



**Region Trade Bank for Investment & Finance
(RT Bank)
(Private Shareholding Company)
Financial Statement and Audit Report
For the year ended on December 31st, 2022**

A N N U A L R E P O R T 2022

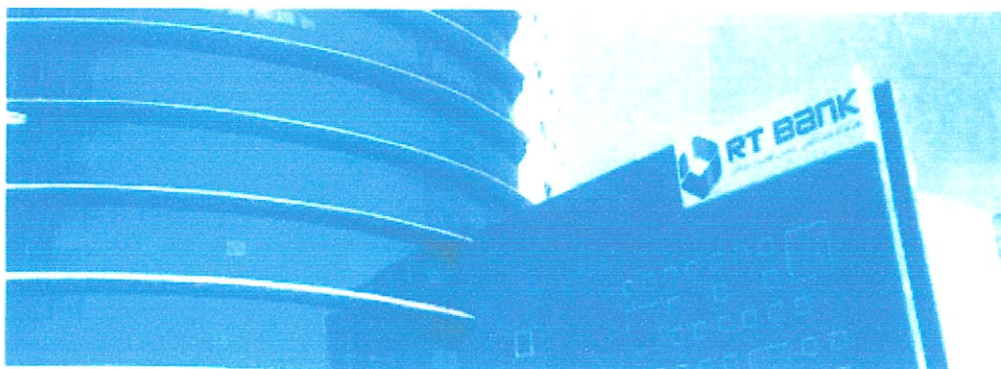
Signature
Adil Hassoun and Partners
Chartered Accountant and
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Region Trade Bank For Investment & Finance
(Private Shareholding Company)
ERBIL-IRAQ

Financial Statement
for the year ended on December 31st, 2022





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(Private Shareholding Company)
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The explanations attached in pages 45 - 89 shall deem as an integral part hereto.



(The Board of Directors Head's Word)

To\ The Esteemed Members of the Region Trade Bank's Board of Directors
The Esteemed Representatives of the Central Bank of Iraq
The Esteemed Representatives of the Companies Registration Directorate
The Esteemed Securities Board

Peace and Blessings Be Upon You...

On behalf of my colleagues, the esteemed members of the Region's Trade Bank's Board of Directors and other staff of the Bank, I am very pleased to welcome you all, and thank you for accepting our invitation to attend this annual meeting to present to you the career of the Bank.

We have succeeded during the few past years in building a strong bank in Iraq, and the Region Trade Bank have proved within a very short period that it enjoys strong capabilities and advanced technologies serving well the developed market in Iraq.

And we further developed an increasing and a wide customers' database at the Bank comprising a wide range of individuals and companies.

We trust in our strength points from which we derive our professional traditions and strong understanding of the local market, along with our rich record of achieving growth and benefits.

Our Bank continued its rising graph in terms of performance by obtaining a "CAMEL" evaluation degree higher than the previous year, which is "2A", through our commitment to international standards and adherence to the instructions of the Central Bank of Iraq, in addition to obtaining the Credential Classifications at the Grade (CCC+) from the International Fitch Ratings Corporation which is one of the worldwide organizations in this field.

The Region Trade Bank owns a team of professional bankers, chosen carefully with due diligence, who abide by the international codes of ethics and banking standards.

Before finalizing my brief and humble speech, I would like to pay my sincere gratitude to each of the esteemed representatives from the Central Bank of Iraq, and the Central Bank of Iraq \ Erbil Branch, Companies Registration Offices in Baghdad and Erbil and the Securities Board for their continuous support to the banking sector.

Best Regards,

Hamila Abdul-Sattar Jumaa
Head of the Board of Director



In the Name of God the Most Compassionate & Merciful
Annual Report by the Board of Directors in respect to the Bank's Activities
for the year ended on 31st of December 2022

Dear Sirs/Madams the esteemed shareholders of the Bank,

In compliance with both Articles 117 and 134 of Companies Law No. 21 of 1997 (amended), the Corporations Accounting System's Regulation No. 1 of 1998, Accounting Rule No. 10 issued by the Accounting and Regulatory Standards Board in the Republic of Iraq, the International Accounting Standards and the Provisions of Banks Law No. 94 of 2004,

We are pleased to demonstrate to you below the annual report of the Bank's activities and the outcomes of the financial transactions, as well as the final accountings for the fiscal year ended on the 31st of December 2021.

1. A brief about the establishment of the Bank and the changes that have occurred in the Capital and the Contributors' rights:

a. A brief Summary about the establishment of the Bank:

The Bank was founded according to the Establishment Certificate No. 282 in 20th of July 2001 issued by the General Directorate of Companies' Registration in Kurdistan Region as a limited liability company, and have secured approval from the Central Bank of Kurdistan Region allowing to grant the Bank with the founding certificate No. 493 in 28th of July 2001.

The Bank was granted with the Establishment Certificate No. 15145 in 29th of November 2006 issued by the Companies Registration Directorate in Baghdad as a private shareholding company with a capital estimated at the amount IQD 25,250,000,000, and the Bank secured a permit to perform inclusive banking practices from the Central Bank of Iraq under its Letter No. 408/3/9 in 1st of March 2007.

The Capital was raised in installments until the amount reached 250,000,000,000 Iraqi Dinars on July the 22nd 2013 according to the letter No. 24306 issued by the Companies Registration Directorate, divided on 250,000,000,000 nominal shares at the value 1 Iraqi Dinar per each share.

The main headquarters of the Bank is based in Erbil, the Kurdistan Region of Iraq.

The Bank provides banking services through its main headquarters and its five branches located in Erbil, Baghdad, Duhok, Sulaymaniyah and Kirkuk, in addition to a banking office at Erbil International Airport, along with Minaa Al-Jaff Office in Duhok.

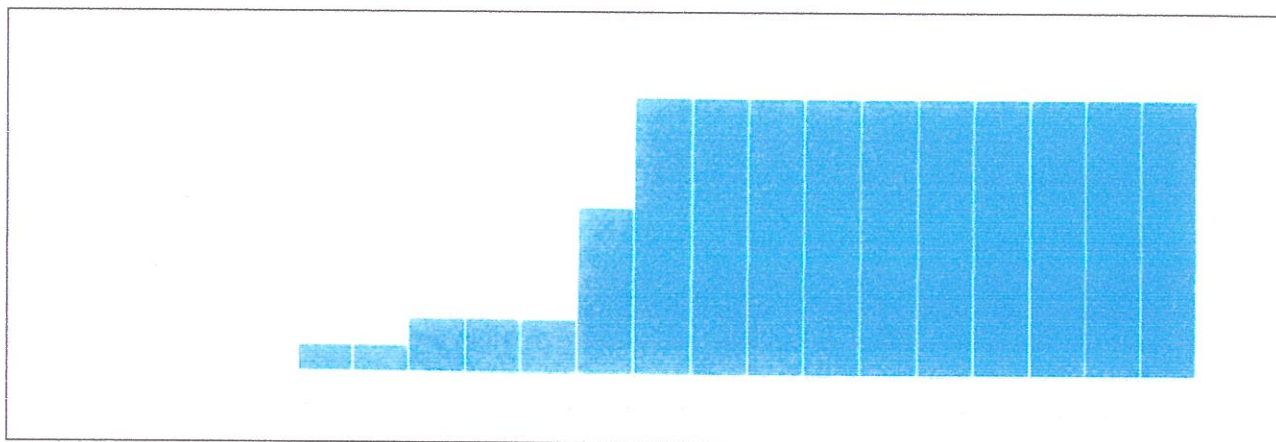
It was decided to change the name of the Bank according to the approval obtained from the Central Bank according to the resolution made by the Bank's Board of Directors during its Meeting No. 1511 held on April the 20th 2014, changing the name into "Region Trade Bank for Investment and Finance" - Private Shareholding Company, according to the Resolution No. 1214/3/9 in 10th June 2014 made by the General Directorate of Banking and Credit Control.

Under the Securities Board's letter No. 1173/10 in 5th of July 2017, it was decided to enlist the shares of the Bank in the Iraqi Market for Securities.

b. Changes in the Bank's Capital:

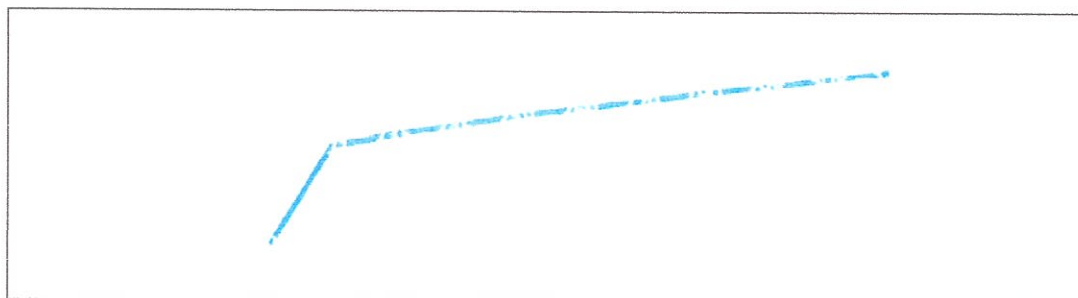
- In 23/11/2006, it started with a capital of IQD 25,250 billion.
- In 04/05/2009, the capital was increased to IQD 50 billion.
- In 12/09/2012, the capital was increased to IQD 150 billion.
- In 25/09/2013, the capital was increased to IQD 250 billion.

Below shown a diagram describing the changes of the capital paid during the years 2007 - 2022:



c. Shareholders' Rights:

The total of the Bank's Shareholder's rights mounted to 317,851 million Iraqi Dinars by the end of the year 2022, against 307,329 million Iraqi Dinars by the end of the year 2021, namely; with an increase of 10,521 Billion Dinars and at the rate %1.03, and the diagram shown below explains the changes in the Shareholder' rights during the years 2012 - 2022.



2. Bank's Expansion Plans:

a. Bank's Branches:

The Bank is currently having five branches distributed in the following governorates: Erbil, Sulaymaniyah, Duhok, Kirkuk and Baghdad, and the Bank has plans to expand by opening other branches in the important trade centers, not to mention that the Bank has already set an expansion plan approved by the Central Bank of Iraq.

b. The Bank's Objectives:

The Bank aims to provide best banking services, promote performance levels and achieve expansion in available banking products, so as to deepen its role in the development of the national economy and multiply its share in the market, as well as to achieve geographical expansion according to annual plans subject to approval by the Central Bank, the Bank is further aiming to introduce new products in addition to the existing available services, and first services the Bank plans to provide perhaps may be MasterCard Service as well as Large and Small Projects Financing Program (SME).

3. The Financial Indicators:

a. Adoption of International Financial Reporting Standards:

The data included in the Administration Report was prepared depending on previously organized annual reports and information, according to International Financial Reporting Standards as of the year 2016.

b. Profits and Losses:

The Bank attained profits at the amount 10,521 million Dinars before tax during the year 2022, against a profit at the amount 8,907 million Dinars during the previous year 2021. Below we present profits or losses during the years 2012 - 2022:

Year	Profits\ Million Iraqi Dinars
2012	2,648 Profit
2013	24,737 Loss
2014	15,069 Profit
2015	12,123 Profit
2016	14,152 Profit
2017	11,878 Profit
2018	10,065 Profit
2019	16,938 Profit
2020	9,634 Profit
2021	8,907 Profit
2022	10,521 Profit

The chart shown above demonstrates that the Bank attained good profits despite the economic status which the Region went through due to new policies set by the new Board of Directors.

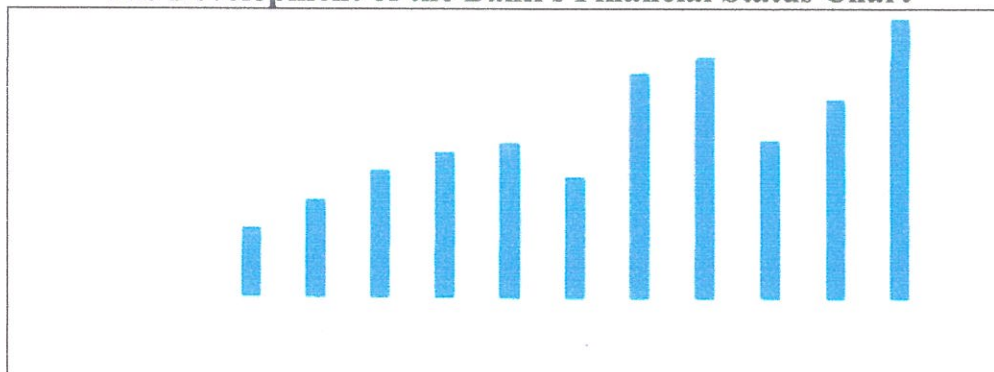
c. The Bank's Financial Status:

The chart shown below describes the ongoing development, year after another, in the financial status of the Bank (Total Budget) since 2013 up to 2016. Whereas the growth rate of the Bank's financial status' assets increased to 186% during 2016 compared to the basic year of 2012, while it decreased on this year 2017 and reached 124% due to economic crisis in the Region. And it has increased again in 2018 up to 313% in the result of cash flow increase by the end of 2018.

And; it increased further in 2019 and reached 342%. And during 2020, the financial status has witnessed a major decrease estimated at the rate 65% in comparison with 2019 due to Corona epidemic, while in comparison with the basic year the rate increased by 291%. Meanwhile, the Bank's financial status increased to 364% and 510% during 2021 and 2022 against the basic year. As for comparing the years 2021 and 2022, there is an increase in the financial status of 29%.

Year	Financial Status / Billion Iraqi Dinars	Development Rate
2012	221,182	Basic Year
2013	364,517	65%
2014	480,621	117%
2015	551,178	149%
2016	631,686	186%
2017	494,666	124%
2018	913,617	313%
2019	977,013	342%
2020	644,518	291%
2021	807,039	364%
2022	1,128,649	510%

The Development of the Bank's Financial Status Chart



c. Underway Assets, Equipments and Projects:

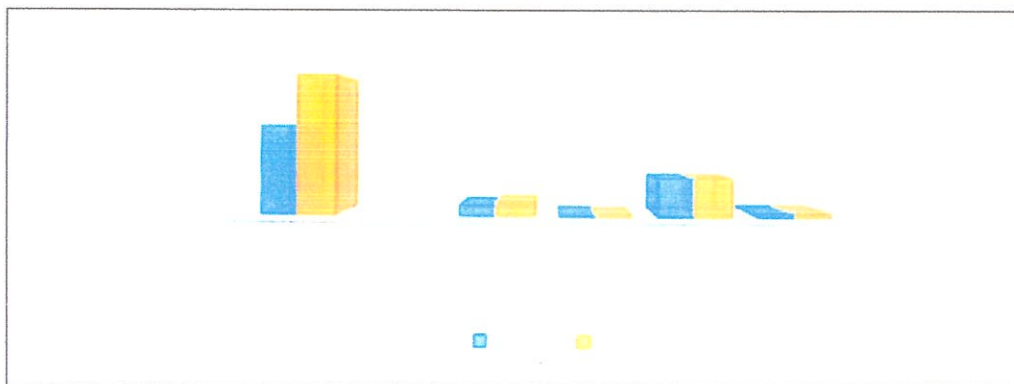
d. Cash:

The total cash balances in vaults, banks and abroad banking institutions increased during the year 2022 compared to the year 2020 by 1.06%, as shown in the Chart above.

f. Budget Assets' Volume:

The chart shown below explains that each cash and Assets represent a pillar for the assets of the budget:

Budget Assets' Volume Chart



4. Banking Activity:

a. Deposits:

As in 31st December

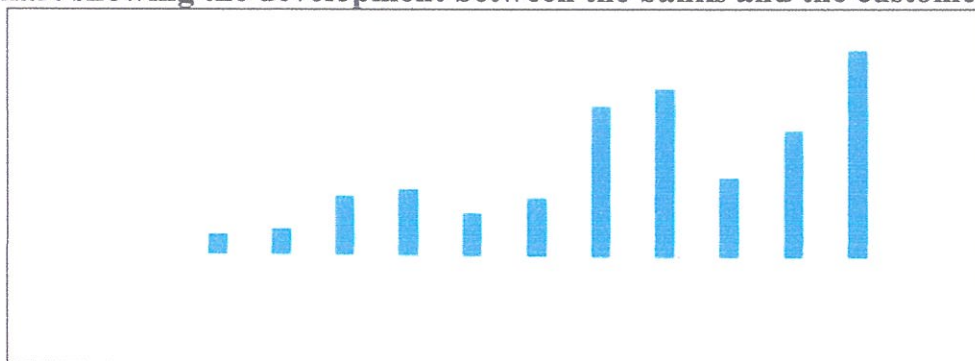
In Iraqi Dinars	2022		2021	
Cash in vault and ATM	518,210,508,377	82%	307,173,460,440	78%
Balances at the Central Bank of Iraq:				
Current accounts (released account at the Central Bank)	7,084,210,116	1%	6,626,664,166	1%
RTGS Central Bank	25,056,023,667	4%	38,172,038,079	10%
Legal deposit at the Central Bank	57,825,381,323	9%	26,143,572,360	9%
Central Bank of Iraq \ Currency Auction	29,164,166,920	5%	14,605,700,000	2%
Expected credit losses Central Bank\ according to international standards	(3,249,828,605)	-1%	-	
Balance by the end of the year	634,090,551,798	100%	392,72,435,045	100%

Deposits are considered as a basic source of banking activities' financing sources, for financing the loaning and investment processes. And, whereas the Bank was successful in attracting new customers in the result of providing its banking services, therefore; the balances of customers increased through receiving deposits in current accounts and saving in fixed deposits and other accounts, during the years 2012 - 2015. While in 2016, such deposits dropped by 91 billion compared to 2015 due to economic crisis that hit the country, and such deposits mounted again in the years 2017, 2018 and 2019 by 61 billion and by 379 billion and 431 billion against the year 2016. In 2020, those deposits dropped again by the rate 47% comparing to 2019, and that's due to corona virus that adversely affected the banking sector after individuals and companies tended to withdraw money. And, those deposits increased again by 38% during the years 2021-2022 and the list shown below describes the statistics:

Year	Banks and Financial Institutions Deposits	Customers, Individuals, Companies and Governmental Entities' Deposits	Total
2012	3	77	80

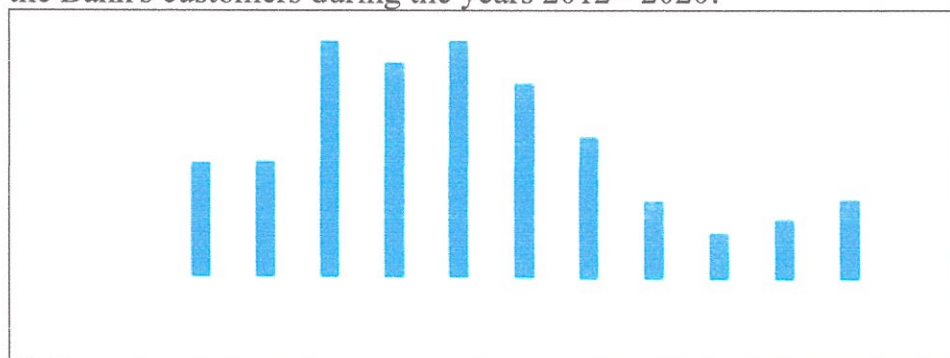
2013	11	90	101
2014	3	211	214
2015	1	239	240
2016	11	148	159
2017	0.95	209	209
2018	0,135	527	527
2019	2	588	590
2020	19	260	279
2021	5	444	449
2022	3	718	721

Chart showing the development between the banks and the customers:



b. Gross Direct Credit Facilitations:

Below is a chart showing the development of credit facilitations' balances and loans granted to the Bank's customers during the years 2012 - 2020:

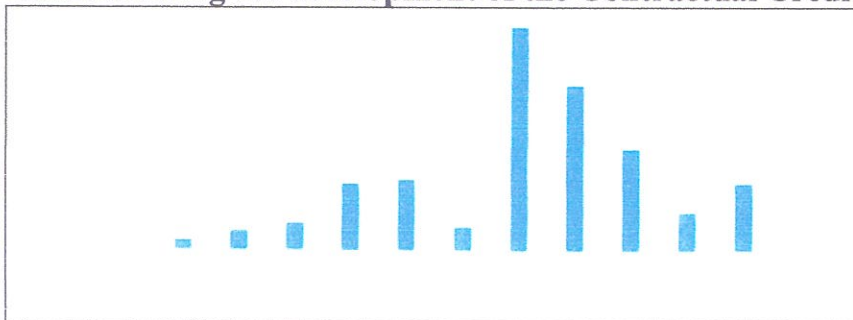


c. Contractual Credit:

The balances of the letters of credits and voucher credits mounted to (69) billion Iraqi Dinars by the end of the year 2022, against 39 billion Iraqi Dinars as it is at the end of the

financial year in 2021, namely; increased by (77%) billion Iraqi dinars, and below a chart showing the development of this account during the years 2012 - 2022:

Chart showing the development of the Contractual Credit



5. Detailed and Administrative Data:

a. Changing the name of the Bank: The Bank's General Board has decided in its meeting held on 13/4/2014 to change the name of the Bank to "Region's Trade Bank for Investment and Financing\ A Private Shareholding Company" after securing duly granted approvals by each of The Directorate of Companies' Registration at the Ministry of Trade and the Central Bank of Iraq, and a generalization was circulated among all the relevant directorates and institutions inside Iraq as well as to all of our correspondents in the abroad.

b. Contracts Entered by the Bank during the Year 2022:

#	Date	Completion date	Description	Contract Total Value
1	04/01/2022	01/06/2022	Renewal of Gallery Mall-Erbil branch's parking lot lease contract	16,080,000 ID
2	01/01/2022	31/12/2022	Renewal of the contract of re-installing the ATM machine in Family Mall Erbil	\$6600
3	01/01/2022	31/12/2022	Renewal of the contract of re-installing the ATM machine in Family Mall Sulaymaniyah	\$7200
4	01/01/2022	31/12/2022	Renewal of upper apartment lease contract in Duhok Branch's building	\$4800
5	01/03/2022	28/02/2023	Lease contract of an apartment in Baghdad	\$6000
6	21/02/2022	Four days	Contractual contract for painting the ninth floor	\$4000
7	01/01/2022	31/12/2023	Renewal of the contract of installing the ATM machine in Blaan Bazar Duhok	\$3000
8	18/01/2022	Automatic renewal	Renewal of Erbil Branch's guarding - Zorab Hussein Majeed	\$158760
9	18/01/2022	Automatic renewal	Renewal of Duhok Branch's guarding - Zorab Hussein Majeed	\$33600
10	06/04/2022	05/04/2023	Baghdad Branch guarding contract - AbnaaDijla Company	14,600,000 ID\ monthly
11	15/04/2022	14/04/2023	ATM Installation contract-Blaan Bazar-Ruya Tower-Erbil	\$4800
12	14/04/2022	45 Days	Wallpapers changing contract of the main building by Taweer	\$42,800

