

**AL-RAJIH ISLAMIC BANK ( RIB) ( JSC)**

**PAID –UP CAPITAL IQD (250,000,000,000)**

**BOARD OF DIRECTORS (BOD) ANNUAL REPORT ,  
DISCLOSURES , FINANCIAL STATEMENTS &  
INDEPENDENT AUDITORS' REPORT**

**FOR THE FISCAL YEAR ENDING BY 31/12/2021**

**HEADQUARTERS ;**

**IRAQ / BAGHDAD**

**EMAIL : rib@rib.iq**

**CPA & Auditor / Member of Iraqi Society  
For Certified Public Accountants CPAs**

**CPA & Auditor / Member of Iraqi Society  
For Certified Public Accountants CPAs**

Zuheir Mahmud Hussein Al-Bahrani

Dr. Haseeb Kadhim Juweid Al-Mayah

**IN THE NAME OF MOST BENEFICENT AND MERCIFUL GOD**

**TO : SHAREHOLDERS OF AL-RAJIH ISLAMIC BANK FOR INVESTMENT &  
FINANCE ( JSC) / BAGHDAD ESQ.**

**Ref: 9/P/129**

**Date : 9/5/2022**

**Re: Independent Auditors' Report**

**Dear Sirs;**

We are anxious to inform your Excellencies that we have already accomplished examining the financial statements attached hereto of Al-Rajih Islamic Bank For Investment & Finance ( JSC) that consist of the financial position at 31/12/2021, income & comprehensive income statement , changes in equities and cash flows statement for the fiscal year ending thereat, appended sequential notes (1-25) , bank management annual report prepared pursuant to provisions of Companies Act No. (21) For the year 1997 as amended and regulations and instructions promulgated thereby , Banks Act No. (94) in 2004, Islamic Banking Act No. (43) in 2015 and a summary of the most significant accounting policies and other explanatory notes in conformity with acceptable local and international audit standards as applicable.

We garnered information and explanations necessary to perform our task as done pursuant to applicable regulations and standard audit procedures which include tests needed for banks activities falling within the scope of our audit.

### **Bank Management Responsibility ;**

Bank management is responsible for preparing these financial statements and present them in a fair manner pursuant to Local & International Financial reporting Standards ( IFRS) in addition to its responsibility to prepare and enforce the internal control system particularly in relation to the preparation and disclosure of these financial statements in a fair manner and free of any material misstatements arising from any errors and fraudulence. Further , bank

responsibility includes the adoption and implementation of proper accounting policies and the use of compatible accounting estimates.

### **Independent Auditors' Responsibility ;**

Our responsibility is limited to present our impartial technical point of view about the financial statements submitted to us as such point of view is based on our audit. We performed the audit in conformity with Local & International Financial Reporting Standards ( IFRS) which require us to adhere to code of ethics , plan and perform audit tasks on a test basis to obtain a reasonable assurance that such financial statements are free of any material errors. Further our audit job includes the adoption of certain procedures to garner adequate evidences supporting the amounts and explanations set out in these financial statements for the fiscal year ending by ( 31/12/2021) as well as assessing the viability of such accounting policies enforced , the reasonability of the accounting assessments done by bank management and the assessment of the comprehensive presentation of such financial statements as well.

We believe that audit evidences we obtained are quite adequate , compatible and provides a reasonable background for our point of view.

### **Here below we enlist the most significant explanations and notes;**

#### **First : International Financial Reporting Standards ( IFRS) & Islamic Financial Institutions Accountancy & Revision Commission Standards**

- 1- Our bank applied International Financial Reporting Standards ( IFRS) in preparing its financial statements for current fiscal year.
- 2- Regarding the Islamic Finance Instruments ; bank applied their relevant limitations set out in guidance of Islamic Financial Institutions Accountancy & Revision Commission Standards as reported to us by Central Bank of Iraq CBI in its Writ No. (9/3/289) dd. 1/8/2018).
- 3- Bank adopted the recognition principle at historical cost for properties and equipments but these assets were not re-assessed on the basis of their equivalent value except intangible assets e.g. ( AML) system where the amortization period was extended from (5) years to (10) years as of this fiscal year on the row.
- 4- Bank adopted the International Accountancy System IAS (36) titled ( Decline of Assets Value) in purchase of a lot during this fiscal year 2021 at an amount of IQD (6,021,120,000) as no decline in value of this lot was indicated at the date of preparing these financial statements.
- 5- The international Financial Reporting Standard ( IFRS) /9 ( Note 3/6)

Bank measured the required appropriations by applying the Financial Reporting Standard ( IFRS) /9 as set forth in Central Bank of Iraq CBI Writ No. (9/6/466) dd. (23/12/2018) as measurement results of which are here below;

**Note:** All amounts are in ( Thousands) IQD.

<b>Appropriation to be measured for Islamic Finances</b>	<b>Appropriation to be measured for Investment, Partnerships &amp; Speculations</b>	<b>Appropriation to be measured for Promissory Notes</b>	<b>Appropriation to be measured for Local Banks Balances</b>	<b>Appropriation to be measured for Receivable Accounts</b>	<b>Total</b>
720	57,799,500	190,102	562,012	0000	58,552,334

The quantitative impact of applying the Financial Reporting Standard ( IFRS) /9 measured at (31/12/2021) is as hereunder;

**Note:** All amounts are in ( Thousands) IQD.

<b>Account Title</b>	<b>Islamic Finances</b>	<b>Investments , Partnerships &amp; Speculations</b>	<b>Promissory Notes</b>	<b>Local Banks Balances</b>	<b>Accounts Receivable</b>	<b>Total</b>
Appropriation to be measured at (31/12/2021)	720	57,799,500	190,102	562,012	0000	58,552,334
Less: Appropriations Balance at (1/1/2021)	770	23,499,230	325,428	224,805	39,490	24,089,723
The Quantitative Impact of Applying IFRS (9) at (31/12/2021)	(50)	34,300,270	(135,326)	337,207	(39,490)	34,462,611
Reconciliation of entries performed in 2021	50	(135,376)	135,326	000	39,490	39,490
Amounts Calculated within the financial accounts of 2021	000	000	000	112,402	000	112,402

Account Title	Islamic Finances	Investments , Partnerships & Speculations	Promissory Notes	Local Banks Balances	Accounts Receivable	Total
Credit losses appropriations measured at (31/12/2021)	720	23,634,606	190,102	337,207	000	24,162,635

From the table above the hereunder figures are concluded ;

Appropriation to be measured at (31/12/2021) : IQD 58,552,334 ( in Thousand Dinars)

Less : Appropriations Balance at (1/1/2021) : IQD (24,089,7230 ( in Thousand Dinars)

The Quantitative Impact of Applying IFRS (9) at (31/12/2021) : IQD 34,462,611 ( in Thousand Dinars)

Further we would like to illustrate the following facts ;

**a-** due to the hike of the quantitative impact value of cash Islamic investments including ( speculations & Partnerships) at 31/12/2021 in an amount of IQD ( 34) Billions ; bank Board of Directors BOD resolved not to measure the current year appropriation notwithstanding that bank had previously determined to hedge more than (50%) of last year impact value in an amount of nearly IQD ( 23,5) Billions.

