



Bank of Baghdad

(Private Joint Stock Company)

Financial Statements (Audited)

December 31, 2025

Index

	Statement
External Auditor's Report	
Statement of Financial Position	(A)
Statement of Profit and Loss	(B)
Statement of Comprehensive Income	(C)
Statement of Changes in Equity	(D)
Statement of Cash Flows	(E)
	Pages
Notes to the Financial Statements	15-79

To General Assembly of Bank of Baghdad
Bank of Baghdad "Private Joint Stock Company" – Baghdad
Auditors' Report

The Opinion

We have audited the financial statements of Bank of Baghdad (the Bank), which comprise the statement of financial position as at December 31, 2025, the income statement, the statement of comprehensive income, the statement of changes in equity and the statement of cash flows for the year then ended, and notes to the financial statements and information relating to significant accounting policies.

In our opinion, the accompanying financial statements present fairly, in all material respects, the Bank's financial position as at December 31, 2025, and its financial performance and cash flows for the year then ended in accordance with International Financial Reporting Standards - Accounting Standards (IFRS Accounting Standards).

Basis for opinion

We conducted our audit in accordance with International Standards for Auditing. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are independent of the Bank in accordance with the International Ethics Standards Board for Accountants' Code of Ethics for Professional Accountants (including International Independence Standards) issued by the International Ethics Standards Board for Accountants (IESBA) together with other ethical requirements that are relevant to our audit of the financial statements in Iraq, and we have complied with those ethical requirements and the IESBA. We have obtained audit evidence that is sufficient and appropriate to support our opinion.

Key audit matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the financial statements for the current year. These matters were addressed in the context of the overall audit of the financial statements in forming our opinion thereon. We do not provide a separate opinion on these matters. Our audit procedures for each matter are described below.

We performed the responsibilities described in the Auditor's Responsibilities for the Audit of the Financial Statements section, in addition to all related matters. Accordingly, our audit included performing procedures designed to respond to our assessment of the risks of material misstatement of the financial statements. The results of our audit procedures, including the procedures performed to address the matters identified below, provide the basis for our audit opinion on the accompanying financial statements.

Expected credit losses on credit facilities Note (7)	Audit scope to address significant audit matter
This is a crucial aspect of the audit process, as its calculation requires assumptions and management's use of estimates to determine the extent and timing of expected credit losses on credit facilities. The provision for expected credit losses is determined in accordance with the bank's	The audit procedures included the following: - Understanding the nature of the bank's loan portfolio, examining the internal control system used in the granting and recording process, and evaluating the effectiveness of the key procedures used in the granting and recording process.

provisioning and impairment policy, which aligns with the requirements of International Financial Reporting Standard (IFRS) 9. There is a possibility of inaccuracy in the recorded impairment provision, whether due to the use of inaccurate data or unreasonable assumptions. Given the importance of the judgments used in classifying credit facilities at different stages according to IFRS 9, the audit procedures related to this matter are considered a key audit consideration. The bank's total outstanding credit facilities amounted to IQD 229,352,811 thousand as of December 31, 2025 (2024: IQD 107,924,571 thousand), and the provision for expected credit losses was IQD 70,456,612 thousand as of December 31, 2025 (2024: IQD 49,472,318 thousand). The policies for the provision for expected credit losses are presented in the accounting policies used to prepare these financial statements, as detailed in the Notes.	- Studying and understanding the bank's provisioning policy in comparison with the requirements of IFRS 9 and relevant regulatory guidelines. - Evaluating the bank's expected credit loss model, with particular emphasis on its conformity with the expected credit loss model and underlying methodology in accordance with the requirements of IFRS 9. - Examining a sample of individual facilities and performing the following procedures to assess: • The appropriateness of the classification stages. • The appropriateness of the process for determining credit exposure in the event of default, including consideration of cash flows resulting from repayment and the resulting calculations. • The appropriateness of the probability of default, credit exposure in the event of default, and the loss ratio assuming default for the different stages. • The appropriateness and objectivity of the internal assessment, as well as the competence and independence of the experts used in the calculation process. • The accuracy and validity of the model used in calculating expected credit losses. • An assessment of the bank's estimation process for an increase in credit risk and the basis for credit exposure transfer between levels, as well as for exposures that have transferred between levels. This includes evaluating the process in terms of the appropriateness of the timing for identifying a material increase in credit risk for credit exposures.
--	---

	• A recalculation of expected credit losses for low-interest facilities individually, along with an understanding of the latest developments for these credit exposures in terms of cash flows, financial position, and any restructuring or rescheduling. • Regarding the future assumptions used by the bank to calculate expected credit losses, we discussed these assumptions with management and compared them with available information. • We assessed the disclosures in the consolidated financial statements to ensure their compliance with International Financial Reporting Standard (IFRS) 7.
Foreign transfer commission income (Note 21)	Audit scope to address significant audit matter
This is a crucial aspect of the audit process given the volume of foreign transfers executed by the bank and the proportion of related commissions to the bank's total revenue. Due to the increased volume of foreign transfers compared to the previous year, there is a possibility of errors in calculating and recording foreign transfer commission revenue. The balance of foreign transfer commission revenue for the year ended December 31, 2025, was IQD 80,245,211 thousand (2024: IQD 213,298,516 thousand), and the balance of related foreign currency sale gains for the year ended December 31, 2025, was IQD 129,679,876 thousand (2024: IQD 139,712,451 thousand). The commission recognition policy is presented in Note 2 of the accounting policies used to prepare these consolidated financial statements.	The audit procedures included the following: - We studied and understood the bank's policy for recording commission income and profits from foreign currency sales. - We understood the channels and nature of the bank's foreign transfers and the associated commissions and profits from foreign currency sales. - We understood the procedures the bank uses to reconcile executed transfers with the Central Bank of Iraq's reports. - We examined the internal control procedures related to foreign transfers and their associated commissions. - We examined a sample of transfers executed during the year and verified that they had obtained all required approvals before execution.

	- We recalculated commission income and foreign currency profits for a sample of foreign transfers. - We obtained confirmation from the Central Bank of Iraq regarding the bank's total dollar sales through the currency sale window for the year ending December 31, 2025. - We reviewed a sample of the bank's correspondence with the Central Bank of Iraq concerning foreign transfers.
--	--

Other information is included in the Bank's Annual Report for 2025:

The other information comprises information included in the Bank's Annual Report for 2025 other than the financial statements and the auditor's report. Management is responsible for the other information. Our opinion does not cover the other information and we do not express any assurance or conclusion thereon.

Our responsibility is to read the other information and, if the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit of the financial statements, if the procedures we have performed reveal a material inconsistency or error between the financial statements and the other information, we must disclose that information. Nothing has come to our attention with respect to other information.

Another matter:

The Bank's financial statements for the year ended December 31, 2024 were audited by external auditors "Farqad Al Salman & Partners Auditing and Control Company" and "Saad Rashid Jassim & Partners Auditing and Control Company" and an unqualified opinion was issued on February 13, 2025.

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

Management is responsible for the preparation and fair presentation of these financial statements in accordance with International Financial Reporting Standards – Accounting Standards (IFRS Accounting Standards), and for such internal control as is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

Management is also responsible for assessing the Bank's ability to continue as a going concern and disclosing, as appropriate, matters related to going concern, including using the ongoing concern basis of accounting in preparing the consolidated financial statements, unless management either intends to liquidate the Bank or to cease operations, or has no realistic alternative but to do so.

Governance oversees the Bank's financial reporting process.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error. We also want to issue an auditor's report with our opinion. Reasonable assurance is a high level of assurance, but it is not a guarantee that an audit conducted in accordance with International Standards on Auditing will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered significant if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with International Standards on Auditing, we exercise professional judgment and maintain professional skepticism. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is significantly higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, incorrect representations or the override of internal control.
- Obtain an understanding of internal controls relevant to the audit to design audit procedures appropriate in the circumstances. However, this is not to express an opinion on the effectiveness of the bank's internal controls.
- Evaluate the appropriateness of accounting policies applied and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting, and based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related explanations in the financial statements. If such explanations are inadequate, we modify our opinion. Our conclusions are based on audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the company to cease to continue as an ongoing concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures. In addition, evaluate whether the financial statements represent transactions and events that achieve fair presentation.

We communicate with those charged with governance regarding, among others, the planned scope and timing of the audit and significant audit findings. This includes any significant internal control deficiencies we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to disclose to those charged with governance all relationships and other matters that may reasonably be thought to bear on our independence, and, where appropriate, the steps taken to eliminate independence risks and those enhancing procedures that have been implemented.

From the matters communicated with those charged with governance, we determined those matters that were of most significance to the audit of the financial statements of the current period. These matters are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be disclosed in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such disclosure.

Report on Legal Requirements

1. Through our study of the accounting records and our review of the nature of banking operations, we did not find anything indicating the existence of banking operations related to money laundering or those that contributed to financing terrorism.
2. The management report is consistent with the provisions of Companies Law No. 21 of 1997, as amended.
3. The capital adequacy ratio reached 43.42% as of December 31, 2025.
4. The foreign currency sales window operations that the bank entered into for the benefit of the bank's customers during the year 2025 are consistent with the instructions of the Central Bank of Iraq in this regard, as the bank sold 12,928,521 thousand dollars through a foreign currency auction at an exchange rate of 1,320 Iraqi dinars per US dollar during the year in addition to the commission stipulated in the commission schedule approved by the bank. We requested approval from the Central Bank of Iraq regarding the foreign currency auction operations the bank carried out during 2025, and we have not received a response from the Central Bank until the date of this report.
5. The Internal Audit and Compliance Department reports were reviewed. Our attention was drawn to what was stated in paragraph 4 of the Central Bank of Iraq letter No. 14653/8/9 dated December 3, 2025, relating to the audit of foreign transfer operations for importing gold. This audit is based on paragraph (5/b) of the foreign transfer regulations for 2024. The bank stated in its response to the above letter that the bank is committed to the instructions regarding the exchange rate for transfers within the platform mechanism. It also provides the Central Bank of Iraq with a schedule of commissions regularly.
6. The bank's book group is consistent with the requirements of the bookkeeping system. In our estimation, includes recording all assets, liabilities, resources and uses of the bank for the fiscal year.
7. The process of inventorying cash assets was carried out by the management and under our supervision of the cash inventory in the general administration, the main branch, the National Theater branch and the Erbil-Shorsh branch in a proper manner.

Auditors

Mustafa Fouad Abbas

Adel Mohammed AL-Hassoun

From Mustafa Fouad Abbas & co.
Certified Public Accountants Member Of Iraqi ACA
(A Member Firm of Ernst & Young Global
Limited)

From Adel AL-Hassoun & co.
Public Accountants, Auditors & Tax
Consultants

Baghdad on 17th of Feb. 2026

Statement of Financial Position as at 31 December 2025 Statement (A)

		Dec. 31,2025	Dec.31,2024
		IQD (000)	IQD(000)
Assets	Note	(Audited)	(Audited)
Cash and Balances With Central Banks–Net	3	1.063.279.638	2.020.046.204
Balances at Banks and Financial Institutions–Net	4	295.901.446	416.469.828
Financial Assets at Fair Value through OCI	5	7.126.837	6.594.633
Financial assets at Amortized Cost –Net	6	1.199.736.522	936.827.726
Credit Facilities (Loan & Advances) – Net	7	150.620.138	50.259.551
Property and Equipment, Net	8	117.390.637	75.114.334
Intangible Assets –Net	8	4.157.199	1.205.589
Right of use of leased assets	9/a	1.703.181	1.302.328
Other Assets Net	10	50.438.257	38.141.071
Total Assets		2.890.353.855	3.545.961.264
Liabilities And Shareholders' Equity			
Liabilities			
Banks and Financial Institutions' Deposit	11	840.802	920.976
Customers' Deposits	12	2.064.666.660	2.679.348.533
Cash Margin	13	45.678.862	32.684.095
Income Tax Provision	14	26.997.234	56.896.722
Sundry Provisions	15	10.188.516	9.959.276
Borrowed Funds	16	–	3.363
Lease Liabilities	9/b	1.699.081	1.231.068
Other Liabilities	17	36.673.464	37.401.182
Total Liabilities		2.186.744.619	2.818.445.215
Shareholders' Equity			
Paid-up Capital	18	400.000.000	400.000.000
Legal Reserve	D	51.647.504	40.869.040
Other Reserves	D	58.492	58.492
Fair Value Reserve	D	(24.926)	(548.834)
Foreign Currency translation	D	(14.777.855)	(14.777.855)
Retained Earnings	D	266.706.021	301.915.206
Total Shareholders' Equity		703.609.236	727.516.049
TOTAL LIABILITIES AND EQUITY		2.890.353.855	3.545.961.264



Jasim Alazzawi

Chief Financial Officer
Jasim Hashim Alazzawi

AHMED TASHW MUALLAH

Chief Executive Officer
Ahmed T. Muallah

Abdelkarim A. S. Kabariti

Chairman

Abdelkarim A. S. Kabariti

Mustafa Fouad Abbas
From Mustafa Fouad Abbas & co.
Certified Public Accountants Member Of Iraqi
ACA

Adel Mohammed AL-Hassoun
From Adel AL-Hassoun & co.
Public Accountants , Auditors Tax

Baghdad on 17th of February 2026

The accompanying notes from (1) to (38) from an integral part of financial statements must be read with them

Statement of Income for Year Ended 31 December 2025

Statement (B)

	Note	For Year ended Dec31	
		2025 (000)	2024 (000)
Interest income	19	114.984.432	75.906.174
Less: Interest expense	20	(16.922.051)	(13.076.391)
Net- interest income		98.062.381	62.829.783
Net-Commission income	21	97.404.673	260.906.747
Net- interest and commission income		195.467.054	323.736.530
Gain Foreign currencies	22	127.974.430	142.280.831
Cash dividends from financial assets at fair value through OCI	23	487.754	299.461
Other (Losses) income	24	94.284	(1.298.117)
Gross profit		324.023.522	465.018.705
Employees' expenses	25	(22.716.041)	(17.526.740)
Other Expense	26	(33.523.941)	(27.884.057)
Depreciation and amortization	8,9	(4.272.892)	(3.304.749)
Sundry provisions expense	15	(3.062.117)	(5.216.350)
Total Expenses		(63.574.991)	(53.931.896)
Profit before provision of credit losses		260.448.531	411.086.809
Provision for credit loss	27	(26.130.637)	(47.357.722)
Written on ECL	27	8.248.619	-
Profit before tax (Before-tax Income)		242.566.513	363.729.087
Income tax expense		(26.997.234)	(56.896.722)
Profit for the Year (After-tax Income)	13	215.569.279	306.832.365
Basic (Diluted) Earnings per Share from the Year Profit (IQD)	28	0.539	0.877

Jasim Hashim Alazzawi

Chief financial officer

Jasim Hashim Alazzawi



AHMED TAHSEIN MUALLAH

Chief Executive Officer

Ahmed T. Muallah

Abdulkarim A. S. Kabariti

Chairman

Abdulkarim A. S. Kabariti

The accompanying notes from (1) to (38) from an integral part of financial statements must be read with them

Statement of Comprehensive Income for The Year Ended 31 December 2025 Statement (C)

	Note	For Year ended Dec31	
		2025 IQD (,000)	2024 IQD (,000)
Profit for the Year –Income statement	B	215.569.279	306.832.365
Change in Fair Value of Financial Assets at Fair Value Through Other Comprehensive Income	D	523.908	(2.866.518)
Foreign Exchange translation Differences	D	–	(1.315.079)
Total Comprehensive Income for the Year		216.093.187	302.650.768

The accompanying notes from (1) to (38) from an integral part of financial statements must be read with them

Statement of Changes in Equity for The Year Ended 31 December 2025 (D)

	Share Capital	Legal Reserve*	Other Reserves	Foreign Exchange translation Differences	Changes in Fair value	Retained Earnings (Losses)	Total Shareholders' Equity
	IQD (000)	IQD (000)	IQD (000)	IQD (000)	IQD (000)	IQD (000)	IQD (000)
2025	400.000.000	40.869.040	58.492	(14.777.855)	(548.834)	301.915.206	727.516.049
Re-Classification		-	-	-	-	-	-
	400.000.000	40.869.040	58.492	(14.777.855)	(548.834)	301.915.206	727.516.049
Profit for the Year	-	-	-	-	-	215.569.279	215.569.279
Transfer to Reserves	-	10.778.464	-	-	-	(10.778.464)	-
Change in fair value	-	-	-	-	523.908	-	523.908
Dividends Paid **	-	-	-	-	-	(240.000.000)	(240.000.000)
Capitalization issue	-	-	-	-	-	-	-
Rec. Entries	-	-	-	-	-	-	-
Translation FX	-	-	-	-	-	-	-
Balances as of 31 December.	400.000.000	51.647.504	58.492	(14.777.855)	(24.926)	266.706.021	703.609.236

*Including the mandatory reserve for the Beirut branch, amounting to IQD (4.017.472), and the other reserve for the branch with a balance of IQD (50.441).

** The balance represents currency translation differences for the bank's branch in the Lebanese Republic – Beirut branch

*** In accordance with the Authority's decision dated May 03, 2025, a dividend distribution of (60%) The Amount IQD (240.000.000).

Statement of Changes in Equity for The Year Ended 31 December 2025 (D)

* The settlement account constitutes the effect of consolidating the financial statements with the Baghdad brokerage company.

	Share Capital	Legal * Reserve	Other Reserves	Foreign Exchange translation Differences	Changes in Fair value	Retained Earnings (Losses)	Total Shareholders' Equity
	IQD (000)	IQD (000)	IQD (000)	IQD (000)	IQD (000)	IQD (000)	IQD (000)
2024							
Balance on 1 January	300.000.000	25.547.375	58.742	(13.462.776)	(2.317.684)	159.257.436	473.718.461
Re-Classification	-	-	-	-	-	-	-
The balance adjustment	300.000.000	25.547.375	58.742	(13.462.776)	(2.317.684)	159.257.436	473.718.461
Profit for the Year	-	-	-	-	-	306.832.365	306.832.365
Transfer to Reserves	-	15.341.618	-	-	-	(15.341.618)	-
Change in fair value	-	-	-	-	(2.866.518)	-	(2.866.518)
Dividends Paid	-	-	-	-	-	(51.000.000)	(51.000.000)
Translation FX	-	(19.953)	(250)	(1.315.079)	-	2.827.103	1.491.821
Capitalization issue	100.000.000	-	-	-	-	(100.000.000)	-
Adjusting Entries	-	-	-	-	-	(660.080)	(660.080)
Balances at the end	400.000.000	40.869.040	58.492	(14.777.855)	(548.834)	301.915.206	727.516.049



Statement of Cash Flows for The Year Ended 31 December 2025 (E)

	Note	2025 IQD (.000)	2024 IQD (.000)
Operating Activities:		Audited	Audited
Profit for the Year before Tax	B	242.566.513	363.729.087
Adjustments: Non-cash Items:			
Depreciations and Amortizations	8,9	4.272.892	3.304.749
Provision for credit Losses	27	26.130.637	47.262.353
Miscellaneous Provisions	15	3.062.117	5.311.719
Financial interest- Leased assets	9	60.825	76.059
Effect of exchange rate fluctuations on cash and cash	22	1.705.446	(2.568.380)
Written on ECL	27	(8.248.619)	-
Settlements		(3.106)	-
Loss (Gain) on disposal Property and Equipment	24	(94.284)	1.512.632
Cash Flows from Operating Activities before Changes in Assets and Liabilities		272.131.445	418.628.218
Decrease (Increase) in Assets			
Deposits at banks and financial institutions (maturing within more than 3 months)	29	142.314.936	(166.517.872)
Direct Credit Facilities	7	(126.013.006)	(2.471.377)
Other Assets	10	(12.297.186)	(24.580.420)
Increase (Decrease) in Liabilities			
Customers' Deposits	12	(614.664.586)	509.094.328
Margin Accounts	13	12.994.767	11.225.931
Other Liabilities	17	(6.647.317)	5.892.055
Sundry Provisions	15	(2.328.881)	(1.917.592)
Net Cash Flows (Used in) from Operating Activities before Income Tax		(334.509.828)	749.353.271
Income Tax Paid		(56.896.722)	(26.048.820)
Net Cash Flows Used in Operating Activities		(391.406.550)	723.304.451
Investing Activities:			
Purchase of Financial Assets at Amortized Cost	6	(3.250.000.000)	(314.315.940)
Purchase of Property and Equipment	8	2.987.163.151	(6.220.059)
Purchase Sale of Financial Assets Through the Other Comprehensive Income Statement	5	-	(63.415)
Proceeds Sale of Property and Equipment	8	100.201	2.792.189
Net Cash Flows (used in) from Investing Activities		(311.610.284)	(317.592.711)
Financing Activities:			
Payments Long-term Loans	16	(3.363)	(16.139)
Dividends and Changes in Equity		(234.080.401)	(56.889.153)
Fees to increase capital		-	(660.080)
Lease liability payments	9/b	(628.342)	(742.499)
Net Cash Flow from (in) Financing Activities		(237.391.130)	(58.307.871)
Net (Decrease) Increase in Cash and Cash Equivalents		(940.407.964)	347.226.099
Effect of exchange rate fluctuations on cash and cash equivalents	22	(1.705.446)	5.396.383
Cash and Equivalents on 1 January	29	1.919.909.493	1.567.287.011
Cash and Equivalents on 31 December	29	977.796.083	1.919.909.493



The accompanying notes from (1) to (38) from an integral part of financial statements must be read with them

Notes to Financial Statements for The Year Ended 31 December 2025,

1. General

The Bank of Baghdad (the Bank) is an Iraqi private joint-stock company established on 02/18/1992 under the founding license number (4512) as the first private Iraqi bank. Its main headquarters is in Baghdad, and its fully paid-up capital is 400 billion Iraqi dinars, which was increased by issuing free shares. With a number of (100) billion shares according to the General Assembly's decision on 18/05/2025. The bank provides all banking and financial activities related to its activity through its main center in the city of Baghdad (Karrada district), and its 35 branches spread throughout Iraq and the Lebanese Republic branch (Beirut branch), in addition to providing banking and financial services, and the bank's shares are fully listed on the Iraqi market. For security.

The financial statements were approved by the bank's Board of Directors at session No. (2/2025) on Feb.16 2025.

2. BASIS OF PREPARATION AND CHANGES TO ACCOUNTING POLICIES

2.1. Basis of preparation

International Financial Reporting Standards (IFRS) and their interpretations issued by the Standards Interpretation Committee (SIC) of the International Accounting Standards Board (IASB) were used to prepare the Bank's financial statements. The accounting policies applied in the preparation of the financial statements for the present year are similar to those applied in the preparation of the financial statements for the year ended 31 December 2024.

The financial statements were prepared according to historical cost principle. This is with the exception of monetary assets at fair value through other comprehensive incomes that are stated at fair value at the date of the annual financial statements.

The Iraqi Dinar, which is the main currency of the company, is the presentation currency for financial statements. All amounts have been rounded to the nearest Thousand IQD.

Financial Statements Consolidation Principles:

*The consolidated financial statements include the bank's financial statements and its subsidiaries. Control is achieved when the Bank control the finance and operating policies of its subsidiaries to benefit from their activities. In addition, any transactions, balances, income and expenses between the Bank and its subsidiaries are excluded.

*The financial statements of the subsidiaries for the same fiscal year as the Bank are prepared under the same accounting policies applied by the Bank. Should the subsidiaries have accounting policies different from those applied by the Bank, necessary adjustments are made to the financial statements of the subsidiaries. This is to conform to the bank's accounting policies of the Bank.

* Should the group lose control over a subsidiary, it derecognizes the related assets (including goodwill), liabilities, non-controlling interest and other equity components. However, it recognizes any resulting profits or losses in profits or losses.

* As of 31 December 2025, the Bank owned the following Associates:

Name of Subsidiary	Paid- Up Capital (IQD '000)	Nature of Business	Place of Operation	Bank's Ownership %	
				2025	2024
Al Ameen Insurance Company	5.000.000	Insurance	Iraq	49%	49%

The accompanying notes from (1) to (38) from an integral part of financial statements must be read with them



Notes to Financial Statements for The Year Ended 31 December 2025

2.2 Summary of key Accounting Policies Realization of Income and Recognition of Expenses

Interest income is realized using the Effective Interest Method. This is except for interest and commissions on nonperforming credit facilities that are not recognized as income. These are recorded in interest and commissions in the suspense account.

- Expenses are recognized as accurate.
- Commissions are recorded as income when providing related services, and earnings from companies' shares are recognized when realized (approved by the Shareholders General Assembly).

Accounting Estimates

The preparation of financial statements and application of accounting policies demands the Bank's management to make estimates and judgments that affect the amounts of assets and financial liabilities. In addition, it requires the Bank to disclose contingent liabilities. Furthermore, these estimates and judgments affect income, expenses, provisions and other items of comprehensive income. To estimate the amount and timing of future cash flows, the Bank's management must make important judgments. These estimates are necessarily based on several assumptions and factors of different degrees of estimation and uncertainty. The actual results may differ from the estimates as a result of the changes arising from future circumstances of these estimates in future.

A. Judgements:

The following are the most important judgments that have a material effect on the amounts of assets and liabilities in the consolidated financial statements that were only applied in 2024 and the reclassification of financial assets: evaluate the business model in which the assets are held and determine whether the contractual conditions of the financial assets are for the outstanding balances or not Developing new standards to determine whether the financial assets credits have dramatically decreased since its first recognition and determine a methodology for future aspirations and methods for measuring the expected credit loss.

B. Estimates:

The following are estimates of material risks to the financial statements as of September 2025 the Bank's management believes that its estimates in the financial statements, as detailed below, are reasonable:

- Provision for credit facilities impairment: The provision for loans is audited in line with principles set by the Central Bank of Iraq and in accordance with Regulation No. 4 for 2010. Furthermore, the Bank will adopt IFRS 9, which will affect these estimates.
- The loss resulting from the impairment of expropriated real estate is not recorded and is presented at historical cost.
- Tax Provisions: Each fiscal year carries the tax expenses incurred in that year in accordance with accounting regulations, laws and standards. To estimate any impairments in financial assets presented at cost, management annually reviews them at cost and records them in the income statement.
- Litigation Provisions: To cover any litigation liabilities, provisions are created based on the opinion of the legal consultant of the Bank.



Notes to Financial Statements for The Year Ended 31 December 2025

Sector-specific information

The business sector represents a group of assets and operations that provide products or services subject to risks and proceeds that differ from those associated with other business sectors. The geographical sector is associated with the provision of products or services in a specific economic environment. This is subject to risks and proceeds that differ from the risks and proceeds of other sectors operating in other economic environments.

2.2 Summary of Key Accounting Policies (Continued)

Cash and Cash Equivalents

These are cash, and cash balances that accrue within three months, including: Cash balances with the central bank and balances with banks and financial institutions. However, deposits accrued within three months to banks and financial institutions are deducted.

Recognition of Financial Assets

Purchases and sales of financial assets are recognized at the trade date (the date on which the Bank commits to selling or purchasing financial assets).

Direct Credit Facilities

– A provision for impairment of direct credit facilities is created when it is apparent that the amounts payable to the group cannot be collected, when there is objective evidence that a certain event has negatively affected the future cash flows of the direct credit facilities and when this impairment can be estimated. The value of this provision is recorded in the income statement.

As instructed by the Central Bank of Iraq, interest and commissions on nonperforming credit facilities are suspended.

– Credit facilities provisioned for are written off, where the collection procedure is infeasible, by deducting their amount from the provision in accordance with the instructions of the Central Bank of Iraq, and any excess in the provision is transferred to the income statement. Collected loan amounts that have been written off are added to income.

Financial Assets at Amortized Cost

These are financial assets that the Bank's management, in accordance with its business model, aims to retain in order to collect contractual cash flows. These are represented by principal loan payments and interest on the outstanding loan balance.

These assets are recorded at the time of purchase at cost, plus acquisition expenses, and the increment is amortized using the effective interest method; charged against or credited to interest. Any provisions resulting from impairment of the asset that render the process of recovering the asset or part of it unattainable are deducted. Any impairment of the same is recorded in the income statement.

The impairment amount of these assets represents the difference between the value stated in the records and the current value of expected cash flows. This difference is discounted at the original interest rate. The reclassification of any assets from/into this item is not allowed, except in the cases specified in the relevant IFRS (and in case any of these assets are sold prior to their accrual date, the sale result is recorded in the income statement as a separate item and is disclosed in accordance with the requirements of the relevant IFRSs).

Financial Assets at Fair Value through the Income Statement

Debt instruments that do not conform to the business model of the financial assets at amortized cost, or those that the Bank, at the time of purchase, chooses to classify at fair value through the income statement, are measured at their fair value through the income statement.

Notes to Financial Statements for The Year Ended 31 December 2025

Investments in financial instruments are classified at fair value through the income statement, unless the Bank, at the time of purchase, decides to classify an investment that it retains for non-trading purposes at fair value through other comprehensive income.

These assets are recorded at fair value at the time of purchase (acquisition expenses are included in the income statement at the time of purchase) and are revalued later at fair value. The change in the fair value is stated in the income statement including the change in the fair value resulting from the differences from transferring items of non-financial assets in foreign currencies. In case these assets or part thereof are sold, the resulting profits or losses are recorded in the income statement.

Distributed dividends or accrued interest are recorded on the income statement.

Financial assets at fair value through the statement of other comprehensive income

The Bank may definitively choose, based on each financial instrument separately, to classify equity instruments at fair value through the other comprehensive income. This classification is not allowed if the investment in the equity instrument is for trading purposes.

These assets are stated at the time of purchase at fair value plus acquisition costs and are revalued later at fair value. The change in the fair value is stated in the comprehensive income statement under shareholders' equity, including the change in the fair value resulting from recording the differences from transferring non-cash items in foreign currencies. In case these assets or part thereof are sold, the resulting profits or losses are recorded in the comprehensive income statement under shareholders' equity. Moreover, the balance of assets valuation reserve is transferred directly to retained profits and losses and not through the income statement. These assets are not subject to the impairment loss test, and the dividends are recorded in the income statement.

Fair Value

- The Bank measures the financial instruments, such as financial derivatives and non-financial assets, at fair value at the date of the financial statements.
- The fair value represents the price that will be received when selling the assets or the price that will be paid to transfer a liability in a transaction organized between market participants.
- In the absence of the primary market, the most appropriate market for assets and liabilities is used.
- The Bank needs to have access to the primary market or the most appropriate market.
- The entity measures the fair value of the assets or liabilities using assumptions that the market participants will apply when pricing the assets. Otherwise, the measurement of the fair value of the non-financial assets takes into consideration the ability of the market participants to generate economic benefits by using the assets in the best way possible or selling them to another participant that will use them in such a way.
- The Bank applies appropriate valuation methods under the circumstances, provides sufficient information to measure the fair value, clarifies the use of directly observable inputs and minimizes the use of indirectly observable inputs.

Notes to Financial Statements for The Year Ended 31 December 2025

Impairment of Financial Assets

The Bank reviews the values of financial assets stated in records at the date of the financial position statement to determine whether there are indicators of impairment of the same individually, or. In case there are such indicators, the recoverable value is assessed to determine the impairment loss.

The impairment amount is determined as follows:

- Impairment of financial assets that are stated at amortized cost: The difference between the value stated in the records and the current value of the expected cash flows discounted at the original price.
- The impairment is recorded in the income statement, in addition to recording any savings in the following Year because of the previous impairment in financial debt instruments in the income statement.

2.2 Summary of Key Accounting Policies (Continued)

Offsetting

The financial assets are offset against the financial liabilities, and the net amount is stated in the financial position statement only when binding legal conditions are established. This also applies when they are paid on offset basis or when asset realization and liabilities payment occur simultaneously.

Property and Equipment:

Property and equipment are stated at historical cost, after deducting accumulated depreciation and accumulated impairment losses, if any. The property and equipment costs include incurred for replacing any component thereof, in addition to financing expenses for long-term construction projects, if the recognition conditions are met. All other expenses are included in the income statement when incurred. Depreciation (except for land, as they are not depreciable) is calculated using the straight-line method in accordance with the expected useful life as follows:

	Useful Life (Years)
Buildings	33
Equipment, Devices and Furniture	5
Transportation	5
Electronic Systems	5

Any property and equipment item, or any significant part thereof, is written off when it is disposed of or when there is no expected economic benefit from using or disposing of it. Any profit or loss resulting from writing off the asset, which represents the difference between the asset disposal proceeds and the asset's netbook value, is recorded in the income statement.

The remaining values, useful lives and depreciation methods of assets are audited every fiscal year and, if necessary, adjusted as necessary.

DE recognition of Financial Assets and Liabilities**Financial Assets**

The financial asset (or any part thereof or any part of a group of equivalent financial assets, where appropriate) is de-recognized when:

- The right to receive cash flows from the asset lapses.
- The Bank retains the right to receive cash flows from the asset, but in return, assumes the obligation to fully pay the cash flows without any material delay to a third party under
"Pay when paid" arrangement; or
- (A) Transfers all key risks and benefits of the asset, or (B) Does not transfer or retains all key risks and benefits of the asset but transfers control over the same.

When the Bank transfers the rights to receive the cash flows from the asset and does not transfer or retain all key risks and benefits of the asset, or transfers control over the same, the asset is recorded to the extent to which the Bank continues to control the same. Continuous control, which takes the form of a lien on the transferred asset, is measured at the original book value of that asset. It is also measured at the maximum limit or the Bank's amount payable, whichever is lower.