			Company	
13	05/04/2022	05/04/2023	Ahmed Bilal lease contract - Yana Banking Company staff	\$9000
14	01/01/2022	31/12/2022	Renewal of ATM lease contract - Family Mall Duhok	\$12600
15	16/05/2022	15/05/2023	Apartment lease contract - Bank employye - BaskalFarajallahShimali	\$7800
16	25/04/2022	24/04/2023	Apartment lease contract - Bank employye - Ali Hazim Hameed	\$12,000
17	01/06/2022	01/06/2023	Renewal of ATM lease contract - Kirkuk - Time Company	\$6000
18	26/06/2022	25/06/2023	Contractual contract for the provision of the second floor - meeting hall	\$143,088.75
19	15/06/2022	14/06/2023	ATM installation contract in Hixos Hotel - Ainkawa	\$2400 Annually
20	25/05/2022	24/05/2023	Apartment lease contract - bank employee - Imad Ali Abdul-Ghani	\$7800 Annually
21	15/06/2022	14/06/2023	ATM installation contract - New City Mall - Marwan Hoshyar Rasheed	\$5,400
22	01/07/2022	31/12/2022	Renewal of Gallery Mall Erbil Branch parking lot lease contract	17,280,000 ID
23	07/07/2022	07/07/2023	Contractual contract of the provision of Central AC system for the second floor of LG	\$27000
24	01/06/2022	31/05/2023	Contract of installation of GPS equipments - NET-SOFT Company increasing the number of the devices	\$1170
25	01/07/2022	01/07/2023	Renewal of ATM lease contract - Park View - Erbil	\$3600
26	19/07/2022	20/08/2022	Contract of cleaning the outer front of the Bank by Kopak Company	\$7500
27	20/07/2022	07/19/2023	Apartment lease contract for a bank employee - Omer Lutfi Tom	\$7800
28	20/07/2022	07/19/2023	Apartment lease contract for a bank employee - Pamela Nikola Dgher	\$7800
29	03/02/2022	03/02/2023	Renewal of the contract of Kirkuk Branch lawyer - Raid Mohammed Yaseen Mohammed	\$2000 for the full year
30	01/06/2022	01/06/2023	Renewal of ATM lease contract in Zayuna Mall - Baghdad	\$6000
31	01/01/2022	31/12/2023	Renewal of the contract of installing the ATM machine in Duhok Mall - Mazi Mall	\$6000
32	01/09/2022	09/01/2023	Renewal of the contract of installing the ATM machine in Rand Gallery - Sulaymaniyah Branch	\$4800
33	20/07/2022	19/07/2023	Apartment lease contract for the employee Maria Michelle Hadad	\$7800
34	16/05/2022	15/05/2023	Apartment lease contract for the employee Muna Alias Tabie	\$7800
35	04/09/2022	04/09/2022	Termination of Baghdad building contract	\$14,166 41,000,000 ID
36	15/01/2023	15/01/2028	Renewal of ATM installation contract in Tablo Mall for five years free of charges	Free
37	01/06/2022	31/05/2023	Renewal of ATM installation contract at Al-Mansour Mall	\$9000
38	20/09/2022	10/10/2022	Contractual contract for changing the curtains of the main building - with Mohammed Shop for curtains	12,105,325
39	05/10/2022	05/12/2022	Contractual contract of the second floor pertaining the corridors of Izzaddin Office	\$11,000
40	19/10/2022	Complement to the original contract	Annex of the elevators contract, completing the payment of the third installment	
41	10/10/2022	10/12/2022	Contract for treating moisture on surfaces of the main building	\$7,790
42	01/11/2022	Automatic renewal	Pet control contract by POC Company	\$300 per month
43	01/01/2023	31/12/2032	Property lease contract for opening a new branch in Zakho	\$3000 first

				year is free
44	01/11/2022	01/11/2023	Security and guarding contract for Sulaymaniyah branch by Pasawan Company	6,500,000 monthly
45	25/10/2022	Seven days	Evaluation contract for the value of real estates and lands by Book Keeper Company	\$12,100
46	27/10/2022	27/10/2022	Settlement of Mr. Salih Mohamed Hussein's dues	\$115,000
47	13/11/2022	13/11/2023	Renewal of apartment lease contract for the employee Mr. Ihsan - Kwatro Compound	\$7800
48	15/11/2022	15/11/2023	Renewal of apartment lease contract for the employee Mr. Omer Al-Turki - Kwatro Compound	\$7800
49	17/11/2022	16/11/2025	Annex to a contract for replacing the printer of the fifth floor at the Erbil Branch by Farage Printing Industries Company	\$11,985 every season
50	20/11/2022	19/11/2025	Annex to a contract for replacing two printers at Kirkuk and Baghdad Branches by Farage Printing Industries Company	\$13,005 every season
51	01/10/2022	30/09/2023	ATM Maintenance contract by infotech Company	\$44,400
52	20/11/2022	19/11/2023	Apartment lease contract for the employee Mr. JawharJ ilberBadeei	\$700 monthly
53	01/07/2021	01/07/2022	Office lease contract at Erbil International Airport	\$49400000
54	08/09/2021	07/09/2022	Generators provision contract for Baghdad and Erbil branches	\$217000
55	11/11/2021	10/11/2022	Location lease contract for installing ATM machines in Sarya site in Shaqlawa district	\$3600
56	16/09/2021	15/09/2022	Bank cars' GPS installing contract	\$470
57	01/09/2021	31/08/2022	Location lease contract for installing ATM machines in Nimal Company	\$6000
58	01/10/2021	30/09/2022	ATM installation contract in Hypermarket Majidi on Pirmam Road	\$3600
59	06/10/2021	05/10/2022	Provision and Constructing ATM Room Contract - Jegir Bilal - Engineer Hozan	\$4900
60	27/04/2021	26/04/2023	Provision, installation and maintaining elevators contract - dismantling and installation charges	\$36,000
			Provision, installation and maintaining electric elevators	€127,600
61	01/11/2021	01/11/2022	Security services contract for Sulaymaniyah branch by Barza Company	5700000 ID
62	01/09/2021	31/08/2022	ATM installation in Rand Gallery compound in Sulaymaniyah	\$4800
63	01/01/2021	31/12/2021	Sulaymaniyah building lease contract from the Ministry of Labor and Social Security	39,500,000
64	29/01/2020	6 months	Bank's vehicles fuel provision contract	Monthly invoices
65	07/09/2021	06/09/2022	Security services contract for Kirkuk branch by Beirut Company	4,500,000 ID per month
66	01/06/2021	01/06/2022	ATM installation contract in Sentrum – Kirkuk	\$3600
67	01/01/2022	31/12/2022	Erbil Sheraton Hotel Contract	Fees deduction
68	26/10/2022	Two years	The Central Bank by the company to participate in the electronic refinitiv platform	\$2,420 monthly

c. Bank Staff:

1. The number of staff working in the Bank reached 200 personnel as in 31/12/2022, while employees included within the social security program are 137 persons.

Below shown a list of the staff according to their duties and educational degree:

Occupational Position	No
Managing Director	1
Board Secretary	1
Internal Audit Manager	1
Compliance Supervisor	1
Director of Anti-Money Laundering Department	1
Risk Management Director	1
Executive Department	26
Administrative Affairs	7
Accountant	2
IT	8
Auditors	5
Credits	3
Operations Management	23
Treasury Management and International Relations	8
Quality Control Department	1
Lawyers	6
Branch Manager	6
Deputy Branch/Department Manager	21
Treasury Officer	5
Credit Affairs Officer	3
Treasurer	29
Customers service	20
Liaison staff	5
Maintenance/Services	14
Authorized employee	2
Total	269

2. Scientific Certificates and Specialization:

Educational Degree	No
Master Degree	12
BA Degree	208
Diploma	23
Preparatory School	15
Secondary School	9
Primary School	3
Total	269

d. Training Sessions:

The Administration pays a great attention to training of its staff each in his/her field of specialty, aiming to promote the performance level, and in order to achieve this goal, the Administration

strives to place staff in training session whenever is available, and the chart below describes the number of trainings held and the number of participants during the years:

#	Training Description	Venue	Sessions	Participants
1	Advanced application for combating money laundering and terrorism financing	Online - Iraqi Private Banks League and Iraquna Co.	1	1
2	combating money laundering and terrorism financing	Online - Banking Studies Center	1	1
3	"Know your Customer Form" Session	Online - Banking Studies Center	1	5
4	Documented credits and security letters	Online - Banking Studies Center	1	2
5	Credit analyses and credit monitory	Online - Iraqi Private Banks League\ Al-Jihood Co.	1	1
6	Governance Alternative Workshop	Central Bank of Iraq's headquarters	1	2
7	The future of digital banks and digital services	Online - Iraqi Private Banks League\ Al-Jihood Co.	1	3
8	Applications in the management of banking operations	Online - Iraqi Private Banks League\ Al-Jihood Co.	1	2
9	Self evaluation Session for Capital Sufficiency ICCAP	Online - Banking Studies Center	1	2
10	Emergency Readiness Session	Online - Banking Studies Center	1	1
11	Outcomes of investing in training: strategies and evaluation approaches	Online - Iraqi Private Banks League\ Al-Jihood Co.	1	2
12	Combating money laundering and terrorism financing through electronic payments	Online - Banking Studies Center	1	2
13	Activating the tools of electronic payment and electronic collection	Online - Banking Studies Center	1	3
14	Workshops and sessions on FATCA Law enforcement	Online - Central Bank of Iraq and PWC Company	1	12
15	Banking credit and managing stumbling credit	Online - Banking Studies Center	1	2
16	Information Security Standard in electronic payment companies PCI-DSS	Online - Banking Studies Center	1	9
17	Introduction Workshop free of charges for professional degrees pertaining money laundry by Global Compliance Institute	Online - the Iraqi Company for Banking Vouchers	1	6
18	Bazil Standards and Endurance Test 1st Level	Online - Banking Studies Center	1	1
19	IT Government Guide in the banking sector	Online - Banking Studies Center	1	8
20	Quarterly Financial Reporting Session according to 34 Standard	Online - Banking Studies Center	1	3
21	Combating Financial Crimes	Online - Banking Studies Center	1	1
22	Electronic Compliance	Online - Banking Studies Center	1	3
23	COBIT	Region Trade Bank's Headquarters\ Ernst & Young Co.	1	13

24	Swift Notifications Session for vouchers and collection policies	Online - Banking Studies Center	1	2
25	Pressure test and scenarios analyses 2nd level	Online - Banking Studies Center	1	1
26	Electronic Governance Session	Online - Banking Studies Center	1	1
27	Women Economical Empowerment in Iraq, roles and motivations	Central Bank of Iraq	1	1
28	Preparation of Annual Internal Audit Plan	Online - Iraqi Private Banks League\ Al-Jihood Co.	1	4
29	Professional Readiness Program for managing PMP Projects	Online- Al-Jihood Company	1	1
30	Performance Session for environmental, social and governance standards	Online - Banking Studies Center	1	1
31	Reporting Session - Financial Director	Online - Banking Studies Center	1	2
32	Scientific Application of Risks Management	Online - Al-Jiburi Company and Bait Al-Hikma for Training	1	1

6. The Board of Directors:

Members of the Bank's Board of Directors and their Shares in the Capital:

#	Name	Occupation	Total
1	Hamila Abdul-SattarJumaa	Board of Directors Head	13,355,000
2	Talal Abdul-Salam Sulaiman	Deputy Chairman of the Board	35,000
3	Maron Saeed Mansoor	Member	2,000
4	Ghazi Hasan Mohamed Shareef	Authorized Manager \ Member	2,000
5	Hamza Hasan Hamza	Member	2,000
6	HaidarZakariyaSalih	Member	2,000
7	Ammar Isa Karim	Member	2,000

The Original Members of the Board of Directors:

	Name	D. of Birth	Occupation	Shares	Nationality	Educational Degree	Committees Membership	Meetings Participated in
	Hamila Abdul-Sattar Jumaa	1981	Board Head	13,355,000	Iraqi	MA in Finance and Banking	Governance Committee Head	12 Board Meetings 5 Meetings
2	Talal Abdul-Salam Sulaiman	1962	Deputy Chairman of the Board	35,000	Iraqi	BA in English	Nominations Committee Head\ Governance Committee Member\ Audit Committee Member\ /Risk Committee Head\	12 Board Meetings 1 Meetings 5 Meetings 6 Meetings 5 Meetings
3	Ghazi Hasan Mohamed Shareef	1958	Authorized Manager \ Member	2,000	Iraqi	Doctorate in Business Administration / Banking and Finance	None	12 Board Meetings 5 Risk Committee Meetings 5 Audit Meetings 5 Governance Committee Meetings 4 Nominations Meetings
4	Maron Saeed Mansoor	1956	Founding Member	2,000	Iraqi	BA Management and Economy	Risk Committee Head\ Governance Committee Member\ Audit Committee Member	4 Board Meetings 1 Meetings 3 Meetings 1 Meetings 4 Meetings
	Haidar Zakariya Salih	1986	Founding Member	2,000	Iraqi	BA Computer Engineering	Nominations Committee Head\ Audit Committee Member\ Risk Governance Committee Member\ Committee Head\	12 Board Meetings 4 Meetings 3 Meetings 5 Meetings 2 Meetings
	Hamza Hasan Hamza		Founding Member	2,000	Iraqi	Master of Accounting	Head of Audit Committee	4 Board Meetings 3 Meetings
	Ammar Isa Karim	1973	Founding Member	2,000	Iraqi	BA Management and Economy	Nominations Committee Head	12 Board Meetings 5 Audit Committee Meetings

The Board of directors and their substitutes:

#	Name	D. of Birth	Occupation	Shares	Nationality	Educational Degree	Committees Membership	Meetings Participated in
1	Hamila Abdul-Sattar Jumaa	1981	Board Head	13,355,000	Iraqi	MA in Finance and Banking	Governance Committee Head	12 Board Meetings 5 Meetings
2	Talal Abdul-Salam Sulaiman	1962	Deputy Chairman of the Board	35,000	Iraqi	BA in English	Nominations Committee Head\ Governance Committee Member/ Audit Committee Member\ /Risk Committee Head	12 Board Meetings 1 Meetings 5 Meetings 6 Meetings 5 Meetings
3	Ghazi Hasan Mohamed Shareef	1958	Authorized Manager \ Member	2,000	Iraqi	Doctorate in Business Administration / Banking and Finance	None	12 Board Meetings 5 Risk Committee Meetings 5 Audit Meetings 5 Governance Committee Meetings 4 Nominations Meetings
4	Maron Saeed Mansoor	1956	Founding Member	2,000	Iraqi	BA Management and Economy	Risk Committee Head\ Governance Committee Member/Audit Committee Member	4 Board Meetings 1 Meetings 3 Meetings 1 Meetings 4 Meetings
5	Haidar Zakariya Salih	1986	Founding Member	2,000	Iraqi	BA Computer Engineering	Nominations Committee Head\ Audit Committee Member/Risk Governance Committee Member/Committee Head\	12 Board Meetings 4 Meetings 3 Meetings 5 Meetings 2 Meetings
6	Hamza Hasan Hamza		Founding Member	2,000	Iraqi	Master of Accounting	Head of Audit Committee	4 Board Meetings 3 Meetings
7	Ammar Isa Karim	1973	Founding Member	2,000	Iraqi	BA Management and Economy	Nominations Committee Head	12 Board Meetings 5 Audit Committee Meetings
8	Isam Yaseen Hama	1963	alternate member	45,000	Iraqi	Bachelor of Arts	-	-
9	Imad Ismael Ibrahim	1958	alternate member	2,000	Iraqi	Master of Marketing	-	-
10	Baha Khairi Abdulrazaq	1972	alternate member	22,000	Iraqi	Technical Diploma	-	-
11	Omar Khalel Mobarak	1967	alternate member	2,000	Iraqi	Bachelor of Management	-	-
12	Manhal Khalel Ibrahim	1956	alternate member	1,000,000	Iraqi	Bachelor of Law	-	-
13	Hussein Ali Nais		alternate member	2,000	Iraqi		-	-
14	Salah Amir Kareem	1982	alternate member	2,000	Iraqi	Bachelor of Business Administration	-	-

7. External Banking Relations:

The Bank has managed to develop wide banking relations in such a way that our correspondents reached (24) twenty-four correspondents. And we have corresponding with other banks in addition to our correspondents, to cover activities of our Bank through opening documented credits and external vouchers (incoming and outgoing).

#	Bank Name	Country
1	Baraka Bank	Turkey
2	Vakif Bank	Turkey
3	Is bank	Turkey
4	ABL Bank	Lebanon
5	Active Bank	Turkey
6	Iskan bank for Financing and Investment	Jordan
7	Capital Bank	Jordan
8	Jordan Bank	Jordan
9	Etihad Bank	Jordan
10	Safwa Bank	Jordan
11	Transcapital Bank	Russia
12	Beirut Bank	Lebanon
13	Egypt Bank	Emirate
14	Nurol Bank	Turkey
15	Abu Dhabi Islamic Bank	Lebanon
16	BBAC Bank	Lebanon
17	BCO Bank	Poland
18	European Merchant Bank UAB	Lithuania
19	Golden Global	Turkey
20	JijanikJuzou Commercial Bank	China
21	First National	Lebanon
22	Aktif Yatirim Bank	Turkey
23	International Arab African Bank	The United Arab Emirates
24	Al Bilad Bank	Kingdom of Saudi Arabia

8. Importing and Exporting:

The Bank didn't practice any importing or exporting activities for its own business during the year 2022. And; all purchases of its assets (furniture, computers, spare tools ...) are from Iraq's local markets, as purchased through purchases committees.

9. Accounting Policy:

The accounts of the Bank are kept according to unified accounting system for banks and insuring companies, and as a basic in recording accounting data and within the scope of the Central Bank of Iraq's organizational regulations and rules. The information and data were organized according to international standards outside the system.

Furthermore; the Bank applies merit principle as a base for its accounting policies when preparing final accounts, such as processing incomes and expenditures, based on this principle except profits of investments and participations that achieved incomes in the date of its recipient, while in respect to the fading-outs in the fixed assets, the Bank has adopted the fixed installment methodology and at the rate 20% annually on all of the fixed assets, and 2% annually on buildings except land-parcels, and as described under the Fading System No. (9) of 1994, and the mutual debit and credit portfolio were processed between the branches of the Bank by executing clearing procedure among them, which is done automatically thereafter, since the financial year 2012 according to the ICBS System.

In respect to foreign currencies, it were evaluated according to the Central Bank of Iraq's regulations, as described under its issued exchange rate bulletin, where the exchange rate of the US Dollar against the Iraqi Dinar was estimated at the price 1460 dinars.

10. The names of the major shareholders (top ten shareholders):

No.	Name of shareholder	Nationality	Shares	Rate
1	Sabah MulhimMohyi	Iraqi	24,950,000,000	%9.98
2	DilshadAbdulazizSarhan	Iraqi	24,950,000,000	%9.98
3	ImadJameelJasim	Iraqi	24,950,000,000	%9.98
4	Shawkat Abdulaziz Sarhan	Iraqi	24,950,000,000	%9.98
5	Abdulmuttalib Hasan Samad	Iraqi	24,950,000,000	%9.98
6	Barzan Fikri Ahmad	Iraqi	24,950,000,000	%9.98
7	Sirwan Siddiq Mustafa	Iraqi	24,950,000,000	%9.98
8	Awni Fakhir Abdulrahman	Iraqi	24,950,000,000	%9.98
9	Sirwan Hasan Samad	Iraqi	24,950,000,000	%9.98
10	Kawa Abdulla Junaid	Iraqi	24,950,000,000	%9.98

Best Regards,

[Sealed by RT Bank]

[Signed]

Ghazi Hasan Mohamed Shareef
The Authorized Manager

[Signed]

Hamila Abdulsattar Jumaa
Board of Directors' Head

[Signed and Sealed by AdilAlhasun & Partners Company (Accountants)]

Subject\ Accounts Audit Committee Report (Accounts Review) The Esteemed Shareholders of Region's Trade Bank

Warm Greetings...

In implementation of Article 24 of the Iraqi Banks Law No. 94 of 2004, the Committee has performed its operations through attending at the Bank and issued directives to the all of the Bank's branches and departments. Below shown the Committee's operations during the year 2022,

We are delightful to inform you that the Committee have performed its works and obligations during the financial year 2022:

1. Reviewing the work reports of the periodic external auditor during the year, as well as their report in respect to the final information about the Bank as it is on 31/12/2022 and explanatory statements attached hereto which were in our opinion in compliance with the applicable laws and audit procedures.
2. Follow-up the compliance with the new regulations issued by the Central Bank of Iraq in relation to the credit portfolio of the Bank and the way its risks are taken into consideration according to the guidance issued and by adopting the International Standard No. 9 in counting and the impacts of applying the same of the financial status of the Bank.
3. Reviewing the contracts entered with external entities of all types and limits of their implementation according to its terms.
4. Reviewing the monthly reports submitted by the Internal Control and Audit Department, and Quarterly Reports submitted by Compliance Department, Anti-Money Laundering Department and Money Safety Department as well.
5. That the financial information was organized according to national and international accounting rules and applicable laws, and that it complies with the requirements and regulations of the Central Bank of Iraq in relation to the preparing, organizing and showing financial information expressly and fairly, reflecting the financial status of the Bank and the results of its cash audits during the fiscal year ended on 31/12/2022.
6. Checking charters and statements sent to by the Executive Management of the Bank related to the incomes, expenditures and monthly collected budgets as well as conformity statements and correspondents sent to the Central Bank of Iraq.
7. Through reviewing the Bank's activities, we didn't find any evidence indicating that the Bank has performed money laundering or terrorism financing operations, by which it proves that the Bank adheres to compliance rules and Money-Laundering Law No. 39 for year 2015.

Best Regards...

[Signed]

Marun Saeed Mansor
Member

[Signed]

Talal Abdulsalam Sulaiman
Member

[Signed]

Hamza Hasan Hamza
Committee Head

The Board of Directors' Acknowledgment:

1. The Board acknowledges its responsibilities for adopting good institutional governance policies and practices, and that the Board and the Executive Administration are fully aware of the requirements of the institutional governance guide.
2. The Board affirms that one of its roles and duties is to supervise the executive administration's work, and to set strategic plans, and that the executive management is responsible for implementing the strategies and to submit reports to the Board.
3. The Board highlights the importance of (core values and code of ethics) of the Bank, which demonstrate lines of responsibility and accountability over all the activities of the Bank, including culture, integrity and occupational behavior. And the Executive Administration shall disseminate it on the Bank's website.
4. The Board affirms its continual adherence to the directives described under the Governance Guide issued by the Central Bank of Iraq, through electing the Board's members in the General Board, provided that their number shall not be less than (7) seven members, and the membership of any member of the Board shall not exceed (8) eight years, after meeting all basic legal requirements.
5. The Board confirms that it will continue implementing the principles it has adopted in forming the Board and the roles undertaken by each member through forming committees from the Board, and to nominate its members amongst the Board's members and assign each one of such members with responsibilities and duties according to their position in the committees and follow the works of such committees with care and due diligence.
6. The Board affirms its commitment in separating between the duties of the Boards from the duties of the Executive Management, as well as the basic roles and responsibilities and as it may deem in line with the requirements of the Governance Guide provisions and articles.
7. The Board and all the members undertake to follow the executive management and highlight the scope of executing the strategic plan that is approved, as well as the operational plan. And the Board has assigned the Authorized Manager to submit to the Board monthly reports explaining the achievements resulted out of the plan and the uncompleted, with elaborating the reasons in that respect to set solutions for it.
8. The Head of the Board expresses his support to the Bank's basic values and affirms the participation by his members in training session on governance, and he further undertake to acquire the Executive Management to involve the staff of administrations, departments and branches in such training sessions.

