

Karafarin Bank (PJSC)
Consolidated Balance Sheet
At March 20, 2015

Assets	Note	March 20, 2015	Restated March 20, 2014
		IRR million	IRR million
Cash	5	820,317	662,946
Dues from CBI	6	10,657,956	10,644,794
Dues from Other Banks & Credit Institutions	7	16,039,907	15,381,725
Granted Facilities	8	70,195,991	59,128,314
Debtors of Letters of Credit & Term Bills of Exchange	9	115,113	133,397
Accounts Receivable	10	1,597,325	1,471,590
Participation Bonds & Funds with Fixed Income	11	214,494	1,127,558
Investments	12	3,102,061	3,368,474
Tangible Fixed Assets	13	5,486,421	4,612,864
Intangible Assets	14	4,018,617	3,767,322
Other Assets	15	932,315	893,779
Total Assets		113,180,517	101,192,763
Off Balance Sheet Items:			
Letters of Credit	44	2,831,467	6,660,705
Letters of Guarantee	45	22,097,589	18,134,772
Managed Funds	46	402,749	379,645
Other Commitments & Memorandum Items	47	386,493,086	331,787,122

The explanatory notes are an integral part of the consolidated financial statements.

Karafarin Bank (PJSC)
Consolidated Balance Sheet
At March 20, 2015

Liabilities & Shareholders' Equity	Note	March 20, 2015	Restated March 20, 2014
		IRR million	IRR million
Liabilities:			
Dues to CBI	16	9,808,121	9,871,758
Dues to Other Banks & Credit Institutions	17	3,074,359	2,681,238
Demand Deposits	18	1,995,566	1,934,034
Gharz-al-Hassaneh Savings Deposits	19	390,058	489,056
Term Investment Deposits	20	75,990,045	65,281,678
Other Deposits	21	3,847,094	3,015,370
Tax Payable	22	594,584	809,678
Interest Payable on Deposits	23	12,108	162,013
Provisions & Other Liabilities	24	1,966,448	2,720,308
Payable Dividend	25	88,233	91,635
Provision for Termination Benefits	26	267,397	187,673
Total Liabilities		98,034,013	87,244,441
Shareholders' Equity:			
Capital	27	8,500,000	7,250,000
Increase in Flowing Capital	27-2	-	1,235,121
Statutory Reserves	28	2,868,329	2,318,434
Other Reserves		5,045	6,403
Revaluation Reserve of Fixed Assets	13-3	43,597	43,597
Retained Earnings		3,577,554	3,085,934
Total Shareholders' Equity of the Parent Company		14,994,525	13,939,489
Minority Interest	29	151,979	8,833
Total Shareholders' Equity		15,146,504	13,948,322
Total Liabilities & Shareholders' Equity		113,180,517	101,192,763
Off Balance Sheet Items:			
Letters of Credit	44	2,831,467	6,660,705
Letters of Guarantee	45	22,097,589	18,134,772
Managed Funds	46	402,749	379,645
Other Commitments & Memorandum Items	47	386,493,086	331,787,122

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Karafarin Bank (PJSC)
Balance Sheet
At March 20, 2015

Assets	Note	March 20, 2015	Restated March 20, 2014
		IRR million	IRR million
Cash	5	814,811	660,464
Dues from CBI	6	10,657,956	10,644,794
Dues from Other Banks & Credit Institutions	7	15,918,873	15,316,851
Granted Facilities	8	69,313,107	58,281,424
Debtors of Letters of Credit & Term Bills of Exchange	9	115,113	133,397
Accounts Receivable	10	2,332,670	1,874,766
Participation Bonds & Funds with Fixed Income	11	87,017	1,087,017
Investments	12	2,286,548	2,812,410
Tangible Fixed Assets	13	5,634,990	4,840,757
Intangible Assets	14	4,016,545	3,765,653
Other Assets	15	895,429	840,360
Total Assets		112,073,059	100,257,893
Off Balance Sheet Items			
Letters of Credit	44	2,831,467	6,660,705
Letters of Guarantee	45	22,097,589	18,134,772
Managed Funds	46	402,749	379,645
Other Commitments & Memorandum Items	47	386,493,086	331,787,122

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Karafarin Bank (PJSC)
Balance Sheet
At March 20, 2015

Liabilities & Shareholders' Equity	Note	March 20, 2015	Restated March 20, 2014
		IRR million	IRR million
Liabilities:			
Dues to CBI	16	9,808,121	9,871,758
Dues to Other Banks & Credit Institutions	17	2,009,392	2,051,333
Demand Deposits	18	1,995,566	1,934,034
Gharz-al-Hassaneh Savings Deposits	19	390,058	489,055
Term Investment Deposits	20	76,359,826	65,460,124
Other Deposits	21	3,847,094	3,015,370
Tax Payable	22	557,582	750,809
Interest Payable on Deposits	23	12,108	162,013
Provisions & Other Liabilities	24	1,931,109	2,593,798
Payable Dividend	25	13,799	22,332
Provision for Termination Benefits	26	262,482	183,720
Total Liabilities		97,187,137	86,534,346
Shareholders' Equity:			
Capital	27	8,500,000	7,250,000
Increase in Flowing Capital		-	1,235,121
Statutory Reserves	28	2,840,984	2,285,685
Revaluation Reserve of Fixed Assets	13-3	43,597	43,597
Retained Earnings		3,501,341	2,909,144
Total Shareholders' Equity		14,885,922	13,723,547
Total Liabilities & Shareholders' Equity		112,073,059	100,257,893
Off Balance Sheet Items			
Letters of Credit	44	2,831,467	6,660,705
Letters of Guarantee	45	22,097,589	18,134,772
Managed Funds	46	402,749	379,645
Other Commitments & Memorandum Items	47	386,493,086	331,787,122

The explanatory notes are an integral part of the consolidated financial statements.

Karafarin Bank (PJSC)
Consolidated Income Statement
For the Year Ended March 20, 2015

	Note	March 20, 2015		Restated
		IRR million	IRR million	March 20, 2014
				IRR million
Income from Joint Activities				
Interest on Loans and Facilities	30		16,554,023	11,912,988
Interest on Deposits and Income from Investments	31		2,648,522	1,795,137
			19,202,545	13,708,125
Interest Paid on Investment Deposits	32	(14,223,977)		(9,596,980)
Difference in Accrued and Prepaid Interest on Investment Deposits	33	0		(150,534)
Depositors' Share in Income from Joint Activities			(14,223,977)	(9,747,514)
Bank's Share in Income from Joint Activities			4,978,568	3,960,611
Income from Non-Joint Activities				
Interest on Loans and Facilities	30	311,148		776,188
Interest on Deposits and Income from Investments	31	54,767		86,915
Commission Income	34	681,258		710,057
Income from Currency Exchange Transactions	35	192,847		231,427
Other Income	36	464,860		354,971
			1,704,880	2,159,558
Total Income			6,683,448	6,120,169
Expenses				
General and Administrative Expenses	37	(1,559,900)		(1,224,117)
Loan Loss Provisions Expense	38	(527,648)		(352,199)
Financing Expense	39	(273,042)		(137,103)
Commission and Other Expenses	40	(145,645)		(186,111)
			(2,506,235)	(1,899,530)
Interest before Considering Group's Quota from Interest of Affiliated Companies			4,177,213	4,220,639
Group's Quota from Interest of Affiliated Companies			68,753	115,540
Net Profit before Tax			4,245,966	4,336,178
Tax			(665,476)	(646,324)
Net Profit			3,580,490	3,689,854
Minority Interest from Net Profit			7,685	4,313
Earnings per Share				
Primary Earnings per Share – IRR	52		433	510
Diluted Earnings per Share – IRR	52		433	451

The explanatory notes are an integral part of the consolidated financial statements.

Karafarin Bank (PJSC)
Income Statement
For the Year Ended March 20, 2015

	Note	March 20, 2015		Restated
				March 20, 2014
		IRR million	IRR million	IRR million
Income from Joint Activities				
Interest on Loans and Facilities	30		16,554,023	11,912,988
Interest on Deposits and Income from Investments	31		3,057,452	1,840,659
			19,611,475	13,753,647
Interest Paid on Investment Deposits	32	(14,349,238)		(9,642,010)
Difference in Accrued and Prepaid Interest on Investment Deposits	33	0		(150,534)
Depositors' Share in Income from Joint Activities			(14,349,238)	(9,792,544)
Bank's Share in Income from Joint Activities			5,262,237	3,961,103
Income from Non-Joint Activities				
Interest on Loans and Facilities	30	98,927		582,175
Interest on Deposits and Income from Investments	31	4,526		86,915
Commission Income	34	640,964		634,798
Income from Currency Exchange Transactions	35	192,847		231,427
Other Income	36	257,749		146,054
			1,195,013	1,681,369
Total Income			6,457,250	5,642,472
Expenses				
General and Administrative Expenses	37	(1,450,094)		(1,129,207)
Loan Loss Provisions Expense	38	(520,587)		(336,747)
Financing Expense	39	(19,278)		(19,325)
Commission and Other Expenses	40	(145,645)		(186,111)
			(2,135,604)	(1,671,390)
Profit before Tax			4,321,646	3,971,082
Tax	22		(619,649)	(589,948)
Net Profit			3,701,997	3,381,134

The explanatory notes are an integral part of the parent company financial statements.

Karafarin Bank (PJSC)**Consolidated Retained Earnings Statement
For the Year Ended March 20, 2015**

	Note	March 20, 2015		Restated
		IRR million	IRR million	March 20, 2014
				IRR million
Net Profit			3,580,490	3,689,855
Retained Earnings - Opening Balance		3,402,670		3,048,279
Prior Period Adjustments	41	(316,736)		(797,053)
Adjusted Opening Retained Earnings			3,085,934	2,251,226
Adjustments from Share Sales of Subsidiary Companies			21,525	0
Allocable Profit			6,687,949	5,941,081
Profit Allocation:				
Ratified Dividend	25	(2,554,061)		(2,337,500)
Bonus of the Board of Directors		(5,938)		(6,113)
Statutory Reserve	28	(549,894)		(511,057)
Other Reserves		(502)		(477)
Allocated Profit			(3,110,395)	(2,855,147)
Retained Earnings - Closing Balance			3,577,554	3,085,934
Retained Earnings - Minority Interest			59,159	15,679

The explanatory notes are an integral part of the consolidated financial statements.

Karafarin Bank (PJSC)
Retained Earnings Statement
For the Year Ended March 20, 2015

	Note	March 20, 2015		Restated
				March 20, 2014
		IRR million	IRR million	IRR million
Net Profit			3,701,997	3,381,134
Retained Earnings - Opening Balance		3,222,106		2,924,053
Prior Period Adjustments	41	(312,962)		(546,873)
Adjusted Opening Retained Earnings			2,909,144	2,377,180
Allocable Profit			6,611,141	5,758,314
Profit Allocation:				
Ratified Dividend	25	(2,550,000)		(2,337,500)
Bonus of the Board of Directors		(4,500)		(4,500)
Statutory Reserve	28	(555,300)		(507,170)
Allocated Profit			(3,109,800)	(2,849,170)
Retained Earnings - Closing Balance			3,501,341	2,909,144

Since the Comprehensive Income Statement is limited to the profit for the period and prior years' adjustments, the Comprehensive Income Statement is not presented.

The explanatory notes are an integral part of the parent company financial statements.

Karafarin Bank (PJSC)
Consolidated Cash Flows Statement
For the Year Ended March 20, 2015

	Note	March 20, 2015		March 20, 2014
		IRR million	IRR million	IRR million
Operating Activities				
Net Cash Inflow from Operating Activities	42		4,087,195	7,044,636
Return on Investments and Servicing of Finance				
Dividends Received		281,176		186,302
Interest Paid		(273,042)		(137,103)
Dividends Paid		(2,557,463)		(1,146,162)
Net Cash Outflow from Returns on Investments and Servicing of Finance			(2,549,329)	(1,096,963)
Taxation				
Income Tax Paid			(870,604)	(734,344)
Investment Activities				
Purchase of Investments		(544,211)		(2,796,247)
Purchase of Tangible Fixed Assets		(1,192,761)		(1,751,780)
Purchase of Intangible Assets		(140,105)		(16,579)
Sale of Investments		1,171,482		1,374,085
Sale of Tangible Fixed Assets		81,739		311,130
Net Cash Inflow (Outflow) from Investment Activities			(623,856)	(2,879,391)
Net Cash Inflow (Outflow) before Financing Activities			43,406	2,333,938
Financing Activities				
Capital Increase		161,129		80,423
Financial Facilities Received		458,039		1,886,000
Repayment of Principal on Financial Facilities		(22,977)		(1,503,480)
Net Cash Inflow from Financing Activities			596,191	462,943
Net Cash Inflow			639,597	2,796,881
Effect of Foreign Exchange Differences			192,847	231,427
Net Increase (Decrease) in Cash			832,444	3,028,308
Cash - Opening Balance	43		16,351,243	13,322,934
Cash - Closing Balance	43		17,183,687	16,351,242
Non-Cash Transactions	43-1		0	1,154,698

The explanatory notes are an integral part of the consolidated financial statements.

Karafarin Bank (PJSC)
Cash Flows Statement
For the Year Ended March 20, 2015

	Note	March 20, 2015		March 20, 2014
		IRR million	IRR million	IRR million
Operating Activities				
Net Cash Inflow from Operating Activities	42		3,979,204	7,077,160
Return on Investments and Servicing of Finance				
Dividends Received		268,866		232,259
Interest Paid		(19,278)		(19,325)
Dividends Paid		(2,558,533)		(1,183,350)
Net Cash Outflow from Returns on Investments and Servicing of Finance			(2,308,945)	(970,416)
Taxation				
Income Tax Paid			(802,910)	(716,364)
Investment Activities				
Purchase of Investments		(205,853)		(2,726,237)
Purchase of Tangible Fixed Assets		(1,053,707)		(1,748,114)
Purchase of Intangible Assets		(137,659)		(12,677)
Sale of Investments		1,092,572		1,507,565
Sale of Tangible Fixed Assets		2,831		252,330
Net Cash Inflow (Outflow) from Investment Activities			(301,816)	(2,727,133)
Net Cash Inflow (Outflow) before Financing Activities			565,533	2,663,246
Financing Activities				
Capital Increase		14,879		80,423
Net Cash Inflow from Financing Activities			14,879	80,423
Net Cash Inflow			580,412	2,743,669
Effect of Foreign Exchange Differences			192,847	231,427
Net Increase in Cash			773,259	2,975,096
Cash - Opening Balance	43		16,283,887	13,308,791
Cash - Closing Balance	43		17,057,146	16,283,887
Non-Cash Transactions	43-1		0	1,154,698

The explanatory notes are an integral part of the parent company financial statements.

