In the name of God

Karafarin Bank
Global Knowledge, Local Solution

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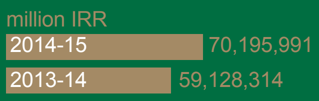
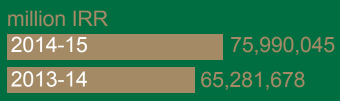
Granted Facilities



Total Assets

Term Investment Deposits



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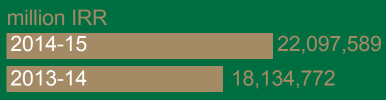
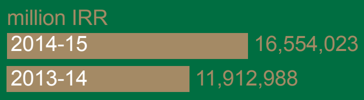


Interest on Loans & Facilities



The Iranian fiscal year ends on March 20th.

The rate of exchange was $1 / IRR27,994 at the end of the period.

MANAGING DIRECTOR’S STATEMENT

I am pleased to present the report of Karafarin Bank’s outstanding performance and operations over the past financial year. The accomplishments outlined in this report are undeniably a joint outcome of genuine efforts made by our committed team of experts and the support we have received from our esteemed shareholders on our path to make yet another successful year in the Bank’s history. Hence, I would like to take this opportunity to express my deepest gratitude to all those who have played a part in the Bank’s current successful record.

Despite economic impacts as a result of sanctions enforced against Iran in the previous year, the former Managing Director and the executive managers of Karafarin Bank—to whom I express my gratitude—have been successful in overcoming such challenges. Thanks to the ongoing support of our Board of Directors and the efforts of our dedicated and expert colleagues, we have taken effective steps within the framework of the governing banking regulations, towards excellence and growth.

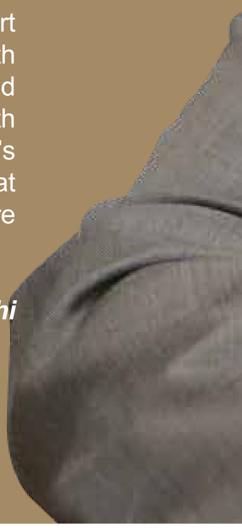
I am also pleased to announce that during the reporting financial period, Karafarin Bank has enjoyed growth on different levels and that our dedicated colleagues have done their utmost in following professional conduct and in rendering high-quality services. Although some limitations continued to remain as far as international activities are concerned, yet whilst fully observing the existing laws and regulations, Karafarin Bank successfully overcame such limitations. Consequently, this Bank has lived up to the expectations of its clients, which are essentially Iran’s major players in the economic arena.

Our performance indicators and our continuous achievements in the economic and monetary sectors clearly demonstrate that Karafarin Bank remains to be Iran’s pioneering bank as far as electronic banking is concerned. As a part of the value-creating activities that define our over-arching customer-oriented approach which lie at the heart of our progressive growth strategy, additional emphasis has been placed to provide secure electronic banking services to our valued customers and to implement a wide range of modern banking products and new service networks by creating new environments and branches. All these measures are aimed at asserting a stronger presence in society, enabling us to offer improved quality services.

During the previous year, Karafarin Bank became Iran’s top bank in banking sector and achieved the second rank among the top one hundred companies (IMI-100) listed on the Tehran Stock Exchange (TSE) in terms of transparency of financial information.

These achievements have undoubtedly resulted from the collective efforts of our colleagues and the trust and ongoing support of our shareholders. We firmly believe that with the continued support of our shareholders and customers, we will accomplish further growth and excellence whilst realizing the Bank’s greater objectives more than ever before that can lead to new business horizons and ensure customer and shareholder satisfaction.

Ataollah Ayatollahi



BOARD OF DIRECTORS' REPORT TO THE ANNUAL ORDINARY GENERAL ASSEMBLY MEETING FOR THE FINANCIAL YEAR ENDED 20.03.2015

Dear Shareholders,
We hereby present to you the Board of Directors' report about Karafarin Bank's Annual Ordinary General Assembly Meeting. The provision of this report fulfils our compliance with obligations in respect of the requirements set forth in Articles 232 of the Commercial Code of 1968 (as amended) and Article 45 of the Securities & Exchange Act. This report which has been prepared on the basis of existing evidence and documents reflects the operations and general position of the Bank for the Iranian financial period ended 20.03.2015.

In our opinion, information incorporated in the report on the Bank's operations and its general position, has been prepared and presented on the basis of emphasizing the principles of fair presentation of the Board of Directors' performance for the reporting period, consistence with the objective of safeguarding the interests of the Bank, compliance with the relevant legal and regulatory requirements as well as conformity with the Bank's Articles of Association. The information included in the report is accurate, complete and corresponds to factual events of the past and any foreseeable future outcomes that could have been reasonably projected. The report which was approved and endorsed by the Board of Directors on 07.07.2015, does not include any information whose non-provision could mislead the users.

Board Member	Position	Academic Background
Mr Ataollah Ayatollahi	Vice-Chairman & Managing Director	BS in Irrigation & Construction
Mr Fazlollah Moazzami	Member of the Board of Directors	MA in Accounting
Mr Ali Baghayee	Member of the Board of Directors	PhD in Banking
Mr Morteza Azizi	Member of the Board of Directors	BS in Industry
Mr Mohammad Reza Farzin	Member of the Board of Directors	PhD in Economics
Mr Javad Shekarkhah	Member of the Board of Directors	PhD in Accounting
Mr Masoud Azmi	Member of the Board of Directors	MBA

Chapter I

ECONOMIC REVIEW, ISLAMIC BANKING PRINCIPLES & IRAN'S BANKING SECTOR

ECONOMIC REVIEW 2014-15

During the reporting financial period, the Iranian economy experienced a relative era of calm and stability, partly due to some external factors such as the nuclear talks with the Western powers. Despite some unpleasant events such as the fall of oil prices to US$44/barrel, the Iranian economy enjoyed an upturn to the point where it saw the end of recession.

Inflation rate was under control and month-to-month inflation rate reached 16.2%. Average inflation rate for the year was 15.6%. GDP also grew from IRR1,973 trillion in 2014-15 to IRR2,032 trillion in the following year, indicating a 3% growth. Although this growth marks the end of recession, Iran's economy has not yet reached its prerecession level. Average unemployment rate which was 10.4% in 2013 fell to 10.2% in the following year, indicating no significant change.

Liquidity, deposits and money base fell by March 2015, demonstrating CBI's success in controlling liquidity. Statistics show that the CBI's claims from the public sector fell from IRR38.7 trillion in March 2014 to IRR38.5 trillion in the following year. However, the CBI was unable to prevent the banks from excess withdrawals. Hence, CBI claims from the banks increased by 42%. The rate of liquidity growth was 22.3% which is less than the 30% in the similar period in the previous year.

The oil sector, which is the main source of Iran's hard currency revenues, enjoyed a 4.8% growth compared to the previous year. However, in spite of this considerable growth, the oil sector is still lagging behind its own performance prior to the enforcement of the sanctions enforced against Iran. Whereas in 2011-12 period (before the enforcement of the sanctions), the oil sector accounted for 16% of Iran's GDP, this share had fallen to 10% by 2014-15.

Value added growth of the agriculture sector reached IRR136 trillion, which shows a growth of 3.8% in comparison with the previous year. This sector currently accounts for less than 7% of Iran's GDP. Referring to the construction sector, its value added growth reached negative 0.4% during the reporting fiscal year, demonstrating a mild recovery trend in comparison with its negative value added growth of 3.1% in the previous year.

Value added growth of the construction sector was minus 0.4%, which in comparison with the negative 3.1% in the past year, demonstrates relative recovery.

During the 2014-15 period, the Tehran Stock Exchange (TSE) Index experienced a downward trend of 21% from 79,014 units by March 2014, reaching 62,532 units in March 2015. During the same period, Iran's balance of payment experienced a surplus of US$5.7 billion which shows a 16.7% decline in comparison with the same period in the previous year. The main reason for this decline is the reduction of oil export revenues which resulted from falling global oil prices.

Furthermore, during the 2014-15 period, government revenues which reached IRR1,379.8 trillion enjoyed a growth rate of 31.8% compared to the similar period in the previous year. Government spending also increased by 32.9%, reaching IRR1,517 trillion. The rise of government revenues, which in turn had a positive impact on the civil budget, is partly due to the substantial growth of VAT revenues. During the reporting period, the civil budget enjoyed staggering increase of 119.3% in comparison with the previous year.

ISLAMIC BANKING PRINCIPLES

Since the most basic element defining Islamic finance requires a proper comprehension of and distinguishing between usury and profit, Iranian banks have adjusted their operations according to Usury-Free Banking Act of 1983. Thus, Iranian banks, raise their resources from the following sources:

Gharz-al-Hassaneh Accounts

These are current and savings accounts (as in conventional banking system) except that they earn no interest. Account holders typically receive services of those accounts in combination with a chequebook and a pass book respectively. Savings accounts offer incentives to depositors (up to 4%), including one or several of the following: prizes and bonuses in cash or in kind (usually run using a lottery) an exception from or a discount on the payments of commissions and fees, and priority in the use of banking facilities. Banks consider Gharz-al-Hassaneh accounts “their own resources” and are required to guarantee their full nominal value.

Term Deposits

Banks are authorised to render various types of investment services, ranging from short-term (6 months) to long-term (5 years) deposits. Although banks can use their capital plus Gharz-al-Hassaneh accounts, priority is given to investment deposits. They can also use a combination of their own and depositors’ resources to grant facilities to customers. Iranian banks guarantee the principal and an interim return to the owners of the term deposits. However, should financial facilities provide a return in excess of interim return plus bank’s commission, such an excess return would be shared between the bank and the depositors.

On the lending side, Iranian banking laws and regulations separate banking products into two categories: participation contracts and constant profit contracts.

Participation Contracts

Under these types of contracts, banks provide the whole or a part of the funding required by its customers for a specific economic activity. The profit that results from such economic activity is shared between the bank and the customer in accordance with the terms of the relative contract. These contracts consist of the following items:

a. Mosharekat-e-Madani (Civil Partnership)

Under civil partnership contracts, the bank funds a customer (legal entities or natural person) for a specific economic activity. The customer co-invests in cash or in kind and the profit is shared. Civil partnership contracts can be in the field of manufacturing, trade and service industries. Under the same scheme, the issuance of bonds is also permissible. Commercial banks are allowed to act as guarantors for both the government and private sector enterprises, and entities wishing to raise funds for specific activities through issuance of bonds. Profits are paid quarterly.

b. Moshareket-e-Hoghoughi (Legal Partnership)

In legal partnership, the banks provide a part of the capital for a new company or buy shares of such company. These contracts are feasible in the fields of manufacturing, trade and service industries.

c. Mozarebeh

Under Mozarebeh contracts, one party (the bank) provides funds and the other party (the customer) uses the funds for trading. Customers can be both legal entities or natural persons. Usage of funds is limited to the field of trade.

d. Mozare'eh

Under Mozare'eh contracts, one party (the bank) hands over to the other party (the customer) a farmland for a specific duration of time. The customer works on the land and the relative proceeds are shared.

e. Mosaghat

Under Mosaghat contracts, the owner of trees in a garden (the bank) maintains an irrigation contract with an agent (the customer) and relative proceeds are shared.

Constant Profit Contracts

Under these types of contracts, the bank provides the whole or a part of the financing required by its customers for a specific venture. Unlike the participation contracts, the bank's profit is already fixed at the signing of the contract and before the commencement of the activity. Therefore, The bank's profit has to be paid by the customer irrespective of whether or not any profit is materialised from the funded economic activity.

a. Foroush-e-Aghsati (Instalment Sale)

An Instalment Sale is a contract whereby one party (the bank) delivers goods to the other party (the customer) at preset price. The price is amortised, totally and/or partially, on predicted maturity dates through equal or unequal instalments.

b. Ejareh-Besharte-Tamlik (Lease to Own)

In this particular type of leasing contract, it is agreed that the lessee, if complying with the terms of the contract, will obtain the ownership of the leased property upon the completion of the contract.

c. Salaf (Forward Sale)

A Forward Sale is a contract whereby the bank purchases goods produced by the customer, paying the price in cash, and receives the goods in the future.

d. Joaleh

This refers to the obligation of a person (the customer) to pay a sum or fee in return for a favour according to the contract. Acting as an agent or as a contracting party if needed, a bank may arrange a Jo'aleh for the purpose of providing the facilities required to develop a business.

e. Tanzeel (Discounting)

In this case, banks can discount drafts and/or various types of commercial notes.

Finally, banks are also allowed to allocate some of their own resources (including Gharz-al-Hassaneh funds from the customer) to make direct investments.

f. Mobarehe

Under the terms of Mobarehe, a bank or a credit institution fulfils the role of a supplier and informs the applicant of the finished cost or of any given assets or services. Then having added a percentage to the finished cost as profit, the bank sells the assets or services to the applicant. Method of payment may be in the form of cash or by instalments.

g. Estesna'

This kind of contract is designed to serve the manufacturing sector, where a product is manufactured, converted or transformed. Under the terms of Estesna', product specifications as well as time of delivery are defined.

