant to Certificate of Incorporation No. C/R/6615 dated July 25, 1998, and a banking license issued on October 6, 1998. The Bank commenced its banking operations on October 14, 1998.

Following the acquisition of a 75% stake in the Bank's capital by the National Bank of Kuwait (NBK) and a 10% stake by the International Finance Corporation (IFC) in 2005, the Bank has continued to strengthen its financial position and expand its range of services. These efforts have contributed to supporting the development of the Iraqi economy through the provision of high-quality banking, commercial, and investment services in accordance with the provisions of Banking Law No. 94 of 2004. The Bank has also pursued a policy of expansion across its departments and activities, in compliance with applicable policies, procedures, laws, and regulations.

- On June 29, 2012, the General Assembly approved an increase in the Bank's capital to IQD 150 billion. The increase procedures were completed pursuant to Companies Registration Directorate Letter No. 22735 dated September 8, 2013.
- In implementation of the instructions of the Central Bank of Iraq and based on the decision of the General Assembly held on October 1, 2013, to increase the Bank's capital from IQD 150 billion to IQD 250 billion, the procedures began on December 1, 2013, and were completed in early February 2014, pursuant to letter No. 3421 from the Companies Registration Directorate dated February 6, 2014.
- During 2014, the National Bank of Kuwait increased its shareholding to 84.3%, while the International Finance Corporation's share decreased to 6.7%.
- In 2019, NBK further increased its ownership to 91.0% by acquiring the IFC's remaining 6.7% stake.
- In accordance with the instructions of the Central Bank of Iraq No. (439/2/9) dated August 2, 2023, to increase the capital of banks to (400) billion dinars, the bank's management decided to increase the capital in several phases:
- Phase One: The bank's General Assembly, in its meeting held on May 2, 2024, decided to increase the bank's capital. The capital increase procedures were completed on September 11, 2024, and the bank's capital became (319.87) billion dinars, as per the Companies Registration Directorate's letter No. 30034 dated October 16, 2024. The National Bank of Kuwait's shareholding became (92.46%).
- Phase Two: The bank's General Assembly, in its meeting held on July 1, 2025, decided to increase the bank's capital. The capital increase procedures were completed on November 9, 2025, and the bank's capital became 346.87 billion dinars, as per the Companies Registration Directorate's letter No. 42238 dated December 9, 2025. The National Bank of Kuwait's shareholding became 92.46%.
- The bank provides all banking and financial services related to its operations through its three branches located throughout Iraq.
- The Bank provides a full range of banking and financial services through its three branches located within Iraq.

B. The Bank's Main Objectives

The Bank carries out its banking, investment, and financing activities under the supervision and regulation of the Central Bank of Iraq, in accordance with Central Bank Law No. 56 of 2004, Banking Law No. 94 of 2004, and the instructions issued thereunder. These activities are also conducted in compliance with Companies Law No. 21 of 1997 and its associated regulations and directives.

2. Significant Accounting Policies

2.1 Basis of Preparation and Accounting Policies

The consolidated financial statements have been prepared in accordance with International Accounting Standards (IAS) and the interpretations issued by the International Financial Reporting Interpretations Committee (IFRIC) of the Accounting Standards Board (ASB), as well as in compliance with applicable local laws and the regulatory instructions of the Central Bank of Iraq, including those related to the transition from local to international accounting standards.
The Iraqi dinar (IQD) is the presentation currency of the financial statements and is also the Bank's functional currency. All amounts are presented in thousands of Iraqi dinars, rounded to the nearest thousand.

Foreign Currency Exchange Rate

In accordance with the Central Bank of Iraq's decision, as per the Banking Control Department's letter No. 95/2/9, dated February 8, 2023, which introduced a revised exchange rate policy, the Bank adopted the new exchange rate of IQD 1,310 per USD, replacing the previous rate of IQD 1,460 per USD. This adjustment has been reflected in the Bank's accounting records and core banking systems effective from the specified date.

Credit Cash Margins Brokerage Company (Subsidiary)

Credit Cash Margins Brokerage Company (the Subsidiary) was established on March 11, 2008, with a capital of IQD 100 million, fully paid by the Credit Bank of Iraq. Pursuant to the Bank's Board of Directors Resolution No. (18) dated December 6, 2020, approving the liquidation of the Subsidiary and the initiation of the related legal procedures, the Iraq Stock Exchange suspended the Subsidiary's trading activities effective August 29, 2021. Subsequently, the Securities Commission revoked the Subsidiary's brokerage license on January 24, 2022. On June 5, 2022, the Companies Registration Directorate approved the decision of Credit Company for Securities Brokerage dated February 6, 2022, to place the Subsidiary under liquidation and appoint a liquidator. All legal procedures related to the removal of the Company's name from the records of the Companies Registration Directorate were completed on October 1, 2025, in accordance with the Companies Registration Directorate's letter No. (33823) dated October 8, 2025 (Note 7).

2.2 Change in Accounting Policies

The accounting policies used in preparing the interim financial statements are consistent with those used in preparing the financial statements for the year ending December 31, 2022.

International Financial Reporting Standard 9: Financial Instruments

In 2014, the International Accounting Standards Board issued a revised version of International Financial Reporting Standard 9, effective from 2018, with early adoption permitted. According to Central Bank Letter No. 1719/2/9 dated November 5, 2017, the Bank decided to postpone the implementation of the standard for one year due to the practical difficulties facing implementation.
According to Central Bank Letter No. 466/6/9 dated December 26, 2018, banks are required to disclose the requirements of the standard in financial reports issued after January 1, 2019.
International Financial Reporting Standard 9 sets out the requirements for the recognition and measurement of financial assets and financial liabilities, impairment of financial assets, and hedge accounting. This standard replaces International Accounting Standard 39, Financial Instruments: Recognition and Measurement. The Bank has adopted IFRS 9, Financial Instruments, effective January 1, 2019, as described below.
The following is a summary of the key accounting changes resulting from the adoption of IFRS 9.

Classification and Measurement of Financial Assets and Financial Liabilities

IFRS 9 includes three primary classification categories for financial assets: financial assets measured at amortized cost, fair value through other comprehensive income, and fair value through profit or loss. The classification of financial assets under IFRS 9 is generally based on the business model under which the financial asset is managed and its contractual cash flow characteristics. IFRS 9 eliminates the previous classification categories of assets under IAS 39, such as held-to-maturity, loans and receivables, or available-for-sale. Under IFRS 9, embedded derivatives are never separated if the host contract is a financial asset within the scope of the standard. Instead, the hybrid financial instrument is assessed as a whole for classification.

The application of IFRS 9 has not had any significant impact on the Bank's accounting policies for financial liabilities.

Measuring Expected Credit Losses

Expected credit losses represent estimates of credit losses based on probability weighting and are measured as the present value of all cash shortfalls, discounted at the instrument's effective interest rate. Cash shortfalls represent the difference between the cash flows due to the Bank under the contract and the cash flows the Bank expects to receive. The key elements in measuring expected credit losses include the probability of default, loss given default, and exposure at default. The Bank estimates these elements using appropriate credit risk models, taking into account internal and external credit ratings of the assets, the nature and value of collateral, future macroeconomic scenarios, and other relevant factors.

Business Model Assessment

The Bank determines its business model at the level that best reflects how it manages groups of financial assets to achieve its business objectives. A business model is not assessed on an instrument-by-instrument basis, but rather at a level above aggregated portfolios and is based on several observable factors. Relevant considerations include:

- The policies and objectives established for the portfolio and how those policies are implemented.
- The risks that affect the performance of the business model (and the financial assets held within it) and how those risks are managed.
- The expected frequency, value, and timing of sales in prior periods, the reasons for such sales, and expectations regarding future sales activity.

The Bank classifies its financial assets upon initial recognition into the following categories:

- Financial assets measured at amortized cost.
- Financial assets measured at fair value through other comprehensive income.
- Financial assets measured at fair value through profit or loss.

Classification and Measurement of Financial Assets

Cash and short-term deposits

These include cash on hand, current accounts, demand deposits with other banks, and deposits with banks maturing within seven days. Cash and short-term deposits are classified and measured at amortized cost using the effective interest rate method.

Bank deposits

Bank deposits are also classified and measured at amortized cost using the effective interest method. The carrying amount of these assets is adjusted to reflect changes in fair value to the extent that they are effectively hedged against such changes attributable to the hedged risk.

Loans and Advances to Customers

Loans and advances are stated at amortized cost using the effective interest method. The carrying amount of those assets being effectively hedged is adjusted for changes in fair value to the extent that the fair value changes are attributable to the risk being hedged.

Financial Investments

The Bank's financial investments consist of debt Cash Margins, equity investments, and other investments.

Debt Cash Margins are classified as either at amortized cost or at fair value through other comprehensive income, depending on the business model under which they are managed.

Equity investments are generally stated at fair value through profit or loss, except for specific investments that the Bank elects to classify as at fair value through other comprehensive income.

Other investments are measured at fair value through profit or loss.

IFRS 16 – Leases

The International Accounting Standards Board issued IFRS 16 "Leases" in January 2016, and it is effective for annual periods beginning on or after January 1, 2019.

According to the Central Bank's letter No. (206/3/9) dated May 24, 2018, it obligated banks to prepare financial statements in accordance with the requirements of the standard in financial reports issued after January 1, 2019. IFRS 16 requires lessees to account for most leases within the scope of this standard in the same way as finance leases are currently accounted for under IAS 17 "Leases." Lessees record a right-of-use asset and a corresponding financial liability on the balance sheet. The asset is amortized over the term of the lease, and the financial liability is measured at amortized cost. Lessor accounting has not undergone significant changes from IAS 17.

Leases

The Bank determines at the inception of a lease whether a contract is a lease. A contract is a lease if it conveys the right to control the use of an identified asset for a period of time in exchange for consideration. If the contract is determined to be a lease, the Bank recognizes the right-of-use asset and the lease liability at the inception date. The Bank has elected to use the recognition exceptions for leases with a lease term of 12 months or less at the inception date and for leases where the underlying asset is of low value.

Right-of-Use Assets

The right-of-use asset is initially measured at cost, which includes the initial amount of the lease liability adjusted for any lease payments made on or before the commencement date, plus any initial direct costs incurred. The right-of-use asset is subsequently depreciated using the straight-line method over the lease term. It is also reduced periodically for impairment losses, if any.

Notes to the Separated Financial Statements as of December 31, 2025

Lease Liabilities

The lease liability is initially measured at the present value of lease payments that are not made at the commencement date, discounted using the Bank's incremental borrowing rate. The lease liability is subsequently measured at amortized cost using the effective interest method. In addition, the carrying amount of the lease liability is remeasured in the event of a modification, change in lease term, or change in lease payments.

Impact of Adoption of IFRS 16

The Bank presents right-of-use assets under "Property and Equipment" and lease liabilities under "Other Liabilities" in the statement of financial position.

- Depreciation expense for right-of-use assets is 67,177 thousand Iraqi dinars and is included in "Depreciation and Amortization" in the income statement.
- Interest on lease liabilities amounts to 3,385 thousand Iraqi dinars and is included in "Interest Expense" in the income statement.

3. Cash and Balances with the Central Bank

The composition of this item is detailed as follows:

	December 31, 2025 Iraqi Dinar (Thousands of Dinars)	December 31, 2024 Iraqi Dinar (Thousands of Dinars)
Cash on hand (in safes) *	10,629,239	17,684,459
Gold coins	300	300
Balances with the Central Bank of Iraq:		
Current accounts **	281,499,452	29,401,175
Temporary / capital increase accounts ***	-	51,870,000
Statutory reserve requirements	22,281,808	23,082,968
Dormant account balances at CBI ****	6,525,455	5,901,899
Reserve for letters of guarantee	817,423	811,040
Total	321,753,677	128,751,841

* Cash in the vaults includes foreign currency with a balance of 3,486,336 thousand dinars as of December 31, 2025 (2024: 6,526,420 thousand dinars).

** Current accounts with the Central Bank include a balance in US dollars of 14,270,886 thousand dinars as of December 31, 2025 (2024: 12,407,032 thousand dinars).

** These represent the balances of dormant customer accounts that the bank transferred to the Central Bank in accordance with instructions regarding dormant accounts and abandoned funds during previous periods. A corresponding account for these balances is found in other liabilities (Note 15).

- Cash balances and balances with the Central Bank of Iraq are not subject to expected credit losses.

4. Balances with Banks and Other Financial Institutions

The details of this item are as follows:

	December 31, 2025 Iraqi Dinar (Thousands of Dinars)	December 31, 2024 Iraqi Dinar (Thousands of Dinars)
Current and demand accounts:		
Local banks and financial institutions	277,817	271,390
Foreign banks and financial institution	19,630,073	12,886,369
Time deposits with foreign banks	19,650,000	27,510,000
Less: Allowance for expected credit losses*	(123,602)	(123,602)
Total	39,434,288	40,544,157

*The details of this item represent the details of the movement in the allowance for expected credit losses:

	31 December 2025				31 December 2024
	Stage 1	Stage 2	Stage 3	Total	Total
	Iraqi Dinar (Thousands of Dinars)	Iraqi Dinar (Thousands of Dinars)	Iraqi Dinar (Thousands of Dinars)	Iraqi Dinar (Thousands of Dinars)	Iraqi Dinar (Thousands of Dinars)
Balance at the beginning of the year	130,602	-	-	130,602	130,602
Exchange rate changes	-	-	-	-	-
Total	130,602	-	-	130,602	130,602

5. Direct Net Credit Facilities

The details of this item are as follows:

Based on the Board of Directors' Resolution No. (5/17) dated May 18, 2023, approving the transfer of non-performing credit facilities from the balance sheet to the off-balance sheet in accordance with the relevant Central Bank instructions, the bank transferred non-performing credit facilities amounting to (6,143,268) thousand Iraqi dinars from the balance sheet to the off-balance sheet during the year 2024. These facilities are covered by provisions and suspended interest at a rate of (100%). The bank's management will continue to pursue the collection of these debts through legal means to ensure the bank's rights. The balance of these facilities is (6,078,536) thousand Iraqi dinars as of December 31, 2025.

6. Financial Assets at Fair Value Through Other Comprehensive Income

	December 31, 2025 Iraqi Dinar (Thousands of Dinars)	December 31, 2024 Iraqi Dinar (Thousands of Dinars)
Shares of companies not listed on financial markets*	789,474	789,474
Iraqi government bonds**	150,000,000	350,000,000
Total	150,789,474	350,789,474

*Shares of companies not listed on financial markets are recorded at cost, as management cannot reliably obtain the fair value of these shares.

*The bank contributed to the Deposit Guarantee Company with an amount of (789,474) thousand dinars. According to Central Bank letter No. 167821219 dated November 21, 2017, the bank deposited the amount into a guarantee account with the Central Bank. According to Central Bank letter No. (94/2/9) dated March 2, 2020, the procedures for establishing the Iraqi Deposit Guarantee Company were completed, and it acquired legal personality.

*The bank invested in Iraqi government bonds (Ministry of Finance) denominated in Iraqi dinars (building, reconstruction, and completion bonds) at an interest rate ranging from (6% to 8.5%) for terms of two and four years, with interest paid semi-annually.

- Interest earned on these bonds is exempt from all fees and taxes.
- These bonds can be traded on the Iraq Stock Exchange.
- Iraqi government bonds denominated in Iraqi dinars are not subject to expected credit losses.

7. Investment in a Subsidiary

Credit Brokerage Company (the subsidiary) was established on March 11, 2008, with a capital of 100 million Iraqi dinars, fully paid up by the Credit Bank of Iraq. According to the bank's Board of Directors Resolution No. (18) dated December 6, 2020, the subsidiary was liquidated, and legal proceedings were initiated. The Registrar of Companies issued a decision on June 5, 2022, approving Credit Brokerage Company's (the subsidiary) resolution dated February 6, 2022, to place the subsidiary under liquidation and appoint a liquidator. The final liquidation financial statements for Credit Brokerage Company were issued on July 18, 2023.

The bank created an impairment provision for its investment in Credit Mediation Company (the subsidiary) in the amount of (42,542) thousand dinars, which represents the accumulated losses of the company according to its audited financial statements on 2022/12/31. All legal procedures for deleting the company's name from the records of the Companies Registration Directorate were completed as of 2025/10/1, according to the Companies Registration Directorate's letter No. (33823) dated 2025/10/8. The bank made the deletion entries for the company and recognized capital losses in the amount of (28,213) thousand dinars.

8. Property and equipment, net

The details of this item are as follows:

	31 December 2025							
	Land	Buildings	Right-of-use assets	Machinery and equipment	Transportation vehicles	furniture and equipment	Computers and accessories Office	Total
	Iraqi Dinar (Thousands of Dinars)	Iraqi Dinar (Thousands of Dinars)	Iraqi Dinar (Thousands of Dinars)	Iraqi Dinar (Thousands of Dinars)	Iraqi Dinar (Thousands of Dinars)	Iraqi Dinar (Thousands of Dinars)	Iraqi Dinar (Thousands of Dinars)	Iraqi Dinar (Thousands of Dinars)
Cost:								
Beginning of the Year	3,725,679	4,652,618	667,587	664,090	229,202	852,042	3,749,487	14,540,705
Additions*	-	-	-	26,650	-	68,298	81,286	176,234
Disposals**	-	-	-	(51,647)	(65,179)	(22,690)	(89,350)	(228,866)
End of the Year	3,725,679	4,652,618	667,587	639,093	164,023	897,650	3,741,423	14,488,073
Accumulated Depreciation:								
Beginning of the Year	-	442,873	435,114	630,719	229,202	737,874	3,321,777	5,797,559
Charge for the Year	-	93,052	67,177	11,065	-	41,774	179,612	392,680
Disposals	-	-	-	(51,647)	(65,179)	(22,196)	(88,163)	(227,185)
End of the Year	-	535,925	502,291	590,137	164,023	757,452	3,413,226	5,963,054
Net Book Value	3,725,679	4,116,693	165,296	48,956	-	140,198	328,197	8,525,019
Projects in Progress***	-	-	-	-	-	-	53,382	53,382
Net Book Value	3,725,679	4,116,693	165,296	48,956	-	140,198	381,579	8,578,401

Property and equipment, net (continued)

	31 December 2024							
	Land	Buildings	Right-of-use assets	Machinery and equipment	Transportation vehicles	furniture and equipment	Computers and accessories Office	Total
	Iraqi Dinar (Thousands of Dinars)	Iraqi Dinar (Thousands of Dinars)	Iraqi Dinar (Thousands of Dinars)	Iraqi Dinar (Thousands of Dinars)	Iraqi Dinar (Thousands of Dinars)	Iraqi Dinar (Thousands of Dinars)	Iraqi Dinar (Thousands of Dinars)	Iraqi Dinar (Thousands of Dinars)
Cost:								
Beginning of the Year	3,725,679	4,652,618	667,587	662,563	229,202	844,066	3,642,572	14,424,287
Additions*	-	-	-	25,307	-	10,010	154,505	189,822
Disposals**	-	-	-	(23,780)	-	(2,034)	(47,590)	(73,404)
End of the Year	3,725,679	4,652,618	667,587	664,090	229,202	852,042	3,749,487	14,540,705
Accumulated Depreciation:								
Beginning of the Year	-	349,821	367,937	631,394	229,202	689,707	3,196,335	5,464,396
Charge for the Year	-	93,052	67,177	23,105	-	59,050	173,028	415,412
Disposals	-	-	-	(23,780)	-	(2,034)	(47,586)	(73,400)
End of the Year	-	442,873	435,114	630,719	229,202	746,723	3,321,777	5,806,408
Net Book Value	3,725,679	4,209,745	232,473	33,371	-	114,168	427,710	8,743,146
Projects in Progress***	-	-	-	-	-	-	23,121	23,121
Net Book Value	3,725,679	4,209,745	232,473	33,371	-	114,168	450,831	8,766,267

* Additions include assets that were capitalized during the period and are ready for their intended use.

** Disposals include assets that have been sold or disposed of due to being no longer usable.

*** Capital work-in-progress is stated at cost, less any recognized impairment loss. Cost includes professional fees, and for qualifying assets, borrowing costs are capitalized in accordance with the bank's accounting policy. These properties are classified into the appropriate property, plant and equipment category when they are complete and ready for their intended use. Depreciation of these assets, similar to other property, plant and equipment, begins when the assets are ready for their intended use.

9. Net Intangible Assets

The details of this item are as follows:

	December 31, 2025 Iraqi Dinar (Thousands of Dinars)	December 31, 2024 Iraqi Dinar (Thousands of Dinars)
Balance at the beginning of the year	98,413	196,580
Additions during the year	72,393	-
Less: Amortization for the year	(67,294)	(98,167)
Total	103,512	98,413

- Intangible assets include computer software and systems, which are amortized using the straight-line method at 20% of their cost.

10. Other Assets

The details of this item are as follows:

	December 31, 2025 Iraqi Dinar (Thousands of Dinars)	December 31, 2024 Iraqi Dinar (Thousands of Dinars)
Interest and Accrued Revenues	1,723,860	2,808,609
Prepaid Expenses	686,673	329,284
Current Third-Party Receivables	154,371	169,341
Cash Margins with Third Parties	11,000	10,000
Legal Expenses	3,000	-
Contribution to Riyada Bank / Banks Under Establishment*	-	5,000,000
Other	538	146
Total	2,579,442	8,317,380

* The bank has withdrawn its contribution to the establishment of the Riyada Development Bank with an amount of 5 billion dinars, and the contribution amount has been deposited into our current account at the Central Bank of Iraq.

11. Customer Deposits

The details of this item are as follows:

	31 December 2025			
	Companies	**Financial Companies**	**Individuals**	**Total**
	Iraqi Dinar (Thousands of Dinars)	**Iraqi Dinar (Thousands of Dinars)**	**Iraqi Dinar (Thousands of Dinars)**	**Iraqi Dinar (Thousands of Dinars)**
Current and Call Accounts*	63,712,035	425,130	3,870,454	68,007,619
Savings Deposits	992	40,624,138	4,779,445	45,404,575
Total	63,713,027	41,049,268	8,649,899	113,412,194

* There are balances for the foreign currency sales window insurance for customers within the current accounts amounting to (146,746) thousand dinars as of December 31, 2025.

	31 December 2024			
	Companies	**Financial Companies**	**Individuals**	**Total**
	Iraqi Dinar (Thousands of Dinars)	**Iraqi Dinar (Thousands of Dinars)**	**Iraqi Dinar (Thousands of Dinars)**	**Iraqi Dinar (Thousands of Dinars)**
Current and Call Accounts*	93,663,983	667,669	2,498,773	96,800,178
Term Deposits	-	-	800,000	800,000
Savings Deposits	1,170	38,487,008	7,385,573	45,873,751
Total	93,665,153	39,154,677	10,684,346	143,473,929

12. Cash Guarantees

The details of this item are as follows:

	December 31, 2025 Iraqi Dinar (Thousands of Dinars)	**December 31, 2024 Iraqi Dinar (Thousands of Dinars)**
Cash Margins against letters of guarantee	13,543,373	16,205,213
Total	13,543,373	16,205,213

13. Miscellaneous Provisions

The details of this item are as follows:

	December 31, 2025 Iraqi Dinar (Thousands of Dinars)	December 31, 2024 Iraqi Dinar (Thousands of Dinars)
Provision for Contractual Credit Risk	1,098,910	1,098,910
Provision for Employee Service Compensation	61,330	206,387
Total	1,160,240	1,305,297

The movement in the provisions is as follows:

	31 December 2025			
	Balance at the beginning of the year	Additions	Deductions	Balance at the end of the year
	Iraqi Dinar (Thousands of Dinars)	Iraqi Dinar (Thousands of Dinars)	Iraqi Dinar (Thousands of Dinars)	Iraqi Dinar (Thousands of Dinars)
Provision for Contractual Credit Risk	1,098,910	-	-	1,098,910
Provision for End-of-Service Indemnity *	206,387	-	(145,057)	61,330
Total	1,305,297	-	(145,057)	1,160,240

* The bank paid the amount of (145,057) thousand dinars for end-of-service benefits for employees.

