



Israel targets

AL QARD 

AL HASSAN



Overview

On October 20, 2024, Israeli airstrikes were launched across Lebanon, primarily targeting Hezbollah's **Al-Qard al-Hassan Association (AQAH)**, a financial institution crucial to Hezbollah's financial network. This action is seen as part of Israel's broader strategy to weaken Hezbollah by undermining its financial infrastructure, which plays a vital role in sustaining Hezbollah's operations and influence in Lebanon.



Key Developments

- **Targeted Areas:** Israeli strikes were concentrated in major Hezbollah strongholds, including Beirut's southern suburb (Dahiyeh), Nabatiyeh, Tyre, and the Bekaa Valley, destroying AQAH branches and critical infrastructure.
- **Civilian Impact:** Despite warnings, the airstrikes caused extensive casualties and displaced thousands of civilians. AQAH offices, embedded in civilian areas, were the primary targets, further aggravating Lebanon's humanitarian crisis, already dire due to the prolonged conflict.
- **Hezbollah's Response:** Hezbollah criticized Israel's actions, calling them desperate attempts to destabilize its operations by targeting its financial network. Despite the damage, AQAH reassured depositors that contingency measures are in place to protect their savings.
- **Israeli Motive:** Israeli officials emphasized that by crippling AQAH's operations, they aim to sever Hezbollah's financial ties to Lebanon's Shiite community, thereby eroding its grassroots support.





Implications

- **Humanitarian crisis** : The airstrikes on AQAH are compounding Lebanon's financial and humanitarian crises. AQAH, which provides vital financial services to Lebanese citizens, especially the underprivileged, has become a target. The destruction of these institutions has a far-reaching impact, not only on Hezbollah but also on Lebanese civilians who depend on AQAH for essential services.
- **Hezbollah's Financial Vulnerability** : Israel's focus on AQAH indicates a shift in strategy, aiming to dismantle Hezbollah's financial infrastructure. However, attacking financial institutions intertwined with civilian life risks bolstering Hezbollah's local support.



Spider Z Hack

In December 2020, the hacking group SpiderZ infiltrated AQAH, exposing its vast financial network.

The hack revealed how AQAH serves as a pivotal financial institution for Hezbollah, facilitating Hezbollah's global and local financial activities despite sanctions.

The leaked documents highlighted AQAH's operations, including its collaboration with Lebanese banks and Hezbollah financiers.





Key Findings

- **Lebanese Banks' Complicity:** Multiple Lebanese banks, including Byblos Bank and Société Générale de Banque au Liban (SGBL), were involved in helping AQAH bypass sanctions. AQAH employees used personal accounts at these banks to conduct business transactions, providing Hezbollah with access to the international banking system.
- **Hawala System:** Hezbollah exploited the informal hawala system to launder money through Lebanese banks, further entangling the banking sector in illicit financial activities.
- **Global Reach:** AQAH's financial network extended beyond Lebanon, with account holders spread across Africa, Europe, the U.S., and the Gulf, highlighting its global money-laundering operations.



AQAH Operations

AQAH operates multiple accounts for Hezbollah's financial operations, offering interest-free loans and financial services to Lebanese citizens and Hezbollah affiliates. Despite U.S. sanctions, AQAH's operations have grown significantly, with total transactions exceeding \$3.5 billion since its inception.

The SpiderZ hack underscored how Hezbollah has managed to circumvent U.S. sanctions through its close relationships with Lebanese banks, emphasizing the fragility of Lebanon's financial system. AQAH's global reach complicates efforts to contain Hezbollah's financial activities, posing a broader challenge to international anti-money laundering operations.



Iranian Role in AQAH

Bank Saderat Iran, Hezbollah's long-standing financial ally, played a significant role in AQAH's international financial operations, facilitating large transfers between Iran and Hezbollah.

Iran has historically provided substantial financial aid to Hezbollah, which extends to institutions like AQAH. This support has been crucial in enabling AQAH to operate and expand its financial services despite international sanctions.

Iran's assistance to AQAH is a critical element in the financial ecosystem that supports Hezbollah. This relationship not only enables AQAH to provide vital services to the Lebanese Shiite community but also fortifies Hezbollah's military and political stature within Lebanon. As international scrutiny of Hezbollah's financial operations continues, addressing the implications of Iranian support will be essential for effective counter-terrorism financing measures.



Iranian Role in AQAH

- **Direct Transfers:** The Iranian government has been known to directly transfer funds to Hezbollah, which can then be funneled through AQAH. Notably, reports indicate a significant transfer of approximately \$50 million from Iran to Hezbollah, illustrating the scale of support that facilitates AQAH's operations.
- **Subsidized Loans:** Iran also provides subsidized loans or grants to AQAH, allowing it to offer interest-free loans to Lebanese citizens. This financial model helps strengthen Hezbollah's influence within the Shiite community by providing essential services that enhance loyalty to the group.
- **Strengthening Hezbollah:** By bolstering AQAH, Iran enhances Hezbollah's ability to finance its military operations and social programs, ensuring the group remains a formidable force against Israel and other adversaries.



