

International 
Development Bank



CHAIRMAN'S MESSAGE

Mueen Hussain Al Hashimi
Chairman of the Board of Directors



In 2014 we were able to keep our aspirations alive to be the best commercial banking institutions in Iraq, whereby we were categorized by the Union of Arab Banks Forum, as one of the leading private banks in terms of its assets and profitability.

IDB also went through a rigorous external audit conducted by the Ernst & Young, one of the leading audit firms of the world, who were appointed by the Central Bank of Iraq to measure the banks asset classification test. I am pleased to inform you that IDB has been ranked as one the best banks in Iraq with regards to this classification. We were also privileged to be categorized in the top three best private banks by “Bankers Almanac” based on our year on year financial performance.

We run our business with prudent risk management approach, a cautious compliance and corporate governance mindset. By incorporating stringent tests the Bank duly identifies and mitigates the risks to which it might be exposed. Security, Business Continuity Planning processes and safeguard of Customer’s deposits are implemented to enable the Bank to continue critical operations and limit losses in the event of business disruptions.

International Development Bank (IDB) Iraq is constantly on the watch of reviewing all processes as mandated by Internal / External Audit. IDB Iraq has ring-fenced Anti Money Laundering / Counter Financing of Terrorism policies and procedures which are regularly updated and meticulously implemented to safeguard the interests of all our stakeholders. With the implementation of FATCA requirements, IDB Iraq has been registered with IRS and obtained a GIIN. Whereas introduced and embedded in KYC forms in accordance with international requirements. FATCA training programs were introduced to ensure our staff is well versed with these new procedures.

International Development Bank aims on attracting the best workforce in the market. Developing and nurturing our employees, providing them extensive training programs which are designed carefully as per skill set. We aim to be the employer of choice within the financial institutions in Iraq.

2015 will be a year of sustainability and growth. Robust headline growth of the Iraqi economy in 2015 will result from accelerating oil exports. Conversely, domestic expansion will be progressing in construction and import sectors providing growth for the financial sector.

We have progressed very well with our E Banking initiatives, deploying 20 ATM machines across our branches in Iraq and further expansion plans of installing 100 more in the year to come. On the Credit Cards/ Debit Cards front we have issued 2000 Cards and aspire to reach 100,000 cards by year end. Our major focus has been payroll accounts while partnering with other Government Institutions and Banks we have offered salary withdrawals through ATM cards.

International Development Bank of Investment and Finance is increasing its foot print across the country and plans to open 23 branches by year end 2015; as well as building our new Head Office in the heart of Baghdad, which is progressing swiftly.

Moreover, the Bank’s new Head Office is designed to be one of the state-of-art facilities in Baghdad Iraq while focusing on green energy conservation. We shall face the future with a stronger footing and continue to add value to all our stakeholders.

Going forward, the key strategic priorities continue to be the increased efficiency of our operations and expansion into niche markets locally while we aspire to be a key player in the GCC market.

Warm Regards

Mueen Hussain Al Hashimi
Chairman



Fouad Mohammed Al-Jawahri
Managing Director

International Development Bank of Investment and Finance has been on a trajectory of growth and 2014 was a year of great results both financially and qualitatively. Our penetration into the domestic market continued as we focused on providing product and services to the new bankable population throughout Iraq.

Sectors such as Retail, Commercial / SME and Trade Finance continued to be our prime focus as we saw steady growth of revenue in these segments. As per the financial performance of the bank it is heartening to see consistency and progress.

IDB Iraq managed to keep impetus of growth while increasing business volumes and operating income. In hindsight ensuring operating expenses / costs are reduced significantly.

The Bank's businesses performed well with strong and robust results. In retail banking, we continued to serve our clients and make a significant positive impact on our populations under tough operating conditions. Our wide array of retail products and services are available across a multitude of channels and through an extensive domestic network of 13 branches across Iraq and increasing.

Corporate banking continued to be our prime focus, we concentrated our efforts on expanding our customer base with a particular emphasis on the best performing sectors, all the while enhancing structured and trade finance loans in addition to existing industrial and commercial financing activities.

IDB Iraq's operational efficiency is supported by efficient and agile functions that deliver cross-functional support across numerous lines of business. Our Bank's systems and processes undergo regular review and continual improvement.

The bank customer portfolio increased with new clientele, where existing customers were offered new products and services based on their risk appetite. Successful marketing campaigns and the launch of new debit cards attracted new deposits by leveraging IDB Iraq as a brand to rely on which is strong, safe and sound.

We have invested in attracting the best human resource, training, mentoring and making them the leaders for tomorrow. I would like to thank all the employees for their hard work and determination they have put in.

The outlook for 2015 is promising as the new Government in Iraq is dedicated to improving the law and order, welfare of its citizens and is taking several initiatives to fuel domestic growth. IDB Iraq is confident that such measures will bring more reforms and growth for financial institutions operating in Iraq.

As we increase our footprint across Iraq, and have plans of opening more branches in major cities, we will provide customers with innovative products which secure confidence for investment. More so, our initiatives in the E Banking sector is to provide customers with branchless banking where by a click of a button customers are able to transact in a safe and secure environment.

Lastly, I would like to thank all our valuable customers and business partners for bestowing confidence in IDB Iraq and we assure you of providing best banking services in our journey as we move into the future.

Sincerely

Fouad Mohammad Al Jawahiri
Managing Director



Development By Change



International Development Bank

Baghdad, Iraq, is one of the youngest financial institutions in the country, this exemplifies the difference - development by change.
A change to meet the modern day needs and aspirations of an emerging economy, its institutions and its people.

We consider our main responsibility as nurturing the small, and medium, enterprise sector while providing our fullest support towards the large scale institutions, as well as the public sector organizations. These activities have in no small measure contributed to the nation's betterment. In tandem, we too are growing, evolving and diversifying to partner a new era through a unique business model. It's that development focus which adds spice to our wide menu of universal banking products and services.

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Vision

To be the leading financial services enterprises both domestic and International in providing superior products and services of high excellence through innovation, technology and strong life-long client relationships.

Mission

To emerge as a leading financial institution offering a vast array of banking services throughout the Republic of Iraq. Our aim is to provide innovative products and services, providing investment gains, and ensuring best ethical and professional standards of conduct. Maximizing shareholders' value and solid contributing towards supporting Iraq's objective of strengthening ties with regional and international financial markets. The Bank will expand its overseas presence in more locations in which it chooses to operate in order to satisfy the diversified essentials of clients. We believe clients are the force behind our growth and we shall together pave our path to success.

Our Values

Innovative

A hand is shown pointing upwards at a digital interface. The interface features a network diagram with several white circles connected by thin white lines, set against a blue background.

Focused

A row of spheres is shown, with one red sphere in the center. The spheres are arranged in a line, and the red sphere is the only one of its color. The background is a light, neutral color.

Trustworthy

Silhouettes of people are shown climbing a mountain peak. One person is standing on the peak, while another is reaching up to help them. The background is a blue sky with white clouds.

Our Business Principles

-  Focus on exceeding customer expectations
-  Can Do and Will Do are basic attitudes of all employees
-  Return per Employee is a Key Measurement for Banks Performance
-  Strive for Better Solutions
-  One Team, delivering the Best to all Stakeholders
-  To be transparent and open
-  Accountability is a key parameter of our corporate culture
Employer of Choice, Invests in our Human Resource

Board Of Directors



Mueen Hussain Al Hashimi
Chairman

An established businessman from a reputed and well known family in Iraq with over 35 years of experience in Business and Trading. Mr. Mueen Al-Hashimi is also the Chairman of Al-Hashimi Group, established over 100 years ago as the first importer of foodstuff in Iraq. Al-Hashimi Group is currently the proud agent of Mercedes Benz, Volkswagen, Audi & Porsche.

Mr. Mueen holds a BSc in Economy.



Mahmood Mohammed Al-Barazenchi
Vice Chairman

Mr. Al-Barazenchi has over 50 years of banking experience in prominent banks and financial institutions in Iraq. He was the deputy general manager of Al Raffidain Bank, the former Managing Director of both Baghdad Bank and Kardistan International Bank. He also served as financial banking expert in the Trade Bank of Iraq. Mr. Al-Barazenchi graduated from University of Baghdad with BSc in English Literature.

Holds a Bachelor of Science degree in Economics.



Fouad Mohammed Al-Jawari
Member & Managing Director

Mr. Al-Jawahri has over 50 years of banking experience with Financial Institutions. He held many managerial positions in the Central Bank of Iraq, in addition to serving in leadership position in Al-Bilad Islamic Bank. Mr. Al-Jawahri holds a BSc in Accounting from University of Baghdad

A Bachelor of Science – Accounting graduate from University of Baghdad.



Ziyad Khalaf Abed Kareem
Member

Ziyad Khalaf Abed Kareem is a successful Business man with several achievements. He has accomplished huge commercial projects inside & outside of Iraq. He has vast experience in the Banking sector and specializes with strategic views in Business Administration.

He is a Bachelor of Civil Engineering from Technology University of Baghdad.



Safa Hussein Habib Alfartosy
Member

Safa Hussein Habib Alfartosy is a prominent banker with vast experience in managing financial institutions at its best. With over 23 years in the banking industry and with another 13 years in managing a power plant he brings with him a huge experience of value addition.

A Bachelor of Mechanical Engineering from University of Baghdad and gained a Master's degree in Arabic Language also.

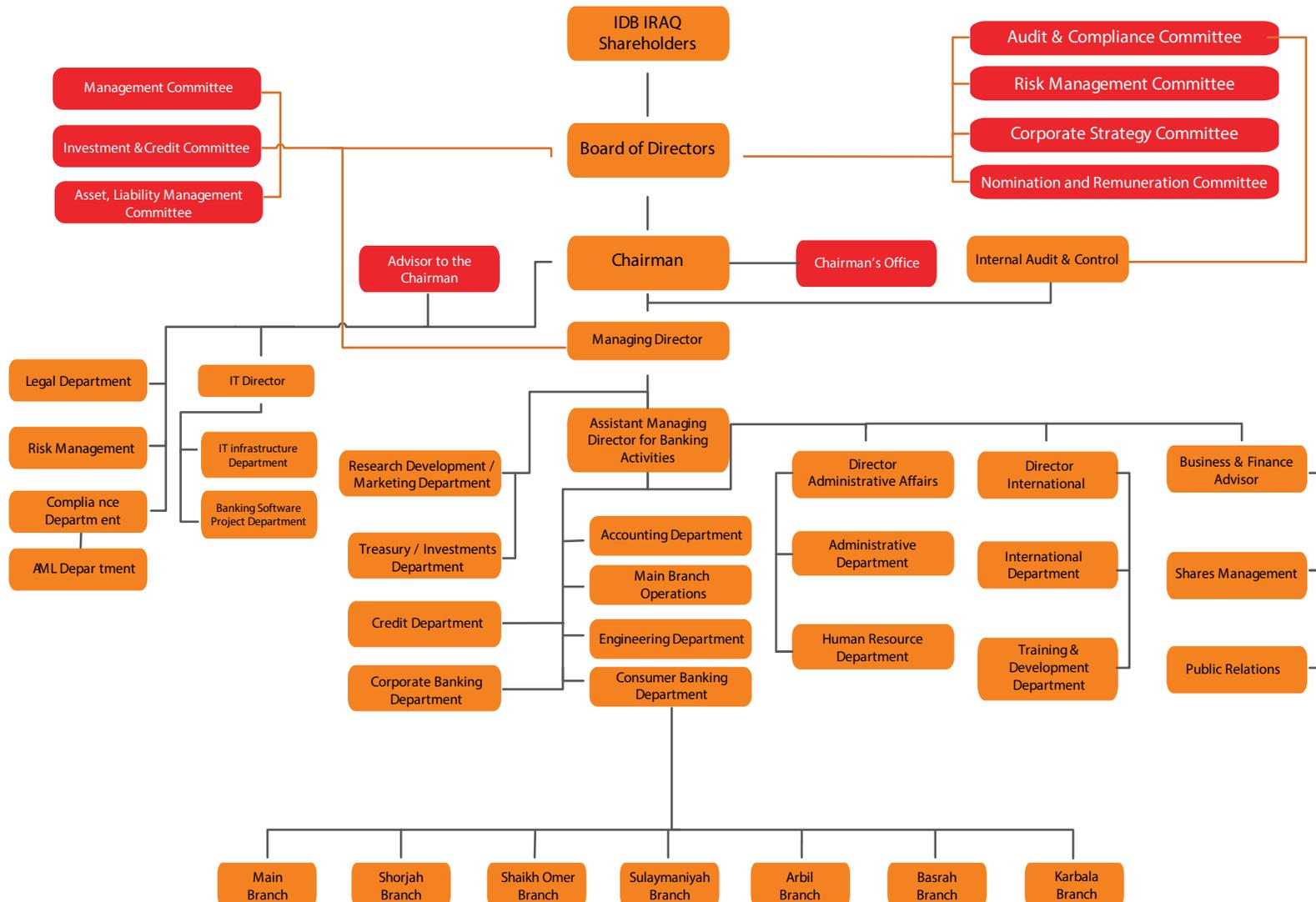
Our Executive Management

Name	Position
Mr. Fouad Mohammed Al Jawahri	Member and Managing Director Email: fjawhiri@idbiraq.com
Mr. Ahmed Najem	Deputy Managing Director Operations Email: anajim@idbiraq.com
Mr. Abdul Wahab Abdul Razaq	Head of Management Department and Human Resources Email: a.abdulrazaq@idbiraq.com
Mr. Wasan Mahdi	Head of Compliance and AML Email: wasan@idbiraq.com
Mr. Alaa Taha Al Qassimy	Relationships and Marketing Manager Email: alaa.taha@idbiraq.com
Mr. Majid Al Karagholi	Head of International Department Email: majid@idbiraq.com

Our Shareholders

S No.	Name of Shareholders	Ownership%
1	Moin Hussein Ismael Al-Hashimi	9.90%
2	Mahdiya Abdul Ghani Ismeal	9.90%
3	Muna Moin Hussein Ismael Al-Hashimi	9.90%
4	Dhargham Mohamad Khaleel	6.34%
5	Faryad Omar Abdullah	6.34%
6	Yarab Abdul Majeed	6.34%
7	Ali Hussain Abdul Qader	4.63%
8	Fatima Hussain Abdul Qader	3.96%
9	Najah Jafar Sadak	3.76%
10	Other	38.93%
	Total	100.00%

Organization And Corporate Governance Chart International Development Bank For Investment And Finance



Operating Environment

During the last few years, Iraq was regaining from the instability which existed for several decades. However, as a result of the internal conflicts which arose during the year 2014, the growth momentum Iraq was experiencing was affected significantly.

