

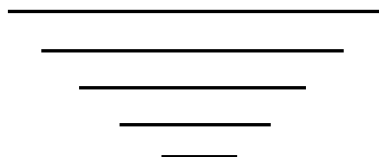
Part Two

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

**As at the end of 1386
(March 19, 2008)**

EXECUTIVE BOARD

<i>Tahmasb Mazaheri</i>	<i>(as of 13.06.1386)</i>	<i>Governor</i>
<i>Hossein Ghazavi</i>	<i>(as of 16.07.1386)</i>	<i>Deputy Governor</i>
<i>Mahmud Bahmani</i>	<i>(as of 16.07.1386)</i>	<i>Secretary General</i>
<i>Reza Raei</i>	<i>(as of 10.09.1386)</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)</i>	<i>Vice-Governor for Administrative and Training Affairs</i>



<i>Ebrahim Sheibany</i>	<i>(until 12.06.1386)</i>	<i>Governor</i>
<i>Mohammad Javad Vahhaji</i>	<i>(until 15.07.1386)</i>	<i>Deputy Governor</i>
<i>Mohammad Jaafar Mojarrad</i>	<i>(until 09.09.1386)</i>	<i>Vice-Governor for Foreign Exchange Affairs</i>
<i>Akbar Komijani</i>	<i>(until 04.08.1386)</i>	<i>Vice-Governor for Economic Affairs</i>
<i>Mohammad Reza Shojaeddini</i>	<i>(until 12.08.1386)</i>	<i>Vice-Governor for Administrative and Training Affairs</i>

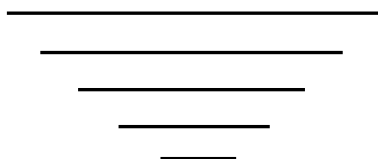
MONEY AND CREDIT COUNCIL

<i>Davood Danesh Jafari</i>	<i>(as of 03.06.1384)</i>	<i>Minister of Economic Affairs and Finance</i>
<i>Tahmasb Mazaheri</i>	<i>(as of 13.06.1386)</i>	<i>Governor of the Central Bank</i>
<i>Amir Mansour Borqei</i>	<i>(as of 24.08.1385)</i>	<i>President Deputy for Strategic Planning and Control</i>
<i>Ali Akbar Mehrabian</i>	<i>(as of 22.05.1386)</i>	<i>Minister of Industries and Mines</i>
<i>Gholam Hossein Mohseni Ejeie</i>	<i>(as of 10.07.1384)</i>	<i>Minister of Intelligence</i>
<i>Seyyed Massoud Mir Kazemi</i>	<i>(as of 03.06.1384)</i>	<i>Minister of Commerce</i>
<i>Ghorban Ali Dorri Najafabadi</i>	<i>(as of 12.09.1380)</i>	<i>Attorney General</i>
<i>Mohammad Nahavandian</i>	<i>(as of 22.03.1385)</i>	<i>Head of Iran Chamber of Commerce, Industries and Mines</i>
<i>Abolghasem Sarhaddizadeh</i>	<i>(as of 24.04.1381)</i>	<i>Chairman, Board of Directors, Iran Central Chamber of Cooperative (ICC)</i>
<i>Ali Tayyebnia</i>	<i>(as of 31.01.1381)</i>	<i>Bank Expert (selected by the President)</i>
<i>Jaafar Ebadi</i>	<i>(as of 21.05.1382)</i>	<i>Bank Expert (selected by the President)</i>
<i>Gholam Reza Mesbahi Moghaddam</i>	<i>(as of 05.05.1383)</i>	<i>Member of Parliament (Observer)</i>
<i>Mohammad Mehdi Mofatteh</i>	<i>(as of 05.05.1383)</i>	<i>Member of Parliament (Observer)</i>

<i>Ebrahim Sheibany</i>	<i>(until 12.06.1386)</i>	<i>Governor of the Central Bank</i>
<i>Alireza Tahmasbi</i>	<i>(until 21.05.1386)</i>	<i>Minister of Industries and Mines</i>

