COMMERCIAL ISLAMIC BANK OF IRAQ P.S.C.
(PRIVATE SHAREHOLDING COMPANY)
INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS
31 MARCH 2026

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REPORT ON REVIEW OF INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS
TO THE BOARD OF DIRECTORS OF COMMERCIAL ISLAMIC BANK OF IRAQ (PRIVATE SHAREHOLDING COMPANY)
BAGHDAD - IRAQ

Introduction

We have reviewed the accompanying interim condensed consolidated statement of financial position of Commercial Islamic Bank of Iraq and its subsidiary (collectively the "Bank") as of 31 March 2026, and the related interim condensed consolidated statements of income, comprehensive income, changes in shareholders' equity, cash flows, and income and attribution related to quasi-equity for the three-month period then ended, and explanatory notes. Management is responsible for the preparation and presentation of these interim condensed consolidated financial statements in accordance with Financial Accounting Standard 41 (FAS 41) "Interim Financial Reporting" issued by Accounting and Auditing Organization for Islamic Financial Institution (AAOIFI). Our responsibility is to express a conclusion on these interim condensed consolidated financial statements based on our review.

Scope of review

We conducted our review in accordance with International Standard on Review Engagements 2410 "Review of Interim Financial Information Performed by the Independent Auditor of the Entity". A review of interim financial information consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with International Standards on Auditing and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

Conclusion

Based on our review, nothing has come to our attention that causes us to believe that the accompanying interim condensed consolidated financial statements are not prepared, in all material respects, in accordance with FAS 41.

Emphasis of Matters - Basis of preparation and restriction of use

We draw attention to Note 2 to the consolidated financial statements, which describes the basis of preparation. The financial statements are prepared to assist the Bank to meet the requirement of the Central Bank of Iraq ("CBI"). As a result, the consolidated financial statements may not be suitable for another purpose. Our auditor's report is intended solely for the information and use of the CBI and should not be used by parties other than the CBI. Our opinion is not modified in respect of this matter.

17 June 2026

Ernst and Young
Jordan, Amman

ERNST & YOUNG
Amman - Jordan

INTERIM CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION
AS OF 31 MARCH 2026 (REVIEWED)

	Notes	31 March 2026 Reviewed IQD (000)	31 December 2025 Audited IQD (000)
ASSETS			
Cash and balances with Central Bank of Iraq	3	89,274,930	112,043,504
Due from banks, net	4	38,337,170	69,297,551
Short Term Investment in Islamic Certificate Deposit		20,000,000	-
Financing receivables, net	5	8,454,480	7,137,152
Non-trading investments through other comprehensive income		1,661,885	1,617,306
Non-trading investments at amortized cost, net	6	327,984,021	327,984,021
Property, equipment and right of use assets, net		7,274,381	7,297,414
Other assets, net		10,707,774	9,505,439
Total assets		503,694,641	534,882,387
LIABILITIES AND SHAREHOLDERS' EQUITY			
LIABILITIES			
Due to banks		83,034	83,034
Depositors' accounts	7	75,408,007	115,215,217
Current tax liabilities	8	235,760	235,760
Other liabilities		19,236,859	18,610,889
Total liabilities		94,963,660	134,144,900
QUASI EQUITY			
Non-banks and individuals		21,142,916	17,783,416
Total quasi equity		21,142,916	17,783,416
SHAREHOLDERS' EQUITY			
Paid in capital	9	327,600,000	327,600,000
Statutory reserve		29,732,348	29,732,348
Other reserves		159,844	159,844
Fair value reserve		455,285	410,706
Retained earnings		29,640,588	25,051,173
Total Shareholders' equity		387,588,065	382,954,071
Total liabilities and Shareholders' equity		503,694,641	534,882,387

المصرف التجاري العراقي الإسلامي
General Administration
Iraq-Baghdad
Commercial Islamic bank of Iraq

Ahmed Salem Abdullah
DEPUTY HEAD OF FINANCE

Bassam Jaber
CHIEF EXECUTIVE OFFICER

The accompanying notes 1 to 21 form an integral part of the interim condensed consolidated financial statements

INTERIM CONDENSED CONSOLIDATED STATEMENT OF INCOME
FOR THE THREE MONTHS ENDED 31 MARCH 2026 (REVIEWED)

	Notes	Three months period ended 31 March 2026 IQD (000)	2025 IQD (000)
Financing and similar income	10	7,401,631	7,812,227
Finance and similar cost	11	(13,199)	(22,120)
Net distribution to quasi-equity	12	(79,664)	(332,917)
Net financing and similar income		7,308,768	7,457,190
Net fees and commissions		778,514	675,945
Net gains from foreign currencies	13	2,035,279	1,587,506
Other income		46,995	54,477
Total operating income		10,169,556	9,775,118
Staff costs		(1,752,084)	(1,493,442)
Depreciation of property, equipment and right of use assets		(420,212)	(341,404)
Other operating expenses		(3,415,707)	(2,811,788)
Total operating expenses		(5,588,003)	(4,646,634)
Operating profit before allowance for expected credit losses		4,581,553	5,128,484
Net recovery (charge) of the expected credit losses	14	7,862	(5,749)
Net profit before income tax		4,589,415	5,122,735
Income tax expense	8	-	(79,500)
Net profit for the period		4,589,415	5,043,235
		IQD/Fils	IQD/Fils
Basic and diluted earnings per share		0/014	0/017

The accompanying notes 1 to 22 form an integral part of the interim condensed consolidated financial statements

INTERIM CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME
FOR THE THREE MONTHS ENDED 31 MARCH 2026 (REVIEWED)

