



INVESTMENT BANK OF IRAQ

Privatejoint - Stock Company
Baghdad - Iraq

Annual Report

Final Balance Sheet

31 st Dec. 2014

info@ibi-bankiraq.com



**Investment Bank
Of Iraq**

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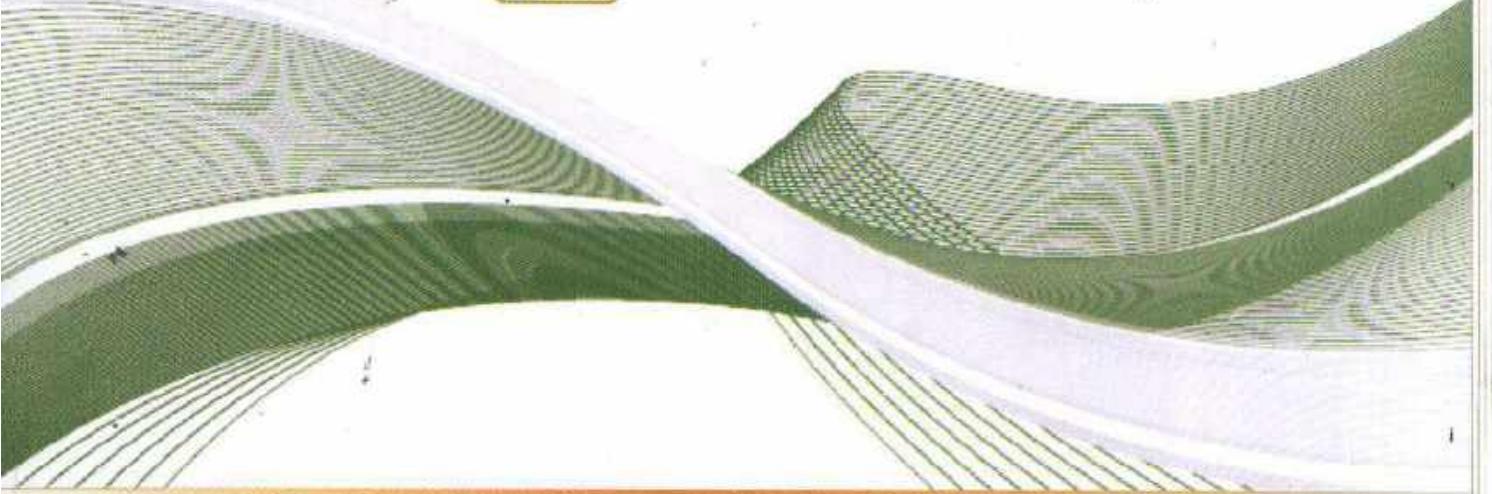


**Investment Bank
Of Iraq**

**Independent Auditor's Report
& Financial
Statement December
31 - 2014**



**Investment Bank
Of Iraq**



**Calling for the Meeting
of the General Body**





Investment Bank of Iraq PSC

Summons to

The Plenary Session's Meeting

Attn. / Messrs. Shareholders of the Investment Bank of Iraq PSC, respectfully

We extend our greetings,

According to the provisions of Articles 86/87/89/90 of the Companies Law No. 21 for 1997, as Amended, and pursuant to the decision of the Board Of Directors No. (5) in its meeting held on Saturday 5/9/2015, we would like to invite you to attend the annual meeting of the Plenary Session to be held on Saturday 12/9/2015, 10:00 am, in Baghdad Hotel -Al-Saadoon Street. In the event the quorum is not present, the meeting shall be adjourned until 12/8/2015 at the same time and place to consider the following agenda:

- 1- To hear the report of the Board Of Directors on the Bank's activity for the year ended on 31/12/2014 and discuss and take the necessary decisions in this respect.
- 2- To discuss the Auditor's report and take the necessary decisions in this respect, and to discuss and approve the balance sheet for the year ended on 31/12/2014.
- 3- To appoint an auditor for 2015 and fix its pay.
- 4- To discuss the distribution of dividends for 2015.
- 5- To discharge the chairman and members of the Board Of Directors and determine their remunerations for the year ended on 31/12/2014.
- 6- To discuss the report of the Auditor's committee according to the Banks Law of Iraq, and re-appoint it.

Kindly, attend in person or have other shareholders or empower others by notarized power of attorney to represent you presenting the original share certificate and file the representation letters and powers of attorney 3 days before the date of meeting according to Clause 1st/Article 91/Companies Law.

Thank you for your cooperation.

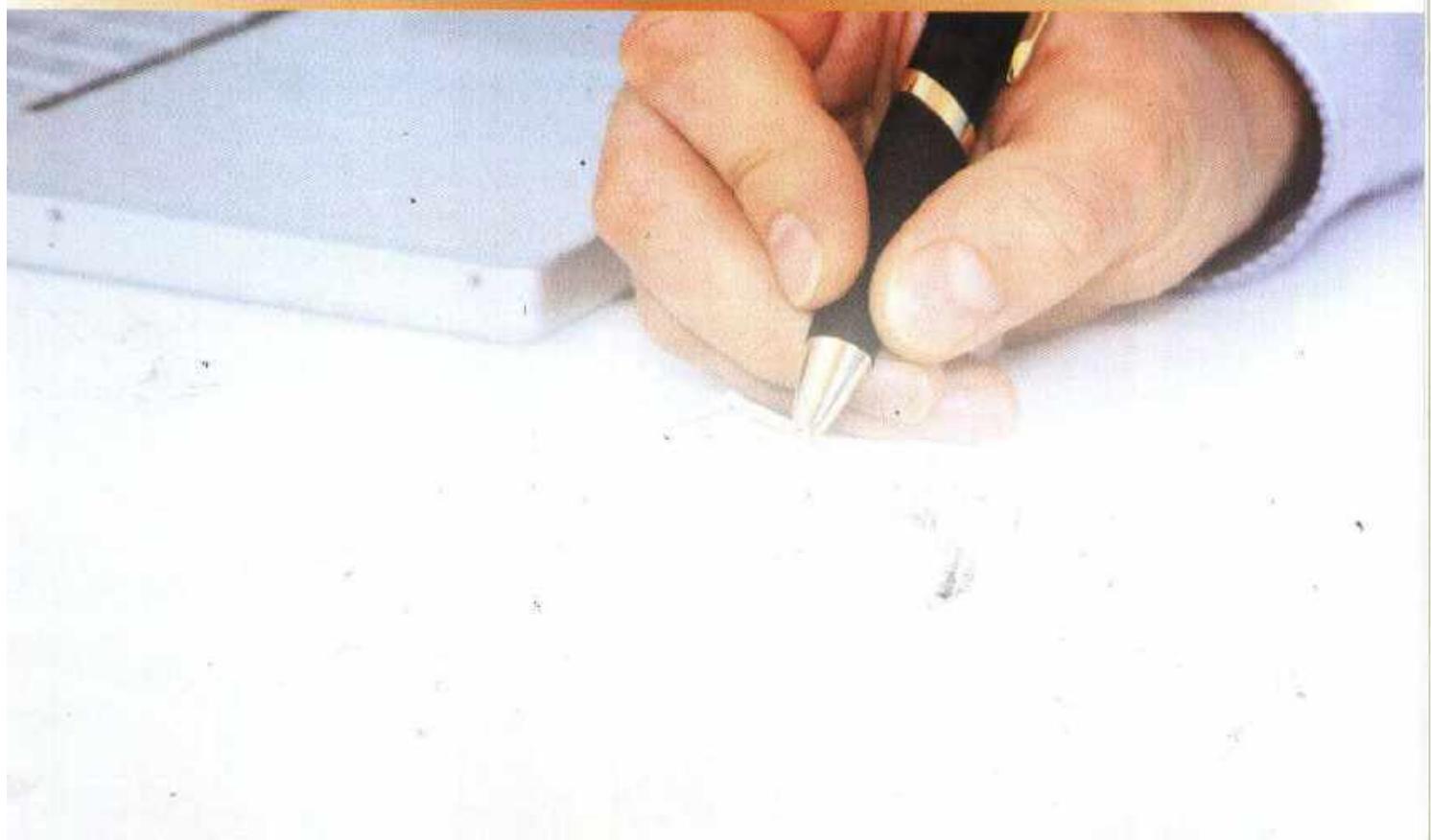
Best Regards.

**Hussain Saleh Shareef
Chairman of Board of Directors**



**Investment Bank
Of Iraq**

Chairman,s Statementy





Dear

Messrs.', representatives of the Central Bank of Iraq

Messrs.', representatives of the Companies Registration Department

Messrs.', representatives of the Stock Exchange, Respectfully

Our Dear Guests,

It is my honor and with pride and on behalf of my colleague members of Board Of Directors and on my behalf, to greet the all, thanking your attending the meeting to discuss and approve the balance sheet for the year ended on December 31, 2014, the 22nd annual report of the Board Of Directors, the final statements and balance sheet and the Auditor's report, as well as discussing the report of the Auditor's committee for the same year. The said year was a difficult year witnessed in Iraq. However, the Bank was able to face the shocks and difficulties due to adopting restraint and caution policy that enabled the Bank to face the quick high volatility and realize good results, although below the ambition, and is wishing to realize the future plans and trends in the future. The Bank worked hard on consolidating the Bank's financial position, as shown in comparison with the previous year. This is resulted from the trust of clients and the efforts of employees. The Bank took into consideration the exceptional circumstances of investment of all types. Certainly, the obsession of all is stability in order to exercise products to support the national economy while maintaining the rights of shareholders and protecting the assets of depositors as the main principle, through high quality sureties for borrowers.

The Bank, continuously, endeavors at the development of human resources through having them enrolled into heavy courses and curricula, in and outside Iraq, to enable them technically and administrational to take leading positions and to establish banking knowledge. The Bank continued in expanding the network of correspondents due to the qualitative and quantitative increase in activities and activating relations therewith. The Bank is willing to open branches in the Gulf area and Turkey in response to the business requirements. This is to be done after taking out the proper approvals from the Central Bank of Iraq. The Bank is hoping to realize better results with the assistance of the Central Bank of Iraq and support from other parties. We appreciate their efforts and would like to express our thanks and gratitude to them all. We would not forget the efforts of the employees and their experience and cooperation with the senior administration.

Thank you again for your attendance, and Only God We Ask For Help.

Thank you for your cooperation.

Best Regards.

