مصرف اسيا العراق الاسلامي
للاستثمار و التمويل
ASIA ALIRAQ ISLAMIC BANK
FOR INVESTMENT AND FINANCE

Asia AL– Iraq Islamic Bank

For Investment and Finance

Annual report and Financial Statements

For the year 2023

D. Salah, the owner of Al-Shaker Al-Baghdadi

Chartered accountant and auditor

Salah Al-Baghdadi and Partner Company

Duration and exactness of solidarit

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Chairman's Address

In the Name of Allah
the Most Gracious, the Most Merciful
Peace and blessings be upon our Prophet Muhammad, his family, and all his companions.
Respected Members of the General Assembly,
Honored Guests,

Peace, mercy, and blessings of Allah be upon you.

Welcome, and we are honored by your presence at this meeting. We thank you for your attention and participation in discussing the agenda of the General Assembly, the annual report, and the financial statements of the bank as of December 31, 2023.

The bank, at the level of its Board of Directors and executive management, has diligently worked to fully comply with the laws, regulations, and professional controls governing banking activities at both local and international levels. Additionally, the bank adheres to international standards to strengthen its financial position by avoiding risk concentration and complying with International Financial Reporting Standard (IFRS) 9, which pertains to financial, guarantee, and investment activities. The bank also complies with the Anti-Money Laundering and Counter-Terrorism Financing Law No. (39) of 2015, acquiring advanced electronic systems to enhance compliance and prevent the execution of suspicious financial transactions, as well as combating financial fraud and corruption.

During 2023, the bank witnessed expansion in providing various banking services and made exceptional efforts to overcome the restriction on its inability to deal in US dollars, which significantly and negatively impacted the bank's aspirations, development, and reputation. Under the supervision of the Central Bank of Iraq, the bank entered into a contract with the American company K2 Integrity, which began actual auditing at the end of 2023. All required information has been provided, and we await the audit results.

We hope the results will be positive and in the interest of the bank. Despite these challenges, the bank continues to deliver and implement the highest levels of compliance in completing its banking transactions. Success is from Allah.

And peace, mercy, and blessings of Allah be upon you

Wisam Abdul-Salam Jaafar
Chairman of the Board of Directors

Board of Directors' Report

1. Respected Shareholders of Asia Iraq Islamic Bank for Investment and Finance,
2. In accordance with Articles (117) and (134) of the Companies Law No. (21) of 1997, we arpleased to present to you the annual report and the financial statements of the bank as of December 31, 2023General Information about the BankThe bank was established under the founding license issued by the Central Bank of Iraq / Banking Supervision Directorate, numbered 9/3/4935 on March 5, 2018, with a capital of 100 billion Iraqi Dinars (one hundred billion Iraqi Dinars). The license permits banking activities in accordance with applicable laws, including the Central Bank of Iraq Law No. (56) of 2004, the Banking Law No. (94) of 2004, the Islamic Banking Law No. (43) of 2015, and the Anti-Money Laundering and Counter-Terrorism Financing Law No. (39) of 2015. The bank is subject to supervision and monitoring by the Central Bank of Iraq. The bank was also listed on the Iraq Stock Exchange, and the license was amended to shift from financial transfer activities to Islamic banking activities. Subsequently, the trade name was changed from United Company for Financial Transfers to Asia Iraq Islamic Bank for Investment and Finance, based on the approval letter issued by the Ministry of Trade / Companies Registration Directorate No. Sh/H/19255 on July 4, 2017.

The bank commenced its banking operations on April 15, 2018, as per the Central Bank of Iraq's directive in letter 9/3/7882 dated April 5, 2018.

The bank’s capital was later increased to 250 billion Iraqi Dinars (two hundred and fifty billion Iraqi Dinars), based on the Companies Registration Directorate's letter No. 33281 dated November 17, 2021.

3. Bank Activities
4. Opening various types of accounts (savings, current, and term deposits) in Iraqi Dinar and US Dollar for individuals and companies.
5. Accepting deposits of various types.
6. Providing financing to individuals and companies in accordance with Shariah principles (e.g., Murabaha, Musharaka, Mudaraba, Ijarah, etc.).
7. Financing small, medium, and large-scale projects under the Central Bank of Iraq’s initiatives.
8. Investing in Islamic Sukuk, certificates of deposit, and term deposits.
9. Investing in financial products through Islamic financial investment methods.
10. Issuing domestic and international letters of guarantee.

11. Issuing and advising on letters of credit.
12. Conducting domestic and international money transfers.
13. Performing electronic clearing and electronic payment operations.
14. Issuing bill of exchange checks.
15. Issuing electronic payment cards (MasterCard) and facilitating cash withdrawals for both the public and private sectors.
16. Conducting international money transfers under an agreement with MoneyGram International.
17. Selling cash US dollars to citizens in accordance with the Central Bank of Iraq's instructions.
18. Selling cash US dollars to citizens in accordance with the Central Bank of Iraq's instructions.

The bank's goals and ambitions

The bank aims to achieve developmental, economic, and social goals for which it was established, in accordance with the relevant banking laws and the principles of Islamic Sharia in conducting financial transactions. It seeks to achieve financial inclusion for all members of society (individuals and companies) to develop the funds of shareholders and depositors, deliver reasonable legitimate returns, and contribute to balanced development between liquidity and financing.

The bank has developed advanced human capabilities for its employees by enabling them to obtain specialized certifications in banking and finance, to apply the best local and international standards in conducting transactions. In addition, the bank utilizes the latest technological tools, systems, and modern banking systems, such as advanced programs and systems to curb suspicious financial transactions involving money laundering and terrorism financing.

The bank offers its services to a large segment of society, including individuals and companies, by providing financing based on Islamic principles for small, medium, and large projects to contribute to boosting the national economy and reducing unemployment. Additionally, it provides easy loans to different social segments to improve their financial status, as well as investing in various economic sectors with economic feasibility, whether in commercial, industrial, agricultural, or construction sectors.

The bank also offers various banking services using advanced technology, at the lowest possible cost and with the utmost speed and accuracy. Moreover, the bank aims to expand its banking and financial relationships at both the local and international levels with banks that have an international credit rating. The bank emphasizes compliance with all instructions

issued by the Central Bank of Iraq to develop the banking sector. This commitment is demonstrated by its rating of (3A) according to the CAMEL classification issued by the Central Bank of Iraq in 2022, as well as obtaining a (B-Positive) rating in 2022 from the International Islamic Credit Rating Agency, accredited by the Central Bank of Iraq.

Core Values, Vision, and Mission

Core Values:

Emphasizing cooperation and strengthening the role of ethical values in accomplishing tasks.

Promoting job discipline and ensuring it is dedicated to the services provided.

Commitment and dedication to improving the professional and service environment, offering the best services, and ensuring the integrity of the work and its outputs.

Fostering the development of employee expertise.

Emphasizing transparency and focusing on customer service, recognizing that the customer is the most important.

Providing services that satisfy the customer and completing their tasks quickly, fairly, and with equality.

Adhering to laws and regulations in conducting transactions, while ensuring compliance with Islamic Sharia principles and provisions.

Ensuring job stability, security, and responsibility.

Adhering to corporate governance principles in setting and achieving goals, advancing banking operations, and considering the social work environment.

Respecting the rights of depositors and shareholders.

Focusing on the development of compliance capabilities, strengthening anti-money laundering and counter-terrorism financing efforts, and combating fraud and organized crime.

Enhancing the role of risk management in overcoming or minimizing risks and monitoring and achieving the goals set by the bank's risk management department and the risk management committee**.**

Vision:

Achieving customer satisfaction by providing the best services that meet their needs, whether the customer is an individual or a company.

Acquiring advanced electronic devices and programs to facilitate the completion of banking services.

Expanding the provision of various banking services across different regions of Iraq to achieve the principle of financial inclusion.

Developing the expertise of employees so that their performance is reflected in the provision of faster, better services at lower costs.

Creating clear policies, programs, and strategies that are easy to apply, track, and correct as necessary.

Promoting healthy competition based on customer service, earning their satisfaction through best practices, practical methods, advanced technological tools, and providing services at the lowest prices and fastest delivery.

Mission:

1. Emphasizing teamwork at all levels to overcome obstacles and challenges facing future banking operations in order to enhance the delivery of the best and most diversified banking services.
2. Continuing efforts to provide various electronic services, such as issuing electronic payment cards in different forms and types, and delivering them as quickly as possible and at the lowest costs, in response to recent government directions and those issued by the Central Bank of Iraq to expand the use of electronic payment in monetary transactions, financial settlements, and raising community awareness on this matter.
3. Focusing on financial literacy and combating financial crimes, fraud, and corruption to ensure the execution of sound financial transactions, while communicating with the public—whether individuals or companies—via publications, social media, and easy and fast explanations of the bank's diverse services.
4. Continuing to expand and provide the best services in financing and investment across various economic, social, and environmental sectors to meet public demand and contribute to national development.
5. Maximizing financial resources, strengthening the financial position, and achieving attractive returns for depositors and investors.

Original Board Members

No.	Full Name	Position	Number of Shares Owned
1	Wissam Abdulsalam Jafar	Chairman of the Board	4,900,000,000
2	Hussain Taleb Ali	Vice Chairman of the Board	6,574,440,000
3	Mohammad Abduljabar Abdulhamid	Member/Authorized Manager	5,000,000
4	Ahmad Suleiman Saleh	Member	1,000,000
5	Aziz Saleh Mahdi	Member	2,110,000,000
6	Ali Mohammed Ali	Member	50,000
7	Adnan Zidan Abdulaziz	Member	30,000

Reserve Board Members

No.	Full Name	Position	Number of Shares Owned
1	Atheer Mohammed Jwad	Member	10,000
2	Jassim Mohammed Rahman	Member	7,680,000,000
3	Dr. Saad Abdul Mohammed Hwas	Member	50,000
4	Sarah Adel Mukhlef	Member	10,000
5	Gaith Arkan Abdullah Mohammed	Member	10,000
6	Taybah Majid Hamid Ahmed	Member	10,000
7	Atheer Abdulkhaleq Mohammed Saleh	Member	10,000

Shariah Board Members

No.	Full Name	Position
1	Dr. Raghad Hassan Ali	Head of the Board
2	Faiq Fakhri Ahmed	Member
3	Mohammed Abdul Salam Ahmed	Member
4	Osama Mahdi Mazal	Member
5	Ahmed Ibrahim Haza'a	Member

Full Name	Nationality	Date of Birth	Percentage of Contribution
Abdul Salam Jaafar Mahdi	Iraqi	15/03/1957	7.18%
Khaldoun Rateb Mahmoud Asmar	Jordanian	02/11/1964	9.976%
Sura Imad Jawad Al-Obeidi	Iraqi	13/09/1987	9.99%
Haider Talib Ali Al-Jubouri	Iraqi	28/10/1972	7.197%
Huda Abdul Jabbar Abdul Hamid	Iraqi	20/05/1964	8.968%
Farhan Abdul Jabbar Abdul Hamid	Iraqi	25/05/1957	5.218%
Duaa Abdul Amir Baqir Al-Asadi	Iraqi	04/01/1985	5.034%

Shareholders with 5% or more contribution

Board of Directors

First: Responsibilities and Duties of the Board of Directors:

1. Setting comprehensive policies for the bank, including clear objectives and goals, outlining the institution's core objectives.
2. Supervising the executive management, monitoring their performance, and ensuring the financial health and solvency of the bank.
3. Reviewing the performance of the executive management, defining, measuring, and monitoring performance and progress toward achieving objectives.
4. Bearing responsibility for the soundness of all banking procedures.
5. Fostering a culture of ethical standards, integrity, and professional conduct.
6. Monitoring the implementation of decisions made by the General Assembly and ensuring compliance with laws, regulations, standards, and instructions governing banking operations.
7. Maintaining good relations between the board, executive management, and stakeholders.
8. Encouraging cooperation, mutual understanding, and the exchange of ideas and suggestions that serve the banking business and enhance the knowledge and experience of board members.

9. Ensuring that members sign the meeting minutes and informing the Central Bank of Iraq about any significant information.
10. Inviting relevant parties, as required by law, to attend the bank's General Assembly meetings.
11. Following up on the implementation of the General Assembly's decisions.
12. Implementing the provisions of Article (6) of the Corporate Governance Guide for Banks issued by the Central Bank of Iraq, in addition to the tasks and responsibilities mentioned above.

