

Auditor Report

Adel Ismael Hassan Al-Shaibi
Chartered accountant & Auditor
Member of the Iraqi certified accountant Associaion

Adel Ismael Hassan Al-Shaibi

Chartered accountant & Auditor

Member of the Iraqi certified accountant Association

No:238/28/2024

Date:7/April/2024

To Messrs : Shareholders of Al-Ansari Islamic Bank for Investment and Finance (P.S.C)

Auditor's report

Opinion...

We have audited the attached financial statements of Al Ansari Islamic Bank for Investment and Finance (a private joint stock company), which consist of the statement of financial position as of December 31, 2023, and the statements of income and other comprehensive income, cash flows, and changes in equity for the year ending on that date, and the clarifications. About the financial statements, including a summary of the most important accounting policies.

In our opinion, the attached financial statements present fairly, in all material respects, the financial position as of December 31, 2023, and its financial performance and cash flows for the year then ended in accordance with International Financial Reporting Standards.

Basis of Opinion

The audit process was conducted in accordance with international auditing standards. Our responsibility under these standards is more detailed in the auditors' responsibilities regarding auditing the financial statements contained in this report. We are independent from the bank in accordance with the Code of Ethics for Professional Accountants issued by the International Ethical 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

The key audit matters are those matters that, according to our professional judgment, were the most material during the audit of the financial statements for the year ending December 31, 2023. They were studied within the scope of the audit of the financial statements as a whole, in order to express our opinion on these statements, and we do not express a separate opinion on them. For each of these situations described below, details have been provided of how they were addressed in the audit process in that context.

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

We have the following clarifications and observations:

First: Applying international accounting standards

Al Ansari Islamic Bank has implemented international accounting standards for the eighth year in a row.

1. As for Islamic financing instruments, the relevant controls have been applied, guided by the standards of the Accounting and Auditing Organization for Islamic Financial Institutions contained in the book of the Central Bank of Iraq 9/3/289 dated 1/8/2018.
2. The bank did not apply the International Accounting Standard IAS 36 (Impairment of Assets) during the year subject to the audit.

3. International Financial Reporting Standard IFRS 9:

The bank applied International Financial Reporting Standard No. 9 IFRS, and the required allocations were calculated to meet the changes occurring in expected credit losses (for Islamic cash financing, investments, and pledged credit), guided by the directives of the Central Bank of Iraq contained in its letter 9/6/466 on 26/12/2018, and the results of the application were Compliant with the requirements of the aforementioned standard, and the result of the calculation was as shown in Note No. (4), Paragraph (A) of the notes attached to the financial statements.

Second: cash:

The cash balance amounted to (67,572,954,371) dinars as of December 31, 2023, while it was (68,370,695,500) dinars as of December 31, 2022, and we have the following on that:

- 1- The cash balance in the bank's treasury amounted to (30,248,728,384) dinars on December 31, 2023 according to the records, while it was (926,680,335) dinars on December 31, 2022, which is identical to the inventory results. Through auditing, it was found that the amount of (28,730,000,000) dinars out of (30,248,728,384)) A dinar found in the form of bonds that were withdrawn on 2/1/2024.
- 2- The cash balance at the Central Bank of Iraq on December 31, 2023 amounted to (35,372,282,199) dinars, while it was (67,348,458,044) dinars on December 31, 2022, which is identical to the statements of the Central Bank of Iraq.
- 3- The cash balance in local banks reached (1,946,277,450) dinars on December 31, 2023, while it was (65,666,980) dinars on December 31, 2022.
- 4- The balance of current accounts in banks and foreign institutions amounted to (5,781,978) dinars on December 31, 2023, while it was (31,424,374) dinars as of December 31, 2022. An allowance for expected credit losses was taken for this account based on international standards in the amount of (115,640).) dinars , thus clarifying the balance appearing in the financial statements as (5,666,338) dinars.
- 5- The ratio of cash in foreign banks to capital and reserves reached (0.0023%) as of December 31, 2023.
- 6- The bank relied on SWIFT to match its current balances with the foreign banks mentioned in paragraph (4).
- 7- The legal liquidity ratio as of December 31, 2023 reached (5417%), noting that the bank did not prepare a contingency plan to confront 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 percentage of liquidity that will enable it to fulfill... its obligations in case of emergency.

