

**Mosul Bank for
Development & Investment 2008**

مصرف الموصل للتنمية والاستثمار
Mosul Bank for Development and Investment
Private joint-stock company
Full Paid Capital (25) Billion IDs
شركة مساهمة خاصة
رأس المال المدفوع 25 مليار دينار عراقي

التقرير السنوي 2007

Annual Report 2007

تقرير مجلس الإدارة
حول نشاط المصرف لسنة 2007
وتقرير مراقب الحسابات والبيانات المالية
للسنة المنتهية في 31/12/2007

2007

**Management Board Report
For the bank activity and
Auditor's report and Financial Statements
for the ended year 31/12/2007**

Mosul Bank for Development & Investment 2008

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**Mosul Bank for
Development & Investment 2008
Shareholders Invitation to General Committee
Annual Meeting**

An invitation addressed to the contributors to attend the general authority meeting

To/Shareholders of Mosul Bank for Development and Investment
(Private joint-stock company)

Subject / Shareholders Invitation to General Committee Annual Meeting

Dear respected Shareholders:

in accordance with articles (86, 87) of companies amended act no (21) of 1997; and management board resolution no (1) in the session no (1) hold on 10/2/2008; We are delighted to invite you to attend the annual General Authority meeting which will be held at 10:00 a.m. of Sunday , 1/June/2008 at The General Management Hall.If it hasn't reached the quorum, the meeting would be postponed to Sunday 8/4/2008 in the same place and time allocated before ; to discuss in the following points :

1. Discussing board of directors report concerning the bank's activity during the financial year ended on 31/12/2007 and taking the necessary decisions around the subject
2. Sighting of accounts auditing committee annual report .
3. Discussing accounts auditor annual report of the ended year 31/12/2007
4. Sighting the fina report as in 31 / 12 / 2007 and approve it.
5. Approving divided profits up to 31/12/2007 and the mechanism of distributing.
6. Employing an account auditor for 2008 and specifying his salaries.
7. Looking at discharging the Head of Management Board and the board members from their obligations and specifying their rewards for 2007.

Kindly attend personally or delegate one of the shareholders by check of delegation that bank Management has approved or by proxy confirmed by attorney republic also with bringing out shares original certificate and depositing deputation at the company , three days before meeting date according to article (91) of the companies act mentioned above .

Best Regards

**Qusay Yehya Qasim
Chairman of the Board**

Mosul Bank for Development & Investment 2008

Chairman of the Board Statement

**On the Name of God the Most Gracious the Most Compassionate
Ladies and Gentlemen:**

I have the pleasure to welcome you on behalf of board members and thank your attendance of annual meeting as well as your high confidence in your bank which assured its efficiency locally and regionally.

On behalf of board members ,I am glad to present to you the annual report od the year 2007and the activities done throughout the year. Also we will listen to your suggestions to improve the abnks work forward for 2008. 2007 was challenging due to the bad security situation . All that acted negatively in creating a state of back warding in all kinds of economical activities and that lead to falling back of investments. your bank, however ; has achieved a growth rate of deposits rand profits I'd like to refer to the fact that your bank's work, in spite of all difficulties, was so unique in different ways in 2007.

We were interested in improving your bank's activities of which , the opening of The International Operations Management branch for external money transactions and successfully we opened External Documentary Credits and Letters of Guarantees in cooperation with bank's agents and settling new foundations and new technology by SWIFT System fulfill the external bank's work swiftly and more accurately; and using a modern communicating system among the branches of the bank and the outer world .We worked further by implementing an ambitious training program and holding training courses of highly academic experience inside and outside Iraq to enlarge the bank's work . To do that we opened new branches I n Erbil this year an planning to open others in (Kirkuk , Duhok ,Hamdaniya , Talkeef and one on the rightbank)

At the end allow me to thank the Central Bank manager and the manager of Companies Register and all other gentlemen worked with them for their productive help with our banks' management.

I also wish to present my gratitude to the bank staff for their work and act in presenting best banking services.

God Bless you All

**Qusay Yehya Qasim
Chairman of the Board**

Mosul Bank for Development & Investment 2008

Management Board

Mr.Qusay Yehyah Qasim	/ Chairman of the Board
Mr.Gazi muhamad Mahmood	/ Vice Chairman
Mr.Dhiaa Ibraheem Mustafa	/ Board Member
Mr.Ali Hussain Muhamad Al Najmawi	/ Board Member
Mr.Shakeeb Abdul Baqi Al Sarraf	/ Board Member
Rafidain Bank Representative	/ Board Member
IraqToday Co. Representative	/ Board Member

Auditor
Nawfal Mahmood Khassab

Mosul Bank for Development & Investment 2008

Mosul Bank for Development & Investment (Private joint-stock Co.)

Branch's Name	Address	Phone #	E-mail address
General Management /Main Branch	Mosul-east Bank Darkasliya- Opposite Tax building	818082-813090 m/07701663344	Mosul_bank@yahoo.com Headoffice@mosul_bank.com www.mosul_bank.com
Salam Branch	Mosul-west Bank Mosul Al Jadeeda St.	922935-923031 m/07701614114	Salambank@yahoo.com
Andalus Branch	Mosul-east Bank- Majmooaa- Andalus Q.	810679-820036- 820036 m/07701624725	Andalus_bank@yahoo.com
Baba Al Tob Branch	Mosul-west Bank Al Shawaf Building –oposit Arbiaa Market	776850-768069 m/07701624743	babaltob@yahoo.com
Baghdad Branch	Baghdad –White house-Nidhal St.	8850208-8850217 Iraquna/07901762540 Asiacel/07702632941	Mosul_b_baghdad@yahoo.com
Tikreet Branch	Tikreet city/ main road- next to Trade hall	021821980 m/07705256654	Mosul_tikrit_bank@yahoo.com
Sulaimaniyah Branch	Sulaimaniyah / Salim St. – near the Husseiniya	0533121909 m/07703930836	bankmousul@yahoo.com
Erbil Branch	Eskan St.- opposite Brosky Park – b,no,979	255455 2553454	Mosulbank_erbil@yahoo.com
Drug Factory Branch	Mosul Drug Factory – Duhok road		Mosul_bank@yahoo.com
Cement Co./North / Branch	Mosul- Nothern Cement Factory Company Centre		Mosul_bank@yahoo.com
Pasport Office Branch	Mosul/Pasport Office Nineveh		-----

Mosul Bank for Development & Investment 2008

Management Board Annual Report For the Bank's Activities of 2007

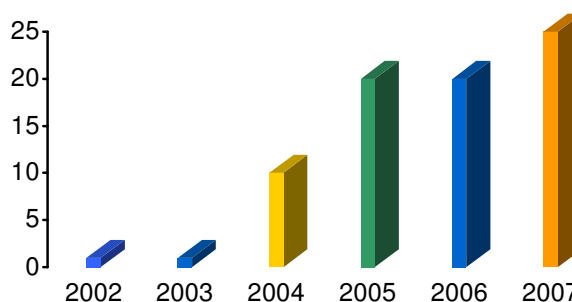
Mosul Bank for Development and Investment Board of Directors have the pleasure of welcoming General Committee in its common annual meeting to present the annual report of financial statements and bank activities results for the year ended on 31/12/2007

Establishing the bank and the nature of it's activities ..

1. Mosul Bank for Development and Investment was established as a private sharing company with Full Paid Up capital of 1 000 000 000 Iraqi Dinar (one billion Iraqi Dinar) totally paid according to the establishment certificate no . 7909 in 23/Aug./2001 issued by the companies register division . Mosul Bank has a license from the Central Bank of Iraq NO. 2/3/9909 on Nov. 3rd/2001.
2. Responding to the economical developments , the expanding of bank dealers ,covering internal and external services and raising bank competitive powering the Iraqi Market; the company increased the bank capital up to 25 000 000 000 Iraqi Dinar (25 Billion Iraqi Dinar):
 - A. First increase with the rate 100% from the first capital to be (2)Billion Dinar in February 2004.
 - B. Second increase with the rate 400%to be (10) Billion Dinar in September 2004.
 - C. Third increase with the rate 100% to be (20)Billion Dinar in November 2005.
 - D. Fourth increase with the rate 25% to be (25)Billion Dinar in 2007according to the bank register article no 8120 on 26/7/2007.

Year	2002	2003	2004	2005	2006	2007
Paid Capital	1	1	10	20	20	25

Numbers in Billions IDs



Mosul Bank for Development & Investment 2008

The Bank Objectives ...

Mosul Bank for Development and Investment is looking for reaching a pioneer position at Iraqi market by improving present services to its clients (companies or individuals) also looking at future in an optimistic vision of growing locally , regionally and internationally by activating banking relations with the regional and international financial institutions and packing national savings to be used in different fields of investment .Also contributing high levels of services, improving and varying in financial services.

Many participations and meetings of financial and economical activities have been held inside and outside Iraq to watch latest development in the banking business; and to make use of the modern turns in financial administration, investments and using information technology to indulge in the modern fields and varying banking presented services and improving them.

