IN THE NAME OF GOD

KARAFARIN BANK
ANNUAL REPORT 2022-23


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CEO's Statement

Before reporting on the performance of our Bank in 2022-2023, I would like to take this opportunity to extend my heartfelt gratitude to every single one of my colleagues and the respected members of the board of directors with whose support, diligence and hard work we could create another remarkable year at this bank.

We have achieved this remarkable performance despite all the severe difficulties of Iran's economy during this period. In 2022-23, after many ups and downs, although there was hope to revive the Joint Comprehensive Plan of Action (JCPOA) and draft a new agreement, all attempts were in vain. These economic difficulties, which were not only the result of constant economic pressure from abroad but also some limitations of Iran's economy itself, have reduced the predictability of the future more than ever. Besides, price shocks of the market with direct and indirect impacts on businesses and people's livelihood has aggravated the country's economy and banking industry.

However, as I said before, regardless of all such challenges faced by Iran's economy and the banking industry during the 2022-23 year, Karafarin Bank had an acceptable performance. The improvement of the bank's capital adequacy and financial indicators is a good case in point. According to published reports and documents, there was a rise in the bank's capital adequacy ratio to reach 13.17% in the reported year from 10.6% in the last year. It should be noted that according to the Basel II Standard, the minimum ratio of capital adequacy is 8%. To add a few other instances, I would like to mention that our cost-free deposits and guarantees have increased by 37 and 31 percent respectively. We have also seen a 74% surge in our non-shared income and a 66% surge in our commission income.

A rise in the granted loans of Karafarin Bank is also of importance here. In 2022-23, Karafarin Bank has paid 45 thousand billion Rials (net) loans to various sectors, including knowledge-based projects, which had a 12% increase from 2022-23. We had also a 359% growth in Gharz-al Hassaneh (usury-free) loans, which were mostly paid for marriage and raising children. However, despite the growth of granted loans, the bank has reached 4.59% NPL, in full compliance with credit health and proper validation of customers. This is considered a very favorable performance in this field among the country's banks.

I would like to reiterate the outstanding growth of our non-shared income which stands at 74%. This number indicates that our endeavors and focus on this field has been fruitful. As you know, non-shared income is one of the reliable resources of income for banks.

In order to improve the capital structure of the bank and for greater consistency and improvement of financial indicators regarding the future and to accelerate the development of the bank's activities in line with the set goals, the 2022-23 capital was increased from accumulated profit and other reserves by 16% -from 39,500 billion Rials to 46,000 billion Rials.

Increasing the bank's capital is one of the strategic and major plans in the upcoming years and is the best way to improve the operational and regulatory ratios of the bank, including capital adequacy, regulatory capital, and net asset growth. We hope to achieve this goal and forward the level of Karafarin Bank with the help of God and the support of our respected shareholders.

It is equally important for a bank to have a good standing in rating systems. A suitable rating system increases the level of health and transparency of the banking system, and it also helps people to distinguish between efficient and inefficient banks.

The CAMELS rating system, which is among the most prominent rating systems to classify banks, ranked our bank in the first place. Moreover, the figures, complied by the Central Bank of Iran (CBI), earned Karafarain a first-place ranking nationwide as a bank with banking health and stability, which are both important factors for the evaluation of banks and financial and credit institutions. This indicates the quality of profitability and the level of bank's adherence to international standards.

Enriching the infrastructure and creating suitable platforms especially in the bank's information technology department as well as other required sectors are among the important policies of the bank during 2022-2024. Thanks to the grace of God, we are also successful in these areas with the honest endeavors and collaboration of the expert and our devoted colleagues. I have to say that we also got help from the knowledge and capacities of reputable companies in this regard. In Karafarin Bank, we faithfully follow the path of creating and designing high-quality platforms to provide for our clients with more professional, specialized and up-to-date services. Therefore, we are determined to invest on such areas. This will make the bank more efficient and responsive.

It is worth mentioning that last year, "Hi Bank" digital platform of Karafarin Bank reached the final stage in order to meet the banking needs of customers and provide various financial services. It was released to the market in February, last year. The launch of the "Hi Bank" digital platform has been realized in the framework of the macro plans of the bank to become a fully smart bank, and its perspective is to become a comprehensive financial platform. According to the plans, the services of the subsidiary companies of the Karafarin Financial Group will also be available on this digital platform.

I would like to emphasize that the design of "Hi Bank" platform, with a focus on simplicity, ease of access, and acceleration of banking affairs, relied entirely on the local knowledge of our specialists in Negah Holding, which is the IT affiliate of Karafarin Bank.

Now, I would like to shift to the humanitarian activities of Karafarin Bank. In the business lines of 2022-23, special attention has been given to the prosperity and development of food security and provision of basic goods.

Supporting knowledge-based companies was also an area of focus. In the reported year, as in the last year, our bank tried to fulfill this mission by developing and expanding the capabilities of this important sector. Undoubtedly, in the coming year, good news about the progress of knowledge-based companies under the management, such as Asr Amin Karafarin and Servat Setaregan, will be heard by the dear shareholders.

Also, based on the business lines designed for 2023-24, the bank's focus will be on expanding foreign exchange activities. Providing special services to owners of foreign currency income from exports and providing facilities and infrastructure in the field of information technology to provide the best services to these customers will be considered this year.

It is my pleasure to inform you that Karafarin Bank has a special interest in participating and supporting national projects in order to play its role as a successful bank in national development and creating a sustainable economy. The financial group of the Karafarin Bank's support of the "Kourosh Petrochemical Project" is one of the clear examples of the bank's approach to supporting large national projects. The executive operation of this project started with the support of the bank in November 2022 with the aim of producing propylene and downstream derivatives, as one of the most complete petrochemical projects in the country.

The development of businesses and the economic growth and prosperity of companies depend largely on the capability of their human resources. One of the main and permanent policies of the bank is to empower employees and strengthen their expertise, skills and technical knowledge at all levels.

In line with this strategic goal, in the field of education, after obtaining the educational certificate "10015-2019" in 2022-23 and renewing this certificate this year, with the provision of the necessary infrastructure, such as the establishment of a professional training center in accordance with the standards of the world, Karafarin Bank as the first private bank of the country succeeded in obtaining the "29993-2017" certificate at the international level.

As it was our concern in the previous years, in 2022-23, we paid great attention to the implementation of corporate social responsibility. Participating in building school for disabled children, fundraising the establishment of a comprehensive rural health center, purchasing educational equipment and computers for schools, granting educational aid packages for the Tehran University's Faculty of Management and Accounting, participating in providing services in deprived areas, supporting the Diabetes Association to provide equipment and necessary requirements, funding for health care equipment, grant financial support to 102 research projects and participation of the bank's employees in national campaigns were only parts of the activities of the bank last year, and such actions are to be continued this year.

Once again, I need to appreciate the good trust of the shareholders, customers and all the stakeholders of the bank, who have always supported their employees in the bank with their accompaniment.

Undoubtedly, with the support of the stakeholders, the status of Green Karafarin Bank, which is considered a very successful example in the country's banking sector in complying with banking standards, will be promoted in the country's banking industry more than in the past and this distinguished and customer-oriented bank will take effective and long steps in the direction of the economic development.

Dr. Ahmad Baharvandi

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

We hereby present the Board of Directors' report to the Karafarin Bank's Annual Ordinary General Assembly. The provision of this report fulfills our compliance with the requirements outlined in Article 232 of the Commercial Code of 1968 (as amended) and Article 45 of the Securities and Exchange Act. This report is based on available evidence and documents and reflects the operations and general position of the Bank in the fiscal year ended on 20.03.2023.

In our opinion, contents of this report emphasize the principles of fair presentation of the Board of Directors' performance for the reporting period, and also foreground the bank's consistency to the applicable regulations with regard to safeguarding the interests of the bank. It is also to be noted that we have prepared this report according to the bank's Articles of Association. The information included in the report is accurate, complete and correspondent both to the past factual events and also future outcomes that could have been reasonably projected. This report approved and endorsed by the Board of Directors on 06.07.2023, and does not include any information unawareness of which may mislead the users.

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

Mr. Mohammadreza Khorsandi
Chairman

Mr.Masoud Sharifat
Vice-Chairman

Dr. Ahmad Baharvandi
CEO & Board Member

Mr. Mahdi Seif Alishahi
Board Member

Mr.Hosein Talakesh Naeeni
Board Member

ISLAMIC BANKING PRINCIPLES

Since the most essential element defining Islamic finance requires proper comprehension of distinguishing between usury and profit, Iranian banks have adjusted their operations according to the Usury-Free Banking Act of 1983. Thus, Iranian banks are financed 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 usury. 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 usury-free saving accounts “their own resources” and are required to guarantee their total nominal value.

Term Deposits

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

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

Participation Contracts

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

a.Mosharekat-e-Madani (Musharaka)

Under Musharaka contracts, a joint partnership is formed by the bank where the bank and the customer (legal entity or real person) combine their capital, forming a business in which both parties share the profit according to a specific ratio, while the loss is also 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 enterprises and entities of both the public and private sector who intends to raise their funds for specific activities through the issuance of bonds. Profits are paid quarterly.
Under Islamic law, Musharaka refers to a joint partnership where two or more persons combine either their capital or labor, forming a business in which all partners share the profit according to a specific ratio, while the loss is shared according to the ratio of the contribution.

b.Mosharekat-e-Hoghoughi (Legal Exposure)

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

c.Mudaraba

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

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

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

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

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

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

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

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

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

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

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

CHAPTER 1

INTRODUCTION

BACKGROUND

The establishment of Karafarin Bank was mainly the outcome of the economic collaboration between participating parties from the Iranian Association of Industry Managers, the Association of Construction Companies, the Association of Utility and Equipment Companies, the Iranian Society of Consulting Engineers, the Society of Consulting Architects and Urban Planning Engineers, and a selected group of prominent Iranian banking experts and the general public. The Bank was initially established as a nonbank credit institute with a fully paid-in capital of IRR 30 billion. It was registered as Karafarinan Non-Bank Credit Institute under number 157915 at Tehran Companies Registry on 9 December 1999. The Bank operated as a general credit institute, and its activities were subject to the Law governing the Activity of Credit Institutes. Following the enactment of the Non-State Bank Establishment Act on 10 April 2000, and the implementation of its relevant requirements, in light of the clear advantages of banking activities to those of credit institutes, the Board of Directors carried out necessary actions and laid the foundations needed for a restructuring. Hence, by virtue of an Operation License issued by the CBI on 5 December 2001, Karafarin Bank was officially established as a commercial bank on 26 December 2001, and started engaging in all segments of banking activities with a fully paid-in capital of IRR 200 billion.
Today, with a capital of IRR 46,000 billion and 108 branches throughout the country, Karafarin Bank is one of Iran's most reputable TSE-listed Iranian banks.

Fields of Activity

As detailed in our Articles of Association, Karafarin Bank (public joint stock) carries out all permissible banking transactions and provides all relevant services.

Objectives

Karafarin Bank looks forward to:

• become the most pioneering, modern Iranian bank offering an extensive range of services in order to achieve higher reliability and innovation through flexibility and entrepreneurship

• constantly acquire a larger market share.

Capital

The Bank's initial capital on the date of its incorporation was IRR 30 billion (including 30 million shares at IRR 1,000 par value). After a number of increases, the bank's capital currently stands at IRR 39,500 billion.

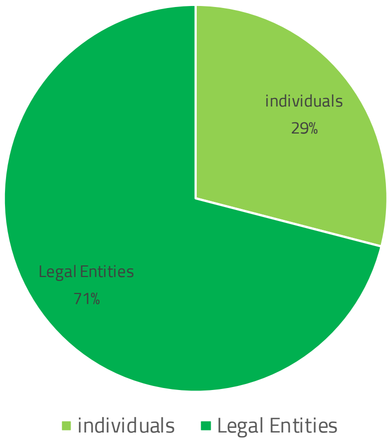
Karafarin Bank's capital increases have been outlined in the following table:

Date	Previous Capital (IRR Million)	Capital Increase (%)	New Capital (IRR Million)
13.11.2004	200,000	75	350,000
29.09.2005	350,000	100	700,000
19.12.2007	700,000	50	1,050,000
06.12.2008	1,050,000	90	2,000,000
03.10.2010	2,000,000	50	3000,000
11.09.2011	3,000,000	50	4,500,000
22.09.2012	4,500,000	61	7,250,000
28.05.2014	7,250,000	17	8,500,000
07.10.2020	8,500,000	216	26,842,987
25.10.2021	26,842,987	47	39,500,000
15.02.2023	39,500,000	16	46,000,000

Shareholders’ Composition

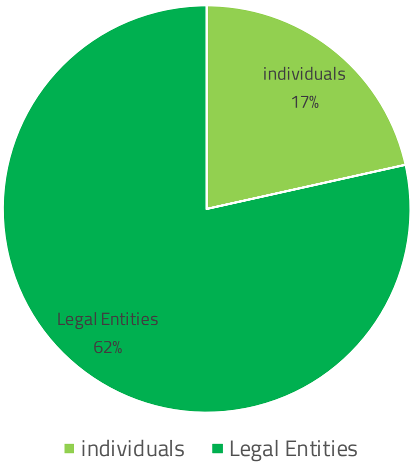
Karafarin Bank’s shareholders is comprise of both legal entities and individuals. Its shareholders’ composition at the end of the financial period ended 20.03.2023 is shown in the following pie chart:

COMPOSITION
OF SHAREHOLDERS

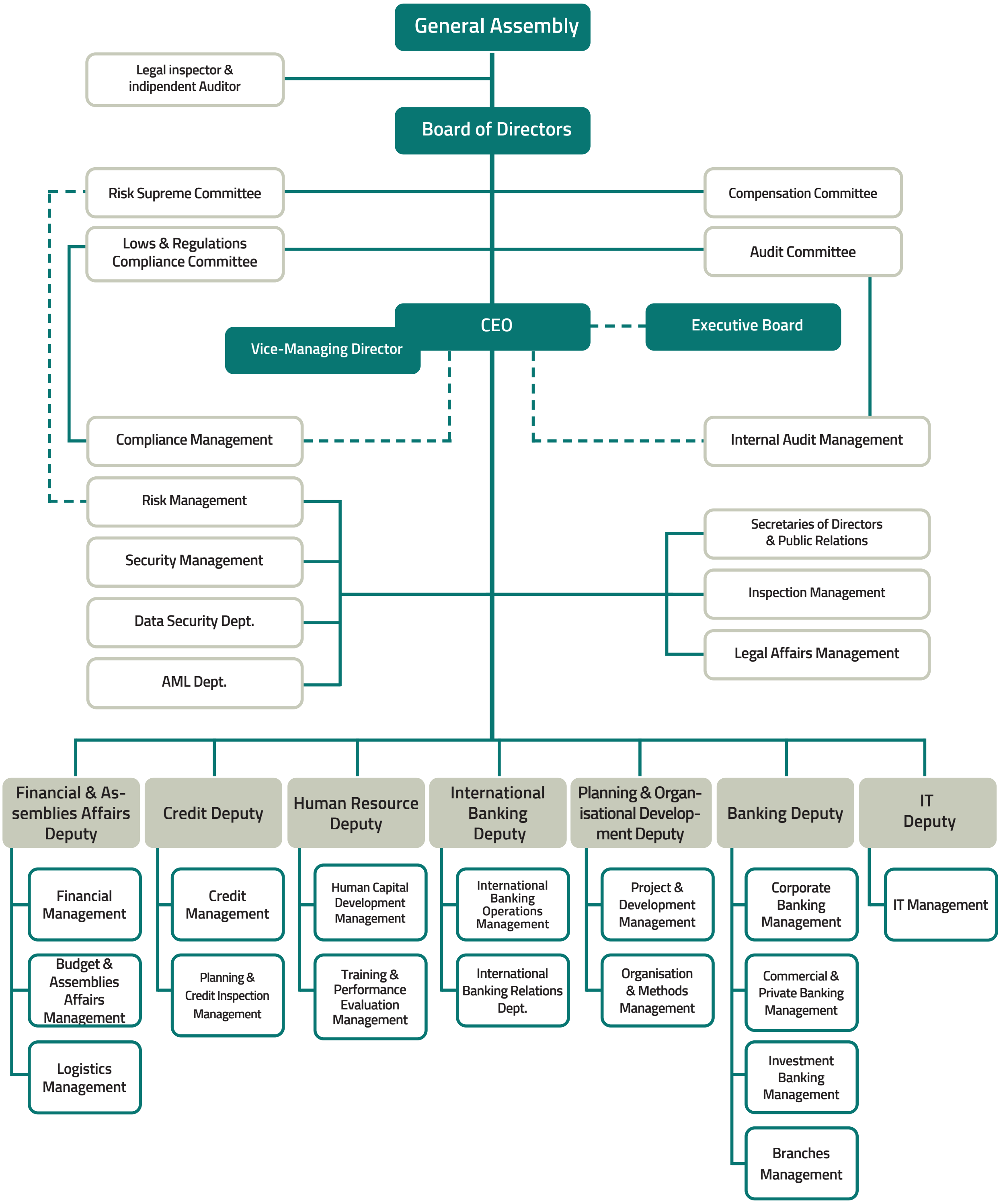


There are 46,000,000,000 shares, out of which 32,578,565,519 shares are held by legal entities and the remainder (13,421,434,481) is owned by individuals. In addition, 24 shareholders with over one percent ownership stake each, own 79% of the Bank. The following pie chart provides a breakdown of shareholders who hold more than one percent stake in the Bank:

COMPOSITION OF
SHAREHOLDERS
(HOLDING MORE THAN 1% STAKE)



ORGANISATIONAL CHART



Specialised Committees

The Bank includes the following specialised committees:

- Marketing & Communications Committee
- Product Development Committee
- Technical & Commercial Committee
- Non-performing Loans Committee
- Assets & Liabilities Committee
- Risk Committee
- Bad Debts Identification Committee
- Passive Defense Committee
- Promotion & Records Evaluation Committee
- Access Levels Committee
- Disciplinary Committee
- Center Credit Committee
- Sales Facilitation & Recession of Possessory Committee
- Branch Clinic
- Building Committee
- Strategy & Budget Committee
- Investment Plans Evaluation Committee
- Committee for Updating & Protecting the Bank's Brand
- Innovation Steering Committee
- Supreme Council of Information Technology
- Strategic Council of Communication Development Center
- Digital Banking Development Planning Committee
- Trade Committee
- Tax Committee

Regulatory Environment

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

- 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 organisations 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 organisations must first fulfil their responsibilities towards societies from which they emerge and thrive. Due to its increasing importance, corporate social responsibility has become a vital index in the ranking of organizations. 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:

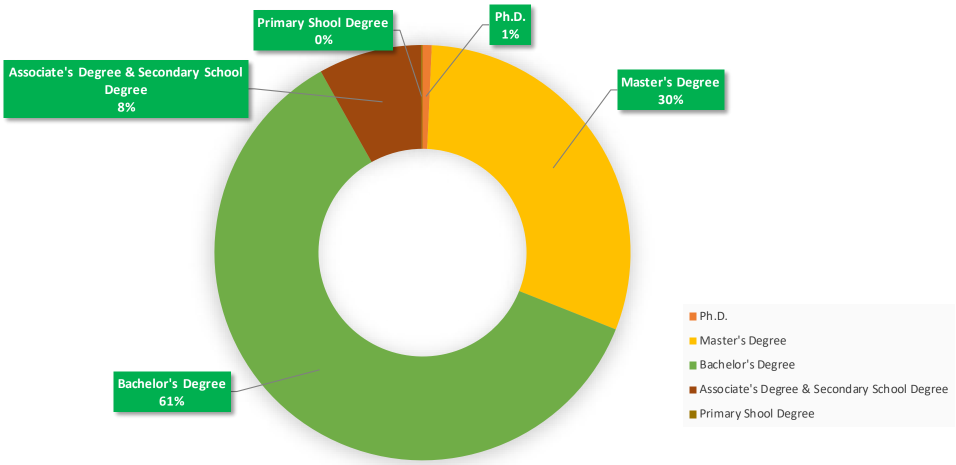
- Obtaining ISO 29993 international educational standard.
- Obtaining the highest financial transparency award with the title “Golden Statue” from the 13th Iranian National Financial Management Award in 2022-23.

Human Resources

At Karafarin Bank, we believe that in order to succeed as an organisation, we need an effective, well-trained and highly educative workforce. Therefore, we recruit the best educated, talented and enthusiastic personnel.

The following pie chart demonstrates the academic qualifications of our personnel:

HUMAN RESOURCES BY ACADEMIC QUALIFICATIONS



Once selected, they are given ongoing training to guarantee their development and ensure that they remain up-to-date. In this regard, during the reported period, we provided 491 training courses, in which 10,490 personnel participated.

Share Prices & Trading Information

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

Financial Year Ended	No. of Traded Shares	Value of Transacted Shares (IRR Million)	Active Days	Trading Days	Average Value of Financial Market per Year (IRR Million)	Average Share	Capital Priaces (IRR Million)
20.03.2023	899,629,210	2,018,634	225	225	8,972	2,244	46,000,000
20.03.2022	4,639,277,305	13,200,956	227	227	58,154	2,845	39,500,000
20.03.2021	4,037,415,010	18,292,511	204	201	89,669	4,531	26,842,986

Future Plans

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

CHAPTER 2

PERFORMANCE

Operational Performance

Partnerships Department

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

Karafarin Foreign Exchange Company

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

Karafarin Leasing Company

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

Karafarin Brokerage Company

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

Negah Karafarin Bank Technology Holding Company

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

Karafarin Financial Group

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

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

Abnieh Gostar Construction Company

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

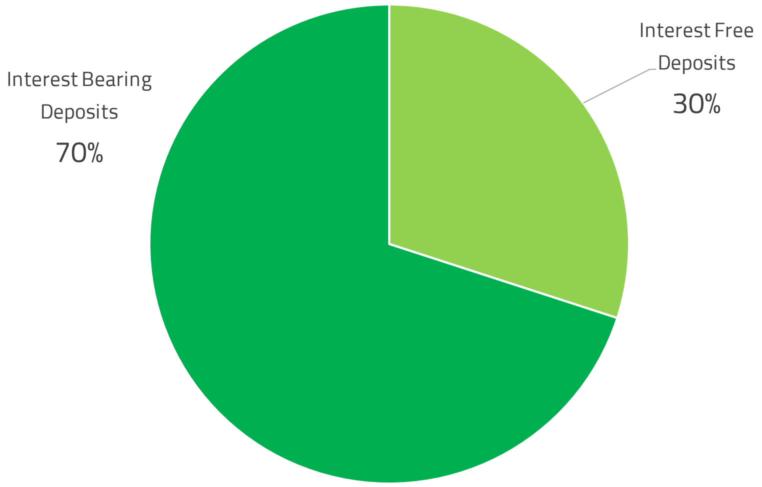
Karafarin Insurance Company

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

Structural Distribution of Deposits

The following pie chart outlines the structural distribution of the Bank's deposits based on interest during the reported period. Based on this classification, interest-free items which include sight deposits, savings deposits and other deposits, amount to IRR 153,864,155 million and interest-bearing accounts which comprise short-term and long-term investment deposits amount to IRR 352,333,859 million of the Bank's total deposits (Total deposits of the Bank amount to IRR 506,198,014 million).

COMPOSITIONOF DEPOSITS



Branches

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

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

- Determining the composition of the bank's internal and external evaluators to hold the evaluation center
- Compilation of executive guidelines for holding evaluation and development center meetings and related instructions

Information Security Department

A. The list of programs and objectives of the Information Security Department in 2022-23

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

- Continuous monitoring of new cyber threats, vulnerabilities and attacks
- Managing and handling of bank cyber security incidents
- Developing and improving the level of knowledge and public notification by sending security alerts on social networks
- Developing and improving the level of bank security knowledge by holding training courses
- Establishing the senior user access management system for the designated area and purchasing the required licenses for the second phase
- Providing and revising policies to improve the ability to identify and prevent attacks in security equipment

- Establishing a security incident management system using behavioral science and artificial intelligence
- These three projects are under preliminary review by Negah company in the contractor selection phase:
  A.Establishing a password management system for senior users (Password Manger)
  B.Establishing the detection and response system at endpoints (EDR)
  C.Establishing the endpoint access level control system (EPM)
- Establishing a pilot system for information leakage management
- Implementing the Splunk log and event management system and the initial installation of equipment
- Vulnerability scanning using automated tools

2. Developing of information security processes

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

3. Evaluating the effectiveness of security controls

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

4. Improving the resilience of information systems

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

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

Row	Strategic goals	Operational goals	Project/Action
1	Developing of lines and technological infrastructure in order to becoming a smart bank in the field of security	Improving the capabilities of identifying and dealing with security incidents	• Establishing of senior user access management system - second phase for new licenses • Establishing a security incident management system using behavioral science and artificial intelligence in the supplementary phase based on non-agent defense requirements. • Establishment of the final phase information leakage management system • Signing contracts and starting projects: A.Establishing a password management system for senior users (Password Manger) B.Establishing the detection and response system at endpoints (EDR) C.Establishing the endpoint access level control system (EPM) • Conversion and transfer of information and security monitoring scenarios from the old log management system to the new one (the second phase of the Splunk project) • Implementing and deployment of Splunk log and event management system and deployment of banking systems in cooperation with Negah company • Implementing and maintenance of public key infrastructure and connection of approved systems to the provided infrastructure

Row	Strategic goals	Operational goals	Project/Action
2	Establishing agility in the value-creating processes of Karafarin Bank	Developing information security processes	• Establishing of information security management system within a certain range
3	Ensuring the continuity and stability of service delivery	Evaluating the effectiveness of security controls	• Periodic moral penetration tests
4	Ensuring the continuity and stability of service deliver	Improving the resilience of information systems	• Designing and establishing a business continuity management system within the scope determined in the third phase (amendments of the previous phase and implementation). • Compilation/revision of the control and management plan for unexpected events and incidents based on the requirements of non-operating defense
5	Ensuring the continuity and stability of service delivery	Upgrade security controls	• Establishment of multi-factor authentication system

Management of Anti-Money Laundering and Counter-Terrorism Financing

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 2022-2023 can be categorized in the following sections:

1.Actions taken related to entities outside the bank

- financial information unit (FIU)
  - Replying to enquiries of the Financial Information Unit in time.
  - Preparing cash transaction reports (CTR) on customers who make cash deposits in excess of the permissible limit
  - Reporting suspicious transactions (STR) to the Financial Data Unit

- anti-money laundering and anti-financing terrorism department of the CBI
  - Responding to inquiries from the Central Bank and regulatory authorities.
  - Preparing and sending all the reports related to the letter "Upgrading the Anti-Money Laundering System" and sending it through the secure network between banks to the central bank on a daily and monthly basis.
  - Responding to messages received through the dedicated portal of the Anti-Money Laundering Department of the Central Bank.
  - Preparing and sending weekly inspection reports related to the "Transactions Clarification Directive" and offsite inspection of all branches in order to ensure the good implementation of the provisions of the said directive.
  - Preparation of case reports required by the central bank
  - Completion of the Central Bank inspection questionnaire related to the comprehensive inspection of the implementation of regulations and requirements to anti-money laundering and anti-financing terrorism in 2022-23.

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 counter-terrorism financing 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 " Anti-Money Laundering and Counter-Terrorism Financing 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 2023-2024

- "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

Credit Management

- Entering into contract and attracting resources from the National Development Fund in the working capital and fixed capital sectors in the amount of 2,500 billion Rials and payment of loans to 15 companies for more than 2,000 billion Rials
- Receiving 1,553 requests for preparing credit information reports and reviewing files
- Preparation of 1368 credit information report in order to assess the customer's eligibility for granting loans and guarantees and allocating foreign currency remittances.
- Improving, completing and developing credit information reports from a qualitative perspective
- Cooperation in improving and developing the LOS system and entering the information of files in the said system

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 2023-24:**
    - 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 2022-2023

- Renewal of ISO 10015-2019 educational certificate
- Conducting recruitment tests and changing career paths
- Conducting pre-employment training courses (six courses)
- Holding a specialized meeting on Iran's economic outlook for the respected members of the board of directors and senior managers
- Obtaining the ISO 29993-2017 international educational certificate
- Holding a specialized meeting of special facility relocation contracts for branch heads
- Conducting branch circular reading exams in four stages
- Conducting specialized, general, and behavioral training courses, according to the educational needs assessment of each of the bank's jobs
- Holding management training courses with the aim of improving the skill level of middle and basic managers
- Conducting foreign exchange business management (EBA) courses for foreign exchange operations colleagues
- Conducting mandatory courses of the CBI such as courses on implementing regulations, anti-money laundering and terrorism anti-financing, etc.
- Conducting English language training courses for senior bank managers in two VIP and CIP formats
- Compilation of the set of regulations of the comprehensive education system
- Production of content for offline training courses

Programs in the field of education in 2023-24

- Holding foreign exchange courses in line with the macro strategy set in 2023-24 for branch colleagues
- Conducting foreign exchange business management (EBA) courses for foreign exchange operations colleagues
- Conducting special credit courses for branch colleagues
- Holding management training courses at the level of middle and senior managers
- Holding general and specialized training courses at the level of headquarters and branch bankers
- Holding welfare educational conferences
- Full implementation of ISO 29993-2017 standard process and renewal of its certificate
- Holding special training courses for the board of directors
- Selection of internal teachers and conducting TTT course for them
- Conducting recruitment tests, changing career paths and reading circulars

- Setting up study groups and developing lesson plans
- Holding needs assessment committees and reviewing needs assessed courses
- Production of educational content
- Developing the benefit of virtual training courses

Programs in the field of performance evaluation in 2023-24

1.Development and improvement of the performance management system project
- Educational and cultural matters
- Preparation of analytical reports from the outputs of past courses and extracting deficiencies
- Determining the distance with the standard 34000
- Obtaining expert advice on standard 34000 and drawing a road map for the full implementation of the standard
- Finding ways to fix defects and implementation methods
- Standard implementation

2.Development and implementation of the evaluation and development center
- Implementation of the center using internal experts and evaluators
- Implementation of the center using contractors

Business and Personal Banking Management

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

Investment banking management

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

Plans considered for the year 2023-24

- Acceptance of guarantor's deposit of at least 20,000,000 million Rials
- Earning annual commission income at least 300,000 million Rials (for 4 years in total 1,200,000 million Rials)
- Development of proxy account of Commodity Exchange in the market supply and attraction of sustainable sources
- Establishing a fixed income fund for government bonds in order to diversify the product portfolio of Karafarin Bank
- Establishment of Karafarin Capital Funding Company with the cooperation of Karafarin Financial Group

Corporate banking management

Corporate banking plans in 2023-24 in line with the mission and operational plans announced:
- Preparing an operational strategy for the corporate banking sector and implementing development projects to realize the aforementioned strategy along with the budget, facilities and resources required annually for the effective implementation of assigned tasks and the annual review of the aforementioned items
- Concentration short-term and long-term planning in line with the correct implementation of the description of duties, goals and policy communicated by the bank's top managers in the field of marketing.
- Maintaining and increasing the share of the activities of actual profitable company customers as the most important part of the bank's strategic assets, target market and marketing elements.
- Analysis of the latest situation of corporate banking customers, percentage of deviation

from performance and communicated goals, planning quick and timely action to improve performance
- Assigning the account manager to each of the corporate clients and monitoring the performance of the aforementioned account managers
- Allocating corporate banking customers to branches as sales channels and providing corporate banking services and applying the necessary controls to provide optimal services
- Carrying out necessary follow-ups and coordinations for holding meetings and face-to-face meetings of corporate banking customers with the bank's senior managers.
- Preparation of expert report and credit proposal regarding corporate banking customers applying for loans and commitments and presenting the details to the competent credit department (with respect to the limits of delegated authority) to make a decision.
- Creating a systematic database of corporate customers and classifying them based on the relevant market and industry, required products and services, the amount of customer activity with the bank, the level of profitability for the bank, etc.
- Continuous study and compliance with the laws, regulations, instructions, circulars and notices and approvals of the specialized committees and commissions of the bank related to the field of corporate banking management.
- Preparing and compiling draft regulations, instructions, circulars and announcements related to the field of corporate banking management
- Identifying, monitoring and reporting risks related to the activities of the unit and proposing appropriate solutions for the appropriate management of the aforementioned risks with the cooperation of risk management.
- Documenting and sharing information, knowledge, experiences and lessons learned in line with organizational learning and improving performance.
- Cooperation and interaction with other units and active and purposeful participation in the meetings of committees, commissions and related working groups inside and outside the organization.
- Applying the necessary controls on the subordinate units and preparing and presenting management reports on the results of the activities and performance of the mentioned units

Credit Planning and Monitoring Department

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

Logistics Management

The most important measures of support management in 2022-23 are classified into 10 groups: development of properties, contracts, development of information technology, development and improvement of safety and security standards, equipping of expert manpower, individual development and empowerment of employees, improvement of health and well-being of employees, maintenance and repairs of electrical and mechanical equipment, reconstruction, renovation and equipping, renovation of car fleet, warehouse development.

Internal Audit Management

Since 2009-2010, in order to establish a corporate governance system to improve and strengthen the internal control system, Karafarin Bank has formed an audit committee and also management of internal audit as the executive arm of the board of directors with a supervisory role.

Audit management reviewed its organizational structure in May 2021 in order to specialize its areas of activity and cover the maximum risks identified in the organization, so that 3 departments of bank audit, corporate audit and information technology audit were created.

The result of the performance of internal audit management is divided into two types of assurance and consulting services.

The main performance of internal audit management in order to achieve the goals of internal controls and providing services in three areas of the bank, subsidiaries and information technology is as follows:

1. Reviewing and controlling the implementation of the corporate governance guidelines issued by the Central Bank of the Islamic Republic of Iran.
2. Implementation of the internal control guidelines approved by the Tehran Stock Exchange and Securities and Exchange Organisation using control checklists prepared by the internal audit management based on 5 interconnected elements of the internal control system (control environment, control activities, risk assessment, monitoring activities and information and communications) on an annual basis.
3. Checking the annual and interim financial statements of the bank and its subsidiaries.
4. Evaluating the effectiveness and efficiency of internal control methods and tools and their continuous improvement in different ways (face-to-face, online and other methods) according to the existing standards in bank management.
5. Assessing the degree of reliability, timeliness and adequacy of information technology systems and information security and financial and operational control methods on a continuous basis to protect assets.
6. Examining the adequacy, relevance, accuracy of information, completeness, accessibility, comprehensiveness and confidentiality of the data of the existing financial and management information systems and proposing additional systems to the bank's audit committee.
7. Evaluating the effectiveness of internal controls of the bank's subsidiaries by creating systematic supervision, compiling "regulations for the administration of holdings and subsidiaries", forming a supervisory frame (internal audit and audit committee) and creating a platform for on-time supervisory.
8. Evaluating the effectiveness of internal controls in the second layer of defense
9. Reviewing the report of the independent auditor of the bank and its subsidiaries and holding meetings and cooperating with the independent auditor.
10. Follow up on the report of "Management Letter" and "26 cases" of the independent auditor regarding the status of the internal controls of the bank and its subsidiaries and follow up on the reported weaknesses in order to fix them.
11. 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
12. Reviewing compliance of the activities with the policies and instructions, regulations and programs approved by the management in order to achieve the general and operational goals of the bank
13. Evaluating contracts and major transactions on a continuous basis according to the relevant regulations.
14. 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.
15. Case studies on various issues to present a report to the members of the audit committee

and the bank's CEO
16. Follow up on the approvals of the board of directors, the executive board and the specialized committees of the bank within the designated period.
17. Holding meetings and cooperation with the independent auditor
18. Cooperating in the process of dealing with suspected fraud activities and timely and appropriate warning to the management and the audit committee and providing the necessary suggestions to implement the necessary controls in order to prevent the occurrence of frauds and mistakes and to reveal the wrongdoings.
19. Planning for the establishment of a comprehensive monitoring system.
20. Creating interaction between regulatory units based on three defense layers.
21. Plan to implement the COSO ERM framework and establish a risk-based audit approach.
22. 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
23. Planning to monitor the performance of subsidiaries through the integration of their systems (ERP)
24. Forming a specialized audit committee in the center of private banks, centered on the Karafarin Bank.

Legal management

Upcoming programs in 2023-24:

With regard to the announcement of the future plans of this administration in 1402, including the collection of non-current claims and the assignment of proprietary properties, and by examining the submitted cases, it has been announced that the collection of bank claims will amount to a maximum of 3.500 billion Rials, as well as the determination of the assignment of proprietary properties to the maximum amount of 200 billion Rials.

Risk Management and Economic Studies

The most important reports of risk management and economic studies in the high risk committees of 2022-23 are as follows:

- Setting up the online LCR system, based on this system, all the respected members of the board of directors, the executive board and some middle managers of the bank monitor the liquidity coverage ratio on a daily basis.
- Preparation of risk assessment framework for GAM bonds based on Moody's developed methodology, in this regard, about 22 companies have been risk assessed using Moody's methodology.
- Examining and preparing reports related to the operational risks of the current centralized banking system
- Practical reports for the introduction and implementation of derivatives in the Karafarin bank to cover the market risk
- Implementation of "certificate of deposit", "sukuk" and "GAM bonds"
- Follow up and remove the obstacles of the implementation project of the systems related to the bank's risk
- Credit engineering report to rearrange and assess the risk of the bank's credit portfolio
- Follow-up on the preparation of micro-loans guidelines (SME)

The most important proposed measures of risk management and economic studies in 2023-24 are as follows:

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

Management of Plans and Development Affairs

A.Department of planning and transformation

The main activities of 2022-23:

- Notification of the business areas of the Karafarin Bank in 2022-23
- Definition of operational indicators of headquarters units and strategic indicators of the bank
- Reviewing, compiling and communicating the plans approved by the strategic council of the bank's headquarters units in 2022-23
- Reviewing and compiling the plans of the bank's headquarters units in 2022-23 along with the related budget
- Developing instructions for attending events
- Reviewing and compiling the analysis report on the position of the Karafarin bank based on the Arash system

Programs of 2023-24:

- Revision of the strategic plan document of Karafarin Bank
- Investigating the target industries of the Karafarin Bank along with compiling the bank's target markets document and business requirements to enter the target markets
- Notification of the plans approved by the strategic council of the bank's headquarters units in 2023-24
- Promulgating the performance evaluation regulations and holding the performance evaluation assembly of the bank's headquarters units
- Implementing the performance evaluation model of the bank's headquarters units and the strategic management system
- Holding meetings to evaluate the performance of headquarters units

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

The main activities of 2022-23:

- Developing and monitoring the operating plan of the branches on a quarterly basis
- Amending the operational program circular of the branches and designing and implementing the indicators included in the circular
- Preparation of the performance report of the operational plan at the level of branches, regions and the whole bank
- Providing management reports on the performance of branches in the operational plan and per capita of resources and expenses
- Compilation of the guidelines for holding the branch performance monitoring meeting
- Holding quarterly meetings to monitor the performance of branches and follow up on the tasks of the meetings
- Calculating the efficiency of branch personnel in four seasonal periods and increasing the effectiveness of the operational plan from 20 to 50% in calculating the efficiency of branches.
- Amending the branch grading circular and providing an analysis report on the branch grading method and offering a proposal to improve the grading
- Implementing grading of branches in two six-month periods
- Implementing the study phase of operational planning of branches
- Preparation of a provincial booklet analyzing the potential of different regions of the country
- Targeting of branches based on operational planning of branches for 2022-23
- Holding 108 operational planning committee meetings with branches for the first time
- Holding an incentive plan to increase resources "Pooyesh Bahar"
- Conducting two phases of the incentive plan to attract current resources under the title of "Balance" plan.
- Targeting of branches in Gharz-al Hassaneh festival of the year 2022-23

Programs of 2023-24:

- Developing the monitoring model of the operational plan of the branches, focusing on the parameters that determine the objectives of the branches, such as: the center account rate, per capita of the headquarters units.
- Revising the branch grading model and changing the approach in determining the assessment of branches based on the output of the operational plan of the branches

- Compilation of new guidelines for evaluating the operational plan and paying the productivity bonus.
- Developing incentive plans for branches in line with the bank's policies and in order to increase profitability
- Providing the process of determining the reward and efficiency of the branches based on the results of the operational plan of the branches

C.Department of "Products and Services"

The main activities of 2022-23:

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

Programs of 2023-24:

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

Management of Foreign Exchange Operations

The main activities of 2022-23:

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

Programs of 2023-24:

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

IT management

The main activities of 2022-23:

- Evaluation and selection of new centralized banking system
- Implementing and updating new systems
- Applying changes and settings of the Swift system and messages from MT to MX Swift and providing related documents and guides to international affairs
- Completing the implementation and operationalization of the commissions related to the amendment and cancellation of domestic credit documents
- Providing multiple reports in the business intelligence system
- Checking and resolving 1675 case requests of branches and other managements (sup) during the year 2022-23

- Launching the digital platform project “Hi Bank”
- Setting up a comprehensive receiver management system
- Providing a solution for iOS mobile applications by sending apple app codes to customers
- Launching product presentation through iOS stores (5 stores) and Android stores (2 stores)
- Providing necessary training regarding Hi Bank and MMS projects
- Setting up and installing proprietary cashless devices
- Contracting and operationalizing the installation of sales terminals in new PSPs (3 PSP companies)
- The first phase of launching the main website of the bank
- Provision of space, communication lines and processing equipments to set up Datin’s comprehensive banking system
- Updating the extensive communication of branches across the country and saving costs by collecting old communication lines
- Separation of the ILO network of the data center servers - the requirement of the Central Bank
- Updating network security equipment to monitor passing traffic
- Providing the communication infrastructure of proxy accounts service
- Implementation and exploitation of extension lines (Redundant) of the service company network (NIBN)
- Holding non-attendance meetings and conferences at the branch level
- Implementing fraud detection rules in the BI system
- Implementing monitoring rules based on the risk-based approach in the anti-money laundering BI system
- Implementing liquidity coverage ratio calculation system
- Development of customer risk profile system
- Development of the SIMA system (LOS)
- Development of a comprehensive performance management system for bank personnel
- Implementation of the contractor list system
- Provision of strategic management system
- Preparation of RFP, market research and companies providing the system of banking rules and regulations
- Preparation of RFP for Net system
- Preparation of RFP for digital signage system
- Preparation of RFP for the legal system and collection of claims
- Preparation of a centralized document of the bank’s systems and services along with periodic updates

Programs of 2023-24:

- Migration of core banking system
- Migration of the switch
- Providing a comprehensive infrastructure to implement Datin’s new comprehensive banking software
- Increasing the communication capacities of “Hi Bank” website
- Implementation of centralized monitoring infrastructure of surveillance cameras of branches and headquarters
- Exploiting ground connections of branches based on FTTH fiber
- Advancing security projects at the level of headquarters buildings
- Changing the architecture and replacing the firewall equipment
- Implementing liquidity gap module in comprehensive risk system
- Establishing communication between systems to implement new comprehensive banking software
- Implementing strategic management system
- Implementing requested and approved systems of other units

Financial Management

1.Measures taken in the field of taxation

In 2022-23, the bank has succeeded in preventing the withdrawal of 3.239 billion Rials from sources by taking extensive basic measures, effective follow-ups and effective defense of tax cases, in order to protect the rights of the respected shareholders.

Future goals and plans considered in 2023-24

Since the bank considers protecting the interests of the shareholders as one of its main missions, therefore, in 2023-24, the bank's tax experts will follow up on disputes with the tax affairs organization in the tax dispute resolution authorities and, if necessary, the Administrative Court of Justice, with the advice of the bank's tax committee, and will take the necessary measures to resolve the tax disputes demanded.

2. Deposit operations / deposit acceptance in the interbank market and open market operations in 2022-23

The increase in the inflation rate, liquidity growth rate and efficiency of other investment markets caused the year 2022-23 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 20 thousand billion Rials have been secured through deposits in the interbank market and open market operations with an average rate of 20%.

On the other hand, in line with the successful targeting of the bank's senior management, the growth of low-cost deposits has exceeded that of high-priced deposits during the year 2022-23; In such a way that the bank's visual deposits in 1401 increased by approximately 62 thousand billion Rials, equivalent to 118%, and with the good measures taken in the field of attracting resources, the bank's liquidity deficit decreased in 2022-23, and at the end of 2022-23, the bank was among the depository banks of the interbank market. The average deposit rate of the Karafarin Bank in the interbank market is approximately 21% and it has always been higher than the deposit acceptance rate.

Department of Compliance with Laws and Regulations

The main activities of 2022-23:

- Preparing and presenting periodical reports (6 months and yearly) in the field of compliance with laws and regulations
- Preparation of case reports of non-compliance with laws and regulations.
- Updating the database of rules and regulations
- Holding regular meetings of the committee to comply with the rules and regulations and monitoring the implementation of the committee's approvals.
- Supervising the completion of the brokerage relations questionnaire by different units and ensuring the correctness of the answers sent.
- Updating the policy (procedure letter) of compliance with laws and regulations in 2022-23 and obtaining the approval of the board of directors.
- Preparation of checklists for compliance with laws and regulations based on 26 guidelines for compliance with laws and regulations and other applicable laws and regulations in the bank.
- Designing and implementing the project to determine the interface for implementing the regulations of the bank's branches and headquarters units.
- Carrying out measures in order to complete the risk assessment project of the Bank,
- Examining the final report of the independent auditor in order to plan to follow up on the reforms and resolve the cases of non-compliance.
- Active participation in the meetings of the Commission of Circulars in order to ensure the compliance of the mentioned items with the laws and regulations of the higher hand.
- Updating the knowledge of complying with regulations through the preparation of specialized reports from current and reliable international sources.
- Continuous communication with different bank units and monitoring their performance in

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

Programs of 2023-24:
- Maintaining the privileged position of the Karafarin Bank regarding compliance with the rules and regulations in the banking system and information at the international level
- Supervise the performance and implementation of the regulatory compliance structure in the bank's subsidiary companies.
- Designing and implementing software to comply with regulations to increase the speed and accuracy of the unit's activities.
- Continuous monitoring of compliance with laws and regulations and high standards,
- Paying attention to promoting the culture of risk adaptation,
- Preparation of periodic reports on the state of compliance with laws and regulations at the level of the bank and its subsidiaries

Public Relations and Advertising Department
- Active presence in Kish petrochemical industry exhibitions, electronic banking and payment systems
- Nationwide conferences of managers and heads of branches, branch opening ceremonies and unveiling of the bank's new platform, etc.
- Compilation of Hibank 360 degree campaign, Gharz-al Hassaneh festival campaign, provision of insurance services
- Extensive activity in the field of social responsibility, which actions and relevant explanations can be seen on the bank's website.
- Other actions include interacting with the family of colleagues, extensive activity in virtual networks, publications and obtaining first to third ranks in different departments, various media productions, etc.

Budget and Assembly Affairs Management
The main activities of 2022-23:
- Registering an increase in the bank's capital in the amount of 46.000 billion Rials and improving the operational ratios and capital adequacy of the bank.
- Payment of dividends to bank shareholders through the Central Depository and Funds Settlement Company
- Holding quarterly meetings to compare performance and budget of subsidiaries.
- Timely and transparent disclosure of financial reports of subsidiaries.
- Planning the amount of investment in stocks and bonds based on the limits allowed in the guidelines for investing in securities.
- Registering the capital increase of subsidiaries in order to increase the power of ratios and operational balance of the bank.
- Determining and controlling the objectives of the subsidiaries based on the criteria and indicators defined by the bank.
- Comparing performance trends and deviations from the budget in successive periods in order to identify capacities and abilities in the field of improving companies, as well as determining the appropriate model and encouraging them.
- Financial review and feasibility study of investment projects of the bank and its subsidiaries.
- Control and revision of 2022-2023 operating and capital budgets of bank managements with a program-oriented approach.
- Notifying the approved budget to all organizational units, monitoring and controlling the use of the notified budget, identifying possible deviations and discrepancies in performance compared to the approved.
- Evaluating and reviewing the profit and loss of old and new bank products according to

macroeconomic variables and competitive market conditions.
- Reducing liquidity risk through budget control and continuous reporting to managers.
- Controlling the cost of resources through periodic monitoring of the performance of business lines in attracting resources.
- Providing monthly and quarterly reports of financial and operational ratios.

Programs of 2023-24:
- Implementing resource allocation model for credit products based on resource absorption rate.
- Providing performance matching reports with the budget (based on the program) of the bank.
- Modifying the budgeting, monitoring and control process based on the owner/operator model.
- Continuous monitoring of the financial and operational ratios of the bank and its subsidiaries
- Increasing transparency and improving financial reporting.
- Setting up software for preparing financial statements and budgets.
- Investigating the amount of deviation of the incurred costs from the expected costs and analyzing its causes in the relevant units.
- Quarterly monitoring of the budget and performance of the bank and its subsidiaries.

