IN THE NAME OF GOD

KARAFARIN BANK
ANNUAL REPORT 2023-24


بانک کارآفرین
KARAFARIN BANK

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CEO's Statement

Iran's economy has experienced many instabilities in recent months due to the impact of bitter and sweet events. On the one hand, the outbreak of war and violent conflicts in the Middle East has forced our beloved Iran to involuntarily deal with more political challenges. On the other hand, it has affected the stability and tranquility needed in financial markets. Nevertheless, deliberate and timely decisions have enabled Iran to safely pass through a crucial historical juncture, and the shadow of bitter and unpleasant events has vanished from the sky of this land. Unfortunately, in the early days of May, the tragic disaster which claimed the lives of Ayatollah Seyed Ebrahim Raeisi (president of Iran) and his companions caused endless grief and saddened hearts. However, following the tradition of all the martyrs of this land, the spirit of service increased and the determination to build and create also grew. In this path, despite the contractionary policies of the government and the central bank to control inflation, Green Karafarin Bank remained committed, just as always, to activities based on "expertise," "transparency," and "legality," along with full compliance with regulations. Furthermore, it has empowered entrepreneurs, startup companies, and other members of society by making significant and vital changes in banking infrastructure with the aim of providing new services and providing interest-free loans to develop the beautiful Iran, national production growth, and employment.

Last year's unprecedented achievements, such as expanding foreign exchange activities, increasing the bank's profitability, focusing on fee-based revenues, implementing a unique and flawless change in comprehensive banking system, inaugurating a central warehouse, establishing a centralized data center, arriving at the top rank of Iranian banks in financing startups in terms of the ratio of loans granted to startups, raising marriage and childbirth loans by 4.5 times, and creating suitable foreign exchange infrastructures, all indicate that Green Karafarin Bank has managed to remain committed to its long-term, continuous, and extensive role in Iran's development despite all limitations.
The transformation of vital structures and achievement to the main goal of becoming a completely smart bank require a strong reliance on "capital". A decade-long review of statistics shows that the capital of Bank Karafarin has increased from 8,500 billion Rials to 50,000 billion Rials. A growth of over 41,000 billion Rials, aimed at improving the bank's performance in various hardware and software fields, has increased operational ratios, enhanced bank capacity, and improved financial structure and risk reduction.
Continuous updates to the bank's digital platform titled our bank as the "major partner" of many small and large businesses, especially startups, in Iran's economic ecosystem. The fourth annual report of startup ecosystems also demonstrates that Karafarin Bank, as the top bank in Iran for financing these companies, allocated approximately 6.1% of its total resources to providing loans to startups in 2023-24, registering a figure exceeding 22,000 billion Rials.
However, it is to be noted that enumerating achievements shall not lead us to deny shortcomings. Our colleagues at Karafarin Bank are well aware of the extent to which mutual trust with the target community is tied to the improvement of service quality and the provision of the best financial and banking packages. It is precisely based on this belief that they have placed infrastructural changes in technology, hardware, etc. on their agenda and taken steps toward a path that can be a valuable experience for all financial actors at any moment. Undoubtedly, success is not achieved without convergence and mutual enhancement in various fields; it is hoped that the chosen path will continue with greater strength.

Dr. Ahmad Baharvandi

BOARD OF DIRECTORS' REPORT TO THE ANNUAL ORDINARY GENERAL ASSEMBLY MEETING

This report is prepared by the Board of Directors, as required by Article 232 of 1968 Commercial Code (as amended) and Article 45 of the Securities and Exchange Act, for submission to Karafarin Bank's Annual Ordinary General Assembly Meeting. It is prepared on the basis of existing evidence and documents and reflects the operations and general position of the Bank for the fiscal year ended 20.03.2024.

In our opinion, information incorporated in the report on the Bank's operations and its general position, emphasized the principles of fair presentation of the Board of Directors' performance for the reporting period, and is consistent to safeguarding the interests of the Bank consistent with the relevant legal and regulatory requirements and conforms with the Bank's Articles of Association. The information included in the report is accurate, complete and corresponds to factual events of the past and any foreseeable future outcomes that could have been reasonably projected. This report approved and endorsed by the Board of Directors on 27.06.2024, does not include any information unawareness of which may mislead the users.

Position	Board Members
Chairman	Mr.Mohammadreza Khorsandi
Vice-Chairman	Mr.Masoud Sharifat
CEO & Board Member	Mr.Ahmad Baharvandi
Board Member	Mr.Mahdi Seif Alishahi
Board Member	Mr.Hosein Talakesh Naeeni

Mr. Mohammadreza Khorsandi
Chairman

Mr.Masoud Sharifat
Vice-Chairman

Dr. Ahmad Baharvandi
CEO & Board Member

Mr. Mahdi Seif Alishahi
Board Member

Mr.Hosein Talakesh Naeeni
Board Member

ISLAMIC BANKING PRINCIPLES

Since the most essential element defining Islamic finance requires proper comprehension of distinguishing between usury and profit, Iranian banks have adjusted their operations according to the Usury-Free Banking Act of 1983. Thus, Iranian banks raise their resources from the following sources:

Gharz-al Hassaneh Accounts (Non - Interest Saving)

These are current and savings accounts (as in the conventional banking system), except that they earn no interest. Account holders typically receive services of those accounts in combination with a checkbook and a passbook respectively. Savings accounts offer incentives to depositors (up to 4%), including one or several of the following: prizes and bonuses in cash or in kind (usually run using a lottery), an exception from or a discount on the payments of commissions and fees, and priority in the use of loans. Banks consider non-interest saving accounts “their own resources” and are required to guarantee their total nominal value.

Term Deposits

Banks are authorized to render various types of investment services, ranging from short-term (6 months) to long-term (5 years) deposits. Although banks can use their capital plus non-interest saving accounts, priority is given to investment deposits. They can also use a combination of their own and depositors’ resources to grant loans to customers. Iranian banks guarantee the principal and the relative interim return to the owners of the term deposits. However, should financial loans provide a return in excess of interim return plus the bank’s commission, such an excess return would be shared between the bank and the depositors.
On the lending side, Iranian banking laws and regulations separate banking products into two categories: participation contracts and constant profit contracts.

Participation Contracts

Under these types of contracts, banks provide the whole or a part of the funding required by its customers for a specific economic activity. The profit that results from such economic activity is shared between the bank and the customer in accordance with the terms of the relative contract. These contracts consist of the following items:

Mosharekat-e-Madani (Musharaka)

Under Musharaka contracts, a joint partnership is formed by the bank where the bank and the customer (legal entity or real person) combine their capital, forming a business in which both parties share the profit according to a specific ratio, while the loss is shared according to the ratio of the contribution

Musharaka contracts can be in the field of manufacturing, trade and service industries. Under the same scheme, the issuance of bonds is also permissible. Commercial banks are allowed to act as guarantors for both the government and private sector enterprises and entities wishing to raise funds for specific activities through the issuance of bonds. Profits are paid quarterly.

Under Islamic law, Musharaka refers to a joint partnership where two or more persons combine either their capital or labor, forming a business in which all partners share the profit according to a specific ratio, while the loss is shared according to the ratio of the contribution

Mosharekat-e-Hoghoughi (Legal Exposure)

In legal exposure, the banks provide a part of the capital for a new company or buy shares of a company. These contracts are feasible in the fields of manufacturing, trade and service industries.

Muzaraba
Under Muzaraba contracts, one party (the Bank) provides funds and the other party (the customer) invests the money in a commercial enterprise. Customers can be both legal entities and natural persons. Usage of funds is limited to the field of trade.

Mozare'eh
Under Mozare'eh contracts, one party (the Bank) hands over to the other party (the customer) a farmland for a specific duration of time. The customer works on the land and the relative proceeds are shared

Mosaghat (Sharecropping)
Under Mosaghat contracts, the owner of trees in a garden (the Bank) maintains an irrigation contract with an agent (the customer) and relative proceeds are shared.

Constant Profit Contracts
Under these types of contracts, the Bank provides the whole or a part of the financing required by its customers for a specific venture. Unlike the participation contracts, the Bank's profit is already fixed at the signing of the contract and before the commencement of the activity. Therefore, The Bank's profit has to be paid by the customer irrespective of whether or not any profit is materialized from the funded economic activity.

Foroush - e - Aghsati (Instalment)
An Instalment Sale is a contract whereby one party (the Bank) delivers goods to the other party (the customer) at pre-set price. The price is amortized, totally and/or partially, on predicted maturity dates through equal or unequal instalments.

Ejareh-Besharte-Tamlik (Hire Purchase)
In this particular type of leasing contract, it is agreed that the lessee, if complying with the terms of the contract, will obtain the ownership of the leased property upon the completion of the contract.

Salaf (Future)
A Salaf is a contract whereby the Bank purchases goods produced by the customer, paying the price at sight, and receives the goods in the future.

Jo'aleh
This refers to the obligation of a person (the customer) to pay a sum or fee in return for a favour according to the contract. Acting as an agent or as a contracting party if needed, a bank may arrange a Jo'aleh for the purpose of providing the loans required to develop a business.

Tanzeel (Discount)
In this case, banks can discount drafts and/or various commercial notes. Finally, banks are also allowed to allocate some of their own resources (including non-interest funds from the customer) to make direct investments.

Morabehe
Under the terms of Morabehe, a bank or a credit institute fulfils the role of a supplier and informs the applicant of the cost price or of any given assets or services. Then having added a percentage to the cost price as profit, the Bank sells the assets or services to the applicant. Method of payment may be in the form of by payment or by installments.

Istisna'
This kind of contract is designed to serve the manufacturing sector, where a product is manufactured, converted or transformed. Under the terms of Istisna', product specifications, as well as the time of delivery are defined

CHAPTER 1

INTRODUCTION

1. Introduction

1.1.1. Excerpt of consolidated financial information

Group	2023-24	2022-23	2021-22	Growth to Previous Year-%	
	IRR Million	IRR Million	IRR Million	2022-23	2021-22
Financial Performance in during Year					
Operating Revenue	114,973,371	7,558,014	66,025,147	48.2%	17.5%
Operating profit	19,244,589	10,345,771	8,912,743	86.0%	16.1%
Non-operating income	744,625	4,221,746	3,715,628	-82.4%	13.6%
Profit after Tax	19,989,213	14,568,516	12,628,371	37.2%	15.4%
Cash Inflow (Outflow) from Operating Activities	351,330,728	6,918,127	11,836,239	4978.4%	-416.0%
Financial Performance at End of Year					
Total Assets	1,321,581,598	618,279,819	571,813,643	113.8%	8.1%
Total Liabilities	1,237,348,280	543,230,803	504,498,942	127.8%	7.7%
Capital	50,000,000	46,000,000	39,500,000	8.7%	16.5%
Total Shareholders' Equity	84,233,319	75,049,016	67,314,701	122.0%	115.0%
Share Information:					
Number of shares	50,000	46,000	39,500	8.7%	16.5%
Earnings per share	405	293	276	38.0%	6.3%
The Other Information					
Number of Employees	2,342	2,301	2,144	1.8%	7.3%

1.1.2. Excerpt of bank's financial information

Parent Company	2023-24	2022-23	2021-22	Growth to Previous Year-%	
	IRR Million	IRR Million	IRR Million	2022-23	2021-22
Financial Performance in during Year					
Operating Revenue	114,638,323	77,660,577	66,785,674	47.6%	16.3%
Operating profit	16,540,403	10,530,263	9,431,725	57.1%	116.0%
Non-operating income	2,573,008	3,483,092	4,212,552	-26.1%	-17.3%
Profit after Tax	18,540,828	13,540,377	13,171,863	37.2%	26.0%
Cash Inflow (Outflow) from Operating Activities	346,968,282	4,144,424	11,207,088	8271.9%	-63.0%
Financial Performance at End of Year					
Total Assets	1,298,137,439	606,514,773	562,218,179	114.0%	7.9%
Total Liabilities	1,221,891,060	537,226,923	500,038,362	127.4%	7.4%
Capital	50,000,000	46,000,000	39,500,000	8.7%	16.5%
Total Shareholders' Equity	76,246,380	69,287,851	62,179,817	10.0%	11.4%
Share Information:					
Number of shares	50,000	46,000	39,500	8.7%	16.5%
Earnings per share	375	272	287	38.0%	5.5%
The Other Information					
Number of Employees	1,876	1,821	1,717	3.0%	6.1%

The major reasons for the over 30% growth in financial performance in the year 2023-24 compared to the previous year:

- The reason of growth in operating income is the increase in loan income.
- The reason of growth in operating profit and net profit after tax is the increase in loans' income due to the increase in loans granted compared to the previous year and the increase in the rates by CBI, as well as the fee income.
- The reason of increase in cash flows from operating activities is the increase in the item "Debt to banks and other non-banking institutions, excluding received loans" compared to the previous year.
- The reason of increase in assets is the increase in cash funds, granted loans and legal deposits.
- The reason of increase in debts is the increase in customer deposits and debts to banks and other non-bank credit institutions.
- The reason of increase in the EPS is the increase in the volume of the bank's activities.

1.2.The most important laws and regulations governing the activities of the bank

- Resolutions and regulations of the Money and Credit Council
- The bank's articles of association
- The set of laws and regulations, guidelines and bylaws approved by the TSE
- Accounting Standards
- The Monetary and Banking Law of the country approved in 1972
- The Law on Interest-Free Banking Operations approved in 1983
- The Commercial Code
- The set of tax, labor and social security laws
- The Anti-Money Laundering Law
- The set of foreign exchange regulations of the CBI
- The laws of the five-year development plans and the annual budget of the country
- The Law on Removing Production Barriers and Promoting the Country's Financial System
- Other relevant and current laws of the country

The most important directives and regulations issued by the CBI in the fiscal year ending on March 20, 2024 are:

- Directive on the method of calculating the ratio of net fixed assets of banks
- Bylaw on granting loans to employees of credit institutions
- Directive on the implementation of granting micro-loans
- Directive on the calculation of supervisory capital and capital adequacy of credit institutions
- Directive on the implementation of credit cards
- Regulations governing the joint investment of banks and non-bank credit institutions with the Innovation and Prosperity Fund
- Circular of the Cabinet of Ministers regarding the minimum capital required for the establishment and operation of banks and non-bank credit institutions
- Circular on the minimum requirements for credit risk management in credit institutions
- Directive on the minimum requirements for the establishment of an internal control system in credit institutions
- Directive on the method of divestment of non-banking investments of credit institutions
- Directive on the acquisition of shares of banks and non-bank credit institutions

1.3. Capital and composition of shareholders

The company's initial capital at the time of establishment was 30,000 Million Rials (consisting of 30,000,000 shares, with a nominal value of 1,000 Rials per share), which has currently reached 50,000,000 Million Rials (consisting of 50,000,000,000 shares, with a nominal value of 1,000 Rials per share). The changes in the company's capital over the past 5 years are as described in the table below:

Date	Previous Capital (IRR Million)	Capital Increase (%)	New Capital (IRR Million)
28.05.2014	7,250,000	17	8,500,000
07.10.2020	8,500,000	216	26,842,987
25.10.2021	26,842,987	47	39,500,000
12.02.2023	39,500,000	16	46,000,000
16.03.2024	46,000,000	8	50,000,000

According to the decision of the bank's board of directors, the bank's capital is currently in the process of increasing from 50 thousand Billion Rials to 60 thousand Billion Bials from retained earnings and other reserves. Also, the shareholders own more than 1% of the company's shares at the end of the financial year ending on 20.03.2024 are as described in the following table:

1.1.2. Excerpt of bank's financial information

Shareholders	20.03.2024		16.06.2024	
	No. of Shares	% Of Shares	No. of Shares	% Of Shares
Holding 1% Share & Above (Legal Entities):				
Saba Tamin Investment Co. (Public Joint Stock)	5,577,822,915	11.16%	5,577,822,921	11.16%
Tadbir Investment Co. (Private Joint Stock)	3,888,643,406	7.78%	3,888,643,406	7.78%
Karafarin Insurance Co. (Public Joint Stock)	3,715,930,667	7.43%	4,184,257,460	8.37%
Negin Ganjineh Iranian Co. (Private Joint Stock)	2,499,999,958	5%	2,299,999,958	5%
Mehrafarinan Doran Co. (Private Joint Stock)	2,499,999,957	5%	2,499,999,957	5%
Idea Gostar Dourandish Co. (Private Joint Stock)	2,499,999,951	5%	2,499,999,951	5%
Tose'e Eghtesad Farda Co. (Private Joint Stock)	2,499,994,074	5%	2,499,994,074	5%
Faraz & Foroud Eghtesad Ayandeh Co. (Private Joint Stock)	2,344,239,343	4.69%	2,344,239,343	4.69%
Investment fund managed by Karafarin Bank (BMF)	2,085,578,171	4.17%	2,519,534,853	5.04%
Padideh Afarin Shafagh Co. (Private Joint Stock)	945,270,960	1.89%	945,270,960	1.89%
Sarzamin Pahnavar Mehr Co. (Private Joint Stock)	793,379,114	1.59%	793,379,114	1.59%
Atiyeh Omid Welfare and Supply Institute	723,248,047	1.45%	674,701,820	1.35%
Parsian Bank Financial Group Co. (Private Joint Stock)	499,412,631	1%	499,412,631	1%
Total	**30,573,519,194**	**61.16**	**46,000,000,000**	**62.87%**

1.4. nature of banking and banking industry

The banking industry

The banking industry in the world began when trade and exchange of goods (other than barter) between people started, and even with the expansion of trade, before money was used in the modern sense, the need for banking institutions became more apparent. The need for a means of payment, valuation of values, and especially the collection of receivables from distant and nearby customers, despite the risks associated with the transfer of money, necessitated that this interaction be carried out by institutions called banks. The banking industry plays an effective role in the economy of every country. This industry is currently undergoing massive transformations on a daily basis. The relationship between competition in banking and financial fragility is one of the serious concerns of policymakers. Extensive research shows that increased banking competition erodes banking revenues and reduces their incentive to act prudently. Also, the relationship between banking competition and stability is theoretically and practically complex. That is, sometimes competition in banking leads to greater economic stability.

BACKGROUND

The formation of Karafarin Bank was mainly the outcome of the economic collaboration between participating parties from the Iranian Association of Industry Managers, the Association of Construction Companies, the Association of Utility and Equipment Companies, the Iranian Society of Consulting Engineers, the Society of Consulting Architects and Urban Planning Engineers, a selected group of prominent Iranian banking experts and the general public. The Bank was initially established as a nonbank credit institute with a fully paid-in capital of IRR30 Billion. It was registered on 9 December 1999 under registration number 157915 at the Tehran Companies' Registry Office as Karafarinan Non-Bank Credit Institute. The Bank operated as a general credit institute and its activities were subject to the Credit Institutes' Activities Regulation. Following the enactment of the Non-State Bank Establishment Act on 10 April 2000, and the implementation of its relevant requirements, in light of the clear advantages of banking activities to those of credit institutes, the Board of Directors carried out necessary actions and laid the foundations needed for a restructuring. Hence, based on an operating license issued on 5 December 2001 by the Central Bank of the Islamic Republic of Iran (CBI), Karafarin Bank was officially established on 26 December 2001 with a fully paid-in capital of IRR200 Billion as a commercial bank that engages in all segments of banking activities.
The expert reviews of the favorable performance of Karafarin Bank led to the acceptance of the bank's

shares in the Tehran Stock Exchange two years after its establishment, on July 5, 2003. The name of Karafarin Bank is now one of the first banks in the country listed on the Tehran Stock Exchange. Currently, Karafarin Bank, in line with the policies set by the Central Bank of the Islamic Republic of Iran and the country's economic development plan, and with a firm belief in the principles of customer-orientation, dynamism and the need for fundamental and basic transformation in providing desirable and modern banking services, and relying on trustworthy, experienced, dedicated and innovative employees, as well as having the most advanced technologies in communication and information and modern international communication equipment in financial and banking affairs, is determined to be the true pioneer of the modern banking industry in the country with a coherent strategy.

1.5. Opportunities and Threats Facing the Bank

- The Risk Management Unit currently operates under the supervision of the bank's CEO, and its responsibility is to identify, measure, and monitor various banking risks and report them to the CEO and the bank's Board of Directors for the purpose of controlling and protecting the bank against these risks. These reports are presented in the Asset and Liability Committee and the Risk Committee of the bank's Board of Directors, where necessary decisions are made. The Risk Committee consists of three members of the Board of Directors, risk advisors, and the Risk Manager and Economic Studies Manager, and this committee meets approximately once a month.
- The Risk and Economic Studies Unit uses various methods for modeling and measuring each type of banking risk, which are mentioned below. A summary of the models used to measure risk is as follows:

Type of risk	The source of risk	Measurement model	Control management
Credit risk	Granted Loans / L/G	Credit rating of real and legal customers and measurement of default probability, analysis of correlation of default and concentration risk, stress test	Receive documents, monitor customer ratings
Market risk	Buying and selling shares Foreign Exchange	Value at risk model with historical method and Monte Carlo simulation method	Applying the limit based on the basic capital, the amount of buying and selling of shares and the exchange status
Operational risk	Bank's internal processes, human factors, unexpected events, disruption in technological systems	RCSA risk self-assessment method, LDA loss distribution model, KRI key risk indicators and scenario analysis	Internal controls, insurance, inspection, process improvement
Liquidity risk	Failure to match the maturity of assets and liabilities, differences in resources and expenses	Stress test, types of liquidity ratios, resource and consumption optimization models, Basel 3 liquidity ratios including LCR and NSFR	Applying limits for bank liquidity ratios, using the interbank market

Credit Risk

Any loss arising from non-payment of loans and non-fulfillment of customer obligations, in other words, the probability of incurring a loss due to the non-timely fulfillment of all or part of the obligations arising from the receipt of credit services, by the counterparty (due to reasons such as lack of willingness, lack of financial ability, the existence of obstacles in settlement, etc.) is called credit risk. Since the majority of the bank's assets are the loans granted to customers, credit risk is the most significant risk that the bank faces.

Karafarin Bank's Internal Rating System

Credit risk is the most significant risk that any bank faces. Therefore, attention to the assessment of customers' credit risk and the reduction of the resulting costs is of utmost importance, and therefore, the bank's credit customers must be evaluated and rated in terms of eligibility. For this purpose, their financial statements and credit status are periodically evaluated, and the adequacy of their collateral against the granted loans and customer obligations is examined. Collecting historical information about customers in a rating system is an important tool for monitoring the quality of the entire credit portfolio. With the help of this tool, more accurate and more comprehensive information can be used to make decisions on granting loans.
In this regard, the internal rating system of Karafarin Bank has been implemented since 2009, and the ratings of customers are prepared based on the financial statements of legal customers and the credit characteristics of individual customers after the information is entered by the branches. According to the post-tests carried out, considering the performance of the internal rating system, there is a direct relationship between the rating and the customer's performance in repaying the loans or commitments. The lower the credit rating, the more likely it is to result in default and unsatisfactory performance.
After collecting the financial information of credit customers and their performance over past 5 years, with statistical studies and analysis of customer data, the internal rating system was upgraded in 2015. The changes made to the rating system include changing the weight of the parameters affecting the customer ratings, adding more rating categories (from 5 ratings to 10 ratings, and assigning negative and positive values to the ratings) in the rating table to increase accuracy and better differentiate credit customers, as well as revising the software infrastructure.

Market risk

Market risk assessment at Bank Karafarin is divided as follows:

- **Equity risk:** The risk arising from fluctuations in stock prices and their impact on the value of the bank's equity portfolio.
- **Foreign exchange risk:** The risk arising from exchange rate fluctuations and their impact on the value of foreign currency assets and liabilities in Rials. Foreign exchange risk arises from a short-term or long-term open position in a foreign currency. To calculate the market risk of Bank Karafarin, two methods are used: Monte Carlo simulation and historical simulation, and these calculations are performed on a daily basis.

At Karafarin Bank, foreign exchange speculative transactions are not performed, and the amount of foreign currency in the portfolio is only related to customer needs (for letters of credit, etc.). Therefore, for the market risk assessment at Karafarin Bank, the conventional methods currently approved by the latest version of the Basel 3 international regulations are used. For this purpose, and in the first step, the value at risk of the assets subject to price fluctuations must be evaluated. The value at risk for a long position represents the potential loss in the value of a risky asset or asset portfolio over a specific time period at a given confidence interval. Considering the type of the bank's investment portfolio, the assets subject to daily price fluctuations include two groups: the actively traded stock portfolio in the Tehran Stock Exchange and the bank's open foreign exchange position (NOP).

Operational Risk

According to the Basel regulations, operational risk in Karafarin Bank is defined as the risk of loss resulting from inadequate or failed internal processes, people, and systems or from external events. In addition to following the national and international risk management frameworks, the main reason for Karafarin Bank's attention to operational risk is the identification and measurement of relevant risks and based on that, the reduction of operational risk and the ability to monitor it.
For the purpose of evaluating and monitoring operational risk, the operational units use several processes to identify, assess, mitigate and manage operational risk. Standard processes have been established throughout the bank for these procedures, and minimum conditions for their implementation have been defined. The process of self-assessment of risks and controls and its supporting structure makes it mandatory that the inherent risks are identified, the effectiveness of the design and implementation of the related controls to mitigate the risks are examined, and the residual risks are assessed.
Improvement programs are defined for the identified problems in the controls, and the responsibility for following up and resolving these issues in a timely manner has been assigned to the operational

units. The bank also tracks and monitors the operational risk events that have been reviewed by the responsible operational units. This provides the basis for identifying the root causes of operational risk events and evaluating the related controls. In addition, key risk indicators for operational risk management and controls have been designed for the operational units, which help in the early detection and timely escalation of issues and events.

Liquidity risk

Liquidity risk is the potential inability of a bank to meet its short-term obligations, and the goal of liquidity risk management is to cover all obligations arising from expected or unexpected changes in the balance sheet items in line with the development of the financial institution.

The liquidity risk regulation has been developed to effectively manage the optimal use of the bank's resources and to provide returns to stakeholders, in line with the policies related to loans and investments, as well as with the legal and supervisory reserves. This regulation is aimed at identifying, measuring, monitoring, controlling and reporting liquidity risk and interest rates. Additionally, the liquidity ratios of the balance sheet are used as an indicator to demonstrate the bank's ability to meet liquidity needs under stress conditions. These ratios are also the basis for applying liquidity risk constraints.

1.6. Internal strengths and weaknesses of the bank

1.6.1. Strengths

- Bank's proper reputation
- Adherence to ethical and professional banking values
- High-quality capital commensurate with the size of the bank's activities
- Benefiting from skilled and qualified technical and managerial workforce
- Continuous and sustained presence in the foreign exchange operations market
- Professional focus on banking operations
- Adherence to the formulated strategic goals and plans
- Attention to systemic approaches
- Systematic and targeted development of service delivery channels and customer relations
- Transparency of information and activities
- Active presence in the food and drug sectors, which are exempt from international sanctions
- Existence of high-quality assets and reliable financial ratios
- Ability to provide a variety of international financial services in case of sanctions relief
- Existence of subsidiary companies with related banking activities

1.6.2. Weaknesses

- Requiring further development of information technology and digital banking infrastructure
- Low market shares in the banking network in terms of the number of POS terminals, ATMs, and cashless payment

1.6.3. Opportunities

- Growing attention of the Central Bank and other regulatory bodies towards compliance with laws and regulations
- Appropriate international reputation
- Growing development of fintech and other financial startups
- Positive government approach towards strengthening the private sector

1.6.4. Threats

- Existence of unbalanced banks
- Intensification of sanctions and the possibility of more sanctions
- Granting of imposed loans

1.7. Bank's main products

Karafarin Bank provides services to its customers in 5 main areas based on the regulations and bylaws of the Central Bank of Iran:

- **loans and Commitments**
  Includes providing loans to legal customers in various industries, especially knowledge-based companies, individual customers, and mandatory loans, as well as issuing various guarantees and opening documentary credits in Rials for customers.
- **Deposits**
  Opening various bank deposits including Qarz al-Hasaneh savings, current, short-term and long-term deposits.
- **Non-Presence Services**
  Providing online services through mobile banking (Hi Bank), phone banking and internet banking.
- **Safe deposit Boxes**
  Renting safe deposit boxes to customers.
- **Providing foreign exchange Services to Customers**
  Including opening foreign currency deposits for customers, as well as buying and selling foreign exchange, issuing customer account certificates, providing services for opening documentary credits and foreign remittances, issuing various foreign currency guarantees, etc.

1.8. Comparison of Bank Production Technology with the Technology Available Nationwide and Globally

Karafarin Bank has been able to achieve the following competitive advantages in comparison to other banks in the country and the region, by changing its Core Banking system:

1.8.1. Centralized Dashboards

Bankers need a single-view dashboard to instantly visualize the system. On the other hand, bankers and customers must have access to the same dashboard view. This helps in faster identification and resolution of existing problems.

1.8.2. Onboarding with KYC Capability

Before using the dashboard, the customer must log in to their account with a unique username and password. With KYC features, banks can verify the identity of potential customers during registration. The onboarding process must also be simple enough for users to go through without stress.

1.8.3. Two-Factor Authentication

This solution requires two-factor authentication to increase security and protect sensitive customer data.

1.8.4. Facility Management

The Core Banking solution must provide the ability to monitor loans and plan for installment payments based on specific schedules for its customers.

1.8.5. Profit calculation spreadsheet

Users need an instant calculator to make informed financial decisions and repay their loans by performing certain calculations.

1.8.6. Live chat

The ability to have a live chat on the platform helps users to contact support if they need help or guidance. Automated chatbots can prepare a set of pre-defined responses for some common questions.

1.8.7. Transaction management

Transaction management allows customers to customize their frequent payments and transfers so that their contact list is always up-to-date. They can also use multi-currency exchanges to make transactions and trade in their preferred currencies.

1.9. Bank's business development programs

The bank's strategic objectives are centered around providing digital banking services, developing foreign exchange activities, and expanding financial inclusion.

The medium-term objective areas are developing digital banking services, expanding retail banking services, increasing market share, further reducing the ratio of non-performing loans, and exercising full oversight over subsidiary companies.

The bank's long-term objective areas are exercising comprehensive systemic oversight of the bank's operations, full compliance with laws and regulations, and becoming one of the top three banks in the country in the field of foreign exchange operations.

Time Table

Strategic plans of the bank are developed with a long-term vision, but are periodically reviewed and revised if necessary. The dynamism of strategic plans is one of the main pillars of these plans. Certainly, the board of directors intends to implement a significant portion of the formulated objectives and plans during their term of responsibility.

1.10. Impact of global and regional economic conditions on the bank

The year 2023-24 was a tumultuous one for the world, with one of the most important reasons being the continued Russia-Ukraine war and the outbreak of the Hamas-Israel war, which affected the economic indicators in the world and Iran. However, since Karafarin Bank does not have any foreign branches, the global and regional economic conditions, manifested in the form of global and regional economic recession and boom, do not have a direct impact on the bank's cost and revenue structure.

The global and regional economic conditions can indirectly affect the financial statements, risk, and return of Karafarin Bank through the impact on the bank's export-oriented or import-oriented customers. This can be through an increase or decrease in commissions from the issuance of foreign LCs, BGs, etc., and a change in their need for loans in the direction of production and service delivery, as well as the deferment of facility defaults.

1.11. Karafarin Group employees

Due to the expansion of the group's services over the past year and the need to provide better services to customers as well as diversification of electronic services, the bank has tried to attract experts in various fields. At the end of the fiscal year (20.03.2024), the total number of employees of the group was 2,342, which includes 614 permanent employees, 1,262 contractual employees and 466 outsourced employees.

Description	2023-24								
	Number of Employees				Staff education				
	formal	Contractual	outsourcing	Total	Less than a diploma	Diploma	Bachelor's Degree	Master's Degree	Doctoral Degree
Headquarters & Regional Offices	148	578	292	1,018	2	79	357	277	14
Branches	466	684	174	1,324	0	72	756	321	1
Total	614	1,262	466	2,342	2	148	1,113	598	15

Description	2022-23								
	Number of Employees				Staff education				
	formal	Contractual	outsourcing	Total	Less than a diploma	Diploma	Bachelor's Degree	Master's Degree	Doctoral Degree
Headquarters & Regional Offices	160	533	233	926	2	76	349	254	12
Branches	489	639	174	1,302	0	70	759	298	1
Total	649	1,172	407	2,228	2	146	1,108	552	13

Description	Headquarters & Regional Offices	Branches in Tehran Province	Branches in Other Provinces	Total
Teaching hours	51,462	45,979	31,823	129,264
Held courses	312	115	82	509
Number of participants	3,542	2,937	1,897	8,376

2. Financial status and financial performance of the bank

2.1. List of land and buildings and repossessed properties

Due to the large amount of data, the list of land and buildings and repossessed properties is disclosed in the attachment.

2.2. Treasury bills

The status of the bank's treasury bills on 20.03.2024 is as described in the following table:

Description	20.03.2024				20.03.2023	
	Number	Amount IRR Million	Shares Premium from Sale	Shares Discount from Sale	Number	Amount IRR Million
Purchase	1,764,382,180	(4,264,691)	0	0	253,038,124	(116,361)
Sale	(56,129,411)	170,479	9,914	0	(189,044,263)	34,017
Capital Increase	**81,180,603**	**0**	**0**	**0**	**0**	**0**
Net purchase (sale) during the period	1,789,433,372	(4,094,212)	9,914	0	63,993,861	(82,344)
Balance at Beginning of Year	**238,818,586**	**(556,533)**			**174,824,725**	**(474,189)**
Balance at End of Year	**2,028,251,958**	**(4,650,745)**			**238,818,586**	**(556,533)**

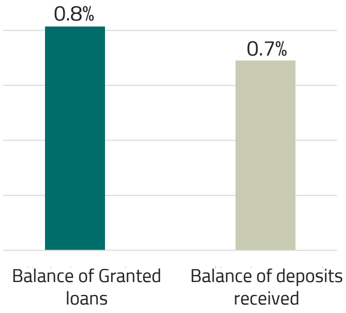
2.3. Important legal claims in favor of/against the bank

The data on important legal claims has been disclosed according to note 2-23 of the financial statements for the reporting year.

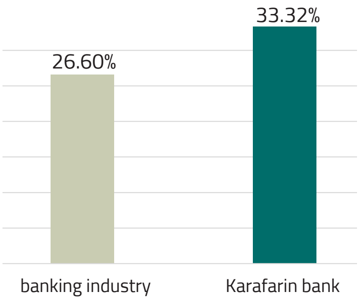
2.4. The bank's sales market and the bank's position in the industry

Description	karafarin bank IRR Million	banking industry IRR Million	Market share of karafarin bank
20.03.2024			
Balance of deposits received	633,295,422	91,629,238,250	0.7%
Balance of Granted loans	575,151,640	70,682,327,050	0.8%
20.03.2023	3,542	2,937	1,897
Balance of deposits received	506,169,695	72,742,520,980	0.7%
Balance of Granted loans	431,418,455	55,833,142,160	0.8%
Balance at End of Year			
Growth to Previous Year-%			
Growth of deposits	25.0%	26.0%	
Growth loans	33.0%	27.0%	

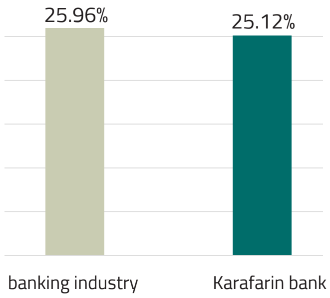
The market share of granted facilities and received deposits of the Entrepreneur Bank in 2023-24



Comparison of the growth rate of the facilities granted by Entrepreneur Bank and the banking industry in 2023-24



Comparison of the growth rate of the facilities granted by Entrepreneur Bank and the banking industry in 2023-24



2.5. Status of payments to the government

Due to the expansion of the group's services over the past year and the need to provide better services to customers as well as diversification of electronic services, the bank has tried to attract experts in various fields. At the end of the fiscal year (20.03.2024), the total number of employees of the group was 2,342, which includes 614 permanent employees, 1,262 contractual employees and 466 outsourced employees.

Description	20.03.2024	20.03.2023	% Changes
Performance tax	1,163,032	0	-
Value added tax	461,894	222,740	107%
Employer's share insurance	1,060,782	814,220	30%
Obligatory loans of the government	13,195,724	3,184,720	314%
Total	**15,881,432**	**4,221,681**	**276%**

- The reason for the increase in value-added tax is the increase in the general price level.
- The reason for the increase in employer's share of insurance is the annual increase in salaries and wages.
- The reason for the increase in payments for government-mandated loans is the payment of interest-free marriage loans, childbirth loans, employment loans from the "Emdad" Committee, etc.

2.6. The quality of bank's earnings

Fiscal Year	Net profit	Profit from operating resources	Profit from non-operating resources	Operating cash flow ratio to operating profit
20.03.2024	18,540,828	16,540,403	2,000,424	1871.4%
20.03.2024	13,510,377	10,530,263	2,980,115	39.4%
20.03.2024	13,171,863	10,298,705	2,873,158	118.8%

2.7. Financial ratios of the group and the bank
Financial ratios of the group

Group	2023-24	2022-23	2021-22
Leverage ratios			
Debt ratio	93.6%	87.9%	88.2%
Debt ratio Shareholders' Equity ratio	1469.0%	723.8%	804.2%
Activity ratios			
Total asset turnover ratio	17.8%	27.5%	28.6%
Profitability ratios			
Rate of return on assets	2.1%	2.4%	2.5%
Rate to Return on Shareholders' (specific value)	25.1%	20.5%	20.2%
Sales return ratio	11.6%	8.9%	8.9%

Financial ratios of the bank

parent company	2023-24	2022-23	2021-22
Leverage ratios			
Debt ratio	94.1%	88.6%	88.9%
Debt ratio Shareholders' Equity ratio	1602.6%	775.4%	804.2%
Activity ratios			
Total asset turnover ratio	10.6%	11.5%	11.7%
Capital adequacy ratio	8.9%	13.2%	10.6%
Profitability ratios			
Rate of return on assets	1.9%	2.3%	2.7%
Rate to Return on Shareholders' (specific value)	25.5%	20.6%	23.0%
Sales return ratio	18.4%	20.1%	23.0%
Market value ratios			
Price to earnings per share ratio, divided by annual earnings growth (PEG)	18.06	484.6	54.4
Ratio of price to Net Carrying Amount of each share	2.52	3.4	3.1
The ratio of price to real earnings per share	6.73	12.5	10.7
The last price of each share on the date of approval of the report - Rials	2,572	2,768	3,314
Net Carrying Amount of each share - Rials	1,000	1,000	1,000

- The most important reason for the increase in debt-to-equity ratio is the increase in debt to banks and other non-bank credit institutions.

2.8. The status of bank performance tax exemptions

In 2023-24, with effective follow-ups on tax cases, in order to protect the rights of respected share-holders, the bank has succeeded in preventing the withdrawal of IRR 2.769 Billion from sources as described in the table below:

Tax source	Financial Year Ended	Amount before adjustment Contractual	Adjustments in the tax amount (benefits created for the bank)			Amount after adjustment	The date of issuance of the definitive letter
			Adjustments related to the submission of bills and documents	Adjustments related to obtaining discounts	The sum of benefits created for the bank		
The collection and execution case of Sahand Steel Aria Company (request from the Karafarin Bank)	2007-2008	1.047	1.047	0	1.047	0	08.01.2024
Performance tax	2017-2018	1.403	780	78	858	545	20.09.2023
Performance tax	2018-2019	1.183	251	119	370	813	05.09.2023
Salary tax	2022-23	513	0	224	224	289	13.01.2024
Salary tax	2021-22	437	18	173	191	246	27.09.2023
Salary tax	2020-21	162	42	37	79	83	13.09.2023
Total		**4.745**	**2.138**	**631**	**2.769**	**1.976**	

According to the above table, the main benefits created for the bank are related to the income tax files for the years 2018-2019, and the collection and enforcement file of Sahand Steel Aria Company (the bank's claim of the tax debt of the mentioned company from Karafarin Bank), where the bank's tax experts were able to reduce the tax amount by a total of 63% by presenting valid documents and evidence in the tax dispute resolution authorities, and finally, by paying the amount of IRR 1.358 Billion to the Tax Affairs Organization, the mentioned files were finalized.
Furthermore, the bank's objection to the decision of the Supreme Tax Council regarding the income tax files for the years 2017-2018 is currently pending in the Administrative Justice Court.

It is further noted that following the bank's objection to the decision of the tax dispute resolution board regarding the withholding tax for the years 2019-2020, despite a reduction of IRR 79 Billion from the withholding tax for the year 2020 in the primary and appellate tax dispute resolution boards, the bank took action to further reduce the assessed tax by appealing to the Supreme Tax Council, and in accordance with the decision of the aforementioned Council, the decision of the appellate tax dispute resolution board was annulled and the case was referred to an equivalent board.

2.9. Dividends

Financial Year	Approved interest	register in sajam				non register Sajam	Interest paid	Unpaid interest
	IRR millions	individual	legal entity	portfo	fund	IRR millions	IRR millions	IRR millions
2009 until 2020	23,161,239	0	781,747	0	0	22,320,519	23,102,266	16,366
2021-22	6,320,000	2,296,397	955,957	1,897	429,587	2,633,500	6,317,337	2,663
2022-23	7,498,000	1,864,372	1,870,282	131,113	400,902	3,225,525	7,492,194	5,806
Total							**36,911,798**	**24,834**

2.10. Dividend policy of subsidiary and affiliated companies

Company	Ownership percentage	Net profit	Operating Profit	non-Operating Profit	Dividends proposed by the board of directors	Dividends approved by the assembly	Name of the auditor of the company	Major shareholder representative in the subsidiary company
Karafarin Bank Brokerage	100%	811,011	872,458	0	81,101	800,000	Kusha Manesh Audit Institute	Mr. Majid Shamsi
Abnie Gostar Cnstruction	95%	21,112	5,492	16,938	2,111	2,111		Mr.Mojtaba Pirhadi
Negahe Fardaye Karafarin Technology Development	100%	217,382	28,034	194,903	22,500	22,500	Houshyar Behmand Audit Institute	Mr.Reza Heidari
Kurosh Petrochemical Industries Development Company	67%	(467,803)	(448,437)	(18,465)	0	0		Mr. Masoud Esm khani
Karafarin financial group	70.68%	1,628,089	1,620,403	664,771	162,809	-	Tadvin hamkaran Auditing Institute	Mr. Reza Razizadeh
Negahe Fardaye Karafarin E-commerce Development	100%	136,523	125,557	36,692	13,700	40,957		Mr. Milad Hoseini
Negahe Fardaye Karafarin Banking Software	100%	12,958	5,317	22,144	1,296	1,296		Mr.Reza Heidari
Karafarin Foreign Exchange Co.	100%	2,238,850	2,559,774	319,020	223,885	-		-
Rahbord hoshmand servat setaregan	42.61%	253,349	(83,800)	337,691	25,335	320,000		Mr. Hosein Eslami
Omid Karafarin Commercial Development	67%	921,788	1,132,668	38,448	92,520	810,000	Azmoun Pardaz Audit Institute	Mr. Hamidreza Amiri moghadam
Setare shargh makran petrochemical	67%	(30,049)	(30,513)	464	0	0		-
Amin Etemad Karafarin Co	67%	(73,496)	(77,872)	5,068	0	0		Mr. Mohamadreza Jafar aghaei
Asr Amin Karafarin Co	83.5%	74,297	71,958	2,339	7,429	100,257		Mr.Hadi Shirsavar
Servat karafarin Management	67%	315,056	410,383	81	31,600	157,500		Mr. Hasan Badri gamaji
Karafarin Leasing Company	68.34%	763,456	786,133	184,329	76,500	690,000		Mr. Seyed mostafa nouri

*The amount of ownership is the sum of direct and indirect investment of the bank.

3. Description of the actions and effectiveness of the Board of Directors
3.1. Transaction status and stock price
In July 2013, the company was listed in the Tehran Stock Exchange in the "Banks and Credit Institutions" group with the symbol "Work" and its shares were traded for the first time on 04/14/2013.

Financial Year	No. of Traded Shares	Value of Transacted Shares	Active day	Trading Days	Percentage of free-floating shares	End of fiscal year		
						Market value	Average share price	capital
	IRR millions	IRR millions				IRR millions	IRR millions	IRR millions
20.03.2024	6,351,842,051	18,762,018	229	229	249	8,193	2,954	50,000,000
20.03.2023	899,629,210	2,018,634	225	225	931	8,972	2,244	46,000,000
20.03.2022	4,639,277,305	13,200,956	227	227	2,073	58,154	2,845	39,500,000

3.2. Marketing

Row	Description	parameter
1	Marketer's name	Karafarin Bank Brokerage
2	The beginning of the marketing period	02.03.2023
3	End of marketing period	Until the expiration date of marketing
4	The amount allocated to the marketer by the publisher	4,640,832
5	The amount allocated to the marketer by the major shareholder	4,640,832
6	purchase in during	4,264,691
7	sale in during	(180,392)
8	profit (loss) marketing	9,914
9	Shares purchased during the period	1,764,382,180
10	Shares saled during the period	56,129,411
11	balance share in marketing	2,028,251,958

4. Corporate Governance
4.1. Bank's guidance system
1. Information about the board of directors' structure includes

A) the board of directors' members

Mr. Mohammadreza Khorsandi (chairman)
Mr. Masoud Sharifat (vice-chairman)
Dr. Ahmad Baharvandi (member and CEO)
Mr. Mehdi Seif Alishahi (member)
Mr. Hossein Talakesh Naeini (member)

B) Details of each board member

According to the resolution of the ordinary general assembly meeting dated 13.07.2022 and the meeting of the board of directors dated 13.07.2022 Mr. Khorsandi, Baharvandi, Sharifat and Saif Ali Shahi and the meeting of the board of directors dated 01.01.2023 Mr. Talakesh Naeini is a member of the board of directors.

Mr. Mohammadreza Khorsandi-Chairman

Education: BA in Banking and Monetary Management from Adelphi University in New York

Records

- Vice President of foreign exchange and international affairs of the Karafarin Bank
- Chairman of the Board of Directors of the Karafarin Exchange Company
- Member of the Board of Directors of Bank Sepah London PLC
- Chairman of the Board of Directors of Chadormelo Industrial and Mining Company
- Chairman of the Board of Directors of Kurdistan Cement Company
- Mandatory member of Sepah Bank Board of Directors
- Chairman of the board of directors of Sepah Construction Investment Company
- Director of International Affairs of Sepah Bank
- Chairman of the Board of Directors of Omid Sepah Exchange Company

Ahmed Baharvandi - CEO

Education: PhD in economics, Payam Noor University

Records

- Economic expert of the Office of Presidential Technology Cooperation
- Credit expert of Iran Technology Development Financial Fund
- Banking researcher and research associate in different banks of the country
- Member of Parsian Bank's high financing committee for SMEs and knowledge-based companies
- Member of the audit committee of Parsian Bank's data processing group
- Advisor to the CEO of Ansar Bank

Masoud Sharifat - Vice Chairman

Education: Doctorate in Economics from Islamic Azad University-Science and Research branch

Records

- Director of the management of the Agricultural Bank
- Independent deputy for the management of institutions and financial instruments of the Agricultural Bank
- Deputy official and member of the executive board of the National Development Fund
- Member of the executive and deputy committees of investment and bank credits of the National Development Fund
- ice-Chancellor for evaluation and adaptation of risk management of the Agricultural Bank
- Member of the Board of Directors of Agricultural Bank

Mehdi Saif Ali shahi - member of the board

Education: Master's degree in MBA, Industrial Management Organization

Records

- Director of personal banking affairs of Bank Mellat
- Director of Coordination and Sales of Bank Mellat
- The manager of two districts of Mellat Bank
- General Manager of Credit Planning and Supervision of Bank Mellat
- Member of the board of directors of Karafarin Bank Mellat
- Member of the board of directors of Behsaz Mellat company
- Bank Mellat branch manager of Hormozgan province
- Member of the Board of Directors of Behsaz Design and Andisheh Company

Hossein Talakesh Naini - member of the board

Education: PhD in Economics from Allameh Tabatabaei University

Records

- Economic and Investment Vice President of Tadbir Economic Development Group
- Director General of Economic Studies of Farman Imam (RA) Executive Staff
- Senior Financial Expert and Explanatory Plans of Novin Pars Mineral Exploration and Extraction Engineering Company
- Head of Risk Committee of Tadbir Economic Development Group
- Chairman of the Board of Directors of Afshar Tadbir Pars Company
- Actuary expert of the Central Insurance of the Islamic Republic of Iran

C) Disclosure of information related to the employment status of individual members of the board of directors in other companies

Only Mr. Mehdi Saif Ali shahi is an alternate member of the Board of Directors of Salam Charity Foundation and other members of the Bank's Board are not members of the Board of Directors in any company.

2. Actions and effectiveness of the board of directors

- Decision-making on loan files
- Review of files and proposals regarding legal cases
- Proposing and making decisions on transactional files
- Reviewing the proposed programs of the bank's deputy offices regarding the development of activities
- Reviewing proposals for credit policies

3.1. Principles of corporate governance

3.1.1. Information related to transactions with related parties

Statement of the company's general policies and procedures regarding the review and approval of transactions with related parties:

The bank, in accordance with the regulations issued by the Central Bank of Iran regarding the granting of loans and commitments to related parties, takes action by creating an information bank containing aggregated and individual information regarding related parties, including all the characteristics of the related party, the type of relationship, the amount of loans and commitments, the interest rate and fee, the repayment period, the type of collateral and the grace period, and the Internal Audit Management is responsible for monitoring the implementation of the regulations.

*Stating the reasons for conducting transactions with related parties and not conducting them with unrelated parties:

According to Article 2 of Chapter Two of the Central Bank of the Islamic Republic of Iran's regulations on loans and commitments of related parties, credit institutions are obliged to identify related parties when granting loans or creating commitments.

*Disclosure of material transactions with related parties with emphasis on the requirements of the directive on disclosure requirements and approval of transactions with related parties of listed companies on the stock exchange and over-the-counter:

The bank is obliged to submit the list of related parties, their type of relationship, the amount of loans and commitments granted, the interest rate and fee, the repayment period, the type of collateral and the grace period of the said loans and commitments to the Central Bank of the Islamic Republic of Iran once every three months within the specified framework.

- Reasons of the board of directors for not making transactions with non-affiliated parties

Since the responsibility for the proper implementation of the notified rules and instructions rests with the board of directors and respected CEOs of banks and non-banking credit institutions, therefore, according to the emphasis made in the guidelines for loans and obligations of related parties, Karafarin bank while taking care of compliance with the limits The regulations were determined in the mentioned instructions, all the provisions of the regulations regarding transactions with affiliated and non-affiliated parties have been observed.

3.2. Corporate Sustainability Report

3.2.1. Report on Implemented Social Responsibility Initiatives

During the year 2023-24, according to the resolution of the Annual General Meeting on 17/07/2023, an amount of IRR 150 Billion was approved for social responsibility initiatives, out of which 146 Billion Rials were disbursed.

1. Support for the Diabetes Association to provide blood glucose monitoring devices and financial assistance for medication and living expenses of the beneficiaries
2. Support for honoring the selected professors and students of the Alzahra University during the Research Week
3. Support for the International Workshop on the Operational and Economic Dimensions
4. Financial support for establishing a football academy in Tehran
5. Providing food, clothing, and educational supplies for child laborers
6. Support for publishing the book on the Fundamentals of Economic Methodology
7. Providing stationery for students in underprivileged areas of Hormozgan province
8. Support for the first session on Data Governance Strategies in the National Decision-Making

System
9. Participation in the construction of the Islam Abad Gharb Hospital in Kermanshah
10. Participation in providing suitable accommodation for the homeless and addicts in Tehran
11. Donation of stationery for students in underprivileged areas in several provinces
12. Financial support for purchasing the sound system for the Salman Farsi Mosque
13. Honoring the services of the Economic Security Police personnel
14. Providing a portion of the necessary items including clothing and food for the needy
15. Financial participation in the Thirteenth International Congress of Civil Engineering
16. Financial support for the construction of a support center in the Darvazeh Ghar neighborhood of Tehran, the charity center of the Takkieh Gah Agha Morteza Ali (AS)
17. Purchase of an industrial washing machine for the Jewish Association
18. Participation in the provision of health supplies for the elderly in Karaj, Alborz Province
19. Payment of laptop purchase assistance for needy students at the University of Tehran
20. Participation in the payment of financial damages to those in need
21. Financial support for more than 102 research projects
22. Participation in the donation of 1,000 commodity purchase vouchers for those in need
23. Financial support for the establishment of a Quran kindergarten and the renovation of the educational space
24. Support for the compilation of books on the teachings of the Ahl al-Bayt
25. Financial support for the Faculty of Management and Accounting at Allameh Tabatabai University
26. Construction of a school in Urmia city in collaboration with the General Directorate of Renovation of West Azerbaijan Province
27. Water supply in Bojnourd city, in collaboration with the local officials
28. Participation in the purchase of an X-ray machine
29. Purchase of a complete set of laryngoscopes for the Nikanikaran Charitable Foundation

3.2.2. Report on actions taken regarding environmental issues

1. Development of an administrative automation system and the elimination of paper from correspondence processes.
2. Establishment of separate waste segregation stations and the collection of waste paper.
3. Expansion of electronic banking services (Hi Bank) to reduce commuting and environmental pollution.
4. Use of modern cooling and heating technologies (to replace fossil fuels and smoke-producing fuels).
5. Saving energy (water, electricity, gas, etc.).
6. Increased awareness and protection of the environment among employees, leading to the promotion of an environmental protection culture among staff and their families.
7. The company's vehicles are subject to an annual technical inspection program.
8. Planting 16 trees on the premises of the West Nahid branch.
9. Purchasing and delivering 284 trees to the Tehran municipality's green spaces.
10. Upgrading the bank's transport fleet from older, more polluting vehicles to newer, low-emission ones.
11. Paying shareholders' dividends through the SEJAM system and enabling non-attendance participation in bank meetings to reduce physical attendance of shareholders.
12. 24/7 customer support to reduce the need for in-person visits.
13. Conducting some employee training sessions in an online/offline format to reduce commuting and save costs and energy.

3.3. Actions Taken Regarding the Tasks of the Previous Year's General Assembly

1. The General Assembly mandated the bank to comply with the provisions contained in the letter from the General Supervision Department of Banks and Credit Institutions of the Central Bank of the Islamic Republic of Iran.
2. Regarding item 2 of the auditor's report, it was mandated that a revaluation be carried out within the legal time period, while observing the interests of the shareholders.

Actions Taken:
The latest reevaluation of assets was carried out in September 2020, and according to Standards No. 11 and 17, the bank can reevaluate its assets once every 5 years. Therefore, in line with the provisions of the Central Bank's letter No. 321450/1402 dated 18.03.2024 on determining the minimum required capital for the establishment and operation of non-governmental banks, equivalent to 200,000 Billion Rials within a period of three years, a proposal for increasing the bank's capital up to the specified limit has been presented to the respected Board of Directors, and it is predicted that the asset revaluation will be carried out in 2025.

3. Regarding item 5 of the auditor's report, it was mandated that the necessary follow-ups be made with the Central Bank of the Islamic Republic of Iran until the final resolution and removal of the issue.

Item 5 of the Auditor and Legal Inspector's Report - Ambiguity Regarding the Collection of Receivables from the Central Bank:
"As disclosed in the explanatory note 1-3-26 of the attached financial statements, in late 2011, an amount of 741 Billion Rials was withdrawn from the bank's account by the Central Bank based on the Resolution No. 34030-90/M/T 47698 dated January 8, 2012 of the five-member working group for the regulation of foreign exchange issues. Also, an amount of 1,686 Billion Rials was claimed by the Central Bank as a penalty for the withdrawal made, to which the bank's management has objected. The resolution of the aforementioned case is subject to coordination with the government and obtaining the necessary approvals, which has not been achieved so far. The content of this item has not affected the expression of this institution's opinion."

Actions Taken:
Based on the repeated follow-ups carried out, the issue of determining the fate and returning the principal amounts of illegal withdrawals and crimes related to overnight withdrawals from bank accounts is being pursued through the Supreme Council of the Association of Private Banks and Credit Institutions, which has not yet yielded any results.

4. Regarding clause 6 of the auditor's report, it was instructed that the necessary follow-ups be made to reduce the cases mentioned in the agenda.

Clause 6 of the auditor's and legal inspector's report - Status of ownership documents of fixed assets and ownership securities:
"Explanatory note 10-35 and 4-2-34 of the attached financial statements, including 61 properties worth 6,900 Billion Rials, lack official ownership documents in the name of the group and the bank. Also, there are 36 properties worth 962 Billion Rials that, despite having official ownership in the name of the bank, lack single-sheet documents. It is worth mentioning that 124 properties of the bank's ownership securities, worth 697 Billion Rials, have conflicts, and the bank's management's actions to resolve the conflicts of the aforementioned properties have not yielded any results as of the date of this report. The content of this clause has not affected the expression of opinion of this institution."

Actions Taken:
Attached

5. Regarding clause 7 of the auditor's report, it was instructed that the bank's tax cases be pursued with due regard to the benefit and interest of the shareholders.

Clause 7 of the auditor and legal inspector's report - Ambiguity regarding the future consequences of operating income tax, tax subject to clauses (b) and (p) of Article 17 of the Law on Removing Production Barriers, Promoting Competitiveness and Upgrading the Country's Financial System, and tax related to Note 5 of Article 4 of the Law on Housing Production Leap:
"The latest status of the performance tax and the tax subject to clauses (b) and (p) of Article 17 of the law on removing production barriers, enhancing competitiveness, and upgrading the country's financial system is reflected in the explanatory notes 2-44 and 1-43 of the attached financial statements. The mentioned reserves have been accounted for considering the similar rulings regarding the non-application of the return of the share of exempt income's common costs, the acceptance of the provision for doubtful accounts, the ruling of the General Board of the Administrative Justice Court regarding the excess of the interest paid by banks, the non-applicability of tax on the difference between the NIMA system rate and the rate announced by the Central Bank, as well as the application of a zero tax rate

on 50% of the undistributed profits that can be transferred to the capital account based on clauses (f) and (h) of Note 2 of the Budget Laws for 2022-23 and 2023-24.
Furthermore, based on Article 4 of the Housing Production Law approved in 2021, banks and credit institutions are obliged to allocate at least 20% of the banking system's loans each year to the housing sector. According to the Directive No. 271496/00 dated December 8, 2021, issued by the Central Bank of the Islamic Republic of Iran, for the granting of construction and renovation housing loans, any request for receiving the loans under this directive must be registered in a special system determined by the Ministry of Roads and Urban Development, and the banks are obliged to review the mentioned requests and, if the applicant meets the conditions stipulated in the said directive, to conclude the contract for the payment of the loans.
Additionally, according to Article 12 of the aforementioned directive and the note to the said article, in case of non-compliance with the conditions stipulated in this directive, which are considered necessary for the granting of loans, the Tax Affairs Organization will collect a tax equivalent to 20% of the unfulfilled commitment from the operating bank within the framework of the annual budget. However, the Tax Affairs Organization, without considering the regulations stipulated in the aforementioned directive and solely based on the amount of loans determined by the Central Bank of the Islamic Republic of Iran, according to Note 5 of Article 4 of the aforementioned law, has considered the bank liable for tax for the first year of the law's implementation until September 22, 2022, and has demanded 21,000 Billion Rials based on the issued assessment sheet. The content of this paragraph has not affected the expression of opinion of this institution.

Actions taken:
In the year 2023-24, through effective follow-up and effective defense of tax cases, in line with the protection of the rights of respected shareholders, the bank has managed to prevent the withdrawal of 2.769 Billion Rials from its resources, as detailed in the table below.

Tax source	Financial Year	register in sajam individual	Adjustments in the tax amount (benefits created for the bank)			Amount after adjustment	The date of issuance of the definitive letter
			Ended	Amount before adjustment	The sum of benefits created for the bank		
The collection and execution case of Sahand Steel Aria Company (request from the Karafarin Bank)	2007-2008	1.047	1.047	0	1.047	0	08.01.2024
Performance tax	2017-2018	1.403	780	78	858	545	20.09.2023
Performance tax	2018-2019	1.183	251	119	370	813	05.09.2023
Salary tax	2022-23	513	0	224	224	289	13.01.2024
Salary tax	2021-22	437	18	173	191	246	27.09.2023
Salary tax	2020-21	162	42	37	79	83	13.09.2023
Total		**4.745**	**2.138**	**631**	**2.769**	**1.976**	

According to the table above, the main benefits created for the bank are related to the corporate income tax files for the years 2017-2018, and the collection and enforcement file of Sahand Steel Arya Company (the tax liability claim of the aforementioned company from Karafarin Bank). The bank's tax experts were able to reduce the tax amount by a total of 63% by presenting valid documents and evidence in the tax dispute resolution authorities, and finally the mentioned files were finalized with the payment of 1,358 Billion Rials to the tax organization.
Additionally, the bank's objection to the verdict of the Supreme Tax Council regarding the corporate income tax files for the years 2017-2018 is currently pending in the Administrative Justice Court.
Following the bank's objection to the decision of the Tax Dispute Resolution Board on the withholding tax for the years 2019-2020, despite the reduction of 79 Billion Rials from the withholding tax for the year 2020 in the primary and appellate tax dispute resolution boards, the bank has taken action to further reduce the assessed tax by objecting to the Supreme Tax Council, and according to the verdict of the aforementioned council, the decision of the appellate tax dispute resolution board was overturned

and the case was referred to an equivalent board.

6. The necessary planning should be carried out to observe all the provisions of the Commercial Law, the Corporate Governance Directive, and the regulations of the Central Bank of Iran and anti-money laundering, within the framework of the rules and regulations.

Other legal and regulatory responsibilities of the auditor:

In implementing Article 33 of the Operational Directive for Combating Money Laundering by Auditors, the observance of the provisions of the Anti-Money Laundering Act and the relevant executive regulations and directives, within the framework of the checklist issued by the competent authority (the checklist issued for the executive regulations of Article 14 of the amendment to the aforementioned Act and the checklist of obligations arising from the Anti-Money Laundering Directive issued by the Central Bank of the Islamic Republic of Iran) and auditing standards, has been evaluated by this institution. Considering the establishment of the Anti-Money Laundering and Combating the Financing of Terrorism unit at the bank network level and the ongoing actions described in the 2022-23 program and objectives of the Anti-Money Laundering and Combating the Financing of Terrorism unit mentioned in the Board of Directors' activity report, the full implementation of the provisions of the aforementioned law and the applicable directives in the bank's operations is in progress.

Actions taken:

Effective measures have been taken to implement "risk-based supervision" through the design and implementation of the relevant roles, and this process is still ongoing after the migration to the new operational system (Dotin system). Based on this, potential risks at the customer, service, and branch levels have been identified based on the reports of the aforementioned roles. It is worth mentioning that the relevant roles have been designed in the Anti-Money Laundering Business Intelligence (BI) system with the following titles.

The level of customer activity has been put on the agenda of this department in accordance with the instructions on the "operational requirements for determining the level of activity of natural persons without occupation and inactive legal persons" subject to Circular No. 54785/01 dated 25.05.2022 of the Central Bank of the Islamic Republic of Iran, and in this regard, the level of activity of customers under 18 years of age has been determined. It is obvious that if the higher authorities announce instructions regarding other individuals and occupations, the necessary actions will be taken in this regard. Additionally, in accordance with the provisions of Article (26) of the Executive Regulations of the Anti-Money Laundering Act approved in 2019, the determination of the level of customer activity requires the creation of an integrated database of information on Iranian and foreign natural persons, which is the responsibility of the Ministry of Cooperatives, Labor and Social Welfare; however, this has not been implemented yet.

Given the non-issuance of the provisions of Article (63) of the Executive Regulations of Article (14) regarding the design of the double identification form, the full implementation of the aforementioned instructions is not possible. (Subject of meeting number 02.2024 dated 14.02.2024 of the Anti-Money Laundering and counter-terrorist Financing Commission of the Banks and Private Credit Institutions Association.)

The "creation of a customer risk profile" has been considered as one of the operational programs of this department in the last two years, and in this regard, infrastructure and development measures have been taken to create a risk profile for natural/legal customers, and the development phase is still on the agenda.

The existence of a confidential communication channel with all bank employees for the purpose of reporting and submitting suspicious cases was considered one of the important options for selecting the new banking operational system. Therefore, the Dotin system, which has this capability, has been approved and selected as the choice of this department. In this regard, it is predicted that the mentioned communication channel will be operational in the coming days.

In order to enhance the level of specialized knowledge of the employees, the electronic training content has been produced in cooperation with the Management of Education and Performance Evaluation, taking into account the syllabus issued by the Financial Information Unit (FIU), especially for anti-money laundering representatives, and is currently in use. It is worth noting that membership in the specialized working groups of "International" and "Education" of the Financial Information Unit (FIU) is considered as another effective measure taken by this department. Effective cooperation with the Financial Information Unit and the Ministry of Intelligence is another factor that has provided satisfaction for the mentioned institutions.

Pursuant to the bank's documented procedures, all procedures and instructions in the field of anti-money laundering and combating the financing of terrorism have been reviewed and, as appropriate, amended and updated in accordance with the new circulars.

In order to determine the status of customers' excess Rial accounts, especially excess current accounts, the actions taken in the year 2023-2024 are explained as follows:

- Correspondence with all branches through letter number 149752 dated 07/22/2023 regarding the determination of the status of short-term excess accounts of interdicts.
- Correspondence with selected branches through letter number 149907 dated 07/22/2023 regarding the determination of the status of excess Qarz-al-Hasaneh (interest-free loan) accounts of interdicts. It should be noted that the necessary follow-ups will continue until the customers' referral and the determination of the status of the remaining accounts.
- Correspondence with selected branches through letter number 150122 dated 07/22/2023 regarding the determination of the status of current accounts without checkbooks of interdicts, which ultimately, due to the lack of customer referral regarding the determination of the status of the above accounts (47 account cases), all accounts were blocked by the branches.
- Correspondence with all branches through letter number 370121 dated 12/20/2023 regarding the determination of the status of excess individual current accounts.
- Correspondence with all branches through letter number 444446 dated 02/13/2024 regarding the determination of the status of excess joint current accounts, which, due to correspondence with the Information Technology Management, the above report will be completed in the coming days.

