

Sardar Asad Bakhtiari Building at the Courtyard of BMI Headquarters



Bank Melli Iran

Annual Report 2014-15

[www.bmi.ir](http://www.bmi.ir)



# *Customer Trust In BMI Comes First*

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## Preamble

### In the Name of God, the Compassionate, the Merciful

I would like to present my best greetings and tributes to the great nation of Iran; and express my gratitude and contentment for serving the honorable people of my homeland in the largest bank of the Islamic world in the “Wisdom and Hope Cabinet”.

BMI is among the country’s greatest economic foundations, which was established as a result of a “people movement” and has been beside the people and a cornerstone of the society during ups and downs of the recent century, and accordingly it has a special place in the hearts of the Iranian people. Such a prominent position is valuable heritage and an important deposit, and it is our inviolable duty for us to maintain, promote and transfer it to the future generations.

In the 20-Year Growth and Development Vision Plan of the Islamic Republic of Iran; planning and implementation of the “Resistive Economy” has an effective and key role. Therefore, the country’s banking network as the Government’s capable arm in realizing the Resistive Economy must perform its unique role efficiently and keep up among pioneer organizations in this field.

Taking advantage of 87 years of its useful and fruitful experience and expertise and having modified and redesigned its structures and processes, BMI has begun a new round of activity; and with reliance on Almighty God and with the help of its about forty thousand devoted employees, it aims at the following objectives with the lowest cost, through the shortest path and with desirable speed and quality:

- **Promoting BMI’s position**
- **Being pioneer in market and improving profitability**
- **Improving efficiency especially in human resources**
- **Developing new banking products and services in order to gain more customer satisfaction**
- **Assisting the Government in implementing the policies for economic growth and development**

The annual report of the fiscal year 2014-15 is only a few pages of BMI’s extensive and satisfactory performance resulting from the efforts of the employees throughout the homeland and in the international level. Realization of such an achievement is the outcome of the coordinated performance and purposeful collaboration of BMI’s venerable managers and employees. I grab this opportunity to appreciate and gratitude each and every colleague; and hoping in the exemplary organizational unity and zeal of the energetic and hardworking colleagues, I expect a brighter result for the coming year.

I also appreciate and acknowledge our valuable loyal customers for their unwavering trust as well as the esteemed ministers and managers of the “Wisdom and Hope Cabinet” for their key supports and cooperation, whether as shareholders or as Assembly members of BMI.

Thanks and regards

**Abdolnaser Hemmati**

Chairman and Managing Director





Bank Melli Iran

Annual Report 2014-15

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**Dr. A. Hemmati**  
Chairman and  
Managing Director

## Board of Directors



**Mr. M.R. Hoseinzadeh**  
Board Member



**Mr. J. Damghanyan**  
Board Member



**Mr. B. Karimi**  
Board Member



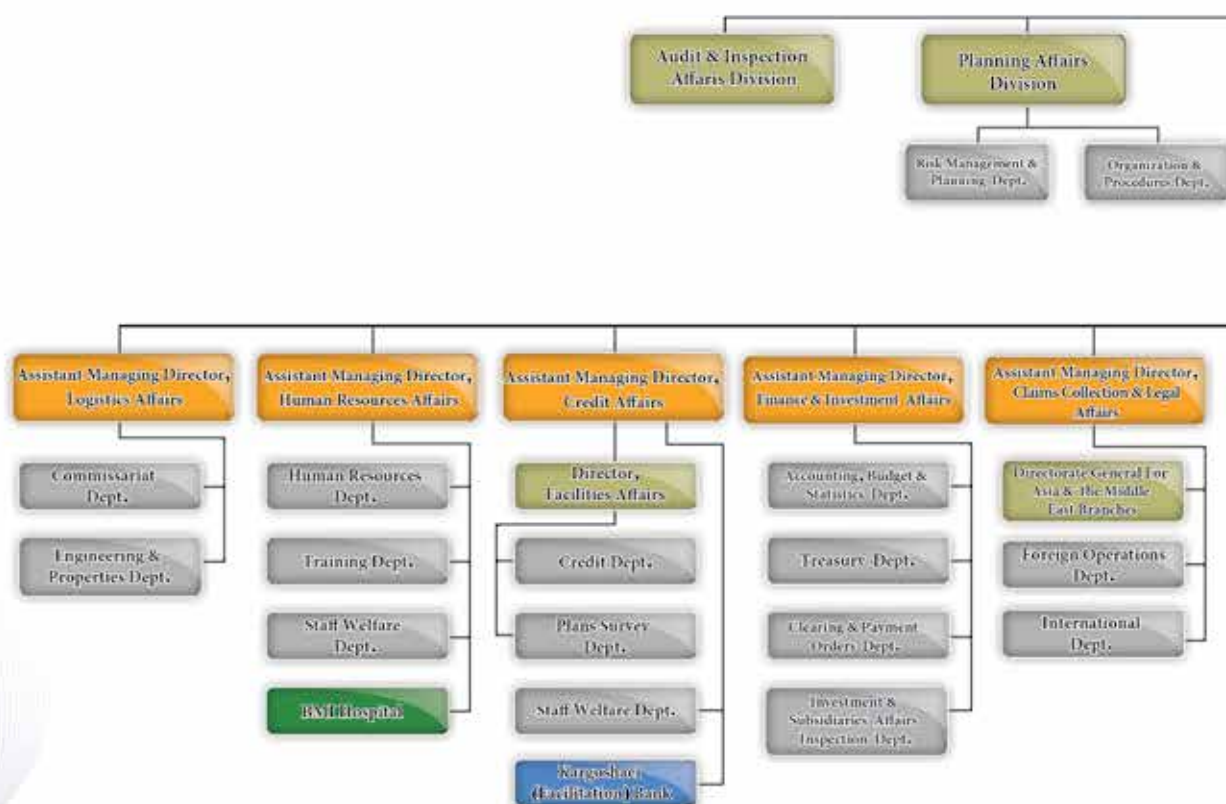
**Mr. S.V. Fatemi Ardakani**  
Board Member

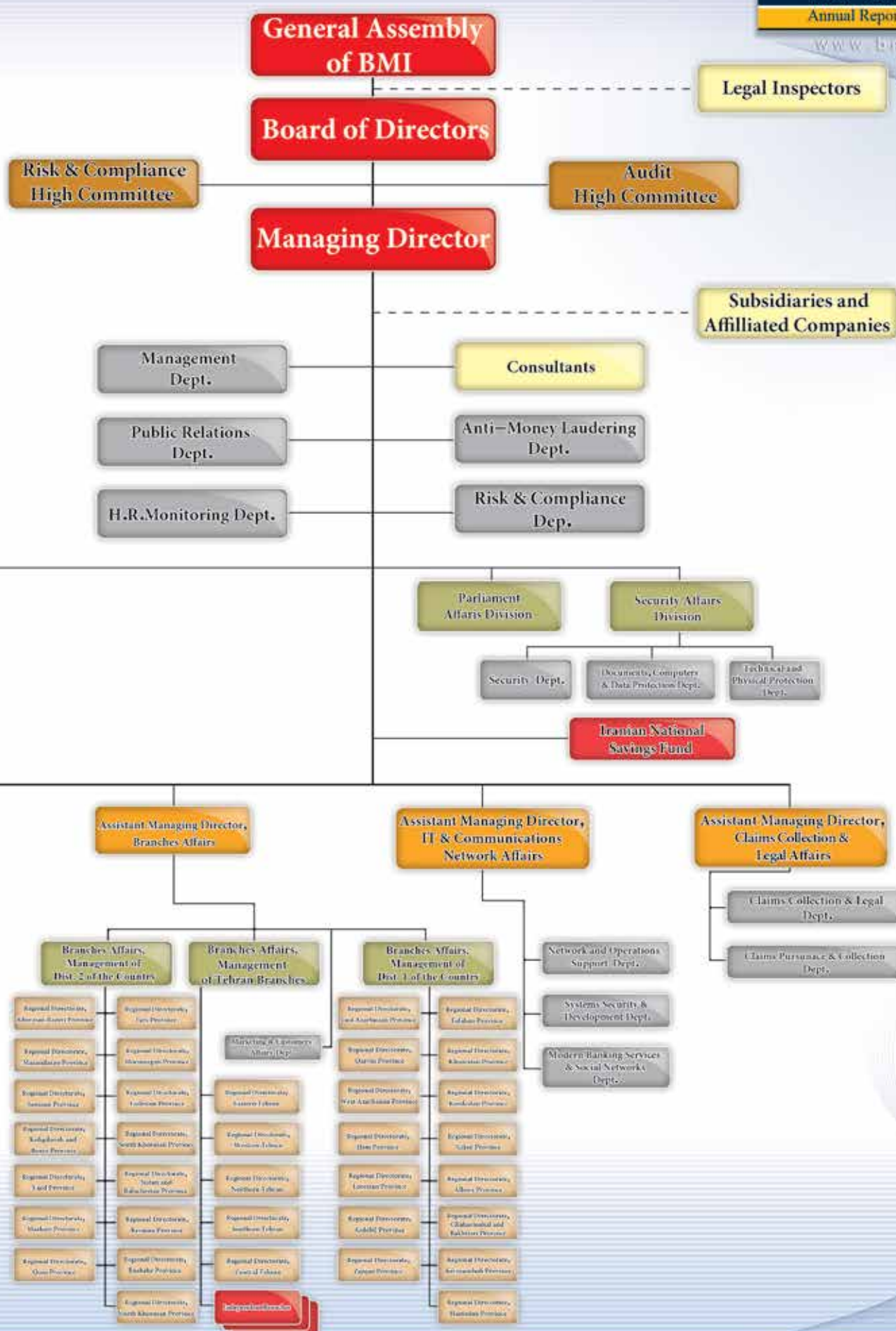


**Mr. Gh. Panahi**  
Board Member



## Organizational Chart

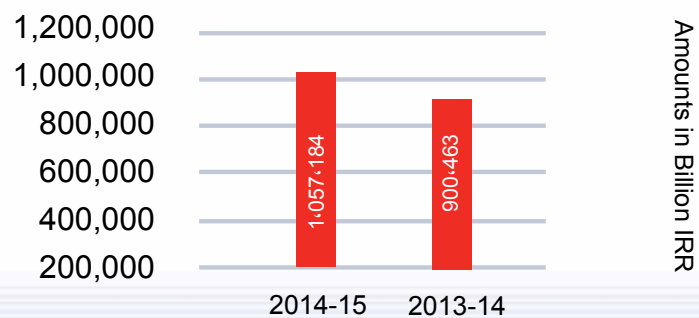




**BMI's Financial Status at a Glance (Abstract of Financial Data)**

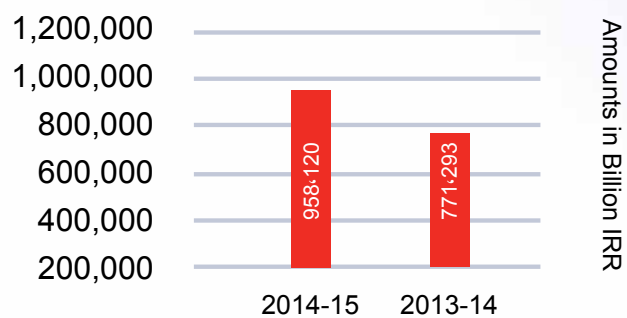
(Amounts in Billion Rials)

Description	March 20,2014	March 20,2015
<b>Profit and Loss Items</b>		
Total Earnings	98,736	172,404
Profit (Loss) Before Tax Deduction	(41,760)	340
Net Profit (Loss)	(41,760)	255
<b>Balance Sheet Items</b>		
Balance of Deposits at the End of the Fiscal Year	900,463	1,057,184
Balance of Loans Granted at the End of the Fiscal Year	777,827	901,593
Total Assets	1,151,009	1,327,746
Total Equity	38,694	39,673
Capital	99,066	99,066
Balance of Retained Profit (Loss) at the End of the Fiscal Year	(74,517)	(74,428)

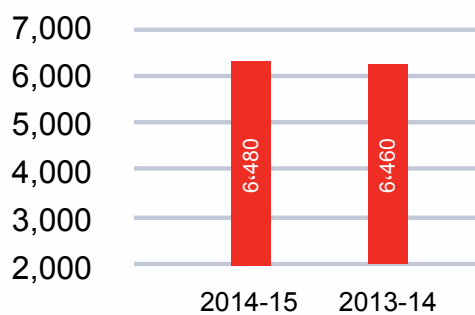
**Total Deposits – Local and Foreign Currencies**



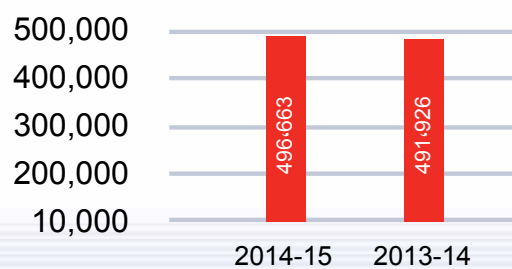
### Total Effective Deposits



### Number of ATMs



### Number of POSes





## Principles of Islamic Banking

### Usury Free Banking Services

As the essential elements of the Islamic financial system constitute a correct realization of the concepts of usury, interest and profit; so the Iranian banks have coordinated all of their activities with the Islamic principles since the year 1983 coincided with the application of the Usury Free Banking Law. The usury-free system finances itself through the following two ways:

#### Qardh-ul-Hassana (Interest-Free Loan) Deposits:

Qardh-ul-Hassana (Interest-Free Loan) Deposits are divided into two kinds: “current” and “savings”. Such deposits are opened with a bank based on a contract of loan without an interest. The holders of current accounts may benefit from receiving checkbooks, and in some specific cases, enjoy discounts in other banking services. The holders of savings accounts may benefit from incentives such as cash and non-cash prizes. In addition, the holders of such accounts are given the possibilities to manage their transactions and to issue payment orders from their accounts, as well as priority in receiving loans. The banks guarantees returning the principle of such deposits. These deposits are spent exclusively for granting interest-free loans.

#### Time Deposits:

Banks are permitted to open time deposits for a period ranging from one month (short-term) to one year (long-term). In such deposits; the bank as a trusted attorney for the depositors, invests the deposits in various economic sectors and divides the gained benefits among the depositors commensurate with the time and the amount of the investment deposits, having met the share of the bank’s resources after deduction of its attorney-fee. In other words; the business is based on a partnership in profit and loss. Accordingly, no pre-determined amount as an interest is accrued to such deposits, but rather the banks divide among the depositors a part of the gained income as interim profit until determination of the definite profit. If the return on the deposits is higher than interim profit proclaimed before, the banks shall redistribute the profit among the holders of time deposits.

Iranian Banking law categories banking facilities contracts into the following two categories regardless of economic sectors:

1. Partnership contracts with expected return and profit, and
2. Exchange contracts with a fixed and predetermined return and profit.

#### Partnership contracts:

In this kind of contracts, the bank provides capital for a business, wholly or partially according to the customers’ demand. The profit and return gained from the contract is divided between the bank and the customer based on the conditions specified in the contract. The contracts of this group that are more prevalent in the industry and production sector are as follows:

#### Civil Partnership:

By this contract, the bank finances the capital required for a person or a company’s business. The customer’s contribution maybe by cash or goods. The gained profit is divided between the parties as agreed and based on the conditions specified in the contract. The civil partnership contract is used in the fields of production, commerce and services. The issuance of the participation bonds in such fields is possible within the framework of civil participation. In addition, banks are permitted to issue participation

bonds to guarantee the companies affiliated to the public and private sectors demanding finance.

**Legal Partnership:**

In a legal partnership, the bank provides a part of a company to be (or newly) established or purchases a number of shares of the available companies.

**Dormant Partnership (Muzaraba):**

The bank provide the applicant with the cash necessary to establish some facilities for expansion of the commercial affairs.

**Sharecropping (Mozareha):**

In mozareha, the bank provides the customer with a farmland for a definite period to practice agriculture and divide the earnings with the bank.

**Renting trees (Mossaghat):**

Based on such a contract, the bank (the proprietor) entrusts the representative (the customer) with the task and authority for irrigation and care of a number of trees in a specific land and for a definite period, and the earnings is divided between the two parties.