Organization and Methods Management

The main activities of 2022-23:
- Compilation of written documentation management guidelines and directives commission structure according to the ISO 10013 standard with the aim of increasing the quality and accuracy of Karafarin bank's written documents such as regulations, executive guidelines and directives.
- Identifying, documenting, analyzing and problem solving the existing situation, discovering and proposing opportunities to improve and redesign business processes in accordance with the BPM (Business Management Process) framework and the BPMN2 standard in the areas of banking, credit and foreign exchange departments based on the APQC reference model.
- Selection of process ambassadors and training representatives and process ambassadors in various managements and headquarters offices with the aim of creating a culture and promoting process orientation and promoting organizational maturity
- Compilation and establishment of the system of classification and coding of written documents based on the classification of bank processes.
- Drafting or revi5e plan to create an information technology transformation and innovation department for the bank's more effective use of digital opportunities based on the ITIL process framework.
- Presenting the plan to create an information technology transformation and innovation department for the bank's more effective use of digital opportunities based on the ITIL process framework.
- Preparation of business requirements to provide a document management system as an alternative to the current bank portal in order to facilitate the access of bank branches and units to written documents and records of their changes.
- Strengthening the currency structure of branches and creating a currency circle and assigning currency bankers in selected branches with the aim of expanding the bank's foreign exchange activities.
- Strengthening the credit structure of branches to reduce the bank's credit risk and make credit processes more agile
- Establishing the structure of four regions for branches in Tehran and cities in order to facilitate the achievement of the objectives of operational plans by the branches and to expedite the supervision of the branches and to compile the description of the duties and the limits of the authority of the heads of the regions.
- Presenting a proposed plan to review the structure of the credit committee of the center with the aim of reducing the bank's credit risk and systematizing the credit decision-making process.
- Presenting the proposed plan for the formation of committees to change the centralized banking system (Core Banking)

Sustainability Reporting

Environmental activities

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

Social responsibility activities

1. Participation of employees of Karafarin Bank in the national campaign "Iran, Diyar Nafas" in 2022-23
2. Rescission of 17 properties was done in 2022-23
3. Supporting the Diabetes Association to provide equipment for blood glucose control devices and providing medical, therapeutic and subsistence allowances for their clients
4. Providing stationery packages to the students of less privileged areas of the country
5. Supporting the community-oriented empowerment and transformation plan for 20 less privileged regions of the country
6. Funding for hospital care equipment
7. Purchasing educational equipment for the Karafarin school in Kermanshah province
8. Purchasing educational equipment and computers for two schools in Kermanshah province
9. Participating in the provision of resources and necessities for the relief workers based in Khoi city for the earthquake victims
10. Providing the costs of comprehensive rural health base in Lorestan province, Rumyani village
11. Participation in building a school for disabled children in Khorramabad
12. Supporting the underprivileged students of Sistan and Baluchistan province
13. Financial support of more than 102 research projects
14. Preparation of stationery packages for the Faculty of Commerce and Finance
15. Supporting the national student competition in the field of banking sciences
16. Financial support from the scientific and cultural foundation of Professor Shahid Morteza Motahari
17. Participation in the preparation of 1000 livelihood packages for the needy
18. Participation in the provision of services in deprived areas

Economic activities

1. Provision of employment platform for 1,821 people in headquarters and branches
2. Receiving the financial management award
3. Capital increase in the amount of 6.500 billion Rials
4. 66% increase in fee income
5. Issuance of 56 thousand billion Rials of guarantees in different sectors
6. An increase of 2.6% in the capital adequacy ratio
7. 8% growth of assets
8. 20.6% return on equity

Financial Performance

Interest Rates on Investment Deposit Accounts

Deposits	Interest Rate (%)		Legal Deposit Rate (%)	
	2022-23	2021-22	2022-23	2021-22
Saving Gharz-al Hassaneh	0	0	10	10
Current Gharz-al Hassaneh	0	0	12.4	12.7
Ordinary Short-Term	5	10	12.4	12.7
Special Short-Term	12-17	12-14	12.4	12.7
Long-Term (1 Year to 2 Years)	20.5-22.5	16-18	12.4	12.7
Deposit Certificates	18-23	18	12.4	12.7

Paid Interest on Investment Deposit Accounts

(IRR Million)

Deposits	2022-23	2021-22	2020-21	2022-23 to 2021-22 Changes-%	2021-22 to 2020-21 Changes-%
Short-Term	7,777,449	5,893,206	2,865,943	32	106
Short-Term Special	6,408	19,648	22,433	(67)	(12)
Long-Term (1 Year to 5 Years)	38,132,308	37,461,544	23,072,736	2	62
Special Deposit Certificates for General Investment	5,726,427	1,849,539	896,809	210	106
Foreign Currency	56,513	98,811	9,268	(43)	966
Total	48,377,505	27,797,974	18,874,679	14	69

Comparison of Income Earned from Granted Loans, Deposits and Investment

(Amounts in IRR Million)

Description	2022-23	2021-22	2020-21	2022-23 to 2021-22 Changes-%	2021-22 to 2020-21 Changes-%
Shared:					
Granted loans Income	66,046,067	56,608,274	29,667,637	17	91
Investments & Deposits Income	9,935,428	9,002,379	12,658,934	10.4	(28.9)
Non-Shared:					
Granted loans Income	1,206,972	680,884	192,637	77	253
Investments & Deposits Income	38,139	42,639	103,806	(11)	(59)

Major Items of Income Statement

	2022-23			2021-22			2020-21		
	Amount	Comparison to total Income-%	Growth to Previous Year-%	Amount	Comparison to total Income-%	Growth to Previous Year-%	Amount	Comparison to total Income-%	Growth to Previous Year-%
Loans Income	67,152,958	75	17	57,289,158	75	58	36,316,196	74	115
Investments & Deposits Income	12,049,015	13	(7)	12,911,847	17	102	6,376,860	13	51
Received Commission & Miscellaneous Revenues	10,122,491	11	77	5,717,059	8	(11)	6,409,230	13	113
Total Income	**89,324,464**	**100**	**18**	**75,918,064**	**100**	**55**	**49,102,286**	**100**	**104**
Interest Paid to Depositors	(56,060,280)	(63)	16	(48,377,506)	(64)	74	(27,797,974)	(57)	52
Cost of Doubtful Debts	(3,907,688)	(4)	58	(2,467,437)	(3)	(1)	(2,494,023)	(5)	65
Other Costs	(15,343,142)	(17)	34	(11,428,844)	(15)	76	(6,508,486)	(13)	114
Profit before Tax	14,013,354	16	3	13,644,277	18	11	12,301,803	25	862
Tax	(502,977)	(1)	6	(472,414)	(1)	(64)	(1,294,902)	(3)	3,022
Profit after Tax	13,510,377	15	3	13,171,863	17	20	11,006,901	22	790

Main Items of the Statement of the Financial Position Statement

	2022-23			2021-22			2020-21		
	Amount	Comparison to total Income-%	Growth to Previous Year-%	Amount	Comparison to total Income-%	Growth to Previous Year-%	Amount	Comparison to total Income-%	Growth to Previous Year-%
Cash	27,728,747	5	(30)	39,632,674	7	29	30,810,936	7	(22)
Bonds & Investment	36,220,242	6	(22)	46,436,963	8	28	36,261,664	9	101
Granted Loans	413,229,664	68	12	367,856,041	65	37	268,505,179	64	119
Fixed Assets	46,218,910	8	9	42,337,927	8	27	33,413,759	8	188
Other Assets	83,117,210	14	26	65,954,574	12	31	49,450,749	12	76
Total Assets	**606,514,773**	**100**	**8**	**562,218,179**	**100**	**34**	**418,442,287**	**100**	**90**
Liabilities:									
Deposits	512,007,129	84	5	485,948,817	86	28	349,443,239	84	83
Other Liabilities	25,219,794	4	79	14,089,545	3	217	16,751,204	4	35
Total Liabilities	**537,226,923**	**89**	**7**	**500,038,362**	**89**	**36**	**366,194,444**	**88**	**80**
Shareholders' Equity:									
Capital Increase in Process	0	0	0	0	0	(100)	9,892,713	2	100
Capital	46,000,000	8	16	39,500,000	7	47	26,842,986	6	216
Legal Reserve	9,959,086	2	26	7,932,529	1	33	5,956,750	1	42
Other Reserves	1,186,102	0	(60)	2,958,053	1	37	2,160,426	1	12
Retained Earnings	12,698,243	2	4	12,262,472	2	66	7,394,015	2	269
Assets Revaluation Surplus	953	0	0	953	0	0	953	0	(98)
Treasury shares	(556,533)	0	17	(474,189)	0	0	0	0	
Total Shareholders' Equity	**69,287,851**	**11**	**11**	**62,179,818**	**11**	**19**	**52,247,843**	**12**	**213**
Total Liabilities & Shareholders' Equity	**606,514,773**	**100**	**8**	**562,218,180**	**100**	**34**	**418,442,287**	**100**	**90**

CHAPTER 3

FINANCIAL STATEMENTS

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

Independent Auditor’s Report
To the Annual General Meeting of Karafarin Bank
(Public Joint Stock Company)

Report on the Financial Statements
Qualified opinion

1- We have audited the accompanying consolidated financial statements of the Group and Karafarin Bank (Public Joint Stock Company), as the Parent Company, which comprise the statements of financial position as at 20 March 2023 and comprehensive income statement, changes in shareholders’ equity and cash flows for the year then ended together with explanatory notes 1 to 70.

In the opinion of this institution, with the exception of the items listed in paragraph 2 of the basis of the qualified opinion, the mentioned financial statements fairly show the financial status of the group and the bank on 20 March 2023, and its financial performance and cash flows for the financial year ending on the said date, in all material respects, according to accounting standards.

Basis for qualified opinion

2- As reflected in notes 35-2 and 36-2 of the attached financial statements, the tangible and intangible fixed assets (land and goodwill) belonging to the bank, without considering the lands belonging to the subsidiaries and affiliated companies of the group, were re-evaluated in 2022-23 and in line with note 1 of the provisions of Article 149 of the Direct Taxation Act, the aforementioned difference was transferred to capital. However, at the end of the reported financial year, in compliance with accounting standards in order to adopt the same accounting procedures to measure the group’s assets, the lands belonging to the group’s subsidiaries and affiliates must be reevaluated, and also the bank is obliged to observe the frequency of revaluation according to the changes in the fair value of the reevaluated assets, so it is necessary to carry out the revaluation and identify the said difference in the accounts, however, due to the lack of expert reports regarding the fair value of said assets, it is not possible for this institution to determine the amount of necessary adjustments compared to the attached financial statements.

3- The audit of this institution has been done according to auditing standards. The responsibilities of this institution according to these standards are described in the auditor and legal auditor responsibilities section in the audit of financial statements. This institution is independent from the group according to the requirements of the code of ethics and professional conduct of certified accountants and has fulfilled other ethical responsibilities according to the aforementioned requirements. This institution believes that the audit evidence obtained as a basis for qualified opinion is sufficient and appropriate.

Major audit issues

4-The meaning of major issues is the audit of issues that have the most importance in the auditor's professional judgment in the audit of the current year's financial statements. These issues have been considered in the framework of the audit of financial statements as a single set and in order to comment on it. In addition to the issues listed in paragraph 2 of the basis for the qualified opinion, the following issues have been determined as the main audit issues that will be reported in the auditor's report:

Major audit issues	The auditor's approach
Doubtful Loans provision According to the explanatory note of the 30 attached financial statements for the granted loans according to the instructions on how to calculate the reserve for claims of credit institutions approved by the Monetary and Credit Council (the subject of Circular No. 220977/99 dated 2020/10/01 of CBI, the general and special reserve have been calculated in the amount of 18,349 billion Rials and included in the accounts. The accounting procedure of the company regarding the classification of granted loans and reserve of receivables is in accordance with the rules contained in the guidelines for the classification of assets of credit institutions and the method of calculating the reserve of receivables of credit institutions, which is disclosed in detail in the explanatory notes 7-7 and 7-8 of the attached financial statements. According to the above, the classification of receivables and, accordingly, the identification of the reserve of doubtful receivables requires significant estimations and the application of multiple judgments by the management, therefore, this issue is considered as a major audit issue.	Auditing methods to ensure the correctness and adequacy of reserves of doubtful receivables included in the books, as well as the accuracy of the classification of granted loans and other claims and their disclosure, include the following, but are not limited to them: - Handling and controlling the correctness of the calculations of the worksheets provided by the bank according to the calculation principles contained in the instructions on how to calculate the reserve of receivables of credit institutions. - Sample processing in order to control the proper classification of claims based on the instructions for classifying the assets of credit institutions. - Sample processing of non-current receivables, which in the current financial year, the relevant category is placed in higher quality categories. - Checking the latest financial information available to customers, including financial statements - Examining the minutes of the Board of Directors' meetings of the committees related to the loans cycle and the decisions made regarding the related claims. - Controlling and obtaining inquiries about the customer's credit status from banking systems. - Sample processing of documents in order to ensure the correctness of the information recorded in the reserves' worksheet - Examining legal cases and correspondence with customers regarding the collection of non-current claims - Analytical examination of the reasonableness of the ratio of reserves obtained in each of the overdue, deferred and doubtful classes of the current year and comparing it with the ratios of last year.

Emphasis of Matters

5- Ambiguity regarding the collection of claims from CBI
As stated in note 26-3-1 of the financial statements, the CBI debited Karafarin Bank's current account by IRR 741 billion at the end of the Iranian calendar year 1390 (March 2012) as the difference in foreign exchange (based on the Five-Man Workgroup Ratification numbered 47698 T/M34030-90 dated on 08 January 2012). In addition, CBI has claimed the amount of IRR 1,686 billion as penalties. However, the Bank's management has appealed against this withdrawal and the claimed penalties. Determining the fate of this dispute is pendent upon coordination with the Government and obtaining necessary licenses, which have not yet been realised.

6- The status of ownership documents of fixed assets and repossessed collaterals
As stated in explanatory notes 35-10 and 34-2-4, the title deeds of 61 properties worth IRR6,900 billion are not registered under the Bank's name. Furthermore, although another 36 properties worth IRR962 billion are registered under the Bank's name, their deeds are not the updated version (which are printed in single papers rather than the old booklet version). It is noteworthy that 124 repossessed properties worth IRR 697 billion belonging to the Bank still have occupants in them and the Bank's efforts to evict them, had not been conclusive by the reporting date. The provisions of this paragraph did not affect the opinion of this institution.

7- Ambiguity regarding the future consequences of the performance tax, the tax subject to clauses (b) and (c) of Article 17 of the Law on Removing Obstacles to Competitive Production and Improving the Country's Financial System and the tax related to Note 5 of Article 4 of the Law on the Growth of Housing Production
The latest status of performance tax and tax subject to clauses (b) and (c) of Article 17 of the Law on Removing Barriers to Competitive Production and Improving the Country's Financial System is reflected in explanatory notes 43-1 and 44-2 of the attached financial statements. The aforementioned reserves, taking into account the similar opinions regarding the non-applicability of the return of the share of joint costs of exempted income, the acceptance of the reserve for doubtful receivables, the non-inclusion of tax due to the difference between the rate of the Nima system and the rate announced by the central bank, as well as the application of a zero tax rate for 50 The percentage of undivided profit that can be transferred to the capital account is included in the accounts based on paragraphs (f) and (h) of note 2 of the budget law of 2022-2023 and 2023-2024. Also, according to Article 4 of the Housing Production Growth Law approved in 2021-2022, banks and credit institutions are required to allocate at least 20% of the payment loans of the banking system to the housing sector each year. According to the executive instructions for granting loans for housing construction and renovation, No. 00/271496, dated 8 December 2021, CBI, Any request to receive the loan subject to this directive must be registered in a special system designated by the Ministry of Roads and Urban Development for this purpose, and banks are required to review said requests and, if the applicant is eligible according to the provisions of the directive, proceed to conclude a contract for the payment of the loan. In addition, according to the provisions of Article 12 of the mentioned directive and the note of the mentioned article, in case of non-compliance with the conditions stipulated in this directive, which are considered necessary

for granting facilities, the tax affairs organization will collect 20% of the unfulfilled obligation from the operating bank in the form of annual tax budget. However, the tax affairs organization did not consider the criteria mentioned in the instructions and only based on the amount of loans determined by CBI, according to Note 5, Article 4 of the aforementioned law, for the first year of implementation of the law until 21 September 2022, intends to collect tax from the bank, and based on the issued assessment sheet, it has demanded 21,000 billion rials of tax from the bank. The provisions of this paragraph did not affect the opinion of this institution.

Other Information

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

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

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

Board of Directors Responsibility for the Financial Statements

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

In preparing the bank's consolidated and separate financial statements, the board of directors is responsible for evaluating the bank's ability to continue its activities and, as necessary, disclosing issues related to the continuation of its activities and the appropriateness of using the going concern accounting basis, unless there is an intention to liquidate the bank or stop its operations or there is no realistic solution other than the mentioned ones.

Auditor & Inspector's Responsibility

10- The auditor's objectives include obtaining reasonable assurance that the consolidated and separate financial statements of the bank as a single entity are free from material misstatement due to fraud or error and issuing the auditor's report that includes his opinion. Reasonable assurance is a high level of assurance, but even by performing an audit in accordance with auditing standards, not all material misstatements may be detected. Misstatements caused by fraud or error are considered material when they are reasonably expected to affect the economic decisions of users based on the consolidated and separate financial statements of the bank.

In the context of conducting an audit according to auditing standards, it is necessary to use professional judgment and maintain an attitude of professional skepticism

throughout the audit work. Also:
-The risks of significant distortion of the consolidated and separate financial statements of the bank due to fraud or error are determined and evaluated. Audit methods are designed and implemented to deal with these risks and sufficient and appropriate audit evidence is obtained as a basis for opinion. Since fraud can be in combination with collusion, forgery, omission, intentional misrepresentation of information or violation of internal controls, the risk of not detecting a material misstatement due to fraud is higher than the risk of not detecting a material misstatement due to error.
-Sufficient knowledge is obtained from the internal controls related to the audit in order to design appropriate audit methods for the existing conditions and not to comment on the effectiveness of the internal controls of the group and the bank.
-The appropriateness of accounting procedures used and the reasonableness of accounting estimates and related disclosures are evaluated.
-Based on the audit evidence obtained, it is concluded about the appropriateness of using the going concern basis of accounting and the presence or absence of significant uncertainty in connection with events or conditions that can create major doubts about the ability of the group and the bank to continue operating. If it is concluded that there is an important uncertainty, the auditor's report should refer to the disclosed information related to this issue in the consolidated and separate financial statements of the bank, or if the disclosed information is not sufficient, the auditor's opinion will be adjusted. The conclusions are based on the audit evidence obtained up to the date of the auditor's report, however, future events or conditions may cause the group or the bank to stop operating.
-The overall presentation of the structure and content of the consolidated and separate financial statements, including the disclosures and whether the transactions and events on the basis of the preparation of the consolidated and separate financial statements of the bank are fairly reflected in the financial statements, is evaluated.
Sufficient and appropriate audit evidence is obtained regarding the financial information of group companies or business activities within the group in order to express an appropriate opinion on the consolidated and separate financial statements of the bank. The auditor is responsible for directing the supervision and performance of the group audit. The responsibility of the auditor's opinion lies only with the auditor.
In addition, the timing of the implementation and the planned scope of the audit work and the major findings of the audit, including the important weaknesses of the internal controls that have been identified during the audit, will be communicated to the governing bodies.
In addition, a note on compliance with the ethical requirements related to independence is presented to the governing bodies, and all relationships and other issues that can be reasonably expected to affect independence and, in appropriate cases, related security measures are notified.
Among the matters notified to the governing bodies, those matters which have the most importance in the audit of the financial statements of the current period and therefore are considered the major issues of the audit are identified. These matters are described in the auditor's report unless disclosure is prohibited by law or regulation, or when, in very rare circumstances, the auditor concludes that the matters should not be disclosed in the auditor's report because adverse consequences are expected

more than the public benefits resulting from it.
Also, as a legal inspector, this institution has the responsibility to report cases of non-compliance with the legal requirements stipulated in the amendment of the commercial law and the provisions of the bank's statutes, as well as other necessary cases, to the ordinary general assembly of shareholders.

Report on Other Legal and Regulatory Requirements of Karafarin Bank
Report on Other Duties of the Legal Inspector

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

11-1. The tasks stipulated in the ordinary general meeting of shareholders dated 13 July 2022 regarding paragraphs 5 to 7 of this report, planning to comply with the provisions mentioned in paragraphs 11-2 to 11-5, 14-4 and paragraph 18 of this report and CBI regulations, has not reached the final result.
11-2. The provisions of Articles 7 and 8 of the bank's statutes regarding the permitted limit of acquisition of bank shares by individuals and legal entities, as well as the provisions of Note 1 of Article 7 of the bank's statutes regarding the prohibition of shareholding by legal entities whose shares or capital belong to state companies.
11-3. The provisions of Article 11 of the bank's statutes regarding the acquisition of bank shares by companies over which the bank has control or influence.
11-4. The provisions of Article 82 of the bank's statutes regarding the appointment of the deputy CEO by the CEO of the bank.
11-5. The provisions of articles 113, 114 and 132 of the bank's statutes regarding compliance with the rules and regulations of the Central Bank regarding granting loans to related parties, granting loans to single beneficiaries and investing in shares.
11-6. The provisions of Article 112 of the amendment to the Commercial Law and the provisions of Article 66 of the bank's statutes regarding the completion of the members of the board of directors

12- The transactions listed in the explanatory note 2-62 of the attached financial statements have been reviewed as all the transactions included in Article 129 of the amendment of the Commercial Law, which were carried out during the reported fiscal year and were brought to the notice of this institution by the bank's board of directors. In the case of the aforementioned transactions, the provisions of the above article regarding obtaining permission from the board of directors and non-participation of the beneficiary manager in the voting have been observed. In addition, the opinion of this institute has not been drawn to the evidence indicating that the said transactions were not carried out under proper commercial conditions and in the normal routine of the bank's operations.
13- We have examined the report of the Board of Directors referring to the general condition of Bank (to the general assembly) which has been drafted in line with Article 232 of the Commercial Code as amended. Considering the examinations, we did not

encounter any event leading to any discrepancy between the information provided in the aforementioned report and the documents provided by the board.

Report on Other Regulatory and Lawful Duties of the Auditor

14- Instances of noncompliance with regulations set forth via the Securities and Exchange Organisation (Organisation) in reference to the Bank are stated below:

14-1. Provisions of clauses 1 and 2 of article 7 of the executive directive for the disclosure of information of companies registered with the organization regarding the disclosure of financial statements and the audited annual management interpretive report of the main and consolidated company and the report of the board of directors at least 10 days before holding the annual ordinary general meeting on 13 July 2022

14-2. Provisions of Note 5, Article 7 of the executive directive for information disclosure of companies registered with the organization regarding the immediate disclosure of annual and interim reports and financial statements of controlled companies that were prepared before the deadline.

14-3. The Provisions of Article 13 of the executive Instructions for disclosure of information of companies registered with the organization regarding the immediate disclosure of important information related to the tax claim form, the subject of Note 5, Article 4 of the Law on the Growth of Housing Production and the increase of interest rates on bank deposits.

14-4. The provisions of Notes 3 to 5 of Article 7, Articles 15 and 37 of the corporate governance guidelines of issuers registered with the Securities and Exchange Organization regarding the identification, approval and documentation of transactions with related parties, the use of the opinion of an official judicial expert in transactions with related parties related to tangible fixed assets and the disclosure of the details of the said transactions and the reasons for not conducting transactions with non-affiliated persons immediately in the Kodal system and the opinion of the audit committee regarding the said transactions, the establishment of the process of evaluating the effectiveness of the board of directors and the CEO, the specialized committees of the board of directors as well as the members of the board of directors of the subsidiaries, disclosure of complete information of specialized committees of the board of directors and their members in a separate note in the management's interpretative report and the board's activity report.

14-5. In line with the note under Article 40 of the corporate governance of the publishers registered with the stock exchange organization, public benefit contributions and any payments made in line with social responsibilities have been disclosed in the management's interpretive report and the board's activity report. According to the provisions of Article 41 of the aforementioned instructions, the payment of 65 billion Rials was based on the approval of the Annual General Assembly dated 13 July 2022 of the company's shareholders.

15- In the implementation of the announcement of the checklist of internal controls governing financial reporting approved by the Securities and Exchange Organization, the aforementioned checklist has been evaluated by this institution. In this regard, the improvement and development of the comprehensive centralized banking system in order to perform some calculations such as the accrual interest of the loan, the deposit and the reserve of doubtful receivables and the resolution of the discrepancy between the amounts under the facility system and the balance according to the balance, the launch of the subsystems notified by the supervision area of the central bank and the establishment of a comprehensive system regarding the bank's foreign exchange operations and legal cases is underway.

16- The cases of non-compliance with the requirements stipulated in the monetary and banking law, as well as the directives and approvals in force in the banking system and the law on the implementation of general policies of Article 44 of the Constitution, have been sent separately to the central bank along with a copy of it.

17- According to the provisions of the "regulations on the amount and method of receiving the membership fee in the deposit guarantee fund", the annual membership fee is equal to 0.35% (before 2019 with the rates of 0.3 and 0.25%) of the average weekly balance of each deposit account in the previous financial year up to the fund guarantee limit. The bank has paid the membership fee for the years 2014 to 2020 and the account has been debited for this. Controlling the calculation process and determining membership fees for the last two years requires a special audit.

18- In execution of Article 33 of Anti-Money Laundering Executive Instruction by the auditors, compliance of the said act and its related executive instructions have been reviewed by this institution in accordance with the framework of checklists as notified by the related authorities and accounting standards Considering the establishment of the Anti-Money Laundering Unit in the bank and the fact that some measures are in progress as described in the list of programs and objectives for the year 2022-23 of the anti-Money Laundering and Terrorism anti-Financing Unit contained in the activity report of the board of directors, the full implementation of the provisions of the aforementioned law and the applicable instructions, in Bank operations are ongoing.

9 July 2023

Tadvin & Hamkaran Audit Firm

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

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

Description	Note	2022-23 IRR Million	(Restated) 2021-22 IRR Million
Granted Loans Income	9	68,069,174	58,284,421
Deposit income in banks and non-bank credit institutions	10	1,730,721	1,068,734
Investment income in debt securities	11	7,189,480	6,935,004
Profit (loss) of investment in stocks and other securities	12	34,588	(714,510)
Legal deposit award	13	534,052	451,498
Operating Revenue		77,558,014	66,025,147
Deposit Interest Payment (Expense)	14	(56,041,421)	(48,362,860)
Gross profit (loss)		21,516,593	17,662,287
Commission Income	15	7,249,802	4,484,495
Commission Expense	16	(262,694)	(238,558)
Net Foreign Currency Transactions	17	1,230,101	888,307
Administrative & General Expenses	18	(16,721,405)	(12,180,784)
Doubtful Debts Expenses	19	(3,873,367)	(2,457,783)
Other operating revenues and expenses	20	0	0
		(12,377,564)	(9,504,323)
Net Sales & Services Income	20-1	95,552,203	84,234,830
Cost of Goods Sold & Services Rendered	20-2	(94,576,020)	(83,480,051)
		976,183	754,779
Operating profit (loss)		10,115,213	8,912,743
Profit (loss) of investments related to non-banking activities	21	2,825,461	3,170,252
Financial Expenses	22	(652,149)	(538,095)
Other non-operating income and expenses	23	1,953,344	1,242,904
Profit (loss) of continuing operations before tax, before Calculating the Group's Share from Associate Companies		14,241,868	12,787,804
Group's Share from Associate Companies		1,433,842	761,364
Profit (loss) from continuing operations before tax		15,675,710	13,549,168
Corporation Tax	43-5	(1,107,194)	(920,797)
Net profit (loss) from continuing operations		14,568,516	12,628,371
Discontinued operations			
Net profit (loss) of discontinued operations	24	0	0
Net Profit for the Year (Loss)		14,568,516	12,628,371
Attributable to:			
Parent Company's Shareholders		14,107,743	11,590,274
Non-controlling Interests		460,773	1,038,097
		14,568,516	12,628,371
			(Restated)
Earnings per share (IRR)			
Operational (Rials)		197	185
Non-operational (Rials)		121	102
Continuing operations		318	276
Discontinued operations		0	0
EPS (IRR)		**318**	**276**

Since the components of the comprehensive profit (loss) statement are limited to the net profit of the period, the comprehensive profit (loss) statement has not been presented.

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

Karafarin Bank (Public Joint Stock)
Consolidated Statement of Financial Position
As At 20 March 2023

Assets	Note	20.03.2023 IRR Million	(Restated) 20.03.2022 IRR Million	(Restated) 20.03.2021 IRR Million	Liabilities & Shareholders' Equity	Note	20.03.2023 IRR Million	(Restated) 20.03.2022 IRR Million	(Restated) 20.03.2021 IRR Million
Assets:					Liabilities:				
Cash	26	18,055,770	21,230,926	19,279,822	Deposits	39	504,483,342	442,926,381	344,913,719
Claims from Banks & Other Credit Institutes	27	9,914,916	19,137,595	11,783,095	Dues to Banks & Credit Institutes	40	8,817,236	45,523,694	10,185,450
Claims from the Government	28	0	0	0	Dividends Payable	41	40,299	30,747	166,080
Loans Granted & Claims from Governmental Authorities	29	0	0	0	Debt Securities	42	0	0	0
Loans Granted & Claims from Non- governmental Entities	30	414,571,641	370,373,377	271,104,029	Corporation Tax Provision	43	2,575,329	1,750,510	1,376,030
Claims from Subsidiary & Associate Companies	31	0	1,517	90,832	Provisions & Other Liabilities	44	25,326,513	11,721,424	10,770,927
Other Accounts Receivable	32	11,444,598	5,704,259	3,269,136	Liabilities related to non-current assets held for sale	34	0	0	0
Investment in Shares & Other Securities	33	47,732,030	54,447,730	42,554,665	Deferred tax liabilities	43	0	0	0
Non-current assets held for sale	34	5,092,373	4,329,200	4,060,860	Provision for Employees' Work Termination Benefits & Retirement	45	2,899,969	1,837,643	1,248,314
Fixed Tangible Assets	35	31,545,394	25,881,125	18,363,941	**Total Liabilities**		**544,142,688**	**503,790,399**	**368,660,519**
Intangible Assets	36	17,731,425	15,280,098	14,710,892					
Legal Deposit	37	58,808,296	51,559,615	38,599,297					
Deferred tax asset	43	0	0	0					
Other Assets	38	6,016,668	3,159,652	2,155,181	**Shareholders' Equity:**				
Goodwill	38-2	5	6	98,951	Capital	46	46,000,000	39,500,000	26,842,986
					Capital Increase in Process	47	0	0	9,892,713
					Shares Premium Reserve	48	0	0	0
					Shares of Parent Company Owned by Subsidiaries	46-3	(10,170)	(543,099)	(352,195)
					Legal Reserve	49	10,331,465	8,239,832	6,116,057
					Other Reserves	50	1,605,953	3,239,237	2,300,593
					Assets Revaluation Surplus	51	1,562,910	1,562,910	1,461,810
					Difference in Foreign Exchange Rate	52	0	0	0
					Retained Earnings		12,659,076	12,239,084	10,061,814
					Effects of transactions with non-controlling interests		319,107	(166,038)	0
					Treasury Shares	53	(556,561)	(474,217)	0
					Premium on treasury shares	54	0	0	0
					Total Equity Attributable to Parent Company's Shareholders		**71,911,779**	**63,597,709**	**56,323,778**
					Non-controlling Interests	54-1	4,858,649	3,716,992	1,086,404
					Total Shareholders' Equity		**76,770,428**	**67,314,701**	**57,410,182**
Total Asset		**620,913,116**	**571,105,100**	**426,070,701**	**Total Liabilities & Shareholders' Equity**		**620,913,116**	**571,105,100**	**426,070,701**
Customers' Commitments on L/Cs	59-1	11,122,849	9,559,106	2,029,656	Bank's Commitments on L/Cs	59-1	11,122,849	9,559,106	2,029,656
Customers' Commitments on Issued L/Gs	59-2	238,954,089	182,994,475	90,047,402	Bank's Commitments on Issued L/Gs	59-2	238,954,089	182,994,475	90,047,402
Customers' Other Commitments	59-3	81,586,251	84,214,169	61,307,823	Bank's Other Commitments	59-3	81,586,251	84,214,169	61,307,823
Managed Funds & Similar Items	59-4	408,849	465,660	174,334	Managed Funds & Similar Items	59-4	408,849	465,660	174,334

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

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

	note	2022-23														
		Capital	Capital Increase in Process	Premium Shares Reserve	premium on treasury Shares	Share of Parent Company Owned by Subsidiary	Legal Reserve	Other Reserves	Assets Revaluation Surplus	Difference in Exchange Rate of Foreign Operations	Effects of transactions with non-controlling interests	Retained Earnings	Treasury Shares	Total Equity Attributable to the Parent Company's Shareholders	Non-controlling Interests	Total Shareholders' Equity
		IRR Million	IRR Million	IRR Million	IRR Million	IRR Million	IRR Million	IRR Million	IRR Million	IRR Million	IRR Million	IRR Million	IRR Million	IRR Million	IRR Million	IRR Million
Balance on 21.03.2022		39,500,000	0	0	0	(543,099)	8,239,832	3,239,237	1,562,910	0	(166,038)	12,239,084	(474,217)	63,597,709	3,716,992	67,314,700
Net Profit (Loss) for the Year												14,107,743		14,107,743	460,773	14,568,516
Other Comprehensive income after Tax														0		0
Assets Revaluation Surplus	51								0					0		0
Difference in Foreign Exchange	52									0				0		0
Tax of Other Comprehensive income									0	0		0		0		0
Total Comprehensive income									0	0		14,107,743		14,107,743	460,773	14,568,516
Registered Capital Increase/ Decrease		6,500,000	0	0				(2,958,053)	0			(3,541,947)		0		0
Increase in Capital in Process			0	0				0	0			0		0		0
Adjustments from Changes in Minority Interest												(408,675)		(408,675)	345,041	(63,634)
Minority share of the subsidiary's net assets														0	654,104	654,104
Treasury Shares Purchase	53												(82,344)	(82,344)		(82,344)
Treasury Shares Sales	53													0		0
Profit (loss) from the sale of treasury shares	54				0									0		0
Shares of Parent Company Owned by Subsidiary						532,928								532,928		532,928
Transfer from other items of Shareholders' Equity to Retained Earnings					0				0	0		0		0		0
Allocation to legal reserve	49						2,091,633					(2,092,360)		(727)	727	(0)
Allocation to Other Reserves	50							1,324,769				(1,324,769)		0	0	0
Effects of transactions with non-controlling interests - Transfer of investments											485,145			485,145	0	485,145
Approved Dividends	41											(6,320,000)		(6,320,000)	(318,988)	(6,638,988)
Total Changes in Shareholders' Equity Items during the Year		6,500,000	0	0	0	532,928	2,091,633	(1,633,284)	0	0	485,145	(13,687,752)	(82,344)	(5,793,672)	680,884	(5,112,789)
Balance on 20.03.2023		46,000,000	0	0	0	(10,171)	10,331,465	1,605,953	1,562,910	0	319,107	12,659,076	(556,561)	71,911,779	4,858,649	76,770,428

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

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

	note	2021-22														
		Capital	Capital Increase in Process	Premium Shares Reserve	premium on treasury Shares	Share of Parent Company Owned by Subsidiary	Legal Reserve	Other Reserves	Assets Revaluation Surplus	Difference in Exchange Rate of Foreign Operations	Effects of transactions with non-controlling interests	Retained Earnings	Treasury Shares	Total Equity Attributable to the Parent Company's Shareholders	Non-controlling Interests	Total Shareholders' Equity
		IRR Million	IRR Million	IRR Million	IRR Million	IRR Million	IRR Million	IRR Million	IRR Million	IRR Million	IRR Million	IRR Million	IRR Million	IRR Million	IRR Million	IRR Million
Balance on 21.03.2021		26,842,986	9,892,713	0	0	(352,195)	6,116,057	2,300,593	1,461,810	0	0	10,061,814	0	56,323,778	1,086,404	57,410,182
Correcting mistakes	55									0		0		0		
Change in accounting procedures	55											0		0		0
Renewal balance provided in 21.03.2021		26,842,986	9,892,713	0	0	(352,195)	6,116,057	2,300,593	1,461,810	0	0	10,061,814	0	56,323,778	1,086,404	57,410,182
Changes in equity during the period																
Net Profit (Loss) for the Year												11,590,274		11,590,274	1,038,097	12,628,371
Correcting mistakes														0		0
Change in accounting procedures														0		0
Renewal net Profit		0	0	0	0	0	0	0	0	0	0	11,590,274	0	11,590,274	1,038,097	12,628,371
Other Comprehensive income																
Assets Revaluation Surplus									101,100					101,100	0	101,100
Difference in Foreign Exchange																
Tax of Other Comprehensive income																
Total Comprehensive income		0	0	0	0	0	0	0	101,100	0	0	11,590,274	0	11,691,374	1,038,097	12,729,471
Registered Capital Increase/ Decrease		12,657,014												12,657,014	0	12,657,014
Increase in Capital in Process			(9,892,713)											(9,892,713)	0	(9,892,713)
Adjustments from Changes in Minority Interest												(802,899)		(802,899)	765,112	(37,788)
Minority share of the subsidiary's net assets														0	920,763	920,763
Treasury Shares Purchase													(1,027,548)	(1,027,548)	0	(1,027,548)
Treasury Shares Sales													553,331	553,331	0	553,331
Profit (loss) from the sale of treasury shares					0									0		0
Shares of Parent Company Owned by Subsidiary						(190,903)								(190,903)		(190,903)
Transfer from other items of Shareholders' Equity to Retained Earnings					0				0	0		0		0		0
Allocation to legal reserve							2,123,775					(2,141,461)		(17,686)	17,686	0
Allocation to Other Reserves								938,643				(938,643)		0	0	0
Effects of transactions with non-controlling interests - Transfer of investments											(166,038)			(166,038)	0	(166,038)
Approved Dividends												(5,530,000)		(5,530,000)	(111,070)	(5,641,070)
Total Changes in Shareholders' Equity Items during the Year		12,657,014	(9,892,713)	0	0	(190,903)	2,123,775	938,643	0	0	(166,038)	(9,413,004)	(474,217)	(4,417,443)	1,592,491	(2,824,953)
Balance on 20.03.2022		39,500,000	0	0	0	(543,099)	8,239,832	3,239,237	1,562,910	0	(166,038)	12,239,084	(474,217)	63,597,709	3,716,992	67,314,701

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

Karafarin Bank (Public Joint Stock)
Consolidated Statement of Cash Flows
For The Year Ended 20 March 2023

Description	Note	2022-23 IRR Million	(Restated) 2021-22 IRR Million
Operating Activities:*			
Cash Inflow (Outflow) from Operating Activities		7,203,912	11,836,239
Cash Paid for Corporation Tax		(282,375)	(546,317)
Net Cash Inflow (Outflow) from Operating Activities		6,921,537	11,289,922
Investing Activities:			
Payments for Acquiring Fixed Tangible Assets		(9,435,745)	(7,441,896)
Funds Received for Selling Fixed Tangible Assets		1,112,502	28,249
Payments for Acquiring Intangible Assets		(459,318)	(1,221,190)
Funds Received for Selling Intangible Assets		5,207	0
Funds Received for Selling non-current assets held for sale		1,509,636	289,114
Payments for Acquiring non-current assets held for sale		0	0
Funds Received for dividends related to non-banking activities		1,034,249	977,435
Funds Received from the profits of other investments related to non-banking activities		9,910	101,419
Net Cash Inflow (Outflow) from Investing Activities		(6,223,558)	(7,266,868)
Net Cash Inflow (Outflow) before Financing Activities		697,979	4,023,054
Financing Activities:			
Cash Capital Increase		0	2,764,301
Changes in control interests		271,482	771,905
Funds paid for the acquisition of shares of the main company by the subsidiary company		0	(190,903)
Funds received for the acquisition of shares of the main company by the subsidiary company		532,928	
Funds paid for transactions with non-controlling interests		0	(166,038)
Funds received from transactions with non-controlling interests		485,145	0
Funds Receivedfor the sale of treasury shares		(116,361)	553,331
Payments for the purchase of treasury shares		34,017	(1,027,520)
Dividends Paid		(6,310,447)	(5,665,333)
Net Cash Inflow (Outflow) from Financing Activities		(5,103,236)	(2,960,258)
Net Increase (Decrease) in Cash		(4,405,257)	1,062,796
Cash at Beginning of Year		21,230,926	19,279,822
Effect of Foreign Exchange Rate Fluctuations		1,230,101	888,307
Cash at End of Year		18,055,770	21,230,926
Non-cash Transactions		4,616,962	3,767,428

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

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

Description	Note	2022-23 IRR Million	(Restated) 2021-22 IRR Million
Granted Loans Income	9	67,152,958	57,289,158
Deposit income in banks and non-bank credit institutions	10	1,715,445	1,067,524
Investment income in debt securities	11	7,189,480	6,935,004
Profit (loss) of investment in stocks and other securities	12	1,068,642	1,042,490
Legal deposit award	13	534,052	451,498
Operating Revenue		77,660,577	66,785,674
Deposit Interest Payment (Expense)	14	(56,060,280)	(48,377,506)
Gross profit (loss)		21,600,297	18,408,168
Commission Income	15	6,739,401	4,054,071
Commission Expense	16	(260,458)	(257,565)
Net Foreign Currency Transactions	17	1,190,293	850,347
Administrative & General Expenses	18	(15,063,139)	(11,155,859)
Doubtful Debts Expenses	19	(3,907,688)	(2,467,437)
Other operating revenues and expenses	20	0	0
		(11,301,592)	(8,976,443)
Operating profit (loss)		10,298,705	9,431,725
Profit (loss) of investments related to non-banking activities	21	1,541,397	3,415,330
Financial Expenses	22	(19,544)	(15,420)
Other non-operating income and expenses	23	2,192,797	812,641
Profit (loss) of continuing operations before tax		14,013,354	13,644,277
Corporation Tax	43-5	(502,977)	(472,414)
Net profit (loss) from continuing operations		13,510,377	13,171,863
Discontinued operations			
Net profit (loss) of discontinued operations	24	0	0
Net Profit for the Year (Loss)		13,510,377	13,171,863
			(Restated)
Earnings per share (IRR)			
Operational (Rials)		214	196
Non-operational (Riyals)		81	92
Continuing operations		295	287
Discontinued operations		0	0
EPS (IRR)		295	287

Since the components of the comprehensive profit (loss) statement are limited to the net profit of the period, the comprehensive profit (loss) statement 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
As At 20 March 2023

Assets	Note	20.03.2023 IRR Million	(Restated) 20.03.2022 IRR Million	(Restated) 21.03.2021 IRR Million	Liabilities & Shareholders' Equity	Note	20.03.2023 IRR Million	(Restated) 20.03.2022 IRR Million	(Restated) 21.03.2021 IRR Million
Assets:					**Liabilities:**				
Cash	26	17,813,832	20,495,079	19,027,841	Deposits	39	506,198,014	444,006,204	347,295,850
Claims from Banks & Other Credit Institutes	27	9,914,916	19,137,595	11,783,095	Dues to Banks & Credit Institutes	40	5,809,114	41,942,614	8,319,367
Claims from the Government	28	0	0	0	Dividends Payable	41	40,299	30,747	166,080
Loans Granted & Claims from Governmental Authorities	29	0	0	0	Debt Securities	42	0	0	0
Loans Granted & Claims from Non- governmental Entities	30	413,229,664	367,856,041	268,505,179	Corporation Tax Provision	43	1,924,159	1,296,051	995,340
Claims from Subsidiary & Associate Companies	31	5,309,217	3,079,735	2,892,482	Provisions & Other Liabilities	44	20,563,032	11,044,232	8,197,053
Other Accounts Receivable	32	8,163,632	4,145,548	2,325,432	Liabilities related to non-current assets held for sale	34	0	0	0
Investment in Shares & Other Securities	33	36,220,242	46,436,963	36,261,664	Deferred tax liabilities	43	0	0	0
Non-current assets held for sale	34	5,062,373	4,299,200	4,030,860	Provision for Employees' Work Termination Benefits & Retirement	45	2,692,304	1,718,515	1,220,754
Fixed Tangible Assets	35	28,110,943	27,233,966	18,834,184	**Total Liabilities**		**537,226,923**	**500,038,362**	**366,194,444**
Intangible Assets	36	18,107,967	15103,962	14,579,575					
Legal Deposit	37	58,808,296	51,559,615	38,599,297					
Deferred tax asset	43	0	0	0					
Other Assets	38	5,773,692	2,870,475	1,602,678	**Shareholders' Equity:**				
					Capital	46	46,000,000	39,500,000	26,842,986
					Capital Increase in Process	47	0	0	9,892,713
					Shares Premium Reserve	48	0	0	0
					Legal Reserve	49	9,959,086	7,932,529	5,956,750
					Other Reserves	50	1,186,102	2,958,053	2,160,426
					Assets Revaluation Surplus	51	953	953	953
					Difference in Foreign Exchange Rate	52	0	0	0
					Retained Earnings		12,698,243	12,262,472	7,394,015
					Treasury Shares	53	(556,533)	(474,189)	0
					Premium on treasury shares	54	0	0	0
					Total Shareholders' Equity		**69,287,851**	**62,179,817**	**52,247,843**
Total Asset		**606,514,773**	**562,218,179**	**418,442,287**	**Total Liabilities & Shareholders' Equity**		**606,514,773**	**562,218,179**	**418,442,287**
Customers' Commitments on L/Cs	59-1	11,122,849	9,559,106	2,029,656	Bank's Commitments on L/Cs	59-1	11,122,849	9,559,106	2,029,656
Customers' Commitments on Issued L/Gs	59-2	238,954,089	182,994,475	90,047,402	Bank's Commitments on Issued L/Gs	59-2	238,954,089	182,994,475	90,047,402
Customers' Other Commitments	59-3	81,586,251	84,214,169	61,307,823	Bank's Other Commitments	59-3	81,586,251	84,214,169	61,307,823
Managed Funds & Similar Items	59-4	408,849	465,660	174,334	Managed Funds & Similar Items	59-4	408,849	465,660	174,334

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

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

	note	2022-23										
		Capital	Capital Increase in Process	Premium Shares Reserve	premium on treasury Shares	Legal Reserve	Other Reserves	Assets Revaluation Surplus	Difference in Exchange Rate of Foreign Operations	Retained Earnings	Treasury Shares	Total Shareholders' Equity
		IRR Million	IRR Million	IRR Million	IRR Million	IRR Million	IRR Million	IRR Million	IRR Million	IRR Million	IRR Million	
Balance on 21.03.2022		**39,500,000**	**0**	**0**	**0**	**7,932,529**	**2,958,053**	**953**	**0**	**12,262,472**	**(474,189)**	**62,179,817**
Net Profit (Loss) for the Year										13,510,377		13,510,377
Other Comprehensive income after Tax												0
Assets Revaluation Surplus	51							0				0
Difference in Foreign Exchange	52								0			0
Tax of Other Comprehensive income								0	0	0		0
Total Comprehensive income								0	0	13,510,377		13,510,377
Registered Capital Increase/ Decrease		6,500,000	0	0			(2,958,053)	0		(3,541,947)		0
Increase in Capital in Process			0	0			0	0		0		0
Treasury Shares Purchase	53										(116,361)	(116,361)
Treasury Shares Sales	53										34,017	34,017
Profit (loss) from the sale of treasury shares	54				0							0
Transfer from other items of Shareholders' Equity to Retained Earnings					0			0	0	0		0
Allocation to legal reserve	49					2,026,557				(2,026,557)		0
Allocation to Other Reserves	50						1,186,102			(1,186,102)		0
Approved Dividends	41									(6,320,000)		(6,320,000)
Total Changes in Shareholders' Equity Items during the Year		6,500,000	0	0	0	2,026,557	(1,771,951)	0	0	(13,074,606)	(82,344)	(6,402,344)
Balance on 20.03.2023		46,000,000	0	0	0	9,959,086	1,186,102	953	0	12,698,243	(556,533)	69,287,851

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

	note	2021-22										
		Capital	Capital Increase in Process	Premium Shares Reserve	premium on treasury Shares	Legal Reserve	Other Reserves	Assets Revaluation Surplus	Difference in Exchange Rate of Foreign Operations	Retained Earnings	Treasury Shares	Total Shareholders' Equity
		IRR Million	IRR Million	IRR Million	IRR Million	IRR Million	IRR Million	IRR Million	IRR Million	IRR Million	IRR Million	
Balance on 21.03.2021		**26,842,986**	**9,892,713**	**0**	**0**	**5,956,750**	**2,160,426**	**953**	**0**	**7,394,015**	**0**	**52,247,843**
Correcting mistakes	55							0		0		
Change in accounting procedures	55									0		0
Renewal balance provided in 21.03.2021		26,842,986	9,892,713	0	0	5,956,750	2,160,426	953	0	7,394,015	0	52,247,843
Changes in equity during the period												0
Net Profit (Loss) for the Year										13,171,863		13,171,863
Correcting mistakes												0
Change in accounting procedures												0
Renewal net Profit		0	0	0	0	0	0	0	0	13,171,863	0	13,171,863
Other Comprehensive income												0
Assets Revaluation Surplus								0				0
Difference in Foreign Exchange												0
Tax of Other Comprehensive income												0
Total Comprehensive income		0	0	0	0	0	0	0	0	13,171,863	0	13,171,863
Registered Capital Increase/ Decrease		12,657,014										12,657,014
Increase in Capital in Process			(9,892,713)									(9,892,713)
Treasury Shares Purchase											(1,027,548)	(1,027,548)
Treasury Shares Sales											553,331	553,331
Profit (loss) from the sale of treasury shares					0							0
Transfer from other items of Shareholders' Equity to Retained Earnings					0			0	0	0		0
Allocation to legal reserve						1,975,779				(1,975,779)		0
Allocation to Other Reserves							797,627			(797,627)		0
Approved Dividends										(5,530,000)		(5,530,000)
Total Changes in Shareholders' Equity Items during the Year		12,657,014	(9,892,713)	0	0	1,975,779	797,627	0	0	(8,303,406)	(474,217)	(3,239,916)
Balance on 20.03.2022		**39,500,000**	**0**	**0**	**0**	**7,932,529**	**2,958,053**	**953**	**0**	**12,262,472**	**(474,217)**	**62,179,789**

Karafarin Bank (Public Joint Stock)
Statement of Cash Flows
For The Year Ended 20 March 2023

	Note	2022-23 IRR Million	(Restated) 2021-22 IRR Million
Operating Activities:*			
Cash Inflow (Outflow) from Operating Activities		5,105,729	11,207,088
Cash Paid for Corporation Tax		0	(171,703)
Net Cash Inflow (Outflow) from Operating Activities		5,105,729	11,035,385
Investing Activities:			
Payments for Acquiring Fixed Tangible Assets		(4,540,159)	(8,709,234)
Funds Received for Selling Fixed Tangible Assets		1,571,284	11,386
Payments for acquiring intangible assets		(1,194,088)	(660,056)
Funds received for Selling Intangible Assets		5,736	0
Funds received from the transfer of investments related to non-banking activities		256,071	0
Payments for the acquisition of investments related to non-banking activities		(1,392,021)	0
Funds Received for Selling non-current assets held for sale		1,509,636	289,114
Payments for Acquiring non-current assets held for sale		0	0
Funds Received for dividends related to non-banking activities		1,189,152	1,950,434
Funds Received from the profits of other investments related to non-banking activities		9,910	75,083
Net Cash Inflow (Outflow) from Investing Activities		(2,584,478)	(7,043,272)
Net Cash Inflow (Outflow) before Financing Activities		2,521,251	3,992,113
Financing Activities:			
Cash Capital Increase		0	2,764,301
Funds Received for the sale of treasury shares		34,017	553,331
Payments for the purchase of treasury shares		(116,361)	(1,027,520)
Dividends Paid		(6,310,447)	(5,665,333)
Net Cash Inflow (Outflow) from Financing Activities		(6,392,791)	(3,375,221)
Net Increase (Decrease) in Cash		(3,871,540)	616,892
Cash at Beginning of Year		20,495,079	19,027,841
Effect of Foreign Exchange Rate Fluctuations		1,190,293	850,347
Cash at End of Year		17,813,832	20,495,079
Non-cash Transactions		1,025,675	416,104

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

Karafarin Bank (Public Joint Stock)
Notes to The Financial Statements
For The Year Ended 20 March 2023

1. Introduction

1.1. History

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

1.2. Principal activities

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

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

1.3. Number of branches

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

	2022-23		2021-22	
	End of Year	Average	End of Year	Average
Branches in Tehran Province	59	59	59	59
Branches in Other Provinces	47	47	47	47
Branches in Free Trade Zones	2	2	2	2
Overseas Branches	0	0	0	0
	108	**108**	**108**	**108**

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

1.4. Employment

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

	2022-23		2021-22	
	End of Year	Average	End of Year	Average
	Persons	Persons	Persons	Persons
Headquarters & Regional Offices	693	669	643	639
Branches in Tehran Province	620	597	590	576
Branches in Other Provinces	495	491	479	475
Branches in Free Trade Zones	13	13	14	15
Overseas Branches	0	0	0	0
	1,821	**1,770**	**1,717**	**1,703**

During the reporting period, 407 employees (402 in previous year) were recruited via contracts. The number of employees of subsidiary companies during the reporting fiscal period was 480 (427 in the previous year). By average, we mean monthly average during 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 18 Separate Financial Statements, Accounting Standard 20 Investments in Affiliated Business Units and Special Partnerships, Accounting Standard 38 Business Combinations, Accounting Standard 39 Consolidated Financial Statements, Accounting Standard 40 Partnerships, Accounting Standard 41 Disclosure of Interests in Other Business Units and Standard Accounting 42 Fair value measurement.
2.2. Possible significant effects of the implementation of the new and revised accounting standards that are not yet in force are as follows:
2.2.1. Accounting standard 16 effects of change in exchange rate
New accounting standard 16 effects of change in exchange rate do not have possible significant effects on financial statements.

3. Basis for the Preparation of Financial Statements

Financial statements have been prepared according to accounting standards and CBI's regulations. Details of accounting procedures have been presented in notes 5 & 6.

4. Operational and Reporting Monetary Unit

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

Karafarin Bank (Public Joint Stock)
Notes to The Financial Statements
For The Year Ended 20 March 2023

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 recognised in the financial statements. Actual results may be different from estimates. These estimates and underlying assumptions are based on historical events which the management continuously revises following making comparisons with true events.

5-1- Judgments in the process of applying accounting procedures

5-1-1- Non-identification of the incomes of customer loans whose economic benefits are not likely to flow into the bank based on judgments.

5-2- Judgment related to estimates

5-2-1- The reserve of doubtful receivables is included in the accounts based on the requirements stated in note 7-8 and based on the circular of CBI

3-5- Other judgments that have the greatest impact on the amounts identified in the financial statements

5-3-1- There is no case.

5-4- Sources of estimation uncertainty

5-4-1- Identification and measurement of possible debts

6. Basis for Measurement

With the exception of current investments, which are measured based on the lower of cost and net realizable value, financial statements are prepared based on historical cost.

7. Significant Accounting Policies

7.1. Investments

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

7.2. Fixed tangible assets

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

7.2.2. Some tangible fixed assets, including land and goodwill, have been reflected in the accounts based on the revaluation amount. Revaluation was done on 21 September 2020 using independent experts. The frequency of revaluation depends on changes in the fair value of the revalued assets. If the fair value of the reassessed assets has a significant difference from its book value, the subsequent revaluation is necessary. The period of revaluation is 3 or 5 years.

