

Mosul Bank for Development and Investment
(Private Shareholding Company) – Baghdad

A list of changes in the ownership Rights
As on 31/December/2019

Statement	Capital	Revaluation Reserve	General Reserve	Legal Reserve	Free Shares Reserve	Expansions Reserve	Carried forward Profits	Total Reserves	Ownership Rights Total
	Dinar	Dinar	Dinar	Dinar	Dinar	Dinar	Dinar	Dinar	Dinar
Balance on 1/1/2019	252500000000	-----	166013427	6951100649	-----	1585739413	4571305970	13274159459	265774159459
Settlements during year	-----	1609282709	-----	-----	-----	-----	(2319926537)	(710643828)	(710643828)
Profits during year	-----	-----	-----	-----	-----	-----	3418816088	3418816088	3418816088
Comprehensively income of the year	-----	-----	-----	-----	-----	-----	-----	-----	-----
Comprehensively income total of the year	-----	-----	-----	-----	-----	-----	3418816088	3418816088	3418816088
Deferred revenues expenses Reserve transfers	-----	-----	-----	170940804	-----	-----	(22347824)	(22347824)	(22347824)
Subsidiary company	-----	-----	-----	48007	-----	-----	(170940804)	-----	-----
Balance as on 31/12/2019	252500000000	1609282709	166013427	7122089460	-----	1585739413	5477819035	15960944044	268460944044

Statement	Capital	Capital reserve	General reserve	Legal reserve	Free shares reserve	Expansions reserve	Carried forward profits	Total reserves	Ownership Rights Total
	Dinar	Dinar	Dinar	Dinar	Dinar	Dinar	Dinar	Dinar	Dinar
Balance on 1/1/2018	252500000000	28330903	83788191	6821026790	53894333	1162984787	9992835429	18142860433	270642860433
Settlements during year	-----	(28330903)	82225236	58	(53894333)	422754626	(7757585206)	(7334830522)	(7334830522)
Profits during year	-----	-----	-----	-----	-----	-----	2584497909	2584497909	2584497909
Comprehensively income of the year	-----	-----	-----	-----	-----	-----	-----	-----	-----
Comprehensively income total of the year	-----	-----	-----	-----	-----	-----	2584497909	2584497909	2584497909
Deferred revenues expenses	-----	-----	-----	-----	-----	-----	(135346477)	(135346477)	(135346477)
Reserve transfers	-----	-----	-----	129224895	-----	-----	(129224895)	-----	-----
Subsidiary company	-----	-----	-----	848906	-----	-----	16129210	16978116	16978116
Balance as on 31/12/2018	252500000000	-----	166013427	6951100649	-----	1585739413	4571305970	13274159459	265774159459

Mosul Bank for Development and Investment
(Private Shareholding Company) – Baghdad

Cash Flow List
As on 31/December/2019

Statement	31/12/2019 Dinar	31/12/2018 Dinar
<u>Operating Activities</u>		
The year profit before the tax	4022137088	3040585909
<u>Non-cash items amendment</u>		
Consumptions	512680849	1175219444
credit facilitations dropping Loss	(3760492796)	62481595731
Increase in reserves and allowances	(1412475348)	(5959732586)
Profit before the changes in the assets and liabilities	(4660287295)	57697082589
 Change in the assets and liabilities		
Increase in other assets	(16914149179)	6092857135
Increase in the clients' deposits	1949780550	15984031486
Drop in the cash deposits	(7792990202)	(7331696709)
Increase in the loans	3315316176	617233204
Drop in the other liabilities	(257231893)	1043372727
Net cash flow from operating activities before tax	(19699274548)	16405797843
Income tax payments	603321000	(7060902846)
Net cash flow from operating activities after tax	(19095953548)	9344894997
Net cash flow from operating activities	(19734103755)	70082563495
<u>Investment Activities</u>		
Purchasing financial assets maintained it until due date	(35997)	(139437684)
Drop in investments	26301424	321067078
Increase in projects under implementation	---	74904900
Purchasing properties and equipment	(2129010796)	(49517631122)
Net cash flow (used in) from investment operations	(2102745369)	(49261096828)
<u>Financing activities</u>		
Capital Increase	----	----
Shortage in deferred revenues expenses	----	----
Net cash flow from financing activities	----	----
 Net increase in cash and alike	(2102745369)	(49261096828)
Cash and alike at the beginning of the period	(21836849124)	20821466667
Cash and alike at the end of the period	187203520390	166382053723
	165366671266	187203520390

