

Part Two

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

**As at the end of 1398
(March 19, 2020)**

Organization of the CBI

(in accordance with "Law on Permanent Provisions of the Country's Development Plans", approved by Expediency Discernment Council, and in Compliance with the 6th FYDP)

In accordance with the Law on Permanent Provisions of the Country's Development Plans and the 6th FYDP (2017-2021), the following reforms were made in the organization of the CBI (General Meeting and the appointment of the Governor, Deputy Governor, and the members of the MCC), aimed at raising the degree of the CBI's independence.

A. According to Article (19), Law on Permanent Provisions of the Country's Development Plans, the composition of the General Meeting of the CBI is as follows:

The President (as the Chairman), the Minister of Economic Affairs and Finance, the Head of Plan and Budget Organization, and two ministers selected by the Cabinet.

B. Based on the Approval of the Expediency Discernment Council dated November 15, 2014 concerning "the management of the CBI", the Governor of the Central Bank of Iran shall be appointed to office for a term of five years, on the recommendation of the Minister of Economic Affairs and Finance and with the approval of the Cabinet, by the Presidential Decree. He shall be eligible for reappointment.

C. Pursuant to Note (1), Article (19), Law on Permanent Provisions of the Country's Development Plans, the Deputy Governor of the CBI shall be appointed to office on the recommendation of the Governor, with the consent of General Meeting and by the Presidential Decree, from among qualified monetary, banking, and economic experts with a minimum of ten years of work experience and at least a master's degree in relevant fields, required to be also of fine repute.

D. The composition of the MCC is determined under Article (15), 6th FYDP as follows:

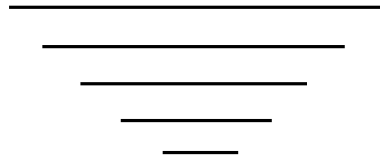
- The Minister of Economic Affairs and Finance or the Minister's Deputy;
- The Governor of the CBI;
- The Head of Plan and Budget Organization or the Head's Deputy;
- Two Ministers selected by the Cabinet;
- The Minister of Industry, Mine, and Trade;
- Two banking experts recommended by the Governor of the CBI, by the Presidential Decree;
- Attorney General or his Deputy;
- The President of Iran Chamber of Commerce, Industries, Mines, and Agriculture;
- The President of Iran Chamber of Cooperatives; and
- One member of Parliament as the representative of the Expert Commission on "Economy" and one as the representative of the Commission on "Plan, Budget, and Accounting", selected by the Parliament to serve as supervisors.

E. In accordance with Note (1), Article (15), 6th FYDP, the Governor of the CBI shall act as the Chairman of the MCC.

F. In accordance with Note (2), Article (15), 6th FYDP, each expert as member of the MCC shall be subject to change once in two years and eligible for reappointment.

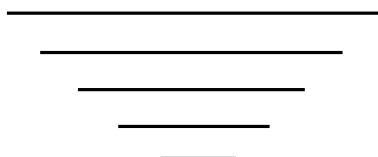
EXECUTIVE BOARD AND VICE-GOVERNORS

<i>Abdolnaser Hemmati</i>	<i>(as of 25.07.2018)</i>	<i>Governor of Central Bank</i>
<i>Akbar Komijani</i>	<i>(as of 20.01.2014)</i>	<i>Deputy Governor</i>
<i>Mohammad Talebi</i>	<i>(as of 03.09.2018)</i>	<i>Secretary General</i>
<i>Peyman Ghorbani</i>	<i>(as of 27.01.2014)</i>	<i>Vice-Governor for Economic Affairs</i>
<i>Abolfazl Najarzadeh</i>	<i>(as of 17.11.2018)</i>	<i>Vice-Governor for Administration and Resources Development</i>
<i>Gholamreza Panahi</i>	<i>(as of 17.09.2018)</i>	<i>Vice-Governor for Foreign Exchange Affairs</i>
<i>Farhad Hanifi</i>	<i>(as of 03.09.2018)</i>	<i>Vice-Governor for Banking Supervision Affairs</i>
<i>Amir Hussein Tayyebi Fard</i>	<i>(as of 17.11.2018)</i>	<i>Vice-Governor for Parliamentary and Legal Affairs</i>
<i>Naser Hakimi</i>	<i>(as of 06.09.2017 until 17.09.2019)</i>	<i>Vice-Governor for IT Technology</i>
<i>Mehran Moharramian</i>	<i>(as of 17.09.2019)</i>	<i>Vice-Governor for IT Technology</i>



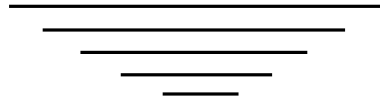
MONEY AND CREDIT COUNCIL (MCC)