9. The Board acknowledges its responsibility to protect and observe the reputation of the Bank and undertakes to comply with all the related internal rules, regulations, guidance, and policies.
10. The Board affirms that the Executive Management will comply with the international standards in all the Bank's activities and transactions, and to assign the Board's committees to file monthly reports expressing the scope of the Executive Management's compliance with such standards.
11. The Board affirms that the nomination committee will coordinate with the Human Resources Department to set a plan for the Board Executive, the Executive Management, and the Board's Committees, and to review such plans annually.
12. The Board affirms that the nomination committee will provide to the Board the necessary recommendations about bonus policy, as it may deem in line with the goals of the Bank and will supervise the implementation of it by the Executive Management.
13. The Board affirms that the Executive Management will, on daily bases, review the official website of the Anti-Money Laundering and Terrorist Financing Office and Counter-Terrorists Financing Committee.
14. The Board affirms that the governance committee will submit to the Board an annual evaluation and a work plan to enhance the points that need development.
15. The Board confirms its compliance with the occupational ethics of conduct applied by the Board and the staff, which comprises the policies that require confidentiality of the information, and that show acceptable and unacceptable conducts.
16. The Board confirms that the audit committee have filed its recommendations to the Board in regard to the external auditor upon his assignment for discussing the same in the Board's meetings, and then to forward such recommendations to the General Board for approving his assignment.
17. The Board confirms that the audit committee continues its meetings with external auditors, and to oversee him and to ensure his independence, and to forward the recommendations to the Board in respect to the execution of the external auditor's recommendations by the Executive Management.
18. The Board confirms that the Risks Management Committee updates the Risks Policies ensuring and allowing to investigate in violations and to press punishments, and also to follow the anti-money laundering and terrorism financing activities.
19. The Board affirms that the Risk Management Committee will submit to the Board for approval its recommendations on the scenarios used for testing the pressure, and to present the results of the pressure tests to discuss it in the Board's meetings.

20. The Board affirms that the Risk Management Committee will review the credit policy and oversee its application to ensure compliance of the credit risks to the resolutions and directives issued by the Bazil Committee.
21. The Board affirms ongoing annual review over the effectiveness of risks management practices and internal control systems, and to submit reports in that regard within the scope of the annual report to the Bank for briefing the General Board and the Shareholders in that respect.
22. The Board affirms that it will publish on the Bank's website the quarterly reports pertaining to the operations of the Bank.
23. The Board affirms that the annual report shall comprise the organizational structure of the Bank and a brief on the activities of each of the Board's committees.
24. The Board affirms that it will publish in the Bank's website the annual report in both Arabic and English languages.
25. The Board affirms that the Executive Management will continue developing the financial data, and to adhere to the most updated international financial reporting standards.
26. The Board affirms compliance with all the laws, rules, and regulations of the Central Bank of Iraq.
27. The Board affirms that the cell designated for the governance on the electronic website of the Bank, and the annual report, shall include the responsibility of the Board over the Bank's governance.
28. The Board affirms that it will publish on the Bank's electronic website the charters of the Board's committees, a copy of the occupational code of conducts, violations reporting policy and conflict of interest's policy.
29. The esteemed Head of the Board undertakes that the Executive Management will inform the Central Bank of Iraq about any essential information related to the operations of the Bank.
30. The Board affirms that the annual report shall include a clear statement of the names of the shareholders who own 1% or more of the shares, as well as the identity of the shareholder who owns 5% or more of the shares.
31. The Board undertakes to take into consideration the interests of other competent depositors, shareholders and beneficiaries in the decision-making process related thereto.
32. The Board undertakes to publish on the electronic website of the Bank the information relating to the shareholders.
33. The Board affirms that the nominations committee will develop a policy to nominate and elect the new members of the Board, and to approve and execute such policy, and further to publish such policy on the website of the Bank.

The Activities of the Board's Committees during the year 2022

The Risks Management Committee: The Committee held four meetings in 2022, and discussed various of topics according to the duties and charter of the Committee, and under the regulations of the Central Bank of Iraq, including:

- Risks Management Policies and Instructions (cash, credit, operational, market and concentration).
- Risks acceptance statement
- Funding Emergency Plan and the people responsible for its application.
- Comprehensive Risks Management Report
- Businesses Model
- Credit Policy
- Credit Roofs
- The ability of the Bank in avoiding cash risks according to Bazil 3, including the cash standards.
- Executive Management Committees' reports (investment, IT, Credit).
- Periodic review over the risks policy and the scope of its application.
- Risks Management Department's report.
- Capital strategies, cash management and risks strategies and their compatibility with the scope of the adopted risks.
- The gaps in the cash and the rates of concentration.
- The difficulties facing the Risks Management Department in 2022.

The Governance Committee: The Committee held four meetings in 2022, and discussed various of topics according to the duties and charter of the Committee, and under the regulations of the Central Bank of Iraq, including:

1. Discussing and reviewing the Bank's own governance guide and ways to update it.
2. The scope of applying the Bank's governance guide.
3. The scope of the Board's Committees' compliance with performing their duties and holding their meetings.
4. The actual first application of the performance card's project of the environmental, social and governance standards.
5. The policy of evaluating the performance of the Board according to the designated standards.
6. Discussing the report of the Central Bank of Iraq about the common faults in the first actual application of the performance card's project of the environmental, social and governance standards.

The Audit Committee: The Committee held 17 meetings in 2022, where it held (5) general meetings with the relevant departments, (4) meetings with each of the compliance department, reporting department and accounting department, and discussed various of topics according to the duties and charter of the Committee, and under the regulations of the Central Bank of Iraq, including:

- Compliance policy and instructions
- Compliance reports
- Reporting policy and notices by the reporting department on some of the banking operations related to the activities of the department.
- Internal audit reports
- Internal audit policy and regulations and audit plan
- The scope and results of the sufficiency of the internal audit
- Disciplinary systems and internal control
- The Bank's Organizational Structure
- The annual plan for training and development during 2022
- Discuss and review the policies and regulations related to the promotions, assignment, resignations and termination of employment of all Bank's employees.
- Discuss and follow the application of performance continuity program and recovery from crises and dilemmas in coordination with the IT Committee.
- Discuss all the notices provided by the accountancy supervisor in relation to the banking operations and the progress of the final accounts for the year 2022.
- Discussing the executed letters of credits.
- Discussing the legal department and the stages of taking legal actions with debtors.
- Discussing the division of profits.
- Discussing the systems related to the application of the International Financial Reporting Standard IFRS16.

The Nominations and Bonus Committee: The Committee held four meetings in 2022, and discussed various of topics along with the recommendation to solve a number of it, and the approval of the policies and plans according to the duties and charter of the Committee, as well as under the regulations of the Central Bank of Iraq, including:

- The achievement plan
- The Bank's Bylaw
- The training plan
- The annual evaluation policy and system
- The Tasks Performance Measurement KPI
- The confidentiality policy
- The occupational degrees

- Employment, resignations and promotions
- Human Resources Policy Guide
- The nominations to leading posts
- The scope of employees' participation in training sessions on governance and awareness in regard to the concept of governance
- Discussing and updating the occupational descriptions on continuous bases



Adel Alhasson&Co.
CPA'S & Consultants

No : 641

Date : 20/05/2023

**To\ The Esteemed Shareholders of The Region's Trade Bank
For Investment and Financing (Private Shareholding Company)**

Subject\ Independent Accounts Auditors Report

Warm Greetings...

The Opinion:

We have audited the financial data of Region's Trade Bank for Investment and Financing\ Private Shareholding Company, which comprised statement of its financial status as it is in 31st of December 2022, income statement, final inclusive income and changes statement in shareholders' rights as well as cash flow statement for the year ended at the same date, and explanations about the financial statements, including a summary about important accounting policies and other explanatory information.

In our opinion, and subject to the audit results shown below in this Report, the financial data of the Bank from all important aspects, fairly and with honesty shows the financial status of the Bank as it is in 31st of December 2022 and its fiscal performance and its cash flow for the year ended on the same date according to international financial reporting standards under the applicable International Accounting Council's Standards, Companies Law and Iraqi banking laws.

Bases for the Opinion:

We have performed the audit in accordance with the international audit standards issued by International Accountants Union and local standard, and our responsibility under such standards have been explained in further details hereunder in the "Responsibilities of the Audit" clause in relation to auditing financial information in this Report, and we are independent from the Bank according to the requirements of ethics code related to auditing financial data as described under the Code of Ethics, and we have performed our responsibilities according to such requirements, and we believe that the audit results that we found are sufficient and suitable to build our opinion on.

The results of the audit process we conducted have led to the following explanations and notices:

1. The Application of International Accounting Standards:

1.1. The financial charts subject of the Report has been prepared according to the International Financial Reporting Standards (IFRS) and based on directives and regulations provided by the Central Bank of Iraq issued in this respect.

1.2. The Bank didn't adopt the international standard (IFRS16) related to the lease agreements, since the Bank doesn't have long-term contracts, and all its contracts are for the short run.

1.3. The Bank have adopted the principle of registering real estates in the dated value, and during the year 2022 the Bank have entered contract with a company specializes in the evaluation field (Book Keeper for Technological Services\ Ltd) to estimate the lands and buildings owned by the Bank according to the prevailing prices according to the International Standard (IAS36), and ultimately; no discrepancies were found in the evaluation, noting that a dropping down for the buildings was calculated by the Bank at the amount 2,397,715 thousand ID, and the amount was kept to cover any expected decrease, as it is described under the Chart No. (9).

1.4. The Bank have applied the International Financial Reporting Standard No. (9) in calculating the expected credit losses (ECL) in relation to the cash credit, and the result of the application showed and amount of 12,174,012 thousand ID, noting that the Bank have applied the Standard automatically according to the VIS System.

2. Cash / Clarification (6/5) :

2.1. A supervision was conducted over the inventory process of the cash available at the main headquarters and part of the branches, and the balance of the cash exist in the vaults and the boxes of the center, branches and the ATMs mounted to 518,210,598 thousand ID as it is in 31/12/2022, and in the previous year 307,170,441 thousand ID, and the results of the inventory were compared with the records in the ID currency and foreign currencies and to all the branches through the inventory committees formed by the Board of Directors and the branches, as shown below:

	The Balance according to the currency	Exchange Rate	The Balance in ID
Iraqi Dinars (Vault)	189,309,871,957	1	189,309,871,957
Iraqi Dinars (ATM)	2,832,430,000	1	2,832,430,000
USD (Vault)	202,113,956	1460	295,086,375,760
USD (ATM)	5,134,000	1460	7,495,640,000
Euro	15,065,230	1553,148	23,398,531,844
Pound	49,566	1755,066	86,991,601
TL	10,015	75,608	757,214
Total:	/	/	518,210,598,377

2.2. The balances shown in the records which are deposited at the Central Bank of Iraq reached 119,129,782 thousand Iraqi Dinars on 31/12/2022 comparing to the previous year with the amount 85,547,974 thousand Iraqi Dinars. Below are the balance details:

Cash at the Central Bank as at 31/12/2022

The Account	Iraqi Dinar	USD	Exchange rate of USD to ID at the price 1460	Total Balance
Legal reservoir	22,345,122,703	24,301,547	35,480,258,620	57,825,381,556
Letters of credits	-	-	-	-
Exchange rate insurances	29,164,166,920	-	-	29,164,166,920
RTGS	18,539,811,294	4,463,159	6,516,212,140	25,056,023,434
Current accounts	-	4,232,875	6,179,997,500	6,179,997,500
Erbil	734,280,916	82,145	119,931,700	854,212,616
Sulaymaniyah	5,000,000	-	-	5,000,000
Total	-	-	-	119,129,782,026

2.3. Balances in local banks:

we noticed suspensions in the accounts of some of the local banks which hasn't been settled, including, for instance:

Bank Name:	Suspended Money:	Date:
Minara Bank	\$1,687	10/03/2019
Central Bank/Region/Dasnia/Duhok	IQD 105,000	09/08/2022
Al Rafidain Bank	IQD 1,183	01/11/2019

2.4. Opened balances in abroad banks:

We emphasized of the compatibility and the procession of the accumulated suspensions from the previous years, and the remaining of it is circulated from the previous years, which hadn't been moved during the year, as shown below:

Bank Name	Suspended Balance	Date	Notices
Global	9,604 USD	1/1/2018	Settled in 2023

2.5. The rate of the total cash at abroad banks (the corresponding banks) to the total of the capital and reservoirs rate (14%) which is within the scope of the fixed rate at (20%),

noting that the Bank of Egypt wasn't included within the rate because it is excluded from the rate of abroad balances to deposit the salaries of the Region's employees in the aforementioned bank account, according to the approval by the Central Bank under the Letter No. (309/2/9) in (5/1/2022), and the corresponding banks that the Bank is dealing with, some of them are classified under the grade not less than (-B), while others doesn't have any classification at all, and it was further noticed that a concentration exist at the Bank of Egypt, which is one of the corresponding banks, of which rate mounted to 74% comparing to the gross of the cash balance in the abroad, and at the rate (41%) of the true capital and reservoirs.

2.6. The rate of the foreign cash reached (9%) as in 31/12/2022, which is estimated at the balance 27,207,156 thousand ID, which is less than the fixed rate of (20%) of the true capital and reservoir described under the Central Bank of Iraq's Letter No. (180/3/9) in (30/6/2020).

3. Cash and Financial Sufficiency:

3.1. The cash rate reached (67%) as in 31/12/2022, noting that the rate of the cash was 98% in the previous year, and it was noticed that the cash decreased by 31% in the result of the increase occurred during the year from the account of the documented credits.

3.2. The balance of the cash in the vault and the deposited cash at the central bank as well as the local and foreign banks reached the amount 815 billion Iraqi Dinars as in 31/12/2022, which exceeds the balance of the previous year by 9% in the result of the increase in the deposits (under request) by the Regional Government.

3.3. The Liquidity Cover Rate (LCR), according to Bazil resolutions (3), reached 170% by the end of the fiscal year, which is higher than the fixed rate as determined by the central bank, which shall not be less than 100%.

3.4. The net rate of the Sustainable Funding (NSFR) under the Bazil resolution (3) reached 70% by the end of the fiscal year, which is less than the rate fixed by the Central Bank which shall not be less than 100%, and that's due to the increase in the balances of the documented credits described and pertaining the exportation of oil.

4. Direct Credit Facilitations and Allocations:

4.1. The balance of the direct credit facilitations (prior to the deduction of the suspended profits and allocation) increased by 12% where the amount reached 84,156,198 thousand ID as in 31/12/2022 comparing with the previous year which reached 75,067,761 thousand ID, and the main reasons for the increase is the expansion of granting loans, and below find a chard describing the details of the credit portfolio for the year 2022:

Details	Current Debit \ Private Companies Thousand ID	Quantity	Current Debit \ Individuals ThousandID	Quantity	Loans and Debts (Companies) ThousandID	Quantity	Loans and Debts (Individuals) ThousandID	Quantity	Delayed Debts (Persons and Companies) ThousandID	Total Quantity	Total (ThousandID)
More than 5bn ID	13,058,749	2	-	-	24,962,080	3	6,556,537	1	-	6	44,577,365
From 1bn - to 5bn ID	2,536,193	2	-	-	10,546,614	3	8,578,363	4	-	-	21,659,170
From 500m - to 1bn ID	-	-	-	-	719,557	1	3,570,670	4	53,244	5	4,343,471
Less than 500m ID	411,760	1	-	-	1,759,714	9	10,345,426	427	1,059,292	437	13,576,192
Total\ Iraqi Dinars	16,006,702	5	-	-	37,987,964	16	29,048,995	436	1,112,536	457	84,156,198

In the result of reviewing the chart above, we have discovered the following findings:

4.2. The total granted credits reached 14 customers (companies and individuals) at the rate 79% of total balance of credit facilitations and credit granted to Erbil branch alone at the rate 48% of the total of the credit, and accordingly; we emphasize to move away from the geographical concentration and the number of customers to avoid credential risks.

4.3. After reviewing the profiles of top 15 customers in the portfolio (companies and individuals) we made the following notices:

a. some of these companies are stumbling, while others' securities are owned and have lawsuits filed against to it in courts.

b. Some of the abovementioned companies' financial status are still doesn't match with volume of the facilitations granted to them in accordance with the final accounts and the feasibility submitted by them, and we didn't review the updated financial statements in addition to the absence of the Bank's opinion in their data, and no debit amounts are shown by the Bank in their financial statements.

c. The capital of some of these companies does not exceed five million Iraqi Dinars, and the granted credit exceeds one billion Iraqi Dinars.

4.4. The rate of the granted cash credit to the gross of the assets reached 6%, and the allowed rate according to the regulations of the Central Bank of Iraq is 75%, which requires setting a plan to increase the credit of contribution in developing the local economy, and to work towards the basic activities.

4.5. The rate of the cash credit to the deposits reached 10%, noting that the determined rate announced by the Central Bank is up to 75%, which requires the Bank to adhere to the fixed rate and to expand this activity.

4.6. The dropping down of the cash credit allocation reached 12,317thousand Iraqi Dinars as in 31/12/2022, after it was 16,913thousand Iraqi Dinars in the previous year.

4.7. We emphasize the necessity to update and complete some of the necessary information through an account open form (KYC) for some of the customers.

4.8. The rate of the stumbling credit reached 23% from the credit portfolio, and the rate of personal guarantees reached around 3% to the total of the credit, and we accordingly recommend setting sufficient allocations for such types of risks.

5. Contractual Credit:

5.1. The balance of the contractual credit account after deducting the insurances and excluding the obligation of the Bank with Somo Company, have reached and amount of 69,064,130 thousand Iraqi Dinars as in 31/12/2022, which exceeds the previous year by 77%, and the balance represents 22% of the capital and true reservoirs. Noting that the rate fixed by the central bank does not exceed 200%.

5.2. The allowance of the contractual credit reached 35,203 thousand ID, representing 0,00004% of the contractual credit, which requires to take a sufficient allocation for this activity.

5.3. The rate of the insurance collected against the granted contractual credit reached 3% which is lower than the fixed rate designated according to the regulation of the Central Bank which is fixed at 15%.

5.4. (13) expired letters of credits exist at the total amount of 2,516,229 thousand ID, and we recommend following and settle them

5.5. There is an obligation by the Bank at the amount 730,033,580 thousand ID for the year 2022 against the opening of a documented credit forwarded by Somo Company to export oil in the Trade Bank of Turkey.

6. Financial Investments\ Explanations (8):

The Bank's investments rate reached 0,3% of the capital and true reservoir, which is a very low rate, and that's why we recommend to expand in the investment sector and to move towards setting annual investment plan, since that is considering as a basic pillar in the operation of the available resources, and to the diversification of the income resources, according to the instructions of the Central Bank of Iraq in this respect, noting that current investments didn't achieve any revenues to the Bank.

7. Assets and Equipments:

7.1. The net rate of the fixed assets to the capital is still at 88% increased, and we recommend eliminating the unnecessary real estate properties, and to use the cash comes from it in the Bank's basic operations.

7.2. The Bank still own a property worth 161 million ID, of which the Administration completed its registration under the name of the Bank within the scope of the fixed assets

in early 2022, and the building still unoccupied so far for the purposes of the Bank, noting that an approval by the Bank is issued to use the building as a general administration for the Bank, and is currently occupied by other according to a lease contract.

8. Underway Projects:

The balance of the underway projects reached 3,177,768 thousand Iraqi Dinars as in the end of 2022, while the land and the building of Kirkuk Branch which worth 2,667,352 thousand Iraqi Dinars as in 31/12/2022, still shown under the account since 2015, although it is uncompleted and didn't been registered within the scope of the fixed assets due to the non-completion of legal procedures in relation to its registry under the name of the Bank due to the existence of underage persons in the ownership of the property. We recommend following the paper works and complete its settlement procedures.

9. Other Assets:

The balance of the other assets is 17,764,715 thousand ID as in 31/12/2022, dropped from the previous year's balance by the rate 1%, noting that the rate of the other assets to the circulated assets reached 3% and didn't exceed the fixed rate which is estimated at 10% according to the Central Bank's regulations. And we have the following notices:

9.1. The advanced payments granted to employees of the Bank exceeded the rate 367% comparing to the previous year.

9.2. Properties at the value 189,000 thousand ID still within the account of the other assets of which ownership transferred to the favor of the Bank against unsold debts, despite passing over two years of its ownership, noting that the Bank has received a down-payment against not selling the same, and this needs to be followed to sell it according to the regulations issued by the Central Bank.

9.3. Within the scope of the abovementioned account, there is an insurance balance at electronic payment companies estimated at the amount 8,665,652 thousand Iraqi Dinars increased by the rate 54% comparing to the previous year's balance which is 3,987,594 thousand ID, and this requires to be followed and settled.

10. Current Accounts and Deposits:

The current accounts and saving and fixed deposits reached 717,735,003 thousand ID as in 31/12/2022, while it was 444,640,554 thousand Iraqi Dinars in the previous year by an increase of 61%, as described below:

Statement	Balance 31/12/2022	Balance 31/12/2021	Dropping Down	Increase
	Thousand\ID	Thousand\ID	%	%
Current accounts and upon request (governmental entities)	670,566,895	345,414,129		94%
Current accounts and upon request (companies and individuals)	-	79,903,453	-100%	
Fixed deposits by financial law warning (non-fiscal companies)	23,895,262	-		100%
Saving deposits (individuals)	23,812,099	18,533,312		28%
Deposits for (individuals)	460,747	789,660	-42%	
Total:	717,735,003	444,640,554		61%

10.1. The current deposits and upon request formed 211% of the total ownership rights by the end of the fiscal year 2022, which indicates to the existence of risks in the case of withdrawing such deposits.

10.2. The deposits of the Bank in Erbil forms 86%, which requires lessening the risks by setting a plan to attract depositors from the other provinces.

10.3. Top 10 depositors on request are forming 56%, which require diversification of the deposit's portfolio.

10.4. The delayed deposits from entities other than banks formed 0,001 from the total demands as on 31/12/2022, and 0,0004 from total demands and ownership property rights which is a low rate, and we accordingly recommend working on the increase of the deposits with long terms to avoid the risks.

11. Cash Insurances:

The balance of the insurance account reached 28,412,269 thousand dinars as on 31/12/2022 comparing with the balance of the previous year which is estimated at the amount 17,401,182 thousand dinars, and as describing the reasons behind the increase in the chart below:

Statement	Balance 31/12/2022	Balance 31/12/2021	Dropping Down	Increase
	Thousand\ID	Thousand\ID	%	%
Insurances against letters of credits	10,292,335	19,233,481	-	87%
Insurances against documented credits	1,204,500	2,876,735	-	139%
Received insurances	784,053	-	-	-100%
Received insurances against credit cards owned by customers	5,120,294	6,302,053	-	23%
Total:	17,401,182	28,412,269	-	63%

From the abovementioned chart, we notice that the effective increase was in the activity of the documented credits and letters of credit for the year 2022 comparing to 2021.

12. Borrowed Money:

The balance of the account described above which is 14,263,276 thousand dinars as in 31/12/2022, represents short-term loans from the governmental sector (medium and small projects' loans) noting that its balance in the previous year was 13,728,677 thousand dinars, and it was noticed that no changes occurred in this account, and we accordingly recommend to expand the works in these loans to better serve this vital sector aiming to enhance the national economy.