	Three months period ended 31 March	
	2026	2025
	IQD (000)	IQD (000)
Net profit for the period	4,589,415	5,043,235
Items that will not be reclassified subsequently to consolidated statement of income		
Net change in fair value of financial assets at fair value through other comprehensive income	44,579	3,754
Total other comprehensive Income for the period,	44,579	3,754
Total comprehensive income for the period	4,633,994	5,046,989

The accompanying notes 1 to 22 form an integral part of the interim condensed consolidated financial statements

INTERIM CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN SHAREHOLDERS' EQUITY
FOR THE THREE MONTHS ENDED 31 MARCH 2026 (REVIEWED)

	Paid in capital	Statutory reserve	Other reserves	Fair value reserve	Retained earnings	Total
	IQD (000)	IQD (000)	IQD (000)	IQD (000)	IQD (000)	IQD (000)
31 March 2026						
At 1 January 2026	327,600,000	29,732,348	159,844	410,706	25,051,173	382,954,071
Total comprehensive income	-	-	-	44,579	4,589,415	4,633,994
Balance at 31 March 2026	327,600,000	29,732,348	159,844	455,285	29,640,588	387,588,065
31 March 2025						
At 1 January 2025	292,500,000	27,030,424	159,844	241,713	36,083,676	356,015,657
Total comprehensive income	-	-	-	3,754	5,043,235	5,046,989
Balance at 31 March 2025	292,500,000	27,030,424	159,844	245,467	41,126,911	361,062,646

INTERIM CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS
FOR THE THREE MONTHS ENDED 31 MARCH 2026 (REVIEWED)

		Three months period ended 31 March (Reviewed)	
		2026	**2025**
	Notes	**IQD (000)**	**IQD (000)**
Operating Activities			
Profit before income tax		4,589,415	5,122,735
Adjustments for:			
Miscellaneous accruals		24,300	117,813
Depreciation of property, equipment and right of use assets		420,212	341,404
Net (recovery) charge for expected credit losses		(7,862)	5,749
Finance cost on lease		13,198	22,120
Cash flow from operating activities before changes in assets and liabilities		5,039,263	5,609,821
Changes in operating assets and liabilities:			
(Increase) decrease in financing receivables, net		(1,302,792)	369,075
Increase in other assets		(1,202,335)	(3,313,419)
(Decrease) in depositors' accounts		(39,807,210)	(43,058,264)
Increase in Quasi equity		3,359,500	46,090,000
Increase (decrease) in other liabilities		746,135	(417,206)
Decrease in statutory reserve with CBI		8,897,523	3,060,309
Decrease in LGs margin reserve with CBI		20,406	-
Net cash flows from operating activities before income tax		(24,249,510)	8,340,316
Income tax paid		-	-
Net cash flows (used in) from operating activities		(24,249,510)	8,340,316
Investing Activities			
Purchases of non-trading investments at amortized cost		-	(60,000,000)
Maturity of non-trading investments at amortized cost		-	5,718,798
Purchase of property and equipment and projects in progress		(397,179)	(305,129)
Net cash flows used in investing activities		(397,179)	(54,586,331)
Financing Activities			
Dividends paid		(7,623)	(2,087,816)
Lease paid during the year		(150,040)	(150,040)
Net cash flows used in financing activities		(157,663)	(2,237,856)
Net decrease in cash and cash equivalents		(24,804,352)	(48,483,871)
Cash and cash equivalents at beginning of the period		152,689,898	147,499,709
Cash and cash equivalents at end of the period	16	127,885,546	99,015,838

INTERIM CONDENSED CONSOLIDATED STATEMENT OF INCOME AND ATTRIBUTION RELATED TO QUASI-EQUITY
FOR THE THREE MONTHS ENDED 31 MARCH 2026 (REVIEWED)

	Three months period ended 31 March	
	2026	2025
	IQD (000) Reviewed	IQD (000) Reviewed
Gross Financing Income	7,401,631	7,812,227
Less: Income not attributable to quasi-equity	(6,792,004)	(6,502,950)
	609,627	1,309,277
Adjusted for:		
Less: expenses attributable to quasi-equity	(441,463)	(213,576)
Less: bank's share of income for its own / share of investments	(45,805)	(976,377)
Add: net recovery for expected credit losses - attributable to quasi-equity	14,536	269,037
Total income available for quasi-equity	136,895	388,361
Less: Wakala agency fees	(57,231)	(55,444)
Net distribution to quasi-equity *	79,664	332,917

* Quasi equity comprises of Wakala accounts.

1. CORPORATE INFORMATION

Commercial Islamic Bank of Iraq is a private shareholding company offering retail and corporate banking services in Iraq. The Bank was incorporated on 11 February 1992 and conducts its operations through 10 branches located in Baghdad, Basra and Najaf. The Bank's registered office is at Al-Sadoon Street, Baghdad, Iraq.

The Bank is a subsidiary of Kuwait Finance House B.S.C. ("the Parent") which owns 85.3% of the Bank's capital (2025: 85.3%). The consolidated financial statements of the Bank are consolidated with the Parent's consolidated financial statements.

The Bank has 100% (2025: 100%) ownership interest in a subsidiary, Ahli United Brokerage and Investment Company (" the Subsidiary"), which was registered in Iraq on 3 July 2008. The principal activity of the subsidiary is brokerage. The Bank and its subsidiary are collectively known as ("the Bank").

2. ACCOUNTING POLICIES

2.1. BASIS OF PREPARATION

The condensed interim consolidated financial statements of the Bank have been prepared in accordance with Financial Accounting Standard No. 41 (Interim Financial Reporting) issued by the Accounting and Auditing Organization for Islamic Financial Institutions (AAOIFI).