Karafarin Bank (PJSC)
Notes to the Consolidated Financial Statements
For the Year Ended March 20, 2015

1. HISTORICAL BACKGROUND OF ACTIVITIES

1.1. Overview

The group includes Karafarin Bank (Parent Company) and its subsidiary companies. The Bank was established and commenced its operations following registration at the Tehran Corporate and Industrial Ownership Registry Office on December 9, 1999 under registry number 157915 as Karafarinan Non-Bank Credit Institution (PJSC). The enactment of the Non-State Bank Establishment Act on 9 April 2000, the endorsement of Article 98 of the Act on the Economic, Social, and Cultural Development Plan of Iran, and the implementation of the Non-State Bank Establishment Regulation of the Money and Credit Council as endorsed on 11 December 2000, collectively laid the foundations for the establishment of the Bank. Based on a resolution of the Extraordinary General Assembly meeting of 29 November 2001 and CBI operating license number H/3362 (5 December 2001), Karafarin Bank (PJSC) was formally established and registered under the same license number with the Tehran Corporate and Industrial Ownership Registry Office on 26 December 2001. The Bank gained listing on the Tehran Stock Exchange on February 6, 2003 and has been consistently included on the TSE price quote list since 5 July 2003. The Bank's head office is based at No. 97, West Nahid Street, Vali-Asr Avenue, Tehran, Iran.

1.2. Principal Activities

The main areas of activity of Karafarin Bank according to Article 3 of its Articles of Association are stated below:

- Accepting all forms of bank deposits and issuing the bearer certificates of public and private term deposits.
- Issuing chequebooks and offering all services relating to cheque laws and regulations.
- Carrying out inter-banking operations.
- Granting credit facilities within the legal framework, regulations and bylaws and implementation guidelines of the Usury-Free Banking Operations Act.
- Offering various payment tools.
- Receiving, paying and transferring funds in foreign currencies and Iranian Rials (IRR).
- Accepting representation in order to collect funds, to pay bills, etc.
- Opening letters of credit and issuing all sorts of bank guarantees.
- Rendering electronic banking services such as issuing various electronic cards (purchasing cards, credit cards, digital wallets, etc.)
- Operating safety deposit boxes.
- Carrying out all sorts of foreign currency operations including forex, transfers, granting foreign currency financial facilities, etc.)
- Fund management.
- Guaranteeing the repurchase of issued bonds from private and state-owned legal persons.
- Issuing Islamic bonds in the IRR or in foreign currency within Iran or abroad.
- Constantly accepting payment orders from customers.
- Offering financial, investment and asset management services.
- Performing duties of a guardian, administer, attorney and representative of clients in line with the current laws and regulations.
- Carrying out investment activities via purchasing of shares, participation bonds, foreign bonds and Sokuk bonds.
- Purchasing and selling assets in line with the regulations set forth by the Central Bank of Islamic Republic of Iran.
- Providing insurance coverage for its assets held by companies and insurances.
- Creating and sustaining link with correspondent banks in Iran and overseas.
- Customs and excise clearance.

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- Collecting claims for L/Cs.
- Collecting dividends on behalf of customers and depositing them in the relevant accounts.
- Selling tax duty and promissory notes.
- Any other activity approved by the Central Bank of the Islamic Republic of Iran.

1.3. Number of Branches

Information on the Bank's branches at the end of 20 March 2015 is reported as follows:

	March 20, 2015	March 20, 2014
Branches-Tehran Province	53	50
Branches-Other Provinces	46	47
Branches-Free Zones	2	1
	101	98

1.4. Employees

The number of employees at the end of 20 March 2015 is reported as below:

	March 20, 2015	March 20, 2014
Head Office	556	535
Branches-Tehran Province	533	480
Branches-Other Provinces	551	532
Contract Employees of the Service Companies	227	233
	1,867	1,780

2. BASIS FOR THE PREPARATION OF FINANCIAL STATEMENTS

The consolidated financial statements of the Group and the financial statements of the Parent Company (the Bank) have been prepared on the basis of historical cost and using fair market values, wherever applicable.

3. BASIS FOR THE CONSOLIDATION

3.1. The consolidated financial statements are the composition of financial statement items for Karafarin Bank (PJSC) and its subsidiary companies liable to consolidation. These entities are collectively subject to consolidation and presentation in the form of an individual reporting entity after the required elimination of intercompany transactions and outstanding balances, and adjustments for any unrealised intergroup gains or losses.

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Subsidiaries subject to consolidation are:

- ▶ Karafarin Bank Leasing Company
- ▶ Omid Karafarin Trade Development Company
- ▶ Karafarin Bureau de Change
- ▶ Karafarin Abineh Gostar Company
- ▶ Karafarin Bank Brokerage Company
- ▶ Karafarin Amin Etemad Company
- ▶ Karafarin Bank Investment Company
- ▶ Karafarin Asr Amin Company

3.2. Operation results of subsidiary companies which have been acquired during the reporting period, transferred to the Parent Company as of the date of their effective takeover and operation result prior to the date of takeover show the Consolidated Income Statement.

3.3. Company's shares acquired by subsidiary companies are booked in the accounts at historical cost and are presented as a contra-equity account under "company shares held by subsidiaries" on the group's consolidated balance sheet.

4. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

4.1. Investments

Long-term Investments	Group Consolidated Accounts	Company Accounts
Investments in consolidated subsidiaries	Subject to consolidation	Historical cost (less any provisions for impairment)
Investments in affiliated companies	Equity method	Historical cost (less any provisions for impairment)
Other long-term investments	Historical cost (less any provisions for impairment)	Historical cost (less any provisions for impairment)

Current Investments:

Long-term Investments	Group Consolidated Accounts	Company Accounts
Investments in trading securities	Lower of cost and net realisable value on an aggregate portfolio basis	Lower of cost and net realisable value on an aggregate portfolio basis
Other short-term investments	Lower of cost and net realisable value on the basis of individual investments	Lower of cost and net realisable value on the basis of individual investments

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Revenue Recognition Method:

Long-term Investments	Group Consolidated Accounts	Company Accounts
Investments in consolidated subsidiaries	Subject to consolidation	On approval of profits by the investee's shareholders' general assembly (up to the endorsement date of the accounts)
Investment in affiliated companies	Equity method	On approval of profits by the investee's shareholders' general assembly (up to the endorsement date of the accounts)
Other current and long-term investments	On approval of profits by the investee's shareholders' general assembly (up to the balance sheet date)	On approval of profits by the investee's shareholders' general assembly (up to the balance sheet date)

4.2. Tangible Fixed Assets

4.2.1. All tangible fixed assets, except land and goodwill (see note 4.2.2. below), are recorded at historical cost in the accounts. Any expenditure incurred for improvements and major repairs of a fixed asset that lead to a significant extension of its useful life or to a material improvement in its performance quality, is capitalised and subsequently depreciated over the remainder of the asset's useful life. Maintenance costs and minor repairs are expensed as incurred and reported as part of the period's profit and loss account.

4.2.2. Land and goodwill are both measured and reported on a revaluation basis. The frequency of asset revaluations in the Bank is five years. The latest evaluation took place in 2011-12 period by independent valuation experts.

4.2.3. Depreciation on tangible fixed assets is based on the Depreciation Charts of Section 151 of Direct Taxation Act. The rates and methods applied are as follows:

Asset	Depreciation Rate and Method
Buildings and Utility Equipment	7% Declining Balance
Automotive Vehicles	25% and 35% Declining Balance
Computer Systems' Hardware	3 and 10-Year Straight Line
Automated Teller Machines	10-Year Straight Line
Furniture and Fixtures	10-Year Straight Line
POS	10-Year Straight Line

Fixed assets that are acquired and operationalised during any given month over the year will be accounted for and depreciated as of the start of the next calendar month. In cases where a depreciable fixed asset remains unutilised due to, for example, closure of operations or for other reasons, depreciation for idle periods is accounted for at 30 percent of the rates outlined in the Depreciation Charts of Section 151 of Direct Taxation Act.

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4.3. Intangible Assets

All intangibles are reflected in financial statements at historical cost of acquisition after deduction of accumulated depreciation and devaluation. According to CBI Circular MB/2946 of 7 March 2007, administrative and operations software are amortised using the straight line method over a 5 year period. Goodwill is no longer subject to any amortisation.

4.4. Income Recognition on Facilities, Commissions and Penalties

According to Circular MB/772 dated 18 July 2005 of Banking Studies & Regulations of CBI and based on ratification 1044 dated 16 July 2005 of Money & Credit Council, income recognition of the Bank is based on commitment method.

Income	Recognition method
Interest on loans and financial facilities	Based on time, principal balance and minimum expected interest rate
Penalties	Based on time, outstanding amount and penalty rate

4.5. Basis for Determination of Depositors' Share of Income from Joint Activities

In compliance with the requirements promulgated in Iran's Act on Usury-Free Banking Operations of 30 August 1983 and its operational and implementation guidelines and also CBI Circular MB/1799 of 8 January 2004, all income from loans and financial facilities and investments in shares and participation securities that are accounted for under the Bank's accounting and financial reporting procedures will be recognised as income from joint activities. Depositors' share of such income is based on their net resources contributed to the income-generating activities, which will then be credited to their accounts after appropriate deductions for the Bank's procurement and agency fees.

It is noteworthy that for outstanding and doubtful instalments commitment profit is not recognised.

4.6. Classification of Financial Facilities

The Bank evaluates and classifies its financial facilities in accordance with the requirements presented in the "Banks and Credit Institutions Asset Classification Manual" of the Money and Credit Council (also referred to in CBI Circular MB/2823 of 24 February 2007 of the Office of Banking Studies and Regulations) and also based on customers' creditworthiness and their economic ability as demonstrated by such factors as late repayments, customer financial position and the economic state of the customer's line of business activity. This approach leads to the following classes for financial facilities.

A) Current Facilities: Financial facilities for which principal and interest have been serviced on the due date or facilities that have been past due for less than 2 months.

B) Past Due Facilities: Financial facilities for which repayment of principal and interest has been outstanding and/or facilities which have been non-performing for over 2 but less than 6 months.

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C) Non-Performing Facilities: Financial facilities for which repayment of principal and interest has been outstanding and/or facilities which have been non-performing for over 6 but less than 18 months and the customer has not yet made any clear attempt to collect outstanding amounts.

D) Doubtful Facilities: Financial facilities that have been outstanding for over 18 months and for which the customer has not yet made any clear attempt to repay outstanding amounts.

4.7. Provisions for Loan Losses

Doubtful facilities are provided for in accordance with the requirements of the “Banks and Credit Institutions Doubtful Debts’ Provisions Manual” of the Money and Credit Council (also referred to in CBI Circular 91/21270 of 19 April 2012 of the Office of Banking Studies and Regulation). This approach leads to the following classes of provisions.

- ▶ General provisions at 1.5% of total facilities’ balances after deduction of those facilities that are subject to special provisions.
- ▶ Special provisions for the balance of past due, non-performing, and doubtful financial facilities. This is calculated based on the factors outlined in the following table after accounting for the value of security attributable to each individual facility.

Facility Type	Factor
Past Due Facilities	10%
Non-Performing Facilities	20%
Doubtful Facilities (based on customer-specific assessments of repayment ability)	50 to 100%
Doubtful Facilities Outstanding for 5 Years or More	100%

For those facilities which their due date was more than five years ago, a special provision is calculated without considering security.

4.8. Provisions for Employees’ Termination Benefits

Provisions for termination benefits are accounted for based on one month of employees’ latest base salary and continued benefits for each year of their service with the Bank.

4.9. Accounting for Changes in Currency Exchange Rates

All foreign currency monetary and non-monetary items are exchanged on the date of balance sheet at CBI reference rate. The differences resulting from the exchange of foreign currency items are identified as income or expenses and will be reflected in the income statement.

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5. CASH

	Group		Company	
	March 20, 2015	March 20, 2014	March 20, 2015	March 20, 2014
	IRR million	IRR million	IRR million	IRR million
Vault Cash – Foreign Currency	437,881	381,130	437,274	378,700
Vault Cash – IRR	379,620	278,978	374,721	279,206
Other	2,816	2,838	2,816	2,558
	820,317	662,946	814,811	660,464

5.1. Vault cash is held by the Bank's branches at year end. Insurance coverage for vault cash against potential risks arising from theft and fire is fully provided by Karafarin Insurance Company.

6. DUES FROM THE CENTRAL BANK OF IRAN

	Note	Group		Company	
		March 20, 2015	March 20, 2014	March 20, 2015	March 20, 2014
		IRR million	IRR million	IRR million	IRR million
Statutory Deposit	(6-1)	10,334,493	9,327,283	10,334,493	9,327,283
Current Account with the CBI		322,879	305,826	322,879	305,826
Others		584	1,011,685	584	1,011,685
		10,657,956	10,644,794	10,657,956	10,644,794

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6.1. Statutory deposit held at the CBI in execution of Clause 3 of Article 14 of the Monetary & Banking Act and is calculated in accordance with the rates determined by the Monetary & Credit Council and approved by the CBI. The mentioned statutory deposit is as follows:

	March 20, 2015		March 20, 2014	
	Rate (Percent)	IRR million	Rate (Percent)	IRR million
Demand Deposits	13.5%	305,216	17%	270,667
Gharz-al-Hassaneh Saving Deposits	10%	1,562	10%	269
Short-Term & Special Short-Term Deposits	13.5%	3,612,653	15.5%	4,456,616
1-Year Long-Term Deposits	13.5%	4,840,129	15%	2,352,752
2-Year & 3-Year Long-Term Deposits	13.5%	49,925	11%	358,317
4-Year & 5-Year Long-Term Deposits	13.5%	1,278,895	10%	1,618,330
Other Deposits Include Guarantees & L/C Advances Received, ...	13.5%	246,113	17%	270,332
		10,334,493		9,327,283

6.2. Towards the end of 2011-12 period, the Central Bank of the Islamic Republic of Iran (CBI), debited Karafarin Bank (this was also the case with all Iranian banks, and Karafarin Bank's position was better than other banks) IRR741 billion due to the difference in currency rates. In executing the resolution of the Central Bank of Iran's (CBI) executive board and in assessing the truth regarding withdrawals from the banks' accounts, the CBI requested the submission of the relevant documents and evidence. Based on the existing records in the CBI inspectors initial report (during 2012-13 period), the total withdrawals of IRR4,544 ought to be returned to the Bank. However, having submitted evidence and appealed against the said withdrawal, the Bank believes that the full withdrawn amount should be refunded. In order to clarify the final foreign currency debt or claims situation, the CBI has decided that this matter should be reviewed by an independent auditor.

