

Independent auditor and legal inspector's report
Razi insurance company (LLP)
including its financial statements and notes
for the fiscal year ended on 20.03.2015

Razi insurance company (LLP)

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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 20.03.2015 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. The financial effects of the devaluation of accumulated equity for investment in the companies' shares have been identified with regard to the financial statements Notes 1-10. In addition, investment in shares of subsidiaries is not reflected in the financial statements in accordance with the standards of equity method based accounting. Considering the above, although adjustment is necessary for the above-mentioned cases but determining the necessary adjustments on the financial statements is not possible for this firm because of lack of access to necessary information.

5. Identifying the return of premium reserve and additional technical and natural hazards has been carried out (issue of financial statements Notes 18-2 and 20) Totaling 506 billion riyals (last fiscal year to 270 billion riyals) based on the Islamic Republic of Iran's Central Insurance Regulation No. 58 and supplements. Identifying the amount is inconsistent with Accounting Standard 28 (general insurance activities) because of lack of commitment.

6. 48 billion riyals claim of policyholders and representatives is transited from previous financial years with respect to the Notes 6 and 7 of financial statements. In addition, the amount of 159 billion riyals called as recoverable debtors for compensation of 560 cases is included in the accounts due to keeping the track of the amount received from compensated recipients with respect to the financial statements Notes 8-4. The amount 115 billion riyals are claims of Niroo Moharekeh Parsian (NMP) and Pishgaman Tose'e Tejarateh Alborz (PTTA) to be stagnant and transited from previous financial years with regard to the financial statements Note 8. It should be noted that the answer of approval submitted has not been received in respect of these cases as well. Considering the above, determining the amount of necessary bad debts reserve and how the money is collected is not identified and possible for the firm.

Provisional Opinions

7. In view of this firm, excluding the effects of the provisions of paragraphs 4 to 6 the above-mentioned financial statements show the financial condition of the insurance company Razi (IPO) on 03/20/2015 properly and its financial performance and cash flows for the year ended on the mentioned date from all significant aspects according to the accounting standards.

Emphasis on especial matter

8. Amounted to 164 billion riyals (equal to US \$ 4. 927.500) has been identified as demand from cnpc international for Azadegan project with regard to the financial statements notes 6-2-1. In this regard, the insurance policy was issued on 18.03.2015 and income and reserve of insurance premium not received is calculated based on the date of issue. In addition, the company moved in March 2015 to transfer the risk as optional and mandatory and it kept only 3.2 percent of the

insurance risks. And financial effects of the transfer of insurance risk are reflected in the accounts for the fiscal year 2015.

9. 52 billion riyals from the deposit account balances are related to Justice Withdrawals from the company's bank accounts for claims of compensation with regard to the financial statements Note 8-5. Also 22 billion riyals associated with the withdrawals of Justice from the bank accounts of company reported in fiscal year 2015 is for alleged damage in slaughterhouse Sepid Morgh Ehsan.

Comment of the firm is not conditioned by the provisions of paragraphs 8 and 9.

Report on other legal and regulatory requirements

Report on other legal inspector's duties

10- 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:

10-1- The provisions of Article 112 of amendment to the Commercial Code and that of Articles 27, 28 and 30 of the Company's association on the invitation of the General meeting of shareholders to complete the board members due to over 6 -meeting absence of a member of the board of directors.

10-2- attention to the provisions of Article 240 of the Commercial Code amendment is necessary due to adjusted accumulated loss balance of the company for fiscal year 2014 as well as non-payment of dividends approved in prior fiscal years.

10-3-the measurements carried out as to the company's capital increase registry has not led to an exact outcome in the companies registry department till date of this report

11. Transactions set out in note 42 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.

12. The report of Board has been reviewed on the activity and general conditions referred to in

Article 232 of the Commercial Code amendment which is set to be submitted to the ordinary general meeting of shareholders of the firm. 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 cases that are contrary to the information contained in the report with the documents provided by the board.

The report on other auditor's regulatory requirements

13- Cases of non-compliance with the provisions of insurance law and procedures of the insurance Supreme Council of the Islamic Republic of Iran in the fiscal year reported to the Central Insurance of Islamic Republic of Iran in a separate report.

14- In line with controlling the provisions of the executive order for disclosure of information of the companies registered in the Securities and Exchange Organization, the provisions of paragraphs 3 to 5 of Article 7 and the provisions of Articles 8 to 10 of the instruction mentioned have not been to comply with the reported financial year.

15- 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

07/10/2015

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 20.03.2015 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 03.26.2015 by the board.

members of the board	position
Engineer. Bahman Yazdkhasti	chairman and executive member
Hasan Adlkhah	Vice Chairman and nonexecutive member
Dr. Yunes Mazloomi	executive member of the board and managing director
Aliakbar Deilamanizad	executive member of the board
Farhad Khaleghi	executive member of the board

Razi insurance company (LLP) - Balance sheet - on 20.03.2015

Assets	note	(review provided)		shareholders' Liabilities and equity	note	(review provided)	
		20/03/2015	20/03/2014			20/03/2015	20/03/2014
		riyal	riyal			riyal	riyal
Cash Balance	4	158.408.435.324	164.366.189.526	Liabilities to policyholders and representatives	13	256.152.439.263	137.948.480.109
Short term investments	5	977.119.410.017	725.676.835.026	liability to insurers and reinsurers	14	217.393.989.338	137.335.898.694
Claims from policyholders and representatives	6	1.534.020.434.499	808.789.799.117	Other accounts and payables	15	933.016.060.530	553.837.483.098
Claims from insurers and reinsurers	7	33.596.945.050	26.388.723.352	Financial liabilities	16	-	128.332.860.100
Other receivables	8	696.107.609.427	875.241.134.962	reserve for Income Tax	17	-	-
Reinsurers share of technical reserves	9	674.237.502.535	412.628.032.960	premium reserve	18	2.156.317.646.371	1.273.938.984.216
Long-Term Investments	10	250.167.363.426	250.167.363.426	deferred compensation reserve	19	544.661.915.358	306.748.991.227
Tangible Fixed Assets	11	2.355.046.970.381	1.352.052.632.670	Other technical reserves	20	244.087.529.680	158.426.686.455
Intangible assets	12	3.659.249.568	1.371.938.687	coming years Premium	21	38.708.150.746	20.387.400.158
				benefits reserve of the employees' end of carrier	22	-	-
				Total liabilities		<u>4.390.329.730.286</u>	<u>2.716.956.784.057</u>
				Shareholders' equity			
				Capital (number of thousand riyal 628,852,000 shares)	23	625.852.000.000	625.852.000.000
				Under operation capital increase	23	1.374.148.000.000	1.264.325.771.626
				Legal reserve	24	62.585.209.263	62.585.209.263
				capital reserve	25	88.643.321.798	44.674.484.813
				accumulated Profit(loss)		140.805.658.880	(97.711.600.033)
				Total Equities		<u>2.292.034.189.941</u>	<u>1.899.725.865.669</u>
Total Assets		<u>6.682.363.920.227</u>	<u>4.616.682.649.726</u>	Total Obligations and Equities		<u>6.682.363.920.227</u>	<u>4.616.682.649.726</u>

Attached notes are an integral part of the financial statements

Razi insurance company (LLP) – Income Statement - for the fiscal year ended on 20.03.2015

	Note	2015 (riyal)	2014 (riyal)	Review provided 2014 (riyal)
Premium issued	26	4.495.362.516.654		2.455.033.591.653
(Increase) of premium reserves	18	(882.378.662.156)		(615.551.118.523)
Premium income			3.612.983.854.498	1.839.482.473.130
Ceding reinsurance premiums	27	991.039.001.575		600.063.136.840
(Increase) of reinsurance cession reserve	18	(204.045.484.042)		(125.179.170.64)
Reinsurance fee			(786.993.517.533)	(474.883.966.776)
maintenance share Premium income			2.825.990.336.965	1.364.598.506.354
Compensation	28	2.104.343.936.036		1.383.881.096.364
Increase of deferred compensation reserves and unexpired risks	19	237.912.924.130		63.973.752.825
damage Price			(2.342.256.860.166)	(1.447.854.849.189)
Compensation from reinsurers	29	477.526.524.400		296.354.032.314
Increase (decrease)of deferred compensation units of ceding reinsurance premiums	19	57.563.985.533		(13.916.608.331)
Damage of reinsurers' share			535.090.509.933	282.437.423.983
Damage maintenance costs			(1.807.166.350.233)	(1.165.417.425.206)
Fee and commission expense of Interest	30	(253.974.537.053)		(153.693.413.469)
Fee and commission income of reinsurance interests	31	113.535.580.092		74.239.375.130
Fee and commission expense of the interests of maintenance			(140.438.956.961)	(79.454.038.339)
(Increase) in other technical reserves	20	(85.651.843.224)		(21.519.643.813)
cost of physical compensation fund	32	(102,168.222.647)		(45.303.505.921)
cost of police share	32	(38.264.000.000)		(36.353.600.000)
Price of the Ministry of Health share	32	(238.609.686.489)		(102.760.807.494)
Other insurance costs	33	(164.494.885.284)		(37.762.735.353)
Net other insurance costs			(629.188.637.644)	(243.700.292.581)
Investment income from technical reserves	34		177.381.992.963	32.589.891.113
gross Profit (loss) of insurance activity			426.578.385.089	(91.383.358.659)
Investment income from other sources	34		254.037.359.129	31.001.300.120
Administrative and general expenses	35		(395.800.245.941)	(220.685.176.159)
Operating Profit (loss)			284.815.498.277	(281.067.234.698)
Financial expenses	36		(9.321.853.448)	(28.885.889.451)
Other incomes and non- insurance expenses	37		17.631.935.069	262.672.231.289
net Profit (loss) before tax			293.125.579.898	(47.280.892.860)
Taxation			-	-
net Profit (loss) of year			293.125.579.898	(47.280.892.860)
operational Basic and diminished Profit (loss) per share	39		455	(449)
non-operational Basic and diminished Profit (loss) per share	39		13	374
Basic and diminished Profit (loss) per share	39		468	(76)

Attached notes are an integral part of the financial statements.