The oil industry provides more than 90 percent of government revenue. Inadequate infrastructure, weak property rights, bureaucratic red tape, high unemployment, and widespread corruption continue to impede development.

Sector wise breakdown of the Gross Domestic Product (GDP) shows that the potential for service and industry sectors are sky high in the present scenario; which has also proven by the trends in last few years. In 2013, the industry sector contributed for 65% while service sector accounted for 32%, of the GDP of Iraq.

Due to the severely damaged infrastructure, the country needs to rebuild basic infrastructure especially those related to health and education, where the overall development of the nation is dependent on these areas.

On the other hand, the Agricultural sector also has immense potential for development which in return will contribute to the overall economic development of the country in both the short and long run. However, the modern methods and equipment needs to be introduced, through which the productivity would be enhanced significantly.

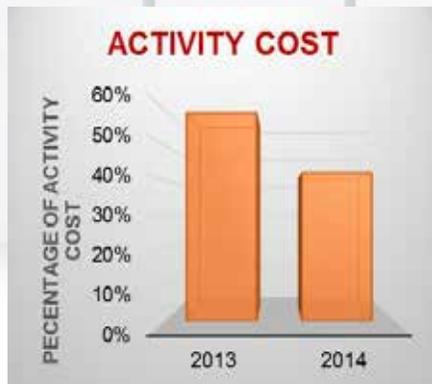
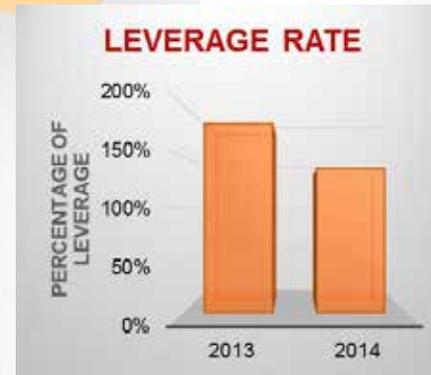
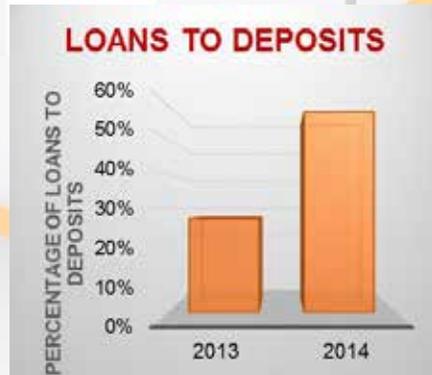
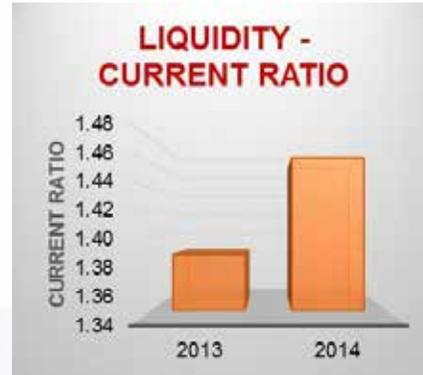
When it comes to the political background of the country, Iraq grew increasingly unstable in 2013 due to the comeback of radical Islamists.

The Iraqi state, with its history of authoritarian and intrusive regimes, could be quite efficient at enforcing contracts, albeit through subjective legal processes. However, The central government control has been weakened, and vested interests and corruption have increased. In such a political environment, property rights are not well protected.

Before the ongoing security turmoil, the business environment, lacking transparency and efficiency, had improved only marginally. The labor market, which had already suffered from state interference and control, has been severely affected by the devastating conflicts. The government uses oil revenues to subsidize basic goods and services and maintains tight price controls on food and medicine.

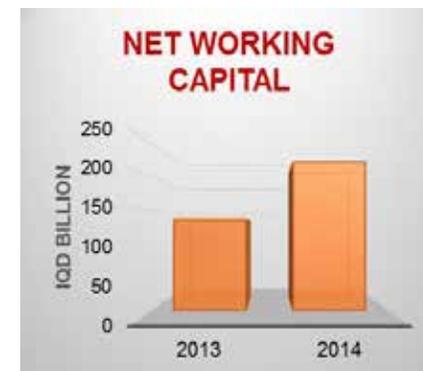
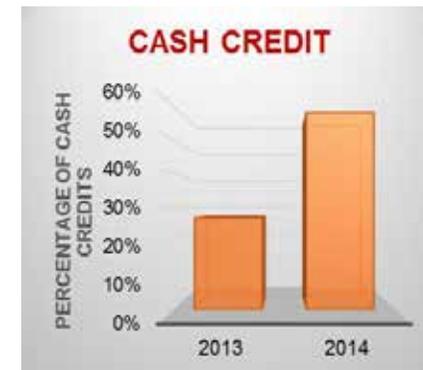
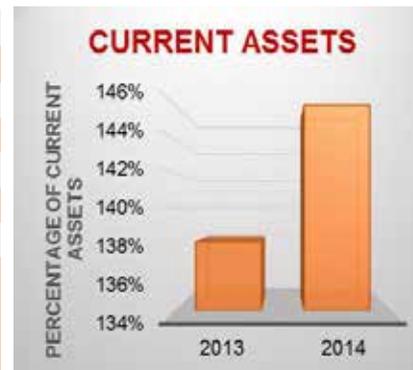
Iraq's legal and regulatory regime discourages the free flow of foreign trade and investment. The uncertain security environment also impedes international commerce. Inadequate supervision, political uncertainty, and a lack of security have severely undermined the financial system.

PERFORMANCE HIGHLIGHTS



BANKING PERFORMANCE INDICATORS

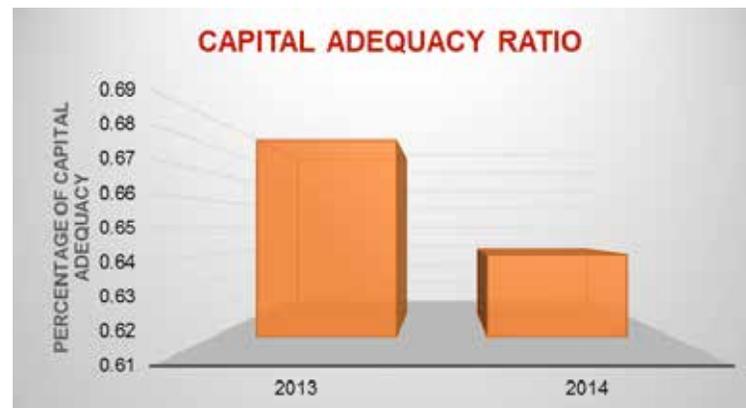
Indicator	2013	2014	
Current assets	138%	146%	
Cash credit	27%	58%	
Net profits	17.90%	13.60%	
Profit share before tax	180	136	Iraqi Fils
Capital adequacy rate	68.20%	64%	
Net working capital	136	222	IQD Bn
Short-term financing sources/ total financing sources ratio	65%	63%	
Long-term financing sources (equity)/ total financing sources ratio	35%	37%	
Activity cost percentage	59%	42%	
Leverage rate	182%	138%	
Cash calculation/total assets	95%	117%	



CAPITAL ADEQUACY RATIO

The Basel Committee on Banking Supervision, which is deemed one of the most important bodies in the field of banking supervision, set out a minimum level of capital adequacy with a percentage of 12% of total assets calculated on the basis of risks stated in the system of capital adequacy standards. The instructions of Central Bank of Iraq set out the minimum level as (15%) and Banks Act No. 94/2004 defined the percentage as 12%. The capital adequacy rate for the bank at the end of the fiscal year 2014 amounted to 64%, which represented a very good percentage of solvency, as per the currently applicable standards. The bank administration was able to handle and manage the liquidity, assets and obligations, along with achieving an acceptable return with low risks.

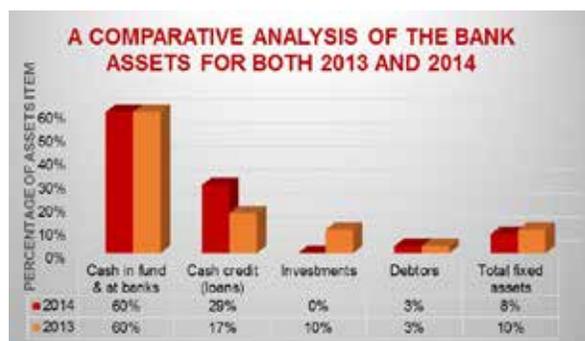
	2013	2014
Capital adequacy ratio	68%	64%



A COMPARATIVE ANALYSIS OF BANK ASSETS BETWEEN 2013 AND 2014

(AMOUNTS IN THOUSAND IRAQI DINAR)

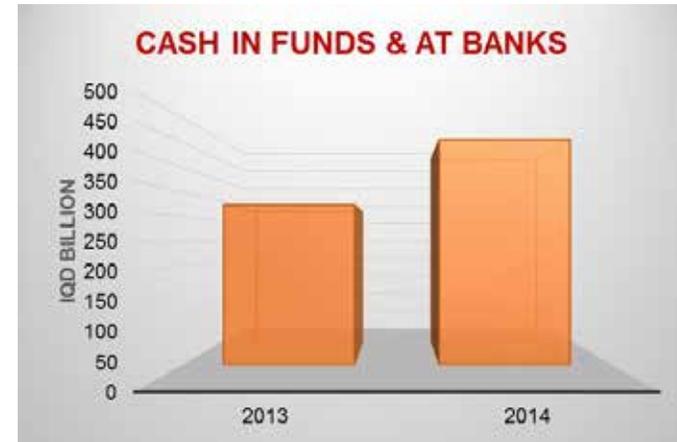
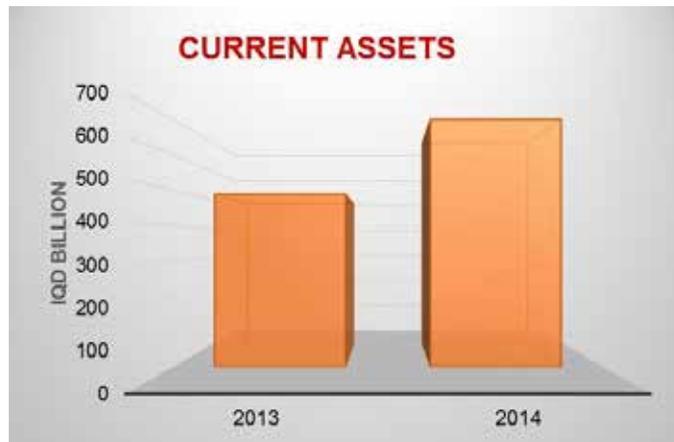
Account name	2013	Materiality	2014	Materiality
Current assets				
Cash in fund & at banks	323,430,525	60%	455,422,814	60%
Cash credit (loans)	91,928,064	17%	224,172,814	29%
Investments	54,573,922	10%	-	0%
Debtors	18,712,568	3%	20,214,553	3%
Total current assets	488,645,079		699,810,181	
Fixed assets				
Fixed assets (book value)	3,748,512	7%	5,169,376	13%
Projects underway/under execution	47,453,058	93%	55,093,853	87%
Total fixed assets	51,201,570	10%	60,263,229	8%
Total assets (within the budget)	539,846,648		760,073,410	
Assets outside the budget				
Obligations of clients in consideration of banking transactions	192,835,043		260,845,254	
Total assets within and outside the budget	732,681,691		1,020,918,664	



CURRENT ASSETS

The current assets of the bank increased from IQD488,6 billion in 2013 to IQD699,8 billion in 2014, with an increase percentage of 43%. This increase was concentrated in cash in fund and at banks, as cash increased from IQD323,4 billion to IQD455,4 billion, with an increase percentage of 41%, and cash credit increased from IQD91,9 billion to IQD224,2 billion, with an increase percentage of 144%.

