

2021

The Investment Bank of Iraq is a joint-stock company

Financial Statement for year ended 31 December / 2021



Adel Alhasso & Co.
CPA's & Consultants



To / Messrs. Shareholders of the Investment Bank of Iraq for Investment (PJSC)

Subject / The independent auditors report

The Opinion

We have audited the accompanying Consolidated Financial Statements of the Investment Bank of Iraq PJSC, which comprise the Consolidated Statement of Financial Position as of December 31, 2021, the Consolidated Statements of Income, Comprehensive Income, Cash Flows, Changes in Equity for the year then ended, and the Clarifications about the Consolidated Financial Statements, comprising a summary of the most important accounting policies.

In our opinion, the accompanying Consolidated Financial Statements present fairly, in all material respects, the Consolidated Financial Position as of December 31, 2021 and its Consolidated Financial Performance and its Consolidated Cash Flows for the year then ended in accordance with International Financial Reporting Standards.

Basis of Opinion

The audit was carried out in accordance with international auditing standards. Our responsibility under these standards, is further described in detailed within the responsibilities of the auditors for the Audit of the Consolidated Financial Statements contained in our report. We are independent of the Bank in accordance with the Code of Ethics for Professional Accountants issued by the International Ethics Standards Board for Accountants, and we have fulfilled our other ethical responsibilities in accordance with the Code of Ethics for Professional Accountants. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Key Audit Matters

According to our professional judgment, the main Audit Matters are those which were the most significant during the audit of the Consolidated Financial Statements for the year ending on December 31, 2021. They were studied within the scope of the audit of the Consolidated Financial Statements as a whole in order to express our opinion on these statements, and we do not express a separate opinion for each of the cases that described below. Details are provided on how they were addressed during the audit in that context.

We have fulfilled our responsibilities that mentioned in the auditors' responsibilities for auditing the consolidated financial statements included in this report, in addition to all matters related to that. Accordingly, our audit includes the performance of procedures that are designed to respond to our assessment of the risks of material misstatement of the consolidated financial statements. The results of our audit procedures, including procedures to address the cases referred to below, provide the basis for our audit opinion on the accompanying consolidated financial statements.

1. Application of International Accounting Standards:

The Investment Bank of Iraq has implemented International Accounting Standards for the fifth year in a row, and we have the following on that:

- 1.1:** The bank did not implement International Financial Reporting Standard No. (9) "Financial Instruments", which the Central Bank of Iraq had obligated the banks to implement in its letter No. 3/6/466 on 26/12/2018 "Guiding Instructions for Preparing Financial Statements for Banks", and the bank had formed a committee to apply the standard made up of the specialized departments referred to in accordance with the letter of the Central Bank of Iraq above in the year 2020, and prepared a methodology for applying the aforementioned standard, but the provision calculation was not completed according to that.
- 1.2:** The bank did not implement International Financial Reporting Standard No. (16) "Lease Contracts" because the bank does not have long-term lease contracts, and all its contracts are short-term for a period of (12) months.



2. The Cash:

2.1: The Foreign Currency Cash Holdings has been evaluated as of December 31, 2021, according to the following exchange rates:

Ref.	FOREIGN CURRENCY	EXCHANGE RATE
1	USD	1460 IQD / USD
2	Euro	1714.186 IQD / Euro
3	AED	397.65764 IQD / AED

2.2: The Cash Balance in the Safes as of December 31, 2021 amounted to (17,345,473) thousand dinars, while it was (80,645,292) thousand dinars in the previous year, and the inventory results for all branches has been reconciled and matched with the records in dinars and dollars, where the matching process of the inventory results that received from the inventory committees formed in the general administration and the branches was carried out as follows:

CURRENCY	BALANCE PER CURRENCY	EXCHANGE RATE	BALANCE EVALUATED IN IQD
USD	4,300,558	1460	6,278,814,680
EURO	662,132	1714.186	1,135,017,405
IQD	9,280,000,750	1	9,280,000,750
ATM/IQD	651,640,000	1	651,640,000
TOTAL	-	-	17,345,472,835

2.3: The Reconciliations have been made for the balances of the Central Bank of Iraq accounts, and they were identical to their equivalent in the records, and their balance as of December 31, 2021, amounted to (259,786,575) thousand dinars, while it was (155,834,452) thousand dinars in the previous year, the details of which are as follows:

ACCOUNT NAME	IQD	USD	USD TO IQD 1460	FINAL BALANCE
legal reserve	19,843,578,000	8,991,943	13,128,236,780	32,971,814,780
Letters of guaranteed insurance	4,533,952,000	000	000	4,533,952,000
Current accounts	94,446,584,923	48,995,221.08	71,533,022,777	165,979,607,700
Erbil	35,345,983,000			35,345,983,000
Sulaymaniyah	9,594,931,351			9,594,931,351
Basra	548,183,120	7,405,550	10,812,103,000	11,360,286,120
TOTAL				259,786,574,951

2.4: The Suspensions that appeared in some accounts that opened with the Central Bank of Iraq in 2021 were followed up as follows:

- The Suspensions in the current account of banks, details of which are a debit amount of (762,735,675) dinars representing clearing amounts issued, an amount of (5,700,000) dinars represent the deduction of the community activities initiative, and an amount of (56,350,000) dinars as a fine imposed on the bank by the Central Bank.

2.5: The Reserve Balance of Insurance on the Letters of Guarantee amounted to (4,533,952) thousand dinars, as it constitutes (5.14%) of the balance of letters of guarantee amounting to (88,148,927) thousand dinars on December 31, 2021, which is equal to the percentage specified by the Central Bank of Iraq amounting to (5%) as the bank is of the third category (C).

2.6: The Cash of the Central Bank in the Kurdistan Region on December 31, 2021, is (44,940,914) thousand dinars, while it was (44,948,350) thousand dinars in the previous year, and it is distributed as follows:



ACCOUNT NAME	IQD	USD	USD TO IQD 1460	FINAL BALANCE
Erbil	35,345,983,000	000	000	35,345,983,000
Sulaymaniyah	9,594,931,351	000	000	9,594,931,351
TOTAL	44,940,914,351	000	000	44,940,914,351

* We recommend taking an allocation to face the failure risks of recovering these amounts in accordance with the instructions of the Central Bank of Iraq, which recommended reserving an allocation for this purpose distributed over five years.

2.7: Cash in the Local Banks:

- The Cash Balance in the Local Banks as of December 31, 2021 amounted to (894,560) thousand dinars, while it was (833,968) thousand dinars in the previous year, and we have the following:
- All the Suspensions have been implemented during the new year, which represents the commissions and account management, with the exception of the suspensions of the Rafidain Bank in the amount of (18,804) thousand dinars, which were mistakenly deducted from the bank account by the Rafidain Bank several years ago, and the bank has asked the Rafidain Bank to recover the amount several times, but It has not yet been collected.
- The Rafidain Bank did not confirm the bank's accounts balances.

2.8: Cash in foreign banks:

2.8.1: The Cash Balance according to the records as of December 31, 2021 amounted to (44,847,528) thousand dinars, while it was (119,968,417) thousand dinars in the previous year, and it is evaluated according to currencies as follows:

CURRENCY	BALANCE PER CURRENCY	EXCHANGE RATE	BALANCE EVALUATED IN IQD
USD	17,873,526	1460	26,095,347,960
Euro	679,827.75	1714.186	1,165,351,211
AED	44,226,054.58	397.65764	17,586,828,491
TOTAL			44,847,527,662

2.8.2: The Cash Percentage in the Foreign Banks on December 31, 2021, after excluding 50% of the value of external liabilities was (9.7%), and the allowed upper limit by the Central Bank of Iraq is 20% of the capital and sound reserves.

2.8.3: We have the following notes:

- There are suspensions with the Jordan Housing Bank in the amount of (147,642.32) dollars, which represent amounts of credits and letters of guarantee.
- There are suspensions with the Jordan Housing Bank / insurances in the amount of (145,170) dollars, which represent appropriation amounts.

2.8.4: Liquidity Ratio:

The Legal Liquidity Percentage reached (99.77%) on December 31, 2021, and it is considered a good percentage that enables the bank to fulfill its obligations towards depositors in the short term. The bank does not have a contingency plan for any possible circumstance that the bank may face in the future, which requires the bank to prepare a plan in order to maintain a certain liquidity percentage that enables it to fulfill its obligations in case of contingency, and the bank is in the process of preparing an integrated plan for that.

2.8.5: The bank has exceeded the specified percentages for the concentrations of one correspondent by (5%) of the capital and sound reserves, as the balance of the Arab African Bank amounted to (15,071,670) thousand dinars in UAE dirham, that is by a percentage of (5.74%), as well as the Bank of Abu Dhabi Islamic Bank, where its balance amounted to (14,346,189) thousand resident dinars in UAE dirham currency and by a percentage of (5.47%).

2.8.6: The Process of Matching the Balances of the accounts opened with the Foreign Banks has been carried out based on SWIFT and the statements received from the Foreign Banks that related to the balance.

2.9: Foreign Exchange Ratios:

The Ratio of Foreign Exchange to Capital and Sound Reserves was (20%) on December 31, 2021, which is equal to the allowed upper limit by the Central Bank of Iraq of (20%).



