

## Report of the Independent Auditor

### To the Annual General Meeting Bank Pasargad (PLC)

We have audited the accompanying balance sheet of Bank Pasargad (PLC) as well as consolidated balance sheet of the group of Bank Pasargad and its subsidiaries as at March 20, 2011 and the related statements of income and cash flows of the Bank as well as the related consolidated statements of income and cash flows of the group for the fiscal year then ended. These financial statements are the responsibility of the Bank's management. Our responsibility is to express an opinion on these financial statements based on our audit.

We conducted our audit in accordance with auditing standards. These standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statements presentation. We believe that our audit provides a reasonable basis for our opinion.

Bank's subsidiaries and affiliated companies have been audited by other member firms of the Iranian Association of Certified Public Accountants. While performing the procedures prescribed in section 60 of the auditing standards, the basis for our opinion as regards the above-mentioned companies was the reports of their independent auditors.

*In our opinion, the financial statements referred to above, present fairly, in all material respects, the financial position of Bank Pasargad (PLC) and its group as at March 20, 2011, and the results of its operations and those of the group and its cash flows and those of the group for the year then ended, in conformity with accounting standards.*

- 1- The Bank's taxation position is reflected in note 30-1 to the financial statements. Taxes assessed for years 2007 to 2010 exceed the provision made in the accounts by the amount of Bln. Rls. 1,595. Bank has objected to the assessments made but the final verdicts have not been issued yet. For year 2011, provision has been made for corporate tax in the accounts on self-assessed bases. Amount of tax liability of the Bank remains pending upon investigation and final verdict of tax authorities.

Tehran - April, 2011

  
**Rymand & Co.**  
(Members of Iranian Association  
of Certified Public Accountants)

*Note: This report does not include report of the legal inspector required in conformity with articles 148 and 242 of the Iranian Commercial Code.*

**BANK PASARGAD (PLC.)**  
**CONSOLIDATED BALANCE SHEET**  
**AS AT MARCH 20, 2011**

<u>ASSETS:</u>	<u>Note</u>	<u>March 20, 2011</u>	<u>(Restated) March 20, 2010</u>	<u>LIABILITIES:</u>	<u>Note</u>	<u>March 20, 2011</u>	<u>(Restated) March 20, 2010</u>
		m.IRR	m.IRR			m.IRR	m.IRR
Cash	5	1,865,432	818,932	Due to CBI	21	2,958,943	2,089,250
Due from CBI	6	16,107,889	12,538,333	Call Deposits	22	9,359,087	4,724,738
Inter-bank Accounts	7	27,764,235	13,062,755	Saving Deposits	23	1,605,640	921,648
Participation Papers	8	8,345,318	9,366,229	Term Deposits	24	121,086,443	96,543,427
Credit Facilities Granted	9	102,824,313	71,209,239	Other Deposits	25	4,717,771	2,931,145
Accounts and Notes Receivable	10	3,274,691	1,438,580	Accounts and Notes Payable	26	1,844,213	467,529
Other Accounts Receivable	11	2,022,597	971,762	Other Liabilities and Accruals	27	7,692,353	888,003
Inventories	12	4,401,450	3,115,862	Borrowings	28	307,342	78,747
Prepayments and Deposits	13	201,402	93,288	Advances Received	29	111,621	83,957
Leases	14	628,373	620,235	Corporate Taxes Payable	30	320,677	574,454
Investments in Subsidiaries and Affiliates	15	496,813	423,614	Interest Payable (Depositors)	31	2,592,467	1,560,987
Other Investments	16	2,457,610	692,381	Dividends Payable	32	75,810	20,769
Fixed Assets	17	5,768,666	2,986,202	Provision for Termination Pay	33	107,487	60,988
Intangible Assets	18	6,296,762	4,991,725				
Other Assets	19	3,578,514	2,037,924	<b>TOTAL LIABILITIES</b>		152,779,854	110,945,642
Goodwill (consolidation)	20	28,223	23,887				
				<b>SHAREHOLDERS' EQUITY:</b>			
				Share Capital	34	23,100,000	7,700,000
				Statutory Reserve	35	2,155,633	1,245,958
				Discretionary Reserve	36	718,544	415,320
				Retained Earnings		5,349,199	3,044,868
				<b>TOTAL SHAREHOLDERS' EQUITY (Parent)</b>		31,323,376	12,406,146
				<b>MINORITY INTEREST</b>	37	1,959,058	1,039,160
				<b>TOTAL SHAREHOLDERS' EQUITY</b>		33,282,434	13,445,306
<b>TOTAL ASSETS</b>		186,062,288	124,390,948	<b>TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY</b>		186,062,288	124,390,948
<b>OFF BALANCE SHEET ITEMS:</b>				<b>OFF BALANCE SHEET ITEMS:</b>			
Commitments for L/C'S	55-1		7,177,905	Commitments for L/C'S	55-1		7,177,905
Guarantees Issued	55-2		16,901,043	Guarantees Issued	55-2		16,901,043
Other Commitments	55-3		1,981,085	Other Commitments	55-3		1,981,085
Managed Funds Commitments	55-4		3,359	Managed Funds Commitments	55-4		3,359

Notes (1) to (60) attached, are integral part of these financial statements

**BANK PASARGAD (PLC.)**  
**CONSOLIDATED INCOME STATEMENT**  
**FOR THE FINANCIAL YEAR ENDED MARCH 20, 2011**

	Note	2011 m.IRR	(Restated) 2010 m.IRR
<b>REVENUES:</b>			
Income on Credit Facilities Granted	38	17,410,040	15,536,273
Income on Investments and Deposits	39	4,690,031	2,403,715
Sales and Services Revenue	40	12,490,896	3,268,508
Commission Income	41	1,898,636	1,388,122
Foreign Exchange Transactions - Net	42	186,167	21,685
Other Income	43	480,156	357,343
<b>Total Revenues</b>		37,155,926	22,975,646
<b>Expenses:</b>			
Depositors Share of Income	44	(14,726,021)	(12,967,118)
On-Account Payments to Depositors	45	(613,722)	(426,186)
Cost of Goods and Services Sold	46	(11,342,413)	(3,196,345)
Salaries and Personnel Charges	47	(881,203)	(662,432)
General and Administrative Expenses	48	(877,638)	(638,345)
Provision for Doubtful Debts	49	(1,028,094)	(1,561,100)
Financial Charges	50	(293,395)	(149,675)
Net Other Income (Expense)	51	(875,626)	185,910
<b>Total Expenses</b>		(30,638,112)	(19,415,291)
<b>Net Profit before Income Tax</b>		6,517,814	3,560,355
Provision for Corporate Tax		(314,054)	(261,991)
Minority Interest		(279,895)	(189,248)
<b>Net Profit after Tax</b>		5,923,865	3,109,116
<b>Earning Per Share (Diluted)-IRR</b>		256.44	403.78

**Movements of Consolidated Retained Earnings**

Net Profit after Tax		5,923,865	3,109,116
Retained Earnings, Beginning Balance		3,362,742	2,443,058
Annual Adjustments (Mainly Prior Years' Taxes)		(317,874)	(315,511)
Retained Earning Available for Allocation		8,968,733	5,236,663
<b>Less: Allocation of Earnings</b>			
Dividends		(2,444,251)	(1,553,641)
Statutory Reserve		(856,086)	(469,545)
Discretionary Reserves		(319,197)	(168,609)
		(3,619,534)	(2,191,795)
Retained Earnings End of Year		5,349,199	3,044,868
Minority Interest in Retained Earnings	37	359,771	215,084

**BANK PASARGAD (PLC).**  
**CONSOLIDATED STATEMENT OF CASH FLOWS**  
**FOR THE FINANCIAL YEAR ENDED MARCH 20, 2011**

	<u>Note</u>	<u>2011</u> <u>m.IRR</u>	<u>2010</u> <u>m.IRR</u>
<b><u>OPERATING ACTIVITIES:</u></b>			
Net Cash In-flow (Out-flow) from Operating Activities	52	(7,663,184)	3,220,048
<b><u>RETURN ON INVESTMENTS AND SERVICING OF FINANCE:</u></b>			
Dividends Received		208,678	-
Dividends Paid		(2,397,677)	(947,660)
Interest Received on Short-term Deposits		37,817	728
Interest Paid		<u>(172,531)</u>	<u>(3,232)</u>
Net Cash In-flow (Out-flow) from Return on Investments and Servicing of Finance		(2,323,713)	(950,164)
<b><u>TAXATION:</u></b>			
Corporate Taxes Paid		(579,274)	(153,331)
<b><u>INVESTING ACTIVITIES:</u></b>			
Payments for Acquisition of Investments		(2,527,273)	(240,303)
Payments for Acquisition of Fixed Assets		(1,342,657)	(451,009)
Cash Proceeds on Sale of Investments		-	32,924
Cash Proceeds on Sale of Fixed Assets		10,075	4,918
Payments for Acquisition of Intangible Assets		(164,072)	(340,742)
Cash Proceeds on Sale of Intangible Assets		-	25,910
Payments for Acquisition of Other Assets		<u>(57,732)</u>	<u>(5,357)</u>
Net Cash In-flow (Out-flow) from Investing Activities		<u>(4,081,659)</u>	<u>(973,659)</u>
Activities		(14,647,830)	1,142,894
<b><u>FINANCING ACTIVITIES:</u></b>			
Receipts on Subscription of Share Capital		15,958,809	32,443
Receipt of Facilities		1,484,616	768,484
Receipts from Issuance of Participation Papers		2,807,310	-
Re-payment of Debt		<u>(1,171,451)</u>	<u>(405,957)</u>
Net Cash In-flow (Out-flow) from Financing Activities		19,079,284	394,970
Net Increase (Decrease) in Cash	54	<u>4,431,454</u>	<u>1,537,864</u>
Cash, Beginning of the Year		<u>3,972,742</u>	<u>2,434,878</u>
Cash, End of the Year		<u><u>8,404,196</u></u>	<u><u>3,972,742</u></u>

Notes (1) to (60) attached are integral part of these financial statements

**BANK PASARGAD (PLC)**  
**BALANCE SHEET**  
**AS AT MARCH 20, 2011**

<b><u>ASSETS:</u></b>	Note	March 20, 2011	(Restated) March 20, 2010	<b><u>LIABILITIES:</u></b>	Note	March 20, 2011	(Restated) March 20, 2010
		m.IRR	m.IRR			m.IRR	m.IRR
Cash	5	1,136,986	670,381	Due to CBI	21	2,958,943	2,089,250
Due from CBI	6	16,107,889	12,538,333	Call Deposits	22	9,563,852	4,928,493
Inter-bank Accounts	7	27,764,235	13,062,755	Saving Deposits	23	1,639,356	921,720
Participation Papers	8	8,345,318	9,366,229	Term Deposits	24	123,515,749	96,751,649
Credit Facilities Granted	9	109,593,714	76,048,630	Other Deposits	25	4,830,089	2,958,852
Other Accounts Receivable	11	6,478,796	3,992,848	Other Liabilities and Accruals	27	2,242,208	479,684
Investments	15, 16	4,368,344	2,901,510	Corporate Taxes Payable	30	268,112	499,582
Fixed Assets	17	2,557,430	2,319,629	Interest Payable (Depositors)	31	2,598,465	1,562,710
Intangible Assets	18	1,328,786	1,215,590	Dividends Payable	32	36,513	44,341
Other Assets	19	1,546,382	517,022	Provision for Termination Pay	33	75,299	42,934
				<b>TOTAL LIABILITIES</b>		<b>147,728,586</b>	<b>110,279,215</b>
				<b><u>SHAREHOLDERS' EQUITY:</u></b>			
				Share Capital	34	23,100,000	7,700,000
				Statutory Reserve	35	2,155,633	1,245,958
				Discretionary Reserve	36	718,544	415,320
				Retained Earnings		5,525,117	2,992,434
				<b>TOTAL SHAREHOLDERS' EQUITY</b>		<b>31,499,294</b>	<b>12,353,712</b>
<b>TOTAL ASSETS</b>		<b>179,227,880</b>	<b>122,632,927</b>	<b>TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY</b>		<b>179,227,880</b>	<b>122,632,927</b>
<b><u>OFF BALANCE SHEET ITEMS:</u></b>				<b><u>OFF BALANCE SHEET ITEMS:</u></b>			
Commitments for L/C'S	55-1	27,286,356	7,177,905	Commitments for L/C'S	55-1	7,177,905	5,757,106
Guarantees Issued	55-2	19,999,501	16,901,043	Guarantees Issued	55-2	16,901,043	11,600,403
Other Commitments	55-3	2,819,134	1,981,085	Other Commitments	55-3	1,981,085	4,949,559
Managed Funds Commitments	55-4	1,241	3,359	Managed Funds Commitments	55-4	3,359	1,230

Notes (1) to (60) attached herewith, are integral part of these financial statements.

