

**FIRST IRAQI BANK FOR ISLAMIC INVESTMENT &  
FINANCE (JSC) FIB**

**BALANCE SHEET & FINANCIAL STATEMENTS FOR THE  
FISCAL YEAR ENDING AT (31/12/2023)**

**KHALEEL IBRAHIM MOHAMMED  
AL-ABDULLAH & COS.**

**(JOINT VENTURE)**

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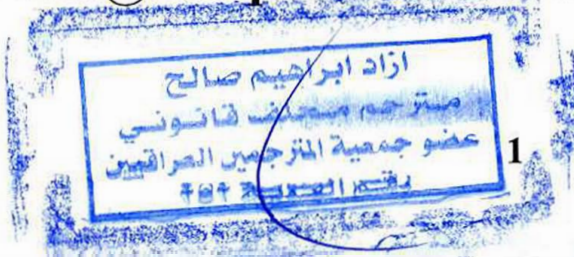


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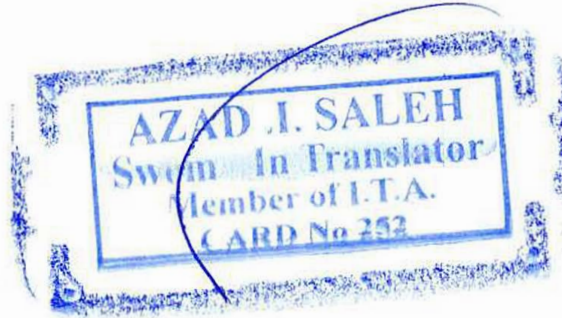


## IN THE NAME OF MOST BENEFICENT AND MERCIFUL GOD

Dear Sirs & Messrs. Esq.

Dear Guests Esq.

Peace be upon You all



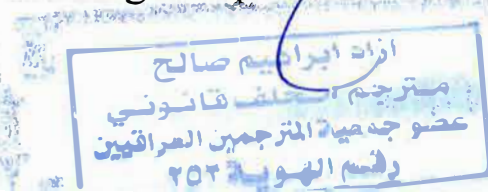
I got the ultimate honor in my name and on behalf of my colleagues Board of directors BOD members to bid you warm welcome and express my deepest thankfulness and gratitude for your attendance to this meeting to be briefed of our bank's latest achievements in 2022 as aimed to renew visions and targets for which our Islamic bank is instituted.

I also would like to express my deep thankfulness and appreciations to bank's BOD members and its executive management staff for developments they achieved in its course to raise its performance efficiency and enhance its operations results despite challenges and hardships our country experience currently.

Dear Sirs & Messrs. Our bank ended this year by more development and evolution highlighting laws , regulations and economic resolutions issued the aim of which was to restructure investments between different economic sectors which increasingly enabled the banking sector to exercise its role in serving all sectors.

The banking industry and through developments and changes it experienced in particular in the domain of compliance with banking laws and regulations within the framework of applying wise management ( Governance) of banks , our Board of Directors adopted a specific strategy purposed to sustain the operations of its affiliated committees and those affiliated to its executive management consistently with banking industry updates and to assist bank in taking material and substantial decisions in accordance with the provisions of governance manual as issued by Central Bank of Iraq CBI.

As based on prospects and strategic orientations of our bank and consistently with its strategic vision and its competitive values and characteristics ; its strategic balance sheet comprised its Board of Directors BOD prospective inspirations to strengthen its competitive position and increaser its market portion as achieved through rendering best practices and banking services to its customers consistently



with Islamic Law and to operate on key financial ratios within the extent of regulatory entities and international standards.

Moreover, to contribute to realizing economic development is deemed as an integral part of bank business which performs its operations pursuant to provisions of the Islamic Law, thus our bank endeavors to consolidate and booster the financial inclusion of community through a package of services and products rendered to its customers.

Our bank and since its inception endeavored to raise and enhance institutional awareness and rely on international standards , operating frameworks and best practices in creating an organized effort , the integrity of internal environment and the continuous enhancement in order to perform the required changes through the completion of the application of institutional governance principles , performance of Information Technology & Communications governance operations in addition to quality standards adopted by our bank as through which it strives to raise competency, reduce expenses and the optimal use of affordable resources in the field of technology and structuring process.

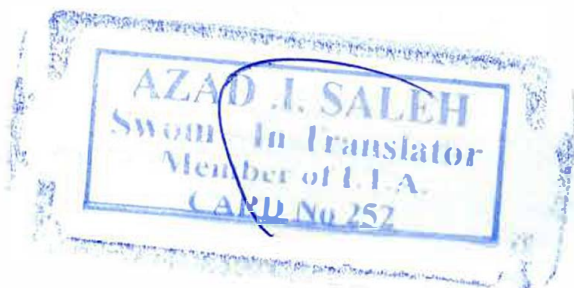
Regarding the financial performance; our bank adopted the International Accounting Standards (IAS), International Financial Reporting Standards (IFRS) and the Accounting and Auditing Organization for Islamic Financial Institutions (AAOIFI) standards.

It is of my deep honor to express my respect and appreciation to all bank's general assembly members and its working staff in all its formations, departments and units for their high spirit of responsibility and affiliation towards their bank. Moreover, core values were disclosed through a release issued by our bank to the executive management.

Eventually i would like in my name and in the name of Bank's Board of Directors BOD to express my deep thankfulness and appreciation to all parties who contributed in supporting bank's business and activities namely Central Bank of Iraq CBI , Companies Registrar Office , Baghdad Stock Exchange , Iraq Stock Exchange in addition to the independent audit firm ( Khaleel Ibrahim Al-Abdullah Co.) and to all bank's employees for their efforts exerted and cooperation that led to achievement of satisfactory results. With appreciations.....

BOD Chairman

Baidaa Hashim Hummood





following the completion of all legal procedures necessary to change company's nature of business from money transfer company into an Islamic bank under the name " First Iraq Islamic Bank FIB" as per companies registrar writ No. ( C.R.- 7761) dd. (19/3/2019).

Business license was issued under the writ No. (9/3/7947) by Central Bank of Iraq CBI / Exchange Control Unit / Islamic Banks Monitoring Section / Registration , Licenses and Technical Affairs Dept on (28/6/2020) and the banking code was issued to bank pursuant to Writ No. (15960/3/9) issued by Central Bank of Iraq on (4/11/2020).

## 2- Paid – Up Share Capital Updates;

- a- Bank's capital was appreciated to IQD (90,000,000,000) then to IQD (100,000,000,000) on 23/1/2019 consequent to completion of legal formalities as per Companies registrar Office Writ No. ( C.R. – 7761) dd. (19/3/2019).
- b- Formalities to appreciate as a first step bank's paid up capital by IQD (50,000,000,000) to become IQD ( 150,000,000,000) pursuant to Central Bank of Iraq CBI approval No. (18509/3/9) on 14/9/2021) and Companies Registrar Office Writ No. (30599) dd. (25/10/2021) and under Islamic Banks Act No. (43) in 2015 as referenced in Article (1/4) for the remaining amount shall be paid on equal installments as of license issuance date .
- c- Bank's paid-up share capital was raised in an amount of IQD (100,000,000,000) following the approval Writ No. (9/3/20088) issued by Central Bank of Iraq on (16/8/2022), Companies Registrar Office Writ No. ( C.R.- 29555) dd. (24/8/2022) so as to become IQD ( 250,000,000,000) which represents its ultimate paid-up capital under the Islamic Banks Law No. (43) in 2015 as referenced in Article (4/1) thereof.

## 3- Bank's Key Objectives

First Iraq Islamic Bank endeavors to become a leading bank in the domain of banking services through the provision of services to all Iraqi community segments as achieved by a well –studied financial management , implant risks & costs management awareness to occupy a vanguard position in sponsoring development projects. FIB aims to;


- a- Our bank is one of the first digital banks in the Middle East in the aspect of developing and rendering up-to-date banking services and technologies available on the global level by using the direct electronic payment method , up-to-date systems to identify its' customers and electronic compliance as

well as having a specific strategy to attract deposits from the public , projects , private companies and investments.

- b- Maintain a vanguard position among other banks operating in Iraq in rendering best banking services to its customers.
- c- To achieve nationwide deployment throughout Iraq by building a network of subsidiaries and banking bureaus to cover all Iraqi provinces.
- d- To participate , contribute to and enter medium and mini projects to enhance domestic economy and community situation , serve all economic sectors consistently with provisions of Islamic Banks Act , Central Bank of Iraq CBI regulations and companies Act as applicable.
- e- Extend training and upgrading bank's personnel level and pay particular attention to upgrade all bank's subsidiaries performance to create a leading and sustainable financial institution manned by a highly qualified staff.

#### 4- Bank's Subsidiaries

- a- Bank's branches and subsidiaries until the end of fiscal year on (31/12/2023) were four operating subsidiaries in Baghdad the capital with three operating subsidiaries in other provinces as below;



Province	Branch	Address
Baghdad	Main	Baghdad / Al-Karrada / Arasat Al-Hindeeya
Duhok	Duhok	Duhok / 11 <sup>th</sup> September St.
Erbil	Erbil	Erbil / Ain Kawa
Suleimaneeya	Suleimaneeya	Suleimaneeya / Shorsh Avenue

#### 5- Bank's Activities

First Iraq Islamic Bank (FIB) performs all banking operations according to provisions of Bank's Act No. (94) in 2004 , Companies Act No. (210 in 1997 as amended , Islamic Banks Act No. (43) in 21015 , Money Laundering Law No. (39) in 2015 and other related laws provided under banks' bylaws as hereunder ;

- Bank mainly performs all banking and investment activities whether at its own expense or at expense of third parties within Iraq or abroad for it renders



an integrated package of Islamic and electronic banking services to companies and individuals through its widespread branches and bureaus.

- Opened current & investment accounts , individual and saving accounts , electronic corporate accounts( EKYC) through digital accounts.
- The issuance and sale of banking cards (ATM cards) through digital application of both types (default card, tangible card and plastic cards.
- Issue cheque and saving books
- Render the certified cheques service.
- Transfer amounts between customers within the digital accounts application free of charge.
- Rendered bills service.
- Rendered (CT) service through the digital application in addition to ( Real Time Gross Settlement RTGS) service.
- To sell foreign currency through the foreign currencies purchase and sale outlet ( electronic platform) of the Central Bank of Iraq CBI at their official prevalent rates.
- To render ( ACH) service for cheques.
- To present monetary transfers by using the digital accounts and bank's proper system.
- Render incoming & Outcoming transfers through its branches in Turkey, China, United Arab Emirates , Jordan & Europe.
- To render accounts statements by using digital application and bank's system.
- To render currency transformation service that comprises ( Iraqi Dinar, USD Dollar, Euro, Chinees Yuan , UAE Dirham) by using digital applications and bank's proper system.
- To issue letters of guarantee L/Gs
- To issue letters of Credit L/Cs
- To consider applications submitted to bank according to codes of Central Bank of Iraq CBI.
- Contribute to wages domiciliation project.
- To render credit services to customers following the issuance of Credit Committee approval.
- To track customers enquiries and complaints and solve them asap.
- To grant mini and medium loans for finance and housing purposes.
- To render ( Visa Direct) service by using ( FIB Mobile) to create a transparent and comfortable banking experiment as it allows its customers to open a free of charge account within five minutes from their own houses. This application is characterized by using an easy- application front page to facilitate operating financial affairs including smooth money transfer and receipt on onshore and offshore levels because accounts security is our bank's paramount to ensure that banking transactions are safe and reliable. This application affords



## Second: Bank's Board of Directors BOD;

### 1- Initial BOD members and their contribution to paid up capital at (31/12/2023);

Bank's BOD consists of the following members with their share contributions assigned to each of them at (31/12/2023)

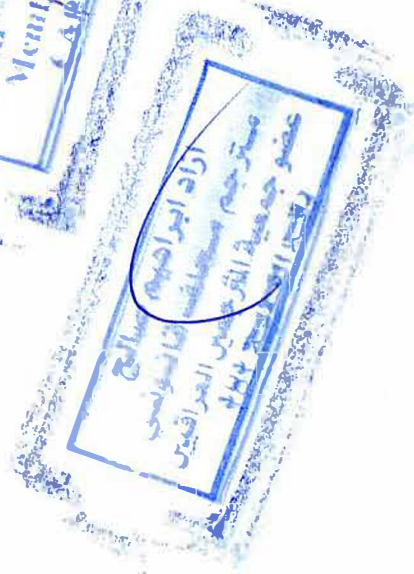
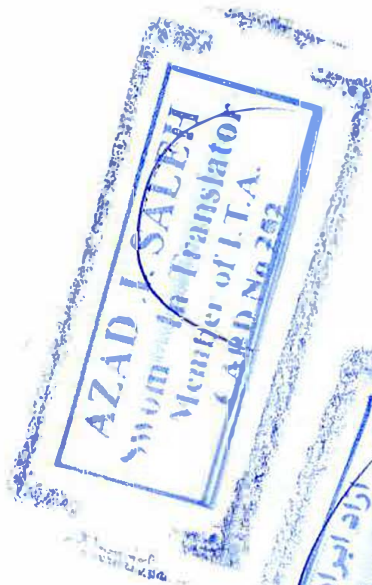
No.	Original Members' Names	Scientific Background	Status	Appointment Date	Committees Membership Status	Number of Shares	Compliance with attending BOD Meetings	Membership in other entities BODs
1	Badaa Hashim Hummood	B.Sc. Business Administration & Management	BOD Chairman	20/6/2020	Institutional Governance Committee Chairwoman	2000	25/25	Nil
2	Mustafa Uhsan Khazaal	B.Sc. Business Administration & Management	BOD Vice Chairman	20/6/2020	Nomination & Gratuities Committee Chairman	2000	25/25	Nil
3	Shaimaa Hussein Ali	B. Sc Financial & Banking Sciences	Chief Executive Officer CEO	20/6/2020	Banks' Chief Executive Officer	5,000,000	25/25	Nil
4	Ahmed Saleh Hussein	B.Sc. Business Administration & Management	Original Member	20/6/2020	Financial Statements Audit & Revision Committee	2000	25/25	Nil
5	Ghalib Nasser Abboud	M. Sc. Accounting	Original Member	20/6/2020	Risks Management Committee Chairman	2000	25/25	Nil
6	Inas Abdul Wahab Tawfeeq	B. Sc Arts College	Original Member	20/6/2020	Risks Management Committee Member	2000	25/25	Nil
7	Lamia Najim Al-Deen Younis	B. Sc Business Administration	Original Member	20/6/2020	Institutional Governance Committee Member	2000	25/25	Nil





## 2- Board of Directors BOD Standby Members & Their Contribution to bank's paid up capital at (31/12/2023) ;

No.	Original Members' Names	Scientific Background	Status	Appointment Date	Committees Membership Status	Number of Shares	Compliance with attending BOD Meetings	Membership in other entities BODs
1	Israa Abdul Wahab Tawfeeq	B. Sc Administration & Economy	Standby Member	20/6/2020		2000	20/20	Nil
2	Sameera Ahmed Mahmud	Diploma / Computer Systems	Standby Member	20/6/2020		2000	24/25	Nil
4	Alaa Bashar Abdul Rahman	B.Sc. Computer Sciences	Standby Member	20/6/2020		2000	25/23	Nil



customers to access to real time of their financial activities to take proper prudent decisions. However the ( FIB Mobile) application aims to simplify and reinforce the method with which customers operate their accounts and provide an up-to-date and accessible banking solutions.

## 6- Institutional Governance

The institutional governance became one of the wise and prudent management requirements in all institutions. First Iraq Islamic Bank (FIB) believes that the existence of a wise and prudent governance in any bank shall assist in achieving its strategic targets and safely operate its businesses and activities. The institutional governance guide issued by Central Bank of Iraq CBI is adopted as it incarnates a package of policies , rules and procedures under which bank is operated and its subsidiaries and branches are monitored in order to upgrade them highlighting any updates that might be made to this guide consistently with applicable laws and regulations.

Bank's structuring and management procedures to comply with governance principles depend on many factors to cite;

- Ensure the availability of overall policies, plans and operating procedures in bank and update them to cope with Central Bank of Iraq CBI regulations.
- Activate the role of Board of Directors BOD & Islamic Monitoring Commission, oversight the executive management and track its performance and ensure the soundness of financial situations.
- Promotion and enhancement of human resources by holding regular training workshops and hiring new qualified personnel.
- Lay down a sound and integral accounting principles, disclosures and transparency.
- Activate the role of Board of Directors emancipating committee

## 3- Board of Directors Meetings

Banks' BOD held (25) meetings during the year on the row.

- 4- BOD members Gratuities: no gratuities or any rewards were released to BOD members.
- 5- Granted facilities to BOD members: no BOD member was granted any credit facilities (being cash or promissory) during the year subject of this report.





6- Here below names of Shareholders holding more than (10 %) of bank's share capital;

Name	Number of Shares	Percentage Shares
Sabah Milhem Muhyee	24,750,000,000	10%
PeshrawMajeed Agha	24,750,000,000	10%
Balav Hushyar Saaed	24,750,000,000	10%
Kawa Abdullah Junaid	24,750,000,000	10%
Soz Kawa Abdullah	24,750,000,000	10%
Ali Kawa Abdullah	24,750,000,000	10%
Sarkawt Abdullah Junaid	24,750,000,000	10%
Fadheela Abdulaah Junaid	24,750,000,000	10%
Vian Abdullah Junaid	24,750,000,000	10%
Veen Abdullah Junaid	24,750,000,000	10%

(6-a): BOD instituted a number of key ad hoc committees from bank's BOD members with observing transparency in their configuration as per bank's governance manual;

### 1- Governance Committee

This committee is setup under BOD resolution and consists of three members including BOD chairman as the responsibility of which is to ensure compliance with enforcement of what is set out in governance manual issued by Central Bank of Iraq CBI . committee's members hereunder ;

Name	Status	Attendance Frequency
Baidaa Hashim Hummood	Committee Chairman	4/4
Lamiaa Najim Al-Deen Younis	Committee Member	4/4
Ahmed Salih Hussien	Committee Member	4/4
Abdul Rahman Ali Hameed	Committee Secretary	4/4

### 2- Audit Committee (Revision of Accounts)

This committee shall support bank's Board of Directors BOD in many fields , assume tasks and responsibilities assigned to it , exercise the regulatory control of reports of financial statements and compliance with efficient laws and

regulations. This committee is composed of those persons whose name are listed hereunder;

<b>Name</b>	<b>Status</b>	<b>Attendance Frequency</b>
Ahmed Salih Hussien	Committee Chairman	4/4
Mustafa Ihsan Khazaal	Committee Member	4/4
Inas Abdul Wahab Tawfeeq	Committee Secretary	4/4

### 3- Nomination & Gratuities Committee

This committee shall support bank's BOD to perform its tasks and responsibilities consistently with applicable laws and regulations as one of its key tasks is to draft policies related to bank employees. This committee is composed of persons whose name are listed hereunder;

<b>Name</b>	<b>Status</b>	<b>Attendance Frequency</b>
Mustafa Ihsan Khazaal	Committee Chairman	2/2
Ghalib Nasser Abboud	Committee Member	2/2
Inas Abdul Wahab Tawfeeq	Committee Member	2/2
Zahraa Hatem Hameed	Committee Secretary	2/2

### 4- Risks Management Committee

This committee revises the risk management strategies, the credit policy and oversight credit risks that bank assumes, monitor bank ability to avoid risks pursuant to Basel Resolutions (111), liaise with risks management unit manager and access to its periodical reports. This committee consists of the persons whose names are listed here below ;

<b>Name</b>	<b>Status</b>	<b>Attendance Frequency</b>
Ghalib Nasser Abboud	Committee Chairman	4/4
Lamia Najim Al-Deen Younis	Committee Member	4/4



Inas Abdul Wahab Tawfeeq	Committee Member	4/4
Iman Saad Mohammed	Committee Secretary	4/4

**(6-b) :** Banks' higher management setup a number of committees to enable it to perform its tasks and raise reports to Board of Directors BOD committees on a regular basis to ensure the efficiency of control and supervision. These committees consist of three members each at least as BOD members may attend to such meeting being a supervisor to enable them to perform their tasks and such committees shall send their meeting schedule to Bod prior to convening any meeting to enable BOD members to attend in capacity of supervisor if they wis so.