**Exchange contracts:**

In such kind of contracts; the bank provides capital for a business, wholly or partially according to the customer's demand. Unlike the partnership contracts; the bank's profit is agreed upon at the time of concluding the contract. Accordingly, the profit rate is determined and fixed before performing and completing the business. The amount of the contract guarantees the cost of purchase and the intended profit.

**Hire purchase:**

Hire purchase is a lease contract in which it is conditioned that if at the end of the lease contract the lessee has fulfilled all the terms and conditions specified in the contract in full, the property will be transferred to the lessee.

**Forward purchase (Salaf):**

In banking operations; the forward purchase means granting facilities for pre-purchasing the products of productive units (industrial, agricultural, mining) in cash for a specific price to provide some part of the working capital.

**Reward Contract (Jualah):**

Reward contract refers to requiring a person (employer) to pay an amount or a specified fee (reward) against performing a specific operation or services. The person who does the operation is referred to as contractor or agent.

**Factoring:**

Factoring is a contract in which a third party purchases time debts of a debtor in cash for an amount less than the nominal amount (as specified in the credit instruments and papers).

The banks may, in all the economic sectors, purchase the applicants' debts the subjects of time commercial instruments and papers (such as checks, promissory notes and money orders), provided that the maturity of such commercial instruments and papers do not exceed one year (or 2 years by obtaining a permission for some specific cases).

**Percentage (Murabaha)**

Percentage is a contract by which the supplier notifies the end cost of the goods and services to the applicant and then, by adding an additional amount or percentage as the profit, assigns them to the applicant in cash for credit or by installments.

In order to meet the production, service and commercial units' needs for provision of raw material, spare parts, land, etc. and families' needs for housing, durable goods and services; the bank may provide and possess such goods and services and then assign them to the customer based on the applicant's order and demand in the framework of Murabaha contract.



**Bank Melli Iran**

# Part 1 : Introducing Bank

- History
- Strategic Objectives
- Branches Network
- International Banking •
- Electronic Banking •
- Human Resources •





## History

The idea for establishing a bank in Iran was for the first time proposed to Nasseredin Shah Qajar in 1879, ten years before the establishment of Shahi Bank (Imperial Bank) by one of the major money exchangers in Tehran named as Haj Mohammad Amin Dar-ol-Zarb. Unfortunately, the proposal did not realize because of the interference by foreign powers and their agents and instead Shahi Bank was established.

After implementation of the constitutionalism, when the Government requested a permission for foreign borrowing, the national feelings were excited; and the parliamentarians, in order to cut off economic and political influence of the foreign banks, rejected the foreign borrowing and called for establishment of a national bank. Then a group of merchants and money exchangers participated in the bank. Finally, in December 1906 a declaration was published, indicating public feelings and desires for establishing a national credit bank in Iran.

The news of the establishment of a national bank with a capital of IRR 15 million was welcomed with public enthusiasm. But the sudden changes in the political situation, the beginning of World War I and entry of the occupying forces into Iran ruined all the efforts and endeavors for establishing a national bank and the great desire of the people was postponed for years.

Finally after the end of World War I and the withdrawal of occupiers from Iran, the Establishment Law of the Iranian National Bank (Bank Melli Iran) was approved by the Parliament on the session held on May 5<sup>th</sup>, 1927, and its statute was approved on July 5<sup>th</sup>, 1928, by the Finance Committee of Parliament. Ultimately on September 8<sup>th</sup>, 1928, Bank Melli Iran officially started its activity with a capital of IRR 20 million (according to the prescription by the Parliament) in Tehran.

On March 13<sup>th</sup>, 1932, Parliament approved the right for issuance of banknotes for a period of 10 years and it was officially granted to Bank Melli Iran for a period of ten years. The first banknotes of Bank Melli Iran were issued in April 1932.

Bank Melli Iran was responsible for the central bank's functions, such as the exclusive right for issuance of banknotes and the regulation of the country's money flow, until 1959, when Monetary and Banking Statute of Iran was approved by the Parliament; and as of August 1960, Bank Melli Iran's duties separated from those of Central Bank.

Now after long years of faithful service as one of the largest economic foundations of the country and as the greatest state bank; it performs its effective and constructive role decently.

## The Illustrative and Verbal Symbols of Bank Melli Iran

■ Any organization or institution takes advantage of some various symbols to be introduced to or reminded in the hearers' minds. Symbols may be either diverse or numerous or a single symbol may be sufficient. The trademark or the graphic logo and slogan sentences are of the major symbols. BMI as an economic foundation is not excluded from the rule and has always tried to benefit from such symbols by consideration of time and place situation.

■ "Speaking of Confidence, BMI's Name Shines": This evocative famous sentence which has been welcomed by the art-loving compatriots, is both the written and verbal logo of BMI. Hearing this sentence from any person reminds Bank Melli Iran and this can be counted as a successful experience in making brand, which has been well established because of the scientific and expertise attitude along with poetical

art applied in its composition as well as its thematic relation to banking and special position of BMI. It illustrates the Bank's special position and consequently has high effectiveness.

■ The following three sentences are the other verbal logos of BMI:

- Customer Trust in BMI Comes First
- BMI is the Trustee of Iranian People.
- This Bank is National (referring to Melli which means national in Persian)

■ Beside the very known sentence "Speaking of Confidence, BMI's Name Shines", the logo of BMI has its specific functions, which has undergone some small changes in some historical junctures:

- The old logo of BMI, which was mainly used before the victory of the Islamic revolution of Iran.
- The new logo of BMI, in which the archeological pattern in the middle of the logo was replaced with the emblem of the Government of Islamic Republic of Iran, indicating that the Bank is a state Bank.
- The logo of BMI with turquoise color, which was used without any changes in its components merely using the special coloring.
- The current logo of BMI, which is actually the same logo but simplified and with new coloring, has been designed and publicized to enunciate the entry into a better and lively world and to create more motivations for a better dynamism. This logo with its new features is the national logo of BMI, the technical specification of which has been communicated as a resolution and is now used in all official correspondence and promotional measures.



## The Vision Plan of Bank Melli Iran

The greatest Islamic Bank in the world and market leader in Iran, the Middle East and North Africa, rendering services to customers and the country in a profitable manner.

## The Mission Statement

In line with the objectives of the Government of Islamic Republic of Iran; BMI has focused on supporting the macro and micro economic activities by rendering products and services to the groups of customers based on Islamic banking while observing the principles of customer orientation, honesty, integrity and professional ethics. Understanding and accepting its social responsibilities and performing the social activities are among the major objectives of BMI. Improving the profitability, protecting the interests of beneficiaries, customers satisfaction, and employing efficient and motivated human resources, constitute our professional principles in the organizational activity.



## Strategic Objectives

- Being a pioneer in banking market
- Providing customer-oriented and high quality services
- Improvement of profitability
- Improvement of international network efficiency
- Improvement of the productivity (effectiveness and efficiency)
- Converting BMI to a brisker and flexible organization
- Development and preservation of human resources

## BMI's Branches Network

BMI enjoys well-spread branches network, not only in Iran but also throughout the region and around the world. At the end of the fiscal year 2014-15, the number of BMI branches was 3,165 including 13 overseas branches, 575 branches in Tehran and 2,577 branches in other provinces.



Distinguished BMI Branch

## BMI in the International Arena

### Services of International Division

As the greatest Bank in the world of Islam and relying on its extensive domestic and overseas branches network; BMI provides the customers both inside and outside the country with various foreign exchange services.

The services of BMI in the non-commercial foreign currency section mainly include dealing foreign currencies accepted by the country's banking system, opening various foreign currency accounts (savings, current, deposit), granting profit to the balance of the foreign currency deposit accounts, issuing various bills of exchange and a series of providable foreign currency services in compliance with the foreign currency regulations of the Central Bank of Islamic Republic of Iran.

Major services in commercial FX section mainly include opening various letters of credit, documentary bills, issuing bills of exchange for import of raw materials for production of commercial commodities, issuing various guarantees required by the manufacturing and commercial units of the country, issuing guarantees for export of technical and engineering services of private sector, factoring of international commercial instruments, and granting foreign currency loans inside and outside the country for financing infrastructural projects inside the country and export of technical and engineering services abroad, accepting letters of credit and bills of exchange issued in favor of Iranian exporters.

Due to its prominent position in the country's banking system and because of benefiting from its extensive and powerful international network; BMI bears the responsibility of a major part of the country's foreign currency transactions in order to meet the needs of industrialists, entrepreneurs, businessmen, students, etc. Having brilliant historical record in coordination and regulation of international relations of Iranian banks; BMI is a well-known name at international banking society.

### BMI's Overseas Branches Network

Considering the wide range of banking services and financial activities of customers around the world; BMI is at customers' service using its branches and four subsidiaries in foreign countries and taking advantage of agency services of foreign banks to meet the customers needs.

#### a) Overseas Branches Network

The first overseas branch of BMI was established in Hamburg, Germany, in 1965. From then, BMI has fortified its international presence by rapidly expanding its foreign network. Currently, BMI has 20 units in foreign countries including branches and subsidiaries (independent bank) in England, Germany, France, Russia, United Arab Emirates, Hong Kong, Afghanistan, Azerbaijan, Oman, Iraq and Bahrain.

#### b) Subsidiaries in Foreign Countries

BMI has two subsidiaries in England (Melli Bank PLC, London) and Russia (Mir Business Bank, of Moscow).

#### c) Foreign Participations

BMI is a shareholder of Future Bank (Bahrain) and Arian Bank (Afghanistan) and has stake in the affiliated institutions of the Islamic Development Bank (IDB) and in Samba Financial Group (Saudi Arabia).



### **Melli Bank PLC London**

This Bank was first established as a branch of BMI in England in 1967. The branch used to focus on providing financial services to European SME companies and organizations having commercial relations with Iran. Later in 2001, the branch was changed to Melli Bank PLC London, in compliance with the rules of FSA of the UK. The Bank wholly belongs to BMI, and keeping strong ties with its parent company, currently continues its activities in the financial markets of the UK.

To expand its economic activities in the Far East; Melli Bank PLC London purchased and took over BMI branch in Hong Kong in 2001.

### **Mir Business Bank, Moscow**

This Bank was founded in 2002 through the investment of BMI and according to Russian State Laws. The activities of the Bank are mainly focused on developing the trade cooperation between Iran, Russia and CIS countries and East Europe. The Bank also has a branch in Astrakhan province of Russia.

### **Arian Bank, Afghanistan**

With the participation of two Iranian banks (Bank Melli Iran and Bank Saderat Iran) with equal shares; Arian Bank was established in Afghanistan in 2004. Rendering numerous financial services in various economic sectors, this bank not only expanded the trade relations of BMI, but also helped the development of economic relations between Iran and Afghanistan. Arian Bank currently has two branches in the cities of Kabul and Herat.





**Bank Melli Iran**



**Overseas Branches**

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## E-Banking in Bank Melli Iran

### E-Banking

E-banking activities has brought many advantages for banks and their customers. Using e-banking has provided customers with the possibility of getting banking services without physical presence in branches. While saving time, it has catered the customers to banking services in non-working hours.

The benefits of e-banking for the banks include enhancing accuracy in payments, accelerated economic exchanges flow, enhancing safety factor, saving time, facilitated banking operations and so on.

It is noteworthy that BMI has for the first time presented the electronic banking in Iran as CIBA system (Consolidated System of Bank Melli Iran). In this regard, BMI has established a strong information technology section in recent years that has been the pillar of the Bank's achievements in terms of productivity, customers satisfaction and ameliorating profitability.

### Kinds of E-Banking Services of Bank Melli Iran

Internet Banking System (SABA)	<ul style="list-style-type: none"> <li>• Funds transfer between all kinds of BMI accounts or other accounts in all the banks which are members of SHETAB system</li> <li>• Funds transfer between cards of BMI or other banks</li> <li>• Managing current and savings accounts</li> <li>• Arranging regulated payments order in consecutive time periods (in order to funds transfer and payment of loans installments)</li> <li>• Paying loan installments (intra-bank and interbank) for card holder or others</li> <li>• Blocking a card</li> <li>• Paying bills</li> <li>• Inquiry of checks or checkbooks</li> </ul>
Telephone Bank	<ul style="list-style-type: none"> <li>• Getting info of balance and the last three turnovers</li> <li>• Getting account statement through facsimile</li> <li>• Getting info on facilities</li> <li>• Paying installments of facilities</li> <li>• Reporting missing cards</li> <li>• Getting account passwords</li> </ul>
ATM Services	<ul style="list-style-type: none"> <li>• Getting info of balance and the last 10 turnovers</li> <li>• Funds transfer between accounts linked to same card and other cards</li> <li>• Buying recharge for prepaid SIM cards</li> <li>• Paying services bills and facilities installments</li> <li>• Getting the second password and changing the first password of a card</li> </ul>
Interbank Electronic Transfer System (SAHAB)	<ul style="list-style-type: none"> <li>• Funds transfer between cards using Shetab Center facilities (SAHAB)</li> <li>• Funds transfer between accounts through the Real-Time Gross Clearing System (SATNA)</li> <li>• Funds transfer through SHETAB System (SAHAB) up to IRR 30,000,000, Inter-bank funds transfer through ATM up to IRR 500,000,000, through SABA System up to IRR 500,000,000 and through internet bank (the main site of BMI) up to IRR 500,000,000</li> </ul>

Services of  
Information Kiosk

- Funds transfer from an account to a card and getting account statement and reporting missing card
- Checking balance and turnovers
- Funds transfer to other cards (SIBA)
- Paying loan installments
- Funds transfer between accounts of the same customer
- Buying and getting info of prepaid SIM cards

Mobile Bank

- Funds transfer to other accounts (with BMI)
- Funds transfer to an account by using the payment ID
- Interbank funds transfer (PAYA)
- Funds transfer "account to card" (of BMI)
- Getting account statements for cards and accounts
- Buying recharge for prepaid SIM cards
- Getting the last three charges
- Getting account balance
- Getting info about card holder's loans and paying the installments of the loans of the holder or others (intra-bank and interbank)
- Inquiring checks
- Paying bills
- Reporting missing cards
- Getting and checking ID of SHEBA system

## E-Banking in Bank Melli Iran

The following table indicates BMI's e-banking situation in the fiscal years 2013-14 and 2014-15:

Description	March 2014	March 2015	Ratio of Change
Number of Online Branches	3,358	3,331	(0.80)
Number of ATMs	6,460	6,480	0.31
Number of POSes	491,926	496,663	0.96
Number of Branches Equipped with Queue Management System	2,471	2,583	4.53
Number of Issued Bank Cards	34,127,128	36,272,018	6.29
Number of Telecommunication Landlines	3,182	3,203	0.66
Number of Wireless VSAT	1,486	1,525	2.62
Number of Web Kiosks of Branches	580	590	1.72



## Human Resources in BMI

BMI considers its employees as its valuable stakeholders and believes that the up-to-date and relevant expertise and knowledge, in addition to encouraging each and every one of the employees, has a considerable effect on the Bank's development. The Bank believes that creating motivation and job satisfaction of the staff is a vital factor for achieving success.

Taking advantage of the expertise and commitment of its more than 37,000 employees, BMI provides its valuable clients with the most advanced and diverse banking services.

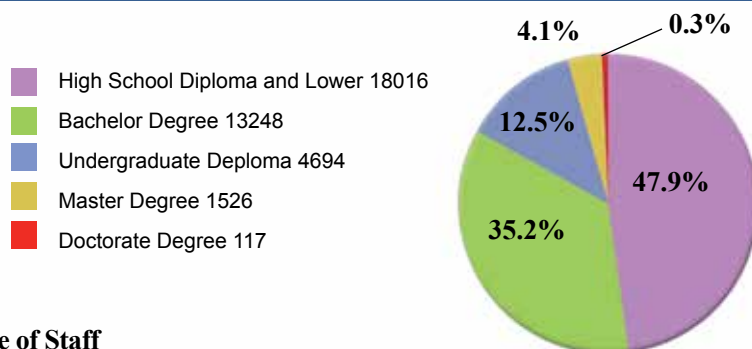
About 41% of the Bank's employees have higher education including associate degree, bachelor's degree and higher. With an average age of 38 years and average work experience of 15 years, the staff consists of young and energetic people that are determined to serve dear compatriots.