Second: Committees Emerging from the Board of Directors

Based on the Corporate Governance Guide for Banks issued by the Central Bank of Iraq, Article (12) thereof, and in reference to the Circular of the Central Bank of Iraq – Currency Control Department No. 9/3/386 dated 6/10/2022, which includes the formation of committees emerging from the Board of Directors with only original members, and in accordance with the Board of Directors' decision No. (23) dated 20/12/2022, it was decided to re-establish the committees as follows

1- Corporate Governance Committee:

Wissam Abdul Salam Jaafar – Chairman .A
B. Dr. Adnan Zidan Abdul Aziz – Member
C. Ahmed Suleiman Saleh – Member

2- Audit Committee:

A. Ali Mohammed Ali Al-Bazi – Chairman
B. Hussein Taleb Ali – Member
C. Aziz Saleh Mahdi – Member

3- Risk Management Committee:

A. Dr. Adnan Zidan Abdulaziz – Chairman
B. Hussein Taleb Ali – Member
C. Ahmed Suleiman Saleh – Member

4- Nomination and Remuneration Committee:

A. Aziz Saleh Mahdi – Chairman
B. Hussein Taleb Ali – Member
C. Ahmed Suleiman Saleh – Member

With the guarantee of easy access for the committees under paragraph (2, 1) of Article (12) of the Corporate Governance Guide for Banks, which ensures transparency in performance, ease of access to information, while considering specialization, experience, neutrality, and the absence of conflicts of interest.

Third: Information about the Board Members:

1. **Wissam Abdul Salam Jafar Al-Azzawi**

- **Date and Place of Birth:** Baghdad / 7/9/1985
- **Educational Qualifications:** Bachelor's in Business Administration (American University / Dubai)
- **Shares Owned:** 4,900,000,000 shares
- **Experience:**
  - Extensive financial and banking experience through leadership positions in various financial and commercial institutions.
  - Provides financial and banking consultancy due to accumulated expertise.
  - Holds a Certified Islamic Bank Manager certificate and has attended several financial and banking workshops, conferences, and seminars.
  - Businessman.
  - Currently holds the position of Chairman of the Board of Directors of the bank.

2. **Hussein Taleb Ali Al-Jubouri**

- **Date and Place of Birth:** Baghdad / 28/9/1966
- **Educational Qualifications:** Bachelor's in Agricultural Sciences / Baghdad
- **Shares Owned:** 6,574,440,000 shares
- **Experience:**
  - Businessman.

- Wholesale trader with expertise in economic, commercial, and financial matters.
- Attends commercial, financial, and banking conferences organized by the government and civil society organizations.
- Currently serves as Vice Chairman of the Board of Directors.

3. **Mohammed Abdul Jabar Abdul Hamid Al-Azzawi**

- **Date and Place of Birth:** 22/1/1974 / Baghdad, Al-Hurriya
- **Educational Qualifications:** Bachelor's in Accounting
- **Shares Owned:** 5,000,000 shares
- **Experience:**
  - Current position: Member of the Board of Directors and Authorized Manager of the bank.
  - Member of the Iraqi Association of Accountants and Auditors.
  - Practices accounting, financial, and banking activities.
  - Participated in numerous training courses related to Islamic banking.

4. **Aziz Saleh Mahdi Hussein Al-Azzawi**

- **Date and Place of Birth:** Basra / 29/8/1961
- **Educational Qualifications:** High School
- **Shares Owned:** 2,110,000,000 shares
- **Experience:**
  - Trader from the 1990s until 2007.
  - Managing Director and Commercial Director of several commercial companies.
  - Former Board Member at Al-Mutahidah Money Transfer Company, which was converted to Asia Iraq Islamic Bank.
  - Member of the Audit and Risk Committees.
  - Participated in financial and banking courses, including a course in electronic banking systems, corporate governance, and strategic thinking.

5. **Ahmad Suleiman Saleh Muhammad Al-Jumhur**

- **Date and Place of Birth:** Baghdad / 1/7/1951
- **Educational Qualifications:** Bachelor's in Arts and Islamic Sharia
- **Shares Owned:** 1,000,000 shares
- **Experience:**
  - Former government employee at State Properties for 22 years.
  - Vice Chairman of the Board of the United Money Transfer Company, which was converted to Asia Iraq Islamic Bank.
  - Expertise in finance, banking, real estate, and providing consultation in these fields.
  - Holds a certificate in Islamic Finance and Corporate Governance.

6. **Adnan Zidan Abdul Aziz Mahmoud Al-Rawi**

- **Date and Place of Birth:** Anbar / 2/1/1953
- **Educational Qualifications:** Ph.D. in Economic Statistical Sciences
- **Shares Owned:** 30,000 shares
- **Experience:**
  - Assistant Professor at the Ministry of Higher Education and Scientific Research for 43 years.
  - Taught administrative, economic, and statistical subjects.
  - Member of the Iraqi Economists Association.
  - Currently a university lecturer in several private colleges.
  - Conducted financial, economic, and statistical studies related to the Iraqi economy.
  - Member of the Corporate Governance and Risk Committees.

7. **Ali Mohammed Ali Al-Bazi**

- **Date and Place of Birth:** Baghdad / 8/2/1972
- **Educational Qualifications:** Advanced Diploma in Tax Accounting / University of Baghdad, Legal Accounting from the Arab Institute of Certified Accountants
- **Shares Owned:** 50,000 shares
- **Experience:**

- University professor at Al-Turath College for ten years.
- Member of the Association of Accountants and Auditors.
- Member of the Academics Association.
- Member of the Economists Association.
- Expertise in finance, accounting, and tax fields, and has published research in these areas.
- Chairman of the Audit Committee at Asia Iraq Islamic Bank.

Fourth: Board of Directors Meetings:

- A total of 20 meetings of the Board of Directors were held in 2023 with the attendance of all members, with no absences by any of the Board members.
- The Board committees, as well as the executive committees, held several meetings throughout 2023, and they submitted their reports with recommendations to the Board of Directors for appropriate decisions.

Fifth:

The Board of Directors is responsible for the accuracy and adequacy of the bank's financial statements and for ensuring the sufficiency of internal control and supervision systems.

Sixth:

Board members did not receive any cash bonuses in 2023.

Seventh:

Board members did not receive any credit facilities, either cash or contingent, during 2023.

Eighth:

The Board of Directors continued to monitor the activation of corporate governance controls in information technology and communications within the banking sector and stayed informed about the Information Technology Governance Committee and the Information Technology Steering Committee.

Ninth:

The continued implementation of corporate performance card standards for environmental, social, and governance (ESG) criteria, in accordance with the instructions and guidelines set by the Central Bank of Iraq.

Relation of the Board with Stakeholders:

Based on Article (22) of the Corporate Governance Guide for Banks regarding the Board's relationship with stakeholders, the bank's management has taken the following actions:

1. A written invitation was sent to shareholders to attend the General Assembly meeting of the bank.
2. Transparency in reviewing the annual report, financial statements, quarterly financial data, and stock trading movements.

3. Allowing access to all information, data, and reports related to the bank through the bank's website.
4. Enabling access to the bank's strategies and work mechanisms, in addition to holding meetings with major shareholders.
5. Access through the annual report and financial statements to the reports from the regulatory departments and the committees of the bank derived from the Board of Directors.

Development of Bank Activities in 2023:

- Focused on compliance with local and international standards, anti-money laundering, counter-terrorism financing, combating organized crime, fraud, and corruption, as well as acquiring advanced technological means to achieve these goals.
- Continued expansion in providing the best banking services for all financing and investment activities, including financing small, medium, and large projects using the bank's own funds as well as the initiative from the Central Bank of Iraq. The bank also invested in Islamic certificates of deposit to enhance returns and achieve a solid financial position.
- Continued financing of developmental, service, industrial, agricultural, and real estate projects.
- Expansion in issuing credit guarantees represented by letters of guarantee according to the instructions and regulations of the electronic platform approved by the Central Bank of Iraq.
- Expansion in providing the best electronic banking services through the deployment of ATMs and (POS) and (POC) devices, as well as expanding the issuance of electronic payment cards.
- The bank relied on generating returns from various banking activities throughout 2023, especially after being prohibited from dealing in US dollars based on a letter from the Central Bank of Iraq / Currency Control Department on 9/2/3040, dated 3/11/2022.

Sustainability Policy for Asia Iraq Islamic Bank in 2023:

In accordance with Article (23), Paragraph (8) of the Corporate Governance Guide related to disclosure and transparency, a sustainability report was prepared according to the basic level of the Global Reporting Initiative (GRI) guidelines.

The bank today, more than ever, strives to integrate sustainability considerations into its disclosures and core activities, which in turn enhances its banking business, builds successful business relationships, and aligns with the bank's values and mission. Sustainability represents an opportunity to use our skills, expertise, and relationships to create positive change for individuals, communities, and the environment. Building trust through transparency and acting effectively and energetically to

achieve this goal is a key element. Based on this, the bank has identified the material issues related to sustainability, which represent the main focus areas, including:

1. Combatting financial crimes.
2. Governance, work ethics, and compliance.
3. Financial performance.
4. Acquiring and satisfying customers.
5. Disclosure and transparency.
6. Financial stability and risk management.
7. Information security.
8. Attracting and developing talent.
9. Investment and community engagement.
10. Environmental impact.

Sustainability Policy of Asia Iraq Islamic Bank:

The sustainability policy of Asia Iraq Islamic Bank includes the following:

1. Developing and enhancing the capabilities of employees.
2. Ensuring sustainable environmental protection.
3. Offering banking products that meet the needs of individuals and businesses.
4. Encouraging and financing projects that support the community.
5. Effectively applying risk management to minimize negative impacts on business outcomes.

Strategic Goals for Social Responsibility and Sustainability:

1. Continuing to rely on renewable energy for a high percentage of the bank's consumption.
2. Protecting the environment and reducing its negative impact.
3. Promoting a culture of sustainability and social responsibility among relevant stakeholders.
4. Providing professional development for employees and offering training courses.
5. Continuing to support and finance small and medium-sized projects.
6. Enhancing financial inclusion.

Key Standards in the Sustainability Policy at Our Bank:

1. **Sustainability Policy Statement:** This focuses on reviewing decisions related to our long-term operations to ensure that our future operational activities do not negatively affect the business. It aims to balance the needs of human resources, society, the environment, and profits, ensuring the continued success of operations.
2. **Economy:** We aim to maintain long-term financial profitability, offering benefits to our shareholders, customers, and employees by creating job opportunities. We also focus on ensuring that our operations contribute to financial stability and the economic development of the community.
3. **Transparency and Accountability:** We are committed to establishing strong governance frameworks for disclosure and data transparency, reinforcing trust in the financial sector, and earning the trust of stakeholders and the community.
4. **Human Resources:** We treat all our employees fairly and with respect, striving to provide a safe working environment. We also provide fair opportunities for career development and skill enhancement, ensuring they receive their full entitlements and compensations without discrimination.
5. **Products:** We sell products according to customer needs and in a manner that suits the market, taking into account the risks they can bear. We offer advanced and innovative products that support the financial stability of our clients and help them avoid risks.
6. **Environment:** We apply the best practices and standards recognized both locally and internationally to ensure sound management and reduce the impact of operational activities. We do not compromise on long-term environmental safety in the communities where we operate, aiming to achieve short-term benefits while preserving the environment.

wisam Abdulsalam jaafer

chairman
of the bord directors

Mohammed abduljabar abdulhamed

Commissioner Director

<u>The Sharia Supervisory Board in the Bank:</u>

The Sharia Supervisory and Audit Regulations issued by the Central Bank of Iraq define the Sharia Supervisory Board as follows:

The Sharia Supervisory Board is an independent entity consisting of specialists in Islamic jurisprudence, Islamic finance, and individuals with experience in banking, finance, and legal affairs.

It is composed of at least five members, of whom three are experts in Islamic jurisprudence, its principles, Islamic economics, and Islamic financial and banking transactions, while two have expertise in banking, financial, and legal matters with knowledge of the Sharia requirements for Islamic banking.

Duties and Responsibilities of the Sharia Supervisory Board in Islamic Banks

The duties and responsibilities of the Sharia Supervisory Board are specified in Paragraph (4), Article (10) of the Corporate Governance Guide for Banks issued by the Central Bank of Iraq, which include:

- Monitoring the bank's operations and activities to ensure their compliance with Islamic Sharia principles and that they are free from any prohibited practices.
- Preparing Sharia opinions for all contracts, transactions, agreements, products, and investment policies.
- Providing guidance to the bank's employees and raising awareness of Islamic Sharia principles.
- Proposing Sharia training courses for the bank's employees.
- Attending the bank's general assembly meetings and presenting their annual report.
- Submitting quarterly and semi-annual reports.
- The Sharia Supervisory Board held 24 meetings in 2023, with all members present.

Sharia Supervisory Board Report for 2023:

In the name of Allah, the Most Gracious, the Most Merciful

Praise be to Allah, Lord of all worlds, and peace and blessings be upon our Prophet Muhammad, his family, and his companions.

Ladies and Gentlemen, Members of the General Assembly of Asia Iraq Islamic Bank for Investment and Finance,

Peace, mercy, and blessings of Allah be upon you.

We are pleased to present the following report to you:

We have reviewed the principles applied, the contracts related to transactions, and the practices implemented by the bank during the period from January 1, 2023, to December 31, 2023. We have conducted the necessary monitoring to express an opinion on whether the bank has adhered to Islamic Sharia principles in its operations and banking services. Our responsibility is limited to providing an independent opinion based on our monitoring of the bank's activities and preparing this report for you.

