

The main pillars of the strategy of the National Bank of Iraq

Emphasize on trade finance services for private sector businesses, extending limited loans to finance those operations with minimal risk. Furthermore, providing external transfer services and engaging in the foreign currency exchange market to generate commissions and profit from exchange rate differences.

Continuing to benefit from the Central Bank of Iraq's initiative for financing small and medium-sized enterprises, as well as partnering with international institutions to facilitate these companies access to essential finance and providing them with administrative, financial, and technical assistance.

Emphasizing the localization of government employees' accounts and increasing the bank's market share in this field by delivering distinctive electronic services through account openings.

Electronically, electronic wallets, phone-based electronic services, and the telephone service center.

Focus on digital transformation, aiming to make the National Bank of Iraq a distinguished bank in the Iraqi market through digital services.

Elevate the level of investment services provided by the bank or the Iraqi Capital Markets Company by providing brokerage services and other investment services through the group's investment arm, "Capital Invest."

Develop the infrastructure to ensure business continuity, including employees' ability to work remotely.

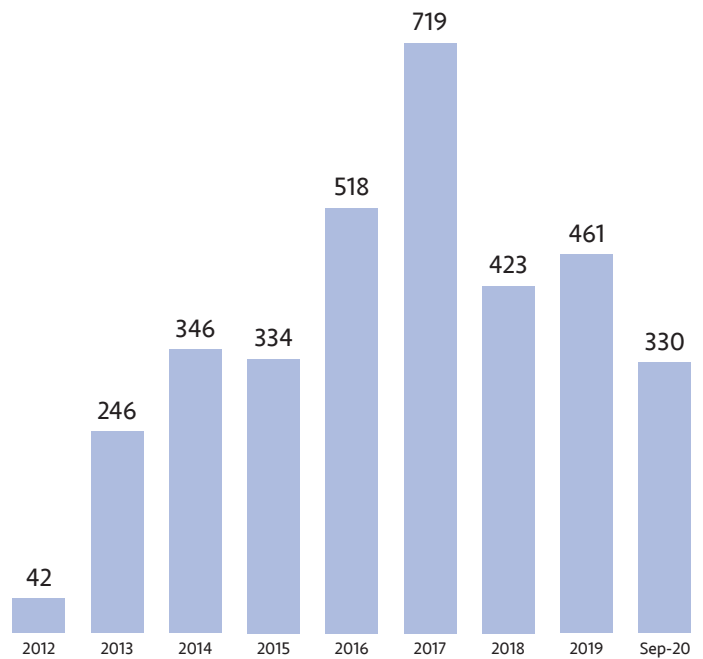
Roadmap 2021-2025

<p>Total Assets</p> <p>Reaching a total bank assets level of (1) billion dollars by the end of 2021 and (2) billion dollars by the end of 2025, with an average annual growth rate of 23%</p> <p>Total Revenue</p> <p>Total revenue growth for the bank at an annual average rate of (27%)</p> <p>Shareholder Relationship</p> <p>Increase the rate of return on shareholders' equity to levels that surpass 10% in 2021 and 20% in 2025.</p> <p>Sustaining cash distributions to shareholders to increase the capital adequacy ratio, with the distribution percentage progressively escalating from 10% to 18%.</p> <p>Facilities Portfolio Structure</p> <p>Redistributing the loan portfolio and balancing it across business sectors to achieve 10% for large companies, 20% for small and medium-sized enterprises, and 70% for individuals by the end of 2025.</p>	<p>2021</p> <p>I. Growth by means of acquiring a portion of the operations and branches of Capital Bank in Iraq</p> <p>II. Completion of the major IT projects</p> <p>III. Enhanced investment services</p> <p>IV. Improving the bank's digital services, the most essential of which are electronic wallets, phone-based electronic services, and quick loans.</p> <p>2022</p> <p>I. Maintain market share increases in both the corporate and individual sector.</p> <p>II. Providing cash management and electronic payment solutions.</p> <p>2023-2025</p> <p>I. Study of investment in the insurance sector</p> <p>II. Study of providing Islamic services</p>
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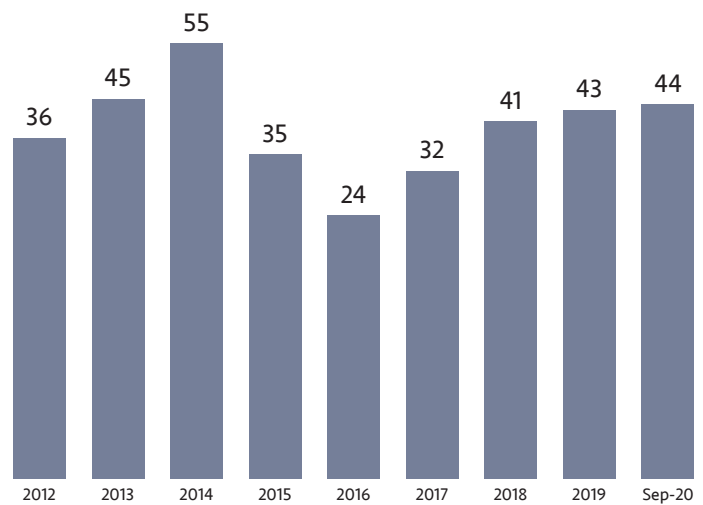
Corporate Sector Strategy