2.2 Summary of Key Accounting Policies (Continued)**Financial Liabilities**

Financial liabilities are derecognized when exempted from liabilities obligations, or when cancelled or lapsed. When replacing a financial liability with another from the same source of finance under significantly different terms, or when the terms of the current obligation are significantly amended, this replacement or amendment is dealt with as if it was a DE recognition of the original liability and accrual of a new one.

Foreign Currencies:

- Transactions conducted in foreign currencies during the year are recorded at the prevailing exchange rate as at the date of conducting the transactions.
- Balances of financial assets and liabilities are transferred at average foreign exchange rates at the date of the financial statements. These rates are issued by the Central Bank of Iraq and similar control bodies in the countries where the Bank operates.
- Nonfinancial assets and liabilities, stated at fair value at the date of fair value determination, are transferred in foreign currencies.
- Profits and losses resulting from transferring foreign currencies are recorded in the income statement.
- Differences from transferring assets and liabilities items in noncash foreign currencies (such as shares) are recorded as a part of the change in fair value.

Provisions:

Provisions are recognized when the Bank carries liabilities at the date of the financial statement arising from prior events, where the payment of these liabilities is contingent and their value can be reliably measured.

Income Tax

Tax expenses represent accrued amounts of taxes and deferred taxes.

Accrued tax expenses are calculated based on taxable profits. The taxable profits differ from profits disclosed in the financial statements, because the disclosed profits include nontaxable income or expenses that are non-deductible in the current fiscal year, but deductible in subsequent years, or accumulated losses deductible for tax purposes, or items that are non-taxable or non-deductible for tax purposes.

Income tax is calculated as per the tax rates set under the laws, regulation and directives in force in Iraq.

Deferred taxes are taxes that are expected to be paid or recovered as a result of the temporary time differences between the value of the assets or liabilities in the financial statements and the value based on which the taxable profit is calculated.

Notes to Financial Statements for The Year Ended 31 December 2025**2.2 Summary of Key Accounting Policies (Continued)****Assets Transferred to the Bank in Settlement of Outstanding Debts**

Assets transferred to the Bank are stated in the financial position statement under the "other assets" item at their transfer value and are not revaluated at fair value to-date, nor is any impairment thereof recorded as a loss in the income statement or is any increase therein recorded as income.

2.3 Changes in Accounting Policies (Continued)**International Financial Reporting Standards that had, or will have, a Financial Impact**

The International Accounting Standards Board "IASB" issued certain standards and amendments that became effective and a basis for studying and applying them was developed. However, they were not adopted by the Bank for reasons related to the adoption by the control bodies or the impact thereof. The following standards are standards that, once applied, will impact on the financial position, financial performance or disclosures of the Bank's financial statements. These standards will be applied once the impact thereof is adopted by the control bodies.

1. IFRS (9) – Financial Instruments

The bank has applied international standard starting from 30 DEC. 2020 During July 2014, the IASB issued the final version of IFRS 9 (Financial Instruments), which will replace IAS 39 (Financial Instruments: Recognition and Measurement) and all previous versions of the IFRS 9. IFRS 9 combines all three accounting aspects related to financial instruments: Classification and measurement, impairment, and hedge accounting.

The new version of IFRS 9 is applied to annual Years starting from 1 January 2018 and permits early application. The standard is applied retrospectively, except for hedge accounting. Furthermore, IFRS 9 prevents companies from adjusting the comparative figures.

Accordingly, the Bank has developed a special methodology for this standard, which is currently being Audited with the control and regulatory bodies to adopt it and reflect its impact in the financial statements.

A) The Bank has developed the working methodology through classification and measurement; as financial assets were classified and measured either at amortized cost or fair value through the comprehensive income statement – for both debt and equity instruments, or at fair value through the profit or loss statement, where financial assets were classified in accordance with IFRS 9 in general, based on the business model under which financial assets and the characteristics of their contracted cash flows are managed. The business models were divided into the following three categories in accordance with the Financial Reporting Standard and Guidance for Banks issued by the Central Bank of Iraq:

1. Financial instruments measured at amortized cost, if the following conditions are met:

- If these assets are retained within the management's business model for future cash flows collection purposes.
- If the contractual terms of these financial assets set a specific date for cash flows (the principal amount and interest in the outstanding amount).

2. Financial instruments at fair value through the other comprehensive income statements, if the following conditions are met:

- If the purpose of retaining the financial asset within the business model is to obtain future cash flow and/or sell these financial assets.
- If the contractual terms of these financial assets set a specific date for cash flows (the principal amount and interest in the outstanding amount).

3. Financial instruments at fair value through profit or loss: All the financial assets that are measured at amortized cost or fair value through the comprehensive income statement mentioned above must be measured at fair value through the consolidated income statement. The Bank may, irrevocably upon initial recognition, choose to classify and measure the financial assets that have met the conditions for measurement at fair value through the comprehensive income statement or at amortized cost as part of the financial assets at fair value through the consolidated income statement, if this would significantly minimize the potential lack of accounting consistency.

Notes for Financial Statements for The Year Ended 31 December 2025

B) IFRS 9 (Financial Instruments) application methodology: Inputs, mechanisms and assumptions used in calculating expected credit losses:

- Assessing the significant increase in credit risk:

An assessment is carried out to determine whether credit risks have increased significantly since the date of creating the financial instrument, where the default risk over the expected life of the financial instrument is, at the end of each fiscal Year, compared to the default risk at the date of creating the financial instrument; using the key concepts of the Bank's risk management processes.

The significant increase in credit risk is separately assessed once every three months for each credit risk exposure, based on a number of factors. If any of these factors indicate a significant increase in credit risk, the instrument is reclassified from stage 1 to stage 2:

1. Limits for better measurement of significance in credit risk were set based on the changes in default risk of the financial instrument compared to the date of creating the same.
2. In addition, qualitative factors were used to assess the results of the change in classification stages or to make adjustments to reflect the significant increase.
3. IFRS 9 (Financial Instruments) provides for the assumption of a significant increase in credit risk of defaulting financial instruments that are more than (30) days overdue.

The change between stage 2 and stage 3 depends on whether the financial instruments re defaulting as at the end of the fiscal Year. The method of determining default of financial instruments in accordance with IFRS 9 is similar to the method of determining the occurrence of a default in accordance with Regulation 4 for 2010 (Regulation on Facilitating the Implementation of Banking Law No. 94 for 2004), as defined below.

- Macroeconomic factors, expected future events and the use of several scenarios:

The expected credit losses provision represents credit losses that should reflect an amount of the provision that is unbiased and dependent on several scenarios with different weights, which in turn relies on estimating several potential results, time value, and the credibility of the information on the previous events and current situations, as well as future predictions for the economic situation, as historical information and the current situation, in addition to expected future events based on reliable information for each stage of measurement, were taken into consideration and future information were applied, which required the Bank management to make significant judgments.

The possibility of default, assumed default loss, impact upon default and inputs used in stage 1 and stage 2 for the credit facilities impairment provision are designed on the basis of changing economic factors (or changes in macroeconomic factors) that are directly associated with the credit risk related to the portfolio.

Each macroeconomic scenario used in calculating the expected credit loss was linked to the changing macroeconomic factors.

Our estimates that were used in calculating the expected credit losses of the financial instruments classified for stages 1 and 2 using discounted weighted scenarios include future macroeconomic information for the next five years based on the forecasts of approved international and national bodies.

The basic scenario relies on macroeconomic forecasts (such as GDP growth rate, inflation growth rate, unemployment rate ... etc.). Changes in economic factors will be prepared based on potential alternative economic situations and additional changes, at least annually, as may be necessary.

Furthermore, probabilities are measured based on best judgment relating to historical probability and the current situation. Probable scenarios are assessed on a bi-annual basis, and all scenarios are applied to all the portfolios that are exposed to expected credit losses.

- Definition of Default:

The definition of default used in measuring expected credit losses and in assessing change between stages is consistent with the default used in Regulation 4 for 2010 (Regulation on Facilitating the Implementation of Banking Law No. 94 for 2004). The Banks defines default once it verifies that a customer may not be able to meet their obligations in full or is 90 days or more in default of repaying an amount of a facility.

Notes for Financial Statements for The Year Ended 31 December 2025

Furthermore, the customer and all the accounts controlled thereby are treated as one unit in terms of default and the highest default and risk is assigned thereto.

The definition of default is designed properly such that it reflects the various characteristics of various types of assets. Overdrafts are considered immediately payable once the customer exceeds a certain limit or is notified of a limit lower than the currently repaid amount.

When assessing whether it is improbable that the borrower will settle their credit obligation, the Bank takes qualitative indicators into account. The information assessed depends on the type of asset involved. In corporate loans, for example, the qualitative indicator is the breach of warranties, which is inappropriate for retail loans.

Quantitative indicators, such as delay in payment or failure to settle another obligation to the counterparty, are key inputs in this analysis. The Bank also uses various sources of information, whether internally developed or obtained from external sources, to assess default. Expected Life:

When measuring expected credit losses, the Bank takes into consideration the future cash flows that it considers to be exposed to impairment risk. In addition, it takes into consideration all the contractual obligations for the expected life. The expected life of certain revolving credit facilities without a specified repayment date is measured on the basis of the Year during which the Bank is exposed to credit risks that management cannot avoid.

2-5 IFRS (16) - Leases

The International Accounting Standards Board issued International Financial Reporting Standard No. (16) "Leases" during January 2016, which defines the principles for recognition, measurement, presentation and disclosure of lease contracts.

According to these criteria, a lease is defined as a contract under which the right to control the use of an asset is granted for a Year of time. This is in return for a specified amount of money called a rental fee. The right of control in this sense means that the lessee can utilize the asset in the manner it deems appropriate. It can also benefit economically from utilizing the asset. IFRS 16 requires the lessee to recognize, at the date of the lease agreement, the right to the asset. The lease date is the date the lessee controls the asset, whether by using or directing it. This date may differ from the lease commencement date which could be earlier. The asset (the right to use the asset) is measured at the beginning of the lease for all lease contracts with a duration of more than 12 months, unless the lease value is low and the lessee is required to recognize its right to use the asset, which is represented by the recognition of the leased asset and the resulting liability represented by lease payments and financing interest.

2 –6 New and revised IFRSs issued but not yet effective and not early adopted The Group did not apply the following new standards, amendments and interpretations which have been issued but are not yet effective

Effective for annual Years beginning on or after	New standards, amendments and interpretations
1 January 2025	Lack of Exchangeability – Amendments to IAS 21 Under IAS 21 The Effects of Changes in Foreign Exchange Rates, a company uses a spot exchange rate when translating a foreign currency transaction. However, in rare cases, it is possible that one currency cannot be exchanged into another. This lack of exchangeability might arise when a government imposes controls on capital imports and exports, for example, or when it provides an official exchange rate but limits the volume of foreign currency transactions that can be undertaken at that rate. Consequently, market participants are unable to buy and sell currency to meet their needs at the official exchange rate and turn instead to unofficial, parallel markets.
1 January 2027	IFRS 18 replaces IAS 1, which sets out presentation and base disclosure requirements for financial statements. The changes, which mostly affect the income statement, include the requirement to classify income and expenses into three new categories – operating, investing and financing – and present subtotals for operating profit or loss and profit or loss before financing and income taxes. Further, operating expenses are presented directly on the face of the income statement – classified either by nature (e.g. employee compensation), by function (e.g. cost of sales) or using a mixed presentation. Expenses presented by function require more detailed disclosures about their nature. IFRS 18 also provides enhanced guidance for aggregation and disaggregation of information in the financial statements, and introduces new disclosure requirements for management-defined

Notes for Financial Statements for The Year Ended 31 December 2025
2-4 The Quantitative effect of applying IFRS9: A quantitative analysis of the effects of IFRS9 is presented below:

It is generally expected that impairment loss will increase and fluctuate more with respect to financial assets pursuant to IFRS 9 the implementation of this standard on 31 December 2025 resulted in a provision for ECL details as follows:

Details (IQD Thousand)	Balance as of December 31,2024	Prov. ECL During Year	Written on ECL during 2025	Total Prov. as of December 31,2025
balances with central banks	57.784.306	432.158	–	58.216.464
Balances with banks and financial institutions	10.553.885	2.452.838	(7.664.680)	2.930.868
Financial assets at fair value through the statement of other comprehensive income	–	–	–	–
Debt instruments as part of the financial assets at amortized cost portfolio	26.425.245	4.397	(76.344)	26.353.298
Direct credit facilities at amortized cost	49.472.318	25.652.419	(4.668.125)	70.456.612
Other assets	6.944.003	–	(212)	6.943.791
Indirect facilities	1.899.713	–	(431.946)	1.467.767
Total	153.079.470	26.130.637	(12.841.307)	166.368.800

Outstanding (IQD Thousand)	Stage 1	Stage 2	Stage 3	Balance as December 31,2025
balances with central banks	733.375.978	–	57.705.311	791.081.289
Balances with banks and financial institutions	296.146.325	1.235.398	1.450.591	298.832.314
Debt instruments as part of the financial assets at amortized cost portfolio	1.199.771.180	–	26.318.640	1.226.089.820
Direct credit facilities at amortized cost	96.548.584	50.194.536	82.609.691	229.352.811
Other assets	44.630.623	–	6.928.195	51.558.818
Indirect facilities	257.853.496	13.855.248	455.596	272.164.340
Total	2.628.326.186	65.285.182	175.468.024	2.869.079.392

The Expected credit loss was distributed in accordance with IFRS as follows:

Provision (IQD Thousand)	Stage 1	Stage 2	Stage 3	Balance as December 31,2025
balances with central banks	511.151	–	57.705.313	58.216.464
Balances with banks and financial institutions	245.120	1.235.398	1.450.350	2.930.868
Debt instruments as part of the financial assets at amortized cost portfolio	34.658	–	26.318.640	26.353.298
Direct credit facilities at amortized cost	3.041.916	1.736.200	65.678.496	70.456.612
Other assets	15.596	–	6.928.195	6.943.791
Indirect facilities	1.436.276	19.607	11.884	1.467.767
Total	5.284.717	2.991.205	158.092.878	166.368.800

Notes for Financial Statements for The Year Ended 31 December 2025

3. Cash and Balances with Central Banks:

	31 December 2025	31 December 2024
	IQD (000)	IQD (000)
	Audited	Audited
Cash on Hand	330.414.813	402.771.276
Balances Central Banks*		
Current accounts and Demand Deposit	407.363.741	1.158.324.059
Statutory Cash Reserve **	383.113.785	516.338.012
Statutory cash Reserve of LG	603.763	397.163
Total balances at Central Banks	791.081.289	1.675.059.234
Total Cash & Central Banks	1.121.496.102	2.077.830.510
Less: Expected credit loss Provision	(58.216.464)	(57.784.306)
	1.063.279.638	2.020.046.204

* The balances in the bank's ATMs as of December 31, 2025, amounted to IQD (32.305.996) thousand and were presented under the cash item.

**The bank has balances at Central Bank of Iraq branches in Sulaymaniyah and Erbil, totaling IQD (45.272.274), (2024: 45.272.274). Due to the prevailing political and economic conditions in Iraq, the use of these funds in banking operations is restricted. The balances were covered 100 % by provision.

*** It includes the cash reserve balance with the Central Bank of Iraq and Lebanon. The legal reserve ratio in each of the Republic of Lebanon and the Republic of Iraq for the demand current account is 18% and 25% and the deposit account is 13% and 15% for each of them, respectively., As well as the sums of the letters of guarantee insurances, which have started to be withheld as insurances, at a rate of 7% of the net value of the letters of guarantee, according to the instructions of the Central Bank of Iraq issued on May 29, 2017, and amounted to (603.763) thousand Iraqi dinars as on December 31, 2024 for the purpose of meeting the deficit in the claimed letters of guarantee. , The reserve ratio has been modified to become 3% of the value of the net letters of guarantee, This is according to instructions issued by the Central Bank of Iraq No. 2/9/510 on December 31, 2019.

**** Among the central bank balances, balances with the Central Bank of Lebanon (for all local and foreign currencies) amount to IQD (12.433.038) (2024: 12.242.666), and due to the economic conditions prevailing in the Lebanese Republic, the balance is (restricted cash withdrawal). The balances were covered 100 % by provision.

Notes for Financial Statements for The Year Ended 31 December 2025

. The following is the distribution of total balances with central banks according to the Bank's internal classification categories as at 31 December 2025:

Item (IQD Thousand)	Stage 1 IQD (000)	Stage 2 IQD (000)	Stage 3 IQD (000)	Total IQD (000)
Balance at the Beginning of the year	1.617.544.294	–	57.514.940	1.675.059.234
New Balance at the Year	14.766.257.646	–	283.304	14.766.540.950
Repaid/Derecognized Balance	(15.650.425.962)	–	(152.845)	(15.650.578.807)
Recovered from impairment loss				
Re-Classification to stage 1				
Re-Classification to stage 2				
Re-Classification to stage 3				
Changes related to adjustments	–	–	–	–
Written – off Balances				
Adjustments resulting from exchange rate change	–	–	59.912	59.912
Total	733.375.978	–	57.705.311	791.081.289

Disclosure of the Distribution of total balances with central banks according to the internal credit rating of the Bank:

Item (IQD Thousand)	Stage 1 IQD (000)	Stage 2 IQD (000)	Stage 3 IQD (000)	Total IQD (000)
1	733.375.978	–	–	733.375.978
2	–	–	–	–
3	–	–	–	–
4	–	–	–	–
5	–	–	–	–
6	–	–	–	–
7	–	–	–	–
8	–	–	45.272.274	45.272.274
9	–	–	12.433.037	12.433.037
10	–	–	–	–
Total	733.375.978	–	57.705.311	791.081.289

Notes for Financial Statements for The Year Ended 31 December 2025

The following is the movement on balances with central banks during the years ended 31 December 2025:

Item (IQD Thousand)	Stage 1 IQD (000)	Stage 2 IQD (000)	Stage 3 IQD (000)	Total IQD (000)
The Balance at the beginning of the Year	269.365	–	57.514.941	57.784.306
New ECLs	–	–	4321.158	432.158
Repaid /Derecognized	–	–	–	–
Re-Classification to stage 1	–	–	–	–
Re-Classification to stage 2	–	–	–	–
Re-Classification to stage 3	–	–	–	–
Changes related to adjustments	241.786	–	(241.786)	–
Written – off Balances	–	–	–	–
Adjustments resulting from exchange rate change	–	–	–	–
Balance at the end of the year	511.151	–	57.705.313	58.216.464

Notes for Financial Statements for The Year Ended 31 December 2025

4– Balances at Banks and financial Institutions

This item consists of the following:

	31 Dec. 2025	31 Dec. 2024
	IQD (000)	IQD (000)
	Audited	Audited
Local banks and financial institutions	3.336.253	11.121.330
Foreign Banks and Financial Institutions*	295.496.061	415.902.384
Deposits with Banks and financial Inst.	–	–
Total	298.832.314	427.023.714
Less: Expected credit loss Provision	(2.930.868)	(10.553.885)
	295.901.446	416.469.828

*As of 12/31/2025, the balance with non-interest-bearing banks and banking institutions was IQD (110.456.831), (2024: 17.192.258).

** The balances registered with local banks and banking institutions amounted to IQD (2.643.398) as of 12/31/2025, while IQD (2024:10,778,079), The balances of the banks affiliated with the Ministry of Finance in the Kurdistan Region amount to IQD (2.643.398). Given the prevailing political and economic conditions in Iraq, the process of exploiting these balances in banking operations is limited. The following is the distribution of deposits at banks and financial institutions according to the Bank's internal classification categories as of 31 December 2025:

Item (IQD Thousand)	Stage 1 IQD (000)	Stage 2 IQD (000)	Stage 3 IQD (000)	Total IQD (000)
Balance at the Beginning of the year	416.553.285	1.355.398	9.115.030	427.023.713
New Balance During the year	11.968.817.737	–	–	11.968.817.737
Repaid /Derecognized Balance	(12.089.224.697)	(120.000)	(7.664.680)	(12.097.009.377)
Re-Classification to stage 1	–	–	–	–
Re-Classification to stage 2	–	–	–	–
Re-Classification to stage 3	–	–	–	–
Adjustments during year	–	–	–	–
Adjustments resulting from exchange rate change	–	–	241	241
Balance at the end of the year	296.146.325	1.235.398	1.450.591	298.832.314

Notes for Financial Statements for The Year Ended 31 December 2025

Disclosure of the Distribution of total balances with Banks & financial Institutions according to the internal credit rating of the Bank:

Item (IQD Thousand)	Stage 1 IQD (000)	Stage 2 IQD (000)	Stage 3 IQD (000)	Total IQD (000)
1	298.832.314	-	-	298.832.314
2	-	-	-	-
3	-	-	-	-
4	-	-	-	-
5	-	-	-	-
6	-	-	-	-
7	-	1.235.398	-	1.235.398
8	-	-	1.408.000	1.408.000
9	-	-	42.591	42.591
10	-	-	-	-
Total	296.146.325	1.235.398	1.450.591	298.832.314

The following is the distribution of deposits at banks and financial institutions according to the Bank's internal classification categories as of 31 December 2025

Item (IQD Thousand)	Stage 1 IQD (000)	Stage 2 IQD (000)	Stage 3 IQD (000)	Total IQD (000)
The Balance at the beginning of the Year	83.457	1.355.398	9.115.030	10.553.885
New Balances in the year	41.663	-	-	41.663
Repaid /Derecognized Balances	-	-	(7.664.680)	(7.664.680)
Recovered from impairment loss	-	-	-	-
Re-Classification to stage 1	-	-	-	-
Re-Classification to stage 2	-	-	-	-
Re-Classification to stage 3	-	-	-	-
Changes related to adjustments	-	-	-	-
Written – Off Balances	-	-	-	-
Adjustments resulting from exchange rate change	120.000	(120.000)	-	-
Balance at the end of the Year	245.120	1.235.398	1.450.350	2.930.868

Notes for Financial Statements for The Year Ended 31 December 2025

5) Investments in Shares

A) Investments of Associates companies

Name	Place	Bank's Ownership	31 Dec. 2025	31 Dec. 2025
			IQD (000)	IQD (000)
Al Ameen Insurance Company	Iraq	49%	Audited	Audited
			2.868.996	1.871.084

* The share valuation price for Al Ameen Insurance Company was IQD (0.920) per share as of December 31, 2025, and IQD (0.800) per share as of 31 Dec. 2024.

B) Financial Assets at Fair Value Through Other Comprehensive Income

	31 December 2025	31 Dec. 2025
	IQD (000)	IQD (000)
	Audited	Audited
Shares listed in an active market	6.265.143	5.741.234
Shares Unlisted *	861.694	853.399
	7.126.837	6.594.633

*Cash dividends on financial assets at fair value through the income statement amounted to IQD (Zero).

** Considering the availability of appropriate data to develop an appropriate evaluation approach. As a result, the bank evaluates investments for which appropriate data are not available at (zero).

Notes for Financial Statements for The Year Ended 31 December 2025

The following table illustrates the movement on the financial assets at fair value through the other comprehensive income:

	31 Dec. 2025	31 Dec. 2025
	<u>IQD (000)</u>	<u>IQD (000)</u>
	Audited	Audited
Balance on 1 January	6.594.633	9.397.735
Additions	–	63.416
Disposals	8.296	–
	6.602.929	9.461.151
Change in fair value reserve	523.908	(2.866.518)
Balance on 31 December	7.126.837	6.594.633

Notes for Financial Statements for The Year Ended 31 December 2025

6) Financial Assets at Amortized Cost:

	31 Dec. 2025	31 Dec. 2025
	IQD (000) Audited	IQD (000) Audited
Financial Assets Listed in the Market:		
Euro Bond & Government bonds – Iraq	99.771.180	136.857.986
Euro Bonds – Lebanese *	26.318.640	26.394.985
Total	126.089.820	163.252.971
Government Bonds	1.100.000.000	800.000.000
CBI – Treasury bills	–	–
Financial Assets at Amortized Cost	1.226.089.820	963.252.971
Less: Expected credit loss Provision	(26.353.298)	(26.425.245)
Net Financial Assets at Amortized Cost	1.199.736.522	936.827.726

6/A – Analysis of Bonds and Bills:	31 Dec. 2025	31 Dec. 2025
	IQD (000) Audited	IQD (000) Audited
Financial Assets with Fixed Interest Rate	1.226.089.820	963.252.971
Financial Assets with Floating Interest Rate	–	–
Total	1.226.089.820	963.252.971

6/B The financial assets at amortized cost accrue as follows:

	Less than 1 month (000)	1 – 3 months (000)	3 – 6 months (000)	6 months to 1 year (000)	1–5 years (000)	More than 5 years (000)	Total (000)
2025	–	–	–	–	1.226.089.820	–	1.226.089.820
2024	–	–	–	–	936.857.986	26.394.985	963.252.971

* Eurobonds (in US dollars) issued by the Lebanese government. These bonds mature between 2026 and 2027. The interest rates for these bonds are 6.6% and 6.75%. The bank (Beirut branch) has invested in these bonds since 2013.

** In accordance with the provisions of the Central Bank of Iraq 9/2/536 on 9/21/2025, investments in securities issued by the Central Bank of Iraq are excluded from the upper ceilings set by the bank and are presented net after deducting the amounts received in advance.

Notes for Financial Statements for The Year Ended 31 December 2025

The following is the disclosure of movement in the balance of debt instruments at fair value for the Year ended 31 December 2025:

Item (IQD)	Stage 1 IQD (000)	Stage 2 IQD (000)	Stage 3 IQD (000)	Total IQD (000)
Balance at the Beginning	936.857.986	–	26.394.985	963.252.971
New Balance During the year	3.250.000.000	–	–	3.250.000.000
Repaid/ derecognized Balance	(2.987.086.807)	–	(76.344)	(2.987.163.151)
Re-Classification to stage 1	–	–	–	–
Re-Classification to stage 2	–	–	–	–
Re-Classification to stage 3	–	–	–	–
Adjustments resulting from exchange rate	–	–	–	–
Written – Off Balances	–	–	–	–
Total	1.199.771.179	–	26.318.641	1.226.089.820

The following is a disclosure of the distribution of total debt instruments at fair value through other comprehensive income according to the Bank's internal classification categories as of 31 December 2025.

Item (IQD Thousand)	Stage 1 IQD (000)	Stage 2 IQD (000)	Stage 3 IQD (000)	Total IQD (000)
1	1.199.771.179	–	–	1.199.771.179
2	–	–	–	–
3	–	–	–	–
4	–	–	–	–
5	–	–	–	–
6	–	–	–	–
7	–	–	–	–
8	–	–	–	–
9	–	–	26.318.641	26.318.641
10	–	–	–	–
Total	1.199.771.179	–	26.394.985	1.226.089.820

The following is the disclosure of movement in the balance of debt instruments at fair value for the years ended 31 September 2025:

Item (IQD Thousand)	Stage 1 IQD (000)	Stage 2 IQD (000)	Stage 3 IQD (000)	Total IQD (000)
The Balance at the beginning of the Year	30.260	–	26.394.985	26.425.245
Adjusted	–	–	–	–
New ECLs	4.397	–	–	4.397
Repaid / Derecognized Balances	–	–	(76.344)	(76.344)
Re-Classification to stage 1	–	–	–	–
Re-Classification to stage 2	–	–	–	–
Re-Classification to stage 3	–	–	–	–
Changes Related to adjustments	–	–	–	–
Written – Off Balances	–	–	–	–
Adjustments resulting from exchange rate –	–	–	–	–
Balance at the end of the year	34.657	–	26.318.641	26.353.298

Notes for Financial Statements for The Year Ended 31 December 2025

7. Direct Credit Facilities

This item consists of the following:

	31 Dec. 2025	31 Dec. 2024
	IQD (000)	IQD (000)
	Audited	Audited
Retail		
Loans*	59.529.509	53.212.487
Discounted Bills & Purchased Bills	-	-
Overdrafts	-	-
Total Retail	59.529.509	53.212.487
Corporates:		
Loans*	113.942.095	38.584.032
Discounted Bills & Purchased Bills	-	1.516.865
Overdrafts	55.881.207	14.911.187
Total Corporates	169.823.302	54.712.084
Total Retail & Corporates	229.352.811	107.924.571
Less: Interest In Suspense (Note 7-B)	(8.276.061)	(8.192.702)
Less: Expect Credit Losses Provision (Note 7B)	(70.456.612)	(49.472.318)
Net Direct Credit Facilities	150.620.138	50.259.551

*There are no credit concentrations of more than 10% as of December 31, 2025.

**– The bank's individual facilities have been reclassified so that facilities granted to individuals for commercial purposes or to traders (individuals) are classified as corporate facilities so that the disclosure reflects the nature of the activity that corresponds to the facilities granted. Loans granted are shown net after deducting the interest received in advance, which amounted to IQD (968.215) as of December 31, 2025, (2024 :713.866), which is interest received in advance for loans against gold deposits and bills of exchange.

– Non-performing credit facilities amounted to IQD (82.609.691) thousand as of December 31, 2025, i.e. (36.02%) of the balance of direct credit facilities. In 2024, the amount was (78.81%), (85.056.651) thousand dinars.

– The non-performing credit facilities, after deducting the suspended interest, amounted to IQD (74.333.630) thousand, which is (32.41%) of the balance of the credit facilities, and it was (2024: the amount of (76.863.949) thousand Iraqi dinars, which is (77.08%) of the credit facilities balance after deducting the outstanding interest.

The total facilities of the Beirut branch amounted to the equivalent of IQD (Zero) thousand, while the balance was IQD (Zero) thousand as of Dec. 31, 2024.

– The approval of the General Assembly was obtained to write off bad debts worth (4.668.000) dinars, subject to the approval of the Central Bank of Iraq. The write-off took place during 2025 after the approval of the Central Bank of Iraq in Letter 9/5/4785 on 8/May/2025.

