

Ministry of Finance
Iraqi Insurance Company

Iraqi Insurance Company
Annual Report for 2016

Prepared & Translated
By
Planning Dept

INTRODUCTION

We are pleased to present our fifty seven annual report of the company's business activities for 2016 after having been approved by Board of Supreme Audit for the year ended 31st December, 2015.

In 2016, our company has provided insurance protection to many policy holders with various insurance types life and non-life insurance. We provide protection to around one million borrowers, to the state property and to the banks through covering the losses of loan projects.

The company is planning for a lot of expansion in the customer services to cover the expected needs of the local market according to the technical criteria.

Haifaa Shamoon Essa
Chairman & General Manager
/ / 2017

ABSTRACT

- 1- The nominal and paid up capital of the company is ID. two billion by Insurance Regulatory Act No. (10) of 2005. One billion is specified to underwrite with Takaful Islamic Insurance.*
- 2-The company comprises of 15 departments and it has 19 branches distributed in Iraq between Baghdad and other provinces, 6 in Baghdad and 13 in the provinces.*
- 3-The premiums earned in 2016 are ID. 53178000000/- and this value exceeds the planned premiums of 2016 by 11% and exceeds the premiums achieved in 2015 by 16%.*
- 4-The claims paid in 2016 are ID. 30684000000/- for (6595) claims for different types of insurance which exceed the planned claims of 2016 by 96% and exceed the claims paid of 2015 by 13%.*
- 5-The company deals with different types of insurance: (Individual, Group)lif& health), Motor Ins., Marine – Cargo Ins., Fire and Accidents Ins., Engineering Ins. and Civil Liability Ins.)*
- 6-There are 401 employees working with the company, whether administrative or technical, of which 204 are males and 197 are females, noting that the number of employees was 411 in the last year, which means there is a decrease of 2% in employment compared to last year.*
- 7-The invested amounts volume reached to ID. 36514000000 in 2016 down by 16% of the planned amounts and up by 6% of the achieved amount in 2015.*
- 8-The investment revenues have risen to ID. 27970000000/- which represents an increase of 1% compared with 2015 and represents 103% rate of implementation.*
- 9-The solvency of the company is 222% which indicates the progress and improvement of the company.*
- 10-The company achieves a net profit of ID. 74990000000/- which exceeds 216% of the planned amounts but down by 121% of the achieved amounts in 2015.*
- 11-The lawsuits which are filed against our company during 2015 are 28.*

ANNUAL REPORT / 2016

First: General Information

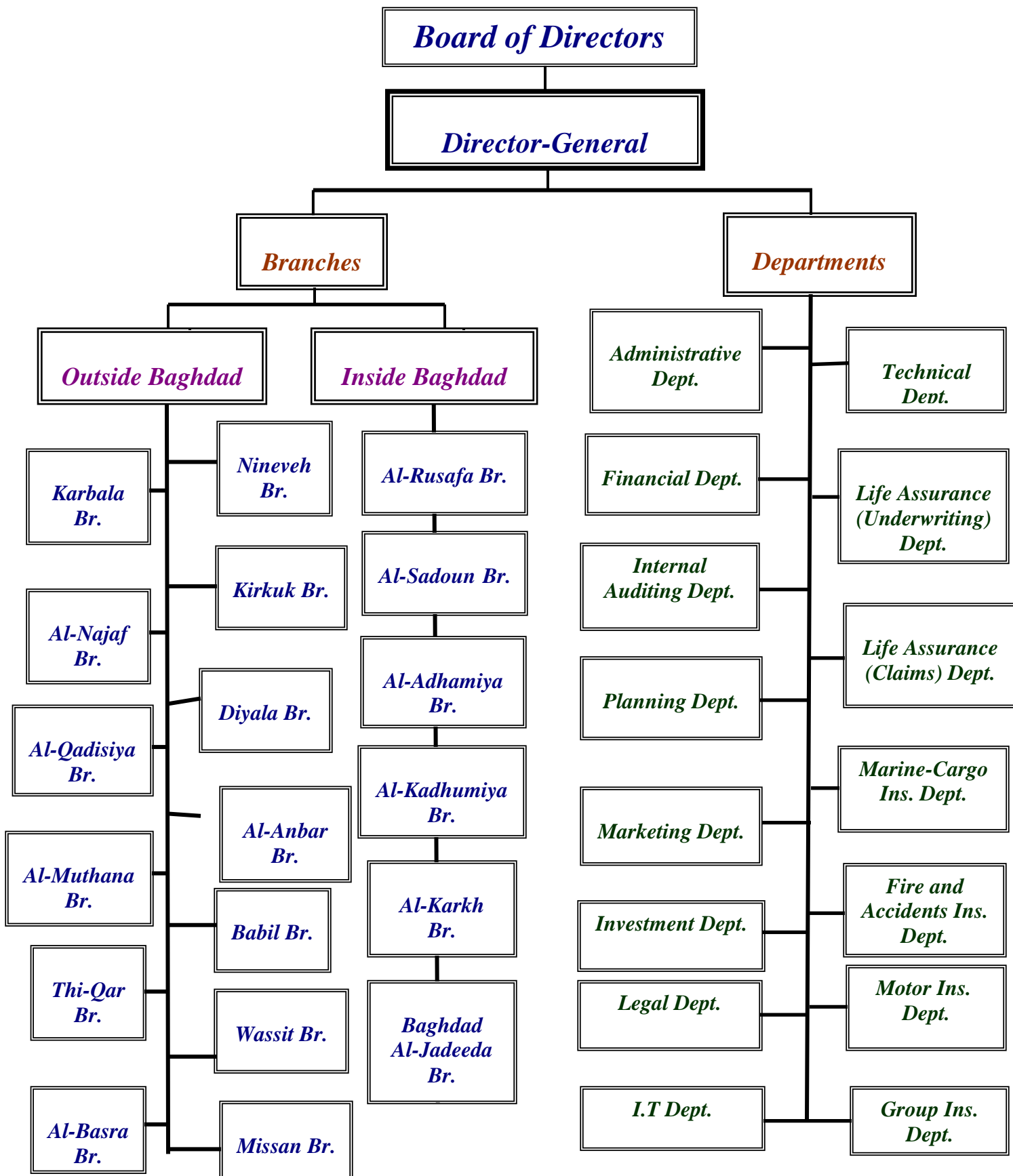
A- Profile & History:

The Iraq Insurance Company established on 14/10/1959 according to Commercial Companies Act No. 31 of 1957 in Baghdad as a private company dealing with all types of insurance and reinsurance, in 1964 the company was nationalized by the companies nationalization resolutions specializing in life assurance only, and all the portfolios of foreign and Arabian companies in the Iraqi market at that time quoted to the company portfolio. The resolution No. 392 of 1988, allowed the company again to practice all types of insurance. Public Companies Act of 1997, opened a wide range of development and competition to the company. Insurance Regulatory Act No. 10 of 2005 organized the company activities. The company aims to develop the national economics through spreading the privileges of insurance among people.

B – The Capital:

The nominal and paid up capital is two billion Dinar. One billion Dinar is specified to underwrite with Takaful Islamic Insurance. In addition to the total assets which are more than (57) billion Dinar. According to the instructions No. 15 of 2012 regarding the minimum limit of the capital which is published in Iraqi Gazette number No. 4239 on 21/5/2012, it is approached General Secretariat for the Council of Ministers to increase the company capital to seven billion Dinar.

C- Organizational Structure of Iraq Insurance Co.



The internal system consists of the organizational structure of Iraqi Insurance Company :

1- Board of Directors :

The highest legislative power in the company, according to State Companies Law No. 22 of 1997, consists of each of the following :-

<i>Name</i>	<i>Members</i>
<i>Haifaa Shamoon essa</i>	<i>Chairman</i>
<i>Saeed Abbas Mirza</i>	<i>Experienced & Competent Member</i>
<i>Kareem Yunis Kadhum</i>	<i>Experienced & Competent Member</i>
<i>shadha Abdulhadi Hashim</i>	<i>Appointed Member</i>
<i>Angham Rahi Abdulwahid</i>	<i>Elected Member</i>
<i>Lamyaa Fadil Wuhaib</i>	<i>Elected Member</i>
<i>Faiza Salman Ibrahim</i>	<i>Appointed Member</i>
<i>Firyal Salim Abbas</i>	<i>Appointed Member</i>

2- Departments of the Co.:

The headquarter consists of the following departments :-

<i>Departments</i>	<i>Manager Names</i>
<i>Planning Dept.</i>	<i>Shadha Abdulhadi Hashim</i>
<i>Legal Dept.</i>	<i>Angham Rahi Abdulwahid</i>
<i>Technical Dept.</i>	<i>Nesreen Abdulmajeed Abdulazeez</i>
<i>Life Assurance (underwriting) Dept.</i>	<i>Lamyaa Fadil Wuhaib</i>
<i>Financial Dept.</i>	<i>Faiza Salman Ibrahim</i>
<i>Group Ins. Dept.</i>	<i>Firyal Salim Abbas</i>
<i>Motor Dept.</i>	<i>Majida Sada Hussein</i>
<i>Marine Dept.</i>	<i>Sabriya Murshid Basha</i>
<i>Life Assurance (claims) Dept.</i>	<i>Nedaa Naji Saleh</i>
<i>Internal Auditing Dept.</i>	<i>Kifah Hussein Kadhum</i>
<i>Investment Dept.</i>	<i>Jinan Hassan Ali</i>
<i>Fire and Accidents Dept.</i>	<i>Ameera Mousa Abd</i>
<i>Administrative Dept.</i>	<i>Nada Abdul Sattar Abdul Jabbar</i>
<i>I.T. Dept.</i>	<i>Nagham Tariq Mahmood</i>
<i>Marketing Dept.</i>	<i>Samer Abdul Melik Muhamed Saleh</i>

3-Branches of the Co. :

The company has 19 branches distributed in Iraq between Baghdad and other provinces, 6 in Baghdad and 13 in the provinces.

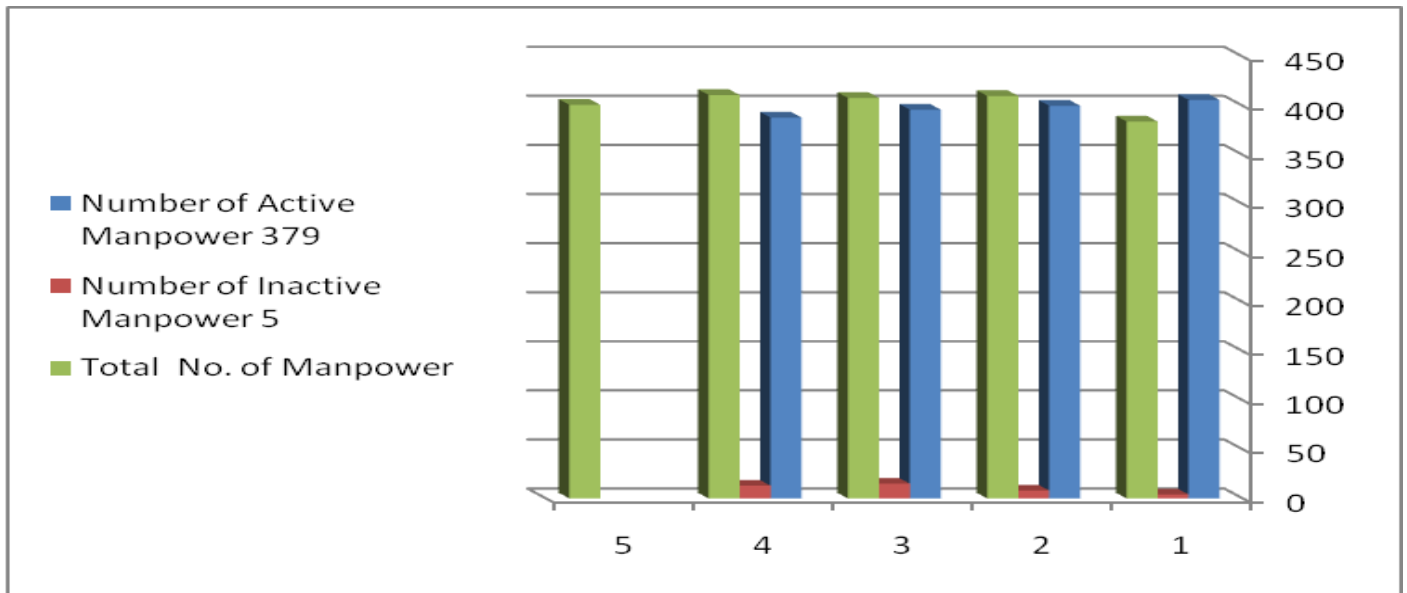
<i>Branches</i>	<i>Manager Names</i>
<i>Rusafa Branch</i>	<i>Thair Diyab Salim</i>
<i>Al-Karkh Branch</i>	<i>sattar Maki Raad</i>
<i>Sadoun Branch</i>	<i>Najwa Odeshu Dawood</i>
<i>Al-Kadhumiya Branch</i>	<i>Iman Safi Salih</i>
<i>Al-Adhamiya Branch</i>	<i>Basim Maala Hussein</i>
<i>Baghdad Al-Jadeeda Branch</i>	<i>Thamir Abdulkareem Mhamad</i>
<i>Wassit Branch</i>	<i>Hameed Sarhan</i>
<i>Al-Najaf Branch</i>	<i>Sabah Abdulhussein Abdulzahra</i>
<i>Kirkuk Branch</i>	<i>Amir Mhamad Ali Ismael</i>
<i>Al-Qadisiya Branch</i>	<i>Oruba Faisal Marwan</i>
<i>Karbala Branch</i>	<i>Mahdi saleh mahdi</i>
<i>Diyala Branch</i>	<i>Sheerin Mahdi Mhamad Juad</i>
<i>Babil Branch</i>	<i>Bahaa Zuhair Mhamad</i>
<i>Missan Branch</i>	<i>Thair Abdulhussein Muhsin</i>
<i>Al-Basrah Branch</i>	<i>Wisam Mhamad Musa</i>
<i>Al-Muthnna Branch</i>	<i>Kareem Sail Shikheb</i>
<i>Thi-Qar Branch</i>	<i>Rafid Saleh Hussein</i>
<i>Al-Anbar Branch</i>	<i>Qeisser Tahseen Jubeir</i>
<i>Ninavah Branch</i>	<i>Standstill Work</i>

D- Manpower:

The number of employees in the company is 401 down by 2% of 2015, distributed between admin. and technical, 204 males and 197 females . The following table indicates the development of manpower for the years (2012 - 2016) and the number of inactive manpower.