3. The Cash Credit:

- 3.1:** Cash credit increased by (45.4%), reaching to (269,346,290) thousand dinars on December 31, 2021, while it was (185,254,819) thousand dinars on December 31, 2020, and one of the most important reasons for the increase is the expansion of grants Loans through the initiatives of the Central Bank of Iraq.
- 3.2:** The guarantees obtained by customers are still represented by (personal guarantee / check / bill of exchange), which requires the bank not to accept checks and bills of exchange as guarantees for credit and focus on the financial efficiency of customers when granting credit and taking additional and precautionary guarantees to face the risks that the bank may face as a result payment default.
- 3.3:** The interest income achieved on cash credit during the year 2021 amounted to (4,274,260) thousand dinars, as it constituted (1.6%) of the total cash credit balance amounting to (269,346,290) thousand dinars as on December 31/2021, which is a low percentage.
- 3.4:** The cash credit provision amounted to (51,427,635) thousand dinars on December 31, 2021, and is more than the previous year, as the provision was (46,427,635) thousand dinars on December 31, 2020, as an amount of (4,400,000) thousand dinars was transferred from calculation of the accumulated surplus, as in accordance with the decision of the General Assembly of the Bank to convert the surplus into an allowance, and an amount of (600,000) thousand dinars was transferred from the account of the allowance for expropriated buildings as a result of settling debts for the property that was sold, and the allowance was calculated according to Instructions No. (4) for the year 2010, and according to our opinion this provision is insufficient due to the existence of an outstanding unpaid credit amounting to (105,509,000) thousand dinars on December 31, 2021, which constitutes (39%) of the cash credit balance at the end of the fiscal year.
- 3.5:** Existence of late monthly and quarterly interest and installments that exceed the applicable grace periods.
- 3.6:** The percentage of cash credit granted to the volume of deposits, after excluding the credit financed by the Central Bank of Iraq initiative, is (67%), which is less than the specified percentage of (70%).
- 3.7:** The total amount of cash credit granted to the largest (19) customers amounted to (173,093,419) thousand dinars, which constitutes (64%) of the volume of cash credit granted.
- 3.8:** When reviewing the credit file of the largest (20) borrowers, it was noted that most of the guarantees provided were insufficient (checks and promissory), which requires the bank to obtain solid guarantees compared to the amounts granted, as the total cash credit granted to the largest (20) borrowers amounted to (187,377,936) thousand dinars, representing (69.5%) of the volume of cash credit granted, amounting to (269,346,290) thousand dinars.
- 3.9:** There are credit concentrations in large categories, which represent loans and debit current accounts, which accounted for (92%) of the cash credit balance on 12/31/2021, and this constitutes a significant credit risk to the bank. In addition, it was noted that the guarantees provided by the customers are weak compared to the amounts.

3.10: The volume of cash credit granted as of December 31, 2021 amounted to (269,346,290) thousand dinars, as shown in the table below:

RANGE	LOANS		OVERDRAFT		SHIPPING DOCUMENTS & CURRENT DEBTOR DOCUMENTS		DISCOUNTED BILLS OF EXCHANGE & CREDIT FOR A MORTGAGE OF GOLDEN CASH		TOTAL		IMPORTANCE RATIO
	QNT.	AMOUNT-IQD	QNT.	AMOUNT-IQD	QNT.	AMOUNT-IQD	QNT.	AMOUNT-IQD	QNT.	AMOUNT-IQD	%
Less than 100M IQD	530	6,003,210,188	4	(22,788,260)	1	48,237,947	8	158,486,328	543	6,187,146,203	2
From 100m to 500M IQD	27	6,831,427,033	1	329,851,850	1	245,301,900	2	350,000,000	31	7,756,580,783	3
From 500M to 1B IQD	7	5,169,934,520	0	000	3	1,805,732,935	0	000	10	6,975,667,455	3
From 1B to 5B IQD	18	54,418,369,127	2	5,250,259,172	7	15,664,848,387	0	000	27	75,333,476,686	28
From 5B to 10B IQD	12	83,512,949,228	3	21,934,355,828	1	8,139,281,029	0	000	16	113,586,586,085	42
More than 10B IQD	1	30,000,000,000	1	10,260,470,850	1	19,246,362,400	0	000	3	59,506,833,250	22
TOTAL	595	185,935,890,096	11	37,752,149,440	14	45,149,764,598	10	508,486,328	630	269,346,290,462	100



4. The Pledge credit:

- 4.1:** The Pledge Credit decreased by 16% from the previous year, as the credit balance on December 31, 2021 reached (98,255,368) thousand dinars, while it was (117,065,619) thousand dinars on December 31, 2020.
- 4.2:** The Pledge Credit Provision was calculated according to the instructions of the Central Bank of Iraq No. (4) for the year 2010, and it amounted (1,766,030) thousand dinars on December 31, 2021, which is the same balance as the previous year, as this balance constitutes (1.8%) of the credit the bank's pledge on December 31, 2021, which requires the bank's management to take sufficient allocation for this credit.
- 4.3:** The ratio of the issued pledge credit to the capital and good reserves reached 37%.
- 4.4:** When checking the credit file of the largest (20) customers, most of which are old balances, it was noticed that part of them were without cash deposits, and the guarantees provided were insufficient (check / bill of exchange), which requires taking additional and reserve guarantees according to the instructions of the Central Bank of Iraq.
- 4.5:** Insurances related to pledged credit amounted to (69,936,528) thousand dinars, which constitutes (71%) of the pledged credit balance amounting to (98,255,368) thousand dinars, which is more than the percentage specified by the Central Bank of (15%).

5. Financial investments:

- 5.1:** The cost of investments as of December 31, 2021, according to records, amounted to (5,463,451) thousand dinars, while It was on December 31, 2020 (4,394,810) thousand dinars.
- 5.2:** The fair value of the investments listed on December 31, 2021, according to records, amounted to (1,888,996) thousand dinars and as shown below:

REF	NARRATION	INVESTMENT COST	THE FAIR VALUE OF THE INVESTMENTS The fair value of the investments	FAIR VALUE RESERVE
1	Long-term investments/private company	3,061,592,680	Not listed in market	000
2	Short term investment/ semi government	363,459,190	549,274,488	185,815,298
3	Short term investment/ private company	2,038,399,184	1,339,721,776	(698,677,408)
	TOTAL	5,463,451,054	1,888,996,264	(512,862,110)

- 5.3:** The long-term investments/PC were not evaluated at fair value, but rather at their historical cost because they are not included in the Iraq Stock Exchange on December 31, 2021.
- 5.4:** Revenues from investments were achieved during the year 2021 in the amount of (179,720) thousand dinars.
- 5.5:** Most of the investee companies have a very low market price.
- 5.6:** We did not provide support from the investee companies with the number of shares belonging to the bank until December 31, 2021 for companies not listed in the Iraq Stock Exchange. As for companies listed in the Iraq Stock Exchange, there is a list from the Iraq market showing the number of shares belonging to bank.
- 5.7:** The balance of the fair value reserve account as of December 31, 2021 debit amounted to (512,862,111) dinars, while it was as of December 31, 2020 debit (1,808,933,548) dinars.
- 5.8:** Construction Bonds: During 2021, the Ministry of Finance launched construction bonds, and the bank purchased (10,000) bonds at a value of (500,000) dinars per bond, so that the total amount as of December 31, 2021 (5,000,000) thousand dinars was also purchased. (30,000) bonds at the beginning of 2022.
- 5.9:** The ratio of investments to capital and reserves was (4%) on December 31, 2021, and the allowed upper limit by the Central Bank of Iraq is 20% of capital and sound reserves.



6. Fixed Assets:

- 6.1:** The count of fixed assets (excluding furniture and equipment) was carried out by the administration under our supervision and the results of the FA count were in accordance with the records.
- 6.2:** During the year 2021, an expropriated property was sold as a result of debt settlement in Sulaymaniyah for an amount of (1,061,314) thousand dinars, and a profit of (65,636) thousand dinars was achieved from this process.
- 6.3:** The value of expropriated lands and buildings as a result of settling debts from previous years, as on December 31, 2021, amounted to (1,500,000) thousand dinars, which the bank has not been able to sell until now, and it has reserved an allocation for them of (1,500,000) thousand dinars for these lands and buildings to cover possible losses, according to the instructions of the Central Bank of Iraq.

7. Accounts Receivable and Other Debit Balances:

The balance of debtors and other assets on December 31, 2021 amounted to (85,982,001) thousand dinars, while the balance on December 31, 2020 was (102,888,763) thousand dinars, and we have the following:

- 7.1:** The balance of the corporate sector debtors' account decreased to become as on December 31, 2021 (24,004,140) thousand dinars, while it was (30,820,257) thousand dinars on December 31, 2020, which relates to fines imposed on the bank as a result of practicing the activity of foreign transfers (Foreign currency buying and selling window) The bank charged these fines to the account of these companies to be collected later, and during the year 2021 an amount of (8,043,610) thousand dinars was collected, which requires more efforts to collect the remaining amounts from the companies.
- 7.2:** The balance of the debtors' account of the individuals sector increased to become on December 31, 2021 (1,661,078) thousand dinars, while it was on December 31, 2020 (1,544,786) thousand dinars, where within this balance there is an amount of (230) million dinars was paid as a deposit for the purchase of the piece of land numbered 24/285 Abbasia and registered in the name of (Hashem Abd Ibrahim). and with the relevant departments.
- 7.3:** The balance of the non-current activity debtors account increased to become as on December 31/2021 (1,435,714) thousand dinars, while it was on December 31/2020 (1,125,268) thousand dinars, as the amount (1,125,268) thousand dinars belongs to a company Al-Ithmaar affiliated to the bank, and the amount of (203,010) thousand dinars remaining from the amount stolen from the Al-Farahidi University branch amounting to (230,990) thousand dinars, as the court ruled that the office manager paid the amount (60,000) thousand dinars, and he paid the amount (30,000) thousand dinars direct payment and the remaining It is paid in the form of monthly installments.
- 7.4:** The balance of other receivables accounts as on December 31, 2021 amounted to (3,482,170) thousand dinars, as within the above balance is an amount of (712,000) dollars and an amount of (2,042,650) thousand dinars representing expenses for legal purposes, as well as an amount of (400,000) thousand Dinars of previous debts that were transferred to this account during the year.
- 7.5:** The balance of the accrued and unreceived revenue account increased to become on December 31, 2021 (30,338,963) thousand dinars, while it was on December 31, 2020 (29,246,130) thousand dinars. We recommend continuing to collect these amounts from customers.
- 7.6:** The balance of the prepaid expenses account decreased to become on December 31, 2021 (1,091,973) thousand dinars, while it was on December 31, 2020 (2,846,899) thousand dinars.
- 7.7:** The account of judicial expenses increased to become on December 31, 2021 (1,727,234) thousand dinars, while it was on December 31, 2020 (1,547,541) thousand dinars.
- 7.8:** The balance of accrued and unreceived interest account on direct credit facilities increased on December 31, 2021 (54,928,127) thousand dinars, while it was on December 31, 2020 (43,196,779) thousand dinars. We recommend continuing to collect it from customers.
- 7.9:** The balance of suspended and unreceived interest increased to become as on December 31/2021 (62,710,392) thousand dinars, while it was on December 31/2020 (55,285,058) thousand dinars.