Third: Investments:

There was no change in the balance of investments as of 31/12/2023 compared to the balance of the previous year, which amounted to (174,977,500,209) dinars, and we have the following on that: -

1. During the year 2022, the bank purchased shares in the Iraqi Middle East Bank in the amount of (64,325,000,000) shares, at a total cost amounting to (173,677,500,209) dinars, at a rate of (25.73%) of the capital of the Iraqi Middle East Investment Bank. The approval of the Central Bank of Iraq for the purchase process was obtained in accordance with His letter No. 9/3/16110 and dated 18/8/2022, and the letter from the Central Bank of Iraq included not receiving any profits generated from loan income or any revenues generated from usurious commercial banking operations achieved by the investee's bank, but only the profits generated within the provisions of Sharia law. Islamic.
2. The market value of investments purchased at the Middle East Bank as of December 31, 2023 amounted to (7,719,000,000) dinars at a price of (0.120) dinars per share.
3. The amount of (550,000,000) dinars represents a long-term investment in the capital of the National Takaful Company, and the amount of (750,000,000) dinars represents a long-term investment in the capital of the Iraqi Deposit Insurance Company.
4. The bank calculated an allocation for investments in the amount of (7,964,131,766) dinars on December 31, 2023, and the Central Bank of Iraq, in its letter No. 9/3/25058 and dated 5/10/2022, gave the bank a period of (10) years to create an allocation for these investments and not The bank shall distribute any profits resulting from the contribution to these investments or from the bank's profits resulting from banking activities until the required allocation is completed.
5. The ratio of investments to capital and sound reserves reached (69%) on December 31, 2023, as the bank exceeded the 20% rate specified by the Central Bank of Iraq.

Fourth: Islamic financing:

1. The balance of Islamic financing as of December 31, 2023 amounted to (190,817,203,372) dinars, compared to (191,271,039,056) dinars as of December 31, 2022, a decrease of (453,835,684) dinars.
2. The balance of Islamic financing, amounting to (190,817,203,372) dinars, represents an amount of (85,000,000) dinars of Islamic financing granted by the bank and an amount of (190,732,203,372) dinars of Islamic financing granted through the initiative of the Central Bank of Iraq.
3. The total amount of Islamic financing/murabaha granted to the largest (20) borrowers amounted to (431,000,000) dinars, representing 0.225% of the volume of Islamic financing/murabaha granted at the date of the financial statements, noting that the guarantees obtained for most of the financing mentioned are the guarantee of a government employee, and that the highest financing/murabaha granted amounts to (50,000,000) dinars.
4. The balance of the provision for Islamic financing as of December 31, 2023 amounted to (89,141,105) dinars, while in the previous year it was (810,720,279) dinars.
5. Pursuant to the Finance Department's memorandum No. 27/8000 dated February 22, 2024, we were informed that the bank would not grant credit financing to persons related to the bank until December 31, 2023.

Fifth: Pledged credit:

- 1- The pledged credit balance as of December 31, 2023 amounted to (2,701,996,160) dinars, while in the previous year it was (50,000,000) dinars, and we have the following on that:
 - The balance of letters of guarantee as of December 31, 2023 amounted to (2,701,996,160) dinars, and the cash deposits obtained on it amounted to (405,299,424) dinars, at a rate of 15%.
- 2- The balance of the pledged credit provision on December 31, 2023 amounted to (45,933,935) dinars, calculated in accordance with the International Financial Reporting Standard IFRS 9.
- 3- We recommend the need for the bank to expand and work in the field of letters of guarantee to ensure that the bank's products are diverse and that its work is not concentrated in limited products, since it has a major role in increasing the results of the bank's activity.

Sixth: Other assets (debtors):

The balance of other assets on December 31, 2023 amounted to (823,799,009) dinars, compared to (3,817,811,640) dinars on December 31, 2022, a decrease of (2,994,012,631) dinars. The percentage of other assets for the year 2023 was (0.18%) of the total assets.

Seventh: Long-term loans:

The balance of long-term loans on December 31, 2023 amounted to (191,595,321,667) dinars, compared to (192,330,457,000) dinars at the end of the previous year, which represents the balance of the Central Bank of Iraq loan for the purpose of financing and supporting small, medium and large projects, with a decrease of (735,135,333) dinars.

