بانک کارآفرین
KARAFARIN BANK

ANNUAL REPORT
2021-2022

IN THE NAME OF GOD


بانک کارآفرین
KARAFARIN BANK
بانک کارآفرین
KARAFARIN BANK

CONTENTS

CEO's Statement

I would like to take this opportunity to outline Karafarin Bank's performance in 2021-22. I am delighted to announce that thanks to the empathy and hard work of every single one of our colleagues throughout the Bank, and the support of our board of directors, we demonstrated outstanding performance during the reporting financial period.

Unfortunately, Iran faced severe economic hardships during this period, partly due to the outbreak of Covid 19 Pandemic, which as well as the world economy, affected the Iranian economy too. As a result, numerous conventional businesses had to either close down or limit their operations. Indeed, the production capacity of Iran's whole economy was impaired as a direct result of the mentioned pandemic. To make matters worse, the tough sanctions enforced against Iran disrupted the raw material supply network shocked the economy, provoking stagflation. Moreover, the banking sector was arguably more affected by Iran's troubled economy than other economic sectors.

However, in spite of the mentioned unfavourable conditions shadowing Iran's economy and its banking sector, I am pleased to announce that Karafarin Bank continued on its path towards growth and demonstrated a strong performance, including 37% growth in loans granted, 34% growth in assets and 28% growth in deposits. Also, in granting loans, the bank provided new credit packages and allocated nearly 100 thousand billion Rials of loans to various economic sectors. Also, 86 % of the bank's resources were spent on providing loans to customers in 2021-22, which statistics show a 5 % increase compared to the previous year; this is one of the noteworthy achievements of the bank in the last year.

Compared with other banks, Karafarin Bank has also performed well in terms of deposit attraction, paying attention to the Central Bank of Iran's (CBI) directives. During the period, it attracted more than 96 thousand billion Rials in deposits.

Furthermore, according to the policy of reducing the cost of money and increasing the profit margin, the bank started to attract cost-free deposits. Based on such policy, the bank's cost-free deposits show a growth of about 71% compared to 2020-21.

It is worth mentioning that credit health is the guarantor of the health of the bank's financial structure and despite the 37% growth in the granted facilities, the ratio of nonperforming loans (NPL) decreased by about one percent compared to last year to 3.9%, which is very close to global standards. Despite the existing restrictions in 2021-22, such as the control of the banks' balance sheets by the Central Bank of Iran (CBI) and restrictions on attracting resources, with detailed planning, a 20% of net profit grows was achieved.

It is essential to mention that the improvement of the capital adequacy ratio indicates the soundness of performance and financial stability in banks, and based on the Basel Committee standards, this ratio is at least 8% for banks, which reached 10.6% in 2021-22.

According to the bank's policies of increasing non-shared income, the bank's commission income increased by 71% during 2021-22 compared to the previous year, which indicates the bank's focus on raising this type of income. During this period, the bank earned approximately 57 thousand billion Rials from the loans granted, which shows a 91% growth compared to last year. Also, most of the bank's income has come from operational activities, which show the concentration in banking activities.

It is appropriate to inform you that there was a 37% increase in loans (Current and Non-Performing Loans) in 2021-22 compared to 2020-21, 38% increase in current loans, an improvement in the composition of loans in terms of contracts and an increase in the share of constant profit contracts, a 109% increase in the Bank's commitments on issued IRR L/Gs and letter of credit, among other achievements of the bank during the fiscal year 2021-22. 103% increase in the IRR L/Gs, 371% increase in the letters of credit, an increase in the share of constant profit contracts in the bank's loans portfolio from 62% at the beginning of 2021-22 to 94% at the end of the year are among other successes that have been achieved during this period.

It is necessary to mention that in order to improve the position of the bank in the foreign exchange and international sector, favorable policies have been taken, and according to the international and foreign exchange conditions and restrictions of the country, the bank has provided a variety of foreign exchange services by using its foreign exchange knowledge and experienced human capital such as increase commission income by opening local letters of credit and subsequently providing conditions for transferring the opening of local letters of credit to branches, preparing and providing the currency needed by customers to pay for foreign currency remittances, letters of credit, documentary draft and repayment of installments of granted foreign currency loans, etc. with competitive and minimal rates. 136 % increase in the issuance of foreign currency remittances compared to 2020-21, 183 % increase in the opening of letters of credit during the same period of time, an increase in the issuance of foreign currency documents and guarantees, and the granting of loans to foreign currency customers are other actions that have taken place during the mentioned period.

It is also worth mentioning that in 2021-22, improving the ratio of non-performing loans (NPL) was at the top of the bank's serious plans. Following the examination of the branches' claim files and the follow-up and negotiations carried out in order to determine the task and settle the non-current debts of the bank, the claims of 230 customers were settled, it is noted that 110 of these customers have fully settled their loans with Karafarin Bank. Designing an integrated credit management system (LOS), developing a special credit package for small businesses, and continuously monitoring the status of granted loans have also been done in order to improve bank's non-performing loans.

As a leading bank in the provision of customized products and services for businesses, Karafarin

Bank is always trying to provide distinctive solutions to meet the needs of companies and organizations by identifying the financial and credit needs of various trades and thereby gaining a prominent and reliable position in the economic activists' mind. Accordingly, the corporate, commercial and personal banking sectors, considering the wide range of customers covered, with continuous monitoring of the daily conditions of society, the activities of other banks, the needs of trade unions and economic activists, real, legal and corporate customers and taking advantage of the opinions of the branches, While improving the current services of the bank, by providing competitive products and services to the target markets, it tries to respond to their needs in a better way than the competitors and expand and complete the marketing tools of the branches to achieve the assigned operational goals.

Coagulation of agreement with organizations, associations and target customers, improving and completing the bank's portfolio of products and services are one of the measures taken in 2021-22. The development of new tools for providing banking services, the development of group sales of bank products and services to the personnel and managers of organizations and companies, the conclusion of cooperation agreements with companies, associations, organizations and guilds with a focus on attracting resources, etc. are among the programs that are on the agenda this year.

Considering the key role of human resources in the overall improvement of the bank's position and performance, good measures have been taken in the direction of continuous and specialized training of employees in the bank's work priorities. Standardization of training processes, provision of practical training at different levels are among the things that have been considered during this period. Obtaining the ISO 10015-2019 educational standard certificate and implementing all the processes of the 10015 educational standard in the comprehensive human resources software (Narmnegaran) are also among the successes achieved in the year 2021-22. Implementation of training programs for employees of branches and headquarters in line with operational goals and new business lines of the bank, designing the implementation framework of the ISO 29993-2017 standard, completing the comprehensive training system, etc. are among the most important programs that have been considered for this year.

Considering the importance and key role of the branches, special attention to the frontline employees is always on the bank's agenda. Structural reform and human resource, improvement of the condition of hardware equipment, improvement of location, placement of a new location and reconstruction based on branch grading, implementation of the branch clinic plan with the aim of empowering sales and marketing skills and identifying the strengths and weaknesses of personnel, designing and creating various credit packages in order to attract new customers and grow branch expenses is one of the most important measures implemented during the mentioned period.

Considering the importance of fulfilling the bank's social responsibilities, the implementation of this task was considered as in previous years. Publication of the health book of the Academy of Medical Sciences, financial support for equipping schools, supporting the mentally and physically disabled children of Kashan, the financial assistance of the personnel of the Karafarin Bank for the release of the prisoners of the unintentional financial crimes who are the head of households, water supply to the villages of Sistan and Baluchistan, etc. reached and with God's help this process will continue.

According to the policies and announcements of Karafarin Bank's business lines of 2022-23, this year, the bank will be the sponsor of the country's health sector and the bank of the food and commodity sector in the country. According to this policy, supporting knowledge-based, pharmaceutical and food manufacturing companies based on the bank's business lines in 2022-23 is at the top of the business plans of the Karafarin bank. Also, due to the nomination of this year as "knowledge-based and job-creating production" , special attention will be paid to attracting reliable customers active in the field, providing services and satisfying the relative customers, especially those active in the field of medicine, food and commodity.

The development of digital banking and moving towards Neo Bank, the development of technological lines and infrastructures in order to become a smart bank in the field of security, efforts to improve the value and credibility of the bank's name as a top brand in the field of foreign exchange affairs and gain a superior competitive position in the field of foreign exchange among the private banks of the country, to be recognized as a distinctive and value-creating bank by benefiting from international criteria and standards in the private banking network of the country in order to provide the interests of all stakeholders, to gain the satisfaction and loyalty of customers by recognizing and understanding their needs at the time and also providing consulting services and continuous interaction with the aim of improving the quantity and quality of services in order to respond to the needs of customers and obtain more satisfaction from customers, using credit lines and resources of the National Development Fund and bank resources to foreign currency loans to customers, increasing the bank's commission income in programs, will be achieved with the help of God and the efforts of all colleagues.

I feel it necessary to express my gratitude to all the stakeholders once again, especially the respected shareholders who without their support, the bank's current successes and achievements would not have been possible. Undoubtedly, with the presence of hard-working colleagues, specialists and associates of Karafarin Bank and by carrying out the necessary plans and policies, the position of the Karafarin Bank in the country's banking industry will be improved more than in the past, and this bank will take significant steps in the path of profitability and growth and development of the country.

Dr. Ahmad Baharvandi

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

We hereby present the Board of Directors' report about Karafarin Bank's Annual Ordinary General Assembly Meeting. The provision of this report fulfills our compliance with obligations in respect of the requirements outlined in Articles 232 of the Commercial Code of 1968 (as amended) and Article 45 of the Securities and Exchange Act. The report having been prepared on the basis of existing evidence and documents reflects the operations and general position of the Bank for the Iranian fiscal year ended 20.03.2022.

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 20.06.2022, does not include any information unawareness of which may mislead the users.

Board Members	Position
Mr. Mohammadreza Khorsandi	Chairman
Mr. Naser Sananti Nejad Fard	Vice-Chairman
Dr. Ahmad Baharvandi	CEO & Board Member
Mr. Mahdi Seif Alishahi	Board Member

Mr. Mohammadreza Khorsandi
Chairman

Mr. Naser Sananti Nejad Fard
Vice-Chairman

Dr. Ahmad Baharvandi
CEO & Board Member

Mr. Mahdi Seif Alishahi
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 authorised 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 facilities to customers. Iranian banks guarantee the principal and the relative interim return to the owners of the term deposits. However, should financial facilities 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:

a.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

b.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.

c.Mudaraba

Under Mudaraba 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.

d.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

e.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 materialised from the funded economic activity.

a.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 amortised, totally and/or partially, on predicted maturity dates through equal or unequal instalments.

b.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.

c.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.

d.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 facilities required to develop a business.

e.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.

f.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.

g.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

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.
Today, with a capital of IRR39,500 billion and 108 branches operating throughout the country, Karafarin Bank is one of Iran's most reputable TSE-listed Iranian banks.

Fields of Activity

According to its Articles of Association, the main areas of activity of Karafarin Bank (public joint stock) are carrying out all permissible banking transactions and services.

Objectives

Karafarin Bank has two main objectives to meet:

- To become the most modern and pioneering Iranian bank that offers distinct services as well as to become a trustworthy and innovative bank. This is achieved through flexibility and entrepreneurship.
- To constantly acquire a larger market share.

Capital

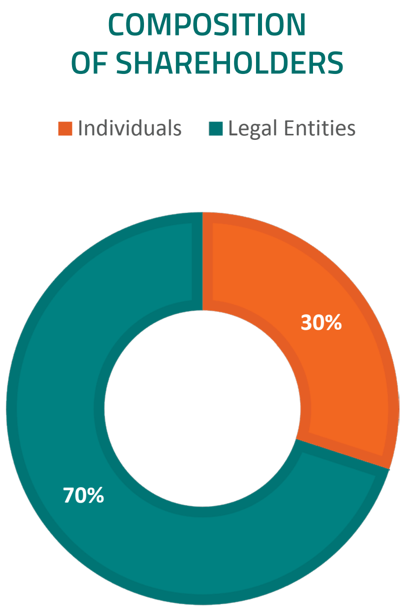
Although the Bank's initial capital on the date of its incorporation was IRR30 billion (including 30 million shares at IRR1,000 par value), this capital has been increased several times since then and currently stands at IRR39,500 billion.

Karafarin Bank's capital increases have been outlined in the following table:

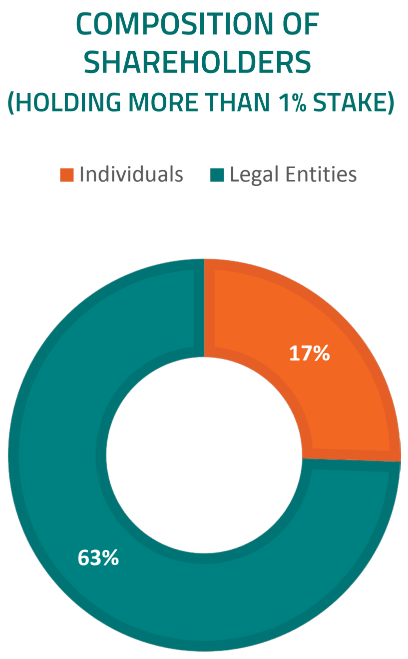
Date	Previous Capital (IRR Million)	Capital Increase (%)	New Capital (IRR Million)
13.11.2004	200,000	75	350,000
29.09.2005	350,000	100	700,000
19.12.2007	700,000	50	1050,000
06.12.2008	1,050,000	90	2,000,000
03.10.2010	2,000,000	50	3000,000
11.09.2011	3,000,000	50	4,500,000
22.09.2012	4,500,000	61	7,250,000
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

Shareholders' Composition

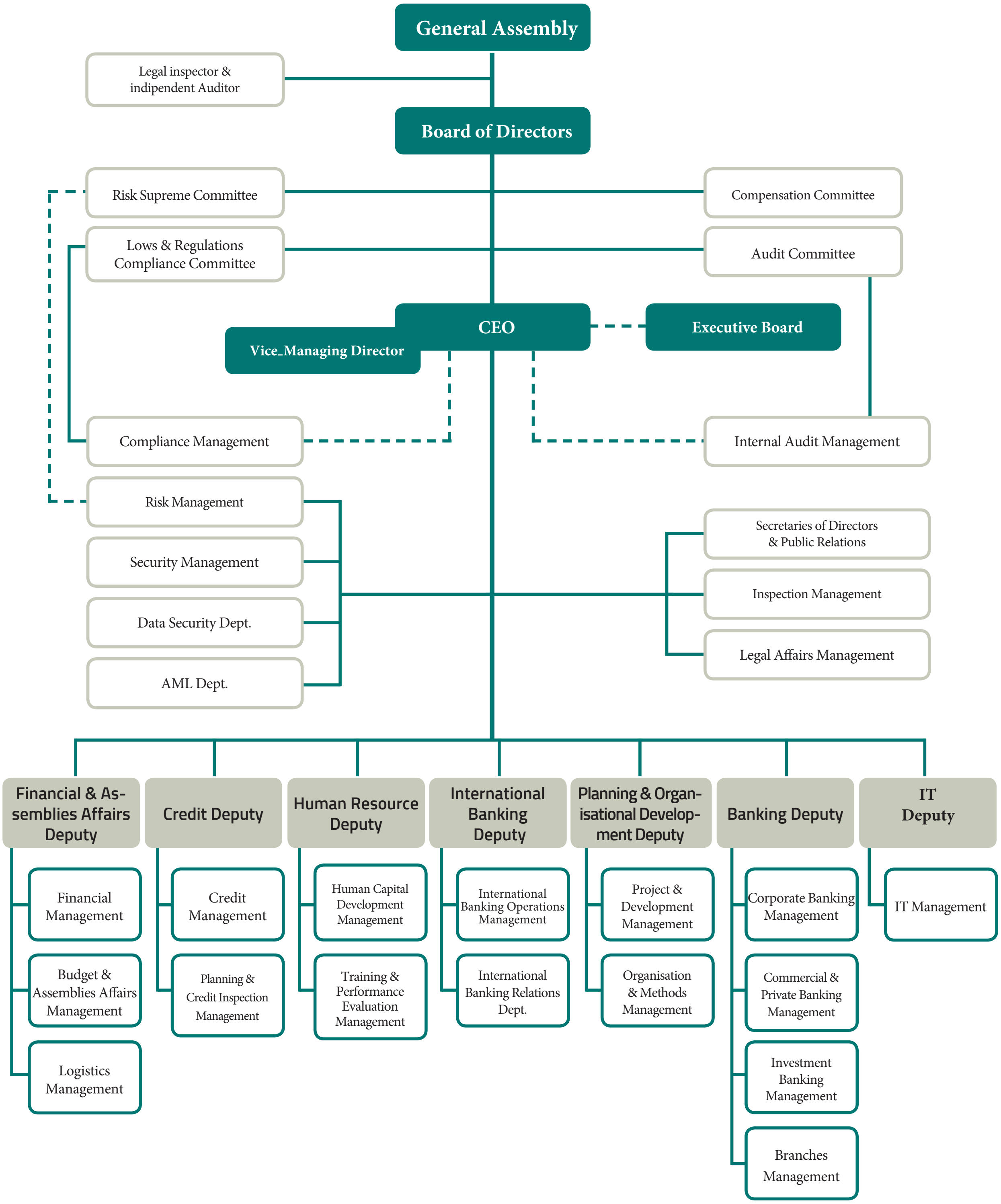
Karafarin Bank's shareholders comprise both legal entities and individuals. Its shareholders' composition at the close of the financial period ended 20.03.2022 is shown in the following pie chart:



There are 39,500,000,000 million shares, out of which 27,693,276,172 shares are held by legal entities and the remainder (11,806,723,828) is owned by individuals. In addition, 23 shareholders with over one percent ownership stake each, own 80% of the Bank. The following pie chart provides a breakdown of shareholders who hold more than one percent stake in the Bank:



ORGANISATIONAL CHART



Specialised Committees

The Bank includes the following specialised 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
- Branch Clinic
- Building Committee
- Strategy & Budget Committee
- Investment Plans Evaluation Committee
- Committee for Updating & Protecting the Bank's Brand
- 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:
- The Monetary and Banking Act of Iran, ratified in 1972, and its subsequent amendments;
- The Banking Regulations Act and its annex, passed in 1979;
- Law banning bank borrowers from leaving the country, passed in 1980; • The Law for Usury (Interest) Free Banking, ratified in 1983;
- The Law annexing two notes to Article 15 of the Law for Usury (Interest) Free Banking, as amended in 1997;
- The Law permitting the Establishment of Privately-Owned Banks, passed in 2000;
- The E-Commerce Act, passed in 2004;
- The Law pertaining to Non-Regulated Money Markets, passed in 2004;
- The Negotiable Instruments Market Law, passed in 2005;
- The Law adjusting Bank Loan Interests to the Return Rate in Different Economic Sectors, passed in 2006;
- The Direct Taxation Act, passed in 2015, and its subsequent amendments;
- The Law on Counter-Terrorist Financing, adopted in 2016;
- The Act for the Development of Production and National Financial System, adopted in May 2017;
- The Anti-Money-Laundering Act, passed in 2007, revised and re-circulated in 2018;
- The Cheques Act, passed in 2003, and the revised Cheques Act, passed in 2018;
- The By-Law on Enforcing Legally Binding Documents;
- Article 34 of the Registration Act, as amended;
- The Commercial Code, approved in 1932, and its subsequent amendments;
- The by-laws and guidelines circulated by the Central Bank of Iran;
- The by-laws and guidelines circulated by the Securities and Exchange Organisation;

- The supervisory policy packages and foreign exchange regulations of the CBI, which act as guidelines for the bank's operations and other legal activities during the reported year;
- The general policies adopted under Article 44 of the Constitution;
- The Monetary and Banking Act;
- The Law requiring the issuance of a national identification number and postal code to all citizens;
- Approvals by the Money and Credit Council;
- Karafarin Bank's Articles of Association;
- Supervision packages and policies and foreign currency regulations of the CBI, which act as guidelines for the bank's operations and other legal activities during the reporting year.

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 organisations are also expected to do their part in making the world a better place for all. Indeed, the general view is that large corporations should not be mere profit-making enterprises, but ought to contribute towards social improvement, as well.
Hence, many believe in order to ensure sustainable growth, corporations and organisations 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. Being 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

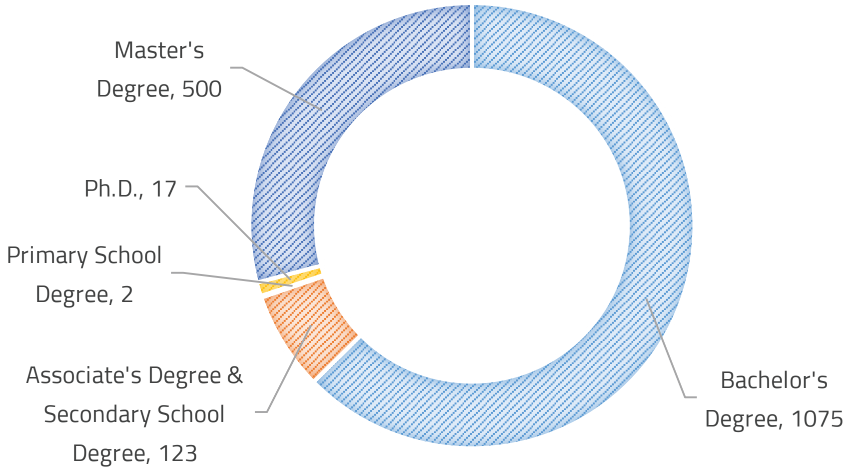
Some of our accomplishments and distinctions during the fiscal reporting period are stated below:

- Obtaining Bronze Medal in the 5th National Human Resource Management Award 34000 in 2021-2022.
- Obtaining the Silver Prize in the twelfth round of the Iranian National Financial Management Award.
- Obtaining the first rank of total factor productivity (the ratio of the value added of the organization to the resources and data of the organization) in the group of banks and financial institutions, according to the announcement of the ranking center of Iran's top companies in the Industrial Management Organization (IMI-100).
- One percent decrease in NPL index compared to last year, reaching 3.9 percent.
- Obtaining the ISO2019:10015 certificate in the field of competence management and people development.

Human Resources

At Karafarin Bank, we believe that in order to succeed as an organisation, we need an effective, well-trained and highly educative workforce. Therefore, we recruit the best educated, talented and enthusiastic personnel.
The following pie chart demonstrates the academic qualifications of our personnel:

HUMAN RESOURCES BY ACADEMIC QUALIFICATIONS



Once selected, they are given ongoing training to make certain of their development and ensure their development and that they remain up-to-date. In this regard, during the reporting period, we provided 366 training courses, in which 14,957 personnel participated.

Share Prices & Trading Information

The Bank gained listing on the Tehran Stock Exchange (TSE) on 27 January 2003. The Bank's stock symbol is "VAKAR" and is categorised under the Banks, Credit and Other Financial Institutes industry sector. Trading of the Bank's shares commenced on 5 July 2003. Relevant trading statistics for the Bank's shares over the past three financial years are outlined in the following table:

Financial Year Ended	No. of Traded Shares	Value of Transacted Shares (IRR Million)	Active Days	Trading Days	Average Value of Financial Market per Year (IRR Million)	Average Share	Capital Priaces (IRR Million) (IRR)
20.03.2022	4,639,277,305	13,200,956	227	227	339,423,500,	2,845	39,500,000
20.03.2021	4,037,415,010	18,292,511	204	201	339,423,500	4,531	26,842,986
19.03.2020	1,268,700,850	4,059,631	231	231	25,843,275	3,200	8,500,000

Future Plans

- Development of the bank's activities in providing banking services as a sponsoring bank for the health sector and as a representative for the food and commodity sector.
- Development of market share in knowledge-based businesses and startups, especially in the areas of health, food and commodity.
- Adopting the appropriate allocation approach of equipping resources with a focus on free or low-cost resources through the development of services related to the current account, modification and communication of the credit policy of 2022-2023, holding the festival of Qarz al-Hasaneh accounts and other motivational plans.
- Strengthening foreign exchange activities in the form of attracting foreign currency deposits, providing foreign exchange loans and closer cooperation with the National Development Fund.
- Focusing on the bank's brand as an innovative and progressive bank.
- Updating financial and investment strategy statements of subsidiaries.
- Updating the bank's information technology roadmap.
- Design and development of digital banking platform.
- Development of payment products, open and digital banking.
- Updating the organizational culture transformation document of the Bank.
- Updating the competency model of bank jobs.
- Implementing a comprehensive training system and obtaining the ISO29993 standard.
- Updating the performance evaluation model of the bank's headquarters units and modifying the operating plan of the queue units.
- Setting up the Karafarin communication center.
- Improving the location of the branches, placing a new location and restructuring based on the classification of the branches and using new technologies in serving customers in the branches.
- Improving the distribution of customers in Tehran and other provinces' branches, focusing on the provincial per capita index.
- Implementing the branch depository software system.
- Decentralizing local letters of credit (transfer from foreign exchange management to branches).
- Creating a document center, museum and bank gallery.
- Implementing the bank's comprehensive supervisory system and strengthening the cooperation of the bank's supervisory areas.
- Focusing on strengthening the bank's relations with affiliated companies in the form of the Karafarin financial group.
- Improving the level of agility of the bank's key processes through documenting, preparing and revising the bylaws related to all the bank's activities.
- Implementing the system for preparing financial statements and reports required by the bank.

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 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.

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.

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.

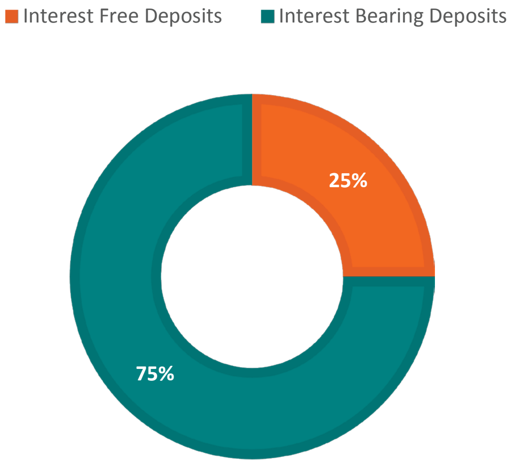
Karafarin Insurance Company

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 IRR112,149,501 million and interest- bearing accounts which comprise short-term and long-term investment deposits amounting to IRR333,783,222 million of the Bank's total deposits (Total deposits of the Bank amount to IRR445,932,723 million)

COMPOSITIONOF DEPOSITS



Branches

The next table outlines information on the number of branches during the reporting period:

No. of Branches at End of Previous Year	Inaugurated Branches	Merged Branches	No. of Branches at End of the Reporting Year
108	0	0	108

Training Management and Performance Evaluation

Training Management and Performance Evaluation Activities in 2021-2022

- Obtaining ISO 10015-2019 educational standard certificate
- Implementation of all standard 10015 educational processes in comprehensive human resources software
- Holding a comprehensive and corporate banking basics course in line with the bank's macro strategies
- Improving the education budgeting process based on today's standards
- Designing professional educational certificates such as credit LBA and conducting related courses
- Special attention to HSE and ergonomic structure in the new building of education management and performance evaluation
- Revision of the bank's remuneration and performance management guidelines and the establishment of a performance evaluation system
- Determining the composition of the bank's internal and external evaluators to hold the evaluation center
- Compilation of executive guidelines for holding evaluation and development center meetings and related instructions

Objectives and Programs of Education Management and Performance Evaluation in 2022-2023

Based on the strategies and macro goals of the bank, the most important goals of training management and performance evaluation in 1401 have been determined as follows:

- Standardization of education processes.
- Designing the implementation framework of ISO 29993-2017.
- Holding special courses for senior managers.
- Selecting internal teachers and conducting teacher training courses.
- Conducting the bank recruitment exam.

Information Security Department

The Most Important Measures Taken in the Information Security Department in 2021-2022

A) Improving the Capabilities of Identifying and Dealing with Security Incidents

- Development and improvement of security operations center threat monitoring scenarios.
- Continuous monitoring of threats, vulnerabilities and new cyber attacks.
- Management and handling of bank cyber security incidents.
- Developing and improving public knowledge and information by sending security alerts on social networks.
- Developing and improving bank security knowledge by holding training courses.
- Development of policies to improve the ability to detect and prevent attacks on security equipment.
- Establishing a security incident management system using behavioral science and artificial intelligence.

B) Development of Information Security Processes

- Implementation and maintenance of public key infrastructures (first phase).
- Implementation of log and events management system (first phase).
- Compilation of change management processes, log management, vulnerability assessment and evaluation and review of files and suspicious workstations and servers.
- Designing and deploying the information security management system within the specified range.

List of Programs and Objectives of the Information Security Department in 2022-2023

- Development of lines and technological infrastructure in order to become a smart bank in the field of security
- Ensuring the continuity and stability of service delivery

Management of Foreign Exchange Operations

Report of the Most Important Activities Carried out in the Year 2021-2022

Management of foreign exchange operations in order to improve the position of the Karafarin bank in the field of foreign exchange activities among other private banks of the country, taking into account the international and foreign exchange conditions and restrictions of the country, which has led to a decrease in the volume of international currency exchanges, as well as the continued growth of foreign exchange activities, has tried to provide favorable conditions, during the last year, by taking some measures and implementing the necessary operational plans, so that the process of providing foreign exchange services to customers is growing, among which the following can be mentioned:

- Increasing commission incomes through the opening local letters of credit and providing conditions for transferring the opening local letters of credit to branches.

- Consulting and marketing in order to attract valuable foreign exchange customers and maintain continuous relations with them.
- Preparation and supply of currency needed by customers to pay funds for foreign currency remittances, letters of credit, documentary evidence and repayment of installments of foreign currency loans granted, etc. with competitive and minimal rates.

In the year 2021-2022, the management of foreign exchange operations, according to the existing restrictions and using its foreign exchange knowledge and experienced human capital, has provided a variety of foreign exchange services to customers so that the issuance of foreign currency remittances in the amount of 2,451 million dollars has been carried out, which It shows a 136% growth in the volume of foreign currency remittances issued by this administration compared to last year. In addition, this management opened internal letters of credit totaling 237 million dollars, which has grown by 183% in terms of the number of said letters of credit. Until the end of 2021-2022, this management has issued documents in the amount of 66,523,121 dollars and foreign currency guarantees in the amount of 1,510,347 dollars, as well as granting foreign currency loans in the amount of 2,897,742 dollars.

List of Programs and Objectives of Foreign Exchange Operations Department in 2022-2023

- Attracting the satisfaction and loyalty of foreign exchange customers by recognizing and understanding their needs at the time, as well as providing consulting services and continuous and close interaction, as well as responding in the form of up-to-date foreign exchange services.
- Empowerment and training of expert human resources in the field of foreign exchange and international affairs and at the same time increasing the knowledge of branch colleagues about foreign exchange topics and sectors.
- Efforts to create ease, speed and optimization of all mechanisms of timely supply of foreign currency products and services to customers.
- Preparing and supplying the currency needed by customers continuously at competitive rates.
- Utilizing credit lines and resources of the National Development Fund and bank resources to grant foreign exchange loans to customers.
- Increasing the bank's commission income.

Inspection Management

The management of inspection affairs is considered one of the bank's supervisory units, whose task is to monitor the performance of the line and headquarters units, so that the aforementioned operation is in line with the bank's goals, a policy determined by the respected senior management of the bank and within the framework of internal regulations and guidelines.

In the year 2021-2022, all branches of Tehran and the other provinces and headquarters of the bank were reviewed periodically and the resulting report was presented to the senior management of the bank and members of the inspection committee. In addition to face-to-face proceedings, non-present proceedings have also been included in the agenda of the inspection management, so that the financial operations and performance of each bank branch have been controlled remotely, and appropriate guidance has been given to eliminate the deficiencies, and weak points have been identified and examined in the inspection committee.

Report of the Main Activities Carried out in 2021-2022

- Periodic handling of all branches of Tehran and other provinces and headquarters units.
- Continuous absentee handling of financial operations of all bank branches.
- Dealing with all customer complaints according to the internal instructions of the bank and the Central Bank of the Islamic Republic of Iran.
- Responding to inquiries from judicial and law enforcement authorities and the General Inspection Organization of the country.

Risk Management and Economic Studies

The Most Important Measures Taken in Risk Management and Economic Studies in 2021-2022

- Identifying the information sources of the liquidity risk management system (dashboard).
- Finalization of the bank's quick warning system document.
- Implementation of online liquidity risk coverage module for liquidity risk management.
- Approval of risk management regulations and economic studies in different risk areas.
- Cultivating risk culture in the organization: preparation of training booklets on banking risk management.
- Creating the necessary framework and platforms for the daily management of foreign exchange liquidity limits of branches.

The Main Recommended Measures of Risk Management and Economic Studies in 2022-2023

- Implementation of the Basel II standard approach to calculate the required capital to cover credit risk.
- Compilation of the Basel IV methodology document for calculating the required capital for market risk coverage.
- Modeling market risk calculations and providing up-to-date methodology regarding financial derivatives.
- Prototyping the forecasting model of non-performing loans of the Karafarin Bank.

Management of Branch Affairs

Report on Operational Plans for the Year 2021-2022

- Designing and setting up a communication system with branches.
- Setting up the management system of the trust fund.
- Structural reform of branches and training their personnel.
- Proposing the development of products in line with the main business lines of the bank.

Operational Measures of the Year 2021-2022

- Designing and implementing branch clinic plan with the aim of empowering sales and marketing skills and identifying the strengths and weaknesses of branch personnel.
- Improving the condition of hardware equipment of branches.
- Targeted archiving of branches.
- Improving the location of branches, placing a new location and restructuring based on branch grading.

Corporate Banking Management

Report on the List of Programs and Goals in 2021-22

- Attracting valuable customers in the field of health, medicine and food, based on the program announced by the bank in 2022-2023
- Increasing the share of corporate banking customers in using the services of Karafarin Bank financial group.
- Continuous monitoring of the activities and accounts of corporate banking customers.
- Using the capacities of the Innovation and Prosperity Fund to grant loans and provide services to knowledge-based companies in the field of health and food according to the current year's slogan "Production, knowledge-based and job-creating".

Business and Personal Banking Management

Karafarin Bank, as a leading bank in providing customized services and products for businesses, has always been trying to create and supply distinctive solutions to meet the needs of companies and organizations by identifying the financial and credit needs of different trades and through this Create a prominent and reliable position in the minds of economic activists in various fields.

Based on this, the management of commercial and personal banking, considering the wide range of covered customers, by continuously monitoring the daily conditions of society, the activities of other banks, the needs of trade unions and economic activists, real and legal customers, and the opinions received from the branches, tries to improve the current services of the bank and by providing competitive products and services to the target markets, respond to their needs in a better way than the competitors and expand and complete the marketing tools of the branches to achieve the assigned operational goals.

Report of the Main Activities Carried out in 2021-2022

1.Conclusion of memorandum of understanding with organizations, associations and target customers
2.Improving and completing the portfolio of bank products and services
3.Organizing and improving electronic portals and new services of the bank

List of Programs and Goals in 2022-2023

- Holding the second festival of Qarz al-Hasna Rial Saving Accounts (Nik Afarin).
- Rearranging of point of sale (POS) terminals.
- Development of new tools for providing banking services.
- Development of group sales of bank products and services to personnel and managers of organizations and companies.
- Concluding cooperation agreement with companies, associations, organizations and guilds with a focus on attracting resources.
- Revival of inactive business customers.
- Implementation of the process of opening an offline account and creating the super application of the financial group.
- Designing and providing a credit card for the drug and food supplement distribution chain.
- Implementation of health tourism card.
- Financing the medical equipment chain.

Credit Management

Report of the most important activities carried out in the year 2021-2022

- Improving the composition of loans in terms of contracts and increasing the share of Constant Profit Contracts.
- 109% increase in the balance of obligations for guarantees and letters of credit
- 114% increase in the balance of Rial guarantee from the amount of 81 thousand billion Rials to the amount of 174 thousand billion Rials.
- Increase of Rial letter of credit from the amount of 1.676 billion Rials to the amount of 9.548 billion Rials.
- Payment of loans with the approach of job creation from the place of the memorandum of understanding concluded between the bank and Barkat Foundation of the executive headquarters of the command of Hazrat Imam and direct employment creation of more than thousands of people in deprived and less privileged areas.
- Examining the files of knowledge-based companies introduced by the Vice President for Science and Technology.

- Attracting resources and paying loans from the resources of the National Development Fund in the working capital and fixed capital sectors.

Report on the List of Programs and Goals in 2022-2023

- Supporting knowledge-based companies and pharmaceutical and food manufacturing companies based on the bank's business lines
- Control the growth rate of loans based on the Central Bank's letter and the bank's internal policies

Internal Audit Management

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:

- Reviewing and controlling the implementation of the corporate governance guidelines issued by the Central Bank of the Islamic Republic of Iran.
- Implementation of the internal control guidelines approved by the Tehran Stock Exchange and Securities and Exchange Organisation 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.
- Checking the annual and interim financial statements of the bank and its subsidiaries.
- 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.
- 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.
- Reviewing the report of the independent auditor of the bank and its subsidiaries and holding meetings and cooperating with the independent auditor.
- Evaluation of the effectiveness of internal controls at the branch level.
- 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.
- 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.
- Checking compliance of the activities with the policies and instructions, regulations and programs approved by the management.
- Evaluating contracts and major transactions on a continuous basis according to the relevant regulations.
- 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.
- Follow up on the approvals of the board of directors, the executive board and the specialized

committees of the bank within the designated period.

- 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.
- Planning for the establishment of a comprehensive monitoring system.
- Creating interaction between regulatory units based on three defense layers.
- Plan to implement the COSO ERM framework and establish a risk-based audit approach.
- Forming a specialized audit committee in the center of private banks, centered on the Karafarin Bank.

logistical Management

Report of the Most Important Activities Carried out in the Year 2021-2022

- Buying properties for office buildings and improving the location of branches.
- Obtaining one-page documents and executive transfer (acquisition) documents of bank properties.
- Implementation of a new structure in the maintenance and repair of bank buildings through the design and establishment of an integrated system.
- Compilation of the bank's standard notebook.
- Pathology, correction of electrical and mechanical faults and defects, as well as reconstruction and equipping of bank buildings and branches.
- Construction and installation of signs in Tehran and other provinces' branches based on the bank's new identity.
- Holding a public auction and selling scrap and used items.

Goals and Future Plans Considered for the Year 2022-2023

- Sale of surplus properties.
- Setting up the bank's vendor list system.
- Completion of the roll-up project at the level of all branches.
- Renovation of some bank branches based on the Brandbook plan.
- Construction of the bank's museum and gallery in the Nahid building.

Department of Compliance with Laws and Regulations

The most Important Activities Carried out in 2021-2022

- Preparing and presenting a 6-month and one-year periodical compliance report in order to check the compliance of the letters and notices issued by the management of the methods organization with the laws and regulations and the letters and notices of the central bank.
- Regular holding of the compliance committee
- Updating the information bank of rules and regulations (internal-external).
- Regular and periodic updating of the list of sanctioned persons.
- Supervising the completion of the brokerage relationship questionnaire by different units and ensuring the correctness of the answers sent.
- Holding periodical compliance meetings with other banks' compliance departments in order to expand interaction and synergy.

Goals and Future Plans Considered for the Year 2022-2023

- Monitoring the performance and implementation of the regulatory compliance structure in the bank's subsidiary companies and publishing periodic reports on the state of compliance with the laws and regulations at the bank and the bank's subsidiary companies.

- Identifying and preparing suitable matching software for the bank.
- Completing the checklist to control compliance with laws and regulations.

Financial Management

The Most Important Activities Carried out in this Office in 2021-2022

1. Liquidity management
2. Tax measures

Goals and Future Plans Considered for the Year 2022-2023

- Pursuing tax disputes with the Iranian National Tax Administration in various authorities of that organization and the Court of Administrative Justice in consultation with the Bank's Tax Committee and the Center of Private Banks and Credit Institutions of Iran.

Management of Anti-Money Laundering and Terrorist Anti-Financing

Report of the Most Important Activities Carried out in the Year 2021-2022

In line with the implementation of the mandates and 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 2021-2022 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.

2.Actions taken inside the bank

- Supervising the implementation of "Comprehensive Client Risk Profile System" and "Complete Client Identification" to assess the risk of client business interaction and subsequently form the risk profile of individuals and Legal Entities.
- Drafting and issuing the necessary notices regarding the implementation of laws and regulations "anti-money laundering and terrorist anti-financing" for the branches and executive managements of the bank.
- Supervising inquiries about the life/death status of individuals from the Saha system and blocking the accounts of deceased customers.
- Checking and verifying anti-money laundering questionnaires received from foreign broker banks or completed by the bank for foreign brokers and compliance of its contents with the laws, regulations and instructions of the Central Bank.
- Continuous monitoring of updating and completing customer information and following up until

achieving the desired result through branches.

- Determining control roles for discovering leased accounts as well as checking the virtual space in order to prevent possible abuse of cards that are members of Shetab network.
- Submitting periodic reports to the "Rules and Regulations Compliance Committee" and subsequently implementing the aforementioned committee's approvals.
- Examining the compliance of the internal regulations and procedures of the bank with the regulations of "f anti-money laundering and terrorist anti-financing" and providing appropriate feedback and taking necessary measures to resolve the existing problems.
- Supervision of the bank's subsidiaries in order to ensure compliance with the rules and requirements of anti-money laundering and terrorist anti-financing.
- "Creating the necessary mechanism for updating postal codes in bank systems" through the postal code inquiry web service of the National Post Company from May 2021
- Implementation of the first phase of the project to determine the activity level of customers related to "Mahjurin" in 2021-2022.

List of Programs and Goals in 2022-2023

- "Monitoring based on a risk-oriented approach" through the creation of desired roles and continuous review and monitoring of identified cases.
- "Determining the level of customer activity" based on the provisions of Article (67) of the new Anti-Money Laundering Law.
- 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 in line with the implementation of the provisions of paragraph 8 of Article (38) of the new bylaws of the Anti-Money Laundering Law and the necessary measures to strengthen the level of their specialized knowledge in order to reflect suspected cases of money laundering or to observe cases indicating On non-compliance with laws and regulations against money laundering and terrorist financing
- Using the "fraud detection system" in order to create an automatic monitoring process to identify financial operations or suspected money laundering transactions
- Implementation of the second phase of the project to determine the activity level of customers related to " individuals without jobs and legal entities inactive for tax purposes" in 2022-2023
- Signing a contract for preparation of backup copies of digital documents.

Management of Plan and Development Affairs

Report of the Most Important Activities Carried out in the Year 2021-2022

- Preparation of a periodic report on the banking business environment by examining communication channels and news and specialized sites in the banking field.
- Preparation of periodic reports of products and services, review and classification of new products in banking fields (corporate, commercial and personal, etc.), capital market and financial technologies.
- Implementation of the new proposal system based on business requirements.
- Analysis of the future documents of the banking industry in terms of transformation programs and new banking products.
- Compilation of the main lines of business and areas of transformation of the Karafarin Bank for the year 2022-2023.
- Development of project management system based on program requirements.
- Amending the bank's organizational charter based on branding components.

- Examining and revising the point model of commitment to programs and holding brainstorming meetings with other banks in order to achieve the performance evaluation model of the bank's headquarters units.
- Development of targeting model, formulation and monitoring of operational program indicators of branches.
- Development of branch grading model based on local and foreign banks.
- Integration of merit pay and reward of operational plan of branches.

Organization and Methods Management

Report of the Most Important Activities Carried out in the Year 2021-2022

- In line with the implementation of the project to improve the key and value-creating processes of the bank as one of the operational plans of this management in 1400, compiling, documenting and improving the processes in the field of information technology in three main phases, identifying the current state of the processes in the said field, finding complications and presenting The suggestions for improvement and finally the documentation of the improved processes were placed on the agenda of the management of the organization and methods. The main goal of carrying out the said project is to identify the points that need to be corrected or can be improved in the processes of the information technology field, design and outline the desired processes, as well as the agility and integration of the processes of the said field in the information technology management department and the communication of the said management with different units within the bank and Negah Holding.
- It is worth mentioning that in addition to the processes in the field of information technology, compiling and documenting the processes of the credit field, foreign exchange field, retail banking field in the branch, etc., with the presence of the experts of this management to the relevant branches and headquarters units and objective observation of how the process and executive actions are carried out in The mentioned units have been completed by this management and along with the notification of related instructions to the bank network, the monitoring of the mentioned processes is also on the agenda, and based on the observed results, the required amendments have been applied in the mentioned instructions.
- In line with improving the structural standards and revising the job descriptions of the units, the detailed organizational structure and job descriptions of some bank units have been revised over the past year.

List of Programs and Goals in 2022-2023

- Compilation, documentation and improvement of foreign exchange processes, focusing on the processes of opening imported foreign currency letters of credit, opening local letters of credit, foreign exchange guarantees and brokerage relations.
- Facilitating the access of branches and units to instructions and records of changes and preparation of business requirements to supply/develop the documentation management system (replacement of the current portal).
- Revision of the structure of the bank's specialized committees, including the marketing, advertising and cultural affairs committee and the center's credit committee.
- Reviewing the position of management of branch affairs and transforming the aforementioned management from the role of follower to the role of guide and active and present agent in the field and close to the branches.
- Revision of the structure of corporate banking management with the aim of improving the level of maturity and optimal establishment of corporate banking.
- Revision of the structure and description of the duties of headquarters units, including planning and development management, branch affairs and anti-money laundering and terrorist anti-financing and compliance with laws and regulations.

Credit Planning and Monitoring Department

Report of the Most Important Activities Carried out in the Year 2021-2022

1. Integrated credit management system (LOS)
2. Compilation of the credit policy of 2021-2022
3. New product of unequal installments Morabehe loan
4. Examining approvals and contracts
5. Continuous monitoring of the status of granted loans

Report on the List of Programs and Goals in 2022-2023

- Preparing of the credit performance report of bank personnel in order to score and grade their credit
- Reducing the NPL index.
- Interacting with the bank's branches and customers and providing suitable solutions, including deferral tools, to customers who may not repay their debts regularly due to some problems
- Notification of the credit policy of 2022-2023
- Decentralizing local letters of credit.
- Implementing the mechanism related to the financing of applicants in accordance with the supply chain guidelines and billing-based loans.
- Implementing Salaf
- Software measures include the launch of a new system for tracking and collecting claims and monitoring the complete, correct and regular registration of information, actions taken to collect claims by system users and review and control, and developing and establishing a comprehensive claim management system, investigating the factors that create claims.

Budget and Assembly Affairs Management

Report of the Most Important Activities Carried out in the Year 2021-2022

- Registering an increase in the bank's capital in the amount of 39.500 billion Rials and improving the operational ratios and capital adequacy of the bank.
- 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.
- Control and revision of 2021-2022 operating and capital budgets of bank managements with a program-oriented approach.
- 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.

Report on the List of Programs and Goals in 2022-2023

- Improving the targeting and performance evaluation of branches as well as the method of calculating their profits and losses.
- Modifying the budgeting, monitoring and control process based on the owner/operator model.
- 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.
- Investigating the amount of deviation of the incurred costs from the expected costs and analyzing its causes in the relevant units.
- Setting up software for preparing financial statements and budgets.
- Continuous monitoring of the financial and operational ratios of the bank and its subsidiaries.
- Increasing transparency and improving financial reporting.
- Quarterly monitoring of the budget and performance of the bank and its subsidiaries.

Public Relations and Advertising Department

Report of the Most Important Activities Carried out in the Year 2021-2022

- New brand identity protection plan
- Development of presence in virtual networks.
- Attending related exhibitions
- Implementation of an advertising campaign in order to introduce new services and results of the bank and financial information and financial transparency of the bank.
- Fulfilling social responsibility such as equipping and buying stationery, supplying water to villages, supporting mentally and physically disabled children, etc.

Report on the List of Programs and Goals in 2022-2023

- Analytical report of customer behavior and transactions.
- Designing and explaining the business model based on the customer-oriented model.
- Key customer indicators
- Optimizing customer knowledge bank with customer experience approach.
- Interacting, responding and providing personalized services to customers according to the customer’s classification and preference.
- Creating and developing a stable and strategic relationship with the customer.
- Active communication with the customer.
- Providing banking services and virtual branch

Financial Performance

Interest Rates on Investment Deposit Accounts

Deposits	Interest Rate (%)		Legal Deposit Rate (%)	
	2021-22	2020-21	2021-22	2020-21
Saving Gharz-al Hassaneh	0	0	10	10
Current Gharz-al Hassaneh	0	0	12.7	11.9
Ordinary Short-Term	10	10	12.7	11.9
Special Short-Term	12-14	12-14	12.7	11.9
Long-Term (1 Year to 2 Years)	16-18	16-18	12.7	11.9
Deposit Certificates	18	18	12.7	11.9

Paid Interest on Investment Deposit Accounts

(IRR Million)

Deposits	2021-22	2020-21	2019-20	2021-22 to 2020-21 Changes-%	2020-21 to 2019-20 Changes-%
Short-Term	8,947,963	3,629,929	3,225,713	147	13
Short-Term Special	19,648	22,626	732	(13)	2,991
Long-Term (1 Year to 5 Years)	37,461,544	23,229,043	15,641,426	61	49
Special Deposit Certificates for General Investment	1,849,539	907,118	49	104	1,851,161
Foreign Currency	98,811	9,268	6,759	966	37
Total	48,377,505	27,797,974	18,874,679	74	47

Comparison of Income Earned from Granted Loans, Deposits and Investment

(Amounts in IRR Million)

Description	2021-22	2020-21	2019-20	2021-22 to 2020-21 Changes-%	2020-21 to 2019-20 Changes-%
Shared:					
Granted loans Income	56,608,274	29,667,637	18,124,680	91	64
Investments & Deposits Income	13,547,855	12,658,934	6,416,358	7	97
Non-Shared:					
Granted loans Income	680,884	192,637	270,334	253	(29)
Investments & Deposits Income	130,719	103,806	23,097	26	349

Major Items of Income Statement

	2021-22			2020-21			2019-20		
	Amount	Comparison to total Income-%	Growth to Previous Year-%	Amount	Comparison to total Income-%	Growth to Previous Year-%	Amount	Comparison to total Income-%	Growth to Previous Year-%
Loans Income	57,289,158	75	92	29,860,274	61	62	18,395,013	66	9
Investments & Deposits Income	12,911,847	17	1	12,832,782	26	99	6,439,455	23	52
Received Commission & Miscellaneous Revenues	5,717,059	8	(11)	6,409,230	13	113	3,003,722	11	0
Total Income	75,918,064	100	55	49,102,286	100	76	27,838,190	100	15
Interest Paid to Depositors	(48,377,506)	(64)	74	(27,797,974)	(57)	47	(18,874,679)	(68)	3
Cost of Doubtful Debts	(2,467,437)	(3)	(1)	(2,494,023)	(5)	17	(2,102,647)	(8)	39
Other Costs	11,428,844	15	(276)	(6,508,486)	(13)	72	(3,775,103)	(14)	24
Profit before Tax	13,644,277	18	11	12,301,803	25	300	3,085,761	11	141
Tax	(472,414)	(1)	(64)	(1,294,902)	(3)	701	(161,610)	(1)	290
Profit after Tax	13,171,863	17	20	11,006,902	22	276	2,924,151	11	136

Main Items of the Statement of the Financial Position Statement

	2021-22			2020-21			2019-20		
	Amount	Comparison to total Income-%	Growth to Previous Year-%	Amount	Comparison to total Income-%	Growth to Previous Year-%	Amount	Comparison to total Income-%	Growth to Previous Year-%
Cash	39,632,674	7	29	30,810,936	7	(22)	39,677,329	18	20
Bonds & Investment	46,436,963	8	28	36,261,664	9	101	17,999,853	8	316
Granted Loans	367,856,041	66	37	268,505,179	64	119	122,725,704	56	16
Fixed Assets	42,337,927	8	27	33,413,759	8	188	11,596,692	5	11
Other Assets	64,930,964	12	31	49,450,749	12	76	28,167,640	13	23
Total Assets	561,194,570	100	34	418,442,287	100	90	220,167,218	100	25
Liabilities:									
Deposits	445,932,723	79	28	349,443,239	84	83	191,035,238	89	27
Other Liabilities	53,082,030	9	217	16,751,204	4	35	12,450,171	3	(15)
Total Liabilities	499,014,753	89	36	366,194,444	88	80	203,485,409	92	25
Shareholders' Equity:									
Capital Increase in Process	0	0	-100	9,892,713	2	100	0	0	0
Capital	39,500,000	7	47	26,842,986	6	216	8,500,000	4	0
Legal Reserve	7,932,529	1	33	5,956,750	1	42	4,200,714	2	12
Other Reserves	2,958,053	1	37	2,160,426	1	12	1,933,955	1	100
Retained Earnings	12,262,472	2	66	7,394,015	2	269	2,003,542	1	210
Assets Revaluation Surplus	953	0	0	953	0	(98)	43,597	0.02	0
Total Shareholders' Equity	62,179,817	11	19	52,247,843	12	213	16,681,809	8	20
Total Liabilities & Shareholders' Equity	561,194,570	100	34	418,442,287	100	90	220,167,218	100	25

CHAPTER 3

FINANCIAL STATEMENTS

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

Independent Auditor's Report
To the Annual General 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 2022 and comprehensive income statement, changes in shareholders' equity and cash flows for the year then ended together with explanatory notes 1 to 64.

