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Independent Auditor's Report

We have audited the accompanying financial statements of Karafarin Bank ("the Bank") which comprise the balance sheet as at March 20, 2009, the related income and cash flow statements for the year then ended, and a summary of significant accounting policies and other explanatory notes.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with Iranian Accounting Standards. This responsibility includes: designing, implementing and maintaining internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error; selecting and applying appropriate accounting policies; and making accounting estimates that are reasonable in the circumstances.

Auditor's Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. Except for the matters referred to in paragraph 1.2 below, we conducted our audit in accordance with International Standards on Auditing. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

1- Taxation

- 1-1 *The differences between the income tax payable as per the tax assessments issued by the Tax Authorities for the financial years ended March 20, 2004 to 2007 and the corresponding provisions made by the Bank for these years are Rls 237,914 m. The Bank has protested the above tax assessments and the position is currently being reviewed by the Tax Authorities. No provision has been made by the Bank for the potential liabilities which would be payable if the tax assessments for these years are finalized and advised.*
- 1-2 *In relation to the financial years ended March 20, 2008 and 2009, income tax has been calculated and paid on the declared net profit and no provision has been made for any additional tax liability as this would depend on the outcome of decision by the Tax Authorities in respect of the above financial years.*

Opinion

In our opinion, except for the effects on the financial statements of the matter referred to in paragraph 1.1 above and except for the effects of likely adjustments, if any, as might have been determined to be necessary had we been able to satisfy ourselves of the matters referred to in paragraph 1.2 above, the accompanying financial statements present fairly, in all material respects, the financial position of Karafarin Bank as of March 20, 2009 and its financial performance and its cash flow for the year then ended in conformity with the Iranian Accounting Standards.



KPMG- Bayat Rayan
Chartered Accountants

Tehran: June 4, 2009

Financial Statements of Karafarin Bank (Public Joint-Stock Co.)
Parent Company
Balance Sheet as at March 20th., 2009

(Iranian Rials)

Assets	Note	2009	2008
Cash	5	200,416,322,462	101,967,920,495
Statutory Deposits	6	4,360,869,381,518	3,300,308,311,360
Interbank	7	3,212,447,364,416	1,790,490,943,798
Participation Bonds	8	2,103,389,000,000	904,636,361,111
Investment-Listed Shares	9	77,292,996,449	128,481,304,271
Receivables	10	1,857,148,752,441	1,212,982,598,670
Prepayments	11	16,666,332,431	7,053,040,198
Loans & Advances	12	22,046,998,555,772	17,354,093,919,352
Investment-Unlisted	13	321,641,422,400	260,441,426,405
Fixed Assets	14	614,872,745,138	600,553,261,609
Other Assets	15	437,568,326,185	73,522,482,895
Total Assets		35,249,311,199,212	25,734,531,570,164
Liabilities			
Current Deposits	16	1,061,515,243,861	803,120,333,814
Saving Deposits	16	348,376,507,074	313,567,972,417
Term Deposits	17	24,051,143,048,430	17,539,186,985,365
Other Deposits	18	3,127,156,888,380	2,657,137,895,910
Central Bank Facilities	19	1,363,375,000,000	1,211,470,595,952
Interbank	20	1,208,771,721,848	843,823,945,096
Payables & Provisions for Expenses Incurred	21	241,827,845,382	243,681,768,687
Dividend Payable	22	4,782,476,127	-
Total Liabilities		31,594,229,433,585	23,652,207,103,832
Income Tax		187,280,702,483	40,217,606,591
Provisions	23	32,793,527,381	21,375,820,419
Liabilities & Provisions		31,627,022,960,966	23,673,582,924,251
Equity			
Share Capital	24	2,000,000,000,000	1,050,000,000,000
Provisions for Capital Increase		-	-
Legal Reserves	25	485,647,245,642	303,012,443,356
Undistributed Profit		1,136,640,992,604	707,936,202,557
Total Equity		3,622,288,238,246	2,060,948,645,913
Total Liabilities & Equity		35,249,311,199,212	25,734,531,570,164
Contingent Assets & Liabilities			
Guarantees Issued	39	9,643,237,773,428	7,240,965,599,942
L/C Commitments	40	2,823,595,938,400	3,991,661,683,190
Underwriting Commitments	41	700,000,000,000	600,000,000,000
		13,166,833,711,828	11,832,627,283,132
Memorandum Items:			
Managed Funds	42	749,391,668,780	609,023,066,501
Securities & Assets Pledged as Collateral	43	99,442,049,051,437	72,915,116,093,054

Financial Statements of Karafarin Bank (Public Joint-Stock Co.)
Consolidated Accounts
Balance Sheet as at March 20th., 2009

(Iranian Rials)

Assets	Note	2009	2008
Cash	5	200,425,913,513	102,430,498,185
Statutory Deposits	6	4,360,869,381,518	3,300,308,311,360
Interbank	7	3,215,870,715,409	1,804,892,692,072
Participation Bonds	8	2,123,804,000,000	922,108,361,111
Investment-Listed Shares	9	90,262,380,096	133,182,812,441
Receivables	10	1,847,784,408,234	1,218,855,217,976
Prepayments	11	17,073,481,221	9,617,649,250
Loans & Advances	12	22,158,139,643,057	17,417,618,184,111
Investment-Unlisted	13	432,017,742,607	461,253,962,408
Fixed Assets	14	591,257,515,571	611,595,403,793
Other Assets	15	441,261,389,919	73,804,337,562
Total Assets		35,478,766,571,145	26,055,667,430,269
Liabilities			
Current Deposits	16	1,061,515,243,861	803,120,333,814
Saving Deposits	16	348,376,507,074	313,567,972,417
Term Deposits	17	24,045,603,430,522	17,539,186,985,365
Other Deposits	18	3,127,156,888,380	2,657,137,895,910
Central Bank Facilities	19	1,363,375,000,000	1,211,470,595,952
Interbank		1,517,272,100,119	1,156,797,439,178
Payables & Provisions for Expenses Incurred	21	240,757,516,886	233,790,055,107
Dividend Payable	22	6,781,759,207	20,518,467,354
Total Liabilities		31,710,838,446,049	23,935,589,745,097
Income Tax		192,753,328,550	42,489,150,373
Provisions	23	33,035,998,949	21,471,834,958
Liabilities & Provisions		31,936,627,773,548	23,999,550,730,428
Equity			
Share Capital	24	2,000,000,000,000	1,050,000,000,000
Provisions for Capital Increase		(77,663,887,393)	(43,309,850,704)
Legal Reserves	25	488,854,022,442	304,675,158,425
Undistributed Profit		1,106,010,852,007	711,287,679,381
Total Equity		3,517,200,987,057	2,022,652,987,103
Minority Participations	26	24,937,810,540	33,463,712,738
Total Liabilities & Equity		35,478,766,571,145	26,055,667,430,269
Contingent Assets & Liabilities			
Guarantees Issued	39	9,643,237,773,428	7,240,965,599,942
L/C Commitments	40	2,823,595,938,400	3,991,661,683,190
Underwriting Commitments	41	700,000,000,000	600,000,000,000
		13,166,833,711,828	11,832,627,283,132
Memorandum Items:			
Managed Funds	42	749,391,668,780	609,023,066,501
Securities & Assets Pledged as Collateral	43	99,442,049,051,437	72,915,116,093,054

Financial Statements of Karafarin Bank (Public Joint-Stock Co.)
Parent Company
Profit & Loss Statement for the Year Ended March 20th., 2009

(Iranian Rials)

Operating Income	Note	<u>2009</u>	<u>2008</u>
Interests			
Interest on Loans	27	4,379,818,474,245	2,700,115,132,449
Interest on Gov't. Bonds	28	310,436,904,927	456,210,864,691
Interest on Deposits	29	135,438,730,518	127,628,007,907
Total		<u>4,825,694,109,690</u>	<u>3,283,954,005,047</u>
Less:			
Interest Paid on Deposits	31	3,207,198,323,814	2,319,580,374,297
Financial Expenses	36	33,669,881,168	1,838,465,730
Net Interest Income		<u>1,584,825,904,708</u>	<u>962,535,165,020</u>
Dividends	30	24,002,147,144	27,107,258,865
Net Commissions Received	33	388,351,545,384	273,497,736,279
Other Income	34	86,539,163,349	62,679,160,180
Operating Income		<u>2,083,718,760,585</u>	<u>1,325,819,320,344</u>
Expenses			
Administrative Expenses	35	392,562,104,531	301,069,799,386
Doubtful Debts	32	240,939,939,165	205,123,732,497
Total		<u>633,502,043,696</u>	<u>506,193,531,883</u>
Operational Profits		<u>1,450,216,716,889</u>	<u>819,625,788,461</u>
Taxes	37	-232,651,368,315	-75,487,431,988
Net Profit after Tax		<u>1,217,565,348,574</u>	<u>744,138,356,473</u>
Profit per Share			
Before Tax		<u>725</u>	<u>781</u>
After Tax		<u>609</u>	<u>709</u>
Proposed Dividend		<u>-</u>	<u>-</u>

Financial Statements of Karafarin Bank (Public Joint-Stock Co.)
Consolidated Accounts
Profit & Loss Statement for the Year Ended March 20th., 2009

(Iranian Rials)

	<u>Note</u>	<u>2009</u>	<u>2008</u>
Operating Income			
Interests			
Interest on Loans	27	4,403,344,941,467	2,710,451,566,991
Interest on Gov't. Bonds	28	316,051,099,557	464,069,439,529
Interest on Deposits	29	136,913,891,734	130,860,006,268
Total		4,856,309,932,758	3,305,381,012,788
Less			
Interest Paid on Deposits	31	3,207,198,323,814	2,319,580,374,297
Financial Expenses	36	78,904,673,009	37,930,990,328
Net Interest Income		1,570,206,935,935	947,869,648,163
Dividends	30	(5,567,529,294)	39,429,506,440
Net Commissions Received	33	391,485,119,146	275,656,244,485
Other Income	34	87,410,332,262	63,374,054,112
Operating Income		2,043,534,858,049	1,326,329,453,200
Expenses			
Administrative Expenses	35	397,942,044,331	303,603,812,862
Doubtful Debts	32	242,548,164,165	205,123,732,497
Total		640,490,208,496	508,727,545,359
Operational Profits		1,403,044,649,553	817,601,907,841
Taxes	37	(238,172,163,578)	(77,758,975,770)
Net Profit after Tax		1,164,872,485,975	739,842,932,071
Minority Participations		(8,525,977,214)	(6,802,350,416)
Net Profit for the Year		1,173,398,463,189	746,645,282,487
Profit per Share			
Before Tax		702	779
After Tax		582	705
Proposed Dividend		-	-