7. DUES FROM BANKS AND CREDIT INSTITUTIONS

	Note	Group		Company	
		March 20, 2015	March 20, 2014	March 20, 2015	March 20, 2014
		IRR million	IRR million	IRR million	IRR million
Accounts with Banks and Credit Institutions - Foreign Currency	(7-1)	11,977,206	11,937,194	11,966,582	11,937,107
Accounts with Banks and Credit Institutions - IRR	(7-2)	4,062,701	3,444,531	3,952,291	3,379,744
		16,039,907	15,381,725	15,918,873	15,316,851

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7.1. Foreign currency deposits of the Parent Company at the date of balance sheet which include demand deposits based on type of foreign currency, type of deposit, local and foreign banks are as follows:

	US Dollar		Euro		Indian Rupiah		Japanese Yen		UAE Dirham		Chinese Yuan		Turkish Lira		South Korean Won		Other Foreign Currencies		Total
	FX Amount million	Equiva- lent – IRR million	FX Amount million	Equiva- lent – IRR million	FX Amount million	Equiva- lent – IRR million	FX Amount million	Equiva- lent – IRR million	FX Amount million	Equiva- lent – IRR million	FX Amount million	Equiva- lent – IRR million	FX Amount million	Equiva- lent – IRR million	FX Amount million	Equiva- lent – IRR million	FX Amount million	Equiva- lent – IRR million	
Local Banks:																			
Parsian Bank	571,910	16,010	1,550,467	46,756	62,399	28	586,174,152	136,268	0	0	0	0	0	0	0	0	0	0	199,062
Mellat Bank	1,511	42	4,747,079	143,153	0	0	0	2,985	23	0	0	0	0	0	0	0	0	1,251	144,469
Saderat Bank	2,296,523	64,289	701,124	21,143	0	0	0	0	0	0	0	0	0	0	0	0	0	0	86,432
Saman Bank	24,500	666	2,073,045	62,615	0	0	0	0	0	0	0	0	0	0	0	0	0	0	63,201
Melli Bank	455,681	12,756	354,479	10,690	0	0	0	0	0	0	0	0	0	0	0	0	0	11,559	35,005
Sepah Bank	3,700	104	880,080	26,540	0	0	0	0	0	0	0	0	0	0	0	0	0	0	26,643
Export Development Bank	6,064	170	767,653	23,149	0	0	0	76,368	582	0	0	0	0	0	0	0	0	0	23,901
Eghtesad Novin Bank	89,835	2,515	686,492	20,702	0	0	0	0	0	0	0	0	0	0	0	0	0	0	23,217
Keshavarzi Bank	71,066	1,969	681,263	20,544	0	0	0	0	0	0	0	0	0	0	0	0	0	0	22,534
Tejarat Bank	66,854	1,872	276,375	8,334	0	0	0	422,282	3,219	0	0	0	0	0	0	0	0	0	15,859
Other Banks	32,321,066	904,796	1,440,958	43,454	0	0	0	16,001,986	121,967	0	0	0	0	0	22,391,339	561	0	0	1,070,778
	35,908,710	1,005,228	14,159,014	426,979	62,399	28	586,174,152	136,268	16,503,620	125,791	0	0	0	0	22,391,339	561	15,245	1,710,100	
Foreign Banks:																			
Mizuho Bank Japan	0	0	0	0	0	0	27,534,510,003	6,400,948	0	0	0	0	0	0	0	0	0	0	6,400,948
Haik Bankasi Turkey	0	0	41,912,197	1,263,904	0	0	0	0	0	0	0	0	79,200,993	861,628	0	0	0	0	2,125,532
Bank of Kuntun China	0	0	7,106,400	214,301	0	0	0	0	0	0	140,290,176	633,971	0	0	0	0	0	0	848,272
Melli Bank Dubai Branch	0	0	0	0	0	0	0	44,183,544	336,767	0	0	0	0	0	0	0	0	0	336,767
UCO Bank India	0	0	0	0	380,822,985	170,990	0	0	0	0	0	0	0	0	0	0	0	0	170,990
Bank de Commerce et de Placements	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	140,958	140,958
Hinduja Bank (Amas Bank)	0	0	270,489	8,157	0	0	247,112,218	57,446	0	0	0	0	0	0	0	0	0	3,457	69,060
Woori Bank Seoul	0	0	0	0	0	0	0	0	0	0	0	0	0	0	1,327,179,215	33,268	0	0	33,268
Other Banks	1,943	54	2,359,848	71,164	0	0	9,787,230	2,275	1,092,454	8,327	3,510,289	15,863	0	0	689,887	17	22,974	130,688	
	1,944	54	51,648,933	1,557,526	380,822,985	170,990	27,791,409,451	6,460,669	45,275,998	345,094	143,800,465	649,834	79,200,993	861,628	1,327,869,102	33,286	167,389	10,256,483	
	35,910,654	1,005,283	65,807,948	1,984,505	380,885,384	171,018	28,377,583,603	6,596,937	61,779,618	470,884	143,800,465	649,834	79,200,993	861,628	1,350,260,441	33,847	18,634	11,966,582	

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7.2. Deposits in IRR held with banks is as follows:

	Group		Company	
	March 20, 2015	March 20, 2014	March 20, 2015	March 20, 2014
	IRR million	IRR million	IRR million	IRR million
Parsian Bank	1,800,000	0	1,800,000	0
Sarmaye Bank	1,000,000	2,500,000	1,000,000	2,500,000
Ansar Bank	500,000	0	500,000	0
Iran Zamin Bank	200,000	0	200,000	0
Saman Bank	250,000	0	250,000	0
Other Banks	312,701	944,531	202,291	879,744
	<u>4,062,701</u>	<u>3,444,531</u>	<u>3,952,291</u>	<u>3,379,744</u>

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8. LOANS AND FACILITIES

The Bank's financial products in Islamic (Shariah-based) contracts as at the balance sheet date consist of the following items.

	Group		Company	
	March 20, 2015	March 20, 2014	March 20, 2015	March 20, 2014
	IRR million	IRR million	IRR million	IRR million
Morabebeh (Installment Sale)	72,758	85,106	72,758	85,106
Joaleh (Commissions-Based Service)	664	664	664	664
Ijara Thumma al-Bai (Hire Purchase)	912,258	875,223	13,495	14,856
Mozarabeh (Retail / Corporate Banking)	5,856,265	6,031,815	5,856,265	6,031,815
Mosharekat-e-Madani (Joint Partnership)	54,822,697	44,910,554	54,822,697	44,910,554
Non-IRR Products	712,066	580,202	712,066	580,202
Personnel Facilities	1,518,204	1,000,822	1,518,204	1,000,822
Overdue Facilities	811,808	726,451	811,808	726,451
Differed Facilities	2,345,121	2,607,481	2,345,121	2,607,481
Doubtful Facilities	3,713,390	3,023,484	3,713,390	3,023,484
Total	70,765,230	59,841,802	69,866,467	58,981,435
Mozarabeh Funds Received	(2,489,705)	(2,203,080)	(2,489,705)	(2,203,080)
Profit of Future Years	(666,280)	(623,015)	(666,280)	(623,015)
Loan Loss Provisions-General	(1,094,692)	(919,002)	(1,078,813)	(905,525)
Loan Loss Provisions-Loan Specific	(1,528,954)	(1,181,377)	(1,528,954)	(1,181,377)
Total	64,985,599	54,915,327	64,102,715	54,068,438
Debtors of Paid L/Cs	192,615	40,934	192,615	40,934
Doubtful Debts of Paid L/Cs	543,592	549,583	543,592	549,583
Debtors of Paid Guarantees	36,766	9,881	36,766	9,881
Doubtful Debts of Paid Guarantees	322,682	316,080	322,682	316,080
Net Facilities	66,081,255	55,831,805	65,198,371	54,984,915
Debtors of Profit Receivable of Facilities	4,112,941	3,296,227	4,112,941	3,296,227
Debtors of Profit Receivable of Paid L/Cs	1,795	282	1,795	282
Total Facilities	70,195,991	59,128,314	69,313,107	58,281,424

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8.1. Loans and facilities based on related principle, interest and provisions.

	Group		Company				
	March 20, 2015	March 20, 2014	Balance	Profit of Future Years	Provision for Doubtful Debts	March 20, 2015	March 20, 2014
	Net	Net				Net	Net
	IRR million	IRR million	IRR million	IRR million	IRR million	IRR million	IRR million
Morabebeh (Installment Sale)	1,146,907	679,621	1,699,730	(507,325)	(45,498)	1,146,907	679,621
Joaleh (Commissions- Based Service)	53,450	134,693	185,632	(130,061)	(2,120)	53,450	134,693
Ijara Thumma al-Bai (Hire Purchase)	895,398	868,088	28,228	(15,217)	(496)	12,514	21,196
Salaf (Forward Sale)	45,201	48,410	46,994	0	(1,793)	45,201	48,410
Mozarabeh (Retail/Corporate Banking)	6,644,797	6,744,448	6,880,757	0	(235,960)	6,644,797	6,744,448
Mosharekat-e- Madani (Joint Partnership)	55,305,845	45,191,385	57,400,946	0	(2,095,102)	55,305,845	45,191,385
Non-IRR Products	1,079,759	1,721,269	1,136,269	(13,676)	(42,834)	1,079,759	1,721,269
Debtors for Paid L/Cs	708,117	549,361	736,208	0	(28,091)	708,117	549,361
Debtors for Paid Guarantees	345,733	11,477	359,448	0	(13,715)	345,733	11,477
Debtors for Facilities Profits	3,970,784	3,179,562	4,112,941	0	(142,157)	3,970,784	3,179,562
	70,195,991	59,128,314	72,587,154	(666,280)	(2,607,767)	69,313,107	58,281,423

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8.2. Disaggregation based on type of financial facilities according to the Money and Credit Council's Classification Manual is outlined below:

Facilities	Company 20 March 2015				
	Current	Past Due	Non-Performing	Doubtful	Total
	IRR million	IRR million	IRR million	IRR million	IRR million
Morabeheh (Installment Sale)	1,583,368	4,623	22,594	89,145	1,699,730
Joaleh (Commissions-Based Service)	8,258	297	23,298	153,779	185,632
Ijara Thumma al-Bai (Hire Purchase)	15,450	3,322	3,804	5,652	28,228
Salaf (Forward Sale)	-	143	-	46,852	46,994
Mozarabeh (Retail/Corp. Banking)	5,384,532	101,764	408,108	986,353	6,880,757
Mosharekat-e-Madani (Joint Partnership)	53,871,603	652,281	1,229,996	1,647,067	57,400,946
Non-IRR Products	712,066	-	104,218	319,985	1,136,269
Debtors for Paid L/Cs	192,615	-	-	543,592	736,208
Debtors for Paid Guarantees	36,766	-	-	322,682	359,448
Debtors for Facilities Profit	2,211,755	145,888	615,007	1,140,291	4,112,941
	64,016,414	908,318	2,407,024	5,255,398	72,587,154
Less					
Unearned Income	(666,280)	-	-	-	(666,280)
Loan Loss Provisions-General	(950,252)	(13,625)	(36,105)	(78,831)	(1,078,813)
Loan Loss Provisions-Loan Specific	-	(24,369)	(57,410)	(1,447,175)	(1,528,954)
	62,399,882	870,324	2,313,509	3,729,392	69,313,107

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8.3. Financial facilities based on maturity and interest rate are disaggregated as follows:

Facilities	March 20, 2015						March 20, 2014	
	Interest Rate						Total	Total
	Over 24% IRR million	21-24% IRR million	18-21% IRR million	15-18% IRR million	12-15% IRR million	12% and Less IRR million	IRR million	IRR million
Past due	5,586,557	1,179,098	3,346	6	-	144,218	6,913,225	6,880,744
2014-15	5,699,653	-	-	-	-	-	5,699,653	5,863,040
2015-16	56,089,377	1,710	46	-	737	605,026	56,696,895	45,525,106
2016-17	1,524	53	-	-	-	-	1,576	7,667
2017-18	630	-	-	-	-	-	630	2,580
2018-19 and After	-	-	-	-	-	1,128	1,128	2,288
	67,377,741	1,180,861	3,391	6	737	750,371	69,313,107	58,281,424

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8.4. Financial facilities to other people based on type of pledge.

	March 20, 2015	March 20, 2014
	IRR million	IRR million
Land, Building & Machineries	26,880,768	23,423,723
Stock	16,897,359	11,338,088
Cheque & Promissory Note	23,836,848	21,764,413
Participation Bond & Deposit	1,271,873	1,302,379
Other Assets	426,260	452,822
	69,313,107	58,281,424
Without Pledge	-	-
	69,313,107	58,281,424

9. DEBTORS FOR TERM LETTERS OF CREDIT

	Group		Company	
	March 20, 2015	March 20, 2014	March 20, 2015	March 20, 2014
	IRR million	IRR million	IRR million	IRR million
Debtors for Foreign Currency L/Cs & Term Bills	116,866	135,428	116,866	135,428
Less: General Provision for Doubtful Debts	(1,753)	(2,031)	(1,753)	(2,031)
Net Debtors for Foreign Currency L/Cs & Term Bills	115,113	133,397	115,113	133,397

The following heading includes the opening of term letters of credit for which the parties are committed to settle at the maturity date. It is noteworthy that the amount of credit is paid to the correspondent on the maturity date and the related debtors on the above heading are transferred to the heading of paid letter of credit.

10. ACCOUNTS RECEIVABLE

	Note	Group		Company	
		March 20, 2015	March 20, 2014	March 20, 2015	March 20, 2014
		IRR million	IRR million	IRR million	IRR million
Sundry Debtors – IRR	(10-1)	584,174	523,001	1,345,208	1,107,695
Sundry Debtors – Foreign Currency	(10-2)	870,709	633,288	870,709	633,287
Prepayments	(10-3)	142,442	315,301	116,753	133,784
		1,597,325	1,471,590	2,332,670	1,874,766

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10.1. Sundry debtors (Local currency- IRR) include the following items.