### 1- Credit Committee

This committee is composed of four members including credit manager. Committee shall propose credit policy and submit it to bank's BOD, set borrowers' creditworthiness standards and principles in addition to setting credit lines depending on borrower. This committee is composed of persons whose names are listed hereunder;

Name	Status	Attendance Frequency
Shaimaa Ali Hussein	Committee Chairman	12
Zainab Ahmed Diyauldeen	Committee Member	12
Afraa Younis Naji	Committee Member	12

### 2- Investment Committee

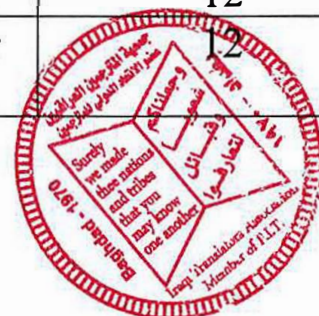
This committee is engaged in bank's investments the matter which necessitated its emancipation to assume such responsibility in addition to other financial affairs of substantial importance for bank success. This committee is composed of persons whose names are listed hereunder;

Name	Status	Attendance Frequency
Shaimaa Ali Hussein	Committee Chairman	12
Zainab Abdul Ameer Kadhim	Committee Member	12
Anfal Salman Dawood	Committee Member	12
Afraa Salman Dawood	Committee Secretary	12

### 3- Information Technology Governance Committee (IT)

Due to the vital importance of information and telecommunications technology and their related risks, governance regulations issued by Central Bank of Iraq CBI; this committee shall prevent any risks that might arise from the nature of such works, verify the infrastructure of information & telecom technology and networks in bank. This committee is composed of persons whose names are listed hereunder;

Name	Status	Attendance Frequency
Shaimaa Ali Hussein	Committee Chairman	12
Alen Saif Al-Deen Abdul Rahman	Committee Member	12
Rafid Mohammed Ridha	Committee Member	12
Ibrahim Shamal Mohammed Ameen	Committee Member	12



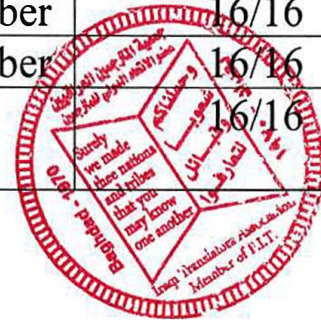
### (6-c): Islamic Regulatory Committee

Article (7) of Banks Law No. (43) in 2015 stipulates the establishment of an Islamic committee in all Islamic Banks and pursuant to Article (10) in governance guide that covers the election of said committee in Iraqi banks and offshore banks operating in Iraq. It is well understood that any bank's identity and Islamic character is not accomplished but with being distinctive from other banks of other competences as these Islamic banks are required to achieve this distinction through adherence to what transactions allowed and prohibited so that name corresponds to action. The Islamic Regulatory committee in Islamic banks plays a prominent role in ensuring bank compliance with allowed and prohibited transactions and banking operations. This committee is an independent entity composed of people specialized in transactions jurisprudence and Islamic finance and generally highly qualified in banking, financial and legal affairs. This committee is composed of persons whose names are listed hereunder;





Name	Status	Attendance Frequency
Abdul Ghafour Ighlam Abdul Ghafour	Committee Chairman	16/16
Waleed Mahdi Ali	Committee Member	16/16
Ahmed Younis Ali	Committee Member	16/16
Haider Majed Hussein	Committee Member	16/16
Omar Saad Nasser	Committee Secretary	16/16



### Third: Bank's Executive Management

Here below names, addresses and positions of bank's executive management in 2022;

Name	Job Title
Shaimaa Ali Hussein	Chief Executive Officer CEO

### Fourth: Human Resources

Any job done by a person is part of human resources unit as human resources is the vital or key element in any bank as it relies on it in hiring staff as per bank regulations. This unit aims to sustain the attraction of well experienced staff with distinctive skills to achieve a high performance which enables it to realize its targets in an efficient manner and with competence. Bank endeavors always to upgrade staff capabilities and to exploit their available capacities in investing in bank's operating capital.

**1-1:** Bank's employees in 2023 numbered (136) and aggregate wages paid during this year amounted to IQD ( 2,476,066,000).

**1-2:** employees classification as per their scientific degrees at (31/12/2023) ;

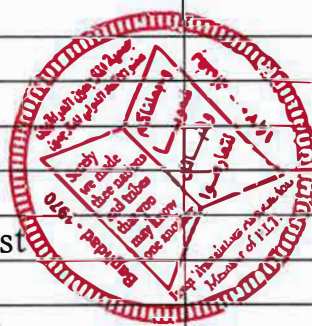
No.	Scientific Degree	Number of Officials
1	M. Sc	1
2	B. Sc	117
3	Diploma	12



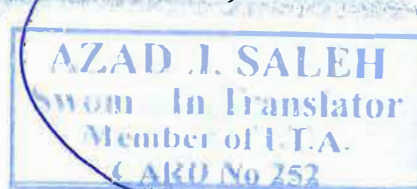
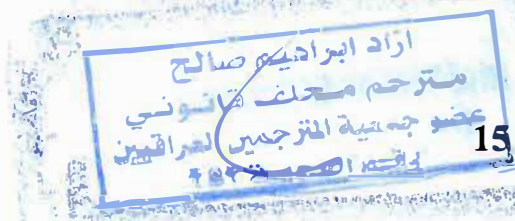
4	Preparatory School	4
5	Intermediate School	2

**1-3: Officials classification according to their administrative and technical levels at (31/12/2023);**

No.	Administrative Description	Officials Number
1	Chief Executive Officer CEO	1
2	Deputy Chief Executive Officer	1
3	BOD Secretary	1
4	Unit Manager	15
5	Branch Manager	2
6	Assistant Dept Manager	8
7	Assistant Branch Manager	2
8	Unit Manager	7
9	Treasurer	2
10	Attendant	9
11	Assistant Attendant	14
12	Cashier	1
13	Assistant Cashier	1
14	Programmer	2
15	Assistant Programmer	1
16	Engineer	1
17	Assistant Eng.	1
18	Information Security Analyst	2
19	Customers Service	12
20	Service Technician	2
21	Treasurer	11
22	Controller	14
23	Sales Supervisor	1
24	Salesman	5
25	Electronic Cards Officer	14
26	Cards Distributor	2
27	Information Officer	3
28	Messenger	2
29	Driver	1



**1-4:** bank endeavored to enhance and raise the proficiency of its human resources employed in bank by engaging them in training courses and workshops to improve their skills and capacities concurrently with their current and future position requirements to cover all banks' needs as hereunder ;



No.	Training Course Title	Date	Training Venue
1	Electronic Payment Services	(9-10)/1/2023	Bait Al-Hikma Co. For Training & Consultancy
2	Information Technology (IT) audit	(11-12)/1/2023	Bait Al-Hikma Co. For Training & Consultancy
3	IFRS 9 Application Workshop	19/1/2023	Central Bank of Iraq CB / Exchange Control Unit
4	Certified Information Auditor	(22-26)/1/2023	National Bank of Iraq
5	Bank Letters of Credit L/Cs workshop	(6-7)/2/2023	Bait Al-Hikma Co. For Training & Consultancy
6	Anti – Money Laundering & Financing of Terrorism Workshop	12/2/2023	Bait Al-Hikma Co. For Training & Consultancy
7	Application of Information Governance Standard in banks	13/2/2023	Bait Al-Hikma Co. For Training & Consultancy
8	Credit Risks Management	14/2/2023	Bait Al-Hikma Co. For Training & Consultancy
9	Rehabilitation workshop to obtain certified compliance certificate	(19-23)/ 2/2023	Central Bank of Iraq CBI / Banking Studies Unit
10	Early Warning Indicators	(26-28)/2/2023	Central Bank of Iraq CBI / Banking Studies Unit
11	Certified Information Auditor	15/2/2023	Central Bank of Iraq CBI / Zoom
12	Understanding & Applying Key Requirements for Financial Accounting Standards ( AAOIFI)	(19-23)/2/2023	Central Bank of Iraq CBI / Banking Studies Unit
13	Customers Risks Assessment I anti-money laundering	15/3/2023	Bait Al-Hikma Co. For Training & Consultancy
14	Proficiency & Efficiency in Information Tehcnology Governance	16/3/2023	Bait Al-Hikma Co. For Training & Consultancy
15	LCR & NSFR computation Rules Application	30/3/2023	Central Bank of Iraq CBI / Exchange Control Unit
16	Strategy of Attracting Bank Deposits	(14-18)/5/2023	Central Bank of Iraq CBI / Banking Studies Unit
17	Banks Strategic Management & Planning	(14-18)/5/2023	Central Bank of Iraq CBI / Banking Studies Unit`
18	Islamic Cheques & Investment Boxes	(14-18)/3/2023	Central Bank of Iraq CBI / Zoom
19	IAS No. (1&7) standards	(21-25)/5/2023	Central Bank of Iraq CBI / Banking Studies Unit`
20	Overall Control of Cash & sock Management	(21-25)/5/2023	Central Bank of Iraq CBI / Banking Studies Unit
21	Advanced Instruments in analyzing & Measuring Bank Risks	(28/5/2023) until (1/6/2023)	Central Bank of Iraq CBI / Banking Studies Unit

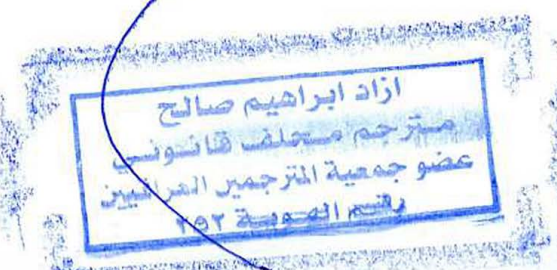
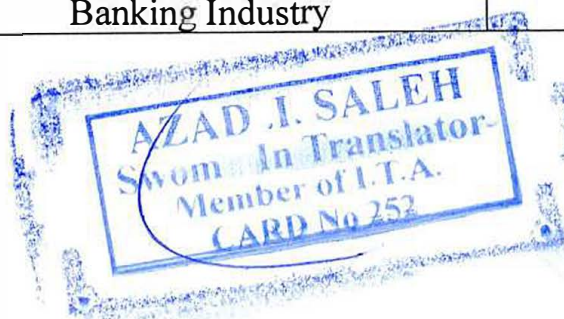


No.	Training Course Title	Date	Training Venue
22	Anti-Money Laundering & Financing of Terrorism Systems Audit	(4-8)/6/2023	Central Bank of Iraq CBI / Banking Studies Unit
23	Influence Tests	(11-15)/6/2023	Central Bank of Iraq CBI / Banking Studies Unit
24	Internal Revision According to Modern International Standards	(11-15)/6/2023	Central Bank of Iraq CBI / Banking Studies Unit
25	Evaluating & Sponsorship of Mini & Medium Projects	(11-13)/6/2023	Central Bank of Iraq CBI / Zoom
26	Management System Documentation	(18-22)/6/2023	Central Bank of Iraq CBI / Banking Studies Unit
27	Electronically – Secured Documents System	12/6/2023	Central Bank of Iraq CBI / Zoom
28	Cards Security Standard as per PCI-CDD standards	(9-13)/7/2023	Bait Al-Hikma Co. For Training & Consultancy
29	Fundamentals of Islamic Banks Operations	(9-13)/7/2023	Bait Al-Hikma Co. For Training & Consultancy
30	International Compliance Standards & Anti-Money Laundering Unit Tasks	(23-27)/7/2023	Bait Al-Hikma Co. For Training & Consultancy/ Zoom
31	Control according to Compliance Rules	(20-24)/8/2023	Central Bank of Iraq CBI / Zoom
32	Internal Audit based on Risks Measurement	(20-24)/8/2023	Central Bank of Iraq CBI / Zoom
33	Preparation of Periodical Balance Sheets according to International Islamic Standards	(27-31) / 8/2023	Central Bank of Iraq CBI / Zoom
34	Role of International Sanctions and Embargo Lists	(20-24)/ 8/2023	Bait Al-Hikma Co. For Training & Consultancy/ Zoom
35	Fiduciary Analysis for Credit Grant Purposes	(3-7)/ 9/2023	Central Bank of Iraq CBI / Banking Studies Unit
36	Compliance with taxes imposed on Foreign American Accounts	(3-5)/9/2023	Central Bank of Iraq CBI / Zoom
37	Advance3d Banks Branches Managements Systems	(10-14)/9/2023	Bait Al-Hikma Co. For Training & Consultancy/ Zoom
38	Internal Audit Based on Risks Measurement	(10-14)/9/2023	Central Bank of Iraq CBI / Banking Studies Unit
39	The Electronic Payment Systems Operation Risks & Fraudulence Monitoring	(10-14)/9/2023	Central Bank of Iraq CBI / Zoom
40	Anti-Money Laundering & Financing of Terrorism	(10-14)/9/2023	Central Bank of Iraq CBI / Banking Studies Unit



No.	Training Course Title	Date	Training Venue
41	Marketing of Banking Services & Distinction in serving customers	(17-19)/9/2023	Central Bank of Iraq CBI / Zoom
42	Accounting Errors & their Detection and Correction Methods	(17-19)/9/2023	Central Bank of Iraq CBI / Banking Studies Unit
43	Ban & International Sanctions Lists	(17-21)/9/2023	Central Bank of Iraq CBI / Banking Studies Unit
44	Innovative Methods to solve problems & taking decisions	(24-26)/9/2023	Central Bank of Iraq CBI / Banking Studies Unit
45	Local & Foreign Currency Defacing and matching them with real currency	(24-26)/9/2023	Central Bank of Iraq CBI / Banking Studies Unit
46	International Accounting Standards IAS	(24-28)/9/2023	Central Bank of Iraq CBI / Banking Studies Unit
47	Baking Risks Management & Influence Tests	(2-28)/9/2023	Bait Al-Hikma Co. For Training & Consultancy/ Zoom
48	Mutual Evaluation of Compliance with International Standards as issued by (FATF)	(1-2)/10/2023	Central Bank of Iraq CBI / Zoom
49	Uncirculated Assets as per Internation Accounting Systems IAS	(1-5)/10/2023	Central Bank of Iraq CBI / Banking Studies Unit
50	Information Technology Governance Framework COBIT 19	(1-5)/10/2023	Ministry of Finance & Economy / Erbil
51	Systems Admin workshop	(8-12)/10/2023	Central Bank of Iraq CBI / Banking Studies Unit
52	Management & Strategic Planning	(8-10)/10/2023	Central Bank of Iraq CBI / Zoom
53	Database Management	(15-19)/10/2023	Central Bank of Iraq CBI / Banking Studies Unit
54	Banks Governance	(15-19)/10/2023	Central Bank of Iraq CBI / Zoom
55	Anti-Money Laundering & Financing of Terrorism by Electronic Payment means	(22-24)/10/2023	Central Bank of Iraq CBI / Zoom
56	Banking Operations General Framework	(22-24)/10/2023	Central Bank of Iraq CBI / Zoom
57	Accredited Islamic Specialist Certificate in Governance & Compliance CISGOV	(21-26)/10/2023	Bait Al-Hikma Co. For Training & Consultancy/ Zoom
58	Quality Assurance & Enhancement of Internal Audit Activity	(25/10/2023	Administration Technical College
59	Bank's International Standards & Preparation of Financial Statements (IFRS 1&7)	(5-9)/11/2023	Central Bank of Iraq CBI / Banking Studies Unit

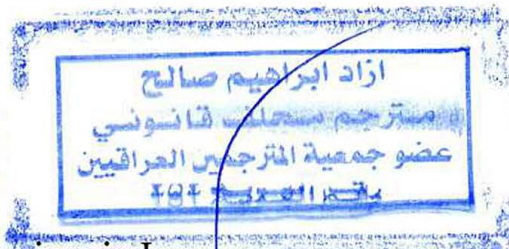
No.	Training Course Title	Date	Training Venue
60	IAS & Preparation of Financial Statements according to IFRS	(5-9)/11/2023	Central Bank of Iraq CBI / Banking Studies Unit
61	Oracle DBA Management	(12-16)/11/2023	Central Bank of Iraq CBI / Banking Studies Unit
62	Advanced Systems of Reviewing Financial Statements & Balance Sheets Audit	(12-16)/11/2023	Central Bank of Iraq CBI / Banking Studies Unit
63	PCI-DSS) standards	(19-23)/11/2023	Central Bank of Iraq CBI / Banking Studies Unit
64	IFRS 13 ( Fair Value Measurement	(19-23)/11/2023	Central Bank of Iraq CBI / Banking Studies Unit
65	CSA Analyst workshop	(26-30)/11/2023	Central Bank of Iraq CBI / Banking Studies Unit
66	Performance Card for Environmental & Social Standards & Governance	(26-28)/11/2023	Ministry of Finance & Economy /Erbil
67	Money Laundering & Financing of Terrorism Events Whistleblowing	5/11/2023	Central Bank of Iraq CBI/ Zoom
68	LCR & NSFR workshop	(3-7)/12/2023	Ministry of Finance & Economy /Erbil
69	First Revision of Risks Management Rules in Islamic Banks ( 3rd Stage)	(11-14)/12/2023	Central Bank of Iraq CBI / Banking Studies Unit
70	Banking Transactions Electronic Documentation	13/12/2023	Central Bank of Iraq CBI/ Zoom
71	Requirements of Issuance of Letters of Guarantee L/Gs via CBI Electronic Platform	14/12/2023	Central Bank of Iraq CBI/ Zoom
72	An introduction to Fiduciary Technology & Innovation	20/12/2023	Bait Al-Hikma Co. For Training & Consultancy/ Zoom
73	Digital Transformation In Payments	23/212/2023	Bait Al-Hikma Co. For Training & Consultancy/ Zoom
74	Digital Transformation In Banking Industry	26/12/2023	Central Bank of Iraq CBI/ Zoom
75	Bank Merger as an instrument to create a restructured & efficient Banking Industry	27/12/2023	Central Bank of Iraq CBI/ Zoom





## Symposiums & Awareness Contribution Seminars Held by bank in 2023;

- 1- Participated in ( TECHFEST) expo in Suleimaneeya
- 2- Participated in dialogue seminar held by Iraqi chamber of commerce
- 3- Participated in Erbil fourth Intl Marathon
- 4- Participated in Erbil Second Annual Symposium
- 5- Participated in activation of lending programs symposium in Iraq.
- 6- Participated in Baghdad Intl Fifth Dialogue symposium
- 7- Participated in jobs eleventh Expo ( American University / Suleimaneeya)
- 8- Participated in (TAM) expo / Suleimaneeya Branch
- 9- Participated in the Annual Iraqi Banking Symposium / Al-Rasheed Hotel / Baghdad
- 10- Participated in ( HITEX) annual expo / Erbil
- 11- Participated in BIT festival / Suleimaneeya Branch
- 12- Participated in Financing outreach Symposium : solutions ( USAID)
- 13- Participated in NEXT STAP expo held in Suleimaneeya
- 14- Participated in the project of Launching a Psychology Health for woman in Iraqi Community symposium / Baghdad / Al-Rasheed Hotel
- 15- Participated in Iraq Intl Expo & Symposium for Information Tehcnology (ITEX) / Baghdad for the period (27-30)/9/2023.
- 16- Participated in the bank delegation to Jordan for the period (1&2) / 10/2023
- 17- Participated in the project of Launching a Psychology Health for woman in Iraqi Community symposium / Suleimaneeya
- 18- Participated in the launching festival ( VISA DIRECT) in (28/10/2023) / Baghdad / Al-Zawraa Auditorium / Royal Hotel / Tulip All-Rasheed.





