



TRANS IRAQ BANK
FOR INVESTMENT—P.S.C



ANNUAL REPORT

2014

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TRANS IRAQ BANK



Infinity

Speech of the Chairman of the Board of Directors

Peace, mercy and blessings of Allah are upon you

I am pleased to welcome you and thank you for accepting our invitation to attend the fifth annual meeting review through which the financial statements of the bank and the most prominent achievements during the year 2014.

Despite the fact that the bank was under the guardianship of the Central Bank during the first half of 2014 but it kept on achieving positive growth rates during the latter half of the year after the management of the bank is assumed by the new shareholders and raise the guardianship of the bank on 06.19.201.

In that short period, the bank has achieved positive results where net profit attributable to the equity of the bank has raised to (4,816) Billion dinar in comparison to the amount (1,947) million dinar in the previous year achieving a growth at (247%), and in terms of sources of funds, the balance of customer deposits totaled (104,807) Billion dinar in comparison to the amount (1,133) Billion dinar at the end of 2013, which reflects the customers confidence in the bank and meet the funding requirement necessary for customers and bank's liquidity. And in terms of credit facilities, it has witnessed a notable rise where it totaled (98,317) Billion dinar in comparison to 2013 where it was in an amount of (1,829) million dinar through the work of the bank to meet its customers' needs and build close relationships with them and to ensure a high standard of quality of service provided to them enhanced by the overall banking solutions provided to them.

And in terms of solvency ratios and returns to the bank, the capital adequacy ratio amounted to (342%) compared to (1983%) in the previous year, and compared to the minimum required by the Central Bank of Iraq amounted to 12% and the Basel Committee of 8%, and the bank continued to maintain high liquidity where the percentage of the bank's liquidity amounted to (207%) as at the end of 2014.

On the other hand, the bank initiated to implement programs that include the development of financial and banking solutions for customers and raise the level of service provided to them and provide operations environment and system procedures and databases to keep up with current and future business requirements, along with investment in sophisticated automated systems that will contribute to the provision of products and services of the bank in a high standard of quality which enables the bank to keep abreast of technological developments in the field of banking industry, and for purpose of the development of electronic channels, the bank has contracted with a leading company to launch a new automated system for electronic channels to keep pace with the latest banking developments in this area.



Honorable Shareholders of Trans Iraq Bank

We, at Trans Iraq Bank are keen to continue our path towards excellence and to achieve targeted growth and increase employment in the places where we work to strengthen the competitive bank's status and provide innovative solutions to our customers beyond their expectations and rise to the level of their aspirations, We hope that the year 2015 carries further improvement on the level of regional scene and the stability of the situation in Iraq and neighboring countries and to beginning the improvement in economic conditions in the markets and take advantage of opportunities resulting in the medium and long-term term.

Finally, I repeat my thanks in my name and on behalf of the members of the Board of Directors to our customers and our shareholders for their trust and continued support for the bank, as well as all the appreciation and thanks to the bank staff's team in all administrative and functional levels for their efforts in upgrading the Bank's performance and achieve good results and we promise you that we will continue to reach advanced levels in the banking sector, and also we thank all official institutions, led by the Iraqi Central Bank for their continued support for the banking system and the national economy.

Allah the Source of strength

Chairman of the Board of directors

Annual Report of the Board of Directors for the Bank's activities during the year ended on 31/12/2014

We present to you the inclusive report of the Board of Directors of your bank (Trans Iraq Bank for Investment) regarding the audited final accounts for the fiscal year ended on 31/12/2014 including data and information on bank's work and activity and the outcomes of the implementation of the annual plan, which was developed pursuant to articles (134), (117) of companies' law number (21) for 1997 as amended, and the instructions of the accounts system for banks number (1) for 1998, and Banks law number (94) for 2004, and the instructions of the Securities Commission numbered (8) for 2010.

First About the bank

1. Establishment of the bank

The Trans Iraq Bank for Investment was established as a Joint Stock Company with a nominal capital amounted to (56,5) Billion Iraqi dinar under the Certificate of Incorporation numbered (C.R/30026) dated 21/5/2006 issued by the Department of Companies Registration, and the Bank proceeded its activities through its main branch on 01/07/2007AD, under the license to practice banking business issued by Central Bank of Iraq in its letter numbered (9/3/2661) on 05/12/2006.

2. Developments on the paid up capital and dates

- No change was made on bank's capital throughout the previous years and since its establishment on 2006 where it was in an amount of (56,5) Billion Iraq dinar except in 2014 where the bank's capital become (250) Billion Iraqi dinar according to the following:
 - a. At the meeting of the general assembly convened on 17/4/2014, the increase of bank's capital was admitted to become (150) billion Iraqi dinar by issue new shares valued (93,5) Billion Iraqi dinar subscription pursuant to the provisions of article 56/ Four of Companies Law and indeed this was done.
 - b. At the meeting of the general assembly convened on 24/9/2014, the increase of bank's capital was admitted to become (200) billion Iraqi dinar according to the instructions of the Central Bank of Iraq by issue new shares valued (50) billion Iraqi dinar subscription according to the provisions of article 56/ Four of Companies Law and indeed this was done.
 - c. At the meeting of the general assembly convened on 20/12/2014, the increase of bank's capital was admitted to become (250) billion Iraqi dinar according to the instructions of the Central Bank of Iraq by issue new shares valued (50) billion Iraqi dinar subscription according to the provisions of article 56/ Four of Companies Law but the Central Bank of Iraq did not release the deposit it has in the amount of (50) billion till 31/12/2104 despite the completion of legal procedures necessary with the Companies Registrar according to their letter numbered 31356 dated 25/12/2014 addressed to the Central bank as well.



d. Main objectives of the bank.

- a. Develop and improve sustainable financial services that meet the customers' needs.
- b. Achieve wide deployment throughout Iraq by opening a network of branches and building partnership relation with various institutions.
- c. To become a sustainable leading financial institute with a qualified staff with a high-efficiency, and with sophisticated financial and administrative systems, efficient and able to attract a variety of funding sources.

e. Nature of activities performed by the bank

1. Accept deposits and savings from individuals and institutes in the form of current accounts, or Time deposits, then lend part thereof to projects and individuals in short -term loans and with certain guarantees to obtain a proper revenue from this process.
2. Purchase and sell securities and issue letter of guarantee to customers, as well as open documentary credits to facilitate the import and export process.
3. Collect instruments on behalf of customers, and withdrawn on customers inside and outside the bank, or on local banks and also deduct securities from customers who have good credit standing.
4. Register financial operations for customers special for providing banking services for them.

f. Number of bank branches and their locations

The bank has two branches as shown below

Sr.	Branch name	Its address	Phone	Opening year
1	Main branch	Baghdad / Bataween, sector 903, St. 99, Bldg. 192/222	9647901156458	2007
2	Erbil branch	Erbil/ Kolan street opposite automobile industry Junior high	9647702518129	2007

g. Results of the implementation of the annual plan

Of the bank's strategy to put before it a plan to achieve its objectives in it where the bank's management has initiated to develop an annual plan for 2014 that aims to increase its banking activities and use the cash flow to achieve the highest revenues and below is a table of the most important indicators in terms of assets and the percentage achieved.

	Planned for 2014	Achieved till 31/12/2014	Ratio of achievement
The planning budget for assets			
Cash in the bank and other banks	256,031	217,088	85%
Cash Credit	88,698	98,317	111%
Fixed assets	734	1,884	257%

As for the liabilities side, the bank has set out in its plan that its capital be (250) billion Iraqi dinar for the purpose of implementing the instructions of the Central bank and indeed , a percentage of (80%) was achieved which is a good percentage. As for deposits, the percentage of achievement of it was (151%) which a good percentage and we aspire to be increased. And below is a table for the most important indicators in the liabilities side and the percentage achieved thereof.

	Planned for 2014	Achieved till 31/12/2014	Ratio of achievement
The planning budget for liabilities			
Capital	250,000	200,000	80%
Current accounts payable and deposits	69,490	104,807	151%

And where the aim of developing the planning budget is to increase the bank's revenues, the percentage of revenue achievement for 2014 was good and as shown below:

	Planned for 2014	Achieved till 31/12/2014	Ratio of achievement
The planning budget for revenues			
Revenues of banking operations	12,562	11,842	94%
Investment revenues	586	526	90%
Transformational revenues and others	10	18	179%
Total revenues	13,158	12,386	
Planning budget for expenses			
Banking operations expenses	1,874	1,994	106%
Administrative expenses	2,845	2,686	94%
Depreciation	223	377	169%
Transformational expenses and others	721	1,073	149%
Total expenses	5,663	6,130	
Profits	7,496	6,256	83%

h. Membership in other companies in a percentage no less than (10%) of its capital

The bank has another participation in AL-HEKMA Company for the Brokerage of the sale and purchase of foreign currencies ltd by (100%) therefore the ownership of this company belongs to Trans Iraq Bank and shall be rated as its affiliate.

This company was established according to Certificate of Incorporation numbered (CR-887) dated 20/12/1994 with a capital amounted to (105) million dinar paid in full. The purpose of its incorporation was to participate in serving investors and direct their savings towards investment in projects and to carry out brokerage in the sale and purchase of securities and to run the investors financial portfolios.

Mr. ASHRAF AKRAM was appointed as Managing Director of the company and is still up to date exercising his job and the company's financial statements show that it achieved at the end of 2014 net income, prior to dividends, an amount of **(41) million dinar**.



And due to the fact that the company has financial autonomy in its settling accounts in the tax therefore it wasn't listed within the final accounts of the bank for 2014 but a separate sheet has been organized to consolidate the bank's statements in its capacity as holding company with the statements of AL-HEKMA Company as an affiliated to develop the consolidated financial statements for the year ended 2014 with its notes as shown in the last page of this report.

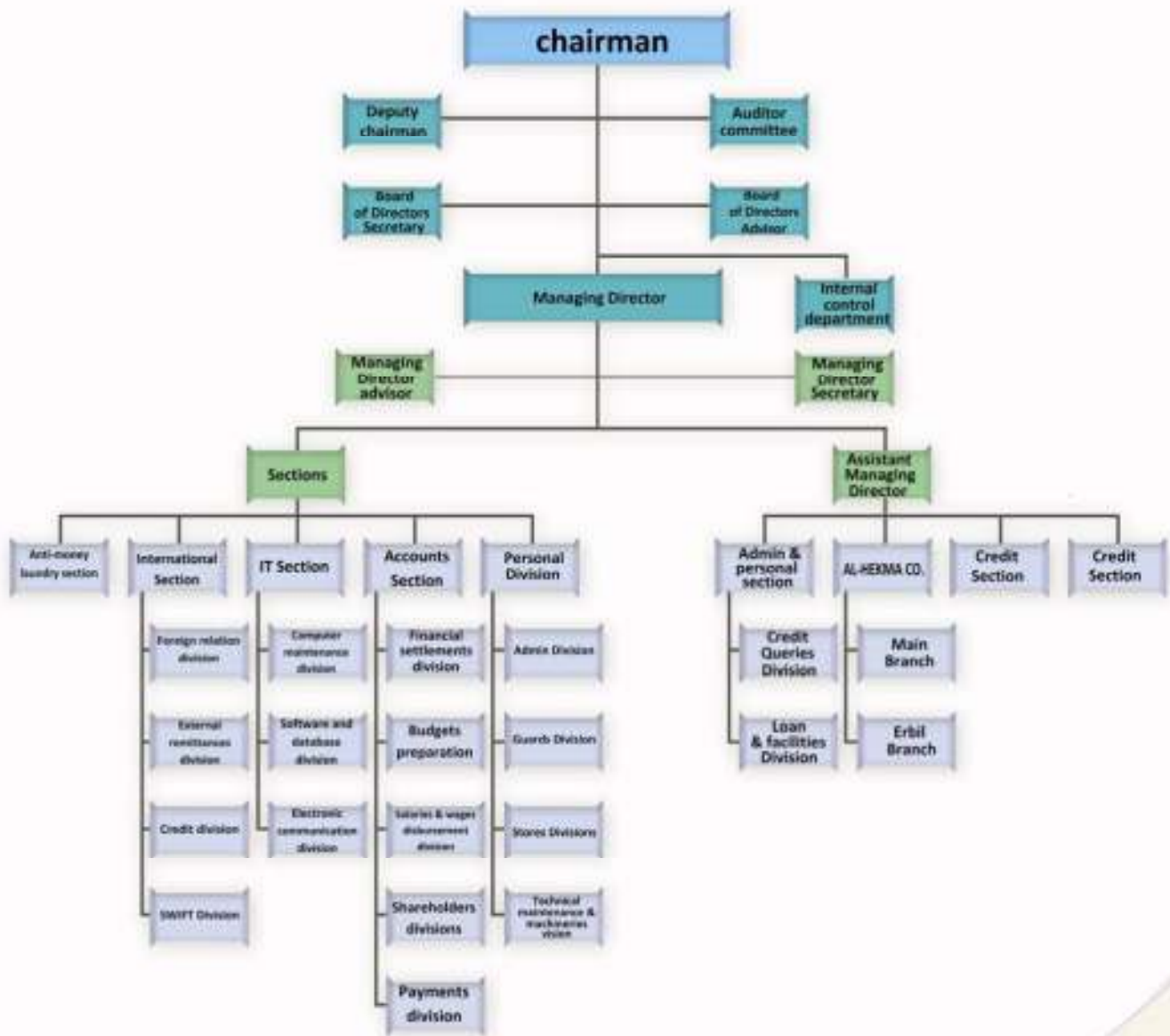
i. Correspondent banks

Your Bank characterized in its distinct relationship with foreign banks where it planned to have a network of correspondents for foreign dealings to cover all our activities abroad and specially in the field of opening documentary credits and carry out foreign remittances for the purpose of providing better quick and good service to the bank's customers in this area.

