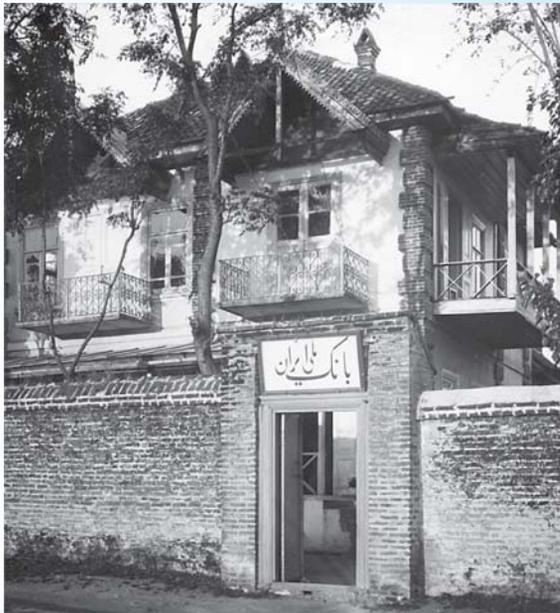




assigned with the role of the Central Bank of Iran (Bank Markazi) and was the sole authority to issue bank notes while regulating the monetary affairs of the country. It was in the same year that Iranian Banking Law was approved in the Senate and from August 9th, 1960, central banking activities of Iran were separated from B.M.I. and continued its commercial banking functions independently, with an increased capital of 3.6 billion Rials. Iranian people always hoped to have a national



bank to get rid of foreign power's dominance in their monetary and banking affairs and prevent foreign powers from domination over the country's resources. B.M.I. was successful in offering excellent and high quality services to the people of Iran which includes collection of saving deposits, solving the problem of cash flow and liquidity in the society, collecting people's gold and silver coins and safeguarding them, maintaining the government's accounts, extending credit facilities to launch necessary investments in infrastructure projects and manufacturing companies, construction of industrial and agricultural units and also facilitating domestic and international trade in a highly professional fashion.

85 years of excellent operation has passed from the establishment day of B.M.I. and the Bank is getting stronger year by year and presently operates more than 3400 active domestic branches and a very credible international network of 13 branches, 2 subsidiaries and 2 joint ventures all around the world. That's the reason to strongly believe that B.M.I. is the largest and the leading bank in Iran, pioneering in the industry.

B.M.I. as the leading commercial bank in Iran, offers a wide variety of services with the implementation of most modern technologies both in local and foreign currencies.

On the other hand, some negative factors like drastic change in political condition of the country, the 1907 contract between the two governments of England and Russia to divide Iranian territory into two Southern and Northern parts, the start of the First World War and military occupation of Iran caused further delays for the establishing of Bank Melli Iran (B.M.I.) for many years more. When World War 1 finished and the occupying forces left Iran, the establishing act of BMI was approved in Iranian Senate on May 4th, 1928 and the Bank's Articles of Association were approved in the Senate's Financial Commission on July 5th, 1929, leading to official establishment of Bank Melli Iran (The National Bank of Iran) and B.M.I. started its operations by opening five branches in three cities of Tehran, Bandar Anzali and Bushehr on September 11th, 1929.

According to its Articles of Association, BMI was recognized as a legal entity and was subject to Business Act of the country. Initial capital amounted to 20 million Iranian Rials, of which only 8 million Rials were fully paid. In 1935, the capital was increased to 300 million Rials and in 1952 increased upto 2 billion Rials.

At the moment, the capital of BMI stands at 99,065,600 million Rials and is fully paid up. Lack of experienced bank officers in Iran during



1929 caused in recruiting Swiss and German nationals.

On the outset of establishment, B.M.I. had only 27 Iranian and German officers employed in its branches, but now the number of employees exceeds 45 thousand.

In 1948, B.M.I.'s first branch in a foreign country (Germany) was established in Hamburg with an aim to facilitate international banking and business transactions and help Iranian traders in their import and export activities.

On March 13th, 1931, Iran Senate approved BMI to officially issue bank notes for 10 years and it was in the middle of April of the same year that first bank notes were published by B.M.I. Untill 1959, B.M.I. acted as the Bank of Issue and

A brief history of Bank Melli Iran

Foundation of a national bank in Iran, was first proposed by one of Iranian money and currency exchangers in Tehran (Haj Mohammad Hassan Amin Dar-Al- Zarb), during Qajar dynasty who suggested the establishment of an Iranian bank to Naser- Al- Din Shah (king Naser-Al-Din) in 1879. In the proposal, the benefits of a national bank were mentioned including the impact of banks on the industrial revolution in European countries and their role in development of transportation, railway, industrial and manufacturing tele - communication. It was suggested that the establishment of a bank could be accomplished by the co-investment of the government and the nation.

Unfortunately, due to the alien power's intervention, the suggestion failed to turn into reality by the time and, only realized several years later ,instead, Bank Shahi (a bank with foreign investment) was established in Iran.

National feelings that were already harmed because of abuses by foreign banks in the economic and financial arena of Iran consequently routed in such a way that all people and their representatives in Iran National Assembly, called for an immediate establishment of an Iranian National Bank. This led to Mirza Abolghasem Naser-ol-Molk's (the then Finance Minister of Iran) presence in the National Assembly, where he reported the inappropriate



financial condition of Iran to the Representatives and called for a borrowing from European countries which was profoundly disagreed with by majority of the Representatives. After consultations, Representatives unanimously agreed that a national bank should be established with the main focus of helping both people and the country and also be profitable in implementing Iranian people's assets. Iranian people were all happy when heard Bank Melli Iran (National Bank of Iran) is about to be established with a capital of 15 million Tomans which could be increased up to 50 million Tomans.

