

Bank Mellat (Public Joint Stock)

Bank Mellat (Public Joint Stock Company)

Independent auditor and legal inspector report

Along with consolidated financial statement of the bank and group

Fiscal year ending on March 20, 2022

## **Auditing organization**

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**Emblem  
Islamic Republic of Iran**

**Ministry of Economic Affairs & Finance  
Audit Organization**

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**Independent Auditor's Brief Inspection Report  
To the Board of Directors  
Bank Mellat (Public Joint Stock)**

**Introduction**

1- The consolidated financial statements of the group and Bank Mellat (PJSC) including balance sheets ending on March 20<sup>th</sup>, 2022 as well as profit and loss statements; comprehensive profit and loss; changes in shareholders' equity, and cash flows as well as operational statement of the bank's investment deposit for the fiscal year ending on the above-said date, together with explanatory notes 1-64 have been audited by this organization.

**Responsibility of the Board Members for Financial Statements**

2- The responsibility for the preparation of the mentioned financial statements in accordance with financial accounting standards rests with the bank board members. This responsibility entails designing, implementing and maintaining internal controls relevant to preparation of the financial statements in a manner so as to this statements that are free from material misstatement, whether due to fraud or mistake.

**Responsibility of Auditor and Legal Inspector**

3- The responsibility of this organization is to express an inform judgment with respect to the mentioned financial statements based on the conducted auditing procedures in accordance with financial accounting standards. The aforementioned standards require the organization to observe the professional behavior and organize and perform the

auditing procedure in a manner so as to obtain reasonable assurance that the statements are free from material distortion in the financial statements.

Auditing involves implementing of procedures to obtain accounting evidence about the amounts and other disclosed information in financial statements. Choosing auditing methods will depend on the auditor's judgment, including assessing the fraud material risks whether due to fraud or mistake in financial statements. For appraisal these risks, internal controls relevant to preparation and presenting financial statements for designing proper auditing procedures for the existing circumstances, and not for the purpose of expressing an opinion on the effectiveness of the bank's internal controls. Auditing also includes assessing the appropriateness of accounting procedures adopted and the reasonableness of the conducted accounting estimates made by the board members, as well as assessing the overall presentation of the financial statements.

This organization believes that the obtained audit evidence is sufficient and appropriate for an informed judgment and qualified opinion with regards to the consolidated financial statements of the group and bank.

Also, this auditing organization, in addition to perform the responsibilities of the legal inspector, is obliged to report to the ordinary general assembly of the stockholders of any relatable required information as well as any instances of non-observance of legal obligations laid down in the monetary and banking regulations, amendments of the provisions of the commercial law, and the provisions of the bank's article of association.

#### **Basic for qualified opinion**

- 4- On the basis of the provisions of clause (34) of articles of association of the banks staff retirement fund, the deficits in the cash resources should be secured by the respective banks that are the members of this fund. On the basis of the actuary calculations, share of the reporting bank from fund's deficits resources is set the sum of IRR 363,755 billion (on March 20<sup>th</sup>, 2022 IRR 270,313 billion). The bank whilst objecting to criteria subject to actuary calculations during the period of the bank privatization (March 20<sup>th</sup>, 2009) and thereafter, has considered sum of IRR 175,917 billion (explanatory note 26). Computing sufficient reserves in the accounts is necessary, but the determination of its amount depends on the clarification of the results of the bank's protest, including the determination of the current value of the fund's asset.

- 5- Classification of part of granted facilities and claims from individuals, other accounts receivable and other assets (explanatory note 12-13-16-20) has not been done correctly. Includes sum of IRR 536,720 Billion (IRR 469,994 Billion in previous year) the reserve of doubtful loans is posted in the accounts. Also, the income of some contract facilities has not been recognized correctly. It is necessary to adjust the accounts in compliance with accounting standards, but due to the failure of the data systems and evaluation of the collaterals. However, it is not possible for this organization to determine its amount in the current situation.
- 6- As stated in explanatory note 24 of the financial statements, the total amount of IRR 148,091 Billion has been claimed for operating tax of 2020 based on the primary tax dispute resolution board and recognition paper. While the bank objecting to the principles of recognition, has considered IRR 66,355 billion tax debts in the accounts in this regard. Also, the performance tax for the reported year has been calculated on the basis of zero rate with reference to Clause "F", Note 2 of the Budget Law of 2022. In addition, the tax claim sheet referred to paragraph "B" of Clause 17 of the law on removing obstacles to competitive production and improving the country's financial system (explanatory note 25-3) for the years 2019 to 2021 has not been issued and sufficient reserves for this issue have not been included in the accounts. According to the above and the procedure of the tax affairs organization, including the demand for currency exchange interest in Nima rate, it is necessary to include more tax debt in the accounts, but it is not possible for this organization to determine its amount in the current situation.
- 7- Granted facilities and claims from government persons (explanatory note 12) include the amount of 238,618 billion Rials of Pars Oil and Gas Company's redeemed foreign currency participation bonds, which despite the extension of its repayment date until the end of 2022, according to the provisions of Clause "H", Note 1 of the Budget Law of 2022, The entire country's income for the reported financial year is 19,122 billion Rials, which has not been recognized, and by classifying the aforementioned claims in the deferred class, the amount of 54,894 billion Rials has been included in the special reserve for doubtful claims in the accounts. By making

adjustments in this regard, the reported year's profit and facilities and claims from government persons increase to the amount of 74,016 billion Rials.

- 8- According to explanatory notes 8-15, 32 and 42 of the financial statements issued by the CBI, the monetary and foreign currency assets and liabilities of the bank mainly have been translated with the rate of IRR 220,000 for per EUR and IRR 200,000 for per USD (previous fiscal year IRR 190,000 and IRR 159,000) and other foreign currencies have been translated based on its parity rate with EUR by the end of the year and in this regard IRR 133,165 Billion (previous fiscal year sum of IRR 272,761 billion) has been transferred to the net profit (loss) of foreign currency exchanges and transactions and sum of IRR 10,366 Billion (previous fiscal year sum of IRR 17,175 billion) has been set to foreign currency translation difference of foreign operations. According to accounting standards, if there are several rates for one foreign currency, the rate will be used for translation that future cash flows due to transactions or balance of the relevant account will be settled based on that rate. So, the abovementioned method does not in compliance with accounting standards. Also, the items of the profit and loss statement and reserves of foreign sub-units have been translated with the rates of the beginning and end of the reported financial year, instead of the rates of the date of occurrence or allocation. Regarding to the aforementioned instances, it is necessary to amend financial statements for the abovementioned items, but currently, due to the lack of access to the accessible foreign currency rate to settle debts and collect foreign currency claims, it is not possible for this organization to determine the necessary adjustments over the financial statements in the current situation.
- 9- Investments and partnership in the group (explanatory note 14-4-1) includes sum of IRR 39,490 billion for Mellat market making exclusive investment fund units price, that in observing accounting standards requirements the abovementioned amount should be reflected as treasury shares in shareholders' equity. Meanwhile, for changing in shareholder's equity of interests with no controlling rights in subsidiary commercial units, the required adjustment has not been done regarding the reflection of the difference of interests with no controlling rights adjustment amount and fair value of paid or received difference directly in shareholders' equity. Also, the

group's investment in some business units relevant to especial value method (explanatory note 14-6) is not reflected in the consolidated financial statements. Adjustments are not reflected in the consolidated financial statements. It is necessary to adjust the consolidated financial statements, but it is not possible for this organization to determine its amount in the current situation.

10- Requirements of accounting standards regarding the way of presentation and disclosure in some cases, such as presentation of financial statements at the date of beginning of the previous fiscal year with respect to reviewing of financial statements, Correct presentation of changes in ownership rights and cash flows, providing annual adjustments in comprehensive profit or loss, Effects of implementing income tax accounting standards, disclosure of interests in other business units and fair value measurement, The actions of the same procedure regarding the accounting of the group's express investments and transactions with related parties has not been observed. Also, the requirements to disclose the important risks of the banking industry, including the increase in credit risk due to the decrease in the quality of documents, the calculation of the credit risk of foreign exchange facilities, the analysis of the value exposed to currency rate risk, updating the value of documents in the credit quality analysis note, including the amount of debt transfer, forgiveness of fines and settlement with new facilities in the note of the circulation table of facilities and non-current claims and information of the facilities and obligations of related persons and marco have not been regarded.

11- About investment headlines in shares and other securities and claims from subsidiary and dependent companies (explanatory notes 14 ,15) the following issues could be proposed:

11-1-This organization has not been provided by audited details and financial statements of other foreign investments in sum of IRR 10,809 billion equal to EUR 195 million and also, audited financial statements of PIB and Commercial Banks of Iran and EIH bank of Europe. Furthermore, dues from subsidiaries and affiliated companies includes sum of IRR 4,086 billion is related to realized profit shares of abovementioned investments of the previous years which has not been proven for this organization.

11-2- Mellat financial group subsidiary company has purchased a number of listed companies' shares in sum of IRR 1,905 billion as proxy from affiliated individuals in the form of memorandum of understanding and has realized sum of IRR 1,903 billion as profit shares for current year. Based on part B of article 36 of permanent orders of the the country development program, such over-the-counter transactions are invalid. According to the above, the possible effects of access to the necessary evidence on the financial statements for this organization are not clear.

12- According to the received confirmations, the headings of cash balance, claims from banks and credit institutions, granted facilities and claims, investment in shares and other securities, debt to banks and credit institutions and reserves and other liabilities (explanatory notes 9,10,12,13,14,21,25) in sum of IRR 191,504 billion and IRR 115,420 It has a favorable and unfavorable difference. Also, the answer of the confirmation of the sent confirmations, Regarding the title of claims from banks and credit institutions (explanatory notes 10), sums of IRR 114,20 billion and Also The approval of the bank's legal affairs has not been received yet. And for 58 foreign currency bank accounts with others<sup>1</sup> (explanatory notes 9 and10) and 10 foreign currency accounts with the bank<sup>2</sup> (explanatory notes 21) in the amount of 168,709 billion Rials and 392 billion Rials, it was not possible to send confirmation. In addition, items on the way (explanatory note 20-5), which include numerous open debtor and creditor items (in currency and Rials), have not been determined up to the date of this report. In addition, the statement provided for moratorium facilities cannot be reconciled with the financial statements. Proving abovementioned amounts through other accounting methods has not been available yet. Given above Determining the probable effects of resolving the said discrepancy and receiving confirmations as well as resolving annual unreconciled items on reporting financial statements has not been possible for this organization.

### **Qualified opinion**

13- This organization believes that, except the effects of provisions stated in clauses 4 to 10 and also except the probable impacts of stated provisions in clauses 11 and 12, of the abovementioned financial statements, properly shows the financial status of the group

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<sup>1</sup> Nostro accounts

<sup>2</sup> Vostro accounts



and Bank (PJSC<sup>3</sup>) on March 20th, 2022 and financial operation and cash flows of the group and the bank for the fiscal year ending on the abovementioned date from all material aspects according to accounting standards.

### **Emphasize on specific issues**

14- As explained in explanatory notes 10-2-2-1 and 21 of financial statements, the bank by registering foreign currency liabilities with reference rate in CBI system, the reporting bank claims for allocating USD 1,169 Million of that bank and in this regard sum of IRR 36,147 billion ( equal to translation rate until March 20th, 2016) has been considered as dues from the CBI and sum of IRR17,805 billion (equal to translation with reference rate) to the debt account to the said bank, and the difference in sum of IRR 18,342 billion has been considered to translation profit of the previous years. Furthermore, in 2012 sum of IRR 2,537 billion (explanatory note 10-2-2-2) withdrawn from the account by the CBI and deposited to treasury account. Resolving the above amounts requires coordination with the government and the CBI that despite the follow-ups, the result has not been determined yet. The opinion of this organization is not qualified by the provisions of this paragraph.

15- As explained in explanatory note 10-2-2-4 according to the resolution No. H56962 T/164537 dated March 16th, 2020 of the council of ministers, the difference of the foreign currency cost price and announced rate by the CBI on March 20th, 2020 (IRR 90,000 per USD) In line with the implementation of article 20, Removing barriers to competitive production and improving the country's financial system' FX settled facilities out of OSF sum of IRR 68,263 billion has posted to dues from the CBI account (explanatory note 34-1) Its acceptance in accordance with the said resolution requires special consideration. The opinion of this organization is not qualified by the provisions of this paragraph.

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<sup>3</sup> Public Joint Stock Company

## **Other Information**

16-The board members of the bank would be responsible for “other information”. Other information includes the existing information in the explanatory report of the management. The opinion of this organization for the financial statements does not include giving opinion about “other information” and no opinion is given about it. The responsibility of this organization is studying “other information” in order to recognize its material discrepancy with the financial statements or by information acquired in auditing process or material distortions. If this organization concludes that there is material distortion in “other information” it shall report this issue.

As explained above in paragraphs 4 to 10 of the section on the basics of the conditional statement, reserve for pension obligations, performance tax reserve, granted facilities and receivables, income from granted facilities, foreign currency assets and liabilities, investment in shares and other Securities and claims from subsidiary and dependent companies and some cases of information disclosure in financial statements have important distortion. In addition, as explained above in paragraphs 11 and 12 of the section on the basis of conditional opinion, On the date of the balance sheet, this organization has not been able to provide sufficient and appropriate audit evidence due to the lack of access to the necessary information about Part of the headings of investment in shares and other securities, cash balance and granted facilities and claims. Therefore, this organization cannot comment on whether other information related to this issue contains important distortion or not.