	Note	Group		Company	
		March 20, 2015	March 20, 2014	March 20, 2015	March 20, 2014
		IRR million	IRR million	IRR million	IRR million
Dividend Receivable	(10-1-1)	169,718	63,419	996,826	505,209
Stock Brokerage		8,829	0	8,829	214,736
Karafarin Bank Investment Co.		0	0	71,322	176,101
Accrued Interest - Participation Securities	(10-1-2)	674	14,461	674	14,461
Received Profit of Granted Facilities to Banks		4,434	0	4,434	43,322
Others		400,519	445,121	263,123	153,866
		584,174	523,001	1,345,208	1,107,695

10.1.1. Dividend receivable is as follows:

	Group		Company	
	March 20, 2015	March 20, 2014	March 20, 2015	March 20, 2014
	IRR million	IRR million	IRR million	IRR million
Group Member Companies:				
Karafarin Bank Investment Co.	0	0	323,580	279,494
Karafarin Leasing Co.	0	0	162,406	112,406
Karafarin Bureau de Change	0	0	279,944	21,996
Karafarin Bank Brokerage Co.	0	0	54,000	24,000
Karafarin Asr Amin Co.	0	0	2,277	2,277
Karafarin Abnieh Gostar Co.	0	0	4,900	1,617
Karafarin Insurance Co.	53,033	19,197	53,033	19,197
	53,033	19,197	880,140	460,987

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	Group		Company	
	March 20, 2015	March 20, 2014	March 20, 2015	March 20, 2014
	IRR million	IRR million	IRR million	IRR million
TSE Companies:				
Persian Gulf Petrochemical Industries	58,881	5,844	58,881	5,844
Khouzestan Steel	14,469	0	14,469	0
Civil Pension Fund	9,157	3,027	9,157	3,027
Iran Investment – Non-TSE Listed	8,750	0	8,750	0
Ghadir Investment	8,512	9,404	8,512	9,404
Jam Petrochemical	6,755	0	6,755	0
Parsian Oil & Gas Development	5,353	15,596	5,353	15,596
Pardis Petrochemical	908	2,398	908	2,398
Mines & Metals Development Investment	809	0	809	0
Bandar Abbas Oil Refinery	720	870	720	870
Iran Chemical Industries	585	471	585	471
Ta'amin Pharmaceutical Investment	375	0	375	0
Tehran Cement	F372	477	372	477
Darab Cement	364	325	364	325
Electronic Network Payment Card	363	0	363	0
Behshahr Industries Development	151	75	151	75
Power Plant Projects Management	57	0	57	0
Kordestan Cement	50	507	50	507
Islamic Republic of Iran Shipping Line	44	0	44	0
Sahand Rubber Industries	10	10	10	10
Other Companies	0	5,218	1	5,218
	116,685	44,222	116,686	44,222
	169,718	63,419	996,826	505,209

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10.1.2. This figure represents accrued interest on participation securities that have been accounted for and recognised under the accrual method.

10.2. Sundry debtors (foreign currency) include the following items.

	Group		Company	
	March 20, 2015	March 20, 2014	March 20, 2015	March 20, 2014
	IRR million	IRR million	IRR million	IRR million
Our Foreign Currency Checks	741,424	211,394	741,424	211,394
Clients Receivable Commission	125,378	0	125,378	0
Debts of Clients - Trading Foreign Currency	0	29,206	0	29,206
Foreign Currency Facilities	1,420	4,282	1,420	4,282
Others	2,488	388,407	2,488	388,406
	870,709	633,288	870,709	633,287

10.3. Prepayments as at the balance sheet date comprise the following items.

	Group		Company	
	March 20, 2015	March 20, 2014	March 20, 2015	March 20, 2014
	IRR million	IRR million	IRR million	IRR million
Rent, Repair & Maintenance of Building	103,680	129,440	103,680	129,440
Employees' Welfare Scheme	3,970	3,813	3,970	3,692
Computer Systems	4,783	288	4,783	288
Advertising Contracts	125	125	125	125
Foreign Orders	0	117,671	0	0
Others	29,884	63,964	4,195	239
	142,442	315,301	116,753	133,784

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11. PARTICIPATION SECURITIES & FUNDS WITH FIXED INCOME

	Group		Company	
	March 20, 2015	March 20, 2014	March 20, 2015	March 20, 2014
	IRR million	IRR million	IRR million	IRR million
Middle East Holding Participation Bonds	0	1,000,000	0	1,000,000
Other Participation Bonds	98,051	0	0	0
	98,051	1,000,000	0	1,000,000
Amin Karafarin Investment Fund	63,517	66,756	63,517	63,517
Arman Karafarin Investment Fund	36,676	46,852	23,500	23,500
Karafarin Brokerage Investment Fund	16,250	13,950	0	0
	116,443	127,558	87,017	87,017
	214,494	1,127,558	87,017	1,087,017

12. INVESTMENTS

	Note	Group		Company	
		March 20, 2015	March 20, 2014	March 20, 2015	March 20, 2014
		IRR million	IRR million	IRR million	IRR million
Short-Term Investments	(12-1)	1,985,430	2,339,382	1,871,785	2,332,639
Long-Term Investments	(12-2)	1,116,631	1,029,092	414,763	479,771
		3,102,061	3,368,474	2,286,548	2,812,410

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12.1. Investments in marketable securities are grouped as follows on the balance sheet date. All amounts are in IRR million.

Group	Group		Company	
	March 20, 2015		March 20, 2014	
	Historical Cost	Market Value	Historical Cost	Market Value
	IRR million	IRR million	IRR million	IRR million
Oil, Coke & Nuclear Energy Products	296,089	88,511	273,381	88,511
Banks & Credit Institutes	340,700	267,561	336,032	267,561
Investment Fund	26,223	56,283	26,223	56,283
Chemical Products	723,196	799,810	723,196	799,810
Base Metals	291,004	185,598	272,938	185,598
Multi-Functional Industrial Companies	72,955	78,504	69,593	78,504
Technical & Engineering Services	4,070	1,034	1,183	1,034
Cement, Iron & Plaster	18,331	7,350	13,182	7,350
Telecommunication Group	1,085	773	1,083	773
Oil & Gas Extraction & Side Services	10,986	13,629	10,986	13,629
Foodstuff Industries	7,636	5,404	7,636	5,404
Transportation	19,914	2,441	2,558	2,441
Pharmaceutical Industries	3,756	3,140	3,756	3,140
	1,985,430	1,642,258	1,871,785	1,642,258

12.2. The balance of long-term investments is as follows:

	Note	Group		Company	
		March 20, 2015	March 20, 2014	March 20, 2015	March 20, 2014
		IRR million	IRR million	IRR million	IRR million
Investment in Shares of Other Companies	(12-2-1)	737,319	488,029	414,763	479,771
Investment in Construction Projects		379,312	541,063	414,763	0
		1,116,631	1,029,092	829,526	479,771

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12.2.1. Investment in other companies is as follows:

Investee Companies	Investees' Total No. of Shares	Shares Owned by the Bank	Ownership (%)	Group		Company	
				March 20, 2015	March 20, 2014	March 20, 2015	March 20, 2014
				IRR million	IRR million	IRR million	IRR million
Karafarin Bank Investment Co. (12-2-2)	200,000,000	97,969,000	48.98%	0	0	97,969	159,969
Karafarin Leasing Co.	100,000,000	99,999,996	100%	0	0	100,000	100,000
Karafarin Bank Brokerage Co.	50,000,000	49,999,996	100%	0	0	50,000	50,000
Karafarin Insurance Co.	1,200,000,000	239,969,739	20%	338,291	337,028	109,132	109,132
Karafarin Bureau de Change	20,000,000	19,996,000	99.98%	0	0	19,996	19,996
Karafarin Abnieh Gostar Co.	10,000,000	4,899,999	49%	2,602	1,021	4,900	4,900
Karafarin Trade Development Co.	0	0	0	19,131	7,506	0	0
Amin Etemad Karafarin Co.	0	0	0	1,786	700	0	0
Mofid Economic Group	0	0	0	115,080	105,000	0	0
Bourse Kalaye Iran	0	0	0	0	500	0	0
Kardan Co.	0	0	0	27,366	30,974	27,366	30,974
Ofogh Petro Polymer Co.	0	0	0	227,163	0	0	0
Others	0	8,499,998	0	5,900	5,300	5,400	4,800
				737,319	488,029	414,763	479,771

12.2.2. The Bank's investment in Karafarin Bank Investment Co. decreased by 30% in May 10, 2014. The Bank's ownership percentage in the mentioned company was 49% at the date of this report.

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12.3. Details of Group's subsidiary and affiliated companies are as follows:

	Note	Location Group	Percent of Investment		Main Activity
			Company		
Affiliated Companies:					
Karafarin Insurance Co.	(12-3-1)	Tehran	22.83	20	Issuance of insurances
Subsidiary Companies:					
Karafarin Bank Investment Co.		Tehran	49	49	Investment in shares of companies & institutions
Karafarin Leasing Co.		Tehran	100	100	Cash, instalment & hire purchase sales
Karafarin Bank Brokerage Co.		Tehran	100	100	Trading shares
Karafarin Bureau de Change		Tehran	100	100	Trading foreign currencies, coins gold & silver
Karafarin Abnieh Gostar Co.		Tehran	74	49	Implementation of construction projects including renovation
Omid Karafarin Trade Development Co.		Tehran	37	0	All legal trade activities
Amin Etemad Karafarin Co.		Tehran	49	0	Receiving differed dues of the Bank & Group companies
Asr Amin Karafarin Co.		Tehran	100	0	
Quota From Net Assets					
IRR million					
Investment in Affiliated Company (Karafarin Insurance Co.)					
Balance at the Beginning of the Year	337,028				
Quota from Profit of Affiliated Companies – Performance of 2013-14	68,754				
Dividend Received during the Year	(67,490)				
	338,291				

12.3.1. Having membership on the Board of Directors of the Karafarin Insurance Company, the Karafarin Bank holds considerable influence on the said company. Therefore, the Karafarin Insurance Company is considered to be the Bank's subsidiary company.

Based on the financial statements for the period ended March 2015 (until the date of this report, the auditing was not finished) total assets, liabilities, income and net profit of the Karafarin Insurance Company were IRR14,580,062 billion, IRR12,841,063 billion, IRR3,743,205 billion and IRR321,507 billion respectively.

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13. FIXED ASSETS

13.1. Table of cost and accumulated depreciation of fixed assets of the Group is as follows:

Assets	Cost - IRR million				Accumulated Depreciation - IRR million			Book Value – IRR million			
	20.03.14	Increase	Decrease	Transfers	Adjustments	20.03.15	20.03.14	Depreciation Expenses	Depreciation of Sold Properties	20.03.15	20.03.14
Land	2,455,967	20,812		29,414		2,506,193				2,506,193	2,455,967
Building	744,430	6,212	(78,855)	109,573		781,361	123,101	15,474		138,578	642,783
Motor Vehicles	7,342	1,939	(158)			9,124	4,171	936	(80)	5,027	4,096
Furniture	438,728	75,689	(9,427)			504,991	147,486	59,141	(6,809)	199,818	305,172
Total	3,646,467	104,652	(88,440)	138,987		3,801,669	274,761	75,551	(6,889)	343,423	3,458,244
Capital Prepayments	456,321	349,314		(52,662)	(124,708)	628,265					628,265
Assets under Completion	784,838	738,793		(86,325)	(37,395)	1,399,911					1,399,911
Total	4,887,626	1,192,759	(88,440)		(162,103)	5,829,845	274,761	75,551	(6,888)	343,423	5,486,421
											4,612,864

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13.2. Table of cost and accumulated depreciation of fixed assets of the Company is as follows:

Assets	Company						Book Value – IRR million					
	20.03.14	Increase	Decrease	Transfers	Adjustments	20.03.15	20.03.14	20.03.15	20.03.14	20.03.15		
							Cost - IRR million	Accumulated Depreciation - IRR million	Depreciation of Sold Properties			
Land	2,835,239	20,812	-	29,414	-	2,885,465	-	-	-	2,885,465	2,835,239	
Building	646,388	6,212	-	109,573	-	762,173	167,060	37,160	-	204,220	557,953	479,328
Motor Vehicles	5,997	1,109	(158)	-	-	6,948	3,632	585	(80)	4,137	2,811	2,365
Furniture	425,330	72,679	(9,296)	-	-	488,713	142,666	56,982	(6,729)	192,919	295,794	282,664
Total	3,912,954	100,812	(9,454)	138,987	4,143,299	313,358	94,727	(6,809)	401,276	3,742,023	3,599,596	
Capital Prepayments	456,322	349,276	(52,662)	(124,708)	628,228					628,228	456,322	
Assets under Completion	784,839	603,619	(86,325)	(37,395)	1,264,738					1,264,738	784,839	
Total	5,154,115	1,053,707	(9,454)	0	(162,103)	6,036,264	313,358	94,727	(6,809)	401,276	5,634,990	4,840,757

* Tangible fixed assets have been fully insured against potential risks from fire, flood and earthquake.

* Of the capital prepayment adjustments, the amount of IRR 123,189 million is related to the transfer of purchased properties and their goodwill to the heading of intangible assets.

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13.3. The Bank's land and goodwill was revalued in 2011-12 and a difference in the amount of IRR2,043,597 million has been identified under the heading of excess revaluation and classified under the heading of shareholders equity, IRR2,000,000 million of which was then allocated to the Bank's capital, following its capital increase on June 12, 2012.

13.4. Ratio of Net Fixed Assets to Shareholders' Equity

	IRR million
Immovable Assets	3,647,640
Less:	
Accumulated Depreciation-Immovable Assets	(204,219)
Net Balance-Immovable Assets	3,443,421
Immovable Assets Under Construction	1,264,737
Capital Prepayments	619,053
Movable Assets	495,661
Less:	
Accumulated Depreciation-Movable Assets	(197,056)
Net Balance-Movable Assets	298,605
Warehouse Inventory	35,506
Intangible Assets	4,152,993
Purchased Immovable Assets through Hire Purchase	3,511
Net Fixed Assets	9,817,827
Equity less Retained Earnings and Unearned Income	11,340,984
Ratio of Net Fixed Assets to Equity less Retained Earnings and Unearned Income	86.6%

13.4.1. According to the CBI circular number 89/257248 dated (10.02.2011), fixed assets to shareholders' equity ratio was 70% and it has been decided that in the event where the banks violate the mentioned ratio, a penalty equivalent to the highest interest rate for the amount and the length of violation should be paid in the accounts of depositors. The aforementioned ratio at the end of the 2012-13 financial period was 84.7%.

13.4.2. According to the CBI circular number 91/332502 dated 26.02.2013, the aforementioned ratio was reduced from 70% to 30% and banks are required to comply with the ratification within a year and the mentioned penalties remain. The aforementioned ratio at the end of the 2013-14 and 2014-15 financial periods was approximately 86%.

13.4.3. Due to the shortcomings in the implementation of the previous circulars and the impossibility to comply with the above circular (30% ratio), the CBI increased the ratio to 75% in its circular number 94/62147 dated 01.06.2015 and banks have been required to increase this ratio by at least 30% (by selling their excess fixed assets).

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In addition, the CBI has eliminated the penalties set forth in the previous circulars for non-compliance (payable to depositors).

13.4.4. The Bank has provided monthly reports on the mentioned ratio to the CBI and since the CBI has not notified the Bank on any penalties, there is no reason for the Bank's management to believe that such penalties apply in its case.