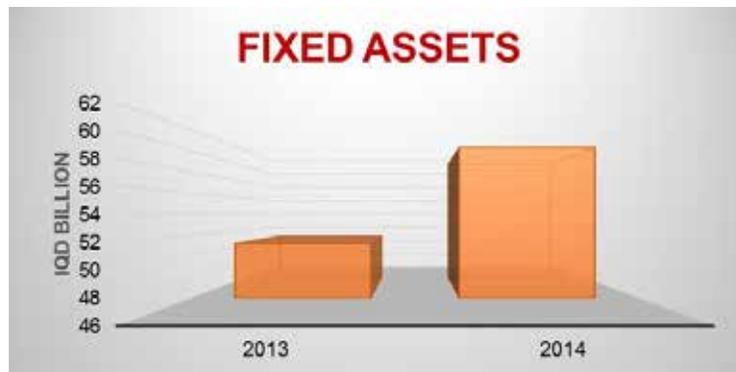
	2013	2014	
Current Assets	488.6	699.8	IQD Bn
Cash in funds & at banks	323.4	455.4	IQD Bn



FIXED ASSETS

The fixed assets increased from IQD51,2 billion in 2013 to IQD60,3 billion in 2014, with an increase percentage of 18%, including projects underway amounting to IQD55,093 million.

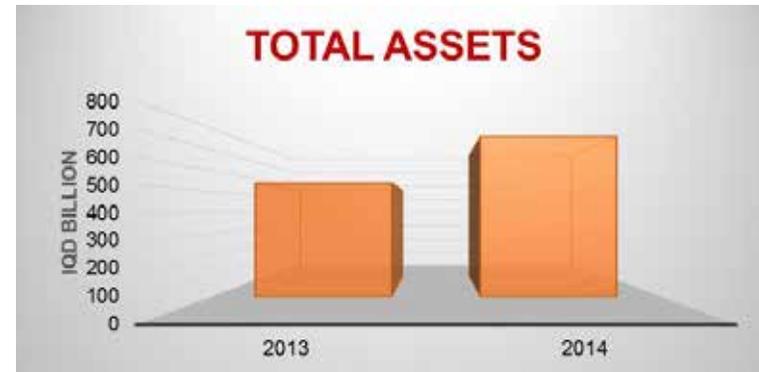
	2013	2014	
Fixed Assets	51.2	60.3	IQD Bn



TOTAL ASSETS

The total assets in the budget increased from IQD539,8 billion to IQD760,1 billion in 2014, with an increase percentage of 41%. This is deemed a positive development in assets, which is one of Camels items requirements.

	2013	2014	
Total Assets	539.8	760.1	IQD Bn



CURRENT ASSETS & FIXED ASSEST AS A PERCENTAGE OF TOTAL ASSETS FOR 2014

Current assets percentage of total assets amounted to 92%, whereas the fixed assets/total assets represent only 8%, which is a good indicator.

	2014
Current assets	92%
Fixed assets	8%



OFF BALANCE SHEET ITEMS

The off balance sheet items increased from IQD192,8 billion in 2013 to IQD260,8 billion in 2014, with an increase percentage of 35%, representing balances of letters of credit and letters of guarantee (obligations of clients for the banking transactions), in terms of contra accounts.

	2014
Current assets	92%
Fixed assets	8%

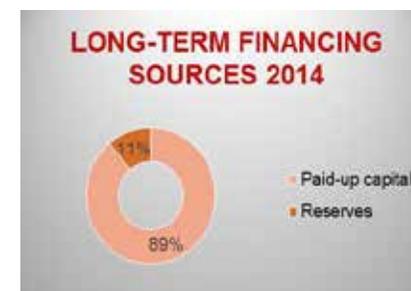
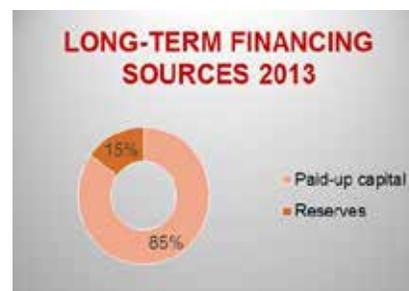


A COMPARATIVE ANALYSIS OF FINANCING SOURCES BETWEEN 2013 AND 2014

(AMOUNTS IN THOUSAND IRAQI DINAR)

Account name	2013	Materiality	2014	Materiality
Short-term financing sources				
Current accounts and deposits	339,836,575	96%	387,961,103	81%
Provisions	11,547,728	3%	15,275,690	3%
Creditors	1,324,493	1%	74,818,465	16%
Total short-term financing sources	352,708,796		478,055,258	
		65%		63%
Long-term financing sources				
Paid-up capital	160,000,000	85%	250,000,000	89%
Reserves	27,137,853	15%	32,018,152	11%
Total long-term financing sources	187,137,853		282,018,152	
		35%		37%
Total financing sources	539,846,648		760,073,410	
Accounts outside the budget				
Obligations of the bank in consideration of banking transactions	192,835,043		260,845,254	
Total obligations within and outside the budget	732,681,691		1,020,918,664	

CHARTS OUTLINING THE DISTRIBUTION OF LONG-TERM AND SHORT-TERM FINANCING SOURCES

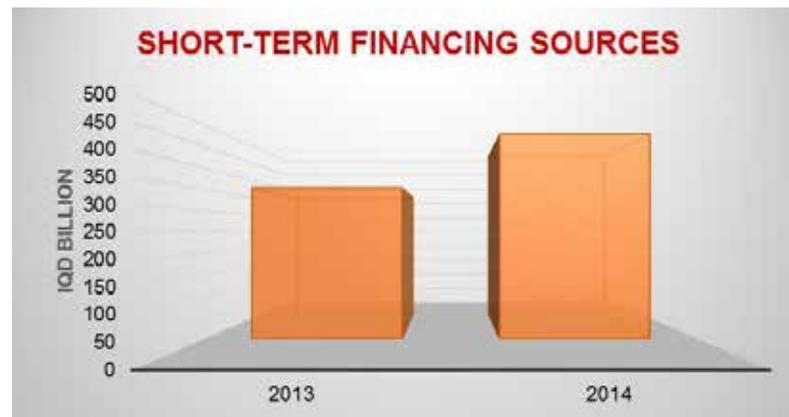


LIABILITIES

SHORT-TERM FINANCING SOURCES

Short-term financing sources (current liabilities) increased from IQD352,7 billion in 2013 to IQD478 billion in 2014, with an increase percentage of 36%. This increase was concentrated in current accounts and deposits amounting to IQD340 billion, with an increase percentage of 14% as compared to 2013. The accounts payable was significantly increased due to converting investments in 2013 into debts in 2014, as well as converting the bank from Islamic into traditional, and there were provisions with an increase percentage of 32%.

	2013	2014
Short-term financing sources	352.7	478 IQD Bn

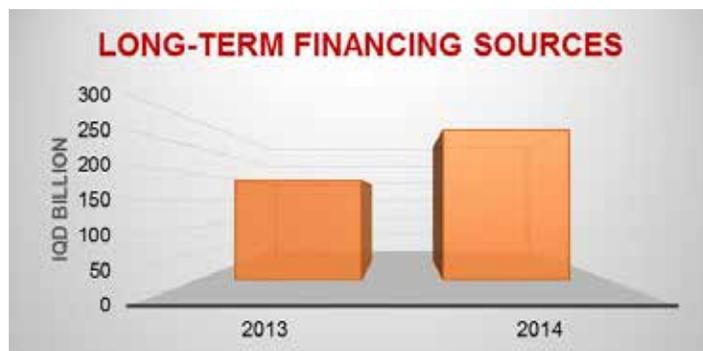


EQUITIES

LONG-TERM FINANCING SOURCES

Long-term financing sources (equities) increased from IQD187,1 billion in 2013 to IQD282 billion in 2014, with an increase percentage of 51%, and such increase was concentrated in paid-up capital, which increased from IQD160 billion to IQD250 billion in 2014, with an increase percentage of IQD90 billion (56%).

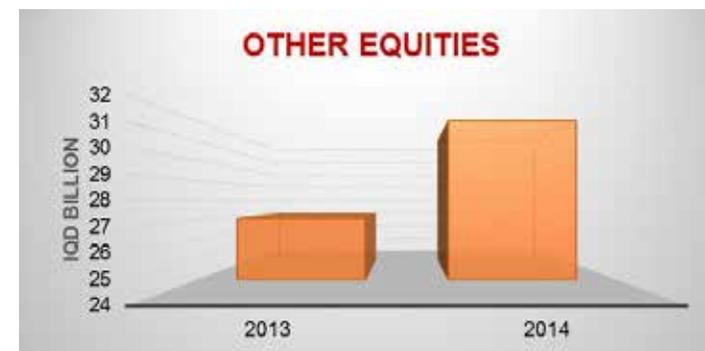
	2013	2014	
Long-term financing sources	187.1	282	IQD Bn



OTHER EQUITIES

Other equities increased from IQD27,1 billion in 2013 to IQD32 billion in 2014, with an increase percentage of 18%.

	2013	2014	
Other equities	27.1	32	IQD Bn

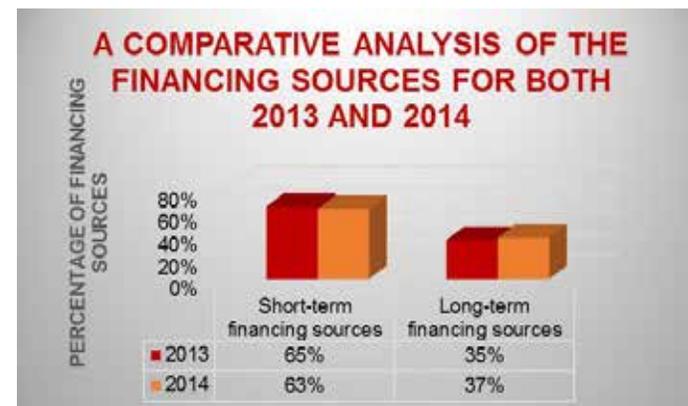
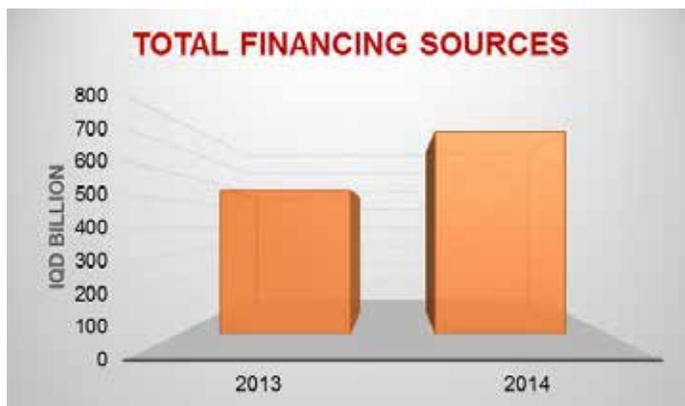


TOTAL FINANCING

Total financing sources increased from IQD539,8 billion in 2013 to IQD760 billion in 2014, with an increase percentage of 41%, as short-term financing sources/total financing sources decreased from 65% to 63%, whereas long-term financing sources (equities)/total financing sources increased from 35% to 37%. This is a positive development in the capital structure as equities in 2014 represented 37% of total financing sources and 35% in 2013. This is due to increase of capital from IQD160 billion to IQD250 billion with an increase percentage of 56%.