Bank's name	Country
Housing and Finance Bank	Jordan
UBAF ARAB Bank	Bahrain
Arab African bank	UAE
The Turkish İş Bank	Turkey
Nor Al Islamic Bank	UAE
Capital Bank	Jordan
Jordan bank	Jordan

j. The organizational structure of the bank

Trans Iraq bank has set out a mechanism for the purpose of organizing the relation between the administrations and determining the line of power and communication between superiors and subordinates and below is the diagram of the organizational structure of the bank.





مصرف عبر العراق
TRANS IRAQ BANK

للاستثمار
FOR INVESTMENT

Second financial status of Trans Iraq bank (assets/ liabilities)

Assets

The financial status of our bank has risen in a percentage of (335%) where the actual assets amounted to (327) billion Iraqi dinar in 2014 while it registered (75) billion dinar in 2013.

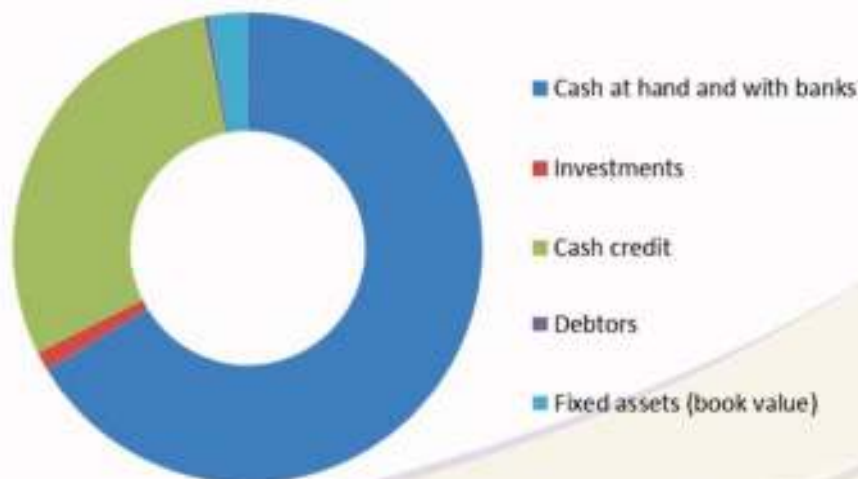
And the cash and cash credit items has risen as well as fixed assets in a very big percentages while the investment item decreased by (93%) due to bank's non-orientation towards investment with the Central bank due to the decrease of interest rate, and the debtors balance has decreased by (54%) and below is a table of assets details:

Details	As on 31/12/2014	Percent of actual participation	As on 31/12/2013	Percent of actual participation
Cash at hand and with banks	217,088,412	66%	9,933,186	13%
Investments	4,352,381	1%	62,976,526	84%
Cash credit	96,350,745	29%	1,793	0%
Debtors	950,339	0%	2,085,348	3%
Fixed assets (book value)	8,766,125	3%	208,764	0%
Total of actual assets except corresponding accounts	327,508,002	100%	75,205,617	100%

Amounts in thousands of dinars

The diagram below shows the percentage of actual participation of assets for 2014

Assets





1. Cash flow

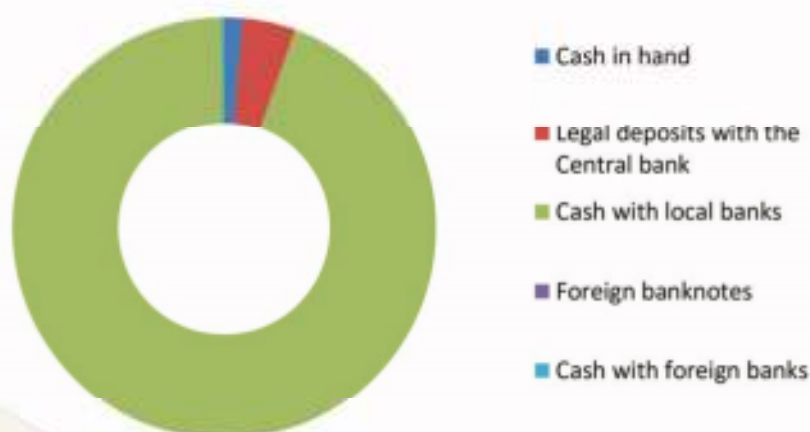
Cash balance has risen to our bank to (217) billion dinar as on 31/12/2014 after it was (9) billion dinar in 2013 i.e. in a very big percentage of rises and it formed the percentage of cash flow of the total deposits and current accounts by (207%).

And the cash in hand has a percentage of (1%) and legal deposits with the Central Bank has a percentage of (4%) which is a withheld amount that cannot be disposed of in accordance with the instructions of the Central Bank while the cash balance exists in local banks has represented a percentage of (94%) and cash balance with foreign banks a percentage of (1%) of total cash for 2014, as shown in the table and the diagram below:

Types of moneys	Amount for 2014	Percent of participation	Amount for 31/12/2013	Percent of participation
Cash at hand	3,032,979	1%	758,998	8%
Legal deposits with the central Bank	8,765,060	4%	476,361	5%
Cash with local banks	204,938,214	93%	8,146,515	82%
Foreign banknotes	0		414,106	4%
Cash with foreign banks	352,159	1%	137,206	1%
Total	217, 088,412	100%	9,933,186	100%

Amount in thousands of dinars

Cash flow



2. Investments

The volume of investment of our bank has decreased to (4) billion dinar on 2014 after it was (62) billion dinar on 2013 due to our bank's orientation towards expansion in granting cash credit instead of investment with the Central bank for having to cut interest rates granted on weekly deposits and investments shall be classified as follows:

a. Long-term investments

And include each of the companies below, note that no allocation has been calculated to it for being unlisted companies in the market and below is a table of the details.

Sr.	Name of the entity subscribed in	Number of shares	Cost
1	AL-KAFALAT AL-IRAQIA Co.	28,133,000	28,133,000
2	AL-HEKMA for Financial Intermediation Co.	105,000,000	171,205,778
3	ETIHAD AL-MASARF AL-IRAQIA Co.	100,000,000	100,000,000
	Total	233,133,000	299,338,778

b. Short – term investments

It is investments for companies listed in stock markets and an allocation for its impairment has been calculated according to the date of the last session in the market based on the principal of cost or markets whichever less and the cost price for some companies was less than the market price where no amount was allocated to it and below is a statement of the end of 2014.

Sr.	Name of entity subscribed in it and type of participation	Share	Cost	Share at market price	Allocation for the end of 2014
1	ASHOUR Bank	3,839,712,593	3,476,887,312	3,570,932,711	-
2	GULF Bank	59,000,000	64,077,679	53,100,000	10,977,679-
3	AL-WARKA Bank	62,222,000	62,222,000	58,333,333	3,888,667-
4	AL-MANSOUR Bank	60,018,520	84,983,019	50,415,557	34,567,462-
5	Credit Bank of Iraq	73,500,000	102,697,917	77,175,000	25,522,917-
6	Investment bank	40,219,601	46,370,861	40,219,601	6,151,260-
7	AL-WATANIYA for Food Industry	100,000,000	100,000,000	100,000,000	
8	AL-IRAQIA for Carpets	13,000,000	65,125,628	55,250,000	9,875,628-
9	AL-KINDI for vaccines	15,270,000	37,010,926	19,545,600	17,465,326-
10	Northern gaseous	14,500,000	10,794,380	5,075,000	5,719,380-
11	Land transport	77,000,000	349,664,365	117,040,000	232,624,365-
	Total	4,653,781,492	4,699,172,865	4,147,086,802	346,792,684-

c. Credit facilities

a. Cash credit

The cash credit used by bank's customers as loans, advances and others at the end of 2014 amounted to (98,317) billion dinar versus (1,829) million dinar at the end of 2013 i.e. a significant rise percentage as a result of bank's orientation towards a grant loans policy and thus the loans granted represented a percentage of (7%) of the total credit, while the current accounts receivable present a percentage of (92%) also the employees advances a percentage of (1%) of the total credit as in the table below:



Cash Credit analysis

Account name	Amount for 2014	Percent of participation	Amount for 2013	Percent of participation
Loans given	7,217,038	7%	0	0%
A. Long-term loans				
B. Short-term loans	7,217,038		0	
Current accounts receivables	91,067,170	92%	0	0%
Employees advances	32,834	1%	1,829	100%
Total	98,317,087	100%	1,829	100%

Amounts in thousands dinars.

a) Promissory Credit

The promissory credit (letters of guarantee) has registered an amount of (96,250) million dinar at 2014 after deducting Insurances in comparison with 2013 where it was in an amount of (45) million dinar i.e. in an increase ration of (114%) as shown in the final accounts – statement number (9). And below is a table showing the number and amounts of transactions completed during 2014 of the promissory credit and other bank services.

Account name	Sector	Circulated balance from previous year 2013		Total transactions completed during 2014		Total transactions paid during 2014		Balance at the end of 2014	
		No. transactions	Million dinar	No. transactions	Million dinar	No. transactions	Million dinar	No. transactions	Million dinar
Types of issued letter of guarantee	Private	1	50	3	689	1	630	3	109
Resistances issued	Private	0	0	475	2,758	475	2,758	0	0
Total		1	50	478	3,447	476	3,388	3	109

b) Provision of cash and promissory obligations

The provision of cash and promissory obligations has risen at the end of 2014 of what it was at the end of the previous year as a result of giving loans during the year where the bank has allocated from its revenues for this year an amount (1,966) billion dinar to face the risks of non-payment of customer of their obligations to the bank and in pursuant to the instructions of the indicative list issued from the Central Bank and thus the balance of the provision of cash and promissory credit account has become (2,460) billion dinar.

Below is the table of credit classification and the calculation of the provision of cash and promissory credit according to the indicative list of the Central bank.

Sr.	Credit classification	31/12/2014	Provision percentage	Provision required
1	Good credit (cash) non repayable	98,317,086,448	2%	1,966,341,729
2	average credit payable and its due date not passed (90) days		10%	0
3	Credit below average payable and passed (90) days and less than 180 days		25%	0
4	Bad credit due and passed (180) a day less than a year		50%	0
5	loser Credit payable since one year and more	492,000,000	100%	492,000,000
	Total cash credit	98,809,086,448		2,458,341,729
6	Credit promissory minus insurances	96,250,000	2%	1,925,000
	Total	98,809,086,448		2,460,266,729

Liabilities

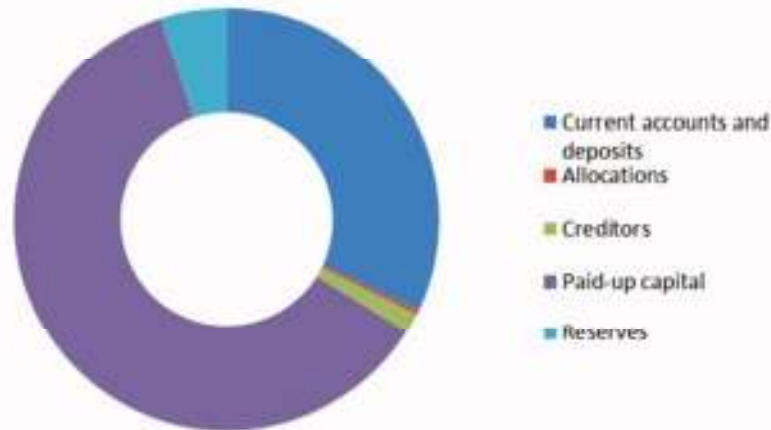
As for liabilities for 2014, the current accounts balance and deposits has risen at a huge percentage as a result of the bank's policy for the present management in bringing deposits and allocations balance at (51%) and reserves at (39%) and creditors at (11%) as shown below:

Details	As on 31/12/2014	Percent of actual participation	As on 31/12/2013	Percent of actual participation
Current accounts and deposits	104,807,176	32%	1,133,251	2%
Allocations	1,188,864	0%	60,149	0%
Creditors	5,002,460	2%	5,632,357	7%
Paid-up capital	200,000,000	61%	56,500,000	75%
Reserves	16,509,502	5%	11,879,860	16%
Actual total	327,508,002	100%	75,205,617	100%

Amounts in thousands of dinars

The diagram below shows the percentage of actual participation of liabilities for 2014

Liabilities



1. Current accounts and deposits

The total amounts deposited (current accounts and deposits) in the bank is (104,807) billion dinar at the end of 2014 of it (104,679) billion dinar deposited in local currency and represents (99, 88%) of the total deposits while the amounts deposited in foreign currency and its equivalent in Iraqi dinar amounted to (127) million dinar and represents (12%) of the total deposits and the current accounts and deposits represents (32%) of the total liabilities and deposits can be detailed as follows:

a) Deposits in Iraqi currency

The current accounts formed a percentage of (98, 72%) while the savings deposits formed a percentage of (1%) as for fixed deposits it formed a percentage of (0, 05%) and insurances a percentage of (0, 01%) and also remittances and internal instruments a percentage of (0, 22%) of the total deposits in local currency.