7.2.3. Depreciation of tangible fixed assets, including assets resulting from capital lease, according to the consumption pattern of the expected future economic benefits (including the estimated useful life) of the related assets and taking into account the depreciation regulations subject to Article 149 of the amendment approved 04/1394 31 Direct Taxes Law approved in March 2016 and its subsequent amendments are calculated based on the following rates and methods:

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

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

7.3. Intangible assets

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

7.3.1. Goodwill

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

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

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

7.3.2. Loss of assets impairment

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

7.4. Non-current assets held for sale

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

7.4.2. Noncurrent assets (disposal groups) held for sale are measured at "lower of carrying amount and net realisable 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, recognising of interest on loans granted is based on accrued revenue. In addition, according to letter No.97/96778 dated 17.06.2018 of the CBI which was approved on 22.05.2018 by the Money and Credit Council and letter No.98/93674 dated 13.06.2019 and letter 99/221007 dated 01.10.2020, claims income which are transferred to doubtful claims classification are terminated regardless of their collateral type. Claims income whose collaterals are in cash or quasi cash by at least 90% of debt, are recognised until such time as they are transferred to the doubtful claims classification at the latest. Current and non-performing income which do not have cash or quasi cash collaterals are terminated when they are transferred to overdue classification. In cases where collaterals are less than customer debts, claims income is recognised identified by the end of overdue classification at the latest.

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

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

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

7.7. Classification of loans

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

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

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

7.8. Provisions for doubtful claims

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

1) General provisions: at 1.5% of total loans' balances at the end of the year after deduction of those loans that are subject to special provisions.
2) Special provisions: for the balance of overdue, deferred, and doubtful financial loans. This is

calculated based on the factors outlined in the following table after deducting the updated value of security attributable to each individual facility:

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

7.9. Provisions for employees' termination benefits

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

7.10. Obligations of employee retirement benefits

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

7.11. Foreign currency exchange

7.11.1. local accounts

Foreign currency monetary items during the year, are exchanged at official or mutually agreed exchange rates via exchange companies on the Financial Position Statement date. Non-monetary items which have been registered at historical cost (depending on currency type) are exchanged at official rates on transaction date. Differences resulting from settlement or exchange of foreign currency monetary items are identified as income or cost for the year and are recorded in the Profit and Loss Statement. The exchange rates used on the date of the financial statement are as described in the following table:

Balances and related transactions	Currency	Exchange rate - Rial		Reason for using the rate
Cash	USD	CBI	250,000	Circular No. 01/319616
Cash	EUR	CBI	265,000	Circular No. 01/319616
Cash	GBP	CBI	301,268	Circular No. 01/319616
Cash	CHF	CBI	267,697	Circular No. 01/319616
Cash	JPY	CBI	1,876	Circular No. 01/319616
Cash	AED	CBI	67,359	Circular No. 01/319616
Cash	CNY	CBI	35,914	Circular No. 01/319616
Claims from Banks	USD	CBI	250,000	Circular No. 01/319616
Claims from Banks	EUR	CBI	265,000	Circular No. 01/319616
Claims from Banks	GBP	CBI	301,268	Circular No. 01/319616
Claims from Banks	CHF	CBI	267,697	Circular No. 01/319616
Claims from Banks	JPY	CBI	1,876	Circular No. 01/319616
Claims from Banks	AED	CBI	67,359	Circular No. 01/319616
Claims from Banks	CNY	CBI	35,914	Circular No. 01/319616
Claims from Banks	INR	CBI	2,998	Circular No. 01/319616
Claims from Banks	KRW	CBI	189	Circular No. 01/319616
Claims from Banks	TRY	CBI	13,016	Circular No. 01/319616
Claims from Banks	OMR	CBI	642,508	Circular No. 01/319616
Claims from Banks	RUB	CBI	3,216	Circular No. 01/319616
Claims from Banks	QAR	CBI	67,959	Circular No. 01/319616

Karafarin Bank (Public Joint Stock)
Notes to The Financial Statements
For The Year Ended 20 March 2023

Balances and related transactions	Currency	Exchange rate - Rial		Reason for using the rate
Loans Granted & Claims from Non-governmental Entities	USD	CBI	250,000	Circular No. 01/319616
Loans Granted & Claims from Non-governmental Entities	EUR	CBI	265,000	Circular No. 01/319616
Claims from Subsidiary & Associate Companies	USD	CBI	250,000	Circular No. 01/319616
Claims from Subsidiary & Associate Companies	EUR	CBI	265,000	Circular No. 01/319616
Claims from Subsidiary & Associate Companies	AED	CBI	67,359	Circular No. 01/319616
Other Accounts Receivable	USD	CBI	250,000	Circular No. 01/319616
Other Accounts Receivable	EUR	CBI	265,000	Circular No. 01/319616
Other Accounts Receivable	AED	CBI	67,359	Circular No. 01/319616
Other Accounts Receivable	KRW	CBI	189	Circular No. 01/319616
Foreign exchange obligations	USD	CBI	250,000	Circular No. 01/319616
Foreign exchange obligations	EUR	CBI	265,000	Circular No. 01/319616
Foreign exchange obligations	AED	CBI	67,359	Circular No. 01/319616
Foreign exchange obligations	CNY	CBI	35,914	Circular No. 01/319616
Debt to banks	USD	CBI	250,000	Circular No. 01/319616
Debt to banks	EUR	CBI	265,000	Circular No. 01/319616
Debt to banks	JPY	CBI	1,876	Circular No. 01/319616
Debt to banks	AED	CBI	67,359	Circular No. 01/319616
Debt to banks	KRW	CBI	189	Circular No. 01/319616
Debt to banks	TRY	CBI	13,016	Circular No. 01/319616
Debt to banks	OMR	CBI	642,508	Circular No. 01/319616
Foreign currency customer deposits	USD	CBI	250,000	Circular No. 01/319616
Foreign currency customer deposits	EUR	CBI	265,000	Circular No. 01/319616
Foreign currency customer deposits	GBP	CBI	301,268	Circular No. 01/319616
Foreign currency customer deposits	CHF	CBI	267,697	Circular No. 01/319616
Foreign currency customer deposits	JPY	CBI	1,876	Circular No. 01/319616
Foreign currency customer deposits	AED	CBI	67,359	Circular No. 01/319616
Foreign currency customer deposits	CNY	CBI	35,914	Circular No. 01/319616
Foreign currency customer deposits	INR	CBI	2,998	Circular No. 01/319616
Foreign currency customer deposits	KRW	CBI	189	Circular No. 01/319616
Foreign currency customer deposits	TRY	CBI	13,016	Circular No. 01/319616
Provisions & Other Liabilities	USD	CBI	250,000	Circular No. 01/319616
Provisions & Other Liabilities	EUR	CBI	265,000	Circular No. 01/319616
Provisions & Other Liabilities	GBP	CBI	301,268	Circular No. 01/319616
Provisions & Other Liabilities	AED	CBI	67,359	Circular No. 01/319616
Provisions & Other Liabilities	INR	CBI	2,998	Circular No. 01/319616
Provisions & Other Liabilities	KRW	CBI	189	Circular No. 01/319616
Provisions & Other Liabilities	TRY	CBI	13,016	Circular No. 01/319616

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 on removing barriers to competitive production and upgrading the financial system and the executive order of the Supreme Council of the Stock Exchange, a bank/non-bank credit institution can deposit up to 10% of its shares.

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

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

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

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

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

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. Interest Paid to Depositors

The interest on deposits is identified and reported based on the rules announced by the Money and Credit Council regarding the interest rate on deposits and how to calculate it.

7.15. "Other items" in the explanatory notes

Due to the large number of items in some accounts, a part of the items of each note has been reported under the title "Other". The items listed under the heading "Others" include less important items in terms of volume and nature. The maximum amount of each of the items listed under the heading

"Other" is equal to 3% and the total amount of this heading is up to 10% of the total amount of that note. The number of items of this title has also been revealed.

8. Change in accounting procedures

The bank has presented the accounting procedures mentioned in note 7, observing the consistency of the procedure in all the periods reported in the financial statements.

9. Granted loans income

	Group									
	2022-23					2021-22				
	IRR			Foreign Currency (Non-shared)	Total	IRR			Foreign Currency (Non-shared)	Total
	shared	Non- shared	Total			shared	Non- shared	Total		
	IRR Million	IRR Million	IRR Million	IRR Million	IRR Million	IRR Million	IRR Million	IRR Million	IRR Million	IRR Million
Instalment Sale	1,586,359	1,230,857	2,817,216	0	2,817,216	4,296,754	1,033,856	5,330,610	0	5,330,610
Joaleh	1,375,512	0	1,375,512	0	1,375,512	2,279,912	0	2,279,912	0	2,279,912
Hire Purchase	31,899	0	31,899	0	31,899	42,790	292,693	335,483	0	335,483
Mudaraba	113,402	0	113,402	0	113,402	707,147	0	707,147	0	707,147
Musharaka	1,809,325	0	1,809,325	18,350	1,827,675	8,940,159	0	8,940,159	106,195	9,046,353
Salaf	0	0	0	0	0	362	0	362	0	362
Debt Discounting	2,227,929	0	2,227,929	0	2,227,929	1,458,030	0	1,458,030	0	1,458,030
Morabehe	51,973,529	0	51,973,529	65,109	52,038,638	34,524,668	0	34,524,668	0	34,524,668
Istisna	0	0	0	0	0	0	0	0	0	0
Penalty	6,611,877	0	6,611,877	21,744	6,633,620	4,025,986	0	4,025,986	7,526	4,033,512
L/Cs Debtors' Penalty	0	767,135	767,135	0	767,135	0	289,566	289,566	144,175	433,740
Paid L/Gs Debtors' Penalty	0	134,473	134,473	0	134,473	0	64,260	64,260	0	64,260
Penalty of Paid Credit Cards Debtors	77	0	77	0	77	0	0	0	0	0
Others	0	101,596	101,596	0	101,596	0	70,342	70,342	0	70,342
Total Granted Loans	65,729,910	2,234,062	67,963,971	105,203	68,069,174	56,275,808	1,750,717	58,026,525	257,896	58,284,421

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	Parent Company									
	2022-23					2021-22				
	IRR			Foreign Currency (Non-shared)	Total	IRR			Foreign Currency (Non-shared)	Total
	shared	Non- shared	Total			shared	Non- shared	Total		
	IRR Million	IRR Million	IRR Million	IRR Million	IRR Million	IRR Million	IRR Million	IRR Million	IRR Million	IRR Million
Instalment Sale	1,586,359		1,586,359	0	1,586,359	4,296,754		4,296,754	0	4,296,754
Joaleh	1,375,512		1,375,512	0	1,375,512	2,279,912		2,279,912	0	2,279,912
Hire Purchase	31,899		31,899	0	31,899	42,790		42,790	0	42,790
Mudaraba	113,402		113,402	0	113,402	707,147		707,147	0	707,147
Musharaka	2,125,482		2,125,482	18,350	2,143,832	9,272,624		9,272,624	106,195	9,378,819
Salaf	0		0	0	0	362		362	0	362
Debt Discounting	2,227,929		2,227,929	0	2,227,929	1,458,030		1,458,030	0	1,458,030
Morabehe	51,973,529		51,973,529	65,109	52,038,638	34,524,668		34,524,668	0	34,524,668
Istisna	0		0	0	0	0		0	0	0
Penalty	6,611,877		6,611,877	21,744	6,633,620	4,025,986		4,025,986	7,526	4,033,512
L/Cs Debtors' Penalty	0	767,135	767,135	0	767,135	0	289,566	289,566	144,175	433,740
Paid L/Gs Debtors' Penalty	0	134,473	134,473	0	134,473	0	64,260	64,260	0	64,260
Penalty of Paid Credit Cards Debtors	77	0	77	0	77	0	0	0	0	0
Others	0	100,080	100,080	0	100,080	0	69,163	69,163	0	69,163
Total Granted Loans	66,046,067	1,001,689	67,047,755	105,203	67,152,958	56,608,274	422,988	57,031,262	257,896	57,289,158

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

	Group									
	2022-23					2021-22				
	IRR			Foreign Currency (Non-shared)	Total	IRR			Foreign Currency (Non-shared)	Total
	shared	Non- shared	Total			shared	Non- shared	Total		
	IRR Million	IRR Million	IRR Million	IRR Million	IRR Million	IRR Million	IRR Million	IRR Million	IRR Million	IRR Million
Deposit interest in the central bank	47,178	0	47,178	34,653	81,832	38,993	0	38,993	37,499	76,492
Deposit interest in other banks and local non-bank credit institutions	1,630,128	15,276	1,645,404	0	1,645,404	985,892	1,210	987,102	0	987,102
Deposit interest in foreign banks	0	0	0	3,486	3,486	0	0	0	5,140	5,140
Deposit income in banks and non-bank credit institutions	**1,677,306**	**15,276**	**1,692,582**	**38,139**	**1,730,721**	**1,024,885**	**1,210**	**1,026,095**	**42,639**	**1,068,734**

	Parent Company									
	2022-23					2021-22				
	IRR			Foreign Currency (Non-shared)	Total	IRR			Foreign Currency (Non-shared)	Total
	shared	Non- shared	Total			shared	Non- shared	Total		
	IRR Million	IRR Million	IRR Million	IRR Million	IRR Million	IRR Million	IRR Million	IRR Million	IRR Million	IRR Million
Deposit interest in the central bank	47,178	0	47,178	34,653	81,832	38,993	0	38,993	0	38,993
Deposit interest in other banks and local non-bank credit institutions	1,630,128	0	1,630,128	0	1,630,128	985,892	0	985,892	0	985,892
Deposit interest in foreign banks	0	0	0	3,486	3,486	0	0	0	0	0
Deposit income in banks and non-bank credit institutions	**1,677,306**	**0**	**1,677,306**	**38,139**	**1,715,445**	**1,024,885**	**0**	**1,024,885**	**42,639**	**1,024,885**

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11. Investment income in debt securities

Publisher- type of securities	Group									
	2022-23					2021-22				
	IRR			Foreign Currency (Non-shared)	Total	IRR			Foreign Currency (Non-shared)	Total
	shared	Non- shared	Total			shared	Non- shared	Total		
	IRR Million	IRR Million	IRR Million	IRR Million	IRR Million	IRR Million	IRR Million	IRR Million	IRR Million	IRR Million
Government - Islamic treasury documents	3,300,025	0	3,300,025	0	3,300,025	2,451,809	0	2,451,809	0	2,451,809
Government benefit participation bonds	2,213,641	0	2,213,641	0	2,213,641	2,332,568	0	2,332,568	0	2,332,568
Government Murabahah bonds	1,675,815	0	1,675,815	0	1,675,815	2,150,627	0	2,150,627	0	2,150,627
Investment income in debt securities	**7,189,480**	**0**	**7,189,480**	**0**	**7,189,480**	**6,935,004**	**0**	**6,935,004**	**0**	**6,935,004**

Publisher- type of securities	Parent Company									
	2022-23					2021-22				
	IRR			Foreign Currency (Non-shared)	Total	IRR			Foreign Currency (Non-shared)	Total
	shared	Non- shared	Total			shared	Non- shared	Total		
	IRR Million	IRR Million	IRR Million	IRR Million	IRR Million	IRR Million	IRR Million	IRR Million	IRR Million	IRR Million
Government - Islamic treasury documents	3,300,025	0	3,300,025	0	3,300,025	2,451,809	0	2,451,809	0	2,451,809
Government benefit participation bonds	2,213,641	0	2,213,641	0	2,213,641	2,332,568	0	2,332,568	0	2,332,568
Government Murabahah bonds	1,675,815	0	1,675,815	0	1,675,815	2,150,627	0	2,150,627	0	2,150,627
Investment income in debt securities	**7,189,480**	**0**	**7,189,480**	**0**	**7,189,480**	**6,935,004**	**0**	**6,935,004**	**0**	**6,935,004**

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12. Profit (loss) of investment in stocks and other securities

	Note	Group		Parent Company					
		2022-23	2021-22	2022-23			2021-22		
		Total	Total	IRR (shared)	Foreign Currency (Non-shared)	Total	IRR (shared)	Foreign Currency (Non-shared)	Total
		IRR Million	IRR Million	IRR Million	IRR Million	IRR Million	IRR Million	IRR Million	IRR Million
Interest on Companies' Share & Investment Funds	12-1	6,536	15,533	1,040,590	0	1,040,590	817,663	0	817,663
Profit (Loss) from Selling Companies' Shares & Investment Fund	12-2	28,051	67,939	28,051	0	28,051	1,022,810	0	1,022,810
Net Returns (Loss) on Investment Value Increase (Decrease)	12-3	0	(797,982)	0	0	0	(797,982)	0	(797,982)
Profit (loss) of investment in stocks and other securities		**34,588**	**(714,510)**	**1,068,642**	**0**	**4,457,821**	**1,042,490**	**0**	**6,376,860**

12.1. Dividends income from companies' share & investment funds

Company	Group		Parent Company					
	2022-23	2021-22	2022-23			2021-22		
	Total	Total	IRR (shared)	Foreign Currency (Non-shared)	Total	IRR (shared)	Foreign Currency (Non-shared)	Total
	IRR Million	IRR Million	IRR Million	IRR Million	IRR Million	IRR Million	IRR Million	IRR Million
Karafarin Leasing	0	0	202,447	0	202,447	0	0	0
Karafarin Foreign Exchange	0	0	799,840	0	799,840	799,840	0	799,840
Abnie Gostar Karafarin Construction	0	0	31,767	0	31,767	0	0	0
Tose'e Negahe Fardaye Karafarin	0	0	0	0	0	2,289	0	2,289
Long-term Investment Dividends	**0**	**0**	**1,034,054**	**0**	**1,034,054**	**802,129**	**0**	**802,129**
Listed Companies:								
Asre Novin Informatics (HiWeb)	0	9,476	0	0	0	9,476	0	9,476
Total	0	9,476	0	0	0	9,476	0	9,476
Unlisted Companies:								
Shaparak E-payment Card Network	2,938	2,907	2,938	0	2,938	2,907	0	2,907
Iran Credit Rating	3,599	3,150	3,599	0	3,599	3,150	0	3,150
Short-term Investment Dividends	**6,536**	**15,533**	**6,536**	**0**	**6,536**	**15,533**	**0**	**15,533**
Profit of investment fund units	**0**	**0**	**0**	**0**	**0**	**0**	**0**	**0**
Dividends of companies and investment funds	**6,536**	**15,533**	**1,040,590**	**0**	**1,040,590**	**817,663**	**0**	**817,663**

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

	Group		Parent Company				
	2022-23	2021-22	2022-23				2021-22
	Profit (Loss)	Profit (Loss)	Shares	Carrying Amount	Net Realisable Value	Profit (Loss)	Profit (Loss)
	IRR Million	IRR Million	IRR Million	IRR Million	IRR Million	IRR Million	IRR Million
Profit (Loss) from Selling Companies' Shares-IRR (shared):							
Karafarin Leasing	28,051	0	3,588.522	4,131	32,182	28,051	954,871
EN Bank	0	69,386	0	0	0	0	69,386
Asan pardakht Persian	0	(1,447)	0	0	0	0	(1,447)
Total	**28,051**	**67,939**	**3,588.522**	**4,131**	**32,182**	**28,051**	**1,022,810**
Profit from Selling Investment Funds-IRR (shared):							
	0	0	0	0	0	0	0
	0	0	0	0	0	0	0
Profit (Loss) from Selling Companies' Share-Foreign Currency (Non- shared)	0	0	0	0	0	0	0
Total	**28,051**	**67,939**	**3,588,522**	**4,131**	**32,182**	**28,051**	**1,022,810**

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

	Group		Parent Company				
	2022-23	2021-22	2022-23				2021-22
	Profit (Loss)	Profit (Loss)	Investment Unit	Carrying Amount	Net Realisable Value	Profit (Loss)	Profit (Loss)
	IRR Million	IRR Million	IRR Million	IRR Million	IRR Million	IRR Million	IRR Million
Profit (Loss) from Investment Value Increase (Decrease)-IRR (shared):							
Asre Novin Informatics- Proprietary	0	(797,982)	0	0	0	0	(797,982)
Total	**0**	**(797,982)**	**0**	**0**	**0**	**0**	**(797,982)**
Profit (Loss) from Investment Value Increase (Decrease)-IRR (Non-shared):	0	0	0	0	0	0	0
Total	0	0	0	0	0	0	0
Total	**0**	**(797,982)**	**0**	**0**	**0**	**0**	**(797,982)**

13. Legal Deposit Prize

Description	Group and Parent Company	
	2022-23	2021-22
	IRR Million	IRR Million
Legal deposit prize of investment deposits	418,784	363,418
Legal deposit prize of other sources	115,268	88,080
	534,052	451,498

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

Description	Group and Parent Company	
	2022-23	2021-22
	IRR Million	IRR Million
Average legal deposit of investment deposits	39,288,226	37,114,400
Legal deposit prize of investment deposits	418,784	363,418
Average legal deposit of other sources	13,345	8,974
Legal deposit prize of other sources	115,268	88,080

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14. Deposit Interest Payment (Expense)

Description	Note	Group			Parent Company		
		2022-23		2021-22	2022-23		2021-22
		IRR Million		IRR Million	IRR Million		IRR Million
Shared Income:							
Granted Loans Income	9	65,729,910		56,275,808	66,046,067		56,608,274
Deposit income in banks and non-bank credit institutions	10	1,677,306		1,024,885	1,677,306		1,024,885
Investment income in debt securities	11	7,189,480		6,935,004	7,189,480		6,935,004
Profit (loss) of investment in stocks and other securities	12	34,588		(714,510)	1,068,642		1,042,490
Profit (loss) of investments related to non-banking activities	21	2,825,461		3,170,252	1,541,397		3,415,330
Total Shared Income			77,456,744	66,691,439		77,522,891	69,025,983
Bank's Share from Shared Income	14-1		(24,528,236)	(13,694,947)		(24,528,236)	(16,014,845)
Depositors' Share from Shared Income before Deducting Commission Fee			52,928,508	52,996,492		52,994,655	53,011,138
Commission Fee	14-2		(1,770,847)	(5,095,861)		(1,770,847)	(5,095,861)
Depositors' Share from Shared Income			51,157,661	47,900,631		51,223,808	47,915,277
Legal Deposit Prize for Investment Deposits	13		418,784	363,418		418,784	363,418
Compensation of Surplus Expense of Depositors' Free Resources to Shared Expenditures	14-3		0	0		0	0
Final Interest on Investment Deposits			51,576,445	48,264,049		51,642,592	48,278,695
The excess of accrued interest paid over the fixed interest accrued to investment deposits	14-5		0	0		0	0
Interest on investment deposits			51,576,445	48,264,049		51,642,592	48,278,695
Special deposit certificate interest			0	0		0	0
Investment deposits received from banks and credit institutions			4,361,175	0		4,361,175	0
Interest on foreign currency deposits			56,513	98,811		56,513	98,811
Intragroup deposit interest expense and consolidation adjustments			47,288	2,319,898		0	0
Total of interest on deposits			56,041,421	48,362,860		56,060,280	48,377,506
Payable interest (excess interest paid) to investment deposits	14-5		0	0		0	0

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14.1. Bank's share from Shared income

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

14.1.1. Bank's share from Shared income

Fiscal Year	Bank's Resources to Total Expenditures Ratio (39.2.)	Shared income	Bank's Share from Shared Income
	%	IRR Million	IRR Million
20.03.2022	23.20%	69,025,983	16,014,845
20.03.2023	31.64%	77,522,891	24,528,236

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

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

Description	2022-23		2021-22	Comment
	IRR Million		IRR Million	
Average shared Expenditures (14.1.2.1)		426,887,101	374,711,753	Average 52 Weeks
Average Balance of investment Deposits (14.1.2.2)	331,108,287		324,888,592	Average 52 Weeks
Less: Legal Deposit of Investment Deposits	(39,288,226)		(37,114,400)	Average 52 Weeks
Free Resources of Investment Deposits		291,820,061	287,774,191	
Bank's Share from shared Expenditures (Surplus of Free Resources of Investment Deposits)		135,067,040	86,937,562	

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

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14.1.2.1. Average shared expenditures

shared Expenditures Items	20.03.2023	20.03.2022
	Amount (Average)	Amount (Average)
	IRR Million	IRR Million
Net Expenditures Related to Loans & Claims	378,774,328	329,349,799
Net Expenditures Related to Investment Deposits held with Other Banks	8,012,115	5,387,940
Net Expenditures Related to Investing in Shares & Other Securities	40,100,658	39,974,014
Total Expenditures Related to shared Operations	**426,887,101**	**374,711,753**

14.1.2.2. Average balance of investment deposits

shared Expenditures Items	2022-23	2021-22
	Amount (Average)	Amount (Average)
	IRR Million	IRR Million
Ordinary Short-term Deposits	76,399,105	89,105,162
Special Short-term Deposits	52,081	150,806
Ordinary Deposit Certificate	32,637,190	10,428,961
1 Year	6,004,209	16,690,773
2 Years	207,736,024	192,659,976
3 Years	3,246,155	0
4 Years	0	0
5 Years	0	5
Investment deposits Received from Banks & Credit Institutes	5,033,523	15,852,910
Average Investment Deposits	**331,108,287**	**324,888,592**

14.2. Commission fees

According to Board of Directors' Minute 936 dated 12.03.2022, Bank's commission fees for the 2022-23 period are is equivalent to a maximum of 3 percent of net investment deposits sources which is calculated at a rate of 0.61 percent.

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

$$1,770,847 = 0.61\% \times 291,820,061$$

14.2.1. Commission fee declared and in effect

shared Expenditures Items	Commission Fee Declared		Commission Fee in Effect	
	Rate-%	Amount- IRR Million	Rate-%	Amount- IRR Million
Ordinary Short-term Investments	3.0	2,012,523	0.61	407,085
Special Short-term Investments	3.0	1,372	0.61	277
General Deposit Certificate	3.0	979,116	0.61	198,052
1 Year	3.0	40,573	0.61	8,207
2 Years	3.0	5,472,640	0.61	1,106,985
3 Years	3.0	97,373	0.61	19,696
4 Years	3.0	0	0.61	0
5 Years	3.0	0	0.61	0
Investment Deposits Received from Banks & Credit Institutes	3.0	151,006	0.61	30,545
Total Commission Fee in 2022-23		**8,754,602**		**1,770,847**
Total Commission Fee in 2021-22		**8,633,226**		**5,095,861**

Karafarin Bank (Public Joint Stock)
Notes to The Financial Statements
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14.3. According to instruction No.94/69383 dated 10.06.2015, compensation of depositors' free sources surplus expense to shared expenditures is calculated as follows:

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

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

	Parent Company	
	2022-23	2021-22
	IRR Million	IRR Million
Ordinary Short-term Deposits	7,777,449	5,893,206
Special Short-term Deposits	6,408	19,648
Long-term Deposits		
General Deposit Certificate	5,726,427	1,849,539
1 Year	1,007,962	2,681,181
2 Years	36,393,312	34,780,363
3 Years	731,034	0
4 Years	0	0
5 Years	0	0
	51,642,592	45,223,938
Investment Deposits Received from Banks & Credit Institutes	4,361,175	3,054,757
Total On-account Interest Paid to Investment Deposits	**56,003,767**	**48,278,695**

14.5. Payable interest (excess interest paid) to investment deposits

	Parent Company	
	2022-23	2021-22
	IRR Million	IRR Million
Final Interest on Investment Deposits	51,642,592	48,278,695
On-account interest paid to investment deposits	(51,642,592)	(48,278,695)
Payable interest (excess interest paid) to investment deposits	**0**	**0**

Karafarin Bank (Public Joint Stock)
Notes to The Financial Statements
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15. Commission Income

	Note	Group		Parent Company	
		2022-23	2021-22	2022-23	2021-22
		IRR Million	IRR Million	IRR Million	IRR Million
Net Commission on Gharz-al Hassaneh Operations	15-1	70,277	21,967	70,277	21,967
Opened L/Cs		315,005	82,798	315,005	82,798
Issued L/Gs		3,328,217	1,990,290	3,328,217	1,990,290
Foreign Currency Operations	15-2	1,882,199	1,371,659	1,882,199	1,371,659
Managed Funds		4,914	8,713	4,914	8,713
Securities Assessment		43,007	54,794	43,007	54,794
Commission on Bonds Guarantee		5,692	5,183	5,692	5,183
Commission Received from National Development Fund		19,412	141,104	19,412	141,104
Commission on Staff Loans		83,866	79,138	83,866	79,138
Safety Deposit Boxes Rental Income		20,656	18,902	20,656	18,902
Commission Received for Sending SMS		8,915	3,915	8,915	3,915
Commission Received for Card Services		206,320	88,084	206,320	88,084
Other Services		1,261,321	617,949	750,920	187,525
Total Commission Income		**7,249,802**	**4,484,495**	**6,739,401**	**4,054,071**

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

	Parent Company	
	2022-23	2021-22
	IRR Million	IRR Million
Commission Received on Granted Gharz-al Hassaneh Loans	70,277	21,967
Less: Prize Expense of Mobilising Gharz-al Hassaneh Deposits	0	0
Net Commission on Gharz-al Hassaneh Operations	**70,277**	**21,967**

15.2. Commission income from foreign currency operations amount to IRR1,882,199 million mainly consists of 943,631 million rials of Nima currency supply fee, 308,086 million rials of commission on foreign currency payment orders, 170,813 million rials of commission received for issuing foreign currency L/Gs, 169,136 million rials the commission for the transaction of remittance documents, 148.857 million rials is the commission for buying and selling currency and 107.869 million rials the acceptance fee for local letter of credit.

16. Commission Expense

	Group		Parent Company	
	2022-23	2021-22	2022-23	2021-22
	IRR Million	IRR Million	IRR Million	IRR Million
Shetab Plan Commission	20,595	19,408	20,595	19,408
Commission Paid for Card Services	200,473	166,439	200,473	166,439
Commission Paid to Shetab Joint Fund	729	611	729	611
Commission Paid for Nima Foreign Currency	0	0	0	20,722
Commission Paid to Broker-Foreign Currency	12,450	23,885	12,450	23,885
Clearing House Commission	0	0	0	0
Others	28,446	28,215	26,211	26,500
Total Commission Expenses	**262,694**	**238,558**	**260,458**	**257,565**

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17. Net Profit (Loss) of Foreign Currency Transactions

	Group		Parent Company	
	2022-23	2021-22	2022-23	2021-22
	IRR Million	IRR Million	IRR Million	IRR Million
Profit (Loss) of Foreign Currency Transactions	5,579	90,680	4,191	52,720
Profit (Loss) of Foreign Exchange	1,224,522	797,627	1,186,102	797,627
Net Profit (Los) of Foreign Currency Transactions	**1,230,101**	**888,307**	**1,190,293**	**850,347**

18. Office and General Expenses

	Note	Group		Parent Company	
		2022-23	2021-22	2022-23	2021-22
		IRR Million	IRR Million	IRR Million	IRR Million
Staff Expenses	18-1	9,803,863	6,521,531	8,815,852	5,944,622
Office Expenses	18-2	6,074,773	5,152,510	5,527,047	4,767,166
Depreciation Expense	18-3	842,770	506,743	720,241	720,241
Total Office & General Expenses		**16,721,405**	**12,180,784**	**15,063,139**	**11,155,859**

18.1. Staff expenses are as follows:

	Group		Parent Company	
	2022-23	2021-22	2022-23	2021-22
	IRR Million	IRR Million	IRR Million	IRR Million
Salaries, Wages & Benefits	7,528,061	5,028,567	6,741,664	4,541,962
Employers' Premium	1,021,084	745,893	950,661	708,031
Work Termination Benefits & Retirement Commitments	1,125,416	639,677	1,073,788	615,655
Business Travel Allowance	41,449	9,680	41,449	9,680
Others	87,853	97,714	8,290	69,294
Total Staff Expenses	**9,803,863**	**6,521,531**	**8,815,852**	**5,944,622**

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

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18.2. Office expenses include the following items:

	Group		Parent Company	
	2022-23	2021-22	2022-23	2021-22
	IRR Million	IRR Million	IRR Million	IRR Million
Services Purchase Fee	732,242	519,898	606,847	446,696
Mechanisaton Systems	1,509,792	1,123,582	1,468,828	1,091,963
Consumables	548,127	481,462	539,970	475,011
Membership Fee of Deposits Guarantee Fund	499,748	211,379	499,748	180,172
Publication, Publicity & Marketing	319,776	265,307	222,654	216,357
Utilities	200,231	167,288	194,796	164,000
Consulting & Attorney Fee	157,449	108,579	157,449	108,579
Repair & Maintenance of Fixed Tangible Assets	266,100	173,064	231,454	153,757
witholding taxes	222,740	187,172	222,740	187,172
Rent	96,122	82,521	89,072	76,449
Judicial, Registration, Notary Public & Customs, etc., Expenses	36,723	59,226	36,723	59,226
Business Tax	27,972	30,855	27,906	30,855
Board of Directors' Bonus	40,578	29,676	0	0
Training	41,802	12,176	41,802	12,176
Cash & Assets Insurance	24,888	11,794	17,339	6,918
Board of Directors' Attendance Fee	7,870	6,375	1,920	900
Social responsibility	65,619	46,585	65,619	46,585
Legal entities	596,174	1,161,737	596,174	1,161,737
Others	680,818	473,834	506,005	317,407
Total Office Expenses	**6,074,773**	**5,152,510**	**5,527,047**	**4,767,166**

18.3. Depreciation Expense

	Group		Parent Company	
	2022-23	2021-22	2022-23	2021-22
	IRR Million	IRR Million	IRR Million	IRR Million
Depreciation of Fixed Tangible Assets	765,821	444,630	658,897	385,354
Amortisation of Intangible Assets	76,949	62,114	61,344	58,717
Total Depreciation Expenses	**842,770**	**506,743**	**720,241**	**444,071**

19. Doubtful Loans Expenses

	Note	Group		Parent Company	
		2022-23	2021-22	2022-23	2021-22
		IRR Million	IRR Million	IRR Million	IRR Million
Special Expense of Doubtful Debts for Granted Loans & Claims	19-1	2,963,900	935,641	2,923,900	910,641
General Expense of Doubtful Debts for Granted Loans & Claims	19-2	909,467	1,522,142	983,788	1,556,796
Doubtful Loans Expenses		**3,873,367**	**2,457,783**	**3,907,688**	**2,467,437**

The amount of 20 billion Rials is from the special expense of doubtful debts for granted loans & claims are related to the Karafarin Leasing Company.

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

	Parent Company					
	2022-23					2021-22
	Overdue	Referred	Doubtful below5 Years	Doubtful Above5 Years	Total	Total
	IRR Million	IRR Million	IRR Million	IRR Million	IRR Million	IRR Million
Net Non-performing Loans & Claims before Deducting Doubtful Debt Provision						
Other Banks & Credit Institutes (10.3.1)	0	0	0	0	0	0
Governmental Authorities	0	0	0	0	0	0
Non-governmental Entities	2,818,470	2,077,919	6,003,256	8,891,509	19,791,154	14,997,204
Balance of Other Accounts at End of Year						
Claims from Subsidiary & Associated Companies (15.2)	0	0	0	0	0	0
Other Accounts Receivable (16.3)	1,130,952	0	338,996	0	1,469,948	1,469,948
Total Non-performing Loans & Claims before Deducting Collaterals Value	3,949,422	2,077,919	6,342,252	8,891,509	21,261,102	16,467,152
Less: Collaterals Value with Coefficient in Effect						
Saving & Investment Accounts	(370,486)	(209,837)	0	0	(580,323)	(103,613)
Bonds & Other Debt Securities Guaranteed by the CBI & the Government	(458,330)	(159,903)	0	0	(618,232)	0
Bonds & Other Debt Securities Guaranteed by Other Banks	0	0	0	0	0	0
L/Gs	0	0	0	0	0	(3,329)
Transacted L/Cs	0	0	0	0	0	0
Shares Listed in TSE	(149,905)	(1,003,438)	0	0	(1,153,343)	(76,753)
Real Estates	(981,835)	(356,177)	(1,055,701)	0	(2,393,713)	(1,601,453)
Machineries	0	0	0	0	0	0
Total Collaterals Value with Coefficient in Effect	(1,960,555)	(1,729,355)	(1,055,701)	0	(4,745,611)	(1,785,148)
Basis Balance for Calculation of Special Provision	1,988,867	348,564	5,286,551	8,891,509	16,515,491	14,682,004
Basis Coefficient for Calculation of Special Provision-%	10%	20%	50%	50%-100%		
Special Provision for Doubtful Loans	198,887	69,713	2,643,276	8,891,509	11,803,384	8,384,473
Add: Special Provision for Extended & Rescheduled Claims	0	0	710,163	0	710,163	1,205,174
Less: Balance of Provision for Doubtful Loans at End of the Previous Year	(138,473)	(95,176)	(3,985,161)	(5,370,837)	(8,679,006)	(9,589,646)
Add: Bad Debt during the Year	0	0	0	0	0	0
Special Provision for Doubtful Loans & Claims	**60,414**	**(25,463)**	**(631,723)**	**3,520,672**	**2,923,900**	**910,641**

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19.1.1. The information related to loans that after 5 years or more from the due date of payment of principal and interest, the credit institution has not been able to collect the claims from the collateral due to reasons beyond its control, is as follows:

	2022-23						
	Due date of loans	type of bonds	Reasons for non-receipt	principal	Loan interest	Obligation for late payment of debt	Receivables balance
	IRR Million	IRR Million	IRR Million	IRR Million	IRR Million	IRR Million	IRR Million
Loan number... Mr./Ms./ Company... contract...	0	0	0	0	0	0	0
...	0	0	0	0	0	0	0
...	0	0	0	0	0	0	0
...	0	0	0	0	0	0	0
Other (including ... number)	0	0	0	0	0	0	0
	0	0	0	0	0	0	0

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

	Parent Company	
	2022-23	2021-22
	IRR Million	IRR Million
Loans Granted to Other Banks & Credit Institutes	0	0
Claims from the Government	0	0
Loans Granted to Governmental Authorities	0	0
Loans Granted to Non-governmental Entities (30.1)	431,418,455	382,283,538
Customers' Debt for Term L/Cs after Deducting Advances Received (38.1)	4,864,651	2,196,921
Claims from Subsidiary & associated Companies (31)	5,390,068	2,082,202
Other Accounts Receivable	3,903,917	119,951
Less:		
Balance of Granted Loans & Claims for which Special Provision Recorded (Rescheduled Loans)	(22,929,398)	(29,620,793)
Basis Balance for Calculation of General Provision	422,647,694	357,061,818
Basis Coefficient for Calculation of General Provision-%	1.5	1.5
General Provision for Granted Loans & Claims	6,339,715	5,355,927
Less: General Provision Balance of Granted Loans & Claims at End of the Previous Year	5,355,927	(3,799,131)
Add: Bad Debt during the Year	0	0
General Provision for Granted Doubtful Loans & Claims	983,788	1,556,796

20. Other Operating Revenues

	Group & Parent Company	
	2022-23	2021-22
	IRR Million	IRR Million
Profit (loss) of foreign currency exchange of operational assets and liabilities	0	0
Profit (Loss) of Overseas Branches	0	0
Reversal of Provision for Doubtful Debts	0	0
Others	0	0
Total Other Operating Revenues	0	0

20.1. Net sales and services income

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

	2022-23				2021-22
	Cost	Services	Cost Income	Profit (Loss)	Profit (Loss)
	IRR Million	IRR Million	IRR Million	IRR Million	IRR Million
Karafarin Foreign Exchange Co.	94,907,231	643,458	(94,576,020)	976,669	578,038
Negah fardaye Karafarin Co.	0	1,514	0	1,514	176,741
	94,907,231	**644,972**	**(94,576,020)**	**976,183**	**754,779**

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

	Note	Group		Parent Company					
		2022-23	2021-22	2022-23			2021-22		
		Total	Total	IRR (shared)	Foreign Currency (Non-shared)	Total	IRR (shared)	Foreign Currency (Non-shared)	Total
		IRR Million	IRR Million		IRR Million	IRR Million	IRR Million	IRR Million	IRR Million
Interest on Companies' Share & Investment Funds	21-1	1,044,159	1,078,854	1,199,062	0	1,199,062	2,025,518	0	2,025,518
Profit (Loss) from Selling Companies' Shares & Investment Fund	21-2	1,634,724	2,155,927	51,472	0	51,472	1,358,558	0	1,358,558
Net Returns (Loss) on Investment Value Increase (Decrease)	21-3	146,577	(64,529)	290,862	0	290,862	31,255	0	31,255
Profit (loss) of investments related to non-banking activities		**2,825,461**	**3,170,252**	**1,541,397**	**0**	**1,541,397**	**3,415,330**	**0**	**3,415,330**

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21,1, Dividends income from companies' share & investment funds

	Group		Parent Company					
	2022-23	2021-22	2022-23			2021-22		
	Total	Total	IRR (shared)	Foreign Currency (Non-shared)	Total	IRR (shared)	Foreign Currency (Non-shared)	Total
	IRR Million	IRR Million		IRR Million	IRR Million	IRR Million	IRR Million	IRR Million
Karafarin Insurance	0	0	247,073	0	247,073	228,067	0	228,067
Asre Novin Informatics (HiWeb)	22,322	0	22,322	0	22,322	0	0	0
Securities & Exchange Organisation	12,600	18,000	12,600	0	12,600	18,000	0	18,000
Farabourse Iran	1,832	2,960	1,832	0	1,832	2,960	0	2,960
Alborz Insurance	0	30	0	0	0	30	0	30
Sobhan Pharmaceutical Group	0	427	0	0	0	427	0	427
Karafarin bank Brokerage	0	0	900,000	0	900,000	1,000,000	0	1,000,000
National Iranian Copper Industries	0	552	0	0	0	552	0	552
Sepah Investment	0	175	0	0	0	0	0	0
Shazand Arak Petrochemical	0	9,250	0	0	0	9,250	0	9,250
Mines & Metals Development Investment	0	9,900	0	0	0	9,900	0	9,900
Khouzesatn Steel	0	4,628	0	0	0	4,628	0	4,628
Mapna	2,003	858	2,003	0	2,003	858	0	858
Esfahan Oil Refinery	0	1,176	0	0	0	1,176	0	1,176
Mobarakeh Esfahan Steel	0	6,198	0	0	0	5,608	0	5,608
Civil Pension Fund Investment	0	7,700	0	0	0	7,700	0	7,700
Golgohar Industrial & Mining	0	16,250	0	0	0	16,250	0	16,250
Omid Investment	0	551	0	0	0	0	0	0
Mobin Van Kish	0	45	0	0	0	0	0	0
Tehran Oil Refinery	0	620	0	0	0	620	0	620
Asan Pardakht Persian	0	7	0	0	0	7	0	7
Persian Gulf Petrochemical Industries	0	2,255	0	0	0	2,255	0	2,255
Tose'e Melli Iran Group	0	15,726	0	0	0	14,446	0	14,446
Khorasan Petrochemical	0	10,620	0	0	0	10,620	0	10,620
Jam Petrochemical	1,643	5,847	1,643	0	1,643	5,847	0	5,847
Arfa Iron & Steel	0	14,667	0	0	0	14,667	0	14,667
Iranian Investment petrochemical Group	0	60	0	0	0	60	0	60
Sadr Tamin Investment	0	10,880	0	0	0	10,521	0	10,521
Pars Petrochemical	0	11,454	0	0	0	11,454	0	11,454
Noori Petrochemical	0	4,260	0	0	0	4,260	0	4,260
Mobin Energy Persian Gulf Petrochemical	0	13,271	0	0	0	13,271	0	13,271
Social Security Investment	0	2,498	0	0	0	928	0	928
Arya Sasoul Polyemer	0	1	0	0	0	1	0	1
Ofogh Kourosh Chain Stores	0	8,225	0	0	0	8,225	0	8,225
South Kish Steel	1,365	1,400	1,365	0	1,365	1,400	0	1,400
Zagros Petrochemical	0	9,200	0	0	0	9,200	0	9,200
Karafarin Financial Group	0	0	0	0	0	537,244	0	537,244
Karafarin Asre Amin	0	0	315	0	315	0	0	0
Others	992,485	787,743	0	0	0	0	0	0
Corporate dividends	**1,034,249**	**977,435**	**1,189,152**	**0**	**1,189,152**	**1,950,434**	**0**	**1,950,434**
Karafarin Brokerage Mutual Investment Fund	6,010	71,310	6,010	0	6,010	71,310	0	71,310
Arman Karafarin Investment Fund	3,900	30,109	3,900	0	3,900	3,773	0	3,773
Investment Fund Units Profit	**9,910**	**101,419**	**9,910**	**0**	**9,910**	**75,083**	**0**	**75,083**
Profit from Companies' Share & Investment Funds	**1,044,159**	**1,078,854**	**1,044,159**	**0**	**1,044,159**	**2,025,518**	**0**	**2,025,518**

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

	Group		Parent Company				
	2022-23	2021-22	2022-23				2021-22
	Profit (Loss)	Profit (Loss)	Shares	Carrying Amount	Net Realisable Value	Profit (Loss)	Profit (Loss)
	IRR Million	IRR Million	IRR Million	IRR Million	IRR Million	IRR Million	IRR Million
Profit (Loss) from Selling Companies' Shares-IRR (shared):							
Mines & Metals Development Investment	50.670	96.706	8.798.351	50.856	101.525	50.670	96,379
Jam Petrochemical	803	21,271	28.018	528	1.331	803	21,271
Sobhan Pharmaceutical Group	0	516	0	0	0	0	516
National Iranian Copper Industries	0	(6.190)	0	0	0	0	651
Sepah Investment	0	45.357	0	0	0	0	46.505
Shazand Arak Petrochemical	0	31.612	0	0	0	0	31.612
Khouzesatn Steel	0	6.004	0	0	0	0	6.004
Esfahan Oil Refinery	0	5.060	0	0	0	0	5.060
Mobarakeh Esfahan Steel	0	71.480	0	0	0	0	70.859
Ghadir Investment	0	11.825	0	0	0	0	10.230
Civil Pension Fund Investment	0	15.301	0	0	0	0	22.529
Golgohar Industrial & Mining	0	233.605	0	0	0	0	233.605
Tehran Oil Refinery	0	(2.299)	0	0	0	0	2.756
Persian Gulf Petrochemical Industries	0	61.231	0	0	0	0	61.231
Tose'e Melli Iran Group	0	32.878	0	0	0	0	43.028
Khorasan Petrochemical	0	33.931	0	0	0	0	35.153
Tamin Petrichemical	0	13.437	0	0	0	0	13.437
Arfa Steel	0	51.832	0	0	0	0	51.832
Sadr Tamin Investment	0	72.960	0	0	0	0	81.022
Noori Petrochemical	0	21.791	0	0	0	0	21.791
Mobin Energy Persian Gulf Petrochemical	0	24.843	0	0	0	0	24.843
Social Security Investment	0	(10.888)	0	0	0	0	5.139
Arya Sasoul Polyemer	0	8	0	0	0	0	8
Ofogh Kourosh Chain Stores	0	5.006	0	0	0	0	5.006
Alborz Insurance	0	(599)	0	0	0	0	(599)
Iranian Investment petrochemical Group	0	(106)	0	0	0	0	(106)
Reil Gardesh Iranian	0	12	0	0	0	0	12
Zagros Petrochemical	0	37.107	0	0	0	0	37.107
Pardis Petrochemical	0	81.688	0	0	0	0	81.688
Others	1.583.252	931.178	0	0	0	0	85.415
Total	**1.634.724**	**1,886,556**	**8.826.369**	**51.384**	**102.856**	**51.472**	**1.093.985**
Profit from Selling Investment Funds-IRR (shared):							
Karafarin Brokerage Mutual Investment Fund	0	3.308	0	0	0	0	3.308
Arman Karafarin Investment Fund	0	3.577	0	0	0	0	0
Shakhesi Karafarin Investment Fund	0	261.265	0	0	0	0	261.265
Kamand Fixed Income Investment Fund	0	1.220	0	0	0	0	0
Total	**0**	**269.370**	**0**	**0**	**0**	**0**	**264.573**
Profit (Loss) from Selling Companies' Share-Foreign Currency (Non- shared)							
Company ...	0	0	0	0	0	0	0
Total	**0**	**0**	**0**	**0**	**0**	**0**	**0**
Total	**1.634.724**	**2.155.927**	**8.826.369**	**51.384**	**102.856**	**51.472**	**1.358.558**

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

	Group		Parent Company				
	2022-23	2021-22	2022-23				2021-22
	Profit (Loss)	Profit (Loss)	Investment Unit	Carrying Amount	Net Realisable Value	Profit (Loss)	Profit (Loss)
	IRR Million	IRR Million	IRR Million	IRR Million	IRR Million	IRR Million	IRR Million
Profit (Loss) from Investment Value Increase (Decrease)-IRR (shared):							
Mines & Metals Development Investment	0	54.549	0	0	0	0	54.549
Jam Petrochemical	0	7.085	0	0	0	0	7.085
Asre Novin Informatics- Proprietary	294.276	0	0	705.460	999.735	294.276	0
Others	(147.699)	(126.162)	10.990.428	158.236	154.823	(3.413)	(30.379)
Total	**146.577**	**(64.529)**	**10.990.428**	**863.696**	**1.154.559**	**290.862**	**31.255**
Profit (Loss) from Investment Value Increase (Decrease)-IRR (Non- shared):							
Company...	0	0	0	0	0	0	0
Total	0	0	0	0	0	0	0
Total	**146.577**	**(64.529)**	**10.990.428**	**863.696**	**1.154.559**	**290.862**	**31.255**

22. Financial Expenses

	Note	Group		Parent Company	
		2022-23	2021-22	2022-23	2021-22
		IRR Million	IRR Million	IRR Million	IRR Million
Interest on Loans Received from OtherBanks & Credit Institutes	22-1	632,605	522,675	0	0
Interest on Loans Received from the CBI		0	0	0	0
Financial expenses of debt securities		0	0	0	0
Late payment penalty for overdraft from current account with CBI		0	0	0	0
Interest Paid on Credit from National Development Fund		16,458	15,420	16,458	15,420
Late Payment Penalty Paid		3.087	0	3.087	0
Total Financing Expenses		**652,149**	**538,095**	**19,544**	**15,420**

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

23. Net Other Incomes and Expenses

	Note	Group		Parent Company	
		2022-23	2021-22	2022-23	2021-22
		IRR Million	IRR Million	IRR Million	IRR Million
Profit (Loss) from Selling Fixed Tangible and Intangible Fixed Assets	23-1	181.013	10,626	443.996	10,335
Profit (loss) resulting from the settlement of legal claims	23-2	(31.255)	(35.871)	(31.255)	(35.871)
Impairment losses on non-current assets held for sale		0	0	0	0
Currency exchange gain (loss) of foreign currency assets and liabilities not related to operations		0	0	0	0
Reversal of accumulated impairment losses on non-current assets held for sale		0	0	0	0
Profit (Loss) from Selling Repossessed Assets	23-3	1.247.134	141,351	1.247.134	141,351
Rental income of non-operating assets	23-4	0	0	0	0
Fines for Premature Closure of Deposit Accounts		231.558	424,348	231.558	424.348
Expert's Fee		222.429	204,546	222.429	204,546
Others	23-5	102.465	497,904	78,935	67,933
Net Other Incomes & Expenses		**1.953.344**	**1,242,904**	**2.192.797**	**812,641**

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

	Parent Company				
	2022-23				2021-22
	Cost	Carrying Amount	Sale Amount	Profit (Loss)	Profit (Loss)
	IRR Million	IRR Million	IRR Million	IRR Million	IRR Million
Lands	417.392				0
Buildings	711.403	1.134.236	1.545.280	411.044	0
Goodwill	10.834				0
Furniture & Fixtures (Sale & Disposal)	9.464	967	9.653	8.686	10.335
Motor Vehicles	6.177	2.923	27.189	24.266	0
	1.155.451	**1.138.125**	**1.582.122**	**443.996**	**10.335**

23.2. The profit (loss) resulting from the settlement of legal claims in the current period is mainly as follows:
- A claim has been made by Mr. Yunus Ahmadi against Karafarin Bank regarding the payment of 7.419 million riyals. On 2022/11/27, the final judgment of the judicial executive was issued regarding the conviction of the bank in the said case, and according to that, the amount of loss of 7.419 million rials has been identified.
- A claim has been made by Espinas Hotel against Karafarin Bank regarding the payment of 6.832 million Rials. On 2023/01/11, the final decision of the judicial executive was issued regarding the conviction of the bank in the said case, and according to that, the amount of 6.832 million rials of loss has been identified.

23.3. Profit (Loss) from Selling Repossessed Assets is as follows:

	Parent Company				
	2022-23				2021-22
	Cost	Carrying Amount	Sale Amount	Profit (Loss)	Profit (Loss)
Buildings	0	0	0	0	0
Lands	17.182	17.182	183.051	165.869	37.320
Residential	63.808	63.808	417.492	353.684	86.801
Commercial	2.500	2.500	14.520	12.020	0
Official	94.439	94.439	810.000	715.561	6.022
Garden	0	0	0	0	645
Residential /Commercial	0	0	0	0	10.564
Equipment	930	930	930	0	0
Total	**178.858**	**178.858**	**1.425.993**	**1.247.134**	**141.351**

23.4. Income generated by renting non-operating assets
During the reporting period, the bank has no rental income from non-operating assets.

