



ANNUAL REPORT



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الإدارة العامة ،
الفرع الرئيسي ،
فرع أربيل ،
الموقع الإلكتروني ،

الإدارة العامة - الفرع الرئيسي
بغداد العلوية - مقابل بناية العلوية
محلة ٩٠٢ شارع ٩٩ مبنى ٣٣١ / ٣٤
فرع أربيل - شارع كولان

2015

مطبعة دار السيادة
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مصرف عبر العراق
للاستثمار
TRANS IRAQ BANK
FOR INVESTMENT

ANNUAL REPORT 2015
Independent Auditor's Report
&
Financial Statements
December 31 st 2015
BAGHDAD - IRAQ

Speech of the Chairman of the Board of Directors

Board of Directors report for the year ended 2015

Audit Committee Report

Auditor Report

General Budget

Statements for the purpose of National Accounts

Statement of settlement of profits & loss for Income Tax purposes

Consolidated accounts Appendix with AL-HEKMA Company





Chairman Speech

Peace, mercy and blessings of Allah are upon you

On behalf of the gentlemen, the members of the Board of Directors, I would like in this occasion to submit to you my utmost thanks and appreciation for accepting our invitation to attend this meeting, and I would like to thank the gentlemen members of Board of Directors and Executive Administration for achieved accomplishments during the year 2015 despite the challenges and hardships underwent by the country.

As you know, these challenges and hardships are still ongoing as a result of the political events underwent by the Middle East Region and the drop of the oil prices lately to low levels. Causing noticeable slowdown in various economies of the country and heading to make some economic reforms to face such challenges.

In the end of 2015 we achieved, thanks to God, higher growing rates in the financial indicators where the growth of the total assets were increased (16%) percentage to become (379) Billion Dinar. The loans and advances balance was increased to become (68%) and the total of customers deposits in the percentage of (76%) and the total shareholders' equity reached to (274) Billion Dinar. As well we achieved a growth in net dividends of the bank equivalent to (78%) where the net dividends at the end of year became (7) Billion Dinar in comparison with (4) Billion Dinar for the year 2014. These good results reflected on the performance rates, where the net dividends after distribution to capital reached (3%).

In the same year, our bank has adopted a strategy to activate the risks management section as well as attract experienced and high efficient staffs, and improve the level of the channels of service delivery and increase the performance level. In addition to improving and diversify income sources, enhance and strengthen the financial position of the bank to reach the highest level of efficiency in operating performance.



In addition to that, we have strengthened the governance system in the bank, where we have adopted the policies and procedures index that are related to the duties and responsibilities of the Board of Directors and Committees emanating from the Board, and the responsibilities and duties of the Committees formed by the administration, and the ethical principles of profession as well as we made sure to strengthen the concept of internal control in the bank, and the concept of transparency, disclosure, shareholders' relations and the rights of stakeholders.

Peace, mercy and blessings of Allah are upon you ...

Chairman of the Board of Directors



Annual Report of the Board of Directors for the Bank's activities during the year ended on 31/12/2015

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 31/12/2015 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 accounting system for companies number (1) for 1998, and accounting rule number (10) issued by the Standards Council of the Republic of Iraq, and provisions of Banks law number (94) for 2004, and the instructions of the Securities Commission number (8) for 2010.

First: About the bank

1. Establishment of the bank

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 obtained the license to practice banking business issued by Central Bank of Iraq in its letter numbered (9/3/2661) on 05/12/2006, and the Bank commenced its business through its main branch on 01/07/2007.

2. Developments on the paid up capital and dates

Since establishing the bank in 2006 the capital was amounted to (65,5) Billion Iraqi Dinar and the following developments occurred:

- a) At the meeting of the general body convened on 17/4/2014, the increase of bank's capital was admitted to become (150) Billion Iraqi dinar by issuing new shares valued (93,5) Billion Iraqi dinar subscription pursuant to the provisions of article 56/ Four of Companies Law.
- b) At the meeting of the general body 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 issuing new shares valued (50) billion Iraqi dinar subscription according to the provisions of article 56/ Four of Companies Law.



- c) At the meeting of the general body 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 issuing new shares valued (50) Billion Iraqi dinar subscription according to the provisions of article 56/ Four of Companies Law.
- d) At the meeting of the General Body convened on 1/4/2015, it was decided to increase the bank's capital from (250) Billion Iraqi dinar to (264) Billion Iraqi dinar according to the provisions of article 55/Second of the Companies Law No. (21) for the year 1997 amended, provided to pay the increased accumulated surplus in the amount of (14) Billion dinar.

3.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.

4.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 instruments from customers who have good credit standing.
- 4) Register financial operations for customers special for providing banking services for them



5. 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 / Al-Wathiq Square, sector 903, Bldg. 192/222	9647901156458	2007
2	Erbil branch	Erbil/ Kolan street opposite automobile industry secondary school	9647702518129	2007

6. Results of the implementation of the annual plan

The bank put a plan before it 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, where the bank has achieved more than the percentages specified to it.

	Planned for 2015	Achieved till 31/12/2015	Ratio of Achievement
The planning budget for assets			
Cash in the bank and other banks	294,348	181,690	62%
Cash Credit	105,239	164,813	157%
Fixed assets	791	2,409	304%

Amounts in Millions of Dinars

As for the liabilities side, the bank has set out in its plan to increase its capital to be (264) Billion Iraqi dinar. As for deposits, the percentage of achievement of it was (87%) which is a good percentage that we aspire to be increased. Below is a table for the most important indicators in the liabilities side and the percentage achieved thereof.

	Planned for 2015	Achieved till 31/12/2015	Ratio of achievement
The planning budget for liabilities			
Capital	265,000	264,000	99%
Current accounts payable and deposits	111,165	94,406	87%

Amounts in Millions of Dinars



And where the aim of developing the planning budget is to increase the bank's revenues, the percentage of revenue achievement for 2015 was good and as shown below:

	Planned for 2015	Achieved till 31/12/2015	Ratio of achievement
The planning budget for revenues			
Revenues of banking operations	30,894	24,199	78%
Investment revenues	1,584	166	10%
Transformational revenues and others	7,129	0	0%
Total revenues	39,607	24,365	
Planning budget for expenses			
Banking operations expenses	6,159	7,964	129%
Administrative expenses	7,698	3,875	50%
Depreciation	171	569	333%
Transformational expenses and others	3,079	816	27%
Total expenses	17,107	13,224	
Profits	22,500	11,141	50%

7. 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 Salih 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 2015 net income, prior distributing an amount of (47) Million Dinar.

And due to the fact that the company has legal independence in its taxation accountability, therefore it was not listed in the final accounts of the bank for the year 2015 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. The company achieved first place of the total trading of other mediating companies where it reached (141 597 561 395) Dinar for the year 2015.



8. Correspondent banks

For the Bank distinct relationship with foreign banks where it has 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.

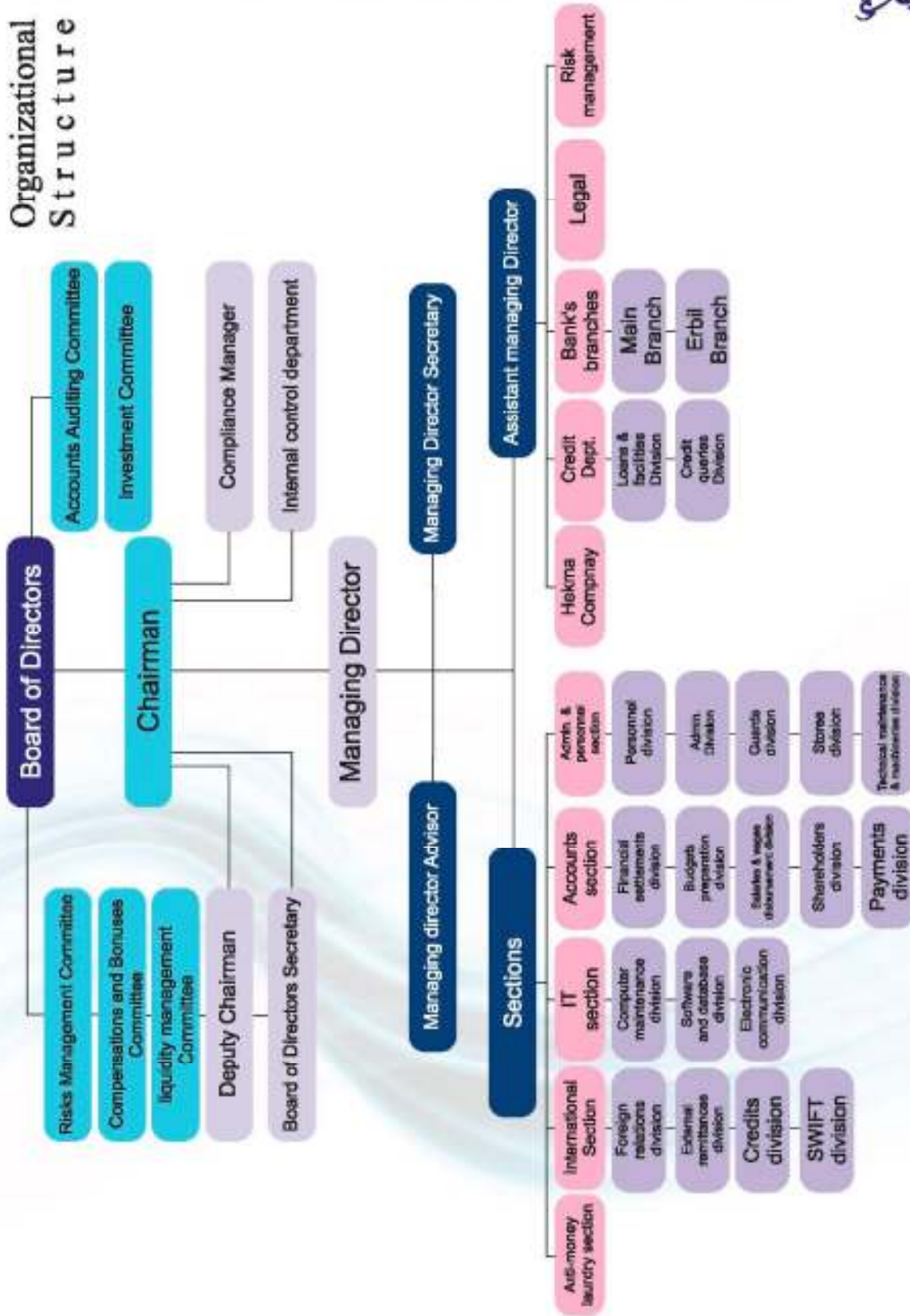
Ser.	Bank's name	Country
1	Housing and Finance Bank	Jordan
2	UBAF ARAB Bank	Bahrain
3	Arab African bank	UAE
4	The Turkish İş Bank	Turkey
5	Capital Bank	Jordan
6	Bank of Jordan	Jordan
7	Bank Al-Etihad	Jordan
8	Noor Bank	UAE
9	Fransabank	Lebanon
10	Dubai Islamic Bank	UAE
11	Banque Misr	Egypt
12	Active Bank	Turkey
13	VakifBank	Turkey

9. 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.



Organizational Structure





10. Social Responsibilities

Trans Iraq Bank puts the social responsibility within its priorities, and from this point, the bank adopts a balanced policy, which harness through it, its efforts and potentials to serve the society where the bank works. The bank plays a major role in serving the Iraqi society by the support and care offered to all social activities and events, and lastly the suffering of the force displacement of our countrymen from their areas as a result of the unstable security situation there. Therefore, the bank started to support this damaged class, and donated the most important requirement to help them overcome their plight for the current situations.