**b-**The appropriated amount required for Islamic finance / Profiteering / promissory notes / accounts receivable is entirely hedged as part of the financial statements for the fiscal year ending by 31/12/2021.

### **Twelfth: Other Receivables**

Other receivables at the date of preparation of these financial statements amounted to IQD (979,554) Thousands compared to last year receivables of IQD (727,374) Thousands at an increase rate of (34,6%).

### **Thirteenth : Income Statement**

- 1-** Bank activity for this fiscal year 2021 generated a pre-taxation profit of IQD (1,695,696) Thousands compared to last year losses of IQD (10,282,099) Thousands.
- 2-** Earnings generated from profiting/ speculations / Islamic partnerships during this fiscal year are amounted to IQD (2,253,473) Thousands compared to last year earnings of IQD (4,882,452) Thousands with a decline rate of ( 53,8%).

- 3- Banking operations and commissions and earnings for this fiscal year 2021 were IQD (450,508) Thousands compared to last fiscal year earnings of IQD ( 343,619) Thousands with an increase rate of (31%).
- 4- Aggregate wages and compensations of bank's employees were IQD (826,021) Thousands compared to last year of IQD (847,876) Thousands with a decline rate of (2,5%) .
- 5- General and administrative expenses for this fiscal year 2021 accounted to IQD (1,017,338) Thousands compared to last year of IQD (849,282) Thousands with an increase rate of (19,7%).

#### **Fourteenth: Currency Auction Outlet Earnings**

- 1- Bank's procurements balance from foreign currency auction outlet for the period from (2/1/2021) through (31/12/2021) amounted to USD ( 558,196,780) as detailed here below ;

<b>Descriptions</b>	<b>Amount / USD</b>
Procurements intended for Money Transfers in 2021	552,946,780
Procurements for Exchange Companies purposes	4,050,000
Procurements for Bank Cash Auction Purposes in 2021	1,200,000
<b>Total</b>	<b>558,196,780</b>

- 2- Earnings generated from foreign currencies auction outlet until (31/12/2021) is IQD ( 2,596,701,302) as detailed below ;

<b>Descriptions</b>	<b>Amount / IQD</b>
Earnings generated from money transfers from 2020 through 2021	35,012,820
Procurements Revenues intended for Money Transfers in 2021	2,533,083,482
Earnings generated from exchange companies in 2021	16,605,000
Earnings generated from USD Currency auction in 2021	12,000,000
<b>Total</b>	<b>2,596,701,302</b>

- 3- End users' certificate submission method is adopted for issued transfers.

#### **Fifteenth : Legal Claims**

- 1- A precautionary seizure was imposed on Al-Rajih Islamic Banks' movable and immovable assets and credit balance pursuant to Writ No. (16/2825) as issued by Central Bank of Iraq CBI / Legal Dept at (4/11/2021).
- 2- The precautionary seizure above was imposed pursuant to Writ No. (16/2046) as issued by Central Bank of Iraq CBI / Legal Dept on (17/11/2020).

- 3- Legal claims filed by third parties against the bank are four three of which are still at court of first instance and the forth at appeal stage with a total amount of IQD (66,518,350) Thousands which are still unsettled by the judiciary at date of balance sheet preparation. Accordingly we highly recommend to earmark appropriations for risks arising from such legal claims.
- 4- Three legal claims were filed by the bank against third parties which are still at court of first instance with an amount of IQD ( 50,880,000) Thousands , still unsettled at the date of preparation of these financial statements.

### **Sixteenth :Paid –Up Capital Adequacy**

Capital adequacy at (31/12/2021) rated (243%) whereas capital adequacy fixed by Central Bank of Iraq must not be less than (12%) .

### **Seventeenth : Liquidity Ratio**

Liquidity ratio at (31/12/2021) was (236%).

### **Eighteenth : Compliance Monitoring**

We accessed to bank's compliance monitoring reports submitted to us during the year on the row and were conformal to Central Bank of Iraq CBI requirements and regulations which included the following ;

- 1- Indicators to Islamic Control Board.
- 2- Indicators to Risks Management.
- 3- Indicators to Internal Control Unit.
- 4- Indicators to Money Laundering & Financing of Terrorism Reporting Unit. .
- 5- Indicators to standard ratios e.g. capital adequacy & liquidity ratio etc..
- 6- The aforesaid unit shall pursue Central Bank of Iraq CBI regulations in relation to monitoring businesses and office audit results in order to settle them.
- 7- Bank and on a regular basis updates its customers data by using the ( Know Your Customer KYC) form in coordination with money laundering reporting unit in bank in order to get access to the extent of bank compliance with anti-money laundering Act No. (39) in 2015 and applying the due diligence as bank policy usually relies on the current account opening form as endorsed by the compliance unit.

### **Nineteenth : Institutional Governance**

- 1- Banks' Institutional Governance Guide is prepared pursuant to Central Bank of Iraq CBI regulations , compliance with governance principles is achieved and the Board of Directors responsibilities were separated from those of bank executive management.

- 2- Bank's Board of Directors and executive management adhere to applying the institutional governance principles by disclosing bank annual reports and governance reports.
- 3- Bank adheres to quality requirements as set out in Article (23) of the governance guide as issued by Central Bank of Iraq CBI where it contains banks' annual report , disclosure of its annual reports and bank financial position.

