

**ASIA ALIRAQ Islamic Bank for  
Investment and Finance**

**Annual Report and Financial  
Statements for the Year 2024**

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## Statement of the Chairman of the Board of Directors

**Ladies and Gentlemen, Esteemed Members of the General Assembly,  
Honorable Guests,**

### **Greetings...**

We extend our warmest welcome to you all and sincerely thank you for your efforts in attending this meeting. May God bless you. We highly value your attentiveness and your participation in the discussion of the agenda of the General Assembly of our Bank, including the Annual Report and the Financial Statements as of 31/12/2024. We welcome your opinions, suggestions, and ideas that aim to enhance the development of our banking services and strengthen our financial capacity.

The Bank's Board of Directors and Executive Management continue to exert diligent efforts to elevate and develop the Bank's operations through full compliance with applicable laws, regulations, and both local and international standards governing banking activities. This includes equipping the Bank with the necessary technologies and software to support the fight against money laundering, terrorism financing, and all forms of administrative and financial corruption.

We place significant importance on the role of regulatory departments in carrying out banking operations in accordance with laws and instructions, as well as in combating financial crime, ensuring compliance, mitigating risks, and preventing suspicious financial transactions or excessive concentration in cash, commitment, or investment financing. We also reaffirm our full commitment to International Financial Reporting Standard (IFRS) No. 9.

During the year 2024, the Bank's activities have grown in various areas, including financing, investment, deposit mobilization, provision of electronic services, issuance of electronic payment cards, and expansion in the distribution of automated teller machines (ATMs). Additionally, a new branch has been opened in Najaf and is scheduled to commence operations during the year 2025.

The Bank attaches great importance to the Environmental, Social, and Governance (ESG) Standards Guide for Banks issued in 2024 by the Central Bank of Iraq, as well as to the major banking sector reform project announced by the Iraqi government on 07/04/2025.

**WISAM ABDULSALAM JAAFAR**  
**Chairman of the Board of Directors**  
**(Signed)**

**Round Seal of: ASIA ALIRAQ Islamic Bank for Investment and Finance**

# Board of Directors' Report

## **To the Esteemed Shareholders of Asia Iraq Islamic Bank for Investment and Finance**

In accordance with the provisions of Articles (117) and (134) of the Companies Law No. (21) of 1997 (as amended), we are pleased to present to you the Annual Report and the Final Financial Statements of the Bank as of 31/12/2024.

## **General Information about the Bank**

The Bank was established under the license of incorporation issued by the Central Bank of Iraq / Banking Supervision Department, numbered 4935/3/9 on 05.03.2015, with a paid-up capital of one hundred billion Iraqi Dinars (IQD 100,000,000,000). The license authorizes the Bank to conduct banking operations in accordance with applicable laws, including the Central Bank of Iraq Law No. (56) of 2004, the Banking Law No. (94) of 2004, the Islamic Banking Law No. (43) of 2015, and the Anti-Money Laundering and Counter-Terrorism Financing Law No. (39) of 2015. The Bank is subject to the supervision and oversight of the Central Bank of Iraq.

The Bank has been listed on the Iraq Stock Exchange. The license also included an amendment of activity from money transfer to Islamic banking, which led to a change in the trade name from United

Company for Money Transfer to Asia Iraq Islamic Bank for Investment and Finance, based on the letter issued by the Ministry of Trade / Companies Registration Department No. 19255/ش/هـ dated 04.07.2017.

The Bank commenced its Islamic banking operations on 15.04.2018, pursuant to the letter issued by the Central Bank of Iraq / Banking Supervision Department No. 7882/3/9 dated 05.04.2018.

The Bank's capital currently amounts to two hundred and fifty billion Iraqi Dinars (IQD 250,000,000,000), according to the letter issued by the Companies Registration Department No. 33281 dated 17.01.2021.

#### **Activities Practiced by the Bank**

1. Opening all types of accounts (savings, current accounts, term deposits) in both Iraqi Dinars and US Dollars for individuals and companies.
2. Acceptance of deposits in various forms.
3. Provision of financing to individuals and companies in accordance with Islamic Sharia principles (Murabaha, Mudarabah, Musharakah, Ijarah, etc.).
4. Financing of small, medium, and large projects under the initiative of the Central Bank of Iraq.
5. Investment in Islamic Sukuk, certificates of deposit, and term deposits.
6. Investment in financial products according to Islamic financial investment contracts.
7. Issuance of domestic and international letters of guarantee.
8. Issuance and notification of letters of credit.
9. Execution of domestic and international money transfers.
10. Execution of electronic clearing and electronic payment operations.
11. Issuance of promissory notes (Safatij).
12. Issuance of electronic payment cards (MasterCard) and disbursement of cash through them for both public and private sectors.
13. Execution of international money transfers pursuant to agreement with MoneyGram International.
14. Sale of US Dollar currency to citizens in accordance with Central Bank of Iraq instructions.

#### **Bank Objectives and Aspirations**

The Bank aims to make a serious and effective contribution to achieving economic and social development by financing inclusive economic activities, with the goal of circulating capital, creating job opportunities, generating rewarding returns, encouraging investment, and fostering a competitive environment for mobilizing savings with profitable returns. These funds are then reinvested in development projects, creating a secure environment that promotes the growth of social relations in accordance with fair human standards and ensures the continuity of operations.

The Bank adheres to all laws and regulations governing banking activity and operates in compliance with Islamic Sharia principles in executing financial and banking transactions. It strives to provide a full range of services to the public—individuals and companies—and to reach all segments of society to achieve the principle of financial inclusion. The Bank is committed to building trust and ensuring the continuous development of banking services in line with the economic and developmental plans set by the relevant official authorities.

The Bank has witnessed growth in delivering various banking services, particularly in the areas of financing and investment—especially in commercial, construction, and medical sectors—and has continued to provide cash credit facilities that contribute to job creation. It also invests in economically productive sectors to generate returns, while following a balanced credit policy aligned with liquidity management and risk mitigation. The Bank has also expanded its electronic service offerings through the issuance of payment cards and the facilitation of cash withdrawals and settlements via ATMs and POS/POC devices.

Furthermore, the Bank continues to develop its human resources in financial and banking sciences, obtaining certifications in various disciplines of banking, finance, and accounting. It also acquires modern technologies to enhance operational efficiency and remains committed to combating money laundering, terrorism financing, corruption, and all forms of financial crime.

The Bank is committed to implementing the 2024 Environmental, Social, and Corporate Governance (ESG) Standards Guide for Banks issued by the Central Bank of Iraq, to ensure business continuity and the Bank's ongoing contribution to the Iraqi economy while aligning itself with international institutions.

The Bank will persist in achieving its goals to maintain the continuity of its operations in service of the public interest.

#### **Core Values, Vision, and Mission of the Bank**

The Bank's mission consists of a set of principles and values that serve as the foundation for achieving its goals and executing the desired strategy. This is realized through teamwork and constructive cooperation among staff members and with Bank management to accomplish planned objectives and strategies.

A clear vision by the leadership—represented by the Board of Directors and Executive Management—to make sound decisions and implement them diligently is critical to the Bank's success and continuity in delivering its operations. This includes providing the best services to customers and continuously improving those services in all their forms and types to meet customer needs.

In doing so, the Bank genuinely expresses its belief in the mission it upholds and works to strengthen that mission in fulfilling its defined goals. It does so by adhering to conduct that complies with applicable laws, regulations, and international standards, along with the principles of Islamic Sharia—as the Bank is an Islamic financial institution.

The Bank ensures that its mission aligns with the Central Bank of Iraq's vision to build a sustainable banking system in Iraq for the years 2023–2029, as well as with sustainable finance initiatives in Iraq and global best practices, as outlined in the 2024 ESG Standards Guide for Banks. Emphasis remains on combating money laundering, terrorism financing, corruption, and organized crime.

#### **Core Values:**

- Promoting ethical values, professional and functional behavior, integrity, honesty, and commitment to performing duties and responsibilities diligently.
- Strengthening functional discipline and full compliance with the rules and instructions governing job performance.

- Building high professional capabilities by encouraging self-development and participation in training courses and seminars to increase experience and competence.
  - Strong commitment to providing and continuously improving high-quality services, with an emphasis on transparency, equality, and customer service, considering the customer as a top priority.
  - Ensuring customer satisfaction and dealing with them in a spirit of humanity, justice, and equality, processing their transactions with the required precision and speed.
  - Full compliance with laws, regulations, international standards, and the principles of Islamic Sharia in conducting financial and banking transactions.
  - Strong dedication to the soundness of job performance and the quality of outcomes.
  - Maintaining job stability and security, and assuming responsibility.
  - Ensuring the implementation of the Environmental, Social, and Governance (ESG) Standards for Banks – 2024, issued by the Central Bank of Iraq, and protecting the rights of customers, shareholders, and stakeholders.
- 
- Combating money laundering, terrorism financing, corruption, and organized crime.
  - Enhancing the role of risk management at the Bank through the Risk Department, the Risk Management Committee, and the Board of Directors.

#### **Vision:**

The vision serves as the strategic tool that defines the path and future of the Bank. The clearer and more genuine the vision is—as reflected in the strategies formulated by the Bank’s management and diligently implemented—the more it will naturally lead the Bank to progress and attain the desired position in the local and global markets. This is achieved through the following:

- Providing effective and professional leadership to overcome challenges and face potential risks.
- Encouraging creativity and innovation and rewarding innovators.
- Building trust, respect, and mutual understanding with customers, shareholders, and all entities the Bank interacts with.
- Expanding in the field of information technology and digital transformation in the provision of banking services.
- Working hard to market the Bank’s products across the local market to all segments of society, based on transparency and competitiveness, and in all regions of Iraq, in pursuit of financial inclusion.
- Implementing the Code of Conduct and Conflict of Interest Policies across all members of the Board of Directors, executive management, and all Bank employees.
- Developing clear, applicable policies, programs, and strategies; monitoring the implementation phases; and correcting and addressing any errors.

#### **Mission:**

- To exert efforts with firm belief in the defined goals to ensure business continuity and development in order to meet the needs of society.

- To emphasize teamwork across all levels in confronting challenges and obstacles that may arise in the Bank's future operations, with the aim of enhancing and diversifying the provision of superior banking services.
- To continue striving toward offering a wide range of electronic services—such as issuing various types and formats of electronic payment cards—and making them available swiftly and at minimal cost, in line with recent governmental directives and Central Bank of Iraq guidelines aimed at expanding the use of electronic payments for cash transactions and financial settlements, and promoting social awareness in this field.
- To stress the importance of raising banking awareness and combating financial crime, fraud, and corruption, to ensure sound financial transactions and to communicate with the public—both individuals and businesses—through publications, social media, and easy, fast explanations of the Bank's various services.
- To affirm the continued expansion of financing and investment services across economic, social, and environmental sectors in response to public needs, contributing to national development.
- To maximize financial resources, strengthen the financial position, and achieve rewarding returns for depositors and investors.

## **Board of Directors**

### **First: Duties and Responsibilities of the Board of Directors**

1. Formulating a comprehensive policy for the Bank that defines clear goals, objectives, and vision, including the institution's core mission.
2. Supervising executive management, monitoring its performance, and ensuring the Bank's financial soundness and solvency.
3. Reviewing the performance of executive management and establishing methods for measuring and monitoring progress toward goal achievement.
4. Bearing full responsibility for the integrity of all Bank procedures and for compliance with all applicable laws, regulations, and requirements, including those stipulated in the 2024 Environmental, Social, and Governance (ESG) Standards Guide for Banks.
5. Embedding a culture of ethical standards, integrity, and professional conduct.
6. Ensuring the implementation of General Assembly resolutions and compliance with banking laws, standards, regulations, and guidelines.
7. Establishing and maintaining a good relationship between the Board, executive management, and stakeholders.
8. Encouraging cooperation, mutual understanding, and the exchange of ideas and proposals that enhance banking operations and enrich the knowledge of Board members.
9. Ensuring members sign meeting minutes and notifying the Central Bank of Iraq of any material information.
10. Issuing invitations to relevant parties, in accordance with the law, to attend General Assembly meetings.
11. Following up on the implementation of General Assembly decisions.



12. Holding collective responsibility for ethical and strategic leadership, oversight, and guidance of the Bank, including supervision of executive management.
13. Promoting the Bank's culture, mission, and values throughout all branches, and establishing effective internal controls and prudent risk management, with appropriate risk acceptance.
14. Delegating executive powers and authorities to facilitate the smooth execution of Bank operations and responsibilities.
15. Approving medium- and short-term strategies and action plans.
16. Ensuring that the Bank's performance aligns with the Central Bank of Iraq's vision under the Financial Sustainability Roadmap (2023–2029) and sustainable finance objectives.
17. Committing to the requirements outlined in the 2024 ESG Standards Guide for Banks and the Bank's sustainability principles.
18. Ensuring compliance with international standards in financial reporting, and Central Bank of Iraq instructions, and verifying that the executive management has implemented all applicable updates to International Financial Reporting Standards (IFRS).
19. Bearing responsibility for the accuracy and reliability of the Bank's financial statements and other information disclosed in the 2024 Annual Report, including the disclosure to shareholders of the Bank's financial position and the adequacy and effectiveness of internal control systems.

#### **Original Members of the Board of Directors**

No.	Full Name	Position	Number of Shares Owned
1	WISSAM ABDULSALAM JAAFAR	Chairman of the Board of Directors	4,900,000,000
2	HUSSEIN TALIB ALI	Vice Chairman of the Board of Directors	6,574,440,000
3	MOHAMMED ABDULJABBAR ABDULHAMEED	Member / Authorized Managing Director	5,000,000
4	AHMED SULEIMAN SALEH	Member	1,000,000
5	AZIZ SALEH MAHDI	Member	2,110,000
6	ALI MOHAMMED ALI	Member	50,000
7	ADNAN ZAIDAN ABDULAZIZ	Member	30,000

**Alternate Members of the Board of Directors**

No.	Full Name	Position	Number of Shares Owned
1	ATHEER MOHAMMED JAWAD	Member	10,000
2	JASIM MOHAMMED RAHMAN	Member	7,680,000,000
3	DR. SAAD ABDULHAMEED HAWAS	Member	50,000
4	SURA ADEL MOKHLEF	Member	10,000
5	GHAITH ARKAN ABDULLAH MOHAMMED	Member	10,000
6	TAYBA MAJID HAMEED AHMED	Member	10,000
7	ATHEER ABDULKHALIQ MOHAMMED SALEH	Member	10,000

**Members of the Sharia Board**

No.	Full Name	Position
1	DR. RAGHAD HASSAN ALI	Chairman of the Board
2	FAEQ FAKHRI AHMED	Member
3	MOHAMMED ABDULSALAM AHMED	Member
4	OSAMA MAHDI MAZEL	Member
5	AHMED IBRAHIM HAZA'	Member

**Shareholding Percentage of 5% or More**

No.	Full Name	Nationality	Date of Birth	Shareholding Percentage
1	SURA EMAD JAWAD AL-OBAYDI	Iraqi	1987/09/13	9.99%
2	KHALDOUN RATEB MAHMOUD ASMAR	Jordanian	1964/11/02	9.97%

No.	Full Name	Nationality	Date of Birth	Shareholding Percentage
3	HUDA ABDULJABBAR ABDULHAMEED	Iraqi	1964/05/20	9.76%
4	AHMED ABDULSALAM JAAFAR	Iraqi	1984/01/20	9.42%
5	ABDULSALAM JAAFAR MAHDI	Iraqi	1957/03/15	8.73%
6	Haidar Talib Ali Al-Jubouri	Iraqi	1972/10/28	7.19%
7	FARHAN ABDULJABBAR ABDULHAMEED	Iraqi	1957/05/25	5.29%
8	DUAAB ABDULAMEER BAQIR AL-ASADI	Iraqi	1985/01/04	5.03%

## Second: Committees Formed by the Board of Directors

Pursuant to Article (12) of the Corporate Governance Manual for Banks issued by the Central Bank of Iraq, and with reference to the circular of the Central Bank of Iraq / Banking Supervision Department No. 386/3/9 dated 06/10/2022, which stipulates that committees formed by the Board of Directors shall consist only of original (non-alternate) members, it has been resolved to establish the following committees as detailed below:

### 1. Institutional Governance Committee

SN	Full Name	Position
A	WISSAM ABDULSALAM JAAFAR	Chairman
B	DR. ADNAN ZAIDAN ABDULAZIZ	Member
C	AHMED SULEIMAN SALEH	Member

### 2. Audit Committee

SN	Full Name	Position
A	ALI MOHAMMED ALI AL-BAZI	Chairman
B	HUSSEIN TALIB ALI	Member
C	AZIZ SALEH MAHDI	Member

### 3. Risk Management Committee

SN	Full Name	Position
A	DR. ADNAN ZAIDAN ABDULAZIZ	Chairman
B	HUSSEIN TALIB ALI	Member
C	AHMED SULEIMAN SALEH	Member

### 4. Nomination and Remuneration Committee

SN	Full Name	Position
A	AZIZ SALEH MAHDI	Chairman
B	HUSSEIN TALIB ALI	Member
C	AHMED SULEIMAN SALEH	Member

### Third: Information on the Members of the Board of Directors

#### **1. WISAM ABDULSALAM JAAFAR AL-AZZAWI**

- Date and Place of Birth: Baghdad – 07/09/1985
- Marital Status: Married
- Educational Qualification: Bachelor's degree in Business Administration (American University / Dubai)
- Place of Residence: Baghdad – Al-Mansour – Sector 213, Street 26, House 9
- Phone: 07714200042
- Email: wisamceo@alib.iq
- Number of Shares: 4,900,000,000 shares

#### **Experience:**

- Possesses extensive financial and banking experience through leadership positions in several financial and commercial institutions.
- Provides financial and banking consultancy based on accumulated experience.
- Holds a Certified Islamic Bank Manager certificate and has attended numerous financial and banking workshops, conferences, and seminars, including those related to civil society organizations.
- Languages: Arabic (Very Good), English (Excellent)
- Profession: Businessman
- Current Position: Chairman of the Board of Directors of the Bank

#### **2. HUSSEIN TALIB ALI AL-JUBOURI**

- Date and Place of Birth: Baghdad – 28/09/1966
- Place of Residence: Baghdad – Al-Sulaikh – Sector 336, Street 47, House 3
- Educational Qualification: Bachelor of Agricultural Sciences / University of Baghdad
- Number of Shares: 6,574,440,000 shares
- Profession: Businessman

#### **Experience:**

- A wholesaler active in the commercial market with economic, commercial, and financial experience.