**BANK PASARGAD (PLC).**  
**INCOME STATEMENT**  
**FOR THE FINANCIAL YEAR ENDED MARCH 20, 2011**

	Note	2011	Restated 2010
<b><u>NET COMMON JOINT INCOME:</u></b>			
		<b>m.IRR</b>	<b>m.IRR</b>
Income on Credit Facilities Granted	38	18,129,651	16,089,314
Income on Investments and Deposits	39	4,333,861	2,255,702
<b>Gross Common Joint Income</b>		<b>22,463,512</b>	<b>18,345,016</b>
On-Account Payment to Depositors	45	(14,905,468)	(13,037,811)
Under (Over) Payment to Depositors	45	(613,722)	(426,186)
<b>Bank's Share of Net Income</b>		<b>6,944,322</b>	<b>4,881,019</b>
<b><u>INCOME FROM BANK OPERATIONS:</u></b>			
Income on Investments and Deposits	39	59,214	1,678
Commissions	41	1,909,980	1,389,124
Translation Gain (Loss)	42	186,167	21,685
Other Income	43	188,465	220,227
		<b>2,343,826</b>	<b>1,632,714</b>
<b>TOTAL INCOME</b>		<b>9,288,148</b>	<b>6,513,733</b>
<b><u>EXPENSES</u></b>			
General and Administrative	47-48	(1,572,862)	(1,193,372)
Provision for Doubtful Debts	49	(1,157,903)	(1,643,800)
Financial Charges	50	(247,957)	(128,306)
<b>TOTAL EXPENSES</b>		<b>(2,978,722)</b>	<b>(2,965,478)</b>
<b>Net Profit before Income Tax</b>		<b>6,309,426</b>	<b>3,548,255</b>
Provision for Corporate Tax		(244,930)	(176,068)
<b>Net Profit after Tax</b>		<b>6,064,496</b>	<b>3,372,187</b>

**Earning Per Share Information**

Earning Per Share-IRR. (Based on Number of Shares Outstanding at Balance Sheet Date)	262.53	437.95
Number of Shares Outstanding at Balance Sheet Date	23,100,000,000	7,700,000,000
Earning per Share-IRR. (Based on Weighted Average Number of Shares Outstanding During the Year)	476.74	465.05
Weighted Average Number of Shares Outstanding During the Year	12,720,821,918	7,251,232,877

**Movements of Retained Earnings**

Net Profit after Tax	6,064,496	3,372,187
Retained Earnings, Beginning Balance	3,292,434	2,143,086
Annual Adjustments (Mainly Prior Year Taxes)	(300,000)	(300,000)
Adjusted Retained Earnings	2,992,434	1,843,086
Less: Dividends Declared for Previous Fiscal Year	(2,318,913)	(1,548,403)
	673,521	294,683
Retained Earning Available for Allocation	6,738,017	3,666,870
<b>Less: Allocation of Earnings</b>		
Statutory Reserve	(909,675)	(505,828)
Discretionary Reserve	(303,225)	(168,609)
	(1,212,900)	(674,437)
Retained Earnings Available for Distribution, Ending Balance	5,525,117	2,992,433

Notes (1) to (60) attached are integral part of these financial statements

**BANK PASARGAD (PLC).**  
**STATEMENT OF CASH FLOWS**  
**FOR THE FINANCIAL YEAR ENDED MARCH 20, 2011**

	<u>Note</u>	<u>2011</u> <u>m.IRR</u>	<u>Restated</u> <u>2010</u> <u>m.IRR</u>
<b><u>OPERATING ACTIVITIES:</u></b>			
Net Cash In-flow (Out-flow) from Operating Activities	53	(7,080,638)	3,471,720
<b><u>RETURN ON INVESTMENTS AND SERVICING OF FINANCE:</u></b>			
Dividends Received		328,442	153,887
Dividends Paid		(2,326,740)	(820,427)
Net Cash In-flow (Out-flow) from Return on Investments and Servicing of Finance		(1,998,298)	(666,540)
<b><u>TAXATION:</u></b>			
Corporate Taxes Paid		(476,400)	(99,925)
<b><u>INVESTING ACTIVITIES:</u></b>			
Payments for Acquisition of Investments		(1,472,952)	(399,878)
Payments for Acquisition of Fixed Assets		(440,772)	(438,295)
Payments for Acquisition of Intangible Assets		(120,445)	(440,930)
Proceeds on Sale of Investments		21,617	32,085
Proceeds on Sale of Fixed Assets		19,448	4,920
Net Cash In-flow (Out-flow) from Investing Activities		(1,993,104)	(1,242,098)
<b><u>FINANCING ACTIVITIES:</u></b>			
Receipts on Subscription of Share Capital		15,400,000	-
Net Cash In-flow (Out-flow) from Financing Activities		15,400,000	-
Net Increase (Decrease) in Cash	54	3,851,560	1,463,157
Cash, Beginning of the Year		3,824,191	2,361,034
Cash, End of the Year		7,675,751	3,824,191

Notes (1) to (60) attached herewith are integral part of these financial statements

**BANK PASARGAD (PLC.)**  
**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS**  
**FOR THE FINANCIAL YEAR ENDED MARCH 20, 2011**

**1- BANK'S ACTIVITIES**

1-1- Background:

Bank Pasargad was established in accordance with the law pertaining to the establishment of private banks in Iran, and was registered under No-254300 with the Tehran Companies Registrar Office on September 4, 2005. The Central Bank of the Islamic Republic of Iran (CBI) issued The Banking Operation License No-2849 on September 13, 2005.

The head office is located at:

No. 430, Mirdamad Blvd., Tehran 19697-74511, Iran

Consolidated financial statements are prepared for the Bank (Parent) and its subsidiaries.

1-2- Activities:

Bank Pasargad provides and offers all kind of banking products and services; core business includes commercial, retail, and wholesale banking. All banking activities are performed in accordance and in compliance with the regulatory laws, set by CBI.

1-3- Employment:

Number of employees working for the Bank and the Group were as follows at year end:

	<b>Group</b>		<b>Bank</b>	
	<b>2011</b>	<b>2010</b>	<b>2011</b>	<b>2010</b>
	<i>Number of Employees</i>	<i>Number of Employees</i>	<i>Number of Employees</i>	<i>Number of Employees</i>
Head quarter	435	370	435	370
Tehran's branches	1,587	1,425	1,587	1,425
Other cities' branches	895	835	895	835
Employees in training	64	71	64	71
Affiliate companies	1,550	1,366	-	-
<b>Total</b>	<b>4,531</b>	<b>4,067</b>	<b>2,981</b>	<b>2,701</b>

1-4- Branches:

The Bank's number of branches were as follows at year end:

	<b>Bank</b>	
	<b>2011</b>	<b>2010</b>
Tehran branches	174	150
Other cities' branches	92	81
Free zone branches	2	2
<b>Total</b>	<b>268</b>	<b>233</b>

**2- BASIS FOR PREPARATION OF FINANCIAL STATEMENTS**

The Bank's financial statements are prepared on historical cost basis; revenues and expenses are recorded on accrual basis. Current values are used wherever required.

**3- BASIS FOR CONSOLIDATION**

**BANK PASARGAD (PLC.)**  
**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS**  
**FOR THE FINANCIAL YEAR ENDED MARCH 20, 2011**

The group's consolidated financial statements are prepared on the basis of Bank Pasargad's financial statements and subsidiaries and with due consideration to elimination of intercompany transactions.

*In accordance with current practice in Iran, such consolidated financial statements are presented together with the Bank's own financial statements.*

**4- SIGNIFICANT ACCOUNTING POLICIES**

4-1- Inventories:

Inventories are reflected at lower of cost or market value using weighted average method.

4-2- Investments:

	<u>Consolidated Financial statements</u>	<u>Parent Co.'s Financial Statements</u>
<b>Valuation:</b>		
Long-Term Investments in Subsidiaries	Consolidation	Cost method
Long-term Investment in Affiliates	Equity Method	Cost method
Other Long-Term Investments	Cost Method	Cost method
Short-Term Investments	Lower of cost or market value of portfolio	Lower of cost or market value of portfolio
Other Short-Term Investments	Lower of cost or market value for each investment	Lower of cost or market value for each investment
<b>Revenue Recognition:</b>		
Subsidiaries	Consolidation	When dividends are declared (prior to preparation of financial statements)
Affiliates	Equity method	When dividends are declared (prior to preparation of financial statements)
Other short-term investments	When dividends are declared by the investee (prior to the balance sheet date)	When dividends are declared by the investee (Prior to the balance sheet date)

4-3- Recognition of Revenue by the Parent Company

**BANK PASARGAD (PLC.)**  
**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS**  
**FOR THE FINANCIAL YEAR ENDED MARCH 20, 2011**

In accordance with paragraph 62 of the Bank's Articles of Association, income from banking activities and financial facilities granted, is recorded on accrual basis. Income from banking services is realized when received. Income from investment in subsidiaries and affiliated companies is realized when declared by the investee (up to the date of preparation of financial statements). Differences arising from fluctuation in exchange rates, are recorded as revenue or loss of the period incurred.

4-4- Income from Installment Sales at subsidiaries

Income from installment sales at subsidiaries is recognized in installments. Installments include the principal investment plus interest and, in some cases, an insurance premium.

4-5- Revenue on Lease Arrangements

Revenue from capital lease arrangements is realized when earned, based on rental payments. Lease payments include investment in lease and interest earned, as well as monthly insurance charges if applicable.

4-6- Recognition of Late Payment Penalty Charges

In subsidiaries, late payment charges are calculated on the basis of rates stipulated in leasing contracts. However, to comply with the principle of conservatism, additional penalty charges are realized when received.

4-7- Revenue from Construction Projects

Revenue from construction projects (in subsidiaries) is realized using percentage of completion method. For projects sold, revenue is realized when 20% of the price is received and sale agreements are concluded with buyers.

4-8- Insurance Revenue

Non-life insurance policies: for direct term life insurance policies, revenue is recognized during the insurance coverage period. For reinsurance policies, revenue is recognized during the period which damage payments are received, after reduction of statutory reserves.

Life insurance policies: revenue is recognized when payment received

4-9- Fixed Assets

4-9-1- Tangible fixed assets are recorded at historical cost. Expenditures enhancing useful life, capacity or quality of such assets are capitalized and depreciated. General repair and maintenance charges are recorded as expense when incurred.

**BANK PASARGAD (PLC.)**  
**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS**  
**FOR THE FINANCIAL YEAR ENDED MARCH 20, 2011**

4-9-2- Fixed assets are depreciated in accordance with the rules stipulated in Article 151 of the Direct Taxation Act, using the following rates and methods.

<u>Fixed Assets</u>	<u>Dep. Rate</u>	<u>Dep. Method</u>
Buildings	7%, 8%, 10%	Reducing balance
Installations	20%	Reducing balance
Motor Vehicles	25 % & 30%	Reducing balance
Computer Hardware	3 Years	Straight line
Communication Equipment	10 Years	Straight line
Furniture & Fixtures	10 Years	Straight line
ATM, (POS Machines)	3 Years	Straight line

4-9-3- Fixed assets acquired during the month are depreciated starting from the following month.

4-10- Intangible Assets

In accordance with regulations set by Money and Credit Council of CBI, no amortization is assumed for lease-hold premium paid for branch sites, offices and land by the Bank. Software is amortized over three years using the straight-line method. No amortization is calculated for other intangible assets.

4-11- Realization of Income from Credit Facilities, Interest and Commissions

In accordance with banking regulations, income from banking activities and credit facilities granted are recorded on accrual basis and as follows:

<u>Type of Income</u>	<u>Basis for Recognition of Income</u>
- Income from facilities granted	Based on time period, balance of facilities granted and minimum expected
- Late payment charges	Based on time period, amount of delayed payments and charge rates foreseen in the contract on accrual basis.
- Commission on letters of Guarantee	When L/G is issued
- Other bank commissions.	When services are rendered.

4-12- Basis for Calculating the Depositors' Share of the Bank's Common Joint Income:

In accordance with the law pertaining to Islamic Banking and related regulations, income arising from facilities granted, income from investment in stocks and income from participation papers are considered as "common joint income"; it is divided on the basis of investment capital contributed (by depositors and the Bank).

**BANK PASARGAD (PLC.)**  
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4-13- Classification of Financial Facilities:

Financial facilities are classified based on rules established by the Money and Credit Council of CBI and on the basis of time delayed payment, financial status of customer and customer's industry, with the following categories:

Current:

Maximum 2 months overdue; customer is in good financial position and industry has acceptable prospect

Past due:

2 to 6 month over-due; customer is in good financial position and industry has limited growth

Deferred:

6 to 18 months over-due; customer is not in good financial position and industry faces major limitations

Doubtful:

More than 18 months over-due; customer does not have an acceptable financial position

4-14- Provision for Doubtful Accounts:

Allowance is provided for doubtful accounts, based on the ratification of the Money and Credit Council of CBI, as follows:

- General provision, equal to 1.5 percent of facilities balance except for overdue, deferred and doubtful accounts for which allowance for special impairment loss is provided.
- Past due category 10%
- Deferred category 20%
- Bad debt category (Based on customers capabilities) 50% to 100%
- Bad debt category more than five years over-due 100%

4-15- Provision for Termination Pay

A provision, equivalent to one month salary for each full year of service, is provided in the accounts to cover employees' termination pay.