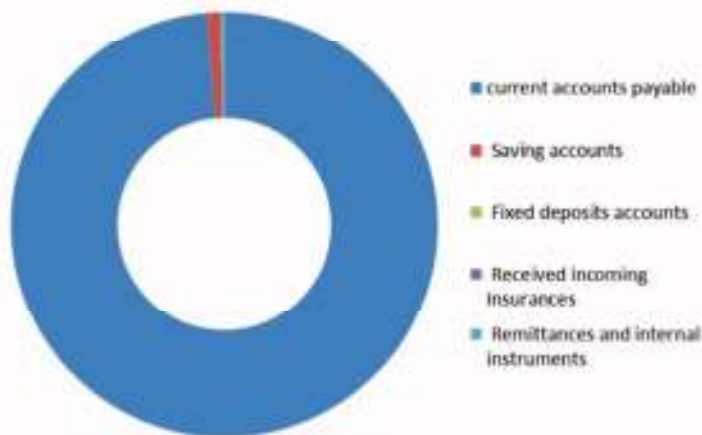


b) Deposits in foreign currency

The current accounts formed a percentage of (73, 34%) and the savings deposits formed a percentage of (26, 66%) of the total deposits in foreign currency, and the table below shows the distributions of current accounts and deposits according to the currency:

Type of deposits	In Iraqi currency	Percentage %	In foreign currency its equivalent in Iraqi currency	Percentage %	Total	Percentage %
Current accounts payable	103,342,614,226	98.72%	93,467,360	73.34%	103,436,081,586	98.69%
Saving accounts	1,048,245,420	1.00%	33,969,740	26.66%	1,082,215,160	1.03%
Fixed deposit accounts	48,000,000	0.05%	0	0.00%	48,000,000	0.05%
Received incoming Insurances	13,000,000	0.01%	0	0.00%	227,879,479	0.22%
Remittances and internal instruments	227,879,479	0.22%	0	0.00%	227,879,479	0.22%
Total	104,679,739,125	100%	127,437,100	100%	104,807,176,225	100%

Current accounts and deposits of all types



2. Balances of allocations

The balances of allocations accounts amounted as of 31/12/2014 amounted to (3,993) billion dinar which formed a percentage of (2%) of the paid-up capital while the allocations for the previous years amounted to (785) million dinar and these allocations can be distributed as follows:

Account name	2014	2013
Allocation for cash credit risk	2,458,342	492,036
Allocation for promissory obligations risk	2,583	1,000
Tax allocations	1,186,281	59,149
Allocations for lower stock prices	346,792	233,444
Total	3,993,998	785,629

Amounts in thousands of dinars

Note that these allocations were determined pursuant to the laws and regulations issued by the Central bank. The tax allocation for 2014 has been deducted and it is amounted to (1,186) billion dinar as shown in the statement of calculating the annual tax allocation.

3. Shareholders' equity and reserves balances

We demonstrate below a summary of Shareholders' equity and reserves balances as of 31/12/2014 as shown in the bank's budget and according to the laws and regulations in

a) Shareholders' equity

The shareholders' equity has risen at the end of 2014 to (216,509) billion dinar after it was (68,379) billion dinar at the end of 2013 i.e. (217%) percentage of rise and as shown in the table below:

Account name	2014	2013	Change percentage
Paid-up capital	200,000,000	56,500,000	254%
Capital reserve	2,032,641	1,767,258	15%
Profit non distributed	14,467,861	10,211,977	42%
Accumulated deficit	0	-00,376	-100%
Total of shareholders' equity	216,509,502	68,379,859	217%

Amounts in thousands of dinars

b) Reserves and accumulated surplus

The total of reserves accounts balances as of 31/12/2014 has reached an amount of (16,509) billion dinar while it was at the end of 31/12/2013 an amount of (11,879) billion dinar and the table below represents the details of the reserves:

Account name	2014	2013
Capital reserves	1,006,219	752,719
Accumulated surplus (Profit non distributed)	14,476,861	10,211,977
A variety of reserves	1,026,422	1,014,539
Accumulated deficit	0	-99,376
Total	16,509,502	11,879,859

Amounts in thousands of dinars

And these reserves has formed a percentage of (8%) of the paid-up capital which enhances the financial position of the bank in facing the risks and as shown in statement (C) of the final accounts for the fiscal year ended on 31/12/2014AD.



Total revenues and expenses

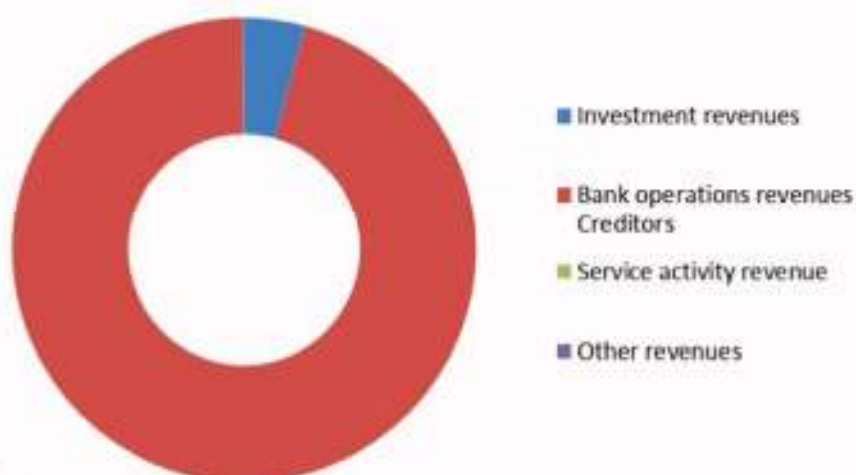
1. Revenues

The bank's revenues for the fiscal year ended on 31/12/2014 has raised to (12,386) billion dinar versus (4,304) billion dinar in 2013 i.e. (188%) percentage of rise, and the revenues formed first rank in the bank operations where it amounted to (11,842) billion dinar and by (95%) of the total revenues, and the internal investments revenues amounted to (4%) as shown in the table and diagram below.

Types of revenues	The amount for 2014	Percent of participation	The amount for 2013	Percent of participation
Investment revenues	525,695	4%	470,779	11%
Bank operations revenues	11,842,617	95%	1,475,090	34%
Service activity revenue	0	0%	0	0%
Other revenues	17,939	1%	2,358,705	55%
Total	12,386,250	100%	4,304,574	100%

Amount in thousands dinars

Revenues



This shows us that these revenues form a percent of (6%) of the paid-up capital at the end of 2014 which reflects the ongoing bank activity in achieving these revenues.

2. Expenses

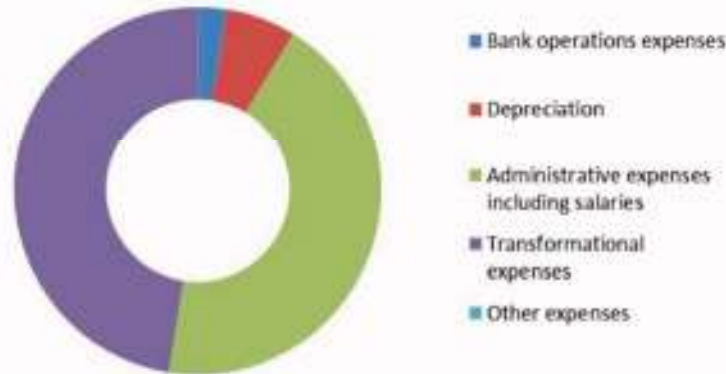
The expenses has risen at (202%) during 2014 where it reached (6,129) billion dinar after it was (2,254) billion dinar in 2013, and the total expenses has formed a (3%) of the paid-up capital and that this increase is due to the expansion of the bank activity and the increase of the cash credit allocation as a result of the expansion of the bank to grant loans.

The expenses for bank operations for 2014 has reached (156) million dinar and formed (3%) of the total expenses and administrative expenses including salaries and wages where it amounted to (2,686) billion dinar, where it formed (44%) then the transformational expenses which formed (47%) as shown by the table and the diagram below:

Types of expenses	2014	Percent of participation	2013	Percent of participation
Bank operations expenses	156,300	3%	234,122	10%
Depreciation	377,426	6%	223,031	10%
Administrative expenses including salaries	2,686,313	44%	1,718,230	76%
Transformational expenses	2,909,927	47%	27,820	1%
Other expenses	0	0%	50,904	3%
Total	6,129,966	100%	2,254,089	100%

Amount in thousands dinars

Expenses



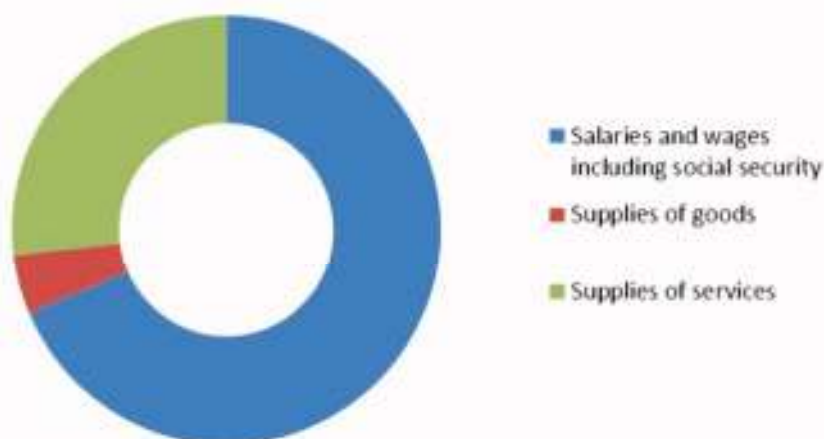
And the administrative expenses can be detailed as shown in the table and the diagram below:

Administrative expenses	2014	Percent of participation	2013	Percent of participation
Salaries and wages including social security	1,842,502	69%	497,294	29%
Supplies of goods	121,971	5%	20,799	1%
Supplies of services	721,840	27%	1,200,113	70%
Total	2,686,313	100%	1,718,206	100%

Amount in thousands dinars



Administrative expenses



Among those expenses, amounts spent in 2014 for the purposes of advertising, travel and hospitality to conduct the work's requirements and the normal activity to achieve the goals reflected in favor of the bank and the table below shows those expenses.

Details	Amount
Advertising	2,855,500
Travel and litigation for training purposes	71,068,730
Hospitality	5,506,000
Total	79,430,230

3. Net profit

The net profit (the surplus distributable) for 2014 referred to in article (73) of the Companies Law amounted to (6,256) billion dinar and based on this out bank achieved additional profits before distribution at (3.13%) of the capital and has been distributed by deducting the tax allocation in an amount of (1,186) billion dinar and also deducting an amount of (253) million dinar as legal reserve for capital so the earned surplus distributable become an amount of (4,816) billion dinar and it represent (2,41%) of the paid-up capital.

