



المصرف العراقي للتجارة
TRADE BANK OF IRAQ

Strategic Plan

Trade Bank of Iraq

(2023-2025)

CONNECTING
IRAQ TO THE **WORLD**



Strategic plan of the bank

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Specifications
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ISO/IEC20000:2011
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Strategic Plan of Trade Bank of Iraq (2023-2025)

Introduction

In alignment with the bank's motto and comprehensive vision, which stipulates that the bank shall become one of the most prominent Arab banks and a pioneer in providing distinguished banking services with high performance, the strategic plan reflects the necessary steps to achieve the bank's overall objectives in light of the government program. As a governmental institution, Trade Bank of Iraq plays a contributive role in the advancement of the Iraqi economy and driving progress in the financial, banking, and investment sectors in Iraq.

Bank Motto

For best service...we innovate

Bank Vision:

- The Expansion of financial services.
- Improve banking technology and develop innovative solutions such as encryption and digital payment.
- Achieving financial sustainability.
- Achieving excellence in customer service and expanding local and international presence.
- Promoting sustainable development and participation in social initiatives serving the largest possible category of society.
- Promoting inclusive finance and providing financial services to non- traditional banking segments.

Bank Mission

In line with digital transformation, TBI aims to support the national economy and providing the best quality services and products in innovative and advanced means that are suitable to various segments of society, along with geographic expansion of banking services to meet customer satisfaction.

Bank Values

Customer is Our Priority, One Team One Goal, Do the Right Thing, Be Responsible, and Integrity

Board of Directors

Trade Bank of Iraq



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TBI Branches: -

No.	Branch Name	Branch Address
1	Main Branch	Baghdad/ Al-Harithiya -(Kindi Street), District,211 Street/13, Building 4
2	Erbil Branch	Wazeeran- Zagros St., Across Sami Abdul Rahman Park/ Erbil
3	Sulaymaniyah Branch	Chwarbakh, 136/260/ Sulaymaniyah
4	Al-Basrah Branch	Manawi Al Basha/ Istiklal Street/ Basrah
5	Iraqi Red Crescent Society Branch	Al Mansour district, Iraqi Red Crescent Society/Baghdad
6	Al-Najaf Branch	Al Ameer district, area 112, St. 34, near to Al- Sadir hospital bridges./Al Najaf
7	Parliament Branch	Green Zone- Parliament/Baghdad
8	Masbah Branch	Al-Karada/Babil District ,Area 929,St.17/Baghdad
9	Majidi Mall/ Erbil	Majidi Mall/Erbil
10	International Zone Branch	Green Zone, Al Tashrea district, Area 228/Baghdad
11	Kerbala Branch	Albaldia District/Near to Al-dhareeba Bridge/ Karbala
12	Al-Nasriyah Branch	Al-Shamata , Near Al-Rafidain Bank/ Al-Nasriyah
13	Ramadi Branch	Governorate Main St., Near to Governorate Council/Ramadi
14	Baghdad International Airport Branch	Baghdad International Airport/Baghdad
15	Hillah Branch	St. No.40, near Al Um Square/Hillah
16	Al Kut Branch	Al-Kut /near to Wasit Chamber of Commerce/across from Wasit Directorate of Communications and Post/
17	Al-Tahreer Branch	Al Rasheed St., Building No.1 /Baghdad
18	Al-Amarah Branch	Al-Amara Al-Kaff't Area, Al-Masraf Street, Block 5, house No.5, beside General Hospital/ Al-Amarah
19	Zayouna Mall Branch	Zayouna district/Zayouna Mall/ Baghdad
20	Babylon Mall Branch	Al-Mansour /Babylon Mall/Baghdad
21	Ministry of Oil Branch	Palestine St./ Ministry of Oil Headquarters/Baghdad
22	Haibet Khatoun Branch	Al Adamiyah/Omar Bin Abdul Aziz St./ Baghdad
23	Duhok Branch	Building No. (26/1568), District No.(75)- South Shandokha
24	Al Riyadh Branch	Al Olaya district ,Atta tawuniya Towers,South Tower, Office No.2/Riyadh- United Arab Emirates
25	Abu-Dhabi Representative Office	Floor 6 , Al Khatem Tower , Abu Dhabi Global Market - Abu Dhabi - United Arab Emirates



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Banking Services: -

- 1- Opening bank accounts for all public and private sector entities.
- 2- Executing domestic and international fund remittances in approved currencies.
- 3- Granting credit facilities and loans.
- 4- Opening letter of credits “LCs” and letters of Guarantee “LGs”.
- 5- Providing USD to citizens in accordance with Central Bank of Iraq's regulations.
- 6- Issuing electronic cards of such types as (Master, Platinum, Classic, Visa Gold, Gift Cards, and POS).

