

Bank Mellat (Public Joint Stock Co.)

Report of Independent Auditor and Legal Inspector

together with

Consolidated Financial Statements of the Group & Bank

for the fiscal year ended on March 20, 2015

Bank Mellat (Public Joint Stock Co.)

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Emblem
I.R. of Iran
Ministry of Economic Affairs and Finance
Audit Organization

Report of Independent Auditor & Legal Inspector
to Ordinary General Meeting of the Shareholders
Bank Mellat (Public Joint Stock Co.)

Report on the Financial Statement

Preamble

1. Consolidated balance sheet of the **Group and Bank Mellat (Public Joint Stock Co.)** on March 20, 2015 and consolidated statements of profit and loss and comprehensive profit and loss and cash flow of the group and bank for the fiscal period ended on the said date, together with accompanying Explanatory Notes 1-60 have been audited by this Organization.

Responsibility of the Board of Directors in Respect of Financial Statements

2. The Bank's Board of Directors is responsible for preparation of financial statements according to the accounting standards. Such responsibility includes design, exercise and maintenance of internal controls related to preparation of financial statements, in such a manner that such statement are free from material misstatement, whether due to fraud or error.

Responsibility of the Auditor and Legal Inspector

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

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is adequate and appropriate to provide a basis for our expressing qualified opinion concerning the consolidated financial statements of the group and the parent company.

Additionally, this organization is responsible to act as the legal inspector and report to the ordinary general meeting of the shareholders the required cases and also any non-compliance with due legal requirements set out in the monetary and banking regulations, usury-free operations, Commercial Code as amended, as well as provisions of the Articles of Association of the Bank.

Basis of Expressing a Qualified Opinion

4. By virtue of Article (29) of the Articles of Association of the Banks' Personnel Retirement & Disability Fund the current value of the Fund's future obligations had to be reviewed each three years and the obligation of each relevant member bank had to be supplied after approval of the general meeting of the Fund. To this end, a reserve of IRR 11,164 billion was considered in the accounts in the past years, and sum of IRR 3,700 billion thereof was paid. Nevertheless, no future actuary obligations (except for IRR 709 billion) for the three-year period of 2011-2013 and also no estimation for the year 2014 have been reflected in the accounts. Further, the actuary obligations calculated on the basis of resolutions adopted in the Meeting held on July 05, 2014 by the specialist of the Fund's Trustee Board, as notified to the

Fund's Trustee Board's Members, have been declared as IRR 30,400 billion, irrespective of the Bank's share in the current value of the Fund's assets. Supply of more reserve for this respect is necessary, but designation of final adjustment amount shall hinge on notification of final sum the said Fund.

5. As detailed in the explanatory notes (9) and (10), a part of customers' non-current liabilities for sum of IRR 87,379 billion (preceding year: IRR 77,625 billion) has been depreciated with new conditions and they have been transferred to the current class by their settlement by installment, they have been recognized as earning due from such process. Reviews made on the status of receivables from such customers in the past indicate failure in their total collection at their maturity dates. Additionally, the provisions of Circulars 2823MB, dated February 24, 2007, 91/21270, dated April 19, 2012 and 93/337180, dated March 05, 2015 issued by the Central Bank of I.R. of Iran concerning breaking down and classification of granted facilities and lack of return of reserve of the depreciated facilities and accounting the required reserve for doubtful accounts have not been completely complied with. With regard to the foregoing concerning compliance with the said circulars and accounting standards, although adjustment of accounts is final in this regard, it is not possible for this organization to designate its amount.

Expressing a Qualified Opinion

6. In opinion of this organization, except for the effects set out in Clauses (4) and (5), the said financial statements, fairly present, in all material respects, the financial position of the group and Bank Mellat (Public Joint Stock Co.) as at March 20, 2015, and their financial performance and their cash flows for the year then ended in accordance with Accounting Standards.

Emphasis of a Matter

7. We draw the attention of the shareholders' general meeting to this matter that profit available for distribution as per the consolidated financial statements of the group is less than the profit available for distribution according to the Bank's financial statements. Hence, this matter is important for prevention of distribution of fictitious interests upon deciding on distribution of profit.
8. As detailed in the Explanatory Note (6-2) according to the Circular 60/1015, dated December 07, 2013 issued by the Central Bank of I.R. of Iran, the reported bank claimed sum of IRR 12,791 billion from the Central Bank of I.R. of Iran by registration of FC obligation in the central Bank's System, which has been decided to be specially audited. Further, as detailed in the Explanatory Note (6-1) in the late year ended March 2012 in consideration of Approval No. 47698T/M/90-34030, dated January 05, 2012, the Five-Member Committee of FC Issues Organization, the Central Bank withdrawn net sum of IRR 2,537 billion out of the Bank Mellat Account as the differential of the FC Rate which was recorded as the liability account of Central Bank in the books and follow-ups are still in progress to this end. The opinion of our Organization concerning the effect of these provisions of this clause is not qualified.
9. As it is reflected in the Explanatory Note (25-2), according to Article (7) and Clause (1) of Article (9) of the Directive of the amount and procedures of collecting fee for membership in the Deposits Guarantee Fund, subject of Resolution H4837T/100998, dated July 24, 2013, and Amending Resolution No. H49837T/850501, dated March 01, 2015, approved by the Council of Ministers, the bank is liable to the said Fund in consideration of the initial and annual membership fee, for which sum of IRR 175 billion has been paid on-account basis, and sum of IRR 1,704 billion reserve has been recorded in the accounts.
10. As it has been reflected in the explanatory notes (24) and (25), on the strength of the decision of the Tax Dispute Board, indicating accepting the cost of doubtful accounts, the Bank has recorded tax reserves for the years 2011 through 2013 (irrespective of the issued final and assessment tax notices) in 2010, assuming acceptance of the such cost. It is to be noted that bank has objected to the assessment and final tax notices issued in the preceding years, and this is being pursued through dispute settlement boards and tax supreme council; nevertheless, no decision has been notified up to date of this report.
11. The entry of receivables from the government (explanatory note 8 of financial statements), including IRR 3,841 billion, is mainly related to the actuary cost prior to privatization of the Bank, water-power participating bonds in the year 2007 and credit facilities from ABC Bank, for which no documentation, indicating they are guaranteed by the government, has been provided to this Organization; hence, the authenticity of classification of the above-said items as a part of receivable due from the government is not proved to this Organization. In consideration of accrued interest concerning receivables in the year 2012, the Bank has considered in the receivables audit report sum of IRR 1,760 billion more than the declared interest. Further, the Bank has calculated and recorded in the accounts of the year 2014 sums of IRR 6,152 billion and IRR 3,968 billion in consideration of accrued interest of receivables for respectively for the years 2013 and 2014, irrespective of rates of initial contracts, according to the

interest rates of transactional contracts (15% and 22%), the acceptance of which will be dependant on special auditing.

12. The entry of granted facilities and receivables from other persons, other assets and receivables from the government (explanatory notes (10), (16) and (8) of financial statements), including total sum of IRR 10,464 billion receivable from Tehran Municipality, Tehran Subway Co., Wagon Making Co. (affiliated to the Municipality) and Mashhad Municipal participating bonds, facilities paid to the Municipalities of provinces related to ABC Bank of Bahrain, which despite their being past due, they have been reflected in the current class on the strength of agreement, dated April 10, 2012 with Tehran Municipality. Conducted reviews indicate failure in total execution of the provisions of the said letter of understanding concerning their collection.
13. As detailed in the explanatory note (18-2), Bank Mellat (acting as an agent bank) repayment of liability to the FC Reserve Fund (not offset), facilities granted to the persons which has depreciated, deems subject to collection from the said persons.
Opinion of this organization is not qualified due to the effect of the clauses (8) through (13).

Report on other Legal Requirements and Regulations of Bank Mellat (Public Joint Stock Co.)
Report on other Responsibilities of Legal Inspector

14. Instances of failures in observing binding circular letters and approvals in the banking system in 2014 have been notified to the Central Bank of I.R. of Iran through a separate letter by this Organization.
15. According to the available information, the amount of embezzlement from the Bank during the reported fiscal year amounts to IRR 276 billion, and the collected amounts from the said embezzlement unto the date of this report was IRR 50 billion. It is to be noted that the declared embezzled amount is not in conformity with the books.
16. Detailed statement of calculations related to differential of final profit and investment deposits account disclosed in the Explanatory Note (40) of the financial statements have been audited in compliance with the provisions of Circular No. 126331, dated March 09, 2009 issued by the Central Bank of I.R. of Iran. In this respect, no cases of non-compliance with the provisions of the said Circular were found.
17. Failures in compliance with legal requirements set out in the Commercial Code, as amended and provisions of the Bank's Articles of Association, are as follows:
 - 17-1. We draw the attention of the shareholders' general meeting to the financial effects of materials set out in the clauses of this report:
 - 17-2. Following-ups made by the Bank for a resolution at the ordinary general meeting, dated July 21, 2014, the shareholders reached no final result concerning Clauses (4), (9), (20) and (22) of this report.
 - 17-3. Articles of Association of the Bank was approved by the EGM and registered at the Registry of Companies on January 13, 2015; nevertheless, it has not been completely executed in some cases. We draw the attention of the Shareholders' general meeting to the Article (115) of Articles of Association concerning Max. distribution of profit, i.e., 10%, when adequacy of capital is less than 8%.
18. We reviewed the transactions set out in the Explanatory Note (59-1) reported as the total transactions made subject to Article (129) of the Commercial Code, as amended, during the reported fiscal year, as notified to our Organization by the Board of Directors. Concerning such transactions, the provisions of the above-said article indicating receiving authorization from the board of directors and non-participation of the beneficiary manager in voting were observed. Further, this organization found no evidences indicating such transactions were conducted in improper trading conditions and irregular trend of the banking operations.
19. We reviewed the board's report concerning the activity and general status of the bank, subject of Article (232) of Commercial Code, as amended, which was drawn up to be presented to the Shareholders' Ordinary General Meeting. To this end, we found no material instances indicating discrepancy of the information set out in the said report with the documents presented by the board of directors.

Report on other legal and regulatory responsibilities of the Auditor

20. Executive Directive of disclosure of information of companies registered by the Securities and Exchange Org., set out below, have not been observed:
 - 20-1. provision of reports and financial statements in various points of time during the reported year within due deadlines.
 - 20-2. Total presentation and disclosure of financial statements of the bank as per the sample presented by the Securities and Exchange Org.

20-3. Provisions of Article (10) of directives internal controls concerning designation of the president of the Audit Committee out of the board members.

21. Entry of investments and partnerships (Explanatory Note 13 of Financial Statements), includes IRR 4,695 billion as the cost price of investment in companies' shares; the required information in consideration of the status of the said investments was not provided.
22. Toward execution of Article (33) of the Executive Directive of Anti-Money-Laundry by the auditors, we reviewed observance of the provisions set out in the said law and the relevant by-laws and directives, as per the checklists notified by the relevant authority and audit standards. Despite establishment of anti-money laundry unit at bank's network and carrying out some measures to this end, the provisions of the said law and the applicable directives have not be totally executed in the banking system.

Date: July 12, 2014

Audit Organization

Mr. Bahram Sadoghianzadeh (Signed)

Mr. Mohammad Hossein Khatibzadeh (Signed)

In The Name Of God
Bank Mellat (Public Joint Stock Co.)
Explanatory Notes of the Financial Statements
For the Fiscal Year Ended on March 20, 2015

Securities and Exchange Organization

Please find attached consolidated financial statements together with financial statements of Bank Mellat concerning fiscal year ended on March 20, 2015. Constituents of the financial statements are as follows:

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Consolidated financial statements of group and financial statement of bank Mellat were prepared on the basis of accounting standards and approved by Board of Directors of Bank on July 12, 2015.

Board Members	Position	Signature
Mr. Ali Rastegar	Board Member & Managing Director	Signed
Mr. Mostafa Zarghami	Board Member	Signed
Mr. Kourosh Madelat	Board Member	Signed

Bank Mellat (Public Joint Stock)
Consolidated Balance Sheet as at March 20, 2015

Assets	Note	March 20, 2015	Restated March 20, 2014	Liabilities & Equities	Note	March 20, 2015	Restated March 20, 2014
		Million Rials	Million Rials			Million Rials	Million Rials
Cash	5	22,056,529	20,249,716	Liability to the central bank	18	251,491,067	234,759,523
Receivables from the Central Bank	6	160,214,833	108,833,625	Liability to banks & credit institutes	19	55,401,382	53,179,150
Receivables from banks & credit institutes	7	104,438,026	145,869,160	Sight deposits	20	207,558,461	263,819,958
Receivables from the government	8	53,212,718	44,382,694	Saving deposits & similar items	21	56,831,768	59,373,961
Granted facilities & Receivables from the governmental sector	9	244,446,078	277,432,621	Time investment deposits	22	622,647,090	540,182,946
Granted facilities & Receivables from the other persons	10	661,184,765	568,940,692	Other deposits	23	54,605,112	63,032,161
Debtors concerning FC L/Cs and time drafts	11	13,157,925	25,022,038	Payable tax	24	2,327,390	1,825,318
Participating bonds & other similar bonds	12	16,463,031	14,100,479	Reserves & other liabilities	25	87,944,636	72,886,485
Investments & partnerships	13	37,662,540	34,383,359	Liability for accepting L/Cs & timed FC drafts	26	13,358,299	25,403,084
Fixed tangible assets	14	47,163,761	43,024,799	Payable divided	27	1,764,658	124,024
Intangible assets	15	3,469,657	2,516,526	Reserve for personal termination benefits	28	6,407,802	5,021,282
Other assets	16	104,514,126	109,270,380	Items in transit	17	26,188,014	0
Items in transit	17	0	5,703,491	Total Liabilities		1,386,525,680	1,319,602,893
				Shareholder's Equity:			
				Capital	29	40,000,000	33,100,000
				On-account capital increase		0	7,013,705
				Parent company's shares owned by the subsidiary company	30	(1,575,017)	(1,406,993)
				Reserves	31	16,783,320	12,766,085
				Subsidiary companies capital – out of reassessment surplus	32	420,484	306,777
				Difference of conversion of FC assets & liabilities	33	3,580,406	3,736,755
				Accumulated profit (loss)		20,246,158	22,522,990
				Total parent co. shareholders' equity		79,455,351	78,039,319
				Minority share	34	2,002,958	2,087,367
				Total shareholders' equity		81,458,309	80,126,686
				Total liabilities & shareholders' equity		1,467,983,988	1,399,729,579
Total Assets		1,467,983,988	1,399,729,579				
Obligations	56			Obligations	56		
Obligations for L/Cs		49,953,647	64,241,431	Party to obligations due to L/Cs		49,953,647	64,241,431
Obligations for guarantees		142,536,792	142,289,255	Party to obligations due to guarantees		142,536,792	142,289,255
Other obligations		269,514,606	251,124,007	Party to other obligations		269,514,606	251,124,007
Administered funds & similar cases		2,637,477	2,831,756	Party to the administered funds & similar cases		2,637,477	2,831,756
		464,642,523	460,486,449			464,642,523	460,486,449

Explanatory Notes Constitute an Integral Part of the Financial Statements

Bank Mellat (Public Joint Stock Co.)
Consolidated Profit & Loss Statement
for the Fiscal Year Ended on March 20, 2015

	Note	March 20, 2015		Restated March 20, 2014
		Million Rials	Million Rials	Million Rials
A- Income due from Joint Activities				
Profit due from granted facilities	35	77,723,297		63,293,415
Sales of goods & earning due from providing services	36	30,451,848		21,253,165
Profit due from investments and deposits	37	19,044,867		11,907,819
Total joint incomes			127,220,012	96,454,399
Less:				
Cost price of sold goods and rendered services	38	(27,427,031)		(18,580,857)
On-account interest of investment deposits	39	(95,411,621)		(59,267,694)
(deficit) surplus payment to depositors	40	(0)		(0)
Interest - depositor's share			(122,838,652)	(77,848,551)
Interest - bank's share and attorney's fee			4,381,360	18,605,848
B- Non-Joint Incomes				
Received profit & retention money	41	43,832,998		27,465,005
Received commission	42	18,372,567		13,778,422
Other incomes	43	3,525,617		13,128,180
Total non-joint income			65,731,182	54,371,607
Total Bank's income			70,112,542	72,977,455
C- Expenses				
Admin, & general expenses	44	(27,671,233)		(26,556,289)
Doubtful accounts expenses	45	(5,122,150)		(10,935,213)
Personnel's retirement expenses (actuary)	46	(0)		(300,000)
Financial expenses	47	(15,297,982)		(10,112,648)
Other expenses	48	(5,715,092)		(781,510)
Total Bank expenses			(53,806,457)	(48,685,660)
Pre-tax profit			16,306,085	24,291,795
Less: Tax			(1,463,148)	(2,313,763)
Net Profit			14,842,937	21,978,032
Minority share			164,248	279,054
Basic earnings per share - IRR (with a capital of IRR 40,000,000 million)	51		376	566
Turnover of Consolidated Retained Profit Account				
Net profit			14,842,937	21,978,032
Opening retained profit		20,771,692		12,441,152
Yearly adjustments	49	2,115,835		4,611,984
Opening retained profit - adjusted			22,887,527	17,053,136
			37,730,464	39,031,168
Approved dividend			(13,200,000)	(5,296,000)
Profit available for appropriation			24,530,464	33,735,168
Appropriation of Profit				
Legal reserve		(4,102,517)		(3,947,641)
Transfer to the parent company's account		(0)		(6,900,000)
			(4,102,517)	(10,847,641)
Year-end retained profit			20,427,947	22,887,527
Minority share out of retained profit			181,790	364,537
Retained profit - attributable to shareholder of parent company			20,246,158	22,522,990

Explanatory notes constitute an integral part of the of financial statements

Bank Mellat (Public Joint Stock Co.)
Consolidated Comprehensive Profit & Loss Statement
for the Fiscal Year Ended on March 20, 2015

	Note	March 20, 2015 Million Rials	Restated March 20, 2014 Million Rials
Net profit		14,842,937	21,978,032
Surplus of reassessed fixed tangible assets		113,707	0
Differential of conversion of financial statements of branches abroad	33	(156,349)	3,195,328
Comprehensive profit of the fiscal year		14,800,295	25,173,360
Annual adjustments	49	2,115,835	4,611,984
Comprehensive profit (loss) recognized as of the date of preceding period reporting		16,916,130	29,785,344
Minority share due from fiscal year comprehensive profit		164,248	163,377

Explanatory notes constitute an integral part of the of financial statements

Bank Mellat (Public Joint Stock Co.)
Consolidated Cash Flow Statement
for the Fiscal Year Ended on March 20, 2015

	Note	March 20, 2015		Restated March 20, 2014
		Million Rials	Million Rials	Million Rials
Operating Activities				
Net in-flow of cash funds due from operating activities	52		27,500,257	18,769,509
Return on investments & paid profit in consideration of financing				
Paid dividend		(11,025,168)		(6,912,045)
Dividend to minority shareholders		(534,198)		(415,701)
Net cash out-flow due to investments return & paid-up profit due to financing			(11,559,366)	(7,327,746)
Income Tax				
Paid-out income tax			(5,288,949)	(3,025,448)
Investment Activities				
Payments due to investments		(9,931,121)		(1,982,691)
Received funds due from sales of investments		1,300,276		466,159
Payments due to purchase of tangible & intangible fixed assets		(2,901,408)		(6,048,742)
Received funds due from selling tangible fixed assts		376,983		840,391
Net cash outflow due to investment activities			(11,155,270)	(6,724,883)
Net cash outflow prior to financing activities			(503,328)	1,691,432
Financing Activities				
Net repayment of facilities from banks abroad		(12,481)		(35,086)
Net received facilities from other banks by the group companies		49,134		1,670,520
Changes in parent company's shares owned by subsidiaries		(168,024)		(99,964)
Net cash in-(out)flow due from/to financing activities			(131,371)	1,535,470
Net Decrease in Cash Fund				
			(634,699)	3,226,902
Opening cash balance	53		26,214,893	22,987,991
Year-end cash balance	53		25,580,194	26,214,893
Non-cash transactions	54		4,575,267	3,311,766

