

Part Two

**Administrative Organization,
Balance Sheet
and
Profit and Loss Account
of
Central Bank of the Islamic
Republic of Iran**

**As at the end of 1387
(March 20, 2009)**

EXECUTIVE BOARD

<i>Tahmasb Mazaheri</i>	<i>(as of 14.06.1386 until 02.07.1387)</i>	<i>Governor</i>
<i>Mahmoud Bahmani</i>	<i>(as of 02.07.1387)</i>	<i>Governor</i>
<i>Hossein Ghazavi</i>	<i>(as of 02.08.1386)</i>	<i>Deputy Governor</i>
<i>Mahmoud Bahmani</i>	<i>(as of 22.07.1386 until 02.07.1387)</i>	<i>Secretary General</i>
<i>Reza Raei</i>	<i>(as of 01.09.1386)</i>	<i>Vice-Governor for Foreign Exchange Affairs</i>
<i>Ramin Pashaei Fam</i>	<i>(as of 05.08.1386)</i>	<i>Vice-Governor for Economic Affairs</i>
<i>Yadollah Asna Ashari</i>	<i>(as of 13.08.1386 until 11.12.1387)</i>	<i>Vice-Governor for Administrative and Training Affairs</i>
<i>Seyyed Mahmoud Ahmadi</i>	<i>(as of 11.12.1387)</i>	<i>Vice-Governor for Administrative and Training Affairs</i>

BOARD OF AUDITORS

<i>Mohammad Javad Saffar Soflaei</i>	<i>(as of 23.03.1384)</i>	<i>Chairman</i>
<i>Hassan Haddadi Shah</i>	<i>(as of 21.04.1384)</i>	<i>Member</i>
<i>Seyyed Kamal Tabatabaei</i>	<i>(as of 01.05.1384)</i>	<i>Member</i>

<i>Mahmoud Reza Abaei Koopaei</i>	<i>(until 01.02.1387)</i>	<i>Member</i>
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NOTE-RESERVE CONTROL BOARD

<i>Tahmasb Mazaheri</i>	<i>(as of 14.06.1386 until 02.07.1387)</i>	<i>Governor of the Central Bank</i>
<i>Mahmoud Bahmani</i>	<i>(as of 02.07.1387)</i>	<i>Governor of the Central Bank</i>
<i>Seyyed Abolfazl Fatemizadeh</i>	<i>(as of 17.05.1363 until 02.07.1387)</i>	<i>Deputy Minister of the Ministry of Economic Affairs and Finance and Treasurer General</i>
<i>Seyyed Rahmatollah Akrami</i>	<i>(as of 02.07.1387)</i>	<i>Deputy Minister of the Ministry of Economic Affairs and Finance and Treasurer General</i>
<i>Seyyed Ahmad Mortazavi Moghaddam</i>	<i>(as of 15.07.1385)</i>	<i>Deputy Attorney General</i>
<i>Abdol Reza Rahmani Fazli</i>	<i>(as of 30.04.1387)</i>	<i>President of the Supreme Audit Court</i>
<i>Mohammad Javad Saffar Soflaei</i>	<i>(as of 23.03.1384)</i>	<i>Chairman of the Board of Auditors</i>
<i>Ghasem Azizi</i>	<i>(as of 14.04.1383 until 19.08.1387)</i>	<i>Member of Parliament</i>
<i>Bahman Mohammadyari</i>	<i>(as of 19.08.1387)</i>	<i>Member of Parliament</i>
<i>Seyyed Mahmoud Abtahi</i>	<i>(as of 28.11.1383 until 19.08.1387)</i>	<i>Member of Parliament</i>
<i>Asadollah Badamchian</i>	<i>(as of 19.08.1387)</i>	<i>Member of Parliament</i>

Mohammad Reza Rahimi *(until 30.04.1387)* *President of the Supreme Audit
Court*

BALANCE SHEET
AND
PROFIT AND LOSS ACCOUNT
OF
CENTRAL BANK OF THE
ISLAMIC REPUBLIC OF IRAN

As at the end of 1387

(March 20, 2009)