4. Financial indicators and financial analysis percentages between (2014- 2013)

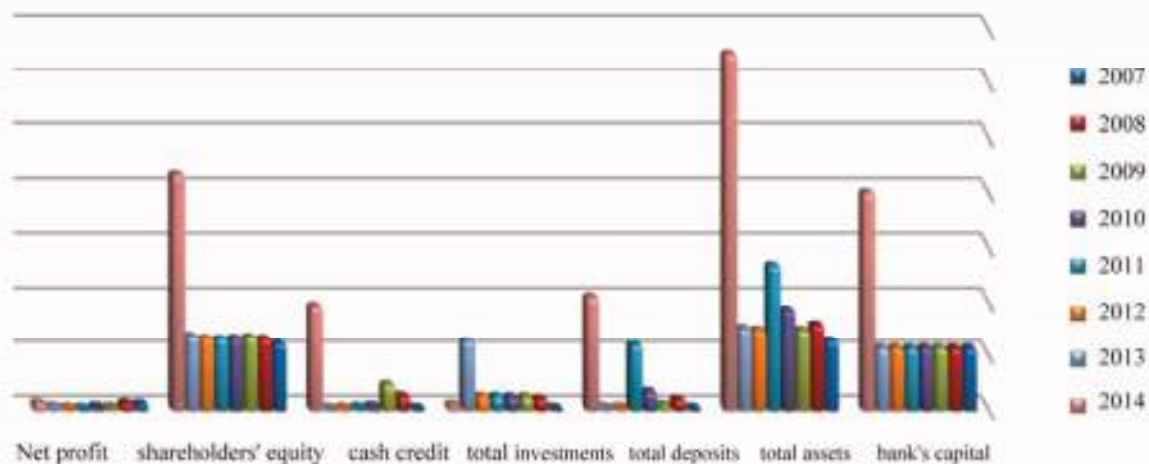
Sr.	Performance Indicators	2014	2013
1	Liquidity percentage : moneys account/ total deposits and current accounts	207%	877%
	Money investment policies (Operating percentages)		
	a. Investments/ total deposits and current accounts	4%	5557%
	b. Cash credit/ total deposits and current accounts	92%	0%
	c. Investments + cash credit/ total deposits and current accounts	96%	5557%
	d. Capital adequacy percentage	342%	1983%
	e. Percentage of cash credit/ capital and reserves	45%	0%
2	Financial leverage percentage		
	a. Total deposits and current accounts/ capital and its reserves	48%	2%
	b. Capital and reserves/ total assets	66%	75%
3	Activity costs percentages		
	a. Total banking operations expenses / total deposits	0%	0%
	b. Total expenses/ total revenues	49%	
4	Profitability ratios		
	a. Total profits/ paid-up capital	3%	4%
	b. Total profits earned / shareholders' equity	3%	3%
	c. Net profits after distributions/ capital	2%	3%



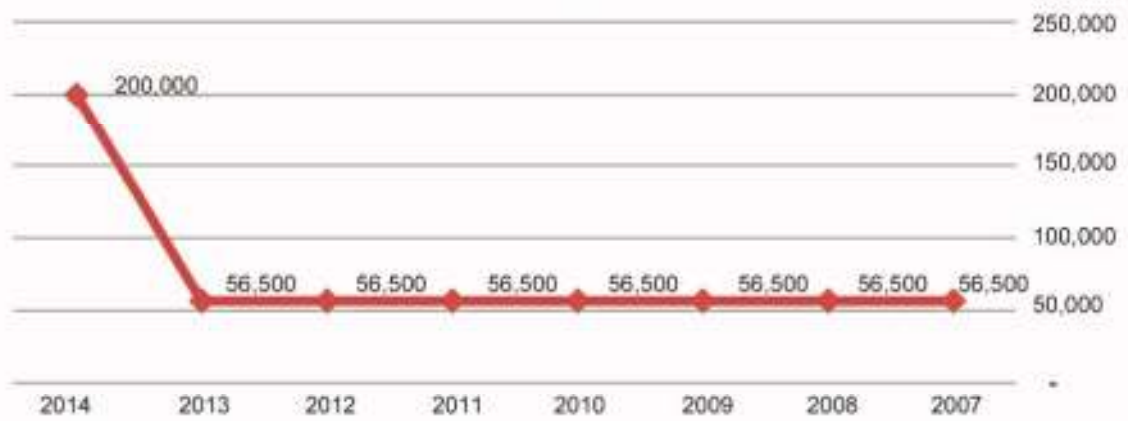
Financial key indicators of bank's activity for years
((2006 – 2007 – 2008 – 2009 – 2010 – 2011 – 2012 – 2013 – 2014))

Financial statements Year	Bank's capital	Total assets	Total deposits	Total investments	Cash credit	Shareholders' equity	Profit or (withholding)
2007	56,500	64,250	-	-	-	61,231	5,566
2008	56,500	79,289	9,986	10,510	13,100	66,069	6,481
2009	56,500	74,327	3,545	11,926	23,272	67,401	1,681
2010	56,500	92,495	16,944	11,926	2,679	66,344	2,084
2011	56,500	133,337	59,835	12,503	1,481	65,686	476
2012	56,500	74,397	975	12,573	377	66,261	368
2013	56,500	75,931	1,133	63,210	2	68,380	2,050
2014	200,000	327,508	104,807	4,352	96,351	216,510	6,256

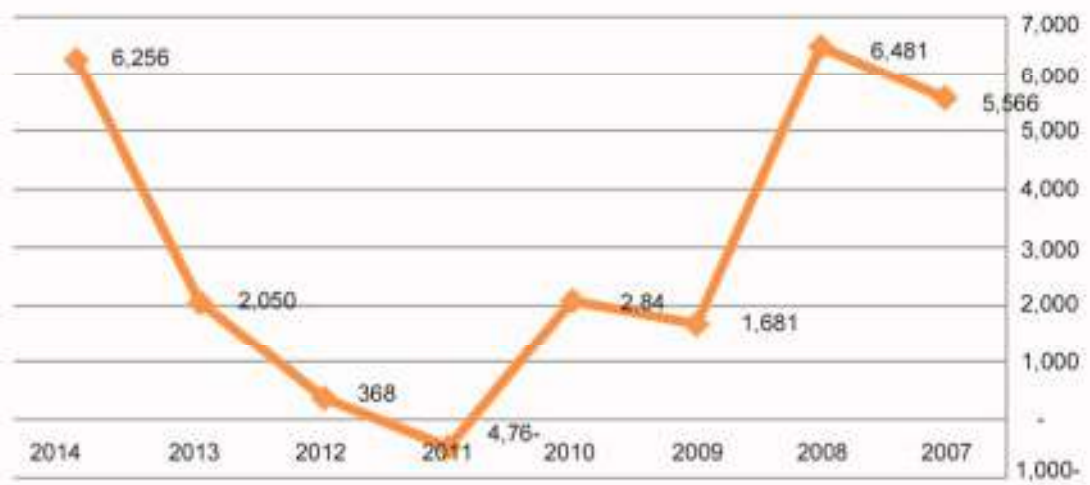
Million dinars



Indicators of Bank's capital

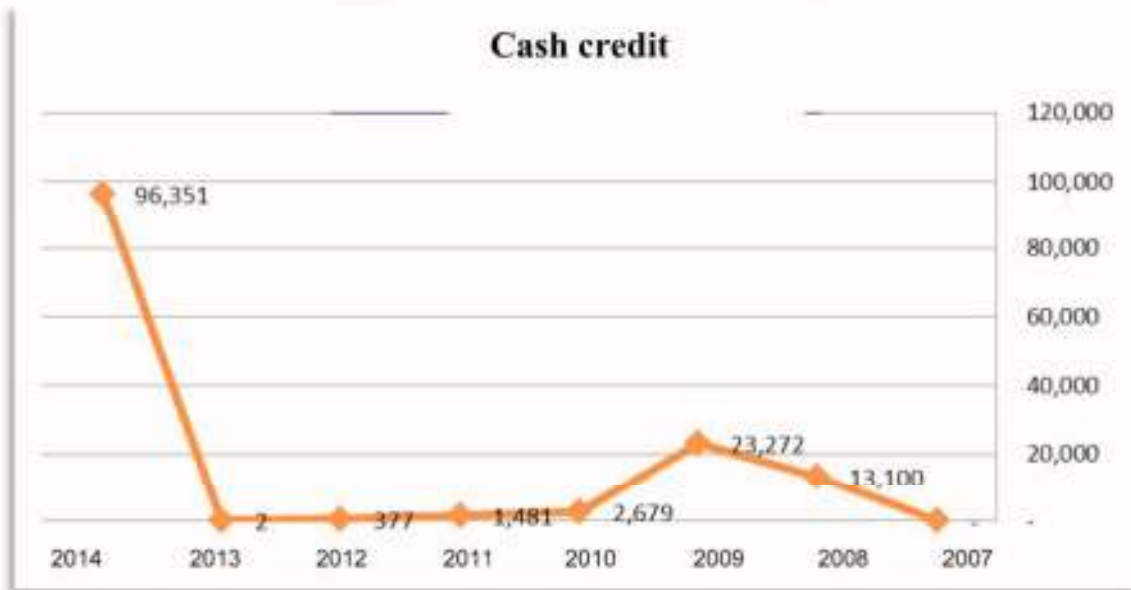


Net profit

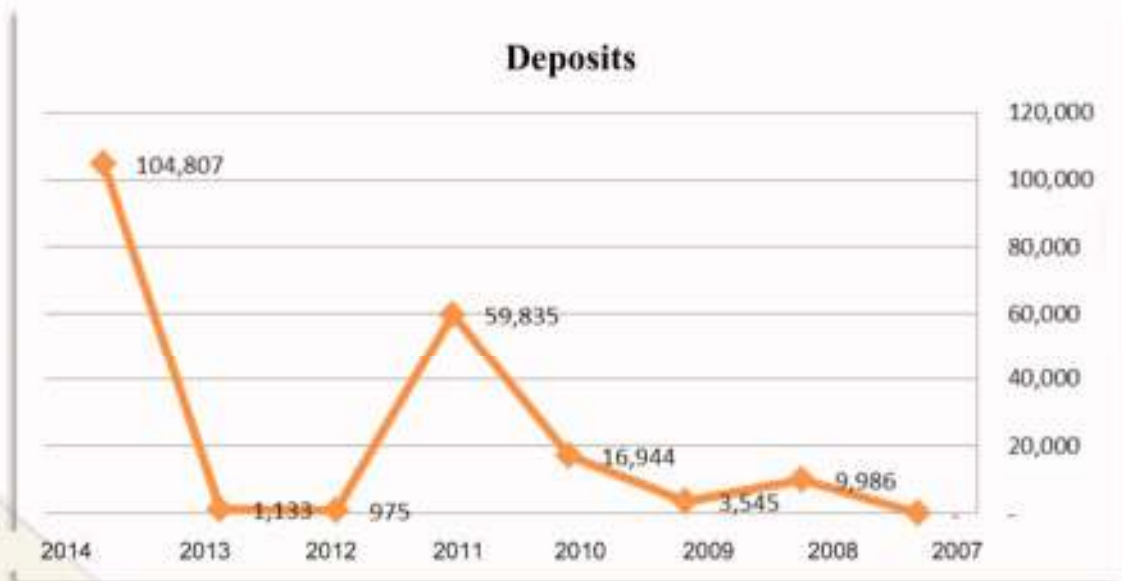




Cash credit



Deposits



Third Detailed data and analysis

1. Members of the Board of Directors and the Managing Director

- Board of Directors' sessions for 2014 are (5) sessions.
- The chairman and the principal members of the board did not get any remuneration during 2014.
- Below are the names of the chairman and members of the board and the reserves at the end of 2014.

1) Principal members

Sr.	Names of the principal members	Job title	Number of shares
1	Mr. Abdullah Younis Farhan	Reserve member	18,707,727,273
2	Mr. Wesam Adnan Mohammed	Deputy chairman	19,850,000,000
3	Mr. Bashar Shaker Hamed	Managing Director	7,608,466,708
4	Mr. Wshyar Abdulfatah Abdulrazaq	Member	19,850,000,000
5	Mr. Hasan Hadi Farhan	Member	19,850,000,000

2) Reserve members

Sr.	Names of the principal members	Job title	Number of shares
1	Mr. Abdullah Younis Farhan	Reserve member	8,327,272,727
2	Mr. Basam Adnan Mohammed	Reserve member	1,000,000,000
3	Mr. Moayad Ali Hasan	Reserve member	19,850,000,000
4	Mr. Bahaa Hussein Ali	Reserve member	7,102,000,000

3) Managing Director

• Because the bank was under the guardianship of the Central bank, it was managed by Trust Commission listed below till the end of the guardianship on 19/6/2014.

Mr. Mohammed Hameed Abdulrazaq	Chairman
Mr. Raad Taha Ameen	Member
Mrs. Suham Jabbar Redha	Member
Mrs. Awatef Jassem Ibraheem	Member
Mr. Haider Mahdi Abdullah	Member

• Mr. BASHAR SHAKER HAMED has been appointed as Managing Director of the bank elected by the Board of Directors and according to the approval of the Central Bank in its letter numbered 9/3/4238 dated 22/3/2014 and he assumed the management of the bank from the trustee and is still continue in his job.