<i>Abdolnaser Hemmati</i>	<i>(as of 25.07.2018)</i>	<i>Governor of Central Bank</i>
<i>Farhad Dezhpasand</i>	<i>(as of 27.10.2018)</i>	<i>Minister of Economic Affairs and Finance</i>
<i>Mohammad Jafar Montazeri</i>	<i>(as of 05.04.2016)</i>	<i>Attorney General</i>
<i>Mohammad Bagher Nobakht</i>	<i>(as of 11.08.2013)</i>	<i>Vice-President and Head of Plan and Budget Organization</i>
<i>Reza Rahmani</i>	<i>(as of 20.10.2018)</i>	<i>Minister of Industry, Mine, and Trade</i>
<i>Mahmoud Hojjati</i>	<i>(as of 15.08.2013 until 24.11.2019)</i>	<i>Minister of Agriculture-Jahad</i>
<i>Abbas Keshavarz</i>	<i>(as of 25.11.2019)</i>	<i>Head of the Ministry of Agriculture-Jahad</i>
<i>Mohammad Eslami</i>	<i>(as of 20.10.2018)</i>	<i>Minister of Roads and Urban Development</i>
<i>Gholamhussein Shafeie</i>	<i>(as of 04.09.2016)</i>	<i>President of Iran Chamber of Commerce, Industries, Mines, and Agriculture</i>
<i>Bahman Abdollahi</i>	<i>(as of 09.02.2015)</i>	<i>President of Iran Chamber of Cooperatives</i>
<i>Mohammad Reza Tabesh</i>	<i>(as of 12.07.2016)</i>	<i>Member of Parliament</i>
<i>Elyas Hazrati</i>	<i>(as of 12.07.2016)</i>	<i>Member of Parliament</i>
<i>Mohammad Nahavandian</i>	<i>(as of 06.11.2013)</i>	<i>Banking Expert Selected by President</i>
<i>Ali Tayebnia</i>	<i>(as of 20.11.2018)</i>	<i>Banking Expert Selected by President</i>



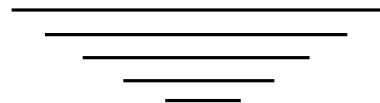
SUPERVISORY BOARD

<i>Mustafa Mousavi</i>	<i>(as of 20.02.2019)</i>	<i>Chairman</i>
<i>Hussein Jafari</i>	<i>(as of 20.02.2019)</i>	<i>Member</i>
<i>Jahanbakhsh Sharifi</i>	<i>(as of 20.02.2019)</i>	<i>Member</i>
<i>Alireza Rouzbahani</i>	<i>(as of 20.02.2019)</i>	<i>Member</i>



NOTE RESERVE CONTROL BOARD

<i>Abdolnaser Hemmati</i>	<i>(as of 25.07.2018)</i>	<i>Governor of Central Bank</i>
<i>Rahmatollah Akrami</i>	<i>(as of 23.09.2008)</i>	<i>Deputy Minister for Financial Supervision and Treasury Affairs, Ministry of Economic Affairs and Finance</i>
<i>Peyman Noori</i>	<i>(as of 06.05.2019)</i>	<i>Deputy Attorney General</i>
<i>Mustafa Mousavi</i>	<i>(as of 04.03.2019)</i>	<i>Chairman of the Supervisory Board of the Central Bank</i>
<i>Adel Azar</i>	<i>(as of 20.07.2016)</i>	<i>President of the Supreme Audit Court</i>
<i>Masoumeh Aghapour</i>	<i>(as of 10.08.2016)</i>	<i>Member of Parliament</i>
<i>Zahra Saeedi</i>	<i>(as of 10.08.2016)</i>	<i>Member of Parliament</i>



<i>Mohammad Mosaddegh</i>	<i>(until 06.05.2019)</i>	<i>Deputy Attorney General</i>
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BALANCE SHEET
AND
PROFIT AND LOSS ACCOUNT
OF
THE CENTRAL BANK OF IRAN

As at the End of 1398

(March 19, 2020)

BALANCE SHEET
AS AT THE END OF 1398 (March 19, 2020)

A. Assets	Note	March 19, 2020 (end-1398) (billion rials)	March 20, 2019 (end-1397) (billion rials)
Banknotes, Iran-Checks, and coins	4	16,078	21,605
Free gold holdings		57,832	67,880
Foreign assets		4,719,992	4,054,359
Loans and credits extended to:	5		
Government (less debt blocked for backing money (note and Iran-Check cover))		534,911	487,041
Government agencies and corporations		394,249	227,026
Banks		1,372,497	1,609,534
		2,301,657	2,323,601
Banknotes and Iran-Checks backed by commodity or foreign exchange (note and Iran-Check cover)	6	711,600	651,600
Financial assets purchased and sold through the OMOs		9	0
Government securities		104,538	110,912
Fixed assets (tangible and intangible)	7	16,093	14,622
Other assets	8	37,432	26,001
Total (Assets)		7,965,231	7,270,580
Customers' undertakings regarding letters of credit (LCs) and guarantees	36	28,061	28,939
Employees' Pension, Savings, and Cooperative Funds	37	18,757	15,141