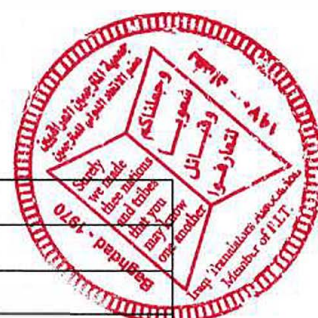
- 19- Participated in anti-money laundering & financing of terrorism symposium held in Dubai / UAE for the period (7-8)/11/2023
- 20- Participated in Rwanka festival in its tenth season / Iraq / Dohuk Province at (23/11/223).

### Fifth: Financial Statements Analysis & Indicators

- 1- **Assets:** bank's assets at the end of fiscal year 2023 counted IQD (657,559) Millions compared to 2022 IQD (312,359) Millions with a rise of (211 %).
- 2- **Monetary Liquidity:** fair monetary liquidity in 2023 rated (77 %).
- 3- **Customers' Deposits:** customers' deposits at (31/12/2023) counted for IQD (209,063) Millions compared to 2022 IQD (60,486).
- 4- **Other Liabilities:** other liabilities at the end of fiscal year 2023 counted for IQD (327,300) Millions compared to 2022 IQD (232,113) Millions.
- 5- **Equities:** Equities at (31/12/2021) counted IQD (232113) Millions compared to 31/12/2021 IQD (146461) Millions.
- 6- **Profits & Losses:** operating income in fiscal year 2023 counted IQD (199,686) Millions vs. operating expenses of IQD (104,500) Millions and activity results generated a profit of IQD 95,186) Millions.

### Sixth: Banking Systems Adopted in Bank

No.	System Title	Descriptions
1	BANKS	Banking System
2	SWIFT	Transfers System
3	SMART CLEAR	Payment System
4	AML	Money Laundering Lists
5	RISK	Risks Lists
6	PI	Reporting System
7	FATCA	Tax Compliance Act
8	CM	Documents Archiving System
9	IFRS 9	IFRS 9 Application
10	RR	Central Bank of Iraq CBI Reports
11	Acuant	(Know Your Customer) KYC
12	Blacklist	Local Blacklists



13	MEPS	Card Processing System
14	Kas Lab	Protection of Operating Systems
15	RTGS	Clearance System / CBI
16	ACH	Clearance System / CBI



## Seventh: Lease Agreements

Here below main lease agreements entered by bank in 2023;

Descriptions	Contracting Party	Contract Value per Annum
Erbil Branch Bldg. Lease	Idriss Younis Ali	IQD 59,742,000
Suleimaneeya Branch Bldg. Lease	Adil Tayeb Fatttah	USD 30000
Duhok Branch Bldg. Lease	Mohammed Afandi Abdul Hakeem Mohammed	USD 30000

## Eighth: Share Capital Adequacy

Bank's share capital adequacy at the end of fiscal year 2023 was (109 %) according to optimal risks levels table. Share capital adequacy acceptable by Central Bank of Iraq CBI is (12.5 %) for banks.

## Ninth: Units Responsibilities & Tasks in 2023

### - IT Unit



Highlighting the tremendous strides achieved in software and telecom techniques that afforded instant exchange of information within the extent of data flow policies and plans added to the ever increasing reliance on computerization in operating bank's activities and businesses ; concept of business in First Iraqi Islamic bank ( FIB) developed to keep pace with these great strides in software techniques through adopting best systems and software and the daily support of bank's subsidiaries by these systems and subsystems in addition to maintenance of all electronic devices. One of the most important software systems in bank is the Digital system as our bank signed an agreement with a consortium of accredited and leading corporations in the domain of banking systems that include the following companies; Core Transform ( German Nationality) and ICSFS ( Jordanian Nationality) in order to implement the digital system being the first ever used system in Iraq and the middle east as it serves more than five million users. Regarding the rapid development of



modern banking services by using the best and newest techniques on the international level ; all supportive banking systems like Swift , Payment systems and money laundering systems are networked as our bank aims to make a qualitative shift in the Iraqi banking sector by participating in provision of electronic banking services to customers through its advanced electronic systems. Moreover, our bank endeavored to convert the BI system from its trial environment into live environment in addition to activating the blacklists system and networked to our current banking system.

The aim of FIB application is to provide a transparent and comfortable banking experiment as it allows users to open a fast free account within five minutes usually from their houses. This application is figured out by its easy-to-use front page and easy management of financial affairs including the smooth transfer and receipt of money on the local and international levels, for security of funds is bank's paramount to ensure safe and reliable transactions. allow users to access to the real time of their financial transactions subsequently taking sound and prudent decisions.

Notwithstanding, our bank renders an unprecedented digital service in payment of choice items price electronically through mobile by using the Quick Response (QR) code in addition to the option of purchasing a myriad of choice items so as to access to a large group of products at optimal price e.g. internet card, SMS cards and play cards.

### **Islamic Financing ;**

Bank exercises its vital role in providing fundings necessary to sponsor mini & medium projects due to their importance and influence on the economic development , accelerating the economic diversification by granting Islamic fundings in the form of arbitrage for all sectors that counted for IQD (50,866) millions in 2023 as the most important sectors are the agricultural , industrial and utilities sectors because these sectors contribute to the development of domestic economy as it procures job opportunities for local manpower and subsequently combatting unemployment.

### **- Finance Dept**

This dept is one of key depts in bank as financial statements were prepared by shifting from local standards according to the uniform accounting system to applying the IFRS for the first time in 2016 and financial statements in 2023 were prepared pursuant to (AAOFI) standards and IFRS standards.



The eligibility principle was adopted in measuring expenditures returns and use the fixed premium method in calculating fixed assets depreciation.

To continue adopting the historical cost principle for fixed assets and recognize them in the financial position statement less the accumulated depreciation appropriation.

This unit aims to reflect bank's financial position in a fair manner and provide information necessary to take proper decision. However this unit applies the procedures of controlling and capitalization of current expenditures and prepare internal and external reports to present them to the regulatory entities on a timely basis as instructed.

The IFRS (16) is used on (1/1/2021) which replaced guidelines for leases including the IAS (17) / Leases and the international interpretation No. (4) to define lease agreement content. It also replaced the previous interpretation No. (15) for operating leases and the interpretation No. (27) titled " the substantial evaluation of such transactions which take the formal shape of leases.

Our bank preferred to adopt the simplified methodology allowed under the IFRS (16) when applying it for the first time on operating leases on an individual manner.

Eligibility is measured by using leased assets with a fixed rent and using the discount method for the first time.

Assets contemplated to use are measured in an amount equivalent to rental after amending any prepaid rentals or accrued under any lease agreement.

This unit is tasked to manage affordable financial resources and their optimal use under such policies , directives and regulations issued by competent authorities through providing up-to-date software , provide various financial reports to decision makers besides being responsible for the safe and secure processing of all transactions and financial -related procedures. The most significant assignments of this dept are;

- 1- Implement adopted financial policies.
- 2- Register all accounting operations and produce various financial reports.
- 3- Prepare estimated budgets for bank higher management.
- 4- Control funds used in purchases, assets and investments etc. ...

5- Monitor cash circulation, accounts of other banks and ensure good performance according to specified procedures.

This dept kept on preparing financial reports and periodicals as sent by Central Bank of Iraq CBI, annual and interim financial statements as per accounting standards. This unit managed to provide all information and financial statements precisely and accurately , present banks accounts in a precise and scrutinized manner in coordination with IT unit in addition to organizing bank relationship to Central Bank of Iraq CBI , independent auditors , state commission for taxation , social security office and other relevant authorities.

#### - Islamic Compliance & Compliance Monitoring Unit

This unit contributes to preserving bank reputation, trustworthiness. Keep it harmless against any penalties and fines which might be incurred due to any regular and Islamic infringements , protect its customers , depositors and employees' interests by ensuring tat bank and all its units and departments comply with all laws and regulations , urge its staff to abide to bank policies and procedures as achieved through continuous training, tracking , monitoring and site visits and eventually raise reports to Central Bank of Iraq CBI BOD/ Audit Unit.

As based on bank due diligence and consistently regulatory requirements and applicable regulations as issued by Central Bank of Iraq CBI , this unit performs its duties according to what is established in regulatory laws and regulations. Compliance position is an independent one as laid down is bank structuring system due to being linked to the audit committee of bank BOD , its tasks depend on determining and assessment of risks of non-compliance with regulatory laws, regulations and requirements. Compliance policy is adopted by Bank's Board of Directors BOD to enable this unit in performing its responsibilities through accessing to bank's documents, files and records in an partial and independent manner and present its recommendations and directives to banks' all units and depts as purposed to reinforce and consolidate compliance awareness on the bank entire level.

This unit strictly adheres to Banks' BOD regulations in meeting the American Tax Compliance Law requirements FATCA as bank and since proceeding its operations launched on applying the tax compliance law in accordance with the requirements of U.S.A. treasury dept as this law aims substantially to prevent tax evasion by all tax payers in the U.S.A. regardless of being individuals or



corporate entities through investing and depositing their funds in offshore financial institutions. Moreover, and in order to achieve this objective a specific policy was adopted in relation to American Tax Compliance Law requirements FATCA besides operating procedures in compliance with fully enforcing this law.

In this unit compliance is made with all Central Bank of Iraq CBI's regulations and instructions as applicable to prevent and check any money laundering and terrorism finance incidents and avoid mistakes. Reports are sent to Central Bank of Iraq CBI on a regular basis following their audit and review of all bank's activities and operations.

### **- Money laundering and Financing of Terrorism Reporting unit**

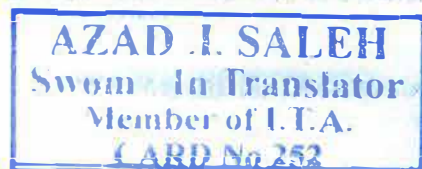
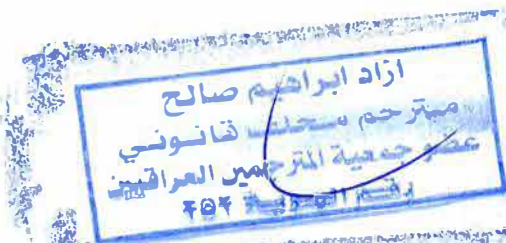
Money laundering and terrorism finance reporting unit as boosted by bank's executive management shall monitor bank's activities and transactions in conformity with laws and regulations promulgated by Central Bank of Iraq CBI to spot and check any money laundering transactions pursuant to anti-money laundering and terrorism finance Law No. (39) in 2015. This unit send its periodical reports to Central Bank of Iraq CBI , monitor customers deposits and drafts , monitor all banking operations , enforce the principle of ( Know Your Customer KYC). The AML system was introduced into the bank considered one of the best systems available in the bank , engage officials in internal and dependent training courses to upgrade their proficiency and enhance their banking literature.

#### **Brief of This Unit Tasks ;**

- 1- This unit searches , investigates and check all banks' transactions beginning from opening bank account by customer ( individuals current account , saving accounts & corporates) , set a specific mechanism of account opening requirements for all bank accounts , conduct due diligence to ensure and vet physical or corporate customer's identity and real end user.
- 2- This unit ensure to forfeit any funds deposited into the bank exceeding the USD (10000) limit by filling –in a funds forfeit form properly signed by customer.
- 3- To setup an annual plan for anti-money laundering and combating the finance of terrorism as per the Central Bank of Iraq CBI regulations and the anti-money laundering and combating the finance of terrorism act.



- 4- Unit acts with due diligence in sending any writs of issuance authenticity to companies registrar office along with all documentations to ensure that these companies are actually registered but not nominally.
- 5- This unit and in coordination with bank's higher management and its executive management works out a training program for all its staff regarding the anti-money laundering and combating the finance of terrorism.
- 6- This unit bureaucratically and practically oversights all bank's branches , monitor their extent of compliance with regulatory provisions , rules and internal systems through coordination between all branches and reporting unit via its liaison officers.
- 7- This unit prepares periodical and annual reports to send them to Central Bank of Iraq CBI and the money-laundering and finance of terrorism bureau.
- 8- Present periodical reports and submit them to bank's Board of Directors BOD , updates its proper policies and procedures to cope with Central Bank of Iraq CBI regulations and money laundering and financing of terrorism reporting unit.
- 9- Unit launched on applying the AML system as per the scenarios worked out and adopted by anti- money-laundering and combating the finance of terrorism bureau and pursuant to Central Bank of Iraq CBI regulations and its subsequent instructions which dictates that all banks shall purchase and adopt an efficient banking system specialized in anti-money laundering. This AML system shall issue customers classification lists as per their risk level ( high/ medium / low) , automatically updates all types of international blacklists on a daily regular basis. Further this unit applies same system (AML) to local blacklists as this system includes nearly (113) lists of information technology (IT) first class model which are automatically updated on a daily basis to be uploaded afterwards to the (BANKS) system and automatically updated by the (AML) system as such procedure shall curb the level of risks arising from opening accounts in all bank's branches and affiliates and to ensure whether customer is locally or internationally blacklisted.
- 10- The ( ACUANT) system is one of the supportive systems to our basic bank system as this system shall check the names of internationally blacklisted customers to disclose the suspected and banned names and not to open any account for them in any of its branches prior to creating any business relationship with customer.





## - Internal Islamic Regulatory & Audit Unit

This unit is viewed as one of the most important regulatory pivots that secure bank movement against any banking risks which might bank be exposed to and keep continuous tracking. This unit spotted the extent of implementing banking regulations as issued by CBI by auditing bank's higher management and its branches , examine the procedures of granting bank credit and participate in committees to rectify any banking errors and ensure the safety of bank's records, disbursement authorization and check the procedures of opening accounts.

This unit activity comprises bank's entire work , activities and transactions so as to enable bank to assess the extent of the appropriateness and efficiency of its internal control system , risks management operations, institutional governance , verify compliance with bank's internal policies and related international standards as per the annual audit plan based on risks and adopted by audit unit and Islamic regulatory unit. However this unit raise reports to audit committee and the Islamic Committee pursuant to restrictions issued by Central Bank of Iraq CBI.

Internal audit management is immediately supervised by audit unit and Islamic regulatory committee which raises its reports to audit committee chairman and periodical reports to Islamic Regulatory unit in relation to any Islamic comments. This unit submits monthly , periodical, semi-annual and annual reports about tasks resultants to audit unit. This unit may pursue and review business indicators , Islamic banking Business working procedures in relation to their appropriateness.

The staff of this unit perform their tasks according to an audit plan based on risks prepared and approved in advance by bank's Board of Directors BOD which includes also its proper work plan inside the bank. This unit had been instituted to activate governance policy in bank and a special Islamic Internal Audit unit had been setup according to international principles and standards for this purpose. The internal Islamic audit philosophy is based on the provision of dependent and objective organizational and advisory services to bank as aimed to add a new value of upgraded banking operations , enable bank's management to achieve its declared targets through adopting an organized assessment methodology and enhance the efficiency of risks management , monitoring and governance practices.

## - Risks Management Unit

This unit is concerned with studying potential risks of different banking operations to which it might be exposed to maintain its high reputation , its enhanced classification and service quality.



This target is achieved by relying on efficient means of management and regulatory systems to mitigate risks , consolidates bank's central management by controlling all types of risks in coordination with all bank's management units and divisions , realize principle of transparency and disclosure by providing bank's higher management , Board of Directors BOD and internal audit unit with regular reports on all current and future risks and issue directives to take necessary measures to this effect. Bank adheres to a fixed and overall framework in risks management to define and mitigate risks , proceeds of banking operations extension and diversification in conformity with its internal policy , Basel committee decrees and Central Bank of Iraq CBI regulations.

All these aforesaid measures are taken consistently with its internal policies , Basel Declarations and Central Bank of Iraq CBI regulations in order to avoid any prejudice to community , to realize balance between interests of all parties and generate profits for all customers as all regulatory units in bank shall cooperate to realize quality and legality in banking business particularly with risks management committee and other regulatory authorities in order to spread the culture of risks within the bank.

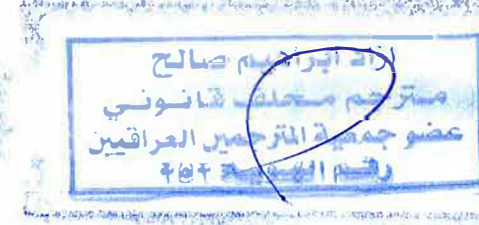


### a- Credit Risks

The application of IFRS 9 and Central Bank of Iraq CBI regulations for every Islamic finance instrument on a regular and scheduled basis shall give an early warning in the event of any defect and pressure tests depicts expressively the evaluation of customers performance as per their risk level classification.

### b- Market Risks

Central Bank of Iraq CBI regulations are clear for monitoring changes in currency exchanges, bonds , commodities and properties and to reevaluate them on a regular basis in order to mitigate market risks and generate reasonable revenues for shareholders.