- i. The strategy for the large corporate sector revolves around focusing on non-direct financing operations (credits and letters of guarantee).
- ii. Emphasis on low-risk sectors characterized by high cash flows, with a particular focus on the food, pharmaceutical, and medical sectors.
- iii. Increase the number of clients in the large corporate sector to reduce concentration risks.
- iv. Focus on directing clients to settle credits and execute transfers through the foreign currency exchange window, given the limited availability of foreign currency.
- v. Work on acquiring deposits/credits from the government sector.
- vi. Work on reducing non-operational debts and avoid classifying any new account through diligent customer monitoring.
- vii. Improve business processes, automate them, and enhance the quality of services provided to companies by establishing a dedicated corporate branch.
- viii. Provide all companies with electronic services and encourage them to conduct financial and non-financial transactions through these channels.
- ix. Expand cash management services with large corporations and their clients.
- x. Attract companies operating in the oil sector to provide an additional source of foreign currency.
- xi. Focus on the Central Bank of Iraq's initiative to finance small and medium-sized projects and maintain the first position in terms of utilization.

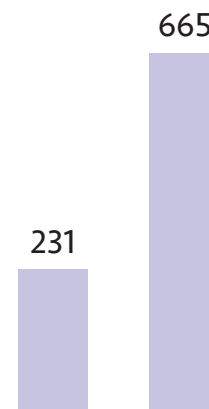
Export letters of credit volume
(in USD million)



Letters of guarantee volume
(in USD million)



Foreign exchange auction results
(in USD million)



Individual Sector Strategy

- i. The strategy for the retail sector revolves around focusing on the localization project in both the public sector as a key category, in addition to the private sector.
- ii. Expand the branch network and present it in various models (branch offices, VIP branches).
- iii. Expand the network of ATMs.
- iv. Activate the incentives program for localization customers within the “Recruit a Colleague or Friend” campaign.
- v. Expand sales teams to achieve set objectives.
- vi. Launch competitive products through new prize campaigns, including the Al-Ahli Star product, and announce the largest prize in Iraq to increase and attract deposits.
- vii. Focus on electronic transformation projects, giving the bank a highly competitive advantage.
 - i. Digital Onboarding
 - ii. E Wallets
 - iii. Quick Loans
 - iv. Omni Channels
 - v. Cards Instant Issuance and Pin over OTP
 - vi. Working on increasing loans and credit cards granted to public sector employees

Salary Localization (tawteen)		
Number of Customers		
2018	2019	Sep-2020
10,017	20,718	29,116

Zain Cash		
End of September 2020		
Customers	Transactions	Amount
1,383	6,865	1,350

Omnichannel		
Number of Subscribers		
2018	2019	Sep-2020
-	-	8,499

NBI Credit Cards		
Number of Credit Cards		
2018	2019	Sep-2020
187	401	492

NBI Debit Cards		
Number of Debit Cards		
2018	2019	Sep-2020
12,314	23,930	33,632

Treasury and Investment Strategy

The facilities granted by the Jordanian Money Bank.

- The bank has secured a ceiling of direct and indirect facilities from the Jordanian Money Bank up to (42) million dollars, representing (20%) of the bank's capital, in conformity with the regulations of the Central Bank of Jordan.
- These facilities are used for documentary credits, regular transfers, and foreign currency exchange transactions.
- Given the increase in business volume, preliminary approval has been obtained to allocate an additional ceiling of (30) million dollars specifically for transactions through the foreign currency exchange window. This will contribute to reducing the execution time of transfers for customers, attracting new clients, and managing the increase in transfer volume. It's worth noting that the ceiling is conditioned on the bank's reservation of Iraqi government bonds with a coverage ratio of (150).

Investment Services:

- The name of the Oasis Palm company has been changed to «Iraqi Money for Financial Brokerage Company,» and efforts are underway to develop a comprehensive plan to activate the company.
- Approval has been obtained from the Central Bank of Iraq to sign a cooperation agreement between the bank and the Jordanian Money Investment Company to market various investment services offered by the investment company.

International Institutions

- Negotiations are underway with the International Finance Corporation to increase the ceiling of the Global Trade Finance Program from (10) million dollars to (20) million dollars. A direct financing agreement has recently been signed with the International Finance Corporation, with a ceiling of (10) million US dollars, which will be utilized during the last quarter of this year. It will be increased to (20) million dollars upon the completion of the consultancy agreement related to small and medium-sized enterprises.