

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 1395
(March 20, 2017)**

EXECUTIVE BOARD AND VICE-GOVERNORS

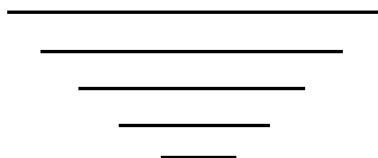
<i>Valiollah Seif</i>	<i>(as of 05.06.1392)</i>	<i>Governor of Central Bank</i>
<i>Akbar Komijani</i>	<i>(as of 30.10.1392)</i>	<i>Deputy Governor</i>
<i>Seyed Mahmoud Ahmadi</i>	<i>(as of 09.10.1388)</i>	<i>Secretary General</i>
<i>Gholamali Kamyab</i>	<i>(as of 18.06.1392)</i>	<i>Vice-Governor for Foreign Exchange Affairs</i>
<i>Bahman Mesgarha</i>	<i>(as of 09.10.1388)</i>	<i>Vice-Governor for Administrative and Training Affairs</i>
<i>Peyman Ghorbani</i>	<i>(as of 07.11.1392)</i>	<i>Vice-Governor for Economic Affairs</i>
<i>Hossein Noghrekar Shirazi</i>	<i>(as of 30.02.1394)</i>	<i>Vice-Governor for Legal and Parliamentary Affairs</i>
<i>Farshad Heidari</i>	<i>(as of 22.02.1395)</i>	<i>Vice-Governor for Banking Supervision Affairs</i>
<i>Ali Kermanshah</i>	<i>(as of 28.07.1394)</i>	<i>Vice-Governor for IT Technology</i>



<i>Hamid Tehranfar</i>	<i>(until 21.02.1395)</i>	<i>Vice-Governor for Banking Supervision Affairs</i>
<i>Mehdi Goudarzi</i>	<i>(until 24.05.1395)</i>	<i>Vice-Governor for International Affairs</i>

MONEY AND CREDIT COUNCIL

<i>Valiollah Seif</i>	<i>(as of 05.06.1392)</i>	<i>Governor of Central Bank</i>
<i>Ali Tayebnia</i>	<i>(as of 24.05.1392)</i>	<i>Minister of Economic Affairs and Finance</i>
<i>Mohammad Bagher Nobakht</i>	<i>(as of 20.05.1392)</i>	<i>Vice-President and Head of Management and Planning Organization</i>
<i>Mohammad Reza Nematzadeh</i>	<i>(as of 24.05.1392)</i>	<i>Minister of Industry, Mine, and Trade</i>
<i>Mahmoud Hojjati</i>	<i>(as of 24.05.1392)</i>	<i>Minister of Agriculture-Jahad</i>
<i>Ali Rabiei</i>	<i>(as of 24.05.1392)</i>	<i>Minister of Cooperatives, Labor, and Social Welfare</i>
<i>Mohammad Jafar Montazeri</i>	<i>(as of 17.01.1395)</i>	<i>Attorney General</i>
<i>Gholamhossein Shafeie</i>	<i>(as of 14.06.1395)</i>	<i>Head of Iran Chamber of Commerce, Industries, Mines, and Agriculture</i>
<i>Bahman Abdollahi</i>	<i>(as of 20.11.1393)</i>	<i>Head of Iran Central Chamber of Cooperatives</i>
<i>Mohammad Reza Tabesh</i>	<i>(as of 22.04.1395)</i>	<i>Member of Parliament</i>
<i>Elyas Hazrati</i>	<i>(as of 22.04.1395)</i>	<i>Member of Parliament</i>
<i>Mohammad Nahavandian</i>	<i>(as of 15.08.1392)</i>	<i>Bank Expert Selected by President</i>
<i>Seyed Safdar Hosseini</i>	<i>(as of 15.08.1392)</i>	<i>Bank Expert Selected by President</i>



<i>Mohsen Jalalpour</i>	<i>(until 13.06.1395)</i>	<i>Head of Iran Chamber of Commerce, Industries, Mines, and Agriculture</i>
<i>Mohammad Reza Poorebrahimi</i>	<i>(until 21.04.1395)</i>	<i>Member of Parliament</i>
<i>Hadi Ghavami</i>	<i>(until 21.04.1395)</i>	<i>Member of Parliament</i>

