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KARAFARIN BANK

ANNUAL REPORT

2024-25

CONTENT

CEO's Statement

In recent months, Iran’s economy has navigated a series of profound fluctuations shaped by both challenging and inspiring events. The tragic loss in late May,2024 of Ayatollah Seyed Ebrahim Raeisi and his dedicated companions in a catastrophic air accident cast a deep shadow of grief over the nation. Yet, in the spirit of this country’s martyrs, that moment of sorrow also became a renewed call to service, igniting a stronger resolve to rebuild and advance.

Amid this environment, and despite the government and the Central Bank implementing contractionary measures to curb inflation, measures to which we have fully and faithfully adhered, Bank Karafarin has continued to uphold its core values: expertise, transparency, and strict compliance with the law. While undertaking substantial, strategic upgrades to our banking infrastructure to deliver cutting-edge services, we have also expanded our financing to knowledge-based enterprises and other key sectors, reinforcing our role in building a more prosperous Iran, fostering domestic production, and generating employment.

The past year’s accomplishments speak for themselves: growth in foreign exchange operations, enhanced profitability, a sharper focus on fee-based revenues, the flawless execution of a major core banking system upgrade, inauguration of the central warehouse, commissioning of the central data center, and recognition as Iran’s leading bank in financing knowledge-based enterprises, based on the ratio of loans granted to total loans in this sector, as reported in the Fourth Annual Report on the Knowledge-Based Ecosystem. In addition, we achieved a nearly 4.5-fold increase in Qarz al-Hasannah marriage and childbirth loans, among other milestones. These results underscore that, despite constraints, Karafarin Bank has remained unwavering in its long-term, broad-based commitment to national development.

We recognize that achieving fundamental transformation and realizing our vision of becoming a fully intelligent bank rests on a robust foundation. A review of the past decade shows that over the last five years, the Bank’s capital has expanded from 50 trillion IRR to 60 trillion IRR, an increase exceeding 10 trillion IRR. This growth has fueled advancements in both hardware and software capabilities, enabling stronger operational performance, increased capacity to attract deposits and extend financing, improved profitability and competitiveness, a healthier financial structure, and reduced risk.

Meanwhile, continuous innovation within our HiBank digital platform has positioned Karafarin Bank as the “Preferred partner” for a diverse spectrum of enterprises, especially knowledge-based companies, within Iran’s economic landscape.

Ultimately, we understand that deepening mutual trust with our stakeholders is inseparable from delivering superior service quality and the most effective financial and banking solutions. Guided by this conviction, we have placed structural transformation, across technology, infrastructure, and other key domains, at the forefront of our strategic agenda. Each step forward serves as a learning opportunity for the entire financial sector. We are confident that true progress stems from synergy and collective alignment, and we remain committed to pursuing this course with even greater determination.

Dr. Ahmad Baharvandi

Board of Directors' Report to the Annual Ordinary General Assembly Meeting

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

In our opinion, information incorporated in the report on the Bank's operations and its general position, emphasized the principles of fair presentation of the Board of Directors' performance for the reporting period, and is consistent to safeguarding the interests of the Bank consistent with the relevant legal and regulatory requirements and conforms with the Bank's Articles of Association. The information included in the report is accurate, complete and corresponds to factual events of the past and any foreseeable future outcomes that could have been reasonably projected. This report approved and endorsed by the Board of Directors on 27.06.2025, does not include any information unawareness of which may mislead the users.

Board Member	Position
Mr. Mohammadreza Khorsandi	Chairman
Dr. Ahmad Baharvandi	CEO & Board Member
Mr.Reza Razizadeh	Board Member
Mr. Masoud Sharifat	Vice-Chairman
Mr. Mehdi Goudarzi	Board Member

Islamic Banking Principles

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

Gharz-al Hassaneh Accounts (Non - Interest Saving)

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

Term Deposits

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

On the lending side, Iranian banking laws and regulations separate banking products into two categories: participation contracts and constant profit contracts.

Participation Contracts

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

- **Mosharekat-e-Madani (Musharaka)**

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

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

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

- **Mosharekat-e-Hoghoughi (Legal Exposure)**

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

- **Muzaraba**

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

- **Mozare'eh**

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

- **Mosaghat (Sharecropping)**

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

Constant Profit Contracts

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

- **Foroush - e - Aghsati (Instalment)**

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

- **Ejareh-Besharte-Tamlik (Hire Purchase)**

In this particular type of leasing contract, it is agreed that the lessee, if complying with the terms of the contract, will obtain the ownership of the leased property upon the completion of the contract.

- **Salaf (Future)**

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

- **Jo'aleh**

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

- **Tanzeel (Discount)**

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

- **Morabehe**

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

- **Istisna'**

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

Chapter 1:

INTRODUCTION

1. Nature of Business

The banking industry

The banking industry originated globally when the exchange and trade of goods (beyond barter) commenced among people. Even before modern money came into common use, the expansion of commerce made the need for banking institutions increasingly evident — primarily to provide a medium of payment, a unit of value measurement, and, importantly, to facilitate collection of receivables from distant counterparties while mitigating the risks associated with transferring cash. The banking industry plays an effective and central role in each country’s economy. This industry is currently subject to significant and continuous change. The relationship between competition in banking and financial fragility is a major concern for policymakers. Extensive research indicates that increased banking competition can erode banks’ revenues and reduce their incentives to act conservatively. The theoretical and empirical link between banking competition and stability is complex; in some circumstances, greater competition can result in improved economic stability.

1-1. Nature of the Bank and the Industry

Primary objectives for establishing banks include:

- Mobilization and aggregation of monetary resources.
- Facilitating public participation in different economic sectors and increasing employment and production.
- Proper direction and organization of financial resources.
- Providing high-quality service to applicants and easing the process of granting credit facilities.
- Creating conditions for healthy competition and, ultimately, transformation within the banking sector.
- Planning for public deposit mobilization.
- Encouraging the public to collect and consolidate scattered financial resources.
- Utilizing private-sector professional expertise and management.
- Applying advanced technical know-how and experienced personnel in banking matters.
- Creating diversity in the domestic capital market.
- Assisting the public sector in resource mobilization and planning for efficient and timely allocation of mobilized funds to diverse economic sectors through various contracts.

History of Karafarin Bank

Karafarin Bank commenced operations on 18/09/1378 (Hijri calendar) as a non-bank credit institution under the name “Karafarinan Credit Company,” registered under No. 157915. The bank began formal operations as a private bank after obtaining a license from the Central Bank and completing a capital increase, starting from 14 Azar 1380 (Hijri). Expert assessments of Karafarin Bank’s satisfactory performance led to the bank’s shares being listed on the Tehran Stock Exchange on 14 Tir 1382. As of now, Karafarin Bank is recorded among the first private banks listed on the Tehran Stock Exchange. The bank operates in coordination with policies determined by the Central Bank of the Islamic Republic of Iran and the country’s economic development programs, and, with a firm commitment to customer centricity, dynamism, and the need for fundamental transformation in the provision of modern banking services — supported by trustworthy, experienced, and innovative staff and advanced communications and information technology — aims, through a coherent strategy, to be a genuine pioneer of modern banking in the country.

1-2. The Bank's Position in the Industry

Iran's banking network consists of 8 state-owned banks, 21 private banks, and 2 Qarz-al-Hasanah banks. Karafarin Bank operates as an active and profitable private bank. In order to increase its market share, the bank has focused on deposit mobilization and product offering through packaged credit products. Based on the latest published data of the Central Bank of the Islamic Republic of Iran, the bank's market share in resources is 0.69% and in credit provision (loans) is 0.85%.

1-3. Details of Interest/Financing Income

Loan Income	2024-25	2023-24
	Million IRR	Million IRR
Instalment Sale	2,561,908	1,988,415
Joaleh	7,742	25,490
Hire Purchase	35,077	61,849
Muzaraba	127,921	274,212
Musharaka	4,862,306	7,763,022
Salaf	326	0
Debt Discounting	10,680,093	7,066,634
Morabehe	101,872,331	82,358,574
Penalty	4,089,578	148,607
L/Cs Debtors' penalty	532,451	127,009
Paid L/Gs Debtors' Penalty	483,444	368,850
Penalty of Paid Credit Cards Debtors	273,085	0
Others	502,730	417,875
Total	**126,028,991**	**100,600,537**

1-4. Payments to Government

Loan Income	Fiscal year	Fiscal year	change
Million IRR	2024-25	2023-24	percentage
Income tax	0	1,163	100
value-added tax	790	462	71
employer's social insurance	1,505	1,061	42
government-mandated loans	37,623	17,234	118
Total	**39,919**	**19,920**	**100**

- The increase in value-added tax is attributable to the overall rise in price levels.
- The increase in the employer's social insurance contribution stems from annual wage growth.
- The increase in the balance of government-mandated loans relates to mandated Qarz-al-Hasannah loans (e.g., marriage loans, childbearing support, employment loans via the Compensation and Welfare Committee, etc.).

1-5. Laws, Regulations and External Factors Affecting the Bank (including macroeconomic components and possible changes)

Key laws, regulations and external frameworks governing the bank's activities comprise:

- Resolutions and regulations of the Money and Credit Council.
- The Bank's Articles of Association.
- The body of laws, regulations, circulars and bylaws issued by the Securities and Exchange Organization.
- Iranian Accounting Standards.

- The Monetary and Banking Law (ratified 1351 / 1972).
- The Law on Interest-Free Banking Operations (ratified 1362 / 1983).
- The Commercial Code.
- Taxation laws, Labor Law and Social Security regulations.
- Anti-Money Laundering legislation.
- Foreign exchange regulations issued by the Central Bank of the Islamic Republic of Iran.
- The country's five-year development plans and the annual budget law.
- The Law on Removing Production Barriers and Enhancing the Country's Financial System.
- Other applicable and current national legislation.
- The New Central Bank Law.

1-6. The Banking Industry

The core activity of banking is deposit acceptance (funds mobilization). Banks collect deposits at specified terms and rates and re-allocate them via lending and investments. Banking activities in Iran operate under an Islamic banking framework; transactions are carried out pursuant to Islamic contracts. Under this system, after receiving deposits, the bank either acts as an agent on behalf of depositors or applies Islamic contracts to extend financing to applicants or invests in listed and non-listed equity and Sukuk (participation bonds).

Such Islamic contracts can be broadly classified into exchange-type contracts (where the return rate is fixed) and participation-type contracts (where returns are variable). After deducting amounts paid to depositors from the revenues generated by these contracts (i.e., joint income), the bank's share of the joint income plus any agency/fee component is recognized in accordance with accounting rules.

Other bank revenues are non-joint (non-profit-sharing) incomes — in conventional banking often described as non-interest income — which include fees and commissions from banking services (e.g., card issuance, guarantees), results of foreign exchange transactions, and similar items.

A bank's expenses include administrative and general expenses, financing costs, and provisions for doubtful claims; provision for doubtful debts is a critical operating expense from a banking risk perspective, as it indicates the bank's credit risk profile and the reliability of its asset allocation policies.

1-7. Market Maker Information

Summary specifications and performance of the bank's Market maker are provided in the accompanying table below:

Title	parameter
Market making agent	Karafarin brokerage, Hami Noafarin
Starting period	07/02/2022-11/21/2024
Ending period	Until license expiration date
Resources allocated by issuer	8,007,155
Resources allocated by owner	8,007,155
Bid price	3,576,822
Sell price	(220,411)
Profit (loss)	0
Shares purchased	1,373,592,225
Shares sold	(35,496,000)
Shares remaind	4,027,273,548

Karafarin market maker's shares, in line with the Market making report and considering the stock market conditions, has continuously engaged in the purchase and sale of shares within the legal daily limits.

1-8. List of Subsidiaries Subject to Consolidation or Considered as Subordinates

Subsidiary Name	type	Fiscal year	Ownership percentage
Karafarin Financial Group	Private Joint Stock	20 March 2025	67.15%
Karafarin Brokerage Company	Private Joint Stock	20 March 2025	100%
Karafarin Exchange Company	Private Joint Stock	20 March 2025	Until license expiration date
Negah-e Farda Karafarin Technology Development Company	Private Joint Stock	20 March 2025	8,007,155
Abnieh Gostar Karafarin Company	Private Joint Stock	20 March 2025	8,007,155

2. Management Objectives and Strategies for Achieving Them

The Bank's strategic plan prepared in the year 2024-25 is designed for a three-year horizon (2025-26–2026-27). Strategic initiatives and programs are organized into short-term, medium-term and long-term groups, aligned with the defined horizon.

2-1. Major Objectives, Long-term and Short-term Programs

- Develop the Bank's Information Technology Master Plan (IT Master Plan) based on modern technologies and artificial intelligence (AI).
- Prepare and document the framework of the Bank's key processes, with particular emphasis on value-creating processes.
- Implement the Bank's digital transformation program focusing on artificial intelligence and emerging technologies.
- Expand retail banking with emphasis on the digital banking platform.

- Improve compliance with supervisory requirements and align regulations with domestic and international standards.
- Develop models for creating competitive advantages in untapped markets.
- Prepare and implement branch-level exclusive business plans.
- Develop innovative, comprehensive models for funding and deployment of resources.
- Talent management
- Personalize employee learning and development pathways.
- Digitize the Bank's processes and activities.
- Implement a formal succession planning program in the Bank.
- Draft and implement the Bank's Protective measures for market operations.

2-2. New Product Development and Entry into New Distribution Markets

The Bank's perspective is to become a transformative, intelligent and trusted bank that creates distinctive and sustainable value for stakeholders. Its mission is to act as a trusted strategic partner to customers, committed to leveraging innovative thinking and action, an agile approach and modern technologies to deliver a differentiated customer experience. Karafarin Bank's fundamental values are agility, transparency, value creation, customer orientation, efficiency, commitment and social values. To achieve this outlook, the Bank's high-level objectives focus on operational profitability, increasing non-profit-sharing (non-joint) income, targeted growth in market share, intelligence in products and operations, and improving human-capital productivity. The plan is monitored continuously and adjusted in line with environmental and technological developments.

2-3. Significant Accounting Policies, Estimates and Judgements and their Impact on Reported Results

1. Material effects arising from the adoption of newly issued or revised accounting standards that are effective in the current yea:

There are no newly effective or revised accounting standards in the current year.

2. Material effects arising from the adoption of approved but not yet effective accounting standards:

Accounting Standard No. 43 - "Operating Revenue from Contracts with Customers" – which has no significant effect on the Bank's financial statements.

2-4. Company Policies on Corporate Governance and Actions Taken Thereunder

Sustainability Report

Environmental activities:

1. Development of an office automation system and removal of paper from correspondence processes.
2. Implementation of waste segregation points and separate paper based waste.

3. Expansion of digital banking services (Hi Bank) to reduce customer commute and environmental pollution.
4. Utilization of modern HVAC technologies (replacing fossil-fuel and high-emission systems).
5. Energy conservation measures (water, electricity, gas, etc.).
6. Raising awareness and promoting environmental protection among employees and their families to foster an environmental protection culture.
7. The company's vehicles are subject to a monitoring program and undergo annual technical inspection.
8. Renewal of the Bank's aging vehicle fleet with newer reduced-emission vehicles.
9. Dividend payment via the SEJAM system and enabling remote participation in the Bank's ordinary general meetings to reduce shareholders' in-person attendance.
10. 24/7 customer support to reduce in-branch visits.
11. Conducting some employee training programs remotely (online and offline) to reduce commute.
12. Adjusting working hours during hot months to manage energy consumption.
13. Thermal insulation measures to reduce energy consumption.
14. Installation of automatic doors to minimize energy loss.
15. Avoid leaving computer monitors on when idle for more than 10 minutes.
16. Installation of automatic water taps to save water.
17. Establishment of web-conferencing facilities to reduce inter- and intra-city commute for missions and meetings.

Social responsibility activities

Pursuant to the Ordinary General Meeting resolution dated July 9,2024, an amount of IRR 200,000,000,000 was approved for social responsibility; IRR 169,000,000,000 of this sum was disbursed during the year 2024-25.

• Educational: purchase of stationery; support for student institutions.
• Infrastructure: equipping a special-needs school; construction of a school; equipping vocational workshops for job creation.
• Healthcare: provision of equipment to public hospitals.
• Cultural: strengthening collective cultural activities.
• Humanitarian and participatory: financial support for in need individuals; cooperation with the State Welfare Organization; support for the country's flood victims.

3.Corporate Governance

A) Information on the Board of Directors' structure

- ✓ Mohammad-Reza Khorsandi, Chairman of the Board
- ✓ Masoud Sharifat, Vice-Chairman of the Board
- ✓ Reza Razizadeh, Board Member
- ✓ Mehdi Goodarzi, Board Member
- ✓ Ahmad Baharvandi, Board Member and Chief Executive Officer

B) Details of each Board member:

Pursuant to the ordinary general meeting resolution dated July 9,2024, and the board meeting dated July 10,2024, Mr. Khorsandi, Mr. Baharvandi, Mr. Sharifat, Mr. Razizadeh and Mr. Goodarzi serve as members of the Board.

Mohammadreza Khorsand, Chairman of the Board

Education: B.Sc. in Banking and Monetary Management.

Executive experience

- Deputy for Foreign Exchange and International Affairs, Karafarin Bank
- Chairman of the Board, Karafarin Exchange Company
- Member of the Board, Sepah Bank London PLC
- Chairman of the Board, Chadoramlu Mining and Industrial Company
- Chairman of the Board, Kurdistan Cement Company
- Executive member of the Board, Sepah Bank
- Chairman of the Board, Sepah Construction Investment Company
- Director of International Affairs, Sepah Bank
- Chairman of the Board, Omid Sepah Exchange.

Ahmad Baharvandi, Chief Executive Officer & Board Member

Education: Ph.D. in Economics (Monetary Economics).

Executive experience

- Economic analyst at the Office for Presidential Technology Cooperation
- Credit analyst at the Iran Technology Development Finance Fund
- Researcher in the banking field and research collaborator with various domestic banks
- Member of the High Committee for SME and knowledge-based company financing at Parsian Bank
- Member of the Audit Committee of the Data Processing Group of Parsian Bank
- Advisor to the CEO of Ansar Bank
- University Professor

Masoud Sharifat, Vice-Chairman of the Board

Education: Ph.D. in Economics.

Executive experience

- Director of the Management Affairs Division at Agricultural Bank
- Deputy for Institutional and Financing Instruments Management, Agricultural Bank
- Deputy Governor and Executive Board member of the National Development Fund
- Executive Board member and Deputy for Investment and Banking Credits at the National Development Fund
- Deputy for Risk Management Assessment and Compliance at Agricultural Bank
- Board member of Agricultural Bank.

Reza Razizadeh, Board Member

Education: Ph.D. in Accounting.

Executive experience

- Acting Head of Arman Rahbord Audit Institute
- Board Member and CEO of Basir Group Services Management Basir
- Board Member of Tadbir Bartar Supervision Management Services
- Chairman of the Board, Rahavard Tadbir Kish Company
- Chairman of the Board, Karafarin Financial Group
- Chairman of the Board, Tamin Atie Omid Karafarin
- Vice-Chairman of the Board, Karafarin Insurance Company

Mehdi Goodarzi, Board Member

Education: B.Sc. in Banking Management.

Executive experience

- Assistant Governor of the Central Bank of the Islamic Republic of Iran
- Member of the Executive Board of Saderat Bank
- Member of the Executive Board of Tejarat Bank
- Member of the Executive Board of Mellat Bank

Key Sources, applications, Risks and Relationships

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

4. Key Sources, applications, Risks and Relationships

4-1. Sources

Deposit	2024-25	2023-24
	Million IRR	**Million IRR**
Gharz-Al-Hasannah current deposit	215,398,976	106,141,994
Gharz-Al-Hasannah investing deposit	45,535,232	28,241,200
Total	**260,934,208**	**134,383,194**
Ordinary Short-term Deposits	111,524,547	98,700,386
Special Short-term Deposits	32,708,470	15,863,443
1 Year	305,608,587	109,278,728
2 Year	17,079,623	38,178,866
3 Year	152,001,260	189,699,665
Ordinary Deposit Certificate	557,993	5,917,641
Special Deposit Certificate	17,289,155	19,772,010
Total	**636,769,235**	477,410,737
Other deposits	28,862,808	15,895,836
Total	926,566,250	627,689,767
interest paid to investment deposits	5,503,814	5,605,655
Total Deposits	**932,070,064**	633,295,422

4-2. Uses (Applications) of Funds

Loan	2024-25	2023-24
	Million IRR	**Million IRR**
Granted loans before provisions	906,059,477	575,151,640
Investing in Musharaka	67,436,209	46,410,042
Investing in highly marketable securities	163,951	1,817,996
Investing in other securities	7,403,252	5,037,349
Investing in interbank market	51,670,000	16,100,000
Total	**1,032,732,889**	**644,517,027**

4-3. Risks, Uncertainties and Their Analysis

The Bank operates a centralized Risk Management Unit (RMU) which currently reports to the Chief Executive Officer. The RMU is responsible for identifying, measuring and monitoring the Bank's risk exposures and for reporting to the CEO and the Board of Directors to enable effective oversight and control. Risk reports are submitted to the Asset-Liability Committee (ALCO) and to the Board's Executive Risk Committee, where decisions and limits are determined. The Risk Committee's membership includes three members of the Board, risk advisers, the Risk and Economic Studies manager. The committee meets approximately monthly.

The Risk & Economic Studies unit uses a range of models and methodologies to measure and monitor different risk types. A summary of principal risk types, their sources, common measurement models and principal control measures is provided below.

Type	Origin	Measurement Model	Controlling method
Credit Risk	Granting Loand and L/Gs	Credit rating,analysis of legal and financial documents and reports,stress testing	Receiving collateral, monitoring customer credit rateings
Market Risk	Tradi8ng stocks/currencies	KDE and historical distributions	Setting limits based on regulatory capital, amounta of traded shares and foreign exchange open position
Operational Risk	Bank's internal affairs, Human factors,Unexpected events,Disruptions in IT systems	RCSA self-assessment method, LDA distribution model,key risk indicators and scenario analysis	Internal controls, insurance,audits, process remediation
IT Risk	Disruptions in Procedures and Platforms, cyberattacks and other disruptions in IT infrastructures	IT risk assessment,scenario analysis,ITGA and ISACA models	Intrusion detection/prevention; encryption; continuity and disaster recovery; patch & change management
Liquidity Risk	Mismatch of assets and liabilities' maturity dates, imbalance of inflows and outflows	Stress testing,liquidity ratios such as LCR and NSFR,source-application optimization models	Setting limits for bank liquidity ratios, using interbank market potenssials

Credit risk

Credit risk is one of the Bank’s most significant and long-standing risks and is a core component of enterprise risk management (ERM). Effective credit risk management not only protects the Bank from losses but also contributes to the stability of the broader financial system. The Bank’s credit risk management framework includes periodic credit assessment and rating of both retail and corporate customers, continuous monitoring of credit exposures, stress testing, and periodic portfolio reviews.

Key credit risk measures and practices described include evaluating credit ratings, control and monitoring credit risk, periodic re-assessment and monitoring of borrower creditworthiness, periodic assessment of customer credit portfolios. Use of early-warning indicators and concentration analysis to detect emerging problem exposures.

One of the, major challenges in credit risk management is its sensitivity to economic conditions, which can lead to inability to repay the debts and obligations, resulting in an increase in NPL (non-performing loans) ratio. Moreover, the quality and transparency of financial statements are essential for customer credit assessment, which, in some cases is not met by certain companies.

Internal credit rating system of Karafarin Bank

Credit risk is the most significant obstacle a bank faces. Therefore, paying attention to assessment of customer credit risk and reducing the related cost is of great importance. Accordingly, the bank's credit customers must be evaluated and rated in terms of creditworthiness. For this purpose, their financial statements and credit status are periodically assessed, and the collateral adequacy is reviewed. Collecting historical information on customers is an important tool for safeguarding the overall quality of credit portfolio, which enables more accurate and better-informed decision-making while granting loans.

An internal credit rating system has been operational since 2009-2010. Customer ratings are computed based on the accounting and financial statements for legal entities and on defined credit attributes for individuals as submitted by branches. Back-testing has shown a direct relationship between internal rating grades and borrower performance/default. Over time (the system was upgraded in 2015-16), the rating framework was refined — for example by re-weighting scoring parameters, increasing the number of rating grades (from 5 to 10, and introducing +/- notches to improve granularity), and upgrading the supporting software infrastructure — to increase discriminatory power and decision accuracy.

Market risk

Market risk in the Bank is analyzed across two principal subcategories:

equity risk: price volatility of listed securities and their influence on bank's stock portfolio

foreign exchange rate risk: Foreign exchange rate risk refers to the risk arising from fluctuations in currency exchange rates and their impact on the IRR value of foreign currency–denominated assets and liabilities. This type of risk stems from holding a short or long open position in a foreign currency.

For the purpose of market risk measurement, Karafarin Bank employs two methodologies — the Kernel Distribution method and the Historical Simulation method — with these calculations performed at the end of each month.

Karafarin Bank does not engage in speculative foreign exchange transactions; the volume of foreign currency in the Bank's currency portfolio exclusively relates to meeting customer needs (e.g., for letters of credit and similar purposes). Therefore, for market risk assessment, the Bank adopts standard methodologies currently endorsed under the latest version of Basel III international regulations.

In this context, the first step is to evaluate the Value at Risk (VaR) of assets subject to price volatility. In the case of a long position, VaR represents the potential loss in the value of a risky asset or a portfolio over a specific time horizon, at a given confidence level. Based on the composition of the Bank's investment portfolio, the assets exposed to daily price fluctuations fall into two categories: (1) the portfolio of highly marketable equities listed on the Tehran Stock Exchange and (2) the Bank's Net Open Position (NOP) in foreign currencies.

Operational Risk

In accordance with the Basel Accord, at Karafarin Bank, operational risk is defined as the risk of loss resulting from inadequate or failed internal processes, people, and systems, or from external events. In addition to compliance with both national and international risk management frameworks, the Bank's primary objective in operational risk management is the identification and measurement of relevant risks, followed by reducing operational risk and enabling effective monitoring.

To assess and monitor operational risk, business units employ several processes for identifying, evaluating, mitigating, and managing such risks. Standardized procedures have been established Bank-wide, with minimum requirements set for their implementation. The Risk and Control Self-Assessment (RCSA) process and its supporting framework require that identified inherent risks, as well as the effectiveness of the design and implementation of related controls, be reviewed, and that residual risks be assessed.

Improvement plans are developed for control deficiencies, with responsibility for timely resolution assigned to the relevant business units. The Bank also tracks operational risk events investigated by responsible units and places them under continuous monitoring. This enables identification of the root causes of operational risk incidents and evaluation of associated controls. Furthermore, Key Risk Indicators (KRIs) are designed for operational risk management and controls across business units, facilitating the early detection and timely escalation of issues and events.

Information Technology (IT) Risk

IT risk is considered one of the most critical emerging risks in banks and financial institutions, with its significance and complexity increasing dramatically due to the growing reliance of banking operations on digital infrastructure, technology platforms, and online services. The Bank's primary objective in IT risk management is the continuous identification, measurement, and monitoring of threats and vulnerabilities that may impact the reliability, security, continuity, and efficiency of IT systems, and ultimately affect the overall performance of the business.

Under the Bank's long-term strategic plan through March 2026, IT risk is examined in two key dimensions; first, Risks related to IT infrastructure, such as data centers, communication networks, storage and security equipment, and critical payment systems. Second, Risks arising from banking processes and digital platforms that may affect the Bank's business operations.

Liquidity Risk

Liquidity risk is defined as the possibility that the Bank will be unable to meet its short-term obligations. The objective of liquidity risk management is to cover all commitments arising from expected or unexpected changes in balance sheet items, in alignment with the Bank's business development goals.

The Liquidity Risk Regulation has been developed to ensure the effective management and optimal use of the Bank's resources, in line with delivering returns to stakeholders and in compliance with credit and investment policies, as well as legal and regulatory requirements. This regulation governs the identification, measurement, monitoring, control, and reporting of both liquidity and interest rate risks. Additionally, Liquidity ratios on the balance sheet serve as indicators of the Bank's ability to meet liquidity needs under stressed conditions. These ratios are also used as the basis for imposing limits on liquidity risk.

4-4. Legal Claims for or Against the Bank and the Resulting Effects

A. Legal claims in favor of bank

Bank-Favorable Cases 2024-25

Case status	Count	Amount
Closed	10	6,498,910
Under Review	146	521,965,681
Total	**156**	**528,464,590**

B. claims against bank

Bank-Against Cases 2024-25

Case status	Count	Amount
Closed	27	2,351,941
Under Review	92	10,348,871
Total	**119**	**12,700,812**

5. Management Objectives and Strategies for Achieving Them

A.) Financial and Operational performance

Description	2024-25	2023-24	2022-23	2021-22	Growth to Previous Year-%
	IRR Million	IRR Million	IRR Million	IRR Million	2023-24
Financial Performance in during Year					
Operating Revenue					
Loan Income	126,028,991	100,600,537	67,152,958	57,289,158	25%
Deposit Income (Banks & NBFIS)	13,751,718	4,552,470	1,715,445	1,067,524	202%
Debt Securities Income	16,717,039	8,052,498	7,189,480	6,935,004	108%
Profit(loss) on Equity & Other securities	9,583,966	746,321	1,068,642	1,042,490	1184%
Legal Reserve Bonus	919,213	686,498	534,052	451,498	34%
Operating Income	167,000,926	114,638,323	77,660,577	66,785,674	46%
Deposit Interest Expense	(124,758,169)	(82,046,268)	(56,060,280)	(48,377,506)	52%
Net profit (loss)	**42,242,757**	**32,592,055**	**21,600,297**	**18,408,168**	**30%**
Fee & Commission Income	36,804,198	16,358,249	5,778,096	4,054,071	125%
Fee & Commission Expense	(3,648,557)	(830,243)	(260,458)	(257,565)	339%
FX Transactions Profit(loss)	2,646,163	1,954,535	965,496	52,720	35%
General & Administrative Expense	(37,132,356)	(27,227,296)	(15,063,139)	(11,155,859)	36%
Provision for doubtful Debts	(17,083,677)	(15,539,116)	(3,907,688)	(2,467,437)	10%
Other operating Income	21,367,987	9,232,220	1,417,660	797,627	131%
	2,953,758	**(16,051,651)**	**(11,070,034)**	**(8,976,443)**	**(118%)**
Operating Profit(loss)	45,196,514	16,540,403	10,530,263	9,431,725	173%
Non-Banking investment profit(loss)	553,230	2,628,157	1,541,397	3,415,330	(79%)
Finance Costs	(58)	(3,098)	(19,544)	(15,420)	(98%)
Other Non-operating Income	770,967	(52,050)	1,961,239	812,641	(1,581%)
Profit (loss) Before tax – continuing operations	**46,520,653**	**19,113,412**	**14,013,354**	**13,644,277**	**143%**
Income Tax Expenses	(5,049,688)	(572,584)	(502,977)	(472,414)	782%
Net profit(loss) – continuing operations	41,470,965	18,540,828	13,510,377	13,171,863	124%
Net profit (loss) – discontinued operations	0	0	0	0	0%
Net profit (loss)	**41,470,965**	**18,540,828**	**13,510,377**	**13,171,863**	**124%**

B.) Consolidated Financial Statements

Description	2024-25	2023-24	2022-23	2021-22	Growth to Previous Year-%
	IRR Million	IRR Million	IRR Million	IRR Million	2023-24
Financial Performance in during Year					
Operating Revenue					
Loan Income	125,276,890	101,592,847	68,069,174	58,284,421	23%
Deposit Income (Banks & NBFIS)	13,904,673	4,635,725	1,730,721	1,068,734	200%
Debt Securities Income	16,717,039	8,052,498	7,189,480	6,935,004	108%
Profit(loss) on Equity & Other securities	2,290	5,803	34,588	(714,510)	(61%)
Legal Reserve Bonus	919,213	686,498	534,052	451,498	34%
Operating Income	156,820,105	114,973,371	77,558,014	66,025,147	36%
Deposit Interest Expense	(124,006,992)	(81,970,047)	(56,041,421)	(48,362,860)	51%
Net profit (loss)	**32,813,113**	**33,003,323**	**21,516,593**	**17,662,287**	**(1%)**
Fee & Commission Income	37,339,152	16,929,132	6,288,496	4,484,495	121%
Fee & Commission Expense	(3,648,557)	(834,113)	(262,694)	(238,558)	337%
FX Transactions Profit(loss)	2,646,600	1,954,528	966,884	90,680	35%
General & Administrative Expense	(40,504,220)	(29,543,921)	(16,721,405)	(12,180,784)	37%
Provision for doubtful Debts	(16,669,329)	(15,373,900)	(3,873,367)	(2,457,783)	8%
Other operating Income	21,649,197	9,200,087	1,456,080	797,627	135%
	812,843	**(17,668,187)**	**(12,146,006)**	**(9,504,323)**	**(105%)**
Net sales & Service Revenue	42,845,936	70,625,459	95,552,203	84,234,830	(39%)
Cost of Goods sold & Services Rendered	(37,597,185)	(66,716,006)	(94,576,020)	(83,480,051)	(44%)
	5,248,751	3,909,453	976,183	754,779	34%
Operating Profit(loss)	38,874,706	19,244,589	10,346,771	8,912,743	102%
Non-Banking investment profit(loss)	5,138,252	1,890,969	2,825,461	3,170,252	172%
Finance Costs	(1,718,752)	(668,994)	(652,149)	(538,095)	157%
Other Non-operating Income	6,860,815	(347,330)	1,721,786	1,242,904	(2,075%)
Profit (loss) Before tax & Before share of Associates – continuing operations	**49,155,022**	**20,119,234**	**14,241,868**	**12,787,804**	**144%**
Groups Share of Associates Profit	3,320,817	1,616,002	1,433,842	761,364	105%
Profit (loss) Before tax – continuing operations	**52,475,839**	**21,735,236**	**15,675,710**	**13,549,168**	**141%**
Income Tax Expenses	(6,233,629)	(1,746,022)	(1,107,194)	(920,797)	257%
Net profit(loss) – continuing operations	46,242,210	19,989,213	14,568,516	12,628,371	131%
Net profit (loss) – discontinued operations	0	0	0	0	0%
Net profit (loss)	**46,242,210**	**19,989,213**	**14,568,516**	**12,628,371**	**131%**

5.1. Dividend Payment Details and the Latest Status of Dividend Distribution (According to the Resolution of the Most Recent General Meeting)

Financial Year	Approved interest	register in sejam				non register Sejam	Interest paid	Unpaid interest
	IRR millions	individual	legal entity	portfo	fund	IRR millions	IRR millions	IRR millions
Period 2003-2021	-	240,531	1,888	0	0	25,026,509	25,268,927	18,429
2022-23	7,498,000	1,864,372	1,870,282	131,113	400,902	3,226,755	7,493,424	4,576
2023-24	3,300,000	991,528	772,633	68,538	269,873	1,173,469	3,276,041	23,959
Total							**36,038,392**	**46,964**

All dividend disbursements of Karafarin Bank were executed in accordance with the dividend payment timetables published on the CODAL disclosure system.

5.2. Changes in the Investment Portfolio, Asset Composition and the Bank’s Position

In execution of the Law on Removal of Production Barriers and the Disposal of Non-Productive Assets, during fiscal year 2024-25, the Bank disposed of a material portion of its shareholding in Karafarin Leasing Company; the capital gains arising from the disposal of these shares are recognized in investment income.
During the year, the carrying amount of the Bank’s holdings of Government Treasury Bills decreased by 10,913,160 million IRR -principally due to maturities of treasury instruments acquired in prior years. Concurrently, and reflecting new investment decisions, the Bank increased its holdings in government participation bonds (Erad) by 31,826,121 million IRR.

The treasury bills acquired in the current year carry an annualized yield to maturity of approximately 30%.

Also, in execution of the Law on Removal of Production Barriers and the Disposal of Non-Productive Assets, during fiscal year 2024-25, the Bank disposed of a remaining amount of its shareholding in HIWEB by 358,696 million IRR, which was reported under the revenue from disposal in the short-term portfolio.

Company Name	2024-25			2023-24		
	% ownership	Cost	Investment Income	% ownership	Cost	Investment Income
Leasing Company shares	0%	11	7,164,922	67%	1,161,932	253,190
Hiweb Company shares	0%	0	49,283	0.86%	1,018,782	30,028
Muravaha Bonds 189	17%	10,003,740	560,072	0%	0	0
Treasury Bonds phase 4	3%	9,064,939	2,567,319	2%	6,645,525	446,994
Treasury Bonds phase 1	3%	6,141,552	2,082,179	3%	6,099,938	681,694
Muravaha Bonds 187	6.5%	6,060,405	497,741	0%	0	0
Treasury Bonds phase 7	4%	4,114,023	1,359,887	4%	4,112,139	228,576
Muravaha Bonds 127	1.4%	4,105,683	602,979	0%	0	0
Muravaha Bonds 160	3.6%	3,600,352	592,891	0%	0	0
Muravaha Bonds 212	10.2%	3,229,082	0	0%	0	0
Treasury Bonds phase 9	3%	2,923,401	481,675	1%	1,162,381	0

6.Key Metrics and Indicators for Evaluating the Business Unit's Performance against Declared Objectives

6.1. Performance indicators and evaluation metrics:

Row	Description	2024-25	2023-24	Changes	
				Amount	%
1	**Loan & Receivables from Non-Governmental parties**	856,288,579	541,666,110	314,622,469	58%
2	**Deposits Balance**	932,070,064	633,295,422	298,774,643	47%
3	**Customers Liabilities for Issued Guarantees**	423,906,223	304,269,465	119,636,758	39%
4	**Customers Liabilities for LCs**	11,001,872	2,775,738	8,226,134	296%
5	**Total Assets**	2,187,470,700	1,298,137,439	889,333,261	69%

6.1. Performance by divisions or activities:

Description	2024-25
Equity to Assets Ratio	5.1%
Equity Growth	45.6%
Net profit Growth	123.7%
Return on Assets (ROA)	2.4%
Return on Equity (ROE)	44.3%
Demand Deposits Growth	102.9%
Capital to Assets Ratio	2.7%
Average Equity to Average Assets	5.4%
Return on Capital	**75.4%**

7. Summary

A – Revenues

1. **Profitability trend:** The net profit for the fiscal year ending March 20, 2025 (30/12/1403) amounts to IRR 41,471 billion, reflecting a 123.7% increase compared to the prior year. Considering the expansion of developmental activities and the strategic focus on the financial group's value chain, it is anticipated that the bank's profitability trend will continue in the forthcoming year.
2. **Loan Income:** Loan income for the year ending March 20, 2025 has increased by over 25% (IRR 25,428 billion) compared to the previous year. Given the bank's policies and the implementation of facilitating measures such as providing microloans through the digital banking platform (Hi Bank), it is expected that loan interest income will continue to grow in the next fiscal year.
3. **Investment gains (profit / (loss) on equity and other securities):** Following the disposal of Karafarin Leasing Company shares amounting to IRR 7,165 million, investment income has increased approximately 1184% compared to the corresponding period last year.
4. **Fee and commission income:** In line with the bank's strategic emphasis on increasing non-interest income, fee and commission income has demonstrated growth compared to the same period in the prior year.

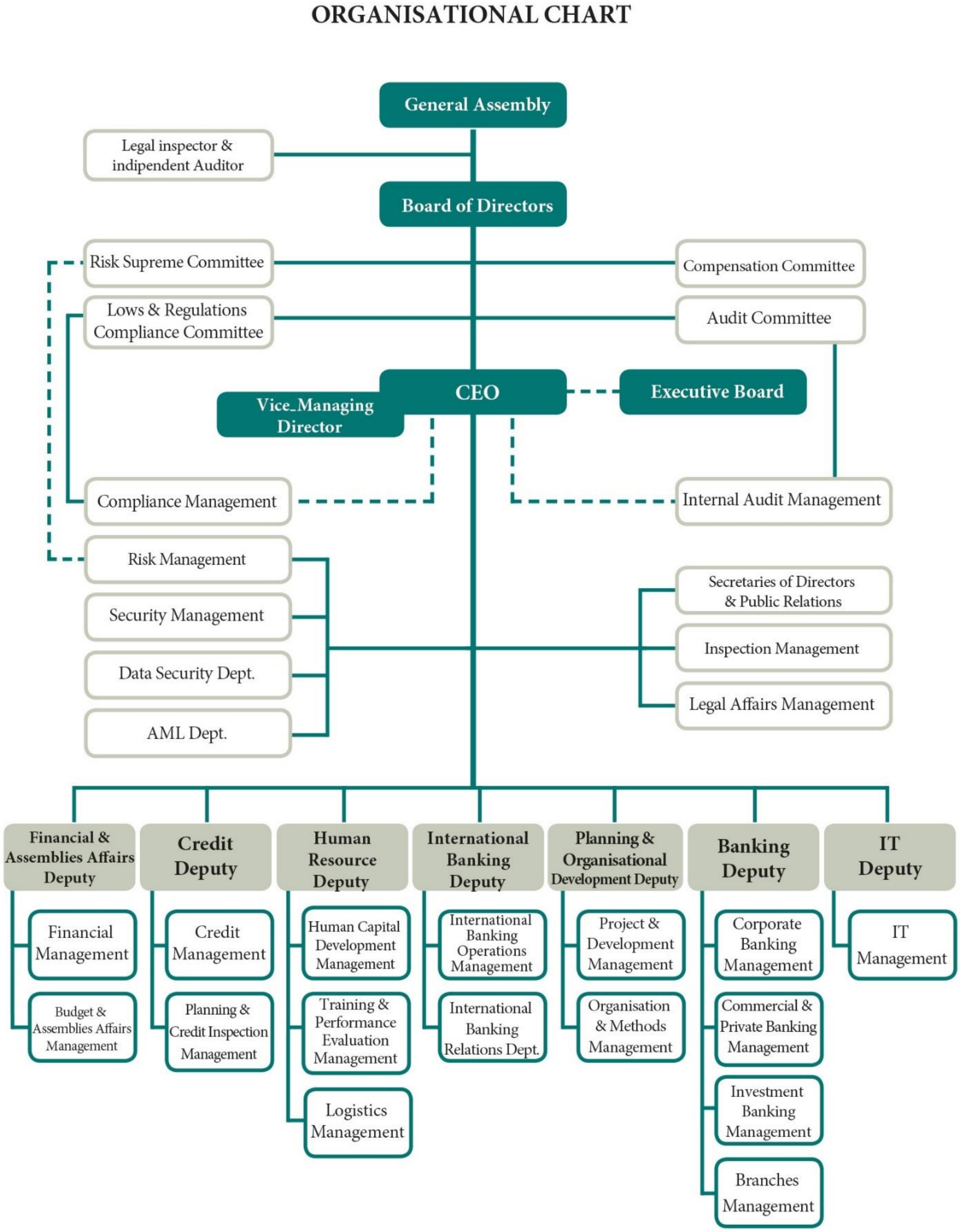
B – Expenses

1. **Administrative and organizational expenses:** Due to inflationary pressures, increased depreciation charges, and a higher headcount relative to the prior year, administrative and general expenses have risen accordingly.
2. **Provision for doubtful receivables:** The provision expense for doubtful accounts increased to IRR 1,545 billion compared to the previous year to cover credit risks arising from loan defaults, as mandated by Central Bank regulations.
3. **Deposit interest payment:** Interest (return) paid to depositors rose by 52% relative to to the corresponding period last year, primarily driven by a 36% increase in long-term investment deposits relative to the previous year.

C – Sources and Allocations

1. **Deposits:** As of March 20, 2025, total customer deposits increased by 47.2% compared to the end of the prior fiscal year. The deposit mobilization trend over recent months has been robust, and this upward trajectory is expected to continue in the next fiscal year.
2. **Loans:** Gross loans and advances (before deducting provisions for doubtful debts) increased by over IRR 331 trillion (equivalent to 57.5%) compared to the prior year-end. Considering the bank's policy to extend credit to various economic sectors and the rollout of microfinance via digital channels, loan growth is expected to sustain in the coming year.
3. **Investments and placements:** In compliance with Central Bank directives, the bank is in the process of divesting equity holdings in non-banking companies; thus, investment growth in this segment is unlikely. However, given the possibility of increasing investments in government securities, an upward trend is anticipated in the upcoming fiscal year.
4. **Other assets:** The bank prioritizes the reduction of repossessed properties and surplus assets. Upon successful implementation of this plan, non-productive assets will decline and resources will be redirected towards productive sectors.

Organizational Chart



Specialized Committees

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

Regulatory Environment

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

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

Corporate Social Responsibilities

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

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

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

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

Accomplishments & Distinctions

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

- Changing the core-banking system

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 IRR 1,601 Billion. Karafarin Bank is the majority shareholder of this company.

Karafarin Financial Group

Investments in the shares of other companies and institutes, as well as participation in manufacturing, building construction and energy related projects as well as completing the value chain of financial services constitute among the areas of this company's activities.

The capital of Karafarin Financial Group is IRR2,100 Billion in which Karafarin Bank has a 67% ownership stake. This company currently oversees, Omid Karafarin Trading Development and Amin Etemad Karafarin and Kourosh Petrochemical Companies.

Karafarin Brokerage Company

Karafarin Brokerage Company, which commenced its operations on 14.07.2007 is Iran's very first investment fund. The capital of this company, which is fully owned by Karafarin Bank, currently stands at IRR 2,000 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 IRR 1,500 Billion.

Abnieh Gostar Construction Company

This company in engaged in building construction. The capital of this company which is 85% owned by Karafarin Bank is currently IRR 24,5 Billion.

Karafarin Insurance Company

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

Structural Distribution of Deposits

The following pie chart outlines the structural distribution of the Bank's deposits based on interest during the reporting period. Based on this classification, interest-free items which include sight deposits and savings deposits and other deposits, amount to IRR 289,225 Billion and interest- bearing accounts which comprise short-term and long-term investment deposits amounting to IRR 642,273 Billion of the Bank's total deposits (Total deposits of the Bank amount to IRR 932,070 Billion).

Bank's Departments' Programs and Future Plans

Information Security Department

A. The list of programs and objectives of the Information Security Department in 2024-25

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

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

- Implementing the Splunk log and event management system and the initial installation of equipment
- Vulnerability scanning using automated tools

2. Developing of information security processes

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

3. Evaluating the effectiveness of security controls

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

4. Improving the resilience of information systems

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

B. The list of programs and objectives of the Information Security Department in 2024-25

Row	Strategic goals	Operational goals	Project/Action
1	Expansion of Communication lines and Technological infrastructure to transform the bank into a smart bank in the field of security	Improving the capabilities of identifying and dealing with security incidents	• Establishing of senior user access management system - second phase for new licenses • Establishing a security incident management system using behavioral science and artificial intelligence in the supplementary phase based on non-agent defense requirements. • Establishment of the final phase information leakage management system • Signing contracts and starting projects: A. Establishing a password management system for senior users B. Establishing the detection and response system at endpoints (EDR) C. Establishing the endpoint access level control system (EPM) • Conversion and transfer of information and security monitoring scenarios from the old log management system to the new one (the second phase of the Splunk project) • Implementing and deployment of Splunk log and event management system and deployment of banking systems in cooperation with Negah company • Implementing and maintenance of public key infrastructure and connection of approved systems to the provided infrastructure
2	Enhancing agility within Karafarin Bank's the value-creating processes	Developing information security processes	• Establishing of information security management system within a certain range
3	Ensuring the continuity and stability of service delivery	Evaluating the effectiveness of security controls	• Periodic penetration tests

Row	Strategic goals	Operational goals	Project/Action
4	Ensuring the continuity and stability of service deliver	Improving the resilience of information systems	• Designing and establishing a business continuity management system within the scope determined in the third phase (amendments of the previous phase and implementation). • Compilation/revision of the control and management plan for unexpected events and incidents based on the requirements of non-operating defense
5	Ensuring the continuity and stability of service delivery	Upgrade security controls	• Establishment of multi-factor authentication system

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

In line with the implementation of the assignments in the field of "anti-money laundering and terrorism anti-financing" and continuing the actions taken in previous years, the most important actions taken in 2024-25 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 Intelligence 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 Intelligence Unit
    - anti-money laundering and anti-financing terrorism department of the CBI
    - Responding to inquiries from the Central Bank and regulatory authorities.
    - Preparing and sending all the reports related to the letter "Upgrading the Anti-Money Laundering System" and sending it through the secure network between banks to the central bank on a daily and monthly basis.
    - Responding to messages received through the dedicated portal of the Anti-Money Laundering Department of the Central Bank.
    - Preparing and sending weekly inspection reports related to the "Transactions Clarification Directive" and offsite inspection of all branches in order to ensure the good implementation of the provisions of the said directive.
    - Preparation of case reports required by the central bank
2. Actions taken inside the bank
    - Revision of customer definition forms based on the provisions of the new bylaws of the anti-money laundering law
    - Implementing rules related to monitoring based on a risk-based approach and identifying suspicious cases
    - Monitoring the training process and providing training topics through specialized in-service and pre-service training of colleagues by using the available capacities in the Anti-Money Laundering Department.
    - Membership in the "Education and Empowerment Working Group" of the Financial Information Center (FIU) and active participation in the compilation of the minimum training topics on anti-money laundering and anti-financing terrorism for the affected persons.
    - Preparing and submitting periodic reports to the "Committee for Compliance with Laws and Regulations" and subsequently implementing the approvals of the aforementioned committee.

- Monitoring the implementation of "Comprehensive Client Risk Profile System" and "Complete Client Identification" in order to assess the risk of client business interaction and subsequently form the risk profile of real/legal clients.
- compilation and issuance of guidelines, instructions and necessary notices in line with the good implementation of anti-money laundering laws and regulations for branches and headquarters units.
- Checking and verifying anti-money laundering questionnaires received from foreign brokers or completed by the bank for foreigners and the compliance of its contents with anti-money laundering laws and regulations and guidelines
- Examining and complying with the internal regulations and procedures of the bank with the " to anti-money laundering and anti-financing terrorism regulations and providing appropriate feedback and taking necessary measures to resolve the existing issues.
- Continuous monitoring and periodic review of customer profiles in order to prevent customer definition with incomplete information
- Case-by-case inspection of branches by monitoring the implementation of anti-money laundering policies at the bank level and ensuring their compliance with the instructions of the Central Bank, Financial Information Center and higher authorities.