Board of Directors Responsibility for the Financial Statements
2. The Board of Directors is responsible for the preparation and fair presentation of these consolidated financial statements in accordance with Iranian accounting standards, and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditor & Inspector's Responsibility
3. Our responsibility is to express an opinion on these financial statements based on our audit. We have conducted our audit in accordance with international standards on auditing. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement. An audit involves performing procedures to obtain audit evidence about the amounts and other disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In order to make those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control.
An audit also includes evaluating the appropriateness of accounting policies applied and the reasonableness of accounting estimates made by the Board of Directors, as well as evaluating the overall presentation of the financial statements.
We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our qualified audit opinion.
In addition, as the legal inspector, we are responsible for reporting any instance of non-compliance with the Commercial Code as amended, the Articles of Association of the Bank and other such instances to the Ordinary General Assembly of the shareholders.

Opinion
4. In our opinion, the financial statements present fairly, in all material respects, the financial position of the Group and Karafarin Bank (Public Joint Stock Company) as at 20 March 2022, and their financial performance and cash flows for the year then ended in accordance with Iranian Financial Reporting Standards.

Emphasis of Matters

5. The following matters have not modified our opinion:

5-1. As stated in note 9-3-1 of the financial statements, the CBI debited Karafarin Bank's current account by IRR741 billion at the end of the Iranian calendar year 1390 (March 2012) as the difference in foreign exchange (based on the Five-Man Workgroup Ratification numbered 47698 T/M34030-90 dated on 08 January 2012). In addition, CBI has claimed the amount of IRR1,686 billion as penalties. However, the Bank's management has appealed against this withdrawal and the claimed penalties. Determining the fate of this dispute is pendent upon coordination with the Government and obtaining necessary licenses, which have not yet been realised.

5-2. As stated in explanatory notes 17-8 and 20-3-3, the title deeds of 70 properties worth IRR3,855 billion are not registered under the Bank's name. Furthermore, although another 46 properties worth IRR191 billion are registered under the Bank's name, their deeds are not the updated version (which are printed in single papers rather than the old booklet version). It is noteworthy that 140 repossessed properties worth IRR647 billion belonging to the Bank still have occupants in them and the Bank's efforts to evict them, had not been conclusive by the reporting date.

5-3. The latest status of performance tax and tax subject to clauses (b) and (c) of Article 17 of the Law on Removing Barriers to Competitive Production and Improving the Country's Financial System is reflected in explanatory notes 1-25 and 26-2 of the attached financial statements. The aforementioned reserves, taking into account the similar opinions regarding the non-applicability of the return of the share of joint costs of exempted income, the acceptance of the reserve for doubtful receivables, the non-inclusion of tax due to the difference between the rate of the Nima system and the rate announced by the central bank, as well as the application of a zero tax rate for 50 The percentage of undivided profit that can be transferred to the capital account is included in the accounts based on paragraph (f) of note 2 of the budget law of 2022-2023 for the fiscal year 2021-2022.

Report on Other Information

6. The Board of Directors bears responsibility for "Other Information", which includes information in the operating and financial review.

Our opinion on the financial statements does not include opinion on "Other Information", for which, there is no assurance.

Our responsibility in reference with auditing of the financial statements is to review "Other Information" in order to identify any significant discrepancies between "Other Information" and the financial statements or information obtained in the auditing process or any significant misstatement in "Other Information". We have to report any significant distortions in "Other Information", should we discover any.

Report on Other Legal and Regulatory Requirements of the Parent Company (Public Joint Stock Company)

Report on Other Duties of the Legal Inspector

7. Those requirements set forth by the Commercial Code as amended and the provisions of the Articles of Association of the Bank which have not been complied, are stated below:

7-1. The duties stipulated in the Ordinary General Assembly of the Shareholders dated on 20 July 2021 regarding paragraph 5-2 of this report, planning to comply with parts of the Corporate Governance, CBI Regulations & AML Instruction are currently in process.

7-2. The provisions of Article 112 of the amendment to the Commercial Law and the provisions of Article 66 of the bank's statutes regarding the completion of the members of the board of

directors
7-3. The provisions of Articles 7 and 8 of the bank's statutes regarding the permitted limit of acquisition of bank shares by individuals and legal entities, as well as the provisions of Note 1 of Article 7 of the bank's statutes regarding the prohibition of shareholding by legal entities whose shares or capital belong to state companies.
7-4. The provisions of Article 11 of the bank's statutes regarding the acquisition of bank shares by companies over which the bank has control or influence.
7-5. Article 109 of the amendment of the Commercial Law and the provisions of Article 65 of the Bank's statutes regarding the tenure of the members of the Bank's Board of Directors for 2 years and subsequently the requirements set forth in Article 61 of the Bank's statutes regarding the invitation of candidates to join the Board of Directors at least 6 months before the date of the Ordinary General Assembly to elect members of Board of Directors.
7-6. The provisions of Article 82 of the bank's statutes regarding the appointment of the deputy CEO by the CEO of the bank.
7-7. The provisions of articles 113, 114 and 132 of the bank's statutes regarding compliance with the rules and regulations of the Central Bank regarding granting loans to related parties, granting loans to single beneficiaries and investing in shares.
8. According to the explanatory note 60-3 of the attached financial statements, during the financial year, the reported transactions subject to Article 129 of the amendment of the Commercial Law were not carried out.
9. We have examined the report of the Board of Directors referring to the general condition of Bank (to the general assembly) which has been drafted in line with Article 232 of the Commercial Code as amended. Considering the examinations, we did not encounter any event leading to any discrepancy between the information provided in the aforementioned report and the documents provided by the Board.

Report on Other Regulatory and Lawful Duties of the Auditor

10. The instances of non-compliance to the requirements as set forth via Banking & Monetary Act and Instructions and ratifications of the Banking Sector as well as the overall polices of Article 44 of the Iranian Constitution have been submitted to the CBI in a separate document.
11. The annual membership fee in the deposit guarantee fund until the end of 2020-2021 was paid in the amount of 785 billion rials in part payment, and for the fiscal year 2021-2022, the amount of 211 billion rials has been reserved in the accounts. In this regard, determining the definitive amount of the membership fee is subject to a special audit.
12. Instances of noncompliance with regulations set forth via the Securities and Exchange Organisation (Organisation) in reference to the Bank are stated below:
12-1. Provisions of Clause 10 of Article 7 of Information Disclosure of TSE Listed Companies which refers to timely disclosure of annual audited financial statements and interim financial statements of controlled companies.
12-2. The requirements of notification No. 1397/B/440/030 dated June 9, 2018 of the organization regarding the release of information requests by individuals to become members of the board of directors according to the deadline set in the articles of association with regard to the completion of the term of office of the members of the bank's board of directors. It is worth mentioning that due to the non-completion of the members of the board of directors as described in paragraph 7-2 of the report, the financial statements and approval of the bank managers have been approved by four members of the board of directors.
12-3. Provisions of Articles 30 and 42 of the Corporate Governance Manual of Companies Listed in the Tehran Stock Exchange regarding providing a mechanism for exercising voting rights electronically in the General Assembly and including some information related to the main managers in the management's interpretive report and the bank's website.
13. We have reviewed the financial reporting requirements of internal controls, under the

framework of notified checklists. In this regard, we have not encountered any significant instances pointing to noncompliance with internal controls of financial reporting.

14. In execution of Article 33 of Anti-Money Laundering Executive Instruction by the auditors, compliance of the said act and its related executive instructions have been reviewed by this institution in accordance with the framework of checklists as notified by the related authorities and accounting standards Considering the establishment of the Anti-Money Laundering Unit in the bank and the fact that some measures are in progress as described in the list of programs and objectives for the year 1401 of the anti-Money Laundering and Terrorism anti-Financing Unit contained in the activity report of the board of directors, the full implementation of the provisions of the aforementioned law and the applicable instructions, in Bank operations are ongoing.

22 June 2022

Tadvin & Hamkaran Audit Firm

Mohammad Kazem Rouhollahi	**Hamed Sayyar**
891750	**841340**

Karafarin Bank (Public Joint Stock)
Consolidated Statement of Financial Position
As At 20 March 2022

Assets	Note	20.03.2022 IRR Million	(Restated) 20.03.2021 IRR Million	Liabilities & Shareholders' Equity	Note	20.03.2022 IRR Million	(Restated) 20.03.2021 IRR Million
Assets:				Liabilities:			
Cash	9	21,230,926	19,279,822	Dues to Banks & Credit Institutes	21	43,597,175	8,038,060
Claims from Banks & Other Credit Institutes	10	19,137,595	11,783,095	Deposits	22	111,881,249	63,652,091
Claims from the Government	11	0	0	Dividends Payable	23	30,747	166,080
Loans Granted & Claims from Governmental Authorities	12	0	0	Debt Securities	24	0	0
Loans Granted & Claims from Non- governmental Entities	13	370,373,377	271,104,029	Corporation Tax Provision	25	1,750,510	1,376,030
Investment in Shares & Other Securities	14	54,447,730	42,554,665	Provisions & Other Liabilities	26	11,721,424	10,770,927
Claims from Subsidiary & Associate Companies	15	1,517	90,832	Provision for Employees' Work Termination Benefits & Retirement	27	1,837,643	1,248,314
Other Accounts Receivable	16	5,704,259	3,269,136	Total Liabilities before Investment Depositors' Interest		170,818,747	85,251,501
Fixed Tangible Assets	17	25,881,125	18,363,941				
Intangible Assets	18	15,280,098	14,710,892	**Investment Depositors' Rights**	**28**	**332,971,652**	**283,409,018**
Legal Deposit	19	51,559,615	38,599,297	**Total Liabilities**		**503,790,399**	**368,660,519**
Other Assets	20	7,488,853	6,216,041	**Shareholders' Equity:**			
Goodwill	20-6	6	98,951	Capital	29	39,500,000	26,842,986
				Capital Increase in Process	30	0	9,892,713
				Shares Premium Reserve	31	0	0
				Shares of Parent Company Owned by Subsidiaries	31-1	(543,099)	(352,195)
				Legal Reserve	32	8,239,832	6,116,057
				Other Reserves	33	3,239,237	2,300,593
				Assets Revaluation Surplus	34	1,562,910	1,461,810
				Difference in Foreign Exchange Rate	35	0	0
				Retained Earnings		12,239,084	10,061,814
				Effects of transactions with non-controlling interests		(166,038)	0
				Treasury Shares	36	(474,217)	0
				Total Equity Attributable to Parent Company's Shareholders		63,597,709	56,323,778
				Non-controlling Interests	36-1	3,716,992	1,086,404
				Total Shareholders' Equity		**67,314,701**	**57,410,182**
Total Asset		**571,105,100**	**426,070,701**	**Total Liabilities & Shareholders' Equity**		**571,105,100**	**426,070,701**
Customers' Commitments on L/Cs	53-1	9,559,106	2,029,656	Bank's Commitments on L/Cs	53-1	9,559,106	2,029,656
Customers' Commitments on Issued L/Gs	53-2	182,994,475	90,047,402	Bank's Commitments on Issued L/Gs	53-2	182,994,475	90,047,402
Customers' Other Commitments	53-3	84,214,169	61,307,823	Bank's Other Commitments	53-3	84,214,169	61,307,823
Managed Funds & Similar Items	53-4	465,660	174,334	Managed Funds & Similar Items	53-4	465,660	174,334

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

Karafarin Bank (Public Joint Stock)
Consolidated Statement of Profit & Loss
For The Year Ended 20 March 2022

Description	Note	2021-22 IRR Million	(Restated) 2020-21 IRR Million
Granted Loans, Deposits & Debt Securities Income	37	66,739,657	36,565,092
Deposit Interest Payment (Expense)	39-6	(48,362,860)	(27,789,077)
Loans & Deposits Net Income		18,376,798	8,776,014
Commission Income	41	4,484,495	2,967,821
Commission Expense	42	(238,558)	(166,656)
Commission Net Income		4,245,937	2,801,165
Net Sales & Services Income	42-1	84,234,830	77,545,971
Cost of Goods Sold & Services Rendered	42-1	(83,480,051)	(76,637,222)
		754,779	908,749
Net Investment Returns	38	2,455,742	7,550,807
Net Foreign Currency Transactions	43	888,307	2,715,558
Other Operating Revenue	44	0	0
Total Operating Revenues		26,721,562	22,752,293
Net Other Income & Expenses	45	1,242,904	1,637,344
Administrative & General Expenses	46	(11,674,041)	(6,540,428)
Doubtful Debts Expenses	47	(2,457,783)	(2,549,023)
Financial Expenses	48	(538,095)	(171,354)
Depreciation Expense	49	(506,743)	(252,523)
Profit before Calculating the Group's Share from Associate Companies		12,787,804	14,876,310
Group's Share from Associate Companies		761,364	541,626
Profit before Corporation Tax		13,549,168	15,417,936
Corporation Tax for the Year		(897,263)	(1,275,289)
Corporation Tax of Previous Years		(23,534)	(369,827)
Total Corporation Tax	25	(920,797)	(1,645,115)
Net Profit for the Year (Loss)		**12,628,371**	**13,772,821**
Attributable to:			
Parent Company's Shareholders		11,590,274	13,288,000
Non-controlling Interests		1,038,097	484,820
		12,628,371	**13,772,821**
			(Restated)
Basic EPS (IRR)	**55**	**297**	**346**

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

Karafarin Bank (Public Joint Stock)
Consolidated Statement of Other Comprehensive Income
For The Year Ended 20 March 2022

	Note	2021-22 IRR Million	(Restated) 2020-21 IRR Million
Net Profit (Loss) for the Year		12,628,371	13,772,821
Assets Revaluation Surplus	34	101,100	17,716,114
Difference in Exchange Rate of Foreign Operations	35	0	0
Comprehensive income for the Year		12,729,471	31,488,935
Share of Majority from the Comprehensive income for the Year		11,691,374	31,004,115
Share of Minority from the Comprehensive income for the Year		1,038,097	484,820

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

Karafarin Bank (Public Joint Stock)
Consolidated Statement of Changes in Equity
For The Year Ended 20 March 2022

	note	2021-22												
		Capital	Capital Increase in Process	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
Balance on 21.03.2021		26,842,986	9,892,713	0	(352,195)	6,116,057	2,300,593	1,461,810	0	10,061,814	0	56,323,778	1,086,404	57,410,182
Net Profit (Loss) for the Year										11,590,274		11,590,274	1,038,097	12,628,371
Previous Years' Adjustments	50									0		0	0	0
Other Comprehensive income after Tax												0		0
Assets Revaluation Surplus								101,100				101,100		101,100
Difference in Foreign Exchange												0	0	0
Tax of Other Comprehensive income								0		0		0	0	0
Total Other Comprehensive income		0	0	0	0	0	0	101,100		0	0	101,100	0	101,100
Total Comprehensive income		0	0	0	0	0	0	101,100		11,590,274	0	11,691,374	1,038,097	12,729,471
Capital Increase:														
Registered Capital Increase/ Decrease		12,657,014	0				0	0		0		12,657,014		12,657,014
Increase in Capital in Process			9,892,713									9,892,713	0	9,892,713
Adjustments from Changes in Minority Interest										(802,899)		(802,899)	765,112	(37,788)
Minority share of the subsidiary's net assets													920,763	920,763
Treasury Shares:														
Treasury Shares Purchase											(1,027,548)			(1,027,548)
Treasury Shares Sales										0	553,331	0		553,331
Shares of Parent Company Owned by Subsidiary					(190,903)							(190,903)		(190,903)
Distribution & Allocation:														
Legal Reserve	32					2,123,775				(2,141,461)		(17,686)	17,686	0
Other Reserves	33						938,643			(938,643)		0	0	0
Effects of transactions with non-controlling interests - Transfer of investments									(166,038)	0		(166,038)	0	(166,038)
Dividends		0								0		0	0	0
Approved Dividends	23									(5,530,000)		(5,530,000)	(111,070)	(5,641,070)
Total Changes in Shareholders' Equity Items during the Year		12,657,014	9,892,713	0	(190,903)	2,123,775	938,643	0	(166,038)	(9,413,004)	(474,217)	(4,417,443)	1,592,491	(2,824,953)
Balance on 20.03.2022		**39,500,000**	**0**	**0**	**(543,099)**	**8,239,832**	**3,239,237**	**1,562,910**	**(166,038)**	**12,239,084**	**(474,217)**	**63,597,709**	**3,716,992**	**67,314,701**

Karafarin Bank (Public Joint Stock)
Consolidated Statement of Changes in Equity
For The Year Ended 20 March 2022

(Restated)

	note	2020-21											
		Capital	Capital Increase in Process	Premium Shares Reserve	Share of Parent Company Owned by Subsidiary	Legal Reserve	Other Reserves	Assets Revaluation Surplus	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
Balance on 21.03.2020		**8,500,000**	**0**	**0**	**0**	**4,263,500**	**1,940,579**	**154,759**	**2,620,307**	**0**	**17,479,146**	**467,491**	**17,946,637**
Net Profit (Loss) for the Year									13,288,000		13,288,000	484,820	13,772,821
Previous Years' Adjustments	50								0		0	0	0
Other Comprehensive income after Tax											0		0
Assets Revaluation Surplus								0			17,716,114		17,716,114
Difference in Foreign Exchange											0	0	0
Tax of Other Comprehensive income								0	0		0	0	0
Total Other Comprehensive income		0	0	0	0	0	0	17,716,114	0	0	17,716,114	0	17,716,114
Total Comprehensive income		0	0	0	0	0	0	17,716,114	13,288,000	0	31,004,115	484,820	31,488,935
Capital Increase:													
Registered Capital Increase/ Decrease		18,342,986	0				(1,933,923)	(16,409,063)	0		0		0
Increase in Capital in Process			9,892,713								9,892,713	209,602	10,102,314
Adjustments from Changes in Minority Interest												(70,078)	(70,078)
Treasury Shares:											0		0
Treasury Shares Purchase										0	0		0
Treasury Shares Sales									0	0	0		0
Shares of Parent Company Owned by Subsidiary					(352,195)						(352,195)		(352,195)
Distribution & Allocation:													
Legal Reserve	32					1,852,557			1,852,557		0	0	0
Other Reserves	33						2,293,937		2,293,937		0	0	0
Dividends		0							0		0		0
Approved Dividends	23								(1,700,000)		(1,700,000)	(5,430)	(1,705,430)
Total Changes in Shareholders' Equity Items during the Year		**18,342,986**	**9,892,713**	**0**	**(352,195)**	**1,852,557**	**360,014**	**(16,409,063)**	**(5,846,494)**	**0**	**7,840,517**	**134,093**	**7,974,610**
Balance on 20.03.2021		**26,842,986**	**9,892,713**	**0**	**(352,195)**	**6,116,057**	**2,300,593**	**1,461,810**	**10,061,814**	**0**	**56,323,778**	**1,086,404**	**57,410,182**

Karafarin Bank (Public Joint Stock)
Consolidated Statement of Cash Flows
For The Year Ended 20 March 2022

	Note	2021-22 IRR Million	(Restated) 2020-21 IRR Million
Operating Activities*:			
Cash Received for:			
Interest & Penalty on Granted Loans		53,354,731	35,465,021
Interest on Debt Securities		0	0
Commission		4,484,495	2,967,821
Deposit Interest		6,465,299	6,189,268
Investment Returns		2,455,742	2,672,253
Other Operating Revenues		2,731,964	3,060,636
Cash Paid for:			
Deposit Interest		(48,319,964)	(27,551,790)
Commission		(238,558)	(166,656)
Financial Expenses		(538,095)	(171,354)
Other Operating Expenses		(13,542,495)	(8,640,813)
Corporation Tax		(546,317)	(1,263,774)
Cash Inflow (Outflow) from Operating Activities before Changes in Operating Assets & Liabilities		6,306,800	12,560,612
Cash Flows from Changes in Operating Assets & Liabilities:			
Net Increase (Decrease) in Liabilities:			
Dues to Banks & Credit Institutes		35,559,114	2,122,790
Deposits		48,229,158	44,901,131
Debt Securities		0	0
Operational Portion of Provisions & Other Liabilities		950,498	4,745,132
Investment Depositors' Interest		49,562,634	111,238,236
Net Decrease (Increase) in Asset:			
Claims from Other Banks & Credit Institutes		(7,354,500)	15,624,903
Principal Amount of Claims from the Government		0	0
Principal Amount of Granted Loans & Claims from Governmental Authorities		0	0
Principal Amount of Granted Loans & Claims from Non-governmental Entities		(93,690,149)	(144,807,978)
Investment in Shares & Other Securities		(11,893,065)	(23,325,978)
Claims from Subsidiary & Associate Companies		89,315	(88,617)
Other Accounts Receivable		(2,435,123)	(1,292,742)
Legal Deposit		(12,960,318)	(16,544,450)
Operation Portion of Other Assets		(1,272,812)	(2,428,012)
Goodwill		98,945	56,655
Cash Flows from Changes in Operating Assets & Liabilities		4,883,697	(9,798,930)
Net Cash Inflow (Outflow) from Operating Activities	51	11,190,497	2,761,682

Karafarin Bank (Public Joint Stock)
Consolidated Statement of Cash Flows
For The Year Ended 20 March 2022

	Note	2021-22 IRR Million	(Restated) 2020-21 IRR Million
Investing Activities:			
Payments for Acquiring Fixed tangible Assets		(7,441,896)	(5,641,583)
Funds Received for Selling Fixed Tangible Assets		28,249	269,641
Payments for Acquiring Intangible Assets		(143,833)	(395,513
Funds Received for Selling Intangible Assets		(7,441,896)	189,809
Payments for Acquiring Non-operating Properties		0	0
Funds Receive for Non-operating Properties		0	0
Net Cash Inflow (Outflow) from Investing Activities		(7,557,480)	(5,577,646)
Net Cash Inflow (Outflow) before Financing Activities		3,633,017	(2,815,964)
Financing Activities:			
Cash Capital Increase		2,764,301	8,722,032
Payments for Acquiring Shares of the Parent Company by Subsidiaries		(218,481)	(540,336)
Funds Received for Acquiring Shares of the Parent Company by Subsidiary		27,578	188,141
Funds paid for the effects of transactions with interests without control rights		(1,688,821)	
Funds Received for the effects of transactions with interests without control rights		1,522,783	
Treasury Shares Transactions		(474,217)	0
Funds from Shares Premium		0	0
Dividends Paid		(5,665,333)	(377,849)
Loans Received		2,757,970	0
Repayment of Principal Amount of Loans		(1,596,000)	0
Net Cash Inflow (Outflow) from Financing Activities		(2,570,221)	7,991,987
Net Increase (Decrease) in Cash		1,062,796	5,176,023
Cash at Beginning of Year		19,279,822	12,896,612
Effect of Foreign Exchange Rate Fluctuations		888,307	1,207,188
Cash at End of Year		**21,230,926**	**19,279,822**
Non-cash Transactions	52	**4,165,428**	**19,009,401**

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

Karafarin Bank (Public Joint Stock)
Statement of Financial Position
As At 20 March 2022

Assets	Note	20.03.2022 IRR Million	(Restated) 20.03.2021 IRR Million	Liabilities & Shareholders' Equity	Note	20.03.2022 IRR Million	(Restated) 20.03.2021 IRR Million
Assets:				**Liabilities:**			
Cash	9	20,495,079	19,027,841	Dues to Banks & Credit Institutes	21	40,016,094	6,171,978
Claims from Banks & Other Credit Institutes	10	19,137,595	11,783,095	Deposits	22	112,149,501	65,680,510
Claims from the Government	11	0	0	Dividends Payable	23	30,747	166,080
Loans Granted & Claims from Governmental Authorities	12	0	0	Debt Securities	24	0	0
Loans Granted & Claims from Non-governmental Entities	13	367,856,041	268,505,179	Corporation Tax Provision	25	1,296,051	161,610
Investment in Shares & Other Securities	14	46,436,963	36,261,664	Provisions & Other Liabilities	26	10,020,622	8,197,053
Claims from Subsidiary & Associate Companies	15	2,050,969	2,892,482	Provision for Employees' Work Termination Benefits & Retirement	27	1,718,515	1,220,754
Other Accounts Receivable	16	4,150,705	2,325,432	Total Liabilities before Investment Depositors' Interest		165,231,531	82,431,715
Fixed Tangible Assets	17	27,233,966	18,834,184				
Intangible Assets	18	15,103,962	14,579,575	**Investment Depositors' Rights**	**28**	**333,783,222**	**283,762,729**
Legal Deposit	19	51,559,615	38,599,297	**Total Liabilities**		**499,014,753**	**366,194,444**
Other Assets	20	7,169,676	5,633,538	**Shareholders' Equity:**			
				Capital	29	39,500,000	26,842,986
				Capital Increase in Process	30	0	9,892,713
				Shares Premium Reserve	31	0	0
				Legal Reserve	32	7,932,529	5,956,750
				Other Reserves	33	2,958,053	2,160,426
				Assets Revaluation Surplus	34	953	953
				Difference in Foreign Exchange Rate	35	0	0
				Retained Earnings (Loss)		12,262,472	7,394,015
				Treasury Shares	36	(474,189)	0
				Total Shareholders' Equity		**62,179,817**	**52,247,843**
Total Asset		**561,194,570**	**418,442,287**	**Total Liabilities & Shareholders' Equity**		**561,194,570**	**418,442,287**
Customers' Commitments on L/Cs	53-1	9,559,106	2,029,656	Bank's Commitments on L/Cs	53-1	9,559,106	2,029,656
Customers' Commitments on Issued L/Gs	53-2	182,994,475	90,047,402	Bank's Commitments on Issued L/Gs	53-2	182,994,475	90,047,402
Customers' Other Commitments	53-3	84,214,169	61,307,823	Bank's Other Commitments	53-3	84,214,169	61,307,823
Managed Funds & Similar Items	53-4	465,660	174,334	Managed Funds & Similar Items	53-4	465,660	174,334

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 2022

Description	Note	2021-22 IRR Million	(Restated) 2020-21 IRR Million
Granted Loans, Deposits & Debt Securities Income	37	65,743,184	36,316,196
Deposit Interest Payment (Expense)	39-6	(48,377,506)	(27,797,974)
Loans & Deposits Net Income		17,365,678	8,518,223
Commission Income	41	4,054,071	2,366,281
Commission Expense	42	(257,565)	(284,224)
Commission Net Income		3,796,506	2,082,057
Net Investment Returns	38	4,457,821	6,376,860
Net Foreign Currency Transactions	43	850,347	2,672,253
Other Operating Revenue	44	0	0
Total Operating Revenues		26,470,351	19,649,392
Net Other Income & Expenses	45	812,641	1,370,696
Administrative & General Expenses	46	(10,711,788)	(5,957,284)
Doubtful Debts Expenses	47	(2,467,437)	(2,494,023)
Financial Expenses	48	(15,420)	(15,504)
Depreciation Expense	49	(444,071)	(251,474)
Profit before Corporation Tax		13,644,277	12,301,803
Corporation Tax for the Year		(472,414)	(928,937)
Changes in Corporation Tax of Previous Years		0	(365,964)
Total Corporation Tax	25	(472,414)	(1,294,902)
Net Profit for the Year (Loss)		**13,171,863**	**11,006,902**

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

Karafarin Bank (Public Joint Stock)
Statement of Other Comprehensive Income
For The Year Ended 20 March 2022

	Note	2021-22 IRR Million	(Restated) 2020-21 IRR Million
Net Profit (Loss) for the Year		13,171,863	11,006,902
Assets Revaluation Surplus	34	0	16,366,420
Difference in Exchange Rate of Foreign Operations	35	0	0
Comprehensive income for the Year		**13,171,863**	**27,373,322**
Prior years' adjustments		0	0
Comprehensive income identified from the reporting date of the previous period		**13,171,863**	**27,373,322**

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 2022

	note	2021-22									
		Capital	Capital Increase in Process	Premium Shares Reserve	Legal Reserve	Other Reserves	Assets Revaluation Surplus	Difference in Exchange Rate of Foreign Operations	Retained Earnings	Treasury Shares	Total Shareholders' Equity
		IRR Million	IRR Million	IRR Million	IRR Million	IRR Million	IRR Million	IRR Million	IRR Million	IRR Million	IRR Million
Balance on 20.03.2021		**26,842,986**	**9,892,713**	**0**	**5,956,750**	**2,160,426**	**953**	**0**	**7,394,015**	**0**	**52,947,843**
Net Profit (Loss) for the Year									13,171,863		13,171,863
Previous Years' Adjustments	50						0		0		0
Other Comprehensive income after Tax											0
Assets Revaluation Surplus	34						0				0
Difference in Foreign Exchange	35							0			0
Tax of Other Comprehensive income							0	0	0		0
Total Other Comprehensive income							0	0	0	0	0
Total Comprehensive income							0	0	13,171,863	0	13,171,863
Capital Increase:											
Registered Capital Increase/ Decrease		12,657,014	0			0					12,657,014
Increase in Capital in Process			(9,892,713)	0							(9,892,713)
Treasury Shares:											
Treasury Shares Purchase	36									(1,027,520)	(1,027,520)
Treasury Shares Sales	36			0			0			553,331	553,331
Distribution & Allocation:											
Legal Reserve	32				1,975,779				(1,975,779)		0
Other Reserves	33					797,627			(797,627)		0
Dividends		0							0		0
Approved Dividends	23								(5,530,000)		(5,530,000)
Total Changes in Shareholders' Equity Items during the Year		**12,657,014**	**(9,892,713)**	**0**	**1,975,779**	**797,627**	**0**	**0**	**(8,303,406)**	**(474,189)**	**(3,239,888)**
Balance on 20.03.2022		**39,500,000**	**0**	**0**	**7,932,529**	**2,958,053**	**953**	**0**	**12,262,472**	**(474,189)**	**62,179,817**

Karafarin Bank (Public Joint Stock)
Statement of Changes in Equity
For The Year Ended 20 March 2022

(Restated)

	note	2020-21									
		Capital	Capital Increase in Process	Premium Shares Reserve	Legal Reserve	Other Reserves	Assets Revaluation Surplus	Difference in Exchange Rate of Foreign Operations	Retained Earnings	Treasury Shares	Total Shareholders' Equity
		IRR Million	IRR Million	IRR Million	IRR Million	IRR Million	IRR Million	IRR Million	IRR Million	IRR Million	IRR Million
Balance on 21.03.2020		**8,500,000**	**0**	**0**	**4,200,714**	**1,933,955**	**43,597**	**0**	**2,003,542**	**0**	**16,681,809**
Net Profit (Loss) for the Year									11,006,902		11,006,902
Previous Years' Adjustments	50								0		0
Other Comprehensive income after Tax											0
Assets Revaluation Surplus	34							16,366,420			16,366,420
Difference in Foreign Exchange	35							0			0
Tax of Other Comprehensive income							0	0	0		0
Total Other Comprehensive income							16,366,420	0	0	0	16,366,420
Total Comprehensive income							16,366,420	0	11,006,902	0	28,373,321
Capital Increase:											
Registered Capital Increase/ Decrease		18,342,986	0			(1,933,923)	(16,409,063)				0
Increase in Capital in Process			9,892,713	0							9,892,713
Treasury Shares:											
Treasury Shares Purchase	36										
Treasury Shares Sales	36										
Distribution & Allocation:											
Legal Reserve	32				1,756,035				(1,756,035)		0
Other Reserves	33					2,160,393			(2,160,393)		0
Dividends		0							0		0
Approved Dividends	23								(1,700,000)		(1,700,000)
Total Changes in Shareholders'Equity Items during the Year		**18,342,986**	**9,892,713**	**0**	**1,756,035**	**226,471**	**(16,409,063)**	**0**	**(5,616,429)**	**0**	**8,192,713**
Balance on 20.03.2021		**26,842,986**	**9,892,713**	**0**	**5,956,750**	**2,160,426**	**953**	**0**	**7,094,015**	**0**	**52,247,843**

Karafarin Bank (Public Joint Stock)
Statement of Cash Flows
For The Year Ended 20 March 2022

	Note	2021-22 IRR Million	(Restated) 2020-21 IRR Million
Operating Activities:*			
Cash Received for:			
Interest & Late Payment Penalty on Granted Loans		53,056,671	32,034,786
Interest on Debt Securities		0	0
Commission		4,054,071	2,366,281
Deposit Interest		6,454,435	6,151,523
Investment Returns		2,838,008	5,824,581
Other Operating Revenues		802,307	1,343,612
Cash Paid for:			
Deposit Interest		(48,569,660)	(27,560,687)
Commission		(257,565)	(284,224)
Financial Expenses		(15,420)	(15,504)
Other Operating Expenses		(12,681,463)	(8,016,586)
Corporation Tax		(171,703)	(1,161,172)
Cash Inflow (Outflow) from Operating Activities before Changes in Operating Assets & Liabilities		5,509,680	11,682,610
Cash Flows from Changes in Operating Assets & Liabilities:			
Net Increase (Decrease) in Liabilities:			
Dues to Banks & Credit Institutes		33,844,116	256,708
Deposits		46,468,991	46,928,185
Debt Securities		0	0
Operational Portion of Provisions & Other Liabilities		1,823,569	2,625,394
Investment Depositors' Interest		50,020,493	111,479,817
Net Decrease (Increase) in Asset:			
Claims from Other Banks & Credit Institutes		(7,354,500)	15,624,903
Principal Amount of Claims from the Government		0	0
Principal Amount of Granted Loans & Claims from Governmental Authorities		0	0
Principal Amount of Granted Loans & Claims from Non-governmental Entities		(92,071,369)	(146,635,878)
Investment in Shares & Other Securities		(10,175,299)	(18,261,811)
Claims from Subsidiary & Associate Companies		841,513	(1,975,531)
Other Accounts Receivable		(1,825,272)	(558,449)
Legal Deposit		(12,960,318)	(16,544,450)
Operation Portion of Other Assets		(1,388,374)	(2,204,679)
Cash Flows from Changes in Operating Assets & Liabilities		7,223,549	(9,265,791)
Net Cash Inflow (Outflow) from Operating Activities	51	12,733,229	2,416,819
Investing Activities:			
Payments for Acquiring Fixed Tangible Assets		(8,709,234)	(6,972,414)
Funds Received for Selling Fixed Tangible Assets		11,378	123,530
Payments for Acquiring Intangible Assets		(43,260)	(15,668)
Funds Received for Selling Intangible Assets		0	189,809
Payments for Acquiring Non-operating Properties		0	0
Funds Receive for Non-operating Properties		0	0
Net Cash Inflow (Outflow) from Investing Activities		(8,741,116)	(6,674,743)
Net Cash Inflow (Outflow) before Financing Activities		3,992,113	(4,257,924)
Financing Activities:			
Cash Capital Increase		2,764,301	8,722,032
Treasury Shares Transactions		(474,189)	0
Funds from Shares Premium		0	0
Dividends Paid		(5,665,333)	(377,849)
Loans Received		0	0
Repayment of Principal Amount of Loans		0	0
Net Cash Inflow (Outflow) from Financing Activities		(3,375,221)	8,344,182
Net Increase (Decrease) in Cash		616,892	4,086,258
Cash at Beginning of Year		19,027,841	12,269,330
Effect of Foreign Exchange Rate Fluctuations		850,347	2,672,253
Cash at End of Year		**20,495,079**	**19,027,841**
Non-cash Transactions	52	**416,104**	**18,990,521**

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 2022

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 acacordance 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 facilities 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 2022

1.3. Number of branches

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

	2021-22		2020-21	
	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
	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:

	2021-22		2020-21	
	End of Year	Average	End of Year	Average
	Persons	Persons	Persons	Persons
Headquarters & Regional Offices	634	639	643	583
Branches in Tehran Province	590	576	561	550
Branches in Other Provinces	479	475	470	461
Branches in Free Trade Zones	14	15	15	13
Overseas Branches	0	0	0	0
	1,717	**1,703**	**1,689**	**1,607**

During the reporting period, 402 employees (330 in previous year) were recruited via contracts. The number of employees of subsidiary companies during the reporting fiscal period was 427 (316 in the previous year). By average, we mean monthly average during the reporting period.

2. 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.

2.1. New and revised accounting standards which have become mandatory during the reporting period are:

2.1.1. 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. 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 2022

4. Using Judgments and Estimates

In order to prepare the financial statements, the Bank's management has used judgments, estimates and assumptions in specifying amounts recognised 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.

5. Basis for Measurement

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

6. Change in Accounting Procedures

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. Summary of Significant Accounting Policies

7.1. Investments

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

Karafarin Bank (Public Joint Stock)
Notes to The Financial Statements
For The Year Ended 20 March 2022

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 capitalised 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. 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

7.2.3. 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.

7.2.3.1. 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.

7.2.3.2. Investment in properties

Investment properties are measured at cost following deduction of accumulated impairment of each investment. Income from investment properties is recognised 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 amortisation. 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 amortised 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.

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.

7.3.3. 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 recognised 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).

Noncurrent assets (disposal groups) held for sale are measured at "lower of carrying amount and net realisable value".

7.4. 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, recognising 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 recognised 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 recognised 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
Overdue	Accrual
Deferred	Cash
Doubtful	Cash
Late Payment Penalty:	
Current	Cash
Overdue	Cash
Deferred	Cash
Doubtful	Cash
Commission:	
Commission on Issued L/Gs	Cash
Commission on Other Banking Services	Cash
Commission on Granted Gharz-al Hassaneh Loans	Cash

7.5. 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.

7.6. 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.

7.7. 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:

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

3) 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).

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

7.7.1. Provisions

Provisions are dues which upon settlement or determination of their amount, are significantly obscure. They are recognised when they have current obligations (either legal or commonly accepted norms) as a result of previous events, or abandoning an economic activity in order to settle obligations, is probable or a reliable estimate can be made of the amount of the obligation.

Provisions are assessed at the end of each fiscal period and are adjusted in order to obtain the best possible current estimate and they are reversed when abandoning an economic activity in order to to settle obligations is no longer probable.

7.8. 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.

7.9. 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.

7.10. Foreign currency exchange

7.10.1. 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 00/376983 dated 15.03.2022 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, which having taken precautionary measures within the banking system are EUR1/IRR220,000 and USD1/IRR200,000 and exchange rates for other currencies are based on rates as announced by the CBI on 20 March 2022 on its website (as stated in the following table). 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.

Currency	Exchange Rate	Foreign Currency	Exchange Rate
USD	IRR200,000	CNY	IRR31,321
EUR	IRR220,000	GBP	IRR262,314
INR	IRR2,623	KRW	IRR164
AED	IRR54,242	TRY	IRR13,450
CHF	IRR213,218	OMR	IRR518,051
JPY	IRR1,671	QAR	IRR54,726
		RUB	IRR1,897

7.10.2. Foreign operations accounts

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

7.11. Treasury shares

Treasury shares are recognised 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 recognised 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 recognised in the Equity Section.

No amount is recognised in the Statement of Profit and Loss and other Comprehensive income Statement in the event of selling treasury shares. The difference in net realisable value and carrying amount is recognised 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.

7.12. 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.

8. 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.

8.1. Corporation tax

8.1.1. 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 recognised items in the other Comprehensiveincome Statement or Shareholders' Equity are linked. In such cases, they should be directly recognised in the other Comprehensive income Statement or Shareholders' Equity (in this order).

8.1.2. 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.

9. Cash

	note	Group		Parent Company	
		20.03.2022	20.03.2021	20.03.2022	20.03.2021
		IRR Million	IRR Million	IRR Million	IRR Million
Cash at Hand-IRR	9-1	484,451	407,330	483,826	406,978
Cash at Hand-Foreign Currency	9-2	2,256,884	1,984,232	2,213,019	1,938,166
Cash in Transit-IRR		0	0	0	0
Cash in Transit- Foreign Currency		0	0	0	0
Sight Deposits held with the CBI (Unlimited)	9-3	388,037	100,802	388,037	100,802
Sight Deposits held with Other Banks & Credit Institutes (Unlimited)	**9-4**	**18,101,553**	**16,787,458**	**17,410,197**	**16,581,895**
		21,230,926	**19,279,822**	**20,495,079**	**19,027,841**

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

9.2. On the date of the Statement of Financial Position, foreign currency balance of the Parent Company's fund included USD9,774,925, EUR1,128,916, GBP35,898, AED2,826, JPY30,000, CNY300 and CHF200, all of which have been exchanged at the CBI's rates (stated in 7.10.).

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

	Parent Company	
	20.03.2022	20.03.2021
	IRR Million	IRR Million
Sight Deposit held with CBI-IRR (Unlimited)	319,238	8,147
Sight Deposit held with CBI-Foreign Currency (Unlimited)	68,799	92,655
Sight Deposit held with Central Bank of Other Countries-Foreign Currency (Unlimited)	0	0
Sum of Sight Deposit held with CBI-IRR (Unlimited)	**388,037**	**100,802**

9.3.1. 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 1392/09/16 (07.12.2013) of Foreign Currency Policies & Regulations Department), the Bank has requested the ending of foreign currency auditing and of refunding of IRR741,556 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 1398/02/14 (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 1401/02/05 (25.04.2022) of CBI amounted to IRR1,686,538 million.

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

	Group		Parent Company	
	20.03.2022	20.03.2021	20.03.2022	20.03.2021
	IRR Million	IRR Million	IRR Million	IRR Million
Sight Deposits held with Other local Banks & Credit Institutes-IRR (Unlimited)	263,327	189,700	60,205	63,561
Sight Deposits held with Other local Banks & Credit Institutes-Foreign Currency (Unlimited)	2,243,105	3,077,830	2,243,105	3,077,830
Term Deposits held with Other local Banks & Credit Institutes-IRR (Unlimited)	378,894	47,746	0	2,729
Term Deposits held with Other local Banks & Credit Institutes-Foreign Currency (Unlimited)	0	0	0	0
Sight Deposits held with Overseas Banks-Foreign Currency (Unlimited)	15,216,227	13,472,183	15,106,887	13,437,775
Term Deposits held with Overseas Banks-Foreign Currency (Unlimited)	0	0	0	0
	18,101,553	**16,787,458**	**17,410,197**	**16,581,895**

9.5. Balance held with banks which have limitations for withdrawal (time limitation and other limitations) are classified under the heading of Dues from Banks.

10. Claims from Banks and Other Credit Institutes

Claims from Banks and credit institutes are related to the parent Company and are as follows:

	note	Group & Parent Company	
		20.03.2022	20.03.2021
		IRR Million	IRR Million
Claims from CBI	10-2	16,322,191	1,088,528
Claims from Banks & Credit Institutes	10-3	2,815,404	10,694,567
		19,137,595	**11,783,095**

Karafarin Bank (Public Joint Stock)
Notes to The Financial Statements
For The Year Ended 20 March 2022

10.1. Balance held with banks which have no limitation for withdrawal are classified under the heading of Cash.

	note	Group & Parent Company	
		20.03.2022	20.03.2021
		IRR Million	IRR Million
Sight Deposit Held with CBI-IRR (Limited)		0	0
Sight Deposit Held with CBI-Foreign Currency (Limited)	10-2-2	1,713,485	789,822
Sight Deposit Held with Central Bank of Other Countries-Foreign Currency (Limited)		0	0
Term Deposit Held with Central Bank of Other Countries-Foreign Currency (Limited)		0	0
Legal Deposit Prize Receivable		0	0
Other Claims	10-2-1	14,608,706	298,706
		16,322,191	**1,088,528**

10.2.1. The amount of 14,600,000 million Rials from other claims from the Central Bank is related to the special deposit with the Central Bank with an interest rate of 14% on March 20, which was settled on the next working day, and the amount of 8.706 million Rials is due to the Government undersupplying of deposits for first to fourth set of coupons for Morabehe Bonds of agricultural products.

10.2.2. Sight deposits held with the CBI-foreign currency (limited) include EUR4,436,562 and USD3,678,208.

10.3. Claims from other banks and credit institutes

	note	Group & Parent Company	
		20.03.2022	20.03.2021
		IRR Million	IRR Million
Sight Deposits held with Other local Banks & Credit Institutes-IRR (Limited)		0	0
Sight Deposits held with Other local Banks & Credit Institutes-Foreign Currency (Limited)		0	0
Term Deposits held with Other local Banks & Credit Institutes-IRR (Limited)	10-3-2	0	9,050,000
Term Deposits held with Other local Banks & Credit Institutes-Foreign Currency (Limited)		0	0
Sight 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	10-3-1	0	0
Payment of Cheques Issued by Other Banks		2,815,404	1,644,567
Other Claims		0	0
Total Claims from Other Banks & Credit Institutes		**10,694,567**	**10,694,567**

10.3.1. The Bank granted no loans to other banks and credit institutes.

Karafarin Bank (Public Joint Stock)
Notes to The Financial Statements
For The Year Ended 20 March 2022

10.3.2. Term deposits held with other local banks and credit institutes-IRR (limited) include the following items:

Bank/Credit Institute	Foreign Currency	Contract Type	Interest Rate	Maturity Date	Collateral Type	Loans Balance		
						20.03.2022		20.03.2021
						Foreign Currency	IRR Million	IRR Million
IRR Loans:								
Ayandeh	IRR	Overnight	19.75%	27.03.2021	-	-	0	3,500,000
Noor Credit & Financial	IRR	Overnight	20.00%	27.03.2021	-	-	0	2,500,000
Tourism	IRR	Overnight	19.75%	27.03.2021	-	-	0	2,300,000
Shahr	IRR	Overnight	19.75%	27.03.2021	-	-	0	750,000
							0	**9,050,000**

10.3.3. The amount of checks issued by other banks has been paid at the beginning of 2022-2023.

11. Claims from the Government

	Group & Parent Company							
	20.03.2022							20.03.2021
	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
	0	0	0	0	0	0	0	0

Karafarin Bank (Public Joint Stock)
Notes to The Financial Statements
For The Year Ended 20 March 2022

12. Granted Loans and Claims from Governmental Authorities

	Group & Parent Company									
	20.03.2022									20.03.2021
	The Balance of Principal & Interest of Future Years-Deferred Interest, Commission & Penalties	The Balance of Interest & Commission Receivable	The Balance of Penalty Receivable	Mudaraba Received Funds & Musharaka Joint Account	**Future Years Interest**	**Deferred interest, Commission & Penalty**	**Total**	**Provision for Doubtful Loans**	**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
Joaleh	0	0	0		0	0	0	0	0	0
Hire Purchase	0	0	0		0	0	0	0	0	0
Salaf	0	0	0			0	0	0	0	0
Mudaraba	0	0	0	0		0	0	0	0	0
Musharaka	0	0	0	0		0	0	0	0	0
Debt Discounting	0	0	0		0	0	0	0	0	0
Murabaha	0	0	0		0	0	0	0	0	0
Istisna	0	0	0		0	0	0	0	0	0
Gharz-al Hassaneh	0	0	0			0	0	0	0	0
Other Granted IRR Loans	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
Debtors for Paid L/Gs	0		0				0	0	0	0
Debtors for Paid Bonds & Sukuk	0		0				0	0	0	0
Debtors for Paid Credit Cards	0	0	0				0	0	0	0
Total Granted Loans & Claims from Governmental Authorities	0	0	0	0	0	0	0	0	0	0

Karafarin Bank (Public Joint Stock)
Notes to The Financial Statements
For The Year Ended 20 March 2022

13. Granted Loans and Claims from Non-governmental Entities

	Group									
	20.03.2022									20.03.2021
	The Balance of Principal & Interest of Future Years-Deferred Interest, Commission & Penalties	The Balance of Interest & Commission Receivable	The Balance of Penalty Receivable	Mudaraba Received Funds & Musharaka Joint Account	**Future Years Interest**	**Deferred Interest, Commission & Penalties**	**Total**	**Provision for Doubtful Loans**	**Net**	**Net**
	IRR Million	IRR Million	IRR Million	IRR Million	IRR Million	IRR Million	IRR Million	IRR Million	IRR Million	IRR Million
Instalment Sales	24,065,146	2,046,854	0		(3,166,844)	0	22,945,156	(609,461)	22,335,695	22,420,887
Joaleh	14,706,712	87,777	0		(46,910)	0	14,747,579	(414,252)	14,333,328	10,097,496
Hire Purchase	209,098	10,181	0		(33,570)	0	185,709	(133,631)	52,078	136,340
Salaf	5,385	362	0			0	5,747	(3,520)	2,227	2,990
Mudaraba	1,232,753	55,006	0	(84,729)		0	1,203,030	(656,449)	546,581	5,326,472
Musharaka	20,614,418	1,203,327	0	(486,647)		0	21,331,099	(3,788,259)	17,542,840	84,015,193
Debt Discounting	12,335,641	0	0		(564,236)	0	11,771,405	(186,044)	11,585,361	4,159,415
Murabaha	315,048,599	6,357,537	0		(22,819,243)	0	298,586,893	(5,951,871)	292,635,022	136,958,450
Istisna	0	0	0		0	0	0	0	0	589,082
Gharz-al Hassaneh	782,925	0	0		0	0	782,925	(12,707)	770,218	379,568
Other Granted IRR Loans	6,676,657	0	0		(1,514,676)	0	5,161,982	(77,237)	5,084,744	3,144,321
Other Granted Foreign Currency Loans	3,933,971	263	0	0	(62,511)	0	3,871,723	(2,077,924)	1,793,799	2,833,688
Debtors for Paid L/Cs	3,250,118		113,916				3,364,034	(450,846)	2,913,188	306,797
Debtors for Paid L/Gs	928,875	0	95				928,970	(184,806)	744,164	733,331
Debtors for Paid Bonds & Sukuk	0		0				0	0	0	0
Debtors for Paid Credit Cards	34,588	64	0				34,651	(520)	34,132	0
Total Granted Loans & Claims from Non-governmental Entities	**403,824,887**	**9,761,371**	**114,011**	**(571,376)**	**(28,207,990)**	**0**	**384,920,903**	**(14,547,526)**	**370,373,377**	**271,104,029**

Karafarin Bank (Public Joint Stock)
Notes to The Financial Statements
For The Year Ended 20 March 2022

	Parent Company									
	20.03.2021									20.03.2020
	The Balance of Principal & Interest of Future Years-Deferred Interest, Commission & Penalties	The Balance of Interest & Commission Receivable	The Balance of Penalty Receivable	Mudaraba Received Funds & Musharaka Joint Account	**Future Years Interest**	**Deferred Interest, Commission & Penalties**	**Total**	**Provision for Doubtful Loans**	**Net**	**Net**
	IRR Million	IRR Million	IRR Million	IRR Million	IRR Million	IRR Million	IRR Million	IRR Million	IRR Million	IRR Million
Instalment Sales	18,015,448	2,046,854	0		(1,857,437)	0	18,204,865	(609,461)	17,595,404	18,545,161
Joaleh	15,806,712	87,777	0		(46,910)	0	15,847,579	(414,252)	15,433,328	10,137,496
Hire Purchase	209,098	10,181	0		(33,570)	0	185,709	(13,601)	172,108	231,370
Salaf	5,385	362	0			0	5,747	(3,520)	2,227	2,990
Mudaraba	1,232,753	55,006	0	(84,729)		0	1,203,030	(656,449)	546,581	5,326,472
Musharaka	21,630,182	1,203,327	0	(486,647)		0	22,346,862	(3,788,259)	18,558,604	85,173,443
Debt Discounting	12,335,641	0	0		(564,236)	0	11,771,405	(186,044)	11,585,361	4,159,415
Murabaha	315,048,599	6,357,537	0		(22,819,243)	0	298,586,893	(5,951,871)	292,635,022	136,958,450
Istisna	0	0	0		0	0	0	0	0	589,082
Gharz-al Hassaneh	782,925	0	0		0	0	782,925	(12,707)	770,218	379,568
Other Granted IRR Loans	6,663,819	0	0		(1,514,676)	0	5,149,143	(77,237)	5,071,906	3,127,916
Other Granted Foreign Currency Loans	3,933,971	263	0	0	(62,511)	0	3,871,723	(2,077,924)	1,793,799	2,833,688
Debtors for Paid L/ Cs	3,250,118		113,916				3,364,034	(450,846)	2,913,188	306,797
Debtors for Paid L/ Gs	928,875		95				928,970	(184,806)	744,164	733,331
Debtors for Paid Bonds & Sukuk	0		0				0	0	0	0
Debtors for Paid Credit Cards	34,588	64	0				34,651	(520)	34,132	0
Total Granted Loans & Claims from Non-governmental Entities	**399,878,115**	**9,761,371**	**114,011**	**(571,376)**	**(26,898,583)**	**0**	**382,283,538**	**(14,427,497)**	**367,856,041**	**268,505,179**

Karafarin Bank (Public Joint Stock)
Notes to The Financial Statements
For The Year Ended 20 March 2022

13.1. Classification of granted loans and claims from non-governmental entities of the Parent Company based on the instruction of the Money and Credit Council (stated in explanatory note 7.6.) is as follows:

	Parent Company				
	20.03.2022				
	Current	Overdue	Deferred	Doubtful	Total
	IRR Million	IRR Million	IRR Million	IRR Million	IRR Million
Instalment Sales	18,641,886	59,063	2,241	1,359,112	20,062,302
Joaleh	15,727,635	1,926	753	164,174	15,894,489
Hire Purchase	194,079	15,756	657	8,788	219,279
Salaf	0	0	0	5,747	5,747
Mudaraba	712,078	9,327	9,878	556,477	1,287,759
Musharaka	16,315,487	81,335	70,977	6,365,710	22,833,509
Debt Discounting	12,297,579	0	38,063	0	12,335,641
Murabaha	319,632,138	769,050	1,001,159	3,790	321,406,137
Istisna	0	0	0	0	0
Gharz-al Hassaneh	781,432	442	1,038	13	782,925
Other Granted IRR Loans	6,663,819	0	0	0	6,663,819
Other Granted Foreign Currency Loans	1,896,122	0	0	2,038,112	3,934,234
Debtors for Paid L/Cs	1,856,774	0	0	1,507,260	3,364,034
Debtors for Paid L/Gs	2,611	0	0	926,359	928,970
Debtors for Paid Bonds & Sukuk	0	0	0	0	0
Debtors for Paid Credit Cards	34,651	0	0	0	34,651
Total Gross Granted Loans & Claims from Non- governmental Entities	**394,756,293**	**936,898**	**1,124,766**	**12,935,541**	**409,753,497**
Less:					
Future Years Interest	(26,898,583)	0	0	0	(16,613,603)
Deferred Interest & Commission	0	0	0	0	0
Mudaraba Received Funds	(84,729)	0	0	0	(108,514)
Musharaka Joint Account	(486,647)	0	0	0	(561,126)
Doubtful	**367,286,334**	**936,898**	**1,124,766**	**12,935,541**	**382,283,538**
General Provision for Doubtful Loans	(5,281,186)	(3,268)	(2,571)	(2,916)	(5,289,941)
Special Provision for Doubtful Loans	0	(25,378)	(95,176)	(9,017,002)	(9,137,555)
Balance on 20.03.2022	**362,005,148**	**908,252**	**1,027,019**	**3,915,623**	**367,856,041**
Balance on 20.03.2021	**263,048,492**	**900,924**	**117,660**	**4,438,103**	**268,505,179**

Karafarin Bank (Public Joint Stock)
Notes to The Financial Statements
For The Year Ended 20 March 2022

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

	Parent Company					
	20.03.2022			20.03.2021		
	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	3,720,704	8,246,843	11,967,546	1,511,020	8,774,144	10,285,165
Recovered	0	0	0	0	0	0
Bad Debt/ Provision	0	0	0	0	(468,799)	(468,799)
Increase or Decrease during Years	1,569,238	890,713	2,459,950	2,209,683	(58,503)	2,151,180
Balance at End of Year	**5,289,941**	**9,137,555**	**14,427,497**	**3,720,704**	**8,246,843**	**11,967,546**

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

	Parent Company					
	20.03.2022					20.03.2021
	Current	Overdue	Deferred	Doubtful	Total	Total
	IRR Million	IRR Million	IRR Million	IRR Million	IRR Million	IRR Million
Local Resources	1,896,122	0	0	1,975,601	3,871,723	3,753,158
Foreign Currency Reserve Account	0	0	0	0	0	98,465
National Development Fund	0	0	0	0	0	0
CBI	0	0	0	0	0	0
Trade Unions	0	0	0	0	0	0
Total Foreign Currency Granted Loans	**1,896,122**	**0**	**0**	**1,975,601**	**3,871,723**	**3,851,623**

Karafarin Bank (Public Joint Stock)
Notes to The Financial Statements
For The Year Ended 20 March 2022

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

	Parent Company							
	20.03.2022							20.03.2021
	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	IRR Million	IRR Million
2021-22 & Previous Years	8,072,418	289,732	9,139,200	29,458	607,090	1,476,187	19,614,084	20,957,829
2022-23	441,999	2,386	292,282,699	7,850,079	3,477,841	2,545,611	306,600,615	211,677,116
2023-24	0	6,872	11,087,783	1,608,926	110,021	328,313	13,141,914	6,413,669
2024-25	0	0	11,442,988	124,192	343,557	249,825	12,160,562	15,589,045
2025-26 & after	0	0	23,484,214	0	2,613,299	4,668,849	30,766,362	25,835,066
Total Granted Loans & Claims from Non-governmental Entities	**8,514,417**	**298,989**	**347,436,884**	**9,612,654**	**7,151,809**	**9,268,785**	**382,283,538**	**280,472,725**
Balance on 20.03.2021	**5,807,032**	**339,689**	**253,081,974**	**5,045,790**	**7,578,006**	**8,620,234**	**280,472,725**	

13.5. Granted loans and claims from non-governmental entities of the Parent Company based on collateral

	Parent Company	
	20.03.2022	20.03.2021
	IRR Million	IRR Million
Deposits	22,979,831	34,895,950
Bonds & Other Debt Securities Guaranteed by the Government & CBI	0	0
Bonds & Other Debt Securities Guaranteed by Other Banks	31,930	52,836
L/Gs	0	0
Shares listed in TSE	36,085,639	26,804,586
Land &Buildings	69,742,397	46,050,770
Machineries	258,281	285,183
Cheques & Promissory Notes	243,870,623	167,170,011
Other	9,314,836	5,213,389
Total Secured Loans & Claims	**382,283,538**	**280,472,725**
Unsecured Loans & Claims	0	0
Total Granted Loans & Claims from non-governmental Entities	**382,283,538**	**280,472,725**

*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.