## **Twentieth : Internal Control & Islamic Internal Audit**

- 1-The bank's internal control includes necessary procedures compatible to the size and nature of bank's activity and business.
- 2- We accessed to the internal control unit reports and its Islamic audit which are comprehensive , detailed and specifying the notes set forth along the course of audit progress.
- 3-The activity of this unit includes the audit of the following banking operations;
  - Risks unit
  - Financial operations
  - Credit unit
  - Banking awareness unit
  - Payments unit
  - Information technology unit
- 4- We accessed to the internal audit unit report and other reports prepared by said unit as presented to us during the year on the row and to which we have the following comments ;
  - a- The percentage of annual report completion is (75%) of the plan actually approved by bank's Board of Directors BOD as we believe that this plan and the implementation results were compatible and meets banks entire operations requirements.
  - b- The number of employees in the internal audit unit for the fiscal year 2021 is one the matter which requires enough manning of this unit.
  - c- Training courses held for this unit employees in 2021 was one only.

## **Twenty One : Money Laundering& Finance of Terrorism Reporting Unit**

- 1- Bank took adequate measures to combat money laundering and finance of terrorism which are currently enforced pursuant to provisions of money laundering and finance of terrorism Act No. (39) in 2015 and its regulations and instructions promulgated thereby by Central Bank of Iraq CBI. We already accessed to the report of this unit as forwarded to Central Bank of Iraq CBI and prepared pursuant to the law and regulations promulgated by Central Bank of Iraq CBI.



- The adopted system in bank is the ( IML) whereas the electronic system adopted by money laundering and finance of terrorism reporting unit is ( AML) as provided by REFINITIV INVOICR Company.
- Black List system
- World – Check System
- Suspect cases system (Aml)
- All systems above are connected to bank's system IMAL
- The electronic system includes the (25) scenario in minimum as required by Central Bank of Iraq CBI.
- A regular and automatic updating of black lists is performed as data are recognized by using the ( AXEL) program to send later to the ( IT) unit to enter into its system.
- Customers are classified according to risks – based methodology.
- Some operations which the AML system alerts to are treated by said unit during the year subject of these financial statements.

2- An accountancy guide is prepared for money laundering and finance of terrorism specific policies and procedures that involve the following ;

- Money laundering stages
- The importance of anti-money laundering and combating the financing of terrorism
- The responsibility of money laundering and finance of terrorism reporting unit manager.
- The responsibility of money laundering and finance of terrorism reporting unit in bank.
- Penalties to which bank is exposed
- The Know Your Customer KYC principle
- Due diligence operating procedures.

## **Twenty Two : The Continuity Hypothesis**

Bank management adopts the continuity hypothesis in preparing its financial statements for the fiscal year on the row.

## **Twenty Three: Bank Capability to Meet Its Obligations to its Depositors**

It is noted that bank is capable to meet all its obligations to its customers drafts and no delay occurred in this regard.

## **Twenty Four : Documentary Audit Results**

Our internal report No. (10/36) addressed to banks' Board of Directors BOD chairman and members at (9/5/2022) constitutes an integral part of these financial statements.

According to what is set out in bank's books and explanations provided to us we concluded the facts hereunder ;

- 1-** The accountancy system adopted by bank is consistent to the books keeping requirements and contains to the best of our knowledge the recognition of bank's all assets , liabilities , expenditures and earnings and its internal control system involve necessary procedures to ensure the accuracy and precision of these financial statements to the extent compatible to its size and nature of business.
- 2-** The inventory of bank's cash assets is performed in a safe manner under our supervision whereas fixed assets were inventoried by an ad hoc committee to which a special minutes is prepared and we were provided with copies thereof. These minutes were in conformity with bank's subordinate books ( with little increment differences). No entries measures were taken in current year financial statements , assessment is performed pursuant to last year basics, rules and principles besides adopting the historical cost in preparing these financial statements.
- 3-** Financial statements are prepared according to international accountancy standards and in consistency with rules and regulations set forth in Central Bank of Iraq Writ No. (9/3/289) dd. (1/8/2018) and titled " Accountancy & Revision Board Standards for Islamic Institutions" for Islamic financing in conformity with applicable laws and regulations. These statements are identical to what appears in bank's records and books and prepared pursuant to Companies Act No. (21) in 1997 , Bank's Act No. (94) in 2004 , Islamic Banks Act No. (43) in 2015 and other laws and regulations as applicable.
- 4-** Bank management annual report is prepared pursuant to Companies Act No. (21) in 1997 as amended and contain s no infringements to applicable laws and regulations.

## **Opinion ;**

In consideration of notes and explanations above and pursuant to information and clarifications we garnered ; we believe that these financial statements and management report attached hereto consistent to what is demonstrated in bank's books and its electronic accounting system and meet all legal requirements. These financial statements and to the extent they contain performance indicators ; reflect in a fair manner Al-Rajih Islamic Bank For Investment & Finance ( JSC) financial position at (31/12/2021) , its activities results and cash flows for the fiscal year ending thereat.

## **With Appreciations....**

**CPA & Auditor / Member of Iraqi Society  
For Certified Public Accountants CPAs**

Zuheir Mahmud Hussein Al-Bahrani

**CPA & Auditor / Member of Iraqi Society  
For Certified Public Accountants CPAs**

Dr. Haseeb Kadhim Juweid

## Al-Rajah Islamic Bank For Investment & Finance ( JSC)

### FINANCIAL POSITION STATEMENT ON 31/12/2021

#### STATEMENT (A)

N.B. All amounts are in Thousand Dinars .

Descriptions	Note	On 31/12/2021 IQD	On 31/12/2020 IQD
<b>Assets</b>			
Cash Assets & Balances deposited in Central Bank of Iraq CBI	4	145,728,153	32,870,313
Balances & Deposits in other Banks & Financial Institutions	5	8,322,390	46,317,189
<b>Net Islamic Investments</b>	<b>7</b>	<b>154,495,394</b>	<b>160,630,770</b>
Financial Assets in their equivalent value through other comprehensive Income		750,000	750,000
Net Speculations		17,390,000	21,390,000
Net Partnerships		136,355,394	138,490,770
Net Islamic Finances	6	40,438	19,264
Other Assets	8	5,260,954	976,316
Properties , Premises & Equipments in ( Book Value)	9 a	6,694,469	1,206,043
Intangible Assets ( Systems & Software	9 c	3,554,841	4,050,423
Land Properties & Under-construction Software	9 a	42,391	39,715
<b>Net Assets</b>		<b>324,139,030</b>	<b>246,110,033</b>
<b>Liabilities &amp; Equities</b>			
Customers' Deposits , Saving & Investment Deposits	10	75,872,404	3,262,857
Customers' Securities Against Banking Activities	11	8,562,419	2,508,796
Received Finances	12	000	2,000,000
Other Payables	13	979,554	727,374
Income Tax Appropriations	14	820,387	995,895
Miscellaneous Appropriations	15	195,827	331,153
<b>Net Liabilities &amp; Short – Term Finance Resources</b>		<b>86,430,591</b>	<b>9,826,075</b>
<b>Equities</b>			
Nominal Paid – Up Capital	( Statement C)	250,000,000,000	250,000,000,000
Legal Reserve	( Statement C)	249,136	177,912
Accumulated Surplus	( Statement C)	3,025,061	1,671,804
Accumulated Deficit	( Statement C)	(15,565,758)	(15,565,758)
<b>Net Equities</b>	( Statement C)	<b>237,708,439</b>	<b>236,283,958</b>
<b>Net Liabilities &amp; Equities</b>		<b>324,139,030</b>	<b>246,110,033</b>