List of Programs and Goals in 2024-25

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

Management of Branch Affairs

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

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

- Moving and rebuilding the desired branches
- Completion of the trust fund management system project
- Completing the currency chart of branches

- Negotiating with branch customers for greater interaction and cooperation through regional heads
- Promoting the individual development of colleagues with the coordination of the respected education management
- Identifying motivated and talented colleagues in line with the succession plan in bank branches

Training Management and Performance Evaluation

Training Management and Performance Evaluation Activities in 2024-25

- Conduct recruitment assessments and update career paths in line with evolving organizational needs.
- Implement onboarding programs for new employees to accelerate integration and productivity.
- Organize economic and strategic outlook sessions for board members, senior, and middle managers.
- Provide English language and professional skills training for senior managers.
- Develop internal trainers and conduct Train-the-Trainer (TTT) programs.
- Produce high-quality educational content for offline and virtual training platforms.

Programs in the field of education in 2024-25

- Deliver targeted training courses for branch and operations staff, including foreign exchange, credit, and compliance programs.
- Conduct mandatory regulatory courses such as anti-money laundering, anti-terrorism financing, and updated CBI regulations.
- Offer leadership and management programs to enhance decision-making and strategic skills.
- Expand the use of e-learning and interactive methods to increase accessibility and engagement.
- Organize welfare and professional development conferences for employees.

Programs in the field of performance evaluation in 2024-25

- Enhance the Performance Management System to monitor staff performance and identify skill gaps.
- Operate the Evaluation and Development Center using internal experts and external support.
- Conduct regular assessment reports to guide improvements in training and operational efficiency.
- Implement measures to align individual and departmental performance with the bank's strategic objectives.

Business and Personal Banking Management

- Conclusion of memoranda of understanding (MoUs) with organizations, associations and target customers.
- Holding the (Nik Afarin) Rial Savings Accounts Festival.
- Acceptance of the guarantor of sukuk bonds
- Implementing proxy account of Commodity Exchange

Corporate banking management

Corporate banking plans in 2024-25 in line with the mission and operational plans announced:

- Preparing an operational strategy for the corporate banking sector and implementing development projects to realize It, along with the annual allocation of budgets, loans, and necessary resources, to ensure the effective execution of assigned tasks, as well as conducting an annual review of these items.
- Concentration short-term and long-term planning in line with the correct implementation of the description of duties, goals and policy communicated by the bank's top managers in the field of marketing.
- Analysis of the latest situation of corporate banking customers, percentage of deviation from performance and communicated goals, planning quick and timely action to improve performance
- Assigning the account manager to each of the corporate clients and monitoring their performance.
- Allocating corporate banking customers to branches as sales channels and providing corporate banking services and applying the necessary controls to provide optimal services
- Preparation of expert report and credit proposal regarding corporate banking customers applying for loans and commitments and presenting the details to the authorized credit department (with respect to the limits of delegated authority) to make a decision.
- Creating a systematic database of corporate customers and classifying them based on the relevant market and industry, required products and services, the amount of customer activity with the bank, the level of profitability for the bank, etc.
- Identifying, monitoring and reporting risks associated with the unit’s activities, and proposing appropriate solutions for their effective management in collaboration with the risk management department.

Credit Planning and Monitoring Department

- preparation and formulation of credit policy and claims policy.

Internal Audit Management

- 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.
- 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.
- Reviewing the report of the independent auditor of the bank and its subsidiaries and holding meetings and cooperating with the independent auditor.

- Examining the performance of the bank and its subsidiaries and comparing it with the forecasted budget on a periodic basis during the preparation of financial statements in order to evaluate deviations, increase efficiency and prevent wastage of resources.
- 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.
- Case studies on various issues to present a report to the members of the audit committee and the bank's CEO.
- Planning for the establishment of a comprehensive monitoring system.
- Plan to implement the COSO ERM framework and establish a risk-based audit approach.
- Planning for the implementation of the COBIT framework and monitoring the performance of the bank's information technology holding regarding the completion of the banking value chain.
- Planning to monitor the performance of subsidiaries through the integration of their systems (ERP).

Risk Management and Economic Studies

- Setting up the online LCR system, based on this system, all the respected members of the board of directors, the executive board and some middle managers of the bank monitor the liquidity coverage ratio on a daily basis.
- Preparation of risk assessment framework for GAM bonds based on Moody's developed methodology.
- Credit engineering report to rearrange and assess the risk of the bank's credit portfolio

Management of Plan and Development Affairs

A. Department of digital Innovation and Transformation

- Revision of the strategic plan document of Karafarin Bank
- Investigating the target industries of the Karafarin Bank along with compiling the bank's target markets document and business requirements to enter the target markets
- Implementing the performance evaluation model of the bank's headquarters units and the strategic management system

B. Department of "Branch operations Management and Monitoring "

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

C. Department of "Products and Services"

- Implementation of customer valuation model based on CPA
- Developing banking products and services that suit the needs of the target group of customers and marketing plans

Management of Foreign Exchange Operations

- Strive to improve the value and credibility of the bank's name as a top brand in the field of foreign exchange and to gain a superior competitive position in the field of foreign exchange in order to gain the satisfaction and loyalty of foreign exchange customers.

IT management

- Implementation of centralized monitoring infrastructure of surveillance cameras of branches and headquarters
- Exploiting ground connections of branches based on FTTH fiber
- Advancing security projects at the level of headquarters buildings
- Changing the architecture and replacing the firewall equipment

Financial Management

1. Measures taken in the field of taxation

In 2024-25, In line with its core mission to protect shareholders' interests, the bank's tax experts will actively pursue disputes with the Tax Affairs Organization through the relevant tax dispute resolution authorities and, if necessary, the Administrative Court of Justice. Guided by the Bank's Tax Committee, all necessary measures will be undertaken to resolve outstanding tax disputes.

Future goals and plans considered in 2025-26:

With the launch of the Taxpayer System and enhanced monitoring of financial transactions, the bank aims to strengthen its tax compliance and risk management processes. In 2025–26, the bank's tax experts, in coordination with the Tax Committee, will:

- Ensure timely and accurate reporting of all transactions to the Taxpayer System in accordance with regulatory requirements.
- Monitor and reconcile discrepancies in reported transactions to prevent potential tax disputes.
- Implement internal audits and controls to maintain full compliance and mitigate tax-related risks.

2. Deposit operations in the interbank market and open market operations in 2024-25

The increase in the inflation rate, liquidity growth rate and efficiency of other investment markets caused the year 2024-25 to be a difficult year for the banking network and the atmosphere of unhealthy competition among banks to attract resources intensified at times; However, in order not to impose high costs of attracting resources to the bank and in accordance with the rules of the supervisory and upstream institutions, the Karafarin Bank has not entered the unhealthy competitive environment of attracting resources, and in cases of need, it has succeeded in providing financing at an appropriate rate with its active presence in the interbank market and open market operations. So that, on average, approximately

28,336 Billion Rials have been secured through deposits in the interbank market and open market operations with an average rate of 23.50%.

Department of Compliance with Laws and Regulations

- Supervise the performance and implementation of the regulatory compliance structure in the bank's subsidiary companies.
- Designing and implementing software to comply with regulations to increase the speed and accuracy of the unit's activities.

Budget and Assembly Affairs Management

- Implementing resource allocation model for credit products based on resource absorption rate.
- Increasing transparency and improving financial reporting.
- Implementing software for preparing financial statements and budgets.
- Investigating the amount of deviation of the incurred costs from the expected costs and analyzing its causes in the relevant units.

Organization Development and Methods Management

- Compilation of written documentation management guidelines and directives commission structure according to the ISO 10013 standard with the aim of increasing the quality and accuracy of Karafarin bank's written documents such as regulations, executive guidelines and directives.
- Identifying, documenting, analyzing and problem solving the existing situation, discovering and proposing opportunities to improve and redesign business processes in accordance with the BPM (Business Management Process) framework and the BPMN2 standard in the areas of banking, credit and foreign exchange departments based on the APQC reference model.
- Selecting process and training ambassadors across management units and headquarters offices to foster a process oriented culture and enhance organizational maturity.
- Compilation and establishment of the system of classification and coding of written documents based on the classification of bank processes.
- Preparation of business requirements to provide a document management system as an alternative to the current bank portal in order to facilitate the access of bank branches and units to written documents and records of their changes.
- Establishing the structure of four regions for branches in Tehran and cities in order to facilitate the achievement of the objectives of operational plans by the branches and to expedite the supervision of the branches and to compile the description of the duties and the limits of the authority of the heads of the regions.

Chapter 3:

FINANCIAL STATEMENTS

Azmoon Pardaz Audit Firm

Member of the Iranian Association of Public Accountants

Independent Auditor's Report

To the Annual Ordinary General Assembly Meeting of Karafarin Bank (Public Joint Stock Company)

Report on the Financial Statements

Opinion

1. The consolidated and separate financial statements of Karafarin Bank (Public Joint Stock Company), which comprise the statements of financial position as at 20 March 2025, the statements of profit or loss, changes in equity, and cash flows for the year then ended, and notes 1 to 65 to the financial statements have been audited.

In our opinion, except for the possible effects of the matters described in paragraphs 2 and 3 below, and the possible effects of the matter described in paragraph 4 under "Basis for Qualified Opinion," the accompanying consolidated and separate financial statements present fairly, in all material respects, the financial position of the Group and the Bank as at 20 March 2025, and their financial performance and cash flows for the year then ended, in accordance with accounting standards.

Basis for qualified opinion

2. The accounting standards require subsequent revaluations of fixed assets, including land and business goodwill owned by the Bank, and uniform application of accounting policies within the Group for such revaluations (Notes 32 and 33 to the financial statements). Despite a material difference between the fair value of the aforementioned revalued assets and their carrying amounts in the reporting year, these requirements have not been complied with. An adjustment to the accounts is necessary in this respect; however, due to the unavailability of fair value information for the assets, we were unable to determine the necessary adjustments.

3. The financial statements for the year under audit have been prepared based on the template prescribed by the Central Bank of Iran. The requirements of accounting standards, particularly with respect to the presentation and proper classification of items under "Non-Current Assets Held for Sale" (Note 31 to the financial statements), have not been fully observed.

4. As explained in Notes 25, 29, and 40 to the financial statements, independent confirmations requested in respect of certain demand foreign currency deposits with overseas banks amounting to IRR 1,734 billion had not been received as of the date of this report. In addition, detailed breakdowns of temporary foreign currency receivables and payables, related contracts, guarantees, ageing schedules, relevant foreign currency income, and related foreign exchange translation gains and losses; documentation evidencing lack of control or significant influence over a related entity involved in such operations; reconciliations of intercompany accounts; and other relevant information and documentation were not provided to us. Under these circumstances, we were unable to determine, by performing alternative audit procedures, the possible effects of obtaining such confirmations and other documentation on the financial statements.

5. Audit was conducted in accordance with auditing standards. Auditor's responsibilities under those standards are further described in the “Auditor’s and Statutory Inspector’s Responsibilities for the Audit of the Financial Statements” section of this report. The audit instittution is independent of the Group in accordance with the Code of Professional Conduct of the Iranian Association of Certified Public Accountants and has fulfilled their other ethical responsibilities in accordance with those requirements. It's believed that the audit evidence that has been obtained is sufficient and appropriate to provide a basis for a qualified opinion.

Key audit matters

6. Key audit matters are those matters that, in audit's professional judgment, were of most significance in our audit of the consolidated and separate financial statements of the current period. These matters were addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters. In addition to the matters described in the “Basis for Qualified Opinion” section, the following have been determined to be key audit matters to be communicated in our report:

6-1. Provision for Impaired (Doubtful) Receivables	**Audit Approach:**
As disclosed in Note 27 to the financial statements, the Bank has recognized a general allowance for loan losses (for facilities extended and receivables from legal entities) in accordance with the “Instruction on the Method of Calculating Allowances of Credit Claims for Credit Institutions” (Central Bank Circular No. 97/160097 dated 29 Jan 2019 and related guidance (subsequent circulars including 99/220977 dated 1 Oct 2020. The total specific and general provision amounts to IRR 49,771 billion, which has been calculated and reflected in the accounts. The Company’s accounting policy regarding the classification of loans granted and the recognition and provisioning for doubtful receivables is consistent with the conditions specified in the Central Bank’s guidelines for classifying assets and determining the method for calculating provisions for doubtful receivables of credit institutions. These details are explained in Notes 7-7 to 7-8 of the accompanying financial statements. In addition to fully implementing the above guidelines, the Company also considers factors such as the customer’s industry status or changes in their credit risk classification when determining the appropriate category for loan facilities, to the extent that such assessments are based on reliable estimates and professional judgment. In practice, the aforementioned classification, recognition of provisions, and identification of doubtful receivables require numerous	The audit procedures performed to obtain reasonable assurance on the accuracy and adequacy of provisions for doubtful receivables recorded in the accounts, and the accuracy of classification of loan facilities granted and other receivables, included but were not limited to the following: • Gaining an understanding of internal processes and controls of the bank regarding asset classification, provisioning for doubtful receivables, and related accounting. • Reviewing and testing the accuracy of bank computations for provisioning based on the criteria for classification of credit institution receivables. • Reviewing and testing the accuracy of bank computations for provisioning based on the calculation methods prescribed in the Central Bank’s asset classification and provisioning guidelines. • Testing samples to verify the proper classification of receivables in accordance with the Central Bank’s asset classification guidelines. • Testing samples to verify the recognition of non-performing loans that have been overdue for more than one year in the appropriate classification category. • Reviewing the latest publicly available financial information of customers, including their financial statements.

assumptions and professional judgments, many of which are based on management's estimates. Therefore, this matter is considered a key audit matter.	• Testing samples of provisioning calculations to verify the accuracy of information recorded and disclosed in the bank's accounting system. Considering significant differences in amounts related to customer deposits appropriately reflected and disclosed in the financial statements in accordance with accounting standards.

Emphasis on matter

7. Tax position regarding Note (paragraph) 5 to Article 4 of the "Law on the Housing Production Leap"

Users of the financial statements are referred to the disclosures in Note 40-2 to the financial statements regarding the Bank's tax position in relation to the subject of paragraph 5 of Article 4 of the "Law on the Housing Production Leap" and to the latest actions taken thereon. According to the auditor's assessment and the contents of the related explanatory note, no matter has been identified that, in the auditor's view, gives rise to an effect requiring adjustment to the financial statements for the year under audit.

Other Information

8. The board of directors is responsible for the "Other Information" included in the Management Commentary Report. Our opinion on the financial statements does not cover the "Other Information," and we do not express any form of assurance thereon. Our responsibility is to read the "Other Information" and consider whether it is materially inconsistent with the financial statements or our knowledge obtained during the audit, or otherwise appears materially misstated. If we conclude that a material misstatement exists, we are required to report that fact. As explained in paragraphs 2 and 3 of the "Basis for Qualified Opinion" section, the financial statements are misstated with respect to those matters; and with respect to paragraph 4 of that section, we cannot conclude whether the "Other Information" is misstated in relation to those matters.

Responsibility of the Board of Directors for the Financial Statements

9. The board of directors is responsible for the preparation and fair presentation of the consolidated and separate financial statements in accordance with accounting standards, and for such internal controls as management determines are necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error. In preparing the consolidated and separate financial statements, management is responsible for assessing the Bank's ability to continue as a going concern, disclosing, as applicable, matters related to going concern, and using the going concern basis of accounting unless management either intends to liquidate the Bank or to cease operations, or has no realistic alternative but to do so.

Auditor's Responsibility

10. Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with auditing standards will always detect a material misstatement when it exists. Misstatements may arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

In conducting the audit in accordance with auditing standards, the application of professional judgment and the maintenance of professional skepticism throughout the audit are essential. In particular:

- The risks of material misstatement of the financial statements, whether due to fraud or error, are identified and assessed, audit procedures responsive to those risks are designed and performed, and sufficient and appropriate audit evidence is obtained as a basis for the auditor's opinion. Because fraud may involve collusion, forgery, intentional omissions, misrepresentation, or the override of internal controls, the risk of not detecting a material misstatement resulting from fraud is higher than the risk of not detecting one resulting from error.Obtains an understanding of internal control relevant to the audit in order 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 understanding of internal control relevant to the audit is obtained for the purpose of designing audit procedures appropriate to the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the company's internal control.
- The appropriateness of the accounting policies used, the reasonableness of accounting estimates made by management, and the related disclosures are evaluated.Evaluates the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Based on the audit evidence obtained, conclusions are drawn on the appropriateness of management's use of the going concern basis of accounting, and on whether a material uncertainty exists related to events or conditions that may cast significant doubt on the company's ability to continue as a going concern. If such a material uncertainty is concluded to exist, the auditor is required to draw attention in the auditor's report to the related disclosures in the consolidated and separate financial statements, or to modify the opinion if the disclosures are inadequate. Conclusions are based on the audit evidence obtained up to the date of the auditor's report; however, future events or conditions may cause the Group or the Bank to cease to continue as a going concern.
- The overall presentation, structure, and content of the consolidated and separate financial statements, including the disclosures, and whether the underlying transactions and events on which the financial statements are based are presented in a manner that achieves fair presentation, are evaluated.
- Sufficient and appropriate audit evidence is obtained regarding the financial information of the entities within the Group or the Group's business activities to express an opinion on the consolidated and separate financial statements of the Bank. The Group auditor is responsible for the direction, supervision, and performance of the Group audit and remains solely responsible for the auditor's opinion.

In addition, the planned scope and timing of the audit, and the significant audit findings, including significant deficiencies in internal control identified during the audit, are communicated to those charged with governance.

Furthermore, a statement confirming compliance with relevant ethical requirements regarding independence is provided to those charged with governance, together with all relationships and other matters that might reasonably be thought to bear on the auditor's independence, and where applicable, the related safeguards.

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

The firm, in its capacity as statutory auditor, is also responsible for reporting to the Annual General Meeting any non-compliance with the legal requirements prescribed in the amended Commercial Code, the provisions of the Bank's Articles of Association, and any other necessary matters.

Other Legal and Regulatory Matters

11. Instances of non-compliance with the legal requirements prescribed in the amended Commercial Code and the provisions of the Bank's Articles of Association during the financial year under review are as follows:

11-1. Non-compliance with Articles 7 (and its Note) and 8 of the Articles of Association regarding the statutory ceiling on the ownership of the Bank's shares and the prohibition of shareholding by state-owned legal entities.

11-2. Non-compliance with Article 11 regarding the prohibition on acquisition of the Bank's shares by entities controlled or significantly influenced by the Bank.

11-3. Non-compliance with Article 82 regarding the appointment of a Deputy CEO.

11-4. Non-compliance with Articles 113 and 114 regarding the granting of facilities to related parties and single beneficiaries in accordance with the Central Bank's regulations.

11-5. Non-compliance with Article 132 regarding the Bank's investment in shares and other securities exclusively within the framework of the regulations issued by the Central Bank.

11-6. The Bank's follow-up actions on the obligations set by the Annual General Meeting of Shareholders held on 9 July 2024 regarding the matter described below, as well as items 2, 7, 11, and 16 of this report, have not yet reached a final conclusion:

11-6-1. Collection of receivables from the Central Bank relating to the foreign exchange rate differential and the penalty charged thereon, as described in Note 25.3.1 to the financial statements.

12. Based on Note 61 to the financial statements, during the year under review, no transactions subject to Article 129 of the amended Commercial Code were undertaken.

13. The Board of Directors' report on the Bank's operations and general position, prepared for submission to the Annual General Meeting in accordance with Article 232 of the amended Commercial Code, has been reviewed by the firm. Based on the audit procedures performed and taking into account the matters set forth in the relevant sections of this report, nothing has come to our attention that would indicate a material inconsistency between the financial information in the report and the supporting documentation provided by the Board of Directors.

14. The attention of the Annual General Meeting is drawn to the Central Bank's letter No. 323007/03 dated 19 March 2025, stating that profits arising from the revaluation of foreign currency assets and liabilities are not distributable and may instead be used to increase the Bank's capital.

15. The Executive Bylaw of Paragraph (p) of Article 17 of the Law on Removing Production Obstacles and Enhancing the Financial System, which requires the preparation of a list of surplus assets and submission to the Central Bank within one month after the end of the fiscal year following the auditor's approval,

was not complied with. Accordingly, it was not possible to enforce compliance with Paragraphs (a) and (b) of Article 16.

Report on Other Legal and Regulatory Responsibilities of the Auditor

16. Instances of non-compliance with the directives and other requirements set by the Securities and Exchange Organization are as follows:

16-1. Non-compliance with Paragraphs 1 and 2 of Article 7, Article 13 repeated, and Article 13 of the Disclosure Requirements Directive, relating respectively to the disclosure of audited consolidated financial statements, management commentary, and the Board of Directors' activity report at least 10 days before the Annual General Meeting, and the immediate disclosure of the impact of foreign exchange rate changes in accordance with the Central Bank's circular.

16-2. Non-compliance with Articles 3, 4, and 6 of Annex 1 to the Tehran Stock Exchange Securities Admission Directive, relating respectively to the submission of a comprehensive three-year operational plan, compliance with the statutory ceiling on the ownership of the Bank's shares, and adherence to the minimum requirements prescribed by the Central Bank.

16-3. Non-compliance with Article 3, Note 2 of Article 14, and Articles 15 and 22 of the Corporate Governance Directive for issuers registered with the Organization, relating respectively to the implementation of corporate governance principles in the Bank and its subsidiaries, the composition of the Nomination and Risk Committees outside the Board of Directors, the establishment of processes for evaluating the effectiveness of the Board of Directors and the CEO, specialized committees of the Board, and the boards of subsidiaries and affiliates, as well as the documentation and follow-up of resolutions and preparation of implementation reports.

16-4. Compliance was observed with Article 40 of the Corporate Governance Directive, concerning the disclosure of charitable contributions and any other payments made in connection with corporate social responsibility, in the Board of Directors' activity report, as required by Article 41 of the said directive for companies listed on the Tehran Stock Exchange.

17. In accordance with the directive on the Internal Control Checklist over Financial Reporting issued by the Securities and Exchange Organization of Tehran, the aforementioned checklist has been reviewed by this firm. In this regard, the establishment of an appropriate system for recording legal case files, the enhancement of the customer credit scoring system, and the development of the Bank's foreign exchange operations platform are deemed necessary.

18. The calculations related to the difference between the final (definitive) profit and the provisional profit on investment deposits, as disclosed in Explanatory Note 14, have been examined for compliance with the provisions of Circular No. 94/69383 dated 10 June 2015 (20/03/1394) of the Central Bank of the Islamic Republic of Iran. Except for certain instances of payment of profit in excess of the rates approved by the Money and Credit Council, no other cases of non-compliance with the provisions of the said circular were identified.

19. Instances of non-compliance with the requirements set forth in the Monetary and Banking Law, its binding circulars and resolutions within the banking system, as well as the Law on the Implementation of the General Policies of Article 44 of the Constitution, in the financial year under review, have been reported separately by this firm to the Central Bank of the Islamic Republic of Iran.

20. Pursuant to the provisions of the By-law on the Amount and Method of Payment of Membership Fees to the Deposit Guarantee Fund, the annual membership fee is determined at 0.5% of the average weekly

balance of each deposit account, up to the Fund's guarantee ceiling. The Bank has paid the annual membership fee to the Fund for the financial year ended 20 March 2024 (29/12/1402) and obtained a clearance certificate in this regard. Verification of the calculation process and determination of the membership fee for the financial year under review requires a separate (special-purpose) audit.

21. In accordance with Article (4) of the Auditors' Procedural Guidelines for Assessing Compliance with Anti-Money Laundering and Counter-Terrorist Financing Regulations in financial and credit institutions, as stipulated in Article (46) of the Executive By-law of Article (14) (as amended) of the Anti-Money Laundering Law, compliance with the above-mentioned laws and regulations, within the framework of the checklists issued by the relevant authority and applicable auditing standards, has been assessed by this firm. In this respect, no instances indicating non-compliance with the provisions of the aforementioned law were identified.

14, June 2025

Azmoon Pardaz Audit Firm

Mostafa Alayi	**abbas vafadar**
871545	**800874**

The consolidated and separate financial statements of the bank have been prepared in accordance with accounting standards and regulations of the Central Bank of the Islamic Republic of Iran, and were approved by the banks Board of Directors on July 6, 2025.

Board Member	Position	Executive/Non-Executive	Signature
Mr.Mohammadreza Khorsandi	Chairman	Non-Executive	
Dr.Ahmad Baharvandi	CEO & Board Member	Executive	
Mr.Reza Razizadeh	Board Member	Executive	
Mr.Masoud Sharifat	Vice-Chairman	Non-Executive	
Mr. Mehdi Goudarzi	Board Member	Non-Executive	

Karafarin Bank (Public Joint Stock) Consolidated Statement of Profit and Loss for

The Year Ended 20 March 2025

Description	Note	2024-25 IRR Million	(Restated) 2023-24 IRR Million
Granted Loans Income	9	125,276,890	101,592,847
Deposit income in banks and non-bank credit institutions	10	13,904,673	4,635,725
Investment income in debt securities	11	16,717,039	8,052,498
Profit (loss) of investment in stocks and other securities	12	2,290	5,803
Legal deposit award	13	919,213	686,498
Operating Revenue		**156,820,105**	**114,973,371**
Deposit Interest Payment (Expense)	14-6	(124,006,992)	(81,970,047)
Gross profit (loss)		32,813,113	33,003,323
Commission Income	15	37,339,152	16,929,132
Commission Expense	16	(3,648,557)	(834,113)
Net Foreign Currency Transactions	17	2,646,600	1,954,528
Administrative & General Expenses	18	(40,504,220)	(29,543,921)
Doubtful Debts Expenses	19	(16,669,329)	(15,373,900)
Other operating revenues and expenses	20	21,649,197	9,200,087
		812,843	**(17,668,187)**
Net Sales & Services Income	20-1	42,845,936	70,625,459
Cost of Goods Sold & Services Rendered	20-1	(37,597,185)	(66,716,006)
		5,248,751	**3,909,453**
Operating profit (loss)		**38,874,706**	**19,244,589**
Profit (loss) of investments related to non-banking activities	21	5,138,252	1,890,969
Financial Expenses	22	(1,718,752)	(668,994)
Other non-operating income and expenses	23	6,860,815	(347,330)
Profit before Calculating the Group's Share from subsidiary Companies		49,155,022	20,119,234
Group's Share from subsidiary Companies	30-1-2-6	3,320,817	1,616,002
Profit (loss) of continuing operations before tax		**52,475,839**	**21,735,236**
Corporation Tax	39-5	(6,233,629)	(1,746,022)
Net profit (loss) from continuing operations		46,242,210	19,989,213
Discontinued operations		0	0
Net profit (loss) of discontinued operations		0	0
Net Profit for the Year (Loss)		46,242,210	19,989,213
Parent Company's Shareholders		44,168,486	19,781,731
Non-controlling Interests		2,073,724	207,482
		46,242,210	19,989,213
Earnings per share (IRR)			
Operational (Rials)		535	286
Non-operational (Riyals)		215	47
Continuing operations		750	333
Discontinued operations		0	0
EPS (IRR)	**24**	**750**	**333**

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

Karafarin Bank (Public Joint Stock) Consolidated Statement of Financial Position for The Year Ended 20 March 2025

Assets	Note	2024-25	(Restated) 2023-24	Liabilities & Shareholders' Equity	Note	2024-25	(Restated) 2023-24
		IRR Million	IRR Million			IRR Million	IRR Million
Assets:				**Liabilities:**			
Cash	25	719,672,251	361,091,627	Deposits	36	913,129,078	631,652,300
Claims from Banks & Other Credit Institutes	26	59,582,713	20,851,808	Dues to Banks & Credit Institutes	37	979,514,449	521,800,641
Claims from the Government		0	0	Dividends Payable	38	46,964	50,661
Loans Granted & Claims from Governmental Authorities		0	0	Debt Securities		0	0
Loans Granted & Claims from Non- governmental Entities	27	848,137,063	543,615,224	Corporation Tax Provision	39	9,155,019	3,566,887
Claims from Subsidiary & Associate Companies	28	16,015	587,042	Provisions & Other Liabilities	40	187,971,776	76,362,851
Other Accounts Receivable	29	265,544,970	182,705,229	Liabilities related to non-current assets held for sale		0	0
Investment in Shares & Other Securities	30	98,257,586	66,708,233	Deferred tax liabilities		0	0
Non-current assets held for sale	31	53,393,168	6,904,470	Provision for Employees' Work Termination Benefits & Retirement	41	5,857,041	3,914,939
Fixed Tangible Assets	32	32,854,135	34,578,782	**Total Liabilities**		**2,095,674,327**	**1,237,348,280**
Intangible Assets	33	18,076,542	18,783,490				
Legal Deposit	34	110,465,039	81,592,264				
Deferred tax asset		0	0				
Other Assets	35	14,725,084	4,163,424	**Shareholders' Equity:**			
Goodwill	35-2	5	5	Capital	42	60,000,000	50,000,000
				Capital Increase in Process	43	0	0
				Shares Premium Reserve	44	0	0
				Shares of Parent Company Owned by Subsidiaries	42-3	0	(76,841)
				Legal Reserve	45	19,499,502	13,191,816
				Other Reserves	46	3,814,203	7,589,684
				Assets Revaluation Surplus	47	1,562,910	1,562,910
				Difference in Foreign Exchange Rate		0	0
				Effects of transactions with non-controlling interests		1,090,099	1,090,099
				Retained Earnings		41,790,103	12,085,406
				Treasury Shares	48	(8,304,025)	(4,797,310)
				Premium on treasury shares	49	0	9,914
				Total Equity Attributable to Parent Company's Shareholders		119,452,794	80,655,679
				Non-controlling Interests	49-1	5,597,449	3,577,640
				Total Shareholders' Equity		125,050,243	84,233,319
Total Asset		**2,220,724,570**	**1,321,581,598**	**Total Liabilities & Shareholders' Equity**		**2,220,724,570**	**1,321,581,598**
Customers' Commitments on L/Cs	54-1	11,001,872	2,775,738	Bank's Commitments on L/Cs	54-1	11,001,872	2,775,738
Customers' Commitments on Issued L/Gs	54-2	423,906,223	304,269,465	Bank's Commitments on Issued L/Gs	54-2	423,906,223	304,269,465
Customers' Other Commitments	54-3	103,510,084	158,971,766	Bank's Other Commitments	54-3	103,510,084	158,971,766
Managed Funds & Similar Items	54-4	541,342	382,887	Managed Funds & Similar Items	54-4	541,342	382,887

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

Karafarin Bank (Public Joint Stock) Consolidated Statement of Change in Equity for The Year Ended March 2025

	Note	Capital	Capital Increase in Process	spend on shares	Premium Shares Reserve	Share of Parent Company Owned by Subsidiary	Legal Reserve	Other Reserves	Assets Revaluation Surplus	Effect of Foreign Exchange Rate Fluctuations	Effects of transactions with non-controlling interests	Retained Earnings	Treasury Shares	Total Equity Attributable to the Parent Company's Shareholders	Non-controlling Interests Shareholders' Equity	Total Shareholders' Equity
		2024-25														
		IRR Million	IRR Million	count	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 21.03.2024		**50,000,000**	**0**	**0**	**9,914**	**(76,841)**	**13,191,816**	**7,589,684**	**1,562,910**	**0**	**1,090,099**	**12,085,406**	**(4,797,310)**	**80,655,679**	**3,577,640**	**84,233,319**
Net Profit (Loss) for the Year												44,168,486	0	44,168,486	2,073,724	46,242,210
Other Comprehensive income																0
Previous Years' Adjustments																0
Other Comprehensive income after Tax																0
Assets Revaluation Surplus	47															0
Difference in Foreign Exchange																0
Tax of Other Comprehensive income																0
Total Comprehensive income		0	0	0	0	0	0	0	0	0	0	44,168,486	0	44,168,486	2,073,724	46,242,210
Capital Increase:		10,000,000	0	0				(7,135,807)	0			(2,864,193)		0	0	0
Registered Capital Increase/Decrease		0	0					0	0			0				
Transfer of profits in subsidiaries												1,368,416	0	1,368,416	0	1,368,416
Treasury Shares:																
Treasury Shares Purchase	48												(3,576,822)	(3,576,822)	0	(3,576,822)
Treasury Shares Sales	48												70,107	70,107	0	70,107
Profit (loss) from the Treasury Shares Sales	49												0	0		0
Shares of Parent Company Owned by Subsidiary						76,841								76,841	0	76,841
Transfer5 to retained earnings					(9,914)				0	0		0		(9,914)	0	(9,914)
Distribution & Allocation:																
Legal Reserve	45						6,307,686					(6,307,686)	0	0	0	0
Other Reserves	46							3,360,326				(3,360,326)	0	0	0	0
Approved Dividends	38											(3,300,000)	0	(3,300,000)	(53,914)	(3,353,914)
Total Changes in Shareholders' Equity Items during the Year		**10,000,000**	**0**	**0**	**(9,914)**	**76,841**	**6,307,686**	**(3,775,481)**	**0**	**0**	**0**	**(14,463,789)**	**(3,506,714)**	**(5,371,371)**	**(53,914)**	**(5,425,286)**
Balance on 20.03.2025		**60,000,000**	**0**	**0**	**0**	**0**	**19,499,502**	**3,814,203**	**1,562,910**	**0**	**1,090,099**	**41,790,103**	**(8,304,025)**	**119,452,794**	**5,597,449**	**125,050,243**

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

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

	Note	Capital	Capital Increase in Process	spend on shares	Premium Shares Reserve	Share of Parent Company Owned by Subsidiary	Legal Reserve	Other Reserves	Assets Revaluation Surplus	Effect of Foreign Exchange Rate Fluctuations	Effects of transactions with non-controlling interests	Retained Earnings	Treasury Shares	Total Equity Attributable to the Parent Company's Shareholders	Non-controlling Interests Shareholders' Equity	Total Shareholders' Equity
		2023-24														
		IRR Million	IRR Million		IRR Million	IRR Million	IRR Million	IRR Million	IRR Million		IRR Million	IRR Million	IRR Million	IRR Million	IRR Million	IRR Million
Balance on 21.03.2023		46,000,000	0	0	0	(10,170)	10,326,117	1,611,301	1,562,910	0	319,107	12,659,076	(703,106)	71,765,234	3,283,782	75,049,016
Net Profit (Loss) for the Year												19,781,731		19,781,731	207,482	19,989,213
Previous Years' Adjustments																0
Other Comprehensive income after Tax																0
Assets Revaluation Surplus	44															0
Difference in Foreign Exchange																0
Tax of Other Comprehensive income																
Total Other Comprehensive income																
Total Comprehensive income		0	0	0	0	0	0	0	0	0	0	19,781,731	0	19,781,731	207,482	19,989,213
Capital Increase:																
Registered Capital Increase/Decrease		4,000,000	0					(1,186,102)	0			(2,813,898)				
Increase in Capital in Process			0													
Adjustments from Changes in Effects of transactions with non-controlling interests - Transfer of investments											770,993			770,993	539,908	1,310,900
Minority share of the subsidiary's net assets																
Treasury Shares:																
Treasury Shares Purchase	48												(4,264,683)	(4,264,683)		(4,264,683)
Treasury Shares Sales	48												170,479	170,479		170,479
Profit (loss) from the Treasury Shares Sales	49				9,914									9,914		9,914
Shares of Parent Company Owned by Subsidiary						(66,670)		7,164,485						(66,670)		(66,670)
Distribution & Allocation:														0		0
Legal Reserve	45						2,865,699					(2,885,824)		(20,125)	20,125	0
Other Reserves	46											(7,164,485)		0		0
Dividends																
Approved Dividends	38											(7,491,194)		(7,491,194)	(473,657)	(7,964,850)
Total Changes in Shareholders' Equity Items during the Year		4,000,000	0	0	9914	(66,670)	2,865,699	5,978,383	0	0	770,993	(20,355,401)	(4,094,204)	(10,891,287)	86,376	(10,804,911)
Balance on 20.03.2024		50,000,000	0	0	9,914	(76,841)	13,191,816	7,589,684	1,562,910	0	1,090,100	12,085,406	(4,797,310)	80,655,679	3,577,640	84,233,319

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

Karafarin Bank (Public Joint Stock) Consolidated Statement of Cash Flow for The Year Ended March 2025

Description	Note	2024-25 IRR Million	(Restated) 2023-24 IRR Million
Operating Activities:			
Cash Inflow (Outflow) from Operating Activities	51	76,797,591	351,330,728
Cash Paid for Corporation Tax		(839,010)	(1,589,939)
Net Cash Inflow (Outflow) from Operating Activities		**75,958,581**	**349,740,789**
Investing Activities:			
Payments for Acquiring Fixed Tangible Assets		(9,954,610)	(7,891,503)
Funds Received for Selling Fixed Tangible Assets		3,075,363	1,135,288
Payments for acquiring intangible assets		(1,178,174)	(651,999)
Funds received for Selling Intangible Assets		0	0
Funds received from the transfer of investments related to non-banking activities		3,910,847	788,213
Payments for the acquisition of investments related to non-banking activities		(913,205)	0
Funds Received for Selling non-current assets held for sale		1,257,700	484,790
Payments for Acquiring non-current assets held for sale		0	0
Funds Received for dividends related to non-banking activities		375,220	1,156,160
Funds Received from the profits of other investments related to non-banking activities		918,248	10,477
Net Cash Inflow (Outflow) from Investing Activities		**(2,508,611)**	**(4,968,575)**
Net Cash Inflow (Outflow) before Financing Activities		**73,449,970**	**344,772,214**
Financing Activities:			
Cash Capital Increase		0	0
Funds Paid for Acquiring Shares of the Parent Company by Subsidiaries		0	(66,670)
Funds Received for Acquiring Shares of the Parent Company by Subsidiary		76,841	0
Cash received from transfer of a part of the subsidiary company		0	1,310,900
Funds Received for the sale of treasury shares		70,107	170,479
Payments for the purchase of treasury shares		(3,586,735)	(4,264,691)
Cash Received for Premium on treasury shares		0	9,914
Dividends Paid		(3,357,611)	(7,954,489)
Net Cash Inflow (Outflow) from Financing Activities		(6,797,399)	(10,794,557)
Net Increase (Decrease) in Cash		66,652,572	333,977,656
Cash at Beginning of Year		361,091,627	18,055,770
Effect of Foreign Exchange Rate Fluctuations		291,928,052	9,058,201
Cash at End of Year		**719,672,251**	**361,091,627**
Non-cash Transactions	53	38,548,771	2,322,871

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

Cash received from the interest of granted loan	117,761,612	97,784,584
Cash received interest on investment deposits	27,554,096	8,601,388
Cash Payments for interest on investment deposits	(124,006,992)	(81,970,047)
Cash Payments for the benefit of received loans	0	0
Cash received for dividends	1,078,153	2,216,938

dividends

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

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

Karafarin Bank (Public Joint Stock) Statement of Profit and Loss for The Year Ended 20 March 2025

Description	Note	2024-25 IRR Million	(Restated) 2023-24 IRR Million
Granted Loans Income	9	126,028,991	100,600,537
Deposit income in banks and non-bank credit institutions	10	13,751,718	4,552,470
Investment income in debt securities	11	16,717,039	8,052,498
Profit (loss) of investment in stocks and other securities	12	9,583,966	746,321
Legal deposit award	13	919,213	686,498
Operating Revenue		**167,000,926**	**114,638,323**
Deposit Interest Payment (Expense)	14-6	(124,758,169)	(82,046,268)
Gross profit (loss)		42,242,757	32,592,055
Commission Income	15	36,804,198	16,358,249
Commission Expense	16	(3,648,557)	(830,243)
Net Foreign Currency Transactions	17	2,646,163	1,954,535
Administrative & General Expenses	18	(37,132,356)	(27,227,296)
Doubtful Debts Expenses	19	(17,083,677)	(15,539,116)
Other operating revenues and expenses	20	21,367,987	9,232,220
		2,953,758	(16,051,651)
Operating profit (loss)		**45,196,514**	**16,540,403**
Profit (loss) of investments related to non-banking activities	21	553,230	2,628,157
Financial Expenses	22	(58)	(3,098)
Other non-operating income and expenses	23	770,967	(52,050)
Profit (loss) of continuing operations before tax		46,520,653	19,113,412
Corporation Tax	39-5	(5,049,688)	(572,584)
Net profit (loss) from continuing operations		41,470,965	18,540,828
Discontinued operations			
Net profit (loss) of discontinued operations		0	0
Net Profit for the Year (Loss)		**41,470,965**	**18,540,828**
Earnings per share (IRR)			
Operational (Rials)		680	268
Non-operational (Riyals)		23	44
Continuing operations		704	312
Discontinued operations		0	0
EPS (IRR)	24	**704**	**312**

In cases where the components of comprehensive income (loss) consist solely of the net profit for the year, a separate statement of comprehensive income (loss) has not been presented.
The following explanatory notes are an integral part of these financial statements.

Karafarin Bank (Public Joint Stock) Statement of Financial Position
On 20 March 2025

Assets	Note	2024-25	(Restated) 2023-24	Liabilities & Shareholders' Equity	Note	2024-25	(Restated) 2023-24
		IRR Million	IRR Million			IRR Million	IRR Million
Assets:				**Liabilities:**			
Cash	25	714,861,813	359,277,679	Deposits	36	932,070,064	633,295,422
Claims from Banks & Other Credit Institutes	26	59,582,713	20,851,808	Dues to Banks & Credit Institutes	37	970,931,196	516,030,055
Claims from the Government		0	0	Dividends Payable	38	46,964	24,834
Loans Granted & Claims from Governmental Authorities		0	0	Debt Securities		0	0
Loans Granted & Claims from Non- governmental Entities	27	856,288,579	541,666,110	Corporation Tax Provision	39	7,421,301	2,371,613
Claims from Subsidiary & Associate Companies	28	18,999,292	9,307,973	Provisions & Other Liabilities	40	160,499,332	66,524,021
Other Accounts Receivable	29	236,187,299	170,825,691	Liabilities related to non-current assets held for sale		0	0
Investment in Shares & Other Securities	30	75,003,411	53,265,387	Deferred tax liabilities		0	0
Non-current assets held for sale	31	53,035,083	6,880,378	Provision for Employees' Work Termination Benefits & Retirement	41	5,450,822	3,645,115
Fixed Tangible Assets	32	31,723,919	32,042,062	**Total Liabilities**		**2,076,419,679**	**1,221,891,060**
Intangible Assets	33	18,027,835	18,739,582				
Legal Deposit	34	110,465,039	81,592,264				
Deferred tax asset		0	0				
Other Assets	35	13,295,716	3,688,505	**Shareholders' Equity:**			
				Capital	42	60,000,000	50,000,000
				Capital Increase in Process	43	0	0
				Shares Premium Reserve	44	0	0
				Legal Reserve	45	18,960,855	12,740,210
				Other Reserves	46	0	7,135,807
				Assets Revaluation Surplus	47	953	953
				Difference in Foreign Exchange Rate		0	0
				Retained Earnings		40,096,369	11,010,242
				Effects of transactions with non-controlling interests		(8,007,155)	(4,650,745)
				Treasury Shares	48	0	9,914
				Premium on treasury shares	49	60,000,000	50,000,000
				Total Shareholders' Equity		111,051,021	76,246,380
Total Asset		**2,187,470,700**	**1,298,137,439**	**Total Liabilities & Shareholders' Equity**		**2,187,470,700**	**1,298,137,439**
Customers' Commitments on L/Cs	54-1	11,001,872	2,775,738	Bank's Commitments on L/Cs	54-1	11,001,872	2,775,738
Customers' Commitments on Issued L/Gs	54-2	423,906,223	304,269,465	Bank's Commitments on Issued L/Gs	54-2	423,906,223	304,269,465
Customers' Other Commitments	54-3	103,510,084	158,971,766	Bank's Other Commitments	54-3	103,510,084	158,971,766
Managed Funds & Similar Items	54-4	541,342	382,887	Managed Funds & Similar Items	54-4	541,342	382,887

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

Karafarin Bank (Public Joint Stock) Statement of Change in Equity for The Year Ended March 2025

	Note	2024-25										
		Capital	Capital Increase in Process	Premium on shares	Premium on treasury shares	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
		IRR Million	IRR Million		IRR Million	IRR Million	IRR Million	IRR Million	IRR Million	IRR Million	IRR Million	IRR Million
Balance on 21.03.2024		**50,000,000**	**0**	**0**	**9,914**	**12,740,210**	**7,135,807**	**953**	**0**	**11,010,242**	**(4,650,745)**	**76,246,380**
Net Profit (Loss) for the Year										41,470,965		41,470,965
Other Comprehensive income												
Assets Revaluation Surplus	**47**											
Difference in Foreign Exchange												
Tax of Other Comprehensive income												
Total Comprehensive income		0	0	0	0	0	0	0	0	41,470,965	0	41,470,965
Registered Capital Increase/Decrease		10,000,000	0	0			(7,135,807)	0	0	(2,864,193)	0	0
Increase in Capital in Process												
Treasury Shares Purchase	**48**										(3,576,822)	(3,576,822)
Treasury Shares Sales	**48**										220,411	220,411
Profit (loss) from the Treasury Shares Sales	**49**				0							0
Transfer to retained profit					(9,914)			0	0	0		(9,914)
Legal Reserve	**45**					6,220,645				(6,220,645)		0
Other Reserves	**46**						0			0		0
Approved Dividends	**38**									(3,300,000)		(3,300,000)
Total Changes in Shareholders' Equity Items during the Year		**10,000,000**	**0**	**0**	**(9,914)**	**6,220,645**	**(7,135,807)**	**0**	**0**	**(12,384,838)**	**(3,356,410)**	**(6,666,324)**
Balance on 20.03.2025		**60,000,000**	**0**	**0**	**0**	**18,960,855**	**0**	**953**	**0**	**40,096,369**	**(8,007,155)**	**111,051,021**

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

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

	Note	2023-24													
			Capital Increase in Process	spend on shares	Premium Shares Reserve	Share of Parent Company Owned by Subsidiary	Legal Reserve	Other Reserves	Assets Revaluation Surplus	Effects of transactions with non-controlling interests	Retained Earnings	Treasury Shares	Total Equity Attributable to the Parent Company's Shareholders	Non-controlling Interests	Total Shareholders' Equity
		IRR Million	IRR Million		IRR Million	IRR Million	IRR Million	IRR Million	IRR Million	IRR Million	IRR Million	IRR Million	IRR Million	IRR Million	IRR Million
Balance on 21.03.2023		**46,000,000**	**0**	**0**	**0**	**0**	**9,959,086**	**1,186,102**	**953**	**0**	**12,698,243**	**(556,533)**			**69,287,851**
Net Profit (Loss) for the Year											18,540,828				18,540,828
Previous Years' Adjustments													0	0	0
Other Comprehensive income after Tax													0		0
Assets Revaluation Surplus	47														
Difference in Foreign Exchange															
Tax of Other Comprehensive income															
Total Other Comprehensive income															
Total Comprehensive income											**18,540,828**				**18,540,828**
Capital Increase:															
Registered Capital Increase/Decrease		4,000,000						(1,186,102)			(2,813,898)				
Increase in Capital in Process															
Adjustments from Changes in Minority Interest															
Minority share of the subsidiary's net assets															
Treasury Shares:															
Treasury Shares Purchase	48											(4,264,691)			4,264,691
Treasury Shares Sales	48											170,479			170,479
Profit (loss) from the Treasury Shares Sales	49				9,914										9,914
Shares of Parent Company Owned by Subsidiary															
Distribution & Allocation:															
Legal Reserve	45						2,781,124				(2,781,124)				
Other Reserves	46							7,135,807			(7,135,807)				
Effects of transactions with non-controlling interests - Transfer of investments															
Dividends															
Approved Dividends	38										(7,498,000)				(7,498,000)
Total Changes in Shareholders' Equity Items during the Year		4,000,000	0	0	9,914	0	2,781,124	5,949,705	0	0	(20,228,829)	(4,094,212)			(11,582,299)
Balance on 20.03.2024		**50,000,000**	0	0	**9,914**	0	**12,740,210**	**7,135,807**	**953**	**0**	**11,010,242**	**(4,650,745)**			76,246,380

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

Karafarin Bank (Public Joint Stock) Statement of Cash Flow for The Year Ended March 2025

Description	Note	2024-25	(Restated) 2023-24
		IRR Million	IRR Million
Operating Activities: *			
Cash Inflow (Outflow) from Operating Activities	51	76,236,916	346,968,282
Cash Paid for Corporation Tax		0	(1,163,032)
Net Cash Inflow (Outflow) from Operating Activities		**76,236,916**	**345,805,250**
Investing Activities:			
Payments for Acquiring Fixed Tangible Assets		(6,907,469)	(5,185,605)
Funds Received for Selling Fixed Tangible Assets		1,510,065	13,745
Payments for acquiring intangible assets		(1,175,757)	(642,280)
Funds received for Selling Intangible Assets		0	0
Funds received from the transfer of investments related to non-banking activities		0	788,213
Payments for the acquisition of investments related to non-banking activities		(963,017)	0
Funds Received for Selling non-current assets held for sale		1,257,700	484,790
Payments for Acquiring non-current assets held for sale		0	0
Funds Received for dividends related to non-banking activities		589,810	2,696,680
Funds Received from the profits of other investments related to non-banking activities		13,232	10,477
Net Cash Inflow (Outflow) from Investing Activities		**(5,675,436)**	**(1,833,980)**
Net Cash Inflow (Outflow) before Financing Activities		**70,561,479**	**343,971,270**
Financing Activities:			
Cash Capital Increase		0	0
Funds Received for the sale of treasury shares		220,411	170,479
Payments for the purchase of treasury shares		(3,586,735)	(4,264,691)
Cash Received for Premium on shares		0	9,914
Dividends Paid		(3,277,870)	(7,513,465)
Net Cash Inflow (Outflow) from Financing Activities		(6,644,194)	(11,597,764)
Net Increase (Decrease) in Cash		63,917,286	332,373,506
Cash at Beginning of Year		359,277,679	17,813,832
Effect of Foreign Exchange Rate Fluctuations		291,666,849	9,090,341
Cash at End of Year		**714,861,813**	**359,277,679**
Non-cash Transactions	53	**38,548,771**	**2,292,235**

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

Cash received from the interest of granted loan	118,513,713	96,792,274
Cash received interest on investment deposits	27,457,804	8,524,604
Cash Payments for interest on investment deposits	(124,758,169)	(82,046,268)
Cash Payments for the benefit of received loans	0	0
Cash received for dividends	1,078,153	2,216,882

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

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

1. Introduction

1.1. History

The Bank was established following registration at the Tehran Corporate and Industrial Ownership Registration Department on 9 December 1999 under registration number 157915 as Karafarinan Non-Bank Credit Institute (PJSC) and commenced its operations bearing national ID of 10102006226 and economic code of 411111646974. In accordance with the Non-State Bank Establishment Act on 9 April 2000, and Article 98 of the Economic, Social, and Cultural Development Plan Act of Iran, and the Non-State Bank Establishment Regulations of the Money and Credit Council as endorsed on 11 December 2000, this credit institute became a bank. Based on a resolution of the Extraordinary General Assembly meeting of 29 November 2001 and CBI operating license number H/3362 (5 December 2001), Karafarin Bank (PJSC) was formally established and registered under the same license number with the Tehran Corporate and Industrial Ownership Registration Department on 26 December 2001. The Bank gained listing on the Tehran Stock Exchange on 27 January 2003 and was on the TSE price quote list since 5 July 2003. The Bank’s headquarters is based at No. 97, West Nahid Street, Vali-Asr Avenue, Tehran, Iran. The Group includes Karafarin Bank (parent company) and its subsidiary companies, as detailed in Note 30 of the financial statements.