The condensed interim consolidated financial statements have been prepared in accordance with the Financial Accounting Standards issued by AAOIFI, the principles and rules of Sharia as determined by the Bank's Sharia Supervisory Board, and in accordance with the applicable provisions of the Companies Law No. 21 of 1997 (as amended) and the Central Bank of Iraq Law No. 94 of 2004 and Islamic Banks Law No. 43 of 2015.
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2. ACCOUNTING POLICIES (CONTINUED)

2.1. BASIS OF PREPARATION (CONTINUED)

The Bank follows the hierarchy of Sharia principles and rules as outlined in paragraph 165 of Financial Accounting Standard No. 1, "General Presentation and Disclosures in the Financial Statements."

The condensed interim consolidated financial statements of the Bank have been prepared on the historical cost basis, except for investments held for non-trading purposes that are measured at fair value through equity, which are presented at fair value as of the financial statement date.

The condensed interim consolidated financial statements are presented in Iraqi Dinar, and all amounts have been rounded to the nearest thousand Iraqi Dinars, unless otherwise indicated. The Iraqi Dinar is the functional currency of the Bank and its subsidiary.

For matters not covered under the Financial Accounting Standards issued by the Accounting and Auditing Organization for Islamic Financial Institutions (AAOIFI), the Bank applies the International Financial Reporting Standards (IFRS Accounting Standards) issued by the International Accounting Standards Board (IASB).

All income and expenses arising from activities that are not compliant with Sharia principles are dealt with based on the guidance of the Sharia Supervisory Board.

2.2. BASIS OF CONSOLIDATION

The condensed interim consolidated financial statements include the financial statements of the Bank and its subsidiary, which is under its control as of 30 September 2025, as the Bank has the ability to control the financial and operational policies of the subsidiary in order to obtain benefits from its activities. All balances, transactions, income, and expenses between the Bank and the subsidiary have been eliminated upon consolidation. The financial statements of the subsidiary have been prepared for the same year, as the Bank follows consistent accounting policies.

The paid-up capital of the subsidiary is 200 million Iraqi Dinars (2025: 200 million Iraqi Dinars), of which the Bank owns 100% as of 31 March 2026 (2024: 100%).

The Subsidiary’s main activity is investment brokerage. The Subsidiary is fully consolidated from the date of acquisition, being the date on which the Bank obtained control, and continues to be consolidated until the date that such control ceases.

2. ACCOUNTING POLICIES (CONTINUED)

2.3. New and amended standards and interpretations issued for the period

The accounting policies adopted in preparing the condensed consolidated financial statements are consistent with those applied in the preparation of the consolidated financial statements for the year ended 31 December 2025:

FAS 45 QUASI - EQUITY (INCLUDING INVESTMENT ACCOUNTS)

AAOIFI issued FAS 45 "Quasi - Equity (Including Investment Accounts)" in 2023. The objective of this standard is to establish the principles of financial reporting related to instruments classified as Quasi - Equity, such as investment accounts and similar instruments invested with Islamic Financial Institutions. Quasi - Equity is an element of financial statements of an institution in line with the "AAOIFI Conceptual Framework for Financial Reporting". The adoption of this standard did not have any material impact on the Bank’s financial statements

FAS 46 OFF - BALANCE - SHEET ASSETS UNDER MANAGEMENT

AAOIFI issued FAS 46 "Off - Balance - Sheet Assets Under Management" in 2023. The objective of this standard is to establish the principles of financial reporting related off - balance - sheet assets under management in line with the "AAOIFI Conceptual Framework for Financial Reporting". The adoption of this standard did not have any material impact on the Bank’s financial statements

FAS 47 TRANSFER OF ASSETS BETWEEN INVESTMENT POOLS

AAOIFI issued FAS 46 "Transfer of Assets between Investment Pools" in 2023. The objective of this standard is to establish the principles that apply in respect of transfer of assets between various investment pools of an Islamic Financial Institution. The adoption of this standard did not have any material impact on the Bank’s financial statements

FAS 48 PROMOTIONAL GIFTS AND PRIZES

The Accounting and Auditing Organization for Islamic Financial Institutions (AAOIFI) issued Financial Accounting Standard No. (48) in the year 2024. The objective of this standard is to outline the accounting and financial reporting principles for recognition, measurement, presentation, and disclosure applicable to promotional gifts and prizes offered by Islamic financial institutions to their clients, including quasi-equity holders and other investment account holders.
The adoption of this standard did not have any material impact on the Bank’s financial statements.

2. ACCOUNTING POLICIES (CONTINUED)

2.3. New and amended standards and interpretations issued for the period (CONTINUED)

FAS 49 FINANCIAL REPORTING FOR INSTITUTIONS OPERATING IN HYPERINFLATIONARY ECONOMIES

The Accounting and Auditing Organization for Islamic Financial Institutions (AAOIFI) issued Financial Accounting Standard No. (49) in the year 2024. This standard outlines the principles of financial reporting for institutions that apply AAOIFI financial accounting standards and operate in hyperinflationary economies, taking into account Shariah principles and rulings as well as the nature of their business models.

The AAOIFI Accounting Board acknowledges that the economic environment in many countries experiencing severe inflation often renders financial statements prepared in accordance with AAOIFI standards less relevant and not comparable across multiple reporting periods. Therefore, the Board recognized the need for institutions that follow AAOIFI standards in such economic environments to apply specific financial reporting requirements that enhance the relevance and comparability of their financial statements.