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

Assets

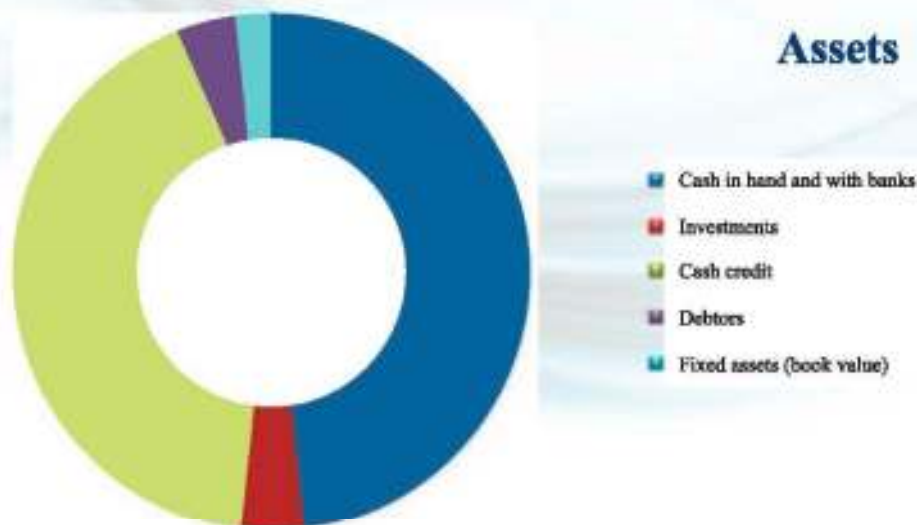
The financial status of our bank has risen in a percentage of (16%) where the actual assets amounted to (379) Billion Iraqi dinar in 2015 while it registered (327) Billion dinar in 2014.

The cash credit has risen to (68%), along with the investments and receivables, as well as fixed assets in a very big percentages while the investment item decreased by (16%) due to the decrease of interest rate in the fields of banking business such as credit and investment, and below is a table of assets details:

Details	As on 31/12/2015	Percent of actual participation	As on 31/12/2014	Percent of actual participation
Cash at hand and with banks	181,689,960	47%	217,088,412	66%
Investments	13,826,570	4%	4,352,381	1%
Cash credit	161,517,784	43%	96,350,745	29%
Debtors	13,641,883	4%	950,339	1%
Fixed assets (book value)	9,292,095	2%	8,766,125	3%
Total of actual assets except corresponding accounts	379,968,292	100%	327,508,002	100%

Amounts in Millions of Dinars

The diagram below shows the percentage of actual participation of assets for 2015





1. Cash flow

Cash balance of our bank has decreased to (181) Billion dinar as on 31/12/2015 after it was (217) Billion dinar in 2014 in a decrease percentage of (16%) and the percentage of cash flow of the total deposits and current accounts a percentage of (188%).

And the cash in hand has a percentage of (6%) 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 (86%) and cash balance with foreign banks a percentage of (4%) of total cash for 2015, as shown in the table and the diagram below:

Types of moneys	Amount for 2015	Percent of participation	Amount for 2014	Percent of participation
Cash at hand	10,028,582	6%	3,032,979	1%
Legal deposits with the central Bank	7,810,895	4%	8,765,061	4%
Cash with local banks	157,364,077	86%	204,938,214	94%
Cash with foreign banks	6,486,406	4%	352,159	1%
Total	181, 689,960	100%	217,088,412	100%

Amount in thousands of dinars



Cash flow

- Cash in hand
- Legal deposits with the Central bank
- Cash with local banks
- Foreign banknotes
- Cash with foreign banks



1. Investments

The volume of investment of our bank has increased to (13) Billion dinar on 2015 after it was (4) Billion dinar on 2014 due to our bank's orientation towards expansion in increasing its investment portfolio, 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
	Total	133,133,000	199,338,778

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 in the amount of (5,833) Million Dinar and below is a statement of the short-term investment portfolio of the end of 2015.





Serial	Name of entity subscribed in it and type of participation	Shares	Cost	At market price	Allocation for impairment
1	ASHOUR Bank	3,839,712,593	3,476,887,312	1,851,076,415	1,825,810,897
2	GULF Bank	59,000,000	64,077,679	30,090,000	30,987,679
3	AL-WARKA Bank	58,333,333	62,222,000	0	62,222,667
4	AL-MANSOUR Bank	60,018,520	84,983,019	52,216,112	32,766,907
5	Credit Bank of Iraq	73,500,000	102,697,917	43,365,000	59,332,917
6	Investment bank	40,219,601	46,370,861	27,349,329	19,021,532
7	AL-WATANIYA for Food Industry	100,000,000	100,000,000	0	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	16,949,700	20,061,226
10	Northern gaseous	14,500,000	10,794,360	5,075,000	5,719,360
11	Land transport	77,000,000	349,664,365	90,860,000	258,804,365
12	United Bank	31,500,000,000	15,061,045,000	11,855,000,000	3,406,045,000
	Total	35,850,554,047	4,699,172,865	4,147,086,802	5,833,647,531

1. Credit facilities

a) Cash credit

The cash credit used by bank's customers as loans, advances and others at the end of 2015 amounted to (164) billion dinar versus (98) billion dinar at the end of 2014 i.e. a significant rise percentage as a result of bank's orientation towards grant loans policy and thus the loans granted represented a percentage of (15%) of the total credit, while the current accounts receivable present a percentage of (84%) also the employees advances a percentage of (1%) of the total credit as in the table below:

Cash Credit analysis

Account name	Amount for 2015	Percent of participation	Amount for 2014	Percent of participation
Loans given	25,171,182	15%	7,217,083	7%
A. Long-term loans				
B. Short-term loans	25,171,182		7,217,083	
Current accounts receivables	139,567,458	84%	91,067,170	92%
Employees advances	75,545	1%	32,834	1%
Total	164,814,185	100%	98,317,087	100%

Amounts in thousands dinars



b) Promissory Credit

The promissory credit (letters of guarantee) has registered an amount of (5,939) million dinar at 2015 after deducting Insurances in comparison with 2014 where it was in an amount of (96) million dinar after decreasing the insurances which means a large percentage rise as shown in the final accounts – statement number (9). And below is a table showing the number and amounts of transactions completed during 2015 of the promissory credit and other bank services.

Account name	Circulated balance from previous year 2014		Total transactions completed during the year		Total transactions paid during the year		Balance at the end of 2015	
	No. of Transactions	Million dinar	No. of Transactions	Million dinar	No. of Transactions	Million dinar	No. of Transactions	Million dinar
Issued letters of guarantee	3	109	22	17,558	17	10,549	8	7,119
Remittances issued	0	0	775	3,775,892	775	3,775,892	0	0
Total	3	109	797	3,793,450	792	3,786,441	8	7,119

Amounts in millions dinars

c) Provision of cash and promissory obligations

The provision of cash and promissory obligations has risen at the end of 2015 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 (1,446) billion dinar to face the risks of non-payment of customer of their obligations to the bank thus the balance of the provision of cash and promissory credit account has become (3,907) billion dinar.





Below is the table of credit classification and the calculation of the provision of cash and promissory credit.

Sr.	Credit classification	31/12/2015	Provision percentage	Provision required
1	Good credit (cash) non repayable	164,812,717	2%	3,296,254
2	average credit payable and its due date not passed (90) days	1,468	10%	146
3	Credit below average payable and passed (90) days and less than 180 days		25%	
4	Bad credit due and passed (180) a day less than a year		50%	
5	loser Credit payable since one year and more	492,000	100%	492,000
	Total cash credit	165,306,185		3,788,401
6	Credit promissory minus insurances	5,939,200	2%	118,784
	Total	171,245,385		3,907,185

Amounts in thousands dinars

d) Sectoral distribution of cash and promissory credit

Sector	Cash Credit			Promissory Credit		Total of Cash and Promissory Credit	Relative Importance %
	Overdraft Account	Loans and Advances	Late Debts	Letters of Guarantee	Credits		
Agricultural						-	
Industrial						-	
Commercial	139,567,458	25,050,000	75,000	7,118,610		171,811,068	99%
Construction and Building						-	
Transportations						-	
Society Services		196,728	417,000			613,728	1%
Total	139,567,458	25,246,728	492,000	7,118,610	-	172,424,795	100%



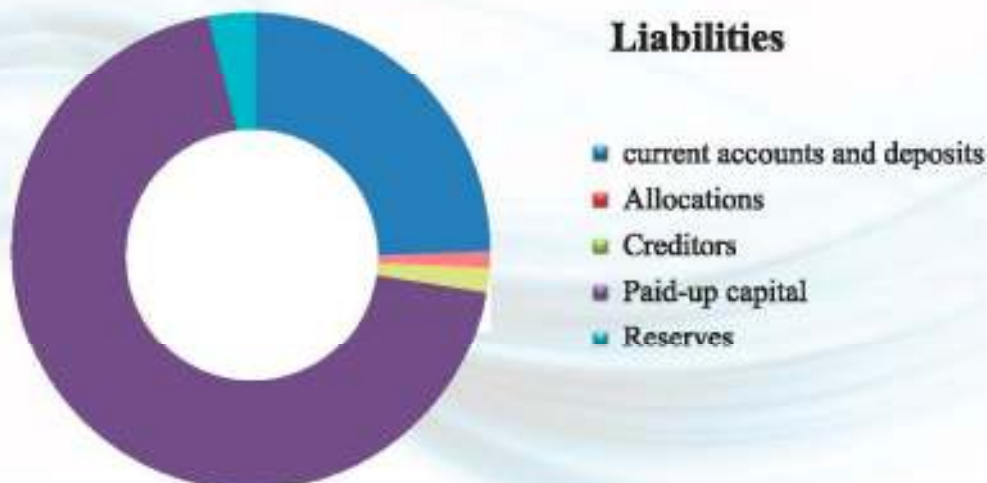
Liabilities

As for liabilities for 2015, the current accounts balance and deposits has risen in the percentage of (76%) as a result of the bank's policy for the current management in bringing deposits and allocations balance at (164%) and creditors at (11%) as shown below:

Details	As on 31/12/2015	Percent of actual participation	As on 31/12/2014	Percent of actual participation
Current accounts and deposits	96,405,847	26%	54,807,176	17%
Allocations	3,140,954	1%	1,188,864	0%
Creditors	5,559,941	1%	5,002,460	2%
Paid-up capital	264,000,000	69%	250,000,000	76%
Reserves	10,861,550	3%	16,509,502	5%
Actual total	379,968,292	100%	327,508,002	100%

Amounts in thousands of dinars

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





1. Current accounts and deposits

The total amounts deposited (current accounts and deposits) in the bank is (96) billion dinar at the end of 2015 of it (90) billion dinar deposited in local currency and represents (93%) of the total deposits while the amounts deposited in foreign currency and its equivalent in Iraqi dinar amounted to (6) billion dinar and represents (7%) of the total deposits and the current accounts and deposits represents (25%) of the total liabilities and deposits can be detailed as follows:

a) Deposits in Iraqi currency

The current accounts formed a percentage of (85, 28%) while the savings deposits formed a percentage of (5,63%) as for fixed deposits it formed a percentage of (7,50%) and insurances a percentage of (1, 31%) and also remittances and internal instruments a percentage of (0, 28%) of the total deposits in local currency.

b) Deposits in foreign currency

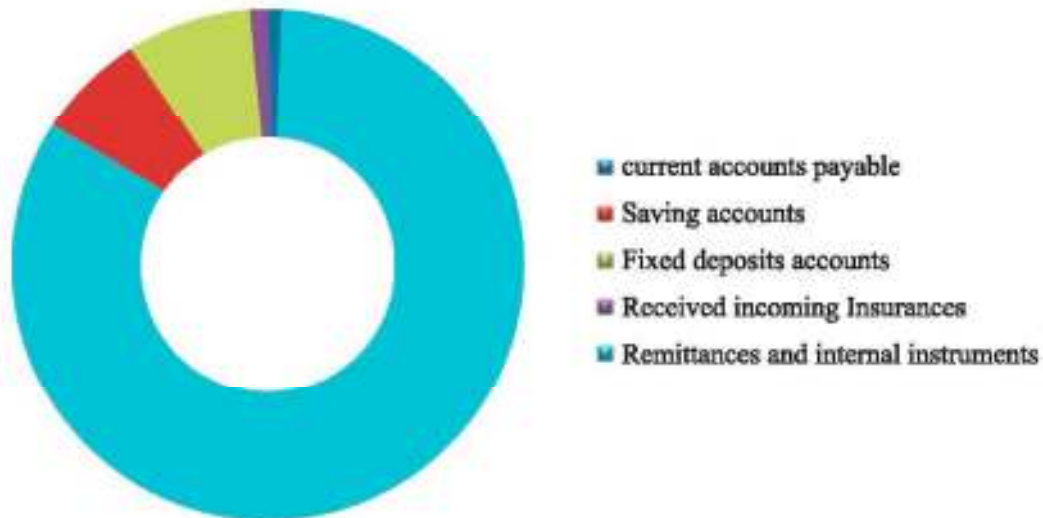
The current accounts formed a percentage of (67,86%) and the savings deposits formed a percentage of (24,76%) of the total deposits in foreign currency, and the table below shows the distributions of current accounts and deposits according to the currency:

Current Accounts and Savings of all Types as from 31/12/2015

Type of deposits	In Iraqi currency	Percentage %	In foreign currency its equivalent in Iraqi currency	Percentage %	Total	Percentage %
Current accounts payable	76,885,324	85.28%	4,239,054	67.86%	81,124,378	84.15%
Saving accounts	5,079,564	5.63%	1,546,381	24.76%	6,625,945	6.87%
Fixed deposit accounts	6,764,230	7.50%	460,980	7.38%	7,225,210	7.49%
Received incoming Insurances	1,179,410	1.31%	0	0.00%	1,179,410	1.22%
Remittances and internal Instruments	250,904	0.28%	0	0.00%	250,904	0.26%
Total	90,159,432	100%	6,246,415	100%	96,405,847	100%
Percentage	93.52%		6.48%			



Current accounts and deposits of all types



2. Balances of allocations

The balances of allocations accounts amounted to (3,140) billion dinar which formed a percentage of (1%) of the paid-up capital while the allocations for the previous years amounted to (1,188) billion dinar and these allocations can be distributed as follows:

Account name	2015	2014
Allocation for promissory obligations risk	118,784	2,583
Tax allocations	2,789,123	1,186,281
Allocations for lower stock prices	233,047	0
Total	3,140,954	1,188,864

Amounts in thousands of dinars

The tax allocation for 2015 has been deducted and it is amounted to (2,789) billion dinar as shown in the statement of calculating the annual tax allocation.