7. Regarding clause 15 of the auditor's report, it was required that actions be taken to change the bank's sub-systems and to launch a suitable new system during the current year.

Clause 15 of the auditor and legal inspector's report:

"In implementing the approved internal control checklist for financial reporting by the Securities and Exchange Organization, the aforementioned checklist was evaluated by this institution. In this regard, the improvement and development of the comprehensive centralized banking system is underway in order to perform certain calculations such as accrued interest on loans, delay fines and allowance for doubtful accounts, and to resolve discrepancies between the amounts in the facility sub-system and the balance sheet balance. The launch of the sub-system announced by the Central Bank's Supervisory Department and the establishment of a comprehensive system for the bank's foreign exchange operations and ongoing legal cases are also in progress."

Actions taken:

In January 2024, migration to the new operational system (Dotin system) has been carried out.

8. Regarding clause 17 of the auditor's report, it was required that a contract be signed with the audit firm and the exact membership fee for the recent periods be calculated and the corresponding clearance be obtained from the Deposit Guarantee Fund.

Clause 17 of the report on the auditor's other legal and regulatory responsibilities - Based on the provisions of the "By-law on the amount and method of receiving membership fees in the Deposit Guarantee Fund", the annual membership fee is set at thirty-five hundredths of a percent (before 2020, at the rates of thirty hundredths and twenty-five hundredths) of the average weekly balance of each deposit account in the previous financial year, up to the guarantee limit of the fund. The bank has paid the membership fees for the years 2014 to 2020 and has also obtained the corresponding clearance. The control of the calculation process and the determination of the membership fees for the last two years requires a special audit.

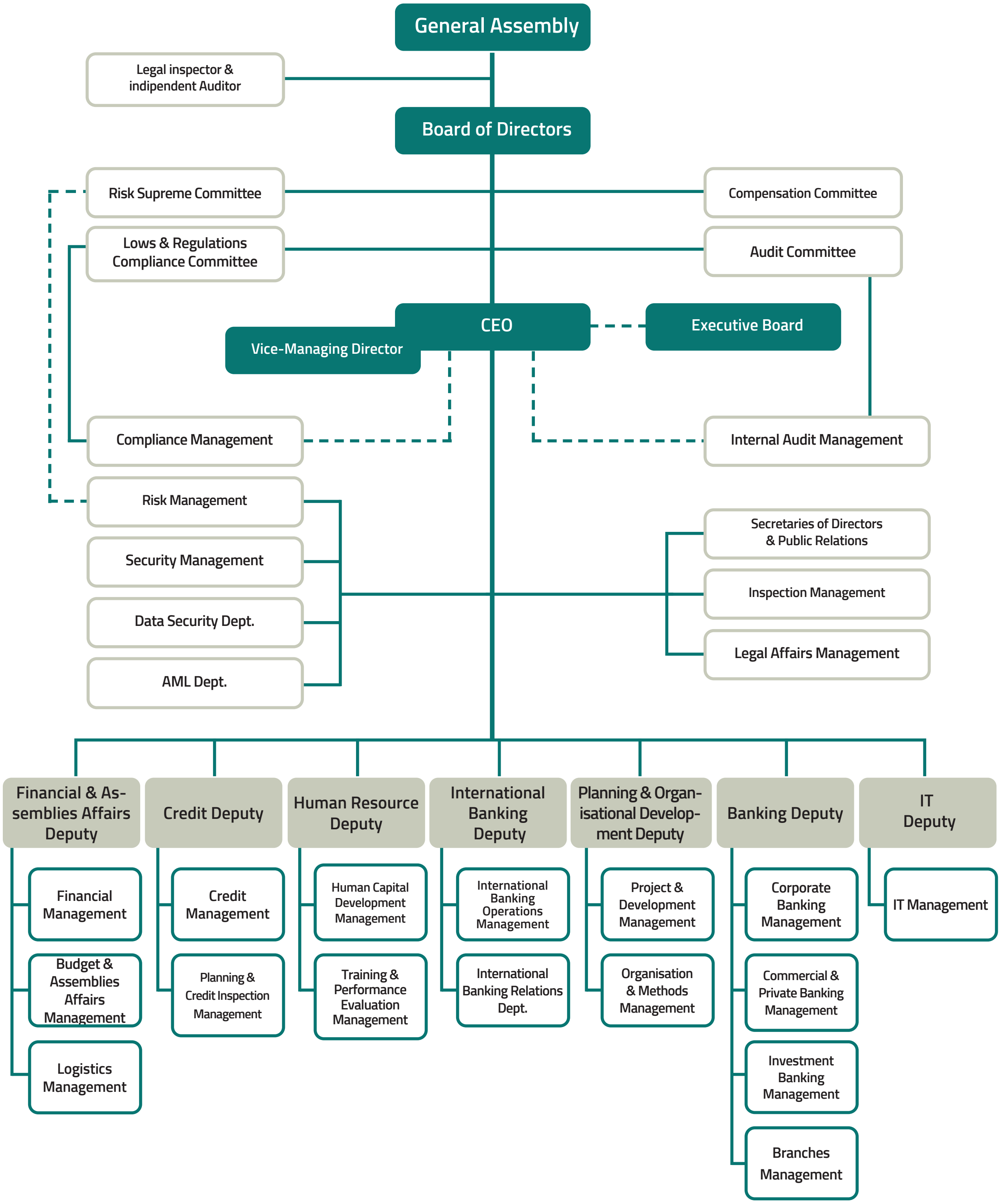
Actions taken:

The clearance of the membership fee up to the end of 2022-23 fiscal year (referring to letter 396496-1402) has been obtained from the Deposit Guarantee Fund, and the auditing contract for the 2023-24 membership fee has also been signed with the bank's independent auditor.

3.4. Strategic Programs

- Bank Digital Transformation Plan
- Formulation and implementation of a customized business plan for branches
- Development of comprehensive innovative models for resource mobilization and allocation
- Formulation of the IT Master Plan
- Completion of the bank's main data center project and planning for the creation of a backup and crisis data center
- Completion of the remaining items from the IT risk minimum requirements compliance program
- Formulation and implementation of the document on the requirements and considerations for the bank's passive defense
- Formulation and revision of the business process architecture

ORGANISATIONAL CHART



Specialized Committees

- The Bank includes the following specialized committees:
- Marketing & Communications Committee
- Product Development Committee
- Technical & Commercial Committee
- Non-performing Loans Committee
- Assets & Liabilities Committee
- Risk Committee
- Bad Debts Identification Committee
- Passive Defense Committee
- Promotion & Records Evaluation Committee
- Access Levels Committee
- Disciplinary Committee
- Center Credit Committee
- Sales Facilitation & Recession of Possessory Committee
- Strategy & Budget Committee
- Investment Plans Evaluation Committee
- Innovation Steering Committee
- Supreme Council of Information Technology
- Strategic Council of Communication Development Center
- Digital Banking Development Planning Committee
- Trade Committee
- Tax Committee

Regulatory Environment

The main set of laws and regulations governing the activities of the Karafarin Bank are stated below:

- Circulars of the Central Bank of the Islamic Republic of Iran (CBI)
- Monetary and credit policies of the CBI
- The rules of the Stock Exchange Organization
- Rules of banking operations without usury
- Approvals of the Council of Money and Credit
- Karafarin Bank's Articles of Association
- Legal and registration laws
- Tax and trade laws

Corporate Social Responsibilities

With today's world facing more and more crises than ever, global society has also become increasingly sensitive towards many issues such as the environment, poverty, security, etc. Hence, in addition to governments, corporations and organizations are also expected to do their part in making the world a better place for all. Indeed, the general opinion is that large corporations should not be mere profit-making enterprises, but ought to contribute towards social improvement, as well.

Moreover, many believe in order to ensure sustainable growth, corporations and organizations must first fulfil their responsibilities towards societies from which they emerge and thrive. Due to its increasing importance, corporate social responsibility has become a vital index in the ranking of organizations. With no exception to this rule, at Karafarin Bank, we are determined to ensure that our corporate social responsibilities are fulfilled.

Hence, some of our main measures in this regard are stated below:

- Supporting non-profit and humanitarian activities.
- Supporting the publication of books
- Supporting the arts.
- Supporting sports activities.

Accomplishments & Distinctions

Some of our accomplishments and distinctions during the fiscal reporting period are stated below:

- Changing the core-banking system

Future Plans

- Revision of the bank's strategic plan
- Compilating the bank's information technology road map (IT-Master plan)
- Revision of financial and investment strategy statement of subsidiaries
- Compilation/revision of bank process architecture document
- Compilating the organizational culture transformation document of Karafarin Bank
- Developing the bank's main data center
- Compilation/revision of the bank information technology architecture document
- Developing digital banking platform (Hi Bank) in order to provide extensive financial services with an integrated user interface
- Developing backup data center and bank crisis
- Implementing data governance and business intelligence in order to maximize optimal management decisions
- Operationalizing customer valuation system
- Developing new products in the field of payment, open banking and financial group products
- Design and implementing the performance evaluation model of the bank's headquarters units
- Design and implementation of branch performance evaluation model and performance-based extraordinary productivity reward
- Developing foreign currency activities of the bank and providing special services to foreign currency customers
- Designing a competency model for bank specialized jobs
- Developing evaluation and development center
- Developing practical training by implementing currency, credit and management training packages
- Designing and deploying a business continuity system (BCMS) with a focus on change management processes (CMDB)
- Establishing the information security management system (ISMS) in the bank
- Developing a system to identify suspicious cases and detect fraud
- Developing the comprehensive system of credit risk and liquidity of the bank
- Implementing the system for preparing financial statements and reports required by the bank
- Establishing electronic filing system
- Development and completion of branch monitoring system
- Modifying the classification model of branches and, accordingly, improving the classification of branch jobs
- Designing the bank's new website, changing the internal information portal and creating a customer club

CHAPTER 2

PERFORMANCE

Operational Performance

Partnerships Department

The primary duties of this department include: conducting analysis and reviews and supervision over the operations of the subsidiary companies, and taking part in their general assemblies of Karafarin Bank's subsidiary companies (listed and unlisted companies).

Karafarin Foreign Exchange Company

This company operates in the trading of hard currencies, purchasing of currency transfers, currency transactions and trading of precious metals such as gold coins. The capital of this company is IRR438 Billion. Karafarin Bank is the majority shareholder of this company.

Karafarin Leasing Company

This company is essentially engaged in leasing operations as well as cash and instalment sales and hire-purchase transactions, obtaining agencies from companies, manufacturers of machineries and durable commodities as well as investing in the above fields of activity. The capital of this company which oversees Asr Amin Karafarin Insurance Services Company which has recently listed in the Tehran Stock Exchange (TSE) currently stands at IRR1,500 Billion.

Karafarin Financial Group

Investments in the shares of other companies and institutes, as well as participation in manufacturing, building construction and energy related projects as well as completing the value chain of financial services constitute among the areas of this company's activities.
The capital of Karafarin Financial Group is IRR2,100 Billion in which Karafarin Bank has a 67% ownership stake. This company currently oversees, Omid Karafarin Trading Development and Amin Etemad Karafarin and Kourosh Petrochemical Companies.

Karafarin Brokerage Company

Karafarin Brokerage Company, which commenced its operations on 14.07.2007 is Iran's very first investment fund. The capital of this company, which is fully owned by Karafarin Bank, currently stands at IRR1,000 billion. The following firms are currently controlled by this company: Karafarin Brokerage Mutual Fund (with the capital of IRR10,572 billion), Arman Karafarin Company (with the capital of IRR10,211 billion) and Karafarin Index Company (with the capital of IRR195 billion).

Negah Karafarin Bank Technology Holding Company

Established 2020, this holding company is the technological arm of Karafarin Bank, upgrading the services and technologies of the Bank and its subsidiaries. Nagah aims at supporting and enhancing the Bank's technological infrastructure. In short, by providing technological support, this company helps the Bank develop and offer new and attractive banking products and services and ultimately, retain its competitive edge and acquire greater market share. The capital of Negah currently stands at IRR200 Billion.

Abnieh Gostar Construction Company

This company in engaged in building construction. The capital of this company which is 85% owned by Karafarin Bank is currently IRR10 Billion.

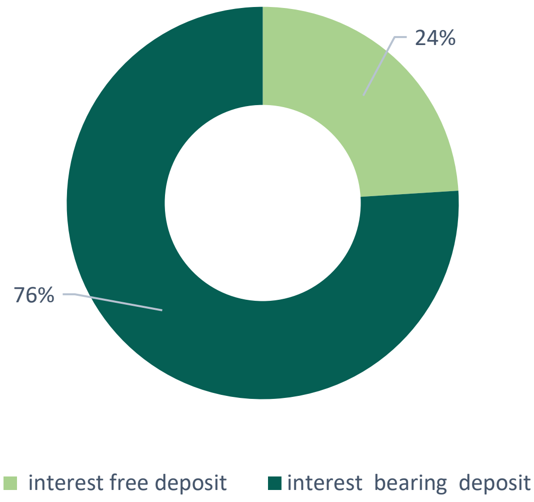
Karafarin Insurance Company

The capital of Karafarin Insurance Company currently stands at IRR9,504 Billion and Karafarin Bank has a 20% stake in this company.

Structural Distribution of Deposits

The following pie chart outlines the structural distribution of the Bank's deposits based on interest during the reporting period. Based on this classification, interest-free items which include sight deposits and savings deposits and other deposits, amount to IRR 150,279 Billion and interest- bearing accounts which comprise short-term and long-term investment deposits amounting to IRR 483,016 Billion of the Bank's total deposits (Total deposits of the Bank amount to IRR 633,295 Billion).

COMPOSITIONOF DEPOSITS



Bank's Departments' Programs and Future Plans

Information Security Department

A. The list of programs and objectives of the Information Security Department in 2023-24

1. Improving the capabilities of identifying and dealing with security incidents

- Continuous monitoring of new cyber threats, vulnerabilities and attacks
- Managing and handling of bank cyber security incidents
- Developing and improving the level of knowledge and public notification by sending security alerts on social networks
- Developing and improving the level of bank security knowledge by holding training courses
- Establishing the senior user access management system for the designated area and purchasing the required licenses for the second phase
- Providing and revising policies to improve the ability to identify and prevent attacks in security equipment
- Establishing a security incident management system using behavioral science and artificial intelligence
- These three projects are under preliminary review by Negah company in the contractor selection phase:
  A. Establishing a password management system for senior users (Password Manger)
  B. Establishing the detection and response system at endpoints (EDR)
  C. Establishing the endpoint access level control system (EPM)
- Establishing a pilot system for information leakage management
- Implementing the Splunk log and event management system and the initial installation of equipment
- Vulnerability scanning using automated tools

2. Developing of information security processes

- Implementation and maintenance of the public key infrastructure
- Developing change management processes, log management, vulnerability assessment, evaluation and review of suspicious files, workstations and servers
- Designing and deploying the information security management system within the specified range (preliminary checks)

3. Evaluating the effectiveness of security controls

- Periodic security assessment and penetration test of 15 selected systems according to the changes and value of the system in the business

4. Improving the resilience of information systems

- Designing and establishing a business continuity management system within the designated scope, including visiting selected branches and preparing reports and risk assessment within the branches.

B. The list of programs and objectives of the Information Security Department in 2023-24

Row	Strategic goals	Operational goals	Project/Action
1	Developing of lines and technological infrastructure in order to becoming a smart bank in the field of security	Improving the capabilities of identifying and dealing with security incidents	• Establishing of senior user access management system - second phase for new licenses • Establishing a security incident management system using behavioral science and artificial intelligence in the supplementary phase based on non-agent defense requirements. • Establishment of the final phase information leakage management system • Signing contracts and starting projects: A.Establishing a password management system for senior users (Password Manger) B.Establishing the detection and response system at endpoints (EDR) C.Establishing the endpoint access level control system (EPM) • Conversion and transfer of information and security monitoring scenarios from the old log management system to the new one (the second phase of the Splunk project) • Implementing and deployment of Splunk log and event management system and deployment of banking systems in cooperation with Negah company • Implementing and maintenance of public key infrastructure and connection of approved systems to the provided infrastructure
2	Establishing agility in the value-creating processes of Karafarin Bank	Developing information security processes	• Establishing of information security management system within a certain range
3	Ensuring the continuity and stability of service delivery	Evaluating the effectiveness of security controls	• Periodic moral penetration tests
4	Ensuring the continuity and stability of service deliver	Improving the resilience of information systems	• Designing and establishing a business continuity management system within the scope determined in the third phase (amendments of the previous phase and implementation). • Compilation/revision of the control and management plan for unexpected events and incidents based on the requirements of non-operating defense
5	Ensuring the continuity and stability of service delivery	Upgrade security controls	• Establishment of multi-factor authentication system

Management of Anti-Money Laundering and Countering the Financing of Terrorism (AML/CFT)

In line with the implementation of the assignments in the field of "anti-money laundering and terrorism anti-financing" and continuing the actions taken in previous years, the most important actions taken in 2023-24 can be categorized in the following sections:

1. Actions taken related to entities outside the bank

- financial information unit (fiu)
- Replying to enquiries of the Financial Information Unit in time.
- Preparing cash transaction reports (CTR) on customers who make cash deposits in excess of the permissible limit
- Reporting suspicious transactions (STR) to the Financial Data Unit
- anti-money laundering and anti-financing terrorism department of the CBI
- Responding to inquiries from the Central Bank and regulatory authorities.
- Preparing and sending all the reports related to the letter "Upgrading the Anti-Money Laundering System" and sending it through the secure network between banks to the central bank on a daily and monthly basis.
- Responding to messages received through the dedicated portal of the Anti-Money Laundering Department of the Central Bank.
- Preparing and sending weekly inspection reports related to the "Transactions Clarification Directive" and offsite inspection of all branches in order to ensure the good implementation of the provisions of the said directive.
- Preparation of case reports required by the central bank

2. Actions taken inside the bank

- Revision of customer definition forms based on the provisions of the new bylaws of the anti-money laundering law
- Implementing rules related to monitoring based on a risk-based approach and identifying suspicious cases
- Monitoring the training process and providing training topics through specialized in-service and pre-service training of colleagues by using the available capacities in the Anti-Money Laundering Department.
- Membership in the "Education and Empowerment Working Group" of the Financial Information Center (FIU(and active participation in the compilation of the minimum training topics on anti-money laundering and anti-financing terrorism for the affected persons.
- Preparing and submitting periodic reports to the "Committee for Compliance with Laws and Regulations" and subsequently implementing the approvals of the aforementioned committee.
- Monitoring the implementation of "Comprehensive Client Risk Profile System" and "Complete Client Identification" in order to assess the risk of client business interaction and subsequently form the risk profile of real/legal clients.
- compilation and issuance of guidelines, instructions and necessary notices in line with the good implementation of anti-money laundering laws and regulations for branches and headquarters units.
- Checking and verifying anti-money laundering questionnaires received from foreign brokers or completed by the bank for foreigners and the compliance of its contents with anti-money laundering laws and regulations and guidelines
- Examining and complying with the internal regulations and procedures of the bank with the " to anti-money laundering and anti-financing terrorism regulations and providing appropriate feedback and taking necessary measures to resolve the existing issues.
- Continuous monitoring and periodic review of customer profiles in order to prevent customer definition with incomplete information
- Case-by-case inspection of branches by monitoring the implementation of anti-money laundering policies at the bank level and ensuring their compliance with the instructions of the Central Bank, Financial Information Center and higher authorities.

List of Programs and Goals in 2024-25

- "Monitoring based on a risk-oriented approach" through the creation of desired roles and continuous review and supervising identified cases.

- "Determining the level of customer activity" based on the provisions of Article (67) of the new Anti-Money Laundering Law.
- Monitoring the development of the "Risk profile of individual/legal customers" program and classification through customer risk assessment
- Supervising the implementation and creation of a confidential communication platform with all bank employees in order to reflect suspicious cases and subsequently investigate the said cases.
- Appointing representatives of " anti-Money Laundering" in the branches and headquarters
- Revision and compilation of guidelines and instructions

Management of Branch Affairs

- Setting up the trust fund management system
- Structural reform and manpower of branches
- Modifying the organizational chart of branch affairs
- Improving the location of branches, placing a new location and restructuring based on the grading of branches
- Creating an Karafarin Insurance desk

Proposing the development of products in line with the main business lines of the bank Intended measures in 2024-25:

- Moving and rebuilding the desired branches
- Completion of the trust fund management system project
- Completing the currency chart of branches
- Negotiating with branch customers for greater interaction and cooperation through regional heads
- Promoting the individual development of colleagues with the coordination of the respected education management
- Identifying motivated and talented colleagues in line with the succession plan in bank branches

Training Management and Performance Evaluation

Training Management and Performance Evaluation Activities in 2023-24

- Conducting recruitment tests and changing career paths
- Conducting pre-employment training courses (six courses)
- Holding a specialized meeting on Iran's economic outlook for the respected members of the board of directors and senior managers
- Conducting branch circular reading exams in four stages
- Conducting specialized, general, and behavioral training courses, according to the educational needs assessment of each of the bank's jobs
- Conducting foreign exchange business management (EBA) courses for foreign exchange operations colleagues
- Conducting mandatory courses of the CBI such as courses on implementing regulations, anti-money laundering and terrorism anti-financing, etc.
- Conducting English language training courses for senior bank managers in two VIP and CIP formats
- Compilation of the set of regulations of the comprehensive education system
- Production of content for offline training courses

Programs in the field of education in 2023-24

- Holding foreign exchange courses in line with the macro strategy set in 2024-25 for branch colleagues
- Conducting foreign exchange business management (EBA) courses for foreign exchange operations colleagues
- Conducting special credit courses for branch colleagues
- Holding management training courses at the level of middle and senior managers
- Holding general and specialized training courses at the level of headquarters and branch bankers
- Holding welfare educational conferences

- Full implementation of ISO 29993-2017 standard process and renewal of its certificate
- Holding special training courses for the board of directors
- Selection of internal teachers and conducting TTT course for them
- Conducting recruitment tests, changing career paths and reading circulars
- Setting up study groups and developing lesson plans
- Holding needs assessment committees and reviewing needs assessed courses
- Production of educational content
- Developing the benefit of virtual training courses

Programs in the field of performance evaluation in 2023-24

1. Development and improvement of the performance management system project
   - Educational and cultural matters
   - Preparation of analytical reports from the outputs of past courses and extracting deficiencies
   - Obtaining expert advice on standard 34000 and drawing a road map for the full implementation of the standard
   - Finding ways to fix defects and implementation methods
   - Standard implementation
2. Development and implementation of the evaluation and development center
   - Implementation of the center using internal experts and evaluators
   - Implementation of the center using contractors

Business and Personal Banking Management

1. Conclusion of memorandum with organizations, associations and target customers
2. Holding the Festival of Rial Savings Accounts (Nik Afarin)

Investment banking management

1. Acceptance of the guarantor of sukuk bonds
2. Pursuing the possibility of issuing sukuk bonds in the centralized banking system of Afarin and sending information about the customer's obligations regarding the bonds to the CBI through the Sepam and Samat systems.
3. Implementing proxy account of Commodity Exchange
4. Follow-up and analysis of the product in order to implement the product by Negah company
5. Cooperation with information technology management and Negah company in order to implement the car proxy account

Corporate banking management

Corporate banking plans in 2023-24 in line with the mission and operational plans announced:

- Preparing an operational strategy for the corporate banking sector and implementing development projects to realize the aforementioned strategy along with the budget, loans and resources required annually for the effective implementation of assigned tasks and the annual review of the aforementioned items
- Concentration short-term and long-term planning in line with the correct implementation of the description of duties, goals and policy communicated by the bank's top managers in the field of marketing.
- Maintaining and increasing the share of the activities of actual profitable company customers as the most important part of the bank's strategic assets, target market and marketing elements.
- Analysis of the latest situation of corporate banking customers, percentage of deviation from performance and communicated goals, planning quick and timely action to improve performance
- Assigning the account manager to each of the corporate clients and monitoring the performance of the aforementioned account managers
- Allocating corporate banking customers to branches as sales channels and providing corporate banking services and applying the necessary controls to provide optimal services
- Carrying out necessary follow-ups and coordination for holding meetings and face-to-face meetings of corporate banking customers with the bank's senior managers.
- Preparation of expert report and credit proposal regarding corporate banking customers applying for loans and commitments and presenting the details to the competent credit department

(with respect to the limits of delegated authority) to make a decision.
- Creating a systematic database of corporate customers and classifying them based on the relevant market and industry, required products and services, the amount of customer activity with the bank, the level of profitability for the bank, etc.
- Continuous study and compliance with the laws, regulations, instructions, circulars and notices and approvals of the specialized committees and commissions of the bank related to the field of corporate banking management.
- Preparing and compiling draft regulations, instructions, circulars and announcements related to the field of corporate banking management
- Identifying, monitoring and reporting risks related to the activities of the unit and proposing appropriate solutions for the appropriate management of the aforementioned risks with the cooperation of risk management.
- Documenting and sharing information, knowledge, experiences and lessons learned in line with organizational learning and improving performance.
- Cooperation and interaction with other units and active and purposeful participation in the meetings of committees, commissions and related working groups inside and outside the organization.
- Applying the necessary controls on the subordinate units and preparing and presenting management reports on the results of the activities and performance of the mentioned units

Credit Planning and Monitoring Department

1. Managing foreign currency and Riyal claims
2. Preparation of reports for other claims departments of the bank and control of executive operations in order to notify approvals and implement them by branches
3. The process of following up the collection of claims/controlling the customer's debt status statement and sending it to the legal management to start legal actions
4. Compromise/rescission
5. Determining unpaid claims
6. Examining lawsuits and the report of the official judicial expert/issued documents
7. Calculating the debt of bankrupt companies / Issuing executive order for other documents and declaring its authenticity to legal management for action
8. Examining customer/registration requests based on the 794-unanimity decision - to collect debt based on approved rates
9. Giving an opinion to the credit planning and policy department regarding the claims policy
10. Credit policy (preparation and formulation of credit policy and claims policy)
11. Responding to the uncertainties of branches and other central offices
12. Monitoring approvals and contracts of credit institutions
13. Participation in answering the complaints of credit customers
14. Monitoring and supervision of credit packages
15. Controlling and monitoring changes in the ratio of non-current loans (NPL)
16. Updating and management of integrated credit management system

logistical Management

The most important measures of support management in 2023-24 are classified into 10 groups: development of properties, contracts, development of information technology, development and improvement of safety and security standards, equipping of expert manpower, individual development and empowerment of employees, improvement of health and well-being of employees, maintenance and repairs of electrical and mechanical equipment, reconstruction, renovation and equipping, renovation of car fleet, warehouse development.

Internal Audit Management

Since 2009-2010, in order to establish a corporate governance system to improve and strengthen the internal control system, Karafarin Bank has formed an audit committee and also management of internal audit as the executive arm of the board of directors with a supervisory role.
Audit management reviewed its organizational structure in May 2021 in order to specialize its areas of activity and cover the maximum risks identified in the organization, so that 3 departments of bank

audit, corporate audit and information technology audit were created.
The result of the performance of internal audit management is divided into two types of assurance and consulting services.
The main performance of internal audit management in order to achieve the goals of internal controls and providing services in three areas of the bank, subsidiaries and information technology is as follows:

1. Reviewing and controlling the implementation of the corporate governance guidelines issued by the Central Bank of the Islamic Republic of Iran.
2. Implementation of the internal control guidelines approved by the Tehran Stock Exchange and Securities and Exchange Organization using control checklists prepared by the internal audit management based on 5 interconnected elements of the internal control system (control environment, control activities, risk assessment, monitoring activities and information and communications) on an annual basis.
3. Checking the annual and interim financial statements of the bank and its subsidiaries.
4. Evaluating the effectiveness and efficiency of internal control methods and tools and their continuous improvement in different ways (face-to-face, online and other methods) according to the existing standards in bank management.
5. Assessing the degree of reliability, timeliness and adequacy of information technology systems and information security and financial and operational control methods on a continuous basis to protect assets.
6. Examining the adequacy, relevance, accuracy of information, completeness, accessibility, comprehensiveness and confidentiality of the data of the existing financial and management information systems and proposing additional systems to the bank's audit committee.
7. Evaluating the effectiveness of internal controls of the bank's subsidiaries by creating systematic supervision, compiling "regulations for the administration of holdings and subsidiaries", forming a supervisory frame (internal audit and audit committee) and creating a platform for on-time supervisory.
8. Evaluating the effectiveness of internal controls in the second layer of defense
9. Reviewing the report of the independent auditor of the bank and its subsidiaries and holding meetings and cooperating with the independent auditor.
10. Examining the performance of the bank and its subsidiaries and comparing it with the forecasted budget on a periodic basis during the preparation of financial statements in order to evaluate deviations, increase efficiency and prevent wastage of resources
11. Reviewing compliance of the activities with the policies and instructions, regulations and programs approved by the management in order to achieve the general and operational goals of the bank
12. Evaluating contracts and major transactions on a continuous basis according to the relevant regulations.
13. Investigating operational processes with a value engineering approach and, if necessary, proposing to revise and modify them in accordance with the development of the bank's activities.
14. Case studies on various issues to present a report to the members of the audit committee and the bank's CEO
15. Follow up on the approvals of the board of directors, the executive board and the specialized committees of the bank within the designated period.
16. Holding meetings and cooperation with the independent auditor
17. Cooperating in the process of dealing with suspected fraud activities and timely and appropriate warning to the management and the audit committee and providing the necessary suggestions to implement the necessary controls in order to prevent the occurrence of frauds and mistakes and to reveal the wrongdoings.
18. Planning for the establishment of a comprehensive monitoring system.
19. Creating interaction between regulatory units based on three defense layers.
20. Plan to implement the COSO ERM framework and establish a risk-based audit approach.
21. Planning for the implementation of the COBIT framework and monitoring the performance of the bank's information technology holding regarding the completion of the banking value chain
22. Planning to monitor the performance of subsidiaries through the integration of their systems (ERP)
23. Forming a specialized audit committee in the center of private banks, centered on the Karafarin Bank.

Risk Management and Economic Studies

The most important reports of risk management and economic studies in the high-risk committees of 2023-24 are as follows:

- Setting up the online LCR system, based on this system, all the respected members of the board of directors, the executive board and some middle managers of the bank monitor the liquidity coverage ratio on a daily basis.
- Preparation of risk assessment framework for GAM bonds based on Moody's developed methodology.
- Examining and preparing reports related to the operational risks of the current centralized banking system
- Practical reports for the introduction and implementation of derivatives in the Karafarin bank to cover the market risk
- Implementation of "certificate of deposit", "sukuk" and "GAM bonds"
- Follow up and remove the obstacles of the implementation project of the systems related to the bank's risk
- Credit engineering report to rearrange and assess the risk of the bank's credit portfolio
- Follow-up on the preparation of micro-loans guidelines (SME)

The most important proposed measures of risk management and economic studies in 2024-25 are as follows:

- Information technology risk programs
- Operational risk programs
- Liquidity risk programs
- Market risk programs
- Credit risk programs
- Programs proposed by the Economic Studies Unit

Management of Plan and Development Affairs

A. Department of planning and transformation

- The main activities of 2023-24:
- Notification of the business areas of the Karafarin Bank in 2023-24.
- Definition of operational indicators of headquarters units and strategic indicators of the bank.
- Reviewing, compiling and communicating the plans approved by the strategic council of the bank's headquarters units in 2023-24.
- Reviewing and compiling the plans of the bank's headquarters units in 2023-24 along with the related budget.
- Developing instructions for attending events.
- Reviewing and compiling the analysis report on the position of the Karafarin bank based on the Arash system.

Programs of 2024-25:

- Revision of the strategic plan document of Karafarin Bank
- Investigating the target industries of the Karafarin Bank along with compiling the bank's target markets document and business requirements to enter the target markets
- Notification of the plans approved by the strategic council of the bank's headquarters units in 2024-25
- Promulgating the performance evaluation regulations and holding the performance evaluation assembly of the bank's headquarters units
- Implementing the performance evaluation model of the bank's headquarters units and the strategic management system
- Holding meetings to evaluate the performance of headquarters units
-

B. Department of "Management and Monitoring of Operational Program of Branches "

- The main activities of 2023-24:
- Developing and monitoring the operating plan of the branches on a quarterly basis
- Amending the operational program circular of the branches and designing and implementing the indicators included in the circular

- Preparation of the performance report of the operational plan at the level of branches, regions and the whole bank
- Providing management reports on the performance of branches in the operational plan and per capita of resources and expenses
- Compilation of the guidelines for holding the branch performance monitoring meeting
- Holding quarterly meetings to monitor the performance of branches and follow up on the tasks of the meetings
- Calculating the efficiency of branch personnel in four seasonal periods and increasing the effectiveness of the operational plan from 20 to 50% in calculating the efficiency of branches.
- Amending the branch grading circular and providing an analysis report on the branch grading method and offering a proposal to improve the grading
- Implementing grading of branches in two six-month periods
- Implementing the study phase of operational planning of branches
- Preparation of a provincial booklet analyzing the potential of different regions of the country
- Targeting of branches based on operational planning of branches for 2023-24
- Holding an incentive plan to increase resources "Pooyesh Bahar"
- Conducting two phases of the incentive plan to attract current resources under the title of "Balance" plan.
- Targeting of branches in Gharz-al Hassaneh festival of the year 2022-23

Programs of 2024-25:

- Developing the monitoring model of the operational plan of the branches, focusing on the parameters that determine the objectives of the branches, such as: the center account rate, per capita of the headquarters units.
- Revising the branch grading model and changing the approach in determining the assessment of branches based on the output of the operational plan of the branches
- Compilation of new guidelines for evaluating the operational plan and paying the productivity bonus.
- Developing incentive plans for branches in line with the bank's policies and in order to increase profitability
- Providing the process of determining the reward and efficiency of the branches based on the results of the operational plan of the branches

C. Department of "Products and Services"

The main activities of 2023-24:

- Preparation of a periodic report on the banking business environment by examining communication channels and news and specialized sites in the banking field and other related information sources.
- Preparation of periodic monitoring reports of bank products and services and reports of products and services of other banks
- Holding meetings of the product development committee
- Proposal of designs, products and services
- Conducting case studies and preparing analytical reports

Programs of 2024-25:

- Hibank system development
- Implementation of customer valuation model based on CPA
- Producing banking products and services that suit the needs of the target group of customers and marketing plans
- Operationalize the market research process
- Creation and implementation of data governance

Management of Foreign Exchange Operations

The main activities of 2023-24:

- Preparation and continuous supply of currency needed by customers with competitive and minimal rates
- Continuous follow-ups to maintain and expand brokerage relationships as well as develop the banking network
- Provision of specialized and trained human resources needed by units and departments
- Providing advice and doing the necessary actions related to the formation of foreign exchange departments in selected branches

Programs of 2024-25

- Strive to improve the value and credibility of the bank's name as a top brand in the field of foreign exchange and to gain a superior competitive position in the field of foreign exchange in order to gain the satisfaction and loyalty of foreign exchange customers.
- Trying to create ease, speed and optimization of all mechanisms of timely delivery of foreign exchange products and services to customers
- Preparing and supplying the currency needed by customers continuously at competitive rates

IT management

The main activities of 2023-24

- Evaluation and selection of new centralized banking system
- Implementing and updating new systems
- Applying changes and settings of the Swift system and messages from MT to MX Swift and providing related documents and guides to international affairs
- Completing the implementation and operationalization of the commissions related to the amendment and cancellation of domestic credit documents
- Providing multiple reports in the business intelligence system
- Setting up a comprehensive receiver management system
- Setting up and installing proprietary cashless devices
- Contracting and operationalizing the installation of sales terminals in new PSPs (3 PSP companies)
- The second phase of launching the main website of the bank
- Provision of space, communication lines and processing equipment to set up Dotin's comprehensive banking system
- Updating the extensive communication of branches across the country and saving costs by collecting old communication lines
- Separation of the ILO network of the data center servers - the requirement of the Central Bank
- Updating network security equipment to monitor passing traffic
- Providing the communication infrastructure of proxy accounts service
- Implementation and exploitation of extension lines (Redundant) of the service company network (NIBN)
- Holding non-attendance meetings and conferences at the branch level
- Implementing fraud detection rules in the BI system
- Implementing monitoring rules based on the risk-based approach in the anti-money laundering BI system
- Implementing liquidity coverage ratio calculation system
- Development of customer risk profile system
- Development of the SIMA system (LOS)
- Development of a comprehensive performance management system for bank personnel
- Implementation of the contractor list system
- Provision of strategic management system
- Preparation of RFP, market research and companies providing the system of banking rules and regulations
- Preparation of RFP for Net system
- Preparation of RFP for digital signage system
- Preparation of RFP for the legal system and collection of claims
- Preparation of a centralized document of the bank's systems and services along with periodic updates

Programs of 2024-25:

- Increasing the communication capacities of "Hi Bank" website
- Implementation of centralized monitoring infrastructure of surveillance cameras of branches and headquarters
- Exploiting ground connections of branches based on FTTH fiber
- Advancing security projects at the level of headquarters buildings
- Changing the architecture and replacing the firewall equipment
- Implementing liquidity gap module in comprehensive risk system
- Implementing strategic management system
- Implementing requested and approved systems of other units

Financial Management

1. Measures taken in the field of taxation

In 2023-24, with effective follow-ups on tax cases, in order to protect the rights of respected shareholders, the bank has succeeded in preventing the withdrawal of IRR 2.769 Billion from sources.
Future goals and plans considered in 2024-25:
Since the bank considers protecting the interests of the shareholders as one of its main missions, therefore, in 2024-25, the bank's tax experts will follow up on disputes with the tax affairs organization in the tax dispute resolution authorities and, if necessary, the Administrative Court of Justice, with the advice of the bank's tax committee, and will take the necessary measures to resolve the tax disputes demanded.

2. Deposit operations in the interbank market and open market operations in 2023-24

The increase in the inflation rate, liquidity growth rate and efficiency of other investment markets caused the year 2023-24 to be a difficult year for the banking network and the atmosphere of unhealthy competition among banks to attract resources intensified at times; However, in order not to impose high costs of attracting resources to the bank and in accordance with the rules of the supervisory and upstream institutions, the Karafarin Bank has not entered the unhealthy competitive environment of attracting resources, and in cases of need, it has succeeded in providing financing at an appropriate rate with its active presence in the interbank market and open market operations. So that, on average, approximately 18,777 Billion Rials have been secured through deposits in the interbank market and open market operations with an average rate of 23%.
Department of Compliance with Laws and Regulations

The main activities of 2023-24:

- Preparing and presenting periodical reports (6 months and yearly) in the field of compliance with laws and regulations
- Preparation of case reports of non-compliance with laws and regulations.
- Holding regular meetings of the committee to comply with the rules and regulations and monitoring the implementation of the committee's approvals.
- Supervising the completion of the brokerage relations questionnaire by different units and ensuring the correctness of the answers sent.
- Preparation of checklists for compliance with laws and regulations based on 26 guidelines for compliance with laws and regulations and other applicable laws and regulations in the bank.
- Designing and implementing the project to determine the interface for implementing the regulations of the bank's branches and headquarters units.
- Carrying out measures in order to complete the risk assessment project of the Bank,
- Examining the final report of the independent auditor in order to plan to follow up on the reforms and resolve the cases of non-compliance.
- Active participation in the meetings of the Commission of Circulars in order to ensure the compliance of the mentioned items with the laws and regulations of the higher hand.
- Updating the knowledge of complying with regulations through the preparation of specialized reports from current and reliable international sources.
- Continuous communication with different bank units and monitoring their performance in order to ensure compliance with laws and regulations.
- Continuous and active participation in the monthly meetings of the Implementation Commission of the Private Banks Association

- Continuous and active presence in the Corporate Governance Commission of the Private Banks Association in order to interact and synergize with the bank network managers.
- Promoting the culture of adaptation risk through content creation and holding training courses in cooperation with the bank's training department.

Programs of 2024-25:

- Maintaining the privileged position of the Karafarin Bank regarding compliance with the rules and regulations in the banking system and information at the international level
- Supervise the performance and implementation of the regulatory compliance structure in the bank's subsidiary companies.
- Designing and implementing software to comply with regulations to increase the speed and accuracy of the unit's activities.
- Continuous monitoring of compliance with laws and regulations and high standards,
- Paying attention to promoting the culture of risk adaptation,
- Preparation of periodic reports on the state of compliance with laws and regulations at the level of the bank and its subsidiaries

Public Relations and Advertising Department

- Active presence in Kish petrochemical industry exhibitions, electronic banking and payment systems
- Nationwide conferences of managers and heads of branches, branch opening ceremonies and unveiling of the bank's new platform, etc.
- Extensive activity in the field of social responsibility, which actions and relevant explanations can be seen on the bank's website.
- Other actions include interacting with the family of colleagues, extensive activity in virtual networks, publications and obtaining first to third ranks in different departments, various media productions, etc.

Budget and Assembly Affairs Management

The main activities of 2023-24:

- Payment of dividends to bank shareholders through the Central Depository and Funds Settlement Company
- Holding quarterly meetings to compare performance and budget of subsidiaries.
- Timely and transparent disclosure of financial reports of subsidiaries.
- Planning the amount of investment in stocks and bonds based on the limits allowed in the guidelines for investing in securities.
- Registering the capital increase of subsidiaries in order to increase the power of ratios and operational balance of the bank.
- Determining and controlling the objectives of the subsidiaries based on the criteria and indicators defined by the bank.
- Comparing performance trends and deviations from the budget in successive periods in order to identify capacities and abilities in the field of improving companies, as well as determining the appropriate model and encouraging them.
- Financial review and feasibility study of investment projects of the bank and its subsidiaries.
- Notifying the approved budget to all organizational units, monitoring and controlling the use of the notified budget, identifying possible deviations and discrepancies in performance compared to the approved.
- Evaluating and reviewing the profit and loss of old and new bank products according to macroeconomic variables and competitive market conditions.
- Reducing liquidity risk through budget control and continuous reporting to managers.
- Controlling the cost of resources through periodic monitoring of the performance of business lines in attracting resources.
- Providing monthly and quarterly reports of financial and operational ratios.

Programs of 2024-25:

- Implementing resource allocation model for credit products based on resource absorption rate.
- Providing performance matching reports with the budget (based on the program) of the bank.
- Modifying the budgeting, monitoring and control process based on the owner/operator model.
- Continuous monitoring of the financial and operational ratios of the bank and its subsidiaries
- Increasing transparency and improving financial reporting.
- Setting up software for preparing financial statements and budgets.
- Investigating the amount of deviation of the incurred costs from the expected costs and analyzing its causes in the relevant units.
- Quarterly monitoring of the budget and performance of the bank and its subsidiaries.

Organization and Methods Management

The main activities of 2023-24:

- Compilation of written documentation management guidelines and directives commission structure according to the ISO 10013 standard with the aim of increasing the quality and accuracy of Karafarin bank's written documents such as regulations, executive guidelines and directives.
- Identifying, documenting, analyzing and problem solving the existing situation, discovering and proposing opportunities to improve and redesign business processes in accordance with the BPM (Business Management Process) framework and the BPMN2 standard in the areas of banking, credit and foreign exchange departments based on the APQC reference model.
- Selection of process ambassadors and training representatives and process ambassadors in various managements and headquarters offices with the aim of creating a culture and promoting process orientation and promoting organizational maturity
- Compilation and establishment of the system of classification and coding of written documents based on the classification of bank processes.
- Drafting or revising the bank's executive instructions in various fields of credit, currency, legal, deposits and other sectors
- Presenting the plan to create an information technology transformation and innovation department for the bank's more effective use of digital opportunities based on the ITIL process framework.
- Preparation of business requirements to provide a document management system as an alternative to the current bank portal in order to facilitate the access of bank branches and units to written documents and records of their changes.
- Strengthening the currency structure of branches and creating a currency circle and assigning currency bankers in selected branches with the aim of expanding the bank's foreign exchange activities.
- Strengthening the credit structure of branches to reduce the bank's credit risk and make credit processes more agile
- Establishing the structure of four regions for branches in Tehran and cities in order to facilitate the achievement of the objectives of operational plans by the branches and to expedite the supervision of the branches and to compile the description of the duties and the limits of the authority of the heads of the regions.
- Presenting a proposed plan to review the structure of the credit committee of the center with the aim of reducing the bank's credit risk and systematizing the credit decision-making process.
- Presenting the proposed plan for the formation of committees to change the centralized banking system (Core Banking)

Sustainability Reporting

Environmental activities

- Development of administrative automation system and removal of paper from letter writing processes
- Establishing waste separation stations and collecting waste paper separately
- Development of electronic banking services to reduce traffic and environmental pollution
- The use of modern cooling and heating technologies (replacing fossil and smoke-generating fuels)
- Energy saving (water, electricity, gas, etc.)
- Increasing awareness and environmental protection among employees
- The company's vehicles are included in the monitoring program and technical examination is done annually

Social responsibility activities

1- Supporting the Diabetes Association to provide equipment for blood glucose control devices and providing medical, therapeutic and subsistence allowances for their clients
2- Providing stationery packages to the students of less privileged areas of the country
3- Supporting the community-oriented empowerment and transformation plan for less privileged regions of the country
4- Funding for hospital care equipment
5- Financial support of research projects
6- Preparation of stationery packages for the Faculty of Commerce and Finance
7- Participation in the preparation of livelihood packages for the needy
8- Participation in the provision of services in deprived areas

CHAPTER 3

FINANCIAL STATEMENTS

Tadvin & Hamkaran Audit Firm
Member of the Iranian Association of Public Accountants

Independent Auditor's Report
To the Annual Ordinary General Assembly Meeting of Karafarin Bank (Public Joint Stock Company)
Report on the Financial Statements

Background
1. We have audited the accompanying consolidated financial statements of the Group and Karafarin Bank (Public Joint Stock Company), as the Parent Company, which comprise the statements of financial position as at 20 March 2024 and comprehensive income statement, changes in shareholders' equity and cash flows for the year then ended together with explanatory notes 1 to 70.
In our opinion, except for the effects of the matter described in paragraph 2 and the possible effects of the matter described in paragraph 3 of the Basis for Opinion, the aforesaid financial statements present fairly, in all material respects, the financial position of the Group and the Bank as of March 20, 2024, and their financial performance and cash flows for the financial year then ended, in accordance with accounting standards.

Basis for Opinion
2. As disclosed in notes 2-35 and 2-36 to the financial statements, the tangible and intangible fixed assets (land and goodwill) belonging to the Bank, excluding the lands belonging to the Group's subsidiaries and associates, were revalued in 2020, and the resulting difference was transferred to capital, in accordance with Note 1 to Article 149 of the Direct Taxes Act. However, at the end of the reporting financial year, in order to adopt consistent accounting policies for measuring the Group's assets, the lands belonging to the Group's subsidiaries and associates should also be revalued, and the Bank is required to observe the frequency of revaluation considering the changes in the fair value of the revalued assets. Therefore, the revaluation and recognition of the said difference in the accounts are necessary, but due to the lack of expert reports on the fair value of the said assets, the determination of the necessary adjustments to the financial statements is currently not possible for this institute.
3. Response to confirmation requests regarding 6 foreign currency sight deposits with foreign banks amounting to 598 Billion Rials as described in note 4-26 of the financial statements, and temporary foreign currency debtors amounting to 142,271 Billion Rials as described in note 2-32 of the financial statements, have not been received. Additionally, the detailed list of the components of the aforementioned temporary debtors, the related contracts, the resulting revenues, the collaterals obtained, and the documentation regarding the lack of control or influence over the related entity's operations have not been provided to this institution. As a result, this institution has not been able to obtain reasonable assurance about the accuracy and existence of the aforementioned balances, and the adjustments that might have been necessary if the confirmations were received, through the application of other audit procedures.
4. The audit of this institution has been conducted in accordance with auditing standards. The responsibilities of this institution under these standards are described in the section on the responsibilities of the auditor and statutory auditor in the audit of the financial statements. This institution is independent of the group in accordance

with the requirements of the code of ethics and professional conduct for certified accountants, and has fulfilled its other ethical responsibilities in accordance with the said requirements. This institution believes that the audit evidence obtained is sufficient and appropriate as a basis for the qualified opinion.

Key Audit Matters

5. Ambiguity regarding the collection of claims from the Central Bank

As disclosed in the explanatory note 1-3-26 of the published financial statements, in late 2011-2012, an amount of 741 Billion Rials was withdrawn from the bank's current account by the Central Bank based on decree number 34030-90/M/T 47698 dated January 8, 2012 by the 5-member working group on regulating foreign exchange issues. Additionally, an amount of 1,686 Billion Rials in default charges was demanded from the bank by the Central Bank due to the withdrawal, which the bank's management has protested against the withdrawal amount and the said default charges. The resolution of this matter is subject to coordination with the government and obtaining the necessary approvals, which has not yet been achieved. The content of this paragraph has not affected the opinion of this institution.

Major audit issues	The auditor's approach
Provisions for doubtful claims Based on the explanatory note 30 of the financial statements, for the granted loans according to the "Instruction on the calculation of allowance for doubtful accounts of credit institutions" approved by the Money and Credit Council (subject to Central Bank of the Islamic Republic of Iran Circular No. 99/220977 dated October 1, 2020), the general and specific allowance amounting to 33,675 Billion Rials has been calculated and recorded in the accounts. The company's accounting policy regarding the classification of granted loans and the allowance for doubtful accounts is in accordance with the regulations set forth in the "Instruction on the classification of assets of credit institutions and the method of calculating the allowance for doubtful accounts of credit institutions", which is detailed in the explanatory notes 7-7 and 8-7 of the financial statements. Given the above, the classification of receivables and, consequently, the recognition of the allowance for doubtful accounts, requires the management to make significant estimates and apply multiple judgments, and therefore, this matter has been considered as a key audit matter."	The auditing procedures to ensure the accuracy and adequacy of the allowance for doubtful accounts recorded in the books, as well as the accuracy of the classification of loans granted and other receivables and their disclosure, include, but are not limited to, the following: • Gaining an understanding of the bank's internal operational procedures and internal controls related to the classification of receivables and the related allowance calculations. • Examining and verifying the accuracy of the calculation worksheets provided by the bank, taking into account the calculation methodologies stipulated in the directive on the calculation of the allowance for receivables of credit institutions. • Performing sample testing to control the proper classification of receivables based on the directive on the classification of assets of credit institutions. • Performing sample testing of non-performing receivables that have been reclassified to better quality categories during the current fiscal year. • Reviewing the latest available financial information of customers, including financial statements. • Reviewing the minutes of the board of directors, committees related to the loans cycle, and the decisions made regarding the relevant receivables. • Verifying and obtaining credit inquiries on the customer's creditworthiness from credit assessment systems. • Performing sample testing of the documents and records of collaterals to ensure the accuracy of the information recorded in the allowance worksheets. • Reviewing the legal files and correspondence with customers regarding the collection of non-performing receivables. • Analytically reviewing the reasonableness of the allowance ratios taken in each past due, delinquent, and doubtful categories in the current year, and comparing them with the ratios of previous years.

Emphasis on specific claims

6. Ambiguity regarding the future consequences of Income tax, Taxes under clauses (b) and (c) of Article 17 of the Law on Removing Production Barriers, Promoting Competitive Production, and Upgrading the Financial System of the Country and Taxes related to Note 5 of Article 4 of the Housing Production Law

The latest status of the income tax, the final tax from 23.09.2021 to 22.09.2022 under Note 5 of Article 4 of the Housing Production Leap Law is 21,000 Billion Rials, and the taxes under clauses (b) and (c) of Article 17 of the Law on Removing Production Barriers, Promoting Competitive Production, and Upgrading the Financial System of the Country are described in Notes 1-43 and 2-44 of the financial statements. The related reserves have been estimated considering the accepted cases in similar rulings in the banking network, assuming a capital increase from undistributed profits based on Article 14, clause 3 of the Law on Financing Production and Infrastructure, and considering the requirements of the executive instruction for granting housing construction and renovation facilities approved by the Central Bank and clause 3 of the 13th meeting of the Supreme Housing Council. The content of this clause has not affected the opinion of this institution.

7. Status of ownership documents for fixed assets and repossessed properties

Notes 10-35 and 4-2-34 of the financial statements include 47 properties worth 3,424 Billion Rials that do not have official ownership documents in the name of the group. Additionally, there are 32 properties worth 248 Billion Rials that, despite having official ownership in the name of the bank, do not have single-page documents. It is worth noting that 109 properties from the bank's ownership securities, worth 685 Billion Rials, have conflicts, and the bank's management's efforts to resolve the conflicts in these properties have not yet led to a result. The content of this clause has not affected the opinion of this institution.

8. Ambiguity regarding the collection of claims from the Central Bank

As disclosed in the explanatory note 1-3-26 of the published financial statements, in late 2011-2012, an amount of 741 Billion Rials was withdrawn from the bank's current account by the Central Bank based on decree number 34030-90/M/T 47698 dated January 8, 2012 by the 5-member working group on regulating foreign exchange issues. Additionally, an amount of 1.686 Billion Rials in default charges was demanded from the bank by the Central Bank due to the withdrawal, which the bank's management has protested against the withdrawal amount and the said default charges. The resolution of this matter is subject to coordination with the government and obtaining the necessary approvals, which has not yet been achieved. The content of this paragraph has not affected the opinion of this institution.

Other information

9. The responsibility for other information lies with the bank's Board of Directors. Other information includes the Management's Interpretive Report. The opinion of this institution on the financial statements does not extend to other information, and therefore this institution does not provide any assurance in this regard.

The responsibility of this institution is to study other information in order to identify significant discrepancies between other information and the financial statements or the knowledge gained by the auditor during the audit, or cases where a significant distortion appears to exist in other information. If this institution concludes, based on the work done, that a significant distortion exists in other information, it must report it. As stated in the basis for the qualified opinion, this institution has concluded that the other information is distorted due to the matters mentioned in paragraph 2. Also, this institution was unable to obtain sufficient and appropriate audit evidence regarding the matters mentioned in paragraph 3. Therefore, due to lack of access to the necessary information, this institution cannot conclude whether the other information in this regard contains a significant distortion or not.

Responsibilities of the Board of Directors regarding the financial statements

10. The responsibility for the preparation and fair presentation of the bank's consolidated and separate financial statements in accordance with the accounting standards, as well as the design, implementation and maintenance of the necessary internal controls to prepare financial statements free from material misstatement due to fraud or error, rests with the Board of Directors.

In preparing the bank's consolidated and separate financial statements, the Board of Directors is responsible for evaluating the bank's ability to continue as a going concern and, where appropriate, disclosing matters related to going concern and the appropriateness of using the going concern basis of accounting, unless the Board of Directors either intends to liquidate the bank or to cease operations, or has no realistic alternative but to do so.

Responsibilities of the statutory auditor and inspector in auditing the financial statements

11. The objectives of the auditor include obtaining reasonable assurance about whether the bank's consolidated and separate financial statements as a whole are free from material misstatement, whether due to fraud or error, and issuing an auditor's report that includes the auditor's opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with auditing standards will always detect a material misstatement, if it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users made on the basis of these consolidated and separate financial statements.

Within the framework of conducting an audit in accordance with auditing standards, the application of professional judgment and the maintenance of professional skepticism throughout the audit are necessary. Additionally:

- The risks of material misstatement in the consolidated and separate financial statements of the bank, arising from fraud or error, are identified and assessed, the audit procedures to address these risks are designed and implemented, and sufficient and appropriate audit evidence is obtained as the basis for the audit opinion. Since fraud can be accompanied by collusion, forgery, intentional omissions, misrepresentation of information, or override of internal controls, the risk of not detecting a material misstatement due to fraud is higher than the risk of not detecting a material misstatement due to error.
- Sufficient understanding of the internal controls relevant to the audit is obtained in order to design appropriate audit procedures for the existing conditions, and not for the purpose of expressing an opinion on the effectiveness of the group's and the bank's internal controls.
- The appropriateness of the accounting policies used and the reasonableness of

accounting estimates and related disclosures are evaluated.

- Based on the audit evidence obtained, a conclusion is drawn regarding the appropriateness of management's use of the going concern basis of accounting and the existence or non-existence of a material uncertainty related to events or conditions that may cast significant doubt on the group's and the bank's ability to continue as a going concern. If it is concluded that a material uncertainty exists, the auditor's report should refer to the related disclosures in the consolidated and separate financial statements of the bank or, if such disclosures are inadequate, the auditor's opinion should be modified. The conclusions are based on the audit evidence obtained up to the date of the auditor's report. However, future events or conditions may cause the group or the bank to cease to continue as a going concern.
- The overall presentation, structure, and content of the consolidated and separate financial statements, including the disclosures, and whether the transactions and events that form the basis for the preparation of the bank's consolidated and separate financial statements are reflected in the financial statements in a way that results in a fair presentation, are evaluated.

Sufficient and appropriate audit evidence is obtained regarding the financial information of the group companies or intra-group business activities in order to express an appropriate opinion on the bank's consolidated and separate financial statements. The auditor is responsible for the direction, supervision, and performance of the group audit. The responsibility for the auditor's opinion rests solely with the auditor.

In addition, the timing of the execution and the planned scope of the audit work and the key audit findings, including significant internal control weaknesses identified during the audit, are communicated to the governance body.

Furthermore, a statement on compliance with relevant ethical requirements regarding independence is provided to the governance body, and all relationships and other matters that may reasonably be thought to bear on independence are communicated, and where appropriate, related safeguards are informed.

From among the matters communicated to the governance body, those matters that were of most significance in the audit of the current year's financial statements and are therefore the key audit matters are identified. These matters are described in the auditor's report, unless law or regulation precludes public disclosure about the matter or, in extremely rare circumstances, the auditor determines that a matter should not be communicated in the auditor's report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

This firm also has the responsibility as the statutory auditor to report to the ordinary general meeting of shareholders any non-compliance with the legal requirements set forth in the amendment to the Commercial Code and the provisions of the bank's Articles of Association, as well as other necessary matters.

Report on Other Legal and Regulatory Requirements of Karafarin Bank (Public Joint Stock Company)

Other Duties of the Legal Inspector

12. The cases of non-compliance related to the legal requirements stipulated in the amendment to the Commercial Code and the provisions of the Bank's Articles of Association are as follows:

12.1. The duties stipulated in the Ordinary General Assembly of Shareholders dated July 17, 2023 regarding clauses 6 to 8 of this report and planning for compliance with the provisions of the Commercial Code, the Corporate Governance Directive, the Central Bank Regulations, and Anti-Money Laundering have not been finalized.

12.2. The provisions of Articles 7 and 8 of the Bank's Articles of Association regarding the permissible ceiling for the acquisition of the Bank's shares by individuals and legal entities, as well as the provisions of Note 1 of Article 7 of the Bank's Articles of Association regarding the prohibition of shareholding by legal entities whose shares or capital belong to state-owned companies or are under state management.

12.3. The provisions of Article 11 of the Bank's Articles of Association regarding the acquisition of the Bank's shares by companies over which the Bank has control or influence.

12.4. The provisions of Article 82 of the Bank's Articles of Association regarding the appointment of the CEO's deputy.

12.5. The provisions of Articles 113, 114, and 132 of the Bank's Articles of Association regarding compliance with the Central Bank's regulations and directives regarding the granting loans to related parties, the granting loans to the beneficiary unit, and investment in shares.

12.6. The provisions of Article 117 of the Bank's Articles of Association regarding the guarantee of granted loans through its own shares (Jahan Aray Arvand Steel Company).

13. According to Explanatory Note 66 of the financial statements, during the fiscal year under review, the transactions referred to in Article 129 of the amendment to the Commercial Code were not carried out.

14. The report of the Board of Directors on the activities and general condition of the Bank, the subject of Article 232 of the amendment to the Commercial Code and Article 105 of the Articles of Association, which was prepared for submission to the Ordinary General Assembly of Shareholders, has been reviewed by this institution. Considering the investigations carried out and taking into account the matter stated in the paragraphs of the basis for the qualified opinion, the opinion of this institution has not been drawn to any material matter indicating a discrepancy between the information contained in the said report and the documents and records presented by the Board of Directors.

The auditor's other legal and regulatory responsibilities

15. The regulations and rules set by the Securities and Exchange Organization ("the Organization") within the framework of its published checklists, as described below, have not been observed:

15.1. The provisions of paragraphs 1, 2, 6 bis, and paragraph 10 of Article 7 and Article 13 of the Implementing Instruction on Disclosure of Information of Companies Registered with the Organization regarding the disclosure of the audited financial statements and the annual management's discussion and analysis of the bank at least 10 days prior to the annual general meeting dated June 16, 2023, the disclosure of the monthly operations status form within a maximum of 5 business days after the end of each month for November, the disclosure of the annual financial statements of the controlled companies within a maximum of 4 months after the fiscal year, the disclosure of the interim financial statements of the controlled companies within a maximum of 60 days after the end of the 6-month period, the immediate disclosure of material information related to the final tax assessment note referred to in Note 5 of Article 4 of the Housing Production Leap Act, the immediate disclosure of the impact of exchange rate changes in accordance with the Central Bank of the Islamic Republic of Iran's circular, and the immediate disclosure of changes in the status of one of the bank's major customers.

15.2. The provisions of Articles 3, 4, and 6 of Annex 1 of the Directive on the Admission of Securities to the Tehran Stock Exchange regarding the composition of shareholding in accordance with the relevant laws and regulations and the permissible limit of the bank's share ownership, and compliance with the minimum requirements set by the Central Bank.

15.3. The content of notes 3 and 5 of Article 7, notes 2 and 6 of Article 14, Articles 3, 8, 15, 22, and 28 of the Corporate Governance Directive for Registered Issuers with the Organization regarding the establishment of corporate governance principles in the bank and its subsidiaries, identification, approval and documentation of transactions with related parties and the audit committee's opinion on such transactions, establishment of effective internal controls to ensure compliance with laws and regulations, the majority composition of the committees outside the board of directors, submission of declaration by the members of the board committees to the Appointment Committee, establishment of the evaluation process of the effectiveness of the board of directors and the CEO, specialized committees of the board of directors as well as the members of the board of directors of the subsidiaries and affiliates and their documentation, follow-up of the decisions and preparation of a report on the implementation of the board of directors' resolutions, and the prohibition of direct or indirect ownership of the bank's shares by the group's subsidiaries.

15.4. In line with the note under Article 40 of the Corporate Governance Directive for Registered Issuers with the Organization, charitable contributions and any payments made in the context of social responsibilities have been disclosed in the management's interpretive report and the board of directors' activity report. In this regard, the payments made were in accordance with the resolution of the annual general meeting of the company's shareholders dated June 16, 2023.

16. In the implementation of the checklist of internal controls governing financial reporting approved by the Securities and Exchange Organization, the said checklist has been evaluated by this institution. In this regard, resolving the discrepancies between the amounts in the loan subsystem and the balances according to the books, improving and developing the bank's foreign exchange operations system, establishing a suitable system for recording legal cases, and improving the customer credit assessment system are necessary.

17. Cases of non-compliance with the requirements stipulated in the Monetary and Banking Law, as well as the necessary circulars and resolutions in the banking system and the Law on the Implementation of the General Policies of Article 44 of the Constitution, have been separately sent to the Central Bank, along with a copy thereof.

18. Based on the provisions of the "Bylaw on the Amount and Method of Collecting Membership Fees in the Deposit Guarantee Fund", the annual membership fee is set at fifty hundredths of a percent (before 2023-24 at the rates of thirty hundredths and twenty-five hundredths of a percent) of the average weekly balance of each deposit account in the previous fiscal year, up to the limit of the fund's guarantee. The bank has paid the membership fees for the years 2016-2022 and has also obtained a final settlement in this regard. The control of the calculation process and the determination of the membership fees for the years 2023-2024 require a special audit.

19. In the implementation of Article 4 of the Executive Procedure of Auditors in the Evaluation of the Implementation of Anti-Money Laundering and Combating the Financing of Terrorism Regulations in Commercial Companies and Non-Commercial Institutions, subject to Article 46 of the Implementing Regulations of Article 14 Annexed to the Anti-Money Laundering Law, the observance of the provisions of the said law and regulations within the framework of the checklists issued by the relevant authority and the auditing standards has been evaluated by this institution, and cases of non-compliance have been sent to the Financial Information Center of the Ministry of Economic Affairs and Finance.