Financial Statements of Karafarin Bank (Public Joint-Stock Co.)
Parent Company
Statement of Earnings for the Year Ended March 20th.,

		(Iranian Rials)	
Earnings	Note	2009	2008
Undistributed Profit- Beginning of the Year		707,936,202,557	64,151,683,871
Net Profit for the Year		1,217,565,348,574	744,138,356,473
Previous Years Adjustments	38	<u>(2,725,756,241)</u>	11,266,915,684
Adjusted Accumulated Profits- Beginning of the Year		1,214,839,592,333	
Total Available		<u>1,922,775,794,890</u>	<u>819,556,956,028</u>
Allocation			
Legal Reserve		(182,634,802,286)	(111,620,753,471)
Last Year Profit to be Distributed		(600,000,000,000)	
Directors' Bonus		(3,500,000,000)	
Undistributed Profits- This Year		-	-
Undistributed Profit- End of the Year		<u>1,136,640,992,604</u>	<u>707,936,202,557</u>

Financial Statements of Karafarin Bank (Public Joint-Stock Co.)
Consolidated Accounts
Statement of Earnings for the Year Ended March 20th.,

		(Iranian Rials)	
Earnings	Note	2009	2008
Undistributed Profit- Beginning of the Year		711,287,679,381	65,840,803,006
Net Profit for the Year		1,173,398,463,189	746,645,282,487
Previous Years Adjustments	38	<u>(2,725,756,241)</u>	11,266,915,684
Adjusted Accumulated Profits- Beginning of the Year		1,170,672,706,948	
Total Available		<u>1,881,960,386,329</u>	<u>823,753,001,176</u>
Allocation			
Legal Reserve		(184,178,938,033)	(112,465,321,795)
Last Year Profit to Be Distributed		(588,270,596,289)	
Directors' Bonus		(3,500,000,000)	
Undistributed Profits- This Year		1,106,010,852,007	711,287,679,381
Minority Participations		(15,294,999,273)	(6,663,285,529)
Undistributed Profit- End of the Year		<u>1,090,715,852,734</u>	<u>704,624,393,852</u>

Financial Statements of Karafarin Bank (Public Joint-Stock Co.)
Parent Company
Cashflow Statement for the Year Ended March 20th.,

		(Iranian Rials)	
Operational Activities	Note	2009	2008
Net Operational Cashflow	45	1,109,302,243,435	1,137,338,091,912
Investments			
Direct Investments & 'Legal Participations'		(363,308,513,579)	(312,996,516,640)
Tangible Fixed Assets		(49,323,670,035)	(256,786,769,302)
Direct Investments & 'Legal Participations' Sold		324,933,644,682	186,338,729,000
Tangible Fixed Assets Sold		138,000,000	366,778,706
Dividends Received		29,174,139,812	30,399,847,837
Intangible Fixed Assets Sold		-	-
Net Cash Inflow(Outflow) from Direct Investments		(58,386,399,120)	(352,677,930,399)
Net Cash Inflow before Financing Activities		1,050,915,844,315	784,660,161,513
Financing Activities			
Contribution to Capital Increase		376,048,657,560	-
Financing Received		151,904,404,048	-
Interests on Loans Received		(33,669,881,168)	-
Repayment of Principle of Financing Received		-	-
Net inflow(Outflow) of Cash		494,283,180,440	000
Net Cash Increase(Decrease)		1,545,199,024,755	784,660,161,513
Effects of Rate of Exchange Fluctuations		(74,794,202,170)	69,655,517,569
Cash Balance Beginning of the Year		1,592,458,864,293	738,143,185,211
Cash Balance End of the Year		3,062,863,686,878	1,592,458,864,293
Non-Cash Transactions	48	600,000,000,000	350,000,000,000.00

Financial Statements of Karafarin Bank (Public Joint-Stock Co.)
Consolidated Accounts
Cash Flow Statement for the Year Ended March 20th.,

	Note	2009	(Iranian Rials) 2008
Operational Activities			
Net Operational Cashflow	45	1,014,842,490,859	984,778,447,020
Investments			
Direct Investments & 'Legal Participations'		(142,089,738,353)	(312,996,516,640)
Tangible Fixed Assets		(24,556,887,258)	(257,074,427,302)
Direct Investments & 'Legal Participations' Sold		185,213,387,905	219,470,470,434
Tangible Fixed Assets Sold		22,370,880,424	(8,769,021)
InTangible Fixed Assets Sold		-	(220,173,000)
Dividends Received		28,939,118,659	32,720,878,373
Net Cash Inflow(Outflow) from Direct Investments		69,876,761,377	(318,108,537,156)
Net Cash Inflow before Financing Activities		1,084,719,252,236	666,669,909,864
Financing Activities			
Contribution to Capital Increase		376,048,657,560	
Financing Received		151,904,404,048	150,000,000,000
Interests on Loans Received		(78,904,673,009)	(30,563,622,726)
Repayment of Principle of Financing Received			
Net inflow(Outflow) of Cash		449,048,388,599	119,436,377,274
Net Cash Increase(Decrease)		1,533,767,640,835	786,106,287,138
Effects of Rate of Exchange Fluctuations		(74,794,202,170)	69,655,517,569
Cash Balance Beginning of the Year		1,607,323,190,256	751,561,385,549
Cash Balance End of the Year		3,066,296,628,922	1,607,323,190,256
Non-Cash Transactions	48	600,000,000,000	350,000,000,000

KARAFARIN BANK
(Public Joint-Stock Co.)

NOTES TO THE ACCOUNTS

Note 1) Background and Formation of the Company

Karafarin Bank started its operation as Karafarinan Credit Institution (public joint-stock co.). The Company was registered under no.157915 with the Company Registrar's Office of Tehran on 19/9/1378 (December 9th. 1999). It was granted its banking license under the provisions of the "Law for Establishment of Non-State-Owned Banks" of 2/1/1379 (April 10th, 2000) and the relevant operating regulations, ratified by the Central Bank of Iran on 14/9/1379 (December 5th, 2000). It was registered under the same registration no.157915 with the Company Registrar's Office of Tehran as Karafarin Bank on 1/10/1380 (December 22nd, 2001) and started its operation a few days later. As of 7/11/1383 the Bank's shares are quoted in Tehran Stock Exchange. We moved into our new headquarters in 1386.

Note 1-1) Objectives of the Bank

The Bank is authorized to engage in all banking operations under the provisions of the Monetary and Banking Law of Iran of Tir 1351 (July 1972), the Usury-free Banking Law, the Commercial Code and its Articles of Association. Its objectives are to accept deposits and otherwise raise funds through financial instruments and apply these funds for extension of credit and investment in various sectors of the economy.

Note 1-2) Scopes of the Bank's Activities

- Accept all kinds of bank–deposits;
- Issue bearer or registered certificates of deposit;
- Grant credit facilities;
- Open letters of credit and engage in all foreign exchange transactions;
- Issue and process domestic and international payment orders and transfers;
- Issue, purchase and sell participation bonds and other instruments, for itself and on behalf of others under the operative regulations of the Central Bank of Iran;
- Receive credit facilities from real or legal persons in accordance with the standing regulations;
- Issue bank guarantees, endorse, accept and underwrite securities including participation bonds;
- Operate safe-deposit boxes;
- Grant facilities for the export of goods and technical services;
- Participate and invest directly or through acquisition of shares in the stock market in manufacturing, commercial or service projects;
- And engage in all other authorized banking activities.

Note 2) The Basis of Financial Statements

2-1) The parent company's (the Bank's) and the group's consolidated financial statements are based on historical cost price; current prices are only applied, where it may be deemed necessary.

2-2) These accounts are prepared according to accepted international accounting standards and local rules and legislations, particularly the decisions of the Currency and Credit Council and those otherwise applied to banks.

Note 3) Consolidation Methods

3-1) The consolidated financial statements are composed of the financial statements of Karafarin Bank (Joint Stock Company) and 3 affiliated companies, after making due adjustments for inter-group transactions and outstanding balances and unrealized profit and loss resulting from inter-group transactions. Where, the profit/loss is considerable, according to accounting standards, it has been appropriated proportionately.

3-2) The parent company's stocks acquired by the affiliated companies, have been recorded at purchase price; in the consolidated balance sheet they have been recorded as "the parent companies' stocks owned by the affiliated companies" and deducted from the shareholders' equity.

3-3) The minority shareholders' equity consists of their share in the capital, reserves, accumulated profit and loss and the profit and loss for the year.

Note 4) Significant Accounting Policies

4-1) Investment

Assessment Method:

	Group Consolidated	Parent Company
Long-term Investments		
Investments in affiliated companies to be consolidated	Consolidated	at purchase price minus provisions taken for any permanent value readjustments
Other Long-term Investments	at purchase price minus provisions taken for any permanent value readjustments	at purchase price minus provisions taken for any permanent value readjustments
Short-term investments		
Short-term Liquid Investments	at purchase price or at average market price whichever is the lower	at purchase price or at average market price whichever is the lower
Other Short-term Investments	at purchase price or at average market price whichever is the lower	at purchase price or at average market price whichever is the lower

Recognition of Income

Investments in affiliated companies to be consolidated	consolidated	recognized upon approval of profits by the annual general assemblies of the companies' concerned
Other Short-term and Long-term Investments	recognized upon approval of profits by the annual general assemblies of the companies' concerned	recognized upon approval of profits by the annual general assemblies of the companies' concerned

4-2) Tangible Fixed Assets

4-2-1) Tangible fixed assets are recorded at purchase price. Any expenditure incurred for betterment or repair of an asset, resulting in the extension of its useful life or its improved performance, is capitalized and depreciated over the remaining useful life of the asset. Minor expenses, when incurred, are treated as current expenditure and taken to the profit and loss account.