Eighth: Depositors' accounts:

The balance of depositors' accounts decreased, reaching as of December 31, 2023 (153,326,078) dinars, while in the previous year it was (933,207,104) dinars, which requires the bank to continue to find ways and plans to attract deposits, which are considered the main source of the bank's operations.

Ninth: Currency Auction Window:

On 6/11/2022, a letter was issued by the Central Bank of Iraq, No. (9/2/446) and dated 6/11/2022, stopping the bank's dealings in the US dollar currency and stopping the bank's purchases from the foreign currency auction window.

Tenth: Results of the bank's activity:

During the year, the bank achieved a loss of (2,882,749,868) dinars compared to a profit of (93,139,022) dinars on December 31, 2022. Below is a comparison table of the results of the bank's activity:

The details	2023 dinars	2022 dinars	The change/dinars	rate the change
Fee and commission income (net)	30,837,199	4,258,773,022	(4,227,935,823)	%99
Income from foreign exchange differences	-	2,456,315	(2,456,315)	%100
Income and commissions from banking operations (net)	853,003,687	(1,432,374,299)	2,285,377,986	%160
Revenue from buying and selling currencies (currency auction window)	-	1,270,924,000	(1,270,924,000)	%100
Salaries, wages and benefits for employees	1,106,978,041	1,152,932,970	(45,954,929)	%4
General and administrative expenses	2,274,335,478	2,072,446,876	201,888,602	%9.7
Depreciation and amortization	187,699,229	149,386,580	38,312,649	%25
Total operating expenses	3,569,012,748	3,374,766,426	194,246,322	%5.7
Net income from operating activities	(2,685,171,862)	725,012,612	(3,410,184,474)	%470
Add: other revenues	45,333,744	5,445,668	39,888,076	%732
Transfer and other expenses are reduced	242,911,750	637,319,258	(394,407,508)	%62
profit (Loss) for the year before tax	(2,882,749,868)	93,139,022	(2,975,888,890)	%3195
Income tax	-	(54,223,315)	54,223,315	%100
Net income after tax	(2,882,749,868)	38,915,707	(2,921,665,575)	%7507

Eleventh: Sharia Compliance and Compliance Monitoring Department

A. The Compliance Monitor's reports for the year subject to the audit were reviewed and were prepared in accordance with the instructions of the Central Bank of Iraq. They included:

- The most important indicators of the bank's financial position.
- Indicators of calculated percentages, such as the capital adequacy ratio, liquidity ratio, cash credit to deposit ratio, in addition to other financial ratios.
- Aspects related to the work of the bank's board of directors.
- Legal requirements.

B. The aforementioned department follows up on the observations of the Central Bank of Iraq related to business control and the results of the bank's office audit and works to liquidate them.

C. The department continuously monitors on a daily basis to determine the extent to which all departments and branches of the bank comply with the laws and instructions issued by the regulatory authorities and the Central Bank of Iraq.

D. The bank updates customers' data via the KYC form in cooperation with the bank's Money Laundering Reporting Department in order to determine the extent of the bank's compliance with Money Laundering Law No. 39 of 2015, as well as applying due diligence, as the bank's policy was adopted for the Compliance Department's approval of the KYC current account opening form.

E. There were no material events or misstatements that occurred during the year.

Twelve: Money Laundering and Terrorist Financing Reporting Section:

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 Central Bank of Iraq. It was prepared in accordance with the law and instructions issued by the Central Bank of Iraq. When inquired from the Money Laundering Department regarding the nature of the section in accordance with our memorandum, the department responded to it in accordance with its memorandum No. 1102/30, dated 27/2/2024, as follows:

A. The bank has electronic systems specialized in money laundering and terrorist financing, which are:

- The Anti-Money Laundering and Terrorist Financing (AML) system is equipped by Capital Bank Solutions, which has been activated and implemented in the final actual version since 20/12/2018.
- The World Check system, provided by Refinitiv, contains a set of international urban lists, including the PEPs list.

- The bank's system (Orion), which was provided by Capital Bank Solutions and has been activated since the beginning of the bank's work, contains a set of international lists (ofac, ce, hm, un), local lists, and funds freezing lists.
- The finscan system for searching for urban and penalty lists.
- The core banking system from Capital Bank Solutions has been linked directly with the anti-money laundering (AML) system, as customer information is imported from within the banking system.