14. Income Tax Provision

The movement in the income tax provision is as follows:

	December 31, 2025 Iraqi Dinar (Thousands of Dinars)	December 31, 2024 Iraqi Dinar (Thousands of Dinars)
Balance at the beginning of the year	668,020	903,532
Income tax paid during the year*	(668,020)	(903,532)
Income tax due on profits for the year	-	668,020
Balance at the end of the year	-	668,020

** The bank paid the amount of (668,020) thousand dinars to the General Commission for Taxes for the income tax for the year 2024.

Credit Bank of Iraq
Notes to the Separated Financial Statements as of December 31, 2025

Below is the calculation of income tax for the bank only (excluding the Credit Brokerage Company) for the fiscal year 2025:

	Iraqi Dinar (Thousands of Dinars)	Iraqi Dinar (Thousands of Dinars)
Net operating profit as per the income statement		22,006,650
Add: Expenses not deductible for tax purposes:		
Compensation and penalties	63,845	
Tax paid on employees	276,097	
Capital losses	29,799	
Rewards to non-employees for services rendered	32,550	
Total expenses not deductible for tax purposes		402,291
Deduct: Income not subject to income tax		
Interest on Iraqi government bonds	(23,250,000)	
Total income not subject to income tax		(23,250,000)
Gross taxable income		(841,095)
Income tax (15%) of taxable income		-

The accompanying notes from 1 to 30 form part of these financial statements.

15. Other Liabilities

	December 31, 2025 Iraqi Dinar (Thousands of Dinars)	December 31, 2024 Iraqi Dinar (Thousands of Dinars)
Dormant customer accounts transferred to the Central Bank*	6,525,455	5,901,899
Unclaimed amounts	1,063,897	1,064,883
Accompanied interest not paid	1,008,285	820,369
Accounts payable - Cash distributions	707,237	940,466
Certified bank checks	468,435	415,840
National switch settlements	254,804	10,326
Balances and compensations of deceased customers	123,199	58,825
Accompanied and uncollected revenues	113,041	128,011
Accompanied and unpaid expenses	96,327	209,607
Clearing accounts	72,711	-
Lease contract liabilities	72,245	142,743
Deductions from third-party affiliates	42,195	33,241
Stamp duties	40,614	-
Checks and letters drawn on the bank	25,229	155,486
Amounts received for company registration	20,100	20,100
Amounts held at the request of official authorities	7,375	32,738
Creditors of non-current activity	1,175	1,175
Amounts received for the sale of vehicles	-	21,000
Foreign transfers drawn on the bank	-	39,693
Other	2,702	6,571
Total	10,645,026	10,002,973

* These represent dormant customer account balances that the bank transferred to the central bank in accordance with instructions regarding dormant accounts and abandoned funds during previous periods. A corresponding account exists at the central bank for these balances (Note 3).

16. Capital

The Bank's authorized and paid-up capital amounted to IQD 346.87 billion as of December 31, 2025, divided into 346.87 billion shares with a nominal value of IQD 1 per share. As of December 31, 2024, the Bank's authorized and paid-up capital amounted to IQD 319.87 billion, divided into 319.87 billion shares with a nominal value of IQD 1 per share.

In accordance with the Central Bank of Iraq's Instruction No. (439/2/9) dated August 2, 2023, requiring banks to increase their capital to no less than IQD 400 billion, the Bank commenced the second phase of its capital increase process. The General Assembly, at its meeting held on July 1, 2025, resolved the following:

1. To transfer IQD 1.5 billion from the Expansion Reserve to the Accumulated Surplus account, in accordance with the provisions of Article (55/Third) and pursuant to the approval of the Central Bank of Iraq No. (14174/4/9) dated November 25, 2024.
2. To capitalize IQD 27 billion from retained earnings (Accumulated Surplus) relating to previous years and add it to the Bank's capital through the issuance of 27 billion bonus shares, to be distributed to shareholders in proportion to their respective shareholdings.
3. To offer 53.13 billion new shares for public subscription at a nominal value of IQD 1 per share, payable in cash. The subscription period extended from September 11, 2025, to November 9, 2025; however, no subscriptions were received from either shareholders or members of the public.

Accordingly, the Bank's capital increased to IQD 346.87 billion through the issuance of 27 billion bonus shares, which were distributed to shareholders in proportion to their existing shareholdings.

17. Reserves

Reserves consist of the following:

Mandatory Reserve

In accordance with the Iraqi Companies Law, a minimum of 5% of the Bank's annual net profit after tax is appropriated to the mandatory reserve. The accumulated balance of this reserve may not exceed 50% of the Bank's capital. The mandatory reserve, and any income generated therefrom, may not be distributed to shareholders. With the approval of the Bank's General Assembly, appropriations to the reserve may continue until its balance reaches 100% of the Bank's capital. As of December 31, 2025, the balance of the mandatory reserve amounted to IQD 16,391,890 thousand.

During 2025, the Bank charged banking sector reform fees amounting to IQD 3,168,000 thousand against the mandatory reserve, pursuant to the approval of the Central Bank of Iraq No. (12735/5/9) dated December 7, 2025. This approval was granted on the basis that the banking sector reform project adopted by the Central Bank of Iraq, in cooperation with Oliver Wyman, aims to achieve comprehensive reform of the private banking sector and forms part of the Bank's development strategy and business expansion plans, in accordance with the provisions of Companies Law No. (21) of 1997, as amended.

18. Interest Income

The details of this item are as follows:

	December 31, 2025 Iraqi Dinar (Thousands of Dinars)	December 31, 2024 Iraqi Dinar (Thousands of Dinars)
Interest on Iraqi Government Bonds (Note 6)*	23,250,000	22,608,889
Interest on Balances and Deposits with Banks and Financial Institutions	892,361	1,786,462
Interest on Central Bank of Iraq Transfers	1,423,062	895,680
Interest on Loans and Facilities	-	2,600
Total	25,565,423	25,293,631

* The bank invests in Iraqi government (Ministry of Finance) bonds in Iraqi dinars (construction, reconstruction, and achievement bonds) at an interest rate ranging from 6% to 8.5% for two- to four-year terms, with interest paid semi-annually.

- The interest earned on these bonds is exempt from all fees and taxes.
- These bonds may be traded on the Iraq Stock Exchange for both buying and selling.

19. Interest Expense

The details of this item are as follows:

	December 31, 2025 Iraqi Dinar (Thousands of Dinars)	December 31, 2024 Iraqi Dinar (Thousands of Dinars)
Interest on savings deposits	1,897,543	1,310,707
Interest on term deposits	22,784	31,131
Interest on lease liabilities	3,385	5,107
Total	1,923,712	1,346,945

20. Net Commission Income

The details of this item are as follows:

	December 31, 2025 Iraqi Dinar (Thousands of Dinars)	December 31, 2024 Iraqi Dinar (Thousands of Dinars)
Credit Commissions:		
Bank Transfer Commissions	1,797,829	3,426,250
Indirect Facilities Commissions	819,420	441,346
Foreign Exchange Window Commission	1,227,149	134,133
Other Bank Commissions	2,617,983	2,637,320
Total Credit Commissions	6,462,381	6,639,049
Less: Debit Commissions	(832,783)	(580,439)
Net Commission Income	5,629,598	6,058,610

The bank's purchases on behalf of customers through the currency window amounted to (131,457,252) US dollars.

21. Employee Salaries and the Like

	December 31, 2025 Iraqi Dinar (Thousands of Dinars)	December 31, 2024 Iraqi Dinar (Thousands of Dinars)
Employee Salaries and Benefits	3,709,658	3,221,197
Bank Contribution to Social Security	258,630	207,895
Total	3,968,288	3,429,092

Notes to the Separated Financial Statements as of December 31, 2025

22. Operating Expenses

	December 31, 2025 Iraqi Dinar (Thousands of Dinars)	December 31, 2024 Iraqi Dinar (Thousands of Dinars)
Licenses and Software	620,283	77,329
Insurance	400,575	405,575
Data Center Maintenance	392,601	413,439
Professional Services and Consulting	379,089	340,394
Employee Taxes	276,097	201,209
Legal Services	271,845	294,006
Fees*	247,339	523,603
Electronic Card Service Fees	215,411	159,370
Cash Transfer	152,726	88,813
Security and Guarding Company Expenses	144,000	59,419
Cleaning and Service Company Expenses	140,463	122,744
Subscriptions	109,618	110,103
Travel and Travel Allowances	103,220	81,816
Phone Lines	104,221	24,000
Deposit Guarantee Company Fees**	95,084	133,811
Fuel and Oil	76,207	66,982
Compensation and Penalties	63,845	79,452
Internet	63,725	75,200
Auditor's Fees	62,000	54,000
Accounting Fees	9,300	8,100
ATM Maintenance	57,469	67,973
Health Insurance	53,500	53,486
Electricity	49,935	62,480
General Maintenance	44,825	29,088
Supplies and Equipment	34,578	34,210
Non-Employee Bonuses***	32,550	34,140
Other Service Expenses	24,563	23,518
Training and Development	22,258	12,629
Hospitality	21,776	11,597
Stationery	20,934	21,095
General and Mobile Communications	19,512	21,493
Transportation Rental	10,486	9,374
Water	8,226	7,831
Celebrations and Conferences	6,260	5,383
Advertising	2,720	3,635
Donations	-	24,000
Employee Benefits	-	9,761
Total	4,337,241	3,751,058

*Fees include capital increase fees of (178,289) thousand dinars, professional fees for the Baghdad Municipality of (52,640) thousand dinars, and other fees payable to government entities.
** Deposit Guarantee Company fees: The bank pays the deposit guarantee fee of 1 dinar for every 10,000 dinars of the bank's deposits monthly to the Iraqi Deposit Guarantee Company, starting from December 2020.
** Non-employee bonuses: These include bonuses for members of the Board of Directors of (10,000) thousand dinars for each member for the fiscal year 2024, as per the decision of the bank's General Assembly dated July 1, 2025.

23. Basic Earnings Per Share for the Year

Basic earnings per share for the year were calculated by dividing the net income for the year by the weighted average number of shares outstanding at the end of the year.

	December 31, 2023 Iraqi Dinar (Thousands of Dinars)	December 31, 2024 Iraqi Dinar (Thousands of Dinars)
Net profit for the year (in thousands of Iraqi dinars)	22,006,650	26,707,117
Weighted average number of shares (in thousands)	333,370,000	284,935,000
	Fils/Dinar	Fils/Dinar
Earnings per share for the year	0.066	0.094

24. Cash and Cash Equivalents

For the purposes of the statement of cash flows, cash and cash equivalents consist of the following:

	December 31, 2025 Iraqi Dinar (Thousands of Dinars)	December 31, 2024 Iraqi Dinar (Thousands of Dinars)
Cash and balances with the Central Bank of Iraq	321,753,677	128,751,841
Balances with banks and other financial institutions	39,434,288	40,544,157
Total	361,187,965	169,295,998

25. Contingent Commitments and Liabilities

	December 31, 2025 Iraqi Dinar (Thousands of Dinars)	December 31, 2024 Iraqi Dinar (Thousands of Dinars)
Letters of Guarantee	96,443,446	79,655,805
Transcripts of Credit	4,115,462	57,265
Total	100,558,908	79,713,070

The accompanying notes from 1 to 30 form part of these financial statements.

26. Capital Adequacy

According to Central Bank letter No. 192/2/9 dated 22/07/2020, which approved the regulatory controls related to the capital adequacy standard for commercial banks in accordance with Basel II & II requirements, commercial banks operating in Iraq were obligated to comply with these regulatory controls starting from the second quarter of 2020. Accordingly, the bank calculated its capital adequacy in accordance with the instructions of the Central Bank of Iraq and the statements required by it, as detailed below:

	December 31, 2025 Iraqi Dinar (Thousands of Dinars)	December 31, 2024 Iraqi Dinar (Thousands of Dinars)
Total Capital Base (Numer of the Ratio)		
Tier I Capital		
Core (Going Concern) Capital	384,477,960	365,607,331
Elements Deducted from Core Tier I Capital	(103,512)	(98,413)
Total Tier I Capital	384,374,448	365,508,918
Tier II Capital (Gone Concern Capital)		
Subordinated Loans (Deposits)	-	-
Maximum Allowable General Provision	223,652	118,297
Total Tier II Capital	223,652	118,297
Total Tier I and Tier II Capital (Numerator of the Ratio)	384,598,100	365,627,215
Total Risk-Weighted Assets and Off-Balance Sheet Items (Denominator of the Ratio)		
Total Credit Risk-Weighted Assets	49,852,164	50,196,973
Total Market Risk-Weighted Assets	176,239,837	352,608,889
Total Operational Risk-Weighted Assets	56,484,168	49,261,667
Total Risk-Weighted Assets and Off-Balance Sheet Items (Denominator of the Ratio)	282,576,169	452,067,529
Total Capital Base / Total Risk-Weighted Assets and Off-Balance Sheet Items for Credit, Market, and Operational Risk	136.104%	80.879%

27. Liquidity Coverage Ratio and Net Stable Funding Ratio

Based on the Central Bank of Iraq's Board of Directors' Resolution No. 167 of 2016 adopting the Liquidity Coverage Ratio (LCR) and the Net Stable Funding Ratio (NSFR) to monitor banks' liquidity and their ability to meet their obligations in the short and medium term, regulatory controls for liquidity risk management were adopted in accordance with Basel II. The implementation of these ratios began on January 1, 2017, with banks adhering to the minimum limits as follows:

- The minimum liquidity coverage ratio is 100%
- The minimum net stable funding ratio is 100%

The Liquidity Coverage Ratio (LCR) was 671% as of December 31, 2025 (compared to 610% on December 31, 2024), while the Net Stable Funding Ratio (NSFR) was 1025% as of December 31, 2025 (compared to 896% on December 31, 2024).

The bank calculated the liquidity coverage ratio and net stable funding ratio in accordance with the instructions of the Central Bank of Iraq and the disclosures required by it.

28. Lawsuits Filed Against the Bank

There are no lawsuits filed against the bank with a material financial impact as of the date of preparing these statements.

29. Transactions with related parties:

The Bank entered into transactions with the National Bank of Kuwait (the major shareholder) in the normal course of business, using prevailing interest rates and commercial commissions, as shown below:

	December 31, 2025 Iraqi Dinar (Thousands of Dinars)	December 31, 2024 Iraqi Dinar (Thousands of Dinars)
On-balance sheet items		
Balances with banks and financial institutions	8,831,377	10,514,398
Deposits with banks and financial institutions	19,650,000	27,510,000
Off-balance sheet items Financial		
Indirect Facilities	84,070,411	47,570,620
Income Statement Items		
Interest Income	892,361	1,786,462
Indirect Facilities Commission	311,521	169,783

30. Impact of Implementing International Financial Reporting Standard No. 9

The results of the application showed a surplus of (998,860) thousand dinars resulting from the difference between the total expected credit losses of (223,652) thousand dinars and the total existing provisions of (1,222,512) thousand dinars, according to the statement of expected credit losses for International Standard No. (9) as of December 31, 2025 attached hereto, noting that the bank's accounting records were not affected by this increase and the balance of the book provision (existing provisions) was maintained.

The accompanying notes from 1 to 30 form part of these financial statements.

The table shows the expected credit losses for Standard No. 9 and their difference from existing provisions according to the previous classification:

	Note No.	31 December 2025			
		Balance	Expected Credit Losses	Existing Provisions	Difference
Financial Assets		Iraqi Dinar (Thousands of Dinars)	Iraqi Dinar (Thousands of Dinars)	Iraqi Dinar (Thousands of Dinars)	Iraqi Dinar (Thousands of Dinars)
Balances with the Central Bank *	3	311,124,138	-	-	-
Balances with Banks	4	39,557,890	32,777	123,602	90,825
Iraqi Government Bonds **	6	150,000,000	-	-	-
Letters of Credit and Guarantees	25	100,558,908	190,875	1,098,910	908,035
		601,240,936	223,652	1,222,512	998,860

* Balances held at the Central Bank of Iraq are not subject to expected credit losses.

** Iraqi government bonds are not subject to expected credit losses.

مصرف الائتمان العراقي
Credit Bank of Iraq

Board of Directors Report

2025

Annual Report of the Board of Directors of the Credit Bank of Iraq

The Board of Directors of the Credit Bank of Iraq extends its sincere greetings. We are pleased to present to the esteemed shareholders the Annual Report on the Bank's performance, accompanied by the financial statements for the fiscal year ending December 31, 2024. This report is submitted in accordance with the provisions of Articles (117) and (134) of Companies Law No. 21 of 1997 (as amended), Accounting Rules No. (6) and (10) issued by the Board of Accounting and Auditing Standards in the Republic of Iraq, Banking Law No. 94 of 2004, and the Corporate Governance Guidelines for Banks issued by the Central Bank of Iraq in 2018.

About the Bank

The Credit Bank of Iraq was established in 1998 with a capital of IQD 200 million, pursuant to Certificate of Incorporation No. R/C/6615 dated July 25, 1998. The Bank was officially licensed to conduct banking activities on October 6, 1998, and commenced operations on October 14, 1998.
In 2005, a significant shift in the Bank's ownership structure occurred when the National Bank of Kuwait (NBK) acquired a 75% equity stake and the International Finance Corporation (IFC) acquired a 10% stake. This strategic partnership marked a turning point in the Bank's trajectory, enabling it to strengthen its capital base, enhance operational capabilities, and expand its portfolio of banking, commercial, and investment services in accordance with the provisions of Banking Law No. 94 of 2004.
The Bank has since pursued a steady growth and expansion strategy across its operations and departments, adhering to relevant policies, regulatory frameworks, and governance standards. By 2014, NBK had increased its shareholding to 84.3%, while IFC's shareholding was adjusted to 6.7%, accompanied by the election of a new Board of Directors to guide the Bank's continued development.
The General Assembly approved, on June 29, 2012, an increase in the Bank's capital to IQD 150 billion.
The procedures for this capital increase were completed pursuant to the letter issued by the Companies Registration Directorate No. 22735 dated September 8, 2013.

In accordance with the directives of the Central Bank of Iraq and following the resolution passed by the Bank's General Assembly during its meeting on October 1, 2013, to increase the Bank's capital from IQD 150 billion to IQD 250 billion, the capital augmentation process commenced on December 1, 2013, and was finalized in early February 2014. This was confirmed by the Companies Registration Directorate's letter No. 3421 dated February 6, 2014.
In 2019, the National Bank of Kuwait further increased its equity stake to 91.0% by acquiring the entire 6.7% share previously held by the International Finance Corporation.

In accordance with the instructions of the Central Bank of Iraq No. (439/2/9) dated August 2, 2023, to increase the capital of banks to (400) billion dinars, the bank's management decided to increase the capital in several phases:
Phase One: The bank's General Assembly, in its meeting held on May 2, 2024, decided to increase the bank's capital. The capital increase procedures were completed on September 11, 2024, and the bank's capital became (319.87) billion dinars, as per the Companies Registration Directorate's letter No. 30034 dated October 16, 2024. The National Bank of Kuwait's shareholding became (92.46%).
Phase Two: The General Assembly of the Bank decided in its meeting held on 7/1/2025 to increase the Bank's capital, and the procedures for increasing the capital were completed on 11/9/2025, and the Bank's capital became (346.87) billion dinars according to the letter of the Companies Registration Directorate No. 42238 dated 12/9/2025, and the percentage of the National Bank of Kuwait's contribution became (92.46%).

Main Activities and Objectives of the Bank

The Bank conducts its banking, investment, and financing operations under the supervision and regulation of the Central Bank of Iraq, in accordance with Central Bank Law No. 56 of 2004 and Banking Law No. 94 of 2004, along with the related regulatory instructions. Additionally, the Bank operates in compliance with Companies Law No. 21 of 1997 and its associated directives. The Bank strives to achieve its core objectives, which include:

- Profitability: The Bank aims to maximize profitability by generating income from interest on credit facilities, service commissions, and returns on foreign exchange and investment activities.
- This focus on profitability is balanced with prudent risk management practices to avoid uncalculated exposures, ensure liquidity for depositors, and maintain the Bank's ability to meet all of its financial obligations in a timely manner.
- The Bank remains committed to safeguarding its financial stability by refraining from engaging in high-risk ventures or speculative investments, thereby upholding a strong foundation of security and trust.
- Additionally, the Bank continues to expand its domestic and international customer base by enhancing its service offerings and delivering high-quality, customer-centric solutions.

Key Achievements of the Bank in 2025

The bank's General Assembly, in its meeting held on July 1, 2025, decided to increase the bank's capital. The capital increase procedures were completed on November 9, 2025, and the bank's paid-up capital rose to 346.87 billion Iraqi dinars, as per the Companies Registration Directorate's letter No. 42238, dated December 9, 2025.

Material Changes

The most significant changes that occurred during the year were:

- Commitment to implementing the banking reform program issued by the Central Bank of Iraq. The bank adopted the first phase of the plan.
- An increase in the bank's paid-up capital to 346.870 billion Iraqi dinars.

Aspects of the Bank's Strategic Plan for 2026

The key pillars of the Credit Bank of Iraq's strategic plan for the year 2026 include:

- Completing the increase in the bank's capital in accordance with the regulations and instructions issued by the Central Bank of Iraq in this regard.
- Increasing the volume of deposits of all types to finance various banking activities.
- Developing products and services offered to companies.
- Developing and activating the corporate loan portfolio.
- Developing retail products and services.
- Appointing an international auditor to review the financial statements in accordance with the requirements of the banking sector reform plan.
- Developing the infrastructure and operational systems.
- Planning to open additional branches.

Bank Products and Services

The Credit Bank of Iraq is dedicated to being the preferred financial institution for customers seeking innovative and comprehensive banking solutions tailored to their needs and expectations. The Bank offers a wide array of services, including:

- Commercial services such as documentary credits and issuance of internal and external letters of guarantee.
- Internal funds transfer services (RTGS/ACH).
- Foreign currency transfers, both incoming and outgoing.
- Outgoing foreign transfers facilitated via Citi Pilot through the correspondent bank, Citibank New York, and K2 Integrity, in compliance with the Central Bank of Iraq's regulations.
- Certified checks and bills of exchange.
- Issuance and management of debit cards.
- Online and mobile banking platforms providing convenient and secure access to banking services.
- Currency exchange services aligned with prevailing local and international exchange rates.
- Payroll processing services for private sector companies.
- Corporate loans and credit facilities, offered in accordance with the Bank's established lending policies.

Top Five Shareholders in the Bank

The following table summarizes the five largest shareholders of the Credit Bank of Iraq and their respective capital contributions as of December 31, 2024:

Sr.	Name	Number of Shares	Percentage of Capital
1	National Bank of Kuwait	320,714,047,894	92.46%
2	Ban Eyad Salman Abdulwahab	3,257,666,614	0.94%
3	Yasser Mohammed Aref Al-Kufi	2,318,855,482	0.67%
4	Aras Habib Mohammed Kareem	2,314,903,028	0.67%
5	Mohammed Ali Radhi Al-Charchafchi	1,732,886,047	0.50%
	Total	**330,338,359,065**	**95.23%**

Bank Branches

The Credit Bank of Iraq operates branches strategically distributed across the northern, southern, and central regions to effectively serve its customer base. Currently, the Bank maintains three branches, detailed below along with their addresses, telephone numbers, and email contacts:

Main Branch and General Administration:
Located in Karrada, Al-Saadoun District, Block 102, Street 9, Al-Alawiya Building No. 187.
Contact details for the branch are available via phone and email as follows:
+9647901907098
+9647901907114
CBI-Alwiva@creditbankofirag.com.ig

Basrah Branch
Location: Al-Saadi Street, near Al-Tayaran Square, Basrah.
Phone: +964 780 170 0042
Email: CBI-Basra@creditbankofiraq.com.iq

Erbil Branch
Location: Erbil – Al-Manara, Barzani Namr Street / Warsh, behind the Council of Ministers of the Kurdistan Region.
Phone: +964 750 761 2042
Email: CBI-Erbil@creditbankofiraq.com.ig

Human Resources Department

As of December 31, 2025, the total number of employees at the Credit Bank of Iraq reached 114. All staff members receive their salaries according to the two categories outlined below:

Company	Annual Salaries thousand of dinars	Iraqis	Non-Iraqis	Total
Credit Bank of Iraq Company	3,709,658	107	7	114
Total	3,709,658	107	7	114

Sr.	Educational Qualification	Numbers
1	Master's Degree	5
2	Bachelor's Degree	83
3	Diploma	6
4	Secondary School Certificate	12
5	Primary School Certificate	8
	Total	114

As of December 2025, the number of employees covered by social security reached 115. The Bank paid a total amount of IQD 258,630 thousand in fulfillment of its social security obligations for all insured employees during the year.

