



2016-2017



Bank Keshavarzi
Annual Report





Bank Keshavarzi

Annual Report
2016 – 2017



Corporate Outline

Bank Keshavarzi

(Agriculture Bank of Iran)

Date of Establishment:

June 11, 1933

Number of Branches (By Year-end 2016-2017):

1,899

Number of Forex Branches:

56

Number of Staff:

17,109 (By March 20, 2017)

Chairman and Managing Director:

Mr. Rouhollah Khodarahmi (since January 17, 2018)

Board Members (By March 19, 2017)¹:

**Mr. Davar Mahikar; Mr. Masoud Sharifat; Mr. Farhad Fanoodi;
Mr. Kiamarz Ghasemi Zaniani**

Address:

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Email: **icd@agri-bank.com**

Website:

www.bki.ir/en

1. See Board of Directors

Financial Highlights

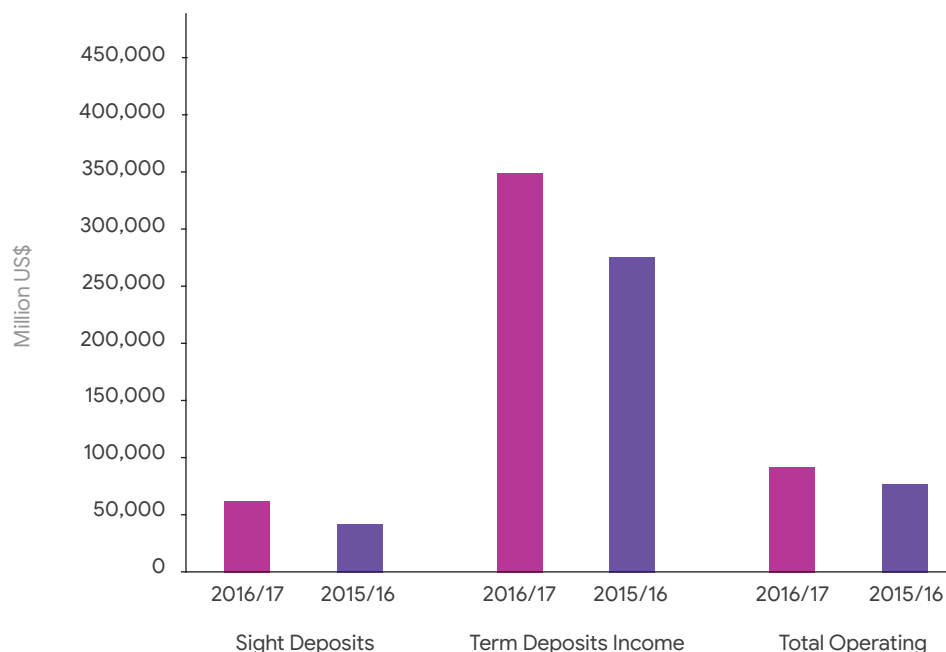
For more than 80 years, Bank Keshavarzi has made great contributions to the development of the agriculture sector. Offering diverse banking and E-banking services through application of state-of-the-art technologies, the bank has been granting the highest amount of credit demanded in the sector.

Balance Sheet Highlights (Billion Rials)¹

Item	2016/17 ¹	2015/16 ²
Assets	776,716	706,731
Liabilities	726,627	695,329
Sight Deposits	72,560	46,271
Term Investment Deposits³	405,140	321,480
Shareholders' Equity	50,089	11,401

Income Statement Highlights

Item	2016/17	2015/16
Interest Income⁴	76,802	62,630
Non-interest Income	29,150	25,920
Total Operating Income	105,953	88,550
Total Operating Expenses	105,663	88,371
Pretax Net Profit	290	179



1. Rial amounts can be converted to USD at CBI reference rate (http://cbi.ir/ExRates/rates_en.aspx) on the last day of Iranian fiscal year (March 20, 2017).

2. BK's fiscal year (1395 Persian Calendar) corresponds to the period of March 21, 2016 to March 20, 2017.

3. All comparative figures in financial statements have been restated to present a true and fair view of the bank's financial position. Thus, there may be cases of mismatch with figures presented in the preceding year annual report (2015/16).

4. Term investment deposits are equal with summation of short-term deposits (less than one-year) and time deposits (one to five-year).

5. In Islamic Banking, the perception held about interest is based on Profit-Loss-Sharing Scheme (PLS).



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Board of Directors



Rouhollah Khodarahm
Chairman and Managing Director



Davar Mahikar
Board Member

Masoud Sharifat
Board Member

Farhad Fanoodi
Board Member

Kiamarz Ghasemi Zaniani
Board Member



Chairman's Message

On behalf of Bank Keshavarzi staff and management, I am greatly honored to submit Bank Keshavarzi Annual Report to present an accurate reflection of the overall banking operations and essential activities performed by the bank during 2016/17. Following the guidelines and instructions set by the Supreme Leader of I.R. Iran, and the strategic policies developed by the government and Bank Keshavarzi management, the bank managed to realize the objectives of resistance economy and continued strengthening and developing services for the benefits of all clients and partners. These achievements reflect sustained solid performances across all operations, making BK remain a leading bank in the country and the region, differentiated by its focused approach, strategic and operational discipline, and financial strength.

Doubtlessly, the most important honor of the bank was participation in “Wheat Production Self-sufficiency” program and playing an outstanding role in achieving the best record in wheat production and guaranteed purchase of the product. Financing wheat production, besides successfully conducting guaranteed purchase of produced wheat, Bank Keshavarzi managed to buy 11.5 million tons of wheat and deposit Rls. 147 thousand billion to wheat producers' accounts. Such a performance highlighted the bank's competency and merit as the financial agent of the government in the agriculture sector.



Within post-JCPOA period, in the field of International Banking, recognized as one of the bank's strengths, we managed to make remarkable achievements as follows: negotiations with 145 foreign banks and exchange of SWIFT codes with more than 90 countries; starting corresponding relations with 70 prominent banks of the world; opening more than USD 3 million of documentary credit for importers; executing 3-year usance for agricultural production units; acting as the foreign exchange agent of the National Development Fund with a USD 500 million capacity; financing export of agricultural products such as pistachios, dates, raisins and saffron; and continuing membership in five international associations and confederations as well as membership in Executive Committee of Asia Pacific Rural and Agricultural Credit Association (APRACA) and the Management Committee of Association of National Development Finance Institutions in Member Countries of the Islamic Development Bank (ADFIMI).

Accessible banking system for visually impaired customers, a system specifically designed to purchase farmers' surplus wheat production, tele-payment system, special card to purchase agricultural inputs, Murabahah Credit Card, design and implementation of the advanced version of core banking software are just few of the accomplishments made by the bank in E-banking during the report year.

The agreement of the government and the parliament with the bank's capital increase, equaling Rls. 68,500 billion, which is a distinctive achievement in the national banking history, is another success of Bank Keshavarzi in the report year. Besides boosting the bank's ability to supply more financial facilities and to support agricultural producers, the capital increase will outstandingly promote the bank's bargaining power in the international banking system.

In 2016-2017, Bank Keshavarzi, trying for the benefits of farmers, managed to apply a 3-percent decrease in the interest rate of agricultural investment facilities and those for the purchase of certified seeds. The bank also waived delayed repayment penalties of small loans, helping more than 154 thousand farmers fully settle their debts. Within the report year, the bank considered a significant position for the elite agricultural producers and their role in development of the national agro economy through holding a ceremony to honor top farmers of the country and actively participating in the 1st National Festival of Iran Agriculture.

During the year under study, the bank, in collaboration with Iran Water and Wastewater Engineering Company, allocated Rls. 15,000 billion granted by National Development Fund, to Rural Water Supply Project to fulfill its

mission to provide nearly two million people of rural population in 3,000 villages with drinking water.

Financing outstanding projects such as open sea cage farming, mechanized irrigation and greenhouse farming, are some of the bank's steps towards management of energy resources crisis and use of modern technologies to realize sustainable agro economy and national food security. As regards, the bank granted financial facilities equaling more than Rls. 7,000 billion for the purchase of agricultural machinery and equipment, leading significantly to development of agricultural mechanization. Bank Keshavarzi also offered financial facilities to production increase in micro, small and medium enterprises and financed construction of 1,800 hectares of greenhouses and 110,000 hectares of sea cage farms. In total, having provided around Rls. 287 thousand billion of financial facilities, Bank Keshavarzi made great achievements in line with the objectives of the resistance economy.

In general, the report year is considered a landmark and a determining period in Bank Keshavarzi's history. Despite the excellent results in 2016-2017, we are keenly aware that the job is not done. We are on a continuous journey of change, improvement, and flourishing. I am quite certain that, in compliance with the sixth national development program and relying on our motivation and perseverance while making the best use of science, technology specialties and experiences, we will upgrade the bank as the axis of agro economy and we will certainly witness continuous progress towards modern, sustainable, environment-friendly agriculture, food security and self-sufficiency.