1. Shareholders' equity and reserves balances

We demonstrate below a summary of Shareholders' equity and reserves balances as of 31/12/2015 as shown in the bank's budget and according to the laws and regulations in force and as follows:

a) Shareholders' equity

The shareholders' equity has risen at the end of 2015 to (274) billion dinar after it was (266) billion dinar at the end of 2014 i.e. (3%) percentage of rise and as shown in the table below:

Account name	2015	2014	Change percentage
Paid-up capital	264,000,000	250,000,000	6%
Reserve	2,450,243	2,032,641	21%
Non Distributed Profit	8,411,307	14,476,861	-42%
Total of shareholders' equity	274,861,550	266,509,502	3%

Amounts in thousands of dinars

b) Reserves and accumulated surplus

The total of reserves accounts balances as of 31/12/2015 has reached an amount of (10) billion dinar while it was at the end of 31/12/2014 an amount of (16) billion dinar and the table below represents the details of the reserves:

Account name	2015	2014
Capital reserves	1,423,821	1,006,219
Accumulated surplus (Non Distributed Profit)	8,411,307	14,476,861
Miscellaneous reserves	1,026,422	1,026,422
Total	10,861,550	10,861,550

Amounts in thousands of dinars

And these reserves has formed a percentage of (4%) 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 31/12/2015.



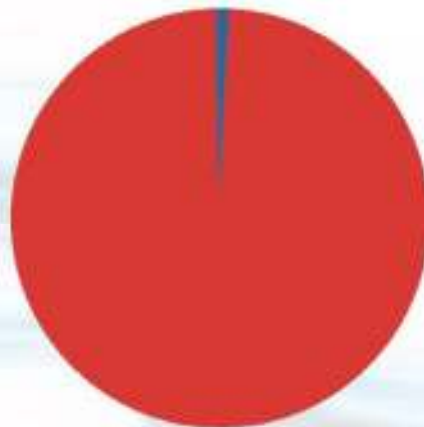
Total revenues and expenses

1. Revenues

The bank's revenues for the fiscal year ended on 31/12/2015 has raised to (24) billion dinar versus (12) billion dinar in 2014 i.e. (97%) percentage of rise, and the revenues formed first rank in the bank operations where it amounted to (24) billion dinar and by (99%) of the total revenues, and the internal investments revenues amounted to (1%) as shown in the table and diagram below.

Types of revenues	The amount for 2015	Percent of participation	The amount for 2014	Percent of participation
Investment revenues	165,707	1%	525,695	4%
Bank operations revenues	24,199,338	99%	11,842,617	95%
Other revenues	0	0%	17,939	1%
Total	24,365,046	100%	12,386,250	100%

Amount in thousands dinars



Revenues

- Investment revenues
- Bank operations revenues Creditors
- Service activity revenue
- Other revenues

This shows us that these revenues form a percent of (9%) of the paid-up capital at the end of 2015 which reflects the ongoing bank activity in achieving these revenues.



1. Expenses

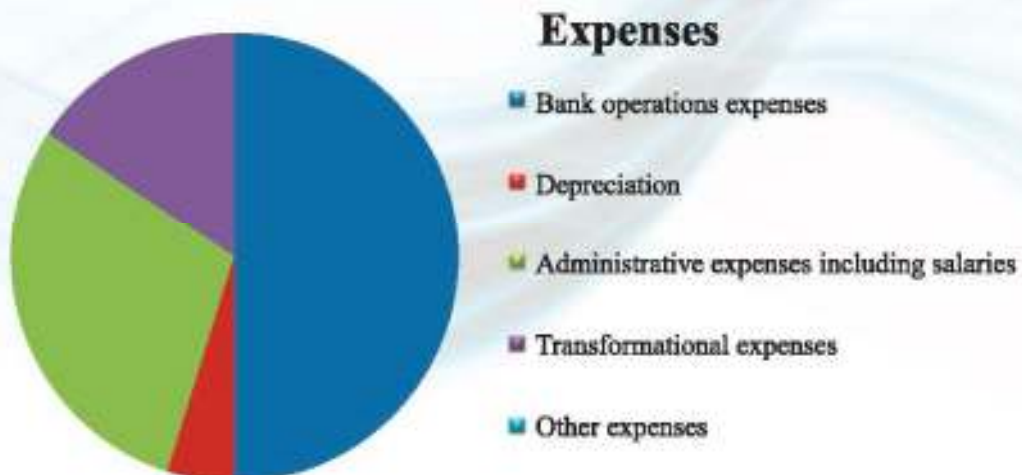
The expenses has risen at (116%) during 2015 where it reached (13) billion dinar after it was (6) billion dinar in 2014, and the total expenses has formed a (5%) of the paid-up capital

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 as well as increasing the provision of decreasing the value of shares prices and fluctuations in exchange rates.

The expenses for bank operations for 2015 has reached (6) billion dinar and formed (50%) of the total expenses and administrative expenses including salaries and wages where it amounted to (3) billion dinar, where it formed (29%) then the transformational expenses which formed (16%) as shown by the table and the diagram below:

Types of expenses	2015	Percent of participation	2014	Percent of participation
Bank operations expenses	6,637,734	51%	156,300	3%
Depreciations	568,888	4%	377,426	6%
Administrative expenses including salaries	3,875,239	29%	2,686,312	44%
Transformational expenses	2,142,013	16%	2,909,927	47%
Total	13,223,875	100%	6,129,965	100%

Amount in thousands dinars

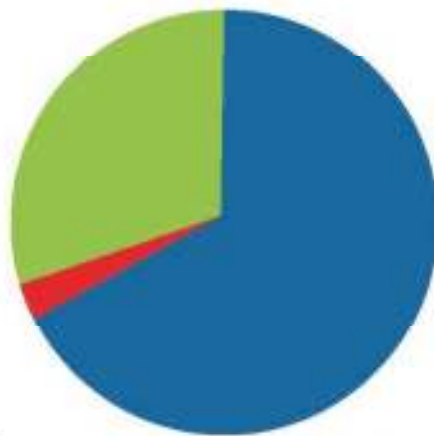




And the administrative expenses can be detailed as shown in the table and the diagram below:

Administrative expenses	2015	Percent of participation	2014	Percent of participation
Salaries and wages including social security	2,571,976	66%	1,842,502	68%
Supplies of goods	129,208	4%	121,971	5%
Supplies of services	1,174,055	30%	721,839	27%
Total	3,875,239	100%	2,686,312	100%

Amount in thousands dinars



Administrative expenses

- Salaries and wages including social security
- Supplies of goods
- Supplies of services

Among those expenses, amounts spent in 2015 for the purposes of publications, 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.

1	Publications and Advertising	8,073,000
2	Travel and delegation for training purposes	42,324,815
3	Hospitality	15,659,000
	Total	66,056,815

1. Net profit

The net profit (the surplus distributable) for 2015 referred to in article (73) of the Companies Law amounted to (11,141) billion dinar and based on this the bank achieved additional net profits before distribution at (4%) of the capital and has been distributed by deducting the tax allocation in an amount of (2,789) billion dinar and also deducting an amount of (417) million dinar as mandatory reserve for capital so the earned surplus distributable become an amount of (7,934) billion dinar and it represent (3%) of the paid-up capital.



4. Financial indicators and financial analysis percentages between (2014 - 2015)

Sr.	Performance Indicators	2015	2014
1	Liquidity percentage: moneys account/ total deposits and current account	188%	207%
	Money investment policies (Operating percentages)		
	a. Investments/ total deposits and current accounts	14%	4%
	b. Cash credit/ total deposits and current accounts	167%	90%
	c. Investments + cash credit/ total deposits and current accounts	182%	94%
	d. Capital adequacy percentage	219%	342%
	e. Percentage of cash credit/ capital and reserves	59%	43%
2	Financial leverage percentage		
	a. Total deposits and current accounts/ capital and its reserves	35%	47%
	b. Capital and reserves/ total assets	72%	66%
3	Activity costs percentages		
	a. Total banking operations expenses / total deposits	7%	0%
	b. Total expenses/ total revenues	54%	49%
4	Profitability ratios		
	a. Total profits/ paid-up capital	4%	3%
	b. Total profits earned / shareholders' equity	4%	3%
	c. Net profits after distributions/ capital	3%	2%

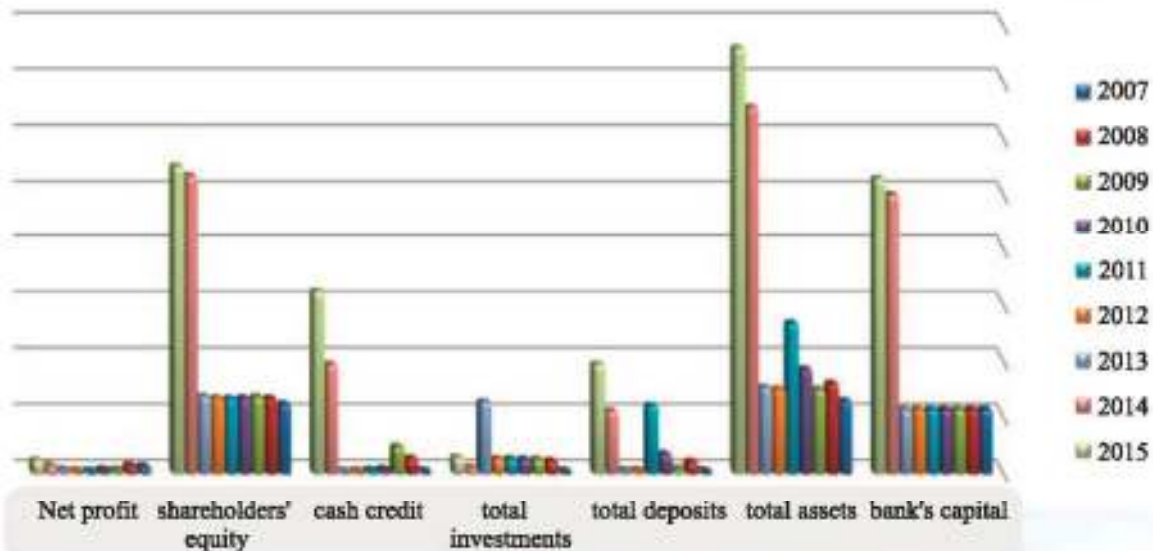


**Financial key indicators of bank's activity for years
(2007 – 2008 – 2009 – 2010 – 2011 – 2012 – 2013 – 2014 - 2015)**

Financial statements Year	Bank's capital	Total assets	Total deposits	Total investments	Cash credit	Shareholders' equity	Profit or (withholding)	No. of Branches in Baghdad	No. of Branches in Provinces
2007	56,500	64,250	-	-	-	61,231	5,566	1	0
2008	56,500	79,289	8,986	10,510	13,100	66,069	6,481	1	1
2009	56,500	74,327	3,545	11,928	23,272	67,401	1,681	1	1
2010	56,500	92,495	16,944	11,926	2,679	66,344	2,084	1	1
2011	56,500	133,337	59,835	12,503	1,481	65,688	476	1	1
2012	56,500	74,397	975	12,573	377	66,281	368	1	1
2013	56,500	75,931	1,133	63,210	2	68,380	2,050	1	1
2014	250,000	327,508	54,807	4,352	96,351	266,509	6,256	1	1
2015	264,000	379,968	96,405	13,826	161,516	274,862	11,141	1	1