- Our monitoring included examining and documenting the procedures adopted by the bank based on testing each type of banking operation.
- We planned and executed our monitoring to obtain all the information and explanations we considered necessary to provide sufficient evidence for reasonable assurance that the bank has not violated the principles of Islamic Sharia.
- Quarterly meetings were held with the Chairman of the Board, Salah Al-Baghdadi Company for auditing the financial statements, and the internal auditor to discuss audit reports and provide comments that would ensure the bank's compliance with Islamic Sharia principles.
- Issuing Sharia rulings for matters that required fatwas.

In our opinion:

1. The contracts, operations, and transactions conducted by the bank during the year ending on December 31, 2023, which we reviewed, were executed in accordance with Islamic Sharia principles.
2. The distribution of profits and allocation of losses on investment accounts is consistent with the principles adopted in accordance with Islamic Sharia.
3. All profits earned by the bank are from lawful sources in accordance with Islamic Sharia principles.
4. The calculation of zakat was conducted in compliance with Islamic Sharia principles and based on the directives of the Sharia Supervisory Board.

And Allah is the grantor of success.

Sharia Supervisory Board

We ask Almighty Allah to grant us guidance and success.
Peace and blessings be upon you.
The Sharia Supervisory Board

d.raghad Hussen ali **faaeq fakhry ahmed** **Mohammed abdulsalm ahmed**

Chairman of the Authority	**Member**	**member**
usama mahdy mizaal		**Ahmed Ibrahim hazaa**
member		**member**

Governance Committee Report as of 31/12/2023

In accordance with Article (12), Clauses (6,3) regarding the preparation of the governance report and its inclusion in the bank's annual report, we summarize the following:

1. The Committee pays significant attention to compliance with laws and regulations related to financial and banking operations by monitoring reports from the Compliance and Sharia Compliance departments, discussing the observations noted in these reports, and finding solutions to achieve compliance effectively.
2. Monitoring the work and activities of regulatory departments, reviewing their monthly and quarterly reports, and discussing their contents to ensure transparency, financial transaction integrity, and error mitigation.
3. Reviewing reports from the Anti-Money Laundering and Counter-Terrorism Financing Department, discussing any observations, addressing necessary corrections, and equipping the department with advanced electronic tools. Furthermore, the Committee focuses on enhancing staff capabilities to combat various financial and terrorist crimes, prevent money laundering or terrorism financing activities, and ensure adherence to the Anti-Money Laundering and Counter-Terrorism Financing Law by auditing local and international sanction lists, combating financial fraud, and addressing corruption.
4. Discussing quarterly and annual financial reports with the Managing Director, the Finance Department, and the external auditor, while emphasizing disclosure and transparency in preparing financial statements.

5. Ensuring customer satisfaction and meeting their needs by developing products that fulfill their requirements, enhancing staff skills and capabilities, and introducing advanced technical tools to improve banking operations locally and internationally.
6. Promoting a sense of responsibility, integrity, professional behavior, and customer satisfaction while safeguarding stakeholder rights.
7. Approving the 2023 policies and procedures prepared by the bank's departments and branches after review by subcommittees. The Committee follows up on the timely execution of these policies and works on their continuous development.
8. Strengthening the role of the Risk Management Department at both the operational and field levels for all financial transactions, including credit, investment, electronic payment services, and other banking services.

wisam Abdulsalam jaafer	**D. adnan zedan Abdulazeez**	**Ahmed sulieman salih**
Cherman of the board directors	**Member of the Board of Directors**	**member of the Board ofDirectors**

Annual Report of the Nomination and Remuneration Policy Committee:
For the year ending 31/12/2023
In accordance with Article (23), Clauses (9,6), below is a summary of the Nomination and Remuneration Policy for the year ending 31/12/2023:
Nominations for Administrative Positions:

1. Competent candidates were nominated for administrative positions in accordance with the relevant regulations and instructions. The selection process considered experience, competence, and the number of training hours. After conducting interviews and ensuring the candidates met the requirements, a number of administrative appointments were proposed and submitted to the Board of Directors for appropriate decisions.
2. In line with the principle of staff training to enhance skills and capabilities, several bank employees were nominated for participation in various financial and banking training programs tailored to different administrative levels.

Granting of Rewards:

- A number of bank employees were nominated to receive letters of appreciation in recognition of their efforts and dedication to their work.

- A recommendation was made to grant a financial reward on the occasion of Eid Al-Adha, which was distributed to all employees of the bank.
- It was proposed to grant financial bonuses to employees on the occasion of the conclusion of the fiscal year 2023.
  The Committee continues to oversee the process of evaluating job performance to contribute to improving efficiency, enhancing employee skills, and ensuring continued growth in performance levels.

And with God's guidance and success.

Ahmed Suleiman Saleh	**Hussein Talib Ali**	**Aziz Saleh Mahdi**
Board Member	**Vice Chairman of the Board**	**bord member**
Committee Member	**Committee Member**	**Committee Chairman**

Audit Committee
Subject: Annual Report
Esteemed Members of the General Assembly of Asia Iraq Islamic Bank for Investment and Finance,
Greetings and appreciation...
The Committee is pleased to present its annual report for the fiscal year ending on December 31, 2023, in compliance with paragraph (T) of Article (24) of the Banking Law No. 94 of 2004 and the Corporate Governance Guidelines for Banks issued by the Central Bank of Iraq:
First: The Committee reviewed the monthly reports issued by the Compliance and Sharia Audit Department, the Risk Management Department, and the Anti-Money Laundering and Terrorism Financing Department. These reports were discussed, and necessary directions were issued to mitigate potential risks. The Committee ensured that all activities comply with the Anti-Money Laundering and Terrorism Financing Law No. 39 of 2015 and verified that the relevant departments apply and update procedures under the Know Your Customer (KYC) principle.

Second: The Committee confirmed the bank's adherence to the disclosures required by international standards, financial reporting, and compliance with the instructions issued by the Central Bank of Iraq. The bank remains committed to applying international standards across all its activities and operations.

Third: The Committee reviewed the annual audit plan and the annual training and development plan, made necessary recommendations, and submitted them to the Bank's Board of Directors for approval and ratification.

Fourth: The Committee ensured the bank's compliance with the disclosures outlined by international financial reporting standards, the Central Bank of Iraq's instructions, and relevant legislation. It confirmed that the bank is fully aware of these standards and any amendments thereto and adheres to international standards in all its banking operations and activities.

Fifth: The Committee reviewed the bank's quarterly financial statements and the financial statements for the year ending on December 31, 2023. It also reviewed the external auditor's report as of December 31, 2023, confirming the accuracy of the information provided. The financial statements comply with international standards, applicable laws, and regulations, and they provide a clear and fair representation of the bank's consolidated financial position as of December 31, 2023, its performance, and cash flows.

Sixth: The Committee held several meetings with the external auditor, the Head of Compliance and Sharia Audit, the Head of the Anti-Money Laundering Department, and the Head of Compliance. Relevant matters were discussed, and appropriate actions were recommended. These meetings were conducted without the presence of any members of the executive management.

Seventh: The Committee confirmed the bank's implementation of IFRS 9 for the recognition of expected credit losses, reflecting the credit risks for the fiscal year ending on December 31, 2023.

For your kind review... With appreciation

Aziz Saleh Mahdi	**Hussein Talib Ali**	**Ali Mohammed Ali**
Board Member	**Board Member**	**Board Member**
Committee Member	**Committee Member**	**Committee Chairman**

General Information

Asia Iraq Islamic Bank for Investment and Finance / Human Resources Department

Employee Statistics by Job Titles and Academic Qualifications as of December 31, 2023

Qualification	Number of Employees	Job Title	Number of Employees
PhD	1	Programmer (M. Program)	1
Master's	—	Writer	—
Bachelor's	87	Maintenance Employee	1
Diploma	7	Marketing Employee	1
High School	5	Authorized Person	5
Intermediate	4	Messenger	3
Primary School	11	Guard	3
Can Read and Write	—	Service Worker	—
Total	114	Technical Supervisor	1

Job Titles and Number of Employees

Job Title	Number of Employees
Managing Director	1
Consultant	1
Deputy Managing Director	1
Department Manager	13
Branch Manager	4
Office Manager	1
Division Manager	6
Manager	1
Treasury Manager	1
Assistant Department Manager	10
Assistant Branch Manager	3
Assistant Office Manager	1
Assistant Treasury Manager	1
Assistant Manager	1
Senior Supervisor	5
Supervisor	9
Accountant	7
Senior Cashier	2
Cashier	6
Assistant Supervisor	20

Job Title	Number of Employees
Assistant Accountant	3
Programmer	—
Total	114

Executive Management Members of Asia Iraq Islamic Bank for Investment and Finance
As of December 31, 2023

#	Name	Position
1	Mr. Sahib Badr Aboud	Consultant
2	Mr. Mohamed Abdul-Jabbar Abdul-Hamid	CEO (Managing Director)
3	Mrs. Zeinab Tariq Aribi	Deputy CEO (Assistant Managing Director)
4	Mrs. Harir Muthafar Ayoub	Compliance Officer / Head of Shariah Compliance and Monitoring Department
5	Mr. Mahmoud Sabri Khalaf	Head of Internal Shariah Auditing Department
6	Mrs. Layla Harith Asad	Head of Risk Management Department
7	Mrs. Suad Mohsen Abdul	Head of Finance Department
8	Mr. Marwa Thayer Sami	Head of Anti-Money Laundering and Terrorist Financing Department
9	Mr. Mohamed Jamal Mustafa	Head of Information Technology Department
10	Mr. Abdul-Mohsen Ahmad Abdul-Rahman	Head of Human Resources Department
11	Mr. Saif Sameer Abdul-Qader	Head of International Department
12	Mr. Raed Khalaf Mehdi	Head of Payments Department
13	Mr. Hussein Abdul-Aziz Majid	Assistant Head of Credit Department

#	Name	Position
14	Mrs. Heba Saleh Mahdi	Head of Banking Awareness and Consumer Protection Department
15	Mrs. Zeinab Abdul-Moneim Mohammed	Head of Investment Department
16	Mr. Mohamed Najem Abdul-Hussein	Head of Legal Department
17	Mr. Samir Jihad Ahmed	Head of Branch Management Department
18	Mr. Gaith Imad Jawad	Head of External Transfers Department
19	Mr. Afak Abdul-Raheeb Hussein	Head of Electronic Payment Cards Department, Assistant IT Department
20	Mr. Atheer Abdul-Ameer Mohamed	Head of Information Security Department
21	Mrs. Zhal Faisal Shakir	Head of Financial Inclusion Department
22	Mr. Saud Aziz Saleh	Head of Shareholder Relations Unit
23	Mrs. Rafed Khaled Shwaikh	Head of Quality Management Department

Names of Executive Management Committee Members

1. **Credit Committee**
    - Zeinab Tariq Aribi - Chairperson
    - Hussein Abdul-Aziz Majid - Member
    - Heba Saleh Mahdi - Member
2. **Investment Committee**
    - Zeinab Tariq Aribi - Chairperson
    - Raed Khalaf Mehdi - Member
    - Zeinab Abdul-Moneim Mohammed - Member
3. **Information Technology and Communications Committee**
    - Mohamed Jamal Mustafa - Chairperson

- Ateer Abdul-Ameer Mohamed - Member
- Ali Mohamed Abdul-Ali – Member
-

4. **Training and Workshop Participation for Bank Staff in 2023**

#	Type of Course/Workshop	Number of Courses	Number of Participants	Internal or External
1	Financial Awareness & Financial Inclusion Training	8	9	Internal
2	Investment Training	2	2	Internal
3	Credit Management Training	8	13	Internal
4	Accounting & Financial Affairs Training	6	12	Internal
5	Internal Audit & Banking Control Training	4	5	Internal
6	Human Resources Management Training	3	11	Internal
7	Anti-Money Laundering & Terrorist Financing Training	10	23	Internal
8	Risk Management Training	8	9	Internal
9	Sharia Compliance & Monitoring Training	3	3	Internal
10	Information Systems & Data Security Training	7	10	Internal
11	Shariah Audit Training in Islamic Banking Transactions	3	45	Internal
12	Quality Management & Banking Quality Training	1	1	Internal
13	Legal Affairs Training	1	1	Internal
14	Training for Remittances Department Staff	1	10	Internal
15	Documentary Credits as per International Standards	2	2	1 External, 1 Internal
16	Account Opening Training	2	5	Internal
17	Negotiation Skills & Strategic Planning in Banking Sector	2	2	Internal
18	Electronic Platform for Financial Planning & Financial Competency	1	2	Internal
19	Certified Branch Manager Course	1	1	Internal
20	Foreign Currency Trading Data Investment Filling Mechanism	1	1	Internal
21	Foreign Currency Import Procedures Training	1	1	Internal
22	Real Estate Buying & Selling Procedures Training	1	2	Internal

Branches Profit and Loss Statement as of 31/12/2023

#	Branch Name	Expenses	Revenue	Net Profit or Loss
1	General Administration	6,248,239,497.91	1,372,799,637.79	4,875,439,860.12 Loss
2	Main Branch	1,215,349,350.46	7,185,607,353.41	5,970,258,002.94 Profit
3	Shari'a Street Branch	117,683,196.00	19,945,355.53	97,737,840.47 Loss
4	Karrada Branch	136,814,383.23	131,680,115.70	(5,134,267.53) Loss
5	Erbil Branch	153,099,248.32	120,023,390.51	(33,075,857.82) Loss
6	Mansour Office	139,087,550.55	805,846,478.92	666,758,928.37 Profit

Total:

- **Expenses: 8,010,273,226.47**
- **Revenue: 9,635,902,331.84**
- **Net Profit or Loss: 1,625,629,105.38 Profit**

Capital Adequacy:
Article (16) of the Banks Law No. (94) of 2004, as well as Article (17) of Instruction No. (4) of 2010, define the required capital adequacy ratio for the bank. This ratio must not be less than 12% of the total assets, weighted by risk both on and off the balance sheet, plus market risk * 100%.
As of 31/12/2023, the bank's capital adequacy ratio has reached 196%.
Liquidity Ratio:
The cash liquidity ratio to total deposits was 85% as of 31/12/2023, reflecting the bank's strong liquidity position.