B. The bank relied on the scenarios prepared in accordance with the mechanism established by the Anti-Money Laundering and Combating the Financing of Terrorism Office in accordance with Letter No. 2/1/T H/ Generalization/No. 2 dated 17/6/2019, and they were fully activated, and work is underway to complete the implementation of the scenarios sent by the Central Bank. Iraqi by the company that provided the system in coordination with the Information Systems Department.

C. The black lists are updated automatically every (12) hours, in addition to the local lists and the lists of the Terrorist Freezing Committee, which are manually included by the Money Laundering and Terrorist Financing Department according to the official letters received by the bank.

D. The Anti-Money Laundering (AML) system classifies customers according to risks, as customer information is imported from the banking system.

E. The department also stated that there was no suspicious activity in the bank.

2- A guide was prepared for the policies and procedures of the Money Laundering and Terrorist Financing Section, which included:

- Stages of the money laundering process.
- The importance of combating money laundering and terrorist financing.
- The responsibility of the Director of the Money Laundering and Terrorist Financing Reporting Department.
- The responsibility that falls on the money laundering and terrorist financing reporting department in the bank.
- Penalties incurred by the bank.
- Know your customer (KYC) principle.
- Due diligence work procedures.

Thirteen: Corporate Governance:

Based on the corporate governance guide issued by the Central Bank for the year 2018, the bank implements corporate governance to the fullest extent, through the committees formed by the bank, which number (22), divided between the committees emanating from the Board of Directors and the committees emanating from the executive management.

A - The bank prepared a governance guide in accordance with the instructions of the Central Bank of Iraq, and the principles of governance were adhered to and the tasks of the Board of Directors were separated from the tasks of executive management.

B - The bank contracted with KPMG to help the bank prepare policies, plans and strategies that are fully consistent with the scorecard for environmental, social and governance standards.

C - The executive management and the Board of Directors are committed to implementing corporate governance instructions through disclosure of annual reports and governance reports.

D - The bank is committed to the qualitative requirements contained within Article 23 of the Governance Manual issued by the Central Bank of Iraq, as the annual reports include disclosure of the results of operations and the financial position of the bank.

Fourteen: Legal cases

There are no legal lawsuits filed by the bank against others, nor lawsuits filed by third parties against the bank during the year subject to audit, based on the letter of the bank's legal department No. 5000/3 dated 9/1/2024.

Fifteen: Subsequent events:

Changing the exchange rate of the US dollar against the Iraqi dinar from (1460) to (1310) dinars per dollar on February 8, 2023, according to the Central Bank of Iraq letter No. 9/2/95, dated February 8, 2023, led to the bank losing an amount An amount of (115,232,332) dinars as a result of this change was charged to the expenses account.

Sixteen: Capital adequacy:

The capital adequacy ratio reached (200.4%) as of December 31, 2023, which is higher than the ratio specified under the Banking Law of 12.5%.

Seventeen: Internal Sharia Control and Audit Department:

A- The internal control system included the necessary procedures that are commensurate with the size and nature of the bank's activity.

B- The reports of the Internal Control Department were reviewed, as they were comprehensive, detailed, and specific to the observations received during the course of the audit.

C- The activity of the Internal Control Department included auditing the work of the following departments:

- Risk department.
- Financial operations.
- Credit department.
- Banking Awareness Department.
- Payment department.
- Department of Information Technology.
- Bank branch operations.

D- We reviewed the annual plan of the Internal Audit Department and the reports prepared by the department submitted to us during the year subject to the audit and based on that the following:

- We believe that the plan and implementation results were appropriate and covered all of the bank's operations by 100%.
- There are no risks of material misstatement due to fraud or error.
- The number of employees in the Internal Audit Department reached only two in 2023.
- The number of training courses reached 4 during the year 2023 for the staff of the Internal Audit Department.

Eighteen: Risk Management Department:

A. The Risk Department confirmed to us in its letter No. 1103/11 dated 27/2/2024 that there is no information likely to help identify the risks of material misstatement that causes fraud and error.

B. There are currently weak operational and regulatory risks, but they do not affect the bank's workflow or financial reporting.

C. There are no unexpected transactions or events that occurred within the bank during the year 2023.

Nineteen: Continuity Hypothesis:

From Paragraph Ten (as a result of the bank's activity): There is a deficit in revenues, the bank's activity has stopped dealing in the US dollar currency, and there is no diversification in banking activity, in addition to the necessity of taking allocations for investments amounting to (166) billion dinars, and the bank's lack of activity in the field of customer deposits. This may lead to The bank is unable to continue in the foreseeable future, and therefore we recommend taking the necessary measures to solve these problems.