Explanatory notes constitute an integral part of the of financial statements

Bank Mellat (Public Joint Stock)
Balance Sheet on March 20, 2015

Assets	Note	Restated March 20, 2015 March 20, 2014	Restated March 20, 2015 March 20, 2014	Liabilities & Equities	Note	Restated March 20, 2015 March 20, 2014	Restated March 20, 2015 March 20, 2014
		Million Rials	Million Rials			Million Rials	Million Rials
Cash balance	5	15,666,708	14,980,894	Liability to the central bank	18	251,491,067	234,759,523
Receivables from the Central Bank	6	160,214,833	108,833,625	Liability to banks & credit institutes	19	54,945,387	52,772,289
Receivables from banks & credit institutes	7	105,002,834	145,654,680	Sight deposits	20	208,730,164	266,956,078
Receivables from the government	8	53,212,718	44,382,694	Saving deposits & similar items	21	56,831,835	60,150,743
Granted facilities & Receivables from the governmental sector	9	244,446,078	277,432,621	Time investment deposits	22	624,831,520	541,924,951
Facilities granted to group member companies	10	14,800,949	14,626,160	Other deposits	23	43,037,486	50,659,692
Granted facilities and receivables from other persons	10	659,350,208	566,313,057	Payable tax	24	1,669,031	747,510
Debtors concerning FC L/Cs and time drafts	11	13,157,925	25,022,038	Reserves & other liabilities	25	86,530,662	71,261,496
Participating bonds & other similar bonds	12	14,194,139	16,227,620	Liability for accepting L/Cs & timed FC drafts	26	13,358,299	25,403,084
Investments & partnerships	13	24,859,671	21,897,422	Payable divided	27	73,811	29,355
Fixed tangible assets	14	41,980,727	39,552,896	Reserve for personal termination benefits	28	6,172,663	4,868,100
Intangible assets	15	3,020,426	2,379,268	Items in transit	17	26,188,014	0
Other assets	16	100,077,004	97,351,818				
Items in transit	17	0	5,703,491	Total Liabilities		1,373,859,940	1,309,532,822
				Shareholder's Equity:			
				Capital	29	40,000,000	33,100,000
				On-account Capital increase		0	6,900,000
				Reserves	31	15,240,229	11,585,953
				Difference of conversion of financial statements of branches abroad	33	2,077,265	1,899,599
				Accumulated profit		18,806,786	17,339,910
				Total shareholders' equity		76,124,280	70,825,462
Total Assets		1,449,984,220	1,380,358,284	Total liabilities & shareholders' equity		1,449,984,220	1,380,358,284
Obligations	56			Obligations:	56		
Customers' obligations due to L/Cs		49,953,647	64,241,431	Bank's obligations due to L/Cs		49,953,647	64,241,431
Obligations due to guarantees		142,536,792	142,289,255	Bank's obligations due to guarantees		142,536,792	142,289,255
Other obligations		269,514,606	251,124,007	Other Bank's obligations		269,514,606	251,124,007
Administered funds & similar cases		2,637,477	2,831,756	Party to the administered funds & similar cases		2,637,477	2,831,756
		464,642,523	460,486,449			464,642,523	460,486,449

Explanatory Notes Constitute an Integral Part of the Financial Statements.

Bank Mellat (Public Joint Stock Co.)
Bank Profit & Loss Statement
for the Fiscal Year Ended on March 20, 2015

	<u>Note</u>	<u>March 20, 2015</u>		<u>March 20, 2014</u>
		<u>Million Rials</u>	<u>Million Rials</u>	<u>Million Rials</u>
A- Income due from Joint Activities				
Profit due from granted facilities	35	77,661,690		64,081,789
Profit due from investments and deposits	37	23,683,818		11,112,095
Total joint incomes			101,345,508	75,193,884
Less:				
On-account interest of investment deposits	39	(95,735,206)		(59,471,196)
(Deficit) Surplus payment to depositors	40	(0)		(0)
Interest – depositors’ share			(95,735,206)	(59,471,196)
Interest – bank’s share and attorney’s fee income			5,610,302	15,722,688
B- Non-Joint Incomes				
Received profit & retention money	41	43,833,497		27,465,506
Received commission	42	18,371,270		13,778,487
Other incomes	43	2,727,299		9,781,075
Total non-joint income			64,932,066	51,025,068
Total income			70,542,368	66,747,756
C- Expenses				
Admin, & general expenses	44	(27,062,698)		(26,603,516)
Doubtful accounts expenses	45	(4,960,343)		(11,156,311)
Personnel’s retirement expenses (actuary)	46	(0)		(300,000)
Financial expenses	47	(13,673,439)		(10,034,891)
Other expenses	48	(5,668,293)		(758,879)
Total expenses			(51,364,773)	(48,853,596)
Pre-tax profit			19,177,595	17,894,160
Less: Tax			(874,140)	(1,101,780)
Net Profit			18,303,455	16,792,380
Basic earnings per share – IRR (with a capital of IRR 40,000,000 million) 51				
			458	420
Turnover of Accumulated Profit Account				
Net profit			18,303,455	16,792,380
Opening retained profit		14,837,776		11,846,451
Annual adjustments	49	2,502,134		4,236,156
Opening retained profit – adjusted			17,339,910	16,082,607
			35,643,365	32,874,987
Approved dividend			(13,200,000)	(5,296,000)
Profit available for appropriation			22,443,365	27,578,987
Appropriation of Profit				
Legal reserve		(3,636,579)		(3,339,076)
Transfer to capital account as per approval of the Bank’s Meeting		(0)		(6,900,000)
			(3,636,579)	(10,239,076)
Year-end retained profit			18,806,786	(17,339,910)

Explanatory notes constitute an integral part of the of financial statements

**Bank Mellat (Public Joint Stock Co.)
Bank Comprehensive Profit & Loss Statement
for the Fiscal Year Ended on March 20, 2015**

	<u>Note</u>	<u>Year ended on March 20, 2015 Million Rials</u>	<u>Restated Year ended on March 20, 2014 Million Rials</u>
Net profit		18,303,455	16,792,380
Differential of conversion of financial statements of branches abroad	33	177,666	1,653,078
Fiscal year comprehensive profit		18,481,121	18,445,458
Annual adjustments	49	2,502,134	4,236,156
Comprehensive profit (loss) recognized as of the date of preceding period reporting		20,983,255	22,681,614

Explanatory notes constitute an integral part of the of financial statements

Bank Mellat (Public Joint Stock Co.)
Cash Flow Statement
for the Fiscal Year Ended on March 20, 2015

	Note	March 20, 2015		Restated March 20, 2014
		Million Rials	Million Rials	Million Rials
<u>Operating Activities</u>				
Net cash inflow due from operating activities	52		19,070,542	16,920,314
<u>Return on investments & paid-out profit in consideration of financing</u>				
Paid-out dividend		(13,155,544)		(7,295,866)
Net cash out-flow due to return on investments and paid-out profit in consideration of financing			(13,155,544)	(7,295,866)
<u>Income Tax</u>				
Paid-out income tax			(3,847,063)	(5,967,556)
<u>Investment Activities</u>				
Payments due to purchase of fixed tangible & intangible assets		(3,487,160)		(3,321,345)
Received payments due from selling fixed tangible assts		381,267		36,330
Net cash out-flow due to investment activities			(3,105,893)	(3,285,015)
Net cash in-(out)flow prior to financing activities			(1,037,958)	371,877
<u>Financing Activities</u>				
Net repayment of facilities from the banks abroad		(12,481)		(35,086)
Net cash out-flow due to financing activities			(12,481)	(35,086)
<u>Net (Decrease) Increase in Cash Fund</u>				
Opening cash balance	53		(1,050,439)	336,791
Year-end cash balance	53		20,240,811	19,904,020
			19,190,372	20,240,811

Explanatory notes constitute an integral part of the of financial statements

Bank Mellat (Public Joint Stock Co.)
Consolidated Financial Statements of the Group & Bank
for the Fiscal Year Ended on March 20, 2015

History of the Bank's Activities

1-1 General Information

The group includes Bank Mellat (Public Joint Stock Company) and its subsidiaries. Bank Mellat was formed on July 22, 1980, by virtue of the Enactment, dated May 19, 1980 of General Meetings of Banks through merger of Banks: Tehran, Daryoush, Iran International, Farhangian, Iran Insurance, Pars, Foreign Trades, Iran and Arab, Cooperative Credit and Distribution, and registered at the Department for Registration of Companies under No, 38077, and on the strength of resolutions adopted at the Extraordinary General Meeting of Banks, held on April 06, 2008 and Enactment No, T/68985, dated July 24, 2007, approved by the Board of Ministers, the legal status of the Bank was changed to "Public Joint Stock" and on February 11, 2009 it was the first public bank listed on the signboard of Tehran Securities Exchange Market, in the section of banks and credit institutes and other public monetary institutes, and on February 19, 2009, 5% of its shares were offered at the Securities Market to discover the prices; and at present, 19.05% of its shares is owned by the Government, 30% is owned by Provinces Investment Companies, and the remainder is owned by the private and non-governmental sectors.

1-2. Major Activities

Object of activity of bank, as per provisions of Article (2) of the Articles of Association, is engagement in banking operations as per Iranian monetary and banking regulations and subsidiary companies are mainly engaged in banking, leasing, investment, exchange, design and production of computer software and provide maintenance services concerning produced software, as detailed in Note (13-3).

1-3. Number of Branches:

The Branches of the Bank are as follows:

BRANCHES	March 20, 2015	March 20, 2014
<i>Branches at Tehran Province</i>	<i>290</i>	<i>296</i>
<i>Branches in other Provinces</i>	<i>1,303</i>	<i>1,328</i>
<i>Branches in Free Zones</i>	<i>9</i>	<i>9</i>
<i>Branches Abroad</i>	<i>4</i>	<i>4</i>
Total	1,606	1,637

1-4. Number of Employees:

Average number of permanent and provisional personnel during the fiscal period is as follows:

DESCRIPTION	March 20, 2015	March 20, 2014
A) Bank:		
<i>Head Office</i>	<i>2,844</i>	<i>2,469</i>
<i>Tehran Province Branches</i>	<i>4,304</i>	<i>4,434</i>
<i>Branches of Other Provinces</i>	<i>15,330</i>	<i>15,254</i>
Total	22,478	22,157
B) Subsidiary Companies	6,351	5,783
Total	28,829	27,940

2. Basis for Preparation of Financial Statements

2-1. Basis for Preparation of Financial Statements

Consolidated financial statements of group and Bank Mellat have been basically prepared on historical cost price basis, and "current values" has also been used where necessary.

3. Fundamentals of Consolidation

3-1. Consolidated financial statements were resulted from accumulation of the Bank's financial statements items and those of subsidiaries subject to consolidation, after exclusion of in-group transactions and balances and unrealized profit and loss due to transactions among them. The subsidiaries have been disclosed in the Note (13-3) and their fiscal year ends in March 20.

3-2. Concerning companies acquired during the period, the results of operations thereof as of the date whose control is effectively transferred to the parent company and concerning assigned subsidiary companies, the result of operations thereof until such assignment are recorded in the consolidated profit and loss statement.

3-3. Shares of the parent company acquired by the subsidiary companies are recorded at the cost price in the accounts and are reflected as contra equity under the entry of "parent company's shares owned by the subsidiary companies in the consolidated balance sheet.

4. Summary of Significant Accounting Policies

4-1. Inventory of Goods & Materials

Inventory of goods and materials is assessed on basis of *lower of cost and net sales value* of either one of the items. Where the cost price is greater than the net sales price, then, the differential will be recognized as the reserve of impairment of the inventory. Cost price of inventory is determined applying the following procedures:

	APPLIED METHODS
Raw materials and packaging	Moving weighted average and FIFO
Goods in progress	Weighted average
Finished goods	Weighted average
Spare parts & accessories	Specific identification & Moving weighted average
Inventory at hotel reception halls	FIFO

4-2. Investments

ASSESSMENT METHOD	CONSOLIDATED GROUP	PARENT COMPANY
Long-Term Investments:		
Investment in subsidiaries subject to consolidation	Consolidation	Cost price (Less: accumulated impairment in investment value)
Investment in affiliates	Net value	Cost price (Less: accumulated impairment in investment value)
Other long-term investments:	Cost price (Less: Reserve for accumulated impairment in investment value)	Cost price (Less: accumulated impairment in investment value)
Current Investments:		
Marketable investments	Lower of cost and net sales value of total investments	Lower of cost and net sales value of total investments
Other current investments	Lower of cost and net sales value of either investment	Lower of cost and net sales value of either investment
Recognition of Earning:		
Investment in subsidiaries subject to consolidation	Consolidation	Upon approval of profit by the general meeting of shareholder of investee company (up to the date of approval of financial statements)
Investment in affiliates	Equity method	Upon approval of profit by the general meeting of shareholder of investee company (up to the date of approval of financial statements)
Long-term investments and current investments	Upon approval of profit by the general meeting of shareholder of investee company (up to the date of approval of balance sheet)	Upon approval of profit by the general meeting of shareholder of investee company (up to the date of approval of balance sheet)

4-3. Fixed Tangible Assets

4-3-1. Fixed tangible assets, except for the items set out in the Note 4-3-2, are reflected in the accounts on the basis of cost price. Renovation and major repairs expenditures that may cause significant increase in capacity or useful life of the fixed assets or basic renovation in return quality thereof are considered as capital expenditure and will be depreciated during remained part of useful life. Maintenance expenses and slight repair charges spent from standards of basic assessed operations of assets for maintenance and repair of expected economic resources of commercial unit shall be considered as current expenses and will be recorded in the profit and loss statements of the period, when realized.

4-3-2. Toward execution of Article (62) of Third Development Plan, the land and building of the Bank on March 20, 2005 was recorded in the statements on the basis of restated price and for IRR 11,543 billion, and the surplus amount of said restated amount, for IRR 10,637 billion was recorded in the account of "government's increased capital in the bank" according to the said regulations.

Further, with respect to requirements of the Executive Directive – Part (B) of Clause (78) of Iranian Budget Act 2011, Bank Mellat reassessed the land and building sites of all of its owned properties and recorded sum of IRR 13,100 billion out of such reassessment.

4-3-3. With respect to the Enactment of 1077th Meeting of Money & Credit Council, held on February 17, 2007, the depreciation of fixed assets, have been calculated based on the rates and methods as per the Depreciations Table, subject of Article (151) of Direct Tax Act, since 2006.

ASSET	DEPRECIATION RATE	DEPRECIATION METHOD
<i>Building & Installation</i>	7%	<i>Accelerated Method</i>
<i>Vehicles</i>	25%	<i>Accelerated Method</i>
<i>Computer Systems Software</i>	5 years	<i>Straight Line Method</i>
<i>Computer Hardware (P.C)</i>	3 years	<i>Straight Line Method</i>
<i>ATM</i>	5 Years	<i>Straight Line Method</i>
<i>POS</i>	5 Years	<i>Straight Line Method</i>
<i>Furniture & Fittings</i>	10 Years	<i>Straight Line Method</i>
<i>Sorter</i>	6 Years	<i>Straight Line Method</i>
<i>Telecommunication Equipment</i>	3 Years	<i>Straight Line Method</i>
<i>Module</i>	4 Years	<i>Straight Line Method</i>

Depreciation of the Bank's reassessed buildings on March 20, 2005 is calculated at the rate of 3.5% using accelerated method as per Note (10) of the Depreciations Directive, subject of Article (151) of Direct Tax Act.

4-3-4. Depreciation of fixed assets of subsidiaries is calculated according to Article (151) of Direct Tax Act and at the rates and methods as follows:

ASSETS	DEPRECIATION RATE	DEPRECIATION METHOD
Building	7, 8, 10, 12 percent	Accelerated Method
Installations	10, 12, 15 percent	Accelerated Method
Installations	10 & 15 Years	Straight Line Method
Machinery	10, 12, 15, 25, 30 & 35 percent	Accelerated Method
Machinery	4, 8, 10 & 15 Years	Straight Line Method
Vehicles	20, 25, 30 & 35 percent	Accelerated Method
Furniture & Fixtures	3, 5, 10 Years	Straight Line Method
Tools	10, 15 & 25 percent	Accelerated Method
Tools	1, 4, 8, 10 & 20 Years	Straight Line Method
Software (Intangible Asset)	3 & 4 Years	Straight Line Method

4-4. The Key-Money of the Commercial Entities of the Bank

Toward execution of provisions of Article (62) of Third Development Plan, the Key-Moneys of the Bank's commercial entities in 2004 have been recorded in the in the books on the basis of reassessed prices. Further, regarding that as per the Enactment of 1077th Meeting of the Money & Credit Council, depreciation of the Bank's assets is conducted as per depreciations table, subject of Article (151) of Direct Tax Act; therefore, no depreciation is calculated as of March 21, 2006.

4-5. Consolidated Key-Money

Accounting for combination of commercial entities in terms of acquiring type is carried out on the basis of purchase method. Surplus amount of cost price of acquiring investment in subsidiaries subject to consolidation, and affiliates subject to applying equity method concerning the group's share out of net fair value of assets and recognizable liabilities thereof at the time of acquiring is recognized as key-money and is depreciated during 20 years through straight line. The key-money due to acquiring affiliated companies is reflected in the consolidated balance sheet as a part of book value of the long-term investment in the affiliated companies.

4-6. Recognition of Bank's Income

With respect to the Circular Letter No, 772/MB, dated July 18, 2005, issued by the Central Bank's Dept, of Baking Studies & Regulations and on the strength of Enactment of the Meeting No, 1044, dated July 16, 2005 of the Money and Credit Council, the Bank's incomes have been calculated through accrual method and have been reflected in the financial statements.

Based on the said method, the recognition method of the Bank's incomes are as detailed below:

Type of Income	Recognition Method
Profit of granted facilities	Based on duration and with respect to balance of principal facility and minimum expected profit
Delay penalties of repayment of facilities installments	Based on duration and with respect to amounts of outstanding installments and due delay rate
Commission of issued guarantees	Pro rata duration
Commission of other banking services	Upon rendering services

4-7. Basis of Designation of Joint Profit –Share of Depositors

Toward execution of Usury-Free Banking Operations Act, approved on August 30, 1983, and executive by-laws and directives of the said Act and with respect to the Circular Letter No. 1799/MB, dated January 08, 2004 issue by the Central Bank of I.R. of Iran, the earning due from the activities related to the granting financial facilities are recognized as investment in the shares and participating bonds as per accounting policies applied by the Bank, and it is deemed as joint earning with depositors, and the shares of depositors are designated in proportion to application of their net resources in the said activities.

4-8. Conversion of Foreign Currency (FC)

4-8-1. Local Accounts

Monetary FC items are converted at the date of balance sheet and non-monetary items which have been recorded at the historical cost price and in terms of registered FC are converted at the rate of creation date at the date of transaction. The remainder of outstanding and doubtful receivables is converted at the date of balance sheet at the exchange FC rate and an equivalent reserve for the same as differential of the FC Conversions in arrears.

The differentials due from settlement with Conversion of Monetary FC Items as recognized as earning and/or the cost of realization period.