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

	Installment Sales	Joaleh	Hire Purchase	Salaf	Mudaraba	Musharaka	Debt Discounting	Murabaha	Istisna	Gharz-al Hassaneh	Other Granted IRR Loans	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 20.03.2021	18,621,991	10,397,032	239,319	5,385	5,863,988	88,743,593	4,029,805	137,758,241	589,467	386,789	3,170,832	3,834,334	378,986	862,921	0	0	274,882,683
Granted during Year	16,002,550	166,079,613	13,207	0	11,248,023	113,927,652	21,201,678	634,762,455	174,059	512,129	2,844,057	7,544,433	3,233,674	2,953,702	0	34,588	980,531,820
Collected during Year	(18,466,530)	(160,716,843)	(76,999)	0	(15,879,258)	(181,041,063)	(13,460,078)	(480,291,340)	(763,526)	(115,993)	(865,746)	(7,819,525)	(362,542)	(2,887,748)	0	0	(882,747,189)
Exchange effect during Year	0	0	0	0	0	0	0	0	0	0	0	312,218	0	0	0	0	312,218
Balance on 20.03.2022	16,158,011	15,759,802	175,528	5,385	1,232,753	21,630,182	11,771,405	292,229,356	0	782,925	5,149,143	3,871,461	3,250,118	928,875	0	34,588	372,979,532
Minor Granted Loans:																	
Balance on 20.03.2021	815,767	69,989	7,469	2,658	321,479	2,491,729	160,878	2,372,253	0	0	0	17,289	0	172	0	0	6,259,683
Increase during Year	4,692,003	2,362,942	45,725	0	714,155	9,551,502	1,291,132	40,237,655	0	555	0	133,867	113,916	20	0	64	59,143,536
Collected during Year	(3,460,917)	(2,345,154)	(43,014)	(2,296)	(980,628)	(10,839,904)	(1,452,010)	(36,252,370)	0	(555)	0	(150,893)	0	(98)	0	0	(55,527,837)
Exchange Effect during Year	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Balance on 20.03.2022	2,046,854	87,777	10,181	362	55,006	1,203,327	0	6,357,537	0	0	0	263	113,916	95	0	0	9,875,382
Provision for Doubtful Loans:																	
Balance on 20.03.2021	(892,597)	(329,525)	(15,419)	(5,052)	(750,480)	(5,500,752)	(31,268)	(3,172,044)	(385)	(7,221)	(43,088)	(1,017,935)	(72,189)	(129,590)	0	0	(11,967,546)
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	283,136	(84,727)	1,818	1,532	94,031	1,712,493	(154,777)	(2,779,827)	385	(5,486)	(34,149)	(1,059,989)	(378,657)	(55,216)	0	(520)	(2,459,950)
Balance on 20.03.2022	(609,461)	(414,252)	(13,601)	(3,520)	(656,449)	(3,788,259)	(186,044)	(5,951,871)	0	(12,707)	(77,237)	(2,077,924)	(450,846)	(184,806)	0	(520)	(14,427,497)
Mudaraba Received Funds					(84,729)												(84,729)
Musharaka Joint Account						(486,647)											(486,647)
Net Granted Loans:																	
Balance on 20.03.2021	**18,545,161**	**10,137,496**	**231,370**	**2,990**	**5,326,472**	**85,173,443**	**4,159,415**	**136,958,450**	**589,082**	**379,568**	**3,127,744**	**2,833,688**	**306,797**	**733,503**	**0**	**0**	**268,505,179**
Balance on 20.03.2022	**17,595,404**	**15,433,328**	**172,108**	**2,227**	**546,581**	**18,558,604**	**11,585,361**	**292,635,022**	**0**	**770,218**	**5,071,906**	**1,793,799**	**2,913,188**	**744,164**	**0**	**34,132**	**367,856,041**

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

Karafarin Bank (Public Joint Stock)
Notes to The Financial Statements
For The Year Ended 20 March 2022

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

	Installment Sales	Joaleh	Hire Purchase	Salaf	Mudaraba	Musharaka	Debt Discounting	Murabaha	Istisna	Gharz-al Hassaneh	Other Granted IRRLoans	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 20.03.2021	815,767	69,989	7,469	2,658	321,479	2,491,729	160,878	2,372,253	0	0	0	17,289	0	172	0	0	6,259,683
Increase during Year	4,692,003	2,362,942	45,725	0	714,155	9,551,502	1,291,132	40,237,655	0	555	0	133,867	113,916	20	0	64	59,143,536
Collected during Year	(3,460,917)	(2,345,154)	(43,014)	(2,296)	(980,628)	(10,839,904)	(1,452,010)	(36,252,370)	0	(555)	0	(150,893)	0	(98)	0	0	(55,527,837)
Exchange Effect during Year	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Balance on 20.03.2022	2,046,854	87,777	10,181	362	55,006	1,203,327	0	6,357,537	0	0	0	263	113,916	95	0	0	9,875,382
Penalty on Granted Loans:																	
Balance on 20.03.2021	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Increase during Year	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
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	0	0	0	0			0	0	0	0	0	0	0	0
Balance on 20.03.2022	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Minor Granted Loans:																	
Balance on 20.03.2021	**815,767**	**69,989**	**7,469**	**2,658**	**321,479**	**2,491,728**	**160,878**	**2,372,253**	**0**	**0**	**0**	**17,289**	**0**	**172**	**0**	**0**	**6,259,683**
Balance on 20.03.2022	**2,046,854**	**87,777**	**10,181**	**362**	**55,006**	**1,203,327**	**0**	**6,357,537**	**0**	**0**	**0**	**263**	**113,916**	**95**	**0**	**64**	**9,875,382**

Karafarin Bank (Public Joint Stock)
Notes to The Financial Statements
For The Year Ended 20 March 2022

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

	Parent Company					
	20.03.2022			20.03.2021		
	Gross Amount	**Provision for Doubtful Loans**	**Net**	**Gross Amount**	**Provision for Doubtful Loans**	**Net**
	IRR Million	IRR Million	IRR Million	IRR Million	IRR Million	IRR Million
Individuals	75,624,946	(1,963,490)	73,661,455	31,301,723	(1,327,744)	29,973,979
Legal Entities	302,722,648	(12,404,967)	290,317,681	246,000,170	(10,596,714)	235,403,456
Employees	3,935,944	(59,039)	3,876,905	3,170,832	(43,088)	3,127,744
	382,283,538	**(14,427,497)**	**367,856,041**	**280,472,725**	**(11,967,546)**	**268,505,179**

13.8. Loans granted to associate companies are as follows:

	20.03.2022					20.03.2021
	Average Weight of Interest Rate	Current	Non-performing	Provision for Doubtful Loans	Total	Total
	%	IRR Million	IRR Million	IRR Million	IRR Million	IRR Million
Subsidiary Companies:						
Karafarin Leasing	18	326,153	0	(4,892)	321,261	745,905
Karafarin Investment	18	689,611	0	(10,344)	679,267	394,972
Karafarin Brokerage	18	1,100,000	0	(16,500)	1,083,500	39,400
Total		2,115,764	0	(31,736)	2,084,027	1,180,277
Other Associate Companies:		0	0	0	0	0
Total Other Associate Companies		0	0	0	0	0
Total Loans Granted to Associate Companies		**2,115,764**	**0**	**(31,736)**	**2,084,027**	**1,180,277**

Karafarin Bank (Public Joint Stock)
Notes to The Financial Statements
For The Year Ended 20 March 2022

14. Investment in Shares and Other Securities

	Note	Group					
		20.03.2022			20.03.2021		
		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	14-1	1,525,383	5,058,009	6,583,392	4,096,923	0	4,096,923
Investment in Other Shares	14-2	0	3,571,703	3,571,703	0	6,007,272	6,007,272
Investment in Other Securities	14-3	43,981,293	0	43,981,293	31,787,652	0	31,787,652
Investment in Construction Projects	14-4	0	311,343	311,343	0	586,296	586,296
Investment in Partnerships	14-5	0	0	0	0	76,523	76,523
		45,506,676	**8,941,055**	**54,447,730**	**35,884,574**	**6,670,090**	**42,554,665**

	Note	Parent Company					
		20.03.2022			20.03.2021		
		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	14-1	915,080	1,329,133	2,244,213	3,447,387	0	3,447,387
Investment in Other Shares	14-2	0	4,034,264	4,034,264	0	3,084,016	3,084,016
Investment in Other Securities	14-3	40,158,486	0	40,158,486	29,730,262	0	29,730,262
		41,073,566	**5,363,397**	**46,436,963**	**33,177,649**	**3,084,016**	**36,261,664**

Karafarin Bank (Public Joint Stock)
Notes to The Financial Statements
For The Year Ended 20 March 2022

14.1. Investment in rapidly marketable shares is as follows:

14.1.1. Current investment in rapidly marketable shares

	Group			Parent Company					
	20.03.2022	20.03.2021		20.03.2022				20.03.2021	
	Cost	Cost	Source	Shares	Investment	Cost	Net Realisable Value	Cost	Net Realisable Value
	IRR Million	IRR Million		Number Million	%	IRR Million	IRR Million	IRR Million	IRR Million
Shares of Companies Listed in TSE:									
Asre Novin Informatics (HiWeb)	1,503,442	1,503,442	Repossession	105,292,500	1.26%	1,503,442	705,460	1,503,442	1,110,836
Mines & Metals Development Investment	88,268	141,863	Purchase	8,798,351	0.01%	50,856	105,404	141,863	228,070
Mapna	99,137	106,856	Purchase	5,722,222	0.014%	99,137	79,482	99,137	97,964
South Kish Steel	22,684	22,684	Purchase	1,000,000	0.007%	22,684	11,960	22,684	22,180
Jam Petrochemical (Rights Issue)	5,161	4,887	Purchase	273,762	0%	5,161	11,588	4,887	8,380
Jam Petrochemical	528	16,957	Purchase	28,018	0%	528	1,186	16,957	34,055
EN Bank	7,508	38,840	Purchase	0	0%	0	0	38,840	100,381
Omid Investment	2,600	20,490	Purchase	0	0%	0	0	0	0
Asan Pardakht Persian	0	2,513	Purchase	0	0%	0	0	2,513	1,478
Alborz Insurance	0	1,214	Purchase	0	0%	0	0	1,214	788
Tehran Oil Refinery	0	42,372	Purchase	0	0%	0	0	34,302	30,163
Khorasan Petrochemical	0	123,837	Purchase	0	0%	0	0	119,097	141,282
Social Security Investment	33,821	163,340	Purchase	0	0%	0	0	107,519	150,964
Sepah Investment	1,160	74,584	Purchase	0	0%	0	0	63,194	83,083
Sepah Investment (Rights Issue)	0	22,713		0	0%	0	0	17,674	23,495
Sadr Tamin Investment	11,030	147,164	Purchase	0	0%	0	0	118,912	216,420
Persian Gulf Petrochemical Industries	0	139,533	Purchase	0	0%	0	0	89,842	133,841
Khouzestan Steel	17,103	60,227	Purchase	0	0%	0	0	60,227	90,245
Iranian Investment Petrochemical Group	0	2,259	Purchase	0	0%	0	0	989	1,650
Tose'e Melli Group	0	112,441	Purchase	0	0%	0	0	94,639	130,882
National Iranian Copper Industries	3,515	47,617	Purchase	0	0%	0	0	26,854	26,844
Golgohar Mining & Industrial	0	141,442	Purchase	0	0%	0	0	141,442	250,875
Mobin Energy Persian Gulf	0	118,916	Purchase	0	0%	0	0	118,916	127,402
Ofogh Kourosh Chain Stores	0	107,842		0	0%	0	0	107,842	129,780
Pars Petrochemical	0	86,317	Purchase	0	0%	0	0	86,317	157,241
Esfahan Mobarakeh Steel	5,526	101,172	Purchase	0	0%	0	0	101,172	141,700
Others	503,480	634,428	Purchase	0	0%	0	0	215,621	321,617
	2,304,961	**3,985,948**				**1,681,807**	**915,080**	**3,336,096**	**3,761,616**

Karafarin Bank (Public Joint Stock)
Notes to The Financial Statements
For The Year Ended 20 March 2022

	Group			Parent Company					
	20.03.2021	20.03.2020		20.03.2021				20.03.2020	
	Cost	Cost	Source	Shares	Investment	Cost	Net Realisable Value	Cost	Net Realisable Value
	IRR Million	IRR Million		Number Million	%	IRR Million	IRR Million	IRR Million	IRR Million
Companies Listed in OTC Market:									
Reil Gardesh Iranian	0	7	Purchase	0	0	0	0	7	7
Zagros Petrochemical	0	50,946	Purchase	0	0	0	0	50,946	91,065
Arfa Steel	0	44,833	Purchase	0	0	0	0	44,833	78,255
Arfa Steel (Rights Issue)	0	15,500	Purchase	0	0	0	0	15,500	20,178
Others	0	5	Purchase			0	0	5	12
	0	**111,291**				**0**	**0**	**111,291**	**189,517**
	2,304,961	**4,097,239**				**1,681,807**	**915,080**	**3,447,387**	**3,951,133**
Investment Impairment Provision	(779,578)	(316)				(766,727)	0	0	0
	1,525,383	**4,096,923**				**915,080**	**915,080**	**3,447,387**	**3,951,133**

Karafarin Bank (Public Joint Stock)
Notes to The Financial Statements
For The Year Ended 20 March 2022

14.1.2. Long-term investments in rapidly marketable shares

		Group				Parent Company								
		20.03.2022		20.03.2021		20.03.2022							20.03.2021	
	note	Cost/ Equity Method	Net Carrying Amount/ Equity Method	Cost/ Equity Method	Net Carrying Amount/ Equity Method	Source	Shares - Number	Investment-%	Cost	Accumulated Impairment	Net Realisable Value	market value	Net Realisable Value	market value
		IRR Million	IRR Million	IRR Million	IRR Million				IRR Million	IRR Million	IRR Million	IRR Million	IRR Million	IRR Million
TSE		1,500	1,500	1,500	1500	Purchase	139,999,972	1	1,500	0	1,500	1,159,200	1,500	1,500
Karafarin Insurance	14.1.2.1	5,056,174	5,056,174	3,855,069	3,855,069	Establishment	1,900,560,311	20	162,165	0	162,165	7,298,152	162,165	162,165
Farabourse Iran (OTC Market)		335	335	621	621	Purchase	18,500,300	0.26	264	0	264	217,564	264	264
Karafarin Leasing		0	0	0	0	Establishment	1,012,228,857	67	1,165,203	0	1,165,203	5,152,245	1,499,985	1,499,985
		5,058,009	**5,058,009**	**3,857,190**	**3,857,190**				**1,329,132**	**0**	**1,329,132**	**13,827,160**	**1,663,914**	**1,663,914**

Karafarin Bank (Public Joint Stock)
Notes to The Financial Statements
For The Year Ended 20 March 2022

14.1.2.1. Investment in affiliated companies

	20.03.2022						20.03.2021
	TSE/OTC	Shares - Number	Investment-%	Equity Method/cost	Accumulated Impairment	Carrying Amount	Carrying Amount
				IRR Million	IRR Million	IRR Million	IRR Million
Group							
Karafarin Insurance	TSE	2,708,015,571	26	5,056,174	0	5,056,174	3,855,069
				5,056,174	**0**	**5,056,174**	**3,855,069**
Parent Company							
Karafarin Insurance	TSE	1,900,560,311	20	162,165	0	162,165	162,165
				162,165	**0**	**162,165**	**162,165**

14.1.2.1.1. Summary of financial information of affiliated companies

The summary of the financial information of the important affiliated companies of the group is as follows:

	Karafarin Insurance	
	2021-22	2020-21
	IRR Million	IRR Million
Total assets	91,758,861	69,972,052
Total debts	(76,882,176)	(56,810,840)
Operating income	22,347,208	17,066,222
Profit or loss from continuing operations	2,962,246	2,544,905
Profit after tax (loss) of discontinued operations	0	0
Net profit (loss).	2,962,246	2,544,905
Other items of comprehensive income	0	393,350
Comprehensive profit and loss	2,962,246	2,938,255
Profit received from affiliated companies	0	0

14.1.2.1.2. Reconciliation of the above financial information with the book amount identified in the consolidated financial statements:

	Karafarin Insurance	
	2021-22	2020-21
	IRR Million	IRR Million
net assets	14,876,685	13,161,212
Group's share of net assets	3,823,644	3,221,780
Adjustments to the fair value of net assets	-	-
Goodwill	-	-
Other adjustments	1,232,530	633,289
The book value of the group's interests	5,056,174	3,855,069

14.2.2. Long-term investments in other shares

	note	Group				Parent Company						
		20.03.2022		20.03.2021		20.03.2022					20.03.2021	
		Cost/ Equity Method	Net Carrying Amount/ Equity Method	Cost/ Equity Method	Net Carrying Amount/ Equity Method	Source	Shares	Investment	Cost	Net Carrying Amount	Cost	Net Carrying Amount
		IRR Million	IRR Million	IRR Million	IRR Million		Number	%	IRR Million	IRR Million	IRR Million	IRR Million
Iran Investment		19,250	19,250	19,250	19,250	Purchase	19,250,000	0.21	19,250	19,250	19,250	19,250
Shaparak E-payment Card Network		1,700	1,700	700	700	Purchase	2,700,000	0.01	1,700	1,700	700	700
Iran Credit Rating		450	450	450	450	Purchase	315,000	0.09	450	450	450	450
Special Trade and Finance Instrument (STFI)		2,200	2,200	2,200	2,200	Purchase	220,000	11	2,200	2,200	2,200	2,200
Abnie Gostar Cnstruction		0	0	0	0	Establishment	8,499,999	85	24,469	24,469	24,469	24,469
Karafarin Bank Financial Group		0	0	0	0	Establishment	1,410,088,235	67.15	1,410,088	1,410,088	981,690	981,690
Karafarin Foreign Exchnage		0	0	0	0	Establishment	437,912,400	99.98	39,992	39,992	39,992	39,992
Karafarin Bank Brokerage		0	0	0	0	Establishment	999,999,920	99.98	798,000	798,000	148,000	148,000
Asre Amin Karafarin		0	0	0	0	Establishment	899,100	19.98	238,116	238,116	3,351	3,351
Negahe Fardaye Karafarin Technology Development		0	0	0	0	Establishment	1,499,999,600	100	1,500,000	200,000	200,000	200,000
Mofid Economic Group		489,550	489,550	163,183	163,183			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
Pars Reinsurance		350,000	350,000	350,000	350,000			0	0	0	0	0
Bold investments	14.2.2.1	2,706,945	2,706,945	1,612,691	1,612,691			0	0	0	0	0
		3,571,703	**3,571,703**	**2,150,082**	**2,150,082**				**4,034,264**	**4,034,264**	**1,420,101**	**1,420,101**

14.2.2.1. Long-term investment in other shares of other companies is mainly due to the bold investments of Rahbord Hooshmand Modiriyate Servate Setaregan 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.

Karafarin Bank (Public Joint Stock)
Notes to The Financial Statements
For The Year Ended 20 March 2022

14.2.2.3. Details of subsidiary and associate companies are as follows:

	Location	% of Investment		Main Activity
		Group	Parent Company	
Associate Company:				
Karafarin Insurance	Tehran	26	20	Issuance of Various Insurance Policies
Subsidiary Company:				
Karafarin Bank Financial Group	Tehran	67	67	Investment in Shares of Companies & Institutes
Karafarin Leasing	Tehran	78	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	50	0	Authorised 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	0	64	Supply & Distribution of Chemicals & Petroleum Products
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

14.2.2.4. Information on subsidiaries that are not fully owned and there are significant controlling interests in the group is as follows:

	Location	Ratio of ownership interest/voting interest of non-controlling interest		Profit (loss) allocated to non-controlling interests		Accumulated non-controlling interests	
		2021-22	2020-21	2021-22	**2020-21**	**2021-22**	2020-21
Karafarin Bank Financial Group	Tehran	67	67	897,833	484,106	3,152,885	1,085,805
Karafarin Leasing	Tehran	78	100	137,853	0	561,427	0
Abnie Gostar Karafarin Construction	Tehran	95	95	2,411	714	2,680	599
				1,038,097	**484,820**	**3,716,992**	**1,086,404**

14.2.2.5. The summary of the financial information of the subsidiary companies whose non-controlling interests re important, is as follows. The summarized financial information below shows amounts before eliminating intra-group transactions.

	Karafarin Bank Financial Group		Karafarin Leasing		Abnie Gostar Karafarin Construction	
	2021-22	2020-21	2021-22	**2020-21**	**2021-22**	2020-21
	IRR Million	IRR Million	IRR Million	IRR Million	IRR Million	IRR Million
Current assets	2,485,707	1,322,193	3,295,873	3,114,643	348,153	267,393
Non-current assets	7,848,543	4,346,166	2,499,358	1,892,097	312,943	311,989
current liabilities	1,782,190	1,695,257	3,316,347	2,896,181	589,225	553,024
Non-current liabilities	15,531	3,695	5,067	3,393	7,480	4,194
Ownership rights attributable to company owners	7,944,782	3,932,539	2,473,817	2,107,165	64,391	22,164
Interests without the right to control	591,747	36,868	-	-	-	-
Operating income	3,147,353	1,515,991	1,326,549	1,149,805	144,913	55,627
Net profit (loss).	2,733,215	1,384,180	614,152	505,357	48,925	14,485
Profit (loss) attributable to the owners of the company	2,733,847	1,387,053	614,152	505,357	48,925	14,485
Profit (loss) attributable to non-controlling interests	(632)	(2,873)	-	-	-	-
Total comprehensive income attributable to the owners of the company	2,733,847	1,387,053	614,152	505,357	48,925	14,485
Total comprehensive income attributable to non-controlling interests	(632)	(2,873)	-	-	-	-
Total profit and loss	4,179,611	1,384,180	614,152	505,357	48,925	14,485
Dividends paid to non-controlling interests	-	-	-	-	-	-
Net incoming (outgoing) cash flow from operating activities	(1,760,709)	(2,190,951)	276,417	(790,613)	15,719	97,735
Net incoming (outgoing) cash flow from investment activities	(269,390)	(63,610)	552,001	384,313	3,076	(1,431)
Net incoming (outgoing) cash flow from financing activities	2,145,796	2,348,831	(220,088)	500,000	(100,000)	100,000
net cash inflow (outflow)	115,698	94,269	608,330	93,699	(81,205)	196,304

14.2.2.6. Subsidiary shares transfer without losing control

During the current period, the group transferred 22% of its interests in the leasing company in the amount of 1,522,783 million Rials in cash. With this action, the interest in the said company reached 78% (belonging to the group). The amount of 567,912 million rials of the assigned profit share (the assigned profit share of the book value of the net assets of the said company) has been transferred to the shareholders who do not have the right to control. The difference between the amount received and the amount transferred to the shareholders without control rights in the amount of 954,871 million Rials is included in the account of transactions with non-controlling interest.

14.3. Investment in other securities is as follows:

Issuer	Source	Bond Type	Average Interest Rate	Group		Parent Company	
				20.03.2022	20.03.2021	20.03.2022	20.03.2021
			%	IRR Million	IRR Million	IRR Million	IRR Million
Government & State-Owned Companies							
Islamic Treasury Notes	Purchase	Islamic Treasury		19,051,695	8,071,638	19,051,695	8,071,638
Government Bonds	Purchase	Bonds	18	12,000,000	11,000,000	12,000,000	11,000,000
Government Murabaha Bonds	Purchase	Murabaha	18	9,527,111	11,492,774	9,527,111	11,492,774
Other Companies & Investment Funds:							
Karafarin Brokerage Mutual Investment Fund	Purchase	Preferred Shares	20	28,500	753,502	28,500	28,500
Karafarin Brokerage Mutual Investment Fund	Purchase	Normal Shares	20	797,997	796,870	0	0
Arman Karafarin Investment Fund	Purchase	Preferred Shares	20	2,345,137	32,752	18,500	18,500
Shakhesi Karafarin Mutual Investment Fund	Purchase	Preferred Shares	20	9,000	115,974	9,000	9,000
Shakhesi Karafarin Mutual Investment Fund	Purchase	Normal Shares	20	423,613	133,544	0	115,974
Capital Market Development Mutual Investment Fund	Purchase	Normal Shares		274,560	374,201	0	0
Tawazun Kurosh Investment Fund	Purchase	Normal Shares		63,138	20,030	63,138	0
Bank of Industry & Mine Mutual Investment Fund	Purchase	Normal Shares	20	0	2,491	0	0
				44,520,750	**32,793,776**	**40,697,944**	**30,736,386**
Less: Future Years Interest on Bonds				(539,458)	(1,006,124)	(539,458)	(1,006,124)
Total Investment in Other Securities				**43,981,293**	**31,787,652**	**40,158,486**	**29,730,262**

14.4. The said amount mainly includes the amount of 310.621 million Rials for the transfer of the Marivan property by the Abnieh Gostar Karafarin company in order to increase the capital and the amount of 721 million Rials for the Ardabil project of the Karafarin Bank Financial Group company.

14.5. The amount of 34.198 billion Rials of government Islamic financial bonds has been transferred as collateral in the form of “Repo” at a rate of 19% from the Repo department of the Central Bank of the Islamic Republic of Iran according to the repurchase and reverse repurchase agreement.

Karafarin Bank (Public Joint Stock)
Notes to The Financial Statements
For The Year Ended 20 March 2022

15. Claims from Subsidiary and Associate Companies

	Group				Parent Company			
	20.03.2022			20.03.2021	20.03.2021			20.03.2021
	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	0	0	0	0	2,082,202	(31,233)	2,050,969	2,732,708
Claims from Associate Companies	1,541	(23)	1,517	90,832	0	0	0	159,774
	1,541	**(23)**	**1,517**	**90,832**	**2,082,202**	**(31,233)**	**2,050,969**	**2,892,482**

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

	20.03.2022									
	Assets & Investments Sales	Assets & Investments Purchase	Services Purchase	Services Sale	On-account Received	On-account Paid	Gharz-al Hassaneh In-between	Dividends Receivable	Dividends Payable	Total
	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
Karafarin Bank financial group	0	(876,650)	0	0	(28,019)	0	0	537,244	0	(367,425)
Karafarin Leasing	0	0	0	0	(43,709)	80,973	0	0	0	37,264
Karafarin Bank Brokerage	0	0	0	0	8	5	0	1,000,000	0	999,997
Karafarin Foreign Exchange	0	0	0	0	(88,000)	1,369	0	799,840	0	713,209
Abnie Gostar Karafarin Construction	0	0	0	0	(28,358)	578,897	0	0	0	550,538
Omid Karafarin Commercial Development	0	0	0	0	0	0	0	0	0	0
Amin Etemad Karafarin	0	0	0	0	0	6,805	0	0	0	6,805
Asre Amin Karafarin	0	0	0	0	0	66,514	0	0	0	66,514
Negahe Fardaye Karafarin IT Development	0	0	0	0	(171,201)	365,078	0	0	0	193,877
Negahe Fardaye Karafarin E-commerce Development	0	0	0	0	(8,127)	0	0	0	0	(8,127)
Negahe Fardaye Karafarin Banking Software	0	0	0	0	(110,814)	364	0	0	0	(110,450)
	0	(876,650)	0	0	(478,236)	1,100,004	0	2,337,084	0	2,082,202
Transactions Net Profit (Loss)	0									

*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. The rest of the mentioned amount is mainly for the reconstruction of Mashhad's Sajjad Blvd branch, the central branch and the bank's training building, which will be settled by the end of 2022

*on-account paid to Negahe Fardaye Karafarin IT Development Company, mainly is for the purchase of shares of the Rahbord Hooshmand Modiriyate Servate Setaregan company

Karafarin Bank (Public Joint Stock)
Notes to The Financial Statements
For The Year Ended 20 March 2022

	20.03.2021									
	Assets & Investments Sales	Assets & Investments Purchase	Services Purchase	Services Sale	On-account Received	On-account Paid	Gharz-al Hassaneh In-between	Dividends Receivable	Dividends Payable	Total
	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	(931)	93,146	0	69,991	0	162,207
Karafarin Bank Investment	0	0	0	0	(36,549)	1,084,843	0	112,807	0	1,161,101
Karafarin Leasing	0	0	0	0	(43,709)	800	0	270,101	0	227,192
Karafarin Bank Brokerage	0	0	0	0	(8)	124	0	148,700	0	148,815
Karafarin Foreign Exchange	0	0	0	0	(235,590)	283,953	0	109,978	0	158,340
Abnie Gostar Karafarin Construction	0	0	0	0	(21,732)	693,359	0	5,694	0	677,320
Omid Karafarin Commercial Development	0	0	0	0	0	0	0	0	0	0
Amin Etemad Karafarin	0	0	0	0	0	6,805	0	0	0	6,805
Asre Amin Karafarin	0	0	0	0	0	132,040	0	0	0	132,040
Negahe Fardaye Karafarin IT Development	0	0	0	0	(185,193)	447,901	0	0	0	262,709
	0	**0**	**0**	**0**	**(523,712)**	**2,742,971**	**0**	**717,271**	**0**	**2,936,530**
Transactions Net Profit (Loss)	0									

15.1.1. Profit and loss from transactions with subsidiary and associate companies are disclosed in note 60.3.

Karafarin Bank (Public Joint Stock)
Notes to The Financial Statements
For The Year Ended 20 March 2022

15.2. Classification of claims from subsidiary and associate companies based on the ratified instruction of the Money and Credit Council (note 7.7.) is as follows:

	20.03.2022				
	Current	Overdue	Deferred	Doubtful	Total
	IRR Million	IRR Million	IRR Million	IRR Million	IRR Million
Claims from Subsidiary Companies	2,082,202	0	0	0	2,082,202
Claims from Associate Companies	0	0	0	0	0
Net Claims from Subsidiary & Associate Companies before Deduction of Provision for Doubtful Loans	2,936,530	0	0	0	2,936,530
General Provision for Doubtful Loans	(31,233)	0	0	0	(31,233)
Special Provision for Doubtful Loans		0	0	0	
Balance on 20.03.2022	**2,050,969**	**0**	**0**	**0**	**2,050,969**
Balance on 20.03.2021	**2,892,482**	**0**	**0**	**0**	**2,892,482**

16. Other Accounts Receivable

	note	Group		Parent Company			
		20.03.2022	20.03.2021	20.03.2022			20.03.2021
		Net	Net	Claim Balance	Provision for Doubtful Loans	Net	Net
		IRR Million	IRR Million	IRR Million	IRR Million	IRR Million	IRR Million
Dividends Receivable	16-1	91,119	172,121	69,551	(1,043)	68,508	170,483
Realised Interest on Bonds		3,017,869	1,027,931	3,014,696	0	3,014,696	1,015,105
Claims from Employees		69,833	205,911	50,400	(756)	49,644	189,723
Temporary Debtors	16-2	2,525,438	1,863,173	1,469,948	(452,091)	1,017,857	950,121
Total Other Accounts Receivable		**5,704,259**	**3,269,136**	**4,604,595**	**(453,891)**	**4,150,705**	**2,325,432**

Karafarin Bank (Public Joint Stock)
Notes to The Financial Statements
For The Year Ended 20 March 2022

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

	Group		Parent Company	
	20.03.2022	20.03.2021	20.03.2022	20.03.2021
	IRR Million	IRR Million	IRR Million	IRR Million
Companies Listed in TSE & OTC Market:				
Golgohar Industrial & Mining	16,250	5,850	16,250	5,850
Civil Pension Fund Investment	7,700	4,560	7,700	4,560
Iran Industries Investment-Unlisted	44	44	44	44
Mines & Metals Development Investment	0	8,639	0	8,639
Sepah Investment	0	12,001	0	12,001
Esfahan Mobarakeh Steel	0	6,075	0	6,075
Khouzestan Steel	0	3,355	0	3,355
Shazand Arak Petrochemical	0	9,590	0	9,590
Tehran Oil Refinery	0	748	0	748
Jam Petrochemical	0	14,467	0	14,467
Omid Investment	0	300	0	300
TSE	18,000	14,291	18,000	14,291
Mobin Van Kish	13,271	0	13,271	0
Sadr Tamin Investment	10,521	6,854	10,521	6,854
Asre Novin Informatics (HiWeb)	0	8	0	8
Iran Credit Rating	0	600	0	600
Shaparak credit Card	2,907	700	2,907	700
Mapna	858	123	858	123
Sobhan Pharmaceutical Group	0	2,100	0	2,100
Tamin Pharmaceutical Investment	0	5,182	0	5,182
Farabourse Iran (OTC Market)	0	14,334	0	14,334
Mobin Energy Persian Gulf Petrochemical	0	13,000	0	13,000
Pars Petrochemical	0	11,050	0	11,050
Noori Petrochemical	0	8,970	0	8,970
Tose'e Melli Iran Group	0	7,875	0	7,875
Tamin Petroleum & Petrochemical Investment	0	4,400	0	4,400
Pardis Petrochemical	0	3,150	0	3,150
Zagros Petrochemical	0	2,500	0	2,500
Khorasan Petrochemical	0	2,445	0	2,445
Arfa Iron & Steel	0	2,001	0	2,001
KBC	0	1,840	0	1,840
Tabriz Oil Refinery	0	1,200	0	1,200
Ghadir Investment	0	588	0	588
Esfahan Oil Refinery	0	500	0	500
Iranian Investment Petrochemical Group	0	400	0	400
Pars Oil Refinery	0	338	0	338
National Iranian Copper Industries	0	1	0	1
Bank Mellat	0	3,002	0	3,002
Others	22,611	1,638	0	0
Balance of Dividends Receivable	**92,163**	**174,718**	**69,551**	**173,080**
Special Provision for Doubtful Loans	(1,043)	(2,596)	(1,043)	(2,596)
	91,119	**172,121**	**68,508**	**170,483**

Karafarin Bank (Public Joint Stock)
Notes to The Financial Statements
For The Year Ended 20 March 2022

16.2. Temporary debtors are as follows:

	Group		Parent Company	
	20.03.2022	20.03.2021	20.03.2022	20.03.2021
	IRR Million	IRR Million	IRR Million	IRR Million
Items Related with Loans:				
Legal & Debt Collection Expenses	324,347	222,653	324,347	222,653
Biosun Pharmod Co.	75,297	32,091	75,297	32,091
Total	399,644	254,743	399,644	254,743
Items Unrelated with Loans:				
Temporary Foreign Currency Debtors	165,771	304,000	165,771	304,000
Foreign Currency Commission Debtors	186,209	129,685	186,209	129,685
Rey Daneh Co.	173,666	169,506	173,666	169,506
Alborz Bulk Pharmaceutical Production Co.	157,074	157,074	157,074	157,074
Exir Pharmaceutical Co.	8,256	8,256	8,256	8,256
Tamin Atiyeh Omid Karafarin Institute	131,145	182,007	131,145	182,007
Dividends Receivable on Deposits Held with Other Banks	5,600	13,572	5,600	13,572
Petty Cash Debtors	112,018	0	112,018	0
Current Account of Karafarin Brokerage Customers	1,226,004	842,891	0	0
Others	423,648	258,608	130,565	163,440
Total	2,589,391	2,065,600	1,070,304	1,127,540
Balance of Temporary Debtors	2,989,035	2,320,344	1,469,948	1,382,284
Special Provision for Doubtful Loans	(463,598)	(457,171)	(452,091)	(432,163)
	2,525,438	1,863,173	1.017.857	950,121

16.2.1. The above amount is mainly related to legal expenses related to non-performing loans, which will be collected at the time of loan settlement.

16.2.2. 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.

16.2.3. 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.

16.3. Classification of other accounts receivable based on the ratified instruction of Money and Credit Council (note 7.6.) is as follows:

	20.03.2022				
	Current	Overdue	Deferred	Doubtful	Total
	IRR Million	IRR Million	IRR Million	IRR Million	IRR Million
Dividends Receivable	69,551	0	0	0	69,551
Realised interest on Bonds	3,014,696	0	0	0	3,014,696
Temporary Debtors	0	1,130,952	0	338,996	1,469,948
Claims from Employees	50,400	0	0	0	50,400
Net Other Accounts Receivable before Deduction of Provision for Doubtful Loans	3,134,647	1,130,952	0	338,996	4,604,595
General Provision for Doubtful Loans	(1,799)	0	0	0	(1,799)
Special Provision for Doubtful Loans		(113,095)	0	(338,996)	(452,091)
Balance on 20.03.2022	**3,132,848**	**1,017,857**	**0**	**0**	**4,150,705**
Balance on 20.03.2021	**1,375,311**	**582,703**	**0**	**367,418**	**2,325,432**

16.3.1. 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.

Karafarin Bank (Public Joint Stock)
Notes to The Financial Statements
For The Year Ended 20 March 2022

17. Fixed Tangible Assets

	Group									
	Lands	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 20.03.2020	2,822,738	2,385,794	0	36,495	761,641	0	643,606	1,529,048	0	8,179,322
Increase during Year	378,689	119,471	0	81,431	358,492	0	419,738	5,459,189	0	6,817,010
Increase (Decrease) from Revaluation	5,916,892	0	0	0	0	0	0	0	0	5,916,892
Asset Sale & Disposal	(164,800)	(80,446)	0	(2,031)	(8,272)	0	0	0	0	(255,549)
Transfers & Other Changes	517,640	558,061	0	0	(1)	0	(268,394)	(1,866,354)	0	(1,059,049)
Balance on 20.03.2021	**9,471,159**	**2,982,880**	**0**	**115,894**	**1,111,860**	**0**	**794,949**	**5,121,883**	**0**	**19,598,626**
Increase during Year	(502,657)	461,897	0	182,626	787,187	0	1,895,178	4,617,665	0	7,441,896
Increase (Decrease) from Revaluation	0	0	0	0	0	0	0	0	0	0
Asset Sale & Disposal	0	0	0	0	(38,442)	0	0	0	0	(38,442)
Transfers & Other Changes	1,964,507	556,196	0	2,140	441,303	0	(293,319)	(2,133,287)	0	537,540
Balance on 20.03.2022	**10,933,010**	**4,000,973**	**0**	**300,660**	**2,301,909**	**0**	**2,396,808**	**7,606,261**	**0**	**27,539,621**
Accumulated Depreciation:										
Balance on 20.03.2020	0	472,215	0	9,121	554,133	0				1,035,470
Depreciation for the Year	0	138,176	0	8,265	63,607	0				210,048
Sold	0	(3,883)	0	(1,501)	(7,698)	0				(13,082)
Transfers & Other Changes	0	0	0	0	2,249					2,249
Balance on 20.03.2021	**0**	**606,508**	**0**	**15,885**	**612,292**	**0**	**0**	**0**	**0**	**1,234,685**
Depreciation for the Year	0	144,532	0	33,647	266,452	0				444,630
Asset Sale & Disposal	0	0	0	0	(20,819)	0				(20,819)
Transfers & Other Changes	0	0	0	0	0					0
Balance on 20.03.2022	**0**	**751,040**	**0**	**49,532**	**857,924**	**0**	**0**	**0**	**0**	**1,658,496**
Carrying Amount:										
On 20.03.2020	**2,822,738**	**1,913,579**	**0**	**27,373**	**207,508**	**0**	**643,606**	**1,529,048**	**0**	**7,143,852**
On 20.03.2021	**9,471,159**	**2,376,371**	**0**	**100,009**	**499,569**	**0**	**794,949**	**5,121,883**	**0**	**18,363,941**
On 20.03.2022	**10,933,010**	**3,249,933**	**0**	**251,129**	**1,443,984**	**0**	**2,396,808**	**7,606,261**	**0**	**25,881,125**

Karafarin Bank (Public Joint Stock)
Notes to The Financial Statements
For The Year Ended 20 March 2022

	Parent Company									
	Lands	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 20.03.2020	3,007,061	2,375,211	0	34,557	733,590	0	668,005	1,625,782	0	8,444,207
Increase during Year	323,000	45,486	0	62,990	216,811	0	418,445	5,905,683	0	6,972,414
Increase (Decrease) from Revaluation	5,916,892	0	0	0	0	0	0	0	0	5,916,892
Asset Sale & Hand Over	(94,080)	(18,961)	0	(1,754)	(8,171)	0	0	0	0	(122,966)
Transfers & Other Changes	517,640	558,061	0	0	(1)	0	(228,651)	(1,866,354)	0	(1,019,306)
Balance on 20.03.2021	**9,670,513**	**2,959,797**	**0**	**95,793**	**942,228**	**0**	**857,799**	**5,665,111**	**0**	**20,191,242**
Increase during the Year	0	419,062	0	143,061	681,514	0	1,435,419	6,030,178	0	8,709,234
Increase from Revaluation	0	0	0	0	0	0	0	0	0	0
Asset Sale & Hand Over	0	0	0	0	(20,875)	0	0	0	0	(20,875)
Transfers & Other Changes	1,682,711	556,196	0	2,140	440,612	0	(472,110)	(2,132,595)	0	76,953
Balance on 20.03.2022	**11,353,224**	**3,935,055**	**0**	**240,994**	**2,043,479**	**0**	**1,821,108**	**9,562,694**	**0**	**28,956,554**
Accumulated Depreciation:										
Balance on 20.03.2020	0	617,477	0	8,215	535,161	0				1,160,852
Depreciation for the Year	0	151,556	0	6,991	58,415	0				216,961
Asset Sale & Hand Over	0	(3,883)	0	(1,224)	(7,620)	0				(12,726)
Transfers & Other Changes	0	0	0	0	(8,030)	0				(8,030)
Balance on 20.03.2021	**0**	**765,150**	**0**	**13,982**	**577,926**	**0**	**0**	**0**	**0**	**1,357,058**
Depreciation for the Year	0	140,044	0	28,344	216,966	0				385,354
Asset Sale & Hand Over	0	0	0	0	(19,823)	0				(19,823)
Transfers & Other Changes	0	0	0	0	0	0				0
Balance on 20.03.2022	**0**	**905,194**	**0**	**42,326**	**775,068**	**0**	**0**	**0**	**0**	**1,722,588**
Carrying Amount:										
On 20.03.2020	**3,007,061**	**1,757,734**	**0**	**26,342**	**198,429**	**0**	**668,005**	**1,625,782**	**0**	**7,283,354**
On 20.03.2021	**9,670,513**	**2,194,647**	**0**	**81,811**	**364,303**	**0**	**857,799**	**5,665,111**	**0**	**18,834,184**
On 20.03.2022	**11,353,224**	**3,029,862**	**0**	**198,668**	**1,268,410**	**0**	**1,821,108**	**9,562,694**	**0**	**27,233,966**

Karafarin Bank (Public Joint Stock)
Notes to The Financial Statements
For The Year Ended 20 March 2022

17.1. Carrying amount of the revaluated lands at cost is as follows:

	20.03.2022		20.03.2021	
	Cost	Revaluation	Cost	Revaluation
	IRR Million	IRR Million	IRR Million	IRR Million
Land	5,436,332	11,353,224	3,753,621	9,670,513
Total Carrying Amount of Revaluated Lands	**5,436,332**	**11,353,224**	**3,753,621**	**9,670,513**

17.2. Buildings and capital prepayment in the amount of 8,361,636 million Rials and furniture and equipment in the amount of 1,454,405 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.

17.3. The excess motor vehicles in the current period is mainly due to the purchase of two Mazda in the amount of 4.200 million Rials, four Dena in the amount of 18.000 million Rials, four Toyota in the amount of 119.551 million Rials and eight motorcycles in the amount of 3.295 million Rials.

17.4. Capital prepayment additions are mainly for the purchase of Velenjak property in the amount of 2,721,000 million rials for the establishment of a branch, Kahrizak property in the amount of 828,000 million rials for the establishment of a warehouse and bank archives, Urmia property in the amount of 369,000 million rials for Establishing a branch.

17.5. The increase in the building during the period is mainly due to the repair and reconstruction costs of the branches. The transfer of land and buildings from the capital prepayment is for Babol property in the amount of 33,047 million Rials, Hamedan property in the amount of 13,160 million Rials and Tabriz property in the amount of 11,554 million Rials.
The transfer of buildings and furniture from assets under completion totals 370,232 million Rials is for Bucharest building, Rasht Motahri branch, Nahid building and Irfan building.
The transfer of land is from the Repossessed Collaterals heading in the amount of 999.850 million Rials for the acquisition of Nishtarood land.

17.6. Transfer from capital prepayment to goodwill is equal to 532,539 million rials, transfer from capital prepayment heading to software heading for accounting software and purchase of software license (Note No. 18 of financial statements) is equal to 7,278 million rials. Also, the amount of 342.887 million rials is transferred from the capital prepayment to the furniture and appointments for the purchase of equipment such as computers and servers.
The number of 20 office units including 50 parking units from the building located in West Nahid Street No. 36 for the amount of 1.340.547 million Rials (10% higher than the expert price at the time of purchase in 2020-21) was transferred to Negahe Fardaye Karafarin IT Development Company (subsidiary company). It is worth mentioning that the said property is being operated by this company.

17.7. The increase in furniture during the period is mainly due to the purchase of storage devices and Wallix and equipment such as servers and computers from Negahe Fardaye Karafarin IT Development Company, as well as the purchase of paintings for the establishment of the gallery.

17.8. The number of 6 properties under the heading of capital prepayment in the amount of 2.556 billion Rials do not have official ownership documents in the name of the bank.

17.9. The remaining assets under completion are mainly related to the following projects.

Project name	Project completion date prediction	Expenses incurred	Estimating the remaining expenses	The percentage of physical progress
Renovation of Fereshte property (Kohiar)	22-09-2022	762,048	630,000	62%
Renovation of the Agha Bozurgi branch	22-09-2022	301,628	82,000	90%
Renovation of the central building (Saeidi)	19-03-2024	257,437	4,462,789	0%

17.10. The main stagnant capital prepayment is for Bahonar property, Tabriz property, Yazd property and Doctors Hospital Company, which is in the stage of obtaining the Process verbal, settlement of municipal accounts and conclusion of affidavit. Also, Doctors Hospital Company will be transferred to the bank at the end of 2027-28 according to the provisions of the signed affidavit.