- Attended various commercial, financial, and banking conferences organized by the government and civil society organizations.
- Completed training courses on the impact of climate on the environment.
- Current Position: Vice Chairman of the Board of Directors

### **3. MOHAMMED ABDULJABBAR ABDULHAMID AL-AZZAWI**

- Date and Place of Birth: Baghdad – 22/01/1974
- Place of Residence: Baghdad – Al-Hurriya – Sector 8, House 418, Door 11
- Educational Qualification: Bachelor of Accounting
- Number of Shares: 5,000,000 shares
- Current Position: Member of the Board of Directors and Authorized Managing Director of the Bank

#### **Affiliations and Experience:**

- Member of the Iraqi Association of Accountants and Auditors
- Engaged in accounting and banking financial activities
- Participated in numerous Islamic banking-focused training courses

### **4. AZIZ SALEH MAHDI HUSSEIN AL-AZZAWI**

- Date and Place of Birth: Basra – 29/08/1961
- Educational Qualification: Secondary School Certificate
- Number of Shares: 2,110,000,000 shares

#### **Professional Background:**

- Trader from the 1990s until 2007
- Authorized Manager and Commercial Director of several trading companies
- Former Board Member of the United Company for Money Transfer, which was converted into Asia Iraq Islamic Bank
- Member of the Audit Committee, Risk Committee, and Nomination & Remuneration Committee
- Participated in several financial and banking training courses, including courses in the electronic banking system, corporate governance, and strategic thinking

### **5. AHMED SULEIMAN SALEH MOHAMMED AL-JUMHOUR**

- Date and Place of Birth: Baghdad – 01/07/1951
- Educational Qualification: Bachelor's in Arts and Islamic Sharia
- Number of Shares: 1,000,000 shares

#### **Professional Background:**

- Former government employee at the State Real Estate Department for 22 years
- Former Vice Chairman of the Board of Directors at the United Company for Money Transfer, which was converted into Asia Iraq Islamic Bank

- Possesses field experience in finance, banking, and real estate sectors, and provides consultancy in these areas
- Holds certificates in Islamic finance and corporate governance

#### **6. ADNAN ZAIDAN ABDUL AZIZ MAHMOUD AL-RAWI**

- Date and Place of Birth: Anbar – 02/01/1953
- Educational Qualification: Ph.D. in Statistical Economic Sciences
- Number of Shares: 30,000 shares

#### **Professional Background:**

- Assistant Professor at the Ministry of Higher Education and Scientific Research for 43 years
- Instructor of administrative, economic, and statistical subjects
- Member of the Iraqi Economists Association
- Currently a university lecturer at several private colleges
- Prepares financial, economic, and statistical studies related to the Iraqi economy
- Member of the Corporate Governance Committee and the Risk Committee

#### **7. ALI MOHAMMED ALI AL-BAZI**

- Date and Place of Birth: Baghdad – 08/02/1972

#### **Educational Qualification:**

- Higher Diploma in Tax Accounting – University of Baghdad
- Certificate in Legal Accounting from the Arab Institute of Certified Accountants
- Number of Shares: 50,000 shares
- Professional Background:
- University lecturer at Al-Turath University College for ten years
- Member of the Association of Accountants and Legal Auditors
- Member of the Association of Academics
- Member of the Association of Economists
- Holds experience in the financial, accounting, and tax fields and has published research in these areas
- Current Position: Chairman of the Audit Committee at Asia Iraq Islamic Bank

### **Fourth: Information on the Members of the Sharia Supervisory Board**

#### **1. RAGHAD HASSAN ALI AHMED AL-SARRAJ**

- Date and Place of Birth: Baghdad – 28/10/1973
- Place of Residence: Baghdad – Al-Ghazaliya – Al-Furusiyya, Sector 679, Street 10, House 6
- Phone: 07802050829

- Profession: University Professor
- Educational Qualification: Ph.D. in Philosophy of Islamic Sharia
- Number of Shares: None

## **2. FAIQ FAKHRI AHMED ABDULLAH AL-SAMARRAI**

- Date and Place of Birth: Baghdad – 07.10.1959
- Place of Residence: Baghdad – Tunis Neighborhood, Sector 326, Street 26, House 10
- Phone: 07702794412
- Profession: Self-employed
- Educational Qualification: Master's Degree in Sharia / Fundamentals of Religion
- Number of Shares: None

## **3. MOHAMMED ABDULSALAM AHMED HUSSEIN AL-DULAIMI**

- Date and Place of Birth: Baghdad – 05/01/1992
- Place of Residence: Baghdad – Al-Amiriya, Sector 636, Street 27, House 25
- Phone: 07821090914
- Profession: Self-employed
- Educational Qualification: Master's Degree in Philosophy in Islamic Sciences / Fundamentals of Religion, specializing in Quranic Exegesis (Tafsir)
- Number of Shares: None

## **4 - OSAMA MAHDI MAZAL HAMAD**

- Date and Place of Birth: Baghdad – 26/07/1979
- Residential Address: Baghdad – Iraq Gate Residential Complex
- Phone: 07715306853
- Profession: Lawyer
- Educational Qualification: Bachelor's Degree in Law
- Number of Shares: None

## **5 - AHMED IBRAHIM HAZA'A SALIM AL-AJILI**

- Date and Place of Birth: Baghdad – 10/04/1980
- Residential Address: Baghdad / Al-Muthanna District – Sector 710 / Street 87 / House 5
- Phone: 07739185777
- Profession: Self-employed
- Educational Qualification: Master's Degree in Financial Management, 2017
- Number of Shares: None

#### **Fifth: Board of Directors Meetings**

A total of nineteen (19) Board of Directors meetings were held in 2024 with the attendance of all members and without any absences.

The Board committees, as well as the executive committees, held several meetings during 2024 and submitted their reports with recommendations to the Board of Directors, which took appropriate decisions accordingly.

#### **Sixth:**

The original members of the Board of Directors received a cash reward during 2024 in the amount of ten million Iraqi dinars (IQD 10,000,000) each, based on the decision of the General Assembly of the Bank in its meeting held on 26/11/2024, in recognition of their efforts.

#### **Seventh:**

The members of the Board of Directors did not receive any cash or contingent credits during the year 2024.

#### **Eighth:**

Continuation of the implementation of the Institutional Performance Scorecard for Environmental, Social, and Corporate Governance (ESG) standards, in accordance with the regulations and guidelines of the Central Bank of Iraq.

#### **Ninth:**

Supervision and follow-up with the executive management to ensure compliance with the ESG Standards Manual for Banks for the year 2024.

#### **Relationship of the Board of Directors with Stakeholders**

Article (25) / Governance of Stakeholder Relationships of the 2024 ESG (Environmental, Social, and Corporate Governance) Standards Manual stipulates the following:

- The Board of Directors oversees and facilitates the bank's relationships with stakeholders—customers, shareholders, investors, employees, regulators, and governmental authorities—in a continuous and structured manner to build trust, respect, and mutual understanding.
- Listening to their needs, expectations, feedback, and complaints, and taking them into consideration when making decisions.
- Issuing written invitations to shareholders to attend General Assembly meetings of the bank.



- Ensuring transparency regarding access to the annual report, financial statements, and stock trading activity.
- Providing access to all information and reports related to the bank through the bank's official website.
- Holding meetings with major shareholders and enabling them to view the bank's strategies and operational mechanisms.
- Reviewing audit and supervisory reports, including the annual report.

#### **Development of the Bank's Activities During 2024**

In 2024, the bank witnessed an expansion in credit and contingent activities through financing economic projects and a residential project, as well as an increase in the number of letters of guarantee, all of which were implemented in accordance with banking regulations, local and international standards, and efforts to combat money laundering, terrorism financing, organized crime, and corruption, utilizing advanced technological tools and striving to increase the bank's customer base and services.

- The bank focused on providing banking and electronic services through the expansion of electronic payment card issuance, relying on competent marketing personnel for this product. It also extended the deployment of automated teller machines (ATMs) in provinces and commercial and service centers. The bank seeks to adopt advanced technological tools and enter into contracts with reputable companies to offer the best electronic and digital services.
- Key areas of focus included: Achieving financial inclusion objectives.
- Expanding banking services to all segments of society (individuals and companies), including the financing of small, medium, and large projects from both its own funds and through the initiative of the Central Bank of Iraq.
- Gaining customer satisfaction by listening to their feedback and opinions and acting on them, as the bank's management believes in transparency, flexibility, and equality in service provision, aiming to develop its service products using the best technological means.
- Investing in Islamic certificates of deposit, which generated returns and contributed to strengthening the bank's financial position.
- Maintaining a positive and transparent approach toward stakeholders, including shareholders, investors, and all bank customers, in service of the public interest.
- The bank seeks to advance administratively and in its service offering by adopting the 2024 ESG standards issued by the Central Bank of Iraq to strengthen its position in the local and global markets.
- Furthermore, the bank enhanced the capabilities of its staff by involving them in banking and financial training programs covering all aspects that contribute to improving their competence and efficiency.

#### **Sustainability**

Pursuant to the Environmental, Social, and Corporate Governance (ESG) Standards Manual for the year 2024, issued by the Central Bank of Iraq under circular no. 441/4/9 dated 25/09/2024, the concept of sustainability has become essential and necessary for humanity in order to preserve life and ensure its continuity. This is achieved through maintaining natural balance, preserving natural resources, and protecting the planet we live on. It fundamentally depends on reducing harm to nature to ensure the survival of humans and other living beings by maintaining access to clean water, fresh air, and a pollution-free environment. It also includes focusing on human well-being through respecting human rights and achieving social justice as recommended by divine teachings and human heritage.

Naturally, there are many challenges to this objective, including:

Lack of societal awareness and culture, Economic problems and their repercussions, Political issues, Ongoing global crises such as conflicts and wars, Conflicting policies and development programs, Exploitation of human and natural resources, Loss of security and safety.

Sustainability is achieved through the optimal use of economic resources, ensuring social justice, improving individual lives, guaranteeing well-being, and eliminating discrimination based on gender or ethnicity. It also involves providing job opportunities for all, ensuring equality, respecting human rights, and offering universal access to healthcare. These collectively contribute to a sustainable, evolving, and peaceful life.

#### **Sustainability Policy in the Bank**

1. The Bank aims, through its strategies and Code of Conduct, to achieve its objectives with high responsibility and commitment.
2. Manage its operations in a sound and secure manner, respect the rights of shareholders, clients, and stakeholders, and maintain open communication with them, listening transparently to their opinions, feedback, and criticisms.
3. Full compliance with laws, regulations, and banking instructions, and strict adherence to the 2024 ESG standards issued by the Central Bank of Iraq.
4. Expand and diversify banking services using modern technological methods and interact with society through such means, which contribute to cost reduction and service efficiency.
5. Adherence to laws on anti-money laundering, combating terrorism financing, financial crimes, corruption, and drug trafficking.
6. Promote awareness and culture of ESG standards and sustainability.
7. Invest in economic projects that prioritize environmental preservation, such as renewable energy (solar, wind, hydro), health projects, land reclamation, and clean water conservation.
8. Implement comprehensive strategic planning, efficient cost management, improved risk management, and develop effective policies to confront and mitigate potential risks.
9. Adopt a financial inclusion policy to ensure banking services reach all members of society, especially in remote areas.
10. Develop human skills and capabilities, ensure human rights, promote economic and social empowerment of women, and eliminate discrimination based on gender or ethnicity.

11. Periodically review plans and strategies, conduct self-assessments, address violations and errors, and ensure compliance with required standards.
12. Enforce the corporate governance policy set by the Bank's Board of Directors and strictly monitor its application by executive management.
13. Respect human rights and uphold social justice.
14. Protect the rights of shareholders, clients, and stakeholders and consult with them to serve the achievement of strategic goals.
15. Promote the principles of transparency and increase public trust (individuals and groups) to ensure the soundness and continuity of banking operations.

<b>MOHAMMED ABDULJABBAR ABDUL HAMEED – Managing Director – (Signed)</b>
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<b>WISAM ABDUL SALAM JAAFAR – Chairman of the Board– (Signed)</b>
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<b>Round Seal of: ASIA ALIRAQ Islamic Bank for Investment and Finance</b>
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### **Shariah Board at the Bank**

The Shariah Supervision and Audit Guidelines issued by the Central Bank of Iraq define the Shariah Supervisory Board as follows:

The Shariah Supervisory Board is an independent entity composed of specialists in Islamic jurisprudence (Fiqh al-Mu'amalat) and Islamic finance, as well as experts in banking, finance, and legal affairs in general.

The Board shall consist of at least five (5) members, including three (3) specialized in Islamic jurisprudence, its principles, Islamic economics, and Islamic financial and banking transactions, and two (2) with expertise in banking, financial, and legal matters, who are also familiar with the Shariah requirements for Islamic banking.

### **Duties and Responsibilities of the Shariah Board:**

1. The Shariah Board shall meet quarterly with the Board of Directors, the Internal Shariah Audit Department, and the external auditor to discuss matters of mutual interest.
2. Monitor the bank's operations and activities to ensure their compliance with Shariah principles and to verify that no prohibited elements exist in the transactions.

3. Issue opinions and approve all contracts, transactions, agreements, products, services, and investment policies, including those governing the relationship between shareholders and investment account holders. This includes profit distributions, loss allocations (after approval), avoiding returns on investment accounts, and the method of disposing of non-compliant income.
4. Review and approve Shariah-related policies and instructions to ensure the adequacy and effectiveness of the internal Shariah compliance system at the bank.
5. Provide guidance to bank staff and promote awareness of Shariah principles, rules, and Islamic finance instruments.
6. Offer Shariah training courses for bank employees in coordination with the Human Resources Department.
7. Attend the General Assembly meetings of shareholders and submit the Shariah Board's report to the Chairman of the Board of Directors or a delegated board member for approval.
8. Formulate and express opinions regarding the bank's adherence to Islamic Shariah principles.
9. Review and approve the annual report of the Internal Shariah Auditor, submitted by the Internal Shariah Audit Department to the Audit Committee.

These responsibilities are in addition to those specified in Article (10/4) of the Environmental, Social, and Corporate Governance (ESG) Standards Manual for Banks – 2024.

#### **Shariah Board Meetings in 2024**

The Shariah Supervisory Board held twelve (12) sessions during the year 2024.