The differential of conversion of FC assets and liabilities of branches abroad is reported in the comprehensive profit and loss statement.

4-8-2. Entities Abroad

All monetary and non-monetary items (except for shareholders equity) of the branches and units abroad are converted at the market rate on the date of balance sheet and shareholders equity are converted at market rate on the date of creation (historical rates). Profit and loss items are converted during the period at the average market rate. The differentials due to conversion of financial statements of the said units are reflected under the entry of shareholders' equity.

4-9 Classification of Receivables

Bank's granted facilities are classified in one the following classes based on the Directive of classification of credit institutes, approved by Money and Credit Council, subject of Circular No. 2823/MB, dated February 24, 2007, served by Banking Studies and Regulations Dept. of the Central Bank of I.R. of Iran, with respect to the factors of payment delay, customer's financial status and status and conditions of customer's activity field.

1. Current class (Max. 2 months passed the maturity date)
2. Passed due date class (between 2 to 6 months passed the maturity date)
3. Arrears class (between 6 to 18 months passed the maturity date)
4. Doubtful account class (exceeding 18 months passed the maturity date)

4-10. Reserve for Doubtful Accounts

Doubtful accounts, as per the Directive, approved by the meetings set out in Clause (4-10) of Money and Credit Council, are calculated and reflected in the accounts as detailed below:

- 4-10-1. General Reserve as of March 21, 2006, is calculated equal to 1.5% (until 20 March 2006: 2%) of the total balance of facilities, except for the facility balance for which particular reserve is considered.
- 4-10-2. Particular reserve concerning the balance of overdue classes and thereafter, which lack security coverage, is calculate as detailed below:

DESCRIPTION	% OF RESERVE
Overdue class facilities (up to 2 months)	10%
Outstanding Class Facilities (up to 6 months)	20%
Doubtful account class facilities, with respect to customer's solvency (up to 18 months)	50 – 100%
Facilities with overdue repayment of principal and interest for 5 years or longer	100 %

4-10-3. By virtue of Circular No. 21270/91, date April 19, 2012, issued by the Central Bank, for the facilities with maturity date of principal and interest elapsed for more than five years, the total facility balances thereof, without deducting the securities, have been considered the basis of appropriated surplus.

4-11. Reserve for Personnel Termination Benefits

Reserve for Personnel Termination Benefits is reflected in the accounts based on the one last month fixed salary and continuous allowances in return for each year of their service.

4-12. Reserve for Redemption of Personnel Leave of Absence

Concerning the accumulated leave of absence of personnel in consideration of previous years and current year, the required reserve based on 9 days of salary and allowances per year has been calculated and reflected in the account.

4-13. Obligations of Retirement Benefits

Current value of obligations of retirement benefits in relation to severance pay of personnel (including employed, retired employees and pensioners subject to retirement scheme) are calculated on the basis of actuary's assumptions.

4-14. Receivables from the Government

Withholding granted facilities, which have been granted based on the guarantee of State Management and Planning and Deputy of Strategic Supervision of President, and are classified as receivables from the government under the following conditions:

- A. Granted facilities, outstanding due to inability of loan-taker in returning the same, inadequacy of the relevant securities, or ineffectiveness of Bank's actions for collecting the same.
- B. Granted facilities of passed due date, related to execution of plans of taking possession of capital assets.
- C. Facilities granted to Ministries and Governmental Institutes.
- D. All accelerated obligations and liabilities for the period when the government was a shareholder are related to pre-privatization.

5- Cash Balance

Cash balance is constituted of following items:

	Group		Bank	
	March 20, 2015	March 20, 2014	March 20, 2015	March 20, 2014
	Million Rials	Million Rials	Million Rials	Million Rials
Cash balance	9,432,381	9,372,123	7,747,580	6,997,113
Cash in transit / IRR	17,529	18,856	17,529	18,856
Cash in transit / FC	33,593	1,130	33,593	1,130
Bank notes & FC cash	12,573,027	10,857,607	7,868,006	7,963,794
	22,056,529	20,249,716	15,666,708	14,980,894

5-1- The cash balance of the branches and the fund in transit are sufficiently insured against theft and accidents.

6- Receivables from the Central Bank

Receivables from the Central Banks are as follows:

		Bank	
		March 20, 2015	March 20, 2014
		Million Rials	Million Rials
Current account at the Central Bank		2,984,864	7,588,679
Legal deposit at the Central Bank		94,423,328	95,748,208
Legal deposit of entities abroad		185,709	222,357
Current account at the Local Central Bank (Branches Abroad)		254,797	277,540
Sight FC Deposit at the Central Bank		454,219	2,386,715
Prepayment to purchase FC at the Central Bank		2,205	2,205
Receivables due to from the Central Bank in consideration of public deposits		887,703	3,968
Central Bank's liability due to withdrawal from the accounts	6-1	2,537,107	2,537,107
Receivable due from the Central Bank in consideration of SHAPARAK transactions		29,480,461	0
Receivable due from the Central Bank in consideration of FC obligations	6-2	29,006,646	0
Addressee of Central Bank's notice		0	69,051
Less: Prepayment to FC purchase from the Central Bank		(2,205)	(2,205)
		160,214,833	108,833,625

6-1- In consideration of Resolution No. 47698T/M/90-34030, dated January 05, 2012, approved by 5-Member FC Issues Organization Committee, the Central Bank withdrew net sum of IRR 2,537 billion as the FC rate differential from Bank Mellat's account, which has been recorded in the books in the Central Bank's account. The Bank is following up to collect the said amount.

6-2- Pursuant to the Circular No. 60/1015, dated December 07, 2013 issued by the Central Bank of I.R. of Iran concerning Bank Mellat's FC obligations in consideration of L/Cs and FC drafts, sum of IRR 25,874 billion was reflected in the account of receivables from the Central Bank and sum of IRR 13,083 billion was reflected in the account of the liability to the said Bank (under title of facilities received out of FC reserve account (Explanatory Note 18), and as a result sum of IRR 12,791 billion was reflected in the account of the result of local FC transactions in consideration of differential of reference and transactional FC rate (net cost due to translation of FC reflected in the explanatory note 48).

6-3. The legal reserve deposited at the Central Bank has been calculated toward execution of Clause (3), Article (14) of Monetary and Banking Law, and based on the rates designated by the Money and Credit Council, and has been approved by the Central Bank; The said legal reserve is as follows:

	March 20, 2015		March 20, 2014	
	Rate (%)	Million Rials	Rate (%)	Million Rials
Short-term & 1-year deposits	13.5	53,106,531	15 & 16	48,501,939
Sight deposits	13.5	18,901,688	17	27,186,602
Interest-free savings deposits	10	3,572,607	10	3,827,744
2 to 5-year long-term deposits	13.5	15,408,775	10 & 12 & 13	12,629,598
Guarantee and housing-purchase deposits	13.5	1,035,139	17	1,196,672
Advances due from L/Cs	13.5	2,398,588	17	2,405,653
		<u>94,423,328</u>		<u>95,748,208</u>

7- Receivables from Banks & Credit Institutes

The amounts reflected in the above-said entry are constituted of the following items:

		Group		Bank	
		March 20, 2015	March 20, 2014	March 20, 2015	March 20, 2014
		Million Rials	Million Rials	Million Rials	Million Rials
Balance at local banks after clearing		465,903	826,175	465,903	120,914
Sight FC deposits	7-1	63,225,826	61,148,732	63,790,634	61,639,513
Time FC deposits		2,230,367	2,141,485	2,230,367	2,141,485
Loan and credit granted to Iranian banks		0	3,074	0	3,074
Bank cheques in the process of collection		12,409,265	32,996,396	12,409,265	32,996,396
Short-term deposits at banks		2,182,407	25,120,425	2,182,407	25,120,425
General investment deposit certificate of other banks		4,541,061	3,042,920	4,541,061	3,042,920
Nightly inter-bank facilities		16,793,000	20,590,000	16,793,000	20,590,000
Receivable profit for short-term deposits		2,390,197	0	2,390,197	0
Interest-free savings deposits		200,000	0	200,000	0
		<u>104,438,026</u>	<u>145,869,206</u>	<u>105,002,834</u>	<u>145,654,727</u>
Less:					
General reserve of doubtful accounts		(0)	(46)	(0)	(46)
		<u>104,438,026</u>	<u>145,869,160</u>	<u>105,002,834</u>	<u>145,654,680</u>

7-1- Sight FC deposits are kept at Local and foreign banks, which are used in the Local and foreign banking operation. The open figures of the baking statements are related to FC deposits at Local banks are mainly related to failure in disposition of the relevant instruments by the branches due to lack of supply of FC by the Central Bank.

8- Receivables from the Government

Receivables from the Government are as follows:

	Bank			
	March 20, 2015			Restated March 20, 2014
	Principal	Interest	Balance	Balance
	Million Rials	Million Rials	Million Rials	Million Rials
Receivables from Government at Central Dept.	17,714,759	21,924,822	39,639,581	32,810,113
Receivables from Government in FC for ABC Bank of Bahrain	995,416	0	995,416	892,582
Receivables from Government at Branches & General Treasure	9,437,428	20,965,763	30,403,191	21,570,357
	28,147,603	42,890,585	71,038,188	55,273,051
Less:				
Profit of future year note facilities, secured by the Government	(0)	(17,015,123)	(17,015,123)	(10,274,916)
General reserve for doubtful debts	(321,085)	(489,261)	(810,346)	(615,442)
	27,826,518	25,386,200	53,212,718	44,382,694

8-1- Sum of IRR 32,027 billion of receivables due from the Government at the central department is as follows:

	Bank			March 20, 2014
	March 20, 2015			
	Principal	Interest	Balance	
	Million Rials	Million Rials	Million Rials	
Ahvaz Sugar Lump & Sugar Treatment	31,657	39,149	70,806	112,074
Outstanding profit of withholding facilities	0	18,958,745	18,958,745	12,877,204
Deficit of operation tax reserve for the years 2006-2008	0	2,926,928	2,926,928	2,926,928
Flood and earthquake sufferers – share of Bank Saderat	703	0	703	703
Facilities to the married 1988 - share of Bank Saderat	59	0	59	59
Earthquake striking north and northwest of Iran - share of Bank Saderat	8,946	0	8,946	8,946
Relief to flood and earthquake sufferers – Bank Melli	802	0	802	802
Salary to prisoners of war for their captivity period	128,000	0	128,000	128,000
Liability to Privatization Org.	9,932,507	0	9,932,507	12,786,706
	10,102,674	21,924,822	32,027,496	28,841,422

8-2- Turnover of Receivables Account from the Government

Year	Opening Balance	Debit Turnover	Credit Turnover	Closing Balance
	Million Rials	Million Rials	Million Rials	Million Rials
2010	16,289,516	91,882,451	93,433,629	14,738,337
2011	14,738,337	23,052,019	3,751,251	34,039,106
2012	34,039,106	15,243,397	20,543,377	28,739,126
2013	28,739,126	28,729,042	22,936,097	34,532,071
2014	34,532,071	28,891,950	8,150,970	55,273,051
2015	55,273,051	37,126,434	21,361,296	71,038,188

8-3- According to the Resolution No. 45251/150061, dated September 21, 2011, approved by the Council of Ministers, in consideration of assignment of shares for IRR 5,292 billion, title of shares of some companies for IRR 4,231 billion were transferred.

8-4- According to Resolution No. 48485T/262656, dated March 18, 2013, approved by the Council of Ministers, concerning the government's liability to the banks, upon calculating the government's previous amounts and assignments via shares, the government's properties and assets and those of the public companies, at the discretion of the Minister of Economic Affairs and Finance, have to be settled applying the method and pricing procedures approved by the assignment Board, toward execution of clause (24-3) and Part (C) of the Clause (24-3-4) of the Iranian Budget Law for the Year 2012. Despite conclusion of collective contract No. 90/2/11422 with the Privatization Org. concerning transfer of titles of the shares of some companies, the provisions of the said contract has not been executed. Therefore, out of IRR 12,139 billion of the bank's receivables due from the Government, shares for IRR 2,756 billion has been transferred and IRR 9,383 billion out of assignment of the shares of the preceding years has not been settled and the relevant proprietary rights have not been allocated to the bank in this respect; therefore, the receivables and sum of IRR 2,364 billion of the relevant profit, up to the settlement date, are reflected in this entry.

8-5- According to the Resolution No. 48485T/262656, dated March 18, 2013, approved by the Council of Ministers, out of sum of IRR 9,808 billion, sum of IRR 530 billion shares has been transferred and sum of IRR 9,279 billion of assignable shares of public companies has been allocated to the Bank through Privatization Org., but proprietary rights have not been allocated to the bank in this respect; therefore, the relevant receivables and profit are reflected under this entry until total settlement.

8-6- Interest of receivables due from the Government has been calculated and reflected in the accounts according to the rate of transactional contracts, notified by the Central Bank of I.R. of Iran. Such rate was 22% in the year 2014. Further the delay penalty concerning such receivable from the government has been calculated and recorded in the accounts.

9. Granted Facilities & Receivables from the Public Sector

The balance of facilities granted to and receivables due from the public sector (totally owned by the Bank) is as follows:

Title	Granted Facilities & Receivables from Public Sector		Notified Granted Facilities to Public Sector		Total Granted Facilities & Receivables from the Public Sector	
	March 20, 2015 Million Rials	March 20, 2014 Million Rials	March 20, 2015 Million Rials	March 20, 2014 Million Rials	March 20, 2015 Million Rials	March 20, 2014 Million Rials
Granted Rials facilities (net)	1,637,519	164,833	1,151,961	1,289,470	2,789,480	1,454,303
Granted FC facilities (net)	244,354,262	278,005,697	-	-	244,354,262	278,005,697
Debtors due to L/C paid in Rials	49,075	41,534	-	-	49,075	41,534
Debtors due to L/C paid in FC	0	1,560,244	-	-	0	1,560,244
Receivable retention money	69,817	69,817	-	-	69,817	69,817
Receivable profit	905,889	525,640	-	-	905,889	525,640
Other	249	249	-	-	249	249
Less:						
Differential of conversion of FC in arrears	(164)	(0)	(0)	(0)	(164)	(0)
Reserve of doubtful accounts	(3,722,529)	(4,224,862)	(0)	(0)	(3,722,529)	(4,224,862)
Total	243,294,117	276,143,151	1,151,961	1,289,470	244,446,078	277,432,621

9-1- Sum of IRR 48,627 billion of granted FC facilities is related to the governmental finance facilities, withdrawn from the FC Reserve Account, granted to the public companies in the years 2006-2009 (explanatory Note 18 of financial statements. The said facilities are past due, but, with regard to the Government's guarantee, no dedicated reserve for doubtful account has been considered in the accounts in this respect.

9-2- Sum of IRR 38,931 billion, equal to € 1,291 million of FC facilities granted to National Iranian Oil Co. out of Energy Fund is past due. The said facilities has been extended after a three-year period according to the Agreement dated March 17, 2014 with the said company, and for purpose of collection interest of the said facilities and participating bonds reflected in the Note (16-2) of the financial statements, sum of € 50 million is being collected (Sum of € 650 million has been collected up to now), and with regard to the said agreement, no reserve for the dedicated doubtful accounts has been considered in the account in this respect.

9-3- The granted FC facilities includes foreign finance of IRR 4,230 billion (equal to € 140 million) to the state-owned companies, which past due; but, due to existence of governmental securities, no dedicated doubtful account has been considered in the accounts in this respect.

10. Granted Facilities & Receivables from other Persons

	Group		Bank	
	March 20, 2015 million Rials	March 20, 2014 million Rials	March 20, 2015 million Rials	March 20, 2014 million Rials
Sale by installment	56,869,323	59,641,977	56,988,539	60,155,845
Unilateral (JUALA) contract	20,258,595	24,029,030	20,258,595	24,029,030
Lease purchase	1,976,898	1,279,300	2,353,153	1,898,590
Forward	335,938	292,612	335,938	292,612
Capital bailment	27,122,155	25,058,907	27,122,155	25,082,172
Civil participation	236,826,149	206,660,098	251,122,769	220,113,556
Interest-free	30,962,511	33,114,974	30,962,511	33,114,974
Debtors due to paid out L/Cs	2,773,229	3,343,258	2,773,229	3,343,258
Debtors due to paid out guarantees	3,739,731	2,414,070	3,739,731	2,414,070
Debtors due to FC L/Cs	10,700,007	9,259,858	10,700,007	9,259,858
Granted FC facilities	129,046,847	113,522,450	129,046,847	113,522,450
Factoring	3,459,512	1,558,730	3,468,370	1,575,008
Facilities granted to branches abroad	166,601	281,555	166,601	281,555
Usury (sale)	111,200,602	63,088,033	111,200,602	63,088,033
Other facilities	25,746,666	25,395,841	23,912,109	22,768,206
	661,184,765	568,940,692	674,151,158	580,939,217

10-1. Granted facilities and receivables from other persons of the group are as follows:

	Group	
	March 20, 2015	March 20, 2014
Granted facilities and receivables from other persons of the bank	674,151,158	580,939,217
Granted facilities to group-member companies	(14,800,949)	(14,626,160)
Granted facilities to PIB Bank	1,834,557	2,627,635
Total	661,184,765	568,940,692

10-1-1- Facilities granted to other persons includes IRR 55,222 billion which is related to the facilities granted to banks' personnel, in form of JUALA contracts, sales by installment and interest-free loans.

