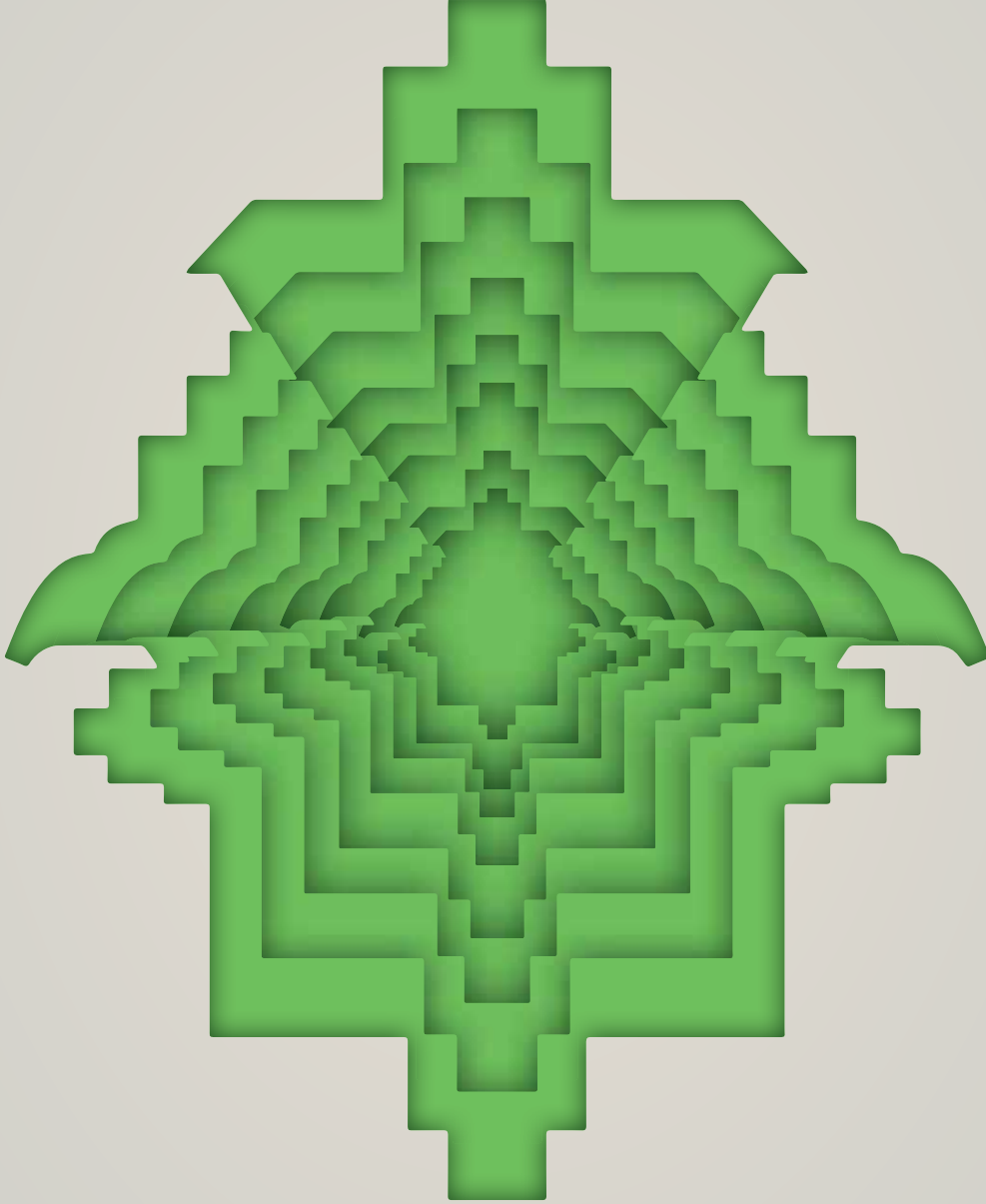




بانک کشاورزی



Bank Keshavarzi

Annual Report

2018 – 2019



بِسْمِ
اللَّهِ الرَّحْمَنِ
الرَّحِيمِ





Bank Keshavarzi
Annual Report
2018 – 2019

Corporate Outline

Bank Keshavarzi (Agriculture Bank of Iran)

Date of Establishment:

June 11, 1933

Number of Branches (By March 20, 2019):

1,817

Number of Forex Branches:

50

Number of Employees:

15,669 (By March 20, 2019)

19,303 (including private sector employees)

Chairman and Managing Director:

Mr. Rouhollah Khodarahmi

Board Members (By March 20, 2019):

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

Address:

No.247, Patrice Lumumba St., Jalal-al-Ahmad Exp. Way, Tehran 1445994316, I.R. Iran

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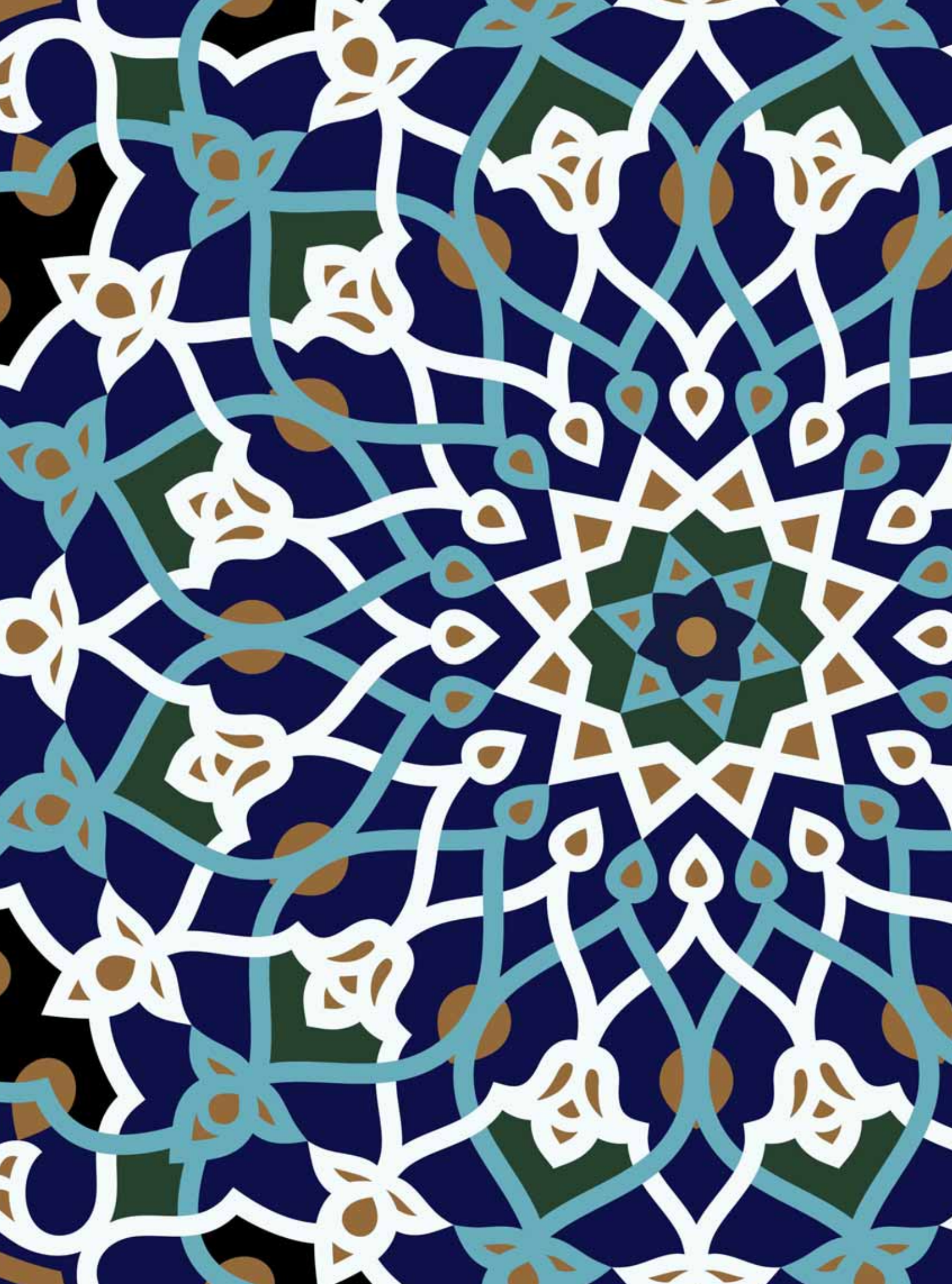
Email: icd@agri-bank.com

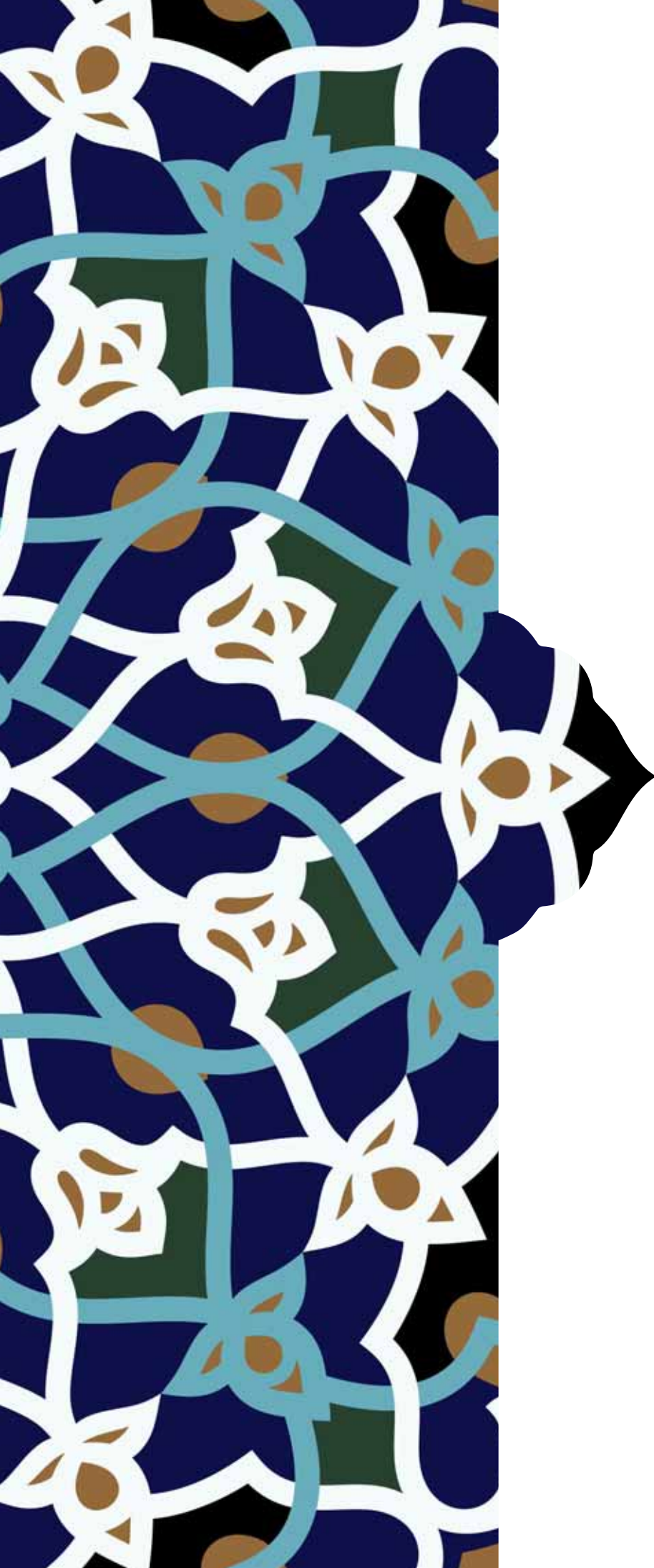
Website:

www.bki.ir/en

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Chairman's Message

On behalf of the employees and management, I am greatly honored to submit Bank Keshavarzi's Annual Report to present an accurate reflection of the overall banking operations and essential activities performed successfully by the bank for the year ended on March 20, 2019.

The agriculture sector, thanks to hard work of noble and competent farmers, is now a relying point to confront challenges. Bank Keshavarzi, as the specialized Bank of the agriculture sector with more than 86 years of financing history, is honored to support the farmers and finance their activities. Fortunately, this year's report indicates continuation of such supports and effective financing for the agriculture sector.

Within the report year, the deposit resources increased outstandingly with 26.3 percent and amounted to 920 Thousand Billion Rials, while the share of inexpensive resources increased from 40 to 46 percent. In addition, financial facilities offered by the bank, with a 23.5 percent increase, reached 480 Thousand Billion Rials. For the first time, the initial capital facilities exceeded those to provide working capital, with a 61 percent share from total financial facilities granted, indicating more support for construction of production infrastructures in the agriculture sector.

In 2018-2019, namely Iranian Products Support Year, Bank Keshavarzi played a significant and successful role in executing the National Plan for Development of Sustainable Rural and Tribal Employment and granted facilities, equaling 36 Thousand Billion Rials, to 32 Thousand small businesses and projects, creating 70 thousand direct and indirect sustainable job opportunities. Facilities for agricultural mechanization increased significantly and with a 53 percent growth reached 15 Thousand Billion Rials. Under the agricultural mechanization plan, for instance, facilities are offered for rice-specialized machinery and equipment, which leads to facilitation of rice farming in two Northern provinces of the country.

The execution and fulfillment of Modern Greenhouses Development Plan, Sea Cages Aquaculture Macro Projects, Wheat Guaranteed Purchase Plan and guaranteed purchase of other strategic crops are chief among other accomplishments of the bank within the report year. In addition, providing more than 217,000 loss-incurred farmers with a three-year debt respite and disposal of 883 surplus properties, to the value of 5,337 Billion Rials, and realizing 115 percent of the target set in 2018-2019 properties Disposal Scheme, are examples of other initiatives fulfilled by the bank within 2018-2019.

During the report year and under unjust and ruthless US sanctions imposed on Iran, Bank Keshavarzi, as the biggest non-sanctioned bank, played a significant role in financing import of commodities so that the volume of foreign exchange operations and credit opening cases equaled those in the preceding year. The bank also managed to merge 64 low income or loss-incurring branches resulting in decrease of branch banking costs.

I do hope that, under blessings of God the Almighty, sincere efforts and dedication of all employees would lead to more remarkable results and brilliant performance in fulfilling the instructions from the Supreme Leader, implementing the government's economic programs and seeking people's satisfaction, especially farmers and producers involved with the agriculture sector in the upcoming years.

Rouhollah Khodarahmi
Chairman and Managing Director

Board of Directors



Rouhollah Khodarahm

Chairman and Managing Director



Farhad Fanoodi

Board Member



Davar Mahikar

Board Member



Masoud Sharifat

Board Member



Kiamarz Ghasemi Zaniani

Board Member





**Bank Keshavarzi,
at a Glance**



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 2018/19 are as follows:

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

Achievements

Chief among the Bank's achievements and accomplishments are:

- 1st Rank in granting Production Improvement Facilities;
- A 26.3 percent increase in deposit resources;
- Realizing 115 percent of targets set in "Surplus Properties Disposal Plan";
- An 8.39 percent increase in the Bank's share from Total Deposits with 10 largest Iranian banks;
- A 53 percent growth in financial facilities supplied for agricultural mechanization;
- Creating 70 Thousand sustainable jobs for rural population;
- Providing more than 217 Thousand loss-incurred farmers with a three-year debt respite;
- Disposal of 883 surplus properties, to the value of 5,337 Billion Rials;
- Realizing 128 percent of targets set in "Branches Optimization Plan";
- An 88 percent increase in optimization of Customers Relations and promotion of services quality at branches;
- A 16.04 percent decrease in Credit Risk; and
- A 14.5 percent decrease in Money Cost;

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 is as follows:

1. Value Creation for the people and customers, as the main capital of the bank, and gain their satisfaction;
2. Dissemination of the culture of respect, accountability, and solving problems of the people and customers, and changing it to a core value in the bank;
3. Punctuality, dutifulness, appearance trimness, abstaining excessive bureaucracy and unnecessary protocols as well as avoiding the people' and customers' waste of time;
4. Attempt to offer the best and the most up-to-date banking services especially through use of modern technology of electronic banking at standard level.