Razi insurance company (LLP) - Income Statement - for the fiscal year ended on 20.03.2015

Turnover of accumulated profit (loss)

	Note	2015		review provided
	s	(riyals)	(riyals)	2014
Profit (loss) Net			293.125.579.898	(47.280.892.860)
Accumulated earnings at beginning of year		66.754.650.906		19.130.253.784
Annual adjustments	38	<u>(164.466.250.939)</u>		<u>(17.860.897.982)</u>
Cumulative Profit (loss) adjustment at beginning of the year			(97.711.600.033)	1.269.355.802
Attributable Profit			<u>195.413.979.865</u>	<u>(46.011.537.058)</u>
Allocation of profit:				
Legal reserve	24	-		<u>(34.585.209.263)</u>
Capital reserve	25	(43.968.836.985)		<u>(15.154.853.712)</u>
Dividend approved		<u>(10.639.484.000)</u>		<u>(1.960.000.000)</u>
			<u>(54.608.320.985)</u>	<u>(51.700.062.975)</u>
Profit (loss) accumulated at the end of the year			<u>140.805.658.880</u>	<u>(97.711.600.033)</u>

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
20.03.2015

	Notes	2015 (riyal)	(riyal)	2014 (riyal)
Net Cash Flow from Operating Activities	40		1.358.368.973.899	93.489.345.296
Investments and return of profits to finance:				
received Interest of payments facilities		(35.918.254.482)		-
Dividends paid		(2.822.069.308)		(191.226.954)
Net inflow (outflow) of cash returns from investments and interest paid for financing			(38.740.323.790)	(191.226.954)
income taxes:				
Income tax payments		-		-
Investment activities:				
Funds (paid) for the purchase of tangible fixed assets		(25.635.089.786)		(7.927.076.508)
Cash received from sales of tangible fixed assets		2.001.970.000		230.480.050.423
Funds (paid) for prepayment funds		(910.000.000.000)		-
Funds (paid) for the assets in the course of completion		(61.983.388.865)		(58.112.060.649)
Funds (paid) received for the acquisition of intangible fixed assets		(2.766.872.000)		(406.447.235)
Funds (paid) for the acquisition of short-term investments		(251.442.574.991)		(818.390.657.512)
funds received from the sale of long-term investments		-		3.335.005.000
Funds (paid) for the acquisition of long-term investments		-		(373.970.055)
Net inflow (outflow) of cash from investment activities			(1.249.825.955.642)	(651.395.156.536)
net Cash flow before financing activities			69.802.694.467	(558.097.078.194)
Financing activities:				
proceeds from the capital increase		6.074.985.387		544.325.679.000
Financial liabilities		100.000.000.000		-
Repayment of financial liabilities		(200.000.000.000)		-
Net flow (outflow) of cash from financing activities			(93.925.014.613)	544.325.679.000
Net (decrease) in cash			(24.122.320.146)	(13.771.399.194)
Effect of exchange rate changes			18.164.565.944	17.673.326.285
Cash balance at beginning of year			164.366.189.526	160.464.262.435
Cash balance at end of year			158.408.438.324	164.366.189.526
Non-cash transactions			114.266.652.384	720.000.000.000

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:

Grade	20.03.2015	20.03.2014
Diploma	184	181
associate	76	65
bachelor	288	242
Graduate	54	48
Total (persons)	602	536

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:

3.3.1. Non life insurances:

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

It is the sum of following items:

(A) pending damages plus the estimated costs of settling the loss after deduction of reinsurer' share

(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

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).

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 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-month 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. Investments

3.7.1. Long-term investment is evaluated at finished cost after deducting the accumulated impairment in value of each investment.

3.7.2. 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.
3-7-3- 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).

3.7.4. Interest guaranteed and fees received of investment deposits are included before the banks based on the principle accrue on the relevant year income.

3.8. Tangible and intangible fixed assets

3.8.1. Tangible and intangible 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.

3.8.2. 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.

3.9. Intangible assets and their amortization

Intangible assets are reflected in the financial statements at finished cost after deducting the amortization (in accordance with paragraph 3-8-2).

3.10. 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.

3.11. 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.

3.12. 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	20/03/2015	20/03/2014
		(riyal)	(riyal)
Cash with banks (riyal)		138.121.510.235	150.964.696.975
Cash with banks (currency)	4-1	20.232.483.911	12.569.995.842
Revolving fund	4-2	54.441.178	831.496.709
		<u>158.408.435.324</u>	<u>164.366.189.526</u>

4.1. Currency fund with banks including 307.012 /79 and 385.925 / 45 euro which is listed on the balance sheet date to the available exchange rate of each dollar amounted to 27.994 riyals and every euro amounted to 30.156 riyals exchange and income from exchange in the headline of other incomes and non-insurance expenses (Note 37).

4.2. Revolving fund balances included funds available to the center for paying the current costs which settled to the end of March 2015.

5. Short-term investments

	note	20/03/2015	20/03/2014
		Riyal(million)	Riyal(million)
Investment deposits with banks (riyal)	5-1	954.107.562.495	701.022.017.504
Investment deposits with banks (currency)	5-2	10.343.508.000	11.986.478.000
Investment in listed companies	5-3	12.668.339.522	12.668.339.522
		<u>977.119.410.017</u>	<u>725.676.835.026</u>

5.1. Short term investments deposits with riyal banks include the deposits with Ayandeh Bank amounted to 953.606 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-monthly and other deposits for one-yearly 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 6.5 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 8,923,390 shares with 22 percent ownership of Razi insurance (Including 2,230,043 shares of capital increase from accumulated earnings of 2015) 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 operating.

6. Receivables from policyholders and representatives

	Note	20/03/2015	20/03/2014
		(riyal)	(riyal)
Receivables from agents and brokers	6-1	1.114.081.706.688	620.459.277.078
Receivables from policyholders	6-2	348.896.482.445	85.975.504.993
Receivable documents	6-3	71.042.245.366	102.355.017.046
		<u>1.534.020.434.499</u>	<u>808.789.799.117</u>

6.1. Receivables from agents and brokers are as follows:

	note	20/03/2015 (riyal)	20/03/2014 (riyal)
Brokerage company Saipa	6-1-1	443.128.343.050	142.991.159.694
brokerage firm Chatre Asayesh Iranian	6-1-1	287.360.288.696	169.504.432.279
Company Shokouhi Faraze Sepahan	6-1-2	58.755.080.345	33.337.493.253
Babak rahimishad		43.394.208.225	22.792.137.547
Soheila hezarpiشه	6-1-3	16.298.678.735	16.313.938.735
Morteza hosseini		14.390.540.975	8.159.032.997
Mohammadreza naghashiyan		13.260.248.106	-
Mahmood mehdizadeh		9.584.425.998	-
Marziyeh javersineh		9.141.342.925	-
Geranaz yusefbeik		9.110.278.961	6.737.581.771
Fatemeh sahebzamani		7.666.382.515	4.199.028.436
Abolfazl banhashemi		7.562.351.599	-
Mohsen saboohi		6.055.134.686	-
Gholamreza shookuhi kouchaksarayi		5.556.044.893	179.495.097
Ahmad a'avadi		5.159.254.357	1.046.031.888
Ali salimi		5.082.196.810	455.723
Hussien mokhtari		5.056.062.387	3.042.278.991
Banafsheh zare'e		4.362.265.547	-
Nasim hashemi rashidabadi		4.267.152.337	-
Mohammad san'atgaran		3.856.769.883	221.973.641
Peiman tayefi		3.375.557.833	3.366.113.092
Sahar ahangar		2.680.366.925	-
Total quoted in the next page		965.102.975.788	411.891.153.138

	note	20/03/2015	20/03/2014
		(riyal)	(riyal)
Total quoted from previous page		965.102.975.788	411.891.153.138
official brokerage chatr hemayat		2.591.394.694	-
Hussein luyemi		2.548.511.727	2.191.748.507
Babake gholizadeh		2.387.997.582	1.792.354.799
Maryam sootudeh		2.306.672.318	92.644.797
Hadis jazayeri		2.105.009.033	1.384.488.292
Shiva eghdami		1.613.220.105	1.739.684
Parastoo razani		1.828.719.6688	3.857.471.209
Maryam safari		1.735.389.593	982.080.317
Ja'afar razaziyani		1.695.095.993	1.695.495.993
Mohammad hadashi		1.664.474.246	1.728.269.073
Elham soorushnia		1.595.262.712	7.138.773
Fatemeh baniya'aghoob		1.485.834.225	349.362.854
Nava ne'ematollahi		1.446.413.696	-
Alireza aslanloo		1.443.668.742	-
Esmael mahjoob		1.431.221.938	1.431.251.938
Gholamreza ghodusi		1.422.909.479	1.422.909.479
Fatemeh raeyati turanpashti		1.374.304.860	-
Other (items below 1 billion riyals)		118.302.630.289	191.631.168.225
		1.114.081.706.688	620.459.277.078

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 and it have been extended for a more period of one year. This was associated with a 90% growth in premiums issued that are collected in monthly installments according to the terms of the contracts. For this purpose, an amount of 80 billion riyals has been received from the amount by the end of June 2015 from brokerage chatre asayesh Iranian and the amount of 254 billion riyals from brokerage saipa based on a contract and the rest will be collected on a monthly basis.

6-1-2- Receivables from company shookuhe faraze sepahan 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 and amounted to 37 billion riyals has been received to date of financial statements preparation.

6-1-3- Receivables amounted to 16.3 billion riyals for Soheila hezarparisheh 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	20/03/2015 (riyal)	20/03/2014 (riyal)
Company CNCP INTERNATIONAL Azadegan project	6-2-1	164.282.808.094	-
Bank Ayandeh	6-2-2	28.720.194.078	1.868.498.961
Offshore Engineering and Construction		19.368.021.387	2.648.906.267
Oil and Gas Pars Company		17.259.715.638	8.731.448.398
Iran Offshore Oil		7.808.657.488	3.958.302.558
Consortium of companies Petrosina Arya (Pesa) and Iran marine industries (Sadra)	6-2-3	5.422.084.488	12.937.324.624
Agricultural Jihad Organization of Tehran Province		4.591.485.959	2.935.008.231
Academy of Persian Language and Literature		4.526.206.272	2.887.918.272
Marine Industrial Co. Iransadra		3.739.177.983	2.416.415.583
Alborz Construction		2.983.112.194	1.039.818.494
Iran Water and Power Resources Development Co.		2.178.669.160	7.213.837.112
Artaviltire		2.059.905.134	2.192.811.833
Yazd Rubber Industrial Complex		1.847.935.620	2.513.624.309
Company Negine Sabz Khavarmiyaneh		1.142.150.000	1.142.150.000
Other (items under one billion riyals)		82.966.358.950	33.489.440.351
		<u>348.896.482.445</u>	<u>85.975.504.993</u>

6-2-1- amounted to 164 billion riyals for responsibility and engineering contracting of company CNPC is \$ 4,927,500 that total amount of premiums has been collected to the end of may 2015.

6-2-2- receivables from bank Ayandeh is amounted to 28.720 million riyals mainly premiums for group treatment and third person policies of Ayandeh bank's personnel that are collected on a monthly basis after deduction of salaries.

6-2-3- receivables from consortium of companies Petrosina Arya and Sadra amounted to 5.422 million riyals led by Iran insurance company.

6.3. Receivables documents are distinguished as follows:

	note	20/03/2015 (riyal)	20/03/2014 (riyal)
Documents transferred to banks		33.359.560.299	74.462.506.433
documents with fund		13.821.601.206	5.909.341.266
Documents received to collection department	6-3-1	23.861.083.861	21.983.169.347
		<u>71.042.245.366</u>	<u>102.355.017.046</u>

6-3-1- amount of 23/861 million riyals is of received documents returned for the maturity before 20/03/2015 that is outstanding at the relevant maturities. Then the legal actions have been taken against a number of the documents.