BOARD OF AUDITORS

<i>Hossein Kasiri</i>	<i>(as of 05.09.1393)</i>	<i>Chairman</i>
<i>Mohammad Pirhadi</i>	<i>(as of 01.04.1395)</i>	<i>Member</i>
<i>Seyed Mostafa Mousavi</i>	<i>(as of 01.10.1392)</i>	<i>Member</i>

NOTE-RESERVE CONTROL BOARD

<i>Valiollah Seif</i>	<i>(as of 05.06.1392)</i>	<i>Governor of Central Bank</i>
<i>Seyed Rahmatollah Akrami</i>	<i>(as of 02.07.1387)</i>	<i>Deputy Minister for Financial Supervision and Treasury Affairs, Ministry of Economic Affairs and Finance</i>
<i>Seyed Ahmad Mortazavi Moghaddam</i>	<i>(as of 15.07.1385 until 03.11.1395)</i>	<i>Deputy Attorney General</i>
<i>Mohammad Mosaddegh</i>	<i>(as of 04.11.1395)</i>	<i>Deputy Attorney General</i>
<i>Hossein Kasiri</i>	<i>(as of 05.09.1393)</i>	<i>Chairman of the Board of Auditors in Central Bank</i>
<i>Adel Azar</i>	<i>(as of 30.04.1395)</i>	<i>President of the Supreme Audit Court</i>
<i>Masoumeh Aghapour</i>	<i>(as of 20.05.1395)</i>	<i>Member of Parliament</i>
<i>Zahra Saeedi</i>	<i>(as of 20.05.1395)</i>	<i>Member of Parliament</i>

<i>Amin Hossein Rahimi</i>	<i>(until 29.04.1395)</i>	<i>President of the Supreme Audit Court</i>
<i>Seyed Saeed Zamanian</i>	<i>(until 19.05.1395)</i>	<i>Member of Parliament</i>
<i>Seyed Mohammad Hossein Mirmohammadi</i>	<i>(until 19.05.1395)</i>	<i>Member of Parliament</i>

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

As at the end of 1395

(March 20, 2017)

BALANCE SHEET
AS AT THE END OF 1395 (March 20, 2017)

ASSETS	Note	March 20, 2017 (end-1395)	March 19, 2016 (end-1394)
Notes, Iran-Checks, and coins held at the Central Bank	4	50,134	30,654
Free gold holdings		109,658	102,744
Foreign exchange assets		2,923,223	3,129,705
Loans and credits to:	5		
Government (less blocked debt in note cover)		105,064	74,156
Government institutions and corporations		302,329	276,188
Banks		1,000,657	836,261
		1,408,050	1,186,605
Banknotes and Iran-Checks coverage	6	530,000	455,000
Fixed assets (tangible and intangible)	7	11,097	10,869
Other assets	8	14,760	11,301
Total assets		5,046,922	4,926,878
Customers' undertakings regarding Letters of Credit (L/Cs) and Guarantees	35	10,293	12,721
Central Bank Employees' Pension, Savings, and Cooperative Funds	36	9,338	7,415

**VALUE IN
BILLION RIALS**

LIABILITIES AND SHAREHOLDERS' EQUITY	Note	March 20, 2017 (end-1395)	March 19, 2016 (end-1394)
Liabilities:			
Deposits:			
	9		
Government (sight)		1,419,197	1,564,178
Government institutions and corporations (sight)		61,533	50,780
Non-government public institutions and corporations (sight)		3,498	1,663
Banks and non-bank credit institutions:			
Legal deposit		1,300,969	1,053,819
Sight and term deposits, advance payments on banks' L/Cs, and other deposits		351,034	296,638
		3,136,231	2,967,078
Banknotes issued	10	255,000	245,000
Iran-Checks issued	11	275,000	238,745
Coins issued	12	5,115	3,924
Income tax	13	0	7,273
Other accounts payable	14	282,739	263,951
		3,954,085	3,725,971
Retirement benefits	15	2,073	1,768
Total liabilities		3,956,158	3,727,739
Shareholders' equity:			
Capital	16	48,400	48,400
Legal reserve	17	37,062	34,059
Contingency reserve	18	3,996	119
Foreign exchange revaluation account	19	436,097	375,491
Excess funds resulted from revaluation of net foreign assets	20	565,209	741,070
Net profit carried forward		0	0
Total shareholders' equity		1,090,764	1,199,139
Total liabilities and shareholders' equity		5,046,922	4,926,878
Customers' undertakings regarding Letters of Credit (L/Cs) and Guarantees	35	10,293	12,721
Central Bank Employees' Pension, Savings, and Cooperative Funds	36	9,338	7,415