Anti-Money Laundering and Combating Financing Terrorism

To fulfill the requirements set forth by both the Anti-Money Laundering (AML) Act ratified by the Islamic Council Assembly, the Parliament, in 2008, and the Combating Financing Terrorism (CFT) Act enacted in 2016, together with the regulations and instructions stated by the Central Bank of Iran (CBI), Anti-Money Laundering Department of Bank Keshavarzi has duly taken the necessary measures through a set of steps as follow:

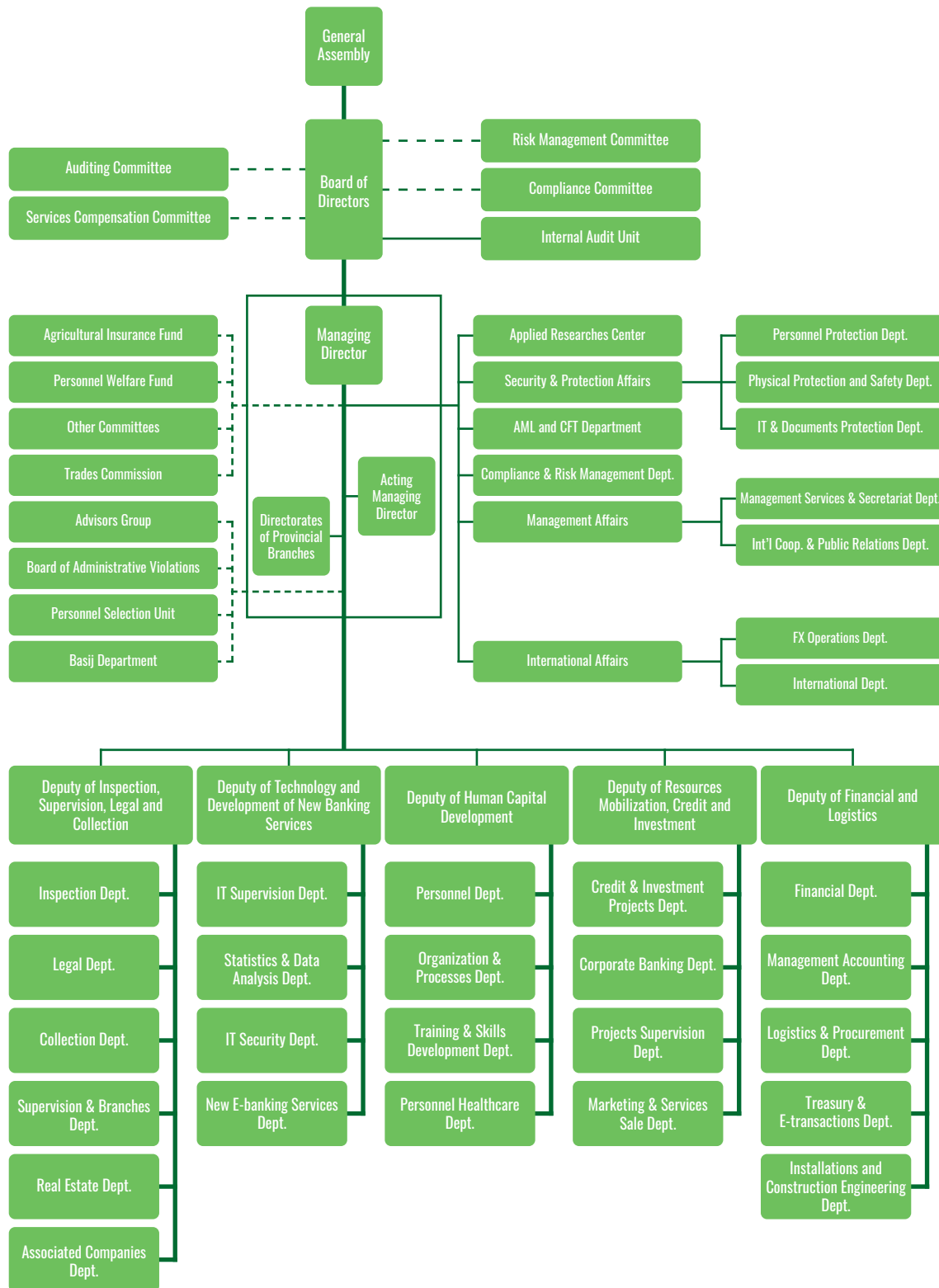
- Receiving, refining, and retaining documents and records of customers.
- Identification of customers (KYC) through reliable national authorities such as civil status registration organization and other similar organizations, and updating their information regularly.
- Preparing policies, instructions, regulations, and circulars in accordance with the latest updates of internal and international laws, and communicating them

with the entire provincial directorates and branches across the nation.

- Monitoring natural persons who are having more than one current account and blocking unidentified accounts.
- Identifying and reporting unidentified accounts to FIU.
- Holding training courses on AML / CFT.
- Holding training courses on AML / CFT for affiliated companies of the bank with the aim of preventing the transfer of money laundering risk to the bank.
- Updating and upgrading AML / CFT portal in accordance with CBI and FIU standards.
- Blocking unidentified and anonymous accounts.
- Supervising and conducting enhanced due diligence (EDD) in association with the individuals in the watch list.
- Updating and reviewing customers' data regularly.
- Reviewing the entire forms, which are used by departments of the bank based on rules and regulations.
- Monitoring customers' transactions aimed at preventing deviation from AML / CFT regulations.
- Monitoring customers' transactions aimed at identifying and making suspicious operations report.
- Supervising and resolving any possible issues regarding Mehr Gostar system updates.
- Holding training courses on compliance for AML representatives in provincial directorates.
- Conducting categorization of customers and RFP proposals and continuous meetings in line with KYC.
- Providing compliance policy of the bank being approved by the board of directors.
- Pursuing the institutionalization of unique ID numbers for customers (both natural and legal entities) which has been operational for over 96%.
- Institutionalizing the importance of compliance in the bank through making different reports and training courses.
- Completing, supervising, and controlling AML and Wolfsburg questionnaires and the like in correspondence banking.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.

Table 1: Breakdown of Employees Stationed at Headquarters and Branches

Year	2018-2019		2017-2018	
	No.	%	No.	%
Headquarters	3,091	19.7	3,063	19
Branches	12,578	80.3	13,085	81
Total	15,669	100	16,148	100

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

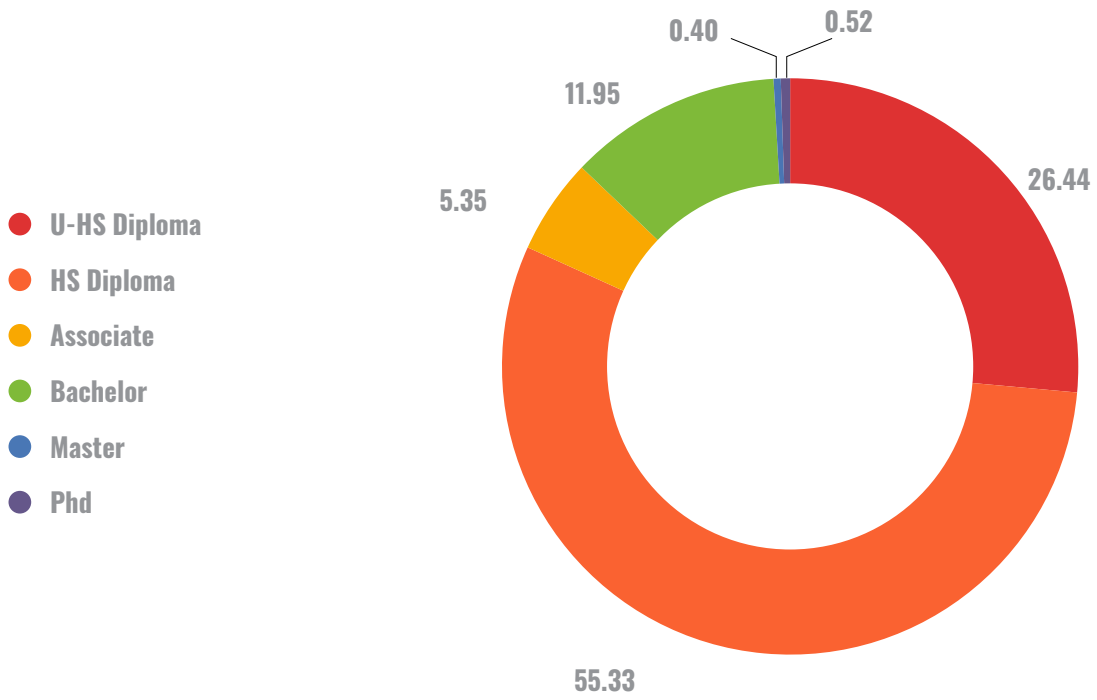
- Employ highly educated man power based on the needs of the bank;
- Identify and develop talented man power capabilities;
- Establish a training system based on jobs specification and employees qualification;
- Regular update of the employees' knowledge and expertise;
- Develop special programs to promote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

The employees' working experiences, in addition to specialized knowledge and sense of devotion, have always been appreciated in BK approaches and programs.

Table 2: Breakdown of Employees' Academic Degrees

Level	2018-2019		2017-2018	
	No.	%	No.	%
Under High School Diploma	63	0.4	81	0.5
High School Diplomas	1,873	11.96	2,276	14.2
Associate Degrees	839	5.35	1,051	6.5
Bachelor's Degree	8,669	55.33	9,166	56.8
Master's Degree	4,143	26.44	3,485	21.6
PhD Degrees	82	0.52	71	0.4
Total	15,669	100	16,130	100

Breakdown of Employees' Academic Degrees



Training Courses

Increase of total training hours, as compared with those in the year before, displays more attention to training issues of the employees and fulfillment of training justice.

Table 3: Training Performance

Items	2018-2019	2017-2018	Changes %
Total Training Hours	1,564,992	448,865	249
Total No. of Employees	15,267	16,130	-5
No. of Trained Employees	70,008	53,907	30
Training per Capita (Hours)	103	27.8	271
Training per Capita (Days)	17	4.6	270
Training per Capita (Courses)	4.6	3	53
Training Equity (Percent)	94	89	6







Bank Keshavarzi Performance

Operational Performance

Study of the bank's performance in resources mobilization by March 20, 2019 (end of the Persian fiscal year) indicates a 31.1 percent growth in the total deposits as compared with that of the year before. The breakdown of deposits in table 4 displays that Long-term Investment Deposits, Short-term Investment Deposits and Sight Deposits had the highest shares from Total Deposits respectively. Within the report year, making the best use of communication and information technologies, human resources' skills, diversity in banking services and products, hard-working employees with organizational commitment and optimal management, Bank Keshavarzi has been more successful in resources mobilization as compared with the bank's performance in the preceding year.

Table 4: Breakdown of BK Deposits in 2018/19 (Billion IRR)

Deposit	2018-2019	2017-2018	Changes %	Share out of Total (%)
Sight Deposits	188,410	113,139	66.5	18.78
Savings Deposits (Qard-al-Hassanah)	87,741	43,135	103.4	8.75
Short-term Investment Deposits	228,592	172,945	32.2	22.79
Long-term Investment Deposits	467,585	415,080	12.6	46.61
Investment Deposits of Banks and Credit Institutions with BK	25,805	14,058	83.6	2.57
Other Deposits and Advanced Payments	5,061	6,693	-24.4	0.5
Total Deposits	1,003,194	765,050	31.1	100

Contribution to Agriculture Sector

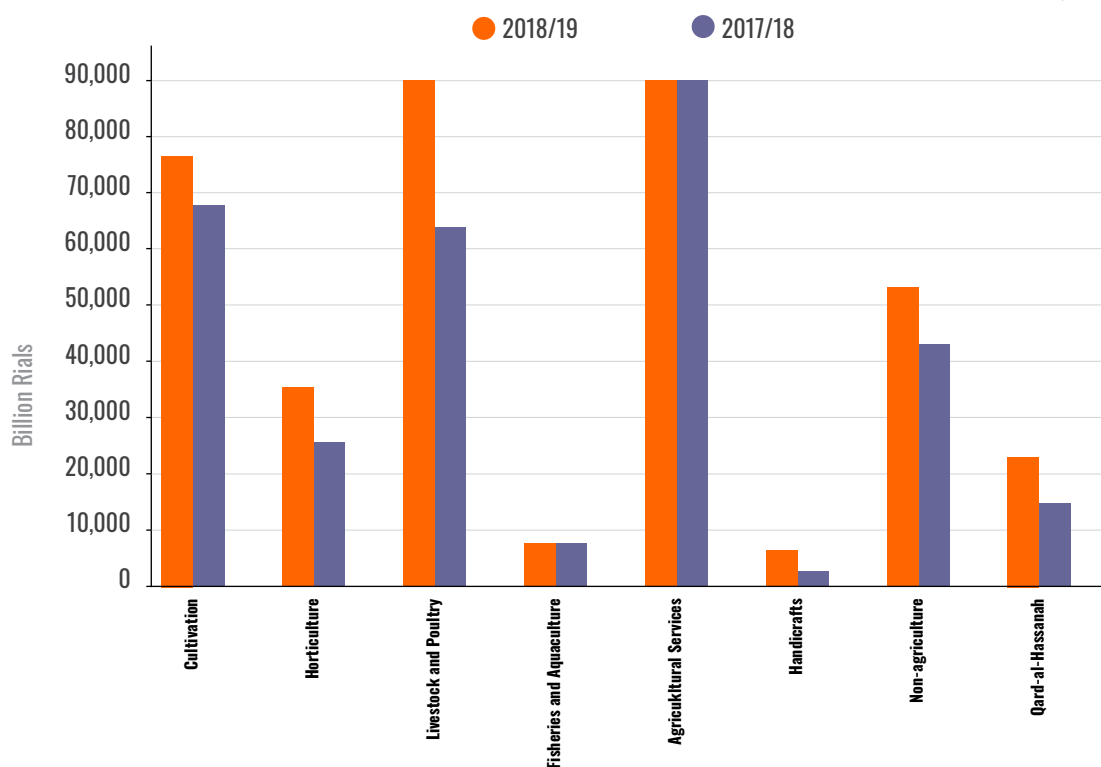
Agricultural development and self-sufficiency have always been placed at the top of the government's policies and it is believed that the agriculture should be the main axis of economic activities. Accordingly, Bank Keshavarzi, as the only specialized and agricultural bank of the country, managed to raise required funds to meet the customers' financial and credit needs. In 2018/19, the bank successfully facilitated the growth of GDP and enrichment of the agriculture sector through creating mobility in the sector by granting more credit facilities to individuals and businesses. Within the report year, Agricultural Services and

Associated Industries, Livestock and Poultry, and Cultivation received the largest shares from the granted facilities with 36.2, 21.8, and 15.9 percent respectively.

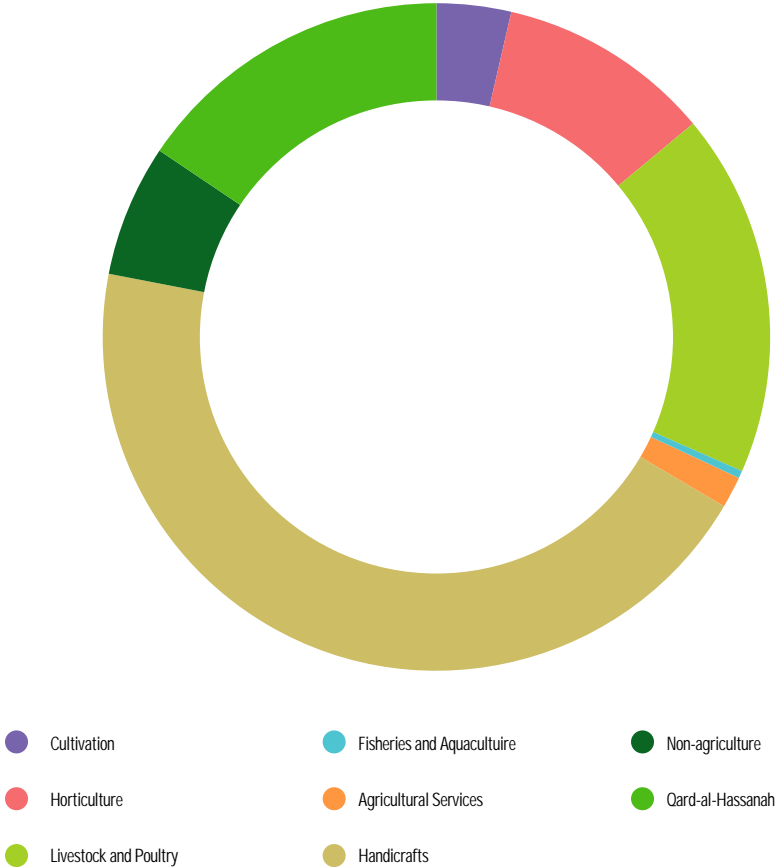
Table 5: Comparison of BK Credit Facilities Provided to Agriculture Sub-sectors in 2017/18 and 2016/17

Item	2018-2019	2017-2018	Changes %	Share out of Total (%)
Cultivation	76,454	67,566	13.2	15.9
Horticulture	35,016	25,393	37.9	7.3
Livestock and Poultry	104,424	63,464	64.5	21.8
Fisheries and Aquaculture	7,639	7,540	1.3	1.6
Agricultural Services and Associated Industries	173,496	164,215	5.6	36.2
Handicrafts and Carpet-weaving	6,204	2,358	163.1	1.3
Non-agriculture Sectors	53,114	43,051	23.4	11.1
Qard-al-Hassanah (Marriage, Employment, ...)	23,189	14,769	57	4.8
Total	479,536	388,356	23.5	100

Comparison of Credit Facilities Provided to Agriculture Sub-sectors in 2018/19 and 2017/2018



Breakdown of BK Credit Facilities Provided to Agriculture Sub-sectors in 2018/19





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.

In 2018-2019, the number of transactions via Mobile Banking Internet Payment Gateway increased 217 and 10.8 percent respectively as compared with that in the year before. The number of Mobile and Internet Banking users has also increased 20 and 18.8 percent respectively indicating customers are welcoming digital banking.

Table 6: E-banking Performance in 2018/19

Item	2018-2019	2017-2018	Changes %
No. of Active Internet Payment Gateways	599	557	7.5
No. of Transactions by Internet Payment Gateways	118,646,047	107,103,244	10.8
No. of Mobile Banking Users	2,019,683	1,683,258	20
No. of Transactions by Mobile Banking	66,484,987	20,944,444	217.43
No. of Internet Banking Users	274,936	231,508	18.8
No. of Transactions by Internet Banking	5,833,633	6,213,875	- 6.12
No. of Internet Payment of Loans Installments	10,918,405	12,462,124	-12.39
No. of Payment Orders	545,994	540,583	1
No. of POSs	484,573	377,769	28.3
No. of ATMs	2,988	3,007	-0.6
No. of Transactions by ATMs	318,673,997	340,570,634	-6.4
Percentage of Active ATMs	% 96.5	% 96.6	-0.11
No. of Kiosks and Cashless Machines	303	278	8.9
No. of Issued Banking Cards	4,793,343	5,731,237	-16.4
No. of Credit Cards	13,255	13,563	-2.3

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 the leading Iranian banks, which provides its customers with all different international banking services, import-export letters of credit, payment orders, collections, guarantees, etc., together with offering technical consultancy services to customers in fields of equity financing including diversified ways of investments and countertrade through international banking operations. In order to provide a more detailed picture of the foreign currency services and import/export facilities of the bank the followings could be noted:

- 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 and Technical Assistance of Iran;
- Financing tourism industry and other investment projects in the service sector;
- Promoting Iranian agricultural and other non-oil exports with especial focus on commodities, agro-industrial technical know-how and engineering services;
- Supporting trade centers in export markets of some neighboring countries;
- Supporting project financing 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.

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, Moreover, the International Division issues letters of guarantee and counter guarantees including performance bonds, advance payment guarantee, retention money guarantee, guarantee for international tender (tender bond).

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 50 correspondent banks in more than 40 countries in different currencies including but not limited to EUR, JPY, KRW, CNY, RUB, INR, and OMR through financial channels such as SHTA (Switzerland), KOTRA (South Korea), Oman, etc.

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, and IFSB).

Operational Figures

Bank Keshavarzi has a total of 1817 branches and has presently expanded its branches, offering International Banking Services, up to 47, 15 out of which are located in Tehran, the capital city, and 32 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 employees through holding seminars and educational courses, as well as regular periodical observations.