1.2. Principal activities

The main activities of Karafarin Bank according to clause 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.
- Conducting interbank operations
- Granting credit loans within the framework of regulations and bylaws and implementation guidelines of the Usury-Free Banking Operations Act.
- Offering various payment tools.
- Receiving, paying and transferring funds in foreign currencies and Iranian Rial (IRR). Accepting representation in order to collect funds, to pay bills, deposits, etc.
- Opening letters of credit and issuing all sorts of bank guarantees.
- Rendering electronic banking services such as issuing various electronic cards, (debit cards, credit cards, digital wallets, etc.)
- Safeguarding the valuables of customers, documents, bonds and renting safety deposit boxes.
- Carrying out all sorts of foreign currency operations, including forex, transfers, granting and receiving foreign currency loans, payment orders, etc.)
- Funds management.
- Repurchase Guarantee 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, executor, agent 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. Maintaining and establishing brokerage relationships with domestic and foreign banks
- Collecting claims for L/Cs.
- Sale of tax stamps and promissory notes
- 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.

1.3. Number of branches

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

	2024-25		2023-24	
	End of Year	Average	End of Year	Average
Branches in Tehran Province	59	59	59	59
Branches in Other Provinces	47	47	47	47
Branches in Free Trade Zones	2	2	2	2
Overseas Branches	0	0	0	0
Total	**108**	**108**	**108**	**108**

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

1.4. Employment

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

	2024-25		2023-24	
	End of Year	Average	End of Year	Average
	persons	persons	persons	persons
Headquarters & Regional Offices	753	745	726	715
Branches in Tehran Province	688	652	646	629
Branches in Other Provinces	497	490	489	492
Branches in Free Trade Zones	14	14	15	14
Overseas Branches	0	0	0	0
Total	**1,952**	**1,902**	**1876**	**1850**

During the reporting period, 457 employees (466 in previous year) were recruited via contracts. The number of employees of subsidiary companies during the reporting fiscal period was 418 (465 in the previous year). For the purpose of this report, "average" is defined as the monthly average throughout the reporting period.

2. New and revised Accounting Standards

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

2.1.1. Accounting Standard No. 43, titled Operating Revenue from Contracts with Customers, will become effective for all financial statements with fiscal years beginning on or after March 21, 2025 (1404/01/01). The objective of this standard is to establish principles for reporting useful information to users of financial statements regarding the nature, amount, timing, and uncertainty of operating revenue and cash flows from contracts with customers. To achieve this, an entity must recognize revenue to reflect the transfer of promised goods or services to customers at an amount representing the consideration expected in exchange. The recognition and measurement requirements also apply to other revenues arising in the ordinary course of business, including non-operating revenues. According to management’s assessment, the adoption of this standard is not expected to have a material impact on the consolidated and separate financial statements.

3. Basis of Consolidation

The financial statements have been prepared in accordance with the accounting standards and regulations issued by the Central Bank of the Islamic Republic of Iran, based on the latest sample communicated by the bank in April 2022 (Farvardin 1401) and subsequent amendments. Details of accounting policies, including changes during the year, are disclosed in explanatory notes 5 and 6.

3.1. Consolidation Principles

The group’s consolidated financial statements represent the aggregation of the financial statements of Bank Karafarin (Public Joint Stock Company) and its subsidiaries (entities under control), after eliminating intercompany transactions and balances as well as unrealized profits arising from transactions between group companies.

The bank includes the income and expenses of subsidiaries in the consolidated financial statements from the date control is obtained until the date control is lost.

Shares of the bank acquired by subsidiaries are recorded at cost and presented as a deduction from equity under the “Treasury Shares” heading in the consolidated statement of financial position.

The fiscal year-end of some group companies differs from the bank’s fiscal year-end. Due to impracticality of preparing another set of financial information by subsidiaries, financial statements as of the subsidiaries’ fiscal year-end have been used and adjusted for significant transactions and events occurring between that date and the consolidated financial statements date.

Consolidated financial statements are prepared using uniform accounting policies for transactions and other events under similar circumstances.

Changes in ownership interests in subsidiaries that do not result in loss of control are accounted for as equity transactions. The carrying amounts of controlling and non-controlling interests are adjusted to reflect changes in their relative interests. Any difference between the adjustment amount of non-controlling interests and the fair value of consideration paid or received is recognized directly in equity under “Effects of Transactions with Non-Controlling Interests” and attributed to the bank’s owners.

When the group loses control over a subsidiary, a gain or loss is recognized in the consolidated income statement, calculated as the difference between (a) the aggregate of the fair value of consideration received and the fair value of any retained interest and (b) the carrying amount of the net assets (including goodwill) at the date control is lost, less non-controlling interests. Amounts previously recognized in other comprehensive income related to that subsidiary are accounted for as if the group directly disposed of the related assets and liabilities. The fair value of any retained investment in the former subsidiary at the date control is lost is considered the initial cost for subsequent accounting.

4. Operational and Reporting Monetary Unit

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

5. Using Judgments and Estimates

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

5.1. Judgements in the process of applying accounting policies.

5.1.1. Non-recognition of income from customer loans for which, based on judgements, the inflow of their economic benefits to the bank is unlikely.

5.2. Judgements related to estimates.

5.2.1. Provisions for doubtful receivables is recognized based on requirements set out in note 7-8 and in accordance with the central bank's directive.

5.3. Other judgements with the most significant impact on the amounts recognized in the financial statements.

5.3.1. No material impacts.

5.4. Sources of estimation uncertainty.

5.4.1. Identification and measurement of contingent liabilities.

6. Basis for Measurement

Except for current, highly liquid investments valued at the lower of cost or net realizable value, the financial statements have been prepared using historical cost, with current values applied where appropriate.

7. Significant Accounting Policies

7.1. Investments

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

7.1.1. Equity Method for Investment in Subsidiary companies

7.1.1.1. Accounting for investments in subsidiaries in the consolidated financial statements is performed using the equity method.

7.1.1.2. According to the equity method, investments in subsidiaries are initially recognized at cost in the consolidated statement of financial position and subsequently adjusted to recognize the group's share of the profit or loss and other comprehensive income of the subsidiary.

7.1.1.3. When the group's share of losses in a subsidiary exceeds its interest in the subsidiary (including any long-term interests that, in substance, form part of the group's net investment in the subsidiary), the group ceases to recognize its share of further losses. Additional losses are only recognized to the extent of the group's legal or constructive obligations or payments made on behalf of the subsidiary.

7.1.1.4. Investments in subsidiaries using the equity method are accounted for from the date the investee is classified as a subsidiary. At acquisition, any excess of the cost of the investment over the group's share of the fair value of the identifiable net assets of the investee is recognized as goodwill included in the carrying amount of the investment and amortized on a straight-line basis over 20 years. Conversely, any excess of the group's share of the fair value of identifiable net assets over the cost of the investment is recognized as a bargain purchase gain in the consolidated income statement for the year of acquisition.

7.1.1.5. From the date that the classification as a subsidiary cease and the investment is classified as held for sale, the group discontinues use of the equity method. If the group retains an interest in the former subsidiary that qualifies as a financial asset, it measures the retained interest at fair value at that date, which becomes its initial carrying amount for subsequent accounting. Any difference between the carrying amount of the investment in the subsidiary at the date of discontinuation of the equity method and the fair value of the retained interest, along with any gains or losses resulting from partial disposal of the interest in the subsidiary, is recognized in profit or loss.

Additionally, the group reclassifies all amounts previously recognized in other comprehensive income relating to the subsidiary on the same basis as would be required if the group had directly disposed of the related assets and liabilities, recognizing them in profit or loss or retained earnings as applicable.

7.1.1.6. When any group company conducts transactions with an subsidiary, profits and losses resulting from transactions with the subsidiary are recognized in the consolidated financial statements only to the extent of interests held by non-controlling investors in the subsidiary.

7.2. Fixed tangible assets

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

7.2.2. Some of the tangible fixed assets, including land and goodwill, are reflected in the accounts based on their revalued amounts. The revaluation was carried out as of 21/09/2020 using independent experts. The frequency of revaluation depends on changes in their fair value of the revalued assets. If the fair value of the revalued assets differs materially from their carrying amount, a subsequent revaluation is required. The revaluation cycle is three or five years.

7.2.3. Depreciation of tangible fixed assets, including assets arising from finance leases, is calculated based on the pattern of expected consumption of future economic benefits (including the estimated useful life) of the related assets, taking into account the depreciation regulations stipulated in Article 149 of the Amendment dated 22/07/2015 of the Direct Taxation Act approved in March 1988 and its subsequent amendments, and based on the following rates and methods:

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

7.2.4. For those items of fixes assets which are acquired and used during the month, depreciation is calculated and taken into account as of the beginning of the following month.

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

7.3. Intangible assets

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

7.3.1. Goodwill

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

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. 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.

Only in case the recovered amount of an asset is less than carrying amount, the carrying amount (or its cash-generating unit) is reduced by the recovered amount and the difference is immediately identified as loss resulting from impairment in the Statement of Profit and Loss. Unless the asset has been revaluated, the excess revaluated amount is declined.

In case the recovered amount is increased at the time of identification of the latest loss which represents recoverable of loss resulting from asset impairment (cash-generating unit), the carrying amount of that asset is increased by up to the new recovered amount and at a maximum of the carrying amount of that asset assuming the loss of impairment of that asset has not been identified in the previous years. The reversal of asset impairment loss (cash-generating unit) is immediately recorded in the Statement of Profit and Loss, unless that asset has been revaluated, in which case the excess revaluated amount is increased.

7.4. Non-current assets held for sale

7.4.1. Noncurrent assets (consolidated entities) whose carrying amount is recycled mainly through sale and not through continuous use, are classified as “Held for Sale”. Such conditions are only recognized when noncurrent assets (consolidated entities) are to be sold immediately, 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 in such a manner that they are completed and ready for sale within one year as of classification date.

7.4.2. Noncurrent assets (consolidated entities) held for sale are measured at “lower of carrying amount and net realizable value”.

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

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

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

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

In accordance with the Law on Usury-Free Banking Operations dated August 30, 1983, its executive regulations and guidelines, and Central Bank Circular No. 94/69643 dated June 10, 2015, joint revenues, joint resource uses, and depositors' share of joint revenues are calculated and disclosed in notes 6-14 to 14.

7.7. Classification of loans

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

A. Current Loans (maximum up to 2 months from the maturity date and/or payment termination).

B. Overdue Loans (between 2 and 6 months from the maturity date and/or payment termination).

C. Deferred Loans (between 6 and 18 months from the maturity date and/or payment termination).

D. Doubtful Loans (over 18 months from the maturity date and/or payment termination).

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

7.8. Provisions for doubtful claims

For loans granted, the related provision is calculated and recognized in the accounts in accordance with the "Guidelines on the Calculation of Provisions for Claims of Credit Institutions" approved by the Money and Credit Council (pursuant to directive No. 99/220977 dated 01/10/2020 of the Central Bank of Iran). Some of the provisions of the aforementioned guidelines are as follows:

1. The general provisions are calculated at 1.5% of the total loans at the end of each year, excluding the balances for which a special provision has been recognized.

2. Special provision for overdue, deferred and doubtful receivables is calculated on the balances of each category, after deducting the updated value of collateral, applying the coefficients specified as follows:

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

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

7.9. Provisions for employees' termination benefits

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

7.10. Obligations of employee retirement benefits

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

7.11. Foreign currency exchange

7.11.1. local accounts

Monetary items denominated in foreign currencies are translated at the exchange rates announced by the Central Bank at the statement of financial position date. Non-monetary items recorded at historical cost in foreign currency are translated using the exchange rate at the date of the transaction. Exchange differences arising from the settlement or translation of monetary foreign-currency items are recognized in the income statement in accordance with the latest regulations issued by the Central Bank at the reporting date. The exchange rates applied at the statement of financial position date are presented in the table below:

Balances and related transactions	Currency	Exchange Rate Source	Exchange Rate (IRR)	Reason for using the rate
Cash	GBP	CBI	884,464	Circular No. 03/323007
Cash	AED	CBI	185,487	Circular No. 03/323007
Cash	USD	CBI	681,203	Circular No. 03/323007
Cash	RUB	CBI	8,119	Circular No. 03/323007
Cash	INR	CBI	7,857	Circular No. 03/323007
Cash	OMR	CBI	1,769,355	Circular No. 03/323007
Cash	QAR	CBI	187,143	Circular No. 03/323007
Cash	CHF	CBI	773,056	Circular No. 03/323007
Cash	TRY	CBI	18,597	Circular No. 03/323007

Balances and related transactions	Currency	Exchange Rate Source	Exchange Rate (IRR)	Reason for using the rate
Cash	KRW	CBI	471	Circular No. 03/323007
Cash	JPY	CBI	4,585	Circular No. 03/323007
Cash	CNY	CBI	94,183	Circular No. 03/323007
Cash	EUR	CBI	744,036	Circular No. 03/323007
Due from banks	USD	CBI	681,203	Circular No. 03/323007
Due from banks	EUR	CBI	744,036	Circular No. 03/323007
Loans and receivables from non-governmental parties	AED	CBI	185,487	Circular No. 03/323007
Loans and receivables from non-governmental parties	USD	CBI	681,203	Circular No. 03/323007
Loans and receivables from non-governmental parties	EUR	CBI	744,036	Circular No. 03/323007
Other receivables	GBP	CBI	884,464	Circular No. 03/323007
Other receivables	AED	CBI	185,487	Circular No. 03/323007
Other receivables	USD	CBI	681,203	Circular No. 03/323007
Other receivables	RUB	CBI	8,119	Circular No. 03/323007
Other receivables	INR	CBI	7,857	Circular No. 03/323007
Other receivables	CHF	CBI	773,056	Circular No. 03/323007
Other receivables	TRY	CBI	18,597	Circular No. 03/323007
Other receivables	KRW	CBI	471	Circular No. 03/323007
Other receivables	JPY	CBI	4,585	Circular No. 03/323007
Other receivables	CNY	CBI	94,183	Circular No. 03/323007
Other receivables	EUR	CBI	744,036	Circular No. 03/323007
Payables to banks	AED	CBI	185,487	Circular No. 03/323007
Payables to banks	USD	CBI	681,203	Circular No. 03/323007
Payables to banks	RUB	CBI	8,119	Circular No. 03/323007
Payables to banks	OMR	CBI	1,769,355	Circular No. 03/323007
Payables to banks	TRY	CBI	18,597	Circular No. 03/323007
Payables to banks	KRW	CBI	471	Circular No. 03/323007
Payables to banks	JPY	CBI	4,585	Circular No. 03/323007
Payables to banks	CNY	CBI	94,183	Circular No. 03/323007

Balances and related transactions	Currency	Exchange Rate Source	Exchange Rate (IRR)	Reason for using the rate
Payables to banks	EUR	CBI	744,036	Circular No. 03/323007
customer deposits in Foreign currency	GBP	CBI	884,464	Circular No. 03/323007
Foreign currency customer deposits	AED	CBI	185,487	Circular No. 03/323007
Foreign currency customer deposits	USD	CBI	681,203	Circular No. 03/323007
Foreign currency customer deposits	RUB	CBI	8,119	Circular No. 03/323007
Foreign currency customer deposits	INR	CBI	7,857	Circular No. 03/323007
Foreign currency customer deposits	CHF	CBI	773,056	Circular No. 03/323007
Foreign currency customer deposits	TRY	CBI	18,597	Circular No. 03/323007
Foreign currency customer deposits	KRW	CBI	471	Circular No. 03/323007
Foreign currency customer deposits	JPY	CBI	4,585	Circular No. 03/323007
Foreign currency customer deposits	CNY	CBI	94,183	Circular No. 03/323007
Foreign currency customer deposits	EUR	CBI	744,036	Circular No. 03/323007
Provisions and other payables	GBP	CBI	884,464	Circular No. 03/323007
Provisions and other payables	AED	CBI	185,487	Circular No. 03/323007
Provisions and other payables	USD	CBI	681,203	Circular No. 03/323007
Provisions and other payables	RUB	CBI	8,119	Circular No. 03/323007
Provisions and other payables	INR	CBI	7,857	Circular No. 03/323007
Provisions and other payables	OMR	CBI	1,769,355	Circular No. 03/323007
Provisions and other payables	QAR	CBI	187,143	Circular No. 03/323007
Provisions and other payables	CHF	CBI	773,056	Circular No. 03/323007
Provisions and other payables	TRY	CBI	18,597	Circular No. 03/323007
Provisions and other payables	KRW	CBI	471	Circular No. 03/323007
Provisions and other payables	JPY	CBI	4,585	Circular No. 03/323007
Provisions and other payables	CNY	CBI	94,183	Circular No. 03/323007
Provisions and other payables	EUR	CBI	744,036	Circular No. 03/323007

7.11.2. Foreign Operations Accounts

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

7.12. Treasury Shares

7.12.1. According to the Law for Removing Obstacles to Competitive Production and Improving the Financial System and the Executive Instructions of the High Council of Securities, the bank may hold up to 10% of its own shares as treasury shares.

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

7.12.3. Upon sale of treasury shares, no amounts are recognized in profit or loss or other comprehensive income. The net difference between sale proceeds and carrying amount is recorded in the “Share Premium (Discount) on Treasury Shares” account in equity.

7.12.4. At reporting date, a debit balance in the “Share Premium (Discount) on Treasury Shares” account is transferred to retained earnings. A credit balance, up to the amount of prior discounts recognized, is also transferred to retained earnings, and the remainder is presented as “Share Premium on Treasury Shares” in equity. When all treasury shares are sold, the entire balance is transferred to retained earnings.

7.12.5. If only part of the treasury shares is sold, the carrying amount per share is calculated based on the weighted average cost of all treasury shares.

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

7.13. Corporation tax

7.13.1. Tax expenses

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

7.13.2. Deferred Tax

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

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

7.14. Deposit Interest Expense

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

7.15. “Other Items” in the Notes to the Financial Statements

Due to the multitude of items in certain accounts, some balances in each note have been presented as “Other.” Items classified as “Other” are considered immaterial in terms of size and nature. The maximum amount of each individual item under “Other” is 3%, and the aggregate of all items under this heading does not exceed 10% of the total balance of the respective note. The number of items included under this heading has also been disclosed.

8. Changes in Accounting Policies

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

9. Granted loans income

		Group									
	Note	2024-25					2023-24				
		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
Installment Sales		2,561,908	0	2,561,908	0	2,561,908	1,988,415	2,118,440	4,106,856	0	4,106,856
Joaleh		7,742	0	7,742	0	7,742	25,490	0	25,490	0	25,490
Ijarah Muntahia Bittamleek		35,077	0	35,077	0	35,077	61,849	0	61,849	0	61,849
Mozarebeh		127,921	0	127,921	0	127,921	274,212	0	274,212	0	274,212
Mosharekat-e Madani	9-1	4,754,321	0	4,754,321	107,985	4,862,306	7,569,067	0	7,569,067	193,955	7,763,022
Salaf		326	0	326	0	326	0	0	0	0	0
Discounting Morabehe		10,680,093	0	10,680,093	0	10,680,093	7,066,634	0	7,066,634	0	7,066,634
Morabehe	9-2	94,548,341	0	94,548,341	5,668,130	100,216,471	81,086,135	0	81,086,135	143,610	81,229,746
Penalty Charges		3,791,227	0	3,791,227	298,352	4,089,578	116,177	0	116,177	32,430	148,607
Penalty Charges from Documentary Credit Debtors		0	532,451	532,451	0	532,451	0	127,009	127,009	0	127,009
Penalty Charges from Paid Guarantee Debtors		0	483,444	483,444	0	483,444	0	368,850	368,850	0	368,850
Penalty Charges from Settled Credit Card Debtors		0	273,085	273,085	0	273,085	0	0	0	0	0
Others		0	1,406,489	1,406,489	0	1,406,489	0	420,573	420,573	0	420,573
Total Granted Loans		**116,506,955**	**2,695,468**	**119,202,424**	**6,074,467**	**125,276,890**	**98,187,980**	**3,034,872**	**101,222,852**	**369,995**	**101,592,847**

9. Granted loans income (continued)

		Parent Company									
	Note	2024-25					2023-24				
		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
Installment Sales		2,561,908	0	2,561,908	0	2,561,908	1,988,415	0	1,988,415	0	1,988,415
Joaleh		7,742	0	7,742	0	7,742	25,490	0	25,490	0	25,490
Ijarah Muntahia Bittamleek		35,077	0	35,077	0	35,077	61,849	0	61,849	0	61,849
Mozarebeh		127,921	0	127,921	0	127,921	274,212	0	274,212	0	274,212
Mosharekat-e Madani	9-1	4,754,321	0	4,754,321	107,985	4,862,306	7,569,067	0	7,569,067	193,955	7,763,022
Salaf		326	0	326	0	326	0	0	0	0	0
Discounting Morabehe		10,680,093	0	10,680,093	0	10,680,093	7,066,634	0	7,066,634	0	7,066,634
Morabehe	9-2	96,204,201	0	96,204,201	5,668,130	101,872,331	82,214,964	0	82,214,964	143,610	82,358,574
Penalty Charges		3,791,227	0	3,791,227	298,352	4,089,578	116,177	0	116,177	32,430	148,607
Penalty Charges from Documentary Credit Debtors		0	532,451	532,451	0	532,451	0	127,009	127,009	0	127,009
Penalty Charges from Paid Guarantee Debtors		0	483,444	483,444	0	483,444	0	368,850	368,850	0	368,850
Penalty Charges from Settled Credit Card Debtors		0	273,085	273,085	0	273,085	0	0	0	0	0
Others		0	502,730	502,730	0	502,730	0	417,875	417,875	0	417,875
Total Granted Loans		**118,162,815**	**1,791,709**	**119,954,524**	**6,074,467**	**126,028,991**	**99,316,808**	**913,733**	**100,230,542**	**369,995**	**100,600,537**

9.1. The increase in income from civil Musharaka is due to the non-recognition of income for the final year, in accordance with note 7-5.

9.2. The increase in Murabaha is attribute to the higher volume of Murabaha contracts granted.

10. Deposit income in banks and non-bank credit institutions

Group

	Note	2024-25 IRR shared	2024-25 IRR Non- shared	2024-25 IRR Total	2024-25 Foreign Currency (Non-shared)	2024-25 Total	2023-24 IRR shared	2023-24 IRR Non- shared	2023-24 IRR Total	2023-24 Foreign Currency (Non-shared)	2023-24 Total
		IRR Million	IRR Million	IRR Million	IRR Million	IRR Million	IRR Million	IRR Million	IRR Million	IRR Million	IRR Million
Deposit interest in the central bank		0	0	0	81,344	81,344	0	0	0	65,533	65,533
Interest on Term Deposit interest in other banks and local non-bank credit institutions	10-1	13,624,092	152,955	13,777,047	0	13,777,047	4,466,465	83,256	4,549,720	0	4,549,720
Deposit interest in foreign banks		0	0	0	46,282	46,282	0	0	0	20,472	20,472
Deposit income in banks and non-bank credit institutions		**13,624,092**	**152,955**	**13,777,047**	**127,626**	**13,904,673**	**4,466,465**	**83,256**	**4,549,720**	**86,005**	**4,635,725**

Parent Company

	Note	2024-25 IRR shared	2024-25 IRR Non- shared	2024-25 IRR Total	2024-25 Foreign Currency (Non-shared)	2024-25 Total	2023-24 IRR shared	2023-24 IRR Non- shared	2023-24 IRR Total	2023-24 Foreign Currency (Non-shared)	2023-24 Total
		IRR Million	IRR Million	IRR Million	IRR Million	IRR Million	IRR Million	IRR Million	IRR Million	IRR Million	IRR Million
Deposit interest in the central bank		0	0	0	81,344	81,344	0	0	0	65,533	65,533
Interest on Term Deposit interest in other banks and local	10-1	13,624,092	0	13,624,092	0	13,624,092	4,466,465	0	4,466,465	0	4,466,465
Deposit interest in foreign banks		0	0	0	46,282	46,282	0	0	0	20,472	20,472
Deposit income in banks and non-bank credit institutions		**13,624,092**	**0**	**13,624,092**	**127,626**	**13,751,718**	**4,466,465**	**0**	**4,466,465**	**86,005**	**4,552,470**

10.1. The amount of 13,624 billion IRR pertains to interest income from interbank market transactions at a rate of 23.51 percent.

11. Investment income in debt securities

Group											
		2024-25					2023-24				
		IRR			Foreign Currency (Non-shared)	Total	IRR			Foreign Currency (Non-shared)	Total
Issuer/Type of securities	Note	shared	Non-shared	Total			shared	Non-shared	Total		
		IRR Million	IRR Million	IRR Million	IRR Million	IRR Million	IRR Million	IRR Million	IRR Million	IRR Million	IRR Million
Government - Islamic treasury documents	11-1	12,969,186	0	12,969,186	0	12,969,186	6,566,292	0	6,566,292	0	6,566,292
Government benefit participation bonds		0	0	0	0	0	526,198	0	526,198	0	526,198
Government Murabahah bonds		3,747,853	0	3,747,853	0	3,747,853	960,007	0	1,675,815	0	960,007
Investment income in debt securities		**16,717,039**	**0**	**16,717,039**	**0**	**16,717,039**	**8,052,498**	**0**	**8,052,498**	**0**	**8,052,498**

Parent Company											
		2024-25					2023-24				
		IRR			Foreign Currency (Non-shared)	Total	IRR			Foreign Currency (Non-shared)	Total
Issuer/Type of securities	Note	shared	Non- shared	Total			shared	Non-shared	Total		
		IRR Million	IRR Million	IRR Million	IRR Million	IRR Million	IRR Million	IRR Million	IRR Million	IRR Million	IRR Million
Government - Islamic treasury documents	11-1	12,969,186	0	12,969,186	0	12,969,186	6,566,292	0	6,566,292	0	6,566,292
Government benefit participation bonds		0	0	0	0	0	526,198	0	526,198	0	526,198
Government Murabahah bonds		3,747,853	0	3,747,853	0	3,747,853	960,007	0	960,007	0	960,007
Investment income in debt securities		**16,717,039**	**0**	**16,717,039**	**0**	**8,052,498**	**8,052,498**	**0**	**8,052,498**	**0**	**8,052,498**

11.1. The increase in investment income from Islamic treasury bills compared to the previous year is due to the higher volume of Murabahah bonds issued by the government, amounting to 26,129 billion IRR.

12. Net Investments Returns (Loss)

		Group		Parent Company					
		2024-25	2023-24	2024-25			2023-24		
	Note	Total	Total	IRR shared	Foreign Currency (Non- shared)	Total	IRR shared	Foreign Currency (Non- shared)	Total
Interest on Companies' Share & Investment Funds	12-1	2,290	5,803	2,419,044	0	2,419,044	745,414	0	745,414
Profit (Loss) from Selling Companies' Shares & Investment Fund	12-2	0	0	7,164,922	0	7,164,922	907	0	907

	Note	Group		Parent Company					
		2024-25	2023-24	2024-25			2023-24		
		Total	Total	IRR shared	Foreign Currency (Non- shared)	Total	IRR shared	Foreign Currency (Non- shared)	Total
Net Share & Investment Returns		**2,290**	**5,803**	**9,583,966**	**0**	**9,583,966**	**746,321**	**0**	**746,321**

12.1. Dividends income from companies' share & investment funds

Company	Group		Parent Company					
	2024-25	2023-24	2024-25			2023-24		
	Total	Total	IRR shared	Foreign Currency (Non-shared)	Total	IRR shared	Foreign Currency (Non-shared)	Total
Karafarin Leasing	0	0	0	0	0	716,482	0	716,482
Karafarin Foreign Exchange	0	0	2,348,740	0	2,348,740	0	0	0
Abnie Gostar Karafarin Construction	0	0	50,014	0	50,014	629	0	629
Negahe Fardaye Karafarin	0	0	18,000	0	18,000	22,500	0	22,500
Long-term Investment Dividends	**0**	**0**	**2,416,754**	**0**	**2,416,754**	**739,611**	**0**	**739,611**
Listed Companies:								
Total	0	0	0	0	0	0	0	0
Unlisted Companies:								
Shaparak E-payment Card Network	0	4,660	0	0	0	4,660	0	4,660
Iran Credit Rating	2,290	3,599	2,290	0	2,290	1,143	0	1,143
Total	**2,290**	**5,803**	**2,290**	**0**	**2,290**	**5,803**	**0**	**5,803**
Dividend income from short-term investment	2,290	5,803	2,290	0	2,290	5,803	0	5,803
Income from investment fund uinits	0	0	0	0	0	0	0	0
Dividend Income from companies and investment fund	**2,290**	**5,803**	**2,419,044**	**0**	**2,419,044**	**745,414**	**0**	**745,414**

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

Company		Group		Parent Company				
		2024-25	2023-24	2024-25				2023-24
		Profit (Loss)	Profit (Loss)	Shares	Carrying Amount	Net Realizable Value	Profit (Loss)	Profit (Loss)
Profit (Loss) from Selling Companies' Shares-IRR (shared):								
Karafarin Leasing	12-2-1	0	0	2,128,668,232	2,362,834	9,527,756	7,164,922	907
Total		**0**	**0**	**2,128,668,232**	**2,362,834**	**9,527,756**	**7,164,922**	**907**
Profit from Selling Investment Funds-IRR (shared):								
		0	0	0	0	0	0	0
Total		0	0	0	0	0	0	0

Company	Group		Parent Company				
	2024-25	2023-24	2024-25				2023-24
	Profit (Loss)	Profit (Loss)	Shares	Carrying Amount	Net Realizable Value	Profit (Loss)	Profit (Loss)
Profit (Loss) from Selling Companies’ Share-Foreign Currency							
	0	0	0	0	0	0	0
Subtotal	**0**	**0**	**2,128,668,232**	**2,362,834**	**9,527,756**	**7,164,922**	**907**

12.2.1. In the current year, according to the report of Karafarin leasing company, the stage of transferring the shares of the mentioned company to the bank's ownership structure, with the aim of separating non-core assets under note 16, has been completed, and the legal procedures for registering the transfer of shares in the name Karafarin bank and the removal of company from the bank's subsidiaries are underway.

13. Legal deposit prize

Legal deposit prize is as follows:

Description	Group and Parent Company	
	2024-25	2023-24
	IRR Million	IRR Million
Legal Deposit prize of Investment Deposits	749,049	547,625
Others	170,164	138,873
Total	**919,213**	**686,498**

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

Description	Group and Parent Company	
	2024-25	2023-24
	IRR Million	IRR Million
Average Legal Deposit of Investment Deposits	71,557,719	50,243,587
Legal Deposit Prize	749,049	547,625
Average others	24,230,543	17,938,380
Legal Deposit Prize	**170,164**	**138,873**

14. Deposit Interest Payment (Expense)

Description	Note	Parent Company	
		2024-25	2023-24
		IRR Million	IRR Million
Profit –sharing Income:			
Income from granted facilities	9	118,162,815	99,316,808
Income from deposits with other banks and non-bank financial institutions	10	13,624,092	4,466,465
Income from investments in debt securities	11	16,717,039	8,052,498
Dividend income from equity investments and other securities	12	9,583,966	746,321
Profit (loss) from investments related to non-banking activities		553,230	2,628,157
Total Shared Income	21	**158,641,141**	**115,210,248**
Banks share of profit – sharing income	14-1	(30,561,520)	(26,610,623)
Depositors' Share from Shared Income before Deducting agency fee		128,079,621	88,599,625
Commission fees	14-2	(15,526,872)	(11,774,014)
Depositors share of profi sharing income		112,552,749	76,825,610
Legal Deposit Prize for Investment Deposits	13	749,049	547,625
Compensation of Surplus Expense of Depositors' Free Resources to Shared Expenditures	14-3	0	0
Final Interest on Investment Deposits		113,301,798	77,373,235
Surplus interest paid compared to Interest on Investment Deposits	14-5	376,268	72,303
Profit on investment deposite		113,678,066	77,445,538
Deposits received from banks and other credit institutions		11,035,850	4,588,331
Interest on foreign currency deposits		44,253	12,399
Total of interest on deposits		**124,758,169**	**82,046,268**

14.1. Bank's share from Shared income

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

14.1.1. Bank's share from Shared income

Fiscal Year	Bank's Resources to Total Expenditures Ratio	Shared income	Bank's Share from Shared Income
	percentage	IRR Million	IRR Million
2023-24	23.10%	115,210,248	26,610,623
2024-25	19.26%	158,641,141	30,561,520

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

14.1.2. Distribution of shared income and shared in uses between depositors and the Bank

Description	Note	2024-25		2023-24	Comment
		IRR Million	IRR Million	IRR Million	
Average shared Expenditures	14-1-2-1		641,059,766	510,343,444	Average 52 Weeks
Average Balance of investment Deposits	14-1-2-2	589,120,133		442,710,736	Average 52 Weeks
Less: Legal Deposit of Investment Deposits		(71,557,719)		(50,243,587)	Average 52 Weeks
Free Resources of Investment Deposits			(517,562,415)	(392,467,149)	
Bank's share from shared expenditure			**123,497,352**	**117,876,295**	

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

14.1.2.1. Average shared in uses

Description	2024-25	2023-24
	Amount (average)	Amount (average)
Net Expenditures Related to Loans & Claims	518,432,828	442,301,105
Net Expenditures Related to Investment Deposits held with Other Banks	59,724,615	22,080,882
Net Expenditures Related to Investing in Shares & Other Securities	62,902,323	45,961,458
Total Expenditures Related to shared Operations	**641,059,766**	**510,343,444**

14.1.2.2. Average balance of investment deposits

Description	2024-25	2023-24
	Amount (average)	Amount (average)
Ordinary Short-term Deposits	99,742,119	117,137,834
Special Short-term Deposits	24,475,430	2,029,049
Ordinary Deposit Certificate	5,459,570	50,076,961
1 Year	258,359,296	22,178,224
2 Year	23,698,677	82,234,958
3 Year	129,168,773	165,950,092
Investment deposits Received from Banks & Credit Institutes	48,216,268	3,103,619
Average Investment Deposits	**589,120,133**	**442,710,736**

14.2. Commission fees

The Banks management fee for the fiscal year 2025, as per Board of directors Resolution No. 102 dated 19 February 2026, .is calculated at a maximum annual rate of 3% of the net funds of investment deposits.

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

14.2.1. Commission fee declared and in effect

Description	Commission Fee Declared		Commission Fee in Effect	
	Rate-%	Amount- IRR Million	Rate-%	Amount- IRR Million
Ordinary Short-term Deposits	3	2,595,592	3	2,595,592
Special Short-term Deposits	3	640,270	3	640,270
Ordinary Deposit Certificate	3	163,787	3	163,787
1 Year	3	6,681,342	3	6,681,342
2 Year	3	619,985	3	619,985
3 Year	3	3,379,409	3	3,379,409
Investment deposits Received from Banks & Credit Institutes	3	1,446,488	3	1,446,488
Total Commission Fee 2024-25		**15,526,872**		**15,526,872**
Total Commission Fee 2023-24		**11,774,014**		**11,774,014**

14.3. compensation of depositors' free sources surplus expense to shared expenditures

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

$$\textbf{Investment Deposits Free Sources Surplus to shared uses} \times \frac{\textbf{shared Income}}{\textbf{shared Uses Average}}$$

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

14.4. interest paid to investment deposits

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

Description	Parent Company	
	2024-25	2023-24
	IRR Million	IRR Million
Ordinary Short-term Deposits	6,281,765	3,304,012
Special Short-term Deposits	3,612,510	412,742
Long-term Deposits		
General Deposit Certificate	1,399,601	9,385,988
1 Year	62,263,656	6,350,020
2 Year	5,913,963	17,808,895
3 Year	34,206,571	40,183,882
	113,678,066	77,445,538
Investment deposits Received from Banks & Credit Institutes	11,035,850	4,588,331
Total On-account Interest Paid to Investment Deposits	**124,713,916**	**82,033,870**

14.5. Profit payable (excess profit paid) to investment deposits

Description	Note	Parent Company 2024-25 IRR Million	Parent Company 2023-24 IRR Million
Final profit attributable to investment deposits		113,301,798	77,373,235
Interim (or Provisional) profit paid to investment deposits	14-4	(113,678,066)	(77,445,538)
Profit payable (excess profit paid) to investment deposits		**(376,268)**	**(72,303)**

14.6. Interest expense on deposits

Description	Note	Group 2024-25 IRR Million	Group 2023-24 IRR Million	Parent Company 2024-25 IRR Million	Parent Company 2023-24 IRR Million
Profit on IRR-denominated investment deposits		123,962,739	81,957,649	124,713,916	82,033,870
Profit on foreign currency investment deposits	14-4	44,253	12,399	44,253	12,399
		124,006,992	**81,970,047**	**124,758,169**	**82,046,268**

15. Commission Income

	Note	Group 2023-24 IRR Million	Group 2022-23 IRR Million	Parent Company 2023-24 IRR Million	Parent Company 2022-23 IRR Million
Net commission from Qard al-Hasanah operations	15-1	902,391	325,009	902,391	325,009
Fees from opened L/Cs		185,088	150,414	185,088	150,414
Fees from issued guarantees Issued L/Gs		7,647,551	5,111,381	7,647,551	5,111,381
Foreign exchange operations fees	15-2	10,482,632	2,389,835	10,482,632	2,389,835
Managed funds commission		3,375	3,330	3,375	3,330
Collateral valuation fees		4,502,640	1,991,491	4,502,640	1,991,491
Credit file review fees		6,222,561	2,855,236	6,222,561	2,855,236
Facility utilization supervision fees		4,332,810	1,903,985	4,332,810	1,903,985
Fees received from National Development Fund		0	7,093	0	7,093
Safe deposit box rental fees		35,871	27,627	35,871	27,627
SMS notification service fees		5,913	7,877	5,913	7,877
Card services fees		121,133	26,177	121,133	26,177
Sukuk guarantor commission		760,069	675,000	760,069	675,000
Electronic banking services fees		1,276,127	541,087	1,276,127	541,087
Cheque processing and related services fees		15,129	11,546	15,129	11,546
Other service fees		845,861	902,044	310,907	331,161
Total Commission Income		**37,339,152**	**16,929,132**	**36,804,198**	**16,358,249**

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

Description	Note	Group & Parent Company 2024-25 IRR Millions	Group & Parent Company 2023-24 IRR Millions
Commission Received on Granted Gharz-al Hassaneh Loans	15-1-1	960,808	325,009
Less: Prize Expense of Mobilizing Gharz-al Hassaneh Deposits		(58,417)	0
Net Commission on Gharz-al Hassaneh Operations		**902,391**	**325,009**

15.1.1. The increase in commission income from Gharz –al Hasanah facilities was due to the rise in mandatory loans granted (e.g., for marriage, childbearing, etc.).

15.2. Commission income from foreign currency operations amount to IRR 10,482,632 Million mainly consists of 6,662,944 Million Rials of commission on foreign currency payment orders, 55,099 Million Rials of commission received for issuing foreign currency L/Gs, 298,765 Million Rials is the commission for buying and selling currency and 859 Million Rials is the commission for swift transactions.

16. Commission Expense

	Note	Group		Parent Company	
		2024-25	2023-24	2024-25	2023-24
		IRR Million	IRR Million	IRR Million	IRR Million
Commission Paid for account related services		100,012	254,741	100,012	254,741
Clearing House Commission		1,787	1,500	1,787	1,500
Commission Paid to Brokers-IRR	16-1	2,743,737	507,131	2,743,737	507,131
Commission paid to banks		566,684	0	566,684	0
Others		236,339	70,741	236,339	66,871
Total Commission Expenses		**3,648,557**	**834,113**	**3,648,557**	**830,243**

16.1. The increase in interest and fees paid to domestic brokers was due to the growth in foreign exchange activities.

17. Net Profit (Loss) of Foreign Currency Transactions

	Group		Parent Company	
	2024-25	2023-24	2024-25	2023-24
	IRR Million	IRR Million	IRR Million	IRR Million
Profit (Loss) of Foreign Currency Transactions	2,646,600	1,954,528	2,646,163	1,954,535
Net Profit (Los) of Foreign Currency Transactions	**2,646,600**	**1,954,528**	**2,646,163**	**1,954,535**

18. Office and General Expenses

	Note	Group		Parent Company	
		2024-25	2023-24	2024-25	2023-24
		IRR Million	IRR Million	IRR Million	IRR Million
Staff Expenses	18-1	21,293,306	16,731,827	18,989,663	15,016,156
Office Expenses	18-2	16,868,988	11,343,871	15,985,516	10,952,178
depreciation	18-3	2,341,927	1,468,223	2,157,177	1,258,963
Total Office & General Expenses		**40,504,220**	**29,543,921**	**37,132,356**	**27,227,296**

18.1. Staff expenses

	Group		Parent Company	
	2024-25	2023-24	2024-25	2023-24
	IRR Million	IRR Million	IRR Million	IRR Million
Salaries, Wages & Benefits	16,061,086	12,273,669	14,214,230	10,926,831
Employers' Premium	1,724,871	1,218,629	1,557,799	1,084,271
Work Termination Benefits & Retirement Commitments	2,071,922	1,195,056	1,996,962	1,118,310
Business Travel Allowance	162,510	121,005	151,532	121,005
Others	838,269	1,396,407	634,494	1,238,677
Staff health care	434,647	527,062	434,647	527,062
Total Staff Expenses	**21,293,306**	**16,731,827**	**18,989,663**	**15,016,156**

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

18.2. Office expenses

	Note	Group		Parent Company	
		2024-25	2023-24	2024-25	2023-24
		IRR Million	IRR Million	IRR Million	IRR Million
Services Purchase Fee	18-2-1	1,880,709	1,060,855	1,653,207	939,350
Automated systems expenses	18-2-2	5,690,063	2,877,361	6,431,510	3,283,659
Consumable supplies		296,795	198,800	271,939	107,974
Deposit Guarantee Fund membership fees	40-3	447,614	426,398	447,614	426,398
Publications, advertising and marketing		903,496	519,424	798,103	419,602
Utilities (water, electricity, fuel, telephone)		332,080	397,188	324,007	390,794
Consulting & Attorney Fee		321,272	279,895	321,272	279,895
Maintenance of tangible fixed assets		476,529	302,939	434,694	262,109
Withholding taxes		790,475	461,894	790,475	461,894
Rental expenses		232,792	106,290	232,792	93,042
Legal, notarial, judicial and customs fees		1,237,832	1,316,027	1,237,832	1,316,027
Protocol and hospitality		131,880	107,112	131,880	107,112
Business license duties		37,636	40,480	37,636	40,480
Bonuses to the Board of Directors		73,857	50,692	12,000	10,000
Training and research expenses		206,072	130,095	203,963	130,095
Insurance of cash and other assets		84,017	46,725	74,472	35,648
Attendance fees for non-executive board members		18,239	17,553	2,160	2,400
Corporate social responsibility (CSR) expenses		168,734	146,144	168,734	146,144
Statutory body contributions		708,557	1,397,539	708,557	1,397,539
Others		2,830,340	1,460,461	1,702,669	1,102,015
Total Office Expenses		**16,868,988**	**11,343,871**	**15,985,516**	**10,952,178**

18.2.1. The main increase in services purchase fees compared to the previous year is related to the custody fee paid to the law enforcement force.

18.2.2. The main increase in Mechanization Systems compared to the previous year is related to the installation, deployment and support of the new software.