IRAN'S BANKING SECTOR

In addition to the banks, there are 7 Gharz-al-Hassaneh Funds and 145 credit cooperatives that operate in Iran's banking sector. Therefore, Iran's banking sector currently constitutes 22 private and 8 state-owned banks. Of the 22 private banks, Saderat, Mellat, Tejarat and Refah Banks were previously state-owned but were privatised as of March 2010. Although they have been recognised as private banks by the CBI, since the Government still owns a considerable share in the said banks, they ought to be classified as state-owned.

During the twelve-month period ended December 2014, deposits in the banking system grew by 23.3% of which, the share of private banks enjoyed a growth of 22.5%. Based on the new classification, the private banks' deposits enjoyed a considerable growth of 71.3%.

During the same period, state-owned banks' deposits grew by 28.7%, demonstrating a decline of 5.8 percentage points in comparison with the growth in the previous year. Deposits of commercial and specialised government-owned banks (under new classification structure) rose by 22.8% and 29.7% respectively. Thus, the share of state-owned commercial and specialised banks fell from 34.8% to 28.7%. Consequently, private banks were better able to attract deposits than their state-owned rivals.

During the reporting financial period, banking system's overdue claims to total granted facilities ratio improved slightly from 12.5% in 2013-14 to 11.6% in 2014-15. This improvement is due to the stable foreign currency markets, reduction in the rate of inflation as well as relative economic recovery from the recession.

During the financial year ended December 2014, granted facilities grew by 16.7% and were 1% less than the same time in the previous year, which had experienced a 17.7% growth. Facilities granted by the private banks grew by 19.1%, which in comparison with the rate of growth of 20.5% in the previous year, demonstrates a 1.4% decline. The share of the private banks in granting facilities increased from 51.6% in 2012-13 period to 59.1% in 2014-15 period.

The 13.3% growth in the state-owned banks' granted facilities was due to the 11.6% and 14.4% increase in the facilities granted by state-owned commercial and specialised banks. Hence, these banks have lost their share in granted facilities within the banking system from 48.4% in 2012-13 period to 40.9% in 2014-15 period. The falling share of the state-owned banks and the growing share of the private banks demonstrates that either state-owned banks have become more cautious in granting loans or that the private banks have operated in a more effective manner.

During the reporting financial period, the nonperforming loans to total granted facilities ratio experienced a decline from 12.5% in 2014-15 period to 11.6% in 2014-15 period. This ratio which was 15.1% among the private banks in 2013-14 period fell to 13.8% in the following year. The same ratio decreased from 10.6% in the state-owned banks in 2013-14 period to 8.8% in 2014-15 fiscal year.

Chapter II
INTRODUCTION

BACKGROUND

The formation of Karafarin Bank was mainly the outcome of an economic collaboration between participating parties from the Iranian Association of Industry Managers, the Association of Construction Companies, the Association of Utility and Equipment Companies, the Iranian Society of Consulting Engineers, the Society of Consulting Architects and Urban Planning Engineers, a select group of prominent Iranian banking experts and the general public. The Bank was originally established as a non-bank credit institution with a fully paid-in capital of IRR30 billion. It was registered on December 9, 1999 under registration number 157915 at the Tehran Companies' Registrar Office as Karafarinan Non-Bank Credit Institution. The Bank operated as a general credit institution and its activities were subject to the Credit Institutions' Activities Regulation. Following the enactment of the Non-State Bank Establishment Act on 10 April 2000 and the implementation of its relevant requirements, in light of the clear advantages of banking activities to those of credit institutions, the Board of Directors carried out necessary actions and laid the foundations needed for a restructuring. Hence, based on an operating license issued on 5 December 2001 by the Central Bank of Iran, Karafarin Bank was officially established on December 26, 2001 with a fully paid-in capital of IRR200 billion as a commercial bank that engages in all segments of banking activities.

Fields of Activity

According to its Articles of Association, the main areas of activity of Karafarin Bank (public joint stock) are carrying out all permissible banking transactions and services.

OBJECTIVES

Karafarin Bank has two main objectives to meet:

- To become the most modern and pioneering Iranian bank that offers distinct and speedy banking services. This shall be achieved by focusing on flexibility and innovative solutions in offering a wide variety of banking services both within domestic and international arenas.
- To constantly acquire a greater market share.

CORPORATE SOCIAL RESPONSIBILITIES

Karafarin Bank firmly believes that corporations have a moral duty to contribute to the development of societies from which they emerge and thrive. Therefore, we allocate a considerable portion of our revenues towards donating to charities, sports and social events etc.

PRIZES, DISTINCTIONS & ACHIEVEMENTS IN RECENT YEARS

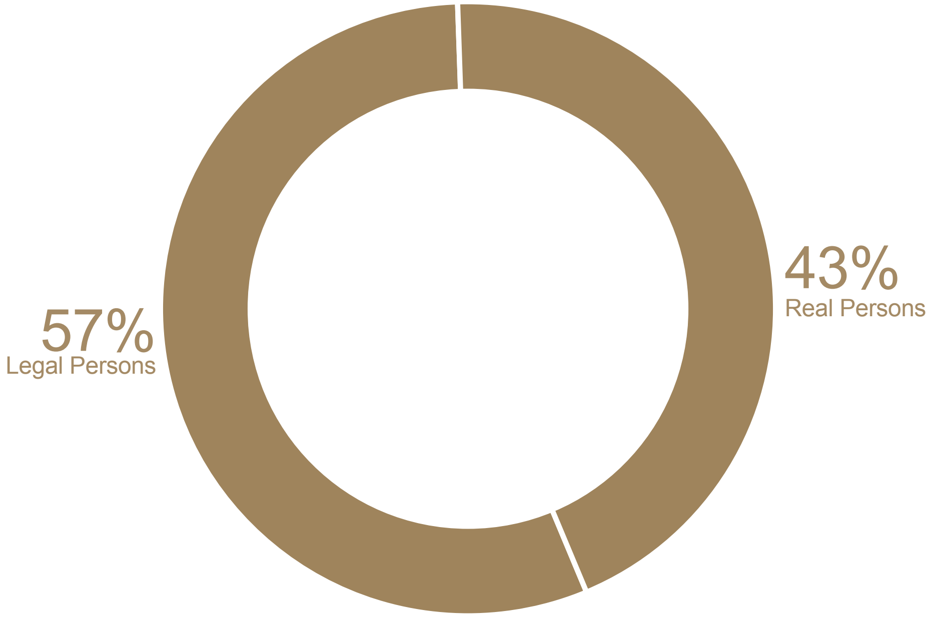
Since its emergence, we have made numerous achievements as a result of which, we have won several awards and prizes. In addition, there are numerous features that have set this Bank aside from other banks in Iran. Our distinctions, prizes, and achievements during the recent years are outlined below:

- The very first and one of the few banks in Iran that has independently and successfully localised, developed and maintained its core banking system.
- The first Iranian bank that has issued deposit certificate.
- The first private Iranian bank that has launched a joint investment fund within Iran's capital market.
- The first private Iranian bank that has implemented the Professional Conduct Training Project at all management, expert and employee levels.
- Top Iranian bank in the banking sector among the top one hundred companies (IMI-100) listed in the Tehran Stock Exchange (TSE) in terms of sales (2014-15 period).
- Second rank among Iran's top banks in terms of financial transparency (2014-15 period).
- First rank among Iran's top banks in terms of financial transparency (2013-14 period).
- Obtaining a letter of gratitude and an award in the Fifth National Productivity Festival (2013-14 period).
- Obtaining the Twenty Fifth "Five Continents Award for Quality & Excellence in Geneva" (2013-14 period).
- Being awarded the Corruption Combating Prize in the Fourth Annual Financial Fraud & Abuse Prevention Conference (2013-14 period).
- Obtaining Fourth Periodical National Financial Management Crystal Award (2013-14 period).
- Receiving a commendation in a competition relating to compliance with *Shariah Law* (usury-free banking) (2013-14 period).
- Obtaining the Third National Productivity Award (2012-13 period).
- Receiving Commendation Award for being the pioneer in terms of uncorrupt administration during the 2011-12 and 2012-13 periods.
- Recognised by the Banker as the top Iranian bank in terms of asset returns during the 2011-12 and 2012-13 periods.
- Second rank among Iranian banks in terms of financial robustness by *the Banker* (2011-12 period).
- Obtaining a commendation at the Twenty First Conference on Monetary & Foreign Currency Polices (2011-12 period).
- Obtaining the Fourth National Productivity Award (2011-12 period).
- Receiving an award from the National Conference of Assessing the Role of Islamic Banking in Finance (2011-12 period).
- Obtaining a prize from the Banking Sector Grand Conference on Development & Transition (2010-11 period).
- Obtaining a commendation at the Second International Conference on Financial Services Marketing (2010-11 period).

SHAREHOLDER COMPOSITION

The Karafarin Bank's shareholder composition at the close of the financial period ended 20 March 2015 is outlined below:

Composition of Shareholders



SPECIALIST COMMITTEES

The Bank includes the following specialised committees:

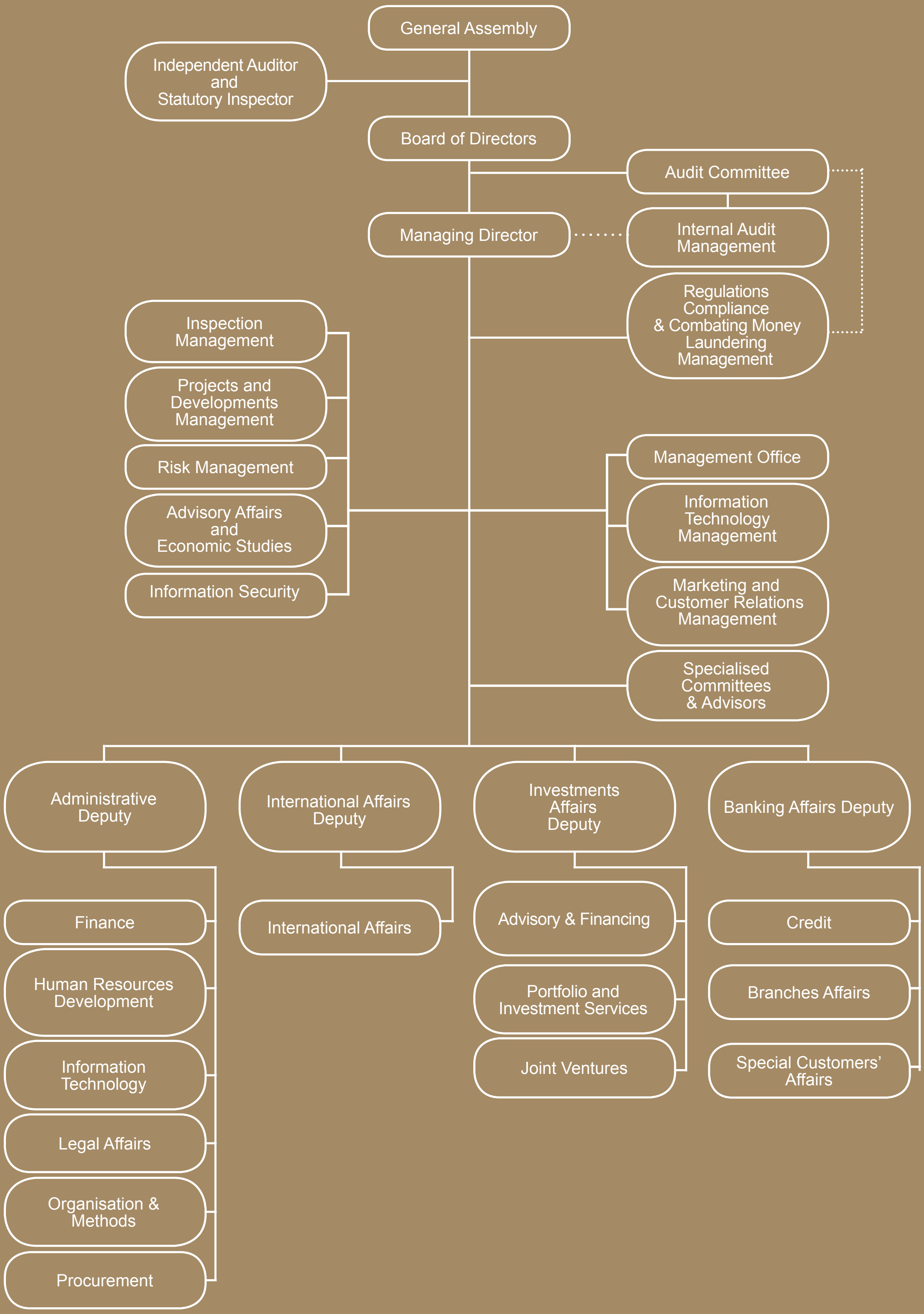
- Audit Committee
- Inspection Committee
- Management Committee
- Assets & Liabilities Management Committee
- Credit Committee
- Past Dues and Non-Performing Loans Recovery Committee
- Risk Committee
- Human and Organisational Resources Committee
- Information Technology Committee
- Planning, Development and Customer Relations Committee

REGULATORY ENVIRONMENT

The main set of rules and regulations governing the activities of the Karafarin Bank are stated below:

- Regulations of the Securities & Exchange Organisation
- The Usury-Free Banking Operations Act
- Tax Legislations
- Credit & Monetary Policies of the Central Bank of the Islamic Republic of Iran (CBI)
- Ratifications of the Monetary & Credit Council
- Circular of the Central Bank of the Islamic Republic of Iran on Regulating the Banks
- Commercial Code
- Articles of Association of the Karafarin Bank
- The Companies Registration Legislations

ORGANISATIONAL CHART



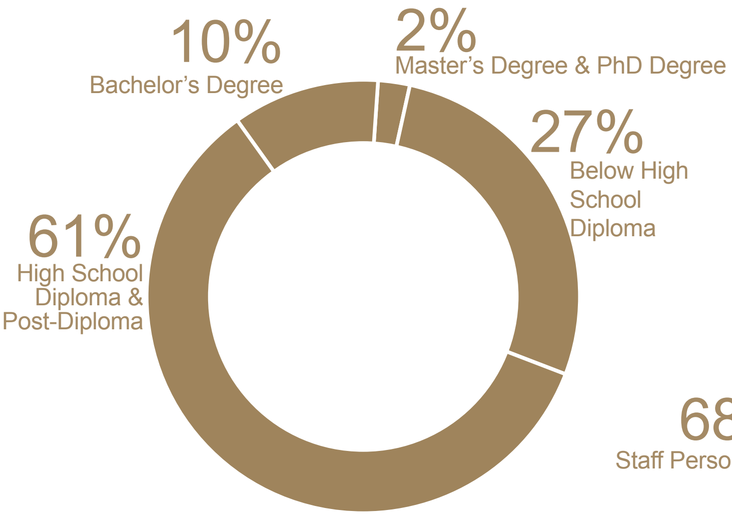
HUMAN RESOURCES

We firmly believe that a competent body of human capital is the key underlying factor in shaping the success of any given Organisations and the achievement of its targets. Hence, we particularly recruit educated and talented personnel who are keen and enthusiastic.