4-16- Financial Charges

Financial charges are recognized as expense in the period incurred, except for charges directly related to acquiring an asset.

4-17- Foreign Exchange Transactions

Monetary assets and liabilities in foreign currencies are converted into Iranian IRR at exchange rates prevailing at balance sheet date; any differences arising from exchange rate fluctuations are recorded as gain or loss of the period.

4-18- Goodwill in Financial Statements

Goodwill arising from application of the purchase method in preparing consolidated financial statements is amortized over a 20 year period.

**BANK PASARGAD (PLC.)**  
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**5- CASH**

Balance of cash includes the following:

	<b>Group</b>		<b>Bank</b>	
	<b>2011</b>	<b>2010</b>	<b>2011</b>	<b>2010</b>
	<i>m.IRR</i>	<i>m.IRR</i>	<i>m.IRR</i>	<i>m.IRR</i>
Cash in hand	122	93,377	122	93,377
Cash in ATM machines	831,360	526,303	823,528	525,472
Notes in foreign currencies	352,924	69,676	313,336	51,532
Other	681,026	129,576	-	-
<b>Total cash</b>	<b>1,865,432</b>	<b>818,932</b>	<b>1,136,986</b>	<b>670,381</b>

Cash has full insurance coverage.

**6- DUE FROM CBI**

Amounts due from CBI includes the following items receivable by the parent company.

	<b>Note</b>	<b>2011</b>	<b>2010</b>
		<i>m.IRR</i>	<i>m.IRR</i>
Statutory Deposit	6-1	15,696,735	12,261,468
Current Account with CBI		13,261	68,906
Interest Receivable on Statutory Deposit		138,821	124,570
Special Short-term Deposit		-	83,389
Other Amounts Due from CBI		259,072	-
<b>Total</b>		<b>16,107,889</b>	<b>12,538,333</b>

6-1-Statutory deposit with CBI is computed on the basis of Paragraph (3) of Article 14 of the Banking Act, and in accordance with the provisions ratified by the Money and Credit Council, as follows:

	<b>March 20, 2011</b>		<b>March 20, 2010</b>	
	<b>Interest Rate</b>	<b>m.IRR</b>	<b>Interest Rate</b>	<b>m.IRR</b>
Short-term Deposits	15.5%	7,464,605	16%	7,367,534
At-sight Deposits	17%	1,640,093	17%	589,210
Saving Deposits	10%	11,823	10%	6,507
Two to Three Years Term Deposits	11%	129,809	13%	156,302
Four Years Term Deposits	10%	31,595	12%	35,626
Five Years Term Deposits	10%	5,416,032	10%	3,445,128
L/G Deposits	17%	200,599	17%	180,865
L/C Advances	17%	11,403	17%	14,763
Free-zone Deposits	10%	790,776	10%	465,533
<b>Total</b>		<b>15,696,735</b>		<b>12,261,468</b>

**BANK PASARGAD (PLC.)**  
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**7- INTER-BANK ACCOUNTS**

The balance of this account includes the following items receivable by the parent company.

		<u>2011</u>	<u>2010</u>
		<i>m.IRR</i>	<i>m.IRR</i>
Deposits with local banks (IRR.)	7-1	18,210,214	5,072,302
Long term deposits with foreign banks (foreign currencies)	7-2	682,643	1,785,104
Call deposits with banks (foreign currencies)	7-2	6,508,587	3,075,590
Debtors / Clearing house		2,361,791	3,129,111
Cash in transit		1,000	648
<b>Total</b>		<u><u>27,764,235</u></u>	<u><u>13,062,755</u></u>

7-1-IRR deposits at local banks are as follows:

	<u>March 20, 2011 - m.IRR</u>			<u>March 20, 2010 - m.IRR</u>		
	<u>Call Deposits</u>	<u>Long-Term Deposits</u>	<u>Total</u>	<u>Call Deposits</u>	<u>Long-Term Deposits</u>	<u>Total</u>
Ghavamin Finance and Credit Institute	-	3,326,158	3,326,158	-	569,276	569,276
Mehr Finance and Credit Institute	-	2,366,450	2,366,450	-	2,121,293	2,121,293
Samen Allameh Finance and Credit Institute	-	2,255,225	2,255,225	-	1,027,993	1,027,993
Mellat Bank	310	2,001,890	2,002,200	188	308,750	308,938
Sina Bank	-	1,900,001	1,900,001	-	-	-
Melli Bank	4,554	1,580,695	1,585,249	716	43,107	43,823
Saman Bank	-	1,000,000	1,000,000	-	-	-
Saderat Bank	6,600	786,936	793,536	4,483	435,625	440,108
Tejarat Bank	5,155	642,581	647,736	3,117	65,398	68,515
Sarmayeh Bank	-	513,081	513,081	-	2,804	2,804
Tose'e Finance and Credit Institute	-	500,000	500,000	-	200,000	200,000
Tat Bank	-	500,000	500,000	-	-	-
Keshavarzi Bank	-	422,421	422,421	-	124,478	124,478
Sepah Bank	51	188,079	188,130	807	13,262	14,069
Post Bank	-	180,000	180,000	-	-	-
Maskan Bank	46	16,087	16,133	2	143,622	143,624
Bank of Industry and Mine	-	8,308	8,308	-	3,518	3,518
Refah Kargaran Bank	-	5,381	5,381	1	3,858	3,859
Parsian Bank	-	5	5	-	-	-
Other	200	-	200	-	4	4
<b>Total</b>	<u><u>16,916</u></u>	<u><u>18,193,298</u></u>	<u><u>18,210,214</u></u>	<u><u>9,314</u></u>	<u><u>5,062,988</u></u>	<u><u>5,072,302</u></u>

**BANK PASARGAD (PLC.)**  
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7-2- Call deposits, segregated based on type of currency, deposit and bank (local or foreign), were as follows at balance sheet date:

	US Dollar		Euro		UK Pound		Japanese Yen		UAE Dirham		Swiss Franc		Swedish Krona		Turkish Lira		Chinese Yuan		South Korean Won		Total			
	US Dollar	m.IRR	Euro	m.IRR	UK Pound	m.IRR	Japanese Yen	m.IRR	UAE Dirham	m.IRR	Swiss Franc	m.IRR	Swedish Krona	m.IRR	Turkish Lira	m.IRR	Chinese Yuan	m.IRR	South Korean Won	m.IRR	Based on Exchange Rates (m.IRR)	Based on Bank's Books (m.IRR)		
Call Deposits (foreign currencies):																								
Call deposits with local banks (foreign currencies)	75,044,017	777,758	109,990,757	1,616,204	40,463	681	-	-	27,684,355	78,125	-	-	-	-	-	-	-	-	-	-	-	-	2,472,767	2,472,767
Call deposits with foreign banks (foreign currencies)	23,529	244	55,944,467	822,048	2,201,654	37,050	858,994,748	110,441	816,026,330	2,302,826	944,134	10,858	2,239,050	3,697	39,733,955	260,854	259,478,609	409,457	8,442,583,421	78,347	4,035,820	4,035,820		
Total call deposits with banks (foreign currencies)	75,067,546	778,002	165,935,224	2,438,252	2,242,117	37,731	858,994,748	110,441	843,710,685	2,380,951	944,134	10,858	2,239,050	3,697	39,733,955	260,854	259,478,609	409,457	8,442,583,421	78,347	6,508,587	6,508,587		
Long-Term Deposits:																								
Long-term deposits with foreign banks (foreign currencies)	-	-	44,000,000	646,536	-	-	-	-	-	-	-	-	-	-	5,500,000	36,108	-	-	-	-	-	-	682,643	682,643
Total long-term deposits	-	-	44,000,000	646,536	-	-	-	-	-	-	-	-	-	-	5,500,000	36,108	-	-	-	-	-	-	682,643	682,643
Total	75,067,546	778,002	209,935,224	3,084,788	2,242,117	37,731	858,994,748	110,441	843,710,685	2,380,951	944,134	10,858	2,239,050	3,697	45,233,955	296,962	259,478,609	409,457	8,442,583,421	78,347	7,191,230	7,191,230		

**BANK PASARGAD (PLC.)**  
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**8- PARTICIPATION PAPERS**

The balance of this account includes the following items receivable by the parent company:

	2011	2010
	<i>m.IRR</i>	<i>m.IRR</i>
Development plans (Governmental Certificates)	1,795,900	7,000,243
Participation papers issued by other banks	733,920	104,391
Other certificates	5,815,498	2,261,595
<b>Total</b>	<b>8,345,318</b>	<b>9,366,229</b>

	2011			
	Issue Date	Repayment Date	Guaranteed Interest Rate (Percentage)	Nominal Amount (m.IRR)
Department of energy	21/12/2008	21/12/2012	18.00	911,200
South Pars gas expansion	21/11/2010	21/8/2013	17.00	3,491,950
Siah Bisheh dam and pumping energy plant	24/7/2010	24/7/2014	16.50	130,000
Electricity and water energy plant plans	31/10/2010	31/7/2014	17.00	20,000
deposit certificate	30/11/2008	1/12/2011	17.00	433,920
deposit certificate	1/1/2011	1/1/2012	17.00	300,000
Mashad city	6/3/2011	6/3/2015	16.50	50,245
Mashad city	20/1/2009	20/1/2013	18.00	40,000
Government civil plans	10/3/2010	9/3/2013	8.00	734,700
South Pars gas expansion	12/2/2011	12/2/2015	16.50	300,000
South Pars gas expansion	21/8/2010	9/10/2014	17.00	585,000
Aysan project	22/1/2011	29/1/2015	16.50	450,000
Aysan project	12/3/2011	12/3/2014	17.00	135,765
Imam Khomeini Shazand	16/2/2011	15/2/2013	16.50	696,818
Imam Khomeini Shazand	15/2/2011	14/2/2013	17.00	52,450
Ammonia substation plan	4/12/2010	4/12/2014	16.50	13,270
<b>Total</b>				<b>8,345,318</b>

**9- CREDIT FACILITIES GRANTED**

9-1- Facilities granted were as follows at balance sheet date :

	Group		Bank	
	2011	2010	2011	2010
	<i>m.IRR</i>	<i>m.IRR</i>	<i>m.IRR</i>	<i>m.IRR</i>
Total facilities	108,848,396	75,645,667	115,864,126	80,645,703
Less: Deferred interest	(1,834,273)	(1,357,413)	(1,950,793)	(1,435,358)
General provision for doubtful debts	(2,308,359)	(1,530,157)	(2,438,168)	(1,612,857)
Special provision for doubtful debts	(1,881,451)	(1,548,858)	(1,881,451)	(1,548,858)
<b>Total</b>	<b>102,824,313</b>	<b>71,209,239</b>	<b>109,593,714</b>	<b>76,048,630</b>

9-2- Balance of bank facilities granted includes the following at balance sheet date:

	2011			2010	
	Balance	Deferred interest	Provision for bad debt	Net	Balance (Net)
	<i>m.IRR</i>	<i>m.IRR</i>	<i>m.IRR</i>	<i>m.IRR</i>	<i>m.IRR</i>
Credit facilities (IRR)	105,475,710	(1,950,793)	(3,925,687)	99,599,230	72,588,427
Qarz-ol-hassaneh(loan with no interest)	2,504,034	-	(94,954)	2,409,080	2,181,600
Debtors-L/C'S	7,471,971	-	(283,339)	7,188,632	980,992
Debtors-L/G's	412,411	-	(15,639)	396,772	297,611
<b>Total</b>	<b>115,864,126</b>	<b>(1,950,793)</b>	<b>(4,319,619)</b>	<b>109,593,714</b>	<b>76,048,630</b>

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9-2-1- The above facilities, categorized (in total) in conformity with directives of the Money and Credit Council of CBI as follows:

	<b>2011</b>
	<i>m.IRR</i>
Current	108,176,733
Past due	1,026,788
Deferred	2,647,614
Bad debts	4,012,991
	115,864,126
Less: Deferred interest income	(1,950,793)
Provision for doubtful accounts (General)	(2,438,168)
Provision for doubtful accounts (Special)	(1,881,451)
Total	109,593,714

9-2-2- The balance of facilities granted , categorized based on repayment date and interest rate, is as follows:

	<b>2011</b>						<b>Total</b>
	<b>Higher than 24%</b>	<b>21-24 %</b>	<b>18-21 %</b>	<b>15-18 %</b>	<b>12-15 %</b>	<b>12% and lower</b>	
	<i>m.IRR</i>	<i>m.IRR</i>	<i>m.IRR</i>	<i>m.IRR</i>	<i>m.IRR</i>	<i>m.IRR</i>	<i>m.IRR</i>
Past due	6,435,541	789,994	4,376	2,311	1,647	453,524	7,687,393
20/3/2011	32,814,131	27,443,064	7,584,623	441,420	2,832,836	21,150,203	92,266,277
19/3/2012	2,614,704	100,009	114,251	4,937	83,851	54,583	2,972,335
20/3/2013	2,455,943	1,824,509	4,072	1,787	157,898	18,314	4,462,523
20/3/2014	2,525,678	27,733	-	322	15,050	44,390	2,613,173
After 20/3/2014	1,807,643	1,458,140	817,738	116,583	21,186	1,641,135	5,862,425
	48,653,640	31,643,449	8,525,060	567,360	3,112,468	23,362,149	115,864,126

9-2-3- The balance of facilities granted by the Bank, categorized based on assets pledged in return, is as follows:

	<b>2011</b>	<b>Restated 2010</b>
	<i>m.IRR</i>	<i>m.IRR</i>
Facilities granted for pledged land and building	36,242,856	29,480,569
Facilities granted for pledged shares of stock	3,807,839	2,311,100
Facilities granted for pledged checks	75,706,043	48,748,588
Facilities granted for pledged participation papers	107,388	105,446
Total	115,864,126	80,645,703

**10- ACCOUNTS AND NOTES RECEIVABLE**

Balance of this account includes amounts receivable by subsidiaries as follows:

	<b>Group</b>	
	<b>2011</b>	<b>Restated 2010</b>
	<i>m.IRR</i>	<i>m.IRR</i>
Trade accounts and notes	1,097,935	562,572
Receivables from insurance customers and representatives	211,593	-
Insurers' share of statutory reserves	204,493	-
Receivables from insurers and reinsurers	13,833	-
Due from affiliates	8,276	32,259
Dividends receivable	1,260	1,674
Other	1,737,301	842,075
Total	3,274,691	1,438,580

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**11- OTHER ACCOUNTS AND NOTES RECEIVABLE**

Balance of this account comprises of the following:

		Group		Bank	
		2011	Restated 2010	2011	Restated 2010
		<i>m.IRR</i>	<i>m.IRR</i>	<i>m.IRR</i>	<i>m.IRR</i>
Other accounts receivable	11-1	1,798,941	916,729	6,296,628	3,937,822
Notes receivable		29,605	9,390	7,929	9,383
Other temporary receivables		194,051	45,643	174,239	45,643
<b>Total</b>		2,022,597	971,762	6,478,796	3,992,848

11-1 Balance of other accounts receivable for the bank are as follows:

	Bank	
	2011	Restated 2010
	<i>m.IRR</i>	<i>m.IRR</i>
Modaberan Sakht Arian	2,141,149	1,655,926
Saman Sakht Co.	2,175,115	1,322,631
Interest earned on participation papers and deposits	299,538	205,985
Dividend income from public companies	19,017	21,129
Daily interest paid on participation papers	6,837	17,965
Other	1,654,972	714,186
<b>Total</b>	6,296,628	3,937,822

**12- INVENTORIES**

Balance of this account includes inventories held by subsidiaries as follows:

	Group	
	2011	Restated 2010
	<i>m.IRR</i>	<i>m.IRR</i>
Inventory of properties and building projects	4,193,357	2,979,169
Inventory of goods and parts	124,015	96,952
Inventory of cards	65,909	25,826
Our goods on consignment	18,169	13,915
<b>Total</b>	4,401,450	3,115,862

\* Inventories are insured against fire, floods and earthquake loss.

**13- PREPAYMENTS AND DEPOSITS**

Balance of this account, in the amount of 201,402 m.IRR, represents prepayments and deposits by the subsidiaries.

**14- LEASES**

The amount reflected as leases on the balance sheet comprises of capital leases of Machinery Leasing Co.

(subsidiary of the Bank).

	Group	
	2011	Restated 2010
	<i>m.IRR</i>	<i>m.IRR</i>
Investment in capital leases, beginning of the year	1,331,963	1,291,121
Additions during the year	652,690	652,753
Reductions during the year	(304,640)	(611,910)
Investment in capital leases, end of the year	1,680,013	1,331,964
Capital lease payments received, beginning of the year	(711,729)	(620,674)
Capital lease payments received during the year	(639,762)	(617,221)
Reduction of capital leases for contracts fully paid	299,851	526,166
Capital lease amortization	(1,051,640)	(711,729)
<b>Capital leases, end of the year</b>	628,373	620,235

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**15- INVESTMENTS IN SUBSIDIARIES AND AFFILIATES**

Direct investments in unlisted (unquoted) shares include investments in subsidiaries and affiliated companies established by the Bank as follows:

	<b>Group</b>		<b>Bank</b>	
	<b>2011</b>	<b>Restated 2010</b>	<b>2011</b>	<b>Restated 2010</b>
	<i>m.IRR</i>	<i>m.IRR</i>	<i>m.IRR</i>	<i>m.IRR</i>
Pasargad Insurance Co.	-	136,242	103,500	83,700
ME Mabna Co.	-	-	268,673	196,361
Pasargad Electronic Payment Services Co.	-	-	33,000	36,850
Pasargad Brokerage Co.	-	-	18,250	15,000
Fanap Co.	-	-	9,800	4,900
Tamin Atiyeh Co.	1,523	1,075	-	-
Pasargad Investment Services Co.	-	-	20	49
Pasargad Machinery Leasing Co.	-	-	18,115	18,115
ME Mining Holding Co.	-	-	350,392	250,898
Pasargad Development Co.	-	-	2,500	2,500
Pasargad Energy Co.	209,020	11,000	126,520	2,000
Saman Sakht Aryan Co.	-	-	599,400	599,400
Pasargad Value-makers Co.	-	-	1,959,905	979,953
Modaberane Sakht Aryan Co.	-	-	270,000	270,000
Pasargad Leasing Co.	-	-	335,000	201,000
8th Urbanization Co.	-	-	100,500	100,500
Rahbord Sarmayeh Iranian Co.	98	98	-	-
Tose Fan Avaran Noandish Pasargad Co.	2,000	2,000	-	-
International Pasargad Energy Co.	1,000	1,000	-	-
Pars Aryan Co.	-	65,600	-	-
Pasargad Exchange	-	-	35,000	35,000
Modiriyat Sakhtemani Nezam Mohandesi Aryan Co.	68,860	40,000	14,060	-
Iranian Re-insurance Co.	155,978	117,250	30,000	30,000
Iran Tourism Investment Co.	19,610	18,000	-	-
Pasargad Mutual Investment Co.	732	500	-	-
Pey Pisheh Building Co.	1,850	1,850	-	-
Ayande Negar Management Co.	1,022	1,022	-	-
Andisheh Negar Pasargad Trade Expansion Co.	2	2	-	-
Tadbirgaran Pasargad Co.	876	876	-	-
Pasargad Financial Group International Trades Co.	25,720	25,720	-	-
Miras Pars Pasargad Co.	4,830	740	-	-
Khadamat Fanavar Noavar Pasargad Co.	900	525	-	-
Sabz Aryan Intelligent Information Solutions Co.	2	114	-	-
Pasargad Research, Management, Human Resources	700	-	400	-
Behineh Value Investment and Capital Co.	2,090	-	1,100	-
<b>Total</b>	<b>496,813</b>	<b>423,614</b>	<b>4,276,135</b>	<b>2,826,226</b>

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15-1- Subsidiaries and affiliates are as follows:

	Country	Percentage of Ownership		Main Activity
		Group	Bank	
Saman Sakht Aryan Co.	Iran	99.97	99.90	Civil works
Pasargad Value-makers Co.	Iran	98.00	98.00	Economical, technical, financial and credit services
Modaberane Sakht Aryan Co.	Iran	99.75	45.00	Participation and investment in construction material production companies
Pasargad Leasing Co.	Iran	68.47	67.00	Building leasing
8th Urbanization Co.	Iran	85.31	67.00	Civil works
Pasargad Electronic Payment Services Co.	Iran	66.86	60.00	Electronic banking services
Pasargad Brokerage Co.	Iran	62.72	49.00	Stock market brokerage
Pasargad Investment Services Co.	Iran	59.19	19.50	Valuation services
Pasargad Aryan IT and Communications Group	Iran	49.00	49.00	IT and communications
ME Mabna Co.	Iran	35.33	43.84	Investment and mining
Pasargad Development Co.	Iran	58.63	5.00	Investment in building projects
Pasargad Machinery Leasing Co.	Iran	70.03	18.00	Industrial machinery leasing
Modaberan Tejarat Iranian Co.	Iran	97.99	0.00	Economical, technical, financial and credit services
Aryan Pasargad Construction	Iran	68.08	0.00	Civil works
Pasargad Aryan Technical Support Co.	Iran	95.06	0.00	Technical support services
Nazm Avaran Shayesteh Co.	Iran	93.09	0.00	Economical, technical, financial and credit services
Pasargad Exchange Co.	Iran	84.70	70.00	Currency exchange
Middle East Mine and Industry Expansion Holding Group	Iran	52.11	19.90	Investment in companies, civil works, and building factories
Pasargad Insurance Co.	Iran	20.00	20.00	Insurance services

**16- OTHER INVESTMENTS**

Other investments by the bank and the group comprise of the following:

	Group		Bank	
	2011 <i>m.IRR</i>	Restated 2010 <i>m.IRR</i>	2011 <i>m.IRR</i>	Restated 2010 <i>m.IRR</i>
Investment in public companies	1,566,902	543,175	113,430	142,065
Provision for loss on value of investments	(47,398)	(70,309)	(47,375)	(69,894)
Participation and Investment in properties and projects	241,455	131,435	-	-
Participation papers and deposit certificates	27,008	-	-	-
Participation papers	1,000	-	-	-
Investment in non-public companies	655,702	42,349	26,154	3,113
Other participations	12,941	45,731	-	-
Total	<u>2,457,610</u>	<u>692,381</u>	<u>92,209</u>	<u>75,284</u>

**16-1- INVESTMENTS BY THE PARENT**

Direct investment by the Bank in subsidiaries and affiliated companies as well as investments in shares of listed stocks were as follows:

	Note	Restated	
		2011 <i>m.IRR</i>	2010 <i>m.IRR</i>
Direct investment in affiliates	15	4,276,135	2,826,226
Other investments	16	92,209	75,284
Total		<u>4,368,344</u>	<u>2,901,510</u>

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**17- FIXED ASSETS**

17-1- Movement of fixed assets and provision for depreciation of the Group were as follows:

	COST				ACCUMULATED DEPRECIATION					BOOK VALUE		
	March 20, 2010	Additions	Fixed Assets Sold	Movements & Adjustments	March 20, 2011	March 20, 2010	Dep. Charges of the Year	Acc. Dep of Fixed Assets Sold	Other Adjustments	March 20,2011	March 20, 2011	Restated March 20, 2010
	m.IRR	m.IRR	m.IRR	m.IRR	m.IRR	m.IRR	m.IRR	m.IRR	m.IRR	m.IRR	m.IRR	m.IRR
Land	829,357	122,132	(58,326)	(17,823)	875,340	-	-	-	-	-	875,340	725,314
Buildings	728,601	84,212	(19,381)	6,633	800,065	114,799	42,933	(735)	-	156,997	643,068	592,618
Vehicles	43,509	7,875	(3,067)	121	48,438	26,967	5,083	(2,616)	74	29,508	18,930	14,798
Leasehold Improvements	31,233	12,393	-	(3,326)	40,300	20,517	7,516	-	-	28,033	12,267	10,716
Computer Hardware	449,799	3,700	(33,984)	16,470	435,985	236,204	139,613	-	(3,676)	372,141	63,844	110,984
Office furniture and fixtures	209,544	39,134	(354)	(789)	247,535	47,932	24,650	-	8,720	81,302	166,233	155,447
Equipment	13,137	1,445	(426)	-	14,156	10,566	200	-	(10,204)	562	13,594	2,582
Installations	1,678	568	-	27	2,273	647	342	-	-	989	1,284	277
Assets on consignment	7,460	386	-	-	7,846	1,787	830	-	-	2,617	5,229	5,673
Machinery and equipment	71,346	2,346	(4,121)	62	69,633	40,163	5,082	-	(3,532)	41,713	27,920	31,170
	2,385,664	274,191	(119,659)	1,375	2,541,571	499,582	226,249	(3,351)	(8,618)	713,862	1,827,709	1,649,579
Assets under construction and prepayments	1,355,787	3,145,212	(1,798)	(558,244)	3,940,957	-	-	-	-	-	3,940,957	1,336,623
<b>Total</b>	<b>3,741,451</b>	<b>3,419,403</b>	<b>(121,457)</b>	<b>(556,869)</b>	<b>6,482,528</b>	<b>499,582</b>	<b>226,249</b>	<b>(3,351)</b>	<b>(8,618)</b>	<b>713,862</b>	<b>5,768,666</b>	<b>2,986,202</b>