23.5. The major part of other non-operating incomes and expenses of the group includes management fees of joint investment funds of Karafarin Bank Brokerage Company.

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24. Net profit (loss) of discontinued operations

The results of discontinued operations according to note No. 34-1 included in the profit and loss of the current period are as follows. Due to the financial effects of this decision, the results of operations and cash flow of 2020-21 have been re-presented.

	Group		Parent Company	
	2022-23	2021-22	2022-23	2021-22
	IRR Million	IRR Million	IRR Million	IRR Million
Operating income	0	0	0	0
Cost of operating income	0	0	0	0
Gross profit	0	0	0	0
Selling, administrative and general expenses	0	0	0	0
Other income	0	0	0	0
Other costs	0	0	0	0
Operating Profit	0	0	0	0
Other non-operating income and expenses	0	0	0	0
Profit (loss) of discontinued operations before tax effects	0	0	0	0
Income tax/ tax effect	0	0	0	0
	0	**0**	**0**	**0**

	Group		Parent Company	
	2022-23	2021-22	2022-23	2021-22
	IRR Million	IRR Million	IRR Million	IRR Million
Cash flows from discontinued operations:	0	0	0	0
Net cash inflow from operating activities	0	0	0	0
Net cash inflow from investing activities	0	0	0	0
Net cash inflow from financing activities	0	0	0	0
Net increase (decrease) in cash	0	0	0	0

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25. EPS

25.1. Basis for calculating earnings per share

	Group		Parent Company	
	2022-23	2021-22	2022-23	2021-22
	IRR Million	IRR Million	IRR Million	IRR Million
Profit from continuing operations - operating	10,115,213	8,912,743	10,298,705	9,431,725
Tax effect	(1,107,194)	(920,797)	(502,977)	(472,414)
	9,008,019	**7,991,946**	**9,795,728**	**8,959,311**
Profit from continuing operations - non-operating	5,560,497	4,636,425	3,714,650	4,212,552
Tax effect	0	0	0	0
	5,560,497	**4,636,425**	**3,714,650**	**4,212,552**
Profit (loss) from discontinued operations	0	0	0	0
Tax effect	0	0	0	0
	0	0	0	0
Net profit before tax	15,675,710	13,549,168	14,013,354	13,644,277
Tax effect	(1,107,194)	(920,797)	(502,977)	(472,414)
Net profit	14,568,516	12,628,371	13,510,377	13,171,863

	Group		Parent Company	
	2022-23	2021-22	2022-23	2021-22
	IRR Million	IRR Million	IRR Million	IRR Million
weighted average of Ordinary Shares Number	46.000.000.000	46.000.000.000	46.000.000.000	46.000.000.000
Weighted Average of Ordinary Shares Number of the parent Company Owned by Subsidiaries	(3,003,484)	(202,124,057)	0	0
Weighted average number of treasury shares	(205,497,118)	(173,668,993)	(205,497,118)	(173,668,993)
weighted average number of shares	**45,791,499,398**	**45,624,206,950**	**45,794,502,882**	**45,826,331,007**
EPS	318	276	295	287

25.2. Diluted EPS

Diluted EPS is the result of dividing profit of general shareholders to weighted average of ordinary shares number at shareholders' disposal after adjusting the dilutive effect of all potential ordinary shares. Weighted average of ordinary shares number (group) is 46,000,000,000 shares.

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26. Cash

	Note	Group		Parent Company	
		20.03.2023	20.03.2022	20.03.2023	20.03.2022
		IRR Million	IRR Million	IRR Million	IRR Million
Cash at Hand-IRR	26-1	742,520	484,451	726,945	483,826
Cash at Hand-Foreign Currency	26-2	806,968	2,256,884	727,872	2,213,019
Cash in Transit-IRR		0	0	0	0
Cash in Transit- Foreign Currency		0	0	0	0
Sight Deposits held with the CBI (Unlimited)	26-3	122,826	388,037	122,826	388,037
Sight Deposits held with Other Banks & Credit Institutes (Unlimited)	26-4	16,383,457	18,101,553	16,236,190	17,410,197
		18,055,770	**21,230,926**	**17.813.832**	**20,495,079**

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

26.2. On the date of the Statement of Financial Position, foreign currency balance of the Parent Company's fund included USD1,650,606, EUR1,186,662, GBP1,459, AED2,890, JPY30,000, CNY300 and CHF200, all of which have been exchanged at the CBI's rates (stated in 7.11.).

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

	Parent Company	
	20.03.2023	20.03.2022
	IRR Million	IRR Million
Sight Deposit held with CBI-IRR (Unlimited)	38,787	319,238
Sight Deposit held with CBI-Foreign Currency (Unlimited)	84,038	68,799
Sight Deposit held with Central Bank of Other Countries-Foreign Currency (Unlimited)	0	0
Sum of Sight Deposit held with CBI-IRR (Unlimited)	122,826	388,037

26.3.1. Based on many correspondences with CBI's Statistics & Foreign Currency Commitments and International Departments and declaration of no foreign currency claims for overdue commitments for the 2011-12 and 2012-13 years (letter 60/1015 dated 1392/09/16 (07.12.2013) of Foreign Currency Policies & Regulations Department), the Bank has requested the ending of foreign currency auditing and of refunding of IRR741,556 million which had been withdrawn from its account. The reply to the Bank's request has been issued via the Foreign Currency Statistics & Commitments Department in a letter numbered 98/41024 dated 1398/02/14 (04.05.2019) in coordination with the Government and following obtaining necessary licenses from CBI authorities. Penalties for excess withdrawal 21 Desember 2022, which according to letter 01/264807 dated 1401/10/24 (14.01.2023) of CBI amounted to IRR1,686,538 million.

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

	Group		Parent Company	
	20.03.2023	20.03.2022	20.03.2023	20.03.2022
	IRR Million	IRR Million	IRR Million	IRR Million
Sight Deposits held with Other local Banks & Credit Institutes-IRR (Unlimited)	141.081	263,327	89,204	60,205
Sight Deposits held with Other local Banks & Credit Institutes-Foreign Currency (Unlimited)	2.404.608	2,243,105	2.404.608	2,243,105
Term Deposits held with Other local Banks & Credit Institutes-IRR (Unlimited)	9.811	378,894	0	0
Term Deposits held with Other local Banks & Credit Institutes-Foreign Currency (Unlimited)	0	0	0	0
Sight Deposits held with Overseas Banks-Foreign Currency (Unlimited)	13,827,957	15,216,227	13,742,377	15,106,887
Term Deposits held with Overseas Banks-Foreign Currency (Unlimited)	0	0	0	0
	16,383,457	**18,101,553**	**16,236,190**	**17,410,197**

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

27. Claims from Banks and Other Credit Institutes
Claims from Banks and credit institutes are related to the parent Company and are as follows:

	NOTE	Group & Parent Company	
		20.03.2023	20.03.2022
		IRR Million	IRR Million
Claims from CBI	27-2	2,596,117	16,322,191
Claims from Banks & Credit Institutes	27-3	7,318,798	2,815,404
		9,914,916	**19,137,595**

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

27.2.Claims from CBI

	NOTE	Group & Parent Company	
		20.03.2023	20.03.2022
		IRR Million	IRR Million
Sight Deposit Held with CBI-IRR (Limited)		0	0
Sight Deposit Held with CBI-Foreign Currency (Limited)	27-2-2	2,578,655	1,713,485
Sight Deposit Held with Central Bank of Other Countries-Foreign Currency (Limited)		0	0
Term Deposit Held with Central Bank of Other Countries-Foreign Currency (Limited)		0	0
Legal Deposit Prize Receivable		0	0
Other Claims	27-2-1	17.462	14,608,706
Total claims from CBI		**2,596,117**	**16,322,191**

27.2.1. The amount of 14,600,000 million Rials from other claims from the Central Bank is related to the special deposit with the Central Bank with an interest rate of 14% on March 20, which was settled on the next working day, and the amount of 8.756 million Rials is for Shetab.and the amount of 8.706 million Rials is due to the Government undersupplying of deposits for first to fourth set of coupons for Morabehe Bonds of agricultural products.

27.2.2. Sight deposits held with the CBI-foreign currency (limited) include EUR4,871,424 and USD5,150,912.

27.3. Claims from other banks and credit institutes

	NOTE	Group & Parent Company	
		20.03.2023	20.03.2022
		IRR Million	IRR Million
Sight Deposits held with Other local Banks & Credit Institutes-IRR (Limited)		0	0
Sight Deposits held with Other local Banks & Credit Institutes-Foreign Currency (Limited)		0	0
Term Deposits held with Other local Banks & Credit Institutes-IRR (Limited)	27-3-2	7.300.000	0
Term Deposits held with Other local Banks & Credit Institutes-Foreign Currency (Limited)		0	0
Sight Deposits Held with Overseas Banks-Foreign Currency (Limited)		0	0
Term Deposits Held with Overseas Banks-Foreign Currency (Limited)		0	0
Loans Granted to Other Banks & Credit Institutes	27-3-1	0	0
Payment of Cheques Issued by Other Banks	27-3-3	18.798	2,815,404
Other Claims		0	0
Total Claims from Other Banks & Credit Institutes		**10,694,567**	**10,694,567**

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

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

Bank/Credit Institute	Foreign Currency	Contract Type	Interest Rate	Maturity Date	Collateral Type	Loans Balance		
						20.03.2023		20.03.2022
						Foreign Currency	IRR Million	IRR Million
IRR Loans:								
Tourism	IRR	Overnight	24%	25.03.2023	-	-	4.000.000	0
Melal	IRR	Overnight	24%	25.03.2023	-	-	3.300.000	0
							7.300.000	**0**

27.3.3. The amount of checks issued by other banks has been paid at the beginning of 2023-2024.

28. Claims from the Government

	Group & Parent Company							
	20.03.2023							20.03.2022
	The Balance of Principal & Interest of Future Years Deferred Interest, Commission & Penalties	The Balance of Interest & Commission Receivable	The Balance of Penalties Receivable	Future Years Interest	Deferred Interest & Commission	General Provision for Doubtful Loans	Net	Net
	IRR Million	IRR Million	IRR Million	IRR Million	IRR Million	IRR Million	IRR Million	IRR Million
Loans committed by the Government	0	0	0	0	0	0	0	0
Loans Guaranteed by the Government	0	0	0	0	0	0	0	0
	0	0	0	0	0	0	**0**	**0**

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29. Granted Loans and Claims from Governmental Authorities

	Group & Parent Company									
	20.03.2023									20.03.2022
	The Balance of Principal & Interest of FutureYears Deferred Interest, Commission & Penalties	The Balance of Interest & Commission Receivable	The Balance of Penalty Receivable	Mudaraba Received Funds & Musharaka Joint Account	Future Years Interest	Deferred interest, Commission & Penalty	Total	Provision for Doubtful Loans	Net	Net
	IRR Million	IRR Million	IRR Million	IRR Million	IRR Million	IRR Million	IRR Million	IRR Million	IRR Million	IRR Million
Instalment Sales	0	0	0		0	0	0	0	0	0
Joaleh	0	0	0		0	0	0	0	0	0
Hire Purchase	0	0	0		0	0	0	0	0	0
Salaf	0	0	0			0	0	0	0	0
Mudaraba	0	0	0	0		0	0	0	0	0
Musharaka	0	0	0	0		0	0	0	0	0
Debt Discounting	0	0	0		0	0	0	0	0	0
Murabaha	0	0	0		0	0	0	0	0	0
Istisna	0	0	0		0	0	0	0	0	0
Gharz-al Hassaneh	0	0	0			0	0	0	0	0
Other Granted IRR Loans	0	0	0		0	0	0	0	0	0
Other Granted Foreign Currency Loans	0	0	0	0	0	0	0	0	0	0
Debtors for Paid L/Cs	0		0				0	0	0	0
Debtors for Paid L/Gs	0		0				0	0	0	0
Debtors for Paid Bonds & Sukuk	0		0				0	0	0	0
Debtors for Paid Credit Cards	0	0	0				0	0	0	0
Total Granted Loans & Claims from Governmental Authorities	**0**	**0**	**0**	**0**	**0**	**0**	**0**	**0**	**0**	**0**

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30. Granted Loans and Claims from Non-governmental Entities

	Group									
	20.03.2023									20.03.2022
	The Balance of Principal & Interest of FutureYears Deferred Interest, Commission & Penalties	The Balance of Interest & Commission Receivable	The Balance of Penalty Receivable	Mudaraba Received Funds & Musharaka Joint Account	Future Years Interest	Deferred Interest, Commission & Penalties	Total	Provision for Doubtful Loans	Net	Net
	IRR Million	IRR Million	IRR Million	IRR Million	IRR Million	IRR Million	IRR Million	IRR Million	IRR Million	IRR Million
Instalment Sales	13,105,578	179.237	0		(1,949,736)	0	11,335,079	(1,084,687)	10,250,392	22,335,695
Joaleh	567,982	33.537	0		(17,489)	0	584,030	(184,888)	399,142	14,333,328
Hire Purchase	318,236	13.246	0		(70,470)	0	261,012	(174,945)	86,066	52,078
Salaf	4,462	2.072	0			0	6,534	(3,641)	2,892	2,227
Mudaraba	838,228	154.281	0	(960)		0	991,549	(545,472)	446,077	546,581
Musharaka	12,097,313	3.225.098	0	(50,519)		0	15,271,893	(5,045,985)	10,225,908	17,542,840
Debt Discounting	22,512,788	987.824	0		(1,422,566)	0	22,078,047	(397,186)	21,680,860	11,585,361
Murabaha	385,719,317	7.462.031	0		(31,432,448)	0	361,748,900	(5,836,955)	355,911,945	292,635,022
Istisna	0	0	0		0	0	0	0	0	0
Gharz-al Hassaneh	3,588,272	3	0			0	3,588,275	(55,842)	3,532,433	770,218
Other Granted IRR Loans	9,316,005	0	0		(2,889,010)	0	6,426,995	(96,287)	6,330,708	5,084,744
Other Granted Foreign Currency Loans	2,497,188	13.733	0	0	(75,297)	0	2,435,624	(1,231,012)	1,204,612	1,793,799
Debtors for Paid L/Cs	6,499,683		0			0	6,499,683	(3,299,945)	3,199,738	2,913,188
Debtors for Paid L/Gs	1,566,944		0			0	1,566,944	(391,975)	1,174,969	744,164
Debtors for Paid Bonds & Sukuk	0		0			0	0	0	0	0
Debtors for Paid Credit Cards	125,899	0	0			0	125,899	0	125,899	34,132
Total Granted Loans & Claims from Non-governmental Entities	**458,757,895**	**12.071.061**	**0**	**(51,479)**	**(37,857,015)**	**0**	**432,920,463**	**(18,348,821)**	**414.571.641**	**370,373,377**

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	Parent Company									
	20.03.2023									20.03.2022
	The Balance of Principal & Interest of FutureYears Deferred Interest, Commission & Penalties	The Balance of Interest & Commission Receivable	The Balance of Penalty Receivable	Mudaraba Received Funds & Musharaka Joint Account	Future Years Interest	Deferred Interest, Commission & Penalties	Total	Provision for Doubtful Loans	Net	Net
	IRR Million	IRR Million	IRR Million	IRR Million	IRR Million	IRR Million	IRR Million	IRR Million	IRR Million	IRR Million
Instalment Sales	6,572,706	179,237	0		(543.901)	0	6,208,041	(1,084,687)	5.123.354	17,595,404
Joaleh	567,982	33,537	0		(17.489)	0	584,030	(184,888)	399.142	15,433,328
Hire Purchase	318,236	13,246	0		(70.470)	0	261,012	(14,916)	246.096	172,108
Salaf	4,462	2,072	0			0	6,534	(3,641)	2.892	2,227
Mudaraba	838,228	154,281	0	(960)		0	991,549	(545,472)	446.077	546,581
Musharaka	15,737,729	3,225,098	0	(50,519)		0	18,912,308	(5,045,985)	13.866.323	18,558,604
Debt Discounting	22,512,788	987,824	0		(1.422.566)	0	22,078,047	(397,186)	21.680.860	11,585,361
Murabaha	385,719,317	7,462,031	0		(31.432.448)	0	361,748,900	(5,836,955)	355.911.945	292,635,022
Istisna	0	0	0		0	0	0	0	0	0
Gharz-al Hassaneh	3,588,272	3	0			0	3.588.275	(55,842)	3.532.433	770,218
Other Granted IRR Loans	9,300,620	0	0		(2,889,010)	0	6.411.610	(96,287)	6.315.323	5,071,906
Other Granted Foreign Currency Loans	2,497,188	13.733	0	0	(75,297)	0	2.435.624	(1,231,012)	1.204.612	1,793,799
Debtors for Paid L/ Cs	6,499,683		0			0	6.499.683	(3,299,945)	3.199.738	2,913,188
Debtors for Paid L/ Gs	1,566,944		0			0	1.566.944	(391,975)	1.174.969	744,164
Debtors for Paid Bonds & Sukuk	0		0			0	0	0	0	0
Debtors for Paid Credit Cards	125,899	0	0			0	125.899	0	125.899	34,132
Total Granted Loans & Claims from Non-governmental Entities	**455,850,054**	**12,071,061**	**0**	**(51,479)**	**(36,451,181)**	**0**	**431.418.455**	**(18,188,791)**	**413.229.664**	**367,856,041**

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30.1. Classification of granted loans and claims from non-governmental entities of the Parent Company based on the instruction of the Money and Credit Council (stated in explanatory note 7.7.) is as follows:

	Parent Company				
	20.03.2023				
	Current	Overdue	Deferred	Doubtful	Total
	IRR Million	IRR Million	IRR Million	IRR Million	IRR Million
Instalment Sales	5,512,055	0	269,896	969,991	6,751,943
Joaleh	424.849	501	280	175,889	601,520
Hire Purchase	302.206	18.461	0	10,815	331,482
Salaf	0	0	0	6,534	6,534
Mudaraba	364.356	51.880	4,895	571,378	992,509
Musharaka	13.812.058	163.504	7,074	4,980,191	18,962,827
Debt Discounting	23.250.375	0	208,796	41,442	23,500,612
Murabaha	388.779.379	2.583.023	1,586,775	232,171	393,181,348
Istisna	0	0	0	0	0
Gharz-al Hassaneh	3.586.642	756	9	868	3,588,275
Other Granted IRR Loans	9.300.620	0	0	0	9,300,620
Other Granted Foreign Currency Loans	9.549	0	0	2,501,371	2,510,921
Debtors for Paid L/Cs	2.189.390			4,310,293	6,499,683
Debtors for Paid L/Gs	473.123			1,093,821	1,566,944
Debtors for Paid Bonds & Sukuk	0			0	0
Debtors for Paid Credit Cards	125.360	345	194	0	125,899
Total Gross Granted Loans & Claims from Non- governmental Entities	**448.129.961**	**2.818.470**	**2.077.919**	**14.894.765**	**467.921.115**
Less:					
Future Years Interest	(36.451.181)				(36.451.181)
Deferred Interest & Commission		0	0	0	0
Mudaraba Received Funds	(960)	0	0	0	(960)
Musharaka Joint Account	(50.519)	0	0	0	(50.519)
Doubtful	**411.627.301**	**2.818.470**	**2.077.919**	**14.894.765**	**431.418.455**
General Provision for Doubtful Loans	(5.830.469)	(42.277)	(31,169)	(223,421)	(6,127,336)
Special Provision for Doubtful Loans		(85.792)	(69,713)	(11,905,951)	(12,061,456)
Balance on 20.03.2023	**405.796.833**	**2.690.402**	**1,977,037**	**2.765.392**	**413.229.664**
Balance on 20.03.2022	**362,005,148**	**908,252**	**1,027,019**	**3,915,623**	**367,856,041**

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

	Parent Company					
	20.03.2023			20.03.2022		
	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	5.289.941	9.137.555	14.427.497	3,720,704	8,246,843	11,967,546
Recovered	0	0	0	0	0	0
Bad Debt/ Provision	0	0	0	0	0	0
Increase or Decrease during Years	837.395	2.923.900	3.761.295	1,569,238	890,713	2,459,950
Balance at End of Year	**6.127.336**	**12.061.456**	**18.188.791**	**5,289,941**	**9,137,555**	**14,427,497**

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

	Parent Company					
	20.03.2023					20.03.2022
	Current	Overdue	Deferred	Doubtful	Total	Total
	IRR Million	IRR Million	IRR Million	IRR Million	IRR Million	IRR Million
Local Resources	9.549	0	0	2.426.074	2.435.624	3,871,723
Foreign Currency Reserve Account	0	0	0	0	0	0
National Development Fund	0	0	0	0	0	0
CBI	0	0	0	0	0	0
Trade Unions	0	0	0	0	0	0
Total Foreign Currency Granted Loans	**9.549**	**0**	**0**	**2.426.074**	**2.435.624**	**3,871,723**

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

	Parent Company							
	20.03.2023							20.03.2022
	24% & Above	21% to 24%	18% to 21%	15% to 18%	12% to 15%	Below 12%	Total	Total
	IRR Million	IRR Million			IRR Million	IRR Million	IRR Million	IRR Million
2022-23 & Previous Years	13,136,639	2,446,400	16,763,470	1,062,566	724,209	2,697,115	36,830,400	19,614,084
2023-24	0	104,895,832	230,902,563	4,384,780	2,286,518	530,527	343,000,219	306,600,615
2024-25	0	1,465,814	9,958,377	750,468	232,530	266,208	12,673,398	13,141,914
2025-26	0	2,027,076	13,737,034	0	754,185	856,035	17,374,330	12,160,562
2026-27 & after	99.000	2,704,545	10,811,227	0	1,939,087	5,986,250	21,540,109	30,766,362
Total Granted Loans & Claims from Non- governmental Entities	**13,235,639**	**113.539.666**	**282,172,672**	**6,197,814**	**5,936,530**	**10,336,135**	**431,418,455**	**382,283,538**
General Provision for Doubtful Loans	(206,971)	(1,703,095)	(3,880,214)	(92,967)	(89,048)	(155,041)	(6,127,336)	(5,289,941)
Special Provision for Doubtful Loans	(7,478,767)	(797,855)	(2,472,328)	(7)	(1,309,913)	(2,585)	(12,061,456)	(9,137,555)
Balance on 20.03.2023	**5,549,902**	**111,038,716**	**275,820,129**	**6,104,840**	**4,537,568**	**10,178,509**	**413,229,664**	
Balance on 20.03.2022	**8,514,417**	**298,989**	**347,436,884**	**9,612,654**	**7,151,809**	**9,268,785**	**382,283,538**	**367,856,041**

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

	Parent Company					
	20.03.2023			20.03.2022		
	Balance	provision for doubtful loans	Net	Balance	provision for doubtful loans	Net
	IRR Million	IRR Million	IRR Million	IRR Million	IRR Million	
Deposits	74,439,318	(42,586)	74,396,732	22,979,831	(655,270)	22,324,561
Bonds & Other Debt Securities Guaranteed by the Government & CBI	0	0	0	0	0	0
Bonds & Other Debt Securities Guaranteed by Other Banks	0	0	0	31,930	(905)	31,025
L/Gs	0	0	0	0	0	0
Shares listed in TSE	39,614,316	(843,515)	38,770,801	36,085,639	(683,699)	35,401,940
Land &Buildings	97,539,622	(5,359,154)	92,180,468	69,742,397	(4,560,860)	65,181,537
Machineries	231,620	(32,662)	198,958	258,281	(23,315)	234,967
Cheques & Promissory Notes	208,240,777	(10,950,532)	197,290,244	242,505,208	(7,064,787)	235,440,421
Applicable contract	1,184,237	(937,490)	246,747	1,365,415	(987)	1,364,428
Other	10,168,567	(22,853)	10,145,714	9,314,836	(1,437,675)	7,877,161
Total Secured Loans & Claims	431,418,455	(18,188,791)	413,229,664	382,283,538	(14,427,497)	367,856,041
Unsecured Loans & Claims	0	0	0	0	0	0
Total Granted Loans & Claims from non-governmental Entities	431,418,455	(18,188,791)	413,229,664	382,283,538	(14,427,497)	367,856,041

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

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

	Parent Company																
	Installment Sales	Joaleh	Hire Purchase	Salaf	Mudaraba	Musharaka	Debt Discounting	Murabaha	Istisna	Gharz-al Hassaneh	Other Granted IRRLoans	Granted Foreign Currency Loans	Debtors for Paid L/Cs	Debtors for Paid L/Gs	Debtors for Paid Bonds & Sukuk	Debtors for Paid Credit Cards	Total
	IRR Million	IRR Million	IRR Million	IRR Million	IRR Million	IRR Million	IRR Million	IRR Million	IRR Million	IRR Million	IRR Million	IRR Million	IRR Million	IRR Million	IRR Million	IRR Million	IRR Million
Principal Amount of Granted Loans:																	
Balance on 20.03.2022	16,158,011	15,759,802	175,528	5,385	1,148,024	21,143,535	11,771,405	292,229,356	0	782,925	5,149,143	3,871,461	3,250,118	928,875	0	34,588	372,408,156
Granted during Year	1,236,208	72,296,391	79,937	(0)	1,821,967	10,387,702	26,110,766	506,333,480	0	2,926,533	1,262,467	41,491	4,675,199	15,446,123	0	371,326	642,989,591
Collected during Year	(11,365,415)	(87,505,700)	(7,700)	(923)	(2,131,763)	(15,793,508)	(16,791,949)	(444,275,967)	0	(121,186)	0	(1,619,811)	(1,425,635)	(14,808,054)	0	(280,014)	(596,127,624)
Exchange effect during Year												128,750	0	0			128,750
Balance on 20.03.2023	6,028,804	550,493	247,766	4,462	838,228	15,737,729	21,090,222	354,286,869	0	3,588,272	6,411,610	2,421,891	6,499,683	1,566,944	0	125,899	419,398,873
Minor Granted Loans:																	
Balance on 20.03.2022	2,046,854	87,777	10,181	362	55,006	1,203,327	0	6,357,537	0	0	0	263	113,916	95	0	64	9,875,382
Granted during Year	411,984	1,350,205	12,295	1,771	197,340	2,821,143	1,007,344	33,098,110	0	3	256,354	13,470	0	30,743	0	(57)	39,200,705
Collected during Year	(2,279,601)	(1,404,445)	(9,230)	(61)	(98,066)	(799,373)	(19,520)	(31,993,616)	0	0	(256,354)	0	(113,916)	(30,838)	0	(7)	(37,005,026)
Exchange effect during Year												0	0	0			0
Balance on 20.03.2023	179,237	33,537	13,246	2,072	154,281	3,225,098	987,824	7,462,031	0	3	0	13,733	0	0	0	0	12,071,061
Provision for Doubtful Loans:																	
Balance on 20.03.2022	(609,461)	(414,252)	(13,601)	(3,520)	(656,449)	(3,788,259)	(186,044)	(5,951,871)	0	(12,707)	(77,237)	(2,077,924)	(450,846)	(184,806)	0	(520)	(14,427,497)
Recovered	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Bad/Debts/Provision during Year	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Increase or Decrease during Year	(475,226)	229,363	(1,315)	(122)	110,977	(1,257,726)	(211,142)	114,917	0	(43,135)	(19,050)	846,912	(2,849,099)	(207,169)	0	520	(3,761,295)
Balance on 20.03.2023	(1,084,687)	(184,888)	(14,916)	(3,641)	(545,472)	(5,045,985)	(397,186)	(5,836,955)	0	(55,842)	(96,287)	(1,231,012)	(3,299,945)	(391,975)	0	0	(18,188,791)
Mudaraba Received Funds					(960)												(960)
Musharaka Joint Account						(50,519)						0					(50,519)
Net Granted Loans:																	
Balance on 20.03.2022	**17,595,404**	**15,433,328**	**172,108**	**2,227**	**546,581**	**18,558,604**	**11,585,361**	**292,635,022**	**0**	**770,218**	**5,071,906**	**1,793,799**	**2,913,188**	**744,164**	**0**	**34,132**	**367,856,041**
Balance on 20.03.2023	**5,123,354**	**399,142**	**246,096**	**2,892**	**446,077**	**13,866,323**	**21,680,860**	**355,911,945**	**0**	**3,532,433**	**6,315,323**	**1,204,612**	**3,199,738**	**1,174,969**	**0**	**125,899**	**413,229,664**

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

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

	Parent Company																
	Installment Sales	Joaleh	Hire Purchase	Salaf	Mudaraba	Musharaka	Debt Discounting	Murabaha	Istisna	Gharz-al Hassaneh	Other Granted IRRLoans	Granted Foreign Currency Loans	Debtors for Paid L/Cs	Debtors for Paid L/Gs	Debtors for Paid Bonds & Sukuk	Debtors for Paid Credit Cards	Total
	IRR Million	IRR Million	IRR Million	IRR Million	IRR Million	IRR Million	IRR Million	IRR Million	IRR Million	IRR Million	IRR Million	IRR Million	IRR Million	IRR Million	IRR Million	IRR Million	IRR Million
Interest Receivable on Granted Loans:																	
Balance on 20.03.2022	2,046,854	87,777	10,181	362	55,006	1,203,327	0	6,357,537	0	0	0	263	113,916	95	0	64	9,875,382
Increase during Year	(431,094)	1,350,205	12,295	1,771	197,340	2,821,143	1,007,344	33,098,110	0	3	256,354	13,470	0	30,743	0	(57)	38,357,628
Collected during Year	(1,436,523)	(1,404,445)	(9,230)	(61)	(98,066)	(799,373)	(19,520)	(31,993,616)	0	0	(256,354)	0	(113,916)	(30,838)	0	(7)	(36,161,948)
Exchange Effect during Year												0	0	0			0
Balance on 20.03.2023	179,237	33,537	13,246	2,072	154,281	3,225,098	987,824	7,462,031	0	3	0	13,733	0	0	0	0	12,071,061
Penalty on Granted Loans:																	
Balance on 20.03.2022	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Increase during Year	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Collected during Year	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Exchange Effect during Year												0	0	0			0
Balance on 20.03.2023	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Minor Granted Loans:																	
Balance on 20.03.2022	**2,046,854**	**87,777**	**10,181**	**362**	**55,006**	**1,203,327**	**0**	**6,357,537**	**0**	**0**	**0**	**263**	**113,916**	**95**	**0**	**64**	**9,875,382**
Balance on 20.03.2023	**179,237**	**33,537**	**13,246**	**2,072**	**154,281**	**3,225,098**	**987,824**	**7,462,031**	**0**	**3**	**0**	**13,733**	**0**	**0**	**0**	**0**	**12,071,061**

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

	Parent Company					
	20.03.2023			20.03.2022		
	Gross Amount	Provision for Doubtful Loans	Net	Gross Amount	Provision for Doubtful Loans	Net
	IRR Million	IRR Million	IRR Million	IRR Million	IRR Million	IRR Million
Individuals-associate	0	0	0	9,032	(135)	8,896
Legal Entities-associate	5,336,073	(80,041)	5,256,032	3,525,923	(52,889)	3,473,034
Employees	6,419,164	(96,287)	6,322,876	3,926,912	(58,904)	3,868,009
Legal Entities- others	39,081,156	(3,770,447)	35,310,709	75,624,946	(1,963,490)	73,661,455
Individuals- others	380,582,062	(14,242,016)	366,340,047	299,196,725	(12,352,078)	286,844,647
	431,418,455	**(18,188,791)**	**413,229,664**	**382,283,538**	**(14,427,497)**	**367,856,041**

30.8. Loans granted to associate companies are as follows:

	20.03.2023					20.03.2022
	Average Weight of Interest Rate	Current	Non-performing	Provision for Doubtful Loans	Total	Total
	%	IRR Million	IRR Million	IRR Million	IRR Million	IRR Million
Subsidiary Companies:						
Karafarin Leasing	18	1,078,593	0	(21,135)	1,057,458	321,261
Karafarin Financial Group	18	1,161,822	0	(17,204)	1,144,618	679,267
Karafarin Brokerage	18	1,400,000	0	(21,128)	1,378,872	1,083,500
Total		3,640,416	0	(59,467)	3,580,948	2,084,027
Other Associate Companies:						
Karafarin Insurance		0	0	0	0	0
Total Loans Granted to Associate Companies		**3,640,416**	**0**	**(59,467)**	**3,580,948**	**2,084,027**

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31. Claims from Subsidiary and Associate Companies

	NOTE	Group				Parent Company			
		20.03.2023			20.03.2022	20.03.2023			20.03.2022
		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	31-1	0	0	0	0	5,144,002	(77,160)	5,066,842	3.074.579
Claims from Associate Companies-IRR	31-1	0	0	0	1.517	0	0	0	0
Claims from Subsidiary Companies-$	31-2	0	0	0	0	246.067	(3.691)	242.376	5.156
Claims from Associate Companies-$	31-2	0	0	0	0	0	0	0	0
Total Claims from Subsidiary and Associate Companies		**0**	**0**	**0**	**1,517**	**5,390,068**	**(80,851)**	**5.309.217**	**3.079.735**

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

	20.03.2023											
	Assets & Investments Sales	Assets & Investments Purchase	Services Purchase	Services Sale	On-account Received	On-account Paid	Gharz-al Hassaneh In-between	Dividends Receivable	Dividends Payable	Total	Provision for Doubtful Loans	Net
	IRR Million	IRR Million	IRR Million	IRR Million	IRR Million	IRR Million	IRR Million	IRR Million	IRR Million	IRR Million	IRR Million	IRR Million
Karafarin Insurance	0	0	0	0	0	0	0	0	0	0	0	0
Karafarin Bank financial group	0	0	0	0	(28,019)	954,038	0	537,244	0	1,463,263	(21,949)	1,441,314
Karafarin Leasing	0	0	0	0	(5,960)	0	0	202,447	0	196,487	(2,947)	193,539
Karafarin Bank Brokerage	0	0	0	0	0	0	0	900,000	0	900,000	(13,500)	886,500
Karafarin Foreign Exchange	0	0	0	0	0	1,305	0	799,840	0	801,145	(12,017)	789,128
Abnie Gostar Karafarin Construction	0	0	0	0	(61,205)	598,240	0	31,767	0	568,803	(8,532)	560,270
Omid Karafarin Commercial Development	0	0	0	0	0	0	0	0	0	0	0	0
Amin Etemad Karafarin	0	0	0	0	0	6,665	0	0	0	6,665	(100)	6,565
Asre Amin Karafarin	0	0	0	0	0	812,876	0	0	0	812,876	(12,193)	800,683
Negahe Fardaye Karafarin IT Development	0	0	0	0	(509,130)	868,024	0	0	0	358,895	(5,383)	353,511
Negahe Fardaye Karafarin E-commerce Development	0	0	0	0	(32,426)	54,588	0	0	0	22,162	(332)	21,830
Negahe Fardaye Karafarin Banking Software	0	0	0	0	0	13,708	0	0	0	13,708	(206)	13,502
	0	0	0	0	(636,740)	3,309,444	0	2,471,298	0	5,144,002	(77,160)	5,066,842
Transactions Net Profit (Loss)	0											

- on-account paid to Negahe Fardaye Karafarin IT Development Company, mainly is for the purchase of shares of the Rahbord Hooshmand Modiriyate Servate Setaregan company.
- The payment to Asr Amin Karafarin company is mainly for the purchase of Sohrawardi property.

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	20.03.2022											
	Assets & Investments Sales	Assets & Investments Purchase	Services Purchase	Services Sale	On-account Received	On-account Paid	Gharz-al Hassaneh In-between	Dividends Receivable	Dividends Payable	Total	Provision for Doubtful Loans	Net
	IRR Million	IRR Million	IRR Million	IRR Million	IRR Million	IRR Million	IRR Million	IRR Million	IRR Million	IRR Million	IRR Million	IRR Million
Karafarin Insurance	0	0	0	0	0	0	0	0	0	0	0	0
Karafarin Bank financial group	0	0	0	0	0	0	0	537,244	0	537,244	(769)	536,475
Karafarin Leasing	0	0	0	0	(43,709)	80,973	0	0	0	37,264	(559)	36,705
Karafarin Bank Brokerage	0	0	0	0	(8)	5	0	1,000,000	0	999,997	(14,226)	985,771
Karafarin Foreign Exchange	0	0	0	0	(88,000)	1,369	0	799,840	0	713,209	(3,408)	709,801
Abnie Gostar Karafarin Construction	0	0	0	0	(28,358)	578,897	0	0	0	550,538	(8,258)	542,280
Omid Karafarin Commercial Development	0	0	0	0	0	0	0	0	0	0	0	0
Amin Etemad Karafarin	0	0	0	0	0	6,805	0	0	0	6,805	(102)	6,703
Asre Amin Karafarin	0	0	0	0	0	66,514	0	0	0	66,514	(998)	65,516
Negahe Fardaye Karafarin IT Development	0	0	0	0	(171,201)	365,078	0	0	0	193,877	(2,908)	190,969
Negahe Fardaye Karafarin E-commerce Development	0	0	0	0	0	0	0	0	0	0	0	0
Negahe Fardaye Karafarin Banking Software	0	0	0	0	0	364	0	0	0	364	(5)	358
	0	(876,650)	0	0	(331,276)	1,100,004	0	2,337,084	0	3,105,812	(31,233)	3,074,579
Transactions Net Profit (Loss)	0											

31.1.1. Profit and loss from transactions with subsidiary and associate companies are disclosed in note 66.3.

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

	20.03.2023							20.03.2022			
	currency	the subject of the transaction	Curre cy amount	balance	Provision for Doubtful Loans	Net	Currency amount	balance	Provision for Doubtful Loans	Net
				IRR Million	IRR Million	IRR Million		IRR Million	IRR Million	IRR Million
Karafarin Foreign Exchange	AED	Foreign Exchange	3.362.264	226.479	(3.397)	233.082	86.270	4.679	(70)	4.609
Karafarin Foreign Exchange	USD	Foreign Exchange	5.944	1.486	(22)	1.464	0	0	0	0
Karafarin Foreign Exchange	EUR	Foreign Exchange	68.309	18.102	(272)	17.830	2.524	555	(8)	547
			3.436.517	246.067	(3.691)	242.376	88.793	5.235	(79)	5.156

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

	20.03.2023				
	Current	Overdue	Deferred	Doubtful	Total
	IRR Million	IRR Million	IRR Million	IRR Million	IRR Million
Claims from Subsidiary Companies-IRR	5.144.002	0	0	0	5.144.002
Claims from Associate Companies-IRR	0	0	0	0	0
Claims from Subsidiary Companies-$	246.067	0	0	0	246.067
Claims from Associate Companies-$	0	0	0	0	0
Net Claims from Subsidiary & Associate Companies before Deduction of Provision for Doubtful Loans	5.390.068	0	0	0	5.390.068
General Provision for Doubtful Loans	(80,581)	0	0	0	(80,581)
Special Provision for Doubtful Loans	0	0	0	0	0
Balance on 20.03.2023	**5.309.217**	**0**	**0**	**0**	**5.309.217**
Balance on 20.03.2022	**2,050,969**	**0**	**0**	**0**	**2,050,969**

32. Other Accounts Receivable

	note	Group		Parent Company			
		20.03.2023	20.03.2022	20.03.2023			20.03.2022
		Net	**Net**	**Claim Balance**	**Provision for Doubtful Loans**	**Net**	**Net**
		IRR Million	IRR Million	IRR Million	IRR Million	IRR Million	IRR Million
Dividends Receivable	32-1	31.437	91,119	30,905	(464)	30,441	68,508
Realised Interest on Bonds		3.302.488	3,017,869	3,300,417	0	3,300,417	3,014,696
Claims from Employees		111.819	69,833	44,180	(663)	43,517	49,644
Temporary Debtors	32-2	7.998.854	2,525,438	5,298,780	(509,524)	4,789,256	1.012.700
Total Other Accounts Receivable		**11.444.598**	**5,704,259**	**8,674,282**	**(510,650)**	**8,163,632**	**4.145.548**

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

	Group		Parent Company			
	20.03.2023	20.03.2022	20.03.2023			20.03.2022
	Net	**Net**	**Balance**	**Net**	**Balance**	**Net**
	IRR Million	IRR Million	IRR Million	IRR Million	IRR Million	IRR Million
Companies Listed in TSE & OTC Market:						
Asre Novin Informatics (HiWeb)	21.987	0	22.322	21.987	0	0
TSE	0	17.730	0	0	18.000	17.730
Golgohar Industrial & Mining	0	16.006	0	0	16.250	16.006
Civil Pension Fund Investment	0	7.585	0	0	7.700	7.585
Iran Industries Investment-Unlisted	43	43	44	43	44	43
Mobin Van Kish	0	13.072	0	0	13.271	13.072
Sadr Tamin Investment	0	10.363	0	0	10.521	10.363
Iran Credit Rating	3.545	0	3.599	3.545	0	0
Shaparak credit Card	2.894	2.863	2.938	2.894	2.907	2.863
Mapna	1.973	845	2.003	1.973	858	845
Others	996	22.611	0	0	0	0
Balance of Dividends Receivable	**31.437**	**91.119**	**30.905**	**30.441**	**69.551**	**68.508**

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32.2. Temporary debtors are as follows:

	note	Group		Parent Company			
		20.03.2023	20.03.2022	20.03.2023			20.03.2022
		Net	Net	Balance	Net	Balance	Net
		IRR Million	IRR Million	IRR Million	IRR Million	IRR Million	IRR Million
Items Related with Loans:							
Legal & Debt Collection Expenses	31-1-1	481.276	274,041	532,478	481,276	324,347	224,592
Biosun Pharmod Co.		5.801	63,619	6,418	5,801	75,297	52,139
Total		**487.077**	**337,660**	**538,896**	**487,077**	**399,644**	**276,731**
Items Unrelated with Loans:							
Temporary Foreign Currency Debtors		3.280.323	140,060	3,629,313	3,280,323	165,771	109.631
Foreign Currency Commission Debtors		230.989	157,328	255,564	230,989	186,209	128.939
Rey Daneh Co.	31-2	157,061	146,731	173,771	157,061	173,666	120.254
Alborz Bulk Pharmaceutical Production Co.		141,970	132,712	157,074	141,970	157,074	108.765
Exir Pharmaceutical Co.		7,462	6,975	8,256	7,462	8,256	5.717
Tamin Atiyeh Omid Karafarin Institute		219,157	110,804	242,473	219,157	131,145	90.810
Dividends Receivable on Deposits Held with Other Banks		4,338	4,731	4,800	4,338	5,600	3.878
Petty Cash Debtors		167,829	94,644	185,684	167,829	112,018	77.566
Current Account of Karafarin Brokerage Customers	31-3	1,922,063	1,035,852	0	0	0	0
Others		1,380,584	357,940	102,948	93,049	130,565	90.409
Total		**7,511,777**	**2,187,778**	**4,759,884**	**4,302,179**	**1,070,304**	**735.969**
Balance of Temporary Debtors		**7,998,854**	**2,525,438**	**5,298,780**	**4,789,256**	**1,469,948**	**1.012.700**

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

32.3. Classification of other accounts receivable based on the ratified instruction of Money and Credit Council (note 7.7.) is as follows:

	20.03.2023				
	Current	Overdue	Deferred	Doubtful	Total
	IRR Million	IRR Million	IRR Million	IRR Million	IRR Million
Dividends Receivable	30.905	0	0	0	30.905
Realised interest on Bonds	3.300.417	0	0	0	3.300.417
Temporary Debtors	3.828.832	1.130.952	0	338.996	5.298.780
Claims from Employees	44.180	0	0	0	44.180
Net Other Accounts Receivable before Deduction of Provision for Doubtful Loans	7.204.334	1.130.952	0	338.996	8.674.282
General Provision for Doubtful Loans	(58.559)	0	0	0	(58.559)
Special Provision for Doubtful Loans		(113.095)	0	(338.996)	(452.091)
Balance on 20.03.2023	**7.145.775**	**1.017.857**	**0**	**0**	**8.163.632**
Balance on 20.03.2022	**3.132.848**	**1.017.857**	**0**	**0**	**4.150.705**

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

33. Investment in Shares and Other Securities

	note	Group					
		20.03.2023			20.03.2022		
		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	33-1	4.514.921	6.126.132	10.641.054	1,525,383	5,058,009	6,583,392
Investment in Other Shares	33-2	0	6.021.823	6.021.823	0	3,571,703	3,571,703
Investment in Other Securities	33-3	30.757.810	0	30.757.810	43,981,293	0	43,981,293
Investment in Construction Projects		0	311.343	311.343	0	311,343	311,343
		35.272.732	**12.459.298**	**47.732.030**	**45,506,676**	**8,941,055**	**54,447,730**

	note	Parent Company					
		20.03.2023			20.03.2022		
		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	33-1	1.154.569	1.325.002	2.479.570	915,080	1,329,133	2,244,213
Investment in Other Shares	33-2	0	5.036.964	5.036.964	0	4,034,264	4,034,264
Investment in Other Securities	33-3	28.703.707	0	28.703.707	40,158,486	0	40,158,486
		29.858.276	**6.361.966**	**36.220.242**	**41,073,566**	**5,363,397**	**46,436,963**

33.1. Investment in rapidly marketable shares is as follows:

33.1.1. Current investment in rapidly marketable shares

	Group			Parent Company							
	20.03.2023	20.03.2022		20.03.2023					20.03.2022		
	Cost	Cost	Source	Shares	Investment Realisable	Cost	Net Value	Market Value	Cost	Net Realisable Value	Market Value
	IRR Million	IRR Million		Number Million	%	IRR Million	IRR Million	IRR Million	IRR Million	IRR Million	IRR Million
Shares of Companies Listed in TSE:											
Asre Novin Informatics (HiWeb)	1.503.442	1.503.442	Repossession	378.749.996	1.26%	1,503,442	999.735	1.008.611	1,503,442	705,460	705,460
Mapna	99.137	99.137	Purchase	8.583.333	0.01%	99.137	116.131	117.162	99,137	79,482	79,482
South Kish Steel	22.684	22.684	Purchase	2.133.333	0.01%	22.684	24.804	25.024	22,684	11,960	11,960
Jam Petrochemical (Rights Issue)	5.161	5.161	Purchase	273.762	0%	5.161	13.888	10.597	5,161	11,588	11,588
Valkar Put Option	10	0	Purchase	-	0%	10	10	10	0	0	0
Mines & Metals Development Investment	0	88.268	Purchase	-	0%	0	0	0	50,856	105,404	105,404
Jam Petrochemical	0	528	Purchase	-	0%	0	0	0	528	1,186	1,186
EN Bank	0	7.508	Repossession	-	0%	0	0	0	0	0	0
Omid Investment	0	2.600	Purchase	-	0%	0	0	0	0	0	0
Tehran Oil Refinery	0	0	Purchase	-	0%	0	0	0	0	0	0
Social Security Investment	0	33.821	Purchase	-	0%	0	0	0	0	0	0
Sepah Investment	0	1.160	Purchase	-	0%	0	0	0	0	0	0
Sadr Tamin Investment	0	11.030	Purchase	-	0%	0	0	0	0	0	0
Khouzestan Steel	0	17.103	Purchase	-	0%	0	0	0	0	0	0
National Iranian Copper Industries	0	3.515	Purchase	-	0%	0	0	0	0	0	0
Esfahan Mobarakeh Steel	0	5.526	Purchase	-	0%	0	0	0	0	0	0
Others	3.365.097	503.480	Purchase	-	0%	0	0	0	0	0	0
	4.995.531	**2.304.961**				**1,630,434**	**1.154.569**	**1.161.405**	**1.681.807**	**915.080**	**915.080**
Companies Listed in OTC Market:											
	0	**0**				**0**	**0**	**0**	**0**	**0**	**0**
Total	**4.995.531**	**2.304.961**				**1,630,434**	**1.154.569**	**1.161.405**	**1.681.807**	**915.080**	**915.080**
Investment Impairment Provision	**(480.609)**	**(779.578)**				**(475.865)**	**0**	**0**	**(766.727)**	**0**	**0**
Total	**4.514.921**	**1.525.383**				**1.154.569**	**1.154.569**	**1.161.405**	**915.080**	**915.080**	**915.080**

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33.1.2. Long-term investments in rapidly marketable shares

	Group				Parent Company								
	20.03.2023		20.03.2022		20.03.2023							20.03.2022	
	Cost/ Equity Method	Net Carrying Amount/ Equity Method	Cost/ Equity Method	Net Carrying Amount/ Equity Method	Source	Shares - Number	Investment-%	Cost	Accumulated Impairment	Net Realisable Value	market value	Net Realisable Value	market value
	IRR Million	IRR Million	IRR Million	IRR Million				IRR Million	IRR Million	IRR Million	IRR Million	IRR Million	IRR Million
TSE	1,500	1,500	1,500	1,500	Purchase	181,999,962	1%	1,500	0	1,500	1,419,600	1,500	1,500
Karafarin Leasing	0	0	0	0	Establishment	1,009,128,886	67%	1,161,072	0	1,161,072	8,486,774	1,165,203	5,152,245
Farabourse Iran (OTC Market)	264	264	335	335	Purchase	18,500,300	0.26%	264	0	264	144,302	264	217,564
Farabourse Iran (not registered bonus shares)	0	0	0	0	Purchase	3,700,060	0.26%	0	0	0	28,860	0	0
Karafarin Insurance	6,124,368	6,124,368	5,056,174	5,056,174	Establishment	1,900,560,311	20%	162,165	0	162,165	5,245,546	162,165	7,298,152
Karafarin Insurance(not registered bonus shares)	0	0	0	0	Establishment	499,137,051	20%	0	0	0	1,377,618	0	0
	6,126,132	**6,126,132**	**5,058,009**	**5,058,009**				**1,325,002**	**0**	**1,325,002**	**16,702,701**	**1,329,133**	**13,827,160**

33.2. Investment in other shares is as follows:

33.2.1. Current investments in other shares

The Bank has no current investments in other shares.