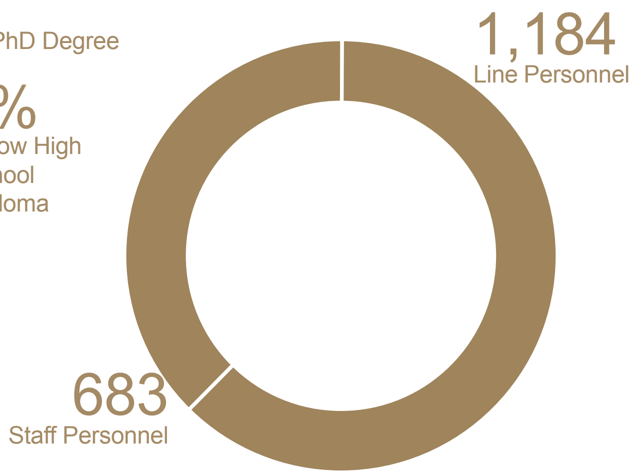
Outlined in the pie charts below is the information on the composition of the Bank's human resources based on academic qualifications, Organisational roles and authorities.

Of the Bank's 1,867 employees, 227 people were involved in service and security units belonging to companies which have been outsourced by the Bank.

Education Levels of Personnel

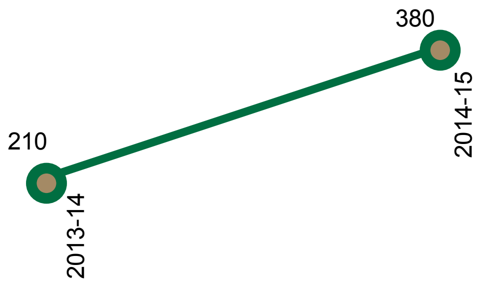


Organisational Roles & Authorities of Personnel

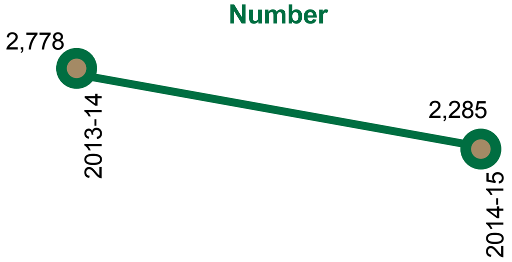


Information on specialised professional training programmes offered to personnel is presented below:

No. of Programmes Number



No. of Participants Number



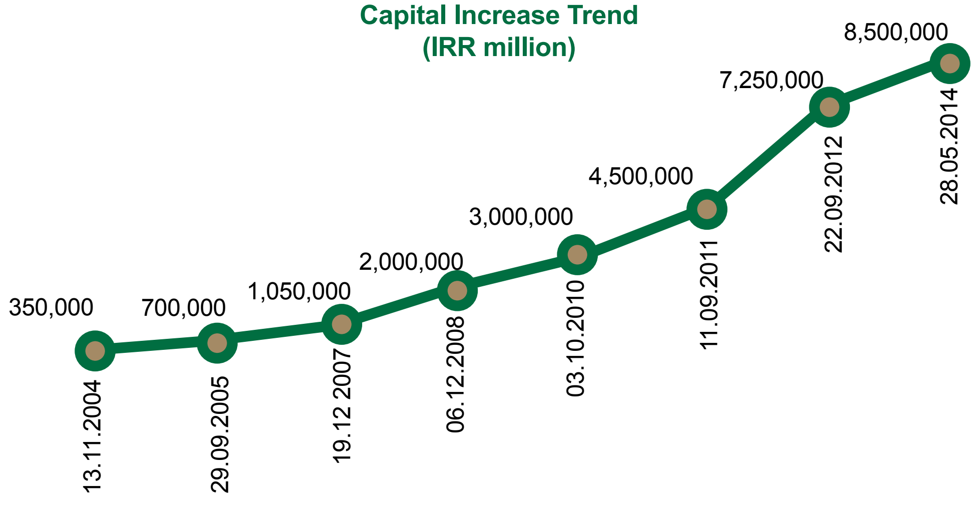
CAPITAL

The Bank's initial share capital on the date of its incorporation was IRR30 billion (including 30 million shares at IRR1,000 par value). However, there have been several subsequent phases of increase in the Bank's capital that are outlined in the table below. At the close of reporting period ended 20.03.2015, the share capital reached IRR8,500 billion (comprising 8,500 million shares at IRR1,000 par value).

(IRR million)

New Capital	Percent	Previous Capital	Date
350,000	75	200,000	13.11.2004
700,000	100	350,000	29.09.2005
1,050,000	50	700,000	19.12.2007
2,000,000	90.48	1,050,000	06.12.2008
3,000,000	50	2,000,000	03.10.2010
4,500,000	50	3,000,000	11.09.2011
7,250,000	61.11	4,500,000	22.09.2012
8,500,000	17.24	7,250,000	28.05.2014

Capital Increase Trend
(IRR million)



DEVELOPMENT PLANS

Some of the most important plans of the Board of Directors' agenda for the 2015 period are stated below:

- Drafting a three-year strategic plan and an annual budget which is operational and is based on the strategic plan.
- Increasing the Bank's capital from IRR8,500 billion to IRR17,000 billion though cash contributions or shareholders' loans.
- Planning to expand the Bank's branch network by establishing 20 new branches that will lead to a total of 120 branches.
- Recruiting more personnel to support the Bank's plans to expand its current network of branches.
- Increasing the Bank's market share in issuance of IRR and foreign currency letters of guarantee.
- Increasing the Bank's share in attracting new financial resources through various methods.
- Enhancing the internal controls system.
- Increasing investments in TSE-listed companies and optimising the management of the Bank's investment portfolio.
- Developing investment funds with the objective of providing products and services aimed at offering risk coverage to a wider mass market.
- Concluding an ongoing project known as SEPAM, which focuses on creating standard IRR bank guarantees.
- Concluding an ongoing project known as CHEKAVEK, which is a communication systems network linking Karafarin Bank and the CBI.
- Introducing a system which processes the writing off of instalment payment delay penalties.
- Launching a liquidity management system.
- Implementing a number of projects such as the Electronics & Communication Engineering (ECE) Project, the Non-Current Facilities Development & Enhancement Project as well as the IT Processes in the Field of Banking Services & Products Project which conforms to ISO/IEC20000 standard.
- Launching an ESB terminal.
- Offering shadow card-related services such as statements and sending text messages.
- Establishing banking kiosks.
- Offering new bank card-related services providing new card-related products such as IPGs, NFCs and MMS.
- Offering customers new products such as family cards.

Chapter III

PERFORMANCE

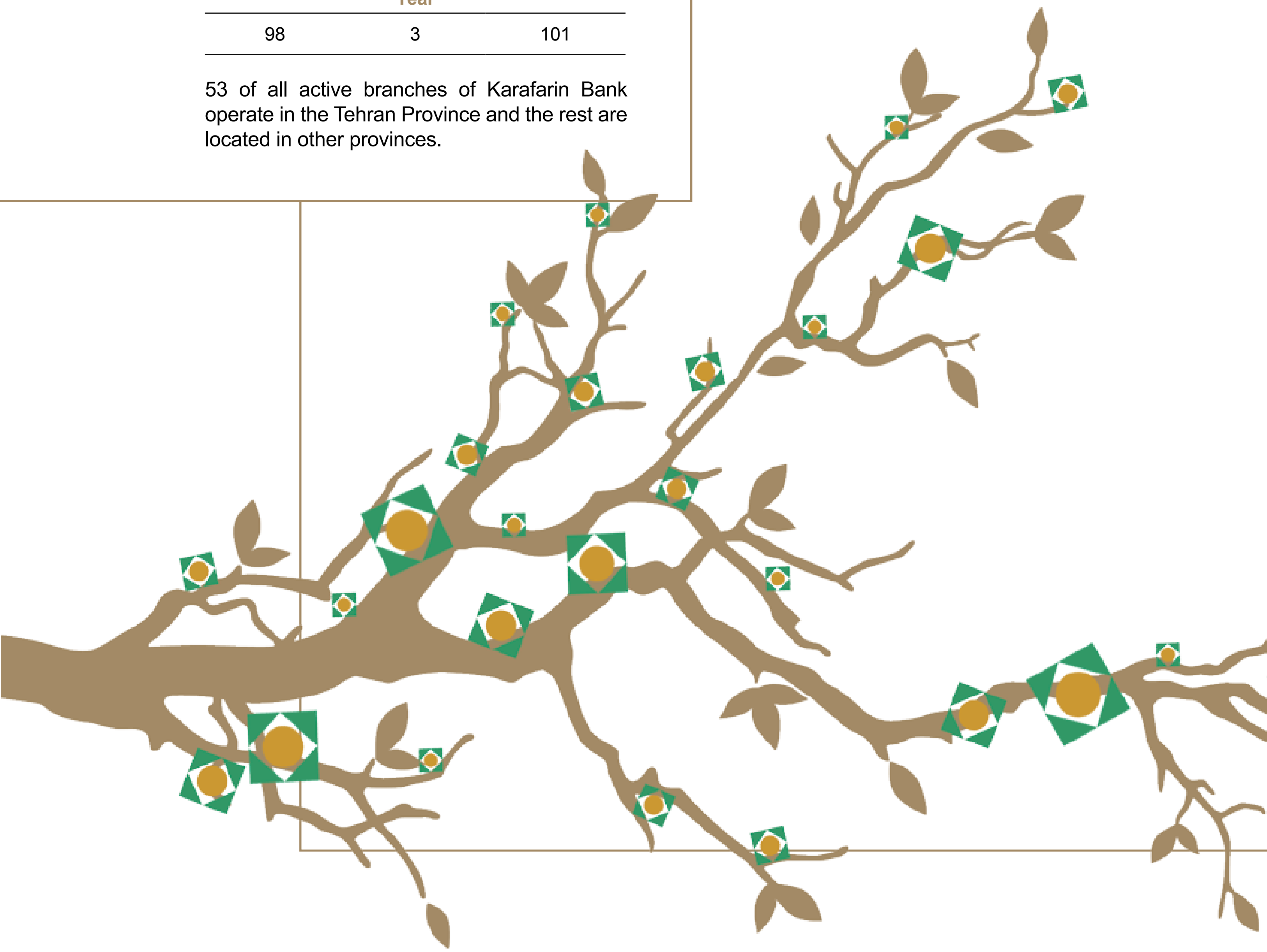
OPERATIONAL PERFORMANCE

BRANCHES

The following table provides information on the Bank's branches during the reporting period:

End of 2013-14 Period	Inaugurated Branches during the Year	End of 2014-15 Period
98	3	101

53 of all active branches of Karafarin Bank operate in the Tehran Province and the rest are located in other provinces.