4-2-2) Depreciation of fixed assets is calculated on the tables attached to section 151 of Direct Taxes Act as shown in the following table:

Assets	Rate	Procedure
Land Buildings, Utilities , etc	7%	Regressive
Motor Vehicles	25% & 35%	Regressive
Hard-wares	3 & 10 years	Straight line
ATMs	10 years	Straight line
POs	10 years	Straight line
Furniture & fixture	10 years	Straight line

Assets not utilized immediately after their acquisitions, are depreciated at 30% of the above rates for the period they have been idle.

4-2-3) Fixed assets acquired during a month and immediately put to use are depreciated starting the first day of the following month.

4-2-4) Expenses incurred for renovation and major repairs of rented buildings are recorded under fixed assets and depreciated in 3 years.

4-3) Intangible Fixed Assets

Intangible fixed assets are recorded at purchase price. As of 1385, in accordance with the operative instructions MB 2946 of 16/12/1385 of the Central Bank of Iran, goodwill and other intangible fixed assets are not depreciated .Operational and office soft-ware are depreciated in straight line within five years.

4-4) Procedure for Recognition of Income from Facilities, Commissions and penalties

Interest on loans and facilities granted	On the basis of laps of time, rate of interest and outstanding amount
Commissions of facilities granted	Upon granting the facilities
Late payment penalties	On the basis of laps of time, rate of interest and outstanding amount of each installment
Guarantees Commissions	Upon issuing the guarantee
Other Services Commissions	Upon providing the service

4-5) The Share of Depositors in Joint Profits

Under the Banking Operations without Interest (Riba) Act and its Rules and Regulations and Instructions of the Central Bank, incomes from the facilities granted, investments in stocks and Participation Bonds are considered *Joint Profits* and the proportionate share of the depositors therein are determined and, after deduction of procuration fees, are paid to the depositors.

4-6) Categories of Facilities

Under the Currency and Credit Council Instruction "Categories of Financial Institutions' Facilities (as provided under the Central Bank Circular no. 2823/MB), upon maturity, bank facilities are categorized on the following bases:

1. Current facilities are those repaid on time or within two months of maturity;
2. Past due facilities are those repaid within 2 to 6 months after their maturities;
3. Non-performing facilities are those repaid within 6 to 18 months after their maturities;
4. Doubtful Debts are those remained unpaid over 18 months after their maturities.

4-7) Provisions for Doubtful Debts

According to the instructions of the Central Bank, banks are required to set aside 1.5% of their loan and investment portfolios as "general reserve for doubtful loans." An additional "specific provision" is set aside for those facilities that in the opinion of the Bank's Internal and/or External Auditors may so require.

Specific provisions are set aside according to the following table:

	Effective rate
Past due facilities	10%
Non-performing	20%
Doubtful Debts (According to customer's capability to pay)	50%-100%
Doubtful Debts over 5 years after their maturities	100%

4-8) Provision for employees severance pay

Provision for employees' severance pay is provided based on one-month of the latest salary of all employees at the end of every year.

4-9) Assets and liabilities in other currencies

All assets and liabilities are converted into rials at the rates specified by the Central Bank on March 20th of every year.

(Iranian Rials)

Note (5) Cash

	Note	Parent Company (Karafarin Bank)		Consolidated Accounts	
		2009	2008	2009	2008
Vault		198,499,513,918	100,442,877,832	198,503,285,418	100,442,877,832
Others		1,916,808,544	1,525,042,663	1,922,628,095	1,987,620,353
Total		200,416,322,462	101,967,920,495	200,425,913,513	102,430,498,185

(Iranian Rials)

Note (6) Due from Central Bank

	Parent Company (Karafarin Bank)		Consolidated Accounts	
	2009	2008	2009	2008
Statutory Deposit	3,866,768,000,000	3,293,654,926,000	3,866,768,000,000	3,293,654,926,000
Current Account with CBI	494,081,381,518	6,572,385,360	494,081,381,518	6,572,385,360
Others	20,000,000	81,000,000	20,000,000	81,000,000
Total	4,360,869,381,518	3,300,308,311,360	4,360,869,381,518	3,300,308,311,360

(Iranian Rials)

Note (7) Interbank

	Note	Parent Company (Karafarin Bank)		Consolidated Accounts	
		2009	2008	2009	2008
Term Deposits & Current Acc. with Banks -FCY	(7-1)	1,206,486,897,481	845,244,898,081	1,206,486,897,481	959,647,793,991
Term Deposits & Current Acc. with Banks -LCY		2,005,960,466,935	945,246,045,717	2,009,383,817,928	739,345,151,608
Total		3,212,447,364,416	1,790,490,943,798	3,215,870,715,409	1,804,892,692,072

(Iranian Rials)

Note (7-1) Due from Banks- FCY

Currency	Amount	Exchange Rate on 1387/12/30	Parent Company (Karafarin Bank)		Consolidated Accounts	
			1387/12/30	1386/12/29	1387/12/30	1386/12/29
Euro	75,861,530	12,659	960,331,104,728	709,397,849,426	960,331,104,728	709,397,849,426
Emirates' Dirham	66,961,740	2,646	177,180,762,718	69,014,240,755	177,180,762,718	69,014,240,755
USD	4,202,013	9,717	40,830,958,959	14,694,690,175	40,830,958,959	14,694,690,175
Pound Sterling	1,110,686	13,633	15,141,987,417	4,611,447,232	15,141,987,417	4,611,447,232
CHF	1,196,271	8,231	9,846,508,905	9,244,299,444	9,846,508,905	9,244,299,444
Swedish Krona	1,545,921	1,156	1,787,084,861	4,521,539,147	1,787,084,861	4,521,539,147
Yens	138,595	9,874	1,368,489,893	33,760,831,902	1,368,489,893	33,760,831,902
			1,206,486,897,481	845,244,898,081	1,206,486,897,481	845,244,898,081

(Iranian Rials)

Note (8) Participation Bonds

Our holding, per type and date of issue of bonds, was as follows:

	Date of Issue	Maturity	Profit Rate	Note	Parent Company (Karafarin Bank)		Consolidated Accounts	
					Nominal Amount		Nominal Amount	
					1387/12/30	1386/12/29	1387/12/30	1386/12/29
Fajr Petrochemicals	86/12/11	89/12/11	15/5%		505,000,000,000	-	505,000,000,000	-
Gov't. Development Projects	83/10/07	88/10/07	17%		501,540,000,000	107,910,000,000	501,540,000,000	107,910,000,000
Iran Khodro (Purchase in TSE)	84/05/31	88/05/31	19%		397,959,000,000	397,959,000,000	399,864,000,000	412,335,000,000
Housing Bank	86/10/01	89/10/01	15/5%		359,000,000,000	-	359,000,000,000	-
Ministry of Power, 2nd issue 1387	87/12/10	91/12/10	18%		278,350,000,000	-	278,350,000,000	-
Gov't. Development Projects	83/10/15	88/10/15	17%		191,000,000,000	105,000,000,000	191,000,000,000	105,000,000,000
Rayan Saipa	87/10/14	90/10/14	18%		89,360,000,000	184,321,000,000	104,870,000,000	184,321,000,000
Ministry of Power, 1st issue 1387	87/10/01	91/10/01	18%		47,980,000,000	-	47,980,000,000	-
Ministry of Power, 1st issue 1384	84/07/02	88/07/02	17%		25,000,000,000	10,000,000,000	25,000,000,000	10,000,000,000
Mashad Municipality 1384	84/10/18	88/10/18	15/5%		18,800,000,000	-	18,800,000,000	-
Karafarin Mutual Fund	86/04/23	88/04/23	16/5%		10,000,000,000	20,000,000,000	13,000,000,000	23,096,000,000
Others	84/08/21	87/08/21	17%		000	1,326,376,861,111	0	1,326,376,861,111
Total					2,423,989,000,000	2,151,566,861,111	2,444,404,000,000	2,169,038,861,111
Less: Bonds Held for Our Clients					(320,600,000,000)	(1,246,930,500,000)	(320,600,000,000)	(1,246,930,500,000)
Our Own holding (Net)					<u>2,103,389,000,000</u>	<u>904,636,361,111</u>	<u>2,123,804,000,000</u>	<u>922,108,361,111</u>

(Iranian Rials)

Note (9) Investment-Listed Shares

	Note	Parent Company (Karafarin Bank)		Consolidated Accounts	
		2009	2008	2009	2008
Listed Shares at Purchase Price	(9-1)	138,402,404,169	161,227,531,267	151,371,787,816	165,929,039,437
Difference Between Market Price & Purchase Price		(61,109,407,720)	(32,746,226,996)	(61,109,407,720)	(32,746,226,996)
Total		<u>77,292,996,449</u>	<u>128,481,304,271</u>	<u>90,262,380,096</u>	<u>133,182,812,441</u>

Listed shares are adjusted on the basis of market prices at year-end.