13. Other Loans:

The balance of the other loans account reached 23,520,994 thousand ID as in 31/12/2022 with an increase by the end of the previous year at the amount 9,081,658 thousand ID, and below we highlight our most important notices:

12.1. Within the scope of the abovementioned account, there exist due costs at the amount 10,746,816 thousand ID to pay the accumulated fines due paid by the Bank to the Central Bank against customs clearances and violations for previous years, and then to affix it upon the Bank, and we recommend to file lawsuit against the violating companies that not comply with the regulations of the Central Bank, with the necessity to take sufficient insurances from the companies entering auctions to avoid expected fines in the future.

12.2. Within the scope of the account, there exists an amount of 7,059,739 thousand ID founded by the end of the year 2022, representing the a medium account with electronic payment companies, and we recommend to settle it.

14. Activity Results:

The Bank achieved during the financial year of 2022 a profit at the amount 15,501,937 thousand ID prior to the calculation of the income taxes comparing to the previous year's profit at the amount 11,729,598 thousand ID, increased by 32%, and we are showing below the reasons behind this increase:

Statement	Current Year	Previous Year	Dropping Down	Increase
	Thousand\ID	Thousand\ID	%	%
Profits received from banks and customers	4,635,677	3,188,641	45%	-
Revenues from fees and commissions	48,081,067	28,224,394	70%	-
Foreign currency exchange revenues	1,367,191	1,526,148	-	-10%
Revenues from currency exchange through the windows	5,149,480	4,327,200	19%	-
Other banking revenues	5,934,546	5,511,156	8%	-
Total Revenues	62,433,579	39,725,243	57%	
Total Costs	46,931,642	27,995,646	68%	-

14.1. It is noticed that the costs of 2022 have increased in comparison with the previous year by 68%, and the main factor was due to the increase in the allowances at the amount 18,298,104 thousand ID during the year 2022.

14.2. The revenues from the commissions of international coming and going wire transfer formed 50% of total revenues, and the currency exchange incomes through the window formed 8% of the year's total revenues. We recommend depending on the diversification of the other banking revenues, and less focusing on this non-basic activity, as well as the vouchers issued, and through the targeted sample by us, we have the following notices:

14.2.1. There are effective actions by the Bank, and we recommend affirming the financial statements submitted by the customer and comparing it with the wired amounts, and to document the same in the "Know Your Customer" Form (KYC).

14.2.2. The inconsistency of the wired amounts to some of the customers with the financial status described under the final accounts, and the Bank didn't make any opinion in the submitted financial statements. We recommend auditing the financial statements submitted by the clients through an acceptable accounting auditor assigned by the Board after confirming the trueness of the information through contacting the entity that issued the financial statements.

14.2.3. The capital of some of the companies does not exceed five million ID, and its wire transfers exceed hundreds of thousands of foreign currencies.

14.3. It was noticed that the rate of the revenues of the assets ROA reached 1%, which is a very small rate.

15. Central Bank of Iraq's Window for Foreign Currency Exchange\ Explanation24:

The purchases balance of the Bank through the window during the period from 1/1/2022 up to 31/12/2022 for wire transfers and cash sales reached 1,879,560,200 thousand ID, and the volume of the sold was 1,884,709,680 thousand ID, and the achieved revenue in

the result of this activity was 5,149,480 thousand ID, and the average selling price was 1464 against the average purchasing price at 1460, as shown below:

Descriptions	Purchases	Sales
	USD	ID
Wire transfer purchases	1,278,170,000	1,871,240,880,000
Credits purchases	-	-
Purchases for banking companies' purposes	-	-
Cash auction purchases	9,200,000	13,468,800,000
Total:	1,287,370,000	1,884,709,680,000

15.1. Through reviewing the portfolios of the wire transfers of some of the companies participating through the Bank in the currency auction by the Central Bank of Iraq, we highlighted the following notices:

15.1.1. The necessity to update and complete some of the required forms via the opening of the account of the (KYC) Form for some customers.

15.1.2. The volume of the annual transaction in the KYC Form does not match the financial statements submitted by some of the customers.

16. Sufficiency of Capital and Cash:

The rate of the capital sufficiency reached 75% as in 31/12/2022, while the rate of the previous year was around 92%, noting that the rate allowed for by the Central Bank of Iraq is 12%, and according to the Banks Law is 15%, and under Basil Resolutions is 8%, and the reasons for dropping down are the increase occurred in the banking vouchers (the documented credits).

17. Share Value:

The value of one share of the Region's Trade Bank for Investment and Financing was (1) one dinar as decided on in the last meeting of Iraqi market for financial securities in the year ended on 31/12/2022, and its value in last meeting in 2021 was (1) one dinar, and it will be compared to the book value of the share which is 0,04 dinar comprising the right of the shareholders \ numbers of the Company's shares issued by the end of 2022.

18. Legal Lawsuits:

18.1. Lawsuits Filed Against the Bank:

18.1.1. A lawsuit filed by Activate Company on 21/12/2017 claiming for an amount remaining unpaid by the Bank to the Company estimated at 46,825 USD, and the decision was made to compensate the Company, but the attorney of the Bank appealed

against the decision and the lawsuit is still followed by the Legal Department, and we accordingly recommend to take allocations against the lawsuit.

18.1.2. A lawsuit filed by the Gulf Bank on 5/9/2019 claiming for the value of two Letters of Credit that has been revoked, and according to a request from the issuing entity, at the amount 8bn dinars, and the case still under appeal, noting that the Bank has allocated an amount of the full amount.

18.2. Lawsuit Filed by the Bank Against Others:

18.2.1. There are still lawsuits existing against the Bank by (Manager Security) Company due to delaying in paying the debts and its interests granted thereunder, estimated at the amount 1,5bn ID, noting that the lawsuit is still unsettled so far, and we recommend following it since it is filed since 2020.

18.2.2. An existing lawsuit filed against Tektaz Company in 1/9/2022 due to its delay in repaying the debts granted to it which is 7bn dinars, and follow-up for this lawsuit is still ongoing aiming to collect the amount, and there exist sufficient insurances at the Bank against such debt.

18.2.3. An existing lawsuit filed by Santiago Company due to the delay of paying the debts estimated at the amount 162,739 USD, and the case is still before the courts of law, and we recommend following it, noting that the Bank has taken the necessary allocations against this debt.

19. Internal Control:

Through reviewing the reports of the Internal Audit Department, we have noticed the following:

19.1. The existence of plan set for the work of which its execution rate was 55%. We recommend completing it by preparing detailed programs that will be performed to audit the execution most of the Bank's operations, including the increase of the effectiveness of the internal audit control by which it ensure permanent control as well as evaluating the level of compliance with the laws, regulations and systems.

19.2. The number of staff at the Internal Control Department still (8) employees in 2022, including the head of the department, and the number isn't sufficient, and they need to be involved in extensive training sessions.

20. Compliance Control Officer:

20.1. We have reviewed the reports of the Compliance Control Officer submitted to us during the year, and it was in compliance with the requirements and regulations of the Central Bank of Iraq related to the activities of the Bank for the fiscal year 2022, and it was comprising the following:

- Activities of the Compliance Officer in the field of combating money laundering and terrorism financing.
- Statements related to the real estate properties registered under the name of the Bank, including that which are owned by it in the result of debts.
- The legal requirements.
- Information about the upcoming and going external and internal vouchers via the window of currency exchange and to all currencies.

20.2. The Risk Management Department operates the Risk Based Approach System (RBA) to evaluate the clients of the Bank (companies and individuals) through measuring their risks according to the international and global standards issued by the FATF Organization, which is connected to the Banking BANKS System, and also operates the VIS System to evaluate the clients (debtors) companies or individuals, and to measure the degree of their risks through studying the quantity and quality standards pertaining the customers.

21. Combating Money-Laundering and Terrorism Financing:

According to the control regulations issued by the Central Bank of Iraq, under the Letter No. 306/1/9 in 19/09/2016, and aiming to activate the requirements related to the money laundering issue, we recommend the following:

21.1. To control the banking accounts of customers with high risks (politicians, state employees and some clients) and to identify their IDs in the event of any large suspicious withdraw or deposits and shall immediately report to the Anti-Money Laundering Authority according to the Article 9 of Anti-Money Laundering Law No. 39 of 2015.

21.2. To document the compliance reports in line with the legal requirements, and keeping full records of clients and financial transactions for a period of five years from the date as per the expiration of the relation with the client, or from the account closure date, or when executing a transaction for a client, whichever comes later, and shall make it available as soon as practicable to the relevant authorities according to the Article 11 of the Law No. 39 of 2015.

21.3. We noticed that the management of the Bank pays a great attention to the collection of information regarding the customer or the company, but this system requires ongoing update of such information and sustainability of the documents, such as trade lists, import contracts, import permits, income taxes clearance and customers' financial status (certified budget) with the necessity to update the volume of the annual transaction in the KYC Form in order to be in compatible with the financial statement, and etc...

21.4. The Bank entered a contract with one of the programming companies to insert electronic systems in the Anti-Money Laundering Programs (AML) and update it by

additional scenarios as required by the Anti-Money Laundering Office, and this represents a good indicator in the field of money laundering which will ultimately enhance the control processes.

21.5. The Electronic Payment System (RTGS) is connected with the (ACH) System and the Swift (CSP) System with the Central Bank of Iraq.

22. Institutional Governance:

22.1. The Bank have set a governance guide according to the regulations of the Central Bank of Iraq, and in compliance with governance principles, with separating between the duties of the Board of Directors and the duties of the Executive Management.

22.2. We recommend paying great attention to the indicators of the performance card, since it is considered as the path leading to the success of the Bank's management. And we further recommend explaining the adoptable core values under the indicators of the performance card, and setting strategic plans for the Bank for the next three years.

23. Subsequent Events:

On 9/2/2023, a letter numbered (9/2/95) was issued by the Central Bank of Iraq, by which the exchange rate of the Iraqi dinar currency against the US Dollar was changed, which adversely affected the activities of the Bank resulting in losses at the amount 1,166,609 ID of the account of the net revenues of trading foreign currency, and since this event occurred after this date 31/12/2022, and does not considered as the events which were existed at the date of the budgetary, therefore; this event lies within the scope of subsequent events that may not amend the financial statements according to the International Accounting Standard No. (10) ("Subsequent Events") by which it is required to disclose the expected negative impacts onto the fiscal status during the upcoming 12 months.

24. Internal Reports:

Our Internal Report No. 13 dated 20/05/2023 about the statements of the year 2022 subject of the report has been directed, and the Administration has informed us that it will take the necessary actions to settle the notices described under the Report.

25. Results of Following the Bank's Businesses by the Central Bank:

Reports and correspondences rendered with the Central Bank of Iraq has been reviewed, and it was noticed that the Bank was serious in following the Central Bank's responses and processing most of the notices marked in the Report and implemented the same. We recommend continuing to follow the highlighted notices related to the monitory of the audit process's results and continue to implement it and comply with it.

26. Declaration of Professional Wages:

The professional wages paid to the accounts control officer reached 60,000 ID against auditing the accounts of the Bank's branches in Iraq for the fiscal year 2022.

27. Other Notices:

27.1. The electronic accounting program used at the Bank which is of type (BANKS) was in compatible with the requirements of bookkeeping, and comprised, in our opinion, records of all the assets, demands, costs and revenues of the Bank, and that the Internal Control System have involved the procedures that ensure fairness and clarity in such statements in a way that it will be in consistence with the volume of the Bank's activities.

27.2. The inventory process of the assets, equipment's and cash have been performed in a suitable way, and the evaluation was conducted according to the international accounting bases, principles and concepts, except for the assets and equipment's for which the dated costs have been applied.

27.3. The financial statements were organized according to the international accountancy standards and as it may deem in conformity with the applicable legislations, and it is in compliance fully with the information shown on the records, and are organized according to the Companies Law as amended, Banks Law and applicable systems and regulations.

27.4. The Bank is still performing pressure tests manually (Excel Sheet adopted by the Central Bank of Iraq under our Letter No. (RT/Risk/CBI/11) in 20/01/2022.

Other Information described under the Bank's Annual Report for 2022:

The Board of Directors shall be responsible over the other information described under the Annual Report of the Bank for the year 2022, other than the Financial Statement, noting that our opinion regarding the financial lists does not include such other information, and we are not giving by whatever means any kind of confirmations or conclusions thereto, and in respect to our audit over the financial statements, it is worth mentioning that our task is restricted to the reading of the other information when they are available to us, and in the result of the work we have done in respect to the other information that we obtained before the date of audit, we didn't find any fundamental faults in the information that may need to be reported.

Responsibilities of the Administration and Officers over Governance and Financial Information:

The Administration is responsible for preparing financial statements and present them fairly according to local and international accounting standards and shall be further responsible for the preparation of an internal control system that the Administration deem necessary to make the financial statements be fair and free of core defects and faults resulted from manipulation, fraud or faults.

During the preparation of such financial statements, the Administration shall not deem responsible for evaluating the Bank's ability to continue as an ongoing institution, or to report when it is necessary about cases related to the continuity and usage of continuity base in accounting, unless the Administration moves towards liquidation or the closure of its businesses, or when no other actual alternatives exist to do so, furthermore; those who are responsible for governance shall be liable for supervising and following-up financial reporting processes.

The Auditor's Responsibilities Over Auditing the Financial Statements:

Our responsibility is to provide technical and neutral opinion about the financial data submitted to us, according to evidences and local and international auditing standards, and such standards require us to plan and execute the audit process to obtain reasonable confirmations of whether or not the financial statements are free of core faults, and such reasonable confirmation shall deem a high-level confirmation, but it does not guarantee that the Audit, which is executed according to international audit standards, will always reveal fundamental wrong information when they exist, and the Audit further includes a test-based inspection of information and documents supporting the amounts reflected in the financial statements, the explanations and also disclosure of the same.

And we further conduct the following:

- Understand the internal control system related to the audit, and that's to determine the proper audit procedures in light of the existing circumstances, but not only to give opinion about the effectiveness of the Bank's internal control system.
- Evaluate the scope of suitability of the accounting policies adopted and reasonability of the relevant accounting estimations and announcements made by the Board.
- Ensure the properness of using the accounting continuity principle by the Board, and based on the auditing evidence which we obtained, whether fundamental uncertainty exist in relation to the events or circumstances that may imply doubts about the ability of the Bank to continue. And, if we reach an outcome in which any core fault is found, then we shall highlight in the Audit Report the relevant information described under the financial statements, or to modify our opinion if such information were not sufficient. Our conclusions are based on the audit evidence that we obtained up to the date of the audit report, but nevertheless, future event or circumstances may lead the Bank to not be able continue in its businesses.
- We communicate with the audit committee about several topics, including the scope of the audit and its timing as well as the audit's important notices that comprise any core defaults in the internal control system which may be determined by us during the audit process, and we further provide the audit committee with all the necessary tools needed to perform our obligation under the ethical requirements in relation to independency, and we inform the committee about all the relations and other aspects that might affect our independency and things that will preserve such independency.

[Signed and Sealed by Adil Alhasun& Partners Company (Accountants)]

Chartered Accountant and Auditor
Company of Adel Al Hassun and Partners

Region Trade Bank for Investment & Finance
(Private Shareholding Company)
Erbil-Iraq
Statement of financial position

		on December 31st	
		2022	2021
		Iraqi Dinars	Iraqi Dinars
Assets	Clarification		
Cash and balances in the Central Bank of Iraq	5	634,090,551,798	392,718,416,045
Balances at banks (foreign + local)	6	180,895,372,928	117,730,700,525
Net direct credit facilities	7	71,385,724,062	54,588,749,615
Net investment	8	799,190,680	799,504,684
Tangible fixed assets	9	219,506,075,938	219,382,056,749
Intangible fixed assets	10	1,029,944,541	824,332,543
Projects under implementation	11	3,177,768,042	3,033,425,563
Other assets	12	17,764,715,109	17,961,652,034
Total assets		1,128,649,343,097	807,038,837,658
Liabilities & Shareholders' Equity			
Liabilities			
Bank deposits (current / demand accounts)	13	3,401,842,190	4,574,574,173
Customer deposits	14	717,735,003,200	444,640,553,409
Cash insurances	15	28,412,269,241	17,401,182,553
Borrowed money	16	14,263,275,667	13,728,677,000
Miscellaneous Allocations	17	18,591,788,679	2,103,155,579
Income tax provision	18	4,872,944,700	2,082,189,397
Other requirements	19	23,520,994,266	14,439,336,248
Total Liabilities		810,798,117,942	499,709,370,359
Shareholders' equity			
Paid Capital		250,000,000,000	250,000,000,000
Legal reserve		6,002,481,046	5,476,393,153
Realized accumulated profits		61,484,744,109	51,953,074,145
Total Shareholders Equity		317,851,255,155	307,329,467,298
Total Liabilities / Shareholders Equity		1,128,649,343,097	807,038,837,568

Seal of RT Bank

Signed

Tariq Salim Abi Faraj
Financial manager

Signature

Ghazi Hasan Sharif Mohamed
Authorized Manager

Signature

Hamila Abdulsattar Juma
Chairman of the board

Hatimi Hasan Mrdas -Signed

Chartered Accountant - membership No (15698)

Referring to our Report No.: 641 on 20-05-2023

**Region Trade Bank For Investment & Finance
(Private Shareholding Company)**

Erbil-Iraq

Income statement & comprehensive income

	Clarification	of the fiscal year ended on December 31 st	
		2022	2021
		Iraqi Dinars	Iraqi Dinars
Credit interest	20	4,635,676,903	3,188,641,846
Borrowed interest	21	(1,103,136,956)	(428,772,581)
Net Revenues of interest		3,532,539,947	2,759,869,265
Creditor Fees and currencies	22	48,081,067,497	28,224,393,789
Debtor Fees and currencies	23	(2,644,083,712)	(2,926,215,075)
Net income from fees, and currencies		45,536,983,785	25,298,178,714
Net income from interest, fees, and currencies		48,969,523,733	28,058,047,979
Net Revenue from buying and selling foreign currencies	24	(1,367,191,055)	(1,526,148,355)
Revenue from buying and selling currency	24	5,149,480,000	4,327,200,000
Other income	25	5,9434,546,390	5,511,156,311
Net operating income		58,868,359,068	36,370,255,934
Staff expenses	26	(4,297,991,343)	(3,199,130,659)
Depreciation and amortization	9-10	(3,112,589,747)	(2,790,992,437)
Net Allocation for Recovering the Lowering of the Direct Cash Facilitations.	7B	(5,990,859,315)	(957,844,299)
Foreign and domestic bank allocation expenses	5-6	(3,125,699,688)	
Miscellaneous Allocation (undertaking-operational risk)	17	(9,181,406,063)	
Fixed asset lowered charges			-
Other operating expenses	27	(17,582,971,355)	(17,692,690,585)
Total operating expenses		(43,291,656,511)	(24,640,657,969)
Profit before tax		15,394,702,557	11,729,597,965
Income tax expenses (for previous years)		-	
Income tax expenses		(4,872,944,700)	(2,821,891,397)
Year profit after tax		10,521,757,857	8,907,706,568
Required reserve 5%		526,087,893	445,385,328
Other comprehensive income		-	-
Comprehensive income for the year		9,995,669,964	8,462,321,240

Seal of RT Bank

Signed

Tariq Salim Abi Faraj
Financial manager

Signature

Ghazi Hasan Sharif Mohamed
Authorized Manager

Signature

Hamila Abdulsattar Juma
Chairman of the board

Hatimi Hasan Mrdas -Signed

Chartered Accountant - membership No (15698)

Region Trade Bank For Investment & Finance
(Private Shareholding Company)
Erbil-Iraq
Statement of changes in shareholders' equity

	Subscribed capital. Iraqi Dinars	Legal reserve Iraqi Dinars	Realized accumulated profits Iraqi Dinars	Total Iraqi Dinars
Balance on December 31st 2022	250,000,000,000	5,476,393,153	51,953,074,145	307,329,467,298
Registry settlement	-	-	-	-
Comprehensive income for the year	-	-	10,521,757,857	10,521,757,857
Transfer to compulsory reserve	-	526,087,893	(526,087,893)	-
Balance on December 31st 2022	250,000,000,000	6,002,481,046	61,848,744,109	317,851,225,155
Balance on December 31 st 2021	250,000,000,000	5,031,007,825	43,390,752,905	298,421,760,730
Registry settlement	-	-	-	-
Comprehensive income for the year	-	-	8,907,706,568	8,907,706,568
Transfer to compulsory reserve	-	445,385,328	(445,385,328)	-
Balance on December 31st 2021	250,000,000,000	5,476,393,153	51,853,074,145	307,329,467,298

Region Trade Bank For Investment & Finance
(Private Shareholding Company)

Erbil-Iraq

Cash flow Statement

	Clarification	of the fiscal year ended on December 31 st	
		2022 Iraqi Dinars	2021 Iraqi Dinars
Cash flow of operational activities			
Net profit for the year before tax		10,521,757,857	11,729,597,965
Modifications for cashless items			
Depreciation and amortization	9-10	3,112,589,747	2,790,992,437
Net Allocation of the Lowering of the Direct Cash Facilitations.	7	5,990,589,176	957,844,299
Other allowances	18	16,488,633,100	(80,600,025)
Losses on the sale of fixed assets	10	2,051,053,303	
		38,164,893,182	15,397,834,665
Change in working capital			
Increase in the mandatory cash reserve	5	(31,681,808,963)	(670,543,655)
Decrease in net direct credit facilities	7	(22,787,833,623)	(13,141,102,963)
Increase in other assets	12	196,936,925	4,080,099,894
(Deficiency) Increase in customer deposits	14	273,094,449,791	184,201,973,506
(Deficiency) in cash insurances	15	11,011,086,688	(20,179,277,214)
Increase in other liabilities	19	9,081,658,018	4,301,962,341
Net cash flow of operational activities before taxes paid		277,097,382,018	174,090,945,574
Income tax paid		-	(2,821,891,397)
Net cash flow of operational activities		277,097,382,018	171,269,055,177
Cash flow from investing activities			
Purchase of property and equipment	9	(3,236,608,935)	(165,065,652,560)
Purchase of intangible fixed assets	10	205,611,998	121,954,608
Proceeds from the sale of fixed assets	9		
Projects under implementation	11	(144,028,575)	165,200,489,744
Net funds used in investment activities		(3,586,249,508)	256,790,792
Cash flow from investing activities			
Net change in borrowed money	16	534,598,667	(55,823,000)
Net money generated from financing activities		534,598,667	(55,823,000)
Net (shortage) /Increase in cash and equivalent of cash		274,027,731,177	171,470,022,969
Cash and cash equivalents in beginning of the year		479,730,970,036	308,260,947,067
Cash and cash equivalents in end of the year	29	753,758,701,213	479,730,970,035



Region Trade Bank for Investment & Financing
(Private Shareholding Company)
Erbil - Iraq
Explanations About Financial Date

1. General Information:

The Bank was founded according to the Establishment Certificate No. (282) in the 20th of July 2001 issued by the General Directorate of Companies' Registration in Kurdistan Region as a limited liability company, and have secured approval from the Central Bank of Kurdistan Region allowing to grant the Bank with the founding certificate No. 493 in 28th July 2001.