Notes for Financial Statements for The Year Ended 31 December 2025
A) Interest in Suspense "The movement on the interest in suspense was as follows:"

31 Dec. 2025	Retail	Corporate	Total
	(000)	(000)	(000)
Balance on 1 January	8.192.702	–	8.192.702
Additions	882.050	–	882.050
Reclassification	(722.629)	–	–
Redemptions	(76.062)	–	(76.062)
Balance on 31 December	8.276.061	–	8.276.061

B)
Provision for Credit Losses

The following is the movement on the balance of direct credit facilities on gross basis during the Year ended 31 December 2025

Item (IQD Thousand)	Stage 1 IQD (000)	Stage 2 IQD (000)	Stage 3 IQD (000)	Total IQD (000)
The Balance at the beginning of the Year	22.858.997	8.923	85.056.651	107.924.571
New Balances of the Year	209.741.096	–	–	209.741.096
Repaid/Derecognized Balances	(79.988.631)	–	(3.656.100)	(83.644.731)
Re-Classification to stage 1	(56.062.055)	56.062.055	–	–
Re-Classification to stage 2	(823)	823	–	–
Re-Classification to stage 3	–	(5.877.265)	5.877.265	–
Changes Related to adjustments	–	–	–	–
Written – Off Balances	–	–	(4.668.125)	(4.668.125)
Adjustments resulting from exchange rate –	–	–	–	–
Balance at the end of the year	96.548.584	50.194.536	82.609.691	229.352.811

Total cumulative direct credit facilities by credit stages are distributed according to the Bank's internal creditratings as of December 31, 2025, as follows

Item (IQD Thousand)	Stage 1 IQD (000)	Stage 2 IQD (000)	Stage 3 IQD (000)	Total IQD (000)
1	96.548.584	–	–	96.548.584
2	–	–	–	–
3	–	–	–	–
4	–	–	–	–
5	–	–	–	–
6	–	50.194.536	–	50.194.536
7	–	–	–	–
8	–	–	23.657.937	23.657.937
9	–	–	55.584.936	55.584.936
10	–	–	3.366.818	3.366.818
Total	96.548.584	50.194.536	82.609.691	229.352.811

Notes for Financial Statements for The Year Ended 31 December 2025

The provision for activity in the provision for impairment of expected credit loss on cumulative direct credit facilities as follows:

Item (IQD Thousand)	Stage 1 IQD (000)	Stage 2 IQD (000)	Stage 3 IQD (000)	Total IQD (000)
The Balance at the beginning of the Year	1.063.775	345	48.408.198	49.472.318
Adjusted during Year	-	-	-	-
New ECLs	3.675.849	87.700	23.073.024	25.652.419
Repaid /Derecognized Balances	-	-	-	-
Re-Classification to stage 1	-	-	-	-
Re-Classification to stage 2	(1.697.708)	1.697.708	-	-
Re-Classification to stage 3	-	(49.553)	49.553	-
Changes Related to adjustments	-	-	-	-
Written – Off Balances	-	-	(4.668.125)	(4.668.125)
Adjustments resulting from exchange rate	-	-	-	-
	-	-	-	-
Balance at the end of the Year	3.041.916	1.736.200	65.678.496	70.456.612

Corporates:

The following is the movement on the expected credit loss provisions of direct credit facilities on collective basis during the Year ended 31 December 2025:

Item (IQD Thousand)	Stage 1 IQD (000)	Stage 2 IQD (000)	Stage 3 IQD (000)	Total IQD (000)
The Balance at the beginning of the Year	5.954.899	-	48.757.185	54.712.084
New Balances at the Year	171.569.139	-	-	171.569.139
Repaid /Derecognized Balances	(55.198.194.817)	-	(1.263.104)	(56.457.921)
Re-Classification to stage 1	(54.563.241)	54.563.241	-	-
Re-Classification to stage 2	-	-	-	-
Re-Classification to stage 3	-	(5.877.265)	5.877.265	-
Changes related to adjustments	-	-	-	-
Written – Off Balances	-	-	-	-
Adjustments resulting from exchange rate –	-	-	-	-
	-	-	-	-
Balance at the end of the Year	67.765.980	48.685.976	53.371.346	169.823.302

Total direct credit facilities in the large and medium enterprises portfolio by credit stages are distributed according to the Bank's internal credit ratings as of Dec31,2025 as follows:

Item (IQD Thousand)	Stage 1 IQD (000)	Stage 2 IQD (000)	Stage 3 IQD (000)	Total IQD (000)
1	67.765.980	-	-	67.765.980
2	-	-	-	-
3	-	-	-	-
4	-	-	-	-
5	-	48.685.976	-	48.685.976
6	-	-	-	-
7	-	-	-	-
8	-	-	23.657.937	23.657.937
9	-	-	23.174.384	23.174.384
10	-	-	6.539.025	6.539.025
Total	67.765.980	48.685.976	53.371.346	169.823.302

Item (IQD Thousand)	Stage 1 IQD (000)	Stage 2 IQD (000)	Stage 3 IQD (000)	Total IQD (000)
The Balance at the beginning of the Year	1.054.658	-	23.599.706	24.654.364
New Balances at the Year	3.394.653	-	19.678.371	23.073.024
Repaid /Derecognized Balances	-	-	-	-
Re-Classification to stage 1	-	-	-	-
Re-Classification to stage 2	(1.697.708)	1.697.708	-	-
Re-Classification to stage 3	49.553	(49.553)	-	-
Changes related to adjustments	-	-	1.388.582	1.388.582
Written – Off Balances	-	-	-	-
Adjustments resulting from exchange rate –	-	-	-	-
Balance at the end of the Year	2.751.603	1.648.155	44.716.212	49.115.970

(Retail)

The following is the movement on the expected credit loss provisions of direct credit facilities on collective basis during the year ended 31 December 2025:

Item (IQD Thousand)	Stage 1 IQD (000)	Stage 2 IQD (000)	Stage 3 IQD (000)	Total IQD (000)
The Balance at the beginning of the Year	16.904.098	8.923	36.299.466	53.212.487
New Balances of the Year	38.171.957	–	–	38.171.957
Repaid /Derecognized Balances	(24.793.814)	–	(2.392.996)	(27.186.810)
Recovered from impairment loss	–	–	–	–
Re-Classification to stage 1	(1.498.814)	1.498.814	–	–
Re-Classification to stage 2	(823)	823	–	–
Re-Classification to stage 3	–	–	–	–
Changes Related to adjustments	–	–	–	–
Written – Off Balances	–	–	(4.668.125)	(4.668.125)
Adjustments resulting from exchange rate –	–	–	–	–
Balance at the end of the Year	28.782.604	1.508.560	29.238.345	59.529.509

Item (IQD Thousand)	Stage 1 IQD (000)	Stage 2 IQD (000)	Stage 3 IQD (000)	Total IQD (000)
1	28.782.604	–	–	28.782.604
2	–	–	–	–
3	–	–	–	–
4	–	1.508.560	–	1.508.560
5	–	–	–	–
6	–	–	–	–
7	–	–	–	–
8	–	–	–	–
9	–	–	29.238.345	29.238.345
10	–	–	–	–
Total	28.782.604	1.508.560	29.238.345	59.529.509

Item (IQD Thousand)	Stage 1 IQD (000)	Stage 2 IQD (000)	Stage 3 IQD (000)	Total IQD (000)
The Balance at the beginning of the Year	9.117	345	24.808.492	24.817.954
New Balances of the Year	281.196	87.700	2.210.499	2.579.395
Repaid /Derecognized Balances	–	–	–	–
Re-Classification to stage 1	–	–	–	–
Re-Classification to stage 2	–	–	–	–
Re-Classification to stage 3	–	–	–	–
Changes related to adjustments	–	–	(1.388.582)	(1.388.582)
Written – Off Balances	–	–	(4.668.125)	(4.668.125)
Adjustments resulting from exchange rate –	–	–	–	–
Balance at the end of the Year	290.313	88.045	20.962.284	21.340.642

8) Property and Equipment, Net*

	Land	Building	Plant & Equipment	Computers & Furniture's**	Transportation	System	Decorations	Projects under Construction	Total
2025 December 31	IQD (000)	IQD (000)	IQD (000)	IQD (000)	IQD (000)	IQD (000)	IQD (000)	IQD (000)	IQD (000)
Beginning of year	30.932.064	42.739.238	949.920	11.692.474	450.701	1.504.339	-	4.372.474	92.641.210
Differences in Foreign	-	-	-	-	-	-	-	(1.591)	(1.591)
Additions	-	-	233.000	4.544.307	526.218	3.384.266	-	40.185.845	48.873.636
Disposals	-	-	(176.683)	(1.329.144)	(216.027)	-	-	-	(1.721.854)
Transfer from Projects	12.611.216	19.067.038	-	375.739	-	-	-	(32.053.993)	-
Total –Cost at the end Year	43.543.280	61.806.276	1.006.237	15.283.376	760.892	4.888.605	-	12.502.735	139.791.401
Depreciation:									
Beginning of year	-	7.631.833	847.695	7.092.309	450.700	298.750	-	-	16.321.287
Re-Classification	-	-	-	-	-	-	-	-	-
Additions	-	1.454.672	48.126	1.658.634	44.127	432.656	-	-	3.638.215
Disposals	-	-	(176.683)	(1.323.227)	(216.027)	-	-	-	(1.715.937)
Differences in Foreign	-	-	-	-	-	-	-	-	-
Total – Depreciation at the end Year	-	9.086.505	719.138	7.427.716	278.800	731.406	-	-	18.243.565
Net Book Value	43.543.280	52.719.771	287.099	7.855.660	482.092	4.157.199	-	12.502.735	121.547.836
Details of Projects Under Construction*	-	5.841.924	-	5.834.515	-	826.296	-	-	12.502.735

* The balance of land and buildings contains an amount of IQD (6.011.123) thousand, the value of the land and real estate of the Beirut branch.

** The cost of electronic computers and ATMs constitutes an amount of IQD (7.326.488) thousand from the furniture item.

*** The additions to the items of land – buildings – equipment represent the transfer from projects under implementation, which represent the cost of the new building for the HO, as shown in Disclosure 8/C.

	Land	Building	Plant & Equipment	Computers & Furniture's**	Transportation	System	Decorations	Projects under Construction	Total
2024 December 31	IQD (000)	IQD (000)	IQD (000)	IQD (000)	IQD (000)	IQD (000)	IQD (000)	IQD (000)	IQD (000)
Beginning of year	33.005.584	42.720.381	954.537	11.408.919	463.336	1.216.124	-	4.531.314	94.300.195
Re-Classification	-	-	-	-	-	-	-	-	-
Additions	-	-	47.500	1.133.690	-	-	-	5.038.869	6.220.059
Disposals	(4.231.090)	(464.117)	(52.117)	(2.855.373)	-	-	-	-	(7.602.697)
Transfer from Projects	2.157.570	482.974	-	2.083.534	-	473.631	-	(5.197.709)	-
Differences in Foreign	-	-	-	(78.296)	(12.635)	(185.416)	-	-	(276.347)
Total –Cost at the end Year	30.932.064	42.739.238	949.920	11.692.474	450.701	1.504.339	-	4.372.474	92.641.210
Depreciation:									
Beginning of year	-	6.743.810	870.915	8.943.130	462.532	133.628	-	-	17.154.015
Re-Classification	-	-	-	-	-	-	-	-	-
Additions	-	1.279.113	28.897	1.068.640	134	252.171	-	-	2.628.955
Disposals	-	(391.090)	(52.117)	(2.854.669)	-	-	-	-	(3.297.876)
Differences in Foreign	-	-	-	(64.792)	(11.966)	(87.049)	-	-	(163.807)
Total – Depreciation at the end Year	-	7.631.833	847.695	7.092.309	450.700	298.750	-	-	16.321.287
Net Book Value	30.932.064	35.107.405	102.225	4.600.165	1	1.205.589	0	4.372.474	76.319.923
Details of Projects Under Construction*	-	3.831.953	-	491.021	49.500	-	-	-	4.372.474

* The balance of land and buildings contains an amount of IQD (6.011.123) thousand, the value of the land and real estate of the Beirut branch.

** The cost of electronic computers and ATMs constitutes an amount of IQD (5.362.387) thousand from the furniture item.

*** The additions to the items of land – buildings – equipment represent the transfer from projects under implementation, which represent the cost of the new building for the HO, as shown in Disclosure 8/C.

Notes to Financial Statements for The Year Ended 31 December 2025

8/B Investment spending – payments for fixed assets purchase

Items	Balance, Jan1	Additions	Transfer / Reclassification	Balance, Dec31
	IQD (000)	IQD (000)	IQD (000)	IQD (000)
New Branches	3.831.953	33.559.289	(26.042.303)	11.348.939
Computers & system	491.021	2.343.986	(2.008.711)	826.296
Cars	49.500	890	(50.390)	-
Others	-	4.281.680	(3.954.180)	327.500
Total	4.372.474	40.185.845	(32.055.584)	12.502.735

It includes the cost of purchasing the two Al-Nidal buildings (land and the cost of the building), and the purchase was made pursuant to the approval of the Central Bank of Iraq 9/2/25434 on 11/7/2020. In September of 2025, the building was completed, and the HO and main branch were completely relocated to Al-Nidal Street – Karrada.

8/C Intangible Assets December 31, this item consists of computer software which is amortized and, the details are as follows:

Annual rate ranging 20%

	31 Dec. ,2025	31 Dec,2024
	IQD (000)	IQD (000)
Balance at the Beginning of Year	1.205.589	1.082.496
Additions	3.384.266	473.631
Amortization	(432.656)	(252.171)
Foreign currencies differences	-	(98.367)
Balance at the End of the year	4.157.199	1.205.589

Intangible assets include fully amortized items worth (Zero) thousand Iraqi dinars as of December 31, 2025. This is compared to (Zero) thousand Iraqi dinars as of December 31, 2024.

Notes for Financial Statements for The Year Ended 31 December 2025

9 / ROU

Balance at the end of the year:

	31 Dec 2025	31 Dec 2024
	IQD (000)	IQD (000)
	Audited	Audited
Balance Jan 1	1.302.328	1.834.864
Additions	1.035.530	143.257
Disposals	(634.677)	(675.792)
Foreign currencies differences	-	-
Balance of December 31	<u>1.703.181</u>	<u>1.302.328</u>

9/ LL

Balance at the end of the year:

	31 Dec 2025	31 Dec2024
	IQD (000)	IQD (000)
	Audited	Audited
Balance Jan 1	1.231.068	1.897.509
Additions	1.035.530	-
Payment	(682.342)	(742.499)
Foreign currencies differences	-	-
Interest Financial	60.825	76.059
Balance of December 31	<u>1.699.081</u>	<u>1.231.068</u>

Notes for Financial Statements for The Year Ended 31 December 2025

10. Other Assets

This item consists of the following:

	31 Dec 2025	31 Dec 2024
	IQD (000)	IQD (000)
	Audited	Audited
Margins with others	5.516.566	3.028.581
Payments for investments	10.004.000	10.004.000
Prepaid Expenses	5.823.230	3.203.740
Accrued Income and Interest	35.757.474	28.774.449
Governmental Accounts Receivable	36.592	36.592
Other Accounts and Balances Receivable	244.186	37.712
Stolen Cash and other Amounts***	37.242.029	37.242.029
Provisions for Stolen Cash and Accounts Receivable (9A & 9B)	(37.242.029)	(37.242.029)
Total other Assets	57.382.048	45.085.074
Less: Expected credit Loss Provision	(6.943.791)	(6.944.003)
Net other Assets	50.438.257	38.141.071

10/A) Analysis of the Provisions for Stolen Cash and Accounts Receivable:

	31 Dec 2025	31 Dec 2024
	IQD (000)	IQD (000)
	Audited	Audited
Provisions for Stolen Cash and Check	37.242.029	37.242.029
Total Provision for Stolen Cash and other Amounts	37.242.029	37.242.029

Notes for Financial Statements for The Year Ended 31 December 2025

10/B) The movement on the provisions for stolen cash and accounts receivable were as follows:

	31 Dec 2025	31 Dec 2024
	IQD (000)	IQD (000)
	Audited	Audited
Balance on 1 January	37.242.029	37.242.029
Additions	-	-
Foreign currencies differences	(3.795)	(3.795)
Recovered Stolen Amounts	(1000)	(1000)
Balanced it on 31 December.	37.242.029	37.242.029

The following is the movement on the expected credit loss provisions of direct Other Assets on collective basis during the year ended 31 Dec. 2025:

Item (IQD Thousand)	Stage 1 IQD (000)	Stage 2 IQD (000)	Stage 3 IQD (000)	Total IQD (000)
The Balance at the beginning of the Year	34.952.927	-	6.928.407	41.881.334
New Balances of the Year	203.360.020	-	-	203.360.020
Repaid/Derecognized Balances	(193.682.324)	-	-	(193.682.324)
Recovered from impairment loss	-	-	-	-
Re-Classification to stage 1	-	-	-	-
Re-Classification to stage 2	-	-	-	-
Re-Classification to stage 3	-	-	-	-
Changes Related to adjustments	-	-	-	-
Written – Off Balances	-	-	-	-
Adjustments resulting from exchange rate –	-	-	(212)	(212)
Decrease in expected credit loss provision	-	-	-	-
Total Balance at the end of Year	44.630.623	-	6.928.195	51.558.818

Disclosure of the Distribution of total balances with Other Assets according to the internal credit rating.

Item (IQD Thousand)	Stage 1 IQD (000)	Stage 2 IQD (000)	Stage 3 IQD (000)	Total IQD (000)
1	44.630.623	-	-	44.630.623
2	-	-	-	-
3	-	-	-	-
4	-	-	-	-
5	-	-	-	-
6	-	-	-	-
7	-	-	-	-
8	-	-	6.928.195	6.928.195
9	-	-	-	-
10	-	-	-	-
Total	44.630.623	-	6.928.195	51.558.818

Notes for Financial Statements for The Year Ended 31 December 2025

Item (IQD Thousand)	Stage 1 IQD (000)	Stage 2 IQD (000)	Stage 3 IQD (000)	Total IQD (000)
The Balance at the beginning of the Year	15.596	-	6.928.407	6.944.003
New ECLs	-	-	-	-
Repaid / Derecognized Balances	-	-	(212)	(212)
Recovered from impairment loss	-	-	-	-
Re-Classification to stage 1	-	-	-	-
Re-Classification to stage 2	-	-	-	-
Re-Classification to stage 3	-	-	-	-
Changes Related to adjustments	-	-	-	-
Bad Balances	-	-	-	-
Adjustments resulting from exchange rate -	-	-	-	-
Decrease in expected credit loss provision	-	-	-	-
Total Balance at the End of Year	15.596	-	6.928.195	6.943.791

*The amount represents the tax paid on the interest on Iraqi government bonds (Eurobond) for the fiscal year 2020 and 2021. The bank's management has taken legal measures to appeal the decision to include those interests in the tax calculation and is continuing to follow up for recovering them, noting that the Iraqi Government Bonds Law exempted those interests from taxes.

** The amount of government receivables represents deposits paid to the treasury of the Lebanese Ministry of Finance for the Beirut branch license in the amount of (2,500,000) thousand Lebanese pounds, i.e. an amount of (37.712) thousand Iraqi dinars, in accordance with Article 132 of the Lebanese Money Law.

*** Over the past years, as a result of operational risks and unstable conditions, the bank has been exposed to a number of thefts, the total value of which amounted to the equivalent of (37.242.029) thousand Iraqi dinars, Exchange, as the bank's management took the decision to cover these thefts with allocations amounting to 100% of the total thefts, as these thefts were recorded as receivables, and the procedures for collecting them are being followed up according to legal methods. The last of these amounts was the theft of the treasury and the cashier of the Qurna branch in Basra during the year 2018.

Year	Branch	31 Dec 2025 IQD Audited	31 Dec2024 IQD Audited
		507.324	507.324
2018	Al Qurnah Branch Robbery	33.249.718	33.249.718
2015	Irbil Branch Robbery	974,777	974,777
2014	Mosul Branch Robbery	1.167.125	1.167.125
2011	Al-Sinak Branch Robbery	1.347.880	1.347.880
2003 – 2017	Robberies, Fund Shortage, Altered Checks		
	Total	37.242.029	37.242.029

Notes for Financial Statements for The Year Ended 31 December 2025

11. Due to Banks and Other Financial Institutions

	31 Dec. 2025	31 Dec. 2024
	IQD (000)	IQD (000)
	Audited	Audited
Current and Demand Accounts	169.075	266.536
Savings Accounts	–	–
Time Deposits	671.727	654.440
Total	840.802	920.976

12. Customers' Deposits

This Item consists of the following:

2025

	Retail	Corporate	Total
	IQD	IQD	IQD
	(000)	(000)	(000)
Current and Demand Accounts	220.257.782	1.412.886.656	1.633.144.438
Savings Accounts	221.700.548	27.045.536	248.746.084
Time Deposits	42.074.605	140.701.533	182.776.138
	484.032.935	1.580.633.725	2.064.666.660

2024

	Retail	Corporate	Total
	IQD	IQD	IQD
	(000)	(000)	(000)
Current and Demand Accounts	171.679.187	2.040.531.894	2.212.211.081
Savings Accounts	241.154.630	20.306.533	261.461.163
Time Deposits	12.182.615	193.493.674	205.676.289
	425.016.432	2.254.332.101	2.679.348.533

Non-interest-bearing deposits amounted to (1.633.144.438) thousand dinars, i.e. (79.09%) of the total deposits and demand deposits as of December 31, 2025, compared to the amount of (2.212.211.081) thousand dinars, or (82.57%), as of December 31, 2025. December 2024).

– The deposits (withdrawal restrictions) amounted to (13.110) thousand dinars, i.e. (0.0000063%) of the total deposits as of December 31, 2025, and (13.110) thousand dinars, i.e. (0.00049%) of the total deposits as of December 31, 2025. December 2024.

* It includes amounts received from the bank's customers for the purpose of accessing the remittance platform, which amounted to (274.777.175) thousand dinars as of December 2025, compared to an amount of (517.322.458) as of December 31, 2024.

Notes for Financial Statements for The Year Ended 31 December 2025

13. Cash Margins

This Item consists of the following:

	31 Dec.2025	31 Dec 2024
	IQD (000)	IQD (000)
	Audited	Audited
Cash Margin against Indirect credit Facilities		
Cash Margins Against Letters of Credit	19.347.961	10.427.574
Cash Margins Against Letters of Guarantee	24.074.622	19.116.070
Other Cash Margins	2.256.279	3.140.452
	45.678.862	32.684.095

14. Income Tax

A) Income Tax Provision

The movement on the income tax provision was as follows:

	31 Dec. 2025	31 Dec.2024
	IQD	IQD
	(000)	(000)
	Audited	Audited
Balance on 1 January	56.896.722	26.048.820
Income Tax Paid During the Year	(56.896.722)	(26.048.820)
Accrued Income Tax	26.997.234	56.896.720
Balance on 31 December	26.997.234	56.896.722

Notes to Financial Statements for The Year Ended 31 December 2025 B) Income Tax

The following is a summary of the reconciliation between accounting profit and taxable profit:

	31 Dec 2025	31 Dec2024
	IQD (000)	IQD (000)
	Audited	Audited
	243.631.523	371.160.604
Non-taxable Revenue	(108.539.952)	(63.597.743)
Non-deductible Expenses	44.889.988	71.748.612
Taxable Profit	179.981.559	379.311.480
Accrued Income Tax Rate in Iraqi (15%)	26.997.234	56.896.722
Accrued Income Tax Rate in Lebanese (17%)	–	–
	56.896.722	56.896.722

• Profit before tax represents the net income of the Iraq branches only after excluding the loss of the Lebanon branch

C) Income Tax/ The following is a summary of the reconciliation between accounting profit and taxable profit:

	31 December 2025
	IQD (000)
Accounting profit (Loss)	242.566.513
Add: Losses (Beirut branch)	1.065.010
Non-deductible Expenses	
Agreement JKB Fees	10.589.630
Fines and Compensations	3.868.566
Miscellaneous Provisions	3.062.117
IFRS16	695.503
Other	543.535
Provision for Credit Facilities	26.130.637
Total Non-deductible Expenses	44.889.988
Non-taxable Revenue	
Rent Income (Subject to Real Estate Tax)	(181.332)
Revenue of Investments	–
Revenue from property selling	(94.388)
Non-taxable Investment Income (Profits from Companies and Bonds)	(88.298.767)
Interest of Iraqi Government's Bonds (Eurobond)	(11.414.814)
Recoverable Income from Previous Years	(302.032)
Non-taxable Profits	(108.539.952)
Taxable Profit	179.981.559
Accrued Income Tax Payable by the Bank	26.997.234
Less or Add: Income Tax Accrued and Paid for Foreign Branches	–
Accrued Income Tax	26.997.234

The tax allocation was calculated in accordance with the Iraqi income tax law, at a rate of 15% of the taxable profit after deducting tax-rejected expenses and revenues not subject to taxes according to the law, for the bank's branch in the Lebanese Republic. Only if the branch achieves profits is the tax approved in accordance with the Lebanese Republic tax law. It is deducted from the tax due. According to the opinion of management and the bank's tax advisor, it is sufficient to meet the tax obligations as of that date.

** In accordance with the law under which the bonds were issued and their interest was exempted from all taxes and fees due on them. This was during the fiscal year they were earned. We refer here to General Budget Law No. 23 of 2021, based on Paragraph Two, exempting interest on construction bonds.

*** In accordance with General Budget Law No. 13 of 2025, which exempts Emaar bonds' interest from all taxes and fees due on them during the fiscal year in which they were earned.

**** In accordance with the law under which foreign bonds were issued and their interest was exempted from all taxes and fees due on them during the fiscal year in which they were realized pursuant to Law No. 58 of 10-15-1990, we refer here to Financial Management Law No. 94 of 2004, Appendix B thereof.

Notes for Financial Statements for The Year Ended 31 December 2025

15. Other Provisions

	31 Dec. 2025	31 Dec 2024
	IQD (000)	IQD (000)
	Audited	Audited
Indirect credit facilities Provision	1.372.398	1.899.713
End-of-service Indemnity Provisions	5.488.398	6.090.776
Provisions for lawsuits	1.100.000	1.100.000
Allowances for compensation for accumulated leave	869.324	710.700
Real estate tax allowance	66.950	86.036
Unlimited facility	95.369	95.369
Miscellaneous Provisions	0	72.020
	10.188.516	9.959.276

A) Miscellaneous Provisions

This movement on the miscellaneous provisions is as follows:

	31 December 2025	31 Dec 2024
	IQD (000)	IQD (000)
	Audited	Audited
Balance on 1 January	9.959.276	6.565.149
Additions	3.062.117	5.311.719
Transferred from the Provision	(2.832.877)	(1.184.506)
Reclassified from Other Liabilities	–	–
Foreign currencies differences	–	(733.086)
Balance on 31 December	10.188.516	9.959.276

Notes for Financial Statements for The Year Ended 31 December 2025

16. Long-Term Loans

This item consists of the following:

	31 Dec. 2025	31 Dec 2024
	IQD (000)	IQD (000)
	Audited	Audited
Banque du Liban Loan	–	3.363
	–	3.363

* The term loan was granted by the Central Bank of Lebanon to support loans granted to customers (re-lending) pursuant to Circular No. 313 of the Central Bank of Lebanon. Loans are subject to an interest rate of 1% paid annually. Note that the total number of installments is 2614 and the remaining installment is one, noting that the installment periodicity is maturity.

Notes for Financial Statements for The Year Ended 31 December 2025

17. Other Liabilities

This item consists of the following:

	31 Dec.2025	31 Dec.2024
	IQD (000)	IQD (000)
	Audited	Audited
Certified Checks	10.185.803	4.863.185
Balances Compensations of Deceased	690.252	2.058.390
Dividends Payable	10.185.803	11.028.344
Cash Margins to Others	872.383	759.988
Balances realistic to Insurance Bureau*	141.000	141.000
ATM Services Payables	285.035	872.265
Accrued Expenses	3.864.545	5.507.097
Customer Outward Transfers Balances	–	–
Accounts Payables	2.780.649	632.941
Amount Received for Companies Registration	4.563.013	10.258.413
Accrued Stamps Fees	78.183	30.247
Accrued Interest	684.875	477.168
Other**	1.744.942	772.144
	36.673.464	37.401.182

* The balance represents the deposits received from the sale of land owned by the bank and whose ownership transfer procedures will be completed in the following year. It also includes contractors' secretariats.

**– In accordance with the instructions of the Central Bank of Iraq, issued 9/3/321 on 8/23/2023, allocating an account for the amounts reserved for the Insurance Bureau, which belong to insurance companies.

*** In reference to the directions of the Central Bank of Iraq to encourage the use of electronic payment methods, there was an increase in the number of cards issued to the bank's customers (of all types), and as a result, withdrawals from ATMs and purchases through points of sale occurred, which led to an increase in the balances for using cards, knowing that the settlement Done the following year.

****– The balance represents deductions from affiliates on behalf of others (tax and security) and other credit accounts.

Notes for Financial Statements for The Year Ended 31 December 2025

18. A) Paid – Up Capital

The authorized capital of the Bank is IQD 400.000 million as of December 31, 2024, and 2021. – The authorized capital of the Bank is IQD 250.000 million by year end, divided into 250.000 million shares at a par value of IQD 1 each

B). Reserves – Statutory Reserve

In accordance with the Iraqi Companies Law, a (minimum) of 5% of the annual income after tax is to be deducted as a statutory reserve. The accumulated amounts of this account may not exceed 50% of the Bank's capital. Furthermore, it is not allowed to distribute the statutory (obligatory) reserve or any resulting proceedings from the same to shareholders. It is allowed however to continue deducting with the approval of the General Assembly of the Bank, provided that the statutory reserve does not exceed 100% of the Bank's capital. In Beirut branch, 10% of net profit after tax is deducted as statutory reserve.

– Voluntary Reserves

These include other miscellaneous reserves approved by the General Assembly, whether for purposes related to banking risks or other purposes, such as the expansion reserve.

Differences in the translation of foreign currencies

The share of the bank's shareholders represents the differences resulting from the translation and consolidation of the financial statements of subsidiaries and foreign branches. These differences are a result of the change in the exchange rate of the Iraqi dinar (the presentation currency) at the end of the year 2020, and subsequently the change in the exchange rate of the Iraqi dinar on February 8, 2025, in addition to the decision to change the exchange rate. The exchange of the Lebanese pound (regarding Beirut branch balances) on February 1, 2025, which resulted in reducing the price of the Lebanese pound from 1,507.5 liras/dollar to 15,000 liras/dollar.

C) The earnings retained

	31 Dec.2025	31 Dec.2024
	IQD (000)	IQD (000)
	Audited	Audited
balance at the beginning of the year	301.915.206	159.257.436
Impact of implementing Financial Reporting Standard No. 16	–	–
The effect of delisting Baghdad Brokerage Company	–	–
Adjusted balance at the beginning of the year	301.915.206	159.257.436
Profit for the year	215.569.279	306.832.365
Capitalization Issue	–	(100.000.000)
Cash dividends*	(240.000.000)	(51.000.000)
Transferred to reserves	(10.778.464)	(15.341.618)
The effect of an exchange rate change	–	2.827.103
Settlements (result increase capital)	–	(660.080)
Balance at the end of the year	266.706.021	301.915.206

*Dividend distributions represent 60% of the capital for the profits of the fiscal year 2024 according to the General Assembly's decision on 03/05/2025.

Notes for Financial Statements for The Year Ended 31 December 2025

19. Interest Income

This item consists of the following:

	The Year Ended 31 December	
	2025	2024
	IQD (000)	IQD (000)
	Audited	Audited
Consumer Facilities (Retail)	2.676.677	2.335.677
Loans and Bills	2.676.677	2.222.436
Current Accounts Receivable	–	113.241
Corporate Facilities	3.580.422	652.269
Loans and Bills	2.489.184	445.153
Current Accounts Receivable	1.091.238	207.116
Financial Assets at Amortized Cost*	4.547.717	1.670.968
Balances and Deposits with Banks and Financial Institutions	104.179.616	71.247.260
	<u>114.984.432</u>	<u>75.906.174</u>

A) Financial Assets at Amortized Cost*

This item consists of the following:

	The Year Ended 31 December	
	2025	2024
	IQD (000)	IQD (000)
	Audited	Audited
Government and Government-guaranteed Bonds		
Government Bonds – Iraq	11.414.814	14.908.263
Government Bonds – Lebanon	–	–
Government-guaranteed and Treasury bonds	92.764.802	56.338.997
	<u>104.179.616</u>	<u>71.247.260</u>

Notes for Financial Statements for The Year Ended 31 December 2025

20. Interest Expenses

The details of this item are as follows:

	The Year Ended 31 December	
	2025	2024
	IQD (000)	IQD (000)
	Audited	Audited
Savings Accounts	6.714.817	6.377.747
Time Deposit Accounts	6.617.182	5.304.822
Funding Interest	2.679.024	959
Deposits guarantee fees	850.203	1.316.805
LL Interest	60.825	76.058
	16.922.051	13.076.391

21. Net Commission Income

The details of this item are as follows:

	The Year Ended 31 Dec	
	2025	2024
	IQD (000)	IQD (000)
	Audited	Audited
Bank Transfers' Commissions*	104.526.894	249.964.396
Direct Credit Facilities Commissions	1.796.478	1.024.652
Indirect Credit Facilities Commissions	3.216.386	1.770.051
Customer Accounts Management Commission	7.967.873	8.520.687
Electronic Commission	11.921.328	21.525.647
Other Commissions	467.953	353.104
Total Commissions and Fees	129.896.912	283.158.537
Commissions Expenses	(32.492.239)	(22.251.790)
Net Commissions and Fees	97.404.673	260.906.747

The revenues generated from participation in the currency buying and selling window amounted to (zero) during the year from 1/1/2025 until 2/18/2025, because the bank did not participate in the currency auction window during the period, and the bank began participating in the electronic platform after that date.

Notes to Financial Statements for The Year Ended 31 December 2025

22. Net Foreign Currency Profits

	The Year Ended 31 December	
	2025	2024
	IQD (000)	IQD (000)
	Audited	Audited
Profits from Purchase/Sale of Currency	129.679.876	139.712.451
Profits from Valuation	(1.705.446)	2.568.380
	<u>127.974.430</u>	<u>142.280.831</u>

23. Investment Income

	The Year Ended 31 December	
	2025	2024
	IQD (000)	IQD (000)
	Audited	Audited
Cash Dividends from Financial Assets at Fair Value Through OCI	-	75
Total Income from Investment	<u>-</u>	<u>75</u>

24. Other Income

	The Year Ended 31 December	
	2025	2024
	IQD (000)	IQD (000)
	Audited	Audited
Income Recoverable from Previous Years	181.332	246.623
Other Revenue	306.422	52.838
Gain Compensations Equipment and Property	94.388	214.515
Losses Capitalization	(104)	(1.512.632)
Total	<u>669.086</u>	<u>546.084</u>

*Estate rental income

	The Year Ended 31 December	
	2025	2024
	IQD (000)	IQD (000)
	Audited	Audited
Al-Mansour	61.332	126.623
Dohok	120.000	120.000
Total	<u>181.332</u>	<u>246.623</u>

Notes for Financial Statements for The Year Ended 31 December 2025

25. Employees' Expenses

This item consists of the following:

The Year Ended 31 December

	2025	2024
	IQD (000)	IQD (000)
	Audited	Audited
Employees' Salaries and Benefits	21.287.756	16.283.384
Employees' Bonuses	-	-
Bank's Contribution to Social Security	1.427.398	1.154.979
Employee Income Tax	-	-
Employee Insurance	887	88.377
	22.716.041	17.526.740

Notes for Financial Statements for The Year Ended 31 December 2025

26. Other operating Expenses

	The Year Ended 31 December	
	2025	2024
	IQD (000)	IQD (000)
	Audited	Audited
Agreement JKB Fees	10.025.543	15.192.844
Fines and Compensations	3.868.566	336.980
Professional and Consulting Services	4.036.767	971.514
Maintenance	579.040	911.905
Advertising	1.813.848	143.617
Communications and Internet	409.708	330.961
Other services	1.568.289	1.869.893
Government Fees and Expenses	974.558	492.367
Fuel and Oil Expense	452.659	406.956
Transportation	2.113.555	1.774.130
Subscriptions, Licenses and Fees	3.142.758	2.621.880
Stationery	1.442.628	841.777
Board Member	845.687	328.768
Water and Electricity	416.578	356.758
Donations	433.361	37.100
Supplies and Services	–	–
Hospitality	72.136	82.079
Audit fees	194.977	244.297
Insurance	478.851	582.117
Travel Expense	2.113.555	1.774.130
Other	–	20.445
	33.523.941	27.884.057

Notes for Financial Statements for The Year Ended 31 December 2025

27. Financial Assets Expected Credit Losses Expenses

The Year Ended 31 December

The details of this item consist of the following:

	2025	2024
	IQD (000)	IQD (000)
	Audited	Audited
Central banks and Balances on financial institutions	432.158	23.986.373
Other Banks	41.663	2.452.838
Direct facilities at amortized cost	25.652.419	13.842.394
Financial assets at amortized cost	4.397	36.745
Off-Balance sheet items	-	-
Other assets	-	-
Total	26.130.637	47.357.722

28. Earnings per Share

The basic and diluted earnings per share for the year were calculated by dividing the net profit for the year by the weighted average number of outstanding shares:

	The Year Ended 31 December	
	2025	2024
	IQD (000)	IQD (000)
	Audited	Audited
Net Profit for the Year	215.569.279	306.832.365
Weighted Average Shares	400.000.000	350.000.000
	Dinar. Fills	Dinar. Fills
Basic (Diluted) Earnings per Share from the Year Profit	0.539	0.877

- The basic and diluted of value shares of the stock are equal, since the bank did not issue financial instruments (bonds) that are convertible into ordinary shares within equity.