(Iranian Rials)

(9-1) Groups

	Parent Company (Karafarin Bank)		Consolidated Accounts	
	1387/12/30		1387/12/30	
	Purchase price	Market price	Purchase price	Market price
Vehicles	38,241,438,727	21,888,715,714	51,210,822,374	34,858,099,361
Chemicals	33,026,804,875	17,546,036,424	33,026,804,875	17,546,036,424
Metals	22,535,242,310	10,272,021,116	22,535,242,310	10,272,021,116
Financial Intermediaries	17,788,727,598	12,928,872,361	17,788,727,598	12,928,872,361
Non-Metal Minerals	12,412,460,513	5,830,292,055	12,412,460,513	5,830,292,055
Mineral Extraction	5,161,055,484	2,071,116,850	5,161,055,484	2,071,116,850
Radio & Television	4,889,863,065	3,958,394,896	4,889,863,065	3,958,394,896
Oil Industry	2,181,309,345	1,756,365,370	2,181,309,345	1,756,365,370
Transport	1,134,322,700	501,300,000	1,134,322,700	501,300,000
Household Appliances	913,174,945	404,505,175	913,174,945	404,505,175
Machinery & Equipment	118,004,607	135,376,488	118,004,607	135,376,488
Total	<u>138,402,404,169</u>	<u>77,292,996,449</u>	<u>151,371,787,816</u>	<u>90,262,380,096</u>

(Iranian Rials)

Note(10) Receivables

	Note	Parent Company (Karafarin Bank)		Consolidated Accounts	
		2009	2008	2009	2008
Sundry Debtors In Iranian Rials	(10-1)	1,848,340,771,988	1,142,427,598,670	1,838,976,427,781	1,148,300,217,976
Sundry Debtors In Foreign Exchange		8,807,980,453	70,555,000,000	8,807,980,453	70,555,000,000
Total		1,857,148,752,441	1,212,982,598,670	1,847,784,408,234	1,218,855,217,976

(Iranian Rials)

Note (10-1) Sundry Debtors In Iranian rials

	Note	Parent Company (Karafarin Bank)		Consolidated Accounts	
		1387/12/30	1386/12/29	1387/12/30	1386/12/29
Accrued Interest on Facilities	(10-1-1)	1,580,067,149,991	1,062,261,600,274	1,580,067,149,991	1,062,261,600,274
Interest on Paid L/Cs		54,909,253,176	2,185,388,141	54,909,253,176	2,185,388,141
Interest on Participation Bonds	(10-1-2)	54,413,681,032	22,214,680,274	54,868,707,795	23,985,746,903
Dividends		40,898,893,760	17,707,705,704	41,239,691,200	17,573,404,232
Others		118,051,794,029	38,058,224,277	107,891,625,619	42,294,078,426
Total		1,848,340,771,988	1,142,427,598,670	1,838,976,427,781	1,148,300,217,976

Note (10-1-1) This is interest receivable on loans , calculated on accrual basis as at March 20th., 2009.**Note (10-1-2)** This is interest receivable on Participation Bonds , calculated on accrual basis as at March 20th., 2009

(Iranian Rials)

Note (11) Prepayments

	Note	Parent Company (Karafarin Bank)		Consolidated Accounts	
		1387/12/30	1386/12/29	1387/12/30	1386/12/29
Prepayment to Sima Rayaneh Co.		9,252,683,500	-	9,252,683,500	-
Rent		2,094,012,000	932,224,000	2,094,012,000	932,224,000
Insurance		1,870,272,169	1,524,580,406	2,210,420,959	1,839,649,856
Personnel Welfare		512,240,000	2,786,813,660	512,240,000	2,786,813,660
Advertisement		352,000,000	1,331,500,000	352,000,000	1,331,500,000
Others		2,585,124,762	477,922,132	2,652,124,762	2,727,461,734
Total		16,666,332,431	7,053,040,198	17,073,481,221	9,617,649,250

(Iranian Rials)

Note (12) Loans & Advances

	Parent Company (Karafarin Bank)		Consolidated Accounts		
	Note	1387/12/30	1386/12/29	1387/12/30	1386/12/29
Installment Credit		90,668,767,961	170,506,731,723	90,668,767,961	170,506,731,723
Repairs & Upkeep Facilities		122,753,868,483	537,265,080,151	122,753,868,483	537,265,080,151
Leasing Facilities		132,684,130,876	231,410,723,640	243,825,218,161	294,934,988,399
Joint Participations		5,477,655,050,390	4,629,438,302,154	5,477,655,050,390	4,629,438,302,154
Commercial Participations		10,045,794,480,401	8,847,025,959,421	10,045,794,480,401	8,847,025,959,421
Gharz-ol-Hasanah Facilities		127,396,409	57,858,909	127,396,409	57,858,909
Purchase of Loans		117,113,784,443	380,391,661,166	117,113,784,443	380,391,661,166
Foreign Exchange Facilities		225,535,345,905	145,649,256,208	225,535,345,905	145,649,256,208
Facilities to Staff		238,908,528,805	172,655,854,826	238,908,528,805	172,655,854,826
Interbank Facilities		100,000,000,000	0	100,000,000,000	0
Overdue Facilities		1,422,390,112,452	305,547,787,664	1,422,390,112,452	305,547,787,664
Overdues & Doubtful Debts		2,469,958,208,544	1,102,597,249,767	2,469,958,208,544	1,102,597,249,767
Total		20,443,589,674,669	16,522,546,465,629	20,554,730,761,954	16,586,070,730,388
Less:					
Payment Received on Joint Participations & Commercial Participations		(427,528,674,926)	(382,060,994,453)	(427,528,674,926)	(382,060,994,453)
Future Interests		(462,312,276,286)	(579,562,785,002)	(462,312,276,286)	(579,562,785,002)
General Doubtful Debt Reserves		(364,864,508,652)	(250,837,573,818)	(364,864,508,652)	(250,837,573,818)
Special Doubtful Debt Reserves		(375,209,251,224)	(248,296,246,893)	(375,209,251,224)	(248,296,246,893)
Total		18,813,674,963,581	15,061,788,865,463	18,924,816,050,866	15,125,313,130,222
Debtors for Paid L/Cs		624,772,601,277	91,679,847,159	624,772,601,277	91,679,847,159
Overdues & Doubtful Debts on L/Cs Paid		320,507,726,917	192,967,765,215	320,507,726,917	192,967,765,215
Overdues on Guarantees Paid		11,491,433,943	3,551,002,452	11,491,433,943	3,551,002,452
Doubtful Debts on L/Cs Paid		142,862,276,685	34,302,297,844	142,862,276,685	34,302,297,844
Net Outstanding		19,913,309,002,403	15,384,289,778,133	20,024,450,089,688	15,447,814,042,892
Add: Debtors Term L/Cs		2,133,689,553,369	1,969,804,141,219	2,133,689,553,369	1,969,804,141,219
Total		22,046,998,555,772	17,354,093,919,352	22,158,139,643,057	17,417,618,184,111

(Iranian Rials)

Note (13) Investment-Unlisted

	<u>Note</u>	<u>No. of shares</u>	<u>Our shares</u>	<u>%</u>	<u>Parent Company (Karafarin Bank)</u>		<u>Consolidated Accounts</u>	
					<u>2009</u>	<u>2008</u>	<u>2009</u>	<u>2008</u>
Karafarin Investment Company		200,000,000	160,000,000	80	159,972,000,000	159,972,000,000	-	-
Karafarin Leasing Company		100,000,000	100,000,000	100	99,998,996,000	49,999,000,000	-	-
Karafarin Brokerage Company	(13-1)	50,000,000	50,000,000	100	25,000,000,000	25,000,000,000	-	-
Karafarin Insurance Company		200,000,000	20,822,856	10/80	21,595,426,400	21,595,426,405	21,595,426,400	28,897,826,405
Karafarin Money Exchange Co.	(13-2)	-	-	100	10,000,000,000	-	10,000,000,000	-
Iranian Investment Company	(13-1)	83,000	500	0/6	1,750,000,000	1,750,000,000	1,750,000,000	1,750,000,000
Tehran Stock Exchange Company		150,000,000	1,500,000	1	1,500,000,000	1,500,000,000	1,500,000,000	1,500,000,000
Over the Counter Co.		100,000,000	1,000,000	1	1,000,000,000	-	1,500,000,000	-
Iran Credit Rating Company		2,417,000	45,000	1/86	450,000,000	450,000,000	450,000,000	450,000,000
Amin Investment Co.	(13-2)	1,000,000	200,000	20	200,000,000	-	1,000,000,000	-
Sima Rayaneh Company	(13-1)	1,000,000	350,000	35	175,000,000	175,000,000	175,000,000	175,000,000
					-	-	-	500,000,000
Participation in Projects					-	-	394,047,316,207	427,981,136,003
					321,641,422,400	260,441,426,405	432,017,742,607	461,253,962,408

Note (13-1) The paid capitals of Karafarin Brokerage Co., Iranian Credit Rating Co., & Sima Rayaneh Co. are respectively 50%, 35%, & 50%.

Note (13-2) Karafarin Money Exchange Co., and Amin Investment Co. are being established.

Note (14) Fixed Assets

Parent Company (Karafarin Bank)

	at cost				Accumulated Depreciation/Amortized				Net Book Value	
	1386/12/29	Increase	Decrease	1387/12/30	Depreciation /Amortization	Adjustments (sold Assets)	Adjustments	1387/12/30	1387/12/30	1386/12/29
Land & Building	199,700,288,518	233,731,218,012	-	433,431,506,530	4,096,913,723	-	-	41,610,551,770	391,820,954,760	162,186,650,471
Vehicles	7,453,370,150	615,900,000	302,082,150	7,767,188,000	1,288,579,800	- 266,668,849	-	3,592,131,798	4,175,056,202	4,883,149,303
Office Equipments	124,645,603,542	27,743,144,735	-	152,388,748,277	16,170,551,734	-	-	38,853,657,478	113,535,090,799	101,962,497,798
Total	331,799,262,210	262,090,262,747	302,082,150	593,587,442,807	21,556,045,257	- 266,668,849	-	84,056,341,046	509,531,101,761	269,032,297,572
Capital Prepayments	330,106,090,702	366,279,399,386	591,043,846,711	105,341,643,377	-	-	-	-	105,341,643,377	330,106,090,702
Total	661,905,352,912	628,369,662,133	591,345,928,861	698,929,086,184	21,556,045,257	- 266,668,849	-	84,056,341,046	614,872,745,138	599,138,388,274
Renovation Costs										1,414,873,335
Net Fixed Assets									614,872,745,138	600,553,261,609

Fixed assets have been fully insured against fire, floods & earthquake.