14. INTANGIBLE ASSETS

	Group		Company	
	March 20, 2015	March 20, 2014	March 20, 2015	March 20, 2014
	IRR million	IRR million	IRR million	IRR million
Goodwill	3,991,857	3,736,682	3,991,857	3,736,682
Computer Software Applications	8,113	17,364	6,197	15,845
Deposit for Landline Rights	18,647	13,276	18,491	13,126
	<u>4,018,617</u>	<u>3,767,322</u>	<u>4,016,545</u>	<u>3,765,653</u>

15. OTHER ASSETS

	Group		Company	
	March 20, 2015	March 20, 2014	March 20, 2015	March 20, 2014
	IRR million	IRR million	IRR million	IRR million
Repossessed Collaterals	729,495	690,833	723,476	681,782
Security Deposit for Rental Buildings	133,179	141,411	133,178	140,411
Inventory of Movable Furniture	35,506	15,953	35,506	15,953
Chequebook Printing Rights	1,573	474	1,573	475
Others	32,562	45,108	1,696	1,739
	<u>932,315</u>	<u>893,779</u>	<u>895,429</u>	<u>840,360</u>

16. DUES TO THE CENTRAL BANK OF IRAN

	Group		Company	
	March 20, 2015	March 20, 2014	March 20, 2015	March 20, 2014
	IRR million	IRR million	IRR million	IRR million
Foreign Currency Term Deposit	8,583,239	8,778,575	8,583,239	8,778,575
Dues for Purchasing Foreign Currency	1,097,936	913,781	1,097,936	913,781
Dues for Foreign Currency Provision	108,946	179,402	108,946	179,402
Dues to National Development Fund	18,000	0	18,000	0
	<u>9,808,121</u>	<u>9,871,758</u>	<u>9,808,121</u>	<u>9,871,758</u>

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17. DUES TO BANKS AND CREDIT INSTITUTIONS

March 20, 2015		Group		Company	
		March 20, 2014	March 20, 2015	March 20, 2014	March 20, 2015
Accounts Due	Note	IRR million	IRR million	IRR million	IRR million
Banks' Deposits Held with Us	(17-1)	1,250,186	1,382,614	1,250,186	1,382,614
Banks' Deposits		520,178	405,923	520,178	405,923
Interbank Credits-Cheque Clearing		83,972	12,898	83,972	12,898
Facilities Received from Banks	(17-2)	1,064,967	629,905	0	0
Others		155,056	249,898	155,056	249,898
		3,074,359	2,681,238	2,009,392	2,051,333

17.1. Banks' deposits held with us are as follows:

March 20, 2015		Group		Company	
		March 20, 2014	March 20, 2015	March 20, 2014	March 20, 2015
Accounts Due	Note	IRR million	IRR million	IRR million	IRR million
Foreign Currency Term Deposit – Foreign Bank (Bahrain's Future Bank - Emirates Dirhams)		1,246,610	1,077,301	1,246,610	1,077,301
Banks' Investment Deposits Held with Us	(17-1-1)	3,576	305,313	3,576	305,313
		1,250,186	1,382,614	1,250,186	1,382,614

17.1.1. Banks' investment deposits held with us are as follows:

	Group		Company	
	March 20, 2015	March 20, 2014	March 20, 2015	March 20, 2014
	IRR million	IRR million	IRR million	IRR million
Eghtesad Novin Bank	0	300,000	0	300,000
Tose'eh Credit Institute	3,559	5,297	3,559	5,297
Other Banks	17	16	17	16
	3,576	305,313	3,576	305,313

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17.2. Facilities received from Group companies are mainly related to Karafarin Leasing Co.

18. DEMAND DEPOSITS

	Group		Company	
	March 20, 2015	March 20, 2014	March 20, 2015	March 20, 2014
	IRR million	IRR million	IRR million	IRR million
Gharz-al-Hassaneh Current Deposits- Iranian Rial (LCY)	1,738,096	1,452,101	1,738,096	1,452,101
Gharz-al-Hassaneh Current Deposits- Foreign Currency (FCY)	257,470	481,933	257,470	481,933
	1,995,566	1,934,034	1,995,566	1,934,034

19. GHARZ-AL-HASSANEH SAVINGS DEPOSITS

	Group		Company	
	March 20, 2015	March 20, 2014	March 20, 2015	March 20, 2014
	IRR million	IRR million	IRR million	IRR million
Gharz-al-Hassaneh Savings Deposits- FCY	373,567	481,165	373,567	481,165
Gharz-al-Hassaneh Savings Deposits- LCY (IRR)	16,492	7,891	16,492	7,891
	390,059	489,056	390,059	489,056

20. TERM INVESTMENT DEPOSITS

	Group		Company	
	March 20, 2015	March 20, 2014	March 20, 2015	March 20, 2014
	IRR million	IRR million	IRR million	IRR million
Long-Term Investment Deposits	47,306,736	35,165,829	47,306,736	35,165,829
Short-Term Investment Deposits	20,477,186	20,835,315	20,846,968	21,013,761
Short-Term Special Investment Deposits	8,206,123	9,280,534	8,206,122	9,280,534
	75,990,045	65,281,678	76,359,826	65,460,124

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20.1. Term investment deposits based on currency unit are as follows:

	Company					
	March 20, 2015			March 20, 2014		
	IRR	FCY	Total	IRR	FCY	Total
	IRR million					
Long-Term Investment Deposits	47,199,572	107,165	47,306,737	34,791,164	374,665	35,165,829
Short-Term Investment Deposits	20,790,143	56,824	20,846,967	20,896,346	117,415	21,013,761
Short-Term Special Investment Deposits	8,206,122	0	8,206,122	9,280,534	0	9,280,534
	76,195,837	163,989	76,359,826	64,968,044	492,080	65,460,124

20.1.1. Non-IRR (FCY) term investment deposits are disaggregated by foreign currency at the balance sheet date as follows:

Currency	Company					
	Long-Term		Short-Term		Total	
	FCY	IRR million	FCY	IRR million	FCY	IRR million
US Dollar	1,544,975	43,250	633,534	17,735	2,178,509	60,985
Euro	2,031,207	61,253	1,291,811	38,956	3,323,018	100,209
British Pound Sterling	32,210	1,343	3,200	133	35,410	1,476
UAE Dirham	173,000	1,319	-	-	173,000	1,319
		107,165		56,824		163,989

20.2. Interest rates on IRR term deposits are outlined in the table below:

Term Deposits	March 20, 2015		March 20, 2014	
	Monthly Profit Payment	Profit Payment on Due date	Monthly Profit Payment	Profit Payment on Due date
One-Year Deposit	22%	22%	17%-23%	18%
Two-Year Deposit	22%	44%	18%-21%	43%
Three-Year Deposit	22%	66%	18.5%-24%	73%
Four-Year Deposit	22%	88%	19%-28%	113%
Five-Year Deposit	22%	110%	20%-34%	170%
General Investment Special Certificate of Deposit	22%	-	20%	-
Short-Term Deposit	10%	-	7%-18%	-
Special Short-Term Deposit	14%-18%	-	10%-23%	-

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20.3. The table below presents a classification of term investment deposits by maturity and interest rates.

	March 20, 2015					March 20, 2014
	Over 20%	17% - 20%	12% - 17%	Less than 12%	Total	Total
	IRR million	IRR million	IRR million	IRR million	IRR million	IRR million
Before 2014-15	0	0	10	995	1,005	20,932,951
2014-15	7,073,124	7,711,811	0	6,115,918	20,900,853	28,716,541
2015-16	44,926,152	1,831,806	27,141	114,410	46,899,509	3,233,677
2016-17	1,044,672	1,040,475	0	1,456	2,086,603	3,071,124
2017-18	615,489	975,304	0	0	1,590,793	3,310,997
2018-19	2,918,787	691,963	0	0	3,610,750	6,194,834
2019-20	1,225,253	45,061	0	0	1,270,314	0
	57,803,477	12,296,420	27,151	6,232,778	76,359,826	65,460,124

20.4. Flow term investment deposits are as follows:

Deposits	Company			
	Balance at 20 March 2014	New Deposits	Principal Repayment	Balance at 20 March 2015
	IRR million	IRR million	IRR million	IRR million
One-Year Deposit	14,700,763	29,010,492	(14,935,339)	28,775,916
Two-Year Deposit	1,733,288	164,021	(1,545,823)	351,486
Three-Year Deposit	27,764	5,363	(11,585)	21,542
Four-Year Deposit	29,974	3,873	(14,213)	19,634
Five-Year Deposit	16,023,494	3,859,857	(9,955,611)	9,927,740
General Investment Special Certificate of Deposit	2,650,545	27,967,395	(22,407,522)	8,210,418
Short-Term Deposit	21,013,762	661,555,945	(661,722,739)	20,846,968
Special Short-Term Deposit	9,280,534	7,943,486	(9,017,898)	8,206,122
	65,460,124	730,510,432	(719,610,730)	76,359,826

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21. OTHER DEPOSITS

	Group		Company	
	March 20, 2015	March 20, 2014	March 20, 2015	March 20, 2014
	IRR million	IRR million	IRR million	IRR million
Cash Deposits on L/Gs-IRR	1,875,669	1,508,978	1,875,669	1,508,978
Cash Deposits on L/Gs-FCY	113,826	118,910	113,826	118,910
Customer Prepayments for L/Cs	1,845,337	1,337,690	1,845,337	1,337,690
Others	12,262	9,792	12,262	9,792
	3,847,094	3,015,370	3,847,094	3,015,370

22. INCOME TAX PAYABLE

	Group		Company	
	March 20, 2015	March 20, 2014	March 20, 2015	March 20, 2014
	IRR million	IRR million	IRR million	IRR million
Opening Balance	809,678	580,962	750,809	564,263
Provisions for Current Period Performance	665,476	646,324	619,649	589,948
Paid & Prepayment for during the Reporting Period	(880,570)	(417,608)	(812,876)	(403,402)
	594,584	809,678	557,582	750,809

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22.1. Summary of the Bank's tax position over past financial reporting years is described in the table below:

(in IRR million)

Financial Periods	Profit (Loss) Filed by the Bank	Taxable Income Filed by the Bank	20.03.2015 - Taxation				20.03.2014		Assessment Method
			As Filed	As Assessed	Final	Paid	Provision Balance	Provision Balance	
2003-04	156,710	12,177	2,640	29,857	71,370	71,370	0	59,750	Assessment of Books
2004-05	215,976	35,876	8,072	47,838	37,010	37,010	7,883	7,883	Assessment of Books
2005-06	350,189	83,688	18,830	74,640	71,228	71,228	0	0	Assessment of Books
2006-07	529,949	164,155	36,935	149,490	143,415	143,415	0	0	Assessment of Books
2007-08	819,626	335,500	75,487	214,937	232,622	232,622	0	0	Assessment of Books
2008-09	1,450,215	1,034,006	232,651	356,962	382,062	382,062	0	0	Assessment of Books
2009-10	1,905,660	1,174,394	234,879	366,587	389,606	389,606	0	29,020	Assessment of Books
2010-11	2,033,281	1,103,093	220,619	501,440	406,346	406,346	0	95,527	Assessment of Books
2011-12	2,788,856	1,941,225	388,245	629,956	520,910	520,910	0	132,665	Assessment of Books
2012-13	3,177,000	1,912,266	382,453	911,742	0	402,453	0	0	Assessment of Books
2013-14	3,971,082	2,949,742	589,948	722,825	0	589,948	0	485,948	Assessment of Books
2014-15	4,321,646	3,098,244	619,649	0	0	0	619,649		Not Surveyed
Total							627,532	810,793	
Tax Prepayment							(69,950)	(59,984)	
Tax Payable							557,582	750,809	

22.1.1. The corporate tax for the 2002-03 financial year and prior years are final and have been settled.

22.1.2. The final tax assessment for the 2003-04 period has been issued. However, the Bank has appealed to the 258 Committee due to the failure to enforce the tax relief set forth in Article 143.

22.1.3. The final tax assessment note for the 2003-04 to 2011-12 has been issued.

22.1.4. The Bank's appeals against the tax assessments for the 2012-13 period are being processed.

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23. INTEREST PAYABLE (TO DEPOSITORS)

	Balance March 20, 2014	Prepaid Advance Interest	Final Interest – Prepaid Advance Interest	Interest Paid During the Period	Balance March 20, 2015
Short-Term Deposit	48,099	3,604,555	0	(3,640,547)	12,107
Special Short-Term Deposit	7,799	2,137,786	0	(2,145,585)	0
One-Year Deposit	19,137	4,977,763	0	(4,996,898)	2
Two-Year Deposit	2,637	125,248	0	(127,885)	0
Three-Year Deposit	122	4,509	0	(4,631)	0
Four-Year Deposit	165	4,893	0	(5,058)	0
Five-Year Deposit	84,054	2,728,508	0	(2,812,563)	0
Certificate of General Investment Deposit	0	765,976	0	(765,976)	0
	162,013	14,349,238	0	(14,499,143)	12,108

24. PROVISIONS & OTHER LIABILITIES

	Group		Company	
	March 20, 2015	March 20, 2014	March 20, 2015	March 20, 2014
	IRR million	IRR million	IRR million	IRR million
Foreign Currency Bills of Clients	531,200	693,130	531,200	693,130
Provisions for Accrued & Unpaid Expenses	252,476	216,190	237,154	208,873
Margins Held Against Term L/Cs	159,471	735,826	159,471	735,826
Debts of Customers of L/Cs	175,858	324,469	98,984	160,118
Social Security Organisation	55,303	31,132	47,348	30,922
Contractors' Goodwill Deposit	37,200	25,326	37,200	25,326
Cash Deposit on Matured L/Gs	6,490	6,858	6,490	6,858
Other Liabilities	748,450	687,377	813,262	732,745
	1,966,448	2,720,308	1,931,109	2,593,798

Karafarin Bank (PJSC)
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25. PAYABLE DIVIDEND

	Group		Company	
	March 20, 2015	March 20, 2014	March 20, 2015	March 20, 2014
	IRR million	IRR million	IRR million	IRR million
Opening Balance	91,635	56,906	22,332	22,880
Payment during the Year	(2,557,463)	(1,148,073)	(2,558,533)	(1,183,350)
Transfer to Flowing Capital Increase	0	(1,154,698)	0	(1,154,698)
Ratified Dividend	2,554,061	2,337,500	2,550,000	2,337,500
	88,233	91,635	13,799	22,332

25.1. Details of payable dividend of the Company are as follows:

	Ratified Dividend	Dividend Paid		Balance at 20.03.2014	Dividend Paid during 2014-15	Balance at 20.03.2015
		Until the beginning of 2013-14	During 2013-14			
		IRR million	IRR million			
Years before 2011-12	3,700,000	3,653,171	33,632	13,197	4,774	8,423
Year Ended 20.03.2013	2,337,500	0	2,328,365	9,135	7,304	1,831
Year Ended 20.03.2014	2,550,000	0	0	0	2,546,455	3,545
Total	8,587,500	3,653,171	2,361,997	22,332	2,558,533	13,799

25.1. According to the ratification of the Ordinary General Assembly Meeting dated July 16, 2013, the Bank is required to pay the amount of IRR2,338 billion in dividends to its shareholders within two stages.