Mosul Bank for Development and Investment
(Private Shareholding Company) – Baghdad

Clarifications about the Financial Statements
For the Financial year ending on 31/12/2019

A list of comprehensively income for the
Financial year ending on 31/12/2019

Statement	Clarification	31/12/2019 Dinar	31/12/2018 Dinar
Net year income after accounting for the income tax change in the fair value for the financial assets through the list of other comprehensive income		3418816088 ----	2584497909 ----
Total comprehensive income		<u>3418816088</u>	<u>2584497909</u>

Seal: Republic of Iraq / Council of Accounting & Auditing Profession Control / the Secretariat

We certify the correctness of the seal and signature of the auditor and that he practices the Accounting & Auditing Profession for the year 2020 G, without any responsibility for the contents of these financial statements

Name: Dhayaa Abdulkareem Khudhur

Signature: -Sgd.-

Receipt No.: 2551

Its Date: 6115

Mosul Bank for Development and Investment
(Private Shareholding Company) – Baghdad

Unified Income List
For the Financial year ending on 31/December/2019

Statement	Clarifications	31/12/2019 Dinar	31/12/2018 Dinar
Interest revenues	20	2003378060	5617969656
Expenses Interest	21	(221620985)	(495683854)
Net Interest Revenues		1781757075	5122285802
Commissions Revenues	22	7064553049	5154360035
Net Commissions and Interest Revenues		8846310124	10276645837
Other Revenues	23	677750	42959651
Net Operating Revenues	24	244962752	79730000
		9091950626	10399335488
Expenses			
Workers Expenses	25	1936670250	1835245147
Other operating expenses	26	2620462439	4348284988
Depreciations and amortizations	9	512680849	1175219444
Total Operating expenses		5069813538	7358749579
The Year Net profit before accounting the tax		4022137088	3040585909
Income tax		603321000	456088000
Net profit after tax distributed		3418816088	2584497909
As follows:			
Compulsory reserve (obligatory)		170940804	
Accumulated surplus		3247875284	
Total		3418816088	

Mosul Bank for Development and Investment
(Private Shareholding Company) – Baghdad

Financial Position List

As on 31/December/2019

Statement	Clarifications	31/12/2019 Dinar	31/12/2018 Dinar
Assets			
Cash and Balances with Central Bank of Iraq	4	103324816314	166472662222
Balances with Banks and Banking Establishments	5	62041854952	20730858168
Direct Credit Facilitations (net)	6	114742757972	110982265176
Financial Investments (net)	7	243529962	269831386
Financial Assets by fair value through the list of other comprehensive income	8	4200898872	4200862876
Real Estates and Equipment (net)	9	54374243185	52757913238
Projects under implementation	10	----	----
Other Assets	12	71239816452	54325667272
Total of assets		410167917709	409740060338
Liabilities and ownership rights			
Liabilities			
Deposits of Clients	13	118624050723	116674270173
Cash deposits	14	5929618378	13722608580
Short-Terms loans	11	4876352701	1561036525
Allowance of income tax	15	2208671824	1605350824
Allowance of branches' losses	16	2172877155	2250000000
Miscellaneous allowances (subsidiary company)		18203600	18203600
Other Liabilities	17	7877199284	8134431177
Liabilities total		141706973665	143965900879
Ownership Rights			
Paid capital	18	252500000000	252500000000
Compulsory reserve	18	7122089460	6951100649
Other reserves	18	3361035549	1751752840
Carried forward profits	18	5477819035	4571305970
Total of ownership rights		268460944044	265774159459
Total of liabilities and ownership rights		410167917709	409740060338
Contractual obligations	19	381101942038	164677841379