**Hussain Saleh Shareef
Chairman of Board of Directors**



**Investment Bank
Of Iraq**

Names of Chairman and Members



Names of Chairman and Members of Board of Directors

A- Names of chairman and members of Board of Directors Original

- 1- Mr. Hussain Saleh Shareef (Chairman of Board of Directors)
- 2- Mr. Sardar Khalid Omar (Vice Chairman of Board of Directors)
- 3- Mr. Hamza Daood Halbon (Member of Board of Directors/ Managing Director)
- 4- Mr. Mohamad Abdullah Kafel Hussain (member of Board of Directors)
- 5- M. Diary Rafeeq Tawfeeq (Member of Board of Directors)
- 6- Mr. Bekhtiar Shafiq Ahmed (Member of Board of Directors)
- 7- Mr. Jamal Ahmed Abdullah (Member of Board of Directors)

B- Names of Members of Board of Directors Reserve

- 1- Mr. Ameer Raoof Faraj
- 2- Iraqi Reinsurance Company represents it Mr. Abdullah Al Mosawi
- 3- Mr. Abdul Hadi Abdul Ameer Al Attar
- 4- Mr. Abbas Ali Hasson Al Rubai
- 5- Mr. Dhiaa' Fakhri Hassan Abu Qlaam

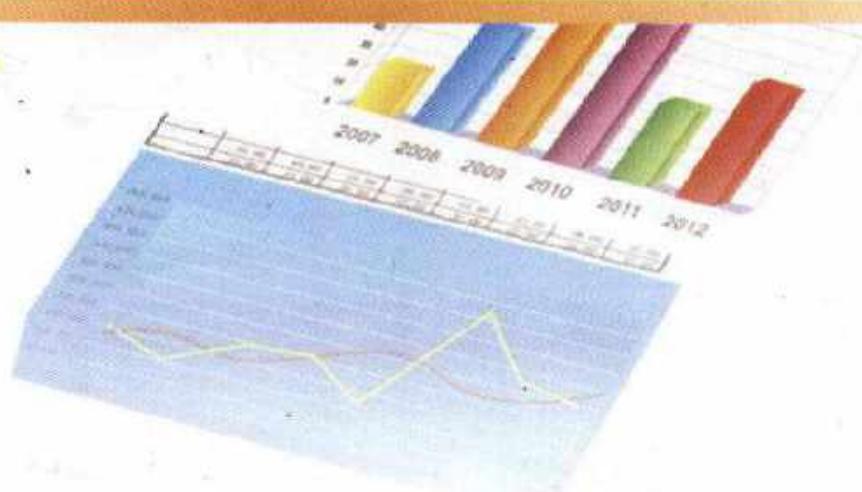
Classification of the shareholders according to the percentage of their participation as on 31/ December/ 2014:

	No. of Shareholders	No. of Shares	Percentage
Less than One Million	5963	1,045,050,347	0.418
1,000,001 to 10 Million	1470	4,769,988,753	1.908
10,000,001 to 100 Million	396	11,469,903,878	4.588
100,000,001 to One Billion	82	23,320,280,099	9.328
1,000,000,001 to 4 Billion	14	27,776,304,816	11.110
4,000,000,001 to 10 Billion	3	13,259,459,733	5.304
10,000,000,001 and above	10	168,359,012,374	67.344
Total	7938	250,000,000,000	100



**Investment Bank
Of Iraq**

**The Board of Directors
annual report**





BOD and functions

According to Article 17/Banks Law, which specified the formation, duties and members of the Board Of Directors and the conditions to be fulfilled by the chairman and members of the Board Of Directors, where each shall have legal capacity and shall be of min. 30 years and suitable for work. The Board Of Directors attempts at:

- 1- Establishment of the general policy related to investment, risks and supervision.
- 2- Appointment of the executive manager from its members, who shall be responsible for the execution of the Board Of Directors decision according to Clause 4/Article 18 and shall be resident of Iraq.
- 3- To realize the interests of the Bank and act according to its views.
- 4- Among its duties is to appoint a chief internal auditor, who shall be qualified with experience in auditing according to Clause 2 of the above Article. The shareholders in the Plenary Session shall appoint the committee.
- 5- To appoint a compliance watch according to Clause 3/Article 18/Companies Law.

Board of Directors:-

- 1- The Board Of Directors shall be composed of seven original and seven substitute members. The number of substitute members is currently five as two of them have resigned.
- 2- The Board Of Directors held twelve regular meetings throughout the year.
- 3- There're no concentrated affiliations of any original or substitute member of the Board Of Directors or any of their family members.
- 4- There's no benefit or interest of the chairman and original and substitute members of Board Of Directors.



Developments occurred to the paid capital:

The bank attempted on increasing the capital since its incorporation, where it has become 250 billion, so that it has become able to exercise its business more extensively in response to the quantitative and qualitative development witnessed in many transactions, whether domestically or internationally, such as letter of credit, money drafts and letters of guarantee, and to establish large banking relations with the foreign banks, to meet the business requirements and the customer needs, in accordance with the table below:

Year	Capital	Increment/ Capitalization and subscription	New Capital
1993	100 Million	-----	100 Million
1994	100 Million	100 Million	200 Million
1995	200 Million	-----	200 Million
1996	200 Million	-----	200 Million
1997	200 Million	-----	200 Million
1998	200 Million	100 Million	300 Million
1999	300 Million	100 Million	400 Million
2000	400 Million	200 Million	600 Million
2001	600 Million	400 Million	Billion
2002	Billion	200 Million	1,200 Billion
2003	1,200 Billion	720 Million	1,920 Billion
2004	1,920 Billion	3,840 Billion	5,760 Billion
2005	5,760 Billion	19,240 Billion	25 Billion
2006	25 Billion	4,750 Billion	29,750 Billion
2007	29,750 Billion	7,750 Billion	37,500 Billion
2008	37,500 Billion	12,900 Billion	50,400 Billion
2009	50,400 Billion	24,620 Billion	75,020 Billion
2010	75,020 Billion	24,980 Billion	100,000 Billion
2011	100,000 Billion	55,000 Billion	155,000 Billion
2013	155,000 Billion	95,000 Billion	250,000 Billion
2014	250,000 Billion	Distribute Cash Profits	250,000 Billion



Bank's creation, development and later events

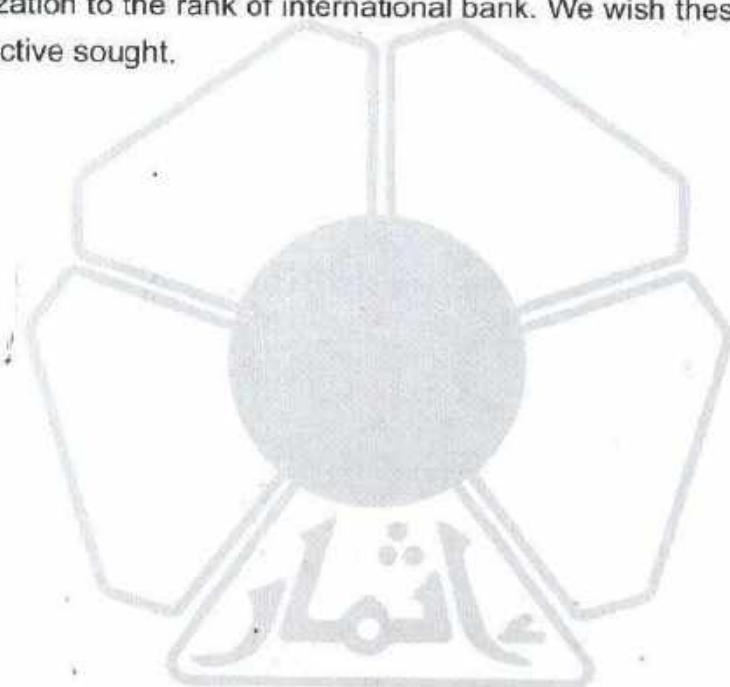
The Bank, just like other private banks, is incorporated in different and difficult circumstances. It was a leading bank when incorporated in 1993 with a capital of ID 100 million. The increase in capital continued until it has reached ID 250 billion through the profits realized and the increase paid by the shareholders. Just like other banks, it passed through tides where it could surpass many difficulties and shocks due to force circumstances. The Bank has always endeavored to keep pace with the events and developments it faced and it could surmount the same without default or high risks. It worked cautiously despite that it has passed critical periods when large debts accrued due to the security and political situation and the swift volatilities occurred, in spite of its compliance with the laws and regulations and the law of the Central Bank of Iraq and the Banks Law, in addition to other international regulations, instructions and standards and Basil's decisions. Through examining the balance sheet, the Bank has avoided risks. This can be noted for there are no new debts and for collecting old debts which ratio is high as compared to the size of debts, through the efforts exerted by the qualification and efforts of employees. The Bank wishes to achieve a high degree of evaluation through the policy plotted.

- In this occasion, we do not forget the role and efforts of the internal control through its field in official following up. The Bank, at the instructions and with cooperation of the Central Bank of Iraq on the encouragement of opening letters of credit gradually and built relations with the foreign banks, continues to facilitate this function instead of the auction drafts. The Bank is continuing offering high speed, secure and skillful services without risk and without overinvestment. The senior administration recently exerted efforts through which it could establish the elementary principles of banking business and elevate the bank and its reputation which assisted in attracting and winning the trust of more customers and led to development and expansion in their dealings and thus reflected on increasing the financial position of the Bank which in turn worked in expansion in offering services by increasing the different services, quantitatively and qualitatively, such as the credits, letters of guarantee and traditional services. Also, it is obvious that the Bank through profit magnificatio policy, as demonstrated in the previous year and the current year, attempts at balancing between the risks and realizing profits without exacerbation through high quality guarantees in investment. The effort of employees in the application of the plan plotted by the senior administration had direct effect in elevating the Bank and imposing itself effectively to participate in the economical development with the other banks. The Bank continued applying modern advanced system through having the human resources enrolled in courses and curricula in and outside Iraq and qualifying them to serve the banking business by offering swift, accurate and secure service. The Bank could cooperate with several correspondent banks and expand the network and open several accounts with them to make use of the facilities given



to our Bank, particularly in the documentary credits.

The Bank, through its march, could activate and develop many of its activities with foreign banks, in accordance with the Bank's interest, particularly the well-reputed banks. The Bank issued and used central magnetic checks to protect the Bank and its clients from manipulation, fraud and cheating. The Anti-Money Laundering division takes all preventive actions and measures according to the "Know Your Customer" principle and applies the forms of the Central Bank of Iraq to open accounts and verify the soundness of transactions. Despite the extraordinary circumstances witnessed in the country, such negative cases were surmounted through laws, instructions and regulations and the cooperation of the control and auditing Board Of Directors, using state-of-the-art technology. All this was the fruit of the efforts of the general management and the employees and the cooperation, which was intended for raising the organization to the rank of international bank. We wish these efforts to continue to realize the objective sought.