It is worth mentioning that in 2018-2019, the total volume of Import operations amounted to USD 4,229. The total balance of term deposits as at 20/03/2019 is as follows; Lending: USD 494 million, and Borrowing: USD 582 million, while the total amount of customer accounts is calculated to be USD 767m. Within 2018-2019, the Dealing Room made 2200 and 1831 FX deals, equaling USD 4,309m (2019) and including (1) 2,090 deals (2019) amounting to USD 4,134 million made against IRR and (2) 110 deals (mainly cross-currency exchange deals) amounting to USD 175 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

IDB Group

Bank Keshavarzi, owning shares of stock in some international corporations, has established close interaction and cooperation with many international organizations. The bank is the one of the major shareholders of Islamic Cooperation Bank for Investment (I.C. Bank)¹, established on April 1, 2007 through joint investment of BK and other shareholders. Having branches in Tehran, Baghdad, Najaf, Karbala, Kazemineh, Soleimanieh, Basra, Erbil, ... IC Bank offers almost all banking services such as savings, checking, short-term and long-term accounts; granting financial facilities through Islamic contracts; Forex services; DCs and L/Gs services; etc. BK also holds shares in:

- Islamic Development Bank (IDB)
- Islamic Corporation for the Development of the Private Sector (ICD)
- International Islamic Trade Finance Corporation (ITFC)

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 furnish agriculture graduates

1. www.icb-fi.com

- 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:

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

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

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, ...

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

1. www.land-bank.ir

2. www.agribourse.com

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 Company¹

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.mehrexchange.com





Bank Keshavarzi Financial Statements¹ 2018 – 2019

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.

Excerpt of Auditors' Report

Independent Auditors' Report to the Ordinary General Assembly of Shareholders:
Bank Keshavarzi consolidated financial statements, including Balance Sheet as at 20 March 2019, Income Statement, Comprehensive Income Statement, Statement of Changes in Shareholders' Equity, and Cash Flow Statement for the fiscal year ending on the afore-said date and the Explanatory Notes 1-68, have been audited by State Audit Organization (SAO).

Board of Directors' Responsibility

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

Auditors' Responsibility

SAO's responsibility is to comment and express an independent opinion on the afore-said financial statements in accordance with the auditing standards, which require SAO to observe the code of professional conduct and plan and execute the auditing in a way to be assured of no material misstatements and distortion in the financial statements.

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 20, 2019 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 employees and management during the conduct of our audit is highly appreciated.

September 16, 2019
State Audit Organization

Consolidated Balance Sheet

as at March 20, 2019¹

	Note	March 20, 2019 mil. IRR ³	(Unaudited) ² March 20, 2018 mil. IRR
ASSETS			
Cash	9	528,947,896	36,663,544
Due From Banks and Other Credit Institutions	10	12,744,440	10,911,698
Due From Government	11	187,516,477	149,065,894
Credit Granted and Due from Public Sector	12	105,153	39,263
Credit Granted and Due from Non-public Sector	13	725,583,109	572,327,754
Investment in Stocks and Other Securities	14	11,174,405	23,635,874
Due from Subsidiaries and Associates	15	2,170,864	1,796,222
Other Receivable Accounts	16	38,158,849	39,890,088
Tangible Fixed Assets	17	17,080,201	16,519,969
Intangible Assets	18	742,296	735,419
Reserve Requirement	19	82,218,551	65,419,783
Other Assets	20	30,435,101	35,002,087
Total Assets		1,636,877,343	952,007,595
LIABILITIES & SHAREHOLDERS' EQUITY			
LIABILITIES			
Due to Banks and Credit Institutions	21	523,570,785	66,171,200
Customers' Deposits	22	278,918,421	162,175,454
Payable Dividends	23	74,858	189,392
Debt Securities	24	76	76
Income Tax Provision	25	2,351,474	2,530,908
Provisions and Other Liabilities	26	94,672,943	80,452,162
Retirement Fund	27	11,810,613	14,681,267
Total		911,399,170	326,200,459
Customers' Investment Deposits	28	721,938,713	600,890,283
Total Liabilities		1,633,337,883	927,090,742
SHAREHOLDERS' EQUITY			
Capital	29	91,020,884	91,020,884
Capital Increase In-process	30	3,665,058	3,397,388
Stocks Premium Reserve	31	0	0
Legal Reserve	32	994,644	948,644
Other Reserves	33	982,414	982,414
Revaluation Surplus	34	0	0
Foreign Currency Translation Differences	35	1,061,533	830,148
Retained Earnings (Loss)		(97,697,351)	(75,597,291)
Treasury Stocks	36	0	0
Total Main Shareholders' Equity		27,182	21,582,187
Non-controlling Shareholders' Equity	36-1	3,512,277	3,334,666
Total Shareholders' Equity		3,539,459	24,916,853
Total Liabilities & Shareholders' Equity		1,636,877,343	952,007,595

1. BK's fiscal year (1397 Persian Calendar) corresponds to the period of March 21, 2018 to March 20, 2019.

2. 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 (2017/18).

3. 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, 2019).

Consolidated Income Statement

For the Fiscal Year Ended on March 20, 2019

	Note	March 20, 2019 mil. IRR	(Unaudited) March 20, 2018 mil. IRR
Income from Financial Facilities Granted, Deposits and Debt Securities	38	114,224,424	101,387,152
Cost of Deposits Interest	44	(96,816,213)	(79,094,211)
Net Income from Financial Facilities and Deposits		17,408,211	22,292,941
Fee Income	45	9,322,945	6,544,559
Fee Expenses	46	(7,054,083)	(5,645,896)
Net Fee Income		2,268,862	898,663
Net Profit (Loss) of Investment	39	1,558,268	137,142
Net Profit (Loss) of Foreign Exchange and Transactions	47	306,339	(808,818)
Other Operating Income	48	0	0
Total Operating Income		21,541,680	22,519,928
Net Other Income and Expenses	49	4,780,273	3,845,355
Administrative and General Expenses	50	(34,037,410)	(29,743,312)
Doubtful Debts Expenses	51	(4,304,674)	(12,218,947)
Financial Expenses	52	(9,397,434)	(2,447,106)
Depreciation Expenses	53	(864,911)	(750,901)
Profit before Accounting Group's Share from Associates' Profit		(22,282,476)	(18,794,983)
Group's Share from Associates' Profit		713,854	924,489
Earnings before Taxes (Loss)		(21,568,622)	(17,870,494)
Less:			
Income Tax - Current Year	25	(227,281)	(406,737)
Income Tax – Prior Years		(9,913)	(6,056,945)
Net Profit (Loss)		(21,805,816)	(24,334,176)
Net Profit (Loss) Attributable to:			
Main Shareholders (Owners of the Parent)		(22,691,455)	(24,929,592)
Non-controlling Shareholders		885,639	595,416
		(21,805,816)	(24,334,176)
EPS (IRR)	59	(240)	(323)
Basic EPS (IRR)		(240)	(323)
Diluted EPS (IRR)		0	0

Consolidated Statement of Comprehensive Income

For the Fiscal Year Ended on March 20, 2019

	Note	(Unaudited)	
		March 20, 2019	March 20, 2018
		Mil. IRR	Mil. IRR
Net Profit (Loss)		(21,805,816)	(24,334,176)
Assets Revaluation Surplus	34	0	0
Foreign Operations – Foreign Currency Translation Differences	35	231,385	45,742
Comprehensive Profit (Loss) of Fiscal Year		(21,574,431)	(24,288,434)
Yearly Adjustments	54	(9,116,093)	(15,738,350)
Recognized Comprehensive Loss as of Reporting Date of Prior Year		(30,690,524)	(40,026,784)
Less:			
Non-controlling Shareholders' Share from Comprehensive Profit (Loss)		885,639	595,416
Year-end Comprehensive Profit and Loss		(31,576,163)	(40,622,200)

Consolidated Statement of Changes in Shareholders' Equity

For the Fiscal Year Ended on March 20, 2019 (million IRR)
2018-2019

Note	Capital	Capital Increase In-process	Stocks Premium Reserve	Legal Reserve	Other Reserves	Assets Revaluation Surplus	Foreign Operations - FC Translation Differences	Retained Loss	Treasury Stock	Non-controlling Shareholders' Equity	Total Shareholders' Equity
Balance as of March 21, 2018	91,020,884	3,397,388	0	948,644	982,414	0	830,148	(67,374,503)	0	3,334,666	33,139,641
Net Profit								(21,805,816)		885,639	(20,920,177)
Yearly Adjustments	54							(9,116,093)			(9,116,093)
Other Comprehensive Income (Loss) – After Tax											0
Assets Revaluation Surplus	34					0					0
Foreign Currency Translation Differences	35						231,385				231,385
Tax of Other Comprehensive Income											0
Total Other Comprehensive Income		0	0	0	0	0	231,385	0	0	0	231,385
Total Comprehensive Loss		0	0	0	0	0	(30,921,909)	0	0	885,639	(29,804,885)
Changes of Non-controlling Shareholders' Equity								745,536		(745,536)	0
Other Changes in Retained Loss								(96,846)			(96,846)
Capital Increase		267,670									267,670
Registered Capital Increase	30										
Unregistered Capital Increase	30									0	0
Treasury Stock											0
Purchase of Treasury Stock	36										0
Disposal of Treasury Stock	36										0
Distribution and Allocation											0
Legal Reserve	32			46,000				(83,795)		37,508	(287)
Other Reserves	33							0			0
Dividends											0
Approved Dividends	23							34,166			34,166
50% of Profit Paid to Government											0
0.5% of Declared Profit subject to Housing Act											0
Total	0	267,670	0	46,000	0	0	0	599,061	0	(708,028)	204,703
Balance as of March 20, 2019	91,020,884	3,665,058	0	994,644	982,414	0	1,061,533	(97,697,351)	0	3,512,277	3,539,459

To Be Continued

Consolidated Statement of Changes in Shareholders' Equity

For the Fiscal Year Ended on March 20, 2019 (million IRR)

2017-2018

Note	Capital	Capital Increase In-process	Stocks Premium Reserve	Legal Reserve	Other Reserves	Assets Revaluation Surplus	Foreign Operations - FC Translation Differences	Retained Loss	Treasury Stock	Non-controlling Shareholders' Equity	Total Shareholders' Equity
Balance as of March 20, 2017	61,020,884	2,908,902	0	900,331	953,514	0	784,406	(34,409,157)	0	1,853,609	34,012,489
Net Profit								(24,929,592)		595,416	(24,334,176)
Yearly Adjustments								(15,738,350)			(15,738,350)
Other Comprehensive Income (Loss) – After Tax						0					0
Assets Revaluation Surplus						0	45,742				0
Foreign Currency Translation Differences						0	45,742				45,742
Tax of Other Comprehensive Income						0	0				0
Total Other Comprehensive Income	0	0	0	0	0	0	45,742	0	0	0	45,742
Total Comprehensive Loss	0	0	0	0	0	0	45,742	(40,667,942)	0	595,416	(40,026,784)
Changes of Non-controlling Shareholders' Equity								(843,907)		843,907	0
Other Changes in Retained Loss								781,445			781,445
Capital Increase								0			0
Registered Capital Increase	30	30,000,000				488,486		0		354	30,488,840
Unregistered Capital Increase	30		0	0	0	0		0			0
Treasury Stock											0
Purchase of Treasury Stock	36							0	0	0	0
Disposal of Treasury Stock	36		0					0	0	0	0
Distribution and Allocation											0
Legal Reserve	32			48,313	0			(90,793)		41,380	(1,100)
Other Reserves	33				28,900			(28,900)			0
Dividends		0									0
Approved Dividends	23							(338,037)			(338,037)
50% of Profit Paid to Government		0						0			0
0.5% of Declared Profit subject to Housing Act								0			0
Total		30,000,000	488,486	0	48,313	28,900	0	(520,192)	0	885,641	30,931,148
Balance as of March 20, 2018		91,020,884	3,397,388	0	948,644	982,414	0	830,148	0	3,334,666	24,916,853

Consolidated Cash Flow Statement

For the Fiscal Year Ended on March 20, 2019

	Note	March 20, 2019 mil. IRR	(Unaudited) March 20, 2018 mil. IRR
Operating Activities			
Cash Received for:			
Profit and Penalties of Financial Facilities Granted		110,383,145	98,011,833
Profit of Debt Securities		3,841,279	3,375,319
Bank Charges Fee		9,322,945	6,544,559
Deposits Profit		0	0
Investments Profit		463,909	272,426
Other Operating Income		0	0
Foreign Currency Exchange and Transactions		348,152	242,024
Other Income		5,453,776	4,643,105
Cash Paid for:			
Deposits Interest		(96,816,213)	(79,094,211)
Bank Charges Fee		(7,054,083)	(5,640,896)
Financial Cost		0	0
Other Operating Costs		(35,813,705)	(23,961,509)
Income Tax		(237,194)	(6,463,682)
Cash Inflow (Outflow) from Operating Activities before Changes in Operating Assets and Liabilities		(10,107,989)	(2,077,032)
Cash Flow from Changes in Operating Assets and Liabilities			
Net Increase (Decrease) in Liabilities:			
Due to Banks and Other Credit Institutions		442,856,487	(16,512,080)
Customers' Deposits		116,742,967	25,752,273
Debt Securities		0	0
Operating Portion of Provisions and other Liabilities		14,204,218	(23,083,514)
Investment Deposits Owners		121,048,430	195,806,196
Net Assets Impairment (Appreciation):			
Due from Banks and Other Credit Institutions		(1,832,742)	(4,948,090)
Principal of Due from Government		(38,450,583)	(40,219,614)
Principal of Financial Facilities Granted and Due from Public Persons		(65,890)	503,720
Principal of Financial Facilities Granted and Due from Non-public Persons		(157,560,029)	(117,672,965)
Investment in Stocks and Other Securities		12,692,854	(3,446,007)
Due from Subsidiaries and Associates		(374,642)	(484,977)
Other Accounts Receivable		1,731,239	(16,537,249)
Reserve Requirement		(16,798,768)	(19,604,115)
Operating Portion of Other Assets		4,566,986)	(5,347,819)
Cash Flow from Changes in Operating Assets and Liabilities		498,760,527	(25,794,240)
Net Cash Inflow (Outflow) before Operating Activities	55	488,652,538	(27,871,272)
Net Cash Inflow (Outflow) from Operating Activities			
Investing Activities			
Payments for Acquisition of Fixed Tangible Assets		(1,409,609)	(1,178,042)
Proceeds from Disposal of Fixed Tangible Assets		40,351	127,739
Payments for Acquisition of Intangible Assets		(22,411)	(114,342)
Proceeds from Disposal of Intangible Assets		0	0
Payments for Acquisition of Non-operating Properties and Real-estates		0	0
Proceeds from Disposal of Non-operating Properties and Real-estates		0	0
Net Cash Inflow (Outflow) from Investing Activities		(1,391,669)	(1,164,645)
Net Cash Inflow (Outflow) before Financing Activities		487,260,869	(29,035,918)

Financing Activities		
Increase of Cash Capital	0	0
Treasury Stocks Trading	0	0
Proceeds from Stocks Premium	0	0
Dividends Paid to Minority Shareholders	(80,368)	(173,438)
Financial Facilities Received	5,145,664	65,218,598
Repayment of Financial Facilities Principal	0	(43,775,109)
Net Cash Inflow from Financing Activities	5,065,296	21,270,051
Net (Decrease) in Cash Funds	492,326,165	(7,765,867)
Cash at the Beginning of the Year	36,663,544	45,480,253
Effects of Exchange Rate Changes on Cash	(41,813)	(1,050,842)
Cash at the End of the Year	528,947,896	36,663,544
Non-cash Transactions	181,004,470	189,074,232

Balance Sheet

as at March 20, 2019

	Note	March 20, 2019 mil. IRR ²	(Restated) March 20, 2018 mil. IRR
ASSETS			
Cash	9	528,050,458	36,100,456
Due From Banks and Other Credit Institutions	10	12,744,440	10,911,698
Due From Government	11	187,516,477	149,065,894
Credit Granted and Due from Public Sector	12	105,153	39,263
Credit Granted and Due from Non-public Sector	13	739,995,835	584,228,520
Investment in Stocks and Other Securities	14	2,759,305	16,192,537
Due from Subsidiaries and Associates	15	24,522,830	24,159,626
Other Receivable Accounts	16	26,315,672	29,431,375
Tangible Fixed Assets	17	11,922,258	11,242,525
Intangible Assets	18	648,492	645,236
Reserve Requirement	19	82,218,551	65,419,783
Other Assets	20	20,285,875	25,854,707
Total Assets		1,637,085,336	953,291,620
LIABILITIES & SHAREHOLDERS' EQUITY			
LIABILITIES			
Due to Banks and Credit Institutions	21	523,184,920	63,900,194
Customers' Deposits	22	280,737,366	162,905,072
Payable Dividends	23	0	0
Debt Securities	24	76	76
Income Tax Provision	25	1,979,836	2,009,836
Provisions and Other Liabilities	26	85,248,354	71,804,573
Retirement Fund	27	11,453,557	14,229,152
Total		902,604,109	314,848,902
Customers' Investment Deposits	28	722,455,813	602,144,530
Total Liabilities		1,625,059,922	916,993,432
SHAREHOLDERS' EQUITY			
Capital	29	91,020,884	91,020,884
Capital Increase In-process	30	3,665,058	3,397,388
Stocks Premium Reserve	31	0	0
Legal Reserve	32	770,317	770,317
Other Reserves	33	0	0
Revaluation Surplus	34	0	0
Foreign Currency Translation Differences	35	0	0
Retained Earnings/Loss		(83,430,845)	(58,890,402)
Treasury Stocks	36	0	0
Total Shareholders' Equity		12,025,414	36,298,188
Total Liabilities & Shareholders' Equity		1,637,085,336	953,291,620

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 (2017/18).

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, 2019).