Names of the Five Highest-Paid Employees in 2025:

Sr.	Name	Position
1	**AMR MUSTAFA AL-SHINAWI**	Authorized Manager
2	Marwan Ali Kandar	Deputy Authorized Manager
3	George Victor Farah	Executive Business Manager
4	Hasan Mohammed Darwish	Assistant Internal Auditor
5	Hasan Abdulrahaman Al-Muafi	Human Resources Manager

Training Courses

The Credit Bank of Iraq remains dedicated to the continuous development and enhancement of its human capital, recognizing the critical role that its workforce plays in executing the Bank's operations and achieving strategic goals. This commitment aligns with the Central Bank of Iraq's directives, which mandate comprehensive training programs across all banking institutions.
In 2025, the Bank conducted a total of 51 training courses and workshops, engaging 504 employees. The management prioritized training initiatives aimed at strengthening staff capabilities and improving the work environment, while simultaneously fostering a culture of corporate governance, regulatory compliance, and anti-money laundering practices.

Key areas of focus during the training programs included:

1. General Framework for Anti-Money Laundering and Counter-Terrorist Financing Systems
2. Improving the Quality of Reports
3. The Role of the Anti-Money Laundering and Counter-Terrorist Financing Office in Reducing the Proliferation of Weapons
4. Electronic Payment Card Fraud

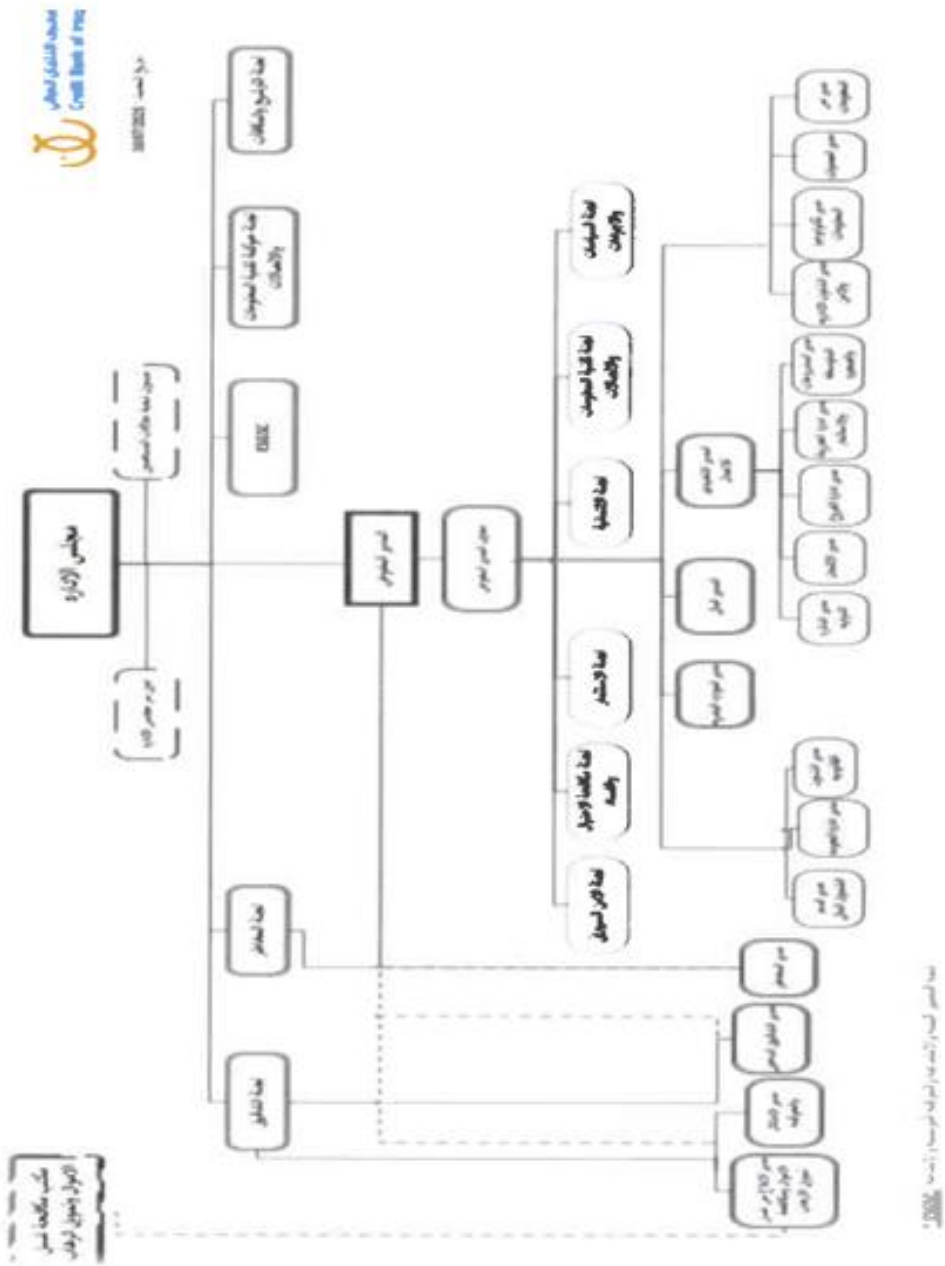
5. Cybersecurity Training Workshop in the Banking Sector
6. Mechanisms for auditing foreign transfers and letters of credit, enhanced due diligence procedures, and methods for identifying the beneficial owner
7. FATCA Fundamentals Course
8. Combating Money Laundering and Terrorist Financing
9. Guide to Inter-Social, Social, and Corporate Governance Standards for Banks (ESG)
10. Training Workshop: Updating Procedures for Weekly Reserve Reservations
11. Data Quality
12. Information Security Awareness
13. Training Program on Basic Standards for Detecting Counterfeit Currency
14. National and Sectoral Assessment Procedures
15. Post-Banking Workshop on Preparing a Balance of Payments using ITRS
16. Workshop on Implementing Quality Systems
17. Workshop on Self-Assessment Procedures for Money Laundering and Terrorist Financing Risks
18. International Accounting Standard No. (9) IFRS
19. Methods for Detecting Counterfeit Local and Foreign Currency
20. Workshop on National and Sectoral Assessment Procedures
21. RTGS System
22. Trade-Based Money Laundering
23. Combating Money Laundering and Terrorist Financing
24. Opening Accounts and Know Your Customer Procedures/RBA Applications
25. Sanctions, Embargoes, and Implementation of Security Council Resolutions
26. Advanced Financial Investigations Combating Money Laundering and Terrorist Financing
27. Culture of Compliance
28. AI for Internal Audit
29. Enhancing Financial Disclosures for Commercial Banks
30. Cash Operations

31. Fundamentals of Issuing, Monitoring, and Auditing Letters of Guarantee
32. Accounting System Course
33. Risk Management
34. IT Governance Framework
35. International Accounting Standards (IAS) 1 and 13: Calculation Methods
36. Launching the Targeted Financial Sanctions Application
37. How to Develop a Financial Inclusion Strategy
38. Phishing Simulation
39. Digital Transformation in Banking and Electronic Financial Services
40. Financial Inclusion, Banking Awareness, and Consumer Protection
41. Awareness Session Focusing on the Latest Updates and Best Practices for Dealing with Retail Depositors and Welcoming New Bank Customers
42. International Accounting Standard
43. Mechanisms for Implementing the Advance Customs Declaration and Financial Transfer Procedures
44. Government Mail Management
45. Fundamentals of Banking
46. Training Workshop: Regulatory Controls for Combating Money Laundering, Terrorist Financing, and the Proliferation of Weapons
47. Cryptocurrencies: Between Reality and Law
48. Cross-Border Transfer Controls and Due Diligence Procedures for Banks Correspondence
49. Financial Inclusion and Banking Awareness
50. HR Certificate
51. APHRI

This is in addition to the following:

- Specialized courses and certifications in various fields of work.
- Internal training courses for all employees, covering various topics and training packages through the National Bank of Kuwait's online platform, NBK HUB.
- Training workshops on new platforms and systems launched by the Central Bank of Iraq.
- Mandatory training courses conducted by the Central Bank of Iraq.

Organizational Structure of the Bank



Risk Management

The Bank adopts a comprehensive strategy for managing various types of risks to which it may be exposed including credit risk, operational risk, market risk, liquidity risk, concentration risk, and other emerging risks ensuring the preservation of its financial position and profitability.
The Bank's overall risk management framework encompasses identification, monitoring, and mitigation practices and is designed to comply with the regulatory directives of supervisory authorities and the Basel Committee standards. Risk management is a shared responsibility across the organization, beginning with the Board of Directors and its subcommittees, and extending throughout all relevant departments within the Bank.

The Credit Bank of Iraq is committed to adhering to international standards and utilizes advanced accounting systems capable of generating accurate and timely risk reports. These reports play a critical role in identifying, assessing, and measuring the various risks to which the Bank may be exposed.

Risk Management Tasks

The Risk Management Department is an independent and specialized unit within the Bank responsible for implementing a wide range of risk management policies. Its core functions include identifying current and potential risks, assessing and measuring their impact, and submitting periodic reports to relevant authorities.

The department operates in compliance with the requirements of both the Basel Committee and the Central Bank of Iraq, and is committed to applying international best practices in the areas of risk assessment, control, and mitigation. In addition, the Risk Management Department plays a key role in evaluating the Bank's risk-bearing capacity and the adequacy of capital allocation to support the achievement of strategic objectives. It establishes the necessary requirements and control measures to manage associated risks through the following:

1. The Board of Directors, through its Risk Committee, reviews and approves the Bank's risk appetite limits across all risk categories, along with risk management policies, to ensure alignment with ongoing developments and the Bank's business growth, while supporting the effective implementation of its strategic objectives.
2. Executive Management is tasked with ensuring the application of the risk-related recommendations and standards issued by the Board of Directors and its Risk Committee.
3. The Risk Management Department is responsible for overseeing risk practices across the Bank's operational structure and for submitting regular reports to both the Risk Committee and Executive Management.
4. The department also leads the development and enhancement of risk management systems and ensures the implementation of the Bank's obligations under evolving international standards, particularly Basel II and IFRS 9.
5. Risk management is a shared responsibility across all levels of the Bank's staff.
6. Within the Investment and Credit Committee, the Risk Management Department plays a critical role in supporting optimal capital planning and the continuous monitoring of liquidity, market, and credit risks.

Risk Management Activities in 2025

- Throughout 2025, the Credit Bank of Iraq undertook a range of initiatives to strengthen its risk management framework, including but not limited to the following:
- Implementation of risk control measures in compliance with the directives of the Central Bank of Iraq.
- Development of a comprehensive risk management strategy.
- Definition of the Bank's risk appetite limits.
- Review and update of policies and procedures related to operational, market, credit, liquidity, and concentration risks.
- Updating and testing of the Bank's Business Continuity Plan (BCP).
- Execution of annual stress testing to assess the Bank's resilience under adverse scenarios.
- Ongoing risk monitoring and business impact analysis through a structured risk matrix.
- Preparation of periodic reports by senior management, highlighting the Bank's risk profile and any deviations from approved limits and standards.
- Assessment of the internal environment by identifying strategic factors, including the Bank's strengths and weaknesses, to enhance its operational efficiency and leverage emerging opportunities. This assessment was conducted along the following key pillars

Organizational Structure

The organizational structure reflects the entirety of roles, responsibilities, and functional relationships aligned with the Bank's strategic objectives. It is designed to support the effective execution of the Bank's overall strategy. The chart below outlines the organizational framework specific to the Risk Management function.

Risk Management Department

Risk Management Committee – Board of Directors | Authorized Manager → Head of Risk Management Department | Deputy Head of Risk Management Department
Operational Risk Division, Credit Risk Division, Liquidity Risk Division, Market Risk Division

- **Organizational Culture:**

The standards define both acceptable and unacceptable behaviors within the Bank. The organizational culture is aligned with the Bank's strategy and must not contradict it. If necessary, the culture may be adjusted to ensure full alignment with the strategy being implemented.

- **Available Resources**

Achieving success requires balancing the Bank's financial, human, and technological capabilities, alongside effective administrative and management information systems that support research and development activities.

- Studying the External Environment: This involves continuous monitoring and evaluation of both positive and negative shifts in economic, technological, political, and competitive factors. The goal is to identify external opportunities and favorable changes that the Bank can leverage to its advantage. Simultaneously, it aims to track adverse developments and assess their potential impact on the Bank, such as fluctuations in interest rates, the introduction of new products or services, amendments to labor and wage laws, and the overall degree of political stability.
- The annual risk management review encompasses all risk-related aspects, including but not limited to updating policies and procedures, revising the business continuity plan, and adjusting risk appetite limits in accordance with the risk management controls for the year 2025.

Core Tasks of Internal and Social Environment Risk Management:

The environmental and social standard emphasizes the creation of employment opportunities, income generation, poverty alleviation, and the promotion of economic growth. It also aims to establish a healthy relationship between management and employees, fostering interdependence, solidarity, and equality through fair and equitable treatment, as well as ensuring safe and healthy working conditions.

The key objectives of managing the internal and social environment can be summarized as follows:

1. Promoting occupational health and safety.
2. Ensuring fair treatment, non-discrimination, and equal employment opportunities.
3. Safeguarding the rights and well-being of employees at the Bank.
4. Prohibiting all forms of forced labor.
5. Supporting employees' rights to freedom of association and collective bargaining in accordance with labor laws.
6. Providing channels for employees to raise and discuss work-related concerns.
7. Educating and raising awareness among employees on risk management practices.

The Bank's Vision and Operational Objectives Regarding Environmental Sustainability and Social Sustainability Goals

The Credit Bank of Iraq is firmly committed to the principle of sustainability, integrating social and environmental considerations into its banking operations and related activities. The Bank recognizes the critical importance of social responsibility and environmental stewardship as key components of its contribution toward sustainable development, aiming to generate positive outcomes for both society and the environment.

Environmental Objectives

Environmental Protection: The Bank is committed to minimizing the environmental impact of its operations and strives to enhance resource efficiency across all banking activities. Efforts will focus on improving energy and resource utilization in all branches and offices.

Energy and Emissions: The Bank aims to reduce energy consumption and carbon emissions, while exploring opportunities to adopt renewable energy sources in the future, contingent upon the advancement of public infrastructure.

Waste Management: The Bank actively works to minimize waste generation by reducing paper usage and promoting electronic communication methods.

Social Objectives

Diversity and Equality: The Credit Bank of Iraq (CBI) takes pride in the cultural and experiential diversity of its workforce and is committed to fostering a work environment that supports diversity and promotes equality.

Employment Opportunities: The Bank strives to ensure equal employment and promotion opportunities by encouraging diversity and equality throughout its workforce.

Community Development: The Bank actively contributes to the advancement of local communities by supporting social projects and initiatives aimed at improving quality of life and alleviating poverty.

Awareness and Education: The Bank is dedicated to raising awareness on sustainability, health, and cultural matters among both employees and customers, providing relevant educational and training opportunities to support this mission.

Independence of Risk Management

The Risk Management Department operates independently and reports directly to the Risk Management Committee of the Board of Directors. It gathers information from other departments and collaborates with various bank committees, as authorized by the Board. The department is responsible for identifying, assessing, and monitoring all current and potential risks facing the Bank. It implements risk mitigation measures to minimize their impact on the Bank's operations and ensures effective risk management aligned with the Bank's strategic objectives, with the ultimate goal of maximizing shareholder equity through the following actions:

- Monitoring the compliance of the Bank's executive departments with established acceptable risk levels.
- Reviewing the Bank's risk management framework prior to its approval by the Board of Directors.
- Implementing the risk management strategy while developing policies and procedures for managing all risk categories.
- Educating employees and raising awareness about effective risk management practices.
- Developing methodologies for identifying, measuring, monitoring, and controlling all types of risks.

Internal Control and Audit Department

Internal audit is an independent function that forms an integral part of the ongoing oversight of the Bank's internal control systems and procedures. Its primary objective is to evaluate the adequacy and effectiveness of the Bank's risk management and control frameworks, thereby contributing to enhanced operational performance. The Credit Bank of Iraq maintains robust internal control and oversight mechanisms, which are reviewed annually by the internal audit team in coordination with the external auditors, through Audit Committee sessions and regular meetings of the Board of Directors.

Independence

The Internal Audit Department maintains full operational independence in conducting audits across the Bank's various activities. It operates under the oversight of the Board of Directors and reports directly to the Audit Committee.

Scope of Work

The Internal Audit Department's scope of work encompasses all departments and branches of the Bank. It evaluates the extent to which these units comply with management-approved instructions. Additionally, samples of daily operational documents are reviewed for branches and departments engaged in banking transactions. It was observed that these operations adhere to the principle of segregation of duties and responsibilities, with two employees involved one preparing the transaction documentation and the other authorizing the transaction's processing within the Bank's system. The primary tasks include:

- Financial Auditing aims to evaluate the accuracy and fairness of the Bank's financial statements, ensuring their compliance with approved accounting standards.
- Compliance Auditing aims to verify adherence to laws, regulations issued by relevant authorities, and the policies and procedures established by the Bank's management.
- Operational Auditing aims to assess the quality and effectiveness of the Bank's operations, ensuring alignment with established systems and procedures, analyzing the administrative structure, and evaluating the efficiency of processes related to various tasks and functions.
- Administrative Auditing aims to evaluate the quality of methods employed by the General Department of Risk Control.

During the year, the Internal Audit Department audited and reviewed all departments and branches of the bank, issued the necessary reports and presented them to the committee, in addition to issuing reports specific to the Central Bank of Iraq, within the controls and guidelines issued by the Central Bank of Iraq.

Powers

- To effectively perform internal oversight and auditing, the Internal Audit Department's staff are granted:
- Full and unrestricted authority to review all bank records, documents, and the work of employees across all audited activities and departments.
- The ability to communicate with all bank personnel as needed.
- Direct access to the Head and members of the Audit Committee, as well as the Compliance Department.
- Direct communication channels with the Bank's external auditors.

Anti-Money Laundering and Terrorist Financing Reporting Department

Combating money laundering and terrorist financing is a top priority for financial institutions worldwide. Countries have enacted legislation criminalizing these activities and mandate the active participation of financial institutions and other professional entities in their prevention. Accordingly, the Credit Bank of Iraq has established an independent unit the Money Laundering and Terrorist Financing Reporting Department which reports directly to the Board of Directors, the Audit Committee, and the Anti-Money Laundering and Terrorist Financing Office. This department is responsible for monitoring, following up, and ensuring the Bank's compliance with Anti-Money Laundering and Terrorist Financing Law No. 39 of 2015, alongside related regulations and controls. It also oversees the implementation of the Bank's AML/CFT policies and procedures.

Anti-Money Laundering and Terrorist Financing Policy

The Anti-Money Laundering and Counter-Terrorism Financing Policy is a fundamental pillar adopted by the Credit Bank of Iraq as part of its financial oversight framework. This policy is established in accordance with Anti-Money Laundering and Counter-Terrorism Financing Law No. 39 of 2015, along with instructions, controls, and circulars issued by the Central Bank of Iraq and the Anti-Money Laundering and Counter-Terrorism Financing Office, as well as the recommendations of the Financial Action Task Force (FATF) and the Basel Committee.

The Bank addresses the risks related to financial crimes with strictness and seriousness at the local, regional, and international levels. The Credit Bank of Iraq complies fully with all applicable laws, regulations, and controls related to AML/CFT and integrates these requirements into the policies of all its departments.

In 2025, the Bank updated its AML/CFT policy, which was approved by the Board of Directors to ensure alignment with international standards and requirements. This policy strictly prohibits any operating unit from establishing a new business relationship unless all parties involved are properly identified and verified, and the expected nature of the business is clearly understood and confirmed.

Combating money laundering and terrorist financing is a foundational responsibility for financial institutions worldwide. The AML/CFT policy, the implementation of the Know Your Customer (KYC) principle, and the business standards and requirements guiding all banking activities are designed to ensure full compliance with anti-money laundering and anti-terrorist financing regulations and to meet the regulatory obligations applicable to the Bank and its operations.

The AML/CFT Reporting Officer and Assistant

The AML/CFT Reporting Officer, supported by their assistant, is the designated compliance officer at the senior management level. This officer is responsible for updating and maintaining the Bank's AML/CFT policies and ensuring the effective implementation of the Know Your Customer (KYC) principle, in accordance with applicable legislation and regulatory requirements.

The department actively monitors the Bank's compliance with the instructions, decisions, and laws issued by the Central Bank of Iraq, as well as adherence to the Bank's own AML/CFT policies, controls, and procedures, including but not limited to:

- Service Delivery Channel Risks in Adopting the Risk-Based Approach Principle

- Maintain and regularly update the Bank's anti-money laundering and counter-terrorist financing policies, ensuring alignment with evolving legal and regulatory requirements, while effectively implementing the Know Your Customer (KYC) principle.
- Act as the primary communication channel for all employees reporting knowledge or suspicion of potential money laundering activities, facilitating the necessary actions to verify or dismiss such suspicions.
- Provide clear guidance and support to employees regarding anti-money laundering and counter-terrorism financing measures.
- Investigate suspicious transactions identified through daily AML system reports, coordinating with the relevant relationship managers to secure all required documentation supporting the case under review.
- Maintain an up-to-date database of all investigated transactions and cases, including detailed outcomes of each investigation. This repository is thoroughly reviewed before launching any new investigation, with decisions to proceed based on previous findings.
- Conduct periodic sample reviews of customer KYC information to ensure ongoing compliance.
- Ensure that employee training programs on AML/CFT are current and meet prevailing standards.
- Submit regular monthly and quarterly reports to the Board of Directors and senior management, detailing the Bank's compliance with regulatory requirements related to combating money laundering, terrorist financing, and adherence to the Know Your Customer principle.

During the year, the bank contracted with an international company to review the work, policies and procedures followed within the department and to issue reports, in addition to holding a training course for employees in this regard.

Compliance Department

The Compliance Officer evaluates the Bank's adherence to applicable laws and regulations within its daily banking operations, ensuring the accuracy and effectiveness of policies and procedures to prevent errors and violations that could expose the Bank to various risks. The officer collaborates closely with other executive departments and is appointed by the Bank's Board of Directors in accordance with paragraph (3) of Article (18) of Banking Law No. 94 of 2004.

The Credit Bank of Iraq remains fully committed to complying with all laws, regulations, and controls issued by the Central Bank of Iraq.

Compliance Department Responsibilities

The main tasks of the Compliance Department include:

- Preparing the annual compliance plan in line with the comprehensive compliance requirements set forth by the Central Bank of Iraq and relevant local regulations, and ensuring its approval by the Board of Directors.
- Conducting risk assessments based on key criteria such as:
  - Geographical location/country risk
  - Customer risk
  - Product and service risk
  - Other Risk Criteria
- The Compliance Officer is responsible for monitoring the Bank's adherence to the Board of Directors' decisions, internal policies, and procedures established in accordance with laws and instructions issued by the Central Bank of Iraq. The Compliance Officer also attends the Bank's Board meetings in an observer capacity.
- Identifying all laws, regulations, and instructions related to banking activities, including those that may not have a direct apparent connection to banking operations. The Bank's Legal Department may assist the Compliance Officer in this task.
- Reviewing policies, procedures, and senior management decisions related to the Bank's activities to assess their alignment with applicable laws, regulations, and supervisory instructions, and providing feedback accordingly.
- Examining the procedures followed by various Bank departments to ensure their compliance with relevant laws and regulations, evaluating the adequacy of internal controls and guidance, monitoring deviations, and proposing corrective measures and improvements.
- Conducting on-site visits to branches and performing independent audits of departments to verify compliance with current laws and instructions, preparing reports on non-compliance cases, and following up on their resolution.
- Monitor the implementation of corporate governance policies and related procedures in accordance with the Corporate Governance Guide framework, Central Bank of Iraq requirements, and performance evaluation metrics.