NOTE-RESERVE CONTROL BOARD

<i>Tahmasb Mazaheri</i>	<i>(as of 13.06.1386)</i>	<i>Governor of the Central Bank</i>
<i>Seyyed Abolfazl Fatemizadeh</i>	<i>(as of 17.05.1363)</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>Mohammad Reza Rahimi</i>	<i>(as of 11.08.1383)</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)</i>	<i>Member of Parliament</i>
<i>Seyyed Mahmood Abtahi</i>	<i>(as of 28.11.1383)</i>	<i>Member of Parliament</i>



<i>Ebrahim Sheibany</i>	<i>(until 12.06.1386)</i>	<i>Governor of the Central Bank</i>
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BOARD OF AUDITORS

<i>Mohammad Javad Saffar Soflaei</i>	<i>(as of 23.03.1384)</i>	<i>Chairman</i>
<i>Mahmood Reza Abaei Koopaei</i>	<i>(as of 28.06.1371)</i>	<i>Member</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>

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

As at the end of 1386

(March 19, 2008)

BALANCE SHEET
AS AT THE END OF 1386 (March 19, 2008)

<u>March 20, 2007</u>	ASSETS	<u>March 19, 2008</u>
67,500,000	Note cover including gold, foreign exchange, and quota and subscription to international agencies	88,500,000
619,880	Notes and coins held at the Central Bank	1,200,445
15,766,449	Free gold holdings	11,601,590
525,683,887	Foreign exchange assets	713,016,500
	Loans and credits to:	
56,378,293	Government	32,008,139
27,337,394	Government institutions and corporations	33,917,935
40,040,680	Banks	121,249,369
123,756,367		187,175,443
14,846,631	Government revolving funds kept with banks	16,444,624
2,635,703	Government securities	0
7,801,091	Fixed assets (less accumulated depreciation)	7,633,122
2,121,932	Other assets	3,027,674
760,731,940		1,028,599,398
19,402,469	Customers' undertakings regarding opened letters of credit and guarantees	12,756,956
780,134,409		1,041,356,354
1,087,608	Assets of the Central Bank Employees' Pension Fund	1,349,212
67,031	Assets of the Central Bank Employees' Savings Fund	86,404
82,091	Assets of the Central Bank Employees' Cooperative Fund	104,436
781,371,139		1,042,896,406

EXECUTIVE BOARD

Mahmud Bahmani
Governor

Hossein
Ghazavi
Deputy Governor

Reza
Raei
Vice-Governor

Ramin
Pashaei Fam
Vice-Governor

Yadollah
Asna Ashari
Vice-Governor

**AMOUNT IN
MILLION RIALS**

<u>March 20, 2007</u>	LIABILITIES	<u>March 19, 2008</u>
67,500,000	Notes issued	88,500,000
608,969	Coins issued	747,519
21,565,536	Central Bank's participation papers	16,371,658
	Deposits:	
245,556,839	Government: sight	372,074,447
13,754,290	Government institutions and corporations: sight	17,505,094
1,848,537	Non-government public institutions and corporations: sight	2,017,949
	Banks and credit institutions:	
185,965,579	Legal	236,995,926
89,717,253	Other deposits	122,213,192
536,842,498		750,806,608
2,869,345	Income tax	4,956,536
6,556,974	Share of government in net profit	8,866,259
45,109,496	Other liabilities	41,141,789
102,471	Retirement benefits	158,421
10,363,000	Capital	11,200,000
2,460,159	Legal reserve	4,426,725
869,533	Contingency reserve	3,809,692
65,883,958	Foreign exchange assets' and liabilities' revaluation reserve	97,614,190
1	Net profit carried forward	1
760,731,940		1,028,599,398
19,402,469	Letters of credit and guarantees	12,756,956
780,134,409		1,041,356,354
1,087,608	Liabilities of the Central Bank Employees' Pension Fund	1,349,212
67,031	Liabilities of the Central Bank Employees' Savings Fund	86,404
82,091	Liabilities of the Central Bank Employees' Cooperative Fund	104,436
781,371,139		1,042,896,406