Table No. (1)
Development of manpower

Year	Total No. of Manpower	Rate of Change	Number of Inactive Manpower	Number of Active Manpower	Rate of Change	Rate of Inactive Manpower
2012	384	11%	5	379	13%	1%
2013	410	7%	4	406	7%	1%
2014	408	-0.5%	8	400	-1.5%	2%
2015	411	1%	15	396	-1%	4%
2016	401	-2%	13	388	-2%	3%

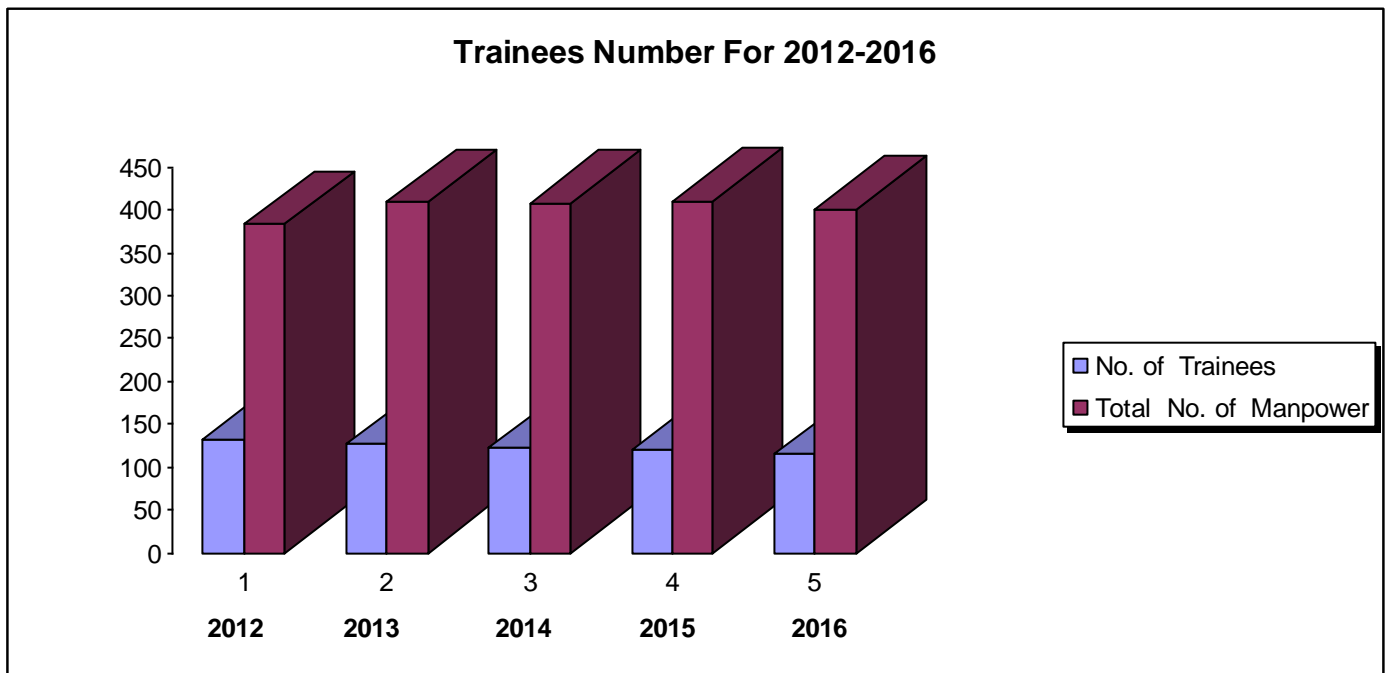


E- Training and Development:

115 of the employees have participated in training programs held by Iraqi Accounting and Financial Training Center. The following table indicates the development of training in the last five years and the rate of trainees' number to the total number of manpower in the company ...

*Table No. (2)
Training & development for the last five years*

<i>Year</i>	<i>Total No. of Manpower</i>	<i>No. of Trainees</i>	<i>Rate of Trainees to the Total</i>	<i>Rate of Change</i>
<i>2012</i>	<i>384</i>	<i>133</i>	<i>35%</i>	<i>73%</i>
<i>2013</i>	<i>410</i>	<i>127</i>	<i>31%</i>	<i>5%</i>
<i>2014</i>	<i>408</i>	<i>122</i>	<i>30%</i>	<i>4%</i>
<i>2015</i>	<i>411</i>	<i>120</i>	<i>29%</i>	<i>2%</i>
<i>2016</i>	<i>401</i>	<i>115</i>	<i>29%</i>	<i>4%</i>



Secondly: General Indicators of the Company Performance:

A –Achievement of Objectives:

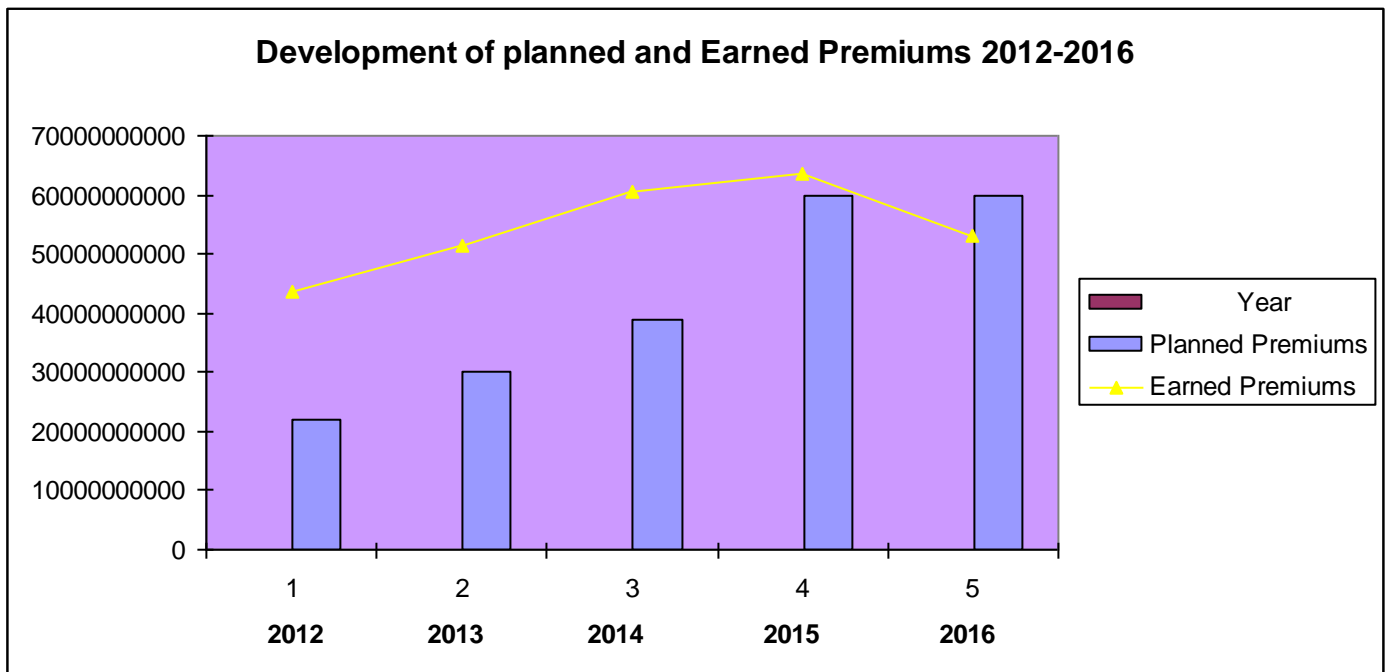
The company participates in developing Economics through providing insurance protection to the customers, encouraging them to save money which used in investment.

1- Insurance Premiums:

The company deals with all types of insurance, life and non-life insurance. The following table indicates the development of planned and earned premiums and the rates of implementation for the last five years.

Table No. (3)
Development of planned and earned premiums

Year	Planned Premiums	Rate of Change %	Earned Premiums	Rate of Change %	Rate of Implement.
2012	22000000000	10%	43708323000	76%	199%
2013	30000000000	36%	51275288000	18%	171%
2014	39000000000	30%	60370630000	18%	155%
2015	60000000000	54%	63468048000	5%	106%
2016	60000000000	-	53178322000	-16%	89%

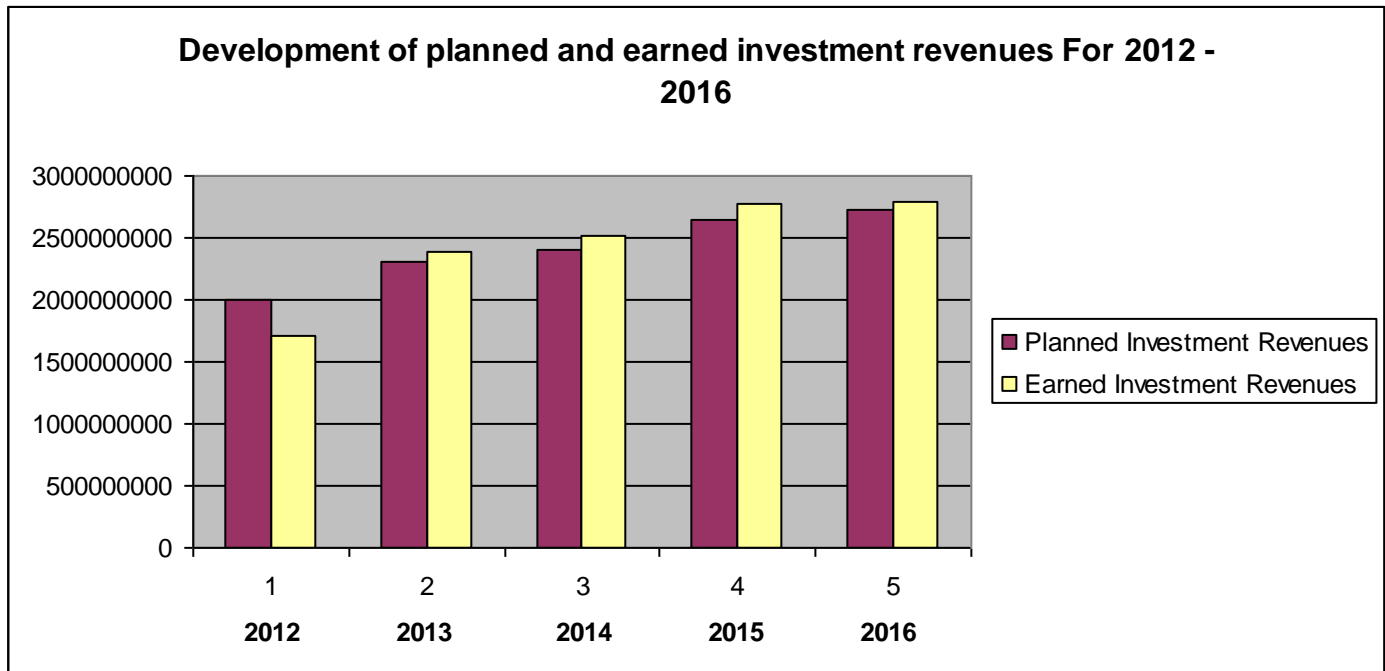


2- Investment Revenues:

The revenues earned from investing the surplus. The following table indicates the development of planned and earned investment revenues and the rates of implementation for the last five years.

Table No. (4)
Development of planned and earned investment revenues

Year	Planned Investment Revenues	Rate of Change %	Earned Investment Revenues	Rate of Change %	Rate of Implement. %
2012	2000000000	17%	1714150000	4%	86%
2013	2300000000	15%	2394596000	40%	104%
2014	2400000000	4%	2522865000	5%	105%
2015	2650000000	10%	2771112000	10%	105%
2016	2725000000	3%	2796636000	1%	103%



3 -Technical Reserves

*Table No. (5)
Development of technical reserves for (2012-2016)*

<i>Year</i>	<i>Amounts of Planned Reserves</i>	<i>Confined Reserves</i>	<i>Rate of Confined to Planned Reserves</i>	<i>Rate of Change</i>
<i>2012</i>	<i>15500000000</i>	<i>20400606000</i>	<i>132%</i>	<i>55%</i>
<i>2013</i>	<i>19500000000</i>	<i>24220132000</i>	<i>124%</i>	<i>19%</i>
<i>2014</i>	<i>26000000000</i>	<i>24851320000</i>	<i>96%</i>	<i>3%</i>
<i>2015</i>	<i>31000000000</i>	<i>30174355000</i>	<i>97%</i>	<i>21%</i>
<i>2016</i>	<i>37000000000</i>	<i>28319934000</i>	<i>77%</i>	<i>-6%</i>