10-2. Granted facilities and receivables from other persons of the bank are as follows:

	Bank				March 20, 2014	
	March 20, 2015					
	Balance	Profit & Commission	Reserve of Receivables	FC Conversion Differential		Net
	Million Rials	Million Rials	Million Rials		Million Rials	Million Rials
Installment sale	90,706,030	(24,654,806)	(9,181,901)	(0)	56,869,323	59,641,977
JUALA contract	27,105,073	(5,948,163)	(898,315)	(0)	20,258,595	24,029,030
Lease purchase	2,957,667	(678,517)	(302,252)	(0)	1,976,898	1,279,300
Forward	1,647,735	(0)	(1,311,798)	(0)	325,938	292,612
Capital bailment	29,940,482	(0)	(2,818,326)	(0)	27,122,155	25,058,907
Civil participation	250,623,363	(0)	(13,797,214)	(0)	236,826,149	206,660,098
Interest-free	32,099,391	(84)	(1,136,796)	(0)	30,962,511	33,114,974
Debtors due to paid out L/Cs	7,379,684	(0)	(4,606,455)	(0)	2,773,229	3,343,258
Debtors due to paid out guarantees	5,811,797	(144,823)	(1,927,243)	(0)	3,739,731	2,414,070
Debtors due to FC L/Cs	22,012,769	(0)	(11,312,763)	(0)	10,700,007	9,259,858
Granted FC facilities	154,659,702	(1,843,443)	(8,760,375)	(15,009,037)	129,046,847	113,522,450
Factoring	3,516,479	(0)	(56,967)	(0)	3,459,512	1,558,730
Facilities granted to branches abroad	167,716	(0)	(1,115)	(0)	166,601	281,555
Usury (sale)	137,056,214	(23,994,910)	(1,860,702)	(0)	111,200,602	63,088,033
Other facilities	24,276,253	(0)	(364,144)	(0)	23,912,109	22,768,206
	789,960,353	(57,264,745)	(58,336,363)	(15,009,037)	659,350,208	566,313,057

10-2-1. Classification of above granted facilities, according to Directive approved by the Money and Credit Council, is as follows:

	Bank				Total
	Current	Passed due date	Arrear	Doubtful account	
	Million Rials	Million Rials	Million Rials	Million Rials	Million Rials
Installment sale	78,229,667	707,227	681,726	11,087,410	90,706,030
Reward contract	25,269,418	82,466	286,786	1,466,403	27,105,073
Lease purchase	2,600,584	6,229	21,708	329,147	2,957,667
Forward	227,957	2	1,003	1,418,772	1,647,735
Capital bailment	25,210,751	160,641	299,667	4,269,422	29,940,482
Civil participation	223,900,104	2,265,091	2,723,631	21,734,536	250,623,363
Interest-free	30,427,078	112,671	670,545	889,097	32,099,391
Debtors due to paid out L/Cs	474,906	0	0	6,904,778	7,379,684
Debtors due to paid out guarantees	1,576,519	0	0	4,235,278	5,811,797
Debtors due to FC L/Cs	722,783	0	0	21,289,986	22,012,769
Granted FC facilities	124,630,669	95,931	2,257,173	27,675,929	154,659,702
Factoring -IRR	3,490,957	1,358	24,163	0	3,516,479
Facilities granted to branches abroad	74,305	0	93,410	0	167,716
Usury (sale)	131,911,439	3,302,491	1,842,284	0	137,056,214
Other facilities (10-2-1-1)	24,276,253	0	0	0	24,276,253
	673,023,391	6,734,107	8,902,097	101,300,758	789,960,353
Less: Differential of FC conversion in arrears	(0)	(0)	(2,218,423)	(12,790,614)	(15,009,037)
Total	673,023,391	6,734,107	6,683,674	88,510,144	774,951,316
Less:					
Subsequent years profit & commission	(57,264,745)				(57,264,745)
General reserve of doubtful accounts	(9,236,380)				(9,236,380)
Particular reserve of doubtful accounts	(0)	(361,928)	(923,048)	(47,815,008)	(49,099,983)
	606,522,266	6,372,179	5,760,626	40,695,136	659,350,208

10-2-1-1- Granted FC facilities include the following:

1- Sum of IRR 58,689 billion, equal to € 1,946 million of facilities granted to Pero Sina Aria Co. and Oil Industry Eng. Co. and Petro Paidar Co. out of National development Fund resources for the development of South Pars Installments (Note 18). It is to be noted that the credit amount of the above-said project was USD 5 billion, and its payment date was until July 2015, and repayment of its principal and interest was designated 5 years after expiration of its repayment period.

2- The granted facilities for sum of IRR 4,819 billion (equal to € 159.8 million) was offset out of FC reserve fund, which include profit and the received retention money, and sum of IRR 4,283 billion (equal to € 142 million) of granted facilities out of un-offset FC reserve fund (note 18).

3- Further, the granted FC facilities include sum of 27,413 billion in consideration of interest and delay penalty received concerning granted FC facilities to the public and non-public companies.

4- Sum of IRR 4,819 billion of granted FC facilities is consideration of the balance of principal. Interest and receivable retention money of facilities granted to the non-public companies.

5- Sum of IRR 4,282 billion (equal to € 142 million) is consideration of facilities granted to non-public sector out of un-setoff FC reserve fund; and principal amount, interest and delay penalty, share of the Central Bank have been credited to its account. Generally, the above-said granted facilities have been depreciated as per request of the applicant and with respect to the delegation of authority by the Central Bank concerning decision on procedure of settlement of liability (depreciation) to the credit structure of Bank Mellat.

10-2-2- Other facilities are in consideration of deficit of imprest, pars oil and gas participating bonds, Iranian oil company, Band Abbas Oil Refinery, etc.

10-3- According to the requirements set out in the provisions of Articles (28) and (29) of Budget Laws for the years 2011 and 2012 and also the Bank's Credit Policies, sum of IRR 87,625 billion of non-current rial receivables was depreciated and sum of IRR 73,517 billion thereof was classified as current facilities, and according to the Bank's policy, the relevant doubtful reserves are calculated with regard to the new classification and they are recognized as the earning due from the said process. It is evident that failure in compliance with the conditions of the contract, depreciation of the said facilities will return to the initial receivables class and the required reserves are considered in the accounts and the recognition of earning is ceased. Further, about 60% of the collection and 2% of the previous entry have been transferred.

10-4- About 40% total securities provided in return for the non-public facilities is made up of cheques and promissory notes.

10-5- Out of IRR 6,278 billion of rial facilities granted to Tehran Municipality and sum of € 232.1 million (principal and liability) are in consideration of L/Cs related to Wagon making and Tehran Subway Companies, which are past due and in arrears; nevertheless, according to the Letter of Understanding, dated April 10, 2012 it was decided that they may be settled out of density duty of construction of the Bank's buildings. Additionally, sum of IRR 2,816 billion was received in consideration of L/Cs of Wagon Making Co. and recorded in the entry of advance and blocked account.

10-3. Facilities granted to the Group Member Companies

	Bank			
	March 20, 2015		March 20, 2014	
	Balance	Future Year Profit	Reserve of Receivables	Net
	Million Rials	Million Rials	Million Rials	Million Rials
Sale by installment	132,339	(11,307)	(1,815)	119,216
Lease purchase	478,554	(96,570)	(5,730)	376,254
Capital bailment	0	(0)	(0)	0
Factoring	9,842		(984)	8,858
Civil partnership	14,514,336	(0)	(217,715)	14,296,621
	<u>15,135,071</u>	<u>(107,877)</u>	<u>(226,244)</u>	<u>14,800,949</u>
				<u>14,626,160</u>

10-3-1. Classification of the above granted facilities, based on the directive approved by the Money & Credit Council, is detailed below:

	Bank				
	March 20, 2015				
	Current	Overdue	Arrear	Doubtful Account	Total
	Million Rials	Million Rials	Million Rials	Million Rials	Million Rials
Installment sale	132,339	0	0	0	132,339
Lease purchase	477,648	906	0	0	478,554
Capital bailment	0	9,842	0	0	9,842
Factoring	14,511,689	2,647	0	0	14,514,336
Civil participation	<u>15,121,676</u>	<u>13,395</u>	<u>0</u>	<u>0</u>	<u>15,135,071</u>
Less:					
Subsequent years profit	(107,877)	0			(107,877)
General reserve of doubtful account	(225,207)	0			(225,207)
Dedicated reserve of doubtful account		(1,038)			(1,038)
	<u>14,788,592</u>	<u>12,357</u>	<u>0</u>	<u>0</u>	<u>14,800,949</u>

10-3-2- Out of IRR 14,512 billion million of civil participation, sum of IRR 5,559 million is related to granting facilities to construction companies of Bank Mellat and Peiriz Bonyan Marsous Co. in consideration of the purchase of Autobank, Elahieh, Bagh-e Jamshidieh, Shahab and Letman Kan Bank properties.

11. Debtors due to paid-out FC L/Cs & FC Time Bills of Exchange

Balance of debtors in consideration of L/Cs (totally owned by the Bank) is as follows:

	Bank	
	March 20, 2015	March 20, 2014
	Million Rials	Million Rials
Debtors due to paid out FC L/Cs & time bills of exchange	13,358,299	25,403,084
Less:		
General reserve of doubtful accounts	(200,374)	(381,046)
Total	<u>13,157,925</u>	<u>25,022,038</u>

11-1. Debtors in consideration of time FC L/Cs are related to Foreign Banks' Finance Credit Line and it was not possible to settle the obligations with respect to the sanctions and lack of repayment channel through foreign agents (Note 26). Further, a sum has been received as advance payment in this regard as detailed in Note (23): other Deposits..

12. Participating Bonds & Other Similar Securities

The above entry includes balance of participating bonds and securities as detailed below:

		Group		Bank	
		March 20, 2015	March 20, 2014	March 20, 2015	March 20, 2014
		Million Rials	Million Rials	Million Rials	Million Rials
Participating bonds – Public Sector		0	3,944,783	0	3,944,783
Participating bonds – Non-Public Sector	(12-1)	14,925,028	7,057,065	11,722,853	8,250,923
FC Securities		1,448,752	3,098,631	2,382,035	4,031,914
Private securities		89,251	0	89,251	0
		<u>16,463,031</u>	<u>14,100,479</u>	<u>14,194,139</u>	<u>16,227,620</u>

12-1- IRR 11,723 billion of securities of public sector are mainly related to participating bonds of Tehran Oil Refinery, participating bonds of Shiraz Municipality, participating bonds of Ministry of Road and Urban Development, participating bonds of Qom municipality, participating bonds of Mashhad Municipality and other cases.

13. Investments & Participations

	Group		Bank	
	March 20, 2015	March 20, 2014	March 20, 2015	March 20, 2014
	Million Rials	Million Rials	Million Rials	Million Rials
Investments & Participations	37,662,540	34,383,359	24,859,671	21,897,422
	37,662,540	34,383,359	24,859,671	21,897,422

13-1. Investments & Participations of the Group include the following items:

	Note	Group	
		March 20, 2015 Million Rials	March 20, 2014 Million Rials
Marketable liquid investments:			
Shares of listed companies	13-1-1	10,590,438	10,218,399
		10,590,438	10,218,399
Investment in the shares of other companies:			
Affiliates		3,486,769	1,886,344
Companies abroad	13-1-2	5,754,247	5,754,247
Other Local companies		13,983,605	11,655,060
Investment Deposits at Banks		3,847,481	4,869,309
		27,072,102	24,164,960
Total investment in securities		37,662,540	34,383,359

13-1-1. Investment of the group in the shares of listed companies is mainly related to investment of the Mellat Financial Group in the listed companies. The said investment is mainly to the following companies:

	# of Shares	March 20, 2015		March 20, 2014
		Market Value Million Rials	Cost Price Million Rials	Cost Price Million Rials
Bandar Abbas Oil Refinery	737,562,597	3,419,840	3,712,058	3,685,535
Isfahan Oil Refinery	390,917,755	1,273,996	1,076,334	203,837
Mobile Communication Co.	41,355,300	1,263,358	947,889	587,274
Pardis Petrochemical Co.	32,416,167	503,543	601,835	525,899
Bank Saderat	477,567,329	397,728	441,710	0
National Iranian Copper Industries Co.	209,337,915	338,983	553,086	424,229
Jam Petrochemical Co.	37,118,814	294,695	370,485	316,303
Iran Telecommunication Co.	99,895,863	255,129	334,381	270,898
Other			2,552,660	4,204,424
Total			10,590,438	10,218,399

13-1-2. Investment in companies abroad is mainly related to Bank Mellat (parent Company) as follows:

	% of Participation	Bank		March 20, 2014
		March 20, 2015	Cost price	Cost price
			Million Rials	Million Rials
Eihbank	26.31	92,031,154	1,059,064	1,059,064
Other	-	-	4,695,183	4,695,183
			5,754,247	5,754,247

13-1-3- Whereas the difference between equity and cost price of investment in eihbank, we disregarded disclosing investment using equity method.

13-2. Investments and partnerships of Bank Mellat (parent company) are as follows:

	Bank	
	March 20, 2015	March 20, 2014
	Million Rials	Million Rials
Subsidiaries	18,027,989	151,144,555
Other Companies – local	259,288	172,527
Other Companies - abroad	6,582,410	6,582,410
Total	24,869,688	21,899,092
Less:		
Impairment reserve	(10,017)	(1,670)
	24,859,671	21,897,422

13-2-1- According to the Clause (S) of Article (3) of Iranian Budget Law for the Year 2010, the Government was obligated to settle its liability to the banks that at least 50% of shares of them have been assigned by the Government in various forms, including Justice Shares, not later than September 22, 2010 using the government's shares in companies (or their affiliates) and/or via administered funds and/or via facilities paid out of the FC reserve account,

13-3. Particulars of subsidiaries of the group are as follows:

Name of Company	Address	% of Investment		Major Activity
		Group	Main Entity	
A) Parent entity's direct investments				
Persia International Bank (PIB)	England	60	60	Banking
Bank Mellat of Armenia	Armenia	100	100	Banking
A-1) Behsaz Partnership Group				
Behsaz Mellat Partnership	Iran	100	100	Investment
Almaseh Saz	Iran	92.93	-	Cutting tools production
Behsaman Mellat	Iran	100	-	Manpower supply
Isfahan Behris	Iran	99.62	-	Thread production
Kerep Naz	Iran	100	-	Textile
Airdak	Iran	99	-	Constructional contract
Bank Mellat Constructional	Iran	100	-	Constructional services
Bank Mellat Printing	Iran	100	-	Printing services
Rahbari Behsaz Industry	Iran	100	-	Business services
Peiriz Bonyan Marsous	Iran	100	-	Project management
Jahan Behsaz Mofarah	Iran	100	-	Hotel management
Tehran-Saveh Freeway	Iran	55	-	Construction & Utilization of the Freeway
Mad Marketing & Sales Development	Iran	100	-	Bank's Surplus properties management
B) Fanavaran Houshmand Behsazan Farda Group				
Fanavaran Houshmand Behsazan Farda Group	Iran	100	100	Software design & production
Behsazan Mellat	Iran	100	-	Software design & production
Behpardakht Mellat	Iran	100	-	Software design & production
Yas Arghavani System Engineering	Iran	100	-	Software design & production
Yas Arghavani Industrial Engineering	Iran	100	-	Software design & production
Shaghayegh Software Engineering	Iran	100	-	Software design & production
Secure Infrastructure of Transactional Services Co.	Iran	100	-	Equipment installation & commissioning
C) Mellat Financial Group				
Mellat Financial Group	Iran	100	100	Investment
Behsaz Mellat Insurance Services	Iran	100	-	Insurance services
Insurances	Iran	17	10	Insurance services
Tadbirgaran Behsaz Mellat	Iran	100	-	Feasibility study
Tarh va Andisheh Behsaz Mellat	Iran	100	-	Collection of receivables in arrears
Behsaz Business Service Development	Iran	100	-	Business & partnership
Mellat leasing	Iran	90	-	Leasing
Bank Mellat Capital Security	Iran	100	-	Financing
Bank Mellat Broking	Iran	100	-	Share brokerage services
Moein Kheradmandan Investment Development	Iran	100	-	Investment
Mellat Exchange	Iran	100	-	Exchange services
Arzash Afarin Atlas	Iran	100	-	Collaboration, Brokering & Trading
Petro Faravaran Atlas	Iran	100	-	Business services
Nosaz Construction & services	Iran	99	-	Constructional services
Vavan Construction & Urban Development	Iran	100	-	Civil
Kavosh Research Town	Iran	70	-	Civil Machines
Mellat Insurance Coverage Services	Iran	100	-	Insurance companies' agency
Nogam Oil & Gas Co.	Iran	100	-	Oil & gas field activity

13-4. Particulars of group's affiliates are as follows:

<u>Name of Company</u>	<u>Address</u>	<u>% of Investment</u>		<u>Major Activity</u>
		<u>Group</u>	<u>Main Entity</u>	
Refah Chain Stores	Iran	10	-	Retails
Amin Investment Bank	Iran	10	-	Financing
Bafgh Iron & Steel Mineral & Industrial Complex (Plan)	Iran	40	-	Minerals extraction
Eih Bank	Germany	26.31	26.31	Banking

13-5- With regard to low importance and lack of on-time accessibility to the affiliate's financial statements, disclosing investment using equity method has been disregarded.

14. Fixed Tangible Assets of the Group & Bank

Items	Cost Price or Reassessed Amount Million Rials						Accumulated depreciation Million Rials					Book Value Million Rials	
	Balance on 20/3/2014	Added assets in the fiscal year	Sold assets in the fiscal year	Movements & other changes	Adjustments	Balance on 20/03/2015	Balance on 20/03/2014	Fiscal year depreciation	Accumulated depreciation of sold assets	Adjustments	Balance on 20/03/2015	Balance on 20/03/2015	Balance on 20/03/2014
Group	51,456,151	7,189,215	(659,782)	(0)	(1,273,803)	56,711,782	8,431,352	1,758,672	(151,005)	(490,998)	9,548,021	47,163,761	43,024,799
Bank	47,369,031	5,620,540	(462,522)	(0)	(1,902,413)	50,624,637	7,816,135	1,460,388	(138,534)	(494,080)	8,643,910	41,980,727	39,552,896

14-1- Ratio of net fixed assets according to the Circular No. 94/62147, dated June 01, 2015, issued by the Central Bank has been calculated as follows:

	March 20, 2015	Restated March 20, 2014
	Million Rials	Million Rials
Fixed assets	50,624,637	47,369,031
Less :		
Net surplus of reassessment of the years 2004 & 2011	(20,410,683)	(20,641,574)
Reserve of depreciation of movable and immovable	(8,643,910)	(7,816,135)
Net fixed assets	21,570,044	18,911,322
Add:		
Intangible assets	3,346,186	2,133,514
Leased capital items	71,040	32,004
Above-2 year property collateral	2,931,171	1,894,257
Total	27,918,441	22,971,097
Shareholders' equity	76,124,280	70,825,462
Less :		
Net surplus of reassessment of the years 2004 & 2011	(20,410,683)	(20,410,683)
Retained profit	(18,806,786)	(17,339,910)
Total	36,906,811	33,074,869
Ratio (%)	75.65	69.45

14-2. Fixed Tangible Assets of the Bank are as follows:

<i>Cost Price or Reassessed Amount – Million Rials</i>							<i>Accumulated Depreciation – Million Rials</i>					<i>Book value Million Rials</i>	
Items	Balance at the beginning of year	Assets added during fiscal year	Assets sold during fiscal year	Movements & other changes	Adjustments	Balance at the end of year	Balance at the beginning of year	Depreciation of fiscal year	Accumulated depreciation of sold assets	Adjustments	Balance at the end of year	20/3/2015	20/3/2014
Land	18,855,507	1,836,067	(25,414)	270,319	(659,244)	20,277,235						20,277,235	18,855,507
Building	13,051,296	207,881	(382,853)	1,065,366	(719,698)	13,221,993	3,991,907	393,633	(107,066)	(127,402)	4,151,072	9,070,920	9,059,389
Computer equipment	5,171,219	13,386	(0)	208,489	(472,549)	4,920,545	1,616,736	631,653	-	(353,786)	1,894,603	3,025,942	3,554,483
Vehicles	220,295	-	(18,679)	8,218	(0)	209,834	119,358	9,819	(15,315)	-	113,862	95,973	100,937
Furniture	2,558,062	20,791	(35,577)	988,348	(739)	3,530,884	2,088,134	425,284	(16,153)	(12,892)	2,484,373	1,046,511	469,928
Total	39,856,378	2,078,125	(462,522)	2,540,739	(1,852,230)	42,160,491	7,816,135	1,460,388	(138,534)	(494,080)	8,643,910	33,516,580	32,040,243
Assets in the process of completion	5,869,653	2,462,286	-	(1,207,467)	(0)	7,124,472						7,124,472	5,869,653
Orders & capital prepayments	600,231	193,466	-	(286,007)	(0)	507,689						507,689	600,231
Capital items at warehouse	1,042,769	886,664	(0)	(1,047,265)	(50,182)	831,986						831,986	1,042,769
Total	7,512,653	3,542,416	(0)	(2,540,739)	(50,182)	8,464,147						8,464,147	7,512,653
Grand Total	47,369,031	5,620,540	(462,522)	(0)	(1,902,413)	50,624,637	7,816,135	1,460,388	(138,534)	(494,080)	8,643,910	41,980,727	39,552,896

14-3- Fixed assets as detailed in the Explanatory Note 4-3-2 have been re-assessed.

14-4- The Bank's properties and the acquired properties are insured up to IRR 16,517 billion.

14-5- 249 Real Estates are occupied by other persons, lay within municipal plans and have problems regarding title deeds. 228 real estates lack title deeds, the Bank is pursuing for receiving respective title deeds.

