CONFIDENTIAL INVESTOR FOLLOW-UP RESPONSE

Akkad Digital Islamic Bank
Core Banking Vendor Selection Response

Response to SM Capital question regarding ICS Financial Systems and other vendors selected or under consideration

Field	Description
Prepared for	SM Capital authorized investment-review team
Prepared by	Akkad Digital Islamic Bank
Date	18 July 2026
Question addressed	Whether ICS Financial Systems is the only selected core banking vendor, and whether other vendors have been selected since May 2025 or are currently under consideration.
Response status	Executive-level external response supported by public references and Akkad's technology-selection rationale.

Direct answer

ICS Financial Systems is the only selected core banking vendor for Akkad Digital Islamic Bank. Following the founders' decision to select ICS, Akkad did not conduct a further shortlist or evaluation of alternative core banking vendors. Other technology discussions or evaluations, where relevant, relate to adjacent layers such as digital interfaces, wallet/channel capabilities, agency banking enablement or supporting integrations, and should not be interpreted as alternative core banking vendor selection.

1. Formal Response to SM Capital

Based on the technology stack report, SM Capital asked whether ICS is the only selected core banking vendor and whether Akkad can share a list of other vendors selected since the May 2025 contract date, or vendors currently under consideration.

Akkad's position is as follows:

- No other core banking vendor has been shortlisted, evaluated or selected following the selection of ICS Financial Systems.
- The founders' decision to select ICS Financial Systems was based on a strategic assessment of the Iraqi banking market rather than a conventional multi-vendor procurement exercise.
- The primary selection criteria were market familiarity, Iraq implementation experience, practical knowledge of Iraqi banking operations, and alignment with CBI-supervised banking requirements.

- The decision was not driven only by software functionality; it was also based on the need to reduce execution risk in a newly licensed digital Islamic bank operating under Iraqi regulatory, data, infrastructure and payments conditions.

2. Rationale for Selecting ICS Financial Systems

The founders considered ICS Financial Systems to be strategically suitable because of its demonstrated presence in Iraq and its experience supporting banks operating within the Iraqi banking ecosystem. Akkad's core banking requirement is not limited to account processing; it also requires local regulatory reporting readiness, Islamic banking modules, payment-system integration, operational reporting, financial-control support, deployment resilience and implementation support in Iraq.

Selection consideration	How it informed the decision
CBI regulatory and supervisory environment	ICS was viewed as familiar with Iraqi bank operating requirements, regulatory reporting expectations and CBI-supervised banking practices through its prior Iraqi implementations.
Islamic banking product coverage	ICS BANKS Islamic has public references covering Murabaha, Mudaraba, Musharaka, Ijara, Istisnaa, Al Qard Al Hassan, profit distribution, deposits, remittances and trade finance.
Iraqi banking-product requirements	Publicly referenced Iraqi implementations include newly established Islamic banks, digital banking, remittances, financing facilities, trade finance, deposits, risk groups and core banking modules.
Infrastructure and deployment considerations	ICS public references indicate on-premises, hybrid or cloud deployment capability. Akkad's implementation planning remains subject to Iraq data-residency, availability, DR and CBI requirements.
Practical implementation in Iraq	Public sources reference multiple Iraqi banks that selected or went live with ICS BANKS / ICS BANKS Islamic, including digital and Islamic banking examples.
Local ecosystem familiarity	ICS's Iraq track record was considered important because Akkad's launch depends on alignment with local payment rails, operational processes, staffing knowledge, regulatory reporting, Arabic/English support and local banking practices.

3. Core Banking Vendor Status

Vendor category	Vendor status	Akkad position
Core banking system	ICS Financial Systems / ICS BANKS Islamic selected	Selected core banking direction. No other core banking vendors have been shortlisted or evaluated after this decision.

Digital channels / interface / wallet / agency capabilities	Separate adjacent technology layer	May involve configuration, integration, module selection or evaluation of specialist providers. This is not a replacement core banking selection process.
Regulatory reporting, payments, AML/CFT, cyber, infrastructure and integration vendors	Supporting ecosystem vendors	To be confirmed by implementation scope, CBI requirements, module selection, integration architecture and final technical/commercial proposals.