**Report on other legal and regulatory requirements of Bank Mellat(PJSC)**  
**Report on other duties of the legal inspector**

17-The provisions of article 5 of guidelines of clause B of article 17 of the IRI sixth five-year development program and clause A of article 20 of the law of permanent decrees of the country's development programs based on prohibition of credit institutions on opening and maintaining governmental accounts for executive organizations, the Provisions of Article 33 of the IRI sixth five-year development program and Article 5 of executive instructions of article 47 of the Law on removing barriers to competitive production and improving the country's financial system based on allocate of at least 15% of the average granted facilities by non-specialized intermediary banks to the agricultural sector and the provisions of article 11 of executive regulations of article 17 of the law on permanent decrees of the development programs of country about the payment of installments for the recovery of granted facilities from the currency reserve account to the central bank account (Arsham Poish Polymer and Assalouye Electricity and Energy Industries) have not been observed.

18- It attracts the attention of the general assembly of shareholders, when profit sharing, to the effects of clause 4 to 9 and considering clause 23 of this report and the provisions of article 115 of the articles of association based on the distribution of only 10% of the annual special dividend in case of a decrease in the capital adequacy ratio from the prescribed limit specified by the Central bank and Also, the Central Bank's letter No 98/450508 dated March 18th, 2020 states that the profit from the exchange of foreign currency assets and liabilities cannot be divided and can be used to increase the bank's capital.

19-The instances of non-observance of the provisions of the bank's article of association in the reporting fiscal year are as follows:

19-1- Provisions of article 7 of article of association about permitted ceiling for possessing bank's share directly or indirectly by other legal entities is maximum 5 percent (Mellat's staff Tamin atiyeh fund 6.45 percent) and also note 1 of the mentioned provision that states; legal entities that are under the management of the state-owned section, cannot be shareholder in the bank. (Saba Tamin Investment Company has 3.34 percent in its ownership).

19-2- Provisions of article 11 of articles of association regarding the prohibition on the purchase of bank shares by subsidiaries (Subsidiary companies of Mellat Financial Group, Behsaz Group of Mellat Partnerships and Behsazan Farda Smart Technologies Group together hold 3.7 percent of the bank's shares)

19-3- Provisions of article 58 of articles of association regarding the selection of two people as alternate members of the bank's board of directors (one person has been elected as an alternate member)

19-4- Provisions of article 81 of articles of association based on the fact that the chairman of the board is not obliged.

19-5-Provisions 89 of article of association regarding the announcement of the authorized signatories of all binding papers and documents and the conditions and manner of their signing to the companies' registration office for inclusion in the gazette.

19-6- Provisions of article 114 of article of association about granting facilities to the single beneficiary and accepting commitments in his/her/its favor is merely based on the CBI framework (including the facilities and obligations of Mellat and Saipa financial group companies).

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Banks following ups for performing prescribed tasks in the ordinary general meeting of shareholders dated July 21st, 2021 in addition to clauses 4, 5,8,10 to 12, 14, 15, 17, 19, 23-27 of this report about determining and collection of claims from subsidiaries and dependent companies until the end of 2021 and obtaining necessary approvals from legal authorities for regarding claims from the government and follow-up on their recovery have not been reached to final conclusion.

21-According to explanatory note 60-3, during the reported fiscal year, the transactions subject to article 129 of the amendment of the trade law has not been done.

22-This organization has reviewed the report of the board members about the activity and general status of the bank, subject to article 232 of trade act amendment that has been prepared to present to the ordinary general assembly of the shareholders. Regarding to the conducted investigations and considering the items listed in clauses 4 to 12 of this report, this organization has not noticed to material instances that indicate discrepancy of financial information stated in the abovementioned report with the presented documents and papers by the board members.

23- Capital adequacy ratio of the bank as explained in explanatory note 59-7-2 of the financial statements is calculated, based on the guidelines of calculating observing capital and capital adequacy of the credit institutions No.98/436758 dated March 7th, 2020, but the provisions of article 4-2, 4-4 ,4-5 ,4-6 ,11-7 and 17-1 are respectively for adjusting supervisory capital, bank's share held with affiliated sections, mutual investment in non-affiliated financial institutions, investments out of set limitations, deducting the total book value of the bank's investment in the special investment fund of mellat marketing (The subject of the circular 00/75268 dated June 2th 2021)risk weighted assets to credit risk for non-participatory contracts and weighted assets to market risk for the specific risk of bonds have not been observed. In case of observing the provisions of the abovementioned and by considering the effects of the clauses 4 to 9 of this report, the mentioned ratio will be decreased.

## **Report on other legal responsibilities and regulatory of auditor**

24- The requirements of the securities and exchange organization during the reported fiscal year have not been observed in the following cases:

24-1-The provisions of clause 10 of article 7, article 9 and its note, articles 10 and 12 of executive guidelines of disclosing information of listed companies in securities and exchange organization regarding the disclosure of investment portfolio information of subsidiary companies in sections 3,6,9 and 12 months, a maximum of 5 working days after the end of each period and disclosing of the audited financial statements of a number of subsidiary companies at least 10 days before the annual general meeting of the main company and maximum 4 months after the end of fiscal year of the mentioned companies and disclosing of audited 6-month interim financial statements of subsidiaries in about maximum 60 days after the end of the 6-month period, Immediate disclosure of the decisions of the ordinary general meeting Immediately dated July 21st, 2021 and the text of the minutes approved by the board of directors of the ordinary general meeting extraordinary dated July 21st, 2021 a maximum of a week after ordinary general meeting holding and immediate disclosure of the important informations about conversion in the composition of the board members, presentation of minutes of ordinary meeting extraordinary dated July 21st, 2021 and ordinary meeting extraordinary dated January 29st, 2022 to the companies' registration authority a maximum of 10 days after ordinary general meeting holding and its disclosure within one week at the latest after notification of the registration and disclosure of the modification of the cash dividend payment schedule no later than one week after the date of the meeting.

24-2- The provisions of Article 17 of the disciplinary guidelines for publishers accepted in the stock exchange regarding the disclosure of the maximum distributable profit by providing sufficient reasons and explanations in the management's interpretative report.

24-3- The provisions of paragraph 7 of article 6 of the guidelines for the acceptance of securities in the stock exchange regarding the quorum ratio of equity to total assets.

24-4-The provisions of note 5 of article 4, note 2 of article 15, articles 16, 21, 28, 42,43 of corporate governance guideline, listed companies in Tehran securities and exchange organization about an independent board member with financial education, being independence and non-executive of the majority of the members of the appointment committee, establishment and evaluation of the effectiveness process of the bank's board of directors and relevant board members in subsidiaries and dependent companies, establishing an independent secretariat of the board members, non-ownership of shares of parent companies by subsidiaries, disclosing material information of the board members and the CEO, specialized committees of the board of directors and its members, membership in the board of directors of other companies originally or on behalf, and the procedures of corporate governance in the bank's website and management explanatory report.

24-5-The provisions of articles 10 and clause 3 of article 11 and article 15 of the instructions for internal controls of issuers listed companies in securities and exchange organization regarding the chairmanship of the audit committee being independence and non-executive of the board members, appropriate and complete disclosure of dependent persons information and evaluating and commenting on the internal controls of subsidiaries in the internal controls report and also the provisions of clause 34 of the requirements of the governing internal controls of the financial organization regarding the reporting of the methods and systems used, the distance between the management and the desired level.

24-6- The provisions of articles 3, 4, and 6 of requirements of disclosing information of affiliated persons and transactions information in classification breakdown.

24-7- Preparing an interpretive report in accordance with the rules related to the disclosure of the most important sources, risks and relationships regarding the possible results of legal claims and its effects, the operation results and perspectives regarding the comparison of the company's internal performance with external sources of information such as the industry average and ... and the presentation and analysis of important financial ratios and examining their trends and the most important criteria and indicators of performance to evaluate performance compared to declared objectives regarding the performance of departments or activities.

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25- According to the provisions of “bylaw for the amount and the manner of receiving membership in deposits guarantee fund” the annual membership fee of each bank has been determined equal to 0.35% (before the year 2019 with the rates 0.30% and 0.25%) the average of weekly balance of every deposit account of the previous fiscal year up to maximum guaranteed of the fund. The bank has paid his share of the membership fee from 2014 to 2019 for the amount of IRR 8,892 Billion and it has been reserved IRR 4,380 Billion in the accounts (explanatory note 25-2) for the reporting fiscal year. Controlling the calculation process and determining the abovementioned years’ membership fee, requires to fulfil special auditing.

26- Calculations of definite and on-account profit difference of investment deposits have been revealed as stated in explanatory note 38 and 39 and it has been inspected in compliance with the provisions of circular No.94/69383 issued by the CBI<sup>4</sup> on June 10, 2015 except paying surplus profit over the approved rates ratified by monetary and credit council in some cases, and excluding short-term deposits of the blocked value (value plan) regarding the accounts paid to the subsidiary companies and the inclusion of the facilities granted from the credit lines received from the CBI (claims from the government and the organization of targeting subsidies) and its income in the calculating joint-profit, we didn’t have found instances of non-observing the provisions of the mentioned circular.

27- In implementing article 33 of executive guidelines of anti-money laundering by auditors, observing the provisions of the abovementioned law and relevant bylaws and executive guidelines in frame of noticed checklists of the relevant authority and auditing standards has been assessed by this organization. Regarding to establish anti-money laundering division in the bank’s network and performing some effective measures in this respect, the provisions of the above-stated act and applicable guidelines in the banking system in cases such as the implementation of internal anti-money laundering programs with a risk-based approach, updating the expected activity level of the customer, implementing the procedure for identifying customers according to the risk

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<sup>4</sup> Central Bank of Iran



and performing supervisory tasks and providing relevant reports regarding subsidiaries as in the charge of internal supervision have not been executed completely.

June 6<sup>th</sup>, 2022

Audit Organization  
Signed: Mohammad Nemati  
Signed: Habib Shams

Bank Mellat (Public Joint Stock)  
Consolidated Financial Statements of the Group & the Bank  
For fiscal year ending on March 20<sup>th</sup>, 2022

General Assembly of Shareholders  
With respect

The consolidated financial statements of the group and Bank Mellat for fiscal year ending on March 20<sup>th</sup>, 2022 is presented. The components of the financial statements are as follows:

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The consolidated financial statements of the group and bank have been provided based on accounting standards and regulations of the CBI and they have been confirmed by the board of directors of the bank on June 1<sup>th</sup>, 2022.

Members of Board of Directors	Position	Executive/Non-Executive	Signature
Reza dowlat Abadi	CEO & Board member	Executive	Signed
Masoud Nasr Esfahani	Chairman	Executive	Signed
Abbas Ashraf Nejhad	Vice Chairman & Board member	Executive	Signed
Alireza Lagzaei	Board member	Executive	Signed
Seyed Kazem Chavoshi	Vice Chairman of the Board directors	Executive	Signed

**Bank Mellat (Public Joint Stock)**  
**Consolidated Balance Sheet**  
**For Fiscal year ending on March 20<sup>th</sup>, 2022**

		(Restated)				(Restated)	
		20.03.2022	20.03.2021			20.03.2022	20.03.2021
Assets	Note	Million Rials	Million Rials	liabilities & Shareholders' Equities	Note	Million Rials	Million Rials
<b>Assets</b>							
Cash	9	309,904,550	267,788,310	Dues to banks & other credit institutions	21	1,025,789,099	951,581,716
Dues from banks & other credits institutions	10	1,153,076,433	849,503,719	Clients' deposits	22	2,668,555,223	1,823,934,854
Dues from government	11	159,983,060	135,484,372	Dividend payable	23	559,777	484,605
Loans and advances to public entities	12	3,189,322,578	2,693,291,107	Operation tax reserve	24	111,951,377	153,716,269
Loans and advances to private entities	13	3,761,723,853	2,271,402,022	Provisions & other liabilities	25	1,877,400,535	1,480,623,837
Investments in stocks and other securities	14	325,272,463	423,390,926	Severance provisions& staff retirement liabilities	26	<u>227,055,735</u>	<u>131,330,819</u>
Dues from subsidiary & affiliated	15	4,031,787	4,031,787	Total liabilities before Investment deposits holders' equity		5,911,311,745	4,541,672,100
Other receivable accounts	16	162,944,459	125,340,747				
Tangible fixed assets	17	219,749,520	208,592,814				
Intangible assets	18	22,451,117	21,259,804				
Legal deposit	19	574,871,224	380,126,498	Investment deposits holders' equity	27	<u>3,601,125,453</u>	<u>2,521,863,300</u>
Other Assets	20	322,395,423	212,653,175	<b>Total liabilities</b>		<u>9,512,437,198</u>	<u>7,063,535,400</u>
				<b>Shareholders' equity</b>			
				Capital	28	207,042,862	207,042,862
				Legal reserve	30	87,031,765	63,099,309
				Other reserves	31	92,207,758	90,835,689
				Foreign Currency translation difference	32	43,665,528	35,618,422
				Retained earning		259,328,591	132,279,773
				Treasury shares	29	(21,605,903)	(21,372,362)
				Spending on treasury shares		1,359,843	1,349,329
				The effects of sub-treasury stock transactions		(52,898)	0
				Effects of transactions with interest with no controlling right		<u>(831,652)</u>	<u>142,149</u>
				Total Equities attributable to shareholders of parent Co.	33	668,145,895	508,995,171
				Interest with no controlling right		<u>25,143,375</u>	<u>20,324,709</u>
				<b>shareholders' equity</b>		<u>693,289,270</u>	<u>529,329,879</u>
<b>Total Assets</b>							
		<u>10,205,726,468</u>	<u>7,592,865,280</u>	<b>Total liabilities &amp; shareholders' equity</b>		<u>10,205,726,468</u>	<u>7,592,865,280</u>
Clients' liabilities for L/Cs	53-1	676,434,338	554,755,223	Bank's liabilities for L/Cs	53-1	676,434,338	554,755,223
Clients' liabilities for issued Guarantees	53-2	705,865,688	459,049,554	Bank's liabilities for issued guarantees	53-2	705,865,688	459,049,554
Other clients' liabilities	53-3	1,106,697,044	728,180,680	Other liabilities of the bank	53-3	1,106,697,044	728,180,680
Party to manages funds & the like	53-4	465,508,864	478,113,352	Managed funds & the like	53-4	465,508,864	478,113,352