14-6- Accumulated depreciation are phased out movable properties that are written off upon sales and/or assignment.

14-7- Assets in progress are mainly in consideration of Damavand, Salsabil Hotel of Mashhad, Golestan Pasdaran, Jeihoun Site, ... projects

14-8- The Bank's properties are insured according to the standing property value, and with regard to this fact that the building site is not subject to insurable peril; therefore, the buildings and immovable properties are adequately insured.

15. Intangible Assets

	Note	Group		Bank	
		March 20, 2015	March 20, 2014	March 20, 2015	March 20, 2014
		<i>Million Rials</i>	<i>Million Rials</i>	<i>Million Rials</i>	<i>Million Rials</i>
Key-money	15-1	2,907,509	2,189,720	2,788,244	2,134,309
Royalty		555,994	253,345	232,182	244,959
Computer software – Net		5,024	24,036	0	0
Other		1,130	49,425	0	0
Total		<u>3,469,657</u>	<u>2,516,526</u>	<u>3,020,426</u>	<u>2,379,268</u>

15-1- Sum of IRR 574 billion of Software service fees are recorded in the key-money entry.

16. Other Assets

The constituents of the above entry on the balance sheet date are as follows:

		Group		Bank	
		March 20, 2015	March 20, 2014	March 20, 2015	March 20, 2014
		<i>Million Rials</i>	<i>Million Rials</i>	<i>Million Rials</i>	<i>Million Rials</i>
Provisional debtors – Rial	16-1	17,278,409	30,946,494	33,098,703	33,210,162
Provisional debtors – FC	16-2	51,566,108	51,396,718	51,566,108	51,396,718
Provisional debtors abroad		636,593	590,019	636,593	590,019
Accounts receivables	16-3	<u>13,904,336</u>	<u>9,369,102</u>	<u>0</u>	<u>0</u>
		83,385,446	92,302,333	85,301,404	85,196,899
Drawn collaterals	16-4	14,024,594	12,993,897	12,024,594	12,993,897
Profit & commission receivable		80,619	52,817	80,619	52,817
General warehouse		342,863	472,631	342,863	243,460
Ready-for-sale assets	16-5	<u>1,774,692</u>	<u>0</u>	<u>1,480,894</u>	<u>0</u>
Other		6,175,885	4,732,737	116,603	148,781
		105,784,099	110,554,415	101,346,976	98,635,854
Less :					
Reserve of doubtful accounts		<u>(1,269,972)</u>	<u>(1,284,035)</u>	<u>(1,269,972)</u>	<u>(1,284,035)</u>
		<u>104,514,126</u>	<u>109,270,380</u>	<u>100,077,004</u>	<u>97,351,818</u>

16-1. Provisional Debtors ion Rials are constituted of the following items:

	Group		Bank	
	March 20, 2015	March 20, 2014	March 20, 2015	March 20, 2014
	<i>Million Rials</i>	<i>Million Rials</i>	<i>Million Rials</i>	<i>Million Rials</i>
On-account payment & receivables from companies	752,417	3,273,589	3,302,721	6,509,231
Dividend receivable from other companies	6,505,391	5,778,774	23,888,208	13,353,664
Profit due from participating bonds	1,934,124	2,145,083	1,934,124	2,145,083
Other items	8,086,477	19,749,048	4,973,650	11,202,184
	<u>17,278,409</u>	<u>30,946,494</u>	<u>33,098,703</u>	<u>33,210,162</u>

16-1-1- sum of IRR 3,500 billion of other items is related to Bank;s interim debtors concerning receivables due from the Hajj & Pilgrimage Org., which was settled in June.

16-2- Out of IRR 51,565 billion of interim FC debtors, sum of IRR 42,412 billion is related to the FC participating bonds of South Pars Oil & Gas Co. which will be collected according to the agreement reflected in Explanatory Note (9-2). Further, sum of IRR 965 billion of the interim FC debtors is related to receivables due from Bank Maskan in consideration of payment of 2 L/Cs opened by the said bank, for collection of which legal actions are in progress. Furthermore, sum of IRR 7,597 billion was in consideration of the clearing account which is related to the interim FC debtors (Note 20).

16-3. Accounts receivables are constituted of the following items:

	Group	
	March 20, 2015	March 20, 2014
	<i>Million Rials</i>	<i>Million Rials</i>
Trade notes receivable	802,654	4,454,552
Trade debtors	13,525,447	3,997,446
Other	205,722	944,324
Reserve of doubtful accounts	<u>(629,488)</u>	<u>(27,220)</u>
	<u>13,904,336</u>	<u>9,369,102</u>

16-4- Possessed securities include IRR 6,657 billion of possessed shares of National Iranian Copper Industries Co., sum of IRR 2,028 billion of movable properties, sum of IRR 5,130 billion of immovable properties and sum of IRR 210 billion of other possessed securities.

16-4-1- According to the Minutes of Extraordinary General Meeting held on November 30, 2014 National Iranian Copper Industries Co. they have agreed with 24% increase of the capital, and the foregoing is being followed up concerning registrations of the same in the relevant books.

16-4-2- Out of the possessed properties, 1,068 properties in counties and 31 properties in Tehran and free zones have not been received from the former owners.

16-4-3- The possessed properties are adequately insured for sum of IRR 6,457 billion.

16-5- ready-for-sale assets have been classified according to the Resolutions Nos. 3247/18, dated March 03, 2014 and 3274/74, dated July 07, 2014 adopted by the Board of Directors of the Bank, which were published in the widely-circulated Newspapers for several times

17- Items in Transit

Items in transit on the date of balance sheet are as follows:

	March 20, 2015	March 20, 2014		March 20, 2015	March 20, 2014
	<i>Debtors</i>	<i>Restated Debtors</i>		<i>Creditor</i>	<i>Restated Debtors</i>
	<i>Million Rials</i>	<i>Million Rials</i>		<i>Million Rials</i>	<i>Million Rials</i>
Center /IRR	369,702,237	459,317,384	Center /IRR	435,141,922	574,960,192
Center /FC	198,613,435	224,111,910	Center /FC	201,295,978	216,534,414
Branches /IRR	10,538	10,538	Branches /IRR	0	0
Local debtors /IRR (17-4)	112,046,490	148,796,979	Local creditors/IRR (17-5)	60,672,074	36,102,070
Local debtors /FC	47,308	63,215	Local creditors /FC (17-1)	12,794,270	5,379
Capital payment to branches abroad - FC	1,435,559	1,435,559	Capital of branches abroad	1,435,559	1,435,559
Surplus resources	15,704,249	13,606,281	Surplus resources	15,704,249	13,606,281
Legal deposit of branches in free zones	1,059,621	0	Free Zones Branches	1,059,621	0
Rial value of FC transactions A/C	256,234,906	227,424,300	FC status A/C	256,234,906	227,424,300
FC status A/C	120,867,115	114,797,622	Rial value of FC transactions A/C	120,867,115	114,797,622
Time FC Deposit at branches abroad	5,028,111	5,056,138	Demand Deposit of Central Dept.	4,743,247	4,349,053
Demand FC Deposit at branches abroad kept by one another	338,328	174,379	Demand Deposit at branches abroad kept by one another	245	255
Time FC Deposit at branches abroad kept by one another	310,492	124,311	Time FC Deposit A/C at branches abroad	454,743	0
Receivables due from Central Dept.	2,817,526	0		--	-
	1,084,215,915	1,194,918,614		1,110,403,929	1,189,215,123
Items in transit	26,188,014	0		0	5,703,491
	1,110,403,929	1,194,918,614		1,110,403,929	1,194,918,614

17-1- Concerning the above note, the provisions of the Letter No. 1225/BM, dated February 06, 2002, issued by General Management of Supervision on banks and credit institutes – Dept. of Banking Studies & Regulations of the Central Bank, subject of the Directive of Procedure of Issuance and Registration of Accounting Documents in relation to FC Operations have been observed.

17-2- Major items of IRR Center / FC Center and Local debtors and creditor, subject of the Note 17-4 and 17-5 are mainly related to process of crediting and withdrawal to/from SHETAB, SATNA, Barter, SHAPARAK, etc. systems with the branches and General Dept., which are settled within a few days.

17-3- In reference to the Note (6-2) adjustment of accounts created toward execution of Circular 1015 of Central Bank, which is carried out at the Central Dept., are executed in 2015 at Branches level.

17-4. Local debtors include the following items:

		March 20, 2015	March 20, 2014
		Million Rials	Million Rials
Accounts among bank internal departments	17-4-1	1,249,914	3,094,401
Mellat Card – ATM Terminal		0	30,149
Payments to SATNA in consideration of offices		19,001,083	7,838,544
Centralized Unit		55,000	36,900
Funds credited to JAM A/C		49,732,123	21,215,115
Funds credited to the Current Account No. 20400		0	55,818,949
SHAPARAK		2,874,046	3,066,216
PAYA Drafts System		1,285	1,375
SHETAB		0	52,541,092
Funds withdrawn out of integrated accounts		1,396,129	0
Allocation of FC documented credits and drafts	17-3	25,874,836	0
Other items	17-4-2	11,862,074	5,154,237
		112,046,490	148,796,979

17-4-1. Items related to the accounts among the bank internal departments are constituted of the following items:

		March 20, 2015	March 20, 2014
		Million Rials	Million Rials
Intercity drafts		0	7,698
Payment of drafts issued by other departments		861,648	1,740,156
Working account of branches		388,266	1,346,547
		1,249,914	3,094,401

17-4-2- Other items are related to local debtors, including transfer of funds from abeyant Mellat card, encrypted cheques, instruments exchanged among departments, etc.

17-5. Local creditors are constituted of the following items:

		March 20, 2015	March 20, 2014
		Million Rials	Million Rials
Accounts among bank internal departments		386,129	5,658,820
SHETAB		22,034,356	0
Clearinghouse		11,730,848	20,886,813
Subsidy of quick-return workshops		295	499
Credited funds out of integrated accounts		444,964	0
Other items		26,075,482	9,575,939
		60,672,074	36,102,070

17-5-1- Other local creditors' items include abeyant encrypted cheques, instruments exchanged among departments, Fuel Card Bag, POS, etc.

18. Liability to the Central Bank

		Bank	
		March 20, 2015	March 20, 2014
		Million Rials	Million Rials
Central Bank time FC deposit account		126,452,906	116,141,302
Facilities received from FC Reserve Account	18-1	124,503,749	118,121,566
Facilities received from Central Bank		800,000	800,000
Liability to Central Bank for FC rate differential – non-conventional cases		45,271	46,295
		251,801,926	235,109,162
Less:			
Amounts receivable from Central Bank for management floating rate differential		(310,859)	(349,639)
		251,491,067	234,759,523

18-1- Time deposits of central Bank maintained at the Bank are mainly in consideration of deposits, out of which facilities have been paid to those introduced by the said bank.

18-2- Out of IRR 124,504 billion liability to the Central Bank is in consideration of facilities granted out of FC reserve including IRR 95,795 billion of finance facilities to the public sector and sum of IRR 4,283 billion (equal to € 142 million) related to facilities granted to non-public sector (Note 10-2-1-1) (it is to be noted that it is solely paid to the Central Bank upon collection of liability installments) and sum of IRR 13,083 billion is in consideration of FC rial value, allocable by the Central Bank in consideration of Circular 60/1015 and other is for sum of IRR 11,343 billion.

19. Liability to Banks and Credit Institutes

	Group		Bank	
	March 20, 2015	March 20, 2014	March 20, 2015	March 20, 2014
	<i>Million Rials</i>	<i>Million Rials</i>	<i>Million Rials</i>	<i>Million Rials</i>
Loro interest-free current account deposit (after clearing)	181,899	2,727,215	181,899	2,727,215
Interest-free current account deposit of non-bank credit institutes	985,383	1,280,905	985,383	1,280,905
Sight FC deposit of Iranian banks	9,249,912	17,208,747	9,249,912	17,208,747
Sight FC deposit of foreign banks	23,677	439,752	2,112,668	2,528,742
Time FC deposit of Iranian banks	9,896,358	9,552,918	9,896,358	9,552,918
Time FC deposit of foreign banks	3,737,668	5,524,471	3,737,668	5,524,471
Liability to foreign banks due to ECO FC loans	0	12,481	0	12,481
Loans received by subsidiary companies from other banks	2,544,985	2,495,851	0	0
Deposits of other banks	28,781,499	13,936,811	28,781,499	13,936,811
	55,401,382	53,179,150	54,945,387	52,772,289

20. Sight Deposits

Sight deposits, on the date of balance sheet, are as follows:

	Group		Bank	
	March 20, 2015	March 20, 2014	March 20, 2015	March 20, 2014
	<i>Million Rials</i>	<i>Million Rials</i>	<i>Million Rials</i>	<i>Million Rials</i>
Current interest-free deposits- IRR	135,845,307	149,107,464	135,774,268	149,302,390
Current interest-free deposits- FC	15,959,192	25,472,290	15,976,803	27,420,775
Types of sold-out bank cheques	15,462,786	46,268,076	15,462,786	46,268,076
Civil partnership joint-account	2,991,795	3,071,986	2,991,795	3,071,986
Provisional creditor – IRR	4,925,408	4,698,831	6,150,540	5,696,540
Provisional creditor – FC	30,562,722	32,965,859	30,562,722	32,965,859
Payable profit & commission	44,504	52,076	44,504	52,076
Other items	1,766,747	2,178,375	1,766,747	2,178,375
	207,558,461	263,814,958	208,730,164	266,956,078

20-1- Types of sold bank cheques are related to local intra-city issuing branch, encrypted cheques issued by other branches and inter-bank cheques issued by other banks, which have been issued at the request of the customers and are settled within 72 hours.

20-2- Major items of the Bank's interim creditors include payable cases to Hamrah Aval Co. and Irancell in consideration of sales of credit SIM cards, Payments concerning access cards, good performance guarantee, social security insurance, etc.

20-3- Other demand items include unused administered funds, uncalled balances, drafts drawn to the Bank, etc.

21. Savings Deposits & Similar Items

The constituents of the above entry on the date of balance sheet are as follows:

	Group		Bank	
	March 20, 2015	March 20, 2014	March 20, 2015	March 20, 2014
	<i>Million Rials</i>	<i>Million Rials</i>	<i>Million Rials</i>	<i>Million Rials</i>
Interest-free savings deposit / IRR	50,025,701	42,141,677	50,025,769	42,918,460
Interest-free savings deposit / FC	6,384,369	16,787,062	6,384,369	16,787,062
Customers saving	421,698	445,222	421,698	445,222
	56,831,768	59,373,961	56,831,835	60,150,743

22. Time Investment Deposits

Investment deposits are constituted of the following items:

	Group		Bank	
	March 20, 2015	March 20, 2014	March 20, 2015	March 20, 2014
	<i>Million Rials</i>	<i>Million Rials</i>	<i>Million Rials</i>	<i>Million Rials</i>
Long-term investment deposit	262,111,277	231,145,714	263,357,576	231,680,012
Short-term investment deposit	298,715,458	243,635,636	299,377,289	244,784,243
Special Short-term investment deposit	4,870,589	4,886,352	5,146,889	4,945,452
Government's personnel savings (Employees' share)	882,940	716,279	882,940	716,279
Government's personnel savings (Government's share)	881,622	717,771	881,622	717,771
FC time deposit	55,021,705	58,916,405	55,021,705	58,916,405
Time deposit of branches abroad	163,500	164,789	163,500	164,789
	622,647,090	540,182,946	624,831,520	541,924,951

22-1- Long-term investment deposit includes IRR 22,539 billion, in consideration of investment by persons for Hajj pilgrimage, the profit of which have been calculated at 20%.

23. Other Deposits

Constituents of the above entry are as follows:

	Group		Bank	
	March 20, 2015	March 20, 2014	March 20, 2015	March 20, 2014
	Million Rials	Million Rials	Million Rials	Million Rials
Advances from customers due from Rial L/Cs / non-governmental	10,875,983	8,291,071	10,875,983	8,291,071
Advances from customers due from FC L/Cs / governmental	12,782,086	22,465,356	12,782,086	22,465,356
Advances from customers due from Local FC L/Cs / non-governmental	7,881,260	8,509,902	7,881,260	8,509,902
Cash deposit of guarantees – IRR/ non-governmental	8,307,905	7,502,034	8,314,438	7,502,034
FC Cash deposit of guarantees	2,539,902	2,983,946	2,539,902	2,983,946
Advances from customers due from Local L/Cs / governmental	633,412	899,769	633,412	899,769
Other	11,584,565	12,380,082	10,405	7,614
	<u>54,605,112</u>	<u>63,032,161</u>	<u>43,037,486</u>	<u>50,659,692</u>

23-1- The said amount is mainly related to sums received from debtors in consideration of L/Cs and time FC drafts (as detailed the Note 11 of financial statements)

23-2- received on-account amount is in consideration of unpaid FC L/Cs which remained unpaid due failure of Central Bank in supply of the required FC has been disclosed in this note.

24. Payable Tax

	Group		Bank	
	March 20, 2015	March 20, 2014	March 20, 2015	March 20, 2014
	Million Rials	Million Rials	Million Rials	Million Rials
Opening balance	1,825,318	2,336,181	747,510	1,631,117
Reserve of tax of operations of the year	1,463,148	2,529,165	874,140	1,101,780
Preceding years tax reserves	3,894,444	0	3,894,444	3,982,169
Tax adjustments	433,428	(14,580)	(0)	(0)
Settled during the year /period	(4,933,882)	(3,025,448)	(3,843,486)	(3,782,359)
Settled on-account tax	(355,067)	(0)	(3,577)	(2,185,196)
Closing balance	<u>2,327,390</u>	<u>1,825,318</u>	<u>1,669,031</u>	<u>747,510</u>

24-1. The Bank's tax has been finalized by the tax authorities until March 20, 2010 and duly paid out. Summary of tax status of the Bank for operations of the year 2011 up to March 20, 2015 is as follows:

Fiscal Year	Declared Profit (Loss)	Taxable Income	Tax				Balance		Assessment Method
			Declared	Assessed	Final	Settled	March 20, 2015	March 20, 2014	
2011	8,037,969	6,422,225	1,284,445	4,193,967	2,149,772	3,090,745	791	791	Audited books
2012	7,528,606	2,310,207	519,797	5,658,041	4,376,363	4,564,265	167,586	467,586	Audited books
2013	16,050,972	3,475,859	1,344,908	7,109,493	0	2,190,366	419,209	1,362,549	Audited books
2014	17,894,159	4,477,227	1,101,780	6,820,073	0	1,388,486	210,882	1,101,780	Audited books
March 20, 2015	18,147,596	4,370,698	874,140	0	0	0	874,140	0	Unaudited
Total	67,659,301	21,056,216	5,125,069	23,781,574	6,526,135	11,233,862	1,672,609	2,932,707	
Less: Settled on-account tax							(3,577)	(2,185,196)	
Grand Total							1,669,031	747,510	

24-2. In consideration of contingent liability to the Iranian National Tax Administration, in addition to the reserved funds set out in the tax payable entry, the required reserves are available in the entries of other reserves.

24-3. With regard to the settlement of tax balance liabilities until March 20, 2010, the relevant acquittance of March 20, 2010 was received.

24-4. On the strength of final tax assessment notice for the fiscal year ended on March 20, 2011, bearing No. 2946323, dated March 08, 2014, sum of IRR 2,149 billion was totally paid; nevertheless, whereas Supreme Tax Council reissued another final tax notice with an equivalent tax amount, and the case was objected by the chief auditor, the bank lodged a complaint to the High Administrative Court. It is to be noted that according to the decision of Tax Dispute Settlement Board indicating acceptance of doubtful account costs in the year ended on March 20, 2011, the Case was referred to the Supreme Tax Council, and the Bank has considered reserves in the accounts on the strength of such decision and upon assuming acceptability of doubtful account cost for the years ended on March 20, 2012 through March 20, 2013.