## c- Liquidity Risks

Bank adopts a specific mechanism to control accounts management , possession of highly traded liquid assets and enter agreements with Islamic institutions .without any profits or turnovers as such assets shall be distributed according to the deposits maturity precedence order and in a wise manner.

## d- Operating Risks

The setting up of reasonable restrictions and rules for the safety of employees and attention to financial assets might curb operating losses and risks and earmark appropriations for operating risks might mitigate such risks particularly in the event of existence of an efficient monitoring of compliance with Islamic Law.

The natural challenges that had impact during previous years namely Covid-19 pandemic and other viruses and the impairment of domestic economy had a material impact on liquidity and curbed to a great extent credit and banking operations. The consequent effects of the pandemic and its development or otherwise dramatically affected banking operations in addition to wars that impede the economic development course and delay payments , therefore our bank protects its capital by a package of strategies to take precautions and endure financial crushes and market fluctuations.

The transformation to digital banking is warmly welcomed by users and among community sectors as it renders various banking services in an innovative and cost-effective manner specifically after customers' attitudes had changed recently due to the lockdown imposed in many countries.

Hence, we cooperated with best international companies to update our operating systems to keep pace with advanced countries and render optimal electronic services.

## Banking Awareness & Public Protection Unit ;

In order to consolidate and strengthen confidence among bank and the public , aware and educate public about bank's financial services , enhance the relationship between customer and bank purposed to realize financial inclusion and economic stability ; bank pursed the measure here below ;

- 1- Provide training and upgrade this unit employees' capabilities and skills respective to customers service , hire liaison staff to coordinate between bank

branches who will be directly associated to bank awareness and public protection unit to consider customer's complaints and render best services to them.

- 2- Pursue customers complaints by considering and conceiving difficulties they might confront in their business and solve them asap and not to dismiss any complaint or enquiry.
- 3- Divisions affiliated to this unit are ( financial inclusion , promotion division, awareness of institutional services & procurement dept).
- 4- Perform all tasks assigned to this unit , keep pace with all developments and changes that occur to commission rates list and banking services rendered to customers on a regular basis as well as to pay attention to this unit internal administrative affairs.
- 5- Update banking services rendered to customers through printing and advertising brochures and launching promotion campaigns according to latest updates to enable customers to select best banking services with utmost benefits.

- Reporting means and receiving complaints of customers are limited to the following channels;

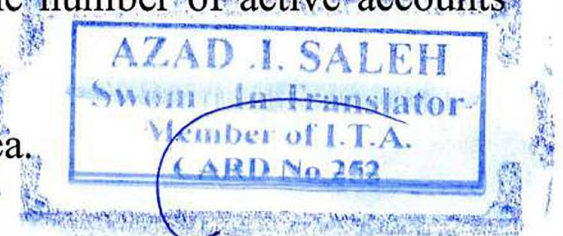
- 1- Through direct contact with banking awareness and public protection unit officer.
- 2- By the email : [awareness@fib.iq](mailto:awareness@fib.iq)
- 3- Through the phone of banking awareness and public protection unit in the main branch and in bank's other branches and affiliates.
- 4- Through complaints box as liaison officer in each branch of the banking awareness and public protection unit shall open this box to check whether any complaint letter exists on a daily basis.
- 5- Social media of bank.

- Participate to all symposiums , expositions , conferences and workshops of the banking awareness and public protection unit as held by Central Bank of Iraq CBI as our bank participated in a number of aforementioned events.
- The banking awareness and public protection unit may establish a special register to lay down the following ; (complainant's name, complaint date, complaint particulars , measures taken to this effect etc.. ) with keeping a proper file that contains all initials and documentations related to these complaints as instructed by Central Bank of Iraq CBI.
- To place illustrative placards in all bank's branches that indicate the course of transactions , their specific requirements , provide sufficient guiding placards in bank's halls and in all its branches , post any instructions to



bank's proper website that clarify customers rights in relation to lodging any complaint and how to enquire about the features of banking services rendered to him.

- The existence of ( customers service outlet) to care for customers demands and their fast finalization with necessity to pay a particular attention to bank's building tidiness , properly organize its façade to influence the public and its customers , pay attention to its employees cuteness and nice outlook and emphasize on the tact and respect of customers and visitors.
- Advertising and promoting banking services ;
  - a- Bank shall promote and advertise for its services through its key channels to cite ( website, branches, visible and audio media channels) along with noting that the method of such advertisement should be clear and consistent with the real nature of service rendered with no exaggeration or oversizing the features of product or service rendered. Our bank however , promotes its services in an up-to-date manner that affords customer to easily benefit from all services. Moreover customer may open his personal account on same website by using the FIB application as customer can open a bank account with all its advantages in addition to the distinction in rendering services that may facilitate payment transactions and management of other life issues.
  - b- To clearly demonstrate bank's name in advertising / publishing in order to achieve the inspired goals of such advertisement or publication.
  - c- Ensure that such advertisement has been designed and posted to meet bank needs in delivering product or rendering service to the widest segment of community in a clear and legible manner.
  - d- Participate in symposiums and expositions to demonstrate presence and promote its products.
- This unit shall raise a quarterly report to Central Bank of Iraq CBI following depts and units;
  - a- Exchange Control Office / Awareness & Banking Services Monitoring Unit that includes in minimum a collected statistics of number of complaints submitted to this office , action taken to this effect and endeavor to analyze the quality and nature of these complaints.
  - b- Payment office / financial inclusion unit that comprise the following;
    - 1- Accumulative Financial inclusion data about the number of active accounts during this quarter of the year
    - 2- Issue creditor, debtor and prepaid cards
    - 3- ATM locations according to their geographic area.

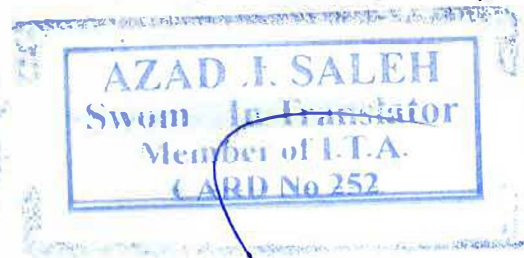


#### 4- Data about granted loans.

- c- Payments Office / financier unit) , report may contain a schedule of weekly financial inclusion
- d- Exchange Control Office / Credit Information Exchange and public protection unit / banking awareness and monitoring banking services section
- e- Setup an annual plan of propagating banking awareness and services.
- f- Banking awareness and protection of public specific policies and procedures
- g- A schedule of financial inclusion weekly activities.
- h- As based on plan setup by this unit to pay on-site visits to bank subsidiaries in order to access their nature of business and their extent of compliance with the enforcement of regulatory provisions and internal systems as such visits shall be paid to bank's all subsidiaries on a quarterly basis at least for our bank has five branches including (Main branch, Al-Rasheed Branch, Erbil Branch, Suleimaneeya Branch & Dohuk Branch). These visits are continuous and biannual as permanent communication and coordination shall be kept with these branches liaison officers for such procedure falls within the scope of the banking awareness & protection of public unit responsibility.
- i- The prompt feedback to all writs served by Central Bank of Iraq CBI and comply with all rules and regulations as laid down by bank.
- j- The regular follow-up with this unit liaison officers and with social media pages in relation to compliance with Central Bank of Iraq CBI rules and regulations.

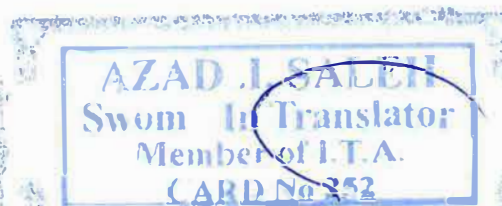
#### Quality Management Unit Achievements in 2023;

- A contract is signed with Ejabi Company to set three quality management systems in April and commence application in mid-June as here below;
- ISO 20000 for information technology (IT)
- ISO 27001 for information security
- ISO 22301 for business continuity
- An agreement was signed by quality management unit with the consultant of Ejabi Co. to set , print , distribute and apply systems in November 2023 with cooperation of information security , risks and information vetting units.





- Internal audit for these systems was done as of September 2023 and completed in February 2024 where many comments on these units were spotted and properly remedied.
- Archiving system operation was followed up in coordination with information security unit in bank's all branches.
- Three In-house workshops were held in the field of aforementioned systems in addition to ( SWOT) training course for officers and all bank's employees on how to apply the standard (9001:2015iso).
- Iso 9001 standard was revised and it became evident that it needs upgrading and enhancement where work commenced on this issue and will be finished in 2024.
- An internal auditor training course was held according to ISO 19011 standard in coordination with Peroveritas Co. for seven auditors who successfully passed this course.
- Quality management unit amended and updated some forms of the international standard ISO 9001:2015.
- Unit took part in training courser organized by Central Bank of Iraq CBI to cite; the course of preparing strategic plans etc...
- Coding of all bank's units and branches was completed through the data screening form.
- Unit endeavors to continuously improve and enhance bank's units policies and procedures.



## Tenth: Financial Inclusion

Financial inclusion is banking specific term defined the most common of which is " the insertion or merger of the financially ignored social classes or low-income individuals that cannot afford to enroll in banking transactions. The financial inclusion is done by dealing with the banking organ through the digital operating system by using bank cards or mobile applications i.e. to finalize all financial transactions by electronic means. The financial inclusion focuses on rendering financial services through simple , easy and cost effective means e.g. mobile cards and electronic payment cards. Recent studies indicate that nearly (38 %) of adults throughout the world are outside the baking systems and majority of them live in south Asia, middle east and north Africa countries.

Moreover , about (75 %) of fixed income individuals do not deal with banks due to high costs , long distances and burdensome requirements to open a bank account , about (2.5) billion individuals worldwide have no access to any proper

financial services and not more than (25 %) of adults across the world who earn less than two dollars daily do not deposit funds in proper financial institutions.

Researches indicate that in order to have access to deposit proceeds where customers are not entitled to withdraw cash at their discretion might have tangible advantages other than increasing customers deposits and may enable also woman to have economic strength , increase productive investments and consumption , raise productivity level and income , increase spending for preventive health purposes.

The financial inclusion plays a prominent social role in relation to the largest fixed and medium income social segment , women in addition to mini and medium projects achieved through having access to financial services , pose all products of banks to different social segments and widely spread such services inside universities and institutions in order to include the largest possible social segment.

- How to apply the financial inclusion on the grounds of reality ?
- The application of financial inclusion requires general trend of the state to achieve the target and needs conducting studies on actually affordable financial services and their compatibility with the needs of different social segments as well as those services to be rendered in the future.
- Who are the parties tasked to apply the financial inclusion principle ?
- Central banks in states are the main supportive entities in applying the financial inclusion principle through setting up a number of rules and legislations to facilitate banking procedures of all types and approve to afford simplified financial services e.g. the use of mobile in electronic payments.
- How to attract the targeted categories to banking transactions?
- Banks play a prominent role in realizing the financial inclusion principle by attracting such categories who do not have any banking transactions by creating new financial products based on deposit , insurance and payment methods and not only on borrowing and finance , reduce unreasonable duties and commissions imposed on customers , unsuitable financial services rendered against commissions paid by those customers , take into account customers conditions and not to plunging them in debts.

The financial inclusion contributes to the protection of banks customers of all social segments by treating them in a transparent and fair manner , granting them access to different financial services easily and cost effectively , provide customers with all necessary information in each stage of their transaction with vendors of financial services , provide consultancies as needed by customer ,



pay attention to their complaints and treat them on an impartial basis to protect them against any fraudulence or abuse by informal financial entities.

How to aware categories targeted by financial inclusion system ?

It is required to draw a national and regional strategy to raise education and awareness levels for those targeted categories , raise financial awareness of mini and medium project owners and managers , observe the low experience of new users regarding the use of financial service and launch programs to aware customers about how to take financial decisions compatible with their needs.

The expansion of the application of financial inclusion principle needs building a network that comprise all branches of financial services vendors , setup mini bureaus to sponsor micro projects besides increasing the number of ATM , upgrade payment system , extend the rendering of digital financial services via mobile , create an overall database that include historical credit data records of individuals , mini and medium enterprises.

#### **Twelfth: Lawsuits filed by & against bank**

No lawsuits are filed by or against bank at (31/12/2023).

With appreciations.....



**Chief Executive Officer CEO**

Shaimaa Ali Hussein

**BOD Chairman**

Baidaa Hashim Humood



## **Audit Committee's Report in 2023 ( Chapter 4)**

**To : Ms. Members of First Iraq Islamic Bank (FIB) Board of Directors**  
**BOD Members & Shareholders Esq.**



**Dear Sirs;**

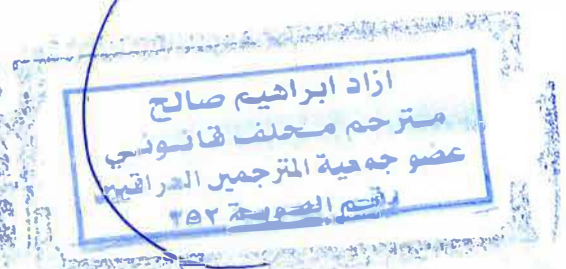
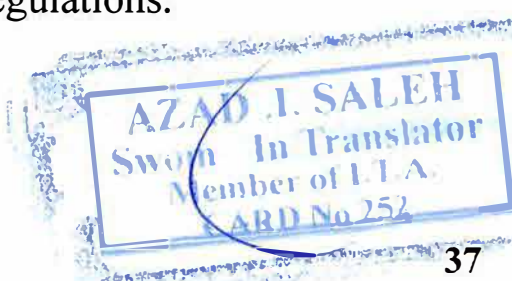
Committee assumed its tasks , examined , audited and reviewed bank's financial statements for the fiscal year ending by (31/12/2023) and BOD annual report where it found out that they are prepared pursuant to requirements and provisions of Companies Act No. (21) in 1997 as amended , Banks Law No. (94) in 2004 , Islamic Banks Law No. (43) in 2015 and Central Bank of Iraq regulations. Eventually bank concluded the following;

As based on the written invitation letter addressed by the chairman of the Accounts Audit & Revision Committee Mr. Ahmed Salih Hussein to his committee's members to attend to meeting scheduled to be held at bank's headquarters located in Baghdad / Al-Karrada District / Arasat Al-Hindeeya / Babylon Qts. / Sec 929 / St. 33 / Bldg. 16 in order to present bank's all unit reports and discuss the fourth periodical report for the year 2023 as here below.

Committee met with auditors and focused on the importance to demonstrate in the report their point of view for the efficiency of bank regulatory policies. Further the said committee also discussed procedures followed to examine bank's financial statements for the fiscal year ending at (31/12/2023).

**First:** committee checked the expenses and earnings generated throughout the year 2023 and displayed these expenses and earnings for said period.

**Second:** committee discussed the reports of Islamic Compliance Advisor and recommendation was raised to bank executive management to track the compliance examination and measurement results for banking operations as achieved through submission of compliance memoranda in this regard and check the executive management extent of compliance with Central Bank of Iraq CBI regulations.





### **Third: Report of Money Laundering & Financing of Terrorism Reporting Unit**

This unit is engaged in preparing periodical and annual reports to be sent afterwards to bank Board of Directors BOD , executive management , Central Bank of Iraq CBI and money laundering and financing of terrorism reporting bureau.

This unit checks deposits placed in banks that exceed USD (10000) by filling-in a money forfeit form to be duly signed by customer which shall constitute a pledge to the accuracy and legality of his funds together with other corroborative documents to be attached to this form should deposit exceed acceptable limits for bank daily transactions are not in such volume and done by its known customers pursuant to anti-money laundering and combating the financing of terrorism Act No. (39) in 2015.

This unit and in coordination with bank higher management and executive management is in the way of setting up a training program for all its employees in relation to anti-money laundering and combating the financing of terrorism as well as updating its proper policies and operating procedures consistently with Central Bank of Iraq CBI regulations and regulations of Money Laundering & Financing of Terrorism Reporting Unit respectively.

### **Fourth: Islamic Monitoring & Audit Unit Report**

The periodical reports of the Islamic Internal Monitoring & Audit for the year 2023 were reviewed and discussed as many of their items were discussed with the majority of bank units and departments to spot obstacles encountered by these units and take into account all recommendations and notes included in this report as illustrated below.

#### **Capital Adequacy;**

Capital adequacy ratio was (109 %) at (31/12/2023) as per the optimal weights schedule for risks level as the acceptable ration set by Central Bank of Iraq CBI is (12.5 %). This hike in ratio is attributed to non-performance of any banking activities especially the out-of-balance sheet provisions of risks. Deliberations were held with bank executive management to reduce this ratio within

acceptable limits , invest monetary liquidity in profit generating fields , adopt a future plan in investing bank funds and fix their related risks.

### Liquidity Hedging Ratios;

- Monetary liquidity ratio reached 77 %
- Liquidity Coverage Ratio ( LCR) reached (169 %) and net Stable Finance Ratio reached NSFR ( 119 %).

With appreciations.

Committee Secretary

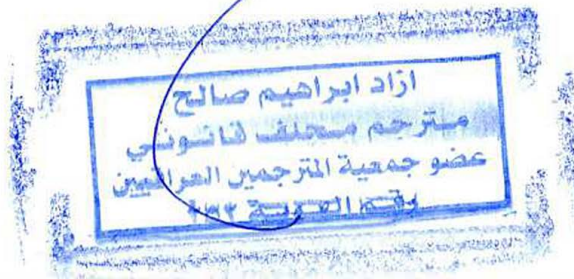
Enas Abdul Wahab  
Tawfeeq

Committee Member

Mustafa Ihsan  
Khazaal

Committee Chairman

Ahmed Salih Hussein





# IN THE NAME OF MOST BENEFICENT AND MERCIFUL GOD

## ISLAMIC REGULATORY COMMITTEE REPORT

Thanks to almighty God and Peace be upon our leader Prophet Mohammed and his companions.

To: Messrs. Shareholders of First Iraq Islamic Bank (FIB) Esq.



As based on the assignment writ issued by bank's BOD that stipulates the setup of an Islamic Regulatory Committee in First Iraq Islamic Bank (FIB) ; we hereby present our report for the fiscal year ending by (31/12/2023);

- 1- We already monitored and checked principles, transactions – related contracts entered in 2023 in order to present our opinion whether bank is compliant with provisions and principles of Islamic Law, dictums and guidelines issued by this committee.
- 2- Committee performed monitoring by examining documentation process and procedures adopted by bank on the basis of selecting each type of transactions done by bank.
- 3- Committee clarified a number of new banking issues and presented its Islamic point of view in this regard.
- 4- A myriad of enquires were presented to this committee to which it replied accordingly.
- 5- Committee monitored bank compliance with provisions of Islamic Law to conform with Islamic Banks Act No. (43) in 2015.
- 6- Committee's board business plan is prepared for the fiscal year 2024.
- 7- Committee revised bank's balance sheet for the fiscal year (31/12/2023)
- 8- Committee reviewed bank's income statement for the fiscal year ending by (31/12/2023).
- 9- The responsibility of this committee is to present its independent point of view and its related Islamic judgment according to Islamic Law provisions as bank is responsible for its enforcement.
- 10- Committees' regulatory board held (16) meetings in 2023 with no absence of members but those who had a reasonable excuse.
- 11- We accessed to agreements and transactions performed by bank in 2023 and were complaint with Islamic Law rules and provisions.
- 12- All returns generated were from resources in conformity with Islamic rules and provisions.