**VALUE IN ONE
BILLION RIALS**

LIABILITIES AND SHAREHOLDERS' EQUITY	Note	March 19, 2020 (end-1398)	March 20, 2019 (end-1397)
B. Liabilities			
Deposits	9		
Government (sight)		2,215,329	2,219,272
Government agencies and corporations (sight)		187,733	130,741
Non-governmental organizations (sight)		6,262	7,075
Banks and non-bank credit institutions:			
Reserve requirement		2,650,770	1,991,780
Sight and term deposits, advance payments on banks' LCs, and other deposits		623,356	520,186
		5,683,450	4,869,054
Banknotes issued	10	309,500	292,000
Iran-Checks issued	11	402,100	359,600
Coins	12	5,914	5,911
Income tax	13	0	0
Other accounts payable	14	612,010	704,553
		7,012,974	6,231,118
Pension reserve	15	2,225	2,186
Total (Liabilities)		7,015,199	6,233,304
Shareholders' equity			
Capital	16	58,395	55,395
Reserve requirement	17	52,555	49,648
Contingency reserve	18	5,377	3,002
Revaluation account	19	518,377	596,506
Revaluation account of returns on net foreign assets	20	315,328	332,725
Net profit carried forward		0	0
Total (Shareholders' Equity)		950,032	1,037,276
Grand total		7,965,231	7,270,580
Customers' undertakings regarding letters of credit (LCs) and guarantees	36	28,061	28,939
Employees' Pension, Savings, and Cooperative Funds	37	18,757	15,141

PROFIT AND LOSS ACCOUNT
AS AT THE END OF 1398 (March 19, 2020)
(Value in One Billion Rials)

	<u>Note</u>	<u>March 19, 2020</u> <u>(end-1398)</u>	<u>March 20, 2019</u> <u>(end-1397)</u>
C. Revenue			
Returns on deposits and investment abroad	21	17,710	28,442
Profit received from extended facilities	22	43,151	54,730
Commission received for banking services	23	1,197	1,625
Result of foreign exchange transactions	24	(3,047)	12,743
Result of OMOs	25	1	*
Other income	26	18,272	39,212
Total revenue		77,284	136,752
D. Less expenses			
Reward paid on banks' reserve requirement	27	(22,002)	(17,488)
Profit paid on banks' special deposits	28	(30)	(40)
Commission paid on banking services	29	(5,851)	(10,620)
Cost of receiving credit and overdraft from foreign banks	30	(727)	(845)
Profit paid on foreign exchange accounts	31	(840)	(732)
		(29,450)	(29,725)
Personnel and administrative expenses	32	(14,025)	(10,345)
Printing and minting costs; miscellaneous printing expenses	33	(4,004)	(2,748)
Depreciation cost of movable and immovable assets	34	(289)	(195)
Other expenses	35	(450)	(1,051)
		(18,768)	(14,339)
Earnings Before Taxes (EBT)		29,066	92,688
Income tax reserve	13	(6,128)	(23,001)
Net profit		22,938	69,687
Accumulated Profit (Loss)			
Net profit		22,938	69,687
Balance at the beginning of the year		0	0
Appropriated profit		22,938	69,687
Appropriation account			
Share of government in net profit	38	(14,533)	(56,957)
Reserve requirement during the year	17	(2,907)	(9,269)
Contingency reserve during the year	18	(5,375)	(3,001)
0.5 percent of net profit allocated to low-income groups for housing provision		(123)	(460)
Balance of profit at year-end		0	0

Supplemental Notes on Financial Statements of the CBI as at the End of 1398 (March 19, 2020)

1. Structure, History, and Activities

The Central Bank of Iran (CBI) was established on August 9, 1960, based on the Monetary and Banking Law approved in the same year. The CBI's headquarters is located in Tehran.

According to Article (10), Paragraph (A), Monetary and Banking Law (the version revised in 1972), the CBI shall be responsible for the formulation and implementation of the monetary and credit policies with due regard to the general economic policy of the country.

Article (10), Paragraph (B) of the said Law sets the objectives of the CBI as to maintain the value of the currency and equilibrium in the balance of payments, to facilitate trade transactions, and to assist economic growth.

Based on Article (10), Paragraph (C), the CBI has legal entity and shall be subject to the rules and regulations pertaining to joint-stock companies in matters not provided by this Act.

In accordance with Article (11), Monetary and Banking Law, the CBI, as the authority responsible for the monetary and credit system of the country, shall fulfill the following functions:

- Issuance of notes and coins constituting the currency;

- Supervision of banks and credit institutions;

- Formulation of regulations pertaining to foreign exchange transactions, commitments and guarantees with the approval of the Money and Credit Council (MCC), and also control of foreign exchange transactions;

- Control of gold transactions and formulation of regulations pertaining to such transactions with the approval of the Cabinet;

- Control of the outflow and the repatriation of Iranian currency and formulation of regulations pertaining thereto with the approval of the MCC.

Article (12) of the Monetary and Banking Law states that the Central Bank, as banker to the Government, shall fulfill the following functions:

- Keeping of the accounts of ministries, government agencies, agencies affiliated to the government, and government corporations and municipalities, and also handling of all their banking transactions at home and abroad;

- Custody of the country's foreign exchange and gold reserves;

- Maintenance of funds in rials for the International Monetary Fund, the International Bank for Reconstruction and Development, the International Development Association, the International Finance Corporation, and similar institutions or their affiliates;

- Concluding payments agreements in the execution of monetary, financial, trade, and transit agreements between the Government and foreign countries.