33.2.2. Long-term investments in other shares

	note	Group				Parent Company						
		20.03.2023		20.03.2022		20.03.2023						20.03.2022
		Cost/ Equity Method	Net Carrying Amount/ Equity Method	Cost/ Equity Method	Net Carrying Amount/ Equity Method	Source	Shares - Number	Investment-%	Cost	Accumulated Impairment	Net Realisable Value	Net Realisable Value
		IRR Million	IRR Million	IRR Million	IRR Million				IRR Million	IRR Million	IRR Million	IRR Million
Iran Investment		19,250	19,250	19,250	19,250	Purchase	19,250,000	0.18	19,250	19,250	19,250	19,250
Shaparak E-payment Card Network		4,400	4,400	1,700	1,700	Purchase	5,400,000	0.10	1,700	1,700	1,700	1,700
Iran Credit Rating		450	450	450	450	Purchase	315,000	0.90	450	450	450	450
Special Trade and Finance Instrument (STFI)		2,200	2,200	2,200	2,200	Purchase	220,000	11	2,200	2,200	2,200	2,200
Abnie Gostar Cnstruction		0	0	0	0	Establishment	8,499,999	85	24,469	24,469	24,469	24,469
Karafarin Bank Financial Group		0	0	0	0	Establishment	1,410,088,235	67.15	1,410,088	1,410,088	1,410,088	1,410,088
Karafarin Foreign Exchnage		0	0	0	0	Establishment	437,912,400	100	39,992	39,992	39,992	39,992
Karafarin Bank Brokerage		0	0	0	0	Establishment	1,999,999,840	100	798,000	798,000	798,000	798,000
Asre Amin Karafarin		0	0	0	0	Establishment	235,664,100	20	238,116	238,116	238,116	238,116
Negahe Fardaye Karafarin Technology Development		0	0	0	0	Establishment	1,499,999,600	100	1,500,000	1,500,000	1,500,000	1,500,000
Mofid Economic Group		206.897	206.897	489.550	489.550				0	0	0	0
Securities & Exchange Brokers Association (Segal IT Pioneers)		1,608	1,608	1,608	1,608				0	0	0	0
Pars Reinsurance		453.974	453.974	350,000	350,000				0	0	0	0
Bold investments	33.2.2.1	5.333.044	5.333.044	2,706,945	2,706,945				0	0	0	0
		6.021.823	**6.021.823**	**3,571,703**	**3,571,703**				**5.036.964**	**5.036.964**	**4,034,264**	**4,034,264**

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

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

	Location	% of Investment		Main Activity
		Group	Parent Company	
Associate Company:				
Karafarin Insurance	Tehran	26%	20%	Issuance of Various Insurance Policies
Subsidiary Company:				
Karafarin Bank Financial Group	Tehran	71%	67%	Investment in Shares of Companies & Institutes
Karafarin Leasing	Tehran	72%	67%	Cash & Instalment Sales & Hire Purchase
Karafarin Bank Brokerage	Tehran	100%	100%	Trading Shares
Karafarin Foreign Exchange	Tehran	100%	100%	Trading Foreign Currencies, Payment Orders, Gold & Silvers
Abnie Gostar Karafarin Construction	Tehran	95%	85%	Construction Projects, Repair & Renovation
Omid Karafarin Commercial Development	Tehran	50%	0%	Authorised Trading Activities
Amin Etemad Karafarin	Tehran	67%	0%	Collection of the Bank's & Subsidiaries' Debts
Asre Amin Karafarin	Tehran	84%	20%	Insurance Services
Kourosh Petrochemical Industries Development- Before Utilisation	Tehran	67%	0%	Supply & Distribution of Chemicals & Petroleum Products
Karafarin Servat Omid	Tehran	67%	0%	Investment in Shares of Companies & Institutes
Negahe Fardaye Karafarin IT Development	Tehran	100%	100%	Offering special & consulting services & Implementing Computer & Electronic Projects
Negahe Fardaye Karafarin E-commerce Development	Tehran	100%	0%	Creating the necessary technical infrastructure to provide e-commerce services
Negahe Fardaye Karafarin Banking Software	Tehran	100%	0%	Providing specialized services and consulting and implementing computer and electronic projects
Rahbord Hooshmand Modiriyate Servate Setaregan	Tehran	43%	0%	Providing empowering and developing services for innovative and start-up businesses in the form of creating and managing business accelerators

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33.3. Investment in other securities is as follows:

Issuer	Source	Bond Type	Average Interest Rate	Condition	Group		Parent Company	
					20.03.2023	20.03.2022	20.03.2023	20.03.2022
			%		IRR Million	IRR Million	IRR Million	IRR Million
Government & State-Owned Companies								
Islamic Treasury Notes	Purchase	Islamic Treasury		Free	15.696.335	19,051,695	15.696.335	19,051,695
Government Bonds	Purchase	Bonds	18%	Free	7.015.763	12,000,000	7.015.763	12,000,000
Government Murabaha Bonds	Purchase	Murabaha	18%	Free	6.020.535	9,527,111	6.020.535	9,527,111
Other Companies & Investment Funds:								
Karafarin Brokerage Mutual Investment Fund	Purchase	Preferred Shares	20%	Free	28,500	28,500	28,500	28,500
Karafarin Brokerage Mutual Investment Fund	Purchase	Normal Shares	20%	Free	127.799	797,997	0	0
Arman Karafarin Investment Fund	Purchase	Preferred Shares	20%	Free	1.458.988	2,345,137	18.500	18,500
Shakhesi Karafarin Mutual Investment Fund	Purchase	Preferred Shares	20%	Free	9,000	9,000	9,000	9,000
Shakhesi Karafarin Mutual Investment Fund	Purchase	Normal Shares	20%	Free	67.241	423,613	0	0
Capital Market Development Mutual Investment Fund	Purchase	Normal Shares		Free	418.575	274,560	0	0
Tawazun Kurosh Investment Fund	Purchase	Normal Shares		Free	0	63,138	0	63,138
Karafarin Brokerage Investment Fund	Purchase	Normal Shares		Free	35.550	0	35.550	0
Bank of Industry & Mine Mutual Investment Fund	Purchase	Normal Shares	20%	Free	0	0	0	0
					30.878.287	44,520,750	28.824.183	40,697,944
Less: Future Years Interest on Bonds					(120.476)	(539,458)	(120.476)	(539,458)
Total Investment in Other Securities					30.757.810	43,981,293	28.703.707	40,158,486

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33.4. Investments with the separation of banking and non-banking activities are as follows:

	Parent Company			
	20.03.2023		20.03.2022	
	book value	Exceeding the prescribed limits	book value	Exceeding the prescribed limits
	IRR Million	IRR Million	IRR Million	IRR Million
Investments related to banking activities and other permitted activities				
Shaparak E-payment Card Network	4.400	0	1.700	0
Iran Credit Rating	450	0	450	0
Special Trade and Finance Instrument (STFI)	2.200	0	2.200	0
Karafarin Foreign Exchnage	39.992	0	39.992	0
Karafarin Leasing	1.161.072	0	1.165.203	0
Negahe Fardaye Karafarin Technology Development	1.500.000	0	1.500.000	0
Islamic Treasury Notes	15.696.335	0	19.051.695	0
Government Bonds	7.015.763	0	12.000.000	0
Government Murabaha Bonds	5.900.059	0	8.987.653	0
Abnie Gostar Karafarin Construction	24.469	0	0	0
Valkar Put Option	10	0	0	0
	31.344.750	**0**	**42.748.893**	**0**
Investments related to non-banking activities				
Asre Novin Informatics (HiWeb)	999.735	999.735	705.460	0
Mapna	161.131	161.131	79.482	79.482
South Kish Steel	24.804	24.804	11.960	11.960
Jam Petrochemical (Rights Issue)	0	0	11.588	11.588
Jam Petrochemical	13.888	10.504	1.186	1.186
Mines & Metals Development Investment	0	0	105.404	105.404
TSE	1.500	1.500	1.500	1.500
Karafarin Insurance	162.165	162.165	162.165	162.165
Iran Investment	19.250	19.250	19.250	19.250
Farabourse Iran (OTC Market)	264	264	264	264
Abnie Gostar Karafarin Construction	0	0	24.469	24.469
Karafarin Bank Financial Group	1.410.088	1.410.088	1.410.088	1.410.088
Karafarin Bank Brokerage	1.798.000	1.798.000	798.000	798.000
Asre Amin Karafarin	238.116	238.116	238.116	238.116
Karafarin Brokerage Mutual Investment Fund- Preferred	28.500	28.500	28.500	28.500
Arman Karafarin Investment Fund- Preferred	18.500	18.500	18.500	18.500
Tawazun Kurosh Investment Fund-Normal	0	0	63.138	63.138
Karafarin Brokerage Investment Fund-Normal	35.550	35.550	0	0
Shakhesi Karafarin Mutual Investment Fund	9.000	9.000	9.000	9.000
	4.875.492	**4.872.108**	**3.688.070**	**2.982.610**
Investment in Shares and Other Securities	**36.220.242**	**4.872.108**	**46.436.963**	**2.982.610**

33.5. According to the regulations issued by the CBI supervising the investments of banks and non-banking credit institutions "Instructions for Investment in Securities", as of the date of the financial statement, this bank has 4,872,108 million Rials of investments related to non-banking activities. Obviously, any investments related to non-banking activities will be subject to penalties under Article 17 of the Law on Removing Obstacles to Competitive Production and Improving the Country's Financial System and other related laws and regulations.

33.6. The permitted limits of investment in banking activities and other permitted activities of the subject of "Instructions for Investment in Securities" are as follows:

IRR Million

Bank's regulatory capital	53.750.339
Investment limit per legal entity (5% of regulatory capital)	2.687.517
Permissible limit of total investments (20% of regulatory capital)	10.750.068
Organizational unit responsible for the implementation of regulations	Budget management and assembly affairs

34. Non-current assets held for sale and liabilities related to non-current assets held for sale

	note	Group		Parent Company	
		20.03.2023	20.03.2022	20.03.2023	20.03.2022
		IRR Million	IRR Million	IRR Million	IRR Million
land and building	34-1	0	0	0	0
Assets related to... (a single set)	34-2	0	0	0	0
Repossessed Collaterals		5.092.373	4.329.200	5.062.373	4.299.200
Total		5.092.373	4.329.200	5.062.373	4.299.200
Accumulated impairment loss		0	0	0	0
Non-current assets held for sale		**5.092.373**	**4.329.200**	**5.062.373**	**4.299.200**
Liabilities related to non-current assets held for sale		**0**	**0**	**0**	**0**

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

34.2. Repossessed collaterals

Breakdown of repossessed collaterals of the Parent Company is as follows:

	21.03.2021	Repossessed during Year	Sale during Year	20.03.2022	Repossessed during Year	Sale during Year	20.03.2023
	IRR Million	IRR Million	IRR Million	IRR Million	IRR Million	IRR Million	IRR Million
Movable Assets:							
Equipment	930	0	0	930	0	(930)	0
Motor Vehicle	0	0	0	0	0	0	0
Total Movable Repossessed Collaterals	930	0	0	930	0	(930)	0
Immovable Assets:							
Residential	1,831,889	24,773	(132,456)	1,724,204	147.959	(126.786)	1.745.377
Office	200,951	314	(2,963)	198,301	9.229	(94.439)	113.091
Commercial	1,247,706	390,803	0	1,638,509	705.888	(23.119)	2.321.278
Lands	469,781	33	(4,695)	465,122	161.999	(17.227)	609.894
Garden	1,204	0	(1,204)	0	0	0	0
Residential/Commercial	88,563	1	(6,446)	82,119	600	0	82.719
Residential/Commercial/Office	189,835	180	0	190,015	0	0	190.015
Total Immovable Repossessed Collaterals	4,029,930	416,104	(147,763)	4,298,270	1.025.675	(261.572)	5.062.373
Total Repossessed Collaterals	**4,030,860**	**416,104**	**(147,763)**	**4,299,200**	**1.025.675**	**(262.502)**	**5.062.373**
Accumulated Impairment	0			0			0
Net Repossessed Collateral	**4,030,860**			**4,299,200**			**5.062.373**
Sale Profit (Loss)	**812,684**			**0**			**1.247.134**

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

	Parent Company	
	20.03.2023	20.03.2022
	IRR Million	IRR Million
Less than A Year from Repossession Date	861.195	390,300
1 Year to 2 Years from Repossession Date	447.038	1,343,599
Above 2 Years from Repossession Date	2,754,140	2,565,301
Balance of Repossessed Immovable Collaterals	**4,062,373**	**4,299,200**

34.2.2. Profit (loss) generated from selling repossessed collaterals has been reflected in the Statement of Profit and Loss and represented in note 23-3.

34.2.3. In the financial period ending on 20 March 2023 according to the law and regulations issued by the CBI, the bank is required to transfer repossessed collaterals. In case of failure to transfer within the prescribed period, it will be subject to legal and administrative penalties, such as the penalties under Article 17 of the Law on Removing Obstacles to Competitive Production and Improving the Country's Financial System.

34.2.4. Measures in order to prepare the repossessed properties for sale have been carried out and a portion of these properties were sold by the date of preparation of this note. In addition, plans and measures for obtaining reports of official judicial experts and the pricing of the mentioned properties have been carried out. However, 124 properties worth IRR697 billion have occupants in them and eviction measures are being taken. It is noteworthy that 53 repossessed collaterals worth IRR1,196 billion are related to collaterals which are in the process of repossession which do not have official ownership documents in the name of the bank. In addition, 36 items of repossessed collaterals amounting to 962 billion Rials do not have single-page documents in the name of the bank. It is worth mentioning that the necessary measures are being taken to obtain ownership documents regarding them.

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35. Fixed Tangible Assets

	Group									
	Land	Buildings	Installations	Motor Vehicles	Furniture & Fixtures	Renovation of Rented Properties	Assets under Construction	Capital Orders & Prepayments	Capital Items Held in Warehouse	Total
	IRR Million	IRR Million	IRR Million	IRR Million	IRR Million	IRR Million	IRR Million	IRR Million	IRR Million	IRR Million
Cost:										
Balance on 21.03.2021	9,471,159	2,982,880	0	115,894	1,111,860	0	794,949	5,121,883	0	19,598,626
Increase during Year	(502,657)	461,897	0	182,626	787,187	0	1,895,178	4,617,665	0	7,441,896
Increase (Decrease) from Revaluation	0	0	0	0	0	0	0	0	0	0
Sold	0	0	0	0	(38,442)	0	0	0	0	(38,442)
Transfer to non-current assets held for sale	0	0	0	0	0	0	0	0	0	0
Transfers & Other Changes	1,964,507	556,196	0	2,140	441,303	0	(293,319)	(2,133,287)	0	537,540
Effects of exchange rate differences	0	0	0	0	0	0	0	0	0	0
Balance on 20.03.2022	**10,933,010**	**4,000,973**	**0**	**300,660**	**2,301,909**	**0**	**2,396,808**	**7,606,261**	**0**	**27,539,621**
Increase during Year	123,223	484,372	0	76,761	1,063,671	0	3,051,204	4,636,513	0	9,435,745
Increase (Decrease) from Revaluation	0	0	0	0	0	0	0	0	0	0
Asset Sale	(48,093)	(389,413)	0	(16,970)	(22,666)	0	0	(473,344)	0	(950,486)
Transfer to non-current assets held for sale	0	0	0	0	0	0	0	0	0	0
Transfers & Other Changes	4,986,382	3,301,815	0	703	45,886	0	(1,174,769)	(9,234,181)	0	(2,074,165)
Effects of exchange rate differences	0	0	0	0	0	0	0	0	0	0
Balance on 20.03.2023	**15,994,521**	**7,397,747**	**0**	**361,154**	**3,388,800**	**0**	**4,273,244**	**2,535,249**	**0**	**33,950,715**
Accumulated Depreciation:										
Balance on 21.03.2021	0	606,508	0	15,885	612,292	0			0	1,234,685
Depreciation for the Year	0	144,532	0	33,647	266,452	0			0	444,630
Impairment loss	0	0	0	0	0	0			0	0
Reversal of impairment loss	0	0	0	0	0	0			0	0
Sold	0	0	0	0	(20,819)	0			0	(20,819)
Transfer to non-current assets held for sale	0	0	0	0	0	0			0	0
Transfers & Other Changes	0	0	0	0	0	0			0	0
Balance on 20.03.2022	**0**	**751,040**	**0**	**49,532**	**857,924**	**0**			**0**	**1,658,496**
Depreciation for the Year	0	282,895	0	52,511	430,416	0			0	765,821
Impairment loss	**0**	**0**	**0**	**0**	**0**	**0**			**0**	**0**
Reversal of impairment loss	0	0	0	0	0	0			0	0
Sold	0	(2,325)	0	(3,395)	(13,276)	0			0	(18,996)
Transfer to non-current assets held for sale	0	0	0	0	0	0			0	0
Transfers & Other Changes	0	0	0	0	0	0			0	0
Balance on 20.03.2023	0	1,031,609	0	98,647	1,275,065	0			0	2,405,321
Carrying Amount:										
On 21.03.2021	**9,471,159**	**2,376,371**	**0**	**100,009**	**499,569**	**0**	**794,949**	**5,121,883**	**0**	**18,363,941**
On 20.03.2022	**10,933,010**	**3,249,933**	**0**	**251,129**	**1,443,984**	**0**	**2,396,808**	**7,606,261**	**0**	**25,881,125**
On 20.03.2023	**15,994,521**	**6,366,137**	**0**	**262,507**	**2,113,736**	**0**	**4,273,244**	**2,535,249**	**0**	**31,545,394**

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	Parent Company									
	Land	Buildings	Installations	Motor Vehicles	Furniture & Fixtures	Renovation of Rented Properties	Assets under Construction	Capital Orders & Prepayments	Capital Items Held in Warehouse	Total
	IRR Million	IRR Million	IRR Million	IRR Million	IRR Million	IRR Million	IRR Million	IRR Million	IRR Million	IRR Million
Cost:										
Balance on 21.03.2021	9,670,513	2,959,797	0	95,793	942,228	0	857,799	5,665,111	0	20,191,242
Increase during Year	0	419,062	0	143,061	681,514	0	1,435,419	6,030,178	0	8,709,234
Increase (Decrease) from Revaluation	0	0	0	0	0	0	0	0	0	0
Sold	0	0	0	0	(20,875)	0	0	0	0	(20,875)
Transfer to non-current assets held for sale	0	0	0	0	0	0	0	0	0	0
Transfers & Other Changes	1,682,711	556,196	0	2,140	440,612	0	(472,110)	(2,132,595)	0	76,953
Effects of exchange rate differences	0	0	0	0	0	0	0	0	0	0
Balance on 20.03.2022	**11,353,224**	**3,935,055**	**0**	**240,994**	**2,043,479**	**0**	**1,821,108**	**9,562,694**	**0**	**28,956,554**
Increase during Year	0	198,673	0	25,680	964,443	0	2,188,135	1,163,229	0	4,540,159
Increase (Decrease) from Revaluation	0	0	0	0	0	0	0	0	0	0
Asset Sale	(417,392)	(711,403)	0	(6,177)	(9,646)	0	0	0	0	(1,144,617)
Transfer to non-current assets held for sale	0	0	0	0	0	0	0	0	0	0
Transfers & Other Changes	4,986,382	3,290,558	0	703	45,886	0	(977,601)	(9,222,924)	0	(1,876,997)
Effects of exchange rate differences	0	0	0	0	0	0	0	0	0	0
Balance on 20.03.2023	**15,922,214**	**6,712,883**	**0**	**261,200**	**3,044,161**	**0**	**3,031,641**	**1,502,999**	**0**	**30,475,098**
Accumulated Depreciation:										
Balance on 21.03.2021	**0**	**765,150**	**0**	**13,982**	**577,926**	**0**			**0**	**1,357,058**
Depreciation for the Year	0	140,044	0	28,344	216,966	0			0	385,354
Impairment loss	0	0	0	0	0	0			0	0
Reversal of impairment loss	0	0	0	0	0	0			0	0
Sold	0	0	0	0	(19,823)	0			0	(19,823)
Transfer to non-current assets held for sale	0	0	0	0	0	0			0	0
Transfers & Other Changes	0	0	0	0	0	0			0	0
Balance on 20.03.2022	**0**	**905,194**	**0**	**42,326**	**775,068**	**0**			**0**	**1,722,588**
Depreciation for the Year	0	259,021	0	40,374	359,502	0			0	658,897
Impairment loss	0	0	0	0	0	0			0	0
Reversal of impairment loss	0	0	0	0	0	0			0	0
Sold	0	(5,393)	0	(3,257)	(8,679)	0			0	(17,330)
Transfer to non-current assets held for sale	0	0	0	0	0	0			0	0
Transfers & Other Changes	0	0	0	0	0	0			0	0
Balance on 20.03.2023	0	1,158,822	0	79,443	1,125,891	0			0	2,364,155
Carrying Amount:										
On 21.03.2021	**9,670,513**	**2,194,647**	**0**	**81,811**	**364,303**	**0**	**857,799**	**5,665,111**	**0**	**18,834,184**
On 20.03.2022	**11,353,224**	**3,029,862**	**0**	**198,668**	**1,268,410**	**0**	**1,821,108**	**9,562,694**	**0**	**27,233,966**
On 20.03.2023	**15,922,214**	**5,554,061**	**0**	**181,757**	**1,918,271**	**0**	**3,031,641**	**1,502,999**	**0**	**28,110,943**

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35.1. The bank's land and buildings have not been re-evaluated during the financial period ending on 20 March 2023.

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

	20.03.2023		20.03.2022	
	Cost	Revaluation	Cost	Revaluation
	IRR Million	IRR Million	IRR Million	IRR Million
Land	10.422.714	16.339.606	5,436,332	11,353,224
Total Carrying Amount of Revaluated Lands	**10.422.714**	**16.339.606**	**5,436,332**	**11,353,224**

35.3. Buildings and capital prepayment in the amount of 8,361,636 million Rials and furniture and equipment in the amount of 1,454,405 million Rials are insured against possible risks caused by fire, flood, earthquake, explosion, etc. Assets under completion are covered by all contractor risk insurance (C.A.R.) and vehicles are covered by body and third-party insurance.

35.4. According to the notified regulations of the CBI on the limit of transfer of excess assets (the ratio of net fixed assets), on the date of the financial statement, this bank has 3,528,919 million rials of assets in excess of the prescribed limits. Obviously, any excess property will be subject to penalties under Article 17 of the Law on Removing Obstacles to Competitive Production and Improving the Country's Financial System and other related laws and regulations.

35.5. The additions of vehicles in the current period are mainly due to the purchase of three cars with the amount of 23.910 million Rials and six motorcycles with the amount of 2.472 million Rials.

35.6. Capital prepayment additions are mainly for the following:
Purchase of Bulvar Saba property in the amount of 650,000 million Rials, purchase of a Fidelity car in the amount of 13,985 million Rials, purchase of computer equipment in the amount of 17,362 million Rials, cooling and air conditioning equipment for the headquarters buildings in the amount of 17,750 million Rials, the right to use the comprehensive banking software in the amount of 184.535 million Rials, the property of Saatchi Group for the amount of 125.000 million Rials and the purchase of 3 ATMs for the amount of 5.695 million Rials.

35.7. The increase during the construction period is mainly due to the repair and reconstruction costs of the branches. The transfer of land and building from the heading of Capital prepayment is for the following:
Velenjak property in the amount of 2,710,000 million rials, the upper floor of Valiasr Tabriz property in the amount of 25,698 million rials, the upper floor of Yazd property in the amount of 51,913 million rials, the Taban property in the amount of 2,263,620 million rials, the Niavaran-Bahonar property in the amount of 196,051 million rials, Urmia property in the amount of 139.482 million rials, special road property in the amount of 116.474 million rials, Baharan (railway market) property in the amount of 46.587 million rials, Nahid no. 36 property in the amount of 1.216.584 million rials.

35.8. The transfer from Capital prepayment to goodwill is 2,276,709 million Rials. The transfer from Capital prepayment to software for accounting software and software license purchase (Note No. 18 of financial statements) is 25,957 million Rials. Also, the amount of 155.648 million Rials is transferred from the capital advance heading to the furniture and appointments heading for the purchase of equipment such as storage devices and security equipment.

35.9. The increase during the period in the heading of furniture is mainly due to the purchase of storage devices and equipment such as servers and computers from Negahe Fardaye Karafarin IT Development Company, ATM machines, security equipment, and also the purchase of painting panels for the establishment of a gallery.

35.10. Eight items of Group and Bank properties in the amount of 5.704 billion Rials do not have official ownership documents in the name of the Bank and Group, one of which is in the amount of 50 billion Rials under the heading of capital prepayments.

35.11. The main stagnant capital prepayment is for the Doctors Hospital company, which will be transferred to the bank in 2027-28 according to the provisions of the signed contract.

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36. Intangible Assets

	Group						Parent Company				
	Goodwill	Software	Software development	Technical knowledge of PDH project	Right of use of public utilities	Total	Goodwill	Software	Software development	Right of use of public utilities	Total
	IRR Million	IRR Million	IRR Million	IRR Million	IRR Million	IRR Million	IRR Million	IRR Million		IRR Million	IRR Million
Cost:											
Balance on 21.03.2021	14,502,606	246,469	0	65,423	34,048	14,848,546	14,487,066	197,712	0	27,584	14,712,362
Increase during Year	0	129,774	0	2,176	11,883	143,833	0	39,853	0	3,407	43,260
Local Development	0	0	0	0	0	0	0	0	0	0	0
Increase (Decrease) from Revaluation	0	0	0	0	0	0	0	0	0	0	0
Sold	0	0	0	0	(829)	(829)	0	0	0	0	0
Transfer to non-current assets held for sale	0	0	0	0	0	0	0	0	0	0	0
Transfers & Other Changes	532,539	7,278	0	0	0	539,816	532,539	7,278	0	0	539,816
Balance on 20.03.2022	**15,035,144**	**383,521**	**0**	**67,600**	**45,102**	**15,531,367**	**15,019,605**	**244,842**	**0**	**30,991**	**15,295,438**
Balance on 21.03.2022	15,035,144	383,521	0	67,600	45,102	15,531,367	15,019,605	244,842	0	30,991	15,295,438
Increase during Year	0	308,625	0	0	0	308,625	0	341,418	0	4,243	345,660
Local Development	0	0	0	0	0	0	0	0	0	0	0
Increase (Decrease) from Revaluation	0	0	0	(496,263)	(4,304)	(500,567)	0	0	0	0	0
Sold	(5,736)	0	0	0	0	(5,736)	(5,736)	0	0	0	(5,736)
Transfer to non-current assets held for sale	0	0	0	0	0	0	0	0	0	0	0
Transfers & Other Changes	2,699,467	25,958	0	0	0	2,725,425	2,699,467	25,958	0	0	2,725,425
Balance on 20.03.2023	**17,728,876**	**718,104**	**0**	**(428,663)**	**40,798**	**18,059,114**	**17,713,336**	**612,217**	**0**	**35,234**	**18,360,788**
Accumulated Depreciation:											
Balance on 21.03.2021	0	137,654	0	0	0	137,654	0	132,787	0	0	132,787
Depreciation for the Year	0	165,116	0	0	0	165,116	0	58,717	0	0	58,717
Impairment loss	0	0	0	0	0	0	0	0	0	0	0
Reversal of impairment loss	0	0	0	0	0	0	0	0	0	0	0
Sold	0	(51,501)	0	0	0	(51,501)	0	(27)	0	0	(27)
Transfer to non-current assets held for sale	0	0	0	0	0	0	0	0	0	0	0
Transfers & Other Changes	0	0	0	0	0	0	0	0	0	0	0
Balance on 20.03.2022	**0**	**251,269**	**0**	**0**	**0**	**251,269**	**0**	**191,477**	**0**	**0**	**191,477**
Balance on 21.03.2022	0	251,269	0	0	0	251,269	0	191,477	0	0	191,477
Depreciation for the Year	0	76,106	0	0	843	76,949	0	61,344	0	0	61,344
Impairment loss	0	0	0	0	0	0	0	0	0	0	0
Reversal of impairment loss	0	0	0	0	0	0	0	0	0	0	0
Sold	0	(529)	0	0	0	(529)	0	0	0	0	0
Transfer to non-current assets held for sale	0	0	0	0	0	0	0	0	0	0	0
Transfers & Other Changes	0	0	0	0	0	0	0	0	0	0	0
Balance on 20.03.2023	**0**	**326,846**	**0**	**0**	**843**	**327,689**	**0**	**252,820**	**0**	**0**	**252,820**
Carrying Amount:											
On 21.03.2021	**14,502,606**	**108,815**	**0**	**65,423**	**34,048**	**14,710,892**	**14,487,066**	**64,925**	**0**	**27,584**	**14,579,575**
On 20.03.2022	**15,035,144**	**132,252**	**0**	**67,600**	**45,102**	**15,280,098**	**15,019,605**	**53,366**	**0**	**30,991**	**15,103,962**
On 20.03.2023	**17,728,876**	**391,258**	**0**	**(428,663)**	**40,798**	**17,731,425**	**17,713,336**	**359,397**	**0**	**35,234**	**18,107,967**

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

Items	20.03.2023		20.03.2022	
	Cost	Revaluation	Cost	Revaluation
	IRR Million	IRR Million	IRR Million	IRR Million
Goodwill	7.515.831	17.713.336	4,822,100	15,019,605
Total Carrying Amount-Revaluated Goodwill	**7.515.831**	**17.713.336**	**4,822,100**	**15,019,605**

36.3. The amount of 108.229 million Rials for Valiasr property in Tabriz, the amount of 15.307 million Rials for Yazd property, the amount of 229.518 million Rials for Urmia property, the amount of 898.380 million Rials for Taban property, the amount of 245.497 million Rials for special road property, the amount of 100.413 million Rials for Baharan property, the amount of 294.416 million rials for Nahid property, 807,707 million rials for Niavaran-Bahonar property are transferred from capital prepayments to goodwill. The increase in software during the year is mainly due to the purchase of software licenses.

37. Legal Deposit

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

	Group & Parent Company	
	20.03.2023	20.03.2022
	IRR Million	IRR Million
Legal Deposits-Deposits Held at Mainland Branches (IRR)	58.392.966	51,369,048
Legal Deposit-Deposits held at Mainland Branches (Foreign Currency)	0	0
Legal Deposit- Deposits held at Free Trade Zones Branches (IRR)	415.330	190,567
Legal Deposit- Deposits held at Free Trade Zones Branches (Foreign Currency)	0	0
Legal Deposit- Held at Central Banks of Other Countries (Foreign Currency)	0	0
Total Legal Deposit	**58.808.296**	**51,599,615**

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

38. Other Assets

Items	Note	Group	(restated)	Parent Company	(restated)
		20.03.2023	20.03.2022	20.03.2023	20.03.2022
		IRR Million	IRR Million	IRR Million	IRR Million
Net Customers' Debt for Term L/Cs	38-1	4.791.682	2,163,967	4.791.682	2,163,967
Deposit for Rented Buildings		104.395	117,496	104.389	117,490
Inventory of Furniture & Movable Assets		439.897	481,478	439.897	481,478
Items in Transit		0	0	0	0
Prepayments		602.674	360,199	417.701	86,136
Consumables Inventory		0	669	0	669
Properties Available for Sale		0	0	0	0
Gold Coins		4.578	5,487	4.578	5,487
Stamp Duty		7.664	4,872	7.664	4,872
Cheque Printing Rights		7.781	6,058	7.781	6,058
Others		57.997	19,425	0	4,317
Total Other Assets		**6.016.668**	**3.159.652**	**5.773.692**	**2.870.475**

*The Inventory of Furniture & Movable Assets in the amount of 475,762 million Rials is covered by insurance against possible risks caused by fire, flood, earthquake, explosion, etc.

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

Items	note	Group & Parent Company	
		20.03.2023	20.03.2022
		IRR Million	IRR Million
Customers' Debts for Term L/Cs (IRR)		4.864.651	2,196,921
Customers' Debts for Term L/Cs (Foreign Currency)		0	0
Total Customers' Debt for Term L/Cs (IRR)		**4.864.651**	**2,196,921**
Less:			
Advances Received for Term L/Cs (IRR)		0	0
Advances Received for Term L/Cs (Foreign Currency)		0	0
General Provision for Doubtful Loans	38-1-1	(72,970)	(32,954)
Net Customers' Debt for Term L/Cs (IRR)		**4.791.682**	**2,163,967**

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

Items	note	Group & Parent Company	
		20.03.2023	20.03.2022
		IRR Million	IRR Million
Balance at Beginning of Year		32.954	13,436
Recovered		0	0
Bad Debts		0	0
Provision for the Year		40.016	19,518
Balancee at End of Year		**72.970**	**32,954**

38.2. Goodwill

	Group	
	20.03.2023	20.03.2022
	IRR Million	IRR Million
Cost at Beginning of Year	56,325	155,270
Goodwill acquired (Adjusted) during Year	0	(98,945)
Cost at End of Year	56,325	56,325
Accumulated Amortisation at Beginning of Year	(56,319)	(56,319)
Amortisation for the Year	(1)	0
Accumulated Amortisation at End of Year	(56,320)	(56,319)
Carrying Amount	**5**	**6**

39. Deposits

Items	Note	Group		Parent Company	
		20.03.2023	20.03.2022	20.03.2023	20.03.2022
		IRR Million	IRR Million	IRR Million	IRR Million
Individuals:					
Sight Deposits & the Likes	39-1	12.768.097	7,394,765	12.768.097	7,394,765
Saving Deposits & the Likes	39-2	6.617.548	3,219,958	6.617.548	3,219,958
Other Deposits & Advances Received	39-3	495.375	734,886	495.375	734,886
Total Individuals' Deposits		19.881.020	8,692,840	19.881.020	8,692,840
Legal Entities:					
Sight Deposits & The Likes	39-1	94.054.220	42,085,217	94.447.825	42,349,267
Saving Deposits & the Likes	39-2	6.897.527	10,035,223	6.902.055	10,039,425
Other Deposits & Advances Received	39-3	32.633.255	48,411,200	32.633.255	48,411,200
Total Legal Entities' Deposits		133.585.002	100,531,640	133.983.135	100.799.892
Term investment deposits	39-4	351.017.319	331.045.132	352.333.859	331.856.703
Total Deposits		**504.483.342**	**442.926.381**	**506.198.014**	**444.006.204**

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

Items	Group		Parent Company	
	20.03.2023	20.03.2022	20.03.2023	20.03.2022
	IRR Million	IRR Million	IRR Million	IRR Million
Current Gharz-al Hassaneh Deposits-IRR	106.672.533	49,077,549	107.066.138	49,341,599
Current Gharz-al Hassaneh Deposits-Foreign Currency	149.784	402,433	149.784	402,433
Various Banking Cheques Sold	0	0	0	0
Customers' Current Account held with Overseas Branch	0	0	0	0
Payment Orders by the Bank-IRR	0	0	0	0
Payment Orders by the Bank-Foreign Currency	0	0	0	0
Unconsumed Managed Funds-IRR	0	0	0	0
Unconsumed Managed Funds- Foreign Currency	0	0	0	0
Temporary Debtors-IRR	0	0	0	0
Temporary Debtors- Foreign Currency	0	0	0	0
Unclaimed Balance-IRR	0	0	0	0
Unclaimed Balance- Foreign Currency	0	0	0	0
Less:	0	0	0	0
Payment Account of the Bank's Sold Cheques (Unsettled)	0	0	0	0
Total Sight Deposits and Similar Items	**106.822.317**	**49,479,982**	**107.215.922**	**51,806,318**

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

Items	Group		Parent Company	
	20.03.2023	20.03.2022	20.03.2023	20.03.2022
	IRR Million	IRR Million	IRR Million	IRR Million
Saving Gharz-al Hassaneh Deposits-IRR	7.600.092	3,357,929	7.600.092	3,357,929
Saving Gharz-al Hassaneh Deposits- Foreign Currency	5.914.983	9,897,252	5.919.511	9,901,453
Saving Account-Overseas Branch	0	0	0	0
Gharz-al Hasaneh Deposits for Youths	0	0	0	0
Unconsumed Special Gharz-al Hassaneh Deposits	0	0	0	0
Employees' Saving Account	0	0	0	0
Employees' Pension Fund	0	0	0	0
Housing Saving Deposits	0	0	0	0
Total Saving Deposits & Similar Items	**13.515.076**	**13,255,181**	**13.519.603**	**13,259,382**

39.3. Other deposits and advances received

Items	Group		Parent Company	
	20.03.2023	20.03.2022	20.03.2023	20.03.2022
	IRR Million	IRR Million	IRR Million	IRR Million
Cash Deposits for L/Gs-IRR	27.542.332	45,040,045	27.542.332	45,040,045
Cash Deposits for L/Gs-Foreign Currency	464.763	369,254	464.763	369,254
Advances Received on L/Cs-IRR	1.041.483	756,813	1.041.483	756,813
Advances Received on L/Cs-Foreign Currency	21.557	26,773	21.557	26,773
Others (Including 7,781 Items)	4.058.495	2,953,201	4.058.495	2,953,201
Total Other Deposits & Advances Received	**33.128.630**	**49,146,086**	**33.128.630**	**49,146,086**

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39.4. Term investment deposits

Items	Note	Group		Parent Company	
		20.03.2023	20.03.2022	20.03.2023	20.03.2022
		IRR Million	IRR Million	IRR Million	IRR Million
Term Investment Deposits:					
Short-term Investment Deposits	39-4-1	92.583.634	88,158,171	93.745.125	88,964,691
Special Short-term Investment Deposits	39-4-1	212.787	46,060	212.787	46,060
Long-term Investment Deposits	39-4-1	258.163.755	242,783,693	258.318.805	242,788,743
Investment Deposits Received from Banks & Credit Institutes	39-4-1	640.606	1,926,519	640.606	1,926,519
Total Term Investment Deposits		**351.600.782**	**332,914,444**	**352.917.323**	**333,726,014**
Interest Payable on Term Investment Deposits:					
Short-term Investment Deposits	39-4-2	57.143	57,208	57.143	57,208
Special Short-term Investment Deposits	39-4-2	0	0	0	0
Long-term Investment Deposits	39-4-2	0	0	0	0
Investment Deposits Received from Banks & Credit Institutes	39-4-2	0	0	0	0
Total Interest Payable on Term Investment Deposits		**57.143**	**57,208**	**57.143**	**57,208**
Total term investment deposits		**351.657.925**	**332,971,652**	**352.974.465**	**333,783,222**
Deducted: principal and interest of investment deposits received from banks and non-banking credit institutions (transfer to "debt to banks and non-banking credit institutions" Note No. 40)		**(640.606)**	**(1.926.519)**	**(640.606)**	**(1.926.519)**
Clients' term investment deposits		**351.017.319**	**331.045.132**	**352.333.859**	**331.856.703**

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

	Parent Company					
	20.03.2023			20.03.2022		
	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	61.618	579.287	640.606	58,910	1,867,610	1,926,519
Ordinary Short-term Investment Deposits	93.681.667	63.457	93.745.125	88,911,701	52,990	88,964,691
Special Short-term Investment Deposit:						
Up to 3 Months	184.368	0	184.368	10,086	0	10,086
Above 3 Months to 6 Months	28.419	0	28.419	35,975	0	35,975
Above 6 Months to 1 Year	0	0	0	0	0	0
Total Special Short-term Investment Deposit:	212.787	0	212.787	46,060	0	46,060
Long-term Investment Deposits:						
General Deposit Certificate	1.071	0	1.071	7,420,297	0	7,420,297
Special Deposit Certificate	0	0	0	0	0	0
1 Year	77.980.139	1.132.505	79.112.644	12,152,958	554,182	12,707,140
2 Years	138.413.740	0	138.413.740	222,661,306	0	222,661,306
3 Years	40.791.350	0	40.791.350	0	0	0
4 Years	0	0	0	0	0	0
5 Years	0	0	0	0	0	0
Total Long-term Investment Deposits	257.186.300	1.132.505	258.318.805	242.234.561	554.182	242.788.743
Total Term Investment Deposits	**351.142.072**	**1.775.250**	**352.917.323**	**331,251,232**	**2,474,782**	**333,726,014**

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

	20.03.2023							20.03.2022
	Above 22%	19% to 22%	16% to 19%	13% to 16%	10% to 13%	10% & Below	Total	Total
	IRR Million	IRR Million	IRR Million	IRR Million	IRR Million	IRR Million	IRR Million	IRR Million
Matured	0	0	0	0	0	270	270	3.482
2023-24	10.448.660	9.322.238	76.388.611	5.744.208	0	1.132.505	103.036.222	102.729.172
2024-25	0	14.697.730	99.793.233	0	0	0	114.490.963	140.056.088
2025-26	40.791.350	0	0	0	0	0	40.791.350	0
2026-27	0	0	0	0	0	0	0	0
2027-28 & After	0	0	0	0	0	0	0	0
Total Long-term Investment Deposits	**51.240.010**	**24.019.967**	**176.181.844**	**5.744.208**	**0**	**1.132.775**	**258.318.805**	**242,788,743**
20.03.2022	**0**	**0**	**230,071,323**	**12,163,238**	**0**	**554,182**	**242,788,743**	

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

	Balance on 20.03.2022	Deposits Attracted during Year	Deposits Repayment	Balance on 20.03.2023
	IRR Million	IRR Million	IRR Million	IRR Million
General Deposit Certificate	7,420,297	59.507.400	(4.002.923)	62.924.774
Special Deposit Certificate	0	0	(0)	0
1 Year	12,152,958	9.193.811	(6.290.332)	15.056.436
2 Years	222,661,306	169.242.269	(253.489.835)	138.413.740
3 Years	0	45.050.694	(4.259.344)	40.791.350
4 Years	0	0	(0)	0
5 Years	0	0	(0)	0
Ordinary Short-term Deposits	88,911,701	3.872.866.501	(3.868.096.535)	93.681.667
Special Short-term Deposits	46,060	353.453	(186.726)	212.787
Investment Deposits Received from banks & Credit Institutes	58,910	2.411	(2)	61.318
Balance of Investment IRR Deposits	331,251,232	4.156.216.538	(4.136.325.698)	351.142.072

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

	Balance on 20.03.2022	Deposits Attracted during the Year	Deposits Repayment	Balance on 20.03.2023	Balance on 20.03.2023	Balance on 20.03.2022
	Foreign Currency Amount	Foreign Currency Amount	Foreign Currency Amount	Foreign Currency Amount	IRR Equivalent IRR Million	IRR Equivalent IRR Million
Long-term Deposits:						
USD	2,117,382	1.585.917	(127.190)	3.576.109	894.027	423,476
EUR	594,117	306.950	(1.150)	899.917	238.478	130,706
AED	0	0	0	0	0	0
GBP	0	0	0	0	0	0
Special & Ordinary Short-term Deposits:						
USD	25,558	15.457	(16.357)	24.658	6.164	5,112
EUR	216,200	4.744	(4.744)	216.200	57.293	47,564
GBP	1,200	1	(1.201)	0	0	315
Investment Deposits Received from banks & Credit Institutes						
AED	34,431,067	92.496.502	(118.327.569)	8.600.000	579.287	1,867,610
Total Foreign Currency Investment Deposits					**1.775.250**	**2,474,782**

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

	Parent Company			
	20.03.2023		20.03.2022	
	No. of Depositors	Amount IRR Million	No. of Depositors	Amount IRR Million
IRR Deposits:				
Legal Entities	13.458	136.925.105	12,923	145,573,272
Individuals	573.992	214.155.649	557,969	185,671,594
Investment Deposits Received from Banks & Credit Institutes	4	61.318	4	58,910
Total IRR Deposits	**587.454**	**351.142.072**	**570,896**	**331,303,776**
Foreign Currency Deposits:				
Legal Entities	17	105.482	13	59,152
Individuals	413	1.090.481	211	495,476
Investment Deposits Received from Banks & Credit Institutes	1	579.287	1	1,867,610
Total Foreign Currency Deposits	431	1.775.250	225	2,422,238
Total Investment Deposits	**587.885**	**352.917.323**	**571,121**	**333,726,014**

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

	Balance on 20.03.2022	On-account Interest during Year	Difference in Final &On-account Interest	Interest Paid during Year	Balance on 20.03.2023
	IRR Million	IRR Million	IRR Million	IRR Million	IRR Million
Ordinary Short-term Deposits	57,208	7.777.449	0	(7.777.514)	57.143
Special Short-term Deposits	0	6.408	0	(6.408)	0
General Deposit Certificate	0	5.726.427	0	(5.726.427)	0
Special Deposit Certificate	0	0	0	(0)	0
1-Year Deposits	0	1.007.962	0	(1.007.962)	0
2-Year Deposits	0	36.393.312	0	(36.393.312)	0
3-Year Deposits	0	731.034	0	(731.034)	0
4-Year Deposits	0	0	0	(0)	0
5-Year Deposits	0	0	0	(0)	0
Investment Deposits Received from Banks & Credit Institutes	0	4.361.175	0	(4.361.175)	0
Foreign Currency Deposits	0	56.513	0	(56.513)	0
Total Interest Payable to Term Investment Deposits	**57,208**	**56.060.280**	**0**	**(56.060.345)**	**57.143**

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

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40. Dues to Banks and Credit Institutes

	note	Group		Parent Company	
		20.03.2023	20.03.2022	20.03.2023	20.03.2022
		IRR Million	IRR Million	IRR Million	IRR Million
CBI:					
Deposit-IRR		0	0	0	0
Sight Deposits-Foreign Currency		61.933	55,162	61.933	55,162
Term Deposits-Foreign Currency		1.870.304	1,560,944	1.870.304	1,560,944
Dues on Overdraft from Current Account		0	0	0	0
Dues on Due for Difference in Foreign Currency Rate		0	0	0	0
Dues on Purchasing Foreign Currency		413.037	325,562	413.037	325,562
Dues on Repo		0	34,198,193	0	34,198,193
Dues on Foreign Currency Reserve Account		0	0	0	0
Received Loans-IRR		0	0	0	0
Received Loans-Foreign Currency		0	31,049	0	31,049
Other		0	0	0	0
Total Dues to the CBI		**2.345.274**	**36,170,909**	**2.345.274**	**36,170,909**
Local Banks & Credit Institutes:					
Sight Deposits-IRR		0	0	0	0
Sight Deposits-Foreign Currency		1.764.278	1,459,225	1.764.278	1,459,225
Cheques Issued by the Bank Paid by Other Banks	40-5	821.702	2,282,253	821.702	1,150,450
Received Loans-IRR	40-2	3.008.122	3,581,080	0	0
Received Loans-Foreign Currency	40-3	0	0	0	0
Investment deposits received from banks and credit institutions (transition from "term investment deposits")	39-4	640.606	1.926.519	640.606	1.926.519
Interest payable on investment deposits received from banks and credit institutions (transfer from "term investment deposits")	39-4	0	0	0	0
Other		234.941	102,161	234.941	102,161
Total Dues to Local Banks & Credit Institutes:		**6.469.649**	**9.351.239**	**3.461.527**	**5.770.159**
Foreign Banks & Credit Institutes:					
Sight Deposit-IRR		0	0	0	0
Sight Deposits-Foreign Currency		2.313	1,546	2.313	1,049
Received Loans-Foreign Currency	40-4	0	0	0	0
Debt in the current account (overdraft from the account)		0	0		
Other		0	0		
Total Dues to Foreign Banks & Credit Institutes:		2.313	1,546	2.313	1,049
Total Dues to Banks & Credit Institutes:		**8.817.236**	**45.523.694**	**5.809.114**	**41.942.614**

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

40.2. IRR loans received from local banks and credit institutes include a loan obtained by Karafarin Leasing Company from EN Bank bearing interest rate of 18% and due in 2023-24, two items of loans received by Karafarin Brokerage from Mellat and Tejarat Bank with an interest rate of 23% and due in 2023-24 and also one item of loans received by Karafarin Financial Group from EN Bank with an interest rate of 22% and due in 2023-24.

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

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

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

41. Dividends Payable

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

	Parent Company					
	DPS	Ratified Dividends	Balance on 20.03.2022	Dividends Paid during 2022-23	Capital Increase from Claims	Balance on 20.03.2023
	IRR Million	IRR Million	IRR Million	IRR Million	IRR Million	IRR Million
Balance of dividends payable from Previous Years			27.569	(9.054)	0	18.515
Year Ended 19.03.2020	140	5,530,000	3.177	0	0	3.177
Year Ended 20.03.2021	160	6.320.000	0	(6.301.393)	0	18.607
Total			**30.747**	**(6.610.447)**	**0**	**40.299**

*The balance of dividends payable at the end of 1401 due to non-payment of claims by the bank is mainly due to the fact that some shareholders are not alive or do not live in Iran,that despite the notification through SMS and announcement of the interest payment schedule in "Codal" system and the official website of the bank, they have not referred to the bank regarding the announcement of the account number for depositing interest.According to the announcement of the Securities and Exchange Organization regarding the payment of shareholders' annual claims, a part of the shareholders' claims (registered in the Sejam system) has been paid on 24/05/2022.

42. Debt Securities

	Group & Parent Company						
	Issuing Date	Maturity Date	On-account/ Final Interest Rate	Nominal Amount	Discount on Bonds	Balance at End of Year	
						20.03.2023	20.03.2022
			%	IRR Million	IRR Million	IRR Million	IRR Million
Participation Bonds	-	-	-	0	0	0	0
Sukuk Bonds	-	-	-	0	0	0	0
Total				**0**	**0**	**0**	**0**

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43. Corporation Tax Provision

	Group		Parent Company	
	20.03.2023	20.03.2022	20.03.2023	20.03.2022
	IRR Million	IRR Million	IRR Million	IRR Million
Balance at Beginning of Year	1.750.510	1,376,030	1.296.051	995.340
Correcting Corporation Tax of Previous Years	125.131	0	125.131	0
Corporation Tax for the current Year	1.106.911	897,263	502.977	472.414
Corporation Tax of previous years (Note 43-5)	283	23,534	0	0
Paid during the Year	(407.506)	(546,317)	0	(171.703)
Tax Prepayments	0	0	0	0
Balance at End of Year	**2.575.329**	**1,750,510**	**1.924.159**	**1.296.051**

43.1. The Bank's corporation taxes for years prior to 2016-17 have been finalised and settled. The following table indicates a summary of tax payable from 2015-16 to end of 2022-23:

	20.03.2023							20.03.2022 (restated)	
Fiscal Year	Declared Profit (Loss)	Taxable Income	Declared	Recognised	Tax Final	Paid	Provision Balance	Provision Balance	Recognition Method
2015-16	3,196,510	2,643,235	528,647	1,089,012	897,205	897,205	0	0	Notes of Tax Assessment Issued & Appeal
2016-17	1,819,020	483,269	96,654	750,497	0	96,654	123,637	123.637	Appealing in the Board of Appeal
2017-18	630,365	0	0	1,248,745	0	0	0	0	Parallel panel high tax council
2018-19	1,237,392	0	0	945,250	0	0	125.131	0	Parallel panel high tax council
2019-20	3,085,761	476,036	95,207	95,207	0	95.207	0	0	Appealing in the Board of Appeal
2020-21	12,301,803	0	171,703	1,925,504	0	171,703	700,000	700.000	Appealing in the Board of Appeal
2021-22	13,644,277	2,099,619	472,414	0	0	0	472,414	472.414	not handled
2022-23	13.510.377	2.235.453	502.977	0	0	0	502.977	0	-
Tax Prepayments							0	0	
Tax Provision Balance							**1.924.159**	**1.296.051**	

43.1.1. The main differences between the declared and recognised tax are related to the following: 1- return of expenses related to non-taxable income from investing in stocks and bonds 2- return of the cost related to reserves of doubtful loans 3- The return of interest on fixed deposit and on account, which has been paid in accordance with the banking laws without usury. 4-Including the profit from excess resources to the expenses of branches located in free zones. 5- Including the difference between the exchange rate of the central bank and the free market rate.
It is worth mentioning that with regard to the opinions of the competent authorities regarding similar cases, including the decree No. 9909970905811636 dated 26/01/2021 of the General Board of the Court of Administrative Justice regarding the acceptance of costs related to investment and the legal reference to the judgment of the Court for 2009-10 and 2013-14 and the parallel panel related to bank's performance In 2014-15, and similar votes for different banks regarding the issue of accepting the sharing of the costs of non-excluded (and not exempt) incomes and the cost of storing doubtful receivables, there is a possibility of obtaining similar votes for other years as well. On the other hand, according to the decision of the General Board of the Court of Administrative Justice following the petition No. 140109970905810997 dated 23/08/2022, the non-acceptance of the interest paid by this bank to the depositors as an acceptable expense has no legal basis. Therefore, the debt will not be probable for this reason. In addition, according to the decision of the general board following the decree No. 140109970905810902 dated 02/08/2022, the tax on the year-end exchange rate profit and the excess identified in the investigation and implementation report has no legal basis. Also, in relation to the declared tax of 2021-22 and 2022-23, the zero-tax rate related to the undivided transfer to capital, the subject of paragraph (f) note 2 of the budget law of the said years has also been used.

43.1.2. According to the latest decisions of the Court of Administrative Justice regarding the cases of 2003-04, 2009-10, 2013-14, 2014-15, all the issues objected by the bank have been approved by the respected experts of the implementation of the court's order, and for the years 2003-04 and 2009-10, according to the decision of the court, 27 billion and 62 billion Rials respectively, has been issued for the return of the tax principal in favor of the bank.
For the year 2013-14, the decision without reference to the committee of reconciliation and calculation has been issued according to the decision of the court and completely in favor of the bank. Also, for the year 2014-15, the decision issued by the court after the decision of the parallel board (in favor of the bank) is in the stage of calculations and implementation. In order to assert the bank's legal rights, the case of 2014 was filed in the Court of Administrative Justice, and according to the latest reports of the enforcement officers, all the issues objected to by the bank have been approved by the respected experts of the court's enforcement, and they believe in the illegality of the tax administration's procedure about this case.

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

43.1.4. Regarding the performance of the years 2017-18 and 2018-19, due to the violation of the decision of the Appeals Tax Dispute Resolution Board by the Supreme Tax Council, according to the council's decision, the tax review board should adjust the amount of tax for the correction of the return of the interest paid to the depositors. In addition, regarding other protest cases of the bank that were not accepted by the Supreme Tax Council, a dispute has been filed in the Court of Administrative Justice.

43.1.5. Regarding the tax file of 2018-19, it is recalled that the electronic notification system of the Tax Affairs Organization accepted the bank's tax declaration and proceeded to issue a tax identification sheet equivalent to the tax declared by the bank in the declaration sent, which was accepted by the bank through a written letter and a request for a definitive tax form has been made. On the other hand, the Tax Affairs Organization has issued another recognition sheet in violation of the law and the provisions of Articles 26 and 27 of the Executive Regulations of Article 219 of the Civil Code as well as the provisions of Article 227 of the Civil Code in the amount of 1,970,129 million Rials. The bank's protest against the second recognition sheet (not the supplementary sheet) is ongoing in the dispute

resolution panel.
*Tax paid refers to payments made to the Ministry of Economic and Financial Affairs.

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

43.3. According to the tax laws, in the current period, the bank has used exemptions from the income of free zones and capital increase from undivided profits (Budget Law of 2023-24), (Note 6-43).