Consolidated Accounts

	at cost				Accumulated Depreciation/Amortized				Net Book Value	
	1386/12/29	Increase	Decrease	1387/12/30	Depreciation /Amortization	Adjustments (sold Assets)	Adjustments	1387/12/30	1387/12/30	1386/12/29
Land & Building	199,700,288,518	210,068,494,429	446,333,895	409,322,449,052	4,667,309,362	- 15,621,686	-	42,165,325,723	367,157,123,329	162,186,650,471
Vehicles	7,956,700,150	615,900,000	305,818,150	8,266,782,000	1,387,385,323	- 266,668,849	-	3,795,309,229	4,471,472,771	5,282,107,395
Office Equipments	125,441,212,622	28,025,861,055	5,755,000	153,461,318,677	16,338,511,851	-	-	39,174,042,583	114,287,276,094	102,605,681,890
Total	333,098,201,290	238,710,255,484	757,907,045	571,050,549,729	22,393,206,536	- 282,290,535	-	85,134,677,535	485,915,872,194	270,074,439,756
Capital Prepayments	340,106,090,702	366,279,399,386	601,043,846,711	105,341,643,377	-	-	-	-	105,341,643,377	340,106,090,702
Total	673,204,291,992	604,989,654,870	601,801,753,756	676,392,193,106	22,393,206,536	- 282,290,535	-	85,134,677,535	591,257,515,571	610,180,530,458
Renovation Costs										1,414,873,335
Net Fixed Assets									591,257,515,571	611,595,403,793

(Iranian Rials)

Note (15) Other Assets

	Parent Company (Karafarin Bank)		Consolidated Accounts	
	2009	2008	2009	2008
Goodwill	358,409,454,332	27,238,773,950	361,909,454,332	27,238,773,950
Deposits for Rented Buildings	66,607,500,000	42,630,000,000	66,607,500,000	42,630,000,000
Collaterals Seized	6,594,805,455	0	6,594,805,455	0
Deposits for Telephones	1,218,353,719	1,025,624,019	1,308,917,119	1,047,895,019
Deposits for Rented Software	1,071,000,000	1,071,000,000	1,173,500,334	1,280,583,667
Software	730,000,000	310,000,000	730,000,000	310,000,000
Undelivered Cheque Books	531,090,600	483,511,200	531,090,600	483,511,200
Others	2,406,122,079	763,573,726	2,406,122,079	813,573,726
Total	437,568,326,185	73,522,482,895	441,261,389,919	73,804,337,562

(Iranian Rials)

Note (16) Current & Saving Deposits

	Parent Company (Karafarin Bank)		Consolidated Accounts	
	2009	2008	2009	2008
Current Accounts- in Rials	747,131,028,564	731,916,128,033	747,131,028,564	731,916,128,033
Savings Accounts- in Rials	29,798,128,728	54,211,324,114	29,798,128,728	54,211,324,114
Current Accounts- in F.exchange	295,094,906,297	46,857,905,781	295,094,906,297	46,857,905,781
Savings Accounts- in F.exchange	318,578,378,346	259,356,648,303	318,578,378,346	259,356,648,303
Unutilized Portion of Managed Funds	19,289,309,000	24,346,300,000	19,289,309,000	24,346,300,000
Total	1,409,891,750,935	1,116,688,306,231	1,409,891,750,935	1,116,688,306,231

(Iranian Rials)

Note (17) Term Deposits

	Note	Parent Company (Karafarin Bank)		Consolidated Accounts	
		2009	2008	2009	2008
Term Deposits- Rials	(17-1)	23,751,878,495,074	17,358,911,707,667	23,746,338,877,166	17,358,911,707,667
Term Deposits- Foreign Exchange	(17-2)	299,264,553,356	180,275,277,698	299,264,553,356	180,275,277,698
Total		24,051,143,048,430	17,539,186,985,365	24,045,603,430,522	17,539,186,985,365

(Iranian Rials)

Note (17-1) Term Deposits- Rials	Provision		Parent Company (Karafarin Bank)		Consolidated Accounts	
	%	Note	2009	2008	2009	2008
One-Month Deposits	9	(17-1-1)	6,718,439,783,444	9,421,994,232,994	6,718,439,783,444	9,421,994,232,994
Three-Month Deposits	16	(17-1-2)	654,776,863,731	687,982,694,487	654,776,863,731	687,982,694,487
Three-Month & 1 Day Special Deposits	16		1,016,844,601,577	0	1,016,844,601,577	-
Six-Month Deposits	16		1,158,527,874,725	868,652,258,009	1,158,527,874,725	868,652,258,009
One-Year Certificates of Deposit	18-19		6,183,543,984,464	0	6,183,543,984,464	-
One-Year Deposits	17.25		5,858,134,171,144	4,035,261,426,821	5,858,134,171,144	4,035,261,426,821
Two-Year Deposits	17.5		23,679,710,000	61,159,310,000	23,679,710,000	61,159,310,000
Three-Year Deposits	18		21,715,600,000	33,141,320,000	21,715,600,000	33,141,320,000
Four-Year Deposits	18.5		39,816,700,000	45,354,100,000	39,816,700,000	45,354,100,000
Five-Year Deposits	19		2,076,399,205,989	2,205,366,365,356	2,076,399,205,989	2,205,366,365,356
Total			23,751,878,495,074	17,358,911,707,667	23,751,878,495,074	17,358,911,707,667

Note (17-1-1) Linking accounts amount to 3,674 million rials of this item, bearing 10% interest rate.

Note (17-1-2) The Bank has refused to accept over one-year deposits, but renewed previous accounts with new rates.

(Iranian Rials)

Note (17-2) Term Deposits- F.Exchange	Parent Company (Karafarin Bank)		Consolidated Accounts	
	2009	2008	2009	2008
Term-Deposit in EURO	162,737,579,678	52,141,203,325	162,737,579,678	52,141,203,325
Term-Deposit in Dirham	67,473,000,000	94,689,966,525	67,473,000,000	94,689,966,525
Term-Deposit in US Dollars	58,774,350,853	27,445,914,733	58,774,350,853	27,445,914,733
Term-Deposit in GB pound	10,279,622,825	5,998,193,115	10,279,622,825	5,998,193,115
Total	299,264,553,356	180,275,277,698	299,264,553,356	180,275,277,698

(Iranian Rials)

Note(18) Other Deposits	Parent Company (Karafarin Bank)		Consolidated Accounts	
	2009	2008	2009	2008
Margins Held Against Letters of Credit (L/C's) Opened	1,815,156,302,233	1,488,567,402,912	1,815,156,302,233	1,488,567,402,912
Margins Held Against Letters of Guarantee (L/G's) Issued	982,734,158,095	720,441,755,690	982,734,158,095	720,441,755,690
Advances Received Against Letters of Credit	309,799,077,813	437,969,720,758	309,799,077,813	437,969,720,758
Others	19,467,350,239	10,159,016,550	19,467,350,239	10,159,016,550
Total	3,127,156,888,380	2,657,137,895,910	3,127,156,888,380	2,657,137,895,910

(Iranian Rials)

Note(19) Central Bank Facilities

	Note	Parent Company (Karafarin Bank)		Consolidated Accounts	
		2009	2008	2009	2008
Central Bank Facilities	(19-1)	650,000,000,000	0	650,000,000,000	0
Central Bank Deposit in Foreign Exchanges	(19-2)	713,375,000,000	1,211,470,595,952	713,375,000,000	1,211,470,595,952
		1,363,375,000,000	1,211,470,595,952	1,363,375,000,000	1,211,470,595,952

Note (19-1) These facilities were intended to ease the withdrawal of bearer checks hitherto issued by banks

Note (19-2) In order to strengthen the foreign exchange position of banks, as of last year, the Central Bank has adapted a policy of placing foreign exchange deposits with them. Its rate is LIBOR plus 1% and may be renewed every 3-Month

(Iranian Rials)

Note (20) Interbank

	Note	Parent Company (Karafarin Bank)		Consolidated Accounts	
		2009	2008	2009	2008
Money Orders on Other Banks		903,212,162,050	534,469,486,978	903,212,162,050	534,469,486,978
Checks Clearing		233,911,858,735	406,080,564	233,911,858,735	406,080,564
Facilities Received from IFC	(20-1)	17,490,600,000	17,912,000,000	17,490,600,000	17,912,000,000
Facilities Received from Bank Saman		0	0	306,314,658,467	312,973,494,082
Other		54,157,101,063	291,036,377,554	56,342,820,867	291,036,377,554
		1,208,771,721,848	843,823,945,096	1,517,272,100,119	1,156,797,439,178

Note (20-1) The total amount of the facility is \$2m; it is to be repaid in 10 installments of six-month each.

The first installment was in December, 2008 and has been paid.

(Iranian Rials)

Note (21) Payables & Provisions for Expenses Incurred

	Parent Company (Karafarin Bank)		Consolidated Accounts	
	2009	2008	2009	2008
Ministry of Economy & Finance (Taxation)	187,280,702,483	40,217,606,591	192,753,328,550	42,489,150,373
Differentials Between Payable & Unrealized Interest on Time Deposits	79,284,919,652	48,020,193,573	79,284,919,652	48,020,193,573
Guarantees Paid	27,725,263,021	0	27,725,263,021	-
Provisions for Expenses Realized	22,287,955,025	16,959,222,297	22,635,192,713	17,169,384,380
Interest Payable on Central Bank Facility for Iran Checks	15,246,164,382	0	15,246,164,382	-
Customers' Unclaimed Deposits on Guarantees Past Maturity	4,936,805,063	2,250,336,999	4,936,805,063	2,250,336,999
Good Performance Bonds Deposits	4,529,140,904	2,038,879,605	4,529,140,904	2,038,879,605
Sundry Creditors- Foreign Exchange	3,166,451,116	106,545,434,523	3,166,451,116	106,545,434,523
Due to Customers for Participation Bonds Sold	2,693,895,500	34,443,150,070	2,501,500,899	34,443,150,070
Social Welfare Organization	2,082,812,936	2,067,288,750	2,109,426,002	2,095,625,685
Others	79,874,437,783	31,357,262,870	78,622,653,134	21,227,050,272
Total	429,108,547,865	283,899,375,278	433,510,845,436	276,279,205,480

(Iranian Rials)

Note (22) Dividend Payable

	Parent Company (Karafarin Bank)		Consolidated Accounts	
	2009	2008	2009	2008
Dividend	4,782,476,127	-	6,781,759,207	20,518,467,354

(Iranian Rials)

Note (23) Provisions

	Parent Company (Karafarin Bank)		Consolidated Accounts	
	2009	2008	2009	2008
Provision for Severance Pay	32,793,527,381	21,375,820,419	33,035,998,949	21,471,834,958
Total	32,793,527,381	21,375,820,419	33,035,998,949	21,471,834,958

Note (23-1) Provision for Severance Pay is annually updated on the basis of on one -month salary of all full-time employees.