Top Five Salaries Report

No.	Name	Job Title
1	Mohammed Abduljabar Abdulhamid	Managing Director

No.	Name	Job Title
2	Zainab Tariq Areebi	Deputy Managing Director
3	Sahib Badr Aboud	Consultant
4	Mahmoud Sabri Khalaf	Head of Internal Sharia Audit Department
5	Saif Samir Abdulqader	Head of International Department

Real Estate Owned by the Bank as of 31/12/2023

1. **Property No. 1/298, District No. (15), Jurf Al-Naddaf**:
   - Area: 5 Dunams (with factory and warehouses)
   - Market Value: 2,245,000,000 Iraqi Dinars (2.245 Billion Dinars)
   - Purpose: Investment

2. **Property No. 6/88, Al-Zawiya (Plot of Land)**:
   - Area: 1395 square meters
   - Market Value: 5,407,480,000 Iraqi Dinars (5.407 Billion Dinars)
   - Purpose: Investment
3. **Share of Property No. 323/69, Al-Karada, Salman Faiq Street**:
   - Area: 904 square meters
   - Market Value: 2,260,648,000 Iraqi Dinars (2.260 Billion Dinars)
   - The bank's share: 249,994 shares out of the total 665,280 shares
   - Purpose: Bank Branch (Al-Karada Branch) with additional retail spaces for investment
4. **Property No. 75/397, Al-Soufiya Al-Janoubiya, Ramadi Governorate**:
   - Area: 421 square meters
   - Market Value: 709,304,000 Iraqi Dinars (709 Million Dinars)
   - Purpose: To establish a new branch in Anbar Governorate and part of the property is for investment

5. **Property No. 8/1794, Al-Dawoodi, District (20)**:
   - Area: 560 square meters
   - Market Value: 5,128,575,000 Iraqi Dinars (5.129 Billion Dinars)
   - Purpose: To serve as the General Administration Building and the Main Branch (completed and moved in)
6. **Property No. 3244/100, Erbil Governorate**:
   - Area: 261 square meters
   - Market Value: 903,589,500 Iraqi Dinars (903 Million Dinars)
   - Purpose: To establish a branch
7. **Property No. 3/28, Al-Jazeera, Karbala Governorate**:
   - Area: 276 square meters
   - Market Value: 1,035,000,000 Iraqi Dinars (1.035 Billion Dinars)
   - Purpose: To establish a branch
8. **Property No. 1798/3188, Al-Saad, Najaf Governorate**:
   - Area: 286 square meters
   - Market Value: 1,029,600,000 Iraqi Dinars (1.030 Billion Dinars)
   - Purpose: To establish a branch
9. **Property No. 18/306, Al-Batawin, Baghdad Governorate**:
   - Area: 912 square meters
   - Market Value: 2,796,192,000 Iraqi Dinars (2.796 Billion Dinars)
   - Purpose: Warehouses
10. **Property No. 37/113, Al-Atifiya, Baghdad Governorate**:
    - Area: 854 square meters
    - Market Value: 5,124,000,000 Iraqi Dinars (5.124 Billion Dinars)
    - Purpose: To establish a branch
11. **Property No. 5659/1, Al-Amiriya, Baghdad Governorate**:
    - Area: 300 square meters
    - Market Value: 960,000,000 Iraqi Dinars (960 Million Dinars)

- Purpose: To establish a branch

Important Note:
The properties listed above were approved for purchase by the Central Bank of Iraq, Banking Supervision Department. The market values provided are based on the Central Bank's appraisal. The bank holds real estate title deeds (Form No. 25) issued by the Real Estate Registration Authorities.

Correspondent Banks

No.	Bank Name	Country
1	Bank of Egypt	United Arab Emirates
2	Abu Dhabi Islamic Bank	United Arab Emirates
3	Al-Safwa Islamic Bank	Jordan
4	Arab African International Bank	United Arab Emirates
5	Union Bank	Jordan

Investments:

Companies Established or Participated in by the Bank as of 31/12/2023:

1. **Asia Gate Real Estate Investments LLC**
   - Capital: IQD 10,000,000,000 (10 billion dinars)
   - Establishment Date: 13/05/2019
   - Certificate No.: 02-9689
   - Ownership: 100%
   - Headquarters: Baghdad
   - Authorized Manager: Ala Hassan Jafar
   - Company Purpose: Real estate investment, including purchasing land and constructing residential, tourism, or commercial units as per the base design.
2. **Asia Gate General Trading LLC**
   - Capital: IQD 5,000,000,000 (5 billion dinars)
   - Ownership: 90% (IQD 4,500,000,000)
   - Establishment Date: 24/03/2019

- Certificate No.: 02-9356
- Headquarters: Baghdad
- Authorized Manager: Salam Mahmoud Karam
- Company Purpose: Investment in commercial business, creating opportunities, and transferring expertise and technology to develop the commercial sector and ensure food security.

3. Asia Gate Agricultural Investments LLC

- Capital: IQD 8,500,000,000 (8.5 billion dinars)
- Ownership: 100%
- Establishment Date: 24/02/2021
- Certificate No.: 02-12354
- Headquarters: Baghdad
- Authorized Manager: Aqeel Abdulaziz Majid
- Company Purpose: Investment in the agricultural and animal husbandry sectors.

4. Al-Kassab Financial Brokerage LLC

- Capital: IQD 100,000,000 (100 million dinars)
- Ownership: 100%
- Headquarters: Baghdad
- Authorized Manager: Khaloud Rady Mohamed
- Company Purpose: Brokerage for buying and selling securities.

5. The Iraqi Company for Deposit Guarantee

- Investment: IQD 1,539,473,680
- Certificate No.: 58
- Investment Date: 04/07/2022
- Company Capital: IQD 100,000,000,000
- Purpose: Deposit guarantee services.

6. **National Takaful Insurance Company (Sharia-Compliant Insurance)**
    - Investment: IQD 550,000,000
    - Investment Date: 16/08/2021
    - Purpose: Sharia-compliant insurance services (Takaful).

Total Cash Transactions for the Credit Department in 2023:

Type	Amount (IQD)	Number of Transactions
Collateral Pledges	1,408,500,000	2
Individual Murabaha	19,566,750,000	54
Corporate Murabaha	8,300,000,000	5
Individual Lease Contracts	0	-
Corporate Lease Contracts	169,250,000	2
Murabaha Contracts for Localization	3,740,500,000	262
Total	33,185,000,000	325

Total Guaranteed Transactions for the Credit Department in 2023:

Type	Amount (IQD)	Number of Transactions
Guarantee Letter / Tender Entry	34,069,417,320	564
Guarantee Letter / Operational Advance	98,729,100	6
Guarantee Letter / Good Performance + Professional License	15,655,352,150	381
Total	49,823,498,570	951

Contracts Signed by the Bank with External Entities for the Period from 1/1/2023 to 31/12/2023:

1. Contract with Mantira Company for Electronic Design and Marketing
    - Responsibility: Management of the bank's page on Facebook for social media engagement.
2. Contract with Connected Solutions Company for Financial, Banking Services, and Administrative Financial Development
    - Responsibility: Providing IT audit services.
    - Contract Date: 30/1/2023.
3. Contract with ICS Financial Limited (ICSFS)
    - Responsibility: Sale of systems for calculating expected losses according to IFRS standard 9, liquidity coverage ratio, and net stable funding ratio.
    - Contract Date: 26/2/2023.
4. Contract for Issuance of International Quality Certification (ISO)
    - Company: Fursan Al-Jawda for Training and Development.
5. Contract for Renewal of Risk Profile with the First Model Information Technology Company
    - Contract Date: 8/8/2023.
6. Contract for Security Protection with Jannah Iraq Company
    - Contract Date: 19/9/2023.

Internal Sharia Audit Department Report for the Year 2023:

Main Responsibilities of the Department: The department is responsible for auditing the bank's departments and branches in terms of accounting, financial, and Sharia compliance. Below are the details:

General Administration: The department audits the following departments:

1. **Financial Department**:
    - Auditing of accounting entries, various financial statements, budgets, salaries, advances, journal entries, and reconciliations with both internal and external banks.
2. **International Department**:

- Auditing of foreign transfers in detail, including documentary credits, currency window statements with the Central Bank of Iraq, and primary statements of companies benefiting from the transfers.

3. **Credit Department:**
    - Auditing of credit files and the underlying documents for loans granted according to Islamic Sharia, such as Murabaha, Mudarabah, Ijara, etc. This also includes auditing of types of guarantees and credit letters, as well as statements related to the Central Bank's initiative for small and medium-sized projects and projects over one billion.
4. **Administrative Department:**
    - Auditing of employee files, incoming and outgoing correspondence, miscellaneous files, and open records from an organizational perspective.
5. **Legal Department:**
    - Auditing of the department's files and records, as well as lawsuits filed by or against the bank.
6. **Anti-Money Laundering Department**:
    - Auditing of reports and communications, updating blacklists and international sanction lists, which are integrated into the bank's system and updated in real-time.
7. **Information Technology Department:**
    - Auditing the bank's system applications, reviewing issues raised by departments related to the system or any operational hurdles.
8. **Investment Department:**
    - Auditing investment reports, balances, and investment entities according to the instructions of the Central Bank of Iraq and Islamic Sharia, including the number of shares and certificates allowed for investment.
9. **Credit Cards Department (MasterCard):**
    - Auditing balances in ATMs, card sales, financial returns, and the distribution of ATMs and sales agents in Baghdad and other governorates.

Risk Department:

- Auditing risk reports, operational risk ratios, and aligning the auditing program with the bank's risk management policies. The department also reviews reports prepared by them.
-

Payment Systems Department:

- Daily auditing of payment system reports (RTGS and ACH).

Awareness Department:

- Auditing periodic publications, banking services on social media platforms, and obtaining approvals from the Central Bank and the Sharia Board for these services.

Branches and Al-Mansour Office Audits:

- Auditing all branch activities, including current accounts, savings accounts, deposits, withdrawals, deposits, and all related documents, files for opening accounts, cash balances, and physical cash counts. The department also monitors the granting of Murabaha loans and Letters of Guarantee.
- Quarterly meetings are held with the Chairman of the Board, external auditors, and members of the Sharia Board to discuss reports, statements, and banking transactions, providing Sharia and accounting feedback.
- The department prepares quarterly reports based on a model issued by the Central Bank of Iraq and submits them to the Banking Supervision Department.

Mahmoud Sabry Khalaf

Director of the Internal Sharia
Audit Departmen

Sharia Compliance and Compliance Monitoring Report as of 31/12/2023

Dear Sir/Madam,

The Compliance and Sharia Compliance Monitoring Department is an independent function that strengthens the Sharia governance of the bank and ensures adherence to laws, regulations, limits, and ratios set by the supervisory authority (the Central Bank of Iraq). This function is evaluated based on the established pillars of Sharia governance: Sharia regulatory environment, risk assessment, Sharia audit activities, and information and communication.

The main role of the Compliance Monitoring function can be summarized as follows:

- Establishing effective procedures for operations to ensure their Sharia compliance before execution.
- Reviewing and developing policies and procedures related to Sharia compliance.
- Providing assistance in supporting front office operations, which includes offering advice on the implementation of new laws or regulations within existing policies and procedures, as well as conducting regular employee training on compliance tasks and Anti-Money Laundering (AML) and Counter-Terrorism Financing (CTF), through auditing the Know Your Customer (KYC) form.
- Reviewing the bank's policies and procedures to ensure compliance with the Central Bank of Iraq's instructions and laws.
- Participating in Board of Directors meetings as the Compliance Monitor.
- Assisting in solving issues and following up with auditors and relevant parties to develop control measures to avoid future problems.
- Building strong working relationships within the bank.
- Developing a comprehensive Sharia compliance program as per the set plan.
- Coordinating and collaborating with internal and external Sharia auditors regarding Sharia compliance issues.
- Coordinating with the risk management department on issues related to non-compliance risks.
- Raising awareness among employees on laws, regulations, and instructions related to Sharia compliance and risk management through seminars, training sessions, workshops, and publications.
- Regularly reviewing and continuously assessing Sharia compliance, focusing on high-risk operations.

