

Karafarin Bank (PJSC)
Consolidated Balance Sheet
At 20 March 2013

Assets	Note	20 March 2013	Restated
		IRR million	19 March 2012
		IRR million	IRR million
Assets:			
Cash	5	170,306	60,959
Due from CBI	6	6,807,598	4,439,422
Due from Other Banks & Credit Institutions	7	12,695,452	8,376,638
Granted Facilities	8	45,519,627	35,457,117
Debtors of Letters of Credit & Term Bills of Exchange	9	526,748	1,810,255
Accounts Receivable	10	874,984	1,330,606
Participation Bonds	11	1,667,877	1,953,165
Investments	12	1,478,522	841,981
Tangible Fixed Assets	13	3,752,451	2,086,662
Intangible Assets	14	3,200,138	2,859,163
Other Assets	15	731,012	574,959
Assets Held for Sale	16	-	6,309
Total Assets		77,424,715	59,797,236
Off Balance Sheet Items:			
Letters of Credit	44	8,406,491	9,013,049
Letters of Guarantee	45	13,583,203	12,864,388
Managed Funds	46	903,885	1,499,457
Other Commitments & Memorandum Items	47	892,438,956	173,751,012

The accompanying notes are an integral part of the consolidated financial statements

**Karafarin Bank (PJSC)
Consolidated Balance Sheet
At 20 March 2013**

Liabilities & Shareholders' Equity	Note	March 20, 2013	Restated
		IRR million	March 19, 2012
		IRR million	IRR million
Liabilities:			
Due to CBI	17	5,097,238	2,916,521
Due to Other Banks & Credit Institutions	18	1,988,547	2,292,615
Demand Deposits	19	2,373,610	1,719,409
QarzolHasane-e Savings Deposits	20	271,365	861,820
Term Investment Deposits	21	46,703,055	35,633,764
Other Deposits	22	4,664,123	2,382,277
Tax Payable	23	343,246	483,900
Interest Payable on Deposits	24	639,113	682,265
Provisions & Other Liabilities	25	2,899,833	2,737,511
Dividend Payable	26	56,906	53,219
Provision for Termination Benefits	27	132,551	95,388
Total Liabilities		65,169,587	49,858,689
Shareholders' Equity:			
Capital	28	7,250,000	4,500,000
Statutory Reserves	29	1,807,378	1,376,238
Other Reserves		5,926	5,402
Revaluation Reserve of Fixed Assets	13-2	125,305	2,043,596
Retained Earnings		3,043,996	1,989,935
Parent Company Shareholders' Equity		12,232,604	9,915,171
Minority Interest	30	22,524	23,376
Total Shareholders' Equity		12,255,128	9,938,547
Total Liabilities & Shareholders' Equity		77,424,715	59,797,236
Off Balance Sheet Items:			
Letters of Credit	44	8,406,491	9,013,049
Letters of Guarantee	45	13,583,203	12,864,388
Managed Funds	46	903,885	1,499,457
Other Commitments & Memorandum Items	47	892,438,956	173,751,012

The accompanying notes are an integral part of the consolidated financial statements

Karafarin Bank (PJSC)
Parent Company Balance Sheet
At 20 March 2013

Assets	Note	March 2013 20	Restated
		IRR million	March 2012 19 IRR million
Assets:			
Cash	5	168,001	60,958
Due from CBI	6	6,807,598	4,439,422
Due from Other Banks & Credit Institutions	7	12,683,612	8,308,416
Granted Facilities	8	45,094,884	35,226,684
Debtors of Letters of Credit & Term Bills of Exchange	9	526,748	1,810,255
Accounts Receivable	10	1,302,828	1,542,906
Participation Bonds	11	1,481,527	1,891,577
Investments	12	1,126,967	746,574
Tangible Fixed Assets	13	3,941,886	2,079,389
Intangible Assets	14	3,198,965	2,854,985
Other Assets	15	721,817	566,214
Total Assets		<u>77,054,833</u>	<u>59,527,380</u>
Off Balance Sheet Items:			
Letters of Credit	44	8,406,491	9,013,049
Letters of Guarantee	45	13,583,203	12,864,388
Managed Funds	46	903,885	1,499,457
Other Commitments & Memorandum Items	47	892,438,956	173,751,012

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

Karafarin Bank (PJSC)
Parent Company Balance Sheet
At 20 March 2013

Liabilities & Shareholders' Equity	Note	March 20, 2013	Restated March 19, 2012
		IRR million	IRR million
Liabilities:			
Due to CBI	17	5,097,238	2,916,521
Due to Other Banks & Credit Institutions	18	1,725,681	2,145,843
Demand Deposits	19	2,373,610	1,719,409
Qarzol Hasane-e Savings Deposits	20	271,365	861,820
Term Investment Deposits	21	46,939,799	35,696,096
Other Deposits	22	4,664,123	2,382,277
Tax Payable	23	330,352	463,130
Interest Payable on Deposits	24	639,113	682,265
Provisions & Other Liabilities	25	2,864,425	2,661,907
Dividend Payable	26	22,880	23,196
Provision for Termination Benefits	27	130,082	93,798
Total Liabilities		65,058,668	49,646,262
Shareholders' Equity:			
Capital	28	7,250,000	4,500,000
Statutory Reserves	29	1,778,515	1,359,333
Revaluation Reserve of Fixed Assets	13-2	43,597	5,402
Retained Earnings		2,924,053	1,978,188
Total Shareholders' Equity		11,996,165	9,881,118
Total Liabilities & Shareholders' Equity		77,054,833	59,527,380
Off Balance Sheet Items:			
Letters of Credit	44	8,406,491	9,013,049
Letters of Guarantee	45	13,583,203	12,864,388
Managed Funds	46	903,885	1,499,457
Other Commitments & Memorandum Items	47	892,438,956	173,751,012

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

**Karafarin Bank (PJSC)
Consolidated Profit and Loss Account
For the Year Ended 20 March 2013**

	Note	March 20, 2013		Restated
				March 19, 2012
		IRR million	IRR million	IRR million
Income from Joint Activities				
Interest on Loans and Facilities	31		8,174,154	6,292,485
Interest on Deposits and Income from Investments	32		2,066,463	842,456
			10,240,617	7,134,941
Interest paid on Investment Deposits	33	(6,438,442)		(4,018,115)
Difference in Accrued and Prepaid Interest on Investment Deposits		(636,532)		(642,791)
Depositors' Share in Income from Joint Activities			(7,074,975)	(4,660,906)
Bank's Share in Income from Joint Activities			3,165,642	2,474,035
Income from Non-joint Activities				
Interest on Loans and Facilities	31	518,571		606,559
Interest on Deposits and Income from Investments	32	89,986		32,224
Commission Income	34	511,168		240,300
Income from Currency Exchange Transactions	35	193,146		422,313
Other Income	36	326,013		156,218
			1,638,884	1,457,614
Total Income			4,804,526	3,931,649
Expenses				
General and Administrative Expenses	37	(927,703)		(619,823)
Loan Loss Provisions Expense	38	(334,135)		(371,456)
Financing Expense	39	(32,952)		(14,666)
Commission and Other Expenses	40	(181,672)		(194,516)
			(1,476,461)	(1,200,461)
Interest before Considering Group's Quota from Interest of Affiliated Companies			3,328,066	2,731,188
Group's Quota from Interest of Affiliated Companies			18,908	8,550
Net Profit before Tax			3,346,973	2,739,738
Tax			(427,700)	(408,570)
Net Profit before Minority Interest			2,919,273	2,331,168
Minority Interest from Net Profit (Loss)			(3,480)	29,074
Net Profit			2,915,793	2,360,242
Earnings per Share				
Primary Earnings per Share – RIs	52		402	336
Diluted Earnings per Share – RIs	52		402	327

The accompanying notes are an integral part of the consolidated financial statements

Karafarin Bank (PJSC)
Parent Company Profit and Loss Account
For the Year Ended 20 March 2013

	Note	March 20, 2013		Restated
		IRR million	IRR million	March 19, 2012
				IRR million
Income from Joint Activities				
Interest on Loans and Facilities	31		8,174,154	6,292,485
Interest on Deposits and Income from Investments	32		<u>2,130,110</u>	<u>977,583</u>
			10,304,264	7,270,068
Interest paid on Investment Deposits	33	(6,463,142)		(4,018,115)
Difference in Accrued and Prepaid Interest on Investment Deposits		<u>(636,532)</u>		<u>(642,791)</u>
Depositors' Share in Income from Joint Activities			<u>(7,099,674)</u>	<u>(4,660,906)</u>
Bank's Share in Income from Joint Activities			3,204,590	2,609,162
Income from Non-joint Activities				
Interest on Loans and Facilities	31	425,532		553,291
Interest on Deposits and Income from Investments	32	89,986		42,400
Commission Income	34	479,378		394,137
Income from Currency Exchange Transactions	35	193,146		212,777
Other Income	36	<u>154,500</u>		<u>133,251</u>
			<u>1,342,542</u>	<u>1,335,856</u>
Total Income			4,547,132	3,945,018
Expenses				
General and Administrative Expenses	37	(857,545)		(593,150)
Loan Loss Provisions Expense	38	(330,987)		(367,580)
Financing Expense	39	(45)		(916)
Commission and Other Expenses	40	<u>(181,555)</u>		<u>(194,516)</u>
			<u>(1,370,131)</u>	<u>(1,156,162)</u>
Net Profit before Tax			3,328,066	2,731,188
Tax	23		<u>(382,453)</u>	<u>(388,245)</u>
Net Profit after Tax			<u>2,794,547</u>	<u>2,400,611</u>

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

Karafarin Bank (PJSC)
Consolidated Statement of Retained Earnings
For the Year Ended 20 March 2013

	Note	March 20, 2013		Restated
		March 19, 2012		
		IRR million	IRR million	IRR million
Net Profit			2,915,793	2,360,242
Retained Earnings- Opening Balance		2,043,036		1,885,975
Prior Period Adjustments	41	<u>(53,101)</u>		<u>(365,784)</u>
Adjusted Opening Retained Earnings			<u>1,989,935</u>	<u>1,520,191</u>
Allocable Profit			4,905,728	3,880,433
Profit Allocation:				
Ratified Dividend	26		(675,000)	(1,530,023)
Capital Increase from Retained Earnings			(750,000)	-
Bonus of the Board of Directors			(5,069)	(5,540)
Statutory Reserve	29		(431,140)	(354,838)
Other Reserves			(524)	(97)
Allocated Profit			<u>(1,861,732)</u>	<u>(1,890,498)</u>
Retained Earnings- Closing Balance			<u>3,043,996</u>	<u>1,989,935</u>
Retained Earnings- Minority Interest			<u>(22,711)</u>	<u>(19,950)</u>

The accompanying notes are an integral part of the consolidated financial statements

Karafarin Bank (PJSC)
Parent Company Statement of Retained Earnings
For the Year Ended 20 March 2013

	Note	March 20, 2013		Restated
		IRR million	IRR million	March 19, 2012
				IRR million
Net Profit			2,794,547	2,400,611
Retained Earnings- Opening Balance		2,045,690		1,816,670
Prior Period Adjustments	41	<u>(67,502)</u>		(382,924)
Adjusted Opening Retained Earnings			<u>1,978,188</u>	<u>1,433,746</u>
Allocable Profit			4,772,735	3,834,357
Profit Allocation:				
Ratified Dividend			(675,000)	(1,500,000)
Capital Increase from Retained Earnings			(750,000)	-
Bonus of the Board of Directors			(4,500)	(5,000)
Statutory Reserve	29		(419,182)	(351,169)
Allocated Profit			<u>(1,848,682)</u>	<u>(1,856,169)</u>
Retained Earnings- Closing Balance			<u>2,924,053</u>	<u>1,978,188</u>

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

Karafarin Bank (PJSC)
Consolidated Statement of Comprehensive Income
For the Year Ended 20 March 2013

	Note	March 20, 2013	Restated
		IRR million	March 19, 2012
		IRR million	IRR million
Net Profit for the Period		2,915,793	2,360,242
Assets Revaluation Surplus	13-2	<u>81,708</u>	<u>2,043,597</u>
Comprehensive Income for the Period		2,997,501	4,403,839
Prior Period Adjustment	41	<u>(53,101)</u>	<u>(365,784)</u>
Current Period Comprehensive Income		<u><u>2,944,400</u></u>	<u><u>4,038,055</u></u>
Comprehensive Income for the Period- Minority Interest		<u><u>(3,480)</u></u>	<u><u>29,075</u></u>