Notes for Financial Statements for The Year Ended 31 December 2025

29. Cash and Cash Equivalents

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

	The Year Ended 30 September	
	2025	2024
	IQD (000)	IQD (000)
	Audited	Audited
Cash and balances with Central Banks maturing within 3 months	1.121.496.102	2.077.830.510
Add: Balances with banks and other financial institutions maturing within 3 months	298.832.314	427.023.713
Less: Banks and financial institutions' deposits maturing within 3 months	(442.532.333)	(584.944.730)
	977.796.083	1.919.909.493

Notes to Financial Statements for The Year Ended 31 December 2025

30. Summary of related party transactions during the year

The Bank considers the major shareholders, higher management, and companies that have significant share of ownership as related parties. During the year, transactions were conducted with these parties represented by deposits, granted credit facilities, cash margins, accounts receivable and other liabilities as follows:

	Major Shareholders & Subsidiaries	Board of Directors	Executive Managem ent	Others	2025	2024
	IQD (000)	IQD (000)	IQD (000)	IQD (000)	IQD (000)	IQD (000)
On Balance sheet						
Assets:						
Net Credit Facilities	–	–	–	–	–	–
Due From Banks and other Financial	12.824.206	–	–	–	12.824.206	3.806.071
Bank's Deposits	2.131	4.348.773	–	–	4.350.904	2.717.584
Customers' Deposits	5.568.182	–	216.470	19.013	5.803.665	199.220
Cash Margins	–	–	–	–	–	–
Other Liabilities						
Off Balance sheet						
Letters of Guarantee & LC	46.756.623	–	–	–	46.756.623	39.249.301
					The Year Ended 31 Dec.	
					2025	2024
Income Statement						
Interest & Commission Income	233.822	–	–	–	233.822	184.941
Interest & Commission Expenses	–	(227.583)	–	–	(227.583)	(3.718.400)
Other Income	–	–	–	–	–	4.500
Operating Expenses	(10.025.543)	–	–	–	(10.025.543)	(15.192.844)
Employee Salary	–	–	(845.687)	(5.169.708)	(6.015.395)	(2.146.340)

* Fixed and other assets represent all the contracts signed with related parties, the impact of which is apparent in the balance sheet, although some of these contracts were signed before 2018.

** Other related parties represent all the transactions with subsidiary banks of Burgan Bank Group, in addition to banks owned by subsidiaries of KIPCO – Kuwait Projects Company Holding which owns Burgan Bank.



Notes for Financial Statements for The Year Ended 31 December 2025

30. Fair Value of Financial instruments:

The Bank uses the following order of valuation methods and alternatives in determining and presenting the fair value of the financial instruments:

- **Level 1:** Market prices quoted in active markets for identical assets and liabilities.
- **Level 2:** Other techniques, where all inputs with significant impact on fair value are observable, directly and indirectly, through market information.
- **Level 3:** Other techniques, where inputs with significant impact on fair value are used, but not derived from observable market information IRRBB & Stress Tests

The following table illustrates the analysis of financial instruments recorded at fair value according to the abovementioned hierarchical order:

	Level 1	Level 2	Level 3	Total
	<u>IQD (000)</u>	<u>IQD (000)</u>	<u>IQD (000)</u>	<u>IQD (000)</u>
2025				
Investments in Associates	-	-	-	-
Financial Assets at Fair Value Comprehensive Income	6.265.143	-	861.694	7.126.837
2024				
Investments in Associates	-	-	-	-
Financial Assets at Fair Value Comprehensive Income	5.741.234	-	853.399	6.594.633

32. Fair value of financial assets and liabilities that are not presented at fair value in the financial statements.

There is no material difference between the fair value and the book value of the financial assets and liabilities that appear at book value at the end of Year 2025 and 2024.



Notes for Financial Statements for The Year Ended 31 December 2025

33. Risk Management

The bank manages its risks by identifying the risks that they may expose to and how to mitigate them, within a comprehensive risk framework that is designed based on the best banking practices, and considering the independence and accountability between the risk, business, and operations departments.

The Board of Directors is responsible for general risk management policies and for approving risk management strategies and framework. The bank formed a committee for risk management and compliance emanating from the Board of Directors, which is managing its tasks under an effective internal control system.

The risk management committee is responsible for developing the risk strategy and applying the risk structure, principles and limits in the group. It is also responsible for risk management decisions, determining risk tolerance, and reporting the critical risks to the Board of Directors, and risk management team are responsible for managing various types of risks in term of:

- Preparing policies and having them approved by the Board of Directors,
- Analysis of all types of risks (credit, market, liquidity, operations, information security, strategy, and reputation),
- Developing a methodology for measuring and controlling each type of risk, and
- Provide the Board of Directors and the senior management with risk reports and information.

Risk Management Department is responsible for executing the approved risk management procedures to ensure that the bank maintains independent control operations. The Risk Management Department works closely and directs its reports to the Risk Management Committee to ensure that the approved procedures are consistent with the approved risk framework.

The bank manages its risks by various instruments. Risk plans are prepared and approved by the Board of Directors to identify expected risks and how to mitigate it.

The risks that arise in normal circumstances are measuring based on statistical measurement models that study the risk probabilities derived from previous experience, and the required adjustments are expected to reflect the prevailing economic environment variables. The group also carries out tests of possible scenarios in stress circumstances.

33-1 Credit Risk

Credit risk is the risk that may result from the default or inability of the counterparty (to the financial instrument) to fulfill its obligations towards the bank, which leads to losses. The Bank manages credit risks by setting accepted limits of credit facilities in accordance with the instructions of the Central Bank of Iraq, as well as the credit policy. The bank also monitors credit risks and assesses the credit status of customers. In addition to mitigating the credit risk by obtaining eligible collateral from the borrowers.

The Bank identifies the risks of concentration of assets and liabilities by distributing its activities to several sectors, but the Bank operates in two geographical regions, namely Iraq and the Lebanese Republic.



Notes for Financial Statements for The Year Ended 31 December 2025

Credit Risk and Concentration Risk:

1. Credit risk exposures (after deducting of the impairment losses and suspended interests and before collateral and other risk mitigations) are as follows:

	2025	2024
	IQD (000)	IQD (000)
On Balance Sheet Items:		
Cash with the Central Bank	732.864.825	1.617.27.928
Due from Banks and Financial Institutions	295.901.446	416.469.828
Direct Credit Facilities – Net:	-	-
Retail	29.912.806	20.201.831
Corporates	120.707.332	30.057.720
Financial Assets at Fair Value through Other Comprehensive Income	7.126.837	6.594.633
Financial Assets at Amortized Cost	1.199.736.522	936.827.726
Other Assets	50.438.257	38.141.071
Total On Balance Sheet Items	2.436.688.025	3.065.567.737
Off financial position statement items		
Letters of Guarantee	117.074.920	83.749.799
Letters of Credits	84.451.175	16.244.301
Limit	69.170.478	38.336.952
Total Balance Sheet Items	270.696.573	138.331.052
Total On / Off Balance Sheet Items	2.707.384.598	3.203.898.789

The table above represents the Bank's maximum credit risk as of 31 December 2025 and 2024 without taking the collateral or other credit mitigation tools into consideration. As for the on-balance sheet items, the exposure above is based on the balance as presented on the financial position statement.



Notes to Financial Statements for The Year Ended 31 December 2025

Below is the distribution of the fair value of the guarantees provided against direct credit facilities. These guarantees are evaluated in accordance with the requirements of the Central Bank of Iraq at least once within two years by experts. As for the cash insurance balance, it is shown at fair value and calculated individually, provided that the cash insurance balance does not exceed the credit facilities balance.

Distribution of the fair value of guarantees against credit exposures as of December 31, 2025:

For the Year 2025	Total Exposure Value IQD (000)	Cash Margin IQD (000)	Real estate IQD (000)	Accepted Bank Grantee IQD (000)	Gold IQD (000)	Others IQD (000)	Net Exposure IQD (000)	Expected Credit Loss IQD (000)
Balances at Central Banks	732.864.825	-	-	-	-	-	732.864.825	1.675.059.234
Balances at banks & financial institutions	295.901.446	-	-	-	-	-	295.901.446	427.023.713
Credit facilities at amortized cost:								
Individual	29.912.806	3.000.000	1.594.965	-	25.518.779	-	(41.821.413)	21.340.642
Corporates	120.707.332	1.594.965	178.942.100	64.280.482	-	-	(124.110.215)	49.115.970
Within: Financial assets at amortized cost	1.199.736.522	-	-	-	-	-	1.199.736.522	26.353.298
Within: financial assets FV through OCI	7.126.837	-	-	-	-	-	7.126.837	-
Other Assets	50.438.257	21.380.388	-	-	-	-	29.057.869	6.943.791
Total	2.436.688.025	25.975.353	222.157.540	64.280.482	25.518.779	-	2.098.755.871	164.901.033
Items Off-Statements of financial Position								
Letter of Guarantees	117.074.920	19.686.641	2.703.000	64.787.160	-	-	29.898.119	781.022
Letter of Credit	84.451.175	-	-	84.451.175	-	-	-	591.376
Limits nonuse	69.170.478	574.769	-	22.261.715	-	-	46.333.994	95.369
Total	2.707.384.598	46.236.763	224.860.540	235.780.532	25.518.779	-	2.174.987.984	166.368.800



Notes to Financial Statements for The Year Ended 31 December 2025

For the Year 2024	Total Exposure Value IQD (000)	Cash Margin IQD (000)	Real estate IQD (000)	Accepted Bank Grantee IQD (000)	Gold IQD (000)	Others IQD (000)	Net Exposure IQD (000)	Expected Credit Loss IQD (000)
Balances at Central Banks	877.471.254	–	–	–	–	–	877.471.254	32.964.475
Balances at banks & financial institutions	661.476.219	–	–	–	–	–	661.476.219	8.102.261
Credit facilities at amortized cost:								
Individual	22.128.257	–	5.370.640	–	11.013.862	–	5.743.755	6.879.417
Corporates	87.585.833	14.952.933	72.794.740	–	–	–	(161.790)	33.480.035
Within: Financial assets at amortized cost	622.465.491	–	–	–	–	–	622.465.491	26.471.539
Within: financial assets FV through OCI	9.397.735	–	–	–	–	–	9.397.735	–
Other Assets	20.504.654	–	–	–	–	–	20.504.654	825.975
Total	2.301.029.493	14.952.933	78.165.380	–	11.013.862	–	2.196.897.318	108.714.168
Items Off–Statements of financial Position								
Letter of Guarantees	51.339.431	10.758.723	3.821.810	32.023.599	–	–	4.735.299	1.767.558
Letter of Credit	5.644.680	5.644.680	–	–	–	–	–	55.152
Total	2.358.013.605	31.356.336	81.987.190	32.023.599	11.013.862	–	2.269.996.867	110.536.878



Notes for Financial Statements for The Year Ended 31 December 2025

33. Risk Management (Cont.)

Credit exposures are classified by the risk levels as of 31 December 2024 according to the following table:

* Cash on hand balances were excluded from low-risk assets because they were in the possession of the Bank and were not exposed to credit risks.

**All balances deposited in government banks and the Central Bank in the Kurdistan region were classified within the acceptable risk assets due to being deposited in government banks.

2025	Retail IQD (000)	Corporate IQD (000)	Public Sector IQD (000)	Banks & Other FIs IQD (000)	Total IQD (000)
Very Low risk	34.019.196	110.871.875	2.425.809.696	295.901.446	2.866.602.213
Low risk**	81.534	-	-	-	81.534
Moderate Risk	-	-	-	-	-
Acceptable risk**	161.154	-	-	-	161.154
Somewhat Acceptable risk	2.412.233	-	-	-	2.412.233
Escapable Risk	11.239	-	-	-	11.239
Watch list	30.015	20.878.171	-	1.235.398	22.143.584
Non-Performing:					
Substandard	11.238	-	12.433.088	42.591	12.486.917
Doubtful	12.597	4.918.932	71.616.381	1.408.000	77.955.910
Bad	22.790.303	33.154.324	-	-	55.944.627
Total	59.529.509	169.823.302	2.509.859.165	298.587.435	3.037.799.411
Less: suspended interests	(8.276.061)	-	-	-	(8.276.061)
Less: Provisions	(21.340.642)	(49.115.970)	(91.513.553)	(4.398.635)	(166.368.800)
Net	29.912.806	120.707.332	2.418.345.612	294.188.800	2.863.154.550

2024	Retail IQD (000)	Corporate IQD (000)	Public Sector IQD (000)	Banks & Other FIs IQD (000)	Total IQD (000)
Very Low risk	16.366.652	5.952.311	1.074.574.594	2.034.097.578	3.130.991.135
Low risk**	537.446	2.588	983.378	-	1.523.412
Moderate Risk	-	-	-	-	-
Acceptable risk**	8.923	-	1.626.147	-	1.635.070
Somewhat Acceptable risk	-	-	-	-	-
Escapable Risk	-	-	-	-	-
Watch list	-	-	-	1.355.398	1.355.398
Non-Performing:					
Substandard	-	23.657.937	-	54.344.954	78.002.891
Doubtful	32.410.552	23.174.384	33.323.392	12.285.016	101.193.344
Bad	3.888.914	1.924.864	-	-	5.813.778
Total	53.212.487	54.712.084	1.110.507.511	2.102.082.946	3.320.515.028
Less: suspended interests	(8.192.702)	-	-	-	(8.192.702)
Less: Provisions	(24.817.954)	(24.654.364)	(34.015.596)	(69.591.556)	(153.079.470)
Net	20.201.831	30.057.720	1.076.491.915	2.032.491.390	3.159.242.856



Notes for Financial Statements for The Year Ended 31 December 2025

33. Risk Management (Cont.)

Credit Risk Concentration of Assets and Liabilities (Cont.)

3. Credit exposure concentration by geographical distribution was according to the following table:

Geographical Area	In Iraq	Middle East	USA/EUROB	Others	Total
	IQD (000)	IQD (000)	IQD (000)		IQD (000)
Cash with the Central Bank	732.864.825	–	–	–	732.864.825
Due from Banks and Financial Institutions	363.035	26.927.995	223.234.786	45.375.630	295.901.446
Direct Credit Facilities – Net:	–	–	–	–	–
Retail	29.912.806	–	–	–	29.912.806
Corporates	120.707.332	–	–	–	120.707.332
Financial Assets at Fair Value through	7.062.843	–	63.994	–	– 7.126.837
Other Comprehensive Income					
Financial Assets at Amortized Cost	1.173.417.882	26.318.640	–	–	– 1.199.736.522
Other Assets	43.510.062	6.928.195	–	–	50.438.257
Off –Balance	270.368.573	328.000	–	45.375.630	270.696.573
Total for 2025	2.378.207.358	60.502.830	26.927.995	223.298.780	2.707.384.598
Total for 2024	2.899.610.771	55.997.179	223.298.780	45.375.630	3.362.062.590



Notes to Financial Statements for The Year Ended 31 December 2025

33. Risk Management (Cont.)

4. Credit exposure concentration by economic sectors was according to the following table:

Economic Sector	Financial	Commercial	Industrial	Constructions	Agriculture	Services	Retail	Governmental	Total
	IQD (000)	IQD (000)	IQD (000)	IQD (000)	IQD (000)	IQD (000)	IQD (000)	IQD (000)	IQD (000)
Balances at Central Bank	732.864.825	–	–	–	–	–	–	–	732.864.825
Balances at Banks and Financial Institutions	295.901.446	–	–	–	–	–	–	–	295.901.446
Direct Credit Facilities – Net:	–	11.994.593	26.154.240	68.665.823	1.018.596	8.475.853	34.311.033	–	150.620.138
Financial Assets at Fair Value through Other Comprehensive Income	4.014.249	–	10.376	3.102.212	–	–	–	–	7.126.837
Financial Assets at amortized cost	–	–	–	–	–	–	–	1.199.736.522	1.199.736.522
Other Assets	–	–	–	–	–	3.028.581	37.712	47.371.964	50.438.257
Off balance	260.944.977	–	–	–	–	9.751.596	–	–	270.696.573
Total for 2025	1.177.242.238	11.994.593	26.164.616	71.768.035	1.018.596	137.739.289	34.348.745	1.247.108.486	2.707.384.598
Total for 2024	2.142.321.832	6.121.423	19.987.280	28.785.847	1.018.596	100.765.926	53.250.1999	1.009.811.487	3.362.062.590



Notes to Financial Statements for The Year Ended 31 December 2025

33. Risk Management (Cont.)

Market Risks

Market risks are risks that cause the fair value or cash flows of financial instrument to fluctuate due to change in market prices such as interest rates, currency exchange rates and share prices. Market risks arise as a result of open positions in the rates of interest and currencies and in investment in shares. These risks are monitored according to specific policies and procedures and through specialized committees and concerned bodies. Market risks include interest rate risks, equity risks, currency risks, and risks of change in shares prices.

The Sensitivity Test is based on estimating risks of incurring a loss in the fair value due to changes in interest rates and foreign currency exchange rates. The fair value is calculated based on the current value of the future cash flow that will be affected by the changes in rates.

1. Interest Rate Risk

The Bank seeks to secure financing to meet its long-term investments at fixed interest rates as much as possible, in order to overcome any changes in interest rates of sources of funds. The Bank also carries out short-term investments to overcome any potential changes.

Sensitivity of the income statement is represented by the effect of assumed potential changes in interest rates on the bank's profit for one year, and is calculated for financial assets and liabilities that carry floating interest rates as at 31 December 2024.

Sensitivity of equity items is calculated by revaluing the financial assets available for sale at fixed interest rate, including the impact of any related hedges and swap contracts provisioned as a hedge for cash flows as at 31 December to impact assumed changes in interest rates. The total sensitivity of shareholders' equity assumes the existence of parallel transformations in the yield curve.

2025	Increasing in IR	Impact on Income Statements	Impact on Equity
Currency	%	IQD (000)	IQD (000)
Equivalent USD	2%	(655.806)	–
IQD	2%	(1.066.144)	–
Overall Impact		(1.721.950)	–

2024	Increasing in IR	Impact on Income Statements	Impact on Equity
Currency	%	IQD (000)	IQD (000)
Equivalent USD	2%	(331.805)	–
IQD	2%	(2.921.332)	–
Overall Impact		(3.253.137)	–

Should there be a negative change, the impact becomes equal to the change above and the sign is switched. The figures indicate the absence of any significant impact of the change in interest rates on the Income statements and/or Balance Sheet.



Notes for Financial Statements for The Year Ended 31 December 2025

33. Risk Management (Cont.)

2. Interest Rate Risk

Foreign Exchange Risks are the risks of change in the value of the financial instruments due to change in foreign currency exchange rates. The Iraqi dinar is the main currency of the Bank. The Board of Directors sets limits on the financial position statement for each currency in the Bank. The foreign currency position is monitored daily, and hedge strategies are implemented to ensure the position stays within the set limits.

The Bank's investment policy states that positions with main foreign currencies can be adopted, provided that the total financial position of all currencies does not exceed + (-) 20% of the basic and buffer capital according to local instructions.

Foreign currency positions are monitored daily, and advanced market instruments can be used to hedge against exchange rates risks within restrictions that protect the Bank from being exposed to any further risks. Based on the cash management instructions of the Central Bank of Iraq regarding cash controls – banks' permissible foreign cash positions as provided for in their letter No. 9/3/180 dated 30/6/2020, this ratio was adjusted to + (-) 20% of the Bank's Tier 1 and Tier 2 capital.

The following table shows the impact of potential changes in the IQD exchange rate against foreign currencies in the income statement, with all other impactful variables remaining unchanged, noting that the underlying exchange rate of the financial statements as of December 31, 2024, was IQD 1460 per USD, and LBP 1507.5 per USD.

2025	Increasing in Exchange Rate	Impact on Income Statements	Impact on Equity
Currency	%	IQD (000)	IQD (000)
USD	5%	(10.638.420)	-
EURO	5%	(333.330)	-
Lebanese Pound*	5%	(73.925)	(56.057)
Others	5%	(2.274.115)	-
Overall Impact		(13.319.790)	(56.057)

*Official exchange rate issued by Banque Du Liban was adopted to convert LBP to USD, which was LBP 89.500 per USD, and then to IQD.

2024	Increasing in Exchange Rate	Impact on Income Statements	Impact on Equity
Currency	%	IQD (000)	IQD (000)
USD	5%	(2.505.541)	-
EURO	5%	(72.631)	-
Lebanese Pound*	5%	(370.019)	(422.268)
Overall Impact		(2.948.191)	(422.268)

Should there be a negative change, the impact becomes equal to the change above and the sign is switched. There might be significant risks resulting from the change in the exchange rates of other currencies if Banque Du Liban adopts the rate of the parallel market to adjust the official exchange rate of USD against LBP, which dropped significantly below the official exchange rate.



Notes for Financial Statements for The Year Ended 31 December 2025

33. Risk Management (Cont.)

3. Share Prices Risks

Share price risks result from change in the fair value of investments in shares. The Bank manages these risks by diversifying investments in several geographical regions and economic sectors. As for the investments in shares owned by the Bank, part of them is listed in the Iraq Stock Exchange, and the other part is unlisted, where the impact on these shares will be 1% regarding the sensitivity of profits and losses, and 5% regarding the impact of change on shareholders' equity, as all of these investments are available for sale.

2025	Increasing in Exchange Rate	Impact on Income Statements	Impact on Equity
Currency	%	IQD (000)	IQD (000)
Investments Available for Sale	1%	-	-
	5%	-	(352.730)
Overall Impact		-	(352.730)

2024	Increasing in Exchange Rate	Impact on Income Statements	Impact on Equity
Currency	%	IQD (000)	IQD (000)
Investments Available for Sale	1%	-	-
	5%	-	(329.732)
Overall Impact		-	(329.732)

Noting that the ratio of investments in financial assets at fair value to shareholders' equity was 0.91% There is no significant impact of the change in the investments value on profits, losses and shareholders' equity.



33. Risk Management (Cont.)

Market Risks (Cont.)

4. Interest in Re-pricing Gap

The classification is based on the interest re-pricing or accrual Years, whichever is earlier.

Years	Less than 1 month	1–3 months	3–6 months	6 Months– 1 Year	More than 1 Year	Items without Interest	Total
	IQD (000)	IQD (000)	IQD (000)	IQD (000)	IQD (000)	IQD (000)	IQD (000)
Assets:							
Balances at the Central Bank	–	–	–	–	–	1.063.279.638	1.063.279.638
Balances at Banks and Financial Institutions	–	–	–	–	–	295.901.446	295.901.446
Direct Credit Facilities – Net	1.192.909	43.442.922	15.581.217	13.011.289	32.261.789	45.130.012	150.620.138
Financial Assets at Fair Value	–	–	–	–	–	7.126.837	7.126.837
Financial Assets at Amortized Cost	–	–	–	–	1.199.736.522	–	1.199.736.522
Property and Equipment, Net	–	–	–	–	–	117.390.637	117.390.637
Intangible Assets	–	–	–	–	–	4.157.199	4.157.199
Right of Use Leased Assets	–	–	–	–	–	1.703.181	1.703.181
Other Assets	–	–	–	–	–	50.438.257	50.438.257
Total Assets	1.192.909	43.442.922	15.581.217	13.011.289	1.231.998.311	1.585.127.207	2.890.353.855
Liabilities:							
Deposit Banks and Financial Institutions	840.802	–	–	–	–	–	840.802
Customer's Deposits	36.933.008	75.073.333	31.676.729	22.268.519	16.824.550	1.881.890.521	2.064.666.660
Cash Margin	878.349	4.573.732	5.988.115	26.841.107	7.397.559	–	45.678.862
Income Tax Provision	–	–	–	–	–	26.997.234	26.997.234
Other Provisions	–	–	–	–	–	10.188.516	10.188.516
Borrowed Funds	–	–	–	–	–	–	–
Obligation against Right of Use Assets	–	–	–	–	–	1.699.081	1.699.081
Other Liabilities	–	–	–	–	–	36.673.464	36.673.464
Total Liabilities	38.652.159	79.647.065	37.664.844	49.109.626	24.222.109	1.957.448.816	2.186.744.619
Interest in Re-Pricing Gap	(37.459.250)	(36.204.143)	(22.083.627)	(36.098.337)	1.207.776.202	(372.321.609)	703.609.236
2024:							
Total Assets	1.554.909	5.015.872	4.762.644	56.083.776	904.906.160	2.572.335.575	3.545.961.264
Total Liabilities	2.534.648.014	94.411.159	53.875.545	56.675.253	10.747.850	68.087.394	2.818.445.215
Interest in Re-Pricing Gap	(2.533.093.105)	(89.395.287)	(49.112.901)	(50.591.477)	944.158.311	2.505.550.508	727.516.049

**33. Risk Management (Cont.)****Market Risks (Cont.)****5. Risk of Foreign Curren**

Geographical Area	USD	EURO	Lebanese Pound
2025:			
Assets:			
Balances with the Central Bank	95.661.977	91.320	11.069
Balances at Banks and Financial Institutions	242.823.370	53.077.673	403
Direct Credit Facilities – Net	24.171.663	–	–
Investments in Associate	–	–	–
Financial Assets at Fair Value	–	–	–
Financial Assets at Amortized Cost	130.668.328	–	–
Property and Equipment, Net	–	–	–
Intangible Assets	–	–	–
Right of Use Leased Assets	–	–	–
Other Assets	4.578.508	–	–
Total Assets	497.903.846	53.168.993	11.472
Liabilities:			
Due to Banks and Financial Institutions	756.565	–	–
Customer's Deposits	312.062.531	981.124	9.648
Cash Margin	21.521.949	–	–
Income Tax Provision	–	–	–
Other Provisions	–	–	–
Borrowed Funds	–	–	–
Other Liabilities	2.610.085	–	–
Total Liabilities	336.951.130	981.124	9.648
Net Concentration on balance sheet	160.952.716	52.187.869	1.824
Net Concentration on balance sheet	84.451.175	–	–
2024:			
Total Assets	720.515.355	3.278.260	43.610
Total Liabilities	360.766.631	2.461.932	1.483
Net Concentration on balance sheet	359.748.724	816.328	45.224
Net Concentration on balance sheet	82.799.473	–	–

Notes for Financial Statements for The Year Ended 31 December 2025

33. Risk Management (Cont.)

Liquidity Risk Sector-specific Analysis

A. Bank Activity Information

Sectors are measured based on reports that are used by the Managing Director and the key decision maker of the Bank through the following four main business sectors:

- **Retail accounts:** Includes following up on the current and savings accounts of individuals, as well as granting them loans and providing transfer services.
- **Corporate Accounts:** Includes following up on current deposits, direct credit facilities and transfers related to customers from private sector corporations.
- **Currency Exchange Activities:** This activity is related to providing foreign currency sales and purchase services for customers.
- **Financial Brokerage:** This sector includes providing brokerage services to customers to enable them to trade in the financial market.

Details	Retail	Corporate	Treasury	Others	Total for the year ended as of 31	
					Dec.:	
					2025	2024
	IQD (000)	IQD (000)	IQD (000)	IQD (000)	IQD (000)	IQD (000)
Total Revenues	22.565.875	192.262.358	108.727.333	467.956	324.023.522	465.018.705
Credit facilities impairment deficit	-	(26.130.637)	-	-	(26.130.637)	(47.357.722)
Written on	-	8.248.619	-	-	8.248.619	-
Business sector results	22.565.875	174.380.340	108.727.333	467.956	306.141.504	417.660.983
Non- distributed expenses	(4.660.262)	(42.951.353)	(15.963.376)	-	(63.574.991)	(53.931.896)
Pre-tax profit (loss)	17.905.613	131.428.987	92.763.957	467.956	242.566.510	363.726.087
Income tax	(2.553.350)	(15.049.061)	(9.394.823)	-	(26.997.234)	(56.896.720)
Net profit (loss) for the year	15.352.263	116.379.926	83.369.134	467.956	215.569.279	306.832.365
Total sector assets	27.069.146	1.591.892.228	1.199.736.522	71.655.959	2.890.353.855	3.545.961.264
Total sector liabilities	19.511.448	2.132.124.444	703.609.236	35.108.727	2.890.353.855	3.545.961.264
Capital expenses	-	-	-	94.284	94.284	(1.512.632)
Depreciations	-	-	-	4.272.892	4.272.892	3.304.749

Notes for Financial Statements for The Year Ended 31 December 2025

B. Bank Activity Information

This sector represents the geographical distribution of the Bank's business. The Bank performs its activities primarily in Iraq, which represents the local business. The Bank also performs international activities through its branch in Beirut in the Lebanese Republic:

	Inside Iraq		Outside Iraq		For the year ended as of 31 December	
	2025	2024	2025	2024	2025	2024
	IQD (000)	IQD (000)	IQD (000)	IQD (000)	IQD (000)	IQD (000)
Total	323.442.469	464.582.787	581.053	435.918	324.023.522	465.018.705
Revenues						
Capital	94.284	(1.512.632)	-	-	94.284	(1.512.632)
Expenses						
Total Assets	2.869.799.413	3.545.846.289	20.554.442	114.975	2.890.353.855	3.545.961.264

Notes for Financial Statements for The Year Ended 31 December 2025

34.Capital Management

The Bank manages its capital structure and makes the necessary amendments to it considering changes in business conditions. The Bank did not make any amendments to the objectives, policies and procedures relating to capital structure during the current and previous years.

The Bank manages its capital on a fixed basis to cover the risks associated with its activities. This process includes measuring capital adequacy in accordance with the ratios set by the Central Bank of Iraq.

The main purpose of managing the Bank's capital is to ensure compliance with the capital adequacy regulations and, consequently, protect shareholders' interests in Bank's assets and support the operations of the various sectors of the Bank.

During Dec. 2025, there were no changes in the Bank's policies, regulations and capital management methods.

Capital Adequacy

	2025	2024
	IQD (000)	IQD (000)
<u>Tier 1 Capital</u>		
Paid-up Capital	400.000.000	400.000.000
Disclosed Reserves Adequacy	40.927.532	25.585.914
Retained Profits (Losses)	61.915.206	10.456.520
Profits before approval	215.569.279	306.832.365
Profits of Year	-	-
Net OCI (Accumulated)	(14.802.781)	(15.326.689)
Investments in Banks and Financial Institutions	(2.409.713)	(1.571.552)
Intangible Assets (Programs and Systems)	(4.157.199)	(1.205.589)
Provision for end of severance pay	(6.357.722)	(5.205.071)
Miscellaneous Provisions	-	-
Total Tier 1 Capital	690.684.602	719.565.898
<u>Tier 2 Capital</u>		
Balances provisions on instruments insert stage1		
1.25% of total RWA	7.519.613	4.622.541
Total Tier 2 Capital	7.519.613	4.622.541
Total Tier 1 and Tier 2 Capital	698.204.215	724.188.439
Total Credit risk	601.569.021	483.851.649
Total Market Risks	613.291.267	677.021.121
Total Operating Risks	639.843.991	506.978.048
Total	1.854.704.278	1.667.850.818
Capital Adequacy %	37.64 %	43.42%
	12.5%	12.5%

Notes for Financial Statements for The Year Ended 31 December 2025

35. Credit commitments:

	June 30,2025	Dec.31,2024
	IQD (000)	IQD (000)
Letters of credit & Acceptances	85.042.551	16.890.641
Letters of guarantee:	117.855.942	85.003.172
Payment	21.961.098	20.100.545
Performance	87.694.687	62.305.007
Other	8.200.157	2.597.620
Unutilized direct credit facilities ceilings	69.265.847	38.432.321
Total	272.164.340	140.326.134

36. Lawsuits Raised by and against the Bank

By Dec31,2025, there were (5) lawsuits filed against the bank, while (1) lawsuits filed in its favor, according to management's assessment and the legal department's opinion. Because all lawsuits are followed by the legal department, it is not necessary to reserve any allocations for these lawsuits. Note that the number of lawsuits as of December 31, 2024, was (5) a lawsuit against the bank, matched by (6) a lawsuit in favor of the bank, from which (5) a lawsuit was deducted. All lawsuits are in the initial stage, and any obligations in return for these lawsuits or the possibility of determining their financial impact are limited, noting that all lawsuits are within the scope and powers of the judiciary and are followed up by the legal department in the bank, with the exception of one lawsuit for which it was recommended to reserve an allocation, and thus the allocation was increased to be with a balance of IQD(1.100.000) Dec31, 2025.in Note No. (15).

37.Credit granted to related parties.

There are no credit facilities granted to related parties as of December 31, 2025.

38. Comparative Figures

The reclassification of some of the balances of the financial statements as of December 31, 2025, does not have any impact on the profits and equity during the Year.