In compliance with the requirements of the Central Bank of Iraq in Circular No. 9/2/209 dated 2/4/2023, the KYE form was prepared by the Anti-Money Laundering and Counter-Terrorism Financing Reporting Department.

Additional Activities of the Department:

1. Preparation of a Compliance Matrix that includes most of the information on laws, regulatory frameworks, and banking products for which the Compliance Monitor is responsible.
2. The Sharia Compliance Department escalates compliance-related issues to senior administrative bodies and committees responsible for Sharia governance (corporate governance).
3. The department identifies, assesses, reports, monitors, and prepares reports on Sharia compliance risks to the bank, such as legal penalties, financial losses, and reputational damage due to non-compliance with applicable laws, regulations, codes of conduct, and standards of good practice in Islamic financial industries.
4. Reviewing the bank's policies and procedures for compliance with the Central Bank of Iraq's instructions and laws.
5. The department tracks and audits the main branch and branches monthly regarding open and closed accounts, rejected payments, and returned payments.
6. The department conducts field visits to bank branches to audit KYC forms and other financial operations.
7. The department monitors the BANKS system.
8. Ensuring compliance with FATCA (Foreign Account Tax Compliance Act) on an annual basis.
9. Following up on the Central Bank's communications and responding within the stipulated time.
10. The department develops a compliance guide covering Sharia compliance and compliance monitoring.
11. Monitoring electronic AML system reports, which are submitted daily by the Anti-Money Laundering and Counter-Terrorism Financing Department to the Anti-Money Laundering Office.
12. The Compliance Monitor supervises the board's adherence to the bank's internal regulations, employee training plans, and the implementation of corporate governance standards in Islamic banking. This also includes enhancing Sharia governance within the bank, based on the Sharia regulatory environment.
13. Verifying the integrity of data and information provided to the Central Bank of Iraq.
14. The department checks outbound and inbound transactions related to MoneyGram and audits the electronic system and compares it with manual forms.
15. The department monitors risk classification of clients monthly with the Risk Management Department.

16. The department, together with the Risk Management Department, prepares an operational risk register and maintains specific policies and procedures for managing non-compliance risks, based on the risk matrix and the Board of Directors' risk tolerance.
17. The department monitors credit department activities monthly concerning Murabaha transactions, Central Bank initiatives, credit granted through localization, and the number of issued and canceled Letters of Guarantee, among others. These are followed up on a quarterly basis.
18. Monitoring localization activities and verifying the number of Murabaha loans granted and the categories of clients eligible for them, with monthly reporting.
19. Monitoring card services activities such as the number of ATMs, defective cards, sold cards, agents, and distributed devices monthly.
20. Tracking legal proceedings involving the bank, including lawsuits filed by or against the bank, on a quarterly basis.
21. Verifying the integrity of data and information provided to the Central Bank of Iraq.
22. Tracking international transactions, including foreign currency exchange transactions and documentary credits, with correspondent banks on a monthly basis.
23. Monitoring investment department activities, including subsidiaries and following the trial balance on a quarterly basis, according to the Central Bank’s requirements.
24. Monitoring compliance with regulatory ratios and penalties or fines imposed by the Central Bank, on a monthly and quarterly basis.
25. The Compliance Department follows up on the implementation of environmental, social, and governance (ESG) performance standards.
26. The Compliance Monitor enjoys full independence in their work and directly reports to the Board of Directors. The department submits:

- Monthly reports to the Board of Directors, containing key observations across all departments for correction.
- Quarterly reports to the Central Bank of Iraq, evaluating the bank's financial condition and compliance status.

hareer Muzaffar Ayoub

Sharia compliance monitor and compliance monitor

Concept of Risk in Financial Institutions:

The concept of risk in a financial institution refers to the potential for the institution to face risks that could lead to losses. To avoid or minimize these risks, a series of measures and policies are taken to confront, address, and mitigate these risks at various operational, credit, Shariah, market, and legal levels. These measures aim to keep the exposure to risks under control through the preparation of specific scenarios for stress tests that help assess the institution's ability to withstand crises.

Concept of Risk Management:

Risk management refers to the set of procedures implemented by management to reduce the negative impacts of risks and ensure that they remain within acceptable limits. This involves establishing strategies to mitigate risks and ensuring that potential risks are effectively managed.

Tasks of the Risk Management Department:

1. Monitoring Executive Departments' Compliance: The Risk Management Department monitors the compliance of various departments within the bank with the established risk tolerance levels.
2. Auditing the Work and Reports of the Risk Management Department: The Risk Management Committee audits the activities and reports of the Risk Management Department. All updates mentioned in these reports are presented to the Bank's Board of Directors.
3. Independence of the Risk Management Department: The Bank's Board of Directors ensures the independence of the Risk Management Department by granting it the necessary authority to obtain information from all departments, in cooperation with the Risk Management Committee and the supervisory departments.
4. Conducting Stress Tests: The Board and the Risk Management Committee ensure that the Risk Management Department regularly conducts stress tests to measure the bank's ability to absorb shocks and face high-risk situations, based on the assumptions and scenarios used by the bank. The results of these tests are discussed, and actions are taken based on the outcomes.
5. Ensuring Sufficient Capital: Ensuring that the bank maintains enough capital to cover all potential risks it may face.

6. Approval of the Risk Matrix: The Bank's Board of Directors approves the risk matrix for the bank. The tasks of the Risk Management Department in this regard include:
    - Reviewing the Risk Management Framework before its approval by the Board of Directors.
    - Implementing the Risk Management Strategy and updating policies and procedures.
    - Studying and analyzing various types of risks the bank faces.
    - Providing necessary information about the bank's risks for disclosure purposes.
    - Providing recommendations to the Risk Management Committee and recording any exceptions to the accepted risk levels.

    Risk management is crucial for ensuring the stability of the bank and maintaining its ability to face challenges that may threaten its sustainability.

Measures Taken by the Risk Management Department to Mitigate Risks:

1. Control: This refers to the establishment of control procedures to ensure that risks do not occur or are minimized to the lowest possible level.
2. Diversification: This means diversifying funding sources, investments, and operations to reduce risks.
3. Sharing: This refers to involving other parties in bearing the risks, such as through insurance or guarantees.
4. Risk Acceptance: This refers to the bank's acceptance of a certain level of risk, typically in cases where the negative impact of the risk is minimal.
5. Risk Avoidance: This refers to designing operations to avoid risks according to specific plans to reduce them.

Compliance of the Risk Management Department with the Central Bank of Iraq Requirements:

The bank is in compliance with the requirements of the Central Bank of Iraq regarding the third and final phase of the review process for the risk management regulations in Islamic banks. This will be implemented by March 31, 2024, according to the regulations and instructions of the Central Bank of Iraq dated December 27, 2023.

Laila Harith Asaad

Director of the Risk Management Department

2023 Report of the Anti-Money Laundering and Terrorist Financing Department:

The Anti-Money Laundering and Terrorist Financing Department at the bank works to limit money laundering and terrorist financing activities, combat criminal activities, and address various methods used in these illegal practices, in compliance with the provisions of the Anti-Money Laundering and Terrorist Financing Law No. (39) of 2015, as well as the instructions and regulations issued by the Central Bank of Iraq.

The main activities carried out by the department during the year 2023 include:

1. **Updating Policies and Procedures:** The department updated the Anti-Money Laundering and Terrorist Financing policies and procedures after approval by the Board of Directors.
2. **Approval of Anti-Fraud Policies:** The department adopted anti-fraud policies and procedures following approval from the Board of Directors.
3. **Compliance with AML Law:** The department adhered to the powers granted under the Anti-Money Laundering and Terrorist Financing Law No. (39) of 2015. Work is ongoing to integrate new scenarios for the Anti-Money Laundering and Terrorist Financing Electronic System (AML System) as recommended by the Central Bank of Iraq and the Anti-Money Laundering and Terrorist Financing Office. The department has contracted with Biotech for this purpose and continues to coordinate with the company to address any challenges or system updates.
4. **Facilitation of Account Opening Procedures:** The department is working on facilitating account opening procedures in line with the Central Bank's instructions (9/2/599 dated 24/10/2023), including creating separate Know Your Customer (KYC) forms for individual, business, and corporate accounts to make the process smoother for customers.

5. **Screening Customers Against Sanction Lists:** The department conducts regular screening and verification of customers' names against local and international sanction lists using electronic systems that update every 12 hours.
6. **KYE Form Preparation:** The department prepared the "Know Your Employee" (KYE) form based on the Central Bank of Iraq's instruction (9/2/209 dated 2/4/2023).
7. **Self-Assessment Reports:** The department prepares self-assessment reports on money laundering and terrorist financing risks and submits them to the Board of Directors for review and to the Central Bank of Iraq annually.
8. **Collaboration in Compliance Plans:** The department collaborates with other regulatory departments to create compliance action plans, breaking down tasks to detect suspicious activities and categorize customer risks, which streamlines monitoring and enhances the search process. These ideas have been integrated into the electronic compliance system, creating a comprehensive database for customers, their business activities, and the banking services provided to them.
9. **Archiving Data**: The department continues to archive its data both in paper and electronic form for the year 2023.
10. **Participation in Banking Committees**: The department participates in various banking committees related to customer services, such as the Financial Opinion Committee, Field Inspection Committee, and relevant regulatory committees, to conduct due diligence on new customers and provide recommendations based on investigations.
11. **Annual Training Plans:** The department continues to prepare and participate in annual training plans targeting all bank employees, including those in the reporting department. These training sessions include internal and electronic courses organized under the Central Bank of Iraq's supervision, with training materials selected based on regulatory requirements and the services offered by the bank.
12. **System Integration and Updates:** The department continues to activate and improve the Anti-Money Laundering (AML) electronic system and is working closely with the system provider to address challenges and implement any updates required by regulatory authorities.
13. **Regular Reporting:** The department prepares quarterly reports required by the Central Bank of Iraq and the Anti-Money Laundering and Terrorist Financing Office, along with monthly reports that are approved by the Board of Directors. These reports contain recommendations, observations, actions taken, and performance evaluations, as well as updates on circulars from the Central Bank and other relevant authorities.
14. **Compliance Reports on U.S. Accounts:** The department submits annual compliance reports on U.S. accounts to the U.S. Department of the Treasury in coordination with the Sharia Compliance and Monitoring Department and the Information Technology Department. These reports include investigations into all U.S. accounts and related memos.

15. **Updating Customer Data:** The department ensures that customer data is updated annually and whenever there are changes. This is done in coordination with branches to ensure data accuracy, and quarterly updates are monitored.
16. **Monitoring of Electronic Systems:** The department continues to improve the electronic regulatory systems by providing an integrated database that cross-references customer data across the bank's branches, linking them seamlessly with the banking system.
17. **Establishing Correspondent Banking Relationships:** The department works on establishing formal relationships with various banks and correspondent financial institutions classified by global rating agencies, strengthening the bank's international partnerships, and coordinating with Mobik Company for prepaid services.
18. **System Compliance with Regulatory Requirements:** The department continues working with electronic systems according to regulatory requirements set by the Central Bank of Iraq and the Anti-Money Laundering and Terrorist Financing Office.
19. **Approval of Organizational Structure:** The department's organizational structure has been updated to align with the structure recommended by the Central Bank of Iraq in their supervisory guidelines.
20. **Contribution to Financial Opinion Reports:** The department continues to contribute to preparing reports for the Financial Opinion Committee.
21. **Reporting Suspicious Transactions:** The department reports any suspicious transactions to the Anti-Money Laundering and Terrorist Financing Office upon confirmation.
22. **Field Inspections:** The department has planned and conducted field inspections of the bank's branches, auditing transactions and coordinating with the Anti-Money Laundering Officer as part of the field visit schedule.
23. **Non-Banking Institutions Monitoring:** The department conducts audits of non-banking institutions for opened and closed accounts during the report preparation period, ensuring compliance with the regulatory guidelines on anti-money laundering and terrorist financing.
24. **Compliance with Asset Freezing Regulations:** The department continues to respond to official requests for freezing the assets of convicted criminals, fugitives, and terrorists, maintaining records in a dedicated database.
25. **Record-Keeping of Transactions:** The department organizes and stores electronic and paper records of transactions where a decision to preserve is made, ensuring proper analysis of information for each case.
26. **Monitoring Bank Shareholders:** The department regularly monitors the bank's shareholders by requesting daily reports from the Shareholders Department, performing due diligence on investors.