Bank Activity

Mosul Bank for Development and Investment presents banking services and managing foreign currency ,managing shares and stock circulating by mediation offices in the Iraqi Stock Exchange market .Also Portfolio and real estates investments managing by its branches net and banking relations with many local and regional banks .In spite of huge competition and negative internal circumstances which has been directly reflected on investment decreasing, retreating of economic market indexes , decreasing dealers base and improving services .Our bank is presenting banking services depending on high efficiency executive team with wide experience in banking field.

Due to the importance of the human factor in all levels in doing their work efficiently ,quickly , for all banking and financial activities; and in applying the planned training strategy arranged by the bank ; many internal training courses have been held for bank employers including the latest one on 4/12/2007with great success for the participated persons .Also many employers have been delegated for training courses in the Central Bank of Iraq and another one outside the country. With all that 2007ended with good increases and well reputation.

Mosul Bank for Development & Investment 2008

Numbers an locations of the bank

Working bank branches reached (9) all over the country I addition to four offices which are Drug factory branch / Nineveh Drug Factory , Cement Branch/ The State Company For Cement Nothern Branch , Passport Branch office –western and east bank . The branches names are mentioned with locations at the beginning of the report.

Future Branches

The bank aims at opening futurist horizons to present best banking services and to prevail over largest areas of high populations to achieve higher credit rate in those areas. The bank I looking forward to open the following branches:

- | | |
|----------------------|----------------------------|
| 1. Kirkuk Branch | Kirkuk City |
| 2. Duhok Branch | Duhok City |
| 3. Hamdaniyah Branch | Hamdaniyah Province –Mosul |
| 4. Talkef Branch | Talkef Province –Mosul |
| 5. Danadan Branch | Mosul Western Bank |
| 6. Anbar Branch | Anbar |

Bank activity during year 2007 and financial indicators.

Financial situations in Iraq:

We all know the fact that the general economical situation in Iraq is still fluctuating and severely affected by the bad security situations which lead directly and negatively on shrinking investments and backing off of the economical market indicators , This lead to inflation and pushed the Central Bank of Iraq to issue critical reformations at the end of 2006 and at the beginning of 2007to increase interest rate to accounts , insurance and investments and improving the exchange if the Iraqi Dinar with Dollars.

Mosul Bank for Development & Investment 2008

Banking facilities

First : Monetary Credits:

Monetary Credits decreased if compared with the past year with 3,236,890,000 ID due to clients payments ;also the bank became more discrete in giving loans.

The following Schedule shows the distribution of monetary credits:

Year	Loans and short period loans	Revealed	Drafts	Total
2006	10,110,129,000	10,164,092,555	1,001,835,000	21,276,056,555
2007	7,595,121,145	9,683,107,326	678,175,000	17,956,403,471

Second: Promissory credit:

Promissory credit balance of letters of credit and letters of guarantees have increased and reached 10,733,877,000 IDs which was 6,547,236,000 due to construction movement and importing which lead to issuing Letters of Guarantee for these operations ; It also lead to opening Documentary Credits for this year with the balance 8,831,534,000.

Detailed Statements

Expenses and Revenues

Mosul Bank has achieved total revenues 7,944,625,000 ID against 5,105,856,000ID during the past year. Expenses had raised to be 2,902,413,000 ID after it was 2,373,133,000ID for the past year. Thus net profit before accounting tax and reservations is 5,042,210,000ID for 2007 against 2,732,722,000ID for 2006.

These revenues came as a result of banking operations movement especially foreign transfer by swift system and dollar trade.

Mosul Bank for Development & Investment 2008

Year	revenue	expenses	profits
2002	282380497	173101797	109278700
2003	413492029	35427175	58862854
2004	2220871780	650674467	1570197313
2005	3410956111	1468156729	1942779382
2006	5105856245	2373133632	2732722613
5007	7944624502	2902413892	5042210640

B / Total Profits from 2002 to 2007

Mosul Bank continued presenting and varying services internally and externally in spite of the bad security situations and their effects on banking , trade, industrial and agricultural business. We have overcome that with the banks efforts and the services that has been presented by the bank's staff.

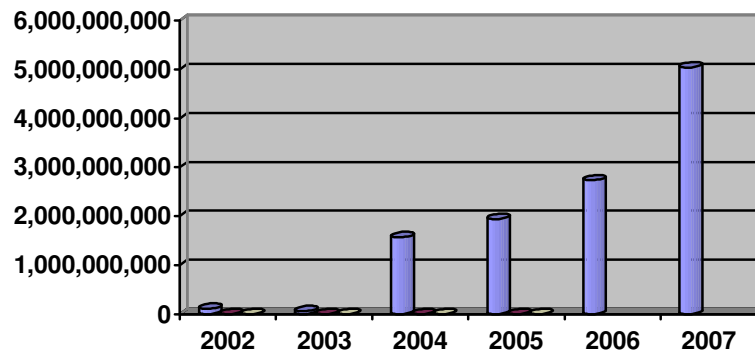
This increased total profits which eased the covering of bank activity and workers wages and total profit reached 5042210600IDfor 2007 with 85% increase rate against 2732722613ID in 2006 . This rate represented the growth of work in 2007.

The following schedule shows Bank Profits against Paid Capital:

Year	Paid Capital	Profits
2002	1 000 000	109 278 700
2003	1000 000	58 862 854
2004	10 000 000	1 570 197 313
2005	20 000 000	1 942 779 383
2006	20 000 000	2 732 722 613
2007	25 000 000	5 042 210 610

Mosul Bank for Development & Investment 2008

The following schedule shows Bank's Profits from 2002 to 2007:



Mosul Bank for Development & Investment 2008 Allocations

A-Doubtful Debit Allocation :

According to the international needs of banking and due to the rules of the Central Bank of Iraq and according to the instruction and rules, the bank kept the level of the Uncertain to be paid debts indicator of 3% from the Monetary Credit and Promissory Credit to become 1,091,942,790 ID .

B-Investments Values Dropping Allocation:

By disclosing bank Portfolio of companies shares we note that the market value of bank portfolio shares is less than purchasing cost . therefore ; shares value dropping has allocated in (500) Million ID in 2007. As a result financial investments value dropping allocation balance is (1,010,034,005) ID.

Cash Fluency

This sector includes the cash in the safe and in the Central Bank of Iraq and other banks and institutes.

As follows:

Details	The Sum
Cash in the Safe	19,208,069,944
Central Bank of Iraq	27,985,507,150
Central Bank of Iraq (Investment Account)	10,000,000,000
Local Banks	13,852,983,542
Cash in Hard Currency (in the Safe) valued in ID	9,718,549,248
Cheques and Drafts under work	(33,018,304)
Local Banks cut cheques	83,435,000
Total	80,815,526,580

The following Schedule shows Monetary assets:

Mosul Bank for Development & Investment 2008

Deposit Balances

Deposit bulk raised at the end of 2007 in different forms whether in Iraqi or foreign currency;

Schedule shows deposit balances

Deposit Balance	2007	2006
Current accounts	69,045,539,409	51,556,776,420
Deposit Accounts	3,592,939,498	1,639,544,354
Fixed	284,233,600	6,323,786,757
Others	11,412,633,088	1,937,118,415
Total	84,335,345,595	61,457,225,966

Fiscal Year	Deposits	Increasing Rate from the year
2002	2679426266	---
2003	10235838209	282%
2004	28944688338	183%
2005	46283439905	70,2%
2006	61457225966	24,7%
2007	84335345595	37,2%

The following schedule shows deposit rates from 2002 to the end of 2007

Mosul Bank for Development & Investment 2008

The Bank's Fiscal Position

Bank's Capital reached (25) Billion ID in 2007 after 25% increase from the past year which is 22% of the total funding sources with improvement in current deposits at the end of the year is (84) Billion ID .This represents 75% from funding sources. This improvement is accompanied with an increase in monetary size of the safe and I banks of about (81) Billion ID with (72) % from total Assets with the rate 96% from current deposits which enforces the financial position of the bank.

The Bank Possessions:

Following the instruction of the Management Board of possessing bank's branches buildings lead proved to be a successful policy after the great increase in estates prices market from the original book values, and the following table shows the banks estates values :

Banks Buildings up to 31/12/2007		
Estate	Book Value	Market Value
Salam Branch Building /Mosul Al Jadeeda	87,072,570	350,000,000
Al Markaz Buildind/Main Branch	184,267,080	750,000,000
Al-Jamiaa Building/Andalus Branch	225,012,700	500,000,000
General Management Building	114,041,465	750,000,000
Baghdad Building/ Baghdad Branch	1,698,895,614	2,500,000,000
Total	2,309,289,429	4,850,000,000

It has been planned to change the following buildings into bank's branches according to the plan of 2007. The bank is now negotiating with the owner of (a block of building with five attached apartments) on the main street to buy it near (Tikrit Trade Hall).