The Board also acknowledged that certain financial reporting requirements under generally accepted accounting principles (GAAP) may not be suitable for institutions applying AAOIFI standards, due to the specific requirements of Shariah principles and the unique characteristics of their business models. Accordingly, the Board decided to issue a dedicated standard on this subject.

The adoption of this standard did not have any material impact on the Bank’s financial statements

2.4. NEW AND AMENDED STANDARDS AND INTERPRETATIONS ISSUED BUT NOT YET EFFECTIVE

The standards and interpretations that are issued but not yet effective, up to the date of issuance of the interim condensed consolidated financial statements are disclosed below.

FAS 50 FINANCIAL REPORTING FOR ISLAMIC INVESTMENT INSTITUTIONS (INCLUDING INVESTMENT FUNDS)

The Accounting and Auditing Organization for Islamic Financial Institutions (AAOIFI) issued Financial Accounting Standard No. (50) in the year 2024. This standard supersedes Financial Accounting Standard No. (14) titled "Investment Funds." It outlines the financial reporting principles applicable to Islamic investment institutions, with a specific focus on achieving consistency and providing a unified basis for the format and content of financial statements of such institutions.

The standard also sets out general presentation requirements, minimum content specifications, and a recommended structure for financial statements, aiming to enhance fair and faithful presentation in accordance with Shariah principles and rulings.

This standard is effective for financial reporting periods beginning on or after January 1, 2027. It will be applied starting from January 1, 2027, and is not expected to have a material impact on the bank upon implementation.

2. ACCOUNTING POLICIES (CONTINUED)

2.4. NEW AND AMENDED STANDARDS AND INTERPRETATIONS ISSUED BUT NOT YET EFFECTIVE (CONTINUED)

FAS 51 – PARTICIPATORY VENTURES

AAOIFI issued FAS 51 on 10 November 2025. This standard prescribes accounting and financial reporting principles for recognition, measurement, presentation and disclosures to apply in relation to participatory ventures (including most of the common structures/products based on Mudaraba and Musharaka).This standard shall be applied in respect of accounting and financial reporting by the investors, the working partners, as well as, the participatory ventures with regard to all such participatory ventures that fall within the scope of this standard, including those with fixed and variable equity / quasi-equity shares. This standard shall be effective for the financial periods beginning or after 1 January 2027.

FAS 52 – DEFERRED DELIVERY SALES: SALAM AND ISTISNA

AAOIFI has issued FAS 52 on 31 December 2025. This standard prescribes the accounting and financial reporting principles for recognition, measurement, presentation and disclosures related to deferred delivery sales transactions, applicable to the respective buyers and sellers. Such transactions include both Salam- and Istisna-based deferred delivery sales transactions, but do not include Istisna-based development contracts which are subject of another standard being simultaneously issued. This standard shall be effective for the financial periods beginning or after 1 January 2027.

3. CASH AND BALANCES WITH CENTRAL BANK OF IRAQ

	31 March 2026 Reviewed	31 December 2025 Audited
	IQD (000)	IQD (000)
Cash on hand *	16,466,910	29,634,553
Balances with Central Bank of Iraq:		
Current accounts	53,153,964	53,836,966
Statutory cash reserve **	18,983,016	27,880,539
LGs margin reserve ***	648,040	668,446
Companies registration deposits and capital injection ****	23,000	23,000
	72,808,020	82,408,951
	89,274,930	112,043,504

* Cash on hand includes foreign currency balances amounting to IQD 7,795,861 thousand, (2025: IQD 9,218,978 thousand).

** These amounts represent statutory cash reserve held by Central Bank of Iraq (CBI) and are non-profit-bearing and not available for use in the Bank's day-to-day operations. The minimum statutory cash reserve for total IQD deposits and non USD deposits are 18% and the USD deposits must have a minimum of 20%

*** According to CBI Instructions dated 2 May 2017, a reserve against letters of guarantee was established. These amounts are held at CBI to face any deficit in covering claims against unpaid letters of guarantee and are non-profit-bearing and not available for use in Bank's day-to-day operations.

**** These amounts represent deposits paid by companies yet to be incorporated, the Bank deposits these amounts into dedicated account with Central Bank of Iraq (CBI). These amounts are non-profit-bearing and not available for use in Bank's day-to-day operations.

4. DUE FROM BANKS, NET

	31 March 2026 Reviewed		
	Inside Iraq	**Outside Iraq**	**Total**
	IQD (000)	**IQD (000)**	**IQD (000)**
Current accounts	87,013	21,101,237	21,188,250
Placements with banks – Wakala	-	17,159,456	17,159,456
Less: allowance for ECL *	(5)	(10,531)	(10,536)
	87,008	38,250,162	38,337,170

	31 December 2025 Audited		
	Inside Iraq	**Outside Iraq**	**Total**
	IQD (000)	**IQD (000)**	**IQD (000)**
Current accounts	110,355	58,462,158	58,572,513
Placements with banks – Wakala	-	10,728,900	10,728,900
Less: allowance for ECL *	(5)	(3,857)	(3,862)
	110,350	69,187,201	69,297,551

Non-profit-bearing deposits amounted to IQD 21,188,250 thousand (2025: IQD 58,572,513 thousand).
profit bearing deposits amounted to IQD 17,159,456 thousand (2025: IQD 10,728,900 thousand).

Current and time deposits accounts with banks include foreign currency balances amounting to IQD 38,261,836 thousand as of 31 March 2026 (31 December 2025: 69,192,301 IQD thousand). The above Balances with banks do not include any past due or impaired balances as 31 March 2026 and 31 December 2025.