- Prepare a comprehensive list of banking products, services, and business areas to assist in identifying all operational fields, in collaboration with various departments.
- Submit quarterly reports to the Audit Committee, which is delegated by the Board of Directors.
- Submit quarterly reports to the Central Bank of Iraq.
- Prepare and distribute the Regulatory Compliance Matrix (RCM), which includes all current laws and instructions issued by the Central Bank of Iraq. This matrix is circulated to all departments and branches.
- Follow up on issues that may lead to warnings, fines, or penalties from the Central Bank of Iraq to prevent imposing sanctions on the Bank.
- Propose training courses on established policies and required procedures, emphasizing the importance of compliance for all employees, especially new hires.
- Conduct periodic reviews of the Bank's anti-money laundering systems and procedures to identify weaknesses and propose corrective measures, including reports generated by internal systems on unusual transactions.
- Coordinate with the Anti-Money Laundering Department to monitor compliance with the implementation of established plans and verify adherence to the provisions of laws, regulatory controls, and internal regulations concerning anti-money laundering.
- Ensure ongoing compliance with the adoption of the Know Your Customer (KYC) account opening form prepared by the Central Bank of Iraq, and verify that it is regularly updated.
- Supervising and ensuring the implementation of compliance with the U.S. Foreign Account Tax Compliance Act (FATCA), including the timely submission of the required annual reports.

Compliance Officer's Role in Combating Money Laundering and Terrorist Financing:

The Compliance Department prepares a quarterly report on Anti-Money Laundering and Counter-Terrorism Financing (AML/CFT) using the format approved by the Central Bank of Iraq. This report is submitted to the Central Bank on a quarterly basis, with copies shared with the Audit Committee—appointed by the Board of Directors—and Executive Management. At a minimum, the report includes the following:

- Efforts undertaken during the reporting period to identify and address unusual or suspicious transactions, along with the corresponding actions taken.
- Key findings from the periodic review of the bank's anti-money laundering (AML) systems and procedures.
- Details of any amendments made to internal policies, controls, or systems related to AML/CFT.
- An assessment of the bank's compliance with the approved AML/CFT plans during the reporting period.
- An outline of the upcoming supervision plan—both office-based and field visits—for the bank's branches following the reporting period.
- A comprehensive summary of the training programs conducted for employees, including subject areas and participant numbers.
- A description of the resources made available by the bank to ensure the Compliance Department's independence, the results of system evaluations, and the oversight role performed by the Board of Directors.

Financial Statements

Financial Position

Details	As of December 31, 2025	As of December 31, 2024	Change by Year-End
	IQD	IQD	Percentage
Assets			
Cash and Balances with the Central Bank	321,753,677	128,751,841	149.9%
Balances with Banks and Other Financial Institutions	39,434,288	40,544,157	2.7%
Financial Assets at Fair Value through Other Comprehensive Income	150,789,474	350,789,474	57.0%
Property and Equipment, Net	8,578,401	8,766,267	2.1%
Intangible Assets	103,512	98,413	5.2%
Other Assets	2,579,442	8,317,380	69.0%
Total Assets	523,238,794	537,267.532	2.6%
Liabilities and Shareholders' Equity			
Liabilities			
Customers' Deposits	113,412.194	143,473,929	21.0%
Cash Collateral	13,543,373	16,205,213	16.4%
Various Provisions	1,160,240	1,305,297	11.1%
Income Tax Provision		668,020	100.0%
Other Liabilities	10,645,026	10,002,970	6.4%
Total Liabilities	138,760,833	171,655,429	-10.2%
Shareholders' Equity			
Capital	346.870.000	319,870,000	8.4%
Statutory Reserve	16,391,890	18,468,834	11.2%
Expansion Reserve	21,216,071	1,500,000	100.0%
Retained (Losses) / Earnings		25,773,269	17.7%
Total Shareholders' Equity	384,477,961	365.612,103	5.2%
Total Liabilities and Shareholders' Equity	523,238,794	537.26 ,532	2.5%

The following are the main components of the balance sheet:

A. Assets

Total assets amounted to (523,238,794) thousand dinars, compared to (537,267,532) thousand dinars in 2024, representing a decrease of (2.6%).

Cash and Balances with the Central Bank

The cash balance in the treasury and with the Central Bank of Iraq increased to (321,753,677) thousand dinars, compared to (128,751,841) thousand dinars at the end of 2024. This represents cash liquidity in local and foreign currencies deposited in the bank's vaults, as well as current accounts, time deposits, the legal reserve, and the reserve for letters of guarantee held with the Central Bank of Iraq. The balance increased as a result of the maturity of Iraqi government bonds (reconstruction bonds) worth (200) billion dinars in November 2025, which were deposited into the current account with the Central Bank.

Balances with Banks and Financial Institutions

The bank's balances with banks and financial institutions decreased to (39,434,288) thousand dinars compared to (40,544,157) thousand dinars at the end of 2024. These balances are mostly with the National Bank of Kuwait, which is the main shareholder in our bank, and where all financial transactions with the outside world are conducted through its correspondent network spread throughout the world and with Citibank.

Financial Assets at Fair Value through Other Comprehensive Income

The bank contributed to the Iraqi Deposit Guarantee Company with an amount of (789,474) thousand dinars. According to Central Bank letter No. (94/2/9) dated March 2, 2020, the procedures for establishing the Iraqi Deposit Guarantee Company were completed, and it acquired legal personality.

The bank invested in Iraqi government bonds denominated in Iraqi dinars (Reconstruction and Achievement Bonds) with an amount of 150 billion dinars at an interest rate of (8% - 8.5%) for a period of four years.

Cash Credit

Based on Board of Directors Resolution No. (5/17) dated May 18, 2023, approving the transfer of non-performing credit facilities from the balance sheet to the off-balance sheet in accordance with the relevant Central Bank instructions, the bank transferred non-performing credit facilities amounting to (6,143,268) thousand Iraqi dinars from the balance sheet to the off-balance sheet during 2024. These facilities are fully covered by provisions and accrued interest. The bank's management will continue to pursue the collection of these debts through legal means to safeguard the bank's rights. The balance of these funds was (6,078,536) thousand Iraqi dinars as of December 31, 2025.

Other Assets

The net balance of other assets amounted to (2,579,442) thousand Iraqi dinars, compared to (8,317,380) thousand Iraqi dinars at the end of 2024. The bank withdrew its contribution of 5 billion Iraqi dinars to the establishment of the Riyada Development Bank.

Commitment Liabilities

The commitment credit balance amounted to 100,558,908 thousand dinars, compared to 79,713,070 thousand dinars in 2024. This represents the bank's activity in issuing letters of credit and guarantees to the private sector, government departments, and their subsidiaries. All domestic letters of guarantee are 100% covered by insurance, while external letters of guarantee are fully covered by bank guarantees (Counter Guarantee).

Customer Deposits

Total customer deposits – including current accounts, savings accounts, and fixed deposits – amounted to 113,412,194 thousand dinars, compared to 143,473,929 thousand dinars at the end of 2024, a decrease of 21%.

Other Liabilities

The balance of other liabilities amounted to (10,645,026) thousand dinars, compared to (10,002,970) thousand dinars at the end of 2024.

Miscellaneous Provisions

The balance of miscellaneous provisions decreased to (1,160,240) thousand dinars, compared to (1,305,297) thousand dinars at the end of 2024. The bank paid (145,057) thousand dinars in end-of-service benefits to its employees.

Capital and Reserves

The bank's paid-up capital amounted to 346,870,000 dinars at the end of 2025. Reserves consisted of 16,391,890 dinars in mandatory capital reserves (stipulated by the Companies Law at a rate of 5% of net profit after tax) and retained earnings of 21,216,071 dinars, representing profits not distributed to shareholders.

In accordance with the instructions of the Central Bank of Iraq No. (439/2/9) dated August 2, 2023; to increase the capital of banks to no less than 400 billion dinars, the bank commenced the capital increase process (second phase). The General Assembly, in its meeting held on July 1, 2025, resolved the following:

1. To transfer 1.5 billion dinars from the expansion reserve to the accumulated surplus, in accordance with the provisions of Article (55/Third) and as per the approval of the Central Bank of Iraq No. (14174/4/9) dated November 25, 2024.
2. To capitalize 27 billion Iraqi dinars from the retained earnings account (accumulated surplus) of previous years and add it to the bank's capital, and to issue 27 billion bonus shares to be distributed to shareholders in proportion to their respective shareholdings.
3. To offer 53.13 billion new shares for public subscription, payable in cash at a nominal value of one dinar per share. The cash subscription period ran from September 11, 2025, to November 9, 2025, but no shareholders or members of the public subscribed.

Consequently, the bank's capital increased to 346.87 billion shares through the issuance of 27 billion bonus shares, distributed to shareholders in proportion to their existing shareholdings.

A. Income Statement:

The bank's net profit after income tax amounted to IQD 26,707,117 thousand, compared to IQD 17,530,438 thousand during the same period of the previous year, representing an increase of 52.3%.

Details	As of December 31, 2024	As of December 31, 2024	Change
	IQD	IQD	Percentage
Interest Income	25,565,423	25,293,631	1.1%
Interest Expenses	(1,923,712)	(1,346,945)	42.8%
Net Interest Income	23.641,711	23,946,686	-1.3%
Net Fee and Commission Income	5,629,598	6,058,610	-7.1%
Net Interest and Fee Income	29,271,309	30,005,296	-2.4%
Net Foreign Currency Conversion Profits	1,164,030	4,415,167	73.6%-
Recovery of Various Provisions		373,006	100.0%-
Recovery of Provision for Credit Losses		231,500	100.0%-
Capital Revenues	41,739	32,838	27.1%
Net Profits from Other Operations	324,874	11,059	2837.6%-
Net Operating Income	30,801,952	35,068,866	12.2%-
Employee Salaries and Equivalent Expenses	(3.968,288)	(3,429,092)	15.7%
Other Operating Expenses	(4.337,241)	(3,751,058)	15.6%
Legal Expenses	(29,799)	-	100.0%
Depreciation and Amortization	(459,974)	(513,579)	10.4%-
Total Expenses	(8,795,302)	(7,693,729)	14.3%
Net Income for the Year Before Income Tax	22,006,650	27,375,137	-19.6%
Income Tax		(668,020)	100.0%-
Net Income for the Year	22,006,650	26,707,117	-17.6%
Basic Earnings Per Share	0.066	0.094	

Total Revenues:

Net operating income decreased by 12.2%, primarily due to a decline in net commission income and profits from foreign exchange transactions.

Total Expenses:

Total expenses increased by 14.3% to reach 8,795,302 thousand dinars, compared to 7,693,729 thousand dinars last year.

Bank-Owned Real Estate

Sr.	Properties
1	General Administration and Main Branch Building / Karrada / Baghdad
2	Building in Al-Bayaa / Baghdad
3	Building in Manawi Basha / Basrah

Donations, Advertising, Hospitality, and Travel Expenses for the Year 2025

Items	Amount (IQD)	Details
Travel and Delegations	103,220	The amount represents total travel, hotel, and airline expenses incurred for employee delegations related to the bank's activities.
Hospitality	21,776	The amount reflects total expenses spent on hospitality.
Advertisements	2,720	The amount reflects total expenses spent on advertising and promotion.
Total	**127,716**	

Bank Share Price

The bank's share closed at IQD 0.60 in the last trading session of 2025.

Contracts Concluded and Expenses Incurred During 2025

Contract / Expense	Expense Type	Contracting Entity	Amount (IQD)
Erbil Branch Rental	Annual Rent	Omar Qader Amin	73,884,000
Final Accounts Review Fees	Auditing	Ali Ghalib & Partners	61,000,000
Quarterly Budget Review Fees	Professional and Consulting Services	Ali Ghalib & Partners	21,000,000
Legal Consultations	Legal Services	Dajna Legal Services Company	158,400,000
Attorney Fees	Legal Services	Majalla Legal Services Company	26,400,000
Attorney Fees	Legal Services	Lawyer Ihsan Naji Hassan	38,200,000
IT Audit	Professional and Consulting Services	Athar Water Consulting Company	19,800,000
AML Assessment	Professional and Consulting Services	Athar Financial Consulting Company	48,127,000
AML Audit	Professional and Consulting Services	Athar Financial Consulting Company	16,395,000
Internal Audit Consultations	Professional and Consulting Services	Mr. Rami Fouad Salah	46,200,000
Management Consultations	Professional and Consulting Services	Rami Fouad Salah	62,370,000
Management Consultations	Professional and Consulting Services	Mr. Mohammed Saeed Mohammed Qarghali	149,160,000
ATM Maintenance	ATM Maintenance	Al-Sur Al-Raqami Company	5,022,000
ATM Maintenance	ATM Maintenance	Arbia Electronic Payment Company	52,447,679
Electronic Cards	Electronic Card Service Fees	Visa	215,410,662
Data Center Maintenance	Data Center Maintenance	Computer Business Machines	390,380,000
Internet and Communication Services	Connection Lines	Ufuq Al-Mada Communications Company	36,614,786
Internet and Communication Services	Connection Lines	Ufuq Al-Samaa Communications Services Company	27,110,000
MPLS	Connection Lines	STC	93,366,503
Capital Increase Fees	Fees	Companies Registration Directorate	178,289,450
Annual Item Fees	Fees	Al-Rusafa Municipality Department	52,640,000
Bank Asset Insurance	Insurance	Al-Hamra Insurance Company & WSG	359,691,243
Bank Vehicle Insurance	Insurance	Al-Badia Insurance Company	2,775,000
Employee Health Insurance	Insurance	Al-Badia Insurance Company	53,500,000
Cleaning Services Contract	Services	Wahaj Baghdad Cleaning Services Company	140,738,251
Security Services Contract	Services	Abnaa Al-Iraq Security Services Company	144,000,000
Iraq Stock Exchange Subscription	Subscriptions	Iraq Stock Exchange	75,000,000
Central Bank Licensing Fees	Subscriptions	Central Bank of Iraq	10,000,000
Association of Iraqi Private Banks Subscription	Subscriptions	Association of Iraqi Private Banks	17,500,000
Iraqi Banks Connection Fees	Subscriptions	Central Bank of Iraq	24,000,000
Credit System Inquiry Fees	Subscriptions	Central Bank of Iraq	5,000,000
Foreign Currency Sales Window Platform	Licenses and Software	Refinitiv Platform	44,939,550
Customer Signature System	Licenses and Software	System Will	15,694,180
ISMS Framework - ISO	Licenses and Software	Protiviti	13,995,451
Microsoft Agreement	Licenses and Software	CPT	120,448,369
SAP Omnichannel	Licenses and Software	Mdsap	67,482,999
Archiving System Maintenance	Licenses and Software	B.M.B international	14,239,700
PCI DSS Certification	Licenses and Software	Panacea	23,580,000
Equation Subscription	Licenses and Software	Finastra	500,194,916
Equation Upgrade	Licenses and Software	Finastra	40,937,500
PSGATE Maintenance	Licenses and Software	Progresssoft	35,557,330
Data Center EOS Hardware & License	Assets	Computer Business Machines	46,243,000
PAM/Soutionl	Assets	Tjdeed Technology	26,085,000
General Administration Building Rehabilitation	Rehabilitation		54,762,500
Total			3,608,582,069

Capital Adequacy

According to the Central Bank of Iraq's letter No. 192/2/9 dated July 22, 2020, which approved the regulatory controls related to the capital adequacy standard for commercial banks in accordance with Basel II and II requirements, commercial banks operating in Iraq were obligated to comply with these regulatory controls starting from the second quarter of 2020. Accordingly, the bank calculated its capital adequacy ratio in accordance with the Central Bank of Iraq's instructions and the statements it requested, which amounted to (136.104%) as of December 31, 2025.

Liquidity Coverage Ratio and Net Stable Funding Ratio

Based on the Central Bank of Iraq Board of Directors' Resolution No. (167) of 2016, the Liquidity Coverage Ratio (LCR) and the Net Stable Funding Ratio (NSFR) were adopted to monitor the liquidity of banks and their ability to meet their short- and medium-term obligations. Accordingly, regulatory controls for liquidity risk management were adopted in accordance with Basel III. The application of these ratios effectively began on January 1, 2017, with banks required to adhere to the minimum limits as follows:

The minimum liquidity coverage ratio is 100%.

The minimum net stable funding ratio is 100%.

The liquidity coverage ratio reached 671% as of December 31, 2025 (compared to 610% in December 2024), while the net stable funding ratio reached 1025% as of December 31, 2025 (compared to 896% in December 2024).

Financial Indicators and Performance Efficiency Ratios:

Key Financial Indicators	31/12/2025	31/12/2024
Net profit to average assets ratio	4.2%	5.1%
Net profit to average equity ratio	5.9%	8.2%
Earnings per share (EPS)	0.066	0.094
Provision coverage ratio for non-performing loans after deducting interest on overdue payments	100%	100%
Non-interest expenses to net income ratio (Total expenses / Total revenues)	28.6%	21.9%
Net interest margin to total revenues	77%	68%
Non-interest income to total revenues	23%	32%
Foreign exchange transaction income to total revenues	3.8%	12.6%
Liquid assets to total assets ratio	69.0%	31.5%
Coverage ratio (Liquid assets to total deposits)	318.5%	118.0%

Time Deposits

The Central Bank of Iraq, in its letter No. 314/3/9 dated September 2, 2018, adopted the time deposit ratio as one of the important precautionary ratios, alongside the capital adequacy ratio, liquidity ratio, and loan-to-deposit ratio, to increase bank savings and bring them closer to the demand for loans.

The time deposit ratio is calculated based on private sector deposits, excluding total current accounts, as a percentage of total liabilities excluding equity, with a minimum ratio of 30%. The bank's compliance with the standard reached 28.2% as of 2021. (23.5%: 2024) 2025-12. The bank's management is working diligently to attract term deposits through its strategic plan adopted for the coming years, which includes, for example:

- Developing electronic payment channels through smartphone applications
- Providing banking facilities secured by investment deposits
- Expanding the issuance of letters of credit and guarantees by accepting term deposits as corresponding cash collateral.

International Accounting Standards

On January 4, 2016, the Board of Directors of the Central Bank of Iraq issued decision No. 9/12 mandating the transition from the unified accounting system for banks to international accounting standards. Consequently, the Credit Bank of Iraq has prepared its financial statements in compliance with these international standards.

Implementation of International Financial Reporting Standard 9

- In 2014, the International Accounting Standards Board (IASB) issued the revised version of International Financial Reporting Standard 9 (IFRS 9), with implementation scheduled to begin in 2018, although early implementation was permitted. However, according to Central Bank of Iraq letter No. (1719/2/9) dated November 5, 2017, the implementation of the standard was postponed for one year due to practical difficulties encountered during its application.
- As per Central Bank of Iraq letter No. (466/6/9) dated December 26, 2018, banks were obligated to disclose the requirements of the standard in financial reports issued after January 1, 2019.
- The results of the application showed a surplus of 998,860 thousand Iraqi dinars, resulting from the difference between total expected credit losses of 223,652 thousand Iraqi dinars and total existing provisions of 1,222,512 thousand Iraqi dinars as of December 31, 2025.

Application of International Financial Reporting Standard 16

- The International Accounting Standards Board (IASB) issued IFRS 16, "Leases," in January 2016. It is effective for annual periods beginning on or after January 1, 2019. According to the Central Bank of Iraq's letter No. (206/3/9) dated May 24, 2018, banks are required to prepare financial statements in accordance with the requirements of this standard in financial reports issued after January 1, 2019.
- Impact of applying IFRS 16: Depreciation expense for right-of-use assets amounts to (67,177) thousand Iraqi dinars and is included under "Depreciation and Amortization" in the consolidated income statement. Interest on lease liabilities amounts to (3,385) thousand Iraqi dinars and is included under "Interest Expense" in the consolidated income statement.

Investment in a Subsidiary

The Credit Company for Securities Brokerage (the subsidiary) was established on March 11, 2008, with a capital of 100 million Iraqi dinars, fully paid up by the Credit Bank of Iraq. According to the bank's Board of Directors Resolution No. (18) dated December 6, 2020, the subsidiary was liquidated, and legal proceedings were initiated. The Registrar of Companies issued a decision on June 5, 2022, approving the Credit Company for Securities Brokerage's (subsidiary) decision dated February 6, 2022, to place the subsidiary under liquidation and appoint a liquidator. The financial statements (final liquidation) of Al-Etimad Al-Mustawah Company were issued on July 18, 2023. The bank created an impairment provision for the value of its investment in Al-Etimad Al-Mustawah Company (the subsidiary) in the amount of (42,542) thousand dinars, which represents the accumulated losses of the company according to its audited financial statements on 31/12/2022. All legal procedures for deleting the company’s name from the records of the Companies Registration Directorate were completed as of 01/10/2025, according to the Companies Registration Directorate’s letter No. (33823) dated 08/10/2025, and the bank made the deletion entries for the company.

Valuation of the Bank's Balances in US Dollars

Pursuant to the Central Bank of Iraq's decision referenced in the Banking Control Department's letter No. 95/2/9 dated February 8, 2023, which adopted a new exchange rate effective from that date, the Bank has updated the US dollar to Iraqi dinar exchange rate in its financial records and banking systems from IQD 1460 to IQD 1310.

Legal Cases Filed Against the Bank

As of the date of preparing these financial statements, there are no lawsuits pending against the Bank that would have a material financial impact.

Banking Sector Reform Project

The Central Bank of Iraq, in cooperation with Oliver Wyman, adopted a banking sector reform project that obligated all banks to choose their preferred course of action from among three options: (continuity, merger, or liquidation). Based on this, the bank's board of directors unanimously approved, in Resolution No. 1/10 dated August 28, 2025, and the bank's general assembly unanimously approved, in its meeting held on October 22, 2025, the option of continuing operations. The authorized manager was then empowered to sign the required undertaking and pay salaries, with an emphasis on compliance with all relevant standards, requirements, and timelines.

The bank deducted the fees for reforming the banking sector, amounting to (3,168,000) thousand dinars, from the mandatory reserve account, according to the approval of the Central Bank of Iraq No. (12735/5/9) dated 12/7/2025, given that the reform project adopted by the Central Bank of Iraq in cooperation with the company (Oliver Wyman) aims for a comprehensive reform of the private banking sector in general and is included in the bank's development plans and expansion of its business, based on the provisions of the Companies Law No. (21) of 1997, amended in 2004.

Signature of AMR MUSTAFA AL-SHINAWI
Authorized Manager

Signature of WALID JAMAL AL-DIN AL-SAIUFI
Deputy Head of the Board

Seal of Credit Bank of Iraq

مصرف الائتمان العراقي
Credit Bank of Iraq

Governance Report
2025

Governance:

The Credit Bank of Iraq adheres to international best practices in corporate governance. The Bank implements sound governance principles through a comprehensive set of policies, regulations, and procedures that govern its corporate governance framework, in accordance with the supervisory instructions issued by the Central Bank of Iraq.

Good governance practices are essential for creating and maintaining shareholder value and ensuring that organizational conduct is ethical, lawful, and transparent. The Corporate Governance Manual serves as the regulatory framework upon which the Bank relies to manage its operations and relationships with various stakeholders, including shareholders, customers, regulatory authorities, business partners, and other interested parties.

This Manual aims to establish a corporate governance framework that promotes transparency, integrity, and efficiency, in line with the 2025 Environmental, Social, and Corporate Governance (ESG) Standards for Banks and the Bank's vision.

The Bank aims to:

- Strengthen compliance with the regulations and legislation issued by regulatory authorities in Iraq, particularly those of the Central Bank of Iraq, to ensure adherence to the highest standards of corporate governance in the financial sector.
- Establish a clear decision-making framework within the Bank by providing mechanisms that ensure transparency and accountability at all levels of management.
- Develop effective governance mechanisms that support institutional stability and enhance customer and investor confidence in the Bank's operations.
- Regulate the relationship between the Board of Directors and Executive Management by clearly defining responsibilities and authorities to ensure the effective and efficient achievement of the Bank's strategic objectives.
- Establish the principles of good governance to ensure the fair distribution of rights and responsibilities among all stakeholders, thereby promoting the Bank's sustainability and long-term growth.

The Credit Bank of Iraq adheres to the highest professional standards in the application of Environmental, Social, and Governance (ESG) principles. This is achieved through clearly defining the roles, responsibilities, and authorities of the Board of Directors, Executive Management, and employees, as well as establishing appropriate levels of oversight, monitoring, and coordination among the Bank's departments and between the Bank and its parent institution, the National Bank of Kuwait.

The Bank follows comprehensive policies and regulations governing risk management, internal control systems, disclosure and transparency practices, and the protection of stakeholders' rights, thereby ensuring sound governance and sustainable performance.