24-5. On the strength of final tax assessment notice for the fiscal year ended on March 20, 2012, bearing No. 7955191, dated September 15, 2014, sum of IRR 4,376 billion was demanded from the Bank, which was totally paid up; nevertheless, the Bank has objected to the issued award, and intends to lodge a complaint to the Minister of Economic Affairs and Finance in compliance with Article 251 of Direct Tax Act.

24-6- On the strength of final tax assessment notice for the fiscal year ended on March 20, 2013, bearing No. 3030883, dated February 10, 2014, sum of IRR 7,109 billion was demanded from the Bank, and the Bank toward execution of legal regulations, objected and it is following up the case at the Tax Dispute Boards.

24-7- On the strength of final tax assessment notice for the fiscal year ended on March 20, 2014, bearing No. 11220198, dated February 08, 2015, sum of IRR 6,820 billion was demanded from the Bank, and the Bank toward execution of legal regulations, objected and it is following up the case at the Tax Dispute Boards.

25. Reserves and Other Liabilities

Reserves and other liabilities are constituted of the following items:

		Group		Bank	
		March 20, 2015	March 20, 2014	March 20, 2015	March 20, 2014
		<i>Million Rials</i>	<i>Million Rials</i>	<i>Million Rials</i>	<i>Million Rials</i>
Facilities received from National Development Fund / FC		58,701,189	42,906,153	58,701,189	42,906,153
Reserves of branches abroad		42,979	44,205	42,979	44,205
Reserves of Bank's Retirement Fund (Actuary)	25-1	8,173,922	8,173,922	8,173,922	8,173,922
Reserve for redemption of leave of absence		1,195,143	1,195,675	1,195,143	1,195,675
Reserve of Personnel Expenses		415,525	59,491	415,525	59,491
Reserve of admin. Expenses		41,578	109,954	41,578	109,954
Reserve for bonuses of interest-free savings deposits		1,198,835	1,227,790	1,198,835	1,227,790
Tax reserve of previous years		3,860,554	7,337,804	3,860,554	7,337,804
Reserve of Deposits Guarantee Fund	25-2	1,704,170	1,704,170	1,704,170	1,704,170
Other items	25-3	12,610,742	10,127,322	11,196,767	8,502,333
		<u>87,944,636</u>	<u>72,886,485</u>	<u>86,530,662</u>	<u>71,261,496</u>

25-1- The actuary reserve, according to the qualified actuary's calculations, has been considered in the accounts and the amount regarded by the retirement fund has not been recorded in the accounts due to objection to calculation procedures and assumption regarded by the bank's selected actuary.

25-2- Toward execution of Article 7 and Clause 1 of Article 9 of Directive of the Amount and Procedure of Receiving the Deposits Guarantee Fund Membership Fee, as set out in the Resolution No. H4837T/100998, dated July 24, 2013, approved by the Council of Ministers, sum of IRR 176 billion, including initial membership fee has been paid on account and sum of IRR 1,704 billion was recorded in the accounts as reserve. Further, according to the Letter No. 92/235155, dated November 02, 2013, issued by the President of the Central Bank, the subject of Max. amount of deposits for calculation of annual membership fee is being processed.

25-3- Other items are mainly include reserve for profit payable concerning Moi Scheme Deposit.

26. Bank's Liability in Consideration of Accepting Time FC L/Cs and Drafts

	Bank	
	March 20, 2015	March 20, 2014
	<i>Million Rials</i>	<i>Million Rials</i>
Bank's liability in consideration of accepting time FC L/Cs and drafts	13,278,490	24,978,276
Facilities received concerning Local usances of foreign banks	47,419	291,994
Facilities received from branches abroad due to Local usances	32,390	132,814
	<u>13,358,299</u>	<u>25,403,084</u>

27. Payable Dividend

Description	Approved dividend	Bank						Group	
		Paid Dividend						Payable Dividend	Balance
		During 2009	During 2010	During 2011	During 2012	During 2013	During 2014	Balance March 2015	March 2015
	Million Rials	Million Rials	Million Rials	Million Rials	Million Rials	Million Rials	Million Rials	Million Rials	Million Rials
Fiscal year ended on 20/3/2009	2,227,000	1,578,116	648,231	137	52	43	13	409	409
Fiscal year ended on 20/3/2010	3,157,100	0	2,834,089	320,750	1,549	93	88	531	531
Fiscal year ended on 20/3/2011	1,280,000	0	0	1,016,947	261,713	285	63	993	993
Fiscal year ended on 20/3/2012	5,400,000	0	0	0	3,373,295	2,020,764	2,171	3,770	3,770
Fiscal year ended on 20/3/2013	5,296,000	0	0	0	0	5,274,681	12,685	8,634	8,634
Fiscal year ended on 20/3/2014	13,200,000	0	0	0	0	0	13,140,525	59,475	59,475
Parent Company	<u>30,560,100</u>	<u>1,578,116</u>	<u>3,482,320</u>	<u>1,337,834</u>	<u>3,636,609</u>	<u>7,295,866</u>	<u>13,155,544</u>	<u>73,811</u>	<u>73,811</u>
Subsidiaries - owned by minority									1,690,847
									<u>1,764,658</u>

28. Reserve for Personnel Termination Benefits

The turnover of the account of the reserve for personnel termination benefits is as follows:

	Group		Bank	
	September 2014	March 20, 2014	September 2014	March 20, 2014
	<i>Million Rials</i>	<i>Million Rials</i>	<i>Million Rials</i>	<i>Million Rials</i>
Opening period/year Balance	5,021,282	4,315,691	4,868,100	4,220,696
Supplied reserve for the period /year	1,584,844	815,102	1,472,515	743,583
Payable during the period/ year	(198,324)	(109,511)	(167,952)	(96,179)
Year/period -end Balance	<u>6,407,802</u>	<u>5,021,282</u>	<u>6,172,663</u>	<u>4,868,100</u>

29. Capital

29-1. The Bank's capital at the beginning of establishment was IRR 33,500 million (including 33,500,000 shares, each at par value of IRR 1,000), which through the following steps reached sum of IRR 40,000,000 million.

Capital Increase Finance Source	Date of Increase	% of Increase	Amount	New Capital Amount
			Million Rials	Million Rials
Reassessment of fixed assets	01.09.1993	1,706	571,500	605,000
Special Participating Bonds – subject of Article (93) of 3rd Development Plan	01.09.2001	104,8	634,000	1,239,000
Reassessment of fixed assets and conversion FC assets & liabilities	10.08.2005	957,3	11,861,000	13,100,000
Shareholders' Cash Contribution	26.04.2011	22,1	2,900,000	16,000,000
Retained profit	24.06.2012	25	4,000,000	20,000,000
Reassessment of fixed assets	23.09.2012	65	13,100,000	33,100,000
Retained profit	29.04.2014	20,8	6,900,000	40,000,000

29-1-1- For IRR 11,861 billion increase in the capital related to the year 2005, sum of IRR 1,224 billion was supplied out of legal changes in exchange rates and sum of IRR 10,637 billion was supplied out the reassessment of fixed assets of the bank.

29-2. The composition of shareholders at the balance sheet is as follows:

	March 20, 2015		March 20, 2014	
	# of Shares	%	# of Shares	%
Provincial Justice Share Investment Company (PJS)	11,999,999,797	30	9,929,999,882	30
Government of I.R. of Iran	7,621,893,854	19.05	6,507,690,519	19.66
Social Security Org.	3,997,007,592	9.99	3,307,523,797	9.99
Saba Tamin Investment Co. (Public Joint Stock)	1,560,907,558	3.90	2,147,690,123	6.49
Bank Mellat Personnel Future Security Fund	2,426,176,841	6.07	1,710,117,267	5.17
Personnel preferred shares	1,218,382,283	3.05	1,312,266,484	3.96
Iran Overall Distribution Co.	651,288,358	1.63	650,271,205	1.96
Moin Atieh Khahan Cooperative Co.	710,575,223	1.78	588,001,000	1.78
Shirin Asal Co.	483,397,223	1.21	382,761,204	1.16
Oil Retirement Fund Investment Co.	484,632,277	1.21	422,999,999	1.28
Mellat Financial Group Co.	1,534,781,637	3.84	1,302,083,619	3.93
Iranian National Investment Co.	444,562,983	1.11	368,043,095	1.11
Kohan Tejarat Mehran Co.	422,733,678	1.06	0	0
Mellat Insurance Co.	0	0	337,055,271	1.02
Other shareholders	6,443,660,696	16.11	4,133,496,535	12.49
	40,000,000,000	100	33,100,000,000	100

	March 20, 2015		March 20, 2014	
	# of Shares	%	# of Shares	%
Number of Shareholders:	441	0.93	187	0.49
Legal Entities	46,987	99.07	38,084	99.51
Real Persons	47,428	100	38,271	100

29-3- With respect to resolutions adopted in the Extraordinary General Meeting, dated February 15, 2014, the Bank's Capital was increased to IRR 40,000 billion from IRR 33,100 out of the retained profit, and was registered at the Registry of Companies on April 29, 2014.

29-4. Capital Adequacy Ratio

Capital adequacy ratio, which is obtained by dividing the Bank's basic capital by weighted assets expressed as its risk percentage, as required by Basel Committee, subject of Approval No. BM/1911, dated February 05, 2004, and Circular No. 89/79378, dated July 06, 2010 has been calculated at the balance sheet date as detailed below

	March 20, 2015		March 20, 2014
	Bank	Calculated Central Bank	Bank
	Million Rials	Million Rials	Million Rials
Paid-out capital	15,691,500	15,691,500	15,691,500
Legal reserve	15,158,354	15,158,354	11,521,147
Other reserves	2,159,140	2,159,140	1,964,406
Reassessed realized balance (approved by auditor and legal inspector)	29-4-1 3,897,819	3,897,819	0
Retained profit	29-4-2 16,976,440	16,976,440	1,637,776
Total principal capital	53,883,253	53,883,253	30,814,829
General reserve for re-assessed receivables & reserves of fixed assets	32,112,423	35,235,058	32,269,531
Less: Tier 2 capital adjustments	(0)	(0)	(1,454,702)
Total complementary capital	32,112,423	35,235,058	30,814,829
Less: Investments	(2,087,464)	(2,087,464)	(2,087,464)
Total basic capital after deduction of investments	83,908,212	87,030,847	59,542,194
Total risk-weighted assets (not 29-5)	936,006,289	1,185,949,984	948,527,860
Capital adequacy ratio (%)	8.96	7.34	6.28

29-4-1. Table of reassessed realized balance of fixed assets – March 2015:

Title/Year	Until 2005	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015	Total
Depreciated fixed assets (reassessed 1992)	77,723	17,282	16,677	16,094	15,530	14,987	14,462	13,956	13,468	12,996	12,541	225,716
Sold fixed assets – real estates (reassessed 1992)	79,902	869	529	3,511	2,355	3,625	2,557	1,017	1,170	9,317	508	105,360
Depreciated fixed assets (reassessed 2004)	0	321,125	309,305	298,352	284,800	274,301	261,740	249,938	240,384	231,225	211,847	2,683,017
Sold fixed assets – real estates (reassessed 2004)	0	16,585	3,651	88,843	15,164	84,585	75,452	23,053	21,293	322,430	5,419	656,475
Sold fixed assets – key-money (reassessed 2004)	0	2,160	14,883	26,909	16,887	0	0	0	0	12,593	0	73,632
Sold fixed assets – (reassessed 1992)	0	0	0	0	0	0	0	32,486	54,226	66,531	576	153,819
Total	157,625	358,021	345,045	433,709	334,736	377,498	354,211	320,450	330,541	655,092	230,891	3,897,819

29-4-2- 10% net profit (legal stipulation of distribution of profit to shareholders) out of retained profit at end of fiscal year was deducted and was considered in the calculation of the principal capital.

29-5- Risk-Weighted Assets

	March 20, 2015			Restated March 20, 2014		
	Assets	Conversion Factor	Risk Factor	Assets	Conversion Factor	Risk Factor
	Million Rials Percent		Million Rials	Million Rials Percent		Million Rials
Cash balance	15,709,484	-	0	15,109,688	-	0
Funds in transit	51,122	-	20	19,986	-	20
Receivables from central bank	128,116,592	-	0	119,728,582	-	0
Receivables from Bank	82,545,797	-	20	104,109,488	-	20
Receivables from Government	63,426,103	-	0	51,304,360	-	0
Governmental & central Bank Securities	1,540,683	-	0	3,944,783	-	0
Investments & partnerships (net)	27,274,620	-	100	27,034,301		100
Governmental facilities (net)	232,928,570	-	0	287,190,837		100
Non-public facilities, secured by the government (net)	1,151,961	-	0	13,650,803		0
Non-public facilities	343,097,408	-	100	239,918,008		100
Granted housing facilities	94,598,879	-	50	64,411,902	-	50
Outstanding receivables	46,767,992	-	100	16,617,829	-	100
Fix assets	60,502,228	-	100	54,356,336		100
Debtors for time FC L/Cs & drafts	8,966,591	-	100	10,026,600		100
Other Assets	240,435,172	-	100	165,824,956		100
Total Assets	1,347,113,202		790,862,834	1,173,248,459		854,000,713
Obligations for L/Cs after deduction of advances	17,777,569	20	100	24,065,239	20	100
Obligations for under-1-year guarantees after deduction of cash deposit	74,052,119	20		123,379,258	20	
Obligations for over-1-year guarantees after deduction of cash deposit	68,484,673	50	100	18,862,875	50	100
Other obligations (non-public)	83,960,912	100	100	48,282,542	100	100
Other obligations (companies' participating bonds)	34,295,181	50	50	29,295,181	50	50
Other obligations (inter-banks)	11,830	20	20	11,830	20	20
Other obligations (public)	153,884,161	0	0	50,856,209	0	0
Total Obligations	432,466,445		145,143,455	294,753,134		94,527,147
Total Risk-Weighted Assets	1,779,579,647		936,006,289	1,468,001,593		948,527,860

30- Shares of Parent Company Owned by Subsidiaries

Shares of Parent Company Owned by Subsidiaries at the date of balance sheet are as follows:

	March 20, 2015		March 20, 2014
	# Share	Cost Price	Cost Price
Mellat Financial Group Co.	1,534,781,637	1,574,965	1,406,937
Mellat Partnership Behsaz Co.	27,892	23	26
Behsazan Co.	30,524	29	30
Total	1,534,840,053	1,575,017	1,406,993

31. Reserves

Balance of reserves includes the following items:

	Group		Bank	
	March 20, 2015	March 20, 2014	March 20, 2015	March 20, 2014
	<i>Million Rials</i>	<i>Million Rials</i>	<i>Million Rials</i>	<i>Million Rials</i>
Local legal reserve	16,458,918	12,492,749	15,036,245	11,399,666
Legal reserve abroad	122,110	121,481	122,110	121,481
Other Local legal reserves	123,555	90,185	3,137	3,137
Other legal reserve abroad	78,738	61,670	78,738	61,670
	16,783,320	12,766,085	15,240,229	11,585,953

33-1- Discrepancy in the note of reserves is due to compliance with international standards of branches abroad, and to this end, the branches' auditors have given their attestation.

32. Capital of subsidiaries supplied out of surplus due to re-assessment of fixed assets

	Group	
	March 20, 2015	March 20, 2014
	<i>Million Rials</i>	<i>Million Rials</i>
Fixed assets reassessment surplus	420,484	306,777
	420,484	306,777

33. Differential of Conversion of FC due from Foreign Operations

	Group		Bank	
	March 20, 2015	March 20, 2014	March 20, 2015	March 20, 2014
	<i>Million Rials</i>	<i>Million Rials</i>	<i>Million Rials</i>	<i>Million Rials</i>
Differential due from conversion of FC Assets & Liabilities	3,580,406	3,736,755	2,077,265	1,899,599
	3,580,406	3,736,755	2,077,265	1,899,599

33-1. Toward execution of clause 4-A and 4-C of the Circular No. 1844/BM, dated January 12, 2004, issued by the Central Bank of I.R. of Iran, the differential of conversion of assets and liabilities of the branches abroad was calculated and recorded in the accounts.

33-2. Increase in the differential due from conversion of FC Assets & Liabilities is due to exercising exchange rates in the year 2015.

34. Minority Share

	Group	
	March 20, 2015	March 20, 2014
	<i>Million Rials</i>	<i>Million Rials</i>
Capital	988,283	683,682
Reserves	52,077	51,155
Accumulated differential of FC conversion	780,808	987,992
Accumulated profit & loss	181,790	364,537
	2,002,958	2,087,367

35. Granted Profit of Facilities

	Group		Bank	
	March 20, 2015	March 20, 2014	March 20, 2015	March 20, 2014
	<i>Million Rials</i>	<i>Million Rials</i>	<i>Million Rials</i>	<i>Million Rials</i>
Installment sale	5,517,440	5,485,881	5,259,567	5,267,847
Civil Participation	33,184,153	29,312,711	33,184,153	29,312,711
Reward contract	1,835,882	2,194,080	1,835,882	2,194,080
Lease purchase	183,601	275,394	183,601	275,394
Capital bailment	3,756,417	3,657,161	3,756,417	3,657,161
Regular notified governmental facilities	186,048	192,777	186,048	192,777
Factoring	497,076	237,533	497,076	237,533
Usury (sale)	11,178,195	4,123,569	11,178,195	4,123,569
Forward purchasing	1,152	3,082	1,152	3,082
Retention money of IRR Facilities 35-1	21,383,333	17,811,227	21,579,599	18,817,635
	77,723,297	63,293,415	77,661,690	64,081,789

35-1- Earning due from the Retention money of IRR. Facilities is related to the delay penalty received in consideration of all bank contracts.

36. Sales of Goods and Earning Due from Service Provision

	Group	
	March 20, 2015	March 20, 2014
	<i>Million Rials</i>	<i>Million Rials</i>
Sales of FC by Mellat Exchange	18,262,862	11,304,053
Sales of products	4,717,926	4,832,011
Earning due from service provision	6,583,640	4,733,555
Other	887,420	383,546
	30,451,848	21,253,165

37. Profit due from Investments & Deposits

		Group		Bank	
		March 20, 2015	March 20, 2014	March 20, 2015	March 20, 2014
		<i>Million Rials</i>	<i>Million Rials</i>	<i>Million Rials</i>	<i>Million Rials</i>
Profit due from investment in the shares of subsidiaries subject to consolidation	37-1	0	0	8,566,660	5,209,734
Profit due from investment in the shares of companies		4,621,079	2,353,812	1,977,349	418,647
		4,621,079	2,353,812	10,544,009	5,628,381
Profit due from investment deposit and participating bonds and legal deposits	37-2	13,767,261	6,027,575	12,322,561	5,405,612
Profit due from/to sales of shares		462,210	3,448,330		0
Loss due to decrease in the value of investment in the shares of companies		(632,123)	(0)	(9,192)	(0)
Earning due from sales of preemptive certificate		826,440	78,102	826,440	78,102
Net profit due to investment in the shares of companies		19,044,867	11,907,819	23,683,818	11,112,095

37-1. Out of IRR 8,567 billion dividend of the subsidiaries subject to consolidation, sum of IRR 6,999 billion is related to profit of Mellat Financial Group Co., IRR 870/- billion is related to the profit of Fanavaran Behsazan Houshmand Farda Co., and IRR 698 billion is related to profit of Mellat Partnership Behsaz Co.