On behalf of Al-Rajih Islamic Bank ( JSC)

**Finance Officer**

**Chief Executive Officer CEO**

**Board of Directors BOD Chairman**

Wasan Kamel Zgheiyer

Mohammed Abdul Lateef Ali

Aqeel Kadhim Abdul Lateef

Subject to our report No. ( 91/P/129 ) on (9/5/2022) .

**CPA & Auditor / Mmember of Iraqi Society For  
Certified Public Accountants CPAs**

**CPA & Auditor / Mmember of Iraqi Society For  
Certified Public Accountants CPAs**

Dr. Haseeb Kadhim Juwaid

Zuheir Mahmud Al-Bahrani

Notes from (1-25) constitute integral part of these financial statements and are read conjointly.

**Al-Rajah Islamic Bank For Investment & Finance ( JSC)**

**CHANGE IN EQUITIES STATEMENT FOR THE FISCAL YEAR ENDING BY 31/12/2021**

**STATEMENT (C)**

**N.B.** All amounts are in Thousand Dinars .

<b>Descriptions</b>	<b>Legal Reserve</b>	<b>Accumulated Surplus</b>	<b>Accumulated Deficit</b>	<b>Paid –Up Capital</b>	<b>Total</b>
Balance at (1/1/2020)	177,912	3,371,804	(6,334,487)	250,000,000	247,115,229
Additions in 2020	---	-----	(10,831,271)	-----	(10,831,271)
Change in Reserves	----	(1,600,000)	(1,600,000)	---	-----
Balance at (31/12/2020)	177,912	1,671,804	(15,565,758)	250,000,000	236,283,958

**N.B.**

The amount of IQD (1,600,000) ( in Thousand Dinars) represents the discounts made from the accumulated surplus that arise from the amortization of part of the accumulated deficit brought forward from previous years as endorsed in the annual meeting of bank's Board of Directors BOD convened ( 12/ 11 / 2021).

**Al-Rajah Islamic Bank For Investment & Finance (.JSC)**

**CASH FLOWS STATEMENT ON 31/12/2021**

**STATEMENT (D)**

**N.B. All amounts are in Thousand Dinars .**

<b>Descriptions</b>	<b>In 2021/ IQD</b>	<b>In 2020 / IQD</b>
<b>Operating Activities</b>		
Loss / profit During the year before taxation	1,695,696	(10,282,099)
Amortizations	1,130,807	1,814,484
Cash Credit Losses Appropriations	000	19,076,287
Local Banks Balances Appropriations	112,402	112,403
Debtors Appropriations	000	(122,408)
Miscellaneous Appropriations	000	98,781
<b>Cash Flows Generated from Operating activities before changes made to assets and liabilities</b>	<b>2,938,905</b>	<b>10,697,448</b>
<b>Changes in assets &amp; liabilities</b>		
Decline in Investments	6,135,376	6,906,250
Decrease in Islamic Finances / Profiteering	(21,174)	9,081
Decrease (Increase) in Debtors	(4,284,638)	660,336
Decrease /Increase in Customers' Deposits	72,609,547	(32,533,266)
Decrease in Securities	6,053,623	(3,588,971)
Decline in Appropriations	(582,049)	000
Decrease / Increase in Creditors	252,180	(354,870)
<b>Net Cash Flows used in Operating Activities</b>	<b>80,162,865</b>	<b>(28,901,440)</b>
<b>Investment Activities</b>		
Acquisition of Fixed Assets	(6,096,605)	(695,244)
Properties & Underway Systems	(29,722)	(38,743)
<b>Net Cash Flows Generated from Investment Activities</b>	<b>(6,126,327)</b>	<b>(733,987)</b>
<b>Finance Activities</b>		
Received Finances	2,000,000	2,000,000
<b>Net Cash Flows used in Finance Activities</b>	<b>(2,000,000)</b>	<b>2,000,000</b>
<b>Net ( Decrease ) / Increase in Cash &amp; Cash Equivalent</b>	<b>74,975,443</b>	<b>(16,937,979)</b>
Cash & Cash Equivalent at the beginning of the year	79,412,307	96,350,286
Cash & Cash Equivalent at the end of the year	154,387,750	79,412,307
Note (1)	145,728,153	32,870,313
Note (2)	8,659,597	46,541,994
<b>Total</b>	<b>154,387,750</b>	<b>79,412,307</b>

Notes from (1-25) are an integral part of these financial statements and read conjointly.

**Al-Rajah Islamic Bank For Investment & Finance ( JSC)**

**TAXABLE PROFITS SETTLEMENT STATEMENT ON 31/12/2021**

**STATEMENT (E)**

**N.B. All amounts are in Thousand Dinars .**

<b>Descriptions</b>	<b>Amount</b>
Accounting Profits	1,695,696
<b>Added : Tax – Unaccepted Expenses</b>	
Cash Credit Appropriation	112,402
<b>Less: Non-Taxable Earnings</b>	
<b>Taxable Amended Profit</b>	<b>1,808,098</b>
<b>Measured Tax at a rate of (15%)</b>	<b>271,215</b>

Notes from (1-25) are an integral part of these financial statements and read conjointly.





## Notes to Financial Statements ;

### **1- Legal Status & Main Activities**

1-1: Al-Rajih Islamic bank was incorporated at the beginning as a money transfer company ( JSC) as based on incorporation license No. (C-R- 8213) dd. (3/2/2008) with a fully paid – up capital of IQD Five Hundred Millions ( 500,000,000) to convert later to a bank on (8/2/2017) with a paid –up capital of IQD Sixty Billions (60,000,000,000) as appreciated later to IQD Two Hundred Fifty Billions (250,000,000,000) at (25/10/2017) .Bank headquarters is located in Baghdad.