Final Accounts Audit Committee Report for the Fiscal Year Ending 31/12/2025

Greetings,

In accordance with Article 24 of the Banking Law No. 94 of 2004 and the approval of the Bank's General Assembly to form an Audit Committee comprised of Board members Mr. Zuhair Hamada Ahmed (Chairman), Mr. Dara Nour El-Din Bahaa El-Din, and Mr. Nidal Faiq Qabaj, we are pleased to present to you the following: The Committee worked with our joint auditors, Adel Al-Hassoun & Partners for Auditing and Control of Accounts and Mustafa Fouad Abbas & Partners, throughout their tenure at the Bank. The Committee also audited the data and schedules received from the Bank's Executive Management, including monthly comparative tables of consolidated audited balance sheets, tables of expenditures and revenues sent to the Central Bank of Iraq by the Bank's Finance Department, and the monthly and quarterly reports submitted by the Internal Control Department and the Compliance Officer, as well as the audited data. We reviewed our bank's financial statements and closing accounts for the year ending December 31, 2025, and the Board of Directors' report thereon. We examined all information and clarifications that we deemed necessary to protect shareholders' rights. This review was conducted in accordance with applicable legislation and established local auditing procedures. Based on the data, information, and clarifications we obtained, we wish to state the following:

- 1- The annual report and its financial and accounting information comprehensively reflect the bank's performance during the audited year, and this information does not violate any applicable financial laws or regulations.
2. The financial statements have been prepared in accordance with local and international accounting standards and applicable legislation. They are consistent with the records and are organized in compliance with the requirements of the Central Bank of Iraq Law No. 56 of 2004, the amended Companies Law, the Banking Law No. 94 of 2004, and all applicable regulations and instructions. The financial indicators and data included clearly and fairly reflect the bank's financial position and cash flow results for the year ending December 31, 2025.
3. The committee reviewed the joint report of the auditors (Adel Al-Hassoun & Partners for Auditing and Control of Accounts and Mustafa Fouad Abbas & Partners), which addressed the bank's activities and confirmed the integrity of all its procedures, which were based on international and local accounting standards and rules.
4. Our review of the bank's accounts found no evidence to suggest that the bank engaged in money laundering or terrorist financing activities. All operations were found to be in compliance with the Anti-Money Laundering Law No. 39 of 2015.

May God grant you success, and please accept my highest regards.

Chairman of the Audit Committee

Board of Directors

Chairman

Mr. Abdul Karim Saleh Al-Kabariti

Vice Chairman

Dara Nour Al-Deen Baha Al-Deen

Board Members

Zuhair Hamada Ahmed

Tamara Husain Abbas

Mustafa Samir Shami

Masood Mahmoud Gohar

Khalid Sharif Al-Hazaa

Nidal Faeg Qubbaj

Managing Director

Ahmed T, Mullah

Auditors

Adel Mohammed AL-Hassoun
Public Accountants, Auditors & Tax
Consultants

Mustafa Fouad Abbas
From Mustafa Fouad Abbas & co.
Certified Public Accountants Member of Iraqi ACA

Annual Report 2025

Mr. Abdul Karim Saleh Al-Kabariti Chairman

Dear shareholders of Bank of Baghdad,

On my own behalf and on behalf of my fellow members of the Board of Directors, allow me to present to you the thirty-third annual report of Bank of Baghdad, which includes the Board of Directors' report and the bank's financial results for the year ending December 31, 2025, along with the most significant achievements during the year.

The year 2025 arrived amidst ongoing regional and global economic challenges, accompanied by volatility in financial markets, disruptions in international supply chains and trade, and the repercussions of rapidly evolving geopolitical developments. These challenges, both regional and international, have cast a shadow over economic growth, leading to higher unemployment rates, a contraction in global trade, a slowdown in investment flows, and widening deficits in many economic sectors worldwide, all of which have impacted the business environment in the region. In this context, Bank of Baghdad maintained a balanced corporate approach focused on business sustainability, the continuity of banking services, and strengthening its financial position. This was based on prudent risk management policies and the allocation of resources to well-considered, low-risk investment opportunities. These policies, along with the crucial role of the Central Bank of Iraq in maintaining monetary stability and the soundness of the banking system, enabled the bank to meet these challenges and enhance its position in the Iraqi banking sector, while maintaining asset quality and comfortable liquidity levels.

Ladies and gentlemen,

The bank's performance in 2025 demonstrated a clear ability to adapt to economic changes and achieve balanced performance within acceptable risk levels. The bank continued to achieve positive results across its various financial indicators, confirming the strength of its capital base and the efficiency of its operational management.

On the financial front, the capital adequacy ratio reached approximately 37.64%, in accordance with Basel III requirements and regulatory standards. The bank also maintained strong liquidity ratios, with a Liquidity Coverage Ratio (LCR) of approximately 270% and a Net Stable Funding Ratio (NSFR) of approximately 328%. Total assets at the end of the year amounted to 2,890,353,855 thousand Iraqi dinars, a decrease of 18% compared to the end of 2024, due to a decline in balances held with

Annual Report 2025

the Central Bank of Iraq amidst fluctuations in the money transfer market. Shareholders' equity reached 703,609,236 thousand Iraqi dinars, a slight decrease of 3%, while the return on average shareholders' equity was 31%.

In terms of managing investments and utilizing available funds, the bank continued to maintain sound liquidity levels, focusing on improving asset quality and enhancing hedging against potential risks. The bank invested 400 billion Iraqi dinars in performance bonds, in line with the Board's directives to promote low-risk investments with acceptable returns. The bank also continued to strengthen its precautionary provisions to cover other doubtful assets.

Regarding funding sources, customer deposits reached 2,064,666,660 thousand dinars, a decrease of 32% compared to the previous year. This decline is attributed to a decrease in money transfer activity, while savings and fixed deposits witnessed significant growth, reflecting continued customer confidence in the bank.

Net profit attributable to the bank's shareholders after tax amounted to 215,569,279 thousand dinars, compared to 306,832,365 thousand dinars in the previous year, a decrease of 29.74%. This decrease resulted from a decline in money transfer revenues following the Central Bank of Iraq's directives to reduce transfer fees, in addition to increased operating expenses related to the implementation of development and modernization programs.

As part of its precautionary policy and risk management, the bank strengthened its precautionary provisions to address current and potential risks and enhance asset quality, including 100% coverage of exposures related to the crisis in Lebanon. The bank continued to calculate provisions in accordance with International Financial Reporting Standard (IFRS 9), with total provisions calculated during the year amounting to approximately 166,273,431 thousand dinars, with full coverage ratios for actual exposures according to the methodologies approved by the Central Bank of Iraq. On the administrative and organizational front, the bank continued to develop its organizational structure and its system of policies and procedures to align with the requirements of the next phase and enhance the efficiency of institutional operations and the quality of services provided to customers.

In the area of technology, communications systems, and infrastructure development, the bank completed the Cloud & Hot DR cloud computing project and disaster recovery site. It also developed and automated several banking and supervisory systems and

Annual Report 2025

completed the automated system for calculating expected credit provisions, in line with the directives of the Central Bank of Iraq.

The bank also continued to expand its distribution channels and banking services by developing its branch and ATM network. The number of operational ATMs reached 143, with plans to increase this to 200 by next year, in addition to completing several new branch projects in various locations. Ladies and gentlemen,

We, the Board of Directors, look to the future with confidence, relying on a solid financial foundation, prudent banking policies, and a clear strategic and institutional vision focused on enhancing operational efficiency, diversifying revenue streams, achieving sustainable growth, and a firm commitment to strengthening Bank of Baghdad's role in supporting the national economy and serving its clients and shareholders.

In closing, I extend my sincere thanks and appreciation to the bank's shareholders and clients for their continued trust, and to my colleagues on the Board of Directors, the Executive Management, and all bank employees for their dedicated efforts. We also express our gratitude to the Central Bank of Iraq, the regulatory authorities, and relevant institutions for their role in supporting the stability of the banking sector.

Mr. Abdul Karim Saleh Al-Kabariti

Chairman



Annual Report 2025



Mr. Abdul Karim Saleh Al-Kabariti

Chairman

Date of birth 1949

Membership date 2025

Nature of membership: Personal

scientific certificates:

- Bachelor of Business Administration – St. Edwards University – United States
- Honorary Doctorate in Business Administration – Coventry University – United Kingdom.

Practical experiences:

- Working in many financial institutions and private businesses

Current and previous memberships

- Chairman of the Board of Directors of Gulf Bank Algeria
- Member of Burgan's Board of Directors
- Vice Chairman of Burgan's Board of Directors
- Member of the Board of Directors of the Jordanian Dairy Company
- Chairman of the Board of Trustees of Al-Ahliyya Amman University
- Chairman of the Board of Directors of the Jordan Kuwait Bank
- Member of the Board of Directors of FIM Bank – Malta
- Chairman of the Board of Directors of the United Financial Investments Company

Annual Report 2025



Dara Nour Al-Deen Baha Al-Deen

Deputy Chairman of the Board

Membership date: 2025

Date of Birth: 1947 Member
since 2021

Membership Type: Personal

Academic Qualifications:

- Bachelor of Law - University of Baghdad in 1970
- Graduate of the Judicial Institute in 1983.
- Graduate of the specialized courses for judiciary at the Judicial Institute Civil Department.

Practical Experience:

- A judge in Iraqi courts since 1983.
- Vice President of the Rusafa Court of Appeal.
- Member of the First Appellate Body in Rusafa Court of Appeal in its original capacity and Reserve Head of the Body.
- Member of the Cassation Body of Rusafa Court of Appeal
- Director General of the Land Registration Department.
- Member of the Iraqi Governing Council.
- Member of the Temporary National Council.
- Member of the National Assembly.
- Member of the Constitution Writing Committee.
- Minister of Justice (2009-2010).
- Courts since 2011 and an agent of Warka' Bank in the lawsuit filed by the Financial Services Court against the Central Bank of Iraq.
- An agent for the Bank of Baghdad from April 2017 until May 2021.
- Member of the Board of Directors of the Bank of Baghdad since 2021.
- An agent for Trade Bank of Iraq TBI. Memberships.

Annual Report 2025

1. a. Members of the Board of Directors and Their Resumes



Ms. Tamara Hussein Abbas

Board Member

Date of Birth: 1984

Date of Membership: 2025

Type of Membership: Personal

Academic Qualifications:

- Master of Business Administration - Bahçeşehir University - Turkey 2014-2016

- Bachelor of Information Technology - Al-Rafidain University 2003-2007

- Technical Diploma 2001-2003

Professional Experience:

- Board Member

Current and Previous Memberships:

- • Member of the Board of Directors of Bank of Baghdad (currently)

Massoud Mahmoud Jawhar Hayat Board Member

Date of Birth: 11/09/1953

Member since 2014

Membership Type: Personal

Academic Qualifications:

- Bachelor of Economy – Kuwait University - Kuwait

- Postgraduate Degree in Banking Studies – Institute of Banking Studies - Kuwait

Practical Experience:

- 40 years of experience in the regional commercial and investment banking sector and asset management

- Held leadership positions in the companies and banks of Kuwait Projects Company Holding (KIPCO) since joining it in 1997

- Worked in a number of executive positions in Al Ahli Bank of Kuwait for over 20 years, the last of which was the position of Acting CEO and Advisor to the Board of Directors

Other Current and Previous Board Memberships

Current Memberships

- Advisor to the Chairman - KIPCO
- Chairman of United Gulf Bank
- Chairman - United Gulf Holding Company
- Chairman - Tunis International Bank
- Vice Chairman – Gulf Bank Algeria
- Vice Chairman – FIMBank - Malta
- Vice Chairman – Burgan Bank
- Board Member – Jordan Kuwait Bank
- Board Member – North Africa Holding Co.
- Board Member - KAMCO
- Board Member - Masharee Al Khair Charity Org.

- Board Member – Bank of Bahrain and Kuwait (1986 – 1988) and (1991 – 1995)

- Board Member – Industrial Investments Co. (1993 – 2001)

- Board Member – Untied Fisheries Co. (1997 – 2001)

- Board Member – Gulf Insurance Co. (1997 – 2001)

- Board Member – International Investor (2005 – 2009)

- Chairman – KAMCO Asset Management (1998 – 2010)

- Board Member – Managing Director United Gulf Bank (1997 – 2009)

- Board Member – Wataniya Communications – Algeria (1997 – 2009)

- Chairman - United Gulf Financial Services Company (1997 - 2009)

- Board Member & Secretary - Union of Investment Companies (1997 - 2009)

- Managing Director - Burgan Bank (2009-2010)

- Chairman - Syria Gulf Bank (2005 - 2016)

Previous Memberships

- Board Member – BIAT Bank-Tunisia (1989 – 1995)

Annual Report 2025



Mr. Ahmed Tahsin Ma'leh
Board Member – Managing Director

Date of Birth: 1971

Date of Membership: 2025

Type of Membership: Personal

Academic Qualifications:

- Bachelor's degree in accounting and finance, 1992 - University of West London, UK

Professional Experience: Mr. Ahmed Tahseen Ma'ala has held numerous positions in the Iraqi banking sector and abroad, most notably:

- Managing Director of Baghdad Bank (June 2025 - present)

- Chief Operating Officer - National Bank of Iraq (2025-2025)

- Head of Business Development - Kironetek, UK (2015-2025)

- General Manager - Standard Chartered Bank, Iraq (2014-2015)

- Founding Partner - QI Holding Company, Iraq (2009-2025)

- CEO - Renaissance Finance, Dubai (2007-2009) • General Manager – BNP Paribas – London (2006-2007).

- • General Manager – Deutsche Bank – London (2002-2006).

General Manager – Citigroup (Salmon Brothers) – London (1999-2002).
• Associate Director – Barclays Capital – London (1996-1999).

- Assistant Portfolio Manager – Capital Trust – London (1993-1996).

Current and Former Board Memberships of Other Companies

- • Board Member and Managing Director – Bank of Baghdad (current).



Mr. Nidal Fayege Qabaj
Board Member

Date of Birth: 1978

Date of Membership: 2025

Type of Membership: Personal

Academic Qualifications:

- Master of Business Administration - University of Jordan - 2006
- Bachelor of Accounting - University of Jordan - 2001
- Professional Certificate - Financial Management

Work Experience:

- Head of Subsidiary Companies - Jordan Kuwait Bank - 2025

- • Head of Risk Management –

- • Head of Investment Risk - Deposit Guarantee Corporation - 2011-2012

- • Risk Analyst - Deposit Guarantee Corporation - 2006-2009

- • Senior Accountant - Deposit Guarantee Corporation - 2004-2006

- • Financial Accountant - Deposit Guarantee Corporation - 2003-2004

- • Bank Administrator - Arab Bank - 2001-2003

Current and previous memberships

- *Member of the Board of Directors of the Bank of Baghdad

- * Member of board JKB

- * Member of housing bank – Jordan

Annual Report 2025



Mustafa Samir Al-Shami

Member of the Board of Directors

Date of birth: 1982

Membership date: 2025

Nature of membership: Personal

scientific certificates:

- Master of Business Administration – Saint Joseph University – Lebanon
- Bachelor of Business Administration – Saint Joseph University – Lebanon
- American Certified Public Accountant Certificate.
- American Certified Financial Analyst Certificate
- American Certified Management Accountant Certificate
- American Certified Financial Manager Certificate
- Transfer pricing certificate

Practical experiences:

- Chief Financial Officer of KEPCO Group
- Executive Vice President of Amakan United Real Estate Company
- Investment Dar Company
- Abdul Mohsen Badr Al-Kharafi Foundation Company

Current and previous memberships

- * Audit Committee Member at SADAFCO– Saudi Arabia
- *Member of the Board of Directors of the Bank of Baghdad
- Member of the Board of Directors of the Jordan Kuwait Bank
- Member of the Board of Directors of Burgan Bank
- Member of the Board of Directors of the Alternative Energy Company

Mr. Sharif Khalid Al-Hazza

Member of the Board of Directors

Date of Birth: 1967

Date of Membership: 2025

Type of Membership: Personal

Academic Qualifications:

- Bachelor of Laws – University of Baghdad
- Certificate in Mill Management – Bühler Company – Switzerland 1997
- Investment and Treasury Management – University of Bath 2022

Professional Experience:

- Member of the Board of Directors of Al-Hazza Investment Group
- Manager of South Amman Mills 1999 – Present

Current and Previous Memberships:

- Member of the Board of Directors of Bank of Baghdad 2025
- Member of the Board of Directors of Gulf Commercial Bank

Mr. Zuhair Hamada Ahmed Idris

Member of the Board of Directors

Date of birth 1960

Membership date 2025

Nature of membership: Personal

scientific certificates:

- Bachelor of Commerce – Beirut Arab University.

Practical experiences:

- Head of retail and corporate banking – Jordan Kuwait Bank
- Head of Credit – JKB
- Relationship Manager – National Bank of Kuwait
- Current memberships
- Member of the Board of Directors of the Jordanian Loan Guarantee Corporation
- Member of the Board of Directors of the Industrial Development Bank
- Chairman of the Board of Directors of Abu Dhabi Islamic Bank – Egypt
- Member of the Board of Directors of the Arab Levant Takaful Company – Egypt

Annual Report 2025



Mutasem Ismail Masood
Chief Central Operations Officer

Date of Birth: 1968

Date of Appointment: 2019

Academic Qualifications:

- Bachelor of Administrative Sciences – Mutah University – Jordan

Practical Experience:

- Chief Central Operations Officer – Bank of Baghdad (2019 to date)
- Banking Operations Manager – Iraqi Islamic Bank for Investment and Development (11/2017 – 04/2019)
- Banking Operations Manager
- Ashur International Bank (10/2013 – 11/2017)
- Held several positions – Bank of Jordan (2005 - 2013)
 - Business Process Engineering Manager
 - Banking Programs Development and Examination Manager
 - Banking Operations Assistant Manager
 - Worked in several positions at Bank of Jordan (1992 – 2004)
 - Facilitations Officer
 - Accounting Officer (Branches)
 - Letters of Guarantee
 - Foreign Currency
 - Customer Service
 - Banking Services (Borders Posts)
 - Teller



Mr. Aws Fawzi Mohammed,
Chief Officer of Human Resources

Date of Birth: 1982

Date of Appointment: 2025

Academic Qualifications:

- Bachelor of Science in Geology - University of Baghdad - Iraq
- Master of Business Administration - Walden University

Work Experience:

- Head of Human Resources - Bank of Baghdad from November 2025 to the present
- Head of Human Resources - National Bank of Iraq from August 2021 to August 2025
- Head of Human Resources - Earthlink from February 2020 to August 2021
- Human Resources Manager - Riyadh Group from March 2018 to February 2020
- Human Resources Manager - PCI Company from September 2016 to March 2018
- Human Resources Manager - Al Mansour Automotive Company from March 2013 to August 2016.



Jasim Hashim Mohammed
Chief Financial Officer

Date of Birth: 1971

Appointment: 2022

Academic Qualification:

- Master of Finance - University of Wollongong - United Arab Emirates
- Bachelor of Accounting - Basra University - Iraq
- Diploma in Cost Accounting - University of Kent - England
- Joined the ACCA British Chartered Accountant Program

Practical Experience:

- Director of the Financial Department - Bank of Baghdad (1 / May / 2024 - to date)
- External Auditor (1/2/2020 - 30/4/2024) - Farqad Al-Salman and Partners Company
- Financial Director (1/September/2002 - 31/January/2020) HMBS Group of Companies.
- Accounts Manager (January 1, 1996 - August 31, 2002) for private sector companies - Iraq
- Accountant (July 1, 1995 - June 30, 1996) - Technical Animal Food Company - a private joint stock company.
- Lecturer to explain international standards in workshops held by the Iraqi Association of Certified Public Accountants.
- Attending IAOM conferences (2016-2018), as well as US WHEAT (2006-2018)

Annual Report 2025



Daad Tariq Hamed

AML Manager

Date of Birth: 1989

Appointment: 2012

Academic Qualification:

- Bachelor of Information Administration – Al-Battra Amman – Jordan.
- (ICAMS) certified Anti-Money laundry – Baghdad / Iraq
- Certified Compliance Controller Certificate - Global Academy of Finance and Management - Baghdad -
- CFC - Global Academy of Finance and Management - Baghdad - Iraq
- CROM – Certified Risk Operation Management from Global Academy of Finance and Management - Baghdad - Iraq
- Money Laundering Consultant (CAMC)

Practical Experience:

- AML Manager – Bank of Baghdad (6/2021up to date)
 - Assistant Compliance Controller – Bank of Baghdad (09/2018 – 06/2021)
 - Jadriya Branch Manager – Bank of Baghdad (2009 – 04/2017)
- Worked in several positions in Bank of Baghdad since 2021

Ms. Rawaa Majeed Rishan

Chief Officer of the Compliance Monitoring Department

Date of Birth: 1977

Date of Appointment: 2025

Academic Qualifications:

- Bachelor of Science in Operations Research - Al-Mansour College - Baghdad
- Certified Compliance Manager
- Certified Compliance Officer
- Anti-Money Laundering Specialist Certificate
- Certificates in Islamic Banking
- Certified in Multiple Fields

Professional Experience:

- Head of Compliance Department - Bank of Baghdad - 2025
- Head of Compliance and Governance Department - Iraqi Credit Bank - 2018-2025
- Compliance Supervisor - Abu Dhabi Islamic Bank - 2015-2018
- Senior Anti-Money Laundering Reporting Officer - Ziraat Bank - Turkey - 2010-2012
- Anti-Money Laundering Department - Capital Bank Jordan - 2005-2008
- Various positions at Warka Investment Bank - 2000-2005

Mr. Hussein Abu Rahma

Chief of the Credit Department

Date of Birth: 1977

Date of Appointment: 2025

Academic Qualifications:

- Bachelor of Economics – Mu'tah University – Jordan

Work Experience:

- Credit Review Manager – Jordan Kuwait Bank 2021-2025
- Retail Credit Manager – Jordan Kuwait Bank 2011-2014
- Assistant Retail Credit Manager – Jordan Kuwait Bank 2009-2011
- Retail and Small Business Services Office – Jordan Kuwait Bank 2004-2009
- Head of Treasury – Jordan Kuwait Bank 2003-2004
- Customer Service – Jordan Kuwait Bank 2001-2003

Annual Report 2025



Rasha Jamil Wali
Director of Quality Department

Samer Raad Enad
Chief IT Officer (CITO)

Maher Ahmed Hussein
Internal Audit Manager

Date of Birth: 1983
Date of Appointment: 2007

Date of Birth: 1975
Date of Appointment: 2018

Date of Birth: 1987
Date of Appointment: 2024

Academic Qualifications:

- Bachelor of Business Administration - Al-Mustansiriya University
- Certified Chief Auditor Certificate
- Certificate of Leadership in Quality Management
- Certificate of Professional Application of Quality Work

Practical Experience:

- Director of Quality Department since 2024 until now
- Member of the Interventional Audit Team of the Bank of Baghdad 2007-2024
- Participation in several courses:
- Scorecard Course
- Internal Auditor Preparation Course

* Management and Strategic Planning

Academic Qualifications:

- Higher Diploma in Computer Science / Artificial Intelligence – University of Technology – Baghdad - Iraq
- BSc. in Computer Science – Al Rafidain University College – Baghdad – Iraq
- Member of ISACA – Baghdad Chapter CDPSE by ISACA
- VIP Member in GAFM - Iraq Branch

Practical Experience:

- Chief IT Officer – Bank of Baghdad (2018 to date)
- Head of Issuing & Acquiring Department –Iraq Electronic-Gate for Financial Services / Company (SWITCH) (10/2017 – 06/2018)
- Main Branch Manager & Head of Banking and Technology Business Development Department – Al Arabiya Islamic Bank (10/2016 – 9/2017)
- IT Manager – Bank of Baghdad (06/2002 – 05/2015)

Participation in many courses:

ITIL -
COBIT19 FOUNDATION -
PMI AUTHORIZED &PMP EXAM -
PMB -
EFFECTIVE PROJECT RISK -
MANAGEMENT
IT RISK MANAGEMENT -
ORACLE DBA

Academic Qualifications:

- Certified Internal Auditor (CIA)
- Certified Fraud Examiner and Evaluator
- Certified Information Systems Auditor (CISA)
- Certified by the International Institute of Internal Auditing
- Bachelor of Finance and Banking Sciences - Yarmouk University - Jordan

Practical Experience:

- Work Experience:
- Director of Internal Audit Department - Bank of Baghdad - General Administration (from 9/1/2025 to date)
- Director of Internal Audit Department - Standard Chartered Bank - Jordan 2014-2025
- Head of Audit Department - Arab Jordan Investment Bank 2013-2014
- Vice President of Internal Audit - Citibank - Jordan 2011-2013
- Audit Supervisor 2009-2013

Annual Report 2025



**Ms. Marwa Mohamed Abdelkader,
Director of Financial Inclusion**

Date of Birth: 1985

Date of Appointment: 2025

Academic Qualifications:

- Bachelor of Arts in English Language – Al-Mustansiriya University, Baghdad, Iraq

Work Experience:

- Head of Financial Inclusion Department – Baghdad Bank, 2025
- Assistant Head of Financial Inclusion Department – Baghdad Bank, 2025-2025
- Head of Awareness Department – Al-Arabia Islamic Bank, 2024-2025
- Head of Awareness Department – Iraqi Islamic Bank, 2018-2021
- Assistant Head of Awareness Department – Ashur Bank, 2017-2018
- Human Resources Department – Ashur Bank, 2016-2017
- Branch Management – Ashur Bank, 2014-2016
- Al-Taif Financial Transfer Company, 2014-2022



**Nabil Abdel Horr Tomman Ali Al Jobouri
Risk Management Manager**

Date of Birth: 1971

Date of Appointment: 2015

Academic Qualifications:

- Bachelor of Accounting – University of Baghdad - Iraq
- CPA and Auditor – Arab Institute of Certified Public Accountants – Baghdad - Iraq
- Fraud Management Professional Certificate - APMC
- Fellow of the Arab Institute of Certified Public Accountants - Iraq
- Member of the Iraqi Association of Certified Accountants - Iraq
- Member of the Union of Accountants and Auditors – Iraq
- Certified Advisor with the Union of Accountants and Auditors – Iraq

Practical Experience:

- Risk Management Manager – Bank of Baghdad (2015 to date)
- Audit Partner - Grant Thornton International: Audit & Advisory (2012 – 2015).
- Certified Auditor since 2010.
- Head of the Internal Audit Department – Office of the Vice President of Iraq
- External Audit Manager – Ernst & Young (2004 – 2009)
- External Audit Manager – Adel Al Hasson Co. (1998 – 2004)
- Lecturer at the Iraqi Association of Certified Accountants.

Annual Report 2025

We present to you the report of the board of directors of your bank (Bank of Baghdad) about the bank's activity and business for the year ending December 31, 2025, which was prepared in accordance with Articles (117) and (134) of the Companies Law No. (21) of 1997 amended and based on Law Banks No. (94) of 2004 in force.

Activities and achievements for 2025

The determinants of economic activity are still incomplete, globally and locally, and the consequences of this are at the level of business sectors and in the state of high uncertainty, but the Bank of Baghdad continued during the year 2025 to strengthen its position as a leading bank in the Iraqi banking sector within the abnormal conditions, as it worked to create opportunities from these challenges and circumstances and transform risk into potential and setback into strength. In terms of the financial framework, the opportunity was seized and the investment field expanded. In 2025, the bank invested in Iraqi construction bonds and earned an excellent return. In addition, the bank worked to reduce risky assets through the collection of credit portfolios and other assets. This is on the one hand, and on the other hand, the bank has worked to enhance the quality of its assets by increasing provisions for expected credit losses for its financial assets through the continued application of the IFRS No.9 standard. As for its services to customers, the Bank of Baghdad took it upon itself to run its business efficiently and competently and adopted a precautionary work strategy that ensures business sustainability and maintains the sustainability of growth and stability with the highest standards of risk management during the crisis period so that it practiced all its banking operations in all its branches to serve its customers. This was accompanied by the continuation of the bank's approach to continuous development and modernization to support its march of success and excellence, as the bank continued to develop new services and products and develop other existing ones in an effort to further improve the customer experience and simulate their aspirations and ambitions through the adoption and implementation of projects and work programs aimed at simplifying its procedures and developing its operations.

The bank was also keen to keep up with the latest technological developments in digital applications and alternative channels for digital transformation. It did this by enhancing its electronic services, electronic distribution channels and expanding ATM spread at the level of all governorates. This was to achieve operational efficiency. The bank will continue to focus on managing its sources and uses of funds, with the required efficiency, to maximize profit margins and maintain cash flow continuously.

The vision of the Bank of Baghdad during 2025 aimed to work on implementing part of its strategic plan according to its main axes, which focuses on developing the operations and technology axis of the bank in addition to structuring and developing the services of individuals and companies through the implementation of a number of projects aimed at raising the level of the bank's services, and keeping up with the developments of the banking industry. Where this vision resulted in the achievement of a set of achievements through the implementation of a set of projects that had the effect of bringing about a qualitative shift in the services provided and the development of risk management programs through the addition of the Operational Risk Management Program (Nucleus), and on the side of customers and the market, the redeployment of some branches inside the Republic of Iraq, in addition to re-evaluating the bank with major international companies (CI), whose results are expected to be completed before the end of the first half of 2025 and the start of the Information Governance Project (COBIT).

On the financial side, the bank worked to improve its main financial ratios, improve the quality of its assets and maintain its competitive position at the level of the Iraqi banking sector, despite the economic challenges resulting from the Corona virus crisis that cast a shadow on the markets in which the Bank of Baghdad operates, which was reflected on the Iraqi banking sector in particular, as the sector was affected by the decline in economic growth in addition to the financial crisis that afflicted the Lebanese Republic and the depreciation of financial instruments, which affected the bank's branch in Beirut, despite that the bank was an exception to this case as a result of its precautionary policy, which it works on balancing profitability and risks, as well as focusing on improving the quality

Annual Report 2025

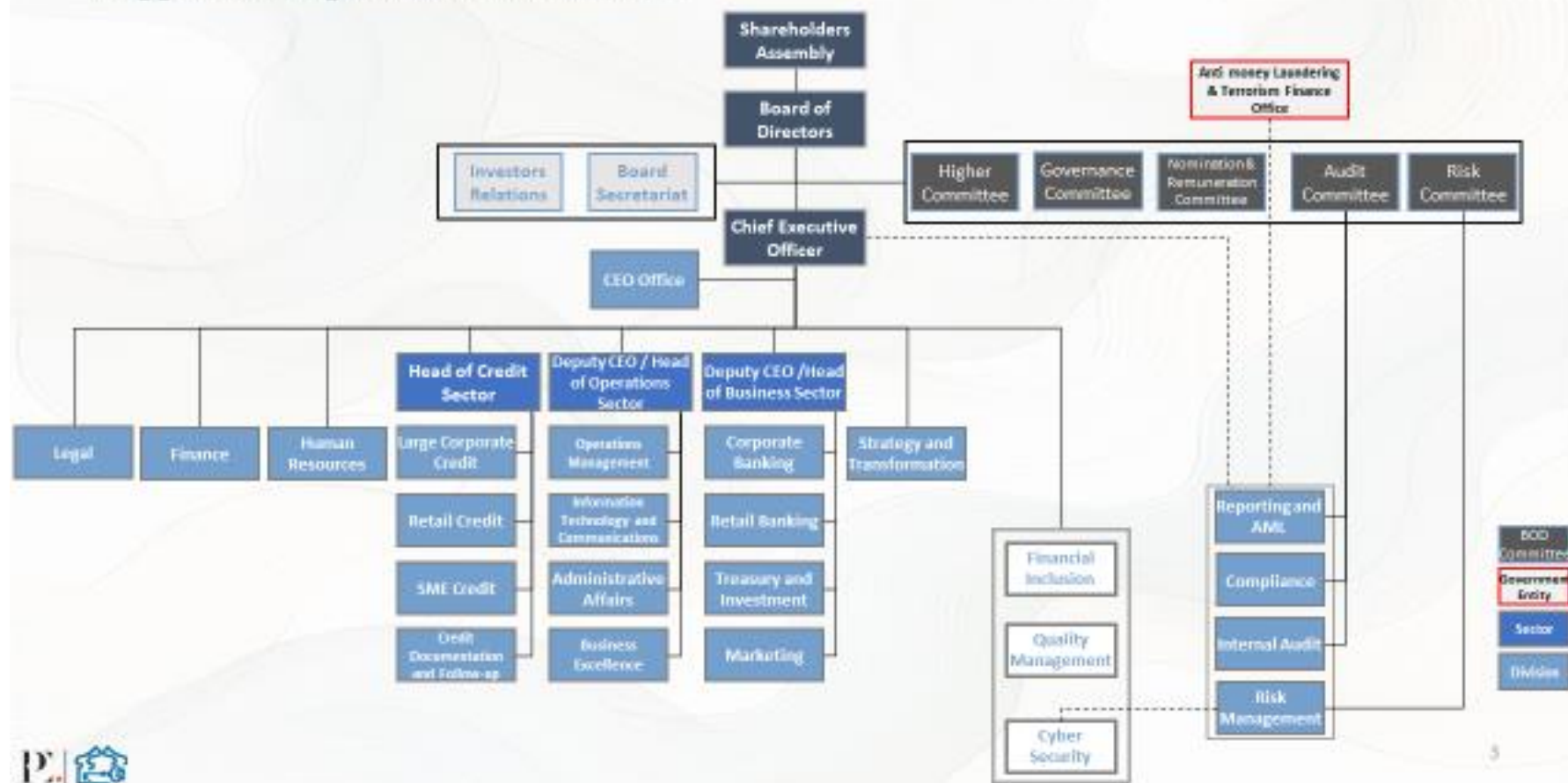
of its assets and transforming challenges into opportunities, as the bank's performance has grown in terms of profitability as a result of this policy through an increase in total revenues in addition to a decrease in expenses. As for the bank's assets and liabilities, work has been done to enhance the quality of assets through the application of the international accounting standard IFRS No.9, where the expected credit losses were taken, and the non-performing credit amount was continued to be reduced, and investment was enhanced in low-risk assets

On the one hand, and on the other hand in liabilities, the bank has strengthened its market share of customer deposits, as these deposits have increased compared to the same period last year. In general,

the performance of the bank was distinct and outstand to the market performance, so that work was done to achieve the best revenues with the least risks within the current conditions and to respond to the financing and banking requirements of the various economic sectors, as the bank continued to strengthen its leadership position in the Iraqi banking market based on its progress and achievements during the period of the bank's life, which extends over more than a quarter of a century of excellence and leadership, by continuing to develop products, services, and electronic systems, and re-deploying it in distribution channels and developing electronic distribution channels. At the level of the capital base of the bank, work has been done within the strategy of the bank since the establishment period to strengthen this base in line with the expansion of the bank's business in addition to meeting the requirements of the Central Bank of Iraq and the legislative authorities in the countries in which it operates.