37-2. Bank's earning in consideration of profit of investments deposits and participating bonds is as follows:

	Bank	
	March 20, 2015	March 20, 2014
	<i>Million Rials</i>	<i>Million Rials</i>
Profit due from deposits:		
Profit due from legal deposit	905,984	720,484
Profit due from deposits at banks	9,983,498	3,029,656
Total profit due from deposits	10,889,482	3,750,140
Profit due from investment in participating bonds	1,433,079	1,655,472
	12,322,561	5,405,612

38. Cost price of sold goods and rendered service

	Group	
	March 20, 2015	March 20, 2014
	<i>Million Rials</i>	<i>Million Rials</i>
Consuming materials	907,319	707,045
Direct labor	1,304,427	851,908
Production overhead	851,377	661,890
Cost unabsorbed in production	(11,122)	(7,123)
Total production costs	3,052,001	2,213,720
Increase in inventory of goods in progress	(103,576)	(129,450)
Wastages	(386)	(315)
Cost price of production	2,948,039	2,083,955
Purchase of finished goods	3,338,830	3,227,576
Increase in inventory of produced goods	105,585	(1,106,777)
Cost price of sold goods	6,392,454	4,204,754
Cost price of rendered services	6,242,246	3,224,394
Cost price of sold FC	14,792,331	11,151,709
Cost price of sold goods	27,427,031	18,580,857

39. On-Account Profit of Investment Deposits

	Group		Bank	
	March 20, 2015	March 20, 2014	March 20, 2015	March 20, 2014
	<i>Million Rials</i>	<i>Million Rials</i>	<i>Million Rials</i>	<i>Million Rials</i>
Profit due from time deposits				
Profit due from short-term deposits:	30,208,614	14,838,198	30,208,614	14,838,198
Profit due from special short-term deposits	1,835,653	2,643,417	1,835,653	2,643,417
1-year	30,369,035	7,638,641	30,367,547	7,637,385
2-year	5,647,690	2,077,259	5,647,690	2,077,259
3-year	1,415,074	1,191,723	1,415,074	1,191,723
4-year	202,513	175,664	202,513	175,664
5-year	23,349,655	27,093,884	23,674,728	27,298,642
Profit due from certificate of 1-year public investment	2,383,387	3,608,908	2,383,387	3,608,908
	95,411,621	59,267,694	95,735,206	59,471,196

39-1- On-account profit paid to the depositors for IRR 95,735 billion includes IRR 5,035 related to Moj Scheme Deposits, which has been considered in the reserve accounts with respect to the fact that the deposits have not reached their maturity.

39-2. On-Account Interest Rates of Investment Deposits are as Follows:

	Bank	
	Year ended on March 20, 2015	Year ended on March 20, 2014
Regular short-term and house purchase	10	7
3-month special short-term	14	10
4-month special short-term	16	12
6-month special short-term	16	12
9-month special short-term	18	15
1-year	22	17
2-year	22	18.5
3-year	22	19
4-year	22	19.5
5-year	22	20
Certificate of public investment	22	20

40. Differential of Final & On-Account Profits of Investment Deposits

The differential of final & on-account profits of time investment deposits of customers have been calculated as per Circular Letter No, 22243/BM, dated April 26, 2009, issued by Central Bank of I.R. of Iran, as follows:

	March 20, 2015		March 20, 2014
	<i>Million Rials</i>	<i>Million Rials</i>	<i>Million Rials</i>
Average Joint-Consumptions			
Granted facilities	440,520,814		388,375,299
Investments	62,217,670		31,036,859
Participating bonds	11,220,551		11,441,626
		513,959,035	430,853,784
Less: Net Investors' Resources:			
Ordinary Average short-term	268,965,651		172,793,512
Special Average short-term	5,042,426		7,529,611
Average 1-year	137,997,250		70,738,863
Average 2-year	22,845,074		9,485,743
Average 3-year	5,932,991		6,405,851
Average 4-year	1,055,279		1,000,618
Average 5-year	107,785,477		129,623,464
Average investment deposits of other banks	17,878,010		11,805,306
Total average investment deposits	567,502,158		409,382,968
Average legal deposit of investment deposits	(63,953,853)		(45,510,278)
Net depositors' resources		503,548,305	363,872,690
Bank resources		10,410,730	66,981,094
% of Depositors' profit from joint earnings			
Joint Incomes:			
Profit due from granted facilities	77,661,690		64,081,789
Profit due from investments (Except for statutory deposit)	9,983,498		2,318,949
Profit due from investments	12,794,336		8,072,663
Total joint profit		100,439,524	74,473,401
Shareholders' profit share		98,405,026	62,895,668
Bonus of legal deposit of investment deposits		887,632	486,330
Depositors' interests		99,292,658	63,381,998
Received attorney's fee		(14,187,554)	(10,234,574)
Interests payable to depositors		85,105,104	53,147,424
On-account profit paid-out to depositors during year (Note 40)		(95,735,206)	(59,471,196)
Deficit (surplus) of profit paid-out to depositors		(10,630,102)	(6,323,772)

40-1. Attorney's fee amounting to 2.5% of the average investment deposits has been calculated (Bank's approved attorney's fee in the year end on March 20, 2015: 2.5%)

41. Received Profit & Retention Money

Profit & Retention Money of Non-Joint Earnings are as follows:

	Group		Bank	
	March 20, 2015	Restated March 20, 2014	March 20, 2015	Restated March 20, 2014
	<i>Million Rials</i>	<i>Million Rials</i>	<i>Million Rials</i>	<i>Million Rials</i>
Profit (branches abroad)	237,933	196,417	237,933	196,417
Retention money from other receivables	21,259,024	12,514,573	21,259,026	12,514,575
Retention money out of granted FC facilities/ non-governmental	1,428,666	509,321	1,428,666	509,321
Profit out of granted FC facilities/ non-governmental	16,255,091	11,920,183	16,255,091	11,920,183
Profit out of FC investments and FC deposits	1,119,088	1,119,198	1,119,088	1,119,198
FC debentures	3,533,172	1,205,017	3,533,670	1,205,515
Other	23	296	23	297
	43,832,998	27,465,005	43,833,497	27,465,506

42. Received Commission

Received Commissions include the following items:

	Group		Bank	
	March 20, 2015	March 20, 2014	March 20, 2015	March 20, 2014
	<i>Million Rials</i>	<i>Million Rials</i>	<i>Million Rials</i>	<i>Million Rials</i>
Commission of opened L/Cs	335,712	432,432	335,712	432,432
Commission of issued guarantees	2,379,316	1,801,692	2,379,337	1,801,757
Commission of received bills	212,818	205,680	212,818	205,680
Bank drafts Commission (SHETAB)	1,505,383	803,192	1,505,383	803,192
Commission of interest-free facilities	1,019,864	1,103,918	1,019,864	1,103,918
Commission of branches abroad	14	2,211	14	2,211
Commission of governmental accounts	93,048	69,099	93,048	69,099
Received Commission of facilities of junk vehicles	34	16,703	34	16,703
Commission of current accounts (bounced cheques)	81,193	66,779	81,193	66,779
Commission of insurance services	163,839	112,686	163,839	112,686
Commission of Rials and FC drafts	403,169	81,692	403,169	81,692
Commission of bad cheques	38,784	35,190	38,784	35,190
Commission of expert's fee concerning plans	43,056	36,965	43,056	36,965
Commission of preparation of report on credit data	27,166	32,075	27,166	32,075
Credit card subscription fee	8,784,512	8,606,059	8,784,512	8,606,059
Commission of securities sales agents	40	62,500	40	62,500
Other Bank Services	3,284,619	309,549	3,283,301	309,549
	18,372,567	13,778,422	18,371,270	13,778,487

42-1- This commission related to yearly subscription of money lending credit card and the profit related to money lending facilities are reflected in the Note (35) (Profit of granted facilities').

43. Other Non-Joint Earnings

	Group		Bank	
	March 20, 2015	March 20, 2014	March 20, 2015	March 20, 2014
	<i>Million Rials</i>	<i>Million Rials</i>	<i>Million Rials</i>	<i>Million Rials</i>
Result of Local FC transactions	262,635	487,196	262,635	487,196
Result of FC transactions (branches abroad)	12,271	40,874	12,271	40,874
Result of conversion of FC accounts	240,473	9,261,135	0	7,996,393
Miscellaneous earnings 43-1	3,000,927	3,322,683	2,443,082	1,240,318
Miscellaneous earnings (branches abroad)	9,311	16,292	9,311	16,292
	3,525,617	13,128,180	2,727,299	9,781,073

43-1. Miscellaneous Earnings are as follows:

	Group		Bank	
	March 20, 2015	March 20, 2014	March 20, 2015	March 20, 2014
	<i>Million Rials</i>	<i>Million Rials</i>	<i>Million Rials</i>	<i>Million Rials</i>
Post, Telegraph & Telephone	3,734	112,767	3,734	3,913
Profit due from selling fixed assets & scraps	595,754	350,074	420,373	267,138
Earning due from rentals	22,354	17,422	22,354	17,583
Card Issuance	158,248	165,835	158,248	165,835
Expert's fee and assessment of assets	232,048	186,576	232,048	186,576
Other	1,988,789	2,490,009	1,606,325	599,273
	3,000,927	3,322,683	2,443,082	1,240,318

43-1-1- Sum of IRR 1,606 billion in the entry of other, includes IRR 792 billion in consideration of yearly profit due from returned annulled long-term deposits.

44. Admin. & General Expenses

		Group		Bank	
		March 20, 2015	March 20, 2014	March 20, 2015	March 20, 2014
		Million Rials	Million Rials	Million Rials	Million Rials
Personnel expenses	44-1	18,115,783	13,451,660	17,337,043	12,790,189
Admin. Expenses	44-2	9,555,450	13,104,629	9,725,655	13,813,327
		27,671,233	26,556,289	27,062,698	26,603,516

44-1. Personnel expenses are constituted of the following items:

		Group		Bank	
		March 20, 2015	March 20, 2014	March 20, 2015	March 20, 2014
		Million Rials	Million Rials	Million Rials	Million Rials
Salary and wage		3,272,125	2,722,732	2,689,840	2,181,039
Allowances	44-1-1	6,454,569	4,647,790	6,351,414	4,624,543
Welfare & groceries & health		952,984	779,107	945,966	776,448
Savings & retirement		2,294,435	1,809,021	2,255,615	1,771,826
Personnel retirement costs		1,058,041	860,359	1,057,598	860,359
Bonus		464,088	382,594	464,088	352,923
Termination benefits		1,519,534	765,869	1,472,515	743,584
Commission plan		1,969,015	1,366,668	1,969,015	1,361,947
Leave of absence redemption cost		49,382	31,890	49,382	31,890
Expenses of expatriate personnel		81,610	85,630	81,610	85,630
		18,115,783	13,451,660	17,337,043	12,790,189

44-1-1- The figures in the allowances are mainly related to overtime, evening overtime, cashier commission allowance and other casual payments.

44-2. Admin. Expenses are constituted of the following items:

		Group		Bank	
		March 20, 2015	March 20, 2014	March 20, 2015	March 20, 2014
		Million Rials	Million Rials	Million Rials	Million Rials
Contractual services	44-2-1	4,163,757	3,509,012	5,020,731	4,440,911
Consumables & accessories		935,140	755,100	916,719	730,844
Communications and telecommunications		714,336	392,660	714,336	392,660
Rentals and duties		371,273	241,045	317,815	229,420
Water, power & fuel		342,514	253,584	320,006	239,097
Traveling and mission		204,223	177,585	198,545	162,487
Calculating machines		266,191	186,660	266,191	186,660
Depreciation cost		1,682,169	1,218,814	1,429,737	1,139,461
Other items		811,929	6,299,453	477,657	6,221,071
Admin. Expenses of branches abroad		63,918	70,716	63,918	70,716
		9,555,450	13,104,629	9,725,655	13,813,327

44-2-1- The figures in the contractual services are mainly related to costs of health and treatment of personnel, outsourcing services contracts, buildings' small repairs.

45. Expense of Doubtful Accounts

		Group		Bank	
		March 20, 2015	March 20, 2014	March 20, 2015	March 20, 2014
		Million Rials	Million Rials	Million Rials	Million Rials
Expense of particular doubtful accounts	45-1	4,069,918	7,915,692	4,069,917	7,915,691
Expense of general doubtful accounts	45-2	1,052,232	3,019,521	890,426	3,240,620
		5,122,150	10,935,213	4,960,343	11,156,311

45-1. The reserve of particular doubtful accounts is as detailed below:

Description	Bank			
	Passed due date	Arrears	Doubtful	Total
	Million Rials	Million Rials	Million Rials	Million Rials
Year-end balance of granted facilities	6,747,502	6,683,674	88,510,144	101,941,320
Less: Value of Securities * Coefficient:				
Properties, real estates & machinery	(3,117,851)	(2,068,434)	(12,509,123)	(17,695,408)
Basic Balance used for calculation of particular reserve	3,629,651	4,615,240	76,001,021	84,245,912
Basic coefficient used for calculating particular reserve	10%	20%	50% up to 100%	-
Reserve of particular doubtful accounts	362,965	923,048	47,815,008	49,101,021
Reserve of particular doubtful accounts of previous year	(250,283)	(1,470,193)	(43,285,513)	(45,005,989)
Written off receivables	(0)	(0)	(25,115)	(25,115)
Expense of particular reserve of current year	112,682	(547,145)	4,504,380	4,069,917

45-2. The cost of General Doubtful Accounts:

The cost of the general doubtful accounts has been calculated as follows:

	Bank
	March 20, 2015
	Million Rials
Balance of granted facilities at the end of the financial period being reported	1,132,928,546
Less:	
Balance of granted facilities for which particular reserve has been considered	(101,941,320)
Basic Balance used for calculation of general reserve	1,030,987,226
Reserve of general doubtful accounts (1.5%)	15,464,808
Reserve of general doubtful accounts of previous year	(14,574,382)
Expense of general doubtful accounts	890,426

46. Expense of Personnel's Retirement Benefits (Actuary)

Obligations in respect of Expense of Personnel's Retirement Benefits on the basis of calculations of actuary are as follows:

	Group		Bank	
	March 20, 2015	March 20, 2014	March 20, 2015	March 20, 2014
	Million Rials	Million Rials	Million Rials	Million Rials
Expense of personnel's retirement benefits (Actuary)	0	300,000	0	300,000

47. Financial Expenses

Financial expenses are constituted of the following items:

	Group		Bank	
	March 20, 2015	March 20, 2014	March 20, 2015	March 20, 2014
	Million Rials	Million Rials	Million Rials	Million Rials
Expense of received facilities	11,678,871	7,298,444	10,231,569	7,237,199
Expense of banking service fees	3,619,111	2,814,204	3,441,870	2,797,692
	15,297,982	10,112,648	13,673,439	10,034,891

47-1- Out of IRR 10,232 billion of the Expense of received facilities, sum of IRR 4,973 billion is related to FC resources received from the central Bank.

48. Other Expenses

	Group		Bank	
	March 20, 2015	March 20, 2014	March 20, 2015	March 20, 2014
	Million Rials	Million Rials	Million Rials	Million Rials
Cost due to money conversion	4,802,466	0	4,802,466	0
Interest-free accounts bonuses	912,626	781,510	865,827	758,879
Total	5,715,092	781,510	5,668,293	758,879

48-1. By virtue of Article (2) of the Directive concerning bonuses to be granted to the interest-free savings deposits, approved by the Enactment of 534th Meeting, dated August 04, 1984 of the Money and Credit Council, the maximum amount to be used for granting bonuses to the holders of interest-free savings deposits will be designated by the Money and Credit Council.

49. Annual Adjustments

49-1- Annual adjustments include the following items:

	Group		Bank	
	March 20, 2015	March 20, 2014	March 20, 2015	March 20, 2014
	<i>Million Rials</i>	<i>Million Rials</i>	<i>Million Rials</i>	<i>Million Rials</i>
Adjustment of provision	0	(0)	0	735,303
Provision of FC assets and liabilities	0	928,665	0	928,665
Branches abroad	534	70,588	534	70,588
Deposits Guarantee Fund	(1,218,000)	(1,218,000)	(1,218,000)	(1,218,000)
Actuary cost	(274,000)	(274,000)	(274,000)	(274,000)
Sales of other assets	(138,809)	(138,809)	(138,809)	(138,809)
Adjustment due to consolidation	(386,299)	1,111,131	0	0
Profit due from the Government - preceding year	3,968,691	3,968,691	3,968,691	3,968,691
Retention money of participating bonds	1,193,718	1,193,718	1,193,718	1,193,718
Preceding year tax cost	(1,030,000)	(1,030,000)	(1,030,000)	(1,030,000)
	<u>2,115,835</u>	<u>4,611,984</u>	<u>2,502,134</u>	<u>4,236,156</u>

49-2 - In order to provide a better view of financial statements, comparative item in relation to yearly adjustments and other classified adjustments have been restated as follows:

Description	Balance Before Adjustment-2014	Classified Adjustments		Annual Adjustments		Adjusted Balance- 2014
		Debit	Credit	Debit	Credit	
Receivables due from the Government	40,414,003	0		3,968,691		44,382,694
Granted facilities and receivables from non-public sector	567,343,057	0	0	0	(1,030,000)	566,313,057
Participating bonds & other similar bonds	14,235,197	1,992,423				16,227,620
Other assets	98,288,799		(1,992,423)	1,194,252	(138,809)	97,351,819
Liability to Central Bank	(277,661,295)	42,906,153	(4,381)			(234,759,523)
Demand deposits	(266,960,459)	4,381				(266,956,078)
Items in transit	(2,207,512)	7,911,003	(0)			5,703,491
Reserves and other liabilities	(18,952,340)		(50,817,156)		(1,492,000)	(71,261,496)
Retained profit	(14,837,776)			2,660,809	(5,162,943)	(17,339,910)
		<u>52,813,960</u>	<u>(52,813,960)</u>	<u>7,823,752</u>	<u>(7,823,752)</u>	

50. Year-End Retained Profit

LEGAL DUTIES:

50-1- According to the resolution of Annual Extraordinary General Meeting of Shareholders, held on July 21, 2014, related to the fiscal year ended on March 20, 2014, sum of IRR 13,200 billion was distributed among the shareholders.

50-2- Toward execution of Article (115) of the Bank's Articles of Association, it is suggested that 10% of the net consolidated profit be distributed and the remainder of retained profit be credited to the capital adequacy reserve account so that after proceeding with the preliminary capital increase, the capital of the bank may be increased.

51. Profit Per Share

	Bank	
	March 20, 2015	March 20, 2014
	<i>Million Rials</i>	<i>Million Rials</i>
Pre-tax profit	19,177,595	17,894,160
Tax effect	(874,140)	(1,101,780)
Profit after tax deduction	18,303,455	16,792,380
Profit per share (40,000 million shares)	458	420

	Group	
	March 20, 2015	March 20, 2014
	<i>Million Rials</i>	<i>Million Rials</i>
Pre-tax profit	16,125,646	24,041,392
Tax effect	(1,446,957)	(2,323,640)
Profit after tax deduction	14,678,689	21,717,752
Profit per share (40,000 million shares)	382	566

51-1- Profit per share after deduction of the parent company's shares, was calculated as owned by the subsidiary.