Morteza Shahidzadeh
Chairman and Managing Director
11/2014 - 01/2018



Bank Keshavarzi, at a Glance



Mission

Vision

Values

Strategic Goals

Objectives Achieved

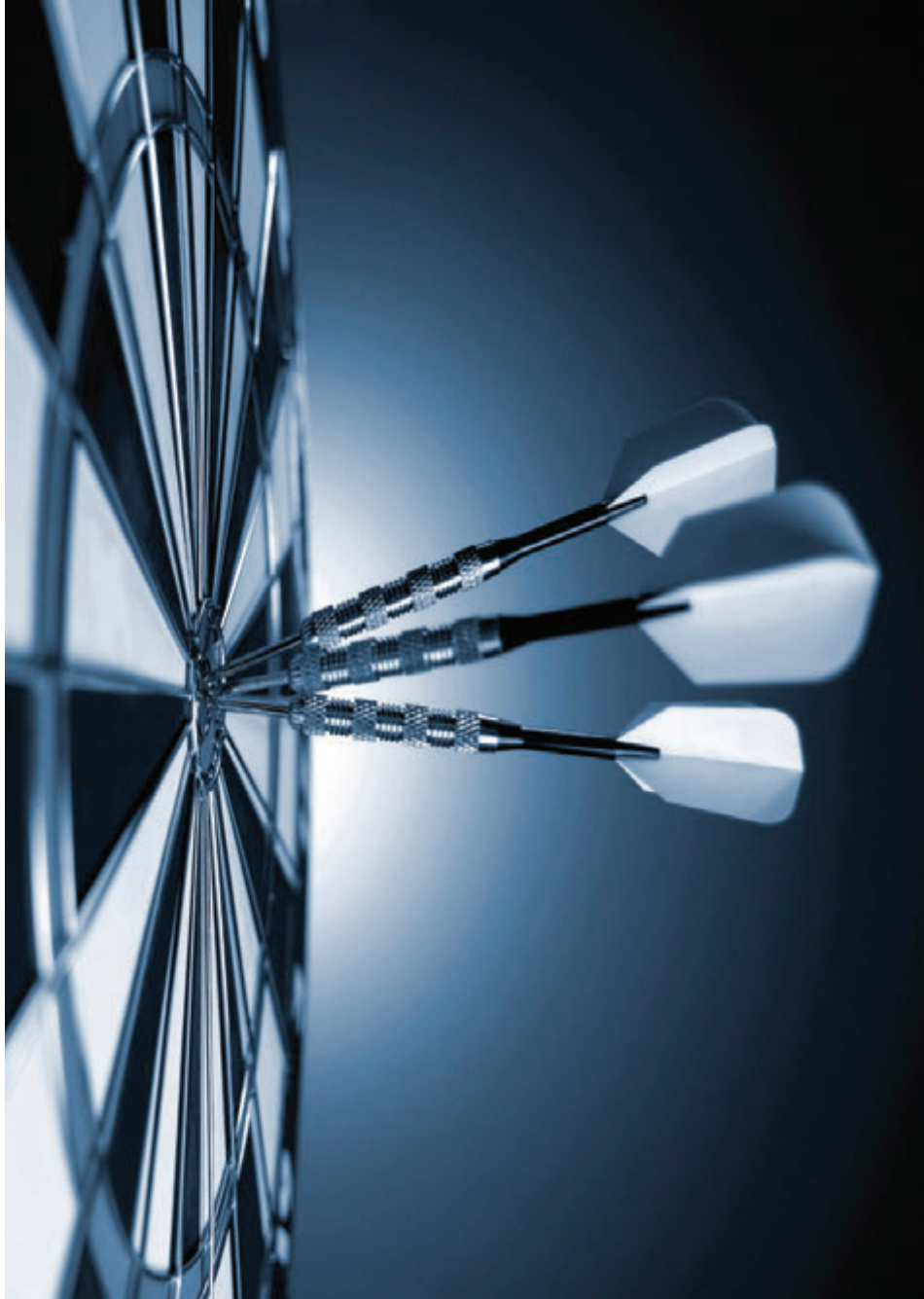
Accomplishments

Code of Ethics

Anti-money Laundering and Compliance

Organization Chart

Human Resources



Mission

We strive to provide:

The best income and living standards for all our customers, especially those involved with the agriculture sector.



Vision

We deliver:

Distinctive Services to Everyone Associated with Us.

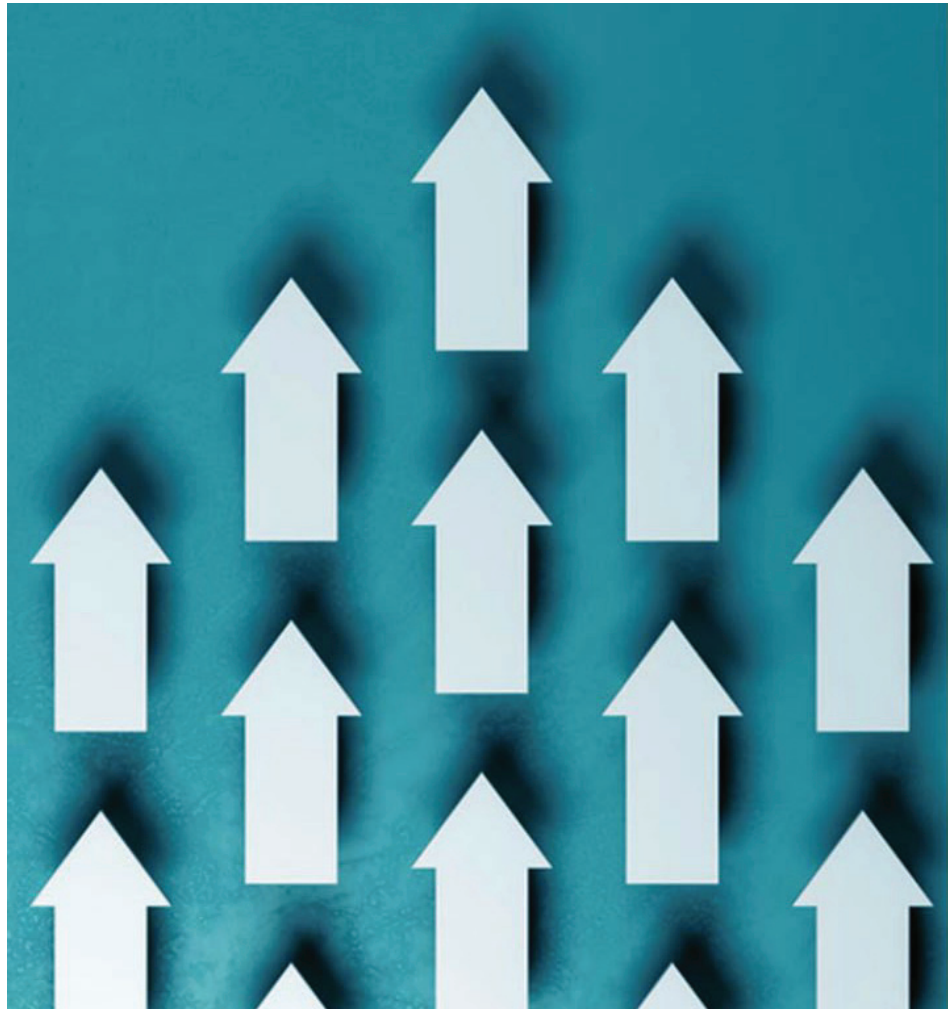


Values

- Respect
- Accountability
- Trustworthiness
- Friendliness

Strategic Goals

- Increase of national wealth-creating power;
- Sustainable finance of public projects and decrease of the government's budget reliance on oil income;
- Active and effective participation in policy-making and legislation process;
- Reinforcement of administrative-financial discipline, health and transparency;
- Promotion of inter-organizational synergy and intra-organizational cooperation;
- Formation and integration of operational and managerial information systems;
- Target-oriented development of organizational and human capital;



Objectives Achieved

Chief among the objectives achieved in 2016/17 are as follows:

- Increase of productivity;
- Decrease of money cost;
- Reduction of overdraft from CBI;
- Upgrading of capital adequacy ratio;
- Improvement betterment of financial self-reliance;
- Presentation of financial statements based on IFRS;
- Priority for financing the working capital of production units;
- Reinforcement of systematic (remote) supervision on branches performance;

Accomplishments

- Financing agricultural mechanization projects;
- Increase in funds received from National Development Fund;
- Managing supply of middle and macro financial facilities;
- Rise of E-banking transactions to total transactions ratio;
- Participation in women empowerment projects;
- Expansion of economic and social cooperation with public organizations, NGOs and private sector;
- Expansion of international relationships and presence in international banking markets;

Code of Ethics

BK's Code of Ethics represents the guiding values of the organization and applies to everyone who is employed by the bank because the bank aspires to the highest standards of ethical behavior in the conduct of its business. The code is to bring discipline and professionalism to the bank's long-term and sustainable performance and to instill ethically sound behavior and accountability among its employees who all believe that they are judged by their conducts and the bank's reputation is fundamental to the bank's success. The code, based on the bank's core values and long followed by BK, is as follows:

1. Treat the public and customers with courtesy, respect their dignity, and acquire their satisfaction as the foremost capital of the bank.;
2. Observe discipline and carry out instructions received from supervisors within the framework of the regulations, rules, standards, and internal policies.
3. Avoid discrimination towards customers and partners, who receive fair and equal treatment, equal access to banking services, unprejudiced information, clear explanations and understandable advice.
4. Promote the culture of accountability as one of the core values of the bank





and hire employees with professional qualities such as intelligence, knowledge, organization, problem-solving and perseverance;

5. Protect customers' privacy, confidentiality and security of their information and avoid accessing customers' information except for appropriate business purposes.

6. Avoid excessive bureaucracy and promote operational promptness;

7. Encourage organized teamwork, collaborative working, knowledge-sharing, exchange of experience, and high-commitment to enhance precision, accuracy, and quality for the good of the customers and the entire organization;

8. Offer new and innovative banking services and products compliant with the highest standards, especially through e-banking channels and advanced technologies;

9. Use the public and customers' inputs, i.e. comments, complaints, and proposals as a key opportunity for the bank to make customers feel valued, to identify potential problems in advance, and to provide indications of emerging needs or trends for use in future product development;

10. Endeavor to meet needs and expectations of the stakeholders and customers as a strategic opportunity to realize the bank's objectives;

11. Display patience, honesty, helpfulness, trust and due care to establish an attractive environment and atmosphere in which the customers should feel peace, tranquility, easiness, and affection;

12. Recognize customers' demanded values and attempt to fulfill their requirements;

Anti-Money Laundering and Compliance

Bank Keshavarzi, in coordination with the national banking system, maintained an effective AML program under the framework of a good compliance governance



system, leading to expansion of its correspondent banking network after the JCPOA and lifting of the sanctions. Chief among the initiatives and policies taken by the bank to manage the ever-changing money laundering risks are as follows:

- Documentation and release of AML/CFT-related regulations, instructions, guidelines and circulars.
- Implementation of the policy on acceptance of customers, the use of customer identification procedures, continuous monitoring of customer accounts, keeping of customer records and transactions, and risk management;
- Monitoring real persons with more than one checking accounts and blocking unidentified accounts.
- Including Compliance Unit in AML Department's organizational chart.
- Identifying and reporting the suspicious accounts information to FIU.
- Holding regular forums and training courses on Compliance and AML/CFT;
- Update and upgrade of the AML portal according to standards set by CBI and IRFIU;
- Freezing the unidentified and anonymous accounts.
- Providing provincial directorates and branches with the access to AML/CFT information and Watch List;
- Regular update and revision of customers data;
- Review all forms used by the bank's departments to be assured of their compliance with AML/CFT rules and regulations;
- Constant monitoring of customers' transactions and relationships with the bank;
- Registration in SWIFT KYC Registry system so that all KYC and AML documents can be accessed through the bank's website, Bankers' Almanac Directory or SWIFT KYC Registry system.¹