#### **Shariah Supervisory Board Report for the Year 2024**

**Esteemed Members of the General Assembly**  
**ASIA ALIRAQ Islamic Bank for Investment and Finance**  
**Peace, mercy, and blessings of Allah be upon you.**

We are pleased to present the following report to your esteemed assembly:

We have reviewed the principles applied, and the contracts related to the transactions and banking applications introduced by the Bank during the period from 01/01/2024 to 31/12/2024. We carried out the required supervision to express an opinion on whether the Bank has complied with the provisions and principles of Islamic Shariah in its banking operations and services. Our responsibility is limited to expressing an independent opinion based on our supervision of the Bank's operations and in preparing this report.

- Our review included the examination and documentation of the procedures adopted by the Bank, based on testing each type of banking operation.
- We planned and conducted our supervision to obtain all information and explanations we considered necessary to provide sufficient evidence to give reasonable assurance that the Bank has not violated the noble provisions and principles of Islamic Shariah.

- We held quarterly meetings with the Chairman of the Board of Directors, Salah Al-Baghdadi Company for Financial Statement Auditing, and the Internal Auditor to discuss compliance reports and offer observations supporting the Bank's adherence to Islamic Shariah principles.
- We also issued Shariah rulings (fatwas) on matters requiring religious guidance.
- In Our Opinion:
  1. The contracts, transactions, and operations entered into by the Bank during the year ended 31/12/2024, which we reviewed, were carried out in accordance with the provisions and principles of Islamic Shariah.
  2. The distribution of profits and allocation of losses on investment accounts was consistent with the adopted basis and in compliance with Islamic Shariah principles.
  3. All profits earned by the Bank were from lawful sources in accordance with Islamic Shariah principles.
  4. The Zakat calculation was conducted in accordance with Islamic Shariah and based on the guidance of the Bank's Shariah Supervisory Board.

#### Shariah Supervisory Board

Dr. RAGHAD HASSAN ALI – Chairperson - (Signed)
MOHAMMED ABDULSALAM AHMED – Member- (Signed)
FAEQ FAKHRI AHMED – Member- (Signed)
AHMED IBRAHIM HAZA'A – Member- (Signed)
OSAMA MAHDI MAZAL – Member- (Signed)
Round Seal of: ASIA ALIRAQ Islamic Bank for Investment and Finance

#### Governance Committee Report as of 31/12/2024

The Committee reviewed the **Environmental, Social, and Corporate Governance (ESG) Standards Manual for Banks – 2024**, issued by the **Central Bank of Iraq** under Circular No. **441/4/9** dated **25/09/2024**. This manual aims to improve the performance of the banking sector and to achieve banking sustainability, as part of the **Financial Sustainability Roadmap for Iraq for the years 2023–2029**, which reflects the Central Bank of Iraq's vision of creating a sustainable banking system comparable to its global and peer counterparts. Below is the Committee's report:

1. **Affirmation of the importance of monitoring and supervising** the application of the ESG standards mentioned above, including climate-related issues, and ensuring their implementation by the Executive Management.
2. **Commitment to the requirements of Board independence**, disclosure of interests, and taking due diligence measures in the organization of the bank's affairs.
3. **Ensuring full compliance with all laws, regulations, and instructions** governing banking operations, and achieving the objectives outlined in the new 2024 ESG standards manual.

4. Reviewing the **Code of Conduct** and **Conflict of Interest Policy**, and avoiding any conflict between personal interests and the bank's interests, with particular attention to policies and mechanisms for dealing with **related parties**.
5. Providing guidance to **update the bank's internal policies, procedures, and charters** in accordance with the provisions of the 2024 manual issued by the Central Bank of Iraq concerning ESG standards.
6. Ensuring compliance with laws, instructions, and regulations governing banking operations aimed at development, including the standards under review.
7. Ensuring that **all members of the Board of Directors and all bank employees** are subject to the Code of Conduct and Conflict of Interest Policy.
8. Affirming full commitment to the **Anti-Money Laundering and Counter-Terrorism Financing Law**, and strengthening enhanced due diligence measures towards high-risk individuals, combating financial crimes, corruption, bribery, and misuse of banking information, and ensuring **the protection of customers' rights**.
9. Adherence to **professional conduct and ethical behavior** among employees, reflecting high moral standards, mutual respect, compliance with internal regulations, professional ethics, calm and rational dealings, and respect for social customs and noble values, while avoiding harmful and inappropriate behavior.
10. **Strengthening the role of the Risk Department and Risk Committee** at both operational and field levels for all transactions performed by the bank, to **avoid or minimize potential risks**, and to **prepare for and mitigate their effects**.
11. **Applying the principle of transparency** in the preparation of financial reports, including the annual report and financial statements, and making them **publicly available**.

<b>AHMED SULEIMAN</b> – Member- (Signed)
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<b>Dr. ADNAN ZIDAN ABDULAZIZ</b> – Member- (Signed)
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<b>WISAM ABDULSALAM JAAFAR</b> – Chairman of the Committee- (Signed)
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<b>Round Seal of: ASIA ALIRAQ Islamic Bank for Investment and Finance</b>
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#### **Nomination and Remuneration Policy Committee Report – 2024**

During the year 2024, the Committee carried out the following tasks:

1. Approval and review of executive management appointments based on the bank's needs and the availability of qualifications and requirements in the nominated candidates for vacant positions, in accordance with the instructions and regulations of the Central Bank of Iraq, and the submission of necessary recommendations to the Board of Directors.
2. Review of the employee remuneration policy at all levels, based on job performance outputs, in a manner that fosters innovation and advancement in the delivery of banking services and ensures coverage and fairness.
3. Review of compliance with the bank's governance practices and policies to ensure the achievement of the bank's objectives.

4. Emphasis on involving employees and Board members in banking and financial training programs, particularly those related to Islamic banking, to enhance their capabilities and competencies.
5. Supervision of the performance of the Human Resources Department, and submission of recommendations to the Board of Directors regarding the development of performance capabilities.
6. Contribution to the evaluation of functional performance, with the aim of improving the services provided by the bank and achieving customer satisfaction.

AHMED SULEIMAN SALEH– Member- (Signed)
HUSSEIN TALIB ALI– Member- (Signed)
AZEEZ SALEH MAHDI – Chairman of the Committee- (Signed)
Round Seal of: ASIA ALIRAQ Islamic Bank for Investment and Finance

#### **Audit Committee Annual Report as of 31/12/2024**

Esteemed Members of the General Assembly  
ASIA ALIRAQ Islamic Bank for Investment and Finance

#### **Greetings and respect,**

Pursuant to Article (24), Paragraph (T) of the Banking Law No. (94) of 2004, the Committee is pleased to present its Annual Report for the fiscal year ended 31/12/2024.

1. The Committee reviewed the monthly and quarterly reports prepared by the Shariah Audit and Compliance Department and the Risk Management Department, as well as reports issued by the Anti-Money Laundering and Counter-Terrorism Financing Department. These were discussed, and guidance was provided to ensure compliance with laws and regulations, aiming to prevent or mitigate risks and avoid money laundering or other financial crimes, through the use of advanced technical methods to achieve optimal performance of financial transactions.
2. The Committee verified the disclosures and requirements issued by the Central Bank of Iraq, and confirmed compliance with international standards in conducting transactions and preparing financial statements.
3. The Committee reviewed the Annual Audit Plan and the Annual Training and Development Plan, took the necessary actions regarding them, and submitted them to the Board of Directors for approval.
4. The Committee reviewed the quarterly financial statements and the annual financial statements for the year ending 31/12/2024, as well as the external auditor's report as of 31/12/2024. It confirmed the accuracy and integrity of the information contained therein, noting that the financial statements were prepared in accordance with international standards, and that they were consistent with the applicable laws and regulations in a clear, transparent, and fair manner that accurately reflects the financial position of the bank as of 31/12/2024, its operational results, and cash flows.
5. The Committee held several meetings with the external auditor and with managers of oversight departments, during which important matters requiring action were discussed.
6. The Committee verified the Bank's compliance with the International Financial Reporting Standard (IFRS 9) in calculating provisions for expected credit losses, which reflect the credit risk for the fiscal year ending on 31/12/2024.

7. The Committee monitored the Business Continuity and Disaster Recovery Programs in coordination with the Risk Management Department and the Information and Communications Technology Department, and found that the Bank had taken precautionary measures and the necessary steps to address such events.
8. The Committee verified the Bank's compliance with the Foreign Account Tax Compliance Act (FATCA) in order to address tax evasion.
9. The Committee maintained coordination and communication with the Bank's sub-committees emanating from the Board of Directors on matters of mutual interest.
10. The Committee gave due attention to the Environmental, Social, and Corporate Governance (ESG) Standards Manual for Banks – 2024, and will continue to exert its efforts toward achieving the intended goals of this manual to enhance the Bank's efficiency, performance, and development.

HUSSEIN TALIB ALI– Member- (Signed)
AZEEZ SALEH MAHDI – Member- (Signed)
ALI MOHAMMED ALI AL-BAZI Chairman of the Committee- (Signed)
Round Seal of: ASIA ALIRAQ Islamic Bank for Investment and Finance

**ASIA ALIRAQ Islamic Bank for Investment and Finance**  
**Human Resources Department**

**Statistics on the Number of Bank Employees by Job Titles and Educational Qualifications**



As of 31/12/2024

### By Certificate

Certificate Type	Until 31.12.2024
Doctorate	—
Master's	—
Bachelor's	88
Diploma	7
Preparatory	4
Intermediate School	5
Primary	12
Without Certificate	2
<b>Total</b>	<b>118</b>

### By Job Title

Job Title	Until 31.12.2024
General Manager	1
Deputy General Manager	1
Assistant Deputy General Manager	1
Branch Manager	16
Assistant Branch Manager	4
Office Manager	1
Division Manager	4
Director	1
Treasury Manager	1
Section Manager	10
Assistant Branch Manager	3
Assistant Office Manager	1

<b>Job Title</b>	<b>Until 31.12.2024</b>
Assistant Treasury Manager	1
Auditor	—
Senior Clerk	3
Accountant	12
Assistant Accountant	8
Chief Cashier	1
Assistant Cashier	2
Clerk	18
Assistant Clerk	4
Programmer	—
Assistant Programmer	2
Maintenance Staff	2
Marketing Officer	1
Secretary	5
System Administrator	3
Receptionist	4
Service Worker	4
Technical Clerk	1
<b>Total</b>	<b>118</b>

#### **Executive Management Members – Asia Iraq Islamic Bank for Investment & Finance**

<b>No.</b>	<b>Full Name</b>	<b>Position</b>
1	<b>SAHIB BADR ABOUD</b>	Advisor
2	<b>MOHAMMED ABDULJABBAR ABDULMAJID</b>	Authorized Managing Director
3	<b>ZAINAB TAREK ARABI</b>	Deputy Managing Director
4	<b>HAREER MUZAFFAR AYOUB</b>	Compliance Officer / Head of Sharia Compliance & Compliance-Monitoring Department
5	<b>MAHMOUD SABRI KHALAF</b>	Head of Internal Sharia Audit Department

No.	Full Name	Position
6	LAILA HARITH ASAAD	Head of Risk Management Department
7	SUAD MOHSEN ABD	Head of Finance Department
8	MARWA THAER SAMI	Head of Anti-Money-Laundering & Counter-Terrorism-Financing Reporting Department
9	MOHAMMED JAMAL MUSTAFA	Head of Information Technology Department
10	ABDULMOHSEN AHMED ABDULRAHMAN	Head of Human Resources Department
11	SAIF SAMEER ABDULQADER	Head of International Department
12	RAED KHALAF MAHDI	Head of Payments Department
13	HUSSEIN ABDULAZIZ MAJID	Head of Credit Department
14	JASIM MOHAMMED DAWOOD	Head of Financial Inclusion Department
15	ZAINAB ABDULMONEIM MOHAMMED	Head of Investment Department
16	MOHAMMED NAJM ABD HUSSEIN	Head of Legal Department
17	SAMEER JIHAD AHMED	Head of Branch Management Department
18	UFUQ ABDULRAQIB HUSSEIN	Head of Electronic Payment Cards Division (also Deputy Head of IT Department)
19	Atheer Abdulameer Mohammed	Head of Information Security Department
20	SAUD AZIZ SALEH	Head of Shareholder Relations Unit
21	MOHAMMED MUTLAK RASHID	Director of Administration

### **Committees Formed by the Executive Management**

#### **1- Credit Committee**

Name	Role	The decision was issued under administrative orders (281) No. 4908/18/4 dated 01/12/2024 and (282) No. 4959/18/4 dated 02/12/2024, replacing Ms. Rana Qasim Mahmoud in the Credit Committee in place of Ms. Raghad Khalid Shweikh due to her resignation.
ZAINAB TAREK ARABI	Chairperson	
HUSSEIN ABDULAZIZ MAJID	Member	
RANA QASIM MAHMOUD	Member	

#### **2- Investment Committee**

Name	Role
ZAINAB TAREK ARABI	Chairperson

Name	Role
ZAINAB ABDULMONEIM MOHAMMED	Member
MOHAMMED NAJM ABD	Member

### 3- Information Technology and Communications Committee

Name	Role
MOHAMMED JAMAL MUSTAFA	Chairperson
ATHEER ABDULAMEER MOHAMMED	Member
UFUQ ABDULRAHEEB HUSSEIN	Member
ALI MOHAMMED ABD ALI	Member

### “Training Courses and Workshops Attended by Bank Employees in 2024”

No.	Type of Courses and Workshops	No. of Courses/Workshops	No. of Participants
1	Workshops on Anti-Money Laundering and Counter-Terrorism Financing	11	35
2	Workshops on Sharia Compliance and Compliance Monitoring	2	4
3	Credit Training Courses and Workshops	11	21
4	Banking Awareness and Financial Inclusion Workshops	5	17
5	Financial Affairs and Accounting Training Workshops	2	2
6	Courses on Electronic Payment and E-Cards	4	11
7	Investment Workshops	3	3
8	Total Quality Management Workshops	4	6
9	Human Resources Development Workshops	2	3
10	Information Technology Courses	1	1
11	Risk Management Workshops	9	14
12	Legal Affairs Courses	1	1

No.	Type of Courses and Workshops	No. of Courses/Workshops	No. of Participants
13	Banking Supervision Courses	1	1
14	SWIFT System Courses	1	2
15	Cybersecurity Courses	2	3
16	Islamic Jurisprudence for Banking and Islamic Banking Operations Courses	1	22

#### 17 – Courses for Obtaining Accredited Certificates

Course Title	No. of Courses	No. of Participants
Certified Branch Manager Course (CBM)	1	1
Certified Risk Management Expert Course	1	1
Certified Financial Inclusion Specialist Course (AFIS)	1	1
Certified Internal Auditor Course (CIA)	1	1
Certified Anti-Money Laundering and Counter-Terrorism Financing Specialist Course (CAMS)	1	1
Certified Credit Analyst Course	2	2

#### **Financial Department Report of the Bank as of 31.12.2024** **Branches Profit and Loss Statement as of 31.12.2024**

No.	Branch Name	Expenses (IQD)	Revenues (IQD)	Net Profit or Loss (IQD)
1	General Administration	11,031,293,577.515	9,870,551,410.5	-1,160,742,105.410

No.	Branch Name	Expenses (IQD)	Revenues (IQD)	Net Profit or Loss (IQD)
2	Main Branch	1,559,515,369.623	7,552,730,307.713	5,993,214,938.090
3	Al-Nahr Street Branch	766,102,852.000	8,053,526.928	-758,049,325.072
4	Al-Karada Branch	148,774,603.473	288,395,238.040	139,620,634.567
5	Erbil Branch	215,608,890.806	181,783,310.226	-33,825,580.580
6	—	156,206,396.890	770,769,603.311	614,563,206.421
7	Al-Mansour Office	0	0	0
	<b>Total</b>	<b>13,877,501,690.307</b>	<b>18,672,283,458.323</b>	<b>4,794,781,768.016</b>

#### **Real Estate Owned by the Bank**

1. Property No. 298/1, District No. (15), Jurf Al-Naddaf, including constructions of a factory and warehouses, with a total area of 5 donums, purchased for IQD 2,245,000,000 (two billion two hundred forty-five million dinars). Purpose: Investment.
2. Share in Property No. 69/323, District Bataween / Al-Karrada / Salman Faeq Street, total area 904 square meters, valued at IQD 2,260,648,000 (two billion two hundred sixty million six hundred forty-eight thousand dinars). The Bank's share: 249,994 shares out of a total of 665,280 shares. Purpose: Branch premises (Al-Karrada Branch); the remaining part of the property includes commercial shops for investment.
3. Property No. 397/75, District No. (81), Al-Soufiya Al-Janoubia, Anbar Governorate, with an area of 421 square meters, valued at IQD 709,304,000 (seven hundred nine million three hundred four thousand dinars). Purpose: Establishment of a new branch in Anbar; part of the property is designated for investment purposes.
4. Property No. 1794/8, District No. (20), Al-Dawoodi, with an area of 560 square meters, valued at IQD 5,128,575,000 (five billion one hundred twenty-eight million five hundred seventy-five thousand dinars). Purpose: Main headquarters building and central branch.
5. Property No. 100/3244, Warsh, Erbil Governorate, with an area of 261 square meters, valued at IQD 903,589,500 (nine hundred three million five hundred eighty-nine thousand five hundred dinars). Purpose: Branch establishment.
6. Property No. 28/3, District No. 61, Al-Jazeera, Karbala Governorate, with an area of 276 square meters, valued at IQD 1,035,000,000 (one billion thirty-five million dinars). Purpose: Branch establishment.
7. Property No. 3188/1798, Al-Saad, Najaf Governorate, with an area of 286 square meters, valued at IQD 1,029,600,000 (one billion twenty-nine million six hundred thousand dinars). Purpose: Branch establishment.
8. Property No. 306/18, Bataween, Baghdad Governorate, with an area of 912 square meters, valued at IQD 2,796,192,000 (two billion seven hundred ninety-six million one hundred ninety-two thousand dinars). Purpose: Warehouses.