PROFIT AND LOSS ACCOUNT
AS AT THE END OF 1395 (March 20, 2017)
(Value in Billion Rials)

	Note	March 20, 2017 (end-1395)	March 19, 2016 ▲ (end-1394)
Revenues:			
Returns on deposits and investment abroad	21	22,321	23,205
Profit received from extended facilities	22	22,762	54,450
Commission received for banking services	23	6,341	3,185
Result of foreign exchange transactions	24	11,622	6,867
Other revenues	25	1,832	1,334
Total revenues		64,878	89,041
Less (expenditures):			
Rewards paid on banks' legal deposit	26	(11,529)	(9,273)
Profit paid on banks' special deposits	27	(4)	(4)
Commission paid on banking services	28	(10,709)	(6,725)
Cost of receiving credit and overdraft from foreign banks	29	(90)	(31)
Profit paid on foreign exchange accounts	30	(78)	(55)
		(22,410)	(16,088)
Personnel, administrative, and retirement expenditures	31	(8,110)	(7,090)
Money issue and miscellaneous printing expenditures	32	(3,467)	(2,275)
Depreciation cost	33	(746)	(168)
Other expenditures	34	(119)	(92)
		(12,442)	(9,625)
Earnings before taxes		30,026	63,328
Income tax	13	(7,975)	(16,111)
Net profit		22,051	47,217
Accumulated Profit (Loss)			
Net profit		22,051	47,217
Balance at the beginning of the year		0	0
Appropriated profit		22,051	47,217
Appropriation account:			
Share of government in net profit	14.1	(15,013)	(40,464)
Legal reserve	17	(3,003)	(6,333)
Contingency reserve	18	(3,876)	(98)
0.5 percent of net profit allocated to low-income groups for housing provision		(159)	(322)
Balance of profit at year-end		0	0

Supplemental Notes on CBI Financial Statements as at the end of 1395 (March 20, 2017)

1. CBI Structure, History, and Activities

Central Bank of the Islamic Republic of Iran (CBI) was established on Mordad 18, 1339 (August 8, 1960), based on the Monetary and Banking Law of Iran approved in 1339 (1960). CBI main office is located in Tehran.

Article 10 of the Monetary and Banking Law of Iran states that the CBI has the mandate of designing and implementing the monetary and credit policies, in conformance with the general economic policies of the country (Paragraph A).

Paragraph (B), Article 10 of Monetary and Banking Law of Iran sets the aims of CBI as to preserve the value of national currency and equilibrium in the external balance of payments, to facilitate trade transactions, and to assist the economic growth of the country.

The CBI is a legal entity and on issues not specifically addressed in Monetary and Banking Law, is subject to the regulations pertaining to joint-stock companies (Paragraph (C), Article 10).

As the body responsible for the design and implementation of the monetary and credit system of the country, the CBI is obligated to perform the following functions (Article 11, Monetary and Banking Law of Iran):

- Issuance of notes and coins constituting the currency of the country;
- Supervision of banks and credit institutions;
- Regulation and management of foreign exchange transactions, guarantees on foreign currency payments as authorized by the monetary policy authority (Money and Credit Council (MCC)), and supervision and oversight on foreign exchange transactions;

- Oversight on gold transactions, regulation and management of gold transactions with the approval of the Cabinet;

- Management of the outflow and the repatriation of national currency after approval of relevant policy measures by the monetary policy authority (MCC).