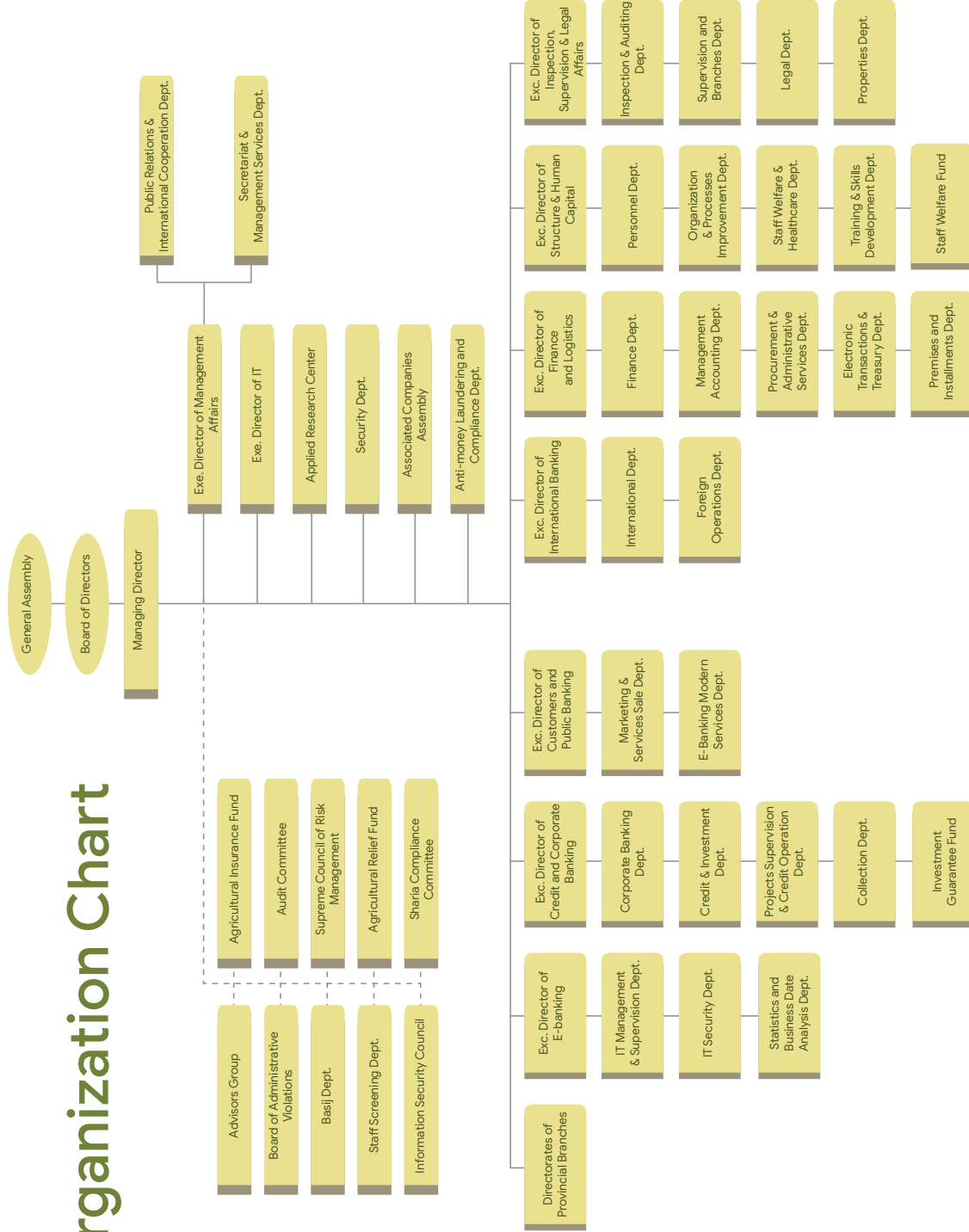


1. More information and AML circulars are available at www.bki.ir/en#139225-aml-and-compliance-division





Organization Chart



Human Resources

Bank Keshavarzi, aimed at realizing its mission and meeting customers' expectations, has been endeavoring to improve the procedures of human resources management including employment, training, remunerations and human relationships. It is be noted that the staff's working experiences, in addition to specialized knowledge and sense of devotion, have always been appreciated in BK approaches and programs.

Breakdown of Staff Stationed at Headquarters and Branches

Year	2016-2017		2015-2016	
	No.	%	No.	%
Headquarters	3,182	18.60	3,203	18.55
Branches	13,927	81.40	14,061	81.45
Total	17,109	100	17,264	100

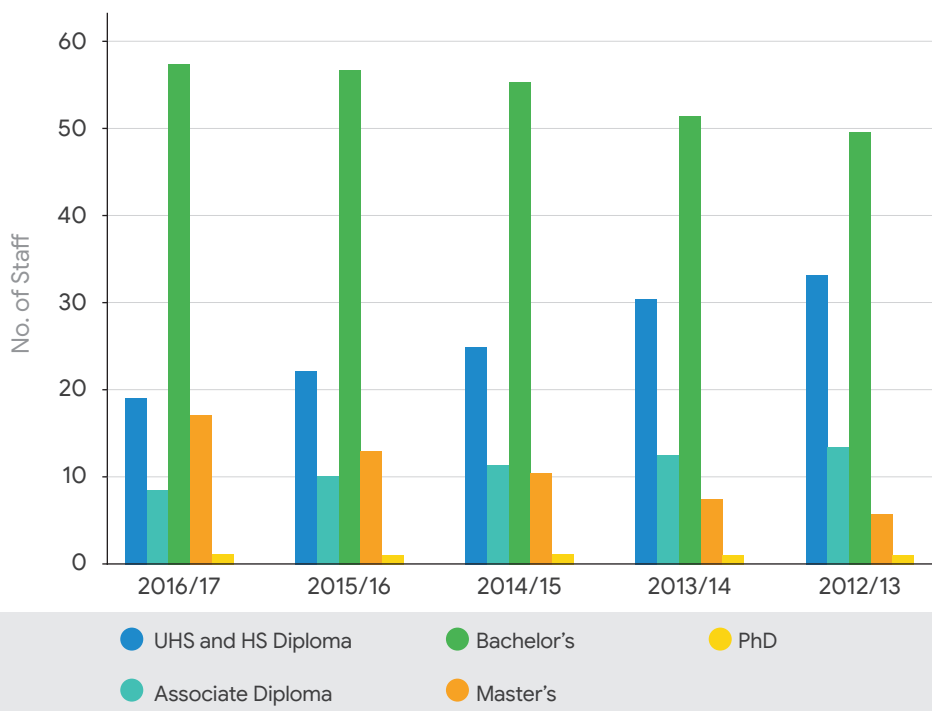
Some of the human resources strategies, adopted in BK, are as follows:

- Employ highly educated man power based on the needs of the bank;
- Identify and develop talented man power capabilities;
- Establish a training system based on jobs specification and staff qualification;
- Regular update of the staff's knowledge;
- Develop special programs to promote branches staff's skills and knowledge;
- Launch a job rotation system for the branch staff;
- Establish an incentive system based on performance to provide the staff with required motivation;
- Improve physical and mental health of the staff;

Breakdown of Staff's Academic Degrees

Level	2016-2017		2015-2016	
	No.	%	No.	%
Under High School Degrees	138	0.81	186	1.08
High School Diplomas	2,979	17.41	3,515	20.36
Associate Degrees	1,328	7.76	1,635	9.47
Bachelor's Degree	9,766	57.08	9,732	56.37
Master's Degree	2,830	16.54	2,132	12.35
PhD Degrees	68	0.40	64	0.37
Total	17,109	100	17,264	100





Comparison of Training Activities

	2016-2017	2015-2016
Items	No.	No.
Total Training Hours	491,358	324,988
Total No. of Employees	17,109	17,264
No. of Trained Employees	39,276	33,356
Training per Capita in Hours	24	19
Training Days per Capita	4	3
No. of Training Courses	1,720	1,882
No. of Training Hours	88,328	40,309
Percentage of Training Justice	71	90

Bank Keshavarzi Performance



Operational Performance
Financial Performance
E-banking
International Banking Performance
International Cooperation
Corporate Social Responsibility
Bank Keshavarzi Main Subsidiaries