The bank ensures the application of integrated practices and procedures for information disclosure and the ability of all shareholders equally to obtain the announced information immediately. To achieve this, the bank adopts a policy of disclosure and transparency of information that reflects all disclosure requirements (financial, non-financial and regulatory disclosures include all important data about the bank, its operations and financial performance, in accordance with the shareholder structure).

Board of Directors:

While responsibility for the Bank's day-to-day operations rests with Executive Management, the Board of Directors is responsible for formulating strategic policies and providing oversight to ensure the achievement of the Bank's objectives in a manner that serves the interests of the Bank, its shareholders, and its customers, in accordance with applicable laws, regulations, and supervisory requirements.

The Board of Directors of the Credit Bank of Iraq consists of nine members elected by the General Assembly for a four-year term. Board members possess the experience, expertise, and qualifications necessary to oversee the Bank's strategy and objectives, supervise its operations, participate in its committees, and monitor its risk profile.

The suitability of Board members has been assessed in accordance with the Board Suitability Policy and the requirements set forth in the Environmental, Social, Governance, and Sustainability Standards Manual. The Chairman of the Board is elected by the Board members. Four members are independent, representing 44% of the total Board composition.
During 2025, the Board held twelve meetings. Each meeting was conducted according to a predefined agenda, and all discussions, resolutions, and decisions were formally documented in minutes prepared by the Board Secretary.
The Board of Directors is responsible for ensuring the accuracy and adequacy of the Bank’s financial statements and the information disclosed in the annual report, as well as the effectiveness of the Bank’s internal control and oversight systems. Through its regular meetings, the Board reviews and approves the interim and annual financial statements to ensure that they fairly present the Bank’s financial position and performance.
The Board of Directors of the Credit Bank of Iraq is fully committed to complying with all applicable laws, regulations, instructions, and directives issued by the Central Bank of Iraq and other relevant regulatory authorities.

General Principles for Selecting Board Members:

The following conditions and procedures apply to the selection of board members:

- The election of the Board of Directors is conducted by the General Assembly of Shareholders in a transparent manner, in accordance with applicable laws and through cumulative voting. A brief curriculum vitae for each candidate is submitted during the election process to facilitate the General Assembly's selection of the most suitable candidates.
- The qualifications of Board members include being suitable and competent in accordance with applicable laws and regulations, possessing integrity and honesty, adhering to sound practices in environmental, social, and governance (ESG) standards and anti-corruption measures, complying with the Code of Conduct and Conflict of Interest policies, and having sufficient time to attend the Bank's Board of Directors meetings.
- Board members must be suitable for banking operations and sufficiently independent. The Board should comprise a diverse range of skills, experience, and backgrounds to enable it to oversee strategies and objectives, manage the Board's operations, serve on committees, and monitor risks, including ESG and climate-related risks.
- Members are elected for a four-year term, subject to the approval of the Central Bank of Iraq, and may be re-elected for a maximum of one additional term. The bank's board of directors consists of nine principal members, including the chairman and the managing director, and nine alternate members.
- At least six of the board members, or two-thirds of the board members, must be independent, with one member representing a minority of shareholders, who may be among the independent members.
- At least one board member must be either independent or non-independent.
- At least one board member must possess sufficient skills in environmental, social, and governance (ESG) standards, sustainability, and climate change issues.
- At least one board member must possess sufficient skills in information and communication technology.
- At least one-third of the board members must be residents of Iraq.
- The bank's shareholders, at the general assembly, may determine the remuneration of the board members.
- The board of directors appoints one of its members as the managing director of the bank, who is responsible for implementing the board's decisions and managing the bank's day-to-day operations.
- The board members may be legal entities represented by one or more natural persons appointed for this purpose. A legal entity may nominate a number of members exceeding the number of seats allocated to it according to its representation in the capital, so that the required number may be elected by secret ballot by the general assembly, in the same manner as candidates from natural persons.

- A legal entity represented by one or more members on the Board may replace its representatives, either during or at the end of their term. An elected member may also be re-elected upon the expiration of their term, and this constitutes a new nomination subject to all the provisions and conditions required for initial membership as stipulated in the Bank's Articles of Association.
- Representatives of the legal entity enjoy the same rights and obligations as elected members. The representative of the legal entity is responsible for the actions of its representatives towards the company, its creditors, and its shareholders. They are fully authorized to make decisions within the Board, and their opinion is binding upon the entity that appointed them.
- The Board members, with the exception of the Managing Director, are non-executive. This ensures objectivity and accountability in the decision-making process, mitigates potential conflicts of interest between strategic decision-making and day-to-day operational management, and guarantees adequate operational and oversight mechanisms to protect the Bank's interests.
- The Board elects a Chairman and a Vice-Chairman from among its members. The Vice-Chairman assumes the Chairman's duties in their absence or inability to chair the Board. The positions of Chairman and/or Vice-Chairman and Managing Director must be separate, and the Chairman and/or Vice-Chairman and Managing Director must not be related up to the fourth degree of consanguinity.
- The Board's composition should reflect a diversity of practical and professional experience and specialized skills. Members must be familiar with relevant laws and regulations, as well as the rights and responsibilities of the Board of Directors.
- A Board member must own at least two thousand (2,000) shares. If their shareholding falls below this minimum, they must replenish it within thirty (30) days of assuming their Board membership; otherwise, their membership will be forfeited upon the expiry of this period.
- A Board member's resignation must be in writing and is effective upon acceptance by the Board.
- If a Board member's seat becomes vacant, the Chairman will invite the alternate member with the most votes. If more than one member has an equal number of votes, the Chairman will select one of them.
- If more than one board membership becomes vacant and the number of reserve members is insufficient to fill these vacancies, the chairman of the board shall call for a general assembly to elect permanent members to fill the gaps in the board membership, including reserve members, and to elect reserve members to replace them within sixty (60) days of the vacancy (by-election).
- If the board of directors loses half of its members at one time, it shall be considered dissolved and must call for a general assembly meeting within thirty (30) days of the date of the loss to elect a new board.

The bank relies on a clear policy to ensure the competence and suitability of its board members. This policy includes specific criteria that all nominated members must meet. These criteria are updated periodically in accordance with regulatory and supervisory requirements, with regular reviews to ensure continued compliance. The qualifications of board members must include being legally and ethically fit, honest, and of good character; adhering to sound practices in environmental, social, governance (ESG), and anti-corruption standards; complying with the bank's code of conduct and conflict of interest policies; and having sufficient time to attend board meetings.

Board members must be suitable for banking, sufficiently independent, and possess a diverse range of skills, experience, and backgrounds. They must have the skills to oversee the bank's strategies and objectives, manage board operations, serve on board committees, and monitor the bank's risks, including ESG and climate risks. To ensure the Board of Directors fulfills its role effectively, members are nominated who possess the necessary qualifications and conditions to serve the interests of the bank and its stakeholders, and to comply with the provisions of Banking Law No. 94 of 2004, the Companies Law, and other applicable legislation regarding the chairmanship and membership of the Board. Members must meet the following conditions, qualifications, and experience:

- They must have legal capacity and be a fit and competent person.
- They must be at least thirty (30) years old.
- A Board member may be a non-resident of Iraq or a non-Iraqi citizen.
- They must not be employed full-time by the bank (i.e., not be dedicated solely to the bank's operations).

- The candidate must submit a written declaration of their acceptance of board membership and disclose any personal interest they may have in any competing business.
- They must hold at least a bachelor's degree in finance and banking, business administration, finance, accounting, economics, law, or any similar or related field. This requirement is determined by the Nomination and Remuneration Committee.
- They may not serve on the boards of more than three publicly traded or joint-stock companies within Iraq, either in their personal capacity or as a representative of a legal entity.
- A board member may not be a board member, managing director, regional director, or employee of any other bank within Iraq, unless that bank is a subsidiary of the bank or their shareholding exceeds 20% (controlling).
- A board member or any related person may not have been an employee of the bank during the preceding three years, nor may they be related to any other board member or executive management member. The board member must possess the necessary and sufficient experience in banking and finance, enabling them to understand the bank's risk profile, enhance governance, and fully and effectively fulfill their supervisory role over management.
- A majority of the bank's board members (two-thirds) must have experience in banking, finance, accounting, management, economics, law, or related fields.
- The board member must have appropriate and sufficient knowledge of the bank's activities and operations, and this knowledge must be regularly updated to keep pace with the bank's growth, diversification, and expansion. If some board members lack experience in specific banking areas, the bank must provide specialized training programs to enhance their expertise and take all necessary steps to ensure they acquire the knowledge required to perform their roles effectively.
- The board member must not be a partner or employee of the bank's external auditor at the time of their election or for at least three years prior, and must not be related to the audit partner within the first degree of kinship. The individual, or any company of which they are a board member, owner, or major shareholder, must not have received a loan from the bank, nor be a guarantor of any such loan.
- No member may be a government official heading a ministry or holding a position in the Cabinet.
- They may not be an employee of the government or any public institution unless representing it.
- A member must not be a lawyer, legal advisor, or the bank's auditor.
- An independent board member may not directly or indirectly own (including family members who are shareholders or related parties) more than 2% of the capital of the bank, any other bank, or any other company affiliated with the bank or any of its major shareholders.
- The following persons are prohibited from serving on the bank's board of directors:
- Anyone suspended from work pursuant to the provisions of the Banking Law for violating its provisions, regulations, publications, and instructions.
- Anyone convicted of a crime involving moral turpitude, or dismissed or removed by disciplinary or judicial decision.
- Anyone declared bankrupt, insolvent, or reached a settlement with their creditors.
- Anyone who was a member of the board of directors of any bank, or had a direct connection to its management, and was liquidated through judicial proceedings, or whose authorization was revoked due to a violation of the law.
- A person's membership on the board of directors shall be terminated in accordance with the provisions of the Banking Law if any of the following conditions apply:
- If they lose any of the membership requirements mentioned above, in which case the board must make a decision to that effect.
- Death.
- Incapacity to perform the duties of the position for any reason for a period exceeding four consecutive months.

- Expiration of the Board's term.
- If a member is appointed or elected in violation of the provisions of the Banking Law or the Companies Law.
- Dismissal or resignation, provided that the resignation is made at an appropriate time; otherwise, the resigning member is liable for compensation.
- If the member abuses their membership to engage in activities that compete with the bank or cause it actual harm.

➢ If the number of absences reaches three or more during the year, the Chairman of the Board must notify the bank's General Assembly to take appropriate action.

➢ If a Board member loses any of the aforementioned conditions, their membership on the Board is terminated from the date they lose that condition, and any decision made in their presence is considered null and void if their presence influenced its decision.

➢ A Board member may be a non-resident and non-Iraqi.

➢ They must not have been an employee of the bank or any of its affiliated parties during the preceding three years.

They must not have any familial relationship up to the fourth degree with any member of the Board, senior management, or any of their affiliated parties.

First: The table below shows the names of the original members of the Board of Directors:

No.	Member Names	Position	Original Membership Start Date	Education	Years of Experience	Number of Shares as of December 31, 2025	Other Board Memberships
1	Ali Mohammed Ali Radhi Al-Jarjafji	Chairman of the Board of Directors/Independent	2024/05/02	Master of Business Administration	12	116,249	
2	Walid Jamal Al-Din Abda Al-Saiufi	Vice Chairman of the Board of Directors	2020/02/06	Executive Master of Business Administration	27	116,249	
3	Zaid Issam Jasim Al-Saqr	Member/Representative of the National Bank of Kuwait	2020/02/06	Bachelor of Science in Finance and a Minor in Information Technology	19	320,714,047,894	
4	Omar Nazhat Awni	Independent Member	2024/05/02	Bachelor of English Language	11	54,220	
5	Amr Mustafa Al-Shinawi	Member/Managing Director	2021/10/16	Bachelor of Commerce and Accounting	31	116,249	
6	Abdulrahman Jalham Hamza Mohsin Al-Janabi	Independent Member	2021/10/16	Doctorate of Laws	13	174,373	
7	Ghada Farid Ghani Al-Tuma	Independent Member	2021/10/16	Bachelor of Accounting (Chartered Accountant)	18	58,124	
8	Faisal Ghazi Mohammed Al-Rayis	Member	2024/05/02	Master of International Law	19	116,249	
9	Mashari Hamad Bin Salama	Member	2024/05/02	Bachelor of Business Administration in Finance	14	116,249	

Second: The table below represents the names of the reserve board members:

No.	Member Names	Position	Shares as of 31/12/2025	Education
1	Marwan Hafez Ibrahim	Reserve Board Member	58,124	Bachelor of Economics
2	Salim Ahmed Salim Al-Barjis	Reserve Board Member	58,124	Bachelor of Commerce / Accounting Major
3	Muna Ahmed Muhi Al-Din Safa	Reserve Board Member	58,124	Bachelor of Business Administration / Management Major
4	Shaikha Othman Mohammed Al-Quraishi	Reserve Board Member	58,124	Bachelor of Administrative Sciences / Business Administration Major / Marketing Division

Board of Directors Responsibilities:

Leadership and Oversight

- The Board of Directors is collectively responsible for the ethical leadership, guidance, and oversight of the bank.
- The Board oversees the executive management and approves environmental, social, and governance (ESG) frameworks.
- The Board promotes the bank's culture and integrates it into policies and procedures to ensure integrity and sustainability.

Governance and Internal Controls

- Ensuring effective internal and financial controls, along with efficient risk management.
- Approving the Code of Conduct and ESG policies.
- Requiring members to submit conflict of interest declarations annually and update them as needed.

Defining Powers and Responsibilities

- Establishing a charter that defines the roles and responsibilities of the Board and executive management.
- Documenting and adopting a policy for delegation of authority and monitoring its implementation.
- Defining the scope of powers granted to executive management and the mechanisms for monitoring them.

Developing Strategies and Plans

- Approving operational and financial strategies and plans.
- Guiding executive management in implementing strategies and monitoring performance to achieve the desired objectives. Taking into account the views of stakeholders when developing strategies.

Risk and Sustainability Management

- Establish environmental, social, and governance (ESG) risk management systems.
- Ensure the bank has a sustainability policy that complies with international standards.
- Determine the bank's financial and climate risk tolerance and approve the annual capital plan and structure.
- Integrate sustainability into the bank's systems and adopt risk measurement tools.

Compliance and Auditing

- Ensure compliance with all banking laws and regulations.
- Review and approve financial and non-financial reports, and ensure transparency in disclosure.
- Appoint internal and external auditors and ensure their independence.
- Review internal control and audit systems annually.

Specialized Committees and Auditing

- Establish board committees (audit, risk, nomination and remuneration, IT governance, and environment and governance).
- Define the scope of work for the committees and ensure their effectiveness in carrying out their tasks.
- Oversee internal and external audits to ensure effective oversight.

Staff Development and Training

- Ensure the development of board members' skills through annual training programs.
- Oversee executive management appointments based on merit.
- Build staff capacity in the areas of environmental, social, and sustainability governance and climate risk.

Financial and Regulatory Oversight

- Approval of financial statements and compensation and incentive policies.
- Oversight of the implementation of robust internal control systems.
- Appointment of senior executives such as the Managing Director and the Director of Risk Management.

Information Systems and Data Management

- Ensuring the availability of reliable information systems covering all bank activities.
- Promoting and integrating a culture of inter-bank and social governance into bank policies.
- Integrating environmental and social governance (ESG) criteria into the credit policy.

Succession Planning and Regulatory Compliance

- Developing a succession plan for the Board of Directors and Executive Management.
- Reviewing the succession plan annually to ensure efficient business continuity.
- Ensuring compliance with anti-money laundering and counter-terrorism financing (AML/CFT) regulations.
- Taking necessary measures to mitigate risks associated with money laundering and terrorist financing.

Regulatory Relations and Reporting Management

- Ensuring accurate reporting to the Central Bank, shareholders, and stakeholders.
- Ensuring that information for the Board of Directors and executive management is updated semi-annually.
- Integrating environmental and social risks into banking credit processes.
- Issuing periodic reports to shareholders and stakeholders.

Executive Management Oversight

- Monitoring the performance of the executive management and ensuring the soundness of the bank's financial position.
- Developing Key Performance Indicators (KPIs) and Key Result Indicators (KRIs) to evaluate the effectiveness of the executive management.

Corporate Governance and Separation of Powers

- Promoting a culture of governance within the bank and encouraging employees to adhere to it.
- Ensuring that the bank's credit policy incorporates corporate governance standards when assessing credit risks.
- Implementing clear measures to separate the powers of shareholders with "qualified holdings" from those of the executive management.

Organizational Management

- Adopting a clear organizational structure that defines the administrative hierarchy and executive responsibilities.
- Defining the executive authorities for the bank's operations, including granting credit and signing financial transactions.

Key Achievements of the Board of Directors During 2025:

During 2025, the Board of Directors of the Credit Bank of Iraq achieved numerous accomplishments, the most important of which were:

1. Approval of the amended organizational structure of the bank, adding the departments and committees required by the Central Bank of Iraq.
2. Approval of the policies and reports of the Risk Management Department, listed below:

- Comprehensive Risk Management Report
- Quarterly Risk Management Reports
- General Risk Strategy
- Money Laundering and Terrorist Financing Risk Policy
- Credit Risk Policy and Procedures
- Liquidity Risk Policy and Procedures
- Concentration Risk Policy and Procedures
- Operational Risk Policy and Procedures
- Market Risk Policy and Procedures
- International Standard 9 Policy and Procedures
- International Standard 9 Implementation Report
- Business Models
- Funding Contingency Plan
- Updated Business Continuity Plan
- Risk Acceptance Statement
- Stress Test Scenarios Policy

- General Framework for Risk Management.
- Risk Matrix.
- Organizational Structure for Risk Management.
- Annual Risk Management Plan for 2026

3. Approval of the Internal Control System Assessment Report.
4. Review and approval of the Bank's Capital Increase Plan.
5. Approval of the Timeline for Implementing the Environmental, Social, Governance, and Sustainability Standards Manual.
6. Approval of the Financial Inclusion Department's Strategic and Operational Plan.
7. Approval of the 2026 Budget.
8. Approval of the 2025 Compliance Department Policies and Procedures.
9. Approval of the 2026 Compliance Department Annual Plan.
10. Approval of the Money Laundering Risk Assessment Methodology.
11. Approval of the Money Laundering and Terrorist Financing Risk Assessment Report.
12. Reporting Department Action Plan for 2026
13. Approval of the Banking Tariff Schedule for 2025
14. Approval of the Investment Policy
15. Review of the Banking Reform Plan, including the standards documents sent by the Central Bank of Iraq and the 2025 Standards Assessment Guide, with dissemination of the implementation pathways.
16. Approval of the chosen path for continuing the implementation of the Banking Sector Reform Plan.
17. Approval of the reports submitted to the Central Bank of Iraq by the supervisory departments (Anti-Money Laundering and Counter-Terrorist Financing Reporting Department, Internal Control and Audit Department, and Compliance and Corporate Governance Department) for 2025.
18. Approval of the minutes of the meetings of the Board of Directors' subcommittees (Audit Committee, Risk Committee, Information Technology Governance Committee, Nominations and Remuneration Committee, Corporate Governance Committee)
19. Approval of the minutes of the meetings of the Executive Committees of the Executive Management (Credit Committee, Investment Committee, Information and Communications Technology Committee).

Committees Emanating from the Bank's Board of Directors:

In compliance with the Credit Bank of Iraq's commitment to implementing the Environmental, Social, Governance, and Sustainability Standards Guide for 2025, and the Corporate Governance and Management Controls for Information and Communication Technology in the banking sector issued by the Central Bank of Iraq in 2019, an appropriate number of committees have been formed that align with the bank's activities. The Board has formed five subcommittees to enhance its effectiveness. The following is a diagram illustrating the subcommittees emanating from the Board of Directors:

		Board Committees		
Risk Management Committee	Audit Committee	Nomination and Remuneration Committee	Corporate Governance Committee	Information and Communications Technology Governance Committee

1- Audit Committee

The Audit Committee was formed at the General Assembly meeting held on May 2, 2024, and elected the following members:

Ms. Ghada Farid Ghani Al-Tuma as Chairperson, and Mr. Walid Jamal Al-Din Abda Al-Saiufi and Mr. Mashari Hamad Bin Salama as members.

- **Audit Committee Tasks**

First: General Tasks

- Preparing reports: Assisting the Board of Directors in preparing external reports related to financial information and the internal control framework.
- Supervising auditors: Overseeing the internal and external audit function. Ensuring the independence of internal and external auditors, reviewing audit plans, and providing recommendations to the Board of Directors regarding appointments and dismissals.
- Coordinating with other committees: Closely coordinating with other committees, such as the Risk and ICT Governance Committee and the Corporate Governance Committee.
- Reviewing financial statements: Ensuring the accuracy of financial statements prepared in accordance with professional accounting requirements and financial reporting standards.
- Compliance with laws: Ensuring the bank adheres to applicable legal regulations, including anti-money laundering and counter-terrorism financing regulations.
- Periodic reports: Submitting periodic reports to the Board of Directors on the committee's activities and evaluating the effectiveness of internal controls.
- Audit oversight: Overseeing internal and external audits, including evaluating auditor performance and providing necessary recommendations. Ensuring compliance: Ensuring the bank's adherence to applicable laws and regulations, particularly those related to International Financial Reporting Standards (IFRS).
- Coordinating with other committees: Coordinating with other committees on matters of mutual interest.
- Regulatory recommendations: Providing recommendations on the bank's structure and the development of regulatory policies related to financial controls and compliance.

- Overseeing the performance of the internal audit function: The audit committee must oversee the performance of the internal audit function and ensure the independence of the internal auditor. This includes approving and monitoring the effectiveness of the bank's internal controls.
- Coordination with executive management: The committee must meet regularly with the internal auditor to discuss and receive information on the bank's operations and integrity. Significant findings of the internal auditor must also be discussed with executive management.
- Evaluating objectives and performance: The committee provides recommendations to the board of directors regarding the scope of the internal audit, including an assessment of environmental and social risks. Changes to the annual internal audit plan must be approved by the committee.
- Independence: The internal audit function must be independent of executive management and not subject to the direction of any member of executive management.
- Reviewing results: The committee must meet with the internal auditor to review the results related to the annual and quarterly financial statements, as well as any issues related to accounting policies and non-financial disclosures.
- Recommendations on appointment and dismissal: The committee provides recommendations to the board of directors regarding the appointment or dismissal of the internal auditor and reviews the internal auditor's objectives and performance annually. Assessing the Effectiveness of Controls: The internal auditor must test the effectiveness of the bank's internal control and oversight systems.
- Supervising the External Auditor: The committee must oversee the contracting of the external auditor, including their qualifications, performance, independence, and remuneration. The committee must ensure that the external auditor is independent and that their performance meets the required standards.
- Coordinating with the External Auditor: The committee must meet regularly with the external auditor to discuss the audit findings and any related matters concerning the financial statements.
- Reviewing the External Audit Plan: The committee must regularly review the external audit plan to ensure that all material risks are covered, including risks related to environmental and social standards.
- Ensuring the Auditor's Independence: The committee must ensure that any non-audit services provided by the external auditor do not compromise their independence.
- Reviewing the Audit Results: The committee must discuss the audit results with executive management and ensure that management takes the necessary corrective actions to address any identified issues. Continuous Performance Evaluation: The committee must evaluate the external auditor's performance and review the audit procedures, including the quality of work performed by the auditors.
- Reviewing Auditor Reports: Meetings with the external auditor should include discussions of the auditor's report, an evaluation of the findings, and any difficulties or limitations encountered during the audit process.
- Compliance with International Standards: Ensuring compliance with international standards in all banking activities, including environmental and social regulations.
- Regular Monitoring: Obtaining regular reports from external auditors and executive management to ensure the bank adheres to applicable legal and regulatory requirements.
- Appointment of the Compliance Manager: Recommending to the Board of Directors the appointment or dismissal of the Compliance Manager, and reviewing their objectives and performance annually.
- Disclosure: Reviewing the bank's activity reports and financial disclosures, as well as the external auditor's report on the adequacy of internal controls.