Type of Account	2014	2013	2012	2011	2010
	Thousand Dinar				
Current Assets					
Cash in safe/ Iraqi Dinar	81,478,958	31,086,437	28,256,658	19,927,932	9,689,344
Cash with bank/ U.S Dollar	8,525,266	2,703,382	3,773,172	8,303,120	6,801,221
Cash with local banks	1,555,507	1,204,866	1,057,703	421,870	1,177,500
Deposits with central bank	189,473,185	138,280,856	94,861,670	103,609,299	54,285,189
Legal cover with the central bank	44,623,717	31,395,689	22,600,048	10,008,311	10,612,643
Cash with foreign banks	29,120,912	6,966,983	8,300,053	13,561,052	66,896,343
Cash with local banks with foreign currencies	673,834	19,831,917			
* Total cash	355,451,379	231,470,130	158,849,304	155,831,584	149,462,240
Investments (after deducting the allocation)					
Deducted and purchased commercial papers	5,212,911	6,865,327	8,097,155	9,988,178	6,552,530
Loans / Iraqi Dinar (after deducting the allocation)	77,556,883	121,557,811	136,138,982	82,305,206	52,473,338
Loans/ U.S Dollar	9,332,265	6,363,118	7,211,004	13,952,689	9,712,349
Overdraft debited	1,680,924	3,303,479	14,434,486	5,214,140	5,352,775
Debited current documentary	23,154,170	82,869,694			
Freight documents	45,547,319	18,797,319	6,939,826	9643734	4248440
Advanced payments against golden jewelry	2,984,211	4,406,575	7,754,969	5034787	3987185
* Total cash credit	165,468,683	244,163,323	180,576,422	126138734	82326617
Debtors (after deducting the allocation)					
16,593,025	25,609,914	19,846,493	28927860	2,320,440	
Total current assets	541,303,525	505,493,395	362,657,589	314,130,188	237,908,603
Fixed assets					
Fixed assets (book value) investing expenditure	15,279,707	9,704,550	9,606,960	10,092,494	5,112,044
Deferred revenue expenses	687,367	773,696	1,181,790	1,406,963	1,736,775
Projects under execution	1,384,918	4,624,831	4,155,411	2,089,439	1,334,149
Total fixed assets (Book Value)	17,351,992	15,103,077	15,619,249	13,588,896	8,182,968
Total	558,655,517	520,596,472	378,276,838	327,719,084	246,091,571



Type of Account	2014	2013	2012	2011	2010
	Thousand Dinar				
Financing sources					
Current liabilities	57,477,954	70,545,171	41,225,263	51,803,385	40,677,511
Credited current/ Dinar Currency	23,109,961	14,462,798	12,430,174	9,757,807	9,339,308
Credited current/ Dollar Currency		*			
* Saving accounts	98,119,932	122,045,522	78,921,586	70,457,021	59,456,305
Saving accounts/ Dinar Currency	32,673,823	29,334,625	18,980,934	12,952,883	7,712,577
Saving accounts/ Dollar Currency					
* Accounts of deposits for deferred and on request	21,108,341	26,708,172	23,329,271	16,696,317	7,286,076
Fixed deposits/ Dinar Currency	6,573,406	3,606,671	948,164	413,829	11,700
Fixed deposits/ Dollar Currency					
* Accounts of current nature	3,431,145	5,547,917	7,988,564	24,097,396	13,168,358
Accounts of current nature/ Dinar Currency	14,241,335	11,036,883	9,484,109	1,046,481	1,362,290
Accounts of current nature/ Dollar Currency					
	256,735,897	283,287,759	193,308,065	187,225,119	139,014,125
Total deposits accounts	12,206,193	46,214,377	62,616,767	23,386,291	18,622,250
Creditors	268,942,090	329,502,136	255,924,832	210,611,410	157,636,375
Total current liabilities	5,964,171	4,737,678	3,794,339		
Allocation of income tax	250,000,000	155,000,000	100,000,000	100,000,000	75,020,000
Paid up capital	33,749,256	31,356,658	18,557,667	17,107,674	13,435,196
Reserves	558,655,517	520,596,472	378,276,838	327,719,084	246,091,571
Total financing sources					



Revenues and expenses for the last Five years

Type of Account	2014	2013	2012	2011	2010
	Thousand Dinar				
Revenues Account/ Dinar	47,039,508	40,764,155	19,170,337	20,848,239	19,765,276
Revenues Account/ Dollar	12,915,262	9,729,856	9,391,183	2,978,820	1,433,250
Expenditures Account/ Dinar	23,544,360	17,902,288	24,446,008	11,779,647	10,578,541
Expenditures Account/ Dollar	1,568,754	1,051,780	698,562	368,550	153,270
Profits and Losses	34,841,656	31,539,943	3,416,950	11,678,862	10,466,715

Current and Deposit Accounts

Deposit, of all types, are considered essential source to finance the banking transactions. During this year, the Bank's efforts focused on attracting the greatest number of customers and expanding the size of deposits which represented 46% of the total of financial position, as detailed below.

Deposits

Index No.	Name of Account	2014 Million Dinar	Contribution Percentagea	2013 Million Dinar	Contribution Percentagea	Percentage of Change
251	Credited current accounts	81,439	31,7%	85,561	30,2%	(4,8 %)
252	Saving accounts	130,794	51%	151,380	53,4%	(13,6 %)
253	Accounts of deposits for deferred period and on request	27,681	10,8%	30,315	10,7%	(8,7%)
255	Deposits received and receivables against banking operations	17,672	6,4%	15,372	5,4%	8%
256	Internal transfers and cheques	222	0,1%	660	0,3%	(66%)
	Total	257,808	100%	283,288	100%	



Cash Credit and Borrowing Policy

Due to the relatively difficult circumstances and fearing default by some borrowers, the Bank attempted at establishment of new policy in view to maintain the streamlined repayment in orderly manner, through prorating the amount of loan to the customer with the ability to comply with the obligation.

Cash Credit

Index No.	Name of Account	2014 Million Dinar	Contribution Percentagea	2013 Million Dinar	Contribution Percentagea	Percentage of Change
144	Deducted commercial papers	5,213	3,1%	6,865	2,8%	(24,1%)
142	Granted loans short period (after allocated)	86,889	52,6%	127,921	52,7%	(32,1%)
143	Debited current accounts	24,836	15%	86,173	35%	(71,2%)
145	Freight documents	45,547	27,5%	18,797	7,6%	142,3%
148	Advanced payments against mortgaging golden jewelry	2,984	1,8%	4,407	1,9%	(32,3%)
Total		165,469	100%	244,163	100%	

Sectored distribution for the granted credit by the Iraqi Dinar up to 31/12/2014 for the nearest million

Ser.	Economical activities	Current account (overdraft)	Commercial papers discounted	loans and advance payment	Delayed debts	Total cash credit	Letters of guarantee	Credits	Total undertaking credit
1	Agriculture, hunting and woods			78		78			
2	Mine and extraction of coal								
3	Transferring industries	2	5	2,329		2,336		49,003	49,003
4	Electricity and gas								
5	Trading of whole sale and retail, restaurants and hotels	24,823	3,640	135,617	2,164	166,244	96,560	18,567	115,127
6	Transport, storage and transportations			1,061	4	1,065	4,014		4,014
7	Financing, insurance and real estates						696		696
8	Complex services and social services	10	1,556	6,051	1,476	9,093	1,047		1,047
9	Foreign world						148		148
10	Construction and building		12	15		27	2,230		2,230
Total		24,835	5,213	145,151	3,644	178,843	104,695	67,570	172,265



Investments
Long and Short Term Investments

Account	Year 2014 Million Dinar	Year 2013 Million Dinar	Percentage of Change	
			Increase	Decrease
Short term investments (before the allocation)	3,148	2,934	7,3%	
Long term investments	1,501	1,501	—	—
Total	4,649	4,435		

Investment Folio

**Contribution Statement in the companies listed in the Iraqi stock exchange
as on 31/12/2014**

Ser.	Name of Company	No. of shares	Buying rate	Cost	Closing rate	Market value	Profit and loss
1	Al-Fallouja for constructional materials	139,669,363	1.88	262,178,400	1.789	249,868,490	(12,309,910)
2	Al-Kindi for veterinary vaccines	57,854,159	1.51	87,189,965	1.28	74,053,324	(13,136,641)
3	Iraqi company for dates industry	10,000,000	1.000	10,000,000	1.27	12,700,000	2,700,000
4	Al-Khaleej insurance company	287,834,380	0.990	285,090,294	0.69	198,605,722	(86,484,572)
5	Iraqi company for land transport	1,562,239	1.000	1,562,239	1.52	2,374,603	812,364
6	Trade bank of Iraq	1,369,044,576	1.000	1,365,159,821	0.66	903,569,420	(461,590,401)
7	Baghdad hotel company	441,220	1.000	441,220	10.86	4,791,649	4,350,429
8	National company for chemical industries	50,000,000	1.130	56,708,660	0.85	42,500,000	(14,208,660)
9	Modern company for animal and agricultural production	100,000,000	1.113	112,659,774	0.72	72,000,000	(40,659,774)
10	Al-Khaleej commercial bank	748,796,531	0.970	726,967,539	0.9	673,916,878	53,050,661)
11	Baghdad Al Salam company for foodstuff Industries	102,298,245	1.000	102,298,245	Outside the market
12	Dar Al-Salam bank	52,827,504	2.520	132,896,923	0.91	48,073,029	(84,823,894)
13	Kerbala hotels company	4,960,839	1.000	4,960,840	1.60	7,937,342	2,976,502
				3,148,113,920		2,290,390,457	(755,425,218)

* An amount of ID (859,100) thousand is withheld as allowance for profit decline.

** Calculating the fair value and applying the international standard added capitalization profits.

*** The allowance for profit decline was also calculated for Baghdad Al-Salam Food Production Co. from the above amount 100%. In addition an amount of 1,376,537 was added to the above amounts as additional hedging.



Contribution in long-term companies

Ser.	Name of company	Value of contribution Thousand Dinar	Capital of company Thousand Dinar	Property Percentage
1	Al-Amwal company for electronic exchange services	30,000	150,000	20%
2	Itihad of Iraqi banks company	100,000	1,300,000	4.7%
3	Al-Athmar company for intermediary of selling and purchasing stock exchange	250,000	250,000	100%
4	Iraqi company for banking guarantees	1,121,424	7,877,141	14.24%
	Total	1,501,424	—	—

* The Bank has recovered its shareholding with the funding company in 2015.

** Al-Athmar Co. is totally owned by the Bank.

Al-Athmar Stock Exchange Mediation LLC

It is incorporated according to the license No. (C.R. 6402702) on 13/05/2008) issued by the Companies Registration Department with a capital of ID 100 million. Its activity was increased and necessitated to increase its capital to ID 250 million, to be able to offer more services to customers who exercise stock selling and purchasing. It is noted throughout the year that there is a great decline in the transactions of the Iraqi Stock Exchange, due to the prevailing circumstances, which led to decrease of revenue due to the decline of the size of trading.

Trading size: ID (6,151,000) thousand

Total revenue: ID (39,078)



Promissory Credit

Despite the difficult and exceptional circumstances, the Bank continued dramatically to issue letters of credit of all types, whether to enter into a tender or as a performance bond or advance payment, while keeping on offering high quality guarantees and avoidance of risks. As well, the Credit Division has expanded dramatically through issuance of letters of credit, particularly for importation, in cooperation with correspondent banks from some the Bank could obtain large credits which assisted in the expansion of this type.

Documentary credits issued in Dollars (to nearest million)

balance in the beginning of the period for the nearest million Dollar	No.	Granted through the period for the nearest million Dollar	No.	Paid during the period for the nearest million Dollar	No.	Balance for the end of the period for the nearest million Dollar	No.
18	23	298,744	83	241,981	92	56,781	14

Foreign Letters of Guarantee

The letters of guarantee are considered one of the financial establishments activity practicing.