9. Property No. 113/37, Atifiya, Baghdad Governorate, with an area of 854 square meters, valued at IQD 5,124,000,000 (five billion one hundred twenty-four million dinars). Purpose: Branch establishment.
10. Property No. 1/5659, District No. 18, Amiriya, Baghdad Governorate, with an area of 300 square meters, valued at IQD 960,000,000 (nine hundred sixty million dinars). Purpose: Branch establishment.

It is worth noting that the above-listed properties were approved for purchase by the Central Bank of Iraq – Banking Supervision Directorate, and the amounts shown above represent the market values as estimated by the Central Bank of Iraq.

The Bank holds official property deeds (Form No. 25) issued by the Real Estate Registration Directorates.

**Disclosure of Contracts Signed by the Bank with External Parties for the Period from 01/01/2024 to 31/12/2024**

1. Contract with Jannat Al-Iraq Security Services Company  
The contract was renewed for one year, renewable, starting from 01/01/2024 to 31/12/2024, with a monthly amount of IQD 12,750,000.
2. Contract with Connected Solutions Company for Financial and Banking Services and Information  
The contract was renewed to develop and implement the Information Security Operations Center and to apply ISO standards (27001 and 22301).  
The contract was signed on 05/05/2024 for a total amount of IQD 60,200,000.
3. Contract with Arabia Iraq for IT and Electronic Payment Technologies  
The contract was renewed to supply the Bank with electronic Point-of-Sale (POS) terminals for a period of one year starting from 22/05/2024.
4. Contract with InfoTech Business Company  
The Bank entered into a contract with the company for the maintenance of ATM machines at a total value of IQD 18,000,000 for a period of one year starting from 01/09/2024.
5. Contract with Forsan Al-Jawda Company for Training and Development (ISO)  
The contract was renewed to obtain the International Quality Certification for promotional and marketing purposes for the Bank's business, with a total value of USD 24,500.  
The contract was signed on 10/05/2023.
6. Contract Renewal for Expected Credit Loss Calculation System (IFRS 9)  
The contract was renewed with ICS Financial Systems Ltd. for a total amount of USD 83,000, signed on 26/02/2023.

7. Contract with Al-Namothaj Al-Awal Company for Information Technology  
An agreement was signed with the company to provide the Bank with a Sanctions List Monitoring and Screening System, including updates every 12 hours, in return for a monthly payment of IQD 1,250,000, starting from 01/10/2024.

#### **Capital Adequacy**

According to Article (16) of the Banking Law No. (94) of 2004 and Article (17) of Instructions No. (4) of 2010, the Bank's capital adequacy must at all times not be less than 12% of the total risk-weighted assets (on- and off-balance sheet) plus 100% of market risks.

As of 31/12/2024, the Bank's Capital Adequacy Ratio stood at 142%.

#### **Liquidity Ratio**

The cash liquidity ratio to total deposits reached 85% as of 31/12/2024, which reflects the Bank's strong liquidity position.

#### **List of the Top Five Board Members**

<b>No.</b>	<b>Name</b>	<b>Position Title</b>
1	MOHAMMED ABDULJABBAR ABDULHAMID	Managing Director
2	ZAINAB TARIQ ARABI	Assistant Managing Director
3	SAHEB BADR ABBOD	Consultant
4	MAHMOUD SABRI KHALAF	Director of Internal Sharia Audit
5	SAIF SAMIR ABDULQADIR	Director of International Division

#### **Correspondent Banks**



No.	Bank Name	Country
1	Abu Ali Islamic Bank	United Arab Emirates
2	Al-Safwa Islamic Bank	Jordan
3	Arab African Bank	United Arab Emirates
4	Union Bank	Jordan

ASIA ALIRAQ Islamic Bank for Investment and Finance Subsidiaries, Partnerships, and Shareholdings						
No.	Company Name	Type	Number of Shares	Shareholding Amount	Ownership Percentage	Notes
1	<b>Al-Kasab Brokerage Company</b>	Subsidiary	100,000,000	300,000,000	100%	
2	<b>Asia Gateway Trading Company</b>	Subsidiary	5,000,000,000	4,500,000,000	90%	
3	<b>Asia Gateway Real Estate Investments</b>	Subsidiary	10,000,000,000	10,000,000,000	100%	
4	<b>Asia Gateway Agricultural Investments</b>	Subsidiary	8,500,000,000	8,500,000,000	100%	
5	<b>Partnerships</b>	Partnership	–	80,293,082,000	–	<i>Contradictory Partnership</i>
6	<b>National Takaful Company</b>	–	550,000,000	553,769,000	–	

No.	Company Name	Type	Number of Shares	Shareholding Amount	Ownership Percentage	Notes
7	Iraqi Deposit Guarantee Company	–	1,539,473,680	1,542,098,680	–	

#### Total Cash Transactions of the Retail Banking Department for 2024

Transaction Type	Amount (IQD)	No.
Mortgage Loans	93,000,000	2
Central Bank Initiative - SME Projects	565,000,000	35
Personal Murabaha	22,850,550,000	77
Corporate Murabaha	10,490,000,000	8
Localization Murabaha Contracts	909,000,000	88
<b>Total</b>	<b>34,907,550,000</b>	<b>210</b>

#### Total Guarantee Transactions of the Credit Department for 2024

Transaction Type	Amount (IQD)	EUR	Count
Bid Bond/Tender Guarantee	67,644,023,543		681
Professional License Guarantee	856,425,000		51
Performance Bond Guarantee	38,566,506,500	1,145,330,590	312
Advance Payment Guarantee	117,400,000		-

Transaction Type	Amount (IQD)	EUR	Count
Total	107,184,355,043	1,145,330,590	1,044

#### Internal Shariah Audit and Compliance Department Report – Year 2024

##### Main Functions of the Department:

- The department is responsible for auditing the Bank's departments and branches from accounting, financial, and Shariah perspectives, as outlined below:
- Auditing entries, statements, various financial balances, payrolls, advances, journal entries, and internal and external bank reconciliations.
- Auditing foreign transfers in all their details, letters of credit, currency auction reports with the Central Bank of Iraq, and supporting documentation of beneficiary companies receiving foreign transfers.
- Auditing files and documentation of credit facilities granted under Islamic Shariah principles, including Murabaha, Musharaka, Ijara, and others, as well as letters of guarantee of all types, and reports on the Central Bank's initiative for small and medium enterprises and projects exceeding IQD 1 billion.
- Auditing personnel files, managing incoming/outgoing correspondence, miscellaneous files, and open registers from an organizational perspective.
- Auditing the legal department's documentation, including lawsuits filed by or against the Bank.
- Auditing lists, correspondence, and updates to blacklists and international sanctions lists, using modern technologies integrated into the Bank's system, with real-time updates.
- Auditing the Bank's core system (BANKS), including department feedback regarding the system or obstacles encountered, and reviewing system-related needs across departments.
- Auditing investment statements and balances, ensuring compliance with Central Bank of Iraq regulations and Islamic Shariah, including the number of shares and certificates allowed for investment.
- Auditing balances and records with the parent company related to electronic withdrawals, and reconciling them with the Accounting Department's statements.
- Auditing ATM balances, card sales, financial returns, ATM distribution, and the number of sales agents in Baghdad and the provinces.
- Auditing risk ratios and operational risk reports, ensuring alignment with the risk-based audit program, and reviewing reports prepared by the Risk Management Department.
- Auditing daily transaction reports for the RTGS (Real-Time Gross Settlement) and ACH (Automated Clearing House) payment systems.
- Auditing periodic bulletins, banking services posted on social media, and Central Bank and Shariah Board approvals of such materials.

- The department audits all branch activities, including current accounts, savings accounts, deposits, withdrawal and deposit operations, all related statements, account opening files, cash balances, cash inventory, Murabaha financing, and letters of guarantee.
- The department also holds quarterly meetings with the Chairman of the Board of Directors, Al-Baghdadi & Partners Auditing Firm (Joint Liability Company), and the members of the Shariah Supervisory Board to discuss reports, statements, and banking transactions, and to provide Shariah and accounting observations. Additionally, the department prepares quarterly reports according to the template prescribed by the Central Bank of Iraq, and submits them to the Banking Supervision Directorate at the Central Bank.
- The Bank affirms its full compliance with the provisions and principles of noble Islamic Shariah, as well as with the laws governing banking operations and the instructions and regulations of the Central Bank of Iraq.

MAHMOOD SABRI Khalaf  
Director of the Internal Audit Department

#### **Shariah Compliance and Regulatory Compliance Officer Report As of 31/12/2024**

##### **Greetings,**

The function of the Shariah Compliance and Regulatory Compliance Department is an independent function that aims to strengthen Shariah governance within the bank and ensure adherence to applicable laws, regulations, thresholds, and ratios as mandated by the supervisory authority (Central Bank of Iraq). This function is governed by the pillars of Shariah compliance oversight, which include: The Shariah control environment, Risk assessment, Shariah oversight activities, and Information and communication.

##### **Summary of the Compliance Function Responsibilities:**

- Establishing effective procedures for banking operations to ensure Shariah compliance prior to execution.
- Reviewing and developing policies and procedures related to Shariah compliance management.
- Supporting the enhancement of front office action plans, including providing legal and regulatory advice on implementing new laws or regulations within the existing policies and procedures. Providing regular training to employees on compliance duties, anti-money

laundering (AML), and combating the financing of terrorism (CFT). Auditing the "Know Your Customer" (KYC) forms.

- Reviewing the bank's internal policies and procedures for their compliance with the laws and instructions of the Central Bank of Iraq.
- Attending Board of Directors meetings in the capacity of Compliance Observer.
- Assisting in resolving issues, following up on audit-related matters with internal/external auditors and concerned departments, and supporting the development of preventive control measures to avoid future issues.
- Establishing strong internal working relationships across the bank. Developing a comprehensive Shariah compliance program based on the approved compliance plan. Coordinating with both internal and external Shariah audit teams on matters related to Shariah compliance. Collaborating with the Risk Management Department on issues related to non-compliance risks.

Raising awareness and fostering a strong compliance culture among bank employees regarding relevant laws, instructions, regulations, and policies by means of seminars, training sessions, workshops, publications, and other tools.

- Conducting regular reviews and ongoing evaluations of Shariah compliance, with a focus on high-risk operations.
- Preparing the Compliance Matrix, which contains comprehensive information on applicable laws, regulatory frameworks, and banking products for which the Compliance Officer is responsible.
- The Shariah Compliance Department escalates matters related to compliance to the senior administrative authorities and the committees responsible for Shariah governance (Governance Committees).
- The department is responsible for identifying, assessing, reporting, monitoring, and preparing reports on the Bank's Shariah compliance risks, which include the risk of legal penalties, financial losses, or reputational damage resulting from failure to comply with applicable laws, regulations, codes of conduct, and best practice standards in the Islamic financial industry.
- Reviews the Bank's policies and procedures to ensure their alignment with the laws and instructions of the Central Bank of Iraq.
- Conducts monthly follow-up and audits with the head office and branches regarding opened and closed accounts, rejected or returned payments.
- Performs on-site visits to bank branches to audit "Know Your Customer" (KYC) forms and other financial operations.
- Ensures compliance with the U.S. Foreign Account Tax Compliance Act (FATCA), including submission of the annual declaration.
- Follows up on Central Bank correspondence and ensures timely responses.
- Monitors the AML system and reviews suspicious activity reports related to money laundering and terrorism financing, as submitted by the Bank's AML Reporting Department.
- Develops and maintains a compliance manual containing Shariah compliance and regulatory compliance guidelines.

- Oversees the Board of Directors' compliance with the Bank's internal bylaws, employee training plans, and the application of Islamic banking governance standards, with a particular emphasis on Shariah governance environment.
- Verifies the accuracy of data and information submitted to the Central Bank of Iraq.
- Coordinates with the Risk Management Department to review and classify customer risk ratings on a monthly basis.
- In cooperation with the Risk Management Department, maintains a register of operational risks and retains specific policies and procedures for managing non-compliance risk, based on the compliance matrix and the Bank Board's risk tolerance.
- The department conducts monthly follow-ups with the Credit Department regarding: Murabaha contracts granted through the Central Bank initiative and the Bank's own funds. Murabaha contracts granted through salary domiciliation and for individual financing. The number of letters of guarantee issued and canceled. The ratio of cash credit to deposits, and the ratio of cash credit to capital. The number of delinquent clients. Quarterly follow-ups are conducted on the credit files.
- The department also coordinates with the Domiciliation Division to verify the number of Qard Hasan (interest-free loans) granted and the categories of beneficiaries, based on monthly reports received from the division. Monthly follow-ups are also conducted with the Cards Division to review: The number of ATMs. The number of damaged cards. The number of cards sold. The number of sales agents. The number of POS devices distributed. Special scenarios for prepaid cards will be incorporated.
- The department coordinates quarterly with the Legal Department to monitor the number of lawsuits filed by or against the Bank, if any. It verifies the accuracy of the data and information submitted to the Central Bank of Iraq.
- The Bank ensures that Compliance Department staff are enrolled in professional development and training courses, and allocates the necessary funding.  
The Central Bank of Iraq's inspection committees will evaluate the Compliance Department based on its training record.

#### Compliance Reporting Framework

The Compliance Officer at Asia Iraq Islamic Bank enjoys full independence in performing duties and reports directly to the Board of Directors. The officer is responsible for submitting two types of reports:

- ✓ Monthly Reports – Submitted to the Audit Committee, then forwarded to the Board of Directors, with a copy sent to the Managing Director. These reports include key observations across all departments for the purpose of corrective action.
- ✓ Quarterly Reports – Submitted to the Central Bank of Iraq for evaluating the Bank's financial position and level of regulatory and Shariah compliance.
- ✓ In compliance with the regulatory guidelines on Anti-Money Laundering (AML), Counter-Terrorism Financing (CFT), and the Prevention of Weapons Proliferation for the year 2024, the Bank is committed to the following: Submission of semi-annual reports to the Central Bank of Iraq, with a copy provided to the Board of Directors,

regarding detected violations. These reports shall include recommendations and corrective measures aimed at preventing recurrence in the future, and a copy shall be retained for review by the Central Bank of Iraq's field inspection committees.

- ✓ Preparation of a periodic report every six months on AML/CFT activities and submission to the Central Bank of Iraq, accompanied by the observations of the Board of Directors.

**HAREER MUDHAFAR AYOUP**

**Shariah Compliance and Regulatory Compliance Officer**

#### **Risk Management Department Report – 2024**

##### **Definition of Risk in a Financial Institution**

Risk refers to the potential exposure of a financial institution to uncertain events that may lead to financial losses. To avoid such occurrences or to minimize their impact, and to respond to, confront, and mitigate these risks, a range of interrelated procedures and policies are implemented across various operational, investment, credit, liquidity, market, legal, and other levels, in order to keep exposure under control, including the use of stress testing.