Second: Duties of the Information and Communications Technology Audit Committee

1. The Audit Committee shall submit to the Central Bank of Iraq both an annual internal audit report and an external audit report, each including the executive management's response as well as the Board's input and recommendations. This shall be done using the relevant information and technology (risks-controls) audit report template issued by the Central Bank of Iraq, and submitted during the first quarter of each year.
2. The Audit Committee shall ensure that the responsibilities, authorities, and scope of the information and communications technology (ICT) audit are incorporated into both the audit charter and the procedures agreed upon with the external auditor. These should align with and comprehensively cover the controls issued by the Central Bank of Iraq in this regard.
3. The Committee shall ensure that the Bank's internal and external auditors, when conducting specialized ICT audits, comply with the following:

- ICT audit standards based on the latest update of the Information Technology Assurance Framework (ITAF) issued by the Information Systems Audit and Control Association (ISACA), including:
  - Performing audit tasks under an approved plan that accounts for the relative importance of operations, the risk level, and the potential impact on the Bank's objectives and interests.
  - Implementing and adhering to ongoing education and training plans for specialized personnel in the ICT audit field.
  - Maintaining professional and administrative independence and ensuring no current or future conflicts of interest.
  - Upholding standards of objectivity, exercising professional due care, and maintaining a consistently high level of expertise and competence. This includes a deep understanding of the Bank's various ICT-based operations and familiarity with other audit reports (financial, operational, and legal), as well as the ability to assess evidence appropriately and detect unacceptable practices that violate applicable laws, regulations, and controls.

- Examining, evaluating, and reviewing the processes of employing and managing information and communication technology resources, as well as the bank's processes based on them, and expressing a reasonable overall audit assurance opinion regarding the overall risk level of information and related technology within an audit program that includes at least the axes contained in the Corporate Governance and Management Controls for Information and Communication Technology issued by the Central Bank of Iraq, provided that the audit frequency for all or part of the axes is at least once a year if the risks are assessed at a level of (5 or 4) according to the risk assessment scale specified in the aforementioned controls issued by the Central Bank of Iraq, and at least once every two years if the risks are assessed at a level of (3), and at least once every three years if the risks are assessed at a level of (2 or 1), taking into account the continuous change in the level of risk and considering the material changes that occur in the relevant information and technology environment during the aforementioned audit periods.

The Central Bank of Iraq shall be provided with audit reports for the first time regardless of the degree of risk assessment, and the assessment processes for the aforementioned axes shall include the bank's mechanisms in terms of strategic planning and policy-making, written and approved principles and work procedures, mechanisms for employing various resources, including information and communication technology resources and human resources, mechanisms and tools for monitoring, improvement and development, and working to document and evaluate the audit results based on the importance of differences and weaknesses (observations), as well as the controls activated and assessing the level of residual risks related to each of them using a systematic standard for analyzing and measuring risks, including the agreed corrective actions that the bank's management intends to follow with specific dates for correction, with a special table indicating the rank of the person responsible in the bank for his observations.

- Regular procedures for following up on audit results to ensure that observations and discrepancies identified in the auditor's reports are addressed within the specified timeframes. The level of importance and risk should be progressively escalated if no response is received, and the Board should be informed as needed.
- The annual performance evaluation mechanisms for IT and communications audit staff should be based on objective measurement criteria. These evaluations should be conducted by the Board, represented by its Audit Committee, and in accordance with the organizational hierarchy of the audit departments.

4. The internal IT audit function may be outsourced to a qualified external entity completely independent of the external auditor.

Third: The Audit Committee's Tasks Regarding Internal Audit

1. Appointing the internal auditor, or recommending their dismissal, promotion, or transfer, subject to the approval of the Central Bank of Iraq.
2. Establishing an internal audit charter that clarifies the purpose, location, and authority of the internal audit function within the bank.
3. Internal auditing ensures the availability of the necessary periodic assessment of the quality of the bank's accounts, performance, and operational procedures, in compliance with international standards.
4. Reviewing and approving the internal audit plan.
5. The Internal Audit Manager and their assistant must hold at least a bachelor's degree in accounting, banking administration, finance and banking, or a related field, and must have experience and practice in auditing in accordance with the regulations and instructions issued by the Central Bank of Iraq.
6. Requesting reports from the Internal Audit Manager.
7. When selecting internal audit staff, consideration should be given to those specializing in accounting and auditing with sufficient experience.
8. The Audit Committee must verify the availability of sufficient financial resources and a sufficient number of qualified personnel to manage and train the internal audit department.
9. The Audit Committee must ensure that internal audit staff are not assigned any executive tasks and guarantee their independence, free from bias and conflicts of interest, while adhering to a clear policy regarding roles and responsibilities within this department.

10. If certain internal audit activities are outsourced, the Board of Directors or the Audit Committee remains ultimately responsible for overseeing the quality of such activities. The Head of the Bank's Internal Audit Department shall assist the Audit Committee in evaluating the quality of any audit work performed by external parties.
11. The Audit Committee oversees the Internal Audit Department in carrying out its responsibilities, which include the following:

- The Internal Audit Department operates under the direct supervision of the Audit Committee and reports directly to the Chairman of the Audit Committee.
- It has the authority to communicate directly with the Board of Directors, the Chairman of the Board, the Audit Committee, the Bank's external auditor, and the Compliance Officer.
- Preparing a manual for the Internal Audit Department's policies and procedures, which must be approved by the Audit Committee and the Board of Directors and reviewed and updated by the Audit Committee at least once every one or two years.
- Ensuring that the Internal Auditor, in coordination with the External Auditor, conducts an annual review of the Bank's internal control and monitoring systems and submits the results to the Board for approval.
- Developing a risk-based action plan and procedures that are updated annually and approved by the Board of Directors or the Audit Committee at the beginning of the year. This plan must include a minimum requirement for the Internal Audit Department to visit the Bank's branches at least once every quarter. The implementation of the updated work plan and procedures is to be monitored throughout the year by the Audit Committee of the Board of Directors.

12. Establishing internal audit policy frameworks and overseeing the financial reporting process.
13. Supervising and coordinating with the Bank's internal and external auditors and compliance functions, ensuring that all external audit work is conducted professionally and in accordance with international accounting and auditing standards.
14. Monitoring compliance with applicable laws and regulations, addressing issues identified by auditors, and overseeing compliance and other supervisory activities.
15. Overseeing the development and implementation of the Bank's accounting policies and practices.
16. Reviewing third-party evaluations of the design and effectiveness of the overall risk governance framework and internal control system.

➢ **Key Achievements of the Audit Committee, Established by the Board of Directors, During 2025:**

The Committee held six (6) meetings during the year and accomplished the following:

1. Review and approve the bank's interim and annual financial statements.
2. Review and approve the reports submitted to the Central Bank of Iraq by the oversight departments (Internal Audit, Compliance and Corporate Governance, and Anti-Money Laundering and Counter-Terrorist Financing).
3. Review the policies of the Financial Department related to International Financial Reporting Standard (IFRS) 9 and recommend to the Board of Directors the approval of the following documents:
    - Stage Classification Policy

- Financial Instrument Classification Policy
- Expected Credit Loss (Provisions) Calculation Policy
- IAS 9 Implementation Policy

4. Review and approve the following policies and procedures and submit a recommendation to the Board of Directors for their adoption:
    - Anti-Money Laundering and Counter-Terrorist Financing Policy and Procedures
    - General Policy of the Financial Inclusion Department

5. Approve the amended organizational structure, along with the administrative order and memorandum regarding the merger of the Treasury and Investment Departments.
6. Approve the 2025 work plan for the oversight departments (Internal Audit and Control Department).

2- Risk Management Committee

The Risk Management Committee was reconstituted at the Board of Directors meeting held on 05/08/2025, where the following members were elected:

Mr. Omar Nazhat Awni (Chairman) and Mr. Walid Jamal Al-Din Abda Al-Saiufi and Mr. Mashari Hamad Bin Salama as members.

- **Risk Management Committee Duties**
- Supervising and reviewing the governance of risks affecting the bank and its affiliated institutions.
- Provide regular reports to the Board of Directors on risk-related activities.
- Oversight should include IT risks and sustainability risks, especially financial risks arising from climate change.
- Coordinating with other committees to follow up on environmental and social standards (ESG) risks and IT risks.
- Design and implement a risk management framework according to the Three Lines of Defense model.
- Integrating environmental and social standards (ESMS) risk management into the framework.
- Ensuring that the risk management function is commensurate with the size and complexity of the bank and providing the necessary resources for it.
- Reviewing environmental and social risks in the bank's relevant operations, such as the credit risk management system.
- Determine the level of acceptable risks and review them annually, including environmental and social risks.
- Monitor risk-related activities, including mitigation policies, and ensure compliance with all approved policies.
- Monitoring capital and cash flow strategies and ensuring their compliance with the risk framework approved by the bank.
- Ensuring the adequacy of capital and liquidity in accordance with local and international standards.
- Reviewing the credit policy and credit risk profile, including environmental and social impacts.
- Evaluating the committee's level performance, reviewing its charter, and submitting the necessary recommendations to the Board of Directors.
- Reviewing regular reports on violations of the bank's risk policies.

- Monitoring reports related to financial crimes such as bribery, corruption, money laundering, and terrorist financing.
- Overseeing management's implementation of systems, policies, and processes to support sound risk management.
- Monitoring emerging risks and controls, and developing mitigation procedures to address them.
- Recommending to the Board any necessary changes or exits from activities that pose risks the bank may not be able to bear.
- Reviewing the credit policy periodically, ensuring that environmental and social risks are taken into account.
- Reviewing the Committee's annual performance and tasks, and continuously evaluating its effectiveness.
- Reviewing the Committee's charter annually and recommending any necessary amendments to the Board of Directors.

Key achievements of the Board of Directors' Risk Management Committee during 2025:

The Committee held six (6) meetings during the year and accomplished the following:

1- Approval of the comprehensive semi-annual report for the Risk Management Department, dated December 31, 2024
2- Approval of the comprehensive semi-annual report for the Risk Management Department, dated December 31, 2025
3- Approval of the annual Risk Management Plan for 2025
4- Approval of the policies and procedures specific to the Risk Management Department (credit, liquidity and concentration, market, operations, and stress testing).
5- Approval of the policies and procedures of the Finance Department, namely:
    - Stage Classification Policy
    - Financial Instrument Classification Policy
    - Expected Credit Loss (Provisions) Calculation Policy
    - Policy for Implementing International Financial Reporting Standard (IFRS) 9

6- Approval of the methodology for assessing money laundering and terrorist financing risks
7- Approval of the money laundering and terrorist financing risk assessment report
8- Approval of the risk reports submitted to the Central Bank of Iraq (monthly, quarterly, semi-annual, and annual).
9- Approval of the organizational structure of the Risk Management Department
10- Approval of the corrective action plan for the 2024 Risk Management Assessment System
11- Approval of the minutes of the meetings of the committees emanating from the Executive Management (Credit Committee and Investment Committee) and submission of a recommendation to the Board of Directors for adoption.
12- Approval of the integrated methodology for identifying, measuring, and monitoring IT risk management.

3- Nominations and Remuneration Committee

The Nominations and Remuneration Committee was reconstituted at the Board of Directors' meeting held on May 12, 2024, where the following members were elected:

Dr. Abdulrahman Jalham Hamza Mohsin Al-Janabi (Chairman) and Mr. Zaid Issam Jasim Al-Saqr and Mr. Faisal Ghazi Al-Rayis as members.

- **Duties of the Nominations and Remuneration Committee**
- Selection and Appointment of Members: Establish a formal and precise policy for selecting Board members and Executive Management based on merit and competence.
- Supporting the Board of Directors to ensure that members meet legal and regulatory requirements.
- Considering Board members who are competent, credible, and possess the necessary skills to achieve the Bank's objectives.
- Remuneration Policy: Developing a compensation policy aligned with the Bank's strategic objectives, taking into account financial risks and balancing compensation with profitability.
- Reviewing compensation and salary policies regularly to attract and retain talent.
- Reviewing and approving the compensation policy, ensuring compliance with governance practices to guarantee the achievement of long-term objectives.
- Performance Evaluation: Conducting an annual review of the performance of the Board of Directors, its committees, and Executive Management, and providing recommendations for improvement.
- Overseeing the annual evaluation process for the Board of Directors, its committees, and its members, and implementing related procedures.
- Planning and Change: Overseeing the ongoing planning process for structured changes within the Board of Directors and Executive Management.
- Conducting an annual review of the skills and experience required for Board members and disclosing this information in the annual report. Overseeing planning for the continuity of changes in positions within the bank.
- Appointments and Reviews: Reviewing and approving appointments in executive management, including temporary appointments, based on the recommendation of the Managing Director.
- Ensuring the existence of plans and programs for training and developing Board members to keep pace with modern developments in the banking sector.
- Committee Recommendations: Providing recommendations to the Board of Directors regarding membership in Board committees.
- Human Resources Management: Overseeing the performance of the bank's Human Resources department, with a focus on the performance of executive management.
- Reviewing Human Resources reports and providing necessary recommendations to the Board of Directors regarding HR developments.

Key Achievements of the Nomination and Remuneration Committee during 2025:

The committee held three meetings during the year and accomplished the following:

1. Approval of the training plan for Board members for 2025.
2. Approval of employee bonuses based on annual performance evaluations.

4- Corporate Governance Committee:

The Corporate Governance Committee was reconstituted at the Board of Directors' meeting held on May 12, 2024. The committee members were:

Mr. Ali Mohammed Radhi Al-Jarjafji (Chairman), and Mr. Mr. Zaid Issam Jasim Al-Saqr and Mr. Faisal Ghazi Al-Rayis as members.

Duties of the Corporate Governance Committee:

- Overseeing corporate governance, including the preparation, updating, and monitoring of the implementation of the Corporate Governance Manual.
- Reviewing governance policies and assessing their implementation annually.
- Preparing an annual report on compliance with corporate governance and including it in the annual report.
- Ensuring that the bank's policies align with corporate governance principles and best regulatory practices.
- Overseeing environmental, social, and governance (ESG) standards, monitoring and overseeing their maintenance, including climate-related matters.
- The committee may delegate the monitoring and oversight of climate-related matters within the bank to a subcommittee.
- Ensuring the regular application and updating of the ESG Inter-Criteria Standards Manual and related climate documents.
- Reporting and auditing, including preparing the ESG Sustainability Report for inclusion in the annual report and recommending it to the Board of Directors.
- Coordinating with the Audit Committee on the reporting process. The external provider is required to provide limited assurance regarding the ESG report for the first three years, and reasonable assurance thereafter.
- Ensuring the bank's reports are prepared and comply with the requirements of the ESG scorecard. Ensuring compliance: Verifying the bank's implementation of environmental, social, and governance (ESG) standards, guidelines, and policies.
- Ensuring adherence to the requirements for board member independence and disclosure of interests.
- Reviewing and strengthening the requirements of the Code of Conduct and the bank's policy on conflict-of-interest management.
- Ensuring the bank's compliance with applicable laws, regulations, and controls in the field of ESG standards.
- Coordinating with other committees, including the Audit Committee, regarding the ESG reporting process.
- Training and Development: Reviewing the annual training and development plans for executive management and staff regarding ESG, sustainability, and climate, and providing recommendations to executive management and Human Resources regarding training plans.
- Governance Compliance: Ensuring the bank's compliance with laws and regulations in the field of ESG standards.
- Ensuring the bank's policies align with corporate governance principles and best regulatory practices.
- Performance Review: Monitoring the implementation of corporate governance policies and ESG standards.
- Ensuring the availability of appropriate reports that demonstrate the bank's adherence to ESG and sustainability standards.

- **Key Achievements of the Corporate Governance Committee (Board-Affiliated) in 2025:**

Committee, a subcommittee of the Board of Directors, during 2025:
The Committee held one meeting during the year and accomplished the following:

1- Approval of the Annual Report of the Anti-Fraud and Corruption Committee
2- Approval of the Action Plan - Environmental, Social, and Governance Standards Guide 2024

5. Information and Communications Technology (ICT) Governance Committee

The Information and Communications Technology Governance Committee was reconstituted at the Board of Directors meeting held on August 5, 2025. The committee members were elected:
Ms. Omar Nazhat Awni as Chairman, and Mr. Faisal Ghazi Al-Rayis and Mr. Mashari Hamad Bin Salama as members. In addition, the Executive Director of Operations and Information Technology, the Director of Information and Communications Technology, and the Director of Information Security also serve on the committee.

- **Responsibilities of the ICT Governance Committee:**
- Overseeing and monitoring all aspects of the bank's information and communications technology (ICT) to ensure its effectiveness and efficiency in supporting the bank's strategies and objectives.
- Adopting overall ICT strategies and ensuring their alignment with the bank's strategic objectives.
- Monitoring and evaluating current and future technology trends that may impact the bank's strategic plans.
- Monitoring and overseeing the implementation of ICT projects, including reviewing and approving technology strategies and coordinating with the Risk Committee to manage technology risks.
- Ensuring the bank has an appropriate ICT governance structure that includes:
- A strategic ICT plan aligned with the bank's business model.
- An ICT organizational structure with clear descriptions of roles and responsibilities.
- Technical policies, procedures, and standards for monitoring and controlling IT.
- Processes for defining and achieving IT objectives.
- Reviewing business cases involving significant technology components and providing recommendations to the Board of Directors.
- Monitoring the implementation of approved ICT projects and ensuring management oversight of results related to timeliness, budget, and scope. Ensuring the bank's compliance with the provisions of the Information Technology Governance Manual issued by the Central Bank of Iraq in 2019.
- Monitoring the bank's IT performance on a regular basis, including software development and performance, information security, and IT infrastructure.
- Providing regular reports to the Board of Directors on the committee's activities and the status of IT within the bank, promptly informing the Board of any areas of concern.
- Providing the Board of Directors with sufficient information on IT performance and its key projects to ensure informed decisions regarding IT operations.
- Coordinating with the Risk Committee, which oversees IT risks, and ensuring that IT risk management is integrated into the bank's overall risk management system.

- Investigating any information and communications technology (ICT) matter deemed appropriate by the Board.
- Providing strategic guidance in all technical aspects to ensure support for the Bank's strategic needs.
- Monitoring the impact of IT projects on financial and operational performance.
- Regularly reviewing information security audit reports and taking necessary corrective actions.

- **Key Achievements of the ICT Governance Committee, Reporting to the Board of Directors, in 2025:**

The Committee convened one (1) meetings throughout the year and achieved the following:

1. Approval of the minutes of the meeting of the Information Technology Committee, a subcommittee of the bank's executive management, and their submission to the Board for approval.
2. Approval of the minutes of the meeting of the Information Security Committee, a subcommittee of the bank's executive management, and their submission to the Board for approval.
3. Approval of the Information Security Assessment Reports.
4. Approval of the 2023-2027 Information Technology Strategic Plan.
5. Approval of the External Information Security Auditor's Report.

Board of Directors and Committee Meetings:

The Board of Directors of the Credit Bank of Iraq held 12 meetings during 2025, and the minutes of all meetings were recorded and included in the bank's records.

It should be noted that the meetings of the Board of Directors and its subcommittees during 2025 were in accordance with the bank's regulations governing the work of the Board and its committees, in terms of meeting frequency, quorum, and the topics reviewed and discussed by members, with the exception of the Information and Communications Technology Governance Committee, the Nomination and Remuneration Committee, and the Corporate Governance Committee. The following table lists the names of the members of the Credit Bank of Iraq's Board of Directors, their membership in the Board's subcommittees, and the number of meetings attended by each member during 2025.

Members of Board of Directors	Committee Membership	Borad of Directors	Corporate Governance Committee	Nomination and Remuneration Committee	Risk Management Committee	Audit Committee	Information and Communications Technology Governance Committee
Mohammed Ali Radhi Al-Jariafii	Chairman of the Board of Directors Chairman of the Corporate Governance Committee	8	1				
Walid Jamal Al-Din Abda Al- Saiufi	Vice Chairman of the Board of Directors Member of the Audit Committee Member of the Risk Management Committee Member of the Information and Communication Technology Governance Committee	12			6	6	
Zaid Issam Al-Saqr	Representative of the National Bank of Kuwait Member of the Corporate Governance Committee Member of the Nominations and Remuneration Committee	12	1	2			
Amr Mustafa Al-Shinawi	Managing Director	12					
Ghada Farid Ghani	Chairman of the Audit Committee	12				6	
Abdulrahman Jalham Hamza	Chairman of the Nominations and Remuneration Committee	11		2			
Mr. Omar Nazhat Awni - Mr. Omar Nazhat's nomination was approved on August 5, 2025, replacing Mr. Hisham Khalid Abbas	Chairman of the Risk Management Committee Chairman of the Information and Communications Technology Governance Committee	3			1		0
Mr. Faisal Ghazi Al-Rais	Member of the Corporate Governance Committee Member of the Nominations and Remuneration Committee Member of the Information and Communications Technology Governance Committee	11	1				1
Mr. Mishari Hamad Bin Salama	Member of the Audit Committee Member of the Risk Management Committee Member of the Information and Communications Technology Governance Committee	12			6	5	1
Total number of meetings		12	1	2	6	6	1

Executive Management:

Members of the senior executive management must possess the highest degree of credibility, integrity, competence, and experience, along with the ability to commit and dedicate their time to the bank's operations. The Board of Directors and the Nomination and Remuneration Committee are responsible for ensuring this.

- Composed of the bank's most qualified senior officials, the executive management implements the Board's strategies and policies, including environmental, social, and climate (ESC) standards.
- It exercises its delegated powers, manages the bank's objectives and operations, and reports periodically to the Board of Directors.

- Develops and implements strategic and operational plans, and refines internal policies and procedures.
- Ensures compliance with banking regulations and controls, and protects the bank's assets through effective internal control systems.
- Oversees risk management, including environmental and social risks, and appoints specialists to manage them.
- Keeps abreast of international banking developments and ensures compliance with global standards.
- Maintains information records for seven years with systematic archiving.
- Manages human resources and develops competencies through continuous training.
- The senior executive management team consists of individuals appointed by the Board of Directors to oversee the bank's operations. This team includes the Managing Director, their deputies and assistants, and other senior executive members who possess the highest levels of credibility, integrity, competence, banking experience, and dedication to the bank's work.

The table below lists the names and positions of the Executive Management team.

No.	Name	Position
1	Amr Mustafa Al-Shinawi	Managing Director
2	Marwan Ali Kinder	Deputy Managing Director/Chief Operating Officer
3	Ali Nizar El-Hassani	Chief Financial Officer
4	George Victor Farah	Chief Business Officer
5	Mohammed Saeed Farghali	Compliance Officer
6	Omar Raad Talib	Director of Branch Management
7	Maha Majid Shihab	Manager of Money Laundering and Terrorist Financing Reporting
8	Ahmed Fawzy Dahry	Director of Information Technology
9	Dina Siham Khalil	Director of Risk Management
10	Raad Subaih Faraj	Director of Internal Audit

General Principles for Selecting Executive Management:

1. Eligibility Criteria for Executive Management Members

- The Board adopts a policy for the suitability of executive management members, which defines the criteria and conditions that must be met by individuals holding leadership positions within the bank.
- This policy is subject to periodic review as needed to ensure its continued compliance with the bank's regulations and internal bylaws.
- The executive members' adherence to these criteria is verified through rigorous evaluation processes, which are reviewed by the relevant authorities at the Central Bank of Iraq when necessary.

2. Requirements for Appointing Senior Executive Management Members

- The Board appoints a Managing Director who possesses integrity, technical competence, and banking or financial sector experience, and obtains prior approval from the Central Bank for their appointment.
- Prior Board approval is required for the appointment of any senior executive management member of the bank.
- The Board shall approve a succession plan for members of the Bank’s senior executive management who do not meet the requirements applicable to holders of such positions, or who are about to leave their positions. The Board shall review this plan at least once a year, provided that it is submitted and its recommendations are developed by senior executive management, headed by the Managing Director.

- The Central Bank's non-objection must be obtained before appointing any member of senior executive management. Accordingly, before appointing any member of senior executive management, the Bank shall obtain from the candidate his/her curriculum vitae, accompanied by academic documents and certificates, experience certificates, certificates of good conduct and behavior, and any other necessary supporting documents. The Bank shall provide the Central Bank with a copy of the declaration, together with the member's curriculum vitae.
- An executive who has been dismissed from his/her position by the Central Bank may not become a member of the Bank's Board of Directors, its Managing Director, or the Managing Director of any of its branches, nor may he/she work as an executive or within the Bank's senior executive management.
- The Central Bank must be notified of the dismissal or resignation of any member of senior executive management within three days, and must also be notified of the reasons for such dismissal or resignation.
- A person who was a member of senior executive management at a bank whose license was revoked or which was placed under liquidation during his/her tenure may not work within the Bank's senior executive management.