2. Salaries, wages and labor

- The total salaries, wages and cash remunerations paid to all our bank's employees for the period from 1/1/2014 till 31/12/2014 amounted to (1,842) billion dinar.
- The total number of workers in our banks and all our branches at the end of 2014 (105) employee.
- Number of employees included in social security is (84) employee.
- Names and job titles of five of the bank's employees who received the highest annual income for 2014.

Name	Job class
Mr. SABAH HASAN ABBAS	Managing Director First Deputy
Mr. ABDULAMEER JWAD KHAYOUN	Director of Internal control Department
Mr. NAMEER ABDULAZEEZ	Director of International Department
Mr. MOHAMMED SALEH HASHIM	Director of Ant-Laundry Unit
Mr. MOHAMMED JASSEN AL-SAHEN	Director of Credit Department

3. Administrative and Service Activity

- Bank's employees are classified according to the scientific certificate and jobs they assume.**

Total number of employee working in our bank as of the end of 2014 (105) including (79) in the general administration and (26) distributed on branches and we listed below the job titles and scientific qualifications of our bank's employees including the branches.

Sr.	Career class	Job title	Number
1	Special	Managing director/ Deputy Managing Director/ Adviser/ Compliance Officer/ Office manager	5
2	Executive	Department Manager/ Branch manager/ Head of programmers/ Chief engineers	13
3	Administrative	Manager/ inspector/ Senior programmer/ Senior engineer/ lawyer/ Head of treasurers	2
4	Supervisory	Assistant manager/ First accountant/ First auditor/ First treasurer/ First foreman/ Technical foreman	4
5	Technical	Accountant/ Auditor/ Foreman/ Treasurer/ Programmer	15
6	Main	Assistant accountant/ Assistant auditor/ Assistant foreman/ Assistant treasurer/ Secretary	19
7	Unclassified	Technical worker/ counter/ Assistant storekeeper/ clerk/ Service worker/ Guard/ Driver/ Authorized correspondent / cleaner/ Cameras monitor	47
Total			105

Classification of employees according to academic achievement

Sr.	Academic achievement	Number	Relative importance
1	Bachelor	48	45%
2	Diploma	10	10%
3	Junior high	6	6%
4	Below junior high	41	39%
	Total	105	100%

b) Human Resource Development

Human Resources Department derives its goals from the Bank's vision to become the first objective for each job seeker and that its staff to be one of the best qualified in terms of education, experience and skills by employing a mechanism to ensure the selection of the person best suited to the right place within the proceedings that take account of equal opportunities for all.

The bank policy aims to train, develop and promote workers and increase their knowledge, skills and abilities to perform their work in the best manner and thus increase their efficiency and productivity in addition to providing the best level of bank services for the bank's customers and the bank is keen to make progress and employment growth and provide opportunity for progress for all employees through development programs for their career paths so they are being qualified to receive administrative and supervisory duties through training courses that qualifies them to assume these

jobs and determine the training needs of employees according to the best scientific methods and Bases applicable professional in this area and supports an integrated system to assess the level of the improved performance of employees and the impact of training to upgrade skills and abilities required for each employee to perform the functions of his work and that support his development within a planned path career.

4. Capital adequacy

The bank's capital adequacy percentage by the end of 2014 according to the weights table to the degree of risk to the terms of the general budget amounted to (342%), note that the minimum range determined by the banks Law number 94 for 2004 is (12%) and according to the decisions of Basel conference (8%).

5. Accounting policy

The Bank adopts policies and principles generally accepted for accounting principles and what is prevalent in the banking sector, according to the requirements of the provisions of Companies Law No. 21 of 1997 as amended and Banks law No. 94 of 2004 and the instructions of the Central Bank of Iraq and its regulations with the application of standardized accounting system for banks and insurance companies in the maintain accounts and preparation of financial statements, where the bank adopts, since its establishment, the accrual basis of accounting as a basis for accounting



policy. As for demise on fixed assets, straight-line method has been adopted by (20%) per annum on fixed assets.

The debt provision doubtful to be collected is calculated in accordance with the percentages prescribed in the indicative list issued by the central bank as well as evaluating equity portfolio according to the principle of caution and of each contribution separately, and with respect to foreign currency, it has been evaluated at cost price (1190) dinars per dollar.

6. Expansions during the year

The bank, during 2014, has replaced its place of existence from the old building located in Baghdad – Salman Faeq Square – Near Al-Shrouq Building and it rented a new building located in Baghdad – Elwiyah – opposite Elwiyah phone switch for its spacious size to fit the reception of bank's customers and furniture it with the best furniture for all floors including the main branch.

7. Fundamental changes and events subsequent to the balance sheet date

On 12/1/2015, the approval of the Central Bank of Iraq to release the deposit of (50) billion Iraqi dinar has been obtained to increase the bank's capital according to the Central Bank's letter numbered 9/3/457 dated 12/1/2015 for the completion of the increase procedures and according to the letter of the Ministry of Trade/ Department of Companies Registration numbered 31356 dated 25/12/2014 thus the bank's capital become (250) billion dinar; value per share (1) dinar.

8. There is no government protection or privileges enjoyed by the bank or any of its products or services according to the laws and regulations or others.

9. There are no decisions issued by the government or international organizations or others that have a material impact on bank's business or its products or its competitive ability.

10. There is no financial impact for events of unrepeated nature and it does not fall within the bank's main activity.

11. The important future development and the bank's future plan

The bank is looking to use the favorable opportunities to increase its revenues and enhance its financial position and strengthen the rights of shareholders dependent in doing so on the continuation of customer loyalty and its excellent relations with them and the trust and support of shareholders and the dedication and sincerity of the bank staff in their work.

Accordingly, the bank will apply in 2015 a strategic plan that aims to maximizing its profitability and growing its market share thus strengthening its position in the Iraqi bank sector and the following are the most important cornerstones of this plan:

a) Customer service

The bank will always seeks to achieve the highest degrees of its customer satisfaction through providing the best banking services and products to meet their growing needs and requirements in the individual and companies sectors as well as expanding and strengthening the depositors and borrowers Base in the bank with a focus on the most profitable customers.

b) Financial indicators

The bank will continue its serious and persistent pursuit to consolidate its financial position and strength, and promote various financial indicators through the diversification of sources of funds and their use and development of shareholder value and diversify the bank's revenue by increasing the resources from bank service charges, which do not rely on benefits in all activities and actions it exercised, as well as the rationalization of operating expenses and will contribute to the promotion of rate production efficiency.

c) Human Resources

The bank will continue its interest to the development of skills of its workforce until reaching the maximum job satisfaction by raising the efficiency of workers and develop their own skills in accordance with scientific and practical training plans and programs that are consistent with the modern banking requirements, as well as to attract staff from the highest competence and the application of the principle of putting the right person in the right place, and the bank is also working on consolidating and valuing teamwork in all various departments of work and with all levels of management in the bank.

12. Description of the risks encountered by the bank

a) Credit risks:

It is always related to the advances (loans) and the exposure of accounts to any credit facilities provided to customers. And risks are resulted normally when the bank grant to a customer repayable loans at a specific time in the future and the client fails to fulfill his commitments to pay at the time of loan maturity or when the bank opens a documentary letter of credit to pay for the import of goods on behalf of the client to provide enough money to cover the goods when they arrive.

b) Market risks:

It refers to the changes in prices at the level of the economy as a whole, or on the level of assets and instruments used. And falls under this type: risk stocks and exchange rates and commodity prices and interest rates. The banks affected by this type of risk due to the instability of the market factors.



c) Interest rate risks:

Is the result of the change in interest rate up or down according to the status of each bank separately in terms of the liquidity available and example on this: there is a possibility that the bank will suffer a loss when providing liquidity surplus in it in the case of falling interest rates and scarce liquidity then the bank is forced to borrow from banks markets, it is likely that it exposed to a loss in the case of a rise in interest rate, so the bank should be given this subject constant monitoring and management in order to avoid the risks.

d) Transactions risks:

The bank must be able to protect its amounts and its customers' amounts against this fluctuation whether up or down.

e) Liquidity risks:

Is about the risks related to the daily work at the bank, and these risks are concentrated in the robberies and unsafe buildings and mistakes made by the money changers and the false accounting entries.

f) Legal risks:

May be faced by the bank as a result of the shortage or default in its documents which make it legally unacceptable and this default may occur inadvertently when accepting guarantee's documents from customers which later found out that it is not acceptable with courts.

13. Banking electronic information systems

Your bank interested in the advanced information technology for its obvious effects in the field of lifting the efficiency of bank operations and increases its accuracy, where the bank continued during 2014 its efforts aiming to search for what is new of banks techniques so he would be able to develop and versify the services and products and electronic distribution channels and improve the level of service performance provided to the customers and increase the productivity and decrease the expenses and thus the Trans Iraq bank agreed to change its banking system from (Orion) system to (BANKS) system due to what the latter have of high capabilities in providing the best electronic services.

14. Lands and Real-estate

The bank obtained the approval of the Central Bank according to its letter numbered (9/3/1847) dated 11/12/2014 for the purchase of the property numbered (120/191 Bataween) in Karrada Kharej for the purpose of constructing a building to be the headquarters General Administration and the main branch in the future in an amount

of (6,882) billion Iraqi dinar.... And indeed the land registration process in the bank's name has been completed with the Department of the General Real – estate Registration.

15. The bank does not have any properties owned as a result of debt repayment.

16. The share price of the bank

The bank, since its establishment, was not listed in Iraq stock exchange; therefore there is no closing price for it at the last session of the market at the end of 2014.... It is hoped that the bank enters the Iraq Stock Exchange during the year 2015 after the completion of all capital increase proceedings.

17. Classification of the number of shareholders

Statistical distribution of the number of shareholders in 31/12/2014

Number of shares		Number of shareholders	Relative importance	Number of shares
From	to			
1	1,000	0	0%	0
1,000	10,000	0	0%	0
10,000	100,000	0	0%	0
100,000	1,000,000	0	0%	0
1,000,000	10,000,000	40	45%	175,000,000
10,000,000	100,000,000	24	27%	649,883,325
100,000,000	1,000,000,000	10	12%	3,888,649,967
1,000,000,000	And more	14	16%	195,286,466,708
Total		88	100%	200,000,000,000

18. Names of shareholders that have more than 5% of bank's capital as of 31/12/2014

Sr.	Shareholder name	Number of shares	Its Percentage from capital
1	Waleed Majeed Qader	19,850,000,000	9.9
2	Mohammed Abdulredha Mohammed	19,850,000,000	9.9
3	Nagham Ali Dawood	19,850,000,000	9.9
Total		59,550,000,000	

19. Lawsuits filed

a) Lawsuits filed against the bank

There are lawsuits filed by the State Company for Trading of construction materials against the bank regarding a letter of guarantee in an amount of (37) billion dinar and still under prosecution and no order was taken so far.



b) Lawsuits filed by bank against third party

Defendant	Date of filing lawsuit	Plaintiff	Lawsuit stage	Lawsuit amount/dinar
Raheem Bahar Qassem	29/4/2012	Trans Iraq Bank	Resolved in favor of the bank	480,810,000
Shaker Rhecma Sadoun	1/1/2012	Trans Iraq Bank	Resolved in favor of the bank	3,232,500
Hussein Mahmood Hadi	23/5/2010	Trans Iraq Bank	Is still pending before the court was to issue an arrest warrant against the accused	75,000,000

20. Statements of contracts, projects and correlations held by the bank

1) Rented premises contracts

Building's location	Owner	Amount in billion dinars Contract's amount Annually
General Administration/ Main branch – Baghdad	Ereebi Majeed Khalifa	840
Erbil branch	Mustafa Saleh Saeed	58.8
Rent of service building for generators	Basema Fadhel Abbas	25
Rent of a plot to be a garage	Jaleel Ahmed Naji	21

2) Service contracts

Details	Contracted company	Amount in thousands dinars Contract's amounts Annually
Internet service contract	Earth Link Company	41,976
Money transport contract	Iraqi Company for Bank Services	Unfixed fees
Maintenance contract of sonar device to the entry door	Mohammed Salman Mustafa Company	2,880
register program and deposit of shareholders	Iraqi deposit Center	Unfixed fees
Maintenance contract of shareholders system	Al-Qaswaa for computer services	1,500

3) Audit contract

Details	Number of contracts	The amount
Auditor Mr. Mahmoud Rasheed Al-Fahad (Final Accounts)	1	35,846,500
Auditor Mr. Dr. Haseeb Kadhum Jwaid (Foreign Remittances Transactions & Dollar Auctions)	1	36,000,000

21. Anti-money laundering

Your bank is bound to cooperate with the regulatory authorities and law enforcement agencies and compliance with it for the purpose of anti-money laundering and the financing of terrorism, and to this end your bank has prepared a policy to combat money laundering and the financing of terrorism and applied it with the processes, systems and controls necessary to identify money laundering and terrorist financing, and its management and to reduce losses resulting therefrom, and this policy is supported from money laundering law No. (93) of 2004 and its implementing regulations and controls issued by the Central Bank of Iraq.