2, June 2024
Tadvin & Hamkaran Audit Firm

Mohammad Kazem Rouhollahi
891750

Hamed Sayyar
841340

Karafarin Bank (Public Joint Stock)
Consolidated Statement of Profit and Loss
for The Year Ended 20 March 2024

Description	Note	2023-24 IRR Million	(Restated) 2022-23 IRR Million
Granted Loans Income	9	101,592,847	68,069,174
Deposit income in banks and non-bank credit institutions	10	4,635,725	1,730,721
Investment income in debt securities	11	8,052,498	7,189,480
Profit (loss) of investment in stocks and other securities	12	5,803	34,588
Legal deposit award	13	686,498	534,052
Operating Revenue		114,973,371	77,558,014
Deposit Interest Payment (Expense)	14	(81,970,047)	(56,041,421)
Gross profit (loss)		33,003,323	21,516,593
Commission Income	15	16,929,132	6,288,496
Commission Expense	16	(834,113)	(262,694)
Net Foreign Currency Transactions	17	1,954,528	966,884
Administrative & General Expenses	18	(29,543,921)	(16,721,405)
Doubtful Debts Expenses	19	(15,373,900)	(3,873,367)
Other operating revenues and expenses	20	9,200,087	1,456,080
		(17,668,187)	(12,146,006)
Net Sales & Services Income	20-1	70,625,459	95,552,203
Cost of Goods Sold & Services Rendered	20-2	(66,716,006)	(94,576,020)
		3,909,453	976,183
Operating profit (loss)		19,244,589	10,346,771
Profit (loss) of investments related to non-banking activities	21	1,890,969	2,825,461
Financial Expenses	22	(668,994)	(652,149)
Other non-operating income and expenses	23	(347,330)	1,721,786
Profit before Calculating the Group's Share from Associate Companies		20,119,234	14,241,868
Group's Share from Associate Companies		1,616,002	1,433,842
Profit (loss) of continuing operations before tax		21,735,236	15,675,710
Corporation Tax	43-5	(1,746,022)	-1,107,194
Net profit (loss) from continuing operations		19,989,213	14,568,516
Discontinued operations			
Net profit (loss) of discontinued operations	24	0	0
Net Profit for the Year (Loss)		19,989,213	14,568,516
Parent Company's Shareholders		19,781,731	14,107,743
Non-controlling Interests		207,482	460,773
		19,989,213	14,568,516
Earnings per share (IRR)			
Operational (Rials)		348	**184**
Non-operational (Riyals)		**56**	**109**
Continuing operations		405	293
Discontinued operations		0	0
EPS (IRR)	**25**	**405**	**293**

The following explanatory notes are an integral part of these financial statements.

Karafarin Bank (Public Joint Stock)
Consolidated Statement of Financial Position
for The Year Ended 20 March 2024

Assets	Note	2023-24 IRR Million	(Restated) 2022-23 IRR Million	Liabilities & Shareholders' Equity	Note	2023-24 IRR Million	(Restated) 2022-23 IRR Million
Assets:				Liabilities:			
Cash	26	361,091,627	18,055,770	Deposits	39	631,652,300	504,455,022
Claims from Banks & Other Credit Institutes	27	20,851,808	9,914,916	Dues to Banks & Credit Institutes	40	521,800,641	8,845,556
Claims from the Government	28	0	0	Dividends Payable	41	50,661	40,299
Loans Granted & Claims from Governmental Authorities	29	0	0	Debt Securities	42	0	0
Loans Granted & Claims from Non- governmental Entities	30	543,615,224	414,571,641	Corporation Tax Provision	43	3,566,887	2,575,329
Claims from Subsidiary & Associate Companies	31	587,042	0	Provisions & Other Liabilities	44	76,362,851	24,414,628
Other Accounts Receivable	32	182,705,229	11,444,598	Liabilities related to non-current assets held for sale	34	0	0
Investment in Shares & Other Securities	33	66,708,233	46,010,617	Deferred tax liabilities	43	0	0
Non-current assets held for sale	34	6,904,470	5,092,373	Provision for Employees' Work Termination Benefits & Retirement	45	3,914,939	2,899,969
Fixed Tangible Assets	35	34,578,782	30,204,847	**Total Liabilities**		**1,237,348,280**	**543,230,803**
Intangible Assets	36	18,783,490	18,160,089				
Legal Deposit	37	81,592,264	58,808,296				
Deferred tax asset	43	0	0				
Other Assets	38	4,163,424	6,016,668	**Shareholders' Equity:**			
Goodwill	38-2	5	5	Capital	46	50,000,000	46,000,000
				Capital Increase in Process	47	0	0
				Shares Premium Reserve	48	0	0
				Shares of Parent Company Owned by Subsidiaries	46-3	(76,841)	(10,170)
				Legal Reserve	49	13,191,816	10,326,117
				Other Reserves	50	7,589,684	1,611,301
				Assets Revaluation Surplus	51	1,562,910	1,562,910
				Difference in Foreign Exchange Rate	52	0	0
				Effects of transactions with non-controlling interests		1,090,099	319,107
				Retained Earnings		12,085,406	12,659,076
				Treasury Shares	53	(4,797,310)	(703,106)
				Premium on treasury shares	54	9,914	0
				Total Equity Attributable to Parent Company's Shareholders		**80,655,679**	**71,765,234**
				Non-controlling Interests	54-1	3,577,640	3,283,782
				Total Shareholders' Equity		**84,233,319**	**75,049,016**
Total Asset		**1,321,581,598**	**618,279,819**	**Total Liabilities & Shareholders' Equity**		**1,321,581,598**	**618,279,819**
Customers' Commitments on L/Cs	59-1	2,775,738	11,122,849	Bank's Commitments on L/Cs	59-1	2,775,738	11,122,849
Customers' Commitments on Issued L/Gs	59-2	304,269,465	238,954,089	Bank's Commitments on Issued L/Gs	59-2	304,269,465	238,954,089
Customers' Other Commitments	59-3	158,971,766	81,586,251	Bank's Other Commitments	59-3	158,971,766	81,586,251
Managed Funds & Similar Items	59-4	382,887	408,849	Managed Funds & Similar Items	59-4	382,887	408,849

The following explanatory notes are an integral part of these financial statements.

Karafarin Bank (Public Joint Stock)
Consolidated Statement of Change in Equity
for The Year Ended March 2024

	note	2023-24														
		Capital	Capital Increase in Process	spend on shares	Premium Shares Reserve	Share of Parent Company Owned by Subsidiary	Legal Reserve	Other Reserves	Assets Revaluation Surplus	Effect of Foreign Exchange Rate Fluctuations	Effects of transactions with non-controlling interests	Retained Earnings	Treasury Shares	Total Equity Attributable to the Parent Company's Shareholders	Non-controlling Interests Shareholders' Equity	Total Shareholders' Equity
		IRR Million	IRR Million	IRR Million	IRR Million	IRR Million	IRR Million	IRR Million	IRR Million	IRR Million	IRR Million	IRR Million	IRR Million	IRR Million	IRR Million	IRR Million
Balance on 21.03.2023		46,000,000	0	0	0	(10,170)	10,326,117	1,611,301	1,562,910	0	319,107	12,659,076	(703,106)	71,765,234	3,283,782	75,049,016
Net Profit (Loss) for the Year												19,781,731		19,781,731	207,482	19,989,213
Previous Years' Adjustments																0
Other Comprehensive income after Tax																0
Assets Revaluation Surplus	51															0
Difference in Foreign Exchange	52															0
Tax of Other Comprehensive income																
Total Other Comprehensive income																
Total Comprehensive income		0	0	0	0	0	0	0	0	0	0	19,781,731	0	19,781,731	207,482	19,989,213
Capital Increase:																
Registered Capital Increase/ Decrease		4,000,000	0					(1,186,102)	0			(2,813,898)				
Increase in Capital in Process			0													
Adjustments from Changes in Effects of transactions with non-controlling interests - Transfer of investments											770,993			770,993	539,908	1,310,900
Minority share of the subsidiary's net assets																
Treasury Shares:																
Treasury Shares Purchase	53												(4,264,683)	(4,264,683)		(4,264,683)
Treasury Shares Sales	53												170,479	170,479		170,479
Profit (loss) from the Treasury Shares Sales	54				9,914									9,914		9,914
Shares of Parent Company Owned by Subsidiary						(66,670)		7,164,485						(66,670)		(66,670)
Distribution & Allocation:														0		0
Legal Reserve	49						2,865,699					(2,885,824)		(20,125)	20,125	0
Other Reserves	50											(7,164,485)		0		0
Dividends																
Approved Dividends	41											(7,491,194)		(7,491,194)	(473,657)	(7,964,850)
Total Changes in Shareholders' Equity Items during the Year		4,000,000	0	0	9914	(66,670)	2,865,699	5,978,383	0	0	770,993	(20,355,401)	(4,094,204)	(10,891,287)	86,376	(10,804,911)
Balance on 20.03.2024		50,000,000	0	0	9,914	(76,841)	13,191,816	7,589,684	1,562,910	0	1,090,100	12,085,406	(4,797,310)	80,655,679	3,577,640	84,233,319

The following explanatory notes are an integral part of these financial statements.

Karafarin Bank (Public Joint Stock)
Consolidated Statement of Change in Equity
for The Year Ended March 2023

	note	2022-23														
		Capital	Capital Increase in Process	Premium Shares Reserve	premium on treasury Shares	Share of Parent Company Owned by Subsidiary	Legal Reserve	Other Reserves	Assets Revaluation Surplus	Difference in Exchange Rate of Foreign Operations	Effects of transactions with non-controlling interests	Retained Earnings	Treasury Shares	Total Equity Attributable to the Parent Company's Shareholders	Non-controlling Interests	Total Shareholders' Equity
		IRR Million	IRR Million	IRR Million	IRR Million	IRR Million	IRR Million	IRR Million	IRR Million	IRR Million	IRR Million	IRR Million	IRR Million	IRR Million	IRR Million	IRR Million
Balance on 21.03.2022		39,500,000				(543,099)	8,239,832	3,239,237	1,562,910	0	(166,038)	12,239,084	(474,217)	63,597,709	3,716,992	67,314,701
Previous Years' Adjustments	55															
Adjustments from Changes in accounting procedures	55															
Balance on 21.03.2022		39,500,000				(543,099)	8,239,832	3,239,237	1,562,910	0	(166,038)	12,239,084	(474,217)	63,597,709	3,716,992	67,314,701
Net Profit (Loss) for the Year												14,107,743		14,107,743	460,773	14,568,516
Assets Revaluation Surplus	51															
Difference in Foreign Exchange	52															
Tax of Other Comprehensive income																
Total Other Comprehensive income																
Total Comprehensive income																
Capital Increase:																
Registered Capital Increase/ Decrease		6,500,000						(2,958,053)				(3,541,947)		0		0
Increase in Capital in Process																
Adjustments from Changes in Minority Interest											485,145	(408,675)		76,470	(575,722)	(499,252)
Minority share of the subsidiary's net assets																
Treasury Shares:																
Treasury Shares Purchase	53												(293,076)	(293,076)		(293,076)
Treasury Shares Sales	53												64,187	64,187		64,187
Profit (loss) from the Treasury Shares Sales	54													0		
Shares of Parent Company Owned by Subsidiary						532,928								532,928		532,928
Distribution & Allocation:																
Legal Reserve	49						2,086,285					(2,087,012)		(727)	727	
Other Reserves	50							1,330,117				(1,330,117)				
Approved Dividends	41											(6,320,000)		(6,320,000)	(318,988)	(6,638,988)
Effects of transactions with non-controlling interests - Transfer of investments																
Dividends																
Total Changes in Shareholders' Equity Items during the Year		6,500,000	0	0	0	532,928	2,086,285	(1,627,936)	0	0	485,145	(13,687,752)	(228,889)	(5,940,217)	(893,983)	(6,834,201)
Balance on 2023-24		**46,000,000**	**0**	**0**	**0**	**(10,170)**	**10,326,117**	**1,611,301**	**1,562,910**	**0**	**319,107**	**12,659,076**	**(703,106)**	**71,765,234**	**3,283,782**	**75,049,016**

The following explanatory notes are an integral part of these financial statements.

Karafarin Bank (Public Joint Stock)
Consolidated Statement of Cash Flow
for The Year Ended March 2024

Description	Note	2023-24 IRR Million	(Restated) 2022-23 IRR Million
Cash Inflow (Outflow) from Operating Activities	56	351,330,728	6,918,127
Cash Paid for Corporation Tax		(1,589,939)	(407,506)
Net Cash Inflow (Outflow) from Operating Activities		349,740,789	6,510,621
Investing Activities:			
Payments for Acquiring Fixed Tangible Assets		(7,891,503)	(7,894,962)
Funds Received for Selling Fixed Tangible Assets		1,135,288	1,112,502
Payments for acquiring intangible assets		-651,999	(1,085,149)
Funds received for Selling Intangible Assets		0	5,207
Funds received from the transfer of investments related to non-banking activities		788,213	256,071
Payments for the acquisition of investments related to non-banking activities		0	0
Funds Received for Selling non-current assets held for sale		484,790	1,509,636
Payments for Acquiring non-current assets held for sale		0	0
Funds Received for dividends related to non-banking activities		1,156,160	1,034,249
Funds Received from the profits of other investments related to non-banking activities		10,477	9,910
Net Cash Inflow (Outflow) from Investing Activities		(4,968,575)	(5,052,535)
Net Cash Inflow (Outflow) before Financing Activities		344,772,214	1,458,086
Financing Activities:			
Cash Capital Increase		0	0
Funds Paid for the effects of transactions with interests without control rights		0	(499,252)
Funds Paid for Acquiring Shares of the Parent Company by Subsidiaries		(66,670)	0
Funds Received for Acquiring Shares of the Parent Company by Subsidiary		0	532,928
Funds Received for the effects of transactions with interests without control rights		0	0
Cash received from transfer of a part of the subsidiary company		1,310,900	0
Funds Received for the sale of treasury shares		170,479	64,187
Payments for the purchase of treasury shares		(4,264,691)	(293,076)
Cash Received for Premium on treasury shares		9,914	0
Dividends Paid		(7,954,489)	(6,629,436)
Net Cash Inflow (Outflow) from Financing Activities		(10,794,557)	(6,824,648)
Net Increase (Decrease) in Cash		333,977,656	(5,366,562)
Cash at Beginning of Year		18,055,770	21,230,926
Effect of Foreign Exchange Rate Fluctuations		9,058,201	2,191,406
Cash at End of Year		361,091,627	18,055,770
Non-cash Transactions	58	2,322,871	4,616,962
Cash received from the interest of granted loan		97,784,584	65,783,495
Cash received interest on investment deposits		8,601,388	9,169,633
Cash Payments for interest on investment deposits		(81,970,047)	(56,041,421)
Cash Payments for the benefit of received loans		0	0
Cash received for dividends		2,216,938	1,134,175

More information about the cash flows resulting from interest on granted loan, investment deposits and dividends

The following explanatory notes are an integral part of these financial statements.

Karafarin Bank (Public Joint Stock)
Statement of Profit & Loss
For The Year Ended 20 March 2023

Description	Note	2023-24 IRR Million	(Restated) 2022-23 IRR Million
Granted Loans Income	9	100,600,537	67,152,958
Deposit income in banks and non-bank credit institutions	10	4,552,470	1,715,445
Investment income in debt securities	11	8,052,498	7,189,480
Profit (loss) of investment in stocks and other securities	12	746,321	1,068,642
Legal deposit award	13	686,498	534,052
Operating Revenue		114,638,324	77,660,577
Deposit Interest Payment (Expense)	14	(82,046,268)	(56,060,280)
Gross profit (loss)		32,592,055	21,600,297
Commission Income	15	16,358,249	5,778,096
Commission Expense	16	(830,243)	(260,458)
Net Foreign Currency Transactions	17	1,954,535	965,496
Administrative & General Expenses	18	(27,227,296)	(15,063,139)
Doubtful Debts Expenses	19	(15,539,116)	(3,907,688)
Other operating revenues and expenses	20	9,232,220	1,417,660
		(16,051,651)	(11,070,034)
Operating profit (loss)		**16,540,403**	**10,530,263**
Profit (loss) of investments related to non-banking activities	21	2,628,157	1,541,397
Financial Expenses	22	(3,098)	(19,544)
Other non-operating income and expenses	23	(52,050)	1,961,239
Profit (loss) of continuing operations before tax		19,113,412	14,013,354
Corporation Tax	43-5	(572,584)	(502,977)
Net profit (loss) from continuing operations		18,540,828	13,510,377
Discontinued operations			
Net profit (loss) of discontinued operations	24	0	0
Net Profit for the Year (Loss)		**18,540,828**	**13,510,377**
Earnings per share (IRR)			
Operational (Rials)		322	203
Non-operational (Riyals)		52	69
Continuing operations		375	272
Discontinued operations		0	0
EPS (IRR)	**25**	**375**	**272**

The following explanatory notes are an integral part of these financial statements.

Karafarin Bank (Public Joint Stock)
Statement of Financial Position
On 20 March 2024

Assets	Note	2023-24 IRR Million	(Restated) 2022-23 IRR Million	Liabilities & Shareholders' Equity	Note	2023-24 IRR Million	(Restated) 2022-23 IRR Million
Assets:				**Liabilities:**			
Cash	26	359,277,679	17,813,832	Deposits	39	633,295,422	506,169,695
Claims from Banks & Other Credit Institutes	27	20,851,808	9,914,916	Dues to Banks & Credit Institutes	40	516,030,055	5,837,434
Claims from the Government	28	0	0	Dividends Payable	41	24,834	40,299
Loans Granted & Claims from Governmental Authorities	29	0	0	Debt Securities	42	0	0
Loans Granted & Claims from Non- governmental Entities	30	541,666,110	413,229,664	Corporation Tax Provision	43	2,371,613	1,924,159
Claims from Subsidiary & Associate Companies	31	9,307,973	5,309,217	Provisions & Other Liabilities	44	66,524,021	20,563,032
Other Accounts Receivable	32	170,825,691	8,163,632	Liabilities related to non-current assets held for sale	34	0	0
Investment in Shares & Other Securities	33	53,265,387	36,220,242	Deferred tax liabilities	43	0	0
Non-current assets held for sale	34	6,880,378	5,062,373	Provision for Employees' Work Termination Benefits & Retirement	45	3,645,115	2,692,304
Fixed Tangible Assets	35	32,042,062	28,110,943	**Total Liabilities**		**1,221,891,060**	**537,226,923**
Intangible Assets	36	18,739,582	18,107,967				
Legal Deposit	37	81,592,264	58,808,296				
Deferred tax asset	43	0	0				
Other Assets	38	3,688,505	5,773,692	**Shareholders' Equity:**			
Goodwill				Capital	46	50,000,000	46,000,000
				Capital Increase in Process	47	0	0
				Shares Premium Reserve	48	0	0
				Shares of Parent Company Owned by Subsidiaries			
				Legal Reserve	49	12,740,210	9,959,086
				Other Reserves	50	7,135,807	1,186,102
				Assets Revaluation Surplus	51	953	953
				Difference in Foreign Exchange Rate	52	0	0
				Retained Earnings		11,010,242	12,698,243
				Effects of transactions with non-controlling interests			
				Treasury Shares	53	(4,650,745)	(556,533)
				Premium on treasury shares	54	9,914	0
				Total Equity Attributable to Parent Company's Shareholders			
				Non-controlling Interests			
				Total Shareholders' Equity		**76,246,380**	**69,287,851**
Total Asset		**1,298,137,439**	**606,514,773**	**Total Liabilities & Shareholders' Equity**		**1,298,137,439**	**606,514,773**
Customers' Commitments on L/Cs	59-1	2,775,738	11,122,849	Bank's Commitments on L/Cs	59-1	2,775,738	11,122,849
Customers' Commitments on Issued L/Gs	59-2	304,269,465	238,954,089	Bank's Commitments on Issued L/Gs	59-2	304,269,465	238,954,089
Customers' Other Commitments	59-3	158,971,766	81,586,251	Bank's Other Commitments	59-3	158,971,766	81,586,251
Managed Funds & Similar Items	59-4	382,887	408,849	Managed Funds & Similar Items	59-4	382,887	408,849

The following explanatory notes are an integral part of these financial statements.

Karafarin Bank (Public Joint Stock)
Statement of Change in Equity
for The Year Ended March 2024

	note	2023-24													
		Capital	Capital Increase in Process	spend on shares	Premium Shares Reserve	Share of Parent Company Owned by Subsidiary	Legal Reserve	Other Reserves	Assets Revaluation Surplus	Effects of transactions with non-controlling interests	Retained Earnings	Treasury Shares	Total Equity Attributable to the Parent Company's Shareholders	Non-controlling Interests	Total Shareholders' Equity
		IRR Million	IRR Million	IRR Million	IRR Million	IRR Million	IRR Million	IRR Million	IRR Million	IRR Million	IRR Million	IRR Million	IRR Million	IRR Million	IRR Million
Balance on 21.03.2023		**46,000,000**	**0**	**0**	**0**	**0**	**9,959,086**	**1,186,102**	**953**	**0**	**12,698,243**	**(556,533)**			**69,287,851**
Net Profit (Loss) for the Year											18,540,828				18,540,828
Previous Years' Adjustments													0	0	0
Other Comprehensive income after Tax													0		0
Assets Revaluation Surplus	51														
Difference in Foreign Exchange	52														
Tax of Other Comprehensive income															
Total Other Comprehensive income															
Total Comprehensive income											18,540,828				18,540,828
Capital Increase:															
Registered Capital Increase/ Decrease		4,000,000						(1,186,102)			(2,813,898)				
Increase in Capital in Process															
Adjustments from Changes in Minority Interest															
Minority share of the subsidiary's net assets															
Treasury Shares:															
Treasury Shares Purchase	53											(4,264,691)			4,264,691
Treasury Shares Sales	53											170,479			170,479
Profit (loss) from the Treasury Shares Sales	54				9,914										9,914
Shares of Parent Company Owned by Subsidiary															
Distribution & Allocation:															
Legal Reserve	49						2,781,124				(2,781,124)				
Other Reserves	50							7,135,807			(7,135,807)				
Effects of transactions with non-controlling interests - Transfer of investments															
Dividends															
Approved Dividends	41										(7,498,000)				(7,498,000)
Total Changes in Shareholders' Equity Items during the Year		4,000,000	0	0	9,914	0	2,781,124	5,949,705	0	0	(20,228,829)	(4,094,212)			(11,582,299)
Balance on 20.03.2024		**50,000,000**	**0**	**0**	**9,914**	**0**	**12,740,210**	**7,135,807**	**953**	**0**	**11,010,242**	**(4,650,745)**			**76,246,380**

The following explanatory notes are an integral part of these financial statements.

Karafarin Bank (Public Joint Stock)
Statement of Changes in Equity
For The Year Ended 20 March 2023

	note	2022-23													
		Capital	Capital Increase in Process	spend on shares	Premium Shares Reserve	Share of Parent Company Owned by Subsidiary	Legal Reserve	Other Reserves	Assets Revaluation Surplus	Effects of transactions with non-controlling interests	Retained Earnings	Treasury Shares	Total Equity Attributable to the Parent Company's Shareholders	Non-controlling Interests	Total Shareholders' Equity
		IRR Million	IRR Million	IRR Million	IRR Million	IRR Million	IRR Million	IRR Million	IRR Million	IRR Million	IRR Million	IRR Million	IRR Million	IRR Million	IRR Million
Balance on 21.03.2022		**39,500,000**					**7,932,529**	**2,958,053**	**953**	**0**	**12,262,472**	**(474,189)**			**62,179,817**
Previous Years' Adjustments	55										0				
Adjustments from Changes in accounting procedures	55														
Balance on 21.03.2022		**39,500,000**					**7,932,529**	**2,958,053**			**12,262,472**	**(474,189)**			**62,179,817**
Net Profit (Loss) for the Year											**13,510,377**				**13,510,377**
Assets Revaluation Surplus	51														
Difference in Foreign Exchange	52														
Tax of Other Comprehensive income															
Total Other Comprehensive income															
Total Comprehensive income															
Capital Increase:															
Registered Capital Increase/ Decrease		6,500,000						(2,958,053)			(3,541,947)				
Increase in Capital in Process															
Adjustments from Changes in Minority Interest															
Minority share of the subsidiary's net assets															
Treasury Shares:															
Treasury Shares Purchase	53											(116,361)			(116,361)
Treasury Shares Sales	53											34,017			34,017
Profit (loss) from the Treasury Shares Sales	54														
Shares of Parent Company Owned by Subsidiary															
Distribution & Allocation:															
Legal Reserve	49						2,026,557				(2,026,557)				
Other Reserves	50							1,186,102			(1,186,102)				
Approved Dividends	41														
Effects of transactions with non-controlling interests - Transfer of investments											(6,320,000)				(6,320,000)
Dividends															
Total Changes in Shareholders' Equity Items during the Year		6,500,000	0	0	0	0	2,026,557	(1,771,951)	0		(13,074,606)	(82,344)			(6,402,344)
Balance on 2023-24		**46,000,000**	**0**	**0**	**0**	**0**	**9,959,086**	**1,186,102**	**953**		**12,698,243**	**(556,533)**			**69,287,851**

The following explanatory notes are an integral part of these financial statements.

Karafarin Bank (Public Joint Stock)
Statement of Cash Flow
for The Year Ended March 2024

	Note	2023-24 IRR Million	(Restated) 2022-23 IRR Million
Operating Activities:*	56		
Cash Inflow (Outflow) from Operating Activities		346,968,282	4,144,424
Cash Paid for Corporation Tax		(1,163,032)	0
Net Cash Inflow (Outflow) from Operating Activities		**345,805,250**	**4,144,424**
Investing Activities:			
Payments for Acquiring Fixed Tangible Assets		(5,185,605)	(4,540,159)
Funds Received for Selling Fixed Tangible Assets		13,745	1,571,284
Payments for acquiring intangible assets		(642,280)	(1,194,088)
Funds received for Selling Intangible Assets		0	5,736
Funds received from the transfer of investments related to non-banking activities		788,213	256,071
Payments for the acquisition of investments related to non-banking activities		0	(1,392,021)
Funds Received for Selling non-current assets held for sale		484,790	1,509,636
Payments for Acquiring non-current assets held for sale		0	0
Funds Received for dividends related to non-banking activities		2,696,680	1,189,152
Funds Received from the profits of other investments related to non-banking activities		10,477	9,910
Net Cash Inflow (Outflow) from Investing Activities		**(1,833,980)**	**(2,584,478)**
Net Cash Inflow (Outflow) before Financing Activities		**343,971,270**	**1,559,946**
Financing Activities:			
Cash Capital Increase		0	0
Funds Received for the sale of treasury shares		170,479	34,017
Payments for the purchase of treasury shares		(4,264,691)	(116,361)
Cash Received for Premium on treasury shares		9,914	0
Dividends Paid		(7,513,465)	(6,310,447)
Net Cash Inflow (Outflow) from Financing Activities		**(11,597,764)**	**(6,392,791)**
Net Increase (Decrease) in Cash		332,373,506	(4,832,845)
Cash at Beginning of Year		17,813,832	20,495,079
Effect of Foreign Exchange Rate Fluctuations		9,090,341	2,151,598
Cash at End of Year		**359,277,679**	**17,813,832**
Non-cash Transactions	58	2,292,235	1,025,675
Cash received from the interest of granted loan		96,792,274	64,957,279
Cash received interest on investment deposits		8,524,604	9,153,256
Cash Payments for interest on investment deposits		(82,046,268)	(56,060,280)
Cash Payments for the benefit of received loans		0	0
Cash received for dividends		2,216,882	1,134,175

More information about the cash flows resulting from interest on granted loan, investment deposits and dividends

The following explanatory notes are an integral part of these financial statements.

Karafarin Bank (Public Joint Stock)
Notes to The Financial Statements
For The Year Ended 20 March 2024

1. Introduction

1.1. History

The Bank was established following registration at the Tehran Corporate and Industrial Ownership Registration Department on 9 December 1999 under registration number 157915 as Karafarinan Non-Bank Credit Institute (PJSC) and commenced its operations bearing national ID of 10102006226 and economic code of 411111646974. In accordance with the Non-State Bank Establishment Act on 9 April 2000, and Article 98 of the Economic, Social, and Cultural Development Plan Act of Iran, and the Non-State Bank Establishment Regulations of the Money and Credit Council as endorsed on 11 December 2000, this credit institute became a bank. Based on a resolution of the Extraordinary General Assembly meeting of 29 November 2001 and CBI operating license number H/3362 (5 December 2001), Karafarin Bank (PJSC) was formally established and registered under the same license number with the Tehran Corporate and Industrial Ownership Registration Department on 26 December 2001. The Bank gained listing on the Tehran Stock Exchange on 27 January 2003 and was on the TSE price quote list since 5 July 2003. The Bank's headquarters is based at No. 97, West Nahid Street, Vali-Asr Avenue, Tehran, Iran. As stated in explanatory note 14 of the financial statements, the Group includes Karafarin Bank (parent company) and its subsidiary companies.

1.2. Principal activities

The main activities of Karafarin Bank according to Article 3 of its Articles of Association approved on 15.07.2014 are stated below:

- Accepting all forms of bank deposits and issuing the bearer certificates of public and private term deposits.
- Issuing cheque books and offering all services relating to cheque laws and regulations. Carrying out inter-banking operations.
- Granting credit loans within the framework of regulations and bylaws and implementation guidelines of the Usury-Free Banking Operations Act.
- Offering various payment tools.
- Receiving, paying and transferring funds in foreign currencies and Iranian Rial (IRR). Accepting representation in order to collect funds, to pay bills, deposits, etc.
- Opening letters of credit and issuing all sorts of bank guarantees.
- Rendering electronic banking services such as issuing various electronic cards, (debit cards, credit cards, digital wallets, etc.)
- Safeguarding the valuables of customers, documents, bonds and renting safety deposit boxes. Carrying out all sorts of foreign currency operations, including forex, transfers, granting and receiving foreign currency loans, payment orders, etc.)
- Funds management.
- Guaranteeing the repurchase of issued bonds from private and state-owned legal persons. Issuing Islamic bonds in the IRR or in foreign currency within Iran or abroad.
- Constantly accepting payment orders from customers. Offering financial, investment and asset management services.
- Performing the duties of a guardian, administer, attorney and representative of clients in line with current laws and regulations.
- Carrying out investment activities via purchasing of shares, bonds, foreign bonds and Sukuk (Islamic) bonds.
- Purchasing and selling assets (if required) in line with the regulations set forth by the Central Bank of the Islamic Republic of Iran (CBI).
- Providing insurance coverage for its assets held by companies and insurances. Creating and sustaining links with correspondent banks in Iran and overseas. Customs and excise clearance.
- Collecting claims for L/Cs.
- Collecting dividends on behalf of customers and depositing them in the relevant accounts. Selling stamp duty and promissory notes.
- Any other activity approved by the Central Bank of the CBI.

Karafarin Bank (Public Joint Stock)
Notes to The Financial Statements
For The Year Ended 20 March 2024

1.3. Number of branches

The number of the Bank's branches during the fiscal year is as follows:

	2022-23		2023-24	
	End of Year	Average	End of Year	Average
Branches in Tehran Province	59	59	59	59
Branches in Other Provinces	47	47	47	47
Branches in Free Trade Zones	2	2	2	2
Overseas Branches	0	0	0	0
Total	**108**	**108**	**108**	**108**

By average, we mean monthly average during the reporting period.

1.4. Employment

The number of employees during the fiscal year is reported below:

	2022-23		2023-24	
	End of Year	Average	End of Year	Average
	Persons	Persons	Persons	Persons
Headquarters & Regional Offices	693	669	726	715
Branches in Tehran Province	620	597	646	629
Branches in Other Provinces	495	491	489	492
Branches in Free Trade Zones	13	13	15	14
Overseas Branches	0	0	0	0
Total	**1821**	**1770**	**1876**	**1850**

During the reporting period, 466 employees (391 in previous year) were recruited via contracts. The number of employees of subsidiary companies during the reporting fiscal period was 466 (480 in the previous year). By average, we mean monthly average during the reporting period.

2. New and revised accounting standards

New and revised accounting standards which have become mandatory during the reporting period are:
2.1. Accounting Standard 18 Separate Financial Statements, Accounting Standard 20 Investments in Affiliated Business Units and Special Partnerships, Accounting Standard 38 Business Combinations, Accounting Standard 39 Consolidated Financial Statements, Accounting Standard 40 Partnerships, Accounting Standard 41 Disclosure of Interests in Other Business Units and Standard Accounting 42 Fair value measurement.
2.2. Possible significant effects of the implementation of the new and revised accounting standards that are not yet in force are as follows:
2.2.1. Accounting standard 16 effects of change in exchange rate
New accounting standard 16 effects of change in exchange rate do not have possible significant effects on financial statements.

3. Basis for the Preparation of Financial Statements

Financial statements have been prepared according to accounting standards and CBI's regulations. Details of accounting procedures have been presented in note 7.

4. Operational and Reporting Monetary Unit

Financial statement items have been measured using the monetary unit of main economic environment of the Bank's activity place i.e., Iranian Rial (IRR). The items have been presented in IRR Million to be more understandable, except in cases which are explicitly mentioned in financial statements and/or explanatory notes.

Karafarin Bank (Public Joint Stock)
Notes to The Financial Statements
For The Year Ended 20 March 2024

5. Using Judgments and Estimates

In order to prepare the financial statements, the Bank's management has used judgments, estimates and assumptions in specifying amounts recognized in the financial statements. Actual results may be different from estimates. These estimates and underlying assumptions are based on historical events which the management continuously revises following making comparisons with true events.

6. Basis for Measurement

The financial statements have been prepared based on historical cost and current values have been applied, where necessary.

7. Summary of Significant Accounting Policies

The Bank has presented the accounting procedures mentioned in note 7 considering procedural stability during whole reported periods in the financial statements.
Nature and effects are outlined below: Not applicable.

7.1. Investments

Measurement	Group Consolidation	Parent Company
Long-Term Investments:		
Investment in Subsidiary Company	Subject to Consolidation	Cost Less Accumulated
Impairment of Each Investment	Equity Method	Cost Less Accumulated Impairment of Each Investment
Investment in Associated Companies	Equity Method	Cost Less Accumulated Impairment of Each Investment
Current Investments:		
Rapidly Marketable Investments	Lower of Cost & Net Realizable Value of Total Investment	Lower of Cost & Net Realizable Value of Total Investment
Other Current Investments	Lower of Cost & Net Realizable Value of Total Investment	Lower of Cost & Net Realizable Value of Total Investment
Income Recognition:		
Investment in Subsidiary Companies	Subject to Consolidation	On the Date of Profit Approval by the General Assembly of Investee Companies (until the D Approval ate of Financial Statement)
Investment in Associated Companies	Equity Method	On the Date of Profit Approval by the General Assembly of Investee Companies (until the D Approval ate of Financial Statement)
Other Long-Term & Current Investments in Shares of Companies	On the Date of Profit Approval by the General Assembly of Investee Companies (until the D Approval ate of Financial Statement)	On the Date of Profit Approval by the General Assembly of Investee Companies (until the D Approval ate of Financial Statement)
Investment in Other Securities	At the Time of Guaranteed Interest	At the Time of Guaranteed Interest

Karafarin Bank (Public Joint Stock)
Notes to The Financial Statements
For The Year Ended 20 March 2024

7.2. Fixed tangible assets

7.2.1. Fixed tangible assets are recorded at cost in the accounts. Any expenditure incurred for improvements and major repairs of a fixed asset that lead to a significant extension of its useful life or to a material improvement in its performance quality, is capitalized and subsequently depreciated over the remainder of the asset's useful life. Maintenance costs and minor repairs which are to sustain the asset condition in relation with the initially assessed performance standard, are expensed as incurred and reported in the period's profit and loss account.

7.2.2. The value of Bank's land and goodwill have been recorded in the accounts following revaluation. The Parent Company's assets were revaluated on 21.09.2020 by independent surveyors. The period of revaluation is pendent upon changes in the fair value of revaluated assets. Subsequent revaluation shall be necessary in cases where there is a significant difference between carrying amount and revaluation. It is noteworthy that the values of land and goodwill of subsidiary companies have been reflected in the financial statements of the Group in the basis of historical cost and have not been revaluated due to their insignificance.

7.2.3.Depreciation on fixed assets based on the Depreciation Charts of Article 149 of Direct Taxation Act (approved in June 2015) and its subsequent amendments is calculated and recorded in accounts based on the following rates and methods:

Asset	Depreciation Rate	Depreciation Method
Buildings	25 Years	Straight Line
Furniture, Fixtures & Installations	3, 4, 5, 6, 10 & 12 Years	Straight Line
Computers	3 Years	Straight Line
Motor Vehicles	6 Years	Straight Line

7.2.4. For those items of fixes assets which are acquired and used during the month, depreciation is calculated and taken into account as of the beginning of the following month. In cases where assets are not used for more than six consecutive months within a financial period, depreciation of that asset for that period is calculated at a 30% rate. In cases where calculation of depreciation is based on a time length, then 70% of the time in which the asset has not been used is added (in the above table) to the remaining time determined for asset depreciation. This note does not concern buildings, building installations and intangible assets which have fixed useful lives.

7.2.5. Investment in properties

Investment properties are measured at cost following deduction of accumulated impairment of each investment. Income from investment properties is recognized at fair value of received or receivable less estimated amounts from refunds or discounts. Investment in properties include those lands or buildings which have already been constructed or developed and are maintained by the Company for investment purposes (value appreciation or lease income), and not for use.

7.3. Intangible assets

All intangibles, except for goodwill, are reflected in accounts at cost. Goodwill is not subject to amortization. The impairment test is carried out at the end of the fiscal year and required provision is taken into account, if necessary. Operational and administrative software are amortized using the straight-line method over a three-year period.

7.3.1. Goodwill

7.3.1.1. Business combinations are calculated using the acquisition method. Goodwill is measured based on the excess of the sum of the consideration transferred to the fair value on the acquisition date, plus the amount of any non-controlling interest in the acquired entity and the fair value of the acquiring entity's previous ownership interests in the acquired entity on the acquisition date (in combinations staged) on the net amounts of identifiable assets acquired and liabilities assumed on the date of acquisition and over 20 years are depreciated using the straight-line method.

Karafarin Bank (Public Joint Stock)
Notes to The Financial Statements
For The Year Ended 20 March 2024

7.3.1.2. If, "net amounts of identifiable assets acquired and liabilities assumed on the date of acquisition exceed the sum of the consideration transferred to the fair value on the date of acquisition, the amount of interests without control rights in the acquired unit and the fair value of the previous ownership interests of the acquiring unit in the acquired unit on the date of acquisition (in phased combinations), the said surplus, after re-examining the correct identification and measurement methods of the above items by the acquiring business unit, on the date of acquisition, in the consolidated profit and loss statement, It is identified as the profit of purchase below the price and is attributed to the acquiring unit.

7.3.1.3. Non-controlling interest on the date of acquisition is measured by a proportional share of the recognized amounts of net identifiable assets of the acquired unit.

7.3.2. Loss of assets impairment

At the end of each reporting period, in case there is any evidence pointing to the possibility of assets impairment, an impairment test is conducted. In such cases the recoverable amount of the given asset is estimated and compared against its carrying amount. In case it is not possible to estimate the recoverable amount of a single asset, the bank applies the requirements in respect of impairment at the level of the cash-generating unit (CGU) to which the asset belongs.
The impairment test of intangible assets with unspecified useful life is conducted annually, regardless of existence of any evidence pointing to the possibility of impairment.
The recovered amount of an asset (or a cash generating unit) is the sales value, less its costs or its economic value, whichever is greater. The economic value equals the current value of future cash flows of an asset (having applied the discount rate before tax, which represents the time value of money and risks relating to that asset for which estimated future cash flows have not been adjusted).
Only in case the recovered amount of an asset is less than carrying amount, the carrying amount (or its cash generating unit) is reduced by the recovered amount and the difference is immediately identified as loss resulting from impairment in the Statement of Profit and Loss. Unless the asset has been revaluated, the excess revaluated amount is declined.
In case the recovered amount is increased at the time of identification of the latest loss which represents recoverable of loss resulting from asset impairment (cash generating unit), the carrying amount of that asset is increased by up to the new recovered amount and at a maximum of the carrying amount of that asset assuming the loss of impairment of that asset has not been identified in the previous years.
The reversal of asset impairment loss (cash generating unit) is immediately recorded in the Statement of Profit and Loss, unless that asset has been revaluated, in which case the excess revaluated amount is increased.

7.4. Non-current assets held for sale

Noncurrent assets (disposal groups) whose carrying amount is recycled mainly through sale and not through continuous use, are classified under the heading of "Held for Sale". Such conditions are only recognized when noncurrent assets (disposal groups) are to be sold immediately (in the usual manner), where they are ready and where the likelihood of them being sold is high and when the majority of management is committed to selling noncurrent assets (disposal groups) in such a manner that they are completed and ready for sale within one year as of classification date (with the exception of cases which are beyond the authority of the management).
7.4.1. Noncurrent assets (disposal groups) held for sale are measured at "lower of carrying amount and net realizable value".

7.5. Income recognition on loans, commissions and late payment penalties

According to ratification 1044 dated 16 July 2013 of Money and Credit Council and letter MB/772 dated 18 July 2005 of CBI, recognizing of interest on loans granted is based on accrued revenue. In addition, according to letter No.97/96778 dated 17.06.2018 of the CBI which was approved on 22.05.2018 by the Money and Credit Council and letter No.98/93674 dated 13.06.2019 and letter 99/221007 dated 01.10.2020, claims income which are transferred to doubtful claims classification are terminated regardless of their collateral type. Claims income whose collaterals are in cash or quasi cash by at least 90% of debt, are recognized until such time as they are transferred to the doubtful claims classification at the latest. Current and non-performing income which do not have cash or quasi cash collaterals are terminated when they are transferred to overdue classification. In cases where collaterals are less than customer debts, claims income is recognized identified by the end of overdue classification at the latest.

Interest, Late Payment Penalty on Granted Loans & Commission	Recognition Method
Interest on Granted Loans:	
Current	Accrual/cash
Overdue	Accrual/cash
Deferred	Cash
Doubtful	Cash
Late Payment Penalty:	
Current	Accrual/cash
Overdue	Accrual/cash
Deferred	Cash
Doubtful	Cash
Commission:	
Commission on Issued L/Gs	Accrual/cash
Commission on Other Banking Services	Accrual/cash
Commission on Granted Gharz-al Hassaneh Loans	Accrual/cash

7.6. Basis for determination of depositors' interest from Shared income

In compliance with the requirements promulgated in Iran's Act on Usury-Free Banking Operations of 30 August 1983 and its operational and implementation guidelines and also CBI's Letter 94/69643 of 10 June 2015, all Shared income, expenditure of Shared resources and depositors' interest are calculated from Shared income and the results are reported in the Performance Statement of Investment Deposits.

7.7. Classification of loans

The Bank evaluates and classifies its loans in accordance with the requirements presented in the "Credit Institutes' Asset Classification Manual" of the Money and Credit Council (also referred to in CBI Letter MB/2823 of 24 February 2007 of the CBI) and also based on factors such as late repayments, customer financial position and the economic state of the customer's line of business activity. This approach leads to the following classes for loans:

A. Current Loans (maximum up to 2 months from the maturity date and/or payment termination).
B. Overdue Loans (between 2 and 6 months from the maturity date and/or payment termination).
C. Deferred Loans (between 6 and 18 months from the maturity date and/or payment termination).
D. Doubtful Loans (over 18 months from the maturity date and/or payment termination).

* The management has not made any interpretation on financial statements outside the framework of the above letters.

7.8. Provisions for doubtful claims

In accordance with the requirements of the "Credit Institutes' Doubtful Loans' Provisions Manual" of the Money and Credit Council (also referred to in CBI Letter 91/21270 of 19 April 2012 of the CBI) provision is calculated and recorded in the accounts for loans in the following manner:

1. General provisions: at 1.5% of total loans' balances at the end of the year after deduction of those loans that are subject to special provisions.
2. Special provisions: for the balance of overdue, deferred, and doubtful financial loans. This is calculated based on the factors outlined in the following table after deducting the updated value

of security attributable to each individual facility:

Where five years or above has been passed since the maturity date of their principal amounts and interest loans, special provision is considered in a manner that is equivalent to 100% within five years (without taking into account the value of collaterals).

Classification	Coefficient
Overdue	10%
Deferred	20%
Doubtful (Based on Assessment of Customers' Repayment Ability)	50% to 100%

*The management has not made any interpretation on financial statements outside the framework of the above letters.

7.9. Provisions for employees' termination benefits

Provisions for employees' termination benefits are accounted for, based on one month of employees' latest base salary and continued benefits for each year of their service with the Bank.

7.10. Obligations of employee retirement benefits

The Bank's employees have insurance coverage via the Social Security Fund. Hence, no provision in reference with retirement benefits has been recorded in the accounts.

7.11. Foreign currency exchange

7.11.1. local accounts

Foreign currency monetary items during the year, are exchanged at official or mutually agreed exchange rates via exchange companies on the Financial Position Statement date. In accordance with letter 03/6492 dated 06.04.2024 of the Banking Studies & Regulations Department of the CBI, exchanging foreign currency monetary items of assets and liabilities in the financial statements of banks and credit institutes should be based on average exchange rates in CBI's NIMA System. Non-monetary items which have been registered at historical cost (depending on currency type) are exchanged at official rates on transaction date. Differences resulting from settlement or exchange of foreign currency monetary items are identified as income or cost for the year and are recorded in the Profit and Loss Statement. Foreign exchange rates on Financial Position Statement date are listed below:

Foreign Currency	Exchange Rate	Foreign Currency	Exchange Rate
USD	IRR 401,877	CNY	IRR 55,853
EUR	IRR 437,734	GBP	IRR 512,015
INR	IRR 4,848	KRW	IRR 302
AED	IRR 109,429	TRY	IRR 12,513
CHF	IRR 454,596	OMR	IRR 1,044,513
JPY	IRR 2,696	QAR	IRR 110,472
RUB	IRR4,344		

7.11.2. Foreign operations accounts

The Bank has no overseas branches and does not operate abroad.

7.12. Treasury shares

Treasury shares are recognized and registered in the books by applying the Cost Method and are presented under the heading of Equity in the Statement of Financial Position as a reduction. No profit or loss is recognized in the Statement of Profit & Loss at the time of purchasing, selling or issuing or voiding equity instruments. Exchanged amounts paid or received should be directly recognized in the Equity Section.

No amount is recognized in the Statement of Profit and Loss and other Comprehensive Income Statement in the event of selling treasury shares. The difference in net realizable value and carrying amount is recognized in Treasury Shares Premium (Less) account.

On the reporting date, the debtor's balance in the account "Premium (less) Treasury Shares" is transferred to the Accumulated Profit (Loss) Account. Claims balance of the mentioned account is recorded in the Accumulated Profit (Loss) Account for up to the scale of the previously recorded less of treasury shares and the remainder is transferred to the Equity Section of the Statement of Financial Position as "Premium of Treasury Shares" and is transferred to the Accumulated Profit (Loss) Account in the event of sale of all treasury shares.

In the event when only a portion of treasury shares are sold, the carrying amount of each treasury share is calculated on the basis of average cost of all treasury shares.

If the transfer of shares of the subsidiary company does not lead to the loss of control, the sale of any investment of the main company in the subsidiary company will change the ratio of non-controlling interests and controlling interests. In such a situation, the non-controlling interest will be adjusted for this change. The difference between the amount of this adjustment and the fair value of the consideration received is recognized directly in the ownership rights under the heading "Effects of transactions with non-controlling interests" and attributed to the owners of the main company.

7.13. Corporation tax

7.13.1. Tax expenses

Tax expenses are the combination of current and deferred taxes, which should be reflected in the Statement of Profit & Loss unless in cases where recognized items in the other Comprehensive Income Statement or Shareholders' Equity are linked. In such cases, they should be directly recognized in the other Comprehensive Income Statement or Shareholders' Equity (in this order).

7.13.2. Deferred tax

Transfer tax is calculated on the basis of temporary difference between carrying amount of assets and liabilities for the purpose of financial reporting and amounts applied for tax purposes.

At the end of each reporting period, in order to ensure of the recovery of carrying amount of deferred taxes, the possibility of taxable profit in the foreseeable future is assessed, for the purpose of recovery of a deferred tax asset. The carrying amount of the mentioned asset is reduced for up to the recoverable amount, where necessary. Such an impairment is only recovered where sufficient taxable profit is deemed as probable.

7.14. Cost of Deposits

The cost of deposit interest rate is calculated and reported based on the regulations issued by the Money and Credit Council regarding the deposit interest rate and how it is calculated.

7.15. Other Items in the Financial Statements

Due to the high number of items in accounts, some items in each note have been reported under the heading of "Others". These items are mainly insignificant and represent a maximum10% value of the total amount of that note. The number of these items have also been disclosed.

8. Change in accounting methods

The bank has announced the accounting adjustments mentioned in note 7 in the financial statements

Karafarin Bank (Public Joint Stock)
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9. Granted loans income

	Group									
	2023-24					2022-23				
	IRR			Foreign Currency (Non-shared)	Total	IRR			Foreign Currency (Non-shared)	Total
	shared	Non- shared	Total			shared	Non- shared	Total		
	IRR Million	IRR Million	IRR Million	IRR Million	IRR Million	IRR Million	IRR Million	IRR Million	IRR Million	IRR Million
Instalment Sale	1,988,415	2,118,440	4,106,856	0	4,106,856	1,586,359	1,230,857	2,817,216	0	2,817,216
Joaleh	25,490	0	25,490	0	25,490	1,375,512	0	1,375,512	0	1,375,512
Hire Purchase	61,849	0	61,849	0	61,849	31,899	0	31,899	0	31,899
Mudaraba	274,212	0	274,212	0	274,212	113,402	0	113,402	0	113,402
Musharaka	7,569,067	0	7,569,067	193,955	7,763,022	1,809,225	0	1,809,225	18,250	1,827,675
Salaf	0	0	0	0	0	0	0	0	0	0
Debt Discounting	7,066,634	0	7,066,634	0	7,066,634	2,227,939	0	2,227,939	0	2,227,939
Morabehe	81,086,135	0	81,086,135	143,610	81,229,746	51,973,529	0	51,973,529	65,109	52,038,638
Istisna	0	0	0	0	0	0	0	0	0	0
Penalty	116,177	0	116,177	32,430	148,607	6,611,877	0	6,611,877	21,744	6,633,620
L/Cs Debtors'	0	127,009	127,009	0	127,009	0	767,135	767,125	0	767,135
Paid L/Gs Debtors' Penalty	0	368,850	368,850	0	368,850	0	134,473	134,473	0	134,473
Penalty of Paid Credit Cards Debtors	0	0	0	0	0	77	0	77	0	77
Others	0	420,573	420,573	0	420,573	0	101,596	101,596	0	101,596
Total Granted Loans	98,187,980	3,034,872	101,322,852	369,995	101,592,847	65,729,910	2,234,062	67,963,971	105,202	68,069,174

Karafarin Bank (Public Joint Stock)
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	Group									
	2023-24					2022-23				
	IRR			Foreign Currency (Non-shared)	Total	IRR			Foreign Currency (Non-shared)	Total
	shared	Non- shared	Total			shared	Non- shared	Total		
	IRR Million	IRR Million	IRR Million	IRR Million	IRR Million	IRR Million	IRR Million	IRR Million	IRR Million	IRR Million
Instalment Sale	1,988,415	0	1,988,415	0	1,988,415	1,586,359	0	1,586,359	0	1,586,359
Joaleh	25,490	0	25,490	0	25,490	1,375,512	0	1,375,512	0	1,375,512
Hire Purchase	61,849	0	61,849	0	61,849	31,899	0	31,899	0	31,899
Mudaraba	274,212	0	274,212	0	274,212	112,402	0	113,402	0	113,402
Musharaka	7,569,067	0	7,569,067	193,955	7,763,022	2,125,482	0	2,125,482	18,350	2,143,822
Salaf	0	0	0	0	0	0	0	0	0	0
Debt Discounting	7,066,634	0	7,066,634	0	7,066,634	2,227,929	0	2,227,929	0	2,227,929
Morabehe	82,214,964	0	82,214,964	143,610	82,358,574	51,973,529	0	51,973,529	65,109	52,038,638
Istisna	0	0	0	0	0	0	0	0	0	0
Penalty	116,177	0	116,177	32,430	148,607	6,611,877	0	6,611,877	21,744	6,633,620
L/Cs Debtors'	0	127,009	127,009	0	127,009	0	767,135	767,135	0	767,135
Paid L/Gs Debtors' Penalty	0	368,850	368,850	0	368,850	0	134,473	134,473	0	134,473
Penalty of Paid Credit Cards Debtors	0	0	0	0	0	77	0	77	0	77
Others	0	417,875	417,875	0	417,875	0	100,080	100,080	0	100,080
Total Granted Loans	99,316,808	913,733	100,230,542	369,995	100,600,537	66,046,067	1,001,689	67,047,755	105,203	67,152,958

Karafarin Bank (Public Joint Stock)
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10. Deposit income in banks and non-bank credit institutions

	Group									
	2023-24					2022-23				
	IRR			Foreign Currency (Non-shared)	Total	IRR			Foreign Currency (Non-shared)	Total
	shared	Non- shared	Total			shared	Non- shared	Total		
	IRR Million	IRR Million	IRR Million	IRR Million	IRR Million	IRR Million	IRR Million	IRR Million	IRR Million	IRR Million
Deposit interest in the central bank	0	0	0	65,533	65,533	47,178	0	47,178	34,653	81,832
Interest on Term Deposit interest in other banks and local non-bank credit institutions	4,466,465	83,256	4,549,720	0	4,549,720	1,630,128	15,276	1,645,404	0	1,645,404
Deposit interest in foreign banks	0	0	0	20,472	20,472	0	0	0	3,486	3,486
Deposit income in banks and non-bank credit institutions	**4,466,465**	**83,256**	**4,549,720**	**86,005**	**4,635,725**	**1,677,306**	**15,276**	**1,692,582**	**38,139**	**1,730,721**

	Parent Company									
	2023-24					2022-23				
	IRR			Foreign Currency (Non-shared)	Total	IRR			Foreign Currency (Non-shared)	Total
	shared	Non- shared	Total			shared	Non- shared	Total		
	IRR Million	IRR Million	IRR Million	IRR Million	IRR Million	IRR Million	IRR Million	IRR Million	IRR Million	IRR Million
Deposit interest in the central bank	0	0	0	65,533	65,533	47,178	0	47,178	34,653	81,832
Interest on Term Deposit interest in other banks and local	4,466,465	0	4,466,465	0	4,466,465	1,630,128	0	1,630,128	0	1,630,128
Deposit interest in foreign banks	0	0	0	20,472	20,472	0	0	0	3,486	3,486
Deposit income in banks and non-bank credit institutions	**4,466,465**	**0**	**4,466,465**	**86,005**	**4,552,470**	**1,677,306**	**0**	**1,677,306**	**38,139**	**1,715,445**

11. Investment income in debt securities

Publisher- type of securities	Group									
	2023-24					2022-23				
	IRR			Foreign Currency (Non-shared)	Total	IRR			Foreign Currency (Non-shared)	Total
	shared	Non- shared	Total			shared	Non- shared	Total		
	IRR Million	IRR Million	IRR Million	IRR Million	IRR Million	IRR Million	IRR Million	IRR Million	IRR Million	IRR Million
Government - Islamic treasury documents	6,566,292	0	6,566,292	0	6,566,292	3,300,025	0	3,300,025	0	3,300,025
Government benefit participation bonds	526,198	0	526,198	0	526,198	2,213,641	0	2,213,641	0	2,213,641
Government Murabahah bonds	960,007	0	960,007	0	960,007	1,675,815	0	1,675,815	0	1,675,815
Investment income in debt securities	**8,052,498**	**0**	**8,052,498**	**0**	**8,052,498**	**7,189,480**	**0**	**7,189,480**	**0**	**7,189,480**

Publisher- type of securities	Parent Company									
	2023-24					2022-23				
	IRR			Foreign Currency (Non-shared)	Total	IRR			Foreign Currency (Non-shared)	Total
	shared	Non- shared	Total			shared	Non- shared	Total		
	IRR Million	IRR Million	IRR Million	IRR Million	IRR Million	IRR Million	IRR Million	IRR Million	IRR Million	IRR Million
Government - Islamic treasury documents	6,566,292	0	6,566,292	0	6,566,292	3,300,025	0	3,300,025	0	3,300,025
Government benefit participation bonds	526,198	0	526,198	0	526,198	2,213,641	0	2,213,641	0	2,213,641
Government Murabahah bonds	960,007	0	960,007	0	960,007	1,675,815	0	1,675,815	0	1,675,815
Investment income in debt securities	**8,052,498**	**0**	**8,052,498**	**0**	**8,052,498**	**7,189,480**	**0**	**7,189,480**	**0**	**7,189,480**

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12. Net Investments Returns (Loss)

	Group		Parent Company					
	2023-24	2022-23	2023-24			2022-23		
	Total	Total	IRR (shared)	Foreign Currency (Non-shared)	Total	IRR (shared)	Foreign Currency (Non-shared)	Total
	IRR Million	IRR Million	IRR Million	IRR Million	IRR Million	IRR Million	IRR Million	IRR Million
Interest on Companies' Share & Investment Funds	5,803	6,536	745,414	0	745,414	1,040,590	0	1,040,590
Profit (Loss) from Selling Companies' Shares & Investment Fund	0	28,051	907	0	907	28,051	0	28,051
Net Returns (Loss) on Investment Value Increase (Decrease)	0	0	0	0	0	0	0	0
Net Investment Returns	**5,803**	**34,588**	**746,321**	**0**	**746,321**	**1,068,642**	**0**	**1,068,642**

12.1. Dividends income from companies' share & investment funds

Company	Group		Parent Company					
	2023-24	2022-23	2023-24			2022-23		
	Total	Total	IRR (shared)	Foreign Currency (Non-shared)	Total	IRR (shared)	Foreign Currency (Non-shared)	Total
	IRR Million	IRR Million	IRR Million	IRR Million	IRR Million	IRR Million	IRR Million	IRR Million
Karafarin Leasing	0	0	716,482	0	716,482	202,447	0	202,447
Karafarin Foreign Exchange	0	0	0	0	0	799,840	0	799,840
Abnie Gostar Karafarin Construction	0	0	629	0	629	31,767	0	31,767
Tose'e Negahe Fardaye Karafarin	0	0	22,500	0	22,500	0	0	0
Long-term Investment Dividends	0	0	739,611	0	739,611	1,034,054	0	1,034,054
Listed Companies:								
Total	0	0	0	0	0	0	0	0
Unlisted Companies:	0	9,476	0	0	0	9,476	0	9,476
Shaparak E-payment Card Network	4,660	2,938	4,660	0	4,660	2,938	0	2,938
Iran Credit Rating	1,142	3,599	1,143	0	1,143	3,599	0	3,599
Investment Fund Units Profit	0	0	0	0	0	0	0	0
Short-term Investment Dividends:	5,803	6,536	5,803	0	5,803	6,536	0	6,536
Total	**5,803**	**6,536**	**745,414**	**0**	**745,414**	**1,040,590**	**0**	**1,040,590**

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12.2. Profit (loss) from selling companies and investment funds shares is as follows:

	Group		Parent Company				
	2023-24	2022-23	2023-24				2022-23
	Profit (Loss)	Profit (Loss)	Shares	Carrying Amount	Net Realisable Value	Profit (Loss)	Profit (Loss)
	IRR Million	IRR Million	IRR Million	IRR Million	IRR Million	IRR Million	IRR Million
Profit (Loss) from Selling Companies' Shares-IRR (shared):							
Karafarin Foreign Exchange Asre Novin Informatics (HiWeb)	0	28,051	0	0	0	0	28,051
Karafarin Leasing	0	0	116,819	134	1,042	907	0
Total	**0**	**0**	**116,819**	**134**	**1,042**	**907**	**28,051**
Profit from Selling Investment Funds-IRR (shared):							
	0	0	0	0	0	0	0
Total	0	0	0	0	0	0	0
Profit (Loss) from Selling Companies' Share-Foreign Currency (Non- shared)							
	0	0	0	0	0	0	0
Total	**0**	**28,051**	**116,819**	**134**	**1,042**	**907**	**28,051**

12.3. Net profit (loss) from investments value increase (decrease) is as follows:

	Group		Parent Company				
	2023-24	2022-23	2023-24				2022-23
	Profit (Loss)	Profit (Loss)	Investment Unit	Carrying Amount	Net Realisable Value	Profit (Loss)	Profit (Loss)
	IRR Million	IRR Million	IRR Million	IRR Million	IRR Million	IRR Million	IRR Million
Profit (Loss) from Investment Value Increase (Decrease)-IRR (shared):							
	0	**0**	**0**	**0**	**0**	**0**	**0**
Profit (Loss) from Investment Value Increase (Decrease)-IRR (Non- shared):							
	0	0	0	0	0	0	0
Total	**0**	**0**	**0**	**0**	**0**	**0**	**0**

13. Legal deposit prize

Legal deposit prize is as follows:

Description	Group and Parent Company	
	2023-24	2022-23
	IRR Million	IRR Million
Legal Deposit of Investment Deposits	547,625	418,784
Others	138,873	115,268
Total	**686,498**	**534,052**

13.1. The average legal deposit and bonus is as follows:

Description	Group and Parent Company	
	2023-24	2022-23
	IRR Million	IRR Million
Average Legal Deposit of Investment Deposits	50,243,587	39,288,226
Legal Deposit Prize	547,625	418,784
Average others	17,938,380	13,345,059
Legal Deposit Prize	**138,873**	**115,268**

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14. Deposit Interest Payment (Expense)

Description	Group		Parent Company	
	2023-24		2023-24	
	IRR Million		IRR Million	
Shared Income:				
Granted Loans Income	98,187,980	65,729,910	99,316,808	66,046,067
Deposits in other banks and non-bank credit institutions income	4,466,465	1,677,306	4,466,465	1,677,306
Deposits & Debt Securities Income	8,052,498	7,189,480	8,052,498	7,189,480
Investments in companies' shares and other securities profit (loss)	5,803	34,588	746,321	1,068,642
Investments in non-bank activities profit (loss)	1,890,969	2,825,461	2,628,157	1,541,397
Total Shared Income	**112,603,714**	**77,456,744**	**115,210,248**	**77,522,891**
Bank's Share from Shared Income	(26,610,623)	(24,528,236)	(26,610,623)	(24,528,236)
Depositors' Share from Shared Income before Deducting Commission Fee	85,993,090	52,938,508	88,599,625	52,994,655
Commission Fee	(11,774,014)	(1,770,847)	(11,774,014)	(1,770,847)
Depositors' Share from Shared Income	74,219,076	51,157,661	76,825,610	51,223,808
Legal Deposit Prize for Investment Deposits	547,625	418,784	547,625	418,784
Compensation of Surplus Expense of Depositors' Free Resources to Shared Expenditures	0	0	0	0
Final Interest on Investment Deposits	74,766,700	51,576,445	77,373,235	51,642,592
Surplus interest paid compared to Interest on Investment Deposits	72,303	0	72,303	0
interest on deposits	74,839,004	51,576,445	77,445,538	51,642,592
Special deposit certificate interest	0	0	0	0
Deposits received from banks and other credit institutions	4,588,331	4,361,175	4,588,331	4,261,175
Interest on foreign currency deposits	12,399	56,513	13,399	56,513
Intragroup deposit interest expenses and other adjustments	2,530,314	47,288	0	0
Total of interest on deposits	81,970,047	56,041,421	82,046,268	56,060,280
Difference in Payable Interest (Payable Interest Surplus) to Depositors	**(72,203)**	**0**	**(72,303)**	**0**

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14.1. Bank's share from Shared income

Bank's share from Shared income is calculated in the following manner:

14.1.1. Bank's share from Shared income

Fiscal Year	Bank's Resources to Total Expenditures Ratio	Shared income	Bank's Share from Shared Income
	percentage	IRR Million	IRR Million
2023-24	31.64	77,522,891	24,528,236
2022-23	23.10	115,210,248	26,610,623

*In case shared expenditures are less than total free resources of investment deposits, the Bank's sources and its share from the shared income will subsequently be zero.

14.1.2. Distribution of shared income and expenditures between depositors and the Bank

Description	2023-24		2022-23	Comment
	IRR Million		IRR Million	
Average shared Expenditures		510,343,444	426,887,101	Average 52 Weeks
Average Balance of investment Deposits	442,710,736		331,108,287	Average 52 Weeks
Less: Legal Deposit of Investment Deposits	(50,243,587)		(39,288,226)	Average 52 Weeks
Free Resources of Investment Deposits		(392,467,149)	(291,820,061)	
Bank's share from shared expenditure		117,876,295	135,067,040	

*The Bank's share from shared expenditures includes shared expenditures less free resources of investment deposits. In case total free resources of investment deposits are higher than shared expenditures, the excess is referred to as surplus of free resources of investment deposits.

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14.1.2.1. Average shared expenditures

Description	2023-24 Amount (average) IRR Million	2022-23 Amount (average) IRR Million
Net Expenditures Related to Loans & Claims	442,301,105	378,774,328
Net Expenditures Related to Investment Deposits held with Other Banks	22,080,882	8,012,115
Net Expenditures Related to Investing in Shares & Other Securities	45,961,458	40,100,658
Total Expenditures Related to shared Operations	**510,343,444**	**426,887,101**

14.1.2.2. Average balance of investment deposits

shared Expenditures Items	2023-24 Amount (Average) IRR Million	2022-23 Amount (Average) IRR Million
Ordinary Short-term Deposits	117,137,834	76,399,105
Special Short-term Deposits	2,029,049	52,081
Ordinary Deposit Certificate	50,076,961	32,637,190
1 Year	22,178,224	6,004,209
2 Year	82,234,958	207,736,024
3 Year	165,950,092	3,246,155
4 Year	0	0
5 Year	0	0
Investment deposits Received from Banks & Credit Institutes	3,103,619	5,033,523
Average Investment Deposits	**442,710,736**	**331,108,287**

14.2. Commission fees

According to Board of Directors' Minute 890 dated 08.03.2021, Bank's commission fees for the 2023-24 period is equivalent to a maximum of 3 percent of net investment deposits sources which is calculated at a rate of 1.77 percent.