3. Requirements Applicable to Members of Senior Executive Management

Any candidate for a senior executive management position must satisfy the following criteria:

- No conflicting executive positions: the candidate may not be a member of the board of directors of any other financial institution, unless such institution is a subsidiary of the Bank. The candidate must be fully dedicated to managing the Bank's business.
- Academic qualifications and practical experience: the candidate must hold at least a university degree in a relevant discipline, such as finance, banking, economics, accounting, business administration, law, or information technology. The candidate must have at least five years of experience in financial services or related fields, except for the Managing Director, who must have at least ten years of experience in banking or the financial sector.
- Professional reputation and integrity: no person may be appointed if he/she has previously been dismissed from an executive position by order of the Central Bank of Iraq. Nor may any person be appointed if he/she served in the executive management of a financial institution whose license was revoked or which was liquidated during his/her tenure, unless exempted by the Central Bank.
- Procedures for appointing and dismissing executive management members: the appointment of any member of executive management is subject to the approval of the Board of Directors, and the non-objection of the Central Bank of Iraq must be obtained before confirming him/her in office. In the event of the dismissal or resignation of any executive officer, the Central Bank must be notified within three (3) business days, with a statement explaining the reasons for the resignation or dismissal.

Executive Management Duties and Responsibilities:
Powers of the Managing Director
Administrative Powers

- Appoint the Bank's employees, excluding managers, experts, and consultants, and determine their salaries in accordance with the controls of the service and staffing system approved by the Bank.
- Transfer the Bank's employees, excluding managers, experts, and consultants, from one location to another and from one job to another within the scope of their duties, and impose disciplinary penalties on them in accordance with the applicable laws and the policies and procedures established by the Bank.
- Accept the resignation of the Bank's employees, excluding managers, experts, and consultants, and terminate their services for any reason, in accordance with the Labor Law and the effective instructions, through the committee formed for this purpose.
- Withhold the annual increment of the Bank's employees, excluding managers, experts, and consultants, where grounds for withholding it exist, by a decision of the committee.
- Grant Class (A and B) signing authorities to employees based on the recommendation of their departments, in accordance with the controls approved by the Board of Directors, through the committee formed for this purpose.
- Grant ordinary leaves to the Bank's employees, including experts, managers, and consultants, as provided for in the Service Rules, as well as sick leaves.
- Form investigative, inspection, and other committees, and submit important matters to the Board of Directors.
- Represent the Bank before various government departments and the judiciary, sign correspondence and official letters in the name of the Bank, appoint lawyers on behalf of the Bank and authorize them to plead and serve notices under the special power of attorney issued to the lawyers by the Notary Public, and authorize department managers and employees to approach various departments to complete the Bank's business.
- Issue administrative orders for appointing assistant department managers after obtaining the prior approval of the Board of Directors for their appointment as deputies.

<u>**Financial Powers**</u>

- Approve the opening of accounts with the Central Bank and other banks, as well as deposits therein, with joint signature together with one Class (A) authorized signatory in accordance with the organizational structure approved by the Board of Directors. Withdrawals shall be made by joint signature with another employee holding the position of Accounts Manager.
- Grant him Class (A) signing authority.
- Issue instructions and organize work prepared by the competent committees formed for this purpose, in line with the instructions of the Central Bank of Iraq, the Banking Law, and the Companies Law, after approval by the Board of Directors.
- Sign the Bank's final balance sheet jointly with the Accounts Manager for submission to the Board of Directors.
- Determine disbursement amounts within the limits stated in the powers granted under the Bank's approved authority matrix.
- Cooperate with the auditor to develop solutions for any observations and reservations, if any, after presenting them to the Board and after ensuring the soundness of banking operations, excluding matters related to internal audit results.

Powers of Department Managers

- Grant ordinary leaves to the Bank's employees for up to three days, provided that a replacement is available.
- Grant leaves in accordance with the applicable controls.
- Sign letters issued to branches for the implementation of directives and decisions after obtaining the approval of the Managing Director, in addition to signing letters addressed to the Bank's customers requesting payment of outstanding debts, provided that such letters do not impose any financial obligations on the Bank.

Powers of the Administration Manager

- Supervise the maintenance and upkeep of the Bank's buildings, devices, equipment, machinery, and means of transportation, and submit proposals in this regard.
- Supervise the attendance of the Bank's employees in accordance with the applicable controls, and provide opinions on the extent of employees' compliance with official working hours in their monthly reports.
- Sign the monthly administrative orders relating to the granting of leaves to the Bank's employees.

In General, the Executive Management Shall Undertake the Following Tasks:

- Prepare and implement strategic and operational plans after their approval by the Board of Directors.
- Ensure the effectiveness of the strategic and operational plans and submit any proposals for their development or amendment.
- Implement the relevant laws, regulations, instructions, policies, and directives issued by the Board of Directors with integrity, honesty, and responsibility.
- Submit recommendations regarding major decisions related to banking operations, management of deposits, loans, and investments.
- Review local and international banking services and products provided by the Bank in terms of requirements, methods of implementation, and continuous enhancement, and submit recommendations in this regard.
- Review expansion and branch development plans.
- Develop and update policies and procedures governing all aspects of the Bank's operations.
- Establish an organizational structure for the Bank that includes the distribution of responsibilities and duties among organizational units and defines vertical and horizontal lines of communication.
- Prepare the annual budgets required for the Bank.
- Establish adequate internal control systems to protect the Bank's funds and assets, ensure the integrity and accuracy of financial transactions and information, and oversee their implementation.
- Establish appropriate systems for managing all types of risks.
- Provide internal and external supervisory authorities with the reports and information they require to facilitate their supervisory and inspection functions.
- Ensure compliance with international standards in all of the Bank's activities and operations.
- Submit reports to the Board of Directors on the progress of the Bank's operations.
- Maintain comprehensive and reliable records and information systems for all activities and decisions, supported by the necessary documentation.
- Review and monitor the Bank's workflow and propose appropriate solutions.
- Coordinate among various departments to ensure consistency, harmony, and integration.
- Recommend appointments and make appointments after obtaining the approval of the Board of Directors.
- Identify human resource requirements and oversee their training and development to enhance performance.

- Review inspection and audit findings.
- Review policy manuals, procedures, and operating systems and introduce necessary amendments.
- Monitor the Bank's financial position and ensure the achievement of appropriate profitability within the framework of a prudent balance between risk and return, in line with the annual plan.
- Review the official website of the Anti-Money Laundering Office on a daily basis regarding terrorist funds freezing lists, and immediately notify the Anti-Money Laundering Office and the Banking Supervision Department of the Central Bank if any person is identified on the terrorist funds freezing list.
- Establish committees to assist Executive Management in performing its duties and submit periodic reports to the relevant Board committees to ensure effective oversight and supervision. Executive Management committees shall consist of at least three members, and members of the Board of Directors may attend in an observer capacity.
- Establish the Information and Communications Technology Steering Committee to ensure the sustainable achievement of the Bank's strategic objectives.
- Oversee technology-related risks and ensure that the Bank's information and communications technology functions are capable of supporting its business strategies and objectives.
- Establish a robust and comprehensive technology risk management framework and share significant strategic information and communications technology decisions with the Board of Directors.
- Adopt a training program covering all new and existing employees, contractors, and service providers who have access to the Bank's information and communications technology resources and systems. The program shall be reviewed and updated at least annually to ensure that its content remains current and appropriate, taking into account the evolving technology environment and emerging risks.
- Understand all risks associated with outsourcing information and communications technology services.
- Develop the infrastructure and information systems necessary to provide users with information and reports as a foundation for decision-making within the Bank. Such systems shall ensure information quality requirements, including credibility, integrity, completeness, accuracy, and validity, as well as confidentiality requirements in accordance with the Bank's data policy and compliance requirements. Additional requirements set forth in the COBIT – Enabling Information framework shall also be observed, including objectivity, credibility, reputation, relevance, appropriate amount, concise representation, consistent representation, interpretability, understandability, ease of manipulation, and restricted access.
- Continue providing Bank employees with training and continuing education programs to maintain a level of knowledge and skills that supports and achieves effective information and communications technology governance processes.
- Incorporate annual staff evaluation mechanisms based on objective performance criteria that take into account each employee's contribution, through their position, toward achieving the Bank's objectives.
- Adopt the information and communications technology services, programs, and infrastructure framework.
- Adopt the information and communications technology services, programs, and infrastructure framework that supports and facilitates the implementation of information and communications technology governance processes and contributes to the achievement of related information technology objectives and institutional goals.
- Establish an effective internal control system aimed at managing the risks faced or potentially faced by the Bank and safeguarding its assets, taking into consideration the Bank's size, complexity of operations, and risk profile.
- Remain fully informed of weaknesses in internal controls and all risks faced or potentially faced by the Bank, establish mechanisms for monitoring identified weaknesses, and take immediate corrective actions to address them.

Key Achievements of Executive Management During 2025

During 2025, the Credit Bank of Iraq achieved several significant accomplishments, the most notable of which were as follows:

- Achieving profits amounting to IQD 22 billion as of December 31, 2025.
- Completing the review and update of several policies and procedures of the Bank's departments to align with operational and regulatory requirements.
- Increasing the Bank's capital in implementation of the instructions of the Central Bank of Iraq and pursuant to the resolution of the Bank's General Assembly adopted at its meeting held on July 1, 2025. The capital increase procedures commenced on September 9, 2025, and were completed on November 9, 2025, pursuant to Companies Registration Directorate Letter No. 42238 dated December 9, 2025, raising the Bank's paid-up capital to IQD 346.8 billion.
- Activating the foreign currency sale and purchase auction activity at the Central Bank of Iraq through Citi Pilot via the correspondent bank, Citibank New York, and K2 Integrity, to provide outward transfer and documentary credit services to the Bank's customers.
- Increasing and diversifying investments, including government bonds and treasury bills in local currency, in addition to external investment deposits in foreign currencies.
- Increasing contractual credit activity.
- Developing and improving external payment and transfer systems.

Committees Formed by the Executive Management:

The Executive Management of the Credit Bank of Iraq has established a number of committees to assist it in carrying out its responsibilities and to submit periodic reports to the relevant Board of Directors' committees, thereby ensuring the effectiveness of oversight and supervision.

The chart below illustrates the committees formed under the Executive Management:

Executive Management					
Policies and Procedures Committee	Investment Committee	Credit Committee	Information and Communications Technology Committee	Anti-Fraud and Corruption Committee	Security Committee (Cyber)

Credit Committee:
Senior Management forms the Credit Committee to assist it in carrying out its duties and to submit periodic reports to the relevant management committees, in order to ensure the effectiveness of oversight and supervision. The Committee shall consist of at least three members. Members of the Board of Directors may attend as observers to assist them. The Committee shall send its meeting schedules to the Board of Directors before convening, so that any Board member may attend as an observer if he/she wishes. The Committee permits the Director of Risk Management to attend its meetings, without having the right to vote on decisions, in accordance with the provisions of the Environmental, Social, Corporate Governance, and Sustainability Standards Manual for 2025.

- The Credit Committee consists of the following members:
- The Managing Director (as Chairman of the Committee)
- The Deputy Managing Director
- The Director of Risk Management
- The Director of the Credit Department
- The Director of Corporate Management
- The Director of the Legal Affairs Department
- The Committee's Secretary

- **Committee Duties:**

The Executive Management authorizes the committee to assume the following duties and responsibilities:

1. Supervise and monitor the implementation of instructions issued by the Central Bank of Iraq regarding the principles of assessing customer creditworthiness and the formation of provisions.
2. Monitor credit exposures in cooperation with two divisions:
   - ✓ Credit Registry Accounts
   - ✓ Customer Affairs (Consumers and Beneficiaries).
3. Monitoring loan repayment activity.
4. Working to recover written-off loans as much as possible.
5. Simplifying loan granting procedures.
6. Cooperating with the Legal Department to follow up on the collection of non-performing loans.

- **<u>The most important achievements of the Executive Management Credit Committee during 2025:</u>**

The committee held (12) meetings during the year, and the following were accomplished:

1. Approval to grant credit facilities in the amount of $20 million against high-quality guarantees.
2. Approval to grant credit facilities in the amount of $10 million to finance documentary credits against high-quality guarantees.
3. Continued follow-up on the collection of non-performing debts through legal means.

1- Investment Committee:

The Executive Management formed the Investment Committee to assist it in carrying out its duties and to submit periodic reports to the relevant management committees, in order to ensure the effectiveness of oversight and supervision. The Committee shall consist of at least three members. Members of the Board of Directors may attend as observers to assist them. The Committee shall send its meeting schedules to the Board of Directors before convening, so that any Board member may attend as an observer if he/she wishes, in accordance with the Environmental, Social, Corporate Governance, and Sustainability Standards Manual for 2025.
The Investment Committee consists of the following members:

- The Managing Director (as Chairman of the Committee)
- The Deputy Managing Director
- The Executive Business Director
- The Director of the Financial Department
- The Director of Risk Management
- The Committee Secretary
- **<u>Committee Duties:</u>**

The Executive Management authorizes the committee to undertake the following tasks and responsibilities:

Classify the portfolio into categories including:

- Equities
- Debt instruments, including treasury bills and government bonds
- Foreign instruments
- Investment Transactions Proposal, propose sale, purchase, or retention transactions for the components of the investment portfolio. If such transactions exceed the limits of the Committee's powers, the approval of the Board of Directors must be obtained.
- Performance Review, regularly review the performance of the portfolio against the standards and indicators approved by the Investment Department or investment units.

- Submit the necessary recommendations to enhance investment performance.
- Review investments in terms of the risks and opportunities associated with Environmental, Social, and Governance (ESG) standards and governance requirements.
- Assess climate-related indicators and evaluate their impact on the investment portfolio.

- **Key Achievements of the Investment Committee Formed by Executive Management During 2025:**

The Committee held twelve (12) meetings during the year, during which the following was achieved:

- The Bank invested its available surplus in Iraqi dinars with the Central Bank of Iraq in Central Bank of Iraq treasury bills for a period of 14 days, at interest rates of 4% and 5.5%, throughout the year.
- The Bank invested its available surplus in US dollars as deposits with the National Bank of Kuwait / Bahrain, divided into periods of 30, 60, and 90 days, according to the offered interest rates.

2- <u>Information and Communications Technology Committee</u>

Senior Executive Management formed the Information and Communications Technology Committee to achieve the Bank's strategic objectives in a sustainable manner. The Committee is chaired by the General Manager and includes sub-managers, including the Director of Information and Communications Technology, the Director of Risk Management, and the Director of Information Security. The Board elects one of its members to serve as an observer member in this Committee, in addition to the Director of Internal Audit, whose role is limited to observer status and who is not a Committee member. His/her attendance shall be limited to cases where his/her report is presented or discussed, in order to preserve the principle of independence and objectivity. The Committee may invite third parties to attend its meetings when necessary, and shall duly document its meetings through formal minutes.

The Information and Communications Technology Committee consists of the following members:

- The Managing Director (as Chairman of the Committee)
- The Deputy Managing Director
- The Business Sector Manager
- The Operations Department Manager
- The Information Technology Department Manager (Committee Secretary)
- The Financial Department Manager
- The Risk Management Manager
- The Cybersecurity Manager
- The Internal Audit Director (Observer)

- **Committee Duties**

Executive Management authorizes the Committee to undertake the following duties and responsibilities:

- Governance Compliance: comply with the provisions of the Information Technology Governance Manual issued by the Central Bank of Iraq in 2019.
- Review and Development of IT Uses: review and develop the uses of information and communications technology.
- Ensure the security of information and communications.
- Provision of Infrastructure: provide adequate and operationally effective information technology infrastructure.
- Support the communications systems, electronic networks, and software used by the Bank.
- Backup Procedures: provide effective procedures to maintain updated backup copies of information.
- Ensure preparedness for potential crises and database loss.

- Electronic Customer Services: provide the necessary technologies for electronic services to customers.
- Ensure the effective operation of technologies used by the Bank's customers.
- Internal Network Management: examine and manage the quality and suitability of the Bank's internal network.
- Monitor the performance of the Bank's website.
- Crisis Management and Recovery: monitor and implement business continuity programs related to information technology.
- Ensure preparedness for crisis response and disaster recovery.
- Development of the Policies and Procedures Manual: develop and implement an Information and Communications Technology Policies and Procedures Manual.
- Regularly update the Manual and submit proposals for its development in accordance with business requirements.
- Segregation of Duties: ensure segregation between the duties of the Information and Communications Technology Department and other Bank departments.

Key Achievements of the Information and Communications Technology Committee Formed by Executive Management During 2025

The Committee held ten (10) meetings during the year, during which the following was achieved:

- Updated the IT Business Continuity Management Plan.
- Prepared quarterly information security reports.
- Approved the budget allocated for information technology and cybersecurity.
- Obtained the Payment Card Industry Data Security Standard (PCI-DSS) certification for 2024–2025.
- Completed the SWIFT CSP Assessment.
- Raised awareness of information security and cybersecurity.
- Acquired new information security systems.
- Restructured the network connectivity of the data center.
- Conducted the external audit of information technology and information security in accordance with the requirements of the Central Bank of Iraq.
- Updated the technologies and security features of the mobile banking application.
- Updated the Account Registration System project.
- Followed up on the implementation of business continuity, disaster recovery, and crisis management programs.

3- Policies and Procedures Committee

Executive Management formed the Policies and Procedures Committee to assist it in carrying out its duties with respect to reviewing all policies and procedures adopted by the Bank and assessing their alignment with the laws and instructions in force in Iraq.

The Policies and Procedures Committee consists of the following members:

- The Managing Director (as Chairman of the Committee)
- The Deputy Managing Director
- The Compliance Controller
- The Director of Risk Management Department
- The Financial Director
- The Director of Branches Management
- The Operations Department Manager

Committee Duties:

Executive Management authorizes the Committee to undertake the following duties and responsibilities:

- Review and approve the policies and procedures of all Bank departments in line with the controls and instructions issued by the Central Bank of Iraq, and submit recommendations to the Board of Directors for approval.
- Present all circulars issued by the Central Bank of Iraq for discussion and decision-making where any policy or procedure requires updating, and notify the relevant departments accordingly.

Key Achievements of the Policies and Procedures Committee Formed by Executive Management During 2025

The Committee held four meetings during 2025. It reviewed the final drafts of twelve (12) policies or operating procedures, updated six (6) operating procedures, approved them, and circulated them to the relevant departments and branches.

4- <u>Anti-Fraud and Anti-Corruption Governance Committee</u>

The Anti-Fraud and Anti-Corruption Governance Committee is a committee formed by the Bank's Executive Management. It is established and its powers are determined by Executive Management, and it reports directly to Executive Management. The Committee is responsible for overseeing and managing the assessment of corporate fraud risks. This includes setting the strategic direction for fraud risk assessment activities within the Credit Bank of Iraq. This Committee was established pursuant to the instructions of the Central Bank of Iraq, namely the Anti-Corruption and Anti-Fraud Guidance Manual.

The Anti-Fraud and Anti-Corruption Committee consists of the following members:

- Executive Management, represented by the Managing Director and his Deputy (Members)
- The Compliance Director or his/her representative (Chairman)
- The Risk Director or his/her representative (Member)

- A representative of the Human Resources Department (Member)
- The Director of the Legal Department or his/her representative (Member)
- The Director of Internal Audit or his/her representative (Observer)
- The Corporate Governance Unit (Committee Secretary)

Committee Duties

Executive Management authorizes the Committee to undertake the following duties and responsibilities:

- The Committee receives reported cases prepared in accordance with the Violation Reporting Form, which has been circulated to all departments and branches, or through any other approved channels. The Committee reviews and examines the report, then prepares a report indicating whether it involves any actual fraud or corruption risks, or any case of non-compliance, and its impact on the Bank, including its opinions and any proposals or recommendations in this regard.
- Verify whether a violation or breach of laws and instructions has occurred. The matter, together with the summary prepared regarding the violation, the actions taken, and the recommendations, if any, shall then be referred to the competent investigation body within the Bank, namely the Investigative Committee requested by the Anti-Fraud and Anti-Corruption Governance Committee, to complete the procedures related to the violation.
- Document the report in a dedicated file, together with the necessary notes relating to receipt and handling of the report and confirmation that it does not involve a violation.
- If the report is submitted in bad faith, a copy of the report shall be sent to the Human Resources Department to take the necessary action.
- Address the relevant departments within the Bank to take appropriate action to avoid any losses.
- Follow up on rectifying the violation with the relevant departments.
- If any violations relating to conduct contrary to the Code of Professional Conduct are observed, the direct manager shall be notified immediately.

5- <u>Cybersecurity Committee</u>

The Cybersecurity Committee is a committee formed by the Bank's Executive Management. It is established and its powers are determined by Executive Management, and it reports directly to Executive Management. The Committee is responsible for assisting Executive Management in fulfilling its obligations with respect to overseeing the quality and integrity of cybersecurity systems. The Committee is primarily responsible for ensuring compliance with the requirements of the objectives and processes of cyber resilience controls, and for addressing technical challenges and security and cybersecurity threats. This Committee was established in line with the Cyber Resilience Controls for the Financial and Banking Sector in Iraq, issued by the Central Bank of Iraq on June 11, 2024.

The Cybersecurity Committee consists of the following members:

- Information Technology Department
- Information Security and Cybersecurity
- Risk Management
- Internal Complaints Committee
- Other relevant departments

Committee Duties

The Executive Management assigns the Committee the following duties and responsibilities:

- Ensure the development and implementation of cybersecurity objectives and relevant cybersecurity policies and procedures in line with the instructions and controls issued by the Central Bank of Iraq in this regard, and submit them to the Information and Communications Technology Governance Committee formed by the Board of Directors, for recommendation to the Board of Directors for approval.
- Provide continuous administrative support for information security operations.
- Ensure continuous compliance with business objectives and the regulatory and legal requirements related to cybersecurity.
- Support the formulation of the IT risk management framework / process and determine acceptable risk appetite thresholds.
- Periodically review and approve amendments to cybersecurity operations.
- Ensure an ongoing awareness and training program for all levels of employees and relevant parties to ensure compliance with cybersecurity requirements.
- Ensure that cybersecurity specialists are employed in the Information Security Department to deal professionally and objectively with security events, document policies, core technical risks, risk treatment, and other related activities.
- Ensure that the Cybersecurity Department verifies that information technology functions and operations are managed efficiently and effectively.
- Contribute to cybersecurity planning to ensure that resources are allocated in line with business objectives and to ensure the employment of technically competent staff, so that the continuity of information technology operations is not continuously exposed to significant risks.
- Ensure that a cyber resilience framework is developed, periodically updated, and submitted to the Information and Communications Technology Governance Committee for recommendation to senior management for approval, provided that it is aligned with the cyber resilience strategy.
- Ensure that cybersecurity requirements for the database management system are reviewed at least once a year, or whenever changes occur in the relevant legal and regulatory requirements.
- Ensure that a third-party risk assessment and assessment of the services provided are conducted to verify their integrity. This shall be carried out by reviewing third-party projects within the Bank, periodically reviewing security and cybersecurity event logs for third-party services, if any, before and during the contractual relationship, and reviewing contracts and agreements concluded with third parties to ensure that the clauses are binding under such agreements and that the third party shall be legally liable for any violations.
- Ensure that third-party cybersecurity requirements are reviewed periodically.