Suggested Organization Structure:



Annual Report 2025

Second: Executive management.

Name Of Senior Executive Management Member	Title
Mr. Ahmed T. Muallah	Chief Executive Officer
Mr. Mutasim Ismail Masoud	Deputy Chief Executive Officer

Names are arranged alphabetically for display purposes ONLY.

Mr. Aws Fawzi Mohammed	Chief HR officer
Mr. Jassim Hashim Mohammed	Chief Financial Officer
Mr. Khalil Ibrahim Mahdi Idan	Chief Legal Department
Ms. Daad Tariq Hamed	Chief Money Laundering Department
Mr. Husein Abu Rahma	Chief Credit Department
Ms. Rawaa Majid Rishan	Chief Compliance officer
Ms. Rash Jamil Wali	Chief of Quality Department
Mr. Zaied Sabah Taha	Chief Treasury and Investment
Mr. Samer Raad Enad	Chief Information Officer
Mr. Mahar Ahmad Husien	Chief Internal Audit Department
Ms. Maraw Mohamed AbdulQader	Director of Financial Inclusion
Mr. Nabil Abdul Hur Toman	Chief of Risk Management Department

- The Director of the Financial Department is a member of the Iraqi Accountants and Auditors Association with membership number 18668. He is on work team.

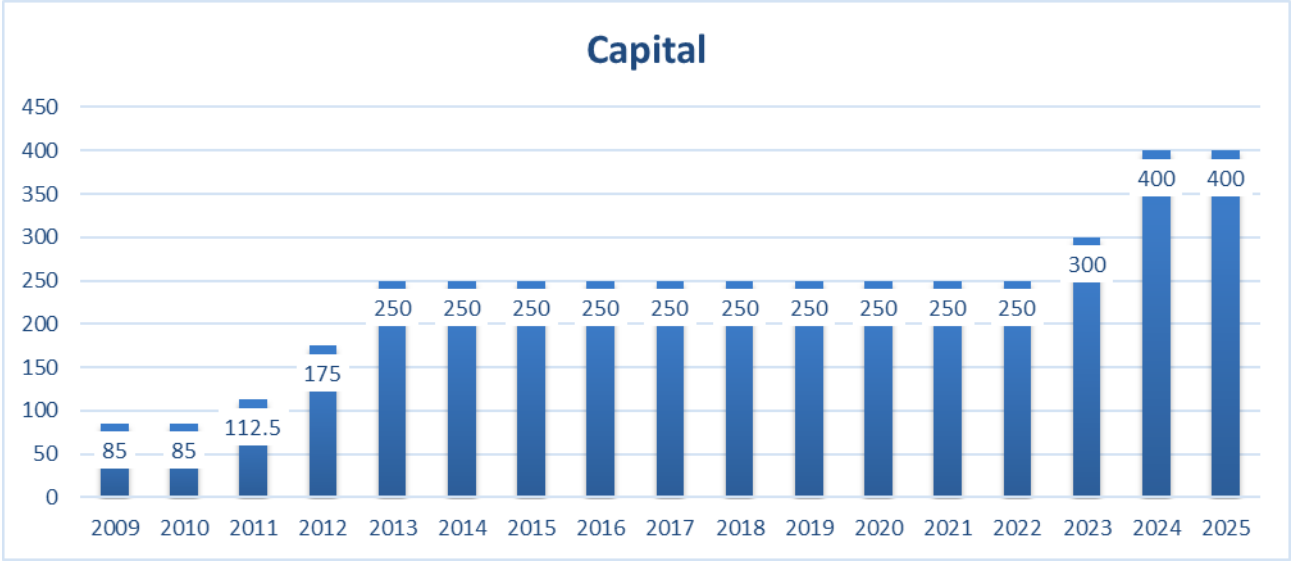


Annual Report 2025

2- Geographic locations of the bank's branches

Branch	The Address	Opening Year	Number of Employees
HO	Baghdad –Nadal St.	1992	320
Main	Baghdad – Nadal St.	1992	63
Hala	Babil –St.40	1992	31
AL–Mansour	Baghdad ST14 Ramadan	1993	27
ALZaraa	Baghdad– Kadmiah–st79	1996	13
ALRabee	Mousal –Jazair dis.	2024	12
Karbala	Karbala – Tarbiah st.	1999	22
Karkuk	Karkuk – ALMahdfa st.	1999	16
Hamraa	Baghdad – Alsharta Tube	2000	15
Basrah	Basrah – Jabialah	2001	46
Baqubah	Dialya –Taki	2001	13
Falwja	ALanbar – Falwja	2001	10
Pelastain	Baghdad – Pelastain st.	2002	14
Mahmodia	Baghdad – Mahmodia	2002	12
Najef	Najef – Kwfaa	2003	14
Bayaa	Baghdad – Bayaa	2004	13
ALSulmainiah	Sulmainiah – Khan Zad st.	2005	25
Dohok	Dohok– KRO	2008	12
Erbil–Shorash	Erbil – St60	2008	28
Dwaniah	Qadisiah– Umm Khail	2008	16
Kut	Wasat –kut	2008	17
Tikrait	Salah eldain –St40	2009	8
Hathia	Baghdad– Harthia	2009	9
Umm Qaser	Basrah – Umm Qaser	2009	11
Amarah	Amarah – St28	2009	20
Nasriah	Thae Qar –Shabani street	2009	14
Beirut	Lebanon –Beirut	2010	6
Down Town	Erbil – Castle	2010	6
Samaweh	Mathana – Dis. ALDzabde	2011	18
ALnaser Office	Baghdad –Green Zone	2011	2
Qurna	Basrah – Qurna	2015	3
National Theater	Baghdad –Karada	2025	1
Mansour Mall	Baghdad – Mall	2015	7
Duhok Office	Duhok –	2019	3
Rashid	Baghdad – Rashid Hotel	2019	2
Consulate	Rebil	2020	2
Total			35
Total			1153

Paid Capital



Financial Results

Despite the continuing economic downturn in Iraq and the lack of liquidity in the local markets, as most economic sectors were affected, and the attempt to restore the aspects of activity for most businesses after bankruptcies and suspensions, which represented a real challenge for the bank to take more precaution and be aware of the risk approach on the side of expansion in the assets of the risky sectors, as well as an opportunity to seize the investment in the sectors with less risk and a high return.

In light of all those challenges and previous data, the Bank of Baghdad has taken upon itself to run its business and serve its customers and the Iraqi economy with efficiency and competence within a business model in which it maintained the continuity of business sustainability, as well as improving the quality of its assets through the continued application of International Accounting Standard No. 9 "Maintaining a financial position in which it affirms its ability and determination to achieve profitability even under difficult and abnormal conditions, and these results were reflected by maintaining the main financial ratios within the requirements of the regulatory authorities, where the capital adequacy ratio was 37.64% according to the decisions of Basel III. The bank maintained the Liquidity Coverage Ratio (LCR) and the Net Stable Financing Ratio (NSFR), which amounted to (270%) and (328%), respectively.

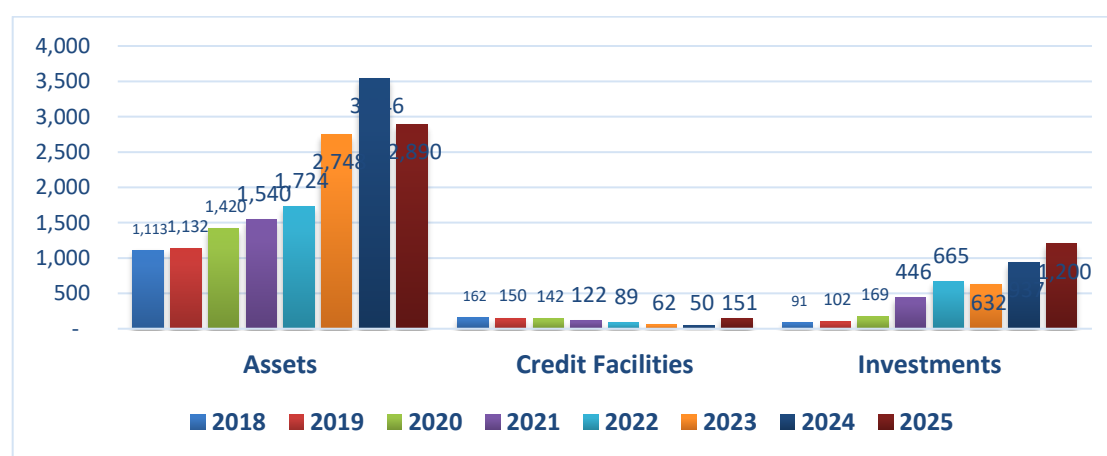
The financial results of the bank for 2025 showed the impact of the on profitability, as the bank achieved a net profit before tax of (242.566.513) thousand dinars, compared to (363.729.087) thousand dinars, while the bank recorded a net profit after tax (215.569.279) compared to an amount of (306.832.365) thousand dinars. In the

Annual Report 2025

As for the assets, it reached at the end of 2025 an amount of (2.890.353.855) thousand dinars, with a decrease of (655.607.409) thousand, i.e. The bank's property rights – the bank's shareholders' equity – reach (703.609.236) thousand dinars, i.e. It is noteworthy that the return on average equity (ROE) of the bank amounted to (30.6%) and the average return on the bank's assets ROA (7%) as at the end of 2025, where this percentage has increased compared to last year by working on employing sources of funds and investing them in low-risk assets and transforming them into income producing assets and processing non-producing assets through collection and taking provisions for expected credit losses for these assets through the application of IFRS No.9 standard.

As for the sources of funds, the deposits of customers and banks amounted to (2.064.666.60) thousand,

Development of financial position items

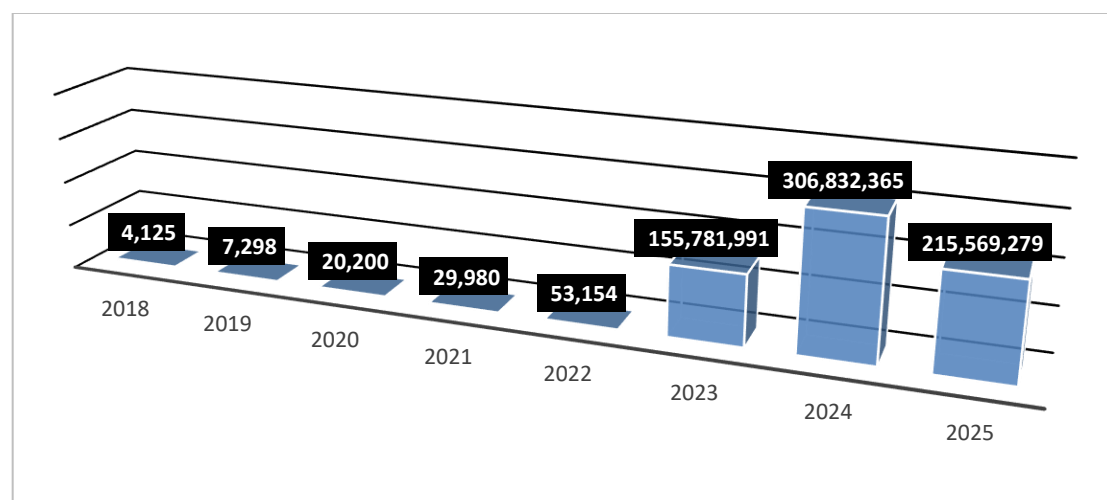


Despite the fluctuating economic conditions, the bank has achieved a decrease in performance in terms of net profits, which increased from (306.832.365) to (215.569.279), i.e. The bank's net operating income from interests and commissions amounted to (195.467.054) thousand dinars, representing (60.1%) of the total income. The net income from interest is (98.062.381), and the net commission is (97.404.673). As for operating expenses, the bank was able to achieve the principle of efficiency and reduce costs in its management, as it recorded an INCREASE of (9.643.095) compared to 2024.

Annual Report 2025

On the level of provisions, and in light of the foregoing, the bank has taken more provisions to work on improving the quality of assets and to face any current and potential conditions with high risk indicators in light of the crisis in Lebanon and the state of financial instability of what the economic conditions will lead to as a result and the bank's desire to improving the quality of his investment and credit portfolios to face any current or future damages at the level of his clients. The provision for expected credit losses on financial assets has been Decrease by (91.263.086) thousand dinars, this decrease is a result of instructions of the Central Bank of Iraq, issued in February 2025. These instructions reduced the fees for foreign transfer commissions and set them at a rate of (0.003).

Evolution of the bank's net profit



Bank products and services

The Bank of Baghdad continued to provide and develop its financial services and various products to its customers in the individual sector, companies, both small, medium and large, in addition to investment activities in line with the aspirations of the bank and its customers and its strategic plan, to work on exploiting its available resources, which helps it in future growth, as it worked during 2025, on the side of the market and customers axis and the development of banking services continued, also the process of redevelopment continued in the branch network and service delivery outlets. As for the operations axis, the risk assessment system (Nucleus) was developed and the payroll system for companies and the automated rectification system were developed, in addition to developing and updating customer data, the work is still underway in building data centers to recover from disasters inside and outside Iraq (Colod & Hot DR). As for the human resources axis, the bank has worked on implementing job replacement, adopting its organizational structure and distributing it according to the three foundations, which are operations and Supporting business and the business sector, which are supported by the bank's staff, who are qualified and professional to provide the best level of services to the bank's customers.

Annual Report 2025

Personal sector services

During the year 2024, the bank continued its development operations to improve its products and services provided to the business sectors, both individuals and companies, in order to meet the strategic aspirations of the bank and simulate the requirements of customers, as the bank continued to provide digital services and improve the customer experience with them in line with developments in the banking industry, through the introduction and development of several services within the bank's independent vision to keep up with the era of development and to be a major means of supporting banking services. Work has been done to develop special work programs in the automatic payment operations and reservation of receivables to ensure speed and accuracy in the collection processes.

In line with the bank's strategy of focusing on the customer, in addition to developing the bank's digital and electronic channels to serve current and future customers, and to keep up with modern payment systems, the bank has adopted the development of cards and ATMs through the issuance of Dual interface cards, which are the latest types of cards in terms of information security and contact less NFC feature on ATMs and the issuance of EMV contact and contactless cards. In the field of ATMs, the bank worked on adding the dollar withdrawal service on 143 ATMs in various governorates to serve our customers, a service that distinguished it from the rest of the currently operating banks, as well as contracting with a local service provider (SWITCH) in the management of cards and money changers, which contributed to accelerating the services provided, knowing that the Bank of Baghdad is still the first bank to launch these developments, and in terms of encouraging customers to save, the bank has continued to provide the best interest rates to savers through savings accounts and fixed deposits.

This is expected during 2025 to start launching the SMS service after completing the laying of its foundations, in addition to starting to issue cards from inside Iraq, which will improve the service and speed of receiving cards, as well as work on issuing prepaid cards to customers, where the customer can purchase by this card, through the Internet and through points of sale spread around the world in a secure manner. On the ATM side, it is expected in the second half of next year a plan to add deposit and withdrawal services at ATMs will begin, in addition to expanding the number of ATMs spread in the governorates of Iraq.

Corporate Sector Services

The Bank continued to enhance its activity and provide its services to the corporate sector despite the difficulties faced by the sector due to the consequences of the economic conditions. The Bank of Baghdad worked within its strategic plan to enhance and strengthen cooperation with major companies in various business sectors (telecommunications, food trade, education, industry of cement and aviation, cars, employment companies, diplomatic corps, security companies, services and others) so that the volume of banking services and products provided to these existing companies increased, in addition to attracting a large number of new companies and organizations, which led to the growth of the volume of liabilities and the rise in commission income.

Annual Report 2025

Network of branches and distribution outlets

During 2025, the bank worked to continue the plan of redeployment and evaluating its branches to reach the new segments and follow up on the losing branches, in addition to studying the possibility of creating new branches, merging and unifying some branches, conducting a serious economic study with the aim of reaching the desired benefit from the activities of the branches and achieving, which contributes to the continuity of providing the best and developing performance and success. The administration is working on diagnosing the weaknesses of some branches and explaining the reasons for their decline. The bank has moved to the new administration building at An-Nidhal Street in Baghdad, which is expected to be completed by the end of 2025, in addition to continuing to establish Mosul, Basra and Sulemanih branches so that it is expected that these branches and redeployment will serve customers in addition to reaching the new target groups in Kirkuk branch.

The Bank of Baghdad is keen to improve and excel in the services provided to its customers and to start providing modern digital solutions and improving the customer experience in line with global developments in this context , where the bank continued to keep up with the latest developments in the field of developing its electronic payment channel system, as the bank launched its BOB Mobile services during the first half of 2026, and it also worked on adding the bank's website on the Internet and adding ATM sites, as it was completed from the application of the first stage in linking the electronic clearing and electronic payments systems (ACH & RTGS) with the Central Bank of Iraq and the company providing the system, which contributes to the speed and accuracy of the implementation of operations.

In the field of electronic and digital communication channels, the bank seeks during the coming period to modernize and develop electronic payment services by purchasing cash deposit ATMs provided by the international company NCR and offering the possibility of issuing prepaid cards and virtual card service. In addition to entering the electronic collection project through bank ATMs in a way that facilitates and meets the aspirations of customers. On the level of the bank's electronic outlets, the bank expanded its electronic outlets during 2025 to reach 120 ATMs and in distinct locations to serve users from all segments of society, and it is expected that by the end of 2025 it will reach 150 ATMs.

Annual Report 2025

Organizational methods and technical resources

During 2025, the bank continued to implement a set of projects and work programs for it that upgrade its system of operations, which consists of procedures, regulatory environment and technological rules to keep up with the bank's current and future requirements to ensure the implementation and completion of its strategic plan in these aspects to reach long-term goals by developing and supplementing them, whether in human cadres, technical systems, or business environment procedures.

In terms of developing the regulatory environment in the bank, the bank worked to implement the best management practices in work systems that ensure business continuity. In the field of developing departments, work has been done to restructure some departments of the bank so that it fits with the future directions of the bank, and with regard to the external branches of the bank and based on the conditions and fundamental changes in the Lebanese Republic, work has been done to develop and modify the organizational structure of Beirut branch in line with the current conditions and works to mitigate the risks of work and increase the effectiveness of the branch.

In the context of work mechanisms, a number of policies, procedures and mechanisms have been modified and updated, and methodologies have been developed, including updating the money laundering policy in line with the instructions of the regulatory authorities and consistent with local and international laws and legislation, in addition to reviewing the scenarios of the daily monitoring system and studying the addition of new scenarios that meet the requirements of the supervisory authorities and the work to develop an information security department. On the same level, but on another side, the bank's credit policy has been reviewed and amended and on the powers in line with the instructions in force at the supervisory authorities. In terms of the application of international standards, work has been done to improve the application of the status of a methodology for calculating the expected credit losses for the Bank of Baghdad, reviewing them by the auditors, and adopting it by the Board of Directors and the Central Bank of Iraq, and applying it. In the field of disclosure and transparency, the related policies have been amended and published on the bank's website, as well as in the field of committee work charters, the charter of the risk committee has been updated and approved.

During 2025, the bank will complete its work and plan in centralizing operations by transforming branches into sales and customer services centers, in addition to centralizing all accounting and executive operations within management departments, including centralizing budgets, in addition to developing its control procedures and systems in the branches.

The bank continued to develop its electronic systems during 2025, as it completed work on a number of projects that are consistent with its vision of providing the best services to its customers in Iraq, as the most prominent of these services was the development of the Mobile Banking Application, which led to the bank's individual customers benefiting from a wide range of banking services quickly and accurately, and knowing all movements immediately, also the project of moving from an external service provider to a local service provider (SWITCH), in addition to working on the implementation of the

Annual Report 2025

archiving system (Laser Fiches) and issuing new special cards (CONTACT LIST) and (Platinum) cards. The bank's plan aims to improve the provision of the maximum degree of protection by linking it to the GPS tracking system, in addition to updating the version of the banking system (BANKS) according to the latest version approved by the processing company. In the field of security and electronic protection, work has been done on implementation of CSP standards related to the SWIFT system. The bank also continued to apply the (Kaspersky) system according to version 10.3. Work has also been done to develop and activate some special scenarios in the SIRON system related to money laundering in order to increase the effective control over the suspicious indicators that may appear in the system and link them with the bank system.

On the same level, the bank worked to start implementing the credit information system (Credit Bureau), linking the KYC & FATCA system with the banking system, so that these systems allow high flexibility and apply the highest standards of commitment and speed in retrieval and issuing information and accuracy. Also, the construction of the bank's Cold & Hot DR data center has begun in Iraq and Jordan according to the latest international standards, in compliance with the instructions of the Central Bank of Iraq. In the field of information technology business governance, the bank is working to complete its application during the next year (COBIT), as for the cards, the bank has finished moving to a local provider to manage cards and ATM services, where it worked during the first month of 2025. The bank is still working on implementing the central printing project for cards in Iraq and printing the secret numbers of the bank's internet banking services. As for the project to link the RTGS & ACH system, the first phase of linking it with the banking system has been completed, so that this system will speed up operations, reduce costs and increase the quality of service in the bank. It is expected that this system will be completed and released to the work environment during 2025, and in the field of the text messaging project (SMS System) it is expected to be launched before the end of the first quarter of 2025, which will lead to the bank's individual customers benefiting from a wide range of banking services quickly and accurately and know all the movements immediately.

On the level of risk and its management in the bank, the bank has established an independent risk management department since 2016 headed by the Director of Risk Management who reports directly to the Board Risk Management Committee (BRC). The department does not have any business objectives in terms of business levels or income/profits in order to ensure its objective in analyzing the various risks. The task of the Risk Management Department is to identify, measure and control various risks and report to senior management and to the Risk Management Committee on the potential impacts, where possible, mitigate those effects. Consequently, the responsibilities given to the managers of those groups' divisions were defined to identify, measure, monitor and report the risks that fall within their responsibilities. The current approved classification for risk management is:

First: Credit risk, which includes the risk of default for customers and counterparties.

Second: Market risks, which include the risks of interest rates, foreign currencies, liquidity, equity and exchange rates.

Third: Operational risks, which include risks resulting from the failure of individuals, processes, systems and external events.

Fourth: Technology and cybersecurity risks, which include the risks of electronic threats and breaches that the bank may be exposed to internally and externally.

Annual Report 2025

The bank has forms approved by the Central Bank of Iraq prepared in accordance with Basel III requirements to calculate capital adequacy at regular intervals, based on the instructions of the Central Bank of Iraq, and the regulatory capital adequacy ratio is 12.5%. In addition, the Bank has an Internal Capital Adequacy Assessment Process (ICAAP) policy which complies with the requirements of the Central Bank of Iraq in this regard and the ICAAP policy covers additional risks in addition to the credit, market and operational risks covered by Pillar 1, and it performs a further assessment of the capital requirements for all of these risks above the minimum set by the Central Bank of Iraq. The bank also conducts stress tests in order to assess the impact on earnings and capital adequacy ratio under certain extremely reasonable scenarios. The bank takes into account all of its future business plans to ensure that the level of eligible capital is sufficient to meet the expected increase in business and the corresponding level of RWAs. The bank also takes into account the local and regional developments as well as the expected changes in the banking environment while examining the level of the capital buffer.

The bank manages its credit risks through a well-documented credit policy that complies with the instructions and circulars of the Central Bank of Iraq and determines the extent to which the bank accepts credit risks of all kinds and in line with the best practices of the banking industry, in consultation with business circles and under the guidance and approval of the Board of Directors. The policy defines the principles of lending, the process of granting credit and approval, and the types of products that different business departments, including markets and counterparties, can undertake. Any new product must undergo a specific verification process before it is launched.

The primary objective of the Market Risk Management function at Bank of Baghdad is to provide a coherent policy and operational framework for robust bank-wide management of market and liquidity risks. The bank's investment banking and treasury operations lead to market risks borne by the bank, which has well-defined treasury, liquidity and investment policies that are compatible with the requirements of the Central Bank of Iraq, which define the framework governing trading and investment activities that lead to market risks. These policies cover the rules regarding the powers within which the bank approves trading in foreign currencies, stocks and fixed income securities as well as exposure to interest rate risk in the banking book in terms of maturity mismatches and/or re-pricing periods.

Liquidity risk management policy and limits include maintaining liquidity at levels sufficient to support operations and meeting payments to customers even in light of challenging conditions that may arise with a sudden change in the market environment. The bank also applies the policy of comprehensive stress tests and adopts a proactive plan to fund emergency situations in the volume of liquidity. Market risk management also applies important analysis such as sensitivity and/or value at risk (VaR) to identify potential losses from specific products or services.

Operational Risk Management is the second line of defense in the bank that is aligned to provide support to management in determining, identifying and mitigating the risk of loss arising from inadequate or failed processes, people, technology and external events. The bank is placing increasing emphasis on depth of coverage in this area to ensure effective oversight of operations and risks encountered. This was achieved through close cooperation with the Internal Control Department.

Operational risk management provides censorship across the bank in order to identify, measure, monitor and control the inherent risks and exposures across the bank's operational business areas at all levels using various tools such as RCSA, Incidents Management, and Key Risk Indicators that play an important role by enabling the bank to evaluate the main controls, based on identifying the inherent risks, and measuring the remaining risks that remain after assessing the effectiveness of these key controls. The bank's operational risk management policy classifies the different areas of operational risks and identifies risks according to their importance and priorities, which is responsible for correcting these risks according to the three lines of defense model. At the end of 2024, the bank acquired an electronic system from an external provider to manage operational risks, which is expected to be fully activated during the first quarter of 2025.

Annual Report 2025

Information security risk management, both internal and external, is the key to the success of any bank, due to its importance at every level of the bank, which requires an adequate level of protection. As banks are a physical source of cash and reliable information becomes more important, thus information security is vital to protect the interests of the bank.

The main objective of the Information Security Management System framework is to develop strong information security within the Bank through appropriate policies and procedures. The objective of this framework is to provide the necessary protection for information, thus ensuring its confidentiality, integrity and availability. Through technical, organizational and administrative procedures, the Bank works proactively with the Information Security Department to protect all types of assets, including individuals. The bank's information security management is in compliance with international standards and best practices and in accordance with the guidelines and directives issued by the Central Bank of Iraq from time to time.

The bank's principles of information security, business continuity and crisis management are defined in business continuity, and a crisis management team is available at the bank level to ensure high level coordination and communication both internally and externally. In addition, business continuity plans have been put in place for business-critical operations and services which are critical in adverse conditions. The Bank also enjoys insurance protection over its monetary and physical assets. The objective of the continuous and sound work in the field of information security is to reduce risks and preserve and enhance the reputation of the Bank by protecting life, health, financial assets and data. In order to support the flexibility of the Bank of Baghdad's business and continue to achieve strong growth in addition to strong performance and maintain the highest standards in the banking industry

Key risks to the Bank include credit, liquidity, market and operational risks. Operational risk is among the most important type of risks encountered by the Bank. Credit risk is the risk that the counterparty in any financial transaction fails to fulfill its obligations, thus exposing the Bank to financial loss. Liquidity risk is the risk that the Bank becomes unable to meet its payment liabilities when they fall due. Market risk includes currency, profit margin and price risks, and arise when the fair value or future cash flows of any financial instrument fluctuate due to changes in market prices. This also applies to the profit margin for foreign products and currencies and products of joint investment funds; as they can be subject to market movements and changes in terms of fluctuations in market prices or rates, such as profit margins, foreign exchange rates and market prices offered.

Operational risk is the risk of loss arising from inadequate or unsuccessful internal operations, human factors, systems or internal events. Operational risk is inherent in most of the Bank's activities, which requires a comprehensive system for operational risk identification, measurement and detection.

The Bank's risk management function is an independent strategic function that seeks to achieve the Bank's objective of good and active governance. This function includes credit risk management, operational risk management, market risk management and institutional risk management. The responsibilities and activities of the Risk Management Department are carried out within the risk management frameworks and policy approved by the Board of Directors.

The Risk Management Department reports periodically to the Board of Directors and relevant Board committees on all aspects of risk; including credit risk, portfolio assets' quality, internal controls, operational risk, liquidity risk, market risk, reputation risk, legal risks, strategic risks etc. Adverse business or economic conditions may prevent counterparties and customers from fulfilling their obligations as agreed, hence the Bank of Baghdad seeks to balance risk with potential revenue by developing policies and procedures to help identify and analyze the risks encountered by the Bank. This includes approving various risk levels based on the Bank's risk appetite. Risk management practices are the key to the Bank's effective management of its capital.

The Risk Management Committee of the Board of Directors is responsible for the management of the Bank's risk management framework and monitors the performance of the Bank within the Bank's risk appetite. The Committee

Annual Report 2025

reports to the Board of Directors on all aspects of risk management. The Committee performs its risk management function within the regulatory framework of the Risk Management Department. The internal assessment of capital adequacy determines the risk management framework adopted by the Bank, as well as the Bank's risk appetite, risk management approach and key risk controls. The internal assessment of capital adequacy is an ongoing process reviewed and approved by the Board of Directors, while the Board Risk Management Committee reviews the credit and provisions policy, operational risk policy, risk appetite policy, Pillar 3 of Basel III disclosure requirements policy, market and liquidity risks policy and information security policy; and submits its recommendation regarding the approval of the same to the Board.

One of the main focuses of risk management at the Bank of Baghdad is to enhance the risk management framework and promote the risk culture within the Bank. The Bank has implemented the risk appetite framework in accordance with the best international practices that determine the Bank's risk limits. The Bank also has a complete set of comprehensive risk management policies aimed at measuring, managing and avoiding, mitigating, transferring or approving potential risks; supported by a set of quantitative and qualitative tools that are adopted under local requirements or under the supervision of the associate bank in accordance with the latest international practices. The Bank has adopted models for estimating future credit and market losses and has an effective framework for internal assessment of capital adequacy and stress testing to maintain capital in proportion to the risks it is exposed to.

The Bank is also working on a contract to activate an electronic system for managing and measuring potential operational risks. This system monitors day-to-day operations and provides alerts by means of various reports on signs of risks that may exceed the Bank's risk appetite and is expected to be activated within the upcoming year.

With respect to internal audit, the Bank has been focusing on developing the Internal Audit Department's staff by organizing a comprehensive risk-based audit program in 2020, and the practical aspect of this program will be completed in 2024. In addition, the audit charter was amended and published, and Department's audit programs were developed.

Social Responsibility:

Believing in the vision and direction of the Bank of Baghdad to support national institutions and contribute to society's progress and development in various fields, is the bank has embodied this responsibility by assisting the initiatives sector in Iraq to work. At the same level, the bank continues to support other sectors through the Central Bank's initiative to donate to the Community Initiatives Fund, Tamkeen, with a monthly amount. This is so that through this amount the local community can be benefited, youth and children can be cared for, and humanitarian and cultural cases can be handled.

Annual Report 2025

Network of Correspondent Banks

As for correspondent banks, this year, the Bank maintained its network of correspondent banks worldwide, bringing the number of its correspondent banks to (9) banks, in order to cover all its foreign activities; particularly in the field of documentary credits and transfers.

List of Our Bank's Correspondent Banks with Which We have Accounts

Bank Name	Country
Citibank – New York	USA
Citibank – Dubai	UAE
JP Morgan	USA
Burgan Bank – Kuwait	Kuwait
Burgan Bank – Turkey	Turkey
Jordan Kuwait Bank	Jordan
United Gulf Bank	Bahrain
National Bank of Kuwait	Kuwait
Abu-Dhabi Islamic Bank	UAE
Uni credit Bank	Germany

Human Resources

Based on its understanding that its human resources and qualified banking competencies are the main pillar of customer service, the Bank has designed its training plan for 2025 to meet the training needs of employees in general, and control departments in particular, in order to improve their professional performance in line with the Bank's vision through internal and external training programs. Due to the circumstances associated with the COVID-19 pandemic in 2025, these training programs were conducted remotely after expanding the implementation of online training programs. Moreover, specialized training courses related to job duties and requirements were held both in-house and outside the Bank in 2025, providing training to (1437) employees.

Based on its strategy of developing its human resources, the Bank continued to recruit competencies to manage businesses and transfer their expertise to Bank employees in accordance with international standards. The total number of employees in our Bank and all its branches as at the end of 2025 reached (1153) employees, including (1138) employees in Iraq and (15) in Beirut branch.