- 7.10:** The balance of the overdue debt account increased to become as on December 31/2021 (4,118,147) thousand dinars, while it was on December 31/2020 (2,657,217) thousand dinars, which requires the bank to follow up on its collection of these amounts.
- 7.11:** The balance of the cash differences account increased to become as on December 31, 2021 (391,398) thousand dinars, while it was on December 31, 2020 (77,711) thousand dinars, as during the year an amount of (360,488) thousand dinars was transferred from an account of checks and transfers under collection to a cash difference account based on the instructions of the Central Bank of Iraq, and that this amount represents a check that was exchanged to a customer by mistake during the year 2014 and the customer refused he was sent back, as a criminal and civil lawsuit was filed, in connection with which two years imprisonment was passed, and he was obligated to pay an amount of (276,000) dollars to the bank.
- 7.12:** The balance of the provision for doubtful debts on December 31, 2021 amounted to (3,036,799) thousand dinars, which is calculated for the accrued revenues and interests within the debtors' account, and it is not sufficient. We recommend taking an additional provision.
- 7.13:** The balance of other assets on December 31, 2021 amounted to (26,152,731) thousand dinars, constituting (4%) of the total assets in circulation, whose balance on December 31, 2021 amounted to (635,698,563) thousand dinars.

8. Profit and Loss Account:

- 8.1:** The bank achieved a profit for this year amounting to (1,121,841) thousand dinars before calculating the income tax, while in the previous year it amounted to (5,526,426) thousand dinars, with a decrease of (79.7%). The most important reasons for this decrease are explained below:

REVENUE/(EXPENSE)	CURRENT YEAR ('000)	PREVIOUS YEAR ('000)	INCREASE %	DECREASE %
Credit interest income	4,274,886	2,077,425	105.8	-
Commission income	3,350,523	2,316,584	44.6	-
Investment revenue	263,946	71,395	269.7	-
Revenue from banking activities	5,643,974	10,529,184	-	46.4
Revenue from buying and selling foreign currencies	360,638	1,446,312	-	75
Other income	243,323	102,920	136.4	-
TOTAL REVENUE	14,137,290	16,543,820	-	14.5
TOTAL EXPENSES	13,015,449	11,017,394	-	18

- 8.2:** The foreign transfers commission revenue constitutes (27%) of the bank's total revenues for the year 2021, as well as the revenues from buying and selling foreign currencies constitutes (2.55%) of the total revenues for the year 2021.

9. The window for buying and selling foreign currency from the Central Bank of Iraq:

- 9.1:** The balance of the bank's purchases from the foreign currency sale window, according to the bank's records, for the period from 1/2/2021 to 12/31/2021 amounted to (1,459,655,000) dollars distributed as follows:

NARRATION	AMOUNT – USD
Remittance purchases	977,835,000
LC purchases	000
Purchases for the purposes of exchange companies	472,070,000
Bank cash auction purchases	9,750,000
TOTAL	1,459,655,000



9.2: The balance of the profits achieved for the bank from the window of buying and selling foreign currencies as of December 31, 2021 amounted to (3,528,595,500) dinars (as shown in Note No. 18 and 19 of the clarifications attached to the financial statements), and the average selling price during the year was (1463.6) dinars per dollar, which is less than the price set by the Central Bank of Iraq by (1470) dinars per dollar, as detailed below:

NARRATION	AMOUNT - USD
Remittance purchases	2,492,355,500
LC purchases	000
Purchases for the purposes of exchange companies	944,140,000
Bank cash auction purchases	92,100,000
TOTAL	3,528,595,500

The table on the next page details these amounts:

Purchases from the window of buying and selling foreign currencies and the recognized revenue for the period from 1/2/2021 to 12/31/2021

NARRATION	Purchased amounts			Amounts sold			NET REVENUE - IQD
	Purchase volume in USD	The purchase price is IQD	purchase volume IQD	Sales volume in USD	selling price IQD	Sales volume IQD	
External Remittance	9,565,000	1460	13,964,900,000	9,565,000	1460.5	13,969,682,500	4,782,500
	298,860,000	1460	436,335,600,000	298,860,000	1461	436,634,460,000	298,860,000
	239,085,000	1460	349,064,100,000	239,085,000	1462	349,542,270,000	478,170,000
	202,541,000	1460	295,709,860,000	202,541,000	1463	296,317,483,000	607,623,000
	36,000,000	1460	52,560,000,000	36,000,000	1464	52,704,000,000	144,000,000
	191,784,000	1460	280,004,640,000	191,784,000	1465	280,963,560,000	958,920,000
Total Remittance	977,835,000	/	1,427,639,100,000	977,835,000	/	1,430,131,455,500	2,492,355,500
LC's	000	/	000	000	/	000	000
Exchange companies	472,070,000	1460	689,222,200,000	472,070,000	1462	690,166,340,000	944,140,000
Bank portion	300,000	1460	438,000,000	300,000	1462	438,600,000	600,000
	2,000,000	1460	2,920,000,000	2,000,000	1470	2,940,000,000	20,000,000
	600,000	1460	876,000,000	600,000	1465	879,000,000	3,000,000
	6,850,000	1460	10,001,000,000	6,850,000	1470	10,069,500,000	68,500,000
Total - bank portion	9,750,000	/	14,235,000,000	9,750,000	/	14,327,100,000	92,100,000
Grand Total	1,459,655,000	/	2,131,096,300,000	1,459,655,000	/	2,134,624,895,500	3,528,595,500

10. Capital adequacy ratio:

The capital adequacy ratio reached (102.55%) as on December 31, 2021, while it was in the previous year (105.06%), which is higher than the minimum required by the Central Bank of Iraq of 12%, as well as more than the percentage established by the Basel Committee of 8 %.

11. Legal lawsuits:

11.1: The legal lawsuits filed by the bank against third parties in the year 2021 was (9) lawsuits with a total amount of (4,990,723) thousand dinars, and as indicated in Paragraph No. (38) of the management report.

11.2: There are no lawsuits filed by third parties against the bank in the year 2021.



12. Compliance Monitor:

- 12.1:** According to what we have seen of the reports of the compliance controller submitted to us during the year subject of the audit and which were studied, they were prepared in accordance with the instructions of the Central Bank of Iraq.
- 12.2:** The department follows up the observations of the Central Bank of Iraq related to business control and the results of the bank's desk audit and works to filter them according to what we have seen of the bank's answers to the audit results sent to the Central Bank of Iraq.
- 12.3:** During the year 2021, the bank's branch (Al-Farahidi office) was stolen in the amount of (230,990) thousand dinars, and the bank followed up this event judicially, as a court ruling was issued for the office manager to pay an amount of (60,000) thousand dinars, and he paid an amount of (30,000) thousand dinars is paid directly, and the remaining is paid in the form of monthly installments.

13. Internal Control:

We looked at the annual plan of the Internal Control Department and the reports prepared by this department and submitted to us during the year subject to audit, and we have the following on that:

- 13.1:** The annual plan prepared by the Internal Control Department and approved by the Board of Directors was brief and limited and not detailed and comprehensive for the bank as a whole, which requires the development of broader plans commensurate with the size and activity of the bank.
- 13.2:** The percentage of implementation of the annual plan is (32%) of the plan approved by the Board of Directors, and we believe that the audit plan and the percentage of its implementation were not appropriate and required expansion, especially the direction of auditing the credit portfolio and the guarantees provided in this regard.
- 13.3:** The number of employees in the internal control department reached in the year 2021 (4) employees represented by the head of the department, his assistant and two auditors, and that this number is not sufficient to cover all the bank's extensive and multiple businesses and the number of its branches amounting to (16) branches except for the general administration of the bank.
- 13.4:** The assistant director of internal control was involved in only one online course held by the Central Bank of Iraq during the year 2021.

14. Money laundering and terrorist financing:

- 14.1:** The bank has taken adequate measures to prevent money laundering and terrorist financing, and these measures are being implemented in accordance with the provisions of the Money Laundering and Terrorist Financing Law No. 39 of 2015 and the regulations and instructions issued by the Central Bank of Iraq. We have reviewed the reports of the Money Laundering and Terrorist Financing Reporting Department sent to the Bank. The Central Bank of Iraq and prepared in accordance with the law and instructions issued by the Central Bank of Iraq, and by directing a set of inquiries, the bank answered, according to the letter of the Money Laundering Department No. 2600/20 dated 22/2/2022, the following:

- 14.1.1:** The Anti-Money Laundering and Terrorist Financing (AML) system is supplied by Biotech, and a contract was signed with Guardia to acquire that system, and work is ongoing in this regard.
- 14.1.2:** The electronic system for money laundering and terrorist financing is linked to the bank's accounting system.
- 14.1.3:** The electronic system includes the minimum required scenarios, which amounted to (25) applicable scenarios.
- 14.1.4:** The international ban lists are updated automatically according to the AML system, in addition to manually entering the entities specified by the local regulatory authorities into the blacklist.
- 14.1.5:** The department relies on manual classification to classify the bank's customers according to risks.
- 14.1.6:** During the year 2021, (53.9%) of the total operations shown in the AML system were reviewed and analyzed.