**13-Shareholders are responsible to give alms to which we have no Islamic comments.**

Imploring the Almighty God to give us wisdom and inspiration. Peace be upon you all....

**Committee Member**

Waleed Mahdi Ali

**Committee Secretary**

Omar Saad Nasser

**Committee Chairmen**

Abdul Ghafour Ighlam  
Abdul Ghafour

**Committee Member**

Ahmed Younis Ali

**Committee Member**

Haider Majed Hussein



**Risks Management Committee Report in 2023**

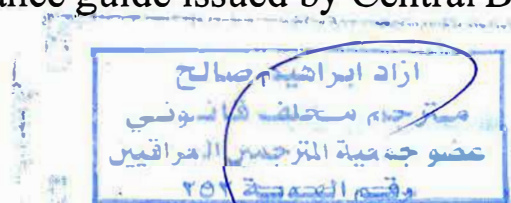
The tasks of this committee is to supervise bank's various units and departments in order to spot , identify and assess risks to suggest reasonable solutions , ensure the quality of risks management systems and policies and suggest recommendations to bank Board of Directors BOD.

One of the most important tasks of this committee is to oversight credit risks, market risks, liquidity risks and operating risks purposed to ensure and monitor bank compliance with its executive management regulations, refer to units managers , prepare periodical reports and report to bank executive management.

This committee consists of four members as requested by bank executive management pursuant to institutional governance guide issued by Central Bank of Iraq CBI.

**Committee Members ;**

**1- Ghalib Nasser Abboud / BOD Member / Chairman**





- 2- Lamiaa Najim Al-Deen Younis / BOD member / Member
- 3- Inas Abdul wahab Tawfeeq / BOD Member / Member
- 4- Iman Saad Mohammed Hasan / Islamic Internal Monitoring & Audit Unit Assistant Manager / Committee Secretary

### Committee Meetings;

- 1- Committee realized many meetings in 2023 where some recommendations were submitted and was keen to emphasize bank adherence to risks unit policies and regulations as achieved by reviewing , amending and updating said unit strategies.
- 2- Updating credit policies from the aspect of their operating and market risks as per Basel latest regulations and directives of Central Bank of Iraq CBI.
- 3- Updating of monetary liquidity policy compatibly with current situation in Iraq and changes in the region and around the world.
- 4- Prepare feasibility studies for some rendered services to spot and identify risks and bank ability to endure such risks.

**Iman Saad  
Mohammed**

Committee Secretary

**Inas Abdul  
Wahab Tawfeeq**

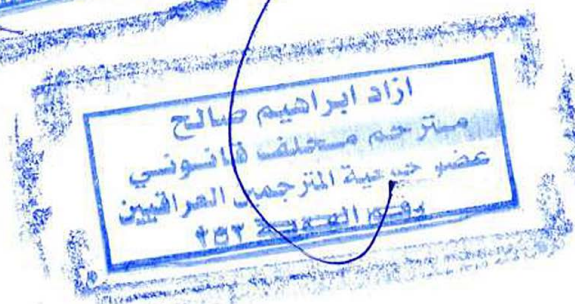
Member

**Lamiaa Najim Al-  
Deen Younis**

Member

**Ghalib Nasser  
Abbood**

Chairman

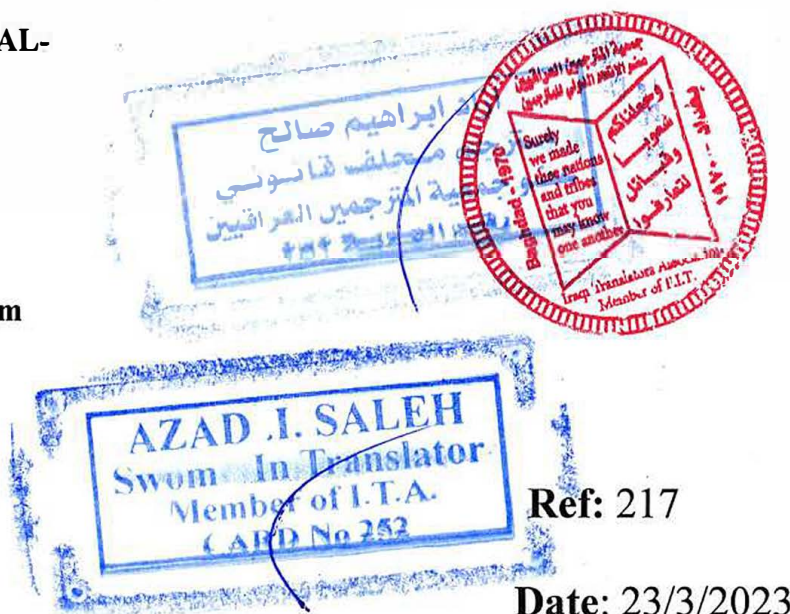


**KHALEEL IBRAHIM MOHAMMED AL-  
ABDULLAH & COS.**

**CPA & AUDITOR**

**GRADE (1) / LICENSE NO. (285)**

**EMAIL: khalelaccounting@yahoo.com**



**To: Shareholders of First Iraq Islamic Bank For Investment & Finance ( FIB) ( JSC) / Baghdad Esq.**

**Re: Independent Auditors' Report on Financial Statements for the fiscal year ending by (31/12/2023)**

### **Opinion:**

We audited bank's financial statements that include financial position statement on (31/12/2023), income / losses statement , changes in equities statement , cash flows statement for the fiscal year ending thereat , Board of Directors annual report and explanations of these financial statements that include a summary of significant accounting policies.

in our point of view and with observing audit resultants hereinafter; we can say that bank's statements present from all material aspects and in a fair manner the financial position at (31/12/2023) , financial performance , cash flows for the period ending thereat as per international accounting systems and international financial reporting system ( IFRS) as issued by the International Accountancy Standards Council.

### **Background of Opinion;**

Our audit is based on revision standards issued by Accounting and Auditing Organization for Islamic Financial Institutions (AAOIFI) and international audit



standards issued by the International CPA Association. Our responsibility under these standards is illustrated hereinafter in audit responsibilities clause. We are an independent audit firm according to business ethics and code of conduct in relation to the audit of these financial statements for we performed our job according to these requirements and conditions.

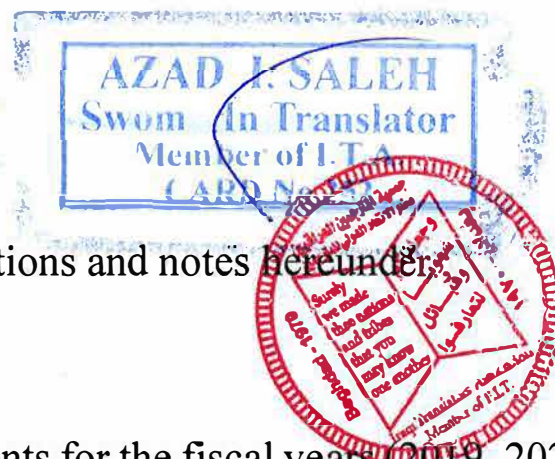
We believe that audit evidences we accessed to are quite adequate and compatible to provide a background for our opinion.

### Significant Audit Resultants;

Our audit resultants demonstrated the explanations and notes hereunder:

#### 1- International Standards

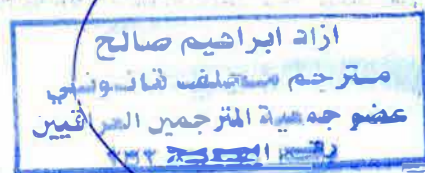
- a- Bank's balance sheet and financial statements for the fiscal years (2019 -2022) are prepared pursuant to International Financial Reporting Standards ( IFRS) and Accounting and Auditing Organization for Islamic Financial Institutions (AAOIFI).
- b- Bank prepared interim statements during the year 2022 as set out in the IFRS (34) , International Audit Standard (2410) and regulations of Central Bank of Iraq CBI under clause No. (23) " Disclosure" & Transparency in Clause No. (4) therein according to the institutional governance guide for banks.
- c- Cash flow statement was prepared as per IFRS (7) as issued by the International Board of Accounting Standards. Cash flow statement for current year showed a surplus of nearly IQD (181) Billions. this increase focused on the net cash flows generated from operating activities and net changes in assets, liabilities and financing activities.
- d- Bank took many measures to apply and enforce IFRS (16) " Lease Agreements" as issued by the International Board of Accounting Standards as incarnated by purchase of standards specific system. Leased premises rental is calculated if number of leased premises is three with lease term of more than (12) months to be used by bank's branches and affiliates in northern provinces and recognize their value in the leased premises statement in an amount of (239) Millions , in long - term lease agreements obligations in an amount of IQD (170) Millions as demonstrated in bank financial position statement.
- e- Bank adopted IFRS (9) to potential credit risks as per the instructive code for the fiscal year 2023 as issued by Central Bank of Iraq CBI as this standard was not adopted in measuring potential credit risks in 2023 note that a contract is signed with (POTECH) company as contemplated to enforce until (31/5/2024) as



confirmed by aforesaid company therefore it is required to speed up sending the quantitative impact of this standard to Central Bank of Iraq CBI.

## 2- Cash

- a- Cash in treasury and in Central Bank of Iraq CBI counted to IQD (271) Billions at (31/12/2023) which exceeds last year balance by (32%) attributed to the rise in net operating earnings in addition to customers deposits.
- b- Cash in treasury and counted IQD (143) Billions as at (31/12/2023) which rates (52.8%) of total cash in treasury and in Central Bank of Iraq CBI as actual inventory minutes were compared with bank books under our supervision in order to check the inventory procedures accuracy and conformity.
- c- It is noted in clause above that bank retains a very huge cash in its treasury more than needed therefore we recommend to commit cash much more than fixed rates in Central Bank of Iraq CBI. Bank management explained that such increase is generated from capital subscribers deposits in an amount of IQD ( 50) Billions as set forth in Writ No. (9/2/439) issued by Central Bank of Iraq CBI / Banks Control Unit on (2/8/2023).
- d- Cash placed in Central Bank of Iraq CBI rates (38 %) of aggregate funds of bank at (31/12/2023) with an increase of IQD (14) Billions compared to previous year while free account balance amounted to IQD (72) Billions and legal hedge fund balance was IQD (31) Billions.
- e- Cash balance underway that accounts for IQD (25) Billions at (31/12/2023) which constitute an underway transfer issued by foreign currency Bid & Offer outlet until amount is committed into FIB bank account in the correspondent banks.
- f- Cash assets ratio to bank actual financial position (Total Assets) is (41 %).
- g- Liquidity Coverage Ratio reached (169 %) ,Net Stable Finance rated (119 %). And liquidity ratio is ( 77%) which is more than the (100 %) & (30%) ratios set by Central Bank of Iraq CBI respectively. The liquidity surplus indicates the non-optimal use of bank's affordable resources the matter which requires to search for new operating lines to amplify its resources. In our opinion ratios above indicate bank capability to meet its obligations to its customers in consequent period.
- h- Bank reserved a liquidity ratio much higher than minimum rate of (30%) as set by Central Bank of Iraq CBI as this ration reached (77%) in 2023 after it was (435%) in 2022 which indicates the optimal use of affordable resources.





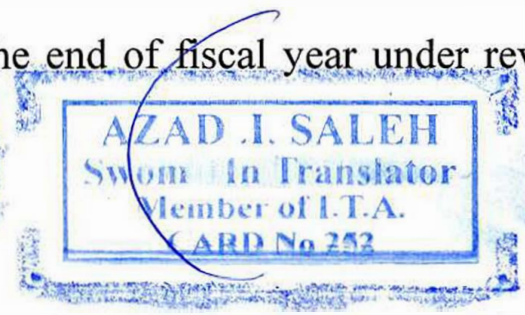
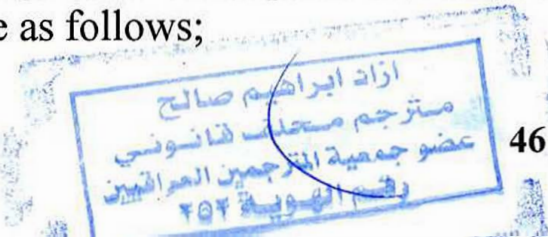
- i- The decline of liquid assets / total assets ratio for it reached (59%) in 2023 compared with last year of (66%). This ratio still indicates that bank reserves liquid assets capable to meet withdrawal orders against deposits.
- j- The decline in LCR / Total Deposits by (185%) compared to last year of (343%) due to the rise of total assets for current year more than previous year. This ratio indicates the capability of hedging assets and liabilities which is more than optimal ration of (1.1).

### 3- Onshore & Offshore Banks

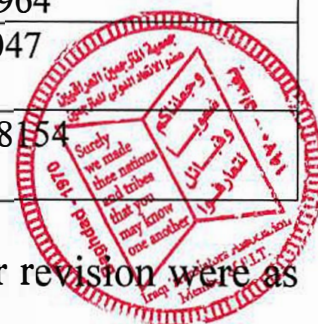
A- Cash available in onshore banks amounted to IQD (122755) Thousands at (31/12/2023). Onshore banks count (6) and their balances were verified on the basis of statements sent by these banks.

### B- Offshore Banks

- 1- Cash balance in offshore banks is IQD (117285) Millions at (31/12/2023) more than last year balance in an amount of IQD (115) Billions. This rise is attributed to the dramatic expansion in electronic payment activity and international clearances note that entire balance above is concentrated in ( JP Morgan) bank which reached (97%) of total balance above. Central Bank of Iraq CBI considers this rate as very high as per its regulations and under the circular No. (9/2/53) dd. (4/2/2018) which stipulates that offshore balances may not exceed (20%) of total share capital and reserves. Bank management explained that the reason for such rise is attributed to the notable expansion in electronic payment and international clearances.
- 2- Accounts balance in correspondent banks reached IQD (117) Billions placed in five offshore banks. We verified the size of these balances as laid down in bank's books after comparing them with balances appearing in offshore banks statements at (31/12/2023).
- 3- In reference to clause above and during comparison we noted that a difference of USD (1,000,000) appeared between bank's proper books and bank balance recognized against auction transfers (216). Bank management explained that it advised Central Bank of Iraq CBI about this difference under its writ No. (3/1250) dd. (8/6/2023).
- 4- Ratings with correspondent banks at the end of fiscal year under revision were as follows;



Bank Name	Nationality	Rating	Balance at (31/12/2023) / in Thousand Iraqi Dinars
Arab – African International Bank	UAE	B+	682679
Aktif Bank	Turkey	B+	1207964
Jordan National Bank	Jordan	B+	483047
JP Morgan Chase Bank	USA	AAA	114738154



5- Ratings with onshore banks at the end of fiscal year under revision were as follows;

Bank Name	Nationality	Rating	Balance at (31/12/2023) / in Thousand Iraqi Dinars
Al-Rafidain Bank	Iraq		9233
Middle East Bank	Iraq	B-	2359
Ashure Intl. Bank	Iraq	B-	3401
Islamic National Bank	Iraq	C+	140
Arab Islamic Bank	Iraq	B+	70930

#### 4- Islamic Finances

- Islamic finances balance ( arbitrage) amounted to IQD (51) Billions at (31/12/2023) before discounting credit risks appropriations by IQD (1032) Millions note that such activity was not exercised last year except participations as demonstrated in investments account that reached IQD (57) Billions.
- Net Islamic finances ( arbitrage) ratio to aggregate deposits and cash securities is (24%) note that maximum allowed ratio is (75%) as instructed by Central Bank of Iraq CBI . on the assumption that we take into account the addition of participations as recognized in investment statement ; tis ratio reaches (51%).
- Islamic Finances (arbitrage & participations) ratio to share capital and secure reserves reached (85%) while the set ration is fixed at (600%0 the matter which requires the extension of this activity viewed as the backbone of banking transactions.
- We recommend to diversify Islamic Finances (arbitrage & participations) and not to restrict them to long – term finances in order to reserve continuous annual cash returns as perceived in Central Bank of Iraq CBI writ No. (9/6/2019) dd. (23/9/2020) / provisions (a, b &c) respectively.



- We noted while examining customers cash finances that six of them were granted loans equivalent to (98%) of total customers as demonstrated in bank's internal report No. (I/M/101) on (4/1/2024).
- The existence of outstanding installments in an amount of IQD (182)Millions due from Tareeq Al-Tayeb Co. For General Trading.
- Credit Portfolio

we noted that sector finance ratio is distributed on three sectors only as set forth in our internal report No. (I/M/101) on (4/1/2024 the matter which requires the restructuring of credit portfolio in order to distribute risks on all economic sectors.

No.	Economic Sector	Finance Ratio
1	Commercial	Nil
2	Industrial	16%
3	Agricultural	80%
4	Utilities	4%
5	Constructions	Nil



- We noted while auditing that finances granted on the level of provinces are concentrated in Baghdad at a rate of (99%) therefore we highly recommend to vest bank branches officers extensive powers in granting finances and not to focus on one province in order to check any risks.

## 5- Promissory Credit

- Letters of credit L/Cs value totaled IQD (1219) Millions at (31/12/2023) which we believe to be very little and constitute less than (1%) of share capital, therefore we recommend to expand business in this domain provided to take formidable securities against such L/Cs as the acceptable ratio of promissory credit is (200 %) as fixed by Central Bank of Iraq CBI.
- Issued Letters of Credit L/Cs counted (17) and their Securities delivered against the opening of letters of credit L/Cs totaled IQD (1109) Millions at (31/12/2023) which stands for (91 %) of these L/Cs value.

## 6- Financial Assets (Investments):

Assets in bank totaled IQD ( 57490) Millions at (31/12/2023) which include the following ;



- a- One speculation was granted in an amount of IQD (56940) Millions in 2023 which exceeds the set ratio of (20%) of share capital. This speculation is deemed as a financial concentration on one hand and on the other hand exceeds the invested amount which should not exceed (20%) the matter which compelled bank to earmark a risk allowance in an amount of IQD (7645) Millions and recognize it in income statement as set out in Central Bank of Iraq CBI Writ No. (9/3/11704) dd. (22/5/2022).
- b- We found out that bank management conducted regular site visits to the investment project site to check the completion ratio and we were provided with copies of the administrative order in relation to instituting follow-up committees and submission of periodical reports that demonstrate completion ratios.
- c- Investments balance include an amount of IQD (550) Millions at (31/12/2023) which stand for bank investment in Al-Takaful National Company as per Central Bank of Iraq CBI Writ No. (9/3/262) dd. (16/8/2021 that stipulates to underwrite in aforesaid company

## 7- Fixed Assets

- a- Fixed assets balance reached (7086) Millions at (31/12/2023) prior to discounting the accumulated depreciation balance of IQD (388) Millions which exceed previous year balance of IQD (3029) Millions.
- b- There are some additions as represented by purchase and acquisition of fixed assets in an amount of IQD (3029) Millions due to purchasing a property at an amount of IQD (2548) Millions to which we have the comments below;
  - ❖ Central Bank of Iraq CBI approval is issued to purchase a property to be bank's headquarters and main branch under its writ No. (9/3/32255) dd. (23/11/2023).
  - ❖ We did not access to any title deed / form (25) where registration formalities commenced the matter which requires speeding up in taking legal measures to finalize the transfer of said property ownership and register it under banks' name.