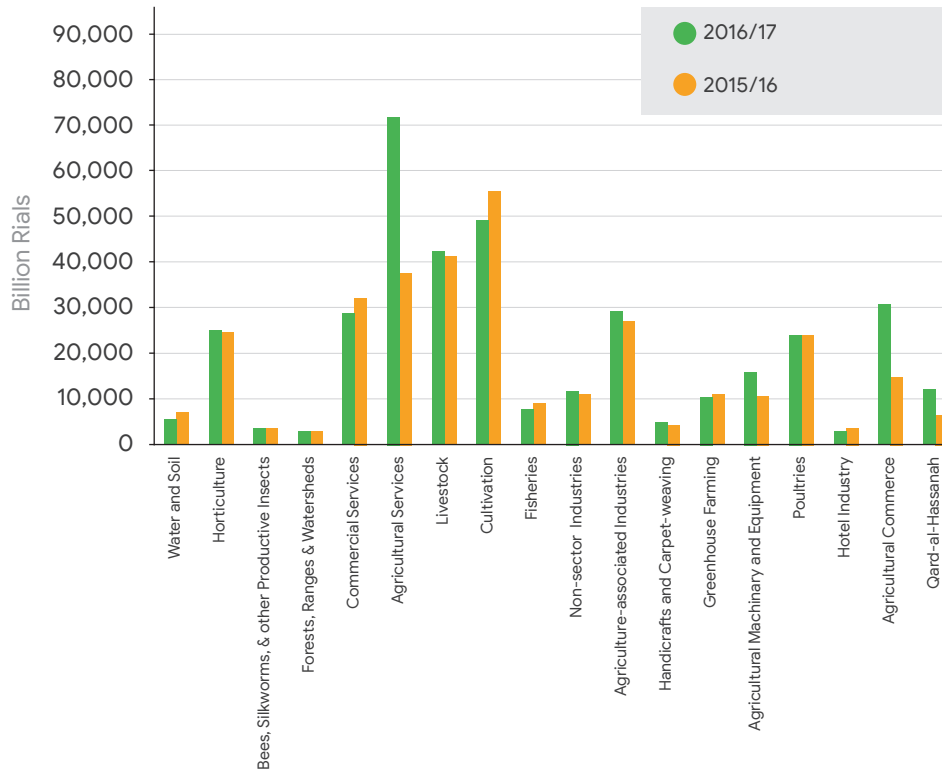


Operational Performance

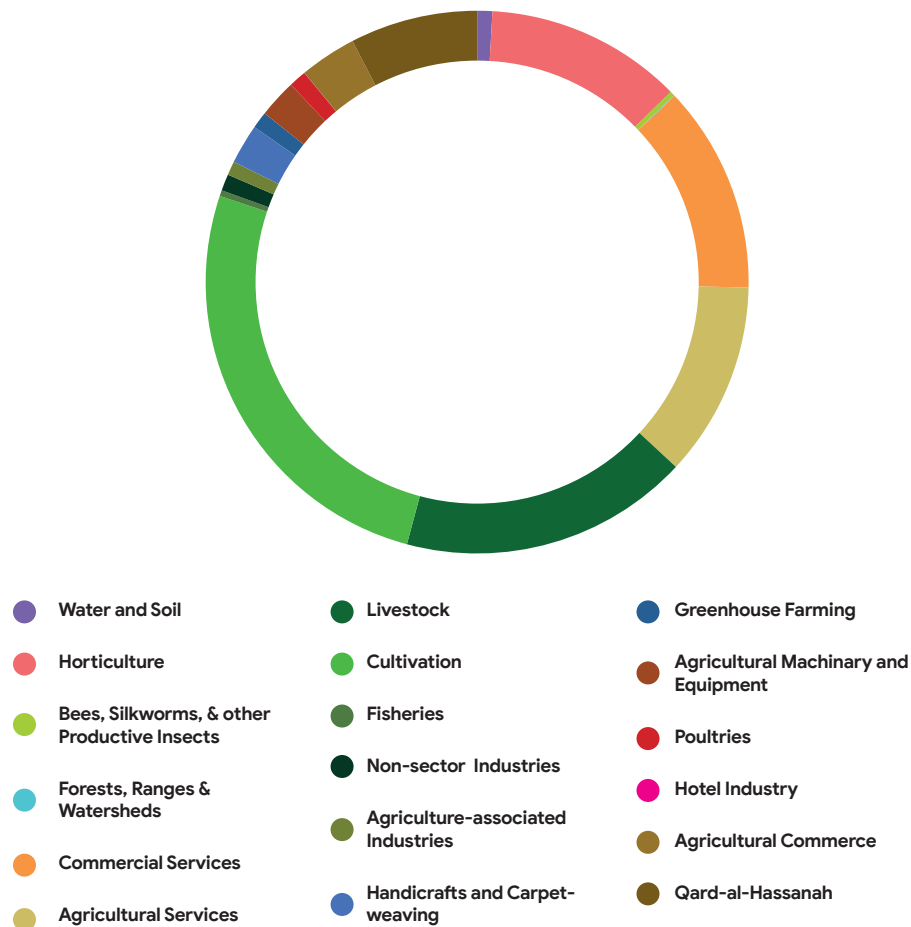
The support of agriculture and agricultural self-sufficiency has been placed at the top of the government's policies and it is believed that the agriculture should be the main axis of economic activities. Thus, Bank Keshavarzi, as the only specialized and agricultural bank of the country, acts as the major source of financial services and credit facilities for the sector. Within the report year, the bank granted 1,291,090 cases of credit facilities, worth Rls. 333,795 billion, indicating an 18.9 percent increase compared with that of the preceding year.

Breakdown of Credit Facilities Granted to Agriculture Sub-sectors in 2016/17 and 2015/16

Items	2016-2017		2015-2016		Changes %	
	No. of Applications	Value (Billion Rls.)	No. of Applications	Value (Billion Rls.)	No.	Value
1 Water and Soil	11,629	2,941	15,652	4,535	- 25.7	- 35.2
2 Horticulture	151,558	22,772	174,885	22,465	- 13.3	1.4
3 Bees, Silkworms, & other Productive Insects	3,725	484	3,739	432	- 0.4	12.1
4 Forests, Ranges & Watersheds	441	118	765	243	- 42.4	- 51.6
5 Commercial Services	159,491	26,357	224,014	29,855	- 28.8	- 11.7
6 Agricultural Services	149,898	69,909	85,150	35,185	76	98.7
7 Livestock	222,640	40,163	234,182	39,036	- 4.9	2.9
8 Cultivation	335,315	47,366	402,708	53,871	- 16.7	- 12.1
9 Fisheries	4,514	4,937	5,446	6,207	- 17.1	- 20.5
10 Non-sector Industries	12,716	9,176	21,644	8,464	- 41.2	8.4
11 Agriculture-associated Industries	10,730	27,031	5,472	24,605	96.1	9.9
12 Handicrafts and Carpet-weaving	30,570	2,071	33,082	1,944	- 7.6	6.6
13 Greenhouse Farming	12,907	7,574	15,820	7,833	- 18.4	- 3.3
14 Agricultural Machinery and Equipment	29,591	13,146	22,033	8,152	34.3	61.3
15 Poultryes	13,435	21,865	14,993	21,624	-10.4	1.1
16 Hotel Industry	73	192	143	500	- 49	- 61.7
17 Agricultural Commerce	43,841	27,992	60,168	12,250	- 27.1	128.5
18 Qard-al-Hassanah	98,016	9,702	88,190	3,573	11.1	171.5
Total	1,291,090	333,795	1,408,086	280,778	- 8.3	18.9



Comparison of Credit Facilities Granted to Agriculture Sub-sectors in 2016/17 and 2015/16



Breakdown of BK Credit Facilities Provided to Agriculture Sub-sectors in 2016/6





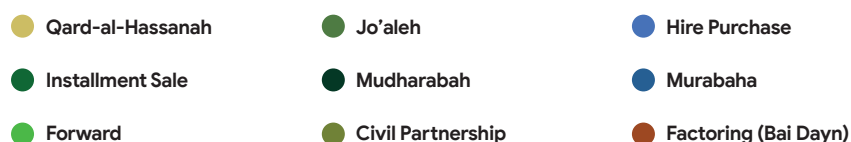
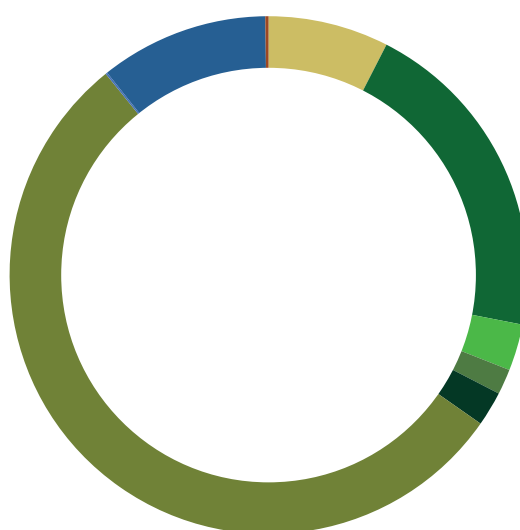
1. Islamic banking has the same purpose as conventional banking except that it operates on a principle of equity and fairness in accordance with the rules of Sha'ria. The perception held about interest and profit, i.e. Profit-Loss-Sharing Scheme (PLS), constitutes the basic element defining Islamic banking and finance, in which profit or financial gain is acceptable as long as an effort is made or (partial) liability is accepted for the financial result of a business venture.

Credit Facilities Extended under Islamic Contracts

The breakdown of BK financial facilities extended under Islamic contracts¹ within the report year and 2015/16 has been demonstrated in the following table:

Credit Facilities Extended under Islamic Contracts in 2016/17 and 2015/16 (Billion RIs)

Contract	2016-2017			2015-2016			Changes %	
	No.	Value	Share in Total (%)	No.	Value	Share in Total (%)	No.	Value
1 Qard-al-Hassanah	97,191	9,526	2.9	87,606	3,588	1.3	10.9	165.5
2 Installment Sale	265,247	70,851	21.2	377,305	73,372	26.1	-29.7	-3.4
3 Forward	37,479	2,886	0.9	87,193	6,734	2.4	-57	-57.1
4 Jo'aleh	20,516	1,927	0.6	35,936	3,348	1.2	-42.9	-42.4
5 Mudharabah	27,901	9,254	2.8	32,832	8,739	3.1	-15	5.9
6 Civil Partnership	702,987	221,509	66.4	750,349	179,660	64	-6.3	23.3
7 Hire Purchase	1,466	1,168	0.3	1,443	822	0.3	1.6	42.1
8 Murabaha	135,757	14,557	4.4	34,477	3,653	1.3	293.8	298.5
9 Factoring (Bai Dayn)	2,546	2,116	0.6	945	861	0.3	169.4	145.8
Total	1,291,090	333,794	100	1,408,086	280,777	100	-8.3	18.9



Breakdown of Credit Facilities Extended under Islamic Contracts in 2016/17

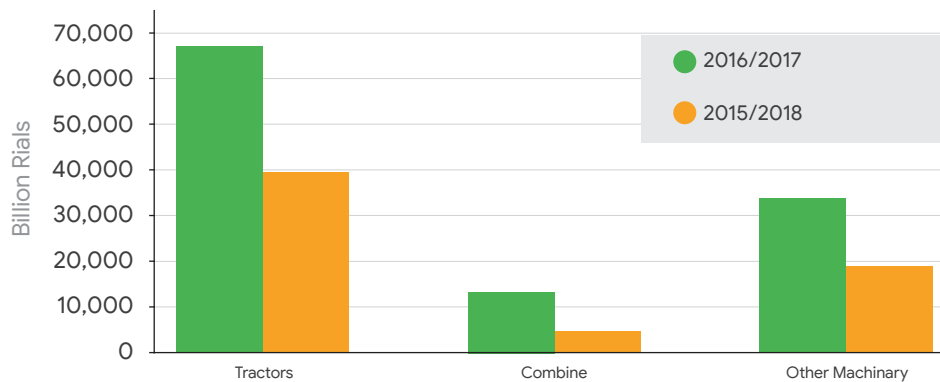


Agricultural Mechanization, Pressurized Irrigation Systems and Greenhouse Farming

Aimed at promoting agricultural productivity and technological development, Bank Keshavarzi continued financing agricultural mechanization, pressurized irrigation and greenhouse farming. Within the report year, the bank allocated Rls. 11,202 billion to purchase and provision of agricultural machinery and equipment, such as tractors and combine harvester.

