

**Independent auditor and legal inspector's report
Razi insurance company (LLP)
Including its financial statements and notes
for the fiscal year ended on 20.03.2014**

Independent auditor and legal inspector's report

To the ordinary general meeting of shareholders of the insurance company Razi (LLP)

Report on the financial statements

Introduction

1. The financial statements of the insurance company Razi (LLP) including the balance sheet dated 20.03.2014 and the profit and loss statements of cash flow for the fiscal year ended on mentioned date and notes 1 to 48 have been audited by the firm.

The Board is responsible for financial statements

2. The Management Board is responsible for the preparation of financial statements in accordance with accounting standards. This responsibility includes designing, applying and maintaining the internal controls relevant to the preparation of financial statements so that the financial statements are free of significant misstatement due to fraud or error.

Responsibility of auditor and legal inspector

3. It is the responsibility of the firm commenting on the financial statements based on the audit conducted in accordance with auditing standards. Those standards require that the firm should comply with ethical requirements of the profession and plan and perform the audit in a manner that will ensure the absence of significant distortions in the financial statements reasonably.

Audit involves performing the procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selection depends on the auditor's judgment, including the assessment of the risks to significant distortions in the financial statements due to fraud or error. Internal controls relevant to the preparation and presentation of financial statements are considered in order to design the audit procedures appropriate in the circumstances (and not with the intention of commenting on the effectiveness of the entity's internal controls) to assess these risks. An audit also includes evaluating the appropriateness of accounting policies used and the reasonable estimates of accounting made by the Board of Directors as well as evaluating the overall presentation of the financial statements.

The firm believes that the audit evidence obtained is sufficient and appropriate to comment the opinions on the financial statements.

The firm as a legal inspector is to report the cases of non-compliance with legal requirements set forth in an amendment to the Commercial Code and the articles of association of the company and other necessary items to the ordinary shareholders meeting.

Foundations of provisional opinions

4. During the fiscal year under report, investment in shares of Jamdaroo (Notes issue 3-5 financial statements description) was classified in the headings of short-term investments and it is assessed and recorded at market value in the books. The financial effects caused by the depreciation of investments are not known (Notes issue 10-1 financial statements description) .in addition the investments in shares of subsidiaries are not reflected accordance with the equity method of accounting in the financial statements. Considering the above, although the accounts adjustment is essential in this regard but determining the necessary adjustments in the financial statements of this report is not possible because of lack of access to necessary information for the firm.

5. With regard to the financial statements Notes 8-2, facilities granted to individuals amounted to 53.527 million riyals related to the demands of Niroo Moharekeye Parsian for recording two counts of investment for long-term deposits by Pasargad and Parsian and interest owed by banks has so far been collected in the field. Although the response of the company's approval reflects unfavorable variance in the amount of 16 billion riyals. Also with regard to the financial statements note 37, amounted to 32.139 million riyals loans are reflected as income to policyholders (including companies Artavil, Pishgaman Tose'e Tejarat Alborz and Niroo Moharekeh). In this regard, information necessary is not provided by the company on how to identify these funds and also agreements by this firm due to lack of access to information and documentation necessary to determine the possible adjustment is not possible for this firm in respect of cases reported in the financial statements.

6. Identifying the return reserve of premium and additional technical reserves and natural hazards (issue of financial statements Notes 18-2 and 20) carried out totaling 270 billion riyals (previous Financial year to 201.6 billion riyals) in accordance with Regulation 58 of the Central Insurance of Iran and its supplements because of the lack of commitment to identify the amount is inconsistent with Accounting Standard 28 (general insurance activities).

7. In the fiscal year under report amounted to 160 billion riyals as recoverable debtors (issue financial statements 8-5 notes) for 487 counts of compensation for the fiscal year under report, reflected in the headlines of other accounts receivable because of the possibility of receiving funds from compensation recipients. But due to lack of access to information and documents necessary for the collection of these funds, determining the possible adjustments to the financial statements reported in this regard is not possible for this firm.

Provisional Opinions

8. In view of this firm, excluding the effects of the provisions in paragraphs 4 and 6 as well as excluding the possible effects of the provisions of paragraphs 5 and 7, the financial statements mentioned above, the financial condition of the insurance company Razi on 20.03.2014 and its financial performance and cash flows is desirable for the year ended on

the mentioned date from all aspects of the importance in accordance to accounting standards.

Emphasis on especial matter

9. With regard to Note 6 of the financial statements, amounted to 30 billion riyals has been protested from receivables or it is of past deadline that the legal action has been taken to setting date which has not been led to the final result. The comments of the firm have not led to the provisions of paragraph 9.

Other explanatory paragraphs

10. The financial statements of fiscal year ended on 20.03.2013 were audited by another accounting firm on Report dated 20.06.2013 of the firm, other provisional opinion has been expressed on the financial statements.

The report on other auditor's regulatory requirements

The report on other legal inspector's duties

11- Cases of non-compliance with the requirements stipulated in the Amendment to the Commercial Code and the provisions of the Statute of the Company are as follows:

11-1- provisions of Article 112 of the Commercial Code amendment is on the General meeting of shareholders to complete the board.

11-2-according to the provisions of Article 240 of the Commercial Code amendment regarding the payment of the dividends of financial years is not necessary prior to the deadline.

12 –opinion of the General meeting of shareholders is drawn to the following:

12-1- with respect to Notes 23-2of financial statements, amounted to 1.264 billion riyals has been reflected as an increase in capital flows in this regard, the capital increase permission was obtained from the Central Insurance .but the License of Stock Exchange has not been issued until the date of this report. The extraordinary general meeting of shareholders has not been established to approve the capital increase.

12-2- foundations of this firm to deal with the price of property purchased and sold in the fiscal year under report is official report of the experts.

13- Transactions set out in note 41 to the financial statements have been investigated as all transactions under Article 129 of the Commercial Code amendment which was carried out during the financial year under report and has been informed by the board of directors of the

firm. There were no transactions in compliance with the formalities prescribed in the law regarding authorization of the Board of Directors and non-participation of beneficiary director in the voting. In addition the firm has not been intended to the evidence of the lack of transactions with suitable commercial conditions and routine operations.

14. Report of the Board on the activity and the general status (Article 232 amendment to the Commercial Code) examined by the organization has been offered to the general meeting of shareholders. According to investigations carried out and taking into account the items mentioned in the above paragraphs, the firm is not intended to draw attention to the material that is contrary to the information contained in the report with the documents provided by the board.

The report on other auditor's regulatory requirements

15. Insurance Act and the Rules of the Supreme Council of insurance have not respected in the following cases:

15-1- provisions of Article 1 of the Insurance Act, passed in 1937 on property insurance and assets (property of the insurance company insured by the company itself), in this regard, attention to the risk and risks on property assets (excluding ceding reinsurance share) is necessary.

15-2- inclusion of the balance sheet of insurance firm in the Official Gazette and one of the widely circulated newspapers in Tehran (Article 63 legislation of insurance establishment).

15-3- reflecting the equal value of the property recovered under the headline of police accounts and timely sales in a manner according to the relevant regulations (Articles 2 and 4 of Regulation No. 31).

15-4- compliance with maximum twenty percent of investments in bank deposits with any financial and credit firms licensed by the Central Bank and distributing a maximum of ten percent of total bank deposits and bonds as collateral (Article 2, Clause 2 of Article 2 of Regulation No. 60).

15-5- investment in shares of the company up to 20 percent of the investee company's capital and 20% of investment beginning of the period (provisions of articles 1 and 2 of Article 3 of Regulation No. 60).

15-6- Thirty percent of investment allocated beginning of the period (excluding the mathematical reserves of maintenance) to supply the fixed assets (tangible and intangible) needed to perform the basic activities of insurance (Article 11 regulation No. 60).

15-7-receiving a copy of the balance sheet and profit and loss account of the legal representatives prepared in accordance with of the Central Insurance and sending it to the Central Insurance of Iran (Article 8, Clause 1 of Article 8 of Regulation No. 75.)

15-8- determining the rate or basis of establishing a variety of insurance premiums and the conditions of discounts and surcharges in the committee of actuarial, technical director of the relevant disciplines, Technical Deputy Managing Director (or his deputy) and one of board members and sending a copy of it to the Central Insurance (Article 2 of Regulation No. 81).

15-9-paying the claims of physical compensation fund, up to the fifteenth of each month (Article 2 of Regulation income of physical compensation fund).

15-10- paying 10% of the share of Ministry of Health (Article 37 of the Fifth Development Plan).

15- 11-weekly payment of funds for 10 percent of the police share.

16- Provisions of executive instruction for disclosure of listed companies' information have not respected with stock exchange organization as to following cases:

16-1-provisions of paragraphs 3 and 5 article 7 of the mentioned instruction as to presentation of mid-term financial statements (3,6 and 9 monthly) un-audited maximum 30 days after end of 3-monthly period and financial statements audited maximum 60 days after end of period)

16-2 Disclosure of the meeting text approved by the Board of Directors up to a week after the holding the public meetings (Article 9 of disclosure procedures).

16-3- delivery of the minutes of the general meeting within 10 days after holding the meeting in the Companies Registration Office and public disclosure of the text of the minutes that were presented to the Board of Registration of Companies within one week after the notification of registration (Article 10 of disclosure procedures).

16-4- disclosure of dividend payout schedule proposed by the Board of Directors at least 10 days before the meeting and modifying the schedule of payment of dividend and its disclosure within the period up to 30 days after the date of the meeting (Article 12 of disclosure procedures).

16-5- immediate disclosure of events that affect the financial condition and results of operation activities as to changes in the composition of the board members and sale of Taleghani property (Article 13 of disclosure procedures).

17. In the provisions of Article 17 of the internal control guidelines of listed companies in the stock exchange, the provisions of Articles 10 and 12 of these instructions are not respected by the Audit Committee and reporting the internal controls by the Board of Directors.

18- In the implementation of Article 33 a plan to deal with the money laundering by auditors , providing the law and related regulations and operating procedures were evaluated in the framework of checklists issued by the competent authority and the auditing standards by the Firm. In this regard, the firm does not struggle with cases of non-compliance indicated above with the exception of guidelines draft for the implementation of laws and regulations to deal with money laundering particularly the diagnosis instructions and suspicious transactions and the establishment of appropriate internal controls.

Audit firm Hooshyar Momayez (CPAs)

Abas Navidi 881606

01/07/2014

Amirhussein Narimani 800824

Ordinary general meeting of shareholders

Respectfully

as attached, the financial statements of insurance companies Razi (LLP) for the fiscal year ended on 20.03.2014 presented in the following manner.