-Sgd.-
Account Manager

-Sgd.-
Managing Director
For /Qedar Abdulrahman Abdullah
For/ Inam Abbas Ahmed

-Sgd.-
Chairman of the Board of Directors
Tamken Abd Sarhan

Subject to our report no. H/190 on 20/5/2020

-Sgd.-
Haitham S. Kudhur
Chartered Accountant and Accounts
Auditor
A Member of the Iraqi Association for
Chartered Accountants
From Haitham Saeed Khudhur and His
Partner Company for Control and
Auditing Accounts

-Sgd.-
Taha Jawad Abdulrasoul
Chartered Accountants and Accounts Auditors
Members of the Iraqi Association for Chartered Accountants
From Ezzuldeen Noori Ismael Al-Khashab and His Partner Company for Control and Auditing
Accounts

-Sgd.-
Ezzuldeen N. Al-Khashab

(Circular Seal: Mosul Bank for Development and Investment)

(Oval Seal: Ezzuldeen N. Ismail and Partners co. for Public Accountant and Auditor)

(Circular Seal: Haitham S. Kudhur & Partners Co. Public Accountants and Auditors)

Ninth-Debit Accounts and Credit Accounts:

- 1- The contra accounts balance amounting to (207351) Million Dinars and it is lower for an amount of (86353) Million Dinars from the previous year.
- 2- The bank has insurances in the external banks for opening credits with an amount of (2564) Million Dinars and we have not obtained it confirmations.
- 3- The balance of miscellaneous debit accounts amounted to (115545) Million Dinars and we have not obtained the required confirmations from the concerned departments with the balances of this account.
- 4- The balances of credit current accounts amounted to (78847) Million Dinars and it is lower than the previous year with an amount of (19923) Million Dinars and, the increase of clients' deposits, increase of the bank work and the increase of cash flow below, are examples:

Year	Deposits Balance/ Million Dinars
2015	61181
2016	78700
2017	82465
2018	98770
2019	78847

Tenth-Compliance Controller:

The reports of compliance controller were examined and it was four reports during the year.

Eleventh-Internal Control:

The number of Employees of the internal control division are still limited and not suitable with the working bank branches and yet the reports of internal control division were viewed and found it covered all the divisions and band branches.

Twelfth-Anti Money Laundering and Terrorist Financing:

It became clear through our auditing that the Bank takes the proper procedures to prevent money laundering and terrorist financing and as stated by the law no. (39) for the year 2015, and the regulations and instructions issued by the Central Bank of Iraq and we recommend that it be comprehensive for all the phases of bank activity.

C-Allowance:

- The allowance balance of uncollectable debts amounting to (44305) Million Dinars while the total of allowance in the previous year was (34252) Million Dinars which increased with a rate of (29%), due to the fact that the bank is still accounting the allowance of uncollectable debts for the loans on the basis of evaluation and this considered as violation for the instructions of the Central Bank of Iraq which obliged the Bank to classify the credit rating according to the credit lifetimes and the expectations with a rate of collectable for each category, we recommend to adopt the prevailing basis and instructions in accordance with the list of guidance to arrive to the required accuracy allowance to account for.

Seventh-Foreign Transfers and Letters of Credits:

The foreign currency total (purchased) for the purpose of financing external trading by the foreign transfers and letters of credits through the window of currency auction in the Central Bank of Iraq during the year 2019 amounted to (2247356418) Dollars.

Eighth-Investments:

The investments were fixed in the limited companies by cost because of none existing of a fair value that can be reached to value the shares of those companies.

The cost of investment portfolio amounted to (7661) Million Dinars as on 31/December/2019 among which (3681) One Million Dinars are short-term and we have as follows:

- 1- We have not obtained the required confirmations from the concerned departments with the authenticity of owning the shares of the bank if it is mortgaged to others.
- 2- The balance of the account of allowance for the drop on the value of financial investments (shares) amounting to (2460) Million Dinars and with a rate of (32%) of the cost of investment portfolio and we believe it is a small percentage compared to the drop in the share prices.