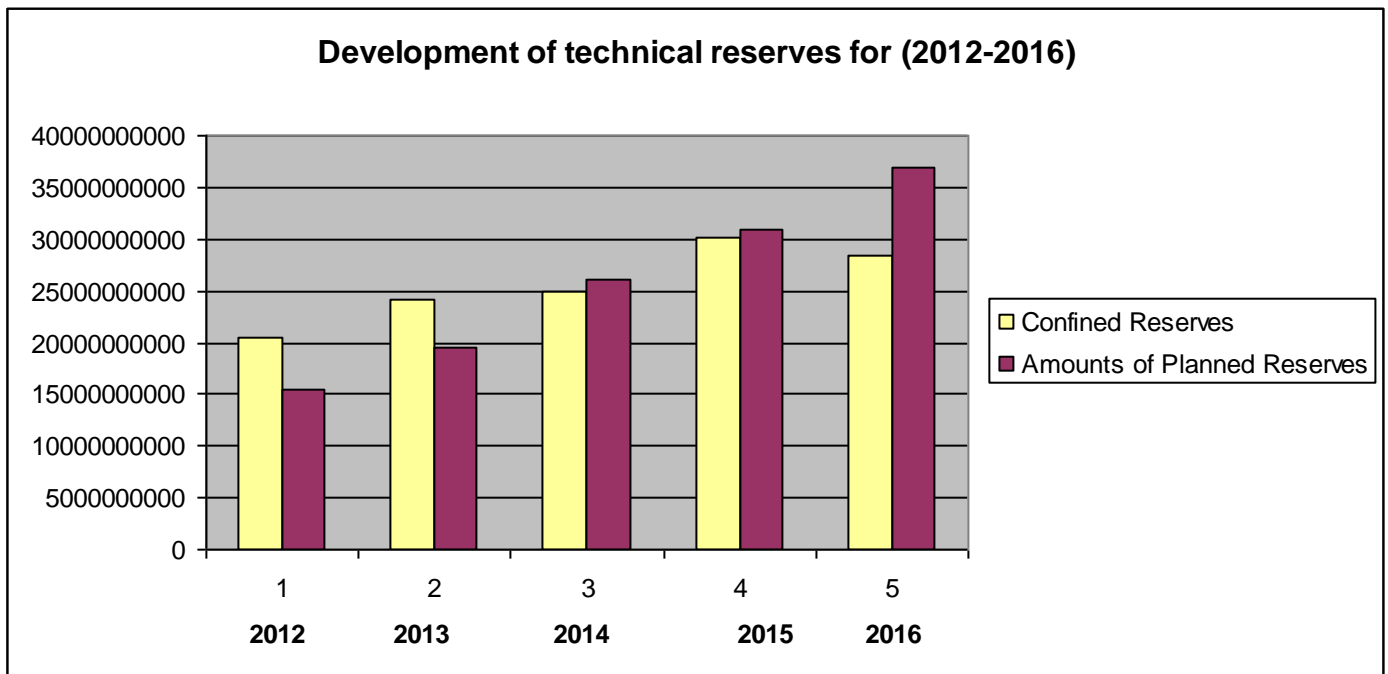
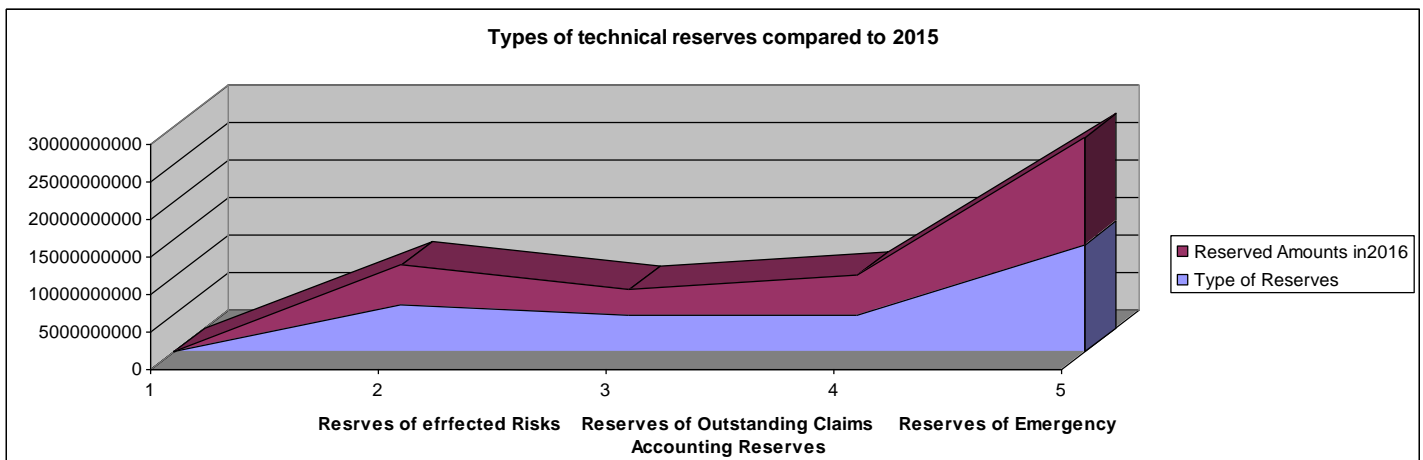


Table No. (6)
Types of technical reserves compared to 2015

<i>Type of Reserves</i>	<i>Reserved Amounts in2016</i>	<i>Reserved Amounts in2015</i>	<i>Rate of Change</i>
<i>Reserves of Effected Risks</i>	<i>5251174000</i>	<i>6257420000</i>	<i>-16%</i>
<i>Reserves of Outstanding Claims</i>	<i>3382297000</i>	<i>4898079000</i>	<i>-31%</i>
<i>Reserves of Emergency</i>	<i>5420000000</i>	<i>4800000000</i>	<i>13%</i>
<i>Accounting Reserves</i>	<i>14266463000</i>	<i>14218856000</i>	<i>0.3%</i>

This table indicates increase in the reserves of the effected risks compared with 2015 because contracting with banks to cover motor loans along the whole year, the reserves of outstanding claims increased because of the incomplete claim requirements of the policy holders, the reserves of emergency has been increased to face the catastrophic risks in insurance.



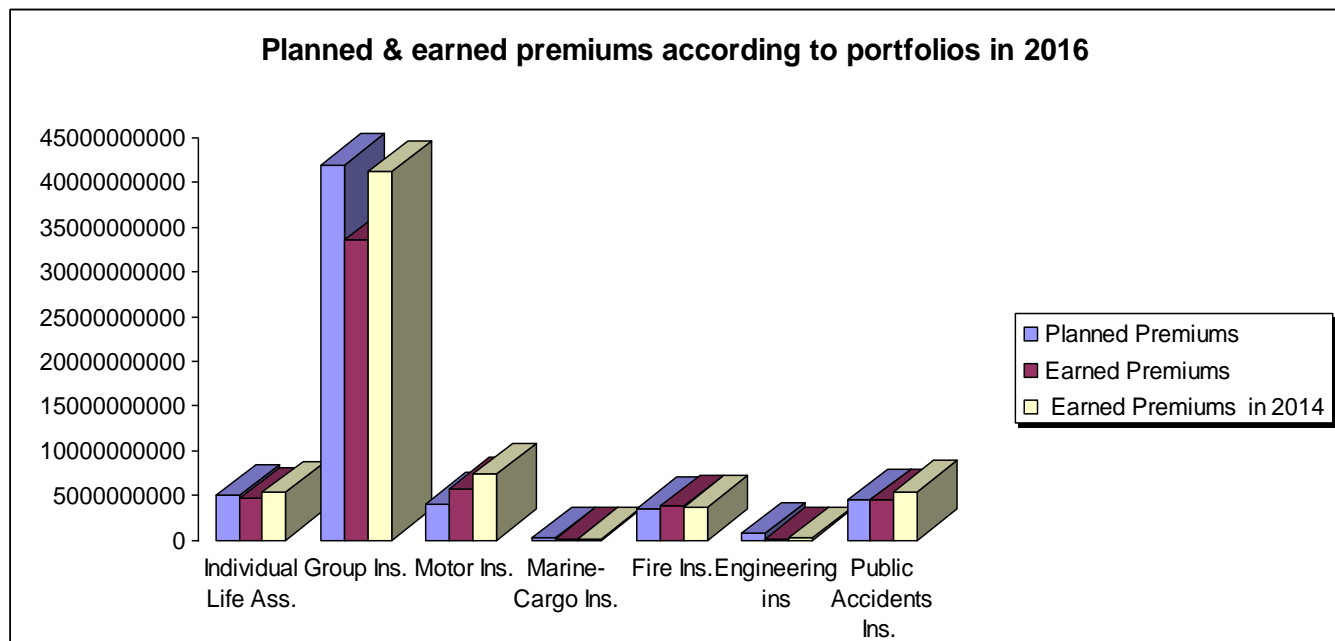
B – Scope of Implementation of the Plan

1- Insurance Premiums according to Portfolios:

The company distributes its plan according to marketing insurance portfolios. The following table indicates the development of planned and earned premiums for each insurance portfolio, with a comparison between planned and earned premiums for each insurance portfolio.

Table No. (7)
Planned & earned premiums according to portfolios in 2016

Portfolio	Planned Premiums	Earned Premiums	Rate of Implement. %	Earned Premiums in 2014	Rate of Change %
Individual Life Ass.	4600000000	4635184000	93%	5310503000	-13%
Group Ins.	6000000000	33570261000	80%	41180413000	-18%
Motor Ins.	1750000000	5757885000	329%	7333600000	-21%
Marine-Cargo Ins.	250000000	169234000	68%	87600000	193%
Fire Ins.	2500000000	3746600000	150%	3683786000	2%
Engineering Ins.	750000000	138627000	14%	2771112000	83%
Public Accidents Ins.	3500000000	4453733000	127%	5390408000	-17%



2- Individual Life Assurance:

The individual life assurance distinguished from other types of insurance that it offers saving and protection services. The company has an annual plan to follow up the marketer activities in addition to the mentioned premiums plan. The two following tables indicate the development of the number and insurance amounts of the new individual life assurance policies for (2012-2016).

Table No. (8)
Development of planned and earned individual life assurance policies

Year	Planned Policies No.	Earned Policies No.	Rate of Implement.	Rate of Change
2012	1100	1539	140%	42%
2013	1100	1231	112%	-20%
2014	1100	3587	326%	191%
2015	1200	4044	337%	13%
2016	1200	4255	355%	5%

The earned policies number: are the issued policies number deducted the cancelled policies number.

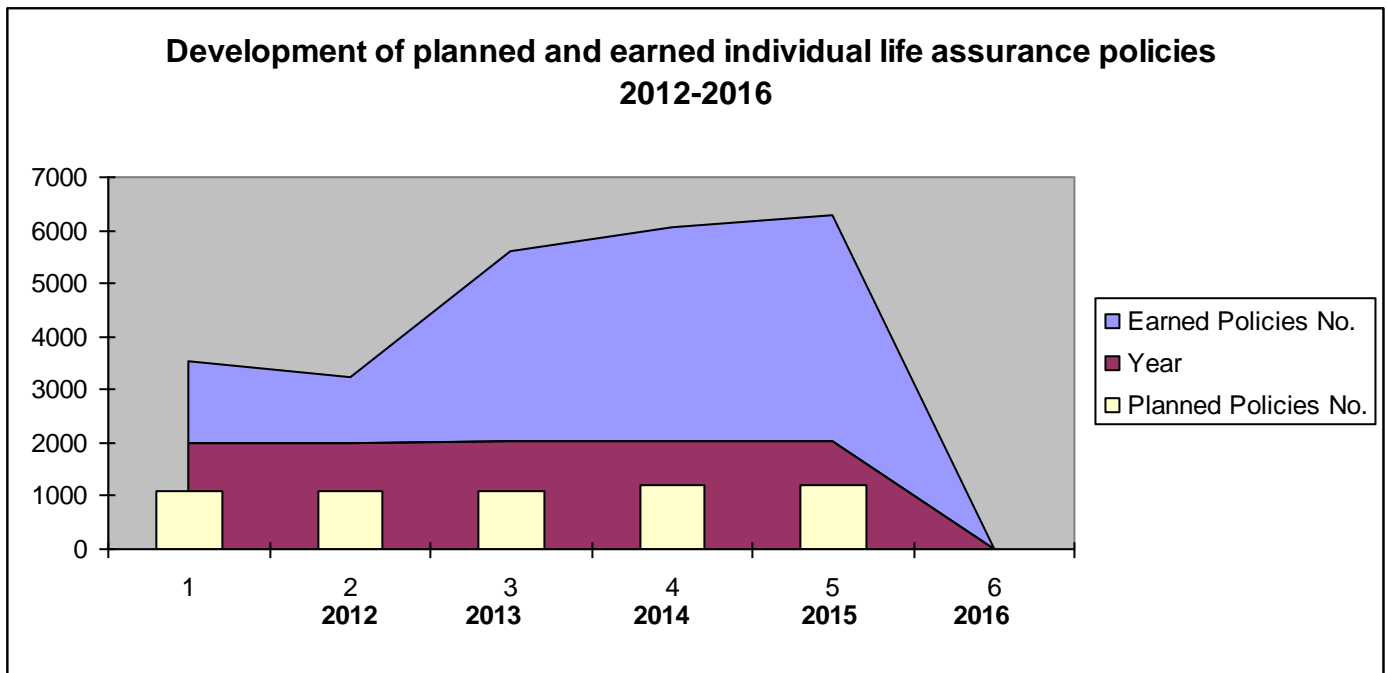
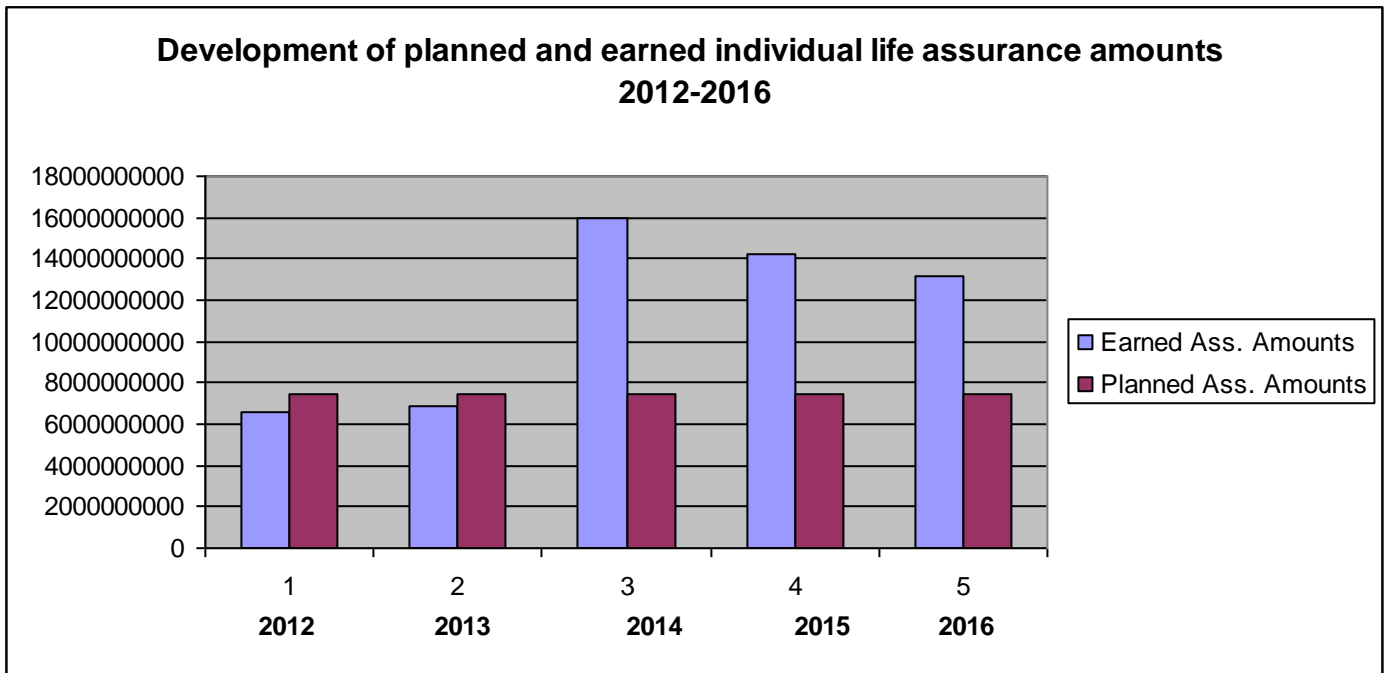


Table No. (9)
Development of planned and earned individual life assurance amounts

<i>Year</i>	<i>Planned Ass. Amounts</i>	<i>Earned Ass. Amounts</i>	<i>Rate of Implement.</i>	<i>Rate of Change</i>
2012	7500000000	6566775000	88%	10%
2013	7500000000	6876907000	92%	5%
2014	7500000000	15923259000	212%	132%
2015	7500000000	14199206000	189%	(11%)
2016	7500000000	13117275000	175%	-8%



3- Types of Investment Amounts Revenues:

There are four types of the investment of the surplus:-

A- Real Estate Investment.