Marwa Thayer Sami
Director of the Money Laundering and

Finance Reporting Department

Salah Al-Baghdadi & his Partner Company

For Controlling and Auditing Accounts

Number: S.A / 57
Date: 15/4/2024
To: Shareholders of Asia Iraq Islamic Bank for Investment and Finance (S.A) Dear Respected Shareholders,
Subject: Auditor's Report on the Financial Statements for the Year Ended December 31, 2023
Greetings,
We are pleased to inform you that we have audited the consolidated financial statements of Asia Iraq Islamic Bank for Investment and Finance (S.A), which include the consolidated balance sheet as of December 31, 2023, the consolidated income statement, the consolidated statement of comprehensive income, the consolidated statement of changes in equity, the consolidated cash flow statement, and the related analytical schedules and accompanying notes, as well as the bank's annual report for the year mentioned, prepared in accordance with the provisions of the Companies Law No. (21) of 1997, as amended, the

regulations and instructions issued under it, the Banks Law No. (94) of 2004, and the Islamic Banks Law No. (43) of 2015.

We have obtained all the information and explanations that, in our opinion, were necessary to perform our task in accordance with the applicable legislation and in compliance with both international and local auditing standards and generally accepted auditing practices, which included necessary tests of the bank's activities within the scope of our responsibilities.

First: Management's Responsibility for the Bank's Financial Statements:

The management is responsible for the preparation of the consolidated financial statements and for presenting them fairly in accordance with international financial reporting standards and relevant legislation. Additionally, the management is responsible for establishing and implementing an internal control system, particularly concerning the preparation and fair presentation of the financial statements free from material misstatement due to fraud or error. This responsibility includes selecting and applying appropriate accounting policies and using reasonable accounting estimates.

Baghdad - Al-Mansour, behind Manar Ice Cream

M/613 Z/8 D/6

Mobile: 07901362234 – 07801764243

E-Mail: ahmed_jassim5@yahoo.com, prof.salahsahib@gmail.com

Salah Al-Baghdadi & his Partner Company

For Controlling and Auditing Accounts

Second: Responsibility of the Auditors:

Our responsibility is to express an impartial professional opinion on the consolidated financial statements presented to us, in accordance with international and local auditing standards and guidelines, which require us to adhere to professional conduct rules and plan the audit work to obtain reasonable assurances regarding whether the financial statements are free from any material misstatements. The audit includes testing, on a sample basis, the data and documents supporting the amounts in the balance sheet and other disclosures for the year ended 31/12/2023, and assessing the appropriateness of the accounting policies applied, the reasonableness of the accounting estimates made by the management,

and evaluating the effectiveness of the internal control system. In our opinion, the audit evidence we obtained is sufficient and appropriate to provide a reasonable basis for the opinion we express. We have **the following observations and notes**:

1. **Cash**: We supervised the cash inventory in the safes and boxes at the head office and the main branch as of 31/12/2023, and the balance matched the inventory lists provided to us. All cash balances shown in the records and deposited with the Central Bank of Iraq and local and foreign banks were reconciled with bank statements and confirmations received, and they were in agreement. It should be noted that the balances with foreign banks appeared as (2,267,361,380) dinars, and the foreign currency cash holdings (Emirati Dirham and Jordanian Dinar) were valued based on the exchange rate of the US Dollar for these currencies.
2. **Subsidiaries**: The bank has four limited subsidiaries, three of which are fully owned, with 100% of their capital paid by the bank, and one (Asia Gateway for General Trading Limited) with 90% of its capital owned by the bank. The subsidiaries are listed under the long-term financial investments statement, which includes:

Company Name	Establishment Cost	Bank's Ownership Percentage
Asia Gateway for Real Estate Investments	10,000,000,000	100%
Asia Gateway for General Trading	4,500,000,000	90%
Al-Kassab Securities Brokerage for Buying and Selling Securities	300,000,000	100%
Asia Gateway for Agricultural Investments	8,500,000,000	100%
Total	**23,300,000,000**	

Upon reviewing the financial stauditloing

Company Name	Surplus (Deficit)	Reserves 31/12/2023	Cash 31/12/2023
Asia Gateway for Real Estate Investments	8,049,604	(35,773,233)	2,798,615,799
Asia Gateway for General Trading	4,368,212	(14,072,423)	3,503,113,870
Al-Kassab Securities Brokerage for Buying and Selling Securities	1,853,303	11,544,425	311,130,558

Company Name	Surplus (Deficit)	Reserves 31/12/2023	Cash 31/12/2023
Asia Gateway for Agricultural Investments	15,960,196	(21,966,321)	2,892,804,498
Total	**30,231,315**	**(83,356,402)**	**9,505,664,725**

We would like to clarify the following:

- The total surplus of the companies mentioned above for the financial year ended 31/12/2023 amounted to 30,231,315 dinars, with an investment return rate of 0.13%. Therefore, the activity of the subsidiary companies needs to be studied to identify the reasons for the decline in the return on invested capital.
- The unused cash appearing in the accounts of all the subsidiary companies amounted to 9,505,664,725 dinars, representing 41% of the invested capital.
- The financial statements of Asia Gateway for Real Estate Investments for the financial year ended 31/12/2023 showed accounts payable / current liabilities amounting to (43) billion dinars, which is more than the company's capital. In addition, there was no disclosure about the partnership contract with Al-Rubban Al-Safina General Contracting Company for the construction of a residential complex being built at Al-Muthanna Airport. The funding amount for this project from the bank is (58) billion dinars.

3. Application of International Financial Reporting Standards (IFRS):
The bank continues to apply the International Financial Reporting Standards and has prepared the consolidated financial statements for the year subject to audit in accordance with these standards. Based on the instructions of the Central Bank of Iraq, the historical cost method was used in the valuation of properties, equipment, and other assets instead of revaluation.

4. Capital Adequacy:
The Basel Committee on Banking Supervision established a minimum capital adequacy ratio of 8%. The Central Bank of Iraq's instructions have considered the required minimum at 12%. Upon reviewing the accounting records and the nature of banking operations, we found that the capital adequacy ratio of the bank for the year subject to audit was 196%**.**

5. Shareholders' Equity
A. Capital Increase: We reviewed the Central Bank's memorandum numbered 9/2/439 dated 2/8/2023 regarding the increase of bank capital to 400 billion dinars by no later than 31/12/2024. Then, the Central Bank's letter numbered 9/2/31238 dated 7/11/2023, addressed to Al-Mansour Bank for Development and Investment with a copy to Asia Iraq Investment and Financing Bank, was received, instructing to delay the capital increase since the bank is prohibited from dealing in U.S. dollars until the auditing procedures by auditing firms are completed.

B. Change in Shareholders' Equity: Shareholders' equity increased from the beginning of the year by 1,407,481,357 dinars, which represents the surplus of the year after deducting the income tax provision of 248,379,063 dinars.

6. Credit Facilities and Provisions

A. The bank applied International Standard No. (9), and the total provisions for expected credit facilities reflecting the credit risk as of 31/12/2023 amounted to 6,079,059,756 dinars as detailed below:

(Proceeding with details would be provided in the following points)

Provision Type	Current Year	Previous Year
Commitment Credit Provisions	671,069,218	1,382,367,346
Investment Provisions	1,679,377,967	1,760,260,780
Cash Credit Provisions	3,329,027,706	2,384,759,082
Cash Provisions	399,584,865	551,672,551
Total	6,079,059,756	6,079,059,759

Provision Type	Current Year	Previous Year
Commitment Credit Provisions	671,069,218	1,382,367,346
Investment Provisions	1,679,377,967	1,760,260,780
Cash Credit Provisions	3,329,027,706	2,384,759,082
Cash Provisions	399,584,865	551,672,551
Total	6,079,059,756	6,079,059,759

7- The provision for expected credit losses was calculated in accordance with International 7 Standard No. (9) up to 31/12/2023, and it was found to be lower than the actual provisions calculated in the previous year, meaning no credit losses occurred during the year under review. Therefore, no amount was charged to the credit risk provisions for this year, whereas in the previous year, an amount of (1,231,761,227) dinars was charged.

8- The total credit facilities for financing (Ijara, Murabaha, soft loans) at the end of the year amounted to (90,108,352,176) dinars, and the net facilities for the same year amounted to (86,779,324,470) dinars.

7- Anti-Money Laundering and Terrorist Financing Law

The bank took the necessary measures to prevent money laundering and terrorist financing during the year under review. Based on our examination of the accounting records and our review of the bank's banking operations, no evidence was found to suggest that any banking transactions related to money laundering or contributed to financing terrorist activities.

Therefore, the bank complies with the Anti-Money Laundering and Terrorist Financing Law No. (39) of 2015 and the regulations issued by the Central Bank.

8- Compliance Officer and Shariah Board Reports

We reviewed the reports of the Compliance Officer related to the activity for the year under review. These reports were prepared in accordance with the requirements of the Central Bank of Iraq and Instruction No. (4) of 2010 regarding the implementation of the Banking Law No. (94) of 2004. Additionally, we reviewed the reports issued by the bank's Shariah Board and confirmed that these reports are consistent with the principles and rulings of Islamic Sharia.

9- Interim Financial Statements

The bank's summarized interim financial statements for the first, second, third, and fourth quarters were reviewed in accordance with International Auditing Standard (2410) related to the review of interim financial statements. The interim quarterly financial statements for the year 2023 have been issued.

10- Corporate Governance

We reviewed the bank's performance regarding the corporate governance guidelines. In our opinion, the bank generally complies with both the quantitative and qualitative requirements through the Balanced Scorecard model. The board of directors and the bank's management are committed to adhering to the corporate governance guidelines and applying its instructions related to disclosure and transparency practices.

11- Central Bank Audit Results

We reviewed the correspondence from the Central Bank regarding the results of the audit of the quarterly balances sent to the Central Bank at the end of each quarter. We also followed up on the implementation of the Central Bank's instructions regarding the quarterly balances and any other executive measures specified by the Central Bank for the bank.

12- Other Clarifications

a. The bank relies on an electronic system for entering financial transactions and the financial data sent to the bank, ensuring consistency with the content of records, ledgers, and the Central Bank's systems and instructions. As for the documents, they are recorded on paper, securely stored in safe locations, and electronically archived. The internal control procedures and accounting systems have included the necessary measures to ensure the accuracy and reliability of this data in line with the size of the bank's operations**.**

b. The bank has the ability to meet its obligations to depositors in terms of solvency and financial liquidity, as indicated by:

- Amounts of current accounts for companies and individuals as of 31/12/2023: 12.530 billion dinars
- Amounts of savings and fixed deposits as of 31/12/2023: 6.878 billion dinars
- Total: 19.408 billion dinars

It is worth noting that the cash in the vault, central bank, and local and foreign banks amounts to 92.032 billion dinars**.**

C. The bank's liquidity ratio for the year under audit was 85%, while the Islamic liquidity ratio was 97%.

D. The bank disclosed the sales and profits from the foreign currency buying and selling window in the income statement for both the audited year and the previous year separately. The balance was zero as of 6/11/2022, and based on the letter from the Central Bank of Iraq numbered (9/2/446) dated 6/11/2022, dealing in U.S. dollars was suspended. Subsequently, the bank did not participate in the currency auction from the date of the suspension letter until the date of our report.

E. In accordance with the letter from the Central Bank of Iraq numbered (9/3/98) dated 9/2/2023, the condensed interim financial statements for the period ending 8th February 2023 were prepared based on the exchange rate for 8/2/2023 (1310 dinars per U.S. dollar). As a result, the activity showed a deficit of (869,681,346) dinars.
F. The credit portfolio was reviewed, and a sample of credit files was examined. The ratio of the credit portfolio to capital and reserves was found to be less than (22%), and the ratio of other assets to current assets was 1.8%.
G. The financial investments amounted to (104,390) billion dinars, representing the bank's subsidiaries, the Iraqi Bank Guarantees Company, Islamic bonds, real estate investments, and partnerships.
H. Subsequent events: No subsequent events have occurred as of the balance sheet date that would materially affect the financial statements.
I. All bank accounts were reviewed, and disclosures were included for all attached analytical statements.
J. There were no lawsuits filed by or against the bank during the year.
Conclusion:
Based on the above clarifications and the findings of our examination, according to the bank’s records and the information provided to us, we conclude the following:

1. The accounting system used by the bank complied with the bookkeeping requirements, and it appears to include all assets, liabilities, uses, and revenues of the bank.
2. The physical inventory of fixed assets and cash was conducted properly under our supervision, and the results matched the auxiliary records. These assets were evaluated in accordance with the principles and foundations used in the previous year.
3. The management report, including the financial and accounting information, comprehensively reflects the financial position of the bank for the year under audit. This information is consistent with the accounts and complies with the applicable financial laws and regulations.

Third: Auditor’s Opinion:
Based on the above clarifications and observations, the financial statements and the attached management report were prepared in accordance with International Financial Reporting Standards and applicable regulations. The statements fairly present the consolidated financial position of the bank as of 31st December 2023, as well as its activities and cash flows for the fiscal year ending on that date.
We remain at your service with full respect and appreciation.