INFORMATION TECHNOLOGY

At Karafarin Bank, we constantly look for means to enhance the services we provide our customers and to further improve the efficiency and security of our processes. One of the ways in which this may be achieved is to take advantage of the latest available technologies and to constantly remain up-to-date as far as information technology is concerned. Our Information Technology Department has taken numerous steps in this regard over the reporting period; some of which are stated below:

- Launching a new version of internet banking services
- Introducing a system where customers can make humanitarian donations
- Issuing bank cards for under fifteens
- Issuing medical cards
- Being connected to the CBI cheque image transfer terminal (CHEKAVEK)
- Launching a tracking system on the Bank's money transferring vehicles
- Introducing the new bills system (Utilco)
- Forwarding foreign currency bank guarantees via FTP
- Launching a project which links the Bank's systems with the CBI
- Launching the ECE system
- Launching and upgrading the non-performing facilities system
- Implementing an IT processes project which is concerned with introducing new banking services based on ISO/IEC20000 standard
- Launching ESB
- Offering shadow card bank statements at branches and online
- Offering a breakdown of card transactions within branches and online
- Launching kiosks
- Offering new services relating to bank cards such as sending text messages to users whose bank cards have been expired, extending their cards with the same number as the previous cards, providing a breakdown of shadow card transactions, offering family cards, instantly issuing new bank cards at branches, etc.
- Expanding the scope of internet banking services such as enabling the user to request chequebooks, trade shares, opening of new deposit accounts, new bank card, payments, mass transfer of funds to a group of people, payment of instalments, issuance of bank guarantees, transfer foreign currency, etc.
- Implementing a virtual project

Furthermore, at Karafarin Bank, we spend a great deal of time and resources in ensuring our data remains safe and secure. Realizing the challenges by the speed of technological change and the increasingly sophisticated nature of cyber threats, we constantly take significant steps to bolster our cyber security efforts. Hence, with cyber security high on our priority lists, we have established the Data Security Department which is responsible for securing the Bank against such threats. During the reporting financial period, this department has carried out numerous measures in this regard such as installing a configuration management system or launching the ISMS based on ISO27001 Standard. This department plans to expand the scope of its activities in the forthcoming year by installing other sophisticated systems such as the Data Leakage Prevention System, the Configuration & File Integrity Management System, Web Application Firewall, etc.

Furthermore, the Data Security Department carries out periodical penetration testing as an avenue for finding and eliminating vulnerabilities and provides constant training to staff in this regard.

COMPLIANCE & ANTI-MONEY LAUNDERING DEPARTMENT

The principal function of the Compliance & Anti-Money Laundering Department is to ensure the adequate implementation of rules, regulations, requirements and guidelines set forth by related bodies. The Compliance Department also aims at ensuring that the Bank's operations and procedures correspond with the monetary and banking laws and regulations and playing a supervisory role in order to further improve the Bank's current position in reference with combating money laundering.
Major activities of the Department that emphasise the combat against money laundering are as follows.

1) Supervising precise execution of the large credit facilities and commitments bylaw
2) Supervising precise execution of the internal (IRR) L/C guidelines
3) Supervising precise execution of CBI's Supervisory Circulars

In reference to compliance, this department intends to launch a registration and classification system and the execution of circulars.

The main anti-money laundering (AML) measures taken by the Bank during the reporting period consist of two categories;

1. Applying process adjustments & implementing current instructions

Due to the high sensitivity of AML, we have made overall reviews and adjustments to our banking processes based on the existing instructions. Some of the adjustments include:

- Limiting daily cash payments to any single customer down to IRR150 million
- Preparing large cash transaction report (LCTR) on customers who make cash deposits in excess of the permissible limit
- Evaluating suspicious cases and completing suspicious transaction report (STR)
- Ascertaining customer identity upon opening of an account in compliance with the know your customer (KYC) principles
- Obtaining and recording the national ID numbers of Iranian individuals and passport numbers of foreign customers as mandatory fields in the Bank's database
- Introducing a system capable of tracking all transactions within the Bank

2. Introducing an electronic surveillance system

We have made fundamental adjustments to the existing system to create an integrated AML system, on the one hand, and introduce a special AML software, on the other.

The main measures taken on adjusting the existing system include:

- Data refining
- Introducing capabilities to track operations
- Measures to create an AML software have taken place within two stages:

1. Providing the required hardware to support the application and introduction of 11 principles to identify suspicious activities which could be linked to money laundering

2. Introducing the necessary capabilities to support an identification model, the main items of which include:

- Providing reports required by the Financial Information Unit under to following formats:

  - Reporting cash deposits which exceed the permissible limit
  - Reporting suspicious transactions
  - Reporting enquiries made by the Bank

- Creation products based on data warehousing and Bank's commercial intelligence

- This product which is capable of applying data processing models, is designed to avoid overlaps or any discrepancies with other projects related to commercial intelligence and to evade any time-wasting actions

- Capability to create profiles on individual customers

- Suspicious customer surveillance

- Customer behaviour analysis

- Customer activities measurement
  - Determining the scale of customer activities based on personal details
  - Updating customer profiles based on personal details and activities over a period of time

- Capability to translate the data held at the data warehouse into graphic data

- Capability to operate within AML guidelines: A rule-based AML product follows the following guidelines:

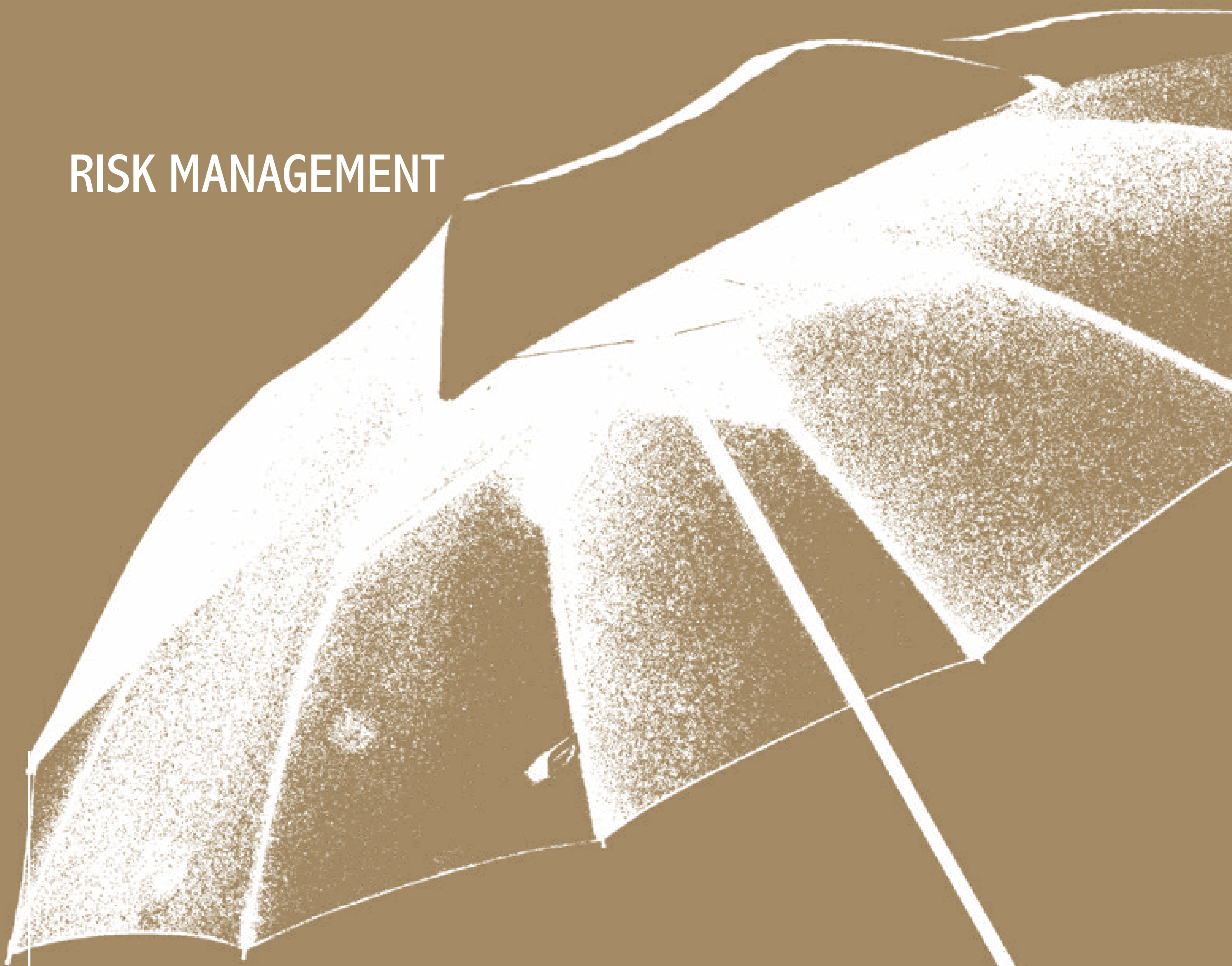
  - Compliance with the existing customer activities models
  - Capability to define new principles

- Capability to apply data processing models

- Making alerts on any suspicious activity

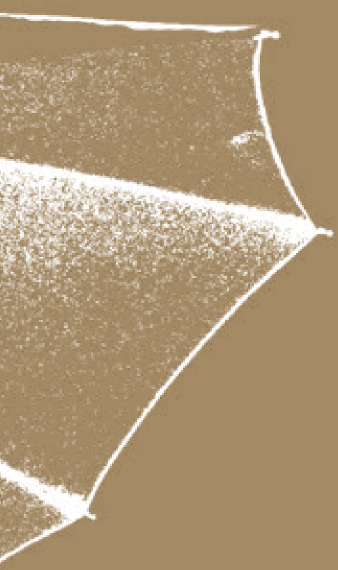
- Compliance with security standards: Due to the sensitive and confidential nature of AML processes, all such products must naturally comply with the related security standards.

RISK MANAGEMENT



Although banking operations are risky by nature, it is nevertheless possible to control them by identifying, measuring and tracking such risks. The process of risk management is a vital prerequisite of ensuring profitability and continuance of banking activities. At Karafarin Bank, we classify risks into four different categories, namely: credit risk, liquidity risk, interest risk as well as operational risk.

The Risk Management Department at Karafarin Bank operates under the direct supervision of the Bank's Managing Director. The principal function of the Department is to first identify the key drivers underlying different forms of banking risks and to then devise relevant models for measuring and controlling risks across the Bank. In addition to the ongoing activities of the Risk Management Department, all other segments of the Bank make an equally important contribution to the overall risk management process. To motivate the required level of participation needed in the process of controlling risks across the Bank, various committees have been established that comprise members from all departments, the Managing Director as well as all the general manager of departments.



Credit Risk

Any potential losses that may arise as a result of customers' default in the orderly servicing of their commitments on facilities (i.e. the late or non-payment of part or all of loans, due to such reasons as the absence of repayment ability or the presence of limits and constraints for clearing funds) represent credit risk. As financial facilities constitute a major portion of the Bank's portfolio of assets, credit risk is undoubtedly the most important risk to which the Bank is exposed. The following table outlines Karafarin Bank's capital allocated to credit risk.

(IRR billion)

Credit Risk	Risk %	Risk Volume	Allocated Capital
Dues from Other Banks	20	3,183.8	254.7
Non-Governmental Participation Bonds	100	87.0	7.0
Credit Facilities to Legal Persons (Performing and Mon-Performing Facilities)	100	37,061.6	2,964.9
Credit Facilities to Legal Persons	75	2,812.7	225.0
Non-Performing Credit Facilities to Natural Persons	100	906.0	72.5
Short-Term Guarantees	20	44.1	3.5
Long-Term Guarantees	50	84.1	6.7
Letters of Credit	20	142.9	11.4
Non-Current Letters of Credit	100	0.8	0.1
Total	-	44,322.9	3,545.8

Major Financial Facilities & Commitments
According to CBI's circular 92/242553 of 07.12.2013, facilities granted to those customers whose total facilities and obligations are over 10% of the Bank's capital base are categorised as major financial facilities. Therefore, maximum net facilities to parties should not exceed eight times the total paid capital and the Bank's reserves. Hence, the Risk Committee provides monthly and annual reports on major financial facilities. Based on this definition, total major financial facilities as at March 2015 were IRR33.338 billion, which did not exceed the permissible limit.

Financial Facilities Granted to Related Parties
Customers that share common economic interests with Karafarin Bank (e.g., shareholders owning 1% or more of the Bank's shares, the Bank's subsidiaries and affiliated companies, etc.) are recognised as related parties. The definition and representative instances of what constitutes a related party are outlined in CBI Circular 89/173772 of 1 November 2009. According to the aforementioned circular, the total facilities granted to related parties should not exceed 25% of the banks' capital base. Based on this, monthly reports on granted financial facilities to capital base ratio are submitted to the related authorities, as well as to Karafarin Bank's specialised committees and management.

At the close of the March 2015 reporting period, the total financial facilities granted to the Bank's related parties was IRR2,932 billion. Therefore, total facilities granted did not exceed the permissible limit.

Distribution of Collateral
Collaterals are the Bank's principal source for protection against potential cases of credit risk. The risk coverage of any collateral will be a function of its current market value and its liquidity. Karafarin Bank's collateral to the total financial facilities granted ratio at the end of the reporting period amounted to approximately 365%.

Non-Performing Facilities
The composition of the Bank's non-current receivables on financial facilities is reported annually, and based on CBI's classification guidelines. The ratio of Karafarin Bank's non-current facilities to total financial facilities at the end of the financial period was approximately 10% and the non-current facility ratio to the bank's capital base was approximately 60% at the end of the same period.

Customer Internal Credit Rating System (CICRS)

Customer credit rating plays a central role in credit risk management, since it leads to risk control and cost reduction relating to capital adequacy. Furthermore, customer credit rating can prevent possible future litigation costs.

As of April 2011, the Bank has operated an internal rating system to assess the credit worthiness of its customers. The procedures of CICRS require that all prospective applicants for loans and financial facilities submit the relevant background and financial information to the Bank. This information provides the input for generating a credit rank for each customer which will assist members of the Credit Committee in their credit allocation decisions.