BMI has defined a policy for promoting and improving its employees, and by developing the culture of training and continuous learning, has always tried to enhance the personnel's professionalism and expertise. In addition, by supervising and appreciating the personnel's performance quality, BMI always tries to improve the procedures.

### Employment status

The average number of permanent and temporary employees during the reported period and the previous fiscal year were as follows:

Description	Group		Main Unit	
	2014-15	2013-14	2014-15	2013-14
Permanent Employees	45,325	47,335	37,553	38,059
Temporary Employees	11,252	10,594	48	170
<b>Total</b>	<b>56,576</b>	<b>57,929</b>	<b>37,601</b>	<b>38,229</b>



### Welfare of Staff

BMI is committed about the health and welfare of the employees in all its units inside and outside the country. This commitment has been demonstrated through presenting various supports, gaining personnel satisfaction, and improving the business procedures. Of these welfare procedures, we can note Bank Melli Iran Hospital, which provides comprehensive health care services. Enjoying experienced personnel and using modern equipment, BMI hospital provides employees and their dependents with top-notch medical services. Undoubtedly, this is the most important concerns of human capital and it has a very effective and direct role in increasing productivity so that staff satisfaction is obviously reflected in customers satisfaction.

### **The most important training activities of BMI in 2014-15**

1- Planning and reviewing programs for 17 training courses (needs assessment), including the Workshop of Banking Communication Skills Development for the personnel of Public Relation Unit (Call Center), the Course of Risk Management, the Course of Behavioral Skills for the Disciplinary Personnel, the course of Official Correspondence and Documentation Specific for the Disciplinary Personnel, the course of Banking Law II, the Specialized Course for Inspectors, etc.

2- Arranging 1556 courses for 46,556 people totally 1,747,328 person-hours.

3- Expansion of training workshops so that the 78 workshops held in 2013-14 increased by 5 times reaching 390 workshops in 2014-15, which was 25% of the total of programs in 2014-15. The number of workshops arranged for the year 2015-16 will form 50% of the total of training programs.

4- Arranging examination to evaluate the level of knowledge about foreign currency operations in order to identify the informed and powerful employees in the Foreign Exchange Division and to provide for promotion of the colleagues' level of knowledge in the Foreign Exchange Division; the results of which were as follows:

Total Number: 1,100 people

Number of participants: 709 people

Number of passing: 179 people

5- Arranging examination among the managers, assistants and section incumbents of branches to evaluate the level of knowledge about domestic currency operations to provide for promotion of the colleagues' level of knowledge to implement the meritocracy order, the results of which were as follows:

Total Number: 10490 People

Number of participants: 8032 people

Number of passing: 4382 people

6- Arranging examination for the appointments of the banking affairs incumbents as the banker for the purpose of enhancing the motivation and promotion of the colleagues working as cashier, the result of which were as follows:

Total Number: 3921 persons

Number of participants: 3648 people

Number of passing: 2026 people

7- Arranging 25 examinations for entrance and improvement of the experts level and for changing jobs with participation of 452 people every other week

8- Evaluating the effectiveness of training courses using the Patrick Model and implementing three levels of it including: the response level (evaluation form at the end of course) for 1359 training courses and workshops; learning level (through testing) for 1336 training courses and workshops; and behavioral level (by inquiring from the participant and his/her direct responsible person three months after the end of the course) for 268 training courses and workshops aiming at improving the training facilities, revising and correcting the resource reevaluating the teachers and the training executors.

9- Continuous monitoring of academic affairs for 411 students of Iran Banking Institute across the country including recording of the credit course selection sheets, transcripts, leaves of absence, transfers, etc.

10- Reviewing and reporting the graduation for 108 cases of the graduates of Iran Banking Institute to the General Department of Human Capital

11- Reviewing 613 proposals for master's degree theses and approval of 471 cases among them

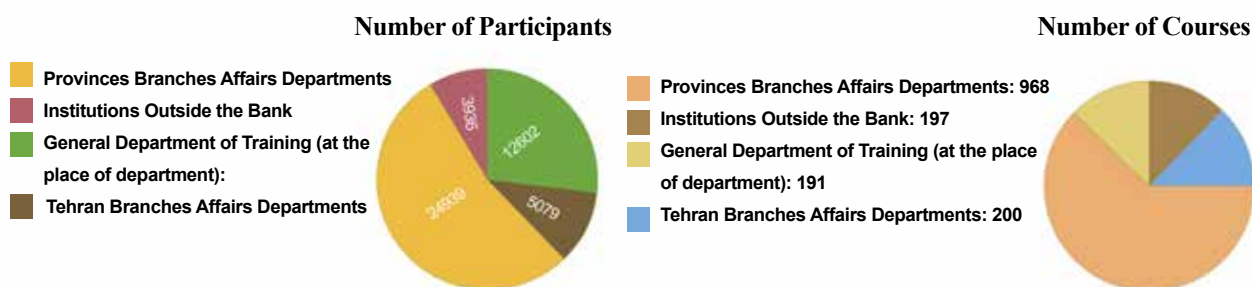
12- Issuing 184 permits for using training missions for the veterans

13- Controlling some 5000 documents of the colleagues using educational loans



- 14- Granting student loans, scholarships, educational theses bonuses for 3,097 people of colleagues
- 15- Provision of 20,000 volumes of educational resources for the courses (printing, reproduction and Order)
- 16- Provision of 38.000 pcs of educational requirements
- 17- Sending 81,500 volumes/pcs of educational resources and requirements to the related affairs departments
- 18- Performing the affairs related to the specialized library (admittance, lending books and provision of resources)
- 19- Controlling the documents of 1,583 colleagues enrolling in the equivalent test of educational levels of Iran Banking Institute of whom 149 people were admitted
- 20- Continuous presence at the preliminary and final sessions for defense of the theses of master's degree students of Iran Banking Institute
- 21- Arranging 20 sessions of the Banks Training Affairs Commission considering that BMI holds the secretary position of the commission
- 22- Arranging 12 major sessions and 8 minor sessions of BMI's Training Steering Committee

### Integrated Chart of In-Service Training in 2014-15



### Ordinary Annual General Meeting of BMI – Fiscal Year Ended March 20, 2015

**Minister of Economic Affairs and Finance:**  
BMI's performance is positive and appreciable.



## Part 2 : performance

- The Degree of Achievement of BMI in Realizing its Plans and Objectives
- Anti-Money Laundering (AML) Efforts
- Strategic Measures, Plans and Achievements of BMI
- Social Responsibilities





## The Degree of Achievement of BMI in Realizing its Plans and Objectives

### A Summary of Financial Performance

Examining BMI's performance in attracting effective deposits on March 20, 2015, comparing with the objective in this section shows every effective deposit's growth as compared to the previous fiscal year. The highest growth rate belongs to long term deposits showing 32.46%. The total effective deposits at the mentioned date witnessed a 24.22% growth as compared to March 2014.



- The Port of Zurkhaneh (Iranian Traditional Gymnasium) at the Courtyard of BMI's Headquarters
  - An Impression of Seven Adventures of Rustam
  - A Work of Master Abolhassan Sadiqi

## Operating Performance

As it is shown in the following table; the volume of granted facilities has witnessed 15.91% growth.

## Facilities and Claims

Amounts in Billion IRR

Name of Sector	March 2014		March 2015		Ratio of Change March 2015 to March 2014 (%)
	Amount	Portion (%)	Amount	Portion (%)	
Granted Facilities and Receivables (Private Sector)	566,109	72.78	642,209	71.23	13.44
Granted Facilities and Receivables (Public Sector)	11,448	1.47	19,723	2.19	72.28
Granted Facilities and Receivables from Banks	16,008	2.06	17,047	1.89	6.49
Claims from Government	131,432	16.90	174,901	19.40	33.07
Investments and Joint Ventures	22,220	2.86	28,432	3.15	27.96
Debtors for LCs and Time Bills of Exchange	14,909	1.91	7,297	0.81	(51.06)
Facilities Granted to Affiliates	15,701	2.02	11,984	1.33	(23.67)
<b>Net Total</b>	<b>777,827</b>	<b>100.00</b>	<b>901,593</b>	<b>100.00</b>	<b>15.91</b>

As the table below shows; the volume of the facilities granted to the most economic sectors including industry and mining, housing and construction, etc. has enjoyed a significant growth.

Amounts in Billion IRR

Name of Sector	March 2014		March 2015		Ratio of Change March 2015 to March 2014(%)
	Amount	Portion (%)	Amount	Portion (%)	
Agriculture	38,071	7.44	48,766	8.69	28.09
Industry and Mining	158,689	31.00	148,232	26.41	(6.59)
Housing and Construction	134,350	26.25	132,616	23.62	(1.29)
Commerce and Services	173,909	33.98	224,619	40.01	29.16
Exports	6,809	1.33	7,108	1.27	4.39
<b>Total</b>	<b>511,828</b>	<b>100.00</b>	<b>561,341</b>	<b>100.00</b>	<b>9.67</b>



### Composition of Deposits

BMI's performance regarding attracting resources through the volume of bank deposits was very desirable in the fiscal year 2014-15 considering its 17.40% growth as compared to the fiscal year 2013-14

### Composition of Deposits (Local and Foreign Currencies)

Amounts in Billion IRR

Description	March 2014		March 2015		Ratio of Change March 2015 to March 2014(%)
	Amount	Portion (%)	Amount	Portion (%)	
Demand Deposits	217,752	24.18	199,637	18.88	(8.32)
Interest-Free-Loan Savings Deposits	70,080	7.78	82,583	7.81	17.84
Short-Term Investment Deposits	209,844	23.30	257,794	24.39	22.85
Long-Term Investment Deposits	366,408	40.69	485,353	45.91	32.46
Other Deposits	36,379	4.05	31,817	3.01	(12.54)
<b>Total</b>	<b>900,463</b>	<b>100.00</b>	<b>1,057,184</b>	<b>100.00</b>	<b>17.40</b>

### Indicators of Operating Efficiency, Business Development and Agents

(%)

Indicator	March 2014	March 2015
Ratio of Net Granted Facilities to Total Non-Governmental Deposits	87.03	85.76
Ratio of Earning Assets to Total Assets	70.49	70.30
Ratio of Non-Current Receivables to Total Facilities	13.51	8.59
Ratio of LCs Doubtful Claims to Total Liabilities under LCs	78.72	47.11
Ratio of LGs Doubtful Claims to Total Liabilities under LGs	4.57	6.85
Ratio of Administrative and Personnel Expenses to Total Revenues	35.10	23.53
Ratio of Deposits Interests to Joint Income	106.00	93.03

## Indicators of Business Development

Indicator	(%)	
	March 2014	March 2015
Growth of Facilities Granted to Non-Governmental Sector	4.45	13.44
Growth of Non-Governmental Deposits	9.64	17.63
Ratio of Total Non-Governmental Granted Facilities (Based on the Balance Sheet) to Total Assets	49.18	48.37

## Efficiency

Amounts in Billion IRR

Indicator		March 2014	March 2015
Personnel	Deposits Per Capita (without Deposits of Banks)	23.55	28.12
	Deposits Per Capita (with Deposits of Banks)	27.05	31.43
	Facilities Per Capita	20.35	23.98
	Income Per Capita	2.58	4.59
	Expenses Per Capita	3.68	4.58
	Profit (Loss) Per Capita Before Tax	(1.09)	0.01
	Profit (Loss) Per Capita After Tax	(1.09)	0.01
Branches	Deposits Per Capita (without Deposits of Banks)	263.99	314.54
	Deposits Per Capita (with Deposits of Banks)	303.12	351.66
	Facilities Per Capita	228.04	268.25
	Income Per Capita	28.95	51.30

**Performance of Foreign Operations Department**

In the fiscal year under report, the total foreign currency assets of BMI amounted to IRR 203,421 billion, which grew by 6.97% compared to the previous fiscal year (2013-14).

The following table indicates the performance of BMI's foreign branches which also shows BMI's highest return on capital from its foreign subsidiaries.

**Overseas Branches**

(Amounts in Thousand Euros)

Branch	Description	March 2014	March 2015
Hamburg	Profit Before Tax	52.64	(139.93)
	Capital	69,500	69,500
	Return on Capital	0.08	(0.20)
Paris	Profit Before Tax	204.50	(1,194.45)
	Capital	26,597	26,597
	Return on Capital	0.77	(4.49)
Baghdad and Basrah	Profit Before Tax	1,005.76	2,390.28
	Capital	19,906	27,307
	Return on Capital	5.05	8.75
Baku	Profit Before Tax	155.71	90.26
	Capital	20,523	45,526
	Return on Capital	0.76	0.20
Musqat	Profit Before Tax	431.48	64.37
	Capital	37,334	48,222
	Return on Capital	1.16	0.13
United Arab Emirates (Seven Branches)	Profit Before Tax	26,684.19	119,369.01
	Capital	195,588	252,752
	Return on Capital	13.64	47.23

## BMI's Return on Capital in Foreign Banks

(Amounts in Thousand Euros)

Bank Name	Description	March 2014	March 2015
Melli Bank PLC London	Profit Before Tax	4,965	9,565
	Capital	192,785	192,785
	Return on Capital	2.58	4.96
Mir Business Bank, Moscow	Profit Before Tax	(3,273)	4,195
	Capital	21,972	17,306
	Return on Capital	(14.90)	24.24
Future Bank, Bahrain	Profit Before Tax	6,997	14,664
	Capital	52,777	68,217
	Return on Capital	13.26	21.50
Arian Bank, Afghanistan	Profit Before Tax	47	206
	Capital	6,453	8,025
	Return on Capital	0.73	2.57



BMI's Branch in Muscat – Oman



## Anti-Money Laundering (AML) Efforts

Due to its leading position in the country's banking system, BMI has always been proactive and diligent in implementing the policies and guidelines of the Central Bank of Islamic Republic of Iran; Also, rendering healthy, excellent, accurate and efficient services in the shortest possible time is the priority of BMI's staff. For instance, BMI has taken important measures for the purpose of combating money laundering and the financing of terrorism, the most important ones have been the followings:

- Establishing the Department for Combating Money Laundering enjoying skilled and specialized professionals in financial, credit and foreign exchange affairs as well as in other banking divisions under direct supervision of the Managing Director of BMI;
- Establishing Anti-Money Laundering High Committee with the participation of top managers and senior professionals, the secretary of which is held by the Anti-Money Laundering Department, to strategically direct BMI's different units in the task of combating money laundering based on the national and international laws and regulations communicated by the Central Bank of Islamic Republic Iran and to monitor and to ensure good implementation of them;
- Establishing Anti-Money Laundering Sub-Committees in all regional directorates and independent branches to develop monitoring and to ensure strict implementation of anti-money laundering provisions communicated to all units;
- Training managers and employees at all levels to familiarize them with the anti-money laundering rules and directives and to update the knowledge of BMI's employees in this regard in cooperation with General Training Department;
- Developing and codifying the internal control procedures related to the combat against money laundering and to communicate them to the supervisory sections for applying quick and accurate risk assessment of the activities suspected of money laundering; and
- Establishing the Specialized Committee of Anti-Money Laundering Units of the Country's Banking Network, in order to create harmony and unity in the combat against money laundering.