Credit Facilities for Agricultural Machinery and Equipment in 2016/17 and 2015/16 (Billion Rls.)

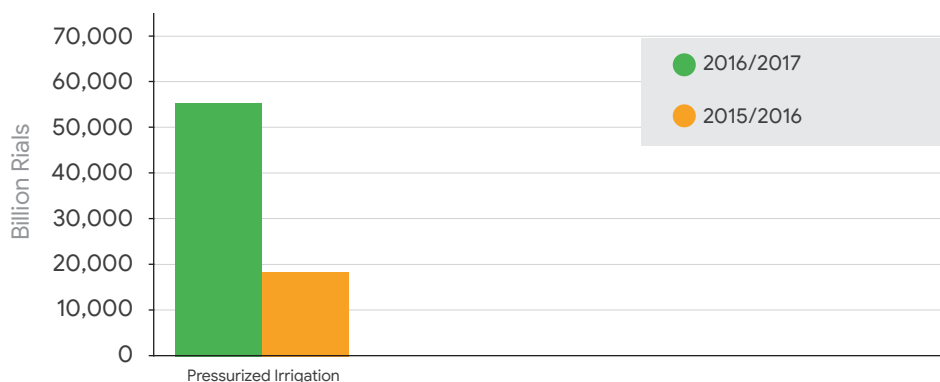
Items	2016-2017		2015-2016		Changes %	
	No. of Applications	Value (Billion Rls.)	No. of Applications	Value (Billion Rls.)	No.	Value
1 Tractors	12,670	6,621	8,076	3,894	56.9	70
2 Combine Harvesters	886	1,272	280	503	216.4	152.8
3 Agricultural Equipment and Others	17,874	3,309	12,875	1,811	38.8	82.7
Total	31,430	11,202	21,231	6,208	48	80.4



Comparison of Credit Facilities Granted to Agriculture Machinery in 2016/17 and 2015/16

Pressurized Irrigation Systems

In 2016/17, some Rls. 5,363 billion was granted to Pressurized Irrigation Systems, around three times more than that in 2015/16.

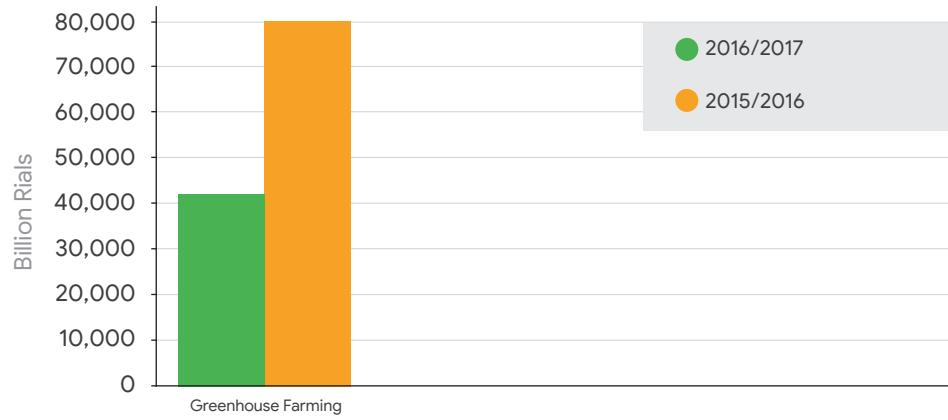


Comparison of Credit Facilities Granted to Pressurized Irrigation Systems in 2016/17 and 2015/16



Greenhouse Farming

In 2016/17, the bank granted credit facilities amounting to Rls. 4,199 billion, indicating 46.6 percent decrease, as compared with that of 2015/16.



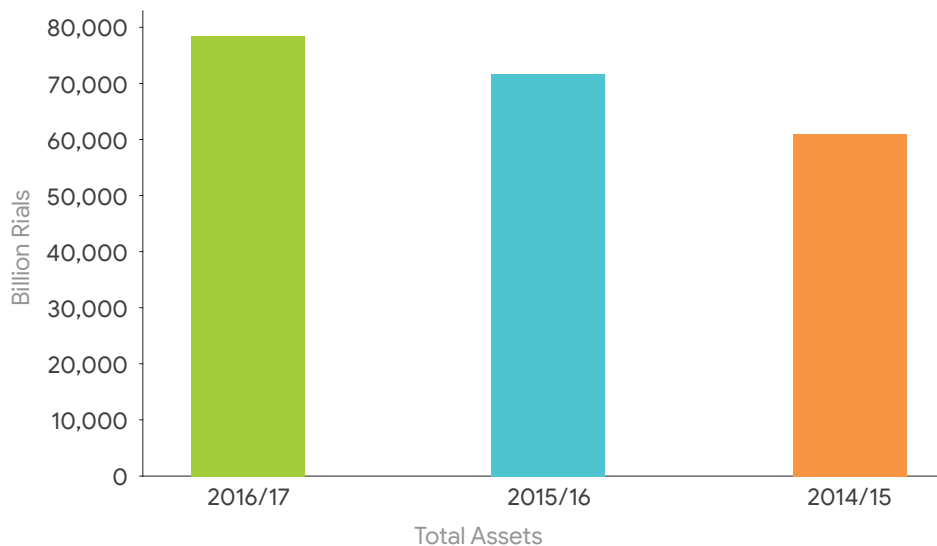
Comparison of Credit Facilities Granted to Greenhouse Farming in 2016/17 and 2015/16



Financial Performance

Total Assets¹

By the end of 2016/17, BK's total assets rose from Rls. 706,731 billion in 2015/16 to Rls. 776,716 billion,² showing a 9.9 percent growth.



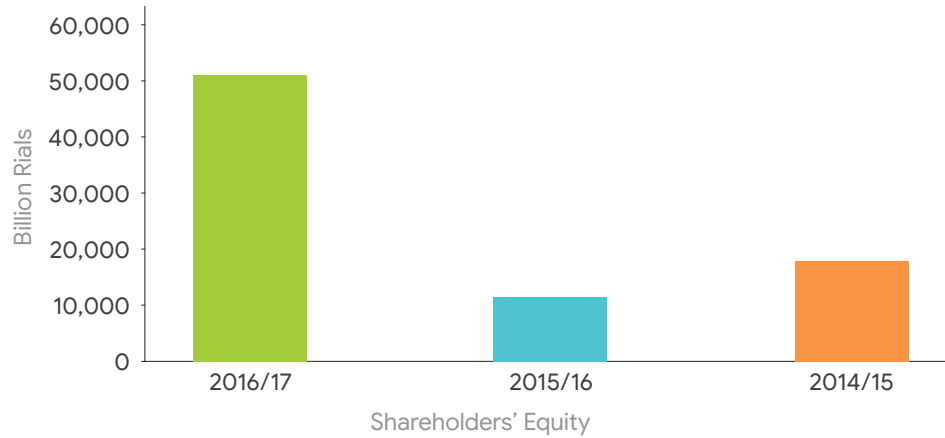
1. All comparative figures in financial statements have been restated to present a true and fair view of the bank's financial status. Thus, there may be cases of mismatch with figures presented in the preceding year annual report (2015/16).

2. Rial amounts can be converted to USD at CBI reference rate (http://cbi.ir/ExRates/rates_en.aspx) on the last day of Iranian fiscal year (March 20, 2017).



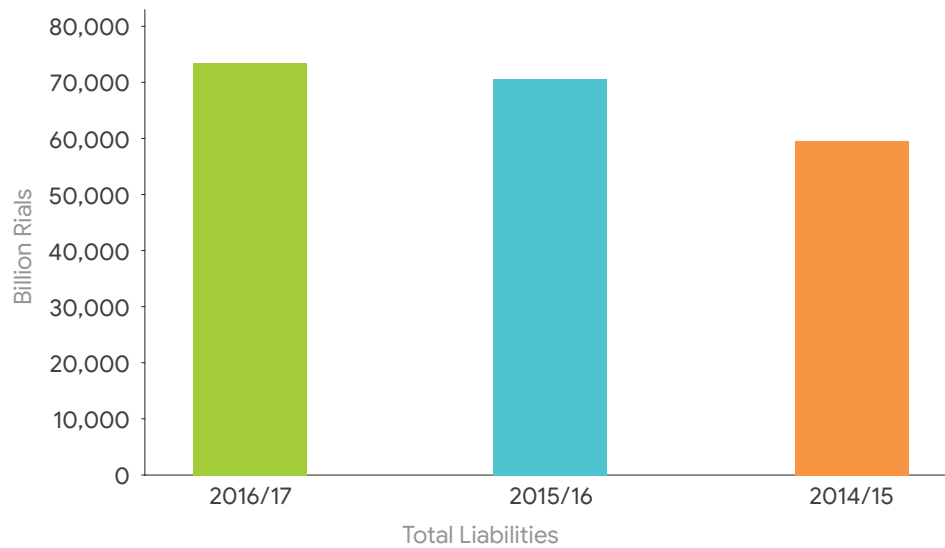
Shareholders' Equity

Shareholders' equity of the bank, with a 339.33 percent rise, amounted to Rls. 50,089 billion by the end of 2016/17 from Rls. 11,401 billion in the preceding year.



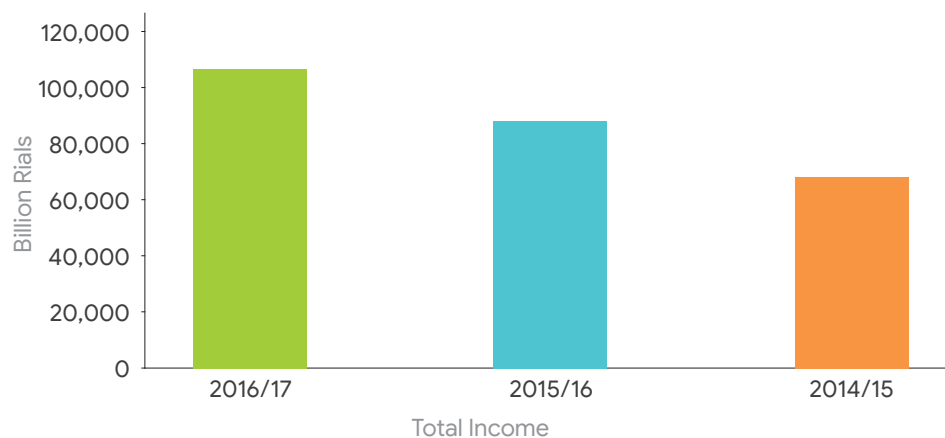
Total Liabilities

BK's liabilities increased by 4.5 percent from Rls. 695,329 billion in 2015/16 to Rls. 726,627 billion by the end of 2016/17.