Components of the financial statements:

Row	page number
Balance sheet	
loss and profit financial Statement	
accumulated profit operation	
Cash Flow Financial Statement	
Notes:	
History	
preparation basis of financial statements	
Summary of the main accounting policies	
notes to the items in the financial statements and other financial information	

Financial statements prepared in accordance with accounting standards and requirements adopted by the Supreme Council of Insurance and approved on 17.06.2015 by the board.

members of the board	Position
Bahman Yazdkhasti	chairman and executive member
Hasan Adlkhah	Vice Chairman and nonexecutive member
Yunes Mazloomi	executive member of the board and managing director
Aliakbar Deilamanizad	executive member of the board
Farhad Mashhadi Mohamadi	Non-executive member of the board
Farhad Khaleghi	executive member of the board
Esmael Saberi	Non-executive member of the board

Razi insurance company (LLP) - Balance sheet - on 20.03.2014

Assets	note	20/03/2014	(review provided) 21/03/2013	shareholders' Liabilities and equity	note	20/03/2014	(review provided) 21/03/2013
			riyal	riyal		riyal	riyal
Cash Balance	4	164.366.189.526	160.464.262.435	Liabilities to policyholders and representatives	13	137.948.480.109	207.146.654.627
Short term investments	5	831.559.997.034	501.000.000	liability to insurers and reinsurers	14	167.663.994.759	61.422.801.071
Claims from policyholders and representatives	6	808.879.799.117	415.572.961.015	Other accounts and payables	15	493.412.387.036	355.563.925.971
Claims from insurers and reinsurers	7	26.388.723.352	131.694.362.982	Financial liabilities	16	128.332.860.100	100.230.136.985
Other receivables	8	875.241.134.962	448.876.931.781	reserve for Income Tax	17	-	-
Reinsurers share of technical reserves	9	442.464.565.627	301.365.471.226	premium reserve	18	1.307.080.438.304	658.387.865.692
Long-Term Investments	10	250.167.363.426	265.796.737.893	deferred compensation reserve	19	265.212.878.699	242.775.238.403
Tangible Fixed Assets	11	1.342.307.530.497	779.267.743.839	Other technical reserves	20	158.426.686.455	136.907.042.646
Intangible assets	12	1.371.938.687	1.758.737.383	coming years Premium	21	20.387.400.158	42.070.463.630
				benefits reserve of the employees' end of carrier	22	-	-
				Total liabilities		2.678.465.125.620	1.804.504.129.025
				Shareholders' equity			
				Capital (number of thousand riyal 628,852,000 shares)	23	625.852.092.626	280.000.000.000
				Under operation capital increase	23	1.264.325.679.000	345.852.092.626
				Legal reserve	24	62.585.209.263	28.000.000.000
				capital reserve	25	44.674.484.813	29.519.631.101
				accumulated Profit(loss)		66.754.650.906	17.422.355.802
				Total Equities		2.064.192.116.608	700.794.079.529
Total Assets		4.742.657.242.228	2.505.298.208.554	Total Liabilities & Equities		4.742.657.242.228	2.505.298.208.554

Attached notes are an integral part of the financial statements

Razi insurance company (LLP) – Income Statement - for the fiscal year ended on 20.03.2014

	Note	2014 (riyal)	Review provided 2013 (riyal)
Premium issued	26	2.455.033.591.653	1.483.973.054.972
(Increase) of premium reserves	18	(648.692.572.612)	(128.207.315.619)
Premium income		1.806.341.019.041	1.355.765.739.353
Ceding reinsurance premiums	27	600.063.136.840	421.280.164.957
(Increase) of reinsurance cession reserve	18	(158.320.624.153)	(30.385.987.890)
cession Reinsurance fee		(441.742.512.687)	(390.894.177.067)
maintenance share Premium income		1.364.598.506.354	964.871.562.286
Compensation	28	1.383.881.096.364	1.094.230.205.674
Increase of deferred compensation reserves and unexpired risks	19	22.437.640.297	(82.268.243.769)
damage Price		(1.406.318.736.661)	1.011.961.961.905
Compensation from reinsurers	29	296.354.032.314	340.670.745.246
Increase (decrease)of deferred compensation units of ceding reinsurance premiums	19	(17.221.529.750)	(16.451.787.711)
Damage of reinsurers' share		279.132.502.564	324.218.957.535
Damage maintenance costs		(1.127.186.234.097)	(687.743.004.370)
Fee and commission expense of Interest	30	(153.693.413.469)	(89.202.705.986)
Fee and commission income of reinsurance interests	31	74.239.375.130	76.443.407.766
Fee and commission expense of the interests of maintenance		(79.454.038.339)	(12.759.298.220)
(Increase) in other technical reserves	20	(21.519.643.815)	(13.785.866.251)
cost of physical compensation fund	32	(45.303.505.921)	(21.710.237.441)
cost of police share	32	(22.409.600.000)	(59.851.484.083)
Price of the Ministry of Health share	32	(102.760.807.494)	(46.435.208.068)
Other insurance costs	33	(41.932.218.724)	(23.182.826.907)
Net other insurance costs		(233.925.775.954)	(164.965.622.750)
Investment income from technical reserves	34	86.854.021.942	27.078.128.858
gross Profit (loss) of insurance activity		10.886.479.906	126.481.765.803
Investment income from other sources	34	82.620.331.299	23.246.330.460
Administrative and general expenses	35	(220.685.176.159)	(146.297.400.150)
Operating Profit (loss)		(127.178.364.954)	3.430.696.113
Financial expenses	36	(28.885.889.451)	(1.289.456.424)
Other incomes and non- insurance expenses	37	257.096.612.484	39.863.228.920
net Profit (loss) before tax		101.032.358.079	42.004.468.609
Taxation		-	-
net Profit (loss) of year		101.032.358.079	42.004.468.609
operational Basic and diminished Profit (loss) per share	39	(203)	5
non-operational Basic and diminished Profit (loss) per share	39	365	62
Basic and diminished Profit (loss) per share	39	161	67

Attached notes are an integral part of the financial statements.

Razi insurance company (LLP) - Income Statement - for the fiscal year ended on 20.03.2014

Turnover of accumulated profit (loss)

	Notes	2014 (riyal)	review provided 2013 (riyal)
Profit (loss) Net		101.032.358.079	42.004.468.609
Accumulated earnings at beginning of year		19.130.253.784	49.320.821.109
Annual adjustments	38	(1.707.897.982)	(24.567.151.680)
Cumulative Profit (loss) adjustment at beginning of the year		17.422.355.802	24.753.669.429
Attributable Profit		118.454.713.881	66.758.138.038
Allocation of profit:		(34.585.209.263)	-
Legal reserve	24	(15.154.853.712)	(3.135.782.236)
Capital reserve	25	(1.960.000.000)	(46.200.000.000)
Dividend approved		(51.700.062.975)	(49.335.782.236)
Profit (loss) accumulated at the end of the year		66.754.650.906	17.422.355.802

Financial statement of comprehensive income is not provided as the components of the financial statements of comprehensive income are limited to the net profit of the year and annual adjustments.

Attached notes are an integral part of the financial statements.

Razi insurance company (LLP) - Financial Statement of Cash Flow - for the fiscal year ended on 20.03.2014

	Notes	2014 (riyal)	2013 (riyal)
Net Cash Flow from Operating Activities	40		
Investments and return of profits to finance:			
Dividends paid		-	(15.551.234.985)
Net inflow (outflow) of cash returns from investments and interest paid for financing		-	(15.551.234.985)
income taxes:			
Income tax payments		-	(2.713.902.719)
Investment activities			
Funds (paid) for the purchase of tangible fixed assets		(66.039.137.157)	(52.951.928.578)
Cash resieved from sales of tangible fixed assets		230.480.050.423	836.900.000
Funds (paid) for pre payment funds		(406.447.235)	(657.547.500)
Funds (paid) for the assets in the course of completion		-	6.321.052.632
Funds (paid) received for the acquisition of intangible fixed assets		(373.970.055)	-
Funds (paid) for the acquisition of short-term investments		(818.390.657.512)	-
funds received from the sale of long-term investments		3.335.005.000	26.467.632.285
Funds (paid) for the acquisition of long-term investments		-	30.000.000.000
Net inflow (outflow) of cash from investment activities		(651.395.156.536)	10.016.108.839
net Cash flow before financing activities		(558.097.078.194)	(6.247.920.734)
Financing activities:			
proceeds from the capital increase		544.325.679.000	-
Received financial loans		-	100.000.000.000
Net flow (outflow) of cash from financing activities		544.325.679.000	100.000.000.000
Net increase(decrease) in cash		(13.771.399.194)	93.752.079.266
Effect of exchange rate changes		17.673.326.285	722.733.458
Cash balance at beginning of year		160.464.262.435	65.989.449.711
Cash balance at end of year	41	164.366.189.526	160.464.262.435
Non-cash transactions		720.000.000.000	1.291.624.932

Attached notes are an integral part of the financial statements

1. History

1.1 Overview

Razi insurance company (LLP) was registered on 09. 04.2003 Under number 200758 in Tehran Companies Registration Office and non-commercial organizations. The company's license was issued by the Central Insurance of Iran in all fields of insurance (underwriting operations in all insurances of property, persons and responsibilities according to laws and regulations) according a license number 5194 dated 18.05.2003 and from then on the company officially has been authorized to carry out the insurance activities. Razi Insurance was recorded on 31/12/2011, p. number 10971 in the list of companies registered in the Securities and Exchange Organization. Headquarter is located at No. 14, Alley thirteenth, Gandhi Street, Tehran.

1.2. Main activities

Company's activities in accordance with Article 2 of the Association are as follows:

- Carrying out the direct insurance operations in various fields of life and non-life insurance based on licenses issued by the Central Insurance of Iran
- acquisition of reinsurance coverage from inside or outside the country in relation to insurance policies issued in the framework of the Central Insurance of Iran's regulations
- Accepting the reinsurance from domestic or foreign insurers bound to the rules subject to storage capacity

Note 1: The maximum risk that the company can provide insurance is twenty percent of the total capital, reserves and technical reserves (excluding the deferred compensation reserves) and should not be exceeded, unless the company obtains the additional reinsurance against it.

Note 2: the rate of obtaining and maintaining the risk is in the framework of the rules determined and notified by the Central Insurance of Iran.

1-3- Number of staff

The number and composition of staff employed by the company is as follows:

	20.03.2014	21.03.2013
grade		
Diploma	181	203
associate	65	54
bachelor	242	227
Graduate	48	30
Total (persons)	536	514

2. Principles of preparation of financial statements

The financial statements are presented on the basis of historical cost and the requirements adopted by the Insurance Council and the current values were used where appropriate. Adopted by the Council in accordance with the requirements of insurance, insurance companies must consider the reserve of additional technical and natural risks as envisaged in the note 3-3 besides the anticipated reserves in the Accounting Standard No. 28 (general insurance activities).

3. Summary of the main accounting policies

3.1. Premium revenue recognition

3-1-1- income of non-life insurance premium:

Non-life and life insurance premiums are recognized from the start date of insurance coverage and evenly over the period of premium (for direct insurances) and after deduction of premium technical reserves as premium income during the period of acceptance of compensation (for reinsurance).

3- 1-2- life insurance premium income:

Income related to policies issued and additional amendments to the income account after deficit returned in the collection.

3.2. Premium for next years

Premium income during the second and later is transferred to the relevant year income equally via coming years premium account in long-term insurances. If an insurance policy is valid for more than one year, the procedure of total number of years is applied for counting the engineering insurance premiums in the coming years.

3.3 Technical reserves at the end of each period are calculated according to Regulation No. 58, adopted on 14.01.2009 of Insurance Council and subsequent amendments, guidelines and precedents of presentation and disclosure of technical reserves of insurance companies is calculated as follows:

kind of reserve	reserve value
reserve of premiums (premium not received)	it is calculated for all fields of insurance, except for insurance, third person, surplus and passenger accident as seasonal (one-eighth) on the basis of premiums issued after deduction of 15% as acquisition cost and deductions for ceding reinsurance and for the field of freight is calculated by the above method and plus one-eighth of not received premium and mentioned reserve in the third person, surplus, and accidents of the driver according to other fields, and after deduction of fees and duties payable to the Treasury account legal and issued physical damage insurance fund.
* reserve of unexpired risks for compensation of income insurance deficit not received	<p>In the fields that their loss ratio is more than 85% of the following:</p> $\frac{\text{non-received Premium at the end of the period} \times ((\text{damage ratio} - 85\%))}{85\%}$ <p>Loss ratio is the ratio of incurred damaged to the received premium.</p> <p>Incurred damage is a damage compensated during the period plus the deterred damage reserve at the end of the period minus the deferred compensation of early period and received premium is the premiums issued plus a non-received premium of early period minus that of late period, legal duties payable to the Treasury, as well as physical compensation fund share is deducted from the premium issued in third person insurance and accidents.</p>
* Premium return reserve	<p>It is the sum of following items:</p> <p>(A) pending damages plus the estimated costs of settling the loss after deduction of reinsurer' share</p> <p>(B) losses incurred before the end of the current fiscal year that have not been disclosed to the insurer in addition, the cost of settling the claims after deducting the share of reinsurer</p> <p>Note 1. In Third person insurance, if there is no calculation the damages reserve claimed in the pending for case to case files, the multiplying the average cost per case of physical damage (person) during the financial year in the number of cases under investigation will be identified via increase of the amount of money for the following year as a reserve referred to in paragraph (A).</p> <p>Note 2: The damage of paragraph (B) will be at least 3% and more than 10 percent of paragraph (A) with respect to the financial losses records three years ago and with the approval</p>

of the Board of Management. Taking the amounts in excess of 15% is subject to the approval of the Central Insurance of Islamic Republic of Iran

- * Premium return reserve 50% ratio of returned premiums to total of insurance issued in 3 previous financial years multiplied by premiums issued for six-monthly period of this year after deducting the cession reinsurance premium
- * participation reserve of policyholders in the interests A percentage of profits from any of the insurance contracts which is payable to policyholders under the terms of the contract.
- * additional technical reserves and natural hazards * 3% premium issued of non-life insurances that has been transferred from the previous year after deducting the cession reinsurance plus additional technical reserves and natural hazards. Meanwhile, the amount of reserve is not greater than 20% average premium of non-life insurance service of last three years.