4. DUE FROM BANKS, NET (CONTINUED)

	31 March 2026 IQD (000) Reviewed			
	Stage 1	**Stage 2**	**Stage 3**	**Total**
High standard grade	-	-	-	-
Standard grade	38,347,706	-	-	38,347,706
	38,347,706	-	-	38,347,706
Less: allowance for ECL	(10,536)	-	-	(10,536)
	38,337,170	-	-	38,337,170

	31 December 2025 IQD (000) Audited			
	Stage 1	**Stage 2**	**Stage 3**	**Total**
High standard grade	-	-	-	-
Standard grade	69,301,413	-	-	69,301,413
	69,301,413	-	-	69,301,413
Less: allowance for ECL	(3,862)	-	-	(3,862)
	69,297,551	-	-	69,297,551

* The movement of the allowance for expected credit losses of Balances with banks is as follows:

	31 March 2026 IQD (000) Reviewed			
	Stage 1	**Stage 2**	**Stage 3**	**Total**
At 1 January	3,862	-	-	3,862
Transfer from stage 1	-	-	-	-
Transfer from stage 2	-	-	-	-
Transfer from stage 3	-	-	-	-
Net remeasurement of ECL	6,674	-	-	6,674
At 31 March	10,536	-	-	10,536

4. DUE FROM BANKS, NET (CONTINUED)

	31 December 2025 IQD (000) Audited			
	Stage 1	Stage 2	Stage 3	Total
At 1 January	1,883	-	-	1,883
Transfer from stage 1	-	-	-	-
Transfer from stage 2	-	-	-	-
Transfer from stage 3	-	-	-	-
Net remeasurement of ECL	1,979	-	-	1,979
At 31 December	3,862	-	-	3,862

5. FINANCING RECEIVABLES, NET

	31 March 2026 Reviewed IQD (000)	31 December 2025 Audited IQD (000)
Financing receivables	9,454,017	8,073,534
Deferred profits	(876,374)	(799,408)
Financing receivables, net of deferred profits	8,577,643	7,274,126
Less: allowance for ECL *	(117,892)	(132,428)
Less: suspended profit**	(5,271)	(4,546)
	8,454,480	7,137,152

	31 March 2026 IQD (000) Reviewed			
	Stage 1	Stage 2	Stage 3	Total
High standard grade	-	-	-	-
Standard grade	8,304,536	238,732	-	8,543,268
Impaired (net of suspended profit)	-	-	29,104	29,104
	8,304,536	238,732	29,104	8,572,372
Less: allowance for ECL	(87,575)	(6,025)	(24,292)	(117,892)
	8,216,961	232,707	4,812	8,454,480

5. FINANCING RECEIVABLES, NET (CONTINUED)

	31 December 2025 IQD (000) Audited			
	Stage 1	**Stage 2**	**Stage 3**	**Total**
High standard grade	-	-	-	-
Standard grade	7,023,957	215,689	-	7,239,646
Impaired (net of suspended profit)	-	-	29,934	29,934
	7,023,957	215,689	29,934	7,269,580
Less: allowance for ECL	(103,024)	(5,243)	(24,161)	(132,428)
	6,920,933	210,446	5,773	7,137,152

The movement of the Financing receivables net of income in suspense as follows:

	31 March 2026 IQD (000) Reviewed			
	Stage 1	**Stage 2**	**Stage 3**	**Total**
At 1 January	7,023,957	215,689	29,934	7,269,580
Additions during the year	2,067,570	-	-	2,067,570
Paid-off during the year	(665,626)	(98,322)	(830)	(764,778)
Transfer from stage 1	(150,000)	150,000	-	-
Transfer from stage 2	28,635	(28,635)	-	-
Transfer from stage 3	-	-	-	-
At 31 March	8,304,536	238,732	29,104	8,572,372

	31 December 2025 IQD (000) Reviewed			
	Stage 1	**Stage 2**	**Stage 3**	**Total**
At 1 January	7,246,570	337,560	240,565	7,824,695
Additions during the year	5,577,278	-	-	5,577,278
Paid-off during the year	(5,126,453)	(795,309)	(210,631)	(6,132,393)
Transfer from stage 1	(673,438)	673,438	-	-
Transfer from stage 2	-	-	-	-
Transfer from stage 3	-	-	-	-
At 31 December	7,023,957	215,689	29,934	7,269,580

5. FINANCING RECEIVABLES, NET (CONTINUED)

* The movement of the ECL allowances of Financing receivables as follows:

	31 March 2026 IQD (000) Reviewed			
	Stage 1	**Stage 2**	**Stage 3**	**Total**
At 1 January	103,024	5,243	24,161	132,428
Transfer from stage 1	(3,761)	3,761	-	-
Transfer from stage 2	142	(142)	-	-
Transfer from stage 3	-	-	-	-
Net remeasurement of ECL	(11,830)	(2,837)	131	(14,536)
At 31 March	87,575	6,025	24,292	117,892

	31 December 2025 IQD (000) Audited			
	Stage 1	**Stage 2**	**Stage 3**	**Total**
At 1 January:	82,269	105,158	210,717	398,144
Transfer from stage 1	(8,678)	8,678	-	-
Transfer from stage 2	-	-	-	-
Transfer from stage 3	-	-	-	-
Net remeasurement of ECL	29,433	(108,593)	(186,556)	(265,716)
At 31 December	103,024	5,243	24,161	132,428

** The movement of the suspended profit is as follows:

	31 March 2026 Reviewed	**31 December 2025 Audited**
	IQD (000)	**IQD (000)**
At 1 January	4,546	66,281
Additions	725	4,546
Recoveries	-	(38,431)
Written off	-	(27,850)
At period / year end	5,271	4,546