Commission Fees = Commission Fee Rate × Depositors' Free Sources Average

11,705,074 = 3% * 392,467,149

14.2.1. Commission fee declared and in effect

Description	Commission Fee Declared		Commission Fee in Effect	
	Rate-%	Amount- IRR Million	Rate-%	Amount- IRR Million
Ordinary Short-term Deposits	3	3,145,698	3	3,145,698
Special Short-term Deposits	3	53,109	3	53,109
Ordinary Deposit Certificate	3	1,502,309	3	1,502,309
1 Year	3	390,385	3	390,385
2 Year	3	2,163,123	3	2,163,123
3 Year	3	4,357,341	3	4,357,341
4 Year	3	0	3	0
5 Year	3	0	3	0
Investment deposits Received from Banks & Credit Institutes	3	93,109	3	93,109
Total Commission Fee 2023-24		**11,705,074**		**11,705,074**
Total Commission Fee 2022-23		**8,754,602**		**1,770,847**

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14.3. compensation of depositors' free sources surplus expense to shared expenditures
According to instruction No.94/69383 dated 10.06.2015, compensation of depositors' free sources surplus expense to shared expenditures is calculated as follows:

$$\text{Investment Deposits Free Sources Surplus to shared Expenditures} * \frac{\text{shared Income}}{\text{shared Expenditures Average}}$$

During the reporting period, the Investment Deposits Free Sources Surplus to shared Expenditures was zero.

14.4. interest paid to investment deposits

On-account interest paid to investment deposits of the Bank is as follows:

Description	Parent Company	
	2023-24	2022-23
	IRR Million	IRR Million
Ordinary Short-term Deposits	3,304,012	7,777,449
Special Short-term Deposits	412,742	6,408
Long-term Deposits		
General Deposit Certificate	9,385,988	5,726,427
1 Year	6,350,020	1,007,962
2 Year	17,808,895	36,393,312
3 Year	40,183,882	731,034
4 Year	0	0
5 Year	0	0
	77,445,538	51,642,592
Investment deposits Received from Banks & Credit Institutes	4,588,331	4,361,175
Total On-account Interest Paid to Investment Deposits	**82,033,870**	**56,003,767**

14.5. Reconciliation of On-Account Interest Paid to Investment Deposits (IRR) With Investment Deposits Expense

	Parent Company	
	2023-24	2022-23
	IRR Million	IRR Million
Actual Interest Paid to Investment Deposits	77,373,235	51,642,592
On-account Interest Paid to Investment Deposits	(77,445,538)	(51,642,592)
Difference in Interest Payable (Surplus of Interest Paid) to Depositors	**(72,303)**	**0**

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15. Commission Income

	Group		Parent Company	
	2023-24	2022-23	2023-24	2022-23
	IRR Million	IRR Million	IRR Million	IRR Million
Net Commission on Gharz-al Hassaneh Operations	10,656	70,277	10,656	70,277
Opened L/Cs	150,414	80,005	150,414	80,005
Issued L/Gs	5,111,381	3,328,217	5,111,381	3,328,217
Foreign Currency Operations	2,389,835	920,894	2,389,835	920,894
Managed Funds	3,330	4,914	3,330	4,914
Bank transfers	0	0	0	0
Collateral Assessment	1,991,491	43,007	1,991,491	43,007
Commission on loan assessment	2,855,236	0	2,855,236	0
Commission on loan supervision	1,903,985	0	1,903,985	0
Commission on Bonds Guarantee	0	5,692	0	5,692
Commission Received from National Development Fund	7,093	19,412	7,093	19,412
Commission on Staff Loans	0	83,866	0	83,866
Safety Deposit Boxes Rental Income	27,627	20,656	27,627	20,656
Commission Received for Sending SMS	7,877	8,915	7,877	8,915
Commission Received for Card Services	26,177	206,320	26,177	206,320
Commission on Sokuk bonds	675,000	235,000	675,000	235,000
Commission on E-banking services	541,087	0	541,087	0
Commission on clearing operation	11,546	0	11,546	0
Other Services	1,216,397	1,261,321	645,514	750,920
Total Commission Income	**16,929,132**	**6,288,496**	**16,358,249**	**5,778,096**

15.1. Net commission of Gharz-al Hassaneh operation related to the Parent Company is as follows:

	Group & Parent Company	
	2023-24	2022-23
	IRR Million	IRR Million
Commission Received on Granted Gharz-al Hassaneh Loans	10,656	70,277
Less: Prize Expense of Mobilizing Gharz-al Hassaneh Deposits	0	0
Net Commission on Gharz-al Hassaneh Operations	**10,656**	**70,277**

15.2. Commission income from foreign currency operations amount to IRR 2,389,835 Million mainly consists of 1,654,452 Million Rials of commission on foreign currency payment orders, 513,851 Million Rials of commission received for issuing foreign currency L/Gs, 197,844 Million Rials is the commission for buying and selling currency and 13,956 Million Rials is the commission for swift transactions.

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16. Commission Expense

	Group		Parent Company	
	2023-24	2022-23	2023-24	2022-23
	IRR Million	IRR Million	IRR Million	IRR Million
Commission Paid for card related services	0	200,473	0	200,473
Commission Paid for account related services	254,741	38,024	254,741	38,024
Clearing House Commission	1,500	0	1,500	0
Commission on foreign currency operation	0	12,450	0	12,450
Commission on collateral assessment	0	0	0	0
Commission Paid to Broker-Foreign Currency	507,131	0	507,131	0
Others	70,741	11,747	66,871	9,511
Total Commission Expenses	**834,113**	**262,694**	**830,243**	**260,458**

17. Net Profit (Loss) of Foreign Currency Transactions

	Group		Parent Company	
	2023-24	2022-23	2023-24	2022-23
	IRR Million	IRR Million	IRR Million	IRR Million
Profit (Loss) of Foreign Currency Transactions	1,954,528	966,884	1,954,535	965,496
Net Profit (Los) of Foreign Currency Transactions	**1,954,528**	**966,884**	**1,954,535**	**965,496**

18. Office and General Expenses

	Group		Parent Company	
	2023-24	2022-23	2023-24	2022-23
	IRR Million	IRR Million	IRR Million	IRR Million
Staff Expenses	9,803,863	6,521,531	8,815,852	5,944,622
Office Expenses	6,074,773	5,152,510	5,527,047	4,767,166
Depreciation Expense	842,770	506,743	720,241	720,241
Total Office & General Expenses	**16,721,405**	**12,180,784**	**15,063,139**	**11,155,859**

18.1. Staff expenses

	Group		Parent Company	
	2023-24	2022-23	2023-24	2022-23
	IRR Million	IRR Million	IRR Million	IRR Million
Salaries, Wages & Benefits	12,273,669	7,528,061	10,926,831	6,741,664
Employers' Premium	1,218,629	918,208	1,084,271	847,785
Work Termination Benefits & Retirement Commitments	1,195,056	1,115,070	1,118,310	1,063,441
Business Travel Allowance	121,005	41,449	121,005	41,449
Others	1,396,407	98,300	1,238,677	18,636
Staff health care	527,062	102,876	527,062	102,876
Total Staff Expenses	**16,731,827**	**9,803,863**	**15,016,156**	**8,815,852**

Increase in salaries, wages and benefits during the year is due to annual raise according to the ratification of the Ministry of Cooperatives, Labor, and Social Welfare and human resources increase.

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18.2. Office expenses

	Group		Parent Company	
	2023-24	2022-23	2023-24	2022-23
	IRR Million	IRR Million	IRR Million	IRR Million
Services Purchase Fee	1,060,855	733,242	939,350	606,847
Mechanization Systems	1,946,498	1,509,792	2,352,796	1,468,828
Consumables	1,129,663	548,127	1,114,124	539,970
Membership Fee of Deposits Guarantee Fund	426,398	499,748	426,398	499,748
Publication, Publicity & Marketing	472,564	319,776	472,742	222,654
Utilities	397,188	200,231	390,794	194,796
Consulting & Attorney Fee	200,450	157,449	200,450	157,449
Repair & Maintenance of Fixed Tangible Assets	302,939	266,100	262,109	231,454
withholding taxes	461,894	222,740	461,894	222,740
Rent	106,290	96,122	93,042	89,072
Judicial, Registration, Notary Public & Customs, etc., Expenses	1,316,027	36,723	1,316,027	36,723
Business Tax	40,480	27,972	40,480	27,906
Board of Directors' Bonus	50,692	40,578	10,000	0
Training	130,095	41,802	130,095	41,802
Cash & Assets Insurance	46,725	24,888	35,648	17,339
Board of Directors' Attendance Fee	17,553	7,870	2,400	1,920
Social responsibility	146,144	65,619	146,144	65,619
Legal fees	1,397,539	596,174	1,397,539	596,174
Others	1,593,877	680,818	1,160,145	506,005
Total Office Expenses	**11,343,871**	**6,074,773**	**10,952,178**	**5,527,047**

18.3. Depreciation

	Group		Parent Company	
	2023-24	2022-23	2023-24	2022-23
	IRR Million	IRR Million	IRR Million	IRR Million
Depreciation of tangible fixed assets	1,246,841	765,821	1,055,512	658,897
Depreciation of intangible assets	221,382	76,949	203,405	61,344
Depreciation of goodwill	0	0	0	0
Total Office Expenses	**1,468,223**	**842,770**	**1,258,963**	**720,2471**

19. Doubtful Loans Expenses

	Group		Parent Company	
	2023-24	2022-23	2023-24	2022-23
	IRR Million	IRR Million	IRR Million	IRR Million
Special Expense of Doubtful Debts for Granted Loans & Claims	13,380,850	2,963,900	13,377,582	2,923,900
General Expense of Doubtful Debts for Granted Loans & Claims	1,993,050	909,467	2,161,534	983,788
Doubtful Loans Expenses	**15,373,900**	**3,873,367**	**15,539,116**	**3,907,688**

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19.1. Special expense of granted doubtful loans & claims of the Parent Company is calculated in the following manner

	Parent Company					
	2023-24					2022-23
	Overdue	Referred	Doubtful below5 Years	Doubtful Above5 Years	Total	Total
	IRR Million	IRR Million	IRR Million	IRR Million	IRR Million	IRR Million
Net Non-performing Loans & Claims before Deducting Doubtful Debt Provision						
Other Banks & Credit Institutes	0	0	0	0	0	0
Governmental Authorities	0	0	0	0	0	0
Non-governmental Entities	12,858,843	3,678,454	11,477,379	18,348,950	46,363,626	19,791,154
Balance of Other Accounts at End of Year						
Claims from Subsidiary & Associated Companies	0	0	0	0	0	0
Other Accounts Receivable	1,130,952	0	340,851	0	1,471,802	1,469,948
Total Non-performing Loans & Claims before Deducting Collaterals Value	13,989,794	3,678,454	11,818,231	18,348,950	47,835,429	21,261,102
Less: Collaterals Value with Coefficient in Effect						
Saving & Investment Accounts	(104,747)	(9,654)	(7,532)	0	(121,933)	(580,323)
Bonds & Other Debt Securities Guaranteed by the CBI & the Government	(5,490)	(5,850)	(13,654)	0	(34,994)	(618,232)
Bonds & Other Debt Securities Guaranteed by Other Banks	0	0	0	0	0	0
L/Gs	0	0	0	0	0	0
Transacted L/Cs	0	0	0	0	0	0
Shares Listed in TSE	(1,398,619)	(998,256)	(18,535)	0	(2,415,510)	(1,153,343)
Real Estates	(4,027,300)	(926,537)	(401,090)	0	(5,354,926)	(2,393,713)
Machineries	0	0	(1,150)	0	(1,150)	0
Total Collaterals Value with Coefficient in Effect	(5,536,155)	(1,940,396)	(441,961)	0	(1,150)	0
Basis Balance for Calculation of Special Provision	8,453,639	1,728,058	11,376,269	18,248,950	39,916,916	16,515,491
Basis Coefficient for Calculation of Special Provision-%	10%	20%	50%	50% TO 100%		
Special Provision for Doubtful Loans	845,364	347,612	5,688,135	18,348,950	25,230,060	11,803,384
Add: Special Provision for Extended & Rescheduled Claims	0	0	661,069	0	661,069	710,163
Less: Balance of Provision for Doubtful Loans at End of the Previous Year	(198,887)	(69,713)	(2,643,276)	(9,601,672)	(12,513,548)	(9,589,646)
Add: Bad Debt during the Year	0	0	0	0	0	0
Special Provision for Doubtful Loans & Claims	**646,477**	**277,899**	**3,705,928**	**8,747,278**	**13,377,582**	**2,923,900**

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19.2. General expense of granted doubtful loans and claims of the Parent Company is as follows:

	Parent Company	
	2023-24	2022-23
	IRR Million	IRR Million
Loans Granted to Other Banks & Credit Institutes	0	0
Claims from the Government	0	0
Loans Granted to Governmental Authorities	0	0
Loans Granted to Non-governmental Entities	575,151,640	431,418,455
Customers' Debt for Term L/Cs after Deducting Advances Received	977,735	4,864,651
Claims from Subsidiary & associated Companies	9,449,719	5,390,068
Other Accounts Receivable	19,765,954	3,903,917
Less:		
Balance of Granted Loans & Claims for which Special Provision Recorded (Rescheduled Loans)	(38,595,080)	(22,929,398)
Basis Balance for Calculation of General Provision	566,749,968	422,647,694
Basis Coefficient for Calculation of General Provision-%	1.5	1.5
General Provision for Granted Loans & Claims	8,501,250	6,339,715
Less: General Provision Balance of Granted Loans & Claims at End of the Previous Year	(6,339,715)	(5,355,927)
Add: Bad Debt during the Year	0	0
General Provision for Granted Doubtful Loans & Claims	**2,161,534**	**983,788**

20. Other Incomes and Expenses

	Group		Parent Company	
	2023-24	2022-23	2023-24	2022-23
	IRR Million	IRR Million	IRR Million	IRR Million
Currency exchange interest of assets and foreign currency liabilities	7,103,674	1,224,522	7,135,807	1,186,102
Penalty for early cancellation of deposits	2,096,414	231,558	2,096,414	231,558
Profit (Loss) of Overseas Branches	0	0	0	0
Reversal of Provision for Doubtful Debts	0	0	0	0
Total Other Operating Revenues	**9,200,087**	**1,456,080**	**9,232,220**	**1,417,660**

20.1. Net sales and services income

Details of the amount stated in the Consolidated Statement of Profit and Loss under above heading which is fully related to subsidiaries are as follows:

	2023-24				2022-23
	Cost	Services	Cost Income	Profit (Loss)	Profit (Loss)
	IRR Million	IRR Million	IRR Million	IRR Million	IRR Million
Karafarin Foreign Exchange Co.	63,767,763	1,716,230	(62,757,011)	3,736,981	974,669
Karafarin Financial Group Company	5,119,909	0	(3,958,995)	1,160,914	0
Negah fardaye Karafarin Co.	0	21,557	0	21,557	1,514
	68,887,672	**1,737,787**	**(66,716,006)**	**3,909,453**	**976,183**

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21. Profit (loss) of investments related to non-banking activities

	Group		Parent Company					
	2023-24	2022-23	2023-24			2022-23		
	Total	Total	IRR	Foreign Currency	Total	IRR	Foreign Currency	Total
	IRR Million	IRR Million	IRR Million	IRR Million	IRR Million	IRR Million	IRR Million	IRR Million
Dividends of companies and units of investment funds	1,166,636	1,044,159	2,707,157	0	2,707,157	1,199,062	0	1,199,062
Profit (loss) resulting from selling shares of companies and units of investment funds	1,185,815	1,634,724	126,163	0	126,163	51,472	0	51,472
Net profit (loss) increase (decrease) in the value of investments	(461,482)	146,577	(205,162)	0	(205,162)	290,862	0	290,862
Profit (loss) of investments related to non-banking activities	**1,890,969**	**2,825,461**	**2,628,157**	**0**	**2,628,157**	**1,541,397**	**0**	**1,541,397**

21.1. Dividends of companies and units of investment funds' profits are divided as follows:

	Group		Parent Company					
	2023-24	2022-23	2023-24			2022-23		
	Total	Total	IRR	Foreign currency	Total	IRR	Foreign currency	Total
	IRR Million	IRR Million	IRR Million	IRR Million	IRR Million	IRR Million	IRR Million	IRR Million
Karafarin Insurance Company	0	0	1,049,868	0	1,049,868	247,073	0	247,073
Dade gostar asre novin (HIWEB)	30,028	22,322	30,028	0	30,028	22,322	0	22,322
TSE	3,640	12,600	3,640	0	3,640	12,600	0	12,600
OTC	1,110	1,832	1,110	0	1,110	1,832	0	1,832
Karafarin brokerage company	0	0	800,000	0	800,000	900,000	0	900,000
Mapna	3,004	2,003	3,004	0	3,004	2,003	0	2,003
Jam Petrochemical	1,451	1,643	1,451	0	1,451	1,643	0	1,643
South Kish Kaveh Steel	1,472	1,365	1,472	0	1,472	1,365	0	1,365
Karafarin financial Group	0	0	803,750	0	803,750	0	0	0
Asre Amin karafarin	0	0	2,357	0	2,357	315	0	315
Others	1,115,454	992,485	0	0	0	0	0	0
Dividends	1,156,160	1,034,249	2,696,680	0	2,696,680	1,189,152	0	1,189,152
Karafarin Brokerage Mutual Investment Fund	6,225	6,010	6,225	0	6,225	6,010	0	6,010
Arman Karafarin Investment Fund	4,251	3,900	4,251	0	4,251	3,900	0	3,900
Profit	10,477	9,910	10,477	0	10,477	9,910	0	9,910
Total Profit and dividend	**1,166,636**	**1,044,159**	**2,707,157**	**0**	**2,707,157**	**1,199,062**	**0**	**1,199,062**

21.2. The profit (loss) from selling shares of companies and units of investment funds is as follows:

	Group		Parent Company				
	2023-24	2022-23	2023-24				2022-23
	Profit (Loss)	Profit (Loss)	Unit/ Shares	Carrying Amount	Net sales value	Profit (Loss)	Profit (Loss)
	IRR Million	IRR Million	Number	IRR Million	IRR Million	IRR Million	IRR Million
Profit (Loss) from Selling Companies' Shares-IRR (shared):							
Investing in the development of mines and metals	0	50,670	0	0	0	0	50,670
Jam Petrochemical co	6,046	803	273,762	5,161	11,207	6,046	803
Dade gostar asre novin (HIWEB)	123,965	0	122,096,569	330,290	454,255	123,965	0
South Kish Kaveh Steel	544	0	2,133,333	22,684	23,228	544	0
Mapna	(4,392)	0	8,583,333	99,137	94,745	(4,392)	0
Others	1,059,652	1,583,252	0	0	0	0	0
Total	**1,185,815**	**1,634,724**	**133**	**457,272**	**583,434**	**126,163**	**51,472**

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21.3.The net profit (loss) of the increase (decrease) in the value of investments is as follows:

	Group		Parent Company				
	2023-24	2022-23	2023-24				2022-23
	Profit (Loss)	Profit (Loss)	Unit/Shares	Carrying Amount	Net sales value	Profit (Loss)	Profit (Loss)
	IRR Million	IRR Million	Number	IRR Million	IRR Million	IRR Million	IRR Million
Profit (Loss) from Investment Value Increase (Decrease)-IRR (shared):							
Dade gostar asre novin (HIWEB)	(205,162)	294,276	513,306,854	697,671	492,508	(205,162)	294,276
Others	(256,320)	(147,699)	0	0	0	0	(3,413)
Total	**(461,482)**	**146,577**	**513,306,854**	**697,671**	**492,508**	**(205,162)**	**290,862**

22. Financial Expenses

	Group		Parent Company	
	2023-24	2022-23	2023-24	2022-23
	IRR Million	IRR Million	IRR Million	IRR Million
Interest on Loans Received from Other 48-1 Banks & Credit Institutes	665,896	632,605	0	0
Interest on Loans Received from the CBI	0	0	0	0
Financial expenses of securities	0	0	0	0
Interest Paid on Credit from National Development Fund	3,098	16,458	3,098	16,458
Late Payment Penalty Paid	0	3,087	0	3,087
Total Financing Expenses	**668,994**	**652,149**	**3,098**	**19,544**

22.1. The above amount is the expense of loans received by Karafarin Leasing Company and Karafarin financial group from Shahr, Tejarat, Mellat, Dey and EN Bank.

23. Net Other Incomes and Expenses

	Group		Parent Company	
	2023-24	2022-23	2023-24	2022-23
	IRR Million	IRR Million	IRR Million	IRR Million
Profit (Loss) from Selling Fixed Tangible and Intangible Fixed Assets	261,009	181,013	7,793	443,996
Profit (Loss) from legal claims	(111,208)	(31,255)	(111,208)	(31,255)
Profit (Loss) from Selling Repossessed Assets	10,561	1,247,134	10,561	1,247,134
Profit (Loss) from non-operating assets rent	0	0	0	0
Loss of accumulated value decrease of assets under construction	(1,200,000)	0	0	0
Expert's Fee	8,972	222,429	8,972	222,429
Income from wastage	14,999	0	14,999	0
Others	668,338	102,465	16,833	78,935
Net Other Incomes & Expenses	**(347,330)**	**1,721,786**	**(52,050)**	**1,961,239**

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23.1. Profit (loss) from selling and disposal of fixed tangible and intangible assets of the Parent Company is as follows:

	Parent Company				
	2023-24				2022-23
	Cost	Carrying Amount	Sale Amount	Profit (Loss)	Profit (Loss)
	IRR Million	IRR Million	IRR Million	IRR Million	IRR Million
Lands	0	0	0	0	0
Buildings	0	0	0	0	411,044
Goodwill	0	0	0	0	
Furniture & Fixtures (Sale & Disposal)	23,316	5,952	13,745	7,793	8,686
Motor Vehicles	0	0	0	0	24,266
Total	**23,316**	**5,952**	**13,745**	**7,793**	**443,996**

23.2. profit (loss) from selling collateral property

	Parent Company				
	2023-24				2022-23
	Cost	Carrying Amount	Sale Amount	Profit (Loss)	Profit (Loss)
	IRR Million	IRR Million	IRR Million	IRR Million	IRR Million
Buildings	0	0	0	0	0
Lands	2,239	2,239	12,800	10,561	165,869
Residential building	0	0	0	0	353,684
office building	0	0	0	0	12,020
Commercial buildings	0	0	0	0	715,561
Total	**2,239**	**2,239**	**12,800**	**10,561**	**1,247,134**

23.3. Rental income of non-operating assets

In the reporting period, Karafarin bank has no rental income from non-operating assets.

24. Net profit from discontinued operations

	Group		Parent Company	
	2023-24	2022-23	2023-24	2022-23
	IRR Million	IRR Million	IRR Million	IRR Million
Operating revenues	0	0	0	0
Cost of Operating revenues	0	0	0	0
Gross profit	0	0	0	0
Administrative and general expenses	0	0	0	0
Other revenues	0	0	0	0
Other expenses	0	0	0	0
Operating profit	0	0	0	0
Other non-operating revenues and expenses	0	0	0	0
Profit (loss) from discontinued operations before tax	0	0	0	0
Income tax	0	0	0	0
Cash flow from discontinued operations	0	0	0	0
Cash flow from operational activities	0	0	0	0
Cash flow from investments	0	0	0	0
Cash flow from financing activities	0	0	0	0
Net increase (decrease) in cash flow	**0**	**0**	**0**	**0**

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25. Earnings Per Share

25.1. basis of calculating EPS

	Group		Parent Company	
	2023-24	2022-23	2023-24	2022-23
	IRR Million	IRR Million	IRR Million	IRR Million
Profit from ongoing activities-operating	19,244,589	10,346,771	16,540,403	10,530,263
Tax	(2,035,798)	(1,187,858)	(589,122)	(446,600)
	17,208,791	**9,158,912**	**15,951,281**	**10,083,663**
Profit from ongoing activities- non-operating	2,490,647	5,328,939	2,573,008	3,483,092
Tax	289,776	80,665	16,538	(56,377)
	2,780,423	**5,409,604**	**2,589,546**	**3,426,715**
Profit (loss) from discontinued operations	0	0	0	0
Tax	0	0	0	0
	0	0	0	0
Net profit before taxes	21,735,236	15,675,710	19,113,412	14,013,354
Tax	(1,746,022)	(1,107,194)	(572,584)	(502,977)
Net profit	19,989,213	14,568,516	18,540,828	13,510,377

	Group		Parent Company	
	2023-24	2022-23	2023-24	2022-23
	IRR Million	IRR Million	IRR Million	IRR Million
Weighted average of ordinary shares	50,000,000,000	50,000,000,000	50,000,000,000	50,000,000,000
Weighted average of ordinary shares of parent company owned by subsidiaries	(36,835,888)	(3,003,484)	0	0
Weighted average of Treasury shares	(576,648,316)	(316,911,633)	(519,322,104)	(259,585,420)
Weighted average of shares	49,386,515,796	49,680,084,883	49,480,677,896	49,740,414,580
EPS	**405**	**293**	**375**	**272**

25.2. Diluted EPS is the result of dividing profit of general shareholders to weighted average of ordinary shares number at shareholders' disposal after adjusting the dilutive effect of all potential ordinary shares. Weighted average of ordinary shares number (group) is 50,000,000,000 shares.

26. Cash

	Group		Parent Company	
	2023-24	2022-23	2023-24	2022-23
	IRR Million	IRR Million	IRR Million	IRR Million
Cash at Hand-IRR	815,322	742,520	789,391	726,945
Cash at Hand-Foreign Currency	1,361,612	806,968	1,257,809	727,872
Cash in Transit-IRR	2,401	0	2,401	0
Cash in Transit- Foreign Currency	0	0	0	0
Deposits held with the CBI (Unlimited)	7,240,702	122,826	7,240,702	122,826
Deposits held with Other Banks & Credit Institutes (Unlimited)	351,671,589	16,383,457	349,987,376	16,236,190
Total cash flow	**361,091,627**	**18,055,770**	**359,277,679**	**17,813,832**

26.1. The IRR and foreign currency balances of funds held with the Bank's branches and treasury have floating insurance coverage.

26.2. On the date of the Statement of Financial Position, foreign currency balance of the Parent Company's fund included USD 2,375,276, EUR 685,725, GBP 1,339, AED 4,822, JPY 30,000, CNY 27,560, CHF 200 and TRY 12,000, all of which have been exchanged at the CBI's rates.

26.3. deposits held with CBI (unlimited) relating to the Parent Company is as follows:

	Parent Company	
	2023-24	2022-23
	IRR Million	IRR Million
Deposit held with CBI-IRR (Unlimited)	6,842,190	38,787
Deposit held with CBI-Foreign Currency (Unlimited)	398,512	84,038
Deposit held with Central Bank of Other Countries-Foreign Currency (Unlimited)	0	0
Total Deposit held with CBI-IRR (Unlimited)	7,240,702	122,826

26.3.1. Based on many correspondences with CBI's Statistics & Foreign Currency Commitments and International Departments and declaration of no foreign currency claims for overdue commitments for the 2011-12 and 2012-13 years (letter 60/1015 dated 07.12.2013 of Foreign Currency Policies & Regulations Department), the Bank has requested the ending of foreign currency auditing and of refunding of IRR 741,556 Million which had been withdrawn from its account. The reply to the Bank's request has been issued via the Foreign Currency Statistics & Commitments Department in a letter numbered 98/41024 dated 04.05.2019 in coordination with the Government and following obtaining necessary licenses from CBI authorities. Penalties for excess withdrawal by 20 March 2022, which according to letter 01/25594 dated 25.04.2022 of CBI amounted to IRR 1,686,538 Million.

26.4. Deposits held with other banks and credit institutes (unlimited)

	Group		Parent Company	
	2023-24	2022-23	2023-24	2022-23
	IRR Million	IRR Million	IRR Million	IRR Million
Deposits held with Other local Banks & Credit Institutes-IRR (Unlimited)	1,510,789	141,081	92,773	89,204
Deposits held with Other local Banks & Credit Institutes-Foreign Currency (Unlimited)	12,272,541	2,404,608	12,272,541	2,404,608
Term Deposits held with Other local Banks & Credit Institutes-IRR (Unlimited)	179,490	9,811	0	0
Term Deposits held with Other local Banks & Credit Institutes-Foreign Currency (Unlimited)	0	0	0	0
Deposits held with Overseas Banks-Foreign Currency (Unlimited)	337,708,770	13,827,957	337,622,062	13,742,377
Term Deposits held with Overseas Banks-Foreign Currency (Unlimited)	0	0	0	0
Total Deposits held with other banks and credit institutes (unlimited)	**351,671,589**	**16,383,457**	**349,987,376**	**16,236,190**

26.5. Balance held with banks which have limitations for withdrawal (time limitation and other limitations) are classified under the heading of Dues from Banks.
26.6. The increase in "Deposits held with Overseas Banks" was mainly due to the receipt of released amounts of foreign currency by Qatar on behalf of the Central Bank of Iran.

27. Claims from Banks and Other Credit Institutes

	Group & Parent Company	
	2023-24	2022-23
	IRR Million	IRR Million
Claims from CBI	4,671,578	2,596,117
Claims from Banks & Credit Institutes	16,180,230	7,318,798
Total Claims from Banks and Other Credit Institutes	**20,851,808**	**9,914,916**

27.1. Balance held with banks which have no limitation for withdrawal are classified under "Cash".

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27.2. Claims from CBI

	Group & Parent Company	
	2023-24	2022-23
	IRR Million	IRR Million
Deposit Held with CBI-IRR (Limited)	0	0
Deposit Held with CBI-Foreign Currency (Limited)	0	0
Deposit Held with Central Banka of Other Countries (Limited)	0	0
Legal Deposit Prize Receivable	0	0
Other Claims	4,671,578	2,596,117
Total Claims from CBI	**4,671,578**	**2,596,117**

27.2.1. "Other claims" mainly includes Term deposit held with CBI (foreign currency) (IRR 4,662,872 Million, EUR 5,010,817 and USD 6,144,833)

27.3. Claims from other banks and non-bank credit institutes

	Group & Parent Company	
	2023-24	2022-23
	IRR Million	IRR Million
Deposits held with Other local Banks & Credit Institutes-IRR (Limited)	0	0
Deposits held with Other local Banks & Credit Institutes-Foreign Currency (Limited)	0	0
Term Deposits held with Other local Banks & Credit Institutes-IRR (Limited)	16,100,000	7,300,000
Term Deposits held with Other local Banks & Credit Institutes-Foreign Currency (Limited)	0	0
Deposits Held with Overseas Banks-Foreign Currency (Limited)	0	0
Term Deposits Held with Overseas Banks-Foreign Currency (Limited)	0	0
Loans Granted to Other Banks & Credit Institutes	0	0
Payment of Cheques Issued by Other Banks	80,230	18,798
Other Claims	0	0
Total Claims from other banks and non-bank credit institutes	**16,180,230**	**7,318,798**

27.3.1. Karafarin bank has granted zero loans to other banks and credit institutions during the reporting period.

27.3.2. Deposits held with Other local Banks & Credit Institutes-IRR (Limited)

Bank/ Credit Institute	currency	Contract Type	Interest Rate	Maturity Date	Collateral Type	Loans Balance		
						2023-24		2022-23
						Foreign Currency	IRR Million	IRR Million
IRR Loans:								
Dey	IRR	overnight	23%	2024/24/03	-	0	13,100,000	0
Ayandeh	IRR	Overnight	23%	2024/24/03	-	0	3,000,000	0
Melal credit institution	IRR	Overnight	24%	2023/24/03	-	0	0	3,300,000
Gardeshgary	IRR	Overnight	24%	2023/24/03	-	0	0	4,000,000
Total							**16,100,000**	**7,300,000**

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28. Claims from the Government

	Group & Parent Company							
	2023-24							2022-23
	The Balance of Principal & Interest of Future Years- Deferred Interest, Commission & Penalties	The Balance of Interest & Commission Receivable	The Balance of Penalties Receivable	Future Years Interest	Deferred Interest & Commission	General Provision for Doubtful Loans	Net	Net
	IRR Million	IRR Million	IRR Million	IRR Million	IRR Million	IRR Million	IRR Million	IRR Million
Loans Guaranteed by the Government	0	0	0	0	0	0	0	0
Loans Guaranteed by the Government	0	0	0	0	0	0	0	0
Claims from the Government	0	0	0	0	0	0	**0**	**0**

29. Granted Loans and Claims from Governmental Authorities

	Group & Parent Company									
	2023-24									2022-23
	The balance of principal	The Balance of Interest & Commission Receivable	The Balance of Penalties Receivable	Muzaraba Received Funds & Musharakat Joint Account	Future Years Interest	Deferred Interest, Commission & Penalties	Total	Provision for Doubtful Loan	Net	Net
	IRR Million	IRR Million	IRR Million	IRR Million	IRR Million	IRR Million	IRR Million	IRR Million	IRR Million	IRR Million
Instalment Sales	0	0	0	0	0	0	0	0	0	0
Joaleh	0	0	0	0	0	0	0	0	0	0
Hire Purchase	0	0	0	0	0	0	0	0	0	0
Salaf	0	0	0	0	0	0	0	0	0	0
Muzaraba	0	0	0	0	0	0	0	0	0	0
Musharakat	0	0	0	0	0	0	0	0	0	0
Debt Discounting	0	0	0	0	0	0	0	0	0	0
Murabaha	0	0	0	0	0	0	0	0	0	0
Istisna	0	0	0	0	0	0	0	0	0	0
Gharz-al Hassaneh	0	0	0	0	0	0	0	0	0	0
Other Granted IRR Loans	0	0	0	0	0	0	0	0	0	0
Other Granted Foreign Currency Loans	0	0	0	0	0	0	0	0	0	0
Debtors for Paid L/Cs	0	0	0	0	0	0	0	0	0	0
Debtors for Paid L/Gs	0	0	0	0	0	0	0	0	0	0
Debtors for Paid Bonds & Sukuk	0	0	0	0	0	0	0	0	0	0
Debtors for Paid Credit Cards	0	0	0	0	0	0	0	0	0	0
Total Granted Loans & Claims from Governmental Authorities	**0**	**0**	**0**	**0**	**0**	**0**	**0**	**0**	**0**	**0**

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30. Granted Loans and Claims from Non-Governmental Entities

	Group									
	2023-24									2022-23
	The balance of principal	The Balance of Interest & Commission Receivable	The Balance of Penalties Receivable	Muzaraba Received Funds & Musharakat Joint Account	Future Years Interest	Deferred Interest, Commission & Penalties	Total	Provision for Doubtful Loan	Net	Net
	IRR Million	IRR Million	IRR Million	IRR Million	IRR Million	IRR Million	IRR Million	IRR Million	IRR Million	IRR Million
Instalment Sales	17,694,092	336,954	0	0	(3,466,000)	0	14,565,045	(2,576,675)	11,988,271	10,250,392
Joaleh	181,419	421,465	0	0	(780)	0	602,104	(183,375)	418,739	399,142
Hire Purchase	184,942	15,962	0	0	(47,577)	0	153,327	(11,538)	141,789	86,066
Salaf	4,762	0	0	0	0	0	4,762	(1,870)	2,892	2,892
Muzaraba	1,412,912	350,561	0	0	0	0	1,763,473	(596,438)	1,167,035	446,077
Musharakat	38,658,466	2,513,252	0	0	0	0	41,171,718	(3,849,702)	37,322,016	10,225,908
Debt Discounting	37,000,498	678,630	0	0	(3,955,728)	0	33,723,400	(534,226)	33,189,173	21,680,860
Murabaha	441,307,995	9,724,418	0	0	(39,069,594)	0	411,962,819	(10,094,698)	401,868,121	355,911,945
Istisna	0	0	0	0	0	0	0	0	0	0
Gharz-al Hassaneh	14,595,698	0	0	0	0	(380,102)	14,215,596	(237,130)	13,978,467	2,532,433
Other Granted IRR Loans	24,961,245	0	0	0	(9,682,887)	0	15,278,358	(228,643)	15,049,715	6,330,708
Other Granted Foreign Currency Loans	25,417,940	1,27,239	0	0	(498,298)	0	26,646,881	(3,434,388)	23,212,493	1,304,612
Debtors for Paid L/Cs	8,240,793	0	101,068	0	0	0	8,341,860	(4,307,558)	4,034,302	3,199,738
Debtors for Paid L/Gs	8,850,761	0	9,775	0	0	0	8,860,536	(7,618,415)	1,242,121	1,174,969
Debtors for Paid Bonds & Sukuk	0	0	0	0	0	0	0	0	0	0
Debtors for Paid Credit Cards	0	0	0	0	0	0	0	0	0	125,899
Total Granted Loans & Claims from Governmental Authorities	**618,511,523**	**15,768,481**	**110,843**	**0**	**(56,720,865)**	**(380,102)**	**577,289,880**	**(33,674,655)**	**543,615,224**	**414,571,641**

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	Parent Company									
	2023-24									2022-23
	The balance of principal	The Balance of Interest & Commission Receivable	The Balance of Penalties Receivable	Muzaraba Received Funds & Musharakat Joint Account	Future Years Interest	Deferred Interest, Commission & Penalties	Total	Provision for Doubtful Loan	Net	Net
	IRR Million	IRR Million	IRR Million	IRR Million	IRR Million	IRR Million	IRR Million	IRR Million	IRR Million	IRR Million
Instalment Sales	8,617,096	336,954	0	0	(1,384,854)	0	7,569,196	(3,387,549)	5,181,647	5,123,354
Joaleh	181,419	421,465	0	0	(780)	0	602,104	(183,375)	418,729	399,142
Hire Purchase	184,942	15,962	0	0	(47,577)	0	153,327	(11,538)	141,789	246,096
Salaf	4,762	0	0	0	0	0	4,762	(1,870)	2,892	2,892
Muzaraba	1,412,912	350,561	0	0	0	0	1,763,473	(596,438)	1,167,035	446,077
Musharakat	38,658,466	2,513,252	0	0	0	0	41,171,718	(3,849,702)	37,322,016	13,866,323
Debt Discounting	37,000,498	678,630	0	0	(3,955,728)	0	33,723,400	(534,226)	33,189,173	31,680,860
Murabaha	446,201,064	9,724,418	0	0	(29,069,594)	0	416,855,888	(10,094,698)	406,761,190	355,911,945
Istisna	0	0	0	0	0	0	0	0	0	0
Gharz-al Hassaneh	14,595,698	0	0	0	0	(380,102)	14,215,596	(237,130)	13,978,467	3,532,433
Other Granted IRR Loans	24,925,786	0	0	0	(9,682,887)	0	15,242,899	(228,643)	15,014,256	6,315,323
Other Granted Foreign Currency Loans	25,417,940	1,27,239	0	0	(498,298)	0	26,646,881	(3,434,388)	23,212,493	1,304,612
Debtors for Paid L/Cs	8,240,793	0	101,068	0	0	0	8,341,860	(4,307,558)	4,034,302	3,199,738
Debtors for Paid L/Gs	8,850,761	0	9,775	0	0	0	8,860,536	(7,618,415)	1,242,121	1,174,969
Debtors for Paid Bonds & Sukuk	0	0	0	0	0	0	0	0	0	0
Debtors for Paid Credit Cards	0	0	0	0	0	0	0	0	0	125,899
Total Granted Loans & Claims from Governmental Authorities	**614,292,137**	**15,768,481**	**110,843**	**0**	**(54,639,718)**	**(380,102)**	**575,151,640**	**(33,485,530)**	**541,666,110**	**413,229,664**

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30.1. Classification of granted loans and claims from non-governmental entities of the Parent Company based on the instruction of the Money and Credit Council is as follows:

	Parent Company				
	2023-24				
	Current	Overdue	Deferred	Doubtful	Total
	IRR Million	IRR Million	IRR Million	IRR Million	IRR Million
Instalment Sales	6,234,899	79,419	405,059	2,234,673	8,954,050
Joaleh	16,461	379	1,682	584,362	602,884
Hire Purchase	178,478	0	0	22,426	200,904
Salaf	0	0	0	4,762	4,762
Muzaraba	1,018,016	0	0	745,457	1,763,473
Musharakat	33,873,442	277,291	0	7,020,985	41,171,718
Debt Discounting	36,750,878	907,805	20,445	0	37,679,128
Murabaha	439,724,860	11,588,189	3,250,078	1,362,355	455,925,482
Istisna	0	0	0	0	0
Gharz-al Hassaneh	14,588,295	5,759	1,190	454	14,595,698
Other Granted IRR Loans	24,925,786	0	0	0	24,925,786
Other Granted Foreign Currency Loans	25,679,015	0	0	1,466,164	27,145,179
Debtors for Paid L/Cs	89,619	0	0	8,252,241	8,341,860
Debtors for Paid L/Gs	347,984	0	0	8,512,552	8,860,536
Debtors for Paid Bonds & Sukuk	0	0	0	0	0
Debtors for Paid Credit Cards	0	0	0	0	0
Total gross Granted Loans & Claims from Governmental Authorities	**583,427,733**	**12,858,843**	**3,678,454**	**30,206,431**	**630,171,461**
Less:					
Future Years Interest	(54,639,718)	0	0	0	(54,639,718)
Deferred Interest & Commission	0	0	0	(380,102)	(380,102)
Muzaraba Received Funds	0	0	0	0	0
Musharakat Joint Account	0	0	0	0	0
Gross claims before provisions	**528,788,014**	**12,858,843**	**3,678,454**	**29,826,329**	**575,151,640**
General Provision for Doubtful Loans	(7,561,858)	(186,537)	(35,157)	(264,796)	(8,048,348)
Special Provision for Doubtful Loans	0	(732,269)	(347,612)	(24,357,302)	(25,437,182)
Balance on 20.03.2024	**521,226,156**	**11,940,037**	**3,295,686**	**5,204,232**	**541,666,110**
Balance on 2023-24	**405,796,833**	**2,498,256**	**1,648,622**	**3,285,954**	**413,229,664**

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30.2. Turnover of provision for doubtful loans of the Parent Company is as follows:

	Parent Company					
	2023-24			2022-23		
	General Provision	Special Provision	Total	General Provision	Special Provision	Total
	IRR Million	IRR Million	IRR Million	IRR Million	IRR Million	IRR Million
Balance at Beginning of Year	6,127,336	12,061,456	18,188,791	5,289,941	9,137,555	14,427,497
Recovered	0	0	0	0	0	0
Bad Debt/ Provision	0	0	0	0	0	0
Increase or Decrease during Years	1,921,013	13,375,726	15,296,739	837,395	2,923,900	3,761,295
Balance at End of Year	**8,048,348**	**25,437,182**	**33,485,530**	**6,127,336**	**12,061,456**	**18,188,791**

30.3. Granted foreign currency loans of the Parent Company based on resources

	Parent Company					
	2023-24					2022-23
	Current	Overdue	Deferred	Doubtful	Total	Total
	IRR Million	IRR Million	IRR Million	IRR Million	IRR Million	IRR Million
Local Resources	25,180,717	0	0	1,466,164	26,646,881	2,435,624
Foreign Currency Reserve Account	0	0	0	0	0	0
National Development Fund	0	0	0	0	0	0
Trade Unions	0	0	0	0	0	0
Total Foreign Currency Granted Loans	**25,180,717**	**0**	**0**	**1,466,164**	**26,646,881**	**2,435,624**

30.4. Granted loans and claims from non-governmental entities of the Parent Company based on maturity date and interest rate:

	Parent Company							
	2023-24							2022-23
	24% & above	21% to 24%	18% to 21%	15% to 18%	12% to 15%	Below 12%	Total	Total
	IRR Million	IRR Million			IRR Million	IRR Million	IRR Million	IRR Million
2022-23 & Previous Years	12,522,155	31,046,166	14,097,305	391,941	1,453	23,724,278	81,782,297	36,830,400
2023-24	16,994,041	397,119,329	6,637,533	1,485,212	0	11,370,881	433,606,996	343,000,219
2024-25	0	2,487,350	10,332,386	145,884	0	861,643	14,827,263	12,673,398
2025-26	0	13,741,300	6,141,818	15,413	0	1,299,435	21,197,966	17,374,330
2026-27& after	0	6,029,312	2,867,421	902,293	0	13,936,992	22,736,118	21,540,109
Total Granted Loans & Claims from Non- governmental Entities	29,516,196	451,423,458	40,076,463	2,940,844	1,453	51,193,228	575,151,640	431,418,455
General Provision	(442,743)	(6,192,426)	(601,147)	(44,113)	(22)	(767,898)	(8,048,248)	(6,127,336)
Special Provision	(15,451,070)	(1,422,510)	(5,284,638)	(661,076)	0	(2,617,888)	(25,437,182)	(12,061,456)
Balance on 20.03.2024	**13,622,383**	**443,808,522**	**34,190,678**	**2,235,655**	**1,431**	**47,807,441**	**541,666,110**	**0**
Balance on 2023-24	**5,549,902**	**111,038,716**	**275,820,129**	**6,104,840**	**4,537,568**	**10,178,509**	**413,229,664**	**413,229,664**

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30.5.Granted loans and claims from non-governmental entities of the Parent Company based on collateral is as follows:

	Parent Company					
	2023-24			2022-23		
	Balance	Provision	Net	Balance	Provision	Net
	IRR Million	IRR Million	IRR Million	IRR Million	IRR Million	IRR Million
Deposits	9,822,164	(356,529)	9,465,635	74,439,318	(43,586)	74,396,732
Bonds & Other Debt Securities Guaranteed by the Government & CBI	0	0	0	0	0	0
Bonds & Other Debt Securities Guaranteed by Other Banks	0	0	0	0	0	0
L/Gs	0	0	0	0	0	0
Paid L/Cs	0	0	0	0	0	0
Shares listed in TSE	36,894,010	(639,181)	36,254,829	39,614,316	(843,515)	38,770,801
Land &Buildings	148,549,854	(7,306875)	141,242,979	97,539,622	(5,359,154)	92,180,468
Machineries	291,469	(34,525)	256,943	231,620	(32,662)	198,958
Cheques & Promissory Notes	358,898,545	(20,063,352)	338,825,193	208,240,777	(10,950,532)	197,290,244
Enforced contracts	3,292,136	(824,055)	2,468,080	1,184,237	(937,490)	246,747
Other	17,403,464	(4,261,013)	13,142,451	10,168,567	(22,852)	10,145,714
Total Secured Loans & Claims	575,151,640	(33,485,530)	541,666,110	431,418,455	(18,188,791)	413,229,664
Unsecured Loans & Claims	0	0	0	0	0	0
Total Granted Loans & Claims from non-governmental Entities	575,151,640	(33,485,530)	541,666,110	431,418,455	(18,188,791)	413,229,664

*Disclosure of collateral at the Bank's disposal is based on the balance of loans in the order of the most marketable to least marketable collaterals.

30.6. Turnover of the Parent Company's granted loans and claims to non-governmental entities

	Parent Company																
	Instalment Sales	Joaleh	Hire Purchase	Salaf	Muzaraba	Musharakat	Debt Discounting	Murabaha	Istisna	Gharz-al Hassaneh	Other Granted IRR Loans	Other Granted Foreign Currency Loans	Debtors for Paid L/Cs	Debtors for Paid L/Gs	Debtors for Paid Bonds & Sukuk	Debtors for Paid Credit Cards	Total
	IRR Million	IRR Million	IRR Million	IRR Million	IRR Million	IRR Million	IRR Million	IRR Million	IRR Million	IRR Million	IRR Million	IRR Million	IRR Million	IRR Million	IRR Million	IRR Million	IRR Million
Principal Amount of Granted Loans:																	
Balance on 2023-24	6,028804	550,493	247,766	4,462	837,268	15,687,210	21,090,222	354,286,869	0	3,588,272	6,411,610	2,421,891	6,499,683	1,566,944	0	125,899	419,347,395
Granted during Year	4,455,658	287,211	112,607	301	3,163,476	34,724,491	64,302,912	676,492,042	0	11,289,032	8,831,289	23,849,876	1,881,628	32,023,224	0	0	861,413,747
Collected during Year	(3,252,220)	(657,065)	(223,008)	0	(2,587,832)	(11,753,235)	(52,348,364)	(623,647,441)	0	(661,708)	0	(9,185,936)	(140,519)	(24,739,407)	0	(125,899)	(729,322,635)
Exchange effect during Year	0	0	0	0	0	0	0	0	0	0	0	7,833,811	0	0	0	0	7,833,811
Balance on 20.03.2024	7,232,242	180,638	137,365	4,762	1,412,912	38,658,466	33,044,770	407,131,470	0	14,215,596	15,242,899	24,919,642	8,240,793	8,850,761	0	0	559,272,317
Granted Loans interests:																	
Balance on 2023-24	179,237	33,537	13,246	2,072	154,281	3,225,098	987,824	7,462,031	0	3	0	13,733	0	0	0	0	12,071,061
Granted during Year	904,625	421,270	149,159	0	443,108	4,020,170	58,393	61,111,121	0	372,744	0	1,986,291	101,068	12,708,975	0	0	82,276,924
Collected during Year	(746,909)	(33,342)	(146,443)	(2,072)	(246,828)	(4,732,017)	(367,587)	(58,848,735)	0	(372,747)	0	(272,784)	0	(12,699,200)	0	0	(78,468,662)
Exchange effect during Year	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Balance on 20.03.2024	336,954	421,465	15,962	0	350,561	2,513,252	678,630	9,724,418	0	0	0	1,727,239	101,068	9,775	0	0	15,879,324
Provision for Doubtful Loans:																	
Balance on 2023-24	(1,084,687)	(184,888)	(14,916)	(3,641)	(545,472)	(5,045,985)	(397,186)	(5,836,955)	0	(55,842)	(96,287)	(1,231,012)	(3,299,945)	(391,975)	0	0	(18,188,791)
Recovered	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Bad/Debts/Provision during Year	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Increase or Decrease during Year	(1,302,862)	1,514	3,378	1,771	(50,966)	1,196,283	(137,040)	(4,257,743)	0	(181,288)	(132,356)	(2,203,377)	(1,007,613)	(7,226,440)	0	0	(15,296,739)
Balance on 20.03.2024	(2,387,549)	(183,375)	(11,538)	(1,870)	(596,438)	(3,849,702)	(534,226)	(10,094,698)	0	(237,130)	(228,643)	(3,434,388)	(4,307,558)	(7,618,415)	0	0	(33,485,530)
Muzaraba Received Funds	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Musharakat Joint Account	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Net Granted Loans:																	
Balance on 20.03.2024	**5,181,647**	**418,729**	**141,789**	**2,892**	**1,167,035**	**37,322,016**	**33,189,173**	**406,761,190**	**0**	**13,978,467**	**15,014,256**	**23,212,493**	**4,034,302**	**1,242,121**	**0**	**0**	**541,666,110**
Balance on 2023-24	**5,123,354**	**399,142**	**246,096**	**2,892**	**446,077**	**13,866,323**	**21,680,860**	**355,911,945**	**0**	**3,532,433**	**6,315,323**	**1,204,612**	**3,199,738**	**1,174,969**	**0**	**125,899**	**413,229,664**

* Smaller portion of loans includes interest and late payment penalties. Increase during the year also includes cash and accrued revenues recognized and collected amounts the collected portion of cash and accrued revenues during the reporting period.

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30.6.1 . Turnover of smaller portion of the Parent Company's granted loans and claims from non-governmental entities

	Parent Company																
	Instalment Sales	Joaleh	Hire Purchase	Salaf	Muzaraba	Musharakat	Debt Discounting	Murabaha	Istisna	Gharz-al Hassaneh	Other Granted IRR Loans	Other Granted Foreign Currency Loans	Debtors for Paid L/Cs	Debtors for Paid L/Gs	Debtors for Paid Bonds & Sukuk	Debtors for Paid Credit Cards	Total
	IRR Million	IRR Million	IRR Million	IRR Million	IRR Million	IRR Million	IRR Million	IRR Million	IRR Million	IRR Million	IRR Million	IRR Million	IRR Million	IRR Million	IRR Million	IRR Million	IRR Million
Interest Receivable on Granted Loans:																	
Balance on 2023-24	179,237	33,537	13,246	2,072	154,281	3,225,098	987,824	7,462,031	0	3	0	13,733	0	0	0	0	12,071,061
Granted during Year	904,625	421,270	149,159	0	443,108	4,020,170	58,393	61,111,121	0	372,744	0	1,986,291	0	12,699,200	0	0	82,166,081
Collected during Year	(746,909)	(33,342)	(146,443)	(2,072)	(246,828)	(4,732,017)	(367,587)	(58,848,735)	0	(372,747)	0	(272,784)	0	(12,699,200)	0	0	(78,468,662)
Exchange effect during Year												0		0			0
Balance on 20.03.2024	336,954	421,465	15,962	0	350,561	2,513,252	678,630	9,724,418	0	0	0	1,727,239	0	0	0	0	15,768,481
Penalty on Granted Loans:																	
Balance on 2023-24	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Granted during Year	0	0	0	0	0	0	0	0	0	0	0	0	101,068	9,775	0	0	110,843
Collected during Year	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Exchange effect during Year													0	0			0
Balance on 20.03.2024	0	0	0	0	0	0	0	0	0	0	0	0	101,068	9,775	0	0	110,843
Minor Granted Loans:																	
Balance on 20.03.2024	**336,954**	**421,465**	**15,962**	**0**	**350,561**	**2,513,252**	**678,630**	**9,724,418**	**0**	**0**	**0**	**1,727,239**	**101,068**	**9,775**	**0**	**0**	**15,879,324**
Balance on 2023-24	**179,237**	**33,537**	**13,246**	**2,072**	**154,281**	**3,225,098**	**987,824**	**7,462,031**	**0**	**3**	**0**	**13,733**	**0**	**0**	**0**	**0**	**12,071,061**

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30.7. Granted loans and claims from non-governmental entities based on customer type

	Parent Company					
	2023-24			2022-23		
	Gross	Provision	Net	Gross	Provision	Net
	IRR Million	IRR Million	IRR Million	IRR Million	IRR Million	IRR Million
Individuals-dependent	48,712	(731)	47,982	0	0	0
Legal Entities-dependent	4,841,419	(72,621)	4,768,798	5,336,073	(80,041)	5,256,032
Employees	15,160,369	(227,406)	14,932,964	6,419,164	(96,287)	6,322,876
Individuals-other	70,453,109	(3,096,522)	67,356,587	39,081,156	(3,770,447)	35,310,709
Legal Entities-other	484,648,030	(30,088,251)	454,559,779	380,582,062	(14,242,016)	366,340,047
Total Granted loans and claims from non-governmental entities	**575,151,640**	**(33,485,530)**	**541,666,110**	**431,418,455**	**(18,188,791)**	**413,229,664**

30.8. Loans granted to associate companies

	2023-24					2022-23
	Average Weight of Interest Rate	Current	Non-performing	Provision for Doubtful Loans	Total	Total
	%	IRR Million	IRR Million	IRR Million	IRR Million	IRR Million
Karafarin Insurance		0	0	0	0	0
Total		0	0	0	0	0
Total Loans granted to associate companies		**4,893,069**	**0**	**(73,396)**	**4,819,673**	**3,580,948**

31. Claims from Subsidiary and Associate Companies

	Group				Parent Company			
	2023-24			2022-23	2023-24			2022-23
	Claim Balance	Provision for Doubtful Loans	Net	Net	Claim Balance	Provision for Doubtful Loans	Net	Net
	IRR Million	IRR Million	IRR Million	IRR Million	IRR Million	IRR Million	IRR Million	IRR Million
Claims from Subsidiary Companies-IRR	0	0	0	0	8,853,737	(132,806)	8,720,931	5,066,842
Claims from Associate Companies-IRR	595,982	(8,940)	587,042	0	595,982	(8,940)	587,042	0
Claims from Subsidiary Companies-foreign currency	0	0	0	0	0	0	0	242,376
Claims from Associate Companies-foreign currency	0	0	0	0	0	0	0	0
Total claims from subsidiaries	**595,982**	**(8,940)**	**587,042**	**0**	**9,449,719**	**(141,746)**	**9,307,973**	**5,309,217**

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31.1. Gross balance of claims from subsidiary and associate companies of the Parent Company based on contract type is as follows:

	2023-24											
	assets and investments sales	assets and investments Purchase	Service purchase	Service sales	On-account received	On-account paid	Gharz-al hassaneh	Dividends Receivable	Dividends Payable	Total	Provisions	Net
	IRR Million	IRR Million	IRR Million	IRR Million	IRR Million	IRR Million	IRR Million	IRR Million	IRR Million	IRR Million	IRR Million	IRR Million
Karafarin Insurance	0	0	0	0	0	26,054	0	569,928	0	595,982	(8,940)	587,042
Karafarin Bank financial group	0	0	0	0	(464,019)	3,050,188	0	1,340,994	0	3,927,163	(58,907)	3,868,256
Karafarin Leasing	0	0	0	0	(6,000)	(147,998)	0	918,928	0	764,930	(11,474)	753,456
Karafarin Bank Brokerage	0	0	0	0	0	0	0	800,000	0	800,000	(12,000)	788,000
Karafarin Foreign Exchange	0	0	0	0	0	10,921	0	0	0	10,921	(164)	10,758
Abnie Gostar Karafarin Construction	0	0	0	0	(80,551)	873,078	0	32,396	0	824,923	(12,374)	812,550
Omid Karafarin Commercial Development	0	0	0	0	0	0	0	0	0	0	0	0
Amin Etemad Karafarin	0	0	0	0	0	9,315	0	0	0	9,315	(140)	9,176
Asre Amin Karafarin	0	0	0	0	0	822,355	0	2,357	0	824,712	(12,371)	812,341
Negahe Fardaye Karafarin IT Development	0	0	0	0	(525,136)	915,388	0	22,500	0	412,752	(6,191)	406,561
Negahe Fardaye Karafarin E-commerce Development	0	0	0	0	0	964	0	0	0	964	(14)	950
Negahe Fardaye Karafarin Banking Software	0	0	0	0	0	8,040	0	0	0	8,040	(121)	7,920
Omid Karafarin wealth management	0	0	0	0	0	1,270,015	0	0	0	1,270,015	(19,050)	1,250,965
Total claims from subsidiary and associate companies	**0**	**0**	**0**	**0**	**(1,075,706)**	**6,838,322**	**0**	**3,687,103**	**0**	**9,449,719**	**(141,746)**	**9,307,973**

*The major part of the account payment to the financial group company is for the financing of Kourosh Petrochemical Company.
*The major part of the on-account paid to Abnieh Gostar Company is in the form of transfer of Marivan property in the form of capital increase and the process of capital increase is also in progress. If this process fails, the said property will be transferred to the bank.
*On account of the payment to the technology development company, Negah Fardaye Karafarin is mainly for the purchase of the shares of the smart strategy of the stars' wealth management company.
*The payment to Asr Amin Karafarin company is mainly for the purchase of Sohrawardi property.

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	2022-23											
	assets and investments sales	assets and investments Purchase	Service purchase	Service sales	On-account received	On-account paid	Gharz-al hassaneh	Dividends Receivable	Dividends Payable	Total	Provisions	Net
	IRR Million	IRR Million	IRR Million	IRR Million	IRR Million	IRR Million	IRR Million	IRR Million	IRR Million	IRR Million	IRR Million	IRR Million
Karafarin Insurance	0	0	0	0	0	0	0	0	0	0	0	0
Karafarin Bank financial group	0	0	0	0	(28,019)	954,038	0	537,244	0	1,463,263	(21,949)	1,441,314
Karafarin Leasing	0	0	0	0	(5,959)	0	0	202,446	0	196,487	(2,947)	193,539
Karafarin Bank Brokerage	0	0	0	0	0	0	0	900,000	0	900,000	(13,500)	886,500
Karafarin Foreign Exchange	0	0	0	0	0	1,305	0	799,840	0	801,145	(12,017)	789,128
Abnie Gostar Karafarin Construction	0	0	0	0	(61,205)	598,240	0	31,767	0	568,802	(8,532)	560,270
Omid Karafarin Commercial Development	0	0	0	0	0	0	0	0	0	0	0	0
Amin Etemad Karafarin	0	0	0	0	0	6,665	0	0	0	6,665	(100)	6,565
Asre Amin Karafarin	0	0	0	0	0	812,876	0	0	0	812,876	(12,193)	800,683
Negahe Fardaye Karafarin IT Development	0	0	0	0	(509,130)	868,024	0	0	0	358,895	(5,383)	353,511
Negahe Fardaye Karafarin E-commerce Development	0	0	0	0	(32,426)	54,588	0	0	0	22,162	(332)	21,830
Negahe Fardaye Karafarin Banking Software	0	0	0	0	0	13,708	0	0	0	13,708	(206)	13,502
Omid Karafarin wealth management	0	0	0	0	0	0	0	0	0	0	0	0
Total claims from subsidiary and associate companies	**0**	**0**	**0**	**0**	**(636,739)**	**3,309,444**	**0**	**2,471,297**	**0**	**5,144,002**	**(77,160)**	**5,066,842**

31.2. The balance of foreign currency receivables from subsidiaries and affiliates based on the subject of the intermediary transaction is as follows:

			2023-24				2022-23			
	currency	subject	amount	balance	provision	net	amount	balance	provision	net
			IRR Million	IRR Million	IRR Million	IRR Million	IRR Million	IRR Million	IRR Million	IRR Million
Karafarin Foreign Exchange	AED	Sell/buy	0	0	0	0	3,362,264	226,479	(3,397)	223,082
Karafarin Foreign Exchange	USD	Sell/buy	0	0	0	0	0	1,486	(22)	1,464
Karafarin Foreign Exchange	EUR	Sell/buy	0	0	0	0	68,309	18,102	(272)	17,830
Karafarin Foreign Exchange	JPY	Sell/buy	0	0	0	0	0	0	0	0
Total foreign currency receivables			**0**	**0**	**0**	**0**	**3,436,517**	**246,067**	**(3,691)**	**242,376**

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31.3. Classification of claims from subsidiary and associate companies based on the ratified instruction of the Money and Credit Council

	Parent Company				
	2023-24				
	Current	Overdue	Deferred	Doubtful	Total
	IRR Million	IRR Million	IRR Million	IRR Million	IRR Million
Claims from Subsidiary Companies-IRR	8,853,737	0	0	0	8,853,737
Claims from Associate Companies-IRR	595,982	0	0	0	595,982
Claims from Subsidiary Companies-foreign currency	0	0	0	0	0
Claims from Associate Companies-foreign currency	0	0	0	0	0
Net Claims from Subsidiary & Associate Companies before Deduction of Provision for Doubtful Loans	9,449,719	0	0	0	9,449,719
General Provision for Doubtful Loans	(141,746)	0	0	0	(141,746)
Special Provision for Doubtful Loans	0	0	0	0	0
Balance on 20.03.2024	**9,307,973**	**0**	**0**	**0**	**9,307,973**
Balance on 20.03.2023	**5,309,217**	**0**	**0**	**0**	**5,309,217**

32. Other Accounts Receivable

	Group		Parent Company			
	2023-24	2022-23	2023-24			2022-23
	net	net	balance	provision	net	Net
	IRR Million	IRR Million	IRR Million	IRR Million	IRR Million	IRR Million
Dividends Receivable	42,751	31,437	40,311	(605)	39,706	30,441
Realised Interest on Bonds	8,075,821	3,302,488	8,067,279	0	8,067,279	3,300,417
Claims from Employees	219,134	111,819	149,456	(2,242)	147,214	43,517
Temporary Debtors	174,367,523	7,998,854	163,319,081	(747,589)	162,571,492	4,789,256
Total Other Accounts Receivable	**182,705,229**	**11,444,598**	**171,576,127**	**(750,436)**	**170,825,691**	**8,163,632**

32.1.Balance of dividends receivable except for dividends of subsidiary and associate companies are as follows:

	Group		Parent Company			
	2023-24	2022-23	2023-24			2022-23
	net	net	balance	provision	net	Net
	IRR Million	IRR Million	IRR Million	IRR Million	IRR Million	IRR Million
Companies Listed in TSE & OTC Market:						
Asre Novin Informatics (HiWeb)	29,578	21,987	30,028	29,578	22,322	21,987
Iran industry investment co.	43	43	44	43	44	43
Iran Credit Rating	563	3,545	571	563	3,599	3,545
Shaparak credit Card	4,590	2,894	4,660	4,590	2,938	2,894
Mapna	4,932	1,973	5,007	4,932	2,003	1,973
Others	3,045	996	0	0	0	0
Balance of Dividends Receivable	**42,751**	**31,437**	**40,311**	**39,706**	**30,905**	**30,441**

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32.2. Temporary debtors

	Group		Parent Company			
	2023-24	2022-23	2023-24			2022-23
	Net	**Net**	**Balance**	**Net**	**Balance**	**Net**
	IRR Million	IRR Million	IRR Million	IRR Million	IRR Million	IRR Million
Companies Listed in TSE & OTC Market:						
Items Related with Loans:	1,981,567	481,276	2,011,743	1,981,567	532,478	481,276
Legal & Debt Collection Expenses	0	5,801	0	0	6,418	5,801
Biosun Pharmod Co.	1,981,567	487,077	2,011,743	1,981,567	538,896	487,077
Total						
Items Unrelated with Loans:	163,284,857	3,280,323	157,810,600	157,481,376	3,629,313	3,280,323
Temporary Foreign Currency Debtors	328,513	230,989	333,516	328,513	255,564	230,989
Foreign Currency Commission Debtors	84,616	0	85,905	84,616	0	0
Rey Daneh Co.	0	157,061	175,521	0	173,771	157,061
Alborz Bulk Pharmaceutical Production Co.	0	141,970	157,074	0	157,074	141,970
Exir Pharmaceutical Co.	0	7,462	8,256	0	8,256	7,462
Tamin Atiyeh Omid Karafarin Institute	131,270	219,157	133,269	131,270	242,473	219,157
Dividends Receivable on Deposits Held with Other Banks	11,971	4,338	12,153	11,971	4,800	4,338
Petty Cash Debtors	106,536	167,829	108,158	106,536	185,684	167,829
Current Account of Karafarin Brokerage Customers	3,445,402	1,922,063	0	0	0	0
others	4,992,791	1,380,584	2,482,885	2,445,642	102,948	93,049
Total	**172,385,956**	**7,511,777**	**161,307,338**	**160,589,925**	**4,759,884**	**4,302,179**
Balance of Temporary Debtors	**174,367,523**	**7,998,854**	**163,319,081**	**162,571,492**	**5,298,780**	**4,789,256**

32.2.1. The above amount is mainly related to legal expenses related to non-performing loans, which will be collected at the time of loan settlement.
32.2.2. The debts created are due to the difference between the reference exchange rate and the exchange rate for Lc and document bills that are in the process of being legalized.
32.2.3. The above amount is for the claim related to the granting of credit to the clients of Karafarin Bank Brokerage company at the end of the current period.