3-3- 2-life insurance:

kind of reserve	reserve value
* mathematical reserve	Difference between the present value of the insurer's obligations (including capital and pension) and the current value of maintenance obligations towards policyholders and in compliance with the technical bases used to calculate the premium.
* Reserve of participation in the benefits	A percentage of the benefits of life insurance and financial transactions and investment in technical reserves of that must be paid to life insurance policyholders under life insurance contracts.
* Technical reserve for life insurance	It is calculated in the accounts on the assigned basis of non-life insurance (other than insurance of third-person, freight and passenger accidents).
* additional technical reserves and natural hazards	* 3% premium issued after deducting the cession reinsurance plus additional technical reserves and natural hazards. Meanwhile, the amount of reserve is not greater than 20% average premium of life insurance service of last three years.

3.4. Recognition of fee revenue and participation in profits

Fee income is recognized under the terms of insurance policies or contracts of insurance and reinsurance at the beginning of insurance coverage. Also the participation income in benefits arising from reinsurance is recognized as revenue at the time of recognition of the reinsurance operations results and after receipt of the invoice from the contract insurance company.

3.5. Identifying the cost of damage

The compensated damage is recognized and recorded after damage occurrence report via insurer and investigations of the company's experts and after issuance of damage bill in the accounts in the direct insurances. Meanwhile, the required reserve is estimated and recognized for real damage that has not been paid and damage was not reported in accordance with the resolutions of the Insurance Council. If necessary, adjustments are made for bad debt losses based on information obtained after the initial recognition and the effects of this adjustment is included in the annual profit and loss statement.

3-6- acquisition costs

Costs of acquisition or renewal of insurance policies is recognized as an expense of year such as commissions paid to agents, underwriting expenses and other related expenses when arise.

3-7- financing expenses

Financing costs are recognized as an expense of the period with the exception of expenditure that is directly attributable to the acquisition of eligible assets directly.

3.8- End of carrier benefits reserve

End of carrier benefits of staff is calculated on the basis of one month salary and benefits for each year of carrier service and it is paid and settled at the end of each year.

3-9- tangible fixed assets

3-9-1-Tangible fixed assets excluding the amortizable assets including company's land which now reflected in the accounts based on the revalued amount is recorded according to the cost per account. Expenditure of reform and overhaul are considered as capital expenditure that causes the significant increase of capacity or the useful life of fixed assets or substantial improvement in the quality of their performance and related assets is amortized over the

remaining useful life. Costs of maintenance and minor repairs are considered as operating costs (in order to maintain or repair the expected economic benefits of the entity) according to preliminary evaluated performance standard of assets when incurred and it is included on the annual profit and loss.

3-9-2- amortization of tangible fixed assets and intangible assets is calculated according to the estimated useful life (and with regard to the provisions of Article 150 and amortization table subject to Article 151 of Direct Taxes Act) based on the rates of the following methods:

Type of asset	amortization rate	method
Building	7 %	Descending
Vehicles	25%	Descending
Office furniture and fixtures	10 year	direct
computer	3 year	direct
Computer software	5 year	direct
office machines	10 year	direct
installations	and 10 year 12 percent	direct- Descending

For fixed assets that are acquired during the month under operation, amortization is calculated from first month and included in the accounts. In the event that any of the amortizable assets is not used after being ready for operation (for suspension of work or other causes sometimes) the amortization for the period mentioned is 30 percent of amortization rate reflected in the above table.

3.10. Intangible assets and their amortization

Intangible assets are reflected in the financial statements at finished cost after deducting the amortization.

3-11- investments

3-11-1-long-term investment is evaluated at finished cost after deducting the accumulated impairment in value of each investment.

3-11-2- those quick transacted investments on the market that are classified as current assets at the balance sheet date are assessed at the lower of cost and net sales value of each investment.

3-11-3- Income from investments is recognized and included on income account of

companies' equity investment at the time of approval by the public interest equity investee companies (up to the balance sheet date).

3- 11-4-interest guaranteed and fees received of investment deposits are included before the banks based on the principle accrue on the relevant year income.

3-12- foreign exchange

Currency transactions and foreign currency non-monetary assets and liabilities items (registered at the cost of in terms of currency) are convertible at the available rate of exchange at the date of the transaction. Asset items and foreign currency -monetary liabilities are converted at the available rate of exchange at the balance sheet date and differences from their exchange or settlement are recognized as income or expense of the incurred period.

4. Cash fund

	notes	20/03/2014 (riyal)	21/03/2013 (riyal)
Cash with banks (riyal)		150.964.696.975	143.235.162.003
Cash with banks (currency)	4-1	12.569.995.842	9.841.647.282
Revolving fund	4-2	831.496.709	7.387.453.150
		<u>164.366.189.526</u>	<u>160.464.262.435</u>

4-1- Riyal deposit with banks kept mainly in short-term investment accounts. The deposits interest mentioned is included in the heading of investment income (note 34).

4-2-Foreign currency fund with banks includes 101.312/62 dollars and 286.926/01 euro that at balance sheet date it will be converted into foreign currency of market each dollar 25102 riyals and each euro 34946 riyals and income from conversion has been included in the headline of other incomes and non-insurance costs (note 37).

4-3-Revolving fund balances included funds available to the center for paying the current costs which settled to the end of March 2014.

5. Short-term investments

	note	20/03/2014 Riyal(million)	21/03/2013 Riyal(million)
Investment deposits with banks (riyal)	5-1	701.022.017.504	501.000.000
Investment deposits with banks (currency)	5-2	11.986.478.000	-
Investment in listed companies	5-3	118.551.501.530	-
		<hr/> 831.559.997.034	<hr/> 501.000.000

5.1. Short term investments deposits with riyal banks include the deposits with Ayandeh Bank amounted to 700.521 million riyals and Melat Bank's deposits amounted to 500 million riyals. Parsian Bank's deposits amounted to 1 million riyals. Ayandeh Bank's deposit is short-term 3-month and other deposits for one-year investment and with the interest rate approved by the banks. The interest on these deposits was reflected in investment income during the year (note 34).

5.2. Short-term investment deposit with foreign currency banks includes deposits with Melat Bank branch Kandovan amounted to 343 thousand Euros as one year currency deposit and annual interest rate of 5.6 percent. Accrued interest is reflected in investment income during the year (note 34).

5.3. Investment in exchange companies for investment in the shares of Jamdaroo industrial company amounted to 6.694.043 shares with 22 percent ownership of Razi insurance (Including 2,230,043 shares of capital increase from accumulated earnings of 2014) that is classified in headline of the Short term investments and due to the disagreement to reflect its fair value and according to the intention of the Board to sell the shares this year, As a result the profit from the valuation of stock returns from investment accounts based on the market value of trading on the stock exchange on 20.03.2014 reflected in the headlines of income investments (Note 34) and the amount of the investment is included in the final cost. And its impact is reflected in the annual adjustments (Note 38) due to the shift of operation.

6. Receivables from policyholders and representatives

	Note	20/03/2014	21/03/2013
		(riyal)	(riyal)
Receivables from agents and brokers	6-1	620.459.277.078	306.657.413.885
Receivables from policyholders	6-2	85.975.504.993	38.827.022.873
Receivable documents	6-3	102.355.017.046	70.088.524.257
		<u>808.789.799.117</u>	<u>415.572.961.015</u>

6.1. Receivables from agents and brokers are as follows:

	note	20/03/2014	21/03/2013
		(riyal)	(riyal)
Brokerage company Saipa	6-1-1	142.991.159.694	-
brokerage firm Chatre Asayesh Iranian	6-1-1	169.504.432.273	-
Company Shokouhi Faraze Sepahan	6-1-2	33.337.493.253	34.403.849.909
Roya khavari		44.152.322.489	29.627.512.001
Babak rahimishad	6-1-3	22.792.137.547	13.790.963.929
Iraj mohamadi ghanati		20.487.101.337	896.859.405
Soheila hezarpisheh		16.313.938.735	16.406.053.735
Morteza hosseini		8.159.032.997	3.448.675.286
Ghadir company		6.768.792.850	7.861.854.330
Geranaz yusefbeck		6.737.581.771	5.521.726.592
Masood dadresanfar		5.558.119.460	7.592.782.963
Amirhussein huseini jebeli		2.311.441.355	1.595.478.419
Fatemeh sahebalzamani		4.199.028.436	1.974.708.648
Monireh mahboob moghadam		4.322.976.611	-
shamim imanpaya		4.228.429.372	2.638.264.985
abdolah ansari		3.984.051.244	-
parastoo razani		3.857.471.209	3.353.816.571
Peiman tayefi		3.366.113.092	311.628.628.805
Hussein mokhtari		3.042.278.991	3.213.018.936
Mohammad sefidzadeh		2.937.469.044	2.230.851.023

Atiyeh insurance firm	2.737.481.865	-
Total quoted in the next page	511.788.853.625	134.868.048.537
	20/03/2014	21/03/2013
	(riyal)	(riyal)
Total quoted from previous page	511.788.853.625	134.868.048.537
Hosein luyemi	2.191.748.507	1.525.751.751
Gholamreza ghodousi	1.422.909.479	845.954.481
Mahmood ja'afar dehbashi	2.395.301.160	12.601.448.837
Azam shalbazfzadeh	2.136.617.731	2.471.070.187
Atefeh rafiee	2.029.726.853	1.191.809.613
Amjad karimi boulandi	1.891.120.887	3.069.627.563
Mansooreh ahmadi	1.894.070.787	2.371.017.833
Mohamad hadashi	1.728.269.073	1.728.269.073
Homayun izadpanah	1.840.947.258	395.524.234
Zeinab ghadiri	1.722.080.358	1.745.653.608
Babak gholizadeh	1.792.354.799	626.603.617
Esmaeel mahjoob	1.431.251.938	854.811.938
Vida atayi	1.688.335.993	475.018.434
Other (items below 1 billion riyals)	84.505.688.630	141.886.804.179
	620.459.277.078	306.657.413.885

6-1-1- Receivables from brokerage saipa and brokerage chatre asayesh iranian is for selling zero- km cars' policies as representative of Iranian manufacturer companies saipa and irankhodro. These contracts have been signed for a period of one year from 09/23/2013 until 09/23/2014 for saipa and from 11.08.2013 until 08.11.2014 for irankhodro. This issue has caused the increase of issued premiums for the semester of 2014 as well as non-received premiums at the end of financial year 2014 that has not collected in March and April of next financial year based on mutual contracts amounted to 90 billion and 60 billion riyals.

6- 1-2- receivables from company shookehe faraze sepanah is for the insurance policies of import freight that due to changing insurance market conditions and common installment

sales by insurance companies. To maintain the market share, the company has dealt to sell on installment that received on due date of policies and contracts.

6-1-3- receivables amounted to 16.4 billion riyals for Soheila hezarpisheh are under legal pursuit that the property confiscation warrant issued by the court in favor of the company.