The accompanying notes are an integral part of the consolidated financial statements

Karafarin Bank (PJSC)
Parent Company Statement of Comprehensive Income
For the Year Ended 20 March 2013

	Note	March 20, 2013	Restated
		IRR million	March 19, 2012
		IRR million	IRR million
Net Profit for the Period		2,794,547	2,400,611
Assets Revaluation Surplus	13-2	<u>-</u>	<u>2,043,597</u>
Comprehensive Income for the Period		2,794,547	4,444,208
Prior Period Adjustment	41	<u>(67,502)</u>	<u>(382,924)</u>
Current Period Comprehensive Income		<u><u>2,727,045</u></u>	<u><u>4,061,284</u></u>

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

Karafarin Bank (PJSC)
Consolidated Statement of Cash Flows
For the Year Ended 20 March 2013

	Note	March 20, 2013		March 19, 2012
		IRR million	IRR million	IRR million
Operating Activities				
Net Cash Inflow from Operating Activities	42		8,416,784	2,679,233
Returns on Investments and Servicing of Finance				
Dividends Received		30,079		126,208
Interest Paid		(32,952)		(14,666)
Dividends Paid		(671,313)		(1,484,617)
Net Cash Outflow for Returns on Investments and Servicing of Finance			(674,186)	(1,373,075)
Taxation				
Income Tax Paid			(568,353)	(499,774)
Investment Activities				
Purchase of Investments		(1,225,687)		(400,126)
Purchase of Intangible Assets		(350,907)		-
Purchase of Tangible Fixed Assets		(1,755,398)		(532,003)
Sale of Investments		919,583		331,027
Sale of Tangible Fixed Assets		45,640		211,528
Sale of Held Assets		9,519		-
Net Cash Outflow from Investment Activities			(2,357,250)	(389,574)
Net Cash Inflow (Outflow) before Financing Activities			4,816,995	416,810
Financing Activities				
Cash Capital Increase		-		1,500,684
Financial Facilities Received		-		146,772
Repayment of Principal on Financial Facilities		(186,982)		-
Net Cash Inflow from Financing Activities			(186,982)	1,647,456
			4,630,013	2,064,266
Effect of Foreign Exchange Differences			218,752	272,157
Net Increase in Cash			4,848,766	2,336,423
Cash- Opening Balance	43		8,474,168	6,137,745
Cash- Closing Balance	43		13,322,934	8,474,168

The accompanying notes are an integral part of the consolidated financial statements

Karafarin Bank (PJSC)
Parent Company Statement of Cash Flows
For the Year Ended 20 March 2013

	Note	March 20, 2013		March 19, 2012
		IRR million	IRR million	IRR million
Operating Activities				
Net Cash Inflow from Operating Activities	42		8,423,874	3,150,600
Returns on Investments and Servicing of Finance				
Dividends Received		55,017		127,200
Interest Paid		(45)		(916)
Dividends Paid		(675,316)		(1,484,617)
Net Cash Outflow for Returns on Investments and Servicing of Finance			(620,344)	(1,358,333)
Taxation				
Income Tax Paid			(515,231)	(483,018)
Investment Activities				
Purchase of Investments		(1,068,297)		(428,971)
Purchase of Intangible Assets		(353,827)		-
Purchase of Tangible Fixed Assets		(1,915,494)		(694,666)
Sale of Investments		919,583		331,027
Sale of Tangible Fixed Assets		810		23,843
Net Cash Outflow from Investment Activities			(2,417,224)	(768,767)
Net Cash Inflow (Outflow) before Financing Activities			4,871,075	540,482
Financing Activities				
Cash Capital Increase				1,500,000
Financial Facilities Received				-
Repayment of Principal on Financial Facilities		(186,981)		-
Net Cash Inflow(Outflow) from Financing Activities			(186,981)	1,500,000
Net Cash Inflow			4,684,094	2,040,482
Effect of Foreign Exchange Differences			218,752	240,985
Net Increase in Cash			4,902,846	2,281,467
Cash- Opening Balance	43		8,405,945	6,124,478
Cash- Closing Balance	43		13,308,791	8,405,945

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

Karafarin Bank (PJSC)
Notes to the Consolidated Financial Statements
For the year Ended 20 March 2013

1. HISTORICAL BACKGROUND OF ACTIVITIES

1.1. Overview

Group includes Bank Karafarin (Parent Company) and its subsidiary companies. The Bank established and commenced its operations following registration at the Tehran Company and Industrial Ownership Registrar 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 in 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 licence number H/3362 (5 December 2001), Karafarin Bank (PJSC) was formally established and registered under the same licence number with the Tehran Company and Industrial Ownership Registrar 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. 7, Kadj-Abadi Street, Vali-Asr Avenue, Tehran IRAN.

1.2. Principal Activities

According to Clause 2 of its Articles of Association, the Bank's principal activities include, among other areas, the following:

- ▶ Taking all forms of bank deposits including current account deposits with cheque books
- ▶ Issuing bearer or registered certificates of term investment deposits
- ▶ Granting credit facilities within the legal framework, regulations and bylaws, and implementation guidelines of the Act on Usury-Free Banking Operations
- ▶ Opening letters of credit and engaging in all forms of foreign exchange transactions
- ▶ Issuing and trading participation securities for the Bank or on behalf of other persons in accordance with the rules and regulations of the CBI
- ▶ Receiving financial facilities from real and legal persons in accordance with standing rules and regulations
- ▶ Issuing letters of guarantee and endorsing and underwriting securities including participation securities and accepting to service its commitments including principal and interest components
- ▶ Operating safe deposit boxes
- ▶ Granting financial facilities for the export of technical and engineering services
- ▶ Participating and investing directly or through share acquisition on stock exchanges, in manufacturing, service, and business projects and companies, within the confines defined by the CBI's bylaws and also the Act on Usury-Free Banking Operations

And other related activities with the subject of the Company.

The Bank aims at consolidating financial resources that are available through its deposits, financial facilities, and its other forms of financial instruments, and utilising these resources by granting quality loans and facilities and effectively investing in different lines of business and economic activity.

Karafarin Bank (PJSC)
Notes to the Consolidated Financial Statements
For the year Ended 20 March 2013

1.3. Number of Branches

Information on the Bank's branches at year end 20 March 2013 and in the prior period is reported as follows.

	20 March 2013	19 March 2012
Branches- Tehran Province	43	38
Branches- Other Provinces	44	39
Branches- Free Zones	1	1
Branches- International	-	-
	88	78

1.4. Employees

The number of employees at the end of the current and prior reporting periods is outlined in the table below.

	20 March 2013	19 March 2012
Head Office	513	437
Branches- Tehran Province	446	447
Branches- Other Provinces	528	532
	1,487	1,416

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 where appropriate, by using fair market values.

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.

Subsidiaries subject to consolidation are:

- ▶ Karafarin Bank Leasing Company
- ▶ Karafarin Bank Investment Company
- ▶ Karafarin Bank Brokerage Company
- ▶ Karafarin Bank Bureau de Change Company
- ▶ KarafarinAsr-e-Amin Company
- ▶ KarafarinAbinehGostar Company

Karafarin Bank (PJSC)
Notes to the Consolidated Financial Statements
For the year Ended 20 March 2013

3.2. The operation results of subsidiary companies which have been acquired during the reporting period, is transferred to the Parent Company as of the date of their effective take over and their operation result as prior to the date of takeover is reflected in the consolidated income statement.

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

4. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

4.1. Investments

The Bank adopts the following revenue recognition and valuation methods for its different investments.

Long-term Investments	Group Consolidated Accounts	Parent 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	Parent 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

Revenue Recognition Method:

Long-term Investments	Group Consolidated Accounts	Parent Company Accounts
Investments in consolidated subsidiaries & affiliated companies	Subject to consolidation & 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)

Karafarin Bank (PJSC)
Notes to the Consolidated Financial Statements
For the year Ended 20 March 2013

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 process is conducted by independent valuation experts.

4.2.3. Depreciation on tangible fixed assets is based on the Depreciation Charts of Section 151 of Direct Taxes 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 years Straight Line
Automated Teller Machines	10 years Straight Line
Furniture and Fixtures	10 years Straight Line

Fixed assets that are acquired and operationalized 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 Taxes Act.

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.

Karafarin Bank (PJSC)
Notes to the Consolidated Financial Statements
For the year Ended 20 March 2013

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 the ratification of 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
Income from paid L/Cs	Upon provision of service& related to service volume

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 recognized.

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.

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 service outstanding amounts.

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

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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 MB/2823 of 24 February 2007 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 (including all past, current, past due, non-performing and doubtful financial facilities) at each year end, excluding those facilities that are subject to special provisions as noted below. In addition, the amount of general provision deducted from non-current special provisions facilities.

► 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 after accounting for the value of security attributable to each individual facility.

Facility type	Factor
Past Due Facilities	10%
Nonperforming 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, special provision 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

Foreign currency items have been reflected in the accounts in accordance with expectation of asset recovery, on a case to case basis and based on reference rate or the rate of the Currency Exchange Centre with the official exchange rate at the date of transaction. The difference in the settlement or the exchange of foreign currency items are identified as income or periodical expenses.

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5. CASH

Items comprising the consolidated and parent company cash balance reported on the balance sheet date are as follows.

	Group		Parent Company	
	March 20, 2013	March 19, 2012	March 20, 2013	March 19, 2012
	IRR million	IRR million	IRR million	IRR million
Cash – Foreign Currency	26,701	-	26,701	35,991
Cash – Rials	140,509	58,826	139,274	22,834
Other	<u>3,096</u>	<u>2,133</u>	<u>2,026</u>	<u>2,133</u>
	<u>170,306</u>	<u>60,959</u>	<u>168,001</u>	<u>60,958</u>

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. DUE FROM THE CENTRAL BANK OF IRAN

	Group		Parent Company	
	March 20, 2013	March 19, 2012	March 20, 2013	March 19, 2012
	IRR million	IRR million	IRR million	IRR million
Statutory Deposit	6,349,675	4,402,851	6,349,675	4,402,851
Current Account with the CBI	457,177	36,571	457,177	36,571
Other	<u>746</u>	<u>-</u>	<u>746</u>	<u>-</u>
	<u>6,807,598</u>	<u>4,439,422</u>	<u>6,807,598</u>	<u>4,439,422</u>

6.1. Legal reserves held at the CBI in execution of Clause 3 of Article 14 of the Monetary & Banking Act and are calculated in accordance with the rates as determined by the Monetary & Credit Council and which have been approved by the CBI.

6.2. Towards the end of 2011/12, the Central Bank of the Islamic Republic of Iran (CBI), indebted the Karafarin Bank (this was also the case with all banks, in this regard, Karafarin Bank's position was better than other banks) in the amount of IRR741 billion due to the difference in the currency rates. The Bank has appealed against CBI's decision and following correspondence with the CBI, and having examined the accounts and documents, the CBI's inspectors approved of the Bank's operations. Hence, the dishonoured bill is to be returned. The comparative items regarding the balance of current account at the CBI has been reclassified.