1-2: bank's employees number in 2020 counted (67) as it renders a myriad of banking services to its customers which include accepting customers deposits , rendering finance services through its various Islamic instruments e.g. margin profiting, speculation , partnership besides other products as defined within the layout of Organizational Business of Islamic Banks Regulations issued by Central Bank of Iraq CBI whereas the Islamic Regulatory Commission is assigned to ensure bank compliance to perform its operations as not to conflict with provisions and principles of the Islamic Law ( Shariaa ).

Al-Rajih Bank developed a viable strategy to adhere to limits of capital adequacy as specified in Basel Standards No. (3).

### **2- Definitions**

Terms hereunder are used in these financial statements and their meanings are assigned opposite to each ;

**1-2-1: Margin Profiting** : signifies an agreement under which bank sells to customer any asset, in kind asset , item or share owned by it and in its possession ( whether factual or virtual) against a consideration consisting of purchase cost price plus an agreed profit margin.

**1-2-2: Manufacturing Agreement** : means an agreement entered between bank ( Manufacturer) and its customer ( End User) under which bank sells an in kind assets ( intangible Asset) with precise specifications, sale price , deferred payment and delivery as mutually agreed. Bank shall be responsible for manufacture and provision of required materials.

**1-2-3: Lease** : signifies an agreement under which bank ( lessor) shall lease to customer any in kind assets or render a specific service owned by bank or in its temporary possession for a definite term against specific lease. Lease of any asset might be terminated by lessee appropriation of said leased under a separate ownership transfer agreement.

**1-2-4: Partnership** : means an agreement entered between bank and customer where both parties participate in an investment project whether existent or new or share the ownership

of a specific assets either on a continuous basis or for a definite period as bank in this case shall make arrangements with customer to sell its share in the joint venture progressively until its share runs out by customer appropriation of entire shares termed as " Dwindling Partnership ". Profits shall be distributed according to entered agreement and both parties shall share losses proportionately with each party's share to joint venture capital.

**1-2-5: Speculation :** signifies an agreement entered between bank and customer under which either party (proprietor) gives a certain amount of money to other party ( speculator) to invest it in a certain project or business. Profits shall be distributed according to their shares as mutually agreed herein. Speculator shall bear any losses in the event of any infringement , omission or breach of any of speculation agreement terms otherwise such losses are to be at the expense of proprietor.

## Cash & Balances available in Bank & Central Bank of Iraq CBI

### Al-Rajih Islamic Bank For Investment & Finance ( JSC)

#### CASH & BALANCES AVAILABLE IN BANK & CENTRAL BANK OF IRAQ CBI

##### NOTE (4)

**N.B. all amounts are stated in Thousand Iraqi Dinar.**

Descriptions	2021 IQD	2020 IQD
<b>Cash in Bank Treasury</b>		
Cash in Bank Treasury / IQD	57,289,754	18,862,020
Cash in Bank ATM / IQD	54,910	22,530
Cash in Bank Treasury / IQD	56,387,965	7,753,556
Cash in Bank Treasury / USD	846,879	11,085,934
<b>Cash in Central Bank of Iraq CBI</b>	<b>88,438,399</b>	<b>14,008,293</b>
Current Accounts / IQD	64,746,394	2,539,983
Current Accounts / USD	542,022	687,823
Currency Auction Securities *	21,900,002	5,080,801
Drafts & Documentary Letters of Credit L/Cs	3,291	3,795,441
Letters of Guarantee Reserve **	530,709	1,205,274
Legal Deposits / IQD ***	611,115	534,083
Legal Deposits/ USD	104,866	164,888
<b>Balance at 31/12 /2021</b>	<b>145,728,153</b>	<b>32,870,313</b>

\* Currency Auction Securities : represent the retained amount at Central Bank of Iraq CBI against our bank participation in the currency offer & bid auction outlet.

\*\* Letter of guarantee reserve : stands for (7%) of documentary letters of guarantee balance ( off budget).

\*\*\* the legal deposits balance in Central Bank of Iraq CBI that totals IQD (715,981) at balance sheet preparation date which are restricted balances.

Notes from (1-25) are an integral part of these financial statements and are read conjointly.

## Al-Rajih Islamic Bank For Investment & Finance ( JSC)

### CASH & BALANCES AVAILABLE IN BANKS & OTHER FINANCIAL INSTITUTIONS

#### NOTE (5)

**N.B. all amounts are stated in Thousand Iraqi Dinars.**

<b>Descriptions</b>	<b>2021 IQD</b>	<b>2020 IQD</b>
Cash in onshore ( Local) banks & financial institutions	8,650,540	8,650,540
Cash in off shore ( Foreign) banks & financial institutions	9,151	37,891,454
<b>Total Balance</b>	<b>8,659,597</b>	<b>46,541,994</b>
Less: Cash Assets Appropriation	(337,207)	(224,805)
<b>Balance at ( 31/12/2021)</b>	<b>8,322,390</b>	<b>46,317,189</b>

#### NOTE (5-A) : Local Banks Balances Appropriation

**N.B. all amounts are stated in Thousand Iraqi Dinar.**

<b>Descriptions</b>	<b>2021 IQD</b>	<b>2020 IQD</b>
Balance at the beginning of the year	224,805	112,402
Additions during the year	112,403	112,403
Discounts during the year	-----	-----
<b>Balance at the end of the year</b>	<b>337,207</b>	<b>224,805</b>

#### **Onshore ( Local) banks & financial institutions ;**

- 1- Cash in onshore ( local) banks amount to USD (1869) equivalent to IQD (2,728,740) including a current account in one Islamic Bank and remaining deposits in commercial banks as they are interest – free and profit- free deposits.
- 2- Cash in onshore banks amount to IQD ( 2,992,661,024) that represent our balance in Al-Ittihad Bank at the sheet balance preparation date hereunder ;
  - a- An indemnification resolution is issued in 2018 in an amount of IQD (11,982,217,869) where part hereof was paid off.
  - b- An appropriation of IQD (562,000,000) was ordered under IFRS (9) against our balance in Babylon Bank which is a local bank. This sum was distributed over five years in an amount of IQD (112,000,000) a year thus accumulated appropriation balance becomes IQD (337,000,000).

Notes from (1-25) are an integral part of these financial statements and are read conjointly.