Under work projects		
Estate	Book Value	Market Value
House in Dawasa	64,250,650	150,000,000
House in Danadan	194,820,050	250,500,000
House in Zahrawi	190,261,750	260,000,000
Total	449,332,450	660,500,000

Mosul Bank for Development & Investment 2008

Salaries and Fees

Total salaries, fees and bonuses paid in 2007 is (935,749,910) ID Total salaries has increased from 2006 which was (675,462,591)ID due to the increase in employers numbers in 2007 and opening new branches and the banks policy of supporting employers.

Year	2002	2003	2004	2005	2006	2007
Salaries and wages	46,648,458	136,989,920	282,595,186	461,788,637	675,462,591	935,749,910

The schedule shows number of workers from 2002 to 2007

year	Number of workers
2002	103
2003	114
2004	149
2005	199
2006	223
2007	269

Names and addresses of five bank officials who gained highest salaries:

#	name	Title
1	Shakeeb AbdulBAqi Al Sarraf	Deputy Manager
2	Abdul Rahman Muhamad Basheer Al Ubaidi	Excutive mamager Baghdad
3	Jalal Yehya Qasim	Deputy assistant
4	Qaidar A. Abdullah	Accountant Manager
5	Ayad Ahmad Majeed	Sulaimaniyah Branch Manager

Mosul Bank for Development & Investment 2008

a) Management Board:

The Management Board and Deputy Manager didn't get any sums of money in 2007.

b) Deputy Manager:

Salaries and bonuses taken by the Deputy Manager reached 15 Million IDs in 2007.

c) Management Board meetings:

Management Board meetings in 2007 are (12) meetings.

Mosul Bank for Development & Investment 2008

Publicity and Conferences

Expenses in 2007

#	Account No.	Total Sum
1	Publicity	651,5250
2	Hospitality	4,779,640
3	Conferences and Shows	5,271,300
	Total	165,661,190

Bank's Contracts

Contract	Name of contractor	Sum
Leases		
Erbil Branch Lease	Qasim Muhamad Fattah	72,960,000 ID Yearly
Sulaymaniyah Branch Lease	Khalid Mahmood Ahamd	48,640,000 ID Yearly
Tikrit Branch Lease	Trade Hall of Tikrit	2,000,000 ID Yearly
Bab Al Tob Branch Lease	Mosul Municipality	2,510,000 ID Yearly
Cleaning Contracts		
Cleaning Contract with General Management	Rasha Muhammad Abid	100,000 ID Monthly
Cleaning Contract with Main Branch	Saad Basim Ahmad	100,000 ID Monthly
Cleaning Contract with Salam Branch	Nashmiyah Hameed Shihab	100,000 ID Monthly
Cleaning Contract with Baghdad Branch	Zainab Muhamad Annaba	150,000 ID Monthly
Cleaning Contract with Baghdad Branch	Majida Ab Dul Razzaq Abas	100,000 ID Monthly
Cleaning Contract with Bab Al Tob Branch	Zahra Ali Haidar	100,000 ID Monthly
Cleaning Contract with Tikrit Branch	Shaa Mutlaq Muzzal	125,000 ID Monthly
Cleaning Contract with Sulaimaniyah Branch	Fatima Bakir Qadir	220,000 ID Monthly
Other Contracts		
Computer Maintenance Contracts	Ahmad Ali Muhamad Jasim	3,000,000 ID Yearly
Internet Contract with Muaamar Co.	Muaamar Muaayad Sheet	43,347,200 ID Yearly

Mosul Bank for Development & Investment 2008

Foreign Transfer Operation Managing

Mosul Bank for Development and Investment presents foreign transferring services , external Letters of Guarantee and Documentary Credits to cover the needs of businessmen , trade and governmental directorates in importing all their needs internally . Also the reconstruction operation and infrastructure reformation needed such services.

Documentary Credits in 2007 is (24) Credits of the value (9) Billion IDs.

Mosul Bank for Development and Investment presents external drafts through Western Union. The Bank will also preset in the coming future after dealing with the above mentioned Co.

All transforming operations are done through Swift System for its accuracy and safety.

Bank Correspondents

1. Iskan Bank / Jordan
2. Ettihad Bank / Jordan
3. Arabic Investment Co.- Banking Unit / Bahrain
4. International Trading bank / Syria
5. France Bank / Lebanon
6. Mashriq Bank/ Dubai
7. Abu Dhabi National Bank
8. UPaff Bank /Bahrain

Turkish Guarantee Bank and The Arabic Bank in Egypt have also been informed to have connection with us for there are good relations between Iraq and the mentioned countries.

Mosul Bank for Development & Investment 2008

Training Courses

Mosul Bank is looking for developing its staff by attracting merits, improving experiences , raising performance level and confirming abilities in building work by seeing latest internal and external developments to present best banking services.

Studies department in our bank is arranging training courses for bank employees and creating substitutions in the work through detailed plan presented by the department containing a schedule of a number of courses executing during the year. In addition to that our bank is participating in all Central Bank of Iraq courses in Baghdad and the governorate also. Our employees achieved high levels in those courses also they participated in Izdihar Company for bank Guarantees external and internal courses added to training courses that arranged by studies department for all branches employees in different banking fields with cooperation with economic, academic and banking experiences:

The following is a schedule of courses kinds and participants

Courses types	Number	Participants
Banking Information Course	20	82
Computing Course	6	40
Money Laundering Course	4	56
Swift Course	4	18
Seminars/Lectures	14	32
Total	48	228

Mosul Bank for Development & Investment 2008

Money Laundry

Money laundry has many features which enables specialized branches to distinguish illegal activities that have been dealt in business , and of which :

Opening an account in the bank where clients who opened them claims that he has Merchandise files actually not true , and the illegal way of changing his real work and the monetary operation. The client put lots of money continuously on certain account or if the money moved from unknown client in large number of small notes.

Adding to that the non monetary banking operations where some persons or companies transfer large quantities of money to foreign accounts and vice versa specially when there is unknown banks or by buying fiscal estate or use it for money flow.

The studies shows the dealers of this business are money transaction centers; casinos offshore companies in addition to the role of specialized accountants and fiscal supervisors who played a big role in money laundry by inventing many ways for deceiving. On the other hand modern technology enhanced the increase of money laundry after using the internet for this business., Digital Laundry has been invented which is transferring money through the internet . One of the features of this facility is to ease paying operations for its dealers . In return of that the possibility of hacking increased.

To execute money laundering law of 93 in 2004 and the Central Bank of Iraq articles , the Mosul bank decided to form Money Laundry Unit according to the article no 1044 on 12/4/2007 which fulfill the following things according to the instruction of the Central Bank of Iraq concerning this subject. The manager in charge is responsible for coordinating with this unit in the Central Bank of Iraq and supervising money laundry in our bank and supervising money laundering in the other branches.

Mosul Bank for Development & Investment 2008

Works done by through the office

1. Checking suspicious operations whether presented by the bank internally and done directly or operations came from the bank's employees with reasonable reasons or if it came from other directions.
2. Supervising daily operations coming to the bank from external banks more than ten thousand Dollars .
3. The office organized files for the bank and the branches mentioning all the operations for clients and companies according to the banking operations done for each client or company.
4. The office informed all bank's branches with policies and procedures issued by the Central Bank of Iraq concerning money laundering to read it and work with it and signing The Form MLR3 by employees .
5. The bank is supervising all files of bank's clients and the branches and keep them and checking them to check all the shortages in them by arranging a form for that.
6. The office informs the Central Bank of Iraq with reports every two weeks for all banking operations including drafts and documentary credits in a (CD).
7. Following up all the operations of the Central Bank of Iraq concerning money laundering and locating weak points in them and presenting suggestions to improve and increase the efficiency of it.
8. The main branch is the only branch responsible for opening new accounts for clients and companies and approving them.
9. The office coordinate the Letters of Guarantee and revealing fake letters through organizing special forms hard for clients to forfeit and distribute them all over the branches according to certain numbers kept at the office.
10. To improve employees abilities within all of the branches to help them revealing suspicious papers . The office organized courses in money laundering . The courses were (4) . The office kept a form for detection and has certain seals for the same reason. .

We assure that there isn't any suspected operations in our bank concerning money laundering and terrorism financing.

Mosul Bank for Development & Investment 2008 Insurance

The Management of the bank secured the properties of the bank and its monetary assets inside the safe and money transactions among the Bank's Branches and the Central Bank of Iraq to cover the sudden risks and securing bank's money.

Purchasing and selling Foreign currency

The bank and its branches sell Dollars according to the local market prices with competitive prices , it also purchase from the auction market in Baghdad to make profits for the bank from differences in prices . Profit reached (1,606,416,422) ID for 2007 . The operations are done with control by the management board.

Settling Loans Committee Activities

Settling Loans Committee managed to negotiate some of the debits clients and managed to gain their estates as a compromise and transferring its property to the bank according to paragraph (2) of article (33) of banks law no 94 of 2004. The committee also transferred other clients properties by the force of law and thus the bank succeeded in reducing doubtful depts. and increase fixed assets.

Mosul Bank for Development & Investment 2008

Money Laundry and Terrorism Funding

The bank followed all the procedures of the Central Bank of Iraq concerning Money Laundering and Terrorism Financing by establishing a unit for this purpose and monitoring the procedures of the Central Bank of Iraq.