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7. DUE FROM BANKS AND CREDIT INSTITUTIONS

	Note	Group		March 20, 2013	March 19, 2012
		March 20, 2013	March 19, 2012		
		IRR million	IRR million		
Accounts with Banks and Credit Institutions- LCY	7-1	7,545,082	2,482,341	7,545,081	2,482,341
Accounts with Banks and Credit Institutions- FCY	7-2	5,150,370	5,894,297	5,138,531	5,826,075
		<u>12,695,452</u>	<u>8,376,638</u>	<u>12,683,612</u>	<u>8,308,416</u>

7.1. Our account held with foreign exchange banks and credit institutions is presented in the following table:

		Group		Parent Company	
		March 20, 2013	March 19, 2012	March 20, 2013	March 19, 2012
		IRR million	IRR million	IRR million	IRR million
Bank of KUNLUN Co. LTD	China Yuan Euro	915,839	11,652	915,839	11,652
		2,495,515	44,913	2,495,515	44,913
	Euro Japanese Yen Turkish Lira	1,487,996	698,548	1,487,996	698,548
Turkiye Halk Bankasi Ankara Tr		19,181	-	19,181	-
		368,265	2,691	368,265	2,691
WOORI Bank, Seoul	South Korean Won	821,250	67,657	821,250	67,657
Other Banks		<u>1,437,038</u>	<u>1,656,882</u>	<u>1,437,037</u>	<u>1,656,882</u>
		<u>7,545,082</u>	<u>2,482,341</u>	<u>7,545,081</u>	<u>2,482,341</u>

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7.2. Rial deposit held with banks is as follows:

	Group		Parent Company	
	March 20, 2013	March 19, 2012	March 20, 2013	March 19, 2012
	IRR million	IRR million	IRR million	IRR million
Bank Sina	1,500,000	1,500,000	1,500,000	1,500,000
Bank Ansar	1,300,000	1,000,000	1,300,000	1,000,000
Bank Sarmaye	1,000,014	1,800,012	1,000,014	1,800,012
Bank Parsian	1,000,000	-	1,000,000	-
Other Banks	<u>350,356</u>	<u>1,594,285</u>	<u>338,517</u>	<u>1,526,063</u>
	<u>5,150,370</u>	<u>5,894,297</u>	<u>5,138,531</u>	<u>5,826,075</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		Parent company				March 19, 2012
	March 20, 2013	March 19, 2012	March 20, 2013			Net	
	Net	Net	Amount	Profit of Prior Years	Provision for Doubtful Debts		
IRR million		IRR million					
Murabaha (Instalment sales)	627,423	696,837	1,205,419	(474,847)	(103,149)	627,423	696,837
Joala (Commissions-based services)	90,263	161,086	182,952	(40,089)	(52,600)	90,263	161,086
Ijara Thumma Al-Bai (Hire purchase)	440,771	268,336	38,675	(18,269)	(4,378)	16,028	37,903
Salaf	22,344	50,005	49,957	-	(27,613)	22,344	50,005
Mudarabah (Retail/ Corporate banking)	6,146,611	6,081,077	6,518,614	-	(372,002)	6,146,611	6,081,077
Musharakah (Joint participations)	32,175,716	21,615,023	32,696,158	-	(520,442)	32,175,716	21,615,023
Bai' al-Dayn (Factoring)- IRR	-	953,537	-	-	-	-	953,537
Non-IRR products	1,854,290	2,367,286	2,057,141	(35,051)	(167,801)	1,854,290	2,367,286
Debtors for Paid L/Cs	1,475,834	973,863	1,511,522	-	(35,689)	1,475,834	973,863
Debtors for Paid Guarantees	417,829	263,960	420,875	-	(3,045)	417,829	263,960
Other Facilities	79	32,665	117	-	(38)	79	32,665
Debtors for Facilities Profit	2,268,469	1,993,442	2,733,897	-	(465,428)	2,268,469	1,993,442
	<u>45,519,627</u>	<u>35,457,117</u>	<u>47,415,327</u>	<u>(568,256)</u>	<u>(1,752,187)</u>	<u>45,094,884</u>	<u>35,226,684</u>

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

Parent Company 20 March 2013

Facilities	Current	Past Due	Non-performing	Doubtful	Total
	IRR million	IRR million	IRR million	IRR million	IRR million
Murabaha (Instalment Sales)	1,064,009	4,998	22,471	113,941	1,205,419
Joala (Commissions-based Services)	2,075	297	24,465	156,115	182,952
Ijara Thumma Al-Bai (Hire Purchase)	18,619	3,363	2,816	13,878	38,675
Bai' al-salaf (Forward Contracts)	-	143	-	49,814	49,957
Mudarabah (Retail/Corp. Banking)	5,000,749	159,853	535,056	822,955	6,518,614
Musharakah (Joint Participations)	29,368,205	979,782	906,174	1,441,996	32,696,158
Bai' al-Dayn (Factoring)	-	-	-	-	-
Non-IRR Products	842,406	785,067	429,668	-	2,057,141
Debtors for Paid L/Cs	685,492	-	-	826,030	1,511,522
Debtors for Paid Guarantees	31,796	-	-	389,079	420,875
Other Facilities	95	-	-	22	117
Debtors for Facilities Profit	1,498,825	242,372	320,557	672,142	2,733,897
	38,512,272	2,175,876	2,241,208	4,485,971	47,415,327
Less:					
Unearned Income	(568,256)	-	-	-	(568,256)
Loan Loss Provisions- General	(577,061)	(32,638)	(33,618)	(67,290)	(710,607)
Loan Loss Provisions- Loan Specific	-	(17,724)	(111,844)	(912,012)	(1,041,580)
	37,366,954	2,125,514	2,095,746	3,506,669	45,094,884

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

20 March 2013								19 March 2012
Interest Rate								
Facilities	Over 24%	21-24%	18-21%	15-18%	12-15%	12% and Less	Total	Total
	IRR million	IRR million	IRR million	IRR million	IRR million	IRR million	IRR million	IRR million
Past due	7,232,520	85,254	-	5,005	46,211	2,266,899	9,635,889	5,920,175
2013-14	32,947,128	60,924	13,119	245	-	2,299,767	35,321,183	28,992,079
2014-15	8,211	-	-	-	-	115,765	123,976	110,832
2015-16	10,283	-	-	-	-	-	10,283	185,537
2016-17	2,841	116	-	-	-	-	2,957	14,020
2017-18 and After	-	-	-	-	-	596	596	4,041
	<u>40,200,983</u>	<u>146,294</u>	<u>13,119</u>	<u>5,250</u>	<u>46,211</u>	<u>4,683,027</u>	<u>45,094,884</u>	<u>35,226,684</u>

9. DEBTORS FOR TERM LETTERS OF CREDIT

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		Parent company	
		March 20, 2013	March 19, 2012	March 20, 2013	March 19, 2012
		IRR million	IRR million	IRR million	IRR million
Sundry Debtors – LCY	10-1	652,573	879,106	1,094,858	1,096,727
Sundry Debtors- FCY	10-2	199,652	436,388	199,653	436,388
Prepayments	10-3	<u>22,759</u>	<u>15,112</u>	<u>8,317</u>	<u>9,792</u>
		<u>874,984</u>	<u>1,330,606</u>	<u>1,302,828</u>	<u>1,542,906</u>

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

	Note	Group		Parent company	
		March 20, 2013	March 19, 2012	March 20, 2013	March 19, 2012
		IRR million	IRR million	IRR million	IRR million
Dividend Receivable		319,298	62,451	491,699	198,211
Bank Karafarin Investment Co.		-	-	359,616	283,121
Accrued interest - Participation securities	10-1-1	16,088	5,508	16,088	5,508
On-accounts Paid for Renovation of Branch Buildings		105,581	31,593	105,581	31,593
Baghdad Branch	10-1-2	-	73,360	-	73,360
Other		211,606	706,195	121,874	504,932
		<u>652,573</u>	<u>879,106</u>	<u>1,094,858</u>	<u>1,096,727</u>

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

10.1.2. This figure denotes initial deposits placed for the establishment of the Bank's branch in Baghdad, which is settled now.

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

	Group		Parent company	
	March 20, 2013	March 19, 2012	March 20, 2013	March 19, 2012
	IRR million	IRR million	IRR million	IRR million
Our Foreign Currency Checks	124,474	101,866	127,474	101,866
Foreign Currency Securities Received Deposit	936	1,168	936	1,168
Trading Foreign Currency	-	248,644	-	248,644
Other	<u>71,242</u>	<u>84,710</u>	<u>71,242</u>	<u>84,710</u>
	<u>199,652</u>	<u>436,388</u>	<u>199,652</u>	<u>436,388</u>

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

	Group		Parent company	
	March 20, 2013	March 19, 2012	March 20, 2013	March 19, 2012
	IRR million	IRR million	IRR million	IRR million
Rent, Repair & Maintenance of Building	502	3,018	502	3,018
Employees' Welfare Scheme	2,938	1,400	2,594	1,000
Computer Systems	313	1,606	313	1,606
Print	4,745	-	4,745	-
Advertising Contracts	125	1,427	125	1,427
Other	<u>14,136</u>	<u>7,661</u>	<u>38</u>	<u>2,741</u>
	<u>22,759</u>	<u>15,112</u>	<u>8,317</u>	<u>9,792</u>

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11. PARTICIPATION SECURITIES

Security type	Group		Parent Company	
	March 20, 2013	March 19, 2012	March 20, 2013	March 19, 2012
	IRR million	IRR million	IRR million	IRR million
Water and Sewerage Companies	372,000	872,000	372,000	872,000
State Securities (FCY)	474,510	484,560	474,510	484,560
Pars Oil and Gas	548,000	428,000	548,000	428,000
Karafarin Investment Fund	185,492	65,230	63,517	63,517
KarafarinArman Fund	25,110	83,375	23,500	23,500
TABA Securities	-	20,000	-	20,000
Karafarin Brokerage Investment Fund	62,765	-	-	-
Total	1,667,877	1,953,165	1,481,527	1,891,577

11.1. The maturity breakdown of the year-end balance for Participation Securities is outlined below.

	Issue Date	Maturity Date	Interest Rate	Face Value (IRR million)
Water and Sewerage	10 March 2012	11 March 2016	20%	372,000
Water and Sewerage	21 August 2010	21 August 2014	20%	318,000
Pars Oil and Gas	12 February 2011	12 February 2015	20%	116,000
Pars Oil and Gas	6 November 2010	6 November 2014	20%	114,000
Karafarin Investment Fund	14 July 2011	14 July 2013	20%	63,517
ArmanKarafarin Fund	4 April 2011	4 April 2013	20%	23,500
Pars Oil and Gas (Euro 30,000,000)	9 March 2011	9 March 2014	8%	474,510
				<u>1,481,527</u>

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12. INVESTMENTS

	Note	Group		Parent Company	
		March 20, 2013	March 19, 2012	March 20, 2013	March 19, 2012
		IRR million	IRR million	IRR million	IRR million
Short-term Investments	12-1	683,094	369,054	675,821	366,001
Long-term Investments	12-2	<u>795,428</u>	<u>472,927</u>	<u>451,146</u>	<u>380,573</u>
		<u>1,478,522</u>	<u>841,981</u>	<u>1,126,967</u>	<u>746,574</u>

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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		Parent Company	
	20 March 2013		19 March 2012	
	Historical Cost	Market Value	Historical Cost	Market Value
	IRR million	IRR million	IRR million	IRR million
Multi-functional Industrial Companies	107,791	98,383	107,761	98,313
Chemical Products	126,525	158,037	125,576	157,117
Base Metals	215,345	256,207	215,345	256,207
Technical and Engineering Services	105	116	-	-
Cement, Iron & Plaster	20,158	32,905	20,158	17,950
Telecommunication Group	35,687	158,037	35,303	32,905
Oil Products	63,913	66,851	61,917	64,685
<i>Sokuk</i>	31,883	31,860	31,883	31,860
Banks, Credit Institutes & Other Monetary Organizations	50,079	65,979	46,275	65,979
Oil & Gas Extraction & Side Services	16,146	16,060	14,146	16,060
Automobile & Production of Parts	1,663	981	1,663	981
Insurance	3,277	1,890	3,277	1,890
Financial Investment	5,667	6,072	5,667	6,072
Computer & Related Activities	3,396	4,661	3,390	4,653
Metal Mines Investment	1	2	1	2
Foodstuff Industries	1,458	1,411	1,458	1,411
Total	683,094	759,365	675,821	756,087

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

				Group		Parent company	
				20.03.13	19.03.12	20.03.13	19.03.12
Investee Companies	Investees' Total no. of Shares	Shares Owned by the Bank	Ownership (%)	IRR million	IRR million	IRR million	IRR million
Karafarin Bank Investment Company	200,000,000	159,969,000	80%	-	-	159,969	159,969
Karafarin Leasing Company	100,000,000	99,999,996	100%	-	-	100,000	100,000
Karafarin Bank Brokerage Company	50,000,000	49,999,996	100%	-	-	50,000	50,000
Karafarin Insurance Company	400,000,000	81,000,000	20%	244,824	72,696	111,097	37,343
Karafarin Bureau de Change Company	20,000,000	19,996,000	100%	-	-	19,996	19,996
Iran Banking Institute	222,500,000	6,675,000	3%	-	6,676	-	6,675
AbinehGostar Construction Company	10,000,000	4,899,999	49%	-	-	4,900	1,715
Investment in Projects				531,296	387,680	-	-
Other				19,309	5,875	5,184	4,875
				<u>795,428</u>	<u>472,927</u>	<u>451,146</u>	<u>380,573</u>

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

	Note	Location	Percent of Investment		Main Activity
			Group	Parent Company	
Affiliated Companies:					
Karafarin Insurance Co.	12-3-1	Tehran	22/83	20	Issuance of insurances
Subsidiary Companies:					
Karafarin Bank Investment Company		Tehran	100	80	Investment in shares of companies & institutions
Karafarin Leasing Company		Tehran	100	100	Cash, instalment & hire purchase sales
Karafarin Bank Brokerage Company		Tehran	100	100	Trading shares
Karafarin Bureau de Change Company		Tehran	100	100	Trading foreign currencies, coins gold & silver
AbinehGostarKarafarin` Construction Company		Tehran	90	49	Implementation of construction projects including renovation

Investment in Affiliated Company (Karafarin Insurance Co.)	Quota from Net Assets (IRR million)
Opening Balance	72,522
Acquired during the Year	73,754
Quota from Fixed Assets Revaluation of the Affiliated Company	81,708
Quota from Profit of Affiliated Company – Performance of 2011/12	18,907
Dividend Received during the Year	(2,068)
	244,834

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12.3.1. Having membership on the Board of Directors of the Karafarin Insurance Company, the Karafarin Bank 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 September 2012 (due to inaccessibility to the financial statements of the 2012/13 period) total assets, liabilities, income and net profit of the Karafarin Insurance Company were IRR5,896 billion, IRR5,238 billion, IRR2,394 billion and IRR68 billion respectively. The Bank's six month profit share from the net profit of the subsidiary company (Karafarin Insurance Company) amounts to IRR15,527 billion. In addition, according to the mid-term financial statements ended September 2012, the company is not likely to have liabilities.