In fulfilling its responsibilities and in accordance with Article (13), Monetary and Banking Law, the CBI is vested with the following powers:

- Granting of loans and credits to ministries and government organizations, subject to legal authorization;

- Guarantee of commitments made by the Government, ministries or government organizations, subject to legal authorization;

- Granting and guarantee of loans and credits *to* and *obtained by* government corporations and municipalities, and organizations affiliated to the government and municipalities against adequate collateral;

- Purchase and sale of Treasury Bills and participation papers issued by the government and bonds issued by foreign governments or accredited international institutions;

- Purchase and sale of gold and silver;

- Opening and maintaining current accounts with foreign banks, maintaining accounts for domestic and foreign banks, carrying out all other authorized banking operations, and securing credits at home and abroad on its own account or on behalf of domestic banks.

According to Article (14), Monetary and Banking Law, for the proper implementation of the monetary system, the CBI shall have the authority to intervene in and supervise monetary and banking affairs (upon approval by the MCC) as follows:

- By determining the official rediscount rate and loan interest rates;

- By determining the ratio of the banks' liquid assets to their total assets or liabilities;

- By determining the ratios of, and the rates of interest payable on, the legal deposits of banks at the CBI;

- By determining the ratio of the sum total of paid-up capital and reserves of banks to their different types of assets;

- By formulating regulations governing the opening of current, savings, and other accounts.

According to Article (16), Monetary and Banking Law, the CBI is composed of the following bodies:

- 1- The General Meeting;
- 2- The Money and Credit Council (MCC);
- 3- The Executive Board;
- 4- The Note Reserve Control Board; and
- 5- The Supervisory Board.

The capital of the CBI was 58,395 billion rials on March 19, 2020, of which 6,600 billion rials was covered by the revaluation of the fixed assets of the CBI in 2006. Furthermore, the number of the CBI's employees remained unchanged in the year under study, while the staff composition improved with regard to education levels.

2. Preparation Standards for Financial Statements

Except for the revaluation of fixed assets in 2006 in accordance with Article (7), Paragraph (K), 4th FYDP, the CBI's financial statements are prepared in conformance with the historical cost principle.

3. Major Accounting Principles

3.1. Investments

3.1.1. Valuation Method

Investments are accounted for using the cost method. In case the fair market value of the investment declines to below the recorded historical cost, there is a need to adjust.

3.1.2. Revenue Recognition Principle

Investment income recognition is applied in accordance with the investment profit approved by the General Meeting of the investee (investment receiving) company until the date of the approval of the financial statements.

3.2. Fixed Tangible Assets

3.2.1. Fixed tangible assets are recorded in accounts based on cost method. Repairs and maintenance costs that lead to a remarkable rise in the useful life or service capacity of fixed assets or a substantial improvement in the quality of output are recognized as capital expenditures and amortized over the individual useful life of related assets. Minor repairs and maintenance costs on enhancing the expected economic benefits to the business unit in conformance with the standards of the initial measurement of the asset performance are recognized as current expenses and included in the profit and loss account as they are incurred.

3.2.2. The depreciation of fixed assets is calculated based on Circular No. 200/95/78 by the Ministry of Economic Affairs and Finance, dated January 23, 2017 (as per Article (149), Direct Tax Act), as follows:

Depreciation of Fixed Assets	
Asset	Depreciation Rate and Method
Buildings	25 years (straight-line)
Equipment	10 years (straight-line)
Machinery	5, 8, 10 and 15 years (straight-line)
Vehicles	6 years (straight-line)
Computer	3 years (straight-line)
Furniture and fixtures	5 years (straight-line)

3.2.3. For those fixed assets earned and used during the month, depreciation allowances are estimated and included in accounts as of the beginning of the next month. In case of depreciable assets, which, for various reasons, are not utilized after the preparation phase for more than six consecutive months, a depreciation rate of 30 percent of the rate stipulated in the respective table is applied.

3.3. Intangible Assets

Intangible assets are recorded in accounts based on cost price. Operational and administrative software are amortized following the straight-line method over the course of three years.

3.4. Revaluation Account

Foreign assets and liabilities are revalued at year-end based on the official exchange rate, and the balance is deposited into the foreign exchange revaluation account. In case the revaluation account has a negative balance at the end of the fiscal year, the outstanding debit balance is transferred to the profit and loss account of the related year (in case of no outstanding credit balance). The positive balance of the revaluation account is registered under the same heading on the balance sheet.

3.5. International bonds, treasury bills, and gold holdings are accounted for at the end of the fiscal year, according to the lower of cost or market rule (TSE prices for OMO securities). Amounts lower than the principal are transferred to the profit and loss account.