7. Receivables from insurers and reinsurers

	note	20/03/2015 (riyal)	20/03/2014 (riyal)
Dana Insurance Company	7-1	13.095.228.470	12.956.592.249
AON LIMITED	7-2	4.727.409.561	5.240.291.785
Iran Insurance		4.414.389.347	4.773.231.993
Insurance Asia		3.093.841.803	1.278.830.117
Company GRS		3.641.128.254	-
Saman Insurance		1.969.103.654	16.486.128
Other		2.655.843.961	2.123.291.080
		<u>33.596.945.050</u>	<u>26.388.723.352</u>

7-1- receivable from the insurance company Dana is amounted to 13.095 million riyals for Sadra Offshore Consortium's bills that is collected based on mutual agreements on the installment basis. It was decided that measures applied to the collection of rest of receivables after provision for adjustment statement of the end of 2014 after the follow-up meetings for collection of receivables.

7.2. Receivables from the company AON amounted to 4.727 million riyals equivalent to 149.954 Euros, which will be collected after release of sanctions. Or it will be offset by receivable of other foreign reinsurance companies.

8. Other receivable documents and accounts

	note	20/03/2015	20/03/2014
Related parties		(riyal)	(riyal)
Receivables	8-1	-	139.003.160.000
Facilities granted to individuals (Niroo Mohareke Parsian)	8-2	53.724.753.147	54.890.368.705
Company Pishgamane Tose'e Tejarat Alborz	8-3	61.329.333.179	61.363.170.979
Other People		115.054.086.326	255.256.699.684
recovered Debtors	8-4	158.935.990.231	160.129.801.717
Unrealized portion of legal fees		95.561.044.307	79.197.195.574
Deposits	8-5	105.906.926.427	38.874.659.117
Rental deposit of branches		41.406.000.000	14.386.000.000
Loans and advances of Staff		10.990.918.640	5.175.716.983
loans of life insurance policyholders		9.623.675.999	4.605.578.102
Representatives loan		1.990.543.722	2.511.984.140
Company jahade sabz	8-6	-	280.000.000.000
receivable Interest	8-7	2.836.919.388	8.473.843.990
representatives and employees' shares	8-7	112.388.426.415	-
expense Prepayment		21.084.315.728	29.763.391.809
Other receivables		30.328.762.244	6.866.163.846
Is deducted		706.107.609.427	885.241.134.962
Bad receivables reserve		(10.000.000.000)	(10.000.000.000)
		696.107.609.427	875.241.134.962

8-1- documents received from the chemical company Razi have been settled for all loans from previous years in 2014.

8-2. the above account balance is related to the corporate Niroo Moharekeh Parsian's debt amounted to 53.725 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. Amounted to 159 billion riyals of recovered debtors is for identification of Renewable documents (mainly third person insurance) which is part of the 11 violations in the provisions of Article 6 of third person insurance law. And it is being tracked and recovered in 2014 with contracts with 15 lawyers across the country.

8-5- deposits in 2014 include mainly 52 billion riyals deposits with the Justice and 38 billion riyals deposits with the bank Ayandeh.

8-6- amount of 280 billion riyals in 2013 is claims from the company Jahad Sabz Mbayh for a sale deed of Taleghani property that all claims have been received on 25/06/2014 and the transfer of ownership document has been carried out.

8-7- 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.

8.8 right issues unsold in the subscription stage totaling 112 billion riyals is assigned to employees and representatives of the company in the course of the capital increase in 2014 after a public subscription process based on the instructions it will be deducted and settled from staff's salaries and members' commission on a monthly basis after registration of the capital increase.

9. Reinsurers' share of technical reserves

	note	20/03/2015 (riyal)	20/03/2014 (riyal)
Reinsurance share of premium reserves	18	551.594.361.418	347.548.877.376
Reinsurance share of outstanding claims reserve	19	122.643.141.117	65.079.155.584
		<u>674.237.502.535</u>	<u>412.628.032.960</u>

10. Long-Term Investments

	note	20/03/2015 (riyal)	20/03/2014 (riyal)
Investment in companies' equity	10-1	186.173.363.426	186.173.363.426
Bank Long-term investment deposits	10-2	63.994.000.000	63.994.000.000
		<u>250.167.363.426</u>	<u>250.167.363.426</u>

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

	No of shares	investment percent	20/03/2015 nominal value of each share	final cost	market value
Stock companies		percent	(riyal)	million riyal	million riyal
Company lizing razi	5.536.852	25	1.000	5.645	7.512
Investment firm melat	500	0.0001	1.000	1	0.3
Company lizing iran	409	-	1.000	3	1
Company faraboors	2.000.000	1	1.000	500	16.140
Bank sarmayeh	500.000	-	1.000	738	867
Total stock companies				<u>6.887</u>	<u>24.520</u>
non-stock companies					
Tire Company kurdistan	5.700.122	38	1.000	14.288	-
Investment firm razi	3.000	-	1.000	3	-
Niroo moharekeyeh parsian	5	-	1.000	374	-
Company atiyeh savalan	4.787.234	3	1.000	4.787	-
Tire manufacturing company artavil tayer (10-1-1)	21.848.936	2.13	1.000	155.038	30.042
(10-1-1)Tire Company dena	1.882.859	1	1.000	4.797	4.602
Total non-listed companies				<u>179.287</u>	<u>34.644</u>
Sum				<u>186.174</u>	<u>59.164</u>

10-1-1- Artavil Tayer shares traded on the exchange has not significant growth and Dena Tire company symbol has been removed and the reported market value is listed according to the latest available data of exchange that does not necessarily represent the fair value of their shares. As to the company Artavil, investment has not been identified via the equity method according to a Razi insurance exit from the board of directors and due to the lack of access to forms of capital increase. No data available for the right issues belonged to Razi insurance and therefore the shares value has been recognized pursuant to the same amount of last year.

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	Riyal-final cost				accumulated amortization riyal -				book value		
	Balance at 20.03.2014	additions over year	decrease over year	adjust ments over year	Balance at 20.03.2015	Balance at 20.03.2014	Amortizatio n over year	Amortization decreased over year	Balance at 20.03.2014	Balance at 20.03.2015	Balance at 20.03.2014
Land	433.553.011.989	-	-	-	433.553.011.989	-	-	-	-	433.533.011.989	433.533.011.989
Building	726.055.600.485	-	-	-	726.055.600.485	43.811.982.072	47.757.053.292	-	91.569.035.364	634.486.565.121	682.243.618.413
Furniture and fixtures vehicles	27.073.398.635	20.614.344.986	(142.076.654)	-	47.545.666.967	9.723.084.703	3.335.814.504	(47.359.515)	13.011.539.692	34.534.127.275	17.350.313.932
Installation	10.562.658.021	3.020.744.800	-	-	13.592.402.821	391.694.273	1.119.272.226	-	1.510.966.499	12.072.436.322	10.170.963.748
total	1.202.473.522.230	25.895.089.786	(1.409.508.654)	-	1.226.959.103.362	57.495.908.930	52.679.458.012	(1.048.715.996)	109.126.650.946	1.117.832.452.416	1.144.977.613.300
capital Prepayment	13.157.446.879	970.000.000.000	(2.000.000.000)	-	981.157.446.879	-	-	-	-	981.157.446.879	13.157.446.879
Assets in the course of completion	193.917.572.491	62.139.498.595	-	-	256.057.071.086	-	-	-	-	256.057.071.086	193.917.572.491
Sum	1.409.548.541.600	1.058.034.588.381	(3.409.508.654)	-	2.464.173.621.327	57.495.908.930	52.679.458.012	(1.048.715.996)	109.126.650.946	2.355.046.970.381	1.352.052.632.670

11-1- tangible fixed assets amounted to 670 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- 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 and a reduction in the amount of 142 million riyals is from the sale of used furniture.

11-3- vehicles additions amounted to 2.260 million riyals are for finding the stolen car insured based on the price evaluation of an expert and amounted to 2.000 million riyals is for purchase of one automobile "Santa Fe" and reducing the amount of 1.267 million riyal is for the sale of 10 company-owned vehicles that have been sold in a formal process of public auction. And profits from the sale are reflected in Note 37 "other incomes and non-insurance costs".

11-4- increase of capital advance payment includes the sum of 170 billion riyals to an international company Zagros Allay Kish for contract of administration and management in the project of Kerman province. Also reduction of the amount of 2 billion riyals has been made for the return of advance payments to Amod Rah Company that it is the responsibility of the project management prior to the above mentioned company. The amount of 800 billion riyals has been paid to companies alborzta and ziafat novin iranian for leadership of the project concerning the advance payment of the land purchase in the street khodami , square vanak.

11-5- balance of assets under completion amounted to 256.057 million riyals is for the construction of buildings for branch offices that the percent of the progress of work and the budget required to complete the projects is as follows (based on the reports received from construction and engineering unit):

	percentage of completion	operation date	amount (million riyal)	20/03/2015	completion percentage	operation date	20/03/2014	necessary amount for completion (million riyal)
				necessary amount for completion (million riyal)			Amount (million riyal)	
Orumieh	99%	1394	16.824	176	99%	1394	16.822	178
Kerman	60%	1395	140.546	287.000	56%	1395	91.916	287.000
Zanjan	98%	1394	62.172	55.992	90%	1394	48.664	69.500
Sari	10%	-	30.217	70.000	10%	-	30.217	70.000
Sanandaj	3%	-	6.298	8.525	3%	-	6.298	8.525
Sum			256.057	421.693			193.917	435.203

11-5-1- projects of Sari and Sanandaj branches have been stopped due to priority of Zanjan and Kerman projects that completion operations of Sari and Sanandaj buildings will continue after the completion of the above projects.

11-5-2- all construction projects have been finished on Uromieh projects and the completion certificate acquisition stage from the municipality is under implementation.

11-5-3- due to the change of contractor of Kerman projects in 2014, the project has been stopped at some point in the year in order to replace the director of the new contractor.

12. Intangible assets

	20.03.2015		20.03.2014	
	(riyal)final Cost	amortization (riyal)Accumulated	(riyal) net	(riyal) net
Software	4.026.971.632	(1.050.492.914)	2.976.748.718	845.505.837
Royalty of phone lines	580.724.100	-	580.724.100	490.064.100
Royalty of electricity, water and gas	102.046.750	-	102.046.750	36.368.750
	<u>4.709.742.482</u>	<u>(1.050.492.914)</u>	<u>3.659.249.568</u>	<u>1.371.938.687</u>

13- Liabilities to policyholders and representatives

	note	20.03.2015	20.03.2014
		(riyal)	(riyal)
Payable documents	13-1	164.210.711.215	55.887.501.813
Deposit of representatives	13-2	35.206.775.997	26.564.807.988
Liabilities to policyholders	13-3	45.962.702.727	38.992.189.557
Other		10.773.248.324	16.503.980.751
		<u>256.153.438.263</u>	<u>137.948.480.109</u>

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 128.796 million riyals for a 24-hour systematic payment of damages, whose documents have been issued at the end of 2014 and delivered to the court in 2015 and all withdrawn from company's accounts in March and April 2015 from the above account balance.