43.4. The sum of the amounts paid and payable at the end of the reported year amounting to 2,677,480 million Rials is less than the sum of the tax assessment or determination papers issued by the Tax Administration as follows, which is contested, therefore the debt for them is not included in the accounts.

Tax paid and payable	Diagnostic/fixed tax	Surplus claimed by the Tax Administration
IRR Million	IRR Million	IRR Million
3.184.928	5.862.408	2.677.480

43.4.1. The main reasons for the difference between the tax paid and the tax payable with the diagnostic/definitive tax are explained in explanatory note No. 43-1-1.

43.5. The main components of corporation tax are as follows:

Tax related to the income statement:				
continuing operations	Group		Parent Company	
	20.03.2023	20.03.2022	20.03.2023	20.03.2022
	IRR Million	IRR Million	IRR Million	IRR Million
current tax	1.106.911	897.263	502.977	472.414
The cost of differed tax related to the creation of differed tax liability	0	0	0	0
(differed tax income) related to the creation of differed tax assets	0	0	0	0
The cost of differed tax related to return of differed tax asset	0	0	0	0
(differed tax income) related to the return of differed tax debt	0	0	0	0
Current year's income tax expense	1.106.911	897.263	502.977	472.414
Income tax expense of previous years (Note 43-5-1)	283	23.534	0	0
Income tax expense from continuing operations	1.107.194	920.797	502.977	472.414

Tax related to the income statement:				
discontinued operations	Group		Parent Company	
	20.03.2023	20.03.2022	20.03.2023	20.03.2022
	IRR Million	IRR Million	IRR Million	IRR Million
current tax	0	0	0	0
The cost of differed tax related to the creation of differed tax liability	0	0	0	0
(differed tax income) related to the creation of differed tax assets	0	0	0	0
The cost of differed tax related to return of differed tax asset	0	0	0	0
(differed tax income) related to the return of differed tax debt	0	0	0	0
Current year's income tax expense	0	0	0	0
Income tax expense of previous years	0	0	0	0
Income tax expense/tax effect of discontinued operations (Note 14)	0	0	0	0

Tax related to other comprehensive income items:	Group		Parent Company	
	20.03.2023	20.03.2022	20.03.2023	20.03.2022
	IRR Million	IRR Million	IRR Million	IRR Million
current tax	0	0	0	0
Differed tax related to revaluation of fixed assets	0	0	0	0
Differed tax related to foreign currency exchange rate difference	0	0	0	0
Differed tax related to other comprehensive income items	0	0	0	0

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

continuing operations	Group		Parent Company	
	20.03.2023	20.03.2022	20.03.2023	20.03.2022
	IRR Million	IRR Million	IRR Million	IRR Million
Profit from continuing operations before tax	15.675.710	13.549.168	4.013.354	13.644.277
Profit (loss) of discontinued operations before tax	0	0	0	0
Accounting profit before tax	15.675.710	13.549.168	4.013.354	13.644.277
Income tax for ongoing operations and discontinued operations calculated with an applicable tax rate of 22.5% (March 2022 with an applicable tax rate of 22.5%)	3.527.035	3.048.563	3.153.005	3.069.962
Current taxes for previous years for continuing operations	0	0	0	0
Current taxes for previous years for discontinued operations	0	0	0	0
The effect of tax-exempt income (Note 43-3):				
Free zone branches profit	(19.062)	0	(19.062)	0
Bond income	(1.617.633)	(1.560.376)	(1.617.633)	(1.560.376)
Income from investments in company shares	(471.665)	(533.228)	(701.851)	(1.003.010)
Income from the sale of repossessed Assets	(280.605)	(31.804)	(280.605)	(31.804)
Sales revenue of Immovable property	(92.485)	(2.385)	(92.485)	(2.385)
Exemption of capital increase from undivided profits (Budget Law of 2023-24)	0	0	0	0
Effect of inadmissible expenses for tax purposes:	0	0	0	0
Unacceptable costs	61.609	0	61.609	0
Income tax calculated with an effective tax rate of 22.5% (year 2021-22 with an effective tax rate of 22.5%)	1.107.194	920.797	502.978	472.414
Income tax expense from continuing operations	1.107.194	920.797	502.978	472.414
Income tax expense/tax effect of discontinued operations (Note 14)	0	0	0	0

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

Financial Position statements	Group					
	20.03.2023			20.03.2022		
	Differed tax assets	Differed tax liability	Net	Differed tax assets	Differed tax liability	Net
	IRR Million	IRR Million	IRR Million	IRR Million	IRR Million	IRR Million
Accounts Payable - Unused Employee Leave	0	0	0	0	0	0
Tangible Fixed Assets - Revaluation	0	0	0	0	0	0
Differed tax asset (liability)	0	0	0	0	0	0

Financial Position statements	Parent Company					
	20.03.2023			20.03.2022		
	Differed tax assets	Differed tax liability	Net	Differed tax assets	Differed tax liability	Net
	IRR Million	IRR Million	IRR Million	IRR Million	IRR Million	IRR Million
Accounts Payable - Unused Employee Leave	0	0	0	0	0	0
Tangible Fixed Assets - Revaluation	0	0	0	0	0	0
Differed tax asset (liability)	0	0	0	0	0	0

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

2022-23	Group	Parent Company				
	Balance at the end of the year	Balance at the beginning of the year	Recognized in the income statement	Recognized in other comprehensive income	acquisition/ disposal	Balance at the end of the year
	IRR Million	IRR Million	IRR Million	IRR Million	IRR Million	IRR Million
Differed tax assets (liabilities) related to:						
Accounts Payable	0	0	0	0	0	0
Tangible fixed assets	0	0	0	0	0	0
Balance	0	0	0	0	0	0

2021-22	Group	Parent Company				
	Balance at the end of the year	Balance at the beginning of the year	Recognized in the income statement	Recognized in other comprehensive income	acquisition/ disposal	Balance at the end of the year
	IRR Million	IRR Million	IRR Million	IRR Million	IRR Million	IRR Million
Differed tax assets (liabilities) related to:						
Accounts Payable	0	0	0	0	0	0
Tangible fixed assets	0	0	0	0	0	0
Balance	0	0	0	0	0	0

44. Provisions and Other Liabilities

	note	Group		Parent Company	
		20.03.2022	20.03.2021	20.03.2022	20.03.2021
		IRR Million	IRR Million	IRR Million	IRR Million
Loans Received from the National Development Fund	44-1	142.252	172,918	142.252	172,918
The Bank's Debt for Term L/Cs-IRR		5.696.260	2,555,033	5.696.260	2,555,033
The Bank's Debt for Term L/ Cs-Foreign Currency		100.922	87,766	100.922	87,766
Insurance Premium Payable		409.701	279,545	374.793	264,592
Payable Expenses Provision	44-2	2.245.612	1,717,754	2.075.806	1,613,426
Provision for Deposit Guarantee Fund	44-3	240.586	211,379	240.586	211,379
Customers' Foreign Currency Payment Order	44-4	5.722.882	1,710,839	5.722.882	1,710,839
Foreign Currency L/Cs		83.164	68,875	83.164	68,875
Shetab Creditors		1.073.907	655,962	1.073.907	655,962
Creditors of Prepaid Cards		972.000	652,203	972.000	652,203
Creditors of Deferred Commission on Foreign Currency L/Gs		194.852	125,476	194.852	125,476
Creditors of Voucher Card		69.863	84,314	69.863	84,314
Good Performance Deposit of Contractors		286.784	201,363	212.412	175,266
Advances Received on Properties		25.154	1,073,907	25.154	1,073,907
Nima Local Creditors		708.701	164,002	708.701	164,002
Local Creditors of Prepayment Card		5.479	2,032	5.479	2,032
Accounts & Notes Payable of Subsidiaries to Companies & Parties		4.850.106	1,555,422	0	0
Debt to subsidiaries and affiliates		0	0	365.713	1.023.610
Other Liabilities		2.498.287	402,633	2.498.287	402,633
Total Provisions & Other Liabilities		**25.326.513**	**11,721,424**	**20.563.032**	**11.044.232**

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

	2022-23								2021-22	
	Amounts Received	Foreign Currency	Date Received	Maturity Date	No. of Instalments	Interest Rate-%	Loans Balance - Foreign Currency	Loans Balance	Loans Balance - Foreign Currency	Loans Balance
						%		IRR Million		IRR Million
Foreign Currency Loans:										
	2,750	EUR	11/2/2021	28/11/2028	9	6	347	92	182	40
	2,750	EUR	5/9/2021	28/11/2028	9	6	2.881	764	1,012	223
Total Foreign Currency Loans								**855**		**263**
IRR Loans								**IRR Million**		**IRR Million**
	48,339	**IRR**	**19/06/2015**	**19/06/2023**	**18**	**19**		**141,397**		**172,655**
Total IRR Loans								**141,397**		**172,655**
Total Loans Received from the National Development Fund								**142,252**		**172,918**

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

Fiscal Year	Tax Subject	Claim Notice	Tax Payable Based on the Final Notice	Tax Paid	Comments
2019-20	Clause B	423.634	0	0	Objection to the primary tax dispute resolution board
	Clause P	0	0	0	Not to issue a claim notice
2020-21	Clause B	966.396	0	0	Objection to the primary tax dispute resolution board
	Clause P	0	0	0	Issuance of claim notice

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

44.2.2. The amount of 423.634 million Rials and 966.396 million Rials has been demanded from the bank for the tax subject of paragraph (b) of the law on removing obstacles to production for the years 2019-20 and 2020-21, respectively. With the objection of the bank, the case of the mentioned years has been referred to the tax dispute settlement committee. Considering the votes issued by the tax dispute resolution board of 2017-18 and the parallel board of 2016-17 regarding the non-inclusion of tax on the profit from the sale of shares, there is a possibility of reducing the tax claimed for the mentioned years and it is expected that the tax of clause (b) of the years 2019-20 and 2020-21 adjusted and equal to the amounts of 36.505 million Rials and 187.854 million Rials, respectively.
Also, based on Article 4 of the Housing Production Jump Law approved in 2021-22, banks and credit institutions are required to allocate at least 20% of the payment facilities of the banking system to the housing sector each year. According to the executive instructions for granting facilities for construction and renovation of housing under number 271496/00 dated 8 December 2021 of the CBI, any request to receive the facilities that are the subject of this instruction must be registered in a special system determined by the Ministry of Roads and Urban Development for this purpose. Banks are obliged to examine the said requests and if the applicant is eligible according to the provisions of the said instructions, proceed to conclude a contract for the payment of facilities. In addition, according to the provisions of Article 12 of the said directive and the note of the aforementioned article, in case of non-compliance with the conditions stipulated in this directive, which are considered necessary for granting facilities, the tax affairs organization will collect a tax equal to 20% of the unfulfilled obligation from the operating bank in the form of an annual budget. . However, the Tax Affairs Organization, without taking into account the criteria stipulated in the mentioned instructions and solely based on the amount of facilities determined by the CBI, according to Note 5, Article 4 of the aforementioned law, for the first year of the implementation of the law until 21 September 2022, He has considered the bank subject to taxes and has demanded the amount of 21,000 billion riyals from the bank based on the issued assessment sheet.

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

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

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45. Provision for Employees' Work Termination Benefits and Retirement

	note	Group		Parent Company					
		20.03.2023	20.03.2022	20.03.2023			20.03.2022		
		Provision for Work Termination Benefits	Provision for Work Termination Benefits	Provision for Work Termination Benefits	Provision for Employees' Retirement	Total	Provision for Work Termination Benefits	Provision for Employees' Retirement	Total
		IRR Million	IRR Million	IRR Million	IRR Million	IRR Million	IRR Million	IRR Million	IRR Million
Balance at Beginning of Year		1.837.643	1,248,314	1.718.515	0	1.718.515	1,220,754	0	1,220,754
Paid during Year		(90.757)	(86,393)	(53.215)	0	(53.215)	(69,716)	0	(69,716)
Provision for the Year	45-1	1.153.083	675,722	1.027.003	0	1.027.003	567,478	0	567,478
Balance at End of Year		**2.899.969**	**1,837,643**	**2.692.304**	**0**	**2.692.304**	**1,718,515**	**0**	**1,718,515**

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

46. Capital

The initial capital of the Bank was IRR30,000 million (including 30,000,000 million shares, with par value of IRR1,000 each). However, it increased on some occasions and reached IRR46,000,000 million (including 46,000,000,000 shares, each at nominal value of IRR1,000).

Capital Increase Registration Date	% of Capital Increase	Amount of Capital Increase	New Capital Amount	Capital Increase Source
		IRR Million	IRR Million	
02.08.2001	233%	70,000	100,000	Claims & Cash Contributions
22.12.2001	100%	100,000	200,000	Claims & Cash Contributions
13.11.2004	75%	150,000	350,000	Cash Contributions
26.09.2005	100%	350,000	700,000	Claims & Cash Contributions
19.12.2007	50%	350,000	1,050,000	Claims & Cash Contributions
22.12.2008	90%	950,000	2,000,000	Claims & Cash Contributions
03.10.2010	50%	1,000,000	3,000,000	Claims & Cash Contributions
11.09.2011	50%	1,500,000	4,500,000	Claims & Cash Contributions
22.09.2012	61%	2,750,000	7,250,000	Revaluation Surplus & Retained Earnings
28.05.2014	17%	1,250,000	8,500,000	Claims & Cash Contributions
06.11.2020	216%	18,342,986	26,842,986	Revaluation Surplus & Other Reserves
25.10.2021	47%	12,657,014	39,500,000	Claims & Cash Contributions
12.02.2023	16%	6.500.000	46.000.000	Retained Earnings & Other Reserves

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

	20.03.2023			20.03.2022	
	No. of Shares	% of Shares		No. of Shares	% of Shares
Holding 1% Share & Above		%			%
Legal Entities:					
Tadbir Investment Co. (Private Joint Stock)	3,577,551,942	7.8%	Saba Tamin Investment Co. (Public Joint Stock)	3,936,308,290	10%
Saba Tamin Investment Co. (Public Joint Stock)	3,457,626,091	7.5%	Tadbir Investment Co. (Private Joint Stock)	3,072,028,306	7.8%
Karafarin Insurance Co. (Public Joint Stock)	3,180,453,631	6.9%	Karafarin Insurance Co. (Public Joint Stock)	2,732,041,712	6.9%
Negin Ganjineh Iranian Co. (Private Joint Stock)	2,299,999,968	5%	Negin Ganjineh Iranian Co. (Private Joint Stock)	1,974,999,977	5%
Mehrafarinan Doran Co. (Private Joint Stock)	2,299,999,965	5%	Mehrafarinan Doran Co. (Private Joint Stock)	1,974,999,976	5%
Idea Gostar Dourandish Co. (Private Joint Stock)	2,299,999,963	5%	Idea Gostar Dourandish Co. (Private Joint Stock)	1,974,999,975	5%
Tose'e Eghtesad Farda Co. (Private Joint Stock)	2,299,994,556	5%	Tose'e Eghtesad Farda Co. (Private Joint Stock)	1,974,995,332	5%
Faraz & Foroud Eghtesad Ayandeh Co. (Private Joint Stock)	2,156,700,202	4.7%	Faraz & Foroud Eghtesad Ayandeh Co. (Private Joint Stock)	1,851,949,092	4.7%
Sabatamin Management Services Company (Special Shares)	1,052,237,296	2.3%	Sabatamin Management Services Company (Special Shares)	903,551,593	2.3%
Padideh Afarin Shafagh Co. (Private Joint Stock)	869,649,285	1.9%	Padideh Afarin Shafagh Co. (Private Joint Stock)	746,764,062	1.9%
Mehr Ayandegan Financial Development Group (Public Joint Stock)	856,834,615	1.9%	Mehr Ayandegan Financial Development Group (Public Joint Stock)	735,760,160	1.9%
Paydare Sepehr deposit investment fund	769,747,988	1.7%	Omid Welfare & Future Prosperity Institute	649,733,900	1.6%
Omid Welfare & Future Prosperity Institute	756,652,135	1.6%	Karafarin Brokerage Mutual Investment Fund	643,135,406	1.6%
Sarzamin Pahnavar Mehr Co. (Private Joint Stock)	729,908,788	1.6%	Sarzamin Pahnavar Mehr Co. (Private Joint Stock)	626,769,505	1.6%
Amin 1th farda investment fund	672,329,344	1.5%	Arman Karafarin Investment Fund	613,441,991	1.6%
Karafarin Brokerage Mutual Investment Fund	610,159,522	1.3%	Lotus Parsian Investment Fund	450,036,000	1.1%
Lotus Parsian Investment Fund	524,092,556	1.1%			
	28,413,937,847	**61.8%**		**24,861,515,277**	**62.9%**
Individuals (Including 7 Shareholders)	7,841,604,350	17%	Individuals (Including 7 Shareholders)	6,758,051,576	17.1%
Others (Holding Below 1% Share)			Others (Holding Below 1% Share)		
Legal Entities (Including 96 Shareholders)	**4,164,627,672**	**9.1%**	**Legal Entities (Including 105 Shareholders)**	**2,831,760,895**	7.2%
Individuals (Including 10.541 Shareholders)	**5,579,830,131**	**12.1%**	**Individuals (Including 13,313 Shareholders)**	**5,048,672,252**	12.8%
Total	**46,000,000,000**	**100%**	**Total**	**39,500,000,000**	**100%**

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

	2022-23 No. of Shares	2021-22 No. of Shares
The balance at the beginning of the period	39.500.000.000	26.842.986.300
Capital increase from accumulated earnings and other reserves	6.500.000.000	12.657.013.700
Balance at the end of the period	46.000.000.000	39.500.000.000

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

	2022-23		2021-22	
	No. of Shares	Ownership percentage	No. of Shares	Ownership percentage
Karafarin Financial Group	1.418.036	0.0031%	143.760.894	0.36%
Karafarin brokerage	1.585.448	0.0034%	50.168.168	0.13%
Karafarin Asre Amin	0	0%	7.894.995	0.02%
Omid Karafarin Commercial Development	0	0%	300.000	0.001%
Total	**3.003.484**	**0.0065%**	**202.124.057**	**0.51%**

46.4. The bank's capital adequacy ratio on the date of the financial statement is equal to 13.17%, which is based on the requirements announced by CBI. The minimum equivalent of 8 percent has been determined. Therefore, this bank has achieved the minimum capital adequacy ratio on the date of the statement of financial position. Detailed information in this regard has been disclosed in the description of Note No. 64-7 (Capital Management).

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

47. Capital Increase in Process

On 20/03/2023, there was no capital increase in the bank and its subsidiaries.

48. Shares Premium Reserve

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

49.Legal Reserve

	note	Group		Parent Company	
		20.03.2023	20.03.2022	20.03.2023	20.03.2022
		IRR Million	IRR Million	IRR Million	IRR Million
Balance at Beginning of Year		8,239,832	6,116,057	7,932,529	5,956,750
Transferred from Distributable Profit	49-1	2.091.633	2,123,775	2.026.557	1,975,779
Balance at End of Year		**10.331.465**	**8,239,832**	**9.959.086**	**7,932,529**

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

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50. Other Reserves

	note	Group		Parent Company	
		20.03.2023	20.03.2022	20.03.2023	20.03.2022
		IRR Million	IRR Million	IRR Million	IRR Million
Balance at Beginning of Year		3,239,237	2,300,593	2,958,053	2,160,426
Decrease		(2.958.053)	0	(2.958.053)	0
Transferred from Distributable Profit	50-1	1.324.769	938,643	1.186.102	797,627
Balance at End of Year		**1.605.953**	**3,239,237**	**1.186.102**	**2,958,053**

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

51. Assets Revaluation Surplus

	Group		Parent Company	
	20.03.2023	20.03.2022	20.03.2023	20.03.2022
	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**

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

Assets revaluation surplus of the Parent Company is as follows:

	20.03.2023			20.03.2022
	Assets Revaluation Surplus	Capital Increase	Assets Revaluation Balance	Assets Revaluation Balance
	IRR Million	IRR Million	IRR Million	IRR Million
10.03.2012	2,043,597	(2,000,000)	43,597	43,597
21.09.2020	16,366,420	(16,409,063)	(42,644)	(42,644)
	18,410,016	(18,409,063)	953	953
long-term investments				
	0	0	0	0
	0	0	0	0
Other				
	0	0	0	0
	0	0	0	0
Total	18,410,016	(18,409,063)	953	953

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52. Foreign Exchange Difference

	Group & Parent Company	
	20.03.2023	20.03.2022
	IRR Million	IRR Million
Difference in Foreign Exchange of Overseas Operations		
Operation ... in the country ...	0	0
Total	0	0
Results of Legal Changes in Foreign Currency Rate	0	0
Foreign Exchange Difference	0	0

53. Treasury Shares

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

Group						
	20.03.2023				20.03.2022	
Date	Number	Amount	Shares Premium from Sale	Shares Discount from Sale	Number	Amount
Purchase	41.571.657	(116.361)	0	0	310.085.877	(1.027.548)
sale	9.743.532	34.017	0	0	(161.314.769)	553.331
Capital Increase	0	0	0	0	24.897.885	0
Net purchase (sale) during the period	31.828.125	(82.344)	0	0	173.668.993	(474.217)
Balance at Beginning of Year	173,668,993	(474,217)			0	0
Balance at End of Year	205.497.118	(556.561)			173.668.993	(474.217)

Parent Company						
	20.03.2023				20.03.2022	
Date	Number	Amount	Shares Premium from Sale	Shares Discount from Sale	Number	Amount
Purchase	41.571.657	(116.361)	0	0	310.085.877	(1.027.520)
sale	9.743.532	34.017	0	0	(161.314.769)	553.331
Capital Increase	0	0	0	0	24.897.885	0
Net purchase (sale) during the period	31.828.125	(82.344)	0	0	173.668.993	(474.189)
Balance at Beginning of Year	173,668,993	(474,189)			0	0
Balance at End of Year	205.497.118	(556.533)			173.668.993	(474.189)

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54. Premium on treasury shares

	Group				Parent Company			
	20.03.2023		20.03.2022		20.03.2023		20.03.2022	
	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	0	0	0	0	0	0	0
Loss from sale	0	0	0	0	0	0	0	0
transfer balance	0	0	0	0	0	0	0	0
Balance at the end of the year	**0**	**0**	**0**	**0**	**0**	**0**	**0**	**0**

54.1. Non-controlling Shareholders' interest

	Group	
	20.03.2023	20.03.2022
	IRR Million	IRR Million
Capital	1.028.598	1,026,519
Legal reserve & Other Reserves	89.416	88,690
Retained Earnings (Loss)	2.165.767	1,681,020
Minority share of the subsidiary's net assets	1.574.867	920,763
Non-controlling Shareholders' Interest	**4.858.649**	**3,716,992**

55. Correcting mistakes, changing accounting procedures and reclassification

55.1. Correcting mistakes:

	Group		Parent Company	
	2022-23	2021-22	2022-23	2021-22
	IRR Million	IRR Million	IRR Million	IRR Million
	0	0	0	0

55.2. Changes in accounting procedures:
In the reported period, there was no change in accounting procedures.

55.3. Reclassification:

55.3.1. According to the sixth edition of CBI sample financial statements, announced in April 2022, changes have been made in some classes of financial statements, which are described in notes 55-4-1, 55-4-2 and 55-4-3.

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

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

	Group					
	According to the financial statements	Adjustments				(reclassified)
	20.03.2022	Correction of mistakes	change in accounting procedures	Reclassification	Total adjustments	20.03.2022
	IRR Million	IRR Million	IRR Million	IRR Million	IRR Million	IRR Million
Financial Position statement						
Non-current assets held for sale	0	0	0	4,329,200	4,329,200	4,329,200
Other assets	7,488,853	0	0	(4,329,200)	(4,329,200)	3,159,652
Customer deposits	111,881,249	0	0	331,045,132	331,045,132	442,926,381
Debt to banks and non-bank credit institutions	43,597,175	0	0	1,926,519	1,926,519	45,523,694
The rights of owners of investment deposits	332,971,652	0	0	(332,971,652)	(332,971,652)	0

	Parent Company					
	According to the financial statements	Adjustments				(reclassified)
	20.03.2022	Correction of mistakes	change in accounting procedures	Reclassification	Total adjustments	20.03.2022
	IRR Million	IRR Million	IRR Million	IRR Million	IRR Million	IRR Million
Financial Position statement						
Non-current assets held for sale	0	0	0	4,299,200	4,299,200	4,299,200
Other assets	7,169,676	0	0	(4,299,200)	(4,299,200)	2,870,475
Customer deposits	112,149,501	0	0	331,856,703	331,856,703	444,006,204
Debt to banks and non-bank credit institutions	40,016,094	0	0	1,926,519	1,926,519	41,942,614
The rights of owners of investment deposits	333,783,222	0	0	(333,783,222)	(333,783,222)	0

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55.4.2. Modification and re-presentation of financial statements of 20/03/2021

	Group					
	According to the financial statements	Adjustments				(reclassified)
	21.03.2021	Correction of mistakes	change in accounting procedures	Reclassification	Total adjustments	21.03.2021
	IRR Million	IRR Million	IRR Million	IRR Million	IRR Million	IRR Million
Financial Position statement						
Non-current assets held for sale	0	0	0	4,060,860	4,060,860	4,060,860
Other assets	6,216,041	0	0	(4,060,860)	(4,060,860)	2,155,181
Customer deposits	63,652,091	0	0	281,261,629	281,261,629	344,913,719
Debt to banks and non-bank credit institutions	8,038,060	0	0	2,147,389	2,147,389	10,185,450
The rights of owners of investment deposits	283,409,018	0	0	(283,409,018)	(283,409,018)	0

	Parent Company					
	According to the financial statements	Adjustments				(reclassified)
	21.03.2021	Correction of mistakes	change in accounting procedures	Reclassification	Total adjustments	21.03.2021
	IRR Million	IRR Million	IRR Million	IRR Million	IRR Million	IRR Million
Financial Position statement						
Non-current assets held for sale	0	0	0	4,030,860	4,030,860	4,030,860
Other assets	5,633,538	0	0	(4,030,860)	(4,030,860)	1,602,678
Customer deposits	65,680,510	0	0	281,615,340	281,615,340	347,295,850
Debt to banks and non-bank credit institutions	6,171,978	0	0	2,147,389	2,147,389	8,319,367
The rights of owners of investment deposits	283,762,729	0	0	(283,762,729)	(283,762,729)	0

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56. Cash flow from operations

	Group			Parent Company		
	2022-23		2021-22	2022-23		2021-22
	IRR Million	IRR Million	IRR Million	IRR Million	IRR Million	IRR Million
Net Profit (Loss)		14,568,516	12,628,371		13,510,377	13,171,863
Adjustments:						
Depreciation Expense		842,770	559,046		720,241	444,071
Corporation Tax		1,107,194	920,797		502,977	472,414
Net Increase (Decrease) in Work Termination Benefits Provision and employee retirement obligations		1,062,326	589,329		973,788	497,762
Financial Expenses		0	0		0	0
Net other non-operating incomes and expenses		(1,428,147)	(151,977)		(1,691,131)	(151,686)
Loss (profit) resulting from the transfer of investments related to non-banking activities		0	0		(51,472)	
Net loss (profit) decrease (increase) in the value of investments		0	0		0	
Dividends of companies and units of investment funds (related to non-banking activities)		(1,044,159)	(1,078,854)		(1,199,062)	(2,025,518)
Decrease in assets value		0	0		0	0
Net Loss (Profit) from Foreign Exchange of Cash		(1,230,101)	(888,307)		(1,190,293)	(850,347)
Total		**(690,118)**	**(49,967)**		**(1,934,952)**	**(1,613,304)**
Changes in operating assets and liabilities						
Increase (decrease) in debt to banks and other non-bank credit institutions, excluding received facilities	(36,706,458)		35,338,244	(36,133,499)		33,623,246
Increase (decrease) customer deposits	61,556,960		98,012,662	62,191,811		96,710,353
Increase (decrease) the operational share of reserves and other payables	13,605,089		950,498	9,643,930		2,847,179
Reducing (increasing) claims from banks and other non-bank credit institutions	9,222,679		(7,354,500)	9,222,679		(7,354,500)
Reducing (increasing) demands from the government	0		0	0		0
Reducing (increasing) granting facilities and demands from government entities	0		0	0		0
Reducing (increasing) granting facilities and demands from non-governmental entities	(45,223,939)		(99,685,452)	(46,399,298)		(99,766,967)
Decrease (increase) investment in stocks and other securities	6,715,700		(11,791,965)	11,404,144		(10,175,299)
Reducing (increasing) claims from subsidiaries and affiliates	1,517		89,315	(2,229,483)		(187,253)
Reducing (increasing) the operational share of other receivables	(5,740,339)		(2,435,123)	(4,018,083)		(1,820,116)
Reduction (increase) of legal deposit	(7,248,681)		(12,960,318)	(7,248,681)		(12,960,318)
Reducing (increasing) the operational share of other assets	(2,857,015)		(1,004,471)	(2,903,216)		(1,267,797)
Decrease (increase) of goodwill	1		98,945	0		0
Total		(6,674,487)	(742,165)		(6,469,696)	(351,471)
Cash flow from operations		**7,203,912**	**11,836,239**		**5,105,729**	**11,207,088**

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

	Group		
	Received Financial Loans	Debt bonds and partnership bonds	Total
	IRR Million	IRR Million	IRR Million
Balance at the beginning of 2021-22	0	0	0
Cash receipts	2.757.970	0	2.757.970
Interest, fees and penalties	0	0	0
Cash payments for principal	(1.596.000)	0	(1.596.000)
Cash payments for interest	0	0	0
The impact of exchange rate changes	0	0	0
Balance at the end of 2021-22	1.161.970	0	1.161.970
Cash receipts	0	0	0
Interest, fees and penalties	0	0	0
Cash payments for principal	0	0	0
Cash payments for interest	0	0	0
The impact of exchange rate changes	0	0	0
balance on 20.03.2023	**1.161.970**	**0**	**1.161.970**

	Parent Company		
	Received Financial Loans	Debt bonds and partnership bonds	Total
	IRR Million	IRR Million	IRR Million
Balance at the beginning of 2021-22	0	0	0
Cash receipts	0	0	0
Interest, fees and penalties	0	0	0
Cash payments for principal	0	0	0
Cash payments for interest	0	0	0
The impact of exchange rate changes	0	0	0
Balance at the end of 2021-22	0	0	0
Cash receipts	0	0	0
Interest, fees and penalties	0	0	0
Cash payments for principal	0	0	0
Cash payments for interest	0	0	0
The impact of exchange rate changes	0	0	0
balance on 20.03.2023	**0**	**0**	**0**

58. Non-cash Transactions

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

	note	Group		Parent Company	
		2022-23	2021-22	2022-23	2021-22
		IRR Million	IRR Million	IRR Million	IRR Million
Assets Repossessed against Granted Loans	58-1	1.025.675	416,104	1.025.675	416,104
Assets Exchange with Granted Loans	58-2	0	0	0	0
Exchange of assets	58-3	0	0	0	0
Capital Increase from Matured Claims of Shareholders		1.000.000	1,170,681	0	0
decrease in investments through an increase in accounts receivable		1.645.009	2,710,000	0	0
increase in investments through an increase in accounts payable		946.000	282,713	0	0
Asset additions in the course of completion from the loans received from the National Development Fund		278	8,611	0	0
Total Non-Cash Transactions		4.616.962	3.767.428	1.025.675	416,104

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

Repossessed Asset	Customers' Relation Type	Debt Amount at Time of Repossession	Repossessed Assets Value based on the Expert's Opinion	Amount Paid by Customer (Write-off by the Bank	Amounts Paid for Excess Value of Repossessed Assets based on Expert's Opinion	Debt Balance After Repossession
		IRR Million	IRR Million	IRR Million	IRR Million	IRR Million
Residential Property	Unrelated Customer	186.367	(147.959)	(2.336)	0	36.072
Commercial/ Residential Property	Unrelated Customer	600	(600)	0	0	0
Land	Unrelated Customer	162.430	(161.999)	0	0	431
Office Property	Unrelated Customer	9.229	(9.229)	0	0	0
Commercial Property	Unrelated Customer	3.648.707	(705.888)	(790.786)	0	2.152.033
Garden	Unrelated Customer	0	0	0	0	0
Commercial/ Office/ Residential Property	Unrelated Customer	0	0	0	0	0
commodity	Unrelated Customer	0	0	0	0	0
Motor Vehicles	Unrelated Customer	0	0	0	0	0
Total		**4.007.333**	**(1.025.675)**	**(793.122)**	**0**	**2.188.535**

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

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

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

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

59. Off-balance Sheet Items

59.1. Commitments on IRR and foreign currency L/Cs

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

Foreign Currency	Group & Parent Company												
	Balance at Beginning of Year			Opened (Commitment Increase) during Year			Deposited (Cancelled) during Year			Impact of Exchange Rate Fluctuations during Year	Balance at End of Year		
	Number	Foreign Currency Amount	IRR Equivalent IRR Million	Number	Foreign Currency Amount	IRR Equivalent IRR Million	Number	Foreign Currency Amount	IRR Equivalent IRR Million	IRR Equivalent IRR Million	Number	Foreign Currency Amount	IRR Equivalent IRR Million
Sight:													
CNY	0	0	0	0	0	0	0	0	0	0	0	0	0
EUR	0	0	0	0	0	0	0	0	0	0	0	0	0
INR	0	0	0	0	0	0	0	0	0	0	0	0	0
JPY	0	0	0	0	0	0	0	0	0	0	0	0	0
OMR	0	0	0	0	0	0	0	0	0	0	0	0	0
TRY	0	0	0	0	0	0	0	0	0	0	0	0	0
Total	**0**		**0**			**0**			**0**	**0**			**0**
Term:													
CNY	1	340,320	10.659	0	0	0	0	0	0	1.563	1	340,320	12.222
Total			**10.659**			**0**			**0**	**1.563**			**12.222**
Total			**10.659**			**0**			**0**	**1.563**			**12.222**

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59.1.2. The Bank's commitments on IRR L/Cs are as follows:

L/C Type	Group & Parent Company							
	Balance at Beginning of Year		Opened during Year		Deposited (Cancelled) during Year		Balance at End of Year	
	Number	IRRMillion	Number	IRR Million	Number	IRR Million	Number	IRRMillion
Sight	4	1,005,173	10	4.840.121	12	4.260.084	2	1.585.210
Term	42	8,543,273	193	40.565.835	160	39.583.692	75	9.525.417
Total		**9,548,446**		**45.405.956**		**43.843.776**		**11.110.627**

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

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

Disposed Assets	20.03.2023		20.03.2022	
	Foreign Currency Amount	Equivalent IRR Million	Foreign Currency Amount	Equivalent IRR Million
EUR	38.645.574	10.241.077	38,767,104	8,528,763
USD	1.300.000	325.000	1,481,927	296,385
CNY	0	0	6,206,186	194,384
AED	6.051.708	407.637	4,000,000	216,968
IQD	0	0	64,500,000	8,810
Total Bank's Commitments on Foreign Currency L/Gs		**10.973.714**		**9,245,310**

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

	Group & Parent Company	
	20.03.2023	20.03.2022
	IRR Million	IRR Million
Commitments on Issued L/Gs	227.980.375	173,749,165

59.3. Other Bank's commitments are as follows:

	Group & Parent Company	
	20.03.2023	20.03.2022
	IRR Million	IRR Million
Commitments on Guarantee of Bonds & Similar Securities (Investment Funds)	23.200.000	9.080.000
Commitments on Credit Cards	0	0
Commitments on Foreign Currency Contracts- Foreign Currency Reserve Account	0	0
Commitments on Trade Unions Contracts	0	0
Commitments on Loans for Products	0	0
Commitments on IRR Contracts	0	0
Commitments on Contracts with Management & Planning Organisation	0	0
Bank's Commitments on National Development Fund-IRR	857.347	220.512
Bank's Commitments on National Development Fund-Foreign Currency	0	0
Pharmaceutical Credit Commitments Received	0	0
Obligations to guarantee liquidity of fixed income investment funds	55.851.132	74.025.965
Obligations for the concluded contract of bank transactions	1.677.772	887.692
Total Other Bank's Commitments	**81.586.251**	**84,214,169**

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59.4. Managed funds and similar items are as follows:

	Group & Parent Company	
	20.03.2023	20.03.2022
	IRR Million	IRR Million
Loans Granted from Managed Funds	408.849	465,660
Unconsumed Managed Funds	0	0
Loans Granted from Special Gharz-al Hassaneh Deposit	0	0
Unconsumed Special Gharz-al Hassaneh Deposit	0	0
Total Managed Funds & Similar Items	**408.849**	**465,660**

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

	Group & Parent Company	
	20.03.2023	20.03.2022
	IRR Million	IRR Million
Deposits	68.653.413	8,635,246
Bonds & Other Debt Securities Guaranteed by the Government & CBI	0	0
Bonds & Other Debt Securities Guaranteed by Other Banks	0	0
L/Gs	0	0
Transacted L/Cs	0	0
Shares Listed in TSE	0	0
Lands & Buildings	5.362.542	9,415,635
Machineries	0	0
Cheques & Promissory Notes	173.452.416	145,475,846
Others	2.608.568	29,026,854
Total Secured Commitments	**250.076.938**	**192,553,581**
Total Unsecured Commitments	0	0
Total Commitments on L/Cs & L/Gs	**250.076.938**	**192,553,581**

60. Capital Commitments and Contingent Liabilities

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

	Parent Company	
	20.03.2023	20.03.2022
	IRR Million	IRR Million
Buying comprehensive banking software	1.281.660	0
Buying property	856.075	0
Buying an ATM and printer	245.172	0
Buying a CCTV camera	101.624	0
Overhaul of the ventilation system	23.559	0
Branch purchase	12.600	782.746
Repair of ventilation system	6.334	0
Buying computer equipment	2.204	2.963.700
Buying software	1.750	125.945
Total	**2.530.978**	**3.872.392**

60.2. Contingent liabilities on the date of the financial statement are as follows:

The tax affairs organization has demanded 21.000 billion rials from the bank for the tax subject of note 5, article 4 of the housing production surge law for the first year of the implementation of the law. According to the bank's objection, the process of tax proceedings is ongoing in order to adjust the mentioned tax, and the result of the preliminary tax dispute settlement committee has not been determined until the date of preparing the financial statements.

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

Karafarin Brokerage Company

The company's performance tax has been finalized and settled by the end of 2019. 151.022 million rials have been paid for the performance of 2021-22 according to the declared tax and included in the accounts. For the reported financial period, due to the application of legal exemptions, the necessary reserve has been made in the accounts. As of the date of the statement of status, the company has no obligations and contingent liabilities subject to article 235 of the amendment to the Commercial Law, capital obligations and contingent assets.

Karafarin Leasing Company

The head of prepayments includes 40 billion rials of Mr. Zahedi's remaining claims in connection with the purchase of construction equipment within the framework of the partnership agreement
The company's performance tax for all years prior to 2020-21 has been finalized and settled. Regarding the performance of 2020-21, a final certificate has been issued for the total amount of 134,139 million Rials (including 17,354 million Rials fine), which the company has set aside in the accounts equal to the principal amount plus 10% penalty. Based on the agreements made with the Tax Administration, 35% of the principal debt in the amount of 20.247 million Rials was paid to the mentioned office and the rest was determined according to the notice of agreement dated 08.05.2023, in 6 checks in the amount of 6.267 million Rials for The principal of the debt and a check in the amount of 3.290 million Rials for fines due on 31.05.2023 to 04.12.2023 should be settled.
For the performance of the year, 2020-21 performance recognition sheets were issued and objected to by the company, and finally, according to the agreement made with the Tax Affairs Organization, the amount of debt due to the performance of the said year was determined to be 124.717 million Rials, which by applying the declared amount and paying the amount of 9.929 million Rials in On 01.05.2023, the remaining debt according to the notification of the distribution of the said organization has been divided in 4 check items of 4.350 million Rials for the principal of the debt and one check item of 1.087 million Rials for the fine due on 10.06.2023 until 14.10.2023. It is necessary to explain that the follow-up of the management regarding obtaining the definitive performance sheet for the said year is ongoing. The sum of the amounts paid and payable at the end of the reported year amounting to 2.531 million rials is less than the sum of the recognition papers issued by the relevant tax department, which is due to fines and has been exempted from tax. For the performance of the year 2022-23, based on the declared amounts and the application of legal exemptions and the exemption of Article 143 of the Islamic Civil Code, the necessary reserve has been made in the accounts. The company has no capital obligations on the date of the statement of financial position. The company has no obligations and possible liabilities are the subject of Article 235 of the amendment of the Commercial Law.

Karafarin Abniyeh Gostar Company

The performance tax of the company has been finalized and settled by the end of 2021-22. For the year 2022-23, the necessary reserve has been calculated and included in the accounts based on the declared taxable income. The company has no capital obligations resulting from the contracts concluded and approved on the date of the financial statement. The company has no possible debts subject to Article 235 of the amendment of the Trade Law. Value added taxes and duties for the second, third and fourth months of 2019-20 and all four periods of 2020-21 and periods of 1, 2 and 4 of 2021-22 have been finalized and paid, as well as taxes and duties on value added for the remaining periods of 2013-14 to 2018-19, which are handled by the organization. Tax affairs have not been placed. A tax and value added tax claim form was issued for the third quarter of 1400 in the amount of 622 million Rials, which the company has protested. Salary tax until the end of 2021-22 and the crimes of Article 169 of the Islamic Civil Code until the end of 2020-21 have been determined and settled. A tax claim form was issued under Article 169 of 2020-21 in the amount of 25.684 million Rials, which the company has protested against. In addition, the company's offices have not been investigated by the Social Security Organization since its establishment.

Karafarin Foreign Exchange Company

The company has no obligations and possible liabilities subject to Article 235 of the amendment of the Trade Law. Value added taxes and duties have been finalized and settled by the end of 2020-21. Taxes and duties on value added have been decided and settled by the end of 2020-21. Taxes and duties on value added for 1400 are also being processed.
A reserve of 45 billion Rials has been made in the accounts for the value added taxes and duties of 2021-22. Salary tax, obligation and article 169 of the Civil Code, until 2020-21, a definitive report has been issued for it, and their payment has been arranged, and the performance of 2021-22 in this regard is in the process of investigation. Due to the performance of 2017-18, a supplemental recognition sheet for added value declaration and a supplemental sheet for claims for repeated crimes under Article 169 of the Criminal Code were issued in the amounts of 10,021 and 917 million Rials, respectively, which is the object of the company's objection and the case is under investigation by the Tax Administration. The company's offices have not been investigated by the Social Security Organization regarding compliance with the regulations of the Social Security Organization since the beginning of its activities in 2011-12. The company does not have any capital obligations on the date of the financial statement.

Karafarin Financial Group Company

The performance tax for the years 2020-21 and before has been handled by the Tax Administration and has been fully paid. All the investment incomes of this company in 21-22, 2022-23 and the current fiscal year are fully covered by the provisions of Note 4 of Article 105 and Note 2 of Article 143 of the Direct Taxes Law, which according to the provisions of these laws, all incomes related to these bonds are exempt from tax. to be Regarding the income related to the transfer of properties, sufficient reserve has been included in the books. Non-operating income also includes interest on bank deposits and is exempt from tax. The company has no capital obligations resulting from contracts concluded and approved on the date of the financial statement. As of the date of the statement of financial position, the company has no contingent liabilities subject to Article 236 of the amendment to the Trade Law and other contingent liabilities.

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

61. Post-Financial Position Statement Date Events

The events that happened in the period after the date of the statement of financial position until the date of approval of the financial statements and required disclosure in the financial statements (according to the fifth part of the regulations governing the minimum standards of transparency and public release of information by credit institutions) are as follows:

61.1. Any change in the registered capital of Musat Credit
There is no case.

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

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

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

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

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

62. Proposed dividend

62.1. The proposal of the board of directors for the profit distribution of the financial year ending in the period of 20 March 2023, is 1,351,037 million Rials.

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

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

63. Bad Debts

63.1. Bad debts based on claims are as follows:

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

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

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

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

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

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

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

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

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

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

	20.03.2023	20.03.2022
	IRR Million	IRR Million
Reserve of Bad Debts at Beginning of Year	0	0
Reserve of Bad Debts during Year	0	0
Reserve of Bad Debts Collected during Year	0	0
Reserve of Bad Debts at End of Year	0	0

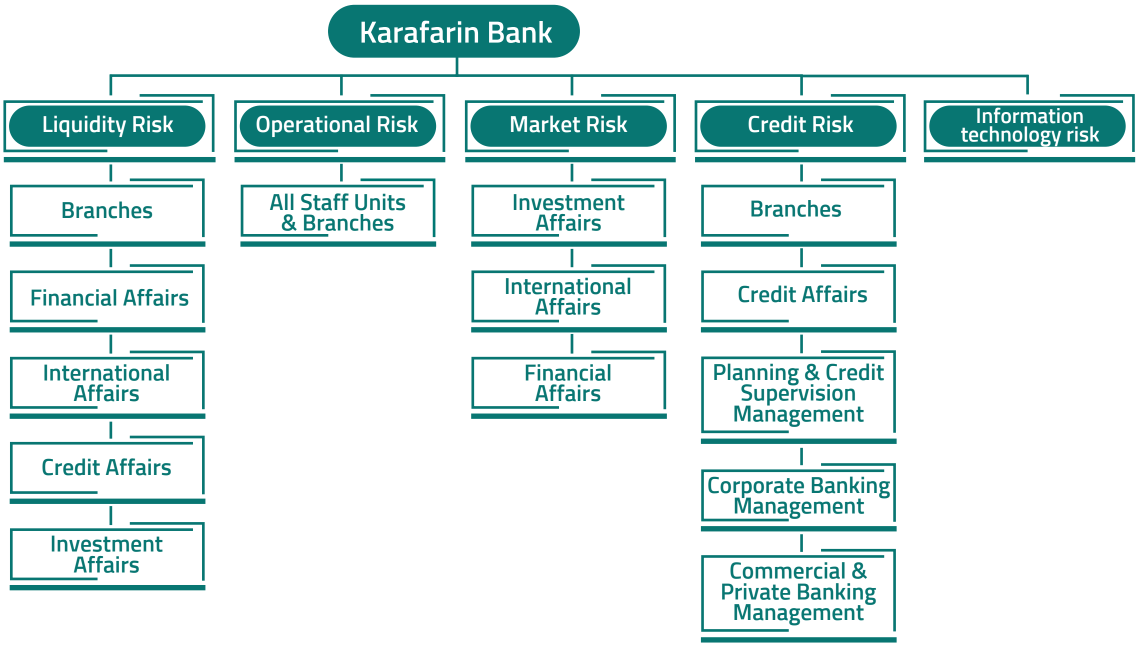
64. Bank's Risks

The Bank is exposed to the following risks:

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

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

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



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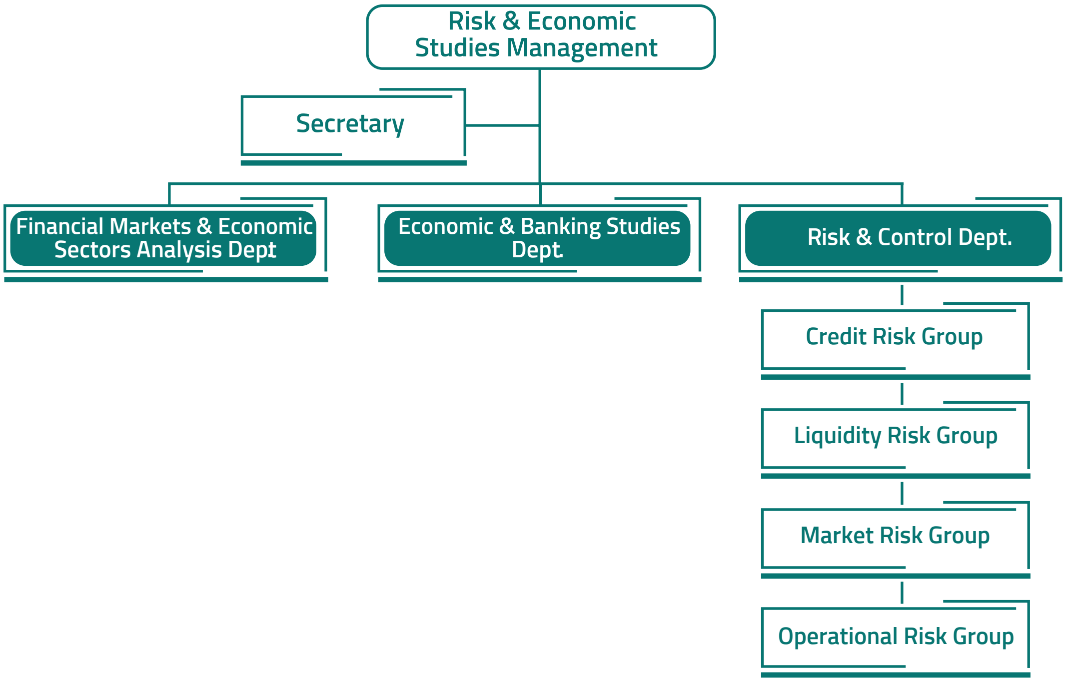
64.2. Risk management structure



64.3. Credit risk

64.3.1. Definition

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

64.3.2. Credit policies

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

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

1.Credit applicants' annual rating,
2.Assessing branches performance at internal rating system information registry,
3.Investigating & updating information on internal rating system,
4.Evaluating internal rating system and upgrading it,
5.Investigating and comparing customers' rates with respect to customers' credit performance and securities,

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

64.3.3.Credit Risk Management executive units

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

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

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

Credit Pillars	Total Loans	L/Gs & Local L/Cs	Maximum Total Credit Ratifications for Each Customer		Scope of Authority to Grant Loans & Commitments to Single Beneficiary Units	
	loans	Obligations	loans	Obligations	loans	Obligations
Board of Directors	Higher Amounts		Higher Amounts		Higher Amounts	
Managing Director	2.500 billion Rials	4.000 billion Rials	2.500 billion Rials	4.000 billion Rials	4.500 billion Rials	
Central Credit Committee	500 billion Rials	1.000 billion Rials	500 billion Rials	1000 billion Rials	2.000 billion Rials	

64.3.5. Methods of reducing credit risk

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

64.3.6. Customers' credit rating processes

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

1.Branches are initially responsible for customers' reception, preparing credit reports and receiving customers' credit rating report, inquiring from existing systems and maintaining information. The customers are rated by the Bank's internal system designed by Risk Unit. This rating divides customers into individuals, legal construction entities and legal non-construction entities using statistical models. Branches are responsible for entering data into systems according to which customer rate is received. Controlling information accuracy is periodically and regularly performed by Risk and Economic Studies Management.

2.Credit Management is responsible for reviewing suggestions provided by branches, reviewing customer rate, managing the branch credit limits and credit opining.

3.Credit committees are responsible for approving credit in decision-making with regard to credit amount.

4.Risk and Economic Studies Management department is responsible for monitoring granted credits via designing and upgrading a credit rating monitoring and reporting system using predefined indices.

5.Duties of Risk and Economic Studies Management are separated from other managements and organizational units which are related to customers' credit affairs.