BALANCE SHEET
AS AT THE END OF 1387 (March 20, 2009)

<u>March 19, 2008</u>	ASSETS	<u>March 20, 2009</u>
88,500,000	Note cover including gold, foreign exchange, and quota and subscription to international agencies	96,500,000
1,200,445	Notes and coins held at the Central Bank	994,475
11,601,590	Free gold holdings	16,632,793
713,016,500	Foreign exchange assets	735,744,306
	Loans and credits to:	
32,008,139	Government	21,045,138
33,917,935	Government institutions and corporations	38,835,900
121,249,369	Banks	239,757,659
187,175,443		299,638,697
16,444,624	Government revolving funds kept with banks	0
7,633,122	Fixed assets (less accumulated depreciation)	7,684,433
3,027,674	Other assets	3,754,363
1,028,599,398		1,160,949,067
12,756,956	Customers' undertakings regarding opened letters of credit and guarantees	17,984,592
1,041,356,354		1,178,933,659
1,349,212	Assets of the Central Bank Employees' Pension Fund	1,626,710
86,404	Assets of the Central Bank Employees' Savings Fund	99,887
104,436	Assets of the Central Bank Employees' Cooperative Fund	135,056
1,042,896,406		1,180,795,312

EXECUTIVE BOARD

Mahmoud Bahmani

Governor

Hossein
Ghazavi
Deputy Governor

Reza
Raei
Vice-Governor

Ramin
Pashaei Fam
Vice-Governor

Seyyed Mahmoud
Ahmadi
Vice-Governor

**AMOUNT IN
MILLION RIALS**

<u>March 19, 2008</u>	LIABILITIES	<u>March 20, 2009</u>
88,500,000	Notes issued	96,500,000
0	Iran-Checks issued	110,004,078
747,519	Coins issued	842,581
16,371,658	Central Bank's participation papers	0
	Deposits:	
372,074,447	Government: sight	358,513,632
17,505,094	Government institutions and corporations: sight	21,514,911
2,017,949	Non-government public institutions and corporations: sight	1,124,590
	Banks and credit institutions:	
236,995,926	Legal	225,191,588
122,213,192	Sight and term investment deposits, advance payments on banks' LCs, and other deposits	176,155,212
750,806,608		782,499,933
4,956,536	Income tax	6,511,808
8,866,259	Share of government in net profit	10,370,976
41,141,789	Other liabilities	36,253,457
158,421	Retirement benefits	172,136
11,200,000	Capital	15,000,000
4,426,725	Legal reserve	7,019,469
3,809,692	Contingency reserve	6,331,369
97,614,190	Foreign exchange assets' and liabilities' revaluation reserve	89,443,260
1	Net profit carried forward	0
1,028,599,398		1,160,949,067
12,756,956	Letters of credit and guarantees	17,984,592
1,041,356,354		1,178,933,659
1,349,212	Liabilities of the Central Bank Employees' Pension Fund	1,626,710
86,404	Liabilities of the Central Bank Employees' Savings Fund	99,887
104,436	Liabilities of the Central Bank Employees' Cooperative Fund	135,056
1,042,896,406		1,180,795,312

**PROFIT AND LOSS ACCOUNT
AS AT THE END OF 1387 (March 20, 2009)**

<u>March 19, 2008</u>		<u>March 20, 2009</u>
139,157	Cost of receiving credit and overdraft from foreign banks	74,852
724,129	Profit paid on foreign exchange accounts	815,735
2,035,138	Rewards paid on banks' legal deposit	2,261,386
4,164,968	Profit paid on Central Bank's participation papers	1,211,888
3,079,343	Profit paid on banks' special deposits	1,338,375
390,024	Commission paid on banking services	613,478
30,686	Result of foreign exchange revaluation-adjustment	6,752
948,554	Personnel and administrative expenditures	1,183,843
648,392	Money issue and miscellaneous printing expenditures	700,697
84,870	Depreciation cost of fixed assets	84,859
14,810	Other expenditures	1,880
12,260,071		8,293,745
19,665,650	Net profit	25,927,441
31,925,721		34,221,186