13-2- representatives deposits amounted to 35.206 million riyals is for deductions of monthly commission statements as much as 10%. That 10% of their fees will be deducted as deposit up to 200 million riyals according the meeting dated 18.08.2009 of the board until communication between representatives and company.

13-3- amount of 38.992 million riyals is for premium of the added amounts received from policyholders for third person insurance fees in the previous years from the amount of 45.962 million riyals as debt to the policyholders. This amount is refundable to the policyholders based on the insurance circulation issued by Islamic Republic of Iran from 07/06/2011 in concurrent with readmission to buy the new insurance.

14. Receivable to insurers and reinsurers

	Note	20/03/2015 (riyal)	20/03/2015 (riyal)
Islamic Republic of Iran Central Insurance	14-1	200.420.910.312	112.515.516.117
Optional reinsurance deposits		4.421.369.513	3.601.931.140
Iran Moe'en Insurance Company		3.415.600.915	454.684.043
Melat insurance		1.694.454.777	1.171.903.736
Insurance Melat		1.221.622.575	916.528.743
Other		6.220.031.246	18.675.334.916
		<u>217.393.989.338</u>	<u>137.335.898.694</u>

14-1- in current year the mandatory and optional ceding reinsurance premiums have been increased also with central insurance of Islamic Republic of Iran due to the increasing amount of issued premiums. 200 billion riyals debt to the Central Insurance included the currency debt in amount of \$ 153.728 equivalent to 4.303.467.897 riyals and the amount of 15,261.47 francs equivalent to 11.923.624 riyals. And claim of foreign exchange from the Central Insurance in the amount of 109.040 Euros equivalent to 3.288.211.757 riyals and the sum of £ 15,261.47 equivalent to 636.3883037 riyals. The financial statement of accounts adjustment prepared is between currency and in July 2015. In addition, 85 billion riyals of the above amount is for reinsurance share of third person insurance fees including the share of police and Ministry of Health which has been assigned to the debtor of the central insurance account of Islamic Republic of Iran.

15. Other accounts and payables

	Note	20/03/2015	20/03/2014
		(riyal)	(riyal)
Ministry of Health for legal fees of third person insurance	15-1	546.424.398.510	323.965.991.912
police for legal fees of third person insurance	15-2	129.028.016.709	112.339.604.833
Ministry of Economy and Finance	15-3	118.089.170.021	68.785.345.087
Physical damage fund	15-4	87.407.598.526	30.328.096.065
payable Dividends	15-5	8.640.798.229	2.701.609.506
Social Security	15-6	2.730.622.961	2.015.489.263
unpaid costs reserve	15-7	27.215.303.579	8.330.807.202
Other		13.480.151.995	5.370.539.230
		<u>933.016.060.530</u>	<u>553.837.483.098</u>

15-1- account balance of Ministry of Health amounted to 546.424 million riyals is related to 10% of the Ministry of Health share of third person insurance, surplus and passenger accidents that the balance of above debt is paid and settled proportion to the premium collected coincidence with the sales of automobile policies on an installment basis in implementation of Article 37 of the Fifth Development Plan.

15-2- account balance of police amounted to 129.028 million riyals is on account of the police share in 2014 and the differentials of certain share of prior years that the determined share for the company's performance in 2014 has been settled in full in 2015.

15-3- account balance of Tax Agency amounted to 118.089 million riyals is mainly due to the installed debt of added value fees and taxes for fourth quarter of 2014 and VAT of 2011 amounted to 100.450 million riyals has been settled until the date of the financial statements completion. Assessment report has been issued in amount of 16 billion riyals as to VAT in 2011 which was contested by the company. And 16 billion riyals is included in the books as reserve.

15-4- the fund balance of physical losses is for the fund share from mandatory third person insurance premiums and policyholders crimes in implementation of paragraph (A) and (B) of Article 11 of the third person insurance Reform Law. Their payment and settlement proceeds are based on the regular weekly premium of third person. All claims of fund have been settled by the end of 2014, based on financial statements prepared mutually.

15-5- dividend payable is mainly due to dividend approved in 2013 that has not been paid so far because of the increase of the registered capital and shareholders demand to buy the rights issue from the dividend. And the rest is related to the interest of shareholders in 2012 that the company has not been informed for its association with them.

15-6-account balance of the social security is for the deducted premium from salaries of March that it has been paid up to the date of approval of the financial statements fully.

15-7- Reserve of unpaid expenses includes the following items:

	Note	20/03/2015 (riyal)	20/03/2014 (riyal)
Official Brokerage commission saipa	15-7-1	14.731.159.533	-
Reserve of advertising cost		537.407.207	185.524.742
Reserve of the audit cost		100.000.000	100.000.000
Reserve of 5 items of tax bills for Building permits in sari		-	6.398.946.720
Other		11.846.736.839	1.646.335.740
		<u>27.215.303.579</u>	<u>8.330.807.202</u>

15-7-1- net amount of 14.731 million riyals has been included in the company's offices as unpaid reserve fees for the premiums of official saipa brokerage's collected reserve.

16. The financial liabilities

16-1- balance of loans from the Bank Ayandeh (Tat) on 20/03/2014 is 130 billion riyals and its future profit in the mentioned year amount of 1.667.139.900 riyals that the amount of 128.332.860.100 riyals constitutes the net balance of financial liabilities on 20/03/2014. In this regard, the loan was fully settled on 22. 06.2014. due to failure in adherence to the terms of payment for interest rate changes in the loan without coordination with the company and with respect to the appropriate cash status on the mentioned date.

17. Reserve for Income Tax

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

Year	20.03.2015		tax				20.03.2014		how to recognize
	Profit (loss) expressed (million riyal)	loss confirmed million) (riyal (9.603)	diagnosis	definitive	disbursed	balance	reserve balances		
2011	15.310	(9.603)	-	-	-	-	-	Investigating the offices issuing the final report	
2012	35.858	-	-	-	-	-	-	Investigating the offices issuing the final report	
2013	18.210	(9.042)	-	-	-	-	-	Investigating the offices issuing the final report	
2014	101.032	-	-	-	-	-	-	Under investigation	
2015	293.126	-	-	-	-	-	-	-	

17-1- Tax of company has been settled and finalized from beginning the performance until the end of fiscal year 2013.

17-2- salary tax of 2013 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- 2013 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 statements.

17-4- 2014 financial performance tax is audited in accordance with the provisions of Article 272 Direct Taxes Act and the report is provided to the tax law department in the given deadlines. The results of it were not disclosed to the company at date of the financial statements approval.

17-5- given that there will not be taxable profits by applying exempt revenues for the fiscal year ended on 03/20/2015, then the tax reserve in the accounts are not included for the financial year.

18. Premium reserve

	Note	20/03/2015			20/03/2014			(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)
non-received premium reserve	18-1	1.205.815.811.601	436.893.497.018	1.642.709.308.619	737.898.490.956	276.835.916.842	1.014.734.407.798	(467.917.320.645)	(160.057.580.176)	(627.976.900.821)
life premium Reserve		137.186.308.709	114.700.864.400	251.887.173.109	76.892.214.105	70.712.960.534	147.605.174.640	(60.294.094.604)	(43.987.903.866)	(104.281.998.470)
premium return reserve	18-2	261.721.164.643	-	261.721.164.643	111.599.401.778	-	111.599.401.778	(150.121.762.865)	-	(150.121.762.865)
total		1.604.723.284.953	551.594.361.418	2.156.317.646.371	926.390.106.839	347.548.877.376	1.273.938.984.216	(678.333.178.114)	(204.045.484.042)	(882.378.662.156)

18-1- non-received premium reserve

Fire	5.610.154.207	24.108.106.130	29.718.260.337	5.524.694.997	18.567.859.595	24.092.554.592	(85.459.210)	(5.540.246.535)	(5.625.705.745)
mandatory third person	760.313.729.817	245.226.776.137	1.005.540.505.954	478.276.914.864	154.251.790.431	632.528.705.324	(282.036.814.924)	(90.974.985.706)	(373.011.800.630)
Third surplus	4.514.852.335	1.425.815.731	5.940.668.066	2.188.214.936	705.733.564	2.893.948.501	(2.326.637.398)	(720.082.167)	(3.046.719.565)
passenger Accidents	122.587.241.635	38.680.280.935	161.167.522.570	72.198.397.361	22.805.920.449	95.004.317.810	(50.288.844.274)	(15.874.360.486)	(66.163.204.760)
Automobiles - Body	49.637.813.393	15.275.522.240	64.913.335.634	29.217.087.602	9.008.203.948	38.225.291.550	(20.420.725.791)	(6.267.318.292)	(26.688.044.084)
Treatment	110.181.306.294	34.467.669.825	144.648.976.119	78.868.399.395	28.964.015.949	107.832.415.344	(31.312.906.899)	(5.503.653.876)	(36.816.560.775)
Accident	3.986.124.597	1.226.445.959	5.212.570.556	2.376.682.412	735.715.625	3.112.398.037	(1.609.442.185)	(490.730.334)	(2.100.172.519)
Responsibility	62.917.859.582	19.955.123.663	82.872.983.245	40.224.959.599	12.369.399.092	52.594.358.691	(22.692.899.983)	(7.585.724.571)	(30.278.624.554)
Engineering	77.528.036.960	37.260.688.154	114.788.725.114	18.582.300.702	16.503.942.294	35.086.242.996	(58.945.736.258)	(20.756.745.860)	(79.702.482.118)
Money	881.098.489	271.107.228	1.152.205.717	885.993.652	272.582.723	1.158.576.375	4.895.164	1.475.495	6.370.658
Credit	(33.449.128)	(13.938.137)	(47.386.265)	(386.226.352)	(96.102.186)	(482.328.538)	(352.777.224)	(82.165.049)	(434.942.273)
Ship and aircraft	81.030.201	221.765.048	302.795.249	2.196.771.356	1.745.539.999	3.942.311.355	2.115.741.155	1.523.774.951	3.639.516.106
Energy	(666.349.738)	5.372.946.561	4.706.596.824	1.973.929.484	1.753.153.111	3.727.082.595	2.640.279.222	(3.619.793450)	(979.514.228)
Freight	4.632.422.305	11.197.220.013	15.829.642.318	3.590.109.195	7.267.831.732	10.857.940.927	(1.042.313.110)	(3.929.388.281)	(4.971.701.391)
Total non-life	1.202.071.870.949	434.675.530.488	1.636.747.401.437	735.718.229.233	274.855.586.326	1.010.573.815.559	(466.353.641.716)	(159.819.944.162)	(626.173.585.878)
Life	3.743.940.652	2.217.966.530	5.961.907.182	2.180.261.723	1.980.330.516	4.160.592.239	(1.563.678.929)	(237.636.014)	(1.801.314.943)
Total life insurance	3.743.940.652	2.217.966.530	5.961.907.182	2.180.261.723	1.980.330.516	4.160.592.239	(1.563.678.929)	(237.636.014)	(1.801.314.943)
Sum	1.205.815.811.601	436.893.497.018	1.642.709.308.619	737.898.490.956	276.835.916.842	1.014.734.407.798	(467.917.320.645)	(160.057.580.176)	(627.974.900.821)