During the reporting period, the Bank has purchased 7% of the shares of the Karafarin Insurance Company and the Bank's investments in the said company have increased by 20%. Ownership transfer has occurred following the end of the financial year.

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13. FIXED ASSETS

Table of cost and accumulated depreciation of fixed assets of the Group and the Parent Company is as follows:

Fixed Assets	Group												
	Cost- IRR million						Accumulated Depreciation- IRR million						Book Value – IRR million
	19.03.12	Increase	Decrease	Transfers	Adjustments	20.03.13	19.03.12	Charge	Disposal	20.03.13	20.03.13	19.03.12	
Land	955,977	176,549	(27,596)	145,657	-	1,250,587	92,017	-	92,017	1,158,570	863,960		
Building	607,516	16,524	(15,000)	92,953	-	701,992	-	(2,987)	17,323	684,669	607,516		
Motor Vehicles	6,648	964	(610)	-	-	7,002	3,488	(228)	3,915	3,088	3,160		
Furniture	265,059	37,216	(4,101)	(40,387)	-	257,786	94,189	(1,518)	115,881	141,805	170,870		
Total	1,835,200	231,253	(47,307)	198,222	-	2,217,367	189,694	(4,733)	229,236	1,988,132	1,645,506		
Capital Prepayments	441,156	1,524,145	(47,307)	(198,222)	(2,759)	1,764,319	-	441,156	-	1,764,319	441,156		
Total	2,276,356	1,755,398	(47,307)	-	(2,759)	3,981,686	189,694	(4,733)	229,236	3,752,451	2,086,662		

Fixed Assets	Group												
	Cost- IRR million						Accumulated Depreciation- IRR million						Book Value – IRR million
	19.03.12	Increase	Decrease	Transfers	Adjustments	20.03.13	19.03.12	Charge	Disposal	20.03.13	20.03.13	19.03.12	
Land	1,186,386	320,519	-	122,954	-	1,629,859	-	-	-	1,629,859	1,186,386		
Building	435,991	37,445	-	72,031	-	545,467	108,268	-	134,500	410,967	327,723		
Motor Vehicles	4,873	677	(212)	-	-	5,338	2,729	(112)	3,224	2,114	2,144		
Furniture	214,227	32,707	(2,489)	3,237	-	247,682	92,247	(1,476)	113,056	134,626	121,980		
Total	1,841,477	391,348	(2,701)	198,222	-	2,428,346	203,244	(1,588)	250,780	2,177,566	1,638,233		
Capital Prepayments	441,156	1,524,145	-	(198,222)	(2,759)	1,764,320	-	221,156	1,764,320	1,764,320	441,156		
Total	2,282,633	1,915,493	(2,701)	-	(2,759)	4,192,666	203,244	(1,588)	250,780	3,941,886	2,079,389		

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

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13.1. Capital prepayments are as follows:

	Parent Company	19.03.12 IRR million
	20.03.13 IRR million	
ValiAsr St. – Saeedi Property	617,000	-
Shariati – Pole Rumi Property	-	108,500
Mollasadra St. Property	106,400	-
Mashhad Sajjad Blvd. Property	75,000	-
Niavaran, Yaser Sq. Property	73,600	-
Geno Consulting Engineering Co.	63,243	-
SardarJangal Property	56,116	-
Renovation of Bokharest Central Branch	243,896	55,347
Taleghani St. Property	-	53,400
Sanandaj Property	48,291	-
Kerman, Jomhuri Blvd. Property	47,408	-
MoghddasArdebili St. Property	46,360	44,020
Babol Property	46,088	-
AbniehGostarKarafarin Co.	39,621	-
Tehran Municipality	33,436	1,791
Kermanshah ShahidBeheshti Property	32,314	-
Darrous Property	30,600	-
Gorgan Property	28,712	-
Azaran Industrial Structures	26,766	-
Renovation of Nahid Bldg. Second Phase	-	23,913
Renovation of Pasdaran Branch	81,663	23,187
Punak Sq. Property	-	22,348
Basa Co.	21,438	420
Renovation of Rental Building	20,402	422
Zanjan Branch Property	11,366	11,366
Other	9,415	96,542
	1,764,320	441,156

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13.2.The Bank's land and goodwill were revalued at the end of the 2011/12 period and the difference amounting to IRR2,043,597 million has been reflected as excess revaluation under the heading of shareholders equity. The Company has during the reporting period increased its capital from excess valuation. In addition, the amount of IRR81,08 million is related to the Bank's and its subsidiary company, Karafarin Insurance Company's share from the excess valuation.

13.3. Ratio of Net Fixed Assets to Shareholders' Equity

	IRR million		
Immovable Assets	2,175,328		
Less:			
Accumulated Depreciation- Immovable Assets	(134,500)		
Net Balance- Immovable Assets		2,040,828	
In-progress Immovable Assets Under Construction		409,469	
Capital Prepayments		1,311,211	
Repossessed Collateral (Over 2 years)		414,321	
Movable Assets	253,020		
Less:			
Accumulated Depreciation- Movable Assets	(140,736)		
Net Balance- Movable Assets		112,283	
Intangible Assets		3,311,327	
Capital Lease Properties		46,453	
Net Fixed Assets			<u>7,645,893</u>
Equity less Retained Earnings and Unearned Income			<u>9,028,515</u>
Ratio of Net Fixed Assets to Equity less Retained Earnings and Unearned Income			<u>84.7%</u>
Acceptable Threshold as defined by the CBI			<u>70%</u>

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14. INTANGIBLE ASSETS

	Group		Parent company	
	March 20, 2013	March 19, 2012	March 20, 2013	March 19, 2012
	IRR million	IRR million	IRR million	IRR million
Goodwill	3,173,064	2,824,191	3,173,064	2,820,622
Computer software applications	24,154	32,719	23,115	32,118
Deposit for landline rights	2,920	2,253	2,786	2,245
	3,200,138	2,859,163	3,198,965	2,854,985

15. OTHER ASSETS

	Group		Parent company	
	March 20, 2013	March 19, 2012	March 20, 2013	March 19, 2012
	IRR million	IRR million	IRR million	IRR million
Repossessed collaterals	615,460	462,254	606,445	453,634
Security deposit for rental buildings	87,073	108,912	87,073	108,912
Cheque book printing rights	456	659	455	659
Other	28,023	3,134	27,844	3,009
	<u>731,012</u>	<u>574,959</u>	<u>721,817</u>	<u>566,214</u>

16. ASSETS TO BE SOLD

	Group	
	March 20, 2013	March 19, 2012
	IRR million	IRR million
Sheikh Bahaee Land Piece – Asre Amin Karafarin	-	3,977
Sheikh Bahaee Building – Asre Amin Karafarin	-	2,332
	-	<u>6,309</u>

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17. DUE TO THE CENTRAL BANK OF IRAN

	Group		Parent Company	
	March 20, 2013	March 19, 2012	March 20, 2013	March 19, 2012
	IRR million	IRR million	IRR million	IRR million
Foreign Currency Term Deposit	1,793,545	2,598,525	1,793,545	2,598,525
Due for Purchasing Foreign Currency	3,148,560	-	3,148,561	-
Due for Foreign Currency Provision	155,133	317,996	155,132	317,996
	5,097,238	2,916,521	5,097,238	2,916,521

18. DUE TO BANKS AND CREDIT INSTITUTIONS

Accounts due	Note	Group		Parent Company	
		March 20, 2013	March 19, 2012	March 20, 2013	March 19, 2012
		IRR million	IRR million	IRR million	IRR million
Banks' Deposits held with Us	18-1	764,044	1,749,606	501,177	1,602,834
Banks' Deposits		889,658	397,996	889,658	397,996
Interbank Credits- Cheque Clearing		8,959	8,056	8,959	8,056
Other		325,886	136,957	325,887	136,957
		<u>1,988,547</u>	<u>2,292,615</u>	<u>1,725,681</u>	<u>2,145,843</u>

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

Accounts due	Note	Group		Parent Company	
		March 20, 2013	March 19, 2012	March 20, 2013	March 19, 2012
		IRR million	IRR million	IRR million	IRR million
Foreign Currency Term Deposit – Iranian Bank		262,866	190,845	-	44,073
Foreign Currency Term Deposit – Foreign Bank (Future Bank Bahrain – Emirates Dirhams)		498,383	548,833	498,383	548,833
Banks' Investment Deposits held with Us	18-1-1	2,794	1,009,928	2,794	1,009,928
		<u>764,044</u>	<u>1,749,606</u>	<u>501,177</u>	<u>1,602,834</u>

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

	Group		Parent Company	
	March 20, 2013	March 19, 2012	March 20, 2013	March 19, 2012
	IRR million	IRR million	IRR million	IRR million
Ayandeh Bank	1,962	1,007,130	1,962	1,007,130
Tose'eh Credit Institute	813	2,780	813	2,780
Other Banks	19	18	19	18
	<u>2,794</u>	<u>1,009,928</u>	<u>2,794</u>	<u>1,009,928</u>

19. DEMAND DEPOSITS

	Group		Parent Company	
	March 20, 2013	March 19, 2012	March 20, 2013	March 19, 2012
	IRR million	IRR million	IRR million	IRR million
Current QardulHasan Deposits- LCY (IRR)	2,193,094	1,598,710	2,193,094	1,598,710
Current QardulHasan Deposits- FCY	179,457	119,639	179,457	119,639
Managed Funds- Unutilised Portion	1,059	1,060	1,059	1,060
	<u>2,373,610</u>	<u>1,719,409</u>	<u>2,373,610</u>	<u>1,719,409</u>

20. QARDUL HASAN SAVINGS DEPOSITS

	Group		Parent company	
	March 20, 2013	March 19, 2012	March 20, 2013	March 19, 2012
	IRR million	IRR million	IRR million	IRR million
SavingsQardulHasan Deposits- FCY	268,877	858,029	268,877	858,029
SavingsQardulHasan Deposits- LCY (IRR)	2,488	3,791	2,488	3,791
	<u>271,365</u>	<u>861,820</u>	<u>271,365</u>	<u>861,820</u>

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21. TERM INVESTMENT DEPOSITS

	Group		Parent company	
	March 20, 2013	March 19, 2012	March 20, 2013	March 19, 2012
	IRR million	IRR million	IRR million	IRR million
Long-term Investment Deposits	31,614,140	26,723,216	31,614,140	26,730,554
Short-term Investment Deposits	12,797,923	8,763,676	13,034,668	8,818,670
Short-term Special Investment Deposits	<u>2,290,992</u>	<u>146,872</u>	<u>2,290,991</u>	<u>146,872</u>
	<u>46,703,055</u>	<u>35,633,764</u>	<u>46,939,799</u>	<u>35,696,096</u>