26. PROVISIONS FOR EMPLOYEES' TERMINATION BENEFITS

	Group		Company	
	March 20, 2015	March 20, 2014	March 20, 2015	March 20, 2014
	IRR million	IRR million	IRR million	IRR million
Provisions-Opening Balance	187,673	132,551	183,720	130,083
Contributions during the Period	(8,605)	(9,963)	(7,398)	(7,445)
Provisions Taken	88,329	65,085	86,160	61,082
Provisions-Closing Balance	267,397	187,673	262,482	183,720

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27. PAID-IN CAPITAL

27.1. The Bank's capital on the date of establishment was IRR30,000 million (comprising 30,000,000 shares with a face value of IRR10,000 per share). The Bank subsequently increased its capital level at various stages as outlined below and at the close of the financial period ending 20 March 2015, the capital was increased to IRR8,500 billion (comprising 8,500 million shares with a face value of IRR10,000 each).

Date	% Increase in Capital	Additional Capital (IRR million)	Capital Level (IRR million)	Source of Additional Capital
02.08.2001	233%	30,000	100,000	Shareholders' loan and cash
22.12.2001	100%	100,000	200,000	Shareholders' loan and cash
13.11.2004	75%	150,000	350,000	Shareholders' cash
26.09.2005	100%	350,000	700,000	Shareholders' loan and cash
19.12.2007	50%	350,000	1,050,000	Shareholders' loan and cash
22.12.2008	90%	950,000	2,000,000	Shareholders' loan and cash
03.10.2010	50%	1,000,000	3,000,000	Shareholders' loan and cash
11.09.2011	50%	1,500,000	4,500,000	Shareholders' loan and cash
22.09.2012	61%	2,750,000	7,250,000	Revaluation surplus & retained profit
28.05.2014	17%	1,250,000	8,500,000	Shareholders' loan and cash

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27.2. Composition of shareholders at the date of balance sheet is as follows:

	March 20, 2015		March 20, 2014	
	No. of Shares	Percent of Shares	No. of Shares	Percent of Shares
Over 1%:				
Legal Entities				
Saba Ta'amin Investment Co. (Public Joint Stock)	750,806,695	8.8%	640,393,948	8.8%
Karafarin Insurance Co. (Public Joint Stock)	644,054,981	7.6%	551,754,139	7.6%
Tose'e Eghtesad Farda Co. (Private Joint Stock)	424,999,998	5.0%	362,500,000	5.0%
Negin Ganjineh Iranian Co. (Private Joint Stock)	424,999,998	5.0%	362,500,000	5.0%
Mehr Afarinan Doran Co. (Private Joint Stock)	424,999,998	5.0%	362,500,000	5.0%
Ideh Gostar Dour Andish Co. (Private Joint Stock)	424,989,998	5.0%	362,490,000	5.0%
Tadbir Investment Co. (Private Joint Stock)	424,931,033	5.0%	365,000,000	5.0%
Modabber Kesht Tous Agricultural Co. (Private Joint Stock)	298,520,693	3.5%	254,620,592	3.5%
Ayandeh Sazan Economic Development Co. (Private Joint Stock)	212,167,093	2.5%	180,966,051	2.5%
South Kar va Andisheh Co. (Ltd.)	106,250,423	1.3%	90,625,362	1.3%
Refah va Ta'amin Atieh Omid Inst.	94,626,283	1.1%	80,710,654	1.1%
Parsian Bank Financial Group Co. (Private Joint Stock)	89,703,946	1.1%	74,700,000	1.0%
Tous Asphalt Co. (Private Joint Stock)	85,232,617	1.0%	72,698,409	1.0%
Total	4,406,283,756	51.8%	3,761,459,155	51.9%
Real Entities	1,874,077,374	22.0%	1,672,560,454	23.07%
Others (Less than 1%):				
Real Entities	436,859,505	5.1%	355,052,554	4.9%
Legal Entities	1,782,779,365	21.0%	1,460,927,837	20.2%
	4,093,716,244	100%	3,488,540,845	100%
No. of Shareholders:				
Legal Entities	4,843,143,261	162 Persons	4,116,511,709	167 Persons
Real Entities	3,656,856,739	7,491 Persons	3,133,488,291	7,780 Persons

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27.3. Shares of the Parent Company in ownership of the affiliated companies:

	March 20, 2015		March 20, 2014	
	% of Ownership	No. of Shares	Cost	
			IRR million	IRR million
Karafarin Insurance Co.	7.58%	644,054,981	1,212,166	1,108,602

27.4. Capital Adequacy

The Capital Adequacy Ratio (CAR) is measured by dividing the Bank's capital base by its risk-weighted assets. Based on the requirements of the Basel Accord, this ratio should be no less than 8 percent in all banks. The CAR, which is a key indicator in analysing the financial statements of banks, may reflect a bank's ability in confronting unforeseeable risks and losses. The following table presents the Bank's CAR between two recent time intervals.

	Note	Company	
		March 20, 2015	March 20, 2014
		IRR million	IRR million
Paid-in Capital		6,500,000	5,250,000
Legal Reserves		2,840,984	2,285,685
Retained Earnings		3,501,341	2,909,144
Total Tier 1 Capital		12,842,325	10,444,829
General Provisions on Loans and Investments		1,080,566	907,556
Asset Revaluation Surplus		2,000,000	2,000,000
Total Base Capital Before Deductions		3,080,566	2,907,556
Investments in Shares of Banks and Credit Institutions		(336,032)	(343,494)
		2,744,534	2,564,062
Capital Base		15,586,859	13,008,891
		÷	÷
Total Risk-Weighted Assets	(27-5)	90,989,151	79,990,641
Capital Adequacy Ratio (%)		17.13	16.26

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27.5. Risk-Weighted Assets

Risk-Weighted Assets	Company				
	March 20, 2015			March 20, 2014	
	Assets	Risk Weight	Risk-Weighted Asset	Assets	Risk-Weighted Asset
	IRR million	Percent	IRR million	IRR million	IRR million
Cash	814,811	-	-	660,464	-
Dues from CBI	10,657,956	-	-	10,644,794	-
Dues from Other Banks and Credit Institutions	15,918,873	20	3,183,776	15,316,850	3,063,371
State Participation Securities	-	-	-	-	-
Non-State Participation Securities	87,017	100	87,017	1,087,017	1,087,017
Investments	1,950,517	100	1,950,517	2,468,916	2,468,916
Accounts Receivable (Debtors)	2,215,917	100	2,215,917	1,740,981	1,740,981
Prepayments	116,753	100	116,753	133,784	133,784
Loans and Facilities (Hire Purchase- <i>Ijara</i>) and Mortgages	1,656,383	50	828,192	1,510,909	755,455
Debtors on Long-Term L/Cs	115,113	100	115,113	133,397	133,397
Other Loans and Financial Facilities	67,656,724	100	67,656,724	56,770,515	56,770,515
Net Fixed Assets and Goodwill	9,651,535	100	9,651,535	8,606,410	8,606,410
Other Assets	895,431	100	895,431	840,360	840,361
Commitments on Issued L/Gs (Conversion Factor: 20%)	3,983,805	100	3,983,805	3,254,639	3,254,639
Commitments on Issued L/Gs (Conversion Factor: 50%)	107,148	100	107,148	79,193	79,193
Commitments on Issued L/Cs (Conversion Factor: 20%)	197,226	100	197,226	1,056,603	1,056,603
Total Risk-Weighted Assets	116,025,209		90,989,154	104,304,832	79,990,641

28. STATUTORY RESERVES

	Group		Company	
	March 20, 2015	March 20, 2014	March 20, 2015	March 20, 2014
	IRR million	IRR million	IRR million	IRR million
Opening Balance	2,318,434	1,807,377	2,285,685	1,778,515
Appropriated from Net Profit	549,895	511,057	555,299	507,170
Closing Balance	2,868,329	2,318,434	2,840,984	2,285,685

28.1. Based on Article 33 of the Money & Banking Regulations, 15 percent of net profit is allocated annually to statutory reserves. Annual appropriations to statutory reserves will continue until the retained balance in this account equals that of the Bank's paid-in capital.

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29. MINORITY INTEREST

	Group	
	March 20, 2015	March 20, 2014
	IRR million	IRR million
Capital	138,049	61,758
Capital Increase Fund	146,250	0
Statutory Reserve	13,624	5,306
Retained Earnings	59,159	15,679
Unrealised Profit of Selling Inter-Group Fixed Assets	(205,103)	(73,910)
	151,979	8,833

29.1. Capital increase fund related to Karafarin Investment Co.

30. INTEREST ON LOANS AND FACILITIES

	Group		Company	
	Year Ended March 20, 2015	Year Ended March 20, 2014	Year Ended March 20, 2015	Year Ended March 20, 2014
	IRR million	IRR million	IRR million	IRR million
Joint Income from Loans & Facilities	16,554,023	11,912,988	16,554,023	11,912,988
Non-Joint Income from Loans & Facilities	311,148	776,188	98,927	582,175
	16,865,171	12,689,176	16,652,950	12,495,163

	Group		Company	
	Year Ended March 20, 2015	Year Ended March 20, 2014	Year Ended March 20, 2015	Year Ended March 20, 2014
	IRR million	IRR million	IRR million	IRR million
Morabebeh (Installment Sale)	66,318	43,836	66,318	43,836
Joaleh (Commissions-Based Service)	1,978	870	1,978	870
Ijara Thumma al-Bai (Hire Purchase)	179,626	4,952	3,603	4,952
Salaf (Forward Sale)	4,804	0	4,804	0
Mozarabeh (Retail/Corporate Banking)	1,525,948	1,456,080	1,525,948	1,452,080
Mosharekat-e-Madani (Joint Partnership)	12,637,963	8,628,110	12,637,963	8,438,110
Other Facilities	69,801	71,599	68,485	71,599
Penalties	2,378,733	2,483,729	2,343,851	2,483,716
	16,865,171	12,689,176	16,652,950	12,495,163

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31. INTEREST ON DEPOSITS AND INCOME FROM INVESTMENTS

	Group		Company	
	Year Ended March 20, 2015	Year Ended March 20, 2014	Year Ended March 20, 2015	Year Ended March 20, 2014
	IRR million	IRR million	IRR million	IRR million
Joint Income on Investments and Deposits	2,648,522	1,795,137	3,057,452	1,840,659
Non-Joint Income-Investments and Deposits	54,768	86,915	4,526	86,915
	2,703,290	1,882,052	3,061,978	1,927,574

	Note	Group		Company	
		Year Ended March 20, 2015	Year Ended March 20, 2014	Year Ended March 20, 2015	Year Ended March 20, 2014
		IRR million	IRR million	IRR million	IRR million
Dividend of Subsidiary Companies		0	0	408,930	45,523
Dividend of Affiliated Companies		63,112	19,198	63,112	19,198
Dividend of Other Companies	(31-1)	324,364	181,048	288,441	181,048
		387,476	200,246	760,483	245,769
Profit from Trading Shares	(31-1)	360,857	435,795	360,857	435,795
Profit from Investments:					
Interest on Deposits		1,790,593	881,956	1,776,274	881,956
Interest on Participation Securities		64,020	292,709	64,020	292,709
Interest on Statutory Reserve – Bank’s Quota		4,526	5,343	4,526	5,343
Interest on Statutory Reserve – Depositor’s Quota		95,818	66,003	95,818	66,003
Profit from Investments		1,954,957	1,246,011	1,940,638	1,246,011
		2,703,290	1,882,052	3,061,978	1,927,574

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31.1. Dividends of companies are as follows:

	Group		Company	
	Year Ended March 20, 2015	Year Ended March 20, 2014	Year Ended March 20, 2015	Year Ended March 20, 2014
	IRR million	IRR million	IRR million	IRR million
Khalij Fars Petrochemical Co.	58,881	5,844	58,881	5,844
Tejarat Bank	48,230	539	48,230	539
Esfahan Oil Refinery	35,166	19,645	35,166	19,645
Khouzestan Steel Co.	25,630	29,231	25,630	29,231
National Iranian Copper Industries Co.	17,296	22,871	17,296	22,871
Maroun Petrochemical Co.	15,431	18,966	15,431	18,966
Parsian Oil & Gas Development Co.	13,853	15,596	13,853	15,596
Jam Petrochemical Co.	9,972	0	9,972	0
Civil Pension Fund	9,157	7,964	9,157	7,964
Iran Investment Co.	8,750	105	8,750	105
Shiraz Petrochemical Co.	8,702	4,888	8,702	4,888
Zagros Petrochemical Co.	5,073	1,025	5,073	1,025
Ghadir Investment Co.	3,424	9,404	3,424	9,404
Fanavaran Petrochemical Co.	3,302	10,179	3,302	10,179
Shomal Excavation Co.	2,539	3,498	2,539	3,498
Shazand Petrochemical Co.	2,250	450	2,250	450
Behshahr Development Industries	1,824	700	1,824	700
Pasargad Bank	1,696	550	1,696	550
Tabriz Oil Refinery	1,303	270	1,303	270
Esfahan Mobarakeh Steel Co.	1,254	1,625	1,254	1,625
Kermanshah Petrochemical Industries	1,107	2,942	1,107	2,942
Shiraz Oil Refinery	1,020	240	1,020	240
Chador Malou Co.	1,015	0	1,015	0
National Development Group Investment	1,011	119	1,011	119
Other Companies	46,478	24,397	10,555	24,397
Total	324,364	181,048	288,441	181,048

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31.2. Profit (loss) from sales of companies' shares in the Parent Company is as follows:

	2014-15				2013-14
	No. of Shares	Sales	Cost	Profit (Loss)	Profit (Loss)
		IRR million	IRR million	IRR million	IRR million
Karafarin Bank Investment Co.	62,000,000	290,036	62,000	228,036	0
Khalij Fars Petrochemical Co.	17,802,488	240,740	146,447	94,293	84,175
Ghadir Investment Co.	5,855,759	43,121	24,287	18,833	6,214
Gohar Zamin Sokouk Co.	298,070	305,426	298,165	7,261	0
Maroun Petrochemical Co.	366,857	13,954	6,904	7,050	11,652
Omid Rent Sokouk Co.	84,990	88,615	85,047	3,420	580
Tejarat Bank	8,538,053	11,591	9,582	2,009	10,329
Asia Insurance Co.	2,087,021	2,986	1,838	1,148	994
Fanavaran Petrochemical Co.	50,650	1,536	592	943	30,961
Chador Malou Sokouk Co.	60,090	61,050	60,113	937	180
Civil Pension Fund	1,588,839	3,543	2,814	730	13,182
SAIPA Co.	5,244,323	10,209	9,940	269	902
Shomal Excavation Co.	305,772	1,342	1,091	251	7,689
Arfa'a Steel Co.	150,000	650	452	198	0
Parsian Oil & Gas Development Co.	525,013	4,147	3,243	(179)	84,065
Oroumieh Cement Co.	100,586	620	845	(225)	0
Behshahr Development Industries	800,000	1,118	1,550	(433)	285
Tabriz Oil Refinery	96,200	843	2,790	(1,947)	3,712
Shiraz Oil Refinery	300,000	1,854	3,848	(1,991)	1,166
Other Companies	2,107,257	7,501	7,245	254	179,709
	108,361,968	1,090,882	728,793	360,857	435,795

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32. PAID INTEREST ON INVESTMENT DEPOSITS

	Group		Company	
	Year Ended March 20, 2015	Year Ended March 20, 2014	Year Ended March 20, 2015	Year Ended March 20, 2014
	IRR million	IRR million	IRR million	IRR million
Short-Term (1-Month) Deposit	3,479,294	1,961,775	3,604,555	2,006,805
Short-Term (3-Month) Special Deposit	2,070,477	369,158	2,070,477	369,158
Special Deposit (4-Month)	57,993	52,910	57,993	52,911
Short-Term (6-Month) Special Deposit	8,986	4,832	8,986	4,832
Short-Term (9-Month) Deposit	280	246	280	246
Special Deposit (11-Month)	50	279	50	279
One-Year Deposit	4,977,763	1,048,619	4,977,763	1,048,619
Two-Year Deposit	125,248	144,504	125,248	144,504
Three-Year Deposit	4,509	6,687	4,509	6,687
Four-Year Deposit	4,893	9,010	4,893	9,010
Five-Year Deposit	2,728,508	4,606,114	2,728,508	4,606,114
Investment Deposit Guaranteed – Public (1-Year)	451,202	24,779	451,202	24,779
Investment Deposit Guaranteed – Public (2-Year)	314,774	1,366,867	314,774	1,366,867
Investment Deposit Guaranteed – Public (3-Year)	0	1,199	0	1,199
Total	14,223,977	9,596,980	14,349,238	9,642,010

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33. DIFFERENCE BETWEEN FINAL AND ON-ACCOUNT PROFIT INVESTMENT DEPOSITS

The difference between final and on-account profit investment term deposits of the clients based on the CBI Circular No. 87/126331 dated 08.05.2008 is calculated as follows:

	March 20, 2015		March 20, 2014
	IRR million	IRR million	IRR million
Average of Granted Facilities	69,590,849		53,274,490
Average of Investments	2,295,711		2,335,612
Average of Deposits & Deposit Guarantees	6,380,751		3,701,671
Average of Participation Bonds	176,248		834,167
		78,443,559	
Less: Net Resources of Depositors:			
Average of Investment Deposits – IRR	71,874,742		54,275,537
Average of Legal Deposit	(9,508,770)		(6,595,202)
Net Resources of Depositors		62,365,972	47,680,335
Bank's Resources		16,077,587	12,465,604
Profit of Granted Facilities		16,554,023	12,161,365
Profit of Participation Bonds		64,020	211,137
Profit of Deposits		1,776,274	881,956
Profit of Investments		1,121,340	681,564
Total Joint Profit		19,515,657	13,936,021
Depositors Profit Quota from Joint Revenues		15,515,779	11,047,698
Profit of Legal Deposit		95,818	66,003
Benefits of Depositors		15,611,597	11,113,701
Attorney Fee (2.5% per Year)		(1,796,869)	(1,356,888)
Payable Benefits to Depositors		13,814,728	9,756,813
Paid On-Account Profit to Depositors during the Year		(14,349,238)	(9,606,279)
Deficit (Surplus) of Paid Profit to Depositors		(534,510)	150,534

* The amounts of granted facilities, investments, participation bonds, investment deposits and legal deposit calculated based on average 52 weeks per year.

It is noteworthy that the maximum rate of power of attorney fees for term investment deposits has been set by the CBI at 2.5% according to Article 3 of its policies dated 1390/01/18 (07.04.2011)

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34. COMMISSION INCOME

	Group		Company	
	Year Ended March 20, 2015	Year Ended March 20, 2014	Year Ended March 20, 2015	Year Ended March 20, 2014
	IRR million	IRR million	IRR million	IRR million
Issuance of Letters of Guarantee	406,379	304,664	406,379	304,664
Foreign Currency Transactions	156,077	246,517	156,077	246,517
Managed Funds	823	891	823	891
Other Services	117,979	157,985	77,685	82,726
	681,258	710,057	640,964	634,798

35. INCOME FROM FOREIGN EXCHANGE TRANSACTIONS

	Group		Company	
	Year Ended March 20, 2015	Year Ended March 20, 2014	Year Ended March 20, 2015	Year Ended March 20, 2014
	IRR million	IRR million	IRR million	IRR million
USD-US Dollar	169,007	436,137	169,007	436,137
EUR-Euro	4,540	(241,190)	4,540	(241,190)
CNY-Chinese Yuan	24,251	483,326	24,251	483,326
KRW-South Korean Won	26,569	14,170	26,569	14,170
INR-Indian Rupee	24,450	45,707	24,450	45,707
SEK-Swedish Krona	(116)	4,138	(116)	4,138
CHF-Swiss Franc	31,710	(133,177)	31,710	(133,177)
QAR-Qatari Rial	2,096	9,340	2,096	9,340
GBP-British Pound	73	5,945	73	5,945
OMR-Omani Rial	157	1,190	157	1,190
JPY-Japanese Yen	3,524	(52,115)	3,524	(52,115)
RUB-Russian Ruble	(447)	(8,374)	(447)	(8,374)
AED-Emirates Dirham	(96,180)	(337,583)	(96,180)	(337,583)
TRY-Turkish Lira	3,213	3,913	3,213	3,913
	192,847	231,427	192,847	231,427

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36. OTHER INCOME

	Group		Company	
	Year Ended March 20, 2015	Year Ended March 20, 2014	Year Ended March 20, 2015	Year Ended March 20, 2014
	IRR million	IRR million	IRR million	IRR million
Penalty for Cancelling Deposits Earlier than the Due Date	116,997	55,488	116,997	55,488
Professional Services Fees	97,838	72,121	97,838	72,121
Profit (Loss) on Fixed Asset Disposal	123,565	117,388	42,727	16,252
Others	464,860	354,971	257,749	146,054

37. GENERAL AND ADMINISTRATIVE EXPENSES

	Note	Group		Company	
		Year Ended March 20, 2015	Year Ended March 20, 2014	Year Ended March 20, 2015	Year Ended March 20, 2014
		IRR million	IRR million	IRR million	IRR million
Personnel Expenses	(37-1)	939,871	726,287	866,640	663,202
Other Administrative Expenses	(37-2)	620,029	497,830	583,454	466,005
		1,559,900	1,224,117	1,450,094	1,129,207

37.1. Personnel expenses are as follows:

	Group		Company	
	Year Ended March 20, 2015	Year Ended March 20, 2014	Year Ended March 20, 2015	Year Ended March 20, 2014
	IRR million	IRR million	IRR million	IRR million
Wages, Salaries & Allowances	735,809	581,993	681,143	529,637
Insurance Employer Quota & Unemployment Insurance	94,904	70,388	88,760	66,102
Work Termination Benefits	94,202	68,388	89,309	64,165
Travel & Mission Allowances	9,092	4,037	6,288	2,506
Others	5,864	1,481	1,140	792
	939,871	726,287	866,640	663,202

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37.2. Other administrative expenses are as follows:

	Group		Company	
	Year Ended March 20, 2015	Year Ended March 20, 2014	Year Ended March 20, 2015	Year Ended March 20, 2014
	IRR million	IRR million	IRR million	IRR million
Depreciation Expenses	87,550	59,606	104,684	72,875
Consultancy Fees *	109,305	84,995	97,083	72,334
Automated Systems' Expenses	92,398	57,382	90,195	55,796
Rent Expenses	55,760	50,036	52,000	52,252
Water, Electricity, Energy & Telephone Expenses	48,771	39,116	46,212	37,447
Repair & Maintenance of Buildings	49,314	39,976	46,393	37,354
Utilities' Expenses	35,679	26,858	33,394	25,533
Advertising Expenses	24,715	22,234	24,121	21,886
Training Expenses	4,807	3,199	4,807	3,199
Insurance Expenses of Cash & Assets	4,685	1,640	1,763	1,302
Board of Directors Attendance Expenses	2,197	1,228	650	460
Other Expenses	104,784	111,482	82,152	85,567
	620,029	497,830	583,454	466,005

* A major portion of fees paid relates to such outsourcing services as branch security, branch cleaning and general maintenance, and postage charges.

38. LOAN LOSS PROVISIONS' EXPENSES

	Group		Company	
	Year Ended March 20, 2015	Year Ended March 20, 2014	Year Ended March 20, 2015	Year Ended March 20, 2014
	IRR million	IRR million	IRR million	IRR million
Loan Loss Provision-General	180,071	203,402	173,010	196,949
Loan Loss Provision-Specific	347,577	148,797	347,577	139,798
	527,648	352,199	520,587	336,747

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38.1. Specific loan loss provision for the year ended 20.03.2015 according to Note 4-7 is as follows:

	Overdue	Outstanding	Doubtful	Total
	IRR million	IRR million	IRR million	IRR million
Balance at 20.03.2015	908,318	2,407,024	5,255,398	8,570,740
Less Pledges Values:				
Savings & Investment Deposits	0	300	20,300	20,600
Properties & Real Estate	664,631	2,119,673	2,314,123	5,098,427
Shares of TSE-Listed Companies	0	0	26,625	26,625
Balance for Basis of Specific Provision Calculation	243,687	841,906	2,894,350	3,979,943
Coefficient Basis for Calculation of Specific Provision	10%	20%	50% - 100%	
Specific Provision at the End of the Year	24,369	57,410	1,447,175	1,528,954
Less: Specific Provision at the Beginning of the Year	14,413	258,700	908,264	1,181,377
Specific Doubtful Debts Expenses	9,956	(201,290)	538,911	347,577

38.2. General loan loss provision for the year ended 20.03.2015 according to Note 4-7 is as follows:

	Amount
	IRR million
Balance of Granted Facilities Based on Note 8	69,313,107
Total General & Specific Provision Based on Note 8	2,607,767
Balance of Differed L/Cs Based on Note 9	116,866
	72,037,740
Less:	
Coefficient Basis for Calculation of General Provision	1.5%
General Provision at the End of the Year	1,080,566
Less: General Provision at the Beginning of the Year	(907,556)
General Doubtful Debts Expenses	173,010

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39. FINANCING COSTS

	Group		Company	
	Year Ended March 20, 2015	Year Ended March 20, 2014	Year Ended March 20, 2015	Year Ended March 20, 2014
	IRR million	IRR million	IRR million	IRR million
Cost of Received Facilities	272,778	117,778	19,013	19,268
Others	264	19,325	265	57
	273,042	137,103	19,278	19,325

40. COMMISSION & OTHER EXPENSES

	Group		Company	
	Year Ended March 20, 2015	Year Ended March 20, 2014	Year Ended March 20, 2015	Year Ended March 20, 2014
	IRR million	IRR million	IRR million	IRR million
Interest Paid to Term Foreign Currency Deposits	82,505	140,100	82,502	140,100
Commission Paid to Brokers	2,882	11,508	2,882	11,508
Others	60,261	34,503	60,261	34,503
	145,645	186,111	145,645	186,111

41. PRIOR PERIOD ADJUSTMENT

	Note	Group		Company	
		Year Ended March 20, 2015	Year Ended March 20, 2014	Year Ended March 20, 2015	Year Ended March 20, 2014
		IRR million	IRR million	IRR million	IRR million
Performance Tax	(41-1)	(316,736)	(568,771)	(312,962)	(546,873)
Dividend of 2012-13 Period of Subsidiary Companies	(41-2)	0	(228,282)	0	0
		(316,736)	(797,053)	(312,962)	(546,873)

41.1. This amount is related to the difference between final performances of 2003-04 and 2009-10 to 2013-14 periods with the paid amount.

41.2. This amount is related to amendment of recognition method of the Group's dividend.

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41.3. In order to draw accurate conclusions from the financial status and operation results, all comparative items in the financial statements have been adjusted and revised. Therefore, some of the comparative items in the revised financial statements do not correspond to those of the previous year's financial statement.