PROFIT AND LOSS ACCOUNT
AS AT THE END OF 1386 (March 19, 2008)

2006/07		2007/08
13,516,141	Returns on deposits and investment abroad	18,097,976
3,295,717	Profit received from extended facilities	7,043,974
174,725	Commission received for banking services	208,783
1,239,448	Result of foreign exchange and gold transactions	4,310,754
1,571,132	Other incomes	2,264,234
19,797,163		31,925,721
11,392,437	Net profit	19,665,650
1	Net profit carried forward	1
11,392,438		19,665,651

EXECUTIVE BOARD

Mahmud Bahmani
Governor

Hossein
 Ghazavi
 Deputy Governor

Reza
 Raei
 Vice-Governor

Ramin
 Pashaei Fam
 Vice-Governor

Yadollah
 Asna Ashari
 Vice-Governor

**AMOUNT IN
MILLION RIALS**

<u>2006/07</u>		<u>2007/08</u>
129,164	Cost of receiving credit and overdraft from foreign banks	139,157
2,792	Profit paid on foreign exchange accounts	724,129
1,476,190	Rewards paid on banks' legal deposit	2,035,138
2,402,064	Profit paid on Central Bank's participation papers	4,164,968
1,572,698	Profit paid on banks' special deposits	3,079,343
388,750	Commission paid on banking services	390,024
918,384	Result of foreign exchange revaluation-adjustment	30,686
840,181	Personnel and administrative expenditures	948,554
607,873	Money issue and miscellaneous printing expenditures	648,392
38,068	Depreciation cost of fixed assets	84,870
28,562	Other expenditures	14,810
8,404,726		12,260,071
11,392,437	Net profit	19,665,650
19,797,163		31,925,721

APPROPRIATION ACCOUNT

2,869,345	Income tax	4,956,536
1,139,244	Transfer to legal reserve	1,966,565
769,487	Transfer to contingency reserve	3,777,159
6,556,974	Share of government in net profit	8,866,259
57,387	0.5 percent of net profit allocated to low-income groups for housing provision	99,131
1	Net profit carried forward	1
11,392,438		19,665,651

**Details of Balance Sheet
as at the end of 1386
(March 19, 2008)**

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. 21,000,000 million worth of new notes were issued and the total notes in circulation amounted to Rls. 88,500,000 million by the end of 1386.

Notes and Coins Held at the CBI

Notes and coins held at the CBI at end-1386 are as follows:

Notes and Coins Held at the CBI (million rials)		
	Year-end	
	1385	1386
Notes	619,772.5	1,200,338.9
Coins	108.1	106.5
Total	<u>619,880.6</u>	<u>1,200,445.4</u>

Loans and Credits

Total loans and credits extended to the government, its affiliated institutions

and corporations, and banks amounted to Rls. 187,175,442.9 million. This was after deducting Rls. 41,566,356.8 million as blocked debt in note cover and taking into account other adjustments.

Loans and Credits Extended

	Year-end	
	1385	1386
Government	80,167,822.0	73,574,495.4
Less blocked debt in note cover	<u>(23,789,529.2)</u>	<u>(41,566,356.8)</u>
	56,378,292.8	32,008,138.6
Government institutions and corporations	27,337,393.6	33,917,934.9
Banks	<u>40,040,680.5</u>	<u>121,249,369.4</u>
Total	<u>123,756,366.9</u>	<u>187,175,442.9</u>

**Government Revolving Funds
Kept with Banks**

On the basis of the agency contracts between the CBI and other banks, 12 percent of the balance of government accounts with each bank is kept as revolving fund. The total amount of the revolving fund was Rls. 16,444,623.3 million at the end of 1386.