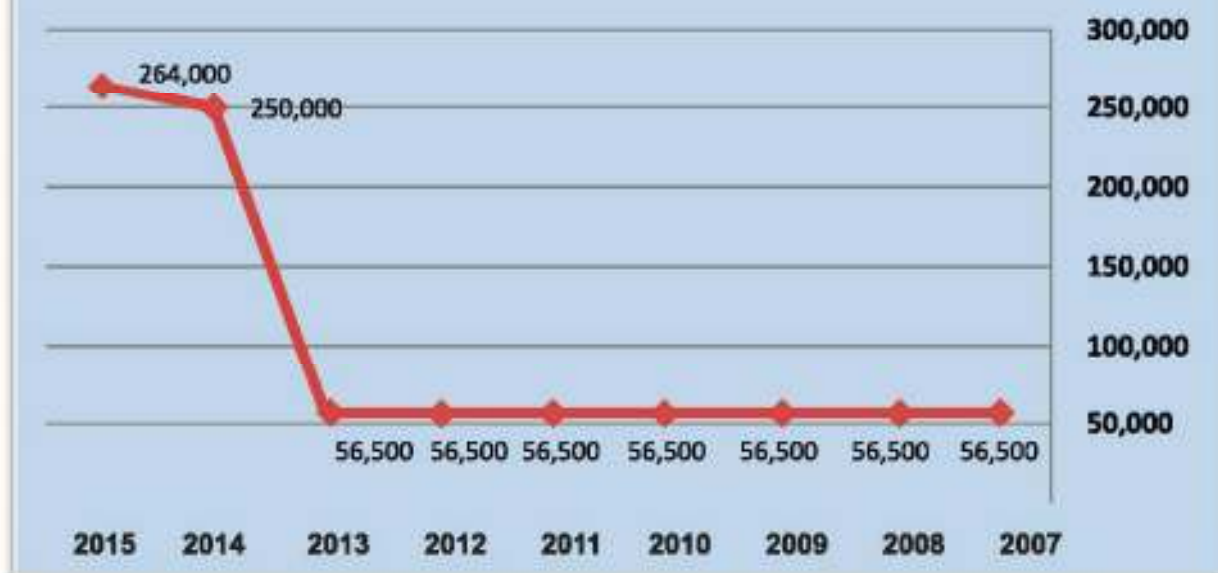
Amounts in Million dinars

Financial indicators

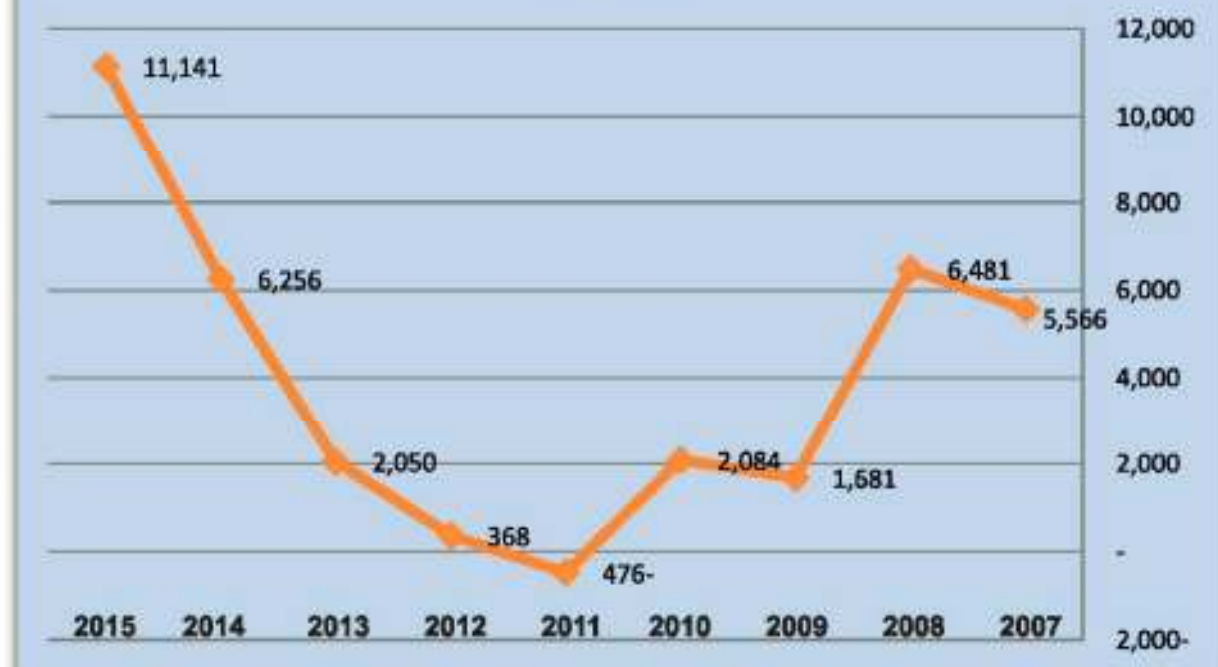


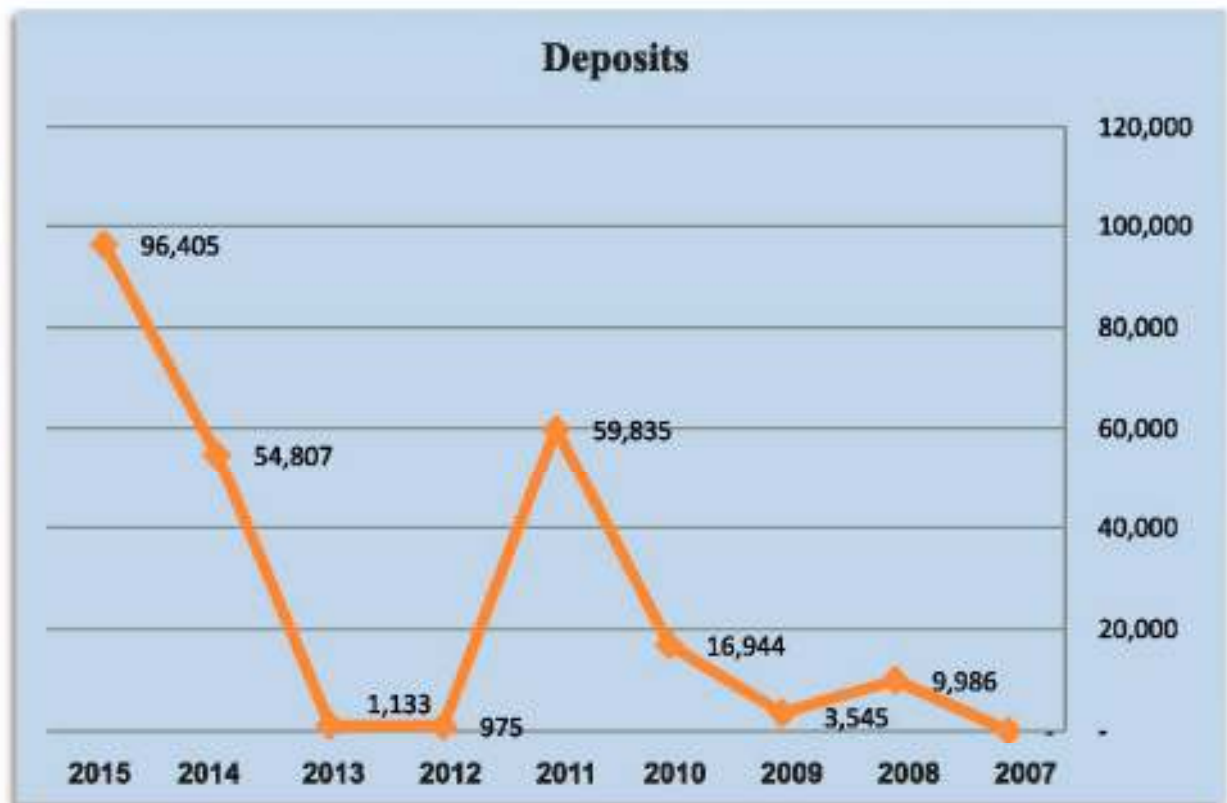
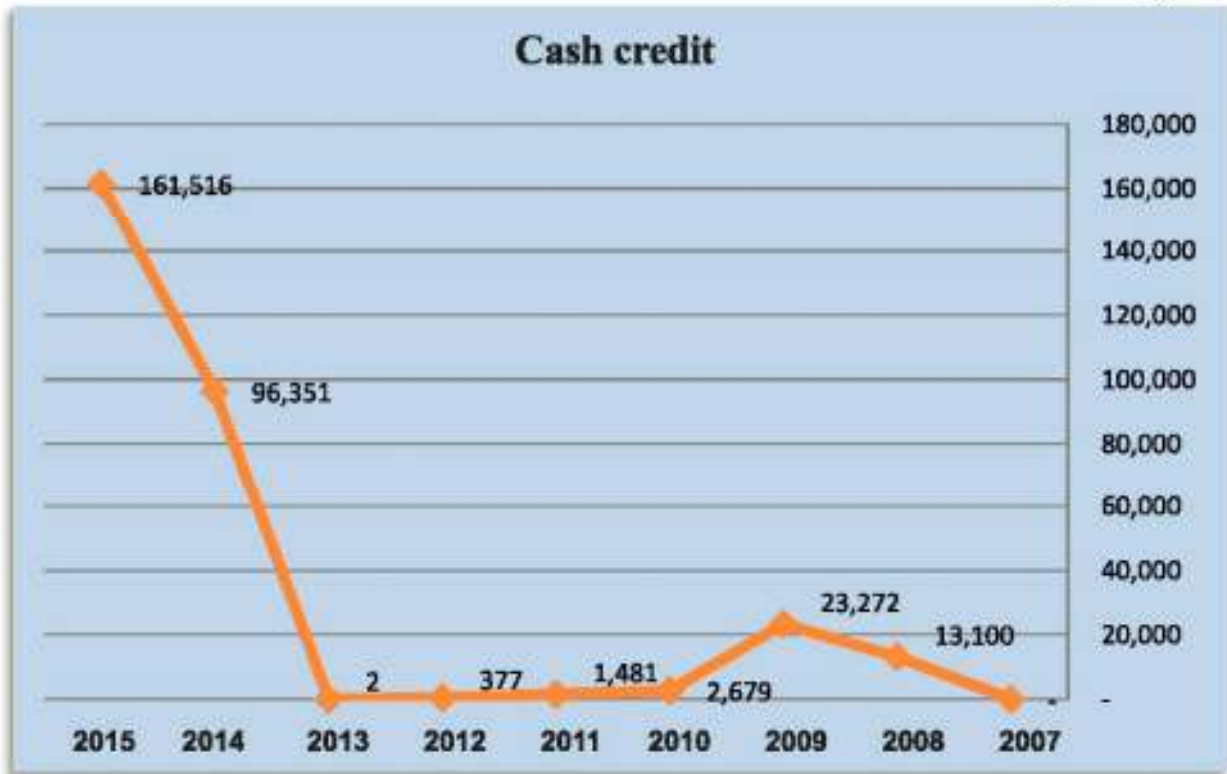


Indicators of Bank's capital



Net profit







Third - Detailed data and analysis

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

- Board of Directors' sessions for 2015 are (12) sessions.
- The chairman and the principal members of the board did not get any remuneration during 2015 in implementation of the decision of the General Body of the bank in its annual meeting on 1/4/2015, the bonus of the president and members of the Board of Directors Five Million Dinars for each one of them, and each member has no interest in personal contracts or agreements.
- Below are the names of the chairman and members of the board and the reserves at the end of 2015.