Foreign Letters of Guarantee in Dollar:-

Balance in the beginning of the period for the nearest thousand Dollar	No.	Granted through the period for the nearest thousand Dollar	No.	Paid during the period for the nearest thousand Dollar	No.	Balance for the end of the period for the nearest thousand Dollar	No.
733	3	368	1	1,013	3	88	1

Foreign Letters of Guarantee in Euro:-

Balance in the beginning of the period for the nearest thousand Euro	No.	Granted through the period for the nearest thousand Euro	No.	Paid during the period for the nearest thousand Euro	No.	Balance for the end of the period for the nearest thousand Euro	No.
-----	-----	30	1	-----	-----	30	1



Domestic Letters of Guarantee in Dinar:-

Balance in the beginning of the period for the nearest thousand Dinar	No.	Granted through the period for the nearest thousand	No.	Paid during the period for the nearest thousand Dinar	No.	Balance for the end of the period for the nearest thousand Dinar	No.
34,752,004	416	25,220,305	322	39,870,730	464	20,101,579	74

Domestic Letters of Guarantee in Dollar :-

Balance in the beginning of the period for the nearest thousand Dollar	No.	Granted through the period for the nearest thousand Dollar	No.	Paid during the period for the nearest thousand Dollar	No.	Balance for the end of the period for the nearest thousand Dollar	No.
38,040	162	47,053	133	14,130	156	70,963	39

Letters of guarantee according to the sections:-

Type of activity	Nearest Million Dinar	Nearest Million Dollar
Commercial	3,872	10
Servicing	1,318	21
Industrial	1,884	27
Agricultural	4,055	—
Construction and building	861	—
Transport, storing and communication	128	—
Financing, insurance and real estates	7,984	13
Total	20,102	71



Liquidity

There was a lot of talk on the liquidity and the ability to plot a policy for investment that keep facing shocks on volatilities and changes which mean the capability of meeting the customer needs without default which mean not overinvestment or maintaining high balances without investing the same and deprivation from realized revenues, which mean loss of food ration of profit. The liquidity is, of course, distributed on several categories, the most important of which is the legal reserve with the Central Bank of Iraq and the free balances with the said Bank in ID and USD, as well as the balances with the correspondent banks and domestic banks and the Balances with the strong boxes of all branches. All these shall be considered with attempt at balancing precisely between the saving and the investment without overdoing the same that would affect the result on the overall profits; it is always said that the bankers are the best in professional investment.

Cash flow

Index No.	Name of Account	Million Dinar 2014	Contribution Percentage	Million Dinar 2014	Contribution Percentage	Percentage of Change
181	Cash in safe	81,479	23%	31,086	13,4%	162,1%
183	Cash with domestic banks	1,555	0,4%	1,205	0,5%	29%
183	Deposits with central bank	189,473	53,3%	138,281	59,7%	37%
184	Legal cover with the central bank	44,624	12,5%	31,396	13,6%	42%
186	Foreign cash notes	8,525	2,4%	2,703	1,2%	4%
187	Cash with foreign banks	29,121	8,2%	6,967	3%	318%
	Foreign cash with the domestic banks	674	0,2%	19,832	8,6%	(96,6%)
	Total	355,451	100%	231,470	100%	

Sufficiency of capital

The sufficiency of capital percentage amounted to (93%) and it is a high percentage according to the international standards adopted with from it the Basel decisions and the regulations of the Central Bank of Iraq and the law of banks.

Results of Investment bank of Iraq works during the years (2010-2014) to the nearest million Dinar

Declaration	2014	2013	2012	2011	2010
Financial position	558,655	520,596	380,094	327,719	246,091
Deposits of clients	256,736	283,288	193,308	187,225	139,014
Loans and trusting facilities	165,468	244,163	180,576	126,139	82,327
Ownership equity	283,749	186,357	118,558	117,108	88,455
Total revenues	59,954	50,494	28,562	23,827	21,198
Profit before tax	34,842	31,540	3,417	11,679	10,467
Profit after tax	28,878	26,802	1,383	9,919	8,902
Profits applicable for distribution	27,434	25,462	1,314	9,422	8,457
Basic allocation for the share from the profit of the year (EPS)	0,20	0,17	0,013	0,122	0,169
Allocation of share from the distributed profits (Dinar)	0,127	0,15	0,10	0,11	0,09
Price of share in the end of the year (Dinar)	1	0.970	1.01	0.95	1.22



Disclosure of the Branch's activity as of 31/12/2014:

Through examining the Branches disclosures, it is noted that the results were losses due to the reduction of some activities due to the difficult exceptional circumstances which was feared for default and inability of fulfillment. However, calculating virtual profit for such branches that may have realized because such branches are the essential source for investment, through their collecting the savings and having them invested by the general management for several activities.

Ser.	Name of branch	Profit (to the nearest thousand)	Loss (to the nearest thousand)
1	Main	34,116,691.	
2	Al-Shareefain		258,212
3	Al-Mansoor		688,060
4	Al-Riyadh		64,332
5	Al-Hariri		266,166
6	Al-Karrada		226,744
7	Jameela	30,030	0
8	Al-Bayaa		112,572
9	Baghdad Al-Jadeeda		64,617
10	Al-Mahmoodiya		83,916
11	Al-Shaab		348,868
12	Al-Najaf		13,295
13	Al-Kamaliya	6,904	
14	Kerbala	13,683	
15	Al-Hilla	509,984	
16	Al-Kut	46,162	
17	Sulaimaniya	3,465,212	
18	Al-Basrah	238,051	
19	Erbil	1,023,119	
20	Al-Amara	—	62,865
21	Dohuk		25,182
	Expenses of General Administration		4,605,965
	Total	39,449,836	4,608,180
	Profit /	34,841,656	



All types of accounts and the financial position

The banks, certainly, depend in financing the banking activities of all types on the savings through collecting the same and then exercising their investment. It is observed through comparison between the current year and the previous year that there is clear increase in the financial position of the Bank, noting that our Bank has no branches in the areas that have subject to terrorist actions.

Financial Position of the Bank

Index No.	Name of Account	Million Dinar 2014	Contribution Percentage	Million Dinar 2013	Contribution Percentage	Percentage of Change
	Assets					
18	Cash	355,451	63,7%	231,470	44,3%	53,6%
15	Investment (after deducting the allowance)	3,790	0,7%	4,250	0,8%	(10,8%)
14	Credit (after deducting the allowance)	165,469	29,5%	244,163	47%	(32,4%)
16	Debtors (after deducting the allowance)	16,593	3%	25,610	4,9%	(35,2%)
12-11	Fixed assets (book value) and projects under execution	17,352	3,1%	15,103	3%	14,9%
	Total	558,655	100%	520,596	100%	
	Liabilities					
	Current accounts and deposits	256,736	45,9%	283,288	54,4%	(9,4%)
	Creditors	12,206	2,3%	46,214	8,9%	(73,6%)
	Income tax allowance	5,964	1,1%	4,738	0,9%	25,9%
	Shareholders' equity	283,749	50,7%	186,356	35,8%	52,3%
	Total	558,655	100%	520,596	100%	



Selling and purchasing of foreign currency

The Bank's activity depends on selling and purchasing dollars, whether to customers or to other citizens. This activity is considered relatively active. As part of the Bank's policy that require provision of currency to fulfill its obligations towards customers who maintain such accounts of all types (current, saving, deposits) or for the purpose of meeting the demand of customers to conduct foreign transactions such as credits and drafts. Dollars was evaluated according to the bidding of the last session for the year ended on 31/12/2014, declared by the Central Bank of Iraq, at ID 1190 per Dollar. Also, the assets and liabilities were translated as in the year stated in the records at the declared price.

Revenues of Banking Operations

Index No.	Name of Account	Million Dinar 2014	Contribution Percentage	Million Dinar 2013	Contribution Percentage	Percentage of Change
441	Revenue of selling and buying foreign cash	914	1,5%	1,262	2,6%	(27,6%)
442	Revenues of advances and internal loans	13,322	21,2%	19,403	39,3%	(31,3%)
443	Commission of transfers	29,147	51,5%	15,962	32,3%	82,6%
444	Commission of interests of the issued credits	12,321	19,6%	8,762	17,7%	(40,6%)
445	Revenues of letters of guarantee	2,636	4,2%	3,188	6,4%	(17,3%)
447	Miscellaneous banking commissions	810	1,3%	330	0.7%	145,4%
448	Restored expenses	463	0,7%	496	1%	(6,6%)
	Total	59,613	100%	49,403	100%	

Allowances Credits and its uses:

The total of allowances credits amounted to (23,309) Million Dinar as on 31/12/2014, it is distributed as below.

Index No.	Name of Account	Million Dinar 2014	Contribution Percentage	Million Dinar 2013	Contribution Percentage
222	Uncollectable debts	16,486	70,7%	12,271	71,4%
224	Income tax allowances	5,964	25,6%	4,738	27,5%
2251	Allowance of investments values drop	859	3,7%	185	1,1%
	Total	23,309	100%	17,194	100 %



Financial and General Indications of the bank performance during the year 2014

رقم الدليل	اسم الحساب	٢٠١٤	٢٠١٣
Percentage of liquidity	Account of cash/ deposits	99%	63%
Policies of using the funds	A- Investments/ total deposits B- Cash credit/ total deposits C- Investment + Cash credit / total deposits	1,48% 64,4% 65,9%	1.5% 87% 88%
Percentage of financial raising	Total deposits/ capital +reserve of capital	90,5%	152%
Percentage of activity costs	A- Total banking revenues operations / total deposits B- Total expenses/ total revenues	23,3% 41,9%	18% 37.5%
Percentage of profitability	A- Total realized profits/ paid up capital B- Net profits prepared for distribution on the shareholders/ paid up capital C- Net income/ shareholders equity D- Costs of the employment cadres/ total income E- Administrative expenses/ revenues of banking operations	13,9% 11 % 10,2% 13% 13,2%	20.3% 16.4% 14.4% 14% 15%

Contract entered into by the Bank

- 1- Renewal of lease contracts of the branches in Kerbala, Al-Karrada, Al-Riyadh and Al-Sulaimaniya.
- 2- Insurance contract for saving money in the strong box in some branches, as well as the insurance contract for the transportation on money to and from some branches as well, with Al-Khaleej Insurance Company.
- 3- Contract for the maintenance of the shareholders system with Al-Qaswa' Computer Service Co.
- 4- Contract for cleaning the building of the main branch and the headquarters.
- 5- Contract for the transportation of money with the State Company for Banking Service (State Company).
- 6- Contract for IBN system with the Central Bank of Iraq.



Privileges and Benefits for Employees

Employees are considered a basic pillar for the execution of the policy decided by the senior administration. Therefore they should be protected, their living conditions should be considered and the regulations related to them should be revised from time to time, in consistency with the economical situation, by adding further privileges to assist in securing dignified life for their families and facing the economical problems and burdens that befall them due to the exceptional hard circumstances, through participation and financial assistance in many occasions.