### Measures Taken to Combat against Money Laundering:

The followings are some of the measures taken in the field of combating against money laundering led by the Anti-Money Laundering Department:

- preparing and installing the comprehensive online system for authentication of customers' identities in all branches of BIM in order to be used by the units at the time of rendering basic and non-basic services to customers;
- reflecting the rules of preventing money laundering in the instructions and software programs related to banking products and services;
- encouraging customers and clients to use the new systems of PAYA , SATNA, etc. and avoiding cash transfers to reduce the risks suspected of money laundering;
- installing the online system of FIDA in Anti-Money Laundering Department for getting Comprehensive foreign nationals' ID Number from the Financial Data and Anti-Money Laundering

Unit of the Ministry of Economic Affairs and Finance and sending them to the branches to open an account;

- active and effective participation in relevant national and international conferences and participating in the training courses of AML/CBT held in the Financial Data and Anti-Money Laundering Unit of the Ministry of Economic Affairs and Finance;
- completing and submitting the questionnaires provided by the foreign correspondent banks to establish correspondent relations in the post-sanctions conditions as well as providing BMI's correspondents with the questionnaires for observance of the standards of combating money laundering and the financing of terrorism received from Central Bank of Islamic Republic of Iran; And sending BMI's first 6-month performance report regarding the mentioned issue to Central Bank of the Islamic Republic of Iran;
- Installing and operating the systems related to MPLS communication line, such as project control integrated management for transmission of data and the progress of implementing directives, sending reports on suspected transactions exceeding the prescribed ceiling and getting inquiry from the Ministry of Economic Affairs and Finance and also reporting BMI's performance in implementing the anti-money laundering directives through the mentioned system to the Financial Data and Anti-Money Laundering Unit of the Ministry of Economic Affairs and Finance;
- Submitting the performance reports of BMI's foreign units on the observance of the anti-money laundering laws and regulations at 6-month intervals to the Central Bank of the Islamic Republic of Iran;
- preparing the anti-money laundering monitoring checklist in order to facilitate the control on the related affairs and to present it to the Inspection and Audit Affairs Division and to the departments of branches affairs throughout the country to be used by inspectors and auditors;
- compiling training booklets based on the latest Anti-Money Laundering directives and submitting them to the Training Department of BMI in order to be used in different training courses;
- technically examining the reports and checklists received regarding the performance of BMI's units in the field of combat against money laundering; and
- fulfilling various duties as specified in the project control integrated system of the Financial Data Unit in the field of teaching directives to the bank employees, periodic inspection of branches, etc. and sending the related documentations via the system to the Financial Data Unit.



A View of the Courtyard of BMI's Headquarters



## Strategic Measures, Plans and Achievements of BMI

Strategic Measures, Plans and Achievements of BMI in the fiscal year under report:

- Master Plan for the development of BMI;
- Re-engineering of business processes;
- Increasing lending capacity to support investment and entrepreneurship activities;
- Planning to reduce the risk of non-repayment of granted facilities and to collect claims;
- Enhancing the knowledge and specialized skills of human resources;
- Developing the electronic banking, diversifying products and increasing the efficiency;
- Participating in public affairs and designing new products;
- Designing microfinance credits schemes;
- Codifying and implementing the development plan of BMI and implementing the systems related to the plan;
- Developing the activities of granting interest-free-loans;
- Designing the organizational structure and business processes to form a downsized and brisk organization to facilitate rendering services to customers;
- Conducting feasibility study for the business continuity based on a holding structure;
- Entrusting authority to regional directorates;
- Reorganizing inefficient branches;
- Planning and taking effective measures to increase the profitability of subsidiaries;
- Designing and testing the new internet banking system with very high advantages;
- BMI's measures for transparency, pursuing and collecting outstanding claims;
- Expanding the facilitation branches with the mission of meeting the financial needs and solving the problems of small businesses, reducing banking fees, etc.;
- Concluding agreements of cooperation with some large organizations and ministries such as Ministry of Education, Islamic Azad University, Imam Khomeini Relief Committee, Ministry of Interior, Alborz Insurance Co., Organization for Civil Registration, the Judiciary, etc.;
- Systematically controlling the units to inspect and monitor their performance;
- planning and taking action to sell the surplus assets of BMI in order to improve the fixed assets in BMI's financial structure;
- Operating the business Internet banking (BIB) for the corporate clients;
- Implementing the Chakavak Plan in the units throughout the country;
- Implementing the new plan for insurance of employees in partnership with private sector;
- Optimizing financial payments to the employees with the aim of their satisfaction and facilitating their livelihoods;

- optimizing the welfare affairs and recreation centers of BMI;
- promoting the suggestions system for optimized implementation of the participatory management;
- establishing the customer's credit rating system;
- implementing the Service Plan regarding paying in accounts and cashing checks in collaboration with Bank of Industry and Mine, Exports Development Bank, and Ayandeh Bank;
- investment in infrastructure projects;
- planning to establish BMI's Customers Club; and
- cultural Affairs (participation in the construction of mosques and libraries and providing special services in Hajj rites, etc.).





## Social Responsibilities of BMI

Bank Melli Iran considers its important mission in the community to participate in social affairs and charitable projects and has an active and influential presence in the projects such as constructing school, constructing and completing mosques and prayer houses, health centers, orphanages and care centers for abandoned children, releasing the prisoners of unintentional crimes, equipping libraries and so on in order to fulfill its duties efficiently.

- Construction of schools and vocational schools in deprived areas: In this regard, the schools and technical schools constructed in Birjand, Ilam, Kohgiluyeh and Boyer Ahmad, Khorramshahr, West Azerbaijan, Zabul, Sanandaj, Borazjan, Beshagerd, Kerman, Hamedan, Quchan, Bojnourd, Semnan, and the earthquake-stricken area of Varzaqan in East Azerbaijan are notable.
- Participation and financial support in constructing the hospital in Jiroft; appreciation of top students supported by Tehran Public and Revolution Prosecution Office; close collaboration with Foundation of Specific Diseases, Mahak Charity Foundation, etc.; specially very active participation for consecutive years in support of the sacred motion of promoting the organ transplant and equipping selective branches for immediate issuance of Peyvand Card (Transplant Card); etc. are among other activities of BMI in line with fulfilling its social responsibilities.



**Bank Melli Iran at the Service of Science and Knowledge.**



## Donating Organs is Presenting Life



**Bank Melli Iran the Constant Companion and  
Supporter of Organ Donors**



**Bank Melli Iran**

## Part 3 : Financial Statements

- Consolidated Balance Sheet
- Consolidated Income Statement
- Consolidated Retained Profit (Loss) Turnover
- Consolidated Comprehensive Income Statement
- Consolidated Cash Flow Statement
- Main Company Balance Sheet
- Main Company Income Statement
- Main Company Comprehensive Income Statement
- Main Company Cash Flow Statement
- Notes to Financial Statements





## Consolidated Balance Sheet

Assets	Note	March 20 <sup>th</sup> , 2015	(Restated) March 20 <sup>th</sup> , 2014	Liabilities and Equity	Note	March 20 <sup>th</sup> , 2015	(Restated) March 20 <sup>th</sup> , 2014
Assets:		IRR Million	IRR Million	Liabilities:		IRR Million	IRR Million
Cash	5	29,304,656	26,786,731	Due to Central Bank	18	140,896,495	119,693,131
Receivables from Central Banks	6	158,308,672	132,747,826	Due to Banks & Credit Institutions	19	61,004,421	63,860,843
Receivables from Banks & Credit Institutions	7	71,011,004	56,696,618	Liabilities due to acceptance of documents under LCs and Time Bills of Exchange	20	8,722,935	16,324,782
Receivables from Government	8	174,900,994	131,431,653	Demand Deposits	21	198,489,950	217,725,747
Granted Facilities to and Claims from Public Sector	9	19,722,971	11,448,467	Savings Deposits and the Similar	22	82,582,547	70,080,436
Granted Facilities to and Claims from Private Sector	10	643,417,174	567,274,514	Time Investment Deposits	23	741,949,273	574,968,051
Debtors under LCs and Time Bills of Exchange	11	7,297,276	14,909,381	Other Deposits	24	31,803,362	36,333,047
Participation Bonds and the Similar	12	23,324,648	28,281,420	Tax Reserve	25	5,476,939	5,802,666
Investments and Joint Ventures	13	57,883,960	52,072,487	Reserves and Other Liabilities	26	60,719,103	52,477,128
Tangible Fixed Assets	14	128,972,264	123,126,040	Dividends Payable	27	3,806,830	2,488,180
Intangible Assets, Goodwill	15	6,024,657	4,942,649	Reserve for employees' end of service reward	28	16,167,788	12,708,196
Other Assets	16	127,337,063	98,787,730	Items in Transit	17	3,857,036	-
Items in Transit	17	-	8,631,607	Total Liabilities		1,355,476,679	1,172,462,207
				Equity:			
				Capital	29	99,065,600	99,065,600
				Difference in FX rates	30	16,654,489	17,545,774
				Legal Reserve	31	1,919,729	1,450,486
				Capital Reserve	32	3,834,860	3,278,496
				Other reserves	33	8,485,669	6,193,466
				Surplus for Revaluation of Fixed Assets	34	77,550	77,550
				Retained Profit (Loss)		(68,926,885)	(66,996,454)
				Total Equity of the Main Unit		61,111,012	60,614,918
				Minority share	35	30,917,648	24,059,998
				Total Equity		92,028,660	84,674,916
Total Assets:		<b>1,447,505,339</b>	<b>1,257,137,123</b>	Total Liabilities and Equity		<b>1,447,505,339</b>	<b>1,257,137,123</b>

## Consolidated Income Statement

Description	Note	2014-15		(Restated) 2013-14
		IRR Million	IRR Million	IRR Million
A) Income from Banking Activities and Investments				
Profit from Granted Loans	36	97,938,034		63,663,448
Selling Goods and Income from Rendering Services	37	117,228,533		92,516,276
Profit from Investments and Depositing	38	<u>28,514,198</u>		<u>21,875,221</u>
Total Banking and Investment Income			243,680,765	178,054,945
Less:				
Cost of Goods and Rendered Services	39	(93,277,552)		(68,470,598)
Interim Profit for Investment Deposits	40	<u>(119,265,259)</u>		<u>(89,853,743)</u>
			<u>(212,542,811)</u>	<u>(158,324,341)</u>
Group's Share from Banking Activities and Investments			31,137,954	19,730,604
B) Non-Joint Income of Depositors:				
Profit and Commitment fees Received	41	7,741,840		6,590,990
Commission Received	42	7,111,162		5,935,506
Other Income	43	<u>36,048,526</u>		<u>6,404,236</u>
Total Non-Joint Income			<u>50,901,528</u>	<u>18,930,732</u>
Total Income			82,039,482	38,661,336
C) Expenses				
Profit Paid (Excluding Profit Paid to Depositors)	44	(6,704,869)		(6,374,358)
Commission Paid	45	(6,845,657)		(5,141,505)
<b>General Expenses</b>	46	<b>(50,392,824)</b>		<b>(48,108,482)</b>
Other Expenses	47	<u>(3,132,228)</u>		<u>(2,341,508)</u>
Total Expenses			<u>(67,075,578)</u>	<u>(61,965,853)</u>
Profit (Loss) Before Tax			14,963,904	(23,304,517)
Tax			<u>(1,997,016)</u>	<u>(2,209,463)</u>
Net Profit (Loss)			<u>12,966,888</u>	<u>(25,513,980)</u>
Minority's Share	35		<u>11,841,253</u>	<u>14,675,621</u>

**Consolidated Retained Profit ( Loss) Turnover**

(Amounts in million Rials)

Description	Note	2014-15	(Restated) 2013-14
Net Profit (Loss)		12,966,888	(25,513,980)
Retained Profit at the Beginning of the Fiscal Year		(52,934,694)	10,806,288
Annual Adjustments	48	(899,236)	(34,019,930)
Retained Profit at the Beginning of the Fiscal Year - Adjusted		(53,833,930)	(23,213,642)
Allocable Profit (Loss)		(40,867,042)	(48,727,622)
Changes in Minority's Share from Accumulated Profit and other Changes	48-3	527,900	2,241,519
Transfer to Legal Reserve	31	-	(38,704)
Transfer to other Reserves	33-2	-	(103,121)
Allocation of Profit:			
Legal Reserves	31	(568,664)	(1,136,716)
Capital Reserve	32	(679,699)	(431,060)
Other Reserve	33	(358,636)	(6,235 )
Transfer to the Cost of Project	13	(606,255)	(160,174)
Approved Dividend – Minority's Share		(8,725,619)	(4,476,657)
50% of the Expressed Profit as per the Para. C of Note 1, of the Budget Law of the Fiscal Year 2014-15		(127,547)	-
		(11,066,420)	(6,210,842)
Transfer to Capital of subsidiaries	33	(1,601,167)	(995,160)
Retained Profit (Loss) at the End of the Fiscal Year		(53,006,729)	(53,833,930)
Minority's Share	35	(15,920,156)	(13,162,524)
Retained Loss Attributable to the Main Unit's Shareholders		<b>(68,926,885)</b>	<b>(66,996,454)</b>

## Consolidated Comprehensive Income Statement

Description	Note	2014-15	(Restated) 2013-14
		IRR Million	IRR Million
Net Profit (Loss)		12,966,888	(25,513,980)
Surplus for revaluation of Tangible Fixed Assets	34	-	24,681
Resultant from Changes in foreign Currency Rates Parities	30	(899,053)	831,865
Comprehensive Profit of the Fiscal year		12,067,835	(24,657,434)
Annual Adjustments	48	(899,236)	(34,019,930)
Comprehensive Profit Identified from the Reporting Date of the Previous Fiscal Year		<u>11,168,599</u>	<u>(58,677,364)</u>
Minority's Share from the Comprehensive Profit of the Fiscal Year	35	<u>8,733,661</u>	<u>10,754,011</u>



Ceremony for presenting the winners of the Qarz-Al-Hasanah savings accounts

**Consolidated Cash Flow Statement**

Description	Note	2014-15		(Restated) 2013-14
		IRR Million	IRR Million	IRR Million
Operational Activities				
Net Cash Inflow Resulting from Operational Activities	49-1		12,541,286	(2,032,860)
Return on Investments and Profit Paid for Financing:				
Dividend Received		5,895,670		4,667,461
Dividend Paid to Shareholders of the Main Unit		(250,000)		(250,000)
Dividend Paid to Minority Shareholders		<u>(7,406,969)</u>		(4,196,809)
Net Cash Outflow Resulting from Return on Investments and Profit Paid for Financing			(1,761,299)	220,652
Income Tax:				
Income Tax Paid			(2,322,071)	<u>(2,240,456)</u>
Investment Activities:				
Funds Paid for Purchasing, Construction and Completion of Fixed Tangible and Intangible Assets		(9,830,334)		(5,277,474)
Funds Resulting from Selling Fixed Tangible Assets		<u>987,766</u>		531,207
Cash Outflow Resulting from Investment Activities			<u>(8,842,568)</u>	<u>(4,746,267)</u>
Cash Inflow (Outflow) Before Financing Activities			(384,652)	(8,798,931)
Financing Activities:				
Funds Resulting from Capital Increase (Decrease) of Subsidiaries – Minority’s Share		<u>2,171,998</u>		136,429
Net Cash Inflow Resulting from Financing Activities			<u>2,171,998</u>	<u>136,429</u>
Net Increase (Decrease) in Cash Funds			1,787,346	(8,662,502)
Balance of the Cash Funds at the Beginning of Fiscal year	50		31,679,333	40,341,835
Effect of Changes in Foreign Currency Rates			<u>(194,676)</u>	-
Balance of Cash Funds at the End of Fiscal Year	50		<b><u>33,272,003</u></b>	<b><u>31,679,333</u></b>
Non-Cash Transactions – Revaluation of Bank’s Fixed Tangible Assets			-	-