Fixed Assets ⁽¹⁾

Fixed assets at the end of 1386 are as follows:

	Fixed Assets (million rials)		
	Immovable assets ⁽¹⁾	Movable assets	Total
Total price			
01.01.1386	7,789,198.6	148,676.3	7,937,874.9
Increase	75,111.8	12,924.1	88,035.9
Decrease	(60,700.0)	(713.3)	(61,413.3)
Adjustments	0	186.0	186.0
	<u>7,803,610.4</u>	<u>161,073.1</u>	<u>7,964,683.5</u>
Accumulated depreciation			
01.01.1386	30,039.9	106,744.2	136,784.1
Depreciation in 1386	187,281.4	7,949.0	195,230.4 ⁽²⁾
Depreciation of sold assets	0	(626.6)	(626.6)
Adjustments	0	173.3	173.3
Total on 29.12.1386	<u>217,321.3</u>	<u>114,239.9</u>	<u>331,561.2</u>
Net book value			
On 01.01.1386	<u>7,759,158.7</u>	<u>41,932.1</u>	<u>7,801,090.8</u>
On 29.12.1386	<u>7,586,289.1</u>	<u>46,833.2</u>	<u>7,633,122.3</u>

(1) It includes the final cost of the project related to the Museum of the Treasury of National Jewels. According to the timetable of the executive office (as stipulated in the Treasury's future program), the concrete skeleton will be completed by end-1388 and the total project by end-1390. (2) Depreciation in 1386 includes depreciation cost of bank, Print and Mint Organization and Takab Security Paper Mill and other items (adjustments) which were respectively Rls. 84.9, 98.5 and 11.8 billion.

(1) CBI's fixed assets were adequately insured during the review year.

Other Assets

Other assets held at the CBI at the end of 1386 are as follows:

Other Assets	(million rials)	
	Year-end	
	1385	1386
Silver holdings	13,762.0	7,036.9
Stamp holdings	441.7	430.9
Coin holdings	82,400.5	166,622.8
Investment in other institutions	134,188.7	134,188.7
Ancient coins	8.7	8.7
Miscellaneous assets	434,227.0	428,819.2
Revolving funds	951.0	333.8
Prepayments (mainly tax)	737,448.6	1,575,753.9
Temporary debtors	123,781.8	124,143.9
Provisionals	1,442.0	11,595.7
Projects to be completed	124,353.1	274,283.2
Result of conversion of foreign facilities	181,541.1	89,109.8
Claims for long-term facilities	<u>287,385.9</u>	<u>215,346.7</u>
Total	<u>2,121,932.1</u>	<u>3,027,674.2</u>

Customers' Undertakings regarding Opened Letters of Credit and Guarantees

Total customers' undertakings regarding opened letters of credit and guarantees at the end of 1386 are as follows:

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

	Year-end	
	1385	1386
Customers' undertakings regarding opened letters of credit in rials	11,418,779.4	4,312,768.5
Customers' undertakings regarding brokers' guarantees	2,701,238.5	2,947,645.9
Customers' undertakings regarding opened letters of credit in foreign exchange	<u>5,282,450.5</u>	<u>5,496,541.4</u>
Total	<u>19,402,468.4</u>	<u>12,756,955.8</u>

B. Liabilities

Notes Issued

New notes issued in 1386 totaled Rls. 21,000,000 million. Thus, total issued notes amounted to Rls. 88,500,000 million at the end of 1386.

Coins Issued

A total of Rls. 138,550.1 million coins were issued in 1386, bringing the total coins issued to Rls. 747,518.9 million at the end of 1386.

According to the Monetary and Banking Law and the advisory letter of the Minister of Economic Affairs and Finance, the ceiling for the issuance of coins was determined at Rls. 1,000,000 million.

CBI's Participation Papers

In 1386, based on Parliament's approval, Rls. 40,000,000 million participation papers were issued, of which Rls. 16,371,658 million were sold (net)⁽¹⁾. Corresponding figures of the previous year were Rls. 30,000,000 and 21,565,536 million, respectively.

Deposits

Total sight deposits of the government, government institutions and corporations, non-government public institutions and corporations, banks and credit institutions, together with other deposits, amounted to Rls. 750,806,607.8 million at the end of 1386, as is shown in the respective table.

According to Article 1 of the 4th FYDP Law, the government deposited Rls. 205,996,162.3 million into the OSF, the sum of which equaled \$23,174.3 million. Corresponding figures of the previous year were Rls. 87,517,201.1 million and \$9,555.3 million.