According to what is recorded in the bank's records and the explanations given to us:

1- That the computerized system used by the bank was consistent with the requirements of the bookkeeping system and included, at our discretion, the recording of all the bank's assets, liabilities, expenses and revenues, and that the internal control system included procedures that ensure the validity and accuracy of this data to a degree commensurate with the size of the bank's activity.

2- The process of inventorying fixed and cash assets was carried out by the bank's management and under our supervision, as stated in the second clarification (Cash), and it was identical to the auxiliary records and the evaluation was carried out in accordance with the approved foundations, and principles, as the historical cost was adopted.

3- The financial statements have been organized in accordance with international accounting standards and in accordance with the special controls contained in the book of the Central Bank of Iraq 9/3/289 dated 1/8/2018 (Standards of the Accounting and Auditing Organization for Islamic Institutions) with regard to Islamic financing and in accordance with applicable legislation, and they are consistent with what The records show that it is organized in accordance with the Companies Law No. 21 of 1997 as amended, the Banking Law No. 94 of 2014, the Islamic Banking Law No. 43 of 2015, and the applicable regulations and instructions.

4- The annual report of the bank's management is prepared in accordance with the provisions of Companies Law No. (21) of 1997 as amended and does not include anything that contravenes the provisions of applicable laws and legislation.

Other information contained in the bank's annual report for the year 2023:

The other information contained in the bank's annual report for the year 2023, other than the financial statements, is the responsibility of the Board of Directors, and we obtained the data contained in the annual report before the date of this report.

Our opinion on the financial statements does not cover the other information, and we do not express any form of assurance conclusion thereon.

In connection with our audit of the 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 financial statements or our knowledge obtained in the audit, or appears to be inconsistent with the financial statements or our knowledge obtained in the audit. Incorrect material information. If, based on the work we have performed on other information we obtained prior to the date of the audit report, we conclude that it contains material misstatement, we are required to disclose that fact. We did not notice anything that should be disclosed in this regard.

Board of Directors' responsibilities regarding the financial statements

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

When preparing the financial statements, the Board of Directors is responsible for evaluating the bank's ability to operate as a going concern, and disclosing, where possible, matters related to the going concern principle, including the use of the accounting continuity principle when preparing the financial statements, unless the Board of Directors intends to liquidate the bank. Or stop its operations or there is no other protective alternative but to do so.

Auditors' responsibilities regarding auditing the financial statements:

Our objectives are to obtain reasonable assurance about whether the 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 occur as a result of fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions taken by users of these financial statements.

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

- Identify and assess the risks of material misstatement of the 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 greater than that resulting from error, as fraud may involve collusion, forgery, authorized omission, misrepresentation, or the override of internal control.
- We obtained an understanding of the internal control system relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Bank's internal control system.
- Evaluate the appropriateness of accounting policies followed and the reasonableness of accounting estimates and related disclosures made by the Board of Directors.
- Ensure the appropriateness of the Board of Directors' use of the continuity principle in accounting, and based on the audit evidence obtained, whether there is a fundamental uncertainty related to events or circumstances that may cast fundamental doubts about the bank's ability to continue as a going concern. If we reach a conclusion that there is a material matter, we must refer in the audit report to the relevant disclosures in the

financial statements or modify our opinion if these disclosures are insufficient. Our conclusions are based on the audit evidence we obtained up to the date of the audit report. However, future events or circumstances may lead to the Bank not continuing to operate as a going concern.

- Evaluating the overall presentation, structure and content of the financial statements, including the disclosures therein and whether the financial statements represent transactions and events that achieve fair presentation.
- Obtain sufficient and appropriate audit evidence regarding the financial information about the company to express an opinion on the financial statements. We are responsible for the direction, supervision and completion of the audit of the bank and we alone are responsible for our audit opinion.

We communicate with the Audit Committee regarding, 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 evidence of our commitment to ethical requirements related to independence, and we inform it of all relationships and other matters that affect our independence and what would preserve this independence. From those matters communicated with the Audit Committee, we determine the most important matters in the audit of the financial statements for the current year, which represent the main audit matters. We provide clarification regarding these matters in the audit report unless laws or regulations prohibit disclosure of that matter, or in very rare cases in which it is not disclosed in our report as the expected negative effects of disclosure may outweigh the public benefit resulting from it.