The adopted rating approach has designated and assigned a credit score of A, B, C, D or E to each prospective or existing client. Qualitative and quantitative information are jointly used to rate customers based on the CICRS methodology.

Amongst the various data used in the credit assessment process, customers' economic sector is perceived to be one of the most relevant sources of information. For each sector, CICRS identifies and measures a series of parameters that are important in ascertaining the credit standing of companies or individuals operating within that segment of the economy. The overall qualitative and quantitative scores for each client determine its total credit rank. Economic factors play a major role in customer evaluations and different parameters have been used according to the relevant economic sector. Scores obtained from these two parts represent the total customer credit results.

Individuals are rated by the Credit Committee on the basis of personal, professional, financial as well as credit information. In order to correspond the scores obtained with reality, periodical checks are carried out via credit experts. The results obtained are then assessed and used in various rating models in such a manner that this system's performance is constantly improved.

At the close of the reporting period, the internal credit rating system rated approximately 70% of companies and approximately 85% of individual customers.

Operational Risk

Consistent with the concepts outlined in the Basel II Accord, Karafarin Bank defines operational risk as the risk of a loss stemming from inadequate or failed internal processes, people and systems or from external events. This definition includes legal risk, but excludes elements of strategic and reputational risk. In respect to operational risk management, the Bank's objectives are primarily motivated by identifying and measuring all relevant risk factors, which will then facilitate monitoring and risk reduction activities. Hence, the Bank's principal priority at present is to identify and minimise the number of high-risk exposure business lines regardless of the level of losses incurred by these segments.

To identify high-operational risk business segments, the Bank follows the procedures and alternative models set forth in Basel II Accord. To ensure precision and reliability in risk measurements under these two methods and to better capture the extent of operational risk exposure, the Bank calculates Capital at Risk (CaR) based on the Loss Distribution Approach (LDA) as an Advanced Measurement Approach (AMA). The latter model yields greater precision and measurement accuracy but, at the same time, involves more complexities and requires additional data. Since 2006, the Bank has been accumulating the underlying data needed for the AMA and this process is still ongoing within the Risk Management Department. It is noteworthy that once the software designed for operational risk and registering the bank's loss related data, the precision of AMA shall be gradually improved. The following table shows Karafarin Bank's CaR calculated via the aforementioned approaches:

Methods	Capital Exposed to Operational Risk (billion IRR)
Basic Indicator Approach (BIA)	3,085
Standardised Approach (SA)	3,040
Advanced Measurement Approach (AMA)	1,480

During the reporting period, Risk Management Department continued to document its risk management processes in accordance with international standards. In addition, the IT and Risk Management Departments gathered basic data required for introducing an operational risk management software. Risk Management Department has also provided training courses to familiarise its personnel at various departments. Furthermore, in order to continue the training process, necessary documents have already been collected.

Installing the above software is the Risk Management Department's top priority in the current year. Furthermore, in order to increase the speed and accuracy, the Bank's CaR calculation methods have been standardised and coded.

Market Risk

Market risk may be defined as the risk of losses arising from adverse movements in market prices. From a regulatory perspective, market risk stems from all the positions included in banks' trading book as well as from commodity and foreign exchange risk positions in the whole balance sheet.

There are two main methods of measuring the market risk. The first method is capital at risk (CaR), which is the potential loss in a worst case scenario where stop loss is triggered for a specific trade or for all trades across an account. The second method is stress test.

At Karafarin Bank, we use both methods in order to manage and minimise our market risk. The following table demonstrates our capital provision as a means to cover stock, currency and market risks.

18.03.2015	Domestic Method (million IRR)
Capital Provision for Shares Risk	260,355
Capital Provision for Forex Risk	77,306
Capital Provision for Total Market Risk	337,661

Liquidity Risk

Liquidity risk denotes the Bank's inability to meet its short-term obligations as they come due. The main objective of liquidity risk management is to provide adequate coverage for obligations arising from any of expected and/ or unexpected changes in the Bank's balance sheet items.

Established internal guidelines and procedures that outline an array of indicators for exercising control over the sources of liquidity risk. Adequate planning and control based on the Bank's internal policies and procedures require the establishment of acceptable thresholds for selected indicators.

Amongst the metrics currently used within Karafarin Bank are: asset-liability gap analyses that signal potential maturity mismatches, liquidity ratios that provide relative assurance on the timely and orderly servicing of financial obligations, holdings of cash and marketable securities that are relevant in assessing the Bank's liquidity adequacy, reviews of changes to interest rates, reviews of the structure and stability of deposits and forecasts of future cash flows. Liquidity risk reports are assessed by the Asset and Liability Management Committee on a monthly basis.

Asset-Liability Gap & Maturity Mismatches

Asset and liability maturity mismatches are generally perceived to be a central feature of all banking activities. The principal issue associated with such mismatches is the extent of the maturity gap. In the event of instabilities and crises, this gap will define the time frame within which a bank can continue to operate its ordinary activities. Liquidity gap reports prepared for month and up to one-year periods are presented to the Assets & Liabilities Committee.

Assets & Liabilities based on Due Date 20.03.2015

Description	Less than 1 Month	1 to 3 Months	3 to 6 Months	6 Months to 1 Year
Total Assets	47,585,632	42,788,675	9,431,667	4,253,504
Percentage to Total Assets	41.6%	37.4%	8.2%	3.7%
Total Liabilities & Shareholders' Equity	37,473,494	11,513,332	14,724,744	31,129,944
Percentage to Total	32.7%	10.1%	12.9%	27.2%
Gap	10,112,138	31,275,343	-5,293,077	-26,876,440
Gap to Base Capital Ratio	84.4%	260.9%	44.2-%	224.2-%
Accumulated Gap	10,112,138	41,387,480	36,094,403	9,217,963
Accumulated Gap to Base Capital Ratio	84.4%	345.3%	301.2%	76.9%

Treasury and Fund Management

The retention of cash assets (notes and coins) to accommodate demand from the Bank's customers contributes to lowering liquidity risk. However, excessive retention ratios will ultimately translate into lost opportunities in terms of potential returns on income-generating investments. Therefore, to establish a balance between these two conflicting objectives (i.e. liquidity adequacy and increasing profitability), the optimal level of cash holdings at any given time within the Bank's branches and treasury has been determined. This optimisation process is reviewed and updated periodically to reflect changes in the internal and external conditions of the Bank. This process has reduced the cost of retention of cash assets, saving the Bank IRR30 billion.

Liquidity Adequacy Stress Test in Crisis

Stress tests are used to assess risks arising from macroeconomic events which are beyond a bank's control. The objective of these tests is to estimate the impacts of severe, yet foreseeable shocks on a financial system. In order to ensure a stable banking system, it is necessary to assess a bank's ability to survive domestic or international market shocks. Thus, a bank needs to develop models which can protect it against possible shocks. In such cases, Karafarin Bank applies a macro model to measure and report the impacts of various external scenarios on its statement of financial position and profit and loss account every six months.

The result of stress tests of liquidity, capital adequacy as well as profit and loss, carried out in the latter half of the reporting financial period indicate that the existing liquidity of Karafarin Bank which is 120%, is adequate to encounter liquidity crisis. Furthermore, the ratio of liquid assets to total assets is approximately 9.7%, which is sufficient for this Bank to easily withstand wide-scale cash withdrawals.

Interest Rate Risk

The Basel Committee and the Bank for International Settlements have recommended calculation of two different criteria of income at risk and delay gaps, to measure the impact of interest rate fluctuations on the banks' asset values, liabilities, shareholders equity as well, as profitability.

Income at risk, which may be defined as maximum fall in expected income with a 99% certainty, results from interest rate fluctuations. This measurement, informs the banks' management of the scale of income at risk. In recent years, due to financial mismanagement, numerous international banks have faced liquidity shortages, in spite of their sufficient capitals. Consequently, the Basel Committee has recommended the application of two standard ratios to assist banks in their liquidity management and recovery during crisis within one month and one-year periods. Karafarin Bank is currently gathering financial data in order to conform to the mentioned criteria.

FINANCIAL PERFORMANCE

OUR INVESTMENTS

The Investment Department functions under the supervision of the Bank's Investment Deputy. The Department comprises three divisions:

1) Portfolio management and investment services: This department is essentially concerned with investment in the TSE listed companies in order to meet the greater objective of Karafarin Bank, which is to "maximise the wealth of its shareholders".

During the 2014-15 financial year, the returns on Karafarin Bank's portfolio with average investments of IRR1,547 billion, reached IRR370 billion, which was the result of both investment returns as well as sales revenues. Furthermore, by adding realized profits to added value, total returns reached IRR178 billion (12% of average investment).

2) Management of participations: The main activities of this department are as follows:

a. Conducting analysis and reviews of participation projects referred to the Bank with a view to assess their projected risks and returns.
b. Monitoring the performance of the Bank's affiliated companies and its investment funds and developing recommendations for improvements in their operating processes.
c. Exercising governance over affiliated companies in respect of the development of strategic plans and ensuring their consistency with the Bank's overarching objectives. Performance in affiliated companies over the 2014-15 period may be summarized as follows:

A) Karafarin Bank Brokerage Company

The capital of this company, which is fully owned by Karafarin Bank, is currently IRR50 billion. There are currently four firms which are managed by this company. These are: Karafarin Brokerage Joint Investment Fund, Arman Karafarin Company, Karafarin Index Company as well as Amin Karafarin Company. Karafarin Bank has a 96% stake in this company and the remaining shares are owned by its subsidiaries.

B) Karafarin Bank Investment Company

Investments in the shares of other companies and institutions, as well as participation in manufacturing projects constitute the principal areas of this company's activities. The capital of Karafarin Bank Investment Company is IRR200 billion in which Karafarin Bank has an 80% stake. This company currently oversees Karafarin Leasing, Karafarin Brokerage, Karafarin Bureau de Change, Abnieh Gostar, Asr Amin Insurance Services, Omid Karafarin Trading Development as well as Amin Etemad Karafarin Companies. Karafarin Bank along with its subsidiaries are the sole shareholders of this company.

C) Karafarin Leasing Company

This company is essentially engaged in leasing operations as well as cash and instalment sales and hire-purchase transactions, obtaining agencies from companies, manufacturers of machineries and endurable commodities as well as investing in the above fields of activity. The capital of this company currently stands at IRR100 billion.

D) Karafarin Bureau de Change

This company operates in the trading of hard currencies, purchasing of currency transfers, currency transactions as well as trading of precious metals such as gold coins. The capital of this company which is fully owned by Bank Karafarin is IRR20 billion.

E) Karafarin Insurance Company

The capital of Karafarin Insurance Company is IRR1,200 billion and Karafarin Bank has a 20% stake in this company. This company operates with the aid of 1,847 agents throughout the country.

F) Abnieh Gostar Construction Company

This company in involved in building construction. The capital of this company which is 49% owned by Karafarin Bank is currently IRR10 billion.

Shareholders	No. of Shares	Amount (IRR million)	Percentage
Karafarin Bank	4,899,999	4,899,999,000	49%
Karafarin Bank Investment Co.	5,100,000	5,100,000,000	51%
Karafarin Leasing Co.	1	1,000	0.00001%
Total	10,000,000	10,000,000,000	100

3) Financing and advisory management:

The operations of this department are primarily geared towards the design and development of new financial instruments for the Bank and its customers on the one hand and evaluating the economic, technical and financial feasibility of projects on the other. Furthermore, this department finances project investments from internal and external sources. In terms of obtaining required financing for corporate and investment projects, the Department offers advisory services on public securities in such areas as the optimal method and the timing of the offering, valuation of securities, registration and licensing procedures and underwriting securities in the financing of approved projects from internal and external sources. During the reporting period, this Department made substantial progress in terms of applicable solutions, using new resources, some of which are as follows:

a. Issuance of participation bonds, public and special deposit certificates Sokuk Islamic bonds, etc.

i. Assessing, approving and obtaining a license for issuing two-year named investment certificates of deposit with 22% interest rate in the amount of IRR6,230 billion (the excess amount of public investment certificates of deposit was IRR8,500 billion).
ii. Following up measures for obtaining a license from the CBI for establishing the Karafarin Gharz-al-Hassaneh Fund and to reactivate Gharz-al-Hassaneh accounts and to carry out preliminary measures for offering Gharz-al-Hassaneh marriage loans.
iii. Accepting to guarantee an especially catered deposit certificate for the Crystal Building Construction Project Complex in the amount of IRR500 billion, requested by the Soffeh Company.
iv. Carrying out preliminary assessments for issuing Sokuk Islamic bonds to the Bank in the amount of IRR3,000 billion.
v. Accepting and assessing the guarantee of issuing Sokuk Islamic bonds for companies such as South Kaveh Steel and Iran telecommunications Companies.
vi. Accepting and assessing to guarantee participation bonds for the Iranian Water Resources Development Company in the amount of IRR3,000.

1) Internal Resources (IRR)

In order to maximize the utility of our internal resources and granting long-term credit facilities we have carried out the following measures during the reporting fiscal period.

- Following up instalment payments of three projects which had been ratified in 2012-13.