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

	Parent Company					
	20 March 2013			19 March 2012		
	IRR	FCY	Total	IRR	FCY	Total
IRR million						
Long-term Investment Deposits	31,271,696	342,444	31,614,140	25,745,842	984,712	26,730,554
Short-term Investment Deposits	12,902,279	132,389	13,034,668	8,573,553	245,117	8,818,670
Short-term Special Investment Deposits	<u>2,290,991</u>	<u>-</u>	<u>2,290,991</u>	<u>146,872</u>	<u>-</u>	<u>146,872</u>
	<u>46,464,966</u>	<u>474,833</u>	<u>46,939,799</u>	<u>34,466,267</u>	<u>1,229,829</u>	<u>35,696,096</u>

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

Currency	Parent Company					
	Long-term		Short-term		Total	
	FCY	IRR million	FCY	IRR million	FCY	IRR million
US Dollar	15,438,942	189,282	2,470,322.50	30,286	17,909,264	219,568
Euro	8,486,906	134,237	14,808,172	101,057	23,295,078	235,294
Pound Sterling	90,112	1,668	117,212	502	207,324	2,170
UAE Dirham	5,173,000	17,257	5,336,000	544	10,509,000	17,801
		<u>342,444</u>		<u>132,389</u>		<u>474,833</u>

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

Term deposits	2012/13	2011/12
One-year Deposits	17%-18.39%	12.5%-18.39%
Two-year Deposits	18%-21.48%	13%-21.48%
Three-year Deposits	18.5%-24.49%	14%-24.49%
Four-year Deposits	19%-28.14%	14.5%-28.14%
Five-year Deposits	20%-33.92%	15%-33.92%
General Investment Special Certificate of Deposit	16%-20%	16%-20%
Short-term Deposits	7%	6%-7%
Special Short-term Deposits	10%-15%	6%-12.3%

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

	20 March 2013					19 March 2012
	Over 20%	17% -20%	12% -17%	Less than 12%	Total	Total
	IRR million	IRR million	IRR million	IRR million	IRR million	IRR million
Before 2012-13	240	12,103,445	80,784	15,127,073	27,311,542	11,021,085
2013-14	1,805	12,932,902	828,008	2,488,732	16,251,447	5,328,944
2014-15	2,549	1,283,361	-	-	1,285,910	4,046,872
2015-16	86,490	1,336,135	-	-	1,422,625	5,205,027
2016-17	94,911	192,263	14	-	287,188	10,094,168
2017-18	165,726	215,360	-	-	381,086	-
	<u>351,722</u>	<u>28,063,466</u>	<u>908,806</u>	<u>17,615,805</u>	<u>46,939,799</u>	<u>35,696,096</u>

21.5. Investment deposits turnover is as follows:

Deposits	Parent Company			
	Balance at 19 March 2012	New Deposits	Principal Repayment	Balance at 20 March 2013
	IRR million	IRR million	IRR million	IRR million
One-year Deposits	1,967,523	939,454	(1,945,204)	961,773
Two-year Deposits	71,686	28,640	(37,128)	63,198
Three-year Deposits	56,128	15,225	(31,617)	39,736
Four-year Deposits	63,400	16,688	(22,245)	57,833
Five-year Deposits	19,751,886	19,510,615	(15,930,316)	23,332,185
General Investment Special Certificate of Deposit	4,819,932	12,878,557	(10,539,084)	7,159,405
Short-term Deposits	8,818,670	445,595,866	(441,379,868)	13,034,668
Special Short-term Deposits	146,871	2,571,345	(427,225)	2,290,991
	<u>35,696,096</u>	<u>481,556,390</u>	<u>(470,312,687)</u>	<u>46,939,799</u>

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22. OTHER DEPOSITS

	Group		Parent Company	
	March 20, 2013	March 19, 2012	March 20, 2013	March 19, 2012
	IRR million	IRR million	IRR million	IRR million
Cash Deposits on LGs- IRR	1,213,886	1,107,904	1,213,886	1,107,904
Cash Deposits on LGs- FCY	91,404	120,353	91,404	120,353
Customer prepayments for LCs	3,350,726	1,149,974	3,350,726	1,149,974
Other	8,107	4,046	8,107	4,046
	<u>4,664,123</u>	<u>2,382,277</u>	<u>4,664,123</u>	<u>2,382,277</u>

23. INCOME TAX PAYABLE

	Group		Parent company	
	March 20, 2013	March 19, 2012	March 20, 2013	March 19, 2012
	IRR million	IRR million	IRR million	IRR million
Opening balance	483,900	566,696	463,130	557,903
Provisions for current period performance	427,700	408,570	382,453	388,245
Paid for during the reporting period	<u>(568,354)</u>	<u>(491,367)</u>	<u>(515,231)</u>	<u>(483,018)</u>
	<u>343,246</u>	<u>483,900</u>	<u>330,352</u>	<u>463,130</u>

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

Financial Periods	Profit (loss) filed by the Bank	Taxable Income filed by the Bank	20.03.2013 - Taxation					19.03.2012	Assessment Method
			As Filed	As Assessed	Final	Paid	Provision Balance	Provision Balance	
2003-04	156,710	12,177	2,640	29,857	38,441	11,620	-	-	Assessment of Books
2004-05	215,976	35,876	8,072	47,838	34,302	37,010	7,883	7,883	Assessment of Books
2005-06	350,189	83,688	18,830	74,640	71,228	71,228	-	-	Assessment of Books
2006-07	529,949	164,155	36,935	149,490	143,415	143,415	-	-	Assessment of Books
2007-08	819,626	335,500	75,487	214,937	232,622	232,622	-	126,986	Assessment of Books
2008-09	1,450,215	1,034,006	232,651	356,962	382,062	382,062	-	-	Assessment of Books
2009-10	1,905,660	1,174,394	234,879	366,587	-	234,879	-	-	Assessment of Books
2010-11	2,033,281	1,103,093	220,616	501,440	-	220,619	-	-	Assessment of Books
2011-12	2,788,856	1,941,225	388,245	629,956	-	388,245	-	388,245	Assessment of Books
2012-13	3,177,001	1,912,266	382,453	-	-	-	382,453	-	Not Surveyed
Total							390,336	523,114	
Tax Prepayment							(59,984)	(59,984)	
Tax Payable							330,352	463,130	

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

23.1.2. The final tax assessment for the 2003/04 period has been issued. In line with Article 259 of the Direct Taxation Law, the Bank has paid one third of the payable taxes and has appealed against the above assessment to the Taxation High Committee.

23.1.3. The final tax assessment for the 2004/05 and 2005/06 periods have been issued. Whilst paying the related taxes, the Bank has submitted its appeal to the Taxation High Committee.

23.1.4. The Bank's appeals against the tax assessments for the 2009/10 until 2010/11 periods are being processed.

24. INTEREST PAYABLE (TO DEPOSITORS)

	Balance 19 March 2012	Prepaid Advance Interest	Final Interest – Prepaid Advance Interest	Interest Paid During the Period	Balance 20 March 2013
Short-term Deposits	105,796	742,171	86,354	(845,387)	88,935
Special Short-term Deposits	7,036	96,941	11,280	(103,979)	11,278
One-year Deposits	79,469	130,015	15,128	(209,483)	15,129
Two-year Deposits	2,689	12,021	1,399	(14,710)	1,399
Three-year Deposits	1,947	8,468	985	(10,415)	985
Four-year Deposits	2,026	11,525	1,341	(13,550)	1,342
Five-year Deposits	483,302	4,469,519	520,046	(4,952,821)	520,046
Certificate of General Investment Deposit	-	992,482	-	(992,482)	-
	<u>682,265</u>	<u>6,463,142</u>	<u>636,532</u>	<u>(7,142,827)</u>	<u>639,113</u>

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25. Provisions & Other Liabilities

	Group		Parent Company	
	March 20, 2013	March 19, 2012	March 20, 2013	March 19, 2012
	IRR million	IRR million	IRR million	IRR million
Margins Held Against Term LCs	1,346,474	2,050,559	1,346,474	2,050,560
Provisions for Accrued & Unpaid Expenses	162,747	55,607	161,629	55,607
Social Security Organization	28,148	22,977	28,148	18,830
Cash Deposit on Matured LGs	9,002	11,717	9,002	11,717
Contractors' Goodwill Deposit	22,225	10,869	22,225	10,869
Karafarin Bureau de Change – FYC	440,765	-	440,765	-
Customers of L/Cs & Facilities	275,232	-	275,232	-
Other Liabilities	<u>615,241</u>	<u>585,782</u>	<u>580,950</u>	<u>514,324</u>
	<u>2,899,833</u>	<u>2,737,511</u>	<u>2,864,425</u>	<u>2,661,907</u>

26. PAYABLE DIVIDEND

	Group		Parent Company	
	March 20, 2013	March 19, 2012	March 20, 2013	March 19, 2012
	IRR million	IRR million	IRR million	IRR million
Opening Balance	53,219	15,383	23,196	15,383
Payment during the Year	(671,314)	(1,492,187)	(675,316)	(1,492,187)
Ratified Dividend of the General Assembly of the Previous Year	<u>675,000</u>	<u>1,530,023</u>	<u>675,000</u>	<u>1,500,000</u>
	<u>56,906</u>	<u>53,219</u>	<u>22,880</u>	<u>23,196</u>

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27. PROVISIONS FOR EMPLOYEES' TERMINATION BENEFITS

	Group		Parent company	
	March 20, 2013	March 19, 2012	March 20, 2013	March 19, 2012
	IRR million	IRR million	IRR million	IRR million
Provisions - Opening Balance	95,388	71,586	93,798	70,623
Contributions during the Period	(9,086)	(377)	(7,316)	(326)
Provisions Taken	46,249	24,179	43,600	23,501
Provisions - Closing Balance	132,551	95,388	130,082	93,798

28. PAID-IN CAPITAL

28.1. The Bank's capital on the date of establishment was IRR 30,000 million (comprising 30,000,000 shares with a face value of IRR 10,000 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 2013 capital stands at IRR 7,250 billion (comprising 7,250 million shares each with a face value of IRR 10,000).

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

According to the minutes of the Extra Ordinary General Assembly dated 91/3/23 and the Board Meeting dated 91/4/10, the Bank's capital increased from IRR4,500 billion to IRR7,250 billion, as stated in the above table. This capital increase was registered at the Tehran Companies Registration Department on 22/09/2012.

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

	2012/13			2011/12
			IRR million	IRR million
Investee Affiliated Company	% of Ownership	No. of Shares	Cost	Cost
Karafarin Insurance Co.	4.75%	344,219,673	581,725	518,483

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 on a bank's ability in confronting unforeseeable risks and losses. The table below presents the Bank's CAR between two recent time intervals.

	Note	Parent Company	
		March 20, 2013	March 19, 2012
		IRR million	IRR million
Paid-in Capital		5,250,000	4,500,000
Legal Reserves		1,778,515	1,359,333
Retained Earnings		<u>2,924,053</u>	<u>1,978,188</u>
Total Tier 1 Capital		<u>9,952,568</u>	<u>7,837,521</u>
General Provisions on Loans and Investments		710,607	690,094
Adjustments to Tier 2 Capital for Excesses on 1.25% of Weighted Assets		-	(22,006)
Asset Revaluation Surplus		<u>2,043,597</u>	<u>2,043,597</u>
Total Base Capital Before Deductions		2,754,204	2,711,685
Investments in Shares of Banks and Credit Institutions		<u>(18,053)</u>	<u>(43,629)</u>
		2,736,151	2,668,056
Capital Base		<u>12,688,719</u>	<u>10,505,577</u>
Total Risk-weighted Assets	28-3	<u>61,636,587</u>	<u>53,447,038</u>
Capital Adequacy Ratio (%)		20.59	19.66

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28.3. Risk-weighted Assets

Risk-weighted Assets	Parent Company					
	March 20, 2013			March 19, 2012		
	Assets	Risk Weight	Risk-weighted Asset	Assets	Risk Weight	Risk-weighted Asset
	IRR million	Percent	IRR million	IRR million	Percent	IRR million
Cash	168,001	-	-	60,958	-	-
Due from CBI	6,807,598	-	-	5,181,140	-	-
Due from Banks and Credit Institutions	12,711,301	20	2,542,260	2,764,374	20	552,874
State Participation Securities	1,394,510	-	-	1,804,560	-	-
Non-state Participation Securities	87,017	100	87,017	87,017	100	87,017
Investments	1,108,915	100	1,108,915	746,574	100	746,574
Accounts Receivable (Debtors)	1,266,828	100	1,266,828	3,461,113	100	3,461,113
Prepayments	8,317	100	8,317	9,792	100	9,792
Loans and Facilities (Hire Purchase-ljara) and Mortgages	701,614	50	350,807	1,076,220	50	538,110
Debtors on Long-term LCs	526,748	100	526,748	1,810,255	50	905,127
Other Loans and Financial Facilities	44,393,270	100	44,393,270	37,707,022	100	37,707,022
Net Fixed Assets and Goodwill	7,140,851	100	7,140,851	4,934,375	100	4,934,375
Other Assets	721,818	100	721,818	566,214	100	566,214
Commitments on LGs issued (conversion factor: 20%)	2,435,018	100	2,435,018	2,290,312	100	2,290,312
Commitments on LGs issued (conversion factor: 50%)	43,586	100	43,586	75,893	100	75,893
Commitments on LCs issued (conversion factor: 20%)	1,011,153	100	1,011,153	1,572,615	100	1,572,615
Total risk-weighted Assets	80,526,545		61,636,588	64,148,434		53,447,038

29. STATUTORY RESERVES

	Group		Parent Company	
	March 20, 2013	March 19, 2012	March 20, 2013	March 19, 2012
	IRR million	IRR million	IRR million	IRR million
Opening balance	1,376,238	1,021,400	1,359,333	1,008,164
Appropriated from net profit	431,140	354,838	419,182	351,169
Closing balance	1,807,378	1,376,238	1,778,515	1,359,333

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Based on article 33 of the Money & Banking Regulations, at least 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.