Important distinction

The absence of a multi-vendor core banking procurement after ICS selection should not be read as a lack of technology governance. The founders treated core banking selection as a strategic market-fit decision. For non-core layers, Akkad continues to evaluate and define the appropriate scope, modules, integrations and vendor responsibilities before final technical and financial commitments are made.

4. Public References Supporting the ICS Selection Rationale

The following public references support the view that ICS Financial Systems has a relevant presence in Iraq and experience with Iraqi Islamic/digital banking implementations. These references are not a substitute for formal vendor due diligence, but they provide credible external evidence for the selection rationale.

Reference	Relevant evidence for SM Capital	URL
IBS Intelligence - Al Sanam Islamic Bank selection	Reports that Al Sanam Islamic Bank, a newly established Islamic bank in Iraq, selected ICS BANKS Islamic Banking solution; states ICSFS had been servicing the Iraqi market for more than twenty years and lists Islamic core, financing, remittances, Murabaha, Mudaraba, Musharaka, Ijara, Istisnaa, trade finance, digital and ERP modules.	https://ibsintelligence.com/ibsi-news/al-sanam-islamic-bank-selects-ics-banks-islamic-banking-solution-from-icsfs/
FinTech Futures - Al Mustashar Islamic Bank go-live	Reports that newly registered Iraqi bank Al Mustashar Islamic Bank went live with ICS BANKS Islamic after CBI approval, with implementation across core banking, facilities/risk groups, Murabaha, Musharaka, Ijara, Mudaraba, Qard Hasan, deposits, profit distribution, remittances and trade finance.	https://www.fintechfutures.com/bankingtech/new-iraqi-bank-al-mustashar-goes-live-with-icsfs-core-system
Retail Banker International - First Iraqi Bank go-live	Reports that First Iraqi Bank, described as a fully digital bank in Iraq, went live on ICS BANKS Digital Banking, with digital onboarding and an implementation completed in less than four months.	https://www.retailbankerinternational.com/news/digital-lender-first-iraqi-bank-goes-live-on-ics-banks/
FinTech Futures - Al Wifaq International Islamic Bank selection	Reports that Al Wifaq, a newly established Iraqi Islamic bank, selected ICSFS over five other providers after a six-month selection process.	https://www.fintechfutures.com/bankingtech/al-wifaq-international-islamic-bank-selects-icsfs-islamic-system
FinTech Futures - Al-Ataa Islamic Bank selection	Reports that Al-Ataa Islamic Bank in Iraq selected ICS BANKS Islamic Platform and references additional Iraq wins including Al Sanam, Al Wifaq, First Iraqi Bank and UR Islamic Bank.	https://www.fintechfutures.com/core-banking-technology/al-ataa-islamic-bank-picks-ics-banks-core-banking-system

Al Mal Islamic Investment Bank website	The bank states that it contracted with ICSFS London for a robust digital core banking system compliant with Islamic Sharia and covering Islamic financial products and digital finance channels.	https://almalbank.iq/ar/about-us/
Gartner Peer Insights - ICS BANKS overview	Describes ICS BANKS as core banking software with modules for retail, corporate and Islamic banking, deposits, loans, payments, trade finance, treasury, credit facilities and compliance management, with multi-channel integration and multi-currency/multilingual support.	https://www.gartner.com/reviews/product/ics-banks?marketSeoName=core-banking-systems
IFRS Foundation - Iraq jurisdiction profile	Provides external context that Iraqi banks are subject to CBI instructions requiring IFRS and IFRS 9 application, supporting the importance of regulatory reporting and financial-control readiness in core banking selection.	https://www.ifrs.org/use-around-the-world/use-of-ifrs-standards-by-jurisdiction/view-jurisdiction/iraq/
Central Bank of Iraq - Iraqi payment systems components	Provides official CBI context on Iraqi payment-system components, including RTGS, ACH, IBCS, CSD and RPSI, supporting why local payment-system awareness matters for banking architecture.	https://cbi.iq/news/print_news/2854

5. Caveat

The public references listed above are included to support the selection rationale and should be read together with Akkad's vendor contract materials, technical proposal documentation and implementation planning materials. Final production architecture, module scope, integration responsibilities, deployment model, data-residency controls and commercial obligations remain subject to final implementation planning, vendor statement of work, CBI requirements and Akkad governance approvals.