32.3. Classification of other accounts receivable based on the ratified instruction of Money and Credit Council

	2023-24				
	Current	Overdue	Deferred	Doubtful	Total
	IRR Million	IRR Million	IRR Million	IRR Million	IRR Million
Dividends Receivable	40,311	0	0	0	40,311
Realised interest on Bonds	8,067,279	0	0	0	8,067,279
Temporary Debtors	161,847,278	1,130,952	0	340,851	163,319,081
Claims from Employees	149,456	0	0	0	149,456
Net Other Accounts Receivable before Deduction of Provision for Doubtful Loans	170,104,324	1,130,952	0	340,851	171,576,127
General Provision for Doubtful Loans	(296,489)	0	0	0	(296,489)
Special Provision for Doubtful Loans		(113,095)	0	(340,851)	(453,947)
Balance on 20.03.2024	**169,807,834**	**1,017,857**	**0**	**0**	**170,825,691**
Balance on 20.03.2023	**7,145,775**	**1,017,857**	**0**	**0**	**8,163,632**

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32.3.1. The doubtful claims accounts are due to foreign currency debts of Reydaneh, Balak Alborz Pharmaceutical and Exir Pharmaceutical Companies. These debts are related to the difference in reference and exchange rates in previous years, 100% of which have been recorded in the books as doubtful claims.

33. Investment in Shares and Other Securities

	Group					
	2023-24			2022-23		
	Current	Long-term	Total	Current	Long-term	Total
	IRR Million	IRR Million	IRR Million	IRR Million	IRR Million	IRR Million
Investment in Rapidly Marketable Shares	3,653,936	5,724,828	9,378,764	4,368,376	6,126,132	10,494,508
Investment in Other Shares	0	4,826,806	4,826,806	0	4,446,956	4,446,956
Investment in Other Securities	29,087,817	23,104,225	52,192,041	30,757,810	0	30,757,810
Investment in Construction Projects	0	310,622	310,622	0	311,343	311,343
Total Investment in Shares and Other Securities	**32,741,752**	**33,966,480**	**66,708,233**	**35,126,186**	**10,884,431**	**46,010,617**

	Parent Company					
	2023-24			2022-23		
	current	Long term	total	current	Long term	total
	IRR Million	IRR Million	IRR Million	IRR Million	IRR Million	IRR Million
Investment in Rapidly Marketable Shares	492,134	1,325,862	1,817,996	1,154,569	1,325,002	2,479,570
Investment in Other Shares	0	5,037,349	5,037,349	0	5,036,964	5,036,964
Investment in Other Securities	23,305,818	23,104,225	46,410,042	16,330,094	12,373,613	28,703,707
Total Investment in Shares and Other Securities	**23,797,952**	**29,467,435**	**53,265,387**	**17,484,662**	**18,735,579**	**36,220,242**

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33.1. Investment in rapidly marketable shares

33.1.1. Current investment in rapidly marketable shares

	Group			Parent Company							
	2023-24	2022-23	Source	2023-24					2022-23		
	Cost	Cost		Shares	investment	cost	Realizable value	Market value	cost	Realizable value	Market value
	IRR Million	IRR Million			percentage	IRR Million	IRR Million	IRR Million	IRR Million	IRR Million	IRR Million
Shares of Companies Listed in TSE:											
Asre Novin Informatics (HiWeb)	1,035,968	1,503,442	Possess	513,306,854	0.86%	1,018,781	492,508	496,881	1,503,442	999,735	1,008,611
Mapna	0	99,137	purchase	0	0.01%	0	0	0	99,137	116,131	117,162
South Kish Steel	0	22,684	Purchase	0	0.01%	0	0	0	22,684	24,804	25,024
Jam Petrochemical	0	5,161	Purchase	0	0.00%	0	0	0	5,161	13,888	10,597
Karafarin Leasing (rights issue)	10	10	purchase	0	0.00%	10	10	10	10	10	10
Others	3,153,187	3,218,552		0	0.00%	0	0	0	0	0	0
	4,189,165	4,848,985				1,018,792	492,519	496,891	1,630,434	1,154,569	1,161,405
Companies Listed in OTC Market:											
	0	0	0	0	0	0	0	0	0	0	0
Total	**4,189,165**	**4,848,985**				**1,018,792**	**492,519**	**496,891**	**1,630,434**	**1,154,569**	**1,161,405**
Add:											
Cost adjustment	(535,229)	(480,609)				(526,657)	0	0	(475,865)	0	0
Total investment in rapidly marketable shares	**3,653,936**	**4,368,376**				**492,134**	**492,519**	**496,891**	**1,154,569**	**1,154,569**	**1,161,405**

33.1.2. Long-term investments in rapidly marketable shares

	Group				Parent Company								
	2023-24		2022-23		2023-24							2022-23	
	Cost/ Equity Method	Net Carrying Amount/ Equity Method	Cost/ Equity Method	Net Carrying Amount/ Equity Method	Source	Shares	investment	cost	Accumulated Impairment	Net Realisable Value	market value	Net Realisable Value	Market value
	IRR Million	IRR Million	IRR Million	IRR Million			percentage	IRR Million	IRR Million	IRR Million	IRR Million	IRR Million	IRR Million
Shares of Companies Listed in TSE:													
TSE	1,500	1,500	1,500	1,500	Purchase	181,999,962	1%	1,500	0	1,500	1,070,160	1,500	1,419,600
Karafarin Leasing	0	0	0	0	establishment	1,950,982,504	67%	1,161,932	0	1,161,932	5,963,952	1,161,072	8,486,774
Total	1,500	1,500	1,500	1,500				1,163,432	0	1,163,432	7,034,111	1,162,572	9,906,374
Companies Listed in OTC Market:													
Farabourse Iran (OTC Market)	264	264	264	264	Purchase	27,750,450	26%	264	0	264	179,601	264	173,163
Karafarin Insurance	5,723,064	5,723,064	6,124,368	6,124,368	establishment	2,399,697,362	20%	162,165	0	162,165	9,946,746	162,165	6,623,105
Total	5,723,328	5,723,328	6,124,632	6,124,632				162,429	0	162,429	10,126,346	162,429	6,796,328
Total Long-term investments in rapidly marketable shares	**5,724,828**	**5,724,828**	**6,126,132**	**6,126,132**				**1,325,862**	**0**	**1,325,862**	**17,160,458**	**1,325,002**	**16,702,701**

33.1.2.1. Regarding the Karafarin Leasing Company, the proposal to increase the capital from IRR 1,500 Billion to IRR 2,900 Billion Rials was approved by the board of directors on 09.09.2023 and the report of the legal inspector was received on 09.11.2023 and by receiving the necessary permits from the CBI and the Stock Exchange Organization, an extraordinary general meeting was held on 03.17.2024. The source of capital increase was accumulated profit (IRR 400 Billion) and claims (IRR 1,000 Billion).

33.2. Long-term investments in other shares

33.2.1. Current investments in other shares

The Bank has no current investments in other shares.

33.2.2. Long-term investments in other shares

	Group				Parent Company							
	2023-24		2022-23		2023-24						2022-23	
	Cost/ Equity Method	Net Carrying Amount/ Equity Method	Cost/ Equity Method	Net Carrying Amount/ Equity Method	Source	Shares	investment	cost	Net Carrying Amount	Net Realisable Value	cost	Net Carrying Amount
	IRR Million	IRR Million	IRR Million	IRR Million			percentage	IRR Million	IRR Million	IRR Million	IRR Million	IRR Million
Iran Investment	19,250	19,250	19,250	19,250	Purchase	19,250,000	0.2%	19,250	0	19,250	19,250	19,250
shaparak E-payment Card Network	4,400	4,400	4,400	4,400	Purchase	5,400,000	0.1%	4,400	0	4,400	4,400	4,400
Iran Credit Rating	450	450	450	450	Purchase	315,000	0.9%	450	0	450	450	450
Special Trade and Finance Instrument (STFI)	2,200	2,200	2,200	2,200	Purchase	220,000	11.0%	2,200	0	2,200	2,200	2,200
Abnie Gostar Cnstruction	0	0	0	0	Establishment	8,499,999	85.0%	24,469	0	24,469	24,469	24,469
Karafarin Bank Financial Group	0	0	0	0	Establishment	1,410,088,235	67.2%	1,410,088	0	1,410,088	1,410,088	1,410,088
Karafarin Foreign Exchnage	0	0	0	0	Establishment	437,912,400	100.0%	39,992	0	39,992	39,992	39,992
Karafarin Bank Brokerage	0	0	0	0	Establishment	1,999,999,840	100.0%	1,798,000	0	1,798,000	1,798,000	1,798,000
Asre Amin Karafarin	0	0	0	0	Establishment	235,664,100	20.0%	238,116	0	238,116	238,116	238,116
Negahe Fardaye Karafarin Technology Development	0	0	0	0	establishment	1,499,999,600	100.0%	1,500,000	0	1,500,000	1,500,000	1,500,000
Mofid Economic Group	283,906	283,906	206,897	206,897		-	0.0%	0	0	0	0	0
Securities & Exchange Brokers Association (Segal IT Pioneers)	1,608	1,608	1,608	1,608		-	0.0%	0	0	0	0	0
Pars Reinsurance	491,884	491,884	453,974	453,974		-	0.0%	0	0	0	0	0
venture investments	4,022,724	4,022,724	3,758,177	3,758,177		-	0.0%	0	0	0	0	0
Others	384	384	0	0		104,998	0.1%	384	0	384	0	0
Total Long-term investments in other shares	**4,826,806**	**4,826,806**	**4,446,956**	**4,446,956**				**5,037,349**	**0**	**5,037,349**	**5,036,964**	**5,036,964**

33.2.2.1. Long-term investment in other shares of other companies is mainly due to the bold investments of Rahbord Hooshmand Setaregan Wealth Management company. It is worth mentioning that the aforementioned investments are mainly for participation in the fields of business and product development, which according to the risk factors of such investments, their recovery and creation of added value, depends on the realization of the subject of the investments and the goals foreseen in the relevant justification plans.in the relevant justification plans.

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33.2.2.2. Details of subsidiary and associate companies

	Location	% of Investment		Main Activity
		Group	Parent Company	
Associate Company:				
Karafarin Insurance	Tehran	24%	20%	Issuance of Various Insurance Policies
Karafarin Bank Financial Group	Tehran	71%	67%	Investment in Shares of Companies & Institutes
Karafarin Leasing	Tehran	67%	67%	Cash & Instalment Sales & Hire Purchase
Karafarin Bank Brokerage	Tehran	100%	100%	Trading Shares
Karafarin Foreign Exchange	Tehran	100%	100%	Trading Foreign Currencies, Payment Orders, Gold & Silvers
Abnie Gostar Karafarin Construction	Tehran	95%	85%	Construction Projects, Repair & Renovation
Omid Karafarin Commercial Development	Tehran	67%	0%	Authorized Trading Activities
Amin Etemad Karafarin	Tehran	67%	0%	Collection of the Bank's & Subsidiaries' Debts
Asre Amin Karafarin	Tehran	84%	20%	Insurance Services
Kourosh Petrochemical Industries Development- Before Utilisation	Tehran	67%	0%	Supply & Distribution of Chemicals & Petroleum
Omid Karafarin Wealth	Tehran	67%	0%	Investing in company's shares
Negahe Fardaye Karafarin IT Development	Tehran	100%	100%	Offering special & consulting services & Implementing Computer & Electronic Projects
Negahe Fardaye Karafarin E-commerce Development	Tehran	100%	0%	Creating the necessary technical infrastructure to provide e-commerce services
Negahe Fardaye Karafarin Banking Software	Tehran	100%	0%	Providing specialized services and consulting and implementing computer and electronic projects
Rahbord Hooshmand Modiriyate Servate Setaregan	Tehran	43%	0%	Providing empowering and developing services for innovative and start-up businesses in the form of creating and managing business accelerators

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33.3. Investment in other securities

Issuer	Source	Bond Type	Average Interest Rate	Status	Group		Parent Company	
					2023-24	2022-23	2023-24	2022-23
			%		IRR Million	IRR Million	IRR Million	IRR Million
Government & State-Owned Companies								
Islamic Treasury Notes	purchase	Islamic Treasury		Free	41,146,655	15,696,335	41,146,655	15,696,335
Government Bonds	purchase	Bonds	18	Free	0	7,015,763	0	7,015,763
Government Murabaha Bonds	purchase	Murabaha	18	Free	5,171,837	6,020,535	5,171,837	6,020,535
Other Companies & Investment Funds:								
Karafarin Brokerage Mutual Investment Fund	purchase	Preferred Shares	23	Free	28,500	28,500	28,500	28,500
Karafarin Brokerage Mutual Investment Fund	purchase	normal Shares	20	Free	917,506	127,799	0	0
Arman Karafarin Investment Fund	purchase	Preferred Shares	23	Free	3,829,645	1,458,988	18,500	18,500
Shakhesi Karafarin Mutual Investment Fund	purchase	Preferred Shares		Free	9,000	9,000	9,000	9,000
Shakhesi Karafarin Mutual Investment Fund	purchase	normal Shares	20	Free	459,550	67,241	0	0
Capital Market Development Mutual Investment Fund	purchase	normal Shares		Free	447,253	418,575	0	0
Karafarin Brokerage Mutual Investment Fund-fixed income	purchase	normal Shares		Free	182,095	35,550	35,550	35,550
					52,192,041	30,878,287	46,410,042	28,824,183
Less: Future Years Interest on Bonds					0	(120,476)	0	(120,476)
Total Investment in Other Securities					**52,192,041**	**30,757,810**	**46,410,042**	**28,703,707**

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33.4. Investment in shares and other securities

	Parent Company			
	2023-24		2022-23	
	Net Carrying Amount	surplus	Net Carrying Amount	surplus
	IRR Million	IRR Million	IRR Million	IRR Million
Investments related to banking activities				
Shaparak E-payment Card Network	4,400	0	4,400	0
Iran credit rating	450	0	450	0
Special Trade and Finance Instrument (STFI)	2,200	0	2,200	0
Karafarin Foreign Exchange	39,992	0	39,992	0
Karafarin Leasing	1,161,932	0	1,161,072	0
Tose'e Negahe Fardaye Karafarin	1,500,000	0	1,500,000	0
Treasury bonds	41,146,655	0	15,696,335	0
Government Bonds	0	0	7,015,763	0
Government Murabaha Bonds	5,171,837	0	5,900,059	0
Abnie Gostar Karafarin Construction	24,469	0	24,469	0
Karafarin Leasing (rights issue)	10	0	10	0
	49,051,945	0	31,344,750	0
Investments related to non-banking activities				
Asre Novin Informatics (HiWeb)	492,508	492,508	999,735	999,735
Mapna	0	0	116,131	116,131
South Kish Steel	0	0	24,804	24,804
Jam Petrochemical	0	0	13,888	10,504
TSE	1,500	1,500	1,500	1,500
Karafarin insurance	162,165	162,165	162,165	162,165
Iran investment	19,250	19,250	19,250	19,250
OTC	264	264	264	264
Karafarin financial group	1,410,088	1,410,088	1,410,088	1,410,088
Karafarin brokerage	1,798,000	1,798,000	1,798,000	1,798,000
Asre amin karafarin	238,116	238,116	238,116	238,116
Karafarin Brokerage Mutual Investment Fund	28,500	28,500	28,500	28,500
Arman Karafarin Investment Fund	18,500	18,500	18,500	18,500
Karafarin Brokerage Mutual Investment Fund-fixed income	35,550	35,550	35,550	35,550
Shakhesi Karafarin Mutual Investment Fund	9,000	9,000	9,000	9,000
	4,213,442	4,213,442	4,875,492	4,872,108
Total Investment in shares and other securities	**53,265,387**	**4,213,442**	**36,220,242**	**4,872,108**

33.5. According to the regulations issued by the CBI regarding the investments of banks and non-banking credit institutions "Instructions for investment in securities", as of the date of the financial statement, this bank has 4,213,442 Million Rials of investments related to non-banking activities. Obviously, any investments related to non-banking activities will be subject to penalties under Article 17 of the Law on Removing Obstacles to Competitive Production and Improving the Country's Financial System and other related laws and regulations.

33.6. The permissible limits of investment in banking activities and other permissible activities of the subject of the "instructions for investing in securities" are as follows:

IRR Million

Bank regulatory capital	58,309,714
Investment limit per legal entity (5% of regulatory capital)	2,915,486
Permissible limit of total investments (20% of regulatory capital)	11,661,943
Organizational unit responsible for the implementation of regulations	Budget management and assembly affairs

34. non-current assets held for sales and the liabilities related to them

	Group		Parent Company	
	2023-24	2022-23	2023-24	2022-23
	IRR Million	IRR Million	IRR Million	IRR Million
Land and buildings	0	0	0	0
Repossessed collateral	6,904,470	5,092,373	6,880,378	5,062,373
Total	**6,904,470**	**5,092,373**	**6,880,378**	**5,062,373**
Accumulated impairment loss	0	0	0	0
non-current assets held for sales	6,904,470	5,092,373	6,880,378	5,062,373
liabilities related to non-current assets held for sales	**0**	**0**	**0**	**0**

34.1. The bank does not have a set of suspended units for transfer.

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34.2. Repossessed collateral

	03.21.2022	Repossessed during Year	Sale during Year	03.20.2023	Repossessed during Year	Sale during Year	03.20.2024
	IRR Million	IRR Million	IRR Million	IRR Million	IRR Million	IRR Million	IRR Million
Furniture & Fixtures	0	0	0	0	0	0	0
Equipment	930	0	(930)	0	0	0	0
Goods	0	0	0	0	0	0	0
Vehicles	0	0	0	0	0	0	0
Stock shares	0	0	0	0	0	0	0
Other securities	0	0	0	0	0	0	0
Total Movable Assets	930	0	(930)	0	0	0	0
Residential	1,724,204	147,959	(126,786)	1,745,377	1,024,206	(444,837)	2,324,745
Office	198,301	9,229	(94,439)	113,091	0	0	113,091
Firm	0	0	0	0	0	0	0
Commercial	1,638,509	705,888	(23,119)	2,321,278	1,003,195	(1,470)	3,323,003
Lands	465,122	161,999	(17,227)	609,894	264,505	(12,984)	861,414
Garden	0	0	0	0	0	0	0
Residential/Commercial	82,119	600	0	82,719	149	(10,647)	72,222
Residential/Commercial/Office	190,015	0	0	190,015	180	(4,291)	185,904
Total Immovable Repossessed Collaterals	4,298,270	1,025,675	(261,572)	5,062,373	2,292,235	(474,229)	6,880,378
Total Repossessed Collaterals	4,299,200	1,025,675	(262,502)	5,062,373	2,292,235	(474,229)	6,880,378
Accumulated Impairment	0			0			0
Net Repossessed Collateral	**4,299,200**			**5,062,373**			**6,880,378**
Sale Profit (Loss)	**0**			**1,247,134**			**10,561**

34.2.1. Breakdown of repossessed immovable collaterals in terms of age

	Parent Company	
	2023-24	2022-23
	IRR Million	IRR Million
Less than A Year from Repossession Date	2,289,519	861,195
1 Year to 2 Years from Repossession Date	861,444	447,038
Above 2 Years from Repossession Date	3,729,415	3,754,140
Balance of Repossessed Immovable Collaterals	**6,880,378**	**5,062,373**

34.2.2. Profit (loss) generated from selling repossessed collaterals has been reflected in the Statement of Profit and Loss.

34.2.3. In the financial period ending on March 20, 2024, according to the law and regulations notified by the CBI, the bank is required to hand over repossessed collateral. In case of non-handover within the prescribed period, the bank is subject to legal and disciplinary penalties such as; the punishments under Article 17 of the law will be to remove obstacles to competitive production and improve the country's financial system.

34.2.4. Measures in order to prepare the repossessed properties for sale have been carried out and a portion of these properties were sold by the date of preparation of this note. In addition, plans and measures for obtaining reports of official judicial experts and the pricing of the mentioned properties have been carried out. However, 109 properties worth IRR 685,202 Million have occupants in them and eviction measures are being taken. It is noteworthy that 40 repossessed collaterals worth IRR 797,622 Billion are related to collaterals which are in the process of repossession which do not have official ownership documents in the name of the bank. In addition, 32 items of repossessed collaterals amounting to 247,733 Million Rials do not have single-page documents in the name of the bank. It is worth mentioning that the necessary measures are being taken to obtain ownership documents regarding them.

35. Fixed Tangible Assets

	Group									
	Land	Buildings	Installations	Motor Vehicles	Furniture & Fixtures	Renovation of Rented Properties	Assets under Construction	Capital Orders & Prepayments	Capital Items Held in Warehouse	Total
	IRR Million	IRR Million	IRR Million	IRR Million	IRR Million	IRR Million	IRR Million	IRR Million	IRR Million	IRR Million
Cost:										
Balance on 03.21.2022	10,933,010	4,000,973	0	300,660	2,301,909	0	2,396,808	7,606,261	0	27,539,621
Increase during Year	123,223	484,372	0	76,761	1,063,671	0	3,051,204	4,636,513	0	9,435,745
Increase (Decrease) from Revaluation	0	0	0	0	0	0	0	0	0	0
Asset Sale & Disposal	(48,093)	(389,413)	0	(16,970)	(22,666)	0	0	(473,344)	0	(950,486)
Transfers	0	0	0	0	0	0	0	0	0	0
Other Changes	4,514,946	2,429,637	0	703	45,886	0	(1,174,769)	(9,234,181)	0	(3,417,780)
Balance on 03.20.2023	15,523,085	6,525,568	0	361,154	3,388,800	0	4,273,244	2,535,249	0	32,607,100
Increase during Year	714,337	1,550,707	0	132,584	583,830	0	3,240,284	2,002,057	0	8,223,799
Increase (Decrease) from Revaluation	0	0	0	0	0	0	0	0	0	0
Asset Sale & Disposal	(510,259)	(350,127)	0	(15,359)	(24,543)	0	0	0	0	(900,288)
Transfers	0	0	0	0	0	0	0	0	0	0
Other Changes	1,133,355	941,494	0	25,638	1,493,688	0	(142,152)	(3,977,104)	0	(525,081)
Balance on 03.20.2024	16,860,518	8,667,642	0	504,017	5,441,775	0	7,371,375	560,202	0	39,405,530
Accumulated Depreciation:	0	0	0	0	0	0	0	0	0	0
Balance on 03.20.2024	0	751,040	0	49,532	857,924	0	0		0	1,658,496
Depreciation for the Year	0	282,895	0	52,511	430,416	0	0		0	765,821
Impairment loss	0	0	0	0	0	0	0		0	0
Reversal of impairment loss	0	0	0	0	0	0	0		0	0
Sold	0	(2,325)	0	(3,395)	(13,276)	0	0		0	(18,996)
Transfers Changes	0	0	0	0	0	0	0		0	0
Other	0	(3,068)	0	0	0	0	0		0	(3,068)
Balance on 03.20.2023	0	1,028,541	0	98,647	1,275,065	0	0	0	0	2,402,253
Depreciation for the Year	0	451,125	0	70,982	728,160	0	0		0	1,250,267
Impairment loss	0	0	0	0	0	0	1,200,000		0	1,200,000
Reversal of impairment loss	0	0	0	0	0	0	0		0	0
Sold	0	(3,427)	0	(4,168)	(18,414)	0	0		0	(26,008)
Transfers Changes	0	0	0	0	0	0	0		0	0
Other	0	0	0	0	236	0	0		0	236
Balance on 03.20.2024	**0**	**1,476,239**	**0**	**165,461**	**1,985,047**	**0**	**1,200,000**	**0**	**0**	**4,826,748**
Balance on 03.21.2022	**10,933,010**	**3,249,933**	**0**	**251,129**	**1,443,984**	**0**	**2,396,808**	**7,606,261**	**0**	**25,881,125**
Balance on 03.20.2023	**15,523,085**	**5,497,026**	**0**	**262,507**	**2,113,736**	**0**	**4,273,244**	**2,535,249**	**0**	**30,204,847**
Balance on 03.20.2024	**16,860,518**	**7,191,402**	**0**	**338,556**	**3,456,728**	**0**	**6,171,375**	**560,202**	**0**	**34,578,782**

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	Parent Company									
	Land	Buildings	Installations	Motor Vehicles	Furniture & Fixtures	Renovation of Rented Properties	Assets under Construction	Capital Orders & Prepayments	Capital Items Held in Warehouse	Total
	IRR Million	IRR Million	IRR Million	IRR Million	IRR Million	IRR Million	IRR Million	IRR Million	IRR Million	IRR Million
Cost:										
Balance on 03.21.2022	11,353,224	3,935,055	0	240,994	2,043,479	0	1,821,108	9,562,694	0	28,956,554
Increase during Year	0	198,673	0	25,680	964,443	0	2,188,135	1,163,229	0	4,540,159
Increase (Decrease) from Revaluation	0	0	0	0	0	0	0	0	0	0
Asset Sale & Disposal	(417,392)	(711,403)	0	(6,177)	(9,646)	0	0	0	0	(1,144,617)
Transfers	0	0	0	0	0	0	0	0	0	0
Other Changes	4,986,382	3,290,558	0	703	45,886	0	(977,601)	(9,222,924)	0	(1,876,997)
Balance on 03.20.2023	15,922,214	6,712,883	0	261,200	3,044,161	0	3,031,641	1,502,999	0	30,475,098
Increase during Year	0	881,380	0	66,860	481,877	0	1,494,116	2,261,372	0	5,185,605
Increase (Decrease) from Revaluation	0	0	0	0	0	0	0	0	0	0
Asset Sale & Disposal	0	0	0	0	(23,316)	0	0	0	0	(23,316)
Transfers	0	0	0	0	0	0	0	0	0	0
Other Changes	0	193,076	0	25,638	1,780,717	0	(289,811)	(1,902,405)	0	(192,785)
Balance on 03.20.2024	15,922,214	7,787,340	0	353,698	5,283,439	0	4,235,946	1,861,966	0	35,444,602
Balance on 03.20.2024	0	905,194	0	42,326	775,068	0			0	1,722,588
Depreciation for the Year	0	259,021	0	40,374	359,502	0			0	658,897
Impairment loss	0	0	0	0	0	0			0	0
Reversal of impairment loss	0	0	0	0	0	0			0	0
Sold	0	(5,393)	0	(3,257)	(8,679)	0			0	(17,330)
Transfers Changes	0	0	0	0	0	0			0	0
Other	0	0	0	0	0	0			0	0
Balance on 03.20.2023	0	1,158,822	0	79,443	1,125,891	0			0	2,364,155
Depreciation for the Year	0	365,404	0	50,639	639,470	0	0	0	0	1,055,513
Impairment loss	0	0	0	0	0	0	0	0	0	0
Reversal of impairment loss	0	0	0	0	0	0	0	0	0	0
Sold	0	0	0	0	(17,364)	0	0	0	0	(17,364)
Transfers Changes	0	0	0	0	0	0	0	0	0	0
Other	0	0	0	0	236	0	0	0	0	236
Balance on 03.20.2024	**0**	**1,524,226**	**0**	**130,081**	**1,748,233**	**0**			**0**	**3,402,540**
Balance on 03.21.2022	**11,353,224**	**3,029,862**	**0**	**198,668**	**1,268,410**	**0**	**1,821,108**	**9,562,694**	**0**	**27,233,966**
Balance on 03.20.2023	**15,922,214**	**5,554,061**	**0**	**181,757**	**1,918,271**	**0**	**3,031,641**	**1,502,999**	**0**	**28,110,943**
Balance on 03.20.2024	**15,922,214**	**6,263,114**	**0**	**223,617**	**3,535,206**	**0**	**4,235,946**	**1,861,966**	**0**	**32,042,062**

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35.1. The bank's land and buildings have not been re-evaluated during the financial period ending on March 20, 2024.

35.2. Carrying amount of the revaluated lands at cost

	2023-24		2022-23	
	cost	Re-evaluation	cost	Re-evaluation
	IRR Million	IRR Million	IRR Million	IRR Million
Land	9,518,927	15,922,214	9,518,927	15,922,214
Total Carrying Amount of Revaluated Lands	**9,518,927**	**15,922,214**	**9,518,927**	**15,922,214**

35.3. Buildings and capital prepayment in the amount of 19,627,646 Million Rials and furniture and equipment in the amount of 6,513,647 Million Rials are insured against possible risks caused by fire, flood, earthquake, explosion, etc. Assets under completion are covered by all contractor risk insurance (C.A.R.) and vehicles are covered by body and third-party insurance.

35.4. According to the notified regulations of the Central Bank, which oversees the provisions for the transfer of excess assets (net fixed assets ratio), on the date of the financial statement, this bank has 28,721,295 Million Rials of assets surplus according to the regulations. It is obvious that any excess property will be subject to penalties under Article 17 of the Law on Removing Obstacles to Competitive Production and Improving the Country's Financial System and other related laws and regulations.

35.5. The excess motor vehicles in the current period are mainly due to the purchase of four cars in the amount of 89,000 Million Rials and two motorcycles in the amount of 3.498 Million Rials.

35.6. Increased capital prepayments are mainly for participation in the Koranic joint project totaling in 191,627 Million Rials, fees for the Urmia branch project totaling in 69,790 Million Rials, implementation of the Bucharest data center infrastructure totaling in 900.964 Million Rials, purchasing the infrastructure equipment and network security totaling in 70,399 Million Rials.

35.7. The increase during the period for buildings is mainly due to obtaining the completion permit from the municipality for the Bucharest building and the repair and renovation costs of branches and headquarters buildings.

35.8. The amount transferred from the capital prepayment to buildings, software, furniture and vehicles are respectively IRR 20,842, 192,785, 1,663,140 and 25,638 Million.

35.9. The increase during the period for furniture is mainly due to the purchase of storage devices and equipment such as servers, switches, and computers from Negah Fardaye Kerafarin Technology Development Company, ATM machines, security equipment, and also the purchase of paintings for the establishment of Karafarin gallery and museum.

35.10. 7 items of properties of the group and the bank totaling 2,626 Billion Rials do not have official ownership documents in the name of the bank, of which one item for the amount of 50 Billion Rials is registered under the heading of capital advance payments.

35.11. The main capital advance is 650 Billion Rials for the property in Saba Boulevard.

35.12. The decrease in the value of the group's assets under construction in the amount of 1,200 Billion Rials is related to Kourosh Petrochemical Industries.

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36. Intangible Assets

	Group						Parent Company				
	goodwill	software	Software developement	PDH design	Franchise	Total	goodwill	software	Software development	Franchise	Total
	IRR Million	IRR Million	IRR Million	IRR Million	IRR Million	IRR Million	IRR Million	IRR Million		IRR Million	IRR Million
Cost:											
Balance on 03.21.2022	15,035,144	383,521	0	67,600	45,102	15,531,367	15,019,605	244,842	0	30,991	15,295,438
Increase during Year	0	308,625	0	0	0	308,625	0	341,418	0	4,243	345,660
Internal development	0	0	0	0	0	0	0	0	0	0	0
Increase (Decrease) from Revaluation	0	0	0	(67,600)	(4,304)	(71,904)	0	0	0	0	0
Asset Sale & Disposal	(5,736)	0	0	0	0	(5,736)	(5,736)	0	0	0	(5,736)
Transfers	0	0	0	0	0	0	0	0	0	0	0
Other Changes	2,699,467	25,958	0	0	0	2,725,425	2,699,467	25,958	0	0	2,725,425
Balance on 03.20.2023	17,728,876	718,104	0	0	40,798	18,487,777	17,713,336	612,217	0	35,234	18,360,788
Balance on 03.21.2023	17,728,876	718,104	0	0	40,798	18,487,777	17,713,336	612,217	0	35,234	18,360,788
Increase during Year	0	607,923	0	0	0	607,923	0	598,210	0	44,069	642,280
Internal development	0	0	0	0	0	0	0	0	0	0	0
Increase (Decrease) from Revaluation	0	0	0	0	44,075	44,075	0	0	0	0	0
Asset Sale & Disposal	0	0	0	0	0	0	0	0	0	0	0
Transfers	0	0	0	0	0	0	0	0	0	0	0
Other Changes	0	192,785	0	0	0	192,785	0	192,785	0	0	192,785
Balance on 03.20.2024	17,728,876	1,518,812	0	0	84,873	19,332,561	17,713,336	1,403,213	0	79,303	19,195,852
Balance on 03.21.2022	0	251,269	0	0	0	251,269	0	191,477	0	0	191,477
Depreciation for the Year	0	76,106	0	0	843	76,949	0	61,344	0	0	61,344
Impairment loss	0	0	0	0	0	0	0	0	0	0	0
Reversal of impairment loss	0	0	0	0	0	0	0	0	0	0	0
Sold	0	(529)	0	0	0	(529)	0	0	0	0	0
Transfers Changes	0	0	0	0	0	0	0	0	0	0	0
Other	0	0	0	0	0	0	0	0	0	0	0
Balance on 03.20.2023	0	326,846	0	0	843	327,689	0	252,820	0	0	252,820
Balance on 03.21.2023	0	326,846	0	0	843	327,689	0	252,820	0	0	252,820
Depreciation for the Year	0	220,543	0	0	839	221,382	0	203,450	0	0	203,450
Impairment loss	0	0	0	0	0	0	0	0	0	0	0
Reversal of impairment loss	0	0	0	0	0	0	0	0	0	0	0
Sold	0	0	0	0	0	0	0	0	0	0	0
Transfers Changes	0	0	0	0	0	0	0	0	0	0	0
Other	0	0	0	0	0	0	0	0	0	0	0
Balance on 03.20.2024	0	547,389	0	0	1,681	549,071	0	456,270	0	0	456,270
Balance on 03.21.2022	**15,035,144**	**132,252**	**0**	**67,600**	**45,102**	**15,280,098**	**15,019,605**	**53,366**	**0**	**30,991**	**15,103,962**
Balance on 03.20.2023	**17,728,876**	**391,258**	**0**	**0**	**40,798**	**18,160,089**	**17,713,336**	**359,397**	**0**	**35,234**	**18,107,967**
Balance on 03.20.2024	**17,728,876**	**971,422**	**0**	**0**	**84,873**	**18,783,490**	**17,713,336**	**946,942**	**0**	**79,303**	**18,739,582**

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36.1. The goodwill has not been re-evaluated during the financial period ending on 20 March 2023.
36.2. Carrying amount of goodwill of the Parent Company which is revaluated at cost is as follows:

Items	2023-24		2022-23	
	Cost	Revaluation	Cost	Revaluation
	IRR Million	IRR Million	IRR Million	IRR Million
Goodwill	7.515.831	17.713.336	4,822,100	15,019,605
Total Carrying Amount-Revaluated Goodwill	**7.515.831**	**17.713.336**	**4,822,100**	**15,019,605**

36.3. The increase in software during the reporting period is mainly due to the establishment of Dotin's comprehensive core banking software in the amount of 506,364 Million Rials and the purchase of wallix software in the amount of 97,920 Million Rials, comprehensive human resources software in the amount of 8,250 Million Rials and software licenses in the amount of 178,461 Million Rials.

37. Legal Reserves

	Group & Parent Company	
	2023-24	2022-23
	IRR Million	IRR Million
Legal deposit-main land branches-IRR	81,149,512	58,392,966
Legal deposit-main land branches-foreign currency	0	0
Legal deposit-deposits of branches of free zones-IRR	442,752	415,330
Legal deposit-deposits of branches of free zones- foreign currency	0	0
Legal deposit held with the central banks of other countries-foreign currency	0	0
Total Legal Reserves	**81,592,264**	**58,808,296**

37.1. The legal deposit held with the Central Bank has been calculated and approved by the CBI in accordance with Article 14, Clause 3 of the Monetary and Banking Law and based on the rates determined by the Money and Credit Council.

38. Other Assets

Items	Group		Parent Company	
	2023-24	2022-23	2023-24	2022-23
	IRR Million	IRR Million	IRR Million	IRR Million
Net Customers' Debt for Term L/Cs	963,069	4,791,682	963,069	4,791,682
Deposit for Rented Buildings	106,975	104,395	106,970	104,389
Inventory of Furniture & Movable Assets	1,493,404	439,897	1,493,404	439,897
Items in Transit	0	0	0	0
Prepayments	1,421,768	602,674	1,108,576	417,701
Gold	3,780	4,578	3,780	4,578
Stamp Duty	6,318	7,664	6,318	7,664
Cheque Printing Rights	6,389	7,781	6,389	7,781
Others	161,721	57,997	0	0
Total Other Assets	**4,163,424**	**6,016,668**	**3,688,505**	**5,773,692**

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38.1. Net Customers' Debt for Term L/Cs relating to the Parent Company

Items	Group & Parent Company	
	2023-24	2022-23
	IRR Million	IRR Million
Net Customers' Debt for Term L/Cs-IRR	977,735	4,864,651
Net Customers' Debt for Term L/Cs -foreign currency	0	0
Legal deposit-deposits of branches of free zones-IRR	**977,735**	**4,864,651**
Less:		
Advances Received for Term L/Cs-IRR	0	0
Advances Received for Term L/Cs -foreign currency	0	0
General Provision	(14,666)	(72,970)
Net Customers' Debt for Term L/Cs	**963,069**	**4,791,682**

38.1.1. turnover of general provision for doubtful loans

Items	Group & Parent Company	
	2023-24	2022-23
	IRR Million	IRR Million
Balance at Beginning of Year	72,970	32,954
Recovered	0	0
Bad Debts	0	0
Provision for the Year	(58,304)	40,016
Balance at End of Year	**14,666**	**72,970**

38.2. goodwill

	Group	
	2023-24	2022-23
	IRR Million	IRR Million
Cost at Beginning of Year	56,325	56,325
Goodwill acquired (Adjusted) during Year	0	0
Cost at End of Year	56,325	56,325
Accumulated Amortization at Beginning of Year	(56,320)	(56,319)
amortization for the Year	(1)	(1)
Accumulated amortization at End of Year	(56,320)	(56,320)
Carrying Amount	**5**	**5**

* The balance of the goodwill account is related to the financial group company of Karafarin bank.

39. Deposits

Items	Group		Parent Company	
	2023-24	2022-23	2023-24	2022-23
	IRR Million	IRR Million	IRR Million	IRR Million
Individuals:				
Sight Deposits	11,525,664	12,768,097	11,525,664	12,768,097
Saving Deposits	10,830,315	6,617,548	10,830,315	6,617,548
Other Deposits & Advances Received	15,635,094	495,375	15,635,094	495,375
Total Individuals' Deposits	37,991,074	19,881,020	37,991,074	19,881,020
Legal Entities:				
Sight Deposits	93,925,058	94,035,263	94,616,329	94,428,867
Saving Deposits	17,410,885	6,888,197	17,410,885	6,892,725
Other Deposits & Advances Received	260,741	32,633,255	260,741	32,633,255
Total Legal Entities' Deposits	111,596,684	133,556,714	112,287,955	133,954,847
Term investment deposits	482,064,542	351,017,287	483,016,392	352,333,828
Total Deposits	**631,652,300**	**504,455,022**	**633,295,422**	**506,169,695**

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39.1. deposits and similar items of individuals and legal entities

Items	Group		Parent Company	
	2023-24	2022-23	2023-24	2022-23
	IRR Million	IRR Million	IRR Million	IRR Million
Current Gharz-al Hassaneh Deposits-IRR	105,267,713	106,653,576	105,958,984	107,047,180
Current Gharz-al Hassaneh Deposits-Foreign Currency	183,009	149,784	183,009	149,784
Various Banking Cheques Sold	0	0	0	0
Customers' Current Account held with Overseas Branch	0	0	0	0
Payment Orders by the Bank-IRR	0	0	0	0
Payment Orders by the Bank-Foreign Currency	0	0	0	0
Unconsumed Managed Funds-IRR	0	0	0	0
Unconsumed Managed Funds- Foreign Currency	0	0	0	0
Temporary Debtors-IRR	0	0	0	0
Temporary Debtors- Foreign Currency	0	0	0	0
Unclaimed Balance-IRR	0	0	0	0
Unclaimed Balance- Foreign Currency	0	0	0	0
Less:	0	0	0	0
Payment Account of the Bank's Sold Cheques (Unsettled)	0	0	0	0
Total Deposits and Similar Items	**105,450,722**	**106,803,360**	**106,141,994**	**107,196,964**

39.2. Saving deposits and similar items of individuals and legal entities

Items	Group		Parent Company	
	2023-24	2022-23	2023-24	2022-23
	IRR Million	IRR Million	IRR Million	IRR Million
Current Gharz-al Hassaneh Deposits-IRR	16,930,472	7,600,092	16,930,472	7,600,092
Current Gharz-al Hassaneh Deposits-Foreign Currency	11,310,728	5,905,653	11,310,728	5,910,181
Saving Account-Overseas Branch	0	0	0	0
Gharz-al Hasaneh Deposits for Youths	0	0	0	0
Unconsumed Special Gharz-al Hassaneh Deposits	0	0	0	0
Employees' Saving Account	0	0	0	0
Employees' Pension Fund	0	0	0	0
Housing Saving Deposits	0	0	0	0
Total Saving Deposits & Similar Items	**28,241,200**	**13,505,745**	**28,241,200**	**13,510,273**

39.3. Other deposits and advances received

Items	Group		Parent Company	
	2023-24	2022-23	2023-24	2022-23
	IRR Million	IRR Million	IRR Million	IRR Million
Cash Deposits for L/Gs-IRR	15,013,166	27,542,332	15,013,166	27,542,332
Cash Deposits for L/Gs-Foreign Currency	237,748	464,763	237,748	464,763
Advances Received on L/Cs-IRR	182,016	1,041,483	182,016	1,041,483
Advances Received on L/Cs-Foreign Currency	195,947	21,557	195,947	21,557
Others (Including 10,647 Items)	266,959	4,058,495	266,959	4,058,495
Total Other Deposits & Advances Received	**15,895,836**	**33,128,630**	**15,895,836**	**33,128,630**

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39.4. term investment deposits

Items	Group		Parent Company	
	2023-24	2022-23	2023-24	2022-23
	IRR Million	IRR Million	IRR Million	IRR Million
Term Investment Deposits:				
Ordinary short-term investment deposits	97,753,586	92,583,603	98,700,386	93,745,093
special short-term investment deposits	15,863,443	212,787	15,863,443	212,787
Long term investment deposits	362,841,859	258,163,755	362,846,909	258,318,805
Investment deposits received from banks and non-bank credit institutions	24,112,113	640,606	24,112,113	640,606
Total term investment deposits	500,571,000	351,600,750	501,522,850	352,917,291
Interest payable on term investment deposits				
Ordinary short-term investment deposits	564,612	57,143	564,612	57,143
special short-term investment deposits	96,386	0	96,386	0
Long term investment deposits	4,944,658	0	4,944,658	0
Investment deposits received from banks and non-bank credit institutions	0	0	0	0
Total Interest payable on term investment deposits	5,605,655	57,143	5,605,655	57,143
Total term investment deposits	506,176,655	351,657,893	507,128,505	352,974,433
Less: Principal and interest of investment deposits received from banks and non-bank credit institutions	(24,112,113)	(640,606)	(24,112,113)	(640,606)
Term investment deposits	**482,064,542**	**351,017,287**	**483,016,392**	**352,333,828**

39.4.1. Term investment deposits of the Parent Company based on IRR and foreign currency

	Parent Company					
	2023-24			2022-23		
	IRR	Foreign Currency	Total	IRR	Foreign Currency	Total
	IRR Million	IRR Million	IRR Million	IRR Million	IRR Million	IRR Million
Investment Deposits Received from Banks & Credit Institutes	0	24,112,113	24,112,113	61,318	579,287	640,606
Ordinary Short-term Investment Deposits	98,700,386	0	98,700,386	93,681,636	63,457	93,745,093
Special Short-term Investment Deposit:						
Up to 3 Months	144,392	72,719	217,110	184,368	0	184,368
Above 3 Months to 6 Months	15,616,131	30,201	15,646,332	28,419	0	28,419
Above 6 Months to 1 Year			0	0	0	0
Total Special Short-term Investment Deposit	15,760,523	102,920	15,863,443	212,787	0	212,787
Long-term Investment Deposits:						
General long-term Deposit	5,917,641	0	5,917,641	62,924,774	0	62,924,774
Special long-term Deposit	19,772,010	0	19,772,010	0	0	0
1 Year	107,022,639	2,256,089	109,278,728	15,056,436	1,132,505	16,188,941
2 Year	38,178,866	0	38,178,866	138,413,740	0	138,413,740
3 Year	189,699,665	0	189,699,665	40,791,350	0	40,791,350
4 Year	0	0	0	0	0	0
5 Year	0	0	0	0	0	0
Total long Term Investment Deposits	360,590,820	2,256,089	362,846,909	257,186,300	1,132,505	258,318,805
Total Term Investment Deposits	**475,051,728**	**26,471,122**	**501,522,850**	**351,142,041**	**1,775,250**	**352,917,291**

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39.4.1.1. Long-term investment deposits of the Parent Company based on interest rate and maturity date.

	2023-24							2022-23
	Above 22%	19% to 22%	16% to 19%	13% to 16%	10% to 13%	10% & Below	Total	Total
	IRR Million	IRR Million	IRR Million	IRR Million	IRR Million	IRR Million	IRR Million	IRR Million
Matured	0	200	0	0	0	0	200	270
2023-24	0	18,107	23,651	0	0	9,700	51,458	103,036,222
2024-25	19,772,010	125,549,500	14,053,339	0	0	2,383,123	161,757,972	114,490,963
2025-26	11,795,128	10,831,048	0	0	0	0	22,626,176	40,791,350
2026-27	178,410,657	445	0	0	0	0	178,411,102	0
Total Long-term Investment Deposits	209,977,796	136,399,301	14,076,989	0	0	2,392,823	362,846,909	258,318,805
03.20.2023	**51,240,010**	**24,019,967**	**176,181,844**	**5,744,208**	**0**	**1,132,775**	**258,318,805**	

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39.4.1.2. Turnover of investment IRR deposits of the Parent Company

	Balance on 20.03.2023	Deposits Attracted during Year	Deposits Repayment	Balance on 20.03.2024
	IRR Million	IRR Million	IRR Million	IRR Million
General Deposit Certificate	62,924,774	1,536,014	58,543,147	5,917,641
Special Deposit Certificate	0	19,772,010	0	19,772,010
1 Year	15,056,436	126,656,567	34,690,364	107,022,639
2 Year	138,413,740	9,573,566	109,808,440	38,178,866
3 Year	40,791,350	177,903,536	28,995,222	189,699,665
4 Year	0	0	0	0
5 Year	0	0	0	0
Ordinary Short-term Deposits	93,681,636	9,059,133	4,040,383	98,700,386
Special Short-term Deposits	212,787	15,760,523	212,787	15,760,523
Investment Deposits Received from banks & Credit Institutes	61,318	0	61,318	0
Balance of Investment IRR Deposits	351,142,041	360,261,349	236,351,661	475,051,728

39.4.1.3. Turnover of foreign currency investment deposits of the Parent Company

	Balance on 03.20.2023	Deposits Attracted during the Year	Deposits Repayment	Balance on 03.20.2024	Balance on 03.20.2024	Balance on 03.20.2023
	Foreign Currency Amount	Foreign Currency Amount	Foreign Currency Amount	Foreign Currency Amount	IRR Equivalent	IRR Equivalent
Long-term Deposits:						
USD	3,576,109	1,162,284	305,259	4,433,134	1,781,575	894,027
EUR	899,917	1,017,813	833,706	1,084,024	474,514	238,478
AED	0	0	0	0	0	0
GBP	0	0	0	0	0	0
Special & Ordinary Short-term Deposits:						
USD	24,658	21,650	25,700	20,608	8,282	6,164
EUR	216,200	216,200	216,200	216,200	94,638	57,293
GBP	0	0	0	0	0	0
Investment Deposits Received from banks & Credit Institutes						
AED	8,600,000	231,400,000	140,000,000	100,000,000	10,942,900	579,287
EUR	0	62,790,562	32,705,595	30,084,967	13,169,213	0
Total Foreign Currency Investment Deposits					**26,471,122**	**1,775,250**

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39.4.1.4. Breakdown of the Parent Company's investment deposits

	Parent Company			
	2023-24		2022-23	
	No. of Depositors	Amount IRR Million	No. of Depositors	Amount IRR Million
IRR Deposits:				
Legal Entities	14,231	184,536,154	13,458	136,925,073
Individuals	608,377	290,515,575	573,992	214,155,649
Investment Deposits Received from Banks & Credit Institutes	0	0	4	61,318
Total IRR Deposits	622,608	475,051,728	587,454	351,142,041
Foreign Currency Deposits:				
Legal Entities	16	35,258	17	105,482
Individuals	723	2,323,751	413	1,090,481
Investment Deposits Received from Banks & Credit Institutes	4	24,112,113	1	579,287
Total Foreign Currency Deposits	743	26,471,122	431	1,775,250
Total Investment Deposits	**623,351**	**501,522,850**	**587,885**	**352,917,291**

39.4.2. Interest payable to term investment deposits of the Parent Company

	Balance on 03.20.2023	On-account Interest during Year	Difference in Final & On-account Interest	Interest Paid during Year	Balance on 03.20.2024
	IRR Million	IRR Million	IRR Million	IRR Million	IRR Million
Ordinary Short-term Deposits	57,143	3,304,012	0	(2,796,543)	564,612
Special Short-term Deposits	0	412,742	0	(316,374)	96,368
General Deposit Certificate	0	9,385,988	0	(9,078,685)	307,303
Special Deposit Certificate	0	0	0	0	0
1 Year deposits	0	6,350,020	0	(5,246,251)	1,103,769
2 Year deposits	0	17,808,895	0	(17,196,371)	612,523
3 Year deposits	0	40,183,882	0	(37,265,794)	2,918,088
4 Year deposits	0	0	0	0	0
5 Year deposits	0	0	0	0	0
Investment Deposits Received from Banks & Credit Institutes	0	4,588,331	0	(4,588,331)	0
Foreign Currency Deposits	0	12,399	0	(9,407)	2,992
Total Interest Payable to Term Investment Deposits	**57,143**	**82,046,268**	**0**	**(76,497,756)**	**5,605,655**

39.4.2.1. According to the instruction 94/69383 dated 10.06.2015, the procedure of determining the share of each investment deposit from the difference in final and on-account interest is applied in the above table.

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40. Dues to Banks and Credit Institutes

	note	Group		Parent Company	
		2023-24	2022-23	2023-24	2022-23
		IRR Million	IRR Million	IRR Million	IRR Million
Sight Deposits-Foreign Currency	26-6	369,089,088	61,933	369,089,088	61,933
Term Deposits-Foreign Currency		3,078,106	1,870,304	3,078,106	1,870,304
Dues on Overdraft from Current Account		0	0	0	0
Dues on Due for Difference in Foreign Currency Rate		0	0	0	0
Dues on Purchasing Foreign Currency		51,831,470	413,037	51,831,470	413,037
Dues on Repo		32,661	0	32,661	0
Dues on Legal Deposit		0	0	0	0
Dues on Foreign Currency Reserve Account		0	0	0	0
Received Loans-IRR	40-1	0	0	0	0
Received Loans-Foreign Currency	40-2	0	0	0	0
Others		0	0	0	0
Loans Received from CBI-Loans for Pharmaceutical Products		0	0	0	0
Total Dues to the CBI		**424,031,324**	**2,345,274**	**424,031,324**	**2,345,274**
Sight Deposits-IRR		6,207,205	0	6,207,205	0
Sight Deposits-Foreign Currency		61,675,633	1,764,278	61,675,633	1,764,278
Cheques Issued by the Bank Paid by Other Banks	40-6	0	821,702	0	821,702
Received Loans-IRR	40-3	5,770,586	3,008,122	0	0
Received Loans-Foreign Currency	40-4	0	0	0	0
Investment Deposits Received from banks and transfer credit institutions from (Term Investment deposit)	39-4	24,112,113	640,606	24,112,113	640,606
Interest payable on Investment Deposits Received from banks and transfer credit institutions from (Term Investment deposit)	39-4	0	0	0	0
Others		0	234,941	0	234,941
Total Dues to Local Banks & Credit Institutes:		**97,765,537**	**6,469,649**	**91,994,951**	**3,461,527**
Foreign Banks & Credit Institutes:					
Sight Deposit-IRR		3,780	28,288	3,780	28,288
Sight Deposits-Foreign Currency		0	2,313	0	2,313
Received Loans-Foreign Currency	40-5	0	0	0	0
Dues on Overdraft from Current Account		0	0	0	0
Others		0	32	0	32
Total Dues to Foreign Banks & Credit Institutes:		3,780	30,633	3,780	30,633
Total Dues to Banks & Credit Institutes:		**521,800,641**	**8,845,556**	**516,030,056**	**5,837,434**

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40.1. The Bank has not received any IRR loans from the CBI.

40.2. The bank does not have the facility to receive foreign currency from the CBI.

40.3. Rial loans received from domestic banks and credit institutions for three items of loans received by the Karafarin Leasing Company from Bank Eghetsadnovin, Iran Zamin and Pasargad with an interest rate of 23% and due in 1403, four items of loans received by the brokerage company from Bank Day, Tejarat, Mellat and Shahr with an interest rate of 23% and due in 1403, and also a facility item received by the Karafarin Financial Group from New Economy Bank with an interest rate of 23% and due in 1403 and after.

40.4. The Bank has not received any foreign currency loans from local banks and credit institutes.

40.5. The Bank has not received any foreign currency loans from overseas banks.

40.6. The Bank's cheques issued by other banks were settled on the date of Statement of Financial Position.

41. Dividends Payable

	Parent Company					
	DPS	Ratified Dividends	Balance on 20.03.2023	Dividends Paid during 2024-23	Capital Increase from Claims	Balance on 20.03.2024
	IRR Million	IRR Million	IRR Million	IRR Million	IRR Million	IRR Million
Balance of dividends payable from Previous Years		0	21,693	(5,327)	0	16,366
Year Ended 20.03.2022	160	6,320,000	18,606	(15,943)	0	2,663
Year Ended 20.03.2023	163	7,498,000	0	(7,492,194)	0	5,806
Total			**40,299**	**(7,513,465)**	**0**	**24,834**

* The amount of 42.607 Million Rials is from the balance of dividends payable related to the sale of unused pre-emptive rights of shareholders in capital increase.
*A major part of the remaining dividend is due to the fact that some of the shareholders are not alive or do not live in Iran, despite the notification by sending SMS and publishing the announcement of the dividend payment schedule in the Kodal system and the official website of the reference bank. Regarding the announcement of the account number for deposit, they have not benefited. It is worth mentioning that in order to protect the rights of the bank's shareholders, part of the annual claims of the shareholders registered in the SJAM system were paid on 14.11.2023 through the said system.

42. Debt Securities

	Group & Parent Company						
	Issuing Date	Maturity Date	On account Final year interest rate	Nominal Amount	Discount on Bonds	Balance at End of Year	
						20.03.2024	20.03.2023
			% Million	IRR Million	IRR Million	IRR Million	IRR Million
Participation Bonds				0	0	0	0
Sukuk Bonds				0	0	0	0
Total				**0**	**0**	**0**	**0**

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43. Corporation Tax Provision

	Group		Parent Company	
	2023-24	2022-23	2023-24	2022-23
	IRR Million	IRR Million	IRR Million	IRR Million
Balance at Beginning of Year	2,575,329	1,750,510	1,924,159	1,296,051
Correcting Corporation Tax of Previous Years	835,476	125,131	1,037,901	125,131
Paid during the Year	1,746,022	1,106,911	572,584	502,977
Paid from Previous Years (Note 43-5)	0	283	0	0
Corporation Tax Provision	(1,589,939)	(407,506)	(1,163,032)	0
Tax Prepayments	0	0	0	0
Balance at End of Year	**3,566,887**	**2,575,329**	**2,371,613**	**1,924,159**

43.1. The Bank's corporation taxes for years prior to 2016-17 have been finalized and settled. The following table indicates a summary of tax payable from 2015-16 to end of 2023-24:

	2023-24							20.03.2023	
Fiscal Year	Declared Profit (Loss)	Taxable Income	Declared	20.03.2024 Recognised	Tax Final	Paid	Provision Balance	Provision Balance	Recognition Method
2015-16	3,196,510	2,643,235	528,647	1,089,012	897,205	897,205	0	0	Issuing a definitive letter and protesting it in court
2016-17	1,819,020	483,269	96,654	750,497	0	96,654	123,637	123,637	Objection in the committee
2017-18	630,365	0	0	1,248,745	468,567	468,567	0	0	Issuing a definitive letter and protesting it in court
2018-19	1,237,392	0	0	945,250	694,465	694,465	0	125,131	Issuing a definitive letter and protesting it in court
2019-20	3,085,761	476,036	95,207	95,207	0	95,207	0	0	Objection in the appeal dispute resolution board
2020-21	12,301,803	0	171,703	1,925,504	0	171,703	700,000	700,000	Objection in the committee
2021-22	13,644,277	2,099,619	472,414	1,857,940	0	0	472,414	472,414	Objection in the appeal dispute resolution board
2022-23	13,510,377	2,235,453	502,977	4,536,462	0	0	502,977	502,977	Objection in the primary dispute resolution board
2023-24	19,113,412	2,921,640	572,584	0	0	0	572,585	0	Not handled
Tax Provision before Prepayment									
Tax Provision before Prepayment									
Tax Prepayments									
Tax Provision Balance							**2,371,613**	**1,924,159**	

43.1.1. The main differences between the declared and recognized tax are related to such things as: 1- return of expenses related to non-taxable income from investing in stocks and bonds 2- return of the cost related to reserves of doubtful loans 3- The return of interest on fixed deposit and on account, which has been paid in accordance with the banking laws without usury. 4-Including the profit from excess resources to the expenses of branches located in free zones. 5- Including the difference between the exchange rate of the central bank and the free market rate.
It is worth mentioning that with regard to the opinions of the competent authorities regarding similar cases, including the decree No. 9909970905811636 dated 26/01/2021 of the General Board of the Court of Administrative Justice regarding the acceptance of costs related to investment and the legal reference to the judgment of the Court and the parallel panel related to bank's performance In 2014-15, and similar votes for different banks regarding the issue of accepting the sharing of the costs of non-excluded (and not exempt) incomes and the cost of storing doubtful receivables, there is a possibility of obtaining similar votes for other years as well. On the one hand, due to the incorrect perception of the Tax Affairs Organization of the law of bank operations without usury and the executive instructions for the calculation of fixed interest in banks, this issue is being pursued in the Administrative Court of Justice by all public and private banks, and therefore, a significant debt will not be likely. In addition, according to the decisions of the government's economic coordination headquarters, the country's tax affairs organization is obliged to calculate and collect the interest tax resulting from the exchange of the aforementioned foreign currency assets based on the rate announced by the Central Bank of the Islamic Republic of Iran. Therefore, one of the most basic cases of tax demanded in excess of the declared amount of the banks has been resolved in the current financial year. Also, in relation to the declared tax of 2021-22, the zero-tax rate related to the undivided transfer to capital, the subject of paragraph (f) note 2 of the budget law of 2022-23 has also been used.

43.1.2. According to the latest decisions of the Court of Administrative Justice regarding the cases of 2004,2010,2014, 2015, all the issues objected to by the bank have been approved by the respected experts of the implementation of the order of the Administrative Court of Justice, and for the years 2004 and 2010, according to the decision of the Court of Administrative Justice, respectively, the final sheet 27 and 62 Billion Rials of tax refund has been issued in favor of the bank. For the year 2012, the decision without reference to the Board of Computation has been issued according to the decision of the Court of Administrative Justice and completely in favor of the bank. Also, for the year 2013, the decision issued by the Administrative Court of Justice after the decision of the parallel board (in favor of the bank) is in the stage of calculations and implementation. In order to assert the legal rights of the bank, the case of 2014 has been filed in the Court of Administrative Justice, and according to the latest reports of the executors of the order, all the issues objected to by the bank have been approved by the respected experts of the implementation of the order of the court and the illegality of the tax affairs organization's handling in this regard is correct. have left

43.1.3. For the performance of the year 2015, based on the latest proceedings (adjusted based on the decision of the dispute resolution committee), the amount of 432 Billion Rials has been demanded from the bank, and the bank has protested to the Supreme Tax Council and violated the decision of the dispute resolution committee, and the case has been referred to the same committee. It has been reported that the result has not been reached until the date of preparation of financial statements.
43.1.4. Regarding the case of the years 2016 and 2017, after the tax adjustment by the tax board, a lawsuit has been filed in the Administrative Court of Justice regarding other objectionable cases of the bank that have not been accepted by the Supreme Tax Council.

43.1.5. Regarding the tax file of 2018, it is recalled that the electronic notification system of the Tax Affairs Organization accepted the bank's tax declaration and proceeded to issue a tax declaration sheet equivalent to the tax expressed by the bank in the submitted declaration, which was accepted by the bank through a written letter. And the request for a definitive tax form has been made. On the other hand, the Tax Affairs Organization has issued another assessment sheet in violation of the law and the provisions of Articles 26 and 27 of the Executive Regulations of Article 219 of the Civil Code as well as the provisions of Article 227 of the Civil Code in the amount of 1,970,129 Million Rials. The bank's objection to the second assessment sheet (not the supplementary sheet) is ongoing in the appeal dispute resolution committee.

43.1.6. For the performance of the year 2019, based on the latest proceedings (adjusted based on the decision of the appeal dispute resolution board), the amount equivalent to 1,710 Billion Rials has been demanded from the bank. It has been referred to the committee that the results have not been reached until the date of preparation of the financial statements.
*Tax paid refers to amounts paid to the Ministry of Economic and Financial Affairs.

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43.2. The balance of tax payable at the end of the year does not have documents payable to the Tax Administration.

43.3. According to the tax laws, in the current period, the bank has used exemptions from the income of free zones and capital increase from undivided profits (Clause (c) of Article 14 of the Production and Infrastructure Financing Law). (Note 43-6)

43.4. The sum of the amounts paid and payable at the end of the reported year amounting to 6,345,649 Million Rials is less than the sum of the tax assessment or determination papers issued by the Tax Affairs Department related to the following, which has been objected, therefore, the debt for them in the accounts has not been reflected.

Tax paid and payable	Diagnostic/fixed tax	Surplus claimed by the Tax Administration
IRR Million	IRR Million	IRR Million
4,795,413	11,225,847	6,430,434

43.4.1. The main reasons for the difference between the tax paid and the tax payable with the diagnostic/definitive tax are explained in explanatory note No. 43.1.1.