- Carrying out final reviews of six projects worth IRR760 billion and ratifying three of them worth IRR660 billion. Of these three projects, two (in the amount of IRR55 billion) have been finalized and financed and the contract for the other remaining three are currently have reached the stage of contract.

2) National Development Fund

Established in 2011-12, the National Development Fund aims to invest a portion of Iran's oil, gas and oil by-products revenues and hence, sustain such wealth for future generations. This is carried out by granting foreign currency and IRR facilities via correspondent banks, towards feasible national projects which contribute towards iran's development. So far, most state-owned and private banks have been engaged in agreements with the National Development Fund. Therefore, they have been able to allocate foreign currency resources towards themselves.

Foreign Currency Facilities

During the reporting period, in line with its correspondence agreement with the said fund, Karafarin Bank was authorized to allocate US$230 million of the said fund to financing steel, power plant, etc. projects.

The rate of interest that the fund charges is 6% for upstream, 8% for irrigation and 4% for agricultural projects, of which 40% is paid to Karafarin Bank as correspondence rights and for accepting the risks involved and guaranteeing repayments. According to the latest statistics, there have been 13 requests for such loans during the 2014-15 financial period in the amount of US$516,024,463 of which 6 projects in the amount of US$219,837,771 have reached their final evaluation stage and two projects worth US$6,734,510 have been approved.

Local Currency Facilities

During the reporting fiscal period, the National Development Fund signed correspondent agreements for local currency facilities with 18 state-owned and private banks, including Karafarin Bank. Under the terms of this agreement, Karafarin Bank is entitled to grant IRR1,000 billion financed by the mentioned fund, towards feasible industrial, mining and tourism projects.

The interest rate for the industrial and mining sector is 19%, for the tourism sector is 16% and for working capital is 21% and the Bank's share for carrying out correspondent operations and for covering the risks involved, is 5% for investment project related facilities and 4% for working capital facilities.

During the 2014-15 period, the Bank received 15 applications for IRR1,592 billion of the National Development Fund's money. However, 5 such requests for IRR480 billion were disqualified in the first stage of evaluations and another 10 requests for IRR1,112 billion reached the preliminary stage, 7 of which worth IRR982 billion reached their final stage and 4 requests for IRR770 billion have been approved. So far IRR32 billion has been paid (under full supervision) towards the approved projects.

Major Financial Items

Summary of the Financial Statements (Company)			
Description	2014-15	(Revised) 2013-14	(Revised) 2012-13
(a) Financial Performance for the Period (IRR million):			
Total Income [1]	20,806,488	15,435,015	11,646,806
Operating Profit [2]	5,678,913	5,159,671	4,061,645
Non-Operating Income [3]	257,749	146,054	154,500
Net Profit after Tax	3,701,997	3,381,134	2,794,547
Prior Period Adjustments	(312,962)	(546,872)	(307,135)
Cash Flows from Operating Activities	3,979,204	7,077,160	8,449,480
(b) Financial Position at Year End (IRR million):			
Total Assets	112,073,059	100,257,893	76,884,308
Total Liabilities	97,187,137	86,534,347	65,127,776
Share Capital	8,500,000	7,250,000	7,250,000
Total Shareholders' Equity	14,885,922	13,723,547	11,756,532
(c) Rate of Return:			
Return on Assets [4]	3.5%	3.8%	4.1%
Return on Shareholders' Equity [5] (Equity Method)	25.9%	26.5%	25.8%
Capital Adequacy Ratio [6]	17.1%	16.3%	20.1%
(d) Per Share Information:			
Number of Shares Outstanding on the AGA Date	8,500,000,000	8,500,000,000	7,250,000,000
Earnings per Share (IRR)- Initial Forecast*	501	437	520
Earnings per Share (IRR)- Final Forecast*	430	373	359
Earnings per Share (IRR)- Actual	436	466	385
Share Price on Date of Report Endorsement[7] - (IRR)	3,190	2,683	2,000
Book Value per Share (IRR)	1,000	1,000	1,000
Price-Earnings per Share Ratio [8]	7.32	5.75	5.19

* Initial EPS forecasts in 2014-15 period are based on IRR7,250 billion share capital while final EPS forecasts are derived from the increased share capital of IRR8,500 billion.

1. Denotes aggregate total income
2. Comprises the aggregate total of net interest income from facilities, deposits, and investments, fee income and income from foreign exchange transactions net of interest paid on deposits and loan loss provision expense
3. Constitutes other income
4. Return on assets: (Net profit after tax/Average of opening and closing total assets)
5. Return on shareholders' equity: (Net profit /Average of opening and closing shareholders' equity)
6. CaR: Bank's capital base divided by risk-weighted assets
7. The Report was endorsed and approved on 15 June 2014
8. P/E: (Price per share on the date of report endorsement/Earnings per share-Actual)

Summary of the Financial Statements (Consolidated)			
Description	2014-15	(Revised) 2013-14	(Revised) 2012-13
(a) Financial Performance for the Period (IRR million):			
Total Income	20,907,425	15,867,682	11,879,502
Operating Profit	5,690,939	5,412,998	4,144,379
Non-Operating Income	464,860	354,971	326,013
Net Profit after Tax	3,580,490	3,689,855	2,915,793
Prior Period Adjustments	(316,737)	(797,054)	(524,821)
Cash Flows from Operating Activities	4,087,195	7,044,636	8,442,391
(b) Financial Position at Year End (IRR million):			
Total Assets	113,180,517	101,192,764	77,186,717
Total Liabilities	98,034,014	87,244,441	65,403,310
Share Capital	8,500,000	7,250,000	7,250,000
Total Shareholders' Equity	15,146,503	13,948,321	11,783,407
(c) Rate of Return:			
Return on Assets	3.3%	4.1%	4.3%
Return on Shareholders' Equity (Equity Method)	24.6%	28.7%	26.8%
(d) Per Share Information:			
Number of Shares Outstanding on the AGA Date	8,500,000,000	8,500,000,000	7,250,000,000
Earnings per Share (IRR)-Initial Forecast*	501	437	520
Earnings per Share (IRR)-Final Forecast	430	373	359
Basic Profit per Share (IRR)	422	510	402
Diluted Profit per Share (IRR)	427	451	360
Book Value per Share (IRR)	1,000	1,000	1,000

* Initial EPS forecasts in 2014-15 period are based on IRR7,250 billion share capital while final EPS forecasts are derived from the increased share capital of IRR8,500 billion.

SHARE PRICES & TRADING INFORMATION

The Bank gained listing on the Tehran Stock Exchange (TSE) on 27 January 2003. The shares have been coded as "vakar" and are categorised under the Banks, Credit and Other Financial Institutions industry sector. Trading of the Bank's shares commenced on 5 July 2003. Relevant trading statistics for the Bank's shares over the past three financial years are outlined in the following table.

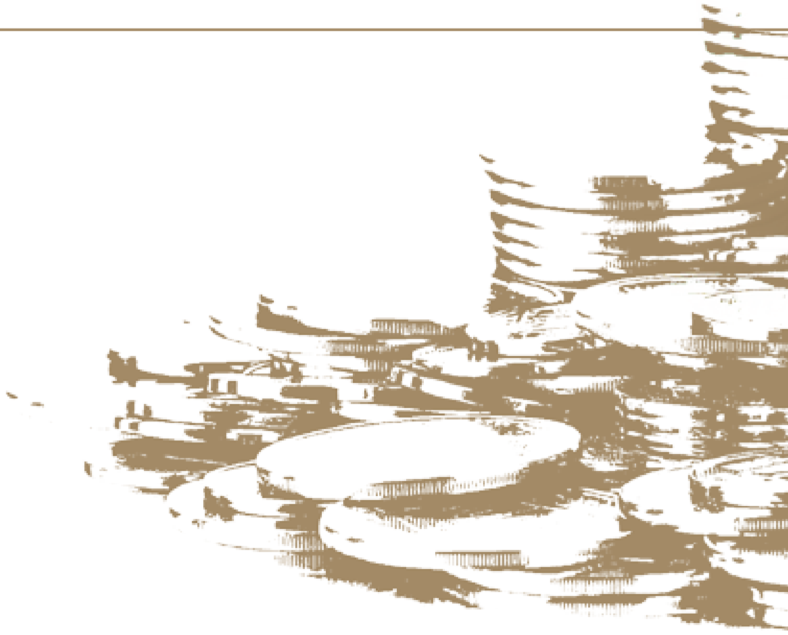
Year Ended	No. of Traded Shares	Value of Transacted Shares (IRR million)	Days Active	Trading Days	Average Value of Financial Market Per Year (IRR million)	Average Share Price (IRR)	Capital (IRR million)
20.03.2013	831,966,907	1,371,335	219	219	12,593,250	1,737	7,250,000
20.03.2014	977,289,355	2,628,626	232	232	18,456,188	2,546	7,250,000
20.03.2015	232,650,757	576,670	232	232	20,604,073	2,424	8,500,000

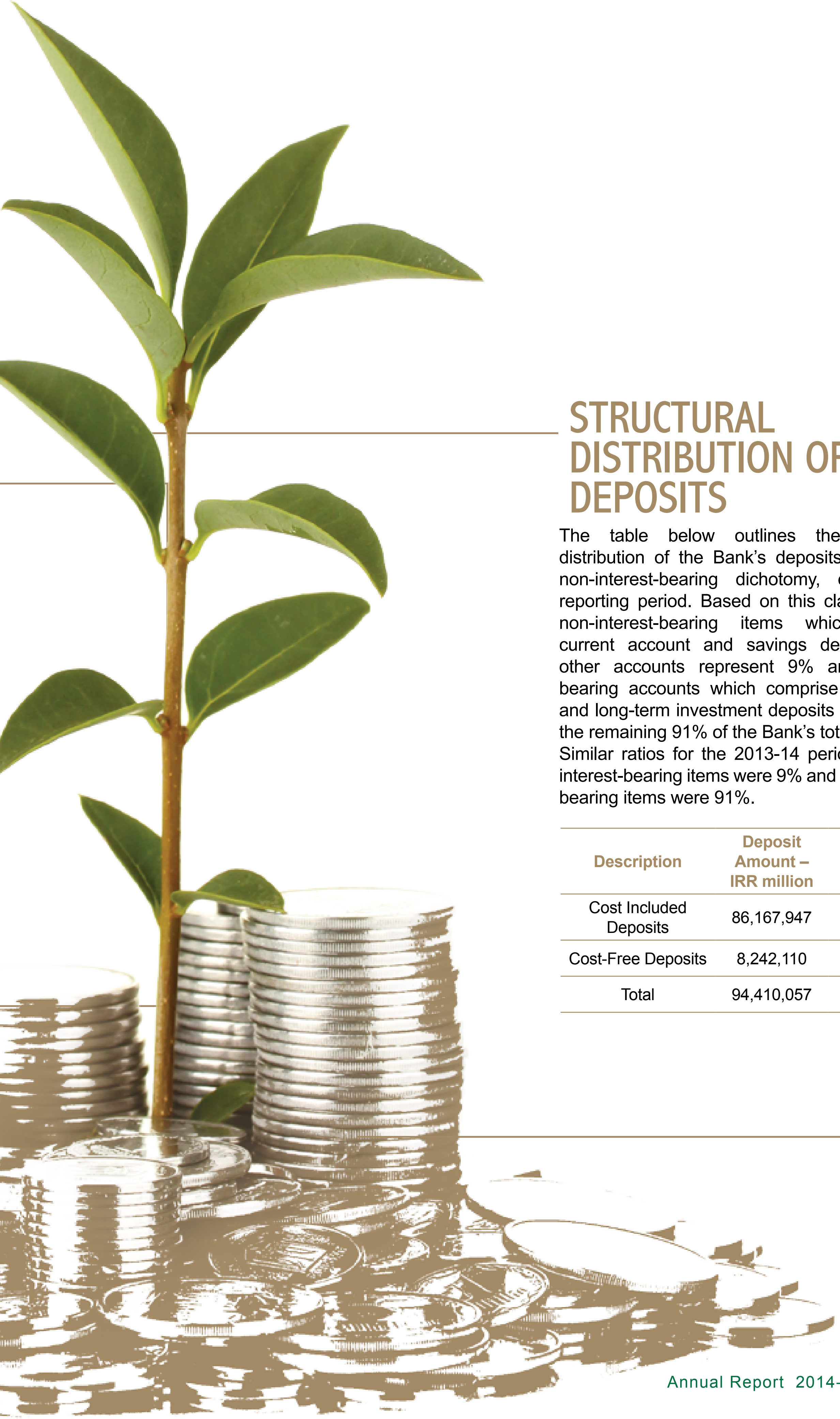
INTEREST RATES OF INVESTMENT DEPOSIT ACCOUNTS

Description	Interest Rate (%)		Statutory Deposit Rate (%)	
	2014-15	2013-14	2014-15	2013-14
Saving Gharz-al-Hassaneh	0	0	10	10
Current Gharz-al-Hassaneh	0	0	13.5	17
Short-Term Ordinary	10	7.18	13.5	15.5
Short-Term Special	18-14	10-23	13.5	15.5
Long-Term 1-Year	22	17-23	13.5	15
Long-Term 2-Year	22	18-21	13.5	11
Long-Term 3-Year	22	18.5-24	13.5	11
Long-Term 4-Year	22	19-28	13.5	10
Long-Term 5-Year	22	20-34	13.5	10
Deposit Certificate	22	20	13.5	11.15

PAID INTEREST ON INVESTMENT DEPOSITS

Description	2014-15	2013-14	2012-13	2014-15 to 2013-14 Change Percentage	2013-14 to 2012-13 Change Percentage
Short-Term Deposit	3,604,555	2,006,805	742,171	80%	170%
Short-Term Special Deposit	2,137,785	427,425	94,941	400%	341%
1-Year Deposit	4,977,763	1,048,619	130,015	375%	707%
2-Year Deposit	125,248	144,504	12,021	(13%)	1.102%
3-Year Deposit	4,509	6,687	8,468	(33%)	(21%)
4-Year Deposit	4,893	9,010	11,525	(46%)	(22%)
5-Year Deposit	2,728,508	4,606,114	4,469,519	(41%)	3%
Special Deposit Certificate for Public Investment	765,976	1,392,845	992,482	(45%)	40%
Total	14,349,238	9,642,010	6,463,141	49%	49%





STRUCTURAL DISTRIBUTION OF DEPOSITS

The table below outlines the structure distribution of the Bank's deposits based on non-interest-bearing dichotomy, during the reporting period. Based on this classification, non-interest-bearing items which include current account and savings deposits and other accounts represent 9% and interest bearing accounts which comprise short-term and long-term investment deposits account for the remaining 91% of the Bank's total deposits. Similar ratios for the 2013-14 period for non-interest-bearing items were 9% and for interest-bearing items were 91%.