3.6. Recognition of Revenue Received from Extended Loans, Commissions, and Penalties

Revenue	Recognition Method
Profit on extended loans	Time-based, with due consideration of outstanding principal and determined rate as per the 590 th MCC Meeting Minutes on August 13, 1986
Penalties on late payments	Time-based, with due consideration of outstanding principal and determined rate as per the 590 th MCC Meeting Minutes on August 13, 1986
Penalties on overdraft	Time-based, with due consideration of outstanding debt and determined rate as per the 590 th MCC Meeting Minutes on August 13, 1986
Commission received	In proportion with rendered services, on an accrual basis

A. Assets

4. Banknotes, Iran-Checks, and Coins

The balance of banknotes, Iran-Checks, and coins on March 19, 2020, is as follows:

Banknotes, Iran-Checks, and Coins (billion rials)		
	March 19, 2020	March 20, 2019
Banknotes	13,789.3	18,460.8
Iran-Checks	2,214.7	3,069.6
Subtotal	16,004.0	21,530.4
Coins	74.4	74.8
Total	16,078.4	21,605.2

5. Loans and Credits

The value of loans and credits extended to the government and its affiliated agencies and corporations, as well as banks, totaled 2,301,656.6 billion rials on March 19, 2020. This was after deducting 6,367.2 billion rials for government debt and bonds, as in respective tables.

Loans and Credits (billion rials)

	March 19, 2020	March 20, 2019▲
Government	587,526.4	538,801.1
Less: debt blocked for backing money (note and Iran-Check cover); other adjustments	(52,615.5)	(51,760.6)
Subtotal	534,910.9	487,040.5
Government agencies and corporations	394,249.1	227,025.9
Banks	1,372,496.6	1,609,533.8
Total	2,301,656.6	2,323,600.2

6. Banknotes and Iran-Checks Backed by Commodity or Foreign Exchange

Based on currency needs and according to the Monetary and Banking Law, a sum of 17,500 billion rials worth of new banknotes was issued, backed by either commodity or foreign exchange, bringing the total value of issued banknotes to 309,500 billion rials by March 19, 2020. Meanwhile, a sum of 42,500 billion rials worth of Iran-Checks was issued, which brought the total value of issued Iran-Checks, backed by commodity or foreign exchange, to 402,100 billion rials.

Banknotes and Iran-Checks Backed by Commodity or Foreign Exchange

	March 19, 2020		March 20, 2019	
	Percentage	Billion rials	Percentage	Billion rials
Gold and foreign exchange as backing for banknotes (note cover)				
Gold	41.86	129,567.4	45.94	134,155.9
Iran's quota in IMF for delivered gold	0.70	2,162.2	0.75	2,201.7
Iran's quota in international institutions	31.89	98,703.7	33.86	98,856.3
Foreign exchange	15.42	47,714.4	9.46	27,626.4
Subtotal	89.87	278,147.7	90.01	262,840.3
Government bonds¹				
Government debt and bonds ¹	2.06	6,367.3	2.18	6,367.3
Blocked government promissory notes for backing banknotes (note cover) (without maturity)	8.07	24,985.0	7.81	22,792.4
Subtotal	10.13	31,352.3	9.99	29,159.7
Total banknotes issued	100.00	309,500.0	100.00	292,000.0
Gold and foreign exchange as backing for Iran-Checks²				
Gold	6.93	27,865.6	6.33	22,777.0
Foreign exchange	69.83	280,778.0	67.68	243,366.6
Subtotal	76.76	308,643.6	74.01	266,143.6
Government bonds¹				
Blocked government promissory notes for backing Iran-Checks (without maturity)	23.24	93,456.4	25.99	93,456.4
Total Iran-Checks issued	100.00	402,100.0	100.00	359,600.0
Grand total		711,600.0		651,600.0

¹ Refers to Treasury Bills and Bonds issued by the Government or guaranteed by the Ministry of Economic Affairs and Finance, with the National Jewelry as collateral. ² In line with the annual budget laws, the CBI adopted necessary measures as of 2012 to back Iran-Checks.

7. Fixed Assets¹ (Tangible and Intangible)

The value of fixed tangible and intangible assets on March 19, 2020 is as in the respective table.

8. Other Assets

The other assets of the CBI, including investments in other agencies, facilities allocated to employees, debtors' suspense account, and provisional accounts, totaled 37,431.6 billion rials on March 19, 2020. This indicated an increase of 11,430.7 billion rials compared with the value of the other assets of the CBI on March 20, 2019 at 26,000.9 billion rials.

B. Liabilities

9. Deposits

Sight deposits of the government, government agencies and corporations, non-governmental organizations, and banks and non-bank credit institutions, plus other deposits, totaled 5,683,450.1 billion rials on March 19, 2020.

10. Banknotes Issued

New banknotes issued during 2019/20 amounted to 17,500 billion rials. This brought the total amount of issued banknotes on March 19, 2020 to 309,500 billion rials.