18-2- Premium Return reserve

Insurance field	20/03/2015	20/03/2014	(Increase) decrease in 2015
	(riyal)	(riyal)	(riyal)
Fire	2.093.388.803	1.977.097.458	(116.291.345)
mandatory third person	150.881.927.978	78.950.929.097	(71.930.998.881)
Third surplus	392.906.527	396.738.337	3.831.810
passenger	18.389.203.258	966.951.885	(17.422.251.373)
Accidents			
Automobiles - Body	2.645.065.120	2.017.001.067	(628.064.053)
Treatment	57.721.110.818	21.366.034.501	(36.355.076.317)
Accident	676.577.182	385.010.584	(291.566.598)
Responsibility	6.657.744.363	5.281.024.625	(1.376.719.738)
Engineering	14.902.244.972	6.561.323.528	(8.340.920.445)
Money	3.591.525	49.674.814	460.083.289
Credit	-	(9.903.572.350)	(9.903.572.350)
Ship and aircraft	-	845.245.756	845.248.756
Energy	5.073.734.912	729.035.948	(4.344.698.965)
Freight	1.320.169.726	1.426.945.100	106.775.375
Total non-life	260.757.665.184	111.049.443.350	(149.708.221.834)
Life	963.499.459	549.958.428	(413.541.031)
Total life insurance	963.499.459	549.958.428	(413.541.031)
Sum	261.721.164.643	111.599.401.778	(150.121.762.865)

19. Deferred compensation reserve

	note	20/03/2015			20/03/2014			(Increase) decrease in 2015		
		maintenance share (riyal)	reinsurance share (riyal)	total (riyal)	maintenance share (riyal)	reinsurance share (riyal)	total (riyal)	maintenance share (riyal)	reinsurance share (riyal)	total (riyal)
Deferred compensation reserve	19-1	400.085.703.237	122.643.141.118	522.728.844.354	132.601.864.691	65.079.155.584	197.681.020.275	267.483.838.546	57.563.985.533	325.047.824.079
unexpired risks reserve	19-2	21.993.071.003	-	21.933.071.003	109.067.970.952	-	109.067.970.952	(87.134.899.949)	-	(87.134.899.949)
Sum		422.018.774.240	122.643.141.118	544.661.915.358	241.669.835.643	65.079.155.584	306.748.991.227	180.348.938.597	57.563.985.533	237.912.924.130

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

	20/03/2015			20/03/2014			(Increase) decrease in 2015		
	maintenance share (riyal)	reinsurance share (riyal)	total (riyal)	maintenance share (riyal)	reinsurance share (riyal)	total (riyal)	maintenance share (riyal)	reinsurance share (riyal)	total (riyal)
Insurance field									
Fire	6.583.287.464	10.119.908.851	16.703.196.315	396.508.964	19.300.561.162	19.697.070.126	6.186.778.500	(9.180.652.311)	(2.993.873.811)
mandatory third person	263.803.295.357	65.950.823.839	329.754.119.197	71.257.828.853	17.962.668.097	89.220.496.950	192.545.466.504	47.988.155.741	240.533.622.245
Third surplus	3.403.210.827	865.439.845	4.268.650.672	-	-	-	3.403.210.827	865.439.845	4.268.650.672
Automobiles - Body	832.039.150	214.059.750	1.046.098.900	1.110.508.982	336.419.774	1.446.928.756	(278.469.832)	(122.360.024)	(400.829.856)
Treatment	15.365.090.194	3.841.272.548	19.206.362.742	6.899.614.311	1.779.145.828	8.678.760.139	8.465.475.884	2.062.126.720	10.527.602.604
Accident	80.855.000	22.145.000	103.000.000	101.116.158	33.705.385	134.821.543	(20.261.158)	(11.560.385)	(31.821.543)
Responsibility	23.428.425.534	6.500.262.778	29.928.688.312	16.457.067.191	5.333.568.363	21.790.635.554	6.971.358.343	1.166.694.415	8.138.052.758
Engineering	56.313.316.140	20.691.232.238	77.004.548.378	29.326.557.992	17.593.452.664	46.920.010.656	26.986.758.148	3.097.779.574	30.084.537.722
Money	4.172.002.086	1.390.667.362	5.562.669.448	4.172.002.087	1.390.667.362	5.562.669.449	-	-	-
Credit	12.960.434.459	3.243.682.206	16.204.116.665	2.798.852.939	702.917.645	3.501.770.584	10.161.581.520	2.540.764.561	12.702.346.081
Ship and aircraft	7.317.879.069	2.046.723.417	9.363.602.486	-	-	-	7.317.879.069	2.045.723.417	9.363.602.486
Energy	4.893.066.726	7.511.182.177	12.404.248.903	27.732.214	628.024.304	655.756.518	4.865.334.512	6.883.157.873	11.748.492.385
Freight	399.152.902.007	122.396.400.011	521.549.302.018	132.549.789.691	65.061.130.584	197.608.920.275	266.605.112.317	57.335.269.427	323.940.381.743
Total non-life	494.400.000	123.600.000	618.000.000	54.075.000	18.025.000	72.100.000	440.325.000	105.575.000	545.900.000
Life	438.401.229	123.141.107	561.542.336	-	-	-	438.401.229	123.141.107	561.542.336
Total life insurance	932.801.229	246.741.107	1.179.542.336	54.075.000	18.025.000	72.100.000	878.726.229	228.716.107	1.107.442.336
sum	400.085.703.237	122.643.141.118	522.728.844.355	132.601.864.691	65.079.155.584	197.681.020.275	267.483.838.546	57.563.985.533	325.047.824.079

19-2- unexpired risks reserve

Insurance field	unexpired risks reserve		
	20/03/2015	20/03/2014	(Increase) decrease in 2015
	(riyal)	(riyal)	(riyal)
mandatory third person	-	80.676.657.196	(80.676.657.196)
passenger Accidents	-	10.539.369.919	(10.539.369.919)
Treatment	-	18.537.349.896	(18.537.349.896)
Engineering	6.157.841.220	-	6.157.841.220
Credit	-	(3.752.297.540)	2.752.297.540
Ship and aircraft	266.786.744	-	266.786.744
freight	14.863.888.804	-	14.863.888.804
Total non-life	21.288.516.768	106.001.079.471	(84.712.562.703)
life	644.554.235	3.066.891.481	(2.422.337.246)
Total life insurance	644.554.235	3.066.891.481	(2.422.337.246)
sum	21.933.071.003	109.067.970.952	(87.134.899.949)

20. Other technical reserves

Insurance field	Additional technical reserve and natural hazards		
	20/03/2015	20/03/2014	(Increase) decrease in 2015
	(riyal)	(riyal)	(riyal)
Fire	1.934.702.414	1.351.498.337	(583.204.077)
mandatory third person	159.624.297.702	105.197.384.860	(54.426.912.842)
Third surplus	861.724.193	528.630.074	(333.094.119)
passenger Accidents	14.236.692.153	3.542.803.143	(10.693.889.010)
Automobiles - Body	13.029.949.738	13.029.949.738	0
Treatment	26.352.255.418	17.027.435.192	(9.324.820.226)
Accident	1.017.503.777	1.016.490.427	(1.013.349)
Responsibility	12.613.350.918	9.032.157.883	(3.581.193.035)
Engineering	5.693.212.908	2.509.688.200	(3.183.524.708)
Money	82.845.205	14.573.366	(68.271.839)
Credit	-	(55.743.939)	(55.743.939)
Ship and aircraft	354.014.240	354.014.240	-
Energy	389.981.485	-	(389.981.485)
Freight	820.910.647	452.987.706	(367.922.941)
Total non-life	237.011.440.799	154.001.869.229	(83.009.571.570)
Life	1.064.344.858	666.075.745	(398.269.113)
investment	6.002.744.023	3.758.741.482	(2.244.002.541)
Total life insurance	7.067.088.881	4.424.817.227	(2.642.271.655)
Sum	244.078.529.680	158.426.686.455	(85.651.843.224)

21. Coming years Premium

The amount of 38.708 million riyals of premium related to the share of the coming year's premium, long-term insurance policies issued separated as follows:

	20.03.2015	20.03.2014
	(riyal)	(riyal)
Engineering Insurance	27.790.012.747	13.587.129.199
Fire insurance	4.754.607.160	3.029.590.523
Civil liability	6.163.530.839	3.770.680.436
	<u>38.708.150.746</u>	<u>20.387.400.158</u>

22. Benefits reserve of end of carrier

Benefits reserve of end of carrier is as follows:

	20.03.2015	20.03.2014
	(riyal)	(riyal)
Balance in the beginning of the year	-	-
reserve provided over the year	6.378.339.502	4.635.343.964
Paid over the year	<u>(6.378.339.502)</u>	<u>(4.635.343.964)</u>
balanced over the year	<u>-</u>	<u>-</u>

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:

	20.03.2015			20.03.2014		
	Number of shares	capital Amount (riyal)	% of shares	Number of shares	capital Amount (riyal)	% of shares
Rasool baradaran naghshineh Engineers talashgaran tose'e company va tajhiz paytakhtat	125.170.399	125.170.399.000	20	125.170.399	125.170.399.000	20
pishgaman tose'e tejarat company alborz	122.667.570	122.667.570.000	19.6	122.667.570	122.667.570.000	19.6
sadre madaen Development company	93.877.799	93.877.799.000	15	93.877.799	93.877.799.000	15
Company erdebate shegerfe iranian	90.340.441	90.340.441.000	14.43	90.340.441	90.340.441.000	14.43
Investment Company eghtesad gostare dena	81.360.759	81.360.759.000	13	81.360.759	81.360.759.000	13
Seyyed shahram vahabpoor company pishgaman tejarate arka	43.849.499	43.849.499.000	7.01	43.849.499	43.849.499.000	7.01
Other	39.265.339	39.265.339.000	6.27	39.265.339	39.265.339.000	6.27
	15.143.751	15.143.751.000	2.42	15.143.751	15.143.751.000	2.42
	14.176.443	14.176.443.000	2.27	14.176.443	14.176.443.000	2.27
	625.852.000	625.852.000.000	100	625.852.000	625.852.000.000	100

23-1- 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 11.03.2014 and 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 547,366,489 thousand riyals by the shareholders in the previous financial year and also increase of the amount 109.822 million riyals in current year has been payment of stakeholders and buyers of right issues for the capital increase.

It should be noted that the mentioned capital increase is to implement the paragraph (B) of Decree No. 181070 t 7950dated 12.08.2012 of the Council of Ministers regarding the insurance companies' capital compliance with the Act referred within 4 years and obtaining the approval of the Supreme Council of Insurance that it is now being investigated in the money laundering

Office of the Central Insurance. And it will be registered in Tehran Companies Registration Office after this stage.