Names and job titles of five of the bank's employees who were paid a higher income this year (other than the managing director)

Ser.	Names	Job title
1-	Miss. May Mohammed Yass	Deputy managing director
2-	Mr. Yusra Refaat Abdulwaab	Executive Director of computer department
3-	Miss. Suhair Basheer Mohammed	Executive Director of the main branch affairs
4-	Mr. Firas Abdulrazzaq Jawad	Foreign formalities manager
5-	Mr. Firas Ibtisam Najim	Erbil branch manager



Statements of the branches which the bank owns its real estate

Branch Building.	Address of Branch	Governorate	Code no.	Date of Purchase	Cost Thousand Dinar
Main	Baghdad-Al Elwiya Hay Al Wahda-Dist.902 St.2-Building.27-P.Box 3724 Al Elwiya	Baghdad	901	3/7/2001	910,396
Al-Shareefain	Baghdad-Al Kdhimiya-Al Zahraa Square- Dist. 425-St.17-Building.72	Baghdad	902	22/6/1999	29,960
Al-Mansoor	Baghdad – Al-Mansour- Hay Al-Mutanabi Dist. 615 - St.19 -Building. 36	Baghdad	903	24/5/1995	40,374
Al-Hariri	Al-Adhamiya-Near Al-Maghrib Square	Baghdad	905	7/2/2011	685,740
Jameela	Baghdad-Jameela-Hay Al-Qudus-Dist. 514 - St.10 - Building.6	Baghdad	907	8/12/2004	620,017
Al-Mahmoodiya	Baghdad- Al –Sarai, Dist. Al-Qaemqaqmiya Street	Baghdad	908	7/2/2011	402,828
Al-Bayaa'	Baghdad- Hay Al-Bayaa-Dist.817-St.12-Building.23	Baghdad	909	31/3/2001	83,899
Baghdad Al-Jadeeda	Baghdad- Baghdad Al-Jadeeda Area-Hay Al-Khaleej Dist.725-St.25-Building.17	Baghdad	910	6/9/2001	77,072
Al-Shaab	Baghdad- Hay Al-Shaab Dist.337-St.38-Building.15	Baghdad	672	2/12/2001	57,472
Al-Hilla	Babel Governorate- Al-Hilla Province Al-Jameean Dist. No. 841-4	Babel	678	26/12/2004	151,609
Al-Kut	Al Kut Governorate- Al-Arasa-Sarai-Al-Markaz District, Lot No.451/145	Wassit	679	30/10/2004	89,636
Al-Basrah	Al-Basrah/ Kazara- Hay Al-Zehoor opposite Al-Basrah Chamber of Commerce	Al-Basrah	911	31/12/2008	1,060,600
Al-Hussainiya	Al-Hussainiya Dist.223-St.33-H.241 Hay Al-Rasheed Al-Hijri (stopped)	Baghdad		29/9/2001	137,722
Al-Shorta Al-Rabea'	Baghdad-Hay Ajnadeen-Dist.863-St.39-H.100 (stopped)	Baghdad		1/8/2002	153,591
Al-Amara	Al-Amara –Hay Al-Kafa'at - Al Hadi District opposite to Al-Rafidain Bank/ Al-Hadi Branch, real estate No.1810 serial: 18 Al-Hadi	Maisan	912	27/12/2011	462,250
Erbil	Erbil/ Hay Zanco - back of Akar Fuel Station	Erbil	913	27/12/2011	2,281,800
Dohuk	Dohuk- St. KRO Kurdistan Square adjacent to Asiacell Company	Dohuk	914	8/7/2012	2,834,648
					10,079,614

The Purchased Buildings

Al-Diwaniya	Al-Diwaniya/ Um Al-Nakheel District 829/15	Al-Diwaniya	—	2011/6/22	624,367
Al-Nasiriya	Al-Nasiriya/ Al-Zaitoon St. Al-Jazeera Dist.244/22	Al-Nasiriya	—	29/6/2011	750,210
Al-Najaf	Al-Najaf/ Jazerat Al-Najaf Al-Jinobia Hay Al-Zahraa' 4954/3	Al-Najaf	—	22/9/2011	1,683,939
*Erbil	Erbil / Hay Bakhtyar, near the Ministry of Justice/debts settlement	Erbil			3,511,177
AL-Karrada	Baghdad – Al-Karrada Al-Sharqiya, dist. 930, St.10 , Bldg. 44	Baghdad	906	28/12/2011	1,034,887
					7,604,580

*Erbil Building due to debts settlements



Statement of branches leased its real estate's from the others

Ser.	Name of Leased Branch	Belonging to the real estate	Code No.	Annual Rent
1	Al-Riyadh branch	Inherits of Mr. Nadhim Mohamad Al Taib	904	18,000,000 Dinar
2	Al-Karrada branch	Mr. Mohamad Hussain ali	906	70,000,000 Dinar
3	Kerbala branch	Insurance Company	677	28,000,000 Dinar
4	Al-najaf branch	Al-Najaf Chamber of Commerce	673	2,000,000 Dinar
5	Al-Sulaimaniya	Mr. Karoukh Hussain Saleh	763	40,000 Dinar

* Arasa lease contract ends on the year 2020.

Number of the bank employees according to the employment grades as on 31/12/2014

Employment Grade	No.
Managing director	1
Deputy managing director	1
Advisor	2
Executive manager	2
Representation observer	1
Director of department	11
Director of branch	18
Director	13
Assistant director	12
First supervisor computer	6
Supervisor of computer	2
First treasurer	9
First observer	31
Observer	37
Assistant observer	51
Treasurer	4
Assistant treasurer	15
Clerk	24
Other	124
Total	364



Number of the bank employees according to the educational level as on 31/12/2014

Educational Level	No.
PhD	1
Master	2
Bachelor Degree	125
Diploma	50
Secondary	58
And below	128
Total	364

Wages, Salaries and other expenses

Wages, Salaries and other expenses amounted 7.2% of the revenues, with decline of 0.2% below the previous year. This occurred due to increasing the pays and remunerations and reduction of expenses on other services in several fields. The table below shows the same.

Account	Year 2014 Million Dinar	Year 2013 Million Dinar	Percentage of Change	
			Increase	Decrease
Salaries and Wages	4,524	4,409	2,61%	

The amounts spent for the objectives mentioned below

Account	Details	Year 2014 Million Dinar	Year 2013 Million Dinar
3331		4	18
3333		17	9
3343		36	84



Correspondent banks abroad

Through increasing the Bank's capital and the trust of the correspondent banks, the Bank could obtain credit facilities from many foreign banks which enabled it to expand its transactions such as credits, external transfers and statements enclosed to the correspondent banks with which the Bank maintains accounts as well as the banks with which it has accounts.

Ser.	Name of Correspondents	Swift No.	Type of Currency
1	housing bank for trade and finance (Jordan)	HBHJOAXXX	American Dollar Jordanian Dinar
2	Invest Bank(Jordanian bank for investing and financing previously) (Amman – Jordan)	JIFBJOAMXXX	American Dollar
3	Fransabank Lebanese shareholding company (Beirut – Lebanon)	FSABLBBX	American Dollar Euro
4	IBL Bank, Lebanese shareholding company (Beirut – Lebanon)	INLELBEX	American Dollar
5	Turkey iş bankası (Istanbul-Turkey)	ISBKTRIS	American Dollar
6	Commerz bank (Frankfurt-Germany)	COBADEFF	American Dollar Euro
7	National Bank of Kuwait K. S. Co. (Kuwait)	ABKKKWKW	American Dollar
8	UBAE Bank Arab – Italy	UBAIITRR	American Dollar Euro
9	Al-Uraf Arab International Bank (Al-Manama / Al-Bahrain)	ALUBBHBM	American Dollar
10	AK Bank	AKBKTRIS	American Dollar
11	National Bank of Abu Dhabi (Jordan)	NBADJOAM	American Dollar Euro
12	Al-Itihad Bank (Amman – Jordan)	UBSIJOAXXX	American Dollar
13	Capital Jordanian Bank (Amman – Jordan)	EFBKJOAMXXX	American Dollar
14	Lebanon and Gulf Bank (Amman – Jordan)	LGBALBBEXXX	American Dollar
15	BLOM Bank	BLOMJOAMXXX	American Dollar
16	Noor Islamic Bank	NISLAEADXX	UAE Dirham
17	Bank of Beirut	BABELBBEXX	American Dollar Euro
18	Credit Lebanon Bank	CLIBBHBBXX	American Dollar Euro
19	First National Bank	FINKLBEXXX	American Dollar



List of the names of the corresponding banks which we do not have with them the accounts

Ser.	Name of correspondent	Country	Swift
1	Commerz bank (Dubai Branch)	(Dubai-Al Emirates)	COBAAEAD
2	Commerz bank	(Hamburg-Germany)	COBADEHH
3	Commerz bank	(London-Britain)	COBAGBX
4	Commerz bank	(Milano-Italy)	COBAITMM
5	Tokyo Mitsubishi Bank	(Tokyo-Japan)	BOTKJPJT
6	Areas Bank	(Madrid-Spain)	AREBESMM
7	Dutch Bank	(Amsterdam-Holland)	DEUTNLTA
8	Jordan Ahli Bank	(Amman-Jordan)	JONBJOAXXX
9	Audi Saradar Bank	(Beirut-Lebanon)	BSARLB BX
10	National Bank of Egypt	(Cairo-Egypt)	NBEGEGCX
11	Mashreq Bank	(Dubai-Emirates)	BOMLAEAD
12	Bank of Beirut	(London-Britain)	BRBAGBXLXXX
13	Dutch Bank	(Frankfurt-Germany)	DEUTDEFFXXX
14	Uni Credit Bank	(Frankfurt-Germany)	HYVEDEMMXXX
15	National Bank Abu Dhabi (Hong Kong)	(Hung Kong-China)	NBADHKHHXXX
16	Demark Bank (Ukraine)	(Ukraine)	DEM KUAYXXX
17	Aktif Bank	(Istanbul-Turkey)	CAYTTRISXXX
18	Bank of Kunlun	(Beijing-China)	CKLBCNBJ
19	Hellenic Bank	(Nicosia-Cyprus)	HEBACYN
20	Hellenic Bank	(Athens-Greece)	HEBAGRAA
21	Turkey iş bankası(Erbil Branch)	(Erbil-Iraq)	ISBKIQBA
22	National Bank of Abu Dhabi	United Arab Emirates	NBADAEEAXXX
23	Byblos Bank	Lebanon	BYBALBBXXX



Human Resources

The Bank continued to consider the employees as the backbone and a basic pillar relied on in the development of the banking business and using the services method through which high quality services can be offered using the state-of-the-art technology, as well as having them enrolled in courses in and outside Iraq to qualify them for their application and submitting services that keep pace with the development in modern banking industry and enable them to hold leading offices in the future through their use of knowledge and information.

Research and Development

The great development in automation bound the Bank to possess and qualify the human resources to use it through continuing to having them enrolled in courses and attend seminars in and outside Iraq to enable them following up such development and informatics revolution and possess its systems and equipment despite their high cost which sometime is not proportional to the revenue. Because this component is always in development and change, the Bank used to not allocated an amount, rather to apply and use what is deems necessary to be able to offer better service as to expedition, precision, security and continuous application of the modern and advanced systems in banking industry.

• Compliance Watch

According to Clause 3/Article 18/Law of Banks, which required the Board Of Directors to appoint a compliance watch and required the watch to attend the Board Of Directors meetings and write reports on the Bank and follow up the actions of internal control and the procedures to be taken and follow up the overdue debts and the methods of their collection in conciliation or the claims and guarantees of such debts to maintain the rights of the Bank. Also, the watch is required to be aware of the obstacles and problems in the financial division and remarking the investment and credit rates and size of deposits, as well as following up the activities of documentary credits, the rate of securities and guarantees offered against them, external transfers and their execution and conformance to the instructions and to mention the work cons to be mentioned in the reports forwarded to the Central Bank of Iraq.

Internal Control

The Internal Control and Inspection Division is an important division that has a role in office or field supervision and following up. The Bank could qualify some staffs, in addition to some components that participated with the said division, such as the administration, money laundering and financial and other divisions. Was continued following up the branches and verifying conducting work in compliance with the laws and regulations, specifically those related to the Central Bank of Iraq and other departments connected with banking business, and diagnosing the default, if any, and giving orders to secure sound progress of work and avoiding financial obligations due to lack of understanding of the regulations and instructions passed by the Central Bank of Iraq, the Banks Law and the Bank's instructions.