Classification and number of Bank of Baghdad employees according to job rank

no.	Functional class	the total	percentage %
1.	CPA – IQ	1	–
2.	Master	7	1%
3.	B.Sc.	861	75 %
4.	Diploma	88	8%
5.	High School	57	5%
6.	Other	139	12%
the total		1153	100%

Annual Report 2025

Assets

The bank's efforts continued to improve the quality of its assets on the assets side, by applying International Financial Reporting Standard No. (9), for financial instruments and increasing allocations to them, and on the side of exploiting its assets, the balance was maintained between profitability and safe investment and avoiding high-risk investments. Which will help improve its future profitability indicators and balance the factors of profitability and risk, provide the necessary cash liquidity to meet financial obligations on different terms, and make the optimal use of available funds efficiently and effectively. It represents in maintaining the solidity of the financial position, growing the bank's revenue strength and maintaining liquidity indicators. He has finances. When analyzing the relative importance of asset items, we find that cash items (cash and balances with central banks and banks) (47%), direct financial facilities at amortized cost (5%), and financial assets at amortized cost accounted for (42%). When reviewing and analyzing the cash item, we find that this item decreased at the bank by (18%), i.e. the value of (330.414.813) thousand dinars compared to the end of last year as a result of the increase in deposits and bank balances.

On the other hand, credit facilities decreased the credit portfolio – net by (200%). This is due to the bank's procedures for activating the collection role for debts owed. It also follows up on collecting the bank's rights from borrowers. The bank has achieved remarkable development in this area, whose impact is expected to be reflected. On the bank's performance in this respect during the coming year, interest amounting to (882.050) thousand dinars was suspended during this year. An amount of (722.629) was collected from the suspended interest. The value of the non-operating facilities after subtracting the suspended interest amounted to (74.333.630). thousand dinars, which represents (32.41%) of the total credit portfolio.

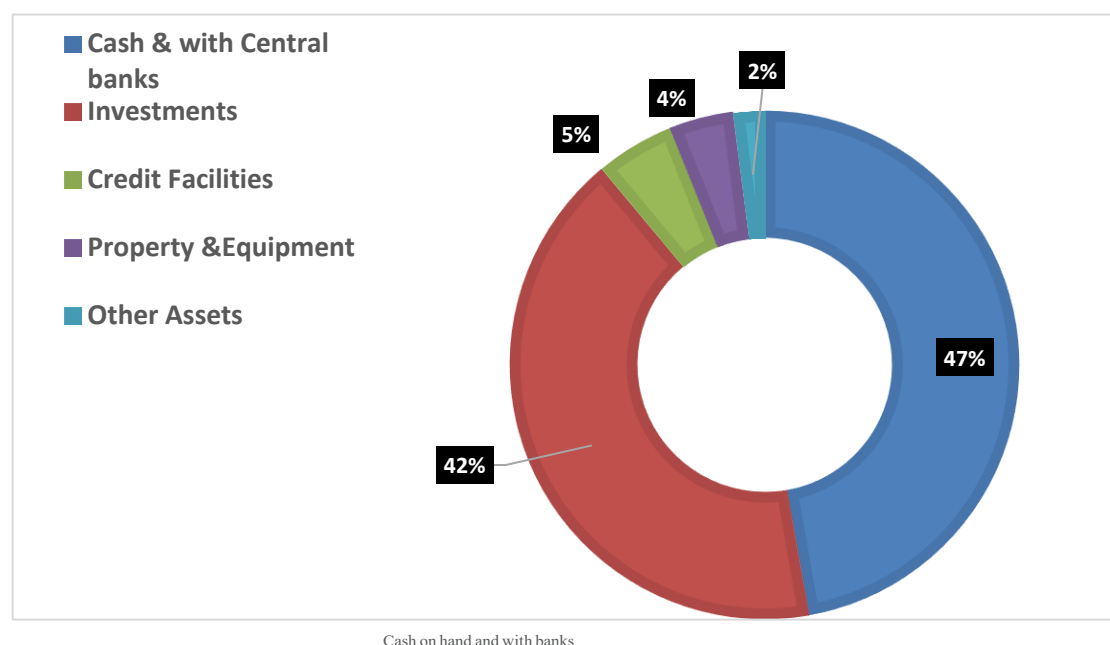
Based on the bank's keeping pace with all changes and applying international standards, work has been done to implement Financial Reporting Standard No. 9 IFRS, where the related methodology has been developed and work has been applied to apply it to the Bank of Baghdad group. The allocations taken during the current year have increased significantly to confront the expected credit losses. For direct credit facilities, despite the presence of sufficient guarantees with the bank to maintain the quality of its assets, such that the coverage ratio of provisions for non-performing debts reached (100%) of the net value of exposures to those debts. As for investments and based on the bank's policy of investing in less risky assets, the bank increased the value of its investments in government bonds, as their balance reached (1.199.736.522) thousand dinars, a decrease of (13%), constituting (42%) of the total. Assets, despite the suspension of the issuance of Treasury bills and bonds with sovereign entities in Iraq. Despite this, we find that the bank, based on its vision, seized the available opportunities and worked to enhance its investments in government bonds (Eurobonds), so that an amount of (350) was invested (One million US dollars) within these bonds. On another level, and as a result of the economic conditions the Lebanese economy is going through, the government bonds of the Lebanese government, amounting to (26.318.640) billion Iraqi dinars, were classified within the third stage, and allocations were calculated during this year. Expected credit losses are in compliance with the instructions of the Central Bank of Iraq regarding the decline in the value of financial instruments. They are calculated at a rate of 100%. On another level, on the fixed assets side, these net assets increased by (56%) to reach (117.390.637) thousand dinars. Due to the increase in payments made for projects under implementation paid to contracting companies to complete the building of new branches. As for other assets, they increased by (31.5%) compared to last year. The reason for the increase is the increase in government receives Euro bonds.

Annual Report 2025

Relative Materiality of Elements of the Bank's Financial Position 2025 Compared to 2024

Financial Assets	2025	Relative Materiality	2024	Relative Materiality	Growth
Cash and with banks	1.359.181.084	47%	2.436.516.032	69%	20%
Investments	1.199.736.522	41.7%	936.827.726	26%	(15.5%)
credit facilities	150.620.138	5%	50.259.551	1%	(2.8%)
Property and equipment - Net	117.390.637	4%	76.319.923	2%	(1%)
Other assets	50.438.257	2.3%	46.038.032	1%	0
Total assets	2.877.366.638	100%	3.545.961.264	100%	12%

Relative Materiality of Bank's Assets 2025



Annual Report 2025

Liquidity

Cash balances at the bank decrease by (18%) to reach (330.414.813) thousand dinars, and balances with the Central Bank reached (791.081.289) thousand dinars, constituting (58%) of the total cash balances at central banks. This is still restricted cash. The branches of the Central Bank in the Kurdistan Region have (45.272.274) thousand dinars as at the end of the year, and the Central Bank of Lebanon has the equivalent of (12.433.038) thousand dinars, as the bank worked on two levels to collect these amounts, the first of which was with the regulatory authorities and at the level of the legal reserve. With central banks, this balance rose to (603.763) thousand dinars, compared to (397.163) thousand dinars.

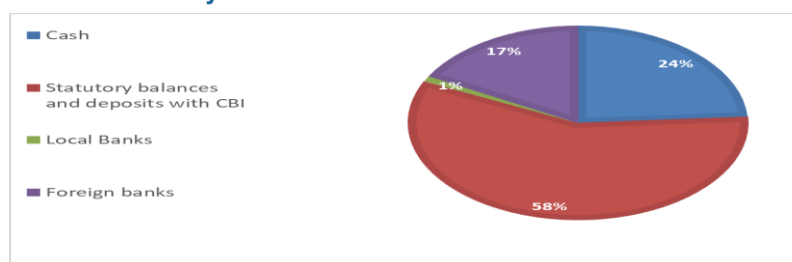
In terms of indicators and liquidity ratios, the Liquidity Coverage Ratios (LCR) and Net Stable Financing Ratios (NSFR) reached (270%) and (328%), respectively, which indicates the bank's sound liquidity position and its high ability to confront emergency circumstances.

Figures in IQD thousand

Cash by Type	2025	Relative Materiality	2024	Relative Materiality
Cash on hand	330.414.813	24%	402.771.276	16%
Statutory balances and deposits with CBI	791.081.289	58%	1.675.059.234	67%
Cash with local banks*	11.599.591	1%	11.121.330	1%
Cash with foreign banks	287.232.723	21%	415.902.384	17%
Expected credit loss	(61.147.332)	(4%)	(10.553.885)	(1%)
Total	1.359.181.084	100%	2.494.300.339	100%

* Restricted withdrawal balances with local banks and banking institutions reached IQD (1.450.591) thousand as at 31 December 2025, and IQD (11.121.330) as of 31 December 2024.

Relative Materiality of Cash and Balances with Central Banks and Banking Institutions 2025



Financial Investments

Annual Report 2025

The volume of the bank's investments in stocks and bonds was (1.199.736.522) thousand dinars at the end of the year compared to (936.827.726) thousand dinars in the year 2024, and the main reason for this was the bank's investment strategy, which is based on enhancing investments in bonds, as investment in. Bonds are 99% and stocks are 1% for each, respectively. The return on investment has increased, and the revenue generated from it was (104.179.616) thousand dinars, compared to last year, these returns increased by (46%) compared to last year due to the rise in investment returns in government bonds and construction bonds. As for the fair value of the shares, where the owned shares were sold, the traded prices fluctuated between high and low. The result was a decrease in the fair value of the investments. In unlisted companies

in the shares:

Name of Company	Bank Equity Ratio	Number of Shares	Fair Value (IQD thousand)
Al-Amin Insurance Company	49%	3.123.346.449	2.868.995.850
Al-Amin Real Estate Investment Company	11%	1.312.627.103	3.102.212.065
Al Rafedain Grains Company	11%	766,420,355	–
Industrial Union for Generators Co.	2%	75,000,000	–
Gulf Commercial Bank	0,3%	999,515,949	289.859.625
Middle East Investment Bank	0%	32,082,589	1.924.955
Baghdad Food Industries	0.002%	2,125,977	–
Sinbad Tourism	0%	1,663,777	–
Construction Materials Industries	0%	2.337.572	2.150.566
Iraqi Company for deposit insurance	1%	789,473,840	789,473,840
Total			7.119.121.030

*Evaluated at book value or cost, whichever is less, because it is not listed in Iraq Stock Exchange.

Direct credit facilities – at amortized cost

Direct Facilities

Based on the bank's strategy of reducing non-performing assets, including its credit portfolio, and based on the current circumstances, the credit facilities will have decreased in 2025, so that their net balance will be (150.620.138) thousand dinars, i.e. a increase of (200%).When analyzing the bank's portfolio in terms of sector distribution, we find that this portfolio includes individual loans (26%), equivalent to (59.529.509) thousand dinars, and corporate loans (74%), equivalent to (169.823.302) thousand dinars. On the other hand, the bank worked in 2025 to implement Standard No. 9 IFRS, where the expected credit losses for direct facilities were calculated (70.456.612) thousand dinars as at the end of the year 2025 in accordance with the application of the standard and the instructions of the Central Bank of Iraq, and this was The movement (addition and redemption) of interest amounted to (8.276.061) thousand dinars, bringing the balance of outstanding interest to (82.050) thousand dinars on the credit portfolio due during the year 2025.

Figures in IQD thousand

Annual Report 2025

Item	2025	2024	Change
Total direct credit facilities	229.352.811	107.924.571	214%
Interest in suspense	(8.276.061)	(8.192.702)	1%
Provision for credit facilities Impairment	(70.456.612)	(49.472.318)	43%
Net direct credit facilities	150.620.138	50.259.551	200

Equity

Bank shareholders' equity reached IQD (703.609.236) thousand and the increased (727.516.049) thousand.

Capital adequacy

The Bank's capital adequacy ratio reached (37.64%) compared to (43.42%) in the previous year, as a result of satisfying the Basel III requirements adopted by the Central Bank of Iraq at the end of 2025, which take into account the impact of implementing IFRS 9 when making calculations; noting that the ratio for 2024 was presented in accordance with Basel II requirements. This ratio exceeds the requirements of international standards of Basel Committee and the requirements of CBI which are (12.5%).

Figures in IQD thousand

The Details	2025	Relative Materiality	2024	Relative Materiality	Growth
Current accounts and deposits (customers and banks)	2.065.507.462	72%	2.680.269.509	76%	3%
Cash margins	45.678.862	1.6%	32.684.095	1%	0
Long-term loans	–	–	3.363	0.001%	0
Miscellaneous and tax provisions	10.188.516	1%	66.855.998	1%	0.8%
Other liabilities	36.673.464	1%	38.632.250	1.4%	(0.6%)
Shareholders' equity	727.516.049	24.4%	727.516.049	17%	(4%)
Total liabilities and shareholders' equity	2.861.657.540	100%	3.545.961.264	100%	1%

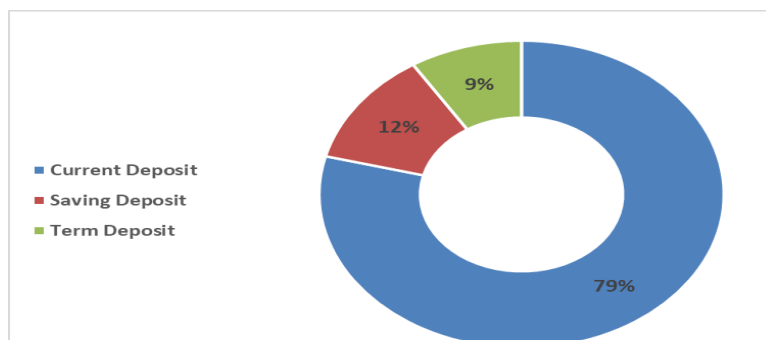
Current Accounts and Deposits

Total amounts (current accounts and deposits) deposited with the Bank reached IQD (2.065.507.462) thousand at the end of 2025, with a rate of (4%); as a result of the increase in current and savings accounts. Current accounts and deposits accounted for (57%) of total liabilities. Deposits can be detailed as follows:

The Details	2025	Relative Materiality	2024	Relative Materiality	Growth
Current and demand accounts	1.633.144.438	79%	2.212.477.617	82.5%	(2%)
Savings deposits	248.746.084	12%	261.461.163	10%	(2%)
Term deposits	182.760.138	9%	206.330.729	7.5%	(2%)
Total deposits	2.064.666.660	100%	2.680.269.509	100%	66%

Annual Report 2025

Distribution of Deposits with the Bank 2025



Provisions and expected credit loss balances

The Bank has continued implemented international standards and followed a clear policy of hedging for any expected losses by creating and calculating provisions for expected credit losses on all financial instruments in accordance with IFRS 9 or CBI instructions, whichever is stricter. These results have been calculated based on the statements of 31/12/2025 and this impact after distributing it over 5 years; such that the sum of IQD (26.130.637) thousand was allocated as the share of the three year's share of the impact of implementing IFRS 9 pursuant to CBI Instruction No. (9/6/98) dated 2/3/2020 on implementing this standard. The following table summarizes the impact of implementing IFRS and the volume of provisions created from retained earnings:

Item (IQD thousand)	Balance 31/12/2025	Provision 31 Dec. 2025	Written on	Provision 31 Dec. 2024
Cash and balances with central banks	791.081.289	58.216.464		57.784.306
Balances with banks and banking institutions	298.832.314	2.930.868	7.664.680	10.553.885
Debt instruments as part of the portfolio of financial assets at amortized cost	1.226.089.820	26.353.298	76.344	26.425.245
Financial assets at fair value through the	7.126.837	–		–
Statement of comprehensive income				
Direct credit facilities at amortized cost	229.352.811	70.456.612		49.472.318
Other assets	57.382.048	6.943.791	212	6.944.003
Indirect facilities	202.898.493	1.372.398	431.946	1.804.344
Total	3.323.630.270	152.984.101		152.984.101

During 2025, these provisions were calculated using the same methodology by calculating the difference and reflecting it in the statement of income. The following table illustrates the volume of provisions created for expected credit loss:

Annual Report 2025

	2025 IQD Thousand
Expected credit loss on cash with central banks and banking institutions	25.652.419
Expected credit loss on direct facilities at amortized cost	4.397
Expected credit loss on financial assets at amortized cost	41.663
Expected credit loss on other assets	432.158
Total	26.130.637

As for the balances with the central banks, the bank took the balance of provisions for expected credit losses amounting to (26.997.234) thousand dinars, in order to cover the expected losses resulting from the amounts with the central banks in both Iraq and Lebanon, due to the decline in the credit rating of the Lebanese Republic and the requirements of the Central Bank of Iraq regarding...

Figures in IQD thousand

Account Name	2025	2024
Provision for expected credit loss on direct facilities at amortized cost	70.456.612	49.472.318
Provision for expected credit loss on cash with central banks	58.216.464	57.784.306
Provision for expected credit loss on balances with banks and banking institutions	2.930.868	10.553.885
Provision for expected credit loss on financial assets at amortized cost	26.353.298	26.425.245
Provision for expected credit loss on off-balance sheet items	1.372.398	1.804.344
Provision Unlimited	95.369	95.369
Tax provisions	26.997.234	56.896.721
Provision Tax Property	66.950	86.036
Provisions for stolen cash and accounts receivable	37.242.029	37.242.029
Provisions for other litigation expenses	1.100.000	1.100.000
Provisions for end-of-service indemnity	6.357.722	6.801.477
Expected credit loss on other assets	6.943.791	6.944.003

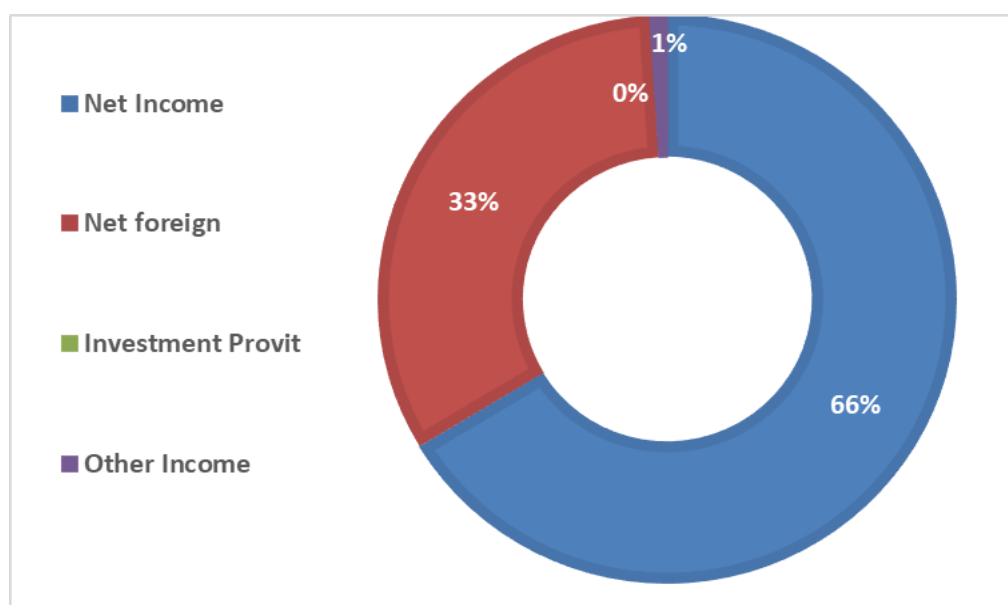
Bank's business results

The bank has achieved an increase in its net profits before taxes, with a decrease rate of (30%), reaching (242.566.513) thousand dinars, compared to (363.729.087) thousand dinars at the end of last year. On a related note, the bank achieved net profits after taxes of (215.569.279) thousand dinars, an increase over last year by (306.832.365) thousand dinars. The main reason for growth is the increase in the bank's total revenues and the

Annual Report 2025

improvement in operational efficiency by reducing administrative and general expenses. At the same level, the bank achieved an decrease in profits from selling foreign currencies by (10%), and the amount was (127.974.430) thousand dinars. When analyzing the relative importance of revenues, we find that revenues from interest and commissions rank first, amounting to (195.467.054) thousand dinars, at a rate of (70%) of the total revenues, as shown in the table and drawing below. Figures in IQD thousand

The Details	2025	Relative Materiality	2024	Relative Materiality	Growth
Net income from interest and commissions	195.467.054	70%	323.736.530	70%	7%
Net foreign exchange profit	127.974.430	33%	142.280.831	31%	8%
Investment profit and income	–	–	75	0.1%	–
Other income	582.038	1%	299.386	1%	–
Total	324.023.522	100%	463.720.58	100%	98%



Expenses

In 2025, the Bank's operating expenses increased by (18%) to IQD (63.574.991) thousand compared to IQD (53.931.896) thousand in 2024. This decline was primarily a direct result of the decline in good expenditure management, in addition to the decline in other operating expenses and employees' salaries; due to the decline in the lease, maintenance, communication and transport expenses despite the increase in donation expenses, as well as capital loss expenses.

Annual Report 2025

Figures in IQD thousand

The Details	2025	Relative Materiality	2024	Relative Materiality	Change
Employees' salaries and related expenses	22.716.041	36%	17.526.740	48%	13%
Other operating expenses	33.523.941	53%	27.884.057	52%	159%
Depreciations	4.272.892	7%	3.304.749	6%	12.5%
Miscellaneous provisions	3.062.117	4%	5.216.350	6%	45%
Total	63.574.991	100%	53.931.896	100%	63%

The Details	2025	2024
Return on average Bank shareholder's equity	31%	42%
Return on capital	54%	77%
Return on average assets	7%	9%
Interest income to average assets	3%	2%
Interest expense to average assets	7%	0.4%
Interest margin to average assets	3%	2%
Provision for non-performing facilities impairment coverage ratio – Net	100%	100%
Non-performing facilities to total facilities ratio (Less: interest in suspense)	32%	77%

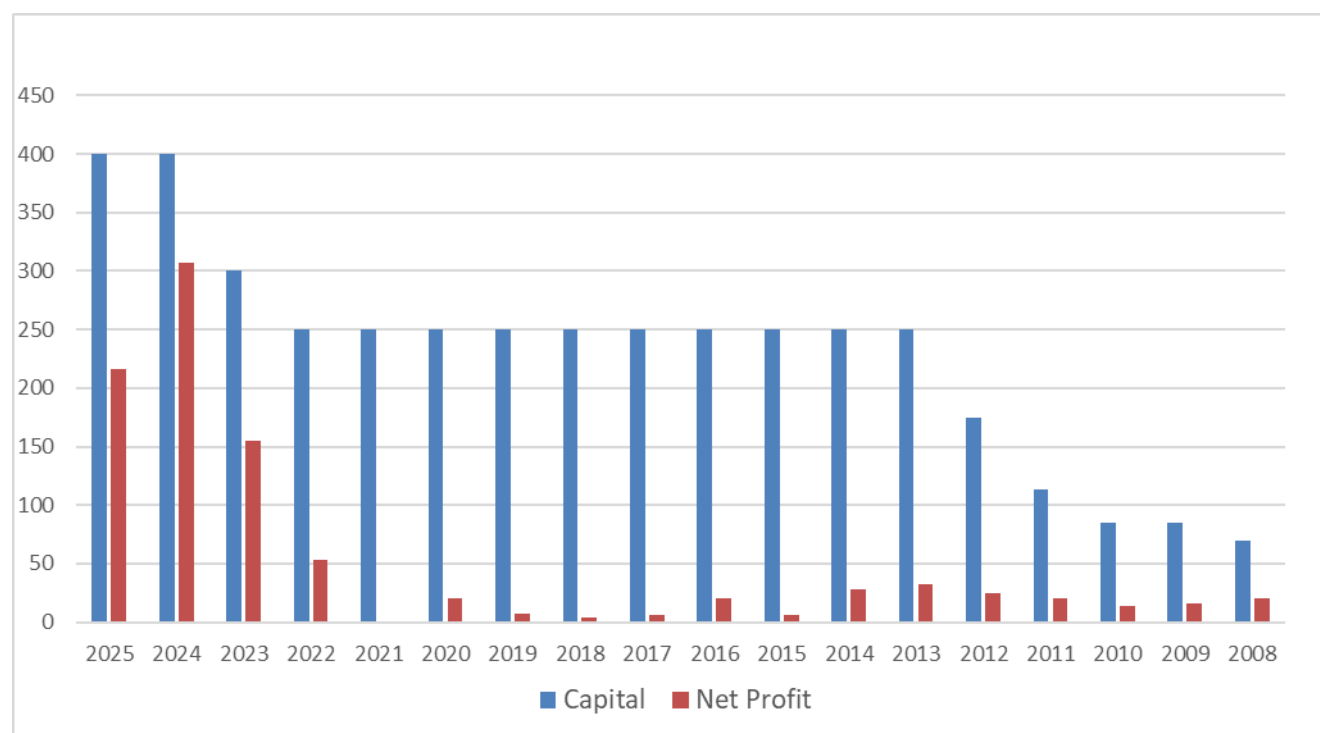
Annual Report 2025

The Bank's Key Financial Indicators for the Years 2025- 2008

Year	Capital	Total Assets	Deposits	Investment	Cash Credit	Shareholders' Equity	Net Profit	Figures in IQD billion		
								Number of Branches		
								Baghdad	Governorates	Abroad Branches
2025	400	3.546	2.680	937	50	728	307	13	22	1
2024	300	2.748	2.181	622	62	471	155	13	22	1
2022	250	1.724	1.310	665	89	350	53	13	22	1
2021	250	1.540	1,157	442	121,6	309,1	29,9	13	22	1
2020	250	1,420	1,072	162.8	141,6	278,4	20,2	13	22	1
2019	250	1,132	801	102.4	149,6	273.6	7.3	13	22	1
2018	250	1,113	782	91	161.9	266.7	4.1	12	22	1
2017	250	1,090	743.5	93.8	169.5	266.2	6.1	12	22	1
2016	250	1,200	790	7.0	195	282.8	20.2	16	23	1
2015	250	1,479	835	5.8	262	262.1	6.4	16	27	1
2014	250	1,827	1,491	455	228.9	292.4	27.7	15	25	1
2013	250	1,765	1,393	410.1	219.1	291.2	31.9	15	24	1
2012	175	1,301	1,047	239.1	147,4	207.2	25.1	13	26	1
2011	112.9	875	699	185.4	149.7	139.6	20.9	12	22	1
2010	85	961	805	12.9	180.8	118.7	13.6	13	21	1
2009	85	802	662	163.1	79.5	109.1	15.6	12	20	0
2008	70	543	404	217.1	47.3	93.3	20.2	11	13	0

Evolution of Shareholders' Equity and Profit

Annual Report 2025



The objectives of Bank of Baghdad Group's future plan for 2025 were developed in line with the Bank's strategic plan and the changing customers' needs of services and their development and automation in the Iraqi banking market, as well as to improve the quality of the Bank's assets and enhance its internal control; by a set of projects and working programs serving all business sectors through the development of all technological, organizational, operational and knowledge aspects.

Subsequent material events:

1– A fine of (2,500,000) Iraqi dinars were imposed on December 28, 2025, by the Central Bank of Iraq, pursuant to Notice 3489303. This fine was appealed, and the full amount was refunded to the bank's accounts on January 19, 2026.

2– The Central Bank of Lebanon approved, under Circular (32/M.M/3) dated January 20, 2026, the settlement of the Beirut branch's losses for previous years. In addition, it approved an increase in the branch's capital equivalent to (5,000,000) US dollars. This increase was to be funded from the deposit held by the General Management (parent company) with them, without any transfer from the bank's accounts, and in accordance with the approval of the Central Bank of Iraq, as stated in Circular (9/5/7800) dated July 29, 2025, and based on the General Assembly's decision on May 3, 2025.

• The bank did not export any goods or cash during fiscal year 2025.

• Pursuant to Central Bank of Iraq Circular No. 9/2/635 dated 8/11/2024, the bank imported four shipments of foreign currency (US dollars) during fiscal year 2025. Shipping and transportation costs were recorded as currency transfer expenses, as detailed below:

Annual Report 2025

Amount – US Dollars Central Bank of Iraq Approval Shipment Number:

30,000,000 9/8/6883 7/7/2025 512-73440113

30,000,000 9/8/8591 21/8/2025 512-73440522

30,000,000 9/8/1109 24/9/2025 512-73440544

30,000,000 9/8/12362 November 26, 2025 512 – 73440566

The bank also imported (45) ATMs during the 2025 fiscal year, as per customs declarations (8672406560864 & 8672406771031).

Objectives of the Group's Future Plan:

"Towards Banking Leadership and Market Leadership in Iraq by 2026"

First: Financial Axis – Consolidating Strength and Financial Sustainability

- Consolidating the bank's robust financial position by maintaining financial ratios exceeding regulatory requirements, particularly capital adequacy and liquidity ratios. This will reflect the bank's strength and capacity for sustainable growth.
- Enhancing the bank's leading competitive position and increasing its market share in asset and liability products. This is done through a balanced approach that achieves optimal returns at carefully considered risk levels.
- Enhancing the quality of the asset portfolio by reducing non-performing assets to the lowest levels on the market and increasing their coverage ratios with provisions that comply with best practices and international standards.
- Building a robust and diversified investment portfolio in low-risk assets with stable returns through a well-considered expansion of local and international government debt instruments and Treasury bills.
- Achieving sustainable revenue growth while maintaining tight control over costs, leading to improved operational efficiency, maximizing profitability, and solidifying shareholder value.

Second: Market and Customer Focus – The Closest and Most Influential Bank

- Reinforcing the bank's role as a key development partner in financing the national economy and supporting foreign trade. This is done by providing integrated banking solutions for individuals, large corporations, and the government sector.
- Building highly qualified and internationally experienced specialized teams capable of designing and delivering innovative financial solutions that meet market needs. These solutions keep pace with global best practices.

Annual Report 2025

- Enhancing the bank's credit rating and assessment to reflect its strength and bolster confidence both locally and internationally.

- Strategically expanding the branch and ATM network to ensure an active presence in vital economic locations. This will enhance access to banking services for all segments of society.
- Leading the way in digital transformation by developing advanced electronic and smart services and providing an exceptional banking experience through digital channels, primarily the mobile application. This makes the bank the first choice for customers.

Third: Operations and Technology Pillar – Operational Excellence and Innovation

- Redesigning the operational business model and transforming branches into highly efficient sales and service centers focused on building relationships and maximizing customer value.

- Implementing comprehensive technology transformation programs that utilize the latest digital solutions and banking technologies. This accelerates product launches, enhancing service quality, and boosting operational efficiency.

- Strengthen IT governance and data security to ensure business continuity and protect customers' interests.

Fourth: the Human Capital Pillar – Developing Leaders and Building the Future

- Continuously investing in human capital development and building a corporate culture based on high performance, innovation, and accountability.

- Implementing specialized training and development programs aimed at preparing banking leaders capable of guiding the bank to the forefront and achieving its strategic objectives

Annual Report 2025

- Aligning the human resource's structure and incentives with the bank's strategic objectives, enhancing productivity and ensuring institutional excellence sustainability.
- Vision for 2026
- • To be the leading bank in Iraq in terms of financial strength, quality of services, digital innovation, and its impact on supporting the national economy by preparing key performance indicators (KPIs) for each axis.



Chief financial officer
Jasim Hashim Alazzawi

Chief Executive Officer
Ahmed T. Muallah

Chairman
Abdul Karim Saleh AL-Kabariti

Auditors

Mustafa Fouad Abbas

Adel Mohammed AL-Hassoun

From Mustafa Fouad Abbas & co.
Certified Public Accountants Member of
Iraqi ACA
(A Member Firm of Ernst & Young Global Limited)

From of Adel AL-Hassoun & Co,
Public Accountants, Auditors &
Tax Consultants

Baghdad on 17th of Feb. 2026

Annual Report 2025

Report of the Final Accounts Audit Committee for the financial year ended 12/31/2025

Best regards,

In implementation of Article 24 of Banking Law No. 94 of 2004 and the approval of the General Assembly of the Bank to form an audit committee consisting of members of the Board of Directors, Mr. Zuhair Hamada Ahmed as Chairman, and Mr. Mustafa Samir Al-Shami and Mr. Noman Shaker Noman as members, we are pleased to present For your honor, the committee carried out its work with the joint auditors of our bank (Messrs. Farqad Al-Salman and Partners Company for Auditing and Monitoring Accounts and Messrs. Saad Rasheed and his Partner Company) throughout the period of their work in the bank. The committee also checked the data and tables it received from the executive management of the bank. This included the monthly comparison tables for the audited balance sheets balances. The compilations and tables of expenses and revenues sent to the Central Bank of Iraq by the bank's financial department, the reports submitted by the Internal Control Department and the Compliance Controller, monthly and quarterly, and the audit of the financial statements and final accounts of our bank for the year ending on 12/31/2025, and the Board of Directors' report regarding them, and we reviewed all the information and clarifications that were in our opinion. Necessary to protect shareholders' rights, and our work was in accordance with applicable legislation and locally recognized and established audit procedures. Based on the data, information and clarifications we obtained, we would like to state the following:

1-The annual report and the financial and accounting information it contains comprehensively reflect the bank's progress during the year subject to the audit. This information does not violate prevailing financial laws and legislation.2- The financial statements have been prepared in accordance with local and international accounting rules and applicable legislation. They are consistent with what the records show, and they are organized in accordance with the requirements of Central Bank of Iraq Law No. 56 of 2004, the amended Companies Law, Banking Law No. 94 of 2004, and the applicable regulations and instructions, and they are consistent with the indicators they contain. And financial statements that clearly and fairly present the bank's financial position and the results of its cash flow for the year ended 12/31/2025.