(Iranian Rials)

Note (24) Capital

	Parent Company (Karafarin Bank)		Consolidated Accounts	
	2009	2008	2009	2008
Paid Up Capital (divided into 2,000 million shares of 1000 rials each)	2,000,000,000,000	1,050,000,000,000	2,000,000,000,000	1,050,000,000,000

The Bank's capital will be increased, through the contribution of shareholders, from 2,000b rials to 6,000b rials within a period of 3 years, according to the Central Bank authorization no. MB/8729 of 22/01/1388.

Note (24-1) Capital Adequacy Ratio

This is the ratio between a bank's base capital and the risk carried by its various assets. For this purpose, each asset is given a weight according to the risk it is considered to carry. The ratio must be at least 8%.

	(Iranian Rials)	
	Parent Company (Karafarin Bank)	
	2009	2008
Tier one:		
Paid-up Capital	2,000,000,000,000	1,050,000,000,000
Legal Reserve	485,647,245,642	303,012,443,356
Accumulated Profits	1,136,640,992,604	704,436,202,557
Total Tier One Capital	3,622,288,238,246	1,457,448,645,913
General Reserve on Loans & Investments	364,864,508,652	250,837,573,818
Minus Adjustments to Tier Two Capital in Excess of 1.25% of Weighted Assets.	(28,060,289,185)	6,484,856,912
Total Tier Two Capital	336,804,219,467	257,322,430,730
Base Capital	3,959,092,457,713	1,714,771,076,643

Risk-Adjusted Assets	2009			2008		
	Assets	Risk Weight	Risk-Adjusted Assets	Assets	Risk Weight	Risk-Adjusted Assets
Cash	200,416,322,462	0	-	101,967,920,495	0	0
Due from Central Bank	4,360,869,381,518	0	-	3,300,308,311,360	0	0
Interbank	3,266,861,045,448	20	653,372,209,090	1,812,705,624,072	20	362,541,124,814
Gov't. Participation Bonds	1,661,403,000,000	0	-	595,300,361,111	0	-
Non-Gov't. Participation Bonds	441,986,000,000	100	441,986,000,000	309,336,000,000	100	309,336,000,000
Investments	398,934,418,849	100	398,934,418,849	388,922,730,676	100	388,922,730,676
Receivables	1,793,927,090,956	100	1,793,927,090,956	1,190,767,918,396	100	1,190,767,918,396
Prepayments	16,666,332,431	100	16,666,332,431	7,053,040,198	100	7,053,040,198
Housing Facilities & Leasing	1,600,694,205,706	50	800,347,102,853	2,278,558,062,331	50	1,139,279,031,166
Debtors Term L/Cs	2,133,689,553,369	50	1,066,844,776,685	1,969,804,141,219	50	984,902,070,610
Loans & Advances (Other)	18,312,614,796,697	100	18,312,614,796,697	13,356,569,289,620	100	13,356,569,289,620
Net Fixed Assets & Goodwill	615,602,745,138	100	615,602,745,138	628,102,035,559	100	628,102,035,559
Other Assets	436,838,326,185	100	436,838,326,185	45,973,708,945	100	45,973,708,945
Underwriting Commitment (Credit Conversion Factors 50%)	129,007,000,000	100	129,007,000,000	145,332,000,000	100	145,332,000,000
Guarantees Issued (Credit Conversion Factors 20%)	1,692,564,290,423	100	1,692,564,290,423	1,289,732,377,581	100	1,289,732,377,581
Guarantees Issued (Credit Conversion Factors 50%)	82,873,095,917	100	82,873,095,917	26,544,738,393	100	26,544,738,393
L/C Commitments (Credit Conversion Factors 20%)	502,759,372,117	100	502,759,372,117	710,738,392,486	100	710,738,392,486
Total Weighted Risk Adjusted Assets	37,647,706,977,217		26,944,337,557,341	28,157,716,652,442		20,585,794,458,444
	Capital Adequacy Ratio:		14.7	Capital Adequacy Ratio:		11.2

Note (25) Legal Reserves	(Iranian Rials)			
	Parent Company (Karafarin Bank)		Consolidated Accounts	
	2009	2008	2009	2008
Balance at the Beginning of the Year	303,012,443,356	191,391,689,885	304,675,158,425	192,209,836,630
Appropriated from Net Income	182,634,802,286	111,620,753,471	184,178,864,017	112,465,321,795
Balance at the End of the Year	485,647,245,642	303,012,443,356	488,854,022,442	304,675,158,425

According to Articles (140) and (238) of the Commercial Code of Iran of 1347 (1968), Resolutions of the Currency and Credit Council and Article (58) of the Bank's Articles of Association, 15% of the Bank's annual net income must be retained and credited to the "Legal Reserve" until the balance equates the paid-in capital.

Note (26) Minority Participations	(Iranian Rials)	
	2009	2008
	Equity	40,028,000,000
Contribution to Capital Increase	0	20,014,000,000
Reserves	204,809,813	98,999,267
Accumulated Profit (Loss)	(15,294,999,273)	(6,663,285,529)
	24,937,810,540	33,463,713,738

Note (27) Interest on Loans	Parent Company (Karafarin Bank)		Consolidated Accounts	
	2009	2008	2009	2008
	Revenues Under Islamic Contracts	3,495,810,549,645	2,137,203,374,752	3,519,337,016,867
Late Payment Fees	884,007,924,600	562,911,757,697	884,007,924,600	562,911,757,697
Total	4,379,818,474,245	2,700,115,132,449	4,403,344,941,467	2,710,451,566,991

Note (28) Interest on Participation Bonds	Note	(Iranian Rials)			
		Parent Company (Karafarin Bank)		Consolidated Accounts	
		2009	2008	2009	2008
Interest on Participation Bonds	(28-1)	310,436,904,927	456,210,864,691	316,051,099,557	464,069,439,529
		310,436,904,927	456,210,864,691	316,051,099,557	464,069,439,529

Note (28-1) Interest on Government's participation bonds is calculated on a daily basis and paid either on 90-day or 180-day intervals.

For those securities with interest payment dates falling beyond the Bank's year-end, accrued interest is calculated and taken into income for the year.

Note (29) Interest on Deposits	(Iranian Rials)			
	Parent Company (Karafarin Bank)		Consolidated Accounts	
	2009	2008	2009	2008
Interest on Deposits with Banks in Rials	89,917,577,524	63,789,682,491	91,392,738,740	67,021,680,852
Interest on Statutory Deposits	36,450,817,276	28,561,115,199	36,450,817,276	28,561,115,199
Interest on Term Deposits with Foreign Banks	9,070,335,718	35,277,210,217	9,070,335,718	35,277,210,217
Total	135,438,730,518	127,628,007,907	136,913,891,734	130,860,006,268

(Iranian Rials)

Note (30) Income from Investments

Note	Parent Company (Karafarin Bank)		Consolidated Accounts	
	2009	2008	2009	2008
Cash Dividends	52,365,327,868	29,073,420,131	23,580,787,960	37,045,373,205
Loss Due to Fall in Share Prices	(28,363,180,724)	(1,966,161,266)	(29,033,002,594)	2,384,133,235
Return on Investments	-	-	(115,314,660)	-
Total	24,002,147,144	27,107,258,865	(5,567,529,294)	39,429,506,440

(Iranian Rials)

Note (31) Interest on Term-Deposits

Note	Parent Company (Karafarin Bank)		Consolidated Accounts	
	2009	2008	2009	2008
Interest Paid on Deposits-rials	(31-1) 3,056,542,320,086	2,222,667,569,580	3,056,542,320,086	2,222,667,569,580
Differential Between Provisional Interest Paid and Interest Realized	(31-2) 76,653,423,186	47,004,893,241	76,653,423,186	47,004,893,241
Interest Paid on Term Deposits- F.exchange	74,002,580,542	49,907,911,476	74,002,580,542	49,907,911,476
Total	3,207,198,323,814	2,319,580,374,297	3,207,198,323,814	2,319,580,374,297

(Iranian Rials)

Note (31-1) Provisional Interest paid

Note	Parent Company (Karafarin Bank)		Consolidated Accounts	
	2009	2008	2009	2008
Five-year Deposits	418,603,603,711	475,058,259,924	418,603,603,711	475,058,259,924
Four-year Deposits	7,451,889,668	8,483,651,297	7,451,889,668	8,483,651,297
Three-year Deposits	4,472,495,020	6,647,515,444	4,472,495,020	6,647,515,444
Two-year Deposits	6,614,245,551	21,409,723,491	6,614,245,551	21,409,723,491
One-year Ddeposits	922,386,831,336	431,576,390,611	922,386,831,336	431,576,390,611
One-year Certificates of Deposits	218,638,020,444	0	218,638,020,444	0
Special Six-month Short-term Deposits	230,262,360,177	90,635,933,036	230,262,360,177	90,635,933,036
Certificates of Deposits	81,560,520,577	378,330,381	81,560,520,577	378,330,381
Three-month & One-day Special Deposits	16,699,973,940	0	16,699,973,940	0
Special Three-month Short-term Deposits	261,957,130,608	3,326,111,455	261,957,130,608	3,326,111,455
Link' Account	351,452,240,662	203,271,166,680	351,452,240,662	203,271,166,680
One- month Ddeposits	613,096,431,578	981,880,487,261	613,096,431,578	981,880,487,261
Total	3,133,195,743,272	2,222,667,569,580	3,133,195,743,272	2,222,667,569,580