	2013	2014	
Capital	160	250	IQD Bn
Total financing sources	539.8	760	IQD Bn

	2013	2014
Short-term financing sources	65%	63%
Long-term financing sources	35%	37%



A COMPARATIVE STATEMENT OF PROFITS AND LOSSES ACCOUNT BETWEEN 2013 AND 2014

(AMOUNTS IN THOUSAND IRAQI DINAR)

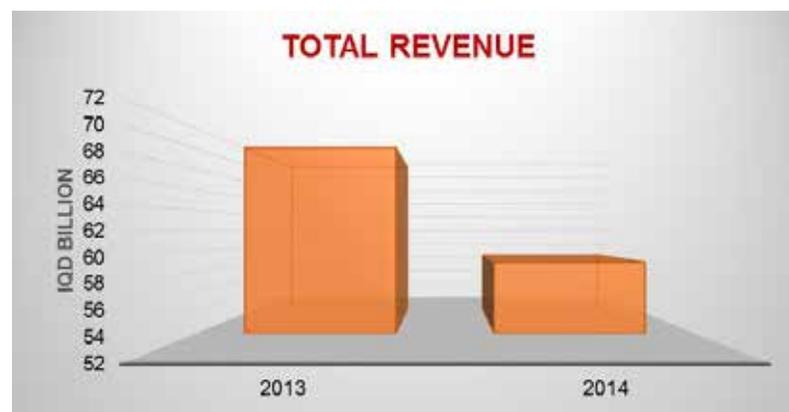
Account name	2013	Materiality	2014	Materiality
Banking transactions revenues	64,966,899	93%	58,835,767	99%
Investment revenues	5,099,118	7%	6,038	1%
Other revenues	8,192		80,612	
Total revenues	70,074,209		58,922,417	
Expenses				
Administrative expenses (31-33)	6,134,570	15%	8,344,116	34%
Banking transactions expenses 34	26,670,309	64%	14,634,351	59%
Depreciations 37	6,706,039	16%	1,296,135	5%
Transfer expenses 38	1,076,814	5%	541,000	2%
Other expenses	920,071		129,994	
Total expenses	41,507,803		24,945,596	
Accumulated surplus	28,566,405		33,976,822	
Net profit before tax and reserves	28,566,406		33,976,822	
Profit to capital ratio	18%		13.60%	
Profit share before tax	180 fils		136 fils	
Expenses to revenues ratio	59%		42%	
Profits /revenues ratio	41%		58%	



TOTAL REVENUE

The bank revenues decreased in 2014 with an amount of IQD7,7 billion as compared to total revenues in 2013, with a percentage of 16%. Last year revenues amounted to IQD70,1 billion and decreased in 2014 to IQD58,9 billion. This decrease was concentrated in investment revenues from IQD5099 million to IQD6,0 million with a decrease percentage of 98,2%. The revenues of banking transactions decreased from IQD64,9 billion in 2013 to IQD58,8 billion in 2014 with a decrease percentage of 9%, which is deemed a limited percentage.

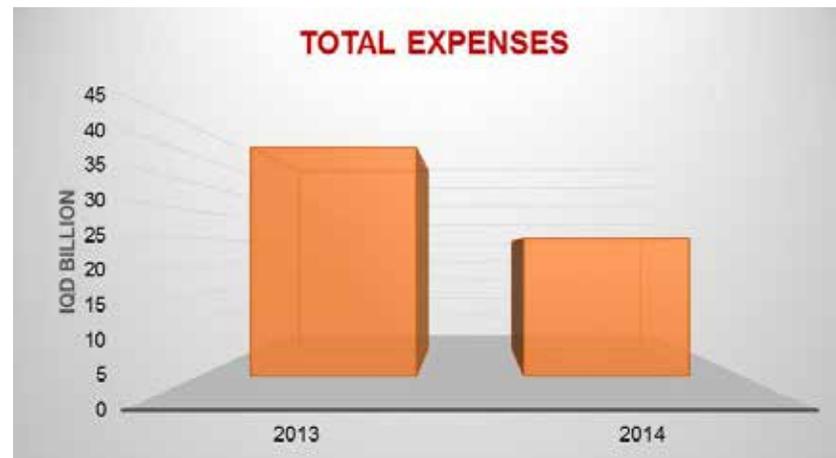
	2013	2014	
Total revenue	70.1	58.9	IQD Bn
Investment revenues	5099	6	IQD Mil
Revenues of banking transfers	64.9	58.8	IQD Bn



TOTAL EXPENSES

Total bank expenses decreased from IQD41,5 billion in 2013 to IQD25 billion in 2014 with a decrease percentage of 40%. Such decrease was concentrated in banking transactions expenses with a percentage of 45% from IQD26,7 billion to IQD14,6 billion respectively. In addition, the administrative expenses increased from IQD6,1 billion in 2013 to IQD8,3 billion, with an increase percentage of 37%, and depreciation decreased from IQD6706 million in 2013 to IQD1296 million in 2014, with a decrease percentage of 81%.

	2013	2014
Total expenses	41.5	25 IQD Bn



PROFITS

Profits of the bank increased from IQD28,6 billion in 2013 to IQD34,0 billion in 2014, with an increase percentage of 19%, which is a positive indicator.

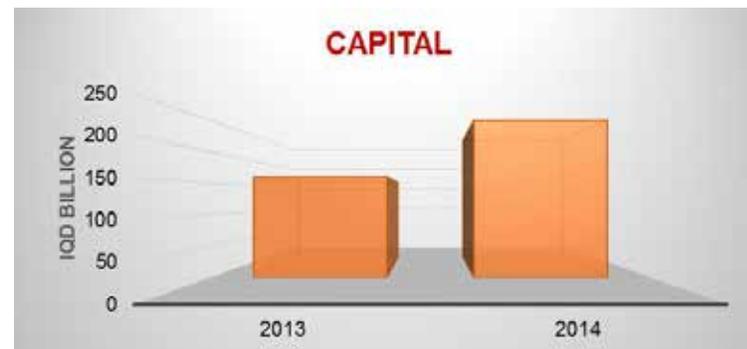
	2013	2014
Profit	28.6	34 IQD Bn



CAPITAL PROFITS

The capital profits percentage was 16.6% in 2014, whereas the percentage amounted to 17.9% in 2013, and the reason for such decrease was the increase in the capital from IQD160 billion to IQD250 billion.

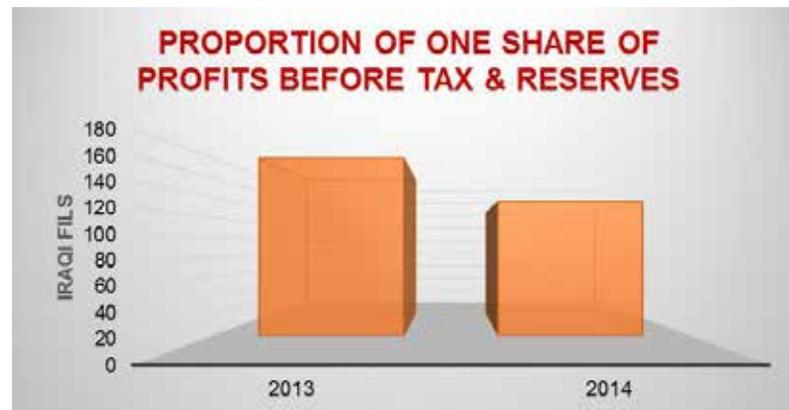
	2013	2014
Capital	160	250 IQD Bn
Capital profits %	17.9%	16.6%



PROPORTION OF ONE SHARE OF PROFITS BEFORE TAX & RESERVES

The proportion of one share of profits before tax and reserves decreased from 180 Iraqi fils in 2013 to 136 Iraqi fils in 2014, due to the increase in the capital, in spite of the increase in total profits in 2014 as compared to 2013. Hence, these are the disadvantages of capital increase for the shareholders and the economists prefer increasing the external financing (financing with loans) to increasing the capital (internal financing), due to the fact that the loan interests are charged on the profits and losses account, along with a tax advantage. The cost of the internal financing is not charged on the profits and losses account as it is not allowed in terms of tax, but this increase in the capital was achieved upon the request and instructions of Central Bank of Iraq.

	2013	2014
Proportion of one share of profits before tax & reserves	180	136 Iraqi Fils



Our Strategies





Focus on attracting more individual clients

- Emphasis on Personal Banking
- Improve Deposit Mobilization
- Facilitate utility bill payments such as Electricity, Telecoms
- Provide Custodian Services



Implementation of Priority Banking

- Priority Banking with specially designed areas
- Service of Relationship Managers
- Enhanced withdrawal limit for Premium debit cards
- VIP/Premium Lounge facilities at select international airports
- Quicker and efficient service
- Gifts during special occasions



Product Development Team

- Market Research team for demand assessment
- Cards Team for innovative and tailor-made cards
- Team for bringing out valued added Accounts-Corporate and Individuals
- User friendly mobile applications with add-ons and updates



Alliance With International Institutions

- International Financial Institutions like International Financial Corporation (IFC), United States Agency for International Development (USAID) etc for loan facilities to SME's and Entrepreneurs
- Organizations like international airlines, hotels, restaurants, tour operators for facilitating value added service to clients
- Insurance companies for providing insurance to customers and for insuring the Bank's products as well as assets/liabilities
- Money Transfers through International Payment Institutions such as Western Union
- Agreement with MasterCard International to become a Principal Partner
- Partnerships with Multi-National Companies such as Zain Mobile for payroll accounts management, by issuing Pre Paid Cards to all staff.



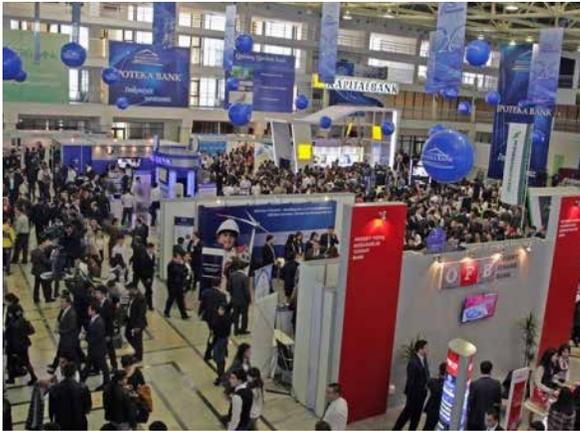
Enhance IT & Systems Controls

- Protection against unauthorized access to records and disclosing of information
- Contingency plans for technical failure
IT Audit for gauging risk from fraud & theft, errors, misinformation etc
- Disaster Recovery sites with real-time connectivity



Develop strong relation with international Banks

- Enhance the correspondent banking relationship
- Increase the number of RMA's with Bank's in countries of interest to Iraq
- Create an image of professional banking with international standards



Conduct/sponsor trade-banking exhibitions, seminars, conferences etc

- Showcase and engage with prospective clients
- Attain insight on prevailing and future trend
- Participate in financial road shows within the GCC region to market and leverage banks products and services.



Developing our Human Resource

- Training of Banking Staff in countries like UAE, Jordan, Bahrain etc
- Provide incentives for developing the technical skills/competencies etc
- Rotate employees in operational areas to diversify skill set



Listing on Iraq Stock Exchange

- Increase credibility to international peers
- Enables in bringing in international investors
- Disseminate financial and other information as well as Bank's announcements to interested parties both inside and outside Iraq

Compliance Department

- Installation of state of art Anti Money laundering detection systems.
- Ensure Best Standards are adopted by the bank to safeguard clients interests.
- Certification of Compliance and AML staff to bring them to par with International Best Practices



In today's market, banks have greatly expanded the scope and complexity of their activities and face an ever changing and increasingly complex regulatory environment. Furthermore, due to the increased emphasis on consumer protection, the regulators and the general public are focused on institutions' customer practices and regulatory compliance performance like never before. Moreover, a compliance failure can result in litigation, financial penalties, regulatory constraints, and reputational damage that can strategically affect an organization. More importantly the Bank has ensured to ring-fence against Money Laundering and Terrorist Financing by adopting the latest software.

Integrated Risk Management

Identifying the importance towards the entire business and to the industry as a whole, IDB has initiated and implemented through policies and procedures of comprehensive risk management within its overall operational aspects.

The overall authority for risk management in the Bank is entrusted in the Board of Directors. The Board authorizes appropriate credit and market risk policies as well as suitable operational guidelines based on the recommendation of Management. Approval authorities are delegated to different functionaries in the hierarchy depending on the amount, type of risk and collateral security.

The Bank has established the Risk Management committees that decide on all risk issues and authorities are properly structured. Along with the Bank's risk management system, the compliance department and AML department play a significant role in evaluating the independence and overall effectiveness of the Bank's risk management functions.

A periodic review of risk assets is conducted by the department to assure that established policies, procedures and approved terms are complied with, and to review asset quality and highlight areas of concern so that corrective action can be taken on time. The Risk Management Committee along with the Compliance Department of the IDB provides the necessary support to Senior Management and the business units in all areas of risk management so to have a comprehensive risk management and management information system for the control, monitoring and reporting of risks.



The Bank's risk management process encompasses the various dimensions of risk as follows:

Credit Risk

Credit Risk represents the potential financial loss as a consequence of a customers' inability to honor the terms and conditions of the credit facility. Such risk is measured with respect to counterparties for both on- balance sheet assets and off-balance sheet items. Regular reviews are carried out for each account and risks identified are mitigated in a number of ways which include abstention of collateral, counter-guarantees from shareholders and/or third parties.

Adequate margins are maintained on the collateral to provide a cushion against adverse movement in the market price of collateral. In addition to rigorous credit analysis, the terms and conditions of all credit facilities are strictly implemented by the Credit Administration Department. An internal grading system and review process ensures prompt identification of any deterioration in credit risk and consequent implementation of corrective action.

The Bank has well-structured procedures, not only to appraise but also to regularly monitor, manage, control, review and report credit risk. This is achieved by the credit department with Credit Analysis, Processing & Administration Section, Lending Section and Credit Risk Management Section where each section is assigned specific roles and responsibilities to work interdependently for effective and efficient functioning of the Credit Department.

Regular monitoring of the portfolio enables the Bank to weed out accounts which witness deterioration in risk profile. The Bank follows stringent criteria in setting credit limits for countries and international financial institutions. The Bank has systems and procedures in place to generate alerts in case of past dues in any account. As a result of which the non-performing assets of the entity is kept at a very low level, which is near to zero.