Income Statement

For the Fiscal Year Ended on March 20, 2019

	Note	March 20, 2019 mil. IRR	(Restated) March 20, 2018 mil. IRR
Income from Financial Facilities Granted, Deposits and Debt Securities	38	113,988,594	102,191,159
Cost of Deposits Interest	44	(96,902,246)	(79,267,012)
Net Income from Financial Facilities and Deposits		17,086,348	22,924,147
Fee Income	45	9,323,665	6,544,559
Fee Expenses	46	(7,054,083)	(5,645,896)
Net Fee Income		2,269,582	898,663
Net Profit (Loss) of Investment	39	1,364,068	201,337
Net Profit (Loss) of Foreign Exchange and Transactions	47	(41,813)	(1,050,842)
Other Operating Income	48	0	0
Total Operating Income		20,678,185	22,973,305
Net Other Income and Expenses	49	1,638,922	897,659
Administrative and General Expenses	50	(33,204,106)	(29,824,536)
Doubtful Debts Expenses	51	(4,676,155)	(12,208,212)
Financial Expenses	52	(8,172,759)	(2,413,828)
Depreciation Expenses	53	(804,530)	(676,235)
Earnings before Taxes (Loss)		(24,540,443)	(21,251,847)
Less: Income Tax		0	0
Current Year		0	0
Prior Years	25	0	(6,010,192)
Net Profit (Loss)		(24,540,443)	(27,262,039)
Earnings (Loss) per Share (IRR)	59	(270)	(373)
Basic Earnings (Loss) per Share (IRR)	59	(270)	(373)
Diluted Earnings (Loss) per Share (IRR)		0	0

Statement of Comprehensive Income

For the Fiscal Year Ended on March 20, 2019

	Note	March 20, 2019 Mil. IRR	(Restated) March 20, 2018 Mil. IRR
Net Profit (Loss)		(24,540,443)	(27,262,039)
Assets Revaluation Surplus	34	0	0
Foreign Operations – Foreign Currency Translation Differences	35	0	0
Comprehensive Profit (Loss) of Fiscal Year		(24,540,443)	(27,262,039)
Yearly Adjustments	53	(9,197,102)	(15,796,227)
Recognized Comprehensive Loss as of Reporting Date of Prior Year		(33,737,545)	(43,058,266)

Statement of Changes in Shareholders' Equity

For the Fiscal Year Ended on March 20, 2019 (million IRR)
2018-2019

Note	Capital	Capital Increase In-process	Stocks 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, 2018	91,020,884	3,397,388	0	770,317	0	0	0	(49,693,300)	0	45,495,289
Net Profit								(24,540,443)		(24,540,443)
Yearly Adjustments	54							(9,197,102)		(9,197,102)
Other Comprehensive Income (Loss) – After Tax										0
Assets Revaluation Surplus	34					0				0
Foreign Currency Translation Differences	35				0		0			0
Tax of Other Comprehensive Income								0		0
Total Other Comprehensive Income		0	0	0	0	0	0	0	0	0
Total Comprehensive Loss		0	0	0	0	0	0	(33,737,545)	0	(33,737,545)
Capital Increase										
Registered Capital Increase	30	0	0							0
Unregistered Capital Increase	30	267,670	0							267,670
Treasury Stock										
Purchase of Treasury Stock	36								0	0
Disposal of Treasury Stock	36								0	0
Distribution and Allocation										
Legal Reserve	32									0
Other Reserves	33									0
Dividends										0
Approved Dividends	23	0								0
50% of Profit Paid to Government								0		0
0.5% of Declared Profit subject to Housing Act								0		0
Total		0	267,670	0	0	0	0	0	0	267,670
Balance as of March 20, 2019		91,020,884	3,665,058	0	770,317	0	0	(83,430,845)	0	12,025,414

To Be Continued

Statement of Changes in Shareholders' Equity

For the Fiscal Year Ended on March 20, 2019 (million IRR)

Note	2017-2018							(Restated)		
	Capital	Capital Increase In-process	Stocks Premium Reserve	Legal Reserve	Other Reserves	Assets Revaluation Surplus	Foreign Operations - FC Translation Differences		Retained Loss	Treasury Stock
Balance as of March 21, 2017	61,020,884	2,908,902	0	770,317	0	0	0	(15,832,136)	0	48,867,967
Net Profit								(27,262,039)		(27,262,039)
Yearly Adjustments								(15,796,227)		(15,796,227)
54 Other Comprehensive Income (Loss) – After Tax										0
34 Assets Revaluation Surplus										0
35 Foreign Currency Translation Differences										0
Tax of Other Comprehensive Income										0
Total Other Comprehensive Income	0	0	0	0	0	0	0	0	0	0
Total Comprehensive Loss	0	0	0	0	0	0	0	(43,058,266)	0	(43,058,266)
Capital Increase										
30 Registered Capital Increase	30,000,000									30,000,000
30 Unregistered Capital Increase		488,486								488,486
Treasury Stock										0
36 Purchase of Treasury Stock										0
36 Disposal of Treasury Stock										0
Distribution and Allocation										0
32 Legal Reserve										0
33 Other Reserves										0
Dividends										0
23 Approved Dividends										0
50% of Profit Paid to Government										0
0.5% of Declared Profit subject to Housing Act										0
Total	30,000,000	488,486	0	0	0	0	0	0	0	38,397,612
Balance as of March 20, 2017	91,020,884	3,397,388	0	770,317	0	0	0	(58,890,402)	0	36,298,187

Cash Flow Statement

For the Fiscal Year Ended on March 20, 2019

	Note	March 20, 2019 mil. IRR	(Restated) March 20, 2018 mil. IRR
Operating Activities			
Cash Received for:			
Profit and Penalties of Financial Facilities Granted		112,563,112	101,525,076
Profit of Debt Securities		1,425,482	666,083
Bank Charges Fee		9,323,665	6,544,559
Deposits Profit		0	0
Investments Profit		269,709	336,612
Other Operating Income		0	0
Other Income		1,611,351	869,870
Cash Paid for:			
Deposits Interest		(96,902,246)	(79,267,011)
Bank Charges Fee		(7,054,082)	(5,645,896)
Financial Cost		(8,172,759)	(615,601)
Other Operating Costs		(39,561,498)	(37,377,030)
Income Tax		0	4,011,461
Cash Inflow (Outflow) from Operating Activities before Changes in Operating Assets and Liabilities		(26,497,267)	(16,974,800)
Cash Flow from Changes in Operating Assets and Liabilities:			
Net Increase (Decrease) in Liabilities:			
Due to Banks and Other Credit Institutions		445,127,494	7,850,391
Customers' Deposits		117,833,294	25,041,542
Debt Securities		0	0
Operating Portion of Provisions and other Liabilities		13,681,452	(19,654,621)
Investment Deposits Owners		120,311,283	197,003,819
Net Assets Impairment (Appreciation):			
Due from Banks and Other Credit Institutions		(1,832,742)	(4,948,090)
Principal of Due from Government		(38,450,583)	(40,219,614)
Principal of Financial Facilities Granted and Due from Public Persons		(65,890)	503,721
Principal of Financial Facilities Granted and Due from Non-public Persons		(159,201,786)	(112,500,617)
Investment in Stocks and Other Securities		13,433,233	(2,384,046)
Due from Subsidiaries and Associates		(362,194)	(3,914,694)
Other Accounts Receivable		3,115,703	(11,497,256)
Required Reserve		(16,798,768)	(19,604,115)
Operating Portion of Other Assets		9,003,303	(5,203,182)
Cash Flow from Changes in Operating Assets and Liabilities		505,791,799	10,473,239
Net Cash Inflow (Outflow) before Operating Activities	55	479,294,532	(6,501,561)
Investing Activities			
Payments for Acquisition of Fixed Tangible Assets		(1,469,287)	(1,197,840)
Proceeds from Disposal of Fixed Tangible Assets		27,571	27,789
Payments for Acquisition of Intangible Assets		(18,232)	(116,664)
Proceeds from Disposal of Intangible Assets		0	0
Payments for Acquisition of Non-operating Properties and Real-estates		0	0
Proceeds from Disposal of Non-operating Properties and Real-estates		0	0
Net Cash Inflow (Outflow) from Investing Activities		(1,459,949)	(1,286,715)
Net Cash Inflow (Outflow) before Financing Activities		(477,834,583)	(7,788,275)

Financing Activities		
Increase of Cash Capital	0	0
Treasury Stocks Trading	0	0
Proceeds from Stocks Premium	0	0
Dividends Paid	0	0
Financial Facilities Received	14,157,233	0
Repayment of Financial Facilities Principal	0	0
Net Cash Inflow from Financing Activities	14,157,233	0
Net (Decrease) in Cash Funds	(491,991,816)	(7,788,276)
Cash at the Beginning of the Year	36,100,456	44,939,574
Effects of Exchange Rate Changes on Cash	(41,812)	(1,050,842)
Cash at the End of the Year	528,050,458	36,100,456
Non-cash Transactions	181,004,470	189,074,232

Notes to the Financial Statements

1. History

1.1. General

The Bank Group, including Bank Keshavarzi and the subsidiaries, subject to resolution of Banks' General Assembly dated December 20, 1979, was established through merger of Iran Agricultural Cooperation Bank and Iran Agricultural Development Bank on September 13, 1980 and was registered under number 37596 in Companies Registration Organization. The Bank's Headquarters is based in Tehran.

1.2. Scope of Business

The Bank is administered subject to the statutory bill approved by the Islamic Revolution Council on September 25, 1979, as well as the Banking and Monetary Rules and Regulations, and the Bank's Articles of Association. According to Paragraph 18, Article 5 of the Articles of Association, activity in other fields of the banking industry is permitted.

1.3. Branches

The following table displays the number of branches in the report year and the year before:

	2018-2019		2017-2018	
	By Year-end	Average	By Year-end	Average
Tehran Province Branches	146	167	147	147
Other Provinces Branches	1651	1692	1725	1732
Free-trade Zones Branches	20	19	16	15
Overseas Branches	0	0	0	0
Total	1817	1857	1888	1894

1.4. Employment

The average number of employees in 2017/18 and the preceding year is as follows:

	2018-2019		2017-2018	
	By Year-end	Average	By Year-end	Average
Main Company				
Headquarters and Provincial Directorates	3,090	3,070	3,053	3,118
Tehran Province Branches	1,176	1,407	1,433	1,480
Other Provinces Branches	11,308	11,314	11,566	11,932
Free-trade Zones Branches	95	96	96	100
Overseas Branches	0	0	0	0
Total	15,669	15,887	16,148	16,630
Private Sector Employees	3,634	3,586	3,537	3,509
Total	19,303	19,473	19,685	20,139
Subsidiaries				
Contractual Employees	5,615	5,615	3,345	3,345
Total	24,918	25,088	23,030	23,484

2. Basis for Preparation

The financial statements have been prepared in accordance with the prevailing generally accepted accounting principles, along with CBI monetary and banking regulations. The details of accounting procedures, including changes made within the report year, have been presented in Notes 5 and 6.

3. Basis for Consolidation

3-1 Consolidated financial statements of the banks have been prepared by consolidating the financial statements of the bank and those of the Subsidiaries, subject to consolidation, after omission of inner-groups transactions and balances as well as the unrealized profit and loss resulted by inner-groups trades.

3-2 Regarding the subsidiaries acquired within the report year, the results of their operations have been included in the Consolidated Income Statement as at the date in which the effective control has been transferred to the Main Company. The results of disposed subsidiaries' operations have been included in the Consolidated Income Statement since the disposal date.

3-3 The fiscal year of the Main Company differs from those of the group companies. Thus, the items included in the consolidated financial statements belong to different periods with different duration. Summaries and duration of fiscal years, and financial statements used in the present financial statements are as follows:

Companies	Fiscal Year Ended on	Financial Statements Included in Consolidation	Status of Financial Statements Used	No. of Companies
A. Subsidiaries				
Mehr 78 Logistics Services ¹ Company	December	December 21, 2018	Audited	10
Agricultural Lands Development Company (Land Bank)	December	December 21, 2018	Audited	2
Bank Keshavarzi Brokerage Company	December	December 21, 2018	Audited	1
Karun Agro-industry Company	June	December 21, 2018	Audited	1
Mehr Exchange Company	December	December 21, 2018	Audited	1
Karun Cattle Feed Company	June	June 21, 2018	Audited	1
B. Associated				16
Isfahan Shir Livestock and Agricultural Company	March	March 20, 2019	Audited	1
Kowsar Lands Restoration Company	March	March 20, 2019	Audited	1
Iraq Development Cooperation Bank	January	December 30, 2018	Audited	1
				3

3-4 Consolidated Financial Statements are prepared using uniform accounting procedures regarding the transactions and similar events under similar conditions.

4. Monetary Unit of Operations and Reporting

All items of the financial statements have been measured by the currency of the primary economic environment in which the bank operates. The figures have been presented in million Rials for better understanding unless stipulated otherwise in financial statements and the notes to the financial statements.

5. Judgments and Estimates

In preparation of the financial statements, the bank management has made judgments, estimates and assumptions to determine the most significant effect on the amounts recognized in the financial statements. Real results may differ from the estimates. The judgments and estimates are based on historical events and are regularly reviewed through comparison with the real ones by the management. The main areas for which the judgements and estimates have been used are as follows:

- 5.1. Retirement Benefits Obligations
- 5.2. Contingent Liabilities and Reserves
- 5.3. Control on investee companies

6. Measurement Basis

Except from the following significant items, the financial statements have been prepared in terms of historical cost basis

of historical cost basis subject to consolidation

6.1. Investment in Stocks and other securities in exchange stock

6.2. Investment in subsidiary companies
6.2. Foreign currency assets and liabilities

7. Changes in Accounting Policies

Having observed the consistency of the policies in all report years, the banks has presented the accounting policies in Note 8.

8. Summary of Significant Accounting Policies

8.1. Investments

	Group Consolidated	Bank (Main Company)
Measurement Methods:		
Long-term Investments:		
Investment in Subsidiaries subject to Consolidation	Subject to Consolidation	Cost Price (less Accumulated Impairment Losses)
Investment in Associates	Equity Method	Cost Price (less Accumulated Impairment Losses)
Other Long-term Investments	Cost Price (less Accumulated Impairment Loss of Each investment)	Cost Price (less Accumulated Impairment Loss of Each investment)
Investment in Real Estates	Cost Price (less Accumulated Impairment Loss of Each investment)	Cost Price (less Accumulated Impairment Loss of Each investment)
Current Investments:		
Marketable Investments	Market Value	Market Value
Other Current Investments	Lower of Cost and Net Selling Price of Each Investment	Lower of Cost and Net Selling Price of Each Investment
Income Recognition Method:		
Investment in Subsidiaries	Subject to Consolidation	On Dividend Approval Date by General Assembly of Investee Company Shareholders (as of Financial Statements Approval Date)
Investment in Associates	Equity Method	On Dividend Approval Date by General Assembly of Investee Company Shareholders (as of Financial Statements Approval Date)
Other Long-term and Current Investments in Companies' Shares	On Dividend Approval Date by General Assembly of Investee Company Shareholders (as of Balance Sheet Date)	On Dividend Approval Date by General Assembly of Investee Company Shareholders (as of Balance Sheet Date)
Investment in Other Securities	Upon Realization of Guaranteed Profit	Upon Realization of Guaranteed Profit

8.2. Non-productive Biological Assets

Non-productive biological assets are recognized at fair value less estimated expenses. Estimated expenses to sell include selling commissions, tax and charges. Increases and decreases resulted from recognition of non-productive biological assets at fair value less estimated expenses to sell are considered in profit and loss of incurring period. In case there has been no access to reliable fair value, non-productive biological assets have been calculated at cost price less any impairment.

8.3 Non-current Assets Held for Sale (Real Estates)

Non-current assets, whose book values are mainly recovered through selling not continued use, are categorized as "Held for Sale".

8.4. Productive Biological Assets

Productive biological assets (Layer Chicken, Broiler Layer Chicken, and fruit tress) are recognized at cost price. Production expenses, related to productive biological assets, are included at cost

price by the time they reach the productivity stage.

Asset	Depreciation Rate	Depreciation Method
Layer Chickens	Based on the Flock Age	Declining
Pistachio Tree	99 years	Straight

8.5. Balance of Completed and In-process Projects

Balance of completed and in-process projects are evaluated at lower of cost and net selling price of every item.

8.6. Projects Expenses

Projects expenses include primary studies of penology and topography, renting and land purchase price, contractors', plants and installations purchase and equipment, workshops supervision commissions, as well as interest and baking charges of financial facilities

8.7. Tangible Fixed Assets

8.7.1. Tangible fixed assets are recorded at cost in accounts. Substantial repairs and renovation expenses, which significantly increase the capacity or service life of fixed assets or improve their outcome quality, are considered as capital expenses, to be depreciated over the remaining service life. Maintenance and minor repairs expenses, executed in compliance with the standards of primary evaluated performance and incurred aimed at preservation and improvement of expected economic interests of the bank, are considered as current expenses and are displayed under profit and loss account of the report year.

8.7.2. Subject to Article 151 of the Direct Taxation Code, depreciation of fixed assets are calculated based on the following table:

Depreciation Calculation Method

Asset	Depreciation Rate	Depreciation Method
Building	15 & 25 Years	Straight
Plants and Installations	10 & 15 Years	Straight
Machinery	5, 6 & 10 Years	Straight
Administrative Furniture and Fittings	3, 4, 5, 6 & 10 Years	Straight
Computer Equipment (pc)	3 Years	Straight
Motor Vehicles	4 & 6 Years	Straight
Tools	1 & 4 Years	Straight
Software	5 years	Straight

8.7.3. Depreciation of fixed assets, acquired and used during the month, is calculated from the beginning of the month and is included in the accounts. For any of the depreciable assets, which are not used for a period of time due to interruption of the business or any other reasons, the depreciation is calculated as 30 percent of the rate displayed in the above table.

8.8. Intangible Assets

Intangible assets, except for goodwill, are recorded at cost. Goodwill is depreciated and the impairment testing is carried out at the end of the fiscal year and necessary reserve is considered if needed. Administrative and operation software are depreciated through straight method.

8.9. Recognition of Income from Financial Facilities Granted, Bank Charges and Penalty Funds

Subject to the approval of Monetary and Credit Council, the profit of facilities granted is recognized through accrual method of accounting. No accrual income has been recognized for Doubtful Debts. The following table displays the methods for recognition of incomes.

Facilities Granted, Bank Charges and Penalty Funds	Recognition Method
Profit of Facilities Granted	
Current	Accrual
Past Due	Accrual
Overdue	Accrual
Doubtful	Cash
Late Payment Penalties	
Current	Cash
Past Due	Cash
Overdue	Cash
Doubtful	Cash
Banking Charges	
Issued L/Gs	Cash
Other Bank Services	Cash
Qard-al-Hassanah Facilities	Cash

8.10. Basis for Share of Depositors from Operating Income

In compliance with Usury-free Banking Operations Law and the executive regulations as well as CBI circulars, the operating income, use of operating resources and the share of depositors from operating income are calculated and reported in the statement of investment deposits.