30. MINORITY INTEREST

	Group	
	March 20, 2013	March 19, 2012
	IRR million	IRR million
Capital	40,031	40,031
Statutory Reserves	5,204	3,295
Retained Earnings	<u>(22,711)</u>	<u>(19,950)</u>
	<u>22,524</u>	<u>23,376</u>

31. INTEREST ON LOANS AND FACILITIES

	Group		Parent Company	
	March 20, 2013	March 19, 2012	March 20, 2013	March 19, 2012
	IRR million	IRR million	IRR million	IRR million
Income from Islamic Financial Products	6,635,440	5,110,501	6,542,401	5,057,233
Late Payment Penalties	1,821,785	1,291,577	1,821,784	1,291,577
Other	<u>235,500</u>	<u>496,966</u>	<u>235,500</u>	<u>496,966</u>
	<u>8,692,725</u>	<u>6,899,044</u>	<u>8,599,685</u>	<u>6,845,776</u>

31.1. Interest from granted facilities based on joint and non-joint activities:

	Group		Parent Company	
	March 20, 2013	March 19, 2012	March 20, 2013	March 19, 2012
	IRR million	IRR million	IRR million	IRR million
Profit from Granted Facilities	8,174,154	6,292,485	8,174,154	6,292,485
Income from Non-joint Activities	518,571	606,559	425,532	553,291
Total	8,692,725	6,899,044	8,599,685	6,845,776

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32. INTEREST ON DEPOSITS AND INCOME FROM INVESTMENTS

	Group		Parent Company	
	March 20, 2013	March 19, 2012	March 20, 2013	March 19, 2012
	IRR million	IRR million	IRR million	IRR million
Profit from Investment in Shares of Companies	516,923	193,577	580,569	330,330

	Group		Parent Company	
	March 20, 2013	March 19, 2012	March 20, 2013	March 19, 2012
	IRR million	IRR million	IRR million	IRR million
Dividend of Subsidiary Companies	-	-	63,646	136,752
Dividend of Affiliated Companies	-	-	1,567	1,841
Dividend of Other Companies	284,859	154,260	283,292	152,419
Profit from Trading Shares	232,064	39,317	232,064	39,318
	516,923	193,577	580,569	330,330
Profit from Investments:				
Interest on Deposits	955,391	339,109	955,391	347,659
Interest on Participation Securities	632,111	338,465	632,111	338,465
Interest on Statutory Reserves	52,025	3,529	52,025	3,529
Profit from Investments	1,639,526	681,103	1,639,527	689,653
	2,156,449	874,680	2,220,096	1,019,983

32.1. Income from investments and deposits based on joint and non-joint activities is as follows:

	Group		Parent Company	
	March 20, 2013	March 19, 2012	March 20, 2013	March 19, 2012
	IRR million	IRR million	IRR million	IRR million
Joint Income on Investments and Deposits	2,066,463	842,456	2,130,110	977,583
Non-joint Income- Investments and Deposits	89,986	32,224	89,986	42,400
	2,156,449	874,680	2,220,096	1,019,983

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33. INTEREST PAID ON INVESTMENT DEPOSITS

	Group		Parent company	
	March 20, 2013	March 19, 2012	March 20, 2013	March 19, 2012
	IRR million	IRR million	IRR million	IRR million
Five-year Deposits	4,469,519	3,060,151	4,469,519	3,060,151
Short-term (1-month) Deposits	717,472	597,331	742,171	597,331
One-year Deposits	130,015	239,354	130,015	239,354
Short-term (6-month) Special Deposits	19,209	17,538	19,209	17,538
Two-year Deposits	12,021	14,272	12,021	14,272
Three-year Deposits	8,468	10,780	8,467	10,780
Four-year Deposits	11,524	11,241	11,525	11,241
Investment Deposit Guarantee – Public (2-year)	990,706	53,655	990,706	53,655
Investment Deposit Guarantee – Public (3-year)	1,776	5,947	1,776	5,947
Special Deposits (4-month)	1,489	3,587	1,489	3,587
Special Deposits (11-month)	498	2,008	498	2,008
Short-term (3-month) Special Deposits	75,233	2,064	75,234	2,064
Short-term (9-month) Special Deposits	512	169	512	169
Investment Deposit Guarantee – Public (1-year)	-	18	-	18
Total	<u>6,438,442</u>	<u>4,018,115</u>	<u>6,463,142</u>	<u>4,018,115</u>

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34. COMMISSION INCOME

	Group		Parent company	
	March 20, 2013	March 19, 2012	March 20, 2013	March 19, 2012
	IRR million	IRR million	IRR million	IRR million
Issuance of Letters of Guarantee	245,205	228,458	245,205	228,458
Foreign Currency Transactions	179,541	150,667	179,541	150,667
Managed Funds	1,317	883	1,317	883
Other	85,105	42,305	53,315	14,129
Total	511,168	422,313	479,378	394,137

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35. INCOME FROM FOREIGN EXCHANGE TRANSACTIONS

	Group		Parent Company	
	March 20, 2013	March 19, 2012	March 20, 2013	March 19, 2012
	IRR million	IRR million	IRR million	IRR million
USD- US Dollar	73,931	60,959	73,932	59,547
EUR- Euro	61,919	569,258	61,919	564,980
GBP- British Pound	(719)	982	(719)	980
JPY- Japanese Yen	28,177	(3,610)	28,177	(3,778)
CHF- Swiss Franc	7,664	(23,127)	7,664	(23,146)
AED- Emirates Dirham	(2,071)	82,264	(2,071)	61,122
SEK- Swedish Krona	18,346	(267,510)	18,346	(267,510)
TLY- Turkish Lira	25,950	(174,177)	25,950	(174,408)
OMR- Omani Rial	(150,237)	(38,263)	(150,237)	(38,263)
KRW- South Korean Won	15,304	20,893	15,304	20,623
QAR- Qatari Rial	1	6,586	1	6,586
DKK- Danish Krone	-	(1,121)	-	(1,121)
RUB- Russian Rouble	98,566	6,339	98,566	6,339
INR- Indian Rupee	990	1,008	990	1,008
CNY- Chinese Yuan	15,325	(182)	15,324	(182)
CAD- Canadian Dollar	-	1	-	-
	193,146	240,300	193,146	212,777

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36. OTHER INCOME

	Group		Parent Company	
	March 20, 2013	March 19, 2012	March 20, 2013	March 19, 2012
	IRR million	IRR million	IRR million	IRR million
Professional Services Fees	49,268	37,070	49,268	37,069
Profit (Loss) on Fixed Asset Disposal	3,065	1,008	(303)	1,008
Profit from Sales of Held Assets for Sales	3,210	-	-	-
Other	<u>270,470</u>	<u>118,140</u>	<u>105,535</u>	<u>95,174</u>
	<u>326,013</u>	<u>156,218</u>	<u>154,500</u>	<u>133,251</u>

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37. GENERAL AND ADMINISTRATIVE EXPENSES

	Note	Group		Parent company	
		March 20, 2013	March 19, 2012	March 20, 2013	March 19, 2012
		IRR million	IRR million	IRR million	IRR million
Personnel Expenses		512,834	358,581	477,907	336,440
Rent Expenses		40,836	32,818	46,453	32,453
Advertising Expenses		37,187	16,575	35,964	16,537
Depreciation Expenses		61,134	47,090	58,572	53,128
Water, Electricity, Energy & Telephone Expenses		30,495	26,229	29,314	25,419
Automated Systems' Expenses		34,381	12,347	33,551	11,810
Repair & Maintenance of Buildings Expenses		32,008	25,121	27,855	24,609
Consultancy & Fees' Expenses	37-1	47,983	30,445	45,495	29,031
Utilities' Expenses		22,503	10,475	21,431	9,967
Insurance Expenses of Cash & Assets		1,819	1,513	1,392	1,456
Training Expenses		2,117	2,139	2,117	2,139
BOD Attendance Expenses		861	536	398	224
Printing & Reports Expenses		554	381	358	381
Other Expenses		102,991	55,573	76,737	49,556
		<u>927,703</u>	<u>619,823</u>	<u>857,545</u>	<u>593,150</u>

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

38. LOAN LOSS PROVISIONS' EXPENSE

	Group		Parent company	
	March 20, 2013	March 19, 2012	March 20, 2013	March 19, 2012
	IRR million	IRR million	IRR million	IRR million
Loan loss provision- General	23,662	223,217	20,514	219,902
Loan loss provision- Specific	310,473	148,239	310,473	147,678
	<u>334,135</u>	<u>371,456</u>	<u>330,987</u>	<u>367,580</u>

Based on CBI Circular MB/2823 of 24 February 2007 of the Office of Banking Studies and Regulation in respect to the measurement of general provisions for loan losses, banks are required to allocate, at each year end, a minimum of 1.5 percent of their balance of loans and facilities and investments to the provisions for loan losses' account. For loans and facilities that are likely to be impaired and meet the criteria outlined in the abovementioned Circular, banks are required to account for necessary loan-specific provisions based on internal assessments of the relevant customers' creditworthiness and their economic and financial position.

39. FINANCING COSTS

	Group		Parent Company	
	March 20, 2013	March 19, 2012	March 20, 2013	March 19, 2012
	IRR million	IRR million	IRR million	IRR million
Interest Paid to IFC	7	915	7	916
Interest Paid on Loans and Facilities	32,907	13,751	-	-
Other	38	-	38	-
	<u>32,952</u>	<u>14,666</u>	<u>45</u>	<u>916</u>

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40. COMMISSIONS AND OTHER EXPENSES

	Group		Parent Company	
	March 20, 2013	March 19, 2012	March 20, 2013	March 19, 2012
	IRR million	IRR million	IRR million	IRR million
Interest on LT FCY Deposits	163,881	190,170	163,881	190,170
Commissions	3,933	2,995	3,933	2,995
Other	13,858	1,351	13,741	1,351
	<u>181,672</u>	<u>194,516</u>	<u>181,555</u>	<u>194,516</u>

41. PRIOR PERIOD ADJUSTMENT

	Note	Group		Parent Company	
		March 20, 2013	March 19, 2012	March 20, 2013	March 19, 2012
		IRR million	IRR million	IRR million	IRR million
Performance Tax	41-1	(130,867)	(387,936)	(126,986)	(382,924)
Dividend of 2011/12 of Subsidiary Companies	41-2	59,484	(273)	59,484	-
Amending Errors		18,282	22,425	-	-
		<u>(53,101)</u>	<u>(365,784)</u>	<u>(67,502)</u>	<u>(382,924)</u>

41.1. The said amount for the corporate tax of 1386 (2007/08) period is related to the final tax assessment.

41.2. In order to correspond with the accounting standards in identifying the dividends of subsidiary companies, the procedure of the prior years has been adjusted and the dividends of the subsidiary companies for the 2012/13 period have been reflected in the prior years' adjustments account and the dividends of the subsidiary companies for the 2012/13 period have been reflected in current year's profit (loss) account.

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 with those of the previous year's financial statement.