## Main Company Balance Sheet

Assets	Note	March 20 <sup>th</sup> , 2015	(Restated ) March 20 <sup>th</sup> , 2014	Liabilities & Equity	Note	March 20 <sup>th</sup> , 2015	(Restated ) March 20 <sup>th</sup> , 2014
Assets		IRR Million	IRR Million	Liabilities:		IRR Million	IRR Million
Cash	5	21,042,984	18,355,641	Due to Central Bank	18	140,896,495	117,664,298
Receivables from Central Bank	6	158,177,134	132,021,750	Due to Banks & Credit Institutions	19	29,284,917	36,698,014
Receivables from Banks & Credit Institutions	7	65,576,456	52,282,244	Liabilities due to Acceptance of Documents under LCs and Time Bills of Exchange	20	8,722,917	16,324,782
Receivables from Government	8	174,900,994	131,431,653	Demand Deposits	21	199,637,191	217,751,632
Granted Facilities to and Claims from Governmental Sector	9	19,722,971	11,448,467	Savings Deposits and the Similar	22	82,582,547	70,080,436
Granted Facilities to and Claims from Non-Governmental Sector	10	642,208,977	566,109,093	Time Investment Deposits	23	743,146,702	576,252,060
Debtors under LCs and Time Bills of Exchange	11	7,297,276	14,909,381	Other Deposits	24	31,816,989	36,379,095
Participation Bonds and the Similar	12	17,262,178	20,964,783	Reserves and Other Liabilities	26	48,128,853	41,164,463
Investments and Joint Ventures	13	40,415,721	37,921,051	Items in Transit	17	3,857,036	-
Tangible Fixed Assets	14	102,998,486	102,750,330	<b>Total Liabilities</b>		<b>1,288,073,665</b>	<b>1,112,314,780</b>
Other Assets	16	78,143,018	54,049,004	<b>Equity:</b>			
Items in Transit	17	-	8,765,683	Capital	29	99,065,600	99,065,600
				Difference in FX Rates	30	2,259,729	2,259,729
				Conversion of Foreign Currencies, Subsidiaries Abroad	30	8,970,393	8,450,973
				Capital Reserves	33	1,110,144	1,071,881
				Other Reserves, Abroad		2,694,829	2,363,565
				Retained Profit (Loss)		(74,428,165)	(74,517,448)
				<b>Total Equity</b>		<b>39,672,530</b>	<b>38,694,300</b>
<b>Total Assets</b>		<b><u>1,327,746,195</u></b>	<b><u>1,151,009,080</u></b>	<b>Total Liabilities and Equity</b>		<b><u>1,327,746,195</u></b>	<b><u>1,151,009,080</u></b>
Customers' Liabilities for L/Cs		36,837,455	27,666,381	Bank's Liabilities Under L/Cs		36,837,455	27,666,381
Customers' Liabilities for L/Gs		29,519,635	38,500,457	Bank's Liabilities Under L/Gs		29,519,635	38,500,457
Other Liabilities		11,487,846	28,713,646	Other Liabilities		11,487,846	28,713,646
Facilities Granted Using Administered Funds of FX Reserve Fund – Public Sector		41,683,634	36,459,106	Administered Funds of Foreign Currency Reserve Fund - Public Sector		41,683,634	36,459,106
Administered Funds and Similar Items		<u>6,203,828</u>	<u>6,565,449</u>	Administered Funds and Similar Items		<u>6,203,828</u>	<u>6,565,449</u>
Total Contra Accounts and Claims	51-1	<b><u>125,732,398</u></b>	<b><u>137,905,039</u></b>	Total Contra Accounts and Dues	51-1	<b><u>125,732,398</u></b>	<b><u>137,905,039</u></b>



## Main Company Income Statement

Description	Note	2014-15	(Restated) 2013-14
		IRR Million	IRR Million
A) Bank's Income from Joint Activities			
Profit and Commitment Fees Received from Granted Loans	36	98,033,320	64,068,317
Profit from Investments and Joint Ventures	38	30,504,565	20,854,527
Total Joint Income		128,537,885	84,922,844
Less:			
Dividend Paid to Depositors	40-1	108,692,806	69,326,081
Surplus of Payments to Depositors	40-1	10,882,930	20,694,746
Interim Profit Paid to Depositors	40	(119,575,736)	(90,020,827)
Bank's Share from Joint Incomes		8,962,149	(5,097,983)
B) Non-Joint Income:			
Profit and Commitment Fees Received	41	7,258,098	5,993,837
Commissions Received	42	7,105,693	5,875,590
Other Income	43	29,501,857	1,944,135
Total Non-Joint Income		43,865,648	13,813,562
Total Income of Bank		52,827,797	8,715,579
C) Expenses			
Profit Paid (Excluding Profit Paid to Depositors)	44	(2,146,333)	(2,249,235)
Commission Paid	45	(6,844,379)	(5,077,209)
General Expenses	46	(42,463,129)	(41,943,283)
Other Expenses	47	(1,033,831)	(1,205,981)
Total Expenses		(52,487,672)	(50,475,708)
Profit (Loss) Before Tax		340,125	(41,760,129)
Less:			
Tax		(85,031)	-
Profit (Loss) After Tax		<u>255,094</u>	<u>(41,760,129)</u>
Retained Profit Account Turnover			
Net Profit (Loss)		255,094	(41,760,129)
Retained Profit at the Beginning of the Fiscal year		(74,459,428)	2,322,966
Annual Adjustments	48	(58,020)	(35,080,285)
Retained Profit at the Beginning of the Fiscal Year - Adjusted		(74,517,448)	(32,757,319)
Allocable Profit		(74,262,354)	(74,517,448)
Allocation of the Profit:			
Reserves	33	(38,264)	-
50% of the Expressed Profit as per the Budget Law of the Fiscal Year 2014-15		(127,547)	-
		(165,811)	-
Retained Profit (Loss) at the End of the Fiscal Year		<u>(74,428,165)</u>	<u>(74,517,448)</u>

## Main Company Comprehensive Income Statement

Description	Note	2014-15	(Restated) 2013-14
		IRR Million	IRR Million
Net Profit (Loss)		255,094	(41,760,129)
Difference Resulting from Conversion of FX Balance Sheet of Subsidiaries Abroad	30	<u>519,420</u>	<u>452,652</u>
Comprehensive Profit (Loss) of the Fiscal year		774,514	(41,307,477)
Annual Adjustments	48	<u>(58,020)</u>	<u>(35,080,285)</u>
Comprehensive Profit (Loss) Identified from the Reporting Date of the Previous Fiscal Year		<u>716,494</u>	<u>(76,387,762)</u>

## Main Company Cash Flow Statement

Description	Note	2014-15	(Restated) 2013-14
		IRR Million	IRR Million
Operational Activities			
Net Cash Outflow Resulting from Operational Activities	49-2	8,867,931	(15,758,662)
Return on Investments and Profits Paid for Financing:			
Dividend Received		1,523,280	386,129
Dividend Paid to Shareholders		<u>(250,000)</u>	<u>(250,000)</u>
Net Cash Outflow Resulting from Return on Investments and Profit Paid for Financing		1,273,280	136,129
<b>Income Tax:</b>			
Income Tax Paid		(130,594)	(1,077,340)
<b>Investment Activities:</b>			
Funds Paid for Buying, Constructing and Completing Tangible Fixed Assets		(1,655,450)	(1,173,368)
Funds Received from Selling and Adjustment of Fixed Assets		<u>455,054</u>	<u>145,347</u>
Net Cash Inflow (Outflow) Resulting from Investment Activities		<u>(1,200,396)</u>	<u>(1,028,021)</u>
Net Cash Outflow before Financing Activities		8,810,221	(17,727,894)
Loss from Conversion of Cash in Foreign Currencies		<u>(207,061)</u>	-
		8,603,160	(17,727,894)
Balance of Cash Funds at the Beginning of Fiscal year	50	<u>19,825,112</u>	<u>37,553,006</u>
Balance of Cash Funds at the End of the Fiscal Year	50	<u>28,428,272</u>	<u>19,825,112</u>



## Notes to Financial Statements

### 1. Fundamentals for Compilation of the Financial Statements

The financial statements of the Group and Company are fundamentally prepared and regulated based on the historical cost prices, however, the current values are also used wherever appropriate.

### 2. Fundamentals of the Consolidation

**2.1.** The consolidated financial statements are the results of the integration of the items of the financial statements of Bank Melli Iran and its affiliates liable to the consolidation, after eliminating the intragroup transactions and balances as well as the unrealized profit and losses resulting from intragroup transactions.

**2.2.** For the affiliated companies took over during the fiscal year, the outcome of their operations is transferred to BMI as of the date of their effective control by BMI and for the affiliated companies sold and transferred, the result of their operating is included in consolidated income statement until the time of their transfer.

### 3. A Summary of the Most Important Accounting Procedures

#### 3.1. Depositors' Share from Joint Profit

In execution of the Usury Free Banking Operation Act approved on Aug. 30<sup>th</sup>, 1983 and its related by-laws and directives, and in compliance with Circulars No. 1799/MB dated Jan. 08, 2004 and No. 37852 dated May 06, 2014 of Central Bank of Islamic Republic of Iran; the income resulting from the activities related to granting financial facilities, investments in stocks and participation bonds, which are identified in the Bank's accounting practices, shall be considered as joint revenue and the depositors' portion is determined proportional to the net utilization of their resources in the mentioned activities.

#### 3.2. Tangible Fixed assets

**3.2.1** Excluding the items specified under Note 2-3-4; the tangible fixed assets are recorded in the accounts based on their cost prices. The expenses for improvement and major repairs, which would cause either considerable increase in the capacity or useful life of the fixed assets or essentially improve the quality of their efficiency, are considered as capital expenses and are depreciated during the remaining useful life of the related assets. The expenses for maintenance and minor repairs, carried out to protect and restore the prospective economic interests of the business unit to the extent of the initially appraised performance standards of assets, when occurred are considered as current expenses and allowed in the profit and loss account of the period.

**3.2.2.** In execution of Article 62 of the 3<sup>rd</sup> Development Plan; the Bank's land and buildings account was recorded as IRR 20,276 billion at the ends of fiscal years 1992-93, and based on Article 39 of the Budget Law

of the fiscal year 2012-13 was revalued amounting to IRR 89,409 billion as recorded in the accounts; and in accordance with the mentioned law, the resulting surplus of the said reappraisal amounting to IRR 93,586 billion was recorded as the account of the Government's capital increase in the Bank.

**3.2.3.** As per depreciation table, subject of Article 157 of Direct Tax Code approved in March 1988 and its subsequent amendments thereof approved on March 19<sup>th</sup>, 2007; the depreciation of fixed assets inside the country (excluding immovables) are calculated based on the following rates and methods.

Assets	Depreciation Rate	Depreciation Accounting Method
Building (excluding its site)	7, 12 and 15%	Descending
Installations	7%	Descending
Machinery	10, 12, 15, 25, and 35%	Descending
	8, 5, 10, 12, and 15-year	Direct Line
Furniture and Computer Hardware	3, 5, and 10-year	Direct Line
Tools	1 and 4-year	Direct Line
Vehicles	25, 30, and 35%	Descending

**3.2.4.** For the constructions revalued in the fiscal year ended March 20<sup>th</sup>, 2005; from the same year on, the depreciations are accounted as descending by 3.5% rate in compliance with the Note 10 of the Depreciation Bylaw, the subject of Article 151 of the Direct Tax Law.

**3.2.5.** In execution of the provisions of Article 62 of the 3<sup>rd</sup> Development Program Act; the goodwill for the Bank's business units was recorded in the books at reappraised costs. Furthermore, according to the Resolution passed in the 1077<sup>th</sup> session of the Money and Credit Council; depreciation of the Bank's assets are calculated in compliance with the depreciations tables, the subject of Article 151 of the Direct Taxation Act, so no depreciation is calculated for goodwill as of the beginning of the fiscal year 2006-07.

### 4.3. Foreign Exchange Conversions

#### 4.3.1. Bank Melli Iran

**Accounts Inside the Country:** The forex monetary items are converted at the market rates on the date of balance sheet (that are announced everyday by Central Bank of Islamic Republic of Iran); and the nonmonetary FX items are converted at market rates at the date of transaction. The margin resulting from settlement or conversion of the forex monetary items is identified as an income or an expense for the period of its occurrence.

**Overseas Units:** All Monetary and non-monetary items (excluding the equity) in overseas branches and units are converted at current exchange rates on the date of balance sheet, but the equity is converted at market rates on their formation date (historical rates). The profit and loss items are converted at market rate on the date of transaction. The margin resulting from conversion of the financial statements of such units is recorded under the title of equity.



#### **4.3.2. Subsidiary Companies**

The foreign currency transactions and monetary items are calculated based on the reference rates at the date of balance sheet and non-monetary items are converted based on the historical end prices in terms of the registered foreign currency with the reference rates at the date of transaction. The margin resulting from settlement or conversion of the forex monetary items is identified as an income or an expense for the period of its occurrence. For the financial statements of the independent overseas units; all the assets and liabilities of the independent foreign unit are converted based on the conversion rates at the date of balance sheet and the income and expense items are converted based on the average rates during the period. All the margins resulting from the conversion are recorded under the title of equity and reflected in the profit and loss statement. In case and independent overseas unit is sold; the margin resulting from the conversion is directly transferred to the account of accumulated profit (loss).

#### **4.4. Reserve for Staffs End of Service Reward of the Group and Bank Melli Iran**

The reserve for employees' end of service benefits is calculated and allowed for in the accounts based on one latest monthly fixed salary and continuous fringes for every year of their service.

#### **4.5. Goodwill**

The accounting of combining the business units of the acquisition type is done based on the purchase method. The excess of the cost of acquisition of investment in the affiliated companies liable to consolidation and the dependent companies liable to the method of specific value over the Group's share from the net fair book value of their identifiable assets and liabilities at the time of acquisition are identified as goodwill and depreciated within a 10-year period by the direct line method. The goodwill resulting from acquisition of the dependent companies is reflected in the consolidated balance sheet, being included in the book value of the long-term investments in the affiliated companies.

#### **4.6. The Procedure for Identifying Income**

##### **4.6.1. Bank Melli Iran**

Based on the approval of the Money and Credit Council; the incomes resulting from the facilities granted within the framework of the Islamic Contracts until March 20, 2004, have been identified on a cash basis. In execution of the circular No. 772/MB dated July 18<sup>th</sup>, 2005 of the Central Bank of Iran and in compliance with the accounting standards; all the incomes of the Bank are accounted and reflected in the financial statements on an accrual basis. Therefore, based on the mentioned circular, the incomes from the Bank's transaction are identified for up to the deferred category (up to 18 months).

##### **4.6.2. Affiliated Companies**

Identifying the incomes in affiliated companies is executed based on an accrual basis.

#### **4.7. Reserve for Doubtful Debts**

##### **4.7.1. Bank Melli Iran**

In compliance with the circular No. 2823/MB dated February 24<sup>th</sup>, 2006 issued by the Central Bank of Iran and the approvals of the sessions dated Dec. 30, 2006, and Feb. 17, 2007 of the Money and Credit Council; the reserve for doubtful claims are accounted as detailed below and allowed for in the accounts:

a) The general reserve is calculated as 1.5% of the balance of total facilities, for which special reserve has been taken.

b) The special reserve for non-current facilities is calculated after considering the value of collaterals by applying the following factors:

Facilities	Factor
Overdue Facilities	10%
Deferred Facilities	20%
Facilities categorized Doubtful, according to the result of examining the customer's ability to pay back (under 5 years)	50%
Facilities Overdue for 5 years or more	100%

It should be mentioned that for the facilities which are overdue for more than 5 years (doubtful 2), the total balance of the loan is applied without counting the value of the collaterals and during the following 5 years the special reserve (directly or invariably) is included by equal to 100% of the loans balance.

**4.7.2.** The reserve for doubtful claims in the subsidiary company are recorded in the accounts, after they have proven to be doubtful in collection.

#### **4.8. Receivables from Government**

Imperative facilities that are granted under the guarantee of the Strategic Supervision and Planning Vice-Presidency or the previous State Management and Planning Organization are categorized as receivables from the government; among which are the followings:

- The principal, the profit and the penalties of the governmental and non-governmental due facilities;
- Due profits guaranteed on their by the government's commitments for the imperative facilities;
- Claims of the Bank for redemption of the principal and profits of the participation bonds coupon guaranteed by the Government at maturity.