8.11. Classification of Financial Facilities Granted

Based on the regulation for Classification of Credit institutions Assets, approved by the Monetary and Credit Council, financial facilities are categorized based on the duration of default and repayment delay, customer financial status and the of business condition, as follows:

- Current (At most 2 months past the maturity or repayment interruption date)
- Past Due (Between 2 to 6 months past the maturity or repayment interruption date)
- Past Due (Between 6 to 18 months past the maturity or repayment interruption date)
- Doubtful (more than 18 months past the maturity or repayment interruption date)

8.12. Accumulated Impairment of Doubtful Debts

In compliance with the approval of Monetary and Credit Council and CBI circulars, impairment is calculated and displayed as follows:

- General Accumulated Impairment is calculated and recorded equalling 1.5 percent of the total facility balance at the end of the year, excluding the balances of financial facilities, for which specific reserves have been included.
- Allocated Accumulated Impairment to the balance of past due, Overdue and doubtful classes less updated value of collaterals of each case and applying the following:

Class	Index
Past Due	10%
Overdue	20%
Doubtful	50-100%

- For facilities with more than 5 years past the maturity date of principal and the profit, the allocated impairment is considered equalling 100 percent.

8.13. Reserve for Employment Termination Benefits (Retirement Fund)

Reserve for employment termination benefits is calculated based on the latest monthly salary of each employee as well as their constant benefits for each year of employment.

8.14. Employees' pension Benefits Obligation

BK employees are covered by the Banks Retirement Fund and their retirement pension and annuity are paid by the fund. Subject to Article 34 of the Fund's Articles of Association, the fund's deficit will be provided by the member banks.

8.15. Foreign Currency Translation

8.15.1. Domestic Accounts

Foreign currency monetary items, on the balance sheet date (CBI Inter-bank Reference Rate) and non-monetary items (included to the value of historical cost based on FX rate), are translated at the official FX rate on the exchange date. Differences from settlement or translation of foreign currency monetary items are recognized as income or cost of the recognition period and are recorded under Income (Profit or Loss) Statement. According to Article 136 of State Supreme Audit Court, loss and profit incurred due to translation of foreign currency debts and assets of state companies are not considered income or cost. The difference, caused by translation of assets and foreign currency debts, must be included in the provision of foreign currency debts and assets. In case the balance of provision account is indebted, the amount will be included in the Income Statement.

8.15.2. Account of Foreign Operations

The bank does not run any overseas branches. In addition, translation differences of monetary items, which consist parts of the net value of investment in foreign operations, are recognized in the Comprehensive Income (Profit or Loss) and are classified as Shareholders' Equity in the balance sheet by the time they are disposed.

8.16. Treasury Stock

Since 100 percent of the bank ownership shares belong to the government of the Islamic Republic of Iran and the shares are not presented in the stock market, the treasury stock is not included.

8.17. Other Items in Financial Notes

Some accounts include the "Others" items which include some less significant entries with value ceiling amounting to 10 percent of note total.

9. Cash

	Group Consolidated		Bank (Main Company)	
	March 20, 2019 mil. IRR	March 20, 2018 mil. IRR	March 20, 2019 mil. IRR	March 20, 2018 mil. IRR
Cash (in IRR)	5,145,454	4,998,428	5,144,922	4,998,171
Cash (in FC)	1,021,559	513,634	997,799	497,761
Funds In-transfer ¹ (in IRR)	0	0	0	0
Funds In-transfer (in FC)	0	0	0	0
Demand Deposits with CBI	1,173,998	234,515	1,173,998	234,515
Deposits with Other Banks & Credit Institutions (Not Limited)	521,593,336	30,915,525	520,733,739	30,370,009
Petty Cash	13,549	1,442	0	0
	528,947,896	36,663,544	528,050,458	36,100,456

10. Due from Banks and Credit Institutions

	March 20, 2019 mil. IRR	March 20, 2018 mil. IRR
Due from CBI	25,606	25,798
Due from Banks and Credit Institutions	12,718,834	10,885,900
	12,744,440	10,911,698

14. Investment in Stocks and Other Securities

1. Cash transfers not accomplished yet

11. Due from the Government

		Group and Bank (Main Company)						March 20, 2018		
		March 20, 2019						mil. IRR		
		Balance of Principal and Future-years Profit and Deferred Profit	Balance of Profit and Receivable Service Charges	Balance of Receivable Penalties	Future-years Profit	Subsidy of Government Profit Share – Uniform Facilities Rates	Profit & Payable Service Charges	General Provision for Doubtful Debts	Net	Net
Statutory Facilities upon Government Obligation		120,808,414	45,533,470	0	(42)	(422)	0	(2,495,121)	163,846,299	127,327,927
Statutory Facilities upon Government Guarantee		14,599,125	9,431,513	0	0	0	0	(360,460)	23,670,178	21,737,967
Total		135,407,539	54,964,983	0	(42)	(422)	0	(2,855,581)	187,516,477	149,065,894
Less:										
Due to the Government									0	0
									187,516,477	149,065,894

1. Financial Facilities granted to persons in agriculture sector as compliance with some notes of the 2018-2019 Budget Law, based on which the government subsidy covers a portion of the interest rate.

12. Facilities Granted and Due from Public Persons¹

	Group and Bank (Main Company)							March 20, 2018 mil. IRR		
	Balance of Principal and Future-years Profit and Deferred Profit	Balance of Profit and Receivable Bank Charges	Balance of Receivable Penalties	Mudharabah Funds Received & Joint Account for Civil Partnership	Future- years Profit	Profit & Deferred Bank Charges	Total		Accumulated Impairment of Doubtful Debts	Net
	March 20, 2019 mil. IRR									
Installment Sale	2,715	922	0	0	(63)	0	3,584	(54)	3,530	6,638
Jo'aleh	0	0	0	0	0	0	0	0	0	0
Hire Purchase	4,142	847	0	0	(875)	0	4,114	(62)	4,052	2,556
Forward	764	416	0	0	0	0	1,180	(18)	1,162	1,170
Mudharabah	1,404	699	0	0	0	0	2,103	(32)	2,071	2,441
Civil Partnership (Joint Venture)	7,197	9,878	0	(404)	0	0	16,671	(250)	16,421	23,220
Factoring	0	0	0	0	0	0	0	0	0	0
Murabahah (Profit Sharing)	0	0	0	0	0	0	0	0	0	0
Istisna	0	0	0	0	0	0	0	0	0	0
Qard-al-Hassanah	249	6	0	0	0	0	255	(4)	251	280
Other Facilities (in IRR)	0	0	0	0	0	0	0	0	0	0
Other Facilities (in FC)	0	0	0	0	0	0	0	0	0	0
Debtors for L/Gs Paid	0	0	0	0	0	0	0	0	0	0
Debtors for L/Gs Paid	78,849	0	0	0	0	0	78,849	(1,183)	77,666	2,958
Debtors for Bonds & Sukuk Paid	0	0	0	0	0	0	0	0	0	0
Debtors for Paid Credit Cards	0	0	0	0	0	0	0	0	0	0
	95,320	12,768	0	(404)	(928)	0	106,756	(1,603)	105,153	39,263

1 For more information about the Islamic Banking terms. See Islamic Banking Glossary. Public- State or Governmental)

13. Facilities Granted and Due from Non-public Persons

	Group Consolidated							March 20, 2018	
	March 20, 2019						mil. IRR		
	Balance of Principal and Future-years Profit and Deferred Profit	Balance of Profit and Receivable Bank Charges	Balance of Receivable Penalties	Mudharabah Funds Received & Joint Account for Civil Partnership	Future-years Profit	Profit & Deferred Bank Charges	Total	Accumulated Impairment of Doubtful Debts	Net
Installment Sale	209,288,033	30,112,290	0	0	(41,698,269)	(479)	197,701,575	(13,718,738)	183,982,837
Jo'aleh	4,173,325	199,792	0	0	(739,346)	0	3,633,771	(235,018)	3,398,753
Hire Purchase	40,243,255	2,113,600	0	0	(9,772,324)	0	32,584,531	(2,107,442)	30,477,089
Forward	3,163,156	561,007	0	0	0	0	3,724,163	(240,865)	3,483,298
Mudharabah	6,706,289	727,474	0	0	0	0	7,433,763	(480,787)	6,952,976
Civil Partnership (Joint Venture)	248,701,975	26,980,105	0	(17,120,946)	0	0	258,561,134	(16,722,740)	241,838,394
Factoring	3,139,647	522,293	0	0	(199,044)	0	3,462,896	(223,967)	3,238,929
Murabahah (Profit Sharing)	138,532,286	35,570,951	0	0	(29,236,157)	0	144,867,080	(9,369,446)	135,497,634
Istisna	0	0	0	0	0	0	0	0	0
Qard-al-Hassanah	49,787,051	359,412	0	0	0	0	50,146,463	(3,243,281)	46,903,182
Other Facilities (in IRR)	35,571,421	0	0	0	(14,729,180)	0	20,842,241	(1,347,996)	19,494,245
Other Facilities (in FC)	56,825,912	2,204,261	0	(15,474,167)	(115)	0	43,555,891	(2,817,028)	40,738,863
Debtors for L/Gs Paid	9,808,838	0	0	0	0	0	9,808,838	(634,398)	9,174,440
Debtors for L/Gs Paid	421,879	0	0	0	0	0	421,879	(27,286)	394,593
Debtors for Bonds & Sukuk Paid	0	0	0	0	0	0	0	0	0
Debtors for Paid Credit Cards	8,420	0	0	0	0	0	8,420	(544)	7,876
	806,371,487	99,351,185	0	(32,595,113)	(96,374,435)	(479)	776,752,645	(51,169,536)	725,583,109
									572,327,754

Bank (Main Company)							
	March 20, 2019 mil. IRR	March 20, 2019 mil. IRR	Future-years Profit	Profit & Deferred Bank Charges	Total	Accumulated Impairment of Doubtful Debts	Net
	Balance of Principal and Future- years Profit and Deferred Profit	Balance of Profit and Receivable and Receivable Bank Charges	Mudharabah Funds Received & Joint Account for Civil Partnership	Balance of Receivable Penalties	Balance of Profit and Receivable and Receivable Bank Charges	Balance of Profit and Receivable and Receivable Bank Charges	Net
Installment Sale	223,700,759	30,112,290	0	0	212,114,301	(13,718,738)	188,030,795
Jo'aleh	4,173,325	199,792	0	0	3,633,771	(235,018)	3,398,753
Hire Purchase	40,243,255	2,113,600	0	0	32,584,531	(2,107,442)	30,477,089
Forward	3,163,156	561,007	0	0	3,724,163	(240,865)	3,483,298
Mudharabah	6,706,289	727,474	0	0	7,433,763	(480,787)	6,952,976
Civil Partnership	248,701,975	26,980,105	0	0	258,561,134	(16,722,740)	241,838,394
Factoring	3,139,647	522,293	0	0	3,462,896	(223,967)	3,238,929
Murabahah	138,532,286	35,570,951	0	0	144,867,080	(9,369,446)	135,497,634
Istisna	0	0	0	0	0	0	0
Qard-al-Hassanah	49,787,051	359,412	0	0	50,146,463	(3,243,281)	46,903,182
Other Facilities (in IRR)	35,571,421	0	0	0	20,842,241	(1,347,996)	19,494,245
Other Facilities (in FC)	56,825,912	2,204,261	0	0	43,555,891	(2,817,028)	40,738,863
Debtors for L/Cs Paid	9,808,838	0	0	0	9,808,838	(634,398)	9,174,440
Debtors for L/Gs Paid	421,879	0	0	0	421,879	(27,286)	394,593
Debtors for Bonds & Sukuk Paid	0	0	0	0	0	0	0
Debtors for Paid Credit Cards	8,420	0	0	0	8,420	(544)	7,876
	820,784,213	99,351,185	0	(479)	791,165,371	(51,169,536)	739,995,835
			(96,374,435)				584,228,520

	Group Consolidated					
	March 20, 2019			March 20, 2018		
	mil. IRR			mil. IRR		
	Current	Long Term	Total	Current	Long Term	Total
Current Investment in Marketable Stocks	3,170,523	2,252,200	5,422,723	2,047,518	1,991,100	4,038,618
Investment in Other Stocks	0	4,180,262	4,180,262	0	3,910,425	3,910,425
Investment in Other Securities	1,571,420	0	1,571,420	1,663,545	14,023,286	15,686,831
	4,741,943	6,432,462	11,174,405	3,711,063	19,924,811	23,635,874

	Bank (Main Company)					
	March 20, 2019			March 20, 2018		
	mil. IRR			mil. IRR		
	Current	Long Term	Total	Current	Long Term	Total
Current Investment in Marketable Stocks	0	0	0	0	0	0
Investment in Other Stocks	0	2,759,305	2,759,305	0	2,169,251	2,169,251
Investment in Other Securities	0	0	0	0	14,023,286	14,023,286
	0	2,759,305	2,759,305	0	16,192,537	16,192,537

15. Due from Subsidiaries and Associates

	Group Consolidated			
	March 20, 2019		March 20, 2018	
	mil. IRR		mil. IRR	
	Due Balance	Accumulated Impairment of Doubtful Debts	Net	Net
Due from Subsidiaries	137,502	0	137,502	132,713
Due from Associates	2,035,324	(1,962)	2,033,362	1,663,509
	2,172,826	(1,962)	2,170,864	1,796,222

	Bank (Main Company)			
	March 20, 2019		March 20, 2018	
	mil. IRR		mil. IRR	
	Due Balance	Accumulated Impairment of Doubtful Debts	Net	Net
Due from Subsidiaries	24,639,428	(369,591)	24,269,837	24,087,469
Due from Associates	256,836	(3,853)	252,983	72,157
	24,896,264	(373,444)	24,522,820	24,159,626

16. Other Receivable Accounts

	Group Consolidated			
	March 20, 2019 mil. IRR			March 20, 2018 mil. IRR
	Credit Balance	Accumulated Impairment of Doubtful Debts	Net	Net
Dividends Receivable	6,625	(1)	6,624	1,942
Realized Profit from Partnership Bonds	21	0	21	31
Due form Employees	1,910,733	(27,492)	1,883,241	1,366,360
Temporary Debtors	34,501,754	(369,304)	34,132,450	36,562,092
Receivables	1,875,879	0	1,875,879	1,902,258
Others (Profit Receivable from FC Investments)	263,295	(3,949)	259,346	57,177
VAT	1,288	0	1,288	228
	38,559,595	(400,746)	38,158,849	39,890,088

	Bank (Main Company)			
	March 20, 2019 mil. IRR			March 20, 2018 mil. IRR
	Credit Balance	Accumulated Impairment of Doubtful Debts	Net	Net
Dividends Receivable	50	(1)	49	50
Realized Profit from Partnership Bonds	21	0	21	31
Due form Employees	1,832,812	(27,492)	1,805,320	1,321,939
Temporary Debtors	24,620,240	(369,304)	24,250,936	28,052,178
Receivables	0	0	0	0
Others (Profit Receivable from FC Investments)	263,295	(3,949)	259,346	57,177
VAT	0	0	0	0
	26,716,418	(400,746)	26,315,672	29,431,375

17. Tangible Fixed Assets (mil. Rls.)

	Group Consolidated																
	Land	Lands Leveling & Rehabilitation	Roads & Bridges	Building	Electronic & Sports Equipment	Machinery & Equipment	Technical Equipment	Tools	Plants & Installations	Motor Vehicles	Furniture and Fixtures	Reconstruction & Improvement of Leased Properties	Assets under Completion Process	Capitalized Orders and Advances	Capitalized Inventory	Consignment Goods with 3 rd Parties	Total
Cost																	
Balance as of March 21, 2017	5,122,975	26,417	0	7,818,102	20,430	1,177,697	0	11,108	273,161	391,471	4,683,503	76,352	1,833,963	115,076	19,840	2,603	21,584,299
Increase within Fiscal Year	283,652	2,433	0	1,044,822	2,272	22,681	0	1,501	241,036	20,122	525,465	68,570	481,866	137,829	15,500	0	2,847,149
Increase (Decrease) due to Revaluation	0	0	0	0	0	223	0	0	0	0	0	0	0	0	0	0	223
Disposals	(279,064)	0	0	(138,321)	(233)	0	0	(63)	(433)	(5,297)	(88,850)	0	6,327	0	0	0	(456,034)
Transfer and Other Changes	0	183	0	(117,470)	1	(94,013)	0	8	973	(1,034)	(221,566)	(54,080)	(449,147)	(149,573)	(16,628)	(1,108)	(1,103,474)
Balance as of March 20, 2018	5,127,563	29,033	0	8,607,733	22,370	1,106,588	0	12,554	514,727	411,262	4,953,532	90,842	1,873,009	103,332	18,712	1,495	22,872,763
Increase within Fiscal Year	12,957	0	0	52,396	1,882	97,852	0	944	36,414	34,566	291,105	59,777	117,920	150,651	37,451	572	894,587
Increase (Decrease) due to Revaluation	(1,000)	0	0	0	0	(9)	0	0	0	0	0	0	0	0	0	0	(1,009)
Disposals	(63,924)	(29,033)	0	(44,571)	0	(4,923)	0	(4)	(14,584)	(40,271)	(339,296)	(61,632)	0	(69,701)	0	0	(658,039)
Transfer and Other Changes	2,553	0	0	873,353	0	26,894	0	184	(33,277)	48	134,795	0	148,078	(69,073)	(11,100)	7,875	980,230
Balance as of March 20, 2019	5,078,149	0	0	9,488,911	24,252	1,226,402	0	13,578	403,190	405,505	5,040,136	88,987	2,139,007	125,209	45,063	9,942	24,088,532
Accumulated Depreciation and Impairment																	
Balance as of March 21, 2017	0	4,475	0	2,270,719	6,964	573,070	0	6,362	109,098	249,505	2,505,451	0	0	0	0	0	5,725,104
Year Depreciation and Impairment	0	1,119	0	349,962	1,746	18,930	16	1,243	102,141	38,006	436,503	0	0	0	0	0	950,666
Disposals	0	0	0	(20,978)	(300)	(19,115)	0	(31)	(433)	(13,327)	(38,857)	0	0	0	0	0	(103,041)
Transfer and Other Changes	0	0	0	(44,528)	0	(1,201)	0	0	491	(514)	(174,183)	0	0	0	0	0	(219,935)
Balance as of March 20, 2018	0	5,594	0	2,544,635	8,410	571,684	16	7,574	212,297	273,670	2,728,914	0	0	0	0	0	6,352,794
Year Depreciation and Impairment	0	0	0	398,991	1,477	124,524	0	851	(16,620)	32,321	596,209	0	0	0	0	0	1,188,752
Disposals	0	(5,594)	0	(41,313)	0	(2,599)	(16)	(4)	(2,336)	(29,028)	(339,835)	0	0	0	0	0	(420,625)
Transfer and Other Changes	0	0	0	0	0	0	0	0	(1)	(5,604)	(56,966)	0	0	0	0	0	(62,591)
Balance as of March 20, 2019	0	0	0	2,902,313	9,867	693,609	0	8,421	194,440	271,359	2,928,302	0	0	0	0	0	7,008,331
Book Value																	
On March 21, 2017	5,122,975	21,942	0	5,548,523	13,466	604,627	0	4,746	164,063	147,966	2,183,052	76,352	1,833,963	115,076	19,840	2,603	15,859,193
On March 20, 2018	5,127,563	23,439	0	6,063,098	12,960	534,905	(16)	4,980	302,440	137,359	2,224,618	90,842	1,873,009	103,332	18,712	1,495	16,519,969
On March 20, 2019	5,078,149	0	0	6,586,598	14,365	532,794	0	5,257	208,750	134,247	2,111,834	88,987	2,129,007	125,209	45,063	9,942	17,080,201