Strategic Objectives

- **Maximizing the Bank Financial Value:**
Maximizing the financial value of the bank by increasing the return on its fundamental transactions (targeting a 25% increase in investment returns, a 20% increase in letters of guarantee, letters of credit, and remittances) and achieving a 20% growth in equity. Add to this secure utilization of capital, rational management of assets and available liquidity, expense control capped at 40% of total revenues, and diversifying of income sources.
- **Excellence in Banking Services and Products:**
Focus on existing banking services and products, improving transactions efficiency, and achieving clients satisfaction by providing a high quality and appropriate banking services promptly. Additionally, the bank aims to promote financial inclusion, develop employee competencies to deliver optimal service, and unify the interior design of all branches to reflect the bank’s new identity.
- **Best Practices in Compliance and Risk Management:**
Implement the principle of balancing between return and risk, supported by a robust risk management framework based on systems aligned with Central Bank of Iraq requirements. It also includes meeting the corporate governance requirements, quality management, restructuring the bank’s bylaws, and ensuring adhering with the corporate governance manual.
- **Enhancing the Bank Trademark Value:**
The bank seeks to renew its brand to align with developments in the local and international banking sectors, enhance its competitive capabilities, increase market share, expand its range of products and services, focusing on electronic services, and being the leading Iraqi bank in digital transformation. The bank aims to extend service channels by opening new, and rehabilitating existing branches and ensuring full ownership of all branch buildings. Additionally, the bank plans to expand



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correspondent banking networks through partnerships with reputable international banks, uphold its social mission, and maintain a steady credit rating with global credit agencies.

– **Sustainability:**

Achieve sustainability by adopting disaster recovery and business continuity plans and building a strong capital structure (allocations and reserves) to enable the bank to face current economic challenges or potential future scenarios.



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Methodology for Preparing the Strategic Plan: -

The methodology for preparing the strategic plan includes three basic stages:

First: Analyze the strengths, weaknesses, threats, and opportunities of the bank's environment and data in accordance with the (SWOT) analysis, as follows: -

<p><u>Strengths:</u></p> <ul style="list-style-type: none"> - The strength of bank's capital compared to other Iraqi banks. - High liquidity that allows granting a large amount of loans with an acceptable return. - Largest market share of LCs compared to other banks operating in Iraq. - Allocations and reserves that allow the bank to face current and potential future economic threats. - Competitive salaries rates for employees compared to other banks, making the bank attractive to skilled talent in the labor market. 	<p><u>Weaknesses:</u></p> <ul style="list-style-type: none"> - Heavy reliance on the government as the main source of revenue. - Weak marketing of retail and corporate products targeting the private sector. - Smaller branch network compared to competing government banks. - Lack of active international branches. - Bureaucracy. - Need for enhancing human resource skills.
<p><u>Opportunities:</u></p> <ul style="list-style-type: none"> - Central bank initiatives to support loan financing, particularly for small and medium-sized enterprises. - Stabilizing the procedures for forming the government and approving the general budget and its impact on the volume of the bank's transactions related to government revenues. - Improving the systems of internal control – reporting – compliance - risk management. - The desire of correspondent banks to establish relationships with the bank to benefit from the economic growth in Iraq. - The government approaching towards supporting sectors that contribute to reducing the impact of climate change and providing financing opportunities in such field). 	<p><u>Threats:</u></p> <ul style="list-style-type: none"> - Regulatory determinants, instructions and laws that may limit the bank to launch new retail products or to loan the companies and the commercial sector. - Unstable economic state. - Continued reliance of the local market regarding imported products and lack of promotion of local production. - Weak investment in key economic sectors and infrastructure projects due to legislative obstacles and administrative corruption.



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Second: The strategic objectives were construed and reflected into departmental-level sub-objectives, representing, collectively, the future steps of the timetable for the years (2023-2025). The bank staff work as a one-team spirit, and with flexibility as well as continues communication between senior management and all lines of business. Performance indicators were also prepared to measure the extent of development of interim achievement. For each goal, an importance rate has been determined for each strategic goal that depends on the size of necessary measures, as follows: (maximizing the financial value of the bank by 25%, the excellence by 20%, and best practices for compliance and risk management by 20%. As well as enhancing the value of the bank's trademark by 20% and sustainability by 15 %).

Third: A quarterly report shall be submitted to include the percentages of achievement of the strategic plan, the stages of its progress, the obstacles that may hinder the achievement of some goals and the recommendations for addressing of, and performance assessment indicators of such goals, based on the attached performance assessment file.



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The plan for segmenting TBI's strategic objectives into departmental-level sub-objectives

In order to achieve TBI's strategic objectives, all internal departments have been assigned specific sub-objectives and their tasks have been distributed in a manner that ultimately leads to achieving the desired strategic goal, as follows:

Department	Objectives and Tasks
Compliance Officer	<ul style="list-style-type: none"> - Achieve a good annual rating through the Central Bank's audit. - Enhance compliance with anti-money laundering and counter-terrorism financing policies and procedures. - Strengthen adherence to FATCA requirements. - Ensure compliance with the banking governance manual requirements. - Review policies and procedures to assess their compliance with relevant laws. - Collaborate with the Reporting Department to update "Know Your Customer" (KYC) data for the bank's clients. - Coordinate with the IT Department to prepare a system report on outdated KYC forms.
Risk Management	<ul style="list-style-type: none"> - Implement a risk management system. - Contribute to maintaining the bank's credit rating by a global agency. - Ensure the emergency plan is aligned with the latest developments, trends, and global best practices. - Collaborate with the IT Department to prepare risk management reports within the system.
Human Resources	<ul style="list-style-type: none"> - Achieve a target of net human resource cost to annual revenue at 15%. - Facilitate the participation of TBI employees in 30 specialized and developmental training courses annually. - Develop the bank's Human Resource Management Policy document. - Develop the Authority and Responsibility Structure document. - Create a job description document for all operational areas. - Monitor employee adherence to the Code of Conduct document. - Enhance the incentives, rewards, and penalties system. - Contribute to establishing an employee solidarity fund or community initiatives.
Internal Control	<ul style="list-style-type: none"> - Develop the Internal Audit Charter to align with best practices and guidelines in accordance with risk-based auditing policy. - Ensure department employees obtain professional certifications in various technical audit fields.
Studies	<ul style="list-style-type: none"> - Update the banking services fee schedule to improve TBI's competitive position in the market. - Contribute to the opening of new branches.



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Department	Objectives and Tasks
Quality Management	<ul style="list-style-type: none"> - Contribute to obtaining the Quality Management Certification for TBI's branch in Saudi Arabia. - Obtain the Quality Management Certification for TBI's branch/office in Abu Dhabi. - Work on maintaining and renewing TBI's Quality Management Certification. - Monitor the implementation of TBI's strategic plan and track its completion rates. - Contribute to preparing TBI's internal system. - Comply with the requirements of ISO 50001 Energy Management Standard.
Letters of Guarantee	<ul style="list-style-type: none"> - Review and enhance the implementation mechanism for letters of guarantee. - Follow up on the collection of pending commissions with correspondent banks. - Ensure the full collection of amounts claimed under letters of guarantee.
Remittances	<ul style="list-style-type: none"> - Review and improve the mechanism for processing incoming and outgoing remittances.
Documentary Credits	<ul style="list-style-type: none"> - Enhance the mechanism for processing documentary credits.
Credit	<ul style="list-style-type: none"> - Update the credit policy to align with new developments, best global practices, regulations, and laws. - Reassess real estate guarantees annually. - Introduce new credit products (Tamwil product, Taqa product, Emaar product). - Increase the total credit granted to companies by 10% annually, with a focus on financing small and medium-sized enterprises. - Work to reduce the ratio of non-performing loans to 25% of the total portfolio. - Ensure that the ratio of delayed installments (90 days or more) for individual and corporate products does not exceed 5%. - Develop a comprehensive system for monitoring and collecting delinquent loans.
AML-CTF	<ul style="list-style-type: none"> - Automate anti-money laundering audit processes by granting monitoring system access to liaison officers. - Automate anti-money laundering and counter-terrorism financing audits by establishing a data and information exchange system with branches to meet due diligence requirements for cash withdrawal transactions. - Strengthen compliance with anti-money laundering and counter-terrorism financing policies and procedures. - Collaborate with the Compliance Officer Department to update "Know Your Customer" (KYC) data for the bank's clients. - Ensure department employees obtain specialized certifications in reporting money laundering and terrorism financing crimes.
Banking Awareness & Protect the Public	<ul style="list-style-type: none"> - Improve customer satisfaction survey results. - Issue brochures and conduct quarterly banking awareness campaigns, totaling 10 brochures. - Participate in specialized conferences to enhance banking awareness. - Contribute to annual financial inclusion campaigns.



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Department	Objectives and Tasks
	<ul style="list-style-type: none"> - Support women's empowerment initiatives. - Follow up on complaints received by the bank through official communication channels.
Overseas Branches	<ul style="list-style-type: none"> - Complete the procedures to convert the Abu Dhabi office into a full-service branch. - Complete the procedures for opening TBI's branch in Saudi Arabia.
Financial and Accounting Affairs	<ul style="list-style-type: none"> - Contribute to maintaining TBI's global rating. - Reassess real estate assets annually. - Prepare a flexible budget for the bank that covers its future needs and aims to increase its revenues. - Achieve a capital adequacy ratio of 17%. - Increase the return on equity by 20% annually. - Maintain the ratio of expenses to revenues at no more than 40%.
Financial Institutions	<ul style="list-style-type: none"> - Increase the credit lines granted to our bank by correspondent banks to reach \$500 million. - Expand the network of correspondent banks by targeting 10 additional banks with approved global ratings.
Treasury and Investment Management	<ul style="list-style-type: none"> - Increase investment deposit amounts with correspondent banks by 20%. - Increase TBI's investment revenues by 25% annually. - Diversify the investment portfolio to reduce concentration risk to no more than 10%.
Government Banking	<ul style="list-style-type: none"> - Increase government balances and deposits by 25% annually. - Increase the number of government letters of guarantee by 20%. - Increase the number of government documentary credits by 20%. - Activate an electronic portal for account statements for government institutions and companies.