43.5. The main components of income tax expense are as follows:
Tax related to the profit and loss statement:

	(Restated)		(Restated)	
	Group		Parent Company	
	20.03.2024	20.03.2023	20.03.2024	20.03.2023
	IRR Million	IRR Million	IRR Million	IRR Million
Operations in progress:				
Current Tax	1,746,022	1,106,911	572,584	502,977
Transfer tax expense related to the creation of transfer tax liability	0	0	0	0
Transfer tax income related to the creation of transfer tax assets	0	0	0	0
Transfer tax expense related to the return of a transfer tax asset	0	0	0	0
tax income related to the return of a transfer tax liability	0	0	0	0
Current years Income tax expense	1,746,022	1,106,911	572,584	502,977
Income tax expense of previous years' tax		283		
income tax expense from continuing operations	**1,746,022**	**1,107,194**	**572,584**	**502,977**

	Group		Parent Company	
	20.03.2024	20.03.2023	20.03.2024	20.03.2023
	IRR Million	IRR Million	IRR Million	IRR Million
Stopped operation:				
Current Tax	0	0	0	0
The cost of transfer tax related to the creation of transfer tax liability	0	0	0	0
(Transfer tax income) related to the creation of transfer tax assets	0	0	0	0
Transfer tax cost related to return of transfer tax asset	0	0	0	0
(Transfer tax income) related to the return of transfer tax debt	0	0	0	0
Current year's income tax expense	0	0	0	0
Income tax expense of previous years	0	0	0	0
Income tax expense/tax effect of discontinued operations	**0**	**0**	**0**	**0**

	Group		Parent Company	
	20.03.2024	20.03.2023	20.03.2024	20.03.2023
	IRR Million	IRR Million	IRR Million	IRR Million
Tax related to other comprehensive profit and loss items:				
Current Tax	0	0	0	0
Transfer tax related to revaluation of fixed assets	0	0	0	0
Transfer tax related to foreign currency exchange rate difference	0	0	0	0
Transfer tax related to other comprehensive profit and loss items	0	0	0	0

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43.6. The reconciliation of the income tax expense and the product of the accounting profit in the applicable tax rate(s) is as follows:

	(Restated)		(Restated)	
	Group		Parent Company	
	20.03.2024	20.03.2023	20.03.2024	20.03.2023
	IRR Million	IRR Million	IRR Million	IRR Million
profit from continuing operations before tax	21,735,236	15,675,710	19,113,412	14,013,354
Profit (loss) of discontinued operations before tax	0	0	0	0
Accounting profit before tax	21,735,236	15,675,710	19,113,412	14,013,354
The cost of income tax for ongoing operations and suspended operations calculated with an applicable tax rate of 22.5% in March 2023-24 with an applicable tax rate of 22.5%.	4,890,428	3,527,035	4,300,518	3,153,005
Current taxes of previous years Ongoing operations	0	0	0	0
Current taxes Operations stopped years ago	0	0	0	0
The effect of tax-exempt income (Note 43-3):				
Free zone branches profit	(27,734)	(19,062)	(27,734)	(19,062)
Bond income	(1,828,619)	(1,617,633)	(1,828,619)	(1,617,633)
Income from investments in company shares	(5,803)	(471,665)	(742,450)	(701,852)
Income from the sale of property	(2,376)	(280,605)	(2,376)	(280,605)
Income from the sale of real estate	(261,009)	(92,485)	0	(92,485)
Exemption of capital increase from undivided profits (Budget Law 2024-23)	(1,126,754)		(1,126,754)	
Effect of inadmissible expenses for tax purposes:				
Unacceptable costs	107,889	61,609	0	61,609
Income tax cost calculated with an effective tax rate of 22.5% (March 2023 with an effective tax rate of 22.5%)	1,746,022	1,107,194	572,584	502,977
Income tax expense from continuing operations	1,746,022	1,107,194	572,584	502,977
Income tax expense/tax effect of discontinued operations	0	0	0	0

43.7. Transfer tax related to temporary differences is as follows:

	Financial statements (group)					
	20.03.2024			20.03.2023		
	Transferable tax asset	Transferable tax liability	Pure	Transferable tax asset	Transferable tax liability	Pure
	IRR Million	IRR Million	IRR Million	IRR Million	IRR Million	IRR Million
Accounts Payable - Unused Employee Leave	0	0	0	0	0	0
Tangible Fixed Assets - Revaluation	0	0	0	0	0	0
Transfer tax asset- (liability)	0	0	0	0	0	0

	Financial statements (Parent Company)					
	20.03.2024			20.03.2023		
	Transferable tax asset	Transferable tax liability	Pure	Transferable tax asset	Transferable tax liability	Pure
	IRR Million	IRR Million	IRR Million	IRR Million	IRR Million	IRR Million
Accounts Payable - Unused Employee Leave	0	0	0	0	0	0
Tangible Fixed Assets - Revaluation	0	0	0	0	0	0
Transfer tax asset (liability).	0	0	0	0	0	0

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43.8. The turnover of the transfer tax account is as follows:

2023-24	Group	Parent Company				
	Transferable tax asset	Transferable tax liability	Recognized in profit and loss	Recognized in comprehensive income	Education/ handover	Balance at the end of the year
	IRR Million	IRR Million	IRR Million	IRR Million	IRR Million	IRR Million
Transfer tax assets (liabilities) related to:						
Accounts payable	0	0	0	0	0	0
Tangible fixed assets	0	0	0	0	0	0
Balance	0	0	0	0	0	0

2022-23	Group	Parent Company				
	Balance at the end of the year	Transferable tax liability	Recognized in profit and loss	Recognized in comprehensive income	Education/ handover	Balance at the end of the year
	IRR Million	IRR Million	IRR Million	IRR Million	IRR Million	IRR Million
Transfer tax assets (liabilities) related to:						
Accounts Payable	0	0	0	0	0	0
Tangible fixed assets	0	0	0	0	0	0
Balance	0	0	0	0	0	0

44. Reserves and other payables

	note	Group		Parent Company	
		2022-23	20.03.2021	2022-23	20.03.2021
		IRR Million	IRR Million	IRR Million	IRR Million
Loans Received from the National Development Fund	44-1	14,128	142,252	14,128	142,252
The Bank's Debt for Term L/Cs-IRR		1,168,717	5,696,260	1,168,717	5,696,260
The Bank's Debt for Term L/ Cs-Foreign Currency		0	100,922	0	100,922
Insurance Premium Payable		578,933	409,701	499,790	374,793
Deposit of payable expenses	44-2	4,021,165	2,245,612	3,708,809	2,075,806
Provision for Deposit Guarantee Fund	44-3	426,398	240,586	426,398	240,586
Customers' Foreign Currency Payment Order	44-4	48,349,823	2,041,332	42,546,124	2,041,332
Temporary creditors - foreign exchange operations of customers		5,685,339	3,681,550	5,685,339	3,681,550
Foreign Currency L/Cs		2,856	83,164	2,856	83,164
Claims of shareholders for unused pre-emptive rights		42,607	63,082	42,607	63,082
Shetab Creditors		314,378	1,073,907	314,378	1,073,907
Creditors of Prepaid Cards		1,148,351	972,000	1,148,351	972,000
Creditors of Deferred Commission on Foreign Currency L/Gs		106,456	194,852	106,456	194,852
Cheques in Process of Collection (Loan Collateral)		332,747	50,435	332,747	50,435
Creditors of Voucher Card		114,621	69,863	114,621	69,863
Good Performance Deposit of Contractors		310,098	286,784	255,037	212,412
Advances Received on Properties		34,869	25,154	34,869	25,154
Nima Local Creditors		0	708,701	0	708,701
Local Creditors of Prepayment Card		0	5,479	0	5,479
Accounts & Notes Payable of Subsidiaries to Companies & Parties		5,322,351	5,275,140	0	0
Debt to subsidiaries and affiliates		232,017	3,629	1,965,797	365,713
Debt for interbank (encrypted) checks sold		2,277,138	0	2,277,138	0
Creditors for branch operations		1,993,552	0	1,993,552	0
Other Liabilities		3,886,308	1,044,222	3,886,308	2,384,770
Total Provisions & Other Liabilities		**76,362,851**	**24,414,628**	**66,524,021**	**20,563,032**

44.1. Loans received by the Group and Parent Company from the National Development Fund on the date of the Statement of Financial Position are as follows:

	2023-24								2022-23	
	Amounts Received	Foreign Currency	Date Received	Maturity Date	No. of Instalments	Interest Rate-%	Loans Balance - Foreign Currency	Loans Balance	Loans Balance - Foreign Currency	Loans Balance
						%		IRR Million		IRR Million
Foreign Currency Loans:										
	2,750	EUR	11.02.2021	30.10.2028	9	6	462	202	347	92
	31,243	EUR	05.09.2021	30.10.2028	9	6	4,186	1,832	2,881	764
	1,666,000	EUR	08.11.2023	30.10.2028	9	6	5,751	2,517	0	0
	1,655,800	EUR	08.11.2023	30.10.2028	9	6	5,716	2,502	0	0
	1,098,200	EUR	08.11.2023	30.10.2028	9	6	3,791	1,659	0	0
	1,026,800	EUR	08.11.2023	30.10.2028	9	6	3,545	1,552	0	0
	1,162,800	EUR	08.11.2023	30.10.2028	9	6	4,014	1,757	0	0
	1,394,000	EUR	08.11.2023	30.10.2028	9	6	4,812	2,106	0	0
Total Foreign Currency Loans								**14,128**		**855**
IRR Loans- IRR Million:								**0**		**141,397**
Total IRR Loans								**0**		**141,397**
Total Loans Received from the National Development Fund								**14,128**		**142,252**

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44.2. The status of the tax processing provisions of Article 17 of the Law on Removing Obstacles to Production is as described in the following table:

Fiscal Year	Tax Subject	Claim Notice	Tax Payable Based on the Final Notice	Tax Paid	Comments
2019-2020	Clause B	423,634	36,505	0	Obtaining the opinion of Leh Bank's first tax dispute resolution board
	Clause P	42,531	0	0	Objection to the primary tax dispute resolution board
2020-2021	Clause B	966,396	187,854	0	Obtaining the opinion of Leh Bank's first tax dispute resolution board
	Clause P	0	0	0	decided
2021-2022	Clause B	1,445,225	0	0	Objection to the primary tax dispute resolution board
	Clause P	17,115	0	17,115	Final and settled

44.2.1.Regarding the taxes subject to clauses (b) and (c) of the law on removing obstacles to production for the years 2020-21, 2016-17 and 2018-19, a definitive letter has been issued.

44.2.2. The amount of 423,634 Million Rials, 966,396 Million Rials and 1,445,225 Million Rials has been demanded from the bank regarding the tax subject of Clause (b) of the law on removing obstacles to production for the years 2019-20, 2020-21 and 2021-22 respectively. With the objection of the bank, the case of the mentioned years was referred to the tax dispute settlement committee. Based on the votes issued by the said board, the tax of Clause (b) for the years 2019-20 and 2020-21 is equal to the amounts of 36,505 Million Rials and 187,854 Million Rials, respectively. According to the votes of the previous years, it is expected that the tax of paragraph (b) of the year 2021-22 will be adjusted and equal to the amount of 888,087 Million Rials. Regarding the tax of Clause (c) of the law on removing obstacles to production in 2019-20 and 2021-22, amounts of 42,531 Million Rials and 17,115 Million Rials were demanded from the bank, respectively. And the tax of 2021-22 has been paid. In addition, for the year 2020-21, due to not being included in the bank, the fixed tax is equal to zero.

44.2.3. According to Article 4 of the Housing Production Growth Law approved in 2021-22, banks and credit institutions are required to allocate at least 20% of the banking system's payment loans to the housing sector each year. According to the Executive Instruction for Granting loans for Housing Construction and Renovation No. 271496/00 dated 8.12.2021 of the CBI, any request to receive the loans that are the subject of this instruction must be registered in a special system determined by the Ministry of Roads and Urban Development for this purpose. And the banks are obliged to examine the said requests and if the applicant is eligible according to the provisions of the said instructions, to conclude the contract and pay the loans. In addition, according to the provisions of Article 12 of the aforementioned directive and the note of the mentioned article, in case of non-compliance with the conditions stipulated in this directive, which are considered necessary for granting loans, the tax affairs organization will collect a tax equal to 20% of the unfulfilled obligation from the bank in the form of an annual budget. will do However, the Tax Affairs Organization, without taking into account the criteria stipulated in the mentioned instructions and solely based on the amount of loans determined by the CBI, according to Note 5 of Article 4 of the aforementioned law for the first year of implementation of the law until 21.09.22, the bank has considered it subject to tax and has demanded 21,000 Billion Rials of tax from the bank based on the final document issued. Considering the positive votes issued by the Supreme Tax Council for other banks regarding the same issue, the bank has protested to the Supreme Tax Council in this regard, the result of which has not been determined so far. For this reason, sufficient reserves have been provided in the offices.

44.3. According to the resolution dated 20.05.2017, the Council of Ministers regarding the amendment of the regulations on the amount and method of deposit guarantee fund membership fee based on the letter number 285/11/99 dated 21.02.2021 of the deposit guarantee fund and circular number 68469/96 dated 28.05.2017 of the CBI and guidance on how to calculate to No. H48367T/100998 dated 24.07.2013 Council of Ministers, the initial membership fee and annual membership fee for the years 2014-15 to 2022-23 in the fund and for the fiscal year ending March 29, 2024 also based on the amendment The new funds have been stored in the accounts.

44.2.4. Customers' foreign currency payment orders have been settled up to the date of preparation of the financial statements.

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45. Provision for Employees' Work Termination Benefits and Retirement

	note	Group		Parent Company					
		20.03.2024	20.03.2023	20.03.2024			20.03.2023		
		Provision for Work Termination Benefits	Provision for Work Termination Benefits	Provision for Work Termination Benefits	Provision for Employees' Retirement	Total	Provision for Work Termination Benefits	Provision for Employees' Retirement	Total
		IRR Million	IRR Million	IRR Million	IRR Million	IRR Million	IRR Million	IRR Million	IRR Million
Balance at Beginning of Year		2,899,969	1,837,643	2,692,304	0	2,692,304	1,718,515	0	1,718,515
Paid during Year		(185,968)	(90,757)	(118,134)	0	(118,134)	(53,215)	0	(53,215)
Provision for the Year	45-1	1,200,938	1,153,083	1,070,946	0	1,070,946	1,027,003	0	1,027,003
Balance at End of Year		**3,914,939**	**2,899,969**	**3,645,115**	**0**	**3,645,115**	**2,692,304**	**0**	**2,692,304**

45.1. Provision for buying back employees' services is calculated based on latest monthly salary for every year of service.

46. Capital

The initial capital of the Bank was IRR30,000 Million (including 30,000,000 Million shares, with par value of IRR1,000 each). However, which during several stages, as described below, amounted to 50,000,000 Million Rials (including the number of 50,000 Million shares, to the nominal value of each share of 1.000 riyals with full name paid) at the end of the financial period ending on 20.03.2024

Capital Increase Registration Date	% of Capital Increase	Amount of Capital Increase	New Capital Amount	Capital Increase Source
		IRR Million	IRR Million	
02.08.2001	233%	70,000	100,000	Claims & Cash Contributions
22.12.2001	100%	100,000	200,000	Claims & Cash Contributions
13.11.2004	75%	150,000	350,000	Cash Contributions
26.09.2005	100%	350,000	700,000	Claims & Cash Contributions
19.12.2007	50%	350,000	1,050,000	Claims & Cash Contributions
22.12.2008	90%	950,000	2,000,000	Claims & Cash Contributions
03.10.2010	50%	1,000,000	3,000,000	Claims & Cash Contributions
11.09.2011	50%	1,500,000	4,500,000	Claims & Cash Contributions
22.09.2012	61%	2,750,000	7,250,000	Revaluation Surplus & Retained Earnings
28.05.2014	17%	1,250,000	8,500,000	Claims & Cash Contributions
06.11.2020	216%	18,342,986	26,842,986	Revaluation Surplus & Other Reserves
25.10.2021	47%	12,657,014	39,500,000	Claims & Cash Contributions
12.02.2023	16%	6,500,000	46,000,000	Retained Earnings & Other Reserves
16.03.2024	8.7%	4,000,000	50,000,000	Retained Earnings & Other Reserves

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46.1. Composition of shareholders on the date of Statement of Financial Position is as follows:

	20.03.2024			20.03.2023	
	No. of Shares	% of Shares		No. of Shares	% of Shares
Holding 1% Share & Above		%			%
Legal Entities:					
Saba Tamin Investment Co. (Public Joint Stock)	5,577,822,915	11.2%	Tadbir Investment Co. (Private Joint Stock)	3,577,551,942	7.8%
Tadbir Investment Co. (Private Joint Stock)	3,888,643,406	7.8%	Saba Tamin Investment Co. (Public Joint Stock)	3,457,626,091	7.5%
Karafarin Insurance Co.(Public Joint Stock)	3,715,930,667	7.4%	Karafarin Insurance Co.(Public Joint Stock)	3,180,453,631	6.9%
Negin Ganjineh Iranian Co. (Private Joint Stock)	2,499,999,958	5%	Negin Ganjineh Iranian Co. (Private Joint Stock)	2,299,999,968	5%
Mehrafarinan Doran Co. (Private Joint Stock)	2,499,999,957	5%	Mehrafarinan Doran Co. (Private Joint Stock)	2,299,999,965	5%
Idea Gostar Dourandish Co. (Private Joint Stock)	2,499,999,951	5%	Idea Gostar Dourandish Co. (Private Joint Stock)	2,299,999,963	5%
Tose'e Eghtesad Farda Co. (Private Joint Stock)	2,499,994,074	5%	Tose'e Eghtesad Farda Co. (Private Joint Stock)	2,299,994,556	5%
Faraz & Foroud Eghtesad Ayandeh Co. (Private Joint Stock)	2,344,239,343	4.7%	Faraz & Foroud Eghtesad Ayandeh Co. (Private Joint Stock)	2,156,700,202	4.7%
Investment fund managed by Karafarin Bank (BMF)	2,085,578,171	4.2%	Sabatamin Management Services Company (Special Shares)	1,052,237,296	2.3%
Padideh Afarin Shafagh Co. (Private Joint Stock)	945,270,960	1.9%	Padideh Afarin Shafagh Co. (Private Joint Stock)	869,649,285	1.9%
Sarzamin Pahnavar Mehr Co. (Private Joint Stock)	793,379,114	1.6%	Mehr Ayandegan Financial Development Group (Public Joint Stock)	856,834,615	1.9%
Atiyeh Omid Welfare and Supply Institute	723,248,047	1.4%	Paydare Sepehr deposit investment fund	769,747,988	1.7%
Parsian Bank Financial Group Co. (Private Joint Stock)	499,412,631	1.0%	Atiyeh Omid Welfare and Supply Institute	756,652,135	1.6%
			Sarzamin Pahnavar Mehr Co. (Private Joint Stock)	729,908,788	1.6%
			Amin 1th farda investment fund	672,329,344	1.5%
			Karafarin Brokerage Mutual Investment Fund	610,159,522	1.3%
			Lotus Parsian Investment Fund	**524,092,556**	**1.1%**
	30,573,519,194	**61.1%**		**28,413,937,847**	**61.8%**
Individuals (Including 7 Shareholders)	8,523,482,969	17%	Individuals (Including 7 Shareholders)	7,841,604,350	17%
Others (Holding Below 1% Share)			Others (Holding Below 1% Share)		
Legal Entities (Including 107 Shareholders)	**4,034,103,033**	**8.1%**	**Legal Entities (Including 96 Shareholders)**	**4,164,627,672**	9.1%
Individuals (Including 17,995 Shareholders)	**6,868,894,804**	**13.7%**	**Individuals (Including 10,541 Shareholders)**	**5,579,830,131**	12.1%
Total	**50,000,000,000**	**100%**	**Total**	**46,000,000,000**	**100%**

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46.2. Comparison of the number of shares at the beginning of the period and at the end of the period

	2024-23 No. of Shares	2023-22 No. of Shares
The balance at the beginning of the period	46,000,000,000	39,500,000,000
Capital increase from accumulated earnings and other reserves	4,000,000,000	6,500,000,000
Balance at the end of the period	50,000,000,000	46,000,000,000

46.3. Bank's shares in the ownership of subsidiaries and affiliates

	2023-24		2022-23	
	No. of Shares	Ownership percentage	No. of Shares	Ownership percentage
Karafarin Financial Group	36,835,888	0.07%	1,418,036	0%
Karafarin brokerage	-	0%	1,585,448	0%
Karafarin Asre Amin	-	0%	-	0%
Omid Karafarin Commercial Development	-	0%	-	0%
Total	**36,835,888**	**0%**	**3,003,484**	**0.07%**

46.4. The capital adequacy ratio of the bank/non-banking credit institution on the date of the statement of financial position is equal to 8.95%, which is based on the requirements notified by CBI The minimum equivalent of 8 percent has been determined. Therefore, this bank has achieved the minimum capital adequacy ratio on the date of the financial statement. Detailed information in this regard has been disclosed in the description of Note No. 64-7 (Capital Management).

46.5. Considering the achievement of the minimum capital adequacy ratio, there will be no consequences for the bank.

46.6. During the reported financial period, capital increase from the amount of 46,000,000 to the amount of 50,000,000 Million Rials from the accumulated interest (2,814,000 Million Rials) and other reserves (1,186,000 Million Rials) for the purpose of authorized banking activities within the framework of the Central Bank of the Islamic Republic of Iran, dated 16.03.2024, was registered in the Companies Registration Office.

47. Capital in Increase in Process

On 20/03/2024, there was no capital increase in the bank and its subsidiaries

48.Shares Premium Reserve

On 20/03/2024, There was no share premium in the Bank and its subsidiaries.

49. Legal Reserve

	note	Group		Parent Company	
		2023-24	2022-23	2023-24	2022-23
		IRR Million	IRR Million	IRR Million	IRR Million
Balance at Beginning of Year		8,239,832	6,116,057	7,932,529	5,956,750
Transferred from Distributable Profit	49-1	2.091.633	2,123,775	2.026.557	1,975,779
Balance at End of Year		**10.331.465**	**8,239,832**	**9.959.086**	**7,932,529**

49.1. According to the contents of Article 33 of the Monetary and Banking Act and Article 108 of the Article of Association, 15% of annual net profit is recorded as legal reserve after deducting losses incurred in previous years. It is mandatory to record legal reserve until it reaches the Bank's capital and then it is optional.

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50. Other Reserves

	note	Group		Parent Company	
		20.03.2024	20.03.2023	20.03.2024	20.03.2023
		IRR Million	IRR Million	IRR Million	IRR Million
Balance at Beginning of Year		1,611,301	3,239,237	1,186,102	2,958,053
Decrease		(1,186,102)	(2,958,053)	(1,186,102)	(2,958,053)
Transferred from Distributable Profit	50-1	7,164,485	1,330,117	7,135,807	1,186,102
Balance at End of Year		**7,589,684**	**1,611,301**	**7,135,807**	**1,186,102**

50.1. According to the Letter stated in note 7.10 of the financial statements, the rate presents a basis mainly to prepare financial statements and the profit obtained from exchanging foreign currency assets and liabilities at the end of the mentioned fiscal year and previous fiscal year is not considered as the distributable profit. Banks and credit institutes are required to record the mentioned profit under heading of Other Reserves and in a separated account. This profit cannot be distributed among shareholders. Banks and credit institutes are permitted to distribute the entire or a part of this profit to their capital increase account following obtaining a permit from the CBI.

51.Assets Revaluation Surplus

	Group		Parent Company	
	20.03.2024	20.03.2023	20.03.2024	20.03.2023
	IRR Million	IRR Million	IRR Million	IRR Million
Assets Revaluation Surplus	1,562,910	1,562,910	953	953
Total	**1,562,910**	**1,562,910**	**953**	**953**

*The revaluation surplus of the group's assets is related to the main company and the revaluation of the assets of the affiliated company (Karafarin Insurance) according to the identification of the equity method in the consolidated financial statements.

Assets' reevaluation surplus of the Parent Company is as follows:

	20.03.2024			20.03.2023
	Assets Revaluation Surplus	Capital Increase	Assets Revaluation Balance	Assets Revaluation Balance
	IRR Million	IRR Million	IRR Million	IRR Million
Tangible fixed assets				
10.03.2012	2,043,597	(2,000,000)	43,597	43,597
21.09.2020	16,366,420	(16,409,063)	(42,644)	(42,644)
	18,410,016	(18,409,063)	953	953
long-term investments				
	0	0	0	0
	0	0	0	0
Other				
	0	0	0	0
	0	0	0	0
Total	18,410,016	(18,409,063)	953	953

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52.Foreign Exchange Difference

	Group & Parent Company	
	2023-24	2022-23
	IRR Million	IRR Million
Difference in Foreign Exchange of Overseas Operations		
Operation ... in the country	0	0
Total	0	0
Results of Legal Changes in Foreign Currency Rate	0	0
Foreign Exchange Difference	0	0

53. Treasury Shares

According to Article 28 of the Law on Removing Obstacles to Competitive Production and Improving the Country's Financial System, the company can buy up to 10% of its shares based on the amount of floating shares and keep them as treasury shares in the company. The purchase and sale of treasury shares is carried out according to the regulations and the executive order for the purchase, maintenance and supply of treasury shares. The company does not have the right to vote in the assemblies and does not have the right to buy new shares, and it does not have the right to receive any assets at the time of liquidation.

Description	Group					
	20.03.2024				20.03.2023	
	Group	Amount	Shares Premium from Sale	Shares Discount from Sale	Number	Amount
Purchase	1,764,382,180	(4,264,683)	0	0	308,918,448	(293,076)
Sale	(56,129,411)	170,479	9,914	0	(192,184,471)	64,187
Capital Increase	85,766,700	0	0	0	0	0
Net purchase (sale) during the period	1,794,019,469	(4,094,204)	9,914	0	116,733,977	(228,889)
Balance at Beginning of Year	291,558,702	(703,106)			174,824,725	(474,217)
Balance at End of Year	2,085,578,171	(4,797,310)			291,558,702	(703,106)

Description	Parent Company					
	20.03.2024				20.03.2023	
	Group	Amount	Shares Premium from Sale	Shares Discount from Sale	Number	Amount
Purchase	1,764,382,180	(4,264,691)	0	0	253,038,124	(116,361)
Sale	(56,129,411)	170,479	9,914	0	(189,044,263)	34,017
Capital Increase	81,180,603	0	0	0	0	0
Net purchase (sale) during the period	1,789,433,372	(4,094,212)	9,914	0	63,993,861	(82,344)
Balance at Beginning of Year	238,818,586	(556,533)			174,824,725	(474,189)
Balance at End of Year	2,028,251,958	(4,650,745)			238,818,586	(556,533)

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54.Premium on treasury shares

Description	Group				Parent Company			
	20.03.2024		20.03.2023		20.03.2024		20.03.2023	
	Number	Amount	Number	Amount	Number	Amount	Number	Amount
	IRR Million	IRR Million	IRR Million	IRR Million	IRR Million	IRR Million	IRR Million	IRR Million
Balance at the beginning of	0	0	0	0	0	0	0	0
the year	0	0	0	0	0	0	0	0
Profit from sale	0	9,914	0	0	0	9,914	0	0
Loss from sale	0	0	0	0	0	0	0	0
transfer balance	0	0	0	0	0	0	0	0
Balance at End of Year	**0**	**9,914**	**0**	**0**	**0**	**9,914**	**0**	**0**

54.1. Non-controlling Shareholders' interest

	Group	
	20.03.2024	20.03.2023
	IRR Million	IRR Million
Capital	1,106,990	1,028,598
Legal reserve & Other Reserves	109,541	89,416
Retained Earnings (Loss)	2,361,109	2,165,767
Non-controlling Shareholders' Interes	**3,577,640**	**3,283,782**

55. Correcting mistakes, changing accounting procedures and reclassification

55.1. Correcting mistakes

	Group		Parent Company	
	20.03.2024	20.03.2023	20.03.2024	20.03.2023
	IRR Million	IRR Million	IRR Million	IRR Million
Correcting the depreciation cost of tangible fixed assets	0	0	0	0
Modification of depreciation cost of intangible assets	0	0	0	0
Amending performance tax reserve	0	0	0	0
	0	0	0	0

55.2. Changes in accounting procedures:

In the reported period, there was no change in accounting procedures

55.3. Reclassification

55.3.1. According to the sixth edition of the central bank sample financial statements, announced in April 2022 and Circular No. 02/154882 dated 21.09.2022, changes have been made in some classes of financial statements, which are explained in notes 55-4-1 and 55-4-2.

55.4. In order to provide a proper picture of the financial situation and results of operations, all relevant comparative information in the comparative financial statements has been revised and re-presented, and for this reason, the comparative items sometimes do not match the financial statements presented in the previous financial year.

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55.4.1. Modification and re-presentation of financial statements of 20/03/2023

	Group					
	According to the financial statements	Adjustments				(reclassified)
	20.03.2023	Correction of mistakes	change in accounting procedures	Reclassification	Total adjustments	20.03.2023
	IRR Million	IRR Million	IRR Million	IRR Million	IRR Million	IRR Million
Financial statements:						
Tangible fixed assets	31,545,394	0	0	(1,340,547)	(1,340,547)	30,204,847
Intangible assets	17,731,425	0	0	428,663	428,663	18,160,089
Investment in Shares & Other Securities	47,732,030	0	0	(1,721,413)	(1,721,413)	46,010,617
Customer Deposits	(504,483,342)	0	0	28,320	28,320	(504,455,022)
Debt to banks and non-bank credit institutions	(8,817,236)	0	0	(28,320)	(28,320)	(8,845,556)
Reserves and other payables	(25,326,513)	0	0	911,884	911,884	24,414,628
Legal Reserve	(10,331,465)	0	0	5,348	5,348	10,326,117
Other Reserves	(1,605,953)	0	0	(5,348)	(5,348)	1,611,301
Treasury shares	556,561	0	0	146,545	146,545	703,106
Non-controlling Shareholders' interest	**(4,858,649)**	**0**	**0**	**1,574,867**	**1,574,867**	**3,283,782**

	Parent Company					
	According to the financial statements	Adjustments				(reclassified)
	20.03.2023	Correction of mistakes	change in accounting procedures	Reclassification	Total adjustments	20.03.2023
	IRR Million	IRR Million	IRR Million	IRR Million	IRR Million	IRR Million
Financial statements:						
Customer Deposits	(506,198,014)	0	0	28,320	28,320	(506,169,695)
Debt to banks and non-bank credit institutions	(5,809,114)	0	0	(28,320)	(28,320)	(5,837,434)

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55.4.2. Modification and re-presentation of financial statements of 20/03/2022

	Group					
	According to the financial statements	Adjustments				(reclassified)
	20.03.2022	Correction of mistakes	change in accounting procedures	Reclassification	Total adjustments	20.03.2022
	IRR Million	IRR Million	IRR Million	IRR Million	IRR Million	IRR Million
Financial statements:						
Other Accounts Receivable	5,704,259	0	0	708,543	708,543	6,412,802
Non-current assets held for sale	0	0	0	4,329,200	4,329,200	4,329,200
Other Assets	7,488,853	0	0	(4,329,200)	(4,329,200)	3,159,652
Customer Deposits	(111,881,249)	0	0	(331,017,835)	(331,017,835)	(442,899,084)
Debt to banks and non-bank credit institutions	(43,597,175)	0	0	(1,953,817)	(1,953,817)	(45,550,992)
Reserves and other payables	(11,721,424)	0	0	(708,543)	(708,543)	(12,429,967)
The rights of owners of investment deposits	(332,971,652)	0	0	332,971,652	332,971,652	0

	Parent Company					
	According to the financial statements	Adjustments				(reclassified)
	20.03.2022	Correction of mistakes	change in accounting procedures	Reclassification	Total adjustments	20.03.2022
	IRR Million	IRR Million	IRR Million	IRR Million	IRR Million	IRR Million
Financial statements:						
Non-current assets held for sale	0	0	0	4,299,200	4,299,200	4,299,200
Other Assets	7,169,676	0	0	(4,299,200)	(4,299,200)	2,870,475
Customer Deposits	(112,149,501)	0	0	(331,829,405)	(331,829,405)	(443,978,906)
Debt to banks and non-bank credit institutions	(40,016,094)	0	0	(1,953,817)	(1,953,817)	(41,969,911)
The rights of owners of investment deposits	(333,783,222)	0	0	333,783,222	333,783,222	0

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56. Cash flow from operations

	Group			Parent Company		
	2023-24		2022-23	2023-24		2022-23
	IRR Million	IRR Million	IRR Million	IRR Million	IRR Million	IRR Million
Net Profit (Loss):		19,989,213	14,568,516		18,540,828	13,510,377
Adjustments						
Depreciation Expense		1,471,885	839,702		1,259,199	720,241
Corporation Tax		1,746,022	1,107,194		572,584	502,977
Net Increase (Decrease) in Work Termination Benefits Provision and employee retirement obligations		1,014,970	1,062,326		952,812	973,788
Financial Expenses		0	0		0	0
Net other non-operating incomes		(1,428,147)	(151,977)		(1,691,131)	(151,686)
and expenses		(271,569)	(1,428,147)		(18,353)	(1,691,131)
Loss (profit) resulting from the		0	0		0	
transfer of investments related to		(1,044,159)	(1,078,854)		(1,199,062)	(2,025,518)
non-banking activities		(126,163)	(51,472)		(126,163)	(51,472)
Net loss (profit) decrease (increase) in		(1,230,101)	(888,307)		(1,190,293)	(850,347)
the value of investments		0	0		0	0
Dividends of companies and units of investment funds (related to non-banking activities		(1,166,636)	(1,044,159)		(2,707,157)	(1,199,062)
Decrease in assets value		1,200,000	0		0	0
Net Loss (Profit) from Foreign Exchange of Cash		(9,058,201)	(2,191,406)		(9,090,341)	(2,151,598)
Total		**(5,189,692)**	**(1,705,962)**		**(9,157,419)**	**(2,896,257)**
Changes in operating assets and liabilities						
Increase (decrease) in debt to banks and other non-bank credit institutions, excluding received loans	512,955,085		(36,705,436)	510,192,621		(36,132,477)
Increase (decrease) customer deposits	127,197,278		61,555,938	127,125,727		62,190,789
Increase (decrease) the operational share of reserves and other payables	52,783,699		12,109,792	46,998,890		9,643,930
Reducing (increasing) claims from banks and other non-bank credit institutions	(10,936,892)		9,222,679	(10,936,892)		9,222,679
Reducing (increasing) demands from the government	0		0	0		0
Reducing (increasing) granting loans and demands from government entities	0		0	0		0
Reducing (increasing) granting loans and demands from non-governmental entities	(131,335,817)		(45,223,939)	(130,728,681)		(46,399,298)
Decrease (increase) investment in stocks and other securities	(21,359,666)		8,232,514	(17,707,195)		11,404,144
Reducing (increasing) claims from subsidiaries and affiliates	(587,042)		1,517	(3,998,755)		(2,229,483)
Reducing (increasing) the operational share of other receivables	(171,254,715)		(5,031,796)	(162,662,059)		(4,018,083)
Reduction (increase) of legal deposit	(22,783,968)		(7,248,681)	22,783,968		(7,248,681)
Reducing (increasing) the operational share of other assets	1,853,244		2,857,015	2,085,187		(2,903,216)
Decrease (increase) of goodwill	1		1	0		0
Total		336,531,206	(5,944,427)		337,584,874	(6,469,696)
Cash flow from operations		**351,330,728**	**6,918,127**		**346,968,282**	**4,144,424**

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57. Changes resulting from cash flows and non-cash changes in liabilities resulting from financing activities are as follows:

	Group		
	Received Financial Loans	Debt bonds and partnership bonds	Total
	IRR Million	IRR Million	IRR Million
Balance at the beginning of 2022-23	1,161,970	0	1,161,970
Cash receipts	0	0	0
Interest, fees and penalties	0	0	0
Cash payments for principal	0	0	0
Cash payments for interest	0	0	0
The impact of exchange rate hanges	0	0	0
Balance at the end of 2022-23	1,161,970	0	1,161,970
Cash receipts	0	0	0
Interest, fees and penalties	0	0	0
Cash payments for principal	0	0	0
Cash payments for interest	0	0	0
The impact of exchange rate hanges	0	0	0
Balance on 20.03.2024	**1,161,970**	**0**	**1,161,970**

	Parent Company		
	Received Financial Loans	Debt bonds and partnership bonds	Total
	IRR Million	IRR Million	IRR Million
Balance at the beginning of 2022-23	0	0	0
Cash receipts	0	0	0
Interest, fees and penalties	0	0	0
Cash payments for principal	0	0	0
Cash payments for interest	0	0	0
The impact of exchange rate hangs	0	0	0
Balance at the end of 2022-23	0	0	0
Cash receipts	0	0	0
Interest, fees and penalties	0	0	0
Cash payments for principal	0	0	0
Cash payments for interest	0	0	0
The impact of exchange rate hangs	0	0	0
Balance on 20.03.2024	**0**	**0**	**0**

58. Non-cash Transactions

Major non-cash transactions during the year are as follows:

	note	Group		Parent Company	
		2023-24	2022-23	2023-24	2022-23
		IRR Million	IRR Million	IRR Million	IRR Million
Assets Repossessed against Granted Loans	58-1	2,292,235	1,025,675	2,292,235	1,025,675
Assets Exchange with Granted Loans	58-2	0	0	0	0
Exchange of assets	58-3	0	0	0	0
Capital Increase from Matured Claims of Shareholders		0	1,000,000	0	0
Acquisition of shares against receivables		29,896	0	0	0
Repayment of credit loans and taxes from accounts payable		0	1,645,009	0	0
decrease in investments through an increase in accounts receivable		0	946,000	0	0
increase in investments through an increase in accounts payable		0	278	0	0
Clearing of dividends payable with claims from shareholders		740	0	0	0
Total Non-Cash Transactions		2,322,871	4,616,962	2,292,235	1,025,675

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58.1. The following assets were repossessed by the Bank during the reporting year:

Repossessed Asset	Customers' Relation Type	Debt Amount at Time of Repossession	Repossessed Assets Value based on the Expert's Opinion	Amount Paid by Customer (Write-off by the Bank)	Amounts Paid for Excess Value of Repossessed Assets based on Expert's Opinion	Debt Balance After Repossession
		IRR Million	IRR Million	IRR Million	IRR Million	IRR Million
Residential Property	Unrelated Customer	1,353,572	(1,024,206)	0	2,460	331,827
Commercial/ Residential Property	Unrelated Customer	149	(149)	0	0	0
Land	Unrelated Customer	1,255,327	(264,505)	(983,597)	0	7,226
Office Property	Unrelated Customer	0	0	0	0	0
Commercial Property	Unrelated Customer	2,377,103	(1,003,195)	(1,373,908)	0	0
Garden	Unrelated Customer	0	0	0	0	0
Commercial/ Office/ Residential Property	Unrelated Customer	180	(180)	0	0	0
commodity	Unrelated Customer	0	0	0	0	0
Motor Vehicles	Unrelated Customer	0	0	0	0	0
Total		**4,986,332**	**(2,292,235)**	**(2,357,505)**	**2,460**	**339,053**

58.2. The following assets were traded-off during the reporting period:

Traded-off Assets	Customers' Relation Type	Debt Amount at Time of Trade-off	Traded-off Assets Value based on the Expert's Opinion	Paid by Customer (Write-off by the Bank	Paid for Excess Value of Traded-off Assets based n Expert's Opinion	Debt Balance After Trade-off
		IRR Million	IRR Million	IRR Million	IRR Million	IRR Million
Residential Property	Subsidiary Company	0	0	0	0	0
Commercial/ Office Property	Associate Company, Bank's Employees Investment Co.	0	0	0	0	0
Shares	Shareholder	0	0	0	0	0
Bonds	Other Associate Compa-nies	0	0	0	0	0
Factory & Equipment	Unrelated Customer	0	0	0	0	0
Others		0	0	0	0	0
		0	0	0	0	0

58.3. The following assets were traded-off during the reporting period:

Disposed Assets	Customers' Relation Type	Asset Acquired	Carrying Amount of Dis-posed Assets	Book val-ue of the trans-ferred asset	Acquired Asset Val-ue Based on the Expert Opinion	Difference in Paid/ Received Amount
			IRR Million	IRR Million	IRR Million	IRR Million
Residential Property	Subsidiary Com-pany	Residential Property	0	0	0	0
Commercial Property	Associate Com-pany, Bank's Employees In-vestment Co.	Commer-cial/ Office Property	0	0	0	0
Shares	Shareholder	Shares	0	0	0	0
Bonds	Other Associate Companies	Bonds	0	0	0	0
Factory & Equipment	Unrelated Cus-tomer	Factory & Equipment	0	0	0	0
Others			0	0	0	0
			0	**0**	**0**	**0**

59. Off-balance Sheet Items

59.1. Commitments on IRR and foreign currency L/Cs

59.1.1. Details of the Bank's commitments for foreign currency L/Cs are as follows:

Foreign Currency	Group & Parent Company												
	Balance at Beginning of Year			Opened (Commitment Increase) during Year			Deposited (Cancelled) during Year			Impact of Exchange Rate Fluctuations during Year	Balance at End of Year		
	Number	Foreign Currency Amount	IRR Equivalent IRR Million	Number	Foreign Currency Amount	IRR Equivalent IRR Million	Number	Foreign Currency Amount	IRR Equivalent IRR Million	IRR Equivalent IRR Million	Number	Foreign Currency Amount	IRR Equivalent IRR Million
Sight:													
CNY	0	0	0	0	0	0	0	0	0	0	0	0	0
EUR	0	0	0	0	0	0	0	0	0	0	0	0	0
INR	0	0	0	0	0	0	0	0	0	0	0	0	0
JPY	0	0	0	0	0	0	0	0	0	0	0	0	0
OMR	0	0	0	0	0	0	0	0	0	0	0	0	0
TRY	0	0	0	0	0	0	0	0	0	0	0	0	0
Total	**0**		**0**			**0**			**0**	**0**			**0**
Term:													
CNY	1	340,320	12,222	0	0	0	0	0	0	6,786	1	340,320	19,008
Total			**12,222**			**0**			**0**	**6,786**			**19,008**
Total			**12,222**			**0**			**0**	**6,786**			**19,008**

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59.1.2. Details of the Bank's commitments for foreign currency L/Cs are as follows:

L/C Type	Group & Parent Company							
	Balance at Beginning		Opened during Year		Deposited (Cancelled) during Year		Balance at End of Year	
	Number	IRRMillion	Number	IRR Million	Number	IRR Million	Number	IRRMillion
Sight	2	1,585,210	3	1,342,069	5	2,927,279		
Term	75	9,525,417	96	25,641,064	130	32,409,751	41	2,756,730
Total		**11,110,627**		**26,983,133**		**35,337,030**		**2,756,730**

59.2. The Bank's commitments on issued IRR and foreign currency L/Gs

59.2.1. Details of the Bank's commitments on foreign currency L/Gs are as follows:

Disposed Assets	20.03.2024		20.03.2023	
	Foreign Currency Amount	Equivalent IRR Million	Foreign Currency Amount	Equivalent IRR Million
EUR	20,056,189	8,779,276	38,645,574	10,241,077
USD	0	0	1,300,000	325,000
CNY	0	0	0	0
AED	4,000,000	437,716	6,051,708	407,637
IQD	0	0	0	0
INR	0	0	0	0
TZS	1,000,000,000	158,000	0	0
Total Bank's Commitments on Foreign Currency L/Gs		**9,374,992**		**10,973,714**

59.2.2. The Bank's commitments on issued IRR L/Gs are as follows:

	Group & Parent Company	
	20.03.2024	20.03.2023
	IRR Million	IRR Million
Commitments on Issued L/Gs	294,894,473	227,980,375

59.3. Other Bank's commitments are as follows:

	Group & Parent Company	
	20.03.2024	20.03.2023
	IRR Million	IRR Million
Commitments on Guarantee of Bonds & Similar Securities (Investment Funds)	66,590,767	23,200,000
Commitments on Credit Cards	0	0
Commitments on Foreign Currency Contracts- Foreign Currency Reserve Account	0	0
Commitments on Trade Unions Contracts	0	0
Commitments on Loans for Products	0	0
Commitments on IRR Contracts	0	0
Commitments on Contracts with Management & Planning Organization	0	0
Bank's Commitments on National Development Fund-IRR	0	857,347
Bank's Commitments on National Development Fund-Foreign Currency	0	0
Obligations to guarantee liquidity of fixed income investment funds	80,783,408	55,851,132
Obligations for the concluded contract of bank transactions	11,597,590	1,677,772
Total Other Bank's Commitments	**158,971,766**	**81,586,251**

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59.4. Managed funds and similar items are as follows:

	Group & Parent Company	
	20.03.2024	20.03.2023
	IRR Million	IRR Million
Loans Granted from Managed Funds	382,887	408,849
Unconsumed Managed Funds	0	0
Loans Granted from Special Gharz-al Hassaneh Deposit	0	0
Unconsumed Special Gharz-al Hassaneh Deposit	0	0
Total Managed Funds & Similar Items	**382,887**	**408,849**

59.5. Commitments on L/Cs and L/Gs based on security type

	Group & Parent Company	
	20.03.2024	20.03.2023
	IRR Million	IRR Million
Deposits	45,632,416	68,653,413
Bonds & Other Debt Securities Guaranteed by the Government & CBI	0	0
Bonds & Other Debt Securities Guaranteed by Other Banks	0	0
L/Gs	0	0
Transacted L/Cs	0	0
Shares Listed in TSE	0	0
Lands & Buildings	7,653,625	5,362,542
Machineries	0	0
Cheques & Promissory Notes	250,232,710	173,452,416
Others	3,526,452	2,608,568
Total Secured Commitments	**307,045,203**	**250,076,938**
Total Unsecured Commitments	0	0
Total Commitments on L/Cs & L/Gs	**307,045,203**	**250,076,938**

60. Capital Commitments and Contingent Liabilities

60.1. Capital commitments from transactions and approved on the date of the Statement of Financial Position are as follows:

	Parent Company	
	20.03.2024	20.03.2023
	IRR Million	IRR Million
Buying comprehensive banking software	0	1,281,660
Buying property	0	856,075
Buying an ATM and printer	159,817	245,172
Buying a CCTV camera	101,624	101,624
Overhaul of the ventilation system	0	23,559
Branch purchase	12,600	12,600
Repair of ventilation system	0	6,334
Buying computer equipment	0	2,204
Buying software	0	1,750
Buying book printing and binding services	390,885	0
Payment of fees for book printing and binding services	53,829	0
Branch municipality fees	213,507	0
Total	**932,262**	**2,530,978**

60.2. Contingent liabilities on the date of the financial statement are as follows:
The tax affairs organization has demanded 21.000 Billion Rials from the bank for the tax subject of note 5, article 4 of the housing production surge law for the first year of the implementation of the law. According to the bank's objection, the process of tax proceedings is ongoing in order to adjust

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the mentioned tax, and the result of the preliminary tax dispute settlement committee has not been determined until the date of preparing the financial statements.

60.2.1. Corporation tax, VAT and contingent liabilities of the Group's subsidiaries are as follows:

Karafarin Brokerage Company

The company's performance tax has been finalized and settled by the end of 2023-22. The performance tax of the reported year is based on the expressed profit, according to the application of legal exemptions, the necessary reserve in the accounts. As of the date of the statement of status, the company has no obligations and contingent liabilities subject to article 235 of the amendment to the Commercial Law, capital obligations and contingent assets.

Karafarin Leasing Company

The company's performance tax for all years prior to 2020-21 has been finalized and settled. Regarding the performance of 2020-21, a final certificate has been issued in the amount of 134,133 Million Rials (including 17,354 Million Rials fine) and based on the agreements made with the Department of Tax Affairs, a part of it has been issued. Payment was made in cash, and the rest was paid and settled in 7 installments of checks due on 31.05.2023 to 04.12.2023in accordance with the notice of agreement dated 08.05. 2023.For the performance of 2021-22, a performance recognition sheet was issued in the amount of RM134.387 Million, which was objected to by the company. Finally, according to the agreement reached with the Tax Affairs Organization, the performance tax for the year was determined in the amount of RM124.717 Million. It was approved in the accounts last year and paid in cash and installments this year. For the performance of 2022-23, based on the declared amounts and the application of legal exemptions, according to the submitted statement, the amount of 94.715 Million Rials has been declared and paid in cash and installments and paid in full. For the said year, a final letter in the amount of 133.187 Million Rials (including 6.843 Million Rials in fines) was received on 23.07.2024, that the difference between the principal of the debt and the tax paid, including part of the crimes according to the receipt issued in the amount of 25.069 Million Rials as The cost of identification and its checks have been issued in 2023-24. In addition, follow-ups are ongoing regarding the forgiveness of the remaining crimes. This year's tax has been calculated after deducting income exempt from accounting interest at a rate of 22.5% (according to the floating stock incentive subject of the article and the exemption of note 7 of article 105) and included in the accounts. The company has no capital obligations on the date of the statement of financial position. The company has no obligations and possible liabilities are the subject of Article 235 of the amendment of the Commercial Law.

Karafarin Abniyeh Gostar Company

The performance tax of the company has been finalized and settled by the end of 2021-22. For the year 2022-23, the necessary reserve has been calculated and paid based on the declared taxable income. The company has no capital obligations arising from the contracts concluded and approved on the date of the financial statement. The company has no possible debts subject to Article 235 of the amendment of the Trade Law. Value added taxes and duties for the years 2019-20, 2020-21 and the first, second and fourth periods of 2021-22 have been finalized and paid, as well as taxes and duties on value added for the rest of the years 2013-14 to 2018-2019 have not been investigated by the Tax Administration. A demand sheet for taxes and value-added duties was issued for the third month of 1400 in the amount of 622 Million Rials, which the company has protested against. The decision of the Tax Dispute Resolution Board was announced on 20.02.2.24 regarding the acceptance of 622 Million Rials and the application of credits for the previous periods of this company. The final sheet of value added taxes and duties for the second quarter of 2019-2020 has been issued in the amount of 38 Million. Salary tax until the end of 2021-22 and the crimes of Article 169 of the Islamic Civil Code until the end of 2020-21 have been determined and settled. A tax claim sheet was issued for crimes under Article 169 of 2021-22 in the amount of 26 Million Rials, which the company has protested against and the final decision of the lower court has been issued. In addition, the company's offices have not been investigated by the Social Security Organization since its establishment.

Karafarin Foreign Exchange Company

The company has no obligations and possible liabilities subject to Article 235 of the amendment of the Trade Law. Value added taxes and duties have been fixed and settled until the end of 2020-21, with the exception of 2017-2018. The value added taxes for the years 2021-2022 and 2022-2023 have also been dealt with, to which an objection is pending and the Tax Dispute Resolution Board is investigating. Due to the value added taxes and duties of this year and previous years, a reserve equal to 51 Billion Rials has been made in the accounts. Salary tax, obligation and article 169 of the Civil Code until the year 2022-23 have been processed and a definitive form has been issued for it, and the arrangements for their payment have been made. The demand sheet for crimes under article 169 of the Civil Code was issued in 2021-22 and was objected to by the company. Regarding the performance of 2017-18, a supplemental diagnosis sheet for value added declaration and a supplemental diagnosis sheet for the crimes subject to repeated Article 169 of the Civil Code and a supplemental diagnosis sheet were issued in the amounts of 10,021, 917, and 2,141 Million Rials, respectively, which were objected to by the company. And the case is under investigation by the Tax Affairs Department. The company does not have any capital obligations on the date of the financial statement.

Karafarin Financial Group Company

The performance tax for the years 2021-22 and before has been handled by the Tax Administration and has been fully paid. All the investment income of this company in 2022-23 and the current financial year are fully covered by the provisions of Note 4 of Article 105 and Note 2 of Article 143 of the Direct Taxes Law, according to the provisions of these laws, all income related to these bonds are exempt from tax. During the financial year under report, the group does not have any possible debt subject to Article 235 of the amendment of the Trade Law approved in 1968-69.

60.3. The contingent assets of the company are as follows:
On the date of the statement of financial position, the bank has no contingent assets.

61. Post-Financial Position Statement Date Events

A significant event has not occurred after the date of the statement of financial position, until the date of approval of the financial statements, which requires the disclosure or amendment of the text of the financial statements.
The events that happened in the period after the date of the statement of financial position until the date of approval of the financial statements and required disclosure in the financial statements (according to the fifth part of the regulations governing the minimum standards of transparency and public release of information by credit institutions) are as follows:

61.1. Any change in the registered capital of credit institutions
There is no case.

61.2. Change in the composition of the members of the board of directors and the executive board
There is no case.

61.3. Change of CEO and Chairman of the Board of Directors
In the reporting period, the CEO and the chairman of the board of directors have not changed.

61.4. Disciplinary penalties and restrictions imposed by the CBI regarding the credit institution
There is no case.

61.5. Any acquisition, merger or dissolution
During the reporting period, no acquisitions, mergers or divestitures have occurred.

61.6. The amount of damages caused by theft, embezzlement and unexpected events
There is no case.

62. Proposed dividend

62.1. The proposal of the board of directors for the profit distribution of the financial year ending in the period of 20 March 2024, is 1,854,0827 Million Rials.

62.2. The board of directors, according to the liquidity situation and the ability to pay dividends, including the current liquidity situation and during the dividend payment period, the sources of cash funds to pay dividends, the percentage of dividends distributed in previous years, the status of dividend payments in previous years in terms of its timely payment according to the schedule of the board of directors, the status of interest payment in previous years in terms of paying it within the legal deadline and the status of transferring interest to capital through capital increase from the place of claims in previous years and also according to the existing laws and regulations and the future plans of the bank, has presented this proposal.

62.3. The financial source necessary to pay interest is provided from internal funds.

63. Bad Debts

63.1. Bad debts based on claims are as follows:

	Loans	Other Claims	Total
	IRR Million	IRR Million	IRR Million
Bad Debts at Beginning of Year	0	0	0
Bad Debts during Year	0	0	0
Bad Debts Collected during Year	0	0	0
Bad Debts at End of Year	**0**	**0**	**0**

63.2. Bad debts based on type of loans are as follows:

	Governmental			Non-Governmental			Total
	Obligatory	Non-Obligatory	Total	Obligatory	Non-Obligatory	Total	
	IRR Million	IRR Million	IRR Million	IRR Million	IRR Million	IRR Million	IRR Million
Bad Debts at Beginning of Year	0	0	0	0	0	0	0
Bad Debts during Year	0	0	0	0	0	0	0
Bad Debts Collected during Year	0	0	0	0	0	0	0
Bad Debts at End of Year	**0**	**0**	**0**	**0**	**0**	**0**	**0**

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63.3. Bad debts based on type of type of borrowers are as follows:

	Persons related to the bank	Unrelated persons	Total
	IRR Million	IRR Million	IRR Million
Bad Debts at Beginning of Year	0	0	0
Bad Debts during Year	0	0	0
Bad Debts Collected during Year	0	0	0
Bad Debts at End of Year	0	0	0

63.4. Bad debts based on type of type of contract are as follows:

	Constant Profit Contracts	Participation Contracts	Total
	IRR Million	IRR Million	IRR Million
Bad Debts at Beginning of Year	0	0	0
Bad Debts during Year	0	0	0
Bad Debts Collected during Year	0	0	0
Bad Debts at End of Year	0	0	0

63.5. Bad debts based on type of type of debt are as follows:

	Claims arising from loans				
	principal	interest	Obligation	Judicial costs	Total
	IRR Million	IRR Million	IRR Million	IRR Million	IRR Million
Bad Debts at Beginning of Year	0	0	0	0	0
Bad Debts during Year	0	0	0	0	0
Bad Debts Collected during Year	0	0	0	0	0
Bad Debts at End of Year	0	0	0	0	0

63.6. The reserve intended in the accounts for bad debts during the period is as follows:

	2023-24	2022-23
	IRR Million	IRR Million
Reserve of Bad Debts at Beginning of Year	0	0
Reserve of Bad Debts during Year	0	0
Reserve of Bad Debts Collected during Year	0	0
Reserve of Bad Debts at End of Year	0	0

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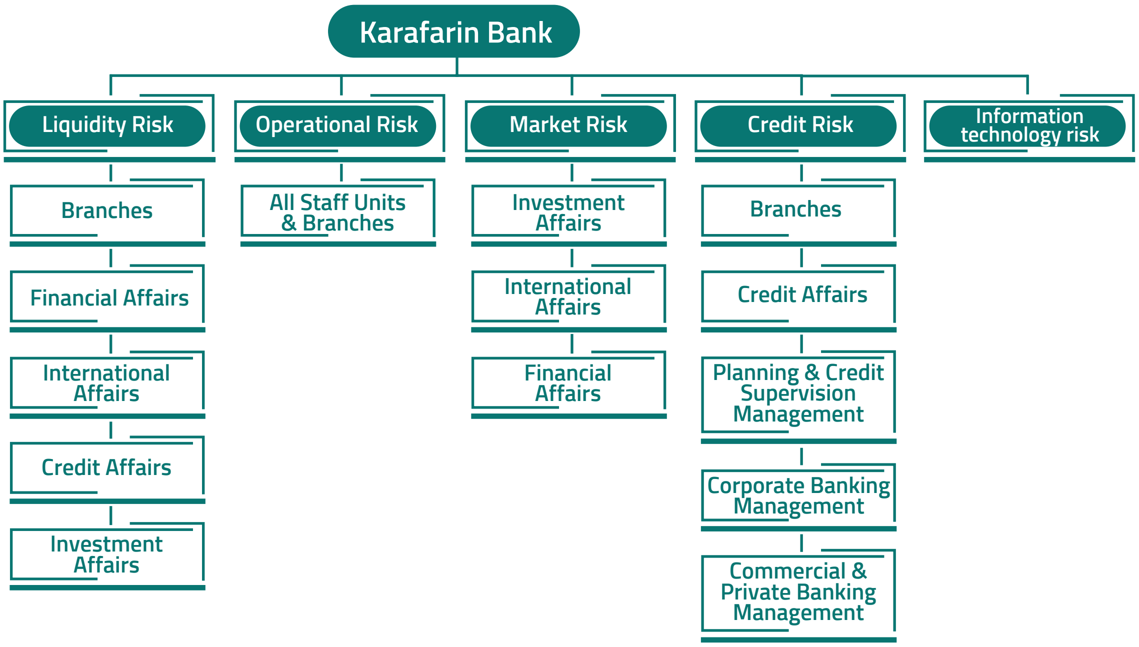
64. Bank's Risks

The Bank is exposed to the following risks:

- Credit Risk
- Liquidity Risk
- Market Risk
- Operational Risk
- Information technology risk

The scale of impact arising from risks which affect the Bank's business in different fields is stated in the following diagram:

64.1. This diagram represents the relationship between different business areas and main risks against which, each unit is exposed:



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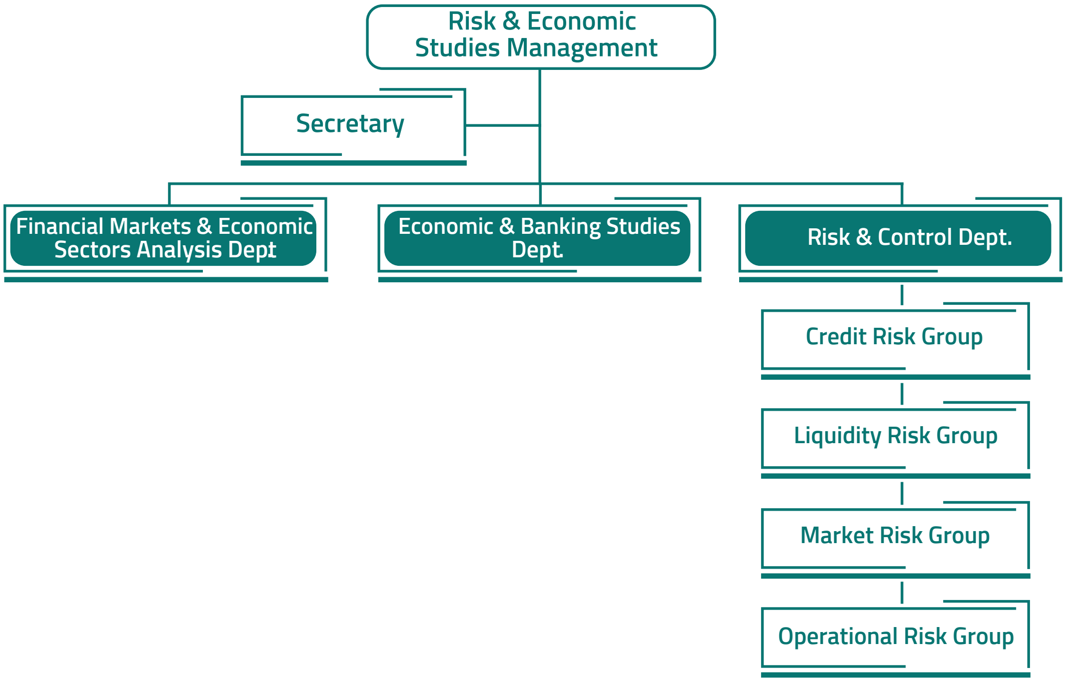
64.2. Risk management structure



64.3. Credit risk

64.3.1. Definition

Credit risk is any loss from inability of a borrower in paying back the loans and meeting its obligations. In other words, any potential loss arising from failing to partially or wholly meet commitments from receiving credit services by counter-party (due to unwillingness, financial inability, barriers on the way of settlement, etc.).

64.3.2. Credit policies

The Bank's credit policies which are based on potential risks and are in compliance with guidelines of the regulatory authority are ratified by a senior director and are notified throughout the Bank, annually. Furthermore, the Bank ratifies a set of complementary policies and regulations in order to meet its annual credit policies and revises the previous regulations and processes in accordance with its latest credit policies. On an individual level, in addition to expert opinions, the Bank applies an internal rating system as a complementary analytical tool in order to select the most suitable customers. Risk and Economic Research Management together with Inspection and Credit Managements carry out a set of measures in order to enhance the quality of credit rating, data applied, risk measurement and risk concentration reporting, sufficiency of loans coverage, as well as measures relating to credit risk identification, measurement and control.

Some of measures taken in the Bank in this regard are stated below:

1. Credit applicants' annual rating,
2. Assessing branches performance at internal rating system information registry,
3. Investigating & updating information on internal rating system,
4. Evaluating internal rating system and upgrading it,
5. Investigating and comparing customers' rates with respect to customers' credit performance and securities,
6. Investigating customers' credit information registration in Afarin System from risk point of view,
7. Investigating adequacy of securities registered for credit applicants,

8. Investigating and upgrading value of credit applicants' real estates as collateral,
9. Monitoring & reporting customers' large-scale loans and commitments,
10. Monitoring & reporting on loans and large-scale commitments of parties related to the Bank,
11. Evaluating credit performance of the Bank's credit authorities,
12. Controlling the scope of authority of branches and credit pillars,
13. Rating industry subsections as separated by ISIC codes,
14. Investigating credit risk concentration as separated by different economic sections and industry subsection,
15. Investigating loans repayment with respect to securities quality,
16. Calculating capital adequacy required for credit risk based on Basel II,
17. Calculating credit loans & commitment's provisioning.
18. Forecasting and checking the ratio of non-current loans

64.3.3. Credit Risk Management executive units

At Karafarin Bank, the Risk and Economic Research Management is the main custodian for enforcing credit risk management. In this regard, three Risk & Control Department, along with four specialized subgroups have been established. One of these specialized subgroups, which is known as "Credit Risk Experts" specifically conducts all measures necessary for identifying, measuring, reporting as well as reducing and managing credit risk. Hence, Risk and Economic Research Management collaborates with other managements and related specialized committees such as, credit, planning and credit supervision managements.

64.3.4. Scope of authority for different levels of organization to approve loans and commitments

Scope of authorities at different levels, for ratifying loans and commitments is revised annually and the latest ratification known as the: "Annual Credit Policies" are notified throughout the Bank. According to these policies, the Board of Directors, the Executive Board, and Central Credit Committee (in order) exercise the highest authority to grant credit. Due to operational risk involved, the branches have less authority in this regard. The branches have been categorized into seven types of independent branches, namely: Excellent A, Excellent B and Grade 1 to Grade 4. All branches are obliged to comply with the regulations relating to the credit requests of customers which are within the scope of given authority (taking customers' existing commitments & debts into account) in branch credit committee and take due decisions in compliance with regulations related to branches' scope of credit authority to approve credit loans & L/G. In cases where customers' requests exceed branches' scope of authority, the file together with branch credit committee comment and required documents will be referred to Credit Affairs Management for decision-making. With respect to suggested credit amount, the case will be set forth in Credit Committee, Credit High Committee and/or Board of Directors respectively for decision-making.

Credit Pillars	Total Loans	L/Gs & Local L/Cs	Maximum Total Credit Ratifications for Each Customer		Scope of Authority to Grant Loans & Commitments to Single Beneficiary Units	
	loans	Obligations	loans	Obligations	loans	Obligations
Board of Directors	Higher Amounts		Higher Amounts		Higher Amounts	
Managing Director	4.000 Billion Rials	7.000 Billion Rials	2.500 Billion Rials	4.000 Billion Rials	30.000 Billion Rials	
Central Credit Committee	800 Billion Rials	2.000 Billion Rials	500 Billion Rials	1000 Billion Rials	10.800 Billion Rials	

64.3.5. Methods of reducing credit risk

Upon granting loans, Karafarin Bank applies different approaches depending on each customer, in order to cover and its manage credit risk. These approaches include: avoidance, transfer, control and acceptance of risk. The Bank's attitude towards high-risk customers (who have been rated by the Infernal Rating Software) who cannot submit sufficient and liquid collateral to cover their risk, is avoidance. As for those customers who have been accepted, the Bank controls its credit risk by applying the usual methods such as obtaining collateral or enforcing certain limitations on customers upon signing contracts with them. At Karafarin Bank, obtaining collateral is the most usual form of covering credit risk. Hence, the Bank has formulated specific policies regarding obtaining collaterals from customers and has drafted various manuals that list types of collateral acceptable to the Bank, market liquidity of each collateral, scale of required coverage, scope of authority to lend against various collateral, legal conditions to mortgage collateral, etc. In order to transfer its risk, the Bank's most usual approach is to insure its collateral. The final step for covering the remaining credit risk is to estimate the capital required for credit risk coverage. This estimation is conducted by applying CBI regulations and Basel Standard. Raising minimum regulatory capital ensures that the Bank is able to cover its credit risk.

64.3.6. Customers' credit rating processes

The overall process of credit rating is carried out under the following principles:

1. Branches are initially responsible for customers' reception, preparing credit reports and receiving customers' credit rating report, inquiring from existing systems and maintaining information. The customers are rated by the Bank's internal system designed by Risk Unit. This rating divides customers into individuals, legal construction entities and legal non-construction entities using statistical models. Branches are responsible for entering data into systems according to which customer rate is received. Controlling information accuracy is periodically and regularly performed by Risk and Economic Studies Management.
2. Credit Management is responsible for reviewing suggestions provided by branches, reviewing customer rate, managing the branch credit limits and credit opining.
3. Credit committees are responsible for approving credit in decision-making with regard to credit amount.
4. Risk and Economic Studies Management department is responsible for monitoring granted credits via designing and upgrading a credit rating monitoring and reporting system using predefined indices.
5. Duties of Risk and Economic Studies Management are separated from other managements and organizational units which are related to customers' credit affairs.

64.3.7. Credit quality analysis

Bank's assets quality including loans and commitments and investments, type and amount and adequacy of received securities (granted loans balance ratio to securities' updated value LTV) is displayed in tables 64.3.7.1. to 64.3.7.4. from credit risk point of view.

64.3.7.1. Analysis of credit quality of granted loans, commitments and investments based on the Bank's internal credit rating.