B- Contribution in the private and mixed sectors companies.

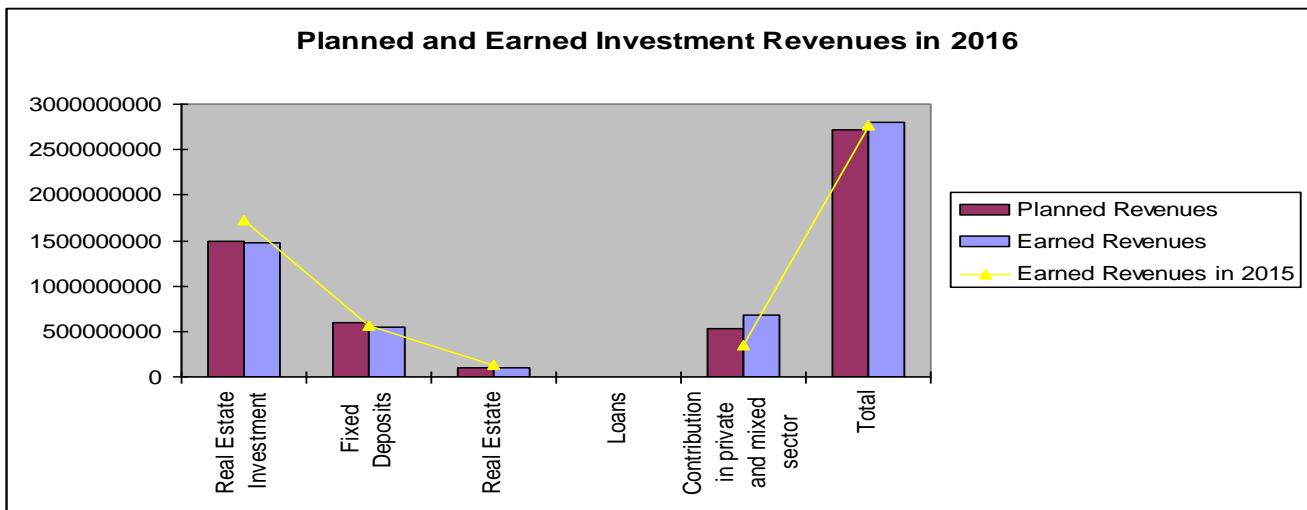
C- Real Estate Loans.

D- Deposit at Banks.

The following table indicates the planned and earned investment revenues in 2016 compared with 2015.

Table No. (10)
Planned and Earned Investment Revenues in 2016

Type of Investment	Planned Revenues	Earned Revenues	Rate to Total	Rate of Implement.	Earned Revenues in 2015	Rate of Change
Real Estate Investment	1500000000	1479925000	62%	99%	1720657000	-14%
Fixed Deposits	600000000	542464000	21%	90%	571534000	-5%
Real Estate Loans	100000000	99730000	5%	100%	129442000	-23%
Contribution in private and mixed sector companies	525000000	674517000	12%	128%	349478000	93%
Total	2725000000	2976636000	100%	103%	2771112000	1%



The invested amounts volume rises to ID. 36513000000/- which is more than the invested amounts in 2015 by 6%.

The following table indicates the development of the earned and planned investment revenues and rate of investment revenue to the invested amount in the last five years.

Table No. (11)
Development of investment amounts compared with returns

Year	Planned Investment Amounts	Earned Investment Amounts	Rate of Implement.	Rate of Change	Earned Investment Revenues	Rate of Revenue to Invested Amount
2012	21100000000	21653353000	103%	30%	1714150000	8%
2013	23000000000	27131171000	118%	25%	2394596000	9%
2014	37000000000	35586638000	96%	31%	2522564000	7%
2015	43000000000	34426935000	80%	(3%)	2994705000	9%
2016	43500000000	36513979000	84%	6%	2796636000	7.5%

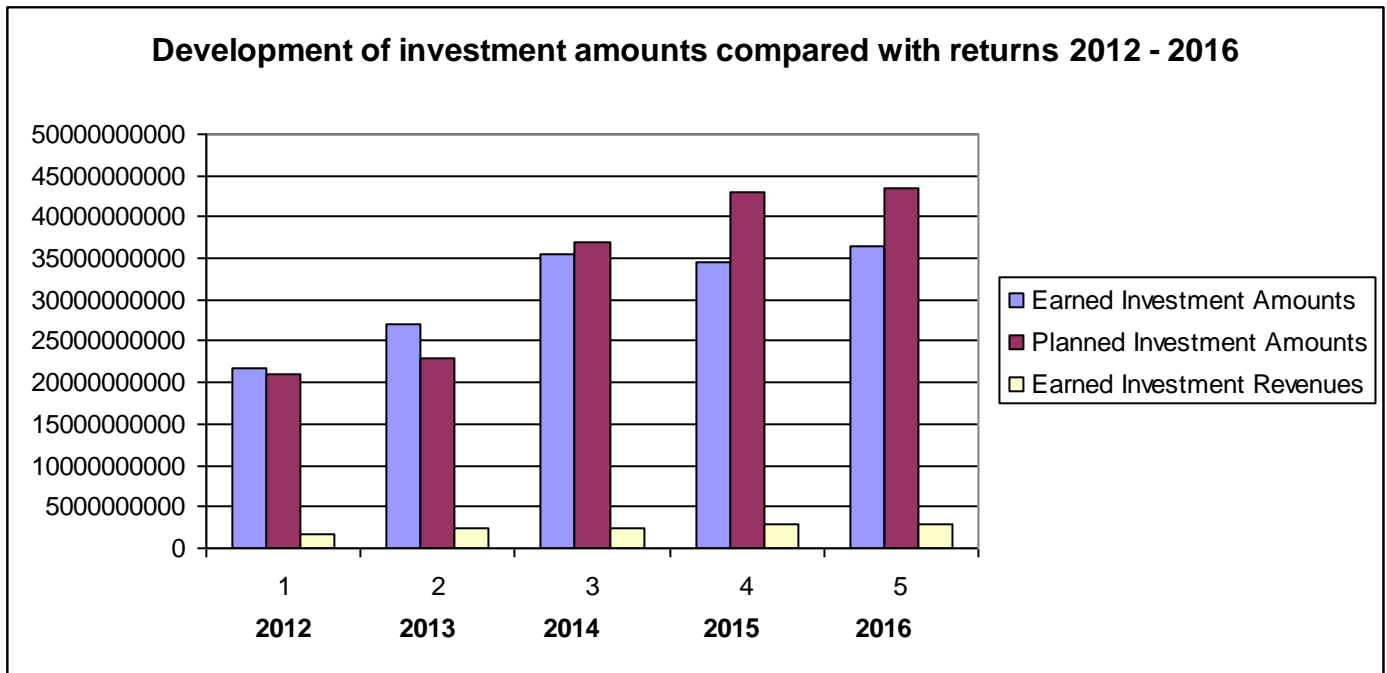
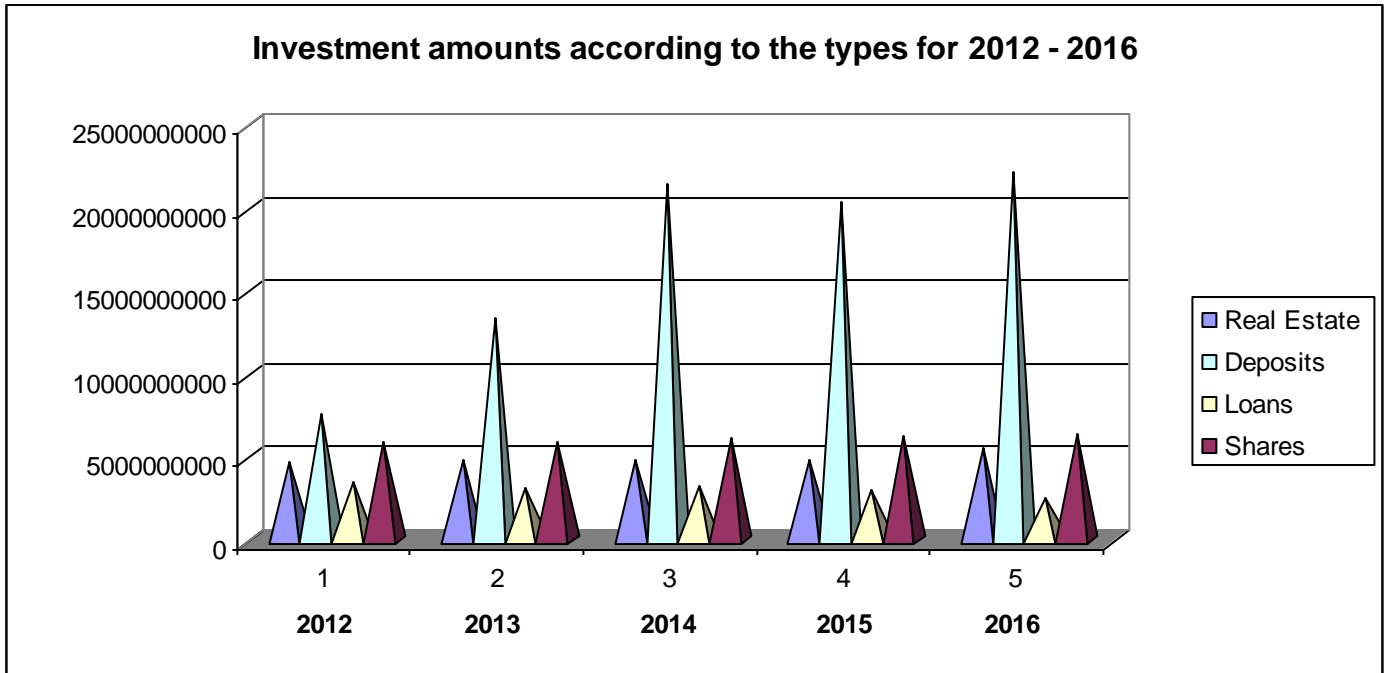


Table No. (12)
Investment amounts according to the types

<i>Year</i>	<i>Investment Type</i>			
	<i>Real Estate</i>	<i>Shares</i>	<i>Loans</i>	<i>Deposits</i>
<i>2012</i>	<i>4734686000</i>	<i>5864755000</i>	<i>3453912000</i>	<i>7600000000</i>
<i>2013</i>	<i>4744687000</i>	<i>5926590000</i>	<i>3154895000</i>	<i>13305000000</i>
<i>2014</i>	<i>4831397000</i>	<i>6181523000</i>	<i>3187926000</i>	<i>21385792000</i>
<i>2015</i>	<i>4833568000</i>	<i>6189932000</i>	<i>3043350000</i>	<i>20360085000</i>
<i>2016</i>	<i>5520522000</i>	<i>6320643000</i>	<i>2572814000</i>	<i>22100000000</i>



The following table indicates the names of private and mixed companies which our company shares in their capital more than 10% of our company capital with the contribution amounts for each.