Fixed Assets (Tangible and Intangible)					(billion rials)
	Immovable assets ¹	Movable assets	Total (tangible assets)	Intangible assets	Grand total
Cost price					
Balance on 21.03.2019	17,558.3	753.9	18,312.2	115.5	18,427.7
Increase during the year	1,915.3	106.4	2,021.7	3.1	2,024.8
Decrease during the year	(0.0)	(8.1)	(8.1)	(0.0)	(8.1)
Transfers and other	60.0	(0.5)	59.5	(0.0)	59.5
Total on 19.03.2020	19,533.6	851.7	20,385.3	118.6	20,503.9
Accumulated depreciation					
Balance on 21.03.2019	3,147.3	551.0	3,698.3	107.0	3,805.3
Depreciation in 2019/20 ²	527.3	84.6	611.9	3.6	615.5
Depreciation of sold assets	(0.0)	(7.1)	(7.1)	(0.0)	(7.1)
Transfers and other	(0.0)	(2.5)	(2.5)	(0.0)	(2.5)
Total on 19.03.2020	3,674.6	626.0	4,300.6	110.6	4,411.2
Net book value					
Balance on 21.03.2019	14,411.0	202.9	14,613.9	8.5	14,622.4
Balance on 19.03.2020	15,859.0	225.7	16,084.7	8.0	16,092.7

¹ Includes the immovable assets of the CBI, capital goods in stock, and advance payments on projects in progress.

² Includes depreciation costs of policymaking and support divisions of the CBI by 289.5 billion rials, the executive office of construction projects by 1.1 billion rials, Print and Mint Organization by 226.6 billion rials, and Takab Securities Paper Mill by 98.3 billion rials, totaling 615.5 billion rials.

¹ The fixed assets of the CBI enjoyed sufficient insurance coverage during the year under review.

11. Iran-Checks Issued

In accordance with the Cabinet Approval dated March 11, 2008, the CBI continued with the issuance of Iran-Checks in 2019/20, as is shown in the respective table.

12. Coins

The total value of coins in circulation amounted to 5,913.7 billion rials on March 19, 2020. This indicated a rise by 2.6 billion rials compared with the value of coins issued on March 20, 2019 (5,911 billion rials).

13. Income Tax

The major part of the income tax of the CBI was settled by March 20, 2019. According to the Amended Direct Tax Law approved on February 16, 2002, the income tax reserve of the CBI was determined at 6,128.4 billion rials for 2019/20 as compared with 23,001.0 billion rials on March 20, 2019. Furthermore, a sum of 6,500.0 billion rials was paid in implementation of Article (4), Law on Annexing Articles to the Regulation of Government Fiscal Rules Act, Section (2).

Iran-Checks Issued

	500,000-rial Iran-Checks		1,000,000-rial Iran-Checks		Total value (billion rials)
	Number (million)	Value (billion rials)	Number (million)	Value (billion rials)	
Opening balance on 21.03.2019	646.2	323,100.0	36.5	36,500.0	359,600.0
Issuance during the year	85.0	42,500.0	0.0	0.0	42,500.0
Total	731.2	365,600.0	36.5	36,500.0	402,100.0

Income Tax

(billion rials)

	March 19, 2020	March 20, 2019
Balance at the beginning of the year	4,898.9	299.0
Income tax reserve	6,128.4	23,001.0
Subtotal	11,027.3	23,300.0
Prepayments of income tax and amounts remaining from previous years	(52,626.9)	(64,504.7)
Balance at year-end (excess amount paid)	(41,599.6)	(41,204.7)
Excess amount received by Iranian National Tax Administration	41,599.6	41,204.7
Total	0.0	0.0

14. Other Accounts Payable

The other accounts payable by the CBI amounted to 612,010.0 billion rials on March 19, 2020, as follows:

Other Accounts Payable (billion rials)		
	March 19, 2020	March 20, 2019
Share of government in net profit	0.0	0.0
Documents payable	180,898.7	187,507.6
SDR allocations	81,258.3	82,742.9
Sight deposits of CBI's departments	39,050.0	59,449.4
Creditors' suspense account in foreign exchange	4,175.6	18,272.5
Creditors' suspense account in rials	305,692.0	355,660.8
CBI's receipts in connection with the Algerian Decree	13.1	13.1
Liabilities related to projects to be completed	317.1	240.6
Revenue received in advance	482.2	206.4
Subtotal	611,887.0	704,093.3
0.5% allocated to low-income groups for provision of housing	123.0	460.0
Total	612,010.0	704,553.3

15. Pension Reserve

The pension reserve of the CBI's employees amounted to 2,224.6 billion rials on March 19, 2020, as follows:

Pension Reserve (billion rials)		
	March 19, 2020	March 20, 2019
Balance at the beginning of the year	2,186.0	2,080.0
Payment during the year	(380.7)	(162.0)
Reserve during the year	419.3	268.0
Balance at year-end	2,224.6	2,186.0

16. Capital

The CBI's capital, which belongs to the government, amounted to 58,395 billion rials on March 19, 2020, up by 3,000 billion rials compared with 55,395 billion rials on March 20, 2019. This was financed out of the contingency reserve of the year before based on the General Meeting's recommendation and the Cabinet's approval, subject to Article (10), Monetary and Banking Law. Of the mentioned 58,395 billion rials, a sum of 6,600 billion rials was financed out of the revaluation of the fixed assets of the CBI in 2006.

17. Reserve Requirement

According to Article (25), Paragraph (A), Monetary and Banking Law, 10 percent of the net profit is required to be appropriated to the reserve requirement account until the said reserve equals the CBI's capital. The balance of reserve requirement was 52,555.2 billion rials on March 19, 2020.