Bank Melli Iran's credibility and popularity is ever-increasing even at the present situation where there are plenty of private banks in the scene of Iranian banking industry.

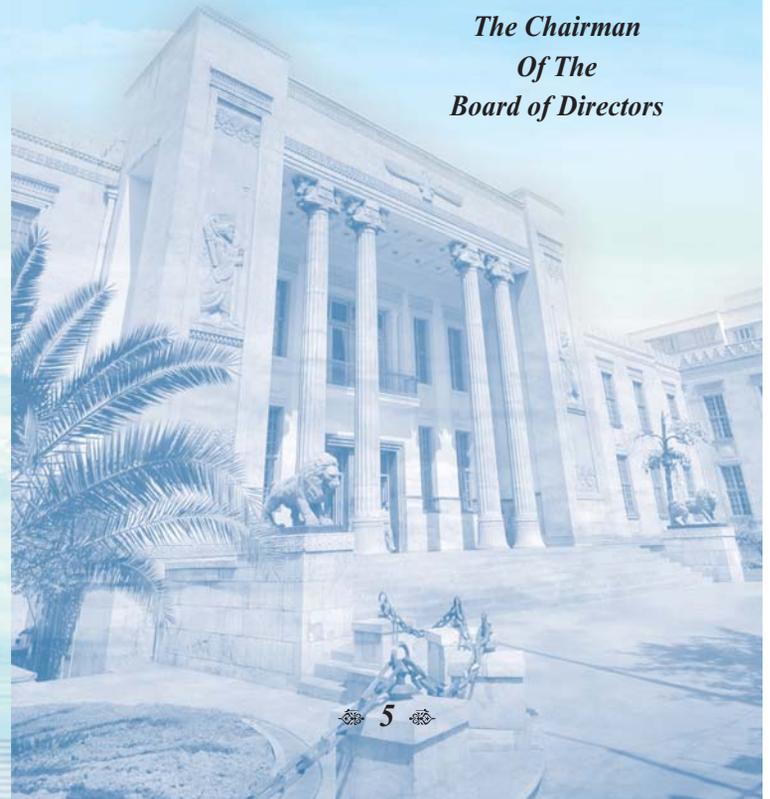
These firm and gratifying achievements are due to the hard work and tireless efforts of the men and women who built their aspirations on the solid grounds of the bank's expertise and organization for growing and shining of Bank Melli Iran in the Iranian Islamic Banking System, the efforts which has been successfully continued up to the present time. In the anniversary of 85th B.M.I. creation, while keeping in mind the memory of those who left good names of themselves in this bank, I am proud to express my heartiest congratulations on this auspicious occasion to all colleagues in B.M.I. and the great Iranian nation.

It is also of great proud for the managers and personnel of Bank Melli Iran, realizing and observing that the B.M.I. retired (ex-personnel) take determining and gigantic stance in private banks and credit institutes. It can be noted that Bank Melli Iran as a learning organization, with ever ongoing educational goals within its body, is not only a big provider of banking services to the

general public, but also an applied scientific university for educating managers and experts in the field of banking.

It is hoped that in the light of God's eternal grace, these achievements occur continuously and with the help of our respected colleagues in B.M.I., the bank recognizes a better record of B.M.I. success to the great Iranian nation every year.

**The Chairman
Of The
Board of Directors**





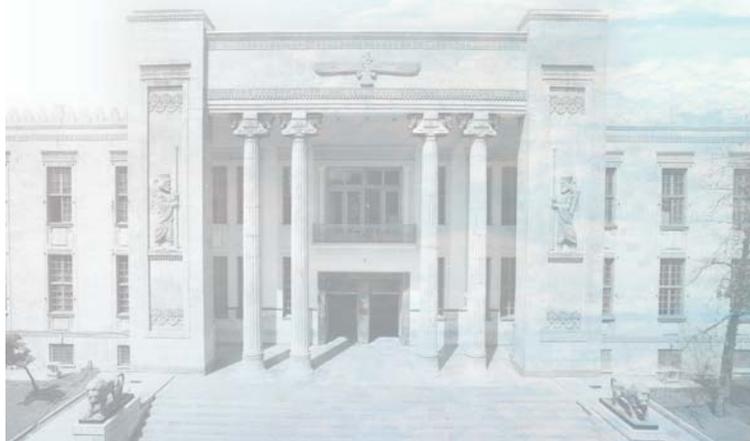
Foreword, The Director's Message

On September eleven of This year, Bank Mellī Iran celebrates the glorious eighty-fifth year of its presence in Iran's banking and economic scene.

The establishment of B.M.I. was in fact the turning of cherished aspiration of the Iranian nation into reality, this turning point paved the way for the entrance of Iran into the new international banking system.

Today, B.M.I. which came to the scene of banking industry 85 years ago, has nourished into a large tree, that its blessed fruits covers the whole of Iran country-wide.

During these 85 glorious years of operation, Bank Mellī Iran has been an immense source of rendering great services in the expansion of banking, saving and depositing culture in the community. Moreover, B.M.I. has played a leading role in protecting the national wealth of Iran by utilizing the advanced Electronic Banking with the help of B.M.I. competent managers, experts and personnel.





In the Name of
GOD