18.3. Depreciation

	Group		Parent Company	
	2024-25	2023-24	2024-25	2023-24
	IRR Million	IRR Million	IRR Million	IRR Million
Depreciation of tangible fixed assets	1,790,118	1,246,841	1,625,235	1,055,513
Depreciation of intangible assets	551,808	221,382	531,942	203,450
Total Office Expenses	**2,341,927**	**1,468,223**	**2,157,177**	**1,258,963**

19. Doubtful Loans Expenses

	Note	Group		Parent Company	
		2024-25	2023-24	2024-25	2023-24
		IRR Million	IRR Million	IRR Million	IRR Million
Special Expense of Doubtful Debts for Granted Loans & Claims	19-1	12,235,543	13,380,850	12,235,543	13,377,582
General Expense of Doubtful Debts for Granted Loans & Claims	19-2	4,433,786	1,993,050	4,848,134	2,161,534
Doubtful Loans Expenses		**16,669,329**	**15,373,900**	**17,083,677**	**15,539,116**

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

	Parent Company						
	2024-25						2023-24
	Note	overdue	deferred	Doubtful below 5 Years	Doubtful above 5 Years	Total	Total
Net Non-performing Loans & Claims before Deducting Doubtful Debt Provision							
Non-governmental Entities	27-1	2,655,741	12,876,569	3,191,666	30,074,549	48,798,525	46,363,626
Balance of Other Accounts at End of Year							
Other Accounts Receivable	29-3	2,512,322	2,547,407	0	190,359	5,250,088	1,471,803
Total Non-performing Loans & Claims before Deducting Collaterals Value		5,168,063	15,423,976	3,191,666	30,264,908	54,048,613	47,835,429
Less: Collaterals Value with Coefficient in Effect							
Saving & Investment Accounts		(24,885)	(252,638)	(191,933)	0	(469,456)	(121,933)
Bonds & Other Debt Securities Guaranteed by the CBI & the Government		(23,425)	(260,088)	(2,850)	0	(286,363)	(24,994)
Bonds & Other Debt Securities Guaranteed by Other Banks		0	0	0	0	0	0
L/Gs		0	0	0	0	0	0
Transacted L/Cs		0	0	0	0	0	0
Shares Listed in TSE		(36,128)	(1,166,011)	(128,901)	0	(1,331,041)	(2,415,510)
Real Estates		(62,604)	(1,881,557)	(1,355,887)	0	(3,300,048)	(5,354,926)
Machineries		0	0	(1,150)	0	(1,150)	(1,150)
Total Collaterals Value with Coefficient in Effect		(147,042)	(3,560,294)	(1,680,721)	0	(5,388,058)	(7,918,513)
Basis Balance for Calculation of Special Provision		5,021,021	11,863,681	1,510,945	30,264,908	48,660,555	39,916,916
Basis Coefficient for Calculation of Special Provision-%		10%	20%	50%	50% TO 100%		
Special Provision for Doubtful Loans		502,102	2,372,736	755,473	30,264,908	33,895,219	25,230,060
Add: Special Provision for Extended & Rescheduled Claims		0	4,231,453	0	0	4,231,453	661,069
Less: Balance of Provision for Doubtful Loans at End of the Previous Year		**(845,364)**	**(347,612)**	**(6,349,203)**	**(18,348,950)**	**(25,891,129)**	**(12,513,548)**
Add: Bad Debt during the Year		0	0	0	0	0	0
Special Provision for Doubtful Loans & Claims		**(343,262)**	**6,256,577**	**(5,593,731)**	**11,915,958**	**12,235,543**	**13,377,582**

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

		Parent Company	
	Note	2024-25	2023-24
		IRR Million	IRR Million
Loans Granted to Non-governmental Entities	27-1	906,059,477	575,151,640
Customers' Debt for Term L/Cs after Deducting Advances Received	35-1	12,164,972	977,735
Claims from Subsidiary & associated Companies	28	19,288,621	9,449,719
Other Accounts Receivable		18,818,679	19,765,954
Less:			
Balance of Granted Loans & Claims for which Special Provision Recorded (Rescheduled Loans)		(66,372,852)	(38,595,080)
Basis Balance for Calculation of General Provision		889,958,897	566,749,968
Basis Coefficient for Calculation of General Provision-%		1.5	1.5
General Provision for Granted Loans & Claims		13,349,383	8,501,250
Less: General Provision Balance of Granted Loans & Claims at End of the Previous Year		(8,501,250)	(6,339,715)
Add: Bad Debt during the Year		0	0
General Provision for Granted Doubtful Loans & Claims		**4,848,134**	**2,161,534**

20. Other Incomes and Expenses

	Group		Parent Company	
	2024-25	2023-24	2024-25	2023-24
	IRR Million	IRR Million	IRR Million	IRR Million
Currency exchange interest of assets and foreign currency liabilities	21,649,197	7,103,674	21,367,987	7,135,807
Penalty for early cancellation of deposits	0	2,096,414	0	2,096,414
Total Other Operating Revenues	**21,649,197**	**9,200,087**	**21,367,987**	**9,232,220**

20.1. Net sales and services income

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

	2024-25				2023-24			
	Value	Services Income	cost	Profit (Loss)	Value	Services Income	cost	Profit (Loss)
	IRR Million	IRR Million	IRR Million	IRR Million	IRR Million	IRR Million	IRR Million	IRR Million
Karafarin Foreign Exchange Co.	31,568,011	2,458,081	(30,303,064)	3,723,028	63,767,763	1,716,230	(62,757,011)	2,726,981
Karafarin Financial Group Company	8,717,062	0	(7,279,672)	1,437,390	5,119,909	0	(3,958,995)	1,160,914
Negah fardaye Karafarin Co.	0	102,782	(14,449)	88,333	0	21,557	0	21,557
	40,285,073	**2,560,863**	**(37,597,185)**	**5,248,751**	**68,887,672**	**1,737,787**	**(66,716,006)**	**3,909,453**

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

	Group		Parent Company					
	2024-25	2023-24	2024-25			2023-24		
	Total	Total	IRR	Foreign currency	Total	IRR	Foreign currency	Total
	IRR Million	IRR Million	IRR Million	IRR Million	IRR Million	IRR Million	IRR Million	IRR Million
Dividends of companies and units of investment funds	1,293,468	1,166,636	603,042	0	603,042	2,707,157	0	2,707,157
Profit (loss) resulting from selling shares of companies and units of investment funds	3,910,847	1,185,815	(49,812)	0	(49,812)	126,163	0	126,163
Net profit (loss) increase (decrease) in the value of investments	(66,062)	(461,482)	0	0	0	(205,162)	0	(205,162)
Profit (loss) of investments related to non-banking activities	**5,138,252**	**1,890,969**	**553,230**	**0**	**553,230**	**2,628,157**	**0**	**2,628,157**

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

	Group		Parent Company					
	2024-25	2023-24	2024-25			2023-24		
	Total	Total	IRR	Foreign currency	Total	IRR	Foreign currency	Total
	IRR Million	IRR Million	IRR Million	IRR Million	IRR Million	IRR Million	IRR Million	IRR Million
Karafarin Insurance Company	0	0	0	0	0	1,049,868	0	1,049,868
Dade gostar asre novin (HIWEB)	0	30,028	0	0	0	30,028	0	30,028
TSE	9,100	3,640	9,100	0	9,100	3,640	0	3,640
OTC	1,388	1,110	1,388	0	1,388	1,110	0	1,110
Karafarin brokerage company	0	0	160,000	0	160,000	800,000	0	800,000
Mapna	0	3,004	0	0	0	3,004	0	3,004
Jam Petrochemical	0	1,451	0	0	0	1,451	0	1,451
South Kish Kaveh Steel	0	1,472	0	0	0	1,472	0	1,472
Karafarin financial Group	0	0	399,055	0	399,055	803,750	0	803,750
Asre Amin karafarin	0	0	20,267	0	20,267	2,357	0	2,357
Others	364,733	1,115,454	0	0	0	0	0	0
Dividends	**375,220**	**1,156,160**	**589,810**	**0**	**589,810**	**2,696,680**	**0**	**2,696,680**
Karafarin Brokerage Mutual Investment Fund	7,032	6,225	7,032	0	7,032	6,225	0	6,225
Arman Karafarin Investment Fund	78,034	4,251	4,607	0	4,607	4,251	0	4,251
Ganjineh Yekom Avid Fixed Income Investment Fund	1,593	0	1,593	0	1,593	0	0	0
Karafarin Index Investment Fund	32,340	0	0	0	1,0	0	0	0
Other Investment Funds	799,249	0	0	0	0	0	0	0
Total Dividend Income from Investment Fund Units	**918,248**	**10,477**	**13,232**	**0**	**13,232**	**10,477**	**0**	**10,477**
Total Dividend Income from Equities and Investment Funds	**1,293,468**	**1,166,636**	**603,042**	**0**	**603,042**	**2,707,157**	**0**	**2,707,157**

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

	Group		Parent Company				
	2024-25	2023-24	2024-25				2023-24
	Profit (Loss)	Profit (Loss)	Unit/Shares	Carrying Amount	Net sales value	Profit (Loss)	Profit (Loss)
	IRR Million	IRR Million	share	IRR Million	IRR Million	IRR Million	IRR Million
Profit (loss) from selling shares of companies – Rial (shared)							
Jam Petrochemical co	0	6,046	0	0	0	0	6,046
South Kish Kaveh Steel	0	544	0	0	0	0	544
Mapna	0	(4,392)	0	0	0	0	(4,392)
Dade gostar asre novin (HIWEB)	0	123,965	513,306,854	492,508	407,980	(84,528)	123,965
Kourosh petrochemical industries Development Co.	3,229,388	0	0	0	0	0	0
Others	646,743	1,059,652	0	0	0	0	0
Total	**3,876,131**	**1,185,815**	**513,306,854**	**492,508**	**407,980**	**(84,528)**	**126,163**
Profit(loss) from Disposal of investment fund units - Rial (shared)							
Karafarin brokerage market-making Dedicated investment fund-volkar	34,716	0	273,000	163,185	197,901	34,716	0
Total	**34,716**	**0**	**273,000**	**163,185**	**197,901**	**34,716**	
Subtotal	**3,910,847**	**1,185,815**	**513,579,854**	**655,693**	**605,881**	**(49,812)**	**126,163**

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

	Group		Parent Company				
	2024-25	2023-24	2024-25				2023-24
	Profit (Loss)	Profit (Loss)	Unit/Shares	Carrying Amount	Net sales value	Profit (Loss)	Profit (Loss)
	IRR Million	IRR Million	share	IRR Million	IRR Million	IRR Million	IRR Million
Profit (loss) increase (decrease) in the value of investments - Rial (shared)							
Dade gostar asre novin (HIWEB)-subsidiari	(96,447)	(205,162)	0	0	0	0	(205,162)
Others	30,385	(256,320)	0	0	0	0	0
Total	**(66,062)**	**(461,482)**	**0**	**0**	**0**	**0**	**(205,162)**

22. Financial Expenses

	Note	Group		Parent Company	
		2024-25	2023-24	2024-25	2023-24
		IRR Million	IRR Million	IRR Million	IRR Million
Interest on Loans Received from Other Banks & Credit Institutes	22-1	1,718,693	665,896	0	0
Interest Paid on Credit from National Development Fund		58	3,098	58	3,098
Total Financing Expenses		**1,718,752**	**668,994**	**58**	**3,098**

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

23. Net Other Incomes and Expenses

	Note	Group		Parent Company	
		2024-25	2023-24	2024-25	2023-24
		IRR Million	IRR Million	IRR Million	IRR Million
Profit (Loss) from Selling Fixed Tangible and Intangible Fixed Assets	23-1	500,207	261,009	508,261	7,793
Profit (Loss) from legal claims		(294,300)	(111,208)	(294,300)	(111,208)
Profit (Loss) from Selling Repossessed Assets	23-2	502,551	10,561	487,304	10,561
Loss of accumulated value decrease of assets under construction		0	(1,200,000)	0	0
Expert's Fee		5,457	8,972	5,457	8,972
Income from wastage		17,276	14,999	17,276	14,999
Others		6,129,624	668,338	46,970	16,833
Net Other Incomes & Expenses		**6,860,815**	**(347,330)**	**770,967**	**(52,050)**

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

	Parent Company				
	2024-25				2023-24
	Cost	Carrying Amount	Sale Amount	Profit (Loss)	Profit (Loss)
	IRR Million	IRR Million	IRR Million	IRR Million	IRR Million
Lands	999,850	999,850	1,489,880	490,030	0
Furniture & Fixtures (Sale & Disposal)	32,448	1,951	20,182	18,231	7,793
Total	**1,032,298**	**1,001,801**	**1,510,062**	**508,261**	**7,793**

23.2. profit (loss) from selling collateral property

	Parent Company				
	2024-25				2023-24
	Cost	Carrying Amount	Sale Amount	Profit (Loss)	Profit (Loss)
Lands	1,520	1,520	5,000	3,480	10,561
Residential building	641,261	641,261	1,125,084	483,824	0
Total	**642,781**	**642,781**	**1,130,084**	**487,304**	**10,561**

24. Earnings Per Share

24.1. basis of calculating EPS

	Group		Parent Company	
	2024-25	2023-24	2024-25	2023-24
	IRR Million	IRR Million	IRR Million	IRR Million
Profit from ongoing activities-operating	38,874,706	19,244,589	45,196,514	16,540,403
Tax	(5,302,285)	(2,035,798)	(5,100,236)	(589,122)
Non-Controlling interest Share of net Profit	(2,073,724)	(207,482)	0	0
	31,498,698	**17,001,309**	**40,096,279**	**15,951,281**
Profit from ongoing activities- non-operating	13,601,132	2,490,647	1,324,139	2,573,008
Tax	(931,344)	289,776	50,547	16,538
	12,669,789	**2,780,423**	**1,374,686**	**2,589,546**
Net profit before taxes	50,402,115	21,527,754	46,520,653	19,113,412
Tax	(6,233,629)	(1,746,022)	(5,049,688)	(572,584)
Net profit	**44,168,486**	**19,781,731**	**41,470,965**	**18,540,828**

24.1.1. Weighted Average Shares

	(Restated) Group		(Restated) Parent Company	
	2024-25	2023-24	2024-25	2023-24
	Number	Number	Number	Number
Weighted average of ordinary shares	60,000,000,000	60,000,000,000	60,000,000,000	60,000,000,000
Weighted average of ordinary shares of parent company owned by subsidiaries	0	(36,835,888)	0	0
Weighted average of Treasury shares	(1,117,368,868)	(576,648,316)	(1,060,042,655)	(519,322,104)
Weighted average of shares	**58,882,631,132**	**59,386,515,796**	**58,939,957,345**	**59,480,677,896**
EPS	**750**	**333**	**704**	**312**

25. cash

	Note	Group		Parent Company	
		2024-25	2023-24	2024-25	2023-24
		Number	Number	Number	Number
Cash on Hand-IRR	25-1	1,410,637	815,322	1,344,427	789,391
Cash on Hand-Foreign Currency	25-2	2,460,698	1,361,612	2,214,863	1,257,809
Cash in Transit-IRR		501	2,401	501	2,401
Deposits held with the CBI (Unlimited)	25-3	6,013,387	7,240,702	6,013,387	7,240,702
Deposits held with Other Banks & Credit Institutes (Unlimited)	25-4	709,787,028	351,671,589	705,288,636	349,987,376
Total cash flow		**719,672,251**	**361,091,627**	**714,861,813**	**359,277,679**

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

25.2. On the date of the Statement of Financial Position, foreign currency balance of the Parent Company's fund included USD 1,988,379, EUR 1,121,409, GBP 1,069, AED 118,329, JPY 30,000, CNY 27,560, CHF 200 and TRY 12,000, all of which have been exchanged at the CBI's rates.

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

	Note	Group and Parent company	
		2024-25	2023-24
		IRR Million	IRR Million
Deposit held with CBI-IRR (Unlimited)	25-3-1	5,606,641	6,842,190
Deposit held with CBI-Foreign Currency (Unlimited)		406,746	398,512
Total Deposit held with CBI-IRR (Unlimited)		**6,013,387**	**7,240,702**

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

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

	Note	Group		Parent Company	
		2024-25	2023-24	2024-25	2023-24
		IRR Million	IRR Million	IRR Million	IRR Million
Deposits held with Other local Banks & Credit Institutes-IRR (Unlimited)		4,645,295	1,510,789	201,644	92,773
Deposits held with Other local Banks & Credit Institutes-Foreign Currency (Unlimited)		50,572,993	12,272,541	50,572,993	12,272,541
Term Deposits held with Other local Banks & Credit Institutes-IRR (Unlimited)		39,373	179,490	0	0
Term Deposits held with Other local Banks & Credit Institutes-Foreign Currency (Unlimited)	25-6	654,529,366	337,708,770	654,513,998	337,622,062
Total Deposits held with other banks and credit institutes (unlimited)		**709,787,028**	**351,671,589**	**705,288,636**	**349,987,376**

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

25.6. The increase in "Deposits held with Overseas Banks" was mainly due to the receipt of released amounts of foreign currency by Qatar on behalf of the Central Bank of Iran.

26. Claims from Banks and Other Credit Institutes

	Note	Group and Parent company	
		2024-25	2023-24
		IRR Million	IRR Million
Claims from CBI	26-2	7,891,353	4,671,578
Claims from Banks & Credit Institutes	26-3	51,691,360	16,180,230
Total Claims from Banks and Other Credit Institutes		**59,582,713**	**20,851,808**

26.1. Cash balances held with banks that are not subject to withdrawal restrictions are classified under cash and cash equivalents, as disclosed in the explanatory note on cash balances (Note 25).

26.2. Claims from CBI

	Note	Group and Parent company	
		2024-25	2023-24
		IRR Million	IRR Million
Other Claims	26-2-1	7,891,353	4,671,578
Total Claims from CBI		**7,891,353**	**4,671,578**

26.2.1. Other receivables mainly consist of time deposits in foreign currency held with the Central Bank, totaling IRR 7,882,648 million, including EUR 4,061,612 and USD 7,135,409.

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

	Note	Group and Parent company	
		2024-25	2023-24
		IRR Million	IRR Million
Term Deposits held with Other local Banks & Credit Institutes-IRR (Limited)	26-3-1	51,670,000	16,100,000
Payment of Cheques Issued by Other Banks		21,360	80,230
Total Claims from other banks and non-bank credit institutes		**51,691,360**	**16,180,230**

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

Bank/credit institution						Loans Balance		
						2024-25		2023-24
	currency	Contract Type	Interest Rate	Maturity Date	Collateral Type	Foreign currency	IRR million	IRR million
IRR Loans:								
Saman	IRR	overnight	23%	2025/19/03	-	0	7,900,000	0
Shahr	IRR	Overnight	23%	2025/25/03	-	0	20,700,000	0
Dey	IRR	Overnight	23%	2025/25/03	-	0	7,000,000	13,100,000
Saderat	IRR	Overnight	23%	2025/25/03	-	0	10,070,000	0
Ayandeh	IRR	Overnight	23%	2024/22/09	-	0	0	3,000,000
Melal	IRR	Overnight	23%	2025/25/03	-	0	6,000,000	0
Total							**51,670,000**	**16,100,000**

* Within the framework of the law on usury-free banking operations, depositing funds with members of the interbank market is permissible and the customary deposit terms may be overnight, one week, two weeks, one month, two months, three months, six months, nine months, or twelve months. As of the date of this note, all such term deposits with other banks have been fully settled.

26.3.2. This bank does not have any loans granted to other banks or non-bank financial institutions

27. Granted Loans and Claims from Non-Governmental Entities

	Group									
	2024-25									2023-24
	The balance of principal	The Balance of Interest & Commission Receivable	The Balance of Penalties Receivable	Muzaraba Received Funds & Musharakat Joint Account	Future Years Interest	Deferred Interest, Commission & Penalties	Total	Provision for Doubtful Loan	Net	Net
	IRR Million	IRR Million	IRR Million	IRR Million	IRR Million	IRR Million	IRR Million	IRR Million	IRR Million	IRR Million
Instalment Sales	18,748,538	104,352	233,783	0	(4,919,652)	0	14,167,021	(1,489,689)	12,677,331	11,988,371
Joaleh	160,316	0	414,852	0	0	0	575,168	(573,098)	2,069	418,729
Hire Purchase	2,763,427	253	14,943	0	(1,302,768)	0	1,475,855	(81,158)	1,394,697	141,789
Salaf	4,762	0	0	0	0	0	4,762	0	4,762	2,892
Muzaraba	483,101	57	307,309	0	0	0	790,467	(777,699)	12,767	1,167,035
Musharakat	21,672,231	1,288,187	1,300,011	0	0	0	24,260,429	(2,731,498)	21,528,931	37,322,016
Debt Discounting	76,320,357	2,703,713	20,917	0	(4,468,266)	0	74,576,720	(2,306,766)	72,269,954	33,189,173
Murabaha	593,163,704	9,315,454	2,942,292	0	(59,607,333)	0	545,814,117	(18,627,938)	527,186,178	401,868,121
Gharz-al Hassaneh	35,449,226	136,588	0	0	(4,289,364)	0	31,296,450	(1,937,000)	29,359,449	13,978,467
Other Granted IRR Loans	29,218,973	0	0	0	(12,731,174)	0	16,487,799	(246,206)	16,241,593	15,049,715
Other Granted Foreign Currency Loans	166,975,974	2,813,916	1,030,028	0	(5,035,560)	0	165,784,358	(9,338,913)	156,445,445	23,212,493
Debtors for Paid L/Cs	6,722,394	0	327,253	0	0	0	7,049,647	(4,364,340)	2,685,307	4,034,302
Debtors for Paid L/Gs	9,475,339	0	440,694	0	0	0	9,916,034	(7,087,571)	2,828,463	1,242,121
Debtors for Paid Credit Cards	7,486,788	0	0	0	(1,902,916)	0	5,583,872	(83,758)	5,500,114	0
Total Granted Loans & Claims from Non-Governmental Authorities	**968,645,131**	**16,362,520**	**7,032,082**	**0**	**(94,257,035)**	**0**	**897,782,698**	**(49,645,635)**	**848,137,063**	**543,615,224**

27.(Continued)

	Parent Company									
	2024-25									2023-24
	The balance of principal	The Balance of Interest & Commission Receivable	The Balance of Penalties Receivable	Muzaraba Received Funds & Musharakat Joint Account	Future Years Interest	Deferred Interest, Commission & Penalties	Total	Provision for Doubtful Loan	Net	Net
	IRR Million	IRR Million	IRR Million	IRR Million	IRR Million	IRR Million	IRR Million	IRR Million	IRR Million	IRR Million
Instalment Sales	18,748,538	104,352	233,783	0	(4,919,652)	0	14,167,021	(1,614,952)	12,552,068	5,181,647
Joaleh	160,316	0	414,852	0	0	0	575,168	(573,098)	2,069	418,729
Hire Purchase	2,763,427	253	14,943	0	(1,302,768)	0	1,475,855	(81,158)	1,394,697	141,789
Salaf	4,762	0	0	0	0	0	4,762	0	4,762	2,892
Muzaraba	483,101	57	307,309	0	0	0	790,467	(777,699)	12,767	1,167,035
Musharakat	21,672,231	1,288,187	1,300,011	0	0	0	24,260,429	(2,731,498)	21,528,931	37,322,016
Debt Discounting	76,320,357	2,703,713	20,917	0	(4,468,266)	0	74,576,720	(2,306,766)	72,269,954	33,189,173
Murabaha	601,514,558	9,315,454	2,942,292	0	(59,607,333)	0	554,164,971	(18,627,938)	535,537,032	406,761,190
Gharz-al Hassaneh	35,449,226	136,588	0	0	(4,289,364)	0	31,296,450	(1,937,000)	29,359,449	13,978,467
Other Granted IRR Loans	29,144,898	0	0	0	(12,731,174)	0	16,413,724	(246,206)	16,167,518	15,014,256
Other Granted Foreign Currency Loans	166,975,974	2,813,916	1,030,028	0	(5,035,560)	0	165,784,358	(9,338,913)	156,445,445	23,212,493
Debtors for Paid L/Cs	6,722,394	0	327,253	0	0	0	7,049,647	(4,364,340)	2,685,307	4,034,302
Debtors for Paid L/Gs	9,475,339	0	440,694	0	0	0	9,916,034	(7,087,571)	2,828,463	1,242,121
Debtors for Paid Credit Cards	7,486,788	0	0	0	(1,902,916)	0	5,583,872	(83,758)	5,500,114	0
Total Granted Loans & Claims from Non-Governmental Authorities	**976,921,910**	**16,362,520**	**7,032,082**	**0**	**(94,257,035)**	**0**	**906,059,477**	**(49,770,898)**	**856,288,579**	**541,666,110**

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

	Parent Company				
	2024-25				
	current	overdue	deferred	doubtful	total
	IRR Million	IRR Million	IRR Million	IRR Million	IRR Million
Instalment Sales	17,519,627	75,355	23,229	1,468,462	19,086,673
Joaleh	0	0	0	575,168	575,168
Hire Purchase	2,756,196	0	0	22,428	2,778,623
Salaf	0	0	0	4,762	4,762
Muzaraba	90,057	0	0	700,410	790,467
Musharakat	20,065,296	125,966	518,429	3,550,739	24,260,429
Debt Discounting	78,888,608	0	155,911	467	79,044,986
Murabaha	594,558,457	2,394,422	12,171,849	4,647,576	613,772,304
Gharz-al Hassaneh	35,549,090	29,065	7,151	509	35,585,814
Other Granted IRR Loans	29,144,898	0	0	0	29,144,898
Other Granted Foreign Currency Loans	164,266,430	30,934	0	6,522,554	170,819,918
Debtors for Paid L/Cs	0	0	0	7,049,647	7,049,647
Debtors for Paid L/Gs	1,192,541	0	0	8,723,492	9,916,034
Debtors for Paid Credit Cards	7,486,788	0	0	0	7,486,788
Total gross Granted Loans & Claims from Governmental Authorities	**951,517,987**	**2,655,741**	**12,876,569**	**33,266,214**	**1,000,316,512**
Less:					
Future Years Interest	(94,257,035)	0	0	0	(94,257,035)
General Provision for Doubtful Loans	(12,538,369)	(1,235)	(16,424)	(39,272)	(12,595,299)
Special Provision for Doubtful Loans	0	(250,870)	(6,094,708)	(30,830,021)	(37,175,599)
Balance on 20.03.2025	**844,722,583**	**2,403,637**	**6,765,437**	**2,396,922**	**856,288,579**
Balance on 20.03.2024	**521,226,156**	**11,940,037**	**3,295,686**	**5,204,232**	**541,666,110**

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

	Parent Company					
	2024-25			2023-24		
	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	8,048,348	25,437,182	33,485,530	6,127,336	12,061,456	18,188,791
Increase or Decrease during Years	4,546,951	11,738,417	16,285,368	1,921,013	13,375,726	15,296,739
Balance at End of Year	**12,595,299**	**37,175,599**	**49,770,898**	**8,048,348**	**25,437,182**	**33,485,530**

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

	Parent Company					
	2024-25					2023-24
	current	overdue	deferred	doubtful	total	total
	IRR Million	IRR Million	IRR Million	IRR Million	IRR Million	IRR Million
Local Resources	159,230,870	30,934	0	6,522,554	165,784,358	26,646,881
Total Foreign Currency Granted Loans	**159,230,870**	**30,934**	**0**	**6,522,554**	**165,784,358**	**26,646,881**

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

	2024-25							2023-24
	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
2024-25 & Prior years	12,623,361	20,486,838	5,555,420	406,518	2,238,824	18,699,339	60,010,299	81,783,297
2025-26	15,191,424	541,727,455	3,732,764	39,439	98,392	147,558,085	708,347,559	433,606,996
2026-27	0	25,272,883	3,896,227	10,718	531,939	395,011	30,106,779	14,827,263
2027-28	0	30,207,962	2,326,584	300,809	160,193	1,365,610	34,361,158	21,197,966
2028-29& thereafter	0	12,279,186	978,655	682,114	5,039,083	54,254,645	73,233,682	23,736,118
Total Granted Loans & Claims from Non-governmental Entities	**27,814,784**	**629,974,325**	**16,489,649**	**1,439,598**	**8,068,431**	**222,272,689**	**906,059,477**	**575,151,640**
General Provision	(417,222)	(4,995,736)	(3,705,630)	(21,594)	(121,026)	(3,334,090)	(12,595,299)	(8,048,348)
Special Provision	(8,065,740)	(14,074,246)	(4,401,494)	(43,734)	(3,054,458)	(7,535,927)	(37,175,599)	(25,437,182)
Balance on 20.03.2025	**19,331,823**	**610,904,343**	**8,382,525**	**1,374,270**	**4,892,947**	**211,402,672**	**856,288,579**	**0**
Balance on 20.03.2024	**13,622,383**	**443,808,522**	**34,190,678**	**2,235,655**	**1,431**	**47,807,441**	**541,666,110**	**541,666,110**

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

	Parent Company					
	2024-25			2023-24		
	Balance	Provision	Net	Balance	Provision	Net
	IRR Million	IRR Million	IRR Million	IRR Million	IRR Million	IRR Million
Deposits	35,221,363	(405,116)	34,816,248	9,822,164	(356,529)	9,465,635
Shares listed in TSE	30,726,934	(2,189,451)	28,537,483	36,894,010	(639,181)	36,254,829
Land &Buildings	222,888,354	(10,673,906)	212,214,448	148,549,854	(7,306,875)	141,242,979
Machineries	1,577,866	(24,974)	1,552,892	291,469	(34,525)	256,943
Cheques & Promissory Notes	598,012,655	(25,386,509)	572,626,146	358,898,545	(20,063,352)	338,835,193
Enforceable	7,605,914	(480,723)	7,125,190	3,292,136	(824,055)	2,468,080
Other	10,026,392	(10,610,220)	(583,828)	17,403,464	(4,261,013)	13,142,451
Total Secured Loans & Claims	**906,059,477**	**(49,770,898)**	**856,288,579**	**575,151,640**	**(33,485,530)**	**541,666,110**
Unsecured Loans & Claims	0	0	0	0	0	0
Total Granted Loans & Claims from non-governmental Entities	**906,059,477**	**(49,770,898)**	**856,288,579**	**575,151,640**	**(33,485,530)**	**541,666,110**

*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.

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

	Parent Company														
	Instalment Sales	Joaleh	Hire Purchase	Salaf	Muzaraba	Musharakat	Debt Discounting	Murabaha	Gharz-al Hassaneh	Other Granted IRR Loans	Other Granted Foreign Currency Loans	Debtors for Paid L/Cs	Debtors for Paid L/Gs	Debtors for Paid 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
Balance on 20.03.2024	7,232,242	180,638	137,365	4,762	1,412,912	38,658,466	33,044,770	407,131,470	14,215,596	15,242,899	24,919,642	8,240,793	8,850,761	0	559,272,317
Granted during Year	11,866,915	0	1,460,110	0	90,000	17,544,934	78,562,530	768,789,847	19,744,236	4,623,716	155,723,615	808,081	1,808,677	9,389,705	1,070,412,365
Collected during Year	(5,270,271)	(20,322)	(136,816)	0	(1,019,811)	(34,531,168)	(39,755,209)	(634,014,092)	(2,799,971)	(3,452,891)	(71,366,518)	(2,326,480)	(1,184,098)	(3,805,833)	(799,683,482)
Exchange effect during Year	0	0	0	0	0	0	0	0	0	0	52,663,676	0	0	0	52,663,676
Balance on 20.03.2025	**13,828,886**	**160,316**	**1,460,659**	**4,762**	**483,101**	**21,672,231**	**71,852,090**	**541,907,225**	**31,159,862**	**16,413,724**	**161,940,414**	**6,722,394**	**9,475,339**	**5,583,872**	**882,664,875**
Balance on 20.03.2024	336,954	421,465	15,962	0	350,561	2,513,252	678,630	9,724,418	0	0	1,727,239	101,068	9,775	0	15,879,324
Granted during Year	3,917,059	8,144	48,220	0	101,088	5,953,924	18,523,736	141,864,494	3,076,768	502,730	4,804,445	1,336,656	430,919	273,085	180,841,267
Collected during Year	(3,915,878)	(14,757)	(48,986)	0	(144,284)	(5,878,978)	(16,477,736)	(139,331,165)	(2,940,180)	(502,730)	(2,687,740)	(1,110,471)	0	(273,085)	(173,325,989)
Exchange effect during Year	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Balance on 20.03.2025	**338,135**	**414,852**	**15,196**	**0**	**307,366**	**2,588,198**	**2,724,630**	**12,257,746**	**136,588**	**0**	**3,843,944**	**327,253**	**440,694**	0	23,394,602
Balance on 20.03.2024	(2,387,549)	(183,375)	(11,538)	(1,870)	(596,438)	(3,849,702)	(534,226)	(10,094,698)	(237,130)	(228,643)	(3,434,388)	(4,307,558)	(7,618,415)	(0)	(33,485,530)
Increase or Decrease during Year	772,597	(389,723)	(69,620)	1,870	(181,261)	1,118,203	(1,772,539)	(8,533,240)	(1,699,871)	(17,562)	(5,904,525)	(56,782)	530,844	(83,758)	(16,285,368)
Balance on 20.03.2025	**(1,614,952)**	**(573,098)**	**(81,158)**	**0**	**(777,699)**	**(2,731,498)**	**(2,306,766)**	**(18,627,938)**	**(1,937,000)**	**(246,206)**	**(9,338,913)**	**(4,364,340)**	**(7,087,571)**	**(83,758)**	**(49,770,898)**
Balance on 20.03.2024	**5,181,647**	**418,729**	**141,789**	**2,892**	**1,167,035**	**37,322,016**	**33,189,173**	**406,761,190**	**13,978,467**	**15,014,256**	**23,212,493**	**4,034,302**	**1,242,121**	**0**	**541,666,110**
Balance on 20.03.2025	**12,552,068**	**2,069**	**1,394,697**	**4,762**	**12,767**	**21,528,931**	**72,269,954**	**535,537,032**	**29,359,449**	**16,167,518**	**156,445,445**	**2,685,307**	**2,828,463**	**5,500,114**	**856,288,579**

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

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

	Parent Company													
	Instalment Sales	Joaleh	Hire Purchase	Muzaraba	Musharakat	Debt Discounting	Murabaha	Gharz-al Hassaneh	Other Granted IRR Loans	Other Granted Foreign Currency Loans	Debtors for Paid L/Cs	Debtors for Paid L/Gs	Debtors for Paid 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
Balance on 20.03.2024	106,437	95	1,020	28,016	265,910	635,789	9,229,940	0	0	0	33,689	0	0	10,300,896
Granted during Year	2,559,822	7,647	34,311	99,961	5,884,583	17,216,284	103,874,841	2,279,708	502,730	4,759,294	0	0	273,085	137,492,267
Collected during Year	(2,561,908)	(7,742)	(35,077)	(127,921)	(4,862,306)	(15,148,360)	(103,787,472)	(2,144,977)	(502,730)	(1,945,378)	(33,689)	0	(273,085)	(131,430,643)
Exchange effect during Year										0	0	0	0	0
Balance on 20.03.2025	**104,352**	**0**	**253**	**57**	**1,288,187**	**2,703,713**	**9,317,310**	**134,732**	**0**	**2,813,916**	**0**	**0**	**0**	**16,362,520**
Balance on 20.03.2024	230,516	421,371	14,943	322,545	2,247,342	42,841	494,477	0	0	1,727,239	67,378	9,775	0	5,578,428
Granted during Year	1,357,237	497	13,909	1,127	69,341	1,307,452	39,066,434	797,059	0	45,151	259,875	430,919	0	43,349,001
Collected during Year	(1,353,970)	(7,016)	(13,909)	(16,363)	(1,016,671)	(1,329,376)	(36,620,475)	(795,203)	0	(742,362)	0	0	0	(41,895,346)
Exchange effect during Year	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Balance on 20.03.2025	**233,783**	**414,852**	**14,943**	**307,309**	**1,300,011**	**20,917**	**2,940,436**	**1,856**	**0**	**1,030,028**	**327,253**	**440,694**	**0**	**7,032,082**
Balance on 20.03.2024	**336,954**	**421,465**	**15,962**	**350,561**	**2,513,252**	**678,630**	**9,724,418**	**0**	**0**	**1,727,239**	**101,068**	**9,775**	**0**	**15,879,324**
Balance on 20.03.2025	**338,135**	**414,852**	**15,196**	**307,366**	**2,588,198**	**2,724,630**	**12,257,746**	**136,588**	**0**	**3,843,944**	**327,253**	**440,694**	**0**	**23,394,602**

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

	Parent Company					
	2024-25			2023-24		
	Gross	Provision	Net	Gross	Provision	Net
	IRR Million	IRR Million	IRR Million	IRR Million	IRR Million	IRR Million
Individuals-dependent	84,067	(1,261)	82,806	48,712	(731)	47,982
Legal Entities-dependent	10,779,493	(161,692)	10,617,800	4,841,419	(72,621)	4,768,798
Employees	16,795,849	(251,938)	16,543,911	15,160,369	(227,406)	14,932,964
Individuals-other	98,693,872	(3,842,553)	94,851,319	70,453,109	(3,096,522)	67,356,587
Legal Entities-other	779,706,196	(45,513,454)	734,192,742	484,648,030	(30,088,251)	454,559,779
Total Granted loans and claims from non-governmental entities	**906,059,477**	**(49,770,898)**	**856,288,579**	**575,151,640**	**(33,485,530)**	**541,666,110**

27.8. Loans granted to associate companies

		2024-25				2023-24
	Average Weight of Interest Rate	Current	Non-performing	Provision for Doubtful Loans	Total	Total
	Percentage	IRR Million	IRR Million	IRR Million	IRR Million	IRR Million
Karafarin financial group	23	1,781,031	0	(26,715)	1,754,316	1,865,422
Karafarin leasing		1,869,744	0	(28,046)	1,841,698	1,711,710
Omid Karafarin Commercial Development development co		2,689,939		(40,349)	2,649,589	0
Karafarin brokerage	23	2,010,140	0	(30,152)	1,979,988	1,242,541
Total		**8,350,854**	**0**	**(125,263)**	**8,225,591**	**4,819,673**
Others :						
Karafarin insurance		0	0	0	0	0
Total Loans granted to associate companies		**8,350,854**	**0**	**(125,263)**	**8,225,591**	**4,819,673**

28. Claims from Subsidiary and Associate Companies

	Note	Group				Parent company			
		2024-25			2023-24	2024-25			2023-24
		Claim Balance	Provision for Doubtful Loans	Net	Net	Claim Balance	Provision for Doubtful Loans	Net	Net
		IRR Million	IRR Million	IRR Million	IRR Million	IRR Million	IRR Million	IRR Million	IRR Million
Claims from Subsidiary Companies-IRR	28-1	0	0	0	0	19,272,363	(289,085)	18,983,277	8,720,931
Claims from Associate Companies-IRR	28-1	16,259	(244)	16,015	587,042	16,259	(244)	16,015	587,042
Total claims from subsidiaries		**16,259**	**(244)**	**16,015**	**587,042**	**19,288,621**	**(289,329)**	**18,999,292**	**9,307,973**

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

	2024-25									
	assets and investments sales	assets and investments Purchase	Service purchase	Service sales	Prepayments Received	Prepayments Made	Dividends Receivable	Total	Provisions	Net
	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	16,259	0	16,259	(244)	16,015
Karafarin Bank financial group	0	0	0	0	(28,019)	9,392,249	1,740,049	11,104,279	(166,564)	10,937,715
Karafarin Leasing	0	0	0	0	(7,800)	72	464,199	456,471	(6,847)	449,624
Karafarin Bank Brokerage	0	0	0	0	0	0	160,000	160,000	(2,400)	157,600
Karafarin Foreign Exchange	0	0	0	0	(125,000)	13,972	349,140	238,112	(3,572)	234,541
Abnie Gostar Karafarin Construction	0	0	0	0	(94,397)	2,458,332	82,410	2,446,345	(36,695)	2,409,649
Amin Etemad Karafarin	0	0	0	0	0	23,813	0	23,813	(357)	23,456
Asre Amin Karafarin	0	0	0	0	0	1,334,441	22,624	1,357,065	(20,356)	1,336,709
Negahe Fardaye Karafarin IT Development	0	0	0	0	(161,384)	3,629,661	18,000	3,486,277	(52,294)	3,433,983
Total claims from subsidiary and associate companies	**0**	**0**	**0**	**0**	**(416,600)**	**16,868,799**	**2,836,422**	**19,288,621**	**(289,329)**	**18,999,292**

* The amount of 8,621 billion IRR payment to the financial group company concerns to the transfer of Karafarin leasing company's shares.

* The amount of 750 billion IRR payment to Abnie Gostar Karafarin Construction is due to the purchase of Kian tower property.

* The major amount of payment to the Negahe Fardaye Karafarin E-commerce Development concerns the transfer of Asre Amin Karafarin from the Karafarin financial group to Negahe Fardaye Karafarin E-commerce Development.

28.1. (Continued)

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

	2024-25				
	current	overdue	deferred	doubtful	total
	IRR Million	IRR Million	IRR Million	IRR Million	IRR Million
Claims from Subsidiary Companies-IRR	19,272,363	0	0	0	19,272,363
Claims from subsidiary Companies-IRR	16,259	0	0	0	16,259
Net Claims from Subsidiary & Associate Companies before Deduction of Provision for Doubtful Loans	19,288,621	0	0	0	19,288,621
General Provision for Doubtful Loans	(289,329)	0	0	0	(289,329)
Special Provision for Doubtful Loans	0	0	0	0	0
Balance on 20.03.2025	**18,999,292**	**0**	**0**	**0**	**18,999,292**
Balance on 20.03.2024	**9,307,973**	**0**	**0**	**0**	**9,307,973**

29. Other Accounts Receivable

	Note	Group		Parent company			
		2024-25	2023-24	2024-25			2023-24
		net	net	balance	provision	net	Net
		IRR Million	IRR Million	IRR Million	IRR Million	IRR Million	IRR Million
Dividends Receivable	29-1	151,674	42,751	104	(2)	102	39,706
Realized Interest on Bonds		12,062,648	8,075,821	12,180,146	(182,702)	11,997,444	8,067,279
Claims from Employees		96,230	219,134	22,970	(345)	22,625	147,214
Temporary Debtors	29-2	253,234,417	174,367,523	225,217,433	(1,050,305)	224,167,128	162,571,492
Total Other Accounts Receivable		**265,544,970**	**182,705,229**	**237,420,653**	**(1,233,353)**	**236,187,299**	**170,825,691**

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

	Group		Parent company			
	2024-25	2023-24	2024-25			2023-24
	net	net	balance	provision	net	Net
	IRR Million	IRR Million	IRR Million	IRR Million	IRR Million	IRR Million
Companies Listed in TSE & OTC Market:						
Asre Novin Informatics (HiWeb)	0	29,578	0	0	30,028	29,578
Iran industry investment co.	43	43	44	43	44	43
Iran Credit Rating	0	563	0	0	571	563
Shaparak credit Card	59	4,590	60	59	4,660	4,590
Mapna	0	4,932	0	0	5,007	4,932
Others	151,572	3,045	0	0	0	0
Balance of Dividends Receivable	**151,674**	**42,751**	**104**	**102**	**40,311**	**39,706**

29.2. Temporary debtors are as follow:

	Note	Group		Parent company			
		2024-25	2023-24	2024-25			2023-24
		net	net	balance	provision	net	Net
		IRR Million	IRR Million	IRR Million	IRR Million	IRR Million	IRR Million
Items Related with Loans:							
Legal & Debt Collection Expenses	29-2-1	3,401,934	1,981,567	3,453,740	3,401,934	2,011,743	1,981,567
Total		**3,401,934**	**1,981,567**	**3,453,740**	**3,401,934**	**2,011,743**	**1,981,567**
Items Unrelated with Loans:							
Temporary Foreign Currency Debtors	29-2-2	220,101,285	163,284,857	213,103,379	212,422,289	157,810,600	157,481,376
Foreign Currency Commission Debtors		57,275	328,513	58,147	57,275	333,516	328,513
Shaparak		0	84,616	0	0	85,905	84,616
Rey Daneh Co.	29-2-3	0	0	182,041	0	175,521	0
Alborz Bulk Pharmaceutical Production Co.	29-2-3	0	0	62	0	157,074	0
Exir Pharmaceutical Co.	29-2-3	0	0	8,256	0	8,256	0
Dividends Receivable on Deposits Held with Other Banks		81,986	11,971	83,235	81,986	12,153	11,971
Petty Cash Debtors		43,273	106,536	43,932	43,273	108,158	106,536
Current Account of Karafarin Brokerage	29-2-4	3,828,690	3,445,402	0	0	0	0
others	29-2-5	25,719,976	5,124,061	8,284,641	8,160,371	2,616,155	2,576,912
Total		**249,832,483**	**172,385,956**	**221,763,693**	**220,765,194**	**161,307,338**	**160,589,925**
Balance of Temporary Debtors		**253,234,417**	**174,367,523**	**225,217,433**	**224,167,128**	**163,319,081**	**162,571,492**

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

29.2.2. 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.

29.2.3. 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.

29.2.4. The amount of IRR 3,233,888 milion was granted as credit to customers of karafarin bank brokerages s securities company.

29.2.5. Receivables during the year include: amount of IRR 9,822,038 milion from leasing company customers, Receivables IRR 4,732,666 milion from the financial group, and IRR 20,333,256 from customers of Omid Karafrin Trad development company

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

	Parent Company				
	2024-25				
	current	overdue	deferred	doubtful	total
	IRR Million	IRR Million	IRR Million	IRR Million	IRR Million
Dividends Receivable	104	0	0	0	104
Realised interest on Bonds	12,180,146	0	0	0	12,180,146
Temporary Debtors	219,967,345	2,512,322	2,547,407	190,359	225,217,433
Claims from Employees	22,970	0	0	0	22,970
Net Other Accounts Receivable before Deduction of Provision for Doubtful Loans	232,170,565	2,512,322	2,547,407	190,359	237,420,653
General Provision for Doubtful Loans	(282,280)	0	0	0	(282,280)
Special Provision for Doubtful Loans		(251,232)	(509,481)	(190,359)	(951,073)
Balance on 20.03.2025	**231,888,284**	**2,261,089**	**2,037,926**	**0**	**236,187,299**
Balance on 20.03.2024	**169,807,834**	**1,017,857**	**0**	**0**	**170,825,691**

30. Investment in Shares and Other Securities

	Note	Group					
		2024-25			2023-24		
		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	30-1	507,075	9,311,249	9,818,324	2,493,680	5,724,828	8,218,508
Investment in Other Shares	30-2	0	11,310,399	11,310,399	0	4,826,806	4,826,806
Investment in Other Securities	30-3	44,198,772	29,374,631	73,573,402	30,248,073	23,104,225	53,352,297
Investment in Construction Projects		0	3,555,460	3,555,460	0	310,622	310,622
Total Investment in Shares and Other Securities		**44,705,846**	**53,551,739**	**98,257,586**	**32,741,752**	**33,966,480**	**66,708,233**

	Note	Parent Company					
		2024-25			2023-24		
		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	30-1	10	163,941	163,951	492,134	1,325,862	1,817,996
Investment in Other Shares	30-2	0	7,403,252	7,403,252	0	5,037,349	5,037,349
Investment in Other Securities	30-3	38,061,578	29,374,631	67,436,209	23,305,818	23,104,225	46,410,042
Total Investment in Shares and Other Securities		**38,061,588**	**36,941,823**	**75,003,411**	**23,797,952**	**29,467,435**	**53,265,387**

30.1. Investment in rapidly marketable shares are as follow:

30.1.1. Current investment in rapidly marketable shares

	Group		Parent company								
	2024-25	2023-24	2024-25						2023-24		
	cost	cost	Source	Shares	investment	cost	Realizable value	Market value	cost	Realizable value	Market value
	IRR Million	IRR Million			percentage	IRR Million	IRR Million	IRR Million	IRR Million	IRR Million	IRR Million
Shares of Companies Listed in TSE:											
Asre Novin Informatics (HiWeb)	411,221	1,035,968	Possess	0	0.00%	0	0	0	1,018,781	492,508	496,881
Put Option- valkar	10	10	Purchase	0	0.00%	10	10	10	10	10	10
Others	206,697	1,992,931		0	0.00%	0	0	0	0	0	0
	617,928	**3,028,909**			**0.00%**	**10**	**10**	**10**	**1,018,792**	**492,519**	**496,891**
Companies Listed in OTC Market:											
Total	**617,928**	**3,028,909**				**10**	**10**	**10**	**1,018,792**	**492,519**	**496,891**
Add:											
Cost adjustment	(110,853)	(535,229)				0	0	0	(526,657)	0	0
Total investment in rapidly marketable shares	**507,075**	**2,493,680**				**10**	**10**	**10**	**492,134**	**492,519**	**496,891**

30.1.2. Long-term investments in rapidly marketable shares

	Note	Group				Parent company								
		2024-25		2023-24		2024-25							2023-24	
		Cost/ Equity Method	Net Carrying Amount/ Equity Method	Cost/ Equity Method	Net Carrying Amount/ Equity Method	Source	Shares	investment	cost	Accumulated Impairment	Net Realizable Value	market value	Net Realizable Value	Market value
		IRR Million	IRR Million	IRR Million	IRR Million			percentage	IRR Million	IRR Million	IRR Million	IRR Million	IRR Million	IRR Million
Shares of Companies Listed in TSE:														
TSE		1,500	1,500	1,500	1,500	Purchase	239,999,948	1%	1,500	0	1,500	770,640	1,500	1,070,160
Karafarin Leasing	30-1-2-1	0	0	0	0	establishment	10,000	0%	11	0	11	28	1,161,932	5,963,952
Total		**1,500**	**1,500**	**1,500**	**1,500**				**1,511**	**0**	**1,511**	**770,667**	**1,163,432**	**7,034,111**
Companies Listed in OTC Market:														
Farabourse Iran (OTC Market)		264	264	264	264	Purchase	34,886,279	0%	264	0	264	165,117	264	179,601
Karafarin Insurance		9,309,485	9,309,485	5,723,064	5,723,064	establishment	2,999,621,701	20%	162,165	0	162,165	6,965,122	162,165	7,957,396
Karafarin Insurance (Unregistered Bonus Shares)		0	0	0	0	establishment	599,924,339	0%	0	0	0	0	0	1,989,349
Total		9,309,749	9,309,749	5,723,328	5,723,328				162,429	0	162,429	7,130,238	162,429	10,126,346
Total Long-term investments in rapidly marketable shares		**9,311,249**	**9,311,249**	**5,724,828**	**5,724,828**				**163,941**	**0**	**163,941**	**7,900,906**	**1,325,862**	**17,160,458**

30.1.2.1. Regarding Karafarin Leasing Company, pursuant to the public notice published on the official website of the Securities and Exchange Organization (SEO) under the subject of block share offering (Notice No. 181/4038125 dated August 31, 2024), and based on the official trading advertisements and the report from the Equity Market Operations Management, a total of 2,128,668,232 shares of Karafarin Leasing Company were transferred to Karafarin Financial Group Company through block transactions (under conditional terms) at a price of IRR 4,500 per share. These transactions took place in two stages on Wednesday, September 18, 2024, and Monday, February 17, 2025.

30.1.2.2 Investment in affiliated companies

Group	2024-25						2023-24
	Listed companies(TSE/IFB)	Number of Shares	% of Ownership	Net Asset value / cost price	Accumulated Impairment	Book value	Book value
Karafarin Insurance	listed	4,482,950,400	23	9,309,485	0	9,309,485	5,723,064
Kourosh Petrochemical Industries Development Company	unlisted	1,999,999,980	27	4,154,966	0	4,154,966	0
Koumeh Sanat Copper Company	unlisted	437,499,000	24	1,748,414	0	1,748,414	1,776,305
Setaregan Non-Governmental Research and Technology Fund for Rapid Enterpreneurship Develoment	unlisted	165,000,000	33	786,481	0	786,481	0
Adan Nik Afzar Engineering co.	unlisted	1,500,000	15	308,215	0	308,215	0
Radin IT Innovations Co.	unlisted	6,250	20	157,846	0	157,846	0
				16,465,406	**0**	**16,465,406**	**7,499,369**
Parent company							
Karafarin Insurance	listed	3,599,546,040	20	162,165	0	162,165	162,165
				162,165	**0**	**162,165**	**162,165**

30.1.2.3 Condensed Financial Information of Affiliated Entities

The summary of financial information of the significant affiliated companies of the Group is as follows:

	Karafarin Insurance		Kourosh Petrochemical Industries Development Company Koumeh Sanat Copper Company		Koumeh Sanat Copper Company		Setaregan Non-Governmental Research and Technology Fund for Rapid		Adan Nik Afzar Engineering co.		Radin IT Innovations Co	
	2024-25	2023-24	2024-25	2023-24	2024-25	2023-24	2024-25	2023-24	2024-25	2023-24	2024-25	2023-24
Current Assets	224,309,741	161,342,239	1,161,738	0	2,152,543	2,152,543	2,159,406	0	250,056	0	356,621	0
Non-Current Assets	0	0	3,192,774	0	2,840,975	2,840,975	1,021,938	0	311,186	0	84,933	0
Total Assets	**224,309,741**	**161,342,239**	**4,354,512**	**0**	**4,993,518**	**4,993,518**	**3,181,344**	**0**	**561,243**	**0**	**441,554**	**0**
Current Liabilities	(190,134,672)	(138,447,126)	(298,798)	0	(919,060)	(919,060)	(2,139,150)	0	(328,136)	0	(383,040)	0
Non- Current Liabilities	0	0	(18,200)	0	(669,611)	(669,611)	(10,409)	0	(33,961)	0	0	0
Total Liabilities	**(190,134,672)**	**(138,447,126)**	**(316,998)**	**0**	**(1,588,671)**	**(1,588,671)**	**(2,149,559)**	**0**	**(362,097)**	**0**	**(383,040)**	**0**
Operating Revenue	85,244,472	55,426,482	0	0	0	1,482,607	341,481	0	354,925	0	166,737	0
Profit(Loss) from Continuing Operations	14,221,034	6,263,913	(154,091)	0	0	564,045	155,981	0	19,890	0	13,855	0
Profit(Loss) from Discontinued Operations after Tax	0	0	0	0	0	0	251,102	0	30,980	0	2,427	0
Net Profit(Loss)	14,221,034	6,263,913	(154,091)	0	0	564,045	251,102	0	30,980	0	2,427	0
Other Comprehensive Income Items	0	0	0	0	0	0	0	0	0	0	0	0
Comprehensive Income	14,221,034	6,263,913	0	0	0	0	0	0	0	0	0	0

30.1.2.4 Condensed Financial Information of Affiliated Entities

Reconciliation Statement of the Above Financial Information with the Carrying Amount Recognized in the Consolidated Financial Statements:

	Karafarin Insurance		Kourosh Petrochemical Industries Development Company Koumeh Sanat Copper Company		Koumeh Sanat Copper Company		Setaregan Non-Governmental Research and Technology Fund for Rapid		Adan Nik Afzar Engineering co.		Radin IT Innovations Co	
	2024-25	2023-24	2024-25	2023-24	2024-25	2023-24	2024-25	2023-24	2024-25	2023-24	2024-25	2023-24
Net Assets	34,175,069	22,895,113	4,037,514	0	3,404,847	3,404,847	1,031,785	0	199,146	0	58,514	0
Groups Share of Net Assets	7,960,372	5,599,085	1,615,006	0	1,191,696	1,191,696	340,489	0	29,872	0	11,703	0
Fair Value Adjustments to Net Assets												
Other Adjustments	1,349,112	123,979	2,539,960	0	556,718	584,609	445,991	0	278,343	0	146,143	0
Carrying Amount of the Groups interest	9,309,485	5,723,064	4,154,966	0	1,748,414	1,776,305	786,481	0	308,215	0	157,846	0

30.1.2.4.1 On August 10, 2024, Karafarin Bank Financial Group Company disposed of 60% of the total voting shares of Kourosh Petrochemical Industries Company. Subsequently, on September 21, 2024, and November 26, 2024, it disposed of all the voting shares of Omid Karafarin Wealth Management Company. As a result, the Group lost control over these companies. However, it currently retains significant influence over Kourosh Petrochemical Industries Company.