APPROPRIATION ACCOUNT

4,956,536	Income tax	6,511,808
1,966,565	Transfer to legal reserve	2,592,745
3,777,159	Transfer to contingency reserve	6,321,677
8,866,259	Share of government in net profit	10,370,976
99,131	0.5 percent of net profit allocated to low-income groups for housing provision	130,236
1	Net profit carried forward	0
19,665,651		25,927,442

EXECUTIVE BOARD

Mahmoud Bahmani

Governor

Hossein
Ghazavi
Deputy Governor

Reza
Raei
Vice-Governor

Ramin
Pashaei Fam
Vice-Governor

Seyyed Mahmoud
Ahmadi
Vice-Governor

**AMOUNT IN
MILLION RIALS**

March 19, 2008		March 20, 2009
18,097,976	Returns on deposits and investment abroad	16,066,112
7,043,974	Profit received from extended facilities	7,968,510
208,783	Commission received for banking services	288,440
4,310,754	Result of foreign exchange and gold transactions	8,037,059
2,264,234	Other incomes	1,861,065
31,925,721		34,221,186
19,665,650	Net profit	25,927,441
1	Net profit carried forward	1
19,665,651		25,927,442

**Details of Balance Sheet
as at the end of 1387
(March 20, 2009)**

A. Assets

Note Issue and Note Cover

On the basis of the currency needs of the country and according to the monetary and banking regulations, Rls. 8,000,000 million worth of new notes were issued and the total notes in circulation amounted to Rls. 96,500,000 million by the end of 1387, as shown in the respective table.

Notes and Coins Held at the CBI

Notes and coins held at the CBI at end-1387 are as follows:

Notes and Coins Held

at the CBI (million rials)

	End-1386	End-1387
Notes	1,200,338.9	994,090.2
Coins	106.5	384.2
Total	1,200,445.4	994,474.4

Free Gold Holdings

Free gold holdings at end-1387 and their comparison with corresponding figures of the year before are shown in the respective table.

Every ounce of gold equals 31.10349552 grams. The book value of every ounce of gold reached \$439.44 at end-1387 (US\$/IRR: 9,629).

Note Issue and Note Cover

	End-1386		End-1387	
	Percent	Million rials	Percent	Million rials
Gold and foreign exchange	25.6	22,666,097.1	27.1	26,121,671.3
Gold		11,790,812.7		14,758,743.2
Iran's quota of gold in the IMF		557,967.2		543,433.6
Iran's quota and subscription to international agencies		10,317,317.2		10,819,494.5
Government documentary commitment collateralized by the National Jewelry Treasury	74.4	65,833,902.9	72.9	70,378,328.7
Government documentary commitment and indebtedness		41,566,356.8		43,222,503.1
Government's promissory notes blocked in note cover (without maturity)		24,267,546.1		27,155,825.6
Total	100.0	88,500,000.0	100.0	96,500,000.0

Free Gold Holdings

	End-1386		End-1387	
	Grams	Million rials	Grams	Million rials
Gold in Iran	93,775,084.0632	10,191,775.3	109,291,812.9455	14,868,106.1
Gold abroad-current	12,971,781.5634	1,409,814.6	12,971,781.5634	1,764,686.8
Total	106,746,865.6266	11,601,589.9	122,263,594.5089	16,632,792.9

Foreign Exchange Assets

Foreign exchange assets at end-1387 amounted to Rls. 735,744,306 million as in the respective table.