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17-2- Movements of fixed assets and provision for depreciation of the Bank during the year were as follows:

	COST				ACCUMULATED DEPRECIATION					BOOK VALUE		
	March 20, 2010 m.IRR	Additions m.IRR	Fixed Assets Sold m.IRR	Movements & Adjustments m.IRR	March 20,2011 m.IRR	March 20, 2010 m.IRR	Dep. Charges of the Year m.IRR	Acc.Dep of Fixed Assets Sold m.IRR	Other Adjustments m.IRR	March 20,2011 m.IRR	March 20,2011 m.IRR	Restated March 20,2010 m.IRR
<b><i>A-Properties:</i></b>												
Land	486,663	56,707	-	(21,799)	521,571	-	-	-	-	-	521,571	486,663
Leasehold Improvements	31,233	12,393	-	(3,326)	40,300	20,517	7,515	-	-	28,032	12,268	10,716
Buildings	488,104	44,223	(15,763)	(309)	516,255	92,982	28,576	-	-	121,558	394,697	395,122
<b>TOTAL</b>	<b>1,006,000</b>	<b>113,323</b>	<b>(15,763)</b>	<b>(25,434)</b>	<b>1,078,126</b>	<b>113,499</b>	<b>36,091</b>	<b>-</b>	<b>-</b>	<b>149,590</b>	<b>928,536</b>	<b>892,501</b>
<b><i>B-Moveable Assets:</i></b>												
Computer Hardware	436,961	78,083	-	-	515,044	232,598	128,359	-	(3,676)	357,281	157,763	204,363
Vehicles	11,248	4,376	(1,384)	-	14,240	4,663	1,810	(1,034)	-	5,439	8,801	6,585
Furniture & Fixtures	178,563	26,623	-	(895)	204,291	40,286	20,598	-	(858)	60,026	144,265	138,277
Total Movable Assets	626,772	109,082	(1,384)	(895)	733,575	277,547	150,767	(1,034)	(4,534)	422,746	310,829	349,225
Total	1,632,772	222,405	(17,147)	(26,329)	1,811,701	391,046	186,858	(1,034)	(4,534)	572,336	1,239,365	1,241,726
Assets Under Construction	148,287	257,521	-	(19,798)	386,010	[REDACTED]					386,010	148,287
Property Acquisition Prepayments Project and Reconstruction Prepayments	597,946	133,508	-	(234,169)	497,285	[REDACTED]					497,285	597,946
Total	1,077,900	746,584	-	(506,419)	1,318,065	[REDACTED]					1,318,065	1,077,900
<b>Grand Total</b>	<b>2,710,672</b>	<b>968,989</b>	<b>(17,147)</b>	<b>(532,748)</b>	<b>3,129,766</b>	<b>391,046</b>	<b>186,858</b>	<b>(1,034)</b>	<b>(4,534)</b>	<b>572,336</b>	<b>2,557,430</b>	<b>2,319,626</b>

All fixed assets are under full insurance coverages.

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17-2-1- Non-movable assets are categorized as follows:

	<u>March 20,2011</u>	<u>March 20, 2010</u>
	<b>m.IRR</b>	<b>m.IRR</b>
Land	521,571	486,663
Buildings	40,300	31,233
Leasehold Improvements	516,255	488,104
<b>Total</b>	<u><u>1,078,126</u></u>	<u><u>1,006,000</u></u>

17-2- Moveable Assets are categorized as follows:

	<u>March 20,2011</u>	<u>March 20, 2010</u>
	<b>m.IRR</b>	<b>m.IRR</b>
Computer equipment	515,044	436,961
Vehicles	14,239	11,248
Furniture and fixtures	204,291	178,564
<b>Total</b>	<u><u>733,574</u></u>	<u><u>626,773</u></u>

17-2- Detail of assets under construction and prepayments are as follows:

	<u>March 20,2011</u>	<u>March 20, 2010</u>
	<b>m.IRR</b>	<b>m.IRR</b>
Assets under construction	386,011	148,287
Prepayment for acquisition of properties	497,286	597,946
Prepayment for projects and reconstructions	434,770	331,667
<b>Total</b>	<u><u>1,318,067</u></u>	<u><u>1,077,900</u></u>

17-3- Ratio of Bank's assets' book value to shareholders' equity is as follows:

	<u>Bank</u>	
	<u>March 20,2011</u>	<u>Restated March 20, 2010</u>
	<b>m.IRR</b>	<b>m.IRR</b>
Assets' book value	2,557,430	2,319,629
Intangible assets	1,328,786	1,215,590
<b>Total</b>	<u><u>3,886,216</u></u>	<u><u>3,535,219</u></u>
Shareholders' equity	31,499,294	12,353,712
Less: retained earnings	(5,525,117)	(2,992,434)
<b>Total</b>	<u><u>25,974,177</u></u>	<u><u>9,361,278</u></u>
Ratio of assets' book value to shareholders' equity	15.0%	37.8%

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**18- INTANGIBLE ASSETS**

Balance of this account includes the following:

	<b>Group</b>		<b>Bank</b>	
	<b>2011</b>	<b>Restated 2010</b>	<b>2011</b>	<b>Restated 2010</b>
	<i>m.IRR</i>	<i>m.IRR</i>	<i>m.IRR</i>	<i>m.IRR</i>
Lease-hold premiums	6,189,522	4,952,956	1,299,687	1,189,396
Computer software	44,070	24,273	15,549	14,373
Other	63,170	14,496	13,550	11,821
<b>Total</b>	<b>6,296,762</b>	<b>4,991,725</b>	<b>1,328,786</b>	<b>1,215,590</b>

**19- OTHER ASSETS**

Balance of this account includes:

	<b>Group</b>		<b>Bank</b>	
	<b>2011</b>	<b>Restated 2010</b>	<b>2011</b>	<b>Restated 2010</b>
	<i>m.IRR</i>	<i>m.IRR</i>	<i>m.IRR</i>	<i>m.IRR</i>
Long-term notes receivable	114,645	166,105	-	-
Deposits on leased premises	34,035	27,592	31,985	27,610
Confiscated collateral assets	732,782	267,712	732,782	267,712
Net properties	1,141,893	1,090,918	-	-
Prepaid lease	3,015	1,279	3,015	3,279
Stamps	6,397	8,119	6,397	8,119
Other miscellaneous assets	1,491,490	426,805	715,946	160,908
Prepaid expenses	54,257	49,394	56,257	49,394
<b>Total</b>	<b>3,578,514</b>	<b>2,037,924</b>	<b>1,546,382</b>	<b>517,022</b>

**20- GOODWILL**

Goodwill calculated for consolidation had the following movements during the year:

	<b>Group</b>	
	<b>2011</b>	<b>Restated 2010</b>
	<i>m.IRR</i>	<i>m.IRR</i>
Beginning balance	25,155	17,910
Goodwill acquired during the year	5,761	13,825
Goodwill adjustments	-	(6,580)
Less: Amortization		
Accumulated amortization at the beginning of the year	(1,268)	(906)
Amortization for the current year	(1,425)	(691)
amortization adjustments	-	329
Accumulated amortization at the end of the year	(2,693)	(1,268)
<b>Balance, end of the year</b>	<b>28,223</b>	<b>23,887</b>

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**21- DUE TO CBI**

Amounts due to CBI represent the Bank's liability as follows:

	<u>2011</u>	<u>2010</u>
	<i>m.IRR</i>	<i>m.IRR</i>
Term deposits (foreign currencies)	2,958,943	2,038,500
Other	-	50,750
Total	<u>2,958,943</u>	<u>2,089,250</u>

**22- CALL DEPOSITS**

Balance of this account includes the following:

	<u>Group</u>		<u>Bank</u>	
	<u>2011</u>	<u>Restated 2010</u>	<u>2011</u>	<u>Restated 2010</u>
	<i>m.IRR</i>	<i>m.IRR</i>	<i>m.IRR</i>	<i>m.IRR</i>
Cashiers Checks	3,729,528	3,587,866	3,729,528	3,587,866
Checking Account Deposits	5,143,955	1,132,144	5,348,720	1,335,899
Other	485,604	4,728	485,604	4,728
Total	<u>9,359,087</u>	<u>4,724,738</u>	<u>9,563,852</u>	<u>4,928,493</u>

**23- SAVING DEPOSITS**

The balance of this account is as follows:

	<u>Group</u>		<u>Bank</u>			
	<u>2011</u>	<u>2010</u>	<u>2011</u>		<u>2010</u>	
	<u>Total</u>	<u>Total</u>	<u>IRR Deposits</u>	<u>Foreign Currency</u>	<u>Total</u>	<u>Total</u>
	<i>m.IRR</i>	<i>m.IRR</i>	<i>m.IRR</i>	<i>m.IRR</i>	<i>m.IRR</i>	<i>m.IRR</i>
Saving deposits	1,605,640	921,648	198,174	1,441,182	1,639,356	921,720
Total	<u>1,605,640</u>	<u>921,648</u>	<u>198,174</u>	<u>1,441,182</u>	<u>1,639,356</u>	<u>921,720</u>

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**24- TERM DEPOSITS**

The balance of this account includes the following:

	Group		Bank			
	2011	Restated 2010	2011		Restated 2010	
	Total	Total	IRR Deposits	Foreign Currency	Total	Total
	<i>m.IRR</i>	<i>m.IRR</i>	<i>m.IRR</i>	<i>m.IRR</i>	<i>m.IRR</i>	<i>m.IRR</i>
Short-term deposits	35,508,105	28,457,895	37,919,004	-	37,919,004	28,631,078
Special short-term deposits	2,648,607	3,993,272	2,214,923	433,684	2,648,607	3,993,272
Long-term deposits	82,929,731	64,092,260	82,110,298	837,840	82,948,138	64,127,299
Total	<u>121,086,443</u>	<u>96,543,427</u>	<u>122,244,225</u>	<u>1,271,524</u>	<u>123,515,749</u>	<u>96,751,649</u>

24-1- Short-term deposits are comprised of the following:

	Group		Bank			
	2011	2010	2011		2010	
	Total	Total	IRR Deposits	Foreign Currency	Total	Total
	<i>m.IRR</i>	<i>m.IRR</i>	<i>m.IRR</i>	<i>m.IRR</i>	<i>m.IRR</i>	<i>m.IRR</i>
One-month deposits	82,458	42,888	-	82,458	82,458	42,888
Three months deposits	714,551	47,662	653,366	61,185	714,551	47,662
Four months deposits	1,834,571	217,367	1,544,530	290,041	1,834,571	217,367
Six months deposits	17,007	3,680,749	17,007	-	17,007	3,680,749
Nine months deposits	20	4,606	20	-	20	4,606
Total	<u>2,648,607</u>	<u>3,993,272</u>	<u>2,214,923</u>	<u>433,684</u>	<u>2,648,607</u>	<u>3,993,272</u>

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24-2- Long-term deposits are comprised of the following:

	Group		Bank			
	2011	2010	2011		2010	
	Total	Total	IRR Deposits	Foreign Currency	Total	Total
	<i>m.IRR</i>	<i>m.IRR</i>	<i>m.IRR</i>	<i>m.IRR</i>	<i>m.IRR</i>	<i>m.IRR</i>
One-year deposits	18,381,596	24,311,494	17,562,163	837,840	18,400,003	24,346,533
Two-years deposits	676,697	621,327	676,697	-	676,697	621,327
Three-years deposits	633,713	707,365	633,713	-	633,713	707,365
Four-years deposits	346,530	321,127	346,530	-	346,530	321,127
Five-years deposits	62,891,195	38,130,947	62,891,195	-	62,891,195	38,130,947
Total	<u>82,929,731</u>	<u>64,092,260</u>	<u>82,110,298</u>	<u>837,840</u>	<u>82,948,138</u>	<u>64,127,299</u>

**25- OTHER DEPOSITS**

Balance of this account reflects the cash collateral against L/Gs and L/Cs.