6.2. Receivables from policyholders are as follows:

	note	20/03/2014 (riyal)	21/03/2013 (riyal)
Consortium of companies Petrosina Arya (Pesa) and Iran marine industries (Sadra)	6-2-1	12.937.324.624	15.356.572.336
Oil and Gas Pars Company		8.731.448.398	429.609.755
Iran oil production company		6.020.800.022	-
Iran Offshore Oil		3.958.302.558	3.861.443.050
Oil export terminals company		3.563.133.691	2.611.933.451
Agricultural Jihad Organization of Tehran Province		2.935.008.231	2.283.038.019
Offshore Engineering and Construction		2.648.906.267	151.978.638
Yazd Tire Industrial Complex		2.513.624.309	3.784.784.166
Marine Industrial Co. Iransadra		2.416.415.583	2.387.532.986
Artaviltire		2.192.811.833	2.993.523.129
Abad rahan pars		1.991.683.935	766.225.627
Alborz agriculture jihad organization		1.266.804.654	657.613.991
Alborztat Construction		1.039.818.494	320.644.970
Other (items under one billion riyals)		33.759.422.394	3.222.122.755
		<u>85.975.504.993</u>	<u>38.827.022.873</u>

6-2-1- amounted to 12937 billion riyals for responsibility and engineering contracting of company sadra is \$ 515.390/193 that total amount of premiums has been collected to the end of may 2014.

6.3. Receivables documents are distinguished as follows:

	note	20/03/2014 (riyal)	21/03/2013 (riyal)
Documents transferred to banks		74.462.506.433	49.178.939.656
documents with fund		5.909.341.266	12.324.724.874
Documents received to collection department	6-3-1	21.983.169.347	8.584.859.727
		<u>102.355.017.046</u>	<u>70.088.524.257</u>

6-3-1- receivables are related to checks received from customers mainly due after March 2014, which will be collected at maturity. Of this amount, 21.983 million riyals is related to the returned received documents for maturity before 20/03/2014, which are not included in the outstanding maturities. Then the legal actions are taken against a number of documents.

7. Receivables from insurers and reinsurers

	note	20/03/2014 (riyal)	21/03/2013 (riyal)
Central Insurance of Iran	7-1	-	74.969.513.086
Dana Insurance Company	7-2	12.956.592.249	51.795.093.066
AON LIMITED		5.240.291.785	4.757.452.204
Iran Insurance		4.773.231.993	-
Other		3.418.607.325	172.304.626
		<u>26.388.723.352</u>	<u>131.694.362.982</u>

7-1- Net claims from the Central Insurance of Iran in the previous year is mainly due to the share of the public duties amounted to 89 billion riyals and net debt for mandatory and optional reinsurance accounting amounted to 14 billion riyals. Due to the increase in sales in the forth 3 months as well as the settlement of claims in the second half of this year, the amount of insurance has become central to the classified debt in note 14.

7.2. Receivables from the company AON amounted to 5.240 million riyals equivalent to 149.954 Euros, which will be collected after release of sanctions

8. Other receivable documents and accounts

	note	20/03/2014 (riyal)	21/03/2013 (riyal)
Related parties			
Receivables	8-1	139.003.160.000	262.906.324.931
Facilities granted to individuals	8-2	54.890.368.705	46.677.195.753
Other receivables	8-3	61.363.170.979	17.991.000.000
Other People		<u>255.256.699.684</u>	<u>327.574.520.684</u>
Deposits		38.874.659.117	36.418.208.693
Loans and advances of Staff		5.175.716.983	7.753.254.735
Rental deposit of branches		14.386.000.000	6.931.000.000
Representatives loan		2.511.984.140	1.851.008.505
loans of life insurance policyholders		4.605.578.102	1.857.690.269
Company jahade sabz	8-4	280.000.000.000	-
recovered Debtors	8-5	160.129.801.717	-
receivable Interest	8-6	8.473.943.990	-
Other receivables		<u>115.826.751.229</u>	<u>76.491.248.895</u>
Is deducted		885.241.134.962	458.876.931.781
Bad receivables reserve		<u>(10.000.000.000)</u>	<u>(10.000.000.000)</u>
		<u>875.241.134.962</u>	<u>448.876.931.781</u>

8-1- the above balance is for the amount of 19.003 million riyals for documents received from chemical company Razi that will be received on due dates. The amount of 120 billion riyals of documents with fund related to receivable from the company jahad sabz (for sale of the branch Taleghani building) that has been received to date of confirmed financial statements.

8-2. The above account balance is related to the corporate Niroo Moharekeh Parsian's debt amounted to 53.725 million riyals and Razi chemical company to 1.166 million riyals that will be collected on the basis of a memorandum of understanding at the due dates.

8-3. The above account balance is related to the corporate Pishgamane Tose'e Tejarat Alborz's debt that all is done according to the memorandum of understanding and the provisions of amendment Article 129 of the Commercial Code adopted in February 1969.

8-4. The amount of 280 billion riyals from jahad Sabz Company is for sale deed of Taleghani property that all claims received and the transfer of ownership document is done on 4 July 1393. In this regard, in the current year a warranty is presented to obtain the municipal recoupment and social security accounts.

8-5- amounted to 160 billion riyals of recovered debtors is for identifying the recoverable documents energy sources (mainly third party) that are classified part of 11 offenses under the provisions of third person.

8-5- receivable interest balance is related to receivable dividends and accrued interest on investments deposits with banks (Note 5) that have been received to date of reporting all income bank deposits.

9. Reinsurers' share of technical reserves

	note	20/03/2014 (riyal)	21/03/2013 (riyal)
Reinsurance share of premium reserve	18	380.690.331.465	222.369.707.312
Reinsurance share of outstanding claims reserve	19	61.774.234.162	78.995.763.914
		<u>442.464.565.627</u>	<u>301.365.471.226</u>

10. Long-Term Investments

	note	20/03/2014 (riyal)	21/03/2013 (riyal)
Investment in companies' equity	10-1	186.173.363.426	198.467.737.893
Bank Long-term investment deposits	10-2	63.994.000.000	67.329.000.000
		<u>250.167.363.426</u>	<u>265.796.737.893</u>

10-1- Investment in companies 'equity is as follows:

			20/03/2014			21/03/2013
	No of shares	Investment percent	Nominal value	Final price	Stock companies market value	Final price
		percent	riyal	Million riyal	Million riyal	Million riyal
Affiliated companies						
Stock companies:						
jamdaroo	6.694.043	22.31	1.000	-	-	12.668
Lizing razi	5.535.852	25.16	1.000	5.645	8.304	5.645
Non-stock companies:						
Kurdestan tire before operation	5.700.122	38.53	1.000	5.728	-	5.728
Increased on account of kurdestan tire	-	-	-	8.560	-	8.560
				19.933	8.304	32.601
Other companies						
Stock companies:						
Artavil 10-1-1	21.848.936	10.79	1.000	155.038	35.461	155.038
melat	500	0.0001	1.000	0.5	0.5	0.5
Dena tire 10-1-1	1.882.859	0.9	1.000	4.797	4.602	4.797
Lizing iran	307	0	1.000	3	1	3
farabours	1.000.000	0.5	1.000	500	8.042	500
Sarmaye bank	500.000	0.01	1.000	738	1.321	738
Non-stock companies:						
Razi	3.000	0.3	1.000	3	-	3
Niroo moharekeye parsian	5	0	1.000	374	-	-
Atyeh savalan	4.787.234	3.19	1.000	4.787	-	4.787
				166.241	49.428	165.867
				186.174	57.732	198.468

10-1-1-Dena Tire and Artavil's shares in the stock are traded not considerably. And the reported market value is listed according to the latest data available on the stock site that does not necessarily represent the fair value of their shares.

10-2- bank long-term investments amounted to 63.994 million riyals includes the five- year deposits with an annual rate of 23 to 25 percent with the banks parsian amounted to 3.994 million riyals and sepah amounted to 60.000 million riyals that the funds have been deposited with the Banks sepah and parsian for received guarantees.

11. Tangible Fixed Assets

The table of final cost and accumulated amortization of tangible assets is as follows:

Description	-Final Cost riyal					accumulated -amortization riyal			book value		
	Balance at 20.03.2013	additions over year	decrease over year	adjustments over year	Balance at 20.03.2014	Balance at 20.03.2013	Amortization over year	Amortization decreased over year	Balance at 20.03.2014	Balance at 20.03.2014	Balance at 20.03.2013
Land	400.059.160.000	148.500.000.000	(144.000.000.000)	28.993.851.989	433.553.011.989	-	-	-	-	433.553.011.989	400.059.160.000
Building	270.066.099.301	561.500.000.000	(76.587.515.247)	(28.993.851.989)	725.984.732.065	54.274.355.578	21.536.272.072	(22.253.543.405)	53.557.084.245	672.427.647.820	215.791.743.723
Furniture and fixtures	21.731.273.336	5.352.458.299	(10.333.000)	-	27.073.398.635	7.385.083.926	2.342.721.943	(4.721.166)	9.723.084.703	17.350.313.932	14.346.189.410
vehicles	5.363.453.100	2.500.000	(137.100.000)	-	5.228.853.100	3.140.611.246	554.446.775	(125.910.139)	3.569.147.882	1.659.705.218	2.222.841.854
Installation	470.778.021	10.091.880.000	-	-	10.562.658.021	176.558.101	215.136.172	-	391.694.273	10.170.963.748	294.219.920
total	697.690.763.758	725.446.838.299	(220.734.948.247)	-	1.202.402.653.810	64.976.608.851	24.648.576.962	(22.384.174.710)	67.241.011.103	1.135.161.642.707	632.714.154.907
capital Prepayment	10.677.208.670	2.480.238.209	-	-	13.157.446.879	-	-	-	-	13.157.446.879	10.677.208.670
Assets in the course of completion	135.876.380.262	58.112.060.649	-	-	193.988.440.911	-	-	-	-	193.988.440.911	135.876.380.262
Sum	844.244.352.690	786.039.137.157	(220.734.948.247)	-	1.409.548.541.600	64.976.608.851	24.648.576.962	(22.384.174.710)	67.241.011.103	1.342.307.530.497	779.267.743.839

11-1- tangible fixed assets amounted to 330 billion riyals has the proper insurance coverage against possible risks of fire, flood and earthquake that 70 percent of the fire risk has been transferred to reinsurance companies.

11-2- additions to buildings, land and equipment for the transfer of property of headquarter amounted to 720 billion riyals is as shareholders cash which have been approved in the books according to expert staff's report in separation of lot amounted to 148.500 million riyals and area amounted to 561.500 million riyals and facilities amounted to 10.000 million riyals. The amount of 92 million riyals of facilities' additions is for buying an iron sieve from company Amoodrah.

11-3- reduction of building and land is for sale of branch Taleghani property that has been sold at the price of 400 billion riyals, according to official expert report. Income from the sale of fixed assets after deducting the amount of 22.253 million riyals as accumulated amortization amounted to 201.666 million riyals is reflected in the headline of other non-insurance revenues and costs (Note 37). The definitive transfer of ownership documents is done up to date of financial statements.

11-4- decrease in account is by vehicles in the amount of 137 million riyals for sale of Pride and Matiz cars at the expense of 145 million riyals that after deducting the amount of 126 million riyals as accumulated amortization, income from sales amounted to 133 million riyals is reflected in the headline of other non-insurance incomes and costs (Note 37).

11-5-increase in the amount of 20.614 million riyals has been appointed to the furniture, fabrics and accessories purchased for use in branch office and headquarter

11-6- balance of assets under completion amounted to 193.988 million riyals is for the construction of buildings for branch offices as follows:

	20/03/2014				21/03/2013			
	percentage of completion	operation date	amount (million riyal)	necessary amount for completion (million riyal)	Amount (million riyal)	operation date	percentage of completion	completion percentage
Orumieh	99	1392	16.822	17.000	12.124	1393	99	92
Kerman	90	1393	91.987	110.000	65.949	1393	90	42
Zanjan	90	1393	48.664	69.500	33.368	1393	90	45
Sari	10	-	30.217	70.000	23.818	-	10	0
Other	-	-	6.298	500	617	-	-	0
Sum			193.988	267.000	135.876			

11-7- adjustments balance of the building is for the demolition of branches of Zanjan and Kerman in order to rebuild them that the final cost of the buildings has been transferred to official land prices mentioned according to the expert's report.