18. Intangible Assets

	Group										
	Goodwill	Software	Software Development	Technical Knowhow of PDH Project	Royalty	Total	Goodwill	Software	Software Development	Royalty	Total
	IRR Million	IRR Million	IRR Million	IRR Million	IRR Million	IRR Million	IRR Million	IRR Million		IRR Million	IRR Million
Cost:											
Balance on 20.03.2020	**4,257,814**	**140,772**	**0**	**65,423**	**27,068**	**4,491,078**	**4,242,275**	**136,193**	**0**	**25,115**	**4,403,583**
Increase during the Year	58,826	57,377	0	0	7,688	123,891	0	13,199	0	2,469	15,668
Local Development	0	0	0	0	0	0	0	0	0	0	0
Increase (Decrease) from Revaluation	10,197,505	0	0	0	0	10,197,505	10,197,505	0	0	0	10,197,505
Asset sale & Hand Over	(234,842)	0	0	0	(708)	(235,550)	(176,016)	0	0	0	(176,016)
Transfers & Other Changes	223,302	48,320	0	0	0	271,622	223,302	48,320	0	0	271,622
Balance on 20.03.2021	**14,502,606**	**246,469**	**0**	**65,423**	**34,048**	**14,848,546**	**14,487,066**	**197,712**	**0**	**27,584**	**14,712,362**
Balance on 21.03.2021	**14,502,606**	**246,469**	**0**	**65,423**	**34,048**	**14,848,546**	**14,487,066**	**197,712**	**0**	**27,584**	**14,712,362**
Increase during the Year	0	129,774	0	2,176	11,883	143,833	0	39,853	0	3,407	43,260
Local Development	0	0	0	0	0	0	0	0	0	0	0
Increase (Decrease) from Revaluation	0	0	0	0	0	0	0	0	0	0	0
Asset Sale & Hand Over	0	0	0	0	(829)	(829)	0	0	0	0	0
Transfers & Other Changes	532,539	7,278	0	0	0	539,816	532,539	7,278	0	0	539,816
Balance on 20.03.2022	**15,035,144**	**383,521**	**0**	**67,600**	**45,102**	**15,531,367**	**15,019,605**	**244,842**	**0**	**30,991**	**15,295,438**
Accumulated Impairment:											
Balance on 20.03.2020	**0**	**94,243**	**0**	**0**	**0**	**94,243**	**0**	**90,245**	**0**	**0**	**90,245**
Amortisation for the Year	0	35,382	0	0	0	35,382	0	34,513	0	0	34,513
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 & Other Changes	0	8,030	0	0	0	8,030	0	8,030	0	0	8,030
Balance on 20.03.2021	**0**	**137,654**				**137,654**		**132,787**			**132,787**
Balance on 21.03.2021	**0**	**137,654**	**0**	**0**	**0**	**137,654**	**0**	**132,787**	**0**	**0**	**132,787**
Amortisation for the Year	**0**	**62,114**	**0**	**0**	**0**	**62,114**	**0**	**58,717**	**0**	**0**	**58,717**
Impairment Loss	**0**	**0**	**0**	**0**	**0**	**0**	**0**	**0**	**0**	**0**	**0**
Asset Sale & Hand Over	**0**	**51,501**	**0**	**0**	**0**	**51,501**	**0**	**0**	**0**	**0**	**(27)**
Transfers & Other Changes	**0**	**0**	**0**	**0**	**0**	**0**	**0**	**0**	**0**	**0**	**0**
Balance on 20.03.2022	**0**	**251,269**	**0**	**0**	**0**	**251,269**	**0**	**191,477**	**0**	**0**	**191,477**
Carrying Amount:											
On 20.03.2020	**4,257,814**	**46,529**	**0**	**65,423**	**27,068**	**4,396,835**	**4,242,275**	**45,949**	**0**	**25,115**	**4,313,338**
On 20.03.2021	**14,502,606**	**108,815**	**0**	**65,423**	**34,048**	**14,710,892**	**14,487,066**	**64,925**	**0**	**27,584**	**14,579,575**
On 20.03.2022	**15,035,144**	**132,252**	**0**	**67,600**	**45,102**	**15,280,098**	**15,019,605**	**53,366**	**0**	**30,991**	**15,103,962**

18.1. Carrying amount of goodwill of the Parent Company which is revaluated at cost is as follows:

	20.03.2022		20.03.2021	
	Cost	Revaluation	Cost	Revaluation
	IRR Million	IRR Million	IRR Million	IRR Million
Goodwill	4,822,100	15,019,605	4,289,561	14,487,066
Total Carrying Amount-Revaluated Goodwill	**4,822,100**	**15,019,605**	**4,289,561**	**14,487,066**

18.2. The amount of 77.268 million Rials for Valiasr property in Tabriz, 21.518 million Rials for Hamedan property and 52.253 million Rials for Babol property are for the transfer from capital prepayment to goodwill. The increase in software during the year is mainly due to the purchase of software licenses.

19. Legal Deposit

Legal deposit relating to the Group and Parent Company is as follwos:

	Group & Parent Company	
	20.03.2022	20.03.2021
	IRR Million	IRR Million
Legal Deposits-Deposits Held at Mainland Branches (IRR)	51,369,048	38,439,962
Legal Deposit-Deposits held at Mainland Branches (Foreign Currency)	0	0
Legal Deposit- Deposits held at Free Trade Zones Branches (IRR)	190,567	159,335
Legal Deposit- Deposits held at Free Trade Zones Branches (Foreign Currency)	0	0
Legal Deposit- Held at Central Banks of Other Countries (Foreign Currency)	0	0
Total Legal Deposit	**51,599,615**	**38,599,297**

19.1. Legal deposit held at the Central Bank of Iran is calculated and approved by the CBI based on executing Clause 3 of Article 14 of Monetary and Banking Act and rates ratified by Money and Credit Council.

Karafarin Bank (Public Joint Stock)
Notes to The Financial Statements
For The Year Ended 20 March 2022

20. Other Assets

	note	Group		Parent Company	
		20.03.2022	20.03.2021	20.03.2022	20.03.2021
		IRR Million	IRR Million	IRR Million	IRR Million
Net Customers' Debt for Term L/Cs	20-1	2,163,967	882,299	2,163,967	882,299
Inactive Real Estates	20-2	0	0	0	0
Repossessed Collaterals	20-3	4,329,200	4,060,860	4,299,200	4,030,860
Deposit for Rented Buildings		117,496	84,433	117,490	84,427
Inventory of Furniture & Movable Assets		481,478	515,040	481,478	515,040
Items in Transit	20-4	0	0	0	0
Prepayments	20-5	360,199	629,763	86,136	104,949
Consumables Inventory		669	608	669	608
Properties Available for Sale		0	12,226	0	0
Gold Coins		5,487	3,286	5,487	3,286
Stamp Duty		4,872	3,674	4,872	3,674
Cheque Printing Rights		6,058	4,078	6,058	4,078
Others		19,425	19,774	4,317	4,317
Total Other Assets		**7,488,853**	**6,216,041**	**7,169,676**	**5,633,538**

20.1. Net Customers' Debt for Term L/Cs relating to the Parent Company is as follows:

	note	Group & Parent Company	
		20.03.2022	20.03.2021
		IRR Million	IRR Million
Customers' Debts for Term L/Cs (IRR)	47-2	2,196,921	895,735
Customers' Debts for Term L/Cs (Foreign Currency)		0	0
Total Customers' Debt for Term L/Cs (IRR)		**2,196,921**	**895,735**
Less:			
Advances Received for Term L/Cs (IRR)		0	0
Advances Received for Term L/Cs (Foreign Currency)		**0**	**0**
General Provision for Doubtful Loans	**20-1-1**	**(32,954)**	**(13,436)**
Net Customers' Debt for Term L/Cs (IRR)		**2,163,967**	**882,299**

Karafarin Bank (Public Joint Stock)
Notes to The Financial Statements
For The Year Ended 20 March 2022

20.1.1. The following table shows turnover of general provision for doubtful loans:

	Group & Parent Company	
	20.03.2022	20.03.2021
	IRR Million	IRR Million
Balance at Beginning of Year	13,436	330
Recovered	0	0
Bad Debts	0	0
Provision for the Year	19,518	13,106
Balancee at End of Year	**32,954**	**13,436**

20.2. The Bank has no unused real estates.

20.3. Repossessed collaterals
Breakdown of repossessed collaterals of the Parent Company is as follows:

	20.03.2021	Repossessed during Year	Sale during Year	20.03.2022
	IRR Million	IRR Million	IRR Million	IRR Million
Movable Assets:				
Equipment	930	0	0	930
Motor Vehicle	0	0	0	0
Total Movable Repossessed Collaterals	930	0	0	930
Immovable Assets:				
Residential	1,831,889	24,773	(132,456)	1,724,204
Office	200,951	314	(2,963)	198,301
Commercial	1,247,706	390,803	0	1,638,509
Lands	469,781	33	(4,695)	465,122
Garden	1,204	0	(1,204)	0
Residential/Commercial	88,563	1	(6,446)	82,119
Residential/Commercial/Office	189,835	180	0	190,015
Total Immovable Repossessed Collaterals	4,029,930	416,104	(147,763)	4,298,270
Total Repossessed Collaterals	**4,030,860**	**416,104**	**(147,763)**	**4,299,200**
Accumulated Impairment	0			0
Net Repossessed Collateral	**4,030,860**			**4,299,200**
Sale Profit (Loss)	**812,684**			**141,351**

20.3.1. Breakdown of repossessed immovable collaterals in terms of age, is stated below:

	Parent Company	
	20.03.2022	20.03.2021
	IRR Million	IRR Million
Less than A Year from Repossession Date	390,300	1,321,480
1 Year to 2 Years from Repossession Date	1,343,599	230,163
Above 2 Years from Repossession Date	2,565,301	2,479,217
Balance of Repossessed Immovable Collaterals	**4,299,200**	**4,030,860**

20.3.2. Profit (loss) generated from selling repossessed collaterals has been reflected in the Statement of Profit and Loss and disclosed in note 45.

20.3.3. 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, 140 properties worth IRR647 billion have occupants in them and eviction measures are being taken. It is noteworthy that 64 repossessed collaterals worth IRR1,299 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, 46 items of repossessed collaterals amounting to 191 billion 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.

20.3.4. Properties repossessed and sold during the year have been reflected in accounts based on the official judiciary experts' opinion and sales contracts.

20.4. The Bank had no items in transition on 20.03.2022. In case the Bank had any items in transition, they would have been stated in the note of Other Liabilities.

20.5. repossessed collaterals in the amount of 1,069,272 million rials are covered by insurance against possible risks caused by fire, flood, earthquake, explosion, etc.

20.6. Goodwill

	Group	
	20.03.2022	20.03.2021
	IRR Million	IRR Million
Cost at Beginning of Year	155,270	211,926
Goodwill acquired (Adjusted) during Year	(98,945)	(56,655)
Cost at End of Year	56,325	155,270
Accumulated Amortisation at Beginning of Year	(56,319)	(49,226)
Amortisation for the Year	0	(7,094)
Accumulated Amortisation at End of Year	(56,319)	(56,319)
Carrying Amount	**6**	**98,951**

20.6.1. The decrease in consolidated goodwill is related to the goodwill adjustments of Kourosh Petrochemical Company.

Karafarin Bank (Public Joint Stock)
Notes to The Financial Statements
For The Year Ended 20 March 2022

21. Dues to Banks and Credit Institutes

	note	Group		Parent Company	
		20.03.2022	20.03.2021	20.03.2022	20.03.2021
		IRR Million	IRR Million	IRR Million	IRR Million
CBI:					
Deposit-IRR		0	0		0
Sight Deposits-Foreign Currency		55,162	1,866,666	55,162	1,866,666
Term Deposits-Foreign Currency		1,560,944	156,107	1,560,944	156,107
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		325,562	1,474,338	325,562	1,474,338
Dues on Repo		34,198,193	0	34,198,193	0
Dues on Legal Deposit		0	0	0	0
Dues on Foreign Currency Reserve Account		0	0	0	0
Received Loans-IRR	21-1	0	0	0	0
Received Loans-Foreign Currency	21-2	31,049	78,356	31,049	78,356
Loans Received from CBI-Loans for Pharmaceutical Products		0	0	0	0
Total Dues to the CBI		36,170,909	3,575,466	36,170,909	3,575,466
Local Banks & Credit Institutes:					
Sight Deposits-IRR		0	0	0	0
Sight Deposits-Foreign Currency		1,459,225	1,205,759	1,459,225	1,205,759
Cheques Issued by the Bank Paid by Other Banks	21-6	2,282,253	1,150,450	2,282,253	1,150,450
Received Loans-IRR	21-3	3,581,080	1,866,082	0	0
Received Loans-Foreign Currency	21-4	0	0	0	0
Others		102,161	239,253	0	239,253
Total Dues to Local Banks & Credit Institutes:		7,424,720	4,461,545	3,843,639	2,595,462
Foreign Banks & Credit Institutes:					
Sight Deposit-IRR		0	0	0	0
Sight Deposits-Foreign Currency		1,546	1,049	1,546	1,049
Received Loans-Foreign Currency	21-5	0	0	0	0
Total Dues to Foreign Banks & Credit Institutes:		1,546	1,049	1,546	1,049
Total Dues to Banks & Credit Institutes:		**43,597,175**	**8,038,060**	**40,016,094**	**6,171,978**

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

21.2.Loans received from CBI (from Foreign Currency Reserve Account) include two loans obtained by Padena Polymer Company.

21.3. IRR loans received from local banks and credit institutes include a loan obtained by Karafarin Leasing Company from EN Bank bearing interest rate of 18% and due in 2022-23 and also one item of loans received by Karafarin Financial Group from EN Bank with an interest rate of 22% and due in 2022-23.

Karafarin Bank (Public Joint Stock)
Notes to The Financial Statements
For The Year Ended 20 March 2022

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

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

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

22. Deposits

	note	Group		Parent Company	
		20.03.2022	20.03.2021	20.03.2022	20.03.2021
		IRR Million	IRR Million	IRR Million	IRR Million
Individuals:					
Sight Deposits & The Likes	22-1	7,394,765	7,804,513	7,394,765	7,804,513
Saving Deposits & the Likes	22-2	3,219,958	794,910	3,219,958	794,910
Other Deposits & Advances Received	22-3	734,886	93,417	734,886	93,417
Total Individuals' Deposits		11,349,609	8,692,840	11,349,609	8,692,840
Legal Entities:					
Sight Deposits & The Likes	22-1	42,085,217	41,977,463	42,349,267	44,001,804
Saving Deposits & the Likes	22-2	10,035,223	6,827,866	10,039,425	6,831,944
Other Deposits & Advances Received	22-3	48,411,200	6,153,922	48,411,200	6,153,922
Total Legal Entities' Deposits		100,531,640	54,959,250	100,799,892	56,987,670
Total Deposits		**111,881,249**	**63,652,091**	**112,149,501**	**65,680,510**

22.1. Sight deposits and similar items of individuals and legal entities

	Group		Parent Company	
	20.03.2022	20.03.2021	20.03.2022	20.03.2021
	IRR Million	IRR Million	IRR Million	IRR Million
Current Gharz-al Hassaneh Deposits-IRR	49,077,549	49,397,911	49,341,599	51,422,252
Current Gharz-al Hassaneh Deposits-Foreign Currency	402,433	384,065	402,433	384,065
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 Sight Deposits and Similar Items	**49,479,982**	**49,781,976**	**51,806,318**	**51,806,318**

Karafarin Bank (Public Joint Stock)
Notes to The Financial Statements
For The Year Ended 20 March 2022

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

	Group		Parent Company	
	20.03.2022	20.03.2021	20.03.2022	20.03.2021
	IRR Million	IRR Million	IRR Million	IRR Million
Current Gharz-al Hassaneh Deposits-IRR	3,357,929	250,732	3,357,929	250,732
Current Gharz-al Hassaneh Deposits- Foreign Currency	9,897,252	7,372,044	9,901,453	7,376,122
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	**13,255,181**	**7,622,776**	**13,259,382**	**7,626,854**

22.3. Other deposits and advances received

	Group		Parent Company	
	20.03.2022	20.03.2021	20.03.2022	20.03.2021
	IRR Million	IRR Million	IRR Million	IRR Million
Cash Deposits for L/Gs-IRR	45,040,045	5,249,722	45,040,045	5,249,722
Cash Deposits for L/Gs-Foreign Currency	369,254	348,526	369,254	348,526
Advances Received on L/Cs-IRR	756,813	210,849	756,813	210,849
Advances Received on L/Cs-Foreign Currency	26,773	321,229	26,773	321,229
Others (Including 7,781 Items)	2,953,201	117,013	2,953,201	117,013
Total Other Deposits & Advances Received	**49,146,086**	**6,247,339**	**49,146,086**	**6,247,339**

23. Dividends Payable

Turnover of dividends payable account of the Parent Company is as follows:

	Parent Company					
	DPS	Ratified Dividends	Balance on 20.03.2021	Dividends Paid during 2021-22	Capital Increase from Claims	Balance on 20.03.2022
	IRR Million	IRR Million	IRR Million	IRR Million	IRR Million	IRR Million
Balance of dividends payable from Previous Years			14,296	(2,374)	0	11,921
Year Ended 19.03.2020	200	1,700,000	151,784	(136,136)	0	15,648
Year Ended 20.03.2021	140	5,530,000	0	(5,526,823)	0	3,177
Total			**166,080**	**(5,665,333)**	**0**	**30,747**

*According to the announcement of the Securities and Exchange Organization regarding the payment of shareholders' annual claims, a part of the shareholders' claims (registered in the Sejam system) has been paid on 24/05/2022.

Karafarin Bank (Public Joint Stock)
Notes to The Financial Statements
For The Year Ended 20 March 2022

24. Debt Securities

	Group & Parent Company						
	Issuing Date	Maturity Date	On-account/ Final Interest Rate	Nominal Amount	Discount on Bonds	Balance at End of Year	
						20.03.2022	20.03.2021
			%	IRR Million	IRR Million	IRR Million	IRR Million
Participation Bonds	-	-	0	0	0	0	0
Sukuk Bonds	-	-	0	0	0	0	0
Total				**0**	**0**	**0**	**0**

25. Corporation Tax Provision

	Group		Parent Company	
	20.03.2021	20.03.2020	20.03.2021	20.03.2020
	IRR Million	IRR Million	IRR Million	IRR Million
Balance at Beginning of Year	1,376,030	294,688	995,340	161,610
Corporation Tax Provision for the Year	897,263	1,275,289	472,414	928,937
Correcting Corporation Tax of Previous Years	23,534	369,827	0	0
Paid during the Year	(546,317)	(563,774)	(171,703)	(95,207)
Corporation Tax Provision	1,750,510	1,376,030	1,296,051	995,340
Tax Prepayments	0	0	0	0
Balance at End of Year	**1,750,510**	**1,376,030**	**1,296,051**	**995,340**

Karafarin Bank (Public Joint Stock)
Notes to The Financial Statements
For The Year Ended 20 March 2022

25.1. The Bank's corporation taxes for years prior to 2016-17 have been finalised and settled. The following table indicates a summary of tax payable from 2015-16 to end of 2021-22:

20.03.2021								19.03.2020	
Fiscal Year	Declared Profit (Loss)	Taxable Income	Declared	Recognised	Tax	Paid	Provision Balance	Provision Balance	Recognition Method
					Final				
2015-16	3,196,510	2,643,235	528,647	1,089,012	897,205	897,205	0	0	Notes of Tax Assessment Issued & Appeal
2016-17	1,819,020	483,269	96,654	750,497		96,654	123,637	66,402	Execution of 3rd Writ of Renewal via the Board of First Instance
2017-18	630,365	0	0	1,248,745	881,446	0	0	0	Notes of Tax Assessment Issued & Appeal
2018-19	1,237,392	0	0	945,250		0	0	0	Appealing in the Board of Appeal
2019-20	3,085,761	476,036	95,207	95,207		0	0	0	Notes of Tax Assessment Issued (Electronic) & Admitted
2020-21	12,301,803	0	171,703	1,925,504		171,703	700,000	928,937	-
2021-22	13,644,277	2,099,619	472,414				472,414	0	-
Tax Provision before Prepayment							1,296,051	995,340	
Tax Prepayments							0	0	
Tax Provision Balance							**1,296,051**	**995,340**	

25.1.1. The main differences between the declared and recognised 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.

25.1.2. In order to recover the its rights, the Bank has filed several legal actions for the 2003-04, 2009-10, 2010-11, 2012-13 until 2015-16 years, These cases are currently ongoing at the Administrative Tribunal.

25.1.3. For the performance of the years 2016-17 and 2018-19, based on the latest proceedings (adjusted based on the execution reports), the amount of 501 and 944 billion Rials has been demanded from the bank, and in this regard, the bank has submitted its objections to the relevant authorities within the legal deadline and the case The said cases are ongoing in the tax dispute resolution boards, which have not been resolved by the Tax Affairs Organization's dispute resolution boards as of the date of preparation of the financial statements.

25.1.4. 881 billion Rials have been demanded from the bank for the performance of the year 2017-18, according to the definitive document number 100000125703403 dated 17/06/2022, and the bank will pursue its objections regarding this year's case according to the opinions obtained in the previous years in the Court of Justice.

25.1.5. 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 identification sheet equivalent to the tax declared by the bank in the declaration sent, which was accepted by the bank through a written letter and a request for a definitive tax form has been made. On the other hand, the Tax Affairs Organization has issued another recognition 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 protest against the second recognition sheet (not the supplementary sheet) is ongoing in the dispute resolution panel.

*Tax paid refers to amounts paid to the Ministry of Economic and Financial Affairs.

Karafarin Bank (Public Joint Stock)
Notes to The Financial Statements
For The Year Ended 20 March 2022

26.Provisions and Other Liabilities

	note	Group		Parent Company	
		20.03.2021	20.03.2020	20.03.2021	20.03.2020
		IRR Million	IRR Million	IRR Million	IRR Million
Loans Received from the National Development Fund	26-1	172,918	510,136	172,918	510,136
The Bank's Debt for Term L/Cs-IRR		2,555,033	1,151,790	2,555,033	1,151,790
The Bank's Debt for Term L/ Cs-Foreign Currency		87,766	75,439	87,766	75,439
Insurance Premium Payable		279,545	196,447	264,592	189,527
Payable Expenses Provision	26-2	1,717,754	432,977	1,613,426	395,473
Provision for Deposit Guarantee Fund	26-3	211,379	180,172	211,379	180,172
Customers' Foreign Currency Payment Order	26-4	1,710,839	2,254,383	1,710,839	2,254,383
Foreign Currency L/Cs	26-5	68,875	240,961	68,875	240,961
Shetab Creditors		655,962	393,320	655,962	393,320
Creditors of Prepaid Cards		652,203	569,007	652,203	569,007
Creditors of Deferred Commission on Foreign Currency L/Gs		125,476	68,961	125,476	68,961
Cheques in Process of Collection (Loan Collateral)		0	1,288,882	0	1,288,882
Creditors of Voucher Card		84,314	27,397	84,314	27,397
Good Performance Deposit of Contractors		201,363	96,942	175,266	90,263
Advances Received on Properties		1,073,907	18,705	1,073,907	18,705
Nima Local Creditors		164,002	54,770	164,002	54,770
Local Creditors of Prepayment Card		2,032	5,522	2,032	5,522
Accounts & Notes Payable of Subsidiaries to Companies & Parties		1,555,422	2,522,770	0	0
Other Liabilities		402,633	682,346	402,633	682,346
Total Provisions & Other Liabilities		**11,721,424**	**10,770,927**	**10,020,622**	**8,197,053**

26.1. 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:

Amounts Received	Foreign Currency	Date Received	Instalments Starting Date	Maturity Date	No. of Instalments	Interest Rate-%	Loans Balance (Principal Amount & Interest)- IRR Million
Foreign Currency Loans:							
2,750	EUR	11/02/2021	22/11/2024	22/11/2028	9	6	40
31,243	EUR	05/09/2021	22/11/2024	22/11/2028	9	6	223
Total Foreign Currency Loans							263
IRR Loans- IRR Million:							
220,512	IRR	19.06.2015	20.03.2019	19.06.2023	18	19	172,655
Total IRR Loans							172,655
Total Loans Received from the National Development Fund							**172,918**

* Interest earnt on loans paid as the National Development Fund.

26.2. Provisions mainly include tax provision amounting to IRR125,130 million based on the contents of Article 17 of the Eliminating the Obstacles of Production & Improving Iran's Financial System Act.

The following table indicates the tax assessment status:

Fiscal Year	Tax Subject	Claim Notice	Tax Payable Based on the Final Notice	Tax Paid	Comments
2016-17	Clause B	207,317	54,186	54,186	Issuance of Final Tax Notice
	Clause P	64,971	0	0	Issuance of Final Tax Notice
2017-18	Clause B	454,662	147,092	48,780	Issuance of Final Tax Notice
	Clause P	75,323	75,323	75,323	Issuance of Final Tax Notice
2018-19	Clause B	4,735,201	63,488	63,488	Issuance of Final Tax Notice
	Clause P	307,303	43,535	43,535	Issuance of Final Tax Notice

Having referred the 2016-17 case to the Tax Arbitration Board, claims notices of Clauses B and P of Eliminating Obstacles to Production Act have demanded the amount of IRR64,971 million. In addition, having submitted documents, excess properties as referred to in Clause P were fully rid of occupants and the Board of Appeal reduced tax claims of the shares of non-banking companies (Clause B) from IRR207,317 million to IRR179,317 million. Having accepted paid the sum of IRR54,186 million, the Bank then referred the case to the Administrative Tribunal, which The case was referred to the Administrative Court of Justice, which according to the report of the implementation of the decision of the committee, the amount of tax has been reduced to 28,017 Rials, and the follow-up for the return of the adjusted amount and even the reduction of the said amount is being done.

Referring to the 2017-18 tax year (in reference with Clause B of Eliminating Obstacles to Production Act) a claims notice in the amount of IRR454,662 million has been issued, against which the Bank has filed an appeal. This case has then been referred to the Board of Appeal. In this regard, having pointed out to letter 200/6/99 dated 07.04.2020 which supports the ruling (number 43201 dated 03.03.2020) of the Tax High Council which refers to fines of dividend income deriving from non- banking capital and information as stated in note 38 of the financial statements, the Writ Enforcement Group has fined the Bank according to the new procedure of the organisation (enforcing the mentioned letter). Ultimately, a final tax notice in the amount of IRR147,092 was issued. This case has been referred to the Board of Appeal.

A tax claims notice in the amount of IRR4,735,201 million (in reference with Clause B of Eliminating Obstacles to Production Act) for the 2018-19 period has been issued. The Bank has filed an appeal against this claim and the case has been referred to the Board of First Instance. In this regard, having enforced the above letter, the Writ Enforcement Group deducted the fines of dividend income deriving from non-banking capital and information and a final tax notice in the amount of IRR63,488 million was subsequently issued and the payment of this sum via the Bank was finalised. The amount of IRR382,626 million (taxes as referred to via Clause P of Eliminating Obstacles to Production Act) has been claimed for the 2017-18 and 2018-19 tax years against which the Bank has filed an appeal. This case is currently being reviewed by the Tax Arbitration Board of First Instance. However, due to shortcomings in valuating the Banks' excess properties, the mentioned board has not yet passed its final verdict.

Regarding the tax subject of Clause (c) of the law on removing obstacles to production for the years 2017-18 and 2018-19, with the decision of the appeals board, the amount of the fine for these two years was reduced from 382.626 million rials to 118.858 million rials, and with the acceptance of the decision of the board, the relevant definitive form was issued and the mentioned tax case has been closed.

26.3. According to the ratification of the Cabinet dated 1396/02/30 (20.05.2017) which refers to amending the guideline of methods and scale of membership of the Deposits Guarantee Fund based on the letter 285/11/99 dated 21.02.2021, CBI's letter 68469/96 dated 28.05.2017 calculation guideline H48367T/100998 dated 24.07.2013, the initial membership and annual membership fees for 2013-14 until 2020-21 have been paid and for the 2021-22 period a provision have been recorded in the accounts, based on the Fund's new amendment.

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

26.5. The main portion of customers' foreign currency L/Cs and bills was settled by the date of preparation of the financial statements.

Karafarin Bank (Public Joint Stock)
Notes to The Financial Statements
For The Year Ended 20 March 2022

27. Provision for Employees' Work Termination Benefits and Retirement

	note	Group		Parent Company					
		20.03.2022	20.03.2021	20.03.2022			20.03.2021		
		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		1,248,314	799,677	1,220,754	0	1,220,754	786,033	0	786,033
Paid during Year		(86,393)	(44,414)	(69,716)	0	(69,716)	(35,630)	0	(35,630)
Provision for the Year	27-1	675,722	493,052	567,478	0	567,478	470,350	0	470,350
Balance at End of Year		**1,837,643**	**1,248,314**	**1,718,515**	**0**	**1,718,515**	**1,220,754**	**0**	**1,220,754**

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

Karafarin Bank (Public Joint Stock)
Notes to The Financial Statements
For The Year Ended 20 March 2022

28. Investment Depositors' Rights

	note	Group		Parent Company	
		20.03.2021	20.03.2020	20.03.2021	20.03.2020
		IRR Million	IRR Million	IRR Million	IRR Million
Term Investment Deposits:					
Long-term Investment Deposits	28-1	242,783,693	197,555,415	242,788,743	197,571,133
Short-term Investment Deposits	28-1	88,158,171	83,228,288	88,964,691	83,566,282
Special Short-term Investment Deposits	28-1	46,060	228,563	46,060	228,563
Investment Deposits Received from Banks & Credit Institutes	28-1	1,926,519	2,147,389	1,926,519	2,147,389
Total Term Investment Deposits		**332,914,444**	**283,159,656**	**333,726,014**	**283,513,367**
Interest Payable on Term Investment Deposits:					
Long-term Investment Deposits	28-2	0	166,615	0	166,615
Short-term Investment Deposits	28-2	57,208	82,554	57,208	82,554
Special Short-term Investment Deposits	28-2	0	193	0	193
Investment Deposits Received from Banks & Credit Institutes	28-2	0	0	0	0
Total Interest Payable on Term Investment Deposits		**57,208**	**249,362**	**57,208**	**12,075**
Total Investment Depositors' Rights		**332,971,652**	**283,409,018**	**333,783,222**	**283,762,729**

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

	Parent Company					
	20.03.2022			20.03.2021		
	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	58,910	1,867,610	1,926,519	58,273	2,089,116	2,147,389
Ordinary Short-term Investment Deposits	88,911,701	52,990	88,964,691	83,478,501	87,781	83,566,282
Special Short-term Investment Deposit:						
Up to 3 Months	10,086	0	10,086	58,097	0	58,097
Above 3 Months to 6 Months	35,975	0	35,975	170,467	0	170,467
Above 6 Months to 1 Year	0	0	0	0	0	0
Long-term Investment Deposits:						
General Deposit Certificate	7,420,297	0	7,420,297	12,209,788	0	12,209,788
Special Deposit Certificate	0	0	0	0	0	0
1 Year	12,152,958	554,182	12,707,140	38,145,909	223,763	38,369,672
2 Years	222,661,306	0	222,661,306	146,991,603	0	146,991,603
3 Years	0	0	0	0	0	0
4 Years	0	0	0	0	0	0
5 Years	0	0	0	70	0	70
Total Term Investment Deposits	**331,251,232**	**2,474,782**	**336,726,014**	**281,112,706**	**2,400,661**	**283,513,367**

Karafarin Bank (Public Joint Stock)
Notes to The Financial Statements
For The Year Ended 20 March 2022

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

	20.03.2022							20.03.2021
	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	0	0	0	0	200	200	202
2021-22	0	0	0	0	0	3,282	3,282	50,589,327
2022-23	0	0	90,015,234	12,163,238	0	550,700	102,729,172	146,981,604
2023-24	0	0	140,056,088	0	0	0	140,056,088	0
2024-25	0	0	0	0	0	0	0	0
2024-25 & After	0	0	0	0	0	0	0	0
Total Long-term Investment Deposits	**0**	**0**	**230,071,323**	**12,163,238**	**0**	**554,182**	**242,788,743**	**197,571,133**
19.03.2020	**70**	**40,000**	**180,088,087**	**17,288,536**	**0**	**154,440**	**197,571,133**	

Karafarin Bank (Public Joint Stock)
Notes to The Financial Statements
For The Year Ended 20 March 2022

28.1.2. Turnover of investment IRR deposits of the Parent Company.

	Balance on 20.03.2021	Deposits Attracted during Year	Deposits Repayment	Balance on 20.03.2022
	IRR Million	IRR Million	IRR Million	IRR Million
General Deposit Certificate	12,209,788	420,247	(5,209,738)	7,420,297
Special Deposit Certificate	0	0	0	0
1 Year	38,145,909	4,417,183	(30,410,204)	12,152,958
2 Years	146,991,603	139,403,923	(63,734,220)	222,661,306
3 Years	0	0	0	0
4 Years	0	0	0	0
5 Years	70	0	0	0
Ordinary Short-term Deposits	83,478,501	2,177,069,241	(2,171,636,041)	88,911,701
Special Short-term Deposits	228,563	770,648	(953,151)	46,060
Investment Deposits Received from banks & Credit Institutes	58,273	665,216,415	(665,215,778)	58,910
Balance of Investment IRR Deposits	**281,112,706**	**2,987,297,657**	**(2,937,159,132)**	**331,251,232**

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

	Balance on 20.03.2021	Deposits Attracted during the Year	Deposits Repayment	Balance on 20.03.2022	Balance on 20.03.2022	Balance on 20.03.2021
	Foreign Currency Amount	Foreign Currency Amount	Foreign Currency Amount	Foreign Currency Amount	IRR Equivalent IRR Million	IRR Equivalent IRR Million
Long-term Deposits:						
USD	1,129,567	1,145,485	(157,670)	2,117,382	423,476	179,760
EUR	231,595	423,738	(61,216)	594,117	130,706	44,003
AED	0	0	0	0	0	0
GBP	0	0	0	0	0	0
Special & Ordinary Short-term Deposits:						
USD	291,058	16,903	(282,403)	25,558	5,112	46,437
EUR	216,200	241	(241)	216,200	47,564	41,078
GBP	1,200	1	(1)	1,200	315	266
Investment Deposits Received from banks & Credit Institutes						
AED	48,284,289	82,612,156	(96,465,378)	34,431,067	1,867,610	2,089,116
Total Foreign Currency Investment Deposits				**37,385,524**	**2,474,782**	**2,400,661**

Karafarin Bank (Public Joint Stock)
Notes to The Financial Statements
For The Year Ended 20 March 2022

28.1.4. Breakdown of the Parent Company's investment depositors' interest is as follows:

	Parent Company			
	20.03.2022		20.03.2021	
	No. of Depositors	Amount IRR Million	No. of Depositors	Amount IRR Million
IRR Deposits:				
Legal Entities	12,923	145,573,272	12,392	132,199,262
Individuals	557,969	185,671,594	561,091	148,855,171
Investment Deposits Received from Banks & Credit Institutes	4	58,910	4	58,273
Total IRR Deposits	**570,896**	**331,303,776**	**573,487**	**281,112,706**
Foreign Currency Deposits:				
Legal Entities	13	59,152	5	32,027
Individuals	211	495,476	105	279,518
Investment Deposits Received from Banks & Credit Institutes	1	1,867,610	2	2,089,116
Total Foreign Currency Deposits	225	2,422,238	112	2,400,661
Total Investment Deposits	**571,121**	**333,726,014**	**573,599**	**283,513,367**

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

	Balance on 20.03.2021	On-account Interest during Year	Difference in Final & On-account Interest	Interest Paid during Year	Balance on 20.03.2022
	IRR Million	IRR Million	IRR Million	IRR Million	IRR Million
Ordinary Short-term Deposits	82,554	5,893,206	0	(5,918,552)	57,208
Special Short-term Deposits	193	19,648	0	(19,841)	0
General Deposit Certificate	10,308	1,849,539	0	(1,859,848)	0
Special Deposit Certificate	0	0	0	0	0
1-Year Deposits	32,206	2,681,181	0	(2,713,387)	0
2-Year Deposits	124,101	34,780,363	0	(34,904,465)	0
3-Year Deposits	0	0	0	0	0
4-Year Deposits	0	0	0	0	0
5-Year Deposits	0	0	0	0	0
Investment Deposits Received from Banks & Credit Institutes	0	3,054,757	0	(3,054,757)	0
Foreign Currency Deposits	0	98,811	0	(98,811)	0
Total Interest Payable to Term Investment Deposits	**249,362**	**48,377,506**	**0**	**(48,569,660)**	**57,208**

28.2.1. 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.

29. 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, it increased on some occasions and reached IRR39,500,000 million (including 39,500,000,000 shares, each at nominal value of IRR1,000).

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

Karafarin Bank (Public Joint Stock)
Notes to The Financial Statements
For The Year Ended 20 March 2022

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

	20.03.2022			20.03.2021	
	No. of Shares	% of Shares		No. of Shares	% of Shares
Holding 1% Share & Above					
Legal Entities:					
Saba Tamin Investment Co. (Public Joint Stock)	3,936,308,290	10%	Saba Tamin Investment Co. (Public Joint Stock)	2,553,634,078	9.5%
Tadbir Investment Co. (Private Joint Stock)	3,072,028,306	7.8%	Karafarin Insurance Co. (Public Joint Stock)	2,094,959,844	7.8%
Karafarin Insurance Co.(Public Joint Stock)	2,732,041,712	6.9%	Tadbir Investment Co.(Private Joint Stock)	2,087,656,055	7.8%
Negin Ganjineh Iranian Co.(Private Joint Stock)	1,974,999,977	5.0%	Mehrafarinan Doran Co. (Private Joint Stock)	1,342,149,308	5.0%
Mehrafarinan Doran Co.(Private Joint Stock)	1,974,999,976	5.0%	Idea Gostar Dourandish Co. (Private Joint Stock)	1,342,149,308	5.0%
Idea Gostar Dourandish Co.(Private Joint Stock)	1,974,999,975	5.0%	Negin Ganjineh Iranian Co. (Private Joint Stock)	1,342,149,308	5.0%
Tose'e Eghtesad Farda Co.(Private Joint Stock)	1,974,995,332	5.0%	Tose'e Eghtesad Farda Co. (Private Joint Stock)	1,342,149,308	5.0%
Faraz & Foroud Eghtesad Ayandeh Co. (Private Joint Stock)	1,851,949,092	4.7%	Faraz & Foroud Eghtesad Ayandeh Co. (Private Joint Stock)	1,258,527,706	4.7%
Sabatamin Management Services Company (Special Shares)	903,551,593	2.3%	Padideh Afarin Shafagh Co. (Private Joint Stock)	507,477,914	1.9%
Padideh Afarin Shafagh Co. (Private Joint Stock)	746,764,062	1.9%	Mehr Ayandegan Financial Development Group (Public Joint Stock)	500,000,000	1.9%
Mehr Ayandegan Financial Development Group (Public Joint Stock)	735,760,160	1.9%	Sarzamin Pahnavar Mehr Co Mehr Co. (Private Joint Stock)	425,933,301	1.6%
Omid Welfare & Future Prosperity Institute	649,733,900	1.6%	Karo Andisheh Jonoub Co. (Limited Liability)	335,538,664	1.3%
Karafarin Brokerage Mutual Investment Fund	643,135,406	1.6%	Omid Welfare & Future Prosperity Institute	298,829,649	1.1%
Sarzamin Pahnavar Mehr Co. (Private Joint Stock)	626,769,505	1.6%	Parsian Bank Financial Group Co. (Private Joint Stock)	281,705,917	1.0%
Arman Karafarin Investment Fund	613,441,991	1.6%			
Lotus Parsian Investment Fund	450,036,000	1.1%			
	24,861,515,277	**62.9%**		**15,712,857,203**	**58.5%**
Individuals (Including 7 Shareholders)	6,758,051,576	17.1%	**Individuals (Including 10 Shareholders)**	5,567,438,959	20.7%
Others (Holding Below 1% Share)			Others (Holding Below 1% Share)		
Legal Entities (Including 105 Shareholders)	2,831,760,895	7.2%	Legal Entities (Including 118 Shareholders)	1,486,105,091	5.5%
Individuals (Including 13,313 Shareholders)	5,048,672,252	12.8%	Individuals (Including 6,473 Shareholders)	4,076,585,047	15.2%
Total	**39,500,000,000**	**100%**	**26,842,986,300**	**100%**	

30. Capital Increase in Process

According to the resolution of the Extraordinary General Assembly dated 16/09/2020 and the license of the Securities and Exchange Organization dated 12/12/2020, the second stage of capital increase, from the amount of 26.843 billion Rials to the amount of 39.500 billion Rials from Claims & Cash Contributions in 25/10/2021, was registered by the Companies Registration Office.

31. Shares Premium Reserve

There was no share premium in the Bank and its subsidiaries.

31.1. Shares of parent company owned by subsidiaries
Balance of the Parent Company's shares owned by subsidiaries includes IRR543,099 million which is related to Karafarin Bank financial group, Karafarin Bank Brokerage, Asre Amin Karafarin Company and Omid Karafarin Commercial Development in the number of 143,760,894 , 50,168,168 , 7,894,995 and 300,000 shares.

32.Legal Reserve

	note	Group		Parent Company	
		20.03.2021	20.03.2020	20.03.2021	20.03.2020
		IRR Million	IRR Million	IRR Million	IRR Million
Balance at Beginning of Year		6,116,057	4,263,500	5,956,750	4,200,714
Transferred from Distributable Profit	32-1	2,123,775	1,852,557	1,975,779	1,756,035
Balance at End of Year		**8,239,832**	**6,116,057**	**7,932,529**	**5,956,750**

32.1. 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.

33. Other Reserves

	note	Group		Parent Company	
		20.03.2021	20.03.2020	20.03.2021	20.03.2020
		IRR Million	IRR Million	IRR Million	IRR Million
Balance at Beginning of Year		2,300,593	1,940,579	2,160,426	1,933,955
Decrease	33-2	0	(1,933,923)	0	(1,933,923)
Transferred from Distributable Profit	33-1	938,643	2,293,937	797,627	2,160,393
Balance at End of Year		**3,239,237**	**2,300,593**	**2,958,053**	**2,160,426**

33.1. 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.

Karafarin Bank (Public Joint Stock)
Notes to The Financial Statements
For The Year Ended 20 March 2022

34. Assets Revaluation Surplus

	Group		Parent Company	
	20.03.2022	20.03.2021	20.03.2022	20.03.2021
	IRR Million	IRR Million	IRR Million	IRR Million
Assets Revaluation Surplus	1,562,910	1,461,810	953	953
Total	**1,562,910**	**1,461,810**	**953**	**953**

Assets revaluation surplus of the Group is related to the associated company (Karafarin Insurance) that have been recognised by Equity Method in the consolidated financial statements.

Assets revaluation surplus of the Parent Company is as follows:

	20.03.2022			20.03.2021
	Assets Revaluation Surplus	Capital Increase	Assets Revaluation Balance	Assets Revaluation Balance
	IRR Million	IRR Million	IRR Million	IRR Million
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**

35. Foreign Exchange Difference

	Group & Parent Company	
	20.03.2022	20.03.2021
	IRR Million	IRR Million
Difference in Foreign Exchange of Overseas Operations		
	0	0
Results of Legal Changes in Foreign Currency Rate	0	0
Foreign Exchange Difference	0	0

36. Treasury Shares

Date	Group			
	Purchase/ Sale Number	Purchase/ Sale Amount	Shares Premium from Sale	Discount on Share from Sale
		IRR Million	IRR Million	IRR Million
Purchase	0	(1,027,548)	0	0
sale	0	553,331	0	0
Balance at Beginning of Year	**0**	**0**	**0**	**0**
Balance at End of Year	**173,668,993**	**(474,217)**	**0**	**0**

Karafarin Bank (Public Joint Stock)
Notes to The Financial Statements
For The Year Ended 20 March 2022

Date	Group			
	Purchase/ Sale Number	Purchase/ Sale Amount	Shares Premium from Sale	Discount on Share from Sale
		IRR Million	IRR Million	IRR Million
Purchase	0	(1,027,520)	0	0
sale	0	553,331	0	0
Balance at Beginning of Year	0	0	0	0
Balance at End of Year	**173,668,993**	**(474,189)**	**0**	**0**

36.1. Non-controlling Shareholders' interest

	Group	
	20.03.2022	20.03.2021
	IRR Million	IRR Million
Capital	1,026,519	707,038
Legal reserve & Other Reserves	88,690	34,981
Retained Earnings (Loss)	1,681,020	344,385
Minority share of the subsidiary's net assets	920,763	0
Non-controlling Shareholders' Interest	**3,716,992**	**1,086,404**

37. Granted Loans, Deposits & Debt Securities Income

	note	Group					
		2021-22			2020-21		
		shared	Non-shared	Total	shared	Non-shared	Total
		IRR Million	IRR Million	IRR Million	IRR Million	IRR Million	IRR Million
Granted Loans Income	37-1	56,275,808	2,008,613	58,284,421	29,539,922	566,572	30,106,494
Deposits & Debt Securities Income	37-2	8,323,307	131,929	8,455,237	6,352,116	106,482	6,458,598
Total Granted Loans & Deposits Income		**64,599,115**	**2,140,542**	**66,739,657**	**35,892,038**	**673,053**	**36,565,092**

	note	Parent Company					
		2021-22			2020-21		
		shared	Non-shared	Total	shared	Non-shared	Total
		IRR Million	IRR Million	IRR Million	IRR Million	IRR Million	IRR Million
Granted Loans Income	37-1	56,608,274	680,884	57,289,158	29,667,637	192,637	29,860,274
Deposits & Debt Securities Income	37-2	8,323,307	130,719	8,454,026	6,352,116	103,806	6,455,922
Total Granted Loans & Deposits Income		**64,931,581**	**811,603**	**65,743,184**	**36,019,753**	**296,443**	**36,316,196**

Karafarin Bank (Public Joint Stock)
Notes to The Financial Statements
For The Year Ended 20 March 2022

37.1. Granted loans income

	Group									
	2021-22					2020-21				
	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	4,296,754	1,033,856	5,330,610	0	5,330,610	2,662,810	0	2,662,810	0	2,662,810
Joaleh	2,279,912	0	2,279,912	0	2,279,912	866,378	0	866,378	0	866,378
Hire Purchase	42,790	292,693	335,483	0	335,483	42,853	0	42,853	0	42,853
Mudaraba	707,147	0	707,147	0	707,147	520,734	0	520,734	0	520,734
Musharaka	8,940,159	0	8,940,159	106,195	9,046,353	9,272,984	0	9,272,984	3,857	9,276,841
Salaf	362	0	362	0	362	20	0	20	0	20
Debt Discounting	1,458,030	0	1,458,030	0	1,458,030	490,344	0	490,344	0	490,344
Morabehe	34,524,668	0	34,524,668	0	34,524,668	11,135,694	0	11,135,694	0	11,135,694
Istisna	0	0	0	0	0	0	0	0	0	0
Penalty	4,025,986	0	4,025,986	7,526	4,033,512	4,548,105	0	4,548,105	4,966	4,553,071
L/Cs Debtors' Penalty	0	289,566	289,566	144,175	433,740	0	100,456	100,456	0	100,456
Paid L/Gs Debtors' Penalty	0	64,260	64,260	0	64,260	0	27,525	27,525	0	27,525
Penalty of Paid Credit Cards Debtors	0	0	0	0	0	0	0	0	0	0
Others	0	70,342	70,342	0	70,342	0	429,767	429,767	0	429,767
Total Granted Loans	**56,275,808**	**1,750,717**	**58,026,525**	**257,896**	**58,284,421**	**29,539,922**	**557,748**	**30,097,671**	**8,823**	**30,106,494**

Karafarin Bank (Public Joint Stock)
Notes to The Financial Statements
For The Year Ended 20 March 2022

	Parent Company									
	2021-22					2020-21				
	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	4,296,754		4,296,754	0	4,296,754	2,662,810	0	2,662,810	0	2,662,810
Joaleh	2,279,912		2,279,912	0	2,279,912	866,378	0	866,378	0	866,378
Hire Purchase	42,790		42,790	0	42,790	42,853	0	42,853	0	42,853
Mudaraba	707,147		707,147	0	707,147	520,734	0	520,734	0	520,734
Musharaka	9,272,624		9,272,624	106,195	9,378,819	9,400,699	0	9,400,699	3,857	9,404,556
Salaf	362		362	0	362	20	0	20	0	20
Debt Discounting	1,458,030		1,458,030	0	1,458,030	490,344	0	490,344	0	490,344
Morabehe	34,524,668		34,524,668	0	34,524,668	11,135,694	0	11,135,694	0	11,135,694
Istisna	0		0	0	0	0	0	0	0	0
Penalty	4,025,986		4,025,986	7,526	4,033,512	4,548,105	0	4,548,105	4,966	4,553,071
L/Cs Debtors' Penalty	0	289,566	289,566	144,175	433,740	0	100,456	100,456	0	100,456
Paid L/Gs Debtors' Penalty	0	64,260	64,260	0	64,260	0	27,525	27,525	0	27,525
Penalty of Paid Credit Cards Debtors	0	0	0	0	0	0	0	0	0	0
Others	0	69,163	69,163	0	69,163		55,832	55,832	0	55,832
Total Granted Loans	**56,608,274**	**422,988**	**57,031,262**	**257,896**	**57,289,158**	**29,667,637**	**183,814**	**29,851,451**	**8,823**	**29,860,274**

37.2. Deposits and debt securities income

	Group									
	2021-22					2020-21				
	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
Legal Deposit Prize (Depositors' & Bank's Share)	363,418	88,080	451,498	0	451,498	220,301	61,885	282,186	0	282,186
Interest on Term Deposits Held with Banks	1,024,885	489	1,025,374	42,639	1,068,013	2,195,226	2,216	2,197,442	41,922	2,239,363
Interest on Deposit Certificate & Bonds	6,935,004	721	6,935,725	0	6,935,725	3,936,589	459	3,937,048	0	3,937,048
Income from Joint Funds with Fixed Income	0	0	0	0	0	0	0	0	0	0
Total Deposits & Debt Securities Income	**8,323,307**	**89,290**	**8,412,598**	**42,639**	**8,455,237**	**6,352,116**	**64,560**	**6,416,676**	**41,922**	**6,458,598**

	Parent Company									
	2021-22					2020-21				
	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
Legal Deposit Prize (Depositors' & Bank's Share)	363,418	88,080	451,498	0	451,498	220,301	61,885	282,186	0	282,186
Interest on Term Deposits Held with Banks	1,024,885	0	1,024,885	42,639	1,067,524	2,195,226	0	2,195,226	41,922	2,237,147
Interest on Deposit Certificate & Bonds	6,935,004	0	6,935,004	0	6,935,004	3,936,589	0	3,936,589	0	3,936,589
Income from Joint Funds with Fixed Income	0	0	0	0	0	0	0	0	0	0
Total Deposits & Debt Securities Income	**8,323,307**	**88,080**	**8,411,388**	**42,639**	**8,454,026**	**6,352,116**	**61,885**	**6,414,000**	**41,922**	**6,455,922**

37.2.1. Rising interest income was due to investment in government bonds during the reporting period.

38. Net Investments Returns (Loss)

	note	Group		Parent Company					
		2021-22	2020-21	2021-22			2021-22		
		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
Investment Realised Returns (Loss)									
Interest on Companies' Share & Investment Funds	38-1	1,094,387	2,903,832	2,843,180	0	2,843,180	1,788,442	0	1,788,442
Profit (Loss) from Selling Companies' Shares & Investment Fund	38-2	2,223,865	4,517,733	2,381,368	0	2,381,368	4,518,376	0	4,518,376
Total Investment Realised Returns (Loss)		**3,318,252**	**7,421,566**	**5,224,548**	**0**	**5,224,548**	**6,306,818**	**0**	**6,306,818**
Returns (Loss) on Investment Value Increase (Decrease):									
Net Returns (Loss) on Investment Value Increase (Decrease)	38-3	(862,511)	129,241	(766,727)	0	(766,727)	0	0	70,041
Net Investment Returns		**2,455,742**	**7,550,807**	**4,457,821**	**0**	**4,457,821**	**6,306,818**	**0**	**6,376,860**