	Group		Bank			
	2011	Restated 2010	2011		Restated 2010	
	Total	Total	IRR Deposits	Foreign Currency	Total	Total
	<i>m.IRR</i>	<i>m.IRR</i>	<i>m.IRR</i>	<i>m.IRR</i>	<i>m.IRR</i>	<i>m.IRR</i>
Cash deposits for LG'S	1,389,078	1,161,880	1,323,056	81,600	1,404,656	1,189,587
Advances received on L/C'S	2,384,183	1,278,287	70,239	2,410,684	2,480,923	1,278,287
Other	944,510	490,978	-	944,510	944,510	490,978
Total	<u>4,717,771</u>	<u>2,931,145</u>	<u>1,393,295</u>	<u>3,436,794</u>	<u>4,830,089</u>	<u>2,958,852</u>

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**26- ACCOUNTS AND NOTES PAYABLE**

Balance of this account is comprised of the following items pertaining to subsidiaries

	<b>Group</b>	
	<b>2011</b>	<b>2010 Restated</b>
	<i>m.IRR</i>	<i>m.IRR</i>
Accounts payable	1,722,584	373,110
Notes payable	121,629	94,419
<b>Total</b>	<b>1,844,213</b>	<b>467,529</b>

**27- OTHER LIABILITIES AND ACCRUALS**

Balance of this account comprises the following items pertaining to subsidiaries:

	<b>Group</b>		<b>Bank</b>	
	<b>2011</b>	<b>2010 Restated</b>	<b>2011</b>	<b>2010 Restated</b>
	<i>m.IRR</i>	<i>m.IRR</i>	<i>m.IRR</i>	<i>m.IRR</i>
Participation papers issued by subsidiaries	4,141,253	-	-	-
Other creditors	863,288	162,069	728,868	161,681
Temporary creditors - individuals	657,526	60,958	652,593	60,958
Issued checks held by individuals	543,659	111,790	546,223	111,790
Insurance premiums' provision	424,456	-	-	-
Miscellaneous accounts payable	391,586	330,120	-	-
Special deposit card creditors	185,914	87,311	185,914	87,311
Deffered damages provision	143,884	-	-	-
Good performance retention	84,553	43,437	24,604	23,328
Withheld taxes	69,465	23,834	27,767	7,644
Temporary creditors-branches' virtual deposit cards	39,206	1,013	39,206	1,013
Provision for payable expenses	35,348	18,731	-	-
Other statutory reserves	30,290	-	-	-
SSO	28,955	22,089	6,826	4,151
Temporary creditors - Subscribers' bill payments	24,163	20,912	24,163	20,912
Prospective years' insurance premiums	13,169	-	-	-
Notes payable	9,454	4,224	-	-
Deposit interests	3,696	-	3,696	-
Foreign currency temporary creditors	2,323	871	2,323	871
CBI participation papers - principal and interest	25	25	25	25
Other provisions	140	619	-	-
<b>Total</b>	<b>7,692,353</b>	<b>888,003</b>	<b>2,242,208</b>	<b>479,684</b>

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**28- BORROWINGS**

Balance of this account comprises of borrowings made by subsidiaries as follows:

	<u>2011</u>	<u>2010</u>
	<i>m.IRR</i>	<i>m.IRR</i>
Borrowings	670,081	100,895
Deferred interest	(362,739)	(22,148)
Total	<u>307,342</u>	<u>78,747</u>

**29- ADVANCES RECEIVED**

Balance of this account comprises of advances received by subsidiaries as follows:

	<u>2011</u>	<u>Restated 2010</u>
	<i>m.IRR</i>	<i>m.IRR</i>
Advances received from other companies	111,621	83,957
Total	<u>111,621</u>	<u>83,957</u>

**30- CORPORATE TAXES PAYABLE**

Balance of this account includes the following:

	<u>Group</u>		<u>Bank</u>	
	<u>2011</u>	<u>Restated 2010</u>	<u>2011</u>	<u>Restated 2010</u>
	<i>m.IRR</i>	<i>m.IRR</i>	<i>m.IRR</i>	<i>m.IRR</i>
Corporate taxes for 2007	14	168	-	-
Corporate taxes for year 2008	6	25,082	-	-
Corporate taxes for year 2009	521,587	509,001	499,582	423,439
Corporate taxes for year 2010	311,387	176,068	244,931	176,068
Taxes paid during the year	(504,023)	(135,048)	(475,889)	(99,751)
Prepaid taxes	(8,294)	(817)	(512)	(174)
Total	<u>320,677</u>	<u>574,454</u>	<u>268,112</u>	<u>499,582</u>

Based on the audited financial statements of subsidiaries, there are no underfunding or other tax issues at these companies.

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30-1- Bank corporate taxation position is as follows:

Year	March 20, 2011						Restated March 20, 2010	Note
	Self-Assessed Income	Self Assessed Taxable Income	Taxes			Provisions		
			Self-Assessed	Tax Assessment Notice	Final Tax Notice	Provision	m.IRR	
March 2006	164,178	-	-	6,152	4,700	-	-	30-1-1
March 2007	857,368	140,730	58,700	94,480	-	23,618	23,618	30-1-2
March 2008	1,679,670	214,696	53,674	355,596	-	-	100,000	30-1-3
March 2009	2,446,123	403,051	100,763	891,774	-	-	201,013	30-1-4
March 2010	3,548,255	704,271	176,068	932,522	-	179	176,068	30-1-5
March 2011	6,309,426	979,722	244,930	-	-	244,930	-	30-1-6
Total						268,727	500,699	—
Less: prepaid tax						(616)	(1,117)	—
Balance						268,111	499,582	—

30-1-1- Taxes for year 2006 were paid by the Bank. Whereas Bank did not accept the verdict of the tax tribunal, tax file was sent to the High Taxation Council for further investigation upon the Bank's protest.

30-1-2- Tax file of fiscal year 2007 has been referred to a taxation settlement tribunal; however, it is not yet finalized .

30-1-3- Tax file of fiscal year 2008 has been referred to a taxation settlement tribunal; however, it is not yet finalized .

30-1-4- Tax file of fiscal year 2009 has been referred to a taxation settlement tribunal; however, it is not yet finalized .

30-1-5- A tax assessment notice for the year 2010 has been received by the Bank. However, the Bank has sent a protest notice against the assessment.

30-1-6- Taxes for the year ended March 20, 2011 were calculated on self-assessed basis with due consideration of tax exemptions

During the year, the Bank paid IRR 100 billion for 2008 taxes and IRR 200 billion for 2009 taxes On-account to the taxation authority.

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**31- INTEREST PAYABLE (DEPOSITORS)**

The balance of this account includes the following:

	Bank			
	Balance March 20, 2010	Period's on-account interest	Paid during the period	Balance March 20, 2011
	<i>m.IRR</i>	<i>m.IRR</i>	<i>m.IRR</i>	<i>m.IRR</i>
Short-term deposits	122,171	2,106,561	2,130,797	97,935
Special short-term deposits	32,389	499,586	507,535	24,440
One-year deposits	277,326	3,399,415	3,452,161	224,580
Two-year deposits	32,272	115,319	100,696	46,895
Three-year deposits	18,781	115,976	107,231	27,526
Four-year deposits	45,672	70,946	38,389	78,229
Five-year deposits	562,798	8,072,288	7,241,148	1,393,938
Certificates of deposit	45,115	657,991	623,586	79,520
Under-funding of on account interest payable to depositors	426,186	613,722	414,506	625,402
<b>Total</b>	<b>1,562,710</b>	<b>15,651,804</b>	<b>14,616,049</b>	<b>2,598,465</b>

Interest payable to depositors, at the consolidated financial statements level, is equal to m.IRR 2,592,467 after elimination of intragroup interests payable.

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**32- DIVIDENDS PAYABLE**

Balance of this account is comprised of dividends declared but not yet paid as follows:

	Group		Bank	
	2011	Restated 2010	2011	Restated 2010
	<i>m.IRR</i>	<i>m.IRR</i>	<i>m.IRR</i>	<i>m.IRR</i>
Dividends declared but not paid	75,810	20,769	26,513	44,341
Total	<u>75,810</u>	<u>20,769</u>	<u>26,513</u>	<u>44,341</u>

32-1- Payments of dividends payable for the Bank in the past five years is as follows:

	Bank					
	Declared Dividends	Dividends Paid Prior to March 20, 2009	Dividends Paid March 20, 2009 to March 20, 2010	Balance at March 20, 2010	Dividends Paid During the Period	Balance at March 20, 2011
	<i>m.IRR</i>	<i>m.IRR</i>	<i>m.IRR</i>	<i>m.IRR</i>	<i>m.IRR</i>	<i>m.IRR</i>
Fiscal year ended March 20, 2006	122,500	117,302	396	4,802	764	4,038
Fiscal year ended March 20, 2007	612,500	603,580	1,738	7,182	800	6,382
Fiscal year ended March 19, 2008	1,050,000	1,047,752	553	1,695	77	1,618
Fiscal year ended March 19, 2009	1,540,000	-	1,509,337	30,663	6,215	24,448
Fiscal year ended March 20, 2010	2,310,000	-	-	-	2,309,973	27
Total	<u>5,635,000</u>	<u>1,768,634</u>	<u>1,512,024</u>	<u>44,342</u>	<u>2,317,829</u>	<u>36,513</u>

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**33- PROVISION FOR TERMINATION PAY**

Movements of this account during the period were as follows:

	Group		Bank	
	2011	Restated 2010	2011	Restated 2010
	<i>m.IRR</i>	<i>m.IRR</i>	<i>m.IRR</i>	<i>m.IRR</i>
Beginning Balance	63,588	36,250	42,933	22,646
Provision accrued during the year	48,089	31,082	33,969	21,150
Paid during the year	(4,190)	(6,344)	(1,603)	(862)
Ending balance	<u>107,487</u>	<u>60,988</u>	<u>75,299</u>	<u>42,934</u>

**34- SHARE CAPITAL**

34-1- The bank started with m.IRR 3,500,000 (3,500,000,000 shares at IRR 1,000 per share) of capital, and increased it to m.IRR 23,100,000 (23,100,000,000 shares at IRR 1,000 per share) in four steps by March 20, 2011 as follows:

Date of Increase in Shareholders' Capital	Increase in Capital (Percentage)	IRR Amount of Increase in Capital <i>m.IRR</i>	New Shareholder's Capital Amount <i>m.IRR</i>	Source of Contribution
23/10/2007	50	1,750,000	5,250,000	Receivables from shareholders and cash contributions
14/7/2008	33	1,750,000	7,000,000	Receivables from shareholders and cash contributions
9/11/2009	10	700,000	7,700,000	Receivables from shareholders
21/11/2010	200	15,400,000	23,100,000	Cash contributions

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34-2- Major shareholders and their respective shares at balance sheet date were as follows:

	March 20, 2011		March 20, 2010	
	No. of shares	Percentage	No. of shares	Percentage
Pars Aryan Investment Company	4,427,880,770	19.17%	2,286,724,785	29.70%
Kharazmi Investment Company	1,171,831,729	5.07%	545,784,641	7.09%
Hamyarye Kowsar	903,275,735	3.91%	408,375,000	5.30%
Saman Majd Investment Company	1,143,351,470	4.95%	381,150,000	4.95%
Milad Gostar Noavaran Co.	853,592,048	3.70%	-	0.00%
Toseh Modiriat Sarmaye Kharazmi	394,563,290	1.71%	183,769,204	2.39%
Sahab Omid Iranian Co.	530,353,200	2.30%	-	0.00%
Banks Pension Fund	343,924,900	1.49%	160,184,200	2.08%
Steel Industry Pension Fund	295,759,661	1.28%	137,751,075	1.79%
Pasargad Financial Group's Workers				
Future Financial Security Investment Co.	805,218,815	3.49%	129,636,603	1.68%
Pars Hafez Investment Co.	238,762,014	1.03%	118,381,007	1.54%
Atiye Andishan Mes Investment Co.	250,393,864	1.08%	116,621,800	1.51%
Sam Group Company	867,076,753	3.75%	69,300,000	0.90%
Binesh Pazhooh Iranian Co.	597,911,939	2.59%	-	0.00%
Hamghadam Co.	518,923,246	2.25%	57,664,066	0.75%
Tejarat Bank	231,000,000	1.00%	-	0.00%
Mohammad Hadi Nik Laal Fard	352,323,529	1.53%	77,000,000	1.00%
Setareh Mansoobi	352,323,529	1.53%	77,000,000	1.00%
Other Shareholders	8,821,533,508	38.19%	2,950,657,619	38.32%
<b>Total</b>	<b>23,100,000,000</b>	<b>100%</b>	<b>7,700,000,000</b>	<b>100%</b>

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Number of Shareholders:

	<u>March 20, 2011</u>	<u>March 20, 2010</u>
Individuals	44,434	35,015
Legal entities	215	182
Total	<u>44,649</u>	<u>35,197</u>

34-3- 58,800,994 shares of the Bank have been allocated to Pasargad University.