## Al-Rajih Islamic Bank For Investment & Finance ( JSC)

### ISLAMIC FINANCES

#### NOTE (6)

**N.B. all amounts are stated in Thousand Iraqi Dinar.**

Descriptions	2021 IQD	2020 IQD
margin profiting Receivables *	29,494	22000
Less : Deferred profits	(3,024)	(1,966)
Less : Appropriations	(720)	(770)
Net Finances	25,750	19,264
Easy Loans	14,688	000000
Easy Loans Balance	14,688	000
<b>Net Finance Balance</b>	<b>40,438</b>	<b>19,264</b>

#### NOTE (6-A) Islamic Finances Appropriation

Descriptions	2021 IQD	2020 IQD
Balance at the beginning of the year	770	764
Additions during the year	000	6
Discounts during the year	(50)	-----
<b>Balance at the end of the year</b>	<b>720</b>	<b>770</b>

#### **Note (7) : Net Investments**

**N.B. all amounts are stated in Thousand Iraqi Dinar.**

Descriptions	2021 IQD	2020 IQD
Financial Assets in equivalent Value through other comprehensive Incomes	750,000	750,000
Speculations / Corporations / Free	11,000,000	15,000,000
Speculations / Corporations / Restricted	8,000,000	8,000,000
Less: Speculation Appropriations	(1,610,000)	(1,610,000)
<b>Net Speculations</b>	<b>17,390,000</b>	<b>21,390,000</b>
Partnerships / Individuals	24,000,000	24,000,000
Partnerships / Corporations	134,380,000	136,380,000
Less: Partnerships Appropriation	(22,024,606)	(21,889,230)
<b>Net Partnerships</b>	<b>136,355,394</b>	<b>138,490,770</b>
Balance at (31/12/2021)	154,495,394	160,630,770

## Note (7-a) : Investments Risks Appropriation

**N.B. all amounts are stated in Thousand Iraqi Dinar.**

### Speculations Appropriation :

<b>Descriptions</b>	<b>2021 IQD</b>	<b>2020 IQD</b>
Balance at the beginning of the year	1,610,000	1,105,144
Additions during the year	000	504,974
Discounts during the year	000	(118)
<b>Balance at the end of the year</b>	<b>1,610,000</b>	<b>1,610,000</b>

### Partnerships Appropriation :

<b>Descriptions</b>	<b>2021 IQD</b>	<b>2020 IQD</b>
Balance at the beginning of the year	21,889,230	3,317,805
Additions during the year	135,376	18,571,425
Discounts during the year	-----	-----
<b>Balance at the end of the year</b>	<b>22,024,606</b>	<b>21,889,230</b>

The investments balance represent our bank contribution in the Iraqi Co. For Deposit Securities through (750,000,000) shares with a par value of One Iraqi Dinar.

Notes from (1-25) are an integral part of these financial statements and are read conjointly.

## Al-Rajih Islamic Bank For Investment & Finance ( JSC)

### OTHER ASSETS

#### NOTE (8)

**N.B. all amounts are stated in Thousand Iraqi Dinar.**

<b>Descriptions</b>	<b>2021 IQD</b>	<b>2020 IQD</b>
Cash Differences	740	12,079
Advances granted for activity purposes	2,634	2,494
Securities retained by third parties **	92,580	92,580
Accrued Non-received Earnings	1,250,000	-----
Non-Current Receivables *	3,915,000	908,653
<b>Balance</b>	<b>5,260,954</b>	<b>1,015,806</b>
Less: Receivables Appropriation / Non-Current Receivables *****	000	(39,490)
<b>Balance at (31/12/2021)</b>	<b>5,260,945</b>	<b>976,316</b>

#### **Note (8-a) : Non-Current Activity Receivables Appropriation**

<b>Descriptions</b>	<b>2021 IQD</b>	<b>2020 IQD</b>
Balance at the beginning of the year	39,490	161,898
Additions during the year	-----	----
Discounts during the year	(39,490)	(122,408)
<b>Balance at the end of the year</b>	<b>0000</b>	<b>39,490</b>

\* Securities retained at third parties stand for securities held at Iraq Gate For Master Cards Co.

\*\* Balance appearing in non-current activity receivables stands for the fine imposed by Central Bank of Iraq CBI on Al-Rajah Islamic Company for money transfer prior to conversion into a bank as an amount was refunded to the order of our bank by the Central Bank of Iraq CBI under its Writ No. (9/C/5076) dd. (15/3/2021) ( Sheet Balance Subsequent Events) while the remaining amount of IQD ( 39,490,000) stands for the remaining fine repaid out of the measured appropriation until the end of the fiscal year 2020 and remaining appropriation was transferred to the cash finances appropriation.

\*\*\* stands for part of speculation profits generated during the fiscal year 2017 as repaid along with their profits in fiscal year 2021 . this amount is recognized as earnings for the fiscal year 2021 pursuant to bank's Board of Directors BOD resolution adopted in its session convened at (28/4/2022).

Notes from (1-25) are an integral part of these financial statements and are read conjointly.



**Al-Rajih Islamic Bank For Investment & Finance ( JSC)**

**INTANGIBLE ASSETS / SYSTEMS & SOFTWARE AT ( 31/12/2021)**

**NOTE (9-C)**

**N.B. all amounts are stated in Thousand Iraqi Dinar.**

<b>Descriptions</b>	<b>Systems &amp; Software/IQD</b>
Cost at 1/1/2021	5,990,278
Additions during the year	27,046
Discounts during the year	000
<b>Cost at 31/12/2021</b>	<b>6,017,324</b>
Accumulated Depreciation at (1/1/2021)	1,939,855
Current year Depreciation	522,628
Discounts During The year	<b>000</b>
<b>Accumulated Depreciation at (31/12/2021)</b>	<b>2,462,483</b>
<b>Book Value at (31/12/2021)</b>	<b>3,554,841</b>

**Al-Rajih Islamic Bank For Investment & Finance ( JSC)**

**INTANGIBLE ASSETS AT ( 31/12/2020)**

**NOTE (9-C)**

**N.B. all amounts are stated in Thousand Iraqi Dinar.**

<b>Descriptions</b>	<b>Systems &amp; Software/IQD</b>
Cost at 1/1/2019	5,931,750
Additions during the year	58,528
Discounts During The Year	000
<b>Cost at 31/12/2020</b>	<b>5,990,278</b>
Accumulated Depreciation at (1/1/2020)	593,175
1,346,680	593,175
Discounts During The year	000
<b>Accumulated Depreciation at (31/12/2020)</b>	<b>1,939,855</b>
<b>Book Value at (31/12/2020)</b>	<b>4,050,423</b>

\* the useful life of intangible assets was re-assessed as per the Banking System ( IMAL) by an ad hoc technical committee to increase their useful life to (10) years instead of (5) years as based on said committee's statement No. (1) dd. (21/4/2022).