30.1.2.5. The Group's Investment in the Affiliated Company (Karafarin Insurance) is as follows:

Group	2024-25							2023-24	
	Listed companies(TSE/IFB)	Number of Shares	% of Ownership	Net Asset value / cost price	Accumulated Impairment	Book value	Market value	Book value	Market value
Karafarin Bank	listed	3,599,546,040	20%	7,733,423	0	162,165	6,965,122	162,165	9,946,746
Karafarin Bank Financial Group	unlisted	883,404,360	4.91%	0	0	1,413,897	2,051,265	1,822,251	3,302,239
				7,733,423	**0**	**1,576,062**	**9,016,387**	**1,984,416**	**13,248,984**

30.1.2.6. Group's Share of Net Assets of Affiliated Companies as follows:

	2024-25	2023-24
	IRR Million	IRR Million
Balance at the Beginning of the year	5,723,064	6,124,368
Acquired During the Year	265,604	0
Disposed of During the Year	0	(1,362,551)
Share of Net Profit of Affiliated Companies	3,320,817	1,616,002
Dividends Received During the Year	0	(654,755)
Balance at the End of the Year	9,309,485	5,723,064

30.1.2.7. The Group's Share of Net Assets of Affiliated Companies at Year-End, Including Goodwill, is as follows:

	2024-25	2023-24
	IRR Million	IRR Million
Balance at the Beginning of the year	5,723,064	6,124,368
Acquired During the Year	3,586,421	961,247
Disposed of During the Year	0	(1,362,551)
Balance at the End of the Year	9,309,485	5,723,064

30.2 Investment in Other Shares is as follows:

30.2.1 Current Investment in Other Shares:

The Bank has no current investment in other shares.

30.2.2. Long-term investment in other shares

	Note	Group				Parent Company							
		2024-25		2023-24		2024-25						2023-24	
		Cost/ Equity Method	Net Carrying Amount/ Equity Method	Cost/ Equity Method	Net Carrying Amount/ Equity Method	Source	Shares	investment	cost	Net Carrying Amount	Net Realizable Value	cost	Net Carrying Amount
		IRR Million	IRR Million	IRR Million	IRR Million			percentage	IRR Million	IRR Million	IRR Million	IRR Million	IRR Million
Iran Investment Co.		19,250	19,250	19,250	19,250	Purchase	19,250,000	0.2%	19,250	0	19,250	19,250	19,250
SHAPARAK – Electronic Card Payment Network		9,000	9,000	4,400	4,400	Purchase	10,000,000	0.1%	9,000	0	9,000	4,400	4,400
Iran Credit Rating Consulting Co		450	450	450	450	Purchase	315,000	0.9%	450	0	450	450	450
Iran-Europe Trade and Finance Mechanism Company (STFI)		2,200	2,200	2,200	2,200	Purchase	220,000	11.0%	2,200	0	2,200	2,200	2,200
Karafarin Abnieh Gostar Co.		0	0	0	0	Establishment	8,499,999	85.0%	24,469	0	24,469	24,469	24,469
Karafarin Bank Financial Group		0	0	0	0	Establishment	1,410,088,235	67.15%	1,410,088	0	1,410,088	1,410,088	1,410,088
Karafarin Exchange Co.		0	0	0	0	Establishment	1,999,600,000	100.0%	1,601,680	0	1,601,680	39,992	39,992
Karafarin Bank Brokerage Co.		0	0	0	0	Establishment	2,799,999,776	100.0%	2,598,000	0	2,598,000	1,798,000	1,798,000
Asr Amin Karafarin Co.		0	0	0	0	Establishment	235,664,100	19.98%	238,116	0	238,116	238,116	238,116
Negah Fardaye Karafarin Technology Development Co.		0	0	0	0	Establishment	1,499,999,600	100.0%	1,500,000	0	1,500,000	1,500,000	1,500,000
Kourosh Petrochemical Industries Development Co		4,154,966	4,154,966	0	0		-	0.0%	0	0	0	0	0
Koumeh Sanat Copper Co.		1,776,305	1,776,305	1,776,308	1,776,308		-	0.0%	0	0	0	0	0
Mofid Economic Group		487,642	487,642	283,906	283,906		-	0.0%	0	0	0	0	0
gal IT Pioneers – Brokers' Association Computing Co.		1,608	1,608	1,608	1,608		-	0.0%	0	0	0	0	0
Pars Reinsurance Co.		491,884	491,884	491,884	491,884								
Kian Ofogh Hybrid Co		598,416	598,416	0	0		-	0.0%	0	0	0	0	0
Karen Pioneers of Entrepreneurship Group		283,859	283,859	0	0		-	0.0%	0	0	0	0	0
SENBAD – Data-Driven Open Innovation Platform (Pre-Operational)		107,225	107,225	0	0		-	0.0%	0	0	0	0	0
Venture Capital Investments	30.2.2.1	**3,377,594**	**3,377,594**	2,246,416	2,246,416		-	0.0%	0	0	0	0	0
Other Companies		0	0	384	384		-	0.0%	0	0	0	384	384
Total Long-term investments in other shares		**11,310,399**	**11,310,399**	**4,826,806**	**4,826,806**				**7,403,252**	**0**	**7,403,252**	**5,037,349**	**5,037,349**

30.2.2.1 The non-current investment in other shares – other companies – mainly relates to venture capital investments made by Negah Fardaye Karafarin Technology Development Co.

30.2.2.2. Details of subsidiary and associate companies

	Location	% of Investment		Main Activity
		Group	Parent Company	
Associate Company:				
Karafarin Insurance Company	Tehran	23%	20%	Issuance of various insurance policies
Kourosh Petrochemical Industries Development Co.	Tehran	27%	0%	Production, processing, and distribution of chemical substances
Koumeh Sanat Copper Company	Tehran	24%	0%	Mining and extraction of metallic ores
Setaregan Non-Governmental Research and Technology Fund for Rapid	Tehran	33%	0%	Investment activities
Adan Nik Afzar Engineering co.	Tehran	15%	0%	Development and support of software applications& Silvers
Radin IT Innovations Co	Tehran	20%	0%	Provision of comprehensive hardware and software services
Subsidiaries Company:				
Karafarin Bank Financial Group Co.	Tehran	67%	67%	Equity participation in companies and institutions
Karafarin Leasing Co	Tehran	49%	0%	Cash and installment sales and lease-purchase agreements
Karafarin Bank Brokerage Co	Tehran	100%	100%	Trading of shares and securities
Karafarin Exchange Co	Tehran	100%	100%	Buying and selling of currencies, remittances, coins, gold, and silver
Karafarin Abnieh Gostar Co.	Tehran	95%	85%	Investment, joint ventures, construction, and execution of all permitted commercial and contracting operations
Omid Karafarin Trading Development Co.	Tehran	67%	0%	Conduct of all authorized commercial transactions
Amin Etemad Karafarin Co.	Tehran	67%	0%	Collection of non-performing loans on behalf of the Bank and its subsidiaries
Asr Amin Karafarin Co	Tehran	100%	20%	Provision of insurance services
Negah Fardaye Karafarin Technology Development Co	Tehran	100%	100%	Providing professional consulting services and implementation of IT and electronic projects
Negah Fardaye Karafarin E-Commerce Development Co	Tehran	100%	0%	Development of technical infrastructure for offering e-commerce services
Negah Fardaye Karafarin Banking Software Co.	Tehran	100%	0%	Provision of consultancy and execution of IT and electronic systems projects
Setareh Shargh Makran Petrochemical Co. (Chabahar Free Zone – Pre-operational)	Chabahar	67%	0%	Investment and participation in industrial projects related to oil, gas, petrochemical, and equipment
Kara Distributed Technologies Co	Tehran	67%	0%	Investment in information technology sectors
Setaregan Smart Wealth Management Strategy	Tehran	51%	0%	Provide of empowerment and development services for innovative and start-up businesses, including establishment and management of business accelerators

30.3. Investment in other securities

Issuer	Source	Bond Type	Average Interest Rate	Status	Group		Parent company	
					2024-25	2023-24	2024-25	2023-24
Government & State-Owned Companies								
Islamic Treasury Bills	purchase	Islamic Treasury	28	Free	2,731,081	41,146,655	2,731,081	290,026
Islamic Treasury Bills	purchase	Islamic Treasury	28	Collateral for Open Market FX Operations	27,502,414	0	27,502,414	40,856,629
Government Murabaha Bonds	purchase	Islamic Participation Bonds	26	Free	6,847,259	5,171,837	6,847,259	1,150,231
Government Murabaha Bonds	purchase	Murabaha	26	Collateral for Open Market FX Operations	30,150,699	0	30,150,699	4,021,606
Other Companies & Investment Funds:								
Karafarin Brokerage Mutual Investment Fund	purchase	Preferred Shares	23	Free	28,500	28,500	28,500	28,500
Karafarin Brokerage Mutual Investment Fund	purchase	normal Shares	20	Free	230,210	917,506	0	0
Arman Karafarin Investment Fund	purchase	Preferred Shares	23	Free	1,931,866	3,829,645	18,500	18,500
Karafarin Brokerage Index Investment Fund	purchase	Preferred Shares	-	Free	9,000	9,000	9,000	9,000
Karafarin Brokerage Index Investment Fund	purchase	normal Shares	20	Free	88,608	459,550	0	0
Market Development Mutual Investment Fund	purchase	normal Shares	-	Free	405,190	447,253	0	0
Karafarin Brokerage dedicated Market-Making Investment Fund	purchase	normal Shares	-	Free	98,756	182,095	98,756	35,550
Hami Noafarin Fintech dedicated Market-Making Investment Fund	purchase	normal Shares	-	Free	49,999	0	49,999	0
Setareh Bartar Venture Capital Fund	purchase	normal Shares	-		59,742	0	0	0
Firouzeh Investment Fund		normal Shares	-	Free	572,764	0	0	0
Mahour Fixed Income Investment Fund	purchase	normal Shares	-		217,136	0	0	0
Pishgaman Sarmayeh Noafarin Investment Fund	purchase	normal Shares	-	Free	99,999	0	0	0
Atiyeh Novin Fixed Income Investment Fund – EN Bank	purchase	normal Shares	-	Free	720,397	0	0	0
Avaye Fardaye Zagros Fixed Income Investment Fund	purchase	normal Shares	-	Free	189,590	0	0	0
Atiyeh Mellat Fixed Income Investment Fund	purchase	normal Shares	-	Free	411	0	0	0
Nahal Iranian Fixed Income Investment Fund	purchase	normal Shares	-	Free	242,864	0	0	0
Separ Sarmaye Bidar Fixed Income Investment Fund	purchase	normal Shares	-	Free	5,045	0	0	0
Kian Index Investment Fund	purchase	normal Shares	-	Free	2,003	0	0	0
Hastibakhsh Agah Investment Fund	purchase	normal Shares	-	Free	2,000	0	0	0
Lotus Gold-Backed Investment Fund	purchase	normal Shares	-	Free	1,985	0	0	0
Aseman Damoon Fixed Income Investment Fund – D	purchase	normal Shares	-	Free	611,182	0	0	0
Kara Type II Investment Fund – D	purchase	normal Shares	-	Free	276,063	0	0	0
Avaye Fardaye Zagros Fixed Income Investment Fund	purchase	normal Shares	-	Free	42,180	0	0	0
Pishgaman Sarmayeh Noafarin Investment Fund	purchase	normal Shares	-	Free	29,858	0	0	0
Karafarin Mutual Investment Fund	purchase	normal Shares	-	Free	191,821	903,782	0	0
Pouya Atlas Market-Making	purchase	normal Shares	-	Free	127,355	105,274	0	0
Murabaha – Hayer Plast 060717	purchase	normal Shares	-	Free	30,000	30,000	0	0
Murabaha – Sepid Motahar Entekhab 060719	purchase	normal Shares	-	Free	77,420	101,200	0	0
Mehregan Securities – Bank Mellat	purchase	normal Shares	-	Free	0	20,000	0	0
Charisma Leveraged Fixed Income Investment Fund	purchase	normal Shares	23	Free	5	0		
Total Investment in Other Securities							**67,436,209**	**46,410,042**

30.4. Investments by Nature of Banking and Non-Banking Activities are as follows:

	Parent Company			
	2024-25		2023-24	
	Net Carrying Amount	surplus	Net Carrying Amount	surplus
	IRR Million	IRR Million	IRR Million	IRR Million
Investments related to banking activities				
Shaparak E-payment Card Network	9,000	0	4,400	0
Credit Rating Advisory of Iran – IRR 10,000 Share	450	0	450	0
Special Trade and Finance Instrument (STFI)	2,200	0	2,200	0
Karafarin Exchange Co	1,601,680	0	39,992	0
Karafarin Leasing Co.	11	0	1,161,932	0
Tose'e Negahe Fardaye Karafarin	1,500,000	0	1,500,000	0
Islamic Treasury Bills	30,233,495	0	41,146,655	0
Government Murabaha Bonds	36,997,958	0	5,171,837	0
Abnie Gostar Karafarin Construction	24,469	0	24,469	0
	70,369,273	**0**	**49,051,945**	**0**
Investments related to non-banking activities:				
Asre Novin Informatics (HiWeb)	0	0	492,508	492,508
TSE	1,500	1,500	1,500	1,500
Karafarin Insurance Company	162,165	162,165	162,165	162,165
Iran Investment Company	19,250	19,250	19,250	19,250
OTC	264	264	264	264
Karafarin financial group	1,410,088	1,410,088	1,410,088	1,410,088
Karafarin brokerage	2,598,000	2,598,000	1,798,000	1,798,000
Asre amin karafarin	238,116	238,116	238,116	238,116
Karafarin Mutual Investment Fund – Preferred Units	28,500	28,500	28,500	28,500
Arman Karafarin Mutual Investment Fund – Preferred Units	18,500	18,500	18,500	18,500
Karafarin Brokerage Mutual Investment Fund	98,756	98,756	35,550	35,550
Hami Noafarin Fintech Market Making Exclusive Investment Fund (Velkar)	49,999	49,999	0	0
Karafarin Index Mutual Fund – Preferred Units	9,000	9,000	9,000	9,000
	4,634,139	4,634,139	4,213,442	4,213,442
Total Investment in shares and other securities	**75,003,411**	**4,634,139**	**53,265,387**	**4,213,442**

30.5. According to the regulations issued by the Central Bank of Iran governing the investments of banks and non-bank credit institutions, namely the "Directive on Investment in Securities", as of the balance sheet date, the Bank holds IRR 4,634,139 million in investments related to non-banking activities. It should be noted that any such investments related to non-banking activities are subject to the penalties stipulated in Article 17 of the "Law on Removing Barriers to Competitive Production and Improving the Financial System of the Country" as well as other applicable laws and regulations.

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

Bank regulatory capital	69,285,759
Investment limit per legal entity (5% of regulatory capital)	3,464,288
Permissible limit of total investments (20% of regulatory capital)	13,857,152
Organizational unit responsible for the implementation of regulations	Budget management and assembly affairs

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

	Note	Group		Parent company	
		2024-25	2023-24	2024-25	2023-24
		IRR Million	IRR Million	IRR Million	IRR Million
Land and buildings		8,376,330	0	8,376,330	0
Repossessed collateral	31-1	45,016,838	6,904,470	44,658,753	6,880,378
liabilities related to non-current assets held for sales		**53,393,168**	**6,904,470**	**53,035,083**	**6,880,378**

31.1. Repossessed collateral

The composition of the carrying amount of foreclosed collaterals of the Parent Company is as follows:

	03.21.2023	Repossessed during Year	Sale during Year	03.19.2024	Repossessed during Year	Sale during Year	03.20.2025
	IRR Million	IRR Million	IRR Million	IRR Million	IRR Million	IRR Million	IRR Million
Movable Assets:							
Furniture & Fixtures	0	0	0	0	0	0	0
Total Movable Assets	**0**	**0**	**0**	**0**	**0**	**0**	**0**
Immovable Assets:							
Residential	1,745,377	1,024,206	(444,837)	2,324,745	23,594,419	(766,219)	25,152,946
Office	113,091	0	0	113,091	9,895,239	0	10,008,330
Commercial	2,321,278	1,003,195	(1,470)	3,323,003	5,020,762	0	8,343,765
Lands	609,894	264,505	(12,984)	861,414	15,030	(4,178)	872,266
Residential/Commercial	82,719	149	(10,647)	72,222	23,321	0	95,543
Residential/Commercial/Office	190,015	180	(4,291)	185,904	0	0	185,904
Total Immovable Repossessed	5,062,373	2,292,235	(474,229)	6,880,378	38,548,771	(770,397)	44,658,753
Total Repossessed Collaterals	**5,062,373**	**2,292,235**	**(474,229)**	**6,880,378**	**38,548,771**	**(770,397)**	**44,658,753**
Accumulated Impairment	0			0			0
Net Repossessed Collateral	**5,062,373**			**6,880,378**			**44,658,753**
Sale Profit (Loss)	**1,247,134**			**10,561**			**487,304**

31.1.1. Breakdown of repossessed immovable collaterals in terms of age

	Parent Company	
	2024-25	2023-24
	IRR Million	IRR Million
Less than A Year from Repossession Date	38,509,446	2,289,519
1 Year to 2 Years from Repossession Date	1,689,729	861,444
Above 2 Years from Repossession Date	4,459,579	3,729,415
Balance of Repossessed Immovable Collaterals	**44,658,753**	**6,880,378**

31.1.2. Profit (loss) generated from selling repossessed collaterals is recognized in the statement of profit or loss and disclosed in Note 23-3.

31.1.3. In the financial year ended March 20, 2025, the Bank was obligated, in accordance with the laws and regulations issued by the Central Bank of the Islamic Republic of Iran, to dispose of repossessed collateral. Failure to do so within the prescribed period will result in legal and regulatory penalties, including those stipulated under Article 17 of the Law on Removing Barriers to Competitive Production and Improving the Financial System of the Country.

31.1.4. The necessary actions to prepare the repossessed assets for sale have been undertaken, and a portion of these assets was in the process of disposal as of the date of this note. In addition, planning and the required steps to obtain official valuation reports from judicial experts and determine the fair market value of the properties have been carried out. It should be noted that 127 cases of the Bank’s repossessed properties, with a total amount of IRR 2,930,041 million, are subject to third-party claims, and the Bank’s management is taking the necessary steps to resolve these disputes. Moreover, 59 cases of repossessed collateral amounting to IRR 29,812,058 million relate to assets under repossession that lack official ownership deeds in the name of the Bank. Additionally, 49 cases of repossessed collateral with a value of IRR 2,381,452 million do not have official single-title deeds registered in the Bank’s name, and efforts to obtain the relevant ownership documents are currently underway.

31.1.5. During the financial year ended March 20, 2025, six cases of repossessed and under-repossession properties with a total value of IRR 72,987 million were removed from the Bank's possession pursuant to court rulings, and their title deeds were annulled. Accordingly, these properties were excluded from the aforementioned category and, by necessity, their carrying amounts were included under the "Disposals during the year" section as disclosed in Note 31-1.

31.1.6. In the financial year ended March 20, 2025, ten cases of repossessed properties with a total value of IRR 50,407 million were cancelled through mutual agreement (Iqalah), and two cases of under-repossession properties with a value of IRR 4,222 million were contractually terminated. The carrying amounts of these properties have been included under the "Disposals during the year" section, as disclosed in Note 31-1.

31.1.7. Information related to repossessed residential properties that were either mutually cancelled or contractually terminated during the year 1403 (2024–2025), in accordance with Note 7 of Article 11 of the Central Bank of Iran's Directive on the Disposal of Surplus Assets, is presented in the table below:

2024-25					
Title Deed Number	Type	Date of Acquisition	Date of Iqalah	Acquisition Amount	Iqalah Amount
				IRR Million	IRR Million
125/4	Residential	30.05.2020	06.05.2024	1,049	2,886
124/17561	Residential	29.04.2017	21.05.2024	2,975	6,498
10/123	Lands	05.04.2023	11.09.2024	1,870	2,913
1311/159	Residential	04.02.2018	11.09.2024	3,899	4,353
1308/27	Residential	01.07.2014	11.09.2024	1,017	3,860
2541/1877	Residential	01.05.2018	11.09.2024	973	2,812
3542/1515	Residential	25.02.2019	17.03.2025	19,100	32,608
116/34063 116/34064 116/34066	Residential	01.08.2019	17.03.2025	11,725	69,688
52/22661	Residential	01.01.2018	17.03.2025	1,500	6,996
3526/9205	Residential	28.11.2022	18.03.2025	6,300	7,553
				50,407	**140,166**

Termination of Collateral Mortgage Contracts:

2024-25					
Title Deed Number	Type	Date of Acquisition	Date of contract Termination	Acquisition Amount	Termination Amount
				IRR Million	IRR Million
5/1041	Residential	06.07.2015	18.09.2024	176	637
1113/2880	Residential	02.09.2019	17.03.2025	4,045	7,281
				4,222	**7,919**

31.1.8. The Bank's non-current buildings held for sale, with a carrying amount of IRR 5,939,113 million, are covered by insurance policies against potential risks, including fire, flood, earthquake, explosion, and other unforeseen event.

32. fixed tangible asset

GROUP									
	land	buildings	Installations	Motor Vehicles	Furniture & Fixtures	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
Balance on 03.21.2023	**15,523,085**	**6,525,568**	**0**	**361,154**	**3,388,800**	**2,396,808**	**7,606,261**	**0**	**27,539,621**
Increase during Year	714,337	1,550,707	0	132,584	583,830	3,051,204	4,636,513	0	9,435,745
Asset Sale & Disposal	(510,259)	(350,127)	0	(15,359)	(24,543)	0	0	0	0
Other Transfers & Changes	1,133,355	941,494	0	25,638	1,493,688	(1,174,769)	(9,234,181)	0	(3,417,780)
Balance on 03.19.2024	**16,860,518**	**8,667,642**	**0**	**504,017**	**5,441,775**	**4,273,244**	**2,535,249**	**0**	**32,607,100**
Increase during Year	3,545,215	2,399,389	0	129,217	2,163,473	1,091,130	3,054,725	8,839	12,391,987
Asset Sale & Disposal	(1,581,151)	(973,227)	0	(50,648)	(110,639)	(2,498,779)	0	0	(5,214,444)
Transfers	(5,663,287)	(1,592,476)	0	0	0	0	0	0	(7,255,763)
Other Transfers & Changes	1,565,456	779,288	0	5,849	1,089,560	(106,556)	(3,427,038)	0	(93,440)
Balance on 03.19.2025	**14,726,751**	**9,280,615**	**0**	**588,436**	**8,584,169**	**5,857,171**	**187,889**	**8,839**	**39,233,869**
Accumulated Depreciation									
Balance on 03.21.2023	0	1,028,541	0	98,647	1,275,065	0	0	0	2,402,253
Depreciation for the Year	0	451,125	0	70,982	728,160	0	0	0	1,250,267
Impairment loss	0	0	0	0	0	1,200,000	0	0	1,200,000
Sold	0	(3,427)	0	(4,168)	(18,414)	0	0	0	(26,008)
Other Transfers & Changes	0	0	0	0	236	0	0	0	236
Balance on 03.19.2024	**0**	**1,476,239**	**0**	**165,461**	**1,985,047**	**1,200,000**	**0**	**0**	**4,826,748**
Depreciation for the Year	0	556,175	0	90,941	**1,284,267**	0	0	0	1,931,383
Sold	0	(63,507)	0	(13,326)	**(63,676)**	0	0	0	(140,509)
Other Transfers & Changes	0	(237,887)	0	0	**0**	0	0	0	(237,887)
Balance on 03.20.2025	**0**	**1,731,020**	**0**	**243,077**	**3,205,638**	**1,200,000**	**0**	**0**	**6,379,735**
Book value									
Balance on 03.21.2022	**15,523,085**	**5,497,026**	**0**	**262,507**	**2,113,736**	**4,273,244**	**2,535,249**	**0**	**30,204,847**
Balance on 03.20.2023	**16,860,518**	**7,191,402**	**0**	**338,556**	**3,456,728**	**6,171,375**	**560,202**	**0**	**34,578,782**
Balance on 03.20.2024	**14,726,751**	**7,549,595**	**0**	**345,359**	**5,378,530**	**4,657,171**	**187,889**	**8,839**	**32,854,135**

32.(Continued):

Parent Company									
	land	buildings	Installations	Motor Vehicles	Furniture & Fixtures	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
Balance on 03.21.2023	15,922,214	6,712,883	0	261,200	3,044,161	3,031,641	1,502,999	0	30,475,098
Increase during Year	**0**	881,380	0	66,860	481,877	1,494,116	2,261,372	0	5,185,605
Asset Sale & Disposal	**0**	0	0	0	(23,316)	0	0	0	(23,316)
Other Transfers & Changes	**0**	193,076	0	25,638	1,780,717	(289,811)	(1,902,405)	0	(192,785)
Balance on 03.19.2024	**15,922,214**	**7,787,340**	**0**	**353,698**	**5,283,439**	**4,235,946**	**1,861,966**	**0**	**35,444,602**
Increase during Year	2,068,046	965,906	0	1,261	2,493,028	990,749	2,825,857	0	9,344,846
Asset Sale & Disposal	(999,850)	0	0	0	(32,448)	0	0	0	(1,032,298)
Transfers	(5,663,287)	(1,592,476)	0	0	0	0	0	0	(7,255,763)
Other Transfers & Changes	1,565,456	726,611	0	5,849	949,926	(31,190)	(3,234,727)	0	(18,075)
Balance on 03.19.2025	**12,892,578**	**7,887,381**	**0**	**360,808**	**8,693,945**	**5,195,505**	**1,453,096**	**0**	**36,483,313**
Accumulated Depreciation									
Balance on 03.21.2023	0	1,158,822	0	79,443	1,125,891	0	0	0	2,364,155
Depreciation for the Year	0	365,404	0	50,639	639,470	0	0	0	1,055,513
Sold	0	0	0	0	(17,364)	0	0	0	(17,364)
Other Transfers & Changes	0	0	0	0	236	0	0	0	236
Balance on 03.19.2024	**0**	**1,524,226**	**0**	**130,081**	**1,748,233**	**0**	**0**	**0**	**3,402,540**
Depreciation for the Year	0	403,179	0	58,148	1,163,908	0	0	0	1,625,235
Sold	0	0	0	0	(30,494)	0	0	0	(30,494)
Other Transfers & Changes	0	(237,887)	0	0	0	0	0	0	(237,887)
Balance on 03.20.2025	**0**	**1,689,518**	**0**	**188,229**	**2,881,647**	**0**	**0**	**0**	**4,759,394**
Book value									
Balance on 03.21.2023	**15,922,214**	**5,554,061**	**0**	**181,757**	**1,918,271**	**3,031,641**	**1,502,999**	**0**	**28,110,943**
Balance on 03.20.2024	**15,922,214**	**6,263,114**	**0**	**223,617**	**3,535,206**	**4,235,946**	**1,861,966**	**0**	**32,042,062**
Balance on 03.20.2025	**12,892,578**	**6,197,863**	**0**	**172,579**	**5,812,298**	**5,195,505**	**1,453,096**	**0**	**31,723,919**

32.1. The bank's land and buildings have not been re-evaluated during the financial period ending on March 20, 2025.

32.2. Carrying amount of the revaluated lands at cost

	2024-25		2023-24	
	cost	Re-evaluation	cost	Re-evaluation
	IRR Million	IRR Million	IRR Million	IRR Million
Land	6,489,291	12,892,578	9,518,927	15,922,214
Total Carrying Amount of Revaluated Lands	**6,489,291**	**12,892,578**	**9,518,927**	**15,922,214**

32.3. Buildings and capital advances amounting to IRR 18,803,319 million and furniture and fixtures amounting to IRR 6,593,408 million are insured against potential risks such as fire, flood, earthquake, explosion, and other hazards. Assets under construction are covered by Contractors' All Risks (C.A.R) insurance, and vehicles are insured under comprehensive and third-party liability policies.

32.4. In accordance with the regulations issued by the Central Bank regarding the threshold for the disposal of surplus assets (net fixed assets ratio), as of the statement of financial position date, the Bank holds surplus assets amounting to IRR 32,792,560 million exceeding the prescribed limit. It is understood that any surplus assets are subject to penalties stipulated under Article 17 of the Law on Removing Barriers to Competitive Production and Enhancing the Financial System, as well as other relevant laws and regulations.

32.5. Additions to capital advances mainly pertain to the purchase of the new Taleghani branch amounting to IRR 770,320 million, acquisition of the upper floor of the Jaddeh Makhsous branch amounting to IRR 380,000 million, participation in the Quranic project amounting to IRR 336,011 million, implementation of the infrastructure for the Bucharest data center amounting to IRR 99,514 million, payment of municipal fees for the Urmia branch amounting to IRR 24,623 million, and purchase of the CASH LESS system amounting to IRR 191,640 million

32.6. Additions during the year to buildings primarily relate to the acquisition of properties in Taleghani and Karaj Special Road, as well as repair and renovation costs of branches and head office buildings.

32.7. Transfers from capital advances amounted to IRR 918,736 million to furniture and fixtures, IRR 726,611 million to buildings, IRR 1,565,456 million to land, IRR 5,849 million to vehicles, and IRR 18,075 million to software.

32.8. Additions during the year to furniture and fixtures primarily relate to the purchase of storage devices and equipment such as servers, sensors, switches, and computers from Negah Farda Karafarin Technology Development Company for equipping the Bucharest data center, acquisition of security equipment, as well as the purchase of paintings for the art gallery and ATM and cashless devices.

32.9. A total of 6 properties belonging to the Group and the Bank, amounting to IRR 1,480 billion, lack official title deeds registered in the name of the Bank and the Group. One of these properties, valued at IRR 50 billion, is classified under capital advances.

32.10. The major part of the non-productive capital prepayment relates to Porshkan Hospital Company, which, in accordance with the provisions of the executed sale agreement, will be transferred to the Bank at the end of 2027.

33. Intangible assets

	Group				Parent Company			
	goodwill	software	Public Utility Usage Rights	total	goodwill	software	Public Utility Usage Rights	total
	IRR Million	IRR Million	IRR Million	IRR Million	IRR Million	IRR Million	IRR Million	IRR Million
Cost:								
Balance on 03.21.2023	17,728,876	718,104	40,798	18,487,777	17,713,336	612,217	35,234	18,360,788
Increase during Year	0	607,923	0	607,923	0	598,210	44,069	642,280
Increase (Decrease) from evaluation	0	0	44,075	44,075	0	0	0	0
Other Changes & Transfers	0	192,785	0	192,785	0	192,785	0	192,785
Balance on 03.19.2024	**17,728,876**	**1,518,812**	**84,873**	**19,332,561**	**17,713,336**	**1,403,213**	**79,303**	**19,195,852**
Balance on 03.19.2025	17,728,876	1,518,812	84,873	19,332,561	17,713,336	1,403,213	79,303	19,195,852
Increase during Year	0	1,189,021	11,401	1,200,422	0	1,155,114	2,568	1,157,682
Transfers	(1,355,561)	0	0	(1,355,561)	(1,355,561)	0	0	(1,355,561)
Other Changes & Transfers	0	0	(4,173)	(4,173)	0	18,075	0	18,075
Balance on 03.20.2025	16,373,314	2,707,833	92,100	19,173,248	16,357,775	2,576,401	81,871	19,016,048
Accumulated Depreciation :								
Balance on 03.21.2023	0	326,846	843	327,689	0	0	0	252,820
Depreciation for the Year	0	220,543	839	221,382	0	252,820	0	203,450
Balance on 03.19.2024	0	547,389	1,681	549,071	0	203,450	0	456,270
Balance on 03.21.2024	0	547,389	1,681	549,071	0	456,270	0	456,270
Depreciation for the Year	0	547,635	0	547,635	0	531,942	0	531,942
Balance on 03.20.2025	0	1,095,024	1,681	1,096,706	0	988,213	0	988,213
Book value								
Balance on 03.21.2023	**17,728,876**	**391,258**	**39,955**	**18,160,089**	**17,713,336**	**359,397**	**35,234**	**18,107,967**
Balance on 03.20.2024	**17,728,876**	**971,422**	**83,192**	**18,783,490**	**17,713,336**	**946,942**	**79,303**	**18,739,582**
Balance on 03.20.2025	**16,373,314**	**1,612,809**	**90,419**	**18,076,542**	**16,357,775**	**1,588,188**	**81,871**	**18,027,835**

33.1. The goodwill related to the business premises was not subject to revaluation during the financial year ended March 19, 2025.

33.2. The carrying amount of the revalued goodwill pertaining to the business premises, measured using the cost method in the parent company, is presented as follows:

	2024-25		2023-24	
	cost	Re-evaluation	cost	Re-evaluation
	IRR Million	IRR Million	IRR Million	IRR Million
Goodwill on Business Premises	4,603,068	16,357,775	5,958,629	17,713,336
Total Carrying Amount of Revalued Goodwill on Business Premises	**4,603,068**	**16,357,775**	**5,958,629**	**17,713,336**

33.3. The increase during the year under intangible assets – software is mainly due to the acquisition of user rights for “Datin” and “HiBank” software as well as software licenses.

34. Legal Reserves

The statutory deposit pertains to the Parent Company and is detailed as follows:

	Group and Parent Company	
	2024-25	2023-24
	IRR Million	IRR Million
Legal deposit-main land branches-IRR	110,052,263	81,149,512
Legal deposit-main land branches-foreign currency	0	0
Legal deposit-deposits of branches of free zones-IRR	412,776	442,752
Total Legal Reserves	**110,465,039**	**81,592,264**

34.1. The statutory deposit maintained with the Central Bank has been calculated in accordance with Clause 3 of Article 14 of the Monetary and Banking Act and based on the reserve requirements determined by the Money and Credit Council, and has been confirmed by the Central Bank.

35. Other Assets

	Note	Group		parent Company	
		2024-25	2023-24	2024-25	2023-24
		IRR Million	IRR Million	IRR Million	IRR Million
Net Customers’ Debt for Term L/Cs	35-1	11,982,497	963,069	11,982,497	963,069
Deposit for Rented Buildings		182,507	106,975	177,500	106,970
Inventory of Furniture & Movable Assets		711,348	1,493,404	711,348	1,493,404
Prepayments		639,676	1,421,768	412,257	1,108,576
Gold		2,889	3,780	2,889	3,780
Stamp Duty		4,052	6,318	4,052	6,318
Cheque Printing Rights		5,173	6,389	5,173	6,389
Others		1,196,943	161,721	0	0
Total Other Assets		**14,725,084**	**4,163,424**	**13,295,716**	**3,688,505**

35.1. Net Customers’ Debt for Term L/Cs relating to the Parent Company

	Note	Group and parent Company	
		2023-24	2022-23
		IRR Million	IRR Million
Net Customers’ Debt for Term L/Cs-IRR		12,164,972	977,735
Net Customers’ Debt for Term L/Cs -foreign currency		0	0
Total Customer liabilities from deferred letters of credit		**12,164,972**	**977,735**
Less:			
General provision for doubtful debts	35-1-1	(182,475)	(14,666)
Net Customers’ Debt for Term L/Cs		**11,982,497**	**963,069**

35.1.1. turnover of general provision for doubtful loans

Group and parent Company		
	2024-25	2023-24
	IRR Million	IRR Million
Balance at Beginning of Year	14,666	72,970
Increase / decrease during Year	167,809	(58,304)
Balance at End of Year	**182,475**	**14,666**

35.2. goodwill

Group		
	2024-25	2023-24
	IRR Million	IRR Million
Cost at Beginning of Year	56,325	56,325
Goodwill acquired (Adjusted) during Year	0	0
Cost at End of Year	56,325	56,325
Accumulated Amortization at Beginning of Year	(56,320)	(56,320)
amortization for the Year	0	(1)
Accumulated amortization at End of Year	(56,320)	(56,320)
Carrying Amount	5	5

36. Deposits

	Note	Group		parent Company	
		2024-25	2023-24	2024-25	2023-24
		IRR million	IRR million	IRR million	IRR million
Individuals:					
Sight Deposits	36-1	17,382,742	11,525,664	17,382,742	11,525,664
Saving Deposits	36-2	19,707,719	10,830,315	19,707,719	10,830,315
Other Deposits & Advances Received	36-3	233,571	15,635,094	233,571	127,595
Total Individuals' Deposits		**37,324,032**	**37,991,074**	**37,324,032**	**22,483,575**
Legal Entities:					
Sight Deposits	36-1	189,457,921	93,925,058	198,016,234	94,616,329
Saving Deposits	36-2	25,813,434	17,410,885	25,827,513	17,410,885
Other Deposits & Advances Received	36-3	28,629,237	260,741	28,629,237	15,768,241
Total Legal Entities' Deposits		**243,900,592**	**111,596,684**	**252,472,984**	**127,795,455**
Term investment deposits	36-4	631,904,454	482,064,542	642,273,048	483,016,392
Total Deposits		**913,129,078**	**631,652,300**	**932,070,064**	**633,295,422**

36.1. deposits and similar items of individuals and legal entities

	Group		parent Company	
	2024-25	2023-24	2024-25	2023-24
	IRR Million	IRR Million	IRR Million	IRR Million
Current Gharz-al Hassaneh Deposits-IRR	205,755,071	105,267,713	214,313,384	105,958,984
Current Gharz-al Hassaneh Deposits-Foreign Currency	1,005,401	183,009	1,005,401	183,009
Unspent funds for administrative use	80,191	0	80,191	0
Total Deposits and Similar Items	**206,840,663**	**105,450,722**	**215,398,976**	**106,141,994**

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

	Group		parent Company	
	2024-25	2023-24	2024-25	2023-24
	IRR Million	IRR Million	IRR Million	IRR Million
Current Gharz-al Hassaneh Deposits-IRR	30,836,444	16,930,472	30,836,487	16,930,472
Current Gharz-al Hassaneh Deposits-Foreign Currency	14,684,709	11,310,728	14,698,746	11,310,728
Total Saving Deposits & Similar Items	**45,521,153**	**28,241,200**	**45,535,232**	**28,241,200**

36.3. Other deposits and advances received

	Group		parent Company	
	2024-25	2023-24	2024-25	2023-24
	IRR Million	IRR Million	IRR Million	IRR Million
Cash Deposits for L/Gs-IRR	20,997,689	15,013,166	20,997,689	15,013,166
Cash Deposits for L/Gs-Foreign Currency	103,938	237,748	103,938	237,748
Advances Received on L/Cs-IRR	540,113	182,016	540,113	182,016
Advances Received on L/Cs-Foreign Currency	3,258,901	195,947	3,258,901	195,947
Others (Including 10,647 Items)	3,962,167	266,959	3,962,167	266,959
Total Other Deposits & Advances Received	**28,862,808**	**15,895,836**	**28,862,808**	**15,895,836**

36.4. term investment deposits

	Note	Group		parent Company	
		2024-25	2023-24	2024-25	2023-24
		IRR Million	IRR Million	IRR Million	IRR Million
Term investment deposits					
Ordinary short-term investment deposits	36-4-1	106,960,602	97,753,586	111,524,147	98,700,386
special short-term investment deposits	36-4-1	32,708,470	15,863,443	32,708,470	15,863,443
Long term investment deposits	36-4-1	486,731,568	362,841,859	492,536,618	362,846,909
Investment deposits received from banks and non-bank credit institutions	36-4-1	109,350,356	24,112,113	109,350,356	24,112,113
Total term investment deposits		**735,750,995**	**500,571,000**	**746,119,590**	**501,522,850**
Interest payable on term investment deposits					
Ordinary short-term investment deposits	36-4-2	198,246	564,612	198,246	564,612
special short-term investment deposits	36-4-2	257,409	96,386	257,409	96,386
Long term investment deposits	36-4-2	5,048,159	4,944,658	5,048,159	4,944,658
Total Interest payable on term investment deposits		**5,503,814**	**5,605,655**	**5,503,814**	**5,605,655**
Total term investment deposits		**741,254,809**	**506,176,655**	**751,623,404**	**507,128,505**
Less: Principal and interest of investment deposits received from banks and non-bank credit institutions	37	(109,350,356)	(24,112,113)	(109,350,356)	(24,112,113)
Term investment deposits		**631,904,454**	**482,064,542**	**642,273,048**	**483,016,392**

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

	Parent Company					
	2024-25			2023-24		
	IRR	Foreign currency	Total	IRR	Foreign currency	Total
	IRR Million	IRR Million	IRR Million	IRR Million	IRR Million	IRR Million
Investment Deposits Received from Banks & Credit Institutes	0	109,350,356	109,350,356	0	24,112,113	24,112,113
Ordinary Short-term Investment Deposits	111,524,147	0	111,524,147	98,700,386	0	98,700,386
Special Short-term Investment Deposit:						
Up to 3 Months	2,127	124,901	127,027	144,392	72,719	217,110
Above 3 Months to 6 Months	32,530,145	51,297	32,581,442	15,616,131	30,201	15,646,332
Total Special Short-term Investment Deposit	32,532,272	176,198	32,708,470	15,760,523	102,920	15,863,443
Long-term Investment Deposits:						
General long-term Deposit	557,993	0	557,993	5,917,641	0	5,917,641
Special long-term Deposit	17,289,155	0	17,289,155	19,772,010	0	19,772,010
1 Year	301,400,058	4,208,530	305,608,587	107,022,639	2,256,089	109,278,728
2 Year	17,079,623	0	17,079,623	38,178,866	0	38,178,866
3 Year	152,001,260	0	152,001,260	189,699,665	0	189,699,665
Total long Term Investment Deposits	488,328,088	4,208,530	492,536,618	360,590,820	2,256,089	362,846,909
Total Term Investment Deposits	**632,384,506**	**113,735,083**	**746,119,590**	**475,051,728**	**26,471,122**	**501,522,850**

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

	2024-25							2023-24
	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	15,480	8,460	2,704	0	681	27,325	200
2024-25	0	100,105	9,951	0	0	60,237	170,293	51,458
2025-26	5,168,359	306,821,460	0	0	0	21,436,766	333,426,585	161,757,972
2026-27	40,940,930	11,756,361	0	0	0	0	52,697,291	22,626,176
2027-28	106,207,954	7,170	0	0	0	0	106,215,124	178,411,102
Total Long-term Investment Deposits	152,317,242	318,700,577	18,411	2,704	0	21,497,685	492,536,618	362,846,909
03.20.2024	**209,977,796**	**136,399,301**	**14,076,989**	**0**	**0**	**2,392,823**	**362,846,909**	

36.4.1.2. Turnover of investment IRR deposits of the Parent Company

	Balance on 20.03.2024	Deposits Attracted during Year	Deposits Repayment	Balance on 20.03.2025
	IRR Million	IRR Million	IRR Million	IRR Million
General Deposit Certificate	5,917,641	0	5,359,648	557,993
Special Deposit Certificate	19,772,010	669,216	3,152,071	17,289,155
1 Year	107,022,639	523,784,603	329,407,184	301,400,058
2 Year	38,178,866	4,797,702	25,896,945	17,079,623
3 Year	189,699,665	167,704,123	205,402,528	152,001,260
Ordinary Short-term Deposits	98,700,386	3,460,153,953	3,447,330,191	111,524,147
Special Short-term Deposits	15,760,523	38,510,832	21,739,083	32,532,272
Balance of Investment IRR Deposits	**475,051,728**	**4,195,620,428**	**4,038,287,650**	**632,384,506**

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

	Parent Company					
	2024-25				2023-24	
	Balance on 03.20.2024	Deposits Attracted during the Year	Deposits Repayment	Balance on 03.20.2025	Balance on 03.20.2025	Balance on 03.20.2024
	Foreign Currency Amount	Foreign Currency Amount	Foreign Currency Amount	Foreign Currency Amount	IRR Equivalent	IRR Equivalent
Long-term Deposits:						
USD	4,433,134	3,528,334	2,739,910	5,221,558	3,556,941	1,781,575
EUR	1,084,024	623,640	831,915	875,749	651,589	474,514
Special & Ordinary Short-term Deposits:						
USD	20,608	5,015	2,015	23,608	16,081	8,282
EUR	216,200	0	1,000	215,200	160,117	94,638
Investment Deposits Received from banks & Credit Institutes						
USD	0	30,200,000	0	30,200,000	20,572,331	0
AED	100,000,000	310,480,278	70,000,000	340,480,278	63,154,665	10,942,900
EUR	30,084,968	38,371,876	34,018,511	34,438,333	25,623,360	13,169,213
Total Foreign Currency Investment Deposits	**135,838,933**	**383,209,143**	**107,593,351**	**411,454,725**	**113,735,083**	**26,471,122**

36.4.1.4. Breakdown of the Parent Company's investment deposits

	Parent Company			
	2024-25	2023-24	2024-25	2023-24
	No. of Depositors	IRR Million	No. of Depositors	IRR Million
IRR Deposits:				
Legal Entities	15,611	273,370,807	14,231	184,536,154
Individuals	711,754	359,013,700	608,377	290,515,575
Investment Deposits Received from Banks & Credit Institutes	0	0	0	0
Total IRR Deposits	**727,365**	**632,384,506**	**622,608**	**475,051,728**
Foreign Currency Deposits :				
Legal Entities	35	229,238	16	35,258
Individuals	1,906	4,155,489	723	2,323,751
Investment Deposits Received from Banks & Credit Institutes	9	109,350,356	4	24,112,113
Total Foreign Currency Deposits	**1,950**	**113,735,083**	**743**	**26,471,122**
Total Investment Deposits	**729,315**	**746,119,590**	**623,351**	**501,522,850**

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

	Balance on 03.20.2024	On-account Interest during Year	Difference in Final & On-account Interest	Interest Paid during Year	Balance on 03.20.2025
	IRR Million	IRR Million	IRR Million	IRR Million	IRR Million
Ordinary Short-term Deposits	564,612	6,281,765	0	(6,648,131)	198,246
Special Short-term Deposits	96,368	3,612,510	0	(3,451,498)	257,380
General Deposit Certificate	307,303	1,399,601	0	(1,705,756)	1,148
1 Year deposits	1,103,769	62,263,656	0	(60,420,986)	2,946,439
2 Year deposits	612,523	5,913,963	0	(6,232,583)	293,903
3 Year deposits	2,918,088	34,206,571	0	(35,321,431)	1,803,228
Investment Deposits Received from Banks & Credit Institutes	0	11,035,850	0	(11,035,850)	0
Foreign Currency Deposits	2,992	44,253	0	(43,775)	3,470
Total Interest Payable to Term Investment Deposits	**5,605,655**	**124,758,169**	**0**	**(124,860,011)**	**5,503,814**

36.4.2.1. According to Circular No. 94/69383 dated June 10, 2015, the method for determining the share of each type of investment deposit from the difference between the actual and provisional profit has been applied in the above table.

37. Dues to Banks and Credit Institutes

	Note	Group		Parent Company	
		2024-25	2023-24	2024-25	2023-24
		IRR Million	IRR Million	IRR Million	IRR Million
Deposit-IRR		3,384	13,037	3,384	13,037
Sight Deposits-Foreign Currency	25-6	678,704,352	369,076,050	678,704,352	369,076,050
Term Deposits-Foreign Currency		39,273,429	3,078,106	39,273,429	3,078,106
Dues on Repo		66,973,611	51,864,130	66,973,611	0
Others		546,607	0	546,607	51,864,130
Total Dues to the CBI		**785,501,384**	**424,031,324**	**785,501,384**	**424,031,324**
Sight Deposits-IRR		16,031,475	6,207,205	16,031,475	6,207,205
Sight Deposits-Foreign Currency		60,041,568	61,675,633	60,041,568	61,675,633
Received Loans-IRR	37-1	8,583,253	5,770,586	0	0
Investment Deposits Received from banks and transfer credit institutions from (Term Investment deposit)	36-4	98,487,430	16,541,727	98,487,430	16,541,727
Total Dues to Local Banks & Credit Institutes:		**183,143,726**	**90,195,151**	**174,560,473**	**84,424,565**
Foreign Banks & Credit Institutes:					
Sight Deposits-Foreign Currency		6,414	3,780	6,414	3,780
Investment Deposits Received from banks and transfer credit institutions from (Term Investment deposit)		10,862,926	7,570,386	10,862,926	7,570,386
Total Dues to Foreign Banks & Credit Institutes:		10,869,339	7,574,166	10,869,339	7,574,166
Total Dues to Banks & Credit Institutes:		**979,514,449**	**521,800,641**	**970,931,196**	**516,030,055**

37.1. The Rial-denominated facilities received from domestic banks and credit institutions pertain to loans granted to Karafarin Financial Group by Bank Eghtesad Novin, Bank Iran Zamin, Bank Pasargad, Bank Gardeshgari, and Bank Parsian with an interest rate of 23% and maturity in the year March 2026 (1404).