Cash Balance and Sight Deposits

Cash balance and sight deposits at end-1387 were as follows:

	Cash Balance and Sight Deposits (million rials)	
	End-1386	End-1387
Notes and coins	1,200,445.4	994,474.4
Foreign notes and cash	35,523,649.7	27,428,550.0
Foreign exchange sight deposits	24,892,196.7	50,188,639.5
Total	61,616,291.8	78,611,663.9

Facilities and Credits

Total facilities and credits extended to government, its affiliated institutions and corporations, and banks amounted to Rls. 299,638,697.1 million. This was after deducting Rls. 43,222,503.0 million as blocked debt in note cover and taking into account other adjustments.

Increase in the outstanding claims on banks (net) was mainly due to the rise in the credit of Iran-Check contracts worth Rls. 62.9 billion,

as well as Mehr Housing Program, incomplete projects, and working capital valued at Rls. 42.8 billion.

Facilities and Credits

	(million rials)	
	End-1386	End-1387
Government	73,574,495.4	64,267,641.0
Less blocked debt in note cover	(41,566,356.8)	(43,222,503.0)
	32,008,138.6	21,045,138.0
Government institutions and corporations	33,917,934.9	38,835,900.4
Banks	121,249,369.4	239,757,658.7
Total	187,175,442.9	299,638,697.1

Government Revolving Funds Kept with Banks

On the basis of the Supplement to the CBI contracts with other banks, as of 01.04.1387, 100 percent of the balance of government accounts with each bank is transferred to the CBI, out of which no revolving funds are kept with banks. Therefore, the balance of the mentioned account was totally settled at end-1387. The balance of the revolving funds account amounted to Rls. 16,444,623.3 million at end-1386, which was 12 percent of the balance of government accounts.

Foreign Exchange Assets

	End-1386		End-1387	
	Million dollars	Million rials	Million dollars	Million rials
Foreign notes and cash	3,996.4	35,523,649.7	2,848.5	27,428,550.0
Foreign exchange sight deposits	2,800.3	24,892,196.7	5,212.2	50,188,639.5
Foreign exchange term deposits	49,723.2	441,989,293.7	52,565.6	506,154,021.4
International bonds	17,817.3	158,378,262.5	9,576.1	92,208,228.1
Special Drawing Rights	467.3	4,154,225.9	421.5	4,058,858.4
Foreign treasury documents	1,078.1	9,583,293.7	3,683.5	35,468,271.7
Debtors' suspense account in foreign exchange ¹	885.0	7,867,075.0	566.1	5,450,659.5
Special and clearing accounts	1,460.0	12,977,995.5	884.8	8,520,018.3
Fiduciary accounts of the Algerian Decree	556.5	4,946,544.7	573.8	5,524,780.4
Foreign exchange CDs	1,429.2	12,703,962.5	0.0	0.0
Capital assets	0.0	0.0	77.1	742,278.7
Total	80,213.3	713,016,499.9	76,409.2	735,744,306.0

¹ Of which, about \$90 million is related to Sudan and Tanzania.

Fixed Assets¹

Fixed assets at the end of 1387 are as follows:

Fixed Assets (million rials)			
	Immovable assets	Movable assets	Total
Total price			
01.01.1387	7,803,610.4	161,073.1	7,964,683.5
Increase	215,241.8	39,333.2	254,575.0
Decrease	(7,275.0)	(3,872.1)	(11,147.1)
Adjustments	0.0	(326.5)	(326.5)
	8,011,577.2	196,207.7	8,207,784.9
Accumulated depreciation			
01.01.1387	217,321.3	114,239.9	331,561.2
Depreciation in 1387	184,001.8	11,330.1	195,331.9¹
Depreciation of sold assets	(316.1)	(3,444.1)	(3,760.2)
Transfers and others	0.0	219.2	219.2
Total on 30.12.1387	401,007.0	122,345.1	523,352.1
Net book value			
On 01.01.1387	7,586,289.1	46,833.2	7,633,122.3
On 30.12.1387	7,610,570.2	73,862.6	7,684,432.8

¹ Depreciation in 1387 includes depreciation cost of CBI, depreciation cost of Print and Mint Organization and Takab Security Paper Mill, and other items (adjustments) which were respectively Rls. 84.9 billion, Rls. 101.5 billion, and Rls. 8.9 billion.