## 5. Cash

Cash breakdown on the date of balance sheet is as follows:

Description	Group		Main Unit	
	March 20, 2015	March 20, 2014	March 20, 2015	March 20, 2014
	IRR Million	IRR Million	IRR Million	IRR Million
Cash	16,152,055	12,043,400	16,080,251	11,994,493
Foreign Currencies	12,029,780	8,382,592	12,029,780	8,382,592
Cash, Overseas Branches	1,487,864	1,923,621	1,445,428	1,903,852
Funds in Transit – IRR	132,876	438,284	56,234	377,211
Funds in Transit – Foreign Currencies	56,234	353,891	36,241	353,893
Balance with other Banks	8,050,796	8,301,343	-	-
Total Cash Funds	37,909,606	31,443,131	29,647,934	23,012,041
Less				
Funds Restricted by the Central Bank of Iran (CBI)	(8,604,950)	(4,656,400)	(8,604,950)	(4,656,400)
<b>Total</b>	<b><u>29,304,656</u></b>	<b><u>26,786,731</u></b>	<b><u>21,042,984</u></b>	<b><u>18,355,641</u></b>

## 6. Receivables from Central Banks

Description	Group		Main Unit	
	March 20, 2015	March 20, 2014	March 20, 2015	March 20, 2014
	IRR Million	IRR Million	IRR Million	IRR Million
Statutory Deposits	107,296,270	90,223,659	107,296,270	90,223,659
Sight FX Deposits with CBI	4,500,828	2,967,111	4,500,828	2,967,111
Current Account with Central Banks of other Countries	17,416,669	19,888,501	17,416,669	19,888,501
Receivables from CBI – Unfulfilled FX Liabilities	18,585,800	8,974,488	18,585,800	8,974,488
Statutory Deposits with Central Banks of other Countries	1,794,237	1,898,341	1,662,699	1,172,265
Time Deposits with Central Banks of other Countries	264,423	345,281	264,423	345,281
Receivables from CBI for Dealing Foreign Currencies	8,450,445	8,450,445	8,450,445	8,450,445
<b>Total</b>	<b><u>158,308,672</u></b>	<b><u>132,747,826</u></b>	<b><u>158,177,134</u></b>	<b><u>132,021,750</u></b>

## 7. Receivables from Banks and Credit Institutions

Description	Group		Main Unit	
	March 20, 2015	March 20, 2014	March 20, 2015	March 20, 2014
	IRR Million	IRR Million	IRR Million	IRR Million
Checks issued by other Banks Paid – Not Cleared	15,411,327	8,127,985	15,411,327	8,127,985
Sight Foreign Currency Deposits with Domestic Banks	12,648,138	10,042,445	12,648,138	10,042,445
Time Foreign Currency Deposits with Domestic Banks	8,668,230	8,337,809	8,668,230	8,337,809
Foreign Currency Loan and Credit to Foreign Banks	144,113	284,617	2,839,233	2,771,463
Sight Foreign Currency Deposits with Foreign Banks	2,949,759	7,366,738	2,973,394	2,472,338
Time Foreign Currency Deposits with Foreign Banks	12,677,776	6,946,420	4,524,473	4,939,600
Time Foreign Currency Deposits with Foreign Banks – Overseas Branches	2,960,926	756,929	2,960,926	756,929
Facilities and Interest-Free-Loans Granted to Banks	181,798	206,076	181,798	206,076
Receivables from Bank Saderat Iran and Bank of Industry and Mine	14,025,679	13,024,146	14,025,679	13,024,146
Sight Foreign Currency Deposits with Foreign Banks – Overseas Branches	1,073,538	1,248,981	1,073,538	1,248,981
Foreign Currency Collateral Deposits with Foreign Banks	259,810	301,706	259,810	301,706
	9,119	46,057	9,119	46,057
Sight Foreign Currency Deposits with Foreign Branches of Iranian Banks – After Clearing	476	895	476	895
Loan and Credit Granted to Iranian Banks – Overseas Branches	315	5,814	315	5,814
<b>Total</b>	<b>71,011,004</b>	<b>56,696,618</b>	<b>65,576,456</b>	<b>52,282,244</b>



## 8. Due from Government

Due from Government (wholly related to the main unit) separated in terms of the type of facilities are as follows:

Description	Government Sector		Non-Government Sector		Total Claims form Government	
	March 20, 2015	(Restated) March 20, 2014	March 20, 2015	(Restated) March 20, 2014	March 20, 2015	(Restated) March 20, 2014
	IRR Million	IRR Million	IRR Million	IRR Million	IRR Million	IRR Million
Profit and Commitments Fees Receivable	57,515,918	43,032,529	11,245,377	6,946,739	68,761,259	49,979,268
Matured Participation Bonds – Guaranteed by Government	54,096,104	32,713,256	-	-	54,096,104	32,713,256
Profit and Commission Committed by Government	-	-	39,314,648	26,534,054	39,314,648	26,534,054
Reward Contract	7,241,469	7,261,976	8,473,524	6,933,157	15,714,993	14,195,133
Principal Debt of Iran Sugar Co.	6,112,687	-	5,000,000	5,000,000	11,112,687	5,000,000
Muzaraba (Partnership) Contract	8,280,253	14,606,733	431,971	431,791	8,712,224	15,038,524
Profit Received	2,876,428	2,878,333	4,118,426	3,368,765	6,994,854	6,247,098
40% of the Profit Expressed for Previous Years and 50% for the Fiscal Years 2013-14 and 2014-15	1,911,630	1,789,176	-	-	1,911,630	1,789,176
Future Deals (Salaf)	3,735	3,735	1,088,863	1,096,731	1,092,598	1,100,466
Installment Selling	49,226	88,196	496,145	423,157	545,371	511,353
Interest-Free Loan (Qardh-ul-Hassana)	294,695	85,102	16,838	19,216	311,533	104,318
Civil Participation	44,378	131,110	105,385	70,636	149,763	201,746
Hire Purchase	1,032	1,032	64	-	1,096	1,032
Other	-	-	2,556	24,492	2,556	24,492
	138,427,555	102,591,178	70,293,797	50,848,738	208,721,352	153,439,916
Less:						
Reserve for Doubtful Debts	(2,047,740)	(1,511,228)	(586,617)	(462,242)	(2,634,357)	(1,973,470)
Profit for Future Years Facilities Committed by Government	-	-	(31,186,001)	(20,003,633)	(31,186,001)	(20,003,633)
Outstanding Profit of Facilities and Participation Bonds (6% of Recognizance)	-	(2,144)	-	(29,016)	-	(31,160)
Total Deductions	(2,047,740)	(1,513,372)	(31,772,618)	(20,494,891)	(33,820,358)	(22,008,263)
<b>Total</b>	<b>136,379,815</b>	<b>101,077,806</b>	<b>38,521,179</b>	<b>30,353,847</b>	<b>174,900,994</b>	<b>131,431,653</b>

## 9. Facilities Granted and Due from Public Sector

Facilities granted and due from public sector (wholly related to the main unit) are mentioned below:

Description	Facilities Granted and Receivables		Imperative Facilities Granted		Housing Facilities Granted		Total Facilities Granted and Receivables from Government Sector	
	March 20, 2015	(Restated) March 20, 2014	March 20, 2015	(Restated) March 20, 2014	March 20, 2015	(Restated) March 20, 2014	March 20, 2015	(Restated) March 20, 2014
	IRR Million	IRR Million	IRR Million	IRR Million	IRR Million	IRR Million	IRR Million	IRR Million
Facilities Granted in Local Currency	7,984,149	6,968,905	469,115	221,542	3,814,973	4,208,586	12,268,237	11,399,032
Profit Received	5,344,004	5,203,862	-	-	-	-	5,344,004	5,203,862
Commitment fees Received	189,239	402,720	-	-	-	-	189,239	402,720
Debtors for LCs Paid	8,513,373	1,236,060	-	-	-	-	8,513,373	1,236,060
Debtors for LGs Paid	53,609	41,112	-	-	-	-	53,609	41,113
Other	-	39,537	-	-	-	-	-	39,537
Less:								
Reserve for Doubtful Debts	-	-	-	-	-	-	(802,467)	(735,618)
Future Years Facilities Profit	-	-	-	-	-	-	(5,785,451)	(6,003,983)
Deferred Profit of Facilities	-	-	-	-	-	-	(57,573)	(134,256)
<b>Total</b>	<b>22,084,374</b>	<b>13,892,196</b>	<b>469,115</b>	<b>221,542</b>	<b>3,814,973</b>	<b>4,208,586</b>	<b>19,722,971</b>	<b>11,448,467</b>



## 10. Facilities Granted and Due from Private Sector

Description	Group		Main Unit	
	March 20, 2015	March 20, 2014	March 20, 2015	March 20, 2014
	IRR Million	IRR Million	IRR Million	IRR Million
Facilities Granted in Local Currency	601,578,445	541,361,097	601,640,253	541,673,745
Facilities Granted in Foreign Currencies	51,209,250	55,924,479	51,209,250	55,924,479
Profit Received	41,494,800	26,711,645	41,494,800	26,711,645
Commitment Fees Received	5,021,677	7,703,124	5,021,677	7,703,124
Debtors for LCs Paid	29,935,802	32,170,013	29,935,802	32,170,013
Debtors for LGs Paid	3,978,990	2,798,649	3,978,990	2,798,649
Facilities Granted by Branches and Subsidiaries Abroad	41,248,443	40,718,400	39,978,438	39,240,331
Other	<b>227,495</b>	-	<b>227,495</b>	-
	774,694,902	707,387,407	773,486,705	706,221,986
Reserve for Doubtful Debts	(29,092,503)	(46,773,714)	(29,092,503)	(46,773,714)
Future Years Profit and Income	(79,667,180)	(71,626,726)	(79,667,180)	(71,626,726)
Deferred Profit of Facilities	(22,328,342)	(21,515,301)	(22,328,342)	(21,515,301)
Muzaraba- funds received	<b>(189,703)</b>	<b>(197,152)</b>	<b>(189,703)</b>	<b>(197,152)</b>
<b>Total</b>	<b><u>643,417,174</u></b>	<b><u>567,274,514</u></b>	<b><u>642,208,977</u></b>	<b><u>566,109,093</u></b>

## 11. Debtors for Time LCs

Description	Group		Main Unit	
	March 20, 2015	March 20, 2014	March 20, 2015	March 20, 2014
	IRR Million	IRR Million	IRR Million	IRR Million
Debtors for Time LCs – Private Sector	3,665,134	10,929,521	3,665,134	4,206,906
Debtors for Time LCs – Public Sector	3,743,269	4,206,907	3,743,269	10,929,522
<b>Total</b>	<b>7,408,403</b>	<b>15,136,428</b>	<b>7,408,403</b>	<b>15,136,428</b>
Less:				
Reserve for Doubtful Debts	(111,127)	(227,047)	(111,127)	(227,047)
<b>Total</b>	<b>7,297,276</b>	<b>14,909,381</b>	<b>7,297,276</b>	<b>14,909,381</b>

## 12. Participation Bonds and Other Similar Bonds

The balance of above accounts consists of the following items:

Description	Group		Main Unit	
	March 20, 2015	March 20, 2014	March 20, 2015	March 20, 2014
	IRR Million	IRR Million	IRR Million	IRR Million
Participation Bonds of Public Sector	17,861,715	21,970,939	16,958,099	20,964,285
Securities in Foreign Currencies	92	50	92	50
Investment Deposits with Other Banks	5,099,321	4,771,012	-	-
Securities of Private Sector in Foreign Currencies	363,520	1,539,419	303,987	448
<b>Total</b>	<b>23,324,648</b>	<b>28,281,420</b>	<b>17,262,178</b>	<b>20,964,783</b>



### 13. Investments and Joint Ventures

Investments and joint ventures consist of the following:

Description	Group	
	March 20, 2015	March 20, 2014
	IRR Million	IRR Million
Investment in Stocks of Affiliated Companies	31,598,834	24,375,518
Investment in Stocks of Other Companies:		
Listed Companies	9,053,714	7,692,940
Other Companies – Domestic	2,025,496	653,397
Other Companies and Economic Units – Abroad	<u>184,967</u>	<u>179,540</u>
<b>Total</b>	<b>42,863,011</b>	<b>32,901,395</b>
Facilities Granted to Affiliated Companies	8,429,940	11,980,839
Direct Investment in Highway Construction Projects	4,750,594	4,959,808
Investment in Real Estate	1,834,096	2,222,989
Construction of Clearinghouse	6,241	6,241
Other	<u>78</u>	<u>1,215</u>
<b>Total</b>	<b><u>57,883,960</u></b>	<b><u>52,072,487</u></b>

## 14. Table of the cost and accumulated depreciation of tangible fixed assets of the main unit (BMD) is as follows:

Description	Cost Price - IRR Million				Accumulated Depreciation-IRR Million				Book Value-IRR Million			
	March 20, 2014	Added During the Fiscal Year	Sold	Adjustments and Transfers	March 20, 2015	March 20, 2014	Added During the Fiscal Year	Sold	Adjustments and Transfers	March 20, 2015	March 20 2015	,March 20 2015
Land	89,264,249	6,676	(136,501)	61,500	89,195,924	-	-	-	-	89,195,924	89,264,249	
Building	9,958,596	202,467	(27,823)	229,544	10,362,784	2,806,143	336,221	(9,023)	2,398	3,135,739	7,227,045	7,152,453
Total Immovable Properties Inside the Country	99,222,845	209,143	(164,324)	291,044	99,558,708	2,806,143	336,221	(9,023)	2,398	3,135,739	96,422,969	96,416,702
Furniture, Accessories, Software, Vehicles	5,869,920	842,837	(293,041)	561,254	6,980,970	3,728,215	779,548	-	(121,763)	4,386,000	2,594,970	2,141,705
Total Tangible Fixed Assets inside the country	105,092,765	1,051,980	(457,365)	852,298	106,539,678	6,534,358	1,115,769	(9,023)	(119,365)	7,521,739	99,017,939	98,558,407
Fixed Assets to be Completed	1,682,081	95,694	-	(222,483)	1,555,292	-	-	-	-	-	1,555,292	1,682,081
Capital Prepayments	341,654	115,450	-	(70,212)	386,892	-	-	-	-	-	386,892	341,654
Total Fixed Assets to be Completed and Prepayments	2,023,735	211,144	-	(292,695)	1,942,184	-	-	-	-	-	1,942,184	2,023,735
Fixed Assets in General Stock	395,420	422,769	-	(490,857)	327,332	-	-	-	-	-	327,332	395,420
SubTotal, Domestic Branches	107,511,920	1,685,893	(457,365)	68,746	108,809,194	6,534,358	1,115,769	(9,023)	(119,365)	7,521,739	101,287,455	100,977,562
Immovable Properties, Abroad	812,507	-	-	(102,545)	709,962	164,840	42,535	-	(42,986)	164,389	545,573	647,667
Furniture and Vehicles, Abroad	227,474	-	-	66,242	293,716	199,469	21,174	3,187	-	223,830	69,886	28,005
Total Tangible Fixed Assets	108,551,901	1,685,893	(457,365)	32,443	109,812,872	6,898,667	1,179,478	(5,836)	(162,351)	7,909,958	101,902,914	101,653,234
Intangible Assets:												
Computer Software	122,308	-	-	-	122,308	121,902	-	-	-	121,902	406	406
Goodwill Inside the Country	1,096,690	2,000	(3,524)	-	1,095,166	-				-	1,095,166	1,096,690
Total	1,218,998	2,000	(3,524)	-	1,217,474	121,902	-	-	-	121,902	1,095,572	1,097,096
Grand Total,Fixed Assets	109,770,899	1,687,893	(460,889)	32,443	111,030,346	7,020,569	1,179,478	(5,836)	(162,351)	8,031,860	102,998,486	102,750,330



## 15. Intangible Assets and Goodwill

Description	Group	
	March 20, 2015	March 20, 2014
	IRR Million	IRR Million
Intangible Assets	1,642,919	1,547,111
Goodwill Resulting from Taking Over Affiliated Companies Stocks	<u>4,381,738</u>	<u>3,395,538</u>
	<b><u>6,024,657</u></b>	<b><u>4,942,649</u></b>