38.1. Dividends income from companies' share & investment funds

Company	Group		Parent Company					
	2021-22	2020-21	2021-22			2021-22		
	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 Bank financial group	0	0	537,244	0	537,244	118,186	0	118,186
Karafarin Leasing	0	0	0	0	0	190,102	0	190,102
Karafarin Foreign Exchange	0	0	799,840	0	799,840	109,978	0	109,978
Karafarin bank Brokerage	0	0	1,000,000	0	1,000,000	98,700	0	98,700
Abnie Gostar Karafarin Construction	0	0	0	0	0	5,694	0	5,694
Karafarin Insurance	0	0	228,067	0	228,067	69,991	0	69,991
Tose'e Negahe Fardaye Karafarin	0	0	2,289	0	2,289	0	0	0
Long-term Investment Dividends	**0**	**0**	**2,567,440**	**0**	**2,567,440**	**592,651**	**0**	**592,651**
Listed Companies:								
Jam Petrochemical	5,847	14,761	5,847	0	5,847	14,467	0	14,467
Pars Petrochemical	11,454	14,334	11,454	0	11,454	14,334	0	14,334
Mobin Energy Persian Gulf Petrochemical	13,271	14,291	13,271	0	13,271	14,291	0	14,291
Noori Petrochemical	4,260	13,000	4,260	0	4,260	13,000	0	13,000
Sepah Investment	175	14,545	0	0	0	11,501	0	11,501
Tose'e Melli Iran Group	15,726	11,050	14,446	0	14,446	11,050	0	11,050
Khorasan Petrochemical	10,620	10,080	10,620	0	10,620	10,080	0	10,080
Shazand Arak Petrochemical	9,250	12,436	9,250	0	9,250	9,590	0	9,590
Sadr Tamin Investment	10,880	9,315	10,521	0	10,521	8,970	0	8,970
Mines & Metals Development Investment	9,900	9,781	9,900	0	9,900	8,639	0	8,639
Tamin Petroleum & Petrochemical Investment	0	12,449	0	0	0	7,875	0	7,875
Pardis Petrochemical	0	6,854	0	0	0	6,854	0	6,854
Social Security Investment	2,498	8,640	928	0	928	6,840	0	6,840
Mobarakeh Esfahan Steel	6,198	6,383	5,608	0	5,608	6,075	0	6,075
Securities & Exchange Organisation	18,000	6,000	18,000	0	18,000	6,000	0	6,000
Golgohar Industrial & Mining	16,250	5,850	16,250	0	16,250	5,850	0	5,850
Tamin Pharmaceutical Investment	0	5,182	0	0	0	5,182	0	5,182
Persian Gulf Petrochemical Industries	2,255		2,255		2,255	0		0
Civil Pension Fund Investment	7,700	4,560	7,700	0	7,700	4,560	0	4,560
Zagros Petrochemical	9,200	4,741	9,200	0	9,200	4,400	0	4,400
Khouzesatn Steel	4,628	11,921	4,628	0	4,628	3,355	0	3,355
Sobhan Pharmaceutical Group	427	5,024	427	0	427	3,150	0	3,150

Karafarin Bank (Public Joint Stock)
Notes to The Financial Statements
For The Year Ended 20 March 2022

Company	Group		Parent Company					
	2021-22	2020-21	2021-22			2021-22		
	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
Bama	0	3,002	0	0	0	3,002	0	3,002
Arfa Iron & Steel	14,667	2,500	14,667	0	14,667	2,500	0	2,500
KBC	0	2,445	0	0	0	2,445	0	2,445
Tabriz Oil Refinery	0	23,162	0	0	0	2,100	0	2,100
Ghadir Investment	0	1,840	0	0	0	1,840	0	1,840
Esfahan Oil Refinery	1,176	1,200	1,176	0	1,176	1,200	0	1,200
Tehran Oil Refinery	620	782	620	0	620	748	0	748
Iranian Investment petrochemical Group	60	4,092	60	0	60	700	0	700
Pars Oil Refinery	0	600	0	0	0	600	0	600
Mapna	858	4,038	858	0	858	588	0	588
Farabourse Iran	2,960	555	2,960	0	2,960	555	0	555
National Iranian Copper Industries	552	600	552	0	552	500	0	500
Alborz Insurance	30	400	30	0	30	400	0	400
Bank Mellat	0	126,100	0	0	0	338	0	338
Omid Investment	551	300	0	0	0	300	0	300
Mobin Van Kish	45	129	0	0	0	123	0	123
Asan Pardakht Persian	7	8	7	0	7	8	0	8
Arya Sasoul Polyemer	1	1	1	0	1	1	0	1
Siman Tamin Investment	0	2	0	0	0	0	0	0
Bandar Abbas Oil Refinery	0	19,759	0	0	0	0	0	0
Pouya Investment	0	1,241,331	0		0	0		0
Asre Novin Informatics (HiWeb)	9,476	0	9,476	0	9,476	0	0	0
Ofogh Kourosh Chain Stores	8,225	0	8,225		8,225	0		0
South Kish Steel	1,400	0	1,400	0	1,400	0	0	0
Others	787,743	0	0	0	0	0	0	0
Total	**986,912**	**1,634,041**	**194,600**	**0**	**194,600**	**194,010**	**0**	**194,010**
Unlisted Companies:								
Shaparak E-payment Card Network	2,907	3,951	2,907	0	2,907	3,951	0	3,951
Iran Credit Rating	3,150	359	3,150	0	3,150	359	0	359
Total	**6,057**	**4,310**	**6,057**	**0**	**6,057**	**4,310**	**0**	**4,310**
Short-term Investment Dividends:	**992,969**	**1,638,351**	**200,657**	**0**	**200,657**	**198,320**	**0**	**198,320**

Karafarin Bank (Public Joint Stock)
Notes to The Financial Statements
For The Year Ended 20 March 2022

	Group		Parent Company	
	2021-22	2020-21	2021-22	2020-21
Karafarin Brokerage Mutual Investment Fund	71,310	374,584	71,310	209,433
Arman Karafarin Investment Fund	30,109	206,136	3,773	148,265
Amin Yekom Investment Fund	0	238,162	0	238,162
Sepehr Charisma Fixed Income Investment Fund-Karis	0	138,846	0	138,846
Parand Paydar Sepehr Fixed Income Investment Fund	0	13,122	0	13,122
Kamand Fixed Income Investment Fund	0	94,864	0	75,073
Kerman motor Murabaha Bonds (27.05.2023)	0	86,325	0	86,325
Sayand Fixed Income Investment Fund	0	41,458	0	41,458
Charisma Fixed Income Investment Fund	0	18,516	0	18,516
Ganjineh Yekom Avid Fixed Income Investment Fund	0	12,688	0	12,688
Noviera Zobahan Fixed Income Investment Fund	0	14,329	0	14,329
Etemad Afarin pars Fixed Income Investment Fund	0	26,452	0	1,254
Investment Fund Units Profit	**101,419**	**1,265,482**	**75,083**	**997,471**
Profit from Companies' Share & Investment Funds	**1,094,387**	**2,903,832**	**2,843,180**	**1,788,442**

Karafarin Bank (Public Joint Stock)
Notes to The Financial Statements
For The Year Ended 20 March 2022

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

Company	Group		Parent Company				
	2021-22	2020-21	2021-22				2021-22
	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):							
Golgohar	233,605	60,121	16,801,075	145,743	379,348	233,605	60,121
Khorasan Petrochemical	33,931	61,275	1,800,000	119,097	154,250	35,153	61,275
Mobin Energy Persian Gulf	24,843	13,044	7,372,826	118,916	143,758	24,843	13,044
Kourosh Chain Stores	5,006	11,509	1,750,000	107,842	112,848	5,006	11,509
Social Security Investment	(10,888)	10,433	15,220,839	107,519	112,658	5,139	10,433
Tose'e Melli Group	32,878	69,083	14,446,153	94,639	137,668	43,028	69,083
Sepah Investment	45,357	59,766	15,866,685	85,243	131,748	46,505	59,766
Zagros Petrochemical	37,107	390	400,000	50,946	88,054	37,107	390
Ghadir Investment	11,825	28,114	2,300,000	24,315	34,545	10,230	28,114
Tamin Petrichemical	13,437	187,735	2,500,000	22,940	36,377	13,437	187,735
Esfahan Oil Reinery	5,060	30,879	980,392	8,218	13,279	5,060	30,879
Sobhan Pharmacetrical	516	30,771	347,485	5,740	6,256	516	30,771
Alborz Insurance	(599)	(3,415)	400,000	1,214	615	(599)	(3,415)
Iranian Investment Petrochemical	(106)	16,729	420,000	989	883	(106)	16,729
Bama	0	751,626	0	0	0	0	751,626
Bank Saderat Iran	0	56,823	0	0	0	0	56,823
Tejarat Bank	0	78,368	0	0	0	0	78,368
Bank Mellat	0	284,573	0	0	0	0	284,573
Pakshoo Industrial Group	0	20,183	0	0	0	0	20,183
Tondgouyan Petrichemical	0	331	0	0	0	0	331
Bank Mellat Investment Bank	0	3,732	0	0	0	0	3,732
Golgohar-Rights Issue	0	2,291	0	0	0	0	2,291
Informatics Services	0	178	0	0	0	0	178
Tamin Pharmaceutical	0	80,930	0	0	0	0	80,930
Iranian Investment Petrochemical-Rights Issue	0	5,310	0	0	0	0	5,310
Shafadarou Investment	0	1,671	0	0	0	0	1,671
Saba Tamin Investment	0	888	0	0	0	0	888

Karafarin Bank (Public Joint Stock)
Notes to The Financial Statements
For The Year Ended 20 March 2022

Company	Group		Parent Company				
	2021-22	2020-21	2021-22				2021-22
	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
Mines & Metals Development investment-Rights Issue	**0**	**4,447**	**0**	**0**	**0**	**0**	**4,447**
Asre Novin Informatics (HiWeb)	0	2,505	0	0	0	0	2,505
Iran Chemical Industries	(734)	82,379	0	0	0	0	82,379
Kourosh Chain Stores-Rights Issue	0	9,113	0	0	0	0	9,113
KBC	0	3,467	0	0	0	0	3,467
Kerman Khodro Economic Group	0	44	0	0	0	0	44
Karafarin Leasing	0	0	540,950,956	567,912	1,522,783	954,871	0
Sadr Tamin Investment	72,960	30,098	18,050,000	118,912	199,935	81,022	30,098
Mobarakeh Esfahan Steel	71,480	233,166	14,019,138	101,172	172,031	70,859	233,166
Mines & Metals Development investment	96,706	15,517	16,598,953	98,318	194,697	96,379	15,517
Persian Gulf Petrochemical Industries	61,231	152,628	12,461,948	89,842	151,073	61,231	152,628
Pars Oil	85,415	(33,516)	972,723	86,317	171,732	85,415	(33,516)
Arfa Steel	51,832	0	6,666,666	61,999	113,831	51,832	0
Khouzestan Steel	6,004	151,276	13,883,865	60,227	66,231	6,004	151,276
Civil Pension Fund Investment	15,301	15,230	4,200,000	51,216	73,745	22,529	15,230
Pardis Petrichemical	81,688	130,766	900,000	48,820	130,508	81,688	130,766
Shazand Petrochemical	31,612	34,784	2,500,000	47,613	79,225	31,612	34,784
EN Bank	69,386	453,790	20,912,747	38,840	108,226	69,386	453,790
Tehran Oil Refinery	(2,299)	24,084	3,100,124	34,302	37,058	2,756	24,084
National Iranian Copper Industries	(6,190)	9,514	1,972,772	26,854	27,506	651	9,514
Jam Petrochemical	21,271	121,093	871,489	16,429	37,700	21,271	121,093
Nouri Petrochemical	21,791	139,583	300,000	7,082	28,874	21,791	139,583
Asan pardakht Persian	(1,447)	0	170,590	2,513	1,065	(1,447)	0
Reil Gardesh Iranian	12	0	7,034	7	19	12	0
Siman tamin investment	0	0	300	5	5	0	0
Arya Sasoul Polyemer	8	0	116	4	12	8	0
Pouya Investment	0	0	229	1	1	0	0
Mobin Van Kish	(13,282)	(24,529)	0	0	0	0	(24,529)
Pasargad Oil	0	3,343	0	0	0	0	3,343
Tabriz Oil	677	30,129	0	0	0	0	30,129
Nirou Chelor	0	2,502	0	0	0	0	2,502

Karafarin Bank (Public Joint Stock)
Notes to The Financial Statements
For The Year Ended 20 March 2022

Company	Group		Parent Company				
	2021-22	2020-21	2021-22				2021-22
	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
Asre Amin Karafarin	**0**	**9,380**	**0**	**0**	**0**	**0**	**9,380**
Farabourse Iran	0	50,414	0	0	0	0	50,414
Bandar Abbas Oil	0	131,276	0	0	0	0	131,276
Omid Investment	(2,449)	20,027	0	0	0	0	20,027
kharazmi Investment	(7,191)	(17,682)	0	0	0	0	(17,682)
Parsian Oil & Gas Development	(11,209)	160,951	0	0	0	0	160,951
Gohar Zamin Iron Ore-Rights Issue	0	(2,030)	0	0	0	0	(2,030)
Pars Petrochemical	0	74,544	0	0	0	0	74,544
Mapna	(1,788)	184,088	0	0	0	0	184,088
Others	881,738	(642)	0	0	0	0	0
Total	**1,954,495**	**4,065,076**	**739,145,105**	**2,351,749**	**4,468,543**	**2,116,795**	**4,065,719**
Profit from Selling Investment Funds-IRR (shared):							
Karafarin Brokerage Mutual Investment Fund	3,308	142,520	398,068	398,068	401,376	3,308	142,520
Arman Karafarin Investment Fund	3,577	75,120	0	0	0	0	75,120
Shakhesi Karafarin Investment Fund	261,265	1,095	0	115,974	377,239	261,265	1,095
Charisma Investment Fund	0	76,005	0	0	0	0	76,005
Amin Yekom Investment Fund	0	67,108	0	0	0	0	67,108
Sepehr Charisma Fixed Income Investment Fund-Charis	0	96,473	0	0	0	0	96,473
Parand Paydar Sepehr Fixed income Investment Fund	0	27,814	0	0	0	0	27,814
Kamand Fixed Income Investment Fund	1,220	(30,776)	0	0	0	0	(30,776)
Kerman Motor Murabaha Bonds (27.05.2023)	0	(1,875)	0	0	0	0	(1,875)
Sayand Fixed Income Investment Fund	0	2,783	0	0	0	0	2,783
Ganjineh Yekom Avid Fixed Income Investment Fund	0	652	0	0	0	0	652
Noviera Zobahan Fixed Income Investment Fund	0	(4,319)	0	0	0	0	(4,319)
Dara Yekom Fund	0	57	0	0	0	0	57
Total	**269,370**	**452,657**	**417,896**	**514,042**	**778,615**	**264,573**	**452,657**
Profit (Loss) from Selling Companies' Share-Foreign Currency (Non- shared)	**0**	**0**	**0**	**0**	**0**	**0**	**0**
Profit (Loss) from Selling Investment Funds-Foreign Currency (Non- shared)	**0**	**0**	**0**	**0**	**0**	**0**	**0**
Total	**2,223,865**	**4,517,733**	**739,563,001**	**2,865,791**	**5,247,158**	**2,381,368**	**4,518,376**

Karafarin Bank (Public Joint Stock)
Notes to The Financial Statements
For The Year Ended 20 March 2022

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

Company	Group		Parent Company				
	2021-22	2020-21	2021-22				2021-22
	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):							
EN Bank	0	70,041	0	0	0	0	70,041
Mines & Metals Development Investment	54,549	0	8,798,351	50,856	105,404	54,549	0
Jam Petrochemical	7,085	0	301,780	5,689	12,774	7,085	0
Asre Novin Informatics- Proprietary	(797,982)	0	105,292,500	1,503,442	705,460	(797,982)	0
Others	(126,162)	59,200	6,722,222	121,821	91,442	(30,379)	0
Total	**(862,511)**	**129,241**	**121,114,853**	**1,681,807**	**915,080**	**(766,727)**	**70,041**
Profit (Loss) from Investment Value Increase (Decrease)-IRR (Non- shared):	**0**		**0**	**0**	**0**	**0**	**0**
Total	**0**	**0**	**0**	**0**	**0**	**0**	**0**
Total	**(862,511)**	**129,241**	**121,114,853**	**1,681,807**	**915,080**	**(766,727)**	**70,041**

39. Deposit Interest Payment (Expense)

	note	2021-22 IRR Million		2020-21 IRR Million
Shared Income:				
Granted Loans Income	37	56,608,274		29,667,637
Deposits & Debt Securities Income	37	7,959,889		6,131,815
Investment Net Returns (Loss)	38	4,457,821		6,376,860
Total Shared Income			69,025,983	42,176,312
Bank's Share from Shared Income	39-1		(16,014,845)	(3,242,316)
Depositors' Share from Shared Income before Deducting Commission Fee			53,011,138	33,044,951
Commission Fee	39-2		(5,095,861)	(2,531,789)
Depositors' Share from Shared Income			47,915,277	27,568,405
Legal Deposit Prize for Investment Deposits	39-3		363,418	220,301
Compensation of Surplus Expense of Depositors' Free Resources to Shared Expenditures	39-4		0	0
Final Interest on Investment Deposits			48,278,695	27,788,706
Special deposit certificate interest			0	0
Interest on foreign currency deposits			98,811	9,268
Total of interest on deposits			48,377,506	27,797,974
Difference in Payable Interest (Payable Interest Surplus) to Depositors			**0**	**237,287**

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

39.1.1. Bank's share from Shared income

Fiscal Year	Bank's Resources to Total Expenditures Ratio (39.2.) %	Shared income IRR Million	Bank's Share from Shared Income IRR Million
20.03.2021	21.65%	42,176,312	9,131,361
20.03.2022	23.20%	69,025,983	16,014,845

* 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.

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

Description	2021-22 IRR Million		2020-21 IRR Million	Comment
Average shared Expenditures (39.2.1)		374,711,753	232,996,280	Average 52 Weeks
Average Balance of investment Deposits (39.2.2)	324,888,592		205,328,158	Average 52 Weeks
Less: Legal Deposit of Investment Deposits	(37,114,400)		(22,776,617)	Average 52 Weeks
Free Resources of Investment Deposits		287,774,191	182,551,541	
Bank's Share from shared Expenditures (Surplus of Free Resources of Investment Deposits)		86,937,562	50,444,739	

* The Bank's share from shared expenditures include 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.

Karafarin Bank (Public Joint Stock)
Notes to The Financial Statements
For The Year Ended 20 March 2022

39.1.2.1. Average shared expenditures

shared Expenditures Items	20.03.2022	20.03.2021
	Amount (Average)	Amount (Average)
	IRR Million	IRR Million
Net Expenditures Related to Loans & Claims	329,349,799	190,663,209
Net Expenditures Related to Investment Deposits held with Other Banks	5,387,940	14,176,058
Net Expenditures Related to Investing in Shares & Other Securities	39,974,014	28,157,013
Total Expenditures Related to shared Operations	374,711,753	232,996,280

39.1.2.2. Average balance of investment deposits

	2021-22	2020-21
	Amount (Average)	Amount (Average)
	IRR Million	IRR Million
Ordinary Short-term Deposits	89,105,162	72,073,819
Special Short-term Deposits	150,806	173,545
Ordinary Deposit Certificate	10,428,961	5,087,258
1 Year	16,690,773	87,179,649
2 Years	192,659,976	38,935,492
3 Years	0	0
4 Years	0	0
5 Years	5	5,268
Investment deposits Received from Banks & Credit Institutes	15,852,910	1,873,127
Average Investment Deposits	324,888,592	205,328,158

39.2. Commission fees

According to Board of Directors' Minute 890 dated 08.03.2021, Bank's commission fees for the 2021-22 period are 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

5,095,861 = 1.77% ×287,774,191

39.2.1. Commission fee declared and in effect

	Commission Fee Declared		Commission Fee in Effect	
	Rate-%	Amount- IRR Million	Rate-%	Amount- IRR Million
Ordinary Short-term Investments	3.0	2,349,385	1.77	1,386,752
Special Short-term Investments	3.0	3,983	1.77	2,351
General Deposit Certificate	3.0	312,869	1.77	184,674
1 Year	3.0	413,376	1.77	244,000
2 Years	3.0	5,078,025	1.77	2,997,363
3 Years	3.0	0	1.77	0
4 Years	3.0	0	1.77	0
5 Years	3.0	0	1.77	0
Investment Deposits Received from Banks & Credit Institutes	3.0	475,587	1.77	280,721
Total Commission Fee		**8,633,226**		**5,095,861**

39.3. Legal deposit prize on investment deposits is as follows;

Description	2021-22	2020-21
	IRR Million	IRR Million
Average Legal Deposit of Investment Deposits	37,114,400	22,776,617
Legal Deposit Prize	363,418	220,301

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

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

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

	Parent Company	
	2021-22	2020-21
	IRR Million	IRR Million
Ordinary Short-term Deposits	5,893,206	2,865,943
Special Short-term Deposits	19,648	22,433
Long-term Deposits		
General Deposit Certificate	1,849,539	896,809
1 Year	2,681,181	16,205,841
2 Years	34,780,363	6,864,947
3 Years	0	0
4 Years	0	403
5 Years	0	1,545
Investment Deposits Received from Banks & Credit Institutes	3,054,757	693,498
Total On-account Interest Paid to Investment Deposits	**48,278,695**	**27,551,419**

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

	note	Parent Company	
		2021-22	2020-21
		IRR Million	IRR Million
Actual Interest Paid to Investment Deposits		48,278,695	27,788,706
On-account Interest Paid to Investment Deposits	39-5	(48,278,695)	(27,551,419)
Difference in Interest Payable (Surplus of Interest Paid) to Depositors		**0**	**237,287**

Karafarin Bank (Public Joint Stock)
Notes to The Financial Statements
For The Year Ended 20 March 2022

	note	Group		Parent Company	
		2021-22	2020-21	2021-22	2020-21
		IRR Million	IRR Million	IRR Million	IRR Million
Net Commission on Gharz-al Hassaneh Operations	41-1	21,967	8,679	21,967	8,679
Opened L/Cs		82,798	59,624	82,798	59,624
Issued L/Gs		1,990,290	1,404,121	1,990,290	1,404,121
Foreign Currency Operations	41-2	1,371,659	375,643	1,371,659	375,643
Managed Funds		8,713	2,530	8,713	2,530
Securities Assessment		54,794	66,851	54,794	66,851
Commission on Bonds Guarantee		5,183	7,698	5,183	7,698
Commission Received from National Development Fund		141,104	30,539	141,104	30,539
Commission on Staff Loans		79,138	52,072	79,138	52,072
Safety Deposit Boxes Rental Income		18,902	14,771	18,902	14,771
Commission Received for Sending SMS		3,915	3,909	3,915	3,909
Commission Received for Card Services		88,084	41,954	88,084	41,954
Other Services		617,949	692,432	187,525	90,893
Total Commission Income		**4,484,495**	**2,967,821**	**4,054,071**	**2,366,281**

*Other fee-based services of the group are related to the fee for buying and selling shares and fund and stock market transactions of the Karafarin brokerage company.

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

	Parent Company	
	2021-22	2020-21
	IRR Million	IRR Million
Commission Received on Granted Gharz-al Hassaneh Loans	21,967	13,280
Less: Prize Expense of Mobilising Gharz-al Hassaneh Deposits	0	0
Net Commission on Gharz-al Hassaneh Operations	**21,967**	**13,280**

41.2. Commission income from foreign currency operations amount to IRR1,371,659 million mainly consists of 386,704 million rials of Nima currency supply fee, 309,725 million rials of bank currency supply fee, 213,313 million rials of commission on foreign currency payment orders, 124,156 million rials of commission received for issuing foreign currency L/Gs, 122,097 million rials The commission for the transaction of remittance documents and 121.840 million rials is the commission for buying and selling currency.

42. Commission Expense

	Group		Parent Company	
	2021-22	2020-21	2021-22	2020-21
	IRR Million	IRR Million	IRR Million	IRR Million
Shetab Plan Commission	19,408	16,971	19,408	16,971
Commission Paid for Card Services	166,439	120,430	166,439	120,430
Commission Paid to Shetab Joint Fund	611	500	611	500
Commission Paid for Nima Foreign Currency	0	0	20,722	117,888
Commission Paid to Broker-Foreign Currency	23,885	24,892	23,885	24,892
Clearing House Commission	0	0	0	0
Others	28,215	3,863	26,500	3,543
Total Commission Expenses	**238,558**	**166,656**	**257,565**	**284,224**

42.1. 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:

Description	2021-22				2020-21
	Cost	Services	Cost Income	Profit (Loss)	Profit (Loss)
	IRR Million	IRR Million	IRR Million	IRR Million	IRR Million
Karafarin Foreign Exchange Co.	83,716,964	341,125	(83,480,051)	578,038	537,730
Karafarin Leasing Co.	0	0	0	0	371,019
Negah fardaye Karafarin Co.	0	176,741	0	176,741	0
	83,716,964	517,866	(83,480,051)	754,779	908,749

43. Net Profit (Loss) of Foreign Currency Transactions

	Group		Parent Company	
	2021-22	2020-21	2021-22	2020-21
	IRR Million	IRR Million	IRR Million	IRR Million
Profit (Loss) of Foreign Currency Transactions	90,680	555,164	52,720	511,859
Profit (Loss) of Foreign Exchange	797,627	2,160,393	797,627	2,160,393
Net Profit (Los) of Foreign Currency Transactions	888,307	2,715,558	850,347	2,672,253

44. Other Operating Revenues

	Group & Parent Company	
	2021-22	2020-21
	IRR Million	IRR Million
Profit (Loss) of Overseas Branches	0	0
Reversal of Provision for Doubtful Debts	0	0
Others	0	0
Total Other Operating Revenues	**0**	**0**

45. Net Other Incomes and Expenses

	note	Group		Parent Company	
		2021-22	2020-21	2021-22	2020-21
		IRR Million	IRR Million	IRR Million	IRR Million
Fines for Premature Closure of Deposit Accounts		424,348	311,578	424,348	311,578
Expert's Fee		204,546	202,111	204,546	202,111
Profit (Loss) from Selling Fixed Tangible and Intangible Fixed Assets		10,626	27,174	10,335	27,084
Profit (Loss) from Selling Repossessed Assets		141,351	812,684	141,351	812,684
Others		462,033	283,797	32,062	17,239
Net Other Incomes & Expenses		**1,242,904**	**1,637,344**	**812,641**	**1,370,696**

Karafarin Bank (Public Joint Stock)
Notes to The Financial Statements
For The Year Ended 20 March 2022

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

	Parent Company				
	2021-22				2020-21
	Cost	Carrying Amount	Sale Amount	Profit (Loss)	Profit (Loss)
Lands	0	0	0	0	7,373
Buildings	0	0	0	0	1,182
Goodwill	0	0	0	0	13,793
	0	0	0	0	22,347
Furniture & Fixtures (Sale & Disposal)	20,875	1,043	11,378	10,335	1,948
Motor Vehicles	0	0	0	0	2,788
	20,875	**1,043**	**11,378**	**10,335**	**27,084**

46. Office and General Expenses

	note	Group		Parent Company	
		2021-22	2020-21	2021-22	2020-21
		IRR Million	IRR Million	IRR Million	IRR Million
Staff Expenses	46-1	6,521,531	4,128,016	5,944,622	3,875,792
Office Expenses	46-2	5,152,510	2,412,411	4,767,166	2,081,492
Total Office & General Expenses		**11,674,041**	**6,540,428**	**10,711,788**	**5,957,284**

46.1. Staff expenses are as follows:

	Group		Parent Company	
	2021-22	2020-21	2021-22	2020-21
	IRR Million	IRR Million	IRR Million	IRR Million
Salaries, Wages & Benefits	5,028,567	3,039,427	4,541,962	2,834,523
Employers' Premium	745,893	518,987	708,031	495,905
Work Termination Benefits & Retirement Commitments	639,677	507,028	615,655	500,239
Business Travel Allowance	9,680	6,703	9,680	6,676
Others	97,714	55,872	69,294	38,448
Total Staff Expenses	6,521,531	4,128,016	5,944,622	3,875,792

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

Karafarin Bank (Public Joint Stock)
Notes to The Financial Statements
For The Year Ended 20 March 2022

46.2. Office expenses include the following items:

	note	Group		Parent Company	
		2021-22	2020-21	2021-22	2020-21
		IRR Million	IRR Million	IRR Million	IRR Million
Services Purchase Fee		519,898	307,687	446,696	269,237
Immovable Assets Impairment Expense		0	252,022	0	252,022
Mechanisaton Systems		1,123,582	336,548	1,091,963	318,618
Consumables		481,462	185,793	475,011	181,255
Membership Fee of Deposits Guarantee Fund		211,379	211,379	211,379	180,172
Publication, Publicity & Marketing		265,307	133,280	216,357	126,635
Utilities		167,288	122,579	164,000	120,328
Consulting & Attorney Fee		108,579	105,942	108,579	105,942
Repair & Maintenance of Fixed Tangible Assets		173,064	118,121	153,757	107,431
witholding taxes		187,172	77,463	187,172	77,463
Rent		82,521	68,643	76,449	67,129
Judicial, Registration, Notary Public & Customs, etc., Expenses		59,226	45,153	59,226	45,153
Business Tax		30,855	16,006	30,855	16,006
Board of Directors' Bonus		29,676	20,694	0	9,500
Training		12,176	7,335	12,176	7,335
Cash & Assets Insurance		11,794	8,408	6,918	4,854
Board of Directors' Attendance Fee		6,375	5,699	900	720
Social responsibility		46,585	17,003	46,585	17,003
Legal entities		1,161,737	0	1,161,737	0
Others		473,834	403,862	317,407	174,689
Total Office Expenses		**5,152,510**	**2,412,411**	**4,767,166**	**2,081,492**

47. Doubtful Loans Expenses

	note	Group		Parent Company	
		2021-22	2020-21	2021-22	2020-21
		IRR Million	IRR Million	IRR Million	IRR Million
Special Expense of Doubtful Debts for Granted Loans & Claims	47-1	935,641	261,242	910,641	206,242
General Expense of Doubtful Debts for Granted Loans & Claims	47-2	1,522,142	2,287,781	1,556,796	2,287,781
Doubtful Loans Expenses		2,457,783	2,549,023	2,467,437	2,494,023

Karafarin Bank (Public Joint Stock)
Notes to The Financial Statements
For The Year Ended 20 March 2022

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

	Parent Company					
	2021-22					2020-21
	Overdue	Referred	Doubtful below 5 Years	Doubtful Above 5 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 (10.3.1)	0	0	0	0	0	0
Governmental Authorities	0	0	0	0	0	0
Non-governmental Entities	936,898	1,124,766	5,674,120	7,261,420	14,997,204	13,755,319
Balance of Other Accounts at End of Year						
Claims from Subsidiary & Associated Companies (15.2)	0	0	0	0	0	0
Other Accounts Receivable (16.3)	1,130,952	0	338,996	0	1,469,948	1,382,284
Total Non-performing Loans & Claims before Deducting Collaterals Value	**2,067,850**	**1,124,766**	**6,013,116**	**7,261,420**	**16,467,152**	**15,137,602**
Less: Collaterals Value with Coefficient in Effect						
Saving & Investment Accounts	(45,480)	(58,133)	0	0	(103,613)	(282,318)
Bonds & Other Debt Securities Guaranteed by the CBI & the Government	0	0	0	0	0	0
Bonds & Other Debt Securities Guaranteed by Other Banks	0	0	0	0	0	0
L/Gs	(3,329)	0	0	0	(3,329)	0
Transacted L/Cs	0	0	0	0	0	0
Shares Listed in TSE	0	(76,753)	0	0	(76,753)	(1,070,591)
Real Estates	(634,311)	(514,000)	(453,142)	0	(1,601,453)	(2,464,230)
Machineries	0	0	0	0	0	0
Total Collaterals Value with Coefficient in Effect	**(683,121)**	**(648,886)**	**(453,142)**	**0**	**(1,785,148)**	**(3,817,139)**
Basis Balance for Calculation of Special Provision	1,384,729	475,880	5,559,975	7,261,420	14,682,004	11,320,463
Basis Coefficient for Calculation of Special Provision-%	10%	20%	50%	50%-100%		
Special Provision for Doubtful Loans	138,473	95,176	2,779,987	5,370,837	8,384,473	6,556,753
Add: Special Provision for Extended & Rescheduled Claims	0	0	1,205,174	0	1,205,174	2,122,253
Less: Balance of Provision for Doubtful Loans at End of the Previous Year	(134,272)	(14,341)	(3,800,672)	(4,729,720)	(8,679,006)	(8,941,562)
Add: Bad Debt during the Year	0	0	0	0	0	468,799
Special Provision for Doubtful Loans & Claims	**4,201**	**80,835**	**184,489**	**641,116**	**910,641**	**206,242**

Karafarin Bank (Public Joint Stock)
Notes to The Financial Statements
For The Year Ended 20 March 2022

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

	Parent Company	
	2021-22	2020-21
	IRR Million	IRR Million
Loans Granted to Other Banks & Credit Institutes (10.3.1)	0	0
Claims from the Government (11)	0	0
Loans Granted to Governmental Authorities (12.1)	0	0
Loans Granted to Non-governmental Entities (13.1)	382,283,538	280,472,725
Customers' Debt for Term L/Cs after Deducting Advances Received (20.1)	2,196,921	895,735
Claims from Subsidiary & associated Companies (15.2)	2,082,202	2,936,530
Other Accounts Receivable (16.3)	119,951	1,396,255
Less:		
Balance of Granted Loans & Claims for which Special Provision Recorded (Rescheduled Loans)	(29,620,793)	(32,425,822)
Basis Balance for Calculation of General Provision	357,061,818	253,275,423
Basis Coefficient for Calculation of General Provision-%	1.5	1.5
General Provision for Granted Loans & Claims	5,355,927	3,799,131
Less: General Provision Balance of Granted Loans & Claims at End of the Previous Year	(3,799,131)	(1,511,350)
Add: Bad Debt during the Year	0	0
General Provision for Granted Doubtful Loans & Claims	**1,556,796**	**2,287,781**

48. Financial Expenses

	note	Group		Parent Company	
		2021-22	2020-21	2021-22	2020-21
		IRR Million	IRR Million	IRR Million	IRR Million
Interest on Loans Received from Other Banks & Credit Institutes	48-1	522,675	155,849	0	0
Interest on Loans Received from the CBI		0	0	0	0
Interest Paid on Credit from National Development Fund		15,420	15,354	15,420	15,354
Late Payment Penalty Paid		0	151	0	151
Total Financing Expenses		**538,095**	**171,354**	**15,420**	**15,504**

48.1. The above amount is the expense of loans received by Karafarin Leasing Company and Karafarin financial group from EN Bank.

Karafarin Bank (Public Joint Stock)
Notes to The Financial Statements
For The Year Ended 20 March 2022

49. Depreciation Expense

	Group		Parent Company	
	2021-22	2020-21	2021-22	2020-21
	IRR Million	IRR Million	IRR Million	IRR Million
Depreciation of Fixed Tangible Assets	444,630	210,048	385,354	216,961
Amortisation of Intangible Assets	62,114	35,382	58,717	34,513
Goodwill Amortisation	0	7,094	0	0
Total Depreciation Expenses	**506,743**	**252,523**	**444,071**	**251,474**

50. Prior Years' Adjustments

	note	Group		Parent Company	
		2021-22	2020-21	2021-22	2020-21
		IRR Million	IRR Million	IRR Million	IRR Million
Impacts of Changes in Accounting Procedures	50-1	0	0	0	0
Correcting Errors	50-2	0	(700,000)	0	(700,000)
Total Prior Years' Adjustments		**0**	**(700,000)**	**0**	**(700,000)**

50.1. The Bank experienced no impact from changes in accounting procedure during the reporting period.

50.2.Correcting errors include the following items:

	Group		Parent Company	
	2021-22	2020-21	2021-22	2020-21
	IRR Million	IRR Million	IRR Million	IRR Million
Tax performance of previous years	0	0	0	0
Deferred Expenses of Previous Years	0	(700,000)	0	(700,000)
Adjustment of Interest Recognised in Foreign Exchange	0	0	0	0
Total	**0**	**(700,000)**	**0**	**(700,000)**

* Prior Year's Adjustment is not related to other comprehensive income items and is included in the profit of the previous period.

51.Reconciliation of Net Profit

Reconciliation of net profit with net cash inflow from operating activities is as follows:

	Group		Parent Company	
	2021-22	2020-21	2021-22	2020-21
	IRR Million	IRR Million	IRR Million	IRR Million
Depreciation Expense	12,628,371	13,772,821	13,171,863	11,006,902
Doubtful Loans Expenses	506,743	252,523	444,071	251,474
Net Increase (Decrease) in Work Termination Benefits Provision	2,457,783	2,549,023	2,467,437	2,494,023
Net Increase (Decrease) in Financial Expenses Payable	589,329	448,637	497,762	434,720
Net Increase (Decrease) in Corporation Tax Payable	0	0	0	0
Loss (Profit) Arising from Selling Fixed Tangible & Intangible Assets	374,480	381,342	300,711	133,730
Loss (Profit) Arising from Selling Inactive Real Estates	(10,626)	(27,084)	(10,335)	(27,084)
Net Loss (Profit) from Foreign Exchange of Cash	0	0	0	0
Net Profit (Loss) from Exchanging Foreign Currency Bank Notes	(888,307)	(2,715,558)	(850,347)	(2,672,253)
Total	15,657,773	14,661,705	16,021,162	11,621,513
Dues to Banks & Other Credit Institutes	35,559,114	2,122,790	33,844,116	256,708
Deposits	48,229,158	44,901,131	46,468,991	46,928,185
Debt Securities	0	0	0	0
Operating portion of Provisions & Other Liabilities	950,498	4,745,132	1,823,569	2,625,394
Investment Depositors' Interest	49,562,634	111,238,236	50,020,493	111,479,817
Total	134,301,404	163,007,288	132,157,169	161,290,104
Net Decrease (Increase) in Operating Assets				
Claims from Banks & Other Credit Institutes	(7,354,500)	15,624,903	(7,354,500)	15,624,903
Claims from the Government	0	0	0	0
Granted Loans & Claims from Governmental Authorities	0	0	0	0
Granted Loans & Claims from Non- Governmental Entities	(103,457,226)	(147,967,652)	(102,851,192)	(147,985,558)
Investing in Shares & Other Securities	(11,893,065)	(23,678,173)	(10,175,299)	(18,261,811)
Claims from Subsidiary & Associated Companies	89,315	(88,617)	841,513	(1,975,531)
Other Accounts Receivable	(2,435,123)	(1,292,742)	(1,825,272)	(558,449)
Legal Deposit	(12,960,318)	(16,544,450)	(12,960,318)	(16,544,450)
Operating Portion of Other Assets	(856,708)	(1,017,235)	(1,120,034)	(793,902)
Goodwill	98,945	56,655	0	0
Total	(138,768,680)	(174,907,311)	(135,445,102)	(170,494,798)
Net Cash Inflow (Outflow) from Operating Activities	**11,190,497**	**2,761,682**	**12,733,229**	**2,416,819**

Karafarin Bank (Public Joint Stock)
Notes to The Financial Statements
For The Year Ended 20 March 2022

52. Non-cash Transactions

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

	note	Group		Parent Company	
		2021-22	2020-21	2021-22	2020-21
		IRR Million	IRR Million	IRR Million	IRR Million
Assets Repossessed against Granted Loans	52-1	416,104	1,410,777	416,104	1,410,777
Assets Exchange with Granted Loans	52-2	0	0	0	0
Loans Granted to Settle Previous Loans (Extending Loans)		0	0	0	0
Capital Increase from Matured Claims of Shareholders		350,000	1,170,681	0	1,170,681
Capital Increase from Assets Revaluation Surplus		0	16,409,063	0	16,409,063
Repayment of Gharz-al Hassaneh Loans & Tax from Accounts Payable		0	18,880	0	0
decrease in investments through an increase in accounts receivable		2,710,000	0	0	0
increase in investments through an increase in accounts payable		282,713	0	0	0
Asset additions in the course of completion from the loans received from the National Development Fund		8,611	0	0	0
Capital increase from retained earnings		398,000	0	0	0
Total Non-Cash Transactions		4,165,428	19,009,401	416,104	18,990,521

52.1. 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	25,891	(24,773)	0	0	1,118
Commercial/ Residential Property	Unrelated Customer	1	(1)	0	0	0
Land	Unrelated Customer	33	(33)	0	0	0
Office Property	Unrelated Customer	314	(314)	0	0	0
Commercial Property	Unrelated Customer	444,685	(390,803)	(53,882)	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		**471,105**	**(416,104)**	**(53,882)**	**0**	**1,118**

Karafarin Bank (Public Joint Stock)
Notes to The Financial Statements
For The Year Ended 20 March 2022

52.2. 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 Companies	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

52.3. The following assets were exchanged during the reporting period:

Disposed Assets	Customers' Relation Type	Asset Acquired	Carrying Amount of Disposed Assets	Acquired Asset Value Based on the Expert Opinion	Difference in Paid/ Received Amount
			IRR Million	IRR Million	IRR Million
Residential Property	Subsidiary Company	Residential Property	0	0	0
Commercial Property	Associate Company, Bank's Employees Investment Co.	Commercial/ Office Property	0	0	0
Shares	Shareholder	Shares	0	0	0
Bonds	Other Associate Companies	Bonds	0	0	0
Factory & Equipment	Unrelated Customer	Factory & Equipment	0	0	0
Others			0	0	0
			0	0	0

53. Off-balance Sheet Items

53.1. Commitments on IRR and foreign currency L/Cs

53.1.1. 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	1	7,440	182	0	0	0	1	7,440	233	51	0	0	0
EUR	1	825,000	156,750	0	0	0	1	825,000	156,750	0	0	0	0
INR	1	77,203,038	169,383	0	0	0	1	77,203,038	202,504	33,120	0	0	0
JPY	1	12,444,000	18,147	0	0	0	1	12,444,000	18,147	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			**344,463**			**0**			**377,634**	**33,171**			**0**
Term:													
CNY	1	340,320	8,236	0	0	0	0	0	0	2,333	1	340,320	10,659
Total			**8,326**		**0**			**0**	**2,333**				**10,659**
Total			**352,789**		**0**			**377,634**	**35,504**				**10,659**

Karafarin Bank (Public Joint Stock)
Notes to The Financial Statements
For The Year Ended 20 March 2022

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

L/C Type	Group & Parent Company							
	Balance at Beginning of Year		Opened during Year		Deposited (Cancelled) during Year		Balance at End of Year	
	Number	IRRMillion	Number	IRR Million	Number	IRR Million	Number	IRRMillion
Sight	10	955,991	25	9,029,667	31	8,980,484	4	1,005,173
Term	12	720,877	109	25,396,295	79	17,573,899	42	8,543,273
Total		**1,676,867**		**34,425,962**		**26,554,383**		**9,548,446**

53.2. The Bank's commitments on issued IRR and foreign currency L/Gs
53.2.1. Details of the Bank's commitments on foreign currency L/Gs are as follows:

Disposed Assets	20.03.2022		20.03.2021	
	Foreign Currency Amount	Equivalent IRR Million	Foreign Currency Amount	Equivalent IRR Million
EUR	38,767,104	8,528,763	39,898,498	7,580,715
USD	1,481,927	296,385	4,414,099	701,842
CNY	6,206,186	194,384	12,412,372	303,669
AED	4,000,000	216,968	4,000,000	173,068
IQD	64,500,000	8,810	64,500,000	7,011
Total Bank's Commitments on Foreign Currency L/Gs		9,245,310		8,766,303

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

	Group & Parent Company	
	20.03.2022	20.03.2021
	IRR Million	IRR Million
Commitments on Issued L/Gs	173,749,165	81,281,099

53.3. Other Bank's commitments are as follows:

	Group & Parent Company	
	20.03.2022	20.03.2021
	IRR Million	IRR Million
Commitments on Guarantee of Bonds & Similar Securities (Investment Funds)	83,105,965	59,759,733
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 Organisation	0	0
Bank's Commitments on National Development Fund-IRR	220,512	363,311
Bank's Commitments on National Development Fund-Foreign Currency	0	0
Pharmaceutical Credit Commitments Received	0	0
Commitments on Contract with Bank's Transactions	887,692	1,184,779
Bank's Commitments on ECO	0	0
Total Other Bank's Commitments	**84,214,169**	**61,307,823**

53.4. Managed funds and similar items are as follows:

	Group & Parent Company	
	20.03.2022	20.03.2021
	IRR Million	IRR Million
Loans Granted from Managed Funds	465,660	174,334
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	**465,660**	**174,334**

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

	Group & Parent Company	
	20.03.2022	20.03.2021
	IRR Million	IRR Million
Deposits	8,635,246	3,034,786
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	9,415,635	4,491,015
Machineries	0	0
Cheques & Promissory Notes	145,475,846	72,401,521
Others	29,026,854	12,149,736
Total Secured Commitments	192,553,581	92,077,058
Total Unsecured Commitments	0	0
Total Commitments on L/Cs & L/Gs	**192,553,581**	**92,077,058**

54. Capital Commitments and Contingent Liabilities

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

	Parent Company
	20.03.2021
	IRR Million
Branches Building	3,872,392
	3,872,392

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

Karafarin Brokerage Company

Corporation taxes of the Company have been finalised and settled by the end of 2019-20. 144.118 million rials have been declared and paid for the performance of 2020-21 according to the declared tax and the application of tax exemptions. The performance tax of the reported year is based on the expressed profit, according to the application of legal exemptions, the necessary reserve has been included in the accounts. On 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 head of prepayments includes 168 billion rials of Mr. Zahedi's remaining claims in connection with the purchase of construction equipment within the framework of the partnership agreement, and in this regard, legal actions are underway to seize the property in the company's mortgage.
The company's performance tax for all years prior to 2019-20 has been finalized and settled. Regarding the performance of the year 2020-21, based on the declared amounts and the application of legal exemptions and the application of Note 7 of Article 105 of Direct Taxation Act and the exemption of Article 143 of the Direct Taxation Act, the necessary reserve has been made in the accounts. The performance recognition sheet for the mentioned year has not been issued on the date of preparation of this note. For the performance of 2021-22, based on the declared amounts and the application of legal exemptions and Note 7 of Article 105 of the Direct Taxation Act and the exemption of Article 143 of the Direct Taxation Act, the necessary reserve has been made in the accounts. The company has no capital obligations as of the date of the statement of financial position. value added Taxe, salary tax, witholding taxes and Article 169 of the Direct Taxation Act have been finalized and settled by the end of 2019-20 and have not been processed for 2020-21. . According to the Letter No. 1000/96/1119 dated 27/04/2017 of the Social Security Organization, the inspection of documents will be done only in the last financial year. Based on this, the company's offices can be handled by social security for the years 2020-21 and 2021-22.

Karafarin Abniyeh Gostar Company

The company's performance tax has been finalized and settled by the end of 2019-20. For 2020-21 and 2021-22, the necessary reserve has been calculated and included in the accounts based on the declared taxable income. The income tax cost of the previous years is related to the performance tax supplement of 2015-16 in the amount of 1,184 million Rials and the difference of the performance tax of 2020-21 in the amount of 864 million Rials and the cost of the final performance tax of 2019-20 is in the amount of 750 million Rials.
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 liabilities subject to Article 235 of the amendment of the Commercial Law. Value added taxes and charges for the first 3 months of 2015-16, 2016-17 and 2019-20 have been finalized and paid, as well as taxes and Value added taxes for the remaining periods of 2013-14 until 2018-19 and 2020-21 have not been investigated by the Tax Administration.
The value added tax claim form for the second, third and fourth three months of 2019-20 was issued in the amount of 1.754 million rials (including 425 million rials in fines), which the company protested against, and the payment bills for the said periods totaled to The amount of 33 million rials has been issued and paid by the company, but the system final sheet for the mentioned courses has not been issued. For project management operations and construction projects, contract insurance reserves are included in the accounts, but the company's offices have not been investigated by the Social Security Organization since the date of establishment. The performance tax, salaries and seasonal transactions of Article 169 of the Direct Taxation Act have been finalized and paid until the end of 2019-20.

Karafarin Foreign Exchange Company

The company's performance tax has been finalized and fully settled by the end of 2019-20. For 2020-21, the necessary reserve has been calculated and included in the accounts based on the income subject to tax. The value added tax has been finalized and settled by the end of 2019-20. For the year 2020-21, value added taxe is also being processed. For the value added tax of 2020-21 until the end of 2021-22, a reserve of 109 billion rials has been made in the accounts. Salary tax, witholding taxes and Article 169 of the Direct Taxation Act have been dealt with until 2019-20 and a definitive letter has been issued for it, and their payment has been arranged and the performance of 2020-21 in this regard is under investigation. The company's offices have not been investigated by the Social Security Organization regarding compliance with the regulations of the Social Security Organization since the beginning of its activity in 2011-12. The company does not have any capital obligations as of the date of the financial statement.

Karafarin Financial Group Company

The company's income tax for the years 2008-09 has been paid exactly based on the diagnosis made by the Tax Affairs Organization, and the follow-up is underway to obtain a definitive certificate. The performance tax of 2020-21 has not been processed by the Tax Administration. All the incomes of this company's investments in 2020-21 are fully covered by the provisions of Note 4 of Article 105 and Note 2 of Article 143 of the Direct Taxation Act, which according to the provisions of these laws, all incomes related to these bonds are exempt from tax. Regarding the income related to the transfer of properties, sufficient reserve has been included in the books. Non-operating income also includes interest on bank deposits and is exempt from tax. The amount of 9,891 million Rials of tax paid in the current period is related to the transfer tax of Marivan property in the amount of 6,100 million Rials and 1,926 million Rials related to the transfer of shares of Mofid Economy Group and the rest related to other property transfer taxes and also the transfer of shares that was done in the financial year of 2020-21 but was paid in the current financial period. The company has no capital obligations resulting from the contracts concluded and approved on the date of the financial statement. As of the date of the statement of financial position, the company has no contingent liabilities subject to Article 236 of the amendment to the Trade Law and other contingent liabilities.

55. EPS

55.1. Basic and diluted EPS

Basic EPS share is the result of dividing profit of general shareholders to weighted average of ordinary shares number at shareholders' disposal. Weighted average of ordinary shares number (group) is 39,156,866,074 shares.

	Group		Parent Company	
	2021-22	(Restated) 2020-21	2021-22	(Restated) 2020-21
Net profit after Deduction of Minority Interest- IRR Million	11,590,274	13,288,000	13,171,863	11,006,902
Weighted Average of Ordinary Shares Number	39,358,990,132	38,490,811,728	39,358,990,132	38,490,811,728
Weighted Average of Ordinary Shares Number of the parent Company Owned by Subsidiaries	(202,124,057)	(118,115,813)	0	0
Treasury shares	(173,668,993)	0	(173,668,993)	0
Basic & Diluted EPS-IRR	297	346	336	286

55.2. Diluted EPS

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 39,156,866,074 shares. Due to the absence of any potential common stock, the basic and diluted EPS are the same.

Karafarin Bank (Public Joint Stock)
Notes to The Financial Statements
For The Year Ended 20 March 2022

56. Post-Financial Position Statement Date Events

There were no significant post Statement of Financial Position date events until approval date of the financial statements which require disclosure or adjustment.