12. Intangible assets

Intangible assets are 1372 million riyals after deduction of amortization as follows:

	20.03.2014		21.03.2013	
	(riyal)final Cost	amortization (riyal)Accumulated	(riyal) net	(riyal) net
Royalty of phone lines	490.064.100	-	490.064.100	673.194.100
Software	1.074.799.533	229.293.696	845.505.837	974.799.533
Royalty of electricity, water and gas	36.368.750	-	36.368.750	36.368.750
Prepayment –software purchase	-	-	-	74.375.000
	1.601.232.383	229.293.696	1.371.938.687	1.758.737.383

13- Liabilities to policyholders and representatives

	note	20.03.2014	21.03.2013
		(riyal)	(riyal)
Payable documents	13-1	55.887.501.813	135.603.974.423
Deposit of representatives	13-2	26.564.807.988	21.926.001.036
Liabilities to policyholders	13-3	38.992.189.557	38.995.500.532
Other		16.503.980.751	10.621.178.636
		137.948.480.109	207.146.654.627

13-1- payables mainly relate to checks issued or a maturity less than one month by name of Representatives for wage claims and outstanding checks for claim of policyholders. Amounted to 15 billion riyals from account balance is for Islamic republic of Iran central insurance.

13-2- representatives deposit included deductions from monthly fee statements is by 10% that according the meeting dated 05.27.1388 of the board until the connection is set between the company and representatives, 10% of deposit will be deducted up to 200 million riyals .
13- 3-debt to policyholders amounted to 38.992 million riyals is for added premium payments received from insurers in prior years which is returnable to the insured as of 03.17.1390 in accordance with the directive of the Central Insurance of Iran.

14. Receivable to insurers and reinsurers

	Note	20/03/2014 (riyal)	20/03/2013 (riyal)
Islamic Republic of Iran Central Insurance	14-1	112.515.516.117	-
Physical compensation damage fund	14-2	30.328.096.065	25.295.978.206
NASCO	14-3	11.507.787.692	7.278.380.171
Asia		-	2.969.195.398
Optional reinsurance deposits		3.601.931.140	2.135.819.386
Other		9.710.663.745	23.743.427.910
		<hr/> 167.663.994.759	<hr/> 61.422.801.071

14-1- net claims from insurance is reflected in previous financial year in note 7-1 . In the current year due to increased sales in the last 3 months and consequently, the mandatory and optional reinsurance premium has been increased by the Central Insurance of Iran. Foreign exchange debt to Central Insurance is amounted to 9.859 /76 equal to 247.499.695 riyals and 287.828/ 52 Euros equal to 10.058.455.460 riyals. In addition, the central insurance share from allocated fees to third-party has been included in debt account of the company.

14- 2-balance of physical compensation fund account related to the share of the fund is equal to 5% of the mandatory third person insurance premiums and policyholders crimes in implementation of paragraph (a) and (b) of Article 11 of the Law amending the third party insurance regulation that is settled to date of financial statements.

14-3-NASCO insurance account balance is amounted to 11.508 million riyals equal to 329.302 euro as converted with exchange rate of currency (available) at the balance sheet date.

15. Other accounts and payables

	Note	20/03/2014 (riyal)	21/03/2013 (riyal)
Ministry of Health for legal fees of third person insurance	15-1	323.965.991.912	185.734.240.695
police for legal fees of third person insurance	15-2	98.395.604.833	99.580.154.024
Ministry of Economy and Finance	15-3	52.632.345.087	53.511.906.937
unpaid costs reserve	15-4	8.330.807.202	6.632.118.462
payable Dividends	15-5	2.701.609.506	933.252.573
Social Security	15-6	2.015.489.263	855.345.239
Other		5.370.539.233	8.316.908.041
		493.412.387.036	355.563.925.971

15-1- account balance of Ministry of Health amounted to 323.966 million riyals is related to 10% of the Ministry of Health share of third person insurance, surplus and passenger accidents in implementation of Article 37 of the Fifth Development Plan that 15 billion riyals has been paid from the above balance till the date of financial statement formulation .

15-2- account balance of police amounted to 98.396 million riyals for 10 percent of police share from third person according to article 61 of budget law and announcement of central insurance of Iran in 2014.

15-3- account balance of Tax Agency amounted to 52.632 million riyals is mainly due to the installed debt of added value fees and taxes for fourth and third quarter of 2013 and VAT of 2014 .

15-4- Reserve of unpaid expenses includes the following items:

	Note	20/03/2014 (riyal)	21/03/2013 (riyal)
Reserve of 5 items of tax bills for Building permits in sari		6.398.946.720	-
Reserve of advertising cost		185.524.742	-
Reserve of the audit cost		100.000.000	129.000.000
Commission of representatives	15-4-1	-	5.261.143.143
Other		1.646.335.740	1.241.975.319
		8.330.807.202	6.632.118.462

15- 5- payable dividend is mainly for 2013 and shareholders who have not come to receive the dividends.

15-6- balance of the social security premium account is for deducted premium from March salaries paid to date set for financial statements

15-4-1 due to the use of software systems, computing and accounting the fees on account of Representatives is systematic. As a result, unlike the previous years it is not required to use the reserve as to the Commission of representatives.

16. The financial liabilities

	20/03/2014 (riyals)	21/03/2013 (riyals)
The main fee and loans annual interest received from bank TAT	130.000.000.000	130.000.000.000
Deducted: coming years interest	(1.667.139.900)	(29.769.863.015)
	<hr/> 128.332.860.100	<hr/> 100.230.136.985

16-1- loans from Bank Ayandeh (TAT) is with an annual rate of 30 percent and 12 monthly period whose repayment was set during one installment at maturity.

17. Reserve for Income Tax

Company's financial situation at the report balance date is as follows:

Year	20.03.2014			21.03.2013			how to recognize	
	Profit (loss) expressed million) (riyal	loss confirmed million) (riyal	tax	diagnosis	definitive	disbursed		balance
1388	63.564	-	36.543	9.135	17.913	17.913	-	Investigating the offices
1389	15.310	(9.603)	-	-	-	-	-	Investigating the offices
1390	36.255	-	-	-	-	-	-	Investigating the offices
1391	18.209	(9.042)	-	-	-	-	-	Investigating the offices
1392	254.255	-	-	-	-	-	-	Under investigation
							<u>-</u>	

17-1- Tax of company has been settled and finalized from beginning the performance until the end of fiscal year 2012.

17-2- salary tax of 2012 is examined by experts in tax affairs which the amount of 2.246 million riyals of tax is finalized and settled for the fiscal year. The amount of 16.153 million riyals of assessment report has been issued in respect of VAT in Direct Tax Act Article 104 Clause 5 of Article 109 q.m.m that the necessary reserve is included in the accounts for the fact that the assessment report has been contested by the company. And the defense bill is presented to the Board of Tax Appeals Council and the company is pursuing its protest.

17-3- 2012 financial performance tax was audited by experts that the final approval report of is obtained amounted to 9.042 million riyals and the final salary tax settlement report to the amount of 7.892 million riyals definitive settlement of tax in this regard. The amount of 11.260 million riyals of assessment report has been issued in respect of VAT of Article 104 q.m.m. and Clause 5 of Article 109 Direct Taxes in fiscal year Act 2013. The protest was applied to the assessment report and it is under review by the Board of Tax dispute resolution. And the conclusion of protest has not addressed to the date of approval of the financial schisms.

17-4-given that the taxable interest is not exists for performance of financial year ending on 20/03/2014 by exerting the exempted incomes , then the tax reserve is not included in the accounts.

18. Premium reserve

	Note	20/03/2014			21/03/2013			(Increase) decrease in 2014		
		maintenance share (riyal)	reinsurance share (riyal)	total (riyal)	maintenance share (riyal)	reinsurance share (riyal)	total (riyal)	maintenance share (riyal)	reinsurance share (riyal)	total (riyal)
premium reserve	18-1	737.898.490.956	309.977.370.931	1.047.875.861.887	334.893.315.776	192.586.073.658	527.479.389.434	(403.005.175.180)	(117.391.297.373)	(520396472453)
life premium Reserve		76.893.214.105	70.712.960.534	147.605.174.639	36.402.218.910	29.783.633.654	66.185.852.564	(40.489.995.195)	(40929326880)	(81419322075)
premium return reserve	18-3	111.599.401.778	-	111.599.401.778	64.722.623.694	-	66.722.623.694	(46.876.778.084)	-	(46876778084)
total		926.390.106.839	380.690.331.465	1.307.080.438.304	436.018.158.380	222.369.707.312	658.387.865.692	(490.371.948.45)9	(158320624153)	(648692572612)

18-1- premium reserve

	20/03/2014			21/03/2013			(Increase) decrease in 2014		
	maintenance share (riyal)	reinsurance share (riyal)	total (riyal)	maintenance share (riyal)	reinsurance share (riyal)	total (riyal)	maintenance share (riyal)	reinsurance share (riyal)	total (riyal)
Freight	3.590.109.195	7.267.831.732	10.857.940.927	488.739.670	5.907.075.764	6.395.815.434	(3.101.369.525)	(1.360.755.968)	(4.462.125.493)
Fire	5.524.694.997	18.567.859.595	24.092.554.592	642.946.566	14.114.108.712	14.757.055.278	(4.881.748.431)	(4.453.750.883)	(9.335.499.314)
Automobiles - Body third person	29.217.087.602	9.008.203.948	38.225.291.550	21.416.491.84	8.921.070.131	30.337.561.215	(7.800.596.518)	(87.133.817)	(7.887.730.335)
Responsibility	480.465.129.830	185.565.529.609	666.030.659.439	175.793.545.771	91.535.339.855	267.328.885.626	(304.671.584.059)	(94.030.189.754)	(398.701.773.813)
Engineering	40.724.726.899	12.545.879.629	53.270.606.528	26.006.408.924	10.949.013.720	36.955.422.644	(14.718.317.975)	(1.596.865.909)	(16.315.183.884)
Ship and aircraft	20.556.230.186	18.257.095.405	38.813.325.591	24.189.915.037	22.035.767.327	46.225.682.364	3.633.684.851	3.778.671.392	7.412.356.773
Treatment	2.196.771.356	1.745.539.999	3.942.311.355	2.302.895.323	2.145.880.539	4.448.775.862	106.123.967	400.340.540	506.464.507
Group life	78.868.399.395	28.964.015.949	107.832.415.344	71.185.933.854	30.133.214.744	101.319.148.598	(7.682.465.541)	1.169.198.795	(6.513.266.746)
Accidents	2.180.261.723	1.980.330.516	4.160.592.239	1.552.894.990	1.745.138.649	3.298.033.639	(627.366.733)	(235.191.867)	(862.558.600)
Sum	74.575.079.773	26.075.084.549	100.650.164.322	11.313.544.557	5.099.464.217	16.413.008.774	(63.261.535.216)	(20.975.620.332)	(84.237.155.548)
	737.898.490.956	309.977.370.931	1.047.875.861.887	334.893.315.776	192.586.073.658	527.479.389.434	(403.005.175.180)	(117.371.297.273)	(520.396.472.453)

18-2- Premium Return reserve

Insurance field	20/03/2014	21/03/2013	(Increase) decrease in 2014
	(riyal)	(riyal)	(riyal)
Freight	1.426.945.101	272.514.343	(1.154.430.758)
Fire	1.977.097.458	731.307.462	(1.245.789.996)
Automobiles - Body	2.017.001.067	1.322.647.689	(694.353.378)
third person	79.347.667.434	27.000.993.584	(52.346.673.850)
Responsibility	(4.572.872.911)	7.902.330.674	12.475.203.585
Engineering	7.290.359.475	1.307.694.955	(5.982.664.520)
Ship and aircraft	845.248.756	1.492.172.535	646.923.779
Treatment	21.366.034.501	23.428.020.640	2.061.986.139
Group life	549.958.428	677.328.657	127.370.229
Accidents	1.351.962.469	587.613.155	(764.349.314)
Sum	111.599.401.778	64.722.623.694	(46.876.778.084)

19. Deferred compensation reserve

	note	20/03/2014			21/03/2013			(Increase) decrease in 2015		
		maintenance share	reinsurance share	total	maintenance share	reinsurance share	total	maintenance share	reinsurance share	total
		(riyal)	(riyal)	(riyal)	(riyal)	(riyal)	(riyal)	(riyal)	(riyal)	(riyal)
Deferred compensation reserve	19-1	119.822.345.200	61.774.234.162	181.596.579.362	119.069.236.479	78.995.763.912	198.065.000.391	753.108.721	(17.221.529.750)	(16.468.421.029)
unexpired risks reserve	19-2	83.616.299.336	-	83.616.299.336	44.710.238.010	-	44.710.237.010	38.906.061.326	-	38.906.061.326
Sum		203.438.644.536	61.774.234.162	265.212.878.698	163.779.474.489	78.995.763.914	242.775.238.403	39.659.170.047	(17.221.529.750)	22.437.640.297