## 16. Other Assets

Description	Group		Main Unit	
	March 20, 2015	March 20, 2014	March 20, 2015	March 20, 2014
	IRR Million	IRR Million	IRR Million	IRR Million
Cash Funds Restricted by CBI	8,604,950	4,656,400	8,604,950	4,656,400
Sundry Debtors – Local Currency	31,586,333	28,739,765	35,215,578	32,877,397
Collaterals Possessed	14,064,774	6,350,047	14,064,774	6,350,047
Sundry Debtors – Overseas Branches	233,963	668,162	233,963	668,162
Sundry Debtors – Foreign Currencies	377,847	462,742	377,847	462,742
Profit and Commission Received - Overseas Branches	674,998	916,628	674,998	916,628
Total Inventory of Stock	356,816	227,156	356,816	227,155
Tax Stamp	65,738	44,160	65,738	44,160
Gold and Silver	206,980	209,901	206,980	209,901
Blocked Cash	44,167	57,193	-	-
Trade Accounts and Notes Receivable	30,986,004	22,719,842	-	-
Other Receivable Accounts and Instruments	6,831,767	4,719,037	-	-
Stock of Goods and Products	26,046,002	23,105,402	-	-
Properties and Real Estates	90,840	32,146	-	-
Orders and Prepayments	6,045,485	5,061,592	-	-
Goods of Future Deal (Salaf) Transactions	742	851	742	853
Dividend Received	1,377,352	1,346,577	19,003,643	8,317,464
Assets held for Sales	37,113	54,375	-	-
Other	368,203	97,659	-	-
<b>Total</b>	<b>128,000,074</b>	<b>99,469,635</b>	<b>78,806,029</b>	<b>54,730,909</b>
Less: Reserve for Doubtful Debts	(663,011)	(681,905)	(669,011)	(681,905)
	<b>127,337,063</b>	<b>98,787,730</b>	<b>78,143,018</b>	<b>54,049,004</b>



## 17. Items in Transit

The items in transit (all related to Bank Mellat Iran) are as follows:

Description	Debit		Credit		Balance		
	March 20, 2015	March 20, 2014	Description	March 20, 2015	March 20, 2014	March 20, 2015	March 20, 2014
Centralized Account with Head Office-Local Currency	IRR Million	IRR Million	Centralized Account with Head Office-Local Currency	IRR Million	IRR Million	IRR Million	IRR Million
	905,578,380	840,707,360		877,074,069	781,730,981	28,504,311	58,976,379
Escrow Account	21,154,700	146,475	Escrow Account between Centralized Account wit Head Office and Manual Accounts	2,727,750	5,001,519	18,426,950	(4,855,044)
Centralized Account with Head Office- Foreign Currencies	375,201,218	378,360,835	Centralized Account with Head Office- Foreign Currencies	374,280,466	379,471,569	920,752	(1,110,734)
Exchange of Clearinghouse Instruments	1,836	-	Exchange of Clearinghouse Instruments	1,493	-	343	-
Foreign Exchange Transactions' Value in Local Currency	425,244,584	403,580,376	Foreign Exchange Transactions' Value in Local Currency	425,244,584	403,580,376	-	-
Foreign Exchange Transactions (FX Position)	406,912,652	416,587,310	Foreign Exchange Transactions (Foreign Exchange Position)	406,912,652	416,587,310	-	-
Internal Debtors - Foreign Currencies	348,568	1,514,969	Internal Debtors - Foreign Currencies	479,104	403,119	(130,536)	1,111,850
Internal Debtors - Local Currency	17,681,324	159,990,000	Internal Creditors- Local Currency	68,248,484	204,321,510	(50,567,160)	(44,331,510)
Internal Debtors – Overseas Branches	-	44,989	Internal Creditors – Overseas Branches	1,166	2,881	(1,166)	42,108
Time Deposits with Overseas Branches in Foreign Currencies	1,351,232	7,744,851	Head Office Time Deposits in Foreign Currencies	1,244,847	12,734,061	106,385	(4,989,210)
Sight Deposits with Overseas Branches in Foreign Currencies	4,021,939	4,308,693	Head Office Sight Deposits in Foreign Currencies	3,965,043	4,146,868	56,896	161,825
Sight Deposits with BML's Overseas Branches in Foreign Currencies	4,921,294	959,261	Sight Deposits of Other Overseas Branches	4,835,967	937,634	85,327	21,627
Time Deposits with BML's Overseas Branches in Foreign Currencies	10,593,147	19,527,847	Time Deposits of Other Overseas Branches	10,660,040	19,855,587	(66,893)	(327,740)
Loan and Credit to Overseas Branches in Foreign Currencies	176,287	211,858	Loan and Credit Received by Head Office	-	-	176,287	211,858
Capital Paid to Overseas Branches – in Foreign Currency	5,200,026	4,400,553	Capital of Overseas Branches	5,200,026	4,400,553	-	-
Due from Head Office	10,969,912	15,250,262	Due to Overseas Branches, Overdrafts	-	-	(1,368,532)	3,854,274
Capital of Branches in Free Zones	62,695	62,695	Time Deposits of Overseas Branches in Foreign Currencies	12,338,444	11,395,988	-	-
Total General Ledger	2,189,419,794	2,253,398,334	Total	2,193,276,830	2,244,632,651	(3,857,036)	8,765,683
Mir Business Bank of Moscow	-	-		-	134,076	-	(134,076)
Total as per Consolidated Financial Statements	2,189,419,794	2,253,398,334		2,193,276,830	2,244,766,727	(3,857,036)	8,631,607

## 18. Due to Central Bank of the Islamic Republic of Iran (CBI)

Due to Central Bank of the Islamic Republic of Iran (all related to BMI) are as follows:

Description	Group		Main Unit	
	March 20, 2015	March 20, 2014	March 20, 2015	March 20, 2014
	IRR Million	IRR Million	IRR Million	IRR Million
Due to Central Bank, Overdraft (Mir Business Bank Moscow)	-	631,398	-	-
Due to Central Bank, Overdraft	62,263,728	29,839,924	62,263,728	29,839,924
Facilities Received Through Reserve Currency Fund	37,821,596	41,092,238	37,821,596	41,092,238
Time Deposits of Central Bank in Foreign Currencies	24,179,231	35,380,152	24,179,231	33,982,717
Due to Central Bank for Unfulfilled Liabilities in Foreign Currencies	8,139,670	4,383,206	8,139,670	4,383,206
Facilities Received From Central Bank	6,292,270	6,166,213	6,292,270	6,166,213
Due to Central Bank for Reserve of Contracts Profit	2,200,000	2,200,000	2,200,000	2,200,000
	<b>140,896,495</b>	<b>119,693,131</b>	<b>140,896,495</b>	<b>117,664,298</b>

## 19. Due to Banks and Credit Institutions

Description	Group		Main Unit	
	March 20, 2015	March 20, 2014	March 20, 2015	March 20, 2014
	IRR Million	IRR Million	IRR Million	IRR Million
Qarz-Al-Hasanah Current Accounts of Banks-Vostro Accounts	3,960,755	3,963,018	3,960,755	3,963,018
Sight Deposits of Iranian Banks in Foreign Currencies	3,135,168	4,391,219	3,135,168	4,391,219
Sight Deposits of Iranian Banks in Foreign Currencies - Overseas Branches	6,445,747	5,836,158	6,445,747	5,836,158
Sight Deposits of Foreign Banks in Foreign Currencies	328,203	1,008,252	328,203	1,008,252
Sight Deposits of Foreign Banks in Foreign Currencies-Overseas Branches	200,547	364,464	200,547	364,464
Time Deposits of Foreign Banks in Foreign Currencies	5,642,803	4,551,765	6,055,613	5,419,908
Time Deposits of Iranian Banks in Foreign Currencies-Overseas Branches	932,239	969,628	932,239	969,628
Interbank Accounts - After Clearing	8,226,645	14,745,367	8,226,645	14,745,367
Due of Subsidiary Banks to Banks and Credit Institutions	3,394,307	1,471,272	-	-
Loans Received from Other Banks by the Affiliated companies	28,738,007	26,559,700	-	-
<b>Total</b>	<b>61,004,421</b>	<b>63,860,843</b>	<b>29,284,917</b>	<b>36,698,014</b>



## 20. Liabilities for Acceptance of Documents Under LCs and Time Bills of Exchange

Liabilities for acceptance of documents under LCs and time bills of exchange (all related to BMI) are as follows:

Description	March 20, 2015	March 20, 2014
	IRR Million	IRR Million
BMI's Liabilities for Acceptance of Documents Under LCs and Time Bills of Exchange	8,722,935	16,292,601
BMI's Liabilities for Acceptance of Documents Under LCs and Time Bills of Exchange in Local Currency – Private Sector	-	32,181
<b>Total</b>	<b>8,722,935</b>	<b>16,324,782</b>

## 21. Sight Deposits

Description	Group		Main Unit	
	March 20, 2015	March 20, 2014	March 20, 2015	March 20, 2014
	IRR Million	IRR Million	IRR Million	IRR Million
Qarz-Al-Hasanah Current Accounts – Local Currency	135,350,507	128,260,797	136,294,183	128,507,158
Qarz-Al-Hasanah Current Accounts – Foreign Currencies	18,820,248	21,639,045	18,820,248	21,639,045
Sundry Creditors – Local Currency	16,556,668	23,876,826	16,907,153	24,128,918
Bank Checks Sold	13,599,916	29,401,199	13,599,916	29,401,199
Customers Current Accounts – Subsidiaries and Branches Abroad	5,623,456	4,486,421	5,476,536	4,013,852
Common Account of Civil Participation	4,366,308	3,806,995	4,366,308	3,806,995
Unclaimed Balances in Local Currency	1,406,964	1,477,481	1,406,964	1,477,481
Sundry Creditors – Foreign Currencies	1,361,797	1,530,569	1,361,797	1,530,569
Sundry Creditors – Overseas Branches	558,107	1,261,856	558,107	1,261,856
Unclaimed Balances – Overseas Branches	331,764	331,238	331,764	331,238
Profit & Commission paid – Overseas Branches	300,851	896,409	300,851	896,409
Administered Funds Not Consumed	113,573	306,368	113,573	306,369
Bills on Us - Local Currency	93,050	425,951	93,050	425,951
Bills on Us - Foreign Currencies	6,624	24,490	6,624	24,490
Unclaimed Balances in Foreign Currencies	117	102	117	102
<b>Total</b>	<b>198,489,950</b>	<b>217,725,747</b>	<b>199,637,191</b>	<b>217,751,632</b>

## 22. Savings Deposits and the Similar

Description	Group		Main Unit	
	March 20, 2015	March 20, 2014	March 20, 2015	March 20, 2014
	IRR Million	IRR Million	IRR Million	IRR Million
Qarz-Al-Hasanah Savings Accounts in Local Currency	78,679,497	66,534,055	78,679,497	66,534,055
Qarz-Al-Hasanah Savings Accounts in Foreign Currencies	2,385,558	2,314,737	2,385,558	2,314,737
Customers Savings Accounts – Overseas Branches	1,441,479	1,173,494	1,441,479	1,173,494
Special Qarz-Al-Hasana Deposits Not Consumed	74,172	56,547	74,172	56,547
Specific Qarz-Al-Hasana Deposits for the Young	<u>1,841</u>	<u>1,603</u>	<u>1,841</u>	<u>1,603</u>
	<b><u>82,582,547</u></b>	<b><u>70,080,436</u></b>	<b><u>82,582,547</u></b>	<b><u>70,080,436</u></b>

## 23. Term Investment Deposits

Description	Group		Main Unit	
	March 20, 2015	March 20, 2014	March 20, 2015	March 20, 2014
	IRR Million	IRR Million	IRR Million	IRR Million
Long-Term Investment Deposits	484,943,357	365,772,577	485,353,269	366,407,577
Short-Term Investment Deposits	252,731,386	204,980,579	253,518,902	205,629,588
Special Short-Term Investment Deposits	<u>4,274,530</u>	<u>4,214,895</u>	<u>4,274,531</u>	<u>4,214,895</u>
	<b><u>741,949,273</u></b>	<b><u>574,968,051</u></b>	<b><u>743,146,702</u></b>	<b><u>576,252,060</u></b>



## 24. Other Deposits

Description	Group		Main Unit	
	March 20, 2015	March 20, 2014	March 20, 2015	March 20, 2014
	IRR Million	IRR Million	IRR Million	IRR Million
Customers Term Deposits – Overseas Branches	11,652,928	14,686,275	11,652,928	14,686,275
Term Deposits in Foreign Currencies	9,146,695	9,147,392	9,146,695	9,147,392
Advances Received from Customers for LCs in Foreign Currencies – Public Sector	5,628,166	6,422,169	5,628,166	6,422,169
Advances Received from Customers for LCs in Foreign Currencies – Private Sector	2,227,305	2,433,111	2,227,305	2,433,111
Cash Deposits for LGs – In IRR – Private Sector	1,470,347	1,504,341	1,483,974	1,550,388
Cash Deposits for LGs – In Foreign Currencies	294,998	397,896	294,998	397,897
Advances Received from Customers for LCs – Private Sector	530,070	902,712	530,070	902,712
Advances Received from Customers for Internal LCs – Private Sector	210,778	319,768	210,778	319,768
Deposits as Advance Payments Received from Customers for LCs – Private Sector	140,264	5,463	140,264	5,463
Deposits for LCs Opened – Overseas Branches	93,910	84,300	93,910	84,300
Advance Payments Received from Customers for other Facilities – Private Sector	16,469	17,087	16,469	17,087
Cash Deposits for LGs – in IRR – Public Sector	6,998	7,922	6,998	7,922
<b>Cash Deposits for Issued LGs – Overseas Branches</b>	<u>384,434</u>	<u>404,611</u>	<u>384,434</u>	<u>404,611</u>
	<b><u>31,803,362</u></b>	<b><u>36,333,047</u></b>	<b><u>31,816,989</u></b>	<b><u>36,379,095</u></b>

## 25. Reserve for Tax

The Balance of tax reserve for the Group is as follows:

Description	Group	
	March 20, 2015	March 20, 2014
	IRR Million	IRR Million
Tax Reserve for BMI	2,800,808	2,847,043
Tax Reserve for Affiliated companies	<u>2,676,131</u>	<u>2,955,623</u>
	<b><u>5,476,939</u></b>	<b><u>5,802,666</u></b>

## 26. Reserves and Other Dues

Description	Group		Main Unit	
	March 20, 2015	March 20, 2014	March 20, 2015	March 20, 2014
	IRR Million	IRR Million	IRR Million	IRR Million
Reserve for Haj Pilgrims	18,193,777	14,847,113	18,193,777	14,847,112
Reserve for Staff Leave and End of Service Reward	-	-	13,582,350	10,897,598
Reserve for Profit of Deposits Committed to be Paid by the Bank	5,939,817	2,178,490	5,939,817	2,178,490
Reserve for Prizes of Qarz-Al-Hasanah Deposits	1,086,707	812,576	1,086,707	812,576
Tax Reserve	-	-	2,800,808	2,847,043
Bills on Branches – Local Currency	<u>1,138,616</u>	5,291,928	1,138,616	5,291,928
Other Reserves – Overseas Branches	1,125,915	759,251	1,125,915	759,251
Reserve for Personnel and Administrative Expenses	2,929,642	1,927,225	2,929,642	1,927,225
Outstanding Profit and Commissions	865,966	972,862	865,966	972,862
Advance Payments Received by National Organization of Land and Housing	405,665	570,788	405,665	570,788
Other Reserves	59,590	59,590	59,590	59,590
Other Amounts Payable In commercial Accounts	15,225,935	10,736,039	-	-
Advance Payments Received	4,016,484	3,856,842	-	-
Other Accounts and Payable Instruments	<u>9,730,989</u>	<u>10,464,424</u>	-	-
	<b><u>60,719,103</u></b>	<b><u>52,477,128</u></b>	<b><u>48,128,853</u></b>	<b><u>41,164,463</u></b>



## 27. Payable Dividends

Payable dividends of the Group (all related to affiliated companies) are categorized hereunder:

Description	March 20, 2015	March 20, 2014
	IRR Million	IRR Million
Minority Share of National Development Group Affiliated Companies (including Shafa Daru Group and Behshar Industries Group)	2,152,964	762,874
Minority Share of Shafa Daru Group Affiliated Companies	567,656	168,633
Minority Share of Iran Transfo Group Affiliated Companies	915,546	1,445,998
Minority Share of BMI's Affiliated Companies (Direct)	<u>170,664</u>	<u>110,675</u>
	<b><u>3,806,830</u></b>	<b><u>2,488,180</u></b>