Duties and Functions of the Legal Division

The Legal Division, just like other divisions, has functions and duties connected to the legal work. An officer holding legal degree who shall represent the Bank before courts and other judiciary councils manages the division. Among the tasks of the legal division, is participation in the committees that require legal opinion, offering legal advice and signing contracts related to the legal affairs, in addition to the major participation by the division in following up the matters related to the prevailing laws with the concerned departments.

Outstanding Lawsuits for 2014

First: Lawsuits instituted by the Bank

- 1- A property sold in public auction. The procedures were stopped due to instituting the lawsuit of discommend No. 1645/B/2013 with an amount of ID 186,297,000 with interests. Following up continues.
- 2- Instituting a lawsuit on an incoming draft. A 2-yr imprisonment sentence with indemnification to the Bank was passed and considered decisive. The procedures are taken to confiscate its assets (a property).
- 3- Instituting a lawsuit on a loan of ID one million, equals USD 812. Procedure with respect to the balance continues.
- 4- A lawsuit was instituted for an amount of ID 230 million as advance payment for purchasing a plot of land. It is not registered in the name of the Bank yet. The procedures continue because the plot of land, located in Karbala, is under dispute.
- 5- There are several lawsuits resulting from auto loans. Parts thereof were repaid, and the Bank is still following up the repayment.

Second: Lawsuits instituted against the Bank

A letter of guarantee of an amount of million 385, the decision was passed in favor of the beneficiary (State Company for Foodstuff Trading), where the amount is not paid by the Bank yet for instituting counter claim. The lawsuit is not settled yet.

Money Laundering

Money laundering is one of the major problems on international level. Therefore it is required to adopt methods to deal with it, particularly when it has become to represent one of the biggest concern in the world due to its adverse effects on the social, economical and political aspects of the countries. The dissemination of this phenomenon is attributed to several objective reasons, such as the shortage in legislation aspect or lack of cooperation and sometimes lack of the required care. And given the risk of this of this phenomenon; international, regional and domestic efforts were concerted through protocols and holding international and regional conferences and passing legislations. The purpose of the Law of Money Laundering is to secure the financial institutions and combat instability through criminalization of the acts of money laundering or financing crimes and terrorism and elimination of theft, fraud and financial crimes and searching for the sources of money and methods of transferring them illegally and the application of the Know Your Customer principle and investigation on suspected and unsound transaction and the application of the law of money laundering and other control laws that limit their effectiveness and eliminate them being illegal activity, through the Central Bank of Iraq being the Board Of Directors authorized to control the financial institutions. The Bank complied with the newest versions on realizing the objective of the Law of Money Laundering in addition to continuously issuing bimonthly reports.



Automation and electronic payment method

It is one of the basic pillars in offering new services of high technology. The Bank could introduce many of the methods and is serious in using MasterCard or Visa Card or other uses which target facilitation and expansion of business to customers with skill and trust, through qualifying the human resources and having them enrolled in courses in and outside Iraq. The Bank attempted at connecting all the branches and offering services to the customer without trouble from any of the branches for the withdrawing and depositing transactions via inter Branch.

Archiving

Electronic archiving, as an informatics application, is based on saving files through scanner and through the state-of-the-art technologies and saving them as a single unit interrelated according to the importance, content and retrieval method of the file. Electronic archiving attempts at saving such files in soft and flexible method. The system of electronic archiving has several characteristics, such as protection of documents from loss or damage which always occurs in traditional archiving, and the capability of searching for any file in more than one method, such as using the name, number, subject... etc., in addition to the capability of transferring the content of files to a database that can be referred to and used when needed.

Islamic Banking Window

We have stated in the report below that the Bank is in the process of making a detailed study on Islamic banking as one of the new products for the increasing number of sections seeking for this type of banking business because of its compatibility with the Islamic Sharia. Many of the developed countries exercised and expanded this method; as well there are several banks that work according to this system for all their processes, because it applies business rules and concepts other than profits (Koran Verse). Recently, a law was legislated (not put into force yet) for the Islamic banks, because the existing banks are not governed by such legislations and were incorporated and are doing business through the prevailing laws, regulations and legislations applied on the commercial banks. The Bank wished to consider, open windows in some branches and apply the same in the future.

Banking Transactions Pricelist

It is also considered among the important products, which should be reviewed continuously because the services offered to the customers provide using many of the advanced systems, and equipment, which are always of high cost that should be calculated precisely. Calculation of cost should be proportional to the type of service. The revenue of services is considered of the basic resources in the magnification of profits and change according to the economical circumstances from time to time. However, their prices should not be overestimated. The inflation, also, led to revising the banking transactions pricelist from time to time to suit the services and actual costs.



Accounting Policy

The Bank continued in setting up the balance sheet since its establishment according to the unified accounting system, despite the requirement for adopting other criteria according to which the accounts are set up. The Bank, since its incorporation, it adopted the principle of entitlement in addition to counting the allowances arising from the promissory and the cash credits to record the financial transactions and the cash base to acknowledge the payable interest and calculating depreciation in the same method for all years according to the regulations, as well as following the prevailing laws such as the Law of the Central Bank of Iraq, Banks Law and the Law of Companies Registration. Also the Bank works on fixing the stock prices at the cost or at the market price, whichever is lesser, with the calculation of the price decline allowance, according to the instructions of the Central Bank of Iraq and the Banks Law.

**Hussain Saleh Shareef
Chairman of Board of Directors**







**Sub / Report of the Auditing Committee for the year ended on
December 31, 2014**

Messrs./ members of the Bank's Plenary Session, respectfully
Greeting,

According to Article 24/Banks Law No. 94 for 2004, on the formation of a committee of auditing the accounts of the Bank from the Board Of Directors members who were elected in the previous meeting, from the following persons

Mr. Sardar Khalid Omar Head

Mr. Bekhtiar Shafiq Ahmed Member

Mr. Jamal Ahmed Abdullah Member

The committee exercised the tasks entrusted to it and submitted reports to your august Plenary Session on the Bank's activities throughout the year and auditing the accounts and the report of the Board of Directors according to the applicable laws. We have considered the required information that we deemed important and necessary according to the Law of the Central Bank of Iraq and its instructions, the Banks Law and the Law of Companies Registration. We confirm auditing the accounting procedures that necessary and examination of the accounts pursuant to the provisions of Article 46/Banks Law, pursuant to which the auditor was appointed. We state the following:

- 1- Accounts were audited and examined by a specialized auditor.
- 2- Board of Directors has informed us with the information and notes, and they were approved.
- 3- The reports submitted to the Central Bank of Iraq conform to the instructions and laws, clear and cover the activities.
- 4- The Bank applied the laws and regulations, specifically those related to the money laundering, terrorism, fraud and counterfeiting, and there's nothing refers to violation according to Article 47-d.
- 5- Accounts are set up according to the instructions applied, unified accounting system and other instructions and criteria.
- 6- There's nothing refers to risks in exercising the work according to clause I of the above Article. We confirm what is stated above on the Bank's activities.

Do accept our thanks and regards,

Jamal Ahmed Abdullah Committee Member
Committee Member Sardar Khalid Omar

Bekhtiar Shafiq Ahmed
Committee Head

Auditor,s Report





Dr. Haseeb K. Aljwaid
Certified Public Accountant

Mahmood R. I. Alfaahad
Certified Public Accountant

REF No. 662 - 185
Date: May 20th 2015

To / Stockholders of Iraqi Investment Bank (P.S.C)

Auditors' Report

Greetings..

We audited the accompanying financial statements of Iraqi Investment Bank (P.S.C) comprise the Balance sheet as on 31 December 2014, statement of results (Profit & Loss), statement of changes in Stockholders Equity and statement of cash flows for the year ended at that date, and the statement that has number from (1) to (16) and the accompanying clarification notes attached with it, and the management annual report that prepared in the accordance with articles of amended companies law No. 21 for 1997 and the instructions and regulations that issued according to the mentioned law, and according to the Banks Law No. 94 for 2004 and according to the both known national and international Auditing Standards.

We have obtain the information and clarification that were in our opinion necessary to conduct our mission that we finished according to the implementing regulations, and according to the known audit procedures which contain needed tests for the company's activities within our specialty.

Management responsibility for the financial statements:

Management is responsible for the preparation and disclosure of these financial statements fairly in accordance with national accounting principles and standards, in addition the management responsible to prepare and execute an internal control system especially concerning the preparation and disclosure of financial data fairly and free from material misstatement resulted by mistakes and fraudulent. Also the management responsible to determine and application the relevant accounting policies and using the relevant accounting estimations.

Auditors' responsibility:

Our responsibility is to express an opinion of these financial statements based on our audit according to the national standards. Those standards required that we planning and complete the audit to obtain a reasonable confirmation whether the data were free from material misstatement. The audit includes an examining on a test basis for the confirming data and documents for the amount that reflected and disclosed in the balance sheet and accompanying statements of 2014. Also include revaluation of accounting principles that applied by the management, and we assume that our audit provides a reasonable basis for our opinion, and we have the following clarifications and notes:

First: Capital:

- (A) The capital increase during the year by (95) billion IQD for up to (250) billion IQD, according to the approval of the Registrar of Companies No. 5089, dated on February 19th, 2014.
- (B) The percentage of capital adequacy standard (93%) as of 31 December 2014 which is higher than the minimum provided for under the Banking Act No. 94 of 2004 of (12%).



Dr. Haseeb K. Aljwaid
Certified Public Accountant

Mahmood R. I. Alfaahad
Certified Public Accountant

(C) evaluation of USD as on 31 December 2014 was on the basis of cost price in a price of 1190 IQD per USD, unlike the price of the previous year which was 1166 IQD, and commitment at a price of EURO specified by the Central Bank of Iraq at a price of 1446 IQD per EURO, according to the instructions that issued by Central Bank of Iraq under official letter No. 9 \ 3 \ 354 on Dec 28th 2014 that caused differences resulted from converting of assets and liabilities in USD to the local currency was recorded other accounts payable in amount of (3,150,540) thousand IQD, while resolving the issue of price assessment by the Central Bank of Iraq .

Second: Cash: The total cash balance as of December 31st, 2014 amount (355 451 379) thousand IQD detailed as follows:

(A) Cash in the vaults of the bank in IQD (82478958) thousand IQD, and USD that equal (8525267) thousand IQD, all of it were acquired on a cash inventory certificates, but Dohuk branch stopped practice its activity total amount (16 083) thousand IQD we do not get the certificate of cash inventory.

(B) cash with the Central Bank of Iraq, equivalent to the amount of (234 096 902) thousand IQD, included legal deposits amounting (44623717) thousand IQD, and balances for the purpose of entry of USD Auction amounting (90658516) thousand IQD, and the remaining are balances amounting (98814669) thousand IQD include the amount of (4,500,000) thousand IQD regarding deposits for capital increases of exchange companies in the Bank and amount of (30756613) thousand IQD at the Central Bank of Iraq / Sulaymaniyah branch, all balances in the Central Bank of Iraq has been approved according to statements supported with reconciliations of balances that disclosed in the records.

(C) Cash at local banks amount of (2229341) thousand IQD, included amount of (318.148) thousand IQD at Basra Ahli bank (under liquidation), we recommend re-classified it with accounts receivable balances.

(D) cash at foreign banks amount of (29120912) thousand IQD, all of it has been approved which represents current accounts with these foreign banks, as for the insurances at foreign banks it has been disclosed in insurances hold by third party.