Sixth- Cash and Contractual Credit:

A- Advances and Cash Credit:

The balance of cash and Advances and Cash Credit as on 31/12/2019 amounting to (148447319973) Dinars while the balance on 31/12/2018 was (125665570976) Dinars and hereunder the details:

Year	Debit Accounts (Overdrawn) Dinar	Loans and Advances /Dinar	Overdue Debts /Dinar	Total/ Dinar
2018	90582602100	20399663076	14683305800	125665570976
2019	95969847713	37477607132	14999865128	148447319973

As already mentioned its cleared that the cash credit as on 31/12/2019 has increased from the previous year with an amount of (22781748997) Dinar.

In spite of continuing following up the payment of debt balances but the effect of instability events in Ninevah Governorate had effected the economical activity, thus and what is required from the Higher Management is to focus the work in exerting maximum efforts for following up of collecting the Bank rights.

B- Contractual Credit:

The Contractual Credit as on 31/December/2019 amounting to (25044) Million Dinars and the balance of received deposits is (5699) Million Dinars distributed as follows:

The total of the letters of guarantees balance amounting to (14229) Million Dinars while the total of paid deposits was (3135) Million Dinar, and the balance of credits (10815) Million Dinars while the amount of paid deposits was (2564) Million Dinars.

And we have the following clarifications and remarks:

First-Applying the International Accounting Standards:

The bank continues in applying the international accounting standards for the third year and it has adopted the principle of registration by historical cost in evaluating the properties (buildings, machinery and equipment, means of transport, transportation and furniture) instead of reevaluation based on the letter of the Central Bank of Iraq No. (9/2/116) on 15/3/2018 which recommended for waiting in the process of evaluation.

Second-Price of Currencies Evaluation:

The amounts of financial statements by foreign currency were valued on the date of the balance sheet with a price of (1190) Dinar for each Dollar which is the price of currency auction with the Central Bank of Iraq on 31/December/2019.

Third-Subsidiary Companies:

The bank has unified the accounts of **Umm Al-Rabiain Company for Mediation in Securities Sale and Purchase** and its capital amounting to One Billion Dinars and it's owned fully by the Bank in the attached statements with the final accounts of the Bank subject of the case.

Fourth-Cash and alike:

The cash consists of (Cash in the bank safe, cash with the local banks, cash with the Central Bank of Iraq and foreign currency cash with the external banks) and we have in this matter the following:

A- We were unable to supervise on the process of cash assets inventory and other in some branches and the balances' registers were adopted for the purpose of preparing the final financial statements.

B-We depended upon matching the cash banks on the swifts and whose total of its balances as on 31/12/2019 amounting to (59,068) Million Dinars.

C-The balances of Mosul Bank was not settled with the damaged local banks in the Ninevah Governorate up to date and which is suspended for years and its total amounts is (22342318) Dinar.

Fifth: Real Estates and Equipment:-

Within the balance of real estates and equipment whose book value amounted to (54374243185) Dinars as on 31/12/2019 the balance of the account of transportation and movement account and its amount is (43821510) Dinars which violates its nature because of not completing the accounting procedures in order to treat the damages which affected these assets due to the events that happened in Ninevah Governorate, acknowledging that it was modified in the following year.

- 5- General Commission for Taxes
- 6- Ministry of Planning - General Commission for Statistics
- 7- Ministry of Labor and Social Affairs

Division of Control and Internal Audit

- 1- An audit plan for the year 2019 has been set and the approval of the Board of Directors has been obtained
- 2- A comprehensive field visits of all ten branches was made.
- 3- All bank divisions were audited.
- 4- Organizing control reports for each field visit.
- 5- Checking the daily documents of the General Management and the Baghdad branch daily.
- 6- Sending quarterly reports to the Central Bank of Iraq.
- 7- The division checks the movements of the accounting entries for all branches by sending them to the division by the Information Technology Division.
- 8- Participation in investigative committees.
- 9- Answering all correspondences pertaining to the Internal Control Division.
- 10- The division performs desk audits in addition to field audits.
- 11- Participating in answering the reports of the Central Bank of Iraq.
- 12- Auditing the schedules and receipts for the financial division and verify the correctness of the disbursement and the correct classification of the expenses.
- 13- Inquiring about the balances of the general ledger accounts and making sure that no part of the accounts appears contrary to their nature.
- 14- Updating the audit charter and submitting it to the honored Board of Directors for the purpose of approval.
- 15- Updating policies and procedures and obtain the approval of the Board of Directors to be adopted.