The Bank was granted a founding certificate No. 15145 in 29th of November 2006 issued by the Companies Registration Directorate in Baghdad as a private shareholding company with a capital estimated at the amount 25,250,000,000 Iraqi Dinars, and the Bank secured a permit to perform inclusive banking practices from the Central Bank of Iraq under its Letter No. 408/3/9 in 1st of March 2007.

The Capital was increased in several payments until it reached 250,000,000,000 dinars on 22nd of September 2013 according to the Directorate of Companies' Registry Letter No. 24306 distributed on 250,000,000,000 shares at the price 1 dinar for each share.

The Main Office of the Bank locates in Erbil, Kurdistan Region - Iraq.

The Bank provides banking services through its main office and its five branches located in Erbil, Baghdad, Duhok, Sulaymaniyah and Kirkuk.

It was approved to change the name of the Bank from "The Central Bank" under the decision made the Bank's Board of Directors in its meeting No. 1511 held on 20th of April 2014, into "Region Trade Bank for Investment & Financing - Private Shareholding Company" under the decision made by the General Directorate of banking and Credit Control No. 1214/3/9 in 10th of June 2014.

Under the Financial Securities Board's Letter No. 1173/10 in 5th of July 2017, it was approved to enlist the shares of the Bank in the Iraqi Market for Financial Securities.

2. Application of New and Amended International Financial Reporting Standards:

a. Adjustments that didn't lead to essential effects over the Bank's Financial Lists:

The following new and amended international financial reporting standards, which later on became valid for financial periods starting as from or after 1st January 2019, or thereafter, were adopted in preparing the financial lists of the Bank, and didn't essentially affect the amounts and explanations contained in the financial lists of the year and past years, noting that it may has affects over accounting processing of future transactions.

New and Amended Standards	Amendments on the New and Amended International Financial Reporting Standards
Annual enhancement over the financial international reporting standards issued during 2017 - 2019:	<p>The improvements include adjustment on the international reporting standards No. (3) "Businesses Mergence" and (11) "Common Arrangements", and the International Accounting Standards No. (12) "Income Taxes" and (23) "Loaning Costs", and as shown below:</p> <p><u>International Accounting Standards No. (12) "Income Taxes":</u> The adjustments shows that the institutions shall acknowledge the consequences of income taxes upon the benefits distributed in the benefits or losses lists, the final inclusive income list or the ownership rights list according to the place in which the institution acknowledged the transactions that generated the distributable profits. This is the case regardless of whether the various taxations averages apply or not on the distributable and non-distributable profits.</p> <p><u>International Accounting Standards No. (23) "Loaning Costs":</u> The adjustments show that in the event the lending remained existing after the asset of this loan is remain ready to use for the intended purpose or for sale, then the loan will become part of such amounts that the institution is generally borrowing when counting the average of the capital over the general loans.</p> <p><u>International Reporting Standards No. (3) "Businesses Mergence":</u> The adjustments explain that when the institution obtain control over the common trade activity, the institution applies requirements of businesses mergence which is achieved in several stages, including re-measuring its previous share in the common transaction at fair value. the previous shares will be re-measured and it will include any assets and requirements which are not acknowledged and related to the common operations.</p> <p><u>International Reporting Standards No. 11 "Common Arrangements":</u> The adjustments explain that when a party exist participating in the common operation and don't enjoy common control over such common operations, then the institution may not be obliged to re-evaluate its previous shares in such common operations.</p>

Explanation by the International Standards Explanation Committee for Financial Reporting No. 23 "Uncertainty about Processing Income Taxes":	<p>The Explanation demonstrates the way of determining the profit that is subject to taxation (taxually losses) taxually bases, unused taxually losses, unused taxually benefits and taxually averages when there is uncertainty about the processing to income taxes under the International Accounting Standard No. 12, which explicitly deals with the following:</p> <ul style="list-style-type: none"> • Whether the taxual processing shall be taken into consideration totally or not. • Theories related to the implementation of tax inspection by authorities. • Determine the tax-subjected profits (taxually losses), taxually bases, unused taxually losses, unused exemptions and tax averages, and; • The impacts of the changes over facts and circumstances.
Adjustments on the International Accounting Standard No. 28 "Investing in Allied Institutions and Joint Ventures"	These adjustments are related to the long-term shares in allied institutions and joint ventures. And these adjustments show that the institution applies international standards in preparing financial reports, Standard No. 9 "Financial Tools" , for long-term shares in the allied institution or the joint venture, which represents part of net investment in the allied institution or joint venture in the event the ownership rights method didn't apply.
Adjustments on the International Accounting Standard No. 19 "Employees Benefits":	These Adjustments are related to the adjustment of plans, decreases or settlements.

Bank's Leasing Activities and its Accountancy Processing Mechanism:

International Financial Reporting Standard No. (16) "Lease Agreements":

The Bank has applied the International Financial Reporting Standard No. 16 "Leases" substituting the existing guidance for lease agreements, including the International Accounting Standard No. 17 "Lease Agreements", the International Explanation No. 4 "determining whether any arrangement exist and conclude a lease agreement", Explanation by the Previous Explanations' Committee No. 15 "Operational Lease Agreements - Incentives" and the Explanation by the Previous Explanations' Committee No. 27 "Adjusting the Core of the Transactions that take Legal Form of Lease Agreements".

The International Financial Reporting Standard No. 16 was issued in January 2016, and it is valid for the financial periods that start on or after the 1st of January 2019. The International Financial Reporting Standard No. 16 states that all lease agreements, rights and contractual obligations related to shall be acknowledged generally in the Bank's financial center, unless the period is 12 months or less, or when the lease agreement is of low value assets. Accordingly; the required classification for The International Financial Reporting Standard No. 17 "Leases" of operational or financing lease agreements has been terminated in respect to lessees. For each lease agreement, the lessee agrees to abide by an obligation against lease obligations incurred in the future. In the return, fees will be

imposed upon the right to use the leased property, which is equivalent to the current value of future lease payments, in addition to expenses attributable to it directly and which shall be erased during the life of productivity period.

The Bank has chosen to use simple methodology allowed by The International Financial Reporting Standard No. 16 when applying The International Financial Reporting Standard No. 16 for the first time on operational lease agreements individually (for each lease agreement at a time), and ultimately; it was founded in the result of this application that the lease agreements owned by the Bank does not have essential impacts on the financial lists and meet exception requirements from implementing this standard in terms of both period and value, since the term of the agreements that does not exceed 12 months.

The Bank leases real estate properties for its activities and it mostly consist of one year period lease, and some of it may include extension options which is subject to negotiation on lease terms and conditions, comprising various terms and conditions, and the lease agreements does not include any undertakings and may not be used as insurances for loan purposes.

By the end of 2021, the Bank's lease agreements were categorized as operational lease agreements, and the amounts paid against such operational lease agreements are recorded under the profits and losses lists according to the fixed installment method during the period of the lease.

b. New, Amended and Non-Valid International Financial Reporting Standards:

The Bank didn't apply the following new and amended international financial reporting standards which are issued but not valid yet as in the date of the financial lists and its details, as shown below:

New and Amended Standards	Amendments on the New and Amended International Financial Reporting Standards
Amendment to the International Accounting Standard No. 1 "Presenting Financial Lists" (Starts from 1st January 2020)	These amendments are related to the definition of the importance. The new definition states that the information are essential if ignoring it or misleading or concealing it might affect reasonably on the decisions taken by the basic users of the financial lists prepared for general purposes which provide financial information about specific reports.
International Financial Reporting Standard No. 17 "Insurance Agreements" (Starts from 1st January 2022)	It provides a measurement method and a presentation more proper with all insurance agreements. These requirements aim to achieve the goal of proper accounting based on insurance agreements principles. And the International Financial Reporting Standard No. 17 substitutes the International Financial Reporting Standard No. 4 "Insurance Agreements".

	The International Financial Reporting Standard No. 17 requires the measurement of insurance requirements in the current value.
Amendments on the International Financial Reporting Standard No. (10) "Financial Lists", and the International Accounting Standard No. 28 "Investment in Allied Facilities and Joint Ventures (2011)" (Its validity date has been delayed to unknown date, and the application is still allowed)	These amendments related to the transaction of selling or holding assets from the investor in the allied facility or the joint venture.
Amendments on the Profit Average Standard (the International Financial Reporting Standard No. 9, International Accounting Standard No. 39 and the International Financial Reporting Standard No. 7) "Profit Price's Standard Reform" (Starts as from 1st Jan. 2021)	These Amendments provide specific exceptions in relation to reforming the standard of profit price. These exemptions are related to precautionary accounting and affect the labor reform which is not necessarily mean to lead to finalize the precautionary accounting. Nevertheless, it recommended to continue record any inactive precaution in the conclusive income statement. Regarding the vast nature of the contracts existing on the IBOR bases, the exemptions will affect the companies in all sectors.

The Administration expects to apply these standards, explanations and new amendments in the financial lists of the Bank when are applicable, and the adoption of these standards, explanations and new amendments may not generate a fundamental impact on the financial lists of the Banks in the first application period.

3. Important Accounting Policies:

Financial Lists Preparation Bases:

- The financial lists of the Bank are being prepared according to the standards issued by the International Accounting Standards Council and Regulations issued by the International Financial Reporting Explanation Committee formed from the International Accounting Standards Council, and as it may deem in conformity with the Central Bank of Iraq's requirements.
- The financial lists were prepared according to dated costs principle, except the financial assets and financial requirements in fair value through profit or losses list and the

financial assets in fair value through conclusive income and financial derivatives that show in fair value in the financial lists' date.

- The Iraqi Dinar is the currency shown on the financial lists and represents the main currency of the Bank.
- The adopted accounting policies in preparing the financial lists are similar to the accounting policies that are adopted in preparing the financial lists for the year ended on 31 December 2018.

Net Profits Incomes:

Incomes and expenditures of profits are being confirmed to all the financial tools, except those that are classified as retained for trade purpose or the measured or determined in fair value through the list of profits and losses in "debit profits" and "lending profits" in the list of the profits and losses by using the effective profit method. The profits are also enlisted within the measured financial tools in fair value through the profits and losses list within the movement of the fair value during the period.

The average of the effective profit is the price that deducts the future cash flow designated for the financial tool during the period expected for the financial tool or, when necessary, for a shorter period, to net documented value to the financial asset or financial requirements. And the future cash flow is also estimated by taking into consideration all the tool's contractual terms and conditions.

Profit incomes \ profit costs are counted through adopting the principle of effective profit average on the total documented value of the financial assets that aren't dropped down (meaning; based on the erased cost from the financial asset before settling any expected credit losses allocation) or to the erased cost of the financial requirement. And regarding to the financial assets that are credit low, the incomes of the profits are being calculated through applying the effective profit average on the erased cost of the financial assets that are credit low (meaning, total of the documented value after deducting the allocations of the expected credit losses). While in respect to the financial assets that were generated or obtained and are low credit, the average effective profit reflects the expected credit losses in determining future cash flow that is expected to be received from the financial asset.

Sectors' Information:

- The business sector represents a set of assets and operations that jointly participate in providing products or services that are subject to risks and consequences that differ from those that are related to other businesses sectors and which are measured according to reports hadn't been used by the Executive Manager and the main decision maker at the Bank.

- The geographical sector is related to the provision of products or services in a specific economical environment which is subject to risks and consequences that differ from those that are related to sectors operating in other economical environments.

Net Commissions Incomes:

The net income and commission costs comprise fees other than the fees that represent an integral part of the effective profit average. And it also includes commissions enlisted in this part in the profits and the losses list of the Bank the commissions levied on loaning service, and commissions of non-usage related to loaning obligations when it becomes unexpected to lead to a specific arrangement for borrowing and commissions of common financing of loans. The commissions costs in relation to the services are calculated upon the delivery of the services.

Agreements entered with clients which are result in acknowledgment of financial tools may be a part related to the International Financial Reporting Standard No. 15, in this case; the commissions will be acknowledged under the International Financial Reporting Standard No. 15.

The Financial Tools:

Initial Recognition and Measurement:

The financial assets and requirements are acknowledged in the list of the Bank's financial center when the Bank becomes a party in the contractual provisions for the instrument and acknowledgment will be made for the loans granted to clients as soon as it is recorded in the clients account.

Assets and requirements are initially measured in fair value, adding the transaction costs that are directly attributable to the possession of or issuance of financial assets and requirements to the fair value of the financial assets or requirements, or to deduct it thereto, as it may deem necessary, upon initial recognition, and it also sets the transaction costs that are directly related to the selection of the financial assets or the financial requirements in the fair value through the profits and losses list directly in the profits and losses list.

If the transaction price varies from the fair value upon the initial recognition, then the Bank will solve this discrepancy according to the following:

- If the fair value is fixed at a determined price in an active market of similar assets or requirements, or based on an evaluation method uses only inserters that can be noticed in the market, then the discrepancy in profits or losses will be admitted upon initial recognition (meaning, first day's profits or losses).

- In all the other cases, the fair value is adjusted to get in line with the price of the transaction (namely, the first day's profit or losses will be postponed through including the same in the initial documented value for the asset or the obligations).

Upon the initial recognition, the postponed profits or losses will be enlisted under the profits or losses list on a reasonable base, only to the extent when a varying factor emerges, including time, the participants will take it into consideration in the market when pricing the asset or the obligation, or when cancelling the recognition from that instrument.

Financial Assets:

The Initial Recognition:

All the financial assets will be recognized on trade date when the a financial asset is being sold or purchased under an agreement requires its terms and conditions to deliver the financial asset within the timeline by the relevant market, and it will be initially measured in fair value, in addition to the costs of the transaction, except those financial assets that are classified in fair value in the profits and the losses list. The costs of the transaction related directly to the possession of the financial assets classified in fair value will be recognized through the incomes of the profits or the losses.

Subsequent Measurement:

Measuring the acknowledged financial assets and that later lies within the scope of the International Financial Reporting Standard No. (9) requires erased cost or fair value based on a model of the facility's businesses to run the financial assets and features of the contractual cash flow for the financial assets, and specifically:

- Financing tools kept in the businesses model that aim to execute the contractual cash flow, and that has contractual cash flow are only payments of the debt asset and the profit on the asset existing amount, and it will be measured later by the erased cost.
- Financing tools kept in the businesses model that aim to both execute contractual cash flow and to sell debt tools, which has contractual cash flow, are only payments for the debt asset and the profit added to the existing original amount, and it will be later measured in fair value through the other inclusive income.
- All the other financing tools (such as, debt tools circulated based on fair value, or kept for sale) and investments in ownership rights, will be measured later in fair value through the profits or the losses list.

Nevertheless, the Bank may choose\determine the un-cancelable upon the initial recognition to the financial asset based on each asset at a time, according to the following:

- The Bank may irrevocably choose to enlist the subsequent changes in the fair value of the investment of ownership rights that aren't kept for expected circulation or substitution as recognized by the buyer within the businesses mergence that are subject to the application of the International Financial Reporting Standard No. 4, in the inclusive and other income.
- The Bank may irrevocably determine financing tools that meet erased cost standards or the fair value through the other inclusive income, and it will be measured in fair value in the profits or losses list, when that will cancel or decrease inconformity with accountancy in general (described to by the fair value option).

Debt Tool in Cancelled Cost or in Fair Value through the other Inclusive Income:

The Bank will evaluate and measure the financial asset according to the contractual cash flow features and the Bank's businesses model to run the asset.

Regarding to the asset which is classified and measured in the cancelled cost or the fair value through the other inclusive income, the contractual terms shall lead to cash flows that are only payments against the debt asset and the profit added to the existing original amount.

For the purposes of testing payments of the debt asset and the profit added to the existing original amount (SPPI), the asset is the fair value of the financial asset upon the initial recognition. This basic amount may change over during the period of the financial asset (for instance, when there is refunding of the debt asset). The profit consists of the price for the time value of the money, and to the insurance risks related to the original existing amount during a specific time and options and risks of other basic lending, in addition to profit margin. An evaluation will be conducted for the debt asset and the profit added to the existing original amount in the currency of the financial asset.

The contractual cash flow that represent payments for the debt asset and the profit added to the existing original amount and conform with the basic financing arrangement. The contractual terms that are subject to risks or changes in the contractual cash flow unrelated to the basic financial arrangement, such as exposure to changes in share prices or goods prices, does not lead to contractual cash flow which are only from the payments of the debt asset and the profit. And the financial asset granted or obtained, may also represent a basic financing arrangement regardless of whether it was a loan in its legal form.

Evaluating Businesses Model:

Evaluating the businesses model in running the financial assets is considering as an essential requirement for the classification of the financial asset. The Bank will determine the businesses model to an extent that reflects the method of running the set of the

financial assets all together to achieve certain business goal. And the Bank's business model does not rely on the intentions of the Administration in relation to an individual tool, and; accordingly, the business model will be evaluated at a collective level, and not at individual case each at a time.

The Bank adopts more than one business model to run the financial tools reflecting the way the Bank runs its financial assets to generate cash flow. The Bank's businesses models are determined if the cash flows are produced in the result of collecting the contractual cash flows or from selling the financial assets, or from both.

The Bank takes all information into account related to the evaluation of the business model. However, this evaluation is not conducted based on scenarios that the Bank can't reasonably expect, such as scenarios called "worst case" or "exhausting case". And the Bank further takes into account all the available relevant evidence, such as:

- Declared policies and goals for the portfolio and the implementation of such policies when the strategy of the Administration focuses on collecting the contractual incomes, maintaining fixed profit average and conformity of the financial asset's period with the financial requirements' period that financing those assets or achieving the cash flow through selling the assets.
- The method in use for evaluating the businesses model and the financial assets kept under the businesses model and to inform the main employees of the Administration in that respect.
- The risks that impact over the performance of the businesses model (and the financial assets exist in that model), especially the way such risks are managed.
- The method in use in compensating businessmen (for instance, if the compensation is based on the fair value of the managed assets or on the collected contractual cash flow).

Upon the initial recognition of the financial asset, the Bank will determine whether the acknowledged financial assets are part of the existing business model, or if it reflects the new business model. The Bank will reevaluate its business model in each periodic report to determine whether the business models have changed or not since the previous period.

When the recognition is cancelled over the debt tool that has been measured in fair value through the other inclusive income, the accumulated profits \ losses that have been previously recognized, will be classified in the other inclusive income within the scope of ownership rights to the list of the profits or the losses. In return, regarding to the investment in the ownership rights which have been measured in fair value through the other inclusive income, then the previously recognized accumulated profits \ losses will

not be later classified in the list of the profits or losses, but it will be transferred directly to the scope of the ownership rights.

Debt tools that have been measured later are subject to the erased costs or the fair value through the other inclusive income to test the lowness.

Financial Assets in Fair Value through Profits or Losses List:

The financial assets in fair value through Profits or Losses List are:

- Assets with contractual cash flow which are not payments of debt asset and the profit on the existing original amount, and/or;
- Assets preserved within the business model other than the preserved model to collect the contractual cash flow or kept collecting and sell, or;
- Assets are classified in fair value through the list of the profits or losses by using the option of the fair value.

These assets will be measured in fair value, by recognizing any profit \ loss resulting from re-measuring in the profit or losses list.

Reclassification:

If the businesses model by which the Bank keeps its financial assets has changed, then the affected financial assets shall be reclassified. The requirements of classification and measurement are applied in the new category by future affect as per the first day from the first periodic report following the changes in the business model which results in classifying the Bank's financial assets. The changes will be reviewed in the contractual cash flow within the scope of the accounting policy related to the adjustment and exclusion of the following financial assets.

The Fair Value Option:

A financial tool with fair value can be measured reliably by the fair value through the profit or losses list (the fair value option) upon initial recognizing even if no financial tool has been chosen or incurred basically for sale or repurchasing purposes. The fair value option may be utilized for the financial assets if that leads to or greatly lessens the inconformity of the measurement or recognition that which may otherwise resulted on the assets, requirements or the recognition of the relevant profits or losses on different bases ("Accountancy Inconformity"). The fair value option may for the financial requirements may be chosen in the following cases:

- If the selection leads to accountancy inconformity.

- If the financial requirements represented a part of a portfolio that is managed based on fair value, according to the credible strategies to run risks and investments. Or;
- If there was a derivative included in the financial contract or nonfinancial and this derivative does not relate tightly with the basic contract.

These tools may not be reclassified from the fair value category through the list of profits or losses when they are maintained or issued. The financial assets determined in fair value through the list of profits or losses will be recorded in fair value by including any profits or losses not achieved in the result of the changes in the fair value of the investment revenues.

Loans:

Loans are financial assets non-derivative with fixed payments or determinable, other than investments in financial securities, and are not kept for trade purposes. The loans will be recorded based on erased costs after deducting the unachieved profits and after the provisions of lowering where applied. Bad debts and collected-suspicious debt will be recorded based on cash and that's due to the existence of suspicions and possibility of not collecting its actual value and/or incomes.

Financial Demands and Ownership Rights:

The issued debt tools and ownership rights will be classified whether as financial demands or as ownership rights according to the contents of the contractual arrangements.

The financial demands are a contractual obligation to deliver cash or other financial assets, or to trade financial assets or financial demands with another entity according to terms and conditions of which may not be in consistence with the Bank or a contract that is going to be liquidated, or perhaps will be settled by the tools of the ownership rights of the Bank, which is a contract other than the derivatives where the Bank becomes bound or obliged to deliver a variable number of its own ownership rights tools, or derivatives contract on the special ownership rights that will be settled or can be settled, other than trading a specific amount of cash (or any other financial asset) for a specific number of the Bank's ownership rights tools.

Ownership Tools:

The Capital:

The tool of the ownership right is any contract proves the remaining interest in the facility's assets after deducting all its claims. The tools of the ownership rights issued by

the Bank will be recognized according to the received incomes, after deducting the direct issuance costs.

Financial Demands:

The financial demands will be classified whether as financial demands in fair value through the profits or the losses list, or as other financial demands.

Financial Demands in Fair Value through Profits or Losses List:

The financial demands in fair value through the profits or the losses list will be classified when the financial demands are: (1) Kept for trade purposes, or; (2) Classified in fair value through profits or losses list. The financial obligation in the form "kept for trade purposes" will be classified if:

- Incurred basically for the purpose of re-buying it in the short run, or;
- Upon initial recognition, represents as an integral part from the financial tools portfolio which is managed by the Bank and has a modern actual pattern to gain profits in the short term, or;
- Is an undetermined and active derivative as a preserve tool.

The financial obligation can be determined other than the financial obligation kept for trade purposes, or the probable consideration which may the customer pays it as part of businesses merge in fair value through the list of profits and losses upon the initial recognition, if:

- The classification cancels or lessens greatly the inconsistency of the measurement or the recognition that may arise otherwise, or;
- The financial obligation represented a part of set of the financial assets, the financial demands or both, performance of which is run and evaluated based on the fair value, according to the strategy of risk management or the investment adopted by the Bank, and when the information related to the formation of the set are submitted internally in that respect, or;
- If the financial obligation represents a part of a contract containing one or more derivatives, and the International Financial Reporting Standard No. (9) allows to form a fully hybrid contract in order to be determined in fair value through the list of the profits or the losses.