*Table No. (13)
Names of mixed & private companies*

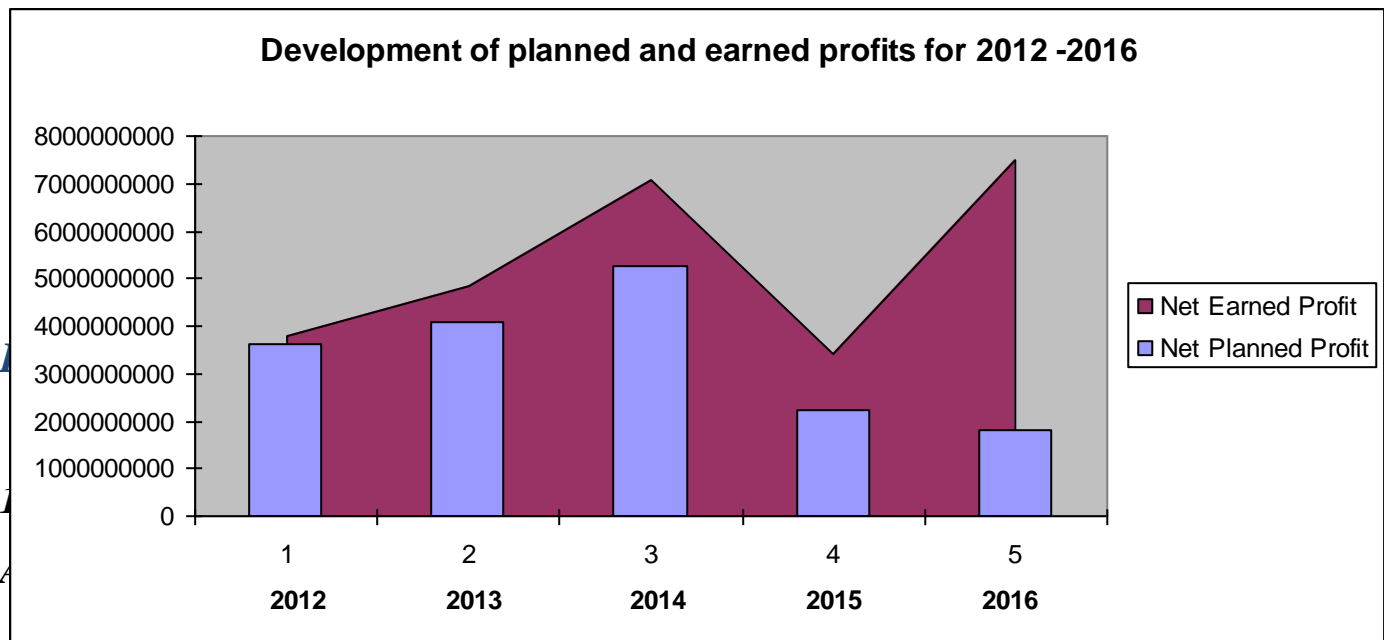
	<i>Company Name</i>	<i>Sector</i>	<i>Contribution Amount</i>
<i>1</i>	<i>Baghdad Soft Drinks Co.</i>	<i>Private</i>	<i>1866170880</i>
<i>2</i>	<i>Investment Bank of Iraq</i>	<i>Private</i>	<i>579013845</i>
<i>3</i>	<i>Bahrain National Holding Co.</i>	<i>Arabian Co. (outside Iraq)</i>	<i>2974756</i>
<i>4</i>	<i>Light Industries Co.</i>	<i>Mixed</i>	<i>436002855</i>
<i>5</i>	<i>Arab Reinsurance Co.</i>	<i>Arabian Co. (outside Iraq)</i>	<i>\$ 756437</i>
<i>6</i>	<i>Modern Paint Industries Co.</i>	<i>Mixed</i>	<i>290321236</i>
<i>7</i>	<i>Baghdad Al-Salam Co. for Food Industries</i>	<i>Mixed</i>	<i>210000000</i>
<i>8</i>	<i>Modern Construction Co.</i>	<i>Mixed</i>	<i>209260746</i>
<i>9</i>	<i>Iraqi Co. Seeds Production</i>	<i>Mixed</i>	<i>375000000</i>

A- Analysis of the Company Profitability:

The distributable surplus amount of operating processes rises to 7499389000/- IQD as on 31/12/2016 which is more than the planned profit by (316%) and more than the achieved profit of 2015 by (121%).

Table No. (14)
Development of planned and earned profits

Year	Net Planned Profit	Net Earned Profit	Rate of Implement.	Rate of Change
2012	3607700000	3795419000	105%	24%
2013	4069700000	4852302000	119%	28%
2014	5274500000	7072517000	134%	46%
2015	2222500000	3393680000	153%	-52%
2016	1801270000	7499389000	416%	121%



B- Expenses.

The two following tables indicate the development of paid and expected claims & the rate of paid claims to earned premiums for each insurance portfolio.

**Table No. (15)
Development of expected and paid claims for (2012-2016)**

<i>Year</i>	<i>Expected Claims</i>	<i>Paid Claims</i>	<i>Rate of Paid to Expected Claims</i>	<i>Rate of Change in Paid Claims</i>
<i>2012</i>	<i>11000000000</i>	<i>17721147000</i>	<i>161%</i>	<i>96%</i>
<i>2013</i>	<i>15000000000</i>	<i>25590401000</i>	<i>171%</i>	<i>44%</i>
<i>2014</i>	<i>18000000000</i>	<i>32481635000</i>	<i>180%</i>	<i>27%</i>
<i>2015</i>	<i>27000000000</i>	<i>35309789000</i>	<i>131%</i>	<i>9%</i>
<i>2016</i>	<i>32000000000</i>	<i>30684224000</i>	<i>96%</i>	<i>-13%</i>

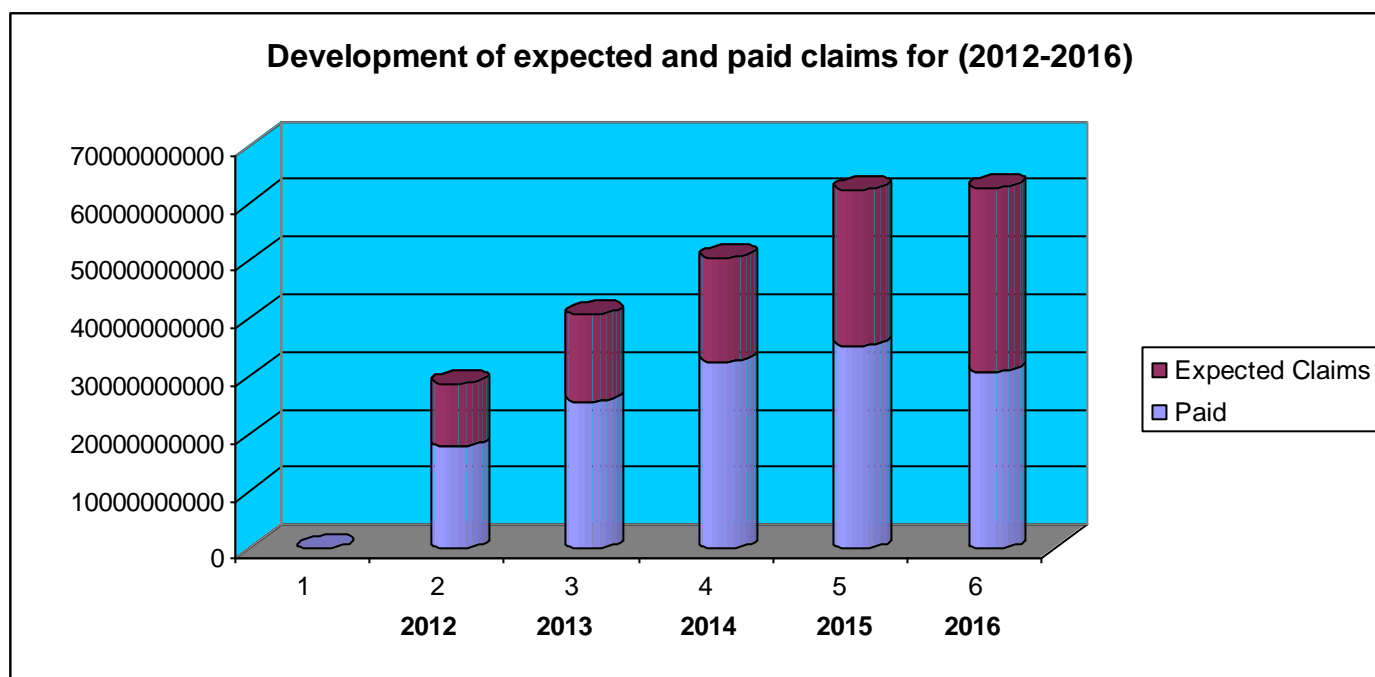
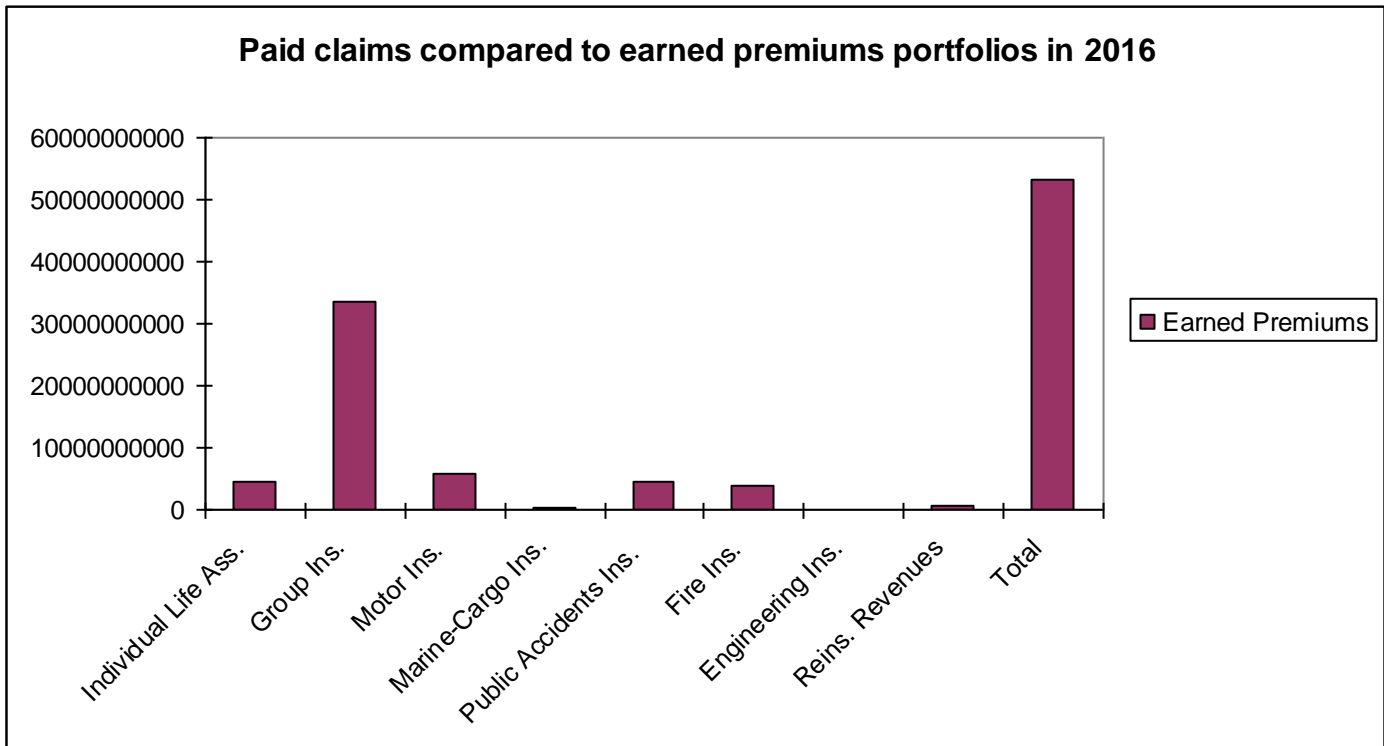


Table No. (16)
Paid claims compared to earned premiums portfolios in 2016

<i>Portfolio</i>	<i>Earned Premiums</i>	<i>Paid Claims</i>	<i>Rate of Claims to Premiums</i>
<i>Individual Life Ass.</i>	<i>4635184000</i>	<i>4299730000</i>	<i>93%</i>
<i>Group Ins.</i>	<i>33570261000</i>	<i>23933403000</i>	<i>71%</i>
<i>Motor Ins.</i>	<i>5757885000</i>	<i>77082000</i>	<i>1%</i>
<i>Marine-Cargo Ins.</i>	<i>169234000</i>	<i>-</i>	<i>-</i>
<i>Public Accidents Ins.</i>	<i>4453733000</i>	<i>238424000</i>	<i>5%</i>
<i>Fire Ins.</i>	<i>3746600000</i>	<i>2037184000</i>	<i>54%</i>
<i>Engineering Ins.</i>	<i>138627000</i>	<i>-</i>	<i>-</i>
<i>Reins. Revenues</i>	<i>706798000</i>	<i>98401000</i>	<i>14%</i>
<i>Total</i>	<i>53178322000</i>	<i>30684224000</i>	<i>58%</i>

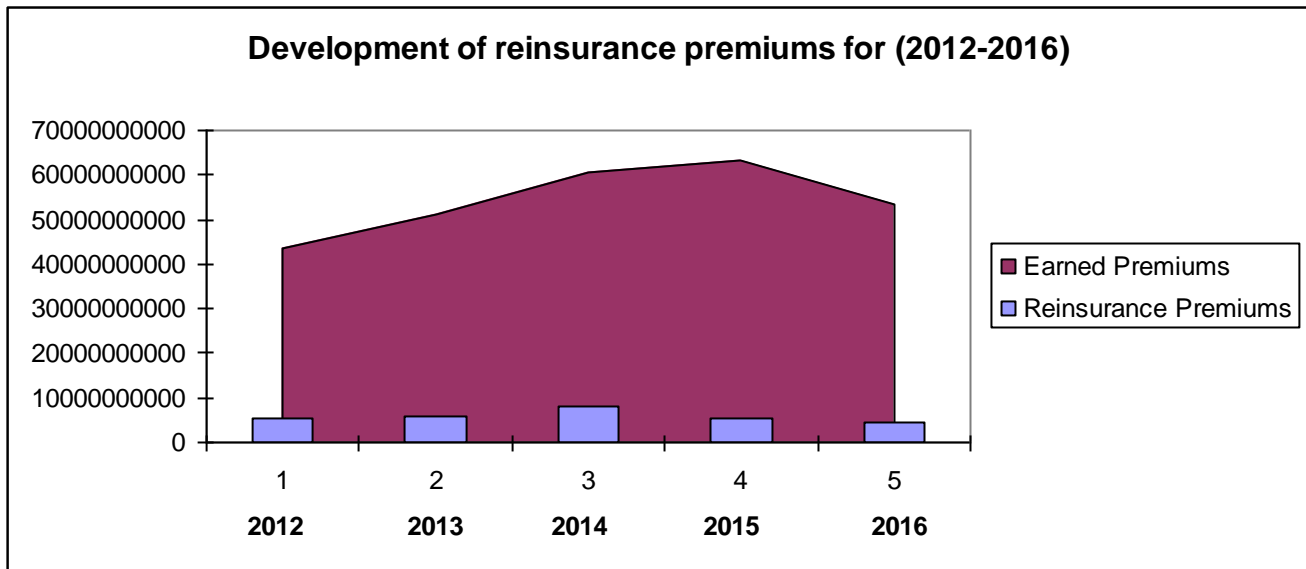


B- Reinsurance Premiums:

The reinsurance premiums reached to ID. 4346000000/- in 2016 which represents 8% of the total premiums less (19%) compared with 2015. Note that the bulk of the premiums belong to non-life insurance policies while the company retains approximately the entire of the sum insured of life assurance policies. The following table indicates the development of reinsurance premiums for the last five years.