**Al-Rajih Islamic Bank For Investment & Finance ( JSC)**

**CLIENT'S DEPOSITS**

**NOTE (10)**

**N.B. all amounts are stated in Thousand Iraqi Dinar.**

Descriptions	2021		
	Individuals / IQD	Macro Corporations / IQD	Total / IQD
Current Accounts on demand / IQD	329,893	74,670,452	75,000,345
Current Accounts on demand / USD	191,028	681,031	782,059
<b>Balance at 31/12/2021</b>	<b>520,921</b>	<b>75,351,483</b>	<b>75,872,404</b>

**CLIENT'S DEPOSITS**

**NOTE (10)**

**N.B. all amounts are stated in Thousand Iraqi Dinar.**

Descriptions	2020		
	Individuals / IQD	Macro Corporations / IQD	Total / IQD
Current Accounts on demand / IQD	295,512	2,336,552	2,632,064
Current Accounts on demand / USD	52,447	578,346	630,793
<b>Balance at 31/12/2020</b>	<b>347,959</b>	<b>2,914,898</b>	<b>3,262,857</b>

Notes from (1-25) are an integral part of these financial statements and are read conjointly.

**Al-Rajih Islamic Bank For Investment & Finance ( JSC)**

**CUSTOMERS' SECURITIES AGAINST BANKING TRANSACTIONS**

**NOTE (11)**

**N.B. all amounts are stated in Thousand Iraqi Dinar.**

<b>Descriptions</b>	<b>2021 IQD</b>	<b>2020 IQD</b>
Letter of Guarantee L/Gs Securities	8,294,268	2,240,646
Securities of Issued L/Gs	268,151	268,150
<b>Balance at 31/12/2021</b>	<b>8,562,419</b>	<b>2,058,796</b>

Letters of Guarantee L/Gs Securities : balance represent (56 %) of total off - balance sheet Guarantees amount.

**FINANCES RECEIVED**

**NOTE (12)**

**N.B. all amounts are stated in Thousand Iraqi Dinar.**

<b>Descriptions</b>	<b>2021 IQD</b>	<b>2020 IQD</b>
Finances Received / Housing Projects	000	2,000,000
<b>Balance at 31/12/2021</b>	<b>000</b>	<b>2,000,000</b>

**Al-Rajih Islamic Bank For Investment & Finance ( JSC)**

**OTHER PAYABLES**

**NOTE (13)**

<b>Descriptions</b>	<b>2021 IQD</b>	<b>2020 IQD</b>
Accrued & Unpaid Administrative Expenditures	61,200	66,062
Accrued & Unpaid Administrative Expenditures / Annual Commission	10,947	2,338
Accrued & Unpaid Administrative Expenditures / Rental	110,000	000
Accrued Wages & Payrolls	000	200
Certified Cheques	748,517	578,275
Stamp Duty	20,873	3,912
Employees Discounts to the interest of third parties	9,894	8,318
Sums Received at request of official authorities	956	000
Payables / Master Cards	16,426	33,870
Creditors / local & International Prepayments	000	34,356

<b>Descriptions</b>	<b>2021 IQD</b>	<b>2020 IQD</b>
Other Receivables	108	000
Securities / Enquiry Fees	633	43
<b>Balance at (31/12/2021)</b>	<b>979,554</b>	<b>727,374</b>

**Al-Rajih Islamic Bank For Investment & Finance ( JSC)**

**TAXATION LIABILITIES**

**NOTE (14)**

**N.B. all amounts are stated in Thousand Iraqi Dinar.**

<b>Descriptions</b>	<b>2021 IQD</b>	<b>2020 / IQD</b>
Opening Balance	995,895	446,723
Additions During The year	271,215	549,172
Discounts During the year	(446,723)	000
<b>Balance at 31/12/2021</b>	<b>820,387</b>	<b>995,895</b>

**MISCELLANEOUS APPROPRIATIONS**

**NOTE (15)**

<b>Descriptions</b>	<b>Operating Risks Appropriation</b>	<b>Contractual Obligations Appropriation</b>	<b>Total / IQD</b>
Inaugurating Balance at (1/1/2021)	5,725	325,428	331,153
Additions During The Year	000	000	000
Discounts During the Year	000	135,326	135,326
<b>Balance at 31/12/2021</b>	<b>5,725</b>	<b>190,102</b>	<b>195,827</b>

**Al-Rajih Islamic Bank For Investment & Finance ( JSC)**

**ISLAMIC BANKING ACTIVITIES EARNINGS**

**NOTE (16)**

<b>Descriptions</b>	<b>2021 IQD</b>	<b>2020 IQD</b>
Margin Profiting Earnings / Individuals	2,973	1,002
Speculations Earnings / Corporate	000	3,596,354
Speculations Earnings / Individuals ***	1,250,000	000
Partnership Earnings / Corporate	1,000,000	1,284,346
Credit Files Earnings	500	750
<b>Balance at ( 31/12/2021)</b>	<b>2,253,473</b>	<b>4,882,452</b>

Notes from (1-25) are an integral part of these financial statements and are read conjointly.

\*\*\* stands for non-received accrued speculation earnings due to customer payment of speculation primary amount along with its profits in 2022 pursuant to bank's BOD resolution adopted in its fourth session convened at (28/4/2022).

## Al-Rajih Islamic Bank For Investment & Finance ( JSC)

### BANKING TRANSACTIONS EARNINGS & COMMISSIONS

#### NOTE (17)

**N.B. all amounts are stated in Thousand Iraqi Dinar.**

Descriptions	2021 IQD	2020 IQD
Internal Drafts Commission	000	16,828
Internal Letters of Guarantee L/Gs Commission	307,931	174,582
Outward Letters of Credit L/Cs Commission	000	21,550
Inward Letters of Credit L/Cs Commission	000	8,066
Letter of Credit Amendment Commission	000	000
Documentary Letters of Credit L/Cs Difference Commission	000	467
Swift Charges	16,936	8,746
Currency Evaluation Differences Earnings	3,425	4,638
Master Cards Commission	91,352	87,347
Refunded Printings Charges	1,137	655
Certified Cheques Issuance Commission	248	10
Visa Card Earnings	49	375
ATM Earnings	13,827	9,018
Master Cards Commissions	3,534	2,565
Master Cards Sales Commission	796	4,823
Refunded Expenditures Earnings	685	718
Financial Statements Charges	2,531	307
Cheques Deposit Charges	200	930
Banking Printings Sales	1,179	960
Opening Account Commission	1,817	1,034
Accounts Localization Commission	90	000
Refunded Communications Earnings	1,012	000
Administrative Fees	3,759	000
<b>Balance at (31/12/2021)</b>	<b>450,508</b>	<b>343,619</b>

Notes from (1-25) are an integral part of these financial statements and are read conjointly.