- Ensure that the cybersecurity risk management policy is reviewed annually, that changes are documented and approved, and that the policy is submitted to the Information and Communications Technology Governance Committee for recommendation to the Board of Directors for approval.
- Ensure that an incident management framework is established to restore normal information technology services as quickly as possible after an incident occurs, with minimal impact on operations and business. The roles and responsibilities of employees involved in the incident management process, including incident logging, analysis, handling, and monitoring, must be defined.
- As part of incident analysis, incidents must be assigned the appropriate severity level. The function of identifying and assigning incident severity levels may be delegated to technical support and support staff. The Bank must train technical support and support staff to identify high-severity incidents. In addition, the criteria used to assess incident severity levels must be established and documented.
- Ensure that appropriate escalation and resolution procedures are established, whereby the resolution timeframe is proportionate to the severity level of the incident, and that the predefined escalation and response plan for security incidents is tested periodically.
- Form an information technology emergency response team comprising Bank employees with the necessary technical and operational skills to handle incidents, and keep senior management informed of the development of such incidents due to the possibility of their negative escalation and transformation into crises, so that a decision may be taken to activate the disaster recovery plan in a timely manner.
- Ensure that root cause and impact analyses are conducted for incidents that result in the disruption of information technology services. The Bank must take remedial actions to prevent the recurrence of similar incidents.
- The root cause and impact analysis report referred to above must cover the following areas:

- Root Cause Analysis
  - ✓ When did the incident occur?
  - ✓ Where did the incident occur?
  - ✓ Why and how did the incident occur?
  - ✓ How many times has a similar incident occurred?
  - ✓ What lessons were learned from the incident?
- Impact Analysis
  - ✓ The scope of the incident, including information regarding the systems, resources, and customers affected by the incident.
  - ✓ The magnitude of the incident, including lost revenue, losses, costs, investments, the number of affected customers, and the implications and consequences on reputation and trust.
  - ✓ Any breach of regulatory requirements and conditions resulting from the incident.
- Corrective and Preventive Measures
  - ✓ Take immediate corrective actions to address the consequences of the incident, giving priority to addressing customer concerns.
  - ✓ Implement measures to address the root cause of the incident.
  - ✓ Implement measures to prevent the occurrence of similar or related incidents.
  - ✓ The Bank shall adequately address all incidents within the appropriate resolution timeframes and monitor all incidents until they are fully resolved.
  - ✓ During the response and recovery phases, the Bank shall develop and implement appropriate actions to address the identified cybersecurity incident.

- Ensure that vulnerability assessments are conducted regularly to identify security vulnerabilities within the information technology environment.
- Ensure that the scope of vulnerability assessments includes common vulnerabilities such as SQL Injection, Cross-Site Scripting (XSS), and similar threats.
- Ensure that processes are established to remediate issues identified through vulnerability assessments and subsequently perform validation testing to confirm that vulnerabilities have been fully addressed.
- Ensure that penetration testing is conducted to perform an in-depth assessment of the security posture of systems through the simulation of real-world attacks. Penetration testing shall be carried out periodically, or as needed, on network infrastructure and internet-facing systems.

The Committee held three (3) meetings during 2025. Its most significant achievements included:

- Reviewing information security and cybersecurity activities and submitting recommendations thereon.
- Reviewing the quarterly Information Security Key Performance Indicators (KPI) Report and submitting relevant recommendations.
- Studying and reviewing cybersecurity projects, monitoring the progress of implementation, and submitting recommendations thereon.
- Reviewing the Information Security budget and submitting recommendations thereon to the Information and Communications Technology Governance Committee for approval.

Rewards and Incentives Policy

- **Introduction:**

The Credit Bank of Iraq supports the efforts made by all its members and all its employees, as it adopts a reward and incentive system for all members with outstanding performance.

Since human resources are the fundamental pillar upon which the Bank relies to achieve its desired objectives and reach its intended position in the Iraqi market in accordance with its strategic goals, it was necessary to establish clear systems and criteria for rewarding and recognizing individuals with outstanding performance.

- **Performance Evaluation:**

The Bank periodically evaluates the performance of all its employees to identify the rate and level of each individual's performance, which ultimately reflects on the Bank's overall performance. It also reflects the extent to which its Executive Management is capable of achieving the desired strategic objectives and its competence in activating operational plans by adopting modern management methods, in light of the instructions and laws governing the banking sector.

- **Performance Evaluation Criteria:**

The Bank follows the latest methods used in performance evaluation processes to determine the actual level of performance. Such performance is calculated according to mathematical processes and numerical rates prepared by experts in human resources management. The elements associated with performance evaluation are as follows:

1. Overall Job Performance, which encompasses:

- ✓ Professional Objectives
- ✓ Customer service and care
- ✓ Interaction with colleagues
- ✓ Adherence to work procedures

2. Competencies and Skills: These comprise a set of predefined competencies and skills, divided into two levels: :

- ✓ General competencies and skills
- ✓ Administrative competencies and skills

- **Rewards and Incentives:**

Based on the results of individual performance evaluations, rewards are determined and approved by the bank's executive management in accordance with the following criteria:

1. The bank's overall performance level
2. Profitability ratios
3. Individual performance evaluation outcomes and excellence ratings
4. Rewards may be granted either as a percentage of salary or as a fixed lump sum amount

Reward Disclosures:

The Bank granted a reward of IQD 10 million to each member of the Board of Directors for the fiscal year 2024, pursuant to the resolution of the Bank's General Assembly held on July 1, 2025.

Ethics and Codes of Professional Conduct

- **Introduction:**

A healthy work environment is a cornerstone of institutional success and internal stability. In this regard, the Credit Bank of Iraq is committed to promoting ethical behavior and principles of professional conduct. The bank actively works to prevent and address any behaviors or actions that may compromise or disrupt the integrity of its internal environment.

To reinforce this commitment, the Board of Directors has approved the General Guide for the Policy and Principles of Professional Conduct, which serves as a binding framework for all employees, regardless of their positions or managerial levels.

This guide has been developed in line with international standards and best banking practices. Among its key provisions are the following:

1. Ensuring confidentiality and safeguarding information, with strict adherence to non-disclosure obligations as long as the information remains confidential.
2. Full compliance with anti-money laundering and counter-terrorism financing regulations, in accordance with applicable laws.
3. Upholding the principles of conflict-of-interest prevention and promoting awareness to maintain an ethical and transparent work environment.
4. Prohibiting and combating all forms and manifestations of harassment.
5. Guaranteeing respectful and dignified treatment for all individuals.
6. Affirming the right to freedom of religious belief and political expression for every person.
7. Encouraging caution against spreading or relying on rumors or unofficial information that may compromise business integrity or workplace stability.

Stakeholder Rights

A specific mechanism has been established to ensure communication with stakeholders through effective disclosure and the provision of meaningful information about the bank's activities to stakeholders (General Assembly meetings, the annual report with the governance report, the bank's website, a report on shareholder relations, quarterly reports containing financial information, and the board's report on the bank's share trading and financial position during the year).

- **Clients**

In order to enhance transparency with stakeholders, primarily current and potential customers, the bank implements appropriate systems to meet customer needs, ensure the protection of their interests, and provide high levels of service quality, including handling customer complaints in a timely, effective, and appropriate manner.

- **Employees**

The Bank protects the rights of its employees by maintaining a transparent structure for rewards and benefits, working in an environment characterized by transparency and dialogue, and participating in periodic employee training programs.

Relationship with Shareholders and Investors

In line with the Bank's commitment to applying international best practices to enhance corporate governance practices in banks, and to comply with the instructions of the Central Bank of Iraq with a view to improving disclosure and transparency and strengthening shareholders' rights through the provision of data and the organization of communication with them, the Shareholder Relations Unit was established in 2022, along with a dedicated Investors Relations window. Through this unit, the Board of Directors ensures that the Bank provides all material information to shareholders in a timely manner, enabling them to fully exercise their rights. Set out below are some of the rights of shareholders:

1- Shareholders shall have access, periodically and without delay, to all relevant information that enables them to fully exercise their rights.
2- Participate and vote in General Assembly meetings, taking into account the matters that shareholders wish to raise at such meetings.
3- Discuss the items listed on the agenda of the General Assembly and address inquiries to Board members.
4- Elect the members of the Bank's Board of Directors.
5- Provide shareholders with information on the venue, date, and agenda of the General Assembly meeting at least thirty (30) days prior to the meeting date.
6- Nominate, elect, and terminate the service of Board members, inquire about their qualifications, experience, and ability to perform their duties, and discuss the amount of remuneration and financial incentives received by Board members and senior executive officers, in addition to their right to submit any inquiry to the Board regarding any unprofessional practices.
7- Minority shareholders have the right to elect one or more members to represent them on the Board of Directors based on the cumulative voting mechanism.

Signature of Vice Chairman of Board of Directors
Walid Jamal Al-Din Al-Saiufi

Signature of Managing Director
Amr Mustafa Al-Shinawi

[Seal: Credit Bank of Iraq]

مصرف الائتمان العراقي
Credit Bank of Iraq

Sustainability Report
2025

Introduction

The Financial Sustainability Report of the Credit Bank of Iraq has been prepared in line with the Bank's approach to applying sustainability across its activities, by providing information on its achievements and its social and environmental commitments.

The Credit Bank of Iraq is committed to applying sustainability principles across multiple dimensions, based on the principle of safeguarding stakeholders, including employees, shareholders, society, suppliers, regulatory and governmental authorities, and current or potential investors. This also reflects the extent to which companies are able to link economic, social, and environmental factors, as the objective of each, according to its related indicators, is to achieve sustainable development. In line with the requirements of the updated disclosure and sustainability standards issued by the Central Bank of Iraq in 2025, which included the development of the Environmental, Social, and Governance (ESG) Standards Manual and the update of disclosure requirements and environmental and social risk management requirements, and based also on relevant international best practices and standards, the Bank is committed to strengthening the application of these standards and continuously developing the level of disclosure on its performance in the areas of sustainability and ESG during the coming years.

About This Report

This Sustainability Report has been prepared in accordance with the core option of the Global Reporting Initiative (GRI) Standards, which confirmed the validity of the materiality disclosure locations under GRI 102-40 to 102-49, and in line with the updated disclosure requirements and sustainability standards issued by the Central Bank of Iraq in July 2025.

This report aims to provide the necessary information to the Bank's key stakeholders, namely:

- Customers
- Shareholders
- Employees
- Regulatory and supervisory authorities
- Society
- Suppliers

Sustainability Policy Statement

The Bank continuously seeks to review decisions related to its business over the long term to ensure that its future operations are not adversely affected by short-term actions. The Bank also works to benefit from new available opportunities through the effective management of current and future risks, and by balancing the needs of human resources, society, the environment, and profitability, thereby ensuring the continuity of success. In addition to compliance with laws and regulations, the Bank focuses on the following six strategic pillars:

1. Economy

We aim to maintain long-term financial profitability in order to provide benefits to our shareholders, customers, and employees by creating employment opportunities, achieving the best value for our shareholders, and enabling our customers to benefit from reliable financial services. We also ensure that our operations contribute to and align with the financial stability and economic development of the communities in which we operate.

2. Transparency and Accountability

The Bank is committed to establishing robust governance frameworks, maintaining continuous disclosure of data and information, and assuming responsibility for the actions we take and their resulting impacts. We also work to strengthen confidence in the financial system and sector through continuous commitment to transparency and credibility.

3. Alliances and Partnerships

We maintain continuous communication with our shareholders, customers, and employees in order to understand their needs and concerns, as they are an integral part of our core business. We also establish alliances and partnerships with shareholders, customers, and employees in a manner that supports positive environmental and social impacts through our operations and business activities, in line with our vision and strategy.

4. Human Resources

We treat all our employees fairly and respectfully, and we seek to provide a safe and healthy work environment. We also provide them with opportunities for development and skills enhancement, and ensure that they receive their full entitlements and compensation.

5. Products

We conduct our business responsibly and sell products according to customers' needs and in an appropriate manner, taking into account their needs and the risks they are able to bear. In addition, we consider external risks and provide innovative products and services that help reduce such risks, support our customers' financial stability, and promote the sustainable success of our business.

6. Environment

We apply best practices and recognized standards at both local and international levels to ensure sound environmental management and reduce the impacts resulting from our operations. Under no circumstances shall we compromise the long-term environmental security of the communities in which we operate in order to achieve short-term benefits.

Environmental Policy Statement

In accordance with our environmental policy, we are committed to the following:

- Complying with all relevant environmental legislation, laws, and practices.
- Managing and reducing the direct environmental impacts arising from our internal operations, and reducing the Bank's carbon footprint through the internal implementation of an environmental management system.
- Setting environmental objectives as part of the implementation of the internal environmental management system, and ensuring that these objectives are aligned with local, regional, and global environmental goals, including the Sustainable Development Goals developed by the United Nations.
- Reducing the indirect environmental impacts arising from our lending operations and commercial activities, and managing environmental, social, and governance risks in lending activities.

- Seeking to develop innovative financial products and services that will contribute to supporting renewable energy development and sustainable businesses, in addition to lending, investing, and facilitating financing for projects focused on environmental sustainability activities.
- Applying sustainability principles in managing the Bank's procurement policy and supply chain, and setting minimum requirements that suppliers must comply with in order to conduct their business responsibly.
- Providing training and participatory programs aimed at raising environmental awareness among employees and motivating them to recognize the importance of integrating environmental considerations into their daily work.
- Continuously monitoring, tracking, and improving the Bank's environmental performance.

Financial Performance

Amid intense competition and a difficult and volatile environment marked by continued political and security instability, the Bank was able to maintain its performance during 2025, supported by the strategy adopted by the Bank's management and its prudent policies. Profit after tax amounted to IQD 22 billion.

Committed to Sustainability

Today, more than ever, the Bank seeks to integrate sustainability considerations into its disclosures and core business activities. This, in turn, contributes to strengthening its banking operations, building successful business relationships, and aligning with the Bank's values and mission. The Bank also recognizes the importance of this approach, as it contributes to reducing risks, promoting innovative products and services, stimulating sustainable growth, improving customer satisfaction, reducing environmental impact in general, strengthening the Bank's position among Iraqi banks, and meeting stakeholder expectations.

The Bank's Approach to Sustainability

Sustainability represents an opportunity to use our skills, expertise, and relationships to create positive change for individuals, society, and the environment. Building trust through transparency and effective action is vital to achieving this objective. Accordingly, the Bank has identified six sustainability pillars, which represent the Bank's key focus areas in support of our commitment to sustainable development. These pillars are presented in this report.

Material Issues (GRI 102-47)

Believing that sustainability is a collective responsibility rather than an individual one, a materiality assessment process was conducted, taking into consideration the following:

- Engaging the Bank's relevant stakeholders to identify the material issues of greatest importance to both stakeholders and the Bank.
- Analyzing material issues based on a comprehensive list of matters that may affect the Bank or be significant to stakeholders. This list was based on several sources, including aspects of the Sustainability Reporting Guidelines issued by the Global Reporting Initiative (GRI), the financial services sector disclosure standards included in the fourth package of the GRI framework, the disclosure items of the Sustainability Accounting Standards Board relevant to the financial sector, sector benchmarks, and internal documents.

Based on the foregoing, the Bank identified the sustainability-related material issues for stakeholders for the year, as set out below:

1. Combating financial crimes
2. Governance, business ethics, and compliance
3. Financial performance
4. Customer experience and satisfaction
5. Disclosure and transparency
6. Financial stability and risk management
7. Information security
8. Talent attraction and development
9. Support for small and medium-sized enterprises
10. Community investment and engagement
11. Environmental impact

Stakeholder Engagement (GRI 102-40)

Constructive engagement with stakeholders is fundamental to the Bank's sustainability approach. It helps the Bank identify stakeholder priorities, understand its broader impact, and address the challenges it faces in activating its role to become more sustainable.

The Bank's stakeholders are as follows:

- Customers
- Shareholders
- Employees
- Regulatory, supervisory, and oversight authorities
- Society
- Suppliers

Social Responsibility

The Credit Bank of Iraq did not participate in initiatives to support Iraqi society.

Human Resources

Investment in human capital is among the Bank's foremost priorities, particularly as human resources are the main and decisive factor in achieving progress. Therefore, the Bank works to provide a satisfactory, safe, and healthy work environment that protects employees' rights, provides them with fair and competitive wages, encourages them to exert their utmost efforts, develops their professional and personal skills, and enables communication and cooperation among them in a manner that contributes to achieving the Bank's strategic objectives. The Bank continuously focuses on implementing a number of strategies to provide a distinguished work environment based on developing its human resources and equipping them with essential skills, diversity, talent management, succession planning, placing the right person in the right position, and increasing employment opportunities for Iraqi male and female citizens, all of which positively reflects on the Bank's image.

Training and Development

The Bank believes that investment in training is an essential requirement for developing the capabilities of its employees and enhancing their skills, enabling them to perform their duties with a high level of technical competence and professionalism. This positively reflects on the level and quality of services provided to customers, and consequently contributes to strengthening the Bank's competitive position in the banking sector. Accordingly, the Bank has placed clear emphasis on developing and enhancing the capabilities of its human resources across various administrative levels and in all departments and branches, adding a new strategic depth.
The Bank conducts regular annual reviews of the performance and career development of all its employees. Through this process, the Bank seeks to identify the training needs of all employees.
The Bank relies on theoretical and practical training to prepare and qualify employees and raise their professional performance levels, enabling them to perform various banking activities. This is achieved by providing training opportunities across different areas of banking, financial, investment, and administrative work, as well as participation in conferences, seminars, and forums.

Competitive Employee Benefits
The Bank takes pride in offering a distinguished package of benefits and incentives to its employees, without any discrimination on the basis of gender. The salaries offered by the Bank are considered rewarding and competitive when compared with the banking sector. The starting wage levels offered by the Bank to employees are also within the average salary level in the sector. The Bank annually studies improvements to employee salaries, based on its belief in the importance of maintaining a strong salary scale. The Bank also has a rewards policy.

Employee Engagement
The Bank recognizes the importance of employee engagement in enhancing communication and effective participation, improving job satisfaction, increasing productivity and performance, and reducing turnover rates. The Bank seeks to maintain open dialogue and transparent communication channels with all its employees in order to understand and respond to their needs, particularly with respect to issues of importance to them. The Bank annually conducts employee satisfaction surveys and seeks their opinions on various aspects of work, with the aim of enhancing positive aspects, identifying obstacles and negative aspects, if any, and addressing them. This is intended to develop performance, improve productivity, and raise the level of services provided. The Bank encourages employees to provide their opinions in the survey with honesty, integrity, and transparency, as the results reached will be incorporated into the action plans of the Human Resources Department to address the challenges identified by the questionnaire.

Diversity and Equal Opportunity
Diversity and equal opportunity are essential in the work environment. The Bank is keen to provide a work environment that welcomes, respects, and values differences, transforming them into diverse experiences and benefits. The Bank adopts the principles of diversity, inclusion, and equal opportunity across all its departments and branches, from the highest to the lowest levels of the career ladder, in order to provide a better workplace for everyone. The Bank recognizes that differing perspectives help improve work, generate a spirit of innovation, and enhance its reputation as an employer of choice.
The Bank treats all its employees equally, regardless of race, religion, gender, disability, marital status, age, or any other factor. The Bank does not tolerate any form of discrimination, harassment, bullying, or any other degrading conduct.

In 2024, the Bank had 106 male and female employees. The ratio of females to males at the executive level of the Bank was 38%, with one female member on the Board of Directors.
In 2025, the ratio of females to males at the executive management level was 28% of the Bank's total management positions, while one female member remained on the Bank's Board of Directors.

Safe, Healthy, and Balanced Work Environment

The Bank provides a safe and healthy work environment that contributes to achieving the highest levels of satisfaction. Maintaining the health and safety of all employees is among the Bank's key priorities. The measures taken by the Bank include the following:

- Providing an appropriate environment in terms of lighting and ventilation inside buildings.
- Adopting the Evacuation and Safety Team Manual to ensure the evacuation and safety of persons and property before and during risks and disasters.
- Issuing circulars containing awareness messages and general advice to maintain employee safety whenever needed.

In addition to the foregoing, the Bank supports its female employees in balancing maternity responsibilities and their jobs by ensuring that they receive maternity leave.

Employee Attraction and Retention

The Bank continuously seeks to be the employer of choice for job seekers in the banking sector. To achieve this approach, the Bank undertakes the following:

- Recruiting outstanding recent graduates from local, Arab, and international universities and institutes, and attracting the best experienced talents available in the labor market.
- Providing a modern and advanced electronic recruitment window through the Bank's website.
- Strengthening relationships with public universities.

The Credit Bank of Iraq continuously works to develop its work environment in order to attract and retain talent. The Bank has established beneficial employee programs to provide a sound work environment, such as training and development, health and safety, and other human resources initiatives. The most important of these initiatives include:

- Updating human resources policies in line with the development of the work environment for all employees.
- Hiring young employees and providing them with opportunities to assume managerial positions, as the average age of the Bank's employees reached 39 years.
- The percentage of young people under the age of 35 reached 39% of total leadership positions.
- Enhancing workplace diversity, as women represented 37% of the Bank's workforce, in addition to women holding 28% of leadership positions in the Bank.
- Developing, supporting, and advancing Iraqi employment to occupy leadership positions, as foreign employees represented only 6% of the total workforce.

Environmental Responsibility

In commitment to its role in protecting the environment, the Credit Bank of Iraq undertakes several internal initiatives aimed at reducing environmental harm and raising awareness of sound environmental behavior. The most important of these initiatives include:

- Rationalizing energy consumption and regulating the operation of generators at the Bank's branches and General Administration.
- Conducting an awareness campaign for employees on rationalizing the use of resources.
- Reducing paper usage and excessive printing.
- Relying on electronic correspondence.
- Raising employees' awareness of the importance of sustainability and the role of each individual in preserving the environment.
- Preparing a preliminary study to replace generator electricity with an integrated solar power system at the General Administration building.

Signature of Vice Chairman of Board of Directors
Walid Jamal Al-Din Al-Saiufi

Signature of Managing Director
Amr Mustafa Al-Shinawi

[Seal: Credit Bank of Iraq]

Audit Committee Report for the Fiscal Year Ended December 31, 2025

Dear Members of the General Assembly of the Credit Bank of Iraq,

Greetings and appreciation,

In implementation of the provisions of Article 24 of Banking Law No. 24 of 2004, and pursuant to the approval of the Bank's General Assembly to form the Audit Committee from among the members of the Board of Directors, namely Ms. Ghada Farid Ghani as Chairperson, and Mr. Walid Jamal Al-Din Al-Saiufi and Mr. Mashari Hamad Khalaf as members, we are pleased to inform you that the Committee carried out its work with the auditor of our Bank, Ali Ghalib & Co. for Auditing and Accounting, throughout their engagement with the Bank. We reviewed all information and clarifications that, in our opinion, were necessary to protect shareholders' rights. Our work was carried out in accordance with the applicable legislation and the auditing and review procedures recognized locally and internationally, based on the data and information obtained. We are pleased to present to you our report for the year 2025.

1- The annual report, including the financial and accounting information contained therein, comprehensively reflects the Bank's performance during the year under audit. Such information does not contravene the applicable financial laws and legislation. The statements were prepared in accordance with local and international accounting rules and applicable legislation, are consistent with the records, and were prepared in accordance with the requirements of the Central Bank Law.
2- The Committee reviewed the auditor's report issued by Ali Ghalib & Co. for Auditing and Accounting, which addressed the Bank's activities and confirmed the soundness of all procedures carried out in accordance with international and local accounting standards and rules.
3- The Committee reviewed the consolidated and separate financial statements of the Bank for 2025, the results of its activities, its cash flows, and the Board of Directors' report thereon, as well as the governance report, sustainability report, and the report on the application of International Financial Reporting Standard No. 9. The Committee also reviewed the reports submitted by the Internal Control Department and the Compliance Controller, and reviewed the reports of the Anti-Money Laundering and Counter-Terrorism Financing Department. No evidence was found indicating that the Bank had carried out money laundering operations or engaged in terrorist financing operations, and all operations were in line with Anti-Money Laundering Law No. 39 of 2004.
4- The Committee commends the efforts of Executive Management in preserving depositors' funds and protecting shareholders' rights by adopting conservative credit policies and a policy of investing in government debt instruments, which constitute a safe haven and generate rewarding returns, in recognition of the Bank's role in supporting the State and achieving the desired objectives. The Committee also commends the Board of Directors and Executive Management for adopting the path of continuing banking operations through the banking reform plan approved by the Central Bank of Iraq.
5- The Committee recommends reappointing Ali Ghalib & Co. for Auditing and Accounting as the statutory auditor of the Bank for the year 2026, with professional fees to be determined in accordance with the fee scale approved by the Auditing and Accounting Profession Council, after obtaining the approval of the Board of Directors for the appointment.

The Committee did not find any indication of a material deficiency in the Bank's operations through the meetings held with the external auditor, which indicates the sound performance of Executive Management in this regard.

Please accept our highest appreciation.

Signature of Head of the Audit Committee
Ghada Farid Ghani Al-Tuma