42. RECONCILIATION OF PRE-TAX PROFIT TO CASH FLOW FROM OPERATIONS

	Group		Company	
	Year Ended March 20, 2015	Year Ended March 20, 2014	Year Ended March 20, 2015	Year Ended March 20, 2014
	IRR million	IRR million	IRR million	IRR million
Pre-tax Profit	4,245,966	4,336,178	4,321,646	3,971,082
Depreciation Charge	87,550	59,606	104,684	72,875
Income from Sales of Investments	(360,857)	(435,795)	(360,857)	(435,795)
Profit Paid for Financial Facilities Received	273,042	137,103	19,278	19,325
Dividend on Investments & Joint Activities	(387,476)	(200,246)	(760,483)	(245,769)
Adjustments of Fixed Assets	38,913	77,801	38,913	77,801
Profit from Sales of Fixed Assets	(187)	(2,193)	(187)	(2,193)
Doubtful Debts' Expenses	527,648	352,199	520,586	336,747
Bonus of the Board of Directors	(5,937)	(6,113)	(4,500)	(4,500)
Conversion of Foreign Currency	(192,847)	(231,427)	(192,847)	(231,427)
Net Increase in Provisions for Termination Benefits	79,724	55,122	78,761	53,637
Adjustments from Share Sales of Subsidiary Company & Increase in Minority Interest	16,560	0	0	0
	4,322,099	4,060,527	3,764,994	3,611,783
Net Increase (Decrease) in Operating Liabilities:				
Demand Deposits & Gharz-al-Hassaneh Savings Deposits	(37,466)	(221,884)	(37,466)	(221,884)
Term Investment Deposits	10,708,366	18,578,624	10,899,703	18,681,134
Other Deposits	831,723	(1,648,753)	831,723	(1,648,753)
Accounts Payable	(1,009,342)	4,447,540	(918,171)	4,362,160
	10,493,281	21,155,527	10,775,789	21,172,657
Net (Increase) Decrease in Operating Assets:				
Statutory Deposits	(1,007,210)	(2,977,608)	(1,007,210)	(2,976,863)
Participation Securities	913,064	540,319	1,000,000	394,510
Prepayments	162,894	(292,543)	7,066	(125,467)
Accounts Receivable	818,644	(1,717,153)	1,027,620	(1,750,982)
Other Assets	(38,536)	(162,767)	(55,070)	(118,543)
Financial Facilities (Islamic Contracts)	(11,595,326)	(13,947,115)	(11,552,270)	(13,515,384)
Debtors' of L/Cs & Term Foreign Currency Bills	18,285	385,450	18,285	385,450
	(10,728,185)	(18,171,417)	(10,561,579)	(17,707,279)
Net Cash Inflow from Operating Activities	4,087,195	7,044,636	3,979,204	7,077,160

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43. DISAGGREGATION OF NET INCREASE IN CASH

	Note	Group		Company	
		Year Ended March 20, 2015	Year Ended March 20, 2014	Year Ended March 20, 2015	Year Ended March 20, 2014
		IRR million	IRR million	IRR million	IRR million
FCY Cash and Cash with International Banks	7	11,977,206	11,937,195	11,966,583	11,937,107
Cash Position with Domestic Banks-Post Clearing	7	4,062,701	3,444,530	3,952,290	3,379,744
Current Account with the CBI	6	323,463	306,571	323,462	306,572
Bank Notes, Coins and Precious Metals	5	820,317	662,946	814,811	660,464
		17,183,687	16,351,242	17,057,146	16,283,887

43.1. Non-cash transactions

	Group		Company	
	Year Ended March 20, 2015	Year Ended March 20, 2014	Year Ended March 20, 2015	Year Ended March 20, 2014
	IRR million	IRR million	IRR million	IRR million
Increase in Flowing Capital from Dues	0	1,154,698	0	1,154,698
	0	1,154,698	0	1,154,698

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44. LETTERS OF CREDIT

Currency	No.	Opening Balance			Issued During the Period			Paid for During the Period			Closing Balance – 20.03.2015		
		FCY	IRR million	No.	FCY	IRR million	No.	FCY	IRR million	No.	FCY	IRR million	IRR million
<i>Sight Letters of Credit</i>													
EUR	48	26,593,380	929,332	180	116,241,805	3,802,206	30	124,950,669	3,898,021	198	17,884,516	539,325	
EUR-M	87	11,515,714	402,428	-	-	-	83	11,171,054	381,670	4	344,660	10,394	
AED	9	1,903,617	13,011	-	698,695	4,552	9	2,602,312	17,864	-	-	-	
JPY	5	639,873,207	158,375	44	878,914,957	197,937	12	1,130,695,406	257,371	37	388,092,758	90,220	
JPY-M	4	105,337,030	26,072	-	-	-	4	105,337,030	26,070	-	-	-	
CHF	-	-	-	12	15,450,770	437,854	1	12,993,061	367,367	11	2,457,709	69,357	
KRW	6	1,037,779,283	24,293	99	56,919,072,899	1,455,843	14	55,628,784,782	1,411,300	91	2,328,067,400	58,358	
KRW-M	35	8,593,685,588	201,170	-	-	-	35	8,593,685,588	200,912	-	-	-	
RUB-M	1	1,253	1	-	-	-	-	1,253	1	1	-	-	
INR	8	362,383,000	148,939	171	4,701,460,933	2,098,128	9	4,158,331,924	1,862,900	170	905,512,009	406,575	
INR-M	23	570,715,710	234,564	-	-	-	23	570,715,710	235,406	-	-	-	
CNY	25	141,120,450	571,538	175	746,519,736	3,362,705	20	647,115,343	2,921,874	180	240,524,843	1,086,932	
CNY-M	5	4,265,600	17,276	-	-	-	0	4,213,572	17,050	5	52,028	235	
TRY	7	3,106,193	35,126	19	172,864,014	2,101,996	9	124,003,348	1,567,551	17	51,968,859	565,369	
	263		2,762,125	700		13,461,221	249		13,135,358	714		2,826,764	
<i>Long-Term Letters of Credit</i>													
EUR	71	1,677,700	56,629	6	2,148,059	75,873	11	3,820,337	131,855	66	5,422	163	
CNY	1	342,879	1,389	1	23,028,000	101,406	1	23,028,000	104,064	1	342,879	1,549	
CHF	3	35,585	1,022	-	-	-	1	35,585	1,022	2	-	-	
AED	18	1,335,654	9,129	-	-	-	3	998,263	6,682	15	337,391	2,572	
KRW	-	16,669,511	390	-	-	-	-	-	-	-	16,669,511	418	
<i>Domestic Letters of Credit</i>													
IRR	4	-	8,709	-	-	-	4	8,708,800,180	8,709	-	-	-	
	97		79,268	7		177,279	20		252,332	84		4,702	
<i>Export Letters of Credit</i>													
USD	16	16,111,656	404,435	-	-	-	-	-	-	-	-	-	
EUR	17	39,264,815	1,372,148	-	-	-	16	16,111,656	451,030	-	-	-	
AED	7	188,661,555	1,289,502	-	-	-	17	39,264,815	1,184,070	-	-	-	
SEK	1	185,520,000	734,103	-	-	-	7	188,661,555	1,437,978	-	-	-	
IRR	3	17,433,885,830	17,434	-	-	-	1	185,520,000	598,673	-	-	-	
CNY	1	369,533	1,497	-	-	-	3	17,433,885,830	17,434	-	-	-	
KRW	2	8,293,895	194	-	-	-	1	369,533	1,670	-	-	-	
	47		3,819,312	-	-	-	45	8,293,895	3,690,855	-	-	-	
	407		6,660,705	707		13,638,500	314		17,108,545	798		2,831,467	

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45. LETTERS OF GUARANTEE

	Group		Company	
	March 20, 2015	March 20, 2014	March 20, 2015	March 20, 2014
	IRR million	IRR million	IRR million	IRR million
Commitments on issued L/Gs-IRR	20,562,451	16,329,701	20,562,451	16,329,701
Commitments on issued L/Gs-FCY	1,476,942	1,729,769	1,476,942	1,729,769
Customers' commitments on Counter Guarantees-FCY	58,196	75,302	58,196	75,302
	22,097,589	18,134,772	22,097,589	18,134,772

46. MANAGED FUNDS

	Group		Company	
	March 20, 2015	March 20, 2014	March 20, 2015	March 20, 2014
	IRR million	IRR million	IRR million	IRR million
Managed Funds	402,301	377,645	402,301	377,645
Profit of Managed Funds	448	2,000	448	2,000
	402,749	379,645	402,749	379,645

47. OTHER COMMITMENTS AND OFF BALANCE SHEET ITEMS

	Group		Company	
	March 20, 2015	March 20, 2014	March 20, 2015	March 20, 2014
	IRR million	IRR million	IRR million	IRR million
Collateral Pledged against Financial Facilities (Deposits & Promissory Notes)	232,474,995	193,409,044	232,474,995	193,409,044
Collateral Pledged against Financial Facilities (Real Estate)	32,047,601	27,153,044	32,047,601	27,153,044
Collateral Pledged against Financial Facilities (Shares & Securities)	30,531,901	34,018,790	30,531,901	34,018,790
<i>Ijara Thumma Al-Bai</i> (Hire Purchase) Properties Pledged to the Bank	115,242	121,540	115,242	121,540
Others	91,323,347	77,084,704	91,323,347	77,084,704
	386,493,086	331,787,122	386,493,086	331,787,122

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48. CAPITAL COMMITMENTS AND CONTINGENT LIABILITIES

The Bank has no contingent liabilities on the balance sheet date and the capital commitment for branches development is IRR269,335 million.

49. EVENTS AFTER THE BALANCE SHEET DATE

From the date of balance sheet to the date which these financial statements were released, no event has occurred that needed to be disclosed in financial statements.

50. RETAINED EARNINGS AT THE END OF THE YEAR

Regarding the following items, the allocation of retained earnings at the end of the year is upon the ratification of Shareholders' Ordinary General Assembly.

	Amount
	IRR million
Legal Duties:	
Distribution of at Least 10% of the Net Profit of 20.03.2015 based on Article 90 of the Trade Act Amendment	370,200
Maximum Distributable Profit:	
Balance of Retained Earnings at the End of 2014-15 of the Parent Company	3,501,341
Less:	
Deficit of Tax Provision based on Recognised Papers	(500,000)
Proposed Bonus of the Board of Directors	(6,000)
Maximum Distributable Dividend	2,995,341

51. FOREIGN CURRENCY POSITION

(Amounts in Foreign Currency)

	Cash	Dues from Banks & Credit Institutions	Demand Deposits	Term Investment Deposits	Total	Commitments- L/Cs	Commitments- L/Gs
USD	-	35,910,654	(3,291,868)	(2,178,509)	3,440,277	-	1,059,287
EUR	8,896,772	65,807,948	(6,440,598)	(3,323,018)	64,941,104	17,889,937	49,923,185
GBP	73,388	605,732	(47,120)	(35,410)	596,590	-	-
AED	5,560	61,779,618	(5,971,014)	(173,000)	55,641,164	337,391	-
JPY	-	28,377,583,603	(577,803)	-	28,377,005,800	388,092,758	-
CHF	200	-	-	-	200	2,457,709	-
KRW	-	1,350,260,441	(13,443,621)	-	1,336,816,820	2,344,736,911	-
INR	-	380,885,384	-	-	380,885,384	905,512,009	-
CNY	-	143,800,465	(8,500)	-	143,791,965	240,867,722	-
TRY	-	79,200,993	(8,665)	-	79,192,328	51,968,859	-
SEK	-	-	(31,000)	-	(31,000)	-	-

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52. BASIC AND DILUTED EARNINGS PER SHARE

	Group	
	Year Ended March 20, 2015	Year Ended March 20, 2014
Net Profit – IRR million	3,580,490	3,689,854
No. of Shares	8,277,397,260	7,250,000,000
Basic & Diluted Earnings Per Share – IRR	433	510

At the beginning of the reporting financial period, the number of Karafarin Bank shares was 7,250 million. The Bank's capital increase was registered on 04/03/1393 (25.05.2014) and the number of its shares was increased to IRR8,500 million. In order to calculate the basis for EPS, the average weighed ordinary shares have been calculated on the basis of 65 days with 7,250 million shares and 300 days with 8,500 million shares. Since there are no potential shares and adjustment factors, diluted earnings are calculated in the same manner as the basic earnings are calculated.

$$\text{Weighted Average of Ordinary Shares} = \frac{(7,250,000,000 * 65) + (8,500,000,000 * 300)}{365} = 8,277,397,260$$

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53. RELATED PARTIES TRANSACTIONS

(Amounts in IRR million)

Description	Related Party	Type of Affiliation	2014-15						2013-14	
			Subject of Transaction	Is it Liable to Article 129 of Trade Act?	Method of Pricing	Amount of Transaction	Gross Profit (Loss) of the Transaction	Debt (Credit) Balance	Amount of Transaction	Debt (Credit) Balance
Joint Group Companies / Under Control of the Unit	Karafarin Bank Brokerage Co.	Subsidiary Co.	Commission of Trading Shares	-	TSE Transaction Tariffs	1,625	1,625	(10,785)	8,150	207,903
			Commission Income of Guarantee		Banking Tariffs	201	201		175	
			Issuance of Guarantee		Based on Instruction of Credit Committee	12,717	0		0	
	Karafarin Bureau de Change	Subsidiary Co. & Joint Member of the BOD	Purchase of Foreign Currency	√	Banking Tariffs	2,842	0	(762)	12,488	4,000
			Sales of Foreign Currency		Banking Tariffs	24,214,831	0		0	
			Rent Deposit		Routine Commission	2,950	0		0	
			Paid Commission		Banking Tariffs	48,854	0		0	
			Commission Income of Guarantee		Banking Tariffs	72	72		72	
			Issuance of Guarantee		Based on Instruction of Credit Committee	4,000	0		4,000	
	Karafarin Amin E'temad Co.	Subsidiary Co. & Joint Member of the BOD	Settling Non-Current Dues	√	Based on Contract	5,458	0	(863)	241	0
	Karafarin Abnieh Gostar Co.	Subsidiary Co. & Joint Member of the BOD	Construction & Renovation of Branches	√	Cost Plus Routine Commission	7,031	0	7,031	207,209	146,005
	Karafarin Bank Investment Co.	Subsidiary Co. & Joint Member of the BOD	Commission of Trading Shares	√	Stock Price in TSE	228,036	0	749,465	37,574	(22,705)
			Rent		Routine Commission	0	0		1,891	
			Purchase of Property		Based on Expert Opinion	112,140	0		940,201	

Karafarin Bank (PJSC)
Notes to the Consolidated Financial Statements
For the Year Ended March 20, 2015

Description	Related Party	Type of Affiliation	2014-15						2013-14	
			Subject of Transaction	Is it Liabile to Article 129 of Trade Act?	Method of Pricing	Amount of Transaction	Gross Profit (Loss) of the Transaction	Debt (Credit) Balance	Amount of Transaction	Debt (Credit) Balance
Affiliated Trade Units	Karafarin Insurance Co.	Affiliated Company	Commission Income of Guarantee	-	Banking Tariffs	156	156	79	189	40,773
			Issuance of Guarantee		Based on Instruction of Credit Committee	61,746	0		56,426	
			Rent of Building for Branch		Routine Commission	2,366	0		1,696	
			Insurance Services		Based on Instructions of Insurance & Contracts In-between		0		2	
Other Related Parties	Mr. Ali Rousta	Bank's Shareholder	Granted Facilities	-	Based on Instruction of Credit Committee	105,063	0	30,388	256,813	49,207
	Mr. Abdolmahmoud Zarrabi	Bank's Shareholder	Granted Facilities	-	Based on Instruction of Credit Committee	97,108	0	18,412	86,042	20,317
	Kar va Andishe Engineering Co.	Bank's Shareholder	Granted Facilities	-	Based on Instruction of Credit Committee	519,414	0	0	745,693	724,294
			Opening of L/Cs		Based on Instruction of Credit Committee	1,194,818	0		591,457	
			Commission Income of Guarantee		Banking Tariffs	511	511		584	
			Issuance of Guarantee		Based on Instruction	75,535			64,480	
	Tadbir Industry & Mines Development Co.	Joint Member of the BOD	Commission Income of Guarantee	√	Banking Tariffs	8	8	615,310	0	207,018
			Issuance of Guarantee		Based on Instruction of Credit Committee	1,767	0		0	
			Granted Facilities		Based on Instruction of Credit Committee	2,230,742	0		1,826,486	
	Alborz Bulk Pharmaceutical Materials Production Co.	Joint Under Control	Granted Facilities	-	Based on Instruction of Credit Committee	827,655	0	210,211	177,559	177,559
Opening of L/Cs			Based on Instruction of Credit Committee		827,141	0	0			