57. Bad Debts

Bad debts based on claims are as follows:

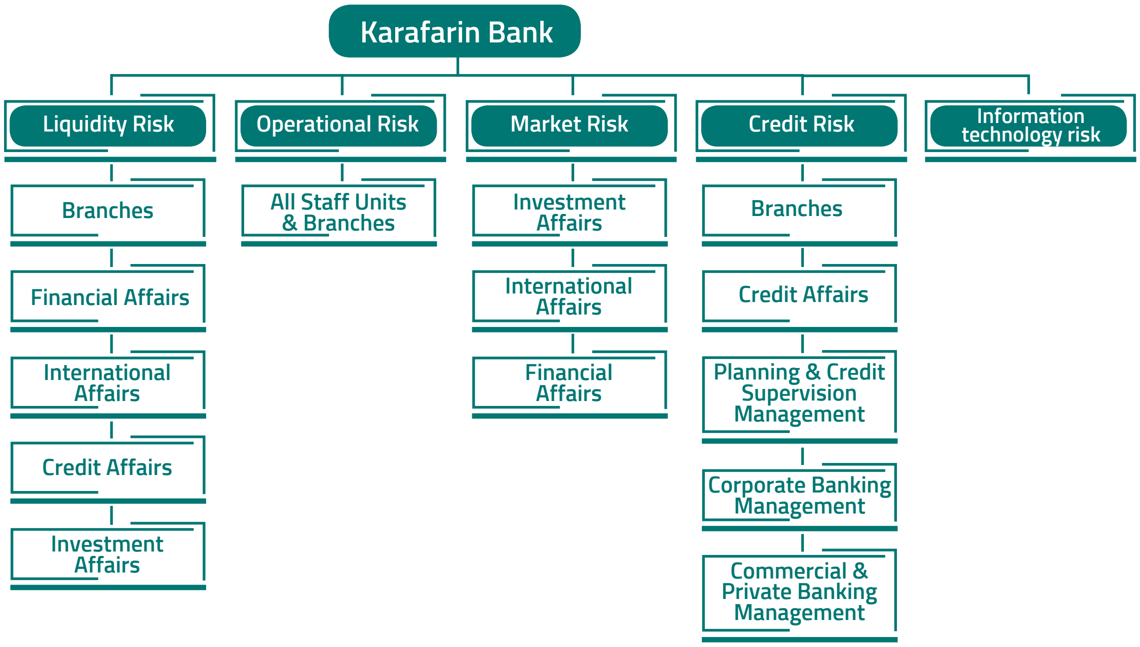
	Loans	Other Claims	Total
	IRR Million	IRR Million	IRR Million
Bad Debts at Beginning of Year	0	0	0
Bad Debts during Year	0	0	0
Bad Debts Collected during Year	0	0	0
Bad Debts at End of Year	0	0	0

58. Bank's Risks

The Bank is exposed to the following risks:

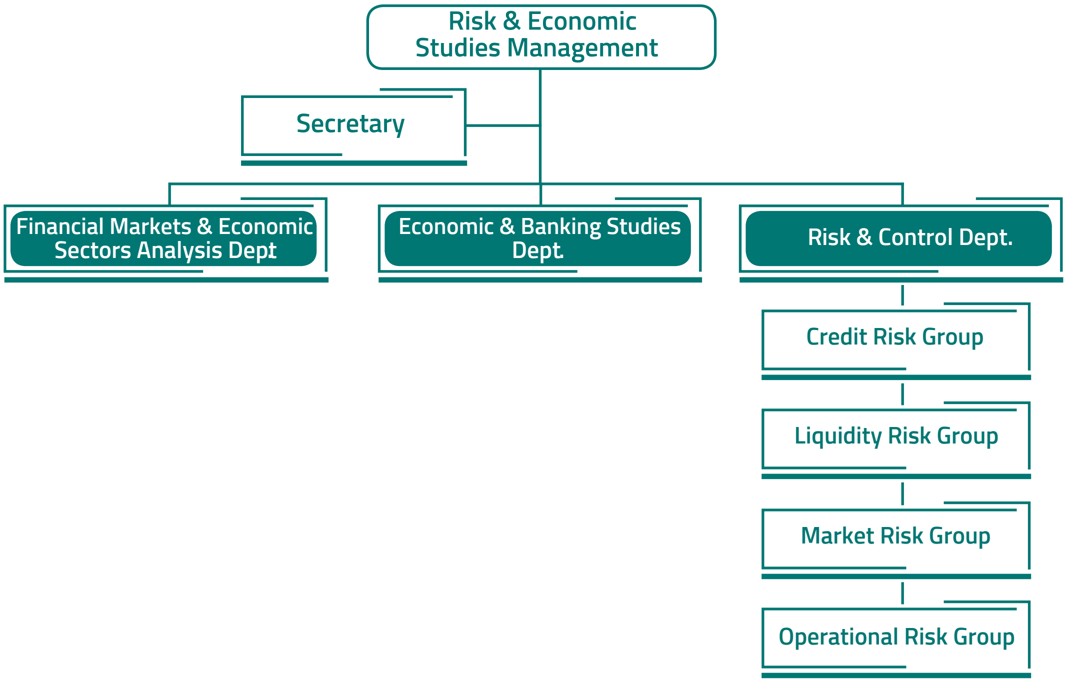
- Credit Risk
- Liquidity Risk
- Market Risk
- Operational Risk

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



Karafarin Bank (Public Joint Stock)
Notes to The Financial Statements
For The Year Ended 20 March 2022

58.2. Risk management structure



58.3. Credit risk

58.3.1. 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.).

58.3.2. 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.

58.3.3.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 specialised subgroups have been established. One of these specialised subgroup, 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 specialised committees such as, credit, planning and credit supervision managements.

58.3.4. Scope of authority for different levels of organisation 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 categorised into seven types of independent branches, namely: Excellent A, Excellent B and Grades 1 to 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	1,400 billion Rials	2,500 billion Rials	1,400 billion Rials	2,500 billion Rials	250 billion Rials	2,500 billion Rials
Central Credit Committee	450 billion Rials	900 billion Rials	450 billion Rials	900 billion Rials	500 billion Rials	1,050 billion Rials

58.3.5. Methods of reducing credit risk

Upon granting loans, Karafarin Bank applies diferrent 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.

58.3.6. 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.

58.3.7. 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 58.3.7.1. to 58.3.7.4. from credit risk point of view.

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

	Credit Quality Analysis							
	Loans Granted to Banks		Loans Granted to Customers		Investments		Commitments on L/Cs & L/Gs	
	20.03.2022	20.03.2021	20.03.2022	20.03.2021	20.03.2022	20.03.2021	20.03.2022	20.03.2021
Grade 1- Low Risk	0	0	16,253,641	11,301,195	40,393,251	29,730,262	2,694,070	3,354,956
Grade 2- Medium Degree	0	0	302,866,793	205,500,054	2,245,977	3,449,151	119,376,993	71,759,478
Grade 3- High Risk	0	0	60,424,096	62,442,779	3,797,735	3,082,251	70,482,517	16,962,625
Grade 4- To Be Categorised As Bad Debt	0	0	2,739,008	1,228,697	0	0	0	0
Total Gross Amount	0	0	382,283,538	280,472,725	46,436,963	36,261,664	192,553,581	92,077,058
Impairment Provision	0	0	(14,427,497)	(11,967,546)	0	0	0	0
Net Carrying Amount	**0**	**0**	**367,856,041**	**268,505,179**	**46,436,963**	**36,261,664**	**192,553,581**	**92,077,058**

•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.

Karafarin Bank (Public Joint Stock)
Notes to The Financial Statements
For The Year Ended 20 March 2022

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

	Loans Granted to Banks		Loans Granted to Customers		Commitments on L/Gs & Cs	
	20.03.2022	20.03.2021	20.03.2022	20.03.2021	20.03.2022	20.03.2021
	IRR Million	IRR Million	IRR Million	IRR Million	IRR Million	IRR Million
Current	0	0	367,286,334	266,717,407	192,553,581	92,077,058
Overdue	0	0	936,898	975,777	0	0
Deferred	0	0	1,124,766	132,314	0	0
Doubtful	0	0	12,935,541	12,647,228	0	0
Total Gross Amount	0	0	382,283,538	280,472,725	192,553,581	92,077,058
Impairment Provision	0	0	(14,427,497)	(11,967,546)	0	0
Net Carrying Amount	0	0	367,856,041	268,505,179	192,553,581	92,077,058

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

	Credit Quality Analysis	
	20.03.2022	20.03.2021
	IRR Million	IRR Million
Issued by the Government & CBI:		
Islamic Treasury Notes	19,051,695	8,071,638
Government Bonds	12,000,000	11,000,000
Government Murabaha Bonds	9,527,111	11,492,774
Governmental Bonds	0	0
Total	40,578,806	30,564,412
Issued by Governmental Companies		
Total	0	0
Issued by Non-governmental Sector		
Karafarin Brokerage Mutual Investment Fund	28,500	28,500
Karafarin Brokerage Mutual Investment Fund	0	18,500
Arman Karafarin Investment Fund	18,500	9,000
Shakhes Karafarin Mutual Investment Fund	9,000	115,974
Tawazun Kurosh Investment Fund	63,138	0
Total	**119,138**	**171,974**
Total	**40,697,944**	**30,736,386**

Karafarin Bank (Public Joint Stock)
Notes to The Financial Statements
For The Year Ended 20 March 2022

58.3.7.4. Type and amount of securities obtained from credit customers

	20.03.2022	20.03.2021
	IRR Million	IRR Million
Loans Granted to Individuals:		
Cash	2,500,474	0
Bonds/Sukuk	0	0
Listed Bonds	13,279	20,800
Unlisted Bonds	0	0
IRR Deposits	2,815,627	6,935,930
Foreign Currency Deposits	7,146	0
Immovable Assets Mortgaged by the Bank	23,818,464	19,063,691
Bonds	0	0
Machineries	312,589	313,364
L/Gs	1,839,197	0
Collected Cheque & Additional Cheque as Collateral	44,523,974	31,737,161
Promissory Notes	18,135,164	10,255,848
Enforced Contracts	47,019,467	35,797,328
Investment Fund	384,928	578,554
Others	9,115	222,090
Total Individuals' Securities	**141,379,424**	**104,924,766**
Loans Granted to Legal Entities:		
Cash	13,896,415	0
Bonds/Sukuk	0	0
Listed bonds	47,406,318	40,029,763
Unlisted Bonds	0	0
IRR Deposits	5,301,184	42,211,257
Foreign Currency Deposits	0	0
Immovable Assets Mortgaged by the Bank	44,829,894	28,019,083
Bonds	53,758	44,800
Machineries	181,941	175,352
L/Gs	127,831,446	0
Collected Cheque & Additional Cheque as Collateral	1,027,312,598	343,381,583
Promissory Notes	135,489,317	108,848,585
Enforced Contracts	1,013,616,564	328,328,782
Investment Fund	203,199	153,035
Others	263,304	343,784
Total Loans Granted to Legal Entities	**2,416,385,937**	**891,536,024**
Total Securities Obtained from Credit Entities	**2,557,765,362**	**996,460,790**

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

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

Description	20.03.2022	20.03.2021
	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%	753,618	627,181
51% to 70%	653,477	227,420
71% to 90%	5,273,869	423,689
91 to 100%	2,791,763	1,508,410
Above 100%	68,065,632	30,315,022
Total	77,538,360	33,101,722
Loans Granted to legal Entities:		
Below 50%	8,836,094	23,621,470
51% to 70%	5,998,950	20,618,005
71% to 90%	12,128,003	11,120,185
91 to 100%	9,140,905	13,083,834
Above 100%	254,213,730	166,959,963
Total	290,317,681	235,403,456
Total	367,856,041	268,505,179

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.

58.3.8. 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 58.3.8.1 to 58.3.8.2.

Karafarin Bank (Public Joint Stock)
Notes to The Financial Statements
For The Year Ended 20 March 2022

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

		Granted Loans		Investments		Commitments on L/Cs & L/Gs	
		20.03.2022	20.03.2021	20.03.2022	20.03.2021	20.03.2022	20.03.2021
		IRR Million	IRR Million	IRR Million	IRR Million	IRR Million	IRR Million
Carrying Amount		367,856,041	268,505,179	46,436,963	36,261,664	192,553,581	92,077,058
Amount of Loans/Commitments based on Economic Sectors							
Industry		226,774,479	166,393,536	1,556,835	3,042,592	98,392,322	29,268,525
Housing		25,327,824	19,160,351	0	-	35,881,250	20,085,355
Commercial		31,310,402	23,737,018	0	-	20,196,094	7,518,908
Services		47,040,289	32,636,268	97,519	384,962	28,899,096	32,587,698
Agriculture		3,289,987	2,460,203	0	-	1,033,420	933,697
Financial Intermediaries & Banks		34,113,061	24,117,802	44,782,610	32,834,110	8,151,399	1,682,876
Total		367,856,041	268,505,179	46,436,963	36,261,664	192,553,581	92,077,058
Amount of Loans/Commitments based on Location							
Local		367,856,041	268,505,179	46,436,963	36,261,664	192,553,581	92,077,058
Overseas		0	0	0	0	0	0
Total		**367,856,041**	**268,505,179**	**46,436,963**	**36,261,664**	**192,553,581**	**92,077,058**

Karafarin Bank (Public Joint Stock)
Notes to The Financial Statements
For The Year Ended 20 March 2022

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

Description	2021-22	2020-21
	IRR Million	IRR Million
Loans:		
Contracting Work	16,914,704	20,595,873
Chemical & Petrochemical Industries & Petroleum Products	54,618,140	16,104,189
Financial Intermediation	9,339,595	16,052,315
Motor Vehicles	7,444,589	4,938,001
Mining & Metals Industries	7,967,773	15,661,438
Telecommunications, Computer & Related Industries	9,262,334	2,185,396
Food & Drug	29,793,885	20,405,826
Energy	6,009,843	4,705,684
Others	85,423,615	65,744,813
Investments:		
Base Metals	20,998	464,429
Chemical & Petrochemical Industries & Petroleum Products	5,266	359,209
Metal Mines Exploitation	47,077	460,431
Cement, Lime & Gypsum	0	5
Banks & Credit Institutes	0	30,372
Industrial Multi-Sector	0	464,500
Retailing Except for Motor Vehicles	0	107,842
Pharmaceutical Products	0	89,675
Technical & Engineering Services	91,770	112,933
Investments	0	136,435
Computer & Related Activities	0	2,513
Information & Communications	1,391,723	89,311
Supplying Electricity, Gas, Steam & Hot Water	0	140,273
Financial Intermediary	0	584,666
Commitments:		
Contracting Work	26,240,310	11,397,753
Chemical & Petrochemical Industries & Petroleum Products	17,152,235	3,017,747
Financial Intermediary	7,133,432	1,407,948
Motor Vehicle	2,377,152	438,991
Mining & Metals Industries	6,054,163	3,060,686
Telecommunications, Computer & Related Industries	3,105,051	96,039
Food & Pharmaceuticals	8,465,618	536,595
Energy	21,306,867	9,312,766
Others	6,557,493	0
Total	**326,723,635**	**198,704,653**

58.3.8.2. Distribution of loans based on and transacted and participatory contracts as well as customer type

Contract Type	Customer Type	Loans Granted during Year		Balance of Loans at End of Year	
		Amount	Ratio to Total	Amount	Ratio to Total
		IRR Million	%	IRR Million	%
Transacted Contracts	Individuals	6,797,156	1.46%	74,446,260	19.47%
	Legal Entities	89,628,766	19.28%	282,155,398	73.81%
Total		**96,425,923**	**20.74%**	**356,601,658**	**93.28%**
Participatory Contracts	Individuals	23,406,562	5.04%	5,114,630	1.34%
	Legal Entities	345,028,032	74.22%	20,567,250	5.38%
Total		**368,434,594**	**79.26%**	**25,681,880**	**6.72%**
Total		**464,860,517**	**100%**	**382,283,538**	**100%**

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

58.3.9. Non-performing loans management method

The Bank's policies on preventing and following up non-performing loans and repossessing assets and liquidation methods are disclosed in tables 58.3.9.1. to 58.3.9.3.

58.3.9.1. Turnover of Non-performing loans and claims

	2021-22				2020-21			
	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	11,133,572	3,514,747	(892,829)	13,755,491	14,124,039	4,499,585	36,324	18,659,948
Transferred to Non-Performing during Year	13,192,603	3,268,416	0	16,461,019	11,456,062	2,062,091	0	13,518,153
Non-performing Loans & Claims Settled during Year								
Cash Collection	(5,588,371)	(2,755,854)	(856,357)	(9,200,582)	(7,935,416)	(2,791,039)	(883,526)	(11,609,982)
Collected by Repossession	(58,930)	(12,854)	(180,495)	(252,278)	(867,653)	(256,061)	(45,626)	(1,169,340)
Collected by New Loans	(1,825,718)	0	0	(1,825,718)	(568,856)	0	0	(568,856)
Bad Debt	(3,940,728)	0	0	(3,940,728)	(5,074,604)	0	0	(5,074,604)
Extended Loan	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	12,912,428	4,014,456	(1,929,680)	14,997,204	11,133,572	3,514,575	(892,829)	13,755,319

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

	Balance of Non-performing Loans & Claims		Special Provision for Doubtful Loans		Net Non-performing Loans & Claims	
	20.03.2022	20.03.2021	20.03.2022	20.03.2021	20.03.2022	20.03.2021
	IRR Million	IRR Million	IRR Million	IRR Million	IRR Million	IRR Million
Partial Distribution of Non-Performing Loans:						
Industry	6,345,257	6,530,162	(3,875,670)	(4,667,627)	2,469,587	1,862,535
Housing	3,281,386	2,898,354	(1,627,815)	(1,213,748)	1,653,571	1,684,606
Commercial	2,294,481	1,916,349	(1,048,330)	(524,407)	1,246,152	1,391,942
Services	2,586,435	1,805,640	(2,102,612)	(1,487,169)	483,823	318,470
Agriculture	297,860	182,295	(151,547)	(88,305)	146,313	93,991
Financial Intermediaries	191,784	422,519	(331,581)	(265,586)	(139,797)	156,933
Total	14,997,204	13,755,319	(9,137,555)	(8,246,843)	5,859,649	5,508,476

58.3.9.3. Balance of repossessed assets

Description	20.03.2022	20.03.2021
	IRR Million	IRR Million
Movable Assets	930	930
Immovable Assets:		
Residential	1,724,204	1,831,889
Commercial/Office	198,301	200,951
Factory	1,638,509	1,247,706
Land	465,122	469,781
Garden	0	1,204
Residential/Commercial	82,119	88,563
Residential/Commercial/Office	190,015	189,835
Balance of Repossessed Assets	**4,299,200**	**4,030,860**

58.3.10. Capital required for credit risk coverage

Capital required for covering credit risk of Bank's assets amounts to IRR32,259,241 million. The related calculations are presented in 58.3.10.1.

58.3.10.1. Calculation of capital required to cover credit risk

Description		20.03.2022	20.03.2021
		IRR Million	IRR Million
Total Weighted Asset to Credit Risk	58-7-2-1	403,240,513	317,354,878
Coefficient-%		8	8
Capital Required to Cover Credit Risk		**32,259,241**	**25,388,390**

58.4. Liquidity risk

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

58.4.1. 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.

58.4.2. 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.

58.4.3. 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 analysing 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.

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

With respect to widespread application of different models used as a measurement criteria 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 reasure the Bank's liquidity on a daily basis:

58.4.5. Liquidity risk control and measurement mechanism

- 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.
- 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 an 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.

Karafarin Bank (Public Joint Stock)
Notes to The Financial Statements
For The Year Ended 20 March 2022

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.

58.4.5.1. Liquidity provisions

Description	20.03.2022	20.03.2021
	IRR Million	IRR Million
Cash at Hand-IRR	483,826	406,978
Cash at Hand-Foreign Currency	2,213,019	1,938,166
Sight Deposit held with CBI (Unlimited)	388,037	100,802
Sight Deposits held with Other Banks & Credit Institutes (Unlimited)	17,410,197	16,581,895
Investing in Rapidly Marketable Shares	915,080	3,447,387
Investing in Other Securities	40,158,486	29,730,262
Total Liquidity Provisions	**61,568,645**	**52,205,489**

58.4.5.2. Liquidity ratios

Description	At Beginning of Year	Year's Monthly Average	Minimum during Year		At End of Year
	%	%	%	%	%
Cash & Cash Equivalent to Total Assets	12	11	14	10	11
Cash Asset & Cash Equivalent to Total Deposits	14	14	17	12	14
Net Cash Assets to Total Deposits**	12	12	16	9	5
Loans to Total Deposits	77	79	82	77	86
Loans Granted to 1-Year Deposits & Above	136	144	151	136	157
Escaped Deposits to Total Deposits***	17	16	17	15	14

* 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.

Karafarin Bank (Public Joint Stock)
Notes to The Financial Statements
For The Year Ended 20 March 2022

58.4.5.3. 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:

	20.03.2022							
	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	20,495,079	20,495,079	0	0	0	0	0	20,495,079
Claims from Banks & other Credit Institutes	19,137,595	19,137,595	0	0	0	0	0	19,137,595
Granted Loans & Claims from Non-governmental Entities	367,856,041	59,549,055	108,312,141	133,705,041	52,741,888	3,839,622	9,708,294	382,283,538
Investment in Shares & Other Securities	46,436,963	40,158,486	915,080	0	5,363,397	0	0	46,436,963
Claims from Subsidiary & Associated Companies	2,050,969	2,050,969	0	0	0	0	0	2,082,202
Other Accounts Receivable	4,150,705	4,150,705	0	0	0	0	0	4,604,595
Fixed Tangible Assets	27,233,966	0	0	0	0	0	27,233,966	27,233,966
Intangible Assets	15,103,962	0	0	0	0	0	15,103,962	15,103,962
Legal Deposit	51,559,615	10,800,248	5,850	1,914,792	27,188,352	0	11,650,372	51,559,615
Other Assets	7,169,676	0	0	0	0	0	7,169,676	7,169,676
	561,194,570	**156,342,136**	**109,233,071**	**135,619,833**	**85,293,637**	**3,839,622**	**70,866,270**	**576,107,190**
Liabilities:								
Dues to banks & Credit Institutes	(40,016,094)	(39,082,926)	0	(933,168)	0	0	0	(40,016,094)
Deposits	(112,149,501)	(63,003,415)	0	(49,146,086)	0	0	0	(112,149,501)
Dividends Payable	(30,747)	0	0	(30,747)	0	0	0	(30,747)
Corporation Tax Provision	(1,296,051)	0	0	(1,296,051)	0	0	0	(1,296,051)
Provisions & Other Liabilities	(10,020,622)	(5,511,393)	0	(2,727,951)	0	0	(1,781,278)	(10,020,622)
Provision for Work Termination Benefits	(1,718,515)	0	0	0	0	0	(1,718,515)	(1,718,515)
Investment Depositors' Interest	(333,783,222)	(90,948,419)	(10,086)	(20,163,412)	(222,661,306)	0	0	(333,783,222)
Total Liabilities	(499,014,753)	(198,546,153)	(10,086)	(74,297,415)	(222,661,306)	0	(3,499,793)	(499,014,753)
Total Shareholders' Equity	(62,179,817)						(62,179,817)	(62,179,817)
Total Liabilities, Shareholders' Equity & Off-Balance Sheet Items	(561,194,570)	(198,546,153)	(10,086)	(74,297,415)	(222,661,306)	0	(65,679,610)	(561,194,570)
Gap	0	(42,204,017)	109,222,986	61,322,418	(137,367,669)	3,839,622	5,186,660	
Cumulative Gap		(42,204,017)	67,018,969	128,341,387	(9,026,282)	(5,186,660)	0	
Gap to Regulatory Capital Ratio-%		(%78)	203%	114%	(%255)	7%	10%	
Cumulative Gap to Regulatory Capital Ratio-%		(%78)	125%	239%	(%17)	(%10)	0%	
Gap to Regulatory Capital Ratio as Basis for Other Prudential Ratios-%		(%94)	243%	136%	(%306)	9%	12%	
Cumulative Gap to Regulatory Capital Ratio As Basis for Other Prudential Ratios-&		(%94)	149%	286%	(%20)	(%12)	0%	

Karafarin Bank (Public Joint Stock)
Notes to The Financial Statements
For The Year Ended 20 March 2022

	2020-21							
	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	19,027,841	19,027,841	0	0	0	0	0	19,027,841
Claims from Banks & other Credit Institutes	11,783,095	11,783,095	0	0	0	0	0	11,783,095
Granted Loans & Claims from Non-governmental Entities	268,505,179	64,939,532	108,055,472	45,673,461	47,459,629	2,318,615	58,469	280,472,725
Investment in Shares & Other Securities	36,261,664	29,730,262	3,447,387	0	3,084,016	0	0	36,261,664
Claims from Subsidiary & Associated Companies	2,892,482	2,892,482	0	0	0	0	0	2,936,530
Other Accounts Receivable	2,325,432	2,325,432	0	0	0	0	0	2,778,539
Fixed Tangible Assets	18,834,184	0	0	0	0	0	18,834,184	18,834,184
Intangible Assets	14,579,575	0	0	0	0	0	14,579,575	14,579,575
Legal Deposit	38,599,297	15,607,483	26,903	5,678,867	17,286,044	0	0	38,599,297
Other Assets	5,633,538	0	0	0	0	0	5,633,538	5,633,538
	418,442,287	**146,306,127**	**111,529,762**	**51,352,328**	**67,829,688**	**2,318,615**	**39,105,766**	**430,906,988**
Liabilities:								
Dues to Banks & Other Credit Institutes	(6,171,978)	(5,238,810)	0	(933,168)	0	0	0	(6,171,978)
Deposits	(65,680,510)	(59,433,172)	0	(6,247,339)	0	0	0	(65,680,510)
Dividends Payable	(166,080)	0	0	(166,080)	0	0	0	(166,080)
Corporation Tax Provision	(995,340)	0	0	(995,340)	0	0	0	(995,340)
Provisions & Other Liabilities	(8,197,053)	(5,592,691)	0	(1,713,145)	0	0	(891,216)	(8,197,053)
Provision for Work Termination Benefits	(1,220,754)	0	0	0	0	0	(1,220,754)	(1,220,754)
Investment Depositors' Interest	(283,762,729)	(85,015,370)	(228,563)	(50,958,984)	(146,981,604)	0	(578,208)	(283,762,729)
Total Liabilities	(366,194,444)	(155,280,043)	(228,563)	(61,014,056)	(146,981,604)	0	(2,690,178)	(366,194,444)
Total Shareholders' Equity	(52,247,843)						(52,247,843)	(52,247,843)
Total Liabilities, Shareholders' Equity & Off-Balance Sheet Items	(418,442,287)	(155,280,043)	(228,563)	(61,014,056)	(146,981,604)	0	(54,938,021)	(418,442,287)
Gap	0	(8,973,916)	111,301,199	(9,661,728)	(79,151,915)	2,318,615	(15,832,255)	
Cumulative Gap		(8,973,916)	102,327,283	92,665,555	13,513,640	15,832,255	0	
Gap to Regulatory Capital Ratio-%		(%21)	264%	(%23)	(%188)	5%	(%38)	
Cumulative Gap to Regulatory Capital Ratio-%		(%21)	243%	220%	32%	38%	0%	
Gap to Regulatory Capital Ratio As Basis for Other Prudential Ratios-%		(%45)	556%	(%48)	(%395)	12%	(%79)	
Cumulative Gap to Regulatory Capital Ratio As Basis for Other Prudential Ratios-&		(%45)	511%	463%	68%	79%	0%	

Karafarin Bank (Public Joint Stock)
Notes to The Financial Statements
For The Year Ended 20 March 2022

58.4.5.4. Financial liabilities contractual maturity analysis

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

	2021-22						
	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
	IRR Million	IRR Million	IRR Million	IRR Million	IRR Million	IRR Million	IRR Million
Liabilities:							
Dues to Banks & Other Credit Institutes	(40,016,094)	0	0	0	0	0	(40,016,094)
Deposits	(112,149,501)	0	0	0	0	0	(112,149,501)
Loans Received from National Development Fund	0	0	0	0	0	0	0
Investment Depositors' Interest	(333,783,222)	(90,948,419)	(10,086)	(20,163,412)	(222,661,306)	0	0
Total	**(485,948,817)**	**(90,948,419)**	**(10,086)**	**(20,163,412)**	**(222,661,306)**	**0**	**(152,165,595)**

	2020-21						
	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
	IRR Million	IRR Million	IRR Million	IRR Million	IRR Million	IRR Million	IRR Million
Liabilities:							
Dues to Banks & Other Credit Institutes	(6,171,978)	0	0	0	0	0	(6,171,978)
Deposits	(65,680,510)	0	0	0	0	0	(65,680,510)
Loans Received from National Development Fund	0	0	0	0	0	0	0
Investment Depositors' Interest	(283,762,729)	(85,015,370)	(228,563)	(50,958,984)	(146,981,604)	0	(578,208)
Total	**(355,615,218)**	**(85,015,370)**	**(228,563)**	**(50,958,984)**	**(146,981,604)**	**0**	**(72,430,697)**

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

	2021-22						
	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 Institutes	(40,016,094)	(380,724)	0	(1,560,944)	(31,049)	0	0
Deposit	(112,149,501)	(10,303,887)	0	(396,027)	0	0	0
Debt Securities	0	0	0	0	0	0	0
Loans Received from National Development Fund	0	0	0	0	0	0	0
Investment Depositors' Interest	(333,783,222)	0	(52,990)	0	(554,182)	0	0
Total	**(485,948,817)**	**(10,684,610)**	**(52,990)**	**(1,956,971)**	**(585,231)**	**0**	**0**

	2020-21						
	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
	IRR Million	IRR Million	IRR Million	IRR Million	IRR Million	IRR Million	IRR Million
Liabilities:							
Dues to Banks & Other Credit Institutes	(6,171,978)	(3,341,004)	0	(156,107)	(78,356)	0	0
Deposit	(65,680,510)	(7,760,187)	0	(669,755)	0	0	0
Debt Securities	0	0	0	0	0	0	0
Loans Received from National Development Fund	0	0	0	0	0	0	0
Investment Depositors' Interest	(283,762,729)	0	(87,781)	0	(223,763)	0	0
Total	**(355,615,218)**	**(11,101,191)**	**(87,781)**	**(825,862)**	**(302,119)**	**0**	**0**

58.4.6. 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 inter bank market, in order to use their excess funds.

58.5. Market risk

58.5.1. 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.

58.5.2. 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.

Karafarin Bank (Public Joint Stock)
Notes to The Financial Statements
For The Year Ended 20 March 2022

58.5.3. Market risk measurement method
The two methods of Monte Carlo and History Simulation are used to manage Karafarin Bank's market risk at the end of every month.

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.

58.5.4. 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:

	2021-22		2020-21	
	Probable Change at Market Value	Effect on Profit & Loss	Probable Change at Market Value	Effect on Profit & Loss
	%	IRR Million	%	IRR Million
Investment in Rapidly-Transacted Shares	(-8.64, 8.64)	145,286	(-15.98 , 15.98)	551,186
Other Investments (Stating Title)	-	-	-	-

58.5.5.Analysis of value at risk of foreign currency rate

The Bank's foreign currency position at 20.03.2022 is as follows:

	USD	EUR	GBP	CHF	JPY	AED	CNY	IRR Equivalent of Other Foreign Currencies
Cash	9,774,925	1,128,916	35,898	200	30,000	2,826	300	0
Claims from Banks & Other Credit Institutes	4,825,615	51,415,754	527,536	230,792	214,740,334	78,808,527	8,610,855	1,764,923
Dues from the Government	0	0	0	0	0	0	0	0
Granted Loans & Claims from Non-governmental Entities	4,995,184	3,406,509	0	0	0	34,379,467	0	31,049
Investment in Shares & Other Securities	0	0	0	0	0	0	0	0
Claims from Subsidiary & Associated Companies	0	0	0	0	0	0	0	0
Other Accounts Receivable	88,762	1,360,840	0	0	0	517,587	1,651,720	15,613
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
Other Assets	0	0	0	0	0	0	0	0
Total Foreign Currency Assets	19,684,486	57,312,018	563,435	230,992	214,770,334	113,708,407	10,262,875	1,811,584
Customers' Commitments on L/Cs	0	0	0	0	0	0	340,320	0
Customers' Commitments on Issued L/Gs	1,481,927	38,767,104	0	0	0	4,000,000	6,206,186	8,810
Customers' Other Commitments	0	33,993	0	0	0	0	0	0
Total Customers' Foreign Currency Commitments	1,481,927	38,801,097	0	0	0	4,000,000	6,546,506	8,810
Total Customers' Foreign Currency Assets & Commitments	21,166,413	96,113,115	563,435	230,992	214,770,334	117,708,407	16,809,381	1,820,394
IRR Equivalent of Total Customers' Foreign Currency Assets &								
Commitments- IRR Million	4,233,283	21,144,885	147,797	49,252	358,892	6,384,739	526,487	
Dues to Banks & Other Credit Institutes	(1,140,090)	(6,813,804)	0	0	(70,055,254)	(74,082)	0	(1,262,847)

Karafarin Bank (Public Joint Stock)
Notes to The Financial Statements
For The Year Ended 20 March 2022

	USD	EUR	GBP	CHF	JPY	AED	CNY	IRR Equivalent of Other Foreign Currencies
Deposits	(10,067,374)	(24,474,794)	(42,351)	(100)	(7,526,088)	(54,125,916)	(4,393,087)	(28,861)
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	0	(6,916,820)	(16)	0	0	(6,920,315)	(5,637,271)	(96,400)
Investment Depositors' Interests	(2,142,940)	(810,317)	(1,200)	0	0	(34,379,467)	0	0
Total Foreign Currency Liabilities	(13,350,403)	(39,015,735)	(43,567)	(100)	(77,581,342)	(95,499,780)	(10,030,358)	(1,388,108)
Bank's Commitments on L/Cs	0	0	0	0	0	0	(340,320)	0
Bank's Commitments on Issued L/Gs	(1,481,927)	(38,767,104)	0	0	0	(4,000,000)	(6,206,186)	(8,810)
Bank's Other Commitments	0	(33,993)	0	0	0	0	0	0
Total Bank's Foreign Currency Commitments	(1,481,927)	(38,801,097)	0	0	0	(4,000,000)	(6,546,506)	(8,810)
Total Bank's Foreign Currency Liabilities & Commitments	(14,832,330)	(77,816,831)	(43,567)	(100)	(77,581,342)	(99,499,780)	(16,576,864)	(1,396,918)
IRR Equivalent of Bank's Total Foreign Currency Liabilities &								
Commitments- IRR Million	(2,966,466)	(17,119,703)	(11,428)	(21)	(129,642)	(5,397,067)	(519,204)	(1,396,918)
Net Positive (Negative) Foreign Currency Open Position for Each								
Foreign Currency on 20.03.2022	6,334,083	18,296,283	519,867	230,892	137,188,992	18,208,627	232,517	423,476
IRR Equivalent of Foreign Currency Open Position for Each Foreign								
Currency on 20.03.2022- IRR Million	1,266,817	4,025,182	136,369	49,230	229,250	987,672	7,283	423,476
Open Position of Each Foreign Currency to Regulatory Capital on 20.03.2022-%	2.4%	7.5%	0.3%	0.1%	0.4%	1.8%	0.0%	0.8%
Open Position of Each Foreign Currency to Regulatory Capital As the Basis of Other Prudential Ratios on 20.03.2022-%	2.8%	9.0%	0.3%	0.1%	0.5%	2.2%	0.0%	0.9%

The Bank's foreign currency position on 20.03.2021 is as follows

	USD	EUR	GBP	CHF	JPY	AED	CNY	IRR Equivalent of Other Foreign Currencies
Cash	8,649,326	2,919,433	36,231	200	30,000	300	2,726	0
Claims from Banks & Other Credit Institutes	2,459,059	49,645,345	527,536	230,792	657,325,934	60,456,340	72,354,814	1,849,667
Dues from the Government	0	0	0	0	0	0	0	0
Granted Loans & Claims from Non-governmental Entities	4,995,184	3,690,648	0	0	0	0	48,232,689	78,356
Investment in Shares & Other Securities	-	-	0	0	0	0	0	0
Claims from Subsidiary & Associated Companies	1,171,900	341,259	0	0	0	0	515,394	57,157
Other Accounts Receivable	23,150	110,894	0	0	0	0	39,040	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
Other Assets	0	0	0	0	0	0	0	0
Total Foreign Currency Assets	17,298,619	56,707,579	563,767	230,992	657,355,934	60,457,348	121,144,663	1,985,179
Customers' Commitments on L/Cs	-	825,000	0	0	12,444,000	347,760	0	169,383
Customers' Commitments on Issued L/Gs	4,414,099	39,898,498	0	0	0	12,412,372	4,000,000	7,011
Customers' Other Commitments	-	-	0	0	0	0	0	0
Total Customers' Foreign Currency Commitments	4,414,099	40,723,498	0	0	12,444,000	12,760,132	4,000,000	176,394
Total Customers' Foreign Currency Assets & Commitments	21,712,718	97,431,077	563,767	230,992	669,799,934	73	125,144,663	2,161,573
IRR Equivalent of Total Customers' Foreign Currency Assets &								
Commitments- IRR Million	3,452,322	18,511,905	124,907	39,726	976,789	1,791,266	5,414,634	2,161,573
Dues to Banks & Other Credit Institutes	(1,158,239)	(6,821,897)	0	0	(500,196,854)	0	(48,306,771)	(1,097,192)

Karafarin Bank (Public Joint Stock)
Notes to The Financial Statements
For The Year Ended 20 March 2022

	USD	EUR	GBP	CHF	JPY	AED	CNY	IRR Equivalent of Other Foreign Currencies
Deposits	(1,943,104)	(24,439,939)	(42,706)	(100)	(31,970,088)	(58,732,314)	(34,193,588)	(322,273)
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	(7,440,298)	(9,446,341)	(16)	0	0	(2,975,807)	(15,748,214)	(200,945)
Investment Depositors' Interests	(1,422,625)	(447,795)	(1,200)	0	0	0	0	0
Total Foreign Currency Liabilities	(11,964,266)	(41,155,972)	(43,922)	(100)	(532,166,942)	(61,708,121)	(98,248,573)	(1,620,410)
Bank's Commitments on L/Cs	0	(825,000)	0	0	(12,444,000)	(347,760)	0	(169,383)
Bank's Commitments on Issued L/Gs	(4,414,099)	(39,898,498)	0	0	0	(12,412,372)	(4,000,000)	(7,011)
Bank's Other Commitments	0	0	0	0	0	0	0	0
Total Bank's Foreign Currency Commitments	(4,414,099)	(40,723,498)	0	0	(12,444,000)	(12,760,132)	(4,000,000)	(176,394)
Total Bank's Foreign Currency Liabilities & Commitments	(16,378,364)	(81,879,470)	(43,922)	(100)	(544,610,942)	(74,468,253)	(102,248,573)	(1,796,804)
IRR Equivalent of Bank's Total Foreign Currency Liabilities &								
Commitments- IRR Million	(2,604,160)	(15,557,099)	(9,731)	(17)	(794,222)	(1,821,866)	(4,423,989)	(1,796,804)
Net Positive (Negative) Foreign Currency Open Position for Each								
Foreign Currency on 20.03.2021	5,334,353	15,551,607	519,845	230,892	125,188,992	(1,250,773)	22,896,090	364,769
IRR Equivalent of Foreign Currency Open Position for Each								
Foreign Currency on 20.03.2021- IRR Million	848,162	2,954,805	115,176	39,708	182,567	(30,600)	990,645	364,769
Open Position of Each Foreign Currency to Regulatory Capital on 20.03.2021-%	2%	7%	0%	0%	0%	0%	2%	1%
Open Position of Each Foreign Currency to Regulatory Capital As the Basis of Other Prudential Ratios on 20.03.2021-%	4%	15%	1%	0%	1%	0%	5%	2%

58.5.5.1. Summary of foreign currency open position

	20.03.2022	20.03.2021
Positive Open Position of All Foreign Currencies- IRR Million	34,665,729	32,473,122
Negative Open Position of All Foreign Currencies- IRR Million	(27,540,450)	(27,007,889)
Foreign Currency Open Position- IRR Million	7,125,278	5,465,232
Positive Open Position of All Foreign Currencies to Regulatory Capital As A Basis for Other Prudential Ratios-%	77.1%	162.2%
Negative Open Position of All Foreign Currencies to Regulatory Capital As A Basis for Other Prudential Ratios-%	(%61.3)	(%134.9)

58.5.5.2. Value at risk analysis of gold, silver and platinum

	20.03.2022	20.03.2021
	IRR Million	IRR Million
Total Assets to Gold, Silver & Platinum	5,487	3,286
Total Liabilities to Gold, Silver & Platinum	0	0
Net Assets & Liabilities to Gold, Silver & Platinum	5,487	3,286
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	5,487	3,286
Net Open Position of Gold (Always Positive)	5,487	3,286
Open Position Gold to Paid Capital & Free Reserve	0	0

58.5.5.3. 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	20.03.2022		20.03.2021	
	Potential Change in Market Price	Effect on Profit & Loss	Potential Change in Market Price	Effect on Profit & Loss
	%	IRR Million	%	IRR Million
EUR	(-2.4, 2.4)	96,764	(-3.06, 3.06)	67,697
GBP	(-2.53, 2.53)	3,454	(-4.17, 4.17)	3,060
AED	0	0	(-0.004, 0.004)	39
JPY	(-2.13, 2.13)	4,894	(-2.67, 2.67)	3,410
CHF	(-2.47, 2.47)	1,215	(-2.82, 2.82)	779
CNY	(-1.14, 1.14)	82	(-1.54, 1.54)	1,163
RUB	(-17.72, 17.72)	3,686	(-5.62, 5.62)	15,405
KRW	(-2.49, 2.49)	5,080	(-2.89, 2.89)	7,932
INR	(-1.95, 1.95)	3,550	(-4.18, 4.18)	6,726
TRY	(-19.87, 19.87)	1,632	(-5.46, 5.46)	14,963
Others	(-.002, 0.002)	95	(-7.48, 7.48)	20,518
		120,452		**141,693**

Maintenance period is 10 days and assurance level is 99%.

58.5.6. Capital required to cover market risk

Foreign Currency	Shares Risk		Foreign Currency Risk		Total Capital Required to Cover Market Risk
	Value at Risk	Required Capital	Value at Risk	Required Capital	
	IRR Million	IRR Million	IRR Million	IRR Million	IRR Million
Variance & Covariance Model	145,286	435,857	120,452	361,361	797,218
Standard Model	(Average Opportunity)*8%	134,545	(Opportunity Sale or Purchase)*8%	502,807	704,567

Karafarin Bank (Public Joint Stock)
Notes to The Financial Statements
For The Year Ended 20 March 2022

58.5.7. Analysis of gap between assets and liabilities sensitive to interest rate

	20.03.2022						
	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	20,495,079	0	0	0	0	0	20,495,079
Claims from Banks & Other Credit Institutes	19,137,595	0	0	0	0	0	19,137,595
Granted Loans & Claims from Non-governmental Entities	367,856,041	59,549,055	108,312,141	133,705,041	52,741,888	3,839,622	9,708,294
Investment in Shares & Other Securities	46,436,963	0	0	0	4,034,264	0	42,402,699
Claims from Subsidiary & Associated Companies	2,050,969	0	0	2,050,969	0	0	0
Other Accounts Receivable	4,150,705	0	0	0	0	0	4,150,705
Fixed Tangible Assets	27,233,966	0	0	0	0	0	27,233,966
Intangible Assets	15,103,962	0	0	0	0	0	15103961.66
Legal Deposit	51,559,615	10,800,248	5,850	1,914,792	27,188,352	0	11,650,372
Other Assets	7,169,676	0	0	0	0	0	7,169,676
Total Assets	561,194,570	70,349,303	108,317,991	137,670,802	83,964,505	3,839,622	157,052,346
Liabilities:							
Dues to Banks & Other Credit Institutes	(40,016,094)	(39,082,926)	0	0	0	0	(933,168)
Deposits	(112,149,501)	0	0	0	0	0	(112,149,501)
Dividends Payable	(30,747)	0	0	0	0	0	(30,747)
Corporation Tax Provision	(1,296,051)	0	0	0	0	0	(1,296,051)
Provisions & Other Liabilities	(10,020,622)	0	0	0	0	0	(10,020,622)
Provision for Work Termination Benefits	(1,718,515)	0	0	0	0	0	(1,718,515)
Investment Depositors' Interests	(333,783,222)	(90,948,419)	(10,086)	(20,163,412)	(222,661,306)	0	0
Total Liabilities	(499,014,753)	(130,031,345)	(10,086)	(20,163,412)	(222,661,306)	0	(126,148,605)
Total Shareholders' Equity	(62,179,817)						(62,179,817)
Total Liabilities & Shareholders' Equity	(561,194,570)	(130,031,345)	(10,086)	(20,163,412)	(222,661,306)	0	(188,328,422)
Gap		(59,682,042)	108,307,906	117,507,390	(138,696,801)	3,839,622	(31,276,075)
Cumulative Gap		(59,682,042)	48,625,863	166,133,254	27,436,453	31,276,075	0

Karafarin Bank (Public Joint Stock)
Notes to The Financial Statements
For The Year Ended 20 March 2022

	20.03.2021						
	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	19,027,841	0	0	0	0	0	19,027,841
Claims from Banks & Other Credit Institutes	11,783,095	0	0	0	0	0	11,783,095
Granted Loans & Claims from Non-governmental Entities	268,505,179	64,939,532	108,055,472	45,673,461	47,459,629	2,318,615	58,469
Investment in Shares & Other Securities	36,261,664	0	0	-	1,420,101	0	34,841,563
Claims from Subsidiary & Associated Companies	2,892,482	0	0	2,892,482	0	0	-
Other Accounts Receivable	2,325,432	0	0	0	0	0	2,325,432
Fixed Tangible Assets	18,834,184	0	0	0	0	0	18,834,184
Intangible Assets	14,579,575	0	0	0	0	0	14,579,575
Legal Deposit	38,599,297	15,607,483	26,903	5,678,867	17,286,044	0	0
Other Assets	5,633,538	0	0	0	0	0	5,633,538
Total Assets	418,442,287	80,547,015	108,082,375	54,244,810	66,165,774	2,318,615	107,083,697
Liabilities:							
Dues to Banks & Other Credit Institutes	(6,171,978)	(5,238,810)	0	0	0	0	(933,168)
Deposits	(65,680,510)	0	0	0	0	0	(65,680,510)
Dividends Payable	(166,080)	0	0	0	0	0	(166,080)
Corporation Tax Provision	(995,340)	0	0	0	0	0	(995,340)
Provisions & Other Liabilities	(8,197,053)	0	0	0	0	0	(8,197,053)
Provision for Work Termination Benefits	(1,220,754)	0	0	0	0	0	(1,220,754)
Investment Depositors' Interests	(283,762,729)	(85,015,370)	(228,563)	(50,958,984)	(146,981,604)	0	(578,208)
Total Liabilities	(366,194,444)	(90,254,180)	(228,563)	(50,958,984)	(146,981,604)	0	(77,771,113)
Total Shareholders' Equity	(52,247,843)						(52,247,843)
Total Liabilities & Shareholders' Equity	(418,442,287)	(90,254,180)	(228,563)	(50,958,984)	(146,981,604)	0	(130,018,955)
Gap		(9,707,164)	107,853,812	3,285,825	(80,815,830)	2318615.385	(22,935,259)
Cumulative Gap		(9,707,164)	98,146,648	101,432,473	20,616,644	22,935,259	0

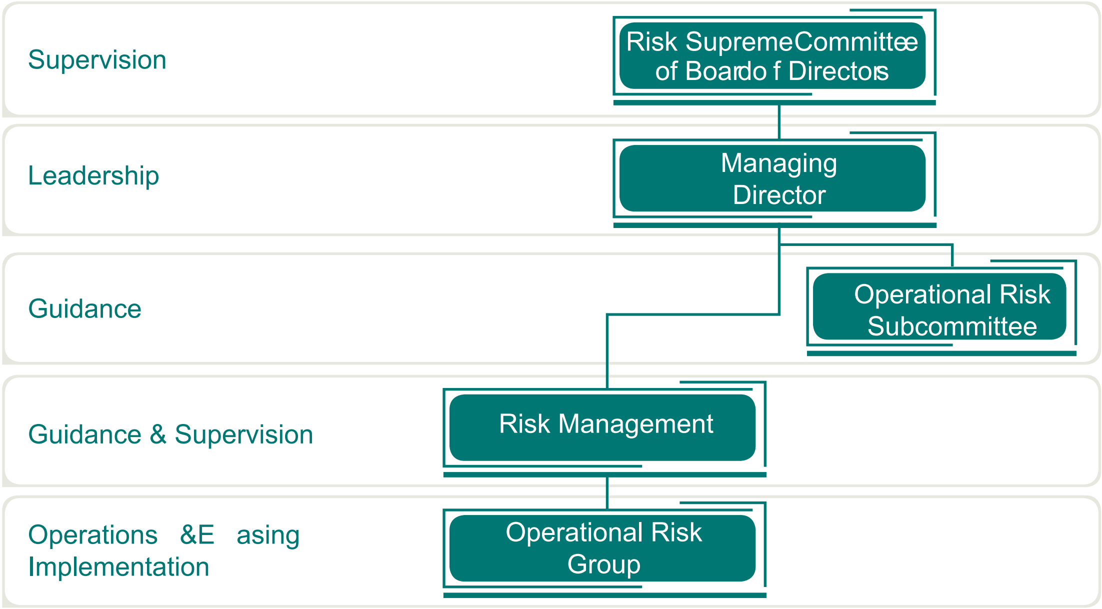
58.6. Operational risk

58.6.1. Definition

Karafarin Bank defines the operational risk according to the CBI's letter MB/3244 dated 25.10.2007 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.

58.6.2.Executive units of operational risk management

Appropriate organisational 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 organisational 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 organisational bodies.

58.6.3. 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 standardising 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.

58.6.4. 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.

58.6.5. 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 (standardised 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 recognise 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 analyse 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.

58.6.6. 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 specialised 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.

58.6.7. 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	4,971,786
SA Standard	-
AMA Standard	-
SMA Standard	-

58.6.8. Following six years of going through the process of localisation, 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 valuated in accordance with CBI guideline. Instead, they are valuated according to consumer price index announced by the CBI.

58.7. Asset management

58.7.1. Regulatory capital

Description	20.03.2021	20.03.2020
	IRR Million	IRR Million
Tier 1 Capital		
Capital Paid Less Capital from Assets Revaluation Surplus	21,090,937	18,326,636
Shares Premium	0	0
Retained Earnings (Loss)	12,262,472	8,094,015
Legal Reserve	7,932,529	5,956,750
Prudential Reserve	0	0
Other Reserves	2,958,053	2,160,426
Total Tier 1 Capital before Regulatory Adjustments	**44,243,990**	**34,537,826**
Less: Regulatory Adjustments		
Cost of Treasury Shares	(474,189)	0
Cost of the Credit Institutes Shares Owned by Subsidiaries at the Time Calculating Capital Adequacy	(543,099)	(352,195)
Intangible Assets	(84,357)	(92,509)
Minimum Cost of Investment in Shares of Credit Institutes or Nonsubsidiary Financial Units	0	(243,033)
Net Carrying Amount of Investments to Specified Limits (50% Less from Tier 1 Capital)	(1,358,295)	(1,876,172)
Other Adjustments Recognised by the CBI	0	0
Total Regulatory Adjustments	(2,459,940)	(2,563,909)
Tier 1 Capital after Regulatory Adjustments	**41,784,050**	**31,973,917**
Tier 2 Capital		
Debt from Debt Securities Issued by Credit Institutes & Their Premium & Other Dues Following Meeting the Conditions	0	0
Net Carrying Amount of Investments up to the Specified Limit (50% Less from Tier 2 Capital)	(1,358,295)	(1,876,172)
Provision for General Doubtful Debts up to 1.25% of Risk-Weighted Assets	5,040,506	3,799,131
Adjusted Amount from Revaluation of Fixed Assets, Shares & Securities	8,284,079	8,284,079
Total Tier 2 Capital	**11,966,290**	**10,207,038**
Less:		
Excess of Tier 2 Capital to Tier 1 Capital	0	0
Tier 2 Capital Calculated in Regulatory Capital	**11,966,290**	**10,207,038**
Regulatory Capital	**53,750,339**	**42,180,956**
Regulatory Capital Being A Basis for Other Prudential Ratios*	**44,945,257**	**20,014,641**

* Regulatory capital which is a basis for other prudential ratios has been approved by the CBI and is a basis to calculate other prudential ratios at the reporting period of the financial statements of the credit institutes based on Article 15 of Investment in Securities Instruction. It is obvious that new regulatory capital will be in effect by the CBI based on the approved financial statements following General Assembly and after applying any possible changes and deductions such as distribution of dividends among shareholders.

Karafarin Bank (Public Joint Stock)
Notes to The Financial Statements
For The Year Ended 20 March 2022

58.7.2.Capital Allocation

58.7.2.1.Total credit risk-weighted assets at the end of the reporting period ended 20.03.2022 amounts to IRR403,240,513 million.