##### **Definition of Risk Management**

Risk management includes all measures taken by the institution to reduce the negative effects of risks and to keep them within acceptable limits. The Risk Management Department is responsible for the following:

1. Monitoring the executive departments' compliance with the approved risk appetite and thresholds.
2. The Risk Management Committee audits the activities and reports of the Risk Management Department and presents all developments to the Bank's Board of Directors.
3. The Board of Directors ensures the independence of the Risk Management Department by granting it the necessary authority to access information across all bank departments, in cooperation with the Risk Management Committee and oversight departments.
4. The Board of Directors and the Risk Management Committee ensure that the Risk Management Department periodically conducts stress tests to assess the Bank's capacity to absorb shocks and face high-risk situations. These are conducted based on the scenarios and assumptions used by the Bank, and the results are reviewed to adopt appropriate response measures.
5. Ensuring that the Bank retains sufficient capital to cover all risks it may encounter.
6. Additional Responsibilities of the Risk Management Department

The Board of Directors approves the Bank's Risk Appetite Matrix, and the Risk Management Department is tasked with:

- (a) Reviewing the Risk Management Framework before it is approved by the Board.
- (b) Implementing the Risk Management Strategy and updating relevant policies and procedures.
- (c) Studying and analyzing all types of risks faced by the Bank.
- (d) Providing the necessary information related to the Bank's risk exposures for disclosure purposes.

(e) Presenting recommendations to the Risk Management Committee, and recording exceptions to the acceptable risk levels.

#### **Procedures Adopted by the Risk Management Department to Mitigate Risks**

1. Control: Implementing control procedures aimed at preventing risks or minimizing their occurrence as much as possible.
2. Diversification: Diversifying funding sources, investments, and operations to reduce risk exposure.
3. Risk Sharing: Involving third parties in bearing certain risks, such as through insurance or guarantees.
4. Risk Acceptance: Accepting a certain level of risk by the Bank's management, particularly in cases where the negative effects are minor and the cost of mitigation is high.
5. Risk Avoidance: Designing processes and operations in a way that avoids certain risks, based on predefined risk mitigation plans.

#### **Compliance with Central Bank Requirements**

The Bank affirms its full compliance with the Supervisory Work Manual and the Islamic Banks' Risk Management Regulations, issued by the Central Bank of Iraq in August 2024.

**LAYLA HARITH ASAAD**

**Director, Risk Management Department**

#### **Anti-Money Laundering and Counter-Terrorism Financing Department Report – 2024**

The AML/CFT Reporting Department at the Bank operates with the objective of reducing money laundering and terrorism financing activities, combating criminal operations, and addressing their methods and schemes, in accordance with the provisions of Law No. (39) of 2015 on Anti-Money Laundering and Counter-Terrorism Financing, as well as the instructions and executive regulations issued by the Central Bank of Iraq.

The department's main functions and activities carried out during the year 2024 are summarized as follows:

1. Establishing appropriate internal written policies, procedures, and controls for the effective implementation of the AML/CFT Law, its executive regulations, and all related instructions issued by the Central Bank of Iraq.



2. The Board of Directors bears primary responsibility for the effectiveness of the policies, procedures, systems, and internal controls related to AML/CFT, including approval of all AML/CFT-related frameworks.
3. Ensuring that the AML/CFT Reporting Department reports to the Board of Directors through the Audit Committee, in line with the Corporate Governance Manual issued by the Central Bank of Iraq. The department is responsible for implementing the Know Your Customer (KYC) policy and all related duties, including the preparation of periodic activity reports.
4. Conducting screening procedures and examining all customer names against local and international sanctions lists using highly accurate electronic systems, updated every 12 hours.
5. Making decisions to archive transactions in cases where no suspicion of money laundering or terrorism financing exists, with such decisions clearly documenting the reasons for non-suspicion.
6. Cooperating with both the Compliance Department and the Risk Management Department on all matters related to money laundering risks, including the preparation of joint reports or action plans.
7. Analyzing customer data to ensure that transaction sizes and account activity are consistent with the customer's profile.
8. Detailing the efforts made during the reporting period with respect to unusual transactions and suspicious operations, and the measures taken in response.
9. Reporting the results of periodic reviews of the Bank's AML/CFT systems and procedures, including identified weaknesses and recommendations, as well as internal system-generated alerts regarding unusual transactions.
10. Providing information on the number of alerts generated by the Bank's AML/CFT systems that were reviewed, whether they warranted reporting, and the reasons behind each determination.
11. Review of AML/CFT Systems: The Bank's approved digital AML/CFT system must be reviewed to ensure that, at a minimum, it includes:
  - The minimum required scenarios.
  - Automated and regular updates to blacklists issued by the AML/CFT Office and the Central Bank of Iraq.
  - Customer risk classification based on risk levels.
  - The system's capacity to monitor customer compliance, and the ratio of transactions reviewed by the system compared to the Bank's total transactions.
  - A report on the Bank's compliance with the AML/CFT system and the mechanism for applying the "Know Your Customer (KYC)" principle.
12. Development of a Correspondent Banking Policy: In coordination with the International Department, a policy has been prepared listing the correspondent banks the Bank deals with, along with their classification level based on ratings by global rating agencies, and assessing the AML/CFT risks associated with these banks and the due diligence measures applied.
13. Verification of account opening documentation for individuals and companies, including: Official documents, Proof of activities, Certificates of incorporation, Business licenses, Professional practice licenses, Invoices related to imports, etc.
14. Updating AML/CFT policies and procedures after being approved by the Board of Directors.

15. Adoption of anti-fraud policies and procedures, following Board approval.
16. The AML/CFT Department complies with the powers granted under Law No. (39) of 2015, and is currently working on incorporating new electronic AML system scenarios received from the Central Bank of Iraq and the Office for Combating Money Laundering and Terrorism Financing. A contract has been signed with Biotech Company in this regard, and the department is in continuous coordination with the company to address any system updates or challenges required by the regulatory authorities.
17. The department complies with the Central Bank of Iraq's directive No. 599/2/9 dated 24/10/2023 to facilitate account opening procedures. The Bank is currently working on separating KYC forms for: Individual accounts, Merchant accounts, Company accounts, Joint accounts to streamline and simplify the account opening process for customers.
18. The AML/CFT Department has prepared a "Know Your Employee (KYE)" form in accordance with the Central Bank's directive No. 209/2/9 dated 02/04/2023.
19. The department prepares annual AML/CFT risk self-assessment reports, submits them to the Board of Directors for review, and forwards a copy to the Central Bank of Iraq once annually.
20. Participation with oversight departments in preparing supervisory action plans, based on a team-based approach, by segmenting audit tasks into steps that facilitate the identification of suspicious cases and customer risk classification to enhance monitoring and accelerate search processes. These concepts were programmed into the Bank's electronic oversight system through the creation of a comprehensive database (manual and electronic) of Bank customers, their business activities, and the banking services provided to them — in coordination with the Risk Management Department.
21. Continued archiving of AML/CFT-related data in both paper and electronic formats for the year 2024.
22. Participation in various banking committees that serve customers, such as the Financial Opinion Committee, the Field Inspection Committee, and the Oversight Departments' Committee responsible for conducting due diligence procedures for new customers, including preparing recommendations and collaborating with other control departments to investigate and apply enhanced due diligence regarding sources of funds.
23. Continued participation in and preparation of annual training plans, targeting all bank staff and AML/CFT department employees, including internal and online training programs sponsored by the Central Bank of Iraq. Training topics and workshop materials were selected based on the requirements of supervisory work, available services at the Bank, and the annual training plan aimed at enhancing departmental performance.
24. Continued operation and enhancement of the AML electronic system, with the department maintaining ongoing coordination with the system provider to address any issues or updates in line with regulatory authority requirements.
25. Preparation of quarterly reports required by the Central Bank of Iraq, the quarterly self-assessment form required by the AML/CFT Office, and monthly reports that are approved by the Board of Directors, containing recommendations, observations, corrective measures, and performance evaluations.

The department also tracks all circulars and directives from the Central Bank and the AML/CFT Office, especially those related to the department's core duties, and uploads blacklisting directives to the Bank's internal electronic sanctions list system.

26. Submitting annual FATCA compliance reports on U.S. accounts to the U.S. Department of the Treasury, in coordination with the Shariah Compliance and Regulatory Compliance Department and the IT Department, along with account verification and preparation of related declarations.
27. Continued annual updates of customer data, and data updates upon any change in customer information, in coordination with branches. The department also monitors update ratios quarterly and tracks dormant accounts.
28. Continued efforts to fulfill all electronic supervisory requirements, including building a regulatory database that integrates with the Bank's core system and cross-references customer data across all branches, ensuring seamless integration with the core banking system.
29. Preparation of external correspondence for initiating formal business relationships with a number of international banks, rated by recognized global credit rating agencies, to build a robust correspondent banking base for the Bank's external transactions. Coordination was also made with MOBIC Company for prepaid payment and correspondent banking services.
30. Ongoing operation of the electronic systems used by the department in accordance with work requirements, the instructions of the Central Bank of Iraq, and the Office for Combating Money Laundering and Terrorism Financing.
31. Approval of the revised organizational structure of the Reporting Department, aligned with the organizational structure issued by the Central Bank of Iraq under its regulatory directives.
32. Continued preparation of reports for the Financial Opinion Committee.
33. Immediate reporting and declaration of confirmed suspicious transactions to the Office for Combating Money Laundering and Terrorism Financing.
34. Preparation and implementation of a field visit plan for the Bank's branches and offices, including auditing of executed transactions in coordination with the AML/CFT Liaison Officer, according to a predefined schedule of field visits.
35. Auditing of designated non-financial businesses and professions (DNFBPs) with open and closed accounts during the reporting period. The department continues to take the necessary measures to comply with AML/CFT regulatory requirements.
36. Continued response to official correspondence related to asset freezes on convicted or fugitive individuals and terrorists, and requests for information, including documentation of names in a dedicated database of domestic and international sanctions lists within the Bank's system.
37. Continued organization and retention of electronic and paper records for transactions that were subject to "archival decisions," including analysis of information referenced in each case.
38. The department regularly monitors all shareholders by requesting daily reports from the Bank's Shareholders Division and implementing enhanced due diligence procedures for investor shareholders.
39. Continued follow-up with the Cards Division regarding: Number of ATM machines, Number of damaged cards, Number of cards sold, Number of agents, Number of POS devices distributed,

with ongoing efforts to incorporate new monitoring scenarios specifically related to prepaid cards.

**MARWA THAIR SAMI**

**Director, Anti-Money Laundering and Counter-Terrorism Financing Reporting Department**

**Ref. No.: S.1/39**

**Date: 20.05.2025**

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**To: Esteemed Shareholders of ASIA ALIRAQ Islamic Bank for Investment and Finance (Private Joint Stock Company)**

**Subject: External Auditors' Report on the Financial Statements for the Year Ended 31/12/2024**

Greetings,

We have audited the consolidated financial statements of ASIA ALIRAQ Islamic Bank for Investment and Finance (P.J.S.C.), which include the consolidated statement of financial position as of December 31, 2024, the consolidated income statement, the consolidated statement of other comprehensive income, the consolidated statement of changes in shareholders' equity, and the consolidated cash flow statement, in addition to the analytical disclosures and the accompanying explanatory notes, as well as the Bank's annual report, all of which were prepared in accordance with the provisions of: Companies Law No. (21) of 1997 (as amended), Banking Law No. (94) of 2004, Islamic Banking Law No. (43) of 2015, and The relevant regulations and instructions issued under these laws. We have obtained all the information and clarifications we deemed necessary to perform our audit in accordance with

the applicable laws and in conformity with international and local auditing standards and generally accepted audit procedures, which included the necessary tests related to the Bank's activities falling within our scope of responsibility.

#### **I. Management's Responsibility for the Financial Statements:**

The Bank's management is responsible for the preparation and fair presentation of the consolidated financial statements and their disclosure in accordance with International Financial Reporting Standards (IFRS) and Iraqi legislation. Management is also responsible for the design and implementation of internal controls, particularly those related to the preparation and presentation of financial statements that are free from material misstatement, whether due to fraud or error. This responsibility includes: Selecting and applying appropriate accounting policies, Making reasonable accounting estimates.

#### **II. Auditors' Responsibility:**

Our responsibility is to express an independent professional opinion on the financial statements based on our audit, which was conducted in accordance with international and local auditing standards. These standards require that we: Comply with professional ethical rules, Plan and perform the audit to obtain reasonable assurance that the financial statements are free of material misstatement. The audit includes: Performing selected tests of the evidence supporting the amounts and disclosures in the financial statements for the year ended 31/12/2024, Evaluating the appropriateness of accounting policies used and the reasonableness of management's accounting estimates, Assessing the effectiveness of the internal control system. In our opinion, the audit evidence we obtained is sufficient and appropriate to provide a reasonable basis for our opinion. We note the following observations and disclosures:

##### **1. Cash Balances:**

In the course of auditing the Bank's cash holdings, which amounted to a balance of IQD 94,665,969,680, we note the following:

a. Foreign currency cash balances as of 31 December 2024 were evaluated based on the following exchange rates:

No.	Foreign Currency	Exchange Rate
1	US Dollar	1,310 IQD per USD
2	Euro	1,394.364 IQD per Euro
3	Emirati Dirham	356.95 IQD per AED
4	Jordanian Dinar	1,848.455 IQD per Jordanian Dinar

##### **B. Cash in the Bank's Vaults:**

The balance of cash on hand as of **December 31, 2024** amounted to **IQD 33,685,970,000**. The cash count results were reconciled with the records in both **IQD and USD** across all branches. The reconciliation was conducted based on the cash count reports submitted by the inventory committees formed at the **General Administration and branch levels**.

### **C. Cash with the Central Bank of Iraq:**

Reconciliations with the Central Bank of Iraq were completed and were in agreement with the records. The balance as of **December 31, 2024** amounted to **IQD 52,830,159,000**.

### **D. Cash with Local Banks:**

The balance of cash with local banks as of **December 31, 2024** amounted to **IQD 5,305,731,000**. We note the following:

1. We did **not obtain balance confirmations** from the local banks; reconciliation was based on bank statements only.
2. We did **not receive the account statement from Al-Muttahid Bank** as of **December 31, 2024**. The outstanding balance of **IQD 5,302,089,000** is a **carried-forward balance from the prior year**, despite Asia Bank's repeated requests for the account statement, including their latest letter no. **3/2/5 dated 2025/01/02**.

Upon reviewing the audit results conducted in Q1 2024 by the **Central Bank of Iraq – Banking Supervision Directorate – Offsite Audit Division**, it was observed that the Central Bank instructed Asia Iraq Islamic Bank to **form a 100% provision** on the aforementioned balance, in accordance with **IFRS 9**, due to **liquidity issues at Al-Muttahid Bank**, as referenced in Central Bank Circular no. **149/2/9 dated 2022/04/12**.

**We recommend full compliance** with the Central Bank's instruction to form the necessary provision.

### **D. Cash with Foreign Banks:**

The balance of cash with foreign banks as of **December 31, 2024**, amounted to **IQD 2,844,108,000**.

The reconciliation was performed based on **SWIFT confirmations** for the accounts held with the foreign banks.

## **2. Credit Facilities**

Based on our audit procedures of the Bank's credit facilities, we observed the following:

### **I. Direct Credit Facilities – Islamic Financings:**

1. The **total balance** of direct credit facilities (Islamic financings) amounted to **IQD 91,149,004,613**, compared to **IQD 90,108,352,176** in the previous year, indicating a **1% increase**, which reflects **stable financing activity**.
2. The ratio of **direct credit facilities (excluding those financed by the Central Bank of Iraq)** to **total deposits** was **183%**, for which the Bank obtained an exemption from the Central Bank's standard limit of 75%, according to letter no. **29533/3/9 dated 2022/11/20**.
3. The **non-performing Islamic financings** (including *Murabaha* and *Qard Hasan* that are overdue) amounted to **IQD 5,919,143,854**, representing **6.5%** of the total granted financing.
4. We audited the **supporting documentation for the top 20 Murabaha and Ijara financings** granted by the Bank. We found that the **remaining principal** for these top 20 financings was **IQD 57,481,650,093**, out of a total of **IQD 88,623,692,000**, which represents **65%** of all financing granted by the Bank under *Murabaha* and *Ijara* contracts. This indicates a **significant credit concentration** when compared to the total financing portfolio.

### **Second: Indirect Credit Facilities (Contingent Credit):**

1. The balance of contingent credit, represented by letters of guarantee, increased by **101%** compared to the previous year, reaching **IQD 100,124,399,496** as of **December 31, 2024**,

compared to **IQD 42,360,306,492** as of **December 31, 2023**, indicating a significant expansion in contingent credit.