## 8- Intangible Assets

- a- Net balance of intangible assets ( software & electronic systems) reached IQD (2423) at (31/12/2023) note that an amount of IQD (34628) Millions was added against the close-up of (digital) system which was pending in



underway projects to be released after completion of these projects. Bank management chose to sell this system to (FIB) holding company at the end of fiscal year 2023 note that such deal generated profits in an amount of IQD (768) Millions.

- b- An agreement is entered by bank with specialized companies to apply the information technology (IT) management system as per the quality standards ( ISO 20000-1 2011 ITSM) and the information security and confidentiality system for electronic payment services as per the standard ( ISO / IEC 27001 2013 ISMA ) & ( ISO 9001, 22301) respectively which will be applied in the second half of 2024.
- c- Bank and through its strategic plan attempts to expand the use of information technology and communications, adopt electronic archiving systems and correspondences , apply quality standards and anti-money laundering system which indicates the existence of an efficient plan to build an electronic infrastructure for the bank.

## 9- Other Assets

Other assets totaled IQD (153) Billions at (31/12/2023) note that this entire balance stand for escrows and a current Visa Card account (Bank of Morgan) Co., accounts payable against non-current activity where their total balances reached IQD (113&33) respectively as detailed in our internal report.

## 10- Current Accounts & Deposits

- a- Customers deposits counted IQD (209) Billions at (31/12/2023) in more than previous year at a rate of (248%), however main deposits percentage is too little, therefore we highly recommend to attract key deposits being more stable and reliable to invest to bring in returns.
- b- Deposits constitute (63 %) of total liabilities excluding equities. This ratio exceeds the acceptable limit fixed at (30 %) as per regulations of Central Bank of Iraq CBI under its Writ No. (9/3/80) at (20/2/2019).
- c- Current receivables / corporates balance amounted to IQD (89) Billions which constitute ( 83 %) of total deposits and current accounts of individuals reached IQD (117) Billions. The rise of these both balances is attributed to the increase of electronic payment activity ( visa cards settlements) which stand for (99%) of total deposits the matter which dictates attracting diversified deposits to avoid the instant withdrawal risks.
- d- First of all we recommend to take precautions for such deposits of a current nature and diversify the geographic area for bank branches and affiliates , second bank is required to rely on key deposits e.g. saving accounts and

fixed deposits which constitute less than (1 %) , take reasonable measures to attract customers and encourage them to save cash and increase competition capability pursuant to financial inclusion regulations as set out in Central Bank of Iraq CBI Writ No. (9/3/80) dd. (20/2/2019) in order to avoid the non-essential deposits risks.

- e- We also noted that banks' deposits above are mainly concentrated in Baghdad & Erbil Provinces and in order to improve risks management we believe that is highly important to distribute deposits to all bank's branches in other provinces.

## 11- Appropriations

Miscellaneous appropriations totaled IQD (7740) Millions at (31/12/2023) which stand for funds earmarked for foreign currency fluctuations computed last year in an amount of IQD (93) Millions, investment risks appropriation in an amount of IQD (7645) Millions and promissory obligations risks in an amount of IQD (2) Millions.

## 12-Other Liabilities

- a- Balance of other liabilities in current year totaled IQD (112) Billions with an increase of (11) Billions ten times more than forgoing year balance.
- b- Other liabilities ratio constitutes (34 %) of total liabilities, accrued expenditures and debit account balance rate of (46%) and of cards at a rate of (26%) of total other liabilities balance as detailed in our internal report.
- c- Expenditures accrued to (FIB) Holding Co.

Accrued expenditures include an amount of IQD (50) Billions in fees due to (FIB) Holding company in consideration of electronic services ( digital system) in relation to visa cards ( electronic payment activity as it was accessed to company's contract and bank's BOD meeting minutes).

## 13-Capital Adequacy

Capital adequacy ratio based on Basel Resolutions is (320 %) according to optimal weights of risks levels which exceeds the standard ratio of (15 %) as fixed by Central Bank of Iraq CBI, (8%) as set in Basel endorsements and (12%) as set in Banks Act which is due to the decline in optimal weights of assets, letters of guarantee L/Cs and documentary letters of credit L/Cs below set limits



of (800%) as determined by Central Bank of Iraq CBI. However there are some hikes in share capital in an amount of IQD (150) Billions distributed on three installments each with IQD (50) Billions during subsequent period the matter which dictates that bank may increase its banking activity in relation to optimal assets in and out of balance sheet.

#### 14-Financial Position

a- Balance of financial position ( total assets) reached nearly IQD (658) Billions at (31/12/2023) note that previous year balance was in an increase rate of (111%) as we demonstrate in table below the financial position components which indicate the existence of development and advance in bank activities which constitute cash ,onshore and offshore banks balances at a rate of (59%) of total financial position of bank which indicates a significant surplus in bank monetary liquidity.

Account Title	At (31/12/2023)	Percentage %
Cash & balances in Central Bank of Iraq CBI	271044	41%
Balances in banks and other financial institutions	117407	18%
Net Islamic Finances	49834	8%
Financial assets( Investments)	57490	9%
Net Property & Equipment	6098	1%
Net Intangible assets	2423	0%
Underway projects	0	0%
Other Assets	153022	23%
The right to use leased assets	239	0%
Total	658557	100%

b- Due to bank generated a profit surplus of IQD (95) Billions prior to taxation which is viewed as a development and enhancement to the required level , we believe that it is necessary to consider earmarking reserves for future expansions after endorsing such reserve by bank's BOD and shareholders general assembly.

#### 15- Activity Resultants

a- Bank generated a profit of IQD (19) Billions prior to measuring income tax and legal reserve which is considered as a very big development compared with accumulated losses in previous years that amount to IQD (18) Billions which is a positive indicator from the monetary and financial aspects.

b- Most profits generated prior to taxation is restricted to bank's higher management and its main branch where it constituted (96%) of net profits which requires to grant more powers to branch managers , more monitoring on a periodical basis and hold branches managers accountable for their withholding to realize the planning budget.

### c- Expenses

- **Salaries & Wages :** salaries and wages amounted to IQD (2476) Millions at (31/12/2023) in (92%) more than last year due to hiring staff in its new established branches in provinces in addition to increase in allowances and training fees , studies, travel and delegations.
- **Operating expenses:** operating expenses reached IQD (97) Billions at (31/12/2023) in (1449%) more than last year balance. Table below shows the dramatic increases in some expenditures in relation to advertising and propaganda to which bank management explained that theses increases are normal and consistent with the expansion in bank's activity.

Account Title	At (31/12/2023) / in Millions IQD	At (31/12/2022) in Millions IQD	Increase in Millions IQD
Advertising & Propaganda	13903	679	13225
Compensations & Fines	3155	187	2968
Procurement of products for sale	5753	0	5753
Electronic services ( Digital )	50296	0	50296
Other Service Expenses	480	48	432
Total	93595	2755	90840

## 16- Other transactions Net Profits ( Electronic Payment Cards)

- a- Most profits realized in (31/12/2023) in an amount of IQD (95) Billions is attributable to bank's exercising activities note that this profit includes electronic payment business that generated an amount of IQD (149) Billions in profit equivalent to (75%) of net operating returns for the fiscal year ending by (31/12/2023).
- b- Electronic payment revenues were realized at the beginning of fiscal year 2023 and accumulated as shown in table below at the end of each season note



that these generated returns stand for commissions of (4%-8%) against contracts entered.

Season	Profits Generated in Millions IQD
First season	6600
Second season	10237
Third season	39554
Fourth season	92204
Total	148595

- c- Electronic payment activity is created in 2023 and was evident that after examining revision balances for the fiscal year 2024 bank management continued exercising this activity where it generated a profit of IQD (20) Billions during January 2024 & (21) Billions during February 2024 respectively.

## 17- Quality Management Unit

Bank management explained that under the memo No. (1) on (26/2/2024) as issued by competent unit in bank that bank signed an agreement with (Ejabi-infosec) company to rehabilitate its units and divisions and quality management system (22301:2019, 20000:2018) had passed internal audit and currently under independent preliminary audit for all documents in order to obtain certificate from (BV) company on (18/2/2024) & (25/2/2024) , ask for making required amendments prior to proceeding with second stage audit as once this certificate is issued a report attached to ISO certificates for the three required specifications as demanded by your party.

## 18- Foreign Currency Outlet

- a- In reference to Central Bank of Iraq CBI Writ No. (184) dd. (1/5/2019) and exchange control unit Writ No. (9/E/23448) dd. (10/10/2019) foreign currency bids from currency auction outlet counted USD ((123) Millions and generated an earning of IQD (1232) Millions) as shown here below.

Number of Transfers	Purchases (USD)	Earnings / IQD
677	123,229,786	1,232,297,860

- b- We noted the existence of some transfers invalidated by Central Bank of Iraq CBI which were refunded to bank.

Number of Transfers	Purchases (USD)
344	69,110,991

- c- The existence of outstanding transfers suspended by Central Bank of Iraq CBI at (31/12/2023) which were not refunded to bank and necessary measure was taken to this effect at the beginning of fiscal year 2024 which ranged between validation and cancellation.

Type	Number of Transfers	Purchases (USD)
Corporate	22	3,508,391
Individuals	1	11,205,378



## 19- Lawsuits

- a- No lawsuits or claims are filed by third parties against bank or lawsuits filed by bank against third parties as set forth in the memo issued of legal department officer on (7/3/2024).
- b- Legal dept in bank is fully committed to offer consultancy to bank's other departments and units and owns an internal manual to explain and interpret legal terms in relation to Islamic Banks Act No. (43) in 2015.

## 20- Central Bank of Iraq CBI Correspondences & Audit Results

Through our access to bank replies to Central Bank of Iraq CBI correspondences in relation to monitoring its operations and results of audit of its disclosures , monthly, periodical , quarterly and annual reports prepared by bank , it is found out that bank full adherers to and concerned with notes related to the monitoring of audit results , reply to and implement them ,maintain full compliance with them as whatever information and disclosures sent to Central Bank of Iraq CBI are identical to banks' records and books. Moreover we also recommend to be precise in sending periodical reports to Central bank of Iraq CBI and to address any notes set forth in the audit results statement.

## 21- Receivables & Payables Confirmation Letters

We accessed to any receivables and payables confirmation letters in relation to accounts receivable & Accounts Payable ( Onshore & Offshore banks).



## 22- Periodical Reports

We noted that bank is fully committed to send periodical reports to Central Bank of Iraq CBI as when such reports were examined it was found out that they are prepared according to acceptable levels, to cite;



### ❖ Islamic Compliance Reports & Compliance Monitoring

Organizational reports on bank and showing the extent of bank Board of Directors BOD compliance is done by adopting an Islamic Audit charter , define bank executive management authorities , follow internal monitoring & control systems , discuss and endorse annual plans , adopt an obvious compliance policy to ensure adherence to the regulatory framework , Central Bank of Iraq CBI all legislations and regulations to this connection besides disclosures as defined in International financial reporting standards IFRS as they clearly reflect bank activities and extent of compliance with policies, legislations, regulations and laws.

### ❖ Risks Management Unit Reports

- a- We observed that the risk management unit personnel consists of one employee (manager) in infringement to regulation of Central Bank of Iraq CBI which stipulate the this unit personnel should be no less than four employees including (manager & four employees).
- b- Pursuant to Central Bank of Iraq CBI regulations risk management unit shall include the following branches (operational risks, financing & investment risks, marker risks & liquidity risks)

### c- Risks

- Liquidity risks : no liquidity risks exist as indicated in our report on monetary liquidity as per the hierarchy ( NSFR, LCR) and liquidity ratio (LR) to which we were reported (169%, 119% &77%) respectively.
- Credit Risks: no credit risks were analyzed as per the credit portfolio rating according to the IFRS(9) , therefore it is required to activate this standard and speed up in the preparation of quantitative impact report as requested by Central Bank of Iraq CBI.

- Operating Risks : fines imposed on operating risks counted IQD (2683) Millions in 2023 , consequently we advise to comply with regulations issued by Central Bank of Iraq CBI.



## ❖ Internal Control Unit Reports & Islamic Audit

- This unit exercise audit activity according to specific policies and programs , audit charter and an annual work plan approved by bank Board of Directors BOD to ensure bank's all units and departments commitment to implement their assignments in accordance with setup policies. The establishment of internal control unit aims to activate governance procedures and fulfill responsibilities.
- It is required to prevent and check the non –adoption of an overall audit plan for banks all units and departments and pay site visits, examine all vouchers, financial accounts and expenses to enable bank to implement its plans and realize its aspired goals added to the necessity to check bank all activities in a manner based on the principle of risks treatment.
- We also recommend that internal control reports be more comprehensive and to be performed according to the principle of disclosure, transparency and objectivity , track and check all electronic systems, electronic services and consultancies rendered.
- To prepare audit reports in accordance with Article ( 9-2-2) of the international standard ( ISO 9001 : 2015) titled " Internal Revision" which emphasizes on adoption of a form that contains items e.g. ( scope, Audit Indicator , Notes, Type , correctional action and its date).

## ❖ Anti-Money laundering & Combating the Financing of Terrorism

Pursuant to clause (3) of Article (2) of the regulatory restrictions issued under the writ No. (9/1/4/306) by Central Bank of Iraq CBI on (19/9/2016) , a report shall be prepared about bank's activities in the field of anti-money laundering and combating the financing of terrorism , achievements and periodical jobs pursuant to writ No. (9/2/5228) issued by Central Bank of Iraq CBI on (17/3/2021) / Clause (11) which requires auditor to show whether bank had taken adequate measures to prevent and check any money laundering and financing terrorism as per restrictions issued by anti-money laundering and combating the financing of terrorism bureau in its writ No. (2/1) dd. (17/6/2019). However, we would like to illustrate the following;

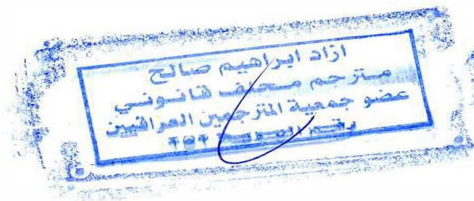
- Bank Board of Directors BOD shall commit to adopt such internal policies, procedures and restrictions matching with the nature of its banking activities



and anti-money laundering and combatting the financing of terrorism Act No. (39) in 2015.

- b- Bank entered an agreement with Ernst & Young Company to audit the activities of money laundering and financing of terrorism reporting unit for we observed that said company had presented a report of analyzing gaps in (6/4/2022).
- c- There were about (15) gaps identified by Ernst & Young E.Y company in relation to money laundering unit and its officer provided us with a report that indicates the necessity to avoid such gaps in the fiscal year 2023 , therefore we confirm the necessity to update and modernize our future policies and plans.
- d- The existence of pre-set policies by bank management in the field of money laundering , preparation of periodical reports , internal systems and policies amendment procedures , apply modern systems and implement the outcomes of the ( BANK – BIAML) regarding money laundering practices to verify customers daily transactions and classify them risk levels pro rata. This system provides required information , automatic updating of codes and the extent of bank's customers compliance with money laundering system.
- e- We noted bank interest in gathering information about its customers or companies and the filling-in of the Know Your Customer KYC form.
- f- The bank management interest to train and upgrade human resources to acquire experience and enhance performance through engaging its employees in training programs and workshops.
- g- An agreement is entered with ( ICS Financial Systems Ltd.) on (2/6/2022) and the (go AML) was hooked up to enable bank to send its proper system reports.
- h- Anti-money laundering and combatting the financing of terrorism plan was updated and submitted to banks' BOD and Accounts audit & revision committee as confirmed by this unit Memo No. (1111) dd. (5/1/2022).
- i- The regular revision of procedures adopted in bank in relation to Anti-money laundering and combatting the financing of terrorism as achieved through updating the (KYC) form data and insert customers' proper information (individuals – Corporates) into the banking system (BANKS) besides updating all other customers data posted on the digital system.
- j- Among the due diligence procedures ; an issuance authenticity writ is to be sent to companies registrar office regarding companies scripts when they desire to open an account in this bank in order to verify their actual documentation and not a fake one , research and enquire all operations included in local and international lists ( World Check, ofac).

k - The (ACTUANT) software is activated in relation to accounts opened on the(Digital) system to check local and international blacklisted customers and adherence to the American Tax Compliance Law for a compliance specific unit is recently established to meet the requirements of the American Revenue dept.



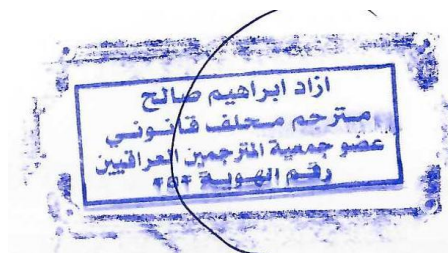


## **23- Corporate Governance , Board of Directors BOD's Statements & Performance Card**

- a-** Bank's board of directors BOD convened (25) meetings in 2023 which are in excess of number as set under Article (112) of Companies Act No. (21) in 1997 as amended.
- b-** Due to the overriding importance of corporate governance being one of the wise and prudent management in companies and institutions , our bank believes in adopting such corporate governance that enables it to achieve its strategic goals and management of its operations.
- c-** We noted that bank's Bod pays a particular importance in applying the corporate governance guide as issued by Central Bank of Iraq CBI on (3/2/2020) through setting up ad hoc committees and adopting proper steps pursuant to administrative decrees as issued during 2023.
- d-** One the committees emerging form bank's BOD is the corporate governance committee that monitors and supervises the preparation of bank's specific governance system consistent with governance guide and laws and regulations promulgated thereby , comply with corporate governance principles and regulations , follow-up bank's branches and management units in order to enhance their performance highlighting any developments that might occur to said governance guide.
- e-** Disclosure and transparency policy is developed being the basis which create confidence in shareholders, depositors, debtors, stakeholders and participants.
- f-** Bank's Bod paid a particular attention through its emerging ad hoc committees in applying up-to-date techniques and communications in performing its banking transactions.
- g-** Performance Card ; we accessed to current performance card indicators as sent by Central Bank of Iraq CBI.