D. Salah, owner of Shaker Al-Baghdadi

Chartered accountant and auditor

Asia Iraq Islamic Bank for Investment and Finance (S.A.I.C.)
Financial Statements for the Fiscal Year
Ending 31st December 2023

Asia Iraq Islamic Bank for Investment and Finance (S.A.I.C.)
Statement of Financial Position as of 31st December 2023

Details	Explanation	Current Year (Amount / Dinar)	Previous Year (Amount / Dinar)
Assets			
Current Assets			
Cash in hand and balances at the Central Bank	1	83,708,751,486	108,576,298,271
Balances with local banks	2	6,055,445,948	12,155,581,121
Balances with foreign banks	3	2,267,361,380	2,276,919,151
Direct credit facilities (net)	4	86,779,324,470	84,898,957,464
Financial investments	5	104,389,599,588	75,982,027,730
Other assets	6	1,717,364,199	6,103,429,970
Total Current Assets		284,917,847,071	289,993,213,707
Fixed Assets			
Property and equipment (at book value)	7	34,974,409,542	23,160,825,187
Projects under construction	8	2,739,463,500	9,736,203,500
Total Fixed Assets		37,713,873,042	32,897,028,687
Total Assets		322,631,720,113	322,890,242,394

Details	Explanation	Current Year (Amount / Dinar)	Previous Year (Amount / Dinar)
Liabilities and Equity			
Current Liabilities			
Loans received from the Central Bank		25,007,251,574	28,503,134,146
Current accounts	9	22,461,329,434	20,602,383,116
Other liabilities	10	24,115,906,464	24,128,166,348
Total Current Liabilities		71,584,487,472	73,233,683,610
Equity			
Capital		250,000,000,000	250,000,000,000
Reserves		1,651,808,098	1,616,674,039
Accumulated deficit		(604,575,457)	(1,960,115,255)
Total Equity		251,047,232,641	249,656,558,784
Total Liabilities and Equity		322,631,720,113	322,890,242,394

Wissam Abdul Salam Jaafar
Chairman of the Board

Mohammed Abdul Jabbar Abdul Hameed
Authorized Director

Suad Mohsen Abdul
Accounts Manager

Ali Abdul Rasool Abbas Maatouk
Accountant: 33030

Dr. Salah Sahib Shakir Al-Baghdadi

Subject to our report No. (S.A/57) dated 15/4/2024
Salah Al-Baghdadi & Partner
Accounting and Auditing Partnership Company

Asia Iraq Islamic Bank for Investment and Finance (P.J.S.C.)
Statement of Income and Other Comprehensive Income
For the Financial Year Ended December 31, 2023

Previous Year Amount (IQD)	Current Year Amount (IQD)	Note	Details
			Current Activity Revenues
4,064,360,000	-	11	Revenue from Window Sales
11,387,879	(883,800,953)	11	Revenue from Foreign Exchange Transactions
4,729,401,948	5,362,949,419	11	Revenue from Murabaha and Ijara
(12,536,558)	(7,900,496)	12	Less: Banking Operations Expenses
8,792,613,269	4,471,247,970		**Net Interest and Commission Income**
			Other Revenues
563,503,780	776,131,020	11	Commission on Transfers
143,533,094	-	11	Commission on Letters of Credit
1,442,251,041	1,806,801,236	11	Commission on Letters of Guarantee
429,913,361	1,948,971,024	11	Investment Revenues
(102,171,570)	30,231,315	11	Revenue/(Deficit) from Subsidiaries
465,555,947	317,779,889	11	Other Banking Commissions
103,924,000	107,924,000	11	Revenue from Leasing Fixed Assets
191,221,194	157,014,176	11	Recovered Expenses

4,897,231	42,132,520	11	Other Revenues
3,242,628,078	5,186,985,180		**Total Other Revenues**
12,035,241,347	9,658,233,150		**Total Revenues**

(The bank has separately disclosed the amount of revenue from window sales apart from the revenues from foreign exchange transactions for the above year, as per the letter of the Central Bank of Iraq No. (M/T/23448) dated 10/10/2019.)

The attached notes from (1) to (14) are considered an integral part of the financial statements.

Asia Iraq Islamic Bank for Investment and Finance (P.J.S.C.)
Statement of Income and Other Comprehensive Income
For the Financial Year Ended December 31, 2023

Details	Note	Current Year Amount (IQD)	Previous Year Amount (IQD)
Current Activity Expenses			
Salaries and Wages	13	1,961,932,686	1,858,121,401
Operating Expenses	14	3,475,050,451	6,042,482,669
Depreciation and Amortization	6	2,565,389,593	1,146,008,384
Provision for Credit Impairment (Cash)	4	-	1,231,761,227
Provision for Credit Impairment (Commitment)		-	-
Total Operating Expenses		8,002,372,730	10,278,373,681
Surplus (Deficit) Before Tax and Zakat		1,655,860,420	1,756,867,666
Less: Tax Expense (15% of the amount)		248,379,063	263,530,150
Surplus (Deficit) After Tax to be Distributed		1,407,481,357	1,493,337,516
Mandatory Reserve (5% of the above amount)		70,374,068	74,666,876
Expansion Reserve (2% of the remaining amount)		26,742,145	28,373,412
Zakat (2.5% of the remaining amount)		32,759,128	34,757,430
Retained Surplus Available for Distribution		1,277,606,016	1,355,539,798
Comprehensive Income Surplus (Deficit) for the Year		1,407,481,357	1,493,337,516

Asia Iraq Islamic Bank for Investment and Finance (P.J.S.C.)
Statement of Changes in Shareholders' Equity as of December 31, 2023

Type of Reserve	Movement During the Year	Mandatory Reserve (IQD)	Expansion Reserve (IQD)	Investment Risk Reserve (IQD)	Zakat (IQD)	Retained Surplus (IQD)	Total Reserves (IQD)	Accumulated Deficit (IQD)
Balance as of 01/01/2023		165,952,288	42,098,625	1,512,512	51,570,816	1,355,539,798	1,616,674,039	(1,960,115,255)
Adjustments During the Year		-	-	16,807,500	-	1,355,539,798	1,372,347,298	1,355,539,798
Additions (Deficit) for the Year		70,374,068	26,742,145	-	32,759,128	1,277,606,016	1,407,481,357	-
Balance as of 31/12/2023		236,326,356	68,840,770	1,512,512	67,522,444	1,277,606,016	1,651,808,098	(604,575,457)

Asia Iraq Islamic Bank for Investment and Finance (P.J.S.C.)
Statement of Changes in Shareholders' Equity as of December 31, 2022

Type of Reserve	Movement During the Year	Mandatory Reserve (IQD)	Expansion Reserve (IQD)	Investment Risk Reserve (IQD)	Zakat (IQD)	Retained Surplus (IQD)	Total Reserves (IQD)	Accumulated Deficit (IQD)
Balance as of 01/01/2022		91,285,412	13,725,213	-	16,813,386	121,824,011	121,824,011	(1,960,115,255)
Adjustments During the Year		0	0	0	0	0	0	0
Additions (Surplus) for the Year		74,666,876	28,373,412	1,512,512	34,757,430	1,355,539,798	1,494,850,028	-
Balance as of 31/12/2022		165,952,288	42,098,625	1,512,512	51,570,816	1,355,539,798	1,616,674,039	(1,960,115,255)

The amount of the **deductions** (1,355,539,798 IQD) represents the net profit for the year 2023. The bank's general assembly approved the deduction of this amount from the accumulated deficit.

The attached notes from number (1) to (14) are considered an integral part of the financial statements.

Asia Iraq Islamic Bank for Investment and Finance (P.J.S.C.)
Statement of Cash Flows for the Year Ended December 31, 2023

Details	Current Year (31/12/2023) Amount (IQD)	Previous Year (31/12/2022) Amount (IQD)
1. Cash Flows from Operating Activities		
Net Surplus (Deficit) from Operations After Tax	1,407,481,357	1,756,867,666
Add: Depreciation and Amortization	2,565,389,593	1,146,008,384
(Increase) or Decrease in Net Credit Facilities	(1,880,367,006)	(29,749,619,499)
(Increase) or Decrease in Receivables (Other Assets)	2,712,040,841	(2,629,389,445)
(Increase) or Decrease in Payables (Other Liabilities)	(12,259,884)	6,431,196,986
(Increase) or Decrease in Credit Current Accounts	1,858,946,318	(40,512,671,330)
Net Cash Flow from Operating Activities	6,651,231,219	(63,557,607,238)
2. Cash Flows from Investing Activities		
(Increase) or Decrease in Loans Received	(3,495,882,572)	20,415,372,146
(Increase) or Decrease in Financial Investments	(28,407,571,858)	(19,722,341,373)
(Increase) or Decrease in Fixed Assets	(12,704,949,018)	(7,367,203,326)

Details	Current Year (31/12/2023) Amount (IQD)	Previous Year (31/12/2022) Amount (IQD)
(Increase) or Decrease in Projects Under Construction	6,996,740,000	1,996,892,050
Net Cash Flow from Investing Activities	(37,611,663,448)	(8,671,064,603)
3. Cash Flows from Financing Activities		
(Increase) or Decrease in Capital		
(Increase) or Decrease in Reserves	(16,807,500)	1,512,512
Net Cash Flow from Financing Activities	(16,807,500)	1,512,512
Net Increase or (Decrease) in Cash and Cash Equivalents from Above Activities	(30,977,239,729)	(72,227,159,329)
Cash and Cash Equivalents at the Beginning of the Year	123,008,798,543	195,235,957,872
Cash and Cash Equivalents at the End of the Year	92,031,558,814	123,008,798,543

The attached notes from (1) to (14) are considered an integral part of the financial statements.

Asia Iraq Islamic Bank for Investment and Finance (P.J.S.C.)

Note (1): Cash on Hand and Central Bank Balances as of December 31, 2023

Details	Current Year (31/12/2023) Amount (IQD)	Previous Year (31/12/2022) Amount (IQD)
Cash in Hand - Local Currency	21,256,840,000	25,839,003,250
Cash in Hand - Foreign Currency	-	10,804,000
Cash at Central Bank of Iraq - Current Account	47,582,823,849	59,564,621,808

Details	Current Year (31/12/2023) Amount (IQD)	Previous Year (31/12/2022) Amount (IQD)
Cash at Central Bank of Iraq - Legal Reserve	3,327,311,490	5,173,991,340
Cash at Central Bank of Iraq - Time Deposits	9,694,496,147	15,540,961,873
Cash in ATMs	1,847,280,000	1,375,970,000
Point of Sale (POS) Settlements	-	1,070,946,000
Total Cash on Hand and Central Bank Balances	83,708,751,486	108,576,298,271

Note (2): Balances with Local Banks as of December 31, 2023

Bank Name	Current Year (31/12/2023) Amount (IQD)	Previous Year (31/12/2022) Amount (IQD)
United Investment Bank	6,052,089,000	8,052,099,000
Iraqi Islamic Bank	526,948	574,121
Al-Thiqa International Islamic Bank	1,000,000	4,101,000,000
Noor Iraq Islamic Bank	1,737,000	1,745,000
International Development Bank	93,000	163,000
Total	6,055,445,948	12,155,581,121

Note (3): Balances with Foreign Banks as of December 31, 2023

Bank Name	Current Year (31/12/2023) Amount (IQD)	Previous Year (31/12/2022) Amount (IQD)
Abu Dhabi Islamic Bank - UAE	5,908,625	54,256,565
Al-Safwa Islamic Bank - Jordan	401,269,921	222,276,340
Jordan Union Bank	273,929,691	908,399,589
Banque Misr	960,172,605	140,034,799
Arab African International Bank	626,080,538	951,951,858
Total	2,267,361,380	2,276,919,151

The accompanying notes (1) to (14) are an integral part of the financial statements.

Note (4): Credit Facilities (Loans and Advances) as of December 31, 2023

Account Name	Current Year Amount (31/12/2023) (IQD)	Previous Year Amount (31/12/2022) (IQD)
Ijarah Financing	1,484,668,793	2,280,353,297
Murabaha Financing	85,225,207,581	81,152,147,032
Soft Loans Financing	3,398,475,802	3,851,216,217
Total Credit Facilities	90,108,352,176	87,283,716,546
Less: Murabaha Provisions	(3,329,027,706)	(2,384,759,082)

Account Name	Current Year Amount (31/12/2023) (IQD)	Previous Year Amount (31/12/2022) (IQD)
Less: Ijarah Provisions	(3,329,027,706)	(2,384,759,082)
Net Direct Credit Facilities	86,779,324,470	84,898,957,464

Note:

The bank has applied International Standard No. (9), and the expected credit losses reflecting the risks of debt instruments amounted to IQD 6,079,059,756, of which:

- IQD 3,329,027,706 represent credit provisions for cash loans.
- IQD 671,069,218 represent provisions for contingent credit.
- IQD 1,679,377,967 represent provisions for investments (participations).
- The remaining IQD 399,584,865 represent provisions for cash.

The accompanying notes (1) to (14) are an integral part of the financial statements.