*Table No. (17)
Development of reinsurance premiums for (2011-2015)*

<i>Year</i>	<i>Earned Premiums</i>	<i>Reinsurance Premiums</i>	<i>Rate of Reins. Premiums to Earned Premiums</i>	<i>Rate of Change</i>
<i>2012</i>	<i>43354051000</i>	<i>5434306000</i>	<i>13%</i>	<i>34%</i>
<i>2013</i>	<i>51275288000</i>	<i>5974806000</i>	<i>12%</i>	<i>10%</i>
<i>2014</i>	<i>60370630000</i>	<i>7907795000</i>	<i>13%</i>	<i>32%</i>
<i>2015</i>	<i>63468048000</i>	<i>5365002000</i>	<i>8%</i>	<i>-32%</i>
<i>2016</i>	<i>53178322000</i>	<i>4345745000</i>	<i>8%</i>	<i>-19%</i>

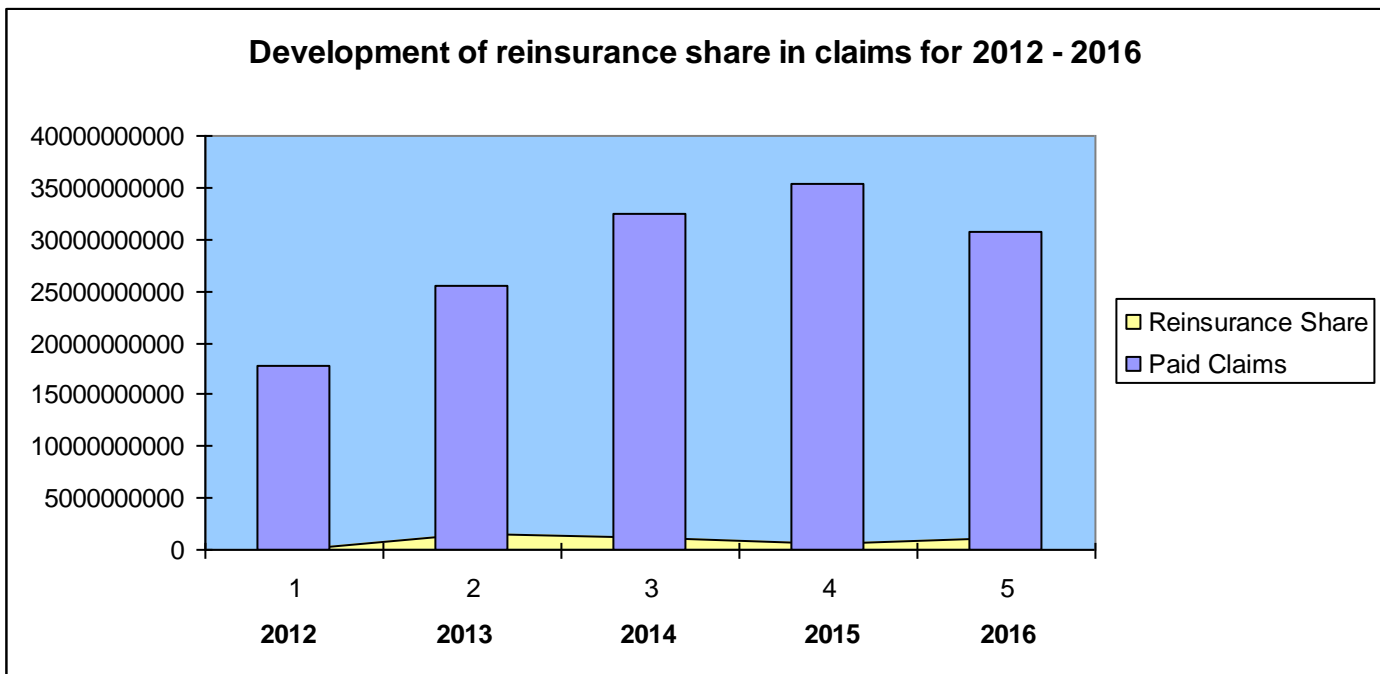


C- Reinsurance Claims:

The reinsurance paid claims reached to ID. 1249206000/- in 2016 which represents 4% of the total claims...

Table No. (18)
Development of reinsurance share in claims

Year	Paid Claims	Reinsurance Share	Rate of Reins. Share in Paid Claims	Rate of Change
2012	17721143000	34077000	0,2%	-88%
2013	25590401000	1572135000	6%	4513%
2014	32481635000	1075679000	3%	-32%
2015	35309789000	512876000	1%	-52%
2016	30684224000	1249206000	4%	144%



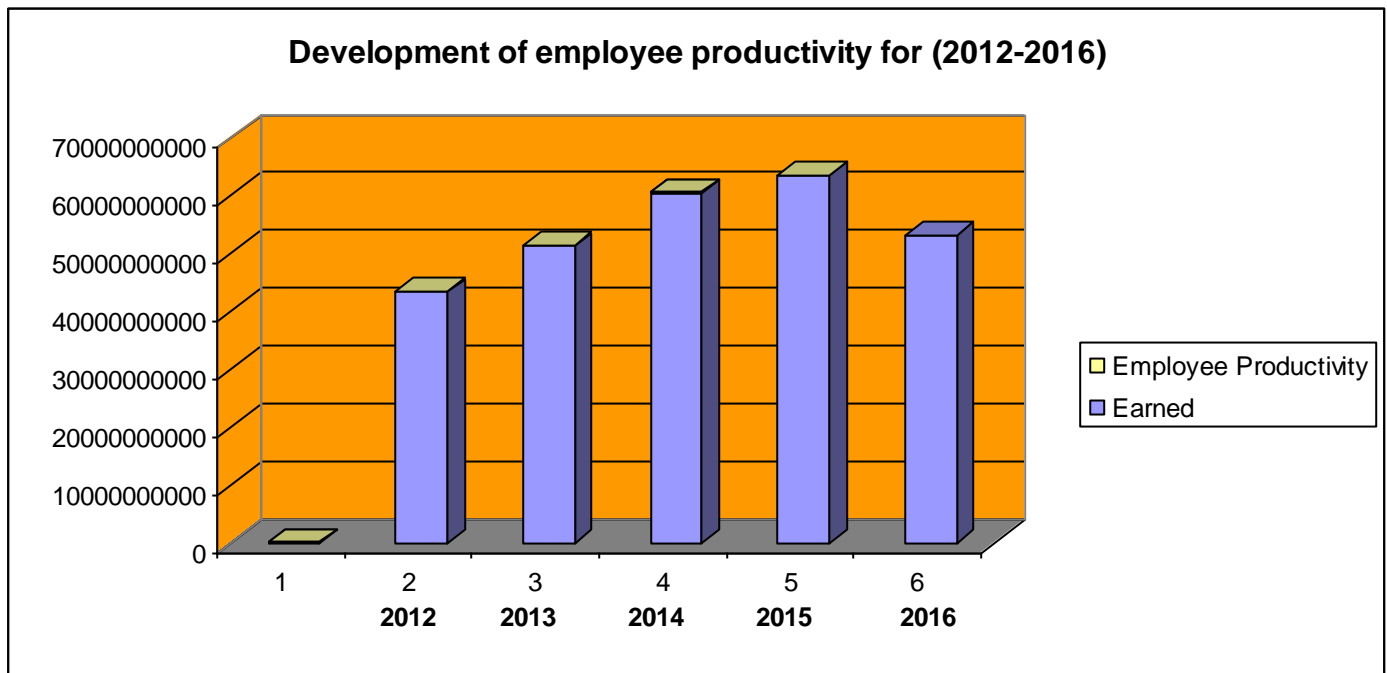
D- Productivity:

1- Employee Productivity

The following table indicates the development of the employee productivity for the last five years.

Table No. (19)
Development of employee productivity for (2012-2016)

<i>Year</i>	<i>Earned Premiums</i>	<i>Employees No.</i>	<i>Employee Productivity</i>
<i>2012</i>	<i>43354051000</i>	<i>384</i>	<i>112901042</i>
<i>2013</i>	<i>51275288000</i>	<i>410</i>	<i>125061678</i>
<i>2014</i>	<i>60370630000</i>	<i>408</i>	<i>147967230</i>
<i>2015</i>	<i>63468048000</i>	<i>411</i>	<i>154423474</i>
<i>2016</i>	<i>53178322000</i>	<i>401</i>	<i>132614268</i>

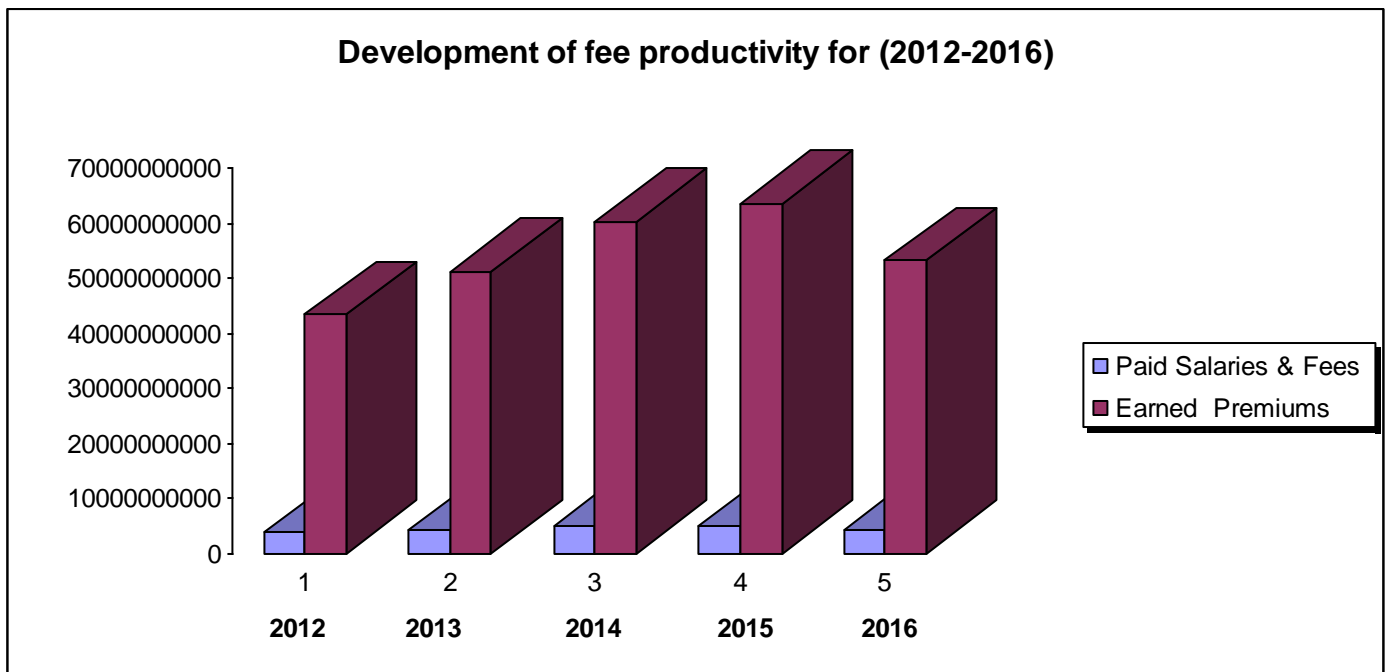


2- Fee Productivity

The following table indicates the development of the fee productivity for the last five years.

Table No. (20)
Development of fee productivity for (2012-2016)

<i>Year</i>	<i>Earned Premiums</i>	<i>Paid Salaries & Fees</i>	<i>Fee Productivity</i>
<i>2012</i>	<i>43354051000</i>	<i>3692145000</i>	<i>11,742</i>
<i>2013</i>	<i>51275288000</i>	<i>4038417000</i>	<i>12,697</i>
<i>2014</i>	<i>60370630000</i>	<i>4846751000</i>	<i>12,456</i>
<i>2015</i>	<i>63468048000</i>	<i>4841414000</i>	<i>13,109</i>
<i>2016</i>	<i>53178322000</i>	<i>4361336000</i>	<i>12.193</i>



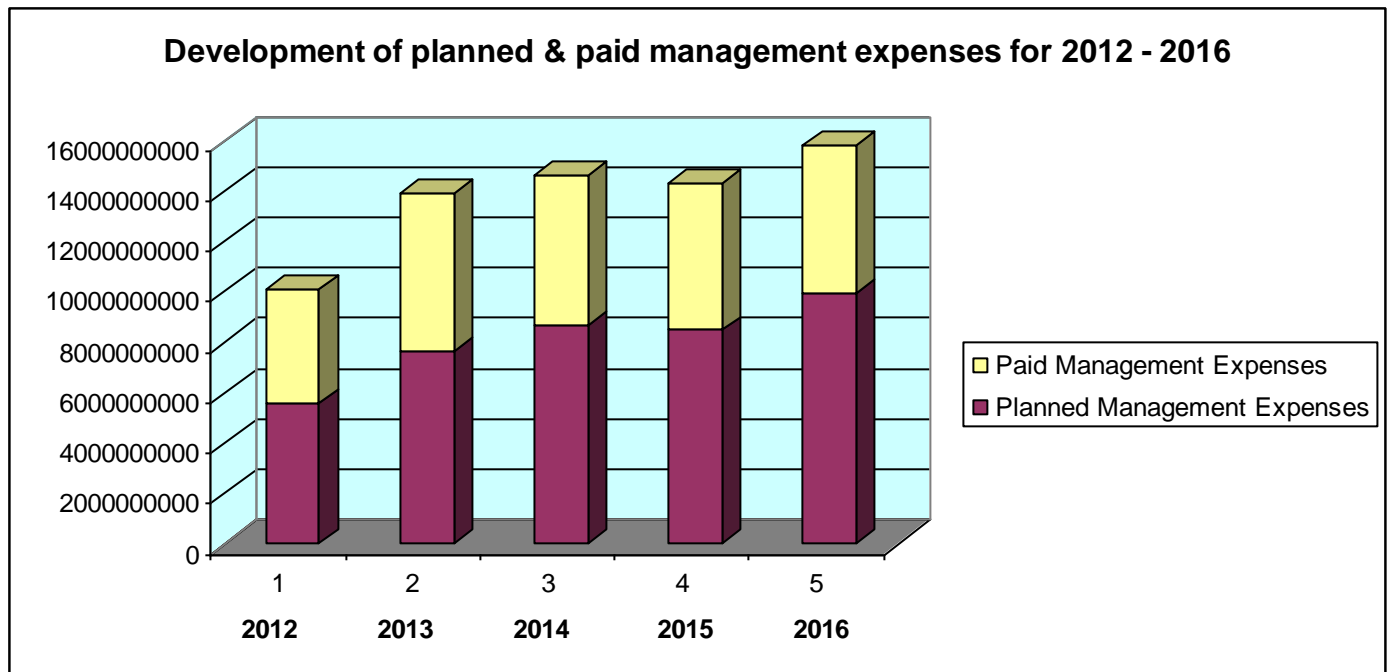
2- Management Expenses:

A- Total Numbers:

The management expenses include salaries, fees, requirements of goods, services and other expenses. The planned management expenses for 2016 reached to ID. 9974000000/- whereas the paid management expenses reached to ID. 5842000000/- which represents 59% (Rate of implementation). The following table indicates the development of the planned and paid management expenses for the last five years.