## **24- Bank's Management Internal Statement**

Management internal statement is issued by us under the No. (I/B/101) on (4/1/2024) where comments contained therein were discussed with bank's BOD accordingly.



**25- Other Issues:** as based on instructions of Central Bank of Iraq CBI we recommend to speed up in joining the Iraq Stock Exchange.

## **26-Subsequent Events**

As based on Central Bank of Iraq Memo No. (9/2/439) dd. (2/8/2023) bank is committed to finalize procedures of its share capital appreciation through depositing an amount of IQD (50) Billions as per (RTGS) notice form for the period from (23/1/2024) until (30/1/2024) where all formalities were finalized at Companies Registrar Office to appreciate its share capital pursuant to its Writ No. (7177) dd. (17/3/2024).



## **Other Information ;**

Bank managements is responsible for any other information contained in its annual report as our opinion about its financial statements does not cover these information and do not give any kind of confirmations or conclusions in this regard. Regarding our audit of bank's financial statements , our responsibility is limited to reading other information whenever they become affordable to us in order to take into account whether such other affordable information are substantially non-consistent to financial disclosures or information we garnered during our audit so as to appear significantly altered.

## **Company's Management & Stakeholders' Responsibility for the Financial Statements;**

Company management is responsible for the preparation and presentation of the financial statements according to acceptable accountancy standards and international Financial Reporting Standards and for internal control it believes necessary to prepare financial statements free from any significant misstatements whether happened due to any fraudulence, forgery and errors. In preparing financial statements ; company's management is responsible for assessment of its ability to continue as an existing concern or not and disclose whenever required the issues related to its continuity and use this basis in its accounts safe in the event



of company's management intention to liquidate company or wind up its operations or when there is no actual alternative to do so. Further company's stakeholders are also responsible for supervising and pursue financial reporting procedures.

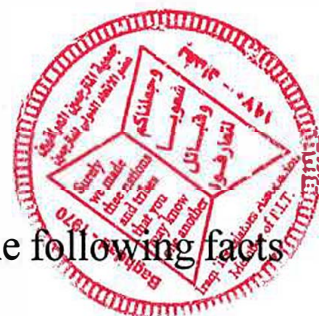
### **Independent Auditors' responsibility for audit of financial statements;**

Our goals are incarnated by obtaining a reasonable evidence about whether these statements are in general free from any significant misstatements whether resulting from any fraudulence or misstatement or error, to issue audit report which contains our point of view . the reasonable evidence is a high level of evidence but it does not ensure that our audit performed according to International Audit Standards shall always lead to reveal the significant misstatements wherever they exist. Such misstatements may arise from any fraudulence, forgery and error and is deemed important if it is expected to a reasonable extent either individually or collectively that it has an impact or affect end user's economic resolutions adopted on the basis of such financial statements.

### **Other Requirements;**

As based on what is provided above we would like to illustrate the following facts to meet the adopted legal requirements in Iraq ;

- 1- The accounting system adopted by bank ( BANKS) include the recognition of bank's assets, liabilities , expenses and earnings and its internal control system covers measures necessary to ensure the accuracy of these statements.
- 2- The book group adopted by bank and its handwritten books are consistent with books keeping system as it covers the recognition of all its financial transactions, assets, liabilities , resources and their usages.
- 3- The inventory of fixed and cash assets had been accurately performed by company management and inventory results were identical to bank's books as fixed assets were evaluated according to prevalent accounting principles and basics.
- 4- The annual report and its contents of financial and accounting data reflects bank management vision.
- 5- Financial statements are prepared as per the acceptable accountancy standards, international Financial Reporting Standards IFRS, laws and regulations as



applicable. These statements are quite consistent with what appears in its accounting books subject.

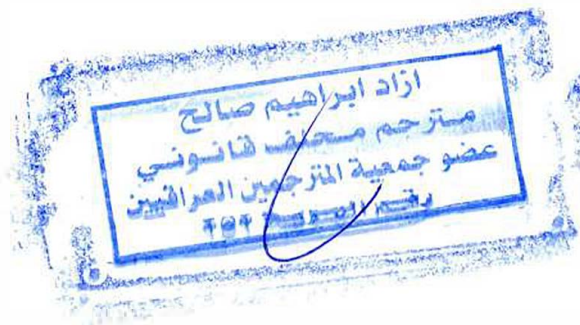
With Appreciations..

**KHALEEL IBRAHIM MOHAMMED AL-  
ABDULLAH & COS.**

**CPA & AUDITOR**

**GRADE (1) / LICENSE NO. (285)**

**EMAIL: khalelaccounting@yahoo.com**





# FIRST IRAQ ISLAMIC BANK FOR INVESTMENT & FINANCE ( JSC)

## FIB

### Bank's Financial Position at (31/12/2023)

Account Title	Notes	At (31/12/2023) / Thousand Dinars	At (31/12/2022) / Thousand Dinars
<b>Assets</b>			
Cash in Bank's Treasury & in Central Bank of Iraq CBI	5	271,044,857	205,146,973
Balances in other banks & financial Institutions	6	117,407,338	2,450,376
Net Islamic Finances	7	49,834,519	0
Financial Assets	8	57,490,000	57,490,000
Fixed Assets / properties & Equipment	9	6,097,843	3,594,653
Fixed Assets / Intangibles	10	2,422,941	2,655,448
Underway Projects	11	0	34,621,392
Other Assets	12	153,022,819	5,973,314
Usufruct Rights of leased assets	13	239,247	427,258
<b>Total Assets</b>		<b>657,559,564</b>	<b>312,359,414</b>
<b>Liabilities &amp; Equities</b>			
<b>Liabilities</b>			
Customers Deposits	14	209,063,362	60,486,325
Cash Securities	15	1,109,571	842,507
Other Appropriations	16	7,739,897	7,737,698
Income Tax Appropriations	17	14,277,695	000
Other Liabilities	18	112,176,564	10,839,526
Long -term lease Agreements Obligations	19	170,481	340,063
<b>Total Liabilities</b>		<b>344,537,834</b>	<b>80,246,119</b>
<b>Equities</b>			
Underwritten Capital		250,000,000	250,000,000
Capital Reserves		1,149	1,149
Mandatory Reserve		4,174,303	128,881
Expansions Reserve		462,765	462,765
Brought Forward Profits / Losses		- 18,479,499	-4,131,884
Current Year Profits / Losses		76,863,012	-14,347,616
<b>Net equities</b>		<b>313,021,730</b>	<b>323,113,295</b>
<b>Net Liabilities</b>		<b>657,559,564</b>	<b>312,359,414</b>

**Finance Officer**

Jamal Abbas Fadhil

**Managing Director**

Shaimaa Ali Hussein

**BOD Chairman**

Baidaa Hashim Humood

Subject to our Report No. (217) dd. (24/3/2024).

Notes sequence ( 1-30) attached to these financial statements are an integral part thereof and shall be read conjointly.

ازاد ابراهيم صالح  
مترجم محلف اناشوني  
عضو جمعية المترجمين العراقيين  
رقم الهوية ٤٥٢

AZAD I. SALEH  
Sworn In Translator  
Member of I.T.A.  
CARD No 252

# FIRST IRAQ ISLAMIC BANK FOR INVESTMENT & FINANCE ( JSC)

## FIB

### Income & Comprehensive Income Statement for the fiscal Year Ending by (31/12/2023)

Account Title	Notes	On (31/12/2023) / Thousand Dinars	On (31/12/2022) / Thousand Dinars
Arbitrage Earnings	20	703,874	000
Interests Expenses	21	53,838	27,321
Net Interests Earnings		650,036	-27,321
Net Commissions Earnings		49,300,190	-135,392
Net Interests & Commissions Expenses		49,950,226	-162,713
Foreign Currency Bids & Offers Profits / Losses	24	1,140,560	1,262,529
Other operations Net profits	25	148,595,425	245,830
Net Operating Earnings		199,686,211	1,345,646
Staff Wages & other relevant Expenditures	26	2,476,066	1,291,880
Other Operating Expenses	27	97,024,998	1,264,144
Amortizations	28	3,312,988	492,245
Contractual Obligations Risks		2,199,958	000
Cash Obligations Risks		1,031,958	000
Buildings Depreciations Risks appropriation	29	651,576	1,644,992
<b>Total Expenditures</b>		<b>104,499,817</b>	<b>15,693,261</b>
Pre-Taxation Profits / Losses		95,186,393	-14,347,616
Less: income tax of (15%)		14,277,959	-----
Net Profit/ Loss for this year		80,908,434	-14,347,616
Legal Reserve of (5%)		4,045,422	000
Distributable Surplus		76,863,012	000

**Finance Officer**

Jamal Abbas Fadhil

**Managing Director**

Shaimaa Ali Hussein

**BOD Chairman**

Baidaa Hashim Humood

AZAD I. SALEH  
Sworn In Translator  
Member of I.T.A.  
CARD No 252

ازاد ابراهيم صالح  
مترجم معترف قانوني  
عضو جمعية المترجمين العراقيين  
رقم العضوية ٢٥٢



# FIRST IRAQ ISLAMIC BANK FOR INVESTMENT & FINANCE ( JSC )

## FIB

### Changes in Equities Statement For the Fiscal Year ending at (31/12/2023)

Account Title	Subscribed Capital / Thousand Dinars	Capital Reserve / Thousand Dinars	Mandatory Reserve / Thousand Dinars	Expansions Reserve / Thousand Dinars	Accumulated Surplus/ Deficit Thousand Dinars	Previous Year Profits / Losses	Current Year Profits/ Losses	Total
Balance at (31/12/2022)	250,000,000	1,149	128,881	462,765	-183,878	- 18,295,621	000	232,113,296
Profits / Losses during the period	000	000	000	000	000	000	80,908,434	84,953,856
Appreciation of capital	000	000	000	000	000	000	000	000
Transfer of Reserves at (5%)	000	000	4,045,422	000	000	000	-4,045,422	-4,045,422
Balance at (31/12/2023)	250,000,000	1,149	4,174,303	462,765	-183,878	- 18,295,621	76,863,012	313,021,730

### Changes in Equities Statement For the Fiscal Year ending at (13/12/2022)

Account Title	Subscribed Capital / Thousand Dinars	Capital Reserve / Thousand Dinars	Mandatory Reserve / Thousand Dinars	Expansions Reserve / Thousand Dinars	Accumulated Surplus/ Deficit Thousand Dinars	Previous Year Profits / Losses / Thousand Dinars	Current Year Profits / Losses	Total
Balance at (18/3/2022)	150,000,000	1,149	128,881	462,765	-183,878	-3,948,006	0000	146,460,911
Current Year Profits / Losses	000	000	000	000	000	000	-14,347,616	-14,347,616
Capital Appreciation	100,000,000	000	000	000	000	000	000	100,000,000
Transfer of Reserves at (5%)	000	000	000	000	000	000	000	000
Balance at (31/12/2022)	250,000,000	1,149	128,881	462,765	-183,878	-3,948,006	-14,347,616	232,113,295



**FIRST IRAQ ISLAMIC BANK FOR INVESTMENT & FINANCE ( JSC)**  
**FIB**

**Cash Flows Statement For the fiscal Year Ending by (31/12/2023)**

Account Title	At (31/12/2023) / in Thousand Dinars	At (31/12/2022) / in Thousand Dinars
<b>Operating Activities</b>		
Pre- Taxation profits / Losses	95,186,393	-14,347,616
Amendments to Non-Cash Items	000	000
Depreciations & Amortizations	3,312,980	492,245
Potential Credit Losses Appropriation	1,031,998	000
Losses generated from the sale of financial assets in Fair value through consolidated Income Statement	000	000
<b>Cash Flows Generated from Operating Activities before changes in assets and liabilities</b>	<b>99,531,371</b>	<b>-13,855,371</b>
<b>Changes in Assets &amp; Liabilities</b>		
Change in other Assets	-147,049,505	-5,117,616
Changes in Islamic Finances	-50,866,517	000
Change in the Usufruct right of Leased Assets	29,287	-66,223
Changes in Customers' Deposits	148,577,037	50,224,529
Changes in Securities	27,064	26,776
Change in other Liabilities	101,337,038	8,060,606
Change in Long -Ter Lease obligations	-169,582	-84,403
Change in Other Appropriations	2,199	7,644,992
<b>Net Changes in Assets &amp; Liabilities</b>	<b>52,127,021</b>	<b>60,689,661</b>
<b>Investment Activities</b>		
Change in Fixed Assets / Property, Plant & Equipment	3,029,260	-433,560
Change in Fixed Assets / Intangible Assets	-2,395,679	-194,283
Change in Fixed Assets / underway Projects	34,621,392	-3,675,192
Changes in Financial Assets	000	-56,940,000
<b>Net Cash Flows generated from Investment Activities</b>	<b>29,196,453</b>	<b>-61,243,035</b>
<b>Finance Activities</b>		
Appreciation of Capital	000	100,000,000
Reserves	000	000
Distributed profits	000	000
<b>Net Cash Flow ( used) Generated from Finance Activities</b>	<b>000</b>	<b>100,000,000</b>
<b>Net ( Loss) in Cash and its Related items</b>	<b>180,854,845</b>	<b>85,591,256</b>
<b>Cash &amp; Its related Items at the beginning of the fiscal year</b>	<b>207,597,350</b>	<b>122,006,094</b>
<b>Cash &amp; its related items at the end of the fiscal year</b>	<b>388,452,195</b>	<b>207,597,350</b>

Notes in sequence of (1-30) attached to financial statements are an integral part thereof and shall be read conjointly.



**Notes to the Financial Statements For The Fiscal Period Ending at  
( 31/12/2023)**

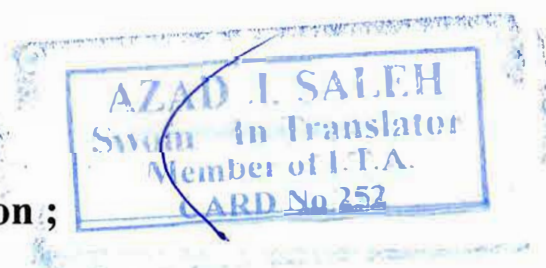


**General Information ;**

- a- First Iraq Islamic Bank For Investment & Finance was incorporated at the beginning as a money transfer company with a paid –up capital of IQD (45,000,000,000) under the name of ( Al-Harir Co. For Money Transfer) as per the incorporation Certificate No. (C.R.- 01-65699) on (9/10/2008).
- b- All legal formalities are completed to amend Article ( Fourth) of FIB Articles of Association AOA ( Bylaws) necessary to appreciate its paid-up capital from IQD (100) Billions to IQD ( 150) Billions through the issuance of (50) Billion new shares pursuant to Companies Registrar Office Writ No. (C.R. – 99503) at (25/10/2021).
- c- Pursuant to Companies Registrar Office Writ No. (29555) dd. (24/8/2022) all legal formalities were finalized to amend Article (4) of FIB bylaws to raise its share capital from IQD (150) Billions to IQD (250) Billions through the issuance of additional (100) Billion shares.
- d- A business license was issued to the bank to exercise banking activities pursuant to Writ No. (9/3/7947) issued by Central Bank of Iraq CBI / Exchange Control Dept / Islamic Banks Monitoring Section /Registration, Licenses & Technical Affairs Unit on 28/6/2020. Banking Code was issued to bank according to Central Bank of Iraq CBI Writ No. (9/3/15960) dd. (4/11/2020).

**Significant Accounting Policies;**

**Basis of Financial Statements Preparation ;**



- a- Banks' Current financial statements for the fiscal period ending at (31/12/2023) are prepared according to International Financial Reporting Standards ( IFRS) and interpretations issued by the International Financial Reporting Interpretation Committee emancipated from the International Accounting Standards Board and on the basis of historical cost . these financial statements were prepared for the first time at (21/1/2015) in

compliance with the requirements set out in the financial statement Standard No. (1) for the purposes hereunder;

- 1- To recognize all recognizable principles and obligations under the international financial reporting standards ( IFRS)
- 2- Not to recognize the recognizable provisions and obligations should the international financial reporting standards ( IFRS) forbid that.
- 3- The reclassification of some items for presentation of bank financial position statement purposes is done in a manner different from that of the uniform accounting system.
- 4- No differences are shown from what was previously adopted basics and principles,

b- Iraqi Dinar is the functional currency used to present the consolidated current financial statements and it is the main currency adopted by the bank. All amounts were rounded to nearest IQD Thousand. Further these financial statements attached hereto are prepared for the purpose of presenting them to bank's shareholders.

### **Changes in Significant Accounting Policies ;**

The accounting policies adopted by bank in preparing its Current financial statements are identical those to policies used to prepare the financial statements prepared for the fiscal period ending by (31/12/2023) and the international financial reporting standards ( IFRS) were used for the first time in 2019 in preparing financial statements.

### **Generation of Proceeds & Recognition of Expenses ;**

Commissions are generated from the bid & offer of foreign currencies , onshore and offshore transfers in addition to credit cards commissions . expenditures are recognized on maturity basis and commissions are stated as proceeds in the event of rendering related services.

### **The Use of Assessments;**

The preparation of financial statements and the adoption of accounting policies requires that the finance dept in the bank use assessments and conclusions that might affect the financial assets and liabilities and disclose probable obligations. These assessments and conclusions may also affect revenues, expenses and allocations and other comprehensive income provisions. The finance dept is



mainly required to issue significant judgments and conclusions to estimate future cash flow funds and their dates. The aforesaid estimates are presented particularly as assumptions and multiple factors of different degrees of estimation and uncertainty. The actual resultants might differ from assessments due to the changes in conditions and conditions of such assessments in the future. Bank management believe that its estimates performed within the range of its consolidated financial statements are reasonable.

## Cash & its Related Issues;

Cash and cash balances represent the funds in possession of the bank at the date of preparing the financial statements which include balances in banks and other financial institutions.

## Properties & Equipment

Property and equipment are presented in their historical cost after deducting accumulated depreciation and accumulated wear and tear losses ( if any). The cost of properties and equipment involve the cost incurred to replace any component or item of these properties , equipments and long -term construction projects funding expenses should any of recognition requirements is fulfilled. Other expenses are recognized in the comprehensive income statement once incurred and depreciation ( except lands as they are not depreciable ) is measured by using the fixed premium method and according to applicable depreciation & consumption rules in the private baning sector as hereunder ;

Type of Property	Useful Life
Lands	not subject to depreciation
Buildings	50 years
Equipment & Tools	5 years
Transportation means	5 years
Office Furniture & Appliances	5 years

Any items of properties and equipment or any substantial part thereof are deleted whenever they are disposed of or any potential economic benefit no longer exists . any profits or losses arising from the deletion of any asset which stands for the difference between disposal proceeds and net book value of that asset may be entered into the consolidated income statement.



Residual values of assets and useful lives and their consumption method in every year shall be revised and subsequently amended as appropriate.