(1) In 1386, Rls. 22,826,665 million participation papers were sold, of which Rls. 6,455,007 million were repurchased.

	Deposits (million rials)	
	Year-end	
	1385	1386
Government	245,556,838.8	372,074,447.4
Government institutions and corporations	13,754,290.7	17,505,093.8
Non-government public institutions and corporations	1,848,536.8	2,017,948.7
Banks and credit institutions:		
Legal	185,965,578.6	236,995,926.0
Sight	18,148,766.8	14,444,716.2
Term investment	9,509,465.6	27,166,744.4
LCs and order registration	58,282.5	40,877.6
Sub-total	213,682,093.5	278,648,264.2
Others	<u>62,000,738.3</u>	<u>80,560,853.7</u>
Total	<u>536,842,498.1</u>	<u>750,806,607.8</u>

Income Tax

Income tax of the CBI on the basis of the Amended Direct Tax Law approved in 1380 was Rls. 4,956,536.1 million for 1386, of which Rls. 1,547,884.0 million was paid in the implementation of the Budget Law for 1386. Meanwhile, in terms of the tax for 1381 onwards, no consensus exists regarding the credit balance of foreign exchange assets' and liabilities' revaluation reserve. Based on the approval of the Cabinet on 12.02.1386, the mentioned balance is tax-exempt. According to the Executive Board of the CBI, there was no such liability at the date of the balance sheet.

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 1386 amounted to Rls. 8,866,259.0 million. The corresponding figure for the year 1385 was Rls. 6,556,974.0 million.

Other Liabilities

Other liabilities of the CBI amounted to Rls. 41,141,789.3 million at the end of 1386, as follows:

	Other Liabilities (million rials)	
	Year-end	
	1385	1386
Documents payable	21,163,005.6	24,139,318.4
SDR allocations	3,380,175.6	3,588,599.4
Foreign exchange drafts (payable in rial)	481.2	0
Sight deposits of departments within the bank	598,885.2	773,761.4
Creditors' suspense account in foreign exchange	3,987,855.9	4,190,698.3
Creditors' suspense account in rial	2,452,517.2	2,205,314.5
CBI's receipts in connection with the Algerian Decree	62,104.7	26,259.3
Liabilities related to projects to be completed	17,241.1	12,305.6
Long-term facilities extended by foreign banks	1,201,842.6	860,901.7
Issued Eurobonds	<u>12,188,000.0</u>	<u>5,245,500.0</u>
	45,052,109.1	41,042,658.6
0.5% allocated to low-income groups for provision of housing	<u>57,386.9</u>	<u>99,130.7</u>
Total	<u>45,109,496.0</u>	<u>41,141,789.3</u>

Retirement Benefits

Retirement benefits at the end of 1386 amounted to Rls. 158,421.2 million, as follows:

Retirement Benefits	
(million rials)	
At the beginning of 1386	102,471.0
In 1386	(18,586.8)
Expenditures in 1386	<u>74,537.0</u>
At end-1386	<u>158,421.2</u>

Capital

The CBI's capital amounted to Rls. 11,200,000 million at the end of 1386, indicating an increase of Rls. 837,000 million as compared with the previous year. This increase was financed from the contingency reserve of 1385, based on the proposal of the extraordinary General Assembly on 14.11.1386 and the Cabinet approval on 27.12.1386, subject of Article 10, the Monetary and Banking Law of Iran.

Legal Reserve

Based on 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 1386 was Rls. 4,426,724.7 million.

Legal Reserve (million rials)	
At the beginning of 1386	2,460,159.7
In 1386	<u>1,966,565.0</u>
Total	<u><u>4,426,724.7</u></u>

Contingency Reserve

According to 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 1386 is as follows:

Contingency Reserve

(million rials)	
At the beginning of 1386	869,533.0
Transfer to capital increase	(837,000.0)
Reserve in 1386	<u>3,777,159.0</u>
At end-1386	<u><u>3,809,692.0</u></u>

Reserve for Foreign Exchange Conversion

Foreign exchange assets' and liabilities' revaluation reserve in 1386 amounted to Rls. 97,614,190.1 million at 29.12.1386 rates.