Accounting policies

1- Revenues and expenses:

They are accounted according to the principle of deserving except for profits taken from investments which recorded income during the delivery date

2-Amortization and Depreciation :

Belongings Depreciation and finishing postponed income expenses were accounted on the bases of fixed shares within the issued rate according to Amortization and Depreciation with (20) %,

3-Exchange Borrowing and lending accounts:

Working with the instruction of the Central Bank of Iraq instructions; it has been (compromised) between exchanging borrowing accounts and lending accounts .

4- All assets has been priced according to the Central Bank of Iraq prices on 31/12/2007 with 1216 except for Baghdad Branch with 1215.

Mosul Bank for Development & Investment 2008

Dear Shareholders of the Mosul bank of Development and Investment
Subject/ Annual Report of Auditing Committee
for the ended year of 31/12/2007

We would like to explain the work of the formed committee according to your approval concerning supervising work for the ended year 2007 . we would like to show the following:

- 1 - The used record group by the bank was in match with recording system needs, and it has covered the needs , expenses and the revenue according to the rules of the Central Bank of Iraq.
- 2 – The committee supervised monthly reports presented by monitoring and checking branch to the committee. The committee ensured continuing supervision.
- 3- Banking insurance branch should monitor what has been mentioned in the directions list of the Central Bank of Iraq and Credit Classification.
- 4- According to the recommendations of the committee to the management board ,it has been approved that Mr. Nawfal Al Khassab would be an external auditor for the bank for his competence and his periodical supervision and for his availability in Mosul City which helped checking and arranging final rep[orts].
- 5- The committee sighted the auditor's report / Mr. Nawfal Al Khassab of 2007 and internal reports and find it match the instructions and accounting procedures issued by the Central Bank of Iraq and the internal instructions and informing the management board.

Head of Auditing Committee	Member	Member/ Rafidain Bank Rep,
Ali Hussein Al Najmawi	Dhiaa Ibraheem Al Dabbagh	Qutaiba Muhamad Salih

Mosul Bank for Development & Investment 2008

Mosul Development and Investment Bank (Private joint-stock company)-Nineveh General Balance 31/dec.\2007

Report –A-			2007	2006
Statement no	Accounting Guide No.		<u>I.D.</u>	<u>I.D</u>
<u>Assets</u>				
<u>Dealt assets</u>				
1	18	Money (in the box and in Banks)	80,815,526,580	48,555,254,905
2	15	Investments	4,777,810,367	4,413,010,367
	14	Money trusting		
3	144	Sold and discounted trading papers	3,408,129,779	2,998,574,254
4	14 except 144	Loans and Paying in advance	15,130,572,757	19,975,429,425
5	16	Borrowers	18,538,702,536 <u>4,858,827,777</u> 108,990,867,260	22,974,000,679 <u>10,547,063,715</u> 86,489,329,666
<u>Fixed assets</u>				
6	11	List-in the book value(after Discounting the vanishing)	3,400,922,800	3,366,172,035
	118	Postponed revenue expenses	107,147,829	67,464,156
6	12	Under work projects	474,590,050	448,970,700
			<u>3,982,660,679</u>	<u>3,882,660,891</u>
Total of assets			<u>112,973,527,939</u>	<u>90,371,936,557</u>
<u>Exchanging Accounts</u>				
11	19 191	Customers obligations towards Banking operations (after Discounting insurances)	<u>8,180,098,245</u>	<u>5,615,866,314</u>

Mosul Bank for Development & Investment 2008

Mosul Development and Investment Bank (Private joint-stock company)-Nineveh General Balance 31\dec.\2007

Report –A-

Statement no	Accounting Guide No.	2007 I.D.	2006 I.D.
<u>Funding sources</u>			
<u>Short periods funding sources</u>			
7	25 Current accounts	84,335,345,595	61,457,225,966
8	22 Allocations	2,803,472,704	1,837,904,656
9	26 Debtors	(4,868,419,902)	2,736,988,968
		82,270,398,397	66,032,119,590
<u>Long periods funding sources</u>			
10	211 Paid and Named- Capital	25,000,000,000	20,000,000,000
	214 Reserves	5,703,129,542	4,339,816,967
	Total Shareholders rights	<u>30,703,129,542</u>	<u>24,339,816,967</u>
	Funding sources	<u>112,973,527,939</u>	<u>90,371,936,557</u>
11	29 <u>Exchanging Accounts</u>		
	Bank obligations for exchanging operations	<u>8,180,098,245</u>	<u>5,615,866,314</u>
11	291 (After discounting insurances)		

Auditor
Qaidar Abdul Rahman

Officer in charge
Shakeeb Abdul Baqi AlSarraf

Head of Management Board
Qusay Yehya Qasim

Nawfal Mahmood Al Khassab
Member of Arabs Charters Board
Charter accountants

Subjected to our report no 21 in 15 / 3 /1007

Mosul Bank for Development & Investment 2008

Mosul Development and Investment Bank (Private joint-stock company)-Nineveh Profits , losses and money distribution accounts 31\dec.\2007

Report-B-

Statement no	Accounting Guide No.	2007 I.D.	2006 I.D.	
<u>Trading activity revenue</u>				
13	44	Banking operations revenue	6,2132,581,968	3,441,180,110
14	46	Investments Revenue	1,706,177,813	1,419,524,684
		7,919,759,781	4,932,704,794	
<u>Discounting: trading activity revenue</u>				
16	34 -35	Banking operations expenses	925,781,942	791,342,075
6	37	Finishing and vanishings	188,271,572	106,318,230
16	31-33	Management expenses	1,591,730,475	996,585,401
		2,705,783,989	1,894,245,706	
		5,213,975,792	3,038,459,088	
<u>Current operations exes</u>				
<u>Adding :Other transformational revenue</u>				
17	43	Servicing activity revenue	13,201,453	432,528,152
17	49	Other different revenues	11,663,268	019,623,20
		24,864,721	173,151,451	
<u>Discounting: Other transformational expenses</u>				
18	38	Transformational expenses	194,810,319	476,319,326
19	39	Other expenses	1,819,584	2,568,600
		196,629,903	478,887,926	
		5,042,210,610	2,732,722,613	
		=====	=====	
<u>Distributed as follows:</u>				
Inflating Reserve 10% (acc to				
Central Bank of Iraq Book no 9/3/81				
		504,221,061	-----	
in 10/Jan./2008				
Suspected to be gathered debts allocations				
		680,698,432	409,908,392	
Taxes allocations				
		771,458,223	464,562,844	
Legal capital reserve				
(according to the law of the Central Bank of Iraq)				
		3,085,832,894	1,858,251,377	
Undistributed profits(accumulated exes)				
		5,042,210,610	2,732,722,613	

Mosul Bank for Development & Investment 2008

Mosul Development and Investment Bank (Private joint-stock company)-Nineveh

Money distributions and sources Statement 31\dec.\2007

Report -C-

Accounting Guide No.	2007 <u>I.D.</u>	2007 <u>I.D.</u>
Money balance as in 1\1\2007	48,555,254,905	
<u>Adding : Money sources</u>		
<u>Money earned from cycling money</u>		
Total profits		5,042,210,610
<u>Unfinancial points</u>		
37 Total Amortization and Depreciation		<u>188,271,572</u>
Monetary Paragraphs		
21 surplus in the reserves		2,000,000,000
22 Allocations surplus		965,568,048
25 Current accounts surplus		22,872,119,629
16 Loaners Shortage		5,688,235,938
14 Shortage in Monetary Credit		4,435,298,143
		<u>35,967,221,758</u>
	<u>41,197,703,940</u>	
	89,752,958,845	
<u>Discounting : Money uses</u>		
11 Fixed assets excess (assets+ postponed expenses)		262,706,010
12 Increase : Under work Project		25,619,350
		288,325,360
15 Addition in Investment		364,800,000
16 Shortage in the Reserves		678,898,035
26 Shortage in the debtors		7,605,408,870
		8,649,106,905
		=====
Money as in 31\12\2007	<u>(8,937,432,265)</u>	
	80,815,526,580	
	=====	

Mosul Bank for Development & Investment 2008

Mosul Development and Investment Bank (Private joint-stock company)-Nineveh

Money statement 31\dec.\2007

Report no (1)

Accounting Guide No.	2007 <u>I.D.</u>	2006 <u>I.D.</u>
181 Money in the box	19,114,782,244	2,153,785,533
183 Money in local banks	51,838,490,692	38,637,325,781
185 Cheques and under collecting drafts	(33,018,304)	91,314,902
186 Foreign money notes	93,287,700	2,416,637,884
187 Money in external banks	9,718,549,248	5,256,190,805
189 Cheques cut for local banks	<u>83,435,000</u>	-----
	<u>80,815,526,585</u>	<u>48,555,254,905</u>

Investments statement 31\dec.\2007

Report no (2)