(E) There are an old suspended amounts for Foreign banks balances have been classified as reciprocal accounts receivable, which have been addressed throughout the year to four foreign banks, only two banks was left at 31 December 2014 with total balances debit (4296860) thousand IQD, which have been fully liquidated as in Date of April 27, 2015.

Third: cash Credit:

(A) The balance of credit cash (175 199 302) thousand IQD, down comparing with the previous year by (76527485) thousand IQD as shown below:

1. credit activities declined for the purposes of documentary credits by (59715524) thousand IQD, while an increase in the activity of documentary credits for granting credit for shipping documents by (26750000) thousand IQD from the previous year.

2. Credit activities declined for other purposes (loans, bills discounted, overdraft) during the year by (43561961) thousand IQD, reaching balance of (106 497 813) thousand IQD as on Dec 31st 2014 compared with the previous year of (150 059 774) thousand IQD.

(B) The bank still stopped to practice an activity of granting credit cash (loans and bills of exchange) it is renewed some loans in maturity, while continue to grant credit on the shipping documents and remittances post-paid activities.



Dr. Haseeb K. Aljwaid
Certified Public Accountant

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(C) Are still some guarantees are inadequate, which represents (bails, Checks, bills of exchange) we recommend taking adequate guarantees.

(D) The bank expansion of promissory credit from the previous year to reach the amount of (172 118 726) thousand IQD, an increase in insurance for both promissory credits by (1228149) thousand IQD to reach the amount of (16599801) thousand IQD, which represents insurance proportion of the total commitments (9.6%) and a decrease from the previous year amounting to (11.3%).

(E) the Bank's management dedicated the risk of monetary and credit promissory and provision for doubtful debts to increase the amount of (4298757) thousand IQD, and based on our recommendation in what came in our report for the previous year and the Stock Exchange Committee in order to reach amount of (16485337) thousand IQD, and calculated in accordance with the regulations guiding as on Dec 31st 2014.

Fourth: Investments: The balance of Investments (4649538) thousand IQD with an increase from the previous year by (214510) thousand IQD represents free shares (capitalization) by (12539) thousand IQD and subscribe to the shares of a company by (30,000) thousand IQD, while a Company shares were sold in the amount of (53 704)

Thousand IQD, when examine the value of the investment portfolio at the balance sheet date indicate that the market value for the cost of acquisition decreased by (859100) thousand IQD, the bank management has allocated an increase of that amount.

Fifth: Debtors: The total balance of accounts receivable (25770759) thousand IQD, as follows:

(A) Mutual accounts receivable total amount (6093417) thousand IQD, including balances of foreign banks that were mentioned to be liquidated in (Second paragraph e) above the total amount of (4296860) thousand IQD, and the remaining amount (1796557) thousand IQD the bank continue to follow-up its liquidation.

(B) The balance of the insurance of (7232821) thousand IQD represents the amount of documentary credits with foreign banks, that balances has been supported by documents and we got the appropriate reconciliations.

(C) Within the amount of receivables (11962584) thousand IQD represents accrued interest not received.

Sixth: Internal Control: There is a need to improve the performance of the internal control department and providing it with the preparation of efficient staff programs to audit all bank department's activities, including foreign remittances, letters of credit, head quarter activities.

Seventh: The legal position: has been viewed on the legal position and found the following:

(A) Suits filed by others against the bank:

There are two suits still in process on the bank since 2012 and 2013, a decision has been taken by the court in the amount of (447454) USD in favour of the State Company for Petrochemicals and paid the amount to them, while the second suit was issued a decision in favour of the State Company for Foodstuff Trading, and another suit filed for the amount of (385) Million IQD regarding a letter of guarantee.

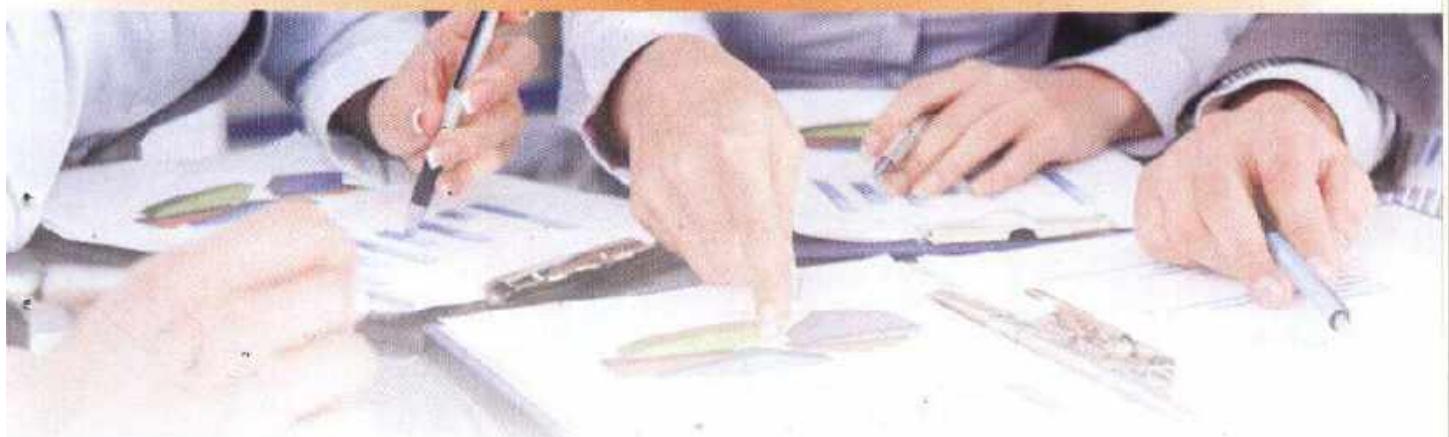
(B) Suits filed by the bank against others:

Total number of lawsuits filed by the bank on others (45) suits mostly belong to loans for cars with a total amount of (2,987,133) thousand IQD. Forty Two suits still in process, three suits issued a decision by the court in favour of the bank, one of them referred to execution, the most important suit is against one of the borrowers since 2013 amounting (1) Million USD for a maturity loan, paid an amount of (250000) USD and it's still in process.



**Investment Bank
Of Iraq**

Balance Sheet





INVESTMENT BANK OF IRAQ Privatejoint - Stock Company

FINANCIAL POSITION AS AT 31 DECEMBER 2014

STATEMENT (A)

	Note	2014 MILLIONS ID	2013 MILLIONS ID
ASSETS			
Current assets			
Cash and balances with banks	1	355,451	231,470
Investments	2	3,790	4,250
Loans and advances	3	165,469	244,163
Debtors and debit balances	4	16,593	25,610
Total Current Assets		541,303	505,493
Non-Current assets			
Property plant & equipment (book value)	5	15,698	9,670
Projects under construction	5	1,654	5,434
Total Current Assets		17,352	15,104
Total Assets		558,655	520,597
Liabilities and Equity			
Liabilities			
Customers' deposits	6	256,736	283,288
Provisions	7	5,964	4,738
Creditors and credit balance	8	12,206	46,214
Total Liabilities		274,906	334,240
Owners Equity			
Paid in Capital (common stock)	St. (c)	250,000	155,000
Reserves	St. (c)	33,749	31,357
Total Owners Equity		283,749	186,357
Total Liabilities and owners Equity		558,655	520,597
	10		
Off-Financial position LC & LG (net of fiduciary deposit)		155,667	121,044

Executive Accountant
May Mohammed Yass

Managing Director
Hamza Dawod Halbou

Chairman of the Board
Hussain Saleh Shareef

Ect to our report NO. dated may 2015

Mahmoud Ibrahim
Certified Public Accountant

D. Haseeb K. Jwaid
Certified Public Accountant



INVESTMENT BANK OF IRAQ Privatejoint - Stock Company

INCOME STATEMENT FOR THE YEAR ENDED 31 DECEMBER 2014
STATEMENT (B)

		2014	2013
	Note	MILLIONS ID	MILLIONS ID
Current activity revenues			
Banking transactions revenues	11	59,613	49,403
Investment revenues	12	44	708
		59,657	50,111
Deducted:Current activity expenses			
Banking operations expenses	13	10,832	9,322
Depreciations and amortizations	5	1,243	1,436
Administrative expenses	14	7,879	7,391
		19,954	18,149
Income from ordinary operations			
		39,703	31,962
Add (Deductions):Non operating revenues (expenses)			
Others income	15	297	383
Extraordinary expenses	16	(5,158)	(805)
Net Income before Income Tax			
		34,842	31,540
Distributor net income:			
Income Tax	7	5,964	4,738
Statutory Reserve	9	1,444	1,340
Retain Earnings	9	27,434	25,462
		34,842	31,540



INVESTMENT BANK OF IRAQ PrivateJoint - Stock Company

STATEMENT OF CHANGE IN EQUITY FOR THE YEAR ENDED 31 DECEMBER 2014

STATEMENT (C)

Details		Total Shareholders' Equity						
	Paid-in Capital	General Reserve	Statutory Reserve	Additions Reserve	Capital Reserves	Retain Earnings	Total RESERVES	Millions ID
Opening balance								186,356
Issued shares for Increase capital	155,000		4,340	46	194	26,776	31,356	93,687
Dividends Shares	93,687							1,313
Additions during the year	1,313							228
Transfer from / to	-							(26,713)
Transfer to the Provisions	-							(26,713)
Profit for the year	-							29,878
Ending balance	250,000	1,444	5,784	46	422	27,497	33,749	283,749
The Year Ended 31 December 2013								
Opening balance	100,000	3,000	4,022	797	10,739	18,558	113,558	
Issued shares for Increase capital	44,000						44,000	
Dividends Shares	11,000						11,000	
Additions during the year	-							
Transfer from / to	-							
Transfer to the Provisions	-							
Profit for the year	-							
Ending balance	155,000	1,340	46	194	28,776	31,356	186,356	



INVESTMENT BANK OF IRAQ Privatejoint - Stock Company

1- Cash and balances with banks

	2014 MILLIONS ID	2013 MILLIONS ID
Cash in hand - local currency	81,479	31,086
Cash in hand - Foreign currency	8,525	2,703
Balances at local banks	-	19,832
Balances at local banks (including Central Bank)	236,326	170,881
Statutory reserve at the Central Bank of IRAQ	-	0
Balances at banks, abroad	29,121	6,967
	355,451	231,470

* Foreign currency (U.S. dollars) on 31/12/2014 and 2013 was assessed at auction price of the Central Bank of Iraqs (1166) dinars per dollar.

**Statutory reserve at central bank are included with balances at local banks, which consists of both local and foreign currencies.

***Except for Statutory cash reserve , there are no restricted balances as of december 31,2014 and 2013.

**** The retention ratio of balances at banks, abroad less than 20% from paid-in capital according to the instructions of Central Bank of Iraq.