64.3.7. Credit quality analysis

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

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

(Amounts in IRR million)

	Credit Quality Analysis							
	Loans Granted to Banks		Loans Granted to Customers		Investments		Commitments on L/Cs & L/Gs	
	20.03.2023	20.03.2022	20.03.2023	20.03.2022	20.03.2023	20.03.2022	20.03.2023	20.03.2022
Grade 1- Low Risk	0	0	26.250.467	16,253,641	28.706.706	40,393,251	11.837.607	2,694,070
Grade 2- Medium Degree	0	0	355.248.347	302,866,793	1.153.333	2,245,977	234.373.275	119,376,993
Grade 3- High Risk	0	0	41.028.133	60,424,096	6.360.202	3,797,735	3.866.056	70,482,517
Grade 4- To Be Categorised As Bad Debt	0	0	8.891.509	2,739,008	0	0	0	0
Total Gross Amount	0	0	431.418.455	382,283,538	36.220.242	46,436,963	250.076.938	192,553,581
Impairment Provision	0	0	(18.188.791)	(14,427,497)	0	0	0	0
Net Carrying Amount	**0**	**0**	**413.229.664**	**367,856,041**	**36.220.242**	**46,436,963**	**250.076.938**	**192,553,581**

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

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

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

	Loans Granted to Banks		Loans Granted to Customers		Commitments on L/Gs & L/Cs	
	20.03.2023	20.03.2022	20.03.2023	20.03.2022	20.03.2023	20.03.2022
	IRR Million	IRR Million	IRR Million	IRR Million	IRR Million	IRR Million
Current	0	0	411.627.301	367,286,334	250.076.938	192,553,581
Overdue	0	0	2.818.470	936,898	0	0
Deferred	0	0	2.077.919	1,124,766	0	0
Doubtful	0	0	14.894.765	12,935,541	0	0
Total Gross Amount	0	0	431.418.455	382,283,538	250.076.938	192,553,581
Impairment Provision	0	0	(18.188.791)	(14,427,497)	0	0
Net Carrying Amount	**0**	**0**	**413.229.664**	**367,856,041**	**250.076.938**	**192,553,581**

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

	Credit Quality Analysis	
	20.03.2023	20.03.2022
	IRR Million	IRR Million
Issued by the Government & CBI:		
Islamic Treasury Notes	15.696.335	19,051,695
Government Bonds	7.015.763	12,000,000
Government Murabaha Bonds	6.020.535	9,527,111
Governmental Bonds	0	0
Total	28.732.633	40,578,806
Issued by Governmental Companies		
Total	**0**	**0**
Issued by Non-governmental Sector		
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
Tawazun Kurosh Investment Fund	0	63,138
Karafarin Brokerage Investment Fund	35.550	0
Total	91.550	119,138
Total	**28.824.183**	**40,697,944**

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64.3.7.4. Type and amount of securities obtained from credit customers

Security Type	20.03.2023	20.03.2022
	IRR Million	IRR Million
Loans Granted to Individuals:		
Cash	1.992.184	2,500,474
Bonds/Sukuk	0	0
Listed Bonds	10.132	13,279
Unlisted Bonds	0	0
IRR Deposits	3.200.874	2,815,627
Foreign Currency Deposits	7.366	7,146
Immovable Assets Mortgaged by the Bank	32.636.745	23,818,464
Bonds	0	0
Machineries	349.410	312,589
L/Gs	902.032	1,839,197
Collected Cheque & Additional Cheque as Collateral	80.930.740	44,523,974
Promissory Notes	36.407.648	18,135,164
Enforced Contracts	67.924.568	47,019,467
Investment Fund	208.487	384,928
Others	3.140.211	9,115
Total Individuals' Securities	**227.710.394**	**141,379,424**
Loans Granted to Legal Entities:		
Cash	3.364.393	13,896,415
Bonds/Sukuk	0	0
Listed bonds	103.521.760	47,406,318
Unlisted Bonds	0	0
IRR Deposits	14.541.447	5,301,184
Foreign Currency Deposits	79.629	0
Immovable Assets Mortgaged by the Bank	71.437.759	44,829,894
Bonds	0	53,758
Machineries	6.592.061	181,941
L/Gs	17.344.556	127,831,446
Collected Cheque & Additional Cheque as Collateral	978.788.339	1,027,312,598
Promissory Notes	250.307.597	135,489,317
Enforced Contracts	493.655.878	1,013,616,564
Investment Fund	86.387	203,199
Others	216.981.054	263,304
Total Loans Granted to Legal Entities	2.156.700.858	2,416,385,937
Total Securities Obtained from Credit Entities	**2.384.411.253**	**2,557,765,362**

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

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

Description	20.03.2023	20.03.2022
	IRR Million	IRR Million
Loans Granted to Banks		
Below 50%	0	0
51% to 70%	0	0
71% to 90%	0	0
91 to 100%	0	0
Above 100%	0	0
Total	**0**	**0**
Loans Granted to Individuals:		
Below 50%	540.222	753,618
51% to 70%	569.580	653,477
71% to 90%	6.157.706	5,273,869
91 to 100%	2.615.212	2,791,763
Above 100%	31.750.865	68,065,632
Total	**41.633.585**	**77,538,360**
Loans Granted to legal Entities:		
Below 50%	12.969.804	8,836,094
51% to 70%	7.050.237	5,998,950
71% to 90%	9.392.763	12,128,003
91 to 100%	5.514.607	9,140,905
Above 100%	336.668.667	254,213,730
Total	371.596.079	290,317,681
Total	**413.229.664**	**367,856,041**

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

64.3.8. Credit risk concentration

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

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64.3.8.1. 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	
		20.03.2023	20.03.2022	20.03.2023	20.03.2022	20.03.2023	20.03.2022
		IRR Million	IRR Million	IRR Million	IRR Million	IRR Million	IRR Million
Carrying Amount		413.229.664	367,856,041	36.220.242	46,436,963	250.076.938	192,553,581
Amount of Loans/Commitments based on Economic Sectors							
Industry	64-3-8-1-1	256.969.203	226,774,479	2.381.565	1,556,835	141.698.738	98,392,322
Housing		23.025.616	25,327,824	0	0	56.832.232	35,881,250
Commercial		40.771.867	31,310,402	0	0	17.187.807	20,196,094
Services		50.851.593	47,040,289	99.137	97,519	28.374.066	28,899,096
Agriculture		3.990.719	3,289,987	0	0	179.902	1,033,420
Financial Intermediaries & Banks		37.890.666	34,113,061	33.739.540	44,782,610	5.804.193	8,151,399
Total		413.229.664	367,856,041	36.220.242	46,436,963	250.076.938	192,553,581
Amount of Loans/Commitments based on Location							
Local		413.229.664	367,856,041	36.220.242	46,436,963	250.076.938	192,553,581
Overseas		0	0	0	0	0	0
Total		**413.229.664**	**367,856,041**	**36.220.242**	**46,436,963**	**250.076.938**	**192,553,581**

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

Description	20.03.2023	20.03.2022
	IRR Million	IRR Million
Loans:		
Contracting Work	498.886	16,914,704
Chemical & Petrochemical Industries & Petroleum Products	32.358.718	54,618,140
Financial Intermediation	0	9,339,595
Motor Vehicles	16,430,951	7,444,589
Mining & Metals Industries	45.210.556	7,967,773
Telecommunications, Computer & Related Industries	984.952	9,262,334
Food & Drug	77.066.218	29,793,885
Energy	3.563.250	6,009,843
Others	80.855.673	85,423,615
Investments:		
Base Metals	33.134	20,998
Chemical & Petrochemical Industries & Petroleum Products	7.539	5,266
Metal Mines Exploitation	0	47,077
Cement, Lime & Gypsum	0	0
Banks & Credit Institutes	0	0
Industrial Multi-Sector	0	0
Retailing Except for Motor Vehicles	0	0
Pharmaceutical Products	0	0
Technical & Engineering Services	144.810	91,770
Investments	0	0
Computer & Related Activities	0	0
Information & Communications	2.196.082	1,391,723
Supplying Electricity, Gas, Steam & Hot Water	0	0
Financial Intermediary	0	0
Commitments:		
Contracting Work	559.793	26,240,310
Chemical & Petrochemical Industries & Petroleum Products	26.536.698	17,152,235
Financial Intermediary	0	7,133,432
Motor Vehicle	7.498.445	2,377,152
Mining & Metals Industries	21.616.528	6,054,163
Telecommunications, Computer & Related Industries	1.814.650	3,105,051
Food & Pharmaceuticals	6.198.844	8,465,618
Energy	10.654.507	21,306,867
Others	66.819.274	6,557,493
Total	**401.049.506**	**326,723,635**

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

Contract Type	Customer Type	2022-23			
		Loans Granted during Year		Balance of Loans at End of Year	
		Amount	Ratio to Total	Amount	Ratio to Total
		IRR Million	%	IRR Million	%
Current Overdue	Individuals	55.463.748	6.20%	45.197.150	10.48%
	Legal Entities	836.173.007	93.44%	367.117.810	85.10%
Total		**891.636.755**	**99.64%**	**412.314.961**	**95.57%**
Participatory Contracts	Individuals	1.802.738	0.20%	2.262.954	0.52%
	Legal Entities	1.424.678	0.16%	16.840.540	3.90%
Total		**3.227.416**	**0.36%**	**19.103.495**	**4.43%**
Total		**894.864.170**	**100%**	**431.418.455**	**100%**

Contract Type	Customer Type	2021-22			
		Loans Granted during Year		Balance of Loans at End of Year	
		Amount	Ratio to Total	Amount	Ratio to Total
		IRR Million	%	IRR Million	%
Current Overdue	Individuals	6,797,156	1.46%	74,446,260	19.47%
	Legal Entities	89,628,766	19.28%	282,155,398	73.81%
Total		**96,425,923**	**20.74%**	**356,601,658**	**93.28%**
Participatory Contracts	Individuals	23,406,562	5.04%	5,114,630	1.34%
	Legal Entities	345,028,032	74.22%	20,567,250	5.38%
Total		**368,434,594**	**79.26%**	**25,681,880**	**6.72%**
Total		**464,860,517**	**100%**	**382,283,538**	**100%**

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

64.3.9. Non-performing loans management method

The Bank's policies on preventing and following up non-performing loans and repossessing assets and liquidation methods are disclosed in tables 64.3.9.1. to 64.3.9.3.

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64.3.9.1. Turnover of Non-performing loans and claims

	2022-23				2021-22			
	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	12.912.428	4.014.456	(1.929.680)	14.997.204	11,133,572	3,514,747	(892,829)	13,755,491
Transferred to Non-Performing during Year	9.447.658	2.142.620	0	11.590.278	13,192,603	3,268,416	0	16,461,019
Non-performing Loans & Claims Settled during Year								
Cash Collection	(2.397.178)	(1.236.541)	(6.354)	(3.640.073)	(5,588,371)	(2,755,854)	(856,357)	(9,200,582)
Collected by Repossession	(700.958)	(939)	(12.355)	(714.251)	(58,930)	(12,854)	(180,495)	(252,278)
Collected by New Loans	(1.731.841)	0	0	(1.731.841)	(1,825,718)	0	0	(1,825,718)
Extended Loan	(710.163)	0	0	(710.163)	(3,940,728)	0	0	(3,940,728)
Bad Debt	0	0	0	0	0	0	0	0
Writing Off Penalties	0	0	0	0	0	0	0	0
Balance of Non-performing Loans & Claims at End of Year	**16.819.947**	**4.919.596**	**(1.948.389)**	**19.791.154**	**12,912,428**	**4,014,456**	**(1,929,680)**	**14,997,204**

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

	Balance of Non-performing Loans & Claims		Special Provision for Doubtful Loans		Net Non-performing Loans & Claims	
	20.03.2023	20.03.2022	20.03.2023	20.03.2022	20.03.2023	20.03.2022
	IRR Million	IRR Million	IRR Million	IRR Million	IRR Million	IRR Million
Partial Distribution of Non-Performing Loans:						
Industry	11.223.372	6,345,257	(8.905.340)	(3,875,670)	2.650.522	2.069.587
Housing	1.819.533	3,281,386	(842.541)	(1,627,815)	976.992	1,653,571
Commercial	2.016.009	2,294,481	(605.443)	(1,048,330)	1.410.566	1,246,152
Services	3.233.608	2,586,435	(1.090.973)	(2,102,612)	2.142.635	483,823
Agriculture	1.370.372	297,860	(497.112)	(151,547)	873.259	146,313
Financial Intermediaries	128.262	191,784	(120.047)	(331,581)	8.215	260.203
Total	**19.791.154**	**14,997,204**	**(12.064.456)**	**(9,137,555)**	**8.062.189**	**5,859,649**

64.3.9.3. Balance of repossessed assets

Description	20.03.2023	20.03.2022
	IRR Million	IRR Million
Movable Assets	0	930
Immovable Assets:		
Residential	1.745.377	1,724,204
Commercial/Office	113.091	198,301
Factory	2.321.278	1,638,509
Land	609.894	465,122
Garden	0	0
Residential/Commercial	82.719	82,119
Residential/Commercial/Office	190.015	190,015
Balance of Repossessed Assets	**5.062.373**	**4,299,200**

64.3.10. Capital required for credit risk coverage
Capital required for covering credit risk of Bank's assets amounts to IRR28,320,606 million. The related calculations are presented in 64.3.10.1.

64.3.10.1. Calculation of capital required to cover credit risk

Description		20.03.2023	20.03.2022
		IRR Million	IRR Million
Total Weighted Asset to Credit Risk	64-7-2-1	354.007.571	403,240,513
Coefficient-%		8	8
Capital Required to Cover Credit Risk		**28.320.606**	**32,259,241**

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

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64.4.1. Definition

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

64.4.2. Liquidity risk management policies

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

64.4.3. Executive units of liquidity risk management

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

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

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

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

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

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

64.4.5. Liquidity risk control and measurement mechanism

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

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

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

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

Description	20.03.2023	20.03.2022
	IRR Million	IRR Million
Cash at Hand-IRR	726.872	483,826
Cash at Hand-Foreign Currency	727.872	2,213,019
Sight Deposit held with CBI (Unlimited)	122.826	388,037
Sight Deposits held with Other Banks & Credit Institutes (Unlimited)	16.236.190	17,410,197
Investing in Rapidly Marketable Shares	1.154.569	915,080
Investing in Other Securities	28.703.707	40,158,486
Total Liquidity Provisions	**47.672.107**	**61,568,645**

64.4.5.2. Liquidity ratios

Description	At Beginning of Year	Year's Monthly Average	Minimum during Year		At End of Year
	%	%	%	%	%
Cash & Cash Equivalent to Total Assets	11	9	11	8	8
Cash Asset & Cash Equivalent to Total Deposits	14	11	14	9	9
Net Cash Assets to Total Deposits**	4	6	9	2	8
Loans to Total Deposits	83	83	85	81	82
Loans Granted to 1-Year Deposits & Above	152	155	182	143	160
Escaped Deposits to Total Deposits***	14	18	24	14	24

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

64.4.5.3. Assets and liabilities maturity date analysis

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

	20.03.2023							
	Carrying Amount	Below 1 Month	From 1 Month to 3 Months	From 3 Months to 1 Year	From 1 Year to 5 Years	Above 5 Years	Without Specified Maturity Date	Balance before deducting reserves
	IRR Million	IRR Million	IRR Million	IRR Million	IRR Million	IRR Million	IRR Million	IRR Million
Assets:								
Cash	17,813,832	17,813,832	0	0	0	0	0	17,813,832
Claims from Banks & other Credit Institutes	9,914,916	9,914,916	0	0	0	0	0	9,914,916
Claims from the Government	0	0	0	0	0	0	0	0
Loans Granted & Claims from Governmental Authorities	0	0	0	0	0	0	0	0
Granted Loans & Claims from Non-governmental Entities	413,229,664	56,247,123	77,299,691	223,015,336	46,410,973	2,613,636	7,642,904	431,418,455
Investment in Shares & Other Securities	36,220,242	1,154,569	1,146,328	15,183,765	12,282,063	6,453,516	0	36,220,242
Claims from Subsidiary & Associated Companies	5,309,217	0	5,309,217	0	0	0	0	5,390,068
Other Accounts Receivable	8,163,632	8,163,632	0	0	0	0	0	8,674,282
Non-current assets held for sale	5,062,373	0	0	1,000,000	0	4,062,373	0	5,062,373
Fixed Tangible Assets	28,110,943	0	0	0	0	12,188,729	15,922,214	28,110,943
Intangible Assets	18,107,967	0	0	0	0	394,631	17,713,336	18,107,967
Legal Deposit	58,808,296	25,725,516	1,638,673	12,947,876	18,471,032	25,200	-	58,808,296
Deferred tax asset	0	0	0	0	0	0	0	0
Other Assets	5,773,692	0	4,791,682	857,598	0	124,412	0	5,773,692
	606.514.773	**119.019.587**	**90.185.592**	**253.004.576**	**77.164.067**	**25,862,497**	**41.278.454**	**625.295.066**
Liabilities:								
Dues to banks & Credit Institutes	(5,809,114)	(5,809,114)	0	0	0	0	0	(5,809,114)
Deposits	(506,198,014)	(221,434,829)	(14,105,038)	(111,450,075)	(158,991,165)	(216,909)	0	(506,198,014)
Dividends Payable	(40,299)	(40,299)	0	0	0	0	0	(40,299)
Debt Securities	0	0	0	0	0	0	0	0
Corporation Tax Provision	(1,924,159)	0	0	(1,924,159)	0	0	0	(1,924,159)
Provisions & Other Liabilities	(20,563,032)	(14,087,436)	(5,880,346)	(595,250)	0	0	0	(20,563,032)
Liabilities related to non-current assets held for sale	0	0	0	0	0	0	0	
Deferred tax liabilities	0	0	0	0	0	0	0	
Provision for Work Termination Benefits	(2,692,304)	0	0	0	0	0	(2,692,304)	(2,692,304)
Total Liabilities	**(537,226,923)**	**(241,371,679)**	**(19,985,384)**	**(113,969,483)**	**(158,991,165)**	**(216,909)**	**(2,692,304)**	**(537,226,923)**
Total Shareholders' Equity	**(69,287,851)**						**(69,287,851)**	**(69,287,851)**
Total Liabilities, Shareholders' Equity & Off-Balance Sheet Items	(606,514,773)	(241,371,679)	(19,985,384)	(113,969,483)	(158,991,165)	(216,909)	(71,980,154)	(606,514,773)
Gap	0	(122,352,092)	70,200,209	139,035,093	(81,827,097)	25,645,588	(30,701,700)	
Cumulative Gap		(122,352,092)	(52,151,884)	86,883,209	5,056,112	30,701,700	0	
Gap to Regulatory Capital Ratio-%		(208%)	119%	237%	(139%)	44%	(52%)	
Cumulative Gap to Regulatory Capital Ratio-%		(208%)	(89%)	148%	9%	52%	0%	
Gap to Regulatory Capital Ratio as Basis for Other Prudential Ratios-%		(228%)	131%	259%	(152%)	48%	(57%)	
Cumulative Gap to Regulatory Capital Ratio As Basis for Other Prudential Ratios-&		(228%)	(97%)	162%	9%	57%	0%	

64.4.5.3. Assets and liabilities maturity date analysis

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

	20.03.2022							
	Carrying Amount	Below 1 Month	From 1 Month to 3 Months	From 3 Months to 1 Year	From 1 Year to 5 Years	Above 5 Years	Without Specified Maturity Date	Balance before deducting reserves
	IRR Million	IRR Million	IRR Million	IRR Million	IRR Million	IRR Million	IRR Million	IRR Million
Assets:								
Cash	20,495,079	20,495,079	0	0	0	0	0	20,495,079
Claims from Banks & other Credit Institutes	19,137,595	19,137,595	0	0	0	0	0	19,137,595
Claims from the Government	0	0	0	0	0	0	0	0
Loans Granted & Claims from Governmental Authorities	0	0	0	0	0	0	0	0
Granted Loans & Claims from Non-governmental Entities	367,856,041	59,549,055	108,312,141	133,705,041	52,741,888	3,839,622	9,708,294	382,283,538
Investment in Shares & Other Securities	46,436,963	40,158,486	915,080	0	5,363,397	0	0	46,436,963
Claims from Subsidiary & Associated Companies	3,079,735	3,079,735	0	0	0	0	0	3,105,812
Other Accounts Receivable	4,145,548	4,145,548	0	0	0	0	0	4,604,595
Non-current assets held for sale	4,299,200	0	0	0	0	0	4,299,200	4,299,200
Fixed Tangible Assets	27,233,966	0	0	0	0	0	27,233,966	27,233,966
Intangible Assets	15,103,962	0	0	0	0	0	15,103,962	15,103,962
Legal Deposit	51,559,615	10,800,248	5,850	1,914,792	27,188,352	-	11,650,372	51,559,615
Deferred tax asset	0	0	0	0	0	0	0	0
Other Assets	2,870,475	0	0	0	0	0	2,870,475	2,870,475
	562.218.179	**157.365.746**	**109.233.071**	**135.619.833**	**85.293.637**	**3,839,622**	**70.866.270**	**577.130.800**
Liabilities:								
Dues to banks & Credit Institutes	(41,942,614)	(41,009,445)	0	(933,168)	0	0	0	(41,942,614)
Deposits	(444,006,204)	(152,025,315)	(10,086)	(69,309,498)	(222,661,306)	0	0	(444,006,204)
Dividends Payable	(30,747)	0	0	(30,747)	0	0	0	(30,747)
Debt Securities	0	0	0	0	0	0	0	0
Corporation Tax Provision	(1,296,051)	0	0	(1,296,051)	0	0	0	(1,296,051)
Provisions & Other Liabilities	(11,044,232)	(6,535,003)	0	(2,727,951)	0	0	(1,781,278)	(11,044,232)
Liabilities related to non-current assets held for sale	0	0	0	0	0	0	0	0
Deferred tax liabilities	0	0	0	0	0	0	0	0
Provision for Work Termination Benefits	(1,718,515)	0	0	0	0	0	(1,718,515)	(1,718,515)
Total Liabilities	**(500,038,362)**	**(199,569,763)**	**(10,086)**	**(74,297,415)**	**(222,661,306)**	**0**	**(3,499,793)**	**(500,038,362)**
Total Shareholders' Equity	**(62,179,817)**						**(62,179,817)**	**(62,179,817)**
Total Liabilities, Shareholders' Equity & Off-Balance Sheet Items	(562,218,179)	(199,569,763)	(10,086)	(74,297,415)	(222,661,306)	0	(65,679,610)	(562,218,179)
Gap	0	(42,204,017)	109,222,986	61,322,418	(137,367,669)	3,839,622	5,186,660	
Cumulative Gap		(42,204,017)	67,018,968	128,341,386	(9,026,282)	(5,186,660)	0	
Gap to Regulatory Capital Ratio-%		(%79)	203%	114%	(%256)	7%	10%	
Cumulative Gap to Regulatory Capital Ratio-%		(%79)	125%	239%	(%17)	(%10)	0%	
Gap to Regulatory Capital Ratio as Basis for Other Prudential Ratios-%		(%94)	243%	136%	(%306)	9%	12%%	
Cumulative Gap to Regulatory Capital Ratio As Basis for Other Prudential Ratios-&		(%94)	149%	286%	(%20)	(%12)	0%	

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64.4.5.4. Financial liabilities contractual maturity analysis

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

	2022-23						
	Carrying Amount	Below 1 Month	From 1 Month to 3 Months	From 3 Months to 1 Year	From 1 Year to 5 Years	Above 5 Years	Without Specified Maturity Date
	IRR Million	IRR Million	IRR Million	IRR Million	IRR Million	IRR Million	IRR Million
Liabilities:							
Dues to Banks & Other Credit Institutes	(5.809.114)	0	0	0	0	0	(5.809.114)
Deposits	(506.198.014)	(221.434.829)	(14,105,038)	(111,450,075)	(158,991,165)	(216,909)	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	**(512.007.129)**	**(221.434.829)**	**(14,105,038)**	**(111,450,075)**	**(158,991,165)**	**(216,909)**	**(5,809,114)**

	2021-22						
	Carrying Amount	Below 1 Month	From 1 Month to 3 Months	From 3 Months to 1 Year	From 1 Year to 5 Years	Above 5 Years	Without Specified Maturity Date
	IRR Million	IRR Million	IRR Million	IRR Million	IRR Million	IRR Million	IRR Million
Liabilities:							
Dues to Banks & Other Credit Institutes	(41.942.614)	0	0	0	0	0	(41.942.614)
Deposits	(444.,006,204)	(90.948.419)	(10.086)	(20.163.412)	(222.661.306)	0	(110.222.981)
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	**(485,948,817)**	**(90.948.419)**	**(10.086)**	**(20,163.412)**	**(222.661.306)**	**0**	**(152.165.595)**

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

	2022-23						
	Carrying amount	Below 1 Month	1 Month to 3 Months	3 Months to 1 Year	1 Year to 5 Years	Above 5 Years	Without Specified Maturity Date
	IRR Million	IRR Million	IRR Million	IRR Million	IRR Million	IRR Million	IRR Million
Liabilities:							
Dues to Banks & Other Credit Institutes	(5.809.114)	(474.970)	0	(1.870.304)	0	0	0
Deposit	(506.198.014)	(6.069.295)	(63.457)	(486.320)	(1.132.505)	0	0
Debt Securities	0	0	0	0	0	0	0
Loans Received from National Development Fund	0	0	0	0	0	0	0
Total	**(512.007.129)**	**(6.544.265)**	**(63.457)**	**(2.356.624)**	**(1.132.505)**	**0**	**0**

	2021-22						
	Carrying amount	Below 1 Month	1 Month to 3 Months	3 Months to 1 Year	1 Year to 5 Years	Above 5 Years	Without Specified Maturity Date
	IRR Million	IRR Million	IRR Million	IRR Million	IRR Million	IRR Million	IRR Million
Liabilities:							
Dues to Banks & Other Credit Institutes	(41.942.614)	(380.724)	0	(1.560.944)	(31.049)	0	0
Deposit	(444.006.204)	(10.303.887)	(52.990)	(396.027)	(554.182)	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	**(485.948.817)**	**(10.684.610)**	**(52.990)**	**(1.956.971)**	**(585.231)**	**0**	**0**

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

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

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

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

64.5. Market risk

64.5.1. Definition

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

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

64.5.2. Executive units of market risk management

Market risk evaluation in Karafarin Bank is divided as follows:

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

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

64.5.3. Market risk measurement method

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

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

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

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

	2022-23		2021-22	
	Probable Change at Market Value	Effect on Profit & Loss	Probable Change at Market Value	Effect on Profit & Loss
	%	IRR Million	%	IRR Million
Investment in Rapidly-Transacted Shares	(-8.98, 8.98)	146.365	(-8.64 , 8.64)	145.286
Other Investments (Stating Title)	-	-	-	-

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64.5.5.Analysis of value at risk of foreign currency rate
The Bank's foreign currency position at 20.03.2023 is as follows:

	USD	EUR	GBP	CHF	JPY	AED	CNY	IRR Equivalent of Other Foreign Currencies
Cash	1.650.606	1.186.662	1.459	200	30,000	2,889	300	0
Claims from Banks & Other Credit Institutes	6.289.319	47.095.784	550.364	230,792	214,740,334	26.476.171	4.621.314	2.177.109
Dues from the Government	0	0	0	0	0	0	0	0
Loans Granted & Claims from Governmental Authorities	0	0	0	0	0	0	0	0
Granted Loans & Claims from Non-governmental Entities	4,995,184	3.441.901	0	0	0	0	0	0
Investment in Shares & Other Securities	0	0	0	0	0	0	0	0
Claims from Subsidiary & Associated Companies	5.944	38.309	0	0	0	3.362.264	0	0
Other Accounts Receivable	8.157.641	551.638	0	0	0	20.481.589	0	17.954
Non-current assets held for sale	0	0	0	0	0	0	0	0
Fixed Tangible Assets	0	0	0	0	0	0	0	0
Intangible Assets	0	0	0	0	0	0	0	0
Legal Deposit	0	0	0	0	0	0	0	0
Deferred tax asset	0	0	0	0	0	0	0	0
Other Assets	0	0	0	0	0	0	0	0
Total Foreign Currency Assets	21.098.694	52.344.294	551.823	230,992	214,770,334	50.322.914	4.621.614	2.195.063
Customers' Commitments on L/Cs	0	0	0	0	0	0	340,320	0
Customers' Commitments on Issued L/Gs	1.300.000	38.645.574	0	0	0	6.051.708	0	0
Customers' Other Commitments	0	33.993	0	0	0	0	0	0
Total Customers' Foreign Currency Commitments	1.300.000	38.679.567	0	0	0	6.051.708	340.320	0
Total Customers' Foreign Currency Assets & Commitments	22.398.694	96,113,115	551.823	230,992	214,770,334	56.374.622	4.961.934	2.195.003
IRR Equivalent of Total Customers' Foreign Currency Assets &Commitments- IRR Million	5.599.674	24.121.323	166.246	61.836	402.946	3.797.338	178.203	
Dues to Banks & Other Credit Institutes	(1,140,090)	(6,815.767)	0	0	(70,055,254)	(8.622.482)	0	(1,262,847)
Deposits	(5.582.909)	(19.309.692)	(33,890)	(100)	(7,526,088)	(13,370,728)	(1.103.087)	(32.063)
Dividends Payable	0	0	0	0	0	0	0	0
Debt Securities	0	0	0	0	0	0	0	0
Corporation Tax Provision	0	0	0	0	0	0	0	0
Provisions & Other liabilities	(7.218.295)	(7.953.257)	(16)	0	0	(27.906.852)	0	(107.723)
Liabilities related to non-current assets held for sale	0	0	0	0	0	0	0	0
Deferred tax liabilities	0	0	0	0	0	0	0	0
Provision for Work Termination Benefits	0	0	0	0	0	0	0	0
Total Foreign Currency Liabilities	(13.941.295)	(34.078.717)	(33.906)	(100)	(77,581,342)	(49.900.062)	(1.103.087)	(1.615.319)
Bank's Commitments on L/Cs	0	0	0	0	0	0	(340,320)	0
Bank's Commitments on Issued L/Gs	(1.300.000)	(38.645.574)	0	0	0	(6.051.708)	0	0
Bank's Other Commitments	0	(33.993)	0	0	0	0	0	0
Total Bank's Foreign Currency Commitments	(1.300.000)	(38.679.567)	0	0	0	(6.051.708)	(340.320)	0
Total Bank's Foreign Currency Liabilities & Commitments	(15.241.295)	(72.758.284)	(33.906)	(100)	(77,581,342)	(55.951.770)	(1.443.407)	(1.615.319)
IRR Equivalent of Bank's Total Foreign Currency Liabilities &Commitments- IRR Million	(3.810.324)	(19.280.945)	(10.215)	(27)	(145.556)	(3.768.855)	(51.839)	(1.615.319)
Net Positive (Negative) Foreign Currency Open Position for Each Foreign Currency on 20.03.2023	7,157,399	18,265,577	517,916	230,892	137,188,992	422,852	3,518,527	579,744
IRR Equivalent of Foreign Currency Open Position for Each Foreign Currency on 20.03.2023- IRR Million	1.789.350	4.840.378	156.032	61.809	257.390	28.483	126.364	579.744
Open Position of Each Foreign Currency to Regulatory Capital on 20.03.2023-%	3%	8.2%	0.3%	0.1%	0.4%	0.0%	0.2%	1.0%
Open Position of Each Foreign Currency to Regulatory Capital As the Basis of Other Prudential Ratios on 20.03.2023-%	3.3%	9.0%	0.3%	0.1%	0.5%	0.1%	0.2%	1.1%

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

	USD	EUR	GBP	CHF	JPY	AED	CNY	IRR Equivalent of Other Foreign Currencies
Cash	9,774,925	1,128,916	35,898	200	30,000	2,826	300	0
Claims from Banks & Other Credit Institutes	4,825,615	51,415,754	527,536	230,792	214,740,334	78,808,527	8,610,855	1,764,923
Dues from the Government	0	0	0	0	0	0	0	0
Granted Loans & Claims from Non-governmental Entities	4,995,184	3,406,509	0	0	0	34,379,467	0	31,049
Investment in Shares & Other Securities	0	0	0	0	0	0	0	0
Claims from Subsidiary & Associated Companies	0	0	0	0	0	0	0	0
Other Accounts Receivable	88,762	1,360,840	0	0	0	517,587	1,651,720	15,613
Fixed Tangible Assets	0	0	0	0	0	0	0	0
Intangible Assets	0	0	0	0	0	0	0	0
Legal Deposit	0	0	0	0	0	0	0	0
Other Assets	0	0	0	0	0	0	0	0
Total Foreign Currency Assets	19,684,486	57,312,018	563,435	230,992	214,770,334	113,708,407	10,262,875	1,811,584
Customers' Commitments on L/Cs	0	0	0	0	0	0	340,320	0
Customers' Commitments on Issued L/Gs	1,481,927	38,767,104	0	0	0	4,000,000	6,206,186	8,810
Customers' Other Commitments	0	33,993	0	0	0	0	0	0
Total Customers' Foreign Currency Commitments	1,481,927	38,801,097	0	0	0	4,000,000	6,546,506	8,810
Total Customers' Foreign Currency Assets & Commitments	21,166,413	96,113,115	563,435	230,992	214,770,334	117,708,407	16,809,381	1,820,394
IRR Equivalent of Total Customers' Foreign Currency Assets & Commitments- IRR Million	4,233,283	21,144,885	147,797	49,252	358,892	6,384,739	526,487	
Dues to Banks & Other Credit Institutes	(1,140,090)	(6,813,804)	0	0	(70,055,254)	(74,082)	0	(1,262,847)
Deposits	(10,067,374)	(24,474,794)	(42,351)	(100)	(7,526,088)	(54,125,916)	(4,393,087)	(28,861)
Dividends Payable	0	0	0	0	0	0	0	0
Debt Securities	0	0	0	0	0	0	0	0
Corporation Tax Provision	0	0	0	0	0	0	0	0
Provisions & Other liabilities	0	(6,916,820)	(16)	0	0	(6,920,315)	(5,637,271)	(96,400)
Investment Depositors' Interests	(2,142,940)	(810,317)	(1,200)	0	0	(34,379,467)	0	0
Total Foreign Currency Liabilities	(13,350,403)	(39,015,735)	(43,567)	(100)	(77,581,342)	(95,499,780)	(10,030,358)	(1,388,108)
Bank's Commitments on L/Cs	0	0	0	0	0	0	(340,320)	0
Bank's Commitments on Issued L/Gs	(1,481,927)	(38,767,104)	0	0	0	(4,000,000)	(6,206,186)	(8,810)
Bank's Other Commitments	0	(33,993)	0	0	0	0	0	0
Total Bank's Foreign Currency Commitments	(1,481,927)	(38,801,097)	0	0	0	(4,000,000)	(6,546,506)	(8,810)
Total Bank's Foreign Currency Liabilities & Commitments	(14,832,330)	(77,816,831)	(43,567)	(100)	(77,581,342)	(99,499,780)	(16,576,864)	(1,396,918)
IRR Equivalent of Bank's Total Foreign Currency Liabilities & Commitments- IRR Million	(2,966,466)	(17,119,703)	(11,428)	(21)	(129,642)	(5,397,067)	(519,204)	(1,396,918)
Net Positive (Negative) Foreign Currency Open Position for Each Foreign Currency on 20.03.2022	6,334,083	18,296,283	519,867	230,892	137,188,992	18,208,627	232,517	423,476
IRR Equivalent of Foreign Currency Open Position for Each Foreign Currency on 20.03.2022- IRR Million	1,266,817	4,025,182	136,369	49,230	229,250	987,672	7,283	423,476
Open Position of Each Foreign Currency to Regulatory Capital on 20.03.2022-%	2.4%	7.5%	0.3%	0.1%	0.4%	1.8%	0.0%	0.8%
Open Position of Each Foreign Currency to Regulatory Capital As the Basis of Other Prudential Ratios on 20.03.2022-%	2.8%	9.0%	0.3%	0.1%	0.5%	2.2%	0.0%	0.9%

64.5.5.1. Summary of foreign currency open position

	20.03.2023	20.03.2022
Positive Open Position of All Foreign Currencies- IRR Million	36.522.628	34,665,729
Negative Open Position of All Foreign Currencies- IRR Million	(28.683.079)	(27,540,450)
Foreign Currency Open Position- IRR Million	7.839.549	7,125,278
Positive Open Position of All Foreign Currencies to Regulatory Capital As A Basis for Other Prudential Ratios-%	81.3%	77.1%
Negative Open Position of All Foreign Currencies to Regulatory Capital As A Basis for Other Prudential Ratios-%	(63.8%)	(61.3%)

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

	20.03.2023	20.03.2022
	IRR Million	IRR Million
Total Assets to Gold, Silver & Platinum	4.578	5,487
Total Liabilities to Gold, Silver & Platinum	0	0
Net Assets & Liabilities to Gold, Silver & Platinum	4.578	5,487
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	4.578	5,487
Net Open Position of Gold (Always Positive)	4.578	5,487
Open Position Gold to Paid Capital & Free Reserve	0	0

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64.5.5.3. Analysis of effects of foreign currency rate risk on profit and loss

With respect to Historical Simulation Method and Standard Model and resulting potential foreign currency fluctuations, value at risk for net foreign currency assets and liabilities are presented in the following table:

Foreign Currency	20.03.2023		20.03.2022	
	Potential Change in Market Price	Effect on Profit & Loss	Potential Change in Market Price	Effect on Profit & Loss
	%	IRR Million	%	IRR Million
EUR	(-3.72, 3.72)	185.103	(-2.4, 2.4)	96,764
GBP	(-4.8,4.8)	7.490	(-2.53, 2.53)	3,454
AED	0	0	0	0
JPY	(-5.27,5.27)	13.573	(-2.13, 2.13)	4,894
CHF	(-3.99,3.99)	2.466	(-2.47, 2.47)	1,215
CNY	(-2.69,2.69)	3.401	(-1.14, 1.14)	82
RUB	(-14.42,14.42)	5.203	(-17.72, 17.72)	3,686
KRW	(-4.13, 4.13)	9.837	(-2.49, 2.49)	5,080
INR	(-2.05,2.05)	5.936	(-1.95, 1.95)	3,550
TRY	(-2.68,2.68)	213	(-19.87, 19.87)	1,632
Others	(-0.09,0.09)	12	(-.002, 0.002)	95
		233.233		**120,452**

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

64.5.6. Capital required to cover market risk

Foreign Currency	Shares Risk		Foreign Currency Risk		Total Capital Required to Cover Market Risk
	Value at Risk	Required Capital	Value at Risk	Required Capital	
	IRR Million	IRR Million	IRR Million	IRR Million	IRR Million
Variance & Covariance Model	146,365	439,094	233.233	699.699	1.138.793
Standard Model	(Average Opportunity)*8%	130,434	(Opportunity Sale or Purchase)*8%	642,691	773,125

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

	20.03.2023						
	Carrying Amount	Below 1 Month	From 1 Month to 3 Months	From 3 Months to 1 Year	From 1 Year to 5 Years	Above 5 Years	Insensitive to Interest Rate
	IRR Million	IRR Million	IRR Million	IRR Million	IRR Million	IRR Million	IRR Million
Assets:							
Cash	17,813,832	0	0	0	0	0	17,813,832
Claims from Banks & Other Credit Institutes	9,914,916	0	0	0	0	0	9,914,916
Dues from the Government	0	0	0	0	0	0	0
Loans Granted & Claims from Governmental Authorities	0	0	0	0	0	0	0
Granted Loans & Claims from Non-governmental Entities	413,229,664	56,247,123	77,299,691	223,015,336	46,410,973	2,613,636	7,642,904
Investment in Shares & Other Securities	36,220,242	0	0	15,183,765	0	0	21,036,476
Claims from Subsidiary & Associated Companies	5,309,217	0	0	5,309,217	0	0	0
Other Accounts Receivable	8,163,632	0	0	0	0	0	8,163,632
Non-current assets held for sale	5,062,373	0	0	0	0	0	5,062,373
Fixed Tangible Assets	28,110,943	0	0	0	0	0	28,110,943
Intangible Assets	18,107,967	0	0	0	0	0	18,107,967
Legal Deposit	58,808,296	25,725,516	1,638,673	12,947,876	18,471,032	25,200	0
Deferred tax asset	0	0	0	0	0	0	0
Other Assets	5,773,692	0	0	0	0	0	5,773,692
Total assets	**606,514,773**	**81,972,639**	**78,938,365**	**256,456,195**	**64,882,004**	**2,638,836**	**121,626,735**
Liabilities							
Dues to Banks & Other Credit Institutes	(5,809,114)	(5,809,114)	0	0	0	0	0
Deposits	(506,198,014)	0	0	0	0	0	(506,198,014)
Dividends Payable	(40,299)	0	0	0	0	0	(40,299)
Debt Securities	0	0	0	0	0	0	0
Corporation Tax Provision	(1,924,159)	0	0	0	0	0	(1,924,159)
Provisions & Other liabilities	(20,563,032)	0	0	0	0	0	(20,563,032)
Liabilities related to non-current assets held for sale	0	0	0	0	0	0	0
Provision for Work Termination Benefits	(2,692,304)	0	0	0	0	0	(2,692,304)
Total Liabilities	(537,226,923)	(5,809,114)	0	0	0	0	(531,417,808)
Total Shareholders' Equity	(69,287,851)						(69,287,851)
Total Liabilities & Shareholders' Equity	(606,514,773)	(5,809,114)	0	0	0	0	(600,705,659)
Gap		76,163,525	78,938,365	256,456,195	64,882,004	2,638,836	(479,078,924)
Cumulative Gap		76,163,525	155,101,889	411,558,085	476,440,089	479,078,924	0

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	20.03.2022						
	Carrying Amount	Below 1 Month	From 1 Month to 3 Months	From 3 Months to 1 Year	From 1 Year to 5 Years	Above 5 Years	Insensitive to Interest Rate
	IRR Million	IRR Million	IRR Million	IRR Million	IRR Million	IRR Million	IRR Million
Assets:							
Cash	20,495,079	0	0	0	0	0	20,495,079
Claims from Banks & Other Credit Institutes	19,137,595	0	0	0	0	0	19,137,595
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	367,856,041	59,549,055	108,312,141	133,705,041	52,741,888	3,839,622	9,708,294
Investment in Shares & Other Securities	46,436,963	0	0	0	0	0	46,436,963
Claims from Subsidiary & Associated Companies	3,079,735	0	0	3,079,735	0	0	0
Other Accounts Receivable	4,145,548	0	0	0	0	0	4,145,548
Non-current assets held for sale	4,299,200						4,299,200
Fixed Tangible Assets	27,233,966	0	0	0	0	0	27,233,966
Intangible Assets	15,103,962	0	0	0	0	0	15,103,962
Legal Deposit	51,559,615	10,800,248	5,850	1,914,792	27,188,352	0	11,650,372
Deferred tax asset	0	0	0	0	0	0	0
Other Assets	2,870,475	0	0	0	0	0	2,870,475
Total assets	**562,218,179**	**70,349,303**	**108,317,991**	**138,699,568**	**79,930,240**	**3,839,622**	**161,081,455**
Liabilities							
Dues to Banks & Other Credit Institutes	(41,942,614)	(41,009,445)	0	0	0	0	(933,168)
Deposits	(444,006,204)	0	0	0	0	0	(444,006,204)
Dividends Payable	(30,747)	0	0	0	0	0	(30,747)
Debt Securities	0	0	0	0	0	0	0
Corporation Tax Provision	(1,296,051)	0	0	0	0	0	(1,296,051)
Provisions & Other liabilities	(11,044,232)	0	0	0	0	0	(11,044,232)
Liabilities related to non-current assets held for sale	0	0	0	0	0	0	0
Provision for Work Termination Benefits	(1,718,515)	0	0	0	0	0	(1,718,515)
Total Liabilities	(500,038,362)	(41,009,445)	0	0	0	0	(459,028,917)
Total Shareholders' Equity	(62,179,817)						(62,179,817)
Total Liabilities & Shareholders' Equity	(562,218,179)	(41,009,445)	0	0	0	0	(521,208,734)
Gap		29,339,857	108,317,991	138,699,568	79,930,240	3,839,622	(360,127,280)
Cumulative Gap		29,339,857	137,657,849	276,357,417	356,287,657	360,127,280	0

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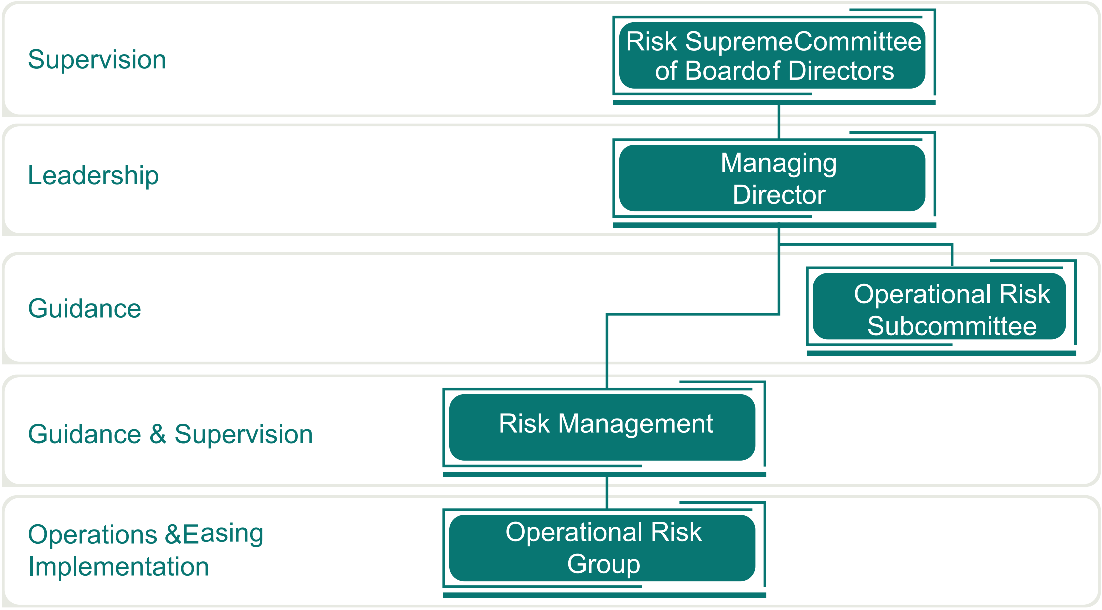
64.6. Operational risk

64.6.1. Definition

Karafarin Bank defines the operational risk according to the CBI's letter 00/241697 dated 13.11.2021 and Basel Accord as the loss risk arising from unsuitability and inadequacy of processes and regulations, people, internal systems or as loss arising from external events.

64.6.2.Executive units of operational risk management

Appropriate organisational structure for implementation and supervision on daily good performance and duties related to operating management has been shown in the figure below:



Risk Supreme Committee representing the Board of Directors is responsible for establishing the operational risk management framework in the Bank, approving strategies, policies, limits and thresholds related to operational risk and any changes, amendments and revision to them. Operational Risk Subcommittee representing the Risk Supreme Committee of the Board of Directors is responsible for initially reviewing and investigating any strategy, policy and process relating to operational risk, coordinating related organisational bodies with the subject, suggesting significant policies and processes to the Risk Supreme Committee of the Board of Directors for final approval as well as ensuring the proper implementation of operational risk management framework.

Risk and Economic Studies Management Unit is responsible to identify risk, measure, monitor, report and control as well as to reduce operational risk in cooperation with other organisational bodies.

64.6.3. Precautionary policies in the event of intentional and unintentional human error

Karafarin Bank attempts to prevent the occurrence of intentional and inadvertently human error within the Bank by documenting and standardising processes, formulating comprehensive and transparent policies, constant and adequate training to human resources, separating supervision and execution units for independent performance of supervisory units, constantly reporting the Bank's top managers and Board of Directors, paying special attention to lack of conflict of interests, determining accurate and measurable criteria and examples when formulating processes and regulations.

64.6.4. Preparations to counteract crisis

Karafarin Bank has approved the Crisis Management Bylaw in the 2015-16 period. In addition, to manage crisis, Crisis Committee is formed with the attendance of most of top managers such as the Managing Director. The Bank is also preparing an Operation Continuity Plan bylaw to assure its readiness to counteract the probable crises and prevent the suspension of the Bank's routine operations.

64.6.5. Operational risk measurement method
Operational risk data are necessary in measuring operational risk and to estimate the capital required to cover operational risk. There are four main sources for collecting these data are: key risk indicators (KRI), collecting loss data, risk control self-assessment (RSCA) and scenario analysis. In order to measure operational risk, it is necessary to the data collected from the above sources within the framework of models which correspond with CBI regulations and Basel II and Basel III Accords. Karafarin Bank has implemented the above within the framework of a project to implement operational risk management. In order to measure its operational risk and to estimate the capital required to cover this risk, the Bank extracts the required data and applies the approaches which have been recommended by the Basel Committee and Basel III Accord (standardised measurement approach), as well as base and standard models. Furthermore, in order to apply an advanced measurement model, the Bank has designed a framework for collecting loss data to be used to estimate the Bank's operational loss required for estimating operational value at risk (VAR). This complementary method which includes another variable for comparison adds precision to the calculations.

The process of risks and control self-assessment (RCSA) is an instrument to recognise and evaluate the operational risks in all processes, products and systems and to identify the weak spots and controls. This process generally includes workshops and person-to-person sessions with related managers to identify the strong and the weak points related to controls. Acquired results from the mentioned sessions can be used for promoting the controls in different ways. Some acquired results include the improvement programs which focus on issues related to controls, devotion of required resources to risky areas and rating different cases exposed to operational risk. Dynamism of the Bank's working environment as well as risk control and self-assessment meetings are factors that aid the identification of key indexes of operational risk.

Key risk indices, as an available instrument to manage operational risk, are like increasing signals of a risk which will subsequently result in loss in future. These key indexes are either case-by-case, historical or foresighted in nature. Case-by-case indexes are concerned with collecting data relating to particular events and are easily identifiable. These indexes are essentially in the forms of Zero or One or Yes or No. Historical indexes are concerned with events that have already occurred and when they have occurred. These indexes are useful tools for managers to draft their strategies and asses controlling solutions. Foresighted indexes on the other hand, forecast risk occurrence. Data collection, monitoring, the ability to analyse these indexes are the man prerequisites for implementing a strong operational risk management framework. In cooperation with other managements throughout the Bank, Risk Management & Economic Research Department has drafted 200 key operational risk indexes, each of which, caution and warn the Bank's senior management.

64.6.6. Operational risk control and monitoring mechanisms
By constantly reporting results of calculating the "minimum capital required for covering operational risk", "self-assessment and control", as well as "key risk indicators" to the senior management and the Risk Supreme Committee of the Board of Directors aims at helping the Bank make appropriate and on time decisions to control and manage its operational risk. Furthermore, by drafting a transactions instruction and establishing a permanent Operational Risk Transactions Committee for outsourcing, the Bank carries out preventative measures to manage operational risk. In addition, by establishing a Product Development Committee, the Bank takes advantage of the opinion of related specialised units such as risk management prior to introducing new services to its clients. These units appraise the operational as well as commercial risks of the product or service in question and make adjustments where they deem as necessary. Moreover, by establishing an operational risk subcommittee as the supporting arm of the Risk Supreme Committee of the Board of Directors the Bank manages and measures its operational risk with greater accuracy than before. The Risk Management Unit aims at drafting and implementing the Operations Continuance Instruction in cooperation with other units of the Bank.

The Bank's existing operational risk is periodically and randomly measured using various kinds of methods and are reported to related authorities. These reports are based on Risk and Economic Studies Management, and are prepared in cooperation with other organisational units. Some internal measurement and reporting include: reporting to the Risk Supreme Committee of the Board of Directors and senior management, reporting to the Operational Risk Subcommittee, reporting to the Crisis Committee and reporting to Product Development Committee. Furthermore, within specific periods, the Bank measures and discloses its operational risk in its annual reports of the Board of Directors to the General Assembly, IFRS reports as well as transparency and general information disclosure reports.

Karafarin Bank has different alternatives to control and/or reduce different kinds of risks:
1.Non-acceptance of risk (by avoiding certain business strategies or a group of customers),
2.Risk acceptance and maintenance and at the same time, defining the internal control instruments for risk reduction and risk financing through pricing, making provisions and capital.
3.Risk acceptance and its transfer to others, partially or fully. For those risks which are not controllable or reducible, the Bank must use insurance coverage to reduce and transfer the risk, partially or fully.

64.6.7. Capital required to cover operational risk
To calculate the capital required to cover operational risk, Base Index method and the CBI's letter 98/436758 dated 07.03.2020 are applied and the following results are obtained:

Measurement Method	Capital at Operational risk
	IRR Million
Base Index	2.647.499
SA Standard	-
AMA Standard	-
SMA Standard	-

64.6.8. Following six years of going through the process of localisation, a comprehensive banking software known as Afarin Software was implemented within the Bank in 2009-10. This software entails all modules including loans, retail and international banking, treasury, basic customer information, foreign exchange and general ledger. Although information regarding the mentioned modules is reportable, yet the existing reports in the system lack sufficient data on income and late payment loans fines and provision making on non-performing claims. Therefore, some of the required statements and information have been acquired from the BI System and having gone through necessary adjustments in Excel, they become the basis for calculating income and provisions. Furthermore, it is not possible to fully obtain information on liabilities arising from L/Cs and L/Gs broken down in terms of type of collaterals.
Although the collaterals obtained from customers have not been broken down in accordance with types of loan; yet these collaterals do fully and generally cover the liabilities. In addition, properties which have been obtained as collateral whose latest valuation date back more than three years have not been valuated in accordance with CBI guideline. Instead, they are valuated according to consumer price index announced by the CBI.