Description	20.03.2022						20.03.2021	
	Amount	Conversion Factor	Adjusted Amount Considering Collaterals & 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)	2,696,844	100	2,696,844	0	0	0	0	0
Legal Deposit held with CBI	51,559,615	100	51,559,615	0	0	0	0	0
Claims from CBI	16,710,229	100	16,710,229	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	5,118,714	100	5,118,714	50	2,559,357	204,749	13,638,231	1,091,059
Claims from the Government (Loans & Purchasing Securities)	40,039,348	100	40,039,348	0	0	0	0	0
Claims from Governmental Institutes & Companies & Non-governmental General Institutes (Loans & Purchasing Securities)	15,106,887	100	15,106,887	100	15,106,887	1,208,551	0	0
Principal Amount of Participatory Contracts Loans (Musharaka, Mudaraba, Mosaghat, Mozare'eh) of Listed Companies	4,455,830	100	2,598,207	100	2,598,207	207,857	22,234,715	1,778,777
Principal Amount of Participatory Contracts Loans (Musharaka, Mudaraba, Mosaghat, Mozare'eh) of Other Individuals & Legal Entities	27,213,041	100	19,981,372	150	29,972,059	2,397,765	60,844,157	4,867,533
Non-trade Investment in Companies Listed in TSE after Deducting Provision for Share Impairment Up to Specified Limit, Subject of "Investment in Securities Instruction"	1,165,203	100	1,165,203	150	1,747,805	139,824	0	0

Karafarin Bank (Public Joint Stock)
Notes to The Financial Statements
For The Year Ended 20 March 2022

Description	20.03.2022						20.03.2021	
	Amount	Conversion Factor	Adjusted Amount Considering Collaterals & 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-trade Investment in Other Companies after Deducting Provision for Share Impairment Up to Specified Limit, Subject of "Investment in Securities Instruction"	1,544,342	100	1,544,342	200	3,088,683	247,095	5,840,172	467,214
Non-trade Investment in Other & Foreign Credit Institutes after Deducting Provision for Share Impairment Up to Specified Limit, Subject of "Investment in Securities Instruction"	0	100	0	150	0	0	245,894	19,672
Principal & Interest of Non-participatory Contracts-Residential Properties	2,543,905	100	1,646,375	50	823,187	65,855	1,538,630	123,090
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.	23,160,760	100	15,411,603	75	11,558,702	924,696	0	0
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	6,210,403	100	4,773,698	20	954,740	76,379	144,659	11,573
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	148,323,729	100	110,071,668	50	55,035,834	4,402,867	24,390,301	1,951,224

Karafarin Bank (Public Joint Stock)
Notes to The Financial Statements
For The Year Ended 20 March 2022

Description	20.03.2022						20.03.2021	
	Amount	Conversion Factor	Adjusted Amount Considering Collaterals & 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 Medium	114,157,063	100	84,389,952	75	63,292,464	5,063,397	25,986,508	2,078,921
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	1,540,889	100	689,130	100	689,130	55,130	73,522	5,882
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	38,863,159	100	30,948,462	150	46,422,693	3,713,815	33,082,089	2,646,567
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	8,657,640	692,611
Net Non-performing Loans (Principal, Interest & Penalty Less Related Special Provision)-Special Provision Amount Less than 20% of Non-performing Loans Balance	3,720,388	100	3,720,388	150	5,580,583	446,447	329,606	26,369

Karafarin Bank (Public Joint Stock)
Notes to The Financial Statements
For The Year Ended 20 March 2022

Description	20.03.2022						20.03.2021	
	Amount	Conversion Factor	Adjusted Amount Considering Collaterals & 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
Net Non-performing Loans (Principal, Interest & Penalty Less Related Special Provision)-Special Provision Amount Less than 20% to 50% of Non-performing Loans Balance	3,077,332	100	3,077,332	100	3,077,332	246,187	720,051	57,604
Net Non-performing Loans (Principal, Interest & Penalty Less Related Special Provision)-Special Provision Amount More than 50% of Non-performing Loans Balance	597,617	100	597,617	50	298,808	23,905	3,328,337	266,267
Non-governmental Bonds	0	100	0	100	0	0	0	0
Claims from Subsidiary & Associated Companies (Current Claims & Not Loans)	2,050,969	100	2,050,969	100	2,050,969	164,078	2,892,482	231,399
Other Accounts Receivable (Current)	4,150,705	100	4,150,705	100	4,150,705	332,056	2,285,432	182,835
Net Fixed Asset	42,337,927	100	42,337,927	100	42,337,927	3,387,034	33,413,759	2,673,101
Other Balance Sheet Items (Other Assets)	7,169,676	100	7,169,676	100	7,169,676	573,574	8,333,440	666,675
Off-balance Sheet Items	0	100	0		0	0	0	0
Commitments on Issued or Confirmed L/Cs Whose Good is not Collateral of Credit After Deducting Advances Received	7,045,503	50	3,522,751	100	3,522,751	281,820	748,789	59,903
Commitments on Issued L/Gs After Deducting Cash Deposit	117,724,196	50	58,862,098	100	58,862,098	4,708,968	37,885,382	3,030,831
Commitments on Transaction Contracts & Guarantee of Sukuk Such as Bonds	84,679,830	50	42,339,915	100	42,339,915	3,387,193	30,741,079	2,459,286
Other Commitments	0	100	0	100	0	0	0	0
Total	**772,964,104**				**403,240,513**	**32,259,241**	**317,354,878**	**25,388,390**

Karafarin Bank (Public Joint Stock)
Notes to The Financial Statements
For The Year Ended 20 March 2022

58.7.2.2.Total operational risk-weighted assets at the end of the year ended 20.03.2022 amounted to IRR8,204,173 million.

	20.03.2022			20.03.2021		
	Amount	Risk Factor	Required Capital	Amount	Risk Factor	Required Capital
	IRR Million	%	IRR Million	IRR Million	%	IRR Million
Trade Shares	915,080	8.00	73,206	3,447,387	8.00	275,791
Total Cost of Trade Securities- Specific Risk	119,138	5.00	5,957	171,974	5.00	8,599
Trade Securities-Fundamental Risk- 1 Month & Less to Maturity Date	0	0		0	0	0
Trade Securities- Fundamental Risk- 1 Month to 3 Months Remained to Maturity Date	0	0.2		0	0.2	0
Trade Securities- Fundamental Risk- 3 Months to 6 Months Remained to Maturity Date	0	0.4		0	0.4	0
Trade Securities- Fundamental Risk- 6 Months to 12 Months Remained to Maturity Date	0	0.7		0	0.7	0
Trade Securities- Fundamental Risk- 1 Year to 2 Years Remained to Maturity Date	0	1.25		171,974	1.25	2,150
Trade Securities- Fundamental Risk- 2 Years to 3 Years Remained to Maturity Date	0	1.75		0	1.75	0
Trade Securities- Fundamental Risk- 3 Years to 4 Years Remained to Maturity Date	0	2.25		0	2.25	0
Trade Securities- Fundamental Risk- 4 Years to 5 Years Remained to Maturity Date	0	2.75		0	2.75	0
Trade Securities- Fundamental Risk- 5 Years to 7 Years Remained to Maturity Date	0	3.25		0	3.25	0
Trade Securities- Fundamental Risk- 7 Years to 10 Years Remained to Maturity Date	0	3.75		0	3.75	0
Trade Securities- Fundamental Risk- 10 Years to 15 Years Remained to Maturity Date	0	4.5		0	4.5	0
Trade Securities- Fundamental Risk- 15 Years to 20 Years Remained to Maturity Date	0	5.25		0	5.25	0
Trade Securities- Fundamental Risk- Above 20 Years Remained to Maturity Date	119,138	6.00	7,148	0	6.00	0
Positive Open Position of All Foreign Currencies Absolute Magnitude of Negative Position of All Foreign Currencies Whichever is Higher	7,125,278	8.00	570,022	5,465,232	8.00	437,219
Total Capital Required to Cover Market Risk			656,334			723,758
Factor			12.5			12.5
Total Market Risk-Weighted Assets			8,204,173			9,046,974

58.7.2.3.Total operational risk-weighted assets at the end of the reporting fiscal year ended 20.03.2022 amounted to IRR95,536,588 million.

	20.03.2022			20.03.2021		
	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	50,952,847	15.00	7,642,927	33,689,527	15.00	5,053,429
Factor			12.5			12.5
Operational Risk- Weighted Assets			95,536,588			63,167,863

58.7.3. Capital adequacy ratio of the Bank at the end of the year ended 20.03.2022 was 10.60%.

	20.03.2022	20.03.2021
	IRR Million	IRR Million
Regulatory Capital As A Basis for Prudential Ratios	53,750,339	42,180,956
Credit Risk-Weighted Assets	403,240,513	317,354,878
Market Risk-Weighted Assets	8,204,173	9,046,974
Operational Risk-Weighted Assets	95,536,588	63,167,863
Total Risk-Weighted Assets	506,981,273	389,569,714
Tier 1 Capital to Risk-Weighted Asset Ratio-%	8.2%	8.2%
Capital Adequacy Ratio-%	10.60%	10.83%

58.7.4. Degree of leverage

Degree of leverage is the ratio of Bank's total assets to shareholders' equity. Bank's degree of leverage was 11.1% at the end of the fiscal year 20.03.2022.

	20.03.2022	20.03.2021
	IRR Million	IRR Million
Total Shareholders' Equity	62,179,817	52,947,843
Total Assets	561,194,570	418,442,287
Degree of Leverage-%	11.1%	12.5%

59. Operating Units

59.1. Basis for dividing sectors

This section explains the various business sectors in reporting.

Karafarin Bank (Public Joint Stock)
Notes to The Financial Statements
For The Year Ended 20 March 2022

59.2. 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.

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	65,485,288	0	257,896	0	0	65,743,184
Deposits Interest Expense	(48,278,695)	0	(98,811)	0	0	(48,377,506)
Net Loans & Deposits Income	17,206,593	0	159,085	0	0	17,365,678
Commission Income	4,054,071	0	0	0	0	4,054,071
Commission Expense	(257,565)	0	0	0	0	(257,565)
Net Commission Income	3,796,506	0	0	0	0	3,796,506
Net Investment Returns (Loss)	4,457,821	0	0	0	0	4,457,821
Net Foreign Currency Transactions Profit (Loss)	0	0	850,347	0	0	850,347
Other Operating Revenues	0	0		0	812,641	812,641
Sum of investment income, foreign exchange and other operational income	4,457,821	0	850,347	0	812,641	6,120,808
Net Income Out of the Bank	25,460,920	0	1,009,431	0	812,641	27,282,993
Net Income from Bank's Sections						0
Total Income of Operating Sections of the Bank						0
Doubtful Debt Expenses of Operating Sections	(2,467,437)					(2,467,437)
Other Direct Expenses Attributable to Operating Sections	(459,491)					(459,491)
Each Section Profit (Loss) before Unattributable General Expenses General Expenses	22,533,992	0	1,009,431	0	812,641	24,356,065
Unattributable to Sections						(10,711,788)
Profit before Tax						**13,644,277**

Karafarin Bank (Public Joint Stock)
Notes to The Financial Statements
For The Year Ended 20 March 2022

59.3.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.

	20.03.2022		
	IRR Million	IRR Million	IRR Million
Assets:			
Cash	20,495,079	0	20,495,079
Claims from & Other Credit Institutes	19,137,595	0	19,137,595
Granted Loans & Claims from Non-governmental Entities	367,856,041	0	367,856,041
Investment in Shares & Securities	46,436,963	0	46,436,963
Claims from Subsidiary & Associated Companies	2,050,969	0	2,050,969
Other Accounts Receivable	4,150,705	0	4,150,705
Legal Deposits	51,559,615	0	51,559,615
Fixed Tangible Assets	27,233,966	0	27,233,966
Intangible Assets	15,103,962	0	15,103,962
Other Asset	7,169,676	0	7,169,676
Total Assets	561,194,570	0	561,194,570
Liabilities:			
Dues to Banks & Other Credit Institutes	(40,016,094)	0	(40,016,094)
Deposits	(112,149,501)	0	(112,149,501)
Debt Securities	0	0	0
Investment Depositors' Rights	(333,783,222)	0	(333,783,222)
Dividends Payable	(30,747)	0	(30,747)
Corporation Tax Provision	(1,296,051)	0	(1,296,051)
Provisions & Other Liabilities	(10,020,622)	0	(10,020,622)
Provision for Work termination Benefits	(1,718,515)	0	(1,718,515)
Total Liabilities	(499,014,753)	0	(499,014,753)
Total Operating Revenues	**69,797,255**	**0**	**69,797,255**
Total Other Income & Expenses	**812,641**	**0**	**812,641**

59.3.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.

	20.03.2021		
	IRR Million	IRR Million	IRR Million
Assets:			
Cash	19,027,841	0	19,027,841
Claims from & Other Credit Institutes	11,783,095	0	11,783,095
Granted Loans & Claims from Non-governmental Entities	268,505,179	0	268,505,179
Investment in Shares & Securities	36,261,664	0	36,261,664
Claims from Subsidiary & Associated Companies	2,892,482	0	2,892,482
Other Accounts Receivable	2,325,432	0	2,325,432
Legal Deposits	38,599,297	0	38,599,297
Fixed Tangible Assets	18,834,184	0	18,834,184
Intangible Assets	14,579,575	0	14,579,575
Other Asset	5,633,538	0	5,633,538
Total Assets	418,442,287	0	418,442,287
Liabilities:			
Dues to Banks & Other Credit Institutes	(6,171,978)	0	(6,171,978)
Deposits	(65,680,510)	0	(65,680,510)
Debt Securities	0	0	0
Investment Depositors' Rights	(283,762,729)	0	(283,762,729)
Dividends Payable	(166,080)	0	(166,080)
Corporation Tax Provision	(995,340)	0	(995,340)
Provisions & Other Liabilities	(8,197,053)	0	(8,197,053)
Provision for Work termination Benefits	(1,220,754)	0	(1,220,754)
Total Liabilities	(366,194,444)	0	(366,194,444)
Total Operating Revenues	**47,731,590**	**0**	**47,731,590**
Total Other Income & Expenses	**1,370,696**	**0**	**1,370,696**

60.Transactions with Related Parties

60.1.Changes in major shareholders (over 1%)

During the 2021-22 fiscal year, Brokerage mutual investment fund with the purchase of 621,871,715 shares, Arman Karafarin investment fund with the purchase of 576,291,061 shares, and Lotus Parsian investment fund with the purchase of 450,036,000 shares were among the shareholders above one percent. Also, Karo Andisheh Jonoub Company with the sale of 137,710,141 shares and Parsian Financial Group with 394,535,981 shares were removed from the list of shareholders above one percent.

60.2.Transactions with managers

Managers include the Managing Director, board members and the Bank's executive board. During the 2020-21 fiscal year managers had no transactions with the Group companies.

Karafarin Bank (Public Joint Stock)
Notes to The Financial Statements
For The Year Ended 20 March 2022

60.2.1. 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	2021-22					
			Transaction	Subject to Article 129?	Pricing Method	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		2,223	0	0
Karafarin Brokerage Co.	Karafarin Brokerage Mutual Investment Fund	Managed Fund	Transactions Commission & Services	No		201,028	0	116,432
	Arman Karafarin Investment Fund	Managed Fund	Transactions Commission & Services	No		157,930	0	48,739
	Shakhes Karafarin Investment Fund	Managed Fund	Transactions Commission	No		50,035	0	31,233
	Karafarin Insurance Co	The Same Category Company	Transactions Commission	No		49,967	0	1,082
Abnie Gostar Karafarin	Karafarin Insurance Co	The Same Category Company	Purchasing Services	Yes		1,288	0	0
Karafarin financial group	Karafarin Insurance Co	Other related parties	Purchasing Asset & Services	Yes		514	0	1,822

60.2.2.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

Karafarin Bank (Public Joint Stock)
Notes to The Financial Statements
For The Year Ended 20 March 2022

60.3. Transactions of related parties at the end of the fiscal year ended 20.03.2022 with the Bank (Parent Company) are as follows:

Related Party	Type of Relation	Year Ended 20.03.2022					
		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 Company	L/Gs Commission Income	No	market price	0	283	2,099,997
		L/G Issuance		Board of Directors	14,000	0	
		Granted Loans		Board of Directors	13,016,000	12,716	
		Transactions Commission		market price	0	25,559	
Karafarin Foreign Exchange Co.	Subsidiary Company	Foreign Currencies Purchase	No	market price	52,973,024	0	713,209
		Foreign Currencies & Services Sale &		market price	99,593	359,172	
		No Other Receivables		Board of Directors	1,665	0	
		Dividends receivable			0	0	
		Rent deposit			0	0	
Karafarin Leasing Co..	Subsidiary Company	Investment Purchase	No	Board of Directors	0		363,417
		Granted Loans		Board of Directors	1,500,000	6,254	
		Other Receivables		Board of Directors	80,973		
		Other payables		Board of Directors	75,243		
		L/Gs Commission Income		Board of Directors		1	
		L/G Issuance		Board of Directors	72,679		
Amin Etemad Karafarin Co.	Subsidiary Company	prepayments	No	Board of Directors	0	0	6,805
		Other Receivables		Board of Directors	0	0	
Abnieh Gostar Karafarin Construction Co.	Subsidiary Company	Services Purchase & Sales	No	market price	44,266	0	550,538
		L/Gs Commission Income		market price	0	0	
		L/G Issuance		Board of Directors	0	0	
Karafarin Bank financial group	Subsidiary Company	Trade receivables and other receivables	No	Board of Directors	1,500,000	0	322,186
		Trade payables		Board of Directors	977,048	0	
		Granted Loans		Board of Directors	1,972,668	30,908	

Related Party	Type of Relation	Year Ended 20.03.2022					
		Transaction	Subject to Article 129?	Pricing Method	Flow of Transaction Amount	Transaction Gross Profit (Loss)	Claim Balance (Debt)
					IRR Million	IRR Million	IRR Million
		Loans Repayment		Board of Directors	1,867,494	0	
		receivables		Board of Directors	0	0	
		Sale of assets and services		Board of Directors	2,710,000	0	
		Purchase of assets and services		Board of Directors	432	0	
		Payment for capital increase		Board of Directors	0	0	
		Buying and selling services		Board of Directors	0	0	
Asr Amin Karafarin Co.	Subsidiary Company	Buying and selling shares	No	market price	0	0	66,514
		Other receivables		market price	0	0	
Karafarin Insurance	affiliated company	L/Gs Commission Income	No	market price	0	203	0
		L/G Issuance		Board of Directors	161,174	0	
Tose'e Negahe fardaye Karafarin Co.	Subsidiary Company	Buying equipment and providing services	No	market price	751,221	0	193,877
		Payment of the loan		Board of Directors	481,470	0	
		prepayment		Board of Directors	196,680	0	
		receive payment		Board of Directors	108,145	0	
		Other receivables		Board of Directors	0	0	
		Other payables		Board of Directors	0	0	
		Trade accounts payable		Board of Directors	0	0	
Kouroush Petrochemical Industries Development Co.	Subsidiary Company	loans granted from the National Foreign Exchange Development Fund	No	Board of Directors	0	0	7,478
Karo Andisheh Engineers	Bank shareholder	Granted Loans	No	Board of Directors	4,479,387	85,287	1,177,107
		L/Gs Commission Income		market price	0	1,790	
		L/G Issuance		market price	109,794	0	93,567
Ali Rousta	Bank shareholder	Granted Loans	No	Board of Directors	0	0	0

Karafarin Bank (Public Joint Stock)
Notes to The Financial Statements
For The Year Ended 20 March 2022

60.4. 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) 20.03.2022	Claim Balance (Debt) 20.03.2021
		IRR Million	IRR Million	IRR Million	IRR Million
		0	0	0	0
		0	0	0	0

61. 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	1,262,837
Board of Directors' Proposal	
Dividend Proposed by the Board of Directors	1,262,837

62. Performance Statement of IRR Saving Gharz-al Hassaneh Operations

62.1. Balance of Gharz-al Hassaneh resources and expenditures

	Note	2021-22		2020-21
		IRR Million		IRR Million
Gharz-al Hassaneh Resources:				
Saving Gharz-al Hassaneh Deposits-IRR	22-2	3,357,929		250,732
Current Gharz-al Hassaneh Deposits-IRR	22-1	49,341,599		51,422,252
Total Gharz-al Hassaneh Resources		52,699,528	51,672,984	
Gharz-al Hassaneh Expenditures:				
Granted IRR Loans & Claims from Governmental Authorities (before Provision)				
Ordinary Loans		0		0
Provisional Loans-Budget		0		0
Provisional Loans-Budget		0		0
Total Granted IRR Loans & Claims from Governmental Authorities		0		0
Granted IRR Loans & Claims from Non-Governmental Entities (before Provision)				
Ordinary Loans		(781,887)		(391,675)
Staff Loans		0		0
Provisional Loans-Budget		0		0
Provisional Loans-Budget		0		0
Total Granted IRR Loans & Claims from Non-Governmental Entities	13	(781,887)		(391,675)
Total Gharz-al Hassaneh Expenditures			(781,887)	(391,675)
Legal Deposit of Saving Gharz-al Hassaneh Resources			(335,793)	(25,073)
Legal Deposit of Current Gharz-al Hassaneh Resources			(6,266,383)	(5,142,225)
Liquidity Reserve for Saving Gharz-al hassaneh Deposits (5%)			(167,896)	(12,537)
Liquidity Reserve for Current Gharz-al hassaneh Deposits (40%)			(19,736,640)	(20,568,901)
Excess (Deficit) of Gharz-al hassaneh Resources to Expenditures			**25,410,929**	**25,532,573**

* Special Gharz-al Hasaneh deposits (managed funds) are not presented in this section.

Karafarin Bank (Public Joint Stock)
Notes to The Financial Statements
For The Year Ended 20 March 2022

62.2. Net commission on Gharz-al Hasaneh operations

	note	Parent Company	
		2021-22	2020-21
		IRR Million	IRR Million
Commission Received on Granted Gharz-al Hassaneh Loans		21,967	13,280
Prize Expenses for Gharz-al Hassaneh Deposits		0	0
Net Commission on Gharz-al Hassaneh Operations	44-1	21,967	13,280

62.3. Classification of granted Gharz-al Hassaneh loans based on type

	Parent Company	
	2021-22	2020-21
	IRR Million	IRR Million
Marriage	685,971	307,525
Others	95,915	84,150
Total Granted Gharz-al Hassaneh Loans	781,887	391,675

62.4. Classification of Granted Gharz-al Hassaneh loans based on customer type

	Parent Company	
	2021-22	2020-21
	IRR Million	IRR Million
Legal Entities	781,887	391,675
Legal Entities-Cooperative	0	0
Legal Entities-Others	0	0
Total Granted Gharz-al Hassaneh Loans	781,887	391,675

Karafarin Bank (Public Joint Stock)
Notes to The Financial Statements
For The Year Ended 20 March 2022

63. Information on Loans and Commitments of Related Parties

Information on related parties' loans and commitments according to CBI's instruction No.94/241742 dated 16.11.2015 are as follows:

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	
											Principal Paid Amount	Balance Amount (After Mudaraba, Joint Account & Musharaka Funds)			Contract or Liability Type	Contract Period	Grace Period	Interest Rate / Commission	Approval Date								
		1-2	2-2	3-2	4-2	5-2	6-2	7-2	8-2	9-2		Current	Non-performing	Total						Gross	Cash Advances	Net Commitments	Net Commitments with Conversion		Type	value
1	Karo Andisheh jonoub					*	*				0	0	0	0	0	0	0	0		5,319	1,064	4,255	851	851		
							*				200,000	200,000	0	200,000	morabehe	3	0	18		0	0	0	0	200,000		
											118,800	118,800	0	118,800	morabehe	3	0	18		0	0	0	0	118,800		
											196,020	196,020	0	196,020	morabehe	3	0	18		0	0	0	0	196,020		
											39,500	39,500	0	39,500	morabehe	3	0	18		0	0	0	0	39,500		
											300,000	300,000	0	300,000	morabehe	12	0	18		0	0	0	0	300,000		
											237,500	237,500	0	237,500	morabehe	3	0	18		0	0	0	0	237,500		
											0	0	0	0	L/G	0	0	0		1,435	143	1,291	258	258		
											0	0	0	0	L/G	0	0	0		7,174	717	6,457	1,291	1,291		
											0	0	0	0	L/G	0	0	0		7,054	705	6,349	1,270	1,270		
											0	0	0	0	L/G	0	0	0		1,435	143	1,291	258	258		
											0	0	0	0	L/G	0	0	0		2,600	260	2,340	468	468		
											0	0	0	0	L/G	0	0	0		15,700	1,570	14,130	2,826	2,826		
2	Karo Andisheh Engineering										0	0	0	0	L/G	0	0	0		6,674	667	6,006	1,201	1,201	Cheque, Additional Collateral, Enforced Contracts	2,250,328
											0	0	0	0	L/G	0	0	0		12,000	1,200	10,800	2,160	2,160		
											0	0	0	0	L/G	0	0	0		7,415	742	6,674	1,335	1,335		
											0	0	0	0	L/G	0	0	0		900	90	810	162	162		
											0	0	0	0	L/G	0	0	0		12,732	1,273	11,459	2,292	2,292		
											0	0	0	0	L/G	0	0	0		35	4	32	6	6		
											0	0	0	0	L/G	0	0	0		535	53	481	96	96		
											0	0	0	0	L/G	0	0	0		46	5	42	8	8		
											0	0	0	0	L/G	0	0	0		11,158	1,116	10,042	2,008	2,008		
											0	0	0	0	L/G	0	0	0		4,500	0	4,500	900	900		
											0	0	0	0	L/G	0	0	0		175	0	175	35	35		
											0	0	0	0	L/G	0	0	0		1,000	0	1,000	200	200		
											0	0	0	0	L/G	0	0	0		1,000	0	1,000	200	200		
The sum of Karo Andisheh											1,091,820	1,091,820		1,091,820						93,567	8,689	84,878	16,976	1,108,796		

Karafarin Bank (Public Joint Stock)
Notes to The Financial Statements
For The Year Ended 20 March 2022

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
3	Karafarin Insurance Co.								*		0	11	0	11	Temporary Debtors	0		0		0	0	0	0	11	Short term investment deposit	96,650
											0	0	0	0	L/G	0		0		200	0	200	40	40		
											0	0	0	0	L/G	0		0		900	0	900	180	180		
											0	0	0	0	L/G	0		0		1,000	0	1,000	200	200		
											0	0	0	0	L/G	0		0		67,600	0	67,600	13,520	13,520		
											0	0	0	0	L/G	0		0		18,415	0	18,415	3,683	3,683		
											0	0	0	0	L/G	0		0		2,100	0	2,100	420	420		
Sum of Karafarin Insurance Co											0	11	0	11		0		0		90,215		90,215	18,043	18,054		96,650
4	Karafarin Leasing Co.								*		80,973	80,973	0	80,973	Musharaka	3	0	18		0	0	0	0	80,973	Cheque, Additional Collateral, Enforced Contracts, Guarantee of banks and internal institutions	1,271,042
											362,340	362,340	0	362,340	Musharaka	3	0	18		0	0	0	0	362,340		
											0	0	0	0	Temporary Debtors	0	0	0		42,620	42,620	0	0			
Sum of Karafarin Leasing Co.											443,313	443,313		443,313						42,620	42,620	0	0	443,313		1,271,042
5	Karafarin brokerage								*		95,000	95,000	0	95,000	jaale	1	0	12		0	0	0	0	95,000	Cheque, Additional Collateral, Enforced Contracts	16.126.521
											170,000	170,000	0	170,000	jaale	1	0	12		0	0	0	0	170,000		
											315,000	315,000	0	315,000	jaale	1	0	15		0	0	0	0	315,000		
											100,000	100,000	0	100,000	jaale	1	0	15		0	0	0	0	100,000		
											130,000	130,000	0	130,000	jaale	1	0	15		0	0	0	0	130,000		
											140,000	140,000	0	140,000	jaale	1	0	15		0	0	0	0	140,000		
											150,000	150,000	0	150,000	jaale	1	0	17		0	0	0	0	150,000		
											0	0	0	0	L/G		0	0		6,000	600	5,400	1,080	1,080		
											0	0	0	0	L/G		0	0		1,000	100	900	180	180		
											0	0	0	0	L/G		0	0		1,000	100	900	180	180		
											0	0	0	0	L/G		0	0		4,000	400	3,600	720	720		
											0	0	0	0	L/G		0	0		2,000	400	1,600	320	320		
											0	5	0	5	Temporary Debtors		0	0		0	0	0	0	5		
Sum of Karafarin brokerage											1,100,000	1,100,005		1,100,005						14,000	1,600	12,400	2,480	1,102,485		16.126.521

Karafarin Bank (Public Joint Stock)
Notes to The Financial Statements
For The Year Ended 20 March 2022

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	
											Principal Paid Amount	Balance Amount (After Mudaraba, Joint Account & Musharaka Funds)			Contract or Liability Type	Contract Period	Grace Period	Interest Rate / Commission	Approval Date							
		1-2	2-2	3-2	4-2	5-2	6-2	7-2	8-2	9-2		Current	Non-performing	Total						Gross	Cash Advances	Net Commitments	Net Commitments with Conversion		Type	value
6	Karafarin financial group								*		300,000	300,000	0	300,000	morabehe	3	0	18		0	0	0	0	300,000	Cheque, Additional Collateral, Enforced Contracts	1,457,928
											392,020	392,020	0	392,020	morabehe	3	0	18		0	0	0	0	392,020		
											0	598,328	0	598,328	Temporary Debtors	0	0	0		0	0	0	0	598,328		
Sum of Karafarin financial group									*		692,020	1,290,348	0	1,290,348						0	0	0	0	1,290,348		1,457,928
7	Karafarin Foreign Exchange								*		0	366	0	366	Temporary Debtors	0	0	0		0	0	0	0	366		0
8	Abnieh Gostar Karafarin									*	0	317,428	0	317,428	Temporary Debtors	0	0	0		0	0	0	0	317,428		0
9	Asr Amin Karafarin									*	0	132,069	0	132,069	Temporary Debtors	0	0	0		0	0	0	0	132,069		0
10	Amin Etemad Karafarin									*	0	6,162	0	6,162	Temporary Debtors	0	0	0		0	0	0	0	6,162		0
11	Tose'e Negahe fardaye Karafarin									*	0	321,814	0	321,814	Temporary Debtors	0	0	0		0	0	0	0	321,814		0
12	Sedaresan Karafarin									*	0	0	0	0		0	0	0		0	0	0	0	0		0
13	Negahe Fardaye Karafarin Banking Software									*	0	302	0	302	Temporary Debtors	0	0	0		0	0	0	0	302		0
14	Tamin atie omid Karafarin									*	0	0	0	0		0	0	0		0	0	0	0	0		0
15	Negahe Fardaye Karafarin E-commerce Development									*	0	0	0	0		0	0	0		0	0	0	0	0		0
16	Tose andishe dana brokerage									*	400,000	279,743	0	279,743	Installment sales	36	0	18		4,388	878	3,510	702	280,445		0
17	Kouroush Petrochemical Industries Development									*	0	0	0	0		0	0	0		7,478	0	7,478	3,739	3,739		0
Total											**3,727,153**	**4,983,383**		**4,983,383**						**257,588**	**54,851**	**202,737**	**42,791**	**5,026,173**		**21,202,469**

Regulatory Capital As A Basis for Other Prudential Ratios	44,945,257
Individual's Limit for Related Parties' Loans & Commitments (3% of Regulatory Capital)	1,348,358
Group's Limit for Related Parties' Loans & Commitments (40% of Regulatory Capital)	17,978,103
Organisational Unit of Executive Bylaw	Credit Management

64. 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	Type of Relations	Customer	Balance of Large Loans & Commitments							Collateral		Board of Directors' Ratification	
				Loans		Commitments		Cost of Shares (4)	Grant Date	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	Jahanara Arvand Steel Co.	Ownership	Jahanara Arvand Steel Co.	3,526,077	0	0	0	0	05.11.2019	3,526,077	Cheque, Additional Collateral, Promissory Note, Deposit ,Shares of Listed Companies, Loans Collateral, Guarantee of banks and internal institutions, Local Enforced Contracts	24,523,363		
2			Jahanara Arvand Steel Co.	1,773,699	0	0	0	0	16.03.2021	1,773,699				
3			Jahanara Arvand Steel Co.	1,381,677	0	0	0	0	18.05.2021	1,381,677				
4			Jahanara Arvand Steel Co.	242,069	0	0	0	0	22.02.2022	242,069				
5			Jahanara Arvand Steel Co.	478,759	0	0	0	0	23.02.2022	478,759				
Sum of Jahanara Arvand Steel Co.				**7,402,281**	**0**	**0**	**0**	**0**		**7,402,281**		**24,523,363**		
6	Barekat Pharmaceutical Group Holding	Ownership	Biosun Pharmed Co.	266,244	0	0	0	0	19.12.2018	266,244	Deposit ,Shares of Listed Companies, Loans Collateral, Local Enforced Contracts	5.258.308		
7			Biosun Pharmed Co.	709,628	0	0	0	0	21.01.2021	709,628				
8			Shafa Pharmed Industries Group	2,209,891	0	0	0	0	11.08.2021	2,209,891	Cheque, Additional Collateral, Deposit , Loans Collateral, Local Enforced Contracts	7,385,495		
9			Iran Darou Co.	90,216	0	0	0	0	05.09.2021	90,216	Cheque, Additional Collateral, Promissory Note, Deposit ,Shares of Listed Companies, Loans Collateral, Guarantee of banks and internal institutions, Local Enforced Contracts	570,372		
10			Sobhan Darou Co.	105,005	0	0	0	0	04.10.2021	105,005	Cheque, Additional Collateral, Promissory Note, Deposit ,Shares of Listed Companies, Loans Collateral, Guarantee of banks and internal institutions, Local Enforced Contracts	1,896,311		
11			Tolid Darou Pharmaceutical	283,130	0	0	0	0	11.10.2021	283,130	Cheque, Additional Collateral, Promissory Note, Deposit , Guarantee of banks and internal institutions, Local Enforced Contracts	1,238,211		

Karafarin Bank (Public Joint Stock)
Notes to The Financial Statements
For The Year Ended 20 March 2022

Item No.	Single Beneficiary Unit	Type of Relations	Customer	Balance of Large Loans & Commitments							Collateral		Board of Directors' Ratification	
				Loans		Commitments		Cost of Shares (4)	Grant Date	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			Sobhan Oncology Pharmaceutical Co.	235,134	0	0	0	0	13.10.2021	235,134	Cheque, Additional Collateral, Promissory Note, Deposit ,Shares of Listed Companies, Loans Collateral, Guarantee of banks and internal institutions, Local Enforced Contracts	48,243,840		
13			Sobhan Oncology Pharmaceutical Co.	419,275	0	0	0	0	13.10.2021	419,275				
14			Sobhan Oncology Pharmaceutical Co.	419,275	0	0	0	0	13.10.2021	419,275				
15			Sobhan Oncology Pharmaceutical Co.	419,275	0	0	0	0	13.10.2021	419,275				
16			Sobhan Oncology Pharmaceutical Co.	419,028	0	0	0	0	13.10.2021	419,028				
17			Sobhan Darou Co.	86,936	0	0	0	0	17.11.2021	86,936	Cheque, Additional Collateral, Guarantee of banks and internal institutions, Local Enforced Contracts	1,896,311		
18			Sobhan Darou Co.	86,260	0	0	0	0	04.12.2021	86,260				
19			Iran Darou Co.	157,693	0	0	0	0	06.12.2021	157,693	Cheque, Additional Collateral, Guarantee of banks and internal institutions, Local Enforced Contracts	570,372		
20			Sobhan Darou Co.	94,223	0	0	0	0	02.01.2022	94,223				
21			Alborz Bulk Pharmaceutical Raw Materials Production	90,435	0	0	0	0	07.02.2022	90,435	Promissory Note,Cheque, Additional Collateral, Guarantee of banks and internal institutions, Local Enforced Contracts	441,112		
Sum of Barekat Pharmaceutical Group Holding				**6,091,650**	**0**	**0**	**0**	**0**		**6,091,650**		**67,500,331**		

Karafarin Bank (Public Joint Stock)
Notes to The Financial Statements
For The Year Ended 20 March 2022

Item No.	Single Beneficiary Unit	Type of Relations	Customer	Balance of Large Loans & Commitments							Collateral		Board of Directors' Ratification	
				Loans		Commitments		Cost of Shares (4)	Grant Date	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							
22	Mubarake Steel of Isfahan	Ownership	Mubarake Steel of Isfahan	4,133,806	0	0	0	0	21.06.2021	4,133,806	Cheque, Additional Collateral, Guarantee of banks and internal institutions, Local Enforced Contracts	29.217.197		
23	Mubarake Steel of Isfahan	Ownership	Mubarake Steel of Isfahan	4,133,806	0	0	0	0	21.06.2021	4,133,806				
Sum of Mubarake Steel of Isfahan				**8,267,612**	**0**	**0**	**0**	**0**		**8,267,612**		**29.217.197**		
24	Ahdaf Investment Group	Ownership	Qeshm Oil Investment Co	532,105	0	0	0	0	19.10.2021	532,105	Promissory Note,Cheque, Additional Collateral, Shares of Listed Companies	1,630,696		
25	Ahdaf Investment Group	Ownership	Ahdaf Investment	3,105,041	0	0	0	0	08.01.2022	3,105,041	Cheque, Additional Collateral,Shares of Listed Companies,Guarantee of banks and internal institutions, Local Enforced Contracts	12,505,382		
26	Ahdaf Investment Group	Ownership	Mehr Ayandegan Financial Development Group	2,033,704	0	0	0	0	24.01.2022	2,033,704	Shares of Listed Companies, Cheque, Additional Collateral, Enforced Contracts	14,898,649		
Sum of Ahdaf Investment Group				**5,670,850**	**0**	**0**	**0**	**0**		**5,670,850**		**29.034.726**		
27	Barkat Foundation Group	Ownership	Salamat barkat	2,189,370	0	0	0	0	09.09.2021	2,189,370	Cheque, Additional Collateral ,Guarantee of banks and internal institutions, Local Enforced Contracts	23.000.000		
28	Barkat Foundation Group	Ownership	Salamat barkat	1,068,055	0	0	0	0	02.11.2021	1,068,055				
29	Barkat Foundation Group	Ownership	Salamat barkat	1,057,699	0	0	0	0	23.11.2021	1,057,699				
30	Barkat Foundation Group	Ownership	Salamat barkat	1,036,493	0	0	0	0	05.01.2022	1,036,493				
31	Barkat Foundation Group	Ownership	Salamat barkat	0	0	80,000	0	0	09.09.2021					
32	Barkat Foundation Group	Ownership	Salamat barkat	0	0	40,000	0	0	02.11.2021					
33	Barkat Foundation Group	Ownership	Salamat barkat	0	0	40,000	0	0	23.11.2021					
34	Barkat Foundation Group	Ownership	Salamat barkat	0	0	46,000	0	0	05.01.2022					
Sum of Ahdaf Investment Group				**5,351,616**	**0**	**206,000**	**0**	**0**		**5,351,616**		**23.000.000**		

Karafarin Bank (Public Joint Stock)
Notes to The Financial Statements
For The Year Ended 20 March 2022

Item No.	Single Beneficiary Unit	Type of Relations	Customer	Balance of Large Loans & Commitments							Collateral		Board of Directors' Ratification	
				Loans		Commitments		Cost of Shares (4)	Grant Date	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							
35	Tadbir energy development	Ownership	Persia Oil & Gas Industry Development Co.	679,849	0	0	0	0	29.12.2020	679,849	Cheque, Additional Collateral, Deposit ,Shares of Listed Companies, Loans Collateral, Local Enforced Contracts	12.741.067		
36	Tadbir energy development	Ownership	Persia Oil & Gas Industry Development Co.	704,521	0	0	0	0	02.02.2021	704,521				
37	Tadbir energy development	Ownership	Parsian Sepehr Refining Company	831,839	0	0	0	0	08.12.2021	831,839	Cheque, Additional Collateral, Local Enforced Contracts	1.861.794		
38	Tadbir energy development	Ownership	Pars Oil Co.	215,265	0	0	0	0	31.08.2021	215,265	Cheque, Additional Collateral, Local Enforced Contracts, Guarantee of banks and internal institutions	19.529.855		
39	Tadbir energy development	Ownership	Pars Oil Co.	48,907	0	0	0	0	16.11.2021	48,907				
40	Tadbir energy development	Ownership	Pars Oil Co.	244,270	0	0	0	0	30.12.2021	244,270				
41	Tadbir energy development	Ownership	Pars Oil Co.	105,533	0	0	0	0	02.01.2022	105,533				
42	Tadbir energy development	Ownership	Pars Oil Co.	1,000,253	0	0	0	0	27.02.2022	1,000,253				
43	Tadbir energy development	Ownership	Pars Oil Co.	493,625	0	0	0	0	05.03.2022	493,625				
44	Tadbir energy development	Ownership	Pars Oil Co.	246,450	0	0	0	0	08.03.2022	246,450				
45	Tadbir energy development	Ownership	Pars Oil Co.	248,110	0	0	0	0	15.03.2022	248,110				
46	Tadbir energy development	Ownership	Pars Oil Co.	104,488	0	0	0	0	16.03.2022	104,488				
47	Tadbir energy development	Ownership	Pars Oil Co.	0	0	22,000	19,800	0	07.06.2020	19,800				
48	Tadbir energy development	Ownership	Pars Oil Co.	0	0	40,000	36,000	0	10.08.2020	36,000				
49	Tadbir energy development	Ownership	Pars Oil Co.	0	0	40,000	36,000	0	08.12.2020	36,000				
50	Tadbir energy development	Ownership	Pars Oil Co.	0	0	40,000	36,000	0	20.12.2020	36,000				
51	Tadbir energy development	Ownership	Pars Oil Co.	0	0	10,000	9,000	0	28.06.2021	9,000				

Karafarin Bank (Public Joint Stock)
Notes to The Financial Statements
For The Year Ended 20 March 2022

Item No.	Single Beneficiary Unit	Type of Relations	Customer	Balance of Large Loans & Commitments							Collateral		Board of Directors' Ratification	
				Loans		Commitments		Cost of Shares (4)	Grant Date	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							
52	Tadbir energy development	Ownership	Pars Oil Co.	0	0	64	64	0	27.07.2021	64				
53	Tadbir energy development	Ownership	Pars Oil Co.	0	0	171	154	0	29.08.2021	154				
54	Tadbir energy development	Ownership	Pars Oil Co.	0	0	19,000		0	30.08.2021					
55	Tadbir energy development	Ownership	Pars Oil Co.	0	0	50,000	45,000	0	13.09.2021	45,000				
56	Tadbir energy development	Ownership	Pars Oil Co.	0	0	30,000	27,000	0	15.09.2021	27,000				
57	Tadbir energy development	Ownership	Pars Oil Co.	0	0	20,000	18,000	0	13.10.2021	18,000				
58	Tadbir energy development	Ownership	Pars Oil Co.	0	0	40,000	36,000	0	19.10.2021	36,000				
59	Tadbir energy development	Ownership	Pars Oil Co.	0	0	878	878	0	20.12.2021	878				
60	Tadbir energy development	Ownership	Pars Oil Co.	0	0	6,560	0	0	30.12.2021	0				
61	Tadbir energy development	Ownership	Pars Oil Co.	0	0	3,636	0	0	03.01.2022	0				
62	Tadbir energy development	Ownership	Pars Oil Co.	0	0	23,196	0	0	27.02.2022	0				
63	Tadbir energy development	Ownership	Pars Oil Co.	0	0	15,190	0	0	05.03.2022	0				
64	Tadbir energy development	Ownership	Pars Oil Co.	0	0	7,595	0	0	08.03.2022	0				
65	Tadbir energy development	Ownership	Pars Oil Co.	0	0	2,711	2,440	0	13.03.2022	2,440				
66	Tadbir energy development	Ownership	Pars Oil Co.	0	0	7,673	0	0	16.03.2022	0				
67	Tadbir energy development	Ownership	Pars Oil Co.	0	0	3,600	0	0	17.03.2022	0				
68	Tadbir energy development	Ownership	Tadbir energy development co.	0	0	67,830	64,439	0	01.09.2020	64,439	Cheque, Additional Collateral	825.000		
69	Tadbir energy development	Ownership	Parsian Sepehr Refining Company	0	0	24,820	0	0	08.12.2021	0	Cheque, Additional Collateral, Local Enforced Contracts, Guarantee of banks and internal institutions	1.861.794		
Sum of Ahdaf Investment Group				**4,923,108**		**474,924**	**330,774**	**0**		**5,253,883**		**36.819.511**		

Karafarin Bank (Public Joint Stock)
Notes to The Financial Statements
For The Year Ended 20 March 2022

Item No.	Single Beneficiary Unit	Type of Relations	Customer	Balance of Large Loans & Commitments							Collateral		Board of Directors' Ratification	
				Loans		Commitments		Cost of Shares (4)	Grant Date	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							
70	Tadbir Iran Electronic Development Holding	Ownership	Amin Smart Solutions Development Co.	109,674	0	1,042	937	0	28.11.2020	110,612	Cheque, Additional Collateral, Deposit ,Shares of Listed Companies, Loans Collateral, Guarantee of banks and internal institutions, Local Enforced Contracts	15.212.908		
71	Tadbir Iran Electronic Development Holding	Ownership	Amin Smart Solutions Development Co.	456,953	0	0	0	0	28.07.2021	456,953				
72	Tadbir Iran Electronic Development Holding	Ownership	Amin Smart Solutions Development Co.	400,986	0	0	0	0	15.09.2021	400,986				
73	Tadbir Iran Electronic Development Holding	Ownership	Amin Smart Solutions Development Co.	356,225	0	0	0	0	13.03.2022	356,225				
74	Tadbir Iran Electronic Development Holding	Ownership	Amin Smart Solutions Development Co.	125,432	0	0	0	0	13.03.2022	125,432				
75	Tadbir Iran Electronic Development Holding	Ownership	Amin Smart Solutions Development Co.	0	0	337	0	0	30.09.2021	0				
76	Tadbir Iran Electronic Development Holding	Ownership	Amin Smart Solutions Development Co.	0	0	3,800	0	0	14.03.2022	0				
77	Tadbir Iran Electronic Development Holding	Ownership	Amin Smart Solutions Development Co.	0	0	14,000	0	0	14.03.2022	0				
78	Tadbir Iran Electronic Development Holding	Ownership	Telecommunication Company of Iran	724,800	0	0	0	0	25.01.2022	724,800	Cheque, Additional Collateral, Promissory Note, Deposit ,Shares of Listed Companies, Loans Collateral, Local Enforced Contracts	12.598.735		
79	Tadbir Iran Electronic Development Holding	Ownership	Telecommunication Company of Iran	4,106,521	0	0	0	0	25.01.2022	4,106,521				
80	Tadbir Iran Electronic Development Holding	Ownership	Telecommunication Company of Iran	1,002,715	0	0	0	0	03.08.2021	1,002,715				
81	Tadbir Iran Electronic Development Holding	Ownership	Telecommunication Company of Iran	0	0	23,280	0	0	25.01.2022	0				
82	Tadbir Iran Electronic Development Holding	Ownership	Telecommunication Company of Iran	0	0	105,264	0	0	25.01.2022	0				
Sum of Tadbir Iran Electronic Development Holding				**7,283,306**	**0**	**147,723**	**937,443,600**			**7,284,243**		**27.811.643**		

Karafarin Bank (Public Joint Stock)
Notes to The Financial Statements
For The Year Ended 20 March 2022

Item No.	Single Beneficiary Unit	Type of Relations	Customer	Balance of Large Loans & Commitments							Collateral		Board of Directors' Ratification	
				Loans		Commitments		Cost of Shares (4)	Grant Date	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							
83	Golrang Industrial Group	Ownership	Variyan Pharmed Research & Manufacturing Co.	31,218	0	0	0	0	16.12.2020	31,218	Cheque, Additional Collateral, Local Enforced Contracts, Guarantee of banks and internal institutions	307,614		
84	Golrang Industrial Group	Ownership	Padideh Shimi Jam Co.	68,303	0	0	0	0	06.01.2021	68,303	Cheque, Additional Collateral, Local Enforced Contracts, Guarantee of banks and internal institutions	584,719		
85	Golrang Industrial Group	Ownership	Pakshoo Industrial Group	40,208	0	0	0	0	02.06.2021	40,208	Cheque, Additional Collateral, Deposit , Loans Collateral, Local Enforced Contracts	2,537,853		
86	Golrang Industrial Group	Ownership	Faran Shimi Toysarkan Manufacturing Co	80,212	0	0	0	0	13.07.2021	80,212	Local Enforced Contracts, Cheque, Additional Collateral, Guarantee of banks and internal institutions	877,848		
87	Golrang Industrial Group	Ownership	Padideh Shimi Gharb Co.	144,923	0	0	0	0	07.09.2021	144,923	Local Enforced Contracts, Cheque, Additional Collateral, Guarantee of banks and internal institutions	1,479,997		
88	Golrang Industrial Group	Ownership	Hasti Aryan Tamin Co.	99,123	0	0	0	0	22.09.2021	99,123	Local Enforced Contracts, Cheque, Additional Collateral, Guarantee of banks and internal institutions	605,256		
89	Golrang Industrial Group	Ownership	Ofogh Khavar Miyaneh Petroleum Products Development Co.	30,636	0	0	0	0	23.09.2021	30,636	Local Enforced Contracts, Cheque, Additional Collateral, Guarantee of banks and internal institutions	226,430		
90	Golrang Industrial Group	Ownership	Padideh Shimi Jam Co.	60,974	0	0	0	0	30.09.2021	60,974	Local Enforced Contracts, Cheque, Additional Collateral, Guarantee of banks and internal institutions	584,719		
91	Golrang Industrial Group	Ownership	Padideh Shimi Gharb Co.	201,220	0	0	0	0	09.10.2021	201,220	Local Enforced Contracts, Cheque, Additional Collateral, Guarantee of banks and internal institutions	1.479.997		
92	Golrang Industrial Group	Ownership	Padideh Shimi Gharb Co.	100,610	0	0	0	0	16.10.2021	100,610				
93	Golrang Industrial Group	Ownership	Padideh Shimi Gharb Co.	50,039	0	0	0	0	06.11.2021	50,039				
94	Golrang Industrial Group	Ownership	Padideh Shimi Gharb Co.	99,740	0	0	0	0	13.11.2021	99,740				

Karafarin Bank (Public Joint Stock)
Notes to The Financial Statements
For The Year Ended 20 March 2022

Item No.	Single Beneficiary Unit	Type of Relations	Customer	Balance of Large Loans & Commitments							Collateral		Board of Directors' Ratification	
				Loans		Commitments		Cost of Shares (4)	Grant Date	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							
95	Golrang Industrial Group	Ownership	Padideh Shimi Gharn Co.	101,431	0	0	0	0	09.10.2021	101,431	Local Enforced Contracts, Cheque, Additional Collateral, Guarantee of banks and internal institutions	1.261.707		
96	Golrang Industrial Group	Ownership	Padideh Shimi Gharn Co.	100,900	0	0	0	0	21.10.2021	100,900				
97	Golrang Industrial Group	Ownership	Padideh Shimi Gharn Co.	99,305	0	0	0	0	23.11.2021	99,305				
98	Golrang Industrial Group	Ownership	Padideh Shimi Gharn Co.	192,663	0	0	0	0	13.03.2022	192,663				
99	Golrang Industrial Group	Ownership	Marinasun Cellules Industries Co.	103,896	0	0	0	0	18.11.2021	103,896	Local Enforced Contracts, Cheque, Additional Collateral, Guarantee of banks and internal institutions	1.784.865		
100	Golrang Industrial Group	Ownership	Marinasun Cellules Industries Co.	103,896	0	0	0	0	18.11.2021	103,896				
101	Golrang Industrial Group	Ownership	Marinasun Cellules Industries Co.	110,155	0	0	0	0	20.11.2021	110,155				
102	Golrang Industrial Group	Ownership	Kourosh Rice Agro Industry Co.	99,635	0	0	0	0	07.12.2021	99,635	Local Enforced Contracts, Cheque, Additional Collateral, Guarantee of banks and internal institutions	238,279		
103	Golrang Industrial Group	Ownership	Irandar Co.	197,160	0	0	0	0	08.12.2021	197,160	Local Enforced Contracts, Cheque, Additional Collateral	448,963		
104	Golrang Industrial Group	Ownership	Variyan Pharmed Research & Manufacturing Co.	50,083	0	0	0	0	22.12.2021	50,083	Local Enforced Contracts, Cheque, Additional Collateral, Guarantee of banks and internal institutions	307,614		

Karafarin Bank (Public Joint Stock)
Notes to The Financial Statements
For The Year Ended 20 March 2022