Legal Risk

Legal risk management systems supplement the above credit procedures and guard against the inability of the Bank to enforce claims against counterparties and borrowers. In-house expertise interface with firms of international repute employed by the Bank ensures that the facility documentation encompasses eventualities that might affect the implementation of stipulated terms and conditions. All document transactions and litigations are carried out preserving the viability and safety which in turn protects the integrity and reputation of the Bank. The Bank recognizes that the legal risks not only affect the cash outflow on litigations but also affect the business growth and threaten the existence of the Bank itself.

Liquidity Risk

Liquidity Risk is classified as the potential inability of a Bank to meet its financial obligations on account of a maturity mismatch between assets and liabilities. Liquidity risk management ensures that funds are available at all times to meet the funding requirements of the Bank. The asset/liability management policies of the Bank define the proportion of liquid assets to total assets with the aim of minimizing liquidity risk.

The Bank has maintained adequate investments in liquid assets, such as inter-bank placements and treasury bills. In addition, the Bank also relies on trading assets and other marketable securities to provide for secondary sources of liquidity.

The high level of liquidity enables the Bank to meet fluctuating customer borrowings and drawdowns comfortably.

The Bank's ability to maintain a stable liquidity profile is primarily on account of its success in retaining and growing its customer deposit base. The marketing strategy of the Bank has ensured a balanced mix of demand and time deposits. The liquidity ratio is maintained well above the regulatory requirement and the level of liquid holdings can be evidenced in the Financial Highlights section of the Annual Report which further strengthens the Bank's prudence in its liquidity policies and practices.

Interest Rate Risk

Interest Rate Risk measured by the extent to which changes in the market interest rates impact margins, net interest income and the economic value of the Bank's equity. The Bank's asset and liability management process is utilized to manage interest rate risk through the structuring of on-balance sheet and off-balance sheet portfolios. Net interest income will be affected as a result of volatility in interest rates to the extent that the re-pricing structure of interest bearing assets differs from that of liabilities. The Bank's goal is to achieve stable earnings growth through active management of the assets and liabilities mix while selectively positioning itself to benefit from near-term changes in interest rate levels. The Treasury/Investment Department is primarily responsible for managing the interest rate risk. Reports on overall positions and risks are submitted to Senior Management for review. Strategic decisions are made with the objective of producing a strong and consistent interest income over time.

Market Risk

Market Risk is classified as the risk to the value of the trading portfolio arising from changes in interest rates, foreign exchange, commodities and equity prices. The Bank's trading activities are governed by conservative policies, by adherence to limits set annually and by regular reviews. Quality and rating are the main criteria in selecting a trading asset. The Bank uses the Value-at-Risk (VaR) measure to estimate the exposure of the trading portfolio and total currency book to market risk.

Operational Risk

Operational Risk is the risk of loss resulting from inadequate or failed internal processes, people and systems or from external events. The Bank has well laid out procedures and systems that set out the methodologies for carrying out specific tasks. These systems and procedures are constantly reviewed and revised to address potential risks.

The scope of the Bank's internal audit department encompasses audits and reviews of all business units, support services and branches. The internal audit process focuses primarily on assessing risks and controls and ensuring compliance with established policies, procedures and delegated authorities. New products and services are reviewed by the internal audit department and assessed for operational risks prior to their implementation. The internal audit department is operating independently and reports significant internal control deficiencies to the Audit Committee directly.

Necessary procedures and systems have been put in place to protect the Bank from money laundering activities. All the aspects of risk mentioned above are reviewed regularly at each meeting of the Board of Directors and the Executive Committee, based on a comprehensive risk report. This integrated approach to risk management also serves the Bank in achieving its objective of protecting the interests of shareholders and customers.

Regulatory Risk

The risk that a change in laws and regulations will materially impact a security, business, sector or market. A change in laws or regulations made by the government or a regulatory body can increase the costs of operating a business, reduce the attractiveness of investment and/or change the competitive landscape. IDB the Board of Directors and the Executive Committee needs to be cautious of the ever changing regulatory environment, to ensure all rules and regulations as laid down by the Central Bank are being abided by.

OUR HUMAN RESOURCES

Human Resources at the Bank are considered integral to the efficient functioning of the Bank making it stand to what it is today enabling for shareholder return, customer satisfaction and loyalty. Hence, the Bank ensures their development, training and evaluation which helps the Bank to leap frog comparing to its peers.

Development

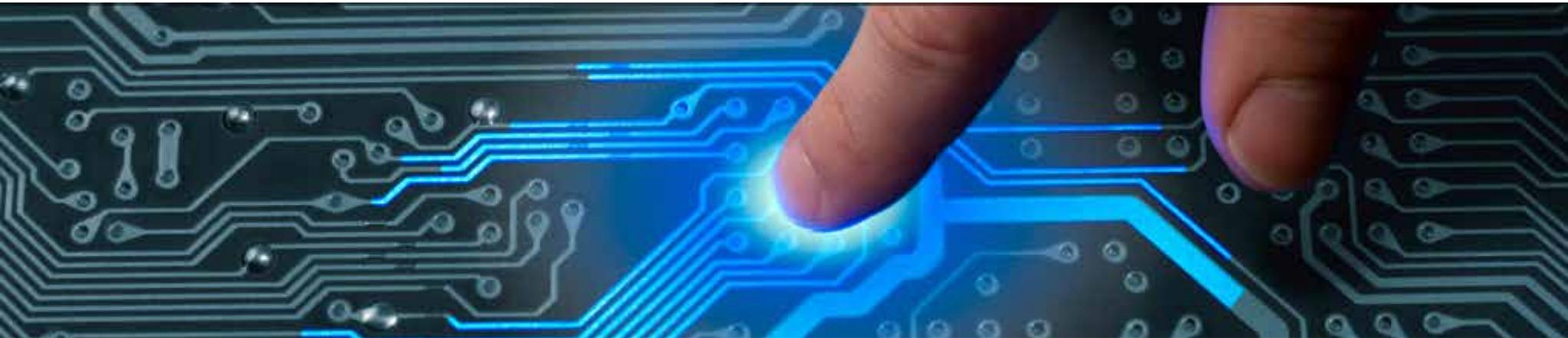
The annual training plan includes workshops designed to enable them to carry out their roles and responsibilities with outstanding efficiency. These include important topics such as corporate governance and compliance to be taken into account in the day-to-day activities of the Bank. Board Members also attend an annual strategy workshop with the Executive Management team to review the Bank's strategic plan and objectives.

Evaluation

In the current environment, banks are under more and more pressure to demonstrate that they are meeting the highest ethical, regulatory, supervisory, and governance standards. The Bank has in place a comprehensive Evaluation Program, which is designed to help identify areas for improvement and reinforce their responsibilities.

Training

In order to fully develop the potential of the Human Resources, the Bank offers a wide range of training programs that help in equipping them to meet future challenges and work requirements in compliance with the Bank's internal policies and procedures and regulatory requirements including the latest developments in the fight against money laundering. The continuous educational development is provided to human resources through In-House Training, Online Training and training at various Banks in the MENA Region.



In today's digital era, Banks rely more on information technology (IT) to provide various services and maximize value, the Bank has a strong IT capability to meet the operational and strategic needs well into the future.

The Bank ensures data integrity, operational efficiency, increase in productivity and avoid wastage of time through its IT infrastructure that deliver and manage products, services and support operation.

Information sharing is practiced as the IT efficiently captures and disseminates relevant information. This allows for timely decision-making and control as well.

IT Audits are undertaken to identify issues and risks associated with technology in the context of the Bank's overall strategy. The Bank is continuously devoting more resources for improving and securing the IT system in terms of Communication & Connectivity and in Business delivery mechanism from ATM machines, Credit Cards, Mobile Banking, Online Banking to Funds Transfer, so that we are able to deliver services effectively and efficiently.

Information Technology forms the backbone of IDB Iraq operations across all divisions. IT enables communication both internally across divisions, and externally with customers across Iraq. IDB has invested in its resources for the IT Department which has grown to a team of 22 persons spread between, Software and Hardware sections. As innovation brings us everything from legacy to cloud computing, information technology organizations must continuously prepare for an uncertain and ever-shifting future. In 2014, IDB Iraq's IT Department introduced a number of new state of the art technologies to better respond to customers' needs. We have increased the virtualization of physical servers into the VMware platform for improved cost efficiency, and we installed advanced storage technology to improve, backup and recovery.

Responding to customers' demands in our interconnected world, IDB Iraq offers to provide superior and secure banking experience via different electronic channels, allowing customers to perform their financial transactions anywhere, anytime and via any smart device. This strategy has been validated with the launching of IDB Iraq Mobile app on different platforms, such as Google Play Store.

Core Banking

Information Technology Department in 2014 upgraded the core banking applications of “i Mal” system to ensure activation of all banking applications are up and running.

Central Bank Projects

IT Department successfully ensured and completed testing of the RTGS online system by Central Bank of Iraq, which is soon be activated.

Online Banking

IDB Iraq’s advanced internet banking solutions for personal and corporate customers enable them to access their accounts online, make transfers and payments and review their balances and transactional information.

Mobile Banking

IDB Iraq’s Mobile App for all handheld mobile devices is specially designed to facilitate full mobile banking services securely for customers “on the go”.

Customer Service Centre

Advances Customer Service Center undertakes both outbound marketing and inbounds customer assistance. With the addition to IVR Technology, our human operators offer a full range of telephone banking services, and communicate with our customers on various social media channels.

ATM Network

IDB Iraq is expanding its network ATMs throughout its branches and across Iraq. In 2014 there were 20 ATM installed, whereas another 80 ATM’s are to be installed and working by the end of 2015. These machines are to be placed in the new branches as well as off site locations such as Government Institutions and Foreign Corporate Offices. IDB Iraq ATM machines feature advanced anti skimming and fraud technologies. On the other hand, in 2014 Central Bank of Iraq is also conducted its tests for the nations national “Switch”, where IDB Iraq has shared its tests results with the authority. Our Network is considered by an overall uptime in excess of 99.5% ensuring high availability. IDB Iraq in 2015 plans to provide Switch ATM Solutions ensuring an excellent service to banks and financial institutions.

Credit, Prepaid Cards and Points of Sale (POS) Solutions

IDB Iraq delivers a full variety of products and services related to card-based electronic payment transactions, added to a variety of solutions for merchants, acquirers and issuers, be it banks or financial institutions. Cards include debit, credit, charge and prepaid products under the MasterCard brands. Our portfolio includes Platinum, Gold, Classic and pre-paid card. For improved security features, most of our cards are issued with secure embedded EMV/Chip technology. Our cards also come with a generous loyalty points program enabling customers to enjoy awards which correspond to card spending. These cards bring the world within reach for our customers and can be used from any place around the world.

SMS Transaction Alert Service for Cards and Accounts

For improved security and immediate alerts, our cards feature SMS alerts to assist our customers in detecting improper or fraudulent usage of their cards. SMS alerts are also available for transactions alerts on deposit and current accounts (e.g. salary payments, bill payments etc.).

Redesigned Website

In 2014, IDB Iraq launched its new website www.idbiraq.com which was redecorated with a new look and feel. Now the customers can enjoy easy scrolling and access to banking application and services. The new website provides a comprehensive overview on the banks services and also a secure portal for internet banking services.

New Data Centre / DR Site / New Head Office

IDB Iraq's IT Department successfully launched a new Date Centre and Disaster Recovery (DR) site in 2014 which ensures no disruptions to business activity and providing seamless services to our customers while making sure data is secure. Comprehensive testing and tools are available on the DR site to ensure staff is on hands to meet any challenges faced. IT Department is also undertaking to provide a robust and state of art IT infrastructure for new Head Office building being constructed.

Our Products & Services

Retail Banking

With the primary focus of building deep and enduring relationships through superior customer service, advice and breadth of offering, IDB operations in Iraq increased its overall profit generation. Several innovative products and services were introduced. In addition, customer access via physical and remote channels was enhanced through provision of better service standards through branch network and implementation of Internet Banking.

Following Products are offered for our retail customers:

- Current Accounts
- Saving Accounts
- Credit Cards
- Personal Finance
- Auto Finance

Commercial Banking

During 2014, Commercial Banking continued with its transformation strategy, with the objective of becoming a leading Commercial Banking business in Iraq. Results from these projects are already being seen in a number of areas such as Wholesale Banking account base, deeper cross-selling, implementation of Online Banking platform and operations areas, which aim to enhance the client's experience. The Corporate Banking segments continued to deliver a robust financial performance in 2014, despite on-going challenges with environmental instability and market competition.

Our corporate clients are delivered with following products:

- Corporate Banking
- Commercial Banking
- SME Banking
- Trade Finance

International Banking

The International Banking Department of IDB acts as an enabler and platform for the growth of transaction banking, syndicated finance, multi-national client accounts and treasury products.

During 2014, services for International Banking Department were enhanced to ensure IDB has a large financial institutions network compared to its peers.