2. The ratio of contingent credit (issued letters of guarantee) to capital and sound reserves was **39%**.
3. Cash collaterals for letters of guarantee as of **December 31, 2024**, amounted to **IQD 20,464,734,163**, representing **20.4%** of the issued letters of guarantee.
4. The balance of the account "Debtors of Paid Letters of Guarantee" according to the bank's records was **IQD 131,537,500**, representing letters of guarantee confiscated and paid by the bank to the beneficiaries and referred to the Legal Department. It is noted that the total amount of letters of guarantee requested for confiscation by beneficiaries during 2024 was **IQD 1,131,400,000**.
5. The total uncollected commissions on letters of guarantee amounted to **IQD 211,820,467** as of **December 31, 2024**, compared to **IQD 120,563,970** as of **December 31, 2023**, showing a **76% increase**.

### Third: Credit Granted to Related Parties

The total amount of Murabaha financing granted to related parties was **IQD 34,332,277 thousand**, and the total amount of letters of guarantee granted to related parties was **IQD 5,800,100 thousand** as of **December 31, 2024**. It is noted that retroactive approval was obtained from the Central Bank of Iraq under letter No. **9/5/260** dated **March 6, 2025**, with an emphasis on the importance of obtaining prior approvals in the future.

### 3– Investments

Upon auditing the long-term investments with a balance of **IQD 121,464,311,518**, we note the following:

1. The total investment revenue for the year 2024 was **IQD 9,757,047,286**, representing **8%** of the total investments for the current year, compared to investment revenue of **IQD 2,087,126,339** in 2023, which represented **2%** of the total investments for the previous year.
2. **Subsidiary Companies:**
  - The bank has four limited liability subsidiary companies:
    - Three of them are **100% owned** by the bank, with fully paid capital.
    - One company, **Asia Gateway for General Trading Ltd.**, is **90% owned** by the bank.
  - These companies appear under the statement of long-term financial investments.

Company Name	Investment Amount (IQD)	Bank's Ownership Percentage
Asia Gateway Real Estate Investments Company	10,000,000,000	100%
Asia Gateway for General Trading Company	4,500,000,000	90%
Al-Kassab Brokerage Company for Selling and Purchasing Financial Securities	300,000,000	100%
Asia Gateway Agricultural Investments Company	8,500,000,000	100%

Company Name	Investment Amount (IQD)	Bank's Ownership Percentage
<b>Total</b>	<b>23,300,000,000</b>	

b. The bank did not prepare consolidated financial statements combining the bank's financial data with that of its subsidiary companies. Instead, it sufficed by presenting the investment amounts in these companies under the bank's investments and including the profits and losses of these companies within the bank's income statement.

c. Upon reviewing the financial statements for the year ended 2024/12/31, audited by the external auditors and certified by the Board of Accounting and Auditing Profession Oversight, we observed the following:

No.	Company Name	Surplus (Deficit) for the Current Year	Reserves (as of 2024/12/31)	Cash (as of 2024/12/31)
1	Asia Gateway Real Estate Investments Company	10,817,590	11,241,253	2,940,639,221
2	Asia Gateway for General Trading Company	24,134,846	27,663,490	3,785,522,188
3	Al-Kassab Brokerage Company for Buying and Selling Financial Securities	484,925	10,176,047	303,875,165
4	Asia Gateway Agricultural Investments Company	17,713,786	18,553,796	2,912,866,900
	<b>Total</b>	<b>53,151,147</b>	<b>67,634,586</b>	<b>9,942,903,474</b>

**We would like to clarify the following:**

- The total surplus of the above-mentioned companies for the fiscal year ending on 2024/12/31 amounted to IQD 53,151,147, with a return on investment ratio of 0.23%. Although this percentage increased compared to the previous year's 0.13%, the activities of the subsidiaries require a study to identify the reasons behind the low return on invested capital.
- The unused cash shown in the accounts of all subsidiaries amounted to IQD 9,942,903,474, representing 43% of the invested capital. This percentage indicates excess liquidity, which requires proper management to mitigate associated risks.
- There is a real estate investment financing contract between the bank and Asia Gateway Company, under which the company receives IQD 58 billion out of a total of IQD 151 billion. The profit distribution is 80% to the bank and 20% to the company from the net profits realized by Asia Gateway from the contract.
- The project was classified in the company's 2024 year-end accounts under the item "Projects Under Construction" with an amount of IQD 63,695,575,000, even though it is an investment project and cannot later be classified under the company's fixed assets.



- The balance of creditors / credit current accounts as of 2024/12/31 for Asia Gateway Real Estate Investments Company was IQD 63,600,000,000, exceeding 300% of the company's capital (IQD 10 billion) and other owner's equity, contrary to Article (28/2) which stipulates that "the ratio of liabilities to the total of the company's capital and other owner's equity shall not exceed 300%." However, the Central Bank's approval was obtained for the financing according to its letter No. 6876/3/9 dated 2022/3/27.

3- The balance of Islamic sukuk amounted to IQD 4,929,916,450, representing the market valuation of those sukuk as of 2024/12/31.

4- The balance of Islamic participations amounted to IQD 80,293,082,388. It is noted that the bank did not achieve any revenue during this year. The participations are as follows:

a- An Islamic participation with Asia Gateway Real Estate Investments Company amounted to IQD 58 billion on 2022/3/27. The purpose of the participation contract with Asia Gateway (a 100% owned subsidiary of the bank) is to establish a residential complex (Sky Baghdad Residential) at Al-Muthanna Airport, consisting of a group of residential towers averaging 22 floors each, in addition to the services attached to the project. An additional IQD 22,000,000,000 was added based on the Central Bank's approval via its letter No. 14749/5/9 dated 2024/12/4. The project has been financed with IQD 4 billion, bringing the total financing to IQD 62 billion as of 2024/12/31.

b. An Islamic participation agreement was made with Golden Iraq Gateway Company for Pharmaceutical Industry in the amount of IQD 23,273,809,000, of which IQD 18,293,082,388 remained as of 2024/12/31. The purpose of the participation contract is to establish a medical supplies factory in Karbala Governorate through a diminishing Musharakah agreement ending in ownership, starting from 2021/1/4 and ending on 2024/3/8 with Golden Iraq Gateway Company. The factory is to be built by the company on land located in Holy Karbala belonging to the Holy Shrine of Imam Hussein (Al-Ataba Al-Hussainiya Al-Muqaddasa). According to the contract, the total participation amount is IQD 23,000,000,000, divided into 84 shares, with each share valued at IQD 273,809,524. The bank owns 83 shares, equivalent to IQD 22,726,190,476, while the company owns one share. One share is sold monthly to the company until the contract ends. Later, an annex was added to the contract with an amount of IQD 273,809,000, bringing the total contract amount to IQD 23,273,809,000.

#### **4. Application of International Financial Reporting Standards (IFRS):**

The bank continues to apply International Financial Reporting Standards (IFRS) and has prepared the consolidated financial statements for the audited year in accordance with these standards and based on the instructions of the Central Bank of Iraq. It adopted the historical cost principle in valuing properties, equipment, and other assets instead of revaluation.

The bank has implemented IFRS 9, calculating the required provisions to address changes in expected credit losses for Islamic financings, participations, and cash, guided by the Central Bank of Iraq's instructions in its letter No. 466/6/9 dated 2018/12/26 concerning the application of IFRS 9.

The bank assumed a Loss Given Default (LGD) rate of 45% for Stage 1 and 100% for Stage 2 and 3, without considering the risk mitigants (collaterals) — especially since customer guarantees in Stage 1 are in the form of checks and promissory notes, the LGD rate should be 100%, not 45% as assumed in the methodology currently applied in the calculations.

The implementation results of IFRS 9 and the provisions allocated for expected credit losses were as follows: (the continuation likely includes a breakdown of provisions, which was not included in this excerpt).

Details	Current Year	Previous Year
Provision for contingent liabilities	1,640,989,044	671,069,218
Provision for investments (participations)	1,488,633,740	1,679,377,967
Provision for Islamic financings (credit financing)	2,607,319,479	3,329,027,706
Provision for cash	361,067,434	399,584,865
Provision for other assets	212,000,000	0
<b>Total provisions amount</b>	<b>6,310,009,697</b>	<b>6,079,059,756</b>

Although the bank is committed to applying International Financial Reporting Standard No. (9), the provisions calculated are not sufficient to cover the expected losses from the financial instruments held by the bank. Therefore, we recommend increasing the amount of provisions to align with the magnitude of these risks.

## 5. Property, Plant, and Equipment

The historical cost principle was adopted in the valuation of property, equipment, and other assets, rather than using revaluation.

Regarding transportation vehicles, the bank did not conduct an inventory count of its vehicles, which are recorded at a cost of IQD 538,888,500, despite the issuance of Administrative Order No. 287 by the bank's management on 2024/12/16, forming committees to carry out the annual inventory of fixed assets. This directive was based on the Bank Board of Directors' decision as stated in the minutes of meeting No. 19 held on 2024/12/16.

## 6. Other Assets and Liabilities

### First: Other Assets

a. The balance of other assets for the current year amounted to **2,393,363,580 IQD**, compared to **1,717,364,199 IQD** in the previous year — an increase of **39%**. The ratio of other assets to current assets stood at **3%**.

b. The balance of *guarantee letters receivables paid* was **131,537,500 IQD** as of 31/12/2024, while it was **0 IQD** in the previous year.

c. The balance of *uncollected commissions / guarantee letters* was **211,820,467 IQD** as of 31/12/2024, compared to **120,563,970 IQD** in the previous year.

d. The provision for other assets for the current year was **212,000,000 IQD** in accordance with IFRS 9, while it was **0 IQD** in the previous year.

## **Second: Other Liabilities**

- a. The balance of other liabilities increased as of 31/12/2024 to **38,667,635,290 IQD**, marking an increase of **14,551,728,826 IQD** compared to the previous year's amount of **24,115,906,464 IQD**.
- b. It was noted that the balances of provisions were merged with other liabilities in both the current and previous years. We recommend separating these balances to enhance the appropriate presentation of the financial statements.
- c. The audit of the balances of the aforementioned items was based on statements provided by the bank, as confirmations of these balances from the concerned parties were not provided.

## **7. Deposits and Current Credit Accounts**

- a. The balance of *current accounts* as of 31/12/2024 amounted to **32,466,726,239 IQD**, compared to **22,461,329,434 IQD** in the previous year — an increase of **45%**.
- b. The balance of *customers' credit current accounts* for the current year reached **23,281,656,635 IQD**, up from **12,529,951,737 IQD** the previous year — an increase of **10,751,704,898 IQD**, or **86%**.
- c. The balance of *savings accounts* rose to **598,685,111 IQD**, an increase of **257,073,378 IQD** (or **75%**) compared to **341,611,733 IQD** the previous year.
- d. The balance of *fixed deposits* was **7,113,992,650 IQD** as of 31/12/2024, compared to **6,536,061,530 IQD** the previous year — an increase of **577,931,120 IQD**, or **9%**.
- e. The above increases in customer credit current accounts and deposits indicate positive performance in attracting and satisfying customers. We recommend intensifying promotional campaigns and offering special deals to expand the customer base and increase deposits.
- f. The audit of the balances of these items relied on the statements provided by the bank.

## **8. Loans Received from the Central Bank**

The balance of *loans received from the Central Bank (CBI Initiative)* decreased by **5,248,447,856 IQD**, reaching **19,758,803,718 IQD** as of 31/12/2024, compared to **25,007,251,574 IQD** as of 31/12/2023.

## **9. Shareholders' Equity**

### **a. Capital Increase**

We reviewed the Central Bank's circular No. 439/2/9 dated 2023/08/02 regarding the requirement for banks to increase their capital to 400 billion IQD by no later than 2024/12/31. This was followed by the Central Bank's letter No. 31238/2/9 dated 2023/11/07 addressed to Mosul Bank for Development and Investment, with a copy sent to Asia Iraq Islamic Bank for Investment and Finance. Later, the Central Bank issued letter No. 5229/4/9 dated 2024/04/30, which included a decision to postpone the capital increase for banks currently barred from dealing in U.S. dollars, pending audit procedures by auditing firms.

Subsequently, the Central Bank issued letter No. 7669/4/9 dated 2024/07/02 addressed to Al-Taif Islamic Bank and copied to Asia Iraq Islamic Bank for Investment and Finance, allowing a capital increase if desired.

### **b. Change in Shareholders' Equity**

Shareholders' equity increased from the beginning of the year by IQD 4,075,563,768, representing the net profit for the year after income tax.

## **10. Profit and Loss Account**

The bank recorded a profit of IQD 4,794,781,768 before tax, compared to IQD 1,655,860,420 in the previous year — an increase of 190%. The following points are noted:

- a. Revenues for the current year increased by 93% compared to the previous year, reaching IQD 18,672,283,458 as of 31/12/2024, compared to IQD 9,666,133,647 as of 31/12/2023.
- b. Revenues from domestic financial investments amounted to IQD 9,255,991,561, accounting for 50% of the total revenue for the current year.
- c. Total expenses increased by 73%, reaching IQD 13,877,501,690 in the current year, compared to IQD 8,010,273,226 in the previous year.

A detailed breakdown of total expenses is provided in the following table.

Details	2024/12/31 (IQD)	2023/12/31 (IQD)
Salaries and wages	2,094,415,642	1,961,932,686
Operating expenses	8,194,939,138	3,475,050,451
Provisions and write-offs	3,581,496,963	2,565,389,593
Banking operations expenses	6,649,947	7,900,496
<b>Total Expenses</b>	<b>13,877,501,690</b>	<b>8,010,273,226</b>

## **11. Risk Management:**

- a. The Risk Department confirmed that there is no information that could lead to a material misstatement caused by fraud or error. The department includes a Operational Risk Unit, which prepares a monthly form distributed to all departments and branches of the bank to disclose any operational risks that may occur. These are included in the monthly report, along with recommendations submitted to executive management for the purpose of addressing those risks.
- b. Both the Risk Management Department and the Information Systems Department informed us that no cases of fraud or material errors have been identified in any of the bank's departments or branches.

c. The number of employees in the Risk Management Department was five (5) in the year 2024.

d. The department director obtained the following international certifications:

- Certified Islamic Specialist in Risk Management, issued by the General Council for Islamic Banks and Financial Institutions.
- Certified Risk Expert, issued by the German Academy in Frankfurt.

## **12. Anti-Money Laundering and Counter-Terrorism Financing Law:**

The bank took sufficient measures to prevent money laundering and terrorist financing during the audited year. Through our review of the accounting records and the nature of the banking operations carried out by the bank, no evidence was found indicating that any banking operations were related to money laundering or contributed to terrorist financing. Therefore, the bank is in compliance with Law No. (39) of 2015 on Anti-Money Laundering and Counter-Terrorism Financing and the instructions of the Central Bank of Iraq.

a. The bank implemented adequate measures to prevent money laundering and terrorist financing. These measures were executed in accordance with Law No. 39 of 2015 and the regulations and instructions issued by the Central Bank of Iraq. We reviewed the reports of the Anti-Money Laundering and Counter-Terrorism Financing Reporting Department sent to the Central Bank of Iraq, prepared in line with legal and regulatory requirements.

The bank operates the AML system provided by PIOTECH, a customer risk classification system and product risk classification system supplied by Prototype, and the GOAML system from the Anti-Money Laundering Office.

The AML electronic system is linked to the bank's accounting system (BANKS).

The number of scenarios applied by the system is 139.

The blacklists are updated regularly and automatically.

Some operations were flagged by the AML system and were addressed by the department during the year.

b. A manual of policies and procedures for the Anti-Money Laundering and Counter-Terrorism Financing Department has been prepared, covering:

The stages of the money laundering process

The importance of combating money laundering and terrorism financing

The responsibilities of the AML Reporting Department Manager

The department's responsibilities within the bank

Penalties applicable to the bank

Know Your Customer (KYC) principle

Due diligence procedures

c. The number of employees in the Shariah Compliance Department was five (5) in 2024.

d. The Deputy Director of the department obtained the ACAMS certification, issued by the Association of Certified Anti-Money Laundering Specialists.

### **13. Compliance Auditor and Sharia Board Reports**

#### **First: Compliance Auditor**

We reviewed the compliance auditor's reports for the audited year. These include monthly reports submitted to the Bank's Board of Directors and quarterly reports submitted to the Central Bank of Iraq, all prepared in accordance with the Central Bank's regulations.

a. The reports included the following:

- Key indicators regarding the financial position of the bank.
- Indicators of calculated ratios such as capital adequacy ratio, liquidity ratio, cash credit to deposits ratio, in addition to other financial ratios.
- Matters related to the functioning of the Bank's Board of Directors.
- Legal requirements.

b. The mentioned department follows up on the remarks of the Central Bank of Iraq related to business monitoring and the results of the bank's desk audits, and works to resolve them.

c. The number of employees in the Sharia Compliance Department was three (3) in 2024.

d. The number of training courses attended by the Sharia Compliance Department staff was two (2).

e. Certifications obtained by the department's staff:

- The Sharia Compliance Officer and his deputy hold the Certified Islamic Specialist in Governance and Compliance certificate issued by the General Council for Islamic Banks and Financial Institutions.
- One staff member of the Sharia Compliance Department holds the Certified Compliance Manager (CCM) certificate issued by the Global Compliance Institute.