Other Assets

Other assets held at the CBI at the end of 1387 are as follows:

Other Assets (million rials)		
	End-1386	End-1387
Silver holdings	7,036.9	100,233.2
Stamp holdings	430.9	425.6
Coin holdings	166,622.8	415,809.5
Investment in other institutions	134,188.7	134,188.7
Ancient coins	8.7	8.7
Miscellaneous assets	428,819.2	478,354.8
Revolving funds	333.8	888.8
Prepayments (mainly tax)	1,575,753.9	2,014,381.2
Debtors' suspense account	124,143.9	137,855.5
Provisional items	11,595.7	563.1
Projects to be completed	274,283.2	302,885.2
Result of conversion of foreign facilities	89,109.8	27,229.0
Claims for long-term facilities	215,346.7	141,540.0
Total	3,027,674.2	3,754,363.3

¹ CBI's fixed assets enjoyed sufficient insurance coverage during the review year.

Customers' Undertakings regarding Opened Letters of Credit and Guarantees

Total customers' undertakings regarding opened letters of credit and guarantees at the end of 1387 are as follows:

Customers' Undertakings regarding Opened Letters of Credit and Guarantees (million rials)

	End-1386	End-1387
Customers' undertakings regarding opened letters of credit in rials	4,312,768.5	7,867,974.4
Customers' undertakings regarding brokers' guarantees	2,947,645.9	2,592,705.2
Customers' undertakings regarding opened letters of credit in foreign exchange	5,496,541.4	7,523,912.0
Total	12,756,955.8	17,984,591.6

B. Liabilities

Notes Issued

New notes issued in 1387 totaled Rls. 8,000,000 million. Thus, total issued notes amounted to Rls. 96,500,000 million at the end of 1387.

Iran-Checks Issued

Based on Cabinet Approval dated 21.12.1386, Central Bank of the Islamic Republic of Iran issued Iran-Checks in 1387. The balance of issued Iran-Checks account came to Rls. 110,004,077.5 million at end-1387.

Coins Issued

A total of Rls. 95,062.3 million coins were issued in 1387, bringing the total coins issued to Rls. 842,581.2 million at the end of 1387.

According to the Monetary and Banking Law and the letter of the Minister of Economic Affairs and Finance (No. 12648, dated 05.04.1386), the ceiling for the issuance of coins was determined at Rls. 1,000,000 million.

CBI's Participation Papers

Since the maturity date of participation papers issued in 1386 was in 1387, and they were not replaced by new papers, the balance of the mentioned account was totally settled in 1387. The balance of participation papers account amounted to Rls. 16,371,658 million at end-1386.

Deposits

Total sight deposits of government, government institutions and corporations, non-government public institutions and corporations, banks and credit institutions, together with other deposits, amounted to Rls. 782,499,932.6 million at the end of 1387, as is shown in the respective table.

According to the executive by-law of Article 1, the 4th FYDP Law, the government deposited Rls. 126,534,431.3 million into the OSF, the sum of which equaled \$13,141 million. Corresponding figures of the previous year were Rls. 205,996,162.3 million and \$23,174.3 million.

	Deposits (million rials)	
	End-1386	End-1387
Government	372,074,447.4	358,513,631.7
Government institutions and corporations	17,505,093.8	21,514,910.7
Non-government public institutions and corporations	2,017,948.7	1,124,590.1
Banks and credit institutions:		
Legal	236,995,926.0	225,191,588.6
Sight	14,444,716.2	105,514,737.8
Term investment	27,166,744.4	3,751,885.5
LCs and order registration	40,877.6	36,214.9
Sub-total	278,648,264.2	334,494,426.8
Others	80,560,853.7	66,852,373.3
Total	750,806,607.8	782,499,932.6

Income Tax

Income tax of the CBI on the basis of the Amended Direct Tax Law approved in 1380 was set at Rls. 6,511,808.2 million for 1387, of which Rls. 4,486,150.0 million was paid (Rls. 1,986,150 million in implementation of Note 1 to the Budget Law for 1387 and Rls. 2,500,000 million in Ordibehesht 1388).