Accounting Guide No.	2007 <u>I.D.</u>	2006 <u>I.D.</u>
1512 Investment estate	364,800,000	-----
1523 Long Period Investments	400,000,000	400,000,000
153 Short periods financial investment		
1536 Short periods financial investment\ Private sector \companies	<u>4,013,010,367</u>	<u>4,013,010,367</u>
	<u>4,777,810,367</u>	<u>4,413,010,367</u>

Mosul Bank for Development & Investment 2008

Mosul Development and Investment Bank (Private joint-stock company)-Nineveh

Sold and discounted trading papers statement 31\dec.\2007

Report no (3)

Accounting Guide No.	2007 <u>I.D.</u>	2006 <u>I.D.</u>
144 Sold and discounted trading papers		
1441 Discounted promissory notes	678,175,000	1,001,835,000
1445 Sold internal drafts	2,729,954,779	1,996,736,254
	<u>3,408,129,779</u>	<u>2,998,571,254</u>

Loans and Sort period Loans statement 31\dec.\2007

Report no (4)

Accounting Guide No.	2007 <u>I.D.</u>	2006 <u>I.D.</u>
142 <u>Short periods loans</u>		
1426 Loans for certain Periods /private sector\ companies	11,617,280,000	250,000,000
1427 short periods loans\private sector\ companies	4,345,368,750	6,113,156,500
1429 short periods loans\private sector\ persons\Foreign Currency	-----	841,147,500
	5,962,648,750	7,204,304,000
143 <u>Lending current accounts</u>		
1437 Different current accounts/ Private Sector\Persons	---	9,838,237,145
1439 Debit current accounts \ Foreign currency	8,193,726,107	27,036,280
	8,193,726,107	9,865,300,425
1491 Employers' Loans	974,197,900	2,905,825,000
	<u>15,130,572,757</u>	<u>19,975,429,425</u>

Mosul Bank for Development & Investment 2008

Mosul Development and Investment Bank (Private joint-stock company)-Nineveh Debtors Statement as in 31\Dec.\2007

Reporno (5) Accounting Guide No.	2007 I.D.	2006 I.D
161 Trading activities borrowers		
1616 Private Sector Debtors/Companies	630,411,149	---
1617 Private Sector Debtors/Persons	27,513,346	47,113,346
Private Sector Debtors/ Persons/ Dollar	350,000	--
	658,274,495	47,113,346
163 Debited Unchanging accounts		
1631 Debited mutual accounts	35,399,186,397	20,406,075,244
1633 Bank Branches Debts	(38,151,268,107)	(12,883,353,419)
1634 Debited mutual accounts in Hard Currency	--	1,920,022,445
	(2,752,081,710)	(9,442,744,270)
	5,387,191,296	---
165 Private Sector Debtor		
166 Different borrowed accounts		
1661 Insurances with the others \Shares subscribing	2,000,000	2,000,000
1662 Deserved incomings	29,461,585	60,082,199
1663 Expenses paid in advance	155,575,979	52,771,006
1665 Money differences	400,511,087	504,332,081
1666 Law expenses	2.845.200	1.765.000
	590,393,851	620,950,286
167 Paying in advance		
1671 Paying in advance for activities	125,000	125,000
1672 Employers paying in advance	97,536,880	63,437,500
1673 Marriage Loans for Employers	---	125,000
	97,661,880	63,687,500
169 Other borrowing accounts		
16911 Late Loans	304,011,500	100,000,000
16912 Unpaid and deserved Drafts	122,255,222	111,799,000
16913 Unpaid debts	425,721,243	160,769,313
1693 Letters of Insurance Debtors	25,400,000	---
	877,387,965 `	372,568,313
	<u>4,858,827,777</u>	<u>10,547,063,715</u>

Mosul Bank for Development & Investment 2008

Fixed assets and their Depreciation statement as in 31\dec.\2007 statement no (A-6)						
Accounting guide no	Lands 111	Building facilities 112	Equipments and machines 113	Transportation and movement 114	Furniture and properties 116	Total
Movement in a year	Dinar	Dinar	Dinar	Dinar	Dinar	Dinar
Cost						
balance in 1\1\2007	832,000,000	2,309,289,429	73,123,100	67,176,920	279,791,524	3,579,380,973
Additions through a year	62,000,000	0	51,715,960	0	99,500,275	213,216,235
Discrimination in a year	0	0	(900,000)	(14,020,820)	(10,200,000)	(25,120,820)
Balance in 31\12\2007	894,000,000	2,309,289,429	123,939,060	53,156,100	387,091,799	3,767,476,388
Accumulated Depreciation allocation						
balance in 1\1\2007	0	52,417,977	16,641,899	22,838,833	121,310,229	213,208,9388
Adding: Depreciation through the current year	0	69,278,681	22,090,028	10,631,220	71,066,414	173,066,343
minus: accumulated discarded	0	0	(801,140)	(9,067,213)	(9,853,340)	(19,721,693)
Depreciation in 31/12/2007	0	21,696,658	37,930,787	24,402,840	182,523,303	366,553,588
Booking value as in 31\12\2007	894,000,000	2,187,592,771	86,008,273	28,753,260	204,568,496	3,400,922,800

Mosul Bank for Development & Investment 2008

30

Mosul Development and Investment Bank (Private joint-stock company)-Nineveh Delayed income expenses and depreciation Statement as in 31\Dec.\2007

Statement (B 6)

Acc. guide no	Inventory kind	cost in the 1/1/2007 Dinar	Addition of 2007 Dinar	Cost in 31\12\2007 Dinar	Total Depreciation in 1/1/2007 Dinar	Depreciation Of 2007 Dinar	Total Depreciation in 31/12/2007 Dinar	Balance31\12\ 2007 Dinar
1182	Before working expenses	91,225,156	16,332,559	107,557,715	40,295,145	11,709,253	52,004,398	55,003,317
11826	Decorations and blocks formation	33,352,617	38,556,343	71,908,960	16,818,472	3,495,976	20,314,448	51,594,512
	Total	124,577,773	54,888,902	179,466,675	57,113,617	15,205,229	72,318,846	107,147,829

Mosul Bank for Development & Investment 2008

Mosul Development and Investment Bank (Private joint-stock company)-Nineveh Current accounts and trusts statement of 31\dec.\2007

Statement no (7)

Accounting Guide No.	2007 I.D.	2006 I.D
251 loaning current accounts		
2511 loaning current accounts\governmental sector	6,219,189,945	,852,852,61523
2514 loaning current accounts\socialist sector	115,906,719	115,961,719
2515 loaning current accounts \merged sector	753,008,879	3,954,834
2516 loaning current accounts\private sector\companies	16,015,156,408	11,184,296,289
2517 loaning current accounts\ private sector\personnel	41,128,321,879	15,534,061,842
25191 depended cheques (legalized)	4,597,353,311	335,496,150
25192 reserved cheques by calls	216,633,275	529,962,971
25194 booked by calls with hard currency	---	50,000
25195 Foreign current credits/Mixed sector	---	185,000
	69,045,539,409	51,556,776,420
252 Saving accounts		
2521 Deposit account	3,592,939,498	1,639,544,347
253 Periodical and ready in demand accounts		
25314 Fixed trust Q .W. Coop.	109,925,000	109,925,000
25317 Fixed trust / persons	174,308,600	431,894,900
2532 non permanent trusts	3,404,800	---
2534 foreign currency current credits	---	3,890,924,930
2535 foreign currency deposit credits	---	233,492,849
2536 current credits foreign currency / companies	---	1,585,131,198
2537 current credits foreign currency / Governmental	---	72,269,880
2538 Closed Current accounts/ foreign currency	---	148,000
	287,638,400	6,323,786,757
255 Handed and taken insurances in return of banking operations		
2551 Insurances for issued accounts	8,800,913,325	78,440,000
2552 Insurances for letters of guaratee	2,586,401,133	889,231,630
2556 Fixed Credits – Partners	---	145,075,520
	11,387,314,458	1,112,747,150
256 Internal drafts and cheques		
2561 branches drafts /drawn expenses	(1,113,851,880)	(3,390,000)
2562 Drawn disks on the bank account	1,122,719,664	703,338,679
2563 Drawn cheques on the bank account	13,046,046	124,422,586
	21,913,830	824,371,265
	84,335,345,595	61,457,225,966

Mosul Bank for Development & Investment 2008

Mosul Development and Investment Bank (Private joint-stock company)-Nineveh Allocations statements in 31\dec.\2007

Accounting guide no	balance 1\12\2007 Dinar	Statement no (8) Addition during the year Dinar	Discounts during the year Dinar	Balance 31\12\2007 Dinar
222 Uncertain to be collected debts locator	914,819,782	177,123,008	----	1,091,942,790
224 Taxes Allocations	409,908,392	680,698,432	(409,908,392)	680,698,432
<u>225 Different allocations</u>				
2251 Financial investment value falling down locator	510,034,005	500,000,000	---	1,010,034,005
2257 internists for the unsettled debts	3,142,477	17,655,000	---	20,797,477
Total	1,837,904,656	1,375,476,440	(409,908,392)	2,803,472,704

Counting Taxes Allocations:

Dinar

4,537,989,549 Activity Surplus for taxes according to (A) of Statement (10)