The financial demands will be included in fair value under profits or losses list and will recognize any profits or losses which may resulted from re-measurement of the profits or losses list to the extent in which it will no longer be part of any specific reservation. Net profits/losses recognized under profits or losses list include any interests paid on the

financial demands, and it will be included in the clause "net income generated from other financial tools in fair value through the profits or losses list.

However; in relation to the financial demands of the non-derivatives and classified in the fair value under the profits or losses list, the amount of the discrepancy will be included within the scope of the fair value of the financial demands that was resulted from the variations in the credit risks of those obligations in the other inclusive income, unless the recognition of the changes' affects on the credit risks in the other inclusive income results in an increase or inconsistency in the profits or losses list. The remaining amounts of the changes in the fair value to obligation of the profit or losses list will be recognized, and no reclassification will be conducted on the changes in the fair value attributable to credit risks of the financial demands which is recognized in the other inclusive income, hereinafter "profits or losses list". And instead, the retained profits will be transferred upon cancelling the recognition of the financial obligation.

In respect to the issued loan obligations and the financial warranty contracts classified in fair value under the profit or losses list, all profits and losses will be enlisted under the profit or losses list.

Upon determining of whether the recognition of the changes in the credit risks of the demands in the other inclusive income create or increase account inconsistency in the profit or losses list, the Bank will evaluate of whether it was expected to compensate the affects of the changes' affects in the credit risks of the demands in the other inclusive income by making a change in the fair value of another financial tool that has been measured in fair value through the profit or losses list.

Other Financial Demands:

The other financial demands, including deposits and loans, will be measured, after deducting the transaction costs. Thereafter, the other financial demands will be measured in the erased costs by using the effective interest method.

The effective interest method is a means to calculate the erased costs of the financial demands and the allocation of interests expenses during the relevant period. The rate of the effective interest is the price which will be deducted right from the future cash payments as estimated during the expected period of the financial obligation, or, when necessary, in shorter period, to the net documented value upon the initial recognition. For further details about the effective interest rate, see "net interest incomes" above.

Cancelling the Recognition of the Financial Demands:

The Bank provokes the recognition of the financial demands only upon performing, cancelling or completing the Bank's obligations. And a recognition will be also made to

the discrepancy between the documented value of the financial demands that its recognition has been cancelled, of the paid dues and payable under the profits or the losses list.

When the Bank trades one single debt tool with current lender by another tool under greatly different terms and conditions, then this trade will be considered as an erase of the original financial demands, and a recognition will be granted to the new financial demands. And likewise, the Bank will process the core amendments in the existing obligations terms and conditions, or part of it, as an erase of the original financial demands and will recognize the new obligation. Presumably; the terms and conditions suppose to vary widely when the current lowered value of the cash flow within the scope of the new terms, including any fees paid in net after deducting any fees received and deducted by using the original effective, is different by (10%) at least from the lowered current value of the remaining cash flow of the original financial demands.

Properties and Equipments:

- The properties and the equipments are described in the cost after deducting the accumulated consumption and any decrease in its value, if any. The properties and equipments, except the lands, will be consumed when are ready for use by the fixed installment method during the productive life expected to by utilizing the following percentage rates:

	%
Buildings and facilities	2
Decors and fixtures	20
Machineries and equipments	20
Furniture and office supplies	20
Transportation means	20

- When the refundable amount of any of the properties or equipments are less than the net documented value, then its value will be decreased to the value that is refundable, and the lowered value will be recorded under the profits or losses list.
- The productive age of the properties and equipments are subject to review by the end of each year, and; if the expectations of the productive age differs from the previously prepared estimations, then the variation will be recorded for the upcoming years evaluation considering it as changes in the assessments.
- Properties and equipments will be excluded after disposed or when no longer in use for future expected uses or disposal.

Fair Value:

The fair value is identified by the price recovered for selling any of the assets or paid to transfer any of the demands within an arranged transaction among the participants in the market at the date of measurement, regardless whether the price can be gained directly or if it was estimated by another evaluation mean. And; upon evaluating the fair value of any asset or demands, the Bank takes into account upon determining the price or any asset or demand whether the participants in the market shall take those factors into account in the date of the measurement. The fair value in respect to the measurement tools and/or disclosure is determined in these financial data according to such bases, except what is related to the measurement procedures that are similar to the fair value procedures and not a fair value like the fair value, as it is used in the International Accountancy Standard No. (36).

Furthermore; the fair value measurements are classified, for purposes of preparing the financial reports, to the Levels 1, 2 and 3 based on the extent of clarity in the inputs in relation to the measures of the fair value, and the importance of such inputs to the measures of the fair value as a whole, as it is described below:

Level (1) Inputs: They are the inputs extracted from the enlisted prices (unadjusted) for the assets or demands in conformity with active markets which the facility can obtain on the date of the measurement.

Level (2) Inputs: They are the inputs extracted from the data, other than the enlisted prices which are used in Level (1) and noticed in the assets or demands, whether directly or indirectly.

Level (3) Inputs: They are the inputs of the assets and demands that do not depend on noticed market prices.

Allocations:

The allocations will be recognized when the Bank is liable to perform certain obligations on the date of the Financial Status List, resulted from previous events, and the refund of the obligations is possible, and its value can be assessed as it may deem reliable.

Assets Assigned to the ownership of the Bank Against Meeting Due Paid Debts:

The assets of which titles are transferred to the Bank in the unified list of the financial status within the scope of the Article "Other Asset" at the price by which it is assigned to the Bank or the fair value or whichever is less, and it will be re-estimated on the date of the financial lists in fair value individually, and any value lowering will be registered in its value as a loss in the list of profits or losses and the inclusive income, and will not be recorded as increase in the income, and also; a gradual allocation will be counted against the real estate properties against the debts (liquidation real estate allocations) which the

ownership period exceeds 2 years at the rate 20% of the value of owning the property and for five years starting from the second year of owning the said property.

Investing in Allied Companies:

- The Allies Companies are those companies in which the Bank practices an effective influence over the decisions related to the financial and operational policies, and are not kept for trade purposes, and investment in the allied companies represented according to the ownership right method.
- Investment in the allied companies is reflected within the financial status of the costs, in addition to the share of the Bank of variations in the net assets of the subsidiary company. The fame resulting from the investment in allied companies will be registered as part of the investing account in the allied company and can't be erased. The share of the Bank from the profits of the allied companies are registered under the profit or losses list. In the event of any variation in the ownership right of the allied company then such variations, if any, will be shown under the variations list in the Bank's ownership right. The profits and losses resulting from transactions between the Bank and the allied companies will be excluded within the limits of the Bank's share in the allied company.

Foreign Currency:

For the purposes of the financial lists, the result and the financial status for each company in the group will be expressed by the Bank's unified currency, and the display currency will be used for the financial lists.

Transactions that are registered by currencies other than the Bank's unified currency will be registered according to the prices of the exchange rate as declared on that date. Furthermore; the non-cash instruments will be transferred that are listed in fair value and which are registered in foreign currencies under the declared prices of the exchange rate in the date of determining the fair value. The non-cash instruments will not be reclassified or transferred which are measured by the dated costs in foreign currency.

Exchange discrepancy in the profits or losses list during the period in which it is generated will be registered, except:

- Foreign currency exchange discrepancies on transactions that are intended for foreign currency's risks precautions purposes.
- Foreign currency exchange discrepancies on cash instruments from\to foreign currency that are not planned to be settled or that are not able to be settled in the near future (and accordingly; these discrepancies form a part of the net investment in the foreign currency), which is initially recognized in the unified other inclusive income's account and will be reclassified from the ownership rights to the list of the profits or losses upon selling or assigning part thereto in the net investment.

In order to present the financial statements, the assets and demands of the Bank's foreign operations will be transferred according to the exchange rates price as declared on the date of the financial status statement. The incomes will also be transferred according to the average prices of the exchange rate during that period, unless the exchange rate is greatly changes during that period, and in this case; the prices of the exchange rate applicable on the transactions' date shall prevail. Furthermore, the discrepancies of newly transfers, if any, will be enlisted in other inclusive unified income statements, and will be collected in a separate article of the ownership rights.

Upon excluding foreign transactions, (namely; disposing complete shares of the Bank from the foreign operations, or that resulted from losing control over a subsidiary company within the foreign transactions, or a partial exclusion of shares in a mutual arrangement or an allied company with a foreign nature, then the reserved share will become an asset financially), and a reclassification will be conducted of all discrepancies of the prices of the accumulated foreign currencies' exchange rate in the separate article, representing the ownership rights related to the transaction belonging to the owners of the Bank in the profits or losses list.

Income Taxes:

- The taxes costs represent the due paid amounts of the taxes and delayed taxes.
- The due paid taxes costs will be calculated based on the profits that are subject to taxation, and such profits differ from profits declared in the financial statements, because the declared profits include incomes that are not subject to taxation or non-deductible costs in the fiscal year, but in the upcoming years or the accumulated losses that are Taxable accepted, or articles that are not subject or deductible accepted for taxation purposes.
- Taxes will be calculated according to the tax rates determined under applicable laws, regulations, and statutes in Iraq.
- The delayed taxes are those taxes that are expected to be paid or recovered in the result of timely temporary differences between the value of the assets or demands in the financial statements from one hand, and from the other hand the value upon which the taxes profit is calculated. The delayed taxes are calculated by using adherence method by the statement of the financial status and the delayed taxes are calculated according to the rates of taxes which are expected upon settling the taxable obligation or achieving the delayed taxes assets.
- The balance of the taxes assets and demands will be reviewed in the dates of the fiscal statements, and it will be decreased when it is impossible to use such assets and demands, whether partially or wholly.

Clearing:

Clearing among the financial assets and financial demands and showing the net amount in the financial statements will be conducted only when binding legal rights are available, and also when they are settled based on the clearing, or when inventory of the assets and the settlement of the demands are conducted at the same time.

Income Verification and Expenses Recognition:

- Income verification and expenses recognition are conducted based on the dues, except interests and commissions of credit facilities which are unused and unrecognized as incomes and recorded to the account of the suspended interests and commissions.
- Expenses are recognized based on the merit principle.
- Commissions will be recorded as incomes upon providing the services related thereto, and the profits of the Company's shares will be recognized when verified (decided upon by the General Board of the Shareholder).

Intangible Assets:

- Intangible assets that have been purchased by expenses will be recorded.
- Intangible assets are classified based on evaluating its age for a specific or unspecified period. The intangible assets with specific age will be erased, and the erase will be recorded under the profits or losses list by using the fixed installment method during a period not exceeding five years as per the purchasing date. While the intangible assets with undetermined age will be reviewed to estimate the droppings in its value in the date of the financial statement, and any dropping-down in its value will be recorded under the profits or losses list.
- The intangible assets resulted from the operations of the Bank will not be capitalized and shall be recorded under the profits or losses list in the same period.
- Intangible assets include computer programs and systems, and the management of the Bank will estimate the age of each article, where such assets will be erased according to the fixed installment method within 5 years.

Dropping Down in the Non-Financial Assets:

The value described under the non-financial assets of the group will be reviewed by the end of each fiscal year, except the delayed taxa assets, to determine whether an indicator about the dropping down exist, and; in the event that the indicator about the dropping down existed, then the recoverable amounts of such assets will be estimated.

In the event the value described under the assets exceeded the recoverable amount from such assets, then the loss of the dropping down in such assets will be recorded.

The recoverable amount is the fair value of the asset - minus selling costs - or the value of its usage, whichever is higher.

All losses of the dropping down will be recorded under the statement of profits or losses and the other inclusive incomes.

The loss of the dropping down is irreversible. While, in regard to the other assets, the loss of the dropping down of the value will be reversed only if the documented value of the assets does not exceed the documented value determined after deducting the consumption or distinguish when the loss of the dropping down in the value is not recognized.

Lease Agreements:

Adopted Accounting Policy As From The 1st Of January 2020:

The Bank As A "Lessee":

The Bank will evaluate whether the Agreement contains a lease upon the commencement of the Agreement. The Bank will recognize the utility right of the asset and the rent obligations in relation to all the arrangements of the leased property occupied by the lessee, except the short-term lease agreements (which are identified as the lease agreements with 12 months period or less) and lease agreements of low value asset. And, in regard to these agreements, the Bank will acknowledge the rent payments as operational expenses based on fixed installments during the period of the lease agreement, unless another regulatory base is adopted representing the pattern of which economic benefits from the leased assets are used.

The rent obligation is measured initially in the current value of the rent payments which are unpaid on the lease agreement's commencement date, deducted by using the price included under the lease agreement. And; if this average was uneasily determined, then the Bank will use its additional loan average.

The rent payments listed under the rent obligation measurement shall include the following:

- Fixed rent payments (essentially comprising the fixed payments), after deducting the payable rent bonuses.
- Variable rent payments which depend on an indicator or an average, measured from the beginning by the indicator or the average on the agreement's commencement date.
- The expected payable amount by the lessee according to the remaining value insurances.
- The price of practicing the purchase options, if the lessee was reasonably confident about the option practices, and;
- Paying fines of agreement closure, if the lease agreement reflects the option of practicing the closure of the lease agreement.

The rent obligations will be shown as a separate article in the financial status statement.

The rent obligations will be assessed later through the increase of the documented value to reflect the interest in the rent obligations (by using an effective interest method) and by decreasing the documented value to reflect the payments of the paid rents.

The rent obligations will be reassessed (and a similar amendment will be conducted for the relevant useable assets) whenever:

- The period of the lease has been changed or an event or a significant change occurred in the circumstances which may lead to changes in assessing the purchase option practice, in this case; the rent obligations will be reassessed through deducting the amended rent payments by using the amended deduction average.
- The rent payments may change due to changes in the indicators or averages of the expected payments according to the guaranteed remaining value, and in such cases; the rent obligations will be reassessed through deducting the amended rent payments by using a non-variable deduction average (unless the rent payments otherwise change due to changes in the floating interest price, and in this case; the amended deduction average will be used).
- The lease agreement will be amended, and the amendment of the lease agreement shall not be dealt with as a separate agreement. In this case, the rent obligations will be reassessed based on the period of the amended lease agreement through deducting the payments of the amended rent by using the amended deduction average in the actual price on the amendment date.

The Bank hasn't applied any such changes during the periods in question, since the lease agreements that the Bank deals with have restricted periods (less than 12 months) and are of low value.

The usable assets will be consumed during the period of the lease agreement or the productive age of the asset, or whichever is shorter. If the lease agreement assigns the ownership of the basic asset or the costs-of-use, which reflect the purchase option practice expected by the Bank, then the relevant value of the right-to-use will be consumed during the productivity age of the asset, and the consumption will commence as from the date of the lease agreement's commencement.

the usable assets will be shown as a separate article in the financial status statements.

The Bank applies the International Accounting Standard No. 36 in determining whether the value of the right-to-use has dropped down, and any losses of the decrease in the value will be calculated as it is explained under the "Properties and Equipments Policy".

The variable rents that does not depend on an indicator or average in measuring the rent obligations and the usable assets will not be included. The payments relevant to the costs during the period in which the event or the circumstance occur leading to such payments will be included within the scope of the "Other Expenses" article under the profits or losses list, and will be classified as operational rents.

The Accounting Policies Applied On 31st December 2019:

The Bank As A "Lessee":

The operational rent payments will be recognized as expenses according to the fixed installment method during the period of the lease, except in cases where another regulatory base is applied with further representation of the time pattern in which there are advantages of the economical interests out of the leased asset. The urgent rents arise from the operational lease agreements will be recognized as expenses during the period in which it is incurred. In the event that bonuses are received from rents to enter operational lease agreements, then such bonuses will be recognized as an obligation. The total interests of the bonuses will be recognized as a dropping down of the rent expenses based on the fixed installment, unless when a regulatory base exist with further representation of the time pattern in which an advantage can be gained from the economical interests of the leased asset.

The leased agreements will be classified as financing rents when the lease terms and conditions end upon transferring all risks and benefits related to the ownership of the leased property essentially, while all the other lease agreements will be classified as operational rents.

The Bank has no any financing lease agreements, whether leased or rented.

Legal Reservoir:

The Bank deducts the legal reservoir by the rate 5% of net profits after collecting all the legal deductions reaching 50% of the paid capital, and the General Board may decide to continue on this deduction until the legal reservoir reaches 100% from the paid capital.

Cash and its Provisions:

It is the cash and cash balances payable during three months, and it includes cash and balances at the central banks, and the banks and financial institutions' deposits which are due paid within three months, and the balances restricted from withdrawal on its selection date, will all be decreased.

4. Important Accounting Provisions and Basic Resources for Uncertain Assessments:

Preparing the financial statements and applying accounting policies require the Administration of the Bank to perform efforts, assessments and hypothesis affecting the amounts of the financial assets and the financial demands, as well as to disclose the possible obligations. Also; these efforts and assessments in general affect the incomes, expenses and allocations, the expected credit losses and the changes in the fair value that are reflected in the inclusive income list and within the rights of the shareholders. And especially; the management of the Bank is required to issue important provisions and efforts to assess the amounts of future cash flow with its timings. The aforementioned assessments are based on the necessity of hypotheses and various factors with variable degrees in assessment and uncertainty, and the actual results may vary from the assessments due to the changes resulted from circumstances and situations of such assessments in the future, and the such efforts, assessments and hypotheses will be periodically reviewed, and

the effects of the variation will be recorded under the assessment during the financial period in which such changes has happened. In the event the change affects only the financial period, the effects of the variation will be recorded under the assessment during the financial period and during the future financial periods, if the variation impacts the financial period and future financial period. In our opinion, the adopted assessments in the financial statements are reasonable and detailed.

Provisions for Debt Losses - Clients' Loans:

The losses resulted from lowness in the fixed value regarding the debt losses are determined through evaluating each case a time. This method is applied on the classified loans, and the factors that are taken into consideration upon evaluating the supplies for debt losses comprise maximum of credit available to the other party, the other party's ability to produce enough cash flow necessary to refund the granted loans, the value of the insurance and access to refund debts, and the regulations issued by the Central Bank of Iraq in respect to the classifications of related debts and provisions.

Productivity Ages Estimated for the Fixed Assets:

The abovementioned Explanation No. (3) shows that the Bank reviews the productivity ages by the end of each financial year. No indicator was founded during the year which may evidence any change in the evaluated ages for the fixed assets.

5. Cash and balances at the Central Bank of Iraq:

	the fiscal year ended on December 31st	
	2022	2021
	Iraqi Dinars	Iraqi Dinars
Cash in the treasury and ATM	518,210,598,377	307,170,441,439
Cash and balances at the Central Bank of Iraq		
Current accounts (the freestanding account with the Central Bank)	7,084,210,116	6,626,664,166
Central bank RTGS	25,056,023,667	38,172,038,079
Legal deposit at Central Bank (Mandatory reserve)	57,825,381,323	26,143,572,360
Central Bank of Iraq/Currency Auction	29,164,166,920	14,605,700,000
Expected credit losses Central Bank	(3,249,828,605)	
Balance on year ended	634,090,551,798	392,718,416,045

* The bank maintains a mandatory cash reserve with the Central Bank of Iraq with rate 15% of the total customers' current accounts and 10% of the total customer deposits (saving deposits and fixed deposits) at the bank, according to the requirements of the laws and banking legislation in force and confirmed by the Central Bank on December 12, 2003.

6. Balances at banks:

	on December 31 st 20 22		
	Local Banks	Foreign banks	TOTAL
Current accounts (local and foreign banks)	1,175,202,271	181,802,157,655	182,977,359,926
Allocation for expected losses for foreign + local bank balances	(19,509,924)	(2,062,477,074)	(2,081,986,998)
	1,155,692,347	179,739,680,581	180,895,372,928

	on December 31 2021		
	Local Banks	Foreign banks	TOTAL
Current accounts (local and foreign banks)	1,362,344,977	116,368,344,977	117,730,700,525
	1,362,344,977	116,368,344,977	117,730,700,525

The largest foreign banks we deal with are:

- 1-Egypt Bank / Abu Dhabi branch, 133 billion Iraqi dinars (for transfer purposes). credit category B+
- 2-Bank Etihad / Jordan 5 billion Iraqi dinars (for the purposes of transfers, credits and letters of guarantee) credit class B
- 3-European Merchant Bank / Abu Dhabi branch, 6 billion Iraqi dinars (for remittance purposes). credit class B
- 4-GP Morgan Bank / 5 billion Iraqi dinars (for the purposes of transfers, credits and letters of guarantee) credit class AA
- 5-Al Baraka Bank / 8 billion Iraqi dinars (for the purposes of transfers, credits and letters of guarantee) credit class B
- 6-Salam Bank / 2.4 billion Iraqi dinars (for the purposes of transfers, credits and letters of guarantee).

7. Net direct credit facilities:

This item consists of the following :

	the fiscal year ended on December 31 st	
	2022 Iraqi Dinars	2021 Iraqi Dinars
Companies		
Debit current accounts	22,899,837,958	958,806,169
Loans	44,278,645,543	23,548,247,086
	67,079,483,501	24,507,053,255
Individuals		
Debit current accounts		-
Loans	17,076,714,423	50,560,707,815
	17,076,714,423	50,560,707,815
	84,156,197,924	75,067,761,069
Deducted	-	
Outstanding benefits	(452,852,711)	(3,565,997,233)
Allocation of the Lowering of the Direct Credit Facilitations.	(12,317,618,151)	(16,913,014,211)
Balance on year ended	71,385,724,062	54,588,749,615

-The non-productive credit facilitations reached 57 billion Iraqi dinars, equal to the rate of 67% of the total balance of the direct credit facilitations as in 31st December 2022.

-The non-productive credit facilitation after discounting the suspended profits reached 12.9 billion Iraqi dinars, which is equal to the rate 32% of the total balance of the direct credit facilitations as in 31st December 2022.

-Suspended profits has been erased during the years 2022.