*Note: The explanatory notes is an integral part of the financial statements.*

**Bank Mellat (Public Joint Stock)**  
**Consolidated Profit & Loss Statement**  
**For fiscal year ending on March 20<sup>th</sup>, 2022**

Description		20.03.2022	(Restated) 20.03.2021
		Million Rials	Million Rials
Income of loans granted & depositing & debt securities	34	660,523,708	446,420,991
Deposits' interest cost	38	(361,230,216)	(216,016,368)
Net income of loans & investments		299,293,492	230,404,624
Sales of products & income of rendered services	35	381,378,547	136,751,743
Cost price of products sold & services rendered	36	(369,323,738)	(126,576,266)
Net sale & cost price		12,054,809	10,175,477
Commission income	40	47,680,005	29,571,110
Commission expense	41	(20,794,287)	(16,482,454)
Net commission income		26,885,719	13,088,656
Net investments profit (loss)	37	25,059,566	29,691,099
Net profit of foreign exchange transactions	42	120,280,495	246,683,867
Other operating incomes and expenses	43	4,073,366	7,719,752
Total operating incomes		487,647,445	537,763,475
Net other incomes and expenses	44	4,188,033	14,394,989
Administrative & general expenses	45	(246,831,342)	(197,519,879)
Doubtful loans expense	46	(11,634,674)	(59,710,470)
Financial expenses	47	(23,357,416)	(19,309,213)
Depreciation expense	48	(5,059,914)	(2,891,676)
<b>Profit before income tax</b>		204,952,132	272,727,227
Income tax of current year	24	(2,987,580)	(38,972,202)
Changes in income tax of previous years	24	(29,986,552)	(114,055,921)
		(32,974,132)	(153,028,123)
Net profit		171,978,001	119,699,105
Attributable to:			
Parent company owners		167,464,777	115,040,488
Interest with no controlling right		4,513,223	4,658,617
EPS- Attributable to the owners of the original company (Rials)	55	841	569

*Note: The explanatory notes is an integral part of the financial statements.*

**Bank Mellat (Public Joint Stock)**  
**Consolidated Profit & Loss Statement**  
**For fiscal year ending on March 20<sup>th</sup>, 2022**

Description		Fiscal year ending on 20.03.2022	(restated) 20.03.2021
		Million Rials	Million Rials
Net profit		171,978,001	119,699,105
Other comprehensive profit and loss items:			
Foreign currency difference of foreign operations	32	10,366,009	17,175,137
Comprehensive profit of the fiscal period		182,344,010	136,874,241
Annual adjustments	49	0	(2,651,612)
<b>Recognized comprehensive profit from previous reporting period</b>		<b>182,344,010</b>	<b>134,222,629</b>
Attributable to			
Parent company owners		175,511,883	127,033,859
Interest with no controlling right		6,832,127	7,188,771
		182,344,010	134,222,629

*Note: The explanatory notes is an integral part of the financial statements.*

**Bank Mellat (Public Joint Stock)**  
**Changes Statement in Consolidated Shareholders Equity**  
**For fiscal year ending on March 20<sup>th</sup>, 2022**

	Note	Capital	Share premium	The effects of deals with Interest with no controlling right	Legal Reserve	Other Reserves	Assets revaluation Surplus	Difference of FX translation	Retained Earnings (Loss)	Treasury shares	Attributable to parent company owners	Interest with no controlling right	Total
		Million Rials	Million Rials	Million Rials	Million Rials	Million Rials	Million Rials	Million Rials	Million Rials	Million Rials	Million Rials	Million Rials	Million Rials
Balance on March 21 <sup>st</sup> , 2021		50,000,000	0	0	42,365,301	80,315,797	157,042,862	21,129,783	52,385,803	(2,614,176)	400,625,370	7,338,767	407,964,137
Errors correction	49	0	0	0	0	0	0	0	(2,495,268)	0	(2,495,268)	(156,344)	(2,651,612)
<b>Balance of restated revaluation on March 21<sup>st</sup>, 2021</b>		<b>50,000,000</b>	<b>0</b>	<b>0</b>	<b>42,365,301</b>	<b>80,315,797</b>	<b>157,042,862</b>	<b>21,129,783</b>	<b>49,890,535</b>	<b>(2,614,176)</b>	<b>398,130,102</b>	<b>7,182,423</b>	<b>405,312,525</b>
Changes in shareholders' equity of 20 March 2021													
Net profit of fiscal year ending on March 20 <sup>th</sup> , 2021		0	0	0	0	0	0	0	158,459,392	0	158,459,392	4,658,617	163,118,009
Error correction	49	0	0	0	0	0	0	0	(43,418,904)	0	(43,418,904)	0	(43,418,904)
Restated net profit provided in 2021		0	0	0	0	0	0	0	115,040,488	0	115,040,488	4,658,617	119,699,105
Difference of FX translation	32	0	0	0	0	0	0	14,488,639	0	0	14,488,639	2,686,498	17,175,137
Comprehensive profit of year 2021		0	0	0	0	0	0	14,488,639	115,040,488	0	129,529,128	7,345,115	136,874,242
Capital Increase		157,042,862	0	0	0	0	(157,042,862)	0	0	0	0	0	0
Approved EPS		0	0	0	0	0	0	0	(1,300,000)	0	(1,300,000)	(186,932)	(1,486,932)
Purchasing treasury share by the subsidiaries	29	0	0	0	0	0	0	0	0	(18,758,186)	(18,758,186)	0	(18,758,186)
Selling treasury shares by the subsidiaries		0	1,349,329	0	0	0	0	0	0	0	1,349,329	0	1,349,329
Allocating to reserves		0	0	0	20,734,008	10,519,892	0	0	(31,253,900)	0	0	592,433	592,433
Changes in investing percent in subsidiary		0	0	0	0	0	0	0	(97,351)	0	(97,351)	4,204,021	4,206,670
Increasing benefits in subsidiaries		0	0	142,149	0	0	0	0	0	0	142,149	0	142,149
The difference between the fair value and the net book value of the subsidiaries' assets		0	0	0	0	0	0	0	0	0	0	1,097,649	1,097,649
Balance of restated revaluation on March 21 <sup>st</sup> , 2021		207,042,862	1,349,329	142,149	62,099,309	90,835,689	0	35,618,422	132,279,773	(21,372,362)	508,995,171	20,334,709	529,229,879

*Note: The explanatory notes is an integral part of the financial statements.*

**Bank Mellat (Public Joint Stock)**  
**Changes Statement in Consolidated Shareholders Equity**  
**For fiscal year ending on March 20th, 2022**

	Note	Capital	Share premium	The effects of sub-treasury stock transactions	Effect of deals with interest with no controlling right	Legal Reserve	Other Reserves	Assets revaluation Surplus	Difference of FX translation of foreign operation	Retained Earnings (Loss)	Treasury shares	Attributable to parent company owners	Interest with no controlling right	Total
		Million Rials	Million Rials		Million Rials	Million Rials	Million Rials	Million Rials	Million Rials	Million Rials	Million Rials	Million Rials	Million Rials	Million Rials
Changes in shareholders' equity of year ending on 2022														
Net profit of fiscal year ending on year 2022		0	0	0	0	0	0	0	0	167,464,777	0	167,464,777	4,512,223	171,978,001
Difference of FX translation	32	0	0	0	0	0	0	0	8,047,106	0	0	8,047,106	2,318,904	10,366,009
<b>Comprehensive profit of year 2022</b>		<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>8,047,106</b>	<b>167,464,777</b>	<b>0</b>	<b>175,511,883</b>	<b>6,832,127</b>	<b>182,344,010</b>
Approved EPS		0	0	0	0	0	0	0	0	(12,664,829)	0	(13,664,829)	(2,931,430)	(16,596,259)
Working Capital increase		0	0	0	0	0	0	0	0	0	0	0	1,117,999	1,117,999
Purchasing treasury share by the subsidiaries	29	0	0	(52,898)	0	0	0	0	0	0	(232,541)	(286,439)	0	(286,439)
Profit or loss of the sale of treasury shares		0	10,514	0	0	0	0	0	0	0	0	10,514	0	10,514
Allocation to reserves		0	0	0	0	23,922,457	1,372,070	0	0	(25,374,013)	0	(69,487)	89,897	20,410
Changes in investing percent in subsidiary		0	0	0	0	0	0	0	0	(1,377,117)	0	(1,377,117)	(180,150)	(1,557,267)
Increasing benefits in subsidiaries		0	0	0	(973,801)	0	0	0	0	0	0	(973,801)	0	(973,801)
The effects of treasury stock transactions		0	0	0	0	0	0	0	0	0	0	0	(261,927)	(261,927)
The difference between the fair value and the net book value of the subsidiaries' assets		0	0	0	0	0	0	0	0	0	0	0	142,149	142,149
Balance on March 21st, 2022		207,042,862	1,359,843	(52,898)	(831,652)	87,031,765	92,207,759	0	42,665,528	259,328,591	(21,605,903)	668,145,895	25,143,375	693,289,270

*Note: The explanatory notes is an integral part of the financial statements.*

**Bank Mellat (Public Joint Stock)**  
**Consolidated Cash flow Statement**  
**For fiscal year ending on March 20<sup>th</sup>, 2022**

Description	Note	March 20 <sup>th</sup> ,2022	(Restated) 20.03.2021
		Million Rials	Million Rials
<b><u>Operating activities</u></b>			
Cash received for:			
Profit & delay payment charges for granted loans	179,553,603		47,655,414
Commission	34,972,545		35,470,335
Depositing profit	107,192,121		76,999,648
Investments profit	17,686,070		30,028,540
Other operating incomes	110,892,929		(1,748,826)
		450,297,268	188,405,111
<b>Cash paid for:</b>			
Deposits profit	(347,970,935)		(191,315,128)
Commission	(20,794,287)		(16,482,454)
financial expense	(23,357,416)		(5,325,247)
Other operational expenses	(246,831,342)		(100,314,117)
Income tax	(74,779,789)		(20,317,298)
			(333,754,244)
Cash outflow from operating activities before changes in operating assets & liabilities		(713,733,768)	(145,349,133)
Cash flow from changes in operating assets & liabilities:		(263,436,501)	
<b>Net increase (decrease) in liabilities:</b>			
Dues to banks & other credit institutions	4,549,420		97,025,835
Clients' deposits	808,441,788		494,140,955
Operating portion of provisions & other liabilities	238,860,036		(97,497,641)
Investment depositors' interest	1,043,697,594		882,692,240
<b>Net (increase) decrease in assets:</b>			
Dues from banks and other credit institutions	(314,099,551)		(160,522,324)
Principal of dues from the government	(257,126,053)		23,564,565
Principal of loans & advanced to public sectors	240,206,320		(161,164,265)
Principal of loans & advanced to private sectors	(1,133,026,344)		(208,529,671)
Investments & partnerships	97,016,707		(306,957,344)
Dues from subsidiary & affiliated companies	(5,759,255)		280,435
Other accounts receivable	(59,164,073)		(39,277,277)
Legal deposit	(194,744,727)		(126,766,261)
Operational portion of other assets	(111,811,868)		(310,883,156)
<b>Cash flows of changes in operating assets &amp; liabilities</b>		357,039,994	86,106,091
<b>Net cash inflow (outflow) due to the operating activities</b>	51	<b>(93,603,493)</b>	<b>(59,243,042)</b>
<b><u>Investment activities</u></b>			
Cash paid to acquire tangible fixed assets	(16,305,930)		(11,471,311)
Cash received from disposing tangible fixed assets	2,275,391		2,912,014
Cash paid to acquire intangible assets	(1,950,778)		(1,166,493)
Cash received for disposing intangible assets	495,183		416,944
Net cash inflow (outflow) from the investment activities		(15,486,134)	(9,308,846)
<b>Net cash inflow (outflow) before financing activities</b>		78,117,359	(68,551,888)
<b><u>Financing Activities</u></b>			
Dividend payable	(13,589,658)		(1,972,358)
Treasury shares transactions	(233,541)		(17,408,857)
Financial facilities received	4,901,960		30,297,709
Principal of financial facilities repaid	(35,890,410)		(34,834,736)
Net cash inflow (outflow) from financing activities		(44,811,649)	(23,918,242)
Net cash increase (decrease)		33,305,710	(92,470,130)
Cash at beginning of the year		267,788,310	215,937,131
Impact of foreign currency rate changes		8,810,530	144,321,309
Cash at end of year		<b>309,904,550</b>	<b>267,788,310</b>
Non-cash transactions	52	73,067,255	79,785,119

Cash received as principal, interest and delay payment charges of facilities granted merely includes direct cash remittance by clients in this regard. It is understood that other settlement methods such as settlement by granting new facilities or foreclosures, etc. that do not lead to direct cash remittance by clients are classified as non-cash transactions.