In addition, six loan facilities have been granted to Karafarin Brokerage Company by Bank Dey, Bank Tejarat, Bank Mellat, Bank Shahr, and Bank Saderat, also bearing an interest rate of 23% and maturing in the year March 2026 (1404).

38. Dividends Payable

	Group & Parent Company					
	DPS	Ratified Dividends	Balance on 20.03.2024	Dividends Paid during 2024-25	Capital Increase from Claims	Balance on 20.03.2025
	IRR Million	IRR Million	IRR Million	IRR Million	IRR Million	IRR Million
Balance of dividends payable from Previous Years		0	19,028	600	0	18,428
Year Ended 20.03.2023	163	7,498,000	5,806	1,230	0	4,576
Year Ended 20.03.2024	66	3,300,000	0	3,276,040	0	23,960
Total			**24,834**	**3,277,870**	**0**	**46,964**

* A significant portion of the outstanding balance of dividends payable pertains to shareholders who are either deceased or no longer reside in Iran. Despite public announcements, including SMS notifications and publication of the dividend payment schedule on the Codal system and the Bank's official website, no bank account details have been provided by such shareholders for the purpose of dividend transfer.
It should be noted that, in line with the Bank's policy of protecting shareholder rights, a portion of long-outstanding dividend entitlements belonging to shareholders registered in the Sejam system was settled through the aforementioned platform in during April-May 2024-25.

39. Corporation Tax Provision

	Group		Parent Company	
	2024-25	2023-24	2024-25	2023-24
	IRR Million	IRR Million	IRR Million	IRR Million
Balance at Beginning of Year	3,566,887	2,575,329	2,371,613	1,924,159
Correcting Corporation Tax of Previous Years	193,512	835,476	0	1,037,901
Paid during the Year	3,805,242	1,746,022	2,621,301	572,584
Paid from Previous Years	2,428,387	0	2,428,387	0
Corporation Tax Provision	(839,010)	(1,589,939)	0	(1,163,032)
Balance at End of Year	**9,155,019**	**3,566,887**	**7,421,301**	**2,371,613**

39.1. The bank's income tax for all years prior to 2016 (1395) has been finalized and settled. The summary of income tax payable status for the years 2015 (1394) through the end of March 2025 (Esfand 1403) is as follows:

Fiscal Year	2024-25							2023-24	IRR Million
	Declared Profit (Loss)	Taxable Income	Declared	Recognized	Tax Final	Paid	Provision Balance	Provision Balance	Recognition Method
2015-16	3,196,510	2,643,235	528,647	1,089,012	896,780	896,780	0	0	Objection at the Peer Committee (in execution of Court ruling)
2016-17	1,819,020	483,269	96,654	750,497	431,784	96,654	250,000	123,637	Objection at the Peer Committee (in execution of Council ruling)
2017-18	630,365	0	0	1,248,745	468,567	468,567	0	0	Objection at the Peer Committee (in execution of Court ruling)
2018-19	1,237,392	0	0	945,250	694,465	694,465	0	0	Objection at the Peer Committee (in execution of Court ruling)
2019-20	3,085,761	476,036	95,207	1,874,922	894,564	95,207	0	0	Objection at the Supreme Tax Council
2020-21	12,301,803	0	171,703	1,925,504	1,427,806	171,703	950,000	700,000	Objection at the Peer Committee (in execution of Court ruling)
2021-22	13,644,277	2,099,619	472,414	1,857,940	1,842,736	0	1,000,000	472,414	Objection at the Supreme Tax Council
2022-23	13,510,377	2,235,453	502,977	4,536,462	0	0	1,000,000	502,977	Objection at the Primary Tax Dispute Resolution Committee
2023-24	19,113,412	2,921,640	572,584	6,995,709	0	0	1,600,000	572,585	Objection at the Primary Tax Dispute Resolution Committee
2024-2025	46,409,023	11,678,337	2,621,301	0	0	0	2,621,301	0	Not yet Reviewed / Pending Review
Tax Prepayments							0	0	
Tax Provision Balance							**7,421,301**	**2,371,613**	

39.1.1. Major differences between declared and assessed taxes for the mentioned years relate to the following items: 1.Reversal of expenses related to income not subject to tax from investments in shares and participation bonds;2.Reversal of expenses related to provisions for doubtful receivables on granted facilities;3.Reversal of expenses related to definite and provisional interest on deposits paid in accordance with Islamic banking laws;4.Inclusion of profits arising from surplus resources allocated to branches located in free trade zones;5.Inclusion of differences in foreign exchange revaluation gains based on Central Bank rates versus free market rates.

It is noteworthy that, considering the rulings of competent authorities on similar matters — including Administrative Justice Court General Board verdict No. 9909970905811636 dated 26 January 2021 (1399/11/07) regarding acceptance of expenses related to investments and legal reliance on this verdict for the years 2009 (1388), 2013 (1392), and the Peer Committee related to the 2014 (1393) performance of the Bank, as well as similar rulings for various banks concerning the acceptance of cost-sharing for non-exempt income and provisions for doubtful receivables — obtaining similar rulings for other years is highly probable. Moreover, based on the General Board ruling of the Administrative Justice Court following verdict No. 140109970905810997 dated 23 August 2022 (1401/06/01) and Tax Administration Circular No. 200/1402/10 dated 22 July 2023 (1402/04/31), the interest paid by the Bank to depositors up to the amount of definitive interest is considered an allowable expense. Therefore, no liability is expected in this regard. Furthermore, concerning declared taxes for the years 2021 and 2022 (1400 and 1401), a zero tax rate has been applied to undistributed profits transferred to capital, pursuant to Paragraphs (f) and (h) of Note 2 of the budget law for the respective years. Regarding declared taxes for the years 2023 and 2024 (1402 and 1403), the zero tax rate has also been applied to undistributed profits transferred to capital, as stipulated in Paragraph (th) of Article 14 of the Law on Financing Production and Infrastructure.

39.1.2. According to the latest rulings of the Administrative Justice Court concerning the cases of the years 2003, 2009, 2013, and 2014 (1382, 1388, 1392, 1393), all matters objected to by the Bank have been confirmed by the esteemed experts enforcing the rulings of the Administrative Justice Court. For the years 2003 and 2009, in accordance with the Court’s verdict, definitive tax refund orders amounting to IRR 27 billion and IRR 62 billion, respectively, have been issued in favor of the Bank. For the year 2013, a non-referral verdict to the Peer Committee was issued and the calculation was made according to the Administrative Justice Court’s ruling, all in favor of the Bank. Additionally, regarding the year 2014, the case is currently open and under review at the Administrative Justice Court pursuant to Article 63 of the Law on the Structure and Procedure of the Administrative Justice Court. In order to uphold the Bank’s legal rights, the case for the year 2015 (1394) has been filed with the Administrative Justice Court, and following a ruling in favor of the Bank, the case has been referred to the Peer Dispute Resolution Committee.

39.1.3. Regarding the fiscal year 2016 (1395), based on the latest conducted reviews (adjusted according to the ruling of the Appeal Dispute Resolution Committee), an amount of IRR 432 billion has been claimed from the Bank. The Bank has objected to this claim to the Supreme Tax Council, which overturned the Appeal Committee’s ruling, and the case has been referred to the Peer Committee. As of the date of preparation of these financial statements, the matter remains unresolved.

39.1.4. Regarding the cases for the years 2017 and 2018 (1396 and 1397), after tax adjustments by the Tax Peer Committee, the Bank filed lawsuits at the Administrative Justice Court concerning other objections that were not accepted by the Supreme Tax Council. Following rulings in favor of the Bank, the cases have been referred back to the Peer Committee.

39.1.5. Regarding the tax case for the year 2019 (1398), it is noted that the Tax Administration's electronic notification system accepted the Bank's tax return and issued a tax assessment notice equal to the tax declared by the Bank in its submitted return. This assessment was formally accepted by the Bank through a written letter, and a request for a definitive tax notice has been made. However, the Tax Administration issued another tax assessment notice, contrary to the law and the provisions of Articles 26 and 27 of the Executive By-law of Article 219 of the Tax Code, as well as Article 227 of the Tax Code, amounting to IRR 1,970 billion. The Bank objected to this second assessment (not to the supplementary notice), and during the Appeal Dispute Resolution Committee stage, the tax was adjusted and reduced to IRR 895 billion. The Bank has further appealed, and the case is currently under review at the Supreme Tax Council

39.1.6. Regarding the fiscal year 2020 (1399), based on the latest reviews conducted (adjusted according to the ruling of the Tax Peer Dispute Resolution Committee in execution of the Council's decision), an amount of IRR 1,428 billion has been claimed from the Bank. The Bank has objected to this claim at the Administrative Justice Court, which annulled the ruling of the Tax Peer Dispute Resolution Committee in execution of the Council's decision, and the case has been referred back to the Peer Committee. As of the date of preparation of these financial statements, the matter remains unresolved.

39.1.7. Regarding the fiscal year 2021 (1400), following the Bank's objection to the issued tax assessment notice, the claimed tax was reduced to IRR 1,843 billion based on the ruling of the Tax Appeal Dispute Resolution Committee. The Bank has further appealed to the Supreme Tax Council, and the case is currently open for review at the relevant council chamber.

39.1.8. Regarding the fiscal year 2022 (1401), the Bank has objected to the issued tax assessment notice, and the case is currently under review at the Primary Tax Dispute Resolution Committee. Considering similar rulings obtained in previous years' cases, the assessed amount is expected to be adjusted.

39.1.9. Regarding the fiscal year 2023 (1402), the Bank has objected to the issued tax assessment notice, and the case is currently under review at the Primary Tax Dispute Resolution Committee. Considering similar rulings obtained in previous years' cases, the assessed amount is expected to be adjusted.

39.1.10. The income tax for the fiscal year 2024 (1403) has been recognized in the accounts based on the declared taxable income and applicable tax laws and regulations. To date, it has not yet been assessed by the Tax Administration.

* The term "paid" refers to amounts Transfer to the Ministry of Economic Affairs and Finance.

39.2. The outstanding balance of income tax payable at year-end is not supported by any promissory notes or payment instruments issued to the Iranian National Tax Administration (INTA).

39.3. In accordance with tax regulations, the Bank has utilized the exemptions stipulated under Articles 143 and 145 of the Direct Taxation Act during the current year, and certain types of income are subject to final (fixed-rate) taxation. (Note 39-5)

39.4. The total amount of taxes paid and payable as of the end of the reporting year is IRR 11,263 billion less than the total amount of tax assessment and final tax demand notices issued by the relevant Tax Administration. These differences are subject to the Bank's objections and, therefore, no liabilities have been recognized in the accounts in respect of these amounts.

Tax paid and payable	Diagnostic/fixed tax	Surplus claimed by the Tax Administration
IRR Million	IRR Million	IRR Million
7,223,376	18,188,873	10,965,497

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

	Group		Parent Company	
	2024-25	2023-24	2024-25	2023-24
	IRR Million	IRR Million	IRR Million	IRR Million
Operations in progress:				
Current Tax	3,805,242	1,746,022	2,621,301	572,584
Transfer tax expense related to the creation of transfer tax liability	0	0	0	0
Transfer tax income related to the creation of transfer tax assets	0	0	0	0
Transfer tax expense related to the return of a transfer tax asset	0	0	0	0
tax income related to the return of a transfer tax liability	0	0	0	0
Current years Income tax expense	3,805,242	1,746,022	2,621,301	572,584
Income tax expense of previous years' tax	2,428,387	0	2,428,387	0
Income tax expense from continuing operations	**6,233,629**	**1,746,022**	**5,049,688**	**572,584**

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

	Note	Group		Parent Company	
		2024-25	2023-24	2024-25	2023-24
		IRR Million	IRR Million	IRR Million	IRR Million
profit from continuing operations before tax		52,475,839	21,735,236	46,520,653	19,113,412
Accounting profit before tax		52,475,839	21,735,236	46,520,653	19,113,412
The cost of income tax for ongoing operations and suspended operations calculated with an applicable tax rate of 22.5% in March 2023-24 with an applicable tax rate of 22.5%.		11,807,064	4,890,428	10,467,147	4,300,518
Current taxes of previous years Ongoing operations		2,428,387	0	2,428,387	0
The effect of tax-exempt income :	39-3				
Free zone branches profit		0	(27,734)	0	(27,734)
Bond income		(3,761,334)	(1,828,619)	(3,761,334)	(1,828,619)
Income from investments in company shares		(3,436,976)	(5,803)	(2,280,869)	(742,450)
Income from the sale of property		(109,643)	(2,376)	(109,643)	(2,376)
Income from the sale of real estate		(114,359)	(261,009)	(114,359)	0
Tax exemption for capital increase from retained earnings (Paragraph (Th), Article 14 of the Production and Infrastructure Financing Act)		(579,510)	(1,126,754)	(1,579,641)	(1,126,754)
Impact of non-deductible expenses for tax purposes:					
Non-deductible expenses		0	107,889	0	0
Income tax expense calculated based on the effective tax rate of 22.5% (as of March 2025)		6,233,629	1,746,022	5,049,688	572,584
Income tax expense on continuing operations		**6,233,629**	**1,746,022**	**5,049,688**	**572,584**

40. Reserves and other payables

	Note	Group		Parent Company	
		2024-25	2023-24	2024-25	2023-24
		IRR Million	IRR Million	IRR Million	IRR Million
Loans Received from the National Development Fund	40-1	0	14,128	0	14,128
The Bank's Debt for Term L/Cs-IRR		12,650,812	1,168,717	12,650,812	1,168,717
Insurance Premium Payable		853,014	578,933	586,836	499,790
Provision for compensated absence		1,805,868	1,525,695	1,805,868	1,213,339
Accrued expenses provision	40-2	4,418,531	2,495,470	3,706,525	2,495,470
Provision for Deposit Guarantee Fund	40-3	448,208	426,398	448,208	426,398
Accrued interest on foreign currency deposits		1,632,445	158,818	1,632,445	158,818
Foreign exchange remittances of customers		73,049,361	40,423,761	80,888,269	34,620,061
Temporary payables - foreign exchange	40-4	24,621,960	0	24,621,960	0
Temporary payables - Customers foreign exchange transactions		22,197,166	6,688,046	22,197,166	6,688,046
Foreign bills and letters of credit		4,805	2,856	4,805	2,856
Shareholders receivables for unused preemptive rights		40,720	42,607	40,720	42,607
Shetab network payables		697,153	314,378	697,153	314,378
Gift card payables		1,877,045	1,148,351	1,877,045	1,148,351
Accrued guarantee fee payables		238,166	106,456	238,166	106,456
Check in Process of Collection		370,377	332,747	370,377	332,747
Creditors of Voucher Card		151,140	114,621	151,140	114,621
Performance guarantee deposits of contractors		362,126	310,098	297,015	255,037
Advances Received from sale of properties		94,842	34,869	94,842	34,869
Payables to group companies, entities and individuals	40-5	34,090,020	5,322,351	0	0
Payables to subsidiaries and affiliates		567,969	232,017	389,934	1,965,797
Payables for interbank (encoded) checks sold		1,575,980	2,277,138	1,575,980	2,277,138
Branches operations payable		662,081	1,993,552	662,081	1,993,552
Other liabilities		5,561,987	10,650,846	5,561,987	10,650,846
Total Provisions & Other Liabilities		**187,971,776**	**76,362,851**	**160,499,332**	**66,524,021**

40.1. 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	2024-25							2023-24	
	Foreign Currency	Date Received	Final due date	Number of installments	interest rate-%	Facility balance in foreign currency	Facility balance	Facility balance in foreign currency	Loans Balance (Principal Amount & Interest)- IRR Million
Foreign Currency Loans:									
	EUR	11.02.2021	28.10.2028	9	6	0	0	32,276	14,128
Total Loans Received from the National Development Fund							-		**14,128**

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

Fiscal Year	Tax Subject	Claim Notice	Adjusted tax in tax proceedings/Tax Payable Based on the Final Notice	Tax Paid	Comments
2019-2020	Clause B	423,634	0	0	Obtaining a favorable ruling from the High Tax Council and referral to the parallel tax dispute resolution board
	Clause P	42,531	0	0	Objection filed with the Primary Tax Dispute Resolution Board
2020-2021	Clause B	966,396	0	0	Obtaining a favorable ruling from the High Tax Council and referral to the parallel tax dispute resolution board
	Clause P	0	0	0	Finalized
2021-22	Clause B	1,445,225	0	0	Obtaining a favorable ruling from the High Tax Council and referral to the parallel tax dispute resolution board
	Clause P	17,115	0	17,115	Finalized and Settled

40.2.1. In respect of the tax liabilities arising from paragraphs (B) and (P) of the Law on Removing Production Barriers for the fiscal years 2016 to 2018 (1395 to 1397), final tax assessments have been issued. Additionally, final tax assessments have also been issued for the tax liabilities under paragraph (p) of the same law for the fiscal years 2020 and 2021 (1399 and 1400).

40.2.2. In respect of the tax liabilities under paragraph (B) of the Law on Removing Production Barriers, the amounts of IRR 423,634 million, IRR 966,396 million, and IRR 1,445,225 million have been assessed for the fiscal years 2019, 2020, and 2021 (1398, 1399, and 1400), respectively. Following the Bank's objection and the Supreme Tax Council's ruling in favor of the Bank—annulling the decision of the Tax Dispute Resolution Board of Appeals—the mentioned cases will be referred to an Equivalent Tax Dispute Resolution Board. Based on similar rulings, it is expected that the taxes under paragraph (b) for the years 2019, 2020, and

2021 will be finally determined in the reduced amounts of IRR 36,505 million, IRR 187,854 million, and IRR 888,087 million, respectively. In relation to taxes under paragraph (p) of the same law, amounts of IRR 42,531 million and IRR 17,115 million have been assessed for the years 2019 and 2021 (1398 and 1400), respectively. The Bank has objected to the assessment for 2019, and the case is currently under litigation. The tax for 2021 has been settled. Furthermore, for the year 2020 (1399), the final tax assessed under paragraph (p) was nil, as the Bank was not subject to this tax. It should be noted that for the years 2022, 2023, and 2024 (1401, 1402, and 1403), based on sub-clause (2-6) of clause 2 of article 8 of the Seventh Development Plan of the Islamic Republic of Iran, the Bank has until the end of the third year of the plan (2026/1405) to dispose of its excess assets. Accordingly, the Iranian National Tax Administration is obligated to suspend the collection of taxes under paragraphs (B) and (P) of article 17 of the Law on Removing Production Barriers.

40.2.3. According to Article 4 of the Housing Production Leap Act enacted in 2021 (1400), banks and credit institutions are obligated to allocate at least 20% of the total annual facilities disbursed by the banking system to the housing sector. Pursuant to the Executive Instruction on Granting Facilities for the Construction and Renovation of Housing (No. 271496/00 dated December 8, 2021), issued by the Central Bank of the Islamic Republic of Iran, all requests for facilities under this instruction must be registered in a designated system determined by the Ministry of Roads and Urban Development. Banks are required to review such requests and, if applicants meet the eligibility criteria, enter into contracts and disburse loans in accordance with the instruction.

Furthermore, according to Article 12 of the said instruction and its note, in cases of non-compliance with the conditions deemed necessary for granting the facilities, the Iranian National Tax Administration (INTA) shall, through the annual budget laws, impose a tax equal to 20% of the unmet obligation on the respective bank. However, the INTA—without considering the criteria set forth in the instruction and solely based on the loan allocation figures determined by the Central Bank—considered the Bank subject to taxation under Note 5 of Article 4 of the above law for the first year of the Act’s implementation (up to September 21, 2022), and issued a final tax assessment in the amount of IRR 21,000 billion. The Bank objected to this in the Supreme Tax Council, which annulled the ruling of the Tax Dispute Resolution Board of Appeals and referred the case to an Equivalent Board for further proceedings. Nevertheless, the INTA, once again disregarding the stipulated requirements, assessed the Bank for the second and third years of the Act’s implementation (i.e., from September 22, 2022 to September 21, 2024), in the amounts of IRR 27,000 billion and IRR 26,984 billion, respectively. Based on the ruling issued in the similar case related to the first year of the Act’s implementation, it is expected that the aforementioned amounts will be reduced through the legal proceedings. Considering that the Bank has fulfilled its legal obligations in accordance with Clause 3 of the resolution passed at the 13th session of the Supreme Housing Council, no tax liability is anticipated in this regard.

40.3. According to the resolution of the Cabinet of Ministers dated May 20, 2017 (1396/02/30) regarding the amendment to the bylaw on the amount and method of deposit insurance fund membership fees—and based on Letter No. 285/11/99 dated February 21, 2021 (1399/12/03) from the Deposit Guarantee Fund, Circular No. 68469/96 dated May 28, 2017 (1396/03/07) from the Central Bank of Iran, and the calculation guideline No. 100998/T48367H dated July 24, 2013 (1392/05/02) of the Cabinet of Ministers, as well as the Fund's recent amendments—the initial and annual membership fees for the years 2013 to 2023 (1392 to 1402) have been paid to the Deposit Guarantee Fund. For the financial year ending March 19, 2025 (30 Esfand 1403), a provision has been recognized in the accounts.

40.4. Customers' foreign exchange remittances have mostly been settled by the date of preparation of the financial statements.

40.5. The amount of IRR 18,462,077 million mainly relates to the balance of accounts with Karafarin Exchange Brokerage, arising from the issuance of foreign exchange remittances requested by the Bank's customers, which had not yet been credited to the respective accounts as of the balance sheet date, in accordance with the contracts in place. However, the majority of this amount was settled by the date of preparation of the financial statements. Additionally, an amount of IRR 10,166,944 million pertains to Karafarin Exchange Brokerage's payable to the Central Securities Depository Clearinghouse, which was settled within two business days.

41. Provision for Employees' Work Termination Benefits and Retirement

	Note	Group		Parent Company					
		2024-25	2023-24	2024-25			2023-24		
		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		3,914,939	2,899,969	3,645,115	0	3,645,115	2,692,304	0	2,692,304
Provision for service years of the disposed subsidiary		4,715	0	0	0	0	0	0	0
Paid during Year		(200,825)	(185,968)	(126,173)	0	(126,173)	(118,134)	0	(118,134)
Provision for the Year	41-1	2,138,212	1,200,938	1,931,880	0	1,931,880	1,070,946	0	1,070,946
Balance at End of Year		**5,857,041**	**3,914,939**	**5,450,822**	**0**	**5,450,822**	**3,645,115**	**0**	**3,645,115**

41.1. The provision for employees' service years' buyback has been calculated based on one month of the latest continuous salary and benefits for each year of service.

42. Capital

The bank's capital at the time of establishment was 30,000 million rials (comprising 30 million shares with a nominal value of 1,000 rials each, fully paid and registered), which has been increased in several stages as detailed below to 60,000,000 million rials (comprising 60,000 million shares with a nominal value of 1,000 rials each, fully paid and registered) by the end of the financial year ending March 20, 2025.

Capital Increase Registration Date	% of Capital Increase	Amount of Capital Increase	New Capital Amount	Capital Increase Source
		IRR Million	IRR Million	
02.08.2001	233%	70,000	100,000	Claims & Cash Contributions
22.12.2001	100%	100,000	200,000	Claims & Cash Contributions
13.11.2004	75%	150,000	350,000	Cash Contributions
26.09.2005	100%	350,000	700,000	Claims & Cash Contributions
19.12.2007	50%	350,000	1,050,000	Claims & Cash Contributions
22.12.2008	90%	950,000	2,000,000	Claims & Cash Contributions
03.10.2010	50%	1,000,000	3,000,000	Claims & Cash Contributions
11.09.2011	50%	1,500,000	4,500,000	Claims & Cash Contributions
22.09.2012	61%	2,750,000	7,250,000	Revaluation Surplus & Retained Earnings
28.05.2014	17%	1,250,000	8,500,000	Claims & Cash Contributions
06.11.2020	216%	18,342,986	26,842,986	Revaluation Surplus & Other Reserves
25.10.2021	47%	12,657,014	39,500,000	Claims & Cash Contributions
12.02.2023	16%	6,500,000	46,000,000	Retained Earnings & Other Reserves
16.03.2024	8.7%	4,000,000	50,000,000	Retained Earnings & Other Reserves
14.12.2024	20.0%	10,000,000	60,000,000	Retained Earnings & Other Reserves

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

	2024-25			2023-24	
	No. of Shares	%of Shares		No. of Shares	%of Shares
Holding 1% Share & Above					
Legal Entities:					
Saba Tamin Financial Group Co. (Public Joint Stock)	5,772,016,804	9.6%	Saba Tamin Investment Co. (Public Joint Stock)	5,577,822,915	11.2%
Karafarin Insurance Co. (Public Joint Stock)	5,508,795,899	9.2%	Tadbir Investment Group Co. (Private Joint Stock)	3,888,643,406	7.8%
Tadbir Investment Group Co. (Private Joint Stock)	4,666,372,087	7.8%	Karafarin Insurance Co.(Public Joint Stock)	3,715,930,667	7.4%
BFM – Karafarin Bank Portfolio Investment Fund	4,088,898,417	6.8%	Negin Ganjineh Iranian Co. (Private Joint Stock)	2,499,999,958	5%
Negin Ganjineh Iranian Co. (Private Joint Stock)	2,999,999,949	5%	Mehrafarinan Doran Co. (Private Joint Stock)	2,499,999,957	5%
Mehr Afarinan Doran Co. (Private Joint Stock)	2,999,999,948	5%	Idea Gostar Dourandish Co. (Private Joint Stock)	2,499,999,951	5%
Ideh Gostar Doran Andish Co. (Private Joint Stock)	2,999,999,941	5%	Tose’e Eghtesad Farda Co. (Private Joint Stock)	2,499,994,074	5%
Tose’e Eqtesad Farda Co. (Private Joint Stock)	2,999,992,888	5%	Faraz & Foroud Eghtesad Ayandeh Co. (Private Joint Stock)	2,344,239,343	4.7%
Faraz va Foroud Eqtesad Ayandeh Co. (Private Joint Stock)	2,813,087,211	4.7%	BFM – Karafarin Bank Portfolio Investment Fund	2,085,578,171	4.2%
Padideh Afarin Shafagh Co. (Private Joint Stock)	1,134,325,152	1.9%	Padideh Afarin Shafagh Co. (Private Joint Stock)	945,270,960	1.9%
Sarzamin Pahnavar Mehr Co. (Private Joint Stock)	952,054,936	1.6%	Sarzamin Pahnawar Mehr Co. (Private Joint Stock)	793,379,114	1.6%
Omid Welfare and Future Support Institute	771,815,576	1.3%	Atiyeh Omid Welfare and Supply Institute	723,248,047	1.4%
Parsian Financial Group Co. (Private Joint Stock)	599,295,157	1.0%	Parsian Financial Group Co. (Private Joint Stock)	499,412,631	1.0%
Saba Tamin Iranian Co. (Private Joint Stock)	598,800,000	1.0%			
	38,905,453,965	**64.8%**		**30,573,519,194**	**61.1%**
Individuals (Including 7 Shareholders)	10,227,579,566	17%	**Individuals (Including 7 Shareholders)**	8,523,482,969	17%
Others (Holding Below 1% Share)			Others (Holding Below 1% Share)		
Legal Entities (Including 104 Shareholders)	3,693,402,084	6.2%	Legal Entities (Including 96 Shareholders)	4,034,103,033	8.1%
Individuals (Including 12,710 Shareholders)	7,173,564,385	12.0%	Individuals (Including 10,541 Shareholders)	6,868,894,804	13.7%
Total	**60,000,000,000**	**100%**	**Total**	**50,000,000,000**	**100%**

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

	2024-25	2023-24
	No. of Shares	No. of Shares
The balance at the beginning of the period	50,000,000,000	46,000,000,000
Capital increase from accumulated earnings and other reserves	10,000,000,000	4,000,000,000
Balance at the end of the period	**60,000,000,000**	**50,000,000,000**

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

	2024-25		2023-24	
	No. of Shares	Ownership %	No. of Shares	Ownership %
Karafarin Financial Group	0	0%	36,835,888	0.07%
Total	**0**	**0%**	**36,835,888**	**0.074%**

42.4. The Bank's capital adequacy ratio as at the date of the statement of financial position amounts to 8.82%, which meets the minimum requirement of 8% set by the Central Bank of the Islamic Republic of Iran. Accordingly, the Bank has complied with the minimum capital adequacy ratio as of the reporting date. Detailed information in this regard is disclosed under Note 59-7 (Capital Management).

42.5. Given that the minimum capital adequacy ratio has been met, there will be no consequences for the Bank.

43. Capital in Increase in Process

As of March 20, 2025, there was no capital increase in progress in the Bank.

44.Shares Premium Reserve

As of March 20, 2025, there was no share premium recorded in the Bank or its subsidiaries.

45. Legal Reserve

	Note	Group		Parent Company	
		2024-25	2023-24	2024-25	2023-24
		IRR Million	IRR Million	IRR Million	IRR Million
Balance at Beginning of Year		13,191,816	10,326,117	12,740,210	9,959,086
Transferred from Distributable Profit	45-1	6,307,686	2,865,699	6,220,645	2,781,124
Balance at End of Year		**19,499,502**	**13,191,816**	**18,960,855**	**12,740,210**

45.1. In accordance with Paragraph (A) of Article 33 of the Monetary and Banking Act and Article 108 of the Bank's Articles of Association, 15% of the net profit for each year, after deducting losses carried forward from prior years, shall be appropriated as a statutory reserve. Appropriation of this reserve is mandatory until it equals the Bank's capital, and thereafter it becomes optional.

46. Other Reserves

	Note	Group		Parent Company	
		2024-25	2023-24	2024-25	2023-24
		IRR Million	IRR Million	IRR Million	IRR Million
Balance at Beginning of Year		7,589,684	1,611,301	7,135,807	1,186,102
Decrease		(129,896)	(1,186,102)	0	(1,186,102)
Increase		3,490,222	0	0	0
Transferred from Distributable Profit	46-1	(7,135,807)	7,164,485	(7,135,807)	7,135,807
Balance at End of Year		**3,814,203**	**7,589,684**	**0**	**7,135,807**

46.1. As explained in Note 7-11 to the financial statements, in accordance with the aforementioned directive, the announced exchange rate is used solely as a basis for the preparation of financial statements, and the exchange gains arising from the revaluation of foreign currency assets and liabilities at the end of the current and previous fiscal years are not considered distributable profits. Banks and credit institutions are required to record such gains under a separate sub-account within "Other Reserves." The aforementioned reserve, subject to legal regulations, is not distributable among shareholders, and the bank or credit institution may, upon obtaining permission from the Central Bank of the Islamic Republic of Iran, allocate all or part of it to capital increase.

47.Assets Revaluation Surplus

	Group		Parent Company	
	2024-25	2023-24	2024-25	2023-24
	IRR Million	IRR Million	IRR Million	IRR Million
Assets Revaluation Surplus	1,562,910	1,562,910	953	953
Total	**1,562,910**	**1,562,910**	**953**	**953**

*The revaluation surplus of the Group relates to the parent company and the revaluation of assets of the associate (Karafarin Insurance Company), which has been recognized under the equity method in the consolidated financial statements.

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

Date	2024-25			2023-24
	Assets Revaluation Surplus	Capital Increase	Assets Revaluation Balance	Assets Revaluation Balance
	IRR Million	IRR Million	IRR Million	IRR Million
Tangible fixed assets				
20.03.2012	2,043,597	(2,000,000)	43,597	43,597
21.09.2020	16,366,420	(16,409,063)	(42,644)	(42,644)
	18,410,016	**(18,409,063)**	**953**	**953**
long-term investments				
	0	**0**	**0**	**0**
Total	**18,410,016**	**(18,409,063)**	**953**	**953**

48.Treasury Shares

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

Description	Group					
	2024-25				2023-24	
	Number	Amount	Shares Premium from Sale	Shares Discount from Sale	Number	Amount
Purchase	1,373,592,225	(3,576,822)	0	0	1,764,382,180	(4,264,683)
Sale	(35,496,000)	70,107	0	0	(56,129,411)	170,479
Capital Increase	672,390,608	0	0	0	85,766,700	0
Net purchase (sale) during the period	2,010,486,833	(3,506,714)	0	0	1,794,019,469	(4,094,204)
Balance at Beginning of Year	2,085,578,171	(4,797,310)			291,558,702	(703,106)
Balance at End of Year	**4,096,065,004**	**(8,304,025)**			**2,085,578,171**	**(4,797,310)**

Description	Parent Company					
	2024-25				2023-24	
	Number	Amount	Shares Premium from Sale	Shares Discount from Sale	Number	Amount
Purchase	1,373,592,225	(3,576,822)	0	0	1,764,382,180	(4,264,691)
Sale	(35,496,000)	220,411	0	0	(56,129,411)	170,479
Capital Increase	660,925,365	0	0	0	81,180,603	0
Net purchase (sale) during the period	1,999,021,590	(3,356,410)	0	0	1,789,433,372	(4,094,212)
Balance at Beginning of Year	2,028,251,958	(4,650,745)			238,818,586	(556,533)
Balance at End of Year	**4,027,273,548**	**(8,007,155)**			**2,028,251,958**	**(4,650,745)**

49.Premium on treasury shares

Description	Group				Parent Company			
	2024-25		2023-24		2024-25		2023-24	
	Number	Amount	Number	Amount	Number	Amount	Number	Amount
	IRR Million	IRR Million	IRR Million	IRR Million	IRR Million	IRR Million	IRR Million	IRR Million
Balance at the beginning of the year	0	0	0	0	0	0	0	0
Profit from sale	0	9,914	0	0	0	9,914	0	0
Balance at End of Year	**0**	**9,914**	**0**	**0**	**0**	**9,914**	**0**	**0**

49.1. Non-controlling Shareholders' interest

	Group	
	2024-25	2023-24
	IRR Million	IRR Million
Capital	690,371	1,106,990
Legal reserve & Other Reserves	90,164	109,541
Retained Earnings (Loss)	4,816,914	2,361,109
Non-controlling Shareholders' Interest	**5,597,449**	**3,577,640**

50. Correction of Errors, Changes in Accounting Policies, and Reclassifications

50.1. Correction of Errors:

No corrections of prior period errors have been made during the reporting year.

50.2. Changes in Accounting Policies:

There were no changes in accounting policies during the reporting year.

50.3. Reclassifications:

In accordance with the Sixth Edition of the Central Bank of Iran's Model Financial Statements (notified in March 2022) and Circular No. 02/154882 dated September 21,2023, no reclassifications have been made in the financial statements.

51. Cash flow from operations

	Group		Parent Company	
	2024-25	2023-24	2024-25	2023-24
	IRR Million	IRR Million	IRR Million	IRR Million
Net Profit (Loss):	46,242,210	19,989,213	41,470,965	18,540,828
Adjustments				
Depreciation Expense	2,104,039	1,471,885	1,919,290	1,259,199
Income tax expense	6,233,629	1,746,022	5,049,688	572,584
Net increase in provision for employee termination benefits and post-employment obligations	1,942,102	1,014,970	1,805,706	952,812
Net non-operating income	(1,002,757)	(271,569)	(995,564)	(18,353)
Loss (gain) on disposal of non-banking investment assets	(3,910,847)	(126,163)	49,812	(126,163)
Dividend income from companies and units of non-banking investment funds	(1,293,468)	(1,166,636)	(603,042)	(2,707,157)
Impairment losses on assets	0	1,200,000	0	0
Loss (gain) from revaluation of foreign currency cash holdings	(291,928,052)	(9,058,201)	(291,666,849)	(9,090,341)
Total	**(287,855,354)**	**(5,189,691)**	**(284,440,958)**	**(9,157,419)**
Changes in operating assets and liabilities				
Increase in liabilities to banks and non-bank financial institutions (excluding borrowings)	457,713,808	512,955,085	454,901,141	510,192,621
Increase in customer deposits	281,476,778	127,197,278	298,774,643	127,125,727
Increase in operational portion of provisions and other payables	111,802,437	52,783,699	93,975,311	46,998,890
Increase in claims on banks and non-bank financial institutions	(38,730,906)	(10,936,892)	(38,730,906)	(10,936,892)
Increase in loans granted and receivables from non-government entities	(343,070,610)	(131,335,817)	(353,171,240)	(130,728,681)
Increase in equity and other marketable securities	(21,317,328)	(21,359,666)	(21,317,328)	(17,707,195)
(Decrease) increase in receivables from subsidiaries and affiliates	(1,866,349)	(587,042)	(12,128,696)	(3,998,755)
increase in operational portion of other receivables	(88,162,660)	(171,254,715)	(64,616,031)	(162,662,059)
Increase in statutory deposit with the central bank	(28,872,775)	(22,783,968)	(28,872,775)	(22,783,968)
(Decrease) increase in operational portion of other assets	(10,561,661)	1,853,244	(9,607,211)	2,085,187
Total	**318,410,735**	**336,531,206**	**319,206,909**	**337,584,874**
Net cash generated from operating activities	**76,797,591**	**351,330,728**	**76,236,916**	**346,968,282**

52. No changes in cash flows or non-cash changes in liabilities arising from financing activities were recorded.

53. Non-cash Transactions

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

	Note	Group		Parent Company	
		2024-25	2023-24	2024-25	2023-24
		IRR Million	IRR Million	IRR Million	IRR Million
Assets Repossessed against Granted Loans	53-1	38,548,771	2,292,235	38,548,771	2,292,235
Acquisition of shares against receivables		0	29,896	0	0
Clearing of dividends payable with claims from shareholders		0	740	0	0
Total Non-Cash Transactions		**38,548,771**	**2,322,871**	**38,548,771**	**2,292,235**

53.1. 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	19,006,445	(23,594,419)	0	4,892,451	304,476
Commercial/ Residential Property	Unrelated Customer	23,321	(23,321)	0	0	0
Land	Unrelated Customer	15,030	(15,030)	0	0	0
Office Property	Unrelated Customer	10,271,745	(9,895,239)	0	0	376,506
Commercial Property	Unrelated Customer	5,381,892	(5,020,762)	0	0	361,130
Total		**34,698,433**	**(38,548,771)**	**0**	**4,892,451**	**1,042,113**

54. Off-balance Sheet Items

54.1. Commitments on IRR and foreign currency L/Cs

54.1.1. 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	Equivalent IRR Million	Number	Foreign Currency Amount	Equivalent IRR Million	Number	Foreign Currency Amount	Equivalent IRR Million	Equivalent IRR Million	Number	Foreign Currency Amount	Equivalent IRR Million
Sight:													
CNY	**0**	0	0	0	0	0	0	0	0	0	0	0	0
EUR	**0**	0	0	10	2,898,518	1,473,688	0	0	0	682,914	10	2,898,518	2,156,602
Total Sight			**0**			**1,473,688**			**0**	**682,914**			**2,156,602**
Term:													
CNY	**1**	340,320	19,008	0	0	0	1	340,320	21,980	2,972	0	0	0
Total Term			**19,008**			**0**			**21,980**	**2,972**			**0**
Total			**19,008**			**1,473,688**			**21,980**	**685,886**			**2,156,602**

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

L/C Type	Group & Parent Company							
	Balance at Beginning		Opened during Year		Deposited (Cancelled) during Year		Balance at End of Year	
	Number	IRR Million	Number	IRR Million	Number	IRR Million	Number	IRR Million
Sight	0	0	6	2,674,552	2	728,705	4	1,945,848
Term	41	2,756,730	78	30,494,994	65	26,352,302	54	6,899,422
Total		**2,756,730**		**33,169,546**		**27,081,007**		**8,845,270**

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

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

	2024-25		2023-24	
	Foreign Currency Amount	Equivalent IRR Million	Foreign Currency Amount	Equivalent IRR Million
EUR	20,473,789	15,233,236	20,056,189	8,779,276
AED	4,000,000	741,948	4,000,000	437,716
TZS	0	0	1,000,000,000	158,000
Total Bank's Commitments on Foreign Currency L/Gs		**15,975,184**		**9,374,992**

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

	Group & Parent Company	
	2024-25	2023-24
	IRR Million	IRR Million
Commitments on Issued L/Gs	**407,931,039**	**294,894,473**

54.3. Other Bank's commitments are as follows:

	Group & Parent Company	
	2024-25	2023-24
	IRR Million	IRR Million
Commitments on Guarantee of Bonds & Similar Securities (Investment Funds)	66,152,145	66,590,767
Commitments on Credit Cards	555,890	0
Commitments on Collateral Insurance Loans	478	0
Bank's Commitments on National Development Fund-IRR	36,309,419	80,783,408
Commitments on IRR Contracts	492,153	11,597,590
Total Other Bank's Commitments	**103,510,084**	**158,971,766**

54.4. Managed funds and similar items are as follows:

	Group & Parent Company	
	2024-25	2023-24
	IRR Million	IRR Million
Loans Granted from Managed Funds	541,342	382,887
Total Managed Funds & Similar Items	**541,342**	**382,887**

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

	Group & Parent Company	
	2024-25	2023-24
	IRR Million	IRR Million
Deposits	3,299,083	45,632,416
Shares Listed in TSE	360,000	0
Lands & Buildings	13,110,996	7,653,625
Cheques & Promissory Notes	405,295,738	250,232,710
Others	12,842,277	3,526,452
Total Secured Commitments	**434,908,094**	**307,045,203**
Total Unsecured Commitments	0	0
Total Commitments on L/Cs & L/Gs	**434,908,094**	**307,045,203**

55. Capital Commitments, Contingent Liabilities, and Contingent Assets

55.1. Capital commitments arising from executed and approved contracts as of the date of the statement of financial position are as follows:

	Parent Company	
	2024-25	2023-24
	IRR Million	IRR Million
Branch renovation	484	0
Purchase of ATMs and printers	504,690	159,817
Purchase of CCTV cameras	101,624	101,624
Branch acquisition	12,600	12,600
Purchase of software	51,160	0
Purchase of diesel generators	42,220	0
Supervision of proper execution of electromagnetic	441	0
Purchase of equipment	74,481	0
Purchase of book printing and binding services	97,217	390,885
Payment of fees for book printing and binding services	27,485	53,829
Municipal charges related to branch premises	0	213,507
Total	**912,402**	**932,262**

55.2. Contingent Liabilities as of the Date of the Statement of Financial Position Are as Follows:

55.2.1. Tax under Note 5, Article 4 of the Housing Production Leap Law, For the first year of law implementation, the Iranian National Tax Administration has claimed IRR 21,000 billion from the bank. Due to the bank's objection, the tax litigation process is ongoing. As of the date of the financial statements, the outcome of the preliminary tax dispute resolution board has not been finalized.

55.2.2. Payroll and Withholding Taxes, the bank's payroll and withholding taxes have been finalized and settled up to the end of 2022 (1401).

55.2.3. VAT Exposure: Up to the effective date of the Permanent VAT Law (2022/01/01), the bank was exempt from VAT. Even after the law's enactment, most of the bank's services remain exempt. Only the 2022 (1401) fiscal year has been reviewed, resulting in a VAT assessment of IRR 400 billion. The bank has objected, and the case is under review by the tax dispute resolution board. A substantial reduction is expected.

55.2.4. Tax and Contingent Liabilities of Group Companies Are as Follows:

Karafarin Brokerage Company
Corporate tax liabilities up to the end of 2023 (1402) have been finalized and settled. For the reporting year, tax has been provisioned based on declared profit and applicable legal exemptions.

Abnieh Gostar Karafarin Company
Corporate taxes up to 2021 (1400) have been finalized and paid. A tax assessment of IRR 10,325 million has been issued for 2022 (1401), which is under objection. For 2023 (1402), documentation has been submitted, but no assessment has been issued yet. Due to operating loss in the reporting year, no income tax has been recognized; however, IRR 21,100 million has been estimated for capital gains tax on property sales. Value-added tax, payroll tax, income tax, and Article 169 tax obligations up to 2021 (1400) have been settled. The company's records have not been reviewed by the Social Security Organization since establishment. Following the 2022 (1401) tax review, the following assessments were issued: Payroll Tax: IRR 2,029 million, Article 169 Repeated Penalties: IRR 159 million, VAT Spring Quarter: IRR 46 million, VAT Summer Quarter: IRR 399 million, VAT Autumn Quarter: IRR 1,813 million, VAT Winter Quarter: IRR 9,360 million. The company has filed objections and has paid a total of IRR 10,600 million for all four VAT periods to the tax authority.

Karafarin Exchange Company:
The company's corporate income tax has been finalized and settled up to the end of 2022 (1401), except for the fiscal year 2017 (1396). For the fiscal year 2023 (1402), the Tax Organization issued an assessment of IRR 525,983 million, which—after the company's objection—was reduced to IRR 522,739 million by the Article 238 Board and is currently being settled. For the reporting fiscal year, the necessary tax provision has been recorded based on declared figures and applicable legal exemptions. Value-added tax and related levies have been finalized and settled up to 2020 (1399), excluding 2017 (1396). VAT for the years 2021–2022 (1400–1401) has been reviewed, and a total of IRR 79 billion was assessed. The company has objected, and the case is under review by the preliminary tax dispute board. A provision of IRR 111 billion has been recognized in the accounts for VAT and related levies for these and prior years. VAT for the year 2023 (1402) has been finalized and settled. Payroll tax, withholding tax, and Article 169 repeated of the Direct Taxation Act have been reviewed and finalized up to 2023 (1402), and the required payments have been made. A demand notice for penalties under Article 169 repeated was issued for 2021 (1400), totaling IRR 19 billion. The company has objected, and the matter is under review. Regarding the year 2017 (1396), the following additional notices were issued and are under review: Supplementary VAT assessment: IRR 10,021 million, Supplementary penalty under Article 169 repeated: IRR 917 million,

Supplementary income tax assessment: IRR 2,141 million, the company has objected to all and the files are under review by the tax authority. The company's records regarding Social Security compliance, from its inception in 2011 (1390), have not yet been audited by the Social Security Organization.

Karafarin Bank Financial Group Company:

Corporate income tax for 2022 (1401) and all prior years has been reviewed and fully settled. All investment-related income earned in 2023 (1402) and the current year falls under the full scope of Note 4 of Article 105 and Note 2 of Article 143 of the Direct Taxation Act, and is fully tax-exempt under these provisions. Adequate tax provisions have also been recorded for capital gains on real estate transfers.

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

56. Events After the Balance Sheet Date

Events occurring between the balance sheet date and the date of approval of the financial statements, requiring disclosure in accordance with Section Five of the "Regulations Governing Minimum Standards of Transparency and Public Disclosure by Credit Institutions," are as follows:

56.1. Any changes in registered capital
None.

56.2. Changes in the composition of the Board of Directors and Executive Management:
No changes.

56.3. Changes in the CEO and Chairman of the Board:
No changes during the reporting year.

56.4. Disciplinary actions or restrictions imposed by the Central Bank:
None.

56.5. Acquisition, merger, or division:
No acquisition, merger, or division occurred during the reporting year.

56.6. Damages due to theft, embezzlement, or force majeure events:
None.

57. Proposed dividends

57.1. The Board of Directors has proposed a dividend distribution for the fiscal year 2024 (1403) amounting to IRR 4,147,096 million.

58.Written-off receivables

None.