34-4- Bank's capital adequacy ratio, which is calculated by deviding the basic capital to risk-weighted assets, must be at least 8% in accordance to CBI rules. The Bank's adequacy ratio is as follows:

		<u>2011</u>	<u>Restated 2010</u>
		<i>m.IRR</i>	<i>m.IRR</i>
Paid-in capital	Note 34	23,100,000	7,700,000
Statutory reserve	Note 35	2,155,633	1,245,958
Other reserves	Note 36	718,544	415,320
Retained earnings		5,525,117	2,992,434
Total stockholders' equity		<u>31,499,294</u>	<u>12,353,712</u>
General provision for doubtful accounts and investments		2,438,168	1,612,857
Remaining in addition of 1.25 percent of risk weighted assets		(704,183)	(559,289)
Basic Capital		<u>1,733,985</u>	<u>1,053,568</u>
Total risk-weighted assets (*)	Note 34-4-1	<u>138,718,825</u>	<u>84,285,454</u>
1.25% of risk-weighted assets		1,733,985	1,053,568
Capital adequacy ratio		23.96%	15.91%

(\*) Bank's assets, weighted based on their risks, are reflected in the following table:

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34-4-1-

	Note	2011			2010		
		Assets	Risk Co-efficient	Weighted assets	Assets	Risk Co-efficient	Weighted assets
		<i>m.IRR</i>	%	<i>m.IRR</i>	<i>m.IRR</i>	%	<i>m.IRR</i>
Cash	5	1,136,986	0%	-	670,381	0%	-
Due from CBI	6	16,107,889	0%	-	12,538,333	0%	-
Due from other banks	7	27,764,235	20%	5,552,847	13,062,755	20%	2,612,551
Governmental bonds	8	8,345,318	0%	-	9,366,229	0%	-
Investments	15, 16	4,368,344	100%	4,368,344	2,901,510	100%	2,901,510
Other accounts receivable	13	6,478,796	100%	6,478,796	3,992,848	100%	3,992,848
Loans and facilities	9	20,477,453	50%	10,238,727	24,809,938	50%	12,404,969
Other loans	9	89,116,261	100%	89,116,261	51,238,692	100%	51,238,692
Fixed assets & leaseholds	17, 18	3,886,216	100%	3,886,216	3,535,219	100%	3,535,219
Other assets	19	1,546,382	100%	1,546,382	517,022	100%	517,022
Commitments for contracts	55-3	2,819,134	50%	1,409,567	1,981,085	50%	990,543
Commitments for L/Gs	55-2	18,594,845	20%	3,718,969	15,711,456	20%	3,142,291
Commitments for L/Cs	55-1	24,805,433	50%	12,402,717	5,899,618	50%	2,949,809
Total Assets Weighted Based on Their Risk		<u>225,447,292</u>		<u>138,718,825</u>	<u>146,225,086</u>		<u>84,285,454</u>

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**35- STATUTORY RESERVE**

In accordance with Article 63, paragraph B of the Bank's articles of association and relevant regulations, 15% of the Bank's net profit, not exceeding the Bank's capital, is allocated to legal reserves. For subsidiaries, according to amendment articles 140 and 238 to the commercial code dated 1968, 5% of the subsidiary's net profit, up to 10% of shareholders' equity, must be allocated to the statutory reserve; allocation in excess of 10% is at subsidiary's discretion. Statutory reserve is not transferable to capital, and at cease of operations is not allocable to shareholders.

	<b>Bank</b>	
	<b>2011</b>	<b>Restated 2010</b>
	<i>m.IRR</i>	<i>m.IRR</i>
Beginning balance	1,245,958	740,130
Reserve added during the period	909,675	505,828
Ending balance	2,155,633	1,245,958

**36- DISCRETIONARY RESERVE**

In accordance with Article 63 of the Bank's articles of association, 5% of the year's net profit is allocated to discretionary reserves. Discretionary reserve belongs entirely to the parent company.

	<b>Bank</b>	
	<b>2011</b>	<b>Restated 2010</b>
	<i>m.IRR</i>	<i>m.IRR</i>
Beginning balance	415,319	246,710
Reserve added during the period	303,225	168,610
Ending balance	718,544	415,320

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**37- MINORITY INTEREST**

Interest of subsidiaries minority shareholders is calculated as follows:

	<b>Group</b>	
	<b>2011</b>	<b>Restated 2010</b>
	<i>m.IRR</i>	<i>m.IRR</i>
Interest in capital	1,538,511	802,560
Interest in reserves	54,522	14,758
Interest in retained earnings	359,771	215,084
Assets' fair market value and book value differences (for subsidiaries)	6,254	6,758
<b>Total</b>	<b>1,959,058</b>	<b>1,039,160</b>

**38- INCOME FROM CREDIT FACILITIES GRANTED**

Income from credit facilities includes the following:

	<b>Group</b>		<b>Bank</b>	
	<b>2011</b>	<b>Restated 2010</b>	<b>2011</b>	<b>Restated 2010</b>
	<i>m.IRR</i>	<i>m.IRR</i>	<i>m.IRR</i>	<i>m.IRR</i>
Income from partnerships	11,607,130	9,350,573	12,286,143	9,782,361
Income from installment sales	44,320	114,678	28,102	103,145
Income from participations	4,388,886	4,877,703	4,391,574	4,993,530
Income from facilities granted	211,243	104,664	229,813	185,229
Income from leases	14,300	16,142	908	1,087
Late payment charges	1,144,161	1,072,513	1,193,111	1,023,962
<b>Total</b>	<b>17,410,040</b>	<b>15,536,273</b>	<b>18,129,651</b>	<b>16,089,314</b>

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**39- INCOME ON INVESTMENTS AND DEPOSITS**

Income from investments during the period comprises of the following:

	<b>Group</b>		<b>Bank</b>	
	<b>2011</b>	<b>Restated 2010</b>	<b>2011</b>	<b>Restated 2010</b>
	<i>m.IRR</i>	<i>m.IRR</i>	<i>m.IRR</i>	<i>m.IRR</i>
Income from sale of investments	809,041	538,463	519,310	388,212
Gain (Loss) on change in value of Securities	25,692	80,672	22,519	30,070
Income on deposits with Iranian banks	1,987,985	527,840	1,987,472	582,358
Income from participation papers	1,807,301	1,130,492	1,804,560	1,130,492
Other	798	124,570	-	124,570
	<u>4,630,817</u>	<u>2,402,037</u>	<u>4,333,861</u>	<u>2,255,702</u>
Income from deposits	59,214	1,678	59,214	1,678
Total	<u>4,690,031</u>	<u>2,403,715</u>	<u>4,393,075</u>	<u>2,257,380</u>

**40- SALES AND SERVICES REVENUE**

Balance of this account consists of sale of merchandise and rendering of services by subsidiaries.

	<b>Group</b>	
	<b>2011</b>	<b>Restated 2010</b>
	<i>m.IRR</i>	<i>m.IRR</i>
Sale of foreign currencies	7,460,775	184,446
Income from installment sales and capital leases	2,803,590	2,152,668
Sale of computer hardware and software	379,630	27,711
Sale of properties	221,472	100,916
Sale of petrochemical, oil and steel raw materials and products	17,304	317,890
Sale of cards and technical support	12,267	23,419
Income from services	1,595,858	461,458
Total	<u>12,490,896</u>	<u>3,268,508</u>

**41- COMMISSION INCOME**

Commissions are comprised of the following:

	<b>Group</b>		<b>Bank</b>	
	<b>2011</b>	<b>Restated 2010</b>	<b>2011</b>	<b>Restated 2010</b>
	<i>m.IRR</i>	<i>m.IRR</i>	<i>m.IRR</i>	<i>m.IRR</i>
Fees and commissions for issuance of L/C's	833,417	628,212	833,417	628,212
Fees and commissions for issuance of L/G's	367,445	277,927	368,350	278,670
Fees and commissions - facilities	160,308	177,788	160,308	177,888
Fees and commissions for issuance of credit cards	348,522	154,734	348,522	154,734
Fees for electronic banking services	166,953	110,133	166,953	110,133
Fees for foreign exchange transactions	11,318	5,735	11,318	5,735
Other commissions and fees	10,673	33,593	21,112	33,752
Total	<u>1,898,636</u>	<u>1,388,122</u>	<u>1,909,980</u>	<u>1,389,124</u>

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**42- FOREIGN EXCHANGE TRANSACTIONS - NET**

Net result of foreign exchange transactions during the period is comprised of Bank's income and is as follows:

	2011	2010
	<i>m.IRR</i>	<i>m.IRR</i>
Gain on foreign exchange	186,167	21,685
Total	<u>186,167</u>	<u>21,685</u>

**43- OTHER INCOME**

Balance of this account includes the following:

	Group		Bank	
	2011	Restated 2010	2011	Restated 2010
	<i>m.IRR</i>	<i>m.IRR</i>	<i>m.IRR</i>	<i>m.IRR</i>
Gain on sale of fixed assets	11,942	17,463	3,335	1,451
Assessment income	2,523	8,530	2,572	9,555
Insurance Income	9,548	7,211	9,593	7,211
Income from review of loan applications	157,475	120,849	159,941	122,235
Sales growth commission	60,246	52,220	-	-
Income from brokerage services	26,428	11,566	-	-
Participation in insurer's income	3,793	4,459	-	-
Rental income	2,504	2,729	-	-
Miscellaneous	205,697	132,316	13,024	79,775
Total	<u>480,156</u>	<u>357,343</u>	<u>188,465</u>	<u>220,227</u>

**44- DEPOSITORS SHARE OF INCOME**

	Group		Bank	
	2011	Restated 2010	2011	Restated 2010
	<i>m.IRR</i>	<i>m.IRR</i>	<i>m.IRR</i>	<i>m.IRR</i>
Short-term deposits	1,927,114	2,104,261	2,106,561	2,174,954
Special Short-term deposits	499,586	1,052,022	499,586	1,052,022
One-year deposits	3,399,415	3,974,146	3,399,415	3,974,146
Two-year deposits	115,319	84,034	115,319	84,034
Three-year deposits	115,976	163,032	115,976	163,032
Four-year deposits	70,946	54,902	70,946	54,902
Five-year deposits	7,939,674	3,907,049	8,072,288	3,907,049
Special deposits	657,991	1,627,672	657,991	1,627,672
Total	<u>14,726,021</u>	<u>12,967,118</u>	<u>15,038,082</u>	<u>13,037,811</u>

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**45- UNDER (OVER) PAYMENT OF INTERESTS TO DEPOSITORS**

Depositors share of income, derived from joint resources with the Bank, is calculated on the basis of directives of CBI. Granted facilities, investments, participation papers, investment deposits and statutory deposits have been calculated based on the average of the year's 52 weeks.

	2011	2010
	<i>m.IRR</i>	<i>m.IRR</i>
Facilities granted	89,244,150	71,213,126
Investments	18,735,348	7,763,201
Participation papers	11,056,046	7,075,122
	<u>119,035,544</u>	<u>86,051,449</u>
Less: Net resources of depositors:		
Total deposits	111,610,288	87,841,344
Statutory deposit	(14,587,288)	(12,396,228)
Net resources of depositors	<u>97,023,000</u>	<u>75,445,116</u>
Bank's Resources	<u>22,012,544</u>	<u>10,606,333</u>
Total Joint Income	<u>22,463,512</u>	<u>18,220,446</u>
Depositors share of income and bonus on statutory deposits	18,442,083	16,223,807
Bank's fees	(2,790,257)	(2,635,240)
Income payable to depositors	15,651,826	13,588,567
Share of term deposits from bonus on statutory deposits	(132,613)	(124,570)
Payments on-account to depositors from mutual income	(14,905,468)	(13,037,811)
Under (over) payment to depositors	<u>613,745</u>	<u>426,186</u>

**46- COST OF GOODS AND SERVICES SOLD**

Balance of this account includes cost of goods sold and services rendered by the subsidiaries.