Item No.	Single Beneficiary Unit	Type of Relations	Customer	Balance of Large Loans & Commitments							Collateral		Board of Directors' Ratification	
				Loans		Commitments		Cost of Shares (4)	Grant Date	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							
105	Golrang Industrial Group	Ownership	Pakan pelastkar co.	101,049	0	0	0	0	26.12.2021	101,049	Local Enforced Contracts, Cheque, Additional Collateral	206,600		
106	Golrang Industrial Group	Ownership	Kourosh Food Industry Co.	308,864	0	0	0	0	29.12.2021	308,864	Local Enforced Contracts, Cheque, Additional Collateral, Guarantee of banks and internal institutions	630,484		
107	Golrang Industrial Group	Ownership	Faran Shimi Toysarkan Manufacturing Co	102,808	0	0	0	0	01.01.2022	102,808	Local Enforced Contracts, Cheque, Additional Collateral, Guarantee of banks and internal institutions	877,848		
108	Golrang Industrial Group	Ownership	Pakshoo Industrial Group	78,097	0	0	0	0	02.01.2022	78,097	Cheque, Additional Collateral, Deposit ,Guarantee of banks and internal institutions, Local Enforced Contracts	2.537.853		
109	Golrang Industrial Group	Ownership	Pakshoo Industrial Group	579,322	0	0	0	0	15.01.2022	579,322				
110	Golrang Industrial Group	Ownership	Pakshoo Industrial Group	99,619	0	0	0	0	18.01.2022	99,619				
111	Golrang Industrial Group	Ownership	Hasti Aryan Tamin Co.	27,487	0	0	0	0	22.01.2022	27,487	Local Enforced Contracts, Cheque, Additional Collateral, Guarantee of banks and internal institutions	605.256		
112	Golrang Industrial Group	Ownership	Hasti Aryan Tamin Co.	15,619	0	0	0	0	22.01.2022	15,619				
113	Golrang Industrial Group	Ownership	Hasti Aryan Tamin Co.	17,840	0	0	0	0	22.01.2022	17,840				
114	Golrang Industrial Group	Ownership	Hasti Aryan Tamin Co.	17,648	0	0	0	0	22.01.2022	17,648				
115	Golrang Industrial Group	Ownership	Hasti Aryan Tamin Co.	15,917	0	0	0	0	22.01.2022	15,917				
116	Golrang Industrial Group	Ownership	Sepehr Plastic Padideh Co.	18,689	0	0	0	0	22.01.2022	18,689	Local Enforced Contracts, Cheque, Additional Collateral, Guarantee of banks and internal institutions	125.408		
117	Golrang Industrial Group	Ownership	Sepehr Plastic Padideh Co.	30,828	0	0	0	0	23.01.2022	30,828				
118	Golrang Industrial Group	Ownership	Aryan Salamat Sina Co.	49,255	0	0	0	0	23.01.2022	49,255	Local Enforced Contracts, Cheque, Additional Collateral, Guarantee of banks and internal institutions	112,767		
119	Golrang Industrial Group	Ownership	Faran Shimi Toysarkan Manufacturing Co	48,648	0	0	0	0	26.01.2022	48,648	Local Enforced Contracts, Cheque, Additional Collateral, Guarantee of banks and internal institutions	877,848		

Karafarin Bank (Public Joint Stock)
Notes to The Financial Statements
For The Year Ended 20 March 2022

Item No.	Single Beneficiary Unit	Type of Relations	Customer	Balance of Large Loans & Commitments							Collateral		Board of Directors' Ratification	
				Loans		Commitments		Cost of Shares (4)	Grant Date	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							
120	Golrang Industrial Group	Ownership	Aryan Kimiatech Cosmetics Pharmaceutical Co.	92,992	0	0	0	0	30.01.2022	92,992	Local Enforced Contracts, Cheque, Additional Collateral, Guarantee of banks and internal institutions	391,743		
121	Golrang Industrial Group	Ownership	Abyan Darou Co.	49,528	0	0	0	0	01.02.2022	49,528	Local Enforced Contracts, Cheque, Additional Collateral, Guarantee of banks and internal institutions	789.083		
122	Golrang Industrial Group	Ownership	Abyan Darou Co.	96,359	0	0	0	0	05.02.2022	96,359				
123	Golrang Industrial Group	Ownership	Marina Pakhsh Hasti Co.	101,381	0	0	0	0	19.02.2022	101,381	Local Enforced Contracts, Cheque, Additional Collateral, Guarantee of banks and internal institutions	255.561		
124	Golrang Industrial Group	Ownership	Kourosh Nuts & Grains Industry Co.	101,635	0	0	0	0	20.02.2022	101,635	Local Enforced Contracts, Cheque, Additional Collateral, Guarantee of banks and internal institutions	1.000.988		
125	Golrang Industrial Group	Ownership	Kourosh Nuts & Grains Industry Co.	149,598	0	0	0	0	05.03.2022	149,598				
126	Golrang Industrial Group	Ownership	Aryan Kimiatech Cosmetics Pharmaceutical Co.	49,026	0	0	0	0	26.02.2022	49,026	Local Enforced Contracts, Cheque, Additional Collateral, Guarantee of banks and internal institutions	391.743		
127	Golrang Industrial Group	Ownership	Marinasun Cellules Industries Co.	97,861	0	0	0	0	02.03.2022	97,861	Local Enforced Contracts, Cheque, Additional Collateral, Guarantee of banks and internal institutions	1.784.865		
128	Golrang Industrial Group	Ownership	Marinasun Cellules Industries Co.	97,718	0	0	0	0	05.03.2022	97,718				
129	Golrang Industrial Group	Ownership	Marinasun Cellules Industries Co.	152,911	0	0	0	0	14.03.2022	152,911				
130	Golrang Industrial Group	Ownership	Ofogh Khavar Miyaneh Petroleum Products Development Co.	47,851	0	0	0	0	05.03.2022	47,851	Local Enforced Contracts, Cheque, Additional Collateral, Guarantee of banks and internal institutions	226.430		
131	Golrang Industrial Group	Ownership	Hasti Aryan Tamin Co.	54,107	0	0	0	0	16.03.2022	54,107	Local Enforced Contracts, Cheque, Additional Collateral, Guarantee of banks and internal institutions	605.256		
132	Golrang Industrial Group	Ownership	Abyan Darou Co.	194,287	0	0	0	0	17.03.2022	194,287	Local Enforced Contracts, Cheque, Additional Collateral, Guarantee of banks and internal institutions	789.083		

Karafarin Bank (Public Joint Stock)
Notes to The Financial Statements
For The Year Ended 20 March 2022

Item No.	Single Beneficiary Unit	Type of Relations	Customer	Balance of Large Loans & Commitments							Collateral		Board of Directors' Ratification	
				Loans		Commitments		Cost of Shares (4)	Grant Date	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							
133	Golrang Industrial Group	Ownership	Abyan Darou Co.		0	1,940	0	0	05.02.2022	0				
134	Golrang Industrial Group	Ownership	Abyan Darou Co.		0	3,700	0	0	19.02.2022	0				
135	Golrang Industrial Group	Ownership	Abyan Darou Co.		0	5,000	0	0	17.03.2022	0				
136	Golrang Industrial Group	Ownership	Aryan Salamat Sina Co.		0	660	0	0	26.01.2022	0				
137	Golrang Industrial Group	Ownership	Padideh Shimi Jam Co.		0	3,000	0	0	30.09.2021	0				
138	Golrang Industrial Group	Ownership	Padideh Shimi Gharb Co.		0	5,860	0	0	07.09.2021	0				
139	Golrang Industrial Group	Ownership	Padideh Shimi Gharb Co.		0	7,813	0	0	09.10.2021	0				
140	Golrang Industrial Group	Ownership	Padideh Shimi Gharb Co.		0	3,906	0	0	16.10.2021	0				
141	Golrang Industrial Group	Ownership	Padideh Shimi Gharb Co.		0	1,953	0	0	06.11.2021	0				
142	Golrang Industrial Group	Ownership	Padideh Shimi Gharb Co.		0	3,907	0	0	13.11.2021	0				
143	Golrang Industrial Group	Ownership	Padideh Shimi Gharn Co.		0	3,907	0	0	09.10.2021	0				
144	Golrang Industrial Group	Ownership	Padideh Shimi Gharn Co.		0	3,907	0	0	21.10.2021	0				
145	Golrang Industrial Group	Ownership	Padideh Shimi Gharn Co.		0	3,907	0	0	23.11.2021	0				
146	Golrang Industrial Group	Ownership	Padideh Shimi Gharn Co.		0	9,078	0	0	13.03.2022	0				
147	Golrang Industrial Group	Ownership	Variyan Pharmed Research & Manufacturing Co.		0	1,920	0	0	22.09.2021	0				
148	Golrang Industrial Group	Ownership	Ofogh Khavar Miyaneh Petroleum Products Development Co.		0	1,500	0	0	23.09.2021	0				
149	Golrang Industrial Group	Ownership	Ofogh Khavar Miyaneh Petroleum Products Development Co.		0	1,900	0	0	05.03.2022	0				
150	Golrang Industrial Group	Ownership	Faran Shimi Toysarkan Manufacturing Co		0	1,400	0	0	01.01.2022	0				
151	Golrang Industrial Group	Ownership	Faran Shimi Toysarkan Manufacturing Co		0	1,900	0	0	30.01.2022	0				
152	Golrang Industrial Group	Ownership	Aryan Kimiatech Cosmetics Pharmaceutical Co.		0	3,386	0	0	01.02.2022	0				
153	Golrang Industrial Group	Ownership	Aryan Kimiatech Cosmetics Pharmaceutical Co.		0	2,280	0	0	26.02.2022	0				
154	Golrang Industrial Group	Ownership	Sepehr Plastic Padideh Co.		0	940	0	0	23.01.2022	0				
155	Golrang Industrial Group	Ownership	Sepehr Plastic Padideh Co.		0	1,172	0	0	23.01.2022	0				

Karafarin Bank (Public Joint Stock)
Notes to The Financial Statements
For The Year Ended 20 March 2022

Item No.	Single Beneficiary Unit	Type of Relations	Customer	Balance of Large Loans & Commitments							Collateral		Board of Directors' Ratification	
				Loans		Commitments		Cost of Shares (4)	Grant Date	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							
156	Golrang Industrial Group	Ownership	Irandar co.		0	10,751	0	0	08.12.2021	0				
157	Golrang Industrial Group	Ownership	Pakan pelastkar co.		0	3,881	0	0	26.12.2021	0				
158	Golrang Industrial Group	Ownership	Marinasun Cellules Industries Co.		0	5,046	0	0	18.11.2021	0				
159	Golrang Industrial Group	Ownership	Marinasun Cellules Industries Co.		0	4,312	0	0	18.11.2021	0				
160	Golrang Industrial Group	Ownership	Marinasun Cellules Industries Co.		0	4,576	0	0	18.11.2021	0				
161	Golrang Industrial Group	Ownership	Marinasun Cellules Industries Co.		0	4,268	0	0	02.03.2022	0				
162	Golrang Industrial Group	Ownership	Marinasun Cellules Industries Co.		0	4,268	0	0	05.03.2022	0				
163	Golrang Industrial Group	Ownership	Marinasun Cellules Industries Co.		0	6,708	0	0	14.03.2022	0				
164	Golrang Industrial Group	Ownership	Kourosh Nuts & Grains Industry Co.		0	3,910	0	0	26.02.2022	0				
165	Golrang Industrial Group	Ownership	Kourosh Nuts & Grains Industry Co.		0	1,220	0	0	05.03.2022	0				
166	Golrang Industrial Group	Ownership	Kourosh Food Industry Co.		0	4,960	0	0	29.12.2021	0				
167	Golrang Industrial Group	Ownership	Kourosh Rice Agro Industry Co.		0	110	0	0	07.12.2021	0				
168	Golrang Industrial Group	Ownership	Pakshoo Industrial Group		0	3,010	0	0	02.01.2022	0				
169	Golrang Industrial Group	Ownership	Pakshoo Industrial Group		0	22,464	0	0	15.01.2022	0				
170	Golrang Industrial Group	Ownership	Pakshoo Industrial Group		0	3,504	0	0	18.01.2022	0				
171	Golrang Industrial Group	Ownership	Marina Pakhsh Hasti Co.		0	5,028	0	0	20.02.2022	0				
172	Golrang Industrial Group	Ownership	Hasti Aryan Tamin Co.		0	3,766	0	0	22.09.2021	0				
173	Golrang Industrial Group	Ownership	Hasti Aryan Tamin Co.		0	1,069	0	0	22.01.2022	0				
174	Golrang Industrial Group	Ownership	Hasti Aryan Tamin Co.		0	687	0	0	22.01.2022	0				
175	Golrang Industrial Group	Ownership	Hasti Aryan Tamin Co.		0	694	0	0	22.01.2022	0				
176	Golrang Industrial Group	Ownership	Hasti Aryan Tamin Co.		0	619	0	0	22.01.2022	0				
177	Golrang Industrial Group	Ownership	Hasti Aryan Tamin Co.		0	608	0	0	22.01.2022	0				
178	Golrang Industrial Group	Ownership	Hasti Aryan Tamin Co.		0	3,078	0	0	16.03.2022	0				
Sum of Golrang Industrial Group				**4,963,273**		**173,471**	**0**	**0**		**4,963,273**		**24.934.676**		

Karafarin Bank (Public Joint Stock)
Notes to The Financial Statements
For The Year Ended 20 March 2022

Item No.	Single Beneficiary Unit	Type of Relations	Customer	Balance of Large Loans & Commitments							Collateral		Board of Directors' Ratification	
				Loans		Commitments		Cost of Shares (4)	Grant Date	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							
179	Tamin Pharmaceutical Investment Holding	Ownership	Zahravi Pharmaceutical Co.	1,543,645	0	0	0	0	02.05.2020	1,543,645	Cheque, Additional Collateral, Local Enforced Contracts			
180	Tamin Pharmaceutical Investment Holding	Ownership	Zahravi Pharmaceutical Co.	663,233	0	0	0	0	02.05.2020	663,233				
181	Tamin Pharmaceutical Investment Holding	Ownership	Zahravi Pharmaceutical Co.	443,037	0	0	0	0	02.05.2020	443,037				
182	Tamin Pharmaceutical Investment Holding	Ownership	Razak Laboratories	24,914	0	0	0	0	08.02.2021	24,914	Cheque, Additional Collateral, Deposit, Loans Collateral, Local Enforced Contracts			
183	Tamin Pharmaceutical Investment Holding	Ownership	Razak Laboratories	195,356	0	0	0	0	08.12.2021	195,356				
184	Tamin Pharmaceutical Investment Holding	Ownership	Iran Antibiotics Co.	26,516	0	0	0	0	07.04.2021	26,516				
185	Tamin Pharmaceutical Investment Holding	Ownership	Caspian Tamin Pharmaceutical Co.	16,681	0	0	0	0	25.05.2021	16,681	Cheque, Additional Collateral, Promissory Note, Deposit, Loans Collateral, Local Enforced Contracts			
186	Tamin Pharmaceutical Investment Holding	Ownership	Caspian Tamin Pharmaceutical Co.	8,948	0	0	0	0	09.08.2021	8,948				
187	Tamin Pharmaceutical Investment Holding	Ownership	Darou Pakhsh Factories	51,643	0	0	0	0	26.07.2021	51,643	Cheque, Additional Collateral, Guarantee of banks and internal institutions, Local Enforced Contracts			
188	Tamin Pharmaceutical Investment Holding	Ownership	Darou Pakhsh Factories	327,162	0	0	0	0	21.12.2021	327,162				
189	Tamin Pharmaceutical Investment Holding	Ownership	Darou Pakhsh Factories	194,216	0	0	0	0	03.02.2022	194,216				
190	Tamin Pharmaceutical Investment Holding	Ownership	Darou Pakhsh Factories	194,591	0	0	0	0	30.01.2022	194,591				
191	Tamin Pharmaceutical Investment Holding	Ownership	Exir Pharmaceutical Co.	99,692	0	0	0	0	15.08.2021	99,692	Cheque, Additional Collateral, Deposit , Loans Collateral, , Local Enforced Contracts			
192	Tamin Pharmaceutical Investment Holding	Ownership	Exir Pharmaceutical Co.	203,956	0	0	0	0	20.10.2021	203,956				
193	Tamin Pharmaceutical Investment Holding	Ownership	Farabi Pharmaceutical Co.	183,177	0	0	0	0	01.09.2021	183,177	Cheque, Additional Collateral, Local Enforced Contracts			
194	Tamin Pharmaceutical Investment Holding	Ownership	Farabi Pharmaceutical Co.	1,169,611	0	0	0	0	28.09.2021	1,169,611				

Karafarin Bank (Public Joint Stock)
Notes to The Financial Statements
For The Year Ended 20 March 2022

Item No.	Single Beneficiary Unit	Type of Relations	Customer	Balance of Large Loans & Commitments							Collateral		Board of Directors' Ratification	
				Loans		Commitments		Cost of Shares (4)	Grant Date	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							
195	Tamin Pharmaceutical Investment Holding	Ownership	Tofigh Darou Research & Engineering Co.	261,186	0	0	0	0	02.10.2021	261,186				
196	Tamin Pharmaceutical Investment Holding	Ownership	Tofigh Darou Research & Engineering Co.	150,379	0	0	0	0	11.01.2022	150,379				
197	Tamin Pharmaceutical Investment Holding	Ownership	Tofigh Darou Research & Engineering Co.	70,177	0	0	0	0	11.01.2022	70,177	Cheque, Additional Collateral, Local Enforced Contracts			
198	Tamin Pharmaceutical Investment Holding	Ownership	Tofigh Darou Research & Engineering Co.	80,217	0	0	0	0	01.02.2022	80,217				
199	Tamin Pharmaceutical Investment Holding	Ownership	Tofigh Darou Research & Engineering Co.	29,994	0	0	0	0	07.02.2022	29,994				
200	Tamin Pharmaceutical Investment Holding	Ownership	Tofigh Darou Research & Engineering Co.	99,195	0	0	0	0	16.03.2022	99,195				
201	Tamin Pharmaceutical Investment Holding	Ownership	Zagros farmed pars Pharmaceutical Co.	102,350	0	0	0	0	20.12.2021	102,350	Cheque, Additional Collateral			
202	Tamin Pharmaceutical Investment Holding	Ownership	Caspian Tamin Pharmaceutical Co.	55,577	0	0	0	0	24.01.2022	55,577	Cheque, Additional Collateral, Promissory Note, Deposit , Loans Collateral, Guarantee of banks and internal institutions, Local Enforced Contracts			
203	Tamin Pharmaceutical Investment Holding	Ownership	Rahavard Tamin Pharmaceutical Co.	100,658	0	0	0	0	24.01.2022	100,658	Cheque, Additional Collateral, Deposit , Loans Collateral, Guarantee of banks and internal institutions, Local Enforced Contracts			
204	Tamin Pharmaceutical Investment Holding	Ownership	Rahavard Tamin Pharmaceutical Co.	149,088	0	0	0	0	29.01.2022	149,088				
205	Tamin Pharmaceutical Investment Holding	Ownership	Rahavard Tamin Pharmaceutical Co.	144,397	0	0	0	0	21.02.2022	144,397				
206	Tamin Pharmaceutical Investment Holding	Ownership	Rahavard Tamin Pharmaceutical Co.	48,859	0	0	0	0	05.03.2022	48,859				
207	Tamin Pharmaceutical Investment Holding	Ownership	Rahavard Tamin Pharmaceutical Co.	315,716	0	0	0	0	19.03.2022	315,716				

Karafarin Bank (Public Joint Stock)
Notes to The Financial Statements
For The Year Ended 20 March 2022

Item No.	Single Beneficiary Unit	Type of Relations	Customer	Balance of Large Loans & Commitments							Collateral		Board of Directors' Ratification	
				Loans		Commitments		Cost of Shares (4)	Grant Date	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							
208	Tamin Pharmaceutical Investment Holding	Ownership	Pars Darou Co.	300,184	0	0	0	0	15.01.2022	300,184	Cheque, Additional Collateral, Deposit , Loans Collateral, Guarantee of banks and internal institutions, Local Enforced Contracts			
209	Tamin Pharmaceutical Investment Holding	Ownership	Pars Darou Co.	129,107	0	0	0	0	29.01.2022	129,107				
210	Tamin Pharmaceutical Investment Holding	Ownership	Pars Darou Co.	41,787	0	0	0	0	06.03.2022	41,787				
211	Tamin Pharmaceutical Investment Holding	Ownership	Pars Darou Co.	125,432	0	0	0	0	13.03.2022	125,432				
212	Tamin Pharmaceutical Investment Holding	Ownership	Pars Darou Co.	204,102	0	0	0	0	14.03.2022	204,102				
213	Tamin Pharmaceutical Investment Holding	Ownership	Pars Darou Co.	194,478	0	0	0	0	15.03.2022	194,478				
214	Tamin Pharmaceutical Investment Holding	Ownership	Razak Laboratories	910,190	0	0	0	0	02.02.2022	910,190	Cheque, Additional Collateral, Deposit , Loans Collateral, Guarantee of banks and internal institutions, Local Enforced Contracts			
215	Tamin Pharmaceutical Investment Holding	Ownership	Razak Laboratories	297,692	0	0	0	0	02.02.2022	297,692				
216	Tamin Pharmaceutical Investment Holding	Ownership	Razak Laboratories	102,268	0	0	0	0	02.02.2022	102,268				
217	Tamin Pharmaceutical Investment Holding	Ownership	Darupakhsh Medicinal chemistry	50,692	0	0	0	0	09.01.2022	50,692	Cheque, Additional Collateral, Local Enforced Contracts			
218	Tamin Pharmaceutical Investment Holding	Ownership	Darupakhsh Medicinal chemistry	93,260	0	0	0	0	09.02.2022	93,260				
219	Tamin Pharmaceutical Investment Holding	Ownership	Darupakhsh Medicinal chemistry	92,944	0	0	0	0	16.02.2022	92,944				
220	Tamin Pharmaceutical Investment Holding	Ownership	Darupakhsh Medicinal chemistry	61,752	0	0	0	0	23.02.2022	61,752				
221	Tamin Pharmaceutical Investment Holding	Ownership	Pars Darou Co.	0	0	9,021	0	0	15.01.2022	0				
222	Tamin Pharmaceutical Investment Holding	Ownership	Pars Darou Co.	0	0	3,906	0	0	29.01.2022	0				
223	Tamin Pharmaceutical Investment Holding	Ownership	Pars Darou Co.	0	0	1,287	0	0	06.03.2022	0				
224	Tamin Pharmaceutical Investment Holding	Ownership	Pars Darou Co.	0	0	3,875	0	0	13.03.2022	0				
225	Tamin Pharmaceutical Investment Holding	Ownership	Pars Darou Co.	0	0	6,309	0	0	14.03.2022	0				

Karafarin Bank (Public Joint Stock)
Notes to The Financial Statements
For The Year Ended 20 March 2022

Item No.	Single Beneficiary Unit	Type of Relations	Customer	Balance of Large Loans & Commitments							Collateral		Board of Directors' Ratification	
				Loans		Commitments		Cost of Shares (4)	Grant Date	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							
226	Tamin Pharmaceutical Investment Holding	Ownership	Pars Darou Co.	0	0	6,014	0	0	15.03.2022	0				
227	Tamin Pharmaceutical Investment Holding	Ownership	Exir harmaceutical Co.	0	0	5,031	0	0	20.10.2021	0				
228	Tamin Pharmaceutical Investment Holding	Ownership	Farabi Pharmaceutical Co.	0	0	1,368	1,232	0	05.09.2021	1,232				
229	Tamin Pharmaceutical Investment Holding	Ownership	Farabi Pharmaceutical Co.	0	0	1,385	1,246	0	23.11.2021	1,246				
230	Tamin Pharmaceutical Investment Holding	Ownership	Farabi Pharmaceutical Co.	0	0	428	385	0	24.01.2022	385				
231	Tamin Pharmaceutical Investment Holding	Ownership	Farabi Pharmaceutical Co.	0	0	1,322	1,190	0	14.02.2022	1,190				
232	Tamin Pharmaceutical Investment Holding	Ownership	Zagros farmed pars Pharmaceutical Co.	0	0	3,440	0	0	20.12.2021	0				
233	Tamin Pharmaceutical Investment Holding	Ownership	Caspian Tamin Pharmaceutical Co.	0	0	408	0	0	24.01.2022	0				
234	Tamin Pharmaceutical Investment Holding	Ownership	Rahavard Tamin Pharmaceutical Co.	0	0	3,920	0	0	24.01.2022	0				
235	Tamin Pharmaceutical Investment Holding	Ownership	Rahavard Tamin Pharmaceutical Co.	0	0	1,940	0	0	05.03.2022	0				
236	Tamin Pharmaceutical Investment Holding	Ownership	Darupakhsh Medicinal chemistry	0	0	2,000	0	0	23.02.2022	0				
237	Tamin Pharmaceutical Investment Holding	Ownership	Darou Pakhsh Factories	0	0	12,536	0	0	21.12.2021	0				
238	Tamin Pharmaceutical Investment Holding	Ownership	Razak Laboratories	0	0	35,184	0	0	02.02.2022	0				
239	Tamin Pharmaceutical Investment Holding	Ownership	Razak Laboratories	0	0	3,000	0	0	02.02.2022	0				
Sum of Tamin Pharmaceutical Investment Holding				**9,558,060**	**0**	**102,374**	**4,053**	**0**		**9,562,113**		**34.026.331**		

Karafarin Bank (Public Joint Stock)
Notes to The Financial Statements
For The Year Ended 20 March 2022

Item No.	Single Beneficiary Unit	Type of Relations	Customer	Balance of Large Loans & Commitments							Collateral		Board of Directors' Ratification	
				Loans		Commitments		Cost of Shares (4)	Grant Date	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							
240	Oil Turbo Compressor Construction Co.	Ownership	Tak Middle East Turbo Compressor Construction Co.	29,153	0	0	0	0	03.02.2021	29,153	Local Enforced Contracts			
241	Oil Turbo Compressor Construction Co.	Ownership	Oil Turbo Compressor Construction Co.	448,072	0	0	0	0	06.09.2021	448,072	Cheque, Additional Collateral, Deposit , Loans Collateral, Local Enforced Contracts			
242	Oil Turbo Compressor Construction Co.	Ownership	Oil Turbo Compressor Construction Co.	1,029,779	0	0	0	0	07.12.2021	1,029,779				
243	Oil Turbo Compressor Construction Co.	Ownership	Oil Turbo Compressor Construction Co.	2,489,647	0	0	0	0	08.03.2022	2,489,647				
244	Oil Turbo Compressor Construction Co.	Ownership	Turbo Compressor manufacturer Co.	27,953	0	0	0	0	30.01.2022	27,953	Cheque, Additional Collateral, Promissory Note, Local Enforced Contracts			
245	Oil Turbo Compressor Construction Co.	Ownership	Turbo Compressor manufacturer Co.	167,963	0	0	0	0	30.01.2022	167,963				
246	Oil Turbo Compressor Construction Co.	Ownership	Turbo Compressor manufacturer Co.	490,242	0	0	0	0	19.03.2022	490,242				
247	Oil Turbo Compressor Construction Co.	Ownership	Turbo Compressor manufacturer Co.	0	0	11,454	10,881	0	01.03.2022	10,881				
248	Oil Turbo Compressor Construction Co.	Ownership	Turbo Compressor manufacturer Co.	0	0	205	195	0	11.05.2021	195				
249	Oil Turbo Compressor Construction Co.	Ownership	Turbo Compressor manufacturer Co.	0	0	18,400		0	18.09.2021	0				
250	Oil Turbo Compressor Construction Co.	Ownership	Turbo Compressor manufacturer Co.	0	0	1,025	974	0	19.09.2021	974				
251	Oil Turbo Compressor Construction Co.	Ownership	Turbo Compressor manufacturer Co.	0	0	7,348	6,981	0	20.12.2021	6,981				
252	Oil Turbo Compressor Construction Co.	Ownership	Turbo Compressor manufacturer Co.	0	0	2,000	2,000	0	24.01.2022	2,000				
253	Oil Turbo Compressor Construction Co.	Ownership	Turbo Compressor manufacturer Co.	0	0	21,722	20,636	0	06.03.2022	20,636				
254	Oil Turbo Compressor Construction Co.	Ownership	Turbo Compressor manufacturer Co.	0	0	1,040		0	19.03.2022	0				
255	Oil Turbo Compressor Construction Co.	Ownership	Oil Turbo Compressor Construction Co.	0	0	5,367	5,367	0	25.01.2021	5,367				
256	Oil Turbo Compressor Construction Co.	Ownership	Oil Turbo Compressor Construction Co.	0	0	208,165	208,165	0	16.03.2021	208,165				
Sum of Oil Turbo Compressor Construction Co.				**4,682,807**	**0**	**276,727**	**255,199**	**0**		**4,938,006**		**11.569.298**		

Karafarin Bank (Public Joint Stock)
Notes to The Financial Statements
For The Year Ended 20 March 2022

Item No.	Single Beneficiary Unit	Type of Relations	Customer	Balance of Large Loans & Commitments							Collateral		Board of Directors' Ratification	
				Loans		Commitments		Cost of Shares (4)	Grant Date	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							
257	Mihan Dairy & Ice Cream Food Industries Complex Co.	Ownership	Sarzamine Gooshte Parsian Co.	825,700	0	0	0	0	01.10.2020	825,700	Immovable Assets Mortgaged by the Bank, Cheque, Additional Collateral, Loans Collateral,			
258	Mihan Dairy & Ice Cream Food Industries Complex Co.	Ownership	Ghallat ban	498,418	0	0	0	0	13.11.2021	498,418	Promissory Note, Local Enforced Contract			
259	Mihan Dairy & Ice Cream Food Industries Complex Co.	Ownership	Tabiat Sabz Pars Kohan Co.	1,240,728	0	0	0	0	20.12.2021	1,240,728	Immovable Assets Mortgaged by the Bank, Cheque, Additional Collateral, Deposit, Local Enforced Contract			
260	Mihan Dairy & Ice Cream Food Industries Complex Co.	Ownership	Mihan Food Industries Complex Co.	189,182	0	0	0	0	01.01.2022	189,182	Immovable Assets Mortgaged by the Bank, Cheque, Additional Collateral, Deposit, Local Enforced Contract, Guarantee of banks and internal institutions			
261	Mihan Dairy & Ice Cream Food Industries Complex Co.	Ownership	Mihan Food Industries Complex Co.	86,290	0	0	0	0	13.01.2022	86,290				
262	Mihan Dairy & Ice Cream Food Industries Complex Co.	Ownership	Mihan Food Industries Complex Co.	645,034	0	0	0	0	15.01.2022	645,034				
263	Mihan Dairy & Ice Cream Food Industries Complex Co.	Ownership	Mihan Food Industries Complex Co.	387,021	0	0	0	0	15.01.2022	387,021				
264	Mihan Dairy & Ice Cream Food Industries Complex Co.	Ownership	Mihan Food Industries Complex Co.	197,208	0	0	0	0	25.01.2022	197,208				
265	Mihan Dairy & Ice Cream Food Industries Complex Co.	Ownership	Mihan Food Industries Complex Co.	292,168	0	0	0	0	29.01.2022	292,168				
261	Mihan Dairy & Ice Cream Food Industries Complex Co.	Ownership	Mihan Food Industries Complex Co.	86,290	0	0	0	0	13.01.2022	86,290				
262	Mihan Dairy & Ice Cream Food Industries Complex Co.	Ownership	Mihan Food Industries Complex Co.	645,034	0	0	0	0	15.01.2022	645,034				
263	Mihan Dairy & Ice Cream Food Industries Complex Co.	Ownership	Mihan Food Industries Complex Co.	387,021	0	0	0	0	15.01.2022	387,021				
264	Mihan Dairy & Ice Cream Food Industries Complex Co.	Ownership	Mihan Food Industries Complex Co.	197,208	0	0	0	0	25.01.2022	197,208				
265	Mihan Dairy & Ice Cream Food Industries Complex Co.	Ownership	Mihan Food Industries Complex Co.	292,168	0	0	0	0	29.01.2022	292,168				

Karafarin Bank (Public Joint Stock)
Notes to The Financial Statements
For The Year Ended 20 March 2022

Item No.	Single Beneficiary Unit	Type of Relations	Customer	Balance of Large Loans & Commitments							Collateral		Board of Directors' Ratification	
				Loans		Commitments		Cost of Shares (4)	Grant Date	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							
266	Mihan Dairy & Ice Cream Food Industries Complex Co.	Ownership	Mihan Food Industries Complex Co.	264,744	0	0	0	0	12.02.2022	264,744				
267	Mihan Dairy & Ice Cream Food Industries Complex Co.	Ownership	Mihan Food Industries Complex Co.	280,492	0	0	0	0	16.02.2022	280,492				
268	Mihan Dairy & Ice Cream Food Industries Complex Co.	Ownership	Mihan Food Industries Complex Co.	304,882	0	0	0	0	16.02.2022	304,882				
269	Mihan Dairy & Ice Cream Food Industries Complex Co.	Ownership	Mihan Food Industries Complex Co.	194,867	0	0	0	0	19.02.2022	194,867				
270	Mihan Dairy & Ice Cream Food Industries Complex Co.	Ownership	Mihan Food Industries Complex Co.	297,945	0	0	0	0	21.02.2022	297,945				
271	Mihan Dairy & Ice Cream Food Industries Complex Co.	Ownership	Mihan Food Industries Complex Co.	296,030	0	0	0	0	06.03.2022	296,030				
272	Mihan Dairy & Ice Cream Food Industries Complex Co.	Ownership	Mihan Food Industries Complex Co.	231,475	0	0	0	0	07.03.2022	231,475				
273	Mihan Dairy & Ice Cream Food Industries Complex Co.	Ownership	Mihan Food Industries Complex Co.	231,911	0	0	0	0	12.03.2022	231,911				
274	Mihan Dairy & Ice Cream Food Industries Complex Co.	Ownership	Mihan Food Industries Complex Co.	345,018	0	0	0	0	15.03.2022	345,018				
275	Mihan Dairy & Ice Cream Food Industries Complex Co.	Ownership	Tabiat Sabz Pars Kohan Co.	172,367	0	0	0	0	30.01.2022	172,367	Immovable Assets Mortgaged by the Bank, Cheque, Additional Collateral, Deposit, Local Enforced Contract, Guarantee of banks and internal institutions			
276	Mihan Dairy & Ice Cream Food Industries Complex Co.	Ownership	Pak Aryan Polymer Industrial Group	101,184	0	0	0	0	24.02.2022	101,184	Immovable Assets Mortgaged by the Bank, Cheque, Additional Collateral, Deposit, Local Enforced Contract, Guarantee of banks and internal institutions			
277	Mihan Dairy & Ice Cream Food Industries Complex Co.	Ownership	Pak Aryan Polymer Industrial Group	291,409	0	0	0	0	24.02.2022	291,409				
278	Mihan Dairy & Ice Cream Food Industries Complex Co.	Ownership	Pak Aryan Polymer Industrial Group	0	0	3,000	0	0	24.02.2022	0				
279	Mihan Dairy & Ice Cream Food Industries Complex Co.	Ownership	Pak Aryan Polymer Industrial Group	0	0	11,520	0	0	24.02.2022	0				

Karafarin Bank (Public Joint Stock)
Notes to The Financial Statements
For The Year Ended 20 March 2022

Item No.	Single Beneficiary Unit	Type of Relations	Customer	Balance of Large Loans & Commitments							Collateral		Board of Directors' Ratification	
				Loans		Commitments		Cost of Shares (4)	Grant Date	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							
280	Mihan Dairy & Ice Cream Food Industries Complex Co.	Ownership	Mihan Food Industries Complex Co.	0	0	7,284	0	0	02.10.2021	0				
281	Mihan Dairy & Ice Cream Food Industries Complex Co.	Ownership	Mihan Food Industries Complex Co.	0	0	10,000	0	0	13.01.2022	0				
282	Mihan Dairy & Ice Cream Food Industries Complex Co.	Ownership	Mihan Food Industries Complex Co.	0	0	25,000	0	0	15.01.2022	0				
283	Mihan Dairy & Ice Cream Food Industries Complex Co.	Ownership	Mihan Food Industries Complex Co.	0	0	15,000	0	0	15.01.2022	0				
284	Mihan Dairy & Ice Cream Food Industries Complex Co.	Ownership	Mihan Food Industries Complex Co.	0	0	7,680	0	0	25.01.2022	0				
285	Mihan Dairy & Ice Cream Food Industries Complex Co.	Ownership	Mihan Food Industries Complex Co.	0	0	11,400	0	0	29.01.2022	0				
286	Mihan Dairy & Ice Cream Food Industries Complex Co.	Ownership	Mihan Food Industries Complex Co.	0	0	10,400	0	0	12.02.2022	0				
287	Mihan Dairy & Ice Cream Food Industries Complex Co.	Ownership	Mihan Food Industries Complex Co.	0	0	11,040	0	0	16.02.2022	0				
288	Mihan Dairy & Ice Cream Food Industries Complex Co.	Ownership	Mihan Food Industries Complex Co.	0	0	12,000	0	0	16.02.2022	0				
289	Mihan Dairy & Ice Cream Food Industries Complex Co.	Ownership	Mihan Food Industries Complex Co.	0	0	7,685	0	0	19.02.2022	0				
290	Mihan Dairy & Ice Cream Food Industries Complex Co.	Ownership	Mihan Food Industries Complex Co.	0	0	11,761	0	0	21.02.2022	0				
291	Mihan Dairy & Ice Cream Food Industries Complex Co.	Ownership	Mihan Food Industries Complex Co.	0	0	11,760	0	0	06.03.2022	0				
292	Mihan Dairy & Ice Cream Food Industries Complex Co.	Ownership	Mihan Food Industries Complex Co.	0	0	9,200	0	0	07.03.2022	0				
293	Mihan Dairy & Ice Cream Food Industries Complex Co.	Ownership	Mihan Food Industries Complex Co.	0	0	9,240	0	0	12.03.2022	0				
294	Mihan Dairy & Ice Cream Food Industries Complex Co.	Ownership	Mihan Food Industries Complex Co.	0	0	509	0	0	14.03.2022	0				
295	Mihan Dairy & Ice Cream Food Industries Complex Co.	Ownership	Tabiat Sabz Pars Kohan Co.	0	0	3,758	0	0	30.01.2022	0				
296	Mihan Dairy & Ice Cream Food Industries Complex Co.	Ownership	Tabiat Sabz Pars Kohan Co.	0	0	47,520	0	0	16.03.2022	0				
297	Mihan Dairy & Ice Cream Food Industries Complex Co.	Ownership	Ghallat ban	0	0	19,767	0	0	13.03.2022	0				
Sum of Mihan Food Industries group				**7,374,070**	**0**	**245,524**	**0**	**0**		**7,374,070**		**67.655.633**		

Karafarin Bank (Public Joint Stock)
Notes to The Financial Statements
For The Year Ended 20 March 2022

Item No.	Single Beneficiary Unit	Type of Relations	Customer	Balance of Large Loans & Commitments							Collateral		Board of Directors' Ratification	
				Loans		Commitments		Cost of Shares (4)	Grant Date	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							
298	Ghadir Investment	Ownership	Kordestan Cement Co.	62,529	0	0	0	0	10.06.2020	62,529	Cheque, Additional Collateral, Promissory Note, Shares of Listed Companies, Local Enforced Contract	791.039		
299	Ghadir Investment	Ownership	Ghadir Investment	3,073,991	0	0	0	0	08.01.2022	3,073,991	Cheque, Additional Collateral, Promissory Note, Shares of Listed Companies, Local Enforced Contract	30.774.293		
300	Ghadir Investment	Ownership	Ghadir Investment	1,514,375	0	0	0	0	18.01.2022	1,514,375				
301	Ghadir Investment	Ownership	Ghadir Investment	0	0	93,011	0	0	08.01.2022	0				
302	Ghadir Investment	Ownership	Ghadir Investment	0	0	46,040	0	0	18.01.2022	0				
303	Ghadir Investment	Ownership	Tavanavar Asia Steel Industries Co.	0	0	20,000	19,000	0	22.06.2021	19,000				
Sum of Ghadir Investment				**4,650,895**	**0**	**159,051**	**19,000**	**0**		**4,669,895**		**31.565.331**		
304	Iran Khodro	Ownership	Iran Khodro Diesel Co.	1,034,865	0	0	0	0	20.04.2019	1,034,865	Cheque, Additional Collateral, Local Enforced Contract	25.555.821		
305	Iran Khodro	Ownership	Iran Khodro Diesel Co.	575,790	0	0	0	0	20.04.2019	575,790				
306	Iran Khodro	Ownership	Iran Khodro Diesel Co.	312,016	0	0	0	0	20.04.2019	312,016				
307	Iran Khodro	Ownership	Iran Khodro Diesel Co.	44,930	0	0	0	0	30.07.2019	44,930				
308	Iran Khodro	Ownership	Iran Khodro Spare Parts Supplying & Distribution Co.	312,279	0	0	0	0	27.12.2021	312,279	Cheque, Additional Collateral, Local Enforced Contract, Guarantee of banks and internal institutions	720.926		
309	Iran Khodro	Ownership	Nirou Moharrekeh Industrial Co.	51,331	0	0	0	0	04.01.2022	51,331	Cheque, Promissory Note , Additional Collateral, Local Enforced Contract, Guarantee of banks and internal institutions	191.047		

Karafarin Bank (Public Joint Stock)
Notes to The Financial Statements
For The Year Ended 20 March 2022

Item No.	Single Beneficiary Unit	Type of Relations	Customer	Balance of Large Loans & Commitments							Collateral		Board of Directors' Ratification	
				Loans		Commitments		Cost of Shares (4)	Grant Date	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							
310	Iran Khodro	Ownership	Iran Khodro Co. (Public J.S)	510,867	0	0	0	0	15.01.2022	510,867	Cheque, Additional Collateral, Local Enforced Contract, Guarantee of banks and internal institutions			
311	Iran Khodro	Ownership	Iran Khodro Co. (Public J.S)	510,867	0	0	0	0	15.01.2022	510,867				
312	Iran Khodro	Ownership	Iran Khodro Co. (Public J.S)	608,912	0	0	0	0	15.01.2022	608,912				
313	Iran Khodro	Ownership	Iran Khodro Co. (Public J.S)	255,434	0	0	0	0	15.01.2022	255,434				
314	Iran Khodro	Ownership	Iran Khodro Co. (Public J.S)	496,221	0	0	0	0	15.01.2022	496,221				
315	Iran Khodro	Ownership	Iran Khodro Co. (Public J.S)	255,434	0	0	0	0	15.01.2022	255,434				
316	Iran Khodro	Ownership	Iran Khodro Diesel Parts Co. (EPKO)	0	0	3,268	2,941	0	27.07.2016	2,941				
317	Iran Khodro	Ownership	Iran Khodro Diesel Parts Co. (EPKO)	0	0	10,610	8,488	0	15.07.2017	8,488				
318	Iran Khodro	Ownership	Iran Khodro Diesel Parts Co. (EPKO)	0	0	524		0	09.10.2017	0				
319	Iran Khodro	Ownership	Iran Khodro Diesel Parts Co. (EPKO)	0	0	4,715	4,244	0	21.08.2018	4,244				
320	Iran Khodro	Ownership	Iran Khodro Co. (Public J.S)	0	0	19,800	0	0	20.10.2021	0				
321	Iran Khodro	Ownership	Iran Khodro Co. (Public J.S)	0	0	9,900	0	0	20.10.2021	0				
322	Iran Khodro	Ownership	Iran Khodro Co. (Public J.S)	0	0	9,900	0	0	20.10.2021	0				
323	Iran Khodro	Ownership	Iran Khodro Co. (Public J.S)	0	0	19,800	0	0	20.10.2021	0				
324	Iran Khodro	Ownership	Iran Khodro Co. (Public J.S)	0	0	23,600	0	0	20.10.2021	0				
325	Iran Khodro	Ownership	Iran Khodro Co. (Public J.S)	0	0	19,800	0	0	26.12.2021	0				
326	Iran Khodro	Ownership	Iran Khodro Spare Parts Supplying & Distribution Co.	0	0	13,200	0	0	27.10.2021	0				
327	Iran Khodro	Ownership	Nirou Moharrekeh Industrial Co.	0	0	1,980	0	0	04.01.2022	0				
328	Iran Khodro	Ownership	Iran Khodro Diesel Co.	0	0	8,200	7,380	0	26.10.2014	7,380				
Sum of Iran Khodro				**4,968,945**	**0**	**145,297**	**23,053**	**0**		**4,991,998**		**40.141.795**		

Karafarin Bank (Public Joint Stock)
Notes to The Financial Statements
For The Year Ended 20 March 2022

Item No.	Single Beneficiary Unit	Type of Relations	Customer	Balance of Large Loans & Commitments							Collateral		Board of Directors' Ratification	
				Loans		Commitments		Cost of Shares (4)	Grant Date	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							
329	Mohamad Hosein Pounaki	Ownership	Koushesh Radiator production	130,870	0	0	0	0	26.11.2020	130,870	Cheque, Additional Collateral, Promissory Note ,Deposit , Immovable Assets Mortgaged by the Bank, Loans Collateral, Guarantee of banks and internal institutions, Local Enforced Contracts	44.784.358		
330	Mohamad Hosein Pounaki	Ownership	Koushesh Radiator production	494,363	0	0	0	0	20.06.2021	494,363				
331	Mohamad Hosein Pounaki	Ownership	Koushesh Radiator production	370,624	0	0	0	0	23.06.2021	370,624				
332	Mohamad Hosein Pounaki	Ownership	Koushesh Radiator production	220,451	0	0	0	0	26.07.2021	220,451				
333	Mohamad Hosein Pounaki	Ownership	Koushesh Radiator production	184,793	0	0	0	0	27.07.2021	184,793				
334	Mohamad Hosein Pounaki	Ownership	Koushesh Radiator production	276,524	0	0	0	0	01.08.2021	276,524				
335	**Mohamad Hosein Pounaki**	**Ownership**	**Koushesh Radiator production**	**62,631**	**0**	**0**	**0**	**0**	**15.08.2021**	**62,631**				
336	Mohamad Hosein Pounaki	Ownership	Koushesh Radiator production	52,587	0	0	0	0	28.08.2021	52,587				
337	Mohamad Hosein Pounaki	Ownership	Koushesh Radiator production	89,552	0	0	0	0	16.09.2021	89,552				
338	Mohamad Hosein Pounaki	Ownership	Koushesh Radiator production	39,772	0	0	0	0	09.10.2021	39,772				
339	Mohamad Hosein Pounaki	Ownership	Koushesh Radiator production	303,737	0	0	0	0	04.11.2021	303,737				
340	Mohamad Hosein Pounaki	Ownership	Koushesh Radiator production	505,497	0	0	0	0	06.11.2021	505,497				
341	Mohamad Hosein Pounaki	Ownership	Koushesh Radiator production	201,515	0	0	0	0	14.11.2021	201,515				
342	Mohamad Hosein Pounaki	Ownership	Koushesh Radiator production	301,687	0	0	0	0	18.11.2021	301,687				
343	Mohamad Hosein Pounaki	Ownership	Koushesh Radiator production	97,497	0	0	0	0	23.11.2021	97,497				
344	Mohamad Hosein Pounaki	Ownership	Koushesh Radiator production	97,450	0	0	0	0	24.11.2021	97,450				
345	Mohamad Hosein Pounaki	Ownership	Koushesh Radiator production	97,402	0	0	0	0	25.11.2021	97,402				
346	Mohamad Hosein Pounaki	Ownership	Koushesh Radiator production	164,032	0	0	0	0	02.12.2021	164,032				
347	Mohamad Hosein Pounaki	Ownership	Koushesh Radiator production	162,487	0	0	0	0	02.12.2021	162,487				
348	Mohamad Hosein Pounaki	Ownership	Koushesh Radiator production	289,786	0	0	0	0	07.12.2021	289,786				
349	Mohamad Hosein Pounaki	Ownership	Koushesh Radiator production	289,360	0	0	0	0	12.12.2021	289,360				
350	Mohamad Hosein Pounaki	Ownership	Koushesh Radiator production	385,813	0	0	0	0	14.12.2021	385,813				
351	Mohamad Hosein Pounaki	Ownership	Koushesh Radiator production	204,438	0	0	0	0	03.02.2022	204,438				
352	Mohamad Hosein Pounaki	Ownership	Koushesh Radiator production	192,947	0	0	0	0	10.03.2022	192,947				

Karafarin Bank (Public Joint Stock)
Notes to The Financial Statements
For The Year Ended 20 March 2022

Item No.	Single Beneficiary Unit	Type of Relations	Customer	Balance of Large Loans & Commitments							Collateral		Board of Directors' Ratification	
				Loans		Commitments		Cost of Shares (4)	Grant Date	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							
353	Mohamad Hosein Pounaki	Ownership	Koushesh Radiator production	0	0	3,036	0	0	19.06.2021	0				
354	Mohamad Hosein Pounaki	Ownership	Koushesh Radiator production	0	0	1,294	0	0	09.10.2021	0				
355	Mohamad Hosein Pounaki	Ownership	Koushesh Radiator production	0	0	13,200	0	0	04.11.2021	0				
356	Mohamad Hosein Pounaki	Ownership	Koushesh Radiator production	0	0	22,000	0	0	06.11.2021	0				
357	Mohamad Hosein Pounaki	Ownership	Koushesh Radiator production	0	0	8,800	0	0	14.11.2021	0				
358	Mohamad Hosein Pounaki	Ownership	Koushesh Radiator production	0	0	13,200	0	0	18.11.2021	0				
359	Mohamad Hosein Pounaki	Ownership	Koushesh Radiator production	0	0	5,260	0	0	23.11.2021	0				
360	Mohamad Hosein Pounaki	Ownership	Koushesh Radiator production	0	0	5,260	0	0	24.11.2021	0				
361	Mohamad Hosein Pounaki	Ownership	Koushesh Radiator production	0	0	5,260	0	0	25.11.2021	0				
362	Mohamad Hosein Pounaki	Ownership	Koushesh Radiator production	0	0	3,600	0	0	02.12.2021	0				
363	Mohamad Hosein Pounaki	Ownership	Koushesh Radiator production	0	0	15,780			07.12.2021					
364	Mohamad Hosein Pounaki	Ownership	Koushesh Radiator production	0	0	15,780	0	0	12.12.2021	0				
365	Mohamad Hosein Pounaki	Ownership	Koushesh Radiator production	0	0	19,760	0	0	14.12.2021	0				
366	Mohamad Hosein Pounaki	Ownership	Koushesh Radiator production	0	0	7,212	0	0	03.02.2022	0				
367	Mohamad Hosein Pounaki	Ownership	Koushesh Radiator production	0	0	6,782	0	0	10.03.2022	0				
Sum of Mohamad Hosein Pounaki group				**5,215,817**	**0**	**146,224**	**0**	**0**		**5,215,817**		**44.784.358**		
368	Mostafa Bagherzade khorsandi	Ownership	Zob ahan farayandkaran nourin group	729,772	0	0	0	0	22.07.2020	729,772	Cheque, Additional Collateral, Promissory Note ,Deposit , Loans Collateral, Local Enforced Contracts	4.442.862		
369	Mostafa Bagherzade khorsandi	Ownership	Navard foulad karan ofogh group	724,510	0	0	0	0	08.01.2022	724,510	Cheque, Additional Collateral, Local Enforced Contracts	34.309.107		
370	Mostafa Bagherzade khorsandi	Ownership	Navard foulad karan ofogh group	618,937	0	0	0	0	15.01.2022	618,937				
371	Mostafa Bagherzade khorsandi	Ownership	Navard foulad karan ofogh group	505,918	0	0	0	0	24.02.2022	505,918				
372	Mostafa Bagherzade khorsandi	Ownership	Navard foulad karan ofogh group	503,699	0	0	0	0	05.03.2022	503,699				
373	Mostafa Bagherzade khorsandi	Ownership	Navard foulad karan ofogh group	1,006,411	0	0	0	0	07.03.2022	1,006,411				

Karafarin Bank (Public Joint Stock)
Notes to The Financial Statements
For The Year Ended 20 March 2022

Item No.	Single Beneficiary Unit	Type of Relations	Customer	Balance of Large Loans & Commitments							Collateral		Board of Directors' Ratification	
				Loans		Commitments		Cost of Shares (4)	Grant Date	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							
374	Mostafa Bagherzade khorsandi	Ownership	Aria nourin joush	200,789	0	0	0	0	12.03.2022	200,789	Cheque, Additional Collateral, Local Enforced Contracts			
375	Mostafa Bagherzade khorsandi	Ownership	Pars metal and nail industry factories	451,775	0	0	0	0	12.03.2022	451,775	Cheque, Additional Collateral, Local Enforced Contracts			
376	Mostafa Bagherzade khorsandi	Ownership	Navard foulad karan ofogh group	0	0	24,000		0	17.10.2021	0				
377	Mostafa Bagherzade khorsandi	Ownership	Navard foulad karan ofogh group	0	0	80,000	72,000	0	07.12.2021	72,000				
378	Mostafa Bagherzade khorsandi	Ownership	Navard foulad karan ofogh group	0	0	120,000	120,000	0	22.12.2021	120,000				
Sum of Mostafa Bagherzade khorsandi group				**4,741,810**	**0**	**224,000**	**192,000**	**0**		**4,933,810**		**40.439.138**		
379	Joint investment	Ownership	Joint investment	0	0	18,237,210	18,237,210	0		18,237,210				
380	Arman investment	Ownership	Arman investment	0	0	17,756,375	17,756,375	0		17,756,375				
Total				**91,146,101**	**0**	**38,294,900**	**36,818,601**	**0**		**127,964,702**		**533,023,330**		

IRR Million

Regulatory Capital Being A basis of Other Prudential Ratios at the Reporting Date	**44,945,257**
Individual's Limit for Large Loans & Commitments (20% of Regulatory Capital)	**8,989,051**
Group's Limit for Large Loans & Commitments (8 Times of Regulatory Capital)	**359,562,054**
Group's Limit for Large Loans & Commitments of Overseas Banks (5% of Total Branch's Assets)	**0**
Organisational Unit of Executive the Bylaw	**Credit Management**