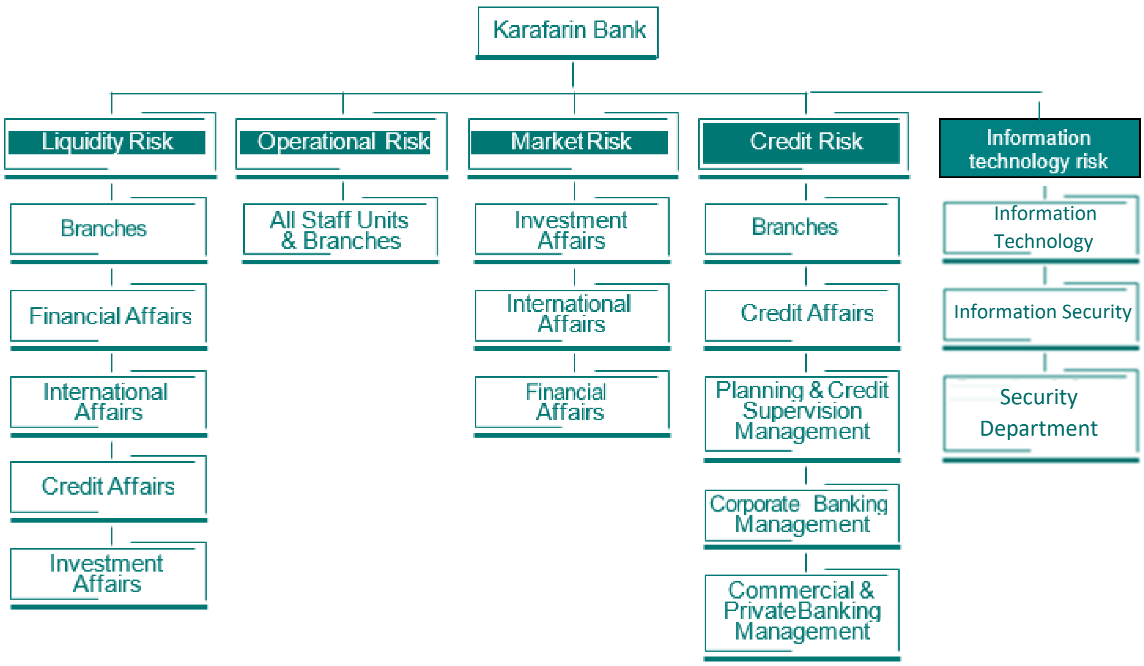
59. Bank's Risks

The Bank is exposed to the following risks:

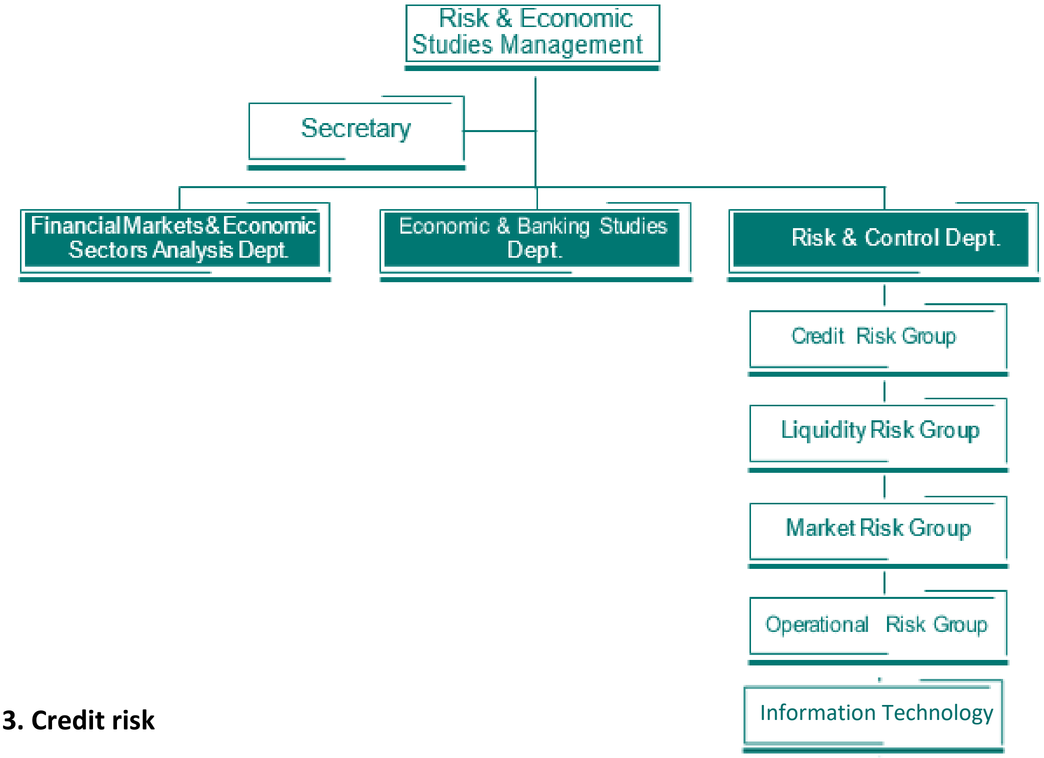
- Credit Risk
- Liquidity Risk
- Market Risk
- Operational Risk
- Information technology risk

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

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



59.2. Risk management structure



59.3. Credit risk

59.3.1. Definition

Credit risk refers to any losses arising from a borrower's failure to meet their obligations on time, either partially or entirely. This includes defaults due to unwillingness, financial inability, or other obstacles to settlement of credit services.

59.3.2. Credit policies

The Bank's credit policies and guidelines are annually approved by senior management in line with regulatory requirements and potential risk-return considerations and are communicated across the Bank. In addition, Bank Karafarin formulates supplementary policies and regulations to support the objectives of the annual credit policy or revises prior frameworks to reflect the latest updates. At the individual level, in addition to expert assessments, the Bank utilizes an internal credit rating system as an analytical tool for optimal customer selection. The Risk Management and Economic Studies Department, in collaboration with the Credit Planning and Supervision Department and the Credit Department, undertakes a series of actions to enhance credit assessments, improve the quality of utilized information, monitor and report concentration and correlation risks, ensure adequate collateral coverage, and manage all aspects of credit risk identification, monitoring, and control.

Key measures taken by Bank Karafarin include:

1. Annual credit rating of clients
2. Assessment of branch performance in internal rating data entry,
3. Reviewing and updating data in the internal rating system,
4. Evaluation and enhancement of the internal rating system,
5. Comparing customer ratings with credit performance and collateral quality,
6. Assessing adequacy of registered collateral for credit clients,
7. Monitoring and reporting large credit exposures,
8. Monitoring and reporting exposures to related parties,
9. Evaluating credit performance of credit decision-making authorities,
10. Controlling branch and credit committee approval limits,
11. Industry sub-sector rating based on ISIC codes,
12. Reviewing credit concentration by economic sectors and sub-sectors,
13. Assessing repayment performance based on collateral quality,
14. Forecasting and reviewing non-performing loan ratios,
15. Preparing credit profiles for major borrowers,

59.3.3. Credit Risk Management Operational Units

The Risk Management and Economic Studies Department is primarily responsible for all operational activities related to credit risk management at Bank Karafarin. Within this department, a division titled “Risk and Control” has been established, which includes four specialized groups. Among these, the “Credit Risk Experts Group” specifically handles all required actions for identifying, measuring, monitoring, reporting, and mitigating credit risk. To this end, the Risk Management and Economic Studies Department maintains close coordination with the Banking Operations, Credit, and Credit Supervision and Planning departments.

59.3.4. Credit Approval Authorities

The credit approval limits across different organizational levels at Bank Karafarin are reviewed annually. The most recent approved limits are formally communicated across the Bank through the “Annual Credit Policy. “According to the latest approved policy: The Board of Directors, Executive Board, and Central Credit Committee possess the highest levels of credit authority, Branch credit authority is the lowest due to inherent operational risks and varies based on: Type of credit services and products, Customer classification (individual or corporate), Type and category of collaterals, Repayment period. Branches are categorized into six levels of authority: Independent Branch, Premier Branch, Grade 1 Branch, Grade 2 Branch, Grade 3 Branch, Grade 4 Branch

All branches are required to strictly adhere to credit delegation rules. For every credit or guarantee application falling within a branch’s delegated authority (considering the customer’s existing facilities and obligations), the case must be reviewed and decided upon by the Branch Credit Committee. If the requested facility exceeds the branch’s authority, the case—accompanied by the committee’s opinion and full documentation—must be escalated to the Credit Department at Head Office. Depending on the proposed facility amount, the case is then reviewed and decided by one of the following: Credit Committee, High Credit Committee ,Executive Board ,Board of Directors

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

59.3.5. Methods of reducing credit risk

The Bank adopts standard approaches to manage credit risk — including risk avoidance, transfer, control, and acceptance — based on the risk level and the type and extent of collateral coverage provided by each customer. For high-risk customers (as identified by the relevant credit authority and the internal credit rating system) who lack sufficient, acceptable, and liquid collateral, the Bank adopts a risk avoidance strategy. For customers deemed acceptable from a risk perspective, the Bank applies a risk control approach depending on the risk profile of the customer, utilizing common risk mitigation techniques such as securing collateral and guarantees, or including specific contractual conditions and restrictions. Taking collateral and guarantees is the most commonly used method in Karafarin Bank. Accordingly, the Bank has established clear policies and guidelines covering matters such as: the list of acceptable collateral types, liquidity coefficients assigned to each type of collateral, required coverage ratios, credit authorities' levels of approval based on collateral type, legal conditions related to collateral pledging and release, and other similar considerations. These are implemented through various internal bylaws across the Bank. The risk transfer approach in the Bank is primarily limited to the transfer of risk associated with collateral, with collateral insurance being the most commonly applied method. As a final step and to cover any residual credit risk, the Bank estimates the capital required to absorb credit risk losses using Central Bank regulations and Basel standards. Maintaining the minimum required regulatory capital ensures the Bank's capacity to sufficiently cover its credit risk exposure.

59.3.6. Customers' credit rating processes

The overall credit assessment process in Karafarin Bank is implemented based on the following principles:

1. Branches bear the primary responsibility for client onboarding, preparing credit reports, obtaining client rating results, conducting inquiries through available systems, and maintaining relevant data. The credit rating of customers is carried out through the Bank's internal system, developed by the Risk Management Unit, using statistical models tailored to three distinct customer categories: individual, legal entities in the construction sector, and legal entities in non-construction sectors. Branches are responsible for data entry into the system, based on which the customer's rating is generated. The accuracy of the entered data is regularly monitored by the Risk and Economic Studies Department.
2. The Credit Department is responsible for reviewing the proposals submitted by branches, evaluating the client's credit rating, managing the credit limits of the branches, and providing a credit opinion.

3. Credit committees are responsible for approving credit facilities within decision-making bodies, based on the amount of credit proposed.
4. The Risk and Economic Studies Department oversees the granted credit facilities through the development and continuous updating of the internal rating system, as well as through the ongoing monitoring and reporting of credit risk using predefined indicators.
5. The Risk and Economic Studies Department performs its duties independently and without influence from other departments or units involved in credit-related matters.

59.3.7. Credit quality analysis

The quality of the Bank's assets — including loans, off-balance sheet commitments, and investments — as well as the type, value, and sufficiency of received collateral (measured by the Loan-to-Value ratio, i.e., the ratio of outstanding loan balances to the updated fair value of collaterals) is presented in Tables 1-7-3-59 through 5-7-3-59.

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

	Loans and advances granted to customers		Investments*		Commitments related to guarantees and letters of credit	
	2024-25	2023-24	2024-25	2023-24	2024-25	2023-24
Grade 1- Low Risk	173,259,423	36,833,235	67,436,209	46,410,042	2,538,613	3,424,448
Grade 2- Medium Degree	632,552,887	474,587,279	10	492,134	403,393,284	282,306,985
Grade 3- High Risk	94,971,515	56,582,187	7,567,193	6,363,210	28,976,197	21,313,770
Grade 4- To Be Categorized as Bad Debt	5,275,652	7,148,938	0	0	0	0
Total Gross Amount	906,059,477	575,151,640	75,003,411	53,265,387	434,908,094	307,045,203
Impairment Provision	(49,770,898)	(33,485,530)	0	0	0	0
Net Carrying Amount	**856,288,579**	**541,666,110**	**75,003,411**	**53,265,387**	**434,908,094**	**307,045,203**

* Investments include all types of securities with ownership characteristics, such as various types of shares.

** To assess and analyze the credit quality of customers from a risk perspective, the outstanding balance of loans in each segment and the rating obtained from the internal credit rating system are considered. The rating categories are classified as follows:

- Grade 1: Customers with rating A and employee loans
- Grade 2: Customers with ratings B and C, paid guarantees, and paid letters of credit
- Grade 3: Customers with ratings D and E, and non-performing loans categorized as past due and doubtful
- Unrated: Customers who do not have a credit rating
- Grade 4: Non-performing customers with doubtful loans overdue for more than five years

*** To assess and analyze the credit quality of investments from a risk perspective, the cost of investment in each category is considered. The investment grades are classified as follows:

- Grade 1: Current investments in other securities
- Grade 2: Total current investments in actively traded shares and other shares
- Grade 3: Total long-term investments in actively traded shares and other shares

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

Credit Quality Analysis				
	Loans and advances granted to customers		Commitments related to guarantees and letters of credit	
	2024-25	2023-24	2024-25	2023-24
Current	857,260,953	528,788,014	434,908,094	307,045,203
Past Due	2,655,741	12,858,843	0	0
Overdue	12,876,569	3,678,454	0	0
Doubtful	33,266,214	29,826,329	0	0
Total Gross Amount	906,059,477	575,151,640	434,908,094	307,045,203
Impairment Provision	(49,770,898)	(33,485,530)	0	0
Net Carrying Amount	**856,288,579**	**541,666,110**	**434,908,094**	**307,045,203**

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

	Credit Quality Analysis	
	2024-25	2023-24
	IRR Million	IRR Million
Issued by the Government & CBI:		
Islamic Treasury Notes	2,731,081	290,026
Islamic Treasury Notes	27,502,414	40,856,629
Government Murabaha Bonds	6,847,259	1,150,231
Government Murabaha Bonds	30,150,699	4,021,606
Total	**67,231,453**	**46,318,492**
Issued by Governmental Companies		
Karafarin Brokerage Mutual Investment Fund	28,500	28,500
Arman Karafarin Investment Fund	18,500	18,500
Shakhes Karafarin Mutual Investment Fund	9,000	9,000
Karafarin Brokerage Exclusive Market Making Investment Fund – Volkar	98,756	35,550
Hami Noafarin Fintech Exclusive Market Making Investment Fund – Volkar	49,999	0
Total	**204,755**	**91,550**
Subtotal	**67,436,209**	**46,410,042**

59.3.7.4. Type and amount of securities obtained from credit customers

Security Type	2024-25	2023-24
	IRR Million	IRR Million
Loans Granted to Individuals:		
Cash	1,199,490	1,356,214
IRR Deposits	123,441	991,693
Immovable Assets Mortgaged by the Bank	32,978,041	35,762,569
Bonds	0	16,242
Machineries	327,460	327,460
L/Gs	73,206	110,552
Collected Cheque & Additional Cheque as Collateral	138,094,537	112,635,733
Promissory Notes	93,462,564	57,076,141
Enforced Contracts	148,750,849	99,976,498
Investment Fund	36,467	107,901
Others	1,099,126	1,289,716
Total Individuals' Securities	**416,145,182**	**309,650,719**
Loans Granted to Legal Entities:		
Cash	850,972	2,317,784
Bonds/Sukuk	0	0
Listed Equity Securities	46,690,513	68,077,188
Unlisted Equity Securities	0	0
IRR Deposits	104,797	6,610,016
Foreign Currency Deposits	0	0
Immovable Assets Mortgaged by the Bank	59,461,531	73,023,397
Bonds	0	0
Machineries	2,391,000	521,196
L/Gs	4,211,351	890,614
Collected Cheque & Additional Cheque as Collateral	976,356,617	860,728,729
Promissory Notes	210,225,833	189,423,316
Enforced Contracts	818,563,261	740,671,667
Investment Fund	0	40,000
Others	6,746,454	5,082,174
Total Loans Granted to Legal Entities	2,125,602,330	1,947,386,081
Total Securities Obtained from Credit Entities	**2,541,747,512**	**2,257,036,800**

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

Description	2024-25 IRR Million	2023-24 IRR Million
Loans Granted to Individuals:		
Below 50%	2,915,705	1,580,520
51% to 70%	3,379,037	2,015,888
71% to 90%	3,289,719	1,986,522
91 to 100%	2,960,145	1,259,277
Above 100%	98,933,431	75,495,326
Total	**111,478,036**	**82,337,533**
Loans Granted to legal Entities:		
Below 50%	6,401,413	2,996,918
51% to 70%	11,262,636	3,736,592
71% to 90%	8,076,110	3,697,771
91 to 100%	3,712,158	2,563,791
Above 100%	715,358,226	2,996,918
Total	**744,810,543**	**446,333,504**
Subtotal	**856,288,579**	**541,666,110**

* The amount considered in the calculations represents the updated collateral value based on current market conditions, adjusted using the liquidity haircuts specified in the directive on asset classification and provisioning. This table discloses the collateral coverage held by the Bank against the outstanding balances of customer liabilities.

59.3.8. Credit risk concentration

This section outlines the Bank's policy on credit risk distribution in terms of economic sectors, domestic and foreign exposures, and types of Islamic contracts. The results of implementing these policies are presented in Tables 59-3-8-1 to 59-3-8-2

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

	Note	Granted Loans		Investments		Commitments on L/Cs & L/ Gs	
		2024-25	2023-24	2024-25	2023-24	2024-25	2023-24
		IRR Million	IRR Million	IRR Million	IRR Million	IRR Million	IRR Million
Carrying Amount		856,288,579	541,666,110	75,003,411	53,265,387	434,908,094	307,045,203
Amount of Loans/Commitments based on Economic Sectors							
Industry	59-3-8-1-1	512,664,272	324,505,898	0	492,124	206,488,148	152,960,932
Housing		30,865,538	26,272,482	24,469	24,469	107,162,404	68,403,451
Commercial		129,123,564	64,978,597	0	0	33,039,107	16,767,427
Services		129,676,363	69,336,763	1,747,566	1,504,850	59,586,701	42,292,093
Agriculture		20,708,240	6,773,388	0	0	4,220,998	1,357,841
Financial Intermediaries & Banks		33,250,601	49,798,982	73,231,377	51,243,944	24,410,737	25,263,460
Total		**856,288,579**	**541,666,110**	**75,003,411**	**53,265,387**	**434,908,094**	**307,045,203**
Amount of Loans/Commitments based on Location							
Local		856,288,579	541,666,110	75,003,411	53,265,387	434,908,094	307,045,203
Overseas		0	0	0	0	0	0
Total		**856,288,579**	**541,666,110**	**75,003,411**	**53,265,387**	**434,908,094**	**307,045,203**

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

	2024-25 IRR Million	2023-24 IRR Million
Loans:		
Contracting Work	298,547	1,621,082
Chemical & Petrochemical Industries & Petroleum Products	70,651,866	22,476,972
Motor Vehicles	52,282,255	18,730,958
Mining & Metals Industries	53,350,562	37,831,619
Telecommunications, Computer & Related Industries	11,755,307	6,059,190
Food & Drug	90,509,829	86,777,143
Energy	22,193,433	18,921,550
Others	211,622,474	132,087,386
Total	**512,664,272**	**324,505,898**
Investments:		
Information & Communications	0	492,124
Total	**0**	**492,124**
Commitments:		
Contracting Work	3,577	1,124,141
Chemical & Petrochemical Industries & Petroleum Products	55,171,022	35,559,342
Motor Vehicle	11,182,212	8,015,551
Mining & Metals Industries	23,356,258	26,674,437
Telecommunications, Computer & Related Industries	3,336,584	7,981,407
Food & Pharmaceuticals	8,612,688	5,536,629
Energy	50,026,080	3,990,703
Others	54,799,726	64,078,722
Total	**206,488,148**	**152,960,932**
Subtotal	**719,152,421**	**477,958,955**

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

Contract Type	Customer Type	2024-25 Loans Granted during Year Amount IRR Million	2024-25 Loans Granted during Year Ratio to Total %	2024-25 Balance of Loans at End of Year Amount IRR Million	2024-25 Balance of Loans at End of Year Ratio to Total %
Transacted Contracts	Individuals	78,655,140	7.35%	65,243,255	7.20%
	Legal Entities	911,002,180	85.11%	786,363,923	86.79%
Total		**989,657,320**	**92.46%**	**851,607,178**	**93.99%**
Participatory Contracts	Individuals	2,099,904	0.20%	33,450,618	3.69%
	Legal Entities	78,655,140	7.35%	21,001,681	2.32%
Total		**80,755,044**	**7.54%**	**54,452,299**	**6.01%**
Subtotal		**1,070,412,365**	**100%**	**906,059,477**	**100%**

Contract Type	Customer Type	2023-24			
		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	53,319,580	5.65%	82,567,275	14.36%
	Legal Entities	845,704,689	89.62%	455,137,582	79.13%
Total		**899,024,268**	**95.27%**	**537,704,857**	**93.49%**
Participatory Contracts	Individuals	157,141	0.02%	3,094,916	0.54%
	Legal Entities	44,509,262	4.72%	34,351,868	5.97%
Total		**44,666,403**	**4.73%**	**37,446,783**	**6.51%**
Total		**943,690,672**	**100%**	**575,151,640**	**100%**

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

59.3.9. Non-performing loans management method

In this section, the Bank's policies—including preventive and follow-up measures—for the management of non-performing loans and receivables, as well as its policies regarding asset acquisition and the methods of their liquidation, are disclosed. Tables 59-3-9-1 to 59-3-9-3 are completed accordingly.

59.3.9.1. Turnover of Non-performing loans and claims

	2024-25				2023-24			
	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	42,611,322	8,490,985	(4,738,681)	46,363,626	16,819,947	4,919,596	(1,948,389)	19,791,154
Transferred to Non-Performing during Year	65,326,525	27,741,134	0	93,067,659	41,384,129	5,635,625	0	47,019,755
Non-performing Loans & Claims Settled during Year								
Cash Collection	(33,450,567)	(6,325,416)	(2,365,416)	(42,141,399)	(3,595,888)	(1,856,746)	(2,635,256)	(8,087,890)
Received by acquiring property	(13,707,281)	(1,423,478)	(393,139)	(15,523,898)	(1,736,795)	(207,491)	(155,035)	(2,099,321)
Settlement by New Loans	(9,634,403)	0	0	(9,634,403)	(3,338,144)	0	0	(3,338,144)
Amhal	(23,333,060)	0	0	(23,333,060)	(6,921,927)	0	0	(6,921,927)
Balance of Non-performing Loans & Claims at End of Year	**27,812,535**	**28,483,225**	**(7,497,235)**	**48,798,525**	**42,611,322**	**8,490,985**	**(4,738,681)**	**46,363,626**

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

	Loans & Receivables		Specific provision for doubtful loans & Receivables		Net loans & Receivables	
	2024-25	2023-24	2024-25	2023-24	2024-25	2023-24
	IRR Million	IRR Million	IRR Million	IRR Million	IRR Million	IRR Million
Partial Distribution of Non-Performing Loans:						
Industry	28,094,812	23,933,767	(27,874,158)	(13,575,051)	4,253,153	10,358,716
Housing	2,849,385	4,847,833	(2,172,682)	(3,527,253)	676,703	1,320,580
Commercial	9,091,684	4,131,835	(3,565,137)	(2,033,471)	5,526,547	2,098,364
Services	7,716,604	6,962,900	(3,177,859)	(4,949,144)	4,538,745	2,013,757
Agriculture	814,481	2,878,986	(147,930)	(1,083,905)	666,552	1,795,081
Banks	231,558	3,608,304	(237,832)	(268,358)	(6,274)	3,339,946
Total	**48,798,525**	**46,363,626**	**(37,175,599)**	**(25,437,182)**	**15,655,425**	**20,926,444**

59.3.9.3. Balance of Repossessed Assets

Description	2024-25	2023-24
	IRR Million	IRR Million
Immovable Assets:		
Residential	25,152,946	2,324,745
Commercial/Office	10,008,330	113,091
Factory	8,343,765	3,323,003
Land	872,266	861,414
Residential/Commercial	95,543	72,222
Residential/Commercial/Office	185,904	185,904
Balance of Repossessed Assets	**44,658,753**	**6,880,378**

59.3.10. Capital required for credit risk coverage

The capital required to cover the credit risk of the Bank's assets amounts to IRR 84,049,904 Million. The calculation of this capital requirement is presented in Table 59-3-10-1

59.3.10.1. Calculation of capital required to cover credit risk

	Note	2024-25	2023-24
		IRR Million	IRR Million
Total Weighted Asset to Credit Risk	59-7-2-1	1,050,623,798	679,340,690
Coefficient-%		8	8
Capital Required to Cover Credit Risk		**84,049,904**	**54,347,255**

59.4. Liquidity risk

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

59.4.1. 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.

59.4.2. Liquidity Risk Management Policies and Guidelines

The Liquidity Risk Policy has been approved by the Bank's Board of Directors to ensure effective management and optimal use of the Bank's resources, in alignment with the interests of stakeholders and in accordance with relevant lending and investment policies, legal requirements, and supervisory obligations. This policy outlines the framework for identifying, measuring, monitoring, controlling, and reporting liquidity and interest rate risks. It also defines the governance structure and scenario-building principles for liquidity risk management.

59.4.3. Operational Units Involved in Liquidity Risk Management

The Risk Management and Economic Studies Department is responsible for implementing the liquidity risk policy and for measuring and monitoring the Bank's liquidity risk position. It prepares periodic liquidity risk reports for senior management in coordination with the Financial Management Department, utilizing the Bank's information systems.

The Financial Management, Budgeting, and Shareholders Affairs Department, together with the Risk Management Department, is jointly accountable for implementing the liquidity risk policy and monitoring liquidity risk. They are also required to provide timely and periodic reports to senior management.

The Asset and Liability Committee (ALCO), composed of the CEO, deputies, and senior managers, is tasked with analyzing the Bank's asset and liability structure to enhance profitability while managing liquidity, market, and credit risks.

The High Risk Committee oversees the reports prepared by the Risk Management Unit and periodically submits them to the Board of Directors. It is also responsible for the approval of overall risk policies and procedures by the Board.

59.4.4. Liquidity Risk Measurement Methods (Principles and Assumptions)

Given the diversity and practical application of various liquidity risk metrics, Karafarin Bank conducts daily monitoring of the Liquidity Coverage Ratio (LCR). It also applies additional metrics such as liquidity gap analysis and forward-looking liquidity-at-risk measures, which serve as industry-standard tools for assessing liquidity risk. In addition, balance sheet liquidity ratios are used as indicators of the Bank's capacity to meet liquidity demands under stress scenarios. These ratios also serve as the foundation for the Bank's liquidity risk limit framework.

The following steps are undertaken to ensure accurate and daily liquidity monitoring:

59.4.5. Liquidity Risk Monitoring and Control Mechanisms

To ensure effective management of liquidity risk, the Bank implements a comprehensive set of monitoring and control mechanisms, including:

- Daily Monitoring of the Liquidity Coverage Ratio (LCR)
- Intra-day and End-of-day Liquidity Management: Active daily management of liquidity to prevent resource shortfalls and avoid overnight borrowing from the Central Bank.
- Portfolio Monitoring and Credit Default Risk Assessment: Periodic review of the Bank's credit portfolio and the likelihood of customer defaults, as reported to the High Risk Committee.
- Collateral Valuation Updates: Bi-weekly revaluation of collateral assets and assessment of their quality in the Bank's Core Banking System.
- Monitoring of Large Exposures: Ongoing review of the Bank's large credit facilities and commitments to assess potential default risk and initiate follow-up actions.
- Liquidity Ratios in High Risk Committee Reports: Monthly reporting and evaluation of liquidity ratios submitted to the High Risk Committee for oversight and strategic decision-making.
- Branch Limit Optimization and Monitoring: Active management of branch-level credit and liquidity limits across Tehran and provincial branches. Limits are reviewed semi-annually, with daily tracking of cash inflows and outflows
- Daily Treasury and Interbank Account Management: Management of the Bank's treasury operations and intermediary accounts in other banks, especially for provincial branches.

Daily Controls: Includes monitoring of branch liquidity reserves, treasury balances, and intermediary accounts at the Central Bank. This covers all payment systems such as Shetab, Satna, Chakavak, and Shaparak.

Asset-Liability Management (ALM): At a macro level, liquidity positions are assessed on a monthly and mid-term basis through financial statements. In addition to standard liquidity ratios, dynamic evaluation methods such as the CAMELS framework and rating agency models (e.g., Moody's and S&P) are utilized to analyze interdependencies and trends in key liquidity indicators.

59.4.5.1. Liquidity provisions

The following table indicates the Bank's liquidity provisions:

	2024-25	2023-24
	IRR Million	IRR Million
Sight Deposit held with CBI (Unlimited)	6,013,387	7,240,702
Sight Deposits held with Other Banks & Credit Institutes (Unlimited)	705,288,636	349,987,376
Investing in Rapidly Marketable Shares	10	492,134
Investing in Other Securities	67,231,453	46,318,492
Total Liquidity Provisions	**778,533,486**	**404,038,705**

59.4.5.2. Liquidity ratios

	At Beginning of Year	Year's Monthly Average	Minimum during Year		At End of Year
	%	%	%	%	%
Cash & Cash Equivalent to Total Assets	7	9	14	3	12
Cash Asset & Cash Equivalent to Total Deposits	15	18	28	5	27
Net Cash Assets to Total Deposits**	(17)	(10)	(1)	(20)	(20)
Loans to Total Deposits	86	80	92	70	92
Loans Granted to 1-Year Deposits & Above	149	139	174	122	174
Escaped Deposits to Total Deposits***	21	23	28	19	28

* 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.

59.4.5.3. 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:

	2024-25							
	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	714,861,813	186,727,743	0	0	528,134,070	0	0	714,861,813
Claims from Banks & other Credit Institutes	59,582,713	59,582,713	0	0	0	0	0	59,582,713
Granted Loans & Claims from Non-governmental Entities	856,288,579	58,571,482	133,489,049	522,408,970	95,881,997	20,682,671	25,254,410	906,059,477
Investment in Shares & Other Securities	75,003,411	10	8,999,384	29,062,194	29,374,631	7,567,193	0	75,003,411
Claims from Subsidiary & Associated Companies	18,999,292	0	18,999,292	0	0	0	0	19,288,621
Other Accounts Receivable	236,187,299	236,187,299	0	0	0	0	0	237,420,653
Non-current assets held for sale	53,035,083	0	0	0	0	53,035,083	0	53,035,083
Fixed Tangible Assets	31,723,919	0	0	0	0	16,997,168	14,726,751	31,723,919
Intangible Assets	18,027,835	0	0	0	0	3,301,084	14,726,751	18,027,835
Legal Deposit	110,465,039	45,682,591	7,773,140	36,054,122	20,868,552	86,634	0	110,465,039
Other Assets	13,295,716	0	11,982,497	1,123,605	0	189,614	0	13,295,716
Total assets	**2,187,470,700**	**586,751,839**	**181,243,362**	**588,648,891**	**674,259,250**	**101,859,446**	**54,707,911**	**2,238,764,280**
Liabilities:								
Dues to banks & Credit Institutes	(970,931,196)	(292,226,844)	0	(150,570,282)	(528,134,070)	0	0	
Deposits	(932,070,064)	(385,455,667)	(65,587,367)	(304,213,604)	(176,082,435)	(730,992)	0	
Dividends Payable	(46,964)	(23,960)	0	0	(23,004)	0	0	
Debt Securities	(7,421,301)	0	0	(7,421,301)	0	0	0	
Provisions & Other Liabilities	(160,499,332)	(147,305,470)	(12,650,812)	(543,050)	0	0	0	
Provision for Work Termination Benefits	(5,450,822)	0	0	0	0	0	(5,450,822)	
Total Liabilities	**(2,076,419,679)**	**(825,011,941)**	**(78,238,179)**	**(462,748,237)**	**(704,239,509)**	**(730,992)**	**(5,450,822)**	
Total Shareholders' Equity	(111,051,021)	0	0	0	0	0	(111,051,021)	
Total cash out flow from Off-Balance Sheet Items	0	0	0	0	0	0	0	
Total Liabilities, Shareholders' Equity & Off-Balance Sheet Items	**(2,187,470,700)**	**(825,011,941)**	**(78,238,179)**	**(462,748,237)**	**(704,239,509)**	**(730,992)**	**(116,501,842)**	
Gap		(238,260,103)	103,005,184	125,900,654	(29,980,259)	101,128,455	(61,793,930)	
Cumulative Gap		(238,260,103)	(135,254,919)	(9,354,265)	(39,334,523)	61,793,931	0	
Gap to Regulatory Capital Ratio-%		(%221)	96%	117%	(%28)	94%	(%57)	
Cumulative Gap to Regulatory Capital Ratio-%		(%221)	(%126)	(%9)	(%37)	57%	0%	

59.4.5.3. (Continued)

	2023-24							
	Carrying Amount	Below 1 Month	From 1 Month to 3 Months	From 3 Months to 1 Year	From 1 Year to 5 Years	Above 5 Years	Without Specified Maturity Date	Balance before deducting reserves
	IRR Million	IRR Million	IRR Million	IRR Million	IRR Million	IRR Million	IRR Million	IRR Million
Assets:								
Cash	359,277,679	48,563,898	0	310,713,781	0	0	0	17,813,832
Claims from Banks & other Credit Institutes	20,851,808	20,851,808	0	0	0	0	0	9,914,916
Granted Loans & Claims from Non-governmental Entities	541,666,110	91,814,328	90,989,721	288,798,719	58,118,237	11,945,105	0	431,418,455
Investment in Shares & Other Securities	53,265,387	492,134	0	23,305,818	23,104,225	6,363,210	0	36,220,242
Claims from Subsidiary & Associated Companies	9,307,973	0	9,307,973	0	0	0	0	5,390,068
Other Accounts Receivable	170,825,691	170,825,691	0	0	0	0	0	8,674,282
Non-current assets held for sale	6,880,378	0	0	0	0	6,880,378	0	5,062,373
Fixed Tangible Assets	32,042,062	0	0	0	0	16,119,848	15,922,214	28,110,943
Intangible Assets	18,739,582	0	0	0	0	946,942	17,792,640	18,107,967
Legal Deposit	81,592,264	32,702,536	828,498	21,635,876	26,373,297	52,057	0	58,808,296
Other Assets	3,688,505	0	963,069	2,601,980	0	123,457	0	5,773,692
Total assets	**1,298,137,439**	**365,250,395**	**102,089,260**	**647,056,174**	**107,595,759**	**42,430,997**	**33,714,853**	**625,295,066**
Liabilities:								
Dues to banks & Credit Institutes	(516,030,055)	(146,940,967)	0	(369,089,088)	0	0	0	
Deposits	(633,295,422)	(253,240,372)	(6,440,511)	(168,191,239)	(205,018,624)	(404,676)	0	
Dividends Payable	(24,834)	(5,806)	0	0	(19,028)	0	0	
Debt Securities	(2,371,613)	0	0	(2,371,613)	0	0	0	
Provisions & Other Liabilities	(66,524,021)	(64,659,741)	(1,168,717)	(695,563)	0	0	0	
Provision for Work Termination Benefits	(3,645,115)	0	0	0	0	0	(3,645,115)	
Total Liabilities	**(1,221,891,060)**	**(464,846,886)**	**(7,609,228)**	**(540,347,502)**	**(205,037,652)**	**(404,676)**	**(3,645,115)**	
Total Shareholders' Equity	(76,246,380)	0	0	0	0	0	(76,246,380)	
Total cash out flow from Off-Balance Sheet Items	0	0	0	0	0	0	0	
Total Liabilities, Shareholders' Equity & Off-Balance Sheet Items	**(1,298,137,439)**	**(464,846,886)**	**(7,609,228)**	**(540,347,502)**	**(205,037,652)**	**(404,676)**	**(79,891,495)**	
Gap		(99,596,492)	94,480,033	106,708,672	(97,441,893)	42,026,321	(46,176,642)	
Cumulative Gap		(99,596,492)	(5,116,459)	101,592,213	4,150,320	46,176,641	0	
Gap to Regulatory Capital Ratio-%		(%144)	136%	154%	(%141)	61%	(%67)	
Cumulative Gap to Regulatory Capital Ratio-%		(%144)	(%7)	147%	6%	67%	0%	

59.4.5.4. Financial liabilities contractual maturity analysis

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

	2024-25						
	Carrying amount	Below 1 month	from 1-3 months	From 3 months to 1 year	From 1-5 years	From 1-5 years	Above 5 years
	IRR Million	IRR Million	IRR Million	IRR Million	IRR Million	IRR Million	IRR Million
Liabilities:							
Dues to Banks & Other Credit Institutes	(970,931,196)	(292,226,844)	0	(150,570,282)	(528,134,070)	0	0
Deposits	(932,070,064)	(385,455,667)	(65,587,367)	(304,213,604)	(176,082,435)	(730,992)	0
Debt bonds and partnership bonds	0	0	0	0	0	0	0
Loans Received from National Development Fund	0	0	0	0	0	0	0
Total	**(1,903,001,260)**	**(677,682,511)**	**(65,587,367)**	**(454,783,886)**	**(704,216,505)**	**(730,992)**	**0**

	2024-25						
	Carrying amount	Below 1 month	from 1-3 months	From 3 months to 1 year	From 1-5 years	From 1-5 years	Above 5 years
	IRR Million	IRR Million	IRR Million	IRR Million	IRR Million	IRR Million	IRR Million
Liabilities:							
Dues to Banks & Other Credit Institutes	(516,030,055)	(146,940,967)	0	(369,089,088)	0	0	0
Deposits	(633,295,422)	(253,240,372)	(6,440,511)	(168,191,239)	(205,018,624)	(404,676)	0
Debt bonds and partnership bonds	0	0	0	0	0	0	0
Loans Received from National Development Fund	(14,128)	0	0	0	(14,128)	0	0
Total	**(1,149,339,605)**	**(400,181,339)**	**(6,440,511)**	**(537,280,327)**	**(205,032,752)**	**(404,676)**	0

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

	2024-25						
	Carrying amount	Below 1 Month	1 Month to 3 Months	3 Months to 1 Year	1 Year to 5 Years	Above5 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	(887,376,119)	(738,752,333)	0	(148,623,785)	0	0	0
Deposit	(23,451,713)	(15,704,146)	(124,901)	(3,414,136)	(4,208,530)	0	0
Debt Securities	0	0	0	0	0	0	0
Loans Received from National Development Fund	0	0	0	0	0	0	0
Total	**(910,827,832)**	**(754,456,480)**	**(124,901)**	**(152,037,921)**	**(4,208,530)**	**0**	**0**

	2023-24						
	Carrying amount	Below 1 Month	1 Month to 3 Months	3 Months to 1 Year	1 Year to 5 Years	Above5 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	(457,945,682)	(430,755,463)	0	(27,190,219)	0	0	0
Deposit	(14,286,441)	(11,493,738)	(72,719)	(463,896)	(2,256,089)	0	0
Debt Securities	0	0	0	0	0	0	0
Loans Received from National Development Fund	0	0	0	0	0	0	0
Total	**(472,232,123)**	**(442,249,201)**	**(72,719)**	**(27,654,115)**	**(2,256,089)**	**0**	**0**

59.4.6. Contingency Funding Plan (Liquidity Stress Testing)

Liquidity stress testing is conducted to assess the bank's resilience to liquidity shocks based on expert judgment or historical evidence. According to Basel Committee guidelines, stress testing and scenario analysis are recommended tools for forecasting future cash flows. The objective of stress testing is to estimate the impact of severe yet plausible shocks on the financial system. Bank Karafarin has implemented liquidity stress testing since 2008, positioning itself as a pioneer in adopting this approach in the Iranian banking sector. Liquidity stress testing serves as a key quantitative tool for assessing the impact of various shocks on the bank's liquidity adequacy. Forecasting cash flows under different scenarios and evaluating their effects on liquidity levels enables the bank to establish an effective liquidity buffer to prevent liquidity crises.

Stress testing at Bank Karafarin is conducted at three levels:

Level 1: Monthly reports titled Liquidity Ratios are prepared and presented to the Asset and Liability Committee (ALCO), offering an overview of the bank's liquidity position. These ratios are in line with those recommended by international bodies such as the IMF and Basel Committee. Additionally, the Static Liquidity Gap is calculated based on the maturity structure of deposits, loans, and off-balance sheet items.

Level 2: The Liquidity Coverage Ratio (LCR), a key Basel III liquidity metric, is calculated and monitored. According to Basel III, banks were required to reach a minimum LCR of 100% by 2018. This ratio ensures that banks maintain sufficient high-quality liquid assets to withstand a 30-day stressed funding scenario.

Level 3: At the Risk Management Department, cash flow patterns from branches, the central treasury, and non-cash electronic transactions (e.g., SATNA, Shetab, and Cheque Clearing System) are dynamically forecasted using econometric models under both normal and adverse scenarios. To estimate the upper bound of stress at a 99% confidence level, withdrawals from the treasury, SATNA, and cheque clearing are separately calculated and aggregated to determine the required Liquidity Buffer under a potential bank run.

The bank's contingency measures include:

- Shortening the repayment period of loans and receivables;
- Replacing collateral with Level 1 high-quality liquid assets;
- Daily and intra-day monitoring of cash outflows;
- Halting new lending over the next 30-day period;
- Establishing special repayment agreements with major borrowers;
- Arranging agreements with large depositors to reduce withdrawal risk;
- Coordinating with surplus-liquidity banks in the interbank market.

59.5. Market Risk Management

59.5.1. Definition of Market Risk

Market risk refers to the potential loss arising from the decline in value of the bank's trading positions (including both on- and off-balance sheet assets and liabilities) from the date of purchase to the date of sale. In accordance with Basel II, banks may use internally developed models to assess market risk. Bank Karafarin's risk management philosophy is focused on identifying, limiting, monitoring, and managing various dimensions of risk in order to preserve asset value and income streams, while safeguarding the interests of depositors and shareholders. Optimizing return requires adherence to a pre-determined level of risk tolerance.

To this end, the bank has adopted specific strategies for managing market risk, including:

- Managing capital exposure arising from market risk in all new services or activities related to financial markets.
- Limiting market risk for individual securities and sectors to thresholds set forth by the Board of Directors in the Bank's Market Risk Policy.
- Ensuring the bank maintains adequate capital at all times in accordance with the first pillar of Basel guidelines.
- Publishing a market risk framework to monitor and measure open foreign currency positions.
- Conducting regular stress testing to evaluate the impact of potential market variable changes on the bank's risk exposure.

59.5.2. Market Risk Management Structure

Market risk at Bank Karafarin is assessed in the following categories:

- Equity Risk: The risk of loss arising from fluctuations in the price of shares, impacting the value of the bank's equity portfolio.
- Foreign Exchange Risk: The risk of loss resulting from changes in exchange rates, affecting the value of foreign currency-denominated assets and liabilities when expressed in Iranian Rials. This risk arises from both short-term and long-term open currency positions.

59.5.3. Market Risk Measurement Methodology

The Bank applies both the Kernel Distribution Method and the Variance –Covariance Method to measure and manage market risk. These calculations are performed on monthly basis.

Under the Kernel Distribution Method, no assumptions- suck as the normality of return distributions-are imposed. This model is applied to investment portfolios Whose returns or profit and loss depend on the behavior of risk factors or asset returns.

In contrast, the Variance –Covariance Method is based on the assumption that risk factor returns ae normally distributed and that their joint distribution follows a multivariate normal distribution.

For risk classification purposes, all tradable securities, including government bonds, corporate bonds, and fixed-income funds, are considered low-risk. Listed and over the counter (OTC) equities are classified as medium-risk, while long-term investments, mainly comprising unlisted companies, are categorized as high-risk.

59.5.4. Value-at-Risk (VaR) Analysis for Equity and Market-Traded Investments

Based on the kernel distribution approach and the estimated potential percentage changes in market value, the Value-at-Risk (VaR) for equity investments and other market-traded assets is calculated as shown in the table below.:

	2024-25		2023-24	
	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	-	-	(20.53, 20.53)	216,880
Other Investments (Stating Title)	-	-	-	-

*Assuming a 10 – day holding period and a 99% confidence level, the risk is measured

59.5.5. Analysis of value at risk of foreign currency rate

The Bank’s foreign currency position at 20.03.2025 is as follows:

	USD	EUR	GBP	CHF	JPY	AED	CNY	INR	KRW	OMR	RUB	OTH
Cash	58,066,260	858,615,490	393,483	230,467	209,797,291	48,482,757	34,198,722	44,052,667	5,318,142,767	1,277,195	1,287,399,449	
Due from Banks and Non-bank Credit Institutions	7,135,409	4,061,612	-	-	-	-	-	-	-	-	-	
Loans and Advances to Non-Governmental Entities	74,542,408	36,992,384	-	-	-	471,635,104	-	-	-	-	-	
Receivables from subsidiaries and affiliates	0	0	0	0	0	0	0	0	0	0	0	
Other Receivables	129,074,301	112,090,529	-	143,049	-	368,002,065	512,073,073	-	95,022,261	-	32,510,027	
Total Foreign Currency Assets	268,818,378	1,011,760,015	393,483	373,516	209,797,291	888,119,926	546,271,795	44,052,667	5,413,165,028	1,277,195	1,319,909,477	
Customer Commitments under Letters of Credit	-	2,898,518	-	-	-	-	-	-	-	-	-	
Customer Commitments under Guarantees Issued	-	20,473,789	-	-	-	4,000,000	-	-	-	-	-	
Other commitments of customers												
Total Customer Foreign Currency Commitments	**0**	**23,372,307**	**0**	**0**	**0**	**4,000,000**	**-**	**0**	**0**	**0**	**0**	
Total Foreign Currency Assets and Customer Commitments	268,818,378	1,035,132,322	393,483	373,516	209,797,291	892,119,926	546,271,795	44,052,667	5,413,165,028	1,277,195	1,319,909,477	
Rial Equivalent of Total Foreign Currency Assets and Customer Commitments	183,119,886	770,175,712	348,021	288,749	961,981	165,476,649	51,449,516	346,122	2,551,853	2,259,811	10,716,345	153,782
Due to Banks and Non-bank Credit Institutions	(122,062,611)	(860,064,792)	-	-	(170,290,103)	(608,960,910)	(451,474,303)	-	(3,457,104,564)	(1,275,033)	(512,500,000)	
Deposits (Foreign Currency)	(10,526,836)	(14,753,643)	(27,700)	(100)	(2,553,045)	(9,269,356)	(1,476,514)	(962,741)	(52,677,475)	-	(1,659,274)	
Provisions and Other Payables	(118,585,158)	(112,812,663)	(0.5)	(143,049)		(184,854,592)	(65,044,160)	(7,810,000)	(556,347,536)		(396,056,350)	
Total Foreign Currency Liabilities	(251,174,605)	(987,631,097)	(27,700)	(143,149)	(172,843,148)	(803,084,858)	(517,994,977)	(8,772,741)	(4,066,129,575)	(1,275,033)	(910,215,625)	
Bank Commitments under Letters of Credit	-	(2,898,518)	-	-	-	-	-	-	-	-	-	
Bank Commitments under Guarantees Issued	-	(20,473,789)	-	-	-	(4,000,000)	-	-	-	-	-	
Other Bank liabilities	0	0	0	0	0	0	0	0	0	0	0	
Total Bank Foreign Currency Commitments	0	(23,372,307)	0	0	0	(4,000,000)	0	0	0	0	0	
Total Foreign Currency Liabilities and Commitments	**(251,174,605)**	**(1,011,003,404)**	**(27,700)**	**(143,149)**	**(172,843,148)**	**(807,084,858)**	**(517,994,977)**	**(8,772,741)**	**(4,066,129,575)**	**(1,275,033)**	**(910,215,625)**	
Rial Equivalent of Total Foreign Currency Liabilities and Commitments(IRR million)	**(171,100,894)**	**(752,222,929)**	**(24,500)**	**(110,662)**	**(792,536)**	**(149,703,749)**	**(48,786,321)**	**(68,927)**	**(1,916,839)**	**(2,255,986)**	**(7,390,041)**	**(114,759)**
Net Open Foreign Exchange Position on 20.03.2025	17,643,773	24,128,918	365,783	230,367	36,954,143	85,035,068	28,276,818	35,279,926	1,347,035,452	2,162	409,693,852	
Rial Equivalent of Net Open FX Position (each currency) (IRR million)	12,018,991	17,952,784	323,522	178,087	169,445	15,772,900	2,663,196	277,194	635,014	3,825	3,326,304	39,022
Net Open Position to Regulatory Capital (%)	11.2%	0	0.3%	0.2%	0.2%	14.6%	2.5%	0.3%	0.6%	0.0%	3.1%	0.0%
Net Open Position to Regulatory Capital (as per Prudential Ratios) (%)	17.3%	25.9%	0.5%	0.3%	0.2%	22.8%	3.8%	0.4%	0.9%	0.0%	4.8%	0.1%

The Bank’s foreign currency position on 20.03.2024 is as follows:

	USD	EUR	GBP	CHF	JPY	AED	CNY	OTH
Cash	24,630,563	765,308,952	551,703	230,992	209,797,291	66,759,826	52,331,889	
Due from Banks and Non-bank Credit Institutions	6,144,833	5,010,817	0	0	0	0	0	
Loans and Advances to Non-Governmental Entities	6,123,080	34,531,183	0	0	0	103	0	
Receivables from subsidiaries and affiliates	0	400,000	0	0	0	0	0	
Other Receivables	9,133,294	55,685,449	0	0	0	133,697,181	1,795	
Total Foreign Currency Assets	46,031,770	860,936,402	551,703	374,041	209,797,291	303,277,254	1,847,179,465	
Customer Commitments under Letters of Credit	0	20,056,189	0	0	0	0	340,320	
Customer Commitments under Guarantees Issued	0	8,037,593	0	0	0	4,000,000	0	
Other commitments of customers	0	0	0	0	0	20,044,500	0	
Total Customer Foreign Currency Commitments	0	28,093,781	0	0	0	24,044,500	340,320	
Total Foreign Currency Assets and Customer Commitments	46,031,770	889,030,183	551,703	374,041	209,797,291	327,321,754	1,847,519,785	
Rial Equivalent of Total Foreign Currency Assets and Customer Commitments	**18,499,110**	**389,158,738**	**282,480**	**170,038**	**565,530**	**35,818,492**	**103,189,523**	**3,677,544**
Due to Banks and Non-bank Credit Institutions	(9,560,562)	(751,649,526)	0	0	(70,055,254)	(204,779,843)	(1,787,940,695)	
Deposits (Foreign Currency)	(33,269,460)	(94,442,767)	(33,356)	(100)	(2,553,045)	56,185,355	11,350,996	
Provisions and Other Payables	32,826,515	(18,596,874)	(1)	(143,049)		(100,683,159)	(24,381,872)	
Total Foreign Currency Liabilities	(10,003,507)	(864,689,167)	(33,357)	(143,149)	(72,608,299)	(249,277,647)	(1,800,971,571)	
Bank Commitments under Letters of Credit	0	0	0	0	0	0	(340,320)	
Bank Commitments under Guarantees Issued	0	(20,056,189)	0	0	0	(4,000,000)	0	
Other Bank liabilities	0	(8,037,593)	0	0	0	(20,044,500)	0	
Total Bank Foreign Currency Commitments	0	(28,093,781)	0	0	0	(24,044,500)	0	
Total Foreign Currency Liabilities and Commitments	(10,003,507)	(892,782,948)	(33,357)	(143,149)	(72,608,299)	(273,322,147)	(1,801,311,891)	
Rial Equivalent of Total Foreign Currency Liabilities and Commitments(IRR million)	**(4,020,179)**	**(390,801,451)**	**(17,079)**	**(65,075)**	**(195,723)**	**(29,909,369)**	**(100,608,673)**	**(3,367,592)**
Net Open Foreign Exchange Position on 20.03.2025	36,028,263	(3,752,765)	518,346	230,892	137,188,992	53,999,607	46,207,894	
Rial Equivalent of Net Open FX Position (each currency) (IRR million)	14,478,930	(1,642,713)	265,401	104,963	369,807	5,909,123	2,580,850	309,952
Net Open Position to Regulatory Capital (%)	20.9%	(%2)	0.4%	0.2%	0.5%	8.5%	3.7%	0.4%
Net Open Position to Regulatory Capital (as per Prudential Ratios) (%)	24.8%	(%3)	0.5%	0.2%	0.6%	10.1%	4.4%	0.5%