-Financial Status Statement:

A. Outstanding Benefits	the fiscal year ended on December 31 st	
	2022	2021
	Iraqi Dinars	Iraqi Dinars
Balance at the beginning of year	3,565,997,233	2,943,576,306
Component during the year	(452,855,711)	622,420,927
Retrieval from Suspended benefits to profits	(2,660,285,811)	
Balance at the end of year	452,955,711	3,565,997,233

B- Allocation of the Lowering of the Direct Credit Facilitations.	the fiscal year ended on December 31 st	
	2022	2021
	Iraqi Dinars	Iraqi Dinars
Balance at the beginning of year	16,913,014,211	59,729,355,274
Component during the year (net allocation of bank facilities)	5,990,856,176	957,844,288
Retrieved during the year (Write off bad debts)		(43,774,185,341)
Transfer to Miscellaneous Allowances	10,586,255,246	
Balance at the end of year	12,317,619,151	16,913,014,221

8. Investments:

This item consists of the following :

B. Impairment Allocation of Direct Credit Facilitations Value:	The fiscal year ended on December 31 st	
	2022	2021
	Iraqi Dinars	Iraqi Dinars
Shares of companies (Iraqi Company for Deposit Insurance + the Securities market + Iraqi Company for Bank Guarantees)	1,018,853,380	1,019,167,384
Investments in Yana Electronic Payment Services Company (at cost)		
The total investment value		
The decrease in the investment value	(219,662,700)	(219,662,700)
Balance at the end of year	799,190,680	799,190,684

9. Tangible fixed assets:

This item consists of the following :

	Land	Buildings and constructions	Decorations and Fittings	The machines and the equipment's	Office furniture and appliances	The cars	Total
	Iraqi Dinars	Iraqi Dinars	Iraqi Dinars	Iraqi Dinars	Iraqi Dinars	Iraqi Dinars	Iraqi Dinars
For the fiscal year ended on December 31st 2021							
Total cost							
Balance on January 31st 2021	135,215,658,327	90,301,150,082		2,090,453,786	4,846,252,458	113,742,119	232,567,256,772
Additions	-	-		504,046,492	109,057,460	251,561,000	864,664,952
Exclusions	-	-		-	-	-	-
Balance on January 31st 2021	135,215,658,327	90,301,150,082		2,594,500,278	4,955,309,918	365,303,119	233,431,921,724
Additions	1,102,501,030			671,066,869	376,892,380	125,686,250	2,227,046,499
Exclusions	-			-	-	-	-
Balance on January 31st 2022	136,318,159,327	90,301,150,082		3,266,467,147	5,332,202,298	490,989,369	235,708,968,223
Combined depreciation							
For the fiscal year ended on December 31st 2021	(123,119,957)	(5,116,379,864)		(1,257,728,443)	4,316,223,321	(94,558,068)	(10,908,008,753)
Consumption for the year	-	(1,690,731,897)		(327,577,564)	(558,167,045)	(19,171,611)	(2,595,638,099)
Exclusions	123,119,957			-	(86,524,700)		36,594,357
Balance on January 31st 2021		6,807,111,743		(1,585,306,007)	(4,960,915,066)	113,729,679	(13,467,062,495)
Consumption for the year 2022	-	(1,806,023,004)		(424,587,035)	629,659,185	(65,037,626)	(2,924,306,850)
Exclusions							
Registration Settlement		1,086,777,478		239,589,337	1,378,387,570	(118,562,770)	2,586,191,615
Accumulated from allowance for decrease in buildings		(2,924,071,556)					(2,397,714,556)
Balance on January 31st 2022		(9,924,071,825)		1,770,303,705	(4,211,186,681)	(297,330,075)	(16,202,892,285)
Net Book value							
Balance on January 31st 2021	135,215,659,327	83,494,938,339		787,010,251	(114,662,608)	12,400	219,382,056,749
Balance on January 31st 2022	136,318,159,327	80,377,078,257		1,496,163,442	1,121,015,617	193,659,294	219,506,075,938

10. Intangible fixed assets:

This item consists of the following:

	Informatics programs Iraqi Dinars
The cost	
Balance on January 31st 2021	2,531,227,698
Additions	73,390,729
Exclusions	-
Balance on December 31st 2021	2,604,618,427
Additions	393,894,895
Exclusions	-
Balance on December 31st 2022	2,998,513,322
Accumulated extinction	
Balance on January 31st 2021	(1,584,941,456)
Additions, yearly burdens	(195,344,338)
Exclusions	-
Balance on December 31st 2021	(1,780,285,884)
Additions, yearly burdens	(188,282,897)
Balance on December 31st 2022	(1,968,568,781)
Net Book value	
Balance on December 31st 2021	842,332,543
Balance on December 31st 2022	1,029,994,541

11. Projects under implementation:

This item consists of the following:

	of the fiscal year ended on December 31 st	
	2022	2021
	Iraqi Dinars	Iraqi Dinars
Balance at the beginning of year	3,033,425,463	164,740,754,800
Additions	144,342,577	
Transferred to intangible assets	-	(161,707,329,337)
	3,177,768,040	3,033,425,463

12. Other Assets:

This item consists of the following:

	of the fiscal year ended on December 31 st	
	2022 Iraqi Dinars	2021 Iraqi Dinars
Staff advance	1,062,842,767	289,400,262
Insurance for others (Use of electronic payment companies)	3,484,217,800	3,984,059,633
Insurances at foreign banks	3,431,107,757	549,450,356
Prepaid expenses	255,942,238	311,214,328
Debtor Customers from credit cards	8,665,652,310	3,897,593,859
Debtors / Financial Sector (MasterCard + Western Union).	189,410,495	7,946,333,415
Interest accrued, not received	36,519,488	489,563,529
Property devolved to the bank in exchange for debts	227,900,000	227,900,000
Other assets	411,122,153	176,136,652
	17,764,715,109	17,961,652,034

13. Bank Deposits:

This item consists of the following:

	of the fiscal year ended on December 31 st	
	2022 Iraqi Dinars	2021 Iraqi Dinars
Current and On-demand accounts	3,401,842,190	4,574,574,173
	3,401,842,190	4,574,574,173

Below are the creditor banks On-demand :	
Bank Name	Next Balance
Albaraka Bank	17,423,920
Asia Bank	49,000
Is Bank	1,460
Vakif Bank	3,373,633,949
Islamic International Bank	989,500
Erbil Bank for Investment and Finance	8,288,962
Almal Islamic Bank	1,334,400
Mosul Bank	10,000
	3,401,842,190

14. Customer Deposits:

This item consists of the following:

	Individuals Iraqi Dinars	of the fiscal year ended on December 31 st 2022	
		Major companies & government agencies Iraqi Dinars	Total Iraqi Dinars
Current and On-demand accounts		670,566,986,276	670,566,895,276
Savings Deposits	23,812,099,191	-	23,812,099,191
Fixed deposits (non-financial companies)	22,895,261,733	-	22,895,261,733
Term Deposits	460,747,000	-	460,747,000
	47,168,107,924	-	717,735,003,200

	Individuals Iraqi Dinars	of the fiscal year ended on December 31 st 2021	
		Major companies and government agencies Iraqi Dinars	Total Iraqi Dinars
Current and On-demand accounts	79,903,453,215	345,414,128,559	425,317,581,774
Savings Deposits	18,533,311,635	-	18,533,311,635
Fixed deposits (non-financial companies)	-	-	-
Term Deposits	789,660,000	-	789,660,000
	99,226,424,850	345,414,128,559	444,640,553,409

-The deposits of the Governmental entities (Iraqi Kurdistan Region) amounted to 258 billion Iraqi dinars, or at the rate 36% of the total deposits as on December 31, 2022. (compared to 92 billion Iraqi dinars, or 21%) of the total deposits as on December 31, 2021).

15. Cash insurances:

This item consists of the following :

	of the fiscal year ended on December 31 st	
	2022 Iraqi Dinars	2021 Iraqi Dinars
Insurance against a letter of guarantee	19,233,481,153	10,292,335,337
Insurance against documentary credits	2,868,735,188	1,204,500,000
Insurances received		784,053,356
Received insurances	6,302,052,900	5,120,293,860
	28,412,265,241	17,401,182,553

16. Borrowed Money:

The Bank has paid 87 installments with a total of 3,824,983,333, where the current balance of the loan reached the amount 14,263,275,667 dinars, while the balance amounted to 13,728,677,000 dinars as on 31 December 2021.

17. Various Allocations:

This item consists of the following :

	of the fiscal year ended on December 31 st 2022				
	Balance at the beginning of year Iraqi Dinars	Component during the year Iraqi Dinars	Recovered during the year Iraqi Dinars	Paid during the year Iraqi Dinars	Balance at the end of year Iraqi Dinars
Allocations of Reduction of treaty obligations	550,350,859	287,212,265		(802,189,827)	35,202,832
Various Allocations (risk)	889,195,785	894,193,798	8,109,416,864		9,892,806,447
Allocations of price fluctuations	663,779,400				663,779,400
Allowance for legal cases		8,000,000,000		(802,189,827)	8,000,000,000
	2,103,155,579	9,181,406,063	8,109,416,864	(802,189,827)	18,591,788,679

	of the fiscal year ended on December 31 st 2021				
	Balance at the beginning of year Iraqi Dinars	Component during the year Iraqi Dinars	Recovered during the year Iraqi Dinars	Paid during the year Iraqi Dinars	Balance at the end of year Iraqi Dinars
Allocations of Reduction of treaty obligations	1,452,671,816			(902,491,422)	550,180,394
Various Allocations (risk)	889,195,785				889,195,785
Allocations of price fluctuations	663,779,400				663,779,400
	3,005,647,001			(902,491,422)	2,103,155,579

*This Article represents an additional allocation that the Bank Management has decided to record to face any future risks.



18. Income Taxes:

18-1 Income Tax Allocation

This item consists of the following :

	of the fiscal year ended on December 31 st	
	2022	2021
	Iraqi Dinars	Iraqi Dinars
Balance at the beginning of year	2,821,891,397	2,000,000,000
Previous year's tax expense	-	1,588,387,000
Income tax paid during the year	(2,821,891,397)	(3,588,387,000)
Income tax due for the current year	4,872,944,700	2,821,891,397
Balance at the end of year	4,872,944,700	2,821,891,397

18-2 Tax expense for the year

Tax has been calculated for the year ended on December 31st 2020 as follows:

	of the fiscal year ended on December 31 st	
	2020	2019
	Iraqi Dinars	Iraqi Dinars
Accounting profit	15,501,937,009	11,729,597,964
Additions	16,984,360,991	
Income tax rate	%15	%15
Calculated income tax expense	4,872,944,700	1,759,439,965
Formed income tax expense	4,872,944,700	1,759,439,965

19. Other Requirements:

This item consists of the following:

	of the fiscal year ended on December 31 st	
	2022	2021
	Iraqi Dinars	Iraqi Dinars
*Deserved payments	13,703,233,252	11,938,064,960
Certified checks		907,386,608
Revenues received in advance	589,651,797	
Accrued interest		17,113,679
Subscribed bond at bank		88,160,347
Miscellaneous	493,480	
***Creditors /private sector-individual		1,169,348,132
**Creditors -Out of range	73,000,000	319,262,521
Accounts for companies under incorporation		-
**Others	9,034,823,283	-
	23,520,994,266	14,439,336,247

20. Credit interest:

This item consists of the following :

	of the fiscal year ended on December 31 st	
	2022 Iraqi Dinars	2021 Iraqi Dinars
Direct credit facilities		
Individuals :		
Loan interest	889,949,430	540,817,796
Benefits of current accounts receivable	78,939,825	35,536,609
Big companies :		
Loan interest	2,720,983,996	2,500,581,101
Benefits of current accounts receivable	908,111,851	76,826,589
Other:		
Treasury bills investments In one of the Arab banks		34,326,454
Balances and deposits at the banks	26,306,487	264,231
Other benefits	11,385,314	289,065
	4,635,676,903	3,188,641,846

21. Credit Interest:

This item consists of the following:

	of the fiscal year ended on December 31 st	
	2022 Iraqi Dinars	2021 Iraqi Dinars
Benefits of internal borrowing	22,642,000	31,075,000
Savings Deposit Benefits	421,990,707	452,925,056
Term Deposit Benefits	658,504,250	43,872,526
	1,103,136,956	428,772,581

22. Credit Fees and Commissions:

This item consists of the following:

	of the fiscal year ended on December 31 st	
	2022 Iraqi Dinars	2021 Iraqi Dinars
Loan commissions	251,228,668	263,547,980
Bail fees	1,428,449,636	1,386,831,775
Credit commissions	4,682,442,464	948,795,825
Bank Transfers (External)	19,567,325,267	13,982,296,982
Bank Transfers (Internal)	337,711,851	101,480,336
Commission (immediate gross total settlement transfers + Western union transfer fee	2,156,787,871	1,943,942,437
Commission of Auctions	1,249,271,440	742,293,083
Bank Transfers (western union)	29,128,460	
Bank Transfers (External)	11,667,258,229	6,069,185,370
Credit card commissions	2,973,799,910	1,388,867,127
Other commissions	4,547,702	1,387,158,874
Total of Credit commissions	48,081,067,497	28,224,393,789

23. Debtor fees and commissions:

This item consists of the following:

	of the fiscal year ended on December 31 st	
	2022 Iraqi Dinars	2021 Iraqi Dinars
MasterCard commissions	825,900,744	1,278,598,047
Fees for foreign entities		6,865,285
Paid bank commission's (remittances and other services)	1,784,447,098	1,293,792,315
Deposit guarantee insurance expenses		325,729,027
Other commission's	33,735,870	21,230,400
	2,644,083,712	2,969,215,075

24. Net profit from buying and selling foreign currencies:

This item includes the net profit/loss from the purchase and sale of foreign currencies. The bank mainly buys foreign currencies from the Central Bank of Iraq.

	of the fiscal year ended on December 31 st	
	2022 Iraqi Dinars	2021 Iraqi Dinars
Profit (loss) from buying and selling foreign currencies	(1,367,191,055)	(1,526,148,355)
Revenue from buying and selling currency	5,149,480,000	4,327,200,000
	3,782,299,945	2,801,051,645

25. Other Revenues:

This item consists of the following:

	of the fiscal year ended on December 31 st	
	2022 Iraqi Dinars	2021 Iraqi Dinars
? revenue	531,071,485	510,814,424
Revenue from the sale of property and equipment	1,392,944,659	456,563,670
*Others (refundable allowances + previous annual revenues)	4,010,530,256	4,543,778,216
	5,934,546,390	5,511,156,311

* Refundable allowances from non-performing debts from previous years.

26. Personnel Expenses:

This item consists of the following:

	of the fiscal year ended on December 31 st	
	2022 Iraqi Dinars	2021 Iraqi Dinars
Employee salaries	1,182,291,670	939,231,385
Additional work wages for employees	65,597,167	14,924,732
Incentive Rewards	209,843,600	60,616,067
Professional and technical allowances	1,627,184,742	1,157,807
Compensatory allowances	1,088,167,268	915,286,327
Unit share in the guarantee	94,154,622	80,702,421
Staff equipment	4,411,340	6,458,920
Transfer of workers	13,311,014	7,201,000
Training and study fees	9,148,920	10,743,000
Subsidies of associate	3,881,000	6,655,000
	4,297,991,343	3,199,130,650

27. Operating Expenses:

This item consists of the following:

	of the fiscal year ended on December 31 st	
	2022 Iraqi Dinars	2021 Iraqi Dinars
Miscellaneous taxes and fees	70,970,308	208,923,250
Telecommunications	186,701,114	214,183,269
Rent	183,985,708	296,015,710
Transfers	361,517,128	20,682,520
Stationery	88,132,163	92,916,888
Research and consultancy	172,518,133	246,484,922
Maintenance	420,968,897	228,160,910
Professional fee	239,250,000	295,665,000
Accountant and accounts management fees	9,000,000	-
Account audit fees	60,000,000	77,000,000
Judicial fees	28,593,125	81,406,200
Hospitality	44,776,435	60,658,138
Water & electricity	179,843,350	106,278,010

Advertisement	156,543,610	77,533,460
Subscriptions	697,673,873	564,098,692
Exhibitions	80,008,000	58,400,000
Special Services Expenses	628,475,436	572,305,600
Fuels & oil	227,862,602	113,425,432
Supplies and Requirements	77,169,872	69,932,637
Credit card charges	1,024,217,079	624,954,596
Other service charges	795,690,722	82,198,206
Compensation and fines*	9,107,273,000	10,665,473,010
Direct tax deduction	42,500,593	-
Donations for others	580,712,000	226,380,000
Previous years expenses	2,076,624,207	2,398,077,545
Other expenses	-	311,663,591
	17,582,971,355	17,692,690,585

*This amount represents fines imposed on the Central Bank of Iraq to liquidate the Bank's violation of customs declarations.

28. Basic and diluted earnings per share for the year:

	of the fiscal year ended on December 31 st	
	2022 Iraqi Dinars	2021 Iraqi Dinars
Net earnings per share	10,521,757,857	8,907,706,568
Average reference for shares numbers	250,000,000,000	250,000,000,000
	0.042	0.028

29. Cash and Cash Equivalents:

This item consists of the following:

	Explanation	of the fiscal year ended on December 31 st	
		2022 Iraqi Dinars	2021 Iraqi Dinars
Cash and balances in the Central Bank of Iraq which due once every three months (Except for the mandatory cash reserve on deposits)	5	579,514,999,080	12,346,706,727
Balances in the Central Bank of Iraq which due once every three months (Current Accounts)	6	180,895,372,928	117,730,700,525
Deducted			
The expected allocations of the central bank	16	(3,249,929,605)	
Bank deposits which due once every three months (Current Accounts)		3,401,842,190	(4,574,574,173)
		753,758,701,213	479,730,970,036

The amount of the mandatory reserve is not included on deposits because it is not used in the Bank's operational activities as it is restricted for withdrawal.

30. Relevant Party's Operations:

The Bank has transacted with relevant parties within the normal permitted activities of the Bank. The Chairman and members of the Board of Directors did not receive any compensation or rewards during the years 2019, 2020, 2021 and 2020.

31. Non-Cash operations:

For the purpose of preparing the statement of cash flows for the fiscal year ended on December 31st 2022, the effect of the non-cash transaction resulting from transfers amounting to 2,163,835,120 Iraqi dinars was excluded from projects under implementation to the Bank's investments.

32. Risks Management:

The Executive Regulations of the Banking Law in Iraq states the necessity of the formation of a Risks Unit in the Bank which will be responsible for managing operational risks resulted from:

First\ The Existence of gaps in the internal control system or in the result of a malfunction in the operational electronic system.

Second\ Internal operations, human resources, systems of external events.

Third\ Legal risks arise in the result of internal or external fraud acts, works hindering, execution or delivery, and administrative procedures, except strategic risks and reputations risks, and the banking system shall be liable for determining, measuring, following and administering such operational risks provided that the Unit shall report about such risks to the Board of Directors. It further states that the Board of Directors must follow the following basic principles as minimum to manage the operational risks:

- a. Provide a proper work environment to manage the operational risks.
- b. Diagnose the operational risks and to correct, mitigate and follow it.
- c. Determining the aspect surrounding the operational risks, and to review the same in separate from the risks that are controllable.
- d. Review and approve the Bank's strategy to administrate such risks, including the provision of necessary and competent human resources required for achieving this goal.
- e. Cultivate the culture of active administration of operational risks and adhere to the requirements of intact internal system.
- f. Develop an administrative structure able to monitor the operational risks and to determine the responsibilities and obligations through the internal control system.
- g. Ensure the existence of special procedures to administrate the operational risks, including development in the Bank's activities, systems and operations, and full control over such risks.
- h. Monitor the good performance by the Unit of the Operational Risks Management.
- i. Preserve the independence of the Internal Audit Unit, and provide accurate information to officials managing the operational risks, without being liable to manage such risks.

The High Executive Administration shall further:

- a. Affirm good appliance of the policies and procedures related to the operational risks set by the Board of Directors, and to enhance the same to include all the systems, services and products of the Bank.
- b. Vesting powers and responsibilities in the various working units and take necessary procedures to hold violators accountable.
- c. Draw the scope of jurisdictions for each administrative level and to each activity from which operational risks may arise and separate the duties amongst the employees and refrain from assigning them to tasks which involve conflict of interests.
- d. Assign all staff working at the Bank who enjoy experience and necessary technical competency to perform the work they are assigned to.
- f. Coordinate amongst all officers in charge over the operational risks management, the officers in charge over credit risks management and the officers in charge over the market risks and so on.
- g. Abide by documenting and generalizing the organizational procedures and rules related to the security of the information technology aiming to facilitate the execution of the works.
- h. Set emergency plans in order to secure the continuity of work progress and diagnose operational losses in the event the Bank faces force majeure events which may result in disruption of the works.

- i. Provide full and sufficient security for the assets of the Bank (records and systems of the Bank), and provide necessary procedures and internal control systems for any new activity or handling any new financial tool.
- j. Set policies and procedures related to the conveyance of the risks to others such as insurance cases over the assets of the Bank or in cases related to operations conducted through other institutions.

The Regulations also describe the duties of the Operational Risks Management Unit, as shown below:

- a. Determine and evaluate the operational risks upon the systems and all the services, activities and operations of the Bank, and subject it to proper evaluation in line with related operational risks before adopting it.
- b. Highlight the risks accurately and determine the internal factors (scientific and operational competency of the works, average of currencies circulation and nature of the Bank's activities, external factors, changes in the banking and financial industry and technology advancement) which affect on the achievement of the Bank's goals.
- c. Taking the possibility into account that the Bank may face operational risks, and to determine the human and the financial resources to secure an effective administration in managing such risks.
- d. Controlling the risks through:

First\ Determine the early alarming indicators to detect the likely resources for the operational risks according to the activities of the Bank, which indicate exposure to future losses.

Second\ Submit periodic reports to the Executive Management by the different work units, and the reports shall comprise the following:

- a. Statistics about the volume and amounts of the operations.
- b. Information about the scope of adherence to the regulations.
- c. Information about the market, events and external circumstances that may assist in making decisions in the future.

Third\ Set a database for the operational losses based on information regarding the losses collected for a suitable period (at least for the previous three years) in order to explain the following:

- a. Number of events that lead to operational losses according to the banking activity and the nature of the event.
- b. The volume of the operational losses according to the banking activity and the nature of the event.
- c. Classify the number of the incidents according to the types of operational losses.
- d. Design control systems to control the operational risks and to ensure proper dealing with the risks that are detected.

The Bank enjoys necessary units to manage the risks and will work on securing the Bank's obligation with the abovementioned requirements through the following:

First\ Determine the special procedures of managing the risks in a way it meets the volume and complexity degree of Bank's operations.

Second\ Determine the types of the financial tools and operations allowed to be dealt with, and to determine the level of risks of each of them.

Third\ Periodic review of the adopted policies and procedures, and work to amend them as it may deem suitable with the Bank's activities and its risks.

Fourth\ Determine the risks resulting from using the financial tools and the new activities prior to dealing with the same.

Fifth\ Develop practical procedures and internal systems special to each new financial tool or new activity prior to dealing with it.

Sixth\ Approval by the Bank's Board of Directors on the general policies of managing the risks and determining the risks limit of all types in the Bank.

Seventh\ Direct supervision by the Bank's Board of Directors or the Risks Management Committee or the any administrative unit of the Bank.

Eighth\ Take necessary actions to enhance the systems of the risks management as it deems in consistency with notices and recommendations of the internal auditor and the account auditor of the Bank and regulations issues by the Central Bank of Iraq.

A- Credit risk

(1) Credit Exposures to Risks (after allocation for impairment and before guarantees and other risks mitigators).