Relations Division:

The Relationship Division undertakes all activities related to the bank internally and externally, which is the preparation of reports and banking studies, following up of the bank's awareness activities, the preparation of annual plans and the analysis of activities compared to other banks.

- 1- The division prepares the requirements for holding public meetings and attending conferences held inside and outside the bank. It also publishes signatures of authorized persons and seizures issued by the relevant authorities on the branches, publishing advertisements and promoting the bank's services through social media.
- 2- The division worked on organizing and managing the process of localizing salaries for state employees, where some ministries were visited, and working to provide banking services and informing employees of the importance of localization and the mechanism for using the MasterCard card.
- 3- Organizing and managing the process of localizing salaries for state employees, where some ministries have been visited and working to provide banking services and informing employees of the importance of localization and the mechanism for using the MasterCard card.
- 4- The establishment of the bank's (CV) containing an introductory brief about the bank, its services and branches.
- 5- Organizing the training process by providing a package of programs and courses inside and outside the country in all specializations.

Detailed list of the courses in 2019

Serial	Course Place	Number of Courses	No. of Participants
1	Central Bank of Iraq	26	35
2	Central Bank/ Erbil	4	5
3	Iraqi Banking Association	6	10
4	Iraqi Company for Banking Guarantees	1	1
5	Iraqi Company for Project Financing	1	2
6	ABC Company	3	5
7	Iraqi Media Network	1	2
8	Headquarters of the General Administration	8	75

Divisions and Activities of the bank:

Financial Division:

The financial division of the bank prepares daily and periodic financial statements and final accounts according to international accounting standards and enhancing the values of transparency, and disclosure was made during the year 2018, in implementation of the requirements of the Central Bank of Iraq. according to the forms sent by it periodically (monthly, quarterly, annually) to the Securities Commission and the Iraq Stock Exchange market quarterly, and the financial division was able to provide financial information and reports accurately and to show the bank accounts accurately on daily basis through the smart reporting system in cooperation with the Information Technology Division, and based on the role of financial management as a partner for the business sector, it plays an important role in preparing the estimative budget and plan, following up on its implementation, monitoring and analyzing performance and providing the sectors with data, information and financial statistics necessary to manage their business, in the form of clear tables, in addition to managing the bank's relationship with the central bank, external auditors, income tax and social security, as well as the financial management strives to apply international standards if they were required.

Division Structure

- 1- Budget and Reports Section
- 2- Financial Management Section
- 3- Employees' Wages Section

Duties of the Finance Department

- 1- Cash management
- 2- Financial forecasting of financial needs
- 3- Planning budgets

External Division Connections

- 1- The Central Bank
- 2- The Securities Commission
- 3- Iraq Stock Exchange
- 4- Companies Registrar Department

- A- **Audit Committee:** The tasks of the committee are the adequacy extent of the internal audit, following up on the external audit, discussing its reports, following up accounting issues of material impact, evaluating internal discipline and control regulations, ensuring compliance with international standards, combating money laundering in all of the bank's activities, reviewing the policies and procedures of the regulatory division s, and ensuring the bank's commitment to disclosure ((International Financial Reporting Standards)) and submitting all the work carried out by such committee to the Board of Directors.
- B- **Risk Committee:** Reviewing the strategies of risk management, reviewing the credit policy, making recommendations thereon, and determining credit ceilings that exceed the authority of the Managing Director and the extent of the bank's commitment to Basel decisions III, with regard to liquidity, seeing the reports of the Risk Management Division , formulating appropriate recommendations in the minutes of the committee's meetings, and providing the Board of Directors with the accepted risk limits for the purpose of approval.
- C- **Remuneration and Nomination Committee:** Preparing the remuneration policy and submitting it to the Board, setting the replacement policy to insure management functions, supervising the process of human resources management evaluation in the bank, and submitting reports of its meeting minutes to the Board of Directors.
- D- **Governance Committee:** This committee supervises reviewing the application of the bank's institutional governance guide, as per the size of the bank's operations and the diversity of its activities, and prepare a report and include it in the bank's annual report.