*Note: The explanatory notes is an integral part of the financial statements.*



**Bank Mellat (Public Joint Stock)**  
**Balance Sheet**  
**Ending on March 20<sup>th</sup>, 2022**

<b>Assets</b>	<b>Note</b>	<b>20.03.2022</b>	<b>(Restated) 20.03.2021</b>	<b>liabilities &amp; Shareholders' Equity</b>	<b>Note</b>	<b>20.03.2022</b>	<b>(Restated) 20.03.2021</b>
		<b>Million Rials</b>	<b>Million Rials</b>			<b>Million Rials</b>	<b>Million Rials</b>
<b>Assets</b>				<b>liabilities:</b>			
Cash	9	315,181,162	284,705,887	Dues to Banks & Other Credit Institutions	21	991,560,036	919,945,720
Dues from Banks & Other Credits Institutions	10	1,128,472,621	804,961,425	Clients' deposits	22	2,668,218,868	1,846,116,537
Dues from Government	11	159,983,060	135,484,372	Payable dividend	23	399,272	163,627
Loans & advances to the public sectors	12	3,189,322,578	2,693,291,107	Operating tax provision	24	108,266,026	149,873,188
Loans & advances to the private sectors	13	3,812,101,451	2,269,680,365	Provisions & other liabilities	25	1,809,524,566	1,429,410,734
Investments and partnerships	14	206,172,671	342,619,128	Severance & staff retirement liabilities provisions	26	<u>224,407,233</u>	<u>129,628,678</u>
Dues from subsidiary & affiliated companies	15	37,241,680	66,633,841	Total liabilities before investment depositors' interest		5,802,376,001	4,475,138,484
Other accounts receivable	16	63,078,028	67,233,048	Investment depositors' interest	27	<u>3,623,780,831</u>	<u>2,529,311,728</u>
Tangible fixed assets	17	207,726,147	193,179,479	<b>Total liabilities</b>		<b><u>9,426,156,832</u></b>	<b><u>7,004,450,212</u></b>
Intangible assets	18	18,585,684	17,676,310				
Legal deposit	19	574,871,224	380,126,497				
Other assets	20	317,338,600	208,900,145				
				<b>Shareholders' equity</b>			
				Capital	28	207,042,862	207,042,862
				Legal reserve	30	83,242,565	59,738,129
				Other reserves	31	80,091,465	80,091,465
				Foreign currency translation difference	32	17,142,728	17,173,761
				Retained earnings		<u>216,398,453</u>	<u>95,995,175</u>
				<b>Total shareholders' equity</b>		<b><u>603,918,073</u></b>	<b><u>460,041,391</u></b>
<b>Total Assets</b>		<b><u>10,030,074,905</u></b>	<b><u>7,464,491,603</u></b>	<b>Total liabilities &amp; shareholders' equity</b>		<b><u>10,030,074,905</u></b>	<b><u>7,464,491,603</u></b>
Clients' liabilities for L/Cs	53-1	676,434,338	554,755,223	Bank's liabilities for L/Cs	53-1	676,434,338	554,755,223
Clients' liabilities for Issued LGs	53-2	705,865,688	459,049,554	Bank's liabilities for Issued LGs	53-2	705,865,688	459,049,554
Other clients' liabilities	53-3	1,106,697,044	728,180,680	Other liabilities of bank	53-3	1,106,697,044	728,180,680
Party to managed funds & the like	53-4	465,508,864	478,113,352	Managed Funds & the like	53-4	465,508,864	478,113,352

*Note: The explanatory notes is an integral part of the financial statements.*

**Bank Mellat (Public Joint Stock)**  
**Profit & Loss Statement**  
**For Financial Year Ending on March 20<sup>th</sup>, 2022**

Description	Note	20.03.2022	20.03.2021 (Restated)
		Million Rials	Million Rials
loans, deposits & debt securities income	34	660,793,373	439,628,198
Deposits' interest expense	38	(363,328,277)	(216,735,346)
Net income of loans & depositing		297,465,096	222,892,852
Commission income	40	47,646,875	29,194,491
Commission expenses	41	(20,778,897)	(16,479,242)
Net commission income		26,867,979	12,715,249
Net profit of investments	37	17,353,179	21,645,671
Net profit of foreign exchange transactions & exchange	42	119,887,033	245,781,726
Other operating incomes and expenses	43	3,536,731	3,313,319
Total operating incomes		465,110,017	506,348,818
Net other incomes and expenses	44	3,762,103	12,923,922
Administrative & general expenses	45	(241,110,610)	(192,846,278)
Doubtful loans expenses	46	(12,469,868)	(59,379,833)
Financial expenses	47	(23,177,542)	(19,441,184)
Depreciation expenses	48	(4,520,312)	(2,533,313)
Earnings before income tax		187,593,789	245,072,131
Income tax of current year	24	0	(36,354,546)
Changes in income tax of previous years		(30,000,000)	(113,905,059)
		(30,000,000)	(150,259,605)
Net profit		157,593,789	94,812,527
EPS (Rials)	55	761	458

*Note: The explanatory notes is an integral part of the financial statements.*

**Bank Mellat (Public Joint Stock)**  
**Comprehensive Profit & Loss Statement**  
**For Financial Year Ending on March 20<sup>th</sup>, 2022**

Description	Note	20.03.2022	20.03.2021 (Restated)
		Million Rials	Million Rials
Net profit		157,593,789	94,812,527
Foreign currency translation difference	32	(31,033)	6,058,485
Comprehensive profit of fiscal year		157,562,756	100,871,011
Annual adjustment		0	0
Recognized comprehensive profit from reporting period		157,562,756	100,871,011

***Note:** The explanatory notes is an integral part of the financial statements.*

**Bank Mellat (Public Joint Stock)**  
**Shareholders' Equities Changes Statement**  
**For Financial Year Ending on March 20<sup>th</sup>, 2022**

		Capital	Legal reserve	Other reserves	Surplus of assets revaluation	Foreign currency translation difference of foreign operations	Retained earning	Total Shareholders' Equity
		Million Rials	Million Rials	Million Rials	Million Rials	Million Rials	Million Rials	Million Rials
Balance on March 21 <sup>st</sup> , 2021		50,000,000	39,327,976	80,087,850	157,042,862	11,115,276	22,890,777	360,464,741
Net profit of fiscal year ending of year 2021		0	0	0	0	0	136,610,484	136,610,484
Errors correction	49	0	0	0	0	0	(41,797,958)	(41,797,958)
Restated net profit provided in 2021		0	0	0	0	0	94,812,527	94,812,527
<b>Other comprehensive profit and loss items</b>								
Foreign currency translation difference		0	0	0	0	6,058,485	0	6,058,485
Net profit of fiscal year ending of year 2021		0	0	0	0	6,058,485	94,812,527	100,871,011
<b>Capital Injection</b>								
Capital injection		157,042,862	0	0	(157,042,862)	0	0	0
<b>Distribution and allocation</b>								
Legal reserve	30	0	20,410,153	0	0	0	(20,408,129)	2,024
Other reserves	31	0	0	3,615	0	0	0	3,615
Approved EPS		0	0	0	0	0	(1,300,000)	(1,300,000)
Total changes of shareholders' equity items during year		157,042,862	20,410,153	3,615	(157,042,862)	0	(21,708,129)	(1,294,361)
Restated 2021		207,042,862	59,738,129	80,091,465	0	17,173,761	95,995,175	460,041,391

Note: The explanatory notes is an integral part of the financial statements.

**Bank Mellat (Public Joint Stock)**  
**Shareholders' Equities Changes Statement**  
**For Financial Year Ending on March 20th, 2022**

	Capital	Legal reserve	Other reserves	Surplus of assets revaluation	Foreign currency translation difference of foreign operations	Retained earning	Total Shareholders' Equity
	Million Rials	Million Rials	Million Rials	Million Rials	Million Rials	Million Rials	Million Rials
Net profit of fiscal year ending on year 2022	0	0	0	0	0	157,593,789	157,593,789
<b>Other comprehensive profit and loss items</b>							
Foreign currency translation difference	0	0	0	0	(31,033)	0	(31,033)
Net profit of fiscal year ending of year 2022	0	0	0	0	(31,033)	157,593,789	157,562,756
<b>Distribution and allocation</b>							
Legal reserve	30	0	23,504,436	0	0	(23,525,681)	(21,246)
Approved EPS		0	0	0	0	(13,664,829)	(13,664,829)
Total changes of shareholders' equity items during year		0	23,504,436	0	0	(37,190,510)	(13,686,075)
(remaining of 2022)		207,042,862	83,242,565	80,091,465	0	17,142,728	216,398,453
		207,042,862	83,242,565	80,091,465	0	17,142,728	216,398,453

Note: The explanatory notes is an integral part of the financial statements.

**Bank Mellat (Public Joint Stock)**  
**Cash flow Statement**  
**For Financial Year Ending on March 20<sup>th</sup>, 2022**

Description	Notes	20.03.2022	(Restated) 20.03.2021
		Million Rials	Million Rials
<b>Operating activities</b>			
Cash received for:			
Profit & delay payment charges for granted loans *		186,009,170	47,238,349
Commission		44,683,358	35,093,716
Depositing profit		49,438,830	70,623,920
Investments profit		24,782,591	21,983,112
Other operating incomes		5,294,736	(9,807,879)
		310,208,684	165,131,218
Cash paid for:			
Deposits' profit		(350,068,996)	(192,034,106)
Commission		(20,778,897)	(16,479,242)
Financial expenses		(23,217,373)	(5,457,219)
Other operating expenses		(140,178,452)	(95,612,200)
Income tax		(71,607,162)	(18,553,097)
		(605,850,880)	(328,135,864)
<b>Cash (outflow) of operating activities before changes in operating assets &amp; liabilities</b>		<b>(295,642,195)</b>	<b>(163,004,646)</b>
<b>Cash flow from changes in operating assets and liabilities:</b>			
<b>Net increase in liabilities:</b>			
Dues to banks & other credit institutions		1,956,352	83,380,564
Clients' deposits		785,923,751	549,560,839
Operating portion of reserves & other liabilities		66,257,619	(143,985,510)
Investment depositors' interest		1,058,904,546	871,862,183
<b>Net (increase) decrease in assets:</b>			
Dues from banks and other credit institutions		(334,038,032)	(134,561,321)
Principal of dues from government		(80,125,435)	24,393,204
Principal of loans and advances to public sectors		240,206,320	(160,005,850)
Principal of loans and advances to private sectors		(1,191,325,599)	(213,618,538)
Investments and partnerships		135,344,702	(267,944,155)
Dues from subsidiary & affiliated companies		25,109,430	(39,276,603)
Other accounts receivable		2,933,196	(9,214,067)
Legal deposit		(194,744,727)	(126,766,261)
Operating portion of other assets		(140,466,082)	(327,616,089)
<b>Cash flows from changes in operating assets &amp; liabilities</b>		<b>375,936,039</b>	<b>106,208,395</b>
<b>Net cash inflow (outflow) from operating activities</b>	51	<b>80,293,844</b>	<b>(56,796,250)</b>
<b>Investment activities</b>			
Cash paid to acquire tangible fixed assets		(10,922,971)	(10,274,629)
Cash received from disposing tangible fixed assets		2,176,001	2,433,988
Cash paid to acquire intangible fixed assets		(1,142,293)	(898,282)
Cash received to acquire intangible fixed assets		588,015	416,944
Net cash outflow from investing activities		(9,301,248)	(8,321,979)
<b>Net cash inflow (outflow) before financing activities</b>		<b>70,992,596</b>	<b>(65,118,229)</b>
<b>Financing Activities</b>			
Paid dividend		(13,429,185)	(1,172,887)
Principal of financial facilities repaid		(35,890,410)	(32,759)
Net cash outflow from financing activities		(49,319,595)	(1,205,646)
Net cash increase (decrease)		21,673,001	(66,323,875)
Cash at beginning of the year		284,705,887	206,809,705
Impact changes in foreign currency rate		8,802,274	144,220,057
<b>Cash at the end of the year</b>		<b>315,181,162</b>	<b>284,705,887</b>
Non-cash transactions	52	79,219,329	79,785,119

Cash received as principal, interest and delay payment charges of facilities granted merely includes direct cash remittance by clients in this regard. It is understood that other settlement methods such as settlement by granting new facilities or foreclosures, etc. that do not lead to direct cash remittance by clients are classified as non-cash transactions.