19-1- deferred compensation reserve in separation of field:

Insurance field	20/03/2014			21/03/2013			(Increase) decrease in 2014		
	maintenance share	reinsurance share	total	maintenance share	reinsurance share	total	maintenance share	reinsurance share	total
	(riyal)	(riyal)	(riyal)	(riyal)	(riyal)	(riyal)	(riyal)	(riyal)	(riyal)
Freight	26.924.480	628.606.120	655.530.600	1.820.182.182	1.255.627.396	3.075.809.587	(1.793.257.711)	(627.021.276)	(2.420.278.987)
Fire	384.960.160	19.297.031.770	19.681.991.930	4.238.226.616	15.850.898.19	20.089.124.765	(3.853.266.456)	3.446.133.621	(407.132.835)
Automobiles - Body	1.078.164.060	326.621.140	1.404.785.200	1.746.699.750	582.233.250	2.328.933.000	(668.535.690)	(255.612.110)	(924.147.800)
third person Responsibility	60.265.028.853	15.214.468.097	75.479.496.950	79.365.805.657	26.455.268.552	105.821.074.209	(19.100.776.804)	(11.240.800.455)	(30.341.577.259)
Engineering	20.028.222.600	6.528.384.199	26.556.606.799	14.262.126.931	4.754.042.311	19.016.169.242	5.766.095.669	1.774.341.888	7.540.437.557
Ship and aircraft	28.472.386.400	17.319.128.800	45.791.515.200	11.556.259.039	28.047.015.491	39.603.274.530	16.916.127.361	(10.727.886.691)	6.188.240.670
Treatment	2.717.332.950	682.444.316	3.399.777.266	378.834.000	126.278.000	505.112.000	2.338.498.950	556.166.316	2.894.665.266
Group life	6.698.654.670	1.727.326.047	8.425.980.717	5.500.123.543	1.833.374.514	7.333.498.057	1.198.531.127	(106.048.467)	1.092.482.660
Accidents	52.500.000	17.500.000	70.000.000	36.050.000	36.050.000	72.100.000	16.450.000	(18.550.000)	(2.100.000)
Sum	98.171.027	32.723.673	130.894.700	164.928.752	54.976.249	219.905.001	(66.757.725)	(22.252.576)	(89.010.301)
Sum	119.822.345.200	61.774.234.162	181.596.579.362	119.069.236.479	78.995.763.912	198.065.000.391	753.108.721	(17.221.529.750)	(16.468.421.029)

19-1-1-defered compensations reserves is for the occurred accidents (reported and unpaid) that has been calculated based on central insurance of Iran. The reserve of occurred accidents and non-reported of third person is equal to 3 percent of occurred damages.

19-1-2-the decrease of the compensation reserves during the year compared to the decrease of paid compensation is caused by the deferred files finalization in third person and payment of all files is the loss of the damaged persons.

19-2- unexpired risks reserve

Insurance field	20/03/2014	unexpired risks reserve	(Increase) decrease in 2014
	(riyal)	21/03/2013 (riyal)	
Automobiles - Body	-	4.020.241.398	(4.020.241.398)
third person	65.988.820.887	14.902.829.150	51.085.991.737
Responsibility	(3.869.919.009)	-	(3.869.919.009)
Engineering	-	12.144.369.493	(12.144.369.493)
Treatment	18.431.029.133	12.986.271.516	5.444.757.617
Life and investment	3.066.368.325	656.526.453	2.409.841.872
Sum	83.616.299.336	44.710.237.010	38.906.061.326

20. Other technical reserves

Insurance field	20/03/2014	Additional technical reserve and natural hazards	(Increase) decrease in 2014
	(riyal)	21/03/2013 (riyal)	
Freight	452.987.705	433.035.778	(19.951.927)
Fire	1.351.498.337	1.126.299.125	(225.199.212)
Automobiles - Body	13.029.949.738	15.355.120.143	2.325.170.405
third person	105.726.014.934	92.452.003.645	(13.274.011.289)
Responsibility	8.990.987.309	6.551.177.578	(2.439.809.731)
Engineering	2.509.688.200	1.581.936.908	(927.751.292)
Ship and aircraft	354.014.240	134.930.737	(219.083.503)
Treatment	17.027.435.192	11.689.811.905	(5.337.623.287)
Group life	666.075.744	467.165.542	(198.910.202)
Accidents	4.559.293.571	4.553.732.080	(5.561.491)
Individual life	3.758.741.481	2.561.829.200	(1.196.912.281)
Sum	158.426.686.451	136.907.042.646	(21.519.643.815)

21. Coming years Premium

The amount of 20.387 million riyals of premium related to the share of the coming year's premium, long-term insurance policies issued separated as follows:

	20/03/2014 (riyal)	21/03/2013 (riyal)
Engineering Insurance	13.587.129.199	38.162.128.511
Fire insurance	3.029.590.523	1.452.946.873
Civil liability	3.770.680.436	2.455.388.246
	<u>20.387.400.158</u>	<u>42.070.463.630</u>

22. Benefits reserve of end of carrier

Benefits reserve of end of carrier is as follows:

	20/03/2014 (riyal)	21/03/2013 (riyal)
Balance in the beginning of the year	-	-
reserve provided over the year	4.635.343.964	3.369.304.780
Paid over the year	<u>(4.635.343.964)</u>	<u>(3.369.304.780)</u>
balanced over the year	-	-

23. Capital

Capital of the company amounted to 625.852 million riyals divided into 625,852,000 shares of 1.000 riyal in the name of fully paid. The major shareholders at the balance sheet date are as follows:

	20/03/2014			21/03/2013		
	Number of shares	capital Amount (riyal)	% of shares	Number of shares	capital Amount (riyal)	% of shares
Rasool baradaran naghshineh	125.170.399	125.170.399.000	20	61.152.812	61.152.812.000	20
Engineers talashgaran tose'e company va tajhiz paytakhtat	122.667.570	122.667.570.000	19.6	42.000.000	42.000.000.000	19.6
pishgaman tose'e tejarat company alborz	93.877.799	93.877.799.000	15	36.400.000	36.400.000.000	15
sadre madaen Development company	90.360.441	90.360.441.000	14.43	30.753.730	30.753.730.000	14.43
Company ertebate shegerfe iranian	81.360.759	81.360.759.000	13	26.397.998	26.397.998.000	13
Investment Company eghtesad gostare dena	43.849.499	43.849.499.000	7.01	19.047.335	19.047.335.000	7.01
Seyyed shahram vahabpoor	39.265.339	39.265.339.000	6.27	17.448.931	17.448.931.000	6.27
company pishgaman tejarate arka	15.143.751	15.143.751.000	2.42	13.199.999	13.199.999.000	2.42
Other	14.176.443	14.176.443.000	2.27	33.599.195	33.599.195.000	2.27
	<u>625.852.000</u>	<u>625.852.000.000</u>	<u>100</u>	<u>280.000.000</u>	<u>280.000.000.000</u>	<u>100</u>

*In the reported financial year, the changes of shares have been occurred between shareholders that is informed to the central insurance and stock exchange

23-1- surplus of assets revaluation

Above headline is amounted to 345.852 million riyals from the revaluation of the company's lands in the previous fiscal year. Company's assets reevaluation has been done, according to official expert's report, due to the facilities provided in the budget law in year 2013 based on the minutes of the extraordinary general meeting dated 10.07.1392 and license of the Securities and Exchange dated 14.07.1392 No 121/239101 and license of Islamic Republic of Iran Central Insurance No 92/602/23155 dated 21/10/2013 in the Companies Registration Office and national non-commercial organizations registered on 22/10/2013.

23-2- ongoing capital increase

By virtue of Act No. 238 dated 15/10/2014 of the Board of Directors It was decided that measures applied to the capital increase from the receivables and cash of some shareholders from the amount of \$ 625.852 million riyals up to 2.000 billion riyals(In this regard, according to the number 59685/602/92 of Islamic Republic of Iran Central Insurance license dated 11.03.2014and license of Stock Exchange) Unsold right issues were allocated to personnel and representatives after private and public subscription implementation phase. Therefore, the claims of the major shareholders of the company for transfer of headquarters building have been approved to increase the capital. According to official experts of the judiciary and cash payment of a total amount of 544,325,679 thousand riyals by the shareholders in the previous financial year and also increase of the amount 2000 billion riyals in current year has been payment of stakeholders and buyers of right issues for the capital increase.

24. Legal reserve

In accordance with the provisions of Article 2 of Regulation No. 61 dated 03.10.2010 passed by the Supreme insurance that is in force from 03.21.2010, Insurance companies are obliged to issue every year at least one twentieth of the net profit of the firm as a legal reserve. When the legal reserve reaches to one tenth of the capital, it is to issue optionally. Also pursuant to the provisions of Article 4 of the Regulation, the articles of association of insurance companies set a higher threshold for legal reserves and capital, the reserves should be booked in the rates included in the Articles of Association. Calculating the legal reserve is not required in the fiscal year 03.20.2015 according to the legal reserve balance in 2014 to one-tenth of capital.

	20.03.2014 (riyal)	21.03.2013 (riyal)
Balance at the beginning of the year	28.000.000.000	28.000.000.000
Transfer from the net profit of the year	34.585.209.263	-
Balance at the end of the year	62.585.209.263	28.000.000.000

25. The capital reserve

in the implementation of Article 3 of Regulation 61 approved of Insurance Council which was adopted at the meeting dated 03.10.2010, when the accumulated capital is not equal to the capital of each year, at least 10% of net profit is included in the capital reserve account and after reaching the legal reserve in the amount of ten percent of the company's capital and stopping the issue of legal reserves, each year at least 15% of the net profit should be included in the capital reserve account, according to the specified limit. Above turnover is as follows:

	20.03.2014 (riyal)	21.03.2013 (riyal)
Balance at the beginning of the year	29.519.631.101	29.519.631.101
Transfer from the net profit of the year	15.1154.853.712	-
Balance at the end of the year	<hr/> 44.674.484.813	<hr/> 29.519.631.101

26 -premiums issued

Insurance field	2014			2013		
	Gross premium (riyal)	returned premium (riyal)	Net premium (riyal)	Gross premium (riyal)	returned premium (riyal)	Net premium (riyal)
Freight	29.903.913.432	5.189.302.278	24.714.611.154	15.503.923.053	3.579.605.120	11.924.317.933
Fire	54.002.376.007	4.659.840.528	49.342.535.479	46.394.990.624	11.753.868.335	34.641.122.289
Automobiles - Body	84.207.279.340	4.819.881.008	79.387.398.332	65.818.309.574	3.876.791.907	61.941.517.667
third person	1.707.578.216.492	175.423.715.550	1.532.154.500.942	997.298.333.787	151.501.126.560	845.797.207.227
Responsibility	5.070.097.838.193	4.952.629.768.745	117.468.069.448	5.232.685.068.459	5.150.498.337.602	82.186.730.857
Engineering	352.778.190.244	255.516.275.742	97.261.914.502	237.909.969.345	140.583.344.355	97.326.624.990
Ship and aircraft	14.158.650.712	2.765.438.834	11.393.211.878	13.471.692.244	2.095.864.381	11.375.827.863
Treatment	463.437.634.658	236.323.237.583	227.114.397.075	274.719.474.281	49.404.661.975	225.314.812.306
Group life	11.659.889.653	501.112.148	11.158.777.505	12.726.276.086	1.424.941.805	11.301.334.281
Accidents	258.711.823.522	31.315.532.994	227.396.290.528	43.702.359.639	855.389.431	42.846.970.208
Individual life	81.160.690.263	3.518.805.453	77.641.884.810	59.316.589.351	-	59.316.589.351
Sum	8.127.696.502.516	5.672.662.910.863	2.455.033.591.653	6.999.549.986.443	5.515.573.931.471	1.483.973.054.972

26-1- amounted to 4.946 billion riyals for civil liability insurance premiums, Amounted to 212 billion riyals for engineering. And amounted to 163 billion riyals for treatment has been issued in the previous fiscal year. Due to the Users' error the issuance of the insurance policy has been canceled within a week.