And the anti-money laundering department at the bank carry out also the ongoing supervision on the policy and procedures for anti-money laundering and terrorism financing for the bank and this department take account of Search in lists that include the names of individuals and authorities required to freeze their assets before agreeing to open current accounts or implement the transfer of funds to verify that the parties to this operations are not listed in the lists of blacklist.

The bank's anti-money laundering and terrorism financing policy cover many topics, including:

- Identify the ID of the customer (Know your customer)
- Monitor the transactions and customers
- Identifying the suspected transactions or the unfamiliar ones and report them
- The ongoing training on anti-money laundering and terrorist financing
- Classification of customers based on risks

Please accept our thanks and respect


(Signature)
Hasan Naser Jafaar
Chairman of the Board of Directors





Seal: Trans Iraq Bank for Investment, main administration

Seal & Signature: Adel H. Al-Shaybi & His Partners Co, Public Accountant & Auditor

The Audit Committee Report for the year 2014

The committee carried out its works pursuant to the provisions of article (24) of Bank Law number (94) for 2004 and we provide to you our report on the results of accounts review for 2014 including our opinion of the financial position of the bank according to this law:

- 1) All the information and applications requested from departments and branches managers or from employees in the bank were satisfactory and meets our needs during the audit process.
- 2) The committee reviewed the reports issued from the Internal Control department of the bank and care has been given to the remarks contained in it and how to process it in addition to review the reports of Compliance Officer in the bank and the bank was committed in an adequate degree with the procedures of the Internal Control and the Accounting Systems in force.
- 3) Accounting procedures for the activities of the bank has been reviewed and also the extent of the bank's commitments with the instructions of the Central Bank of Iraq in terms of providing the accounting statements on its required specified dates and the extent of its commitments with the indicative lists for credit and anti-money laundering controls in addition to the credit and investment activities, so the Committee supports all measures taken by the bank and recommends that they be approved.
- 4) The bank was maintaining documents, logs and books and prepares them in an organized manner and lists the operations necessary to enable carrying out the processes of tracking, auditing, internal and external review of accounts.
- 5) The committee encourages the bank's management to expand to increase the bank's branches in other provinces to support the banking services network as well as increasing the percentage of current deposits for the bank.
- 6) The committee supports all measures taken by the legal department regarding the lawsuits filed by the bank to collect the overdue debt repayment.
- 7) The committee reviewed the annual report for 2014 and also what it contains of financial reports and indicators of bank performance to ensure the extent of bank's commitment with the requirements of Companies Law provisions in force and the orders and regulations issued thereunder and it found out that it reflects in actual manner the activity of the bank during the year mentioned above and its commitment to the provisions of the law.
- 8) The committee viewed the auditor report that indicates to the bank's activity in details in terms of the integrity of all its procedures, therefore we confirm the integrity of all procedures taken by the bank to protect its shareholder's equity and that its performance during the year was good and that the balances shown in the final budget is the best proof of that.

Signature
Member
Hasan Hadi Farhan

Signature
Member
Bahaa Hussein Ali

Signature
Chairman
Abdullah Younis Farhan



**Independent Auditors' Report
And
The Financial Statements for the financial year ended
On 31/December/2014**

**Adel I. H. Alshaybi & Partners Company
Public Accountants & Auditor**



Report of auditor

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Sub/ Independent Auditor's report

We have examined the balance sheet of Trans Iraq Bank (Private Corporation) as on 31/December/2014 and the profit and loss account and the cash flow statement and the statement of changes in the rights of the owners for the year ended at the same date. And the explanatory notes from (1) to (16) as well as the annual report of company prepared in accordance with provisions of amended companies law No. 21 OF 1997 and the Banks Law No. 94 of 2004 and in accordance with the recognized both international and national audit standards.

We have obtained all the information and explanations which were necessary in our opinion, for the purpose of performing our duties which were carried out in accordance with the valid legislations and recognized auditing procedures, including the necessary tests of the aspects of the activities of the company falling within our specialization.

Management responsibility:

The management is responsible for the preparation of the financial statements and exhibits it in a fair manner in accordance with the local financial reporting bases and standards. In addition to its responsibility to prepare and implement the internal control system especially regarding the preparation and exhibiting the financial statements in a fair manner free of basic mistakes resulting from mistakes and manipulation, this responsibility also include the selection and application of proper accounting policies and use of suitable accounting estimations.

Auditor responsibility:

Our responsibility is to express our neutral opinion of the financial statements submitted to us in accordance with the local auditing evidence and standards, and there standards require that we plan and complete the audit to obtain a reasonable confirmation on it of those statements did not contain any basic error and the auditing include our testing on the bases of test of financial data and the supported documents for the amounts that are disclosed in the balance sheet and the final accounts as on 31/December/2014.

As well, our audit includes an evaluation of accounting principle that were set by the management. In our opinion we believe that our audit provides a reasonable for our opinion that we express and we have the following clarifications and notes:

1. Capital:

- A. The capital has been increased in this year subject of the audit by (143500) Million IQD to be (2000000) Million IQD in accordance with the provisions of the article no. 56/Forth of the amended companies law, and the increase was in two stages:
 - First increase: the amount of (93500) Million IQD according to the general Body decision on 17/4/2014, that was approved by directorate of companie' registrar.
 - Second increase; the amount of (50000) Million IQD according to the general Body decision on 24/9/2014, that was approved by directorate of Companies registrar.



- B. According to the general Body decision on 20/12/2014, the capital has been increased by (50 Billion) IQD in accordance with article no. 56/Forth of the companies law, and all legal procedures have been completed and the deposited amount has released by the central bank of Iraq on 17/1/2015.
2. The assets and liabilities has been priced in foreign currency (1190) IQD for each USD which represents the cost of purchasing the foreign currency from the central bank of Iraq as on 31/December/2014 according to the official letter no. 9/3/354 on 28/12/2014 that was issued by the central bank of Iraq, however the revenues and expenses which were realized in USD, has been recorded just in the daily price of the balance sheet.
 3. The standard of capital sufficiency is (342%) as on 31/December/2014 its being above the minimum percentage that stipulated under the law of banks no. 94 for the year 2004 which in (12%).
 4. The cash credit is (98317 Million) IQD as on 31/December/2014 with(96488) Million IQD increase by comparing with the last year, whereas its balance was (1829) Million IQD as on 31/December/2013 (2 Million) as follows:
 - A. Expansion in granting loans for individuals with balance of (7217 Million) IQD as on 31/December/2014, whereas its balance in the previous year was zero.
 - B. A credit has been granted (accounts receivable/Individuals) during the year and its balance (91067 Million) IQD as on 31/December/2014, whereas its balance in the previous year was zero.
 5. The balance of credit (both cash and promissory) is(1969 Million) IQD calculated according to the instruction list.
 6. The balance of investment (4699 Million) IQD as on 31/December/2014with decrease by (58510 Million) IQD, whereas it balance (63209 Million) IQD as on 31/December/2014 that as a result of withdrawal of (62000 Million) IQD that was invested in the central bank of Iraq, and when evaluating the portfolio according to the market price we found that there is a decreasing in market price to the cost of the stock, and this took in consideration by allocating a provision for this decrease which amounts to (346 Million)IQD.
 7. The delayed payment accounts receivable is (492 Million) IQD as on 31/December/2014it belongs to previous years, a provision of 100%for that was taken.
 8. **Fixed Assets:**
The fixed assets in the old building (tools, desk machines, furniture and computers) has been replaced with a new furniture, according to an agreement with a specialized company and an amount of (92610 Million) IQD was paid and the old assets has been written-off was recorded as well as its accumulated depreciation and the new furniture was recorded.



9. Claims:

A. The claims filed by third party against the bank:

The claims filed by state company for Trading of Construction Materials against the bank concerning the letter of guarantee of (37 Billion) IQD it still in process, and there is no decision that has been reached yet.

B. The claims filed by the bank against third party:

There are three claims against third party in amount of (559 Million) IQD, two of these claims resolved in favor of the bank it amounts to (484 Million) IQD and both of these claims now in the stage of execution.

10. The activity of the bank:

The activity of the bank have been expended during the year 2014 whereas the distributable surplus is (6256 Million) IQD while it was (2050 Million) IQD last year, and the reason for that is the expansion in the bank activity because of the lifting of the guardianship on the bank, and the bank's new management, as it clarified in details in the management report.

11. Confirmation letter:

- We didn't obtain confirmation letters concerning the balance of some foreign banks, we depended on the SWIFT.
- We didn't obtain confirmation letters from the central bank of Iraq in spite of sending requests.
- We didn't obtain confirmation letters from the central bank of Iraq about the cash amounts of foreign currency that was purchased by the bank from window of selling and purchased the foreign currency and commissions for the year 2014 according to the instructions by the central bank of Iraq no. 9/M/488 on 16/11/2014 in spite of sending requests by the bank.

And according to what been recorded in the books of the bank and the clarifications that been given to us:-

1. The computerized accounting system used by the bank was in agreement with the requirements of the bookkeeping system and organized properly, and it contained registering all assets, liabilities, expenditures and revenues of the bank, and the internal control system includes the procedures that guarantees correction and accuracy of these financial data with a degree commensurate with the bank's activity.
2. The stocking of fixed assets and cash balances were carried out under our supervision and the result were in agreement with the subsidiary books. Those assets were valued in accordance



with the principle and recognized practices, adopted and which were followed in the preceding year.

3. The information and the final accounts were prepared in accordance with adopted accounting principles and they are in agreement with the what is shown by the records and it is prepared in accordance with companies law and regulations and instruction issued accordingly.
4. The bank undertakes sufficient procedures to prevent the money laundering or terrorism financing, and these procedures are executed in accordance with the instructions and regulations issued by the central bank of Iraq.

Opinion:

And in our opinion and according to the information and clarifications that been provided to us, these statements and the annexed report of the management are in agreement with the records and fulfilling the legal requirements and as for as it contains indicators for performance it expenses in a fair and a dear manner the financial position of the bank as at 31/December/2014 and the results of its indicators and the cash flow for the financial year ending on that date.

With appreciation



Seal: Adel Ismail Hasan Al-Shaibi and Partners/public Accountant & Auditor.



Balance sheet as on 31/December/2014

Statement (A)

Schedule No.	Accounting Index No.	Account name	2014 Thousand Dinars	2013 Thousand Dinars
		Assets		
		Current assets		
		Cash assets		
1	18	Cash	217088412	9933186
2	15	Investments	4352381	62976526
		Total cash assets	221440793	72909712
		Cash credit		
3	14	Loans and advances	96350745	1793
		Total cash credit	96350745	1793
4	16	Debtors	950339	2085348
		Total current assets	318741877	74996853
		Fixed assets		
5	11-12	Fixed assets (by book value)	8766125	208764
		Total assets	327508002	75205617
9	19	Accounts reciprocal Customers obligation against banking operation	171343	50000
		Financing sources		
		short term financing sources		
6	25	Current accounts and deposits	104807176	1133251
8	26	Creditors	5002460	5632357
7	23	Allocations	1188864	60149
		Total short term financing sources	110998500	6825757
		Long term financing sources		
	21	nominal capital and (200 Billion) Dinars	200000000	56500000
	22	Reserves	16509502	11879860
		Total long term financing sources	216509502	68379860
		Total financing sources	327508002	75205617
9	29	Accounts reciprocal Customers obligation against banking operation	171343	50000

-Sgd.-
Sunday Najm Ali
Director of Accounts

-Sgd.-
Bashar Shakir Hamid
Managing Director

-Sgd.-
Hasan Nashr Jaafar
Chairman of Board of Directors

Subject to our report No. 100/19/2015 dated on 2/February/2015

Seal: Adel Ismail Hasan Al-Shaibi and Partners/public Accountant & Auditor.

Seal: Trans Iraq Bank for Investment / General Administration.