### Foreign Currencies;

- Foreign currencies transactions are recognized at their exchange rates prevalent at transaction date.
- All balance of financial assets and liabilities denominated in foreign currencies at financial statements preparation date are converted into Iraqi Dinar at the exchange rate of IQD 1310 vs. One Dollar.
- All non-financial assets and liabilities denominated in foreign currencies demonstrated in their fair value at setting their fair value date; are converted into Iraqi Dinar.
- All profits and losses generated from foreign currency exchange are recognized in income statement.
- Exchange differences of non –financial assets and liabilities e.g., shares denominated in foreign currency are recognized as part of the change in their fair value.

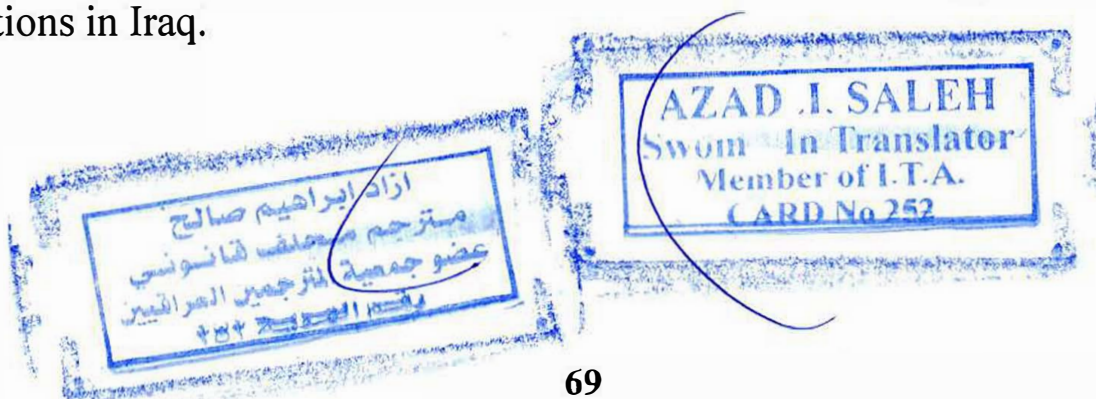
### Appropriations;

All appropriations are recognized should bank have any obligations arising from past events at the date of preparing its financial position statement, their payment is probable and may be measured in a reliable manner.



### Income Tax;

Income tax expenses falling due are measured on the basis of taxable profits. Taxable profits might differ from those profits declared in the financial statements because declared profits involve taxable revenues or any non-deductible expenses incurred during the fiscal year on the row but shall be measured in forthcoming years and the same applies to Accumulated losses falling within acceptable tax limits or any non-taxable or non-deductible items for taxation purposes. Income tax is measured according to fixed tax rates set pursuant to applicable laws and regulations in Iraq.





### 3- Adoption of International Financial Reporting Standards ( IFRS)

The financial statements for the fiscal period ending at (31/12/2023) were prepared by the bank in accordance with International Financial Reporting Standards (IFRS).

### 4- Financial Statements Presentation Method;

The financial statements subject of this report involve the financial statements for First Iraq Islamic Bank for the fiscal year ending at (31/12/2023) as compared to financial statements of First Iraq Islamic Bank for the fiscal year ending by (31/12/2022).



**Notes to the Financial Statements For The Fiscal Year Ending at  
( 31/12/2023)**

**5- Cash in Treasury & Central Bank of Iraq CBI**

Account Title	At (31/12/2023) / Thousand Dinars	At (31/12/2022) / Thousand Dinars
Cash in Treasury	168,217,767	116,384,279
Cash in Treasury / IQD	142,075,415	7,900,850
Cash in Treasury / USD	885,507	4,356,229
On-the-way Cash / Transfers	25,256,845	1404,127,200
Balances in Central Bank of Iraq CBI	102,827,090	88,762,694
Free Current Account in Central bank of Iraq CBI	71,798,006	85,864,005
Central Bank Legal Hedge	31,029,084	2,898,689
<b>Total</b>	<b>271,044,857</b>	<b>205,146,973</b>

**6- Balances in Banks & Other Financial Institutions**

**This item represents current accounts held in local banks:**

Account Title	At (31/12/2023) / Thousand Dinars	At (31/12/2022) / Thousand Dinars
Cash in onshore Banks	122,755	1,713,621
Current Accounts in offshore banks & financial Institutions	117,284,583	736,755
Arab African Intl. Bank	682,679	163,591
Zhejiang Chouzhou Commerce Bank	172,739	299,319
National Bank of Jordan	483,047	000
JP Morgan Bank	114,738,154	000
<b>Total</b>	<b>117,407,338</b>	<b>2,450,376</b>





## 7- Islamic Finances

Account Title	At (31/12/2023) / Thousand Dinars	At (31/12/2022) / Thousand Dinars
Arbitrage Islamic Finances / corporate	50,775,303	000
Arbitrage Islamic Finances / individuals	91,213	000
Total	50,866,516	000
Cash Finances Appropriation Risks	1,031,997	000
Grand Total	49,834,519	000

## 8- Financial Assets

Account Title	At (31/12/2023) / Thousand Dinars	At (31/12/2022) / Thousand Dinars
Al-Takaful National Co.	550,000	550,000
Finance of Speculations / corporates	56,940,000	56,940,000
Grand Total	57,490,000	57,490,000

\* Contribution to Al-Takaful National Co. as per Central Bank of Iraq CBI Writ No. (262/3/9) dd. (16/8/2021).

\* Speculation with (Allay Nawrooz Telecom Co. For General Telecommunications Ltd.) as per Central Bank of Iraq CBI Writ No. (11704/3/9) dd. (22/5/2022).

## 9- Fixed Assets / Plant, Property & Equipment

This item involves descriptions of plant, property, equipment and their depreciation;



Account Title	Buildings / Thousand Dinars	Machinery & Equipment / Thousand Dinars	Transportation Means / Thousand Dinars	Furniture & Office Appliances / Thousand Dinars	Decorations, Fixing of Partitions / Thousand Dinars	Total / Thousand Dinars
Balance at (31/12/2022)	1,846,100	201,317	160,448	1,410,633	438,447	4,056,945
Additions During the year	2,548,424	58,729	52,086	357,458	12,562	3,029,259
Exclusions	000	000	000	000	000	000
Reclassifications	00 0	000	000	000	000	000
<b>Balance at (31/12/2023)</b>	<b>4,394,524</b>	<b>260,046</b>	<b>212,534</b>	<b>1,768,091</b>	<b>451,009</b>	<b>7,086,204</b>
Depreciation of Legal Accumulations	000	000	000	000	000	000
Balance at (31/12/2022)	55,535	64,786	40,266	294,562	7,143	462,292

Account Title	Buildings / Thousand Dinars	Machinery & Equipment / Thousand Dinars	Transportation Means / Thousand Dinars	Furniture & Office Appliances / Thousand Dinars	Decorations, Fixing of Partitions / Thousand Dinars	Total / Thousand Dinars
Additions / Brought Forward in current year	36,921	44,304	37,483	318,319	89,042	526,069
Exclusions	0000	0000	000	000	000	000
Reclassifications	000	000	000	000	000	000
Balance at ( 31/ 12/2023	92,456	109,090	77,749	612,881	96,185	988,361
Net Book Value at /(31/12/2023)	4,302,068	150,956	134,785	1,155,210	354,824	6,097,843
Net Book Value at (31/12/2022)	1,790,565	136,531	120,182	1,116,071	431,304	3,594,653





## 10- Fixed Assets / Intangibles

Account Title	At (31/12/2023) / Thousand Dinars	At (31/12/2022) / Thousand Dinars
Balance at 31/12/2022	2,777,156	2,519,373
Additions during the period	34,627,550	257,783
Exclusions / Digital System	34,621,393	000
Balance at (31/12/2023)	2,783,313	2,777,156
<b>Accumulative Amortizations</b>		
<b>Balance at (31/12/2022)</b>	121,708	63,499
Additions during the period	2,628,186	58,209
Exclusions	2,389,522	000
Balance at (31/12/2023)	360,372	121,708
<b>Net Book Value at (31/12/2023)</b>	<b>2,422,941</b>	<b>2,655,448</b>

## 11- Underway Projects

Account Title	At (31/12/2023) / Thousand Dinars	At (31/12/2022) / Thousand Dinars
Underway Projects / Systems & Software	000	34,621,293
<b>Grand Total</b>	<b>000</b>	<b>34,621,392</b>

## 12- Other Assets

Account Title	At (31/12/2023) / Thousand Dinars	At (31/12/2022) / Thousand Dinars
Escrows	112,841,351	3,426,800
Prepaid Expenses	229,943	124,260
Stockages	4,180,369	220,520
Advances granted for activity purposes	1,520,552	22,937
Outstanding Speculation Earnings / Corporates	<b>1,062,593</b>	<b>379,765</b>
Various Receivables	<b>000</b>	<b>24,000</b>
Visa mediator ( JP Morgan)	<b>000</b>	<b>1,775,032</b>
Outstanding accrued installments / arbitrage- individuals	<b>271</b>	<b>000</b>
Inoperative arbitrage / corporates	<b>182,392</b>	<b>000</b>
Bona Fide Loan	<b>3,633</b>	<b>000</b>
Bona fide loans accrued installments	<b>1,715</b>	<b>000</b>
<b>Grand Total</b>	<b>153,022,819</b>	<b>5,973,314</b>

ازاد ابراهيم صالح  
مترجم معتمد  
عضو جمعية المترجمين العراقيين  
رقم العضوية 484

AZAD I. SALEH  
Sworn In Translator  
Member of I.T.A.  
CARD No 252

### 13- The Usufruct Right of Leased Assets

Account Title	At (31/12/2023) / Thousand Dinars	At (31/12/2022) / Thousand Dinars
Usufruct Right of Leased Provision	606,145	635,471
Amortization of Usufruct Right of Leased Provision	-366,898	-208,213
<b>Grand Total</b>	<b>239,247</b>	<b>427,258</b>

### 14- Customers Deposits

Account Title	At (31/12/2023) / Thousand Dinars	At (31/12/2022) / Thousand Dinars
Macro Enterprises	88,809,184	49,704,359
Current Accounts	88,809,184	49,704,359
Saving Accounts	000	000
Term Deposits	000	000
Individuals (Retailors)	120,254,178	10,781,966
Current Accounts	117,237,666	9,778,020
Saving Accounts	3,016,512	1,003,946
Term Deposits	00	000
<b>Grand Total</b>	<b>209,063,362</b>	<b>60,486,325</b>

### 15- Cash Securities

Account Title	At (31/12/2023) / Thousand Dinars	At (31/12/2022) / Thousand Dinars
Securities against Documentary Letters of Credit L/Cs	000	000
Securities against Letters of Guarantee L/Gs	1,109,571	842,507
<b>Total</b>	<b>1,109,571</b>	<b>842,507</b>

### 16- Miscellaneous Appropriations

Account Title	At (31/12/2023) / Thousand Dinars	At (31/12/2022) / Thousand Dinars
Prices Fluctuation Appropriations	92,706	92,706
Financial Investments Risks Appropriations / speculations	7,644,992	7,644,992
Contractual Obligations Risks Appropriation	2,199	000
<b>Grand Total</b>	<b>7,739,897</b>	<b>7,737,698</b>



## 17- Income Tax Appropriations

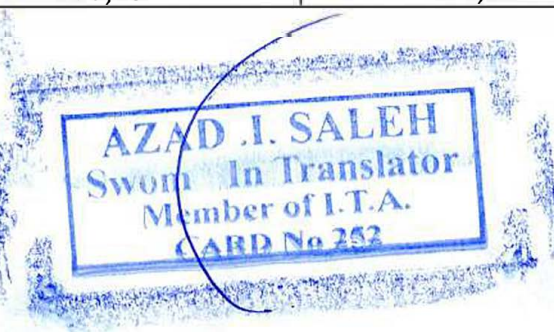
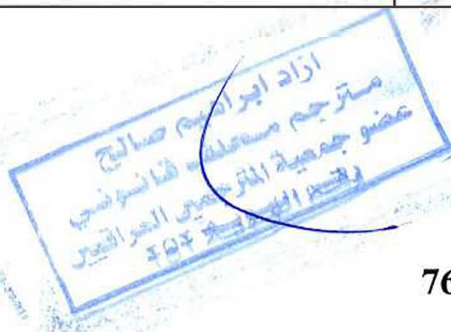
Account Title	At (31/12/2023) / Thousand Dinars	At (31/12/2022) / Thousand Dinars
Balance at (31/12/2022)	000	000
Accrued Income Tax	14,277,959	000
Income Tax Settlements	000	000
<b>Grand Total</b>	<b>14,277,959</b>	<b>000</b>

## 18- Other Liabilities

Account Title	At (31/12/2023) / Thousand Dinars	At (31/12/2022) / Thousand Dinars
Bills Drafted against the bank	37,360	000
Cheques Drafted against the bank	6,550	000
Discounts from bank employees to the benefit of third parties / Social Security	11,490	21,046
Non-received speculation profits / corporates	1,062,594	379,765
Issued central remittances account	4,810,567	10,228,439
Master Cards / external POS	13,634	1,104,695
Creditors/ Private Sector / Corporates & associations	20	000
Cards Receivable mediator	29,190,371	000
Deferred Corporate profits	1,005,889	000
Non -received accrued earnings / individuals	4,629	000
Accrued Expenses	51,958,212	000
Accounts Receivable / corporates/ Foreign Exchange Securities	18,302,928	000
Non-claimed amounts / General	23,570	000
State Treasury /Accrued Stamp Duties	000	1
Miscellaneous debtors	000	2,011
Increase / decrease in treasury	000	15
<b>Grand Total</b>	<b>112,176,564</b>	<b>10,839,526</b>

## 19- Long Term Lease Obligations

Account Title	At (31/12/2023) / Thousand Dinars	At (31/12/2022) / Thousand Dinars
Lease Obligations	170,481	340,063
<b>Total</b>	<b>170,481</b>	<b>340,063</b>



## 20- Arbitrage Transactions Earnings

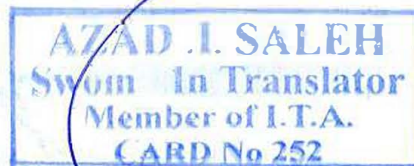
Account Title	At (31/12/2023) / Thousand Dinars	At (31/12/2022) / Thousand Dinars
Arbitrage Transactions / Corporates	8,707	000
Arbitrage Transactions / Individuals	695,167	000
Grand Total	703,874	000

## 21- Interest Expenses

Account Title	At (31/12/2023) / Thousand Dinars	At (31/12/2022) / Thousand Dinars
Saving Deposits	34,855	1,747
Lease Obligations Interests	18,983	25,574
Grand Total	53,838	27,321

## 22- Commissions Earnings

Account Title	At (31/12/2023) / Thousand Dinars	At (31/12/2022) / Thousand Dinars
Outcome Transfers Commission	2,688,505	46,084
Income Transfers Earnings	11,324	3,539
Swift Commission	31,454	15,802
Sales Outlets Payments Commission	131,317	62,278
Internal Letters of Guarantee L/Gs Commission	35,063	4,624
Miscellaneous Banking Commissions	43,467	9,832
Other Banking Commissions	512,563	16,784
Online Payments Commission	49,063,168	7,133
Card Demand Commission	4,637,276	36,479
Cheque Books Commission	75	1,966
Visa & Master Cards Commission	00	152,0066
Clearnce Cheques Deposit Commission	200	000
Bills issuance & Cheque adoption commission	36	000
Commission of mediation in selling shares and bonds	400	000
Outcome credits commission	22,993	000
Cash Deposit Commission	325,428	000
Commission of transferring from one account to another	4,302	000
Grand total	57,507,571	356,588





## 23- Other Operating Expenses

Account Title	At (31/12/2023) / Thousand Dinars	At (31/12/2022) / Thousand Dinars
Maintenance	20,007,782	1,841,617
Fuel & Lubricants for the generator	86,262	99,169
Office sundries	269,996	153,625
Water & Electricity	13,724	4,131
Researches & Consultancies Services	553,650	791,279
Propaganda , Advertising ,	13,903,018	677,279
Printing & Publishing	111,414	9,534
Hospitality	45,064	11,528
Conferences & Events	551,189	63,368
Goods & Commodities Transport	163,848	7,584
General Communications	81,084	91,145
Lease of Premises & Buildings	104,440	140,559
Lease of transportation means & travel	23,690	000
Subscriptions & Membership Fees	000	1000
Non-Employed Staff Gratuities	292,498	22,987
Legal Services	110,404	21,457
Banking Services	168,012	135,874
Independent Auditor Fees	115,185	3,000
Auditors fees	17,278	000
Other Audit Fees	18,980	180,371
Cleaning Fees	66,524	52,564
Guarding Fees	315,471	198,585
Donations & Subsidies extended to third Parties	72,437	322000
Compensations & Fines	3,155,078	187,204
Purchase of products to resell them	5,752,534	000
Particular Service expenses	50,295,585	000
Sundry Taxes & Duties	249,540	855,076
Property Tax	000	100,975
Other Services Fees	480,312	48,930
<b>Grand Total</b>	<b>97,024,999</b>	<b>6,264,144</b>

## 24- Depreciations & Amortizations

Account Title	At (31/12/2023) / Thousand Dinars	At (31/12/2022) / Thousand Dinars
Depreciation of Buildings & facilities	36,922	30,727
Depreciation of Machines & Equipment	44,304	40,264
Depreciation of Iron Vaults	74,087	10,364
Amortization of Decorations & Partitions	89,042	3,572
Amortization of Fire Extinguishers	1,640	34
Depreciation of Transportation Means & Movements / Passengers	37,484	32,090
Depreciation of Furniture & Office Appliances	81,941	74,977
Depreciation of AC Units	12,673	10,965

Account Title	At (31/12/2023) / Thousand Dinars	At (31/12/2022) / Thousand Dinars
Depreciation of Computers	57,126	35,209
Depreciation of Calculators & Typewriters & Photocopiers	57,628	27,946
Depreciation of Office Appliance & Instruments	31,398	22,113
Depreciation of Curtains & Carpets	1,825	41
Amortization of Systems & Software	2,628,186	58,208
Expenses of Amortization of Usufruct Right of Leased Provision	158,724	145,737
<b>Grand Total</b>	<b>3,312,980</b>	<b>492,245</b>

## 25- Risks Appropriations

Account Title	At (31/12/2023) / Thousand Dinars	At (31/12/2022) / Thousand Dinars
Decline in Property Value	651,576	000
Investments Value Risks Appropriations / Speculations	000	7,644,992
<b>Total</b>	<b>651,576</b>	<b>7,644,992</b>

## 26- Provisions not Included the Financial Position Statement

Account Title	At (31/12/2023) / Thousand Dinars	At (31/12/2022) / Thousand Dinars
Letters of Guarantee L/Gs	1,219,501	940,252
Less : Cash Deposits	1,109,571	842,507
<b>Total</b>	<b>109,930</b>	<b>97,745</b>