2- Investments

	2014 MILLIONS ID	2013 MILLIONS ID
Investments in Real Estate		
Long-term financial investments:		
Long-term financial investments / Financial sector	0	0
Long-term financial investments / private sector / Companies	1,501	1,501
	1,501	1,501
Short-term financial investments / private sector / Companies		
mixed sector	369	325
private sector \ coporates	2,779	2,608
	4,649	4,435
Provision for decline in value of investment	(859)	(185)
	3,790	4,250



INVESTMENT BANK OF IRAQ Privatejoint - Stock Company

3-Loans and advances

	2014 MILLIONS ID	2013 MILLIONS ID
commercial bills		
Discounted bills	5,213	6,865
Short term loans		
corporate customers	6,066	7,015
Retail customers	90,554	128,469
	96,620	135,484
Overdraft current account		
corporate customers	259	113
Retail customers	1,423	3,190
Overdraft current \ LC	23,154	82,870
	24,836	86,173
Facilities upon shipping documents		
private sector / Retail	45,547	18,797
Miscellaneous loans		
loans against mortgage jewelry	2,984	4,407
	175,200	251,726
provision for credit cash	(9,731)	(7,563)
	165,469	244,163



INVESTMENT BANK OF IRAQ Privatejoint - Stock Company

4- Debtors and debit balances

	2014 MILLIONS ID	2013 MILLIONS ID
private retail Debtors	-	465
Deposits with others	7,233	14,126
Accrued income	18,015	11,213
#REF!	(5,175)	(6,067)
prepayments	168	169
Monetary differences	-	1,119
	20,241	21,025
Advances		
Advances for ordinary activity	1	128
Advances for the employees	217	110
	218	238
Other debit accounts:		
Other debtors balances	2,888	9,056
	23,347	30,319
Provision for Doubtful debts	(3,644)	(2,890)
Provision for undertaken credit risk	(3,110)	(1,818)
	16,593	25,610

INVESTMENT BANK OF IRAQ Private joint - Stock Company

Private joint Stock Notes to the financial statements December 31 st 2014

5- Land, Property, plant and equipment Buildings and Deferred Revenue Expenditure All amounts indicated
are in Million Iraqi Dinars

Details	Land	Buildings	Equipment	Machinery and	Furniture & Motor Vehicles			Deferred Revenue Expenditure	Total
					Office	Appliances	Total		
Cost At January 1 st	656	9,455	9,455	140	2,839	13,422	2,191	15,613	
Additions during the year	-	7,263	7,263	-	232	7,573	120	7,693	
Amorlization of deferred expenditure		(408)	(408)		(54)	(462)	-	(924)	
At December 31 st	656	16,310	16,310	140	3,017	20,533	2,311	22,382	
Depreciation percentage	-	5%	5%	20%	20%	20%	20%	20%	
Provision for Accumulated Depreciation									
At January 1 st									
Depreciation At January 1 st	-	2,272	2,272	87	1,937	4,526	1,417	5,943	
Depreciation for the year	-	582	582	24	378	1,036	207	1,243	
Deductions accumulative depreciation exclusion	-	-	-	(40)	(40)	-	-	(40)	
At December 31st	-	2,854	2,854	111	2,275	1,624	7,146		
Book value as at December 31 st 2014	656	13,456	13,456	29	742	15,011	687	15,698	
Capital expenditure project under construction	1644	1644	-	10	1654	-	-	1,654	



INVESTMENT BANK OF IRAQ Privatejoint - Stock Company

6- Customers' deposits

	2014 MILLIONS ID	2013 MILLIONS ID
Current accounts		
Current accounts / private sector / Companies	38,715	31,060
Current accounts USD / Companies	16,151	2,640
Current accounts / private sector / Individuals	18,763	39,485
Current accounts USD / Individual	6,959	11,823
Current accounts / foreign	-	0
Certified Checks	731	424
Current accounts / Inactive	120	129
	<hr/> 81,439	<hr/> 85,561
 Savings accounts		
	130,793	151,380
Deposits accounts		
Fixed deposit	27,682	30,315
Temporary deposits	-	0
	<hr/> 27,682	<hr/> 30,315
 Received advances for banking commitment		
Deposits (Guarantees) against / LC	10,547	7,961
Deposits (Guarantees) against / LG	6,053	7,411
	<hr/> 16,600	<hr/> 15,372
Internal transfers & cheques	222	660
	<hr/> 256,736	<hr/> 283,288



INVESTMENT BANK OF IRAQ Privatejoint - Stock Company

6- Customers' deposits

	2014 MILLIONS ID	2013 MILLIONS ID
Current accounts		
Current accounts / private sector / Companies	38,715	31,060
Current accounts USD / Companies	16,151	2,640
Current accounts / private sector / Individuals	18,763	39,485
Current accounts USD / Individual	6,959	11,823
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Current accounts / Inactive	120	129
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Savings accounts	130,793	151,380
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	<hr/> 27,682	<hr/> 30,315
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	<hr/> 16,600	<hr/> 15,372
Internal transfers & cheques	222	660
	<hr/> 256,736	<hr/> 283,288

INVESTMENT BANK OF IRAQ Privatejoint - Stock Company

7-Provision

Details	Balance At January 1	Deductions & repayments during the year		Balance At December 31, I QD (000)
		I QD (000)	I QD (000)	
provision of doubtful debts	2,890	754	-	3,644
*Tax income	4,738	5,964	(4,738)	5,964
<u>Miscellaneous provisions</u>				
Provision of decrease in value for financial investments	185	674	-	859
Provision of impairment loss on contingent liabilities and commitments	1,817	1,293	-	3,110
Provision of impairment loss on Loans	7,564	2,167	-	9,731
Balance at December 31	17,194	10,852	(4,738)	23,308



INVESTMENT BANK OF IRAQ Privatejoint - Stock Company

8- Creditors and credit balances

	2014 MILLIONS ID	2013 MILLIONS ID
Trade creditors / Individual		
Non trade creditors	1	37
Sundry Creditors accounts:		
Received deposit	1	1,370
Advances Received	330	1,129
Accrued interest / fixed deposits	870	1,121
Accrued expenses / administrative	443	60
Salaries Return		
Accrued financial stamps fees	1	884
Increase in cash	2	1
Amounts collected for companies registration	4,665	7,667
Amounts deposited by the public forsubscriptios in other private joint stock companies	21	32,906
Inspection committees fees payable	1	-
	<u>6,334</u>	<u>45,138</u>
Deductions from employees for the others	21	26
Dividends payable	1,582	1
Other accounts payable	3,151	-
Other accounts payable		
Cancelled deposits (Guarantees) against / LG	86	78
Balances and compensation of deceased clients	185	120
Balances suspended by official entities request	753	720
Unclaimed amounts	93	94
	<u>1,117</u>	<u>1,012</u>
	<u>12,206</u>	<u>46,214</u>



INVESTMENT BANK OF IRAQ Privatejoint - Stock Company

9- Profits distribution

	2014 MILLIONS ID	2013 MILLIONS ID
Net Income before tax /See Income statement	34,842	31,540
Less:Income tax/see Note 8		
Net Income for calculating reserves	34,842	31,540
Statutory reserve (5% According to the law of Iraqi companies)	1,444	1,340
Retained earnings	27,434	25,462
	28,878	26,802

10 Off-Financial position LC & LG (Net of Fiduciary Deposit)

	2014 MILLIONS ID	2013 MILLIONS ID
Off-Financial position LG		
Letters of Guarantee-local currency	104,548	79,106
Deduction: - Fiduciary deposit - LG	(6,053)	(7,410)
	98,495	71,696
Letters of Guarantee-Foreign currency USD	148	-
	98,643	71,696
Off-Financial position LC		
Letter of Credit Foreign currency USD	67,571	57,310
Deduction:- Fiduciary deposit - LC	(10,547)	(7,962)
	57,024	49,348
	155,667	121,044



INVESTMENT BANK OF IRAQ Privatejoint - Stock Company

11- Banking transactions revenues

	2014 MILLIONS ID	2013 MILLIONS ID
Foreign Currency Revenues		
Revenues from trading foreign currencies	914	1,262
Revenues From Loans and Advances	13,322	19,403
Transfers Commissions		
Internal transfers	104	251
External transfers	29,043	15,711
	<u>29,147</u>	<u>15,962</u>
LC & LG Commissions		
Commission of issued letters of credit	12,321	8,762
Commissions of issued letters of guarantees	2,636	3,188
	<u>14,957</u>	<u>11,950</u>
Sundry banking commissions	810	330
Refundable expenses	463	496
	<u>59,613</u>	<u>49,403</u>

12- Investment revenues

	2014 MILLIONS ID	2013 MILLIONS ID
Revenue from Real Estate investment		
Financial investment revenues	22	195
Abroad	22	513
	<u>44</u>	<u>708</u>



INVESTMENT BANK OF IRAQ Privatejoint - Stock Company

13- Banking operations expenses

	2014 MILLIONS ID	2013 MILLIONS ID
Investment deposits profits	9,662	8,598
Internal banking commission	496	539
Foreign Currency revaluation	-	-
<u>Expenses from provisions</u>		
Decline in market value of investment securities	674	185
Impairment loss on contingent liabilities and commitments	-	-
Impairment loss on Murabaha	-	-
	<hr/> 10,832	<hr/> 9,322



INVESTMENT BANK OF IRAQ Private joint - Stock Company

14- Administrative expenses

	2014 MILLIONS ID	2013 MILLIONS ID
Staff compensation		
Salaries	2,841	2,618
Overtime wages	111	27
Incentive bonuses	619	773
Professional and technical allowances	6	50
Compensatory allowances	67	73
Cost-of-living allowances	602	606
Other allowances	126	126
	4,372	4,273
Bank's share in the social security	152	136
Total Staff compensation	4,524	4,409
Goods and commodities		
Oil and fuel	115	98
Miscellaneous		
Supplies and equipment	52	39
Stationery	24	52
	76	91
Water and electricity expenses	53	28
Total Goods and commodities Expenses	244	217
Services		
Repair and maintenance	296	241
Research and Consulting Services expenses	1	13
Advertisement & publication and hospitality expenses		
Advertising	4	18
Publishing and printing	72	43
Hospitality	-	-
Celebrations	17	9
Conferences and seminars	7	4
	100	74
Transmission, and communications expenses		
Staff transfer	-	-
Goods Transport	1,047	366
Travel for activity purposes	36	84
Telecommunications	41	54
	1,124	504
Rental of fixed assets	296	118
Sundry service expenses		
Contributions and affiliations	776	1,489
Insurance premiums	45	48
Rewards for non-employees for rendered services	7	37
Legal Services	130	64
Banking Services	-	-
Training and qualification	-	31
Audit fees - CPA	108	53
Audit fees - central bank		
Other service	228	93
	1,294	1,815
Total Services Expenses	3,111	2,765
Total Administrative Expenses	7,879	7,391



INVESTMENT BANK OF IRAQ Privatejoint - Stock Company

15- Miscellaneous Incomes

	2014 MILLIONS ID	2013 MILLIONS ID
Service activity revenue		
Sundry services	244	383
Rental assets	244	383
Other Revenue		
Previous years	37	-
Accidental	16	-
Gains	-	-
	53	-
	297	383

16- Extraordinary expenses

	2014 MILLIONS ID	2013 MILLIONS ID
Damages and fines	-	0
Doubtful and written off debts	4,299	57
Special services		
Written off differences		
Taxes and fees	860	748
Previous years expenses	5,159	805



INVESTMENT BANK OF IRAQ Privatejoint - Stock Company

17 - Calculation of profit tax:

Details	2014	MILLIONS ID
Net profit before tax/ See Income statement	34,842	
Add: Unacceptable expenses for tax purposes	5,186	
Less: Revenue from the tax-exempt	(267)	
Taxable profit	39,761	
profit tax 15%	5,964	