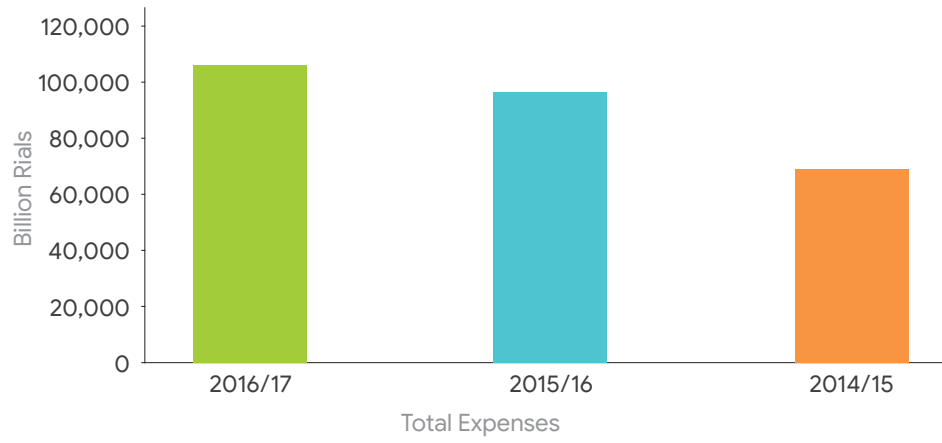
Total Income

BK's total income grew from Rls. 87,864 billion in 2015/16 to Rls. 105,951 billion in 2016/17, indicating a 20.58 percent growth.



Total Expenses

BK's total expenses rose by 10.67 percent increasing from Rls. 95,466 billion in 2015/16 to Rls. 105,661 billion in 2016/17.





E-banking

In recent years, the accelerated growth of information technology and development of communication network have opened a new horizon before financial markets and sectors. The emergence of new channels and methods of processing and data transfer as well as establishing great information bases have promoted the efficiency and productivity, facilitated communication and reduced operational costs in financial institutions, and as a major cause of gaining superiority in the arena of competitive and financial markets has evolved the overview of financial sector. Thus, a strategic focus on electronic banking is not only a choice but also a necessity, which leads to a distinction in the quality of banking services, in addition to reducing operational costs.

Accordingly, BK, by taking the lead, did make a grand revolution in the banking system and has run an integrated core banking (Mehr Gostar), in which the overall operations of depositing (checking, savings, time deposits,...), branch accounts (debits, credits, etc.), securities (partnership bonds, etc.) clearing, money orders, credit facilities, and the like are performed in branches.

Managing the above operations, the system has the ability to manage Customer Information System (CIS), parameters, lodger, liquidity, FOREX markets, documentary credits, ATMs channels, POSs, Pinpads, SMS banking, etc.

The system includes variety of functions and specifications, few of which are: Banking transactions 24/7 through communications channels such as internet,

telephone banking, mobile phone banking, etc.); Foreign currency services in all FX branches; Internet banking; Telephone banking and Mobile Phone banking.

Chief among the main initiatives and systems to develop information technology in Bank Keshavarzi are as follows:

- VIP Customers' Requests Management System
- Installation of a new data center to improve e-services
- Smart Branches Rating System
- Banking Services System for Customers with Visual Impairments
- Customers Lifetime Value (CLV) Analysis System
- Customer Relationship Management Software (CRM)
- Decisions-making Support System (DSS) – DASHBOARD Management
- Projects Supervision Software
- Wheat Guaranteed Purchase System
- Canoa Grains Guaranteed Purchase System
- Credit Management System
- Offices Automation System
- Core Banking Development
- Digital Banking System
- VIP Customers System
- Branches Files Archive System
- Balanced Scorecard Evaluation System
- Tablet Banking
- Traffic Tickets Payment System

Breakdown of BK E-banking Services by 2016/17

Item	2016-2017	2015-2016	Changes
No. of ATMs	2,930	2,812	4.20
No. of POSs	350,151	257,761	35.84
No. of Pin Pads	7,923	7,800	1.58
No. of Issued Banking Cards	3,815,460	3,352,319	13.82
Total No. of Mobile Banking Users	1,240,826	902,518	37.48
No. of Internet Banking Users	184,700	140,441	31.51





International Banking Performance

In order to diversify banking services and meet the international banking needs of entities and individuals involved in both commercial and agricultural sectors, Bank Keshavarzi has put enormous efforts into developing international banking services. The bank is among leading Iranian banks, which provides its customers with all different international banking services including import- export letters of credit, payment orders, collections, guarantees, etc. Other foreign currency services and facilities of the bank include:

- Financing production and entrepreneurship projects;
- Financing reconstruction and renovation projects of the textile industries in collaboration with the Ministry of Mines and Industries and Organization for Investment Economic & Technical Assistance of Iran
- Financing tourism industry and other investment projects in the service sector;
- Promoting Iranian agricultural and other non-oil exports;



- Supporting trade centers in export markets of neighboring countries;
- Executing investment projects in free trade industrial and special economic zones;
- Financing import of food and medicine as a priority.
- Utilizing credit lines including finance and refinance credit lines as well as employing Bank resources to start and complete development projects of the country.
- Allocation of facility lines to foreign traders of Iranian goods to encourage export from Iran and creation of mutual goods-exchange market through the internal resources like the National Development Fund or Buyer's Credit.
- Offering technical consultancy services to customers in fields of productive investment as well as international banking operations.

Bank Keshavarzi's nominated branches, providing international banking services, are authorized to exchange CBI negotiable currencies against IRR to cover the needs of Iranian importers who are eligible to import commodities under the regulations laid down by the central bank of Iran. Moreover, the International Division issues Rial letters of guarantee against foreign currency guarantees in favor of its customers. In addition, it is geared up to issue performance bonds, advance payment guarantee, retention money guarantee, guarantee for international tender (tender bond) and counter- guarantee for services and commodities exporters.

Considering the fact that Bank Keshavarzi has never been under European Union sanctions, it has kept relations with its correspondent banks during sanctions, and extended its correspondent banking network after the lifting of sanctions (JCPOA). It is favoring a reliable, large network of professional correspondent banks with which KYC & Compliance requirements are in place and international banking services are provided. Bank Keshavarzi is also registered in SWIFT KYC Registry system and its KYC and AML documents can be accessed through the bank's website, Bankers' Almanac Directory or SWIFT KYC Registry system.

In line with the mission of the bank to promote the agriculture sector, while helping the economic development of the country in commercial and international fields, Bank Keshavarzi is diligently working on the expansion of a practical and reliable correspondent network. That is, Bank Keshavarzi is currently facilitating the business among international and Iranian economic activists and traders through more than 120 correspondent banks in more than 60 countries in different currencies including but not limited to EUR, JPY, CHF, KRW, CNY, RUB, INR, THB, and OMR.

Moreover, the bank seeks presence in the international forums in order to upgrade its position. It participates (or holds) regional as well as international meetings, conferences, seminars; enjoys registration both in the recognized international institutions (such as Bankers' Almanac) and regional, commercial as well as specialized organizations and institutions (such as APRACA, ADFIMI, IFSB, CICA and NENARACA).



Operational Figures

Bank Keshavarzi has a total of 1888 branches and has presently expanded its branches, offering International Banking Services, up to 49; out of which 14 are located in Tehran, the capital city, and 35 in the other provinces. In order to provide International-banking services in line with KYC and AML rules and regulations, the bank proceeds to update international knowledge of its staff through holding seminars and educational courses, as well as regular periodical observations.

It is worth mentioning that in the year 2016/17, the total volume of Import operations amounted to USD 4,315 Million and total amount of interbank deals reached USD 202 million, while the total amount of customer accounts is calculated to be USD 39 million.

Within March 20, 2016 to March 20, 2017, the Dealing Room made 1986 FX deals in total; the amount of which reached USD 3,052 million. This figure comprises of below items: (1) 1924 deals amounting to USD 2,880 million made against IRR., (2) 62 deals (mainly cross-currency exchange deals) amounting to USD 172 million, whereby foreign currencies were bought and sold against each other.



International Cooperation

Aimed at exchanging technical expertise, keeping abreast of the latest financial and banking developments, elevating the bank's global status, and promoting its prominent presence in international events to display BK's capabilities and potentialities, the bank has been focusing on strengthening of mutual ties with international communities by obtaining official membership in the following associations:



- Asia Pacific Rural and Agricultural Credit Association (APRACA)¹



- Confederation Internationale Du Credit Agricole (CICA)



- Islamic Financial Services Board (IFSB)



- Association of National Development Finance Institutions in Member Countries of Islamic Development Bank (ADFIMI)²



- Near East and North Africa Regional Agricultural Credit Association (NENARACA)

The bank is also executing some joint international projects in collaboration with international organizations.

1. As a member of Executive Committee

2. As a member of Management Committee



Corporate Social Responsibility

Among the major components of the bank's social responsibilities and attainments, the following Schemes and programs are presented as illustrations of community mobilization, women's economic empowerment, application of new technology for environmental protection, efficiency in production, improving the economic activities of rural population and poverty-alleviation:

- Schemes to support women-headed households;
- Schemes to create employment opportunities aimed at supporting rural girls empowerment, preventing their emigration from rural areas to cities, and promoting their social positions.;
- Schemes, developed exclusively for Iranian women, providing them with accessibility to required banking services;
- Schemes to create employment for all those individuals and entrepreneurs involved with activities in rural areas;
- Plans to support newly-released prisoners to provide them with new jobs opportunities;
- Children and Youth Bank, aimed at promoting banking and savings attitude among Children and teenagers and familiarizing them with modern banking services and operations;
- University Graduates Employment Scheme to furnished agriculture graduates with special credit facilities aimed at creating employment opportunities;
- Financing green projects to achieve sustainable development and environment protection, including water resources, soil, air, forests, rangelands, and other natural resources;
- Holding and Sponsoring Sporting Activities Sporting Activities aimed at realization of agricultural objectives dissemination of sporting culture among the young generation in general and young population in rural areas.