59.5.5.1. Summary of foreign currency open position

	2024-25	2023-24
Positive Open Position of All Foreign Currencies- IRR Million	53,360,284	24,019,025
Negative Open Position of All Foreign Currencies- IRR Million	0	(1,642,713)
Foreign Currency Open Position- IRR Million	53,360,284	22,376,312
Positive Open Position of All Foreign Currencies to Regulatory Capital As A Basis for Other Prudential Ratios-%	77.0%	41.2%
Negative Open Position of All Foreign Currencies to Regulatory Capital As A Basis for Other Prudential Ratios-%	0%	(%3)

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

	2024-25	2023-24
	IRR Million	IRR Million
Total Assets to Gold, Silver & Platinum	2,889	3,780
Total Liabilities to Gold, Silver & Platinum	0	0
Net Assets & Liabilities to Gold, Silver & Platinum	2,889	3,780
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	2,889	3,780
Net Open Position of Gold (Always Positive)	2,889	3,780
Open Position Gold to Paid Capital & Free Reserve	0	0

59.5.5.3. 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	2024-25		2023-24	
	Potential Change in Market Price	Effect on Profit & Loss	Potential Change in Market Price	Effect on Profit & Loss
	%	IRR Million	%	IRR Million
USD	(-8.51, 8.51)	1,023,390	0	0
EUR	(-8.85, 8.85)	1,576,049	(-2.89, 2.89)	(-42,779)
GBP	(-8.84, 8.84)	28,565	(-2.84, 2.84)	7,548
AED	(-8.84, 8.84)	1,348,660	0	0
JPY	(-10.13, 10.13)	17,643	(-3.32, 3.32)	12,296
CHF	(-11.80, 11.80)	21,500	(-2.70, 2.70)	2,829
CNY	(-9.70, 9.70)	242,305	(-1.80, 1.80)	46,454
RUB	(-12.95, 12.95)	383,864	(-8.58, 8.58)	4,178
KRW	(-11.13, 11.13)	75,791	(-3.62, 3.62)	14,519
INR	(-8.57, 8.57)	24,682	(-1.05, 1.05)	1,780
TRY	(-9.76, 9.76)	1,191	(-4.42, 4.42)	344
Others	(-13.04, 13.04)	12,678	(-0.13, 0.13)	1
		4,756,318		**47,170**

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

59.5.6. Capital required to cover market risk

Measurement Method	Shares Risk Foreign Currency Risk Total Capital Required to				
	Value at Risk	Required capital	Value at Risk	Required capital	Required to Cover Market Capital
	IRR Million	IRR Million	IRR Million	IRR Million	IRR Million
Variance & Covariance Model	0	0	4,756,318	14,268,955	14,268,955
Standard Model	(Average Opportunity) *8%	0	(Opportunity Sale or Purchase) *8%	4,268,825	4,268,825

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

	2024-25						
	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	714,861,813	0	0	0	0	0	714,861,813
Claims from Banks & Other Credit Institutes	59,582,713	0	0	0	0	0	59,582,713
Dues from the Government	0	0	0	0	0	0	0
Loans Granted & Claims from Governmental Authorities	0	0	0	0	0	0	0
Granted Loans & Claims from Non-governmental Entities	856,288,579	58,571,482	133,489,049	522,408,970	95,881,997	20,682,671	25,254,410
Investment in Shares & Other Securities	75,003,411	0	0	29,062,194	0	0	45,941,217
Claims from Subsidiary & Associated Companies	18,999,292	0	0	18,999,292	0	0	0
Other Accounts Receivable	236,187,299	0	0	0	0	0	236,187,299
Non-current assets held for sale	53,035,083	0	0	0	0	0	53,035,083
Fixed Tangible Assets	31,723,919	0	0	0	0	0	31,723,919
Intangible Assets	18,027,835	0	0	0	0	0	18,027,835
Legal Deposit	110,465,039	45,682,591	7,773,140	36,054,122	20,868,552	86,634	0
Other Assets	13,295,716	0	0	0	0	0	13,295,716
Total assets	**2,187,470,700**	**104,254,072**	**141,262,189**	**606,524,578**	**116,750,549**	**20,769,305**	**1,197,910,006**
Liabilities							
Dues to Banks & Other Credit Institutes	(970,931,196)	(292,226,844)	0	0	0	0	(678,704,352)
Deposits	(932,070,064)	(385,455,667)	(65,587,367)	(304,213,604)	(176,082,435)	(730,992)	0
Dividends Payable	(46,964)	0	0	0	0	0	(46,964)
Debt Securities	0	0	0	0	0	0	0
Corporation Tax Provision	(7,421,301)	0	0	0	0	0	(7,421,301)
Provisions & Other liabilities	(160,499,332)	0	0	0	0	0	(160,499,332)
Liabilities related to non-current assets held for sale	0	0	0	0	0	0	0
Provision for Work Termination Benefits	(5,450,822)	0	0	0	0	0	(5,450,822)
Total Liabilities	**(2,076,419,679)**	**(677,682,511)**	**(65,587,367)**	**(304,213,604)**	**(176,082,435)**	**(730,992)**	**(852,122,771)**
Total Shareholders' Equity	(111,051,021)	0	0	0	0	0	(111,051,021)
Total Liabilities & Shareholders' Equity	**(2,187,470,700)**	**(677,682,511)**	**(65,587,367)**	**(304,213,604)**	**(176,082,435)**	**(730,992)**	**(963,173,792)**
Gap		(573,428,439)	75,674,823	302,310,974	(59,331,885)	20,038,314	234,736,214
Cumulative Gap		(573,428,439)	(497,753,616)	(195,442,642)	(254,774,528)	(234,736,214)	0

	2023-24						
	Carrying Amount	Below 1 Month	From 1 Month to 3 Months	From 3 Months to 1 Year	From 1 Year to 5 Years	Above 5 Years	Insensitive to Interest Rate
	IRR Million	IRR Million	IRR Million	IRR Million	IRR Million	IRR Million	IRR Million
Assets							
Cash	359,277,679	0	0	0	0	0	359,277,679
Claims from Banks & Other Credit Institutes	20,851,808	0	0	0	0	0	20,851,808
Dues from the Government	0	0	0	0	0	0	0
Loans Granted & Claims from Governmental Authorities	0	0	0	0	0	0	0
Granted Loans & Claims from Non-governmental Entities	541,666,110	91,814,328	90,989,721	288,798,719	58,118,237	11,945,105	0
Investment in Shares & Other Securities	53,265,387	0	0	23305817.62	0	0	29,959,569
Claims from Subsidiary & Associated Companies	9,307,973	0	0	9,307,973	0	0	0
Other Accounts Receivable	170,825,691	0	0	0	0	0	170,825,691
Non-current assets held for sale	6,880,378	0	0	0	0	0	6,880,378
Fixed Tangible Assets	32,042,062	0	0	0	0	0	32,042,062
Intangible Assets	18,739,582	0	0	0	0	0	18,739,582
Legal Deposit	81,592,264	32,702,536	828,498	21,635,876	26,373,297	52,057	0
Other Assets	3,688,505	0	0	0	0	0	3,688,505
Total assets	**1,298,137,439**	**124,516,864**	**91,818,219**	**343,048,386**	**84,491,534**	**11,997,162**	**642,265,275**
Liabilities							
Dues to Banks & Other Credit Institutes	(516,030,055)	(146,940,967)	0	0	0	0	(369,089,088)
Deposits	(633,295,422)	(253,240,372)	(6,440,511)	(168,191,239)	(205,018,624)	(404,676)	0
Dividends Payable	(24,834)	0	0	0	0	0	(24,834)
Debt Securities	0	0	0	0	0	0	0
Corporation Tax Provision	(2,371,613)	0	0	0	0	0	(2,371,613)
Provisions & Other liabilities	(66,524,021)	0	0	0	0	0	(66,524,021)
Liabilities related to non-current assets held for sale	0	0	0	0	0	0	0
Provision for Work Termination Benefits	(3,645,115)	0	0	0	0	0	(3,645,115)
Total Liabilities	**(1,221,891,060)**	**(400,181,339)**	**(6,440,511)**	**(168,191,239)**	**(205,018,624)**	**(404,676)**	**(441,654,670)**
Total Shareholders' Equity	(76,246,380)	0	0	0	0	0	(76,246,380)
Total Liabilities & Shareholders' Equity	**(1,298,137,439)**	**(400,181,339)**	**(6,440,511)**	**(168,191,239)**	**(205,018,624)**	**(404,676)**	**(517,901,050)**
Gap		(275,664,475)	85,377,708	174,857,147	(120,527,089)	11,592,485	124,364,225
Cumulative Gap		(275,664,475)	(190,286,767)	(15,429,620)	(135,956,710)	(124,364,225)	0

59.6. Operational Risk

59.6.1. Definition of Operational Risk

Karafarin Bank defines operational risk in accordance with the Central Bank's circular No. 00/241697 dated 2021/11/13 (1400/08/22 in Persian calendar) and Basel standards as the risk of loss resulting from inadequate or failed internal processes, people, systems, or from external events.

59.6.2. Operational Risk Management Units

The organizational structure for implementing and overseeing daily operational risk management tasks is as follows:

The Board Risk Committee, representing the Board of Directors, is responsible for establishing the operational risk management framework, approving final strategies and policies, setting limits and thresholds related to operational risk, and making any amendments or revisions.

The Operational Risk Subcommittee, acting on behalf of the Board Risk Committee, is responsible for initial review and assessment of all strategies, policies, and processes related to operational risk, coordinating among relevant organizational units, proposing significant policies and procedures to the Board Risk Committee for final approval, and ensuring proper implementation of the operational risk management framework.

The Risk Management and Economic Studies Unit is responsible for all executive activities related to identifying, measuring, monitoring, reporting, controlling, and mitigating operational risk in collaboration with other organizational units.

59.6.3. Preventive Measures Against Intentional and Unintentional Human Errors

Karafarin Bank strives to minimize the occurrence of both intentional and unintentional human errors by documenting and standardizing processes, developing comprehensive, transparent, and consistent policies, providing continuous and adequate training to staff, segregating supervision and execution duties, enabling independent oversight units, regularly reporting to senior management and the Board, focusing on conflict of interest avoidance, and defining precise and measurable criteria and examples in processes and regulations.

59.6.4. Crisis Management Measures

Karafarin Bank approved a Crisis Management Regulation in 2015 (1394 Persian calendar) and formed a Crisis Committee comprising most senior managers, including the CEO, to manage crisis situations. Furthermore, the bank is preparing a Business Continuity Plan to ensure readiness to handle potential crises and prevent operational disruptions.

59.6.5. Operational Risk Measurement Methods

Modeling and measuring operational risk and estimating the required capital to cover it require operational risk data, mainly collected from:

- Risk and Control Self-Assessment (RCSA) processes
- Key Risk Indicators (KRI)

Operational risk measurement uses these data sources in models compliant with Central Bank regulations and Basel III standards. Karafarin Bank has implemented key risk indicators and RCSA as part of its operational risk management project. The bank uses the Basic Indicator Approach to calculate the capital required to cover operational risk.

- Risk and Control Self-Assessment (RCSA): A tool to identify and assess operational risks across all processes, products, and systems, detecting vulnerabilities and weak controls. This involves workshops and meetings with relevant management to determine control strengths and weaknesses. Results can be used to improve controls, allocate resources to high-risk areas, and prioritize operational risk events. Given the dynamic work environment, RCSA sessions also help identify new risks and develop key risk indicators.
- Key Risk Indicators (KRI): These act as early warning signals for increasing operational risks that may lead to future losses. KRIs include incident-based (binary), retrospective (historical event trends), and predictive indicators. Monitoring and analyzing these indicators are prerequisites for a robust operational risk framework. The Risk Management and Economic Studies unit, in collaboration with other bank divisions, defines KRIs with predetermined alert thresholds to notify senior management and relevant units.

59.6.6. Operational Risk Control and Monitoring Mechanisms

The Risk Management unit regularly reports the following to senior management and the Board Risk Committee to facilitate timely control and management of operational risk: minimum capital requirements, RCSA outcomes, and KRI trends. Karafarin Bank also manages operational risk from outsourced services by drafting transaction regulations and holding a continuous Transaction Commission. Before launching new products or services, the Product Development Committee consults with relevant units including Risk Management to assess operational and other business risks and apply necessary adjustments. The Operational Risk Subcommittee assists the Board Risk Committee by more closely monitoring and managing operational risk. Operational risk is continuously monitored by Risk Management with cooperation from other units, with periodic and ad hoc reports submitted to the Board Risk Committee, Operational Risk Subcommittee, Crisis Committee, and disclosed in annual Board reports, IFRS reports, transparency disclosures, and public reports.

Operational Risk Management Options

To manage identified operational risks, the bank has the following options:

1. Risk Avoidance: Avoiding certain business strategies or customer groups.
2. Risk Retention: Accepting and maintaining the risk while implementing internal controls, risk mitigation, and financial risk coverage through pricing, provisions, and capital.
3. Risk Transfer: Fully or partially transferring the risk to third parties, including using insurance coverage to reduce and transfer risk.

59.6.7. Required Capital for Operational Risk Coverage

Karafarin Bank calculates the capital required for operational risk coverage using the Basic Indicator Approach in accordance with Central Bank Circular No. 98/436758 dated 2020/03/07 (1398/12/17), with results summarized accordingly:

Measurement Method	Capital at Operational risk
	IRR Million
Base Index BI	5,176,707

59.7. Capital Management

59.7.1. Regulatory capital

Description	2024-25	2023-24
	IRR Million	IRR Million
Tier 1 Capital		
Capital Paid Less Capital from Assets Revaluation Surplus	41,590,937	31,590,937
Shares Premium	0	0
Retained Earnings (Loss)	40,096,369	11,010,242
Legal Reserve	18,960,855	12,740,210
Prudential Reserve	0	0
Other Reserves	0	7,135,807
Adjusted Amount from Revaluation of Fixed Assets, Shares & Securities	8,284,079	8,284,079
Total Tier 1 Capital before Regulatory Adjustments	**108,932,238**	**70,761,273**
Less: Regulatory Adjustments		
Cost of Treasury Shares	(8,007,155)	(4,650,745)
Cost of the Credit Institutes Shares Owned by Subsidiaries at the Time Calculating Capital Adequacy	0	(76,841)
Intangible Assets	(1,670,060)	(1,026,245)
Minimum Cost of Investment in Shares of Credit Institutes or Non subsidiary Financial Units	(162,165)	(162,165)
Net Carrying Amount of Investments to Specified Limits (50% Less from Tier 1 Capital)	(2,235,987)	(2,025,638)
Other Adjustments Recognized by the CBI	0	0
Total Regulatory Adjustments	**(12,075,367)**	**(7,941,635)**
Tier 1 Capital after Regulatory Adjustments	**96,856,871**	**62,819,639**
Tier 2 Capital		
Debt from Debt Securities Issued by Credit Institutes & Their Premium & Other Dues Following Meeting the Conditions	0	0
Provision for General Doubtful Debts up to 1.25% of Risk-Weighted Assets	13,132,797	8,491,759
Total Tier 2 Capital	**13,132,797**	**8,491,759**
Less: Regulatory Adjustments		
Net Carrying Amount of Investments up to the Specified Limit (50% Less from Tier 2 Capital)	(2,235,987)	(2,025,638)
Tier 2 Capital after Regulatory Adjustments	**10,896,811**	**6,466,120**
Less: Excess of Tier 2 Capital to Tier 1 Capital	0	0
Tier 2 Capital Calculated in Regulatory Capital	**10,896,811**	**6,466,120**
Regulatory Capital	**107,753,682**	**69,285,759**
Regulatory capital based on other prudential ratios	**69,285,759**	**58,309,714**

59.7.2. Capital Allocation

59.7.2.1. Total credit risk-weighted assets at the end of the reporting period ended 20.03.2025 amounts to IRR 1,050,623,798 Million

Description	20.03.2025						20.03.2024	
	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 on hand (cash and funds in transit in foreign currency and Rial)	623,680,506	100	62,368,050,643	0	0	0	0	0
Legal reserve deposits at the Central Bank of Iran	110,465,039	100	11,046,503,900	0	0	0	0	0
Claims on the Central Bank	7,891,353	100	789,135,339	0	0	0	0	0
Participation bonds issued or guaranteed by the Central Bank	0	100	0	0	0	0	0	0
Claims on banks and non-bank credit institutions (very good credit rating or capital adequacy ≥ 8)	27,940,844	100	27,940,844	20	5,588,169	447,054	0	0
Claims on banks and non-bank credit institutions (good credit rating or capital adequacy 5 to 8)	7,153,695	100	7,153,695	30	2,146,108	171,689	0	0
Claims on banks and non-bank credit institutions (medium credit rating or capital adequacy 3 to 5)	6,545	100	6,545	40	2,618	209	0	0
Claims on banks and non-bank credit institutions (weak credit rating or capital adequacy 1 to 3)	24,776,670	100	24,776,670	70	17,343,669	1,387,494	0	0
Claims on banks and non-bank credit institutions (very weak credit rating or capital adequacy less than 1)	45,741,456	100	45,741,456	100	45,741,456	3,659,316	8,090,115	647,209
Claims on government (loans and securities) or claims guaranteed by the government	67,231,453	100	67,231,453	0	0	0	0	0
Claims on credit institutions (with credit rating [-AA to AAA])	3,451,912	100	3,451,912	20	690,382	55,231	0	0
Claims on credit institutions (with credit rating [A to +A-])	3,361,743	100	3,361,743	30	1,008,523	80,682	0	0
Claims on credit institutions (with credit rating [BBB to +BBB-])	27,443,430	100	27,443,430	40	10,977,372	878,190	0	0
Claims on credit institutions (with credit rating [-B to +BB])	2,364,714	100	2,364,714	70	1,655,300	132,424	0	0
Claims on credit institutions (with credit rating [Below -B])	610,299	100	610,299	100	610,299	48,824	0	0
Claims on government institutions, companies, and public non-government entities (loans and securities) or guaranteed claims	0	100	0	75	0	0	0	0
Listed companies in Tehran Stock Exchange and OTC markets (loans or equity participation) with very good credit rating	1,426,108	100	397,042	20	79,408	6,353	0	0
Listed companies in Tehran Stock Exchange and OTC markets with good credit rating	107,291,721	100	86,883,456	50	43,441,728	3,475,338	0	0
Listed companies in Tehran Stock Exchange and OTC markets with medium credit rating	4,993,479	100	4,747,105	75	3,560,329	284,826	0	0
Listed companies in Tehran Stock Exchange and OTC markets with weak credit rating	0	100	0	100	0	0	764,950	61,196
Listed companies in Tehran Stock Exchange and OTC markets with very weak credit rating	11	100	11	150	17	1	1,742,899	139,432
Listed companies in Tehran Stock Exchange and OTC markets without credit rating	0	100	0	100	0	0	0	0
Other companies and individuals with loans over 1,000 billion IRR and very good credit rating	3,660,572	100	1,443,579	20	288,716	23,097	0	0
Other companies and individuals with loans over 1,000 billion IRR and good credit rating	160,757,485	100	94,808,987	50	47,404,494	3,792,359	0	0
Other companies and individuals with loans over 1,000 billion IRR and medium credit rating	203,232,002	100	131,829,033	100	131,829,033	10,546,323	0	0
Other companies and individuals with loans over 1,000 billion IRR and weak credit rating	9,632,158	100	6,975,499	150	10,463,248	837,060	2,152,500	172,200
Other companies and individuals with loans over 1,000 billion IRR and very weak credit rating	1,483,066	100	1,483,066	200	2,966,131	237,291	3,094,083	247,527
Other companies and individuals with loans over 1,000 billion IRR without credit rating	48,520,291	100	45,916,992	150	68,875,487	5,510,039	0	0
Other companies and individuals with loans between 100 billion and 1,000 billion IRR with internal credit rating very good	4,119,659	100	2,251,104	50	1,125,552	90,044	0	0
Other companies and individuals with loans between 100 billion and 1,000 billion IRR with internal credit rating good	83,289,227	100	43,488,091	75	32,616,068	2,609,285	32,615,931	2,609,274
Other companies and individuals with loans between 100 billion and 1,000 billion IRR with internal credit rating medium	98,341,555	100	49,531,387	100	49,531,387	3,962,511	0	0
Other companies and individuals with loans between 100 billion and 1,000 billion IRR with internal credit rating weak	197,056	100	0	150	0	0	0	0
Other companies and individuals with loans between 100 billion and 1,000 billion IRR with internal credit rating very weak	1,765,381	100	558,486	200	1,116,971	89,358	0	0

Description	20.03.2025						20.03.2024	
	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
Other companies and individuals with loans between 100 billion and 1,000 billion IRR without internal credit rating	2,640,752	100	1,834,867	150	2,752,301	220,184	0	0
Other companies and individuals with loans between 2 billion and 100 billion IRR with internal credit rating very good	3,487,615	100	678,146	30	203,444	16,275	0	0
Other companies and individuals with loans between 2 billion and 100 billion IRR with internal credit rating good	21,082,881	100	6,477,138	50	3,238,569	259,086	83,120,398	6,649,632
Other companies and individuals with loans between 2 billion and 100 billion IRR with internal credit rating medium	16,762,391	100	7,395,388	90	6,655,849	532,468	0	0
Other companies and individuals with loans between 2 billion and 100 billion IRR with internal credit rating weak	5,465,631	100	3,648,325	120	4,377,990	350,239	0	0
Other companies and individuals with loans between 2 billion and 100 billion IRR with internal credit rating very weak	985,584	100	414,214	170	704,164	56,333	0	0
Other companies and individuals with loans between 2 billion and 100 billion IRR without internal credit rating	19,796,180	100	7,216,600	90	6,494,940	519,595	0	0
Other companies and individuals with loans less than 2 billion IRR (microloans) with very good credit score	314,210	100	174,614	20	34,923	2,794	1,969,141	157,531
Other companies and individuals with loans less than 2 billion IRR (microloans) with good credit score	7,234,442	100	4,730,458	40	1,892,183	151,375	0	0
Other companies and individuals with loans less than 2 billion IRR (microloans) with medium credit score	8,503,705	100	5,876,505	75	4,407,379	352,590	124,154,536	9,932,363
Other companies and individuals with loans less than 2 billion IRR (microloans) with weak credit score	8,655,357	100	5,947,861	100	5,947,861	475,829	6,306,873	504,550
Other companies (through loan facilities or equity participation) and individuals with loan amounts below IRR 2 billion (retail loans) with very poor credit rating	449,476	100	314,942	150	472,412	37,793	11,257,848	900,628
Other companies (through loan facilities or equity participation) and individuals with loan amounts below IRR 2 billion (retail loans) without credit rating	20,110,478	100	15,669,539	100	15,669,539	1,253,563	0	0
Outstanding principal and interest on non-participatory contracts for residential properties where the property is pledged to the credit institution	7,970,187	100	462,732	50	231,366	18,509	3,365,127	269,210
Net non-performing claims (principal, interest, and penalties minus specific provision) – specific provision less than 20% of the outstanding balance	7,445,864	100	7,445,864	150	11,168,796	893,504	19,778,529	1,582,282
Net non-performing claims (principal, interest, and penalties minus specific provision) – specific provision between 20% to 50% of the outstanding balance	1,623,538	100	1,623,538	100	1,623,538	129,883	3,805,129	304,410
Net non-performing claims (principal, interest, and penalties minus specific provision) – specific provision 50% or more of the outstanding balance	9,321,999	100	9,321,999	50	4,661,000	372,880	106,776	8,542
Non-government participation bonds	0	100	0	100	0	0	0	0
Receivables from subsidiaries and affiliates (current and non-lending in nature)	18,999,292	100	18,999,292	100	18,999,292	1,519,943	0	0
Other receivables (current)	236,187,299	100	236,187,299	100	236,187,299	18,894,984	0	0
Net fixed assets	49,751,754	100	49,751,754	100	49,751,754	3,980,140	0	0
Other on-balance sheet items**	66,330,799	100	66,330,799	100	66,330,799	5,306,464	241,484,191	19,318,735
Commitments for issued or confirmed letters of credit where the underlying goods are pledged as collateral, net of prepayments	0	20	0	100	0	0	0	0
Commitments for issued or confirmed letters of credit where the underlying goods are not pledged as collateral, net of prepayments	8,302,323	50	4,151,162	100	4,151,162	332,093	1,563,655	125,092
Commitments for issued guarantees, net of cash collateral	366,541,949	20	73,308,390	100	73,308,390	5,864,671	54,290,682	4,343,255
Commitments under executed contracts and guarantees for various Sukuk, including participation bonds	103,510,084	50	51,755,042	100	51,755,042	4,140,403	79,677,327	6,374,186
Other commitments	541,342	100	541,342	100	541,342	43,307	0	0
Total	**2,672,844,562**				**1,050,623,798**	**84,049,904**	**679,340,690**	**54,347,255**

59.7.2.2. Total operational risk-weighted assets at the end of the year ended on 20.03.2025 amounted to IRR 53,641,833 Million.

	2024-25			2023-24		
	Amount	Risk Factor	Capital Required to Cover Operational Risk	Amount	Risk Factor	Capital Required to Cover Operational Risk
	IRR Million	%	IRR Million	IRR Million	%	IRR Million
Trade Shares	10	**8**	**1**	492,134	**8**	**39,371**
Total Cost of Trade Securities- Specific Risk	204,755	**5**	**10,238**	91,550	**5**	**4,577**
Trade Securities-Fundamental Risk- 1 Month & Less to Maturity Date	0	**0**	**0**	0	**0**	**0**
Trade Securities- Fundamental Risk- 1 Month to 3 Months Remained to Maturity Date	0	**0/2**	**0**	0	**0/2**	**0**
Trade Securities- Fundamental Risk- 3 Months to 6 Months Remained to Maturity Date	0	**0/4**	**0**	0	**0/4**	**0**
Trade Securities- Fundamental Risk- 6 Months to 12 Months Remained to Maturity Date	0	**0/7**	**0**	0	**0/7**	**0**
Trade Securities- Fundamental Risk- 1 Year to 2 Years Remained to Maturity Date	0	**1/25**	**0**	0	**1/25**	**0**
Trade Securities- Fundamental Risk- 2 Years to 3 Years Remained to Maturity Date	0	**1/75**	**0**	0	**1/75**	**0**
Trade Securities- Fundamental Risk- 3 Years to 4 Years Remained to Maturity Date	0	**2/25**	**0**	0	**2/25**	**0**
Trade Securities- Fundamental Risk- 4 Years to 5 Years Remained to Maturity Date	0	**2/75**	**0**	0	**2/75**	**0**
Trade Securities- Fundamental Risk- 5 Years to 7 Years Remained to Maturity Date	0	**3/25**	**0**	0	**3/25**	**0**
Trade Securities- Fundamental Risk- 7 Years to 10 Years Remained to Maturity Date	0	**3/75**	**0**	0	**3/75**	**0**
Trade Securities- Fundamental Risk- 10 Years to 15 Years Remained to Maturity Date	0	**4/5**	**0**	0	**4/5**	**0**
Trade Securities- Fundamental Risk- 15 Years to 20 Years Remained to Maturity Date	0	**5/25**	**0**	0	**5/25**	**0**
Trade Securities- Fundamental Risk- Above 20 Years Remained to Maturity Date	204,755	**6**	**12,285**	91,550	**6**	**5,493**
Positive Open Position of All Foreign Currencies Absolute Magnitude of Negative Position of All Foreign Currencies Whichever is Higher	53,360,284	**8**	**4,268,823**	24,019,025	**8**	**1,921,522**
Total Capital Required to Cover Market Risk			**4,291,347**			**1,970,963**
Factor			**12/5**			**12/5**
Market Risk-Weighted Assets Total			**53,641,833**			**24,637,040**

59.7.2.3. Total operational risk-weighted assets at the end of the reporting fiscal year ended 20.03.2025 amounted to IRR 117,637,783 Million.

	2024-25			2023-24		
	Amount	Risk Factor	Capital Required to Cover Operational Risk	Amount	Risk Factor	Capital Required to Cover Operational Risk
	IRR Million	%	IRR Million	IRR Million	%	IRR Million
Total Income of the Average Bank in Three Recent Years	62,740,151	15	9,411,023	37,645,807	15	5,646,871
Factor			**12/5**			**12/5**
Risk- Weighted Operational Assets			**117,637,783**			**70,585888**

59.7.3. Capital adequacy ratio of the Bank at the end of the year ended 20.03.2025 was 8.82%.

	2024-25	2023-24
	IRR Million	IRR Million
A Basis for Prudential Ratios Regulatory Capital as	107,753,682	69,285,759
Assets Credit Risk-Weighted	1,050,623,798	679,340,690
Market Risk-Weighted Assets	53,641,833	24,637,041
Operational Risk-Weighted Assets	117,637,783	70,585,888
Assets Total Risk-Weighted	1,221,903,414	774,563,619
Tier 1 Capital to Risk-Weighted Asset Ratio-%	7,93 %	8,11 %
Ratio-% Capital Adequacy	8,82 %	8,95 %

59.7.4. Degree of leverage

Degree of leverage is the ratio of Bank's total assets to shareholders' equity. Bank's degree of leverage was 5.1% at the end of the fiscal year 20.03.2025.

	2024-25	2023-24
	IRR Million	IRR Million
Total Shareholders' Equity	111,051,021	76,246,380
Total Assets	2,187,470,700	1,298,137,439
Degree of Leverage-%	5.1%	5.9%

60. Operating Units

60.1. Basis for dividing sectors

This section explains the various business sectors in reporting.

60.2. 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.

	2024-25					
	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:						
Deposits Income & Granted Loans	151,214,867	0	6,202,093		0	157,416,960
Expense Deposits Interest	(124,713,916)	0	(44,253)		0	(124,758,169)
Deposits Income & Net Loans	26,500,951	0	6,157,839		0	32,658,790
Commission Income	23,609,791	902,391	10,873,714	1,418,302	0	36,804,198
Commission Expense	(238,134)	0	(3,308,624)	(101,798)	0	(3,648,557)
Net Commission Income	23,371,657	902,391	7,565,089	1,316,504	0	33,155,641
Returns (Loss) Net Investment	10,137,196	0	0		0	10,137,196
Transactions Profit (Loss) Net Foreign Currency	0	0	2,646,163		0	2,646,163
Revenues Other Operating	0	0	21,367,987	0	770,967	22,138,955
income, foreign exchange and other operational income Sum of investment	10,137,196	0	24,014,150	0	770,967	34,922,313
Net Income Out of the Bank	60,009,804	902,391	37,737,079	1,316,504	770,967	100,736,745
Net Income from Bank's Sections	0	0	0	0	0	0
Total Income of Operating Sections of the Bank	60,009,804	902,391	37,737,079	1,316,504	770,967	100,736,745
Expenses of Operating Sections Doubtful Debt	(17,083,677)	0	0	0	0	(17,083,677)
Attributable to Operating Sections Other Direct Expenses	(34,866,395)	0	(108,842)	0	0	(34,975,237)
(Loss) before Unattributable General Expenses Each Section Profit	8,059,731	902,391	37,628,236	1,316,504	770,967	48,677,830
Sections Unattributable to						(2,157,177)
Profit before Tax						**46.520.653**

* The non-rial activities of agency banking and Qard al-Hasan were disclosed in the international banking section.

* All non-rial activities of the Bank are disclosed in the international banking section.

	2023-24					
	Proxy banking	**Gharz-al-hassaneh banking**	**banking International**	**E-banking**	**activities Other**	**Total**
	Million IRR	IRR Million	IRR Million	IRR Million	IRR Million	IRR Million
Income Out of Bank:						
Deposits Income & Granted Loans	113,436,002	0	456,000		0	113,892,002
Expense Deposits Interest	(82,033,870)		(12,399)		0	(82,046,268)
Deposits Income & Net Loans	31,402,132	0	443,602		0	31,845,734
Commission Income	12,737,647	325,009	2,708,906	586,687	0	16,358,249
Commission Expense	(312,242)	0	0	(518,001)	0	(830,243)
Net Commission Income	12,425,405	325,009	2,708,906	68,687	0	15,528,006
Returns (Loss) Net Investment	3,374,478	0	0		0	3,374,478
Transactions Profit (Loss) Net Foreign Currency			1,954,535		0	1,954,535
Revenues Other Operating	0	0	9,232,220	0	(52,050)	9,180,170
income, foreign exchange and other operational income Sum of investment	3,374,478	0	11,186,755	0	(52,050)	14,509,183
Bank Net Income Out of the	47,202,014	325,009	14,339,262	68,687	(52,050)	61,882,922
Bank's Sections Net Income from	0	0	0	0	0	0
Operating Sections of the Bank Total Income of	47,202,014	325,009	14,339,262	68,687	(52,050)	61,882,922
Expenses of Operating Sections Doubtful Debt	(15,539,116)	0	0	0	0	(15,539,116)
Expenses Attributable to Operating Sections Other Direct	(25,880,135)	0	(91,297)	0	0	(25,971,432)
(Loss) before Unattributable General Expenses Each Section Profit	5,782,763	325,009	14,247,965	68,687	(52,050)	20,372,374
Unattributable to Sections General Expenses						(1,258,963)
Profit before Tax						**19.113.412**

* The non-rial activities of agency banking and Qard al-Hasan were disclosed in the international banking section.

* All non-rial activities of the Bank are disclosed in the international banking section.

60.3. 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.

	2024-25									
	Iran	Switzerland	Turkey	Arab Emirates United	Germany	Korea South	Oman	Bahrain	Other Countries	Total
	IRR Million	Million IRR	Million IRR	Million IRR	Million IRR	Million IRR	Million IRR	Million IRR	Million IRR	Million IRR
Assets:										
Cash	60,347,816	15,521,984	85,982,963	54,282	5,810,034	2,833,869	2,272,196	10,656,383	531,382,285	714,861,813
Other Credit Institutes & from Claims	59,582,713	0	0	0	0	0	0	0	0	59,582,713
Claims from Non-governmental Entities & Loans Granted	856,288,579	0	0	0	0	0	0	0	0	856,288,579
Securities & in Shares Investment	75,003,411	0	0	0	0	0	0	0	0	75,003,411
Associated Companies & from Subsidiary Claims	18,999,292	0	0	0	0	0	0	0	0	18,999,292
Accounts Receivable Other	236,187,299	0	0	0	0	0	0	0	0	236,187,299
assets held for sale Non-current	53,035,083	0	0	0	0	0	0	0	0	53,035,083
Tangible Assets Fixed	31,723,919	0	0	0	0	0	0	0	0	31,723,919
Assets Intangible	18,027,835	0	0	0	0	0	0	0	0	18,027,835
Deposits Legal	110,465,039	0	0	0	0	0	0	0	0	110,465,039
Asset Other	13,295,716	0	0	0	0	0	0	0	0	13,295,716
Assets Total	**1,532,956,702**	**15,521,984**	**85,982,963**	**54,282**	**5,810,034**	**2,833,869**	**2,272,196**	**10,656,383**	**531,382,285**	**2,187,470,700**
Liabilities:										
Other Credit Institutes & to Banks Dues	(442,797,126)	0	0	0	0	0	0	0	(528,134,070)	(970,931,196)
Deposits	(932,070,064)	0	0	0	0	0	0	0	0	(932,070,064)
Payable Dividends	(46,964)	0	0	0	0	0	0	0	0	(46,964)
Tax Provision Corporation	(7,421,301)	0	0	0	0	0	0	0	0	(7,421,301)
Other Liabilities & Provisions	(160,499,332)	0	0	0	0	0	0	0	0	(160,499,332)
for Work termination Benefits Provision	(5,450,822)	0	0	0	0	0	0	0	0	(5,450,822)
Liabilities Total	**(1,548,285,609)**	**0**	**0**	**0**	**0**	**0**	**0**	**0**	**(528,134,070)**	**(2,076,419,679)**
Operating Revenues Total	**167,000,926**	**0**	**0**	**0**	**0**	**0**	**0**	**0**	**0**	**167,000,926**
Expenses & Other Income Total	**770,967**	**0**	**0**	**0**	**0**	**0**	**0**	**0**	**0**	**770,967**

60.3. (Continued)

	2023-24									
	Iran	Switzerland	Turkey	Arab Emirates United	Germany	South Korea	Oman	Bahrain	Other Countries	Total
	Million IRR	IRR Million	IRR Million	Million IRR	IRR Million	IRR Million	IRR Million	IRR Million	Million IRR	IRR Million
Assets:										
Cash	21,655,618	9,132,363	2,873,172	10,190,746	2,257,825	1,752,283	1,342,923	41,514	310,031,235	359,277,679
Other Credit Institutes & Claims from	20,851,808	0	0	0	0	0	0	0	0	20,851,808
Claims from Non-governmental Entities & Granted Loans	541,666,110	0	0	0	0	0	0	0	0	541,666,110
Securities & Investment in Shares	53,265,387	0	0	0	0	0	0	0	0	53,265,387
Associated Companies & Subsidiary Claims from	9,307,973	0	0	0	0	0	0	0	0	9,307,973
Receivable Other Accounts	170,825,691	0	0	0	0	0	0	0	0	170,825,691
held for sale Non-current assets	6,880,378	0	0	0	0	0	0	0	0	6,880,378
Fixed Tangible Assets	32,042,062	0	0	0	0	0	0	0	0	32,042,062
Intangible Assets	18,739,582	0	0	0	0	0	0	0	0	18,739,582
Legal Deposits	81,592,264	0	0	0	0	0	0	0	0	81,592,264
Other Asset	3,688,505	0	0	0	0	0	0	0	0	3,688,505
Total Assets	**960,515,378**	**9,132,363**	**2,873,172**	**10,190,746**	**2,257,825**	**1,752,283**	**1,342,923**	**41,514**	**310,031,235**	**1,298,137,439**
Liabilities:										
Other Credit Institutes & Dues to Banks	(205,316,274)	0	0	0	0	0	0	0	(310,713,781)	(516,030,055)
Deposits	(633,295,422)	0	0	0	0	0	0	0	0	(633,295,422)
Dividends Payable	(24,834)	0	0	0	0	0	0	0	0	(24,834)
Provision Corporation Tax	(2,371,613)	0	0	0	0	0	0	0	0	(2,371,613)
Other Liabilities & Provisions	(66,524,021)	0	0	0	0	0	0	0	0	(66,524,021)
termination Benefits Provision for Work	(3,645,115)	0	0	0	0	0	0	0	0	(3,645,115)
Total Liabilities	**(911,177,278)**	**0**	**0**	**0**	**0**	**0**	**0**	**0**	**(310,713,781)**	**(1,221,891,060)**
Revenues Total Operating	**114,638,323**	**0**	**0**	**0**	**0**	**0**	**0**	**0**	**0**	**114,638,323**
Expenses & Total Other Income	**(52,050)**	**0**	**0**	**0**	**0**	**0**	**0**	**0**	**0**	**(52,050)**

61. Transactions with Related Parties

61.1. Changes in Major Shareholders (Above 1%)

During the financial year under review, Saba Tamin Iranian Co. (Private Joint Stock) became one of the major shareholders (above 1%) by purchasing 598,800,000 shares.

61.2. Transactions with Directors

Directors include the CEO, members of the Board of Directors, and the Executive Board of the Bank. During the financial year under review, the directors had no transactions with any of the companies within the group.

61.2.1. Transactions of the Group companies with related parties (except for companies' subject to consolidation) during the reported period are as follows:

2024-25							
Description	Related Party	Type of Relation	Transaction	Subject to Article 129?	Flow of Transaction Amount	Gross Transaction Profit (Loss)	Claim Balance (Debt)
Karafarin Foreign Exchange Co.	Karafarin Insurance Co.	Common Board Member	Purchasing Foreign Currencies & Services	Yes	8,629	0	0
Karafarin Brokerage Co.	Karafarin Brokerage Mutual Investment Fund	Managed Fund	Transactions Commission	No	76,992	0	92,674
	Arman Karafarin investment Fund	Managed Fund	Transactions Commission	No	63,015	0	93,405
	Shakhes Karafarin investment Fund	Managed Fund	Transactions Commission	No	37,167	0	50,033
	Karafarin investment Fund	Managed Fund	Transactions Commission	No	171,341	0	119,898
	Atiyeh Omid Karafarin Institute	The Same Category Company	Transactions Commission	No	1,680	0	0
	Karafarin Insurance Co.	The Same Category Company	Transactions Commission	No	49,367	0	(6,509)
Karafarin financial group	Karafarin Insurance Co.	Other related parties	Purchasing Asset & Services	Yes	37,835	0	(448,679)

61.3. Transactions of related parties at the end of the fiscal year ended 20.03.2025 with the Bank (Parent Company) are as follows:

Item No.	Related Party	Type of Relation	Year Ended 20.03.2025					
			Transaction	Subject to Article 129	Pricing Method	Flow of Transaction Amount	Transaction Gross Profit (Loss)	Claim Balance (Debt)
						IRR Million	IRR Million	IRR Million
1	Karafarin Bank Brokerage Company	Subsidiary Company	Granted Loans	No	Board of Directors	19,660,000	319,864	2,137,588
			Loans Repayment		Board of Directors	17,999,953	0	
			L/G Issuance		Board of Directors	14,930	584	
			L/Gs Commission Income		Board of Directors	5,426	(5,426)	
2	Karafarin Exchange Company	Subsidiary Company	Foreign Currencies Purchase	No	market price	36,717,506	0	234,541
			Deposit paid		market price	37,000	0	
			Deposit received		market price	1,440	0	
			Other payables		Board of Directors	20,258	0	
			L/G Issuance		Board of Directors	219,000	4,400	
			Account receivable		Board of Directors	2,493	0	
3	Karafarin Leasing Company۳	Subsidiary Company	Property Rental	No	Board of Directors	0	18	2,291,322
			Account receivable		Board of Directors	157,540	0	
			Loans Repayment		Board of Directors	201,067	0	
			Granted Loans		Board of Directors	1,706,782	389,019	
4	Amin Etemad Karafarin Company٤	Subsidiary Company	Account receivable	No	Board of Directors	14,498	0	23,456
5	Abniye Gostar Karafarin	Subsidiary Company	Account receivable	No	Board of Directors	762,824	0	2,409,649
			Receive Service		market price	69,623	0	
6	Karafarin Bank Financial Group Company	Subsidiary Company	Other payables	No	Board of Directors	229,644	0	12,692,031
			Loans Repayment		Board of Directors	1,812,134	0	
			Loans Repayment		Board of Directors	882,000	0	
			Buying assets		market price	2,439,373	0	
			Selling Shares		market price	4,878,558	0	
			Transaction fees		Board of Directors	901,636	901,636	
			Account receivable		Board of Directors	6,843,633	0	
			Loans Payment		Board of Directors	3,139,509	362,182	
7	Asr Amin Karafarin Company	Subsidiary Company	Account receivable	No	Board of Directors	532,117	0	1,336,709
8	Negah Farda Karafarin Technology Development Company (Negah Holding)	Subsidiary Company	Buying equipment and providing services	No	market price	5,545,307	0	3,433,983
			Other payables		Board of Directors	2,058,813	0	
			Account receivable		Board of Directors	2,870,065	0	
9	Kar & Andisheh Engineering Company	Bank shareholder	Granted Loans	No	Board of Directors	2,507,297	312,133	2,144,789
			L/G Issuance		Board of Directors	135,252	574	
			Loans Repayment		Board of Directors	629,670	0	
10	Ali Rousta	Bank shareholder	Loans Repayment	No	Board of Directors	9,295	3,204	10,577
11	Negah Farda Karafarin Electronic Commerce Development Company	Subsidiary Company	Account receivable	No	Board of Directors	3,707	0	(152,830)
			Buying equipment and providing services		market price	923,380	0	
			L/G Issuance		Board of Directors	1,200	1	
			Bank deposit interest		market price	7,476	(7,476)	
			Other payables		Board of Directors	14,231	0	
12	Negah Farda Karafarin Banking Software Company	Subsidiary Company	Account receivable	No	Board of Directors	25,128	0	(237,104)
			service income		Board of Directors	2,541,587	(2,541,587)	
			Other payables		Board of Directors	66,968	0	
13	Tose’e Andisheh Dana Brokerage	Bank shareholder	Granted Loans	No	Board of Directors	2,650,000	73,630	529,670
			Loans Repayment		Board of Directors	2,191,305	0	
			L/G Issuance		Board of Directors	17,348	460	
14	Omide Karafarin Trade Development Company	Subsidiary Company	Loans Repayment	No	Board of Directors	629,444	0	2,878,536
			Loans Payment		Board of Directors	4,157,071	496,115	
15	Omide Karafarin Future Welfare Fund (or: Omide Karafarin Future Support Institute)	Subsidiary Company	Loans Payment	No	Board of Directors	1,340,892	0	1,382,292
			Account receivable		Board of Directors	41,400	0	
16	Karafarin Insurance Company	Associated shareholder of the bank	L/G Issuance	No	Board of Directors	27,257	509	16,015
			Other Receivables		Board of Directors	1,189,867	0	

61.4. 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 received	adjustments	Claim balance on 20.03.2025	Claim balance on 20.03.2024
		IRR Million	IRR Million	IRR Million	IRR Million
		0	0	0	0
		0	0	0	0

62. Retained Earnings at End of Year

	Amount
	IRR Million
Legal Duties	
SharingatLeast 10%of NetProfitofthe2024-25 asperArticle90ofCommercialCodeasAmended	4,147,096
Board of Directors' Proposal	
Dividend Proposed by the Board of Directors	18,728,381

According to Circular No. 03/323007 dated March 19, 2025, issued by the Central Bank of the Islamic Republic of Iran, the foreign exchange translation gains on monetary items, based on the exchange rate of IRR 681,203 per USD and IRR 744,036 per EUR, shall not be considered as distributable profit and may only be allocated to the Bank's capital increase. This amount for the year 2024/25 is IRR 21,367,987 million, which has been deducted from retained earnings in the calculation of the maximum distributable profit.

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

63.1. Balance of Gharz-al Hassaneh resources and expenditures

	Note	2024-25	2023-24
		IRR Million	IRR Million
Gharz-al Hassaneh Resources:			
Saving Gharz-al Hassaneh Deposits-IRR		30,836,487	16,930,472
Current Gharz-al Hassaneh Deposits-IRR		**214,313,384**	**105,958,984**
Total Gharz-al Hassaneh Resources		245,149,871	122,889,456
Gharz-al Hassaneh Expenditures:			
Granted IRR Loans & Claims from Governmental Authorities (before Provision)			
Ordinary Loans		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		(31,296,450)	(14,215,596)
Staff Loans		0	0
Provisional Loans-Budget		0	0
Total Granted IRR Loans & Claims from Non-Governmental Entities	**27**	**(31,296,450)**	**(14,215,596)**
Total Gharz-al Hassaneh Expenditures		(31,296,450)	(14,215,596)
Legal Deposit of Saving Gharz-al Hassaneh Resources		(3,083,649)	(1,693,047)
Legal Deposit of Current Gharz-al Hassaneh Resources		(27,646,427)	(13,668,709)
Liquidity Reserve for Saving Gharz-al hassaneh Deposits (5%)		(1,541,824)	(846,524)
Liquidity Reserve for Current Gharz-al hassaneh Deposits (40%)		(85,725,354)	(42,383,594)
Excess (Deficit) of Gharz-al hassaneh Resources to Expenditures		**95,856,168**	**50,081,986**

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

***** According to the provisions of the annual national budget law (Clause A, note 16 of the 2019 Budget Law), Qarz-al-Hasanah current deposits in Rials, after deducting the required reserves, liquidity reserves, and the share determined by the Central Bank, shall be allocated to Qarz-al-Hasanah lending.

63.2. Net commission on Gharz-al Hasaneh operations

	Note	Parent Company 2024-25 IRR Million	Parent Company 2023-24 IRR Million
Commission Received on Granted Gharz-al Hassaneh Loans		960,808	325,009
Prize Expenses for Gharz-al Hassaneh Deposits		(58,417)	0
Net Commission on Gharz-al Hassaneh Operations	**15-1**	**902,391**	**325,009**

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

	Parent Company 2024-25 IRR Million	Parent Company 2023-24 IRR Million
Marriage Assistance	19,933,196	9,379,430
Emergency Needs	1,616,342	798,664
Childbirth Support	2,808,347	1,418,902
Corporate Advance Services	132,160	202,746
Nik-Afarin Plus Plan	22,356	14,788
Samar-Afarin Plan	0	918
Nik-Afarin Plan	125	823
Medical Services	0	144
Imam Khomeini Relief Committee Employment Program	6,056,473	2,399,173
Mortgage Realization	25	7
FARAJA Intelligence Protection	58,954	0
Barakat Foundation Employment Program	325,597	0
Welfare Organization Employment Program	342,874	0
Total Granted Gharz-al Hassaneh Loans	**31,296,450**	**14,215,596**

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

	Parent Company 2024-25 IRR Million	Parent Company 2023-24 IRR Million
Legal Entities	31,296,450	14,215,596
Legal Entities-Cooperative	0	0
Legal Entities-Others	0	0
Total Granted Gharz-al Hassaneh Loans	**31,296,450**	**14,215,596**