6. NON-TRADING INVESTMENTS AT AMORTIZED COST

	31 March 2026 Reviewed IQD (000)	31 December 2025 Audited IQD (000)
Emmar bonds	115,000,000	115,000,000
Injaz bonds	105,000,000	105,000,000
National bonds	110,000,000	110,000,000
	330,000,000	330,000,000
Less: Allowance for ECL**	(2,015,979)	(2,015,979)
	327,984,021	327,984,021

The following are the balances of non-trading investments at amortized cost classified by stages:

	31 March 2026 IQD (000) Reviewed			
	Stage 1	Stage 2	Stage 3	Total
High standard grade	330,000,000	-	-	330,000,000
Standard grade	-	-	-	-
	330,000,000	-	-	330,000,000
Less: Allowance for ECL**	(2,015,979)	-	-	(2,015,979)
	327,984,021	-	-	327,984,021

	31 December 2025 IQD (000) Audited			
	Stage 1	Stage 2	Stage 3	Total
High standard grade	330,000,000	-	-	330,000,000
Standard grade	-	-	-	-
	330,000,000	-	-	330,000,000
Less: Allowance for ECL**	(2,015,979)	-	-	(2,015,979)
	327,984,021	-	-	327,984,021

* The average yield rate of National bonds IQD is 8.3% maturing between 2027 and 2029.

6. NON-TRADING INVESTMENTS AT AMORTIZED COST (CONTINUED)

	31 March 2026 IQD (000) Reviewed			
	Stage 1	**Stage 2**	**Stage 3**	**Total**
At 1 January	330,000,000	-	-	330,000,000
Additions during the period	-	-	-	-
Matured during the period	-	-	-	-
At 31 March	330,000,000	-	-	330,000,000

	31 December 2025 IQD (000) Reviewed			
	Stage 1	**Stage 2**	**Stage 3**	**Total**
At 1 January	339,987,732	-	-	339,987,732
Additions during the period	110,000,000	-	-	110,000,000
Matured during the period	(85,562,504)	-	-	(85,562,504)
Sold during the period	(34,425,228)	-	-	(34,425,228)
At 31 December	330,000,000	-	-	330,000,000

** The movements in the allowance for expected credit losses for non-trading investments at amortized cost were as follows:

	31 March 2026 IQD (000) Reviewed			
	Stage 1	**Stage 2**	**Stage 3**	**Total**
At 1st January	2,015,979	-	-	2,015,979
Net remeasurement of ECL	-	-	-	-
At 31 March	2,015,979	-	-	2,015,979

	31 December 2025 IQD (000) Audited			
	Stage 1	**Stage 2**	**Stage 3**	**Total**
At 1st January	53,495	-	-	53,495
Net remeasurement of ECL	1,962,484	-	-	1,962,484
At 31 December	2,015,979	-	-	2,015,979

7. Depositors' accounts

	31 March 2026 Reviewed	31 December 2025 Audited
	IQD (000)	IQD (000)
Current and demand deposits	66,451,726	90,238,055
Cash margin	5,982,477	21,745,494
Saving accounts	2,973,804	3,231,668
	75,408,007	115,215,217

8. CURRENT TAX LIABILITIES
Income tax liability

The movement on income tax liability was as follows:

	31 March 2026 Reviewed	31 December 2025 Audited
	IQD (000)	IQD (000)
At January 1	235,760	2,058,857
Income tax charged for the period / year	-	233,830
Income tax paid during the period / year	-	(2,056,927)
	235,760	235,760

The reconciliation between the tax profit and the accounting profit for the three-months period ended 31 March 2026 and 31 March 2025 is as follows:

	31 March 2026 Reviewed	31 March 2025 Reviewed
	IQD (000)	IQD (000)
Accounting profit before income tax	4,589,415	5,122,735
Nontaxable income	(6,947,361)	(6,146,840)
Nondeductible expenses	372,786	1,554,105
Taxable profit	(1,985,160)	530,000
Current income tax at Iraqi statutory income tax rate 15% (2025:15%)	-	79,500

The taxable profit subject to tax for the ended period 31 March 2026 is Nil (31 March 2025: 530,000 thousand).

Effective income tax rate as of 31 March 2026 is 0% (31 March 2025: 1,6%).

9. PAID IN CAPITAL

Pursuant to CBI instruction issued on 2 Aug 2023 with circular No. 9/2/439, the Bank increased its capital by IQD 42.5 billion on 4 November 2024 and by IQD 35.1 billion on 15 July 2025 to become IQD 327.6 billion.

During the year, the Central Bank of Iraq issued the Banking Reform Initiative with circular No. 9/4/296 dated 28 Aug 2025, the initiative outlined three reform tracks to ensure compliance with the requirement of raising banks' capital to IQD 400 billion by 30 Jun 2028. The Bank has chosen the first track with continuing to operate and conduct regular banking activities.