Bank's Executive Management:

Managing Director: Mr. Qedar Abdulrahman Abdullah

First Deputy Managing Director: Mrs. Inaam Abbas Ahmed

Second Deputy Managing Director: Mr. Jasim Fadel Abbas

Committees Derived from the Executive Management:

- A- **Credit Committee:** Supervising the application of instructions and controls regarding the basis for assessing the creditworthiness of customers, following up the movement of loan repayment, working to repay written off loans as much as possible, simplifying granting procedures and submitting risk reports to the Executive Management and the Board of Directors.
- B- **Investment Committee:** The Committee divides the investment portfolio into instrument ((property rights)) and debt instruments, including treasury transfers and government bonds, proposing buying and selling operations or maintaining the components of the investment portfolio, reviewing the periodic indicators by the investment division and establishing proper proposals for them.
- C- **Information Technology Committee:** Reviewing and developing the uses of information technology and ensuring the adequacy of the revenue taken to maintain copies and following-up electronic customer service techniques to ensure the quality of network management and ensuring the preparation of policies and procedures of the Information Technology Division and also ensuring that there is a separation of duties between the Information Technology Division and other division s and providing the management and the Board of Directors with reports and minutes of committee meetings.

Employees of our bank

D- Illustrative table of the employees

Position	Quantity
Managing Director	1
Deputy Managing Director	2
Advisors	5
Division Directors	12
Branch Directors	10
Other Employees	164

We would like to clarify that holders of intermediate and elementary certificate and those without a certificate represent the guards and technical workers, and the bank always rehabilitates the employees by training them either through the Central Bank or the bank association or internal courses, as detailed below:

Acquainting itself with the management reports of the bank's employees in order to know their capabilities, levels, and competencies for the purpose of developing them and ensuring that they keep up with the global changes in the banking business.

Other tasks

- 1- Paying attention to the technological aspect through introducing modern banking electronic systems to work in a manner that improves and diversifies banking services provided to customers and achieves work accuracy and smoothness.
- 2- Ensuring the adequacy of the internal discipline and control systems by seeing the periodic reports of the internal control and risk division s, anti-money laundering, monitoring compliance, and studying them, and taking the necessary decisions regarding them, and developing and cultivating the capabilities and skills of those responsible for them.
- 3- Following up the best application of laws, regulations and instructions related to banking business, issued by the competent authorities and lay down the procedures that ensure their proper application.
- 4- Participating in the implementation of the general policies and goals of the bank through several high committees formed by members of the Board of Directors, as will be mentioned hereunder.
- 5- Following up and supervision of the implementation of the policies and objectives laid down, especially those related to the credit and investment aspect, management of fixed assets, risks and minimum limits for hedge rates.
- 6- Approving the bank's internal discipline and control systems and reviewing them annually, and ensuring that the internal auditor reviews these regulations in coordination with the external auditor.
- 7- Approving the selection of candidates to occupy the positions of the bank's executive management and supervising their performance.
- 8- Reviewing the bank's organizational structure, approving it, and making appropriate amendments to it from time to time and whenever is needed, according to the stage conditions.

The Structure of the Board of Directors

A- Data table of the original Chairman and Members of the Board of Directors as on 31/12/2019:

Serial	Name	Position	No. of Shares
1	Tamken Abd Sarhan	Chairman of the Board	24000000000
2	Qedar Abdulrahman Abdullah	Managing Director	80650726
3	Yaqdhan Jaafar Baqer	Deputy Chairman of the Board	3000000000
4	Shaker Mahmoud Hussein	Board Member	5000
5	Qais Abdalnabi Mousa	Board Member	23045050000
6	Rafidain Bank	Board Member	9375683538
7	Hassan Ibrahim Ahmed	Board Member	2225776