CBI, as banker to the government, is obligated to perform the following functions (Article 12, Monetary and Banking Law of Iran):

- Account keeping for ministries, public companies, government institutions, municipalities and other entities affiliated to the government, and the management of the banking operations for such entities inside and outside the country;

- Conservation and management of foreign exchange and gold reserves of the country;

- Safekeeping of IMF rial accounts, as well as the accounts of the International Bank for Reconstruction and Development, the International Development Association, the International Finance Corporation, and other institutions affiliated to the mentioned institutions;

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

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

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

- Guarantee on government commitments or other commitments made by ministries or other governmental organizations, subject to legal authorization;

- Granting and guaranteeing of loans and credits to public enterprises, municipalities, and other relevant organizations, subject to adequate collateral;

- Purchase and sale of government participation papers as well as bonds issued by foreign governments or accredited international financial organizations;

- Purchase and sale of gold and silver;

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

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

- Determining the official rediscount and lending rates;

- Determining ratio of banks' liquid assets to their total assets;

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

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

- Formulating regulations governing the opening of current, savings, and other types of banking accounts.

According to Article 16, Monetary and Banking Law of Iran, 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;

5- The Supervisory Board (Board of Auditors).

The capital of CBI is Rls. 48,400 billion, of which Rls. 6,600 billion has been covered by revaluation of CBI assets in the year 1385.

The number of CBI employees remained unchanged in 1395 compared with the year before. However, the composition of CBI staff improved relatively in regard to the education levels.

2. Financial Statements Standard

Except for the revaluation of fixed assets in the year 1385, as per Article 7, 4th FYDP Law, CBI financial statements are prepared and submitted in conformance with historical cost accounting principle.

3. Accounting Principles

3.1. Investments

3.1.1. Valuation

Investments are valued at cost price and provisions are applied for capital depreciation.

3.1.2. Revenue Recognition Principle

Investment income recognition is applied in accordance with investment profit approved by the General Meeting of the investee (investment receiving) company at the date of balance sheet.

3.2. Fixed Tangible Assets

3.2.1. Fixed tangible assets are recorded in accounts based on cost price. Repair and maintenance expenditures that lead to a remarkable rise in the useful economic life or service capacity of fixed assets or a substantial improvement in the quality of output, are recognized as capital expenditures and are amortized over the individual useful economic life of related assets. Minor repair and maintenance expenditures on enhancing the economic benefits of the assets to the business for the previously assessed standard performance for the initial measurement and routine maintenance expenditures 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 04.11.1395.

Depreciation of Fixed Assets	
Assets	Depreciation Rate and Method
Building	25 years (straight-line)
Equipment	10 years (straight-line)
Machinery	5, 8, 10, and 15 years (straight-line)
Vehicles	6 years (straight-line)
Computer hardware	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 as of the beginning of next month to be included in accounts. In case of depreciable assets that are not utilized after preparation phase, due to various reasons for more than 6 consecutive months, a depreciation rate of 30 percent of the rate stipulated in the previous table is applied.

3.3. Intangible Assets

Intangible assets are included on the company's balance sheet based on cost price. Operational and administrative software are amortized following the straight-line method over the course of 3 years.

3.4. Revaluation of Foreign Currency

Foreign exchange assets and liabilities are revaluated at year-end based on the official exchange rate and the balance is deposited into 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, considering the lower of cost or market price (value). 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 590 th MCC Meeting Minutes on 22.05.1365
Penalties on late payments	Time-based, with due consideration of arrears and determined rate as per 590 th MCC Meeting Minutes on 22.05.1365
Penalties on overdraft	Based on outstanding debt and determined rate as per 590 th MCC Meeting Minutes on 22.05.1365
Commission received	In proportion with rendered services, on accrual basis

4. Notes, Iran-Checks, and Coins Held at the Central Bank

Notes, Iran-Checks, and coins held at the CBI at end-1395 were as follows:

Notes, Iran-Checks, and Coins Held at the CBI (billion rials)		
	end-1395	end-1394
Notes	32,285.6	23,613.6
Iran-Checks	17,750.6	7,038.5
Sub-total	50,036.2	30,652.1
Coins	97.6	2.3
Total	50,133.8	30,654.4

5. Loans and Credits

Total loans and credits extended to the government, its affiliated institutions and corporations, as well as banks amounted to Rls. 1,408,050.1 billion at end-1395. This was after deducting Rls. 5,836.3 billion as blocked debt in note cover as in the respective table.

banking regulations, a sum of Rls. 10,000 billion of banknotes were issued after the currency coverage; hence, total banknotes in circulation reached Rls. 255,000 billion by the end of 1395. Moreover, Rls. 65,000 billion worth of Iran-Checks were issued after the currency coverage in 1395, bringing the total amount of issued Iran-Checks after the currency coverage to Rls. 275,000 billion by end-1395.