Table No. (21)
Development of planned & paid management expenses

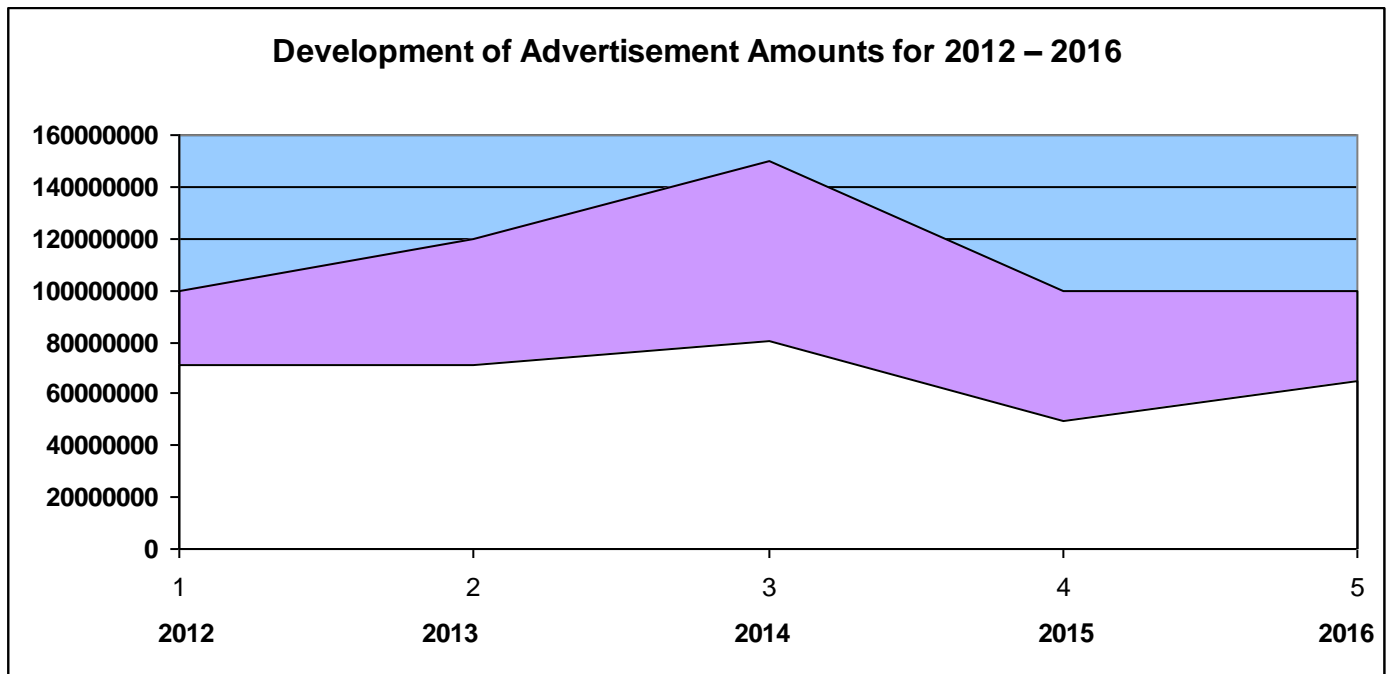
Year	Planned Management Expenses	Rate of Change	Paid Management Expenses	Rate of Change	Rate of Implement.
2012	5545000000	15%	4578963000	9%	83%
2013	7625300000	38%	6265189000	8%	82%
2014	8675500000	14%	5969728000	5%	69%
2015	8477500000	-2%	5864049000	-2%	69%
2016	9973730000	18%	5841568000	-0.3%	59%



B- Advertisement:

Table No (22)
Development of Advertisement Amounts for 2012 – 2016

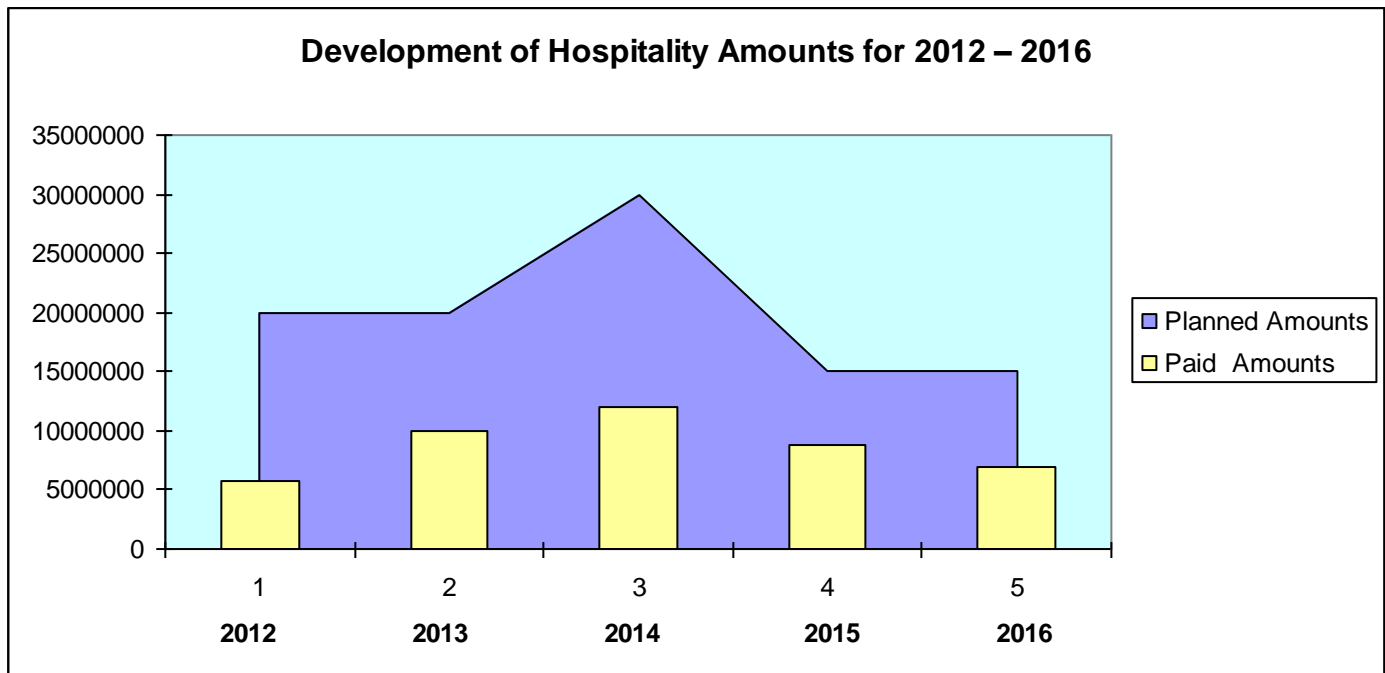
<i>Year</i>	<i>Planned Amounts</i>	<i>Paid Amounts</i>	<i>Rate of Implement.</i>	<i>Rate of Change</i>
<i>2012</i>	<i>100000000</i>	<i>70918000</i>	<i>71%</i>	<i>23%</i>
<i>2013</i>	<i>120000000</i>	<i>70984000</i>	<i>59%</i>	<i>0.09%</i>
<i>2014</i>	<i>150000000</i>	<i>80630000</i>	<i>54%</i>	<i>14%</i>
<i>2015</i>	<i>100000000</i>	<i>49349000</i>	<i>49%</i>	<i>-39%</i>
<i>2016</i>	<i>100000000</i>	<i>65297000</i>	<i>65%</i>	<i>32%</i>



C- Hospitality

Table No (23)
Development of Hospitality Amounts for 2012 – 2016

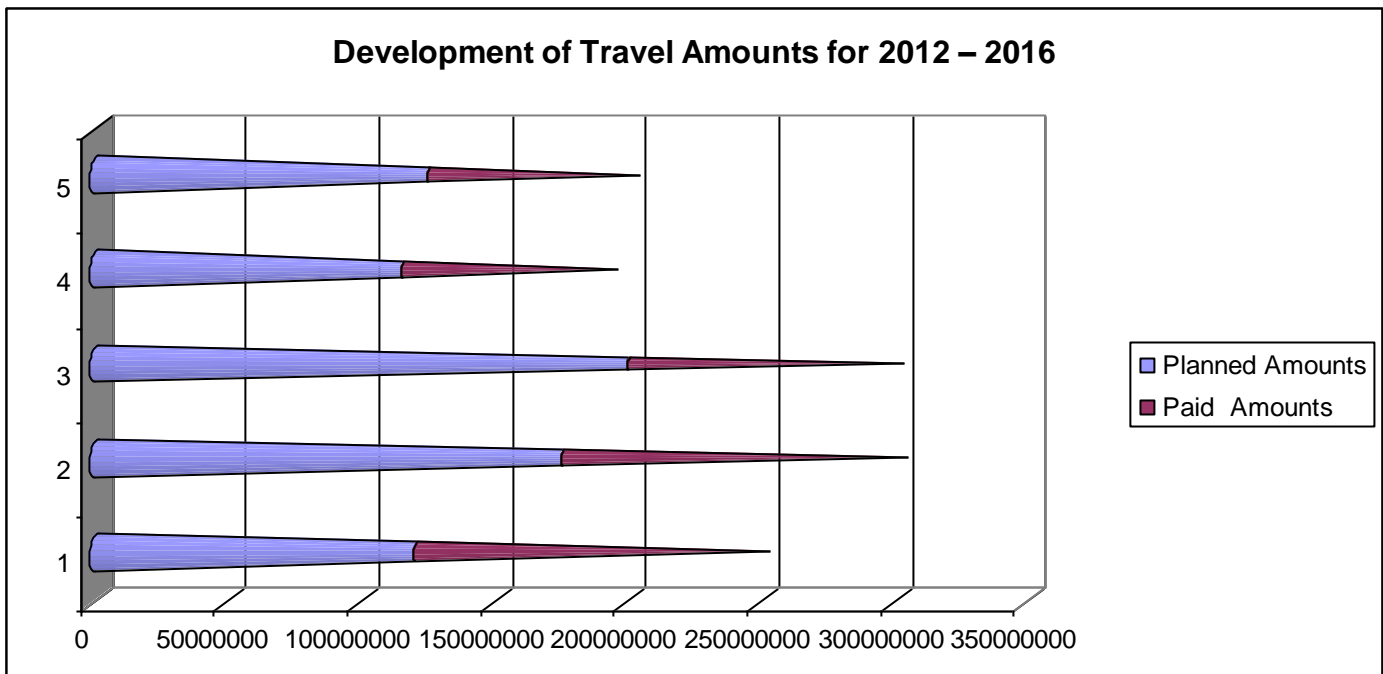
<i>Year</i>	<i>Planned Amounts</i>	<i>Paid Amounts</i>	<i>Rate of Implement.</i>	<i>Rate of Change</i>
<i>2012</i>	<i>20000000</i>	<i>5797000</i>	<i>29%</i>	<i>39%</i>
<i>2013</i>	<i>20000000</i>	<i>9906000</i>	<i>50%</i>	<i>71%</i>
<i>2014</i>	<i>30000000</i>	<i>11982000</i>	<i>40%</i>	<i>21%</i>
<i>2015</i>	<i>15000000</i>	<i>8814000</i>	<i>59%</i>	<i>26%</i>
<i>2016</i>	<i>15000000</i>	<i>6986000</i>	<i>47%</i>	<i>-21%</i>



D- Travel:

Table No (24)
Development of Travel Amounts for 2012 – 2016

<i>Year</i>	<i>Planned Amounts</i>	<i>Paid Amounts</i>	<i>Rate of Implement.</i>	<i>Rate of Change</i>
<i>2012</i>	<i>120000000</i>	<i>132908000</i>	<i>111%</i>	<i>2%</i>
<i>2013</i>	<i>175000000</i>	<i>129466000</i>	<i>74%</i>	<i>-3%</i>
<i>2014</i>	<i>200000000</i>	<i>102945000</i>	<i>51%</i>	<i>-20%</i>
<i>2015</i>	<i>115000000</i>	<i>81329000</i>	<i>71%</i>	<i>-21%</i>
<i>2016</i>	<i>125000000</i>	<i>79434000</i>	<i>64%</i>	<i>-2%</i>