*Note: The explanatory notes is an integral part of the financial statements.*

**Bank Mellat (Public Joint Stock)**  
**Explanatory Notes of Consolidated Financial Statements of Group & Bank**  
**For Financial Year Ending on March 20th, 2022**

**History of the Bank Activity**

**1-1- Generalities**

The group includes Bank Mellat (Public Joint Stock) as per National ID No.10100834967 and its subsidiary companies. Bank Mellat was formed on July 22<sup>nd</sup>, 1980 by virtue of decree issued by the general assembly of the banks dated December 20<sup>th</sup>, 1979 by integration of Tehran Bank, Iran International Bank, Farhangian Bank, Iran Insurance Bank, Pars Bank, Foreign Trade Bank, Iran & Arab Bank, Etebarat, Taavoni Va Tozi Bank, Omran Bank and daryoush bank and it was registered with companies registration office as per No.38077, and pursuant to the resolutions ratified in the extraordinary general assembly of the banks on April 5<sup>th</sup>, 2008 and decree No.T/68985 issued by the council of ministers on July 24<sup>th</sup>, 2007, the legal entity of the bank was changed to public joint stock, and it was listed on the main board of first market of Tehran Securities and Exchange in banks and credit institution section and other monetary institutions on February 10, 2009 and five percent of its shares provided to discover the price in stock exchange on February 18<sup>th</sup>, 2009. Now, the government holds 11.16% of the bank shares, Edalat shares provincial investment holds 29.24% and the rest of it belong to the private and non-governmental sectors. The main headquarters of the bank is located in: No. 276, corner of Forsat St, Ayatollah Taleghani St, Tehran, Iran.

**1- 2- Main Activity of Bank**

The subject of the activity of the bank shall be in compliance with Article 3 of the articles of association, providing banking operations in compliance with monetary and banking rules of the country and its subsidiary companies are mainly include banking, leasing, investment, foreign exchange, designing and producing computer software and rendering maintenance services for the produced software.

**1- 3- Number of Branches**

The number of branches of the bank on the end of the year is as follows:

	20.03.2022		20.03.2021	
	End of Year	Average	End of Year	Average
Branches of Tehran province	261	263	265	266
Branches of other provinces	1,119	1,127	1,135	1,149
Branches of Free Zones	9	9	9	9
Branches abroad	4	4	4	4
	<u>1,393</u>	<u>1,403</u>	<u>1,413</u>	<u>1,428</u>

**1-4- Employment Status**

The number of the bank's staff on the end of the year and annual average has been as follows:

	20.03.2022		20.03.2021	
	End of Year	Average	End of Year	Average
Head Office	2,428	2,420	2,412	2,422
Branches of Tehran province	3,680	3,671	3,663	3,731
Branches of other provinces	12,625	12,828	13,032	13,116
Branches abroad	7	7	7	7
Free Zones	85	57	29	107
	<u>18,825</u>	<u>18,983</u>	<u>19,143</u>	<u>19,383</u>
Contractual services staff	4,731	4,746	4,761	4,708
Total bank staff	<u>23,556</u>	<u>23,729</u>	<u>23,904</u>	<u>24,091</u>
Subsidiaries	<u>7,564</u>	<u>7,541</u>	<u>7,519</u>	<u>7,670</u>
Total number of staff	<u>31,120</u>	<u>31,270</u>	<u>31,423</u>	<u>31,761</u>

## **2- Application of new and revised accounting standards**

The financial statements have been provided based on accounting standards and rules of The CBI. The details of accounting procedures including changes during the year have been stated in explanatory note 5 to 8. Also, explanatory notes 24, 30, 31, 34, 38-3, 55-2 the samples announce by the CBI dated February 2020 about the bank is not related and there is no balance and turnover in the relevant accounts.

### **2-1- Approved reconsidered new accounting standards which has come into force in the current period and has had an impact on the financial statements:**

- 2-1-1- Accounting standard No. 18 of separate financial statements
- 2-1-2- Accounting standard No. 20 of investments in affiliated business units and special partnerships
- 2-1-3- Accounting standard No. 38 of business combinations
- 2-1-4- Accounting standard No. 39 of consolidated financial statements
- 2-1-5- Accounting standard No. 40 of contributions
- 2-1-6- Accounting standard No. 41 of disclosing of interests in other business units
- 2-1-7- Accounting standard No. 42 of fair value measurement

### **2-2- Possible future effects with importance arising from implementation of new accounting standards and approved reconsidered that still are not mandatory is as follows:**

2-2-1- Accounting standard No. 16 titled effects of change in exchange rate (reconsidered in 2020) is mandatory from march 21th 2022. Based on assessments and estimates of the said bank and according to the current situation and standard management of the above bank, it generally would not have significant impact on cognition, measurement and reporting financial statement items.

## **Basics of preparing financial statements**

### **3- Integration Basis**

3-1- The consolidated financial statements is the result of integrating the financial statements of the bank and subsidiary companies subject to integration after omitting inter-group transactions and balances and unrealized profit and loss due to mutual transactions. The subsidiary companies are disclosed in explanatory note 14-5 and the fiscal year of Bank Yerevan and Tarh Va Andisheh Behsaz Mellat Company, Behsaz Mellat Insurance Services Company, Arzesh Afarin Atlas Company, Vavan Construction & Urban Development Company, Tadbirgaran Behsaz Mellat Company, Petro Faravaran Atlas Company and Behsaz Trading Services Development are until, Gostaresh Fannavari Sanat Sakhteman Company until the end of December and the rest of them are until March 20<sup>th</sup>. By the way the financial statements of the mentioned companies are stated in consolidated financial statements as its orders. However, in case of any changes until the date of the financial statements of the bank that have material effects on generalities of consolidated financial statements, these effects would be considered in the accounts through accomplishing required amendments in financial statements items.

3-2- Commercial combinations are calculated using the study method. Goodwill, based on the excess of our total proceeds per transferred to the fair value on the acquisition date, plus the amount of any controlling interest in the acquired unit, and the fair value of the acquiring unit's previous ownership interest in the acquired unit on the acquisition date (in Staged combinations) are measured on the net amount of identifiable assets acquired and liabilities assumed on the date of acquisition, and are depreciated on a straight-line basis over 20 years.

3-3- The bank has included the income and expenses of the subsidiary company in the consolidated financial statements from the date of gaining control to the date that it loses control over the subsidiary companies.

3-4- Change of ownership interest in subsidiary companies that does not lead to loss of group control over subsidiary companies, is considered as proprietary transactions. Book amounts of controlling interests and non-controlling interests will be adjusted to reflect changes in their relative interests in subsidiaries. Any difference between the non-controlling interest adjustment amount and our fair value paid or received directly in equity is recognized under "Effects of non-controlling interest transactions" and the owners of the parent company are attributed.

3-5- The shares of parent company acquired by subsidiary companies are considered in the accounts in cost price and they are reflected as devaluation of shareholders' equities under heading of "Treasury shares".



3-6- The consolidated financial statements are provided by using from accounting procedures about transactions and other similar events that happened under the same conditions.

3-7- Companies like Azin Tejarat Arman, Kavosh Mellat, Pars International Hotel and Fee Bank are excluded from the consolidation process.

#### 4- Reporting & Operating Monetary Unit

The items of the financial statements have been measured by monetary unit of the main economic environment of the bank's activity place that is Rials. These items have been presented in Million Rials to be understood better unless in cases that is mentioned explicitly in the financial statements or explanatory notes.

#### 5- Using from Judgments & Estimations

Bank management has applied judgments, estimations and assumptions in determining recognized amounts in providing financial statements. The real results may be different from the estimations. These estimations and its assumptions are based on historical records and the management reviews them continuously by comparing them to real events.

Retirement liabilities, Control over subsidiaries, operating tax and doubtful loans reserve can be noticed in this regard.

#### 6- Measurement Basis

The financial statements of the bank have been provided based on historical cost price and in cases that the price except than historical cost price is used, it has been disclosed in relevant accounting procedures.

#### 7- Change in Accounting Procedure

The bank has provided the accounting procedures stated in note 8 by observing consistency of procedures in all reported periods in the financial statements.

#### 8- Summary of Important Accounting Procedures

##### 8-1- Investments

	Group consolidation	Parent Company
Measurement		
Long-term investments:		
Investment in subsidiary companies	Subject to consolidation	Cost value to the deducting of accumulated value of each investments
Investment in affiliated companies	Method of Special value	Cost value to the deducting of accumulated value of each investments
Other long-term investments	Cost value to the deducting of accumulated value of each investments	Cost value to the deducting of accumulated value of each investments
Investment in properties	Cost value to deducting the accumulated value of each investments	
Current investments:		
Marketable investments	Minimum cost value and net sale value of the portfolio/ Investments	Minimum cost value and net sale value of the portfolio of Investments
Other current investments	Minimum cost value and net sale value of each of investments	Minimum cost value and net sale value of each of investments
Income recognition:		
Investment in subsidiary companies	Subject to consolidation	At the time of approving profit by the general assembly of shareholders of the investee company (until the date of approving financial statements)
Investment in affiliated companies	Special value method	At the time of approving profit by the general assembly of shareholders of the investee company (until the date of approving financial statements)

Other current and long term investments in companies shares	At the time of approving profit by the general assembly of shareholders of the investee company (until the date of balance sheet)	At the time of approving profit by the general assembly of shareholders of the investee company (until the date of balance sheet)
Investment in other securities	At the time of realized pledged profit(according to the effective interest rate)	At the time of realized pledged profit(according to the effective interest rate)

### 8-1-1- Interbank market transactions (repo)

In the implementation of the provisions of the interbank market transaction guidelines regarding the application of repurchase agreement in accordance with Sharia law in the rial interbank market (repo) no.99/74099 dated June 8<sup>th</sup> 2020 of CBI<sup>5</sup>, The buy and sale of securities issued by the treasury of the country, such as Islamic treasury documents and types of remittance and bill of exchange, is carried out based on the provisions of the above guidelines , including sale contracts, purchase option contracts, and sale option contracts.

### 8-2- Financing expenses

Financing expenses are recognized as expense at the time of occurring except for those expenses that are directly attributable to acquire “eligible assets”

### 8-3- Tangible fixed assets

8-3-1- Tangible fixed assets excluding land, building and key money record in the accounts based on cost price. Improvement and major repairs costs that leads to remarkable increase in the capacity or useful life of fixed tangible assets or fundamental improvement in their output quality are considered as capital costs and they depreciate during useful life of the relevant assets. Maintenance and minor costs that are carried out based on initial operating evaluation standards to preserve or fix the expected economic interests of the commercial unit, are considered as current costs on their date and they are considered as profit and loss account of the period.

8-3-2- The land is reflected in the accounts based on the revaluation amount. Revaluation of the bank has been done in 2019 out of performing the provisions of article 14 of the maximum use of producing and service rendering of the country ability and supporting Iranian goods and by using assessment of independent experts also the banks building has been reflected in the accounts on March 19<sup>th</sup>, 2005 in executing article 62 of third development program law act, based on the amount of the revaluation.

8-3-3- Depreciation of fixed tangible assets are done with regard to expected economic resources consumption pattern in future (including useful lifetime estimated by experts of civil engineering department of Bank Mellat) related to the assets by considering depreciation table subject to article 149 of direct tax act ratified in July 2015 direct taxes law approved in March 1988 and its subsequent amendments based on the following rates and methods. It shall be mentioned that upon permission of article 19 of executive rules related to depreciation cost subject to article 149 of direct tax act, the depreciation of the building that is considered in mentioned table in direct 25 years rate, is calculated with rate of 25 to 91 years.

Type of Asset	Depreciation Rate	Depreciation Method
Building	25 to 91-year	Direct
Installations	10-year	Direct
Office Furniture & Equipment	6-year	Direct
Compute Accessories	3-year	Direct
Vehicles	6-year	Direct

8-3-4- The depreciation of fixed assets that are acquired and used during the month, will be calculated and considered in the accounts from the first day of the next month. In cases where any of the depreciable assets (except for the building) are not used for a period of time after being ready for use due to work stoppage or other reasons (for at least six months

<sup>5</sup> Central bank of Islamic Republic of Iran

in a row), the depreciation rate for the mentioned period is equal to 30% of the depreciation rate reflected in the above table.

8-3-5- The depreciation of fixed assets of subsidiary companies is calculated with the following rates and methods based on table of depreciations stated in article 149 of direct tax law as amended:

Type of Asset	Depreciation Rate	Depreciation Method
Building	25 year	Direct
Installations	10-year	Direct
Office furniture & equipment's	3, 5 & 6-year	Direct
Computer accessories	3-year	Direct
Vehicles	6 & 10-year	Direct

8-3-5-1- The depreciation rate of group companies is not the same as the bank's.

#### 8-4- Intangible Assets

The intangible assets except goodwill of the business unit are recorded in the accounts based on the cost price. The goodwill of the business unit is not depreciated. If the operational and office software be included in development program, the development costs incurred will be added to the cost price of the software. Operating and office software are depreciated directly within maximum 5 years.

8-4-1 The goodwill of business place is reflected in the accounts by revaluated value in 2019 by official court experts.

#### 8-5- The loss of assets devaluation

8-5-1 At the end of each reporting period, if there is any indication that assets are devalued, the depreciation test will be done. In this situation the recyclable amount of the assets estimate and compare to its book value. If the estimation of the recyclable amount of the single asset not be possible the recyclable amount of the generating unit of the cash that the asset is related to it would be determined.