27. Ceding reinsurance premiums

Insurance field	2014			2013		
	Gross premium	Returned premium	net premiums	Gross premium	Returned premium	net premiums
	(riyal)	(riyal)	(riyal)	(riyal)	(riyal)	(riyal)
Freight	4.934.625.074	8.037.003.299	12.971.628.373	2.981.039.789	6.403.251.717	9.384.291.506
Fire	10.505.488.348	22.755.494.271	33.260.982.619	8.342.459.886	19.132.173.311	27.474.633.197
Automobiles - Body	15.983.434.196	-	15.983.434.196	15.482.592.233	-	15.482.592.233
third person	306.698.046.979	-	306.698.046.979	205.452.714.653	-	205.452.814.653
Responsibility	23.713.984.501	-	23.713.984.501	20.916.176.771	2.005.480	20.918.182.251
Engineering	14.394.425.457	51.942.445.949	66.336.871.406	17.897.383.799	24.872.976.569	42.770.360.368
Ship and aircraft	2.215.839.838	1.874.588.585	4.090.428.423	2.925.892.125	1.405.383.140	4.331.275.265
Treatment	48.166.212.798	1.027.408.040	49.193.620.838	56.328.703.821	597.329.846	56.926.033.667
life	4.528.437.400	-	4.528.437.400	5.080.023.230	-	5.080.023.230
Accidents	45.540.893.152	-	45.540.893.152	10.719.953.597	-	10.719.953.597
Individual life	37.744.808.953	-	37.744.808.953	22.740.004.990	-	22.740.004.990
Sum	514.426.196.696	85.636.940.144	600.063.136.840	368.867.044.864	52.413.120.063	421.280.164.957

28. Compensation of damage

Separation of damages and investigating the compensation with increase (decrease) in deferred compensation reserves and unexpired risk reserve is as follows:

Insurance field	Compensation of damage		increase (decrease) in damage reserves		Net damage costs	
	2014	2013	2014	2013	2014	2013
	(riyal)	(riyal)	(riyal)	(riyal)	(riyal)	(riyal)
Freight	1.040.474.205	285.382.905	(2.420.278.987)	356.635.440	(1.379.802.782)	642.018.345
Fire	5.633.401.868	8.105.883.285	(407.132.835)	(9.897.077.535)	5.226.269.033	(1.791.194.250)
Automobiles - Body third person	54.587.072.693 1.013.582.238.300	94.728.097.047 780.054.846.677	(4.944.389.198) 20.744.414.478	1.733.639.338 (124.832.287.401)	49.42.683.495 1.034.326.652.778	96.461.736.385 655.222.559.276
Responsibility	30.408.549.968	18.768.819.041	3.670.518.548	5.608.594.633	34.079.068.516	24.377.413.674
Engineering	23.815.498.289	2.369.788.896	(5.956.128.823)	35.165.035.423	17.859.369.466	37.534.824.319
Ship and aircraft	928.221.000	-	2.894.665.266	196.112.000	3.822.886.266	196.112.000
Treatment	230.238.563.318	170.982.930.375	6.537.240.277	8.878.268.229	236.775.803.595	179.807.198.604
life	21.062.591.631	13.642.764.329	2.407.741.872	708.026.453	23.470.333.503	14.350.790.782
Accidents	2.584.483.092	5.345.693.119	(89.010.301)	(185.190.349)	2.495.472.791	5.160.502.770
Sum	1.383.881.096.364	1.094.230.205.674	22.437.640.297	(82.268.243.769)	1.406.318.736.661	1.011.961.961.905

29. Compensation from reinsurers

Insurance field	Compensation from reinsurers		Increase (decrease) in reinsurance share reserves		Reinsurers' share compensation	
	2014 (riyal)	2013 (riyal)	2014 (riyal)	2013 (riyal)	2014 (riyal)	2013 (riyal)
Freight	793.077.055	57.406.764	(627.021.276)	(823.288.269)	166.055.779	(765.881.505)
Fire	4.212.613.622	6.498.285.466	3.446.133.621	(1.846.581.299)	7.658.747.243	4.651.704.167
Automobiles - Body	9.523.203.238	24.597.857.404	(255.612.110)	(571.650.515)	9.267.591.128	24.026.206.889
third person Responsibility	200.538.330.482	247.051.509.921	(11.240.800.455)	(34.933.779.138)	189.297.530.027	212.117.730.784
Engineering	7.729.139.494	7.134.170.170	1.774.341.888	1.402.148.659	9.503.481.382	8.536.318.829
Ship and aircraft	12.868.643.430	1.966.137.041	(10.727.886.691)	19.336.878.808	2.140.756.739	21.303.015.849
Treatment	-	49.980.000	556.166.316	49.028.000	556.166.316	99.008.000
life	49.520.920.654	47.086.574.639	(106.048.467)	956.003.630	49.414.872.187	48.042.578.269
Accidents	5.919.993.559	4.865.640.415	(18.550.000)	25.750.000	5.901.443.559	4.891.390.415
Whole life	535.303.318	480.240.380	(22.252.576)	(46.297.587)	513.050.742	433.942.793
Sum	4.712.807.462	882.943.046	-	-	4.712.807.462	882.943.046
	296.354.032.314	340.670.745.246	(17.221.529.750)	(16.451.787.711)	279.132.502.564	324.218.957.535

30. The cost of commissions and fees interests

Insurance field	2014	2013
	(riyal)	(riyal)
Freight	2.605.388.172	791.054.401
Fire	5.199.278.966	3.377.013.433
Automobiles - Body	8.324.124.904	6.773.433.573
third person	78.107.312.657	41.026.766.467
Responsibility	27.581.902.719	15.215.460.016
Engineering	3.564.048.595	3.706.622.283
Ship and aircraft	247.489.193	84.347.962
Treatment	13.939.147.409	8.174.666.503
life	930.980.851	875.453.004
Accidents	2.064.784.084	1.654.569.261
Whole life	11.128.955.919	7.523.319.083
Sum	153.693.413.469	89.202.705.986

31. Commission income and reinsurance interests fee

Separation of the amount stated in the profit or loss financial statements as the above title is as follows:

	2014 (riyal)	2013 (riyal)
Freight	3.862.592.005	5.107.852.952
Fire	9.247.048.461	8.824.663.812
Automobiles - Body	23.209.524.266	26.433.784.021
Responsibility	4.975.838.170	5.448.936.909
Engineering	9.912.094.286	8.573.809.097
Whole life	5.685.922.531	8.017.960.417
Other fields of insurance	17.346.355.411	14.036.400.558
Sum	74.239.375.130	76.443.407.766

31-1- reinsurance benefits fee is included based on invoices received from the Central Insurance of Iran or contracted insurance companies and based on regulations of central insurance of Islamic Republic of Iran in connection with reinsurance ceded in the account.

32. The fund's share costs of physical damage, police's share, Ministry of Health's share
Details of the above topics are as follows:

	Notes	2014 (riyal)	2013 (riyal)
Share of physical compensation fund	32-1	45.303.505.921	21.710.237.441
fees of law enforcement of Islamic Republic of Iran	32-2	22.409.600.000	59.851.484.083
fees of Ministry of Health and Medical Education	32-3	102.760.807.494	46.435.208.068
		170.473.913.415	127.996.929.592

32-1- amounted to 45.301 million riyals (previous year 21.710) is the cost of physical damage fund's share for 5% of the fund's share for issued premium of mandatory third party after deducting the mandatory reinsurance premium share.

32-2- pursuant to the provisions of Article 37 of the Fifth Development Plan of the Islamic Republic of Iran that is in force since the beginning of 2011, commercial insurance companies must deposit 10% of premium of third person, passenger and surplus premium in the dedicated revenues of the national treasury account by name of The Ministry of Health, Treatment and Medical Education.

32- 3-pursuant to paragraph 61 of the country's 2012 budget law, insurance companies are

required to deposit in the treasury row 160111 (for the Islamic Republic of Iran's police) concurrent with obtaining the third person premium equal to 10% of the original premium.

33- Other insurance costs

Details of the above topics are as follows:

	Notes	2014 (riyal)	2013 (riyal)
Advertising and marketing	33-1	26.394.531.108	9.872.267.660
Initial inspection		9.275.333.222	7.007.181.930
Currency exchange		4.169.483.371	-
Legal costs		1.788.344.390	3.402.891.751
Other(mainly insurance requirements)		304.526.633	2.900.485.566
		<u>41.932.218.724</u>	<u>23.182.826.907</u>

34- Investments income

	2014 (riyal)	2013 (riyal)
Income from sale and purchase of stock and non-stock shares	105.883.162.008	25.554.974.000
Short-term deposit investment income	43.211.325.108	5.683.922.880
Long term bank deposit investment income	13.158.364.242	16.113.996.725
Benefit from investee companies	6.522.974.498	2.094.673.787
Other	698.527.385	876.891.926
Total income from investments	<u>169.474.353.241</u>	<u>50.324.459.318</u>
Net investment income from technical reserves	86.854.021.942	27.078.128.858
Net investment income from other sources	82.620.331.299	23.246.330.460

34- 1- investments income has been classified and presented in accordance with Regulation 60 of Islamic Republic of Iran central insurance in proportion of technical reserves (shareholding) and equity at the beginning of the fiscal year under headings of net investment income from technical reserves and net investment income from other resources accordance with the standard stated by the Central Insurance of Islamic Republic of Iran.

34-3-the profit of investment in the stock amounted to 105.883 million riyals is for Jamdaroo Company.

35. Administrative and general expenses

General and administrative expenses include the following items:

	note	2014 (riyal)	2013 (riyal)
Personnel costs	35-1	97.902.980.024	59.618.197.499
Administrative costs	35-2	97.811.046.643	67.474.471.373
Amortization costs		22.135.516.848	19.204.731.278
		<hr/>	<hr/>
		217.8493543.515	146.297.400.150

35-1- personnel costs consist of the following items:

	2014 (riyal)	2013 (riyal)
salary and benefits	56.153.167.116	34.414.815.298
Bonuses	18.305.193.804	7.114.063.370
employer Insurance	10.876.879.640	7.944.895.952
End of carrier benefits	4.622.070.117	3.369.304.780
Noncash assistance	5.582.694.711	5.942.630.680
staff training	1.084.147.947	207.399.533
additional treatment and life and group accidents	1.278.826.689	625.087.886
	<hr/>	<hr/>
	97.902.980.024	59.618.197.499

35-2- administrative costs consist of the following items:

	2014 (riyal)	2013 (riyal)
Rent	18.595.537.552	16.664.787.291
Maintenance and repair of assets	17.103.761.892	15.854.071.366
Fees of expert advice	15.419.367.730	13.747.002.566
Food of staff	13.395.919.149	2.121.789.701
Consumer goods	7.757.826.054	6.144.221.115
Water, electricity and telephone	5.560.855.713	3.9983822.738
Missions and travel	4.636.505.167	2.961.906.605
employees clothing	4.629.555.003	24.940.000
Transportation	1.577.884.962	1.521.057.451
membership fee	528.580.000	503.760.000
Audit	440.700.000	406.340.000
Benefit to attend in meeting	340.891.750	212.002.158
Reward of Board	98.000.000	1.760.000.000
Other items	7.725.661.671	1.553.770.382
	<u>97.811.046.643</u>	<u>67.474.471.373</u>

36-financial costs

	2014 (riyal)	2013 (riyal)
cost of bank fees	28.102.723.114	719.808.712
cost of stamps and notes	783.166.337	569.647.712
	<u>28.885.889.451</u>	<u>1.289.456.424</u>

37. Other incomes and other non-insurance costs

	2014 (riyal)	2013 (riyal)
Foreign exchange earnings	17.673.326.285	722.733.458
selling the property of Taleghani branch	201.666.028.158	-
loans income	32.139.419.550	42.162.117.811
Other non-insurance Net incomes (expense)	5.617.838.491	3.021.622.349
	<u>257.096.612.484</u>	<u>39.863.228.920</u>