3- The committee reviewed the joint report of the auditors (Mr. Farqad Al-Salman and Partners Company for Auditing and Monitoring Accounts and Messrs. Saad Rasheed and his Partner Company), which dealt with the bank's activity, confirming the integrity of all its procedures that were carried out based on international and local accounting standards and rules.4- Through our review of the bank's accounts, we did not find any evidence that the bank carried out money laundering operations or terrorist financing operations. We also found that all operations are consistent with Money Laundering Law No. 39 of 2015. accept our highest appreciation

Chairman of the Audit Committee





Bank of Baghdad

(Private Joint Stock Company)

Governance Report 2025

Sound corporate governance is one of the fundamental pillars enabling institutions to achieve their goals and aspirations and ensure sustainable growth. Based on its belief in the importance of adopting the highest standards and leading practices in the field of governance and increasing the confidence of shareholders, depositors, and other interested parties, Housing Bank affirms its commitment to implementing its corporate governance rules and regulations. Since 2008, the bank has adopted a corporate governance code that complies with the instructions set forth by the relevant local regulatory authorities and the best international practices. The code is reviewed and updated periodically and consistently to keep pace with changes in the banking sector and global practices. It can be viewed by clicking the following link on the bank's website:

<https://www.bankofbaghdad.com.iq>

The First Pillar: The Board of Directors and Its Committees

Composition of The Board of Directors:

The board of directors comprises 7 non-executive members, including 2 independent members with the necessary experience and competencies. Members are elected by the General Assembly by means of secret ballots and proportional representation voting, which gives each shareholder the option to distribute the number of votes according to the number of shares they own. The shareholder shall have the right to allocate all their votes to a single candidate or distribute them to more than one candidate so that each share has 1 vote without recurring these votes. The chairman and vice chairman of the board are elected at the first meeting held by the board after their election by the general assembly. Decisions are made by the board, and its committees based on a voting majority, and members do not hold individual powers. The positions of chairman of the board and CEO are clearly separated, as well as the board duties and those of the executive management.

Responsibilities of The Board of Directors:

The board is committed to performing the duties laid out for it in the bank's corporate governance code and the board charter by following up on continuing banking conditions and financial performance. This is accomplished through monthly financial performance reports covering the bank's main activities, periodic reports covering implementation progress regarding the bank's strategic plan and its estimated budget, and the establishment of regulations and policies governing the bank's business and ensuring its preparation of effective internal control procedures to reduce risk and exposure to them.

Current and Resigned Board Members and Representatives of Entities as of 31/12/2025

Board Member Name	Date of Member Appointment	Position	Member Classification
Mr. Abdul Karim Allawi Kabariti	22 /11 /2024	Chairman of the BOD	Non-Executive –Independent
Mr. Dara Nour Al-Din Bahaa Al-Din	22 /11 /2024	Vice chairman of the BOD	Non-Executive – Not Independent
Mr. Sharif Khaled ALHazaa	03 /11 /2025	Member of the BOD	Non-Executive – Not Independent
Mr. Nidal F. Qbij	03 /11 /2025	Member of the BOD	Non-Executive –Independent
Mz. Tmarah Husein Abbas	03 /11 /2025	Member of the BOD	Non-Executive –Independent
Mr. Mustafa Samir Al-Shami	22 /11 /2024	Member of the BOD	Non-Executive – Not Independent
Mr. Zuhair Hamada Ahmed Idris	22 /11 /2024	Member of the BOD	Non-Executive – Not Independent
United Investments Company*	22 /11 /2024	Member of the BOD	Non-Executive – Not Independent
Ahmed T. Mullauh	03 /11 /2025	Member of the BOD	Executive – CEO

*Reprehensive name (Mr. Masood Mahmoud Johar)

There are no memberships held by members of the board of directors in Iraq public shareholding companies.

Meetings of the Board and Its Committees:

Meeting schedules for the board of directors and its committees, as approved by the board, were adhered to. The board of directors' secretariat prepared the original minutes to document all meetings, decisions, and assignments and follow-up on their implementation, considering all related regulations and instructions.

Number of Board of Directors Meetings Held during the Year 2024, Indicating Attending Members:

The board of directors held a (11) meeting during the year 2025 , and below is a table showing the members' attendance:

Board Member Name	Number of Attended Meeting
Mr. Abdul Karim Allawi Kabariti	11
Mr. Dara Nour Al-Din Bahaa Al-Din	11
Mr. Sharif Khaled ALHazaa	2
Mr. Nidal F. Qbij	2
Ms.. Tmarah Husein Abbas	2
Mr. Mustafa Samir Al-Shami	11
Mr. Zuhair Hamada Ahmed Idris	11
United Investments Company*	11
Ahmed T. Muallah	2

The Board's Committees:

- 1- Corporate Governance Committee.
- 2- Audit Committee.
- 3- Nomination and Remuneration Committee.
- 4- Risk Management Committee.
- 5- Compliance Committee.
- 6- Governance of Technology Information Committee;
- 7- Executive Committee

- All committees met the required number of meetings, and when referring to the number of sessions.

Audit Committee Meetings

The audit committee held (4) meetings during 2025, and below is a table showing the members' attendance at these meetings

Member Name	Number of times attended
Mr. Zuhair Hamada Ahmed Idris	11
Mr. Nidal F. Qibij	11
Mr. Dara Noor Aldeen	11

The number of audit committee meetings with the external auditor during 2025:

- The audit committee held (11) meetings with the external auditor during 2025.
- The audit committee did not hold meetings with the external auditor during the year 2022 without the presence of any of the senior executive management or its representatives. Committee responsibilities: the committee effectively supervises the activities and operations of internal and external audits, the integrity of bank operations (including its financial conditions), and the internal control system, by doing the following:
 - Approving the annual internal audit plan and monitoring the performance of the internal audit department through periodic reports.
 - Making recommendations to the board regarding the nomination, appointment, termination, and fees for the external auditor election by the general assembly, as well as ensuring that he meets the requirements of the regulatory authorities.
 - Reviewing internal and external audit reports, as well as reports from the regulatory authorities, making recommendations and issuing the appropriate assignments regarding them.
 - Following up with corrective action regarding the observations in the internal and external audit reports and the report from the regulatory authorities.
 - Discussing financial statements with external auditors.
 - Discussing reports from the internal control and control systems with both the internal and external audits.

Nomination and Remuneration Committee

The nomination and remuneration committee held (10) meetings during 2025, and below is a table showing the members' attendance at these meetings:

Member Name	Number of times attended
Mr. Noman Shaker Noman	10
Mr. Masood Mahmoud Johar	10
Mr. Haitham Samih Badr El-Din	10

Committee responsibilities: the committee assisted the board in its oversight and monitoring role by doing the following: Effectively monitoring the process of preparing and reviewing the internal policies and regulations that govern procedures for granting remuneration, bonuses, and compensation to the bank's executives. Nominating qualified candidates for senior executive management and making recommendations to the board regarding adopting a succession plan. Evaluating the performance of the board, its committees, and its members. Ensuring that board members attend workshops or seminars on banking issues.

Corporate Governance Committee

The corporate governance committee held (1) meetings during 2025, and below is a table showing the members' attendance at these meetings:

Member Name	Number of times attended
Dr. Majed Allawi Hassan	1
Mr. Abdul Karim Allawi Kabariti	1
Mr. Dara Nour Al-Din Bahaa Al-Din	1

Committee responsibilities: in compliance with the committee's charter and its commitment to guide and supervise the preparation and updating of the corporate governance code and to monitor its implementation, the committee worked on the following: Steering and reviewing the corporate governance code and ensuring that it is prepared and approved by the valid guidelines of the corporate governance instructions. Steering and reviewing the charters of the board and its committees and ensuring that they comply with the instruction.

Risk Management Committee

The risk management committee held (6) meetings during 2025, and below is a table showing the members' attendance at these meetings

Member Name	Number of times attended
Mr. Mustafa Samir Al-Shami	6
Mr. Dara Nour Al-Din Bahaa Al-Din	6
Mr. Haitham Samih Badr El-Din	6

Committee responsibilities: in compliance with the committee charter, the committee assisted the board in its oversight and monitoring role by recommending the adoption of policies, strategies, and plans necessary to manage the bank's risks in line with accepted and approved risk appetite, as well as working on assessing and following up on the main risk and ensuring the existence of an appropriate condition that provide identification of risks with substantial impact and the measures taken to mitigate them by reviewing the periodic reports of the bank's risk management department, discussing their result, and making appropriate recommendation and assignments thereon

The Second Pillar: The Executive Management

The board of directors' delegates responsibilities and authority to the executive management to enable it to carry out its day-to-day activities and monitor performance integrity

Name Of Senior Executive Management Member	Title
Mr. Ahmed T. Muallah	Chief Executive Officer
Mr. Mutasim Ismail Masoud	Deputy Chief Executive Officer

Names are arranged alphabetically for display purposes ONLY.

Mr. Aws Fawzi	Chief HR officer
Mr. Jassim Hashim Mohammed	Chief Financial Officer
Mr. Khalil Ibrahim Mahdi Idan	Chief Legal Department
Ms. Daad Tariq Hamed	Chief Money Laundering Department
Ms. Rawaa Majed Rishan	Chief Compliance Department
MS .Rash Jamil Wali	Chief of Quality Department
Mr. Zayed Sabah Taha	Chief Treasury and Investment
Mr. Samer Raad Enad	Chief Information Officer
Mr. Mahar Ahmad Husien	Chief Internal Audit Department
Ms. Maraw Mohammed AbdulQader	Chief of Financial Inclusion
Mr. Nabil Abdul Hur Toman	Chief of Risk Management Department

The Third Pillar: Planning and Strategy Development

The board of directors adopts a long-term strategy to achieve the bank's objectives and oversees the performance of the senior executive management in achieving these objectives through periodic meetings with the senior executive management and periodic reports of the bank's performance.

The Fourth Pillar: Control Functions

- The bank adopts a general framework for internal control that includes the following elements: Internal control systems that cover all banking activities, which are periodically (annually) evaluated by internal and external audits and then reported back to the board of directors.
- The bank has a department concerned with an internal audit that carries out specific tasks and duties according to the internal audit charter approved by the board of directors. This department is granted the necessary powers and independence to perform its duties fully. It is functionally linked to the audit committee, submits its reports, and is administratively linked to the CEO.
- The bank has a comprehensive risk management framework (policies, strategies, methodologies, and systems) approved by the board of directors. There is also a specialized department, the risk management department.
- The bank has a department concerned with monitoring compliance and anti-money laundering. This department submits periodic reports on its activities to the board of directors through the compliance committee.
- An external auditor is appointed to the bank by the general assembly based on the board of directors' recommendation and taking corporate governance requirements into account. The external auditor submits an annual report on the integrity of the financial statements, including an evaluation of the internal control system related to the preparation and presentation of the financial statements, and is presented to the board of directors and general assembly

The Fifth Pillar: Authority Matrix

The board has approved the authority matrix, which draws authority lines of the board, its committees, and the executive management in a way that contributes to organizing and governing the decision-making process and setting the responsibilities and accountability lines that ensure the workflow at the bank.

The Sixth Pillar: Relationship with Shareholders

The bank is committed to holding general assembly meetings, allowing all shareholders to participate and exercise their right to vote, and providing them with comprehensive information about the bank to ensure fair treatment without discrimination. The bank also offers open communications methods for shareholders through the Shareholder Affairs Center and the bank's website.

The Seventh Pillar: Disclosure and Transparency

Disclosure and transparency are among the essential principles in corporate governance, seeking to ensure that shareholders and other stakeholders are aware of the necessary information and material developments resulting from the bank's day-to-day operations and future directions in a manner that contributes to creating an environment of trust, transparency, and accountability by presenting important financial and non-financial information of interest to stakeholders, clearly and comprehensively and in a timely and appropriate manner, enabling them to evaluate bank management and monitor its performance. Based on the bank's endeavor to implement the latest standards of disclosure and transparency as an integral part of adopting and applying governance principles, the bank is committed to disclosing all required information transparently, taking into account regulatory authorities' instructions on the topic through the available means of disclosure (the Amman Stock Exchange website, the bank's website, and relevant media) and by the bank's disclosure and transparency policy.

The Eighth Pillar: Code of Professional Conduct

Housing Bank is committed to maintaining the highest levels of professional and ethical behavior in such a way as to enhance trust and partnership between the bank and shareholders; the bank, therefore, adopts a code of professional conduct at the board of directors' level to enable its members to carry out the duties entrusted to them by the highest standards of ethics and integrity. This code governs potential conflicts of interest and the mechanisms for dealing with and disclosing them, in addition to the code of professional conduct and work ethics at the bank employee level, which includes the most important principles and practices that bank employees should adhere to in this context.

The Ninth Pillar: Social and Environmental Responsibility

Bank of Baghdad, as a leading financial institution, seeks to promote a culture of social responsibility and sustainability and make a positive impact in the societies in which the bank operates in general and the Jordanian society in particular, by enhancing its social responsibility toward individuals and community institutions in a way that serves the issues of all group, by supporting and sponsoring many activities, events, social and environmental initiatives, and strategic partnerships with major institutions in various fields, in a way that embodies the bank's strategy for social responsibilities.



Chairman of the Board
Mr. Abdul Karim Allawi Kabariti

CEO
Ahmed T. Mullaugh

Bank of Baghdad (Private Joint Stock Company)

1. Bank's Main Activities

Providing comprehensive banking and credit products and services, accepting deposits of all types, opening current; demand; savings and term accounts and providing retail and corporate finance, in addition to trade finance, opening inward and outward documentary credit, issuing local and international letters of guarantee for all customers in various economic sectors, providing banking services including domestic and cross-border transfers, issuing credit and ATM cards, issuing certified bills of exchange and instruments and providing online banking services.

2. Bank of Baghdad Branch Network

Name of Branch	Address	Opening year	No. of employees
Head Office	Baghdad Governorate – Al-Nidhal St. Building No25&27	1992	544
Main	Baghdad Governorate – Al-Nidhal St. Building No25&27	1992	52
Hella	Babil Governorate / Hella – 40 Str. – Near Electricity Co.	1992	19
Al-Mansour	Baghdad Governorate – Al-Mansour 14 Ramadan Str. – Near Al-Mamoun Intersection	1993	27
Al-Zahraa	Baghdad Governorate – Kathimyaa – Al-Zahraa Str. – Bab Al-Morad Entrance /Al-Qattana Sub-district	1996	13
Mousal	Mosul / Algeria District / Erbil Street / near Al-Hamam Square	1999	13
Karbala	Karbala Governorate – Al-Baladiyyah District – Al-Trabiya Str. – Opposite Abtal Al-Taff Square	1999	19
Kirkuk	Kirkuk Governorate – Al-Mohafatha Str. – Opposite the Children Hospital	1999	13
Al-Hamra	Baghdad Governorate – Al-Shorta Tunnel – Al-Kaneesa Str. – Opposite Mar Yousef Church	2000	16
Basra	Basra Governorate – Kuwait Str. – Opposite the Central Market	2001	59
Baqouba	Diyala Governorate – Baqouba – Takiyya – Near Al-Farouq Mosque	2001	14
Fallouja	Al-Anbar Governorate – Fallouja – Main str. – Near Fallouja Municipality	2001	12
Palestine	Baghdad Governorate – Beirut Square – Opposite the street leading to Rusafa Education Office	2002	18
Mahmoudiyya	Baghdad Governorate – Mahmoudiyya – Qaem Maqamiyya (provincial district) Str. – Opposite the Municipal Council	2002	13
Najaf	Najaf Governorate – Kufa – Jumhuriyya District – Opposite Imam Muslim Bin Aqil Gas Station	2003	14
Al-Bayyaa	Baghdad Governorate – Al-Bayyaa – 20 Str. – Near Al-Bayyaa Intersection – Al- Amel District	2004	16
Sulaimaniyya	Sulaimaniyya Governorate – Al-Aqariyya District – Khan Zad Str. – Opposite the Central Bank	2005	34
Dahuk	Dahuk Governorate – Al-Khoyoul Square – Next to AsiaCell	2008	13
Erbil Shorash	Erbil Governorate – 60 Str. – Near Jalil Al-Khayyat Mosque	2008	40

Bank of Baghdad (Private Joint Stock Company)

Diwaniyya	Al-Qadisiyya Governorate – Diwaniyya – Um Al-Khail – Near Al-Diwaniyya Municipality	2008	18
Kut	Wasit Governorate – Kut – Dor Al-Mualimeen – Opposite Kut Hotel	2008	18
Tikrit	Salahuddin Governorate – Tikrit– 40 Str. – Near Al-Azaem Restaurant	2009	9
Al- Harithiyya	Baghdad Governorate – Al-Harithiyya – Baghdad Mall	2009	13
Um Qasir	Basra Governorate – Um Qasir Area – 24 Str. Near the Water Project	2009	11
Amara	Maysan Governorate – Al-Amara – District 28 – Opposite Amara Notary Public	2009	22
Nasiriyya	Dhi Qar Governorate – Al-Nasiriyya – Al-Shibani Str. – Near Al-Shibani Statue	2009	15
Beirut	Lebanese Republic – Beirut – El Hesen Seaport Area – Daouk Str. Beirut Tower Building	2010	15
Down Town	Erbil Governorate – Down Town Complex – Opposite Shara Wani Ministry	2010	9
Samawa	Muthanna Governorate – Samawa – Officers District – Opposite Al-Hussein Teaching Hospital	2011	17
Al –Nasr Office	Baghdad Governorate – Green Zone – Al-Kindi Str.	2011	2
Al-Qurna	Basra Governorate – South Rumaila Field – BP Co.	2015	4
Al-Shaab / Mansour Mall	Baghdad Governorate – Al-Mansour – Mansour Mall	2015	34
Masrah alwtani	Baghdad Governorate – Karadah Iarij	2024	7
Dahuk Office	Dahuk Governorate – Near Dahuk Private Hospital	2019	3
Al-Rashid	Baghdad Governorate – Green Zone – Royal Tulip Hotel	2019	5
Itelaf Office	Erbil	2020	2
Total Branch			35
Total Employees			1153



مصرف بغداد
Bank of Baghdad

Bank of Baghdad (Private Joint Stock Company)

3. Major shareholders' equity for 2024 was as follows:

Name of Shareholder	Nationality	Number of Shares 2025	Capital %	Number of Shares 2024	Capital %
JKB	Jordan	213.740.297.580	53.435	213.740.297.580	53.435
EUPHRATES IRAQ FUND LTD	American	79.993.726.864	19.94%	79.426.666.791	19.94%
Rajeha Ismail Sahrif	Iraqi	–	–	7.208.273.040	1.8%
Haider Ali Kanan	Iraqi	2.858.048.563	1.483%	2.858.048.563	1.483%
Abdel Aziz Kamel Sharif	Iraqi	4.852.935.482	1.08	4.852.935.482	1.08
Ali Nabeel Sharif	Iraqi	4.320.000.000	1.08%	4.320.000.000	1.08%
Namir Karim Abdul hasen	Irai	7.652.246.327	0.947%	7.652.246.327	0.947%
Saleh Mohammed Matelq	Iraq	3.579.837.792	0.894%	3.579.837.792	0.894%
Dlnia Insurance company	Iraq	2.968.715.368	0.774%	2.968.715.368	0.774%

4. Neither the Bank nor any of its products or services enjoy any government protection or privileges under laws and regulations or otherwise.

5. There are no decisions issued by the government, international organizations or otherwise that have any material impact on the Bank's business, products or competitiveness.

6. Number and qualifications of Bank's employees:

a) Academic achievement (qualifications)

Qualification	No. of Employees
CPA –IQ	1
Master	7
Higher Diploma	1
Bachelor	860
Diploma	88
Secondary Education	57
Below Secondary Education	139
Total	1153

Bank of Baghdad (Private Joint Stock Company)

b. Training courses' venues during 2024.

Course Venue	No. of Courses	No. of Beneficiaries
Inside the Bank	91	1122
Outside the Bank	19	303
North Area	–	–
Out the Iraq	4	12
Total	1437	114

c. Course classification by activity, number of courses and number of participants during 2024.

#	Type of Activity	No. of Courses	No. of Participants
1	Comprehensive training program for new bank employees	51	1217
2	Controls and instructions for banking awareness and public protection	7	12
3	Accounting for financial institution	11	22
4	Anti-money laundering	7	22
5	Treasury and investment	2	3
6	Cyber security	6	46
7	Bank letters of guarantee and guarantees	2	5
8	Credit and financing of small and medium enterprises	2	5
9	Governance guide for banking institutions	2	3
10	Information technology systems course	2	17
11	Detection of counterfeiting and counterfeiting of local and foreign currency	1	3
12	Compliance	1	8
13	Risk Management	2	2
14	HR	2	5
15	internal audit	7	13
16	Bank branch management	2	4
17	Civil Defense	1	39
18	Quality Management	6	7
19	Anti-Money Laundering Course – Beirut	1	4
Total		114	1437

Bank of Baghdad (Private Joint Stock Company)

d. Names and job titles of five employees with the highest salary

#	Name	Job title
1	Basil Al-Dhahi (RESIGNED)	CEO
2	Mutasem Ismail Masoud	Deputy CEO
3	Ahmed T. Mallauh	CEO
4	Mazen Ilias Kamal	Deputy CEO
5	Maher Ahmed Husien	Audit department

9.Risk Description

a) Credit risk:

Credit risk arises from the potential inability and/or unwillingness of the borrower or third party to meet their obligations in due time. This risk includes items on financial statements such as direct facilities (cash credit) and items of consolidated financial statements such as documentary credit and letters of guarantee, which results in the Bank incurring financial loss.

b) Operational risk:

The risk arising from the potential inefficiency or failure of internal operations, employees and systems, or from external events including legal risks.

c) Compliance risk:

The risk arising from the potential non-compliance with the laws, regulations and instructions in force, or banking and ethical regulations issued by local and international regulatory authorities, including the Bank's internal policies.

d) Liquidity risk:

The risk arising from the Bank's potential inability to provide the necessary funds to meet its obligations on due dates, or to finance its activities without incurring high costs or losses.

e) Market risk:

The risk that positions on or off the financial statements might incur loss due to fluctuations in market prices, including fluctuations in interest rate, share price and foreign exchange rates.

Market risk arises from changes in the political and/or economic conditions of the market, fluctuation in foreign exchange rates, fluctuation in interest rate, fluctuation in the acquisition of uncovered positions, gaps in the accrual of assets and liabilities and repricing.

Bank of Baghdad (Private Joint Stock Company)

f) **Interest rate risk:**

g) **Foreign exchange risk:**

This risk arises from fluctuations in foreign exchange rates.

h) **Share price risk:**

Share price risk arises from changes in the fair value of investment in shares.

7. Bank's activities and achievements:

These were covered separately and independently in the Board of Directors' Report; supported with figures and a description of the key incidents experienced by the Bank in 2024.

8. Financial impact of non-recurring incidents that are not part of the Bank's main activity:

No non-recurring incidents had any financial impact on the Bank in 2025.

9. Analysis of the Bank's financial position and business results:

This was covered as part of the analysis of the Bank's business results.

10. Significant future developments and the Bank's future plan:

Future developments, the Bank's strategic projects and orientation and Board of Directors' expectations regarding the Bank's business results were covered as part of the Bank's future plan for 2025.

11. Statement of the number of securities issued by the Bank

a) Number of securities held by members of the Board of Directors and their relatives:

Name	Capacity	Nationality	No. of Shares 2025	No. of Shares 2024
Mr. Abdul Karim Saleh	Chairman	Jordan	12.000	12.000
Mr. Dara Noor Al-Deen Baha Al-Deen	Vice Chairman	Iraq	80.000	80.000
Mr. Sharief Khaled alhazzaa	MOB	Iraq	10.000	0
Mr. Ahmed T. Mullah	MOB	Iraqi	50.000	0
Mr. Zwhier Ahmed Hamada	MOB	Jordan	12.000	12.000
Ms. Tamarah Husien Abbas	MOB	Iraqi	43.854	0
Masood Mahmoud Jawhar	MOB	Kuwaiti	2.400	2.000
Nidal f. Qubbaj	MOB	Joedan	12.000	0
Mr. Mustafa ALShami	MOB	Kuwaiti	12.000	0

Bank of Baghdad (Private Joint Stock Company)

b) Number of securities held by members of the Executive Management and their relatives:

Name	Capacity	Nationality	No. of Shares 2024	No. of Shares 2023
Mr. Ahmed T. Malluah	CEO	Iraqi	50.000	0
Jasim Hashim Mohammed	CFO	Iraqi	9.772.896	9.772.896

14- Benefits and allowances received by members of the Board of Directors and Executive Management:

a) Benefits and allowances received by members of the Board of Directors in 2021

Name	Job Title	Annual Salary*	Cash Allowance*	In-kind Allowance*	Total Annual Benefits*
Mr. Abdulkarim Saleh	Chairman	–	80.000	–	80.000
Mr. Dara Noor Al-Deen Baha Al-Deen	Vice Chairman	–	80.000	–	80.000
Mr. Ahmed T. Mullah	Board Member (Managing Director)	225.000	–	–	225.000
Mr. sharif Khaled alhazaa	Board Member	–	–	–	–
Mr. Zwhier Ahmed Hamada	Board Member	–	80.000	–	80.000
Ms. Tamar Husein Abbas	Board Member	–	–	–	–
Mr. Masood Mahmoud Jawhar	Board Member	–	80.000	–	80.000
Mr. Nidal F. Qibij	Board Member	–	–	–	–
Mr. Mustafa ALShami	Board Member	–	80.000	–	80.000
Total		225.000	400.000	–	400.225

b) Benefits and allowances received by members of the Executive Management during 2025

The Benefits and allowances received by members of the Executive Management amounted to IQD 5.169.708 thousand in 2025.

Bank of Baghdad (Private Joint Stock Company)

15- Donations, grants, community service contributions, travel, hospitality and advertising expenses:

a) Donations:

Amounts in IQD thousand

Beneficiary	Amount
Community-based Initiatives Fund – CBI	433.361

b) Advertising and publicity expenses:

Amounts in IQD thousand

Beneficiary	Amount
External parties	1.813.848

c) Travel and hospitality expenses:

Amounts in IQD thousand

Beneficiary	Amount
Travel expenses	2.113.555
Hospitality expenses	72.136
Total	2.185.691

16- A) Details of contracts, projects and engagements between the Bank and associates, subsidiaries, Chairman, Board Members, Managing Director or any Bank employee or relatives thereof

#	Name	Nature of	Type of Contract or Service	Amount in IQD
1	Al-Amin Insurance Co.	Associate	Loan and property insurance	805.851
3	JKB		Rehabilitation and restoration of Mosul branch	
4			Consultancy fees	1.761.889
5			Consultancy fees 5% JKB	10.025.543
Total				11.787.432

Audit contracts

Amounts in IQD thousand

Description	No. of Contracts	Annual Contract Value
Mr. Adel ALhusoon firm	1	133.000
Mr. Mustafa Fuad Firm	1	133.000
DFK – Beirut	1	36.500

Bank of Baghdad (Private Joint Stock Company)

17- Reserve balances and application:

Details of the reserve balance and its applications were covered as part of the financial analysis of the Bank's results

a) Bank's annual financial statements

The Bank's annual financial statements for 2024 audited by Bank's auditor, Mr. Farqad Hassan Ahmed Al-Salman CO. and Mr. Saad Rasheed Jasim, .

b) Bank's auditor's report

Bank's auditor's report which shows that the audit procedures were carried out in accordance with IFRS instructions and requirements and the requirements and provisions of the Iraqi Companies Law and Banking Law,

c) Lawsuits

There are several lawsuits filed against and by the Bank, and the Bank's management believes that sufficient provisions were booked for this purpose.



Bank of Baghdad (Private Joint Stock Company)

d) Lands and real estate

1. Lands

Location	Real Estate No.	Land Value	Land Area	CBI's Approval No.	Comments
Sulaimaniyya	107/359, 107/35 and 107/212 M 8 Eblakh	6,022,242	1097,03 m2	5379/3/9	Utilized land
Nineveh	Nineveh 14/6/M 41	302,999	303,3 m2	20215	Utilized land
Hella	Hella 3/16 M 38 Mahdiyyat W Krad	1,300,000	395,2	–	Utilized land
Al-Bayyaa	M/Alkhor 3748/19	209,280	261,61	9/3/183	Utilized land
Rusafa	Al-Batawin / 76/150	358,662	915,8	9/3/80	Utilized land
Kathimiyya	Qattana /33/1108	22,593	265,8	9/3/9447	Utilized land
Karkh	Al-Dawoudi / 4517/7 M 20	967,600	967,6	9/3/9447	Utilized land
Rusafa	175/180	166,957	251,75	9/3/1509	Utilized land
Baghdad / Mahmoudiyya	36/426	15,000	203,79	9/3/901	Utilized land
Fallouja	816/9	10,320	285,75	9/3/98	Utilized land
Diyala	Takiyya 76/371	47,466	264	9/3/1461	Utilized land
Nineveh	Sheikh Abu Al-Alaa 17/4	3,750	165,45	9/3/9447	Utilized land
Kirkuk	M 9/108/66 Sari Kahiya	750,000	606	9/3/1102	Utilized land
Erbil Shorash	Warsh 46/51/17	1,700,000	724,54	9/3/573	Utilized land
Dahuk	6/1 M 81 Dahuk North	700,000	301	9/3/1447	Utilized land
Muthanna	23/14 M 4 West Samawa Gradens	237,870	264,3	9/3/899	Utilized land
Lebanon	Division 6 Property 1401 Beirut / Huson area	4,025,600	600	9/3/234	Utilized land
Basra	47/668	96,000	122,87	9/3/1562	Utilized land
Kut	2915/1 M 39 Hora	371,250	274,8	9/3/2145	Utilized land
Erbil Nashtman	3/364 M 45 Warsh	2,025,666	355	9/3/392	Utilized land
Dahuk	Easter Dahuk District 9/344-80	818,125	1375	9/2/12432	Utilized land
Basra / Breiha	51/2	3,968,131	87/22/1	–	Utilized land
Head Office	323/287-288	8.479.000	323/288	9/2/25434	Utilized land
Total		30.932.064			

Bank of Baghdad (Private Joint Stock Company)

2. Real estate

*Amounts are rounded to nearest thousand

#	Location	Real Estate No.	Real Estate Value	CBI's Approval No.	Comments
1	Al-Bayyaa	M/Alkhor 3748/19	304,405	183/3/9	Building / Utilized
2	Rusafa	Al-Batawin / 76/150	989,785	80/3/9	Building / Utilized
3	Kathimiyya	Qattana /33/1108	29,834	9447/3/9	Building / Utilized
4	Karkh	Al-Dawoudi / 4517/7 M 20	922,090	9447/3/9	Building / Utilized
5	Rusafa	175/180	288,513	1509/3/9	Building / Utilized
6	Baghdad/ Mahmoudiyya	426/36	85,396	901/3/9	Building / Utilized
7	Fallouja	9/816	54,144	98/3/9	Building / Utilized
8	Diyala	Takiyya 76/371	172,621	1461/3/9	Building / Utilized
9	Nineveh	Sheikh Abu Al-Alaa 17/4	60,497	9447/3/9	Building / Utilized
10	Kirkuk	M 9/108/66 Sari Kahiya	130,923	1102/3/9	Building / Utilized
11	Erbil Shorash	Warsh 46/51/17	3,200,000	573/3/9	Building / Utilized
12	Dahuk	1/6 M 81 Dahuk North	600,000	1447/3/9	Building / Utilized
13	Muthanna	14/23 M 4 West Samawa Gradens	521,350	899/3/9	Building / Utilized
14	Lebanon	Division 6 Property 1401 Beirut / Huson area	1,985,523	234/3/9	Building / Utilized
15	Basra	668/47	127,108	1562/3/9	Building / Utilized
16	Kut	1/2915/ M 39 Hora	362,647	2145/3/9	Building / Utilized
17	Erbil Nashtman	364/3 M 45 Warsh	2,705,541	392/3/9	Building / Utilized
18	Dahuk	Eastern Dahuk District 9/344-80	9,499,527	12432/2/9	Building / Utilized
19	Hella	Hella 3/16 M 38 MahdiyyatW Krad	3,727,405		Building / Utilized
20	Musal	Niva	2,814,395		Building / Utilized
21	Baghdad	Baghdad –Nidal st–HO	14,138,677	9/3/25434	Building / Utilized
Total			35,107,405		

Bank of Baghdad (Private Joint Stock Company)

e) Representations

In accordance with the disclosure instructions issued by the Securities Commission:

1. The Board of Directors of the Bank of Baghdad hereby represents that, to the best of knowledge, there are no material issues that might affect the Bank's business continuity in 2025.
2. The Board of Directors of the Bank of Baghdad hereby acknowledges its responsibility for the preparation of the financial statements for the year 2025, and that the Bank has an effective control system in place.

Board of Directors	Job Title	Signature
Mr. Abdulkarim Saleh	Chairman	
Mr. Dara Noor Al-Deen Baha Al-Deen	Vice Chairman	
Mr. Khaled Sharief alhazaa	MOB	
Mr. Ahmed T. Mullah	MOB	
Mr. Zwhier Ahmed Hamada	MOB	
Ms. Tamrah Husein Abbas	MOB	
Masood Mahmoud Jawhar	MOB	
Mr. Nidal F. Qibij	MOB	
Mr. Mustafa ALShami	MOB	

3. The Chairman, Managing Director and Chief Financial Officer hereby attest to the validity, accuracy and completeness of the information and data included in the Annual Report of the Bank of Baghdad for 2024.

Chief financial officer

Chief Executive Officer

Chairman

Jasim Hashim Alazzawi

Ahmed T. Muallah

Abdulkarim Alwai Saleh

Auditors

Mustafa Fouad Abbas

Adel Mohammed AL-Hassoun

From Mustafa Fouad Abbas & co.

From of Adel AL-Hassoun & Co,

Public Accountants, Auditors & Tax Consultants

Public Accountants, Auditors & Tax

(A Member Firm of Ernst & Young Global Limited)

Consultants



Baghdad on 17th of Feb. 2026