### **Second: Internal Sharia Audit**

a. The Internal Sharia Audit System includes the necessary procedures appropriate to the size and nature of the bank's operations.

b. The reports of the Internal Sharia Control and Audit Department were reviewed, and they were comprehensive, detailed, and clearly identified the remarks resulting from the audit process.

c. The activities of the Internal Sharia Audit Department included auditing the operations of the following departments:

- Financial Operations Department
- Credit Department
- Legal Department
- Administrative Department
- Anti-Money Laundering and Terrorism Financing Department
- Investment Department
- Information Technology Department
- Risk Management Department
- Payments Department

- Financial Inclusion Department
- Branch Operations Department

And all other activities of the bank.

c. We reviewed the annual plan of the Internal Sharia Audit Department and the reports prepared by the department and submitted to us during the audit year. We note the following:

- In our opinion, the plan and its execution were appropriate and covered all the bank's operations.
- The number of employees in the Internal Sharia Audit Department was three (3) in the year 2024.
- The number of training courses attended by the Internal Sharia Audit Department staff was three (3), in addition to two (2) workshops.
- The Head of the Internal Sharia Audit Department holds the Certified Sharia Adviser and Auditor (CSSA) certificate issued by the Accounting and Auditing Organization for Islamic Financial Institutions (AAOIFI).

#### **14. Interim Financial Statements**

The condensed interim financial statements of the bank for the first, second, third, and fourth quarters were reviewed in accordance with International Standard on Review Engagements (ISRE 2410) concerning the review of interim financial information, and the quarterly financial statements for the year 2024 were issued accordingly.

#### **15. Corporate Governance:**

We reviewed the bank's performance related to the Corporate Governance Manual, and in our opinion, the bank is generally compliant with both quantitative and qualitative requirements through the Balanced Scorecard Model. The Board of Directors and bank management are committed to adhering to the Corporate Governance Manual and implementing its directives concerning disclosure and transparency practices.

#### **16. Results of the Central Bank's Desk Audit:**

We reviewed the correspondence from the Central Bank regarding the results of the quarterly budget audits, which are submitted to the Central Bank at the end of each quarter. The bank is following up on the implementation of the Central Bank's instructions regarding the quarterly budgets and any other operational procedures determined by the Central Bank for the bank.

#### **17. Other Disclosures:**

a. The bank uses an electronic system to record financial transactions and financial data submitted to the Central Bank, ensuring it matches the contents of its records and books, as well as the systems and instructions of the Central Bank. As for documents, they are maintained in paper form, stored in secure locations, and archived electronically. The bank's internal control procedures and accounting systems include the necessary actions to ensure the accuracy and integrity of the data in a manner proportionate to the size of the bank's operations.

b. The bank has the ability to meet its obligations to depositors in terms of both solvency and liquidity, as detailed below:

Description	Amount (in Billion Dinars)
Current account balances for companies and individuals as of 31.12.2024	23,282
Savings and fixed deposits as of 31.12.2024	7,713
<b>Total</b>	<b>30,995</b>
Note: Cash in hand with the treasury, central bank, and local and foreign banks	<b>94,666</b>

Also, the bank's legal liquidity ratio for the audited year was (85%), while the Islamic liquidity ratio reached 92%.

c. The bank has no sales or profits from the foreign currency sale and purchase window, as dealings in U.S. dollars were suspended pursuant to the Central Bank of Iraq's letter No. (446/2/9) dated 2024/11/6.

d. Subsequent Events:

There were no subsequent events as of the balance sheet date that would materially affect the financial statements.

e. All bank accounts have been reviewed, and disclosures have been included for all analytical statements attached to the financial statements.

f. There are no legal cases filed by or against the bank during the year.

g. Capital Adequacy:

The capital adequacy ratio of the bank for the audited year was 142%.

h. Going Concern Assumption:

The going concern assumption was adopted by bank management in the preparation of the financial statements for the audited year.

i. The Bank's Ability to Meet Depositor Obligations:

It was observed that the bank has been meeting all withdrawal requests from depositors with no delays in this regard.

j. Internal Auditor's Report:

Our internal report numbered 39/D dated 2025/5/20 is considered an integral part of this report.

Accordingly, and in our opinion, and based on the results of our audit and as per the bank's records and the information and clarifications provided to us, we conclude the following:



1. The bookkeeping system used by the bank is in line with the legal bookkeeping regulations, and, in our assessment, records all assets, liabilities, uses, and revenues of the bank.
2. The inventory of fixed assets and cash was conducted properly and under our supervision. The results matched the supporting records, and the assets were evaluated according to the principles and policies applied in the previous year.
3. The management report, including financial and accounting information, accurately reflects the bank's financial performance for the audited year and does not conflict with the accounts or prevailing financial laws and regulations.

**Third: Auditor's Opinion:**

Based on the above clarifications and observations, the financial statements and the management report attached thereto have been prepared in accordance with International Financial Reporting Standards (IFRS) and the applicable legal regulations. To the extent of the indicators they contain, they fairly and clearly reflect the consolidated financial position of the bank as of December 31, 2024, as well as the results of its operations and cash flows for the financial year ending on that date.

With utmost respect and appreciation,

Dr. Salah Sahib Shaker Al-Baghdadi  
Certified Public Accountant and Auditor  
Salah Al-Baghdadi & Partners for Auditing and Reviewing Accounts  
Solidarity Partnership

**ASIA ALIRAQ Islamic Bank for Investment and Finance**  
**Annual Report and Financial Statements for the Year**  
**2024**

**Statement of Financial Position as of December 31, 2024**

Details	Note	Current Year Amount (IQD)	Previous Year Amount (IQD)
<b>Assets</b>			
<b>Current Assets</b>			
Cash and Balances with Central Bank	1	86,516,129,374	83,708,751,486
Balances with Local Banks	2	5,305,731,328	6,055,445,948
Foreign Bank Balances	3	2,844,108,978	2,267,361,380
Direct Credit Facilities (Murabaha)	4	88,541,685,134	86,779,324,470
Investments	5	121,464,311,518	104,389,599,588
Other Assets	6	2,393,363,580	1,717,364,199
<b>Total Current Assets</b>		<b>307,065,329,912</b>	<b>284,917,847,071</b>
<b>Non-Current Assets</b>			
Properties and Equipment (Net Book Value)	7	32,759,065,744	34,974,409,542
Projects under Execution	8	6,151,346,000	2,739,463,500
<b>Total Non-Current Assets</b>		<b>38,910,411,744</b>	<b>37,713,873,042</b>
<b>Total Assets</b>		<b>345,975,741,656</b>	<b>322,631,720,113</b>

**Liabilities and Shareholders' Equity Table**

Description	Current Year Amount (IQD)	Previous Year Amount (IQD)
Borrowings from the Central Bank	19,758,803,718	25,007,251,574
Current Accounts Payable	32,466,726,239	22,461,329,434
Other Liabilities	38,667,635,290	24,115,906,464
<b>Total Current Liabilities</b>	<b>90,893,165,247</b>	<b>71,584,487,472</b>
Paid-in Capital	250,000,000,000	250,000,000,000
Reserves	5,082,576,409	1,651,808,098

Description	Current Year Amount (IQD)	Previous Year Amount (IQD)
Retained Earnings (Deficit)	0	(604,575,457)
<b>Total Shareholders' Equity</b>	<b>255,082,576,409</b>	<b>251,047,232,641</b>
<b>Total Liabilities and Equity</b>	<b>345,975,741,656</b>	<b>322,631,720,113</b>

SUAD MOHSEN ABD- Head of Finance Department – (Signed)

MOHAMMED ABDUL JABBAR ABDUL HAMEED- General Manager– (Signed)

WISSAM ABDUL SALAM JAAFAR- Chairman of the Board – (Signed)

Batoul Farhan Abdul Jabbar – Accountant- Membership No. 27172

Dr. Salah Sahib Shaker Al-Baghdadi - Certified Public Accountant & Auditor- Salah Al-Baghdadi & Partners Co. for Auditing and Accounting

Seal of: Republic of Iraq - Iraqi Association of Accountants and Auditors- This certifies the membership validity of the accountant.- Name: Suhaib Mahmoud

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

**Subject to our audit report No. (P.1 (39)) dated 20.05.2025**

**Statement of Income and Other Comprehensive Income for the Fiscal Year Ended on December 31, 2024**

**Current Operating Income**

Details	Note	Current Year (IQD)	Previous Year (IQD)
Revenue from Cash Sales	11	0	0

Details	Note	Current Year (IQD)	Previous Year (IQD)
Foreign Currency Income	11	(14,019,355)	(883,800,953)
Murabaha and Ijara Income	11	5,633,303,225	5,362,949,419
Less: Banking Transaction Expenses	12	(6,649,947)	(7,900,496)
<b>Net Interest and Commission Income</b>		<b>5,612,633,923</b>	<b>4,471,247,970</b>

Details	Note	Current Year	Previous Year
Remittance Commission	11	21,963,413	776,131,020
Letter of Credit Commission	11	0	0
Guarantee Letter Commissions	11	2,585,856,556	1,806,801,236
Investment Revenues	11	9,655,896,139	1,948,971,024
Subsidiary Company Revenues	11	53,151,147	30,231,315
Other Banking Commissions	11	488,993,831	317,779,889
Rental Income from Fixed Assets	11	48,000,000	107,924,000
Recovered Operating Expense Income	11	175,714,725	157,014,176
Other Income	11	23,423,777	42,132,520
<b>Subtotal – Other Operating Revenues</b>		<b>13,052,999,588</b>	<b>5,186,985,180</b>
<b>Total Operating Revenues</b>		<b>18,665,633,511</b>	<b>9,658,233,150</b>

The bank has presented the amount of revenue from currency window sales separately from foreign currency revenues for the above-mentioned year, in accordance with the Central Bank of Iraq's letter No. (M.T/23448) dated 2019/10/10.

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

#### Statement of Income and Comprehensive Income for the Fiscal Year Ended December 31, 2024

Details	Note	Current Year	Previous Year IQD
<b>Less – Operating Activity Expenses</b>			
Salaries and wages	13	2,094,415,642	1,961,932,686
Operational expenses	14	7,963,989,197	3,475,050,451
Depreciation and amortization	7	3,581,496,963	2,565,389,593

Details	Note	Current Year	Previous Year IQD
Provision for Impairment of Cash Credit	14	230,949,941	0
Provision for Impairment of Contingent Credit		0	0
<b>Total Operating Expenses</b>		<b>13,870,851,743</b>	<b>8,002,372,730</b>
Surplus (Deficit) Before Tax and Zakat		4,794,781,768	1,655,860,420
Less: Tax Expense at 15% of the Amount		719,218,000	248,379,063
<b>Surplus (Deficit) After Tax</b>		<b>4,075,563,768</b>	<b>1,407,481,357</b>
Statutory Reserve at 5% of the Amount		203,778,188	70,374,068
Expansion Reserve at 2% of remain amount		77,435,712	26,742,145
Zakat at 2,5% of the Remaining Amount		94,858,747	32,759,128
<b>Accumulated Surplus Available for Distribution</b>		<b>3,699,491,121</b>	<b>1,277,606,016</b>
Surplus (Deficit) in Comprehensive Income for the Year Above		<b>4,075,563,768</b>	<b>1,407,481,357</b>

SUAD MOHSEN ABD- Head of Finance Department – (Signed)

MOHAMMED ABDUL JABBAR ABDUL HAMEED- General Manager– (Signed)

WISSAM ABDUL SALAM JAAFAR- Chairman of the Board – (Signed)

Batoul Farhan Abdul Jabbar – Accountant- Membership No. 27172

Seal of: Republic of Iraq - Iraqi Association of Accountants and Auditors.

#### Statement of Changes in Shareholders' Equity as of December 31, 2024

Type of Reserve	Statutory Reserve	Expansion Reserve	Investment Risk Reserve	Zakat	Accumulated Surplus	Total Reserves	Accumulated Deficit
<b>Balance at 01/01/2024</b>	236,326,356	68,840,770	1,512,512	67,522,444	1,277,606,016	1,651,808,098	(604,575,457)
<b>Changes during the year</b>	0	0	0	40,220,000	604,575,457	644,795,457	604,575,457
<b>Additions (Deficit for the Year)</b>	203,778,188	77,435,712	0	94,858,747	3,699,491,121	4,075,563,768	0

Type of Reserve	Statutory Reserve	Expansion Reserve	Investment Risk Reserve	Zakat	Accumulated Surplus	Total Reserves	Accumulated Deficit
Balance at 31/12/2024	440,104,544	146,276,482	1,512,512	122,161,191	4,372,521,680	5,082,576,409	0

"The deduction of IQD (604,575,457) represents the settlement of the accumulated deficit for the year 2023 based on the approval of the Bank's General Assembly."

Statement of Changes in Shareholders' Equity as of December 31, 2023

Type of Reserve	Statutory Reserve	Expansion Reserve	Investment Risk Reserve	Zakat	Accumulated Surplus	Total Reserves	Accumulated Deficit
Balance at 01/01/2023	165,952,288	42,098,625	1,512,512	51,570,816	1,355,539,798	1,616,674,039	(1,960,115,255)
Deductions during the year	0	0	0	16,807,500	1,355,539,798	1,372,347,298	1,355,539,798
Additions – Surplus of the Year	70,374,068	26,742,145	0	32,759,128	1,277,606,016	1,407,481,357	0
Balance at 31/12/2023	236,326,356	68,840,770	1,512,512	67,522,444	1,277,606,016	1,651,808,098	(604,575,457)

Cash Flow Statement for the Fiscal Year Ended December 31, 2024

Details	Current Year	Previous Year
<b>1. Cash flows from operating activities</b>		
Net deficit after tax	4,075,563,768	1,407,481,357
Add: Depreciation and amortization	3,581,496,963	2,565,389,593
(Increase) or decrease in credit facilities	(1,762,360,664)	(1,880,367,006)
(Increase) or decrease in other assets	(675,999,381)	2,712,040,841
(Increase) or decrease in other payables	14,551,728,826	(12,259,884)
(Increase) or decrease in internal liabilities	10,005,396,805	1,858,946,318
<b>Net cash flows from operating activities</b>	<b>29,775,826,317</b>	<b>6,651,231,219</b>
<b>2. Cash flows from investing activities</b>		
Increase or (decrease) in borrowed loans	(5,248,447,856)	(3,495,882,572)
Increase or (decrease) in financial investments	(17,074,711,930)	(28,407,571,858)

Details	Current Year	Previous Year
Increase or (decrease) in implementation projects	(1,366,153,165)	(12,704,949,018)
Decrease in fixed assets	(3,411,882,500)	6,996,740,000
<b>Net cash flows from investing activities</b>	<b>(27,101,195,451)</b>	<b>(37,611,663,448)</b>
<b>3. Cash flows from financing activities</b>		
Increase or (decrease) in capital	(40,220,000)	(16,807,500)
<b>Net cash flows from financing activities</b>	<b>(40,220,000)</b>	<b>(16,807,500)</b>
<b>Net increase (decrease) in cash and cash equivalents</b>	<b>2,634,410,866</b>	<b>(30,977,239,729)</b>
Cash and cash equivalents at beginning of year	92,031,558,814	123,008,798,543
<b>Cash and cash equivalents at end of year (2024/12/31)</b>	<b>94,665,969,680</b>	<b>92,031,558,814</b>

**Note (1): Cash on Hand and Central Bank Balances as of December 31, 2024**

Details	Current Year Amount (IQD)	Previous Year Amount (IQD)
Cash on hand – local currency	32,278,480,000	21,256,840,000
Cash on hand – foreign currency	0	0
Cash with the Central Bank of Iraq – current	43,985,969,828	47,582,823,849
Cash with the Central Bank of Iraq – statutory reserve	3,296,221,065	3,327,311,490
Cash with the Central Bank of Iraq – deposits and temporary funds	5,547,968,481	9,694,496,147
ATM cash	1,407,490,000	1,847,280,000
POS (Point of Sale) settlements	0	0
<b>Total Cash on Hand and Central Bank Balances</b>	<b>86,516,129,374</b>	<b>83,708,751,486</b>

**Note (2): Balances with Local Banks as of December 31, 2024**



Bank Name	Current Year Amount (IQD)	Previous Year Amount (IQD)
United Bank for Investment	5,302,089,000	6,052,089,000
Iraqi Islamic Bank	522,328	526,948
International Islamic Bank	1,000,000	1,000,000
Noor Iraq Islamic Bank	1,737,000	1,737,000
International Development Bank	23,000	93,000
Ameen Iraq Islamic Bank	360,000	0
<b>Total</b>	<b>5,305,731,328</b>	<b>6,055,445,948</b>

**Note (3): Balances with Foreign Banks as of December 31, 2024**

Bank Name	Current Year Amount (IQD)	Previous Year Amount (IQD)
Abu Dhabi Islamic Bank – UAE	5,919,427	5,908,625
Al-Safwa Islamic Bank – Jordan	744,933,982	401,269,921
Jordan Commercial Bank	0	0
Etihad Bank – Jordan	260,200,114	273,929,691
Bank of Egypt	0	960,172,605
African Arab Bank	1,833,055,455	626,080,538
<b>Total</b>	<b>2,844,108,978</b>	<b>2,267,361,380</b>

**Note (4): Credit Facilities (Loans and Advances) as of December 31, 2024**

Account Name	Current Year Amount (IQD)	Previous Year Amount (IQD)
Ijara (Lease) Financing	538,743,702	1,484,668,793
Murabaha Financing	88,085,218,298	85,225,207,581
Facilitated Loan Financing	2,525,044,613	3,398,475,802
<b>Total Credit Facilities</b>	<b>91,149,006,613</b>	<b>90,108,352,176</b>
Less: Murabaha Provisions	(2,607,319,479)	(3,329,027,706)
Less: Ijara Provisions	—	—
<b>Total Provisions</b>	<b>(2,607,319,479)</b>	<b>(3,329,027,706)</b>

Account Name	Current Year Amount (IQD)	Previous Year Amount (IQD)
Net Direct Credit Facilities	88,541,685,134	86,779,324,470

Note:

The Bank has applied IFRS 9, under which the expected credit losses reflecting the risks of debt instruments amounted to IQD 6,310,009,697, broken down as follows:

IQD 2,607,319,479 representing provisions for cash credit,

IQD 1,640,989,044 representing provisions for non-cash credit,

IQD 1,488,633,740 representing provisions for investment participations,

IQD 361,067,434 representing provisions for cash, and

IQD 212,000,000 representing provisions for other assets.