- International Banking
- Investment Services
- Treasury Services

Credit, Debit and Prepaid Cards

IDB Offers Classic, Gold and Platinum Cards for the customers, which are precisely designed to serve their needs. The partnership established with Master Cards, has enabled our customers to access the ATM's and many stores, restaurants, hotels, airlines, and other locations worldwide. Credit cards deliver the financial freedom and convenience that today's diverse priorities and lifestyles require. Debit cards offer the ultimate in convenience and financial control by combining the worldwide acceptance and benefits of MasterCard cards, with an immediate deduction of funds from your checking account. We offer payroll account management through our local ATM Cards. Loading the Pre paid card with funds and it is usable for all the things instead of cash; also enables cash withdrawals from our ATM network as well as throughout the globe.

- Its more convenient than Cash.
- Much Safer
- Accepted World Wide

Report of the Board of Directors

CORPORATE GOVERNANCE



The Board continues to review and improve our corporate governance practices by incorporating global best practices and monitoring global developments as well as pitfalls. As we comply with the Central Bank of Iraq's regulation, we always take into account shareholder interest within a broader framework of corporate responsibility and regulatory oversight.

Aiming highest standards of governance, good governance is fundamental to the Bank in its sustainability and performance and we have a set of values and behaviours from fair dealing, transparency, protection of interest to legal rights so that all our stakeholders are benefitted.

-  Comprehensive set of Charters and Job Descriptions that clearly articulate the roles, responsibilities and mandate of the Board of Directors, Board's Committees, the Executive Management and the Control Functions, as well as all other key functions within the Bank.
-  A comprehensive set of Policy and Procedures Manuals considered as an integral part of the Framework, including
 - Internal Discretionary Authority Limits;
 - Code of Conduct,
 - Ethics & Conflict of Interests Policy;
 - Whistle Blowing Policy;
 - Investment Companies Governance Framework;
 - Directors' Independence Policy;
 - Board Committees Minutes of Meeting Policy; and
 - Customer Complaints Policy.
-  Effective and independent Board oversight through the formation of independent Board Committees; and through the Bank's Control Functions, with clear, direct and independent reporting lines (e.g. Audit, Risk Management and Compliance).
-  Comprehensive annual Self-assessment and Evaluation of the Board and its Committees.
-  An effective set of Policies and Procedures to govern the activities of the Bank's Business Units and Support Functions.
-  An up-to-date and adequate formal Succession Plan for the Bank's key positions.



The formation of sub-committees aims to assist the Board of Directors in maintaining effective oversight over the Bank's operations. Accordingly, the organizational structure of the Bank depicts a governance structure in accordance with the envisaged internal requirements of the Bank, that of Central Bank of Iraq and best practices. The composition of the Board Committees were reviewed and reconstituted in 2014 with a Corporate Strategy Committee and a Nomination & Remuneration Committee besides the Audit & Compliance Committee and Risk Management Committee.

Nomination & Remuneration Committee

The role of the Nomination & Remuneration Committee is to assist the Board of Directors in establishing a fair and transparent nominations process for the appointment and remuneration of the members of the Board and its Committees, the Managing Director and the executive management team. Two meetings were held over the year.

Corporate Governance Committee

The role of the Corporate Governance Committee is to assist the Board of Directors in fulfilling its responsibilities for proper corporate governance and oversight over the Bank, including, but not limited to, the Bank's compliance with legal and regulatory requirements. Three meetings were held in the year.

Audit and Compliance Committee

The Audit and Compliance Committee is tasked with oversight responsibilities on financial reporting, compliance with regulations and rules, internal control and risk management, internal and external audit and adherence to international accounting standards and best practices. Four meetings were held in the year.

Risk Committee

The Risk Committee is tasked with maintaining oversight of the Bank's risk management framework including its Basel II framework covering all risks faced by the Bank, as well as its control environment. Six meetings were held in the year.

Management Committees



The Management Committees namely Executive Management Committee, Investment & Credit Committee and the Asset-Liability Management Committee are responsible for assisting the Managing Director in overseeing day-to-day operations of the Bank, monitoring the performance of business lines and departments in relation to strategy, policies, targets and limits, executing investment decisions as delegated by the Board of Directors under the Bank's Discretionary Authority Limits (DAL) in addition to asset and liability management in coordination with the Investment & Credit Committee.

Policy and Procedures forming of our Corporate Governance Framework

Directors Remuneration

The principles of Bank's remuneration policy reflect the Bank's overall objectives of having a sound corporate governance framework, which targets the creation of a long-term value for the Bank's shareholders. The Bank's Board of Directors was keen to put in place a robust and transparent framework to ensure that the Board and senior management remuneration is fair and reasonable to enhance shareholder value and at the same time sufficient enough to attract, retain and motivate high quality professionals with the right caliber to lead and manage the Bank in this competitive and insecure environment.

To meet the above objectives, the Board has established the Nomination & Remuneration Committee to assist it in establishing a fair and transparent process for the appointment and remuneration of members of the Board and its Committees, the Managing Director and the Executive Management Team. This Committee is guided by the Nomination & Remuneration Committee Charter, being part of the Bank's overall Corporate Governance Framework. The Committee comprises at least three members, the majority being independent non-executive directors (where the Chairman of the Committee and Deputy Chairman should both be independent non-executive directors). The Committee's responsibility is to make recommendations to the Board on the remuneration framework for directors and senior management, which must be carried out with due regard to applicable laws and regulations including the Companies Law, the Iraqi Labor Law, the regulations of the Central Bank of Iraq and the Bank's Memorandum and Articles of Association. The Bank's remuneration policy was approved by the Board of Directors in the year 2014 and was reviewed by the Nomination & Remuneration Committee to ensure it remains appropriate for the Bank's needs and reflects current market conditions and any regulatory changes. The Bank's Directors' remuneration follows a formula based approach based on the Bank's profitability which is allocated to members based both on the extent of responsibilities and by reference to the number of Board and Committee meetings attended during the year.

Code of Conduct

The Bank has developed a Code of Conduct which contains rules on professional conduct and ethical behavior that are applicable to the directors and employees of the Bank. The Code is designed to guide all directors and employees in fulfilling their responsibilities and obligations towards the bank's stakeholders in compliance with all applicable laws and regulations.

Whistle-Blowing Policy

The Bank's Board and Executive Management are committed to creating a culture of openness within the Bank. Accordingly, the Bank has formulated a whistle-blowing policy aiming to enable the airing of genuine concerns regarding suspected malpractice within the Bank, enhance transparency, and safeguard the Bank's integrity. The whistle blowing procedure is embedded in the Human Resources Manual. Malpractice includes, but is not limited to: conduct likely to prejudice the reputation of the Bank; breaches of applicable regulations; breaches of internal rules and limitation; criminal offences or endangerment of the health and safety of any person; environmental damage; and the deliberate concealment of any malpractice. The recommended rule of thumb is "If in doubt – raise it".

Communication strategy

The Bank has a public disclosure policy, approved by the Board of Directors. The Bank is committed to support the timely and accurate disclosure of material information in accordance with the requirements set out in the rules and regulations of the CBI as well as other applicable laws, to facilitate capital market activities. The Bank believes in the principle of transparency about its financial performance thus enabling all stakeholders to have access to such information on a timely basis. The External Auditors review the system of internal controls considered necessary for them to form an opinion on the financial statements. The annual report including the complete financial statements for the current financial year and a the preceding financial years are provided on the Bank's website.

Board of Directors Remuneration Policy

The Board of directors is paid an annual remuneration as approved by the shareholders at the annual general meeting. While the amount of remuneration is not directly linked to the performance of the Bank, factors such as the Bank's performance, industry comparison and the time and effort committed by the directors to the Bank, are considered for determining the total remuneration. Directors remuneration is accounted as an expense as per International Accounting Standards and CBI regulations, the payment of which is subject to approval by the shareholders at the annual general meeting. In addition, the members are paid sitting fees for the various sub-committees of the Board of directors

Employees Remuneration Policy

As the quality of human capital is fundamental to success, the Bank's remuneration policy is to attract, retain and motivate the best talent. In line with this strategy, employees remuneration and benefits are reviewed and revised annually in the context of business performance, industry and local practices. While a major component of employees remuneration consists of fixed monthly salaries and allowances, employees are provided with several other benefits like performance bonus, and retirement benefits. The Bank does not have any share based incentive schemes at present.

Compliance and AML Policy

Compliance and AML begins from the top management. The Chairman and all staff of IDB are responsible for Compliance Charter.

Compliance, as an autonomous control function, helps to protect the franchise and promote a robust compliance culture throughout the Bank by providing regulatory and compliance advice and guidance (e.g., policy and training) and maintaining a risk-based program designed to prevent, detect, and address violations of applicable laws, rules, regulations, policies, deviations from industry standards, and other relevant standards.

The Compliance and AML department of IDB is striving to bring the Bank up to International best practices by implementing the Compliance and Anti Money Laundering Policies and Procedures, Automation of Transaction Monitoring and Alert Generation, Creation of Compliance Monitoring Plan, Comprehensive Training and E learning training plan for all staff, Providing sound advice to business with regards to new business and processes, Conducting Risk Based Compliance Monitoring of Departments, Implementation and abidance to FATCA, Adopting International best practices which affect our presence and hiring valuable human resource.

FATCA With reference to FATCA (Foreign Account Tax Compliance Act) which come into effect and its implications for financial institutions as of 1st July 2014, we hereby declare of being “FATCA compliant” in the status of reporting Financial Institution Single Status under “Model 2 IGA”. IRS (Internal Revenue Service) has assigned the following GIIN (Global Intermediary Identification Number) to International Development Bank of Iraq (IDB Iraq). International Development Bank of Iraq (IDB) GIIN: CQM1W8.99999.SL.368

Fraud Prevention Policy

IDB's Management is responsible for the detection and prevention of fraud, misappropriations, and other inappropriate conduct. Fraud is defined as the intentional, false representation or concealment of a material fact for the purpose of inducing another to act upon it to his or her injury. Each member of the management team will be familiar with the types of improprieties that might occur within his or her area of responsibility, and be alert for any indication of irregularity. Any fraud that is detected or suspected must be reported immediately to Senior Management / Internal Audit / Compliance Manager who coordinates all investigations with the Legal Department and other affected areas, both internal and external.

Internal Audit Policy

IDB Iraq ensures of conducting its business operations in a prudent manner, by placing a strong business risk/ control environment overseen by an independent professional internal audit function. This department provides consulting services to all divisions and entities operating within the Bank, and by assisting management in maintaining proper controls over the Bank's assets, thus adding value to the overall business performance.

The Internal Audit objectives are to align the audit activities with the bank's strategy. To address risky activities and processes by providing tailored recommendations and implementing best practices. Importantly to ensure adequate implementation of risk management procedures, methodologies and the efficient functioning of the internal control framework. Providing a complete a full coverage of the audit areas mentioned in the audit year plan.

Business Continuity Planning

Business Continuity Planning (BCP) ensures business elasticity before, during and after an interruption. This has become a critical initiative with regards to the current security situation in Iraq as well as in a global economy that is increasingly complex and interconnected. The senior management at IDB Iraq understands this and its importance to the topic by fully sponsoring the program, and providing all needed budget and resources required in order to ensure the implementation of efficient business continuity plans. At IDB Iraq, BCP has moved beyond its outdated focus on recovering IT systems following a disaster to a broader concern of ensuring the ongoing resilience of critical business processes. It is relying not only on technical expertise, but also on a detailed understanding of business requirements, the demand of the banking industry and key business partners, legal and regulatory requirements, the political, cultural and country matters, and the effective collaboration with emergency establishments.

Information Security Policy

Information Technology is the backbone for the efficient delivery of Bank's services. Hence ensuring availability and security of the information and information services is of paramount importance. IDB Iraq Bank's management is committed to protect its information assets from variety of threats such as error, fraud, embezzlement, sabotage, terrorism, war, espionage, privacy violation, service interruption, and natural disasters like fire, earth quake, and cyclones. The objective of this Information Security Policy is to ensure that Bank's security procedures comply with the legal requirements, Central Bank of Iraq's requirements on security, IDB Iraq Bank's business objectives, Bank's own structure and culture, and technology requirements.

- To comply with the International IT certification requirements.
- To give a clear direction for protection of Bank's information assets.
- To objectively demonstrate management's support and commitment to implement and maintain security policies as defined in this manual.
- To define the scope of the information security policies.
- To assign roles and responsibilities for implementation and maintenance of the information security policies.
- To educate the staff about the Bank's information security policies.
- To adhere to the Bank's Quality control process.
- To ensure that critical applications and business processes are recovered within the required time frames without adversely affecting the Bank's business and image.

Discretionary Authority Limits

The principles of delegation of authority are detailed in the Discretionary Authority Limits (DAL). The purpose of DAL is to cover pertinent matters requiring proper delegation of authority to authorized personnel to hold them responsible and accountable. Accordingly, the DAL outlines the authority levels of the respective Board and Management Committees and key management personnel.