14.2: A guide for the policies and procedures of the Money Laundering and Terrorist Financing Department was prepared, which included:

- Stages of the money laundering process.
- The importance of combating money laundering and terrorist financing.
- The responsibility of the Director of the Reporting Department on Money Laundering and Terrorist Financing.
- The responsibility that rests with the Bank's Money Laundering and Terrorist Financing Reporting Section.
- Penalties borne by the bank.
- Know Your Customer (KYC) principle.
- Due diligence work procedures.

15. Institutional Governance:

15.1: The Bank prepared the Governance Manual, according to the instructions of the Central Bank of Iraq, and compliance was made principles of governance and separating the functions of the board of directors from those of the executive management.

15.2: There is a guide for policies and procedures for the bank's supervisory departments.

15.3: The bank is committed to the qualitative requirements contained in Article 23 of the Governance Manual issued by the Central Bank of Iraq, where the previous annual reports included the disclosure of the results of operations and the financial position of the bank.

15.4: According to the letter of the Compliance Controller, which included an answer to our inquiry on February 3, 2022, he indicated that the bank is updating customer data through the KYC form in cooperation with the money laundering reporting department in the bank, in order to find out the extent of the department's compliance with Money Laundering Law No. 39 of the year 2015, as well as applying the due diligence principle, as the bank's policy was approved by the Compliance Department's approval of the KYC account opening form.

Other information included in the annual report of the bank for the year 2021

The other information contained in the annual report of the bank for the year 2021, other than the financial statements, for which the Board of Directors is responsible, and we obtained, prior to the date of this report, the data contained in the annual report.

Our opinion on the consolidated financial statements does not cover the other information and we do not express any form of assurance in this regard.

In connection with our audit of the consolidated financial statements, our responsibility is to read the other information identified above when it becomes available and, in doing so, consider whether the other information is materially inconsistent with the consolidated financial statements or our knowledge obtained in the audit, or appears to be materially inconsistent with the consolidated financial statements or our knowledge obtained in the audit. contain false material information. And if we conclude, based on the work we have done on the other information that we obtained prior to the date of the audit report, that it contains material wrong information, then we must disclose that fact. We did not notice what should be disclosed in this regard.

The responsibilities of the board of directors for the consolidated financial statements

The Board of Directors is responsible for the preparation and fair presentation of the consolidated financial statements in accordance with International Financial Reporting Standards, and for such internal control as the Board of Directors deems necessary to prepare consolidated financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the consolidated financial statements, the Board of Directors is responsible for assessing the Bank's ability to continue as a going concern, disclosing, as applicable, matters related to going concern, including the use of the going concern basis of accounting in preparing the consolidated financial statements, unless it is the intention of the Board of Directors Liquidation of the bank, suspension of its operations, or the absence of any other protective alternative other than doing so.

The auditors' responsibilities for the audit of the consolidated financial statements

Our objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an audit report that includes our opinion.



Reasonable assurance is a high level assurance, but it is not a guarantee that an audit conducted in accordance with International Standards on Auditing will always detect material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in aggregate, they could have an impact on the economic decisions taken by users of these consolidated financial statements.

As part of the audit process in accordance with International Standards on Auditing, we exercise professional judgment and maintain professional skepticism throughout all stages of the audit, and we also do the following:

- Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than that resulting from error, as fraud may involve collusion, forgery, authorized omissions, misrepresentations, or override of internal control.
- We have understood the internal control system relevant to the audit in order to design audit procedures that are appropriate in the circumstances, and not for the purpose of expressing an opinion on the effectiveness of the Bank's internal control system.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Board of Directors.
- Ensuring the appropriateness of the Board of Directors' use of the going concern principle in accounting, and based on the audit evidence obtained, whether there is a material uncertainty related to events or circumstances that may cast material doubts about the bank's ability to continue as a going concern. If we conclude that there is a material misstatement, we must refer in the audit report to the relevant disclosures in the consolidated financial statements or modify our opinion if these disclosures are insufficient. Our conclusions are based on the audit evidence obtained up to the date of our audit report. However, future events or conditions may cause the Bank to cease to operate as a going concern.
- Evaluate the overall presentation, structure and content of the consolidated financial statements, including disclosures thereon, and whether the consolidated financial statements represent the transactions and events that achieve fair presentation.
- Obtaining sufficient and appropriate audit evidence regarding the company's financial information to express an opinion on the consolidated financial statements. We are responsible for the instruction, supervision and performance of the audit of the bank and we are solely responsible for our audit opinion.

We communicate with the Audit Committee on, among other matters, the scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during the audit.

We also provide the audit committee with a statement that we have complied with ethical requirements regarding independence and inform it of all relationships and other matters that may affect our independence, and how to maintain this independence.

From those matters that were communicated with the Audit Committee, we determine the most important matters in the audit of the consolidated financial statements for the current year, which represent the main audit matters. We provide an explanation of these matters in our audit report unless laws or regulations preclude disclosure of that matter, or in very rare cases when this matter is not disclosed in our report because the expected negative effects of disclosure may outweigh the public benefit resulting from it.

Adel Ismaail Alshaibi (CPA)
Member of the Iraqi Association of
Certified Public Accountants



Adel Mohammed Alhasson (CPA)
Member of the Iraqi Association of
Certified Public Accountants



Statement of financial position (A)

As at December 31, 2021

	Note	2021 IQD	2020 IQD
Assets			
Cash and Balances with Central Bank and financial institutions	1	322,667,818,861	357,700,691,777
Long term financial investments / bonds / government sector investments in subsidiaries		5,000,000,000	-
Financial investments available for sale at fair value	2	250,000,000	250,000,000
Direct credit facilities, net	3	4,700,588,943	4,144,810,327
Debtors	4	217,918,655,122	138,827,183,508
Other receivable accounts (other assets)	5	59,828,270,338	32,988,728,081
Property, buildings and equipment (at book value)	6	26,153,730,926	22,149,794,610
Projects under implementation / advance payments	7	14,140,926,878	15,163,059,507
Total Assets		298,676,990	255,907,550
		650,958,668,058	571,480,175,360
Shareholders' Equity Liabilities And Short term liabilities and Funding sources:			
Long-term loans / central bank loan / initiative	A-9	36,668,532,000	5,450,000,000
Customer deposits	B-9	246,011,272,428	269,018,347,254
Customers' insurances for banking activities and current accounts	10	100,466,559,721	27,578,814,168
Creditors	11	3,807,480,457	2,702,188,113
Other payable accounts (other liabilities)	12	667,223,384	603,533,948
Income tax provision	13	199,241,622	852,842,159
Total liabilities and short-term funding sources		387,820,309,612	306,205,725,642
Shareholders' equity:			
Capital (250 billion dinars / divided into dinars per share in 2021)	C	250,000,000,000	250,000,000,000
Legal reserve	C	7,665,052,087	7,618,922,127
Other reserves	C	487,897,447	487,897,447
Fair value reserve/investments	C	(512,862,111)	(1,808,933,548)
Fair value reserve for buildings and lands	C	4,565,541,772	4,520,303,676
Retained Earnings	C	932,729,251	4,456,260,016
Total shareholder equity		263,138,358,446	265,274,449,718
Total liabilities and shareholders' equity		650,958,668,058	571,480,175,360
Against the obligations in custody of the bank (off-balance sheet accounts) in net	8	28,318,840,287	101,372,251,100

Asmaa M. Jasim
Executive Director of the Financial
Department

May M. Yass
Managing Director

Hussain S. Sharif
Chairman of Board of Directors

Adel Mohammed Alhasson (CPA)
Member of the Iraqi Association of
Certified Public Accountants



Adel Ismaail Alshaibi (CPA)
Member of the Iraqi Association of
Certified Public Accountants

Subject to our report numbered 307-617/2022 dated 15 May/ 2022

The accompanying notes from (1) to (25) and the clarifications from No. (1) to No. (4) constitute an integral part of these consolidated financial statements and should be read with them



The Investment Bank of Iraq is a joint-stock company

Income statement (B)

For the year ending 31 December 2021

1

	Note	2021 IQD	2020 IQD
<u>Revenue from current operations:</u>			
Income and interest of cash credit granted	15	4,274,885,826	2,077,425,267
Commitment credit revenue and commissions	16	3,350,523,248	2,316,583,726
Investment revenue	17	263,945,929	71,394,633
Income from other banking activities	18	5,643,973,787	10,529,183,975
Revenues from the sale and purchase of foreign currencies	19	360,637,622	1,446,312,342
Total revenue from current operations:		13,893,966,412	16,440,899,943
<u>Banking operations expenses:</u>			
interest expenses of banking operations	21	(5,051,963,397)	(5,225,968,062)
Total banking operations expenses:		(5,051,963,397)	(5,225,968,062)
<u>Administrative expenses:</u>			
Salaries and wages	22	(2,229,246,597)	(2,172,049,206)
Administrative expenses	23	(3,954,402,331)	(2,125,083,818)
Depreciation and amortization	24 & 6	(868,188,752)	(870,761,741)
Total administrative expenses and depreciation		(7,051,837,680)	(5,167,894,765)
Total expenses from ongoing operations		(12,103,801,077)	(10,393,862,827)
Net income from current operations (usual)		1,790,165,335	6,047,037,116
added revenues from non-current operations: other revenues	20	243,323,008	102,919,980
reduced expenses from non-current operations: other expenses	25	(911,647,526)	(623,531,219)
net income before tax		1,121,840,817	5,526,425,877
reduced income tax	13	(199,241,622)	(852,842,159)
Net profit of the year after tax		922,599,195	4,673,583,718
Earnings per share	14	0.004	0.018