Description	Deposit Amount – IRR million	Percent
Cost Included Deposits	86,167,947	91%
Cost-Free Deposits	8,242,110	9%
Total	94,410,057	100%

MAJOR ITEMS OF INCOME STATEMENT

(IRR million)

Description	2014-15			2013-14			2012-13		
	Amount	Comparison with Total	Growth to Previous Year	Amount	Comparison with Total	Growth to Previous Year	Amount	Comparison with Total	Growth to Previous Year
Income from Facilities	16,652,950	80%	33%	12,495,163	81%	45%	8,599,686	74%	26%
Income from Investments & Deposits	3,061,978	15%	59%	1,927,575	12%	(13%)	2,220,096	19%	118%
Received Commission & Miscellaneous Revenues	1,091,560	5%	8%	1,012,278	7%	22%	827,024	7%	12%
Total Revenues	20,806,488	100%	35%	15,435,015	100%	33%	11,646,806	100%	35%
Paid Profit to Depositors	(14,349,238)	(69%)	47%	(9,792,544)	(63%)	38%	(7,099,674)	(61%)	52%
Cost of Doubtful Debts	(520,587)	(3%)	55%	(336,747)	(2%)	2%	(330,987)	(3%)	(10%)
Other Costs	(1,615,017)	(8%)	21%	(1,334,643)	(9%)	28%	(1,039,144)	(9%)	32%
Profit before Tax	4,321,646	21%	9%	3,971,082	26%	25%	3,177,000	27%	14%
Tax	(619,649)	(3%)	5%	(589,948)	(4%)	54%	(382,453)	(3%)	(1%)
Profit after Tax	3,701,997	18%	9%	3,381,134	22%	21%	2,794,547	24%	16%

COMPARATIVE ANALYSIS OF INTERESTS RECEIVED FROM GRANTED FACILITIES, DEPOSITS & INVESTMENT REVENUES

(IRR million)

Description	2014-15	2013-14	2012-13	2014-15 to 2013-14 Change Percentage	2013-14 to 2012-13 Change Percentage
Profit from Islamic Contracts	16,586,213	11,856,480	7,188,909	40%	65%
Received Delay Penalties	2,314,710	2,298,841	1,788,162	1%	29%
Investments & Deposits	3,057,452	1,840,659	2,176,490	66%	(15%)

EPS FORECAST

(IRR million)

Description	EPS Initial Forecast for 2014-15	Actual Performance of 2014-15	% of Changes
Income from Granted Facilities	18,879,972	16,652,950	(12%)
Income from Investment in Participation Bonds	243,137	64,020	(74%)
Income from Investment in Corporate Shares	811,910	1,121,340	38%
Income from Deposits	977,380	1,876,618	92%
Total	20,912,399	19,714,928	(6%)
Profit Payment of Investment Deposits	(14,398,452)	(14,349,238)	(%)
Doubtful Debts Costs	(897,786)	(520,587)	(42%)
Received Commission & Result of Foreign Currency Transactions	779,003	833,811	7%
Net Operating Revenues	6,395,164	5,678,913	(11%)
Miscellaneous Revenues	234,128	257,749	10%
Depreciation Costs	(85,035)	(104,684)	23%
Financial & Commission Costs	(142,274)	(164,923)	16%
Administrative & General Costs	(1,354,858)	(1,345,410)	(1%)
Profit before Tax	5,047,125	4,321,646	(14%)
Tax	(788,415)	(619,649)	(21%)
Profit after Tax	4,258,709	3,701,997	(13%)
Net Profit to Total Operating Revenues	20%	19%	(8%)
No. of Shares - Thousand Shares	8,500,000	8,500,000	0%
Profit of each Share after Tax - IRR	501	436	(13%)

It is noteworthy that EPS forecast for the 2014-15 period was adjusted to IRR430 on 21.12.2014.

MAIN ITEMS OF THE STATEMENT OF FINANCIAL POSITION

(IRR million)

Description Amount	2014-15			2013-14			2012-13		
	Amount	%to Total	Growth % to Previous Year	Amount	%to Total	Growth % to Previous Year	Amount	%to Total	Growth % to Previous Year
Cash	16,733,684	15%	5%	15,977,315	16%	24%	12,851,613	17%	54%
Participation Bonds & Investment	2,373,565	2%	(39%)	3,899,427	4%	48%	2,639,469	3%	0.1%
Granted Facilities	69,313,107	62%	19%	58,281,424	58%	29%	45,102,785	59%	28%
Fixed Assets	9,651,535	9%	12%	8,606,410	9%	19%	7,246,432	9%	47%
Other Assets	14,001,169	12%	4%	13,493,317	13%	49%	9,044,008	12%	8%
Total Assets	112,073,059	100%	12%	100,257,893	100%	30%	76,884,308	100%	29%
Deposits	94,410,057	84%	14%	82,821,675	83%	36%	60,911,006	79%	33%
Other Liabilities	2,777,080	2%	(25%)	3,712,671	4%	(12%)	4,216,770	5%	7%
Total Liabilities	97,187,137	87%	12%	86,534,347	86%	33%	65,127,776	85%	31%
Shareholders' Equity									
Capital	8,500,000	8%	17%	7,250,000	7%	0%	7,250,000	9%	61%
Statutory Reserve	2,840,984	3%	24%	2,285,685	2%	29%	1,778,515	2%	31%
Retained Profit	3,501,341	3%	20%	2,909,144	3%	8%	2,684,420	3%	36%
Other Items of Shareholders' Equity	43,597	0.04%	(97%)	1,278,718	1%	2,833%	43,597	0%	(98%)
Total Shareholders' Equity	14,885,922	13%	8%	13,723,547	14%	17%	11,756,532	15%	19%
Total Liabilities & Shareholders' Equity	112,073,059	100%	12%	100,257,893	100%	30%	76,884,308	100%	29%

Chapter IV
INDEPENDENT AUDITOR'S REPORT

Farivaran Audit Firm
Certified Accountants
Trusted by the Securities & Exchange Organisation

Independent Auditor's Report
To the Annual General Meeting of Karafarin Bank
(Public Joint Stock Company)

Report on the Consolidated Financial Statements

1- We have audited the accompanying consolidated financial statements of Karafarin Bank (Public Joint Stock Company), and its subsidiaries, which comprise the consolidated statement of financial position as at March 20, 2015 (Esfand 29, 1393) and the related statements of consolidated income, retained earnings, comprehensive income and cash flows for the year then ended together with explanatory notes 1 to 53.

Management's Responsibility for the Financial Statements

2- Management is responsible for the preparation and fair presentation of these consolidated financial statements in accordance with Iranian Accounting Standards, and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

3- Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with International Standards on Auditing. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In order to make those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control.

An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

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

Basis for Qualified Opinion

4- Based on tax assessment notes issued, the corporate tax for the 2012-13 and 2013-14 financial periods exceeds the amounts paid for the mentioned period, by IRR642 billion. Although the Bank has appealed against the mentioned tax assessment note, no conclusive result has been achieved yet. Provision for the corporate tax of the reporting financial period has been calculated and reflected based on declared profits. There is a deficit for the corporate tax provision for the mentioned periods and determining the precise amount is dependent upon the final verdict of the tax authorities.

Qualified Opinion

5- In our opinion, except for the adjustment discussed in paragraph 4, the financial statements present fairly, in all material respects, the financial position of Karafarin Bank (Public Joint Stock Company) and its subsidiaries as at March 20, 2015, and its financial performance and cash flows for the year then ended in accordance with Iranian Financial Reporting Standards.

Emphasis of Matter

6- As stated in note 6.2 to the financial statements, the Central Bank of Iran debited Karafarin Bank's current account IRR741 billion at the end of the Iranian calendar year 1390 (March 2012), for excess withdrawal. In addition, it has claimed the amount of IRR256 billion as penalties, due to the mentioned excess withdrawal. The Bank's follow-ups regarding determining the fate of amounts withdrawn have led to CBI's reviews and reconsideration in this regard, the result of which is that the CBI has announced that the amount of IRR271 needs to be paid instead. In addition, the CBI has requested Karafarin Bank to submit its expert opinion along with supporting evidence to the Banks' & Credit Institutions' Supervisory Department. The Bank's management believes that no violation has taken place in reference to foreign currency issues and hence, it is not liable to any penalties regarding foreign currency rate differences. Effects of this paragraph have not resulted in qualifying our opinion.

7- The CBI circular issued in 2010-11 period has determined the fixed assets to shareholders' equity ratio to be maximum 70%. This ratio was later reduced to 30% in another circular issued by the CBI in 2012-13 period and failure to comply with which, would be followed by a penalty equivalent to the highest interest rate for the amount and the length of violation. This penalty is to be paid in the accounts of term depositors. However, the mentioned quorum has not been complied by the Bank as of 2012-13 period. As mentioned in explanatory note 13.4, the Bank has reported its present condition of its fixed asset to shareholders' equity ratio to the CBI on a monthly basis to which the supervisory body responsible for determining the fate of previous penalties has not responded. In addition, the mentioned ratio was increased to 75%, according to the instruction on calculation method of fixed asset to shareholders' equity ratio, as notified in June 2015 and the banks have been instructed to abandon their excess assets within a maximum three-year period. The mentioned conditions demonstrate vagueness in the methods of implementing the regulations set forth by the CBI, by Karafarin Bank. Effects of this paragraph have not resulted in qualifying our opinion.

Report on Other Legal and Regulatory Requirements of Karafarin Bank (Public Joint Stock)
Report on Other Duties of the Legal Inspector

8- The requirements of Article 106 of the Commercial Code of Iran as to registration of the substitution of one of the board members have not been complied.

9- The Bank did not have a managing director for an eight-month period, during which time, it was administered by an acting managing director elected by the Board of Directors. In addition, the Board of Director's minute dated 06.08.2014, which refers to the selection of a new managing director, along with his scope of authority has not been registered at the Corporate Registration Department. Therefore, the requirements of Articles 124 and 128 of the Commercial Code amended have been complied.

10- The Bank's chairman resigned on 29.10.2013 and no one has replaced him so far. Consequently, the requirements of Article 199 of the Commercial Code as amended have not been complied.

11- The requirements of Articles 114 and 115 of the Commercial Code as amended regarding collateral shares of one of the members of the Board of Directors have not been complied.

12- We have examined the transactions with related parties, and reported all such transactions as per Article 129 of the Commercial Code of Iran in note 53 of the financial statements. All such transactions have been approved by the Board of Directors to comply with the requirements of this article. Those transactions have incurred in ordinary course of business.

13- We have examined the report of the Board of Directors referring to the general condition of Bank for the purpose of presenting to the general assembly has been drafted in line with Article 232 of the Commercial Code as amended. Considering the examinations, we did not encounter any event leading to any discrepancy between the information provided in the aforementioned report and the relevant documentation presented by the board.

Report on other Duties of the Auditor

14- The following banking regulations and circulars have not been complied:
Considering the financial criteria of customers and the banking industry's conditions concerning their activities, for the purpose of classifying assets and failure to comply with the Claims Provision Instruction.

- *The determined quorum of large-scale commitments and facilities granted to the beneficiaries of the unit with reference to three companies as well as the total commitments and credit facilities granted to related persons.*
- *Drafting an integrated instruction for the purpose of identifying and registering all large-scale facilities and commitments and any amendments that follow.*
- *The net fixed assets and collaterals to shareholders equity ratio.*
- *The investment limit in companies which are to provide revenues and in companies which are to expand the scope of banking services.*
- *Purchasing the shares of the Bank via its influential companies.*
- *Making inquiries regarding tax conditions of borrowers prior to granting facilities.*
- *Allocating 95% of Gharz-al-Hassaneh resources towards Gharz-al-Hassaneh facilities.*

15- There has been a delay in submitting the audited mid-term (six-month) financial statements of the subsidiary companies which relate to the Securities & Exchange Organisation's instruction, referring to information disclosure.