Loans and Credits (billion rials)		
	end-1395	end-1394
Government	146,580.7	126,553.8
Less: blocked debt in note cover and other adjustments	(41,516.3)	(52,397.6)
Sub-total	105,064.4	74,156.2
Government institutions and corporations	302,328.7	276,188.2
Banks	1,000,657.0	836,260.6
Total	1,408,050.1	1,186,605.0

6. Banknotes and Iran-Checks Coverage

On the basis of the currency needs of the country and according to the monetary and

7. Fixed Assets¹ (Tangible and Intangible)

Fixed tangible and intangible assets at the end of 1395 were as follows:

Fixed Assets (billion rials)					
	Immovable assets ¹	Movable assets	Total tangible assets	Intangible assets	Grand Total
Total price					
Balance on 01.01.1395	12,173.8	514.9	12,688.7	101.7	12,790.4
Increase during 1395	1,314.8	53.3	1,368.1	1.1	1,369.2
Decrease during 1395	(0.0)	(1.0)	(1.0)	(0.0)	(1.0)
Transfers and others	139.0	(5.7)	133.3	0.0	133.3
Total on 30.12.1395	13,627.6	561.5	14,189.1	102.8	14,291.9
Accumulated depreciation					
Balance on 01.01.1395	1,552.2	278.2	1,830.4	91.1	1,921.5
Depreciation in 1395 ²	1,140.0	135.4	1,275.4	4.9	1,280.3
Depreciation of sold assets	(0.0)	(0.9)	(0.9)	(0.0)	(0.9)
Transfers and others	(0.6)	(5.6)	(6.2)	(0.0)	(6.2)
Total on 30.12.1395	2,691.6	407.1	3,098.7	96.0	3,194.7
Net book value					
Balance on 01.01.1395	10,621.6	236.7	10,858.3	10.6	10,868.9
Balance on 30.12.1395	10,936.0	154.4	11,090.4	6.8	11,097.2

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

²Includes depreciation costs of CBI policymaking and support divisions by Rls. 745.9 billion, executive office of construction projects by Rls. 1.8 billion, Print and Mint Organization by Rls. 257.2 billion, and Takab Securities Paper Mill by Rls. 275.4 billion, totaling Rls. 1,280.3 billion.

¹ CBI's fixed assets enjoyed sufficient insurance coverage during 1395.

8. Other Assets

Investments by the CBI and other assets of the CBI at end-1395 were as follows:

Investments and Other Assets (billion rials)		
	end-1395	end-1394
Investments in other institutions	290.5	290.5
Facilities allocated to employees	11,212.3	7,791.3
Silver holdings	72.9	75.4
Stamp holdings	0.4	0.4
Coin holdings	56.0	224.8
Miscellaneous assets	1,268.8	1,045.2
Revolving funds	2.3	2.1
Prepaid expenses	144.0	193.1
Debtors' suspense account	1,130.4	1,167.9
Provisional accounts	32.0	48.3
Assets related to projects to be completed	550.7	461.7
Total	14,760.3	11,300.7

9. Deposits

Total sight deposits of the government, government institutions and corporations, non-government public institutions and corporations, and banks and non-bank credit institutions, as well as other deposits amounted to Rls. 3,136,231.1 billion at the end of 1395.

10. Banknotes Issued

New banknotes issued in 1395 amounted to Rls. 10,000 billion, bringing the total amount of issued banknotes to Rls. 255,000 billion at the end of the year.

11. Iran-Checks Issued

According to the Cabinet Approval dated 21.12.1386, Central Bank of the Islamic Republic of Iran issued Iran-Checks in 1395. Circulation of issued Iran-Checks is shown in the respective table.