Share of Government in Net Profit

According to the Monetary and Banking Law, the remainder of profit, after profit appropriation according to Article 25 of the said Law, belongs to the government. Share of government in the net profit of the CBI in 1387 amounted to Rls. 10,370,976.0 million. The corresponding figure for the year 1386 was Rls. 8,866,259.0 million.

Other Liabilities

Other liabilities of the CBI amounted to Rls. 36,253,457.0 million at the end of 1387, as follows:

	Other Liabilities (million rials)	
	End-1386	End-1387
Documents payable	24,139,318.4	23,313,786.7
SDR allocations	3,588,599.4	3,495,126.0 ¹
Sight deposits of departments within the bank	773,761.4	1,151,191.3
Creditors' suspense account in foreign exchange	4,190,698.3	3,356,179.1
Creditors' suspense account in rials	2,205,314.5	4,127,671.8
CBI's receipts in connection with the Algerian Decree	26,259.3	16,155.5
Liabilities related to projects to be completed	12,305.6	12,311.1
Long-term facilities extended by foreign banks	860,901.7	650,799.3
Issued Eurobonds	5,245,500.0	0.0
	41,042,658.6	36,123,220.8
0.5% allocated to low-income groups for provision of housing	99,130.7	130,236.2
Total	41,141,789.3	36,253,457.0

¹ A sum of SDR 244,056 thousand was related to Iran's quota in IMF.

Retirement Benefits

Retirement benefits at the end of 1387 amounted to Rls. 172,135.7 million, as follows:

Retirement Benefits		
(million rials)		
	End-1386	End-1387
Balance at the beginning of the year	102,471.0	158,421.2
Payment during the year	(18,586.8)	(80,001.2)
Expenditures during the year	74,537.0	93,715.7
Balance at year-end	158,421.2	172,135.7

Capital

The CBI's capital amounted to Rls. 15,000,000 million at the end of 1387, indicating an increase of Rls. 3,800,000 million as compared with the previous year. This increase was financed from the contingency reserve of 1386, based on the proposal of the Extraordinary General Assembly on 03.09.1387 and the Cabinet Approval on 01.01.1388, subject of Article 10, the Monetary and Banking Law of Iran.

Legal Reserve

Based on Article 25 of the Monetary and Banking Law, 10 percent of net profit of

CBI is required to be held in a legal reserve account, so that the total legal reserve will equal the CBI's capital. The total legal reserve for 1387 was Rls. 7,019,468.8 million.

Contingency Reserve

According to Article 25 of the Monetary and Banking Law, an amount is to be held in the contingency reserve account each year, based on the proposal of the CBI and approval of the General Assembly. The contingency reserve for 1387 amounted to Rls. 6,331,369.3 million.

Reserve for Foreign Exchange Conversion

Foreign exchange assets' and liabilities' revaluation reserve in 1387 amounted to Rls. 89,443,260.0 million at 29.12.1387 rates.

Reserve for Foreign Exchange Conversion		
(million rials)		
	End-1386	End-1387
Gold	1,222,509.6	3,040,246.7
Quota and subscription to international agencies	1,803,177.6	1,899,809.2
Foreign exchange holdings	94,412,974.6	83,897,817.9
Clearing accounts	175,528.3	605,386.2
Total	97,614,190.1	89,443,260.0

**Details of Profit and Loss Account
as at the end of 1387
(March 20, 2009)**

A. Expenditures

**Cost of Receiving Credit and
Overdraft from Foreign Banks**

The cost of receiving credit and overdraft from foreign banks amounted to Rls. 74,852.1 million as follows:

Cost of Receiving Credit and Overdraft from Foreign Banks (million rials)		
	1386	1387
Correspondents	5,401.5	257.9
Overdraft	133,755.3	74,594.2
Total	139,156.8	74,852.1

Profit Paid on Foreign Exchange Accounts

Profit paid on foreign exchange accounts including banks' foreign exchange sight deposits with the CBI, amounted to Rls. 570,485.8 million. Moreover, a sum of Rls. 245,248.9 million was paid as profit by the CBI for receiving deposit from Bank of Industry and Mine and Export Development Bank of Iran.