Bank Keshavarzi Main Subsidiaries

The main subsidiary and affiliated companies of bank Keshavarzi are as follows:

Hi-tech Solutions Company¹

Novin Keshavarz Hi-tech Solutions was established in 2008 aimed at offering variety of IT-based services and solutions, in compliance with Islamic Banking principles, to the Iranian banking system. Some of the Hi-tech solutions of the company include:

- Core Banking Solutions
- Customer Relationship Management
- Decision Support System (DSS)
- Online Supervision System
- Loan Process Management System
- Data Center Management
- Network Design and Development

Agricultural Insurance Fund (AIF)²

The Agricultural Insurance Fund was established in 1984 to protect farmers and livestock breeders against natural disasters such as draught, earthquakes, frostbites, flooding, hailstorms, torrential rain, and landslides, and to enhance agricultural products and production yields in order to reach self-sufficiency in one of the vital sectors of economy. AIF provides insurance coverage, as a sustainability tool to help mitigate the effects of negative events with impacts on agricultural production and revenues. It encourages farmers to adopt progressive farming practices, high value in-puts and higher technology in agriculture to help stabilize farm incomes, particularly in disaster years. Some of the agricultural products insured by the fund are as follows:

Some Agricultural Products under AIF Insurance Coverage

Activities	Insured Agricultural Products
Annual Crops	Wheat (Irrigated/rain-fed), Barely, Rice, Peas, Lentils, Beans, Sugar Beet, Potatoes, Corn, Sunflower, Soy beans, Onions, Tobacco, Cantaloupe, Melon, Watermelon, Peanuts, Sesame, Strawberries, ...
Perennial Crops	Saffron, Tea, Figs, Pistachio, Almond, Walnuts, Tangerines, Lemons, Apples, Grapes, Oranges, Pears, , Dates, Ornamental Flowers, ...
Livestock	Dairy Cattle, Honey Bees, Silkworms, Camels, Buffalos, ...
Poultry	Broiler and Layer Chickens, Ostriches, Turkeys, ...
Aquaculture	Cold/Warm-water Fish, Shrimps,...
Pastures and Forestry	Lands Improvement Projects, Watersheds Construction, Spruce Trees, ...

1. <http://www.htsc.ir>

2. <http://www.sbkiran.ir>





Agricultural Lands Development Company (Land Bank)¹

Land Bank was founded in 1992 to conduct a part of deposits directly to agricultural development activities. Establishment and development of land; performing detailed designs for optimum exploitation; preparing executive plans for land rehabilitation and modernization; construction of livestock farms, fishery and shrimp farming complexes; and support of processing and complementary industries are among the main responsibilities of the bank. Since 2006 and subject to an agreement with the Ministry of Agriculture, Land Bank has been involved with locating those agriculturally potential pieces of land, which have then been leased or allocated to the bank for various purposes including development and rehabilitation of land, construction of greenhouses, and construction of livestock farms.

Bank Keshavarzi Brokerage Company²

Bank Keshavarzi Securities Company (BKSC), established as a Private Joint Stock in 1993, is one of the top highest brokerage firms (among top 3) that provides a wide range of financial services in Iran.

As BKSC belongs to Agriculture Bank of Iran, it has been successful in financing different agricultural projects. In 2015/16, the company did the biggest finance for agricultural sector in Iran by issuing USD750 Million of Salam and USD300 Million of Murabaha Sukuk in the capital market. BKSC is a member of TSE (Tehran Stock Exchange), IME (Iran Mercantile Exchange), IRENEX (Iran Energy Exchange) and OTC (Fara bourse) of Iran and have always been among the high ranked traders of futures, petrochemicals and metals in IME.

Mehr Exchange Company³

Mehr Exchange Company officially started its operations in 2004 aimed at preventing money-laundering, valuing customers' rights and balancing the forex market. The company is engaged in foreign currencies exchange, spot transactions, bills of exchange, gold and silver coins, and any kind of foreign exchange operations under CBI monetary and credit policies and regulations.

1. www.land-bank.ir

2. www.agribourse.com

3. www.mehrexchange.com

Financial Statements¹



Excerpt of Auditors' Report
Balance Sheet
Investment Deposits Statement
Income Statement
Comprehensive Income Statement
Statement of Changes in Shareholders' Equity
Statement of Changes in Shareholders' Equity
Cash Flow Statement
Notes to the Financial Statements²

1. The Financial statements have been translated from the statutory financial statements prepared in accordance with generally accepted accounting principles applicable to enterprises established in the Islamic Republic of Iran. In the event of any difference in interpreting the financial statements, the Farsi version shall prevail.

2. Explanatory Notes are an integral part of the financial statements.



Excerpt of Auditors' Report

Independent Auditors' Report to the General Assembly of Banks and BK's Shareholders:

Bank Keshavarzi financial statements, including Balance Sheet as at 20 March 2017, Investment Deposits Statement, Cash Flow Statement, Income statement, Comprehensive Income Statement, Statement of Changes in Shareholders' Equity and Explanatory Notes for the fiscal year ending on the afore-said date, have been audited by State Audit Organization (SAO).

Board of Directors' Responsibility

Subject to the accounting standards set out therein, the bank's Board of Directors shall be responsible for preparation, fair presentation and the design, implementation and maintenance of internal controls relevant to the financial statements so that they would be free of any material misstatements, whether due to fraud or errors.

Auditors' Responsibility

Our responsibility is to audit the financial statements in accordance with applicable laws and auditing standards. We, the auditors, shall also be responsible to express an independent opinion on the afore-said financial statements based on the performed audit and to report cases of non-compliance with the legal requirements of the Amended Commercial Code, Banking and Monetary laws, Usury-free Banking Operations Law and the Banks' Articles of Association.

We hereby report our opinion as to whether the financial statements provide a true and fair view and whether the financial statements have been properly prepared in accordance with the above-mentioned legal references. In addition, we report if, in our opinion, the bank does not keep proper accounting records, if we are not provided with all information we require to conduct the audit, or in case the information regarding any transaction is not disclosed.

We planned and performed our audit to obtain all the information and explanations, which we consider necessary in order to provide us with sufficient evidences to give reasonable assurance that the financial statements to be audited are free from any significant distortion, material misstatement, irregularity or error. The audit included random checks of evidences and documents supporting the figures in the financial statements. It also encompassed evaluation of accounting policies and conventions used, assessments made by the board of directors and inspection of the overall accounts presented. SAO believes that the performed audit produced a reasonable base of opinion on the financial statements. In forming our opinion, we also evaluated the overall adequacy of the presentation of information in the financial statements.

**In our opinion:**

- The report does not contain any material misstatement that would render the financials misleading.
- The Financial Statements fairly present in all material respects the financial condition and results of operations, in accordance with the Amended Commercial Code, Banking and Monetary laws, Usury-free Banking Operations Law and the Banks' Articles of Association.
- The financial statements have been properly prepared in accordance with the above-mentioned laws, regulation and standards.
- We have examined the Board of Directors' report, prepared for presentation to the General Assembly. In the course of audit, we have not noticed any material difference between the content of said report and the documents provided by the Board of Directors.
- The report on compliance of BK's operations with approved budget for the year ending March 19, 2016 has been audited and examined by SAO. No significant discrepancy has been detected regarding the compliance of the Board of Directors' Report with the approved budget and the presented financial records.
- We have not found any evidence for non-compliance of the transactions with prevailing business procedures in operations of the Bank.
- Bank Keshavarzi AML program has been found to be in compliance with the national and international AML laws, regulations and standards.

The assistance provided by BK's staff and management during the conduct of our audit is highly appreciated.

October 23, 2017

State Audit Organization



Bank Keshavarzi

Balance Sheet as at March 20, 2017

	Note	March 20, 2017 mil. IRR ²	(Restated) ¹ March 19, 2016 mil. IRR
ASSETS			
Cash and Banks	9	44,939,574	50,960,660
Due From Banks and Other Credit Institutions	10	5,956,701	1,078,569
Due From Government	11	108,641,230	111,441,337
Credit Granted and Due from Public Sector	12	542,984	672,598
Credit Granted and Due from Non-public Sector	13	484,734,978	439,532,192
Investment in Stocks and Bonds	14	13,808,491	2,133,782
Due from Associated and Affiliated Companies	15	14,219,015	11,528,826
Other Receivable Accounts	16	21,694,150	11,092,264
Tangible Fixed Assets	17	10,720,920	10,205,913
Intangible Assets	18	528,572	415,770
Required Reserve (with CBI)	19	45,815,668	35,587,868
Other Assets	20	25,113,810	32,080,770
Total Assets		776,716,093	706,730,549
LIABILITIES & SHAREHOLDERS' EQUITY			
Due to Banks and Credit Institutions	21	56,009,230	158,114,752
Customers' Deposits	22	137,607,139	94,448,816
Payable Dividends	23	0	0
Debt Bonds	24	76	76
Performance Tax Reserve	25	34,738	1,294,737
Reserves and Other Liabilities	26	121,935,810	114,816,710
Reserve for Employment Termination Benefits and Retirement Obligations	27	5,899,512	5,174,074
Total		321,486,505	373,849,165
Customers' Investment Deposits	28	405,140,711	321,480,218
Total Liabilities		726,627,216	695,329,383
Shareholders' Equity			
Capital	29	61,020,884	18,020,884
Flowing Capital Increase	30	2,908,902	7,364,790
Stocks Premium Reserve	31	0	0
Legal Reserve	32	770,317	726,803
Other Reserves	33	0	0
Surplus of Assets Revaluation	34	0	0
Foreign Currency Translation Differences	35	54,775	54,775
Retained Earnings (Loss)		(14,666,001)	(14,766,086)
Treasury Stocks	36	0	0
Total Shareholders' Equity		50,088,877	11,401,166
Total Liabilities & Shareholders' Equity		776,716,093	706,730,549

1. All comparative figures in financial statements have been restated to present a true and fair view of the bank's financial position. Thus, there may be cases of mismatch with figures presented in the preceding year annual report (2015/16).

2. Rial amounts can be converted to USD at CBI reference rate (http://cbi.ir/ExRates/rates_en.aspx) on the last day of Iranian fiscal year (March 20, 2017).