12. Coins Issued

Total coins in circulation amounted to Rls. 5,114.9 billion at the end of 1395, up by Rls. 1,191.0 billion compared with 1394.

13. Income Tax

Income tax of the CBI was paid and settled by end-1394. Based on the Amended Direct Tax Law approved in 1380, CBI income tax reserve was Rls. 7,974.5 billion for 1395. Moreover, Rls. 11,875.0 billion was paid in implementation of Section (1), Paragraph (C), Article 224 of 5th FYDP Law.

Income Tax (billion rials)		
	1395	1394
Balance at the beginning of the year	7,273.1	645.9
Income tax reserve	7,974.5	16,111.1
Sub-total	15,247.6	16,757.0
Prepaid income tax and the amount remaining from previous years	(19,161.5)	(9,483.9)
Balance at year-end (excess amount paid)	(3,913.9)	7,273.1
Transfer to government debt	3,913.9	0.0
Total at year-end	0.0	7,273.1

Iran-Checks Issued

	500,000-rial Iran-Checks		1,000,000-rial Iran-Checks		Total
	Number (million)	Value (billion rials)	Number (million)	Value (billion rials)	Value (billion rials)
Opening balance on 01.01.1395	403.9	201,984.6	36.8	36,760.7	238,745.3
Check cancellation and destruction in 1395	(56.9)	(28,484.6)	(0.3)	(260.7)	(28,745.3)
Issuance during 1395	130.0	65,000.0	0.0	0.0	65,000.0
Total	477.0	238,500.0	36.5	36,500.0	275,000.0

14. Other Accounts Payable

CBI other accounts payable (liabilities) at end-1395 amounted to Rls. 282,739.0 billion as follows:

Other Accounts Payable (Liabilities)		
	(billion rials)	
	end-1395	end-1394
Documents payable	131,558.2	121,704.6
SDR allocations	62,196.2	59,831.8
Sight deposits of CBI departments	21,208.5	12,671.3
Creditors' suspense account in foreign exchange	13,090.4	15,120.4
Creditors' suspense account in rials	54,278.6	31,286.1
Share of government in net profit	0.0	22,811.3
CBI's receipts in connection with the Algerian Decree	13.1	13.1
Liabilities related to projects to be completed	179.7	91.6
Revenue received in advance	54.8	98.1
Sub-total	282,579.5	263,628.3
0.5% allocated to low-income groups for provision of housing	159.5	322.2
Total	282,739.0	263,950.5

14.1. Based on Article 25 of the Monetary and Banking Law, the net profit of the CBI after appropriation as per Paragraph (A), belongs to the government. The government's share in the net profit of the CBI amounted to Rls. 15,012.8 billion in 1395, compared with Rls. 40,464.3 billion in 1394. Meanwhile, a sum of Rls. 23,750.0 billion was paid in implementation of Section (2), Paragraph (C), Article 224 of 5th FYDP Law in 1395 and the excess amount was transferred to government debt.

15. Retirement Benefits

Retirement benefits at the end of 1395 amounted to Rls. 2,073.3 billion, as follows:

Retirement Benefits (billion rials)		
	1395	1394
Balance at the beginning of the year	1,768.2	1,472.6
Payment during the year	(441.4)	(269.5)
Reserve during the year	746.5	565.1
Balance at year-end	2,073.3	1,768.2

16. Capital

The CBI's capital amounted to Rls. 48,400 billion at end-1395. A sum of Rls. 6,600 billion of the mentioned amount was financed out of the revaluation reserve of CBI's fixed assets in the year 1385.