1) Principal members

Sr.	Names of the principal members	Job title	Number of shares
1	Hasan Naser Jafaar	Chairman of the Board	26,035,680,000
2	Wesam Adnan Mohammed	Deputy chairman	25,080,000,000
3	Bashar Shaker Hamed	Member (Managing Director)	9,090,540,844
4	Wshyar Abdulfatah Abdulrazaq	Member	26,136,000,000
5	Hasan Hadi Farhan	Member	26,136,000,000

2) Reserve members

Sr.	Names of the principal members	Job title	Number of shares
1	Abdullah Younis Farhan	Reserve member	8,184,000,000
2	Basam Adnan Mohammed	Reserve member	1,056,000,000
3	Moayad Ali Hasan	Reserve member	26,136,000,000
4	Bahaa Hussain Ali	Reserve member	12,084,245,331

d) Managing Director of the Bank

Mr. Bashar Shaker Hamed has been appointed in the position of Managing Director of the Bank elected by the Board of Directors according to the approval of the Central Bank in its letter No. (9/3/4238) on 22/3/2015, and he is still continuing the service. The total revenue that he earned during the year was (198) Million Dinar.



2. Salaries, wages and labor

- The total salaries, wages and cash remunerations paid to all our bank's employees for the period from 1/1/2015 till 31/12/2015 amounted to (2,572) billion dinar.
- The total number of workers in our banks and all our branches at the end of 2015 (124) employee.
- Number of employees included in social security is (97) employee.
- Names and job titles of five of the bank's employees who received the highest annual income for 2015.

Ser.	Name	Job class
1	Mr. Sabah Hasan Abbas	Assistant Managing Director
2	Mr. Abdulameer Jwad Khayoun	Director of Internal control Department
3	Mr. Thaer Abbady Kadhim	Director of Administration and Personnel Department
4	Mr. Nameer Abdulazeez	Director of International Department
5	Mr. Mohammed Saleh Hashim	Director of Ant-Laundry Unit

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 2015 (124) including (95) in the general administration and (29) distributed on branches and we listed below the job titles and scientific qualifications of our bank's employees including the branches.

Classification of the number of employees of Trans Iraq Bank according to the Career Class

Sr.	Career class	Job title	Number
1	Special	Managing director/ Deputy Managing Director/ Adviser/ Compliance Officer/ Office manager	4
2	Executive	Department Manager/ Branch manager/ Head of programmers/ Chief engineers	8
3	Administrative	Manager/ inspector/ Senior programmer/ Senior engineer/ lawyer/ Head of treasurers	10
4	Supervisory	Assistant manager/ First accountant/ First auditor/ First treasurer/ First foreman/ Technical foreman	7
5	Technical	Accountant/ Auditor/ Foreman/ Treasurer/ Programmer	14
6	Main	Assistant accountant/ Assistant auditor/ Assistant foreman/ Assistant treasurer/ Secretary	25
7	Unclassified	Technical worker/ counter/ Assistant storekeeper/ clerk/ Service worker/ Guard/ Driver/ Authorized correspondent / cleaner/ Cameras monitor	56
Total			124



Classification of employees according to academic achievement

Sr.	Academic achievement	Number	Relative importance
1	Master	1	1%
2	Bachelor	54	44%
3	Diploma	11	9%
4	Junior high	12	10%
5	Below junior high	46	37%
	Total	124	100%

b) Human Resource Development

The Administration and Personnel 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 therefore most of the staffs participated in the courses supervised by the Central Bank as shown below:

Ser.	Course Name	No. of Participants	Place	Starting Date	Completion Date
1	"Introduction on counterfeit currency and its comparison with the real currency"	1	Central Bank of Iraq	18/6/2014	19/6/2014
2	Re-training on (CSD) upgraded system	2	Central Bank of Iraq	28/12/2014	29/12/2014
3	"Introduction training course on (RTGS) upgraded system"	2	Central Bank of Iraq	29/1/2015	29/1/2015
4	"Foreign Account Tax Compliance Act (FATCA)"	2	Central Bank of Iraq	20/2/2015	21/2/2015
5	"Foreign Account Tax Compliance Act (FATCA)"	1	Lebanon	19/2/2015	22/2/2015
6	Course in "preparing and showing financial lists according to the international accounting standards and international standards of preparing financial reports"	2	Central Bank of Iraq	12/4/2015	15/4/2014



7	Course "standard economy applications using Eviews7 program"	1	Central Bank of Iraq	26/4/2015	30/4/2014
8	International standards workshop for banks financial disclosure (IFRS) and its application in the Iraqi Bank Organization	1	Central Bank of Iraq	16/5/2015	16/5/2015
9	Course "registering the numbers of foreign securities"	2	Central Bank of Iraq	18/5/2015	18/5/2015
10	"Training course in anti-money laundry"	1	Central Bank of Iraq	14/6/2015	16/6/2015
11	Complete connecting comprehensive banking systems with payment system	2	Central Bank of Iraq	24/6/2015	24/6/2015
12	Workshop for exchanging the instructions if credential information	2	Central Bank of Iraq	27/7/2015	28/7/2015
13	Electronic clearing system course	3	Central Bank of Iraq / Payment Section	16/8/2015	18/8/2015
14	Anti-money laundry workshop	1	Central Bank of Iraq / Banking Studies Center	16/8/2015	16/8/2015
15	Course in (managing foreign reserves and investment portfolios)	1	Central Bank of Iraq / Banking Studies Center	6/9/2015	9/9/2015
16	Training course in (oracle database) 1	1	Central Bank of Iraq / Banking Studies Center	16/9/2015	31/10/2015
17	Course in "Managing assets and deductions of the Central Bank of Iraq balance"	2	Central Bank of Iraq / Banking Studies Center	13/9/2015	15/9/2015
18	Workshop of completing the registration procedures in the Interior Revenues Department.	1	Central Bank of Iraq / Issuance and Treasurers	20/10/2015	20/10/2015
19	Training course in (oracle database) 2	1	Central Bank of Iraq / Banking Studies Center	8/11/2015	30/11/2015
20	Training course (pay via mobile)	2	Central Bank of Iraq / Banking Studies Center	1/11/2015	5/11/2015
21	Course in the applications of cash flow accounting standards and the changes in exchange prices.	1	Central Bank of Iraq / Banking Studies Center	23/11/2015	26/11/2015
22	Workshop "Foreign Account Tax Compliance Act (fatca)"	2	Central Bank of Iraq / The Iraqi Governmental Delegation Negotiator about Foreign Account Tax Compliance Act	9/12/2015	10/12/2015
23	Course in liquidity calculations	3	Central Bank of Iraq / Directorate General of Exchange and Credit / Office Auditing Section	9/12/2015	9/12/2015
24	Establish a banking network that works on fiber optics technologies	2	Central Bank of Iraq / Information Technology	17/12/2015	17/12/2015



4. Capital adequacy

The bank's capital adequacy percentage by the end of 2015 according to the weights table to the degree of risk to the terms of the general budget amounted to (219%), 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, and disclosure within the accounting rule No. (10).

The bank has adopted since its establishment on the principle of accrual accounting such as the basis of its accounting policy. As for the depreciations on the fixed assets, straight-line method was adopted in the percentage of (20%) annually on the fixed assets excluding the lands.

The debt provision doubtful to be collected is calculated in accordance with the instructions of 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 (1182) dinars per dollar.

6. Expansions during the year

There are no expansions for the bank during the year of 2015.

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

On 3/1/2016, by lawsuit No. (267/S3/2015) the judge and the federal court of appellate body / third / Al-Rissafa has issued its decision that our bank shall pay an amount of (Two Billions One Hundred Twenty Two Millions Ninety Six Thousand Seven Hundred and Nineteen Dinars) for the amount value of the letters of credit, and dismissal of increasing on the State Trading Company for Construction Materials by terminating the previous decision by amending and pay an amount of (37) Billion 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 2016 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.

13. 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:

Generally, these risks are the result of non-ability of the bank to draw new depositors or because the weakness of the bank in administrating the assets and liabilities.

f) Operational 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.

g) 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

Considering the availability of the internet service, its popularity and the increase of its users in light of the enormous development in computer techniques and communications that achieved fast and comprehensive exchange of information within the policy and plans of smooth flow of data and the concept of information on-line, this is accompanied by the investment of internet in the field of the electronic commercial activity within the concepts of electronic business and trading, and with the increased credit on the accounting system in administrating the activities and increasing the economical value of information. The concept of banking business for Trans Iraq Bank has developed to cope with that development in terms of adopting the best systems and programs in the field electronic banking service which included the following:

- 1- Applying of (BANKS) system.
- 2- Upgrading (Swift) system.
- 3-Preparing human resources special program through the use of Access.
- 4- Providing a server concerned with the emails of the gentlemen the directors of sections (Exchange Server).
- 5-Upgrading (ACH) and (RTGS) systems by the Central Bank of Iraq.
- 6-Prepare income tax reports system due on the citizens and residents in the United States (FATCA).

14.Lands and Real-estate

The bank currently owns a property that is intended to be rehabilitated to be the headquarters of the General Administration and the main branch. The bank obtained the approval of the Central Bank according to its letter numbered (9/3/5/1847) dated 11/12/2014 for the purchase of the property numbered (120/191 Bataween) in Karrada Kharej.

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

16.The share price of the bank

The price of Trans Iraq Bank in the stock exchange market of Iraq was amounted to, in the last trading session during the year 2015 (0.700) dinar.





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	39	40%	59,520,000
10,000,000	100,000,000	35	36%	724,791,460
100,000,000	1,000,000,000	6	6%	2,015,534,365
1,000,000,000	And more	17	18%	261,200,154,175
Total		97	100%	264,000,000,000

18. Names of shareholders that have more than 5% of bank's capital as of 31/12/2015

Sr.	Shareholder name	Number of shares	Its Percentage from capital
1	Hasan Naser Jafaar	26,035,680,000	9.86%
2	Waleed Majeed Qader	26,136,000,000	9.90%
3	Wshyar Abdulfalah Abdulrazaq	26,136,000,000	9.90%
4	Mohammed Abdulredha Mohammed	26,136,000,000	9.90%
5	Wesam Adnan Mohammed	25,080,000,000	9.90%
6	Hasan Hadi Farhan	26,136,000,000	9.90%
7	Moayad Ali Hasan	26,136,000,000	9.90%
8	Hayder Jawad Hasan Al-Saraf	14,784,000,000	5.60%
Total		196,579,680,000	74.46%



19. Lawsuits filed

a) Lawsuits filed against the bank

There are lawsuits filed by the State Trading Company for 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 Rheema Sadoun	1/1/2012	Trans Iraq Bank	Resolved in favor of the bank	3,232,500
Hussein Mahmoud Hadi	23/5/2010	Trans Iraq Bank	Resolved in favor of the bank	75,000,000
Minister of Trade and the Director of State Trading Company for Construction Materials in their official capacity	1/6/2014	Trans Iraq Bank	Resolved in favor of the bank	50,790,653,352

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

1) Rented premises contracts

Building's location	Owner	Contract's amount Annually
General Administration/ Main branch – Baghdad	Ereebi Majeed Khalifa	402
Erbil branch	Mustafa Saleh Saeed	56
Rent of service building for generators	Basema Fadhel Abbas	25



2) Service contracts

Details	Contracted company	Contract's amounts Annually
Internet service contract	Earth Link Company	41,976
Money transport contract	Iraqi Company for Bank Services	Unfixed fees
register program and deposit of shareholders	Iraqi deposit Center	15,000
Contract of printing the banks' checkbooks	Alike Company for Designing and Printing	According to the quantity
Maintenance contract of banks connecting network	Central Bank of Iraq	25,524

3) Audit contract

Details	Number of contracts	The amount
Auditor Mr. Mahmoud Rasheed Al-Fahad (Final Accounts)	1	48,630,000

21. Investment feasibility in the shares of the bank

With the continuation of the strong leaping of the quarterly profits for Trans Iraq Bank, and in its profits for the end of the year 2015 in comparison with the previous years. We expect the price of the bank's share to be one of the strongest and most active among other shares in terms of administration and investment payoff because the entire bank's numbers put it in a good position, the shareholders' equity has grown to be (3%) from the last year considering it a low average but it is in the right direction. In terms of human element, the bank adopts ways to improve the performance level of the staffs to the extent that fits with what the customers of the bank seek for by providing excellent operational environment, that he can through it, support the programs and plans of training and assign long and short termed jobs

By attracting the largest number of young staffs, in addition to that, the bank works to provide all banking, commercial and investments services and exchange local shares as well as provide personnel and companies financing services through wide selection of credential investment tools to become one of the major banks in the country.