10. FINANCING AND SIMILAR INCOME

	Three months period ended 31 March Reviewed	
	2026	2025
	IQD (000)	IQD (000)
National bonds *	6,906,250	6,568,750
Finance receivables	202,223	218,551
Islamic certificates of deposit with CBI	185,719	241,538
Due from banks	107,439	120,646
Government bonds	-	662,742
	7,401,631	7,812,227

***** The National bonds income has been exempting from the income taxes in accordance with Law No. 13 of 2023 of the Federal General Budget of the Republic of Iraq for the fiscal years 2023, 2024, and 2025, as stipulated under Chapter II, Article 2, Section II, Sub-paragraph (2-b-1). However, the "Bana Bond" is excluded from this exemption and remains subject to income tax. The National bonds income is illustrated as follows:

	Three months period ended 31 March Reviewed	
	2026	2025
	IQD (000)	IQD (000)
Emar Bonds	2,300,000	2,300,000
Injaz Bonds	2,231,250	2,231,250
National Bonds	2,375,000	637,500
Binaa Bonds	-	1,400,000
	6,906,250	6,568,750

11. FINANCE AND SIMILAR COST

	Three months period ended 31 March Reviewed	
	2026	2025
	IQD (000)	IQD (000)
Finance cost on lease	13,199	22,120
	13,199	22,120

12. NET DISTRIBUTION TO QUASI-EQUITY

	Three months period ended 31 March Reviewed	
	2026	2025
	IQD (000)	IQD (000)
Non-banks and individuals	79,664	332,917
	79,664	332,917

13. NET GAINS FROM FOREIGN CURRENCIES

	Three months period ended 31 March Reviewed	
	2026	2025
	IQD (000)	IQD (000)
Gains from sales of foreign currencies	1,313,137	1,160,405
Gains from foreign currency auction *	738,599	427,101
Loss from exchange rate revaluation	(16,457)	-
	2,035,279	1,587,506

During the year 2026, the bank purchased USD from the Central Bank of Iraq through the foreign currency auction window on behalf of its customers in the amount of USD 73,859,902 at an exchange rate of 1,310 IQD per USD. The bank sold the USD to customers during the year 2026 at an exchange rate of 1,320 IQD per USD.

14. NET RECOVERY (CHARGE) FOR EXPECTED CREDIT LOSSES

	31 March 2026 Reviewed	31 March 2025 Reviewed
	IQD (000)	IQD (000)
Financing receivables, net (Note 5)	14,536	299,249
Indirect contingent liabilities	-	7,527
Due from banks, net (Note 4)	(6,674)	(4,154)
Non-trading investments at amortized cost, net (Note 6)	-	(308,371)
	7,862	(5,749)

15. FAIR VALUE OF FINANCIAL INSTRUMENTS

The Bank uses the following hierarchy for determining and disclosing the fair value of financial instruments by valuation technique:

Level 1: Quoted (unadjusted) prices in active markets for identical assets or liabilities;

Level 2: Other techniques for which all inputs which have a significant effect on the recorded fair value are observable, either directly or indirectly; and

Level 3: Techniques which use inputs which have a significant effect on the recorded fair value that are not based on observable market data.

A. Fair value of non-trading investments and liabilities of the Bank measured in fair value continuously:
The Bank is revaluing non-trading investments at fair value through other comprehensive income at the end of each reporting period and the table below shows information related to determining the fair value:

	Fair value IQD (000)		
	31 March 2026	31 December 2025	Fair value level
Non-trading investments through other comprehensive income	1,631,885	1,587,306	Level 1
Non-trading investments through other comprehensive income	30,000	30,000	Level 3

15. FAIR VALUE OF FINANCIAL INSTRUMENTS (CONTINUED)

B. Fair value of financial assets and liabilities, other than those disclosed in the table below approximate their carrying values:

	31 March 2026		31 December 2025		
	Total carrying amount	Total fair value	Total carrying amount	Total fair value	Fair value level
	IQD (000)		IQD (000)		
Non-trading investments at amortized cost, net	330,000,000	327,984,021	330,000,000	327,984,021	Level 2

16. CASH AND CASH EQUIVALENTS

Cash and cash equivalents presented in the interim condensed consolidated statement of cash flows consist of the following:

	31 March 2026 Reviewed	31 March 2025 Reviewed
	IQD (000)	IQD (000)
Cash and balances with Central Bank	89,274,930	82,306,165
Short Term Investment in Islamic Certificate Deposit	20,000,000	-
Add: due from banks	38,347,706	39,466,380
Less: due to banks	(83,034)	(1,763,341)
Less: statutory reserve with Central Bank	(18,983,016)	(20,411,915)
Less: LGs margin reserve	(648,040)	(558,451)
Less: companies registration deposits	(23,000)	(23,000)
	127,885,546	99,015,838

17. RELATED PARTIES BALANCES AND TRANSACTIONS

The Bank enters business transactions in the ordinary course of business with the parent bank and its subsidiaries and associates at commercial income and commission rates.

The following related party balances and transactions took place during the period/year:

	Nature of relationship	31 March 2026 Reviewed IQD (000)	31 December 2025 Audited IQD (000)
Consolidated statement of financial position:			
Due from banks	Parent	20,691,562	12,748,563
Due to banks	Parent	82,632	82,632
Other liabilities	Parent	3,512,805	3,001,900
Off balance items:			
Letters of guarantee	Parent	92,756,069	92,756,069

		31 March 2026 Reviewed IQD (000)	31 March 2025 Reviewed IQD (000)
Consolidated income statements items			
Financing and Commission Income	Parent	122,918	120,646
Management fees	Parent	510,905	561,500

Related parties' transactions are with the parent bank and its subsidiaries and associates, and no transactions are with the members of the board of directors.

Compensation of the key management personnel is as follows:

	Nature of relationship	31 March 2026 Reviewed IQD (000)	31 March 2025 Reviewed IQD (000)
Executive management salaries	Executive Management	205,719	274,022

18. SEGMENT INFORMATION

A) Information about bank activities

For management purposes, the Bank is organized into three major business segments as follows:

Retail banking: Principally handling individual customers' deposits and providing consumer banking provides a diversified range of products and services to individuals.