Adel Ismael Hassan Al-Shaibi
Chartered accountant & Auditor
Member of the Iraqi certified accountant Association

ADEL I. AL-SHAYBI & HIS PARTNERS
عادل اسماعيل حسن الشايبي
شريك مسجل
تدقيق ومراجعة الحسابات
PUBLIC ACCOUNTANT & AUDITOR

Al-Ansari Islamic Bank for Investment and Finance (P.S.C)

**Statement of financial position
As on 31 December 2023**

	2023 IQ dinar	2022 IQ dinar
Assets		
Cash and balances with the Central Bank of Iraq	65,621,010,583	68,275,138,379
Balances with banks and other financial institutions	1,951,943,788	95,557,121
Islamic financing / Murabaha net	190,728,062,267	190,460,318,777
Financial investments at fair value/not listed on the market	165,713,368,443	165,713,368,443
Long-term financial investments	1,300,000,000	1,300,000,000
Total investments	167,013,368,443	167,013,368,443
Property and equipment (net)	9,131,704,613	9,078,452,842
Projects under implementation	137,907,320	95,924,020
Other assets	823,799,009	3,817,811,640
Total assets	435,407,796,023	438,836,571,222
Liabilities and Shareholders' Equity		
Depositors accounts	153,326,078	933,207,104
cash insurance	405,299,424	7,500,000
Income tax provision	-	54,223,315
Various customization	852,968,241	4,350,403
Central bank of Iraq loan	191,595,321,667	192,330,457,000
Other Liabilities	459,579,316	656,870,550
Total Liabilities	193,466,494,726	193,986,608,372
Shareholders' Equity		
paid Capital	250,000,000,000	250,000,000,000
mandatory reserve	51,536,137	51,536,137
other reserves	640,976,461	640,976,461
Retained earnings	11,058,236	978,452,087
Accumulated deficit	(8,762,269,537)	(6,821,001,835)
Total Shareholders' Equity	241,941,301,297	244,849,962,850
Total Liabilities and Shareholders' Equity	435,407,796,023	438,836,571,222
Off-balance sheet accounts	2,296,696,736	42,500,000

Suhad Hassan sulaiman
Chief financial officer

Mustafa Tariq Jijan
M/27350
Accountant

Kulood sadam gueiaad
Deputy Managing Director

Ahmed jar allah abd alkarim
Chairman of Board of Directors

In compliance with our report no 238/28/2024 dated at 7/April/2024

Adel Ismael Hassan Al-Shaibi
Chartered accountant & Auditor
Member of the Iraqi certified accountant Association



Al-Ansari Islamic Bank for Investment and Finance (P.S.C)

Income Statement

As on 31 December 2022

	2023 IQ dinar	2022 IQ dinar
<u>operating income</u>		
Revenue and commission income (net)	30,837,199	4,258,773,022
Revenue from foreign exchange differences	-	2,456,315
Revenues and commissions of banking operations(net)	853,003,687	(1,432,374,299)
Revenue from buying and selling currencies (currency window)	-	1,270,924,000
Total revenue from ongoing operations	883,840,886	4,099,779,038
<u>operating Expenses</u>		
Employees salaries	1,106,978,041	1,152,932,970
General and administrative expenses	2,274,335,478	2,072,446,876
depreciations	187,699,229	149,386,580
Total operating Expenses	3,569,012,748	3,374,766,426
Net income from operating activities	(2,685,171,862)	725,012,612
Other Revenue	45,333,744	5,445,668
deducted :Transfer expenses and other expenses	242,911,750	637,319,258
(loss) Profit for the year before tax	(2,882,749,868)	93,139,022
Income tax	-	(54,223,315)
net income after tax	(2,882,749,868)	38,915,707
other comprehensive income items for the year	-	-
Total other comprehensive income for the year	(2,882,749,868)	38,915,707



Suhad Hassan sulaiman

Chief financial officer



Mustafa Tariq Jijan

M/27350

Accountant



Kulood sadam gueiaad

Deputy Managing Director



Al-Ansari Islamic Bank for Investment and Finance (P.S.C)