Disclosure No. (5) Long-Term Financial Investments as of December 31, 2023

Account Name	Current Year Amount (I	Previous Year Amount (I
Asia Gate Real Estate Investments Ltd.	10,000,000,000	10,000,000,000
Asia Gate General Trading Ltd.	4,500,000,000	4,500,000,000
ıssab Brokerage for Buying and Selling Securities	300,000,000	300,000,000
Asia Gate Agricultural Investments Ltd.	8,500,000,000	8,500,000,000

Account Name	Current Year Amount (I	Previous Year Amount (I
Investments in Deposit Certificates	5,000,000,000	-
Iraqi Bank Guarantees Company	1,542,098,680	1,542,098,680
National Takaful Company	550,000,000	550,000,000
Islamic Sukuk	5,051,087,520	5,821,418,697
Real Estate Investments	7,653,331,000	7,653,331,000
Shares (Equity Participations)	61,293,082,388	37,115,179,353
Total	**104,389,599,588**	**75,982,027,730**

Disclosure No. (6) Other Assets as of December 31, 2023

Account Name	Current Year Amount (I	revious Year Amount (IQD)
Collaterals with Third Parties	130,194,230	3,078,214,679
Revenues Due but Not Collected	30,231,315	-
Prepaid Expenses	15,672,219	227,461,500
Employee Loans	669,995,145	878,368,270
et Property Valuation (Property Differences)	-	1,674,024,930
Uncollected Rent Revenue	52,366,792	52,379,365
Private Sector Debtors	194,223,603	93,868,920
Bank Clients and ATMs	504,116,925	500,000
MasterCard - ATM and POS	-	(25,293,599)
Transfers/Master Settlement	-	82,021,715
ncollected Commissions / Guarantee Letters	120,563,970	41,884,190
Total	**1,717,364,199**	**6,103,429,970**

The attached notes from (1) to (14) are considered an integral part of the financial statements

TOTAL

Asia Iraq Islamic Bank for Investment and Finance (P.S.C.)

Note No. (7a) Property and equipment and their depreciation for the year ending December 31, 2023

the total Amount / dinar	Total (except H/118) Amount/dinar	Total (except H/118) Amount/dinar	Furniture and appliances Amount / dinar	Means of transport amount / dinar	Machines and equipment Amount / dinar	Buildings and constructions Amount / dinar	Satisfied Amount / dinar	detels
24,734,293,487	1,036,856,315	23,697,437,172	1,150,788,712	312,128,500	69,693,750	5,091,015,050	17,073,811,160	2023/1/1 Cost in
12,705,254,953	176,292,453	12,528,962,500	53,476,500	-	-	12,475,486,000	-	Additions during the year
544,249,325-	543,346,191-	903,134-	903,134-	-	-	-	-	Downloads during the year
36,895,299,115	669,802,577	36,225,496,538	1,203,362,078	312,128,500	69,693,750	17,566,501,050	17,073,811,160	2023/12/31 Cost in
								Extinctions
1,573,468,300	-	1,573,468,300	683,985,413	68,551,550	65,047,500	755,883,837	—	Balance as in 2023/1/1
348,018,472	-	348,018,472	184,136,221	57,415,700	4,646,250	101,820,301	—	Add/extinction and amortization
597,199-	—	597,199-	597199-	-	-	-	—	sales
1,920,889,573	-	1,920,889,573	867,524,435	125,967,250	69,693,750	857,704,138	—	2023/12/31 Cost in
34,974,409,542	669,802,577	34,304,606,965	335,837,643	186,161,250	0	16,708,796,912	17,073,811,160	2023/12/31

مصرف آسيا العراق الإسلامي للاستثمار والتمويل
ASIA ALIRAQ ISLAMIC BANK FOR INVESTMENT AND FINANCE

<u>Clarification:</u> 1- The amount of additions to the buildings account (12,475,486,000 dinars) represents the completion of the construction of Al-Daoudi land to be the building of the headquarters of the public administration and the main branch

Asia Iraq Islamic Investment and Finance Bank (S.A.I.)

Note No. (8): Projects Under Execution as of December 31, 2023

Details	Current Year Amount (I	Previous Year Amount (IQD)
Buildings and Constructions	1,825,946,000	8,822,686,000
Branch Opening Expenses	913,517,500	913,517,500
Total	2,739,463,500	9,736,203,500

Note No. (9): Current Accounts as of December 31, 2023

Account Name	Current Year Amount (I	Previous Year Amount (IQD)
Current Accounts - Public Sector	44,560,541	14,203,026
Current Accounts - Financial Sector	94,458,030	114,106,720
Current Accounts - MasterCard	232,536,067	185,790,779
Current Credit Accounts - Companies	10,661,124,374	16,649,749,526
Current Credit Accounts - Individuals	1,497,272,725	1,026,821,378
Approved Bonds	77,876,000	20,761,000
Savings Accounts	341,611,733	858,001,806
Fixed Deposits	6,536,061,530	1,202,695,198
Letter of Credit	53,596,361	152,664,433
Withdrawn Transfers / MasterCard	910,406,070	-
Checks Drawn on the Bank	-	55,323,865
Cancelled Letter of Guarantee Collaterals	107,773,300	272,406,498

Account Name	Current Year Amount (I	Previous Year Amount (IQD)
Debtors for Current Activity	144,930,548	1,691,250
Accounts Payable	300,000	-
Stamp Fees	21,791,557	28,993,082
Deductions for Others	17,599,350	19,174,555
Insurance Company Debtors	23,434,248	-
Amounts Received for Company Registratior	658,997,000	-
Subscription Deposits for Company Shares	1,037,000,000	-
Total	22,461,329,434	20,602,383,116

Asia Iraq Islamic Investment and Finance Bank (S.A.I.)
Note No. (10): Other Liabilities as of December 31, 2023

Details	Current Year Amount (IQD)	Previous Year Amount (IQD)
Provisions / Credit Provision (Obligatory) / IFRS 9	671,069,218	1,382,367,346
Operational Risk Provisions	221,650,000	219,455,000
Money Provisions / IFRS 9	399,584,865	551,672,551
Miscellaneous Provisions	71,904,000	71,453,000
Equity Equivalent Provision	24,799,879	21,653,475
Tax Provision	248,379,063	263,530,150

Details	Current Year Amount (IQD)	Previous Year Amount (IQD)
Commission Received for Letters of Guarantee	981,200,616	801,167,551
Uncollected Revenues	798,602,971	530,241,103
Accrued Expenses	54,858,382	37,900,000
Revenue Received in Advance	-	10,000,000
Charity Fund	110,706,624	53,677,025
Deferred Murabaha Profits	8,617,510,047	8,299,679,412
Documentary Credit Guarantees	-	37,303,000
Letter of Guarantee Collaterals	9,784,124,128	9,382,677,105
Received Collaterals	426,246,634	685,467,500
Unclaimed Amounts	25,892,070	19,661,350
Investment Provisions / IFRS 9	1,679,377,967	1,760,260,780
Total Other Liabilities	24,115,906,464	24,128,166,348

Asia Iraq Islamic Investment and Finance Bank (S.A.I.)
Note No. (11): Revenue Statement for the Year Ending December 31, 2023

Account Name	**Current Year Amount (IQD)**	**Previous Year Amount (IQD)**
Foreign Currency Revenues		
Revenues from Window Sales	-	4,064,360,000
Revenues from Foreign Currency Trading	(883,800,953)	11,387,879
Total Foreign Currency Revenues	(883,800,953)	4,075,747,879

Account Name	Current Year Amount (IQD)	Previous Year Amount (IQD)
Murabaha and Ijarah Revenues		
Murabaha Revenues	4,203,502,734	3,657,476,176
Ijarah Revenues	250,072,210	201,525,144
Ijarah Revenues / Depreciation Share	909,374,475	870,400,628
Total Murabaha and Ijarah Revenues	5,362,949,419	4,729,401,948
Transfer Fees		
External Transfer Fees	774,324,867	555,877,580
Internal Transfer Fees	1,806,154	7,626,200
Total Transfer Fees	776,131,021	563,503,780
Letter of Guarantee Fees		
Letter of Guarantee Issuance Fees	1,806,801,236	1,442,251,041
Documentary Credit Fees	-	143,533,094
Total Letter of Guarantee Fees	1,806,801,236	1,585,784,135
Investment Revenues		
Revenues from Subsidiary Companies	30,231,315	(102,171,570)
Revenues from External Investments	316,541,829	429,913,361
Revenues from Domestic Financial Investments	1,632,429,195	-
Revenues from Fixed Assets	107,924,000	103,924,000
Total Investment Revenues	2,087,126,339	431,665,791
Recovered Expenses Revenues		
Telecommunications	78,866,130	99,817,753
Printing Costs	78,148,046	91,403,441
Total Recovered Expenses Revenues	157,014,176	191,221,194

Account Name	Current Year Amount (IQD)	Previous Year Amount (IQD)
Other Banking Fees		
Bank Drafts and Sukuk Issuance Fees	3,595,833	52,317,143
Other Banking Fees	197,399,741	370,557,408
Salary Transfer Fees	4,810,000	2,130,000
Electronic Services Fees (Mastercard)	116,784,315	40,551,396
Total Other Banking Fees	322,589,889	465,555,947
Other Revenues	37,322,520	4,897,231
Total Revenues	9,666,133,647	12,047,777,905

Asia Iraq Islamic Investment and Finance Bank (S.A.I.)

Note No. (12): Banking Operations Expenses for the Year Ending December 31, 2023

Details	Current Year Amount (IQD)	Previous Year Amount (IQD)
Expenses Paid for Savings Accounts		
Banking Commissions	7,900,496	12,536,558
Total	**7,900,496**	**12,536,558**

Note No. (13): Salaries and Wages Statement for the Year Ending December 31, 2023

Account Name	Current Year Amount (IQD)	Previous Year Amount (IQD)
Cash Wages	1,306,606,000	1,310,835,000
Incentive Bonuses	181,985,000	75,541,100
Provisions	308,895,189	305,016,867

Account Name	Current Year Amount (IQD)	Previous Year Amount (IQD)
Provisions for Overtime	2,872,097	6,212,474
Unit's Share in Guarantee	161,574,400	160,515,960
Total Salaries and Wages	**1,961,932,686**	**1,858,121,401**

Asia Iraq Islamic Investment and Finance Bank (S.A.I.)

Note No. (14): Operating Expenses for the Year Ending December 31, 2023

Account Name	Current Year Amount (Dinars)	Previous Year Amount (Dinars)
Fuel and Oils	**58,010,000**	**8,027,000**
Supplies and Equipment	**36,101,400**	**21,754,390**
Stationery	**45,172,800**	**49,142,290**
Employee Equipment	**15,000,000**	**555,000**
Electricity and Water	**55,292,750**	**53,388,010**
Building and Facility Maintenance	**58,869,000**	**11,783,960**
Machinery and Equipment Maintenance	**15,134,000**	**4,881,900**
Transport and Transit Maintenance	**15,072,000**	**7,501,100**
Office Furniture and Equipment Maintenance	**15,218,800**	**6,896,200**
Software and Systems Maintenance	**101,787,000**	**157,304,000**
Research and Consultancy Services	**87,465,773**	**38,122,000**
Advertising and Public Relations	**16,910,000**	**16,847,360**
Hospitality	**11,408,450**	**10,924,250**

Account Name	Current Year Amount (Dinars)	Previous Year Amount (Dinars)
Conferences and Seminars	-	11,619,280
Employee Transport	5,881,250	46,886,000
Goods and Cargo Transport	8,997,000	168,346,340
Travel and Mission	8,507,000	3,168,500
General Communications	49,761,600	58,484,760
Building and Facility Rental	150,000,000	249,813,320
Office Furniture and Equipment Rental	-	3,832,500
Subscriptions	74,529,520	41,610,395
Bonuses for Non-Employees	120,000	717,000
Legal Services	2,700,000	36,610,000
Banking Services	44,502,800	119,263,700
Training and Qualification	16,026,160	8,968,000
Audit Fees	79,858,382	62,900,000
Account Organization Fees	-	9,500,000
Other Service Expenses	32,814,518	59,350,036
Iraqi Deposit Insurance Company Expense	15,229,000	48,589,000
Operational Risks	2,195,000	2,173,000
Revaluation of Bonds and Islamic Sukuk	196,064,427	20,878,000
Investment Risk Reserve Expense	3,146,404	11,198,259
Compensation and Fines	743,491,000	663,994,964
Special Services Expenses / Security Guard Fees	152,750,000	190,302,800

Account Name	Current Year Amount (Dinars)	Previous Year Amount (Dinars)
Various Fees and Taxes	186,353,750	381,779,250
Capital Losses (Donations to Others)	72,000,000	72,000,000
Lease Depreciation Expense	909,374,475	870,400,627
Asset Impairment	-	150,000,000
Property Purchase Differences	-	1,555,261,466
Currency Risks as per Standard 9	-	323,275,812
Paid Investment Account Expenses (Savin + Deposits)	189,306,192	414,332,200
Foreign Bank Risks	-	70,100,000
Total	3,475,050,451	6,042,482,669

The audit fees for the year 2023, amounting to 79,858,382 Dinars, represent the fees of Salah Al-Baghdadi & Partners for auditing and reviewing the accounts.