Asmaa M. Jasim
Executive Director of the Financial Department

May M. Yass
Managing Director



Statement of comprehensive income (B)

For the year ending on 31 December, 2021

	Note	2021 IQD	2020 IQD
Comprehensive income for the year			
Net profit for the year	B2	922,599,195	4,673,583,718
Net unrealized gain of loss on available-for-sale financial assets at fair value		1,296,071,437	-
Net gain of loss on revaluation of fixed assets/land and buildings		45,238,096	-
Total comprehensive income for the year		2,263,908,728	4,673,583,718



Consolidated Statement Of Changes In Shareholder's Equity (C)

For the Year Ended 31 December 2021

	Note	General Reserve	Legal Reserve	(capital reserve) and free shares received	Reserve of change in the fair value of property, building and equipment	Reserve of change in the fair value of available-for-sale financial assets	retained earning	Capital	Total
Balances as of January 1, 2020		46,319,077	7,385,242,941	441,578,370	4,520,303,676	(1,783,321,056)	16,355,484	250,000,000,000	260,626,478,492
Earnings for the year 2020	B1		233,679,186				4,439,904,532		4,673,583,718
Unrealized losses on the fair value of available-for-sale financial assets						(25,612,492)			(25,612,492)
Balances as of December 31, 2020		46,319,077	7,618,922,127	441,578,370	4,520,303,676	(1,808,933,548)	4,456,260,016	250,000,000,000	265,274,449,718
Earnings for the year 2021	B1		46,129,960				876,469,235		922,599,195
Unrealized gain on revaluation of premises and equipment at fair value					45,238,096				45,238,096
Unrealized gains/losses on the fair value of available-for-sale financial assets						1,296,071,437			1,296,071,437
Transferring profits to provision account							(4,400,000,000)		(4,400,000,000)
Balances as of December 31, 2021		46,319,077	7,665,052,087	441,578,370	4,565,541,772	(512,862,111)	932,729,251	250,000,000,000	263,138,358,446

The accompanying notes from (1) to (25) and the clarifications from No. (1) to No. (4) constitute an integral part of these consolidated financial statements and should be read with them



Consolidated Statement of Cash Flows (D)

For the Year Ended 31 December 2021

	Note	2021 IQD	2020 IQD
<u>Cash flows from operating activities:</u>			
Net profit for the year before tax	B 1	1,121,840,817	5,526,425,877
increase the year depreciations	24 & 6	868,188,752	870,761,741
Decrease the income taxes paid during the year	13	(852,842,159)	-
Decrease the increase in income taxes paid during the year	C	-	-
Decrease gains realized through the sale of land and real estate through the fair value	C	(45,238,096)	-
Decrease gains and add losses on the sale of fixed assets	6	(56,818,531)	10,260,752
Operating profit before changes in operating assets and liabilities		1,035,130,783	6,407,448,370
Decrease the increase in cash credit granted	3	(84,091,471,614)	(2,892,285,576)
Decrease the increase in debtors	4	(26,839,542,257)	1,805,895,113
Adding the decrease and Reduse the increase in other debit accounts	5	(4,003,936,316)	128,194,740
Reduce the decrease and adding the increase customers' deposits	9	(23,007,074,826)	58,055,866,334
Reduce the decrease and adding the increase in customers' insurances and liabilities of banking activities	10	72,887,745,553	(27,891,137,603)
Reduce the decrease and adding the increase in creditors	11	1,105,292,344	1,393,816,239
Adding the increase in other credit accounts	12	63,689,436	141,310,714
Cash received and paid to and from Operational		(63,885,297,680)	30,741,659,961
Net cash flows received (paid) from operating activities		(62,850,166,897)	37,149,108,331
<u>Cash flows from investing activities:</u>			
The cash payment is reduced to investing in investments with the Ministry of Finance, and the sale is added to the investments		(5,000,000,000)	-
The change in net investment	2	887,587,545	-
The increase is in projects under implementation	7	(42,769,440)	(66,744,100)
Downloads purchases of property, buildings and equipment	6	(250,295,484)	(52,162,690)
Add excluded and sold property, premises and equipment	6	1,208,969,440	4,145,002
Reduce provision for sold and written-off properties	6	(804,730,080)	-
Net cash flows from investing activities		(4,001,238,019)	(114,761,788)
<u>Cash flows from financing activities:</u>			
Decrease the cash flow comes from cash dividends during the year	C	-	-
Increase the loan of Central Bank of Iraq		31,218,532,000	4,450,000,000
Increase the provision for expropriated buildings as a result of debt settlement		-	2,100,000,000
Increase the risk of personal advances		5,000,000,000	10,571,046,856
Transferring from profits to provision account		(4,400,000,000)	-
Net cash flows from financing activities		31,818,532,000	17,121,046,856
Decrease in cash and cash equivalents during the year		(35,032,872,916)	54,155,393,399
Cash on January 1, 2021 - 2020	1	357,700,691,777	303,545,298,378
Cash on December 31, 2021 - 2020	1	322,667,818,861	357,700,691,777

The accompanying notes from (1) to (25) and the clarifications from No. (1) to No. (4) constitute an integral part of these consolidated financial statements and should be read with them



Notes

1. A .Cash and balances with the Central Bank:

	2021	2020
	IQD	IQD
<u>cash in treasury of bank :</u>		
Cash in bank treasury - dinars	9,280,000,887	15,942,773,176
Cash in bank treasury - foreign currencies	7,413,832,187	64,373,024,292
Cash in ATM	651,640,000	329,495,000
Cash on the way	-	-
Total	17,345,473,074	80,645,292,468
The Central Bank - dinars	144,469,634,394	90,341,093,559
The Central Bank - foreign currencies	82,345,125,777	33,978,175,960
The Central Bank of Iraq - night investment	-	-
The Central Bank legal cover - dinars	19,843,578,000	13,845,160,000
Central Bank legal cover - foreign currencies	13,128,236,780	17,670,022,300
Central Bank legal cover - LG's	-	-
ATM suspended	(663,892)	(409,996)
Central Bank Visa Cards	-	(323,273)
Master Card ATM - dinar	(1,154,272)	(8,100,984)
MasterCard ATM - foreign currencies	(264,523)	-
Master Card points of sale - dinars	(2,001,643)	(11,215,850)
Master Card points of sale - foreign currencies	(2,967,465)	-
Total	259,779,523,156	155,814,401,716

* The balances of the Investment Bank of Iraq at the branches of the Central Bank of Iraq in both Erbil and Sulaymaniyah amounted to (44,940,914) thousand Iraqi dinars as on December 31, 2021, and the balance on December 31, 2020 was (44,948,350) thousand Iraqi dinars, and given the prevailing political and economic conditions in Iraq, the The process of exploiting these balances in banking operations is limited .

* The current accounts with the Central Bank include the cash reserve requirements amounting to (32,971,815) thousand dinars as on December 31, 2021, while on December 31, 2020 they amounted to (31,515,182) thousand dinars, as these amounts are held with the Central Bank of Iraq and the bank cannot dispose of them.

1. B. Balances with banks and other financial institutions, foreign banks, other banknotes:

	2021	2020
	IQD	IQD
Cash with government banks - dinars		
Cash with government banks - dinars	777,291,485	777,149,484
Cash with government banks - foreign currencies	117,268,587	56,818,674
Offshore banks - foreign currencies	44,847,527,260	119,968,416,669
Checks and transfers pending collection	34,226,114	360,487,885
Incoming clearing instruments	(29,634,315)	78,124,881
Clearing checks issued	734,315	-
Bounced checks	(204,590,815)	-
Total	45,542,822,631	121,240,997,593
Total cash	322,667,818,861	357,700,691,777



2. A. Financial investments at fair value through other comprehensive income:

	2021		2020	
	Number of shares	Cost IQD	Number of shares	Cost IQD
<u>Financial investments in government institutions at amortized cost:</u>				
Financial investments at amortized cost				
Investments in subsidiaries				
Alathmar Company	250,000,000	250,000,000	250,000,000	250,000,000
Subtotal (1)	250,000,000	250,000,000	250,000,000	250,000,000
<u>Long term investments:</u>				
Irqi Deposit Insurance Company	789,473,680	789,473,680	789,437,685	789,437,685
Irqi Company for Bank Guarantees	1,922,119,000	1,922,119,000	1,922,119,000	1,922,119,000
Banking Union Company	100,000,000	100,000,000	100,000,000	100,000,000
Subtotal (2)	2,811,592,680	2,811,592,680	2,811,556,685	2,811,556,685
<u>Investments in associates available for sale:</u>				
Irqi Commercial Bank	1,369,044,576	1,252,891,320	1,369,044,576	629,760,505
Gulf Commercial Bank	748,796,531	104,831,514	748,796,531	104,831,514
Dar Al Salam Bank	52,827,504	132,896,923	52,827,504	6,867,576
Subtotal (3)	2,170,668,611	1,490,619,757	2,170,668,611	741,459,595
<u>Commercial investments available for sale:</u>				
Fallujah Construction Materials Company	139,669,363	256,200,105	139,669,363	210,900,738
Baghdad Al-Salam Company for Food Industries	102,298,245	102,298,245	102,298,245	-
Al-Kindi Company for Veterinary Vaccines	63,639,575	92,953,217	63,639,575	89,095,405
Irqi Land Transport Company	1,562,239	1,562,239	1,562,239	2,405,848
Gulf Insurance Company	363,884,380	326,281,078	363,884,380	258,357,910
Modern Company for Animal and Agricultural Production	113,925,000	126,541,673	113,925,000	23,924,250
Karbala Hotels Company	4,960,839	4,960,840	4,960,839	3,720,628
Baghdad Hotel Company	441,220	441,220	441,220	3,353,272
Subtotal (4)	790,380,861	911,238,617	790,380,861	519,758,052
Total financial investments available for sale at fair value (2+3+4)	5,772,642,152	5,213,451,054	5,772,606,157	4,144,810,327
Total	6,022,642,152	5,463,451,054	6,022,606,157	4,394,810,327
The change in fair value of available-for-sale financial assets		(512,862,111)		(1,808,933,548)
Total net investment		4,950,588,943		2,585,876,779