8-5-2 If the amount of an asset is less than its book value, the book value of assets (or the generating unit of cash) decrease until its recyclable amount and the deference immediately recognizes in profit and loss statement as the loss of devaluation unless, the asset revaluates that in this regard would lead to decrease in surplus amount.

#### 8-6 Non-current assets held for sale

8-6-1 Non-current assets (immovable properties and goodwill) that the book value of them, merely collected through selling not through constant usage, are classified as "not-current assets held for selling". These conditions are met only when the non-current assets for immediate sale in their current state, only on the terms that are common for the sale of such assets is being ready and the sale is highly probable and the appropriate level of management is committed to implementation plan of selling non-current assets in such a way that the conditions for completing the sale are expected to be met within one year from the date of classification, except for cases that are outside the scope of the company's management.

8-6-2 Non-current assets held for sale, are measured in "minimum of the book value and the net sale value".

#### 8-7 Recognition of Income of Granted Loans, Commissions & Delay payment charges

By virtue of resolution of meeting No.1044 issued by Money and Credit Council on July 16, 2005 noticed through circular No.772/MB issued by The CBI of Islamic Republic of Iran on July 18, 2005, recognition of the granted facilities interest is on the accrual basis. Also based on the circular No. 94/258020 dated November 30 2015 for doubtful loan and based on circular no. 97/96778 dated June 17<sup>th</sup>, 2018 for defaulted class, income has not been recognized, the recognition method of incomes of the bank is as follows:

Interest & Delay payment charges of Granted, Commission	Recognition Method
Interests of granted loans:	
Current / Current with deadline	Cash/commitment
Overdue / Overdue with deadline	Cash/commitment
Defaulted / Defaulted with deadline	Cash
Doubtful loans / Doubtful loans with deadline	Cash

Delay payment charges (Profit + delay payment charges):	
Current/ Current with deadline	Cash/commitment
Overdue/ Overdue with deadline	Cash/commitment
Defaulted/ Defaulted with deadline	Cash
Doubtful loans/ Doubtful loans with deadline	Cash
Commission:	
Commission for issued guarantees	Cash/commitment
Commission for other banking services	Cash
Commission of non-interest bearing granted loans	Cash/commitment

#### 8-8- Basis of determining depositor's share from joint-Income:

In implementing usury free banking operations act ratified on August 30<sup>th</sup>, 1983 and executive guidelines and bylaws of the said law and with regard to circular No.94/69643 issued by the CBI on June 10<sup>th</sup>, 2015, the joint incomes, joint resources and share of depositors of joint income are calculated and the results are reported in investment deposits operation statement. (Note 38)

#### 8-9- Granted facilities classification

The loans granted by the bank based on "guidelines of assets classification of credit institutions" ratified by Monetary & Credit Council (subject of circular No.2823/MB issued by the CBI on February 24<sup>th</sup>, 2007) were classified in one of the following categories based on the factors of delay payment charges date, financial condition of the client and relevant industry or field of activity:

- 1- Outstanding category (maximum up to 2 months after maturity date or date of stopping payment)
- 2- Overdue category (between 2 to 6 months after maturity date or date of stopping payment)
- 3- Defaulted category (between 6 to 18 months after maturity date or date of stopping payment)
- 4- Doubtful loans category (more than 18 months after maturity date or date of stopping payment)

\* The management has not performed any judgment in financial statements beyond the abovementioned circular.

#### 8-10- Doubtful loans reserve

The reserve for granted facilities are calculated and considered in the accounts based on "guidelines of calculation method of dues reserve of credit institutions" ratified by monetary & credit council (subject to circular No.99/220977 issued by the CBI on October 1<sup>st</sup>, 2020).

1- The general reserve calculates equal to 1.5% of the total balance of loans by the end of each year except the balance of facilities for which specialized reserve has been considered.

2- The specialized reserve regarding the balance of overdue facilities, defaulted and doubtful loans will be calculated after deducting the value of pledges of each case by exerting set coefficients as follows.

Category	Coefficient
Overdue Category	10%
Defaulted Category	20%
Doubtful loans (with regard to assessing repayment ability of the client)	50 to 100%

3- For loans that 5 years have been passed from their maturity date of paying either principal or interest, a special reserve will be considered after deducting the value of 50% of the pledges, and for loans that 5 to 10 years have been passed from their maturity date of paying the principal and interest, a specialized reserve between 50 to 100% (just by considering the value of the cash and semi cash pledges) will be considered and for the facilities more than 10 years has passed from maturity date of principal and interest the exclusive reserve equal to 100 percent would be considered (without considering the value of the collaterals).

4- Since the beginning of the year 2021, the reserve for doubtful loans has been calculated in currency and recorded in the accounts.

#### 8-11- Deposits guarantee fund

According to the by-laws, the amount and manner of receiving the membership fee of the deposits guarantee fund (subject of resolution No. 53725/T/22196 dated May 20<sup>th</sup>, 2017 the council of ministers, circular No. 96/68469 dated May 28<sup>th</sup>, 2017 issued by the CBI and regulations of the manner to calculate and pay the annual membership fee of 2021 of deposits guarantee fund), The annual membership fee of the deposits guarantee fund is equal to 0.35 percent of the average weekly balance of deposits (before 2020 with rates of 0.30 and 0.25 percent) up to the fund guarantee limitation (Equivalent to IRR 1 billion) calculates and executes to mentioned fund.

#### **8-12- Staff's severance service provisions**

Severance provisions will be calculated based on the fixed salary and constant benefits of the last month for each year of their work and it will be recorded in the accounts.

#### **8-13- Liabilities of staff retirement allowance**

The staff of the bank are covered by retirement, pension and disability fund of the banks and the retirement salary and disability salary of the staff will be paid by the abovementioned fund. According to Article 34 of articles of association of the abovementioned fund, the fund deficit shall be financed by the banks. Therefore, the liabilities due to the staff retirement allowances that are calculated based on actuary in annual intervals (or in case of remarkable changes in actuary assumption on date of change) are determined and the necessary reserve is considered in the accounts. Also for those bank staff that are under the coverage of the social security fund no reserve has been considered in the accounts due to the retirement allowance obligations.

#### **8-14- Dues from government**

Dues from government are as follows:

8-14-1 Dues guaranteed by the government: Facilities whose repayment is guaranteed by the government in accordance with the law or whose pledging permission by the government is provided in the law and the relevant guarantee is issued by the management and planning organization. (Facilities granted based on the Supreme Leader's travels are also categorized under this heading)

8-14-2 Dues pledged by the government: Are grant facilities and subsidies shares' profit pledged by the government, the payment of which was initially committed by the government.

8-14-3 Facilities after classification in the defaulted and doubtful loans class are transferred to dues from the government heading.

#### **8-15- Foreign currency translation**

##### **8-15-1- Domestic Accounts**

Monetary foreign currency items except for cases subject to circular No. 60/1015 (in sum of USD 666,336,292 equivalent) translates by the rate determined by the CBI through letter No.00/376983 dated March 15<sup>th</sup>, 2022 (the rate of USD is IRR 200,000 and the rate of EUR is IRR 220,000 and other foreign currencies based on their EUR parity rate until March 20<sup>th</sup>, 2022) at the date of balance sheet and non-monetary items that have been recorded with historical cost price based on foreign currency will be translate with official rate on date of fulfilling the transaction. The differences of settling or translating monetary foreign currency items are recognized as income or cost of the recognized period and it will be reported in profit and loss statement.

##### **8-15-2- Accounts due to Foreign Operations**

The assets and liabilities of branches abroad and foreign subsidiary companies are translated with the set rate by the CBI through letter No.00/376983 dated March 15<sup>th</sup>, 2022 (the rate of USD is IRR 200,000 and the rate of EUR is IRR 220,000 and other foreign currencies based on their EUR parity rate until March 20<sup>th</sup>, 2022) at the date of balance sheet and their incomes and expenses are translated with average foreign currency rate. All translation differences resulted of are recognized in comprehensive profit and loss statement and it is classified under heading of shareholders' equities in the balance sheet. In addition, differences of translating monetary items the nature of which comprises a part of net investment in foreign operation, are recognized in comprehensive profit and loss statement and they are classified under heading of shareholders' equities in the balance sheet until date of allocating the investment.

8-15-3 Translation of the subsidiary companies are being done with the available exchange rate on the date of the financial statement, non-monetary items with the available rate on the date of the transaction. In the case of foreign

currency remittance balances with domestic origin, foreign remittance balances and bank notes balances, have been converted with reference rates of central bank of Iran, Nimaee and Sana, respectively.

#### 8-16- Treasury shares

The treasury shares of the bank reports based on the cost price on acquiring date. Any difference caused by purchasing or selling treasury shares reports in shareholders' equities section. The shares of parent company held with subsidiary companies is exerted in note 29.

8-17- With regard to the multiplicity of items of some accounts, a part of the items of each note have been reported under the title of "other". The items under "others" title based on their content includes low important items and the maximum of this title is up to 10% of the total amount of that note.

### 9- Cash Balance

Note	Group		Bank	
	20.03.2022	20.03.2021	20.03.2022	20.03.2021
	Million Rials	Million Rials	Million Rials	Million Rials
Cash – Rials	7,926,603	7,234,209	7,812,735	6,976,204
Cash – Foreign Currency	92,062,846	59,728,867	57,465,946	48,788,972
Fund in transit – Rials	9,233	540	8,116	540
Sight deposit held with CBI (unlimited)	69,846,819	66,779,063	69,846,819	66,779,063
Deposits held with Other Banks & Credit Institutions (unlimited)	140,059,050	134,045,632	180,047,547	162,161,108
<b>Total</b>	<b>309,904,550</b>	<b>267,788,310</b>	<b>315,181,162</b>	<b>284,705,887</b>

9-1- The balance of fund in Rials and foreign currency held has been insured sufficiently against probable dangers of robbery and accidents up to IRR 90,000 Billion.

9-2- The balance of fund in foreign currency includes USD 139,694,313; EUR 95,878,108; AED 4,796,955 and equal to IRR 817,158 Million of other foreign currency also IRR 7,356,545 Million is the balance of branches abroad.

#### 9-3- Sight deposits held with the CBI (Unlimited)

	Group		Bank	
	20.03.2022	20.03.2021	20.03.2022	20.03.2021
	Million Rials	Million Rials	Million Rials	Million Rials
Sight Deposit held with CBI – IRR (unlimited)	109,475	64,873	109,475	64,873
Sight Deposit held with CBI – Foreign Currency (unlimited)	69,737,344	65,783,897	69,737,344	65,786,897
Sight deposits held with central banks of other Countries (unlimited)	0	930,292	0	930,292
<b>Total</b>	<b>69,846,819</b>	<b>66,779,063</b>	<b>69,846,819</b>	<b>66,779,063</b>

#### 9-4- Deposits held with other banks & credit institutions (Unlimited)

Note	Group		Bank	
	20.03.2022	20.03.2021	20.03.2022	20.03.2021
	Million Rials	Million Rials	Million Rials	Million Rials
Sight deposits held with other domestic banks & credit institutions – Rials (unlimited)	1,706,023	1,490,177	442,630	379,000
Sight deposits held with other foreign banks & credit institutions – foreign currency (unlimited)	9,932,867	20,247,652	24,837,928	20,303,822
Sight deposits held with foreign banks – foreign currency (unlimited)	128,420,160	112,307,804	154,766,989	141,478,287
<b>Total deposits held with the other banks and credit institutions (unlimited)</b>	<b>140,059,050</b>	<b>134,045,632</b>	<b>180,047,547</b>	<b>162,161,108</b>

9-4-1- They are Sight deposits held with domestic banks that are used in domestic banking operations.

9-5- The balance held with the banks that have limitation in withdrawal (time limitation and other limitations) has been classified in dues from banks and credit institutions category.

#### 10- Dues from banks & other credits institutions

	Note	Group		Bank	
		20.03.2022	20.03.2021	20.03.2022	20.03.2021
		Million Rials	Million Rials	Million Rials	Million Rials
Dues from the CBI	10-2	708,800,612	644,776,046	708,800,612	644,776,046
Dues from other banks & credit institutions	10-3	444,275,822	204,727,672	419,672,009	160,185,378
Total dues from other banks & credit institutions		<b>1,153,076,433</b>	<b>849,503,719</b>	<b>1,128,472,621</b>	<b>804,961,425</b>

10-1- Cash held with the banks which has no withdrawal limitation is classified in cash part.

#### 10-2- Dues from the CBI

	Note	Group		Bank	
		20.03.2022	20.03.2021	20.03.2022	20.03.2021
		Million Rials	Million Rials	Million Rials	Million Rials
Time deposits held with central bank of other	10-2-1	563,840,865	484,807,419	563,840,865	484,807,419
The bonus of the legal deposits	10-2-2	144,959,747	159,968,628	144,959,747	159,968,628
Total dues		<b>708,800,612</b>	<b>644,776,046</b>	<b>708,800,612</b>	<b>644,776,046</b>

10-2-1 Dollar equivalent of the above amount is USD 2,831 Million that is deposit held with the South Korea central bank and is considered as limited assets with due regard to the sanction situation.

10-2-2 Other dues from the CBI includes following items.