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64.7. Capital management

64.7.1. Regulatory capital

Description	20.03.2023	20.03.2022
	IRR Million	IRR Million
Tier 1 Capital		
Capital Paid Less Capital from Assets Revaluation Surplus	27.590.937	21,090,937
Shares Premium	0	0
Retained Earnings (Loss)	12.698.243	12,262,472
Legal Reserve	9.959.086	7,932,529
Prudential Reserve	0	0
Other Reserves	1.186.102	2,958,053
Total Tier 1 Capital before Regulatory Adjustments	**51.434.367**	**44,243,990**
Less: Regulatory Adjustments		
Cost of Treasury Shares	(556.533)	(474,189)
Cost of the Credit Institutes Shares Owned by Subsidiaries at the Time Calculating Capital Adequacy	(10.170)	(543,099)
Intangible Assets	(394.631)	(84,357)
Minimum Cost of Investment in Shares of Credit Institutes or Nonsubsidiary Financial Units	(162.165)	0
Net Carrying Amount of Investments to Specified Limits (50% Less from Tier 1 Capital)	(2.355.164)	(1,358,295)
Other Adjustments Recognised by the CBI	0	0
Total Regulatory Adjustments	(3.478.663)	(2,459,940)
Tier 1 Capital after Regulatory Adjustments	**47.955.704**	**41,784,050**
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	4.425.095	5,040,506
Adjusted Amount from Revaluation of Fixed Assets, Shares & Securities	8.284.079	8,284,079
Total Tier 2 Capital	**12.709.173**	**13.324.585**
Less: Regulatory Adjustments		
Net Carrying Amount of Investments up to the Specified Limit (50% Less from Tier 2 Capital)	(2.355.164)	(1,358,295)
Tier 2 Capital after Regulatory Adjustments	**10.354.010**	**11.966.290**
Less: Excess of Tier 2 Capital to Tier 1 Capital	0	0
Tier 2 Capital Calculated in Regulatory Capital	**10.354.010**	**11,966,290**
Regulatory Capital	**58.309.714**	**53,750,339**

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64.7.2.Capital Allocation

64.7.2.1.Total credit risk-weighted assets at the end of the reporting period ended 20.03.2023 amounts to IRR354,007,571 million

Description	20.03.2023						20.03.2022	
	Amount	Conversion Factor	Adjusted Amount Considering Collaterals & Conversion Factors	Risk Factor	Risk-Weighted Assets & Commitments	Required Capital	Risk-Weighted Assets & Commitments	Required Capital
	IRR Million	%	IRR Million	%	IRR Million	IRR Million	IRR Million	IRR Million
Cash (IRR & Foreign Currency Cash at Hand & Funds in Transition)	1,454,817	100	1,454,817	0	0	0	0	0
Legal Deposit held with CBI	58,808,296	100	58,808,296	0	0	0	0	0
Claims from CBI	2,718,943	100	2,718,943	0	0	0	0	0
Corporate Bonds Issued or Guaranteed by CBI	0	100	0	0	0	0	0	0
Claims from Banks & Other Credit Institutes	23,554,988	100	23,554,988	50	11,777,494	942,200	2,559,357	204,749
Claims from the Government (Loans & Purchasing Securities)	28,612,157	100	28,612,157	0	0	0	0	0
Claims from Governmental Institutes & Companies & Non-governmental General Institutes (Loans & Purchasing Securities)	0	100	0	50	0	0	15,106,887	1,208,551
Principal Amount of Participatory Contracts Loans (Musharaka, Mudaraba, Mosaghat, Mozare'eh) of Listed Companies	0	100	0	100	0	0	2,598,207	207,857
Principal Amount of Participatory Contracts Loans (Musharaka, Mudaraba, Mosaghat, Mozare'eh) of Other Individuals & Legal Entities	11,298,975	100	6,586,623	150	9,879,934	790,395	29,972,059	2,397,765
Non-trade Investment in Companies Listed in TSE after Deducting Provision for Share Impairment Up to Specified Limit, Subject of "Investment in Securities Instruction"	1,161,072	100	1,161,072	150	1,741,609	139,329	1,747,805	139,824
Non-trade Investment in Other Companies after Deducting Provision for Share Impairment Up to Specified Limit, Subject of "Investment in Securities Instruction"	1,547,042	100	1,547,042	200	3,094,083	247,527	3,088,683	247,095
Non-trade Investment in Other & Foreign Credit Institutes after Deducting Provision for Share Impairment Up to Specified Limit, Subject of "Investment in Securities	0	100	0	150	0	0	0	0
Principal & Interest of Non-participatory Contracts-Residential Properties	3,284,565	100	1,443,447	50	721,724	57,738	823,187	65,855

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Description	20.03.2023						20.03.2022	
	Amount	Conversion Factor	Adjusted Amount Considering Collaterals & Conversion Factors	Risk Factor	Risk-Weighted Assets & Commitments	Required Capital	Risk-Weighted Assets & Commitments	Required Capital
	IRR Million	%	IRR Million	%	IRR Million	IRR Million	IRR Million	IRR Million
Non-participatory Contracts-Total Balance of Principal & Interest on Loans Granted to Legal Entities, SMEs (Maximum No. of Human Resources: 100) Whose Principal Amount of Granted Loans Amounts to Maximum IRR20 billion.	28,634,440	100	22,570,539	75	16,927,904	1,354,232	11,558,702	924,696
Non-participatory Contracts-Total Balance of Principal & Interest on Loans Granted to Legal Entities, SMEs (Maximum No. of Human Resources: 100) Whose Principal Amount of Granted Loans Amounts to Maximum IRR20 billion. Balance of Principal & Interest on Loans Granted to Legal Entities (Over 100 Employees)- With Credit Rating of Very Good	15,976,489	100	10,635,236	20	2,127,047	170,164	954,740	76,379
Non-participatory Contracts-Total Balance of Principal & Interest on Loans Granted to Legal Entities, SMEs (Maximum No. of Human Resources: 100) Whose Principal Amount of Granted Loans Amounts to Maximum IRR20 billion. Balance of Principal & Interest on Loans Granted to Legal Entities (Over 100 Employees)- With Credit Rating of Good	195,682,917	100	116,453,949	50	58,226,974	4,658,158	55,035,834	4,402,867
Non-participatory Contracts-Total Balance of Principal & Interest on Loans Granted to Legal Entities, SMEs (Maximum No. of Human Resources: 100) Whose Principal Amount of Granted Loans Amounts to Maximum IRR20 billion. Balance of Principal & Interest on Loans Granted to Legal Entities (Over 100 Employees)- With Credit Rating of Medium	138,140,297	100	88,247,568	75	66,185,676	5,294,854	63,292,464	5,063,397

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Description	20.03.2023						20.03.2022	
	Amount	Conversion Factor	Adjusted Amount Considering Collaterals & Conversion Factors	Risk Factor	Risk-Weighted Assets & Commitments	Required Capital	Risk-Weighted Assets & Commitments	Required Capital
	IRR Million	%	IRR Million	%	IRR Million	IRR Million	IRR Million	IRR Million
Non-participatory Contracts-Total Balance of Principal & Interest on Loans Granted to Legal Entities, SMEs (Maximum No. of Human Resources: 100) Whose Principal Amount of Granted Loans Amounts to Maximum IRR20 billion. Balance of Principal & Interest on Loans Granted to Legal Entities (Over 100 Employees)- With Credit Rating of Low	3,052,139	100	1,982,576	100	1,982,576	158,606	689,130	55,130
Non-participatory Contracts-Total Balance of Principal & Interest on Loans Granted to Legal Entities, SMEs (Maximum No. of Human Resources: 100) Whose Principal Amount of Granted Loans Amounts to Maximum IRR20 billion. Balance of Principal & Interest on Loans Granted to Legal Entities (Over 100 Employees)- With Credit Rating of Very Low	13,715,346	100	7,759,864	150	11,639,796	931,184	46,422,693	3,713,815
Non-participatory Contracts-Total Balance of Principal & Interest on Loans Granted to Individuals, Legal Entities, etc. Which Are Not in the Above Sections	0	100	0	100	0	0	0	0
Net Non-performing Loans (Principal, Interest & Penalty Less Related Special Provision)-Special Provision Amount Less than 20% of Non-performing Loans Balance	10,893,856	100	10,893,856	150	16,340,784	1,307,263	5,580,583	446,447
Net Non-performing Loans (Principal, Interest & Penalty Less Related Special Provision)-Special Provision Amount Less than 20% to 50% of Non-performing Loans Balance	5,394,762	100	5,394,762	100	5,394,762	431,581	3,077,332	246,187
Net Non-performing Loans (Principal, Interest & Penalty Less Related Special Provision)-Special Provision Amount More than 50% of Non-performing Loans Balance	443,356	100	443,356	50	221,678	17,734	298,808	23,905
Non-governmental Bonds	0	100	0	100	0	0	0	0
Claims from Subsidiary & Associated Companies (Current Claims & Not Loans)	5,309,217	100	5,309,217	100	5,309,217	424,737	2,050,969	164,078
Other Accounts Receivable (Current)	8,163,632	100	8,163,632	100	8,163,632	653,091	4,150,705	332,056
Net Fixed Asset	46,218,910	100	46,218,910	100	46,218,910	3,697,513	42,337,927	3,387,034

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Description	20.03.2023						20.03.2022	
	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 Balance Sheet Items (Other Assets)	10,836,065	100	10,836,065	100	10,836,065	866,885	7,169,676	573,574
Off-balance Sheet Items	0	100	0	0	0	0	0	0
Commitments on Issued or Confirmed L/Cs Whose Good is not Collateral of Credit After Deducting Advances Received	8,417,210	50	4,208,605	100	4,208,605	336,688	3,522,751	281,820
Commitments on Issued L/Gs After Deducting Cash Deposit	64,023,101	50	32,011,551	100	32,011,551	2,560,924	58,862,098	4,708,968
Commitments on Transaction Contracts & Guarantee of Sukuk Such as Bonds	81,995,100	50	40,997,550	100	40,997,550	3,279,804	42,339,915	3,387,193
Other Commitments	0	100	0	100	0	0	0	0
Total	769,337,690				354,007,571	28,320,606	403,240,513	32,259,241

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64.7.2.2.Total operational risk-weighted assets at the end of the year ended 20.03.2023 amounted to IRR37,913,086 million.

	20.03.2023			20.03.2022		
	Amount	Risk Factor	Required Capital	Amount	Risk Factor	Required Capital
	IRR Million	%	IRR Million	IRR Million	%	IRR Million
Trade Shares	1.150.801	8.00	92.064	915,080	8.00	73,206
Total Cost of Trade Securities- Specific Risk	91.550	5.00	4.577	119,138	5.00	5,957
Trade Securities-Fundamental Risk- 1 Month & Less to Maturity Date	0	0	0	0	0	0
Trade Securities- Fundamental Risk- 1 Month to 3 Months Remained to Maturity Date	0	0.2	0	0	0.2	0
Trade Securities- Fundamental Risk- 3 Months to 6 Months Remained to Maturity Date	0	0.4	0	0	0.4	0
Trade Securities- Fundamental Risk- 6 Months to 12 Months Remained to Maturity Date	0	0.7	0	0	0.7	0
Trade Securities- Fundamental Risk- 1 Year to 2 Years Remained to Maturity Date	0	1.25	0	0	1.25	0
Trade Securities- Fundamental Risk- 2 Years to 3 Years Remained to Maturity Date	0	1.75	0	0	1.75	0
Trade Securities- Fundamental Risk- 3 Years to 4 Years Remained to Maturity Date	0	2.25	0	0	2.25	0
Trade Securities- Fundamental Risk- 4 Years to 5 Years Remained to Maturity Date	0	2.75	0	0	2.75	0
Trade Securities- Fundamental Risk- 5 Years to 7 Years Remained to Maturity Date	0	3.25	0	0	3.25	0
Trade Securities- Fundamental Risk- 7 Years to 10 Years Remained to Maturity Date	0	3.75	0	0	3.75	0
Trade Securities- Fundamental Risk- 10 Years to 15 Years Remained to Maturity Date	0	4.5	0	0	4.5	0
Trade Securities- Fundamental Risk- 15 Years to 20 Years Remained to Maturity Date	0	5.25	0	0	5.25	0
Trade Securities- Fundamental Risk- Above 20 Years Remained to Maturity Date	91.550	6.00	5.493	119,138	6.00	7,148
Positive Open Position of All Foreign Currencies Absolute Magnitude of Negative Position of All Foreign Currencies Whichever is Higher	36.636.404	8.00	2.930.912	7,125,278	8.00	570,022
Total Capital Required to Cover Market Risk			**3.033.047**			**656,334**
Factor			12.5			12.5
Total Market Risk-Weighted Assets			**37.803.078**			**8,204,173**

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64.7.2.3.Total operational risk-weighted assets at the end of the reporting fiscal year ended 20.03.2023 amounted to IRR50,239,825 million.

	20.03.2023			20.03.2022		
	Amount	Risk Factor	Required Capital	Amount	Risk Factor	Required Capital
	IRR Million	%	IRR Million	IRR Million	%	IRR Million
Average Total Income of the Bank in Three Recent Years	26.794.573	15.00	4.019.186	50,952,847	15.00	7,642,927
Factor			12.5			12.5
Operational Risk- Weighted Assets			**50.239.825**			**95,536,588**

64.7.3. Capital adequacy ratio of the Bank at the end of the year ended 20.03.2023 was 13.17%.

	20.03.2023	20.03.2022
	IRR Million	IRR Million
Regulatory Capital As A Basis for Prudential Ratios	58.309.714	53,750,339
Credit Risk-Weighted Assets	354.007.571	403,240,513
Market Risk-Weighted Assets	37.803.078	8,204,173
Operational Risk-Weighted Assets	50.816.755	95,536,588
Total Risk-Weighted Assets	442.627.404	506,981,273
Tier 1 Capital to Risk-Weighted Asset Ratio-%	10.83%	8.2%
Capital Adequacy Ratio-%	13.17%	10.60%

64.7.4. Degree of leverage

Degree of leverage is the ratio of Bank's total assets to shareholders' equity. Bank's degree of leverage was 11.4% at the end of the fiscal year 20.03.2023.

	20.03.2023	20.03.2022
	IRR Million	IRR Million
Total Shareholders' Equity	69.287.851	62,179,817
Total Assets	606.514.773	562,218,179
Degree of Leverage-%	11.4%	11.1%

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65. Operating Units

65.1. Basis for dividing sectors

This section explains the various business sectors in reporting.

65.2. Information on reportable operating sectors

Information related to any reportable sectors are presented in the table below. The sectors' profit before tax has been used as the performance criteria.

2022-2023						
Description	Proxy Banking	Gharz-al Hassaneh Banking	International Banking	E-banking	Other Activities	Total
	IRR Million	IRR Million	IRR Million	IRR Million	IRR Million	IRR Million
Income Out of Bank:						
Granted Loans & Deposits Income	76.486.732	0	105.203	0	0	76.486.732
Deposits Interest Expense	(56.003.767)	0	(56.513)	0	0	(56.003.767)
Net Loans & Deposits Income	20,482,965	0	48.690	0	0	20.531.655
Commission Income	6.453.889	70.277	0	215.234	0	6.739.401
Commission Expense	(260.458)	0	0	0	0	(260.458)
Net Commission Income	6.193.431	70.277	0	215.234	0	6.478.942
Net Investment Returns (Loss)	2.610.038	0	0	0	0	2.610.038
Net Foreign Currency Transactions Profit (Loss)	0	0	1.190.293	0	0	1.190.293
Other Operating Revenues	0	0		0	2.192.797	2.192.797
Sum of investment income, foreign exchange and other operational income	2.610.038	0	1.190.293	0	2.192.797	5.993.128
Net Income Out of the Bank	29.286.435	70.277	1.238.983	215.234	2.192.797	3.003.726
Net Income from Bank's Sections	0	0	0	0	0	0
Total Income of Operating Sections of the Bank	29.286.435	70.277	1.238.983	215.234	2.192.797	3.003.726
Doubtful Debt Expenses of Operating Sections	(3.907.688)	0	0	0	0	(3.907.688)
Other Direct Expenses Attributable to Operating Sections	(14.239.914)	0	0	0	0	(14.239.914)
Each Section Profit (Loss) before Unattributable General Expenses	11.138.832	70.277	1.238.983	215.234	2.192.797	14.856.124
General Expenses Unattributable to Sections						(842.770)
Profit before Tax						**14.013.354**

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2021-2022						
Description	Proxy Banking	Gharz-al Hassaneh Banking	International Banking	E-banking	Other Activities	Total
	IRR Million	IRR Million	IRR Million	IRR Million	IRR Million	IRR Million
Income Out of Bank:						
Granted Loans & Deposits Income	65,485,288	0	257,896	0	0	65,743,184
Deposits Interest Expense	(48,278,695)	0	(98,811)	0	0	(48,377,506)
Net Loans & Deposits Income	17,206,593	0	159,085	0	0	17,365,678
Commission Income	4,054,071	21.967	0	91.999	0	4.168.037
Commission Expense	(257,565)	0	0	0	0	(257,565)
Net Commission Income	3,796,506	21.967	0	91.999	0	3.910.472
Net Investment Returns (Loss)	4,457,821	0	0	0	0	4,457,821
Net Foreign Currency Transactions Profit (Loss)	0	0	850,347	0	0	850,347
Other Operating Revenues	0	0		0	812,641	812,641
Sum of investment income, foreign exchange and other operational income	4,457,821	0	850,347	0	812,641	6,120,808
Net Income Out of the Bank	25,460,920	0	1,009,431	0	812,641	27.396.959
Net Income from Bank's Sections	0	0	0	0	0	0
Total Income of Operating Sections of the Bank	25,460,920	0	1,009,431	0	812,641	27.396.959
Doubtful Debt Expenses of Operating Sections	(2,467,437)	0	0	0	0	(2,467,437)
Other Direct Expenses Attributable to Operating Sections	(459,491)	0	0	0	0	(459,491)
Each Section Profit (Loss) before Unattributable General Expenses	22,533,992	0	1,009,431	0	812,641	24.470.031
General Expenses Unattributable to Sections						(10,711,788)
Profit before Tax						**13.758.243**

65.3.Geographical concentration of main items in assets, liabilities and incomes

While offering geographical information, assets' main items are based on location and liabilities and income are reported based on location of Bank's counterparts in geographical areas.

	2022-23									
	Iran	Switzerland	Turkey	United Arab Emirates	Germany	South Korea	Oman	Bahrain	Other Countries	Total
	IRR Million	IRR Million	IRR Million	IRR Million	IRR Million	IRR Million	IRR Million	IRR Million	IRR Million	IRR Million
Assets:										
Cash	4.071.455	5.560.865	1.717.616	1.680.665	1.052.740	970.369	825.001	0	1.935.122	17.813.832
Claims from & Other Credit Institutes	9.914.916	0	0	0	0	0	0	0	0	9.914.916
Dues from the Government	0	0	0	0	0	0	0	0	0	0
Loans Granted & Claims from Governmental Authorities	0	0	0	0	0	0	0	0	0	0
Granted Loans & Claims from Non-governmental Entities	413.229.664	0	0	0	0	0	0	0	0	413.229.664
Investment in Shares & Securities	36.220.242	0	0	0	0	0	0	0	0	36.220.242
Claims from Subsidiary & Associated Companies	5.309.217	0	0	0	0	0	0	0	0	5.309.217
Other Accounts Receivable	8.163.632	0	0	0	0	0	0	0	0	8.163.632
Non-current assets held for sale	5.062.373	0	0	0	0	0	0	0	0	5.062.373
Fixed Tangible Assets	28.110.943	0	0	0	0	0	0	0	0	28.110.943
Intangible Assets	18.107.967	0	0	0	0	0	0	0	0	18.107.967
Legal Deposits	58.808.296	0	0	0	0	0	0	0	0	58.808.296
Deferred tax asset	0	0	0	0	0	0	0	0	0	0
Other Asset	5.773.692	0	0	0	0	0	0	0	0	5.773.692
Total Assets	**592.772.397**	**5.560.865**	**1.717.616**	**1.680.665**	**1.052.740**	**970.369**	**825.001**	**0**	**1.935.122**	**606.514.773**
Liabilities:										
Dues to Banks & Other Credit Institutes	(5.806.801)	0	0	0	0	0	0	(2.313)	0	(5.809.114)
Deposits	(506.198.014)	0	0	0	0	0	0	0	0	(506.198.014)
Debt Securities	0	0	0	0	0	0	0	0	0	0
Dividends Payable	(40.299)	0	0	0	0	0	0	0	0	(40.299)
Corporation Tax Provision	(1.924.159)	0	0	0	0	0	0	0	0	(1.924.159)
Provisions & Other Liabilities	(20.563.032)	0	0	0	0	0	0	0	0	(20.563.032)
Liabilities related to non-current assets held for sale	0	0	0	0	0	0	0	0	0	0
Deferred tax Liabilities	0	0	0	0	0	0	0	0	0	0
Provision for Work termination Benefits	(2.692.304)	0	0	0	0	0	0	0	0	(2.692.304)
Total Liabilities	**(537.224.609)**	**0**	**0**	**0**	**0**	**0**	**0**	**(2.313)**	**0**	**(537.226.923)**
Total Operating Revenues	**77.660.577**								**0**	**77.660.577**
Total Other Income & Expenses	**2.192.797**								**0**	**2.192.797**

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	2021-22									
	Iran	Switzerland	Turkey	United Arab Emirates	Germany	South Korea	Oman	Bahrain	Other Countries	Total
	IRR Million	IRR Million	IRR Million	IRR Million	IRR Million	IRR Million	IRR Million	IRR Million	IRR Million	IRR Million
Assets:										
Cash	5.388.192	4.473.473	4.191.996	1.585.984	1.530.332	840.907	660.874	0	1.823.320	20.495.079
Claims from & Other Credit Institutes	19.137.595	0	0	0	0	0	0	0	0	19.137.595
Dues from the Government	0	0	0	0	0	0	0	0	0	0
Loans Granted & Claims from Governmental Authorities	0	0	0	0	0	0	0	0	0	0
Granted Loans & Claims from Non-governmental Entities	367.856.041	0	0	0	0	0	0	0	0	367.856.041
Investment in Shares & Securities	46.436.963	0	0	0	0	0	0	0	0	46.436.963
Claims from Subsidiary & Associated Companies	3.079.735	0	0	0	0	0	0	0	0	3.079.735
Other Accounts Receivable	4.145.548	0	0	0	0	0	0	0	0	4.145.548
Non-current assets held for sale	4.299.200	0	0	0	0	0	0	0	0	4.299.200
Fixed Tangible Assets	27.233.966	0	0	0	0	0	0	0	0	27.233.966
Intangible Assets	15.103.962	0	0	0	0	0	0	0	0	15.103.962
Legal Deposits	51.559.615	0	0	0	0	0	0	0	0	51.559.615
Deferred tax asset	0	0	0	0	0	0	0	0	0	0
Other Asset	2.870.475	0	0	0	0	0	0	0	0	2.870.475
Total Assets	**547.111.293**	**4.473.473**	**4.191.996**	**1.585.984**	**1.530.332**	**840.907**	**660.874**	**0**	**1.823.320**	**562.218.179**
Liabilities:										
Dues to Banks & Other Credit Institutes	(41.941.068)	0	0	0	0	0	0	(1.546)	0	(41.942.614)
Deposits	(444.006.204)	0	0	0	0	0	0	0	0	(444.006.204)
Debt Securities	0	0	0	0	0	0	0	0	0	0
Dividends Payable	(30.747)	0	0	0	0	0	0	0	0	(30.747)
Corporation Tax Provision	(1.296.051)	0	0	0	0	0	0	0	0	(1.296.051)
Provisions & Other Liabilities	(11.044.232)	0	0	0	0	0	0	0	0	(11.044.232)
Liabilities related to non-current assets held for sale	0	0	0	0	0	0	0	0	0	0
Deferred tax Liabilities	0	0	0	0	0	0	0	0	0	0
Provision for Work termination Benefits	(1.718.515)	0	0	0	0	0	0	0	0	(1.718.515)
Total Liabilities	**(500.036.817)**	**0**	**0**	**0**	**0**	**0**	**0**	**(1.546)**	**0**	**(500.038.362)**
Total Operating Revenues	**69.797.255**								**0**	**69.797.255**
Total Other Income & Expenses	**812.641**								**0**	**812.641**

66.Transactions with Related Parties

66.1.Changes in major shareholders (over 1%)

During the 2022-23 fiscal year, Paydare Sepehr deposit investment fund with the purchase of 769,747,988 shares and Amin Yekom Farda Investment Fund with the purchase of 672,329,344 shares were among the shareholders above one percent. Also, Arman Karafarin investment fund with the sale of 165,111,688 shares was removed from the list of shareholders above one percent.

66.2.Transactions with managers

Managers include the Managing Director, board members and the Bank's executive board.
During the 2022-23 fiscal year managers had no transactions with the Group companies.

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66.2.1. Transactions of the Group companies with related parties (except for companies subject to consolidation) during the reported period are as follows:

(Amounts in IRR million)

Description	Related Party	Type of Relation	2022-23				
			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	3,337	0	0
Karafarin Brokerage Co.	Karafarin Brokerage Mutual Investment Fund	Managed Fund	Purchasing Foreign Currencies & Services	No	231,692	0	53,267
	Arman Karafarin investment Fund	Managed Fund	Purchasing Foreign Currencies & Services	No	195,696	0	57,980
	Shakhes Karafarin investment Fund	Managed Fund	Purchasing Foreign Currencies & Services	No	45,180	0	59,716
	Karafarin investment Fund	Managed Fund	Transactions Commission	No	8,943	0	16,281
	Atiyeh Omid Karafarin Institute	The Same Category Company	Transactions Commission	No	214	0	0
	Karafarin Insurance Co.	The Same Category Company	Transactions Commission	No	51,137	0	1,547
Abnie Gostar Karafarin	Karafarin Insurance Co.	The Same Category Company	Purchasing Services	Yes	2,348	0	0
Karafarin Leasing Company	Arman Karafarin investment Fund	shareholder	Purchasing Foreign Currencies & Services	No	4,117,729	0	345,480
Karafarin financial group	Karafarin Insurance Co.	Other related parties	Purchasing Asset & Services	Yes	9,081	0	(141,910)

66.2.2.Transactions

Managers' transactions with the Bank, the Group's companies, branches and overseas banks are as follows:

(Amounts in IRR million)

	Transaction Party	Transaction	Contract Sum	Maximum Balance during Year	Balance at End of Year	Collateral Type	Collateral Amount	Transaction Profit & Loss
Executive Board Members	-	-	0	0	0	-	0	0
Non-acting Board Members	-	-	0	0	0	-	0	0
CEO Deputy (Non-Board Members)	-	-	0	0	0	-	0	0
Members of Committees Related to Board Members (Non-Board Members)	-	-	0	0	0	-	0	0

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66.3. Transactions of related parties at the end of the fiscal year ended 20.03.2023 with the Bank (Parent Company) are as follows:

Related Party	Type of Relation	Year Ended 20.03.2023					
		Transaction	Subject to Article 129?	Pricing Method	Flow of Transaction Amount	Transaction Gross Profit (Loss)	Claim Balance (Debt)
					IRR Million	IRR Million	IRR Million
Karafarin Brokerage Co.	Subsidiary Company	L/Gs Commission Income	No	market price	0	356	2,286,500
		L/G Issuance		Board of Directors	4,037	0	
		Granted Loans		Board of Directors	16,395,000	8,564	
Karafarin Foreign Exchange Co.	Subsidiary Company	Foreign Currencies Purchase	No	market price	43,933,350	0	789,128
		Foreign Currencies & Services Sale		market price	11,840,871	0	
		Trade receivables		Board of Directors	88,071	0	
		Services Purchase (Commission)		market price	637,529	0	
		Rent deposit		market price	1,200	0	
Karafarin Leasing Company	Subsidiary Company	Purchase of assets and services	No	Board of Directors	5,960	0	1,272,133
		Granted Loans		Board of Directors	2,953,680	32,507	
		Loans Repayment		Board of Directors	2,072,938	0	
		L/Gs Commission Income		Board of Directors	0	1	
		Dividends receivable		market price	0	202,447	
		L/G Issuance		Board of Directors	103,964	0	
Amin Etemad Karafarin Co.	Subsidiary Company	prepayments	No	Board of Directors	8,021	0	6,565
		Other Receivables		Board of Directors	6,665	0	
Abnie Gostar Karafarin	Subsidiary Company	Purchase of assets and services	No	market price	128,574	0	560,270
Karafarin financial group	Subsidiary Company	Trade receivables and other receivables	No	Board of Directors	0	0	2,603,136
		Granted Loans		Board of Directors	4,086,100	559,553	
		Loans Repayment		Board of Directors	2,530,084	0	
		Receivables		Board of Directors	3	0	
		Buying and selling services		Board of Directors	4,738	0	

Related Party	Type of Relation	Year Ended 20.03.2023					
		Transaction	Subject to Article 129?	Pricing Method	Flow of Transaction Amount	Transaction Gross Profit (Loss)	Claim Balance (Debt)
					IRR Million	IRR Million	IRR Million
Asr Amin Karafarin Co.	Subsidiary Company	Buying and selling shares	No	market price	0	0	800,683
		Other Receivables		market price	10,141	0	
Karafarin Insurance Co.	affiliated company	L/Gs Commission Income	No	market price	0	110	0
		L/G Issuance		Board of Directors	85,984	0	
Tose'e Negahe fardaye Karafarin Co.	Subsidiary Company	Buying equipment and providing services	No	market price	142,373	0	353,511
		prepayment		Board of Directors	144,456	0	
		Other Receivables		Board of Directors	100,000	0	
Karo Andisheh Engineers	Bank shareholder	Granted Loans	No	Board of Directors	2,284,550	10,815	1,186,640
		L/Gs Commission Income		market price	0	1,213	
		L/G Issuance		market price	19,421	0	93,567
Negahe Fardaye Karafarin E-commerce Development	Subsidiary Company	Purchase of assets and services	No	Board of Directors	101,292	0	21,830
		Bank deposit interest		Board of Directors	97	0	
Omid Karafarin Commercial Development	Subsidiary Company	Trade payables	No	Board of Directors	8,297	0	0
Negahe Fardaye Karafarin Banking Software	Subsidiary Company	service income	No	Board of Directors	463,384	0	13,502
		Bank deposit interest		Board of Directors	1,005	0	
		receivables		Board of Directors	200	0	

66.4. Balance of related parties' account with whom no transactions have been made during the reporting period is as follows:

Related Party	Type of Relation	Payment (Receive)	Adjustments (Doubtful Debt Costs, etc.,)	Claim Balance (Debt) 20.03.2023	Claim Balance (Debt) 20.03.2022
		IRR Million	IRR Million	IRR Million	IRR Million
		0	0	0	0
		0	0	0	0

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67. Retained Earnings at End of Year

Retained earnings in the following items at end of year are subject to the approval of shareholders' ordinary general assembly:

	Amount IRR Million
Legal Duties	
Sharing at Least 10% of Net Profit of the 2020-21 as per Article 90 of Commercial Code as Amended	1,351,038
Board of Directors' Proposal	
Dividend Proposed by the Board of Directors	1,351,038

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

68.1. Balance of Gharz-al Hassaneh resources and expenditures

	Note	2022-23		2021-22
		IRR Million		IRR Million
Gharz-al Hassaneh Resources:				
Saving Gharz-al Hassaneh Deposits-IRR		7.600.092		3,357,929
Current Gharz-al Hassaneh Deposits-IRR		107.066.138		49,341,599
Total Gharz-al Hassaneh Resources			**114.666.230**	**52,699,528**
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	28 & 29	0		0
Granted IRR Loans & Claims from Non-Governmental Entities (before Provision)				
Ordinary Loans		(3.558.264)		(781,887)
Staff Loans		0		0
Provisional Loans-Budget		0		0
Total Granted IRR Loans & Claims from Non-Governmental Entities	20	(3.558.264)		(781,887)
Total Gharz-al Hassaneh Expenditures			(3.558.264)	(781,887)
Legal Deposit of Saving Gharz-al Hassaneh Resources			(760.009)	(335,793)
Legal Deposit of Current Gharz-al Hassaneh Resources			(13,276,201)	(6,266,383)
Liquidity Reserve for Saving Gharz-al hassaneh Deposits (5%)			(380,005)	(167,896)
Liquidity Reserve for Current Gharz-al hassaneh Deposits (40%)			(42,826,455)	(19,736,640)
Excess (Deficit) of Gharz-al hassaneh Resources to Expenditures			**53.835.296**	**25,410,929**

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

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68.2. Net commission on Gharz-al Hasaneh operations

	note	Parent Company	
		2022-23	2021-22
		IRR Million	IRR Million
Commission Received on Granted Gharz-al Hassaneh Loans		70.277	21,967
Prize Expenses for Gharz-al Hassaneh Deposits		0	0
Net Commission on Gharz-al Hassaneh Operations	44-1	70.277	21,967

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

	Parent Company	
	2022-23	2021-22
	IRR Million	IRR Million
Marriage	2.730.726	685,971
Others	857.538	95,915
Total Granted Gharz-al Hassaneh Loans	**3.588.264**	**781,887**

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

	Parent Company	
	2022-23	2021-22
	IRR Million	IRR Million
Legal Entities	3.588.264	781,887
Legal Entities-Cooperative	0	0
Legal Entities-Others	0	0
Total Granted Gharz-al Hassaneh Loans	**3.588.264**	**781,887**

69. Information on Loans and Commitments of Related Parties

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

Item No	Legal Entities'/ Individuals' Surname	Example of Related Parties based on 2nd Chapter of Bylaw									Loans/Liabilities									Commitments					Total Net Balance of Loans & Commitments	Collateral	
											Principal Paid Amount	Balance Amount (After Mudaraba, Joint Account & Musharaka Funds)			Contract or Liability Type	Contract Period	Grace Period	Interest Rate / Commission	Approval Date								
		1-2	2-2	3-2	4-2	5-2	6-2	7-2	8-2	9-2		Current	Non-performing	Total						Gross	Cash Advances	Net Commitments	Net Commitments with Conversion			Type	value
1	Karo Andisheh jonoub					*	*				0	0	0	0		0	0	0		5,319	1,064	4,255	851	851	Long-term deposit , Guarantee of banks and internal institutions, Cheque, Additional Collateral, Enforced Contracts,	2,879,653
2	Karo Andisheh Engineering						*				300,000	255,629	0	255,629	morabehe	12	0	18		0	0	0	0	255,629		
											232,000	209,006	0	209,006	morabehe	12	0	18		0	0	0	0	209,006		
											194,000	189,571	0	189,571	morabehe	12	0	18		0	0	0	0	189,571		
											49,000	47,537	0	47,537	morabehe	12	0	18		0	0	0	0	47,537		
											306,500	294,334	0	294,334	morabehe	12	0	18		0	0	0	0	294,334		
											200,000	190,562	0	190,562	morabehe	12	0	18		0	0	0	0	190,562		
											0	0	0	0	L/G	0	0	0		1,435	143	1,291	258	258		
											0	0	0	0	L/G	0	0	0		7,174	717	6,457	1,291	1,291		
											0	0	0	0	L/G	0	0	0		1,435	143	1,291	258	258		
											0	0	0	0	L/G	0	0	0		900	90	810	162	162		
											0	0	0	0	L/G	0	0	0		52,426	52,426	0	0	0		
											0	0	0	0	L/G	0	0	0		11,119	1,112	10,007	2,001	2,001		
											0	0	0	0	L/G	0	0	0		20,592	2,059	18,533	3,707	3,707		
											0	0	0	0	L/G	0	0	0		760		760	152	152		
											0	0	0	0	L/G	0	0	0		1,000		1,000	200	200		
											0	0	0	0	L/G	0	0	0								
											0	0	0	0	L/G	0	0	0								
											0	0	0	0	L/G	0	0	0								
											0	0	0	0	L/G	0	0	0								
											0	0	0	0	L/G	0	0	0								
											0	0	0	0	L/G	0	0	0								
											0	0	0	0	L/G	0	0	0								
The sum of Karo Andisheh											1,281,500	1,186,640	0	1,186,640						96,841	56,691	40,149	8,030	1,194,669	**2,879,653**	

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Item No	Legal Entities'/ Individuals' Surname	Example of Related Parties based on 2nd Chapter of Bylaw									Loans/Liabilities									Commitments					Total Net Balance of Loans & Commitments	Collateral	
											Principal Paid Amount	Balance Amount (After Mudaraba, Joint Account & Musharaka Funds)			Contract or Liability Type	Contract Period	Grace Period	Interest Rate / Commission	Approval Date								
		1-2	2-2	3-2	4-2	5-2	6-2	7-2	8-2	9-2		Current	Non-performing	Total						Gross	Cash Advances	Net Commitments	Net Commitments with Conversion			Type	value
3	Karafarin Insurance Co.								*		0	42	0	42	Temporary Debtors	0	0	0		0	0	0	0	42	Long-term deposit,cash deposit, guarantee of loans	184,200
											0	0	0	0	L/G	0	0	0		200	0	200	40	40		
											0	0	0	0	L/G	0	0	0		2,500	0	2,500	500	500		
											0	0	0	0	L/G	0	0	0		6,000	0	6,000	1,200	1,200		
											0	0	0	0	L/G	0	0	0		200	0	200	40	40		
											0	0	0	0	L/G	0	0	0		420	0	420	84	84		
											0	0	0	0	L/G	0	0	0		1,604	0	1,604	321	321		
Sum of Karafarin Insurance Co											**0**	**42**	**0**	**42**						**10,924**	**0**	**10,924**	**2,185**	**2,227**		**184,200**
4	Karafarin Leasing Co.								*		0	228,021	0	228,021	Temporary Debtors					0	0	0	0	228,021	Cheque, Additional Collateral, Enforced Contracts, Gharz-al Hassaneh deposit	2,373,572
											495,000	503,825	0	503,825	morabehe	12		18		0	0	0	0	503,825		
											355,020	357,536	0	357,536	morabehe	12		18		0	0	0	0	357,536		
											200,000	190,843	0	190,843	morabehe	12		18		0	0	0	0	190,843		
											170,000	175,868	0	175,868	morabehe	12		18		0	0	0	0	175,868		
											174,980	180,934	0	180,934	morabehe	12		18		0	0	0	0	180,934		
Sum of Karafarin Leasing Co.											**1,395,000**	**1,637,028**	**0**	**1,637,028**						**0**	**0**	**0**	**0**	**1,637,028**		**2,373,572**
5	Karafarin brokerage								*		220,000	222,634	0	222,634	jaale	1		23		0	0	0	0	222,634	Cheque, Additional Collateral, Enforced Contracts, Promissory Note	2,709,295
											150,000	151,418	0	151,418	jaale	1		23		0	0	0	0	151,418		
											300,000	302,458	0	302,458	jaale	1		23		0	0	0	0	302,458		
											220,000	221,248	0	221,248	jaale	1		23		0	0	0	0	221,248		
											60,000	60,302	0	60,302	jaale	1		23		0	0	0	0	60,302		
											350,000	350,441	0	350,441	jaale	1		23		0	0	0	0	350,441		
											100,000	100,063	0	100,063	jaale	1		23		0	0	0	0	100,063		
											0		0		L/G					6,000	600	5,400	1,080	1,080		
											0		0		L/G					1,000	100	900	180	180		
											0		0		L/G					1,000	100	900	180	180		
											0		0		L/G					4,000	400	3,600	720	720		
											0		0		L/G					2,000	400	1,600	320	320		
											0		0		L/G					4,037	807	3,230	646	646		
Sum of Karafarin brokerage											**1,400,000**	**1,408,564**	**0**	**1,408,564**						**18,037**	**2,407**	**15,630**	**3,126**	**1,411,689**		**2,709,295**

Karafarin Bank (Public Joint Stock)
Notes to The Financial Statements
For The Year Ended 20 March 2023

Item No	Legal Entities'/Individuals' Surname	Example of Related Parties based on 2nd Chapter of Bylaw									Loans/Liabilities										Commitments				Total Net Balance of Loans & Commitments	Collateral	
		1-2	2-2	3-2	4-2	5-2	6-2	7-2	8-2	9-2	Principal Paid Amount	Balance Amount (After Mudaraba, Joint Account & Musharaka Funds) Current	Non-performing	Total	Contract or Liability Type	Contract Period	Grace Period	Interest Rate / Commission	Approval Date	Gross	Cash Advances	Net Commitments	Net Commitments with Conversion		Type	value
6	Karafarin financial group								*		288,000	294,352	0	294,352	morabehe	3				0	0	0	0	294,352	heque, Additional Collateral, Enforced Contracts	1,422,016
											344,000	351,370	0	351,370	morabehe	3				0	0	0	0	351,370		
											499,000	501,201	0	501,201	morabehe	3				0	0	0	0	501,201		
												1,491,287	0	1,491,287	Temporary Debtors					0	0	0	0	1,491,287		
Sum of Karafarin financial group									*		**1,131,000**	**2,638,210**	**0**	**2,638,210**						**0**	**0**	**0**	**0**	**2,638,210**		**1,422,016**
7	Karafarin Foreign Exchange								*		0	105	0	105	Temporary Debtors					0	0	0	0	105		0
8	Abnieh Gostar Karafarin								*		0	349,386	0	349,386	Temporary Debtors					0	0	0	0	349,386		0
9	Asr Amin Karafarin									*	0	812,876	0	812,876	Temporary Debtors					0	0	0	0	812,876		0
10	Amin Etemad Karafarin									*	0	6,665	0	6,665	Temporary Debtors					0	0	0	0	6,665		0
11	Tose'e Negahe fardaye Karafarin									*	0	696,919	0	696,919	Temporary Debtors					0	0	0	0	696,919		0
12	Sedaresan Karafarin									*	0	0	0	0	-					0	0	0	0	0		0
13	Negahe Fardaye Karafarin Banking Software									*	0	11,349	0	11,349	Temporary Debtors					0	0	0	0	11,349		0
14	Tamin atie omid Karafarin									*	0	0	0	0	-					0	0	0	0	0		0
15	Negahe Fardaye Karafarin E-commerce Development									*	0	0	0	0	Temporary Debtors					0	0	0	0	0		0
16	Tose andishe dana brokerage									*	170,000	177,461	0	177,461	morabehe	14	0	18		4,388	878	3,510	702	178,163	Cheque, Additional Collateral	213,796
											0	0	0	0	L/G					7,000	1,400	5,600	1,120	1,120		
17	Kouroush Petrochemical Industries Development									*	7,478	7,478	0	7,478	currency					0	0	0	0	7,478	Cheque, Additional Collateral	12,027
Total on 20.03.2023											**5,384,978**	**8,932,723**	**0**	**8,932,723**						**142,509**	**62,440**	**80,069**	**16,014**	**8,948,737**		**9,794,559**
Total on 20.03.2022											**3,727,153**	**4,983,383**	**0**	**4,983,383**						**257,588**	**54,851**	**202,737**	**42,791**	**5,026,173**		**21,202,469**

	IRR Million
Regulatory Capital As A Basis for Other Prudential Ratios	53,750,339
Individual's Limit for Related Parties' Loans & Commitments (3% of Regulatory Capital)	1,612,510
Group's Limit for Related Parties' Loans & Commitments (40% of Regulatory Capital)	21,500,136
Organisational Unit of Executive Bylaw	Credit Management

Karafarin Bank (Public Joint Stock)
Notes to The Financial Statements
For The Year Ended 20 March 2023

Item No.	Single Beneficiary Unit	Customer	Balance of Large Loans & Commitments						Collateral		Board of Directors' Ratification	
			Loans		Commitments		Cost of Shares (4)	Total Loans & Commitments Plus Cost of Shares(Single Beneficiary Unit) 5=1+2+3+4	Type	Value	Number	Date
			Net Current (1)	Non-performing (2)	Gross (3)	Net						
1	Jahanara Arvand Steel Co.	Jahanara Arvand Steel Co.	9,111,653	0	0	0	0	9,111,653	Deposit Cheque, Promissory Note, Local Enforced Contracts	30,559,132		
Sum of Jahanara Arvand Steel Co.			**9,111,653**	**0**	**0**	**0**	**0**	**9,111,653**		**30,559,132**		
2	Barekat Pharmaceutical Group Holding	Biosun Pharmed Co.	940,581	0	0	0	0	940,581	Shares of Listed Companies,Deposit Cheque, Enforced Contracts	5,872,131		
3		Shafa Pharmed Industries Group	2,040,568	0	0	0	0	2,040,568	Cheque, Enforced Contracts	6,370,878		
4		Tolid Darou Co.	337,897	0	0	0	0	337,897	Cheque, Additional Collateral, Promissory Note	3,596,249		
5		Sobhan Oncology Pharmaceutical Co.	1,277,342	0	0	0	0	1,277,342	Promissory Note, Cheque, Enforced Contracts	9,544,863		
6		Iran Darou Co.	664,566	0	0	0	0	664,566	Deposit Cheque, Local Enforced Contracts	2,367,876		
7		KBC	1,172,025	0	0	0	0	1,172,025	Deposit Cheque, Local Enforced Contracts, Other	5,042,750		
Sum of Barekat Pharmaceutical Group Holding			**6,432,980**	**0**	**0**	**0**	**0**	**6,432,980**		**32,794,747**		
8	Mubarake Steel of Isfahan	Mubarake Steel of Isfahan	7,145,576	0	1,188,000	0	0	7,145,576	Cheque, Local Enforced Contracts, Other	21,729,316		
Sum of Mubarake Steel of Isfahan			**7,145,576**	**0**	**1,188,000**	**0**	**0**	**7,145,576**		**21,729,316**		
9	Ahdaf Investment Group	Qeshm Oil Investment Co	447,947	0	0	0	0	447,947	Promissory Note, Deposit Cheque, Local Enforced Contracts	1,538,933		
10		Ahdaf Investment	3,103,562	0	0	0	0	3,103,562	Shares of Listed Companies,Cheque, Enforced Contracts, Other	12,626,927		
11		Mehr Ayandegan Financial Development Group	1,951,534	0	0	0	0	1,951,534	Shares of Listed Companies,Cheque, Enforced Contracts, Other	22,761,770		
Sum of Ahdaf Investment Group			**5,503,043**	**0**	**0**	**0**	**0**	**5,503,043**		**36,927,630**		

Karafarin Bank (Public Joint Stock)
Notes to The Financial Statements
For The Year Ended 20 March 2023

Item No.	Single Beneficiary Unit	Customer	Balance of Large Loans & Commitments						Collateral		Board of Directors' Ratification	
			Loans		Commitments		Cost of Shares (4)	Total Loans & Commitments Plus Cost of Shares(Single Beneficiary Unit) 5=1+2+3+4	Type	Value	Number	Date
			Net Current (1)	Non-performing (2)	Gross (3)	Net						
12	Telecommunication Company of Iran	Telecommunication Company of Iran	5,599,829	0	182,000	0	0	5,599,829	Deposit Cheque, Local Enforced Contracts	14,367,596		
Sum of Telecommunication Company of Iran			**5,599,829**	**0**	**182,000**	**0**	**0**	**5,599,829**		**14,367,596**		
13	Barkat Foundation Group	Salamat barkat	7,026,090	0	0	0	0	7,026,090	Cheque, Local Enforced Contracts	3,540,000		
Sum of Barkat Foundation Group			**7,026,090**	**0**	**0**	**0**	**0**	**7,026,090**		**3,540,000**		
14	Tamin Pharmaceutical Investment Holding	Zahravi Pharmaceutical Co.	2,633,399	0	0	0	0	2,633,399	Cheque, Local Enforced Contracts	31,388,714		
15		Farabi Pharmaceutical Co.	1,172,148	0	13,809	2,486	0	1,174,634	Cheque, Local Enforced Contracts, Other	4,086,458		
16		Tofigh Darou Research & Engineering Co.	700,608	0	0	0	0	700,608	Deposit Cheque, Local Enforced Contracts	1,863,387		
17		Exir Pharmaceutical Co.	277,217	0	14,377	0	0	277,217	Cheque, Local Enforced Contracts, Other	747,992		
18		Caspian Tamin Pharmaceutical Co.	29,860	0	1,196	0	0	29,860	Promissory Note, Cheque, Enforced Contracts,Other	362,034		
19		Razak Laboratories	1,250,021	0	27,900	0	0	1,250,021	Deposit Cheque, Local Enforced Contracts	3,405,764		
20		Darupakhsh Medicinal chemistry	813,679	0	0	0	0	813,679	Deposit Cheque, Local Enforced Contracts	2,170,516		
21		Iran's antibiotic production	264,060	0	36,000	0	0	264,060	Deposit Cheque, Local Enforced Contracts	579,202		
22		Iran's antibiotic production	263,955	0	0	0	0	263,955	Deposit Cheque, Local Enforced Contracts	579,212		
23		Iran's antibiotic production	80,593	0	0	0	0	80,593	Cheque, Local Enforced Contracts, Other	767,221		
24		Zagros farmed pars Pharmaceutical Co.	94,695	0	0	0	0	94,695	Cheque, Local Enforced Contracts, Other	246,842		
25		Darou Pakhsh Factories	628,208	0	0	0	0	628,208	Deposit Cheque, Local Enforced Contracts	2,222,797		
26		Pars Darou Co.	825,453	0	212,243	0	0	825,453	Promissory Note, Cheque, Enforced Contracts,Other	3,549,475		
27		Rahavard Tamin Pharmaceutical Co.	1,059,999	0	0	0	0	1,059,999	Cheque, Local Enforced Contracts, Other	2,608,343		
Sum of Tamin Pharmaceutical Investment Holding			**10,093,894**	**0**	**305,525**	**2,486**	**0**	**10,096,380**		**54,577,958**		

Karafarin Bank (Public Joint Stock)
Notes to The Financial Statements
For The Year Ended 20 March 2023

Item No.	Single Beneficiary Unit	Customer	Balance of Large Loans & Commitments						Collateral		Board of Directors' Ratification	
			Loans		Commitments		Cost of Shares (4)	Total Loans & Commitments Plus Cost of Shares(Single Beneficiary Unit) 5=1+2+3+4	Type	Value	Number	Date
			Net Current (1)	Non-performing (2)	Gross (3)	Net						
28	Tadbir industry and mining	Development of Tadbir industry and mining	5,043,722	0	778,400	0	0	5,043,722	Shares of Listed Companies,Cheque, Enforced Contracts, Other	13,124,284		
29		Pars MCS	200,263	0	0	0	0	200,263	Machines and equipment, promissory note, Cheque, Local Enforced Contracts	1,110,700		
30		Green paper of Khuzestan	1,450,914	0	0	0	0	1,450,914	Shares of Listed Companies,Deposit, Enforced Contracts	3,930,921		
Sum of Tadbir industry and mining			**6,694,899**	**0**	**778,400**	**0**	**0**	**6,694,899**		**18,165,905**		
31	Mihan Dairy & Ice Cream Food Industries Complex Co.	Ghallat ban	461,550	0	0	0	0	461,550	Immovable Assets Mortgaged by the Bank, Cheque, Enforced Contracts, Other	1,436,435		
32		Pak Aryan Polymer Industrial Group	298,132	0			0	298,132	Cheque, Local Enforced Contracts, Other	780,196		
33		Tabiat Sabz Pars Kohan Co.	1,274,606	0	1,160,000	208,800	0	1,483,406	Immovable Assets Mortgaged by the Bank, Cheque, Enforced Contracts, Other	4,678,023		
34		Mihan Food Industries Complex Co.	4,022,816	0	135,000	18,000	0	4,040,816	Deposit Cheque, Local Enforced Contracts	31,212,233		
Sum of Mihan Dairy & Ice Cream Food Industries Complex Co.			**6,057,104**	**0**	**1,295,000**	**226,800**	**0**	**6,283,904**		**38,106,887**		
35	Joint investment	Joint investment	0	0	30,688,766	15,344,383	0	15,344,383		0		
36	Arman investment	Arman investment	0	0	25,162,365	12,581,183	0	12,581,183		0		
Total on 20.03.2023			**63,665,068**	**0**	**59,600,056**	**28,154,852**	**0**	**91,819,919**		**250,769,172**		
Total on 20.03.2022			**91,146,101**	**0**	**38,294,900**	**36,818,601**	**0**	**127,964,702**		**533,023,330**		

	IRR Million
Regulatory Capital Being A basis of Other Prudential Ratios at the Reporting Date	53,750,339
Individual's Limit for Large Loans & Commitments (20% of Regulatory Capital)	10,750,068
Group's Limit for Large Loans & Commitments (8 Times of Regulatory Capital)	430,002,716
Group's Limit for Large Loans & Commitments of Overseas Banks (5% of Total Branch's Assets)	0
Organisational Unit of Executive the Bylaw	Credit Management