Notes on the Consolidated Financial Statements

2. B. Statement of changes in the statement of comprehensive income Available-for-sale investments are measured at fair value

The following table shows the movement on investments available for sale at fair value through other comprehensive income, which is part of both the statement of comprehensive income and shareholders' equity

	31-Dec-21	31-Dec-20
Balance at the beginning of the year	4,394,810,328	4,420,422,820
Additions/Adjustments	1,068,640,726	-
Decreasing	-	-256,124,92
Change reserve for Fair value	-	-
balance at end of year	5,463,451,054	4,394,810,328

3. Direct credit facilities(net)

The details of this item are as follows:

	2021	2020
	IQD	IQD
<u>long term loans:</u>		
Long term loans / private sector	36,373,424,746	4,467,769,549
Total	36,373,424,746	4,467,769,549
<u>Short term loans:</u>		
Ordinary loans - dinars	49,145,838,464	37,056,942,635
Ordinary loans - foreign currencies	11,330,058,586	15,583,256,067
Short-term loans - companies - dinars	8,949,073,657	11,472,226,320
Short-term loans - companies - foreign currencies	7,839,972,926	1,488,972,926
Short-term loans - individuals - dinars	52,267,470,969	40,069,098,571
Short-term loans - individuals - foreign currencies	20,030,050,746	21,256,170,952
Total	149,562,465,348	126,926,667,471
<u>Debit current accounts (bank facilities):</u>		
Debit current accounts - companies - dinars	11,575,642,929	5,991,657,423
Debit current accounts - companies - foreign currencies	19,858,732,945	-
Debit current accounts - individuals - dinars	6,317,773,566	8,025,958,536
Total	37,752,149,440	14,017,615,959
<u>Debit current accounts (executed LC's):</u>		
Debit current accounts LC's - Foreign Currencies	9,202,781,602	8,750,918,902
Shipping documents - companies - foreign currencies	35,946,982,996	29,864,065,349
Total	45,149,764,598	8,614,984,251
<u>Discounted commercial papers:</u>		
Discounted bills - dinars	409,579,062	411,368,153
<u>Other cash credit:</u>		
Credit against gold jewelry mortgage	98,907,266	816,413,463
Total cash credit	269,346,290,460	185,254,818,846
Reduce: provision for personal advances risk	(51,427,635,338)	(46,427,635,338)
Net cash credit granted	217,918,655,122	138,827,183,508

* The loans granted appear as they are before deducting the interest received in advance, for the purpose of clarifying the loans that are produced from the non-productive ones, as shown in the details of other receivable accounts in Paragraph (5-b) later.

The accompanying notes from (1) to (25) and the clarifications from No. (1) to No. (4) constitute an integral part of these consolidated financial statements and should be read with them



Notes on the Consolidated Financial Statements

3. B. Provision for impairment of credit facilities:

Below is the movement on the provision for credit impairment:

	31-Dec-21	31-Dec-20
Balance at the beginning of the year	46,427,635,338	35,856,588,482
provision for the year	5,000,000,000	10,571,046,856
End of year balance	51,427,635,338	46,427,635,338

4. Debtors

The following statement represents debtors as follows:

	2021	2020
	IQD	IQD
Financial sector receivables	4,000,000	4,000,000
Receivables Corporate sector - dinars	974,267,268	30,181,143,584
Receivables corporate sector - foreign currencies	23,029,872,838	639,113,540
Receivables of individuals sector - dinars	1,556,551,230	1,544,785,720
Receivables of individuals sector - foreign currencies	104,527,240	-
ATM pending	50,000	-
Receivables - dinars	2,442,650,000	-
Receivables - dollars	1,039,520,000	-
Non-current activity debtors/returned instruments	1,333,514,170	1,125,268,420
Non-current activity receivables - foreign currencies	102,200,000	-
Various debtors - dinars	2,417,494	1,947,874
Various debtors - foreign currencies	902,280	-
Miscellaneous receivable accounts	974,568	974,568
Margins with others - foreign currencies	28,732,800,000	1,460,000,000
Overdue debts - dinars	4,024,781,337	2,563,851,606
Overdue debts - foreign currencies	93,365,555	93,365,555
Debtors of paid letters of guarantee - dinars	132,607,411	164,902,311
Debtors of paid letters of guarantee - foreign currencies	315,804,701	12,203,468
Other debit accounts - dinars	740,292,811	-
Total debtors	64,631,098,903	37,791,556,646
Less: provision for doubtful debts	(3,036,798,784)	(3,036,798,784)
Less: provision for commitments risks	(1,766,029,781)	(1,766,029,781)
Net debtors	59,828,270,338	32,988,728,081



5. A. Other receivables accounts(other assets)

	2021	2020
	IQD	IQD
Accrued and unreceived revenues - dinars	26,623,658,414	27,445,841,416
Accrued and unreceived revenues - foreign currencies	3,665,304,786	1,800,288,142
Accrued and unreceived revenue - bonds	50,000,000	-
Prepaid expenses - dinars	1,091,972,931	1,091,249,050
Prepaid expenses - foreign currencies	-	1,755,650,000
Cash differences	79,986,294	77,711,044
Cash differences - foreign currencies	311,411,445	-
Legal expenses - dinars	1,196,816,153	1,121,512,653
Legal expenses - foreign currencies	530,418,000	426,028,000
Advances for business purposes - dinars	39,413,500	247,674,968
Advances for business purposes - foreign currencies	146,000,000	146,000,000
Advances	201,014,821	126,118,429
Total	33,935,996,344	34,238,073,702

5. B. Unreceived accrued interest (suspended)

Following is the movement on outstanding interest:

	2021	2020
	IQD	IQD
Unreceived accrued interest		
Unreceived accrued interest on direct credit facilities in dinars	33,149,858,579	25,115,041,655
Unreceived suspended interest on direct credit facilities	(49,885,504,880)	(48,721,792,789)
Net debtors of unsuspend accrued interest	(16,735,646,301)	(23,606,751,134)
Unreceived accrued interest on direct credit facilities - foreign currencies	21,778,268,324	18,081,737,106
Unreceived suspended interest on direct credit facilities	(12,824,887,441)	(6,563,265,064)
Net debtors of unsuspend accrued interest - dinar	8,953,380,883	11,518,472,042
Net debtors of unsuspend accrued interest - all currencies	(7,782,265,418)	(12,088,279,092)
Final total (a + b)	26,153,730,926	22,149,794,610



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Notes on the Consolidated Financial Statements

6. Property, buildings and equipment:

	Lands	Buildings and constructions	Buildings as a result of debt settlement	Machinery and equipment	Means of transportation and transfer	Tools and templates	Office furniture and equipment	Total
Balances as of January 1, 2021	4,785,359,561	15,409,384,939	2,500,000,000	360,090,067	101,294,050	13,167,000	2,703,885,395	25,873,181,012
additions during the year				521,500	730,000		249,043,984	250,295,484
Exclusions and write-offs			(1,000,000,000)	(405,250)			(208,564,190)	(1,208,969,440)
Balances as at the end of the year	4,785,359,561	15,409,384,939	1,500,000,000	360,206,317	102,024,050	13,167,000	2,744,365,189	24,914,507,056
Provision for depreciation as on January 1, 2021		5,978,441,146	2,100,000,000	302,875,341	100,391,631	8,002,391	2,220,410,996	10,710,121,505
Depreciations / amortizations for the current year are added		641,598,468		24,046,987	431,066	2,213,399	199,898,833	868,188,753
Exclusions and write-offs from the allowance balance		(4,322,437)	(600,000,000)	(405,248)			(200,002,395)	(804,730,080)
The allowance balance as of December 31, 2021		6,615,717,177	1,500,000,000	326,517,080	100,822,697	10,215,790	2,220,307,434	10,773,580,177
Book value as of December 31, 2021	4,785,359,561	8,793,667,762	-	33,689,237	1,201,353	2,951,210	524,057,755	14,140,926,878
 Balances as of January 1, 2020	 6,077,663,441	 16,617,081,059		359,644,067	123,524,050	13,167,000	2,807,869,414	25,998,949,031
additions during the year				446,000			51,716,690	52,162,690
Transferred from projects under implementation during the year		-	2,500,000,000					2,500,000,000
Exclusions and write-offs	(1,292,303,880)	(1,207,696,120)			(22,230,000)		(155,700,709)	(2,677,930,709)
Balances as at the end of the year	4,785,359,561	15,409,384,939	2,500,000,000	360,090,067	101,294,050	13,167,000	2,703,885,395	25,873,181,012
Provision for depreciation as on January 1, 2020	-	5,336,446,189		277,732,821	122,312,230	5,788,992	2,160,604,488	7,902,884,720
Adding Depreciations / amortizations for the current year		641,994,957	2,100,000,000	25,142,520	309,400	2,213,399	201,101,465	2,970,761,741
Exclusions and write-offs from the allowance balance					(22,229,999)		(141,294,957)	(163,524,956)
The balance of the allowance as of December 31, 2020		5,978,441,146	2,100,000,000	302,875,341	100,391,631	8,002,391	2,220,410,996	10,710,121,505
The book value as of December 31, 2020	4,785,359,561	9,430,943,793	400000000	57,214,726	902,419	5,164,609	483,474,399	15,163,059,507

*The downloads from the expropriated buildings account represent the sale of real estate as a result of the appropriation at a value of (1,000,000,000) dinars and the reversal of the allowance calculated for it to the allowance for the risks of personal advances.