Other comprehensive income statement

As on 31 December 2023

	2023 IQ dinar	2022 IQ dinar
net profit (loss) for the year	(2,882,749,868)	38,915,707
Other comprehensive income that may be approved in the income statement in subsequent periods	-	-
Net loss of financial assets at fair value through other comprehensive income	-	-
Total other comprehensive income items	-	-
Total other comprehensive income items	-	-
The total profit (loss) of other comprehensive income for the year	<u>(2,882,749,868)</u>	<u>38,915,707</u>

Al-Ansari Islamic Bank for Investment and Finance (P.S.C)

Statement of shareholders equity for the year ended

As on 31 December 2023

2023

	paid Capital IQ dinar	Legal reserve IQ dinar	other reserves IQ dinar	retained earnings IQ dinar	accumulated deficit IQ dinar	Total Shareholders' Equity IQ dinar
Balance as on January 1, 2023	250,000,000,000	51,536,137	640,976,461	978,452,087	(6,821,001,835)	244,849,962,850
Total comprehensive income for the year	-	-	-	-	(2,882,749,868)	(2,882,749,868)
deduction during the year	-	-	-	(941,482,166)	941,482,166	-
adjustment during the year	-	-	-	(25,911,685)	-	(25,911,000)
Balance as on 31 December , 2023	250,000,000,000	51,536,137	640,976,461	11,058,236	(8,762,269,537)	241,941,301,297

• Part of the accumulated deficit in the amount of (941,482,165) dinars was deducted from retained earnings according to the letter of the Central Bank of Iraq, No. 9/3/30561, dated 29/11/2022.

• The amount of (25,911,685) dinars represents the tax deduction from Al Ansari Islamic Bank for Investment and Finance for the year 2022.

2022

	paid Capital IQ dinar	Legal reserve IQ dinar	other reserves IQ dinar	retained earnings IQ dinar	accumulated deficit IQ dinar	Total Shareholders' Equity IQ dinar
Balance as on January 1, 2022	250,000,000,000	49,590,352	40,976,461	1,600,302,080	(6,821,001,835)	244,869,867,058
Total comprehensive income for the year	-	1,945,785	-	36,969,922	-	38,915,707
deduction during the year	-	-	-	-	-	-
adjustment during the year	-	-	600,000,000	(658,819,915)	-	(58,819,915)
Balance as on 31 December , 2022	250,000,000,000	51,536,137	640,976,461	978,452,087	(6,821,001,835)	244,849,962,850

Al-Ansari Islamic Bank for Investment and Finance (P.S.C)

Statement of Cash Flows

As on 31 December 2023

	2023 IQ dinar	2022 IQ dinar
operational activities		
(loss) Profit for the year before tax	(2,882,749,868)	93,139,022
Items adjustments for non-monetary		
Depreciation and amortization	187,699,229	149,386,580
Provision for impairment of Islamic financing	-	(791,435,797)
Various provisions	721,579,174	-
Provision for undertaking obligations	-	-
Risk of expected credit losses	-	18,964,492
Associate Service Compensation Allowance	125,620,071	-
Cash flow used in operating activities before changes in assets and liabilities	(1,847,851,394)	(529,945,703)
Change in assets and liabilities		
Islamic financing, net	(267,743,490)	(189,567,828,241)
other assets	2,994,012,631	(3,801,938,308)
Customer deposit	(779,881,026)	(7,345,103,247)
cash insurance	397,799,424	-
Other liabilities	(197,291,234)	150,751,561
Net cash flow from operating activities before tax	299,044,911	(201,094,063,938)
tax paid	(80,135,000)	(173,083,000)
Net cash flow from operating activities	218,909,911	(201,267,146,938)
investment activities		
property and equipment	(240,951,000)	(8,816,078,271)
Projects under construction	(41,983,300)	(59,665,438)
net investment	-	-
Net cash flow from investment activities	(282,934,300)	(8,875,743,709)
Cash flow from financing activities		
Central Bank of Iraq loan	(735,135,333)	191,276,632,000
net cash flow from financing activities	(735,135,333)	191,276,632,000
The net increase (decrease) in cash and its equivalent	(799,159,722)	(18,866,258,647)
Cash and its equivalent at the beginning of the year	68,372,229,733	87,238,488,380
Cash and its equivalent at the end of the year	67,573,070,011	68,372,229,733