Stamp Reads:

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

We certify the correctness of the signature of the auditor and he practices Accounting

Profession for the year 2015 without any responsibility for the contents of these financial statements

Name: Duraid Husam Jameel

Signature

Receipt No: 598

Its Date: 10/2/2015




Statement of profit and loss account for the financing year ending as on 31/December/2014 Statement (B)

Schedule No.	Accounting Index No.	Account name	2014 Thousand Dinars	2013 Thousand Dinars
		Revenues of current activity		
10	44	Revenue of banking operation	11842617	1475090
11	46	Investments Revenue	525695	470779
		Total revenues	12368312	1945869
		Deduct: expenses of current activity		
12	34	Expenses of banking operation	156300	234122
5	37	Depreciation	377426	223013
13	31-33	Administrative expenses	2686313	1718230
		Total current expenses	3220039	2175365
		Surplus (deficit) of the current operation	9148273	(229496)
		Addition: Transferring revenues & other		
14	49	Other revenues	17939	2358705
		(Deduct): Transferring expenses & other		
15	38	Transferring expenses	2909927	27819
16	39	Other expenses	000	50904
		Total transferring & other expenses	2909927	78723
		Surplus capable for distribution	6256285	2050486
		To be distributed as follows: -		
	239	Tax allocations	1186281	000
	2213	Legal reserves	253500	102524
	224	Undistributed profits (Accumulated Surplus)	4816504	1947962
		Total	6256285	2050486

Statement of change in shareholders' equity as on 31/December/2014

Statement (C)

Statement Accounting Index No. Activity during the year	Capital 21 Thousand Dinars	Reserves				Total revenues Thousand Dinars	Total shareholders' equity Thousand Dinars
		Capital Reserve/accounting to the Companies Law) 213 Thousand Dinars	Reserves Miscellaneous 214 Thousand Dinars	Accumulated surplus 217 Thousand Dinars	Accumulated deficit 216 Thousand Dinars		
Balance as on 1/1/2014	56500000	752719	1014539	10211977	(99376)	11879859	68379859
Settling during the year (decision of General body)	000	000	000	000	99376	99376	99376
Addition during the year /H/A. Kh	143500000	253500	11883	4816503	000	5081886	148581886
Deductions during the year	000	000	000	(551619)	000	(551619)	(551619)
Balance as on 31/12/2014	200000000	1006219	1026422	14476861	000	16509502	216509502

Statement of change in shareholders' equity as on 31/December/2013

Balance as on 1/1/2013	56500000	650194	946246	8264017	(99376)	9761081	66261081
Settling during the year (decision of General body)	000	000	000	000	000	000	000
Addition during the year /H/A. Kh	000	102525	68293	1947960	000	2118778	2118778
Deduction during the year	000	000	000	900	000	900	900
Balance as on 31/12/2013	56500000	752719	1014539	10211977	(99376)	11879859	68379859

Clarifications: 1- Additions during the year represents the following:

- A. The amount (143500000) Thousand Dinars represents the increase amount that occurred to the capital of bank as shown in the report of the board of Directors in Para (2) of first (the developments occurred to the capital paid and their dates).
 - B. The amount (253500) Thousand Dinars reports the compulsory reserve for the year 2014.
 - C. The amount (11883) Thousand Dinars represent the free shares received from Al-Khaleel Bank an amount of (9000) Thousand Dinars, the amount (338) Thousand Dinars from Investment Bank and the amount of (2545) Thousand Dinars from Al-Khadi Company.
2. Deductions during the year represent the following:
- A. The amount (452443) Thousand Dinars for paying the income tax for the years (2012&2013).
 - B. The amount (99376) Thousand Dinars is for amortization of accumulated Deficit for the previous year according to the general body in its meeting dated on 24/9/2014 approved by the Companies registrar on 12/1/2014.




Statement of cash flow for the financing year ending as on 31/December/2014 Statement (D)

Statement	2014 Thousand Dinars	2013 Thousand Dinars
Activity surplus realized during the year	6256285	2050485
Cash flow from operation activities		
Depreciation and amortization	377426	223013
Shortage in debtors	1135009	48052447
Increase in the current accounts & deposits	103673925	157832
(Shortage) increase in creditors	(629897)	1380673
Net cash flow from operation activities	104556463	49813965
Cash flow from Investments activities		
Shortage in investments	58510797	(50637092)
(Increase) shortage in cash credit	(98315257)	375075
(Increase) in fixed assets	(2111061)	(2317)
Exclusion of fixed assets	58540	000
Projects under implementation	(6882268)	702
Increase (shortage) in allocations	2022088	(2063813)
Net cash flow from investments activities	(46717161)	(52327445)
Cash flow from financing activities		
Increase in capital	143500000	000
Shortage in reserves	(440361)	000
Net cash flow from financing operation	143059639	000
Net cash flow during the year	207155226	(462995)
Add: balance of cash as on 1/1/2014	9933186	10396181
Balance of cash as on 31/12/2014	217088412	9933186



Schedule of settling profits & losses for the purposes of income tax for the financing year ending as on 31/December/2014

Statement (E)

Details	Dinars	Dinars
Activity surplus from the profit & loss statement		6256285
Add expenses not accepted by the tax department		
Uncollectable debts	1967437	
Compensation & penalties	1936	
Assistance to the employers	1900	
Employers income tax	77823	
Investment valuation decrease	128857	
Total addition		2177953
Profit subject to tax (taxable income)		8434238
(Deduct) revenues not subject to tax		
Revenues of internal contribution		(525695)
Activity surplus subject to tax		7908543
Tax allocations		
15% activity surplus subject to tax		1186281
Activity surplus upon 31/12/2014	6256285	
(Deduct) calculated above	(1186281)	
Distributable net income		5070004
5% after tax / Compulsory reserve according to companies Law	253500	
Accumulated surplus / profits not distributed, subject to distribution	4816504	
Total		6256285



Schedule of cash as on 31/December/2014 Schedule No. (1)

Accounting Index No.	Account name	2014 Thousand Dinars	2013 Thousand Dinars
Cash on hand			
181	Cash on hand	3032979	758998
Cash with the banks			
1834	Cash with the domestic banks	204938214	8146515
184	Legal deposits with central bank	8765060	476361
186	Foreign currencies (currencies center)	000	414106
187	Cash with external banks	352159	137206
	Total cash with banks	214055433	9174188
	Total cash	217088412	9933186

Clarifications:

1. Within the cash balance as at 31/12/2014 cash balance in foreign currencies valued in Dollars at a price of I.D (1190) and Emirates Derham 317581 Derham/Dinar and the Jordanian Dinar valued at I.D 1645 Jordanian and as follow:

Thousand Dinars	Details
77339	Cash on hand
510542	Iraqi central bank
352159	External banks
940040	Total

2. Within the cash with domestic banks:

Thousand Dinars	Details
4855239	Al Rafidain Bank
149582975	Current balance with Iraqi central bank
50000000	Last amount subscription deposit with Iraqi central bank
500000	Received amounts with central bank against registration companies
204938214	Total



Schedule of investments as on 31/December/2014

Schedule No. (2)

Accounting Index No.	Account name	2014 Thousand Dinars	2013 Thousand Dinars
152	Long term financial investments		
1526	Long term financial investments	299338	298962
	Short term financial investments		
1531	Short term financial investments/governmental sector	000	62000000
1536	Short term financial investments / private sector	4399835	911008
	Total short term financial investments	4399834	629411008
	Total investments	4699173	63209970
	Deduct: allocations		
2251	Allocated Financial investment valuation decrease	(346792)	(233444)
	Net investments	4352381	62976526

Clarification:

- The financial investments were valued according to the principle of cost or market value whichever is less and because there are some investments whose cost is less than the market price, therefore there was no amount allocation for it this year and according to what is shown in the board of director's report.

Schedule of loans and advances as on 31/December/2014

Schedule No. (3)

Accounting Index No.	Account name	2014 Thousand Dinars	2013 Thousand Dinars
142	Short term granted loans		
1427	Short term loans / private sector / individuals	7217083	000
	Total short term loans	7217083	000
143	Debit current accounts		
1437	Debit current accounts / private sector / individuals	91067170	000
	Total	91067170	000
149	Granted advance		
1491	Employers advance	32834	1829
	Total granted advance	32834	1829
	Total loans and advances	98317087	1829
	Deduct: allocated cash credit except delayed*	(1966342)	(36)
	Net loans and advances	96350745	1793

Clarification: Allocations of delayed payments loans were stated within the schedule (statement) of debtors and was separated from the rest of debts stated above for the purpose of declaration and was registered in the two year of 2013/2014.



Schedule of debtors as on 31/December/2014

Schedule No. (4)

Accounting index No.	Account name	2014 Thousand Dinars	2013 Thousand Dinars
161	Debits Current activity	000	1512420
166	Miscellaneous debit accounts		
1661	Deposits with others	241556	311079
1662	Due revenues	280583	205428
1663	Prepaid Expenses	412800	33361
1666	Judicial expenses	15400	23060
	Total miscellaneous current debtors	950339	572928
169	Debtor currents other		
1691	late unpaid debit	492000	492000
2258	Deduct: allocated cash credit for debts late	(492000)	(492000)
	Net debtors delayed payment	000	000
	Total debtors	950339	2085348

Clarification: Allocations of delayed payments loans were stated within the schedule (statement) of debtors and was separated from the rest of debts stated above for the purpose of declaration.

Schedule of fixed assets and its depreciations as on 31/December/2014

Schedule No. (5)

Fixed assets	Lands	Buildings & establishments	Machineries and Equipments	Transport means and movements	Tools and moulds	Furniture's and Office Appliances	Deferred Revenue expenses	Total
Accounting index No.	111	112	113	114	115	116	118	
Activity during the year	Thousand Dinars	Thousand Dinars	Thousand Dinars	Thousand Dinars	Thousand Dinars	Thousand Dinars	Thousand Dinars	Thousand Dinars
Cost								
Balance as on 1/1/2014	000	000	80046	43953	15202	591392	900707	1631300
Additions	000	000	165672	700	22670	445786	1476233	2111061
Exclusions	000	000	(60610)	000	(15922)	(452023)	000	(528555)
Balance as on 31/12/2014	000	000	185108	44653	21950	585155	2376940	3213806
Depreciation percentage		2-5	20%	20%	20%	20%	20%	
Deduct: Allocation of accumulated depreciation								
Balance as on 1/1/2014	000	000	56415	35723	11479	464443	854476	1422536
Additions: Depreciation current year	000	000	47507	6172	2970	112698	208079	377426
Exclusions	000	000	(58471)	000	(11522)	(400020)	000	(470013)
Balance as on 31/12/2014	000	000	45451	41895	2927	177121	1062555	1329949
Book value on 31/12/2014	000	000	139657	2758	19023	408034	1314385	1883857
Projects under implementation	000	6882268	000	000	000	000	000	6882268
								8766125

Clarification:

- 1- in view that the Bank was moved from the old building to the new one, the Bank management through a contract with a special company to get rid of the old furniture which the most of its book value became (Zero) and to replace it with new furniture to be compatible to the modern banks in terms of design and IT in order to be in harmony with work volume and advancement to serve the clients.
- 2- The balance of projects under implementation represents the value of land bought on January/2014.
- 3- The additions in the account of deferred Revenue expenses represent the cost of covering and decoration of the new building.