Bank (Main Company)											
	Land	Building	Plants & Installations	Motor Vehicles	Furniture and Fittings	Reconstruction & Improvement of Leased Properties	Assets under Completion Process	Capitalized Orders and Advances	Capitalized Inventory	Total	
Cost											
Balance as of March 21, 2017	3,908,040	5,624,644	91,765	95,618	4,442,693	76,352	1,853,068	20,373	0	15,111,553	
Increase within Fiscal Year	45,285	949,617	80,573	193	487,911	68,570	369,913	80,888	0	3,082,950	
Increase (Decrease) due to Revaluation	0	0	0	0	0	0	0	0	0	0	
Disposals	(373,826)	(24,331)	(433)	(5,297)	(38,466)	0	0	0	0	(342,353)	
Transfer and Other Changes	0	(600)	253	(746)	(241,060)	(54,080)	(455,467)	(65,635)	0	(817,335)	
Balance as of March 20, 2018	3,679,499	6,549,330	172,158	89,768	4,651,078	90,842	1,766,514	35,626	0	16,034,815	
Increase within Fiscal Year	675	2,648	0	25,130	264,224	59,777	75	37,804	0	390,333	
Increase (Decrease) due to Revaluation	0	0	0	0	0	0	0	0	0	0	
Disposals	(7,978)	(37,878)	(16)	(23,260)	(335,604)	(61,632)	0	0	0	(466,368)	
Transfer and Other Changes	17,957	845,889	(152,946)	(440)	132,484	0	343,166	(59,701)	0	1,126,409	
Balance as of March 20, 2019	2,690,153	7,359,989	19,196	91,198	4,712,182	88,987	2,109,755	13,729	0	17,085,189	
Accumulated Depreciation and Impairment											
Balance as of March 21, 2017	0	1,879,527	38,604	89,199	2,383,303	2,383,303	0	0	0	4,390,633	
Year Depreciation and Impairment	0	246,215	10,549	1,231	404,318	0	0	0	0	662,313	
Disposals	0	(20,913)	(433)	(5,297)	(38,466)	0	0	0	0	(65,109)	
Transfer and Other Changes	0	(13,898)	233	(676)	(182,206)	0	0	0	0	(195,547)	
Balance as of March 20, 2018	0	2,091,931	48,953	84,457	2,566,949	0	0	0	0	4,782,290	
Year Depreciation and Impairment	0	301,545	2,145	3,433	483,431	0	0	0	0	789,554	
Disposals	0	(37,878)	(15)	(24,272)	(325,604)	0	0	0	0	(397,769)	
Transfer and Other Changes	0	(2,632)	(40,769)	848	21,409	0	0	0	0	(21,144)	
Balance as of March 20, 2019	0	2,352,966	10,314	63,466	2,736,185	0	0	0	0	5,163,931	
Book Value											
On March 20, 2016	2,908,040	3,745,117	53,161	6,419	2,059,390	76,352	1,852,068	20,373	0	10,720,920	
On March 20, 2017	2,679,499	4,457,399	123,205	5,311	2,084,129	90,842	1,766,514	35,626	0	11,242,525	
On March 20, 2018	2,690,153	5,007,023	8,882	27,732	1,975,997	88,987	2,109,755	13,729	0	11,922,268	

18. Intangible Assets (mil. RIs.)

	Group Consolidated						
	Goodwill of Business Site	Software	Software Development	Permits and Licenses of Activities	Rights of Using General Services	Other Tangible Assets	Total
Cost							
Balance as of March 21, 2017	448,596	8,914	0	19,047	147,139	2,385	626,081
Increase within Fiscal Year	58,800	7,287	0	0	2,090	98	68,275
Interior Development	0	0	0	0	0	0	0
Increase (Decrease) due to Revaluation	0	0	0	0	0	(101)	(101)
Disposals	(14,897)	0	0	0	(3,418)	0	(18,315)
Transfer and Other Changes	2,246	239,033	0	(19,047)	20,024	18,668	260,924
Balance as of March 20, 2018	494,745	255,234	0	0	165,835	21,050	936,864
Balance as of March 21, 2018	494,745	255,234	0	0	165,835	21,050	936,864
Increase within Fiscal Year	497	10,628	0	0	866	10	12,001
Interior Development	0	0	0	0	0	0	0
Increase (Decrease) due to Revaluation	0	0	0	0	0	0	0
Disposals	(2,632)	(5,350)	0	0	(1,568)	(102)	(9,652)
Transfer and Other Changes	1,635	23,775	0	0	7,154	0	32,564
Balance as of March 20, 2019	494,245	284,287	0	0	172,287	20,958	971,777
Accumulated Depreciation and Impairment							
Balance as of March 21, 2017	0	5,916	0	0	0	0	5,916
Year Depreciation	0	14,183	0	0	0	0	14,183
Impairment Loss	0	0	0	0	0	0	0
Disposals	0	(103)	0	0	0	0	(103)
Transfer and Other Changes	0	181,449	0	0	0	0	181,449
Balance as of March 20, 2018	0	201,445	0	0	0	0	201,445
Balance as of March 21, 2018	0	201,445	0	0	0	0	201,445
Year Depreciation	0	17,007	0	0	0	0	17,007
Impairment Loss	0	0	0	0	0	0	0
Disposals	0	(6,353)	0	0	0	0	(6,353)
Transfer and Other Changes	0	17,382	0	0	0	0	17,382
Balance as of March 20, 2019	0	229,481	0	0	0	0	229,481
Book Value							
On March 21, 2017	448,596	2,998	0	19,047	147,139	2,385	620,165
On March 20, 2018	494,745	53,789	0	0	165,835	21,050	735,419
On March 20, 2019	494,245	54,806	0	0	172,287	20,958	742,296

	Bank (Main Company)				
	Goodwill	Software	Software Development	Rights of Using General Services	Total
Cost					
Balance as of March 21, 2017	399,684	0	0	128,888	528,572
Increase within Fiscal Year	58,800	5,927	0	432	65,159
Interior Development	0	0	0	0	0
Increase (Decrease) due to Revaluation	0	0	0	0	(0)
Disposals	(14,897)	0	0	(3,418)	(18,315)
Transfer and Other Changes	2,246	242,948	0	19,893	265,087
Balance as of March 20, 2018	445,833	248,875	0	145,795	840,503
Balance as of March 21, 2018	445,833	248,875	0	145,795	840,503
Increase within Fiscal Year	497	3,850	0	437	4,784
Interior Development	0	0	0	0	0
Increase (Decrease) due to Revaluation	0	0	0	0	0
Disposals	(2,632)	(5,185)	0	(284)	(8,101)
Transfer and Other Changes	1,634	24,936	0	7,154	33,724
Balance as of March 20, 2018	445,332	272,476	0	153,102	870,910
Accumulated Depreciation and Impairment					
Balance as of March 21, 2017	0	0	0	0	0
Year Depreciation	0	13,921	0	0	13,921
Impairment Loss	0	(103)	0	0	(103)
Disposals	0	0	0	0	0
Transfer and Other Changes	0	181,449	0	0	181,449
Balance as of March 20, 2018	0	195,267	0	0	195,267
Balance as of March 21, 2018	0	195,267	0	0	195,267
Year Depreciation	0	14,976	0	0	14,976
Impairment Loss	0	0	0	0	0
Disposals	0	(5,207)	0	0	(5,207)
Transfer and Other Changes	0	17,382	0	0	17,382
Balance as of March 20, 2019	0	222,418	0	0	222,418
Book Value					
On March 21, 2017	399,684	0	0	128,888	528,572
On March 20, 2018	445,833	53,608	0	145,795	645,236
On March 20, 2019	445,332	50,058	0	153,102	648,492

19. Legal and Governmental Deposits

	Group and Bank (Main Company)	
	March 20, 2019 mil. IRR	March 20, 2018 mil. IRR
Legal Deposit – Deposits with Primary Inland Branches (in IRR)	81,534,422	64,735,654
Legal Deposit – Deposits with Primary Inland Branches (in FC)	0	0
Legal Deposit – Deposits with Free-trade Zone Branches (in IRR)	684,129	684,129
Legal Deposit – Deposits with Free-trade Zone Branches (in FC)	0	0
Legal Deposit with Central Banks of Other Countries (in FC)	0	0
Total Legal Deposits of Public Deposits	0	0
	82,218,551	65,419,783

20. Other Assets

	Group Consolidated		Bank (Main Company)	
	March 20, 2019 mil. IRR	March 20, 2018 mil. IRR	March 20, 2019 mil. IRR	March 20, 2018 mil. IRR
Customers' Net Debts for Term L/Cs (in IRR)	3,790,307	1,246,990	3,790,307	1,246,990
Non-operating Properties and Real Estates	4,100,653	4,120,662	0	0
Repossessing Collateral	12,862,627	13,870,661	12,862,627	13,870,661
Prepayments for Leased Buildings	0	0	0	0
Prepayments for Assets Insurance	60,085	106,188	0	0
Prepayments for Branches Leasing	1,042,717	987,237	1,042,717	987,237
Supplies Inventory	180,393	138,700	180,393	138,700
Non-productive Biological Assets	869,515	380,931	0	0
Productive Biological Assets	1,543,358	854,631	0	0
Materials and Goods Inventory	1,669,345	1,760,393	0	0
Funds In-transfer	0	8,438,977	0	8,438,977
Gold and Silver	1,474	1,483	1,474	1,483
Tax Stamp	33,059	33,159	33,059	33,159
Prepayments for Purchases	322,771	276,632	0	0
Prepayments for Contractors	28,506	30,675	0	0
Foreign Orders	187,315	234,164	0	0
Prepayments for Supervision of Properties and Real Estates	18,043	15,476	0	0
Prepayments for Tax	217,142	1,621	0	0
Real Estates Repossessed	26,283	30,199	0	0
Deposits for Banking L/Gs	9,539	9,441	0	0
Projects Completed and In-process	1,026,137	1,060,543	0	0
Consolidated Goodwill	15,492	20,988	0	0
Others	2,430,340	1,382,336	2,375,298	1,137,500
	30,435,101	35,002,087	20,285,875	25,854,707

21. Due to Banks and Other Credit Institutions

	Group Consolidated		Bank (Main Company)	
	March 20, 2019 mil. IRR	March 20, 2018 mil. IRR	March 20, 2019 mil. IRR	March 20, 2018 mil. IRR
Central Bank of I.R. Iran				
Deposit (in IRR)			0	0
Sight Deposit (in FC)	283,098,443	164,643	283,098,443	164,643
Time Deposit (in FC)	39,120,493	2,215,503	39,120,493	2,215,503
Due for Checking Account Overdraft	57,446,663	26,096,927	57,446,663	26,096,927
Exchange Differences Due	0	0	0	0
Due to FXRA	0	0	0	0
Inter-banks Account (SHETAB)	181,097	12,522,790	181,097	12,522,790
Financial Facilities Received (in IRR)	11,713,000	0	11,713,000	0
Financial Facilities Received (in FC)	0	0	0	0
Others	0	0	0	0
	<u>391,559,696</u>	<u>40,999,863</u>	<u>391,559,696</u>	<u>40,999,863</u>
Banks and Domestic Credit Institutions				
Sight Deposit (in IRR)	173,828	134,647	173,828	134,647
Sight Deposit (in FC)	128,998,558	22,218,757	128,998,558	22,218,757
Payment of BK-issued Checks by Other Banks	0	0	0	0
Inter-banks Fund Unused	0	0	0	0
Financial Facilities Received (in IRR)	694,179	2,808,793	308,314	537,787
Financial Facilities Received (in FC)	0	0	0	0
Others	0	0	0	0
	<u>129,866,565</u>	<u>25,162,197</u>	<u>129,480,700</u>	<u>22,891,191</u>
Foreign Banks				
Sight Deposit (in IRR)	0	0	0	0
Sight Deposit (in FC)	8,605	9,140	8,605	9,140
Financial Facilities Received (in FC)	2,135,919	0	2,135,919	0
Due for Checking Account Overdraft	0	0	0	0
	<u>2,144,524</u>	<u>9,140</u>	<u>2,144,524</u>	<u>9,140</u>
	<u>523,570,785</u>	<u>66,171,200</u>	<u>523,184,920</u>	<u>63,900,191</u>

22. Customers' Deposits

	Group Consolidated		Bank (Main Company)	
	March 20, 2019 mil. IRR	March 20, 2018 mil. IRR	March 20, 2019 mil. IRR	March 20, 2018 mil. IRR
Real Customers				
Sight Deposit and the Like	93,338,420	64,817,300	93,338,420	64,817,300
Saving Deposits and the Like	57,506,432	40,908,381	57,506,432	40,908,381
Other Deposits and Advance Payments	898,602	803,344	898,602	803,344
	151,743,454	106,529,025	151,743,454	106,529,025
Legal Customers				
Sight Deposit and the Like	95,071,417	48,321,535	95,071,417	48,321,535
Saving Deposits and the Like	28,415,700	1,497,091	30,234,645	2,226,709
Other Deposits and Advance Payments	3,687,850	5,827,803	3,687,850	5,827,803
	127,174,967	55,646,429	128,993,912	56,376,047
	278,918,421	162,175,454	280,737,366	162,905,072

23. Dividends Payable: Since 100 percent of the bank's ownership shares belong to the Government of the Islamic Republic of Iran, and subject to the Law for the 5th FYDP of I.R. Iran, the bank incurred losses in the report year and the assigned measures for 50 percent of the declared dividends is not taken into consideration.

24. Bonds

	Group Consolidated and Bank (Main Company)						
	Date of Issue	Date of Maturity	On-account/ Determined Interest Rate (%)	Nominal Value mil. IRR	Bonds Depreciation mil. IRR	Year-end Balance	
						March 20, 2019 mil. IRR	March 20, 2018 mil. IRR
Joint Venture (Partnership) Bonds	Nov. 12, 2005	Nov. 11, 2008	17	0	0	76	76
Sukuk	0	0	0	0	0	0	0
				0	0	76	76

25. Performance (Income) Tax Provision

	Group Consolidated		Bank (Main Company)	
	March 20, 2019 mil. IRR	March 20, 2018 mil. IRR	March 20, 2019 mil. IRR	March 20, 2018 mil. IRR
Balance at the Beginning of the Year	2,530,908	367,386	2,009,836	42,739
Provision for Year Income Tax	232,002	6,459,890	0	6,027,337
Amendment of Prior Years Income Tax	50,343	3,157	30,000	(18,779)
Paid during the Year	(388,016)	(4,254,291)	0	(4,011,461)
	2,425,237	2,576,142	2,039,836	2,039,836
Tax Advance Payments	(73,763)	(45,234)	(60,000)	(30,000)
Balance at the End of the Year	2,351,474	2,530,908	1,979,836	2,009,836

26. Provisions and Other Liabilities

	Group Consolidated		Bank (Main Company)	
	March 20, 2019 mil. IRR	March 20, 2018 mil. IRR	March 20, 2019 mil. IRR	March 20, 2018 mil. IRR
Profit and Bank Charges Payable	34,490,573	29,350,962	34,490,573	29,350,962
Bank's Debts for Term L/Cs (in IRR)	0	0	0	0
Payables of Group's Companies from Real and Corporate Persons	6,712,685	4,536,604	0	0
Financial Facilities Received from NDF	26,629,685	29,310,309	26,629,685	29,310,309
Insurance Premium Payable	534,007	1,086,274	0	0
Payable and Withholding Taxes	93	118,870	0	5,501
Notes Payable	417,703	373,389	0	0
Provision for Redemption of Employees Leaves	0	0	0	0
Provision for Expenses Payable	2,633,605	1,919,392	2,088,777	1,609,645
Membership Fees Payable to Deposits Guarantee Fund	779,557	626,023	779,557	626,023
Funds In-transfer	27,047	0	27,047	0
Facilities Received from FXRA	24,854,856	15,579,083	24,854,856	15,579,083
Bank's Debts for Term Drafts and L/Cs (in FC)	2,723,091	1,456,285	2,723,091	1,456,285
Provision for Good Performance	255,172	115,651	0	0
Deposits for Insurance	104,856	117,750	0	0
Deposits for Mortgage	36,900	36,900	0	0
Provision for 5% Declared Profit	0	0	0	0
Tax Stamp	0	0	0	0
VAT	102,787	98,722	0	0
Salary Tax Payable	171,985	34,097	137,471	8,742
Other Liabilities (Money Orders with Branches)	17,297	363,524	17,297	363,524
Advance Receipts	403,517	627,757	0	0
Received Obligations Transferable to Farmers	265,378	249,164	0	0
Others	12,149	951,406	0	0
Total	101,172,943	86,952,162	91,748,354	78,304,573
Balance of Liabilities for Granted Facilities out of FXRA subject to National Development Plan	(6,500,000)	(6,500,000)	(6,500,000)	(6,500,000)
Balance at the End of the Year	94,672,943	80,452,162	85,248,354	71,804,573