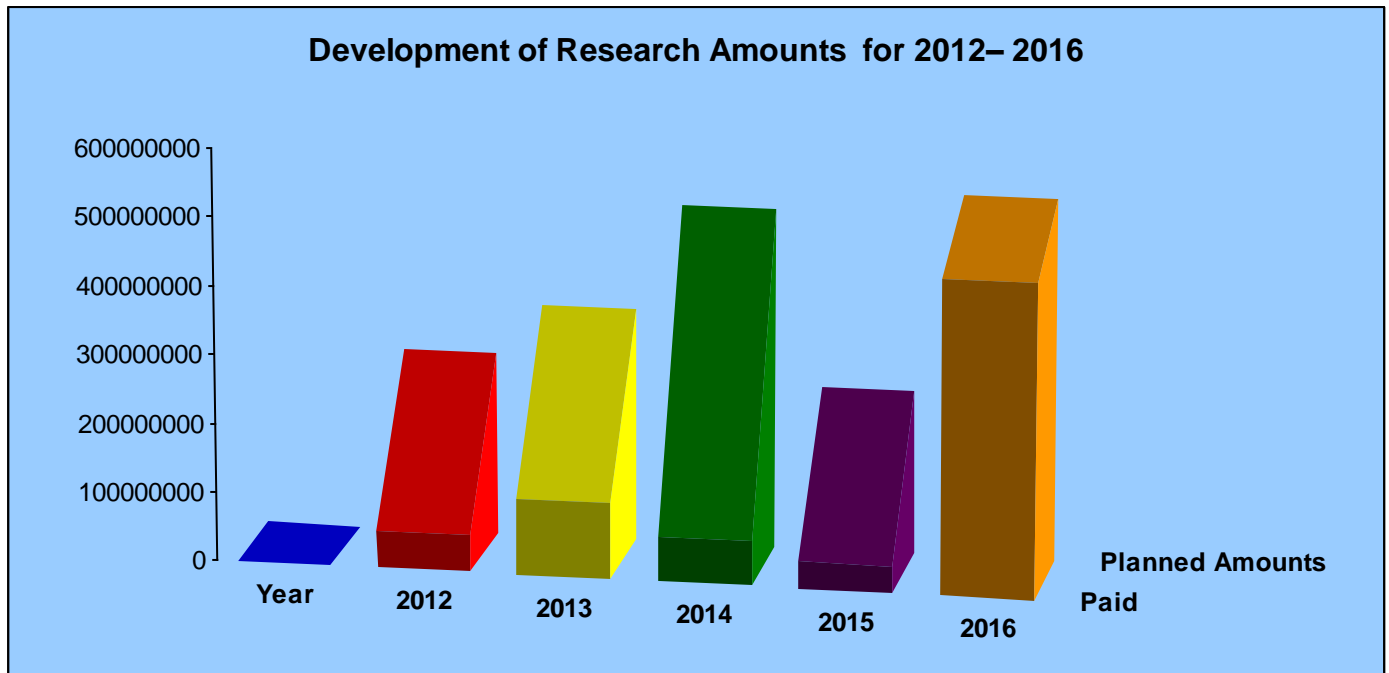


E- Gifts: None

F- Research & Development:

Table No (25)
Development of Research Amounts for 2012– 2016

<i>Year</i>	<i>Planned Amounts</i>	<i>Paid Amounts</i>	<i>Rate of Implement.</i>	<i>Rate of Change</i>
<i>2012</i>	<i>265679000</i>	<i>53086000</i>	<i>20%</i>	<i>107%</i>
<i>2013</i>	<i>339661000</i>	<i>110011000</i>	<i>32%</i>	<i>108%</i>
<i>2014</i>	<i>495076000</i>	<i>64907000</i>	<i>13%</i>	<i>- 40%</i>
<i>2015</i>	<i>237558000</i>	<i>38995000</i>	<i>16%</i>	<i>- 52%</i>
<i>2016</i>	<i>524957000</i>	<i>455914000</i>	<i>9%</i>	<i>121%</i>

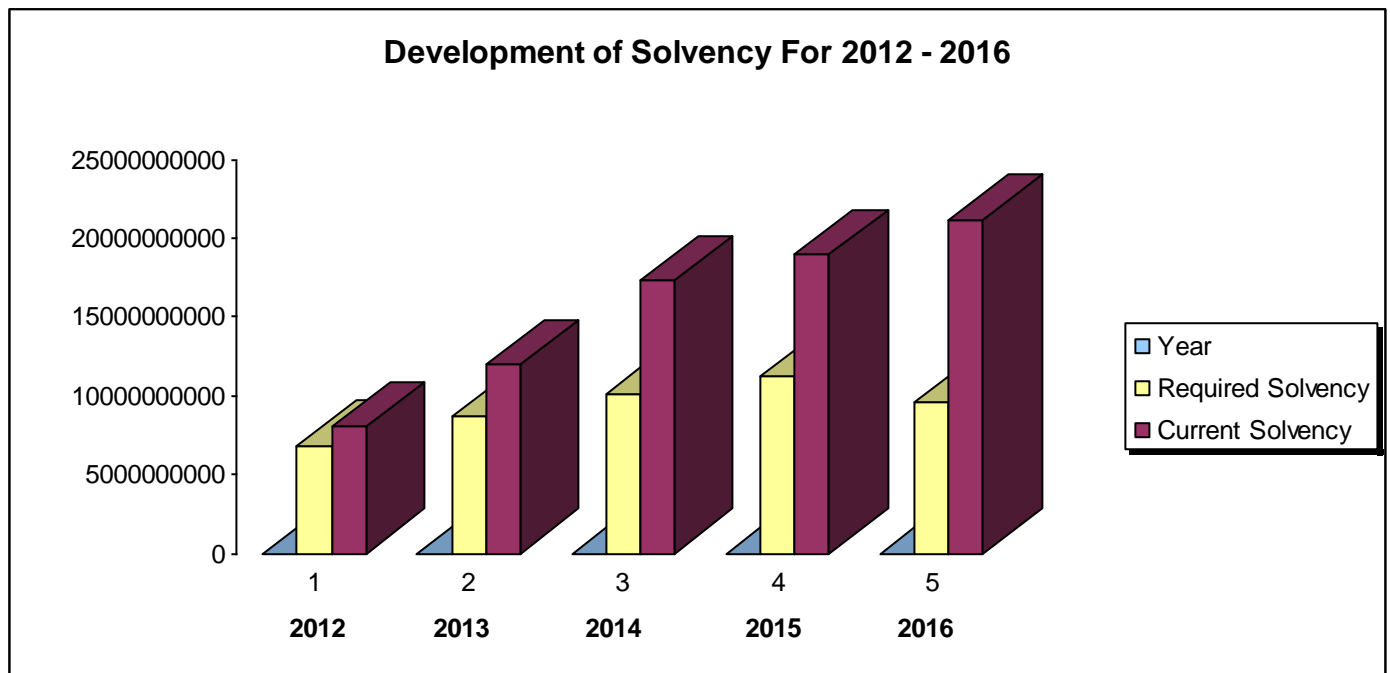


G- Solvency:

The solvency of the company reached to 222% in 2016 which indicates the progress and improvement of the company. The following table indicates the development of the solvency for the last five years ...

Table No. (26)
Development of Solvency

Year	Current Solvency	Required Solvency	Acceptable Solvency	Rate of Change
2012	8043704000	6848713000	117%	-22%
2013	11942365000	8706935483	137%	17%
2014	17294414000	10140623000	171%	25%
2015	18973604000	11265076000	168%	11%
2016	21194051000	9552848000	222%	32%



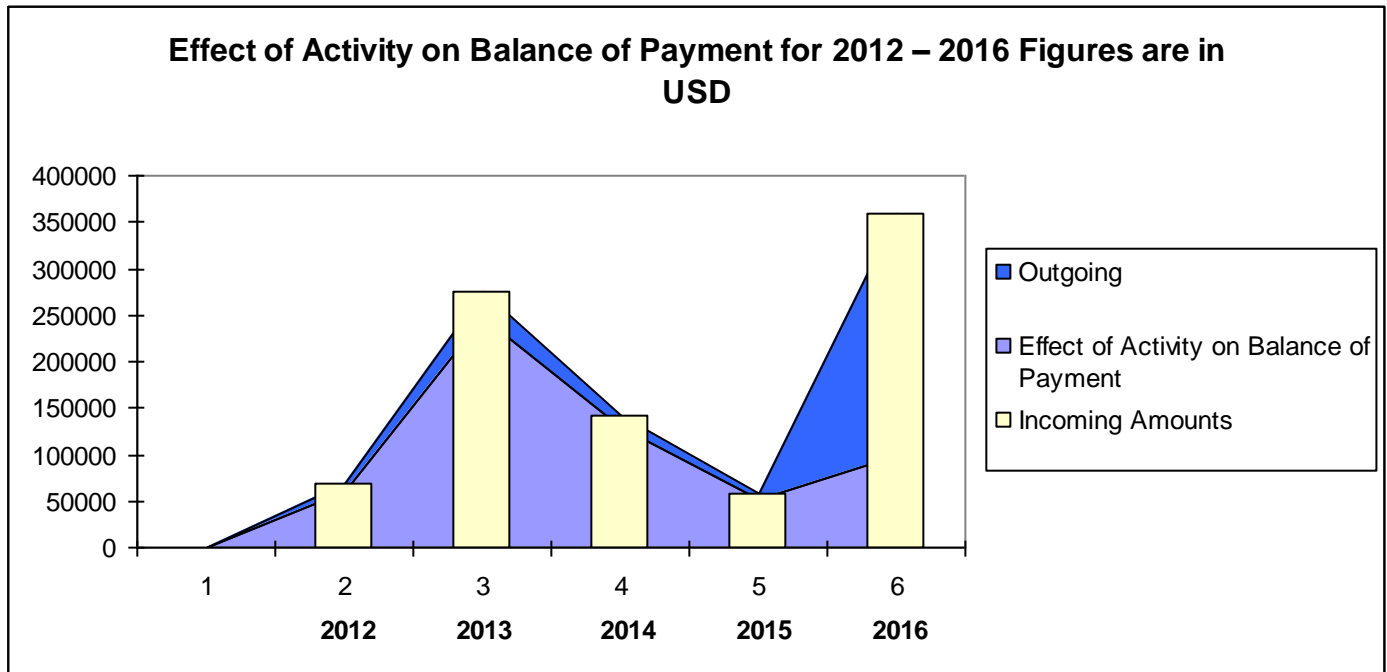
H- Effect of Activity on Balance of Payment:

The following table states summary of the outgoing and incoming amounts.

Table No. (27)
Effect of Activity on Balance of Payment for 2012 – 2016
Figures are in USD

Year	Incoming Amounts	Outgoing Amounts	Effect of Activity on Balance of Payment
2012	68080	7466	60614
2013	275076	27800	247276
2014	141400	11750	129650
2015	57403	5750	51653
2016	358393	258398	99995

The table above states that the activity result is in favor of our company because dealing with foreign companies and organizations is limited to the non-technical activity of the company, whereas the technical activity, represented by share of reinsurance companies of the underwriting premiums, is accomplished only by Iraqi Reinsurance Company.



I- Effect of Activity on Inflation:

Because of the change in the general average of the rates, higher inflation, restructuring of Iraqi economy and the bad security situation for the two decades ago, the value of life assurance policy and its profits are dropped a lot. This policy is distinguished from other policies that its period is long and it is a saving policy, its premium consists of two parts, risk premium and saving premium which effects a lot for the aforementioned reasons. In spite of the procedures taken by the company to develop its investment but the investments are bad because they depend on benefit of governmental banks on fixed deposits reached to 59% of the gross investments in 2015 , As for the generad Insurance , veducing the impact of inflation is achieved by the prompt settlement of claims duving the insurance year .

J- Contracts:

No contracts in 2015 except insurance contracts and contracts with lessees.

MINISTRY OF FINANCE IRAQ INSURANCE COMPANY BALANCE SHEET AS ON 31/Dec/2015

Currency Iraqi Dinars ID.

Rate US \$ 1 = 1166 ID.

Figures in 1000 ID.

<i>Assets</i>	<i>Figures in 1000 ID. 2016</i>	<i>Figures in 1000 ID. 2015</i>
<i>Money</i>	<i>19511502</i>	<i>15389579</i>
<i>Investments</i>	<i>31561908</i>	<i>30463941</i>
<i>Debtors</i>	<i>6331235</i>	<i>8629627</i>
<i>Fixed Assets</i>	<i>28501</i>	<i>28501</i>
<i>Total</i>	<i>57433146</i>	<i>54511647</i>

<i>Liabilities</i>	<i>Figures in 1000 ID. 2016</i>	<i>Figures in 1000 ID. 2015</i>
<i>Current Liabilities</i>		
<i>Creditors</i>	<i>14139164</i>	<i>11160751</i>
<i>Fixed Liabilities</i>		
<i>Paid Capital</i>	<i>2000000</i>	<i>2000000</i>
<i>General Reserves</i>	<i>12974048</i>	<i>11176541</i>
<i>Technical Reserves</i>	<i>28319934</i>	<i>30174355</i>
<i>Total</i>	<i>57433146</i>	<i>54511647</i>

MINISTRY OF FINANCE
IRAQ INSURANCE COMPANY

Profits and Losses Account & Distribution for Financial year on 31/Dec./2015

<i>Operating Activity Revenues</i>	<i>Figures in 1000 ID. 2015</i>	<i>Figures in 1000 ID. 2016</i>
<i>Ins. Processes Revenues</i>	65326402	55665154
<i>Investment Revenues</i>	2771112	2796636

<i>Operating activity Expenses</i>	<i>Figures in 1000 ID. 2014</i>	<i>Figures in 1000 ID. 2016</i>
<i>Ins. Processes Expenses</i>	58505680	44672943
<i>Depreciation</i>	447206	464147
<i>Management Expenses</i>	5586676	5100373

	<i>Figures in 1000 ID. 2015</i>	<i>Figures in 1000 ID. 2016</i>
<i>Operating Processes Surplus</i>	3557952	8224328
<i>Other Revenues</i>	113101	22007

<i>Other Expenses</i>	<i>Figures in 1000 ID. 2015</i>	<i>Figures in 1000 ID. 2016</i>
	277373	741196
<i>social protection benefits</i>	-	75751
<i>Surplus</i>	<i>Figures in 1000 ID. 2015</i>	<i>Figures in 1000 ID. 2016</i>
	3393680	7499389