22-Anti-money laundering

Our bank is bound to cooperate with the compliance observer for the purpose of anti-money laundering and the financing of terrorism for the importance of this law which captured the attention of most world countries, because of the serious threats of these funds on the economy of the world, and applying it with operations, systems and regulations to minimize the loss resulted therefrom. It is derived from the instructions of the Central Bank of Iraq in light of anti money laundry law No. (93) for the year 2004, and what occurred on it by the issuance of the new law that will be in progress when its issued, and the anti-money laundering department at the bank to carry out extending its database where we have now interior black list database, and also buying (World Check) system which is a global system for anti-money laundry that contains international block lists that are applied in the United States, Britain, France and other European countries. The bank uses it to find suspicious formalities.

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

- Open special record for customers according to their risks.
- Develop a study for the patterns of the formalities in order to detect various unusual formalities & non-sufficiency to the amounts more than (10 Thousand Dollars) and (15 Million Dinars).
- Identify the personality of the customer, especially companies and institutions
- Monitor the transactions and customers, and to not give up any information whatever it was.
- Participate in all courses held by the Central Bank of Iraq.

Please accept our thanks and respect



(Signature)

Hasan Naser Jafaar

Chairman of the Board of Directors



Seal: Trans Iraq Bank for Investment / General Administration

Seal & Signature: Adel I. 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 2015 including our opinion of the financial position of the bank according to this law:

- 1) The committee has gathered on 22/9/2015, and discussed the report of internal control department about the revenues of cash flow up till 31/8/2015.
- 2) The committee has gathered on 13/12/2015, to discuss the quarterly report for the business of the internal control department and quarterly reports submitted by the compliance observer, and it recommended to follow-up the notes stated in it by the internal control department with other administrations for processing.
- 3) 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.
- 4) 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 in calculating the provision of cash and promissory credits 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.
- 5) 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.
- 6) The committee encourages the bank's management to expand in increasing 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.
- 7) The committee reviewed the report of banking risks management section to observe financial rates and indicators in it, and most of them were appropriate and less than minimum risks of risk indicators.



- 8) The report of the legal department of the bank was reviewed, and the committee supports all measures taken by the department regarding the lawsuits against the bank to obtain the payable debts.
- 9) The committee reviewed the annual report for 2015 and also what it contains of financial reports and indicators of bank performance to ensure the extent of bank's commitment with provisions requirements of the Central bank of Iraq Laws for banks, anti-money laundry and companies law and the 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.
- 10) 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



**Trans Iraq Bank for Investment (Private Shareholding Company)-Baghdad
Report of the Auditor and Financial Data
with its Statements for the financial year
ending on 31/December/2015**



مصرف عبر العراق
للاستثمار
TRANS IRAQ BANK
FOR INVESTMENT





Contents

First :	Report of the auditor	
Second:	Financial Data	Data No.
	Balance sheet	(A)
	Profit and loss account	(B)
	Statement of changes in shareholders' equity	(C)
	Statement of cash flow	(D)
	Statement of settling profits & losses for the purposes of income tax	(E)
Third:	Statements belonging to the financial Data	Statement No.
	Cash	(1)
	Investments	(2)
	Loans and advances	(3)
	Debtors	(4)
	Fixed assets	(5)
	Current accounts and deposits	(6)
	Allocations	(7)
	Creditors	(8)
	Reciprocal obligation against banking operations	(9)
	Revenues of banking operations	(10)
	Revenue of financial Investments	(11)
	Expenses of banking operations	(12)
	Administrative expenses	(13)
	Other revenues	(14)
	Transferring expenses	(15)
	Other expenses	(16)



Contents

Fourth :	Data for the purposes national accounts	Data No.
	Gross value added by the cost price of production elements	(A)
	Distribution of gross value added by the cost price of production elements	(B)
Fifth:	Statements belonging to the national accounts data	Statement No.
	Commissions received	(1)
	Components of calculated services fee	(2)
	Other revenues	(3)
	Commodities Requirements	(4)
	Services Requirements	(5)
	Expenses of banking operation	(6)
Sixth:	Annex of the unified accounts with Al-Hekma Company	





To/ Messrs Shareholders of Trans Iraq Bank (Private Shareholding Company) – Baghdad
Sub. / Report of the Auditor

Greeting

We would like to inform you that we have examined the balance sheet of your Bank (Trans Iraq Bank for Investment - Private Shareholding Company) as on 31/December/2015, and the profit and loss account, the data of changes in shareholders' equity and the cash flow data for the financial year ending on that date. The Statements from (1) to (15) and the clarifications attached with it and the annual report of the Bank Management company prepared according to the provisions of Companies Law No. 21 for the year 1997, and the regulations and instructions issued accordingly, and the Banks Law No. (94) for the year 2004 in accordance with the recognized international and national auditing standards.

We have obtained all the information and clarifications which were necessary in our opinion, to accomplish our mission which were carried out in accordance with the valid legislations and recognized auditing procedures, which included the necessary tests for the bank's activity phases falling under 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 Accounting 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 essential 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 the technical neutral opinion of the financial statements submitted to us in accordance with the local auditing evidence and standards, and these standards require that we plan and complete the audit to obtain a reasonable confirmation on it in case the statements did not contain any essential error, and the auditing include our testing on the bases of test of data and the supported documents for the amounts that are disclosed in the balance sheet and the final accounts for the financial year ending on 31/December/2015.

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



1) Bank Capital:

The bank capital has been increased during the year with an amount of (14) Billion Dinars of the accumulated surplus account to be (264) Billion Dinars as on 31/December/2015 instead of (250) Billion Dinars, according to the approval of the General Body during its meeting held on 1/April/2015 in accordance with the provisions of the article no. 55/Second of the Companies Law, and all legal procedures were completed to amend the bank contract based on the letter of Companies Registration Department / National under No. 11264 on 22/4/2015.

2) The assets and liabilities has been priced in foreign currency of the balance sheet date and in price of (1182) Dinars for each Dollar which represents the cost of purchasing the foreign currency from the central bank of Iraq as on 31/December/2015, however the revenues and expenses which were realized in Dollar, has been recorded just in the daily price of the balance sheet.

3) The credit:

A. The balance credit amounted to (164814 Million) Dinars as on 31/December/2015 with an increase of (66497) Million Dinars in comparison with the previous year, whereas its balance was (98317) Million Dinars as on 31/December/2014.

B. The allocation of both cash and promissory credit risks amounted to (3415) Million Dinars as on 31/12/2015 with (1446) Million Dinars by an increase from the previous year, in addition to the allocation of the payable debts amounting to (492) Million Dinars that represent 100% of the mentioned debts. And on our opinion it's enough.

C. Most guarantees are (guarantee of a guarantor + check and promissory note), we recommend taking more powerful guarantee such as (property, shares).

4) Investments:

A. The bank financial investment amounted to (419960) Million Dinars as on 31/December/2015, by an increase of (14961) Million Dinars in comparison with the previous year, where its investments amounted to (4699) Million Dinars.

B. Increased the provision of financial investments value drop during the year in the amount of (5487) Million Dinar and the balance became (5834) Million Dinar as on 31/December/2015, where the investment portfolio was evaluated according to Iraq money exchange market in its last discussion session in 2015.

5) Judicial Claims

A. The lawsuits filed by others against the bank:

There is one lawsuit filed by the State Trading Company for Construction Materials against the bank concerning the letter of guarantee of (37 Billion Dinar), on 3/1/2016 the court of appeal issued the decision to oblige the bank to pay an amount of (2122) Million Dinar, and the legal procedures still not over yet.



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

- A lawsuit against the Minister of Trade regarding the guaranteeing of the bank for the amount of (50791) Million Dinars according to the guarantee law No.: (12) or the year (2006) for the letter of guarantee, and the decision of the federal court has been issued to cancel the ministerial order, and the decision became final.
- A lawsuit by the bank for the amount of (108) Million Dinar, and was resolved in favor of the bank, and the decision became final.

6) Capital adequacy amounted to (219%) as on 31/December/2015, which is higher than the minimum stated in the banks Law No. (94) for the year 2004 amounted to (12%).

7) The activity of the bank:

The activity of the bank have been expended during the year 2015 whereas the distributable surplus is (11141 Million dinar) while it was (6256 Million dinar) in the last year, and the reason for that is the expansion in the bank as follows:

A. The revenues for this year amounted to (24365) Million dinar, and for the last year is was (12385) Million Dinar. Most of these revenues were about expanding in credit aforementioned in paragraph (3) in addition to the banking commissions for the money transfer and exchange as well as other banking commissions.

B. Increase the expenses of the current year to become (13224) million dinars, and for the last year it was (6130) million dinars. One of the important reasons of increasing in the banks was taking the provisions to face the fall of investments as well as the provision of the cash and promissory credit, and the fluctuations risks of exchange prices which amounted to (7165) million dinars in 2015, and in the previous year it was (2097) million dinar.

8) Confirmation letter:

-We didn't obtain confirmation letters from the central bank of Iraq in spite of sending requests.

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 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 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/2015 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.



Annual Report

Balance sheet as on 31/December/2015

Statement (A)

Statement No.	Accounting Index No.	Account name	2015 Thousand Dinars	2014 Thousand Dinars
		Assets		
		Current assets		
		Cash assets		
1	18	Cash	181689960	217088412
2	15	Investments (Net)	13826570	4352381
		Total cash assets	195516530	221440793
	14	Cash credit after allocation deduct		
3		Loans and advances	161517784	96350745
		Total cash credit	161517784	96350745
4	16	Debtors	13641883	950339
		Total current assets	370676197	318741877
		Fixed assets		
5	11-12	Fixed assets (book value)	9292095	8766125
		Total assets	379968292	327508002
9	19	Accounts reciprocal		
		Customers obligation against banking operation	6014387	171343
		Total	385982679	327679345
		Financing sources		
		short term financing sources		
6	25	Current accounts and deposits	96405847	54807176
7	26	Creditors	5559941	5002480
8	23	Allocations	3140954	1188864
		Total short term financing sources	105106742	60998500
		Long term financing sources		
Data (C)	21	Paid and nominal capital (264 Billion) Dinars	264000000	250000000
Data (C)	22	Reserves	10861550	16509502
		Total long term financing sources	274861550	266509502
		Total financing sources	379968292	327508002
9	29	Accounts reciprocal		
		Customers obligation against banking operation	6014387	171343
		Total	385982679	327679345

Subject to our report No. 78/19/2016 dated on 2/February/2016

-Sgd.-

Auday Najm Ali
Director of Accounts

-Sgd.-

Bashar Shakir Hamid
Managing Director

-Sgd.-

Hasan Nasir Jaafar
Chairman of Board of Directors

Seal: Adel Ismail Hasan Al-Shaibi and Partners/public Accountants & Auditor.
Seal: Trans Iraq Bank for Investment / General Administration.