Customer Complaint Procedure

At the Bank we are dedicated to providing the highest level of proficiency in delivering our products and services as well as promptly assisting and responding to our customers. We take our customers' feedbacks, concerns and complaints with a great deal of due care and attention. Our customers' inputs constitute a key element toward improving our standards, policies, products and services. We are keen in providing first class services to our customers, yet we understand that there could be few incidences where a customer might not fully be satisfied with the Bank's products, services or responses. Therefore, we encourage our customer to immediately contact us if at any stage they feel that our service levels are not up to their expectation. The Bank embraced a strict hierarchy and time-frame toward resolving the customers' complaints swiftly and promptly. As a first step, we encourage our customers, in case they are having any concerns to contact their normal point of contact within the Bank or the concerned department and allow them to take the first opportunity to answer as well as clarify concerns.





AUDITED FINANCIAL STATEMENTS >

International Development Bank for Investment & Finance
Private Joint Stock Company - Baghdad
The Closing Accounts for the Period Ending on
31/12/2014

No: 77

Date: 26/04/2015

M/S: Shareholders of International Development Bank for Investment & Finance - Private Joint Stock Company - Baghdad

Subject: The report of the auditor for the financial statements for the year ending on 31/12/2014

Dear,

We have reviewed and checked the balance sheet of International Development Bank for Investment & Finance - Private Joint Stock Company as on 31/12/2014 and the accounts of the activities outputs, statements and sheets related to the period ending on the same date, as well as the annual report for the bank, which is prepared as per the provisions of amended Companies Act No. 21/1997, regulations and directions issued hereunder.

Then, the statements submitted to us shall be handled by the administration of the bank and we are responsible for expressing our opinion based on the auditing we are undertaking.

We have obtained the information and clarifications which are deemed necessary, in our discretion, to perform our task which we have handled as per "the recognized auditing procedures" and according to the applicable financial legislations and regulations. Then, we have concluded the following remarks and clarifications

Firstly: Clarifications

1. The books collection, used by the bank, complied with the requirements of the commercial bookkeeping system and it included, in our sole discretion, registration of all financial transactions and processes of the bank.
2. The inventory of fixed and cash assets of the branches was undertaken by the administration of the bank, whereas the inventory of cash assets of the headquarters was undertaken under our supervision.
3. The annual report with its contents comprehensively reflects the work progress of the bank during the auditing period and it does not include anything not complying with the provisions of applicable laws and regulations.
4. The statements and closing accounts have been arranged as per "the applicable accounting rules and financial regulations and legislations, comply with the contents of the accounts and are arranged according" to Companies Act, regulations and directions issued hereunder.

5. The bank has adopted procedures related to anti-money laundering and counter-terrorism financing within the rules of Anti-Money Laundering Act No. 93/2004 and as per what has been stated in the bank administration.
6. We affirm that there should be a permanent record of the fixed assets, detailing the assets, their value, date of purchase and depreciation rate.
7. The depreciation rate of the fixed assets was calculated at 20% based upon the ministerial decree No. 19792, dated 05/05/1995, except the deferred the revenue expenses with a percentage of 100%, as per the meeting of board of directors held on 05/05/2014, and the administrative order No. 395/2014, along with stressing the necessity of updating the automatic system approved for calculating depreciation rates.
8. The following bank branches were opened:
 - Al Sheikh Omar branch on 26/05/2014, under the approval No. 751, dated 23/01/2013
 - Karbala branch on 17/02/2014, under the approval No. 751, dated 23/01/2013.
9. We highly recommend the necessity of developing and extending the tasks of the Internal Control Department of the bank, along with appointing and recruiting qualified personnel, in addition to preparing a program for auditing all transactions and processes of bank departments.
10. Risk Management Department should be developed and extended, along with updating the reports necessary for each type of banking risks.
11. Companies Registrar approved increasing the capital from IQD160 billion to IQD250 billion, under its letter No. 5375, dated 23/02/2014.
12. The permission granted for the bank under No. 1816 on 07/04/2014, was amended, so that the bank name should be "International Development Bank for Investment & Finance", instead of "International Development Bank for Islamic Investment & Finance", under the Central Bank of Iraq letter No. 4877, dated 30/03/2014. Thus, granting loans has been increased with an amount of IQD115,692,349,090 and the investment amount used in Murabaha, which equals IQD54,573,921,904.
13. A permission for practising banking work has been granted based upon the provisions of the Central Bank of Iraq Act No. 56/2004, Banks Act No. 94/2004, as well as Anti-Money Laundering Act No. 93/2004, as per the Central Bank of Iraq letter No. 4878, dated 30/03/2014, which is deemed an extension for the permission granted under No. 1816, on 07/04/2011.

Secondly: Remarks

1. The standard of capital adequacy amounts to 64%, which is higher than the percentage set out and prescribed by Central Bank of Iraq.
2. The provision of compliance risks has amounted to IQD9,700,808,664; with an increase of IQD2,916,399,268 higher than the previous year.
3. The bank has opened insurance credits with a percentage of (1%-5%).
4. A contractor, called Ahmed Jabbar Hassan Al Gabbouri, filed one claim against the bank for the contracting of Al Samawa branch during 2014, and it was amicably settled.
5. Short-term loans were granted for a period of (one to two years) and with different interests under the contract concluded between the two parties and shall be settled with the relevant interests at the end of the period. As for cars loans, 40% of which shall be settled in advance and the remaining shall be settled for 3 years with interests ranging from 12% to 15% per annum.
6. We stress the necessity of complying with the directions and instructions of Central Bank of Iraq with respect to selling Dollar for Iraqi Dinar.
7. It was observed that the guarantees provided for the letters were represented in a bill or promissory note printed at the bank and with a guarantor surety, along with issuing a deed with a date. Thus, it lacks a core objective aspect set out in Article 138, fifth section in Trade Act No. 30/1984, noting that it includes internal letters of guarantee with an amount of IQD5,645,772,000 and external letters of guarantee with an amount of IQD492,635,000.
8. The account balance of Bills of Lading held by the bank on the balance sheet date amounted to IQD13,029,733,672. The due amounts were collected from the clients and the account was settled on 23/04/2015.
9. The internal letters of credit issued in trial balances for the branches were not recorded and only insurances were recorded. Then, the total amount of letters and insurance were reflected in the consolidated trial balance of the bank.
10. For the purpose of completing the approvals required to open two branches of the bank in the provinces of (Erbil - Sulaymaniyah), the following is required:
 - a. Documented evidence for the ongoing business of the bank.
 - b. A letter of Iraq Registrar of Companies, representing Baghdad, shall be addressed to Ministry of Trade and Industry in Kurdistan region/Iraq Registrar of Companies.
 - c. Memorandum of Association of (the bank), along with all approvals for capital increase.

The bank has contacted Iraq Registrar of Companies, which has communicated with the Secretariat General of Cabinet/Kurdistan region government/representing Baghdad, and we did not observe any development or collection of approvals. We highly recommend the necessity of approving the mechanism set out above and also mentioned in the memorandum of the director of Sulaymaniyah branch, which was addressed to the director of branches affairs on 01/02/2015.

Taking into account what has been mentioned above, according what we have observed, through reviewing the records of the bank, and finally as per the clarifications submitted to us, the balance sheet attached herein reflects the actual financial standing of the bank on 31/12/2014 and the closing accounts and statements attached herein fairly reflect the summarized and essential activities of the bank for the year ending on the same date.



Shahlaa Hekmat Elbazaz
Chartered Accountant and Auditor / 232



FINANCIAL STATEMENTS 2014 >

Notes No.	Details	2014 / IQD	2013 / IQD
Assets			
<u>Current Assets</u>			
1	Cash in the hand and at Banks	455,422,813,508	323,430,524,738
4	Credits / Loans	224,172,814,750	91,928,064,088
2	Investments	-	54,573,921,904
3	Debtors / Account Receivables	20,214,553,183	18,712,567,710
Total Current Assets		699,810,181,441	488,645,078,440
<u>Fixed Assets</u>			
5	Fixed Assets (Book Value)	5,169,375,935	3,748,511,580
6	Deferred Expenses	-	-
7	Projects in Process	55,093,852,981	47,453,058,574
Total Fixed Assets		60,263,228,916	51,201,570,154
Total Assets		760,073,410,357	539,846,648,594
<u>Counter Assets</u>			
8	Obligations of the Customers for Banking Transactions	260,845,254,077	192,835,042,995
Total		1,020,918,664,434	732,681,691,589

Notes No. Details	2014 / IQD	2013 / IQD
Liabilities		
<u>Short-Term Liabilities</u>		
9 Current Accounts and Deposits	387,961,103,326	339,836,574,765
10 Provisions	15,275,689,959	11,547,728,185
11 Accounts Payables	74,818,465,402	1,324,492,643
Total Short-Term Liabilities	478,055,258,687	352,708,795,593
<u>Long-Term Liabilities</u>		
Paid-up capital	250,000,000,000	160,000,000,000
12 Reserves	32,018,151,670	27,137,853,001
Total Long-Term Liabilities	282,018,151,670	187,137,853,001
Total Liabilities	760,073,410,357	539,846,648,594
<u>Counter Assets</u>		
Obligations of the Customers for Banking Transactions	260,845,254,077	192,835,042,995
Total	1,020,918,664,434	732,681,691,589



Bashar Ali Mehdi
Chief Financial Officer



Fouad Mohammed Al-Jawahri
Member & Managing Director



Mueen Hussain Al-Hashimi
Chairman



Shahlaa Hekmat Elbazaz
Chartered Accountant and Auditor / 232

Notes No.	Details	2014 / IQD	2013 / IQD
	<u>Revenue from Operating Activities</u>		
13	Banking Operations Income	58,835,767,786	64,966,898,929
14	Investment Income	6,037,741	5,099,117,708
	Total Revenue from Operating Income	58,841,805,527	70,066,016,637
	<u>Deducting Operating Activities Expenses</u>		
16	Expenses of Banking Operations	14,634,351,139	26,670,308,868
4&5	Depreciations and Amortizations	1,296,134,900	6,706,039,265
15	Administrative Expenses	8,344,116,132	6,134,570,586
	Total Operating Expenses	24,274,602,171	39,510,918,719

	Surplus of Banking Operations	34,567,203,356	30,555,097,918
	<u>Adding Other Income</u>		
17	Other Revenues	80,612,085	8,192,416
	Deducting Other Expenses		
18	Remittance Expenses	540,999,891	1,076,813,950
19	Other expenses	129,993,586	920,071,122
	Total	670,993,477	1,996,885,072
	Net Profit	33,976,821,964	28,566,405,262
	Profit Generated Distributed as Follow s		
	Provision for Income Tax allocations	5,096,523,295	4,284,960,789
	Capital reserve	1,444,014,933	1,214,072,224
	Accumulated surplus (Retained Earnings)	27,436,283,736	23,067,372,249
	Total	33,976,821,964	28,566,405,262

Details	Balance IQD
Operational Activities	
Depreciations	1,257,154,384
<u>Other Sources</u>	
Increase in Cash Credit	(132,244,750,662)
Increase in Debtors	(1,501,985,473)
Increase in Current Accounts and Deposits	48,124,528,561
Increase in Creditors	73,493,972,759
Net flows of Operational Activities	(10,871,080,431)
Investment Activities	
Increase in Fixed assets	(2,678,018,739)
Increase in Projects under way/projects under execution	(7,640,794,407)
Decrease in the investments	54,573,921,904
Net flows of investment activities	44,255,108,758
Financing activities	
Increase in Capital	90,000,000,000
Increase in Reserves	4,880,298,669
Increase in Allocations/ Provisions	3,727,961,774
Net flows of financing activities	98,608,260,443

Cash flow statement and cash balance as on 31/12/2014

Net increase in cash during the year	131,992,288,770
Cash balance at the beginning of the period	323,430,524,738
Cash as of 31/12/2014	455,422,813,508

Note No.1

Cash in Hand and at Banks as at 31st December 2014

Details	2014 / IQD	2013 / IQD
Cash in fund	149,395,588,619	29,580,817,396
Cash at local banks	1,553,490,398	599,066,039
Central Bank of Iraq - payments -IQD	144,181,757,993	159,647,750,206
Central Bank of Iraq - payments -Dollar	16,502,351,780	2,130,284,985
Central Bank of Iraq - current - IQD	26,022,475,695	2,169,192,963
Central Bank of Iraq - current - Dollar	12,916,088,658	2,423,254,658
Legal deposits at Central Bank of Iraq - IQD	27,911,978,000	14,111,638,000
Legal deposits at Central Bank of Iraq - Dollar	14,348,723,708	5,502,246,728
Pending transfers	41,133,623,000	-
Cash at foreign banks	21,456,735,657	97,162,038,902
Offset deeds	-	10,104,234,861
Total	455,422,813,508	323,430,524,738

Note No.2

Investments as at 31st December 2014

Details	2014 / IQD	2013 / IQD
Long-term investments/ Private sector companies	-	47,343,921,904
Financial investments/ Murabaha	-	7,230,000,000
Total		54,573,921,904