#### Note (5): Long-Term Financial Investments as of December 31, 2024

Account Name	Current Year Amount (IQD)	Previous Year Amount (IQD)
Asia Gateway for Real Estate Investment Ltd.	10,000,000,000	10,000,000,000
Asia Gateway for General Trading Ltd.	4,500,000,000	4,500,000,000
Iraq Securities Commission	300,000,000	300,000,000
Asia Gateway for Agricultural Investment Ltd.	8,500,000,000	8,500,000,000
National Company for Islamic Bank Cards	5,000,000,000	5,000,000,000
Iraq Company for Bank Card Services	1,542,098,680	1,542,098,680
Al-Takaful National Company	553,768,000	550,000,000
Islamic Sukuk	4,929,916,450	5,051,087,520
Real Estate Participation	2,245,446,000	7,653,331,000
Other Participations	80,293,388	61,293,328
<b>Total</b>	<b>121,464,311,518</b>	<b>104,389,599,588</b>

#### Note (6): Other Assets as of December 31, 2024

Account Name	Current Year Amount (IQD)	Previous Year Amount (IQD)
Receivables from others	332,943,601	130,194,230
Accrued but unearned revenues	53,151,147	30,231,315
Prepaid expenses	22,596,335	15,672,219
Employees' advances	497,006,613	669,995,145
Legal expenses	1,000,000	0

Account Name	Current Year Amount (IQD)	Previous Year Amount (IQD)
Unearned rent revenue	33,683,798	52,366,792
Private sector debtors	255,602,571	194,223,603
Bank customers and bank ATMs	854,021,548	504,116,925
MasterCard – ATMs and POS (Points of Sale)	0	0
Debtors for paid guarantee letters	131,537,500	0
Uncollected commissions – Guarantee letters	211,820,467	120,563,970
<b>Total</b>	<b>2,393,363,580</b>	<b>1,717,364,199</b>

Note (7 – A): Fixed Assets and Their Depreciation as of December 31, 2024

Details	Land	Buildings & Constructions	Machines & Equipment	Means of Transportations	Furniture & Devices	Total	Revenues Expenses	Grand Total (IQD)
Balance at 01/01/2024	17,073,811,160	17,566,501,050	69,693,750	312,128,500	1,203,362,078	36,225,496,538	669,802,577	36,895,299,115
Additions during the year	0	943,701,500	31,174,000	264,735,000	604,445,250	1,844,055,750	2,245,869,489	4,089,925,239
deductions during the year	0	3,342,391,550	0	37,975,000	191,307,309	3,571,673,859	2,915,672,066	6,487,345,925
<b>Cost at 31/12/2024</b>	17,073,811,160	15,167,811,000	100,867,750	538,888,5000	1,616,500,019	34,497,878,429	0	34,497,878,429
Balance at 01/01/2024	0	857,704,138	69,693,750	125,967,250	867,524,435	1,920,889,573	0	1,920,889,573
Additions / depreciation and Amortization	-	303,356,220	6,234,799	100,084,199	256,160,000	665,824,897	0	665,824,897
Deductions	-	656,406,858	0	17,088,750	174,406,177	847,901,785	0	847,901,785
<b>Balance at 31/12/2024</b>	-	507,653,500	75,928,549	208,962,999	949,267,937	1,738,812,685	0	1,738,812,685
<b>Book Value as of 31.12.2024</b>	17,073,811,160	14,663,157,500	24,939,201	329,925,801	667,232,082	32,759,065,744	0	32,759,065,744

**Note:** The amount of disposals under buildings (IQD 3,342,391,550) represents write-offs for headquarters renovations for both the General Directorate and Al-Nahr Street branch, in addition to a transfer amounting to **IQD 2,818,242,050**, and an additional amount of **IQD 524,149,500** to the account of shared furniture for the new headquarters.

**Note No. (7-B): Deferred Operating Expenses for the Year Ended December 31, 2024**

Account Code	Account Name	Total Cost as on 01.01.2024	Additions During the Year (IQD)	Total Cost as of 31.12.2024 (IQD)	Accumulated Amortization Balance (IQD)	Amortization for the Current Year (IQD)	Total Amortization as 31.12.2024 (IQD)	Balance as of 31.12.2024 (IQD)
1181	Incorporation Expenses	387399,419	0	387,399,419	358,902,055	28,497,364	387,399,419	0

Account Code	Account Name	Total Cost as on 01.01.2024	Additions During the Year (IQD)	Total Cost as of 31.12.2024 (IQD)	Accumulated Amortization Balance (IQD)	Amortization for the Current Year (IQD)	Total Amortization as 31.12.2024 (IQD)	Balance as of 31.12.2024 (IQD)
1186	Decorations and Partitions	1,361,035,686	2,161,835,192	3,522,870,878	1,216,494,974	2,206,375,904	3,522,870,878	0
1188	Systems and Programs	2,566,882,106	84,034,297	2,650,916,403	1,970,117,605	680,798,798	2,650,916,403	0
—	<b>Total</b>	4,315,317,211	2,633,268,908	6,561,186,700	3,645,514,634	2,915,672,066	6,561,186,700	0

**Clarification:** Amortization of deferred operating expenses is presented under **Note (7)** using the direct method (incorporation expenses, decorations, and software).

Note **(7-B)** displays total cost, direct amortization, and accumulated amortization for each item as of **December 31, 2024**.

#### Note No. (8): Projects Under Execution as of December 31, 2024

Details	Current Year Amount (IQD)	Previous Year Amount (IQD)
Buildings and Constructions	6,151,346,000	1,825,946,000
Branch Opening Expenses	0	913,517,500
<b>Total</b>	<b>6,151,346,000</b>	<b>2,739,463,500</b>

#### Note (9): Current Accounts as of December 31, 2024

Account Name	Current Year Amount (IQD)	Previous Year Amount (IQD)
Public sector current accounts	480,196	44,560,541
Financial sector current accounts	21,806,040	94,458,030
MasterCard current accounts	500,146,539	232,536,067
Company current accounts – corporate	19,222,455,245	10,661,124,374
Individual current accounts – personal	3,536,768,615	1,497,272,725

Account Name	Current Year Amount (IQD)	Previous Year Amount (IQD)
Certified checks	219,386,484	77,876,000
Savings accounts	598,685,111	341,611,733
Term deposits	7,113,992,650	6,536,061,530
Profits payable	116,479,794	53,596,361
MasterCard transfers	724,527,454	910,406,070
Bank-held certified checks	0	0
Closed guarantee letters	34,245,750	107,773,300
Current activity guarantee deposits	251,972,304	144,930,548
Vendor advances	0	300,000
Student advances	49,148,979	21,791,557
Deductions for others	19,338,925	17,599,350
Insurance company advances	21,792,153	23,434,248
Amounts seized during company registration	29,500,000	658,997,000
Company subscription deposits	6,000,000	1,037,000,000
<b>Total</b>	<b>32,466,726,239</b>	<b>22,461,329,434</b>

**Note (10): Other Liabilities as of December 31, 2024**

Details	Current Year Amount (IQD)	Previous Year Amount (IQD)
Provisions – Non-Cash Credit (IFRS 9)	1,640,989,044	671,069,218
Operational risk provision	223,867,000	221,650,000
Cash provision (IFRS 9)	361,067,434	399,584,865
Miscellaneous provisions	72,355,000	71,904,000
Profit rate provision	24,990,392	24,799,879
Tax provision	719,218,000	248,379,063
Commissions held on guarantee letters	2,008,138,384	981,200,616
Unearned income	966,379,831	798,602,971
Accrued unpaid expenses	727,454,000	54,858,382

Details	Current Year Amount (IQD)	Previous Year Amount (IQD)
Deferred revenue	0	0
Donation fund	178,506,118	110,706,624
Deferred profit margins	9,308,333,597	8,617,510,047
Contingent acceptances	0	0
Letters of guarantee insurance	20,464,734,163	9,784,124,128
Other insurance	20,646,734,163	426,246,634
Amounts not claimed	38,016,070	25,892,070
Investment provision (IFRS 9)	1,488,633,740	1,679,377,967
Other asset provision (IFRS 9)	212,000,000	0
<b>Total Other Liabilities</b>	<b>38,667,635,290</b>	<b>24,115,906,464</b>

**Note (11): Revenue Statement for the Year Ended December 31, 2024**

Account Name	Current Year Amount (IQD)	Previous Year Amount (IQD)
<b>Foreign Currency Revenues</b>		
Foreign currency sale revenues	0	0
Foreign currency sale losses	(14,019,355)	(883,800,953)
<b>Net Revenue from Foreign Currency Transactions</b>	<b>(14,019,355)</b>	<b>(883,800,953)</b>
<b>Murabaha and Ijara Revenues</b>		
Murabaha revenues	4,558,803,141	4,203,502,734
Ijara revenues	135,098,157	250,072,210
Ijara revenues / depreciation share	939,401,927	909,374,475
<b>Total Murabaha and Ijara Revenues</b>	<b>5,633,303,225</b>	<b>5,362,949,419</b>
<b>Transfer Commissions</b>		
External transfer commissions	21,788,413	774,324,867
Internal transfer commissions	175,000	1,806,154

Account Name	Current Year Amount (IQD)	Previous Year Amount (IQD)
<b>Total Transfer Commissions</b>	<b>21,963,413</b>	<b>776,131,021</b>
<b>Letter of Guarantee Commissions</b>		
Issuance commission for letters of guarantee	2,585,856,556	1,806,801,236
Documentary credit commissions	0	0
<b>Total Letter of Guarantee Commissions</b>	<b>2,585,856,556</b>	<b>1,806,801,236</b>

#### Investment Revenues

Description	Current Year Amount (IQD)	Previous Year Amount (IQD)
Revenue from subsidiaries	53,151,147	30,231,315
Revenue from foreign investments	399,904,578	316,541,829
Revenue from domestic financial investments	9,255,991,561	1,632,429,195
Revenue from fixed assets	48,000,000	107,924,000
<b>Total Investment Revenues</b>	<b>9,757,047,286</b>	<b>2,087,126,339</b>

#### Revenues from Reimbursed Expenses

Description	Current Year Amount (IQD)	Previous Year Amount (IQD)
Communications	86,556,210	78,866,130
Printing	89,158,515	78,148,046
<b>Total Reimbursed Expenses Revenues</b>	<b>175,714,725</b>	<b>157,014,176</b>



### Other Banking Commissions

Description	Current Year Amount (IQD)	Previous Year Amount (IQD)
Drafts issuance and check approval commissions	3,814,627	3,595,833
Other banking commissions	355,356,870	197,399,741
Salary disbursement commission	5,385,000	4,810,000
E-services commissions – MasterCard	129,822,334	116,784,315
<b>Total Other Banking Commissions</b>	<b>494,378,831</b>	<b>322,589,889</b>

### Other Revenues

Description	Current Year Amount (IQD)	Previous Year Amount (IQD)
Other revenues	18,038,777	37,322,520
<b>Grand Total Revenues</b>	<b>18,672,283,458</b>	<b>9,666,133,647</b>

### Note (12): Banking Operation Expenses for the Year Ended December 31, 2024

Details	Current Year Amount (IQD)	Previous Year Amount (IQD)
Expenses paid on savings accounts	6,649,947	7,900,496
Banking commissions	—	—
<b>Total</b>	<b>6,649,947</b>	<b>7,900,496</b>

### Note (13): Statement of Salaries and Wages for the Year Ended December 31, 2024

Account Name	Current Year Amount (IQD)	Previous Year Amount (IQD)
Cash salaries	1,343,515,000	1,306,606,000
Incentive bonuses	276,925,000	181,985,000
Provisions	303,428,000	308,895,189
Overtime allowances	4,736,607	2,872,097

Account Name	Current Year Amount (IQD)	Previous Year Amount (IQD)
Social security contribution share	165,811,035	161,574,400
<b>Total Salaries and Wages</b>	<b>2,094,415,642</b>	<b>1,961,932,686</b>

**Note (14): Statement of Operating Expenses for the Year Ended December 31, 2024**

Account Name	Current Year Amount (IQD)	Previous Year Amount (IQD)
Fuel and oils	8,216,181	58,010,000
Supplies and tools	23,996,000	36,101,400
Stationery	89,741,171	45,172,800
Staff equipment	0	15,000,000
Electricity and water	116,556,250	55,292,750
Building and facility maintenance	481,195,250	58,869,000
Machine and equipment maintenance	2,966,000	15,134,000
Vehicle and transport means maintenance	4,255,500	15,072,000
Furniture and office equipment maintenance	15,320,500	15,218,800
Computer and system maintenance	1,508,410,898	101,787,000
Research and consultancy services	960,726,851	87,465,773
Advertising and publicity	1,484,000	16,910,000
Hospitality	13,001,000	11,408,450
Employee transportation	36,950,000	5,881,250
Goods transportation	2,920,000	8,997,000
Travel and transport	15,706,237	8,507,000
Telecommunications	62,462,000	49,761,600
Building and facility rental	158,534,000	150,000,000
Real estate purchases	672,029,854	74,529,520
Employee bonus expenses	510,000	120,000

Account Name	Current Year Amount (IQD)	Previous Year Amount (IQD)
Legal fees	3,600,000	2,700,000

Account Name	Current Year Amount (IQD)	Previous Year Amount (IQD)
Banking services	3,600,000	2,700,000
Training and qualification	45,881,664	44,502,800
Audit fees	13,212,500	16,026,160
Other service expenses	85,135,000	79,858,382
Iraqi Company for Deposits Guarantee fees	127,501,442	32,814,518
Sharia Committee fees	32,905,000	15,229,000
Board of Directors' remuneration	2,217,000	2,195,000
Reissuance of Islamic bonds and Sukuk	0	196,064,427
Risk charges / profit rate investment	190,513	3,146,404
Claims and compensations	1,682,010,000	743,491,000
Special donations	153,000,000	152,750,000
Private security	204,096,500	186,353,750
Various other expenses	4,651,132	0
Capital losses	72,000,000	72,000,000
Ijara receivable expenses	939,401,927	909,374,475
Retiree payments	3,005,000	0
Paid investment account expenses (Wadiah option)	420,199,827	189,306,192
<b>Total</b>	<b>7,963,989,197</b>	<b>3,475,050,451</b>