17. Legal Reserve

According to Paragraph (A), Article 25 of the Monetary and Banking Law, 10 percent of the net profit of the CBI is required to be appropriated to the legal reserve account until the said reserve equals the CBI's capital. The balance of the legal reserve at end-1395 was Rls. 37,061.9 billion as follows:

Legal Reserve (billion rials)	
Legal reserve at the beginning of 1395	34,059.4
Legal reserve during 1395	3,002.5
Total	37,061.9

18. Contingency Reserve

Based on Paragraph (A), Article 25 of the Monetary and Banking Law, a certain amount is to be appropriated to the contingency reserve account each year, based on the proposal of the CBI and the approval of the General Meeting. The contingency reserve for 1395 was as follows:

Contingency Reserve (billion rials)		
	1395	1394
Contingency reserve at the beginning of the year	119.5	5,021.4
Transfer to capital increase	(0.0)	(5,000.0)
Reserve during the year	3,876.2	98.1
Balance at year-end	3,995.7	119.5

19. Foreign Exchange Revaluation Account

The balance of the revaluation of foreign assets and liabilities account at end-1395, after deduction of paid tax, amounted to Rls. 436,097.0 billion based on year-end rates (30.12.1395).

	Foreign Exchange Revaluation Account (billion rials)	
	1395	1394
Balance at the beginning of the year	375,490.6	234,299.3
Increase during the year	60,606.4	141,191.3
Balance at year-end	436,097.0	375,490.6

20. Excess Funds Resulted from Revaluation of Net Foreign Assets

The balance of the excess funds resulted from the revaluation of CBI net foreign assets account, subject of Approval No. 333/26542 by the Parliament on 01.05.1392, amounted to Rls. 565,209.5 billion at end-1395.

21. Returns on Deposits and Investment Abroad

Returns on deposits and investment abroad amounted to Rls. 22,321.3 billion, as follows:

	Returns on Deposits and Investment Abroad (billion rials)	
	end-1395	end-1394
Term investment deposits in foreign exchange	34,742.4	34,748.4
Sight deposits in foreign exchange, special and clearing accounts	108.2	396.8
International bonds	623.2	785.5
Algerian Decree	126.6	44.4
Special Drawing Right (SDR)	123.1	32.1
Profit of NDFI	(13,029.4)	(12,405.6)
Profit of OSF	(372.8)	(396.3)
Total	22,321.3	23,205.3

22. Profit Received from Extended Facilities

The profit received from extended facilities in 1395 amounted to Rls. 22,761.8 billion.

	Profit Received from Extended Facilities (billion rials)	
	1395	1394
Government institutions and corporations	366.5	1,541.0
Banks	22,270.4	52,824.6
Employees	124.9	84.1
Total	22,761.8	54,449.7

23. Commission Received for Banking Services

Commission received for banking services totaled Rls. 6,340.4 billion in 1395.

24. Result of Foreign Exchange Transactions

In 1395, the result of foreign exchange transactions was as follows:

	Result of Foreign Exchange Transactions (billion rials)	
	end-1395	end-1394
Foreign exchange differential income	11,791.5	7,095.7
Profit received from transaction of international bonds	(10.4)	(14.8)
Profit received from transaction of treasury documents	0.0	10.9
Total	11,781.1	7,091.8
Loss incurred due to depreciation of international bonds	(158.9)	(224.9)
Grand total	11,622.2	6,866.9

According to the Note under Article 5 of the Monetary and Banking Law, international bonds are valued at purchase price and the net book value of such bonds in the international markets.

25. Other Revenues

CBI other revenues totaled Rls. 1,832.0 billion in 1395, as is shown in the following table:

Other Revenues (billion rials)		
	end-1395	end-1394
Profit from investment in other institutions	578.1	815.6
Miscellaneous revenues of the Print & Mint Organization & Takab Securities Paper Mill	191.6	137.9
Revenue received from sale of gold coins	446.6	255.0
Miscellaneous	615.7	125.8
Total	1,832.0	1,334.3

26. Rewards Paid on Banks' Legal Deposit

As approved at the 788th Meeting of MCC on 15.12.1371, a sum of Rls. 11,529.0 billion was paid as rewards on legal deposit in 1395.

27. Profit Paid on Banks' Special Deposits

In 1395, a total of Rls. 3.6 billion was paid as profit on banks' special deposits.

28. Commission Paid on Banking Services

The commission paid on banking services totaled Rls. 10,709.4 billion in 1395.

29. Cost of Receiving Credit and Overdraft from Foreign Banks

The cost of receiving credit and overdraft from foreign banks amounted to Rls. 89.7 billion in 1395.

30. Profit Paid on Foreign Exchange Accounts

In 1395, the profit paid on foreign exchange accounts, including banks' foreign exchange sight deposits with the CBI, amounted to Rls. 78.3 billion.