=====

680,698,680 taxes allocations for 2007 with 15% of Activity Surplus for the above
mentioned Taxes

Mosul Bank for Development & Investment 2008

Mosul Development and Investment Bank (Private joint-stock company)-Nineveh Debtors statements in 31\dec.\2007

Statement no (9)	2007	2006
Accounting	I.D.	I.D.
<u>Guide No.</u>	<u>I.D.</u>	<u>I.D.</u>
261 Trading activity Debtors		
2611 Governmental sector Debtors	5,993,800	94,435,500
2616 Private sector Debtors/Societies and Co.	34,888,750	266,000,000
2617 Private sector Debtors \personnel	1,836,256	2,140,452
26171 Current accounts balances\closed	353,575	326,575
	43,072,381	362,902,527
263 Exchanging loaning accounts	(12,965,536,032)	(1,503,278,740)
265 not current accounts debtors	7,783,028,938	---
266 Different loaning accounts		
2661 Handed insurances	2,194,095	721,590
2662 Revenue handed in advance	82,027,894	225,833,783
26624 LG revenues	3,537,990	---
2663 Eligible expenses	18,645,433	9,081,100
26631 Eligible profits	1,832,534	6,343,001
2664 Eligible fees an salaries	160,000	---
26663 Eligible financial stamps fees	27,826,939	---
26695 Handed sums in return of companies registering	31,500,000	21,000,000
26696 Companies shares subscribing paid in	2,872,857	506,503,593
26698 Accounts under settlement	40 000	16 000
	170,637,742	769,499,067
267 Discounts for others		
2671 Discounts from the employers for the others	1,216,340	161,750
2672 Discounts not from the employers for the others	938,400	---
	2,154,740	161,750
268 Distributing benefits loaners	30,786,270	34,181,721
269 Other loaning accounts		
2694 Money compensations	2,472,850	1,583,583
2695 Late customers accounts and compensations	23,928,196	22,254,214
2696 Detained accounts according to legal authorities	34,584,256	42,438,318
2698 Other loaners for the management's account	6,450,757	689,048
	67,436,059	66,965,163
	<u>(4,868,419,902)</u>	<u>2,736,988,968</u>

Mosul Bank for Development & Investment 2008

Mosul Development and Investment Bank (Private joint-stock company)-Nineveh Reserves Statement of 31\dec.\2007

Statement no (10)

Accounting guide no	Reserve kind	Balance in1\1\2007	Addition in one year	Discounts in one year	Balance in31\12\2007
212	Capital Reserve	0	1,800,397	0	1,800,397
213	General Reserve	70,020,191	0	0	70,020,191
2141	Legal Capital Reserve	1,070,501,156	771,458,223	0	1,841,959,379
2144	Free shares Reserve	12,502,509	0	0	12,502,509
217	Accumulated Surplus Reserve	3,186,793,111	3,085,832,894	(3,000,000,000)	3,272,626,005
221	Expanding Reserve	0	504,221,061	0	504,221,061
	Total	4,339,816,967	4,363,312,575	(3,000,000,000)	5,703,129,542

Reserves accounting

A-Capital legal reserve accounting

Dinar

<u>5,042,210,610</u>	activity surplus according to notice (b)attached
<u>(504,221,061)</u>	Minus :allocations 10% from surplus of taxes(acc to board decision / first session on 10/2/2008 matching the Central Bank of Iraq book no 6/3/81 of 10/1/2008
4,537,989,549	Activity surplus after allocations reserve
=====	
<u>(680,698,432)</u>	Minus: Taxes Allocations
3,857,291,117	Activity surplus after taking allocations and reserves Profits not distributed
<u>(771,458,223)</u>	Legal reserve for the Capital 20% of activity surplus of allocations
3,085,832,894	Profits not distributed for 2007

B-Accumulated surplus accounting

Dinar

<u>(3,857,291,117)</u>	Legal reserve for the Capital 20% of activity surplus of (A) above.
186,793,111	Add : Recycled Profits not distributed of 2006
<u>771,458,223</u>	Discounts : Legal reserve for the Capital
3,272,626,005	Accumulated surplus

Mosul Bank for Development & Investment 2008

Mosul Development and Investment Bank (Private joint-stock company)-Nineveh Exchange commitments towards banking operations statement of 31\dec.\2007

Statement no (11)

Accounting Guide No.	2007 <u>I.D.</u>	2006 <u>I.D.</u>
192\292 <u>Footnoted Letters of Guarantee</u>		
1921\2921 Internal footnoted L/G	10,733,877,983	5,810,265,082
1924\2924 Clients obligations towards L/G hard currency	-----	736,971,200
2552 Discounting :L/G insurance	(2,586,401,133)	(889,231,630)
2556 Discounting :L/G insurance/ Hard currency	----	145,075,520
193\293 <u>Book value accounts</u>		
1931\2931 Customers obligations Towards K.H.of foreign currency	8,833,534,720	181,377,182
2551 Discounting: insurances in return of issued Security notes	(8,800,913,325)	(78,440,000)
	<u>8,180,098,245</u>	<u>5,615,866,314</u>

Note/ Book value accounts transferred from Exchange accounts to obligations accounts .Check schedule of 2006

Exchange banking accounts statement of 31\dec.\2007

Statement no (12)

Accounting Guide No.	2007 <u>I.D.</u>	2006 <u>I.D.</u>
196\296 <u>Conducted fees for operation accounts</u>		
1966\2966 In Return of Shares Conducts	34,013,295	9,361,000
1967\2967 Conducted checks	1,235,000	---
1969\2969 Cut Checks	----	831.926,527
198\298 <u>Mutual Security accounts</u>		
1983\2983 Mortgages for banking facilitations	30,723,320,002	29,594,060,000
199\299 <u>Exchanged security accounts</u>		
1991\2991 Symbolic mortgaging in the bank trust	4	4
1992\2992 Important documents in the bank trust	79	82
1993\2993 Contracts and banking facilities documents	1,350	2,173
	<u>30,758,569,730</u>	<u>30,435,349,786</u>

Mosul Bank for Development & Investment 2008

Mosul Development and Investment Bank (Private joint-stock company)-Nineveh Banking actions Revenue statement of 31/dec./2007

Accounting Guide No.	2007 I.D.	2006 I.D.
441 Foreign currency revenue		
4412 Selling and buying foreign currency revenue	1,022,632,286	117,182,310
44122 Selling and buying foreign currency revenue	---	235,468,263
4413 Selling and buying foreign notes revenue	583,784,136	12,777,550
	1,606,416,422	365,428,123
442 Internal loaning and lending revenue		
4421 Given loans interests	800,970,953	643,884,121
4422 Lent current account interests	1,874,769,519	1,336,602,432
44231 Deducted drafts and promissory notes interests	109,939,569	138,541,281
44232 Discounted drafts comm..	4,791,650	13,035,060
44233 Debentures deducted fees revenue	36,480	59,100
44243 Loans interests for financial documents		3,846,000
44246 Personal advanced payment revenue	551,000	3,756,632
44247 Different payments and fees comm..	1,255,410	1,506,000
	2,792,314,581	2,141,230,626
443 Drafts commissions		
4431 Internal sold drafts comm..	481,362,716	401,894,190
4432 External drafts comm..	61,404,979	23,832,621
4433 Interests of delayed drafts payment- I.D.	40 000	231 000
	542,807,695	425,957,811
444 Accounts and Drafts revenue		
4441 Issued accounts and drafts Commissions	422,725,628	2,382,661
4442 Issued accounts and drafts profits	612,911	---
4443 Incoming accounts and drafts Commissions	1 792 386	---
	425,130,925	2,382,661
445 Letters of Security revenue		
4451 Internal Letters of Security revenue	504,811,740	241,471,689
4452 External Letters of Security revenue	---	1,807,375
	504,811,740	243,279,064
447 Different banking commissions		
4471 Issuing vouchers and crediting cheques	116,035,177	113,607,649
4473 Shares dealing comm..		5,819,945
4479 Other banking comm..	101,362,902	98,727,331
	217,398,079	218,154,925
448 Recuperative expenses		
4481 issued communications expenses	44,073,251	---
4482 Recuperative communications expenses	27,189,584	11,163,355
4483 Recuperative money transactions expenses	211,300	---
4485 Banking printed matters sales-I.D.	53,202,391	33,413,945
4486 Banking printed matters sales-Dollar	26 000	---
	124,702,526	44,746,900
	<u>6,213,581,968</u>	<u>3,441,180,110</u>

Mosul Bank for Development & Investment 2008

Mosul Development and Investment Bank (Private joint-stock company)-Nineveh Investments Revenue statement of 31\dec.\2007

Statement no (14)

Accounting Guide No.	2007 I.D.	2006 I.D.
463 <u>Money investment revenue</u>		
4631 External Current Accounts Interests	---	73,076,450
4632 Night Investment Interests	1,638,662,417	1,304,050,451
4633 Money investment interests	67,515,396	114,397,783
	<u>1,706,177,813</u>	<u>1,491,524,684</u>
	<u>1,706,177,813</u>	<u>1,491,524,684</u>