Reserve Requirement

(billion rials)		
	March 19, 2020	March 20, 2019
Reserve requirement at the beginning of the year	49,648.6	40,380.0
Reserve requirement during the year	2,906.6	9,268.6
Balance at year-end	52,555.2	49,648.6

18. Contingency Reserve

Based on Article (25), Paragraph (A), Monetary and Banking Law, a certain amount is to be appropriated to the contingency reserve account each year, based on the Governor's recommendation and the General Meeting's approval, as in the following table:

Contingency Reserve (billion rials)		
	March 19, 2020	March 20, 2019
Contingency reserve at the beginning of the year	3,002.0	3,001.0
Transfer to capital increase	(3,000.0)	(3,000.0)
Contingency reserve during the year	5,375.0	3,001.0
Balance at year-end	5,377.0	3,002.0

19. Revaluation Account

The balance of the revaluation account, after deduction of paid tax, amounted to 518,377.0 billion rials, down by 78,128.7 billion rials compared with 596,505.7 billion rials on March 20, 2019. This was based on the exchange rate of the US dollar against the Iranian rial on March 18, 2020 (41,622 rials). Out of the mentioned 78,128.7 billion rials, a sum of 13,686.6 billion rials was related to the redemption of bonds blocked in the revaluation reserve account.

Revaluation Account		
(billion rials)		
	March 19, 2020	March 20, 2019
Balance at the beginning of the year	596,505.7	615,297.8
Payments on tax during the year	(153.3)	(68,890.1)
Change during the year	<u>(77,975.4)</u>	<u>50,098.0</u>
Balance at year-end	<u>518,377.0</u>	<u>596,505.7</u>

20. Revaluation Account of Returns on Net Foreign Assets

The balance of the revaluation account of returns on the net foreign assets of the CBI, subject to the Parliament's Approval on July 23, 2013, totaled 315,328.7 billion rials on March 19, 2020.

C. Revenue

21. Returns on Deposits and Investment Abroad

The returns on deposits and investment abroad amounted to 17,710.5 billion rials, as in the respective table.

Returns on Deposits and Investment Abroad		
(billion rials)		
	March 19, 2020	March 20, 2019
Term deposits in foreign exchange	32,207.5	52,539.2
Sight deposits in foreign exchange, clearing and special accounts	1,138.4	1,026.2
International bonds	247.7	294.5
Algerian Decree	587.0	553.1
SDR	1,026.3	1,189.2
Profit of the National Development Fund of Iran (NDFI)	(17,309.2)	(26,846.5)
Profit of the Oil Stabilization Fund (OSF)	(187.2)	(313.7)
Total	<u>17,710.5</u>	<u>28,442.0</u>

22. Profit Received from Extended Facilities

The profit received from extended facilities amounted to 43,151.3 billion rials on March 19, 2020.

Profit Received from Extended Facilities		
(billion rials)		
	March 19, 2020	March 20, 2019
Government agencies and corporations	228.1	285.8
Banks	42,596.5	54,144.3
Employees	326.7	300.3
Total	<u>43,151.3</u>	<u>54,730.4</u>

23. Commission Received for Banking Services

The commission received for banking services totaled 1,196.6 billion rials on March 19, 2020.

Commission Received for Banking Services		
(billion rials)		
	March 19, 2020	March 20, 2019
LCs	21.1	190.9
Foreign bills of exchange	24.0	15.4
Sales of foreign exchange	945.7	1,418.7
Foreign exchange transactions	205.8	0.0
Total	<u>1,196.6</u>	<u>1,625.0</u>

24. Result of Foreign Exchange Transactions

The result of the foreign exchange transactions is as in the respective table.

25. Result of OMOs

The balance of income earned out of securities transactions with agent banks processed through the OMOs under the rules governing Islamic Treasury Bills amounted to 14 million rials by March 19, 2020.

26. Other Income

The other income of the CBI amounted to 18,271.8 billion rials on March 19, 2020, as is shown in the respective table.

	Other Income (billion rials)	
	March 19, 2020	March 20, 2019
Profit from investment in other institutions	10,062.8	4,032.2
Miscellaneous income of the Print and Mint Organization and Takab Securities Paper Mill	449.7	411.7
Income received from sales of gold coins	7,498.8	34,606.4
Miscellaneous	260.5	162.2
Total	18,271.8	39,212.5

D. Less Expenses

27. Reward Paid on Banks' Reserve Requirement

As per Paragraph (3), Approval of the 1127th Meeting of the MCC in 2011, a sum of 22,002.2 billion rials was paid as reward on reserve requirement by March 19, 2020.

28. Profit Paid on Banks' Special Deposits

A sum of 30.2 billion rials was paid as profit on the special deposits of banks on March 19, 2020.

29. Commission Paid on Banking Services

The commission paid on banking services totaled 5,850.7 billion rials by March 19, 2020.

30. Cost of Receiving Credit and Overdraft from Foreign Banks

The cost of receiving credit and overdraft from foreign banks amounted to 726.9 billion rials by March 19, 2020, as against 844.9 billion rials on March 20, 2019.

31. Profit Paid on Foreign Exchange Accounts

The profit paid on foreign exchange accounts, including banks' foreign exchange sight deposits with the CBI, amounted to 840.0 billion rials on March 19, 2020, as compared with 732.2 billion rials on March 20, 2019.