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.

	20.03.2015	20.03.2014
	(riyal)	(riyal)
Balance at the beginning of the year	62.585.209.263	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	62.585.209.263

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:

	20.03.2015	20.03.2014
	(riyal)	(riyal)
Balance at the beginning of the year	44.674.484.813	29.519.631.101
Transfer from the net profit of the year	43.968.836.985	15.154.853.712
Balance at the end of the year	88.643.321.798	44.674.484.813

26 -premiums issued

Insurance field	2015			2014		
	Gross premium (riyal)	returned premium (riyal)	Net premium (riyal)	Gross premium (riyal)	returned premium (riyal)	Net premium (riyal)
Fire	72.227.905.708	(9.419.461.134)	62.808.444.574	54.002.376.007	(4.659.840.528)	49.342.535.479
mandatory third person	3.115.705.861.012	(256.805.614.804)	2.858.900.246.208	1.700.545.779.111	(175.369.273.357)	1.525.176.505.754
Third surplus	45.993.593.424	(1.277.615.156)	44.715.978.268	7.032.437.381	(54.442.193)	6.977.995.188
passenger Accidents	472.688.715.071	(27.109.816.638)	445.578.898.433	250.878.110.621	(31.023.850.714)	219.854.259.907
Automobiles - Body	127.237.928.913	(6.639.580.855)	120.598.348.058	84.207.279.340	(4.819.881.008)	79.387.398.332
Treatment	531.048.070.959	(141.441.811.010)	389.606.259.949	463.437.634.658	(236.323.237.583)	227.114.397.075
Accident	15.915.837.916	(2.204.117.296)	13.711.720.620	7.833.712.901	(291.682.280)	7.542.030.621
Responsibility	196.646.465.301	(12.618.834.382)	184.027.630.919	5.068.049.703.565	(4.951.563.800.858)	116.485.902.707
Engineering	226.948.607.006	(42.726.247.265)	184.222.359.741	343.438.532.196	(255.516.275.742)	87.922.256.454
Money	2.900.459.528	(55.799.572)	2.844.659.956	2.044.418.021	(5.032.304)	2.039.385.717
Credit	98.305	(242.588.249)	(242.489.944)	3.716.607	(1.060.935.583)	(1.057.218.976)
Ship and aircraft	8.764.119.432	(8.436.601.003)	327.518.429	14.158.650.712	(2.765.438.834)	11.393.211.878
Energy	40.629.847.716	(16.951.616.381)	23.678.231.335	9.339.658.048	-	9.339.658.048
Freight	32.889.187.401	(2.165.761.509)	30.723.425.892	29.903.913.432	(5.189.302.278)	24.714.611.154
Total non-life	4.889.596.697.692	(528.095.465.254)	4.361.501.232.438	8.034.875.922.600	(5.668.642.993.262)	2.366.232.929.338
Life	23.141.285.415	(2.910.739.769)	20.230.545.646	11.659.889.653	(501.112.148)	11.158.777.505
investment	114.754.083.544	(1.123.344.974)	113.630.738.570	81.160.690.263	(3.518.805.453)	77.641.884.810
Total life insurance	137.895.368.959	(4.034.084.743)	133.861.284.216	92.820.579.916	(4.019.917.601)	88.800.662.315
Sum	5.027.492.066.651	(532.129.549.997)	4.495.362.516.654	8.127.696.502.516	(5.672.662.910.863)	2.455.033.591.653

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	2015			2014		
	Mandatory (riyal)	Optional (riyal)	reinsurance premiums (riyal)	Mandatory (riyal)	Optional (riyal)	reinsurance premiums (riyal)
Fire	12.796.951.323	30.571.357.355	43.368.308.678	10.505.488.348	22.755.494.271	33.260.982.619
mandatory third person	571.768.566.765	-	571.768.566.765	305.053.417.662	-	305.053.417.662
Third surplus	8.943.330.924	-	8.943.330.924	1.664.629.317	-	1.644.629.317
passenger Accidents	89.115.931.438	-	89.115.931.438	44.002.757.182	-	44.002.757.182
Automobiles - Body	24.122.353.727	-	24.122.353.727	15.983.434.196	-	15.983.434.196
Treatment	77.854.019.092	924.900.000	78.778.919.092	48.166.212.798	1.027.408.040	49.193.620.838
Accident	2.742.202.939	-	2.742.202.939	1.538.135.970	-	1.538.135.970
Responsibility	37.232.678.314	-	37.232.678.314	23.435.776.557	-	23.435.76.557
Engineering	36.765.644.980	22.395.103.923	59.160.748.903	12.241.955.402	51.942.445.949	64.184.401.351
Money	568.931.993	-	568.931.993	407.689.278	-	407.689.278
Credit	(60.622.487)	-	(60.622.487)	(129.481.334)	-	(129.481.334)
Ship and aircraft	65.503.686	308.408.853	373.912.539	2.215.839.838	1.875.588.585	4.090.428.423
Energy	4.735.646.267	5.943.202.244	10.678.848.511	2.152.470.055	-	2.152.470.055
Freight	6.129.180.600	12.330.147.244	18.459.327.844	4.934.625.074	8.037.003.299	12.971.628.373
Total non-life	872.780.319.561	72.473.119.619	945.253.439.180	472.152.950.343	85.636.940.144	557.789.890.487
Life	6.954.908.540	-	6.954.908.540	4.528.437.400	-	4.528.437.400
investment	38.830.653.855	-	38.830.653.855	37.744.808.953	-	37.744.808.953
Total life insurance	45.785.562.395	-	45.785.562.395	42.273.246.353	-	42.273.246.353
Sum	918.565.881.956	72.483.119.619	991.039.001.575	514.426.196.696	85.636.940.144	600.063.136.840

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	
	2015	2014	2015	2014	2015	2014
	(riyal)	(riyal)	(riyal)	(riyal)	(riyal)	(riyal)
Fire	31174.554.810	5.633.401.868	(2.993.873.811)	(392.054.639)	28.180.680.999	5.241.347.229
mandatory third person	1.414.251.309.031	997.337.561.836	159.856.965.051	58.159.588.795	1.574.108.274.082	1.055.497.150.631
Third surplus	2.150.648.605	16.244.676.464	4.268.650.671	1.553.031.910	6.419.299.276	17.797.708.374
passenger Accidents	46.249.538.000	-	(10.539.369.919)	-	35.710.168.081	-
Automobiles - Body	49.408.810.834	54.587.072.693	(400.829.856)	(4.902.245.642)	49.007.980.978	49.684.827.051
Treatment	288.169.419.066	230.238.563.318	(8.009.747.292)	6.896.340.462	280.159.671.773	237.134.903.780
Accident	3.355.349.326	2.584.483.092	(31.821.543)	(85.083.459)	3.323.527.783	2.499.399.633
Responsibility	91.002.498.333	34.772.951.125	8.138.052.758	9.536.607.878	99.140.551.091	44.309.559.003
Engineering	65.813.828.544	23.270.833.373	36.242.378.942	(4.827.633.367)	102.056.207.486	18.443.200.006
Credit	(401.942.570)	(4.364.401.157)	3.752.297.540	(4.951.769.657)	3.350.354.970	(9.316.170.814)
Ship and aircraft	1.771.659.154	928.221.000	12.969.132.825	2.996.658.584	14.740.791.979	3.924.879.584
Energy	2.258.525.345	544.664.916	9.363.602.486		11.622.127.831	544.664.916
Freight	80.374.820.116	1.040.476.205	26.612.381.189	(2.420.053.069)	106.987.201.305	(1.379.576.864)
Total non-life	2.075.579.018.594	1.362.818.504.733	239.227.819.040	61.563.387.797	2.314.806.837.634	1.424.381.892.530
Life	17.815.795.175	21.062.591.631	(1.876.437.246)	2.410.365.028	15.939.357.929	23.472.956.659
investment	10.949.122.267	-	561.542.336		11.510.664.603	-
Total life insurance	28.764.917.442	21.062.591.631	(1.314.894.910)	2.410.365.028	27.450.022.532	23.472.956.659
sum	2.104.343.936.036	1.383.881.096.364	237.912.924.130	63.973.752.825	2.342.256.860.166	1.447.854.849.189

* The Comparing amount of Passenger damages is not printed because of the non-separation of third person insurance compensation from Passenger accidents in the previous years. Also, due to the payment of annual losses of last year during 2014, deferred

compensation cases were decreased in 2015 and consequently, the damage ratio declined in the fiscal period of 12 months ending on 20/03/2015.

29. Compensation from reinsurers

Insurance field	Compensation from reinsurers		Increase (decrease) in reinsurance share reserves		Reinsurers' share compensation	
	2015	2014	2015	2014	2015	2014
	(riyal)	(riyal)	(riyal)	(riyal)	(riyal)	(riyal)
Fire	19.411.509.282	4.212.613.622	(9.180.652.311)	3.449.663.013	10.230.856.971	7.662.276.635
mandatory third person	294.151.548.231	196.527.563.872	47.988.155.742	(8.237.822.444)	342.139.703.973	188.289.741.428
Third surplus	322.382.400	4.010.766.610	865.439.844	254.778.014	1.187.822.244	3.755.988.596
passenger Accidents	7.910.368.875	4.000.000	-	-	7.910.368.875	4.000.000
Automobiles - Body	10.225.251.718	9.523.203.238	(122.360.024)	(245.813.476)	10.102.891.694	9.277.389.762
Treatment	49.072.495.116	49.520.920.654	2.062.126.720	(54.228.686)	51.134.621.836	49.466.691.968
Accident	612.324.113	531.303.318	(11.560.385)	(21.270.865)	600.763.728	510.032.453
Responsibility	20.127.232.287	7.729.139.494	1.166.694.415	2.270.061.444	21.293.926.702	9.999.200.938
Engineering	33.038.675.740	12.774.413.508	3.097.779.574	(10.453.562.827)	36.136.455.314	2.320.850.681
Credit	(37.059.528)	-	-	-	(37.059.528)	-
Ship and aircraft	280.000.000	-	2.540.764.561	576.639.645	2.820.764.561	576.639.645
Energy	1.861.261.834	94.229.922	2.045.723.417	-	3.906.985.251	94.229.922
Freight	32.863.345.632	793.077.055	6.883.157.873	(627.603.092)	39.746.503.505	165.473.963
Total non-life	469.839.335.700	285.721.231.293	57.335.269.426	(13.898.583.331)	527.174.605.126	271.822.647.962
Life	4.389.231.065	5.919.993.559	105.575.000	(18.025.000)	4.494.806.065	5.901.968.559
investment	3.297.957.635	4.712.807.462	123.141.107	-	3.421.098.742	4.712.807.462
Total life insurance	7.687.188.700	10.632.801.021	228.716.107	(18.025.000)	7.915.904.807	10.614.776.021
sum	477.526.524.400	296.354.032.314	57.563.985.533	(13.916.608.331)	535.090.509.933	282.437.423.983