Banking actions expenses statement of 31\dec.\2007

Statement no (15)

Accounting Guide No.	2007 I.D.	2006 I.D.
342 <u>Paid banking interests</u>		
3421 Deposit account interests	127,319,831	52,801,486
3422 Fixed trusts interests	8,167,076	7,458,765
3425 current accounts profits	33,019,315	-----
3426 Deposit account interests/ foreign currency	---	258,125
	168,506,222	60,518,376
343 <u>Paid banking commissions</u>	255,185,720	220,995,127
344 <u>Evaluating Foreign currency differences</u>	2,090,000	---
345 <u>Different allocation expenses</u>		
3451 Declining of financial investments	<u>500,000,000</u>	<u>500,000,000</u>
3454 Drawing interests	---	9,828,572
	925,781,942	791,342,075
	<u>=====</u>	<u>=====</u>

Mosul Bank for Development & Investment 2008

Mosul Development and Investment Bank (Private joint-stock company)-Nineveh Management expenses statement of 31\dec.\2007

Statement no (16)A

Accounting Guide No.	2007 I.D.	2006 I.D.
<hr/>		
<u>31 Fees and wages</u>		
<u>312 Employers monetary Fees and wages</u>		
3121 Named wages	311,473,600	197,148,778
3123 Extra workers fees	22,138,348	24,765,778
3124 Encouraging bonuses	149,116,086	104,182,137
3125 Temporary occupational allocations	38,440,491	32,776,337
3126 Compensational allocations	69,870,065	59,827,144
3129 Other allocations	321,521,085	249,455,316
	921,559,675	668,155,490
313 non Iraqi workers fees and salaries	1,977,216	---
315 Workers social security participations		
3151 Bank's share for the social security	<u>21,213,019</u>	<u>7,307,101</u>
<u>Wages and fees total</u>	<u>935,749,910</u>	<u>675,462,591</u>
<u>32 Goods requirements</u>		
<u>322 Fuel and oils</u>	53,808,300	29,737,600
<u>325 Others</u>		
3251 Requirements and missions	9,886,744	6,994,933
3252 Stationary	31,214,815	11,355,389
	41,101,559	18,350,322
326 Workers supplies	<u>1,042,581</u>	-----
327 Water and Electricity		
3271 Water	828,110	274,820
3272 Electricity	4,845,798	3,029,641
	<u>5,673,908</u>	<u>3,304,461</u>
Total goods requirements	<u>101,626,348</u>	<u>51,392,383</u>

Mosul Bank for Development & Investment 2008

Mosul Development and Investment Bank (Private joint-stock company)-Nineveh Management expenses statement of 31\dec.\2007

Statement no (16)B

Accounting Guide No.	2007 I.D.	2006 I.D.
33 Services requirements		
331 Maintenance services	30,267,610	7,742,750
3312 Building and facilities maintenance	14,581,880	9,411,220
3313 Machines and equipments maintenance	7,480,876	3,451,450
3314 Transportation vehicles maintenance	3,564,561	5,229,740
3316 Offices and furniture maintenance	147,580	---
3317 Computers maintenance	56,042,507	25,835,160
332 Researches and consultation Services	150,000	450,000
333 Publication, printing and added values		
3331 Publication	6,515,250	3,214,800
3332 Issuing and printing	7,824,600	3,703,800
3333 Hospitality	4,779,640	5,593,365
3334 Shows expenses	5,069,050	---
3335 Celebrations	1,597,430	172,000
3336 Meetings and seminars	202,250	664,000
	25,988,220	13,347,965
334 Transportation delegations and communication		
3341 Workers Transportation	17,092,372	15,133,425
3342 Transporting goods	24,203,850	6,170,500
3343 Traveling and delegations	68,945,055	51,905,800
3344 Public calls	51,589,690	41,444,540
	161,830,967	114,654,265
335 Fixed assets rents		
3352 Building and facilities renting	103,427,500	23,550,000
3353 Equipments Renting	---	15,000
	103,427,500	23,700,000
What follows	3477,439,194	177,987,390

Mosul Bank for Development & Investment 2008

Mosul Development and Investment Bank (Private joint-stock company)-Nineveh Management expenses statement of 31\dec.\2007

Statement no (16)C

	2007	2006
Guide No.	I.D.	I.D.
Former	347,439,192	177,987,390
336 Different services expenses		
3361 Subscriptions	19,002,462	29,997,692
3362 Insurance installments	27,850,196	10,179,245
3363 Other workers services bonuses	67,546,100	33,095,550
3364 Taxes for foreign authorities	3,039,850	---
3365 Legal services	44,940,120	2,895,000
3366 Banking Services	5,382,500	400,000
3367 Training and qualifying	5,967,500	415,000
3368 Accounting checking fees	6,500,000	3,500,000
3369 Other services expenses	26.686.295	11.260.550
	<u>206,915,023</u>	<u>91,743,037</u>
Total services requirements	<u>554,354,217</u>	<u>269,730,427</u>
Total management expenses	<u>1,591,730,475</u>	<u>996,585,401</u>

Other revenue statement of 31\dec.\2007

Statement no (17)

	2007	2006
Guide No.	I.D.	I.D.
43 Services activity revenue		
437 Different services revenue	13,201,453	152,528,432
49 Other Revenue sources		
491 Former years revenue	7,122,177	15,078,282
492 Accidental revenue	4,541,091	5,544,737
	<u>11,663,268</u>	<u>20,623,019</u>
	24,864,721	173,151,451

Mosul Bank for Development & Investment 2008

Mosul Development and Investment Bank (Private joint-stock company)-Nineveh Drafting expenses statement of 31\dec.\2007

Statement no (18)

Accounting Guide No.	2007 I.D.	2006 I.D.
383 Different drafting expenses		
3831 Others donations	5,000,000	5,000,000
3832 Compensations and charges	13,150,000	-----
3833 Not guaranteed to be paid debts	---	289,756,001
3834 Private services expenses	3,884,316	---
3837 Cancelled Loans	135,000,000	180,000,000
384 Taxes and fees		
3842 Reinsurance fees	102,144	---
3846 Different taxes and fees	50,475,700	1,563,325
385 Aids		
3851 Employers aids	<u>7,095,000</u>	-----
Total drafting expenses	<u>194,810,319</u>	<u>476,319,326</u>

Other expenses statement of 31\dec.\2007

Statement no (19)

Accounting Guide No.	2007 I.D.	2006 I.D.
39 Other expenses	1,589,584	2,293,600
391 Past year expenses	230,000	275,000
392 Accidental Expenses	<u>1,819,584</u>	<u>2,568,600</u>

Mosul Bank for Development & Investment 2008

Mosul Development and Investment Bank (Private joint-stock company)-Nineveh

Compared main statistics statement (for five years) as mentioned in the final annual report for the period ended on31\dec.\2007

Statement no (20)

2-1

Account No	Details	Year 2007	%	Year 2006	%	Year 2005	%	Year 2004	%	Year 2003	%
18	Money	80,815,527	71,5%	48,555,255	53,7%	39,222,758	49,8%	22,451,827	53%	6,668,832	51,3%
15	Investments	4,777,810	4,2%	4,413,010	4,9%	4,013,010	5%	3,281,186	7,7%	4,592,086	35,4%
14	Monetary credit	18,538,703	16,4%	22,974,001	25,4%	165,732,290	21%	7,730,356	18,3%	929,735	7,2%
16	Debtors	4,858,828	4,3%	10,547,064	11,7%	16,548,500	20,7%	6,458,312	15,3%	315,397	2,4%
11-12	assets	3,982,660	3,6%	3,882,607	4,3%	3,338,724	4,2%	2,429,598	5,7%	471,263	3,7%
Assets total		112,973,538	100%	90,371,937	100%	79,855,282	100%	42,351,279	100%	12,977,313	100%
211	Paid Capital	25,000,000	22,1%	20,000,000	22,1%	20,000,000	25%	10,000,000	23,6%	1,000,000	7,7%
214-217	Reserves	5,703,129	5,1%	4,339,817	4,8%	2,017,003	2,5%	1,345,514	3,2%	77,268	0,6%
25	Current & deposit accounts	84,335,346	74,6%	61,457,226	68%	49,283,440	61,7%	28,944,688	68,3%	10,235,838	78,9%
26	Lenders	(4,868,420)	(4,3)%	2,736,989	3%	7,712,683	9,7%	1,722,585	4,1%	1,588,481	12,2%
22	allocations	2,803,473	2,5%	1,837,905	2,1%	842,156	1,1%	338,492	0,8%	75,726	0,6%
Financing sources total		112,973,528	100%	90,371,937	100%	79,855,282	100%	42,351,279	100%	123,977,312	100%

Mosul Bank for Development & Investment 2008

Mosul Development and Investment Bank (Private joint-stock company)-Nineveh

**Compared main statistics statement of Profits , losses and distribution (for five years) as mentioned in the final annual report for the period ended
on31\dec.\2007**

Statement no (20)