	Reserve for Foreign Exchange Conversion (million rials)	
	Year-end	
	1385	1386
Gold	1,905,214.1	1,222,509.6
Quota and subscription to international agencies	1,649,015.6	1,803,177.6
Foreign exchange holdings	62,092,165.9	94,412,974.6
Clearing accounts	<u>237,562.3</u>	<u>175,528.3</u>
Total	<u><u>65,883,957.9</u></u>	<u><u>97,614,190.1</u></u>

Details of Profit and Loss Account
(Esfand 29, 1386)

A. Expenditures

Cost of Receiving Credit and Overdraft from Foreign Banks

The cost of receiving credit and overdraft from foreign banks amounted to Rls. 139,156.8 million as follows:

Cost of Receiving Credit and Overdraft from Foreign Banks

(million rials)

	Year-end	
	1385	1386
Correspondents	515.0	5,401.5
Overdraft	<u>128,649.5</u>	<u>133,755.3</u>
Total	<u>129,164.5</u>	<u>139,156.8</u>

Profit Paid on Foreign Exchange Accounts

Profit paid on foreign exchange accounts including banks' foreign exchange sight deposits with the CBI, amounted to Rls. 434,463.5 million. Moreover, a sum of Rls. 289,665.8 million was paid as profit by the CBI for receiving deposit from Bank Sepah in Frankfurt, Bank Saderat in Dubai, 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. 2,035,138 million was paid as rewards on legal deposit in 1386.

Profit Paid on CBI's Participation Papers

The profit accrued to CBI's participation papers amounted to Rls. 4,164,967.5 million in 1386 and this was considered in the accounts. The corresponding figure for 1385 was Rls. 2,402,064.4 million.

Profit Paid on Banks' Special Deposits

A total of Rls. 3,079,343.2 million was paid as profit on banks' special deposits in 1386.

Commission Paid on Banking Services

The commission paid on banking services by the CBI amounted to Rls. 390,023.9 million, as shown in the following table:

Commission Paid on Banking Services (million rials)

	1385	1386
Paid to banks for government accounts	375,000.0	375,000.0
Purchase of notes from abroad	3,367.8	5,258.0
Paid to correspondents	<u>10,382.5</u>	<u>9,765.9</u>
Total	<u>388,750.3</u>	<u>390,023.9</u>

Personnel and Administrative Expenditures

Personnel and administrative expenditures in 1386 and its comparison with the approved budget figures are shown in the following table:

Personnel and Administrative Expenditures (million rials)

	1385		1386	
	Approved budget	Performance	Approved budget	Performance
Personnel	578,438.0	543,769.1	665,367.0	632,349.9
Administrative	<u>343,973.3</u>	<u>296,411.7</u>	<u>387,965.5</u>	<u>316,204.1</u>
Total	<u>922,411.3</u>	<u>840,180.8</u>	<u>1,053,332.5</u>	<u>948,554.0</u>

Money Issue and Miscellaneous Printing Expenditures

The total money issue and miscellaneous printing expenditures were Rls. 648,392.4 million in the review year, mainly related to the increase in the cost of issuance of notes and coins.

Depreciation Cost

In 1386, a sum of Rls. 84,870.3 million was allocated as depreciation cost of movable and immovable assets, as follows:

Depreciation Cost (million rials)

	1385	1386
Movable assets	7,003.9	6,885.2
Immovable assets	<u>31,063.6</u>	<u>77,985.1</u>
Total	<u>38,067.5</u>	<u>84,870.3</u>

Additionally, a sum of Rls. 98,519.1 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. 14,810.3 million as follows:

	Other Expenditures (million rials)	
	1385	1386
Gold transportation and insurance	791.8	34.9
Eurobonds issuance	582.0	0
Contingent expenses	25,000.0	13,476.7
Differential of foreign exchange smuggling	<u>2,188.4</u>	<u>1,298.7</u>
Total	<u>28,562.2</u>	<u>14,810.3</u>