Note (31-2) Calculation of differential between provisional interest paid and interest realized

(Iranian Rials)

Income from 'Mutually Shared Profits'

Interest on Facilities	
Interest on Participation Bonds	
Interest on deposits	
Dividends	
Interest on Interbank Facilities	
Total	
Share of Depositors	
Share of Term Deposits in Statutory Deposits' Bonus	
Minus the Bank's Fees	
Share of Depositors	
Provisional interests Paid	
Differential Between Provisional Interest Paid and Interest Realized	
Fee percentage	

Parent Company (Karafarin Bank)	
2009	2008
4,172,510,435,784	2,658,934,279,445
308,550,131,735	456,210,864,691
89,917,577,524	63,789,682,491
14,660,119,857	23,428,250,348
19,769,863,013	-
4,605,408,127,913	3,202,363,076,975
3,730,756,189,181	2,739,335,086,409
34,084,851,173	25,767,250,412
(631,645,297,083)	(495,429,873,999)
3,133,195,743,271	2,269,672,462,822
(3,056,542,320,085)	(2,222,667,569,580)
76,653,423,186	47,004,893,242
3%	3.17%

Resources employed to earn mutual profits (26 weeks average)

Net Use of Mutual Facilities	
Net Use of Participation Bonds	
Net Use of Deposits with Other Banks	
Net use of Investments	
Total	
Average Term Deposits	
Average Statutory Deposits on Term Deposits	
Net Average Term Deposits	
Surplus Sources	

Parent Company (Karafarin Bank)	
2009	2008
18,833,606,620,085	11,571,846,788,462
1,950,967,792,500	2,871,618,288,462
700,125,985,726	416,040,894,371
442,171,069,167	322,344,730,769
21,926,871,467,479	15,181,850,702,064
21,054,843,236,106	15,646,644,464,535
(3,292,289,046,638)	(2,659,929,558,971)
17,762,554,189,469	12,986,714,905,564
4,164,317,278,010	2,195,135,796,500

(Iranian Rials)

Note (32) Doubtful Debts Reserve

Note	Parent Company (Karafarin Bank)		Consolidated Accounts	
	2009	2008	2009	2008
General Doubtful Debts Reserve	114,026,934,834	0	114,026,934,834	0
Specific Doubtful Debts Reserves	126,913,004,331	205,123,732,497	128,521,229,331	205,123,732,497
Total	240,939,939,165	205,123,732,497	242,548,164,165	205,123,732,497

According to the Circular no. MB/2382 of 5/12/1385 of the Banks Regulations Department of CBI, all banks and credit institutions are required to set aside 1,5% of net outstanding balance of their loan and investment portfolios in the form of "Reserves on Loans & Investments."

(Iranian Rials)

Note (33) Commissions

Note	Parent Company (Karafarin Bank)		Consolidated Accounts	
	2009	2008	2009	2008
Commissions Received				
On Guarantees Issued	176,442,987,765	138,970,686,300	176,442,987,765	138,970,686,300
On Foreign Exchange Operation	91,445,574,609	74,467,699,320	91,445,574,609	74,467,699,320
Discounted L/Cs	92,961,717,766	47,258,736,285	92,961,717,766	47,258,736,285
On Managed Funds	4,571,172,876	3,522,523,348	4,571,172,876	3,522,523,348
Others	35,013,976,010	21,407,785,574	39,327,830,971	23,835,822,976
Total	400,435,429,026	285,627,430,827	404,749,283,987	288,055,468,229
Less: Commissions Paid				
Commission Paid to the Brokers	(1,054,409,961)	(1,606,368,100)	(1,630,364,172)	(1,606,368,100)
Commission Paid to Other Banks for Participation Bonds Held in Trust	(1,721,827,561)	(5,690,201,588)	(1,721,827,561)	(5,690,201,588)
Commission Paid for Automation	(8,543,862,933)	(4,522,995,016)	(8,543,862,933)	(4,522,995,016)
Other	(763,783,187)	(310,129,844)	(1,368,110,175)	(579,659,040)
Net Commissions	388,351,545,384	273,497,736,279	391,485,119,146	275,656,244,485

(Iranian Rials)

Note (34) Other Income

Note	Parent Company (Karafarin Bank)		Consolidated Accounts	
	2009	2008	2009	2008
Foreign Exchange Transactions	68,664,940,803	24,838,477,668	68,664,940,803	24,838,477,668
Valuation Fees	12,397,522,662	36,568,574,068	12,885,881,220	36,917,325,105
Others	5,476,699,884	1,272,108,444	5,859,510,239	1,618,251,339
Total	86,539,163,349	62,679,160,180	87,410,332,262	63,374,054,112

(Iranian Rials)

Note (35) Administrative Expenses

Note	Parent Company (Karafarin Bank)		Consolidated Accounts	
	2009	2008	2009	2008
Staff Charges	196,460,381,267	133,567,505,881	200,201,530,750	136,293,776,930
Data Processing Charges	48,175,898,109	45,439,639,533	48,336,842,842	45,667,977,362
Consultants' Fees	(35-1) 26,713,527,530	19,805,517,778	27,552,971,008	20,394,167,778
Rent	28,720,769,080	24,094,686,312	29,479,393,080	11,942,466,363
Upkeep and Maintenance Charges	18,629,289,627	14,255,367,841	18,811,517,017	14,299,519,558
Depreciation	16,641,841,582	21,184,018,758	17,543,076,494	32,959,095,122
Water, Electricity, Fuel & Telephone	9,720,787,957	6,217,285,136	9,787,316,782	6,267,010,324
Advertising Expenses	7,842,771,497	11,309,866,828	7,842,771,497	11,309,866,828
On-the-job-training Costs	7,686,901,467	3,807,888,058	7,686,901,467	3,807,888,058
Cash Insurance Premium	3,081,704,904	2,765,087,385	3,101,841,256	2,765,087,385
Printing Charges	2,272,058,170	2,012,881,320	2,298,809,670	2,032,835,320
Attendance Fees- Board Members	225,000,000	313,000,000	310,000,000	564,500,000
Others	26,391,173,341	16,297,054,556	24,989,072,468	15,299,621,834
Total	392,562,104,531	301,069,799,386	397,942,044,331	303,603,812,862

Note (35-1) The major part of "consultants' fees" concerns outsourcing of such services as guarding, cleaning branches and courier service.

(Iranian Rials)

Note (36) Financial Expenses

	Parent Company (Karafarin Bank)		Consolidated Accounts	
	2009	2008	2009	2008
Interest Paid to IFC	1,708,374,398	1,838,465,730	1,708,374,398	1,838,465,730
Interest Paid to Central Bank	31,961,506,770	0	31,961,506,770	0
Others	0	0	45,234,791,841	36,092,524,598
Total	33,669,881,168	1,838,465,730	78,904,673,009	37,930,990,328

Note (37) Taxes

Year	Net Income per Bank's Books	Taxable Income	Tax						Tax Assessment Method & the Present Status
			Declared by Bank	Claimed by MOF	Agreed	Paid	Reserve	Reserve	
2004	156,710	12,177	2,640	29,857	38,441	11,620	0	(9,058)	Under investigation in the Supreme Tax Board
2005	215,976	35,876	8,072	47,838	37,010	37,010	8,072	(26,212)	Statement of defence being prepared
2006	350,189	83,688	18,830	74,640	82,175	34,830	0		Under investigation in the Supreme Tax Board
2007	529,949	164,155	36,935	149,490	0	46,935	0		Objection to tax assessment
2008	819,626	335,500	75,487	0	0	75,487	0	75,487	Under assessment
2009	1,450,215	1,034,006	232,651	0	0	0	232,651		
Total	3,522,664	1,665,401	374,615	301,826	157,625	205,881	240,723	40,217	

1- Income taxes have been fully paid up to 2002 - 2003

2- For 2003-2004, the MOF decision has been notified. The Bank has, in accordance with section 259 of Direct Taxes Act, paid 1/3 and files its protest with the High Council of Taxation.

3- Final tax assessment has been made for 1383 (2005). The Bank has paid the tax, but has also submitted its objection to the Supreme Tax Board.

4- The Bank has protested the assessment for 1385 (2007) and its protest is being studied by the tax board.

5- The tax liabilities has been recognized under Note 19.

Note (38) Annual Adjustments

According to the final tax assessment for 1383, the bank had to pay a penalty of 5,433m rials. Following the Bank's letter no. 12450/251/25 of 07/05/1387, asking for exemption, this amount was reduced to 2,726m rials, and was duly paid.