	Result of Foreign Exchange Transactions (billion rials)	
	March 19, 2020	March 20, 2019
Difference between the selling rate and the buying rate of the foreign exchange	10,834.8	15,277.2
Profit received from transaction of international bonds	357.3	(18.5)
Subtotal	11,192.1	15,258.7
Purchase and sale of foreign exchange at rates other than the official rate	(4,574.7)	(2,469.0)
Loss incurred due to depreciation of international bonds	150.7	506.4
Adjustment of foreign exchange accounts	(9,814.2)	(553.8)
Total	(3,046.1)	12,742.3

32. Personnel and Administrative Expenses

The performance of personnel and administrative expenses on March 19, 2020, compared with the figures approved in the budget, is as in the respective table.

33. Printing and Minting Costs; Miscellaneous Printing Expenses

Printing and minting costs as well as miscellaneous printing expenses totaled 4,003.8 billion rials on March 19, 2020, mainly attributable to the costs of issuing banknotes, Iran-Checks, and coins.

34. Depreciation Cost of Movable and Immovable Assets

A sum of 289.5 billion rials was allocated as the depreciation cost of the movable and immovable assets on March 19, 2020. Moreover, 226.6 billion rials was allocated as the depreciation cost of the movable and immovable assets of the Print and Mint Organization and 93.5 billion rials, as that of the movable and immovable assets of Takab Securities Paper Mill (in total 320.1 billion rials). Of the mentioned 93.5 billion rials, a

sum of 92.4 billion rials was related to current expenses on printing and minting, and 1.1 billion rials was related to the beginning inventory cost.

35. Other Expenses

Other expenses amounted to 450.3 billion rials on March 19, 2020, as is shown in the respective table.

36. Customers' Undertakings regarding Letters of Credit (LCs) and Guarantees

The contra accounts related to LCs, guarantees, and customers' undertakings in this regard are as in the respective table.

37. Employees' Pension, Savings, and Cooperative Funds

Based on the Approvals of the MCC through its 1137th and 1216th Meetings in 2012 and 2016, the actuarial calculations of the Pension Fund are performed every three years. The accounts of Pension, Savings, and Cooperative Funds of the employees of the CBI on March 19, 2020, were as in the respective table.

	Personnel and Administrative Expenses (billion rials)			
	March 19, 2020		March 20, 2019	
	Approved budget	Performance	Approved budget	Performance
Personnel	6,800.0	6,420.3	5,505.6	5,293.2
Administrative	5,302.4	5,091.9	3,231.4	2,933.7
Pensioners	2,550.0	2,512.6	2,120.0	2,118.1
Total	14,652.4	14,024.8	10,857.0	10,345.0

	Depreciation Cost of Movable and Immovable Assets (billion rials)	
	March 19, 2020	March 20, 2019
Movable assets	66.8	64.6
Immovable assets	222.7	130.7
Total	289.5	195.3

Other Expenses		(billion rials)
	March 19, 2020	March 20, 2019
Gold transportation, insurance, and other	0.3	0.3
Sums deposited into the Treasury account for the allocation of one percent of the budget approved for expenses	146.2	473.8
Research and technology development (subject to Article (64), 6 th FYDP Law)	0.0	126.6
Contingent expenses (for the defraying of the taxes of previous years)	303.8	450.0
Total	450.3	1,050.7

Customers' Undertakings regarding Letters of Credit (LCs) and Guarantees

		(billion rials)
	March 19, 2020	March 20, 2019
Customers' undertakings regarding letters of credit in rials	9,841.7	10,280.1
Customers' undertakings regarding letters of credit opened in foreign currency	1,924.1	2,020.5
Subtotal	11,765.8	12,300.6
Brokers' Letters of Guarantee (LGs)	16,295.0	16,638.2
Total	28,060.8	28,938.8

Pension, Savings, and Cooperative Funds

		(billion rials)
	March 19, 2020	March 20, 2019
Pension Fund	12,226.7	9,488.6
Savings Fund	1,599.6	1,294.1
Cooperative Fund	4,930.8	4,358.7
Total	18,757.1	15,141.4

38. Appropriation Account

The net profit of the CBI amounted to 29,065,786,472.0 thousand rials on March 19, 2020. The balance of the net profit of the year before (29.5 thousand rials) was carried forward and added to the mentioned figure,

bringing the total amount of the net profit of the Central Bank to 29,065,786,501.9 thousand rials on March 19, 2020, which was proposed to be appropriated as in the following table:

Appropriation Account		(thousand rials)
	March 19, 2020	March 20, 2019
Income tax reserve	6,128,416,134.2	23,001,285,276.7
Reserve requirement during the year	2,906,578,647.2	9,268,819,517.5
Contingency reserve during the year	5,375,330,000.0	3,001,000,000.0
Share of government in net profit	14,532,893,000.0	56,957,065,000.0
0.5 percent allocated to low-income groups for housing provision	122,568,322.7	460,025,705.5
Balance of net profit carried forward	397.8	29.5
Total	29,065,786,501.9	92,688,195,529.2