	Group	
	2011	Restated 2010
	<i>m.IRR</i>	<i>m.IRR</i>
Cost of metals and metal products	16,587	23,001
Cost of services rendered	368,550	232,438
Cost of foreign currencies sold	7,419,208	183,944
Cost of computer hardware and software	375,225	354,790
Cost of installment sales and capital leases	2,531,667	1,913,572
Cost of petrochemical products and crude oil products	479	84,057
Cost of properties and assets sold	152,391	71,972
Cost of investments sold	475,146	320,529
Cost of cards and technical support services	3,160	12,042
Total	<u>11,342,413</u>	<u>3,196,345</u>

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**47- SALARIES AND PERSONNEL CHARGES**

Balance of this account is comprised of the following:

	<b>Group</b>		<b>Bank</b>	
	<b>2011</b>	<b>Restated 2010</b>	<b>2011</b>	<b>Restated 2010</b>
	<i>m.IRR</i>	<i>m.IRR</i>	<i>m.IRR</i>	<i>m.IRR</i>
Salaries	326,189	235,867	236,116	177,423
Bonuses	113,008	91,491	110,158	88,584
Commuting Allowance	54,535	39,975	53,819	39,454
Over-time	94,352	55,673	77,750	53,329
Social Security and Insurance	62,471	52,192	60,971	46,413
Termination allowance	47,144	27,813	37,665	22,976
Mission assignments Allowance	14,648	9,965	10,706	6,625
Other	168,856	149,456	145,167	145,875
<b>Total</b>	<b>881,203</b>	<b>662,432</b>	<b>732,352</b>	<b>580,679</b>

**48- GENERAL AND ADMINISTRATIVE EXPENSES**

General & Administrative expenses during the year include the following:

	<b>Group</b>		<b>Bank</b>	
	<b>2011</b>	<b>Restated 2010</b>	<b>2011</b>	<b>Restated 2010</b>
	<i>m.IRR</i>	<i>m.IRR</i>	<i>m.IRR</i>	<i>m.IRR</i>
Depreciation	216,045	198,600	194,107	182,012
Rent expense of branches	54,122	51,657	54,440	52,272
Advertisement	102,841	83,029	90,897	80,094
Pantry & entertainment	10,517	8,294	7,090	6,659
Tele-communications	20,415	13,688	17,614	12,696
Consulting	17,489	11,123	14,774	8,607
Repair and maintenance	34,042	31,663	33,660	31,095
Office supplies	37,040	32,489	31,523	31,175
Insurance	51,639	16,866	64,435	31,921
Other Expenses	333,488	190,936	331,970	176,162
<b>Total</b>	<b>877,638</b>	<b>638,345</b>	<b>840,510</b>	<b>612,693</b>

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**49- PROVISION FOR DOUBTFUL DEBTS**

Bad debt expense was calculated as follows:

		Group		Bank	
		2011	2010	2011	2010
		<i>m.IRR</i>	<i>m.IRR</i>	<i>m.IRR</i>	<i>m.IRR</i>
General provision for bad debts	Note 49-1	695,502	594,711	825,311	677,411
Special provision for impairment losses	Note 49-2	332,592	966,389	332,592	966,389
<b>Total</b>		<b>1,028,094</b>	<b>1,561,100</b>	<b>1,157,903</b>	<b>1,643,800</b>

49-1- General provision for bad debts was calculated as follows:

	2011
	<i>m.IRR</i>
Balance	115,864,126
Less: Balance of facilities for which special provision is provided	(7,687,393)
Applicable balance used for calculation of general provision	108,176,733
General provision for the year	825,311

49-2- Special provision for impairment losses was calculated as follow:

	2011				2010
	Past due	Deferred	Doubtful	Total	Total
	<i>m.IRR</i>	<i>m.IRR</i>	<i>m.IRR</i>	<i>m.IRR</i>	<i>m.IRR</i>
Balance (end of period)	1,026,788	2,647,614	1,903,415	8,245,191	8,245,191
Co-efficient used for calculation	10%	20%	50%	-	-
<b>Total provision for the year</b>	<b>29,631</b>	<b>434,942</b>	<b>797,165</b>	<b>332,592</b>	<b>966,389</b>

**50- FINANCIAL CHARGES**

Balance of this account is comprised of the following:

	Group		Bank	
	2011	Restated 2010	2011	Restated 2010
	<i>m.IRR</i>	<i>m.IRR</i>	<i>m.IRR</i>	<i>m.IRR</i>
Interest on Foreign exchange deposits	62,908	63,375	62,908	63,375
Fees paid "inter-banks" system	151,844	53,538	151,844	53,538
Banking services	8,374	2,665	8,374	2,665
Fees paid to brokers	24,831	8,728	24,831	8,728
Interest Charges	207,431	167,225	-	-
Fees for review of applications	1,625	1,386	-	-
Allocated to qualified assets	(163,618)	(147,242)	-	-
<b>Total</b>	<b>293,395</b>	<b>149,675</b>	<b>247,957</b>	<b>128,306</b>

**51- NET OTHER INCOME (EXPENSE)**

	Group	
	2011	Restated 2010
	<i>m.IRR</i>	<i>m.IRR</i>
Other non-operating income (expense) - net	110,484	65,751
Other operating income (expense) - net	(764,756)	120,159
Insurance premiums statutory reserve	(221,354)	-
<b>Total</b>	<b>(875,626)</b>	<b>185,910</b>

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**52- RECONCILIATION OF PROFIT BEFORE TAX WITH CASH-FLOW FROM OPERATING ACTIVITIES-GROUP**

	Group	
	2011	Restated 2010
	<i>m.IRR</i>	<i>m.IRR</i>
Profit before tax	6,517,814	3,384,108
Provision for bad debt	1,028,094	1,561,100
Projects and construction expenditures	(614,840)	308,904
Dividends income	(536,320)	(405,213)
Depreciation	236,119	195,255
Provision for impairment of investments and ventures	(22,519)	80,672
Increase in provision for termination of employees	47,734	25,266
Gain on sale of investments	4,875	(269,100)
Other revenues and expenses	598	(119,270)
Gain on sale of fixed assets	(5,575)	-
	138,166	1,377,614
Long-term Deposits	26,764,100	23,043,949
Call deposits	4,635,359	1,241,459
Increase (decrease) in accounts payable	1,110,211	(933,006)
Saving deposits	717,636	553,485
Interest payable to depositors	1,035,755	278,919
Due to CBI	869,693	(224,664)
Other deposits	1,871,268	(164,853)
Accruals	1,866,989	103,886
Increase (decrease) in advances	53,946	10,166
	38,924,957	23,909,341
Facilities granted	(34,305,149)	(11,474,163)
Participation paperss	1,020,911	(7,418,238)
Due from other banks	(11,260,881)	(4,839,335)
Other accounts receivable	(2,288,060)	(963,162)
Decrease in deposits	(1,000)	(944,192)
Other assets	(1,138,687)	636,361
Due from CBI	(3,625,201)	(295,951)
(Decrease) in accounts receivable	(1,199,174)	(162,022)
Increase (decrease) in short-term investments	(105,945)	(149,787)
Decrease in investments	(135,652)	118,236
Decrease in leases	(13,419)	50,213
(Increase) in prepayments	(176,857)	(7,262)
Other payments	(15,007)	(1,713)
	(53,244,121)	(25,451,015)
Net cash inflow from operating activities	(7,663,184)	3,220,048

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**53- RECONCILIATION OF PROFIT BEFORE TAX WITH CASH FLOWS FROM OPERATING ACTIVITIES-BANK**

	Bank	
	2011	Restated 2010
	<i>m.IRR</i>	<i>m.IRR</i>
Net profit before tax	6,309,426	3,548,255
Depreciation charges	194,107	182,012
Loss on market value of investments	(22,519)	(30,071)
Provision for bad debts	1,157,903	1,643,800
Dividend received and capital gain on investments	(519,310)	(388,212)
(Gain) Loss on sale of fixed assets	(3,335)	(1,451)
Termination benefits	36,061	22,978
Net cash inflow from operation	842,907	1,429,056
<i>Net increase (decrease) in operating liabilities:</i>		
Call deposits	4,635,359	1,315,146
Amounts due to CBI	869,693	(224,664)
Saving deposits	717,636	553,483
Term deposits	26,764,100	23,087,333
Other deposits	1,871,237	(157,113)
Accruals and other liabilities	2,794,582	382,805
	37,652,607	24,956,990
<i>(Increase) decrease in operating assets:</i>		
Statutory deposit	(3,625,201)	(295,951)
Other accounts receivable	(2,288,060)	(961,149)
Amounts due from other banks and financial institutions	(11,260,881)	(4,839,335)
Facilities granted and other amounts due from the non-governmental sector	(34,702,987)	(13,672,113)
Participation papers	1,020,911	(7,418,684)
Other assets	(1,029,360)	724,651
Net increase in operating assets	(51,885,578)	(26,462,581)
Net cash inflow from operating activities	(7,080,638)	3,471,720

**54- NET INCREASE (DECREASE) IN CASH**

Net increase in cash reflected in the statement of cash flows was as follows:

	Group			Bank		
	2011	2010	Increase (Decrease)	2011	2010	Increase (Decrease)
	<i>m.IRR</i>	<i>m.IRR</i>	<i>m.IRR</i>	<i>m.IRR</i>	<i>m.IRR</i>	<i>m.IRR</i>
Cash in hand	1,865,432	818,932	1,046,500	1,136,986	670,381	466,605
Current account with CBI	13,261	68,906	(55,645)	13,261	68,906	(55,645)
Call deposits with local banks (foreign currencies)	2,472,767	422,834	2,049,933	2,472,767	422,834	2,049,933
Call deposits with foreign banks (foreign currencies)	4,035,820	2,652,756	1,383,064	4,035,820	2,652,756	1,383,064
Call deposits with local banks (IRR)	16,916	9,314	7,602	16,916	9,314	7,602
Total	8,404,196	3,972,742	4,431,454	7,675,750	3,824,191	3,851,559

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**55- OFF BALANCE SHEET ITEMS**

Off balance sheet items of the bank consist of the following items:

55-1- Commitments on Letters of Credits:

	<u>March 20, 2011</u>	<u>March 20, 2010</u>
	<i>m.IRR</i>	<i>m.IRR</i>
In IRR	696,873	408,573
Foreign currencies	26,589,483	6,769,332
Total	<u>27,286,356</u>	<u>7,177,905</u>

55-2- Commitments on Letters of Guarantee:

Bank commitments on L/Gs (IRR)	14,569,309	14,006,106
Bank commitments on L/Cs (Foreign currencies)	5,430,192	2,894,937
Total	<u>19,999,501</u>	<u>16,901,043</u>

55-3- Other Commitments

Commitments on joint ventures	1,557,681	1,161,012
Commitments on Credit Cards	1,261,453	820,073
Total	<u>2,819,134</u>	<u>1,981,085</u>

55-4- Managed funds commitments were as follows:

Managed funds-unused portion	1,241	1,043
Others	-	2,316
Total	<u>1,241</u>	<u>3,359</u>

**56- CONTINGENT LIABILITIES AND CAPITAL COMMITMENTS**

The Bank has the following capital commitments at balance sheet date:

	<u>Bank</u>
	<u>2011</u>
	<i>m.IRR</i>
Commitment to pay the remaining cost for 9 branches of Pasargad Bank	73,114
25.5% commitment for participation in shares of Pasargad Bank Brokerage	6,250
50% commitment for participation in shares of Iranian Reinsurance Company	30,000
Total	<u>109,364</u>

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**57- POST BALANCE SHEET DATE EVENTS**

There has been no major events after balance sheet date requiring adjustments in the accounts or disclosure thereto.

**58- RETAINED EARNINGS-YEAR-END**

Allocation of retained earnings, ending balance available for distribution, would be made at year-end upon decisions of the shareholder's Annual General Meeting.

Statutory Requirements:

	<u>Group</u>
	<u>2011</u>
	<i>m.IRR</i>
Allocation of at least 10% of allocable profit in accordance to article 90 of the commercial law	<u>534,919</u>
Dividends proposed by the board of directors at the shareholders meeting	<u>-</u>

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**59- FOREIGN EXCHANGE POSITION**

Foreign exchange commitments as well as monetary assets and liabilities at the end of the year were as follows:

	Note	US Dollar	Euro	UK Pound	UAE Dirham	Japanese Yen	Swedish Krona	Swiss Franc	Turkish Lira	Chinese Yuan	South Korean Won
Cash	5	11,763,766	11,657,759	945,120	1,474,101	50,000	-	4,040	-	-	-
Receivable from other banks	7	75,067,546	209,935,223	2,242,117	843,710,685	858,994,748	2,239,050	944,134	45,233,955	259,478,609	8,442,583,421
Notes in foreign currencies	8	-	50,000,000	-	-	-	-	-	-	-	-
Facilities	9	-	297,025,085	-	701,820,651	6,071,740	-	-	-	-	-
Other accounts receivable		40,000	281,946	-	-	48,378,060	-	-	30,655	-	-
Due to CBI	21	-	(151,005,000)	-	-	-	-	-	-	-	-
Due to other banks and credit institutes		-	(14,752,537)	-	(185,436,312)	-	-	-	-	-	-
Call deposits	23	(3,697,862)	(94,583,132)	-	-	-	-	-	-	-	-
Deposits-saving	24	(63,386,170)	(50,375,022)	(143,163)	(14,729,599)	(50,000)	-	(4,742)	(5)	-	-
Deposits-long-term	25	(3,337,748)	(79,712,406)	(1,144,076)	(16,437,020)	-	-	-	-	-	-
Other deposits	26	(15,309,912)	(117,883,153)	(1,021,146)	(475,878,099)	(638,275,951)	(12,159,396)	(767)	(33,207)	(8,567,111)	(7,537,839,652)
Other payables		(2,318)	(2,302,678)	(5,617)	(1,183,380)	-	(275)	-	-	-	-
<b>Total</b>		<b>1,137,302</b>	<b>58,286,085</b>	<b>873,235</b>	<b>853,341,027</b>	<b>275,168,597</b>	<b>(9,920,621)</b>	<b>942,665</b>	<b>45,231,398</b>	<b>250,911,498</b>	<b>904,743,769</b>
L/C's	63-1	14,712,917	1,278,200,236	1,325,679	2,279,087,917	3,372,469,036	12,322,148	7,048	332,073	85,671,097	65,566,967,950
L/G's	63-2	8,441,039	357,697,193	-	304,938,771	666,780,730	-	-	-	-	-
Other customer commitments	55-3	-	11,636,053	-	-	-	-	-	-	-	-

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**60 - RELATED PARTY TRANSACTIONS**

In conformity with Article 148 of The Iranian Commercial Code, the related party transactions have been reported separately and approved in the Shareholders' Annual General Meeting.