31. Personnel, Administrative, and Retirement Expenditures

Personnel, administrative, and retirement expenditures in 1395 and their comparison with the approved budget figures are shown in the following table:

Personnel, Administrative, and Retirement Expenditures (billion rials)				
	1395		1394	
	Approved budget	Performance	Approved budget	Performance
Personnel	5,412.0	4,502.8	4,312.9	3,982.0
Administrative	2,852.9	2,433.8	2,082.7	1,828.1
Retirement	1,600.0	1,173.9	1,350.0	1,280.2
Total	9,864.9	8,110.5	7,745.6	7,090.3

32. Money Issue and Miscellaneous Printing Expenditures

The total money issue and miscellaneous printing expenditures reached Rls. 3,467.2 billion in 1395, mainly due to the issuance costs of banknotes, Iran-Checks, and coins.

33. Depreciation Cost

In 1395, a sum of Rls. 745.8 billion was allocated as depreciation cost of movable and immovable assets, as follows:

Depreciation Cost (billion rials)		
	1395	1394
Movable assets	114.9	62.2
Immovable assets	630.9	106.1
Total	745.8	168.3

Moreover, a sum of Rls. 257.2 billion related to depreciation cost of movable and immovable assets and the machinery of the Print and Mint Organization and Rls. 221.8 billion of Takab Securities Paper Mill costs (in total Rls. 479.0 billion) were accounted as depreciation costs. Of the mentioned Rls. 221.8 billion related to the depreciation cost of assets as well as the machinery of Takab Securities Paper Mill, Rls. 217.8 billion was related to current expenditures and Rls. 4.0 billion was related to the drawdown inventory levels of the beginning of the year.

34. Other Expenditures

Other expenditures in 1395 amounted to Rls. 118.7 billion as follows:

	Other Expenditures (billion rials)	
	1395	1394
Gold transportation, insurance, other	0.0	0.6
Contingent expenses (remaining from tax of the year 1391)	118.7	90.9
Total	118.7	91.5

35. Customers' Undertakings regarding Letters of Credit and Guarantees

Contra accounts related to Letters of Credit (L/Cs), guarantees, and customers' undertakings in this regard at the end of 1395 were as follows:

	Customers' Undertakings regarding Letters of Credit and Guarantees (billion rials)	
	end-1395	end-1394
Customers' undertakings regarding letters of credit in rials	2,628.9	5,267.0
Customers' undertakings regarding letters of credit opened in foreign currency	2,348.0	2,118.1
Sub-total	4,976.9	7,385.1
Brokers' Letters of Guarantee	5,316.0	5,299.5
Issued Letters of Guarantee	0.0	36.7
Total	10,292.9	12,721.3

36. Central Bank Employees' Pension, Savings, and Cooperative Funds

The accounts of pension, savings, and cooperative funds of CBI employees at end-1395 were as follows:

	Pension, Savings, and Cooperative Funds (billion rials)	
	end-1395	end-1394
Pension Fund	7,000.7	5,721.8
Savings Fund	809.3	644.2
Cooperative Fund	1,528.0	1,048.8
Total	9,338.0	7,414.8

Based on the 1137th and 1216th MCC Meeting Approvals in 1390 and 1394, the actuarial calculations and reviews related to the pension fund of CBI employees are performed every 3 years.

37. Appropriation Account

The net profit of the CBI in 1395 amounted to Rls. 30,025,520,103 thousand. The balance of net profit of Rls. 84 thousand was carried forward and added to the above figure, bringing the total to Rls. 30,025,520,187 thousand, which was proposed to be appropriated as in the following table:

	Appropriation Account (thousand rials)	
	1395	1394
Income tax	7,974,513,103	16,111,148,506
Transfer to legal reserve	3,002,552,010	6,332,855,434
Transfer to contingency reserve	3,876,204,000	98,051,000
Share of government in net profit	15,012,760,000	40,464,277,000
0.5 percent allocated to low-income groups for housing provision	159,490,262	322,222,970
Balance of net profit carried forward	812	84
Total	30,025,520,187	63,328,554,994