Investment Deposits Statement
For the Fiscal Year Ended on March 20, 2017

	Note	(Restated)	
		March 20, 2017	March 19, 2016
		Mil. IRR	Mil. IRR
Operating Income			
Granted Facilities Income	37	76,442,412	60,610,607
Deposits and Debt Bonds Income	37	119,684	57,620
Net Investment Profit (Loss)	38	238,711	943,264
Total Operating Income		76,800,807	61,611,491
Bank Resources Share from Operating Income	39	(30,551,550)	(25,026,137)
Shareholders' Share from Operating Income before Commission		46,249,257	36,585,354
Commission	40	(3,234,439)	(6,041,791)
Shareholders' Share from Operating Income		43,014,818	30,543,563
Prize for Legal Reserve of Investment Deposits	39	331,880	252,355
Compensation for the Cost of Depositors' Free Resources Surplus to Operating Uses	41	0	0
Finalized Profit Belonging to Investment Deposits		43,346,698	30,795,918
On-account Profit Paid to Investment Deposits	42	(62,050,702)	(49,622,749)
Difference of Profit Payable (Paid Profit Surplus) to Depositors		(18,704,004)	(18,826,831)





Income Statement

For the Fiscal Year Ended on March 20, 2017

	Note	March 20, 2017 mil. IRR	(Restated) March 19, 2016 mil. IRR
Income from Financial Facilities Granted, Deposits and Debt Bonds	37	78,180,948	62,234,574
Cost of Deposits Interest	43	(62,167,921)	(49,719,001)
Net Income of Financial Facilities and Deposits		16,013,027	12,515,573
Bank Charges Income	44	26,345,126	22,872,938
Bank Charges Cost	45	(5,457,783)	(1,993,570)
Net Service Charges Income		20,887,343	20,879,368
Net Profit (Loss) of Investment	38	238,711	943,264
Net Profit (Loss) of Foreign Exchange and Transactions	46	357,024	844,040
Other Operating Income	47	0	0
Total Operating Income		37,496,105	35,182,245
Net Other Income and Expenses	48	829,685	969,019
Administrative and General Expenses	49	(23,316,922)	(25,439,592)
Doubtful Accounts Cost	50	(2,788,000)	(7,080,901)
Financial Expenses	51	(11,340,463)	(10,692,011)
Depreciation Cost	52	(590,305)	(540,746)
Pre-tax Profit (Loss)		290,100	(7,601,987)
Minus: Income Tax	25	0	0
Net Profit (Loss)		290,100	(7,601,987)
EPS (IRR)	58	14.86	- 441.89
Basic EPS (IRR)		14.86	- 441.89
Decreased EPS (IRR)		0	0

Comprehensive Income Statement

For the Fiscal Year Ended on March 20, 2017

	Note	March 20, 2017 Mil. IRR	(Restated) March 19, 2016 Mil. IRR
Net Profit (Loss)		290,100	(7,601,987)
Assets Revaluation Surplus	34	0	0
Exchange Differences on Translation of Foreign Operations	35	0	0
Comprehensive Profit (Loss) of Fiscal Year		290,100	(7,601,987)
Yearly Adjustments	53	(9,067,646)	(2,487,530)
Recognized Comprehensive Loss from Prior Year Reporting Date		(8,777,546)	(10,089,517)

Statement of Changes in Shareholders' Equity
For the Fiscal Year Ended on March 20, 2017 (million Rls.)
2016-2017

Note	Capital	Flowing Capital Increase	Premium Reserve	Legal Reserve	Other Reserves	Assets Revaluation Surplus	Foreign Operations - FC Translation Differences	Retained Loss	Treasury Stock	Total Shareholders' Equity
Balance as of March 20, 2016	18,020,884	7,364,790	0	726,802	54,775	0	0	(5,698,440)	0	20,468,811
Net Profit								290,100		290,100
Yearly Adjustments	53							(9,067,646)		(9,067,646)
Other Comprehensive Income (Loss) - After Tax										
Assets Revaluation Surplus	34					0				0
Foreign Gurreney Translation Differences	35						0			0
Tax of Other Comprehensive Income								0		0
Total of Other Comprehensive Income								0		0
Total of Comprehensive Loss								(8,777,546)		(8,777,546)
Capital Increase										
Registered Capital Increase	30	43,000,000								43,000,000
Unregistered Capital Increase	30	(4,455,889)	0							(4,455,889)
Treasury Stock										
Purchase of Treasury Stock	36								0	0
Disposal of Treasury Stock	36					0			0	0
Distribution and Allocation										
Legal Reserve	32			43,515				(43,515)		0
Other Reserves	33				0					0
Dividends										0
Approved Dividends	23							0		0
50% of Profit Paid to the Government								(145,050)		(145,050)
0.5% Declared Profit of Housing Code								(1,450)		(1,450)
Total		43,000,000	(4,455,889)	0	43,515	0	0	(190,015)	0	38,397,611
Balance as of March 20, 2017		61,020,884	2,908,901	770,317	54,775	0	0	(14,666,001)	0	50,088,876

To Be continued





Statement of Changes in Shareholders' Equity
For the Fiscal Year Ended on March 20, 2017 (million Rls.)
2015-2016

	Note	Capital	Flowing Capital Increase	Premium Reserve	Legal Reserve	Other Reserves	Assets Revaluation Surplus	Foreign Operations - FC Translation Differences	Retained Loss	Treasury Stock	Total Shareholders' Equity
Balance as of March 21, 2015		15,282,518	4,442,046	0	699,920	54,775	0	0	(4,559,181)	0	15,920,078
Net Loss									(7,601,987)		(7,601,987)
Yearly Adjustments	53								(2,487,530)		(2,487,530)
Other Comprehensive Income (Loss) – After Tax											0
Assets Revaluation Surplus	34						0				0
Foreign Currency Translation Differences	35						0				0
Tax of Other Comprehensive Income							0				0
Total of Other Comprehensive Income							0				0
Total of Comprehensive Loss							0		(10,089,517)		(10,089,517)
Capital Increase											
Registered Capital Increase	30	2,738,366	0								2,738,366
Unregistered Capital Increase	30		2,922,744	0							2,922,744
Treasury Stock											0
Purchase of Treasury Stock	36									0	0
Disposal of Treasury Stock	36								0	0	0
Distribution and Allocation											
Legal Reserve	32				26,883				(26,883)		0
Other Reserves	33					0					0
Dividends				0							0
Approved Dividends	23								0		0
50% of Profit Paid to the Government									(89,609)		(89,609)
0.5% Declared Profit of Housing Code									(896)		(896)
Total		2,738,366	2,922,744	0	26,883	54,775	0	0	(117,388)	0	5,570,605
Balance as of March 19, 2016		18,020,884	7,364,790	0	726,803	54,775	0	0	(14,766,086)	0	11,401,166

Cash Flow Statement
For the Fiscal Year Ended on March 20, 2017

	Note	March 20, 2017 mil. Rls.	(Restated) March 19, 2016 mil. Rls.
Operating Activities			
Cash Receipts for:			
Profit and Penalties of Financial Facilities Granted		59,630,843	45,866,256
Profit of Debt Bonds		687,494	546,051
Service Charges Fee		4,423,628	4,535,660
Profit of Deposits		0	0
Profit of Investments		239,836	943,264
Other Operating Income		0	0
Other Income		818,412	924,897
Cash Paid for:			
Deposits Interest		(62,167,921)	(49,719,001)
Service Charge		(5,457,783)	(1,993,570)
Financial Cost		(1,167,731)	(1,001,604)
Other Operating Costs		(22,592,609)	(24,970,007)
Income Tax		(1,259,999)	(1,013,958)
Cash Inflow (Outflow) from Operating Activities		(26,845,830)	(25,882,012)
Before Changes in Operating Assets and Liabilities			
Cash Flow from Changes in Operating Assets and Liabilities:			
Net Increase (Decrease) in Liabilities:			
Due to Banks and Other Credit Institutions		(87,887,240)	449,866
Customers' Deposits		43,158,323	(2,769,472)
Debt Bonds		0	0
Operating Portion of Reserves and other Liabilities		6,562,263	4,076,245
Investment Deposits		83,660,493	100,242,879
Net Increase (Decrease) in Assets:			
Due from Banks and Other Credit Institutions		(4,878,132)	(2,334,783)
Principal of Due from Government		10,803,321	(17,744,457)
Principal of Financial Facilities Granted and Due from Public Persons		129,614	54,140
Principal of Financial Facilities Granted and Due from Non-public Persons		(30,128,176)	(48,180,591)
Investment in Stocks and Other Securities		(11,674,709)	(1,013,182)
Due from Subsidiaries and Associates		512,328	(5,123,121)
Other Accounts Receivable		(8,804,403)	(2,360,690)
Required Reserve (with CBI)		(10,227,800)	(8,732,905)
Operating Portion of Other Assets		6,966,961	(14,952,860)
Cash Flow from Changes in Operating Assets and Liabilities		(1,807,157)	6,280,635
Net Cash Inflow (Outflow) before Operating Activities	54	(28,652,987)	(19,601,377)
Net Cash Inflow (Outflow) from Operating Activities			
Investing Activities			
Cash Paid for Acquisition of Fixed Tangible Assets		(1,105,311)	(1,662,071)
Cash Receipts for Disposal of Fixed Tangible Assets		11,274	44,122
Cash Paid for Acquisition of Intangible Assets		(112,803)	(1,620)
Cash Receipts for Disposal of Intangible Assets		0	0
Cash Paid for Acquisition of Non-operating Properties and Real-estates		0	0
Cash Receipts for Disposal of Non-operating Properties and Real-estates		0	0
Net Cash Inflow (Outflow) from Investing Activities		(1,206,840)	(1,619,569)
Net Cash Inflow (Outflow) before Financing Activities		(29,859,827)	(21,220,946)
Financing Activities			
Increase of Cash Capital		27,700,000	0
Treasury Stocks Trading		0	0
Cash from Stocks Premium		0	0
Dividends Paid		0	0
Financial Facilities Received		0	10,000,000
Repayment of Financial Facilities Principal		(14,218,283)	(5,365,581)
Net Cash Inflow from Financing Activities		23,481,717	4,634,419
Net (Decrease) in Cash		(6,378,110)	(16,586,527)
Cash Balance at the Beginning of the Year		50,960,660	66,703,147
Effects of Foreign Exchange Rate Changes		357,024	844,040
Cash Balance at the End of the Year		44,939,574	50,960,660
Non-cash Transactions	56	145,710,076	80,665,968





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