27. Retirement Fund

	Group Consolidated					
	March 20, 2019 mil. IRR			March 20, 2018 mil. IRR		
	Reserve for Employment Termination Benefits	Reserve for Employees Retirement Benefits Obligations	Total	Reserve for Employment Termination Benefits	Reserve for Employees Retirement Benefits Obligations	Total
Balance at the Beginning of the Year	9,342,626	(5,338,641)	14,681,267	9,214,140	(507,791)	8,706,349
Paid during the Year	(852,234)	(5,073,554)	(5,925,788)	(1,103,166)	0	(1,102,166)
Provision Provided during the Year	1,653,134	1,402,000	3,055,134	1,231,652	5,846,432	7,078,084
Balance at the End of the Year	10,143,526	1,667,087	11,810,613	9,342,626	(5,338,641)	14,681,267

	Bank (Main Company)					
	March 20, 2019 mil. IRR			March 20, 2018 mil. IRR		
	Reserve for Employment Termination Benefits	Reserve for Employees Retirement Benefits Obligations	Total	Reserve for Employment Termination Benefits	Reserve for Employees Retirement Benefits Obligations	Total
Balance at the Beginning of the Year	8,890,511	5,338,641	14,229,152	8,850,174	(507,791)	8,342,382
Paid during the Year	(617,443)	(5,073,554)	(5,690,997)	(1,084,609)	0	(1,084,609)
Provision Provided during the Year	1,513,402	1,402,000	2,915,402	1,124,946	5,846,432	6,971,378
Balance at the End of the Year	9,786,470	1,667,087	11,453,557	8,890,511	5,338,641	14,229,152

28. Customers' Investment Deposits

	Group Consolidated		Bank (Main Company)	
	March 20, 2019 mil. IRR	March 20, 2018 mil. IRR	March 20, 2019 mil. IRR	March 20, 2018 mil. IRR
Term Investment Deposits				
Long-term Investment Deposits	467,068,092	413,826,083	467,585,192	415,080,330
Short-term Investment Deposits	228,551,726	170,882,497	228,551,726	170,882,497
Special Short-term Investment Deposits	39,851	2,062,046	39,851	2,062,046
Investment Deposits Received from Banks and Credit Institutions	25,804,648	14,057,854	25,804,648	14,057,854
	721,464,317	600,828,480	721,981,417	602,082,727
Profit Payable to Term Investment Deposits				
Long-term Investment Deposits	339,347	8,444	339,347	8,444
Short-term Investment Deposits	43,605	0	43,605	0
Special Short-term Investment Deposits	0	0	0	0
Investment Deposits Received from Banks and Credit Institutions	91,444	53,359	91,444	53,359
	474,396	61,803	474,396	61,803
	721,938,713	600,890,283	722,455,813	602,144,530

29. Capital

Date of Capital Increase Registration	Capital Increase %	Capital Increase Amount mil. IRR	New Capital Amount	Capital Increase Resource
1981	0	0	103,749	- Establishment Capital
2004	2557	2,652,462	2,756,211	- Revaluation of Immovable Properties
2005	191	5,264,908	8,021,119	- Revaluation of Fixed Assets
2015	91	7,261,400	15,282,519	- Code of Productivity Increase (FXRA Facilities)
2016	18	2,738,366	18,020,884	- Code of Natural Resources Productivity Increase
2017	239	43,000,000	61,020,884	- 2016 Budget Law and 2017 Budget Amendment
2018	49	30,000,000	91,020,884	- Out of Provisions for Profit and Penalties of Overdraft and Credit Lines from CBI
Year Ended on March 20, 2019			91,020,884	

30. Flowing Capital Increase

During the report year, the bank's flowing capital, equaling RIs. 3,665,058 million, was provided out of assigned funds.

31. Stocks Premium Reserve

Since 100 percent of the bank's shares belong to the government of I.R. Iran, Stocks Premium Reserve is not included in the bank's financial statements.

32. Legal Reserve

	Group Consolidated		Bank (Main Company)	
	March 20, 2019 mil. IRR	March 20, 2018 mil. IRR	March 20, 2019 mil. IRR	March 20, 2018 mil. IRR
Balance at the Beginning of the Year	948,644	900,331	770,317	770,317
Transfer from Allocable Profit	83,715	90,793	0	0
Not Subject to Consolidation	(136)	(1,100)	0	0
Minority Share	(37,579)	(41,380)	0	0
Balance at the End of the Year	994,644	948,644	770,317	770,317

33. Other Reserves

At the end of the report year, there is no balance for Main Company's "Other Reserves".

	Group Consolidated	
	March 20, 2019 mil. IRR	March 20, 2018 mil. IRR
Retained Earnings Allocated to Subsidiaries' Capital	979,652	979,652
Completion and Development Reserve	4,110	4,110
General Reserve	1,073	1,073
Less:		
Minority Share	(2,430)	(2,430)
Contingent reserve	9	9
	982,414	982,414

34. Assets Revaluation Surplus

	March 20, 2019 mil. IRR		March 20, 2018 mil. IRR	
	Assets Revaluation	Disposed, Depreciated and Retired/Capital Increase	Balance of Assets Revaluation	Balance of Assets Revaluation
2004	3,450,112	(3,450,112)	0	0
	3,450,112	(3,450,112)	0	0

35. Foreign Currency Translation Differences

	Group Consolidated	
	March 20, 2018 mil. IRR	March 20, 2017 mil. IRR
FC Translation Differences of Foreign Operations	1,061,533	830,148
Operations of Development Cooperation Bank	1,061,533	830,148
	1,061,533	830,148
Results of Legal Changes in FX Rate	0	0
	1,061,533	830,148

36. Treasury Stocks

Since 100 percent of the bank shares belong to the government of the Islamic Republic of Iran and the shares are not presented in the stock market, the treasury stock items are not included in the bank's financial statements.

37. Statement of Investment Deposits

	Note	(Restated)	
		March 20, 2018 Mil. IRR	March 20, 2017 Mil. IRR
Operating Income			
Income from Financial Facilities	38	109,644,396	98,534,208
Income from Deposits and Debt Securities	38	2,246,825	2,356,608
Net Investment Profit (Loss)	39	1,364,068	201,337
Total Operating Income		113,255,289	101,092,153
Bank Resources' Share from Operating Income	40	(23,027,966)	(20,532,288)
Depositors' Share from Operating Income before Commission		90,227,323	80,559,865
Commission	41	(5,999,148)	(4,346,868)
Depositors' Share from Operating Income		84,228,175	76,212,997
Prize for Legal Reserve of Investment Deposits	40	623,726	448,414
Compensation for Surplus Cost of Depositors' Free Resources to Operating Uses	42	0	0
Finalized Profit Belonging to Investment Deposits		84,851,901	76,661,411
On-account Profit Paid to Investment Deposits	43	(96,250,308)	(79,196,489)
Difference of Profit Payable (Paid Profit Surplus) to Depositors		(11,398,407)	(2,535,078)

38. Income from Financial Facilities Granted, Deposits and Debt Securities

	Group Consolidated					
	March 20, 2019 mil. IRR			March 20, 2018 mil. IRR		
	Operating	Non-operating	Total	Operating	Non-operating	Total
Income from Facilities Granted	109,711,254	671,891	110,383,145	97,377,548	634,285	98,011,833
Income from Deposits and Debt Securities	2,415,797	1,425,482	3,841,279	2,709,261	666,058	3,375,319
Total Income from Facilities and Deposits	112,127,051	2,097,373	114,224,424	100,086,809	1,300,343	101,387,152

	Bank (Main Company)					
	March 20, 2019 mil. IRR			March 20, 2018 mil. IRR		
	Operating	Non-operating	Total	Operating	Non-operating	Total
Income from Facilities Granted	109,664,396	671,891	110,316,287	98,534,208	634,285	99,168,493
Income from Deposits and Debt Securities	2,246,825	1,425,482	3,672,307	2,356,608	666,058	3,022,666
Total Income from Facilities and Deposits	111,891,221	2,097,373	113,988,594	100,890,816	1,300,343	102,191,159

39. Net Investments Profit (Loss)

	Group Consolidated					
	March 20, 2019 mil. IRR			March 20, 2018 mil. IRR		
	Operating	Non-operating	Total	Operating	Non-operating	Total
Investments Realized Profit						
Profit (Loss) from Investment Funds' and Companies' Stocks	436,520	0	436,520	239,964	0	239,964
Profit from Disposal of Investment Funds' and Companies' Stocks	27,389	0	27,389	32,462	0	32,462
Total Investments Realized Profit (Loss)	463,909	0	463,909	272,426	0	272,426
Investments Impairment Loss						
Net Investments Impairment Loss	1,094,359	0	1,094,359	(135,284)	0	(135,284)
Investments Net Profit	1,558,268	0	1,558,268	137,142	0	137,142

	Bank (Main Company)					
	March 20, 2019 mil. IRR			March 20, 2018 mil. IRR		
	Operating	Non-operating	Total	Operating	Non-operating	Total
Investments Realized Profit						
Profit from Investment Funds' and Companies' Stocks	273,665	0	273,665	321,380	0	321,380
Profit from Disposal of Investment Funds' and Companies' Stocks	(3,956)	0	(3,956)	15,232	0	15,232
Total Investments Realized Profit	269,709	0	269,709	336,612	0	336,612
Investments Impairment Loss						
Net Investments Impairment Loss	1,094,359	0	1,094,359	(135,275)	0	(135,275)
Investments Net Profit	1,364,068	0	1,364,068	201,337	0	201,337

40. Share of Bank Resources from Operating Income

Fiscal Year	Ratio of Bank Resources to Total Resources (%)	Operating Income mil. IRR	Share of Bank Resources from Operating Income mil. IRR
2017-2018	20	101,092,153	20,532,288
2018-2019	20	113,255,289	23,027,966

41. Commission

Subject to Approval No. 8, dated March 10, 2018, the bank's commission for the report year has been declared equaling one percent.

$$\text{Commission} = \text{Rate of Commission} \times \text{Average of Depositors' Free Resources}$$

42. Compensation for the Cost of Depositors' Free Resources Surplus to Operating Uses
Upon Circular No. 94/69383 dated June 10, 2015, compensation for the cost of depositors' free resources surplus is calculated as follows:

$$\text{Depositors' Free Resources Surplus to Operating Uses} \times \frac{\text{Operating Income}}{\text{Average Operating Uses}} = 0 \times \frac{113,255,289}{753,025,981} = 0$$

43. On-account Profit Paid to Investment Deposits

	Group Consolidated		Bank (Main Company)	
	March 20, 2019 mil. IRR	March 20, 2018 mil. IRR	March 20, 2019 mil. IRR	March 20, 2018 mil. IRR
Short-term Deposits	21,437,706	21,997,793	21,523,739	22,170,594
Special Short-term Deposits	39,641	416,107	39,641	416,107
Long-term Deposits	0	0	0	0
Certificate of Deposit	24,155,136	1,348,675	24,155,136	1,348,675
One-Year	43,592,026	45,146,177	43,592,026	45,146,177
Two-Year	83,015	218,503	83,015	218,503
Three-Year	145,129	272,337	145,129	272,337
Four-Year	168,202	207,730	168,202	207,730
Five-Year	3,376,190	5,975,180	3,376,190	5,975,180
Investment Deposits Received from Banks and Credit Institutions	3,167,230	3,441,186	3,167,230	3,441,186
	96,164,275	79,023,688	96,250,308	79,196,489

44. Cost of Deposits Interest

	Group Consolidated		Bank (Main Company)	
	March 20, 2019 mil. IRR	March 20, 2018 mil. IRR	March 20, 2019 mil. IRR	March 20, 2018 mil. IRR
Interest of Rial Investment Deposits	96,164,275	79,023,688	96,250,308	79,196,489
Interest of Special Certificate of Deposit	0	0	0	0
Interest of FC Deposits	651,938	70,522	651,938	70,522
	96,816,213	79,094,210	96,902,246	79,267,011

45. Fee Income

	Group Consolidated		Bank (Main Company)	
	March 20, 2019 mil. IRR	March 20, 2018 mil. IRR	March 20, 2019 mil. IRR	March 20, 2018 mil. IRR
Net Bank Charges of Qard-al-Hassanah Operations	652,609	414,250	652,609	414,250
Letter of Credit Opened	227,020	234,401	227,020	234,401
Letters of Guarantees Issued	104,290	94,735	104,290	94,735
Foreign Exchange Operation	614,284	194,334	614,284	194,334
Assigned Funds	2,615	3,449	2,615	3,449
Bank Drafts	34,664	21,587	34,664	21,587
Collateral Evaluation	133,070	70,592	133,070	70,592
Review of Customers' Credit Files	535,953	397,390	535,953	397,390
SHETAB Project	2,235,765	1,900,709	2,235,765	1,900,709
Bank Charges	1,354,126	934,417	1,354,126	934,417
Profit of Islamic Treasury Bonds (AIF)	1,216,361	75,049	1,216,361	75,049
Commission Received from Holders of Special Certificates of Deposit	0	0	0	0
Bank Charges of Interbank Funds	448,137	701,821	448,137	701,821
Income from Using Repossessed Properties	12,641	3,461	12,641	3,461
Bank Charges of Accounts Holding	248,090	40,579	248,090	40,579
Bank Charges of Drafts	8,264	6,648	8,264	6,648
Bank Charges of Issuing Non-payment Certificate	73,342	99,659	73,342	99,659
Bank Charges of Records Cleaning	36,400	41,778	36,400	41,778
Bank Charges of Financial Facilities	705,695	686,499	705,695	686,499
Other Services	679,619	623,201	679,619	623,201
	9,322,945	6,544,559	9,323,665	6,544,559

46. Fee Expenses

	Group and Bank (Main Company)	
	March 20, 2019 mil. IRR	March 20, 2018 mil. IRR
SHETAB Charges	1,606,725	1,487,959
POS Charges	5,275,349	4,121,980
Clearing House Charges	0	442
Bank Charges Paid to Foreign Banks	172,009	35,515
	7,054,083	5,645,896

47. Net Profit (Loss) of Foreign Exchange and Transactions

	Group Consolidated		Bank (Main Company)	
	March 20, 2019 mil. IRR	March 20, 2018 mil. IRR	March 20, 2019 mil. IRR	March 20, 2018 mil. IRR
Foreign Exchange Profit (Loss)	348,152	242,024	0	0
FX Translation profit (Loss)	(41,813)	(1,050,842)	(41,813)	(1,050,842)
	(306,339)	(808,818)	(41,813)	(1,050,842)

48. Other Operating Income

Within the report year, no “Other Operating Income” has been reported for the Group and the Bank.

49. Net Other Income and Expenses

	Group Consolidated		Bank (Main Company)	
	March 20, 2019 mil. IRR	March 20, 2018 mil. IRR	March 20, 2019 mil. IRR	March 20, 2018 mil. IRR
Gain on Disposal of Tangible and Intangible Fixed Assets	40,351	127,739	27,571	27,789
Gain on Disposal of Productive Biological Assets	20,288	22,598	0	0
Gain (loss) on Disposal of Collaterals Repossessed	726,963	241,062	726,963	183,596
Income from Rent of Branch Managers' Residential Units	4,405	4,129	4,405	4,129
Services Offering Income	547,607	3,001,703	0	0
Gain on Sale of Products	2,683,867	(227,419)	0	0
Charges of Sent SMSs	567,142	501,713	567,142	501,713
Depreciation of Capital Prepayments	0	(16,372)	0	0
Bank Charges and Stamp Mutilation	(104)	(4,426)	0	0
Loss on Translation of Non-operating Liabilities and Assets	(49,500)	(11,192)	0	0
Others	(73,587)	25,388	0	0
Miscellaneous	312,841	180,432	312,841	180,432
	4,780,273	3,845,355	1,638,922	897,659

50. Administrative and General Expenses

	Group Consolidated		Bank (Main Company)	
	March 20, 2019 mil. IRR	March 20, 2018 mil. IRR	March 20, 2019 mil. IRR	March 20, 2018 mil. IRR
Personnel Expenses	26,364,597	22,008,029	25,641,859	21,469,849
Administrative Expenses	7,672,813	7,735,283	7,562,247	8,354,687
	34,037,410	29,743,312	33,204,106	29,824,536

51. Doubtful Debts Expenses

	Group Consolidated		Bank (Main Company)	
	March 20, 2019 mil. IRR	March 20, 2018 mil. IRR	March 20, 2019 mil. IRR	March 20, 2018 mil. IRR
Specific Expenses of Doubtful Debts of Facilities Granted and Claims	2,153,630	8,487,894	2,153,630	8,477,159
General Cost of Facilities Granted and Claims	2,151,044	3,731,053	2,522,525	3,731,053
	4,304,674	12,218,947	4,676,155	12,208,212

52. Financial Cost

	Group Consolidated		Bank (Main Company)	
	March 20, 2019 mil. IRR	March 20, 2018 mil. IRR	March 20, 2019 mil. IRR	March 20, 2018 mil. IRR
Profit of Facilities from Other Banks and Credit Institutions	3,365,629	1,807,297	2,140,954	1,774,017
Profit and Penalties of Facilities Received from CBI	1,961,547	0	1,961,547	0
Penalties Paid	0	0	0	0
Financial Cost of Debt Securities	0	0	0	0
Penalties for Overdraft from Checking Account with CBI	4,070,258	639,811	4,070,258	639,811
Others	0	(2)	0	0
	9,397,434	2,447,106	8,172,759	2,413,828

53. Depreciation Expenses

	Group Consolidated		Bank (Main Company)	
	March 20, 2019 mil. IRR	March 20, 2018 mil. IRR	March 20, 2019 mil. IRR	March 20, 2018 mil. IRR
Depreciation of Tangible Fixed Assets	849,377	736,521	789,554	662,314
Depreciation of Intangible Assets	15,534	14,380	14,976	13,921
	864,911	750,901	804,530	676,235

54. Yearly Adjustments

	Group Consolidated		Bank (Main Company)	
	March 20, 2019 mil. IRR	March 20, 2018 mil. IRR	March 20, 2019 mil. IRR	March 20, 2018 mil. IRR
Accumulated Effects of Changes in Accounting Policies	0	0	0	0
Correction of Errors	(9,116,093)	(15,738,350)	(9,197,102)	(15,796,227)
	(9,116,093)	(15,738,350)	(9,197,102)	(15,796,227)

