

### 32. Other costs

(RIs)

	2002-03	2001-02
Bonuses on Qard-al-Hassnah deposits	93,388,759,578	68,205,284,186
<b>Total</b>	<b>93,388,759,578</b>	<b>68,205,284,186</b>

### 33. Clients' Undertakings for L/Cs

(RIs)

	2002-03	2001-02
Clients' undertaking for L/Cs opened	2,634,975,188,452	326,237,414,319
<b>Total</b>	<b>2,634,975,188,452</b>	<b>326,237,414,319</b>

### 34. Client's undertakings for L/Cts

(RIs)

	2002-03	2001-02
Clients' undertakings for L/Cs issued (rials)	132,112,539,370	96,290,071,313
Clients' undertakings for L/Cs issued (rials)	1,771,450,813	458,421,439
Clients' undertakings for L/Cs issued (foreign currency)	29,993,170,750	7,813,305,912
<b>Total</b>	<b>163,877,160,933</b>	<b>104,561,798,664</b>

## 35. Other undertakings

(Rls)

	2002-03	2001-02
Clients' undertakings for concluded contracts (private)	588,647,650,698	59,327,564,838
Other clients' undertakings	26,306,261,964,977	20,979,431,617,806
<b>Total</b>	<b>26,894,909,615,675</b>	<b>21,038,759,182,644</b>

## 36. Managed funds and similar

(Rls)

	2002-03	2001-02
Non-utilized Special Qard-al-Hassanah deposits	906,099,000	1,229,786,050
Managed funds	3,729,914,874,279	---
<b>Total</b>	<b>3,730,820,973,279</b>	<b>1,229,786,050</b>

## A brief description of some Islamic contracts employed in Islamic Banking

**Qard-al-Hassanah:** is a contract under which one party (the lender) provides the other party (the borrower) with a certain amount of money, and the borrower returns to the lender the like of it. In other words it is an interest-free loan from a bank to customers or a deposit from customers with the bank.

**Mudharabah:** is an agreement signed between a bank and a person (real person or a legal entity) in order to enter into a commercial (purchase and/or sale of goods) investment or transaction. The bank, as the owner, acts as the supplier of the necessary cash and the other party as the modhareb or amel, is responsible for all the other jobs relevant to the mudharabah agreement.

**Civil partnership:** of a bank may be defined as the pooling of the capital – in cash or kind- of a partner(s) with the capital- in cash or kind- of a bank, on a joint-ownership basis, for the performance of a specific job in the fields of production, trade and services for a limited duration and with the intention of making a profit on the basis of an agreement.

**Hire Purchase:** is a hiring agreement incorporating a condition that at the end of the hire, the hiring party will take up the ownership of the exact hired article.

The three stages involved in a hire purchase agreement are:

- 1- Purchase
- 2- Hire
- 3- Sale and/or transfer

**Jo'aleh:** is a contract on the basis of which one party (the Jaa'el bank or employer) undertakes to pay a specified amount of money (Jo'al) to the other party (the amel or contractor) for rendering a specific service in accordance with the terms and conditions of the contract.

**Installment Sales:** is the transfer of an existing item, at a known price, to someone, in such a manner that all or part of the price of the said item shall be received in equal or unequal installments at fixed maturity or maturities.

**Forward Deal:** which is known in Islamic jurisprudence as salaf, is advance cash purchase of products (industrial and mining products as well as agricultural produce) at a pre-determined price, when, during the process of production, the producer feels a financial constraint in his working capital needs. Banks are authorized to sign such deals only at the request of a producer.

## Iranian calendar

The Iranian calendar is a unique solar-based calendar.

The first day of each year begins on the first day of spring that coincides with March 21st of the Gregorian calendar save for leap years.

Thus, 21st March 2002 coincides with 1st of Farvardin (1st month of the year) 1381, 21st March 2003 coincides with 1st Farvardin 1382 and so on.







**Bank Keshavarzi**