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

	Group		Parent Company	
	March 20, 2013	March 19, 2012	March 20, 2013	March 19, 2012
	IRR million	IRR million	IRR million	IRR million
Pre-tax Profit	3,346,973	2,739,738	3,177,001	2,788,856
Depreciation Charge	54,208	47,090	58,572	53,128
Income from Sales of Investments	(232,064)	(57,560)	(232,064)	(59,484)
Devaluation Expenses of Short-term Investments	-	-	384	-
Profit Paid for Financial Facilities Received	32,952	-	45	-
Dividend on Investments & Joint Activities	(284,859)	(134,093)	(348,505)	(270,846)
Dividends on Investments in Affiliated Companies	(2,068)	-	-	-
Profit (Loss) from Sales of Fixed Assets	(3,065)	(1,008)	303	(1,008)
Profit from Sales of Held Assets for Sale	(3,210)	-	-	-
Doubtful Debts' Expenses	334,135	371,456	330,987	367,580
Bonus of the Board of Directors	(5,069)	-	(4,500)	-
Conversion of Foreign Currency	(218,752)	(272,157)	(218,752)	(240,985)
Net Increase in Provisions for Termination Benefits	37,162	23,803	36,284	23,175
	<u>3,056,343</u>	<u>2,717,268</u>	<u>2,799,754</u>	<u>2,660,416</u>
Net Increase (Decrease) in Operating Liabilities:				
Demand Deposits & Gharzol Hassan Savings Deposits	63,746	1,178,667	63,746	1,178,667
Term Investment Deposits	11,069,291	(345,247)	11,243,703	7,916,077
Other Deposits	2,281,846	7,916,077	2,281,846	(375,557)
Accounts Payable	<u>2,182,802</u>	<u>4,209,856</u>	<u>2,106,904</u>	<u>4,888,805</u>
	<u>15,597,685</u>	<u>12,959,353</u>	<u>15,696,199</u>	<u>13,607,992</u>
Net Increase (Decrease) in Operating Assets:				
Statutory Deposits	(1,947,570)	(1,644,132)	(1,947,570)	(1,644,132)
Participation Securities	285,287	(576,195)	410,050	(610,347)
Prepayments	(7,647)	6,237	1,475	4,844
Accounts Receivable	720,116	(1,258,442)	532,091	(1,493,479)
Other Assets	(174,291)	(698,744)	(152,444)	(692,511)
Financial Facilities (Islamic Contracts)	(10,396,646)	(8,531,600)	(10,199,187)	(8,387,671)
Debtors' of L/Cs & Term Foreign Currency Bills	<u>1,283,507</u>	<u>(294,512)</u>	<u>1,283,507</u>	<u>(294,512)</u>
	<u>(10,237,244)</u>	<u>(12,997,388)</u>	<u>(10,072,078)</u>	<u>(13,117,808)</u>
Net Cash Inflow from Operating Activities	8,416,784	2,679,233	8,423,874	3,150,600

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43. DISAGGREGATION OF NET INCREASE IN CASH

	Note	Group		Parent company	
		March 20, 2013	March 19, 2012	March 20, 2013	March 19, 2012
		IRR million	IRR million	IRR million	IRR million
Bank Notes, Coins, and Precious Metals	5	170,306	60,959	168,001	60,958
FCY Cash, and Cash with International Banks	7	7,556,921	2,550,563	7,545,082	2,482,341
Cash Position with Domestic Banks- Post Clearing	6	457,176	36,571	457,177	36,571
Current Account with the CBI	7	5,138,531	5,826,075	5,138,531	5,826,075
Total		13,322,934	8,474,168	13,308,791	8,405,945

44. LETTERS OF CREDIT

Currency	Opening Balance			Issued During the Period			Paid for During the Period			Closing Balance		
	No.	FCY	IRR million	No.	FCY	IRR million	No.	FCY	IRR million	No.	FCY	IRR million
Sight Letters of Credit												
USD	1	78,565	963	-	-	-	-	-	-	1	78,565	963
EUR	229	141,863,864	2,544,489	364	612,967,796	9,695,312	572	537,520,005	8,501,954	21	232,981,785.61	3,806,736
EUR-M	-	-	-	6	15,121,214	479,479	4	2,006,289	63,617	2	13,114,925.19	415,861
AED	96	151,404,859	908,182	-	-	-	86	235,809,953	786,662	10	36,293,812.84	121,076
JPY	10	320,599,996	44,258	54	2,494,605,529	322,927	60	1,186,380,037	153,577	4	1,809,484,790.01	208,348
CHF	1	9,580,313	97,900	-	-	-	1	7,310,898	95,020	-	-	-
KRW	45	32,544,529,670	234,665	103	81,592,264,200	897,270	144	101,326,526,895	1,114,288	4	1,814,414,968.30	19,953
KRW-M	-	-	-	7	11,535,579,000	253,783	3	9,479,375,282	208,546	4	2,056,203,718	45,236
RBL	2	104,160,000	43,747	12	834,029,286	334,446	13	933,117,273	374,180	1	5,072,023.52	2,034
RBL-M	-	-	-	2	10,800,000	8,672	1	10,798,747	8,671	1	1,252.80	1
INR	2	44,367,341	10,870	1	4,948,763	1,118	3	49,316,104	11,145	-	-	-
SEK	1	219,996,840	400,174	-	-	-	1	219,996,840	417,774	-	-	-
CNY	1	315,000	612	67	491,308,762	968,861	46	111,142,840	219,174	22	380,481,627.87	750,310
CNY-M	-	-	-	9	27,016,700	106,851	1	105,000	415	8	26,911,700	106,436
TLY	3	8,483,894	58,503	46	66,980,720	451,651	41	66,324,129	447,224	8	9,220,886.32	62,176
	391		4,344,364	671		13,520,369	976		12,402,247	86		5,539,131
Long-term Letters of Credit												
EUR	168	76,854,805	1,465,227	121	131,473,590	2,079,518	201	159,165,783	2,517,842	88	63,002,693.51	996,514
JPY	84	6,444,935,800	746,373	2	75,222,405	9,738	82	5,155,700,705	667,405	4	-	-
CHF	9	10,198,860	95,328	1	5,679,840	73,821	7	12,702,599	165,096	3	96,085.44	1,249
AED	49	72,020	167,411	-	-	-	31	43,278,782	144,378	18	6,874,385.95	22,933
SEK	-	-	-	-	-	-	-	-	-	-	-	-
TLY	1	898,452	6,054	-	-	-	1	886,250	5,976	-	-	-
KRW	10	35,892,399,116	287,969	30	35,274,716,288	387,916	40	61,640,461,850	677,860	-	77,651,087.00	854
RIAL	10	-	74,133	44	-	-	47	-	-	7	-	-
DKK	-	-	-	-	-	-	-	-	-	-	-	-
INR	2	15,325,200	3,755	3	14,236,190	3,217	5	29,561,390	6,681	-	-	-
CNY	1	747,894	7,784	10	44,209,937	87,182	8	35,493,602	69,993	3	12,730,575.82	25,105
	334		2,854,034	211		2,641,392	422		4,255,231	123		1,046,654
Export Letters of Credit												
USD	16	16,111,656	197,529	-	-	-	-	-	-	16	16,111,655.78	197,529
EUR	16	36,971,928	629,475	1	292,887	4,633	-	-	-	17	39,264,815.31	621,062
AED	7	188,661,555	629,752	-	-	-	-	-	-	7	188,661,555.06	629,375
SEK	1	185,520,000	337,461	-	-	-	-	-	-	1	185,520,000.00	352,302
RIAL	3	19,628,217,110	19,628	-	-	-	-	-	-	3	19,628,217,110.00	19,628
CNY	1	369,533	717	-	-	-	-	-	-	1	369,532.65	729
KRW	2	8,293,895	90	-	-	-	-	-	-	2	8,293,895.00	91
	46		1,814,652	1		4,633	-		-	47		1,820,706
	771		9,013,049	883		16,166,393	1,398		16,657,479	256		8,406,491

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45. LETTERS OF GUARANTEE

	Group		Parent Company	
	March 20, 2013	March 19, 2012	March 20, 2013	March 19, 2012
	IRR million	IRR million	IRR million	IRR million
Commitments on LGs issued- IRR	12,729,341	11,645,222	12,729,341	11,645,222
Commitments on LGs issued- FCY	841,327	1,186,379	841,327	1,186,379
Customers' commitments on counter LGs- FCY	12,535	32,787	12,535	32,787
	<u>13,583,203</u>	<u>12,864,388</u>	<u>13,583,203</u>	<u>12,864,388</u>

46. MANAGED FUNDS

	Group		Parent Company	
	March 20, 2013	March 19, 2012	March 20, 2013	March 19, 2012
	IRR million	IRR million	IRR million	IRR million
Managed funds	902,426	1,498,398	902,426	1,498,398
Profit of Managed Funds	1,459	1,059	1,459	1,059
	<u>903,885</u>	<u>1,499,457</u>	<u>903,885</u>	<u>1,499,457</u>

47. OTHER COMMITMENTS AND OFF BALANCE SHEET ITEMS

	Group		Parent Company	
	March 20, 2013	March 19, 2012	March 20, 2013	March 19, 2012
	IRR million	IRR million	IRR million	IRR million
Collateral Pledged Against Financial Facilities (Deposits & Promissory Notes)	839,441,093	129,935,089	839,441,093	129,935,089
Collateral Pledged Against Financial Facilities (Real Estate)	21,463,070	21,925,126	21,463,070	21,925,126
Collateral Pledged Against Financial Facilities (Shares & Securities)	19,390,498	12,830,767	19,390,498	12,830,767
IjaraThumma Al-Bai (Hire Purchase) Properties Pledged to the Bank	137,341	141,405	137,341	141,405
Other	12,006,954	8,918,625	12,006,954	8,918,625
	<u>892,438,956</u>	<u>173,751,012</u>	<u>892,438,956</u>	<u>173,751,012</u>

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48. CAPITAL COMMITMENTS AND CONTINGENT LIABILITIES

The Bank has no contingent liabilities on the balance sheet date and capital commitment for branches development is 323,059 IRR million.

49. EVENTS AFTER THE BALANCE SHEET DATE

There are no material post-balance-sheet date events that require separate disclosure.

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 2012/13 based on Article 90 of the Amendment of Trade Act	279,455
Maximum Distributable Profit:	
Balance of Retained Earnings at the End of 2012/13 of the Parent Company	2,924,053
Less:	
Deficit of Tax Provision based on Recognized & Final Papers	(417,626)
Proposed Bonus of the Board of Directors	(5,000)
Maximum Distributable Dividend	2,501,427
Board of Directors' Proposal	
Proposed Dividend of the Board of Directors	2,120,000

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50.1. Situation of profit paid during the past five years:

Year	Proposed Schedule for Profit Distribution	Ratified Dividend	Paid Amount during the Schedule	Un-paid Amounts of Ratified Dividend
2007/08	From 14 June 2008	600,000	599,924	76
2008/09	From 16 July 2009	1,000,000	998,209	1,791
2009/10	From 1 June 2010	1,200,000	1,197,793	2,207
2010/11	From 4 May 2011	1,500,000	1,497,249	2,751
2011/12	From 12 June 2012	675,000	673,060	1,940

All of the shareholders' claims were settled a few days following the holding of the General Assembly and the unpaid amounts are due to the shareholders who did not make their collection or failed to notify the Bank of their account details.