	Note	Group		Bank	
		20.03.2022	20.03.2021	20.03.2022	20.03.2021
		Million Rials	Million Rials	Million Rials	Million Rials
Past liabilities in foreign currency (circular No.60/1015 of Central Bank)	10-2-2-1	36,146,875	36,146,875	36,146,875	36,146,875
Night withdrawals from accounts	10-2-2-2	2,537,107	2,537,107	2,537,107	2,537,107
Shaparak, Chakavak transactions		663,909	180,294	663,909	180,294
Difference of foreign currency rate in minor float or export transactions	10-2-2-3	1,385,378	1,385,378	1,385,378	1,385,378
Difference of facilities subject to article 20 Law on removing barriers to production	10-2-2-4	68,263,499	55,242,640	68,263,499	55,242,640
Shetab transactions	10-2-2-5	38,278,254	45,913,866	38,278,254	45,913,866
Sight deposit held with the CBI- Market open position		0	20,600,000	0	20,600,000
Other loans		94,055	176,485	94,055	176,485
		147,369,078	162,182,645	147,369,078	162,182,645
Doubtful loans general reserve		(1,023,952)	(828,640)	(1,023,952)	(828,640)
Doubtful loans special reserve	10-2-2-3	(1,385,378)	(1,385,378)	(1,385,378)	(1,385,378)
Total dues from the CBI		<b>144,959,747</b>	<b>159,968,628</b>	<b>144,959,747</b>	<b>159,968,628</b>

10-2-2-1- Following Circular No.60/1015 issued by the CBI on December 07, 2013 about determining the liabilities in foreign currency, Bank Mellat has considered in dues from the CBI account the amount of IRR 36,147 Billion (equal to USD 1,169 Million) for L/Cs and bill of exchange in foreign currency for past FX dues (equivalent of translation rate until March 20, 2016) and sum of IRR 17,805 Billion (Equal to translation with reference rate) has consider as dues to the mentioned Bank (explanatory note 21) and the difference in sum of IRR 18,342 Billion has been considered in translation profit of the previous years.

10-2-2-2 On March 19, 2012, the amount of IRR 2,537 Billion of the difference rate has withdrawn from the bank account and it has credited into the general treasury account of Iran, by virtue of letter No.98/16862 issued by the CBI on April 15, 2019, collecting the condition of the abovementioned amount requires necessary collaboration with the government and receiving necessary licenses, that is followed up by the CBI.

10-2-2-3 The amount of IRR 1,385 Billion of the difference rate for floating or export of foreign currency is related to L/Cs up to date of payment day that has been considered in the account of the CBI but the CBI has not accepted payment of the abovementioned dues through letter No.95/335760 on January 11, 2016 and it subject to resolving its condition to allocation of credit by the State

Budget & Plan Organization and also in implementing provisions of article 4 of letter No.96.327764 issued by the CBI on January 02, 2017, equal to the above-said dues, has been considered in the special reserve.

10-2-2-4- According to approval No. T/164537 H56962 dated March 16, 2020 of council of ministers, the difference of cost price and announced rate by the CBI on March 20, 2020 (per USD equal to IRR 90,000) in line with executing article 20 Law of removing barriers of production to competitive production and improving the country's financial system, settled FX facilities of the customers from OFS sum of IRR 55,581 Billion for the original and sum of IRR 12,682 Billion for profit with the rate approved by the money and credit council, has been considered in dues from CBI account.

10-2-2-5- The said amount is mostly settled on a daily basis.

#### 10-3-General storage of dues from CBI

	20.03.2022	20.03.2021
	Million Rials	Million Rials
Balance at the beginning of the year	828,640	0
Recycled	0	0
Bad debt	0	0
Increase or decrease during the year	195,313	828,640
<b>Balance at the end of the year</b>	<b>1,023,952</b>	<b>828,640</b>

#### 10-4-Exclusive storage of dues from CBI

	20.03.2022	20.03.2021
	Million Rials	Million Rials
Balance at the beginning of the year	1,385,378	1,385,378
Recycled	0	0
Bad debt	0	0
Increase or decrease during the year	0	0
<b>Balance at the end of the year</b>	<b>1,385,378</b>	<b>1,385,378</b>

#### 10-5- Dues from Other Banks & Credit Institutions

	Note	Group		Bank	
		20.03.2022	20.03.2021	20.03.2022	20.03.2021
		Million Rials	Million Rials	Million Rials	Million Rials
Short-term investment in the banks (limited)		217,158	778,143	217,158	778,143
Time deposits held with other domestic banks and credit institutions	10-5-1	291,652,316	67,369,549	283,400,000	53,300,000
Paying cheques issued by other banks		84,481	589,529	84,481	589,529
Time deposits held with domestics banks and credit institutions-foreign currency		7,400,000	9,629,740	7,400,000	7,608,000
Time deposits held with foreign banks – foreign currency		27,937,614	29,030,585	11,654,248	579,580
Sight deposits held with the foreign banks- FX (limited)	10-5-2	116,757,997	97,248,078	116,757,997	97,248,078
Profit receivable for our deposits held with the banks		158,125	81,465	158,125	81,465
FX dues from Bank Maskan		0	584	0	584
Demand deposits with other banks and credit institutions - Rials (limited)		68,131	0	0	0
<b>Total dues from other banks and credit institutions</b>		<b>444,275,822</b>	<b>204,727,672</b>	<b>419,672,009</b>	<b>160,185,378</b>



10-5-1- IRR time deposit held with other banks and credit institutions include followings items:

Name of Bank/Credit Institute	Loan Balance	
	20.03.2022	20.03.2021
	Million Rials	Million Rials
Shar Bank	38,000,000	19,000,000
Melal credit institution	15,000,000	2,000,000
Ayandeh Bank	45,500,000	5,000,000
Iran Zamin Bank	9,000,000	2,500,000
Tose'e Ta'avon Bank	0	3,000,000
Keshavarzi Bank	7,000,000	0
Melli Bank	22,200,000	8,000,000
Tourism Bank	6,500,000	2,500,000
Refah Bank	30,300,000	0
EN Bank	15,500,000	11,300,000
Saderat Bank	50,000,000	0
Day Bank	2,000,000	0
Sepah Bank	28,000,000	0
Tejarat Bank	14,400,000	0
	283,400,000	53,300,000

- 10-5-1-1- The profit rate of the above deposits is equal to 20 percent and is usually calculates daily.
- 10-5-2- Includes sum of USD 586 Million Dollar equivalent held with foreign bank, that is considered as limited assets with due regard to current sanction situation.

# 11- Dues from the Government

Dues of the bank from the government are as follows:

	20.03.2022						20.30.2021
	Balance of principal & Profit of Future Years & defaulted Profit	Balance of Receivable Profit & Commission	Balance of Receivable delay payment charges	Profit of future Years	Defaulted profit and commission	General doubtful loans reserve	Net
	Million Rials	Million Rials	Million Rials	Million Rials	Million Rials	Million Rials	Million Rials
Rider facilities called up by the government	161,434,335	21,453,795	0	(97,095,378)	(15,075,376)	(1,060,761)	69,656,616
Rider facilities guaranteed by the government	49,276,190	121,571,504	0	0	(79,145,720)	(1,375,530)	90,326,445
Total	<b>210,710,525</b>	<b>143,025,299</b>	<b>0</b>	<b>(97,095,378)</b>	<b>(94,221,096)</b>	<b>(2,436,290)</b>	<b>159,983,060</b>

135,484,372

11-1- Classification of dues from the government based on the guidelines approved by monetary & credit council is as follows:

	Bank				
	20.03.2022				
	Current	Overdue	defaulted	Doubtful loans	Total
	Million Rials	Million Rials	Million Rials	Million Rials	Million Rials
Granted facilities guaranteed by the government	49,276,190	0	0	0	49,276,190
Granted facilities called up by government	161,434,335	0	0	0	161,434,335
Receivable profit & commission	143,025,299	0	0	0	143,025,299
Gross total dues from government	353,735,824	0	0	0	353,735,824
Deducted					
Profit of future years	(97,095,378)	0	0	0	(97,095,378)
Defaulted profit & commission	(94,221,096)	0	0	0	(94,221,096)
Net facilities granted before deducting Doubtful loans reserve	<b>162,419,351</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>162,419,351</b>
General doubtful loans reserve	(2,436,290)	0	0	0	(2,436,290)
Balance on 20.03.2022	<b>159,983,060</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>159,983,060</b>
Balance on 20.03.2021	<b>135,484,372</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>135,484,372</b>

11-2- According to the minutes of the meeting dated between the minister of economic affairs and finance, Head of the country's program and budget organization and CEO of Bank Mellat, Based on the deposit of 50% of the amount used from the foreign exchange reserve account in the implementation of Article 17 of the law on permanent decrees on the development programs of the country, the amount of 4500 billion Rials has been deposited into the treasury account and into the account of claims from the government. And based on the rate approved by the Council of Money and Credit, interest has been calculated and recorded in the accounts.

12- Loans & advance to public sectors- All related to the main unit

		20.03.2022							20.03.2021		
		Balance of principal & Interest of future years & defaulted Interest, commission & delay payment charges	Balance of Receivable profit & Commission	Balance of receivable delay payment charges	Received Funds of profit sharing & Common account of equity Partnership	Interest of future Years	Interest and commission of delay payment charges	Total	Doubtful loans Reserve	Net	Net
		Million Rials	Million Rials	Million Rials	Million Rials	Million Rials	Million Rials	Million Rials	Million Rials	Million Rials	Million Rials
Equity Partnership		40,347,458	3,314,123	430,004	0	0	0	44,091,585	(661,374)	43,430,212	19,469,640
Granted loans in foreign currency	12-3	1,983,468,668	963,036,525	5,042,499	0	0	0	2,951,547,692	(44,273,215)	2,907,274,476	2,406,502,787
Debtors for participation bonds	12-4	236,513,519	80,881,125	4,548,457	0	0	(23,670,738)	298,272,363	(59,654,473)	238,617,891	267,318,680
Total granted facilities and dues from public sectors		2,260,329,644	1,047,231,773	10,020,961	0	0	(23,670,738)	3,293,911,640	(104,589,062)	3,189,322,578	2,693,291,107

12-1- Classification of Loans & advance to public sectors based on guideline approved by monetary & credit council is as follows:

	Bank				
	21.03.2022				
	Current	Overdue	Defaulted	Doubtful loans	Total
	Million Rials	Million Rials	Million Rials	Million Rials	Million Rials
Equity partnership	44,091,585	0	0	0	44,091,585
Granted loans in foreign currency	2,951,547,692	0	0	0	2,951,547,692
Debtors for participation bonds	0	0	321,943,101	0	321,943,101
Total gross loans & advance to public sectors	2,995,639,277	0	321,943,101	0	3,317,582,378
Deducted					
Interest of future years	0	0	0	0	0
Defaulted interest & commission	0	0	(23,670,738)	0	(23,670,738)
Received funds for profit sharing	0	0	0	0	0
Common accounts of equity partnership	0	0	0	0	0
Net granted loans before deducting doubtful loans reserve	2,995,639,277	0	298,272,363	0	3,293,911,640
General doubtful loans reserve	(44,934,589)	0	0	0	(44,934,589)
Specific doubtful loans reserve	0	0	(59,654,473)	0	(59,654,473)
Balance on 20.03.2022	<b>2,950,704,688</b>	<b>0</b>	<b>238,617,891</b>	<b>0</b>	<b>3,189,322,578</b>
Balance on 20.03.2021	<b>2,693,291,107</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>2,693,291,107</b>

12-2- Turnover of doubtful loans reserve is as follows:

	21.03.2022			20.03.2021		
	General Reserve	Special reserve	Total	General reserve	Special reserve	Total
	Million Rials	Million Rials	Million Rials	Million Rials	Million Rials	Million Rials
Balance at the beginning of the year	41,014,585	0	41,014,585	24,377,814	0	24,377,814
Recycled	0	0	0	0	0	0
Bad debt	0	0	0	0	0	0
Increase or decrease during period	3,920,004	59,654,473	63,574,476	16,636,771	0	16,636,771
Balance at the end of the period	<b>44,934,589</b>	<b>59,654,473</b>	<b>104,589,062</b>	<b>41,014,585</b>	<b>0</b>	<b>41,014,585</b>

### 12-3- Granted loans in foreign currency in paid resources breakdown

		21.03.2022				20.03.2021	
		Current	Overdue	defaulted	Doubtful loans	Gross Total	Gross Total
		Million Rials	Million Rials	Million Rials	Million Rials	Million Rials	Million Rials
Internal sources	12-3-1	1,483,641,860	0	0	0	1,483,641,860	1,276,662,484
National Development Fund	12-3-2	1,467,905,831	0	0	0	1,467,905,831	1,166,487,554
		2,951,547,692	0	0	0	2,951,547,692	2,443,150,038

### 12-3-1- Granted loans out of internal resources is mainly related to energy fund and includes the following items:

The granted loans in foreign currency out of resources of Energy Fund including IRR 5,190 Billion (since 2010 to 2013) for principal of the facilities which has been granted to National Iranian Oil Company and National Iranian Oil Distribution Company.