Note No.3

Debtors / Account Receivables as on 31st December 2014

Details	2014 / IQD	2013 / IQD
Differences in currency valuation	-	-
Various accounts receivable	-	-
Insurance with third parties	18,615,185,050	15,894,218,783
Not received due revenues	411,277,500	2,166,555,362
Expenses paid in advance	899,487,720	96,145,328
Advances		
Employees advances	-	449,573,237
Advance for non-employed parties/third parties	22,364,350	109,075,000
Advances for other purposes (preparations/supplies)	-	-
Master cards debtors	17,886,393	-
Letters of guarantees debtors	184,729,380	-
Debtors of credits commissions	63,622,790	-
Total Debtors / Account Receivables	20,214,553,183	18,712,567,710

Note No.4

Credit / Loans as of 31st December 2014

Details	2014 / IQD	2013 / IQD
Short-term granted loans	-	-
Loans	207,620,413,178	91,928,064,088
Debit current account	3,000,000,000	-
Employees advances	522,667,900	-
Bills of lading held by the bank	13,029,733,672	-
Total	224,172,814,750	91,928,064,088

Note No.5

Fixed Assets as on 31st December 2014

Fixed Assets	Equipment	Transportation	Tools	Furniture	Total IQD
Cost at the beginning of the year	735,287,917	735,338,400	96,237,430	4,121,529,992	88,393,739
Additions	316,639,738	32,543,000	7,817,500	2,370,218,501	27,218,739
Sold during the year	-	49,200,000	-	-	9,200,000
Cost as on 31/12/2014	1,051,927,655	418,681,400	104,054,930	6,491,748,493	66,412,478
Depreciation % /fixed installment	0	0	0	0	-
Provisions at the beginning of the year	192,657,424	119,710,090	37,249,446	1,290,265,199	39,882,159
Added depreciation - current year	129,572,125	59,090,959	21,969,198	1,052,386,618	63,018,900
Deducted depreciation provision - sold assets	-	5,864,516	-	-	6,864,516
Provisions at the end of the period	322,229,549	172,936,533	59,218,644	2,342,651,817	97,036,543
Book Value as on 31/12/2014	729,698,106	245,744,867	44,836,286	4,149,096,676	69,375,935

Note No.6

Deferred Expenses as on 31st December 2014

Item	Pre Operating Expenses	Decorations Fixtures	Miscellaneous Deferred Expenses	Total
Cost as on 01/01/2014	-	-	-	-
Additions during the year	6,242,560	26,873,440	-	33,116,000
Cost at the end of the year	6,242,560	26,873,440	-	33,116,000
Amortization percentage	1	1	1	1
Amortization balance as on 01/01/2014	-	-	-	-
Amortization during the year	6,242,560	26,873,440	-	33,116,000
Book value as on 31/12/2014	-	-	-	-

Note No.7

Projects in Process as on 31st December 2014

Account name	Investment Expenditure	Computers and Services	Total
Balance as on 01/01	46,469,570,000	983,488,352	47,453,058,574
Additions during the period	12,100,175,532	-	12,100,175,532
Payments settled during the year	3,475,892,773	983,488,352	4,459,381,125
Total	55,093,852,981	-	55,093,852,981

Note No.8

Counter Assets as on 31st December 2014

Item	2014 / IQD	2013 / IQD
Clients' obligations in consideration of letters of guarantee	199,932,127,664	129,867,607,750
Deducted received insurance amounts in consideration of letters of guarantee	26,410,926,509	14,012,846,517
Total letters of guarantee	173,521,201,155	155,854,761,233
Issued credits		
Issued letters of credit	95,976,543,424	89,004,465,762
Deducted received insurance amounts in consideration of letters of credit	8,652,490,502	12,024,184,000
Total letters of credits	87,324,052,922	76,980,281,762
Total contra obligations	260,845,254,077	192,835,042,995

Note No.9

Current Accounts and Deposits as on 31st December 2014

Item	2014 / IQD	2013 / IQD
Current accounts		
Current account - companies	229,347,899,188	187,570,328,853
Current account - individuals	104,657,466,363	103,659,673,466
Current account - financial sector	48,914,808	0
Authenticated deeds	1,356,062,995	771,095,881
Total	335,410,343,354	292,001,098,200
Saving accounts		
Saving	16,395,929,210	16,339,341,845
Fixed deposits	560,000,000	4,311,100,000
Total	16,955,929,210	20,650,441,845
Received insurance amounts		
Insurance in consideration of letters of credit	8,652,490,502	12,024,184,000
Insurance in consideration of letters of guarantee	26,410,926,509	14,012,846,517
Receivables on credit	-	116,559,190
Total	35,063,417,011	26,153,589,707
Remittance and Local Cheques		
Received external transfers	184,340,601	
Bills from Draw ee bank	126,699,150	8,605,000
Cheques	220,374,000	1,022,840,013
Total	531,413,751	1,031,445,013
Total Current Accounts and Deposits	387,961,103,326	339,836,574,765

Note No.10

Provisions as on 31st December 2014

Item	Balance as on 01/01/2014	Additions during the year	Payments settled during the year	Balance as on 31/12/2014
Income tax provision	4,284,960,789	5,096,523,295	4,284,960,789	8,096,523,295
Price fluctuations provision	478,358,000	-	-	478,358,000
Compliance risks provision	6,784,409,396	2,916,399,268	-	9,700,808,664
Total	11,547,728,185	8,012,922,563	4,284,960,789	15,275,689,959

Note No.11

Accounts Payable as on 31st December 2014

Item	2014 / IQD	2013 / IQD
Various accounts payable		
Received insurance amounts	47,159,919,000	526,635,338
Revenues received in advance	3,254,124,658	140,450,000
Due not paid expenses	84,924,250	251,870,000
Due salaries and wages	-	-
Due revenue stamps	-	198,519,076
Other accounts payable	-	-
Deposits reserved by official entities	100,421,751	100,039,105
Total	50,599,389,659	1,217,513,519
Deductions from employees of third parties	21,815,743	106,979,124
Private sector creditors	197,260,000	-
Dividends distribution creditors	24,000,000,000	-
Total creditors	74,818,465,402	1,324,492,643

Note No.12

Reserves as on 31st December 2014

Reserve Type	Compulsory Provision (Under Companies Act)	Accumulated Surplus (undistributed profits)	Total IQD
Balance as on 01/01	2,308,700,921	24,829,152,080	27,137,853,001
Additions during the year		(24,000,000,000)	(24,000,000,000)
Current year profits	1,444,014,933	27,436,283,736	28,880,298,669
Total	3,752,715,854	28,265,435,816	32,018,151,670

Note No.13

Banking Operations Income for the year ending on 31st December 2014

Item	2014 / IQD	2013 / IQD
Foreign Currencies Revenue		
Revenue of selling and purchasing foreign currencies	21,956,880,105	43,125,079,174
Internal loans revenues		
Interests of granted loans	10,369,247,963	3,042,449,146
Personal advances interests	51,071,341	14,455,987
Total	10,420,319,304	3,056,905,133
Transfer commissions		
Internal transfers commissions	599,873,420	37,607,387
External transfers commissions	14,292,724,048	9,210,693,687
Total	14,892,597,468	9,248,301,074

Revenues of letters of credits		
Letters of credit commissions	1,514,380,337	1,205,009,063
Revenues of letters of guarantee		
Letters of guarantee issuance commissions	9,300,007,627	7,774,948,281
Various banking commissions		
Commissions of approving Cheques/deeds	4,529,778	2,435,247
Other banking commissions	698,735,041	309,344,445
Total	703,264,819	311,779,692
Recovered expenses	4,723,223	197,087,351
Postal fees	24,971,664	42,332,952
Sales of banking prints	18,623,239	5,456,209
	48,318,126	244,876,512
Total Revenue of Banking Activities	58,835,767,786	64,966,898,929

Note No.14

Investment Income for the year ending on 31st December 2014

Item	2014 / IQD	2013 / IQD
Internal financial investments revenues	-	-
Investment revenues	-	4,877,818,438
External financial investments revenues	-	-
Credit external accounts revenues	6,037,741	221,299,270
Total	6,037,741	5,099,117,708

Note No.15

Administrative Expenses year ending on 31st December 2014

Item	2014 / IQD	2013 / IQD
Salaries and wages		
Salaries of the employees		
Salaries	2,297,105,038	1,776,909,273
Additional works wages	174,218,750	106,139,198
Incentives	1,294,136,268	789,326,194
Professional allowances	299,229,098	227,393,633
Compensation allowances	463,575,078	355,373,638
Other allowances	334,437,652	199,690,657
Total	4,835,701,884	3,454,832,593
Contribution to the social insurance		
Bank share in the social insurance	196,955,883	253,150,456
Total salaries and wages	5,032,657,767	3,707,983,049
Commodities/goods		
Fuel and oil	162,634,500	134,927,042
Auxiliary tools	63,134,807	48,851,198
Miscellaneous		
Supplies and accessories	79,445,809	52,179,878
Stationary	303,315,070	177,477,768
Personnel supplies	1,506,500	2,554,316
Sanitary materials/supplies	0	198,000
Water and electricity		
Water	1,363,740	15,598,760
Electricity	63,378,312	20,625,910
Total commodities	674,778,738	452,412,872

Note No.15 (Continued)

Services		
Maintenance services		
Computers and accessories maintenance	109,357,066	194,506,927
Facilities and buildings maintenance	22,587,850	70,124,898
Machinery and equipment maintenance	60,842,006	30,801,220
Transportation means maintenance	8,914,992	8,285,701
Total	201,701,914	303,718,746
Administrative Expenses year ending on 31st December 2014		
Item	2014 / IQD	2013 / IQD
Researches and consultancies services	600,756,073	566,150,567
Lectures related expenses	22,162,500	5,064,000
Total	622,918,573	571,214,567
Promotion, publicity, printing and hospitality		
Promotion and advertising	19,095,000	42,933,870
Hospitality	63,000,465	56,699,060
Petty cash	-	4,667,380
Total	82,095,465	104,300,310
Transportation and communication		
Personnel transportation	51,138,419	36,112,326
Goods and commodities transportation	48,957,295	2,945,446
Travel and transportation	174,713,382	185,406,992
General communication	75,774,511	76,524,141
fuel transportation w ages	84,134,750	20,075,000
Total	434,718,357	321,063,905

Note No.15 (Continued)

Leasing of fixed assets

Leasing facilities and buildings 762,264,745 189,626,400

Total 762,264,745 189,626,400

Other services expenses

Subscriptions 244,096,781 304,610,543

Bonus for non-employees 62,725,661 43,387,720

Taxes and fees paid for foreign agencies - -

Wages of auditing 63,872,250 52,870,000

Wages of Central Bank of Iraq auditing 36,100,000

Other services expenses 126,185,881 83,382,474

Total 532,980,573 484,250,737

Total Intermediate Expenses 2,636,679,627 1,974,174,665

Total Administrative Expenses 8,344,116,132 6,134,570,586

Note No.16

Expenses of Banking Operations for the year ending on 31st December 2014

Item	2014 / IQD	2013 / IQD
Paid Banking interests		
Saving accounts interests	527,041,920	60,272,027
Fixed deposits interests	80,500,520	90,613,269
Paid banking commissions	14,026,808,699	25,949,753,975
Differences in currency valuation	-	569,669,597
Compliance risks expenses	-	-
Total	14,634,351,139	26,670,308,868

Note No.17

Other Revenues for the year ending on 31st December 2014

Item	2014 / IQD	2013 / IQD
Revenues of previous years	78,523,305	-
Accidental revenues	2,088,780	8,192,416
Total	80,612,085	8,192,416

Note No.18

Remittance Expenses for the year ending on 31st December 2014

Item	2014 / IQD	2013 / IQD
Taxes and fees	-	-
Demurrages	25,120,000	-
Various taxes and fees	515,879,891	1,076,813,950
Total	540,999,891	1,076,813,950

Note No.19

Other Expenses for the year ending on 31st December 2014

Item	2014 / IQD	2013 / IQD
Expenses of previous years	122,615,199	913,130,832
Capital losses	7,378,387	6,940,290
Total	129,993,586	920,071,122

Branches / ATMs

CITY	BRANCH NAME	ADDRESS	PHONE	BRANCH MANAGER
Baghdad	Main Branch	Arassat Al-Hindiya	07704621833	Bushra Mohammed Jawad
Baghdad	Shorjah Branch	Samaw'al Street	07730028030	Moeen A.Abdul-Razzaq
Baghdad	Shaikh Omer Branch	Sheikh Omer Street	07730027010	Ahmed Hassan Sadkhan
Sulymaniyah	Sulaymaniyah	Salim Street	07730028050	Mohamad Ameen Abdullah
Erbil	Erbil Branch	Street no. 100	07730027050	Kamal Ghareeb Arif
Basrah	Basrah Branch	Alabbasiyah	07730027020	Abdul Majeed A.Alrodainy
Karbala	Karbala Branch	Hay Al-Hussain	07730028040	Hussain Jassim Obaid
Najaf	Najaf Branch	Hay Al-Ghadeer	07730027030	Mohammed Jawad Kadhum
Kut	Kut Branch	Kafa'at Street	07730028010	Abdul Muneed Younis Musa

International Development Bank Branches opening soon in the following cities:

Hilla	Duhok
Nasiriyah	Shorja-2
Jamila	Amarah
Al-Rubia St	Zakho
Um-Qaser	Al-Mansour
Diwaniyah	Zakho



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