	(Iranian Rials)			
	Parent Company (Karafarin Bank)		Consolidated Accounts	
	2009	2008	2009	2008
Bid & Performance Bonds, and Advance Payment Guarantees- rials	8,679,419,276,128	6,568,161,408,943	8,679,419,276,128	6,568,161,408,943
Bid & Performance Bonds, and Advance Payment Guarantees- F.exchange	931,882,525,918	654,031,711,439	931,882,525,918	654,031,711,439
Counter Guarantees- F.exchange	31,935,971,382	18,772,479,560	31,935,971,382	18,772,479,560
Total	9,643,237,773,428	7,240,965,599,942	9,643,237,773,428	7,240,965,599,942

	Amount	(Iranian Rials)			
		Parent Company (Karafarin Bank)		Consolidated Accounts	
		2009	2008	2009	2008
L/Cs Opened in Euros	130,618,291	1,653,512,741,466	2,520,819,140,453	1,653,512,741,466	2,520,819,140,453
L/Cs Opened in USD	16,196,189	157,378,370,262	160,746,740,539	157,378,370,262	160,746,740,539
L/Cs Opened in Emirates' Dirham	202,477,505	535,755,478,204	262,158,971,636	535,755,478,204	262,158,971,636
L/Cs Opened in Yens	4,369,494,993	431,443,935,609	626,506,245,319	431,443,935,609	626,506,245,319
L/Cs Opened in Other Currencies	-	45,505,412,859	421,430,585,243	45,505,412,859	421,430,585,243
Total		2,823,595,938,400	3,991,661,683,190	2,823,595,938,400	3,991,661,683,190

	(Iranian Rials)			
	Parent Company (Karafarin Bank)		Consolidated Accounts	
	2009	2008	2009	2008
Underwriting Commitments- Rayan Saipa	400,000,000,000	300,000,000,000	400,000,000,000	300,000,000,000
Underwriting Commitments- Irankhodro	300,000,000,000	300,000,000,000	300,000,000,000	300,000,000,000
Total	700,000,000,000	600,000,000,000	700,000,000,000	600,000,000,000

	(Iranian Rials)			
	Parent Company (Karafarin Bank)		Consolidated Accounts	
	2009	2008	2009	2008
Managed Funds	626,708,149,761	509,092,132,982	626,708,149,761	509,092,132,982
Future Interests	122,683,519,019	99,930,933,519	122,683,519,019	99,930,933,519
Total	749,391,668,780	609,023,066,501	749,391,668,780	609,023,066,501

(Iranian Rials)

Note (43) Securities & Assets Pledged as Collateral

	Parent Company (Karafarin Bank)		Consolidated Accounts	
	2009	2008	2009	2008
Promissory Notes, Cheques, Trade Receivables Pledged Against Facilities	57,377,648,686,368	43,026,055,796,304	57,377,648,686,368	43,026,055,796,304
Promissory Notes, Cheques, Trade Receivables Pledged Against Guarantees	18,534,490,238,727	13,324,572,308,436	18,534,490,238,727	13,324,572,308,436
Real Estate	12,976,756,413,987	8,787,992,030,277	12,976,756,413,987	8,787,992,030,277
Marketable Securities	5,720,033,410,913	3,429,566,838,033	5,720,033,410,913	3,429,566,838,033
Leased Goods	209,444,979,975	295,814,972,970	209,444,979,975	295,814,972,970
Others	4,623,675,321,467	4,051,114,147,034	4,623,675,321,467	4,051,114,147,034
Total	99,442,049,051,437	72,915,116,093,054	99,442,049,051,437	72,915,116,093,054

(Iranian Rials)

Note (44) Non-Cash Transactions

	Parent Company (Karafarin Bank)	
	2009	2008
Capital Increase Through Shareholders' Creditor Position	650,000,000,000	350,000,000,000
	650,000,000,000	350,000,000,000

Note (45) Comparison of Profits Before Tax with Net Operational Cashflow

(Iranian Rials)

	Parent Company (Karafarin Bank)		Consolidated Accounts	
	2009	2008	2009	2008
Profits Before Tax	1,450,216,716,889	819,625,788,461	1,164,872,485,975	817,601,907,841
Depreciation	16,641,841,582	21,184,018,758	22,393,206,536	32,959,095,122
Capital Loss on Investments & Legal Participation Expenses	28,363,180,724	1,966,161,266	29,033,002,594	(2,384,133,235)
Dividends from Investments & Legal Participation	(52,365,327,868)	(29,073,420,131)	(23,580,787,960)	(37,045,373,205)
Loss (Profit) on Sale of Investments	000	3,679,008,517	000	000
Profit on Sale of Fixed Assets	(102,586,699)	(213,476,376)	(102,586,699)	(230,783,306)
Doubtful Debt Expenses	240,939,939,165	205,123,732,497	242,548,164,165	205,123,732,497
Foreign Exchange Conversion	74,794,202,170	(69,655,517,569)	74,794,202,170	(69,655,517,569)
Increase in Severance Pay Reserves	11,417,706,962	8,274,433,563	11,564,163,991	8,334,223,445
Dividends Paide	(94,727,387,550)	(23,759,525,669)	(94,727,387,550)	(28,594,132,896)
Income Tax Paid	(88,314,028,664)	(57,218,685,434)	(87,907,985,401)	(57,212,825,500)
	<u>1,586,864,256,711</u>	<u>879,932,517,883</u>	<u>1,338,886,477,821</u>	<u>868,896,193,194</u>
Net Increase (Decrease) in Operational Liabilities				
Sight Deposits	293,203,444,704	374,142,264,516	293,203,444,704	(764,931,556,014)
Short-term Investment Deposits	7,115,384,934,902	6,504,474,111,247	7,115,384,934,902	5,680,801,561,504
Long-term Investment Deposits (Over One-year Maturity)	(183,409,879,367)	(452,097,349,340)	(183,409,879,367)	(452,097,349,340)
Accounts Payable	581,265,587,108	190,303,892,149	676,279,632,575	2,112,418,026,913
	<u>7,806,444,087,347</u>	<u>6,616,822,918,572</u>	<u>7,901,458,132,814</u>	<u>6,576,190,683,063</u>
Net Increase (Decrease) in Operational Assets				
Statutory Deposits and Due from the Central Bank	(1,060,561,070,158)	(883,592,519,824)	(1,060,561,070,158)	(883,592,519,824)
Participation Bonds	(1,198,752,638,889)	410,103,438,889	(1,201,695,638,889)	392,631,438,889
Prepayments	(9,613,292,233)	(3,756,288,554)	(7,455,831,971)	(6,207,147,606)
Receivables	(620,974,965,715)	646,874,797,620	(605,262,903,290)	645,563,382,239
Other Assets	(391,594,617,240)	(19,019,813,230)	(367,457,052,357)	(46,850,441,847)
Facilities Under the Islamic Contracts	(5,002,509,516,388)	(6,510,026,959,444)	(4,983,069,623,111)	(6,561,853,141,088)
	<u>(8,284,006,100,623)</u>	<u>(6,359,417,344,543)</u>	<u>(8,225,502,119,776)</u>	<u>(6,460,308,429,237)</u>
Net Operational Cashflow	<u>1,109,302,243,435</u>	<u>1,137,338,091,912</u>	<u>1,014,842,490,859</u>	<u>984,778,447,020</u>

Note (46) Breakdown of Net Increase in Cash Shown in the Cashflow

(Iranian Rials)

	Parent Company (Karafarin Bank)		Consolidated Accounts	
	2009	2008	2009	2008
Notes & Coins & Precious Metals	200,416,322,462	101,967,920,495	200,425,913,513	102,430,498,185
Creditor Position with Domestic Banks after Clearing	1,206,486,897,481	845,244,898,081	1,209,910,248,474	859,646,646,355
Foreign Currency and Creditor Position with Foreign Banks	2,005,960,466,935	945,246,045,717	2,005,960,466,935	945,246,045,717
Domestic Banks Creditor Position with Us after Clearing	(350,000,000,000)	(300,000,000,000)	(350,000,000,000)	(300,000,000,000)
Foreign Banks Creditor Position with Us after Clearing	-	-	-	-
	<u>3,062,863,686,878</u>	<u>1,592,458,864,293</u>	<u>3,066,296,628,922</u>	<u>1,607,323,190,257</u>

Note (47) Transactions Subject to Article 129 of the Commercial Code

Legal & real persons	Relationship	Name	Transaction	Amount	(million rials) Balance at 30/12/1387
Butan Co.	Member of the Board	Mr. Khalili Araghi	Prolongation of Several Guaranties	111,109	111,109
			Several Civil Participation Contracts	40,000	40,000
Karafarin insurance Co.	Member of the Board	Mr. Aghili, Mr. Tabe' Ghanoon, & Mr. Hoorazar	Prolongation of Several Guaranties	9,625	9,765
			Several Guaranties	141	
			Employees, Property & Rent Insurance	615	615
Sakht Ajand Investment Co.	Member of the Board	Mr. Hoorazar	Several Civil Participation & Mozarabah Contracts	40,000	40,000
Iran Office Machine Industries Co.	Member of the Board	Mr. Amiri	Prolongation of Several Guaranties	16,067	34,363
			Several Guaranties	18,296	
			Prolongation of L/Cs	373,661	277,294
			L/Cs	1,153,843	
Iran Office Machine Industries Co.	Member of the Board	Mr. Amiri	Purchase of Equipments	1,898	1,898
			Prolongation of Several Guaranties	2,229	5,285
			Several Guaranties	3,056	
Kar va Andisheh Engineering Co.	Member of the Board	Mr. Tabe' Ghanoon	Purchase of Equipments	529	529
			Prolongation of several guaranties	11,940	50,069
			Several Guaranties	38,130	
			Prolongation of L/Cs	176,181	331,466
Aria Diesel Motor Co.	Member of the Board	Mr. Amiri	L/Cs	660,205	
			Purchase of Equipments	1,807	1,807
			Several Guaranties	32,400	32,400
			Prolongation of L/Cs	110,977	73,374
Karafarin Bank Leasing Co.	Member of the Board	Mr. Aghili, Mr. Tabe' Ghanoon, Mr. Hoorazar, Mr. Nayebi	L/Cs	-	
			Prolongation of Participation Bonds	2,060	2,060
Karafarin Bank Investment Co.	Member of the Board	Mr. Salimi, Mr. Hoorazar, Mr. Tabe' Ghanoon & Mr. Nayebi	Rent & Purchase of Property	123,597	123,597
			Collateral Pledged for Facilities	300,000	300,000
Iran Office Machine Services Co.	Member of the Board	Mr. Amiri	Purchase of Services & Equipments	1,576	1,576
Gam Shoe Co.	Member of the Board	Mr. Tabe' Ghanoon & Mr. Nayebi	Paid Guarantees	409	409
			Prolongation of Several Hire Purchase Facilities	19,832	12,890
			Prolongation of L/Cs	4,685	4,685
Karafarin Brokerage Co.			Purchase of Shares from TSE for the Bank	8,006	8,006
			Purchase of Participation Bonds	9,869	9,869
			Deposit for Rent	3,000	3,000
Ali Roosta	Member of the Board		Prolongation of Mozarabah Contracts	13,500	
			Several Mozarabah Contracts	86,010	
			Purchase of Shares for the Bank in the TSE	7,500	