(Amounts in IRR million)

	Credit Quality Analysis							
	20.03.2024	20.03.2023	20.03.2024	20.03.2023	20.03.2024	20.03.2023	20.03.2024	20.03.2023
Grade 1- Low Risk	0	0	36,833,235	26,250,467	46,410,042	28,706,706	3,424,448	11,837,607
Grade 2- Medium Degree	0	0	474,587,279	355,248,347	492,134	1,153,333	282,306,985	234,373,275
Grade 3- High Risk	0	0	56,582,187	41,028,133	6,363,210	6,360,202	21,313,770	3,866,056
Grade 4- To Be Categorized as Bad Debt	0	0	7,148,938	8,891,509	0	0	0	0
Total Gross Amount	0	0	575,151,640	431,418,455	53,265,387	36,220,242	307,045,203	250,076,938
Impairment Provision	0	0	(33,485,530)	(18,188,791)	0	0	0	0
Net Carrying Amount	**0**	**0**	**541,666,110**	**413,229,664**	**53,265,387**	**36,220,242**	**307,045,203**	**250,076,938**

- Investments include any securities with ownership rights characteristic such as all kinds of shares.
- To analyse credit quality of customers, loans balance at each unit and the rate obtained from the internal rating system are taken into consideration and ratings are classified as follows:

Grade 1: Customers with A rate and staff loans.
Grade 2: Customers with B & C rates, settled L/Gs and L/Cs.
Grade 3: Customers with D & E rates and customers with non-performing, doubtful and outstanding loans. Unrated: Customers who have received loans against deposits and old customers.
Grade 4: Non-performing loans with over-5-year doubtful debts.

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64.3.7.2. Quality analysis of granted loans and commitments based on assets levels

	Loans Granted to Banks		Loans Granted to Customers		Commitments on L/Gs & L/Cs	
	2023-24	2022-23	2023-24	2022-23	2023-24	2022-23
	IRR Million	IRR Million	IRR Million	IRR Million	IRR Million	IRR Million
Current	0	0	528,788,014	411,627,301	307,045,203	250,076,938
Overdue	0	0	12,858,843	2,818,470	0	0
Deferred	0	0	3,678,454	2,077,919	0	0
Doubtful	0	0	29,826,329	14,894,765	0	0
Total Gross Amount	0	0	575,151,640	431,418,455	307,045,203	250,076,938
Impairment Provision	0	0	(33,485,530)	(18,188,791)	0	0
Net Carrying Amount	**0**	**0**	**541,666,110**	**413,229,664**	**307,045,203**	**250,076,938**

64.3.7.3. Credit Quality of corporate bonds, Islamic treasury notes, Sukuk and investment funds units and similar items

	Credit Quality Analysis	
	20.03.2024	20.03.2023
	IRR Million	IRR Million
Issued by the Government & CBI:		
Islamic Treasury Notes	41,146,655	15,696,335
Government Bonds	0	7,015,763
Government Murabaha Bonds	5,171,837	6,020,535
Governmental Bonds	0	0
Total	46,318,492	28,732,633
Issued by Governmental Companies		
Total	**0**	**0**
Karafarin Brokerage Mutual Investment Fund	0	0
Arman Karafarin Investment Fund	18,500	18,500
Shakhes Karafarin Mutual Investment Fund	9,000	9,000
Shakhes Karafarin Mutual Investment Fund	0	0
Market Development Mutual Fund	0	0
Tawazun Kurosh Investment Fund	0	0
Investment fund with fixed income dedicated to the marketing of the Kara-farin brokerage - normal	35,550	35,550
Joint investment fund of Sanat and Mine Bank	0	0
Total	91,550	91,550
Total	**46,410,042**	**28,824,183**

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64.3.7.4. Type and amount of securities obtained from credit customers

Security Type	20.03.2024	20.03.2023
	IRR Million	IRR Million
Loans Granted to Individuals:		
Cash	1,356,214	3,517,882
Bonds/Sukuk	0	0
Listed Bonds	0	46,132,904
Unlisted Bonds	0	0
IRR Deposits	991,693	13,600,538
Foreign Currency Deposits	0	15,527
Immovable Assets Mortgaged by the Bank	35,762,569	48,445,821
Bonds	16,242	0
Machineries	327,460	491,376
L/Gs	110,552	11,893,846
Collected Cheque & Additional Cheque as Collateral	112,635,733	431,384,197
Promissory Notes	57,076,141	111,992,137
Enforced Contracts	99,976,498	401,508,215
Investment Fund	107,901	58,647
Others	1,289,716	26,343,663
Total Individuals' Securities	**309,650,719**	**1,095,384,754**
Loans Granted to Legal Entities:		
Cash	2,317,784	1,181,720
Bonds/Sukuk	0	0
Listed bonds	68,077,188	7,477
Unlisted Bonds	0	0
IRR Deposits	6,610,016	2,893,430
Foreign Currency Deposits	0	0
Immovable Assets Mortgaged by the Bank	73,023,397	22,437,598
Bonds	0	0
Machineries	521,196	238,726
L/Gs	890,614	712,845
Collected Cheque & Additional Cheque as Collateral	860,728,729	50,012,340
Promissory Notes	189,423,316	25,334,212
Enforced Contracts	740,671,667	51,393,615
Investment Fund	40,000	192,813
Others	5,082,174	1,827,470
Total Loans Granted to Legal Entities	1,947,386,081	156,232,245
Total Securities Obtained from Credit Entities	**2,257,036,800**	**1,251,616,999**

*The amount for securities mortgage value is based on the report of the Bank's surveyor.

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64.3.7.5. Balance of loans based on loans balance (less provisions) to updated value of securities

Description	20.03.2024	20.03.2023
	IRR Million	IRR Million
Loans Granted to Banks		
Below 50%	0	0
51% to 70%	0	0
71% to 90%	0	0
91 to 100%	0	0
Above 100%	0	0
Total	**0**	**0**
Loans Granted to Individuals:		
Below 50%	1,580,520	540,222
51% to 70%	2,015,888	569,580
71% to 90%	1,986,522	6,157,706
91 to 100%	1,259,277	2,615,212
Above 100%	75,495,326	31,750,866
Total	**82,337,533**	**41,633,585**
Loans Granted to legal Entities:		
Below 50%	2,996,918	12,969,804
51% to 70%	3,736,592	7,050,237
71% to 90%	3,697,771	9,392,763
91 to 100%	2,563,791	5,514,607
Above 100%	446,333,504	336,668,667
Total	459,328,577	371,596,079
Total	**541,666,110**	**413,229,664**

Calculations are based on the updated mortgage value of securities considering the liquidity coefficients stated in the Assets Classification & Provisioning Letter. The above table aims to disclose the coverage of collateral held by the Bank against the balance of customers' debt.

64.3.8. Credit risk concentration

This section explains the Bank's policies towards distributing the credit risk regarding economic sectors, overseas and local units and various contracts. The results applying the policies are presented in 64.3.8.1 to 64.3.8.2.

64.3.8.1. Distribution of loans and investments in various economic sectors and their local and overseas concentration

	Granted Loans		Investments		Commitments on L/Cs & L/ Gs	
	20.03.2024	20.03.2023	20.03.2024	20.03.2023	20.03.2024	20.03.2023
	IRR Million	IRR Million	IRR Million	IRR Million	IRR Million	IRR Million
Carrying Amount	413.229.664	367,856,041	36.220.242	46,436,963	250.076.938	192,553,581
Amount of Loans/Commitments based on Economic Sectors						
Industry	324,505,898	256,969,203	492,124	2,381,565	152,960,932	141,698,738
Housing	26,272,482	23,025,616	24,469	0	68,403,451	56,832,232
Commercial	64,978,597	40,771,867	0	0	16,767,427	17,187,807
Services	69,336,763	50,581,593	1,504,850	99,137	42,292,093	28,374,066
Agriculture	6,773,388	3,990,719	0	0	1,357,841	179,902
Financial Intermediaries & Banks	49,798,982	37,890,666	51,243,944	33,739,540	25,263,460	5,804,193
Total	541,666,110	413,229,664	53,265,387	36,220,242	307,045,203	250,076,938
Amount of Loans/Commitments based on Location						
Local	541,666,110	413,229,664	53,265,387	36,220,242	307,045,203	250,076,938
Overseas	0	0	0	0	0	0
Total	**541,666,110**	**413,229,664**	**53,265,387**	**36,220,242**	**307,045,203**	**250,076,938**

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64.3.8.1.1. Distribution of loans, commitments and investments in various industries is as follows:

Description	20.03.2024	20.03.2023
	IRR Million	IRR Million
Loans:		
Contracting Work	1,621,082	498,886
Chemical & Petrochemical Industries & Petroleum Products	22,476,972	32,358,718
Financial Intermediation	0	0
Motor Vehicles	18,730,958	16,430,951
Mining & Metals Industries	37,831,619	45,210,556
Telecommunications, Computer & Related Industries	6,059,190	984,952
Food & Drug	86,777,143	77,066,218
Energy	18,921,550	3,563,250
Others	132,087,386	80,855,673
Total	**324,505,898**	**256,969,203**
Investments:		
Base Metals	0	33,134
Chemical & Petrochemical Industries & Petroleum Products	0	7,539
Metal Mines Exploitation	0	0
Cement, Lime & Gypsum	0	0
Banks & Credit Institutes	0	0
Industrial Multi-Sector	0	0
Retailing Except for Motor Vehicles	0	0
Pharmaceutical Products	0	0
Technical & Engineering Services	0	144,810
Investments	0	0
Computer & Related Activities	0	0
Information & Communications	492,124	2,196,082
Supplying Electricity, Gas, Steam & Hot Water	0	0
Financial Intermediary	0	0
Total	**492,124**	**2,381,565**
Commitments:		
Contracting Work	1,124,141	559,793
Chemical & Petrochemical Industries & Petroleum Products	35,559,342	26,536,698
Financial Intermediary	0	0
Motor Vehicle	8,015,551	7,498,445
Mining & Metals Industries	26,674,437	21,616,528
Telecommunications, Computer & Related Industries	7,981,407	1,814,650
Food & Pharmaceuticals	5,536,629	6,198,844
Energy	3,990,703	10,654,507
Others	64,078,722	66,819,274
Total	**152,960,932**	**141,698,738**
Sum Total	**477,958,955**	**401,049,506**

Participatory Contracts	Legal Entities	19,303,774	2.11%	1[illegible]
Total		**23,570,580**	**2.58%**	**1[illegible]**
Total		**915,207,334**	**100%**	**4[illegible]**

* Gharz-al Hassaneh loans are not classified under non-transacted contr

64.3.9. Non-performing loans management method
This section explains the Bank's policies towards distributing the credit r
sectors, overseas and local units and various contracts. The results apply
in 64.3.8.1 to 64.3.8.2.

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64.3.9.1. Turnover of Non-performing loans and claims

	2023-24				2022-23			
	Principal Amount	Interest	Late Payment Penalty	Total	Principal Amount	Interest	Late Payment Penalty	Total
	IRR Million	IRR Million	IRR Million	IRR Million	IRR Million	IRR Million	IRR Million	IRR Million
Balance of Non-performing Loans & Claims at Beginning of Year	16,819,947	4,919,596	(1,948,389)	19,791,154	12,912,428	4,014,456	(1,929,680)	14,997,204
Transferred to Non-Performing during Year	41,384,129	5,635,625	0	47,019,755	9,447,658	2,142,620	0	11,590,278
Non-performing Loans & Claims Settled during Year								
Cash Collection	(9,856,746)	(1,856,746)	(2,635,256)	(14,348,748)	(2,397,178)	(1,236,541)	(6,354)	(3,640,073)
Received by acquiring property	(1,736,795)	(207,491)	(155,035)	(2,099,321)	(700,958)	(939)	(12,355)	(714,251)
Settlement by New Loans	(3,338,144)	0	0	(3,338,144)	(1,731,841)	0	0	(1,731,841)
Amhal	(661,069)	0	0	(661,069)	(710,163)	0	0	(710,163)
Bad Debt	0	0	0	0	0	0	0	0
Transfer Debt	0	0	0	0	0	0	0	0
Writing Off Penalties	0	0	0	0	0	0	0	0
Balance of Non-performing Loans & Claims at End of Year	**42,611,322**	**8,490,985**	**(4,738,681)**	**46,363,626**	**16,819,947**	**4,919,596**	**(1,948,389)**	**19,791,154**

64.3.9.2. Distribution of non-performing loans and claims based on economic sectors

	Balance of Non-performing		Special Provision for Doubtful Loans		Net Non-performing Loans & Claims	
	20.03.2024	20.03.2023	20.03.2024	20.03.2023	20.03.2024	20.03.2023
	IRR Million	IRR Million	IRR Million	IRR Million	IRR Million	IRR Million
Partial Distribution of Non-Performing Loans:						
Industry	24,313,869	11,223,372	(13,575,051)	(8,905,340)	10,738,818	2,650,522
Housing	4,847,833	1,819,533	(3,527,253)	(842,541)	1,320,580	976,992
Commercial	4,131,835	2,016,009	(2,033,471)	(605,443)	2,098,364	1,410,566
Services	6,962,900	3,233,608	(4,949,144)	(1,090,973)	3,690,616	2,142,635
Agriculture	2,878,986	1,370,372	(1,083,905)	(497,112)	1,795,081	873,259
Financial Intermediaries	3,608,304	128,262	(268,358)	(120,047)	3,339,946	8,215
Total	**46,743,728**	**19,791,154**	**(25,437,182)**	**(12,061,456)**	**22,983,405**	**8,062,189**

64.3.9.3. Balance of repossessed assets

Description	2023-24	2022-23
	IRR Million	IRR Million
Movable Assets	0	0
Immovable Assets:		
Residential	2,324,745	1,745,377
Commercial/Office	113,091	113,091
Factory	3,323,003	2,321,278
Land	861,414	609,894
Garden	0	0
Residential/Commercial	72,222	82,719
Residential/Commercial/Office	185,904	190,015
Balance of Repossessed Assets	**6,880,378**	**5,062,373**

64.3.10. Capital required for credit risk coverage

Capital required for covering credit risk of Bank's assets amounts to IRR54,347,255 Million. The related calculations are presented in 64.3.10.1.

64.3.10.1. Calculation of capital required to cover credit risk

Description		20.03.2024	20.03.2023
		IRR Million	IRR Million
Total Weighted Asset to Credit Risk	64-7-2-1	679,340,690	382,882,571
Coefficient-%		8	8
Capital Required to Cover Credit Risk		**54,347,255**	**30,630,606**

64.4. Liquidity risk

This section outlines description and quantitative instances concerning liquidity risk in such a manner that the following topics are fully covered

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64.4.1. Definition

Liquidity risk refers to possibility of a Bank's inability to meet its short-term obligations. The aim of liquidity risk management is to cover all obligations arising from expected or unexpected changes in balance sheet items in line with financial institution development.

64.4.2. Liquidity risk management policies

The Liquidity Risk Bylaw has been prepared by the Board of Directors in line with effective management for optimum use of Bank's resources and beneficiaries' profit-making within framework of policies related to loans and investment parallel to regulatory and supervisory requirements. This bylaw is for recognition, measurement, supervision, control and reporting of liquidity risk and interest rate. This bylaw also includes governance of liquidity risk management and scenarios formulation principles.

64.4.3. Executive units of liquidity risk management

Risk and Economic Studies Management has a duty of measuring and monitoring liquidity risk position besides the execution of the Liquidity Risk Bylaw. It is also responsible for reporting the liquidity risk to Bank's senior managers periodically. Reporting is carried out with cooperation of the Financial Management and with the help of Bank's information systems.

Financial Management along with risk management is jointly responsible for execution of liquidity risk and supervision bylaw and is obliged to provide the Bank's top management with timely and periodical reports.

Assets-Liability Committee (ALCO) is responsible for analyzing assets and liabilities structure of the Bank in order to increase its profitability while controlling the liquidity, market and credit risks. This committee consists of the Bank's managing director, deputies and top managers.

Risk Supreme Committee provides the Bank's Board of Directors with reports prepared by the Risk Unit periodically. By-laws and policies concerning the risk are also confirmed by the Bank's Board of Directors.

64.4.4. Liquidity risk measurement method (including principles and assumptions)

With respect to widespread application of different models used as a measurement criterion for liquidity risk in Karafarin Bank, the mentioned risk level inferred from some modern approaches such as expected prospective liquidity criterion which is a standard tool for measuring liquidity risk is used besides the measurement criteria for liquidity gap. In this comprehensive criterion, besides considering certain advanced financial ratios such as Basel III ratios about liquidity including NSFR and LCR, we have distinguished between processes and models for measuring liquidity risk at the beginning of the period with the same amount at the end of the period due to the Bank's activities. Since this risk is known as tension when occurred, we carried out the status of liquidity risk and liquidity gap without using the historical data and based on the different shocks' simulation in Karafarin Bank. The following measures are carried out to accurately and reassure the Bank's liquidity on a daily basis:

64.4.5. Liquidity risk control and measurement mechanism

- Daily monitoring of liquidity risk coverage ratio (LCR)
- Conducting measurements on a daily and midday basis and liquidity management and to make overnight withdrawals in order to avoid a deficit.
- Including the Bank's credit portfolio and the probability of customer default in the reports of the Credit High Committee.
- Updating the value and quality of collaterals received against granting loans on 15-day intervals in Core banking, Afarin system
- Measuring large loans and commitments in order to monitor the possibility of default.
- Including liquidity ratios in monthly reports of the Asset/Liability Committee.
- Actively managing and measuring cash inflows and outflows of branches in Tehran and other cities on a daily basis (assessing every six months).
- Actively managing the Bank's treasury and its intermediary accounts held by the branches of other banks in other cities.

Daily controls: It includes branches cash control, treasury, and the Bank's intermediary accounts with CBI which consist of all electronic payment systems such as: Shetab (electronic banking clearance and automated payments system), Satna (RTGS), Chakavak and Shaparak.

At level of comprehensive management of assets and liabilities (ALM), these reports are generally monitored monthly and at medium term. In these cases, the Bank's liquidity status is reviewed by using financial statements. At this level, in addition to using calculated liquidity ratios based on the modern models such as CAMELS, the methods like those of Moody's and S&P are used to control these ratios and their relations to each other.

64.4.5.1. Liquidity provisions
The following table indicates the Bank's liquidity provisions:

Description	2023-24	2022-23
	IRR Million	IRR Million
Sight Deposit held with CBI (Unlimited)	7,240,702	122,826
Sight Deposits held with Other Banks & Credit Institutes (Unlimited)	349,987,376	16,236,190
Investing in Rapidly Marketable Shares	492,134	1,154,569
Investing in Other Securities	46,410,042	28,703,707
Total Liquidity Provisions	**404,130,255**	**46,217,291**

64.4.5.2. Liquidity ratios

Description	At Beginning of Year	Year's Monthly Average	Minimum during Year		At End of Year
	%	%	%	%	%
Cash & Cash Equivalent to Total Assets	8	16	31	3	31
Cash Asset & Cash Equivalent to Total Deposits	9	25	64	7	64
Net Cash Assets to Total De-posits**	8	0.08	10	(17)	(17)
Loans to Total Deposits	82	81	86	76	86
Loans Granted to 1-Year De-posits & Above	160	144	154	134	149
Escaped Deposits to Total Deposits***	24	22	24	19	21

* Cash and cash equivalents include cash, participation bonds and similar items which have an active cash transaction market.
** Net cash assets include cash, cash equivalent and investment bonds which have an active cash transaction market less the Banks' deposits, issued bonds, other borrowings and commitments that will be matured by next month.
*** Escaped deposits include deposits with no contractual maturities such as current and saving Gharz-al Hassaneh deposits, etc.

64.4.5.3. Assets and liabilities maturity date analysis

The following table represents the Bank's financial assets and liabilities' maturities based on the date when they are likely to be settled or claimed:

	20.03.2024							
	Carrying Amount	Below 1 Month	From 1 Month to 3 Months	From 3 Months to 1 Year	From 1 Year to 5 Years	Above 5 Years	Without Specified Maturity Date	Balance before deducting reserves
	IRR Million	IRR Million	IRR Million	IRR Million	IRR Million	IRR Million	IRR Million	IRR Million
Assets:								
Cash	359,277,679	48,563,898	0	310,713,781	0	0	0	359,277,679
Claims from Banks & other Credit Institutes	20,851,808	20,851,808	0	0	0	0	0	20,851,808
Claims from the Government	0	0	0	0	0	0	0	0
Loans Granted & Claims from Governmental Author-ities	0	0	0	0	0	0	0	0
Granted Loans & Claims from Non-governmental Entities	541,666,110	91,814,328	90,989,721	288,798,719	58,118,237	11,945,105	0	575,151,640
Investment in Shares & Other Securities	53,265,387	492,134	0	23,305,818	23,104,225	6,363,210	0	53,265,387
Claims from Subsidiary & Associated Companies	9,307,973	0	9,307,973	0	0	0	0	9,449,719
Other Accounts Receivable	170,825,691	170,825,691	0	0	0	0	0	171,576,127
Non-current assets held for sale	6,880,378	0	0		0	6,880,378	0	6,880,378
Fixed Tangible Assets	32,042,062	0	0	0	0	16,119,848	15,922,214	32,042,062
Intangible Assets	18,739,582	0	0	0	0	946,942	17,792,640	18,739,582
Legal Deposit	81,592,264	32,702,536	828,498	21,635,876	26,373,297	52,057	0	81,592,264
Deferred tax asset	0	0	0	0	0	0	0	0
Other Assets	3,688,505	0	963,069	2,601,980	0	123,457	0	3,688,505
Total assets	**1,298,137,439**	**365,250,395**	**102,089,260**	**647,056,174**	**107,595,759**	**42,430,997**	**33,714,853**	**1,332,515,151**
Dues to banks & Credit Institutes	(516,030,055)	(146,940,967)	0	(369,089,088)	0	0	0	(516,030,055)
Deposits	(633,295,422)	(253,240,372)	(6,440,511)	(168,191,239)	(205,018,624)	(404,676)	0	(633,295,422)
Dividends Payable	(24,834)	(5,806)	0	0	(19,028)	0	0	(24,834)
Debt Securities	0	0	0	0	0	0	0	0
Corporation Tax Provision	(2,371,613)	0	0	(2,371,613)	0	0	0	(2,371,613)
Provisions & Other Liabilities	(66,524,021)	(64,659,741)	(1,168,717)	(695,563)				(66,524,021)
Liabilities related to non-current assets held for sale	0	0	0	0	0	0	0	0
Deferred tax liabilities	0	0	0	0	0	0	0	0
Provision for Work Termination Benefits	(3,645,115)	0	0	0	0	0	(3,645,115)	(3,645,115)
Total Liabilities	(1,221,891,060)	(464,846,886)	(7,609,228)	(540,347,502)	(205,037,652)	(404,676)	(3,645,115)	(1,221,891,060)
Total Shareholders' Equity	**(76,246,380)**						**(76,246,380)**	**(76,246,380)**
Total Liabilities, Shareholders' Equity & Off-Balance Sheet Items	**(1,298,137,439)**	**(464,846,886)**	**(7,609,228)**	**(540,347,502)**	**(205,037,652)**	**(404,676)**	**(79,891,495)**	**(1,298,137,439)**
Gap	0	(99,596,492)	94,480,033	106,708,672	(97,441,893)	42,026,321	(46,176,641)	(606,514,773)
Cumulative Gap		(99,596,492)	(5,116,459)	101,592,213	4,150,320	46,176,641	0	
Gap to Regulatory Capital Ratio-%		(%144)	136%	154%	(%141)	61%	(%67)	
Cumulative Gap to Regulatory Capital Ratio-%		(%144)	(%7)	147%	6%	67%	0%	
Gap to Regulatory Capital Ratio as Basis for Other Prudential Ratios-%		(%171)	162%	183%	(%167)	72%	(%79)	
Cumulative Gap to Regulatory Capital Ratio as Basis for		(228%)	131%	259%	(152%)	48%	(57%)	
Other Prudential Ratios-&		(%171)	(%9)	174%	7%	79%	0%	

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	Carrying Amount	Below 1 Month	From 1 Month to 3 Months	From 3 Months to 1 Year	From 1 Year to 5 Years	Above 5 Years	Without Specified Maturity Date	Balance before deducting reserves
	IRR Million	IRR Million	IRR Million	IRR Million	IRR Million	IRR Million	IRR Million	IRR Million
Assets:								
Cash	17,813,832	17,813,832	0	0	0	0	0	17,813,832
Claims from Banks & other Credit Institutes	9,914,916	9,914,916	0	0	0	0	0	9,914,916
Claims from the Government	0	0	0	0	0	0	0	0
Loans Granted & Claims from Governmental Authori-ties	0	0	0	0	0	0	0	0
Granted Loans & Claims from Non-governmental Entities	413,229,664	56,247,123	77,299,691	223,015,336	46,410,973	2,613,636	7,642,904	431,418,455
Investment in Shares & Other Securities	36,220,242	1,154,569	1,146,328	15,183,765	12,282,063	6,453,516	0	36,220,242
Claims from Subsidiary & Associated Companies	5,309,217	0	5,309,217	0	0	0	0	5,390,068
Other Accounts Receivable	8,163,632	8,163,632	0	0	0	0	0	8,674,282
Non-current assets held for sale	5,062,373	0	0	1,000,000	0	4,062,373	0	5,062,373
Fixed Tangible Assets	28,110,943	0	0	0	0	12,188,729	15,922,214	28,110,943
Intangible Assets	18,107,967	0	0	0	0	394,631	17,713,336	18,107,967
Legal Deposit	58,808,296	25,725,516	1,638,673	12,947,876	18,471,032	25,200	0	58,808,296
Deferred tax asset	0	0	0	0	0	0	0	0
Other Assets	5,773,692	0	4,791,682	857,598	0	124,412	0	5,773,692
Total assets	**606,514,773**	**119,019,587**	**90,185,592**	**253,004,576**	**77,164,067**	**25,862,497**	**41,278,454**	**625,295,066**
Liabilities:								
Dues to banks & Credit Institutes	(5,837,434)	(5,809,114)	0	0	(28,320)	0	0	(5,837,434)
Deposits	(506,169,695)	(221,434,829)	(14,105,038)	(111,450,075)	(158,962,845)	(216,909)	0	(506,169,695)
Dividends Payable	(40,299)	(40,299)	0	0	0	0	0	(40,299)
Debt Securities	0	0	0	0	0	0	0	0
Corporation Tax Provision	(1,924,159)	0	0	(1,924,159)	0	0	0	(1,924,159)
Provisions & Other Liabilities	(20,563,032)	(14,087,436)	(5,880,346)	(595,250)	0	0	0	(20,563,032)
Liabilities related to non-current assets held for sale	0	0	0	0	0	0	0	0
Deferred tax liabilities	0	0	0	0	0	0	0	0
Provision for Work Termination Benefits	(2,692,304)	0	0	0	0	0	(2,692,304)	(2,692,304)
Total Liabilities	**(537,226,923)**	**(241,371,679)**	**(19,985,384)**	**(113,969,483)**	**(158,991,165)**	**(216,909)**	**(2,692,304)**	**(537,226,923)**
Total Shareholders' Equity	**(69,287,851)**						**(69,287,851)**	**(69,287,851)**
Total Liabilities, Shareholders' Equity & Off-Balance Sheet Items	**(606,514,773)**	**(241,371,679)**	**(19,985,384)**	**(113,969,483)**	**(158,991,165)**	**(216,909)**	**(71,980,154)**	**(606,514,773)**
Gap	0	(122,352,092)	70,200,209	139,035,093	(81,827,097)	25,645,588	(30,701,700)	
Cumulative Gap		(122,352,092)	(52,151,884)	86,883,209	5,056,112	30,701,700	0	
Gap to Regulatory Capital Ratio-%		(%210)	120%	238%	(%140)	44%	(%53)	
Cumulative Gap to Regulatory Capital Ratio-%		(%210)	(%89)	149%	9%	53%	0%	
Gap to Regulatory Capital Ratio as Basis for Other Prudential Ratios-%		(%228)	131%	259%	(%152)	48%	(%57)	
Cumulative Gap to Regulatory Capital Ratio As Basis for Other Prudential Ratios-&		(%228)	(%97)	162%	0	1	0%	

64.4.5.4. Financial liabilities contractual maturity analysis

64.4.5.4.1. The following table presents the financial liability maturities based on their maturity dates stated in their contracts:

	2023-24						
	Carrying amount	Below 1 month	from 1-3 months	From 3 months to 1 year	From 1-5 years	From 1-5 years	Above 5 years
	IRR Million	IRR Million	IRR Million	IRR Million	IRR Million	IRR Million	IRR Million
Liabilities:							
Dues to Banks & Other Credit Insti-tutes	(516,030,055)	(146,940,967)	0	(369,089,088)	0	0	0
Deposits	(633,295,422)	(253,240,372)	(6,440,511)	(168,191,239)	(205,018,624)	(404,676)	0
Debt bonds and partnership bonds	0	0	0	0	0	0	0
Loans Received from National Development Fund	0	0	0	0	(14,128)	0	0
Total	**(1,149,325,477)**	**(400,181,339)**	**(6,440,511)**	**(537,280,327)**	**(205,032,752)**	**(404,676)**	**0**

	2022-23						
	Carrying amount	Below 1 month	from 1-3 months	From 3 months to 1 year	From 1-5 years	From 1-5 years	Above 5 years
	IRR Million	IRR Million	IRR Million	IRR Million	IRR Million	IRR Million	IRR Million
Liabilities:							
Dues to Banks & Other Credit Insti-tutes	(5,837,434)	(5,809,114)	0	0	(28,320)	0	0
Deposits	(506,169,695)	(221,434,829)	(14,105,038)	(111,450,075)	(158,962,845)	(216,909)	0
Debt bonds and part-nership bonds	0	0	0	0	0	0	0
Loans Received from National Develop-ment Fund	0	0	0	0	(142,252)	0	0
Total	**(512,007,129)**	**(227,243,943)**	**(14,105,038)**	**(111,450,075)**	**(159,133,417)**	**(216,909)**	**0**

64.4.5.4.2. The following table presents the maturity dates of foreign currency financial liabilities stated in their contracts:

	2023-24						
	Carrying amount	Below 1 Month	1 Month to 3 Months	3 Months to 1 Year	1 Year to 5 Years	Above 5 Years	Without Specified Maturity Date
	IRR Million	IRR Million	IRR Million	IRR Million	IRR Million	IRR Million	IRR Million
Liabilities:							
Dues to Banks & Other Credit Insti-tutes	(516,030,055)	(482,596,190)	0	(3,078,106)	0	0	0
Deposit	(633,295,422)	(11,493,738)	0	(433,695)	(2,359,009)	0	0
Debt Securities	0	0	0	0	0	0	0
Loans Received from National Development Fund	0	0	0	0	0	0	0
Total	**(1,149,325,477)**	**(494,089,928)**	**0**	**(3,511,801)**	**(2,359,009)**	**0**	**0**

	2022-23						
	Carrying amount	Below 1 Month	1 Month to 3 Months	3 Months to 1 Year	1 Year to 5 Years	Above 5 Years	Without Specified Maturity Date
	IRR Million	IRR Million	IRR Million	IRR Million	IRR Million	IRR Million	IRR Million
Liabilities:							
Dues to Banks & Other Credit Insti-tutes	(5,837,434)	(2,239,248)	0	(1,870,336)	0	0	0
Deposit	(506,169,695)	(6,059,965)	(63,457)	(486,320)	(1,132,505)	0	0
Debt Securities	0	0	0	0	0	0	0
Loans Received from National Development Fund	0	0	0	0	0	0	0
Total	**(512,007,129)**	**(8,299,213)**	**(63,457)**	**(2,356,656)**	**(1,132,505)**	**0**	**0**

64.4.6. Preparation to counteract crisis (Cash Adequacy Stress Test)

This test aims to measure the Bank's ability to counter liquidity shocks (based on expert opinion or the Bank's historical evidence) and to disclose its precautionary plans for countering crisis as well as simulation results.
It is also necessary to disclose methods and assumptions in addition to the test results.

As per Basel Committee guidelines, use of stress test and scenario analysis has been recommended to anticipate the future cash flow. Its aim is to estimate the effect of great but predictable shocks on a financial system. Experience in implementation and use of stress test models in Karafarin Bank's Risk Management Unit goes back to 2008. As pioneer in developing this approach in local banking network, the Unit has enjoyed it as one of the most functional instruments in order to quantify the effects of shocks, in any form, on the Bank's cash adequacy. Predicting the extent of cash flow arising from all types of scenarios and reviewing their effects on the Bank's liquidity and finally creating a suitable liquidity buffer against cash crisis are of significant results of implementing the liquidity risk stress test in Karafarin Bank. The Bank has the following plans to counteract crisis:

- Reducing the repayment periods of loans and the Bank's claims. Obtaining more liquid collateral (level one) against loans.
- Managing cash inflows and outflows on daily and midday basis. Halting granting of loans within the next 30 days.
- Signing special contracts with some customers in reference with repayments of large loans and commitments of companies.
- Offering special deals to special customers (depositors), in order to encourage them not to make withdrawals.
- Coordinating with other banks in the interbank market, in order to use their excess funds.

64.5. Market risk

64.5.1. Definition
Market risk is loss possibility resulting impairment of the Bank's transactions positions (including assets and liabilities on and off-balance sheet) from purchase date to selling date. As per Basel 2, banks can use local models designed by the bank for evaluation of market risk. The philosophy of Karafarin Bank's risk management is recognition, limitation, supervision and management of different dimensions of risk with the aim of maintaining assets value and flow of income, so that depositors and shareholders' interests are considered. In order to optimise the yield, there must be a predetermined risk acceptance limit.
In this regard, special strategies for managing the Bank's market risk are considered as below:

- Karafarin Bank will manage the risk-taking of capital arising from market risk related to any new service or activity in the relevant areas. The amount of market risk at any share and economic section is limited to the extent that has been determined by the Bank's Board of Directors in Market Risk Bylaw.
- According to the first principle of Basel Committee regulation, a bank will maintain the sufficient capital at any time.
- Karafarin Bank will issue a framework for market risk according to which the limited structure of foreign currency open position will be measured.
- Karafarin Bank will periodically carry out the crisis test to evaluate the effect of changes on market variants which may increase risk.

64.5.2. Executive units of market risk management

Market risk evaluation in Karafarin Bank is divided as follows:

Shares Risk: The risk arising from shares price fluctuations and its effects on value of the Bank's shares portfolio.

Foreign Currency Rate Risk: The risk arising from foreign currency rate fluctuations and its effects on foreign currency assets and liabilities value in IRR. Foreign currency rate risk arises from a long or short-term open position in a foreign currency.

64.5.3. Market risk measurement method

In order to manage the market risk of the Karafarin bank, the normal linear simulation method is used, and these calculations are performed at the end of each month.

In this method, it is assumed that the return distribution of the risk factor is normal and linear. This parametric linear model is used for investment portfolios whose returns or profits and losses are a linear function of the risk factor's return or its asset return. The most basic assumption in the model is that the return of the risk factor is normal and also their joint distribution should be multivariate normal. Therefore, the covariance matrix of the returns of the risk factors is needed to analyze the dependence between the returns of the risk factors.

All securities including government bonds, companies and fixed-income funds are defined as low risk. The shares of companies which are listed in the stock market and over-the-counter market are considered to be medium-risk and long-term investments in unlisted companies are deemed as high-risk.

64.5.4. Analysis of the value at risk of investing in shares and other marketable investments Having taken into account the Historical Simulation method for probable change percentage at market value, the value at risk for investing in shares and other marketable investments is provided in the following table:

	2023-24		2022-23	
	Probable Change at Market Value	Effect on Profit & Loss	Probable Change at Market Value	Effect on Prof-it & Loss
	%	IRR Million	%	IRR Million
Investment in Rapidly-Transacted Shares	(20.53, 20.53)	216,880	(8.98, 8.98)	146,365
Other Investments (Stating Title)	-	-	-	-

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64.5.5. Analysis of value at risk of foreign currency rate

The Bank's foreign currency position at 20.03.2024 is as follows:

	USD	EUR	GBP	CHF	JPY	AED	CNY	IRR Equivalent of Other Foreign Currencies
Cash	24,630,563	765,308,952	551,703	230,992	209,797,291	66,759,826	52,331,889	3,276,740
Claims from Banks & Other Credit Institutes	6,144,833	5,010,817	0	0	0	0	0	0
Dues from the Government	0	0	0	0	0	0	0	0
Loans Granted & Claims from Governmental Authorities	0	0	0	0	0	0	0	0
Granted Loans & Claims from Non-governmental Entities	6,123,080	34,531,183	0	0	0	102,820,248	0	0
Investment in Shares & Other Securities	0	0	0	0	0	0	0	0
Claims from Subsidiary & Associated Companies	0	400,000	0	0	0	0	0	0
Other Accounts Receivable	9,133,294	55,685,449	0	143,049	0	133,697,181	1,794,847,576	242,804
Non-current assets held for sale	0	0	0	0	0	0	0	0
Fixed Tangible Assets	0	0	0	0	0	0	0	0
Intangible Assets	0	0	0	0	0	0	0	0
Legal Deposit	0	0	0	0	0	0	0	0
Deferred tax asset	0	0	0	0	0	0	0	0
Other Assets	0	0	0	0	0	0	0	0
Total Foreign Currency Assets	46,031,770	860,936,402	551,703	374,041	209,797,291	303,277,254	1,847,179,465	3,519,544
Customers' Commitments on L/Cs	0	0	0	0	0	0	340,320	0
Customers' Commitments on Issued L/Gs	0	20,056,189	0	0	0	4,000,000	0	158,000
Customers' Other Commitments	0	8,037,593	0	0	0	20,044,500	0	0
Total Customers' Foreign Currency Commitments	0	28,093,781	0	0	0	24,044,500	340.320	0
Total Customers' Foreign Currency Assets & Commitments	46,031,770	889,030,183	551,703	374,041	209,797,291	327,321,754	1,847,519,785	158,000
IRR Equivalent of Total Customers' Foreign Currency Assets & Commitments- IRR Million	18,499,110	389,158,738	170,038	61.836	565,530	35,818,492	103,189,523	3,677,544
Dues to Banks & Other Credit Institutes	(9,560,562)	(751,649,526)	0	0	(70,055,254)	(204,779,843)	(1,787,940,695)	(2,378,397)
Deposits	(33,269,460)	(94,442,767)	(33,356)	(100)	(2,553,045)	56,185,355	11,350,996	(445,815)
Dividends Payable	0	0	0	0	0	0	0	0
Debt Securities	0	0	0	0	0	0	0	0
Corporation Tax Provision	0	0	0	0	0	0	0	0
Provisions & Other liabilities	32,826,515	(18,596,874)	(1)	(143,049)	0	(100,683,159)	(24,381,872)	(385,380)
Liabilities related to non-current assets held for sale	0	0	0	0	0	0	0	0
Deferred tax liabilities	0	0	0	0	0	0	0	0
Provision for Work Termination Benefits	0	0	0	0	0	0	0	0
Total Foreign Currency Liabilities	(10,003,507)	(864,689,167)	(33,357)	(143,149)	(72,608,299)	(249,277,647)	(1,800,971,571)	(3,209,592)
Bank's Commitments on L/Cs	0	0	0	0	0	0	(340,320)	0
Bank's Commitments on Issued L/Gs	0	(20,056,189)	0	0	0	(4,000,000)	0	0
Bank's Other Commitments	0	(8,037,593)	0	0	0	(20,044,500)	0	(158,000)
Total Bank's Foreign Currency Commitments	0	(28,093,781)	0	0	0	(24,044,500)	(340.320)	(158,000)
Total Bank's Foreign Currency Liabilities & Commitments	(10,003,507)	(892,782,948)	(33,357)	(143,149)	(72,608,299)	(273,322,147)	(1,801,311,891)	(3,367,592)
IRR Equivalent of Bank's Total Foreign Currency Liabilities & Commitments- IRR Million	(4,020,179)	(390,801,451)	(17,079)	(65,075)	(195,723)	(29,909,369)	(100,608,673)	
Net Positive (Negative) Foreign Currency Open Position for Each Foreign Currency on 20.03.2023	36,028,263	(3,752,765)	518,346	230,892	137,188,992	53,999,607	46,207,894	309,952
IRR Equivalent of Foreign Currency Open Position for Each Foreign Currency on 20.03.2024- IRR Million	14,478,930	(1,642,713)	265,401	104,963	369,807	5,909,123	2,580,850	309,952
Open Position of Each Foreign Currency to Regulatory Capital on 20.03.2024-%	20.9%	(%2)	0.4%	0.2%	0.5%	8.5%	3.7%	0.4%
Open Position of Each Foreign Currency to Regulatory Capital As the Basis of Other Prudential Ratios on 20.03.2024-%	24.8%	(%3)	0.5%	0.2%	0.6%	10.1%	4.4%	0.5%

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The Bank's foreign currency position on 20.03.2023 is as follows:

	USD	EUR	GBP	CHF	JPY	AED	CNY	IRR Equivalent of Other Foreign Currencies
Cash	1,650,606	1,186,662	1,459	200	30,000	2,889	300	0
Claims from Banks & Other Credit Institutes	6,289,319	47,095,784	550,364	230,792	214,740,334	26,476,171	4,621,314	2,177,109
Dues from the Government	0	0	0	0	0	0	0	0
Granted Loans & Claims from Non-governmental Entities	0	0	0	0	0	0	0	0
Investment in Shares & Other Securities	4,995,184	3,441,901	0	0	0	0	0	0
Claims from Subsidiary & Associated Companies	0	0	0	0	0	0	0	0
Other Accounts Receivable	5,944	68,309	0	0	0	3,362,264	0	0
Fixed Tangible Assets	8,157,641	551,638	0	0	0	20,481,589	0	17,954
Intangible Assets	0	0	0	0	0	0	0	0
Legal Deposit	0	0	0	0	0	0	0	0
Other Assets	0	0	0	0	0	0	0	0
Total Foreign Currency Assets	21,098,694	52,344,294	551,823	230,992	214,770,334	50,322,914	4,621,614	2,195,063
Customers' Commitments on L/Cs	0	0	0	0	0	0	340,320	0
Customers' Commitments on Issued L/Gs	1,300,000	38,645,574	0	0	0	6,051,708	0	0
Customers' Other Commitments	0	33,993	0	0	0	0	0	0
Total Customers' Foreign Currency Commitments	1,300,000	38,679,567	0	0	0	6,051,708	340,320	0
Total Customers' Foreign Currency Assets & Commitments	22,398,694	91,023,861	551,823	230,992	214,770,334	56,374,622	4,961,934	2,195,063
IRR Equivalent of Total Customers' Foreign Currency Assets & Commitments- IRR Million	5,599,674	24,121,323	166,246	61,836	402,946	3,797,338	178,203	
Dues to Banks & Other Credit Institutes	(1,140,090)	(6,815,767)	0	0	(70,055,254)	(8,622,482)	0	(1,475,533)
Deposits	(5,582,909)	(19,309,692)	(33,890)	(100)	(7,526,088)	(13,370,728)	(1,103,087)	(32,063)
Dividends Payable	0	0	0	0	0	0	0	0
Debt Securities	0	0	0	0	0	0	0	0
Corporation Tax Provision	0	0	0	0	0	0	0	0
Provisions & Other liabilities	(7,218,297)	(7,953,257)	(16)	0	0	(27,906,852)	0	(107,723)
Investment Depositors' Interests	0	0	0	0	0	0	0	0
Total Foreign Currency Liabilities	(13,941,295)	(34,078,717)	(33,906)	(100)	(77,581,342)	(49,900,062)	(1,103,087)	(1,615,319)
Bank's Commitments on L/Cs	0	0	0	0	0	0	(340,320)	0
Bank's Commitments on Issued L/Gs	(1,300,000)	(38,645,574)	0	0	0	(6,051,708)	0	0
Bank's Other Commitments	0	(33,993)	0	0	0	0	0	0
Total Bank's Foreign Currency Commitments	(1,300,000)	(38,679,567)	0	0	0	(6,051,708)	(340,320)	0
Total Bank's Foreign Currency Liabilities & Commitments	(15,241,295)	(72,758,284)	(33,906)	(100)	(77,581,342)	(55,951,770)	(1,443,407)	(1,615,319)
IRR Equivalent of Bank's Total Foreign Currency Liabilities &Commitments- IRR Million	(3,810,324)	(19,280,945)	(10,215)	(27)	(145,556)	(3,768,855)	(51,839)	(1,615,319)
Net Positive (Negative) Foreign Currency Open Position for Each Foreign Currency on 20.03.2023	7,157,399	18,265,577	517,916	230,892	137,188,992	422,852	3,518,527	579,744
IRR Equivalent of Foreign Currency Open Position for Each Foreign Currency on 20.03.2023- IRR Million	1,789,350	4,840,378	156,032	61,809	257,390	28,483	126,364	579,744
Open Position of Each Foreign Currency to Regulatory Capital on 20.03.2023-%	3.1%	8.3%	0.3%	0.1%	0.4%	0.0%	0.2%	1.0%
Open Position of Each Foreign Currency to Regulatory Capital As the Basis of Other Pruden-tial Ratios on 20.03.2023-%	3.3%	9.0%	0.3%	0.1%	0.5%	0.1%	0.2%	1.1%

64.5.5.1. Summary of foreign currency open position

	20.03.2024	20.03.2023
Positive Open Position of All Foreign Currencies- IRR Million	24,019,025	7,839,549
Negative Open Position of All Foreign Currencies- IRR Million	(1,642,713)	0
Foreign Currency Open Position- IRR Million	22,376,312	7,839,549
Positive Open Position of All Foreign Currencies to Regulatory Capital As A Basis for Other Pruden-tial Ratios-%	41.2%	17.4%
Negative Open Position of All Foreign Currencies to Regulatory Capital As A Basis for Other Pruden-tial Ratios-%	(%3)	0%

64.5.5.2. Value at risk analysis of gold, silver and platinum

	20.03.2024	20.03.2023
	IRR Million	IRR Million
Total Assets to Gold, Silver & Platinum	3,780	4,578
Total Liabilities to Gold, Silver & Platinum	0	0
Net Assets & Liabilities to Gold, Silver & Platinum	3,780	4,578
Total Customers' Commitments to Gold, Silver & Platinum	0	0
Total Credit Institutes' Commitments to Gold, Silver & Platinum	0	0
Net Commitments to Gold, Silver & Platinum	0	0
Net Open Position of Gold	3,780	4,578
Net Open Position of Gold (Always Positive)	3,780	4,578
Open Position Gold to Paid Capital & Free Reserve	0	0

64.5.5.3. Analysis of effects of foreign currency rate risk on profit and loss

With respect to Historical Simulation Method and Standard Model and resulting potential foreign currency fluctuations, value at risk for net foreign currency assets and liabilities are presented in the following table:

Foreign Currency	20.03.2024		20.03.2023	
	Potential Change in Market Price	Effect on Prof-it & Loss	Potential Change in Market Price	Effect on Profit & Loss
	%	IRR Million	%	IRR Million
USD	0	0	0	0
EUR	(-2.89, 2.89)	(42,779)	(-3.72, 3.72)	185,103
GBP	(-2.84, 2.84)	7,548	(-4.8, 4.8)	7,490
AED	0	0	0	0
JPY	(-3.32, 3.32)	12,296	(-5.27, 5.27)	13,573
CHF	(-2.70, 2.70)	2,829	(-3.99, 3.99)	2,466
CNY	(-1.80, 1.80)	46,454	(-2.69, 2.69)	3,401
RUB	(-8.58, 8.58)	4,178	(-14.42, 14.42)	5,203
KRW	(-3.62, 3.62)	14,519	(-4.13, 4.13)	9,837
INR	(-1.05, 1.05)	1,780	(-2.05, 2.05)	5,936
TRY	(-4.42, 4.42)	344	(-2.68, 2.68)	213
Others	(-0.13, 0.13)	1	(-0.09, 0.09)	12
		47,170		**233,233**

Maintenance period is 10 days and assurance level is 99%.

64.5.6. Capital required to cover market risk

Foreign Currency	Shares Risk Foreign Currency Risk Total Capital Required to				
	Value at Risk	Required capital	Value at Risk	Required capital	Required to Cover Market Capital
	IRR Million	IRR Million	IRR Million	IRR Million	IRR Million
Variance & Covariance Model	209,175	627,524	47,170	141,511	769,035
Standard Model	(Average Opportunity) *8%	81,503	(Opportunity Sale or Purchase) *8%	1,818,781	1.900.283

64.5.7. Analysis of gap between assets and liabilities sensitive to interest rate

	20.03.2024						
	Carrying Amount	Below 1 Month	From 1 Month to 3 Months	From 3 Months to 1 Year	From 1 Year to 5 Years	Above 5 Years	Insensitive to Interest Rate
	IRR Million	IRR Million	IRR Million	IRR Million	IRR Million	IRR Million	IRR Million
Assets:							
Cash	359,277,679	0	0	0	0	0	359,277,679
Claims from Banks & Other Credit Institutes	20,851,808	0	0	0	0	0	20,851,808
Dues from the Government	0	0	0	0	0	0	0
Loans Granted & Claims from Governmental Authorities	0	0	0	0	0	0	0
Granted Loans & Claims from Non-governmental Entities	541,666,110	91,814,328	90,989,721	288,798,719	58,118,237	11,945,105	0
Investment in Shares & Other Securities	53,265,387	0	0	23,305,818	0	0	29,959,569
Claims from Subsidiary & Associated Companies	9,307,973	0	0	9,307,973	0	0	0
Other Accounts Receivable	170,825,691	0	0	0	0	0	170,825,691
Non-current assets held for sale	6,880,378	0	0	0	0	0	6,880,378
Fixed Tangible Assets	32,042,062	0	0	0	0	0	32,042,062
Intangible Assets	18,739,582	0	0	0	0	0	18,739,582
Legal Deposit	81,592,264	32,702,536	828,498	21,635,876	26,373,297	52,057	0
Other Assets	3,688,505	0	0	0	0	0	3,688,505
Total assets	**1,298,137,439**	**124,516,864**	**91,818,219**	**343,048,386**	**84,491,534**	**11,997,162**	**642,265,275**
Liabilities							
Dues to Banks & Other Credit Institutes	(516,030,055)	(146,940,967)	0	0	0	0	(369,089,088)
Deposits	(633,295,422)	(253,240,372)	(6,440,511)	(168,191,239)	(205,018,624)	(404,676)	0
Dividends Payable	(24,834)	0	0	0	0	0	(24,834)
Debt Securities	0	0	0	0	0	0	0
Corporation Tax Provision	(2,371,613)	0	0	0	0	0	(2,371,613)
Provisions & Other liabilities	(66,524,021)	0	0	0	0	0	(66,524,021)
Liabilities related to non-current assets held for sale	0	0	0	0	0	0	0
Provision for Work Termination Benefits	(3,645,115)	0	0	0	0	0	(3,645,115)
Total Liabilities	(1,221,891,060)	(400,181,339)	(6,440,511)	(168,191,239)	(205,018,624)	(404,676)	(441,654,670)
Total Shareholders' Equity	(76,246,380)						(76,246,380)
Total Liabilities & Shareholders' Equity	(1,298,137,439)	(400,181,339)	(6,440,511)	(168,191,239)	(205,018,624)	(404,676)	(517,901,050)
Gap		(275,664,475)	85,377,708	174,857,147	(120,527,089)	11,592,485	124,364,224
Cumulative Gap		(275,664,475)	(190,286,767)	(15,429,620)	(135,956,710)	(124,364,224)	0

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	20.03.2023						
	Carrying Amount	Below 1 Month	From 1 Month to 3 Months	From 3 Months to 1 Year	From 1 Year to 5 Years	Above 5 Years	Insensitive to Interest Rate
	IRR Million	IRR Million	IRR Million	IRR Million	IRR Million	IRR Million	IRR Million
Assets:							
Cash	17,813,832	0	0	0	0	0	17,813,832
Claims from Banks & Other Credit Institutes	9,914,916	0	0	0	0	0	9,914,916
Dues from the Government	0	0	0	0	0	0	0
Loans Granted & Claims from Governmental Authorities	0	0	0	0	0	0	0
Granted Loans & Claims from Non-governmental Entities	413,229,664	56,247,123	77,299,691	223,015,336	46,410,973	2,613,636	7,642,904
Investment in Shares & Other Securities	36,220,242	0	0	15,183,765	0	0	21,036,476
Claims from Subsidiary & Associated Companies	5,309,217	0	0	5,309,217	0	0	0
Other Accounts Receivable	8,163,632	0	0	0	0	0	8,163,632
Non-current assets held for sale	5,062,373	0	0	0	0	0	5,062,373
Fixed Tangible Assets	28,110,943	0	0	0	0	0	28,110,943
Intangible Assets	18,107,967	0	0	0	0	0	18,107,967
Legal Deposit	58,808,296	25,725,516	1,638,673	12,947,876	18,471,032	25,200	11,650,372
Other Assets	5,773,692	0	0	0	0	0	5,773,692
Total assets	**606,514,773**	**81,972,639**	**78,938,365**	**256,456,195**	**64,882,004**	**2,638,836**	**121,626,735**
Liabilities							
Dues to Banks & Other Credit Institutes	(5,837,434)	(5,809,114)	0	0	0	0	0
Deposits	(506,169,695)	0	0	0	0	0	(506,198,014)
Dividends Payable	(40,299)	0	0	0	0	0	(40,299)
Debt Securities	0	0	0	0	0	0	0
Corporation Tax Provision	(1,924,159)	0	0	0	0	0	(1,924,159)
Provisions & Other liabilities	(20,563,032)	0	0	0	0	0	(20,563,032)
Liabilities related to non-current assets held for sale	0	0	0	0	0	0	0
Provision for Work Termination Benefits	(2,692,304)	0	0	0	0	0	(2,692,304)
Total Liabilities	(537,226,923)	(5,809,114)	0	0	0	0	(531,417,808)
Total Shareholders' Equity	(69,287,851)						(69,287,851)
Total Liabilities & Shareholders' Equity	(606,514,773)	(5,809,114)	0	0	0	0	(600,705,659)
Gap		76,163,525	78,938,365	256,456,195	64,882,004	2,638,836	(479,078,924)
Cumulative Gap		76,163,525	155,101,889	411,558,085	476,440,089	479,078,924	0

64.6. Operational risk

64.6.1. Definition
Karafarin Bank defines the operational risk according to the CBI's letter 00/241697 dated 13.11.2021 and Basel Accord as the loss risk arising from unsuitability and inadequacy of processes and regulations, people, internal systems or as loss arising from external events.

64.6.2. Executive units of operational risk management
Appropriate organizational structure for implementation and supervision on daily good performance and duties related to operating management has been shown in the figure below:
Risk Supreme Committee representing the Board of Directors is responsible for establishing the operational risk management framework in the Bank, approving strategies, policies, limits and thresholds related to operational risk and any changes, amendments and revision to them. Operational Risk Subcommittee representing the Risk Supreme Committee of the Board of Directors is responsible for initially reviewing and investigating any strategy, policy and process relating to operational risk, coordinating related organizational bodies with the subject, suggesting significant policies and processes to the Risk Supreme Committee of the Board of Directors for final approval as well as ensuring the proper implementation of operational risk management framework.
Risk and Economic Studies Management Unit is responsible to identify risk, measure, monitor, report and control as well as to reduce operational risk in cooperation with other organizational bodies.

64.6.3. Precautionary policies in the event of intentional and unintentional human error
Karafarin Bank attempts to prevent the occurrence of intentional and inadvertently human error within the Bank by documenting and standardizing processes, formulating comprehensive and transparent policies, constant and adequate training to human resources, separating supervision and execution units for independent performance of supervisory units, constantly reporting the Bank's top managers and Board of Directors, paying special attention to lack of conflict of interests, determining accurate and measurable criteria and examples when formulating processes and regulations.

64.6.4. Preparations to counteract crisis
Karafarin Bank has approved the Crisis Management Bylaw in the 2015-16 period. In addition, to manage crisis, Crisis Committee is formed with the attendance of most of top managers such as the Managing Director. The Bank is also preparing an Operation Continuity Plan bylaw to assure its readiness to counteract the probable crises and prevent the suspension of the Bank's routine operations.

64.6.5. Operational risk measurement method
Operational risk data are necessary in measuring operational risk and to estimate the capital required to cover operational risk. There are four main sources for collecting these data are: key risk indicators (KRI), collecting loss data, risk control self-assessment (RSCA) and scenario analysis. In order to measure operational risk, it is necessary to the data collected from the above sources within the framework of models which correspond with CBI regulations and Basel II and Basel III Accords. Karafarin Bank has implemented the above within the framework of a project to implement operational risk management. In order to measure its operational risk and to estimate the capital required to cover this risk, the Bank extracts the required data and applies the approaches which have been recommended by the Basel Committee and Basel III Accord (standardized measurement approach), as well as base and standard models. Furthermore, in order to apply an advanced measurement model, the Bank has designed a framework for collecting loss data to be used to estimate the Bank's operational loss required for estimating operational value at risk (VAR). This complementary method which includes another variable for comparison adds precision to the calculations.
The process of risks and control self-assessment (RCSA) is an instrument to recognize and evaluate the operational risks in all processes, products and systems and to identify the weak spots and controls. This process generally includes workshops and person-to-person sessions with related managers to identify the strong and the weak points related to controls. Acquired results from the mentioned sessions can be used for promoting the controls in different ways. Some acquired results include the improvement programs which focus on issues related to controls, devotion of required resources to

risky areas and rating different cases exposed to operational risk. Dynamism of the Bank's working environment as well as risk control and self-assessment meetings are factors that aid the identification of key indexes of operational risk.

Key risk indices, as an available instrument to manage operational risk, are like increasing signals of a risk which will subsequently result in loss in future. These key indexes are either case-by-case, historical or foresighted in nature. Case-by-case indexes are concerned with collecting data relating to particular events and are easily identifiable. These indexes are essentially in the forms of Zero or One or Yes or No. Historical indexes are concerned with events that have already occurred and when they have occurred. These indexes are useful tools for managers to draft their strategies and asses controlling solutions. Foresighted indexes on the other hand, forecast risk occurrence. Data collection, monitoring, the ability to analyze these indexes are the man prerequisites for implementing a strong operational risk management framework. In cooperation with other managements throughout the Bank, Risk Management & Economic Research Department has drafted 200 key operational risk indexes, each of which, caution and warn the Bank's senior management.

64.6.6. Operational risk control and monitoring mechanisms

By constantly reporting results of calculating the "minimum capital required for covering operational risk", "self-assessment and control", as well as "key risk indicators" to the senior management and the Risk Supreme Committee of the Board of Directors aims at helping the Bank make appropriate and on time decisions to control and manage its operational risk. Furthermore, by drafting a transactions instruction and establishing a permanent Operational Risk Transactions Committee for outsourcing, the Bank carries out preventative measures to manage operational risk. In addition, by establishing a Product Development Committee, the Bank takes advantage of the opinion of related specialized units such as risk management prior to introducing new services to its clients. These units appraise the operational as well as commercial risks of the product or service in question and make adjustments where they deem as necessary. Moreover, by establishing an operational risk subcommittee as the supporting arm of the Risk Supreme Committee of the Board of Directors the Bank manages and measures its operational risk with greater accuracy than before. The Risk Management Unit aims at drafting and implementing the Operations Continuance Instruction in cooperation with other units of the Bank.

The Bank's existing operational risk is periodically and randomly measured using various kinds of methods and are reported to related authorities. These reports are based on Risk and Economic Studies Management, and are prepared in cooperation with other organisational units. Some internal measurement and reporting include: reporting to the Risk Supreme Committee of the Board of Directors and senior management, reporting to the Operational Risk Subcommittee, reporting to the Crisis Committee and reporting to Product Development Committee. Furthermore, within specific periods, the Bank measures and discloses its operational risk in its annual reports of the Board of Directors to the General Assembly, IFRS reports as well as transparency and general information disclosure reports.

Karafarin Bank has different alternatives to control and/or reduce different kinds of risks:

1. Non-acceptance of risk (by avoiding certain business strategies or a group of customers),
2.Risk acceptance and maintenance and at the same time, defining the internal control instruments for risk reduction and risk financing through pricing, making provisions and capital.
3.Risk acceptance and its transfer to others, partially or fully. For those risks which are not controllable or reducible, the Bank must use insurance coverage to reduce and transfer the risk, partially or fully.

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64.6.7. Capital required to cover operational risk
To calculate the capital required to cover operational risk, Base Index method and the CBI's letter 98/436758 dated 07.03.2020 are applied and the following results are obtained:

Measurement Method	Capital at Operational risk
	IRR Million
Base Index	3,861,291
SA Standard	-
AMA Standard	-
SMA Standard	-

64.6.8. Following six years of going through the process of localization, a comprehensive banking software known as Afarin Software was implemented within the Bank in 2009-10. This software entails all modules including loans, retail and international banking, treasury, basic customer information, foreign exchange and general ledger. Although information regarding the mentioned modules is reportable, yet the existing reports in the system lack sufficient data on income and late payment loans fines and provision making on non-performing claims. Therefore, some of the required statements and information have been acquired from the BI System and having gone through necessary adjustments in Excel, they become the basis for calculating income and provisions. Furthermore, it is not possible to fully obtain information on liabilities arising from L/Cs and L/Gs broken down in terms of type of collaterals.
Although the collaterals obtained from customers have not been broken down in accordance with types of loan; yet these collaterals do fully and generally cover the liabilities. In addition, properties which have been obtained as collateral whose latest valuation date back more than three years have not been evaluated in accordance with CBI guideline. Instead, they are valuated according to consumer price index announced by the CBI.