Rewards Paid on Banks' Legal Deposit

As approved at the 788th session of MCC on 15.12.1371, Rls. 2,261,386.1 million was paid as rewards on legal deposit in 1387.

Profit Paid on CBI's Participation Papers

The profit accrued to CBI's participation papers amounted to Rls. 1,211,888.3 million in 1387 and this was considered in the accounts. The corresponding figure for 1386 was Rls. 4,169,697.5 million. Decline in 1387 was mainly owing to the fact that new participation papers were not issued in 1387.

Profit Paid on Banks' Special Deposits

A total of Rls. 1,338,374.4 million was paid as profit on banks' special deposits in 1387.

Commission Paid on Banking Services

The commission paid on banking services by the CBI amounted to Rls. 613,478.5 million, as shown in the following table:

Commission Paid on Banking Services (million rials)		
	1386	1387
Paid to banks for government accounts	375,000.0	465,000.0
Purchase of notes from abroad	5,258.0	12,704.7
Paid to correspondents	9,765.9	135,773.8
Total	390,023.9	613,478.5

Commission paid to banks for government accounts is based on the 670th Approval of MCC on 17.04.1368 and the annual approved budget of the CBI, on the basis of the average balance of government accounts kept with banks (transferred to CBI's accounts).

**Personnel and Administrative
Expenditures**

Personnel and administrative expenditures in 1387 and its comparison with the approved budget figures are shown in the following table:

Personnel and Administrative Expenditures (million rials)				
	1386		1387	
	Approved budget	Perfor- mance	Approved budget	Perfor- mance
Personnel	665,367.0	632,349.9	856,146.4	833,779.3
Adminis- trative	387,965.5	316,204.1	440,328.0	350,063.2
Total	1,053,332.5	948,554.0	1,296,474.4	1,183,842.5

In 1387, about 30 percent of the increase in personnel expenditures was related to the implementation of prior to the contractual due date retirement plan and its ensuing expenses based on Cabinet Approval dated 10.10.1386 and the executive by-law dated 27.12.1386.

Money Issue and Miscellaneous Printing Expenditures

The total money issue and miscellaneous printing expenditures were Rls. 700,697.4 million in the review year, mainly related to the increase in the cost of issuance of notes, Iran-Checks, and coins.

Depreciation Cost

In 1387, a sum of Rls. 84,859.4 million was allocated as depreciation cost of movable and immovable assets, as follows:

	Depreciation Cost (million rials)	
	1386	1387
Movable assets	6,885.2	9,922.2
Immovable assets	77,985.1	74,937.2
Total	84,870.3	84,859.4

Additionally, a sum of Rls. 101,513.5 million related to depreciation cost of movable and immovable assets, and machinery of the Print and Mint Organization and Takab Security Paper Mill was deposited into the currency issuance account.

Other Expenditures

Other expenditures amounted to Rls. 1,880.1 million as follows:

	Other Expenditures (million rials)	
	1386	1387
Gold transportation and insurance	34.9	488.4
Contingent expenses	13,476.7	938.1
Differential of foreign exchange smuggling	1,298.7	453.6
Total	14,810.3	1,880.1

B. Revenues

Returns on Deposits and Investment Abroad

Returns on deposits and investment abroad amounted to Rls. 16,066,112.0 million, as follows:

Returns on Deposits and Investment Abroad

	(million rials)	
	End-1386	End-1387
Foreign exchange term deposits	16,638,347.0	22,060,210.5
Foreign exchange sight deposits & special & clearing accounts	658,844.8	919,641.0
Foreign bonds	5,766,452.5	3,124,731.1
Algerian Decree	314,947.8	175,285.9
SDR	154,019.7	86,175.3
Certificates of deposit (CDs)	649,261.8	30,042.6
Profit of OSF account	(6,083,897.6)	(10,329,974.4)
Total	18,097,976.0	16,066,112.0

Based on Article 9, executive by-law of Article 1, 4th FYDP Law, a sum of Rls. 10,329,974.4 million has been registered as the profit of the OSF account for 1387 fiscal year. Based on the MCC approval on 27.03.1380, this figure has been deducted from the returns on deposits and investment abroad.

Profit Received from Extended Facilities

The profit received from extended facilities in 1387 increased to Rls. 7,968,510.1 million.

	Profit Received from Extended Facilities (million rials)	
	1386	1387
Government	351,019.5	33,402.8
Government institutions and corporations	1,343,499.4	883,707.0
Banks	5,345,727.1	7,049,376.5 ¹
Algerian Decree	3,727.7	2,023.8
Total	7,043,973.7	7,968,510.1

¹ Increase compared with the preceding year is due to the rise in the value of concluded contracts for participation papers and Iran-Checks.

Commission Received for Banking Services

Commission received for banking services totaled Rls. 288,440.2 million, as follows:

**Commission Received for
Banking Services** (million rials)

	End-1386	End-1387
Letters of credit	201,262.0	271,957.2
Foreign exchange bills and drafts	6,436.8	5,920.3
Miscellaneous	1,084.0	10,562.7
Total	208,782.8	288,440.2

**Result of Foreign Exchange and Gold
Transactions**

The income received from foreign exchange and gold transactions in 1387 was as follows:

**Result of Foreign Exchange and
Gold Transactions** (million rials)

	End-1386	End-1387
Foreign exchange losses	958,422.1	6,172,340.0
Profit derived from international bonds transactions	577,646.5	1,797,155.2
Profit received from gold transactions	2,717,572.0	0.0
Profit received from treasury documents transactions	57,113.4	67,563.7
Total	4,310,754.0	8,037,058.9
Revaluation of international bonds	(30,685.4)	(6,751.8)

Other Incomes

Other incomes of the CBI amounted to Rls. 1,861,065.3 million as is shown in the following table:

Other Incomes (million rials)

	End-1386	End-1387
Profit from investment in other institutions	48,256.2	74,342.1
Miscellaneous revenues of the Print and Mint Organization, and Takab Security Paper Mill	221,388.4	3,202.9
Revenue received from sale of gold coins	1,979,105.8	1,766,385.6
Miscellaneous	15,483.7	17,134.7
Total	2,264,234.1	1,861,065.3

In the review year, Rls. 30,207.1 million of the profit from investment in other institutions is related to CBI's dividend in the National Investment Company of Iran (NICI) and Rls. 44,135.0 million in the National Informatics Corporation.

Meanwhile, Rls. 3,202.9 million of the revenue of Takab Security Paper Mill was received from handling the orders of other banks and organizations.

Appropriation Account

The net profit of the CBI in 1387 amounted to Rls. 25,927,441,246 thousand. The net profit of Rls. 614 thousand was carried forward and added to the above figure, bringing the total amount to Rls. 25,927,441,860 thousand which was proposed to be appropriated as follows:

Appropriation Account
(thousand rials)

	1386	1387
Income tax	4,956,536,064	6,511,808,179
Transfer to legal reserve	1,966,564,961	2,592,744,125
Transfer to contingency reserve	3,777,159,000	6,321,677,000
Share of the government in net profit	8,866,259,000	10,370,976,000
0.5 percent allocated to low-income groups for provision of housing	99,130,721	130,236,163
Balance of net profit carried forward	614	393
Total	19,665,650,360	25,927,441,860