Schedule of current accounts and deposits as on 31/December/2014 **Schedule No. (6)**

Accounting index No.	Account name	2014 Thousand Dinars	2013 Thousand Dinars
251	Credited current accounts		
2516	Credited current accounts / private / companies	19997956	213723
2517	Credited current accounts / private / individuals	83423221	565310
25191	Confirmed checks (certified)	14905	2000
	Total credited current accounts	103436082	781033
252	Saving account		
2521	Saving account	1082215	77971
	Total Saving account	1082215	77971
253	Deposits accounts for & at request		
2531	Fixed deposits and warning	48000	000
2534	Current deposits by foreign currencies	000	26336
	Total deposits accounts	48000	26336
255	Deposits received against banking operations		
2552	Deposits against letters of guarantee	13000	000
	Total deposits	13000	000
256	Domestic transferred and checks		
2562	Promissory notes withdrawal on the bank / Dinar	25	25
2563	Checks withdrawal on the bank	227854	247886
	Total domestic transferred and checks	227879	247911
	Total current accounts and deposits	104807176	1133251

Schedule of allocations as on 31/December/2014

Schedule No. (7)

Accounting index No.	Account name	Balance on 1/1/2014 Thousand Dinars	Additions during the year Thousand Dinars	Deductions during the year Thousand Dinars	Balance on 31/12/2014 Thousand Dina
244	Allocated income tax	59149	1186281	(59149)	1186281
2254	Allocation for contractual obligations risks	1000	1683	(100)	2583
	Total	60149	1187964	(59249)	1188864



Schedule of Creditors as on 31/December/2014

Schedule No. (8)

Accounting index No.	Account name	2014 Thousand Dinars	2013 Thousand Dinars
261	Creditors of current activity		
2616	Creditors of private sector / companies	30000	000
2617	Creditors of private sector / individuals	60	60
	Total creditors of current activity	30060	60
265	Creditors of noncurrent activity	47608	2475
266	Various crediting accounts		
2662	Prepaid revenues	264290	000
26631	Interests due	280810	1696667
2263	Administration expenses due	46207	43787
26695	Accounts received against registration of companies	500000	30207
	Total Various crediting accounts	1091307	1770661
267	Deductions for accounts of others		
267	Deductions from the members for the account of others	8990	000
268	Creditors of profit distribution	689728	289728
269	Other crediting accounts		
2695	Balances accounts for the deceased clients	43	43
2696	Amounts with held upon request by official departments	3134724	3134724
2697	Amounts unclaimed	000	34666
	Total of other credited accounts	3134767	3169433
	Total creditors accounts	5002460	5632357

Schedule of regular contra accounts as on 31/December/2014

Schedule No. (9)

Accounting index No.	Account name	2014 Dinars	2013 Dinars
2921/1921	Issued letters of guarantees	109250	50000
	Deduct: deposits against issued letters of guarantees	(13000)	000
		96250	50000
2983/1983	Mortgages against banking credit facilities	75000	000
299/199	Contra accounts in book value	93	000
	Total regular contra accounts	171343	50000



**Schedule of revenues of banking operations for the financial year ending as on 31/December/2014
schedule No.(10)**

Accounting index No.	Account name	2014 Thousand Dinars	2013 Thousand Dinars
441	Revenues of foreign currencies		
4412	Revenues of selling, purchasing of foreign currencies	1014365	1454301
	Total revenues of foreign currencies	1014365	1454301
442	Revenues of advances and domestic loans		
4421	Interests of the domestic guarantee loans	327196	19004
4422	Interests of debited current accounts	2564516	108
44246	Revenues of personal advance	000	679
	Total revenues of advances and domestic loans	2891712	19791
443	Commissions of transfers		
4431	Commission of domestic transfers	179929	000
4432	Commission of foreign transfers	6786889	000
	Total commissions of transfers	6966818	000
445	Revenues of letters of guarantee		
4451	Commission of the domestic letters of guarantee	5147	000
	Total revenues of letters of guarantee	5147	000
447	Miscellaneous banking Commissions		
4471	Commission of issuing the promissory notes and dependence of checks	59	000
4479	Others banking commissions	946507	983
	Total miscellaneous banking commissions	946566	983
448	Recovered expenses		
4482	Recovered communications expenses	17976	000
4485	Sales of banking printings	33	15
	Total recovered expenses	18009	15
	Total revenues of banking operations	11842617	1475090



Schedule of Investments revenues for the financial year ending as on 31/December/2014
Schedule No. (11)

Accounting index No.	Account name	2014 Thousand Dinars	2013 Thousand Dinars
462	Revenues of interior financial investments		
4622	Interest of cash deposits with other	467912	334438
4624	Revenues of interior participation	48023	136341
	Total revenues of interior financial investments	515935	470779
463	Revenues of foreign financial investments		
4631	Interest of credit foreign current accounts	9760	000
	Total investments revenues	525695	470779

Schedule of expenses of banking operations for the financial year ending as on 31/December/2014
Schedule No. (12)

Accounting index No.	Account name	2014 Thousand Dinars	2013 Thousand Dinars
342	Paid banking interest		
3421	interest of saving accounts	20558	566
3422	Interest of fixed deposits	524	000
	Total interest of banking paid	21082	566
3431	Paid banking Currency	4678	000
3451	Investment valuation decrease	128857	233520
3454	Contractual obligations risks	1683	36
		130540	233556
	Total expenses of banking operations	156300	234122



Schedule of Administrative expenses for the financial year ending as on 31/December/2014
Schedule No. (13)

Accounting index No.	Account name	2014 Thousand Dinars	2013 Thousand Dinars
31	Salaries and wages		
312	Cash wages		
3121	Wages	910719	376878
3123	Over time jobs fee	16021	000
3124	Incentive rewards	461127	1300
3125	Professional and technical allocations	69908	9875
3126	Compensational allowances	173759	55096
3129	Other allowanees	147488	10750
	Total cash wages	1779022	453899
315	Participation in the social security for the workers		
3151	Bank dividend in the social security	63480	43395
	Total salaries and wages	1842502	497294
32	Commodities requirements		
322	Fuel and lubrications	33633	8323
3251	Necessities and supplies	13989	3583
3252	Stationary	12890	4073
326	Workers supplies	23277	525
327	Water and electricity	38182	4295
	Total sundries Commodities requirements	121971	20799
33	Services requirements		
331	Maintenance services		
3312	Maintenance of buildings and constructions	1133	97
3313	Maintenance of machineries and equipment	4290	1288
3314	Maintenance of transport and means movements	3047	1150
3316	Maintenance of furniture and office appliances	44216	1045
	Total Maintenance Services	52686	3580
333	Publicity, printing and hospitality		
3331	Publicity and advertisement	2855	000
3332	Publishing and printing	27113	1609
3333	Hospitality	5506	1666
3334	Exhibitions expenses	2400	000
3336	Congresses and seminars	15565	000
	Total publicity, printing and hospitality	53439	3275
3320	Services, researches and consultations	5897	702
334	Transport, delegation and communications		

Following



Previous

3341	Transport of workers	5675	1694
3342	Transportation of goods & commodities	36578	46177
3343	Travel and delegation	71069	5845
3344	Public communications	11901	24194
	Total transport, delegation and communications	125223	77910
3352	Renting of fixed assets / buildings and establishments	194498	104418
		431743	189885
336	Miscellaneous services expenses	431743	189885
3361	Subscriptions and membership	167424	118763
3363	Rewards for non workers for services carried out	270	33686
3365	Legal services	28236	270312
3366	Banking services	13290	574049
3367	Training and rehabilitation	2932	50
3368	Fees and auditing accounts / Other side	39290	1500
3368	Fees and auditing accounts / Accounts auditor	38564	11882
3369	Other services expenses	2791	10
	Total miscellaneous services expenses	290097	1010252
	Total services requirements	721840	1200137
	Total administrative expenses	2686313	1718230



Schedule of other revenues for the financial year ending as on 31/December/2014
Schedule No. (14)

Accounting index No.	Account name	2014 Thousand Dinars	2013 Thousand Dinars
4833	previously written off Debts	000	2356441
49	Other revenues		
492	Incidental expenses	000	2264
493	Capital revenues	17939	000
	Total other revenues	17939	2358705

Schedule of transferring expenses for the financial year ending as on 31/December/2014
Schedule No. (15)

Accounting index No.	Account name	2014 Thousand Dinars	2013 Thousand Dinars
38	Transferring expenses		
383	Miscellaneous transferring expenses		
3832	Compensations and penalties	1936	15000
3833	Written off debits	1966242	000
3837	Written off differences	1195	000
	Total miscellaneous transferring expenses	1969373	15000
384	Taxes and fees		
3846	Miscellaneous taxes and fees	938654	12670
	Total taxes and fees	938654	12670
385	Subsides		
3851	Subsides of members	1900	149
	Total subsidies	1900	149
	Total transferring expenses	2909927	27819

Clarification:

The amount shown in the account of written off deletes represent an increase in the allocations for the cash credit according to the instructions of the central bank for the guidance list

Schedule of other expenses for the financial year ending as on 31/December/2014
Schedule No. (16)

Accounting index No.	Account name	2014 Thousand Dinars	2013 Thousand Dinars
39	Other expenses		
391	Expenses of previous years	000	50903
392	Incidental expenses	000	1
	Total other expenses	000	50904



Schedule of Gross value total added by the cost price of production elements for the financial year ending as on 31/December/2014

Schedule No.	Accounting index No.	Account name	2014 Thousand Dinars
1- Gross production value at product price			
1		a. Currencies	7918532
2		b. Calculated services fees	2870629
3		c. Other revenues	1540093
Total			12329254
2. Production requirements value			
4	32	d. Commodities Requirements	98694
4	33	d. Services requirements	703864
	34	d. expenses of banking operations / paid currency	4678
Total			807236
Gross total value added by the cost price of production elements (1-2)			11522018

Schedule of distribution of value added by the cost price of production elements for the financial year ending as on 31/December/2014

Accounting index No.	Account name	2014 Thousand Dinars
1- Workers compensations		
31	Salaries and wages	1842502
326	Material benefits – employers supplies	23277
Workers compensations group		1865779
2- Operations surplus		
Net surplus or deficit		9148273
37	3-Depreciations	377426
378	4- Amortizations	130540
Total		9656239
Value added by the cost price of production elements		11522018



Schedule by commissions received for the financial year ending as on 31/December/2014
Schedule No. (1)

Accounting index No.	Details	2014 Thousand Dinars
443	Transfers commissions	
4421	Internal transfer commissions	179929
4432	External transfer commissions	6786889
	Total transfer commissions	6966818
445	Revenues of letters of guarantees	
4451	Local letters of guarantees commission	5147
447	Miscellaneous banking commission	946567
	Total	951714
	Total commissions received	7918532

Schedule by components of calculated services fees for the financial year ending as on
31/December/2014

Schedule No. (2)

Accounting index No.	Details	2014 Thousand Dinars
	Interest received	
	Revenues of internal loans and advances	
4421	Interest of granted loans	327196
4422	Interest of debtor current accounts	2564516
4424	Interest of loan personal	000
	Total	2891712
	Paid interest	
342	Paid banking interest	
3421	Interest of banking accounts	20558
3422	Interest of fixed deposits	525
	Total	21083
	Total components of calculated services (1-2)	2870629



Schedule of other revenues for the financial year ending as on 31/December/2014
Schedule No. (3)

Accounting index No.	Account name	2014 Thousand Dinars
441	Revenues of Foreign currency	
4413	Revenues of buying & selling foreign currency	1014365
446	Investments revenues	525695
	Total	1540060
448	Recovered expenses	
4485	Banking literature sales	33
	Total	33
	Total of other revenues	1540093

Schedule of production requirements for the financial year ending as on 31/December/2014
Schedule No. (4)

Accounting index No.	Account name	2014 Thousand Dinars
32	Commodity requirements	121971
	Deduct: employers supplies	23277
	Net commodity requirements	98694
33	Services requirements	721839
4482	Deduct: recovered communications expenses	(17975)
	Net services requirements	703864
	Total production requirements	802558

Annex of the unified financial statements paper for our holding company and the companies belonging to it as on 31/12/2014

	Balance sheet		Settlement and exclusion entries		Unified balance sheet	Clarification
	Tran Iraq Bank Holding	Al-Hikma Company subsidiary	Debit	Credit		
First: Assets	31/12/2014	31/12/2014				
Cash on hand and in banks	217088	346			217434	
Investments	4699	15		171	4543	1
Cash credit	98317	0			98317	
Debtors	1442	5			1447	
Total current assets	321547	366	0	171	321742	
Fixed assets in bank value	1884	1	66		1951	2
Project under construction	6882				6882	
Total assets	330313	367	66	171	330575	
Second: Liabilities	31/12/2014	31/12/2014	Debit	Credit	Unified statement	Clarification
Current account & deposits	104807	0			104807	
Allocations	2808	0			2808	3
Creditors	5002	247			5249	
Total current liabilities	112617	247	0	0	112864	
Capital	200000	105	105		200000	4
Reserves	11439	-26			11413	
profit for the period	6256	41			6297	
Total sources of financing	217696	120	105	0	217711	
Total liabilities	330313	367	105	0	330575	
Third: Revenues	31/12/2014	31/12/2014	Debit	Credit	Unified statement	
Operations revenues	11843	92			11935	
Investments revenues	526	2			528	
Transfer revenues & others	18	1			19	
Total revenues	12386	95	0	0	12481	
Fourth: Expenses	31/12/2014	31/12/2014	Debit	Credit	Unified statement	
Operatiotis expenses	1994	0			1994	
Administration expenses	2686	29			2715	
Deprecations	377	0			377	
Transfer expenses & others	1073	25			1098	
Total expenses	6130	54	0	0	6184	
Net profit of the period before distribution	6256	41	0	0	6297	

Clarification:

1. The balance of Al-Hikma investments company stated in the statement of expenses for an amount of ID (171) Million was excluded for the purposes of unifying the statements.
2. The difference of purchasing the assets of Al-Hikma Company compared to its capital was treated by adding the good will for an amount of ID (66) Million at the side of the fixed assets.
3. There is no valuation for the allocation of the devaluation of Al-Hikma Company shares, because it was not placed within the marked.
4. Al-Hikma Company capital was excluded for the purposes of unifying the accounts.





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