## CURRENCIES BID RATE & OFFER RATE EARNINGS

### NOTE (18-B)

**N.B. all amounts are stated in Thousand Iraqi Dinar.**

Descriptions	2021 IQD	2020 IQD
<b>Currency Auction Outlet Earnings</b>	<b>2,596,701</b>	<b>3,604,628</b>
Currency Bid Rate & Offer Rate Earnings / Offshore Drafts Auction	2,568,096	3,574,488
Currency Bid Rate & Offer Rate Earnings / Cash & Exchange Companies Auction	28,605	30,140
<b>Balance at 31/12/2021</b>	<b>2,596,701</b>	<b>3,604,628</b>

## OTHER BANKING TRANSACTIONS EARNINGS

### NOTE (19)

Descriptions	2021 IQD	2020 IQD
Miscellaneous Services Earnings	91	5,683
<b>Balance at 31/12/20201</b>	<b>91</b>	<b>5,683</b>

## Al-Rajih Islamic Bank For Investment & Finance ( JSC)

### EMPLOYEES' PAYROLLS , WAGES & BENEFITS DURING THE YEAR

#### NOTE (20.)

Descriptions	2021 IQD	2020 IQD
Employees Cash Paychecks	464,210	496,059
Technical & Professional Appropriations	97,976	100,154
compensational Appropriations	97,976	100,154
Employees' Overtime Wages	8,230	8,102
Incentives	50,738	52,019
Other Appropriations	11,419	2,900
Social Security Contributions	63,036	71,644
Training & Rehabilitation	11,580	16,844
Transportation of Employees	6,069	000
Employees Outfits	14,787	000
<b>Balance at 31/12/2021</b>	<b>826,021</b>	<b>847,876</b>

Notes from (1-25) are an integral part of these financial statements and are read concurrently.

**Al-Rajih Islamic Bank For Investment & Finance ( JSC)**

**BANKING TRANSACTIONS EXPENSES DURING THE YEAR**

**NOTE (21)**

**N.B. all amounts are stated in Thousand Iraqi Dinar.**

<b>Descriptions</b>	<b>2021 IQD</b>	<b>2020 IQD</b>
Paid Banking Commissions	49,592	49,592
Profit Margining Finance Commission / Housing Projects	000	14,000
Projected Credit Impairments / Cash Credit	000	14,865,833
Projected Credit Impairments / Promissory Notes	000	103,611
Local Banks Balances Liabilities	112,402	112,403
<b>Balance at 31/12/2021</b>	<b>176,224</b>	<b>15,145,439</b>

Notes from (1-25) are an integral part of these financial statements and are read concurrently.



## Al-Rajih Islamic Bank For Investment & Finance ( JSC)

### GENERAL & ADMINISTRATIVE EXPENSES

#### NOTE (22)

**N.B. all amounts are stated in Thousand Iraqi Dinar.**

Descriptions	2020 IQD	2019 IQD
Combustibles & Lubricants	45,106	33,293
Tasks Requirements	20,735	25,610
Stationery	5,304	5,635
Water	1,130	000
Electricity	1,258	5,422
Furniture & Office Appliances Maintenance	13,656	8,838
Tools & Equipments Servicing	11,815	2,697
Transportation Means Servicing	3,451	000
Contributions to the Deposits Securities Co.	8,372	58
Researches & Consultancies	000	27,080
Advertising & Propaganda	19,480	18,880
Publishing & Printing	8,138	11,834
Credit Cards Printings	000	8,330
Currency Assessment Differences	15,081	000
Visa Cards Printings	000	40,098
Employees Outfits	000	17,850
Employees Transportation	000	6,125
Hospitality	7,026	3,925
Travel & Delegations	20,362	8,784
General Communications	17,248	36,078
Goods & Commodities Transport	12,383	11,415
Lease of premises	110,000	110,000
Contributions	288,000	133,497
Legal Services	18,663	16,425
Central Bank of Iraq CBI Audit Fees	2,750	3000
Audit Fees / Independent Auditor	61,200	65,800
Conferences & Expositions	000	15,724
Iraq Gate Co. Commission	52,138	55,432
Master Card Commission	188,434	135,204
Other Service Expenses	85,608	42,448
<b>Balance at 31/12/2020</b>	<b>1,107,338</b>	<b>849,282</b>

Notes from (1-25) are an integral part of these financial statements and are read conjointly.

**Al-Rajah Islamic Bank For Investment & Finance ( JSC)**

**AMORTIZATIONS ( DEPRECIATIONS)**

**NOTE (23)**

**N.B. all amounts are stated in Thousand Iraqi Dinar.**

<b>Descriptions</b>	<b>2021 IQD</b>	<b>2020 IQD</b>
Depreciation of Tools & Equipments	32,708	20,464
Depreciation of Office Furniture & Appliances	232,664	227,216
Depreciation of ATMs	26,531	18,136
Depreciation of Leased premises Improvements	206,037	201,988
Depreciation of Systems & Software	522,628	1,346,680
Depreciation of Transportation Means	110,239	000
<b>Balance at 31/12/ 2020</b>	<b>1,130,807</b>	<b>1,814,484</b>

**Al-Rajah Islamic Bank For Investment & Finance ( JSC)**

**OTHER EXPENDITURES**

**NOTE (24)**

<b>Descriptions</b>	<b>2021 IQD</b>	<b>2020 IQD</b>
Donations to Third Parties	166,005	435,338
Compensations & Fines	198,870	5,303
Taxes & Duties	89,812	20,759
<b>Balance at 31/12/ 2021</b>	<b>454,687</b>	<b>461,400</b>

**Al-Rajah Islamic Bank For Investment & Finance ( JSC)**

**OUT – OF BALANCE SHEETS PROVISIONS**

**NOTE (25)**

<b>Descriptions</b>	<b>2021 IQD</b>	<b>2020 IQD</b>
Letters of Guarantee L/Gs	15,241,766	12,900,420
Documentary Letters of Credit L/Cs	1,787,670	1,787,670
<b>Balance at 31/12/ 2021</b>	<b>17,029,436</b>	<b>14,688,090</b>

Notes from (1-25) are an integral part of these financial statements and are read conjointly.