Corporate banking: Principally providing a range of banking services and investment products to corporates, providing commodity Murabaha and other financing facilities and deposit and current accounts for corporate and institutional customers.

Treasury and investments: Principally providing liquidity management, Murabaha investments, money market, trading and treasury services, as well as the management of the Bank's funding operations by use of treasury bills, government securities and placements and acceptances with other banks, through treasury and wholesale banking.

These segments are the basis on which the Bank reports its primary segment information:

				Total	
	Retail	Corporate	Treasury and Investments	31 March 2026 Reviewed	31 March 2025 Reviewed
	IQD (000)	IQD (000)	IQD (000)	IQD (000)	IQD (000)
Total income	535,731	340,035	9,293,790	10,169,556	9,775,118
Net recovery (allowance) of credit losses	(6,674)	-	14,536	7,862	(5,749)
Segment results	529,057	340,035	9,308,326	10,177,418	9,769,369
Operating expenses	(276,714)	(673,959)	(4,637,330)	(5,588,003)	(4,646,634)
Profit before tax	252,343	(333,924)	4,670,996	4,589,415	5,122,735
Income tax	-	-	-	-	(79,500)
Net profit for the period	252,343	(333,924)	4,670,996	4,589,415	5,043,235

Other information	Retail	Corporate	Treasury and Investments	31 March 2026 Reviewed	31 December 2025 Audited
	IQD (000)	IQD (000)	IQD (000)	IQD (000)	IQD (000)
Segment assets	8,278,107	176,372	477,258,006	485,712,485	518,079,534
Unallocated assets	8,696,536	1,927	9,283,693	17,982,156	16,802,853
Total Assets	16,974,643	178,299	486,541,699	503,694,641	534,882,387
Segment liabilities	33,341,298	61,813,792	1,478,867	96,633,957	133,081,667
Unallocated liabilities	165,192	426,491	18,880,936	19,472,619	18,846,649
Total Liabilities	33,506,490	62,240,283	20,359,803	116,106,576	151,928,316
Capital expenditure				397,179	2,828,303
Depreciation				420,212	1,471,093

18. SEGMENT INFORMATION (Continued)
B) Geographical Information

The following table shows the distribution of the Bank's operating income, assets and liabilities by geographic segment.

	Inside Iraq		Outside Iraq		Total	
	31 March 2026 Reviewed	31 March 2025 Reviewed	31 March 2026 Reviewed	31 March 2025 Reviewed	31 March 2026 Reviewed	31 March 2025 Reviewed
	IQD (000)	IQD (000)	IQD (000)	IQD (000)	IQD (000)	IQD (000)
Total Income	10,046,638	9,654,472	122,918	120,646	10,169,556	9,775,118

	Inside Iraq		Outside Iraq		Total	
	31 March 2026 Reviewed	31 December 2025 Audited	31 March 2026 Reviewed	31 December 2025 Audited	31 March 2026 Reviewed	31 December 2025 Audited
	IQD (000)	IQD (000)	IQD (000)	IQD (000)	IQD (000)	IQD (000)
Total Assets	465,433,948	465,691,330	38,260,693	69,191,057	503,694,641	534,882,387
Total Liabilities and quasi equity	112,511,139	148,843,784	3,595,437	3,084,532	116,106,576	151,928,316

19. CAPITAL MANAGEMENT

The Bank manages its capital on a constant basis to cover the risks associated with its activities. This process includes measuring its capital adequacy according to the percentages set by the Central Bank of Iraq.

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

19. CAPITAL MANAGEMENT (Continued)

	31 March 2026 Reviewed	31 December 2025 Audited
	IQD (000)	IQD (000)
Primary capital		
Paid in capital	327,600,000	327,600,000
Statutory reserve	29,697,388	29,697,388
Other reserves	615,129	570,550
Retained earnings	24,703,737	24,703,737
Total Primary capital	382,616,254	382,571,675
Supplementary capital		
General provisions	93,600	108,267
Total Supplementary capital	93,600	108,267
Total primary and supplementary capital	382,709,854	382,679,942
Total risk weighted assets	277,802,412	309,482,081
Capital adequacy (%)	137.76%	123.65%

The Bank's capital ratio is calculated in accordance with the capital adequacy guidelines under Basel III as issued by the Central Bank of Iraq. The minimum capital adequacy ratio is 12.5% (2025: 12.5%). The Bank capital ratio is 137.76% as of 31 March 2026 (2025: 123.65%).

20. COMMITMENTS AND CONTINGENT LIABILITIES

The totals outstanding commitments and contingent liabilities are as follows:

	31 March 2026 Reviewed	31 December 2025 Audited
	IQD (000)	IQD (000)
Letters of guarantee	103,199,729	118,139,275
Letter of Credit	203,550	203,550
	103,403,279	118,342,825

21. ITEMS NOT COMPLIANT WITH SHARIA

The change in this item represents amounts received by the Bank from sources or through means that are not compliant with the principles and rules of Islamic Sharia, and the related income has been excluded from the Bank's revenues. The Bank did not generate any income that is non-compliant with Sharia principles during the period.

The balance of non-compliant Sharia financing receivables amounted to IQD 29,104 thousand. No income is recognized on these financings as they are classified as non-performing; therefore, the Bank has no non-compliant Sharia income.

22. GEOPOLITICAL TENSIONS

Geopolitical tensions in parts of the Middle East in February 2026 have increased. The Bank has assessed the potential implications of these events on its operations, financial position and performance. Based on information currently available, including the continuation of core business activities, it is not practicable to reliably estimate the full financial effect of these tensions on the period ended 31 March 2026.