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64.7. Capital management

64.7.1. Regulatory capital

Description	2023-24	2022-23
	IRR Million	IRR Million
Tier 1 Capital		
Capital Paid Less Capital from Assets Revaluation Surplus	31,590,937	27,590,937
Shares Premium	0	0
Retained Earnings (Loss)	11,010,242	12,698,243
Legal Reserve	12,740,210	9,959,086
Prudential Reserve	0	0
Other Reserves	7,135,807	1,186,102
Adjusted Amount from Revaluation of Fixed Assets, Shares & Securities	8,284,079	8,284,079
Total Tier 1 Capital before Regulatory Adjustments	**70,761,273**	**59,718,446**
Less: Regulatory Adjustments		
Cost of Treasury Shares	(4,650,745)	(556,533)
Cost of the Credit Institutes Shares Owned by Subsidiaries at the Time Calculating Capital Adequacy	(76,841)	(10,170)
Intangible Assets	(1,026,245)	(394,631)
Minimum Cost of Investment in Shares of Credit Institutes or Non subsidiary Financial Units	(162,165)	(162,165)
Net Carrying Amount of Investments to Specified Limits (50% Less from Tier 1 Capital)	(2,025,638)	(2,355,164)
Other Adjustments Recognized by the CBI	0	0
Total Regulatory Adjustments	(7,941,635)	(3,478,663)
Tier 1 Capital after Regulatory Adjustments	**62,819,639**	**56,239,783**
Tier 2 Capital		
Debt from Debt Securities Issued by Credit Institutes & Their Premium & Other Dues Following Meeting the Conditions	0	0
Provision for General Doubtful Debts up to 1.25% of Risk-Weighted Assets	8,491,759	4,425,095
Total Tier 2 Capital	**8,491,759**	**4,425,095**
Less: Regulatory Adjustments		
Net Carrying Amount of Investments up to the Specified Limit (50% Less from Tier 2 Capital)	(2,025,638)	(2,355,164)
Tier 2 Capital after Regulatory Adjustments	**6,466,120**	**2,069,931**
Less: Excess of Tier 2 Capital to Tier 1 Capital	0	0
Tier 2 Capital Calculated in Regulatory Capital	**6,466,120**	**2,069,931**
Regulatory Capital	**69,285,759**	**58,309,714**
Regulatory capital based on other prudential ratios*	**58,309,714**	**44,945,257**

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64.7.2.Capital Allocation

64.7.2.1. Total credit risk-weighted assets at the end of the reporting period ended 20.03.2024 amounts to IRR679,340,690 Million

Description	20.03.2024						20.03.2023	
	Amount	Conversion Factor	Adjusted Amount Considering Collat-erals & Conversion Factors	Risk Factor	Risk-Weighted Assets & Commitments	Required Capital	Risk-Weighted Assets & Commitments	Required Capital
	IRR Million	%	IRR Million	%	IRR Million	IRR Million	IRR Million	IRR Million
Cash (IRR & Foreign Currency Cash at Hand & Funds in Transition)	2,049,601	100	2,049,601	0	0	0	0	0
Legal Deposit held with CBI	81,592,264	100	81,592,264	0	0	0	0	0
Claims from CBI	11,912,280	100	11,912,280	0	0	0	0	0
Corporate Bonds Issued or Guaranteed by CBI	0	100	0	0	0	0	0	0
Claims from Banks & Other Credit Institutes	16,180,230	100	16,180,230	50	8,090,115	647,209	11,777,494	942,200
Claims from the Government (Loans & Purchasing Securities)	46,318,492	100	46,318,492	0	0	0	0	0
Claims from Governmental Institutes & Companies & Non-governmental General Institutes (Loans & Purchasing Securities)	0	100	0	50	0	0	0	0
Principal Amount of Participatory Contracts Loans (Musharaka, Mudaraba, Mosaghat, Mozare'eh) of Listed Companies	800,000	100	764,950	100	764,950	61,196	0	0
Principal Amount of Participatory Contracts Loans (Musharaka, Mudaraba, Mosaghat, Mozare'eh) of Other Individuals & Legal Entities	1,435,000	100	1,435,000	150	2,152,500	172,200	9,879,934	790,395
Non-trade Investment in Companies Listed in TSE after Deducting Provision for Share Impairment Up to Specified Limit, Subject of "Investment in Securities Instruction"	1,161,932	100	1,161,932	150	1,742,899	139,432	1,741,609	139,329
Non-trade Investment in Other Companies after Deducting Provision for Share Impairment Up to Specified Limit, Subject of "Investment in Securities Instruc-tion"	1,547,042	100	1,547,042	200	3,094,083	247,527	3,088,683	247,095
Non-trade Investment in Other & Foreign Credit Institutes after Deducting Provision for Share Impairment Up to Specified Limit, Subject of "Investment in Securities	0	100	0	150	0	0	0	0
Principal & Interest of	3,284,565	100	1,443,447	50	721,724	57,738	823,187	65,855
Non-participatory Contracts-Residential Properties	8,650,329	100	6,730,253	50	3,365,127	269,210	721,724	57,738
Non-participatory	15,976,489	100	10,635,236	20	2,127,047	170,164	954,740	76,379
Contracts- Total Balance of Principal & Interest on Loans Granted to Legal	195,682,917	100	116,453,949	50	58,226,974	4,658,158	55,035,834	4,402,867

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Description	20.03.2024						20.03.2023	
	Amount	Conversion Factor	Adjusted Amount Considering Collat-erals & Conversion Factors	Risk Factor	Risk-Weighted Assets & Commitments	Required Capital	Risk-Weighted Assets & Commitments	Required Capital
	IRR Million	%	IRR Million	%	IRR Million	IRR Million	IRR Million	IRR Million
Entities, SMEs (Maximum No. of Human Resources:	138,140,297	100	88,247,568	75	66,185,676	5,294,854	63,292,464	5,063,397
100) Whose Principal	3,052,139	100	1,982,576	100	1,982,576	158,606	689,130	55,130
Amount of Granted Loans Amounts to Maximum	13,715,346	100	7,759,864	150	11,639,796	931,184	46,422,693	3,713,815
IRR20 Billion.	54,947,207	100	43,487,908	75	32,615,931	2,609,274	26,302,904	2,104,232
Non-participatory Contracts-Total Balance of Principal & Interest on Loans Granted to Legal Entities, SMEs (Maximum No. of Human Resources: 100) Whose Principal Amount of Granted Loans Amounts to Maximum IRR20 Billion. Balance of Principal & Interest on Loans Granted to Legal Entities (Over 100 Employees)- With Credit Rating of Very Good	13,136,872	100	9,845,706	20	1,969,141	157,531	2,127,047	170,164
Non-participatory Contracts-Total Balance of Principal & Interest on Loans Granted to Legal Entities, SMEs (Maximum No. of Human Resources: 100) Whose Principal Amount of Granted Loans Amounts to Maximum IRR20 Billion. Balance of Principal & Interest on Loans Granted to Legal Entities (Over 100 Employees)- With Credit Rating of Good	197,263,045	100	166,240,795	50	83,120,398	6,649,632	58,226,974	4,658,158
Non-participatory Contracts-Total Balance of Principal & Interest on Loans Granted to Legal Entities, SMEs (Maximum No. of Human Resources: 100) Whose Principal Amount of Granted Loans Amounts to Maximum IRR20 Billion. Balance of Principal & Interest on Loans Granted to Legal Entities (Over 100 Employees)- With Credit Rating of Medium	199,457,900	100	165,539,381	75	124,154,536	9,932,363	85,685,676	6,854,854
Non-participatory Contracts-Total Balance of Principal & Interest on Loans Granted to Legal Entities, SMEs (Maximum No. of Human Resources: 100) Whose Principal Amount of Granted Loans Amounts to Maximum IRR20 Billion. Balance of Principal & Interest on Loans Granted to Legal Entities (Over 100 Employees)- With Credit Rating of Low	6,799,155	100	6,306,873	100	6,306,873	504,550	1,982,576	158,606

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Description	20.03.2024						20.03.2023	
	Amount	Conversion Factor	Adjusted Amount Considering Collat-erals & Conversion Factors	Risk Factor	Risk-Weighted Assets & Commitments	Required Capital	Risk-Weighted Assets & Commitments	Required Capital
	IRR Million	%	IRR Million	%	IRR Million	IRR Million	IRR Million	IRR Million
Non-participatory Contracts- Total Balance of Principal & Interest on Loans Granted to Legal Entities, SMEs (Maximum No. of Human Resources: 100) Whose Principal Amount of Granted Loans Amounts to Maximum IRR20 Billion. Balance of Principal & Interest on Loans Granted to Legal Entities (Over 100 Employees)- With Credit Rating of Very Low	10,196,679	100	7,505,232	150	11,257,848	900,628	11,639,796	931,184
Non-participatory Contracts- Total Balance of Principal & Interest on Loans Granted to Individuals, Legal Entities, etc. Which Are Not in the Above Sections	0	100	0	100	0	0	0	0
Net Non-performing Loans (Principal, Interest & Penalty Less Related Special Provision)-Special Provision Amount Less than 20% of Non-performing Loans Balance	13,185,686	100	13,185,686	150	19,778,529	1,582,282	16,340,784	1,307,263
Net Non-performing Loans (Principal, Interest & Penalty Less Related Special Provision)-Special Provision Amount Less than 20% to 50% of Non-performing Loans Balance	3,805,129	100	3,805,129	100	3,805,129	304,410	5,394,762	431,581
Net Non-performing Loans (Principal, Interest & Penalty Less Related Special Provision)-Special Provision Amount More than 50% of Non-performing Loans Balance	213,553	100	213,553	50	106,776	8,542	221,678	17,734
Non-governmental Bonds	0	100	0	100	0	0	0	0
Claims from Subsidiary & Associated Companies (Current Claims & Not Loans)	9,307,973	100	9,307,973	100	9,307,973	744,638	5,309,217	424,737
Other Accounts Receivable (Current)	170,825,691	100	170,825,691	100	170,825,691	13,666,055	8,163,632	653,091
Net Fixed Asset	50,781,644	100	50,781,644	100	50,781,644	4,062,532	46,218,910	3,697,513
Other Balance Sheet Items (Other Assets)	10,568,883	100	10,568,883	100	10,568,883	845,511	10,836,065	866,885
Off-balance Sheet Items								
Obligations can be terminated unconditionally	0	100	0	100	0	0	0	0
Irrevocable commitments with a maturity of one year or less after deducting cash deposit and prepayment	0	20	0	100	0	0	0	0

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Description	20.03.2024						20.03.2023	
	Amount	Conversion Factor	Adjusted Amount Considering Collat-erals & Conversion Factors	Risk Factor	Risk-Weighted Assets & Commitments	Required Capital	Risk-Weighted Assets & Commitments	Required Capital
	IRR Million	%	IRR Million	%	IRR Million	IRR Million	IRR Million	IRR Million
Irrevocable obligations with a maturity of more than one year after deducting the cash deposit and advance receipt	0	50	0	100	0	0	0	0
Obligations for the issued or approved letters of credit, the subject of which is the collateral for the credit after deducting the advance payment.	0	20	0	100	0	0	0	0
Commitments on Issued or Confirmed L/Cs Whose Good is not Collateral of Credit After Deducting Advances Received	3,127,311	50	1,563,655	100	1,563,655	125,092	4,208,605	336,688
Commitments on Issued L/Gs After Deducting Cash Deposit	271,453,411	20	54,290,682	100	54,290,682	4,343,255	32,011,551	2,560,924
Commitments on Transaction Contracts & Guarantee of Sukuk Such as Bonds	159,354,653	50	79,677,327	100	79,677,327	6,374,186	40,997,550	3,279,804
Other Commitments	0	100	0	100	0	0	0	0
Total	**1,346,071,963**				**679,340,690**	**54,347,255**	**382,882,571**	**28,630,606**

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64.7.2.2. Total operational risk-weighted assets at the end of the year ended on 20.03.2024 amounted to IRR24,637,041 Million.

	Amount	Risk Factor	Required Capital	Amount	Risk Factor	Required Capital
	IRR Million	%	IRR Million	IRR Million	%	IRR Million
Trade Shares	492,134	8.00	39,371	1,154,569	8.00	92,365
Total Cost of Trade Securities- Specific Risk	91,550	5.00	4,577	91,550	5.00	4,577
Trade Securities-Fundamental Risk- 1 Month & Less to Maturity Date	0	0	0	0	0	0
Trade Securities- Fundamental Risk- 1 Month to 3 Months Remained to Maturity Date	0	0.2	0	0	0.2	0
Trade Securities- Fundamental Risk- 3 Months to 6 Months Remained to Maturity Date	0	0.4	0	0	0.4	0
Trade Securities- Fundamental Risk- 6 Months to 12 Months Remained to Maturity Date	0	0.7	0	0	0.7	0
Trade Securities- Fundamental Risk- 1 Year to 2 Years Remained to Maturity Date	0	1.25	0	0	1.25	0
Trade Securities- Fundamental Risk- 2 Years to 3 Years Remained to Maturity Date	0	1.75	0	0	1.75	0
Trade Securities- Fundamental Risk- 3 Years to 4 Years Remained to Maturity Date	0	2.25	0	0	2.25	0
Trade Securities- Fundamental Risk- 4 Years to 5 Years Remained to Maturity Date	0	2.75	0	0	2.75	0
Trade Securities- Fundamental Risk- 5 Years to 7 Years Remained to Maturity Date	0	3.25	0	0	3.25	0
Trade Securities- Fundamental Risk- 7 Years to 10 Years Remained to Maturity Date	0	3.75	0	0	3.75	0
Trade Securities- Fundamental Risk- 10 Years to 15 Years Remained to Maturity Date	0	4.5	0	0	4.5	0
Trade Securities- Fundamental Risk- 15 Years to 20 Years Remained to Maturity Date	0	5.25	0	0	5.25	0
Trade Securities- Fundamental Risk- Above 20 Years Remained to Maturity Date	91,550	6.00	5,493	91,550	6.00	5,493
Positive Open Position of All Foreign Currencies Absolute Magnitude of Negative Position of All Foreign Currencies Whichever is Higher	24,019,025	8.00	1,921,522	7,839,549	8.00	627,164
Total Capital Required to Cover Market Risk			**1,970,963**			**729,600**
Factor			12.5			12.5
Total Market Risk-Weighted Assets			**24,637,041**			**9,119,999**

64.7.2.3. Total operational risk-weighted assets at the end of the reporting fiscal year ended 20.03.2024 amounted to IRR70,585,888 Million.

	2023-24			2022-23		
	Amount	Risk Factor	Required Capital	Amount	Risk Factor	Required Capital
	IRR Million	%	IRR Million	IRR Million	%	IRR Million
Average Total Income of the Bank in Three Recent Years	37,645,807	15.00	5,646,871	27,102,269	15.00	4,065,340
Factor			12.5			12.5
Operational Risk- Weighted Assets			**70,585,888**			**50,816,755**

64.7.3. Capital adequacy ratio of the Bank at the end of the year ended 20.03.2024 was 8.95%.

	20.03.2024	20.03.2023
	IRR Million	IRR Million
Regulatory Capital as A Basis for Prudential Ratios	69,285,759	58,309,714
Credit Risk-Weighted Assets	679,340,690	382,882,571
Market Risk-Weighted Assets	24,637,041	9,119,999
Operational Risk-Weighted Assets	70,585,888	50,816,755
Total Risk-Weighted Assets	774,563,619	442,819,324
Tier 1 Capital to Risk-Weighted Asset Ratio-%	8.11%	12.70%
Capital Adequacy Ratio-%	8.95%	13.17%

64.7.4. Degree of leverage

Degree of leverage is the ratio of Bank's total assets to shareholders' equity. Bank's degree of leverage was 5.9% at the end of the fiscal year 20.03.2024.

	20.03.2024	20.03.2023
	IRR Million	IRR Million
Total Shareholders' Equity	76,246,380	69,287,851
Total Assets	1,298,137,439	606,514,773
Degree of Leverage-%	5.9%	11.4%

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65. Operating Units

65.1. Basis for dividing sectors

This section explains the various business sectors in reporting.

65.2. Information on reportable operating sectors

Information related to any reportable sectors are presented in the table below. The sectors' profit before tax has been used as the performance criteria.

2022-2023						
Description	Proxy banking	Gharz-al-hassaneh banking	International banking	E-banking	Other activities	Total
	IRR Million	IRR Million	IRR Million	IRR Million	IRR Million	IRR Million
Income Out of Bank:						
Granted Loans & Deposits Income	76.486.732	0	105.203	0	0	76.486.732
Deposits Interest Expense	(56.003.767)	0	(56.513)	0	0	(56.003.767)
Net Loans & Deposits Income	20,482,965	0	48.690	0	0	20.531.655
Commission Income	6.453.889	70.277	0	215.234	0	6.739.401
Commission Expense	(260.458)	0	0	0	0	(260.458)
Net Commission Income	6.193.431	70.277	0	215.234	0	6.478.942
Net Investment Returns (Loss)	2.610.038	0	0	0	0	2.610.038
Net Foreign Currency Transactions Profit (Loss)	0	0	1.190.293	0	0	1.190.293
Other Operating Revenues	0	0		0	2.192.797	2.192.797
Sum of investment income, foreign exchange and other operational income	2.610.038	0	1.190.293	0	2.192.797	5.993.128
Net Income Out of the Bank	29.286.435	70.277	1.238.983	215.234	2.192.797	3.003.726
Net Income from Bank's Sections	0	0	0	0	0	0
Total Income of Operating Sections of the Bank	29.286.435	70.277	1.238.983	215.234	2.192.797	3.003.726
Doubtful Debt Expenses of Operating Sections	(3.907.688)	0	0	0	0	(3.907.688)
Other Direct Expenses Attributable to Operating Sections	(14.239.914)	0	0	0	0	(14.239.914)
Each Section Profit (Loss) before Unattributable General Expenses	11.138.832	70.277	1.238.983	215.234	2.192.797	14.856.124
General Expenses Unattributable to Sections						(842.770)
Profit before Tax						**14.013.354**

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2021-2022						
Description	Proxy Banking	Gharz-al Hassaneh Banking	International Banking	E-banking	Other Activities	Total
	IRR Million	IRR Million	IRR Million	IRR Million	IRR Million	IRR Million
Income Out of Bank:						
Granted Loans & Deposits Income	76,448,593	0	143,342	0	0	76,591,935
Deposits Interest Expense	(56,003,767)	0	(56,513)	0	0	(56,060,280)
Net Loans & Deposits Income	20,444,826	0	86,829	0	0	20,531,655
Commission Income	4,571,690	70,277	920,894	215,234	0	5,778,096
Commission Expense	(209,985)	0	(12,450)	(38,024)	0	(260,458)
Net Commission Income	4,361,705	70,277	908,444	177,211	0	5,517,637
Net Investment Returns (Loss)	2,610,038	0	0	0	0	2,610,038
Net Foreign Currency Transactions Profit (Loss)	0		965,496	0	0	965,496
Other Operating Revenues	0	0		0	3,378,899	3,378,899
Sum of investment income, foreign exchange and other operational in-come	2,610,038	0	965,496	0	3,378,899	6,954,434
Net Income Out of the Bank	27,416,570	70,277	1,960,769	177,211	3,378,899	33,003,726
Net Income from Bank's Sections	0	0	0	0	0	0
Total Income of Operating Sections						
of the Bank	27,416,570	70,277	1,960,769	177,211	3,378,899	33,003,726
Doubtful Debt Expenses of Operating Sections	(3,907,688)					(3,907,688)
Other Direct Expenses Attributable to Operating Sections	(14,320,994)		(41,449)			(14,362,443)
Each Section Profit (Loss) before Unat-tributable General Expenses	9,187,888	70,277	1,919,321	177,211	3,378,899	14,733,595
General Expenses Unattributable to Sections						(720,241)
Profit before Tax						14,013,354

65.3. Geographical concentration of main items in assets, liabilities and incomes

While offering geographical information, assets' main items are based on location and liabilities and income are reported based on location of Bank's counterparts in geographical areas.

	2023-24									
	Iran	Switzerland	Turkey	United Arab Emirates	Germany	South Korea	Oman	Bahrain	Other Countries	Total
	IRR Million	IRR Million	IRR Million	IRR Million	IRR Million	IRR Million	IRR Million	IRR Million	IRR Million	IRR Million
Assets:										
Cash	21,655,618	9,132,363	2,873,172	10,190,746	2,257,825	1,752,283	1,342,923	41,514	310,031,235	359,277,679
Claims from & Other Credit Institutes	20,851,808	0	0	0	0	0	0	0	0	20,851,808
Dues from the Government	0	0	0	0	0	0	0	0	0	0
Loans Granted & Claims from Governmental Authorities	0	0	0	0	0	0	0	0	0	0
Granted Loans & Claims from Non-governmental Entities	541,666,110	0	0	0	0	0	0	0	0	541,666,110
Investment in Shares & Securities	53,265,387	0	0	0	0	0	0	0	0	53,265,387
Claims from Subsidiary & Associated Com-panies	9,307,973	0	0	0	0	0	0	0	0	9,307,973
Other Accounts Receivable	170,825,691	0	0	0	0	0	0	0	0	170,825,691
Non-current assets held for sale	6,880,378	0	0	0	0	0	0	0	0	6,880,378
Fixed Tangible Assets	32,042,062	0	0	0	0	0	0	0	0	32,042,062
Intangible Assets	18,739,582	0	0	0	0	0	0	0	0	18,739,582
Legal Deposits	81,592,264	0	0	0	0	0	0	0	0	81,592,264
Deferred tax asset	0	0	0	0	0	0	0	0	0	0
Other Asset	3,688,505	0	0	0	0	0	0	0	0	3,688,505
Total Assets	**960,515,378**	**9,132,363**	**2,873,172**	**10,190,746**	**2,257,825**	**1,752,283**	**1,342,923**	**41,514**	**310,031,235**	**1,298,137,439**
Liabilities:										
Dues to Banks & Other Credit Institutes	(205,316,274)	0	0	0	0	0	0	0	(310,713,781)	(516,030,055)
Deposits	(633,295,422)	0	0	0	0	0	0	0	0	(633,295,422)
Debt Securities	0	0	0	0	0	0	0	0	0	0
Dividends Payable	(24,834)	0	0	0	0	0	0	0	0	(24,834)
Corporation Tax Provision	(2,371,613)	0	0	0	0	0	0	0	0	(2,371,613)
Provisions & Other Liabilities	(66,524,021)	0	0	0	0	0	0	0	0	(66,524,021)
Liabilities related to non-current assets held for sale	0	0	0	0	0	0	0	0	0	0
Deferred tax Liabilities	0	0	0	0	0	0	0	0	0	0
Provision for Work termination Benefits	(3,645,115)	0	0	0	0	0	0	0	0	(3,645,115)
Total Liabilities	**(911,177,278)**	**0**	**0**	**0**	**0**	**0**	**0**	**0**	**(310,713,781)**	**(1,221,891,060)**
Total Operating Revenues	**114,638,323**	**0**	**0**	**0**	**0**	**0**	**0**	**0**	**0**	**114,638,323**
Total Other Income & Expenses	**(52,050)**	**0**	**0**	**0**	**0**	**0**	**0**	**0**	**0**	**(52,050)**

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	2022-23									
	Iran	Switzerland	Turkey	United Arab Emirates	Germany	South Korea	Oman	Bahrain	Other Countries	Total
	IRR Million	IRR Million	IRR Million	IRR Million	IRR Million	IRR Million	IRR Million	IRR Million	IRR Million	IRR Million
Assets:										
Cash	4,071,455	5,560,865	1,717,616	1,680,665	1,052,740	970,369	825,001	0	1,935,122	17,813,832
Claims from & Other Credit Institutes	9,914,916	0	0	0	0	0	0	0	0	9,914,916
Dues from the Government	0	0	0	0	0	0	0	0	0	0
Loans Granted & Claims from Gov-ernmental Authorities	0	0	0	0	0	0	0	0	0	0
Granted Loans & Claims from Non-governmental Entities	413,229,664	0	0	0	0	0	0	0	0	413,229,664
Investment in Shares & Securities	36,220,242	0	0	0	0	0	0	0	0	36,220,242
Claims from Subsidiary & Associated Companies	5,309,217	0	0	0	0	0	0	0	0	5,309,217
Other Accounts Receivable	8,163,632	0	0	0	0	0	0	0	0	8,163,632
Non-current assets held for sale	5,062,373	0	0	0	0	0	0	0	0	5,062,373
Fixed Tangible Assets	28,110,943	0	0	0	0	0	0	0	0	28,110,943
Intangible Assets	18,107,967	0	0	0	0	0	0	0	0	18,107,967
Legal Deposits	58,808,296	0	0	0	0	0	0	0	0	58,808,296
Deferred tax asset	0	0	0	0	0	0	0	0	0	0
Other Asset	5,773,692	0	0	0	0	0	0	0	0	5,773,692
Total Assets	**592,772,397**	**9,132,363**	**2,873,172**	**10,190,746**	**2,257,825**	**1,752,283**	**1,342,923**	**41,514**	**310,031,235**	**606,514,773**
Liabilities:										
Dues to Banks & Other Credit Insti-tutes	(5,835,121)	0	0	0	0	0	0	(2,313)	0	(5,837,434)
Deposits	(506,169,695)	0	0	0	0	0	0	0	0	(506,169,695)
Debt Securities	0	0	0	0	0	0	0	0	0	0
Dividends Payable	(40,299)	0	0	0	0	0	0	0	0	(40,299)
Corporation Tax Provision	(1,924,159)	0	0	0	0	0	0	0	0	(1,924,159)
Provisions & Other Liabilities	(20,563,032)	0	0	0	0	0	0	0	0	(20,563,032)
Liabilities related to non-current as-sets held for sale	0	0	0	0	0	0	0	0	0	0
Deferred tax Liabilities	0	0	0	0	0	0	0	0	0	0
Provision for Work termination Bene-fits	(2,692,304)	0	0	0	0	0	0	0	0	(2,692,304)
Total Liabilities	**(537,224,609)**	**0**	**0**	**0**	**0**	**0**	**0**	**0**	**0**	**(537,226,923)**
Total Operating Revenues	**77,660,577**	**0**	**0**	**0**	**0**	**0**	**0**	**0**	**0**	**77,660,577**
Total Other Income & Expenses	**2,192,797**	**0**	**0**	**0**	**0**	**0**	**0**	**0**	**0**	**2,192,797**

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66.Transactions with Related Parties

66.1. Changes in major shareholders (over 1%)
During the 2023-24 fiscal year, Saba Tamin Management Services Company (private stock) with sales of 873,000,000, Mehr Ayendangan Financial Development Group Company (public stock) with sales of 492,000,000, Sepehar Stable Investment Fund with sales of 769,747,988, Amin Yakam Farda Investments with the sale of 609,725,730 shares, Karafarin Brokerage Mutual Investment Fund with the sale of 300,875,770 shares, and Lotus Parsian Investment Fund with the sale of 176,483,861 shares were removed from the ranks of shareholders above one percent. The investment fund of Kar'Afarin Bank, BFM, was ranked among the shareholders above 1% by purchasing 1,708,252,769 shares.

66.2. Transactions with managers
Managers include the Managing Director, board members and the Bank's executive board.
During the 2023-24 fiscal year managers had no transactions with the Group companies.

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66.2.1. Transactions of the Group companies with related parties (except for companies' subject to consolidation) during the reported period are as follows:

(Amounts in IRR million)

Description	Related Party	Type of Relation	2023-24				
			Transaction	Subject to Article 129?	Flow of Transaction Amount	Gross Transaction Profit (Loss)	Claim Balance (Debt)
Karafarin Foreign Exchange Co.	Karafarin Insurance Co.	Common Board Member	Purchasing Foreign Currencies & Services	Yes	6,011	0	0
Karafarin Brokerage Co.	Karafarin Brokerage Mutual Investment Fund	Managed Fund	Purchasing Foreign Currencies & Services	No	81,822	0	129,155
	Arman Karafarin investment Fund	Managed Fund	Purchasing Foreign Currencies & Services	No	71,417	0	121,119
	Shakhes Karafarin investment Fund	Managed Fund	Purchasing Foreign Currencies & Services	No	36,391	0	52,810
	Karafarin investment Fund	Managed Fund	Transactions Commission	No	31,888	0	969,505
	Atiyeh Omid Karafarin Institute	The Same Category Company	Transactions Commission	No	179	0	0
	Karafarin Insurance Co.	The Same Category Company	Transactions Commission	No	48,181	0	3,602
Karafarin Leasing Company	Arman Karafarin investment Fund	shareholder	Purchasing Foreign Currencies & Services	No	4,174,586	0	24,041
Karafarin financial group	Karafarin Insurance Co.	Other related parties	Purchasing Asset & Services	Yes	37,450	0	(349,353)

66.2.2. Transactions

Managers' transactions with the Bank, the Group's companies, branches and overseas banks are as follows:

(Amounts in IRR million)

	Transaction Party	Transaction	Contract Sum	Maximum Balance during Year	Balance at End of Year	Collateral Type	Collateral Amount	Transaction Profit & Loss
Executive Board Members	-	-	0	0	0	-	0	0
Non-acting Board Members	-	-	0	0	0	-	0	0
CEO Deputy (Non-Board Members)	-	-	0	0	0	-	0	0
Members of Committees Related to Board Members (Non-Board Members)	-	-	0	0	0	-	0	0

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66.3. Transactions of related parties at the end of the fiscal year ended 20.03.2024 with the Bank (Parent Company) are as follows:

Related Party	Type of Relation	Year Ended 2023-24					
		Transaction	Subject to Article 129?	Pricing Method	Flow of Transaction Amount	Transaction Gross Profit (Loss)	Claim Balance (Debt)
					IRR Million	IRR Million	IRR Million
Karafarin Brokerage Co.	Subsidiary Com-pany	L/Gs Commission Income	No	Board of Directors	0	1,610	2,049,463
		L/G Issuance		Board of Directors	11,467	0	
		Granted Loans		Board of Directors	21,440,000	8,564	
		Loans Repayment		Board of Directors	19,940,000	0	
		Transaction fees		Board of Directors	15,783	0	
Karafarin Foreign Exchange Co.	Subsidiary Com-pany	Agency fees	No	Board of Directors	10,255	0	10,758
		Foreign Currencies & Services Sale		market price	246,696	0	
		Foreign Currencies Purchase		market price	50,877,717	0	
		Deposit paid		market price	240	0	
		Deposit received		market price	12,000	0	
		Granted Loans		Board of Directors	10,039	0	
Karafarin Leasing Company	Subsidiary Com-pany	Financial cost of paid loans	No	market price	439,386	0	2,491,233
		Granted Loans		Board of Directors	1,850,666	0	
		Loans Repayment		Board of Directors	3,543,400	43,921	
Amin Etemad Karafarin Co.	Subsidiary Com-pany	Other Receivables	No	Board of Directors	10,672	0	9,176
		Granted Loans		Board of Directors	9,315	0	
Abnie Gostar Karafarin	Subsidiary Com-pany	Account receivable	No	Board of Directors	359,689	0	812,550
		Purchase of assets and services		market price	223,302		
Karafarin financial group	Subsidiary Com-pany	Financing the company	No	Board of Directors	1,932,752	0	5,762,085
		Other payables		Board of Directors	436,000	0	
		Transaction fees		Board of Directors	335,104	0	
		Buying and selling assets		Board of Directors	20,000	0	
		Granted Loans		Board of Directors	7,398,060	39,056	
		Loans Repayment		Board of Directors	5,843,000	0	
Asr Amin Karafarin Co.	Subsidiary Com-pany	Account receivable	No	Board of Directors	9,479	0	812,341
		Other Receivables		Board of Directors	824,712	0	
Karafarin Insurance Co.	affiliated compa-ny	L/G Issuance	No	Board of Directors	200	110	587,042
		L/Gs Commission Income		Board of Directors	0	264	
		Other Receivables		Board of Directors	328,750		
		Other payables		Board of Directors	483,015	0	
Tose'e Negahe fardaye Karafarin Co.	Subsidiary Com-pany	Buying equipment and providing services	No	market price	2,499,773	0	406,561
		Other payables		Board of Directors	84,282	0	
		Account receivable		Board of Directors	765,388	0	
Karo Andisheh Engineers	Bank shareholder	Granted Loans	No	Board of Directors	1,450,718	19,611	1,062,512
		Loans Repayment		Board of Directors	421,718		
		L/Gs Commission Income		Board of Directors	41	1,927	
		L/G Issuance		Board of Directors	23,933	0	

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Related Party	Type of Relation	Year Ended 2023-24					
		Transaction	Subject to Article 129?	Pricing Method	Flow of Transaction Amount	Transaction Gross Profit (Loss)	Claim Balance (Debt)
					IRR Million	IRR Million	IRR Million
Ali Rousta	Bank shareholder	Loans Repayment	No	Board of Directors	3,348	0	16,726
		Granted Loans		Board of Directors	20,000	73	
Negahe Fardaye Karafarin E-commerce Development	Subsidiary Com-pany	Granted Loans	No	Board of Directors	964	0	950
		Buying equipment and providing services		market price	511,858	0	
		Other Receivables		Board of Directors	2,404	0	
		Other payables		Board of Directors	472	0	
Negahe Fardaye Karafarin Banking Software	Subsidiary Com-pany	Granted Loans	No	Board of Directors	3,040	0	7,920
		Bank deposit interest		market price	21,447	0	
		service income		Board of Directors	1,833,581	0	
		Receivables		Board of Directors	20,966	0	
Tose'e Andishe dana Brokerage Co	Bank shareholder	Granted Loans	No	Board of Directors	912,800	13,686	489,882
		Loans Repayment		Board of Directors	456,400	0	
		L/Gs Commission Income		Board of Directors	126	241	
		L/G Issuance		Board of Directors	13,356	0	
Industrial loans and Equipment Contractors Association of Iran	Bank shareholder	Granted Loans	No	Board of Directors	1,000	7	1,000
Omid Karafarin Wealth Management Company	Subsidiary Com-pany	Receivables	No	Board of Directors	1,870,016	0	1,270,016
Karen group of entrepreneurial pioneers	Associated shareholder of the bank	Loans Repayment	No	Board of Directors	60,000	0	0
		Granted Loans		Board of Directors	60,000	984	
Omid Karafarin Commercial Devel-opment	Subsidiary Com-pany	Granted Loans	No	Board of Directors	300,000	9,545	0
		Loans Repayment		Board of Directors	300,000	0	
		Receivables		Board of Directors	8,297	0	
Kurosh Petrochemical Industries Development Company	Subsidiary Com-pany	Granted Loans	No	Board of Directors	7,478	0	0
		Receivables		Board of Directors	176,684	0	

66.4. Balance of related parties' account with whom no transactions have been made during the reporting period is as follows:

Related Party	Type of Relation	Payment (Receive)	Adjustments (Doubtful Debt Costs, etc.,)	Claim Balance (Debt) 2023-24	Claim Balance (Debt) 2022-23
		IRR Million	IRR Million	IRR Million	IRR Million
		0	0	0	0
		0	0	0	0

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67. Retained Earnings at End of Year

Retained earnings in the following items at end of year are subject to the approval of shareholders' ordinary general assembly:

	Amount IRR Million
Legal Duties	
Sharing at Least 10% of Net Profit of the 2020-21 as per Article 90 of Commercial Code as Amended	1,854,083
Board of Directors' Proposal	
Dividend Proposed by the Board of Directors	1,854,083

68. Performance Statement of IRR Saving Gharz-al Hassaneh Operations

68.1. Balance of Gharz-al Hassaneh resources and expenditures

	Note	2023-24 IRR Million	2022-23 IRR Million
Gharz-al Hassaneh Resources:			
Saving Gharz-al Hassaneh Deposits-IRR		16,930,472	7,600,092
Current Gharz-al Hassaneh Deposits-IRR		105,958,984	107,066,138
Total Gharz-al Hassaneh Resources		122,889,456	114,666,230
Gharz-al Hassaneh Expenditures:			
Granted IRR Loans & Claims from Governmental Authorities (before Provision)			
Ordinary Loans		0	0
Provisional Loans-Budget	28 & 29	0	0
Total Granted IRR Loans & Claims from Governmental Authorities			
Granted IRR Loans & Claims from Non-Governmental Entities (before Provision)			
Ordinary Loans		(14,215,596)	(3,588,264)
Staff Loans		0	0
Provisional Loans-Budget		0	0
Total Granted IRR Loans & Claims from Non-Governmental Entities	20	(14,215,596)	(3,588,264)
Total Gharz-al Hassaneh Expenditures		(14,215,596)	(3,588,264)
Legal Deposit of Saving Gharz-al Hassaneh Resources		(1,693,047)	(760,009)
Legal Deposit of Current Gharz-al Hassaneh Resources		(13,668,709)	(13,276,201)
Liquidity Reserve for Saving Gharz-al hassaneh Deposits (5%)		(846,524)	(380,005)
Liquidity Reserve for Current Gharz-al hassaneh Deposits (40%)		(42,383,594)	(42,826,455)
Excess (Deficit) of Gharz-al hassaneh Resources to Expenditures		**50,081,986**	**53,835,296**

* Special Gharz-al Hasaneh deposits (managed funds) are not presented in this section.

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68.2. Net commission on Gharz-al Hasaneh operations

	note	Parent Company	
		20.03.2024	20.03.2023
		IRR Million	IRR Million
Commission Received on Granted Gharz-al Hassaneh Loans		10,656	70,277
Prize Expenses for Gharz-al Hassaneh Deposits		0	0
Net Commission on Gharz-al Hassaneh Operations	15-1	10,656	70,277

68.3. Classification of granted Gharz-al Hassaneh loans based on type

	Parent Company	
	2023-24	2022-23
	IRR Million	IRR Million
Marriage	9,379,430	2,730,726
Services-Essential need	798,66	282,443
Childbearing	1,418,902	453,994
Services-Help my company	202,746	91,083
Nik Afarin Plus	14,788	24,429
Samar Afarin	918	2,719
Nik Afarin	823	2,438
Services - illness	144	431
Employment of the Imam Khomeini Relief Committee	2,399,173	0
Check mortgage	7	0
Total Granted Gharz-al Hassaneh Loans	**14,215,596**	**3,588,264**

68.4. Classification of Granted Gharz-al Hassaneh loans based on customer type

	Parent Company	
	2023-24	2022-23
	IRR Million	IRR Million
Legal Entities	14,215,596	3,588,264
Legal Entities-Cooperative	0	0
Legal Entities-Others	0	0
Total Granted Gharz-al Hassaneh Loans	**14,215,596**	**3,588,264**

Item No	Legal Entities'/ Individuals' Surname	Example of Related Parties based on 2nd Chapter of Bylaw 1-2	2-2	3-2	4-2	5-2	6-2	7-2	8-2	9-2	Loans/Liabilities: Principal Paid Amount	Balance Amount (After Mudaraba, Joint Account & Musharaka Funds): Current	Non-performing	Total	Contract or Liability Type	Contract Period	Grace Period	Interest Rate / Commission	Approval Date	Commitments: Gross	Cash Advances	Net Commitments	Net Commitments with Conversion	Total Net Balance of Loans & Commitments	Collateral: Type	value
1	Karo Andisheh jonoub					*	*				0	0	0	0	L/G	0	0	0		0	0	0	0	0	Cheque, Additional Collateral	53,198,018
2	Karo Andisheh Engineering										200,000	176,213	0	176,213	morabehe	0	0	23		0	0	0	0	176,213	Long-term deposit, Guarantee of banks and internal institutions, Cheque, Additional Collateral, Enforced Contracts	2,848,287
							*				170,000	145,046	0	145,046	morabehe	0	0	23		0	0	0	0	145,046		
											300,000	260,945	0	260,945	morabehe	0	0	23		0	0	0	0	260,945		
											270,000	232,537	0	232,537	morabehe	0	0	23		0	0	0	0	232,537		
											190,000	193,592	0	193,592	morabehe	0	0	23		0	0	0	0	193,592		
											40,000	40,277	0	40,277	morabehe	0	0	23		0	0	0	0	40,277		
											0	0	0	0	L/G	0	0	0		900	90	810	162	162		
											0	0	0	0	L/G	0	0	0		6,278	0	6,278	1,256	1,256		
											0	0	0	0	L/G	0	0	0		984	98	885	177	177		
											0	0	0	0	L/G	0	0	0		1,500	0	1,500	300	300		
											0	0	0	0	L/G	0	0	0		4,919	492	4,427	885	885		
The sum of Karo Andisheh											1,170,000	1,048,611	0	1,048,611						14,581	680	13,901	2,780	1,051,391		2,848,287
3	Karafarin Insurance Co.										0	0	0	0	Temporary Debtors	0	0	0		0	0	0	0	42	Long-term deposit, cash deposit, guarantee of loans	180,000
											0	0	0	0	L/G	0	0	0		200	0	200	40	40		
Sum of Karafarin Insurance Co.									*		0	0	0	0						200	0	200	40	40		180,000
4	Karafarin Leasing Co.										164,900	172,070	0	172,070	morabehe	0	0	23		0	0	0	0	172,070	Cheque, Additional Collateral, Enforced Contracts, Gharz-al Hassaneh deposit	4,800,780
											170,000	162,314	0	162,314	morabehe	0	0	23		0	0	0	0	162,314		
									*		169,731	177,003	0	177,003	morabehe	0	0	23		0	0	0	0	177,003		
											480,150	472,239	0	472,239	morabehe	0	0	23		0	0	0	0	472,239		
											24,300	25,035	0	25,035	morabehe	0	0	23		0	0	0	0	25,035		
											344,369	334,160	0	334,160	morabehe	0	0	23		0	0	0	0	334,160		
											33,000	31,666	0	31,666	morabehe	0	0	23		0	0	0	0	31,666		
											397,400	362,168	0	362,168	morabehe	0	0	23		0	0	0	0	362,168		
											306,731	306,731	0	306,731	Temporary Debtors	0	0	0		0	0	0	0	306,731		
Sum of Karafarin Leasing Co.											2,090,581	2,043,385	0	2,043,385						0	0	0	0	2,043,385		4,800,780
5	Karafarin brokerage										200,000	201,512	0	201,512	morabehe	0	0	23		0	0	0	0	201,512	Cheque, Additional Collateral, Enforced Contracts, Promissory Note	278,620,550
											300,000	303,025	0	303,025	morabehe	0	0	23		0	0	0	0	303,025		
									*		100,000	101,323	0	101,323	morabehe	0	0	23		0	0	0	0	101,323		
											200,000	201,008	0	201,008	morabehe	0	0	23		0	0	0	0	201,008		
											300,000	301,378	0	301,378	morabehe	0	0	23		0	0	0	0	301,378		
											2000,000	202,268	0	202,268	morabehe	0	0	23		0	0	0	0	202,268		
											200,000	201,134	0	201,134	morabehe	0	0	23		0	0	0	0	201,134		
											0	0	0	0	L/G	0	0	0		4,037	807	3,230	646	646		
											0	0	0	0	L/G	0	0	0		4,000	400	3,600	720	720		
											0	0	0	0	L/G	0	0	0		2,000	400	1,600	320	320		
											0	0	0	0	L/G	0	0	0		1,000	100	900	180	180		
											0	0	0	0	L/G	0	0	0		557	557	0	0	0		
											0	0	0	0	L/G	0	0	0		1,000	100	900	180	180		
											0	0	0	0	L/G	0	0	0		6,000	600	5,400	1080	1080		
											0	0	0	0	L/G	0	0	0		10,910	1091	9,819	1964	1964		
Sum of Karafarin brokerage											1,500,000	1,510,649	0	1,510,649						29,504	4,055	25,449	5090	1,515,739		278,620,550

Karafarin Bank (Public Joint Stock)
Notes to The Financial Statements
For The Year Ended 20 March 2023

Item No	Legal Entities'/Individuals' Surname	Example of Related Parties based on 2nd Chapter of Bylaw									Loans/Liabilities									Commitments				Total Net Balance of Loans & Commitments	Collateral	
		1-2	2-2	3-2	4-2	5-2	6-2	7-2	8-2	9-2	Principal Paid Amount	Balance Amount (After Mudaraba, Joint Account & Musharaka Funds) Current	Non-performing	Total	Contract or Liability Type	Contract Period	Grace Period	Interest Rate / Commission	Approval Date	Gross	Cash Advances	Net Commitments	Net Commitments with Conversion		Type	value
6	Karafarin financial group								*		603,900	616,458	0	616,458	morabehe	0	0	23		0	0	0	0	616,458	cheque, Additional Collateral, Enforced Contracts	3,293,256
											479,160	480,972	0	480,972	morabehe	0	0	23		0	0	0	0	480,972		
											472,000	496,686	0	496,686	morabehe	0	0	23		0	0	0	0	496,686		
											4,006,385	4,006,385	0	4,006,385	Temporary Debtors					0	0	0	0	4,006,385		
	Sum of Karafarin financial group										5,561,445	5,600,501	0	5,600,501						0	0	0	0	5,600,501		3,293,256
	industrial and utility companies										1,000	366		366	morabehe	0	0	23						366	Enforced Contracts	1,130
7	Karafarin Foreign Exchange								*		10,039	10,039		10,039	Temporary Debtors									10,039		0
8	Abnieh Gostar Karafarin								*		359,689	359,689		359,689	Temporary Debtors									359,689		
9	Asr Amin Karafarin									*	824,712	824,712		824,712	Temporary Debtors									824,712		
10	Amin Etemad Karafarin									*	9,315	9,315		9,315	Temporary Debtors									9,315		
11	OMID karafarin wealth management										1,270,015	1,270,015		1,270,015	Temporary Debtors									1,270,015		0
12	Tose'e Negahe fardaye Karafarin									*	765,388	765,388		765,388	morabehe			-						765,388		0
13	Negahe Fardaye Karafarin Banking Software									*	3,040	3,040		3,040	Temporary Debtors									3,040		0
14	Negahe Fardaye Karafarin E-commerce Development									*	964	964		964	Temporary Debtors									964		0
											0	0	0	0	L/G					300	300	0	0	0		
15	Omid karafarin commerce developement										300,000	306,545	0	306,545	morabehe			-						306,545		0
16	Tose andishe dana brokerage										300,000	304,915	0	304,915	morabehe			23						304,915	cheque, Additional Collateral, Enforced Contracts	161,603,814
											156,400	165,171		165,171	morabehe			23						165,171		
															L/G					11,740	2,348	9,392	1,878	1,878		
															L/G					7,000	1,400	5,600	1,120	1,120		
															L/G					4,388	878	3,510	702	702		
															L/G					616	123	493	99	99		
															L/G					1,000	200	800	160	160		
	Sum of Tose andishe dana brokerage										**456,400**	**470,086**	**0**	**470,086**						**25,044**	**5,249**	**19,795**	**3,959**	**474,045**		**161,603,814**
	Kouroush Petrochemical Industries Development									*	7,478	7,478	0	7,478	currency											7,478
	Total on 20.03.2024										**14,330,067**	**14,230,784**	**0**	**14,230,784**						**69,629**	**9,984**	**59,345**	**11,869**	**14,424,653**		**504,545,835**
	Total on 20.03.2023										**5,384,978**	**8,932,723**	**0**	**8,932,723**						**142,509**	**62,440**	**80,069**	**16,014**	**8,948,737**		**9,794,559**

Regulatory Capital as A Basis for Other Prudential Ratios	58,309,714
Individual's Limit for Related Parties' Loans & Commitments (3% of Regulatory Capital)	1,749,291
Group's Limit for Related Parties' Loans & Commitments (40% of Regulatory Capital)	23,323,886
Organizational Unit of Executive Bylaw	Credit Management

Karafarin Bank (Public Joint Stock)
Notes to The Financial Statements
For The Year Ended 20 March 2023

Item No	Legal Entities'/Individuals' Surname	Example of Related Parties based on 2nd Chapter of Bylaw									Loans/Liabilities									Commitments				Total Net Balance of Loans & Commitments	Collateral	
		1-2	2-2	3-2	4-2	5-2	6-2	7-2	8-2	9-2	Principal Paid Amount	Balance Amount (After Mudaraba, Joint Account & Musharaka Funds) Current	Non-performing	Total	Contract or Liability Type	Contract Period	Grace Period	Interest Rate / Commission	Approval Date	Gross	Cash Advances	Net Commitments	Net Commitments with Conversion		Type	value
6	Karafarin financial group								*		288,000	294,352	0	294,352	morabehe	3				0	0	0	0	294,352	heque, Additional Collateral, Enforced Contracts	1,422,016
											344,000	351,370	0	351,370	morabehe	3				0	0	0	0	351,370		
											499,000	501,201	0	501,201	morabehe	3				0	0	0	0	501,201		
												1,491,287	0	1,491,287	Temporary Debtors					0	0	0	0	1,491,287		
Sum of Karafarin financial group									*		**1,131,000**	**2,638,210**	**0**	**2,638,210**						**0**	**0**	**0**	**0**	**2,638,210**		**1,422,016**
7	Karafarin Foreign Exchange								*		0	105	0	105	Temporary Debtors					0	0	0	0	105		0
8	Abnieh Gostar Karafarin								*		0	349,386	0	349,386	Temporary Debtors					0	0	0	0	349,386		0
9	Asr Amin Karafarin									*	0	812,876	0	812,876	Temporary Debtors					0	0	0	0	812,876		0
10	Amin Etemad Karafarin									*	0	6,665	0	6,665	Temporary Debtors					0	0	0	0	6,665		0
11	Tose'e Negahe fardaye Karafarin									*	0	696,919	0	696,919	Temporary Debtors					0	0	0	0	696,919		0
12	Sedaresan Karafarin									*	0	0	0	0	-					0	0	0	0	0		0
13	Negahe Fardaye Karafarin Banking Software									*	0	11,349	0	11,349	Temporary Debtors					0	0	0	0	11,349		0
14	Tamin atie omid Karafarin									*	0	0	0	0	-					0	0	0	0	0		0
15	Negahe Fardaye Karafarin E-commerce Development									*	0	0	0	0	Temporary Debtors					0	0	0	0	0		0
16	Tose andishe dana brokerage									*	170,000	177,461	0	177,461	morabehe	14	0	18		4,388	878	3,510	702	178,163	Cheque, Additional Collateral	213,796
											0	0	0	0	L/G					7,000	1,400	5,600	1,120	1,120		
17	Kouroush Petrochemical Industries Development									*	7,478	7,478	0	7,478	currency					0	0	0	0	7,478	Cheque, Additional Collateral	12,027
Total on 2023-24											**5,384,978**	**8,932,723**	**0**	**8,932,723**						**142,509**	**62,440**	**80,069**	**16,014**	**8,948,737**		**9,794,559**
Total on 2022-23											**3,727,153**	**4,983,383**	**0**	**4,983,383**						**257,588**	**54,851**	**202,737**	**42,791**	**5,026,173**		**21,202,469**

	IRR Million
Regulatory Capital As A Basis for Other Prudential Ratios	53,750,339
Individual's Limit for Related Parties' Loans & Commitments (3% of Regulatory Capital)	1,612,510
Group's Limit for Related Parties' Loans & Commitments (40% of Regulatory Capital)	21,500,136
Organisational Unit of Executive Bylaw	Credit Management

Karafarin Bank (Public Joint Stock)
Notes to The Financial Statements
For The Year Ended 20 March 2023

70. Information on Large Loans and Commitments

Information on large loans and commitments based on ratification No. 166 dated 29.10.2013 ratified by the Money and Credit Council (Letter No. 92/242553 dated 07.11.2013 ratified by the CBI) is as follows:

Item No.	Single Beneficiary Unit	Customer	Balance of Large Loans & Commitments						Collateral		Board of Directors' Ratification	
			Loans		Commitments		Cost of Shares (4)	Total Loans & Commitments Plus Cost of Shares(Single Beneficiary Unit) 5=1+2+3+4	Type	Value	Number	Date
			Net Current (1)	Non-performing (2)	Gross (3)	Net						
1	Bonyad barekat Executive Headquarters of Imam Khomeini's Directive	Salamat barekat	8,636,743	0	0	0	0	8,636,843	Cheque, Enforced Contracts	16,987,000		
Sum of Salamat barekat			**8,636,743**	**0**	**0**	**0**	**0**	**8,636,843**		**16,987,000**		
2	Tadbir energy development	Pars petroleum	2,145,238	0	944,789	922,306	0	3,067,543	Cheque, Enforced Contracts	8,276,364		
		Ghaed basir	1,169,236	0	0	0	0	1,169,236	Cheque, Enforced Contracts	3,017,120		
		Persia Petroleum and gas development	882,673	0	0	0	0	886,673	Cheque, Enforced ontracts, shares	7,577,866		
		Tadbir energy development	1,729,932	0	0	0	0	1,729,932	Cheque, Enforced Contracts	5,990,496		
Sum of Tadbir energy development			**5,927,077**	**0**	**944,789**	**922,306**	**0**	**6,849,383**		**24,861,845**		
3	Tamin Pharmaceutical Investment Holding	Pars MCS	502,611	0	1400	12,600	0	515,211	Machines and equipment, promissory note, Cheque, Local Enforced Contracts	2,105,393		
		Development of Tadbir industry and mining	2,987,867	0	0	0	0	2,987,868	Cheque, Local Enforced Contracts	7,013,336		
		Green paper of Khuzestan	0	1,587,094	0	0	0	1,587,094	Cheque, Local Enforced Contracts, shares	6,322,961		
		Tejarat ostovar Pars co	1,680,051	0	0	0	0	1,680,051	Cheque, Local Enforced Contracts	2,870,000		
Sum of Tadbir industry and mining			**5,170,530**	**1,587,094**	**14000**	**12,600**	**0**	**6,770,224**		**18,311,690**		
4	Tamin Pharmaceutical Investment Holding	Caspian Tamin Pharmaceutical Co.	65,110	0	0	0	0	65,110	Promissory Note, Cheque, Enforced Contracts,Other	416,606		
		Exir Pharmaceutical Co.	1,409,565	0	0	0	0	1,409,565	Cheque, Local Enforced Contracts, Other	3,871,822		
		Iran's antibiotic production	851,913	0	0	0	0	851,913	Cheque, Local Enforced Contracts	4,133,675		
		Pharmachemical daroopakhsh	447,350	0	0	0	0	447,350		2,049,015		
		Darou Pakhsh Factories	322,545	228,590	00	0	0	551,135		1,435,979		
		Tofigh Darou Research & Engineering Co.	594,012	0	0	0	0	594,012		2,225,131		
		Zahravi Pharmaceutical Co.	0	1,869,863	0	0	0	1,869,863		8,391,286		
		Rahavard Tamin Pharmaceutical Co.	1,258,735	0	0	0	0	1,258,735		2,994,820		
		Exir pakhs Pharmaceutical Co.	260,303	0	0	0	0	260,303		723,451		
		Farabi Pharmaceutical Co.	1,766,264	0	10,644	9,580	0	1,775,745		6,791,675		
		Zagros farmed pars Pharmaceutical Co.	47,987	0	0	0	0	47,987		218,323		
		Razak Laboratories	997,569	0	0	0	0	997,569	Cheque, Local Enforced Contracts, shares	10,342,173		
Sum of Tamin Pharmaceutical Investment Holding			**8,021,354**	**2,098,453**	**10,644**	**9,580**	**0**	**10,129,387**		**43,593,957**		
5		Center of office machines of Iran	1,318,801	0	185,463	175,391	0	1,494,192	Cheque, Local Enforced Contracts	4,006,921		
		Aria diesel motor	1,405,365	0	0	0	0	1405,365		5,446,920		
		Madeiran Plastic Industries	143,529	0	0	0	0	143,529		802,022		
		Madiran home appliance industries	1,325,771	0	0	0	0	1,325,771		5,112,357		
		Center of office machines of Iran	0	0	134	122	0	122		146		
		Madiran electronic industries	2,448,911	0	40,000	38,000		2,486,911		9,558,346		
Sum of Telecommunication Company of Iran			**6,642,378**	**0**	**225,597**	**213,513**	**0**	**6,855,890**		**24,926,712**		

Karafarin Bank (Public Joint Stock)
Notes to The Financial Statements
For The Year Ended 20 March 2023

Item No.	Single Beneficiary Unit	Customer	Balance of Large Loans & Commitments						Collateral		Board of Directors' Ratification	
			Loans		Commitments		Cost of Shares (4)	Total Loans & Commitments Plus Cost of Shares(Single Beneficiary Unit) 5=1+2+3+4	Type	Value	Number	Date
			Net Current (1)	Non-performing (2)	Gross (3)	Net						
6	Nokhbegan Pharmaceutical Group Holding	Tehran pharmacy	4,333,440	0	0	0	0	433,440	Cheque, Local Enforced Contracts	2,045,29		
		Tehran shimi pharmacy	1,954,592	0	0	0	0	1,954,592	Cheque, Local Enforced Contracts	7,459,606		
		Hakim pharmacy	1874,425	0	0	0	0	1,874,425	Cheque, Local Enforced Contracts	7,362,332		
		Iran hormun pharmacy	294,889	0	0	0	0	294,889	Cheque, Local Enforced Contracts	890,850		
		Pakhshe ferdows pharmacy	466,366	0	0	0	0	466,366	Cheque, Local Enforced Contracts	1,893,664		
		Afa shimi pharmacy	372,151	0	9,895	8,906	0	381,056	Cheque, Local Enforced Contracts	1,516,592		
		Tehran shimi production pharmacy	429,548	0	0	0	0	429,548	Cheque, Local Enforced Contracts, promis-sory notes	4,547,931		
		Vana pharmacy	455,025	0	0	0	0	455,025	Cheque, Local Enforced Contracts	1,359,592		
		Samin Iranian phharmacy	180,443	0	0	0	0	180,443	Cheque, Local Enforced Contracts, promis-sory notes	1,082,246		
Sum of Nokhbegan Pharmaceutical Group Holding			**6,460,880**	**0**	**9,895**	**8,906**	**0**	**6,469,785**	**0**	**28,158,043**		
7	Parto abi akam commerce development	Parto abi akam commerce development	116,083	228,000	48,000	44,400	0	388,484	Cheque, promissory notes	673,000		
		Parto abi ebtekar novin	301,566	6,236,593	29,667	27,980	0	6,566,139	Cheque, promissory notes	307,199,356		
		Ertebat gostar parto abi	99	0	14,617	14,337	0	14,4369	Cheque, promissory notes	57,986		
		Pishgaman parto abi pars	80,591	0	22,218	20,317	0	100,907	Cheque, promissory notes	546,590		
Sum of Parto abi akam commerce development			**498,339**	**6,464,593**	**114,502**	**107,034**	**0**	**7,069,966**		**8,676,732**		
8	Exxon Agriculture	Keyhan daya commerce	370,995	0	0	0	0	370,995	Cheque, Local Enforced Contracts	1,856,972		
		Exxon Agriculture	5,567,779	0	0	0	0	5,567,779	Cheque, Local Enforced Contracts, immova-ble assets	7,207,685		
Sum of Exxon Agriculture			**5,938,774**	**0**	**0**	**0**	**0**	**5,938,774**		**9,064,658**		
9	Goldiran development group	Goldiran industries	2,420,828	0	3,726,575	6,320,808	0	8,741,636	Cheque, Local Enforced Contracts	22,285,003		
		Mobtakeran goldiran engineer-ing and consulting	867,734	0	3,739,722	3,738,407	0	4,606,141	Cheque, Local Enforced Contracts, immova-ble assets	18,754,804		
Sum of Goldiran development group			**3,288,562**	**0**	**7,466,297**	**10,059,215**	**0**	**13,347,777**		**41,039,807**		
10	Hamid Azmoon Azmoon	Produced by Shahr Farsh Iraniyan	5,283,333	0	7,453,151	7,453,151	0	12,736,484	Cheque, Local Enforced Contracts, property	29,347,564		
		Datis novin irannian	0	0	300,000	270,000	0	270000	Cheque, Local Enforced Contracts	324,000		
Sum of hamid Azmoun			**5,283,333**	**0**	**7,753,151**	**7,723,151**	**0**	**13,006,484**		**29,671,564**		
11	Ahdaf Investment Group	Mehr Ayandegan Financial Development Group	2,882,559	0	0	0	0	2,882,559	Cheque, Local Enforced Contracts, shares	21,961,580		
		Engineering and construction of oil industries	0	0	358,760	358,316	0	358,316	Cheque, Local Enforced Contracts	429,980		
		Ahdaf Investment Group	5,112,795	0	0	0	0	5,112,795	Cheque, Local Enforced Contracts, shares	16,215,453		
Sum of Ahdaf Investment Group			**7,995,353**	**0**	**358,760**	**358,316**	**0**	**8,353,670**		**38,607,013**		

Karafarin Bank (Public Joint Stock)
Notes to The Financial Statements
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Item No.	Single Beneficiary Unit	Customer	Balance of Large Loans & Commitments						Collateral		Board of Directors' Ratification	
			Loans		Commitments		Cost of Shares (4)	Total Loans & Commitments Plus Cost of Shares(Single Beneficiary Unit) 5=1+2+3+4	Type	Value	Number	Date
			Net Current (1)	Non-performing (2)	Gross (3)	Net						
12	Jahanara arvand steel	Jahanara arvand steel	10,304,891	0	0	0	0	10,304,891	Cheque, Local Enforced Contracts, shares	27,816,627		
Sum of Jahanara arvand steel			**10,304,891**	**0**	**0**	**0**	**0**	**10,304,891**		**27,816,627**		
13	Mubarake Steel of Isfahan	Mubarake Steel of Isfahan	6,888,957	0	0	0	0	6,888,957	Cheque, Local Enforced Contracts	21,029,120		
		Navard kosar espadana industry	0	0	0	11,366	0	11,366	Cheque, Local Enforced Contracts	13,640		
Sum of Mubarake Steel of Isfahan			**6,887,957**	**0**	**0**	**11,366**	**0**	**6,900,324**		**21,042,760**		
14	Mihan Dairy & Ice Cream Food Industries Complex Co.	Mihan Dairy & Ice Cream Food Industries Complex Co.	7,654,330	0	20,000	18,000	0	7,672,330	Cheque, Local Enforced Contracts	46,068,056		
		Plymer pak arian industry	266,087	0	0	0	0	266,087	Cheque, Local Enforced Contracts	763,896		
		Tabiat Sabz Pars Kohan Co.	1,201,714	0	0	0	0	1,201,714	Cheque, Local Enforced Contracts, immova-ble assets	3,789,509		
Sum of Mihan Dairy & Ice Cream Food Industries Complex Co.			**9,122,132**	**0**	**20,000**	**18,000**	**0**	**9,140,132**		**50,621,461**		
15	Barekat Pharmaceutical Group Holding	Iran Darou Co.	692,983	0	0	0	0	692,983	Cheque, Local Enforced Contracts	2,269,618		
		Sobhan Oncology Pharmaceuti-cal Co.	1,065,095	0	0	0	0	1,065,095	Cheque, Local Enforced Contracts, promis-sory notes	19,056,608		
		Tolid Darou Co.	204,411	0	0	0	0	204,411	Cheque, Local Enforced Contracts, promis-sory notes	805,659		
		Biosun Pharmed Co.	1,036,521	0	0	0	0	1,036,521	Cheque, Local Enforced Contracts	2,286,521		
		Shafa Pharmed Industries Group	2,170,346	0	0	0	0	2,170,346	Cheque, Local Enforced Contracts	6,370,878		
		KBC	441,634	290,949	0	0	0	732,583	Cheque, Local Enforced Contracts	2,399,388		
Sum of Barekat Pharmaceutical Group Holding			**5,610,990**	**290,949**	**0**	**0**	**0**	**5,901,539**		**33,188,673**		
16	Mammut group	Saze mammut	92,551	0	131,732	131,732	0	224,284	Deposits, Cheque, Local Enforced Contracts	856,034		
		Automotive Group mayan	1,949,503	0	23,799	22,609	0	1,972,112	Cheque, Local Enforced Contracts	4,821,000		
		Maral javid industry	223,727	0	0	0	0	223,727		687,369		
		Mehvarsazan chichest produc-tion	277,612	0	0	0	0	277,612		723,432		
		Atin part afzar	61,849	0	0	0	0	61,849		164,443		
		Pilsan	502,190	0	0	0	0	502,190		11,071,163		
		Mayan diesel steel	45,214	0	0	0	0	45,214		227,908		
		Novin bar insurance	53,463	0	0	0	0	53,463		244,993		
		Titan diesel	503,849	0	11,000	9,900	0	513,749		1,748,127		
		Mammut world	3,083,978	0	6,246	5,934	0	3,089,912		8,083,188		
Sum of mammut group			**6,793,936**	**0**	**172,778**	**170,175**	**0**	**6,964,112**		**18,627,657**		

Karafarin Bank (Public Joint Stock)
Notes to The Financial Statements
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Item No.	Single Beneficiary Unit	Customer	Balance of Large Loans & Commitments						Collateral		Board of Directors' Ratification	
			Loans		Commitments		Cost of Shares (4)	Total Loans & Commitments Plus Cost of Shares(Single Beneficiary Unit) 5=1+2+3+4	Type	Value	Number	Date
			Net Current (1)	Non-performing (2)	Gross (3)	Net						
17	Golrang industrial group	Iran dar	224,911	0	0	0		224,911	Cheque, Local Enforced Contracts	646,842		
		Pakshou	558,142	0	0	0	0	558,142	Cheque, Local Enforced Contracts	2,739,732		
		Marinasun	587,353	0	0	0	0	587,353	Deposits, Cheque, Local Enforced Contracts	2,632,402		
		Varian pharmed	174,284	0	0	0	0	174,284	Deposits, Cheque, Local Enforced Contracts	445,082		
		Arian salamate sina	51,796	0	0	0	0	51,796	Cheque, Local Enforced Contracts	118,915		
		Padidie shimi jam	90,505	0	50,000	47,500	0	138,005	Deposits, Cheque, Local Enforced Contracts	276,602		
		Padidie shimi gharn	568,394	0	0	0	0	568,394	Deposits, Cheque, Local Enforced Contracts	1,566,855		
		Hasti arian tamin	102,070	0	0	0	0	102,070	Deposits, Cheque, Local Enforced Contracts	310,902		
		Abyan darou	192,335	0	0	0	0	192,335	Cheque, Local Enforced Contracts	552,137		
		Kourosh food industry	2,116,40	0	0	0	0	2,116,40	Cheque, Local Enforced Contracts, promis-sory notes	4,726,484		
		Sepehr padide plasic	36,166	0	0	0	0	36,166	Deposits, Cheque, Local Enforced Contracts	125,262		
		Padidie shimi gharb	551,717	0	0	0	0	551,717	Cheque, Local Enforced Contracts	1,228,883		
		Pharan shimi	141,444	0	0	0	0	141,444	Cheque, Local Enforced Contracts	569,376		
		Ofoghe khavaremiane petroleum products	42,528	0	0	0	0	42,528	Cheque, Local Enforced Contracts	105,579		
		Abyan pharmed	201,656	0	0	0	0	201,656	Cheque, Local Enforced Contracts	530,088		
		Kourowh grocery industry	190,874	0	0	0	0	190,874	Deposits, Cheque, Local Enforced Contracts	849,118		
		Kourosh rice c ultivation	0	0	0	0	0	0	Deposits, Cheque, Local Enforced Contracts	127,922		
Sum of golrang industrial group			5,830,576	0	50,000	47,500	0	5,878,076		17,552,181		
18	Koubl pharmacy	Dr abidi pharmacy	1,900,052	0	0	2,040,000	0	3,940,052	Cheque, Local Enforced Contracts	6,494,667		
		Koubl pharmacy	3,082,890	0	0	0	0	3,082,890	Cheque, Local Enforced Contracts, shares	212,564,903		
		Adrian salamat	130,904	0	0	0	0	130,904	Cheque, Local Enforced Contracts, promis-sory notes	610,674		
Sum of koubl pharmacy			**5,113,846**	**0**	**0**	**2,040,000**	**0**	**7,153,846**		**219,670,244**		

Karafarin Bank (Public Joint Stock)
Notes to The Financial Statements
For The Year Ended 20 March 2024

Karafarin Bank (Public Joint Stock)
Notes to The Financial Statements
For The Year Ended 20 March 2023

Item No.	Single Beneficiary Unit	Customer	Balance of Large Loans & Commitments						Collateral		Board of Directors' Ratification	
			Loans		Commitments		Cost of Shares (4)	Total Loans & Commitments Plus Cost of Shares(Single Beneficiary Unit) 5=1+2+3+4	Type	Value	Number	Date
			Net Current (1)	Non-performing (2)	Gross (3)	Net						
19	Poura Iranian pharmacy investment	Arisa farin teb	23,120					23,120	Cheque, Local Enforced Contracts, promis-sory notes	76,484		
		Blood purification and research	2,522,261	251,697	1,814	1,482		2,775,441	Cheque, Local Enforced Contracts, promis-sory notes	12,323,396		
		Medical and pharmaceutical equipment poura teb	225,953					225,953	Cheque, Local Enforced Contracts, promis-sory notes	837,189		
		Pourapakhs distribution	384,262					384,262	Cheque, Local Enforced Contracts, insurance	1,914,634		
		Pourateb gostar iranian	1,342,194	27,127				1,369,321	Cheque, Local Enforced Contracts, insurance	4,581,733		
		Rooz pharmacy	322,357	433,048				755,405	Cheque, Local Enforced Contracts, insurance	2,174,778		
		Faryab pharmacy	259,082	8,472				267,554	Cheque, Local Enforced Contracts, deposits	1,329,938		
		Farma teb	79,133					79,133	Cheque, Local Enforced Contracts, deposits	337,180		
	Sum of Poura Iranian pharmacy investment		**5,158,363**	**720,344**	**1,814**	**1,482**		**5,880,189**		**23,575,332**		
	Mutual fund		0	0	9,019,679	9,019,679	0	9,019,679				
	Arman Mutual fund		0	0	8,856,447	8,856,447	0	8,856,447				
	Balance on 03.20.2024		118,687,014	11,161,433	35,018,352	39,579,270		169,427,717		695,993,955		
	Balance on 03.20.2023		**63,665,068**		**59,600,056**	**28,154,852**		**91,819,919**		**250,769,172**		

Regulatory Capital Being A basis of Other Prudential Ratios at the Reporting Date	58,309,714
Individual's Limit for Large Loans & Commitments (20% of Regulatory Capital)	11,661,943
Group's Limit for Large Loans & Commitments (8 Times of Regulatory Capital)	466,477,711
Group's Limit for Large Loans & Commitments of Overseas Banks (5% of Total Branch's Assets)	0
Organizational Unit of Executive the Bylaw	Credit Management