The accompanying notes from (1) to (25) and the clarifications from No. (1) to No. (4) constitute an integral part of these consolidated financial statements and should be read with them

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Notes on the Consolidated Financial Statements

7. Projects under implementation

The details of this item are as follows:

	Buildings and constructions	Office furniture equipment and	advance payments	Total
Balances as of January 1, 2021			255,907,550	255,907,550
additions			126,378,840	126,378,840
Transfers			(83,609,400)	(83,609,400)
Balances as of December 31, 2021			298,676,990	298,676,990
Balances as of January 1, 2020			189,163,452	189,163,452
additions			75,136,600	75,136,600
Transfers			(8,392,500)	(8,392,500)
Balances as of December 31, 2020			255,907,550	255,907,550

8. Obligations and Margins received against each of them

Following is the movement on outstanding interest:

	2021	2020
	IQD	IQD
<u>Customer obligations for internal letters of guarantee</u>	87,801,286,204	103,655,656,286
Reduce:the Insurances of issued letters of guarantee IQD, Statement No. (10)	(68,331,095,942)	(10,109,832,531)
	19,470,190,262	93,545,823,755
<u>Customer obligations for external letters of guarantee</u>	347,640,600	3,740,297,204
Reduce:the Insurances of issued letters of guarantee USD, Statement No. (10)	-	-3,650,000,000
	347,640,600	90,297,204
<u>Customer obligations against issued letter of credits</u>	4,631,884,922	2,127,745,532
Reduce:Issued Letter of Credits Insurance USD Statement No. (10)	(783,357,881)	(425,152,173)
	3,848,527,041	1,702,593,359
Reduce:Issued Letter of Credits Insurance USD Statement No. (10)	5,474,556,642	7,541,920,467
Reduce:Issued Letter of Credits Insurance USD Statement No. (10)	(822,074,258)	(1,508,383,685)
	4,652,482,384	6,033,536,782
Total	28,318,840,287	101,372,251,100

The accompanying notes from (1) to (25) and the clarifications from No. (1) to No. (4) constitute an integral part of these consolidated financial statements and should be read with them



The Investment Bank of Iraq is a joint-stock company

Notes on the Consolidated Financial Statements

9. A. loan of Central Bank of Iraq / government sector

	31-Dec-21	
	2021	2020
	IQD	IQD
loan of Central Bank of Iraq / government sector	36,668,532,000	5,450,000,000
	36,668,532,000	5,450,000,000

9. B. customer deposits

Deposits that do not bear interest amounted 118,931,571 thousand Iraqi dinars, which is (48%) of the total deposits and current and demand accounts, as on December 31, 2021, while on December 31, 2020, they amounted to 63,209,300 thousand Iraqi dinars which is 30%.

The details of this clarification are as follows:

	31 December 2021		
	individuals IQD	Companies IQD	Total IQD
Current and demand accounts	7,843,584,880	14,374,541,395	22,218,126,275
Current and demand accounts - foreign currencies	30,556,976,970	38,437,942,760	68,994,919,730
Savings deposits	70,009,411,340	-	70,009,411,340
Savings deposits - foreign currencies	60,674,085,262	-	60,674,085,262
term deposits	6,237,209,692	12,574,987,418	18,812,197,110
Term deposits - foreign currencies	5,302,532,711	-	5,302,532,711
	180,623,800,855	65,387,471,573	246,011,272,428
	31 December 2020		
	individuals IQD	Companies IQD	Total IQD
Current and demand accounts	8,752,629,598	21,305,119,634	30,057,749,232
Current and demand accounts - foreign currencies	19,939,590,064	68,934,231,949	88,873,822,013
Savings deposits	65,724,525,530	-	65,724,525,530
Savings deposits - foreign currencies	64,011,376,855	-	64,011,376,855
term deposits	5,349,181,051	7,401,953,989	12,751,135,040
Term deposits - foreign currencies	5,409,738,584	2,190,000,000	7,599,738,584
	169,187,041,682	99,831,305,572	269,018,347,254

The accompanying notes from (1) to (25) and the clarifications from No. (1) to No. (4) constitute an integral part of these consolidated financial statements and should be read with them

The Investment Bank of Iraq is a joint-stock company



Notes on the Consolidated Financial Statements

10. Cash guarantees (for banking activities of a current nature)

The details of this clarification are as follows:

	2021 IQD	2020 IQD
the Insurances of LC's And LG's :		
Postpaid insurances	822,074,258	1,508,383,685
Insurance for issued Letter of Credits - foreign currencies	783,357,881	425,152,173
Insurance for Letter of Guarantee - dinars	9,542,911,897	3,787,281,390
Insurance for Letter of Guarantee - foreign currencies	58,788,184,045	6,322,551,141
Insurance for external Letter of Guarantee - foreign currencies	-	3,650,000,000
Total insurances for letters of guarantees and Credits	69,936,528,081	15,693,368,389
Current accounts:		
Certified checks - dinars	245,143,840	1,480,418,980
Certified checks - foreign currencies	235,498,000	302,601,060
Bills drawn on the bank - dinars	413,983,638	505,852,484
Bills drawn on the bank - foreign currencies	58,294,880	113,950,080
Non-moving accounts	69,658,172	69,658,172
Accrued fiscal stamp fees	41,659,247	75,090,349
Amounts received for company registration	726,935,000	1,636,935,000
Deposits for company shares subscription	23,576,158	20,530,857
Detection committee fees	175,000	-
Deductions from employees for others	17,485,997	20,306,164
Creditors of dividend	1,670,540,493	1,699,592,361
Insurance of canceled letters of guarantee	359,695,567	1,137,386,306
Insurance of canceled letters of guarantee - foreign currencies	271,567,300	-
Balances and compensation for deceased clients	197,957,515	315,101,771
Balances and compensation for deceased clients - foreign currencies	83,969,973	-
Withheld amounts at the request of the official authorities	59,298,499	97,196,952
Withheld amounts at the request of the official authorities - foreign currencies	25,822,319	-
Unclaimed amounts	3,101,788,702	4,307,416,292
Unclaimed amounts - foreign currencies	739,883,455	-
Closed current accounts for deceased	5,821,905	42,468,515
Insurance received for currency auction	22,181,275,980	60,940,436
Total for accounts of a current nature	30,530,031,640	11,885,445,779
total	100,466,559,721	27,578,814,168

The accompanying notes from (1) to (25) and the clarifications from No. (1) to No. (4) constitute an integral part of these consolidated financial statements and should be read with them



The Investment Bank of Iraq is a joint-stock company

Notes on the Consolidated Financial Statements

11. Creditors

The details of this clarification are as follows:

	2021	2020
	IQD	IQD
Revenues received in advance - bills of exchange	574,735,664	(1,834,882)
Revenues received in advance - foreign currency bills	1,022,770,982	1,071,211,052
Revenue received in advance - loans	690,053,352	12,080,716
Revenue received in advance - gold cash loans	725,694,992	745,690,067
due interest - fixed deposits for companies - dinars	471,001,103	456,665,532
Due interest - fixed deposits companies - foreign currencies	109,619,238	227,517,421
Due interest - individual deposits - dinars	141,516,411	116,135,891
Due interest - individual deposits - foreign currencies	56,145,519	59,312,464
Due interest - savings accounts - dinars	15,114,909	11,333,722
Due interest - savings accounts - foreign currencies	828,287	2,393,743
Other due interest - foreign currencies	-	1,682,387
Total creditors	3,807,480,457	2,702,188,113

12. Other creditor accounts (other liabilities)

The details of this clarification are as follows:

	2021	2020
	IQD	IQD
Creditors / private sector / companies and associations	346,000	406,000
Received insurance	112,055,005	112,055,005
Received insurance - foreign currencies	164,264,775	-
Non-current activity creditors	169,180,134	169,180,134
Various creditors	-	1,067,800
Accrued expenses - administrative	202,319,030	240,566,607
Due salaries and wages	7,139,020	68,338,982
An increase in the cash fund - dinars	6,108,200	6,108,200
Various credit accounts under settlement	5,611,220	5,611,220
Customs transfer deposits	200,000	200,000
The grand total of other credit accounts	667,223,384	603,533,948

The accompanying notes from (1) to (25) and the clarifications from No. (1) to No. (4) constitute an integral part of these consolidated financial statements and should be read with them



The Investment Bank of Iraq is a joint-stock company

Notes on the Consolidated Financial Statements

13. Income Tax

The following is a summary of the reconciliation of accounting profit with profit for the purposes of calculating income tax:

	2021 IQD	2020 IQD
Net profit according to the income statement	1,121,840,817	5,526,425,877
Non-taxable expenses are added:		
Taxes paid on employee income	122,399,500	133,827,668
Compensations and fines	293,763,092	40,100,237
Written off debts	-	4,338,600
Donations to others	172,000,000	72,000,000
Total additions	588,162,592	250,266,505
Deduct: Revenues exempt from tax:		
Fixed asset rental	167,780,000	90,858,000
Revenue from internal contributions	213,945,929	-
Interest on foreign currency deposits abroad	-	219,993
total downloads	381,725,929	91,077,993
Taxable income (tax base)	1,328,277,480	5,685,614,389
income tax rate	15%	15%
income tax for the year	199,241,622	852,842,159