Iranian Role in AQAHA

Shared Intelligence: Iranian intelligence agencies have historically collaborated with Hezbollah, sharing intelligence that may aid in AQAHA's financial operations and security measures.

Resource Allocation: Iran may allocate resources to AQAHA, including personnel and logistical support, to help enhance its operational capacity. This can involve training AQAHA staff in financial management and compliance with anti-sanction measures.

Evasion of Sanctions: The partnership between Iran and AQAHA highlights the challenges in enforcing sanctions. The sophisticated financial operations of AQAHA, combined with Iranian backing, allow Hezbollah to continue its activities despite U.S. and international sanctions.



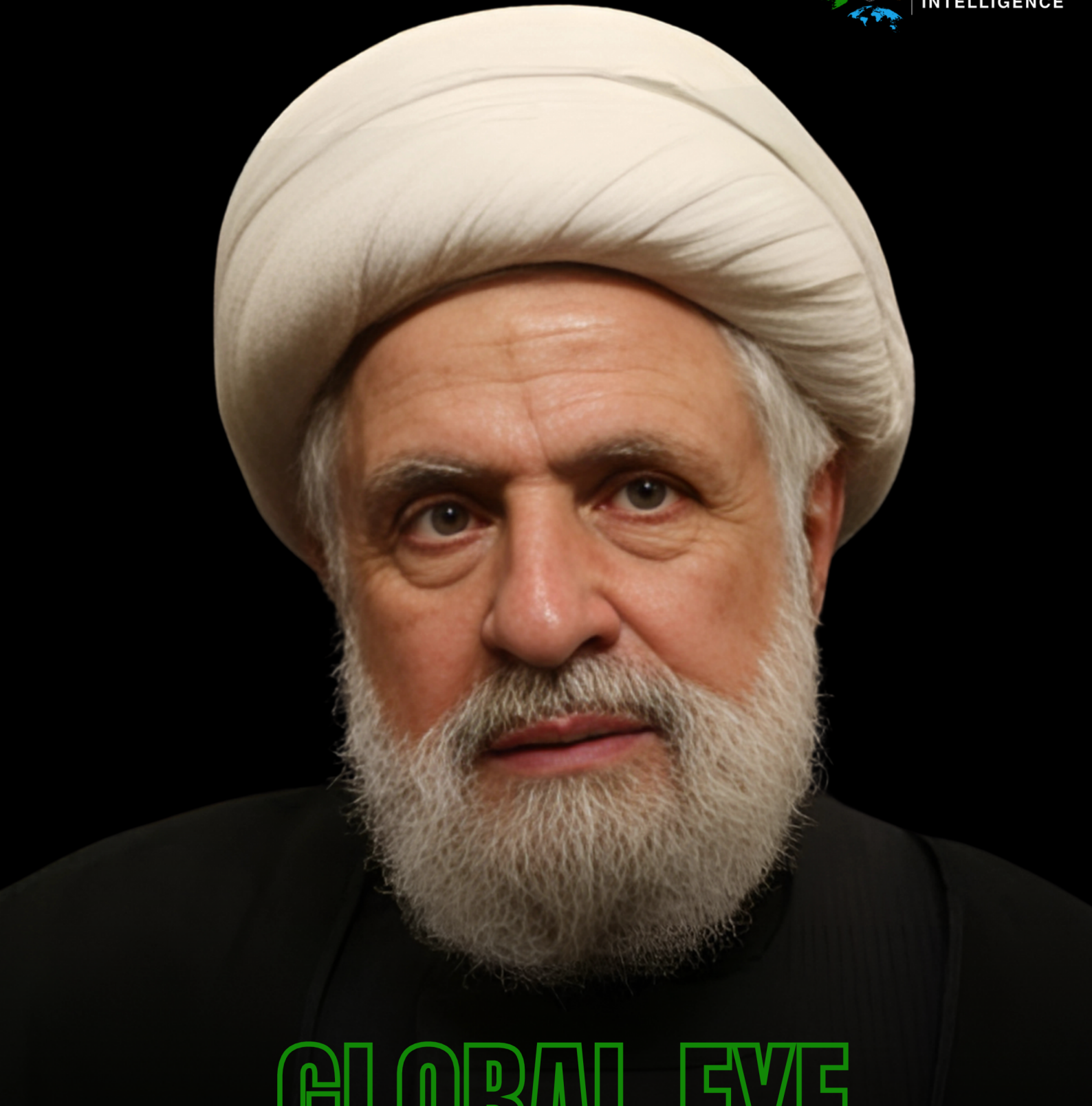
Conclusion

The ongoing conflict between Israel and Hezbollah is entering a new phase, where financial infrastructure has become a key battlefield.

Israel's airstrikes targeting AQAH underscore its intent to dismantle Hezbollah's financial support systems. However, this strategy risks increasing local support for Hezbollah due to the collateral damage inflicted on Lebanese civilians reliant on AQAH for essential financial services.

The revelations from the SpiderZ hack further highlight the deep entanglement between Hezbollah, Lebanese banks, and the global financial system, complicating the situation for regional and international actors involved in the conflict.





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