Profit and loss account for the financing year ending as on 31/December/2015
Statement (B)

Statement No.	Accounting Index No.	Account name	2015 Thousand Dinars	2014 Thousand Dinars
		<u>Revenues of current activity</u>		
10	44	Revenue of banking operation	24199338	11842617
11	46	Investments Revenue	165707	525695
		Total revenues	24365045	12368312
		<u>Deduct: expenses of current activity</u>		
12	34	Expenses of banking operation	6637734	156300
5	37	Depreciation	568888	377426
13	31-33	Administrative expenses	3875240	2686313
		Total current expenses	11081862	3220039
		Surplus (deficit) of the current operation	13283183	9148273
		<u>Addition: Transferring revenues & other</u>		
14	49	Other revenues	000	17939
		<u>(Deduct): Transferring expenses & other</u>		
15	38	Transferring expenses	2142013	2909927
15	39	Other expenses	000	000
		Total transferring & other expenses	2142013	2909927
		Surplus capable for distribution	11141170	6256285
		<u>Distributed as follows: -</u>		
	239	Tax allocations	2789123	1186281
	2213	Legal reserves	417602	253500
	224	Undistributed profits (Accumulated Surplus)	7934445	4816504
		Total	11141170	6256285



Statement of change in shareholders' equity as on 31/December/2015

Statement Accounting Index No. Activity during the year	Reserves						Total revenues Thousand Dinars	Total shareholders' equity Thousand Dinars
	Capital 21 Thousand Dinars	Capital Reserve (according to the Companies Law) 213 Thousand Dinars	Miscellaneous Reserves 214 Thousand Dinars	Accumulated surplus 217 Thousand Dinars	Accumulated deficit 216 Thousand Dinars	Total revenues Thousand Dinars		
Balance as on 1/1/2015	250000000	1006219	1026422	1447661	000	1650802	266509502	
Addition during the year	14000000	417602	000	793446	000	8352048	22352048	
Account JA, Kh								
Deductions during the year	000	000	000	(14000000)	000	(14000000)	(14000000)	
Balance as on 31/12/2015	264000000	1423821	1026422	8411307	000	10861550	274961550	

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

Balance as on 1/1/2014	56500000	752719	1014539	1021577	(99376)	11879859	68379859
Setting during the year (decision of General body)	000	000	000	000	99376	99376	99376
Addition during the year (account JA, Kh)	193500000	253500	11883	4816303	000	5081888	198581888
Deductions during the year	000	000	000	(551819)	000	(551619)	(551619)
Balance as on 31/12/2014	250000000	1006219	1026422	1447661	000	1650802	266509502

Clarification: the additions of the capital represent the capitalization approved by the General Body which was deducted from the accumulated surplus.



Statement of cash flow for the financing year ending on 31/December/2015
Statement (D)

Statement	2015 Thousand Dinars	2014 Thousand Dinars
Activity surplus realized during the year	11141170	6256285
<u>Cash flow from operation activities</u>		
Depreciation and amortization	568888	377426
(Increase) Shortage in debtors	(12691544)	1135009
Increase in the current accounts & deposits	41598671	53673925
increase (Shortage) in creditors	557481	(629897)
Net cash flow from operation activities	30033496	54556463
<u>Cash flow from Investments activities</u>		
Increase in investments	(9474189)	58510797
(Increase) in cash credit	(65167039)	(98315257)
(Increase) in fixed assets	(1093636)	(2111061)
Exclusion of fixed assets	000	58540
Increase in projects under implementation	(1220)	(6882268)
(shortage) Increase in allocations	(837034)	2022088
Net cash flow from investments activities	(76573118)	(46717161)
<u>Cash flow from financing activities</u>		
Increase in capital	14000000	193500000
Shortage in reserves	(14000000)	(440361)
Net cash flow from financing operation	000	193059639
Net cash flow during the year	(35398452)	207155226
Add: balance of cash as on 1/1/2015	217088412	9933186
Balance of cash as on 31/12/2015	181689960	217088412



Statement of settling profits & losses for the purposes of income tax for the financing year ending on 31/December/2015

Statement (E)

Details	Thousand Dinars	Thousand Dinars
Activity surplus according to the profit & loss statement		11141170
<u>Add expenses not accepted by the tax department</u>		
Donations for other		51000
Private services expenses		228
Omitted debts (allocation of both cash and promissory)		1446261
Compensation & penalties		489856
Investment valuation decrease		5486855
Employers income tax		138939
Assistance to the employers		5550
Total addition		<u>7618689</u>
Profit subject to tax (taxable income)		<u>18759859</u>
(Deduct) revenues not subject to tax		
Revenues of internal contribution		165707
Activity surplus subject to tax allocations		<u>18594152</u>
<u>Tax allocations</u>		
15% activity surplus subject to tax		2789123
Activity surplus up to 31/12/2015		11141170
(Deduct) income tax calculated above		2789123
Distributable net income		<u>8352047</u>
5% after tax / Compulsory reserve according to companies Law		417602
Accumulated surplus / profits not distributed, subject to distribution		7934445
Total		<u><u>8352047</u></u>



Schedule of cash as on 31/December/2015

Statement No. (1)

Accounting Index No.	Account name	2015 Thousand Dinars	2014 Thousand Dinars
	Cash on hand		
181	Cash on hand	10028582	3032979
	Cash with banks		
1834	Cash with the domestic banks	157364077	204938214
184	Legal deposits with central bank	7810895	8765060
187	Cash with external banks	6486406	352159
	Total cash with banks	171661378	214055433
	Total cash	181689960	217088412

Clarifications:

1. Within the cash balance as on 31/12/2015 cash balances in foreign currencies as stated below:

Data	Currency type	Balance of foreign currency as on 31/12/2015	Exchange price Dinars / Dollars	Balance Dinars
Cash on hand	Dollar	4804366,60	1182	5678761321
Cash with Iraqi central bank	Dollar	455672,75	1182	538605191
Cash with local banks	Dollar	4891,15	1182	5781339
Legal deposits with central bank	Dollar	432356	1182	511044792
Cash with external banks	Dollar	5142725,12	1182	6078701092
Total cash in Dollar		10840011,62		0
Cash with external banks	EGP	391500	148,914	58299831
Cash with external banks	JOD	696,500	1646,89	1147059
Cash with external banks	AED	1096595,500	317,58	348256799
Total in Dinars				13220597424

2. Domestic banks balances represent:

Data	Dinars
Cash balance with Iraqi central bank	157176809588
Balance of governmental banks	152257189
Clearance	35000000
Total	157364066777

3. Clearance balance amounting to (35) Dinars as on 31/12/2015 was collected on 4/1/2016.



statement of investments as on 31/December/2015 Statement No. (2)

Accounting Index No.	Account name	2015 Thousand Dinars	2014 Thousand Dinars
152	<u>Long term financial investments</u>		
1526	Long term financial investments	199339	299338
	<u>Short term financial investments</u>		
1536	Short term financial investments / private sector	19460879	4399835
	Total short term financial investments	19460879	4399835
	Total investments	19660218	4699173
	Deduct: allocations		
2251	Allocated Financial investment valuation decrease	(5833648)	(346792)
	Net investments	13826570	4352381

Clarification:

- The financial investments were valued according to the principle cost or market value whichever is less.
- The decrease of the long term financial investments resulted from selling shares of the Iraqi Banks Federation Company without loss, amounting to (100) Million Dinars.
- The increase of the short term financial investments resulted from buying (31500) Billion shares in the United Bank in the price of (0,480) Dinars/Share.



**Schedule of loans and advances as on 31/December/2015
Statement No. (3)**

Accounting Index No.	Account name	2015 Thousand Dinars	2014 Thousand Dinars
142	<u>Short term granted loans</u>		
1427	Short term loans / private sector / individuals	25171182	7217083
	Total short term loans	25171182	7217083
143	<u>Debit current accounts</u>		
1437	Debit current accounts / private sector / individuals	139567458	91067170
	Total current debit accounts	139567458	91067170
149	<u>Granted advance</u>		
1491	Employers advance	75545	32834
	Total granted advance	75545	32834
	Total loans and advances	164814185	98317087
	Deduct: allocated cash credit except delayed*	(3296401)	(1966342)
	Net loans and advances	161517784	96350745

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



Schedule of debtors as on 31/December/2015 Statement No. (4)

Accounting index No.	Account name	2015 Thousand Dinars	2014 Thousand Dinars
161	Current activity debtors	13002000	000
163	Mutual debit accounts	5000	000
166	<u>Miscellaneous debit accounts</u>		
1661	Deposits with others (Al-Hekma Company)	241556	241556
1662	Due revenues	767	280583
1663	Prepaid Expenses	373934	412800
1666	Judicial expenses	18626	15400
	Total miscellaneous debit accounts	634883	950339
169	<u>Other debit accounts</u>		
1691	late unpaid debit accounts	492000	492000
2258	Deduct: allocated cash credit for debts late	(492000)	(492000)
	Net debtors delayed payment	000	000
	Total debtors	13641883	950339

Clarification:

- 1) Allocations of delayed payments loans were stated within the statement of debtors and were separated from the allocation rest of debts stated above for the purpose of declaration.
- 2) The deposits with other represent the deposited amounts with Al-Hekma Company for the purpose of buying their shares.



Statements of fixed assets and its depreciations as on 31/December/2015
Statement No. (5)

Fixed assets	Lands	Buildings & establishments	Machinery 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 1/1/2015	-	-	185108	44653	21950	585155	2376940	3213806
Additions	-	-	-	88078	30845	984487	10226	1093636
Balance as on 31/12/2015	-	-	185108	112731	52785	1569642	2387166	4307442
Depreciation percentage		2-5	20 %	20 %	20 %	20 %	20 %	
Deduct: Allocation of accumulated depreciation								
Balance as on 1/1/2015	-	-	45450	41865	2926	177121	1062555	1329947
Additions: Depreciation of current year	-	-	34123	13450	7230	218237	295848	568888
Balance as on 31/12/2015	-	-	79573	55345	10156	395358	1358403	1898835
Book value on 31/12/2015	-	-	105535	57386	42639	1174284	1028763	2408607
Projects under implementation	6882268	-	-	-	-	-	1228	6883488
								9292095



Statement of current accounts and deposits as on 31/December/2015 Statement No. (6)

Accounting index No.	Account name	2015 Thousand Dinars	2014 Thousand Dinars
251	<u>Current credit accounts</u>		
2516	Current credited accounts private sector / companies	76826975	19997956
2517	Current credited accounts private sector / individuals	4286347	33423221
25191	Confirmed checks (certified)	11055	14905
	Total Current credited accounts	81124377	53436082
252	<u>Saving account / Saving</u>		
2521	Saving account	6625945	1082215
	Total Saving account	6625945	1082215
253	<u>Deposits accounts for & at request</u>		
2531	Fixed deposits and warning	7225211	48000
	Total deposits accounts	7225211	48000
255	<u>Deposits received against banking operations</u>		
2552	Deposits against letters of guarantee	1179410	13000
	Total deposits	1179410	13000
256	<u>Internal transferred and checks</u>		
2562	Promissory notes withdrawal on the bank / Dinar	25	25
2563	Checks withdrawal on the bank	250879	227854
	Total internal transferred and checks	250904	227879
	Total current accounts and deposits	96405847	54807176



Statement of Creditors as on 31/December/2015

Statement No. (7)

Accounting index No.	Account name	2015 Thousand Dinars	2014 Thousand Dinars
261	<u>Creditors of current activity</u>		
2616	Creditors of private sector / companies	000	30000
2617	Creditors of private sector / individuals	60	60
	Total creditors of current activity	60	30060
265	<u>Creditors of noncurrent activity</u>	25384	47608
266	<u>Miscellaneous credit accounts</u>		
2662	Prepaid revenues	1249440	264290
26631	Interests due	396484	280810
2263	Administration expenses due	55383	46207
26695	Accounts received against registration of companies	10000	500000
	Total miscellaneous credit accounts	1711307	1091307
267	<u>Deductions for accounts of others</u>		
267	Deductions from the members for the account of others	833	8990
268	<u>Creditors of profit distribution</u>	687590	689728
269	<u>Other credit accounts</u>		
2695	Balances accounts for the deceased clients	43	43
2696	Amounts with held upon request by official departments	3134724	3134724
	Total of other credited accounts	3134767	3134767
	Total creditors accounts	5559941	5002460



Annual Report

statement of allocations as on 31/December/2015

Statement No. (8)

Accounting Index No.	Account name	Balance on 1/1/2015 Thousand Dinars	Additions during the year Thousand Dinars	Deductions during the year Thousand Dinars	Balance on 31/12/2015 Thousand Dinars
244	Allocation of income tax	1186281	2789123	1186281	2789123
2254	Allocation for contractual obligations risks	2583	121581	5380	118784
	Allocation of exchange rate fluctuations	-	233047	-	233047
	Total	1188864	2143751	1191661	3140954

Statement of regular contra accounts as on 31/December/2015

Statement No. (9)

Accounting Index No.	Account name	2015 Dinars	2014 Dinars
2921/1921	Issued letters of guarantees	7118610	109250
	Deduct: deposits against issued letters of guarantees	(1179410)	(13000)
		5939200	96250
2983/1983	Mortgages against banking credit facilities	75000	75000
299/199	Contra accounts in book value	187	93
	Total regular contra accounts	6014387	171343