B- Table of the Reserve Board of Directors

Serial	Name	No. of Shares
1	Muhammad Ahmed Abdulrazzaq	1000000
2	Ayyam Abed Sarhan	24000000000
3	Rehab Matti Hanna	15937500
4	Agricultural Bank	3237968750
5	Ali Hussein Abdullah	4044698

Board Committees

- 1- Committees derived from the Board of Directors:

In the Name of God, the Most Gracious, the Most Merciful

The Annual Report of the board of directors for the period from 1/1/2019 to 31/12/2019

Ladies and gentlemen, the shareholders of the bank,

Best greetings,

We are pleased to present to you the annual report of the bank and its final accounts for the fiscal year ending on December 31, 2019, in accordance with the provisions of Articles (117 and 134) of the Companies Law, International Accounting Standards and the provisions of the Banking Law No. (94) for the year 2004 and the Law Central Bank of Iraq No. (56) for the 2004 amended and the issued instructions pursuant to both of them

1- Brief summary of the bank, and its objectives and activities:

- A- Objectives:** The bank practices all banking activities at the highest level and has introduced electronic systems in all fields of work and continuously update them and under the supervision and control of the Central Bank of Iraq, along with the application of laws, which are considered the authority to banking work (Banking Law No. (94) for the 2004 and Companies Law No. (21) for the 1997 and the attached instructions, as well as Anti-Money Laundering Law No. (39) and Labor Law No. (37) for the year 2015.
- B- The activities of the bank:** - Cash and contractual Credit in and pledge terms loans, over draft, advances, documentary letters of credit, letters of guarantee, Internal and external transfer. Deposit attraction (saving, current, fixed), and the deposits are used to support the basic activities of the bank.

Capital Developments:

In response to economic developments to support the national economy through the bank's practice of its activities and the expansion of the base of those dealing with the bank and meeting their domestic and foreign financial needs and increasing its competitiveness in the Iraqi financial market, the bank's capital has been increased to become two hundred fifty two billion and five hundred million Iraqi dinars by the dates shown below:

- A.** First increase to 2 billion dinars in February 2004.
- B.** Second increase to 10 billion dinars in September 2004.
- C.** Third increase to 20 billion dinars in November, 2005
- D.** Fourth increase to 25 billion dinars in July 2007.
- E.** Fifth increase to 35 billion dinars, according to the letter of the Companies Registrar No. 5213 on 3/3/2009.
- F.** Sixth increase to 50 billion dinars, according to the letter of the Companies Registrar No.18197 on 9/8/2009.
- G.** Seventh increase to 75 billion dinars, according to the letter of the Companies Registrar No.21231 on 28/8/ 2001.
- H.** Eighth increase to 100 billion dinars, according to the letter of the Companies Registrar No.13017 on 11/6/2012.
- I.** Ninth increase to 202 billion dinars, according to the letter of the Companies Registrar No. 331080 on 7/11/2012.
- J.** Tenth increase to 252, 500 billion, according to the letter of the Registrar of Companies 405 on 7/1/2015

The Board of Directors has its tasks and duties: The Board of Directors is keen to reconstruct the bank after the destruction it has suffered, based on basic rules, which are the Banking Law, instructions, and all laws and regulations considered the basis for sound banking work, and to avoid risks.

The Board is keen on implementing corporate governance with an ambition to reach the level of international banks

Board Tasks: The board of directors in our bank looks forward to building a prudent financial institution that abide by laws and instructions of banking work and serves our dear country and contributes to supporting the economy of the country, despite the great risks that the banking sector is experiencing due to the difficult conditions of the country but we have the ambition to be a bank among the global banks with a high reputation. Below are the tasks of the Board of Directors:

Contents

- 1- The report of the Board of Directors regarding the bank's activities for the financial year ending on 31/12/2019.**
- 2- Report of the Auditing Committee.**
- 3- The Auditor's report.**
- 4- The general balance sheet, financial statements and other attached statements.**
- 5- General consolidated statements of the bank and Umm Al-Rabiain Company for Mediation in Securities Sale and Purchase.**
- 6- Financial statements according to international accounting standards.**

**Mosul Bank for Development and Investment
(Private Shareholding Company) - Baghdad**

**Consolidated Financial Statements as of December 31,
2019**