50.2. Compliance situation of cash flows with ratified dividend during the past five years:

Year	Cash Flows					Distributable Profit based on Group / Consolidated Financial Statements	Distributable Profit based on Different Financial Statements	Ratified Distributable Profit	Ratified Dividend Percentage to Minimum Distributable Profit based on Group / Consolidated Financial Statements
	Operating	Return on Investments & Paid Profit for Financing (Except Dividend Paid)	Dividend Paid	Income Tax	Total				
2007/08	1,218,316	30,400	(23,760)	(57,219)	1,167,738	711,288	707,936	600,000	85%
2008/09	1,292,344	(4,496)	(94,727)	(88,314)	1,104,806	1,106,011	1,136,641	1,000,000	90%
2009/10	3,280,900	(5,134)	(996,532)	(272,917)	2,006,317	1,460,023	1,500,907	1,200,000	82%
2010/11	1,826,263	63,867	(996,532)	(194,882)	698,716	1,630,851	1,560,732	1,500,000	96%
2011/12	(2,399,400)	126,284	(1,484,617)	(483,018)	(4,240,751)	2,043,035	2,045,690	1,425,000	70%
2012/13	8,423,874	54,972	(675,316)	(515,231)	7,288,299	3,043,996	2,924,053	-	-

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51. FOREIGN CURRENCY POSITION

(Amounts in Foreign Currency)

	Cash	Due from Banks & Credit Institutions	Demand Deposits	Term Investment Deposits	Total	Commitments-LCs	Commitments-LGs
USD	1,209,725	21,229,024	(8,671,698)	(17,909,264)	(4,142,213)	198,492	400,000
EURO	695,425	235,066,507	(9,304,828)	(23,295,078)	203,162,026	5,840,162	52,072,794
GBP	45,840	604,869	(285,581)	(207,324)	157,804	-	9,500
AED	5,760	21,048,051	(1,593,432)	-	19,460,379	773,384	-
CHF	200	-	(590)	-	(390)	1,249	-
SEK	-	2,010,904	-	-	2,010,904	352,302	-
100 JPY	-	1,257,925,849	(6,677,803)	(10,509,000)	1,240,739,046	208,348	-
TLY	-	27,126,956	(8,665)	-	27,118,291	62,176	-
OMR	-	1,501	-	-	1,501	-	-
CNY	-	435,154,884	(1,953,264)	-	433,201,620	882,579	-
KRW	-	54,482,818,995	(280,444)	-	54,482,538,550	66,135	-
QAR	-	2,646,751	-	-	2,646,751	19,628	-
INR	-	226,224,083	-	-	226,224,083	-	-
RBL	-	688,140,830	-	-	688,140,830	2,035	-
CAD	-	-	-	-	-	-	640,400

51.1. The foreign currency assets and liabilities have been identified and exchanged on transaction or reference rate at the date of the Balance Sheet. The Bank is required to expend each of the transaction of reference currencies on the basis of instructions and regulations as set forth by the Central Bank of Iran, in accordance with types of commitments involved.

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51.2. Foreign currency assets and liabilities based on reference and transaction rates are as follows:

FYC Assets	March 20, 2013				FYC Liabilities	March 19, 2012			
	Reference FYC		Transaction FYC			Reference FYC		Transaction FYC	
	Dollar	IRR million	Dollar	IRR million		Dollar	IRR million	Dollar	IRR million
Cash	2,177,910	26,701	-	-	Payable Deposits	225,205,309	2,761,017	-	-
Cash at Banks	359,693,616	4,409,844	109,078,931	2,681,160	Advances Received	157,192,316	1,927,178	23,315,056	573,084
Participation Securities	38,703,915	474,510	-	-	Creditors	207,021,328	2,538,081	5,556,548	136,580
FYC Facilities	181,075,229	2,219,982	-	-	Total FYC Liabilities	589,418,954	7,226,276	28,871,604	709,664
L/Cs	106,142,603	1,301,308	-	-					
Debtors	26,199,737	321,209	-	-					
Total FYC Assets	713,993,011	8,753,554	109,078,931	2,681,160					

52. BASE AND DILUTED EARNINGS PER SHARE

52.1. Base earnings per share calculated as follows:

	Group	
	March 20, 2013	March 19, 2012
	IRR million	IRR million
Net Profit	2,915,793	2,360,242
Weighted Average Number of Ordinary Shares by Applying Adjustment Factor	4,500,000,000	4,474,548,264
Capital Increase form Surplus of Revaluation & Retained Profit	2,750,000,000	2,750,000,000
	7,250,000,000	7,224,548,264
Basic Earnings Per Share – Rials	402	327

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52.2. Diluted earnings per share calculated as follows:

	Group	
	March 20, 2013	March 19, 2012
	IRR million	IRR million
Net Profit	2,915,793	2,360,242
Weighted Average Number of Ordinary Shares by Applying Adjustment Factor	4,500,000,000	4,474,548,264
Capital Increase form Surplus of Revaluation & Retained Profit	2,750,000,000	2,750,000,000
	7,250,000,000	7,224,548,264
Basic Earnings Per Share – Rials	402	327

52.3. During the reported period, the capital increase, which was registered at the Tehran Companies Registration Department on 22/09/2012, was funded from revaluation and accumulated profit.

53. RELATED PARTIES TRANSACTIONS

Related parties' transactions over the reporting period ended 20 March 2013 are as follows:

(Amounts in IRR million)

Description	Related Party	Type of Affiliation	Subject of Transaction	Is it Liable to Article 129 of Trade Act	2012/13			2011/12		
					Method of Pricing	Amount of Transaction	Debt (Credit) Balance	Amount of Transaction	Debt (Credit) Balance	
Joint Group Companies / Under Control of the Unit	Bank Karafarin Brokerage Co.	Subsidiary Co.	Issuance of Guarantee *8	-	Based on Related Instructions	2,365	-	5,943	5,943	
	Karafarin Bureau de Change Co.	Subsidiary Co. & Joint Member of the BOD	Issuance of Guarantee *8	-	Based on Related Instructions	-	-	3,600	6,550	
	AbniehGostarKarafarin Co.	Subsidiary Co.	Rent Deposit	-	Based on Expert Opinion	2,950	-	-	-	
	Asr Amin Karafarin Co.	Subsidiary Co.	Construction of Building	-	Based on Expert Opinion	32,436	-	-	-	
	Bank Karafarin Investment Co.	Subsidiary Co. & Joint Member of the BOD	Insurance Services	-	Based on Instructions of Insurance & Contracts In-between	10,813	-	7,003	429	
			Sales of Property *7	-	Based on Expert Opinion	287,540	-	29,328	283,121	
			Rent	-	Based on Expert Opinion	-	-	5,433	-	
			Issuance of Guarantee *8	-	Based on Related Instructions	-	-	3,238	-	
			Issuance of Guarantee *8	-	Based on Related Instructions	35,759	-	1,499	-	
			Rent of the Building	-	Based on Expert Opinion	-	-	3,300	4,893	
Affiliated Trade Units	Karafarin Insurance Co.	Joint Member of the BOD	Insurance Services	-	Based on Instructions of Insurance & Contracts In-between	1,305	-	2,191	-	
	Mr. Ali Rousta	Ex-Board Member	Granted Facilities *1	-	Based on Instruction of Credits Committee	158,070	59,024	-	-	
			Granted Facilities *2	-	Based on Instruction of Credits Committee	207,000	153,657	-	-	
			Opening Demand L/Cs	-	Based on Instruction of Credits Committee	-	-	25,909	-	
			Opening Term L/Cs	-	Based on Instruction of Credits Committee	-	-	1,060,214	-	
	KarvaAndishe Engineering Co.	Legal Entities under the Management of the Previous Managers	Opening Paid L/Cs	-	Based on Instruction of Credits Committee	-	-	541	1,171,801	
			Establishing Building	-	Based on Expert Opinion	5,754	-	-	-	
			Issuance of Guarantee *8	-	Based on Related Instructions	5,573	-	85,137	-	
	Mr. AbolmohammadZarrabi	Managing Director of Karafarin Insurance	Granted Facilities *3	-	Based on Instruction of Credits Committee	63,580	18,061	-	-	
			Issuance of Guarantee *8	-	Based on Related Instructions	-	-	3,666	-	
			Granted Facilities	-	Based on Instruction of Credits Committee	-	-	1,339	-	
	CTU Co.	Legal Entities under the Management of the Previous Managers	Opening L/Cs	-	Based on Instruction of Credits Committee	-	-	2,088	8,755	
			Opening Demand L/Cs - FYC	-	Based on Instruction of Credits Committee	-	-	1,738	-	
Other Related Parties	Hour AzarSaeed	Ex-Board Member	Granted Facilities	-	Based on Instruction of Credits Committee	72,600	-	-	-	
	Reza SoltanZadeh	Ex-Board Member	Granted Facilities	-	Based on Instruction of Credits Committee	4,500	-	-	-	
	Modabber Investment Co.	Joint Board of Directors	Granted Facilities *4	-	Based on Instruction of Credits Committee	449,783	464,543	-	-	
	Iran vaShargh Co.	Joint Board of Directors	Granted Facilities *5	-	Based on Instruction of Credits Committee	300,000	306,879	-	-	
	Iran vaShargh Co.	Joint Board of Directors	Issuance of Guarantee *8	-	Based on Related Instructions	16,000	-	-	-	
	Lorestan Sugar Cube Co.	Legal Entities under the Management of the Previous Managers	Granted Facilities *6	-	Based on Instruction of Credits Committee	77,000	-	-	-	
	SakhtAzhand Construction Investment Co.	Legal Entities under the Management of the Previous Managers	Granted Facilities	-	Based on Instruction of Credits Committee	-	-	83,226	18,932	
	Iran Industries Investment Co.	Ex-Board of Directors	Granted Facilities	-	Based on Instruction of Credits Committee	30,000	-	37,292	30,123	

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*1: The Civil Participation Facilities have been granted at a 27% interest rate, against cheques as collateral and the maturity date of the last facility granted is 04/09/2013.

*2: The Civil Participation Facilities have been granted at an average 26% interest rate, against cheques, promissory note or deposit as collateral and the maturity date of the last facility granted is 13/06/2013.

*3: The Mudarabah Facilities have been granted at an average 26% interest rate, against cheques, promissory notes, properties or shares as collateral and the maturity date of the last facility granted is 13/06/2013.

*4: The Civil Participation Facilities have been granted at an average 26% interest rate, against cheques, promissory notes or shares as collateral and the maturity date of the last facility granted is 17/08/2013.

*5: The Civil Participation Facilities have been granted at an average 27% interest rate, against cheques or shares as collateral and the maturity date of the last facility granted is 20/05/2013.

*6: The Civil Participation Facilities have been granted at an average 26% interest rate, against cheques or promissory notes and the maturity date of the last facility granted is 17/08/2013.

*7: The relevant amount is due to purchasing Sattarkhan, Beheshti Kermanshah, Kerman and Yazd properties and the down payment for purchasing nine new properties.

*8: The bank guarantee was issued against a 10% cash deposit and collateral.

54. REVISION & RE-CLASSIFICATION OF COMPARATIVE ITEMS:

54.1. Group's comparative items revised and re-classified as follows:

(Amounts in IRR million)

Description	Balance of 2011/12 based on Financial Statements of the Previous Year	Classification Adjustments		Balance of 2011/12 based on Financial Statements of the Current Year
		Debtor	Creditor	
Dues from CBI	5,181,140	-	741,718	4,439,422
Dues from Banks & Credit Institutions	2,826,638	5,550,000	-	8,376,638
Granted Facilities to Other People	40,823,930	1,993,442	7,360,255	35,457,117
Debtors of FYC Term L/Cs & Bills	-	1,810,255	-	1,810,255
Investments	823,525	22,425	3,969	841,981
Accounts Receivable	3,267,532	59,484	1,996,410	1,330,606
Debt to CBI	3,658,240	741,718	-	2,916,521
Tax Payable	355,828	-	128,072	483,900
Retained Profit	2,043,035	135,146	82,046	1,989,935
		10,312,470	10,312,470	

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54.2. Parent Company's comparative items revised and re-classified as follows:

(Amounts in IRR million)

Description	Balance of 2011/12 based on Financial Statements of the Previous Year	Classification Adjustments		Balance of 2011/12 based on Financial Statements of the Current Year
		Debtor	Creditor	
Dues from CBI	5,181,140	-	741,718	4,439,422
Dues from Banks & Credit Institutions	2,758,416	5,550,000	-	8,308,416
Granted Facilities to Other People	40,593,497	1,993,442	7,360,255	35,226,684
Debtors of FYC Term L/Cs & Bills	-	1,810,255	-	1,810,255
Accounts Receivable	3,476,864	59,484	1,993,442	1,542,906
Debt to CBI	3,658,240	741,718	-	2,916,521
Tax Payable	336,144	-	126,986	463,130
Retained Profit	2,045,690	126,986	59,484	1,978,188
		10,281,885	10,281,885	

54.3. Reclassifying the comparative items mainly relates to the transfer of the granted facilities' interest from the heading of accounts receivable to the heading of granted facilities and the transfer of deposits at banks from the heading of granted facilities to the heading of claims from banks as well as the adjustment of the Central bank of Iran

54.4. Resubmitting the comparative items is related to adjusting the procedures of identifying the dividends of the subsidiary companies (in accordance with the accounting procedures as stated in Note 4.1. of the Financial Statements and identifying investments in the Karafarin Investment Company (subsidiary company) using the equity method as well as adjusting the tax provision for tax assessments received by inland revenue.