52. Reconciliation Statement of Profit Prior to Deduction of Income Tax

Statement of reconciliation of pre-tax profit with net cash in-flow due from operating activities is as follows:

	Group		Bank	
	March 20, 2015	Restated March 20, 2014	March 20, 2015	Restated March 20, 2014
<i>Operating Activities</i>	<i>Million Rials</i>	<i>Million Rials</i>	<i>Million Rials</i>	<i>Million Rials</i>
Pre-tax profit	16,306,085	24,291,795	19,177,595	17,894,160
Depreciation expense	1,758,672	1,395,354	1,460,388	1,185,976
Expense of personnel termination benefits	1,386,520	705,690	1,304,563	647,404
	19,451,277	26,392,839	21,942,546	19,727,540
<i>Net increase (decrease) in operating liabilities</i>				
Liability to Central Bank	16,731,544	29,228,505	16,731,544	29,228,505
Liability to banks and credit institutes	4,730,895	3,919,362	4,730,896	6,088,018
Sight deposits	(56,256,497)	(12,029,502)	(58,225,914)	(9847,452)
Savings deposits & similar deposits	(2,542,193)	(21,510,664)	(3,318,908)	(20,741,838)
Time investment deposits	82,464,143	142,562,017	82,906,569	142,066,097
Other deposits	(8,427,049)	(6,704,638)	(7,622,207)	(17,658,554)
Operating part of other liabilities	19,242,733	59,077,038	19,163,610	60,471,398
Items in transit	26,188,015	0	26,188,015	0
Liability due to time FC L/Cs and drafts	(12,044,785)	(1,785,031)	(12,044,785)	(1,785,031)
Total	70,086,806	192,757,087	68,508,820	182,821,143
Net (increase) decrease in operating assets				
Receivables from Central Bank	(56,007,769)	(15,493,925)	(56,007,766)	(15,493,928)
Receivables from banks and credit institutes	41,070,867	(7,219,189)	40,996,834	(7,605,404)
Receivables from the Government	(8,830,024)	(10,342,938)	(8,830,024)	(10,342,938)
Granted facilities and receivables from governmental sector	32,986,543	(35,591,338)	32,986,543	(35,591,338)
Granted facilities and receivables from other persons	(92,244,073)	(108,428,143)	(93,037,151)	(107,266,787)
Granted facilities to Group's Member Companies	0	0	(174,789)	(2,722,111)
Participating bonds and other similar bonds	(2,362,552)	32,791,104	2,033,481	29,999,426
Operating share of other assets	429,914	(52,578,123)	(3,953,307)	(44,699,543)
Items in transit	5,703,491	645,688	5,703,491	645,688
Debtors due to time FC L/Cs and drafts	11,864,113	1,758,255	11,864,113	1,758,255
Investment	5,351,664	(5,921,808)	(2,962,249)	690,311
Total	(62,037,826)	(200,380,417)	(71,380,824)	(190,628,369)
Cash in(out)-flow due from operating activities	27,500,257	18,769,509	19,070,542	16,920,314

52-1- As per note set out in the Appendix No. (3) of Accounting Standard No. 2, regarding that in the sample profit and loss, approve by the Money and Credit Council, no operating profit is used, therefore, in the present reconciliation statement, pre-tax profit has been selected for reconciliation with net cash flow due to operating activities. It is understood that in this case, the items which are separately classified in other major entries, have been considered in converting pre-tax profit to the net cash flow due to operating activities.

53. Net Increase (Decrease) in the Cash Fund

Net increase (decrease) in the cash fund reflected in the statement of cash flow is as detailed below:

	Group		Bank		Group	Bank
	March 20, 2015	March 20, 2014	March 20, 2015	March 20, 2014	Changes in March 2015	Changes in March 2015
	<i>Million Rials</i>	<i>Million Rials</i>	<i>Million Rials</i>	<i>Million Rials</i>	<i>Million Rials</i>	<i>Million Rials</i>
Cash	22,056,529	20,249,716	15,666,708	14,980,894	1,806,813	685,814
Current at Central Bank	2,984,864	7,588,679	2,984,864	7,588,679	(4,603,815)	(4,603,815)
Current local Central Bank - branches abroad	254,797	277,540	254,797	277,540	(22,742)	(22,742)
Our Balance at Local banks after clearing	465,903	826,175	465,903	120,914	(360,272)	344,988
Balance of Local banks kept by us after clearing	(181,899)	(2,727,215)	(181,899)	(2,727,215)	2,545,316	2,545,316
Year-end cash balance	25,580,194	26,214,893	19,190,372	20,240,811	(634,701)	(1,050,439)

54. Non-Cash Transactions

Major non-cash transactions during the year are as follows:

	Group	
	March 20, 2015	March 20, 2014
	<i>Million Rials</i>	<i>Million Rials</i>
Mellat Financial Group Co.	4,408,157	2,970,068
Mellat Partnership Behsaz Co.	146,260	244,411
Behsazan Co.	0	88,787
Secure Infrastructure of Transactional Services Co.	0	8,500
Fanavaran Houshmand Behsazan Farda Group Co.	20,850	0
	4,575,267	3,311,766

54-1- Non-cash transactions are mainly related to capital increase out of accelerated claims, acquiring non-cash fixed assets and other cases.

55- Comparison of recommended percentages set out in Article (10) supervising monetary and credit policies (Central Bank) and credit operations for the year 2015.

Economic Sector	%	
	Recommended Percentage	operation
Agriculture	20	4.06
Industry and Mine	37	20
Building & Housing	25	-4.45
Services and business	8	80.39
Export	10	0
	100	100

56. Obligations

Balance of the above account on the date of balance sheet, includes the following items:

	Group		Bank	
	March 20, 2015	March 20, 2014	March 20, 2015	March 20, 2014
	<i>Million Rials</i>	<i>Million Rials</i>	<i>Million Rials</i>	<i>Million Rials</i>
Obligations due to opened L/Cs	49,953,647	64,241,431	49,953,647	64,241,431
Obligations due to Rial /FC issued guarantees	142,536,792	142,289,255	142,536,792	142,289,255
Other obligations	269,514,606	251,124,007	269,514,606	251,124,007
Administered funds and similar cases	2,637,477	2,831,756	2,637,477	2,831,756
	464,642,523	460,486,449	464,642,523	460,486,449

56-1. Constituents of obligations due to L/Cs are as follows:

	Group		Bank	
	March 20, 2015	March 20, 2014	March 20, 2015	March 20, 2014
	<i>Million Rials</i>	<i>Million Rials</i>	<i>Million Rials</i>	<i>Million Rials</i>
Bank's obligations due to opened L/Cs	43,766,899	57,430,629	43,766,899	57,430,629
Branches' obligations due to opened L/Cs by branches abroad	2,960	2,565	2,960	2,565
Bank's obligations due to opened Local L/Cs	6,183,788	6,808,237	6,183,788	6,808,237
	49,953,647	64,241,431	49,953,647	64,241,431

56-2. Obligations due to issued guarantees and subscriptions are as follows:

	Group		Bank	
	March 20, 2015	March 20, 2014	March 20, 2015	March 20, 2014
	<i>Million Rials</i>	<i>Million Rials</i>	<i>Million Rials</i>	<i>Million Rials</i>
Bank's obligations due to issued guarantees and subscriptions - IRR	94,408,548	85,087,323	94,408,548	85,087,323
Bank's obligations due to issued guarantees and subscriptions - FC	42,420,529	50,307,338	42,420,529	50,307,338
Branches' obligations due to issued guarantees	126,591	47,123	126,591	47,123
Branches' obligations due to issued counter-guarantees - FC	5,581,124	6,847,471	5,581,124	6,847,471
	142,536,792	142,289,255	142,536,792	142,289,255

56-3. Constituents of other obligations are as follows:

	Group		Bank	
	March 20, 2015	March 20, 2014	March 20, 2015	March 20, 2014
	<i>Million Rials</i>	<i>Million Rials</i>	<i>Million Rials</i>	<i>Million Rials</i>
Obligations due to contract concluded with Management & Planning Org.	1,627,881	1,459,708	1,627,881	1,459,708
Obligations due to FC concluded contracts	11,824	11,331,893	11,824	11,331,893
Obligations due to concluded transactions contracts	79,822,056	70,947,610	79,822,056	70,947,610
Obligations in consideration of expired contracts	2,519	2,519	2,519	2,519
Bank's obligations due to guaranteeing participating bonds	44,295,181	39,295,181	44,295,181	39,295,181
Bank's obligations due to credit cards	3,785,145	2,577,096	3,785,145	2,577,096
Bank's obligations for received funds from National development Fund / FC	139,970,000	125,510,000	139,970,000	125,510,000
	269,514,606	251,124,007	269,514,606	251,124,007

56-4. Administered funds and similar cases are as follows:

	Group		Bank	
	March 20, 2015	March 20, 2014	March 20, 2015	March 20, 2014
	Million Rials	Million Rials	Million Rials	Million Rials
Granted facilities out of administered funds	1,957,137	2,134,260	1,957,137	2,134,260
Unused administered funds	317,318	333,923	317,318	333,923
Granted funds out of inter-bank funds	11,830	11,830	11,830	11,830
Granted facilities out of special interest-free deposit	351,192	351,742	351,192	351,742
	2,637,477	2,831,756	2,637,477	2,831,756

57. Post Balance Sheet Events

There have been no material post balance sheet events that would require disclosure or adjustment to these financial statements.

58. Capital Obligations & Contingent Liability

58-1- The Bank's Capital Obligations & Contingent Liability at the Balance Sheet date include: Hotel Mashhad Moghadas (Mellat Great Hotel), for IRR 100 billion and Ilgoli of East Azarbaijan, for IRR 120 billion. Whereas there were many capital obligations, we avoided to mention all of them.

58-2- The Group's Capital Obligations & Contingent Liability at the Balance Sheet date are as follows:

Description	Related to Company	March 20, 2015
		Million Rials
Our guarantee instruments maintained by others	Mellat Financial Group	3,234,036
Guarantee allocated credits to Behsaz Business Services Development Co.	Mellat Financial Group	1,085,206
Bounced cheques received from other legal and natural persons	Mellat Financial Group	1,757,516
Market making of Mahan Lease papers	Mellat Financial Group	914,250
Bank Mellat Shares kept in trust, owned by Fars Fund	Mellat Financial Group	884,775
Secured notes and trust instruments received from debtors	Mellat Financial Group	614,001
In consideration of trilateral contract among bank Mellat, Mellat Leasing and Saipa	Mellat Financial Group	4,521,727
In consideration of Civil Participation contract with Bank Tejarat	Mellat Financial Group	240,000
Guarantee purchase contract of Oxin sheet and slab by Petro Fanavaran Atlas	Mellat Financial Group	856,950
In consideration of Civil Participation contract with Hormozgan Steel Co.	Mellat Financial Group	70,254
Guarantee instruments received from companies	Mellat Financial Group	39,089
Bank guarantees provided to the Central Bank	Mellat Financial Group	14,000
Bank guarantees provided to Mercantile Exchange	Mellat Financial Group	6,000
Bank guarantees given to stock exchange	Mellat Financial Group	34,820
Future Goods contracts	Mellat Financial Group	1,000
Guarantee facilities of the companies under coverage	Mellat Partnership Behsaz Co.	588,945
Promissory notes presented to the Ministry of Finance and companies	Mellat Partnership Behsaz Co.	101
Our guarantee instruments maintained by others	Mellat Partnership Behsaz Co.	135,565
Total		14,998,235

59-1. Bank's transactions with affiliates during the fiscal year are as follows:

Transactions subject to Article (129) of Commercial Code, as amended:

Transaction Counterparty	Affiliation	Transaction	Million Rials	
			Transaction Amount (Million rial)	Balance of Receivables/ Liability until the end of year (Million rial)
Mellat Financial Group	Joint board member	Transfer of Companies from Privatization Org. - Payment of a part of Bank's shares Transference Fund	2,854,198	11,090,216
		Received facilities	2,612,060	
Behsazan Co.	Joint board member	Issued statements for provided services	546,146	(1,838,117)
		Deductions of contracts	36,853	
		On-account funds and advances	(358,819)	
		Payable dividend	(999,896)	
Mellat Investment Co.	Joint board member	Bank deposit profit	266,377	(5,179)
		Received hire-purchase facilities	22,382	
		Commission - Contract of South Gas Field project	12,143	
		Commission - contract of managerial services of supervision on granting facilities	9,676	
		Commission on principal and supplementary contract of comprehensive banking design	41,195	
		Commission - contract of deployment of centers of excellent at the bank	18,276	
		Commission on contract of training and consultation and services	4,622	

59-2. Bank's transactions with affiliates (except for companies subject to consolidation) during the reported fiscal year:

Transaction Counterparty	Affiliation	Transaction	Million Rials	
			Transaction Amount (Million rial)	Balance of Receivables/ Liability until the end of year (Million rial)
MELLAT FINANCIAL GROUP				
Alborz Insurance Co.	Joint Shareholder	Reinsurance operation	(1,142)	(404)
Sepahan Oil Co.	Shareholder	Sales of insurance policy	2	(0)
Iran Zamin Investment Fund	Same Group	Transaction of securities	367,895	(0)
Atieh Mellat Investment Fund	Same Group	Transaction of securities	2,228,388	(0)
Andoukhteh Mellat Investment Fund	Same Group	Transaction of securities	2,037,846	(1)
Sorbonne North Co.	Same Group	Received on-account fund	127,266	0
Mr. Ahmad Fattahpour	Same Group	Purchase of vehicle	650	0
Academic Center for Education, Culture and Research	Same Group	Supply of traveling expense	130	(889)
Mr. Abdollah Ranjbar	Same Group	Received on-account fund	2,247	0

59-3. Transactions of parent company with affiliates are as follows:

MELLAT FINANCIAL GROUP

Transaction Counterparty	Affiliation	Transaction	Transaction Amount	Balance of Receivables/ Liability until the end of year
Behsaz Business Services Development Co.	Subsidiary	Facilities receipt and repayment	719,238	(1,960,380)
Mellat Leasing Co.		Leasing the Company's branches	235	(568)
Mellat Investment Co.		Commission on contract and profit of bank deposit	374,671	(5,179)
Exchange Co.		Transfer of FC funds and FC transaction	13,092	(354)
Ma Insurance Co.		Sales of insurance policies	93,514	36,168
Bank Mellat Brokerage Co.		Securities transaction	2,436,611	0
Tarh & Andisheh Behsaz Mellat Co.		Collection of outstanding receivables	663,037	84,754
Tadbirgaran Co.		Payment of installments of facilities	(11,758)	31,283
Tadbirgaran Co.		Leasing offices in counties	2,969	(169)
Kavosh Research Town Co.		Training class - publishing books	1,782	(0)

Fanavaran Houshmand Behsazan Farda Group Co.

Transaction Counterparty	Affiliation	Transaction	Transaction Amount	Balance of Receivables/ Liability until the end of year
Behsazan Co.	Subsidiary	Issued statements for provided services	546,146	0
		Deductions of contracts	(36,853)	(1,838,117)
		On-account payments and advances	(358,819)	
		Payable dividend	(999,896)	

Mellat Partnership Behsaz Co.

Transaction Counterparty	Affiliation	Transaction	Transaction Amount	Balance of Receivables/ Liability until the end of year
Behsaman Mellat Service Co.	Subsidiary	Supply of manpower	142,254	(6,176)
		Advance -contracts	24,888	1,478
		Payable rental	180	180
Behsaz Leadership Industries		Issued statements	422,648	(50,341)
Bank Mellat Construction Co.		Jeioun & Gendarmerie projects	10,118	(3,670)
Bank Mellat Printing		Provision of printing services and letterheads	399,242	(23,650)
Crêpe Naz		Sales of black viel	525	(464)
Jahan Behsaz Mofarah		Services and leasing	117,844	(5,369)
Mad development, Marketing & Sales		Issued statements	45,914	383,431

59-4. Transactions made with affiliates were according to fair value.

60- Foreign Currency Status

Monetary and assets and liabilities and Local FC obligations are as follows:

	USD	Euro	1000 Korean Won	Turkish Lira	100 Japanese Yen	AED	Swedish krone	Danish krone	Other FCs Million Rials	2015/03/20 FC Status Million Rials	2014/03/20 FC Status Million Rials
Cash balance	189,633,636	56,961,324	0	0	884,000	42,498,686	0	0	167,658	7,518,118	7,539,763
Receivables from other banks & institutes	245,895,594	1,351,734,181	227,073,372,504	57,857,356	2,681,414,466	711,846,103	2,439,000	5,806	6,627,981	66,652,890	62,947,513
Granted facilities	1,230,290,758	11,522,647,029	182,212,260,879	32,014,861	21,496,351,636	4,490,434,407	0	75,114,635	25,450,565	433,244,798	446,754,825
Other	3,420,755,322	13,528,845,379	853,252,301,613	409,918,743	6,652,382,623	8,288,851,053	616,835	61,457,482	44,070,360	634,030,261	545,235,868
Total FC assets	5,086,575,309	26,460,187,913	1,262,537,934,997	499,790,960	30,831,032,725	13,533,630,249	3,055,835	136,577,922	76,316,563	1,141,446,067	1,062,477,970
Received deposit	997,867,882	4,355,625,100	1,865,228,572,911	52,954,649	697,996,423	3,015,396,753	1,152,497	48,957	1,698,795	231,462,643	256,779,725
Received facilities	612,035,002	4,664,044,455	56,958,087,507	374,941	0	46,672,757	0	75,114,635	20,895,053	180,768,547	183,135,034
Other	3,546,738,001	12,958,946,330	889,172,805,674	416,222,768	8,211,901,827	8,494,038,190	22,477,891	2,485	47,164,413	628,503,030	547,008,430
Total FC liabilities	5,156,640,885	21,978,615,884	2,811,359,466,091	469,552,358	8,909,898,250	11,556,107,700	23,630,387	75,166,077	69,758,261	1,040,734,220	986,923,189
FC Status	(70,065,576)	4,481,572,029	(548,821,531,094)	30,238,602	21,921,134,476	1,977,522,549	(20,574,552)	61,411,844	6,558,302	100,711,847	75,554,781
Bank's obligations in consideration of opened L/Cs	6,747,008	1,204,234,772	29,184,349,956	3,114,199	5,386,757,431	10,606,013	0	0	5,152,591	43,754,899	57,430,629
Bank's obligations in consideration of issued FC guarantees and subscription	247,122,772	1,140,756,112	0	0	0	101,242,203	0	0	102,688	42,194,474	50,205,387
Bank's obligations in consideration of issued FC counter guarantees	49,406,947	136,543,790	0	0	0	0	7,849,575	0	15,965	5,542,078	6,790,994
Bank's obligations in consideration of contract concluded with Management & Planning Org.	58,151,067	0	0	0	0	0	0	0	0	1,627,881	1,459,708
Bank's obligations in consideration of concluded FC contracts	0	358,467	0	93,260	0	0	0	0	0	11,824	11,331,893
Bank's obligations in consideration of funds received from National Development Fund / FC	5,000,000,000	0	0	0	0	0	0	0	0	139,970,000	125,510,000

60-1- "Other" in the assets section is mainly related to the FC account of branches abroad.

60-2- Observance of stipulations set out in the Clause (2) of Directive related to the supervising regulations and control of foreign currency status, as set out in the Letter of Circular No. 1345BM, dated March 18, 2002, issued by the Central Bank, indicating authorized limit of open foreign currencies status is 10% at maximum for each foreign currency and for the aggregate foreign currencies is 30% of the base capital, have been always observed by the bank. Nevertheless, due to the reasons, including exchange of the Bank's FC liabilities in consideration of FC Reserve Account with the account of receivable from the Government and in impossibility of transactions with other international banks due to sanctions imposed on the Central Bank in other cases, the Bank was unable to comply with the limits in conversion of foreign currencies into one another.

Signed & Sealed: Bank Mellat / Int'l Division

True translation from Persian text is certified. Tehran/KH

Aug. 18, 2015