This item consists of the following:

	of the fiscal year ended on December 31 st	
	2022 Iraqi Dinars	2021 Iraqi Dinars
Items in the statement of financial Status		
Balances in the Central Bank of Iraq	115,879,953,421	85,547,974,605
Balances at banks	180,895,372,928	177,730,700,525
Total	296,775,326,349	203,278,675,130
Net direct credit facilities		
Individuals	22,437,982,247	44,412,195,141
Companies	49,037,741,815	10,176,554,475
Total	71,385,724,062	54,588,749,616
Items outside the statement of financial Status		
Letters of guarantee	55,805,197,132	6,570,000,000
Import credits	13,258,933,406	32,435,854,997
Credits received	730,033,580,000	
Total	799,097,710,537	39,005,854,997
Total of Items inside and outside the statement of financial Status	1,167,258,760,948	296,873,279,743

(2) Distribution of direct credit facilities according to the degree of risk:

Direct credit facilities as on December 31st, 2022

	Individuals Iraqi Dinars	of the fiscal year ended on December 31 st 2022	
		Companies Iraqi Dinars	Total Iraqi Dinars
Acceptable risk	14,797,555,226	46,235,248,456	61,032,803,772
Non-working	2,279,159,170	20,844,234,955	23,123,394,152
Total	17,076,714,423	67,079,483,501	84,156,197,924
Deducted :			
Outstanding benefits	(13,290,100)	(439,565,611)	(452,855,711)
Impairment allocation	(2,450,925,575)	(9,866,665,476)	(12,317,618,151)
Net credit	14,612,471,748	56,773,252,314	71,385,724,062

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This item consists of the following:

	of the fiscal year ended on December 31 st	
	2022 Iraqi Dinars	2021 Iraqi Dinars
Items in the statement of financial Status		
Balances in the Central Bank of Iraq	115,879,953,421	85,547,974,605
Balances at banks	180,895,372,928	177,730,700,525
Total	296,775,326,349	203,278,675,130
Net direct credit facilities		
Individuals	22,437,982,247	44,412,195,141
Companies	49,037,741,815	10,176,554,475
Total	71,385,724,062	54,588,749,616
Items outside the statement of financial Status		
Letters of guarantee	55,805,197,132	6,570,000,000
Import credits	13,258,933,406	32,435,854,997
Credits received	730,033,580,000	
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Non-working	2,279,159,170	20,844,234,955	23,123,394,152
Total	17,076,714,423	67,079,483,501	84,156,197,924
Deducted :			
Outstanding benefits	(13,290,100)	(439,565,611)	(452,855,711)
Impairment allocation	(2,450,925,575)	(9,866,665,476)	(12,317,618,151)
Net credit	14,612,471,748	56,773,252,314	71,385,724,062

	Individuals Iraqi Dinars	of the fiscal year ended on December 31 st 2021	
		Companies Iraqi Dinars	Total Iraqi Dinars
Acceptable risk	30,333,925,636	27,612,696,143	57,946,894,779
Non-working	4,672,112,692	12,448,753,497	17,120,866,290
Total	35,006,038,329	40,061,722,741	75,067,761,069
Deducted :			
Outstanding benefits	520,372,269	3,045,624,868	3,565,997,233
Impairment allocation	2,857,074,255	14,055,939,966	16,913,014,221
Net credit	31,628,591,809	22,690,157,907	54,588,749,615

3) Distribution of the fair value of securities against the facilities

The value of the securities is distributed against direct exposures:

	Individuals Iraqi Dinars	of the fiscal year ended on December 31 st 2022	
		Companies Iraqi Dinars	Total Iraqi Dinars
Acceptable risk	14,797,555,226	46,235,248,546	61,032,803,772
Non-working	2,279,159,197	20,844,234,955	23,123,394,152
Total	17,076,714,423	67,079,483,501	84,156,197,924
Real estate guarantee	59,531,781,780	17,167,210,400	176,698,992,180
Personal guarantee	2,363,943,648	-	2,464,934,648
Net credit	61,895,716,428	117,167,210,400	179,062,926,828

	Individuals Iraqi Dinars	Companies Iraqi Dinars	of the fiscal year ended on December 31 st 2021 Total Iraqi Dinars
Guarantees for			
Acceptable risk	30,333,925,636	27,612,696,143	57,946,894,779
Non-working	4,672,112,692	12,448,753,497	17,120,866,290
Total	35,006,038,329	40,061,722,741	75,067,761,069
Real estate guarantee			
Personal guarantee	13,130,469,646	18,793,300,000	72,541,462,242
Net credit	2,526,298,828	-	2,526,298,828

The value of the guarantees is included, considering that the value of the guarantees does not exceed the amount of debt for each individual customer.

4) The Geographical Concentration:

The following table shows the concentration of credit exposures according to the geographical distribution, as follows:

	Inside Iraq Iraqi Dinars	Outside Iraq Iraqi Dinars	of the fiscal year ended on December 31 st 2022 Total Iraqi Dinars
Geographical area			
Balances in the Central Bank of Iraq	115,879,954,421	-	115,879,954,421
Balances at banks	520,339,035	2,851,530,560	3,371,869,595
Net direct credit facilities	71,385,724,062		7,385,724,062
For Individuals	14,612,471,748		14,612,471,748
For Companies	56,773,252,314		56,773,252,314
Other assets	5,667,955,041	12,096,760,067	17,764,715,109
	193,453,971,559	14,948,290,627	208,402,262,187

	Inside Iraq Iraqi Dinars	Outside Iraq Iraqi Dinars	of the fiscal year ended on December 31 st 2021 Total Iraqi Dinars
Geographical area			
Balances in the Central Bank of Iraq	86,547,974,605	-	85,547,974,605
Balances at banks	1,362,355,548	116,368,344,977	117,730,700,525
Net direct credit facilities			
For Individuals	44,412,195,141	-	44,412,195,141
For Companies	10,176,554,475	-	10,176,554,475
Other assets	17,961,652,034	-	17,961,652,034
	82,470,731,803	116,368,344,977	198,390,076,780

5) Concentration by economic sector

The following table shows the concentration of credit exposures by the economical sector:

of the fiscal year ended on December 31 st 2022							
	Financial	Commercial	Services	Industrial & Agricultural	Real estate	Individuals	Total
	Iraqi Dinars	Iraqi Dinars	Iraqi Dinars	Iraqi Dinars	Iraqi Dinars	Iraqi Dinars	Iraqi Dinars
Balances in the Central Bank of Iraq	115,879,953,421	-	-	-	-	-	115,879,953,421
Balances at banks	3,371,869,595	-	-	-	-	-	3,371,869,595
Net direct credit facilities	-	49,757,894,000	18,740,812,000	6,868,998,000	8,788,495,000	-	84,156,199,000
Investments	799,190,689	-	-	-	-	-	799,190,680
Other assets	17,764,715,109	-	-	-	-	-	17,764,715,109

of the fiscal year ended on December 31 st 2021							
	Financial	Commercial	Services	Industrial agricultural	Real estate	Individuals	Total
	Iraqi Dinars	Iraqi Dinars	Iraqi Dinars	Iraqi Dinars	Iraqi Dinars	Iraqi Dinars	Iraqi Dinars
Balances in the Central Bank of Iraq	85,547,974,605	-	-	-	-	-	85,547,974,605
Balances at banks	117,730,700,535	-	-	-	-	-	117,730,700,525
Net direct credit facilities	-	33,422,874,666,47	3,015,322,153,72	5,956,550,928,21	16,660,000,000	-	58,154,748,847
Investments	799,504,684	-	-	-	-	-	799,504,684
Other assets	17,961,652,034	-	-	-	-	-	17,961,652,934
	222,039,831,848	33,422,874,666,47	3,015,322,153,72	5,056,550,028,21	16,660,000,000	-	262,232,292,666

B. Currencies Risks:

The risks of currencies comprise the changes in the value of the financial tools due to the changes in the price of foreign currency's exchange rate.

The Bank considers the Iraqi Dinar as its main currency, and the Bank's Board of Directors will set the limits of currencies centers, and the center will be controlled daily in order to ensure no trespassing over the fixed levels.

The Bank will prepare a "sensitivity analysis" to monitor the effects of changes over net profits and losses in the event of any logical changes in the exchange rate price.

2% decrease in the foreign currency exchange rate against the Iraqi dinar

Currency	of the fiscal year ended on December 31 st 2022	
	Currency cutting center Iraqi Dinars	The effect on profits and losses Iraqi Dinars
American dollar	351,481,506,651	358,511,136,784
Euro	23,398,531,844	23,866,502,481
Pound	86,991,601	88,731,433
Polish Zloty		
AED		
Other currencies	757,214	772,358

Currency	of the fiscal year ended on December 31 st 2021	
	Currency cutting center Iraqi Dinars	The effect on profits and losses Iraqi Dinars
American dollar	(22,075,721,674)	(22,517,236,106,97)
Euro	35,737,189,477	36,451,933,266,82
Pound	3,758,028	3,833,188,95
Polish Zloty	257,264,464	262,409,752,96
AED	1,004,226,442	1,024,310,970,59
Other currencies	277,565,893	283,117,210,78

2% shortage in the foreign currency exchange rate against the Iraqi dinar

Currency	of the fiscal year ended on December 31 st 2022	
	Currency cutting center Iraqi Dinars	The effect on profits and losses Iraqi Dinars
American dollar	351,481,506,651	344,451,876,518
Euro	23,398,531,844	22,930,561,207
Pound	86,991,601	85,251,769
Polish Zloty		
AED		
Other currencies	757,214	742,070

Currency	of the fiscal year ended on December 31 st 2021	
	Currency cutting center Iraqi Dinars	The effect on profits and losses Iraqi Dinars
American dollar	(22,075,721,674)	(21,634,207,240,03)
Euro	35,737,189,477	35,022,445,687,72
Pound	3,758,028	3,682,867,81
Polish Zloty	257,264,464	252,119,174,42
AED	1,004,226,442	984,141,912,02
Other currencies	277,565,893	272,014,575,06

Concentration in foreign currency risks

	of the fiscal year ended on December 31 st 2022						
	American dollar	Euro	Pound	Polish Zloty	AED	Other currencies	Total
	Iraqi Dinars	Iraqi Dinars	Iraqi Dinars	Iraqi Dinars	Iraqi Dinars	Iraqi Dinars	Iraqi Dinars
Assets							
Cash in box & Cash and balances in the Central Bank of Iraq	350,878,415,954	23,398,531,844	-	86,991,601		757,214	374,364,696,613
balances at Banks	603,090,697		-				603,090,697
Net direct credit facilities	29,830,866,263	202,847,233	-	-		-	30,033,713,495
Total Assets	381,312,372,914	23,601,379,077	-	86,991,601		757,214	405,001,500,805
Liabilities							
Bank deposits	2,861,544,972,600	-	-	-	-	-	2,861,544,972,600
Customer deposits	112,932,611,606,40	1,863,203,028	9,881	878	25,236	128,073	114,795,978,702
Cash insurances	7,815,727,568	396,431,708	-	-	-	-	8,212,159,276
Other liabilities	1,823,035,818,200	5,304,000,420	-	-	-	-	1,828,339,818,62
Total of liabilities	125,432,919,964	2,264,938,736	9,881	878	25,236	128,073	127,698,022,768
Net	255,879,452,950	21,336,440,341	(9,881)	86,990,723	(25,236)	629,141	277,303,478,037

of the fiscal year ended on December 31 st 2021							
	American dollar	Euro	Pound	Polish Zloty	AED	Other currencies	Total
	Iraqi Dinars	Iraqi Dinars	Iraqi Dinars	Iraqi Dinars	Iraqi Dinars	Iraqi Dinars	Iraqi Dinars
Assets							
Cash in box & Cash and balances in the Central Bank of Iraq	149,360,510,518.40	35,289,361,474.09	74,936,829.36	-	-	-	184,994,808,822
Balances at banks	105,874,732,633.60	9,569,842,898.74	-	257,488,335.00	1,015,435,772.19	277,693,811.38	116,995,193,451
Net direct credit facilities	11,933,376,297.70	-	-	-	-	-	11,933,376,297.70
	267,438,619,449.70	44,859,204,372.83	74,936,829.36	257,488,335.00	1,015,435,772.19	277,693,811.38	321,798,329,097
Liabilities							
Bank deposits	(4,516,702,413.40)	-	-	-	-	-	(4,516,702,413)
Customer deposits	(273,013,107,018.80)	(9,122,014,895.55)	(71,178,800.97)	(223,871.31)	(11,209,330.44)	(127,918.46)	(282,217,861,836)
Cash insurances	(10,474,844,562.20)	-	-	-	-	-	(10,474,844,562)
Other liabilities	(1,509,687,128.80)	-	-	-	-	-	(1,509,687,129)
Total of Liabilities	(289,514,341,123.20)	(9,122,014,895.55)	(71,178,800.97)	(223,871.31)	(11,209,330.44)	(127,918.46)	(298,719,095,940)
Net	(22,075,721,673.50)	35,737,189,477.27	3,758,028.38	257,264,463.69	1,004,226,441.75	277,565,892.92	23,079,233,157

c. Interest Re-Pricing Gap:

The interest rate risk arises from the possibility that changes in interest rates will affect the Bank's profits or the value of the financial instruments. The Bank is exposed to interest rate risks because of a mismatch or a gap in the amounts of assets and liabilities according to multiple time periods or re-reviewing interest rates in a certain period of time. The Bank manages such risks through interest rates on assets and liabilities.

The asset and liability management policy include limits for interest rate sensitivity, and The Asset and Liability Management Committee studies interest rate risks through its periodic meetings, and the Gaps in the maturities of assets and liabilities are also studied and their impact on the prevailing and expected interest rates, comparing them with the approved limits, and applying hedging strategies if necessary.

The classification is done on interest re-pricing periods or maturity, or whichever is earlier.

	of the fiscal year ended on December 31 st 2022						
	Less than a month	From one month to 3 months	From 3 to 6 months	From 6 months to one year	More than a year	Items without interest	Total
	Iraqi Dinars	Iraqi Dinars	Iraqi Dinars	Iraqi Dinars	Iraqi Dinars	Iraqi Dinars	Iraqi Dinars
Assets							
Cash and balances in the Central Bank	58,054,572,098	57,825,381,323	-	-	-	518,210,598,377	634,090,551,798
Balances at banks & banking institutions	-	-	-			180,895,372,928	180,895,372,928
Direct credit facilities – Net	-	-	14,600,187	43,109,193	71,328,014,682		71,385,724,062
Property and equipment - Net	-	-	-	166,672,772,653	311,005,000	52,522,298,285	219,506,075,938
Net investment at cost	-	-				799,190,680	799,190,680
Intangible fixed assets	-	-	-		-	1,029,944,541	1,029,944,541
Projects under implementation		-	-	3,177,768,042	-	-	3,177,768,042
Other Assets		-	-	1,698,406,094		16,066,309,014	17,764,715,108
Total Assets	58,054,572,098	57,825,381,323	14,600,187	171,592,055,982	71,639,019,682	769,523,713,824	1,128,649,343,097

	of the fiscal year ended on December 31 st 2020						Total
	Less than a month	From one month to 3 months	From 3 to 6 months	From 6 months to one year	More than a year	Items without interest	
	Iraqi Dinars	Iraqi Dinars	Iraqi Dinars	Iraqi Dinars	Iraqi Dinars	Iraqi Dinars	Iraqi Dinars
Requirements							
Banks & banking institutions deposits	-	2,369,647,375	1,032,194,815	-	-	-	3,401,842,190
Customer deposits	-	-	-	23,812,099,191	460,747,000	693,462,157,009	717,735,003,200
Cash insurances	-	-	-	-	28,412,269,241	-	28,412,269,241
Borrowed money	-	375,000,000	43,000,000	5,628,275,667	9,217,000,000	-	14,263,275,667
Other allowances	-	-	-	-	-	18,591,788,679	18,591,788,679
Income tax allocation	-	-	-	-	-	4,872,944,700	4,872,944,700
Other requirements	-	-	-	-	-	2,806,263,863	23,520,994,265
Total of requirements	?	?	?	?	?	?	?
Interest Re-funding Gap	?	?	?	?	?	?	?

	of the fiscal year ended on December 31 st 2021						
	Less than a month	From one month	From 3 to	From 6 months	More than a year	Items	Total
	Iraqi Dinars	Iraqi Dinars	Iraqi Dinars	Iraqi Dinars	Iraqi Dinars	Iraqi Dinars	Iraqi Dinars
Assets							
Cash and balances in the Central Bank	59,404,402,245	26,134,572,360	-	-	-	307,170,441,439	392,718,416,045
Balances at banks & banking institutions	-	-	-	-	-	117,730,700,525	117,730,700,525
Direct credit facilities – Net	-	-	12,183,258,675	-	42,405,490,940	-	54,599,749,615
Property and equipment - Net	-	-	-	-	-	219,382,056,749	219,382,056,749
Net investment at cost	-	-	-	-	-	799,504,684	799,504,684
Intangible fixed assets	-	-	-	-	-	824,332,543	-
Projects under construction	-	-	-	-	-	3,033,425,463	3,033,425,463
Other Assets	-	-	-	967,952,760	-	16,993,699,274	17,961,652,934
Total Assets	59,404,402,245	26,134,572,360	12,183,258,675	967,952,760	42,405,490,940	665,934,160,678	807,038,837,659
Requirements							
Banks & banking institutions deposits	2,204,926,798	2,369,647,375	-	-	-	-	4,574,574,173
Customer deposits	-	-	-	18,533,311,635	789,660,000	425,317,581,774	444,640,553,409
Cash insurances	-	-	-	-	-	17,401,182,553	17,401,182,553
Borrowed money	2,500,000,000	375,000,000	43,000,000	217,000,000	10,593,677,000	-	13,728,677,000
Other allowances	-	-	-	-	-	2,103,155,579	2,103,155,579
Income tax allocation	-	-	-	-	-	2,821,891,397	2,821,891,397
Other requirements	-	11,955,178,639	-	-	2,484,157,608	-	14,439,336,247
Total of requirements	4,704,926,798	14,699,826,014	43,000,000	18,750,311,635	13,867,494,608	447,643,811,303	499,709,370,358
Interest Re-Pricing Gap	54,699,475,447	11,443,746,346	12,140,258,675	(17,782,358,876)	28,537,996,332	218,290,349,375	307,329,467,299

33. The Fair Value of the Financial Assets and Liabilities:

Evaluation techniques and assumptions used for fair value measurement.

The fair value of the financial assets and liabilities is determined using the following valuation levels:

The First Level: is equal to the fair value of the quoted prices (unadjusted) for similar assets in active markets.

The Second Level: represents the elements other than the prices traded within the First Level, which are observed directly (through prices) or indirectly (derived from prices).

The Third Level: represents the assets not related to market data.

The table shows the fair value of the financial assets and liabilities that are not shown at fair value in the financial statements:

	of the fiscal year ended on December 31 st 2022			
	The First Level Iraqi Dinars	The Second Level Iraqi Dinars	The Third Level Iraqi Dinars	Total Iraqi Dinars
Bank investments	-	-	1,018,853,380	1,018,853,380
Total	-	-	1,018,853,380	1,018,853,380

	of the fiscal year ended on December 31 st 2021			
	The First Level Iraqi Dinars	The Second Level Iraqi Dinars	The Third Level Iraqi Dinars	Total Iraqi Dinars
Bank investments	-	-	1,019,167,384	1,019,167,384
Total	-	-	1,019,167,384	1,019,167,384

34. Capital Management:

The Bank maintains an adequate capital to face the risks that accompany its various activities. The adequacy of the capital is monitored through the ratios issued in accordance with the instructions issued by the Central Bank of Iraq and based on the Iraqi Banking Law No. 94 of 2004.

The Bank is committed to maintaining rates that exceed the minimum capital adequacy requirements, which amount to 12%, according to the instructions of the Central Bank of Iraq.

The Bank manages its capital structure and makes adjustments to it in light of changes in economic conditions and the description of risks in its activities.

This item consists of the following:

Currency	of the fiscal year ended on December 31 st	
	2022 Iraqi Dinars	2021 Iraqi Dinars
Basic capital items		
Subscribed and paid-up capital	250,000,000,000	250,000,000,000
Legal reserve	6,002,481,046	5,476,393,154
Realized accumulated profits	61,848,744,109	51,853,074,145
	317,851,255,155	307,329,467,298
Deducted:		
Net intangible fixed assets	(1,029,944,451)	(824,332,543)
Net the main capital	316,821,280,614	306,505,134,755
Backing Capital		
General Allocation		8,760,644,400
Total capital		315,265,779,155
Risk weighted assets	355,177,361,500	318,596,123,900
Risk weighted off-budget accounts	121,140,717,300	23,216,619,900
Total of risk weighted assets and liabilities	476,396,202,300	341,812,734,800
Rate of adequacy of the capital	%75.6	%92.47

35. Analysis of Due Assets and Demands:

The table below shows the analysis of the assets and demands according to the period expected to refund or settle such assets and demands:

	of the fiscal year ended on December 31 st 2022		
	Until one Year	More than a year	Total
Assets	Iraqi Dinars	Iraqi Dinars	Iraqi Dinars
Cash and balances in the Central Bank	634,090,551,798	-	634,090,551,798
Deposits at banks	180,895,372,928	-	180,895,372,928
Net Direct credit facilities	-	71,385,724,062	71,385,724,062
Net investment	-	799,190,680	799,190,680
Tangible assets	-	219,506,075,938	219,506,075,938
Intangible assets	-	1,029,944,541	1,029,944,541
Projects under implementation	-	3,177,768,042	3,177,768,042
Other Assets	17,472,253,283		17,472,253,283
Total Assets	832,458,178,009	295,898,703,263	1,128,356,881,271

Requirements			
Bank deposits	3,401,842,190	-	3,401,842,190
Customer deposits	717,735,003,200	-	717,735,003,200
Cash insurances	28,412,269,241	-	28,412,269,241
Borrowed money	14,263,275,667	-	14,263,275,667
Allocations	18,591,788,679	-	18,591,788,679
Income tax Allocations	4,872,944,700	-	2,872,944,700
Other requirements	23,520,994,266	-	23,520,994,266
Total requirements	810,798,117,942	-	763,812,390,297
Net	21,660,060,067	205,898,703,263	364,544,490,974

	of the fiscal year ended on December 31 st 2021		
	Until one Year	More than a year	Total
	Iraqi Dinars	Iraqi Dinars	Iraqi Dinars
Assets			
Cash and balances in the Central Bank	392,718,416,045	-	392,718,416,045
Balances at banks	117,730,700,525	-	117,730,700,525
Net Direct credit facilities	-	54,488,749,615	54,488,749,615
Net investment	-	799,504,684	799,504,684
Tangible assets	-	219,382,056,749	219,382,056,749
Intangible assets	-	825,332,543	824,332,543
Projects under implementation	-	3,033,425,463	3,033,425,463
Other Assets	-	17,961,652,034	17,961,652,034
Total Assets	714,157,985,598	296,589,721,088	807,038,937,659

Requirements			
Bank deposits	4,574,574,173		4,574,574,173
Customer deposits	444,640,553,409		444,640,553,409
Cash insurances	17,401,182,553		17,401,182,553
Borrowed money	13,728,677,000		13,728,677,000
Allocations	2,103,155,579		2,103,155,579
Income tax Allocations	2,821,891,397		2,821,891,397
Other requirements	14,439,336,248		14,439,336,248
Total requirements	499,709,370,359		499,709,370,359
Net	29,948,334,506	296,589,721,088	307,329,467,299

36. Likely Obligations (Other than the Financial Status):

This item consists of the following:

	of the fiscal year ended on December 31st	
	2022	2021
	Iraqi Dinars	Iraqi Dinars
Import credits	13,258,933,406	6,570,000,000
Letters of guarantee	55,805,197,132	32,435,854,997
Credits received	730,033,580,000	
	799,087,710,537	39,005,854,997

37. Likely Assets and Demands:

The Legal Unit at the Bank explained to us that there are two lawsuits filed by others against the Bank, and that the attorney of the Bank couldn't determine the likely amounts which may be incurred or obtained in the result thereto, due to postponing the trial dates due to the circumstances the country is going through.

From another hand, the Bank has filed lawsuits and have taken legal and judiciary actions against some of its clients and claimed against them for money they owe to the Bank, after they refrained from refunding such money, and the Bank took precautionary procedures for such cases through counting the lower allocation of the value of the facilitations to the full amounts of such delayed debts.