## 28. Reserve for Staff End of Service Reward

The turnover of the mentioned account is as follows:

Description	March 20, 2015	March 20, 2014
	IRR Million	IRR Million
Balance at the Beginning of the Fiscal Year	1,810,595	1,361,169
Amounts Paid During the Fiscal Year	(279,069)	(250,933)
Reserve Provided	1,000,324	640,073
Adjustments	<u>53,587</u>	<u>60,286</u>
Balance at the End of the Fiscal Year	2,585,437	1,810,595
Plus:		
Reserve for End of Service Reward for Staff and Retired Employees – Note 26	<u>13,582,351</u>	<u>10,897,601</u>
	<b><u>16,167,788</u></b>	<b><u>12,708,196</u></b>

## 29. Capital

The capital of Bank Melli Iran at the end of the fiscal year 2014-15 equaled to IRR 99,065,600 million, all of which belong to the Government of the Islamic Republic of Iran as detailed in table below:

(Amounts in IRR million)

Source of Capital Increase	Date of Registration	Fiscal Year	Previous Capital	Amount of Capital Increase	Last Capital
Primary Capital	May.05,1927	1928-29	0	0	20
Undivided Profit and Reserves	-	1977-78	20	24,980	25,000
Revaluation	Dec.25,1994	1992-93	25,000	1,120,000	1,145,000
Special Participation Bonds (Article 53 of the Third Development Plan Act)	Sep.29,2001	2000-01	1,145,000	1,115,000	2,260,000
Revaluation of Immovable Properties	June.01,2005	2004-05	2,260,000	16,700,000	18,960
Change in Foreign Currency Rates	June.01,2005	2004-05	18,960,000	3,440,000	22,400,000
Cash Paid by Shareholder	Mar.26,2013	2012-13	22,400,000	900,000	23,300,000
Revaluation of Immovable Properties	Mar.27,2013	2012-13	23,300,000	75,765,600	99,065,600

## 30. Difference in Foreign Currencies Rates

Description	Group		Main Unit	
	March 20, 2015	March 20, 2014	March 20, 2015	March 20, 2014
	IRR Million	IRR Million	IRR Million	IRR Million
Difference in Foreign Currency Rates	2,259,729	2,259,729	2,259,729	2,259,729
Difference in Conversion of the Balance Sheet of Affiliated Companies and Subsidiaries	14,394,760	15,286,045	8,970,393	8,450,973
	<b>16,654,489</b>	<b>17,545,774</b>	<b>11,230,122</b>	<b>10,710,702</b>



### 31. Legal Reserve

In compliance with articles 140 and 238 of the Amendment of Commerce Code approved in 1968, some amounts of the allocable profit of the subsidiary companies are transferred to the legal reserve. These articles also require the transfers to the legal reserve be continued until the balance equals 10 percent of the same company's capital. The legal reserve may neither be transferred to the company's capital nor, unless at the time of the company's dissolution, be distributed among the shareholders. The balance of the Group's legal reserve is categorized as follows:

Description	March 20, 2015	March 20, 2014
	IRR Million	IRR Million
Balance at the Beginning of the Fiscal Year	1,450,486	898,200
Transfer from Allocable Profit	447,044	546,659
Adjustments	<u>22,199</u>	<u>5,627</u>
	<b><u>1,919,729</u></b>	<b><u>1,450,486</u></b>

### 32. Capital Reserve

Turnover of capital reserve account of the Group (all related to the National Development Group Investment Company) is as follows:

Description	March 20, 2015	March 20, 2014
	IRR Million	IRR Million
Balance at the Beginning of the Fiscal Year	3,278,496	3,434,357
Transfer from Allocable Profit	547,965	344,343
Transfer to Other Reserves	(814,251)	(508,055)
Adjustments	<u>822,650</u>	<u>7,851</u>
	<b><u>3,834,860</u></b>	<b><u>3,278,496</u></b>

### 33. Other Reserves

Balance of other reserves on the date of balance sheet is as follows:

Description	Group		Main Unit	
	March 20, 2015	March 20, 2014	March 20, 2015	March 20, 2014
	IRR Million	IRR Million	IRR Million	IRR Million
Legal Reserve of Bank Melli Iran	1,110,144	1,071,881	1,110,144	1,071,881
Other Reserves of Overseas Units	2,694,830	2,363,565	2,694,829	2,363,565
Other Reserves of Inland Units	<u>4,680,695</u>	<u>2,758,020</u>		
	<b><u>8,485,669</u></b>	<b><u>6,193,466</u></b>	<b><u>3,804,973</u></b>	<b><u>3,435,446</u></b>

### 34. Surplus of Tangible and Intangible Fixed Assets Revaluation:

Surplus of tangible and intangible fixed assets revaluation amounting to IRR 77,550 million (IRR 77,500 million in the previous year) is wholly related to the surplus of tangible fixed assets revaluation of Mir Business Bank, Moscow which has been made in the fiscal years 2011-12 and 2013-14

### 35. Minority's Share

Description	Group	
	March 20, 2015	March 20, 2014
	IRR Million	IRR Million
Capital	9,450,749	8,093,426
Interim Capital Increase	2,150,092	47,065
Reserves	3,054,026	2,394,349
Firouzkouh Cement Company's Balance Sheet Fair Value Surplus at the Date of Acquisition	95,721	107,961
Accumulated Difference of FX Conversion	246,904	254,673
Retained Profit (Loss)	<u>15,920,156</u>	<u>13,162,524</u>
	<b><u>30,917,648</u></b>	<b><u>24,059,998</u></b>



### 36. Profit for Facilities Granted

Profit for facilities granted related to joint incomes (all related to BMI) includes the following accounts:

Description	Group		Main Unit	
	March 20, 2015	March 20, 2014	March 20, 2015	March 20, 2014
	IRR Million	IRR Million	IRR Million	IRR Million
Profit Received for Facilities of Islamic Contracts	57,118,619	44,038,933	57,213,905	44,443,802
Commitment fees Received from Facilities Granted	<u>40,819,415</u>	<u>19,624,515</u>	<u>40,819,415</u>	<u>19,624,515</u>
	<b><u>97,938,034</u></b>	<b><u>63,663,448</u></b>	<b><u>98,033,320</u></b>	<b><u>64,068,317</u></b>

### 37. Sales and Income Generated from Rendering Services

Sales of products and income generated from rendering services (all related to affiliated companies) are as follows:

Description	March 20, 2015	March 20, 2014
	IRR Million	IRR Million
Selling the Products Produced by Group:		
Domestic	66,817,160	49,731,213
Export	20,746,017	23,153,558
Total	87,563,177	72,884,771
Selling Purchased Products	20,490,394	17,016,026
Return from Sales and Discounts	(1,480,264)	(79,150)
Total Sales of Goods and Products	106,573,307	89,821,647
FX Sales – Money Exchange Services	7,528,347	-
Income from rendering services	1,547,285	1,659,120
Highway Tolls Collected and Other Side incomes	775,918	579,887
Selling Properties and Construction Projects	<u>803,676</u>	<u>455,622</u>
Total Goods Sales and Income Generated from Rendering Services	<b><u>117,228,533</u></b>	<b><u>92,516,276</u></b>

### 38. Profit Resulting from Operational Investments

Profit Resulting from Operational Investments is detailed as follows:

Description	Group		Main Unit	
	March 20, 2015	March 20, 2014	March 20, 2015	March 20, 2014
	IRR Million	IRR Million	IRR Million	IRR Million
Dividend of Affiliated Companies			13,869,047	8,158,570
Dividend of Dependent Companies	6,955,141	5,788,749	135,770	200,496
Dividend of Other Companies	<u>1,931,915</u>	<u>1,885,932</u>	<u>136,802</u>	<u>288,459</u>
Total	8,887,056	7,674,681	14,141,619	8,647,525
Profit (Loss) Resulting from Selling Investments	1,740,341	1,478,020		317,959
Profit (Loss) Resulting from Selling Construction and Construction Projects	1,302,480	191,413	-	-
Profit of Participation Bonds and Bank Deposits	<u>16,604,698</u>	<u>12,124,877</u>	<u>16,362,946</u>	<u>11,889,043</u>
Total	28,534,575	21,468,991	30,504,565	20,854,527
Plus (Less)				
Surplus (Deficit) of Investments' Values	<u>(20,377)</u>	<u>406,230</u>	-	-
	<u>28,514,198</u>	<u>21,875,221</u>	<u>30,504,565</u>	<u>20,854,527</u>

**39. Cost of Goods and Rendered Services**

Description	March 20, 2015	March 20, 2014
Consuming Materials	42,801,388	42,629,071
Direct Wages	2,166,296	1,691,933
Manufacturing Overhead Expenses	12,001,962	9,680,155
Costs Not Absorbed in Manufacturing	(305,657)	(201,664)
Total Costs of Manufacturing	56,663,989	53,799,495
Goods in the Process of Production by Companies Included in Consolidation at the Beginning of Fiscal Year	-	45,071
Increase (Decrease) in Goods in the Process of Production	(510,557)	(854,921)
Cost of Products	56,153,432	52,989,645
Product Produced by the Companies Liable to Consolidation at the Beginning of Fiscal Year	-	15,056
Purchase of Finished Product	30,536,049	18,599,044
Adjustments, Internal Consumptions, Etc.	(66,757)	17,415
Increase (Decrease) in Finished Goods Inventory	(1,942,923)	(4,215,273)
Cost of Products Sold	84,679,801	67,405,887
Cost of Foreign Currencies Sold	7,514,754	-
Cost of Services Rendered	723,374	925,161
Cost of Properties Sold	359,623	139,550
	<b><u>93,277,552</u></b>	<b><u>68,470,598</u></b>

#### 40. Interim Profit Paid to Depositors

Interim profit paid to depositors (all related to BMI) is detailed as follows:

Description	Group		Main Unit	
	March 20, 2015	March 20, 2014	March 20, 2015	March 20, 2014
	IRR Million	IRR Million	IRR Million	IRR Million
Long-Term Deposits	81,032,276	56,535,479	81,342,753	56,702,563
Short-Term Deposits	26,220,247	23,810,228	26,220,247	23,810,228
Deposits of Haj and Pilgrimage Organization	12,012,736	9,508,036	12,012,736	9,508,036
	<b><u>119,265,259</u></b>	<b><u>89,853,743</u></b>	<b><u>119,575,736</u></b>	<b><u>90,020,827</u></b>

#### 41. Profit and Commitment Fees Received

Profit and commitment fees received (in non-joint activities) consist of the following items:

Description	Group		Main Unit	
	March 20, 2015	March 20, 2014	March 20, 2015	March 20, 2014
	IRR Million	IRR Million	IRR Million	IRR Million
Commitment Fees Received from Other Receivables	1,072,245	1,368,353	1,072,245	1,368,353
Profit from Deposits in Foreign Currencies	369,691	82,895	417,843	119,805
Profit – Overseas Branches	4,318,187	3,148,578	4,318,187	3,148,578
Reward for Statutory Deposit	964,339	832,724	964,339	832,724
Profit – Old Transactions	485,484	524,377	485,484	524,377
Profit – Subsidiaries	531,894	634,063	-	-
	<b><u>7,741,840</u></b>	<b><u>6,590,990</u></b>	<b><u>7,258,098</u></b>	<b><u>5,993,837</u></b>



## 42. Commission Received

Commission received include the following items:

Description	Group		Main Unit	
	March 20, 2015	March 20, 2014	March 20, 2015	March 20, 2014
	IRR Million	IRR Million	IRR Million	IRR Million
Commission - Domestic Branches	6,976,895	5,391,309	6,976,895	5,391,309
Commission - Foreign Branches	128,798	484,281	128,798	484,281
Commission - Subsidiary Banks	5,469	59,916	-	-
	<b>7,111,162</b>	<b>5,935,506</b>	<b>7,105,693</b>	<b>5,875,590</b>

## 43. Other Income

Other income include the following items:

Description	Group		Main Unit	
	March 20, 2015	March 20, 2014	March 20, 2015	March 20, 2014
	IRR Million	IRR Million	IRR Million	IRR Million
Miscellaneous Income - Domestic Branches	27,768,838	1,325,785	27,785,868	1,325,785
Miscellaneous Income - Foreign Branches	1,715,989	618,350	1,715,989	618,350
Other Income- Subsidiary Banks	346,259	24,061	-	-
Conversion of Foreign Currency Assets and Liabilities	190,954	471,314	-	-
Profit from Selling Tangible Fixed Assets	268,003	353,897	-	-
Profit from Deposits with Other Banks	1,733,947	1,552,472	-	-
Commission and Penalties Received from Customers	67,986	59,655	-	-
Selling Wastes	175,049	116,838	-	-
Selling Stocks	2,576,936	245,767	-	-
Other	1,204,565	1,636,097	-	-
	<b>36,048,526</b>	<b>6,404,236</b>	<b>29,501,857</b>	<b>1,944,135</b>

#### 44. Profit Paid (Excluding the Depositors' Profit)

Profit paid (excluding profit paid to depositors) is detailed as follows:

Description	Group		Main Unit	
	March 20, 2015	March 20, 2014	March 20, 2015	March 20, 2014
	IRR Million	IRR Million	IRR Million	IRR Million
Profit Paid	628,913	457,256	628,913	457,256
Profit Paid – Overseas Branches	1,497,100	1,791,978	1,517,420	1,791,979
Profit Paid – Subsidiary Banks	64,538	55,208	-	-
Profit Paid – Other Affiliated Companies	<u>4,514,318</u>	<u>4,069,916</u>	-	-
	<b><u>6,704,869</u></b>	<b><u>6,374,358</u></b>	<b><u>2,146,333</u></b>	<b><u>2,249,235</u></b>

#### 45. Commission Paid

Commission paid includes the following accounts:

Description	Group		Main Unit	
	March 20, 2015	March 20, 2014	March 20, 2015	March 20, 2014
	IRR Million	IRR Million	IRR Million	IRR Million
Commission Paid – Domestic Branches	5,960,519	4,909,816	5,960,519	4,909,816
Commission Paid – Overseas Branches	883,860	167,393	883,860	167,393
Commission Paid – Subsidiary Banks	<u>1,278</u>	<u>64,296</u>	-	-
	<b><u>6,845,657</u></b>	<b><u>5,141,505</u></b>	<b><u>6,844,379</u></b>	<b><u>5,077,209</u></b>

**46. Expenses**

Description	Group		Main Unit	
	March 20, 2015	March 20, 2014	March 20, 2015	March 20, 2014
	IRR Million	IRR Million	IRR Million	IRR Million
Domestic Branches and Units				
Personnel Expenses	34,072,374	28,052,691	30,905,461	25,771,487
Doubtful Debts	348,329	5,960,099	-	5,830,904
Administrative Expenses	12,926,676	10,671,029	9,055,038	7,660,601
Expenses for Depreciation of Tangible Fixed Assets	1,360,704	1,286,416	1,117,072	1,116,339
Total	48,708,083	45,970,235	41,077,571	40,379,331
Overseas Branches	1,385,558	1,563,952	1,385,558	1,563,952
Overseas Subsidiary Units	229,183	574,295	-	-
	<b>50,392,824</b>	<b>48,108,482</b>	<b>42,463,129</b>	<b>41,943,283</b>

**47. Other Expenses**

Other expenses include the following accounts:

Description	Group		Main Unit	
	March 20, 2015	March 20, 2014	March 20, 2015	March 20, 2014
	IRR Million	IRR Million	IRR Million	IRR Million
Result from Foreign Currency Transactions		420,897		420,897
Expenses for Rewards of Qarz-Al-Hasanah Deposits	1,033,300	785,080	1,033,300	785,080
Expenses Not Absorbed in Production	304,353	201,664	-	-
Depreciation of Goodwill	762,771	704,153	-	-
Conversion of Foreign Currency Assets and Liabilities	-	164,714	-	-
Exceptional Expenses	24,405	-	-	-
Loss Resulting from Devaluation of Investments	962,007	-	-	-
Loss of Transactions	531	4	531	4
Other	44,861	64,996	-	-
	<b>3,132,228</b>	<b>2,341,508</b>	<b>1,033,831</b>	<b>1,205,981</b>



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