16- We have examined the compliance of the requirements of internal controls over financial reporting within the framework of the instructed checklist. With the exception of failure of the Audit Committee to provide the necessary means to obtain reasonable assurance for the effectiveness of such controls, we have not encountered any other significant instances where the mentioned requirements have not been complied.

17- The maximum ceiling of the allocable profit has been stated in explanatory note 50. We would like to draw the attention of the general assembly of the shareholders to paragraph 4 of this report.

18- In executing Article 33 of Combating Money Laundering Executive Instruction via the auditors, compliance of the said act and its related executive instructions has been reviewed by this institution in accordance with the framework of checklists as notified by the related authorities and accounting standards. In this regard, with the exception of determining a particular person or unit for combating money laundering training and notifying the said law to the employees, we did not encounter any significant event of breach of the mentioned regulations.

07.07.2015
Farivaran Audit Firm

Mohammad Saeed Asgharian	***Javad Bostanian***
800132	***800056***

Chapter V
FINANCIAL STATEMENTS

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

Karafarin Bank (PJSC)

Consolidated Retained Earnings Statement
For the Year Ended March 20, 2015

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

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

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

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

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

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

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

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

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

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

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

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

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

1. HISTORICAL BACKGROUND OF ACTIVITIES

1.1. Overview

The group includes Karafarin Bank (Parent Company) and its subsidiary companies.

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

1.2. Principal Activities

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

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

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

1.3. Number of Branches

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

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

1.4. Employees

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

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

2. BASIS FOR THE PREPARATION OF FINANCIAL STATEMENTS

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

3. BASIS FOR THE CONSOLIDATION

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

Subsidiaries subject to consolidation are:

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

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

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

4. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

4.1. Investments

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

Current Investments:

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

Revenue Recognition Method:

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

4.2. Tangible Fixed Assets

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

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

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

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

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

4.3. Intangible Assets

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

4.4. Income Recognition on Facilities, Commissions and Penalties

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

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

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

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

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

4.6. Classification of Financial Facilities

The Bank evaluates and classifies it 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 collect outstanding amounts.

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

4.7. Provisions for Loan Losses

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

► General provisions at 1.5% of total facilities’ balances after deduction of those facilities that are subject to special provisions.

► Special provisions for the balance of past due, non-performing, and doubtful financial facilities. This is calculated based on the factors outlined in the following table after accounting for the value of security attributable to each individual facility.

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

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

4.8. Provisions for Employees’ Termination Benefits

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

4.9. Accounting for Changes in Currency Exchange Rates

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

5. CASH

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

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

6. DUES FROM THE CENTRAL BANK OF IRAN

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

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

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

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

7. DUES FROM BANKS AND CREDIT INSTITUTIONS

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

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

	US Dollar		Euro		Indian Rupiah		Japanese Yen		UAE Dirham		Chinese Yuan		Turkish Lira		South Korean Won		Other Foreign Currencies	Total
	FX Amount	Equiva-lent – IRR million	FX Amount	Equiva-lent – IRR million	FX Amount	Equiva-lent – IRR million	FX Amount	Equiva-lent – IRR million	FX Amount	Equiva-lent – IRR million	FX Amount	Equiva-lent – IRR million	FX Amount	Equiva-lent – IRR million	FX Amount	Equiva-lent – IRR million	Equiva-lent – IRR million	Equiva-lent – IRR million
Local Banks:																		
Parsian Bank	571,910	16,010	1,550,467	46,756	62,399	28	586,174,152	136,268	0	0	0	0	0	0	0	0	0	199,062
Mellat Bank	1,511	42	4,747,079	143,153	0	0	0	0	2,985	23	0	0	0	0	0	0	1,251	144,469
Saderat Bank	2,296,523	64,289	701,124	21,143	0	0	0	0	0	0	0	0	0	0	0	0	0	85,432
Saman Bank	24,500	686	2,073,045	62,515	0	0	0	0	0	0	0	0	0	0	0	0	0	63,201
Melli Bank	455,681	12,756	354,479	10,690	0	0	0	0	0	0	0	0	0	0	0	0	11,559	35,005
Sepah Bank	3,700	104	880,080	26,540	0	0	0	0	0	0	0	0	0	0	0	0	0	26,643
Export Development Bank	6,064	170	767,653	23,149	0	0	0	0	76,368	582	0	0	0	0	0	0	0	23,901
Eghtesad Novin Bank	89,835	2,515	686,492	20,702	0	0	0	0	0	0	0	0	0	0	0	0	0	23,217
Keshavarzi Bank	71,066	1,989	681,263	20,544	0	0	0	0	0	0	0	0	0	0	0	0	0	22,534
Tejarat Bank	66,854	1,872	276,375	8,334	0	0	0	0	422,282	3,219	0	0	0	0	0	0	2,435	15,859
Other Banks	32,321,066	904,796	1,440,958	43,454	0	0	0	0	16,001,986	121,967	0	0	0	0	22,391,339	561	0	1,070,778
	35,908,710	1,005,228	14,159,014	426,979	62,399	28	586,174,152	136,268	16,503,620	125,791	0	0	0	0	22,391,339	561	15,245	1,710,100
Foreign Banks:																		
Mizuho Bank Japan	0	0	0	0	0	0	27,534,510,003	6,400,948	0	0	0	0	0	0	0	0	0	6,400,948
Halk Bankasi Turkey	0	0	41,912,197	1,263,904	0	0	0	0	0	0	0	0	79,200,993	861,628	0	0	0	2,125,532
Bank of Kunlun China	0	0	7,106,400	214,301	0	0	0	0	0	0	140,290,176	633,971	0	0	0	0	0	848,272
Melli Bank Dubai Branch	0	0	0	0	0	0	0	0	44,183,544	336,767	0	0	0	0	0	0	0	336,767
UCO Bank India	0	0	0	0	380,822,985	170,990	0	0	0	0	0	0	0	0	0	0	0	170,990
Bank de Commerce et de Placements	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	140,958	140,958
Hinduja Bank (Amas Bank)	0	0	270,489	8,157	0	0	247,112,218	57,446	0	0	0	0	0	0	0	0	3,457	69,060
Woori Bank Seoul	0	0	0	0	0	0	0	0	0	0	0	0	0	0	1,327,179,215	33,268	0	33,268
Other Banks	1,943	54	2,359,848	71,164	0	0	9,787,230	2,275	1,092,454	8,327	3,510,289	15,863	0	0	689,887	17	22,974	130,688
	1,944	54	51,648,933	1,557,526	380,822,985	170,990	27,791,409,451	6,460,669	45,275,998	345,094	143,800,465	649,834	79,200,993	861,628	1,327,869,102	33,286	167,389	10,256,483
	35,910,654	1,005,283	65,807,948	1,984,505	380,885,384	171,018	28,377,583,603	6,596,937	61,779,618	470,884	143,800,465	649,834	79,200,993	861,628	1,350,260,441	33,847	18,634	11,966,582

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

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

8. LOANS AND FACILITIES

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

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

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

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

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

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

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

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

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

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

9. DEBTORS FOR TERM LETTERS OF CREDIT

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

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

10. ACCOUNTS RECEIVABLE

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

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

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

10.1.1. Dividend receivable is as follows:

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

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

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

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

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

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

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

11. PARTICIPATION SECURITIES & FUNDS WITH FIXED INCOME

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

12. INVESTMENTS

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

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

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

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

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

12.2.1. Investment in other companies is as follows:

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

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

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

	Note	Location Group	Percent of Investment		Main Activity
				Company	
Affiliated Companies:					
Karafarin Insurance Co.	(12-3-1)	Tehran	22.83	20	Issuance of insurances
Subsidiary Companies:					
Karafarin Bank Investment Co.		Tehran	49	49	Investment in shares of companies & institutions
Karafarin Leasing Co.		Tehran	100	100	Cash, instalment & hire purchase sales
Karafarin Bank Brokerage Co.		Tehran	100	100	Trading shares
Karafarin Bureau de Change		Tehran	100	100	Trading foreign currencies, coins gold & silver
Karafarin Abnieh Gostar Co.		Tehran	74	49	Implementation of construction projects including renovation
Omid Karafarin Trade Development Co.		Tehran	37	0	All legal trade activities
Amin Etemad Karafarin Co.		Tehran	49	0	Receiving differed dues of the Bank & Group companies
Asr Amin Karafarin Co.		Tehran	100	0	

	Quota From Net Assets
	IRR million
Investment in Affiliated Company (Karafarin Insurance Co.)	
Balance at the Beginning of the Year	337,028
Quota from Profit of Affiliated Companies – Performance of 2013-14	68,754
Dividend Received during the Year	(67,490)
	338,291

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

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

13. FIXED ASSETS

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

	Group											
Assets	Cost - IRR million						Accumulated Depreciation - IRR million				Book Value – IRR million	
	20.03.14	Increase	Decrease	Transfers	Adjustments	20.03.15	20.03.14	Depreciation Expenses	Depreciation of Sold Properties	20.03.15	20.03.15	20.03.14
Land	2,455,967	20,812		29,414		2,506,193					2,506,193	2,455,967
Building	744,430	6,212	(78,855)	109,573		781,361	123,101	15,474		138,578	642,783	621,326
Motor Vehicles	7,342	1,939	(158)			9,124	4,171	936	(80)	5,027	4,096	3,172
Furniture	438,728	75,689	(9,427)			504,991	147,486	59,141	(6,809)	199,818	305,172	291,242
Total	**3,646,467**	**104,652**	**(88,440)**	**138,987**		**3,801,669**	**274,761**	**75,551**	**(6,889)**	**343,423**	**3,458,244**	**3,371,707**
Capital Prepayments	456,321	349,314		(52,662)	(124,708)	628,265					628,265	456,320
Assets under Completion	784,838	738,793		(86,325)	(37,395)	1,399,911					1,399,911	784,838
Total	**4,887,626**	**1,192,759**	**(88,440)**		**(162,103)**	**5,829,845**	**274,761**	**75,551**	**(6,888)**	**343,423**	**5,486,421**	**4,612,864**

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

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

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

* Of the capital prepayment adjustments, the amount of IRR123,189 million is related to the transfer of purchased properties and their goodwill to the heading of intangible assets.

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

13.4. Ratio of Net Fixed Assets to Shareholders' Equity

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

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

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

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

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

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

14. INTANGIBLE ASSETS

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

15. OTHER ASSETS

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

16. DUES TO THE CENTRAL BANK OF IRAN

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

17. DUES TO BANKS AND CREDIT INSTITUTIONS

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

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

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

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

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

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

18. DEMAND DEPOSITS

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

19. GHARZ-AL-HASSANEH SAVINGS DEPOSITS

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

20. TERM INVESTMENT DEPOSITS

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

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

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

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

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

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

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

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

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

20.4. Flow term investment deposits are as follows:

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

21. OTHER DEPOSITS

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

22. INCOME TAX PAYABLE

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

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

(in IRR million)

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

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

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

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

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

23. INTEREST PAYABLE (TO DEPOSITORS)

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

24. PROVISIONS & OTHER LIABILITIES

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

25. PAYABLE DIVIDEND

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

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

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

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

26. PROVISIONS FOR EMPLOYEES' TERMINATION BENEFITS

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

27. PAID-IN CAPITAL

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

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

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

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

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

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

27.4. Capital Adequacy

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

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

Karafarin Bank (PJSC)
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27.5. Risk-Weighted Assets

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

28. STATUTORY RESERVES

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

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

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29. MINORITY INTEREST

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

29.1. Capital increase fund related to Karafarin Investment Co.

30. INTEREST ON LOANS AND FACILITIES

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

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

31. INTEREST ON DEPOSITS AND INCOME FROM INVESTMENTS

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

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

31.1. Dividends of companies are as follows:

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

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

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

32. PAID INTEREST ON INVESTMENT DEPOSITS

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

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

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

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

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

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

34. COMMISSION INCOME

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

35. INCOME FROM FOREIGN EXCHANGE TRANSACTIONS

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

36. OTHER INCOME

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

37. GENERAL AND ADMINISTRATIVE EXPENSES

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

37.1. Personnel expenses are as follows:

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

37.2. Other administrative expenses are as follows:

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

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

38. LOAN LOSS PROVISIONS' EXPENSES

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

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

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

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

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

39. FINANCING COSTS

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

40. COMMISSION & OTHER EXPENSES

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

41. PRIOR PERIOD ADJUSTMENT

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

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

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

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

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

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

43. DISAGGREGATION OF NET INCREASE IN CASH

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

43.1. Non-cash transactions

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

44. LETTERS OF CREDIT

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

45. LETTERS OF GUARANTEE

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

46. MANAGED FUNDS

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

47. OTHER COMMITMENTS AND OFF BALANCE SHEET ITEMS

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

48. CAPITAL COMMITMENTS AND CONTINGENT LIABILITIES

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

49. EVENTS AFTER THE BALANCE SHEET DATE

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

50. RETAINED EARNINGS AT THE END OF THE YEAR

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

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

51. FOREIGN CURRENCY POSITION

(Amounts in Foreign Currency)

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

52. BASIC AND DILUTED EARNINGS PER SHARE

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

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

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

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

53. RELATED PARTIES TRANSACTIONS

(Amounts in IRR million)

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

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

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