**Statement of revenues of banking operations for the financial year ending on
31/December/2015** **Statement No.(10)**

Accounting Index No.	Account name	2015 Thousand Dinars	2014 Thousand Dinars
441	<u>Revenues of foreign currencies</u>		
4412	Revenues of selling, purchasing of foreign currencies	2032434	1014365
	Total revenues of foreign currencies	2032434	1014365
442	<u>Revenues of advances and domestic loans</u>		
4421	Interests of the granted loans	1212798	327196
4422	Interests of current debit accounts	5344998	2564516
44246	Revenues of personal advance	000	000
	Total revenues of advances and domestic loans	6557796	2891712
443	<u>Commissions of transfers</u>		
4431	Commission of domestic transfers	6620	179929
4432	Commission of foreign transfers	12183001	6786889
	Total commissions of transfers	12189621	6966818
445	<u>Revenues of letters of guarantee</u>		
4451	Commission of the domestic letters of guarantee	494257	5147
	Total revenues of letters of guarantee	494257	5147
447	<u>Miscellaneous banking Commissions</u>		
4471	Commission of issuing the promissory notes and dependence of checks	928	59
4479	Others banking commissions	2924165	946507
	Total miscellaneous banking commissions	2925093	946566
448	<u>Recovered expenses</u>		
4482	Recovered communications expenses	15	17976
4485	Sales of banking printings	122	33
	Total recovered expenses	137	18009
	Total revenues of banking operations	24199338	11842617



Statement of Investments revenues for the financial year ending on 31/December/2015 Statement No. (11)

Accounting Index No.	Account name	2015 Thousand Dinars	2014 Thousand Dinars
462	Revenues of interior financial investments		
4622	Interest of cash deposits with other	000	467912
4624	Revenues of interior contributions	165707	48023
	Total revenues of interior financial investments	165707	515935
463	Revenues of foreign financial investments		
4631	Interest of credit foreign current accounts	000	9760
	Total investments revenues	165707	525695

- the revenues of interior contributions represent the profits received from the contribution of the bank in the companies (Al-Mansour Bank, Iraqi Company for Carpets, Ashur International Bank, Gulf Commercial Bank, Iraqi Investment Bank)

Statement of expenses of banking operations for the financial year ending on 31/December/20105 Statement No. (12)

Accounting Index No.	Account name	2015 Thousand Dinars	2014 Thousand Dinars
342	Paid banking interest		
3421	Interest of saving accounts	273142	20558
3422	Interest of fixed deposits	405699	524
	Total paid banking interest	678841	21082
3431	Paid banking Currency	118662	4678
3451	Investment valuation decrease	5486854	128857
3452	Exchange rate fluctuations risks	233047	000
3454	Contractual obligations risks	120330	1683
		5840231	130540
	Total expenses of banking operations	6637734	156300



**Statement of Administrative expenses for the financial year ending on 31/December/2015
Statement No. (11)**

Accounting index No.	Account name	2015 Thousand Dinars	2014 Thousand Dinars
31	<u>Salaries and wages</u>		
312	<u>Cash wages</u>		
3121	Wages	1419736	910719
3123	Over time jobs wages	71081	16021
3124	Incentive rewards	126365	461127
3125	Professional and technical allowances	124312	69908
3126	Compensational allowances	273774	173759
3129	Other allowances	370168	147488
	Total cash wages	2485436	1779022
315	<u>Participation in the social security for the workers</u>		
3151	Bank dividend in the social security	86539	63480
	Total salaries and wages	2571975	1842502
32	<u>Commodities requirements</u>		
322	Fuel and lubrications	42139	33633
3251	Necessities and supplies	58059	13989
3252	Stationary	8474	12890
326	Workers supplies	5255	23277
327	Water and electricity	17281	38182
	Total Commodities requirements	129208	121971
33	<u>Services requirements</u>		
331	<u>Maintenance services</u>		
3312	Maintenance of buildings and constructions	41559	1133
3313	Maintenance of machineries and equipment	7451	4290
3314	Maintenance of transport means and movements	6032	3047
3316	Maintenance of furniture and office appliances	20881	44216
	Total Maintenance Services	75923	52686
333	<u>Publicity, printing and hospitality</u>		
3331	Publicity and advertisement	8073	2855
3332	Publishing and printing	47751	27113
3333	Hospitality	15659	5506
3334	Exhibitions	000	2400
3336	Congresses and seminars	82731	15565
	Total publicity, printing and hospitality	154214	53439
3320	Services, researches and consultations	000	5897
334	<u>Transport, delegation and communications</u>		
3341	Transport of workers	4827	5675
3342	Transportation of goods & commodities	61174	36578
3343	Travel and delegation	42325	71069
3344	Public communications	22482	11901
	Total transport, delegation and communications	130808	125223
3352	Renting of fixed assets / buildings and establishments	495169	194498
	Following	856114	431743



Annual Report

	<u>Previous</u>	
336 <u>Miscellaneous services expenses</u>	856114	431743
3361 Subscriptions and membership	220656	167424
3363 Rewards for non workers	16791	270
3365 Legal services	1050	28236
3366 Banking services	000	13290
3367 Training and rehabilitation	4000	2932
3368 wages and auditing accounts / Other side	20100	39290
3368 wages and auditing accounts / Accounts auditor	48630	38564
3369 Other services expenses	6716	2791
Total miscellaneous services expenses	317943	290097
Total services requirements	1174057	721840
Total administrative expenses	3875240	2686313



Statement of other revenues for the financial year ending on 31/December/2015
Statement No. (14)

Accounting Index No.	Account name	2015 Thousand Dinars	2014 Thousand Dinars
4833	previously written off Debts	000	000
49	<u>Other revenues</u>		
492	Incidental revenues	000	000
493	Capital revenues	000	17939
	Total other revenues	000	17939

Statement of transferring expenses for the financial year ending on 31/December/2015
Statement No. (15)

Accounting Index No.	Account name	2015 Thousand Dinars	2014 Thousand Dinars
38	<u>Transferring expenses</u>		
383	<u>Miscellaneous transferring expenses</u>		
3831	Donation for others	51000	000
3832	Compensations and penalties	489856	1936
3833	Written off debits	1325930	1966242
3834	Private services expenses	228	000
3837	Written off differences	000	1195
	Total miscellaneous transferring expenses	1867014	1969373
384	<u>Taxes and fees</u>		
3846	Miscellaneous taxes and fees	269449	938654
	Total taxes and fees	269449	938654
385	<u>Subsides</u>		
3851	Subsides of members	5550	1900
	Total subsidies	5550	1900
	Total transferring expenses	2142013	2909927

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 bank.
- The amount of compensation and penalties represent the paid amounts as penalties to the Central Bank of Iraq.



Statement of Gross value added by the cost price of production elements for the year ending on 31/December/2015

Statement No.	Accounting Index No.	Account name	2015 Thousand Dinars
<u>1- Gross production value at product price</u>			
1		a. Currencies	15608971
2		b. Calculated services fee	5878955
3		c. Other revenues	2198264
		Total	23686190
<u>2. Production requirements value</u>			
4	32	d. Commodities Requirements	123953
4	33	d. Services requirements	1174042
	34	d. Expenses of banking operations / paid currency	118662
		Total	1416657
		Total added value in the price of the product (1-2)	22269533
		Deduct: Transferring expenses	(816084)
		Gross value added by the cost price of production elements	21453449



Statement of distribution of value added by the cost price of production elements for the year ending on 31/December/2015

Accounting Index No.	Account name	2015 Thousand Dinars
	<u>1- Workers compensations</u>	
31	Salaries and wages	2571975
326	Material benefits – employers supplies	5255
	Workers compensations groups	2577230
	2- Operations surplus	
	Net surplus or deficit	11141170
37	3-Depreciations	568888
378	4- Amortizations	7166161
	Total	18876219
	Value added by the cost price of production elements	21453449

Statement by commissions received for the year ending on 31/December/2015

Statement No. (1)

Accounting Index No.	Details	2015 Thousand Dinars
443	Transfers commissions	
4421	Internal transfer commissions	6620
4432	External transfer commissions	12183001
	Total transfer commissions	12189621
445	Revenues of letters of guarantees	
4451	Local letters of guarantees commission	494257
447	Miscellaneous banking commission	2925093
	Total	3419350
	Total commissions received	15608971



Statement by components of calculated services fees for the financial year ending on 31/December/2015

Statement No. (2)

Accounting Index No.	Data	2015 Thousand Dinars
	<u>Interest received</u>	
	Revenues of internal loans and advances	
4421	Interest of granted loans	1212798
4422	Interest of debtor current accounts	5344998
	Total	6557796
	<u>Paid interest</u>	
342	Paid banking interest	
3421	Interest of saving accounts	273142
3422	Interest of fixed deposits	405699
	Total	678841
	Total fee of calculated services (1-2)	5878955

Statement of other revenues for the year ending on 31/December/2015

Statement No. (3)

Accounting Index No.	Account name	2015 Thousand Dinars
441	Revenues of Foreign currency	
4413	Revenues of buying & selling foreign currency	2032435
446	Investments revenues	165707
	Total	2198142
448	Recovered expenses	
4485	Banking printing sales	122
	Total	122
	Total of other revenues	2198264



statement of production requirements for the year ending on 31/December/2015
Statement No. (4)

Accounting Index No.	Account name	2015 Thousand Dinars
32	Commodities requirements	129208
	Deduct: employers supplies	(5255)
	Net commodities requirements	123953
33	Services requirements	1174057
4482	Deduct: recovered communications expenses	(15)
	Net services requirements	1174042
	Total production requirements	1297995



Annex of the unified financial Statement for Trans Iraq Bank – Private Shareholding Company
(holding company) with Al-Hekma Company for Mediating In Currency Exchange Ltd. (Subsidiary Company)
as on 31/December/2015

Details	Balance sheet		Settlement and exclusion entries		Unified balance sheet
	Tran Iraq Bank Holding	Al-Hekma Company subsidiary	Debit Million Dinars	Credit Million Dinars	
	31/12/2015 Million Dinars	31/12/2015 Million Dinars			
Assets					
Cash on hand and with banks	181,690	482			182,172
Investments (Net)	13,827	20		171	13,676
Cash credit (Net)	161,517	0			161,517
Debtors	13,642	5			13,647
Total current assets	370,676	507	0	171	371,012
Fixed assets (Book value)	2,409	0	66		2,475
Project under implementation	6,883	0			6,883
Total assets	379,968	507	66	171	380,370

Liabilities	31/12/2015 Million Dinars		Debit Million Dinars	Credit Million Dinars	Unified statement Million Dinars	Clarification
	31/12/2015 Million Dinars	31/12/2015 Million Dinars				
	Current account & deposits	96,406	0			
Allocations	351	0			351	3
Creditors	5,560	346			5,906	-
Total current liabilities	102,317	346	0	0	102,663	-
Capital	264,000	105	105		264,000	4
Reserves	2,510	9			2,519	-
profit of the period before distributing	11,141	47			11,188	-
Total financing sources	277,651	161	105	0	277,707	-
Total liabilities	379,968	507	105	0	380,370	-



First: Revenues	31/12/2015 Million Dinars	31/12/2015 Million Dinars	Debit Million Dinars	Credit Million Dinars	Unified statement Million Dinars	Clarification
Operations revenues	24,199	102			24,301	-
Investments revenues	166				166	1
Transfer revenues & others	0	0			0	-
Total revenues	24,365	102	0	0	24,467	

Second: Expenses	31/12/2015 Million Dinars	31/12/2015 Million Dinars	Debit Million Dinars	Credit Million Dinars	Unified statement Million Dinars	Clarification
Banking operations expenses	6,638	15			6,653	-
Administration expenses	3,875	40			3,915	-
Depreciations	569	0			569	-
Transfer expenses & others	2,142	0			2,142	-
Total expenses	13,224	55	0	0	13,379	
Net profit of the period	11,141	47	0	0	11,188	

Clarification:

- The balance of Al-Hekma Investments Company stated in the statement of expenses for an amount of ID (171) Million was excluded for the purposes of unifying the statements.
- The difference of purchasing the assets of Al-Hekma 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.
- There is no valuation for the allocation of the devaluation of Al-Hekma Company shares, because it was not placed within the marked.
- Al-Hekma Company capital was excluded for the purposes of unifying the accounts.
- The bank owns all the shares of Al-Hekma Company 100%.



مصرف عبر العراق
للاستثمار
TRANS IRAQ BANK
FOR INVESTMENT