B. Revenues

Returns on Deposits and Investment Abroad

Returns on deposits and investment abroad amounted to Rls. 18,097,976.0 million, as follows:

	Returns on Deposits and Investment Abroad (million rials)	
	Year-end	
	1385	1386
Foreign exchange term deposits	10,210,811.6	16,638,347.0
Foreign exchange sight deposits & special & clearing accounts	622,967.0	658,844.8
Foreign bonds	5,360,480.9	5,766,452.5
Algerian Decree	236,545.6	314,947.8
SDR	145,359.3	154,019.7
Certificates of deposit (CDs)	410,979.4	649,261.8
Profit of OSF account	<u>(3,471,003.0)</u>	<u>(6,083,897.6)</u>
Total	<u>13,516,140.8</u>	<u>18,097,976.0</u>

Profit Received from Extended Facilities

The profit received from extended facilities in 1386 increased to Rls. 7,043,973.7 million, mainly due to the rise in the value

of concluded contracts related to the participation papers.

Profit Received from Extended Facilities (million rials)

	1385	1386
Government	77,487.2	351,019.5
Government institutions and corporations	769,222.3	1,343,499.4
Banks	2,442,988.1	5,345,727.1
Algerian Decree	<u>6,019.5</u>	<u>3,727.7</u>
Total	<u>3,295,717.1</u>	<u>7,043,973.7</u>

Commission Received for Banking Services

Commission received for banking services totaled Rls. 208,782.8 million, as follows:

Commission Received for Banking Services (million rials)

	Year-end	
	1385	1386
Letters of credit	163,511.2	201,262.0
Foreign exchange bills	13.4	152.0
Foreign exchange drafts	7,772.1	6,284.8
Domestic usance	2,439.6	0
Miscellaneous	<u>988.5</u>	<u>1,084.0</u>
Total	<u>174,724.8</u>	<u>208,782.8</u>

Result of Foreign Exchange and Gold Transactions

The income received from foreign exchange and gold transactions in 1386 was as follows:

Result of Foreign Exchange and Gold Transactions (million rials)

	Year-end	
	1385	1386
Foreign exchange losses	1,081,353.5	958,422.1
Profit derived from international bonds transactions	153,486.9	577,646.5
Profit received from gold transactions	0	2,717,572.0
Profit received from treasury documents transactions	<u>4,607.9</u>	<u>57,113.4</u>
	<u>1,239,448.3</u>	<u>4,310,754.0</u>
Revaluation of international bonds	<u>(918,383.8)</u>	<u>(30,685.4)</u>

Other Incomes

Other incomes of the CBI amounted to Rls. 2,264,234.1 million as is shown in the following table:

	Other Incomes (million rials)	
	Year-end	
	1385	1386
Profit from investment in other institutions	79,944.7	48,256.2
Miscellaneous revenues of the Print and Mint Organization, and Takab Security Paper Mill	243,709.0	221,388.4
Revenue received from sale of gold and jewelry, gold coins & bar	1,175,200.3	1,979,105.8
Miscellaneous	72,277.8	15,483.7
Total	<u>1,571,131.8</u>	<u>2,264,234.1</u>

Appropriation Account

The net profit of the CBI in 1386 amounted to Rls. 19,665,649,609 thousand.

The net profit of Rls. 750 thousand was carried forward and added to the above figure, bringing the total amount to Rls. 19,665,650,360 thousand which was proposed to be appropriated as follows:

	Appropriation Account (thousand rials)	
	1385	1386
Income tax	2,869,344,933	4,956,536,064
Transfer to legal reserve	1,139,243,668	1,966,564,961
Transfer to contingency reserve	769,487,000	3,777,159,000
Share of the government in net profit	6,556,974,000	8,866,259,000
0.5 percent allocated to low-income groups for provision of housing	57,386,899	99,130,721
Balance of net profit carried forward	750	614
Total	<u>11,392,437,250</u>	<u>19,665,650,360</u>