14. Earnings per share:

Basic earnings per share for the year has been calculated by dividing the profit for the year by the weighted average number of shares outstanding as follows:

	2021	2020	Number of days 2021	Number of days 2020
Distributable net profit after tax and legal deductions (surplus from the year)	932,729,251	4,439,904,532		
Capital as on January 1	250,000,000,000	250,000,000,000		
The capital as of December 31	250,000,000,000	250,000,000,000		
Total days for each year			366	365
capital ratio during the year	250,000,000,000	250,000,000,000		
earnings per share for each year Dinar	0.0040	0.0178		

The accompanying notes from (1) to (25) and the clarifications from No. (1) to No. (4) constitute an integral part of these consolidated financial statements and should be read with them



The Investment Bank of Iraq is a joint-stock company

Notes on the Consolidated Financial Statements

15. Revenues and benefits of the granted cash credit:

The details of this clarification are as follows:

	2021	2020
	IQD	IQD
Interest of long term loan	548,741,901	-
Interest on loans granted - dinars	1,901,633,438	495,392,355
Interest on loans granted - foreign currencies	660,292,096	1,178,316,564
Interest in debit current accounts	137,831,491	213,796,588
Interest in debit current accounts in foreign currencies	977,169,885	35,000,507
Interest on discounted bills and transfers	625,609	6,050,845
Interest of mortgage on gold jewelry	48,591,406	148,868,408
Total revenues and interests of cash credit granted	4,274,885,826	2,077,425,267

16. Credit's income and commissions

The details of this clarification are as follows:

	2021	2020
	IQD	IQD
Commission of issued credits and their transfers - dinars	364,092,331	-
Commission of issued credits and their transfers - foreign currencies	117,716,595	102,238,432
Interest of credits issued and their transfers - foreign currencies	-	812,765,020
Commission for internal letters of guarantee - dinars	668,575,266	1,560,636,374
Commission for internal letters of guarantee - foreign currencies	2,188,082,344	-
Commission for external letters of guarantee - foreign currencies	8,500,120	-162,600,200
Interest of letters of guarantee	3,556,592	3,544,100
Total of credit's revenues and commissions	3,350,523,248	2,316,583,726

17. Revenues investment

The details of this clarification are as follows:

	2021	2020
	IQD	IQD
Interest of treasury transfers	-	61,750,000
The Interest of the financial bonds	50,000,000	-
Revenue from internal contributions	213,945,929	-
Interest on foreign currency deposits abroad	-	219,993
Interest of night investing	-	9,424,640
Total Revenues investment	263,945,929	71,394,633

The accompanying notes from (1) to (25) and the clarifications from No. (1) to No. (4) constitute an integral part of these consolidated financial statements and should be read with them



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Notes on the Consolidated Financial Statements

18. Revenues from other banking activities:

The details of this clarification are as follows:

	2021	2020
	IQD	IQD
Commission for internal transfers - dinars	75,638,842	287,346,537
Commission for internal transfers - foreign currencies	161,585,938	-
Commission for external transfers - dinars	3,572,024,691	-
Commission for external transfers - foreign currencies	3,854	9,449,305,656
Commission of central Bank initiative	16,379,250	25,275,000
Commission of central Bank initiative - companies	300,000,001	-
Commission for issuing bills - dinars	19,539,629	69,348,461
Check book commissions	4,507,500	6,632,900
Check book commissions - foreign currencies	3,267,480	-
Bank commissions	196,666,669	247,918,795
Bank commissions - foreign currencies	307,655,288	-
Recovered communication expenses - dinars	56,508,510	73,596,500
Recovered communication expenses - Foreign Currencies	120,393,888	41,489,579
Sales of banking publications	142,426,704	328,270,547
Sales of banking publications - foreign currencies	667,375,543	-
Total revenues from other banking activities	5,643,973,787	10,529,183,975

19. Revenues from sale and purchase foreign currencies

Revenues from sale and purchase foreign currencies

	2021	2020
	IQD	IQD
Revenue from the sale and purchase of foreign exchange	132,500,000	874,626,321
Currency valuation differences	228,137,622	571,686,021
Total revenues from the sale and purchase of foreign currencies	360,637,622	1,446,312,342

The accompanying notes from (1) to (25) and the clarifications from No. (1) to No. (4) constitute an integral part of these consolidated financial statements and should be read with them



The Investment Bank of Iraq is a joint-stock company

Notes on the Consolidated Financial Statements

20. Other revenues

The details of this clarification are as follows:

	2021	2020
	IQD	IQD
Visa card revenue	5,746,576	3,343,369
Visa card revenues - foreign currencies	181,288	-
Credit card revenue	1,029,622	402,174
Credit card revenue - foreign currencies	283,211	-
Fixed asset rental	167,780,000	90,858,000
revenues of previous years	-	4,327,484
capital revenue	68,302,311	3,988,953
The grand total of other revenues	243,323,008	102,919,980

21. Expenses of banking operations interest

The details of this clarification are as follows:

	2021	2020
	IQD	IQD
Interest of savings accounts - Dinars	2,507,351,386	2,730,026,516
Interest savings accounts - foreign currencies	1,025,384,382	1,198,150,475
interest Fixed deposit - Dinars	658,175,357	706,957,558
interest fixed deposit - foreign currencies	157,251,096	250,194,156
Interest of internal borrowing	311,542,251	24,750,000
Bank commission expenses	346,859,166	315,889,357
Bank commission expenses/foreign currencies	45,399,759	-
The total of the interest expenses of banking operations	5,051,963,397	5,225,968,062

22. Salaries, wages and employee benefits:

The details of this clarification are as follows:

	2021	2020
	IQD	IQD
Payroll	1,487,912,114	1,447,974,303
Additional work fees	65,711,935	26,990,500
Encouragement rewards	54,998,968	41,429,343
Compensation allowances	35,079,562	36,182,170
Cost of living allowances	411,080,735	404,024,912
Accumulated leave allowance	8,602,417	55,001,116
Unit share in Social Security	157,876,866	158,696,112
Training and study fees	7,984,000	1,750,750
The total of Salaries, wages and employee benefits	2,229,246,597	2,172,049,206

The accompanying notes from (1) to (25) and the clarifications from No. (1) to No. (4) constitute an integral part of these consolidated financial statements and should be read with them



The Investment Bank of Iraq is a joint-stock company

Notes on the Consolidated Financial Statements

23. Operational and administrative expenses:

The details of this clarification are as follows:

	2021	2020
	IQD	IQD
fuel and oils	89,502,650	65,285,070
supplies and errands	52,095,710	44,702,680
stationery	21,831,500	15,528,290
water	7,274,440	5,061,790
electricity	74,663,608	138,177,954
Maintenance of buildings and facilities	38,556,500	33,210,050
Maintenance of machinery and equipment	45,099,820	16,240,590
Transportation and transportation maintenance	8,170,060	1,522,500
Maintenance of office furniture and equipment	487,738,349	244,416,654
Research and consulting services	208,151,000	171,383,500
Advertising	1,316,500	4,484,500
Publish and print	30,438,250	27,741,000
hospitality	30,327,989	16,655,700
Conferences and seminars	7,595,000	4,060,000
Transportation of goods and merchandise	557,284,044	512,780,538
Travel and dispatch	25,545,060	19,208,200
General contacts	309,640,557	308,889,583
Rental of buildings and facilities	170,803,333	168,426,667
Transport and transportation rental	-	2,200,120
Subscriptions	25,110,000	20,902,332
Insurance premiums	-	3,150,000
Compensation for non-workers for services	-	34,670,000
legal services	1,503,067,486	62,343,600
banking services	40,000	344,500
Audit fees - annual	77,500,000	75,200,000
Audit fees / central bank and others	24,050,000	-
Other service expenses	158,600,475	128,498,000
Total operating and administrative expenses	3,954,402,331	2,125,083,818

Goods and merchandise transportation account

For the purpose of increasing the keenness to transfer the bank's funds within Baghdad and between the provinces, and the difficulty of transferring cash funds between the branches and the headquarters of the bank's general administration, and with the Central Bank of Iraq in Baghdad and Basra. The bank has contracted with the Iraqi Company for Banking Services, which is a public company, and another private company (Iraq Paradise Company for Security Services and Private Guards).

The accompanying notes from (1) to (25) and the clarifications from No. (1) to No. (4) constitute an integral part of these consolidated financial statements and should be read with them



The Investment Bank of Iraq is a joint-stock company

Notes on the Consolidated Financial Statements

24. Depreciation and Amortization:

The details of this clarification are as follows:

	2021 IQD	2020 IQD
Deprecations of buildings and facilities	641,598,468	641,994,957
Deprecations of machinery and equipment	24,046,987	25,142,520
Deprecations the means of transport and transportation	431,066	309,400
Deprecations of tools and templates	2,213,399	2,213,399
Deprecations of office furniture and equipment	199,898,832	201,101,465
Total of depreciation and amortization	868,188,752	870,761,741

25. Other expenses

The details of this clarification are as follows:

	2021 IQD	2020 IQD
Donations to others	172,000,000	72,000,000
Compensations and fines	293,763,092	40,100,237
Written off debts	-	4,338,600
Miscellaneous taxes and fees	426,454,886	492,843,668
expenses of previous years	9,919,482	-
Expenses of previous years - foreign currencies	956,300	-
capital losses	8,553,766	14,248,714
The grand total of other expenses	911,647,526	623,531,219

Donations account for others

The bank was keen to participate in Community building and infrastructure, and contributed during the year 2021 an amount of (172) million dinars in Social activities initiative represented by the Central Bank of Iraq.

The accompanying notes from (1) to (25) and the clarifications from No. (1) to No. (4) constitute an integral part of these consolidated financial statements and should be read with them