55. Consolidated Statement of Net Profit

	Group Consolidated	
	March 20, 2019 mil. IRR	March 20, 2018 mil. IRR
Net Profit (Loss)	(21,805,816)	(24,334,176)
Depreciation Expenses	864,911	750,901
Doubtful Debts Expenses	4,304,674	12,218,947
Dividends from Investment Shares and Legal Partnership	0	0
Net Increase of Provision for Benefits of Employment Service Termination and Retirement Obligations (Retirement Fund)	(2,870,654)	5,917,088
Net Increase (Decrease) of Income Tax Payable	0	0
Gain (Loss) on Disposal of Tangible Fixed Assets and Intangible Assets	(40,351)	(127,739)
Gain (Loss) on Disposal of Non-operating Properties and Real Estates	0	0
Net Increase (Decrease) of Financial Costs Payable	9,397,434	2,447,106
Profit Share of NDF (Agent Contract)	0	0
Net (Profit) Loss of FX Translation in Cash	41,813	1,050,842
	11,697,827	22,257,145
Net Increase (Decrease) of Operating Liabilities		
Due to Banks and Other Credit Institutions	442,856,487	(16,512,080)
Customers' Deposits	116,742,967	25,752,273
Dividends Payable	0	0
Debt Securities	0	0
Operating Portion of Provisions and other Liabilities	(14,204,218)	(23,083,514)
Investment Deposits	121,048,430	195,806,196
	694,852,102	181,962,874
Net Increase (Decrease) of Operating Assets		
Due from Banks and Other Credit Institutions	(1,832,742)	(4,948,090)
Due from Government	(38,450,583)	(40,219,614)
Facilities Granted and Due from Public Persons	(65,890)	503,721
Facilities Granted and Due from Non-public Persons	(157,560,029)	(117,672,965)
Investment in Stocks and Other Securities	(12,692,854)	(3,446,008)

Due from Subsidiaries and Associates	(374,642)	(484,977)
Other Accounts Receivable	1,731,239	(16,537,249)
Required Reserve	(16,798,768)	(19,604,115)
Operating Portion of Other Assets	4,566,986	(5,347,819)
	(196,091,575)	(207,757,116)
Net Cash Inflow (Outflow) from Operating Activities	488,652,538	(27,871,272)

	Bank (Main Company)	
	March 20, 2019 mil. IRR	March 20, 2018 mil. IRR
Net Profit (Loss)	(24,540,443)	(27,262,039)
Depreciation Expenses	804,530	676,235
Net Increase of Provision for Benefits of Employment Service Termination and Retirement Obligations (Retirement Fund)	(2,775,596)	4,790,994
Net Increase (Decrease) of Financial Costs Payable	0	0
Net Increase (Decrease) of Income Tax Payable	0	0
Gain (Loss) on Disposal of Tangible Fixed Assets and Intangible Assets	(27,571)	(27,789)
Gain (Loss) on Disposal of Non-operating Properties and Real Estates	0	0
Net Increase (Decrease) of Financial Costs Payable	41,813	1,050,842
	(1,956,824)	6,490,282
Net Increase (Decrease) of Operating Liabilities		
Due to Banks and Other Credit Institutions	445,127,494	7,850,391
Customers' Deposits	117,832,294	25,041,543
Dividends Payable	0	0
Debt Securities	0	0
Operating Portion of Provisions and other Liabilities	13,681,452	(15,857,665)
Investment Deposits	120,311,283	197,003,819
	696,952,523	214,038,088
Net Increase (Decrease) of Operating Assets		
Due from Banks and Other Credit Institutions	(1,832,742)	(4,948,090)
Due from Government	(38,450,583)	(40,219,614)
Facilities Granted and Due from Public Persons	(65,890)	503,721
Facilities Granted and Due from Non-public Persons	(159,201,786)	(112,500,617)
Investment in Stocks and Other Securities	(13,433,233)	(2,384,046)
Due from Subsidiaries and Associates	(363,194)	(3,914,694)
Other Accounts Receivable	3,115,703	(11,497,256)
Required Reserve	(16,798,768)	(19,604,115)
Operating Portion of Other Assets	9,003,303	(5,203,181)
	(191,160,724)	(199,767,892)
Net Cash Inflow (Outflow) from Operating Activities	479, 294,532	(6,501,561)

56. Non-cash Transactions

	Group and Main Company	
	March 20, 2019 mil. IRR	March 20, 2018 mil. IRR
Assets Repossession in lieu of Facilities Granted	3,434,471	2,955,814
Settlement of Due from Government with Facilities from CBI	0	0
Trade-off of Assets with Facilities Granted	0	0
Facilities Granted for Settlement of Preceding Years Facilities (Extension)	177,500,165	156,118,418
Assets Exchange	68,942	0
Capital Increase from Shareholders' Matured Claims	0	0
Capital Increase from Assets Revaluation Surplus	0	0
Non-cash Capital Increase	0	30,000,000
Settlement for Execution of 2018 Budget Act (Article F, Note 5)	892	0
	181,004,470	189,074,232

57. Off-balance Sheet Items**57.1 Obligations for IRR and Foreign Currency L/Cs (mil. IRR)****57.1.1 Statement of Obligations for Foreign Currency L/Cs in the Main Company**

Sight L/Cs	Balance at the Beginning of the Year			Opened within the Year			Deposited Within the Year			Effects of Rate Changes within the Period			Balance at the End of the Year		
	No.	FC Amount	IRR Equivalent	No.	FC Amount	IRR Equivalent	No.	FC Amount	IRR Equivalent	No.	FC Amount	IRR Equivalent	No.	FC Amount	IRR Equivalent
US Dollar	0	0	0												
Euro	281	548,293,314	25,358,017	105	1,281,632,590	62,887,222	277	1,560,142,298	76,416,464	109	269,783,606	11,102,831	109	269,783,606	22,931,606
Swiss Franc	35	2,382,944	94,191	8	147,164,782	6,264,096	27	147,127,364	6,269,748	16	2,420,362	92,898	16	2,420,362	181,437
Turkish Lira	5	14,525,752	139,578	5	85,398,803	669,021	3	86,859,216	674,466	7	13,065,339	45,137	7	13,065,339	179,270
South Korean Won	135	141,198,095,019	4,967,914	59	39,343,008,603	1,521,006	172	96,554,936,036	3,709,484	22	83,986,167,586	2,793,046	22	83,986,167,586	5,572,482
Japanese Yen	27	4,515,973,648	1,608,680	11	368,570,503	142,437	18	3,341,954,151	1,251,729	20	1,542,590,000	540,472	20	1,542,590,000	1,039,860
Chinese Yuan	174	5,201,028,263	30,909,711	144	457,623,974	2,952,891	222	757,335,167	4,870,134	96	4,901,317,070	25,755,244	96	4,901,317,070	54,747,712
Emirates Dirham	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Indian Rupee	101	198,514,007	115,138	49	8,717,801,227	5,307,327	121	7,907,736,796	4,675,793	29	1,008,578,438	360,747	29	1,008,578,438	1,107,419
Russian Ruble	3	77,467,500	50,896	12	2,296,328,742	1,454,755	5	1,412,455,021	900,924	10	961,341,221	516,197	10	961,341,221	1,120,924
	761		63,244,125	393		81,198,755	845		98,768,742	309		41,206,572	309		86,880,710
Term L/Cs															
US Dollar															
Euro	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Swiss Franc	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Turkish Lira	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
South Korean Won	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Japanese Yen	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Chinese Yuan	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Emirates Dirham	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Indian Rupee	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
	761		63,244,125	393		81,198,755	845		98,768,742	309		41,206,572	309		86,880,710

57.1.2 No balance has been reported for the Bank's Obligations regarding Rial L/Cs

57.2 Obligations for Issued IRR and Foreign Currency L/Gs (mil. IRR)

	March 20, 2019 mil. IRR		March 20, 2018 mil. IRR	
	FC Amount	IRR Equivalent	FC Amount	IRR Equivalent
Euro	7,589,957	404,220	12,567,471	437,988
Emirates Dirham	-	-	-	-
US Dollar	436,204	16,441	436,204	14,142
Turkish Lira	-	-	-	0
Indian Rupee	119,097,660	70,780	18,880,000	88,774
Japanese Yen	-	-	-	-
South Korea Won	-	-	-	-
Chinese Yuan	-	-	-	-
		491,441		540,904

58. Capital Commitments, Contingent Assets and Liabilities (mil. IRR)

58.1 Capital Commitments incurred by signed and approved contracts on balance sheet date, include:

	Group Consolidated		Bank (Main Company)	
	March 20, 2019 mil. IRR	March 20, 2018 mil. IRR	March 20, 2019 mil. IRR	March 20, 2018 mil. IRR
Branch Building Construction	0	0	0	0
Purchase of Auto Vehicles	0	0	0	0
Construction Activities	684,770	229,675	684,770	229,675
	684,770	229,675	684,770	229,675

58.2 Contingent Liabilities on balance sheet date include:

	Group Consolidated		Bank (Main Company)	
	March 20, 2019 mil. IRR	March 20, 2018 mil. IRR	March 20, 2019 mil. IRR	March 20, 2018 mil. IRR
Disposal of Factoring Contracts to Other Banks	0	0	0	0
Lawsuits Filed against the Bank	15,920,000	11,275,000	15,920,000	11,275,000
Opened L/Cs	86,880,710	63,244,125	86,880,710	63,244,125
Contingent Liabilities of Mehr 78 Services Company	1,999,337	1,215,912	0	0
Contingent Liabilities of Agricultural Lands Development Company	823,827	793,827	0	0
Contingent Liabilities of Bank Keshavarzi Brokerage Company	655,138	1,109,140	0	0
	106,279,012	77,638,004	102,800,710	74,519,125

59. Earnings Per Share (mil. IRR)

	Group Consolidated		Bank (Main Company)	
	March 20, 2019 mil. IRR	March 20, 2018 mil. IRR	March 20, 2019 mil. IRR	March 20, 2018 mil. IRR
Earnings before Taxes (Loss)	(21,568,622)	(17,870,494)	(24,540,443)	(27,262,038)
Less:				
Income Tax	(237,194)	(6,463,682)	0	0
Net Profit (Loss)	(21,805,816)	(24,334,176)	(24,540,443)	(27,262,038)
Weighted Average Number	91,020,884,344	72,990,754,067	91,020,884,344	72,990,754,067
Basic Earnings Per Share	(240)	(333)	(270)	(373)

60. Events after the Reporting Period

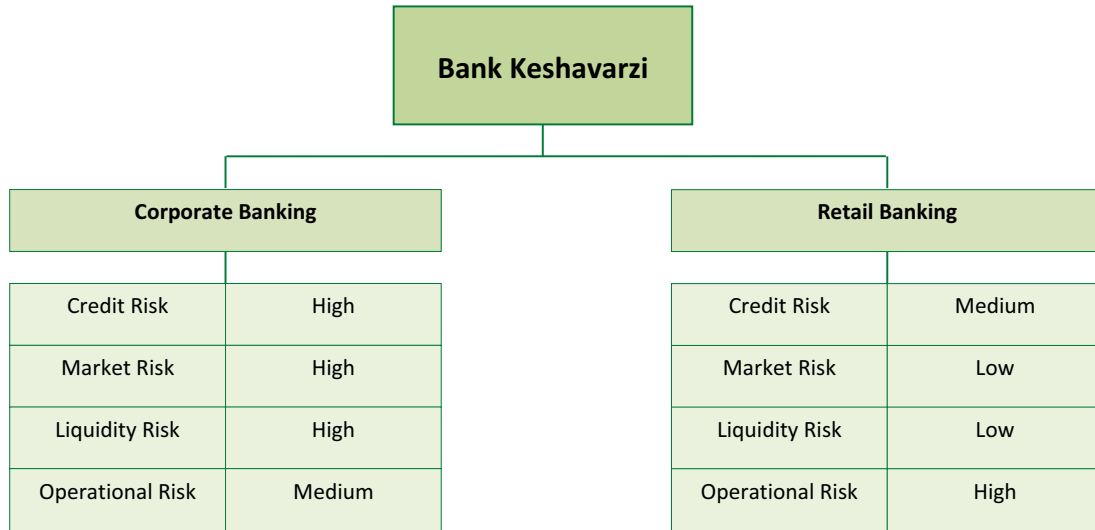
- There were no changes in the registered capital of the bank during the reporting period.
- According to the resolution of Banks General Assembly, dated August 13, 2018, and Letters of Appointment No. 111170 and 111122, dated August 21, 2018, Messrs Farhad Fanoodi and Kiamarz Ghasemi Zaniani were appointed as the bank's executive members of the Board of Directors during the reporting period.
- According to the resolution of Banks General Assembly, dated January 17, 2018, and Letter of Appointment by The Minister of Economic Affairs and Finance, No. 90/2407338 dated January 17, 2018, Mr. Rouhollah Khodarahmi, was appointed as the bank's Chairman and Managing Director during the reporting period.
- There were no restrictions or disciplinary measures, executed by CBI, on the business operation of the bank during the reporting period.
- There was no case of acquisition, merger or split-off during the reporting period.
- There was no damage or loss due to theft, embezzlement or unprecedented disasters during the reporting period.

61. Bad Debts (mil. IRR)

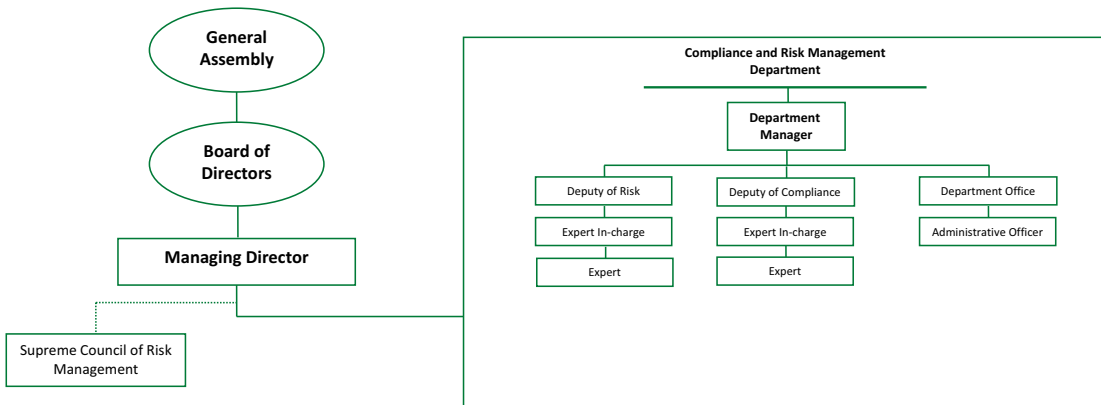
	Due to Financial Facilities	Other Claims	Total
Bad Debts at the Beginning of the Year	52,001	0	52,001
Bad Debts during the Year	11	984	995
Bad Debts Collected during the Year	0	0	0
Bad Debts at the End of the Year	52,012	984	52,996

62. Risks Description

62.1 Exposure of Departments to Risks:



62.2 Organizational Chart of Risk management Department:



Islamic Banking Glossary

Civil Partnership

Civil Partnership contract involves mixing the capital of one or more partners with the capital of the bank on a joint-venture basis to do a specific job in the fields of production, trade ... for a limited period.

Hire purchase

Hire purchase or leasing is a type of asset finance that allow firms or individuals to possess and control an asset during an agreed term, while paying rent or installments covering depreciation of the asset, and interest to cover capital cost.

Istisna

Istisna is a contract of Partnership, whereby the funding party agrees to deliver a commodity or an asset at a pre-determined future time at an agreed pre-determined future time at an agreed price.

Jo'aleh

Under Jo'aleh contract, one party purchases another party's services for a specified commission. The bank functions as either Ja'el or contractor depending on the situation and the customers' needs.

Mudharabah

Mudharabah is a profit sharing contract in which one party provides capital (funds) and the other (the managing trustee) provides labor and management expertise.

Murabahah

Murabahah is a type of sales contract where the bank buys a product on behalf of a client and resells the product to the same client by clearly mentioning the cost incurred in buying the product and the margin or the mark-up when reselling the product to the client.

Sukuk

Sukuk is a type of financial certificate, whose characteristics are similar to those of a conventional bond with the key difference being that they are assets backed. Sukuk represent proportionate beneficial ownership in the underlying tangible asset(s) of particular projects or investment activity.

Abbreviations and Acronyms

ADFIMI: Association of National Development Finance Institutions in Member Countries of IDB
 AIF: Agricultural Products Insurance Fund
 AML: Anti-money Laundering
 ATM: Automated Teller Machine
 APRACA: Asia Pacific Rural and Agricultural Credit Association
 BK: Bank Keshavarzi
 BKSC: Bank Keshavarzi Securities Company
 bn: billion
 CBI: The Central Bank of the Islamic Republic of Iran
 CD: Certificate of Deposit
 CICA: Confederation Internationale Du Credit Agricole
 CRM: Customer Relation Management
 Dept.: Department
 DC: Documentary Credit
 E-banking: Electronic Banking
 ECSDP: Economic, Cultural and Social Development Plan
 FC: Foreign Currency
 Forex: Foreign Exchange
 FYDP: Five-year Development Plan
 FXRA: Foreign Exchange Reserve Account
 GDP: Gross Domestic Product
 ha: hectare
 I.C. Bank: Islamic Cooperation Bank for Investment
 ICD: Islamic Corporation for the Development of the Private Sector
 IDB: Islamic Development Bank
 IFSB: Islamic Financial Services Board
 Info.: Information
 Int'l: International
 IRFIU: Iran Financial Intelligence Unit
 IRR: Iran Rial
 ITFC: International Islamic Trade Finance Corporation
 JCPOA: Joint Comprehensive Plan of Action
 KYC: Know Your Customer
 L/C: Letter of Credit
 L/G: Letter of Guarantee
 LSU: Livestock Unit
 MBI: Monetary and Banking Act of Iran
 MCC: Money and Credit Council
 mil.: million
 NDF: National Development Fund
 NENARACA: Near East and North Africa Regional Agricultural Credit Association
 POS: Point of Sale
 QH: Qard-al-Hassanah
 IRR: Rials
 ROA: Return on Assets
 ROE: Return on Equity
 SAO: State Audit Organization
 SHETAB: Shabakeh Tabādol Etelā'āt Bain Bānki (Inter-bank Information Transfer Network)
 SME: Small and Medium Enterprises
 SMS: Short Message System
 STR: Suspicious Transaction Reports
 USD: United States Dollar



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