2-2

Account No	Details	Year 2007	%	Year 2006	%	Year 2005	%	Year 2004	%	Year 2003	%
44	Financial operations revenue	6,213,581,968	78,2%	3,441,180,110	67,4%	2,594,812,854	76,1%	779,363,719	35,1%	250,559,018	60,6%
46	Investments	1,706,177,813	21,5%	1,491,524,684	29,2%	805,372,614	23,6%	1,411,011,427	63,5%	155,476,985	37,6%
43-49	Other transformed Revenues	24,864,721	0,3%	173,151,451	3,4%	10,770,643	0,3%	30,496,634	1,4%	7,456,026	1,8%
Total Revenues		7,944,624,502	100%	5,105,856,245	100%	3,410,956,111	100%	2,220,871,780	100%	413,429,029	100%
34-35	Financial operations Expenses	925,781,942	31,9%	791,342,075	33,3%	351,823,300	24%	111,379,913	17,1%	108,903,202	30,7%
31	Fees and salaries	935,749,910	32,2%	675,462,591	28,5%	464,996,778	31,7%	285,856,999	43,9%	138,402,155	39%
32-33	Services expenses	655,980,565	22,6%	321,122,810	13,5%	175,120,486	11,9%	146,541,872	22,5%	77,172,652	21,8%
37-38-39	Amortization and exchange expenses	384,901,475	13,3%	585,206,156	24,7%	476,216,165	32,4%	106,895,683	16,5%	30,149,166	8,5%
Total Expenses		2,902,413,892	100%	2,373,133,632	100%	1,468,156,729	100%	650,674,467	100%	354,627,175	100%
Surplus before distribution as follows:		5,042,210,610		2,732,722,613		1,942,799,382		1,570,197,313		58,864,854	
Suspected to be gained allocations		---		---		---		175,184,253	11,2%	0	
Taxes allocations		680,698,432	13,5%	409,908,392	15%	282,122,217	14,5%	128,457,570	8,2%	0	
Inflation Reserve		504,221,061	10%	---		---		---		0	
Legal Capital Reserve		771,458,223	15,3%	464,562,844	17%	332,135,433	17,1%	253,311,098	16,1%	0	
Profits not distributed		3,085,832,894	61,2%	1,858,251,377	68%	1,328,541,732	68,4%	1,013,244,392	64,5%	58,864,854	100%
Total		5,042,210,610	100%	2,732,722,613	100%	1,942,799,382	100%	1,570,197,313	100%	58,864,854	100%

Mosul Bank for Development & Investment 2008

Mosul Development and Investment Bank (Private joint-stock company)-Nineveh

National accounting data statement

Total added cost prices values list of 31\dec.\2007

list No 1

Statement no	Accounting Guide No.	2007 I.D.	2006 I.D.
-----------------	-------------------------	--------------	--------------

**(1)Product Total
cost price value**

1	44	Commissions.(S 1)	1,695,579,068	904,143,621
2	44-34	Accounted service tax (S.2)	2,618,377,730	2,066,343,090
3	448	Other revenue sources (S.3)	<u>97,301,642</u>	<u>33,413,945</u>
			<u>4,411,258,440</u>	<u>3,003,900,656</u>

**(2)Production
requirement value**

4	32	Goods req. (S4)	100,583,767	51,392,383
5	33	Services req(S5)	<u>480,100,675</u>	<u>218,220,535</u>
	34	Different Banking Comm.(s6)	<u>255,185,720</u>	-----
			835,870,162	269,612,918

(3) Product Total

<u>Added cost price value (1)-(2)</u>	3,575,388,278	2,734,287,738
Minus: indirect taxes	<u>(30,681,003)</u>	<u>(1,563,325)</u>
Plus: aids	<u>7,095,000</u>	-----

Product Total added cost	<u>3,551,802,275</u>	<u>2,732,724,413</u>
Products price value		

Total added cost prices values list of 31\dec.\2007

List (B)

Accounting Guide No.	2007 I.D.	2006 I.D.
<u>1- Workers compensation</u>		
31	(a) employers payments and wages	935,749,910
326	(b) bonuses-workers supplies	1,042,581
		<u>936,792,491</u>
<u>2- operation surplus</u>		
	Total benefit	2,426,738,212
37	3- discounts and losses	<u>188,271,572</u>
Total added cost prices values		<u>2,732,724,413</u>

Mosul Bank for Development & Investment 2008

Mosul Development and Investment Bank (Private joint-stock company)-Nineveh

National accounting data statement

Collected Commissions Statement of 31\dec.\2007

Statement No 1

Accounting
Guide No.

2007
I.D.

2006
I.D.

**442 Internal loans and
Advanced payments revenues**

44232 Discounted drafts commissions	4,791,650	13,035,060
44233 Under collection Commissions	36,480	59,100
44247 Different loaning fees and comm..	1,255,410	1,506,000
	<u>6,083,540</u>	14,600,160

443 Drafts Commissions

4431 Internal Drafts Comm.	481,362,716	401,894,190
4432 External Drafts Comm.	61,404,979	23,832,621
	<u>542,767,695</u>	425,726,811

444 Accounts and Drafts Revenue

4441 Issued accounts Commissions	422,725,628	2,382,661
4443 Received accounts Comm.	1,792,386	---
	<u>424,518,014</u>	2,382,661

445 Letters of Guarantee Revenue

4451 Internal L / G revenue	504,811,740	241,471,689
4452 External L / G revenue	---	1,807,375
	<u>504,811,740</u>	243,279,064

447 Different banking commissions

4471 Disk issuing and Counting cheques comm	116,035,177	113,607,649
4473 Shares mediation comm..	---	5,819,945
4479 Other banking comm..	101,362,902	98,727,331
	<u>217,398,079</u>	218,154,925
Total Collected comm..	<u>1,695,579,068</u>	<u>904,143,621</u>

Mosul Bank for Development & Investment 2008

Mosul Development and Investment Bank (Private joint-stock company)-Nineveh

National accounting data statement

Services Tax Statement of 31\dec.\2007

Statement No 2

Accounting Guide No.	2007 I.D.	2006 I.D.
(1) Collected Interest		
442 Internal loans and advanced payment Revenue		
4421 Given Loans Interests	800,970,953	643,884,121
4422 Lent current account Interests	1,874,769,519	1,336,602,432
4423 Bit trading papers Interests		
44231 Discounted draft Notes and Promissory notes Interest	109,939,569	138,541,281
4424 Advanced payments interests	---	
44243 profits if loans for doc. guarantee		3,846,000
44246 personal loaning profits	551.000	3.756.632
	2,786,231,041	2,126,630,466
443 Drafts Commissions		
4433 Late Sold Drafts payment Interests	40,000	231,000
444 Drafts and Documentary Accounts		
4442 Drafts and Documentary Accounts profits	612,911	---
	2,786,883,952	2,126,861,466
(2) Paid Interests		
342 Paid banking Interests		
3421 Deposited Accounts interests	127,319,831	52,801,486
3422 Fixed Trusts Interests	8,167,076	7,458,765
3425 Current accounts interests	33,019,315	---
3426 Foreign currency trusts interest	---	258,125
	168,506,222	60,518,376
Obtained Services Tax(1-2)	2,618,377,730	2,066,343,090

Mosul Bank for Development & Investment 2008

Mosul Development and Investment Bank (Private joint – stock company)-Nineveh

National accounting data statement

Other Revenue statement of 31\dec.\2007

Statement no 3

Accounting Guide No.	2007 I.D.	2006 I.D.
448 Recuperative expenses		
4481 Recuperative issued expenses	44,073,251	---
4485 banking printed matters sales\I.D.	53,202,391	33,413,945
4486 banking printed matters sales \Dollar	26,000	---
	<u>97,301,642</u>	<u>33,413,945</u>

**Wares prerequisites statement
for national accounting data
of 31\dec.\2007**

Statement no 4

Accounting Guide No.	2007 I.D.	2006 I.D.
32 Wares Prerequisites	101,626,348	51,392,383
326 Subtracting: Workers supplies	(1,042,581)	---
	<u>100,583,767</u>	<u>51,392,383</u>

Mosul Bank for Development & Investment 2008

Services Prerequisites statement For national accounting data purposes

End of the year 31\dec.\2007

Statement no 5

<u>Accounting</u> <u>Guide no.</u>	<u>2007</u> <u>I.D.</u>	<u>2006</u> <u>I.D.</u>
33 Services requirements	554,354,217	269,730,427
Minus:		
3316 Subscriptions	19,002,462	29,997,692
3362 Insurance Installments	27,850,196	10,179,245
	(46,852,658)	(40,176,937)
minus:		
4482 Recuperative calls expenses	27,189,584	11,163,355
4483 Recuperative money transactions expenses	211,300	169,600
	(27,400,884)	(11,332,955)
	480,100,675	218,220,535

Services Prerequisites statement For national accounting data purposes End of the year 31\dec.\2007

Statement 6

<u>Accounting</u> <u>Guide no.</u>	<u>2007</u> <u>I.D.</u>	<u>2008</u> <u>I.D.</u>
343 Paid banking commissions	255,185,720	-----