38. The annual adjustments

The above topics consist of the following items:

	2014 (riyal)	2013 (riyal)
definite tax report VAT of years 2008 to 2010	(25.247.037.254)	(25.247.037.254)
Amendment of public fees	26.093.747.894	-
definite report of salary tax 2011	(2.246.117.304)	(2.246.117.304)
employee performance Reward	(538.888.889)	-
Modified Dividend of Bank Sarmayeh	320.000.000	320.000.000
definite report of VAT 2010	(89.602.429)	(89.602.429)
Accumulated effects of change in the calculation method of non-received premium (2012)	-	54.190.734.026
Accumulated effects of change in the calculation method of deferred damages (2012)	-	(6.425.415.453)
Accumulated effects of change in the method of identifying the life premium (before 2012)	-	(57.669.739.455)
Amendment of optional reinsurance calculations for deferred compensation 2012	-	(5.186.552.973)
Amendment of ministry of health calculations 2012	-	-
Amendment of fees of physical damages compensation fund 2012	-	(3.793.867.481)
Cancellation of crimes in third person insurance 2012	-	6.345.184.964
Adjustment of salary tax 2011 based on assessment sheet	-	(715.253.927)
	<hr/>	<hr/>
	(1.707.897.982)	(24.567.151.680)

38-1- in order to provide an appropriate picture of financial condition and results of operations, all relevant comparative items have been corrected and restated in the comparative financial statements. For this reason, some comparative items are not comparable with the financial statements of the previous year. Review is classified and presented as follows:

		balance before the adjustments 21/03/2013	Annual adjustments	classification review	provided review balance 21/03/2013
Balance sheet headings	note	debtor (creditor)	debtor (creditor)	debtor (creditor)	debtor (creditor)
Cash & banks	4	170.984.024.226	-	(10.519.761.791)	160.464.262.435
Claims from insurer and reinsurer	7	107.619.942.349	-	24.074.420.633	131.694.362.982
Other accounts and receivables	8	403.960.023.887	26.413.747.894	18.503.160.000	448.876.931.781
Long term receivables	18-1	18.503.160.000	-	(18.503.160.000)	-
Tangible fixed assets	11	768.747.982.048	-	10.519.761.791	779.267.743.839
Debt to insurers and representatives	13	(200.328.695.561)	-	(6.817.959.066)	(207.146.654.627)
Debt to insurers and reinsurers	14	(61.997.911.910)	-	575.110.837	(61.422.801.071)
Other accounts and payables	15	(334.260.239.163)	(28.121.645.876)	6.817.959.068	(355.563.925.971)
Coming years premiums	22	(17.420.932.158)	-	(24.649.531.472)	(42.070.463.630)
accumulated profit (loss) and profit		(19.130.253.781)	1.707.897.982	-	(17.422.355.799)
Headings of profit(loss) and accumulated profit (loss)			-	-	
Other net insurance costs		266.765.517.265	(26.093.747.894)	(75.706.146.621)	164.965.622.750
Income from investment in technical reserves	34	(43.201.331.584)	-	16.123.202.726	(27.078.128.858)
Income from investment from other resources	34	(49.285.245.545)	-	26.038.915.085	(23.246.330.460)
Common administrative costs	35	71.880.709.955	538.888.889	73.877.801.306	146.297.400.150
Financial costs	36	-	-	1.289.456.424	1.289.456.424
Other incomes and non-insurance costs	37	-	-	(39.863.228.920)	39.863.228.920
Board reward		1.760.000.000	-	(1.760.000.000)	-
Annual adjustments		(2.695.605.307)	27.262.756.987	-	24.567.151.680
			1.707.897.982	-	

39. Basic and reduced profit per share

Basic and reduced profit of each share is as follows:

	2014 (riyal)	2013 (riyal)
Operating Profit (loss)	(127.178.364.954)	3.430.696.113
Tax effect	-	-
Net Operating Profit(loss)	(127.178.364.954)	3.430.696.113
Average number of shares	625.852.000	625.852.000
Basic operational and reduced Profit (loss) per share	(203)	5
Non-operating profit	228.210.723.033	38.573.772.496
Tax effect	-	-
Net non-operating income	228.210.723.033	38.573.772.496
Average number of shares	625.852.000	625.852.000
non-operating Basic and reduced profit per share	365	62
Basic and reduced profit per share	161	67

39-1- due to the company's capital increase from the revaluation surplus of assets during the fiscal year under report, as a result, the number of ordinary shares has been increased without change in resources or obligations. The weighted average of number of ordinary shares is intended to the provided comparable items based on the number of shares after the capital increase.

40. The adjustment statement of Operating Profit (loss)

The adjustment statement of Operating Profit (loss) with Net operating cash flow from operating activities is as follows:

	2014 (riyal)	2013 (riyal)
Operating Profit(loss)	(127.178.364.954)	3.430.696.113
Amortization costs	25.184.317.893	19.203.031.278
(Increase) decrease in other receivables	(426.364.203.181)	(41.049.841.906)
(Increase) of receivables from policyholders and representatives	(393.216.838.102)	(73.027.177.810)
(Increase) decrease in receivables from reinsurers	105.305.639.630	(71.487.209.405)
(Increasing) share of reinsurer from technical reserves	(141.099.094.401)	(13.934.200.179)
Increase of other accounts and payable	135.888.461.062	143.557.227.682
Increase (decrease) in liabilities to policyholders and representatives	(69.198.174.518)	22.764.735.516
increase in liabilities to reinsurers	106.241.193.688	44.414.231.752
Increase of deferred compensation reserves	22.437.640.296	(117.988.481.813)
Increase of premium reserves	648.692.572.612	128.207.315.619
Increase of other technical reserves	21.519.643.809	49.506.104.296
Increase (decrease) in coming years Premium	(21.683.063.472)	(12.572.509.164)
Other (costs) and incomes	206.768.347.980	9.805.649.656
Net cash flow from operating activities	93.298.078.342	2.001.108.131

41. Transactions with affiliated persons

Transactions with related persons during the reported fiscal year are as follows:

Kind of affiliation	Name of affiliated parties	how to set the prices	transaction description	Financial year ended on	21/03/2013			
				20/03/2014	transaction amount (million riyal)	claim balance (debt) (million riyal)	transaction amount (million riyal)	claim balance (debt) (million riyal)
A) transactions with related persons								
Board member	jamdaroo	ordinary commercial conditions and customs	sale of insurance policies	1.197	571	1.258	1.730	
Board member	Kurdestan tire	ordinary commercial conditions and customs	sale of insurance policies	-	8.560	15	8.560	
Board member	Lising razi	ordinary commercial conditions and customs	sale of insurance policies	17	18	8	133	
Board member	artavil	ordinary commercial conditions and customs	sale of insurance policies	6.526	3.033	10.971	17.043	
Board member	artavil	ordinary commercial conditions and customs	paying the administrative costs	853	-	-	-	
shareholder and Common member of the board	Pishgaman tose'e tejarat alborz	ordinary commercial conditions and customs	settling the shareholder's debt	515.329	265.329	-	-	
B) Other related persons								
shareholder	Rasool baradaran naghshineh	ordinary commercial conditions and customs	buying the property	276.000	276.000	-	-	
shareholder	Rasool baradaran naghshineh	for capital increase		204.000	204.000	-	-	
shareholder	Sadr madaen	ordinary commercial conditions and customs	buying the property	36.000	36.000	-	-	

The above transactions are carried out fully and in all aspects under ordinary conditions of trade and customs of operations with non-affiliated third parties and not given any special privilege to the transaction party and the accounts balance between parties is reflected in the relevant notes.

42. Events after the balance sheet date

From the balance sheet date to the date of approval of financial statements except in the event included in note 23-2 a significant event has not been located that requires a disclosure or adjustment of financial statements items.

43- Contingent liabilities

43-1- contingent liabilities referred in Article 235 of the Commercial Code Amendment approved in 1347 at the balance sheet date is as follows, and the company except the above and a case mentioned in the explanatory note 15-5 has no other contingent liabilities.

43-2-There is contingent liability in respect of withholding tax of years 2012 and 2013 as well as VAT for the year 2013 that its value will be recognized after investigation .

43-4- guarantee documents received from legal persons is mainly about providing the obligations of insured against the customs of Islamic Republic of Iran that has been received from policyholders. It should be noted that Customs of Iran in previous financial years has taken to confiscate the deposit of company as well as the lawsuit in this regard.

43-5- the company's capital liabilities at the balance sheet date is for expenditure of projects completion of subsidiaries branches as stated in financial statements Notes 11-6 amounted to 267 billion riyals.

44-non-cash transactions

The major non-cash transactions during the year are as follows:

	20/03/2014	21/03/2013
	riyal	riyal
Settling the paid interest of shares to the shareholders' claims	-	30.648.765.015
Cash funds of shareholders for capital increase	720.000.000.000	-
	<u>720.000.000.000</u>	<u>30.648.765.015</u>

45-gross profit of insurance operation

Insurance field	maintenance premium (riyal)	net loss (riyal)	net commissions and interest fees (riyal)	Increase (decrease) in technical reserves	deferred compensation reserves (riyal)	other technical reserves (riyal)	Total technical reserves (riyal)	income from technical reserves (riyal)	cost of physical damage compensation fund (riyal)	gross profit (loss)of insurance operation (riyal)
				premium reserves (riyal)						
Freight	11.742.982.781	247.399.150	(1.257.203.833)	(4.255.800.283)	(1.793.257.711)	(19.951.927)	(2.482.494.499)	549.833.708	(365.453.997)	10.554.672.676
Fire	16.081.552.860	1.420.788.246	(4.047.769.495)	(6.127.538.427)	(3.853.266.456)	(225.199.212)	(2.499.471.183)	752.975.629	(363.528.805)	16.598.509.750
Automobiles - Body	63.403.964.136	45.063.869.455	4.725.672.547	(8.494.949.896)	(4.688.777.088)	2.325.170.405	(1.481.002.403)	2.968.720.757	(1.433.267.514)	13.668.872.974
third person	1.225.456.453.963	813.043.907.818	58.496.240.748	(357.018.257.909)	31.985.214.933	(13.274.011.289)	(402.277.484.131)	57.378.715.367	(198.175.760.596)	(189.158.223.962)
Responsibility	93.754.084.947	22.679.410.474	22.606.064.549	(2.243.114.390)	1.896.176.660	(2.439.809.731)	(6.579.100.781)	4.389.783.853	(2.119.342.001)	44.159.950.995
Engineering	30.925.043.096	10.946.854.859	(6.348.045.691)	(52.348.979.669)	4.771.757.868	(927.751.292)	(8.048.488.829)	1.447.982.292	(699.070.795)	19.026.656.596
Ship and aircraft	7.302.783.455	928.221.000	(501.194.384)	753.047.746	2.338.498.950	(219.083.503)	(1.804.534.707)	341.933.271	(165.081.828)	5.248.073.575
Treatment	177.920.776.237	180.717.642.664	6.935.085.318	(5.620.479.402)	6.643.288.744	(5.337.623.287)	(17.601.391.433)	8.330.663.684	(4.021.957.808)	(23.024.637.302)
life	6.630.340.105	15.142.598.072	421.379.400	(499.936.504)	2.426.291.872	(198.910.202)	(3.125.198.578)	310.447.912	9149.881.024)	(11.898.269.057)
Accidents	181.855.397.376	2.049.179.774	(7.019.224.208)	(64.025.884.530)	(66.757.725)	(5.561.491)	(63.964.688.296)	8.514.891.778	94.110.901.216)	127.264.744.075
Whole life	39.897.075.857	(4.712.807.462)	5.443.033.388	(40.489.995.195)	-	(1.196.912.281)	(41.686.907.476)	1.868.073.690	(901.886.554)	(1.553.870.413)
Sum	1.854.970.454.813	1.087.527.064.050	79.454.038.339	(490.371.948.459)	29.659.170.047	(21.519.643.811)	(551.550.762.317)	86.854.021.942	(212.406.132.139)	10.886.479.906