30. The cost of commissions and fees interests

Insurance field	2015	2014
	(riyal)	(riyal)
Fire	9.457.301.053	5.199.278.966
And mandatory third person passenger	159.529.080.400	78.140.439.823
Automobiles - Body	10.790.324.314	8.324.124.904
Treatment	18.661.137.146	13.939.147.409
Accident	3.041.095.641	2.031.656.918
Responsibility	35.527.405.817	27.575.422.414
Engineering	1.518.139.037	3.561.048.595
Money	17.048.790	6.436.905
Credit	3.150.000	43.400
Ship and aircraft	137.744.252	247.489.193
Freight	4.172.526.462	2.605.388.172
Total non-life	242.854.952.912	141.633.476.699
Life	1.209.098.896	930.980.851
investment	9.910.485.245	11.128.955.919
Total life insurance	11.119.584.141	12.059.936.770
Sum	253.974.537.053	153.693.413.469

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:

	2015	2014
	(riyal)	(riyal)
Fire	13.643.262.471	9.247.048.461
mandatory third person	33.024.359.474	18.332.807.330
Third surplus	479.675.694	1.278.264.579
passenger Accidents	17.644.954.430	8.712.545.931
Automobiles - Body	5.043.657.405	3.598.452.357
Treatment	10.526.405.415	7.004.062.091
Accident	675.723.000	371.462.361
Responsibility	7.104.144.974	4.906.708.197
Engineering	12.927.473.098	9.704.040.793
Money	81.287.045	69.307.178
Credit	(4.243.575)	(177.205)
Ship and aircraft	15.211.587	748.683.577
Energy	1.637.763.223	208.053.493
Freight	6.483.995.810	3.862.592.005
Total non-life	109.283.670.051	68.043.851.148
Life	689.058.422	509.601.451
investment	3.562.851.619	5.685.922.531
Total life insurance	4.251.910.041	6.195.523.982
Sum	113.535.580.092	74.239.375.130

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	2015 (riyal)	2014 (riyal)
Share of physical compensation fund	32-1	102.168.222.647	45.303.505.921
fees of Ministry of Health and Medical Education	32-2	238.609.686.489	102.760.807.494
fees of law enforcement of Islamic Republic of Iran	32-3	38264.000.000	26.353.600.000
		<u>379.041.909.136</u>	<u>184.417.913.415</u>

32-1- amounted to 102.168 million riyals 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. Based on the final portfolio of the insurance industry in 2013 to provide the third person insurance, definite share for each of the insurance companies is calculated and announced by the Central Insurance of Islamic Republic of Iran.

33 - Other insurance costs

Details of the above topics are as follows:

	Notes	2015 (riyal)	2014 (riyal)
Advertising and marketing	33-1	139.964.440.347	26.394.531.108
Initial inspection		24.530.444.937	11.368.204.245
		<u>164.494.885.284</u>	<u>37.762.735.353</u>

33- 1-increase of ad spending in 2015 was due to contractual rent billboards across the country and designing and making short films of Razi Insurance in collaboration with Channel 2 TV with contract conclusion with advertising and marketing Iran Novin. And it will be broadcast from 20 to 20:30 am Monday May 2015 from news Channel 2.

34- Investments income

	2014 (riyal)	2015 (riyal)
Short-term deposit investment income	43.211.325.108	406.762.135.405
Long term bank deposit investment income	13.158.364.242	13.577.309.444
Benefit from investee companies	6.522.974.498	9.975.533.150
Other	698.527.385	1.104.374.093
Total income from investments	63.591.191.233	431.419.352.092
Net investment income from technical reserves	(32.589.891.113)	(177.381.992.963)
Net investment income from other sources	31.001.300.120	254.037.359.129

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.

35. Administrative and general expenses

General and administrative expenses include the following items:

	note	2015 (riyal)	2014 (riyal)
Personnel costs	35-1	167.878.471.466	97.902.980.024
Administrative costs	35-2	174.762.363.344	100.646.679.287
Amortization costs		53.159.411.131	22.135.516.848
		395.800.245.941	220.685.176.159

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

	note	2015 (riyal)	2014 (riyal)
salary and benefits	35-1-1	81.487.120.373	56.153.167.116
Bonuses	35-1-1	52.554.064.324	18.305.193.804
employer Insurance		15.966.993.095	10.876.879.640
End of carrier benefits		6.234.837.784	4.622.070.117
Noncash assistance		7.574.062.821	5.582.694.711
staff training		1.010.520.652	1.084.147.947
additional treatment and life and group accidents		3.050.872.417	1.278.826.689
		167.878.471.466	97.902.980.024

35-1-1- increase in salaries and staff benefits and thus bonuses in 2015 was a result of required Increase placed by the Ministry of Labor and an increase of 5 percent of payroll in January 2015 that dedicated to all staff who have requested the use of the benefits of buying stock on the orders of the Board of Directors.

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

	note	2015 (riyal)	2014 (riyal)
Maintenance and repair of assets	35-2-1	50.638.685.479	17.103.761.892
Rent		22.087.717.539	18.595.537.552
Fees of expert advice	35-2-2	25.958.411.165	15.419.367.730
Food of staff		10.400.927.358	13.395.909.149
Water, electricity and telephone		9.707.507.420	5.560.855.713
Consumer goods		12.896.115.722	7.757.826.054
Missions and travel		8.614.830.130	4.636.505.167
Transportation		3.992.995.356	1.577.884.962
Audit		1.870.000.000	440.700.000
membership fee		807.795.644	528.580.000
Reward of Board		530.000.000	98.000.000
Benefit to attend in meeting		192.000.000	340.891.750
employees clothing		5.736.967.000	4.629.555.003
Other items		21.328.410.531	10.561.294.315
		<u>174.762.363.344</u>	<u>100.646.679.287</u>

35-2-1- increase in the cost of maintenance and repair of assets is due to the restructuring and integration of design and interior and exterior view of all branches of Razi insurance in the country which in 2015 resulted in launching and opening 10 branches in Gilan, Hormozgan, Khorasan razavi and south Khorasan , Boushehr , West Azerbaijan, Aras Free Zone, Hamedan, Alborz, Kermanshah.

35-2-2- increase in fees for consulting services and expertise is to hire a lawyer for each of the branches of the company.

36 - Financial costs

	2015	2014
	(riyal)	(riyal)
cost of bank fees	9.027.883.565	28.102.723.114
cost of stamps and notes	293.969.883	783.166.337
	<u>9.321.853.448</u>	<u>28.885.889.451</u>

37. Other incomes and other non-insurance costs

	2015	2014
	(riyal)	(riyal)
Foreign exchange earnings	15.035.950.036	13.503.842.914
selling the property of Taleghani branch	-	201.666.028.158
loans income	-	32.139.419.550
Other non-insurance Net incomes (expense)	2.595.985.033	15.362.940.667
	<u>17.631.935.069</u>	<u>262.672.231.289</u>

38. The annual adjustments

the above topics consist of the following items:

	2015	2014
	(riyal)	(riyal)
definite tax report VAT of years 2009 to 2011	-	(25.247.037.254)
Amendment of public fees	-	26.093.747.894
definite report of salary tax 2012	-	(2.246.117.304)
employee performance Reward	-	(538.888.889)
Modified Dividend of Bank Srmeyeh	-	320.000.000
definite report of VAT 2011	-	(89.602.429)
Modified profit from changing the classification of jamdaroo stock	(105.883.162.008)	-
Costs of amortization in book value of buildings of Zanjan and Kerman branches with the price of land	9.745.102.176	-
disharmony of deferred compensation in 2014	(38.231.191.107)	-
Decisive share of law enforcement from the third person premium issued in 2014	(13.944.000.000)	-
VAT reserve 2012	(16.153.000.000)	(16.153.000.000)
	<u>(164.466.250.939)</u>	<u>(17.860.897.982)</u>

38-1- detailed comparative items is as follows:

		balance before the adjustments	Annual adjustments	classification	provided review balance
		20/03/2014		review	20/03/2014
	note	debtor (creditor)	debtor (creditor)	debtor (creditor)	debtor (creditor)
Balance sheet headings	5	831.559.997.034	(105.883.162.008)	-	725.676.835.026
Short-term investments	14	(167.663.994.759)	-	30.328.096.065	(137.335.898.694)
Debt to insurers and reinsurers	15	(493.412.387.033)	(30.097.000.000)	(30.328.096.065)	(553.837.483.098)
Other payables and accounts	11	1.342.307.530.494	9.745.102.176	-	1.352.052.632.670
Tangible fixed assets	9	442.464.565.627	(29.836.532.668)	-	412.628.032.959
Reinsurers share of technical reserves	18	(1.307.080.438.305)	33.141.454.089	-	(1.273.938.984.216)
premium reserve	19	(265.212.878.699)	(41.536.112.528)	-	(306.748.991.227)
deferred compensation reserve		(66.754.650.906)	164.466.250.939	-	97.711.600.033
accumulated Profit(loss)			-	-	
Headlines of profit (loss) and accumulated profit (loss)					
Income from the investment of technical reserves	34	86.854.021.942	(54.264.130.829)	-	32.589.891.113
Investment income from other sources	34	82.620.331.299	(51.619.031.179)	-	31.001.300.120
cost of police's share	32	(22.409.600.000)	(13.944.000.000)	-	(36.353.600.000)
(Increase) decrease in premium reserves	18	(648.692.572.612)	33.141.454.089	-	(615.551.118.523)
(Increase) decrease in cession reinsurance reserves	18	158.320.624.153	(33.141.454.089)	-	125.179.170.064
(Increase) in deferred compensation reserves and unexpired risks	19	(22.437.640.297)	(41.536.112.526)	-	(63.973.752.825)
(increase) in deferred compensation reserve premium of cession reinsurance	19	(17.221.529.750)	3.304.921.419	-	(13.916.608.331)
Other insurance costs	33	(41.932.218.724)	-	4.169.483.371	(37.762.735.353)
Other incomes and non-insurance costs	37	257.096.612.484	9.745.102.176	(4.169.483.371)	262.672.231.289
Annual adjustments	38	(1.707.897.982)	(16.153.000.000)	-	(17.860.897.982)
			(16.466.250.939)	-	

39. Basic and reduced profit per share

Basic and reduced profit of each share is as follows:

	2015	2014
	(riyal)	(riyal)
Operating Profit (loss)	284.815.498.277	(281.067.234.698)
Tax effect	-	-
Net Operating Profit(loss)	284.815.498.277	(281.067.234.698)
Average number of shares	625.852.000	625.852.000
Basic operational and reduced Profit (loss) per share	455	(449)
Non-operating profit	9.310.081.621	233.786.341.838
Tax effect	-	-
Net non-operating income	8.310.081.621	233.786.341.838
Average number of shares	625.852.000	625.852.000
non-operating Basic and reduced profit per share	13	374
Basic and reduced profit per share	468	(76)
profit per share based on the current capital	468	-
profit per share based on capital increase	146	-

39- 1-due to lack of registration of the capital increase in the company registration authority ,it is operated in accordance with paragraph 12 of accounting standard no 30 and the number is criteria for action before the capital increase for the average stock.

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:

	2015	2014
	(riyal)	(riyal)
Operating Profit(loss)	284.815.498.277	(281.067.234.698)
Amortization costs	53.159.411.131	22.135.513.848
(Increase) decrease in other receivables	179.133.525.535	(426.364.203.181)
(Increase) of receivables from policyholders and representatives	(725.230.635.382)	(393.216.838.102)
(Increase) decrease in receivables from reinsurers	(7.208.221.698)	105.305.639.630
(Increasing) share of reinsurer from technical reserves	(261.609.469.575)	(111.262.561.734)
Increase of other accounts and payable	379.178.577.432	198.273.557.127
Increase (decrease) in liabilities to policyholders and representatives	118.204.958.154	(69.198.174.518)
increase in liabilities to reinsurers	80.058.090.644	75.913.097.623
Increase of deferred compensation reserves	237.912.924.131	63.973.752.824
Increase of premium reserves	882.378.662.155	615.551.118.524
Increase of other technical reserves	85.651.843.225	21.519.643.809
Increase (decrease) in coming years Premium	18.320.750.588	(21.683.063.472)
Other (costs) and incomes	33.603.059.282	293.609.094.616
Net cash flow from operating activities	1.358.368.973.899	93.489.345.296

41. Non-cash transactions

	2015	2014
	(riyal)	(riyal)
Increase in capital from staff and representatives claims	112.388.426.415	-
Increase in capital from the claims (payable dividends)	1.878.225.969	-
Capital increase through non-cash income (Building)	-	720.000.000.000
	114.266.652.384	720.000.000.000

42. Transactions with affiliated persons

transactions with related persons during the reported fiscal year is as follows:

Kind of affiliation	Name of affiliated parties	how to set the prices	transaction description	Financial year ended on		20/03/2014	
				20/03/2015	20/03/2014	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	-	48	1.197	571
Board member	Kurdistan tire	ordinary commercial conditions and customs	sale of insurance policies	-	8.560	-	8.560
Board member	Lising razi	ordinary commercial conditions and customs	sale of insurance policies	-	-	17	18
Board member	artavil	ordinary commercial conditions and customs	sale of insurance policies	2.117	1.927	6.526	3.033
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	-	61.339	515.329	265.329
Common member of the board	Alborztat	ordinary commercial conditions and customs	sale of insurance policies and payment of money	122.983	122.983	2.200	1.039
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		-	(3.287)	-	-
shareholder	Sadr madaen	ordinary commercial conditions and customs	buying the property	-	-	204.000	(204.000)
shareholder	Sadr madaen	for capital increase		-	(2.306)	-	-
shareholder	Sadr madaen	ordinary commercial conditions and customs	buying the property	-	-	36.000	(36.000)
shareholder	Pishgaman tejarat arka	for capital increase		-	(539)	-	-

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.

43. Events after the balance sheet date

No significant event is placed to actually require the disclosure or adjustment to the financial statement items as of the balance sheet date to the date of approval of the financial statements.

44. Commitments and contingent liabilities

Contingent liabilities referred to in Article 235 of the Commercial Code Amendment Act of 1968 on the balance sheet date are as follows:

44-1- There is contingent liability in respect of withholding tax of years 2013 and 2014 as well as VAT for the year 2014. Social security audit firm has not referred to the company to investigate the financial statements for the approval of accounts to date that the amount of above debt will be addressed after the tax authority's investigation and social security audit firm.

44-2- 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. The company also has a 100 billion riyal saved referred to note 8 in the accounts. The above is on the track by the company's lawyers.

44-3- 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 11-5.

44-4- contingent liability to municipalities as stated in the City Council is under pursuit through litigation in the courts by a lawyer.

44-5- company's debt is and will be specific to determine the decisive share of law enforcement duties to third person for the fiscal year 2015, after making certain the share of insurance companies for issuing third party insurance policy by the Central Insurance of Islamic Republic of Iran

45-gross profit of insurance operation

Insurance field	maintenance premium	net loss	net commissions and interest fees	Increase (decrease) in technical reserves premium reserves	deferred compensation reserves	other technical reserves	Total technical reserves	income from technical reserves	cost of physical damage compensation fund	gross profit (loss) of insurance operation
	(riyal)	(riyal)	(riyal)	(riyal)	(riyal)	(riyal)	(riyal)	(riyal)	(riyal)	(riyal)
Fire	19.440.135.896	11.763.045.528	(4.185.961.418)	(201.750.555)	6.186.778.500	(583.204.077)	(6.971.733.132)	984.021.605	(912.530.738)	4.962.809.520
mandatory third person	2.287.131.679.443	1.120.099.760.800	126.504.720.926	(353.967.813.805)	111.868.809.308	(54.426.912.842)	(520.263.535.955)	115.770.126.166	(451.470.793.601)	184.562.994.327
Third surplus	35.772.647.344	1.828.266.205	(479.675.694)	(2.322.805.588)	3.403.210.827	(333.094.119)	(6.059.110.535)	1.810.741.346	(4.864.902.712)	25.310.784.933
passenger Accidents	356.462.966.995	38.339.169.125	(17.644.954.430)	(67.711.095.647)	(10.539.369.919)	(10.693.889.010)	(67.865.614.738)	18.043.457.241	(48.477.196.503)	237.469.398.300
Automobiles - Body	96.475.994.331	39.183.559.116	5.746.666.909	(21.048.789.844)	(278.469.832)	0	(20.770.320.012)	4.883.425.881	(4.528.636.569)	31.130.237.605
Treatment	310.827.340.857	239.096.923.950	8.134.731.731	(67.667.983.216)	(10.071.874.012)	(9.324.820.226)	(66.920.929.430)	15.733.471.225	(14.590.407.409)	(2.182.180.437)
Accident	10.969.517.681	2.743.025.213	2.365.372.641	(1.901.008.783)	(20.261.158)	(1.013.349)	(1.881.760.975)	555.255.501	(514.915.231)	4.019.699.122
Responsibility	146.794.952.605	70.875.266.046	28.423.260.843	(24.069.619.721)	6.971.358.343	(3.581.193.035)	(34.622.171.098)	7.430.472.997	(6.890.636.320)	13.414.091.295
Engineering	125.061.610.838	32.775.152.804	(11.409.334.061)	(67.286.657.702)	33.144.599.368	(3.183.524.708)	(103.614.781.778)	6.330.373.802	(5.870.461.229)	540.922.890
Money	2.275.727.963	37.059.528	(64.238.255)	(50.978.453)	-	(68.271.839)	(17.293.386)	115.192.892	(106.823.930)	2.293.982.266
Credit	(181.867.457)	(401.942.570)	7.393.575	(10.256.349.574)	3.752.297.540	(55.743.939)	(14.064.391.053)	(9.205.774)	8.536.959	(13.852.378.331)
Ship and aircraft	(46.394.110)	1.491.659.154	122.532.665	2.960.989.911	10.428.368.264	-	(7.467.378.353)	(2.348.379)	2.177.765	(9.128.134.896)
Energy	12.999.382.824	397.263.511	(1.637.763.223)	(1.704.419.743)	7.317.879.069	(389.981.485)	(9.412.280.296)	658.003.299	(610.198.224)	4.875.407.315
Freight	12.264.098.048	47.511.474.484	(2.311.469.348)	(935.537.735)	19.729.223.316	(367.922.941)	(21.032.683.992)	620.784.623	(575.683.550)	(53.923.490.007)
Total non-life	3.416.247.793.258	1.605.739.682.894	133.571.282.861	(616.061.863.550)	181.892.549.614	(83.009.571.570)	(880.963.984.734)	172.923.772.424	(539.402.471.292)	429.494.143.902
Life	13.275.637.106	13.426.564.110	520.040.474	(1.977.219.960)	(1.982.0112.246)	(398.269.113)	(393.476.828)	671.986.749	(623.165.753)	(1.015.623.309)
investment	74.800.084.715	7.651.164.632	6.347.633.626	(60.294.094.604)	438.401.229	(2.244.002.541)	(62.976.498.375)	3.786.233.789	(3.511.157.375)	(1.900.135.504)
Total life insurance	88.075.721.821	21.077.728.742	6.867.674.100	(62.271.314.564)	(1.543.611.017)	(2.642.271.655)	(63.369.975.202)	4.458.220.538	(4.134.323.128)	(2.915.758.813)
Sum	3.504.323.515.079	1.626.817.411.636	140.438.956.961	(678.333.178.114)	180.348.938.597	(85.651.843.224)	(944.333.959.936)	177.381.992.963	(543.536.794.420)	426.578.385.089

46. Profit (loss) of third person insurance

Profit (loss) of third person insurance statement is as follows:

Description	2015		2014	
	riyal million	riyal million	riyal million	riyal million
Premium issued	2.858.900		1.532.154	
Ceding reinsurance premiums deducted	(571.769)		(306.698)	
share of maintenance Premium income		2.287.131	1.225.456	
Damage & payments investigation	1.414.251		1.013.582	
Compensation deducted from reinsurers	(294.153)		(200.538)	
Damage costs of maintenance		1.120.099	(813.044)	
commission Fee and Interest cost	159.529		78.107	
Fee and commission income reinsurance	(33.024)		(19.611)	
interests deducted				
commission Fee and cost of the maintenance		(126.505)	(58.496)	
interests				
Net (increase) of technical reserves of maintenance	(520.264)		(340.260)	
Profit from investments	115.770		69.115	
cost of physical damage fund	(102.168)		(37.088)	
Duties of police and Ministry of Health	(241.943)		(60.097)	
Other insurance costs	(107.359)		(27.702)	
		(855.964)	(396.032)	
Net incomes and cost of third person insurance		184.563	(42.116)	
share of general and administrative expenses		(256.271)	(38.409)	
Profit (loss) from third person insurance operations		(71.708)	(80.525)	

47. Currency status

Foreign currency monetary assets and liabilities are as follows:

	20 / 03/2015				20/03/2014	
	Frank	Pound	Dollar	Euro	Euro	Dollar
Cash Balance	-	-	307.014	385.925	286.924	101.312
Short-term investments	-	-		343.000	343.000	-
Claims from policyholders and representatives	-	-	5.479.093	-	-	515.390
Receivables from reinsurers	-	15,261.47	-	317.573.62	149.954	-
Liabilities to reinsurers	3,966.11	-	153.728.22	-	(681.672)	(9.860)
	<u>3,966.11</u>	<u>15,261.47</u>	<u>5.939.835.01</u>	<u>1.046.499.07</u>	<u>98.206</u>	<u>606.842</u>

48. Accumulated profit at the end of year

Allocation of Accumulated profit at the end of year in the following is subject to approval of the ordinary general meeting of shareholders:

Legal obligations	Price (million riyal)
At least 10 percent of net profit in 1393 divided according to Article 90 of the Commercial Law Amendment	29.312
<u>proposal of Board of Directors:</u>	
The dividend proposed by the Board of Directors	23.312