The granted amount out of the resources of energy fund to NIOC is in sum of EUR 3,714 Billion. The amount of EUR 709 million has been settled from this debt by the end of 2018 through the two clauses of the settlement agreement, as well as the amount of EUR 36 million this year. It is worth to note, abovementioned facilities has being forbearance according to the budget lows until March 20, 2022. The dues amount of NIOC until March 20, 2022 is EUR 3,414 Million equal to IRR 751,073 billion for principal of facilities and sum of EUR 1,751 Million equal to IRR 385,285 billion for interest. The collaterals granted to the bank includes letter No. MA 228646 dated August 13<sup>th</sup>, 2013 signed by then time CEO of the mentioned company that states “based on this agreement bank Mellat has the right to withdrawal or set off its dues from each type of banking accounts of NIOC such as FX or Rial account held with each bank without any type of judiciary and official formalities.

Granted loans to NIODC out of the resources of energy fund is in sum of EUR 1,475 million. These facilities has being forbearance according to the budget lows until March 20, 2022. During this year, the amount of EUR 313 million has been settled from the dues and the balance of the debt of this company until the end of March 2022 is EUR 1,027 million, equal to IRR 226,031 billion, and the interest of the facility is EUR 551 million, equal to IRR 121,252 billion. Letter of commitment No 92/3-134213 dated February 06<sup>th</sup>, 2014 signed by the deputy of minister and then time CEO and also financial affairs manager repayment of principal, interest and branches of received facilities out of energy fund is committed by NIODC.

12-3-2 Granted loans out of OSF resources to the state-owned companies are as follows:

Company's name	Granting date	Date of first instalment	Date of last instalment	Principal of facilities	Receivable interest and commission	penalty	Total
Petrosina Aria Oil and Gas company	2013 to 2017	20/06/21	21/12/23	1,874,768,733	928,540,736	14,298,821	2,817,608,290
OIEC	2013 to 2017	20/06/21	21/12/23	1,701,142,271	822,508,357	10,990,197	2,534,640,825
Petropaydar Iranian Company	2014 to 2017	21/11/21	21/11/25	645,554,610	264,690,913	0	910,245,523
Sabay-e-Kangan Oil and Gas company(syndication)	2016 to 2021	01/09/22	31/08/24	827,958,931	274,176,437	0	1,102,135,368
Total dues of the state-owned companies out of OSF-USD				5,049,424,545	2,289,916,443	25,289,018	7,364,630,006
Rial equivalent of State-owned companies dues out of OSF – Million Rial				1,006,364,167	456,499,166	5,042,499	1,467,905,831

12-4 Debtors for participation bonds is relevant to redeemed FX participation bonds of Pars Oil and Gas Company and includes EUR 1,075 million principal and EUR 368 million interest and EUR 21 million penalty and follow ups for collection are in progress.

12-5- The loans and advance to public sectors based on due date and interest rate

	21.03.2022						20.03.2021
	24% & More	21 to 24%	18 to 21%	15 to 18%	12 to 15%	Lower than 12%	Total
	Million Rials	Million Rials	Million Rials	Million Rials	Million Rials	Million Rials	Million Rials
2021 and before	0	0	11,158,818	0	0	638,051,712	649,210,530
2022	0	0	30,082,130	0	0	620,672,032	650,754,162
2023 and afterwards	0	0	0	0	0	1,993,946,948	1,993,946,948
Total loans and advance to public sectors	0	0	41,240,948	0	0	3,252,670,692	3,293,911,640
20.03.2021	0	0	19,766,132	0	0	2,714,539,560	2,734,305,692

12-6- loans and advance to public sectors based on type of collateral

	20.03.2022	20.03.2021
	Million Rials	Million Rials
Cheque & promissory note	44,091,585	19,766,132
Binding contracts	301,123,000	231,464,867
Guarantee letter	2,948,697,055	2,483,074,694
	3,293,911,640	2,734,305,692
Loans & dues without collateral	0	0
Total loans and advance from public sectors	3,293,911,640	2,734,305,692



## 12-7- Turnover of loans and advance to public sectors

	equity Partnership	Granted Loans in Foreign Currency	Debtors paid for partnership bonds and Sokouk	Total
	Million Rials	Million Rials	Million Rials	Million Rials
Principal of granted loans				
Balance on 20.03.2021	18,500,000	1,729,723,595	212,740,425	1,960,964,020
Granted during the year	30,000,000	2,059,291	0	32,059,291
Collected during the year	(8,152,542)	(41,951,292)	(8,478,750)	(58,582,584)
Translation effect during year	0	293,637,074	32,251,843	325,888,917
Balance on 20.03.2022	40,347,458	1,983,468,668	236,513,519	2,260,329,644
Interest of granted loans				
Balance on 20.03.2021	1,266,131	713,426,443	58,649,097	773,341,672
Increase during the year	4,938,917	134,420,063	0	139,358,980
Collated during the year	(2,460,921)	(24,343,610)	(2,850,000)	(29,654,531)
Translation effect during period	0	144,576,128	5,959,746	150,535,874
Balance on 20.03.2022	3,744,127	968,079,024	61,758,845	1,033,581,996
Doubtful loans reserve				
Balance on 20.03.2021	(296,492)	(36,647,251)	(4,070,843)	(41,014,585)
Increase or decrease during period	(364,882)	(7,625,965)	(55,583,630)	(63,574,476)
Balance on 20.03.2022	(661,374)	(44,273,215)	(59,654,473)	(104,589,062)
Net granted loans				
Balance on 20.03.2021	19,469,640	2,406,502,787	267,318,680	2,693,291,107
Balance on 20.03.2022	43,430,212	2,907,274,476	238,617,891	3,189,322,578

12-7-1- Turnover of interest of loans and advance to public sectors

	equity Partnership	Granted Loans in Foreign Currency	Debtors paid for partnership bonds and Sokouk	Total
	Million Rials	Million Rials	Million Rials	Million Rials
<b>Receivable profit of granted loans</b>				
Balance on 20.03.2021	1,051,397	709,337,615	55,699,435	766,088,447
Increase during year	3,640,184	134,420,063	0	138,060,247
Collected during year	(1,377,458)	(24,343,610)	(2,850,000)	(28,571,068)
Translation effect during period		143,622,457	4,360,952	147,983,409
Balance on 20.03.2022	3,314,123	963,036,525	57,210,387	1,023,561,035
<b>Delay payment charges of granted loans</b>				
Balance on 20.03.2021	214,734	4,088,828	2,949,663	7,253,225
Increase during year	1,298,733	0	0	1,298,733
Collated during year	(1,083,463)	0	0	(1,083,463)
Translation effect during year		953,671	1,598,794	2,552,465
Balance on 20.03.2022	430,004	5,042,499	4,548,457	10,020,961
<b>Interest of granted loans</b>				
Balance on 20.03.2021	1,266,131	713,426,443	58,649,097	773,341,672
Balance on 20.03.2022	3,744,127	968,079,024	61,758,845	1,033,581,996

### 13- Loans and advance to private sectors

	Group		Bank	
	20.03.2022	20.03.2021	20.03.2022	20.03.2021
	Million Rials	Million Rials	Million Rials	Million Rials
Installment Sale	243,792,716	258,155,284	253,476,248	268,576,958
reward Contract	54,082,687	37,010,785	111,562,408	37,010,785
Hire purchase	1,848,769	1,485,922	1,848,769	1,485,922
Forward	536,776,388	248,553,934	536,776,388	248,553,934
Profit sharing	3,915,654	30,498,347	3,915,654	30,498,347
Equity partnership	125,799,482	191,919,184	125,799,482	191,919,184
Forfaiting	141,201,207	71,019,046	141,201,207	71,019,046
Market up loan	2,091,776,020	1,042,294,375	2,091,776,020	1,042,294,375
Non-interest bearing	271,441,313	177,996,169	271,441,313	177,996,169
Granted loans in foreign currency	223,067,894	184,108,172	223,067,894	184,108,172
Debtors for paid L/Cs	35,880,515	3,700,464	35,880,515	3,700,464
Debtor for paid guarantees	13,075,087	9,683,104	13,075,087	9,683,104
Debtors for participation bonds	2,280,466	2,833,906	2,280,466	2,833,906
PIB Bank and Bank Mellat Yerevan	16,785,654	12,143,330	0	0
<b>Total Granted loans and dues from private sectors</b>	<b>3,761,723,853</b>	<b>2,271,402,022</b>	<b>3,812,101,451</b>	<b>2,269,680,365</b>

#### 13-1- Loans and advance to other sectors of the group are as follows:

	Note	20.03.2022	20.03.2021
		Million Rials	Million Rials
Loans and advance to other sectors of bank	13-2	3,812,101,451	2,269,680,365
Loans grated to companies member of the group	13-10	(67,163,252)	(10,421,674)
Loans granted by PIB and Bank Mellat Yerevan		16,785,654	12,143,330
<b>Total</b>		<b>3,761,723,853</b>	<b>2,271,402,022</b>

### 13-2- Loans and advance to private sectors:

	20.03.2022							20.03.2021		
	Balance of principal & Interest of futures Years & defaulted delay payment	Balance of Receivable Interest & Commission	Balance of Receivable Delay payment charges	Received funds for profit sharing & Common Account of equity partnership	Interest of future years	Defaulted interest, commission and delay payment charges	Total	Doubtful loans Reserve	Net	Net
	Million Riials	Million Riials	Million Riials	Million Riials	Million Riials	Million Riials	Million Riials	Million Riials	Million Riials	Million Riials
installment Sale	317,236,644	7,154,253	9,261,952	0	(59,525,641)	(1,130,334)	272,996,874	(19,520,626)	253,476,248	268,576,958
Reward contract	121,518,965	8,248,560	192,922	0	(15,851,421)	(288,970)	113,820,056	(2,257,649)	111,562,408	37,010,785
Hire purchase	3,566,651	96,599	114,007	0	(1,574,892)	(154,550)	2,047,815	(199,046)	1,848,769	1,485,922
Forward	523,930,320	21,408,255	893,211	0	0	(358,007)	545,873,779	(9,097,390)	536,776,388	248,553,934
Profit sharing	6,265,892	528,406	2,030,661	(69)	0	(1,244,420)	7,580,469	(3,664,815)	3,915,654	30,498,347
equity partnership	200,627,183	8,590,336	12,025,194	(61,116,289)	(870)	(7,221,981)	152,903,573	(27,104,091)	125,799,482	191,919,184
forfaiting	147,800,925	4,316,867	338,339	0	(8,810,780)	(10,843)	143,634,508	(2,433,302)	141,201,207	71,019,046
Market up loan	2,162,719,946	416,272,810	3,168,285	0	(455,677,403)	(842,531)	2,125,641,107	(33,865,087)	2,091,776,020	1,042,294,375
Non-interest bearing	275,383,841	782,855	71,052	0	(29,961)	(57,384)	276,150,404	(4,709,091)	271,441,313	177,996,169
Granted facilities in foreign currency	390,371,856	51,686,939	44,063,452	0	(5,197,938)	(5,259,190)	475,665,119	(252,597,225)	223,067,894	184,108,172
Debtors for paid LCs	98,646,512	0	1,142,738	0	0	(1,147)	99,788,103	(63,907,588)	35,880,515	3,700,464
Debtors for paid LGs	17,989,347	0	243,258	0	(652,205)	(3,404,432)	14,175,969	(1,100,882)	13,075,087	9,683,104
Debtors for participation bonds	1,569,494	336,224	409,476	0	0	0	2,315,194	(34,728)	2,280,466	2,833,906
Total loans and advance to private sectors	4,267,627,575	519,422,104	73,954,547	(61,116,358)	(547,321,112)	(19,973,786)	4,232,592,970	(420,491,520)	3,812,101,451	2,269,680,365

13-2-1- The FX granted facilities include the amount of IRR 3,036 billion of FX granted facilities by foreign branches.

13-3- Classification of loans and advance to public sectors based on directive approved by Monetary & credit council are as follows:

Note	20.03.2022				
	Current	Overdue	defaulted	Doubtful loans	Total
	Million Rials	Million Rials	Million Rials	Million Rials	Million Rials
installment Sale	301,453,760	2,673,707	1,592,963	27,932,419	333,652,849
Reward Contract	127,544,541	89,681	20,693	2,305,533	129,960,448
Hire Purchase	3,119,415	5,937	8,981	642,924	3,777,257
Forward	539,144,654	4,168,605	398,746	2,519,780	546,231,785
Profit sharing	762,099	92,389	165,223	7,805,247	8,824,959
Equity partnership	146,929,754	3,668,881	4,223,591	66,420,487	221,242,713
forfeiting	149,459,821	768,700	909,081	1,318,529	152,456,131
Market up loan	2,546,400,008	24,764,540	5,845,271	5,151,222	2,582,161,040
Non-interest bearing	271,654,928	1,864,068	1,166,471	1,552,282	276,237,749
Granted loans in foreign currency	247,320,167	161,316	304,106	238,336,657	486,122,246
Debtors for paid L/Cs	148,990	0	0	99,640,260	99,789,250
Debtors for paid LGs	866,423	0	0	17,366,183	18,232,605
Debtors for participation bonds	2,315,194	0	0	0	2,315,194
Total gross loans and advance to the private sectors	<b>4,337,119,752</b>	<b>38,257,825</b>	<b>14,635,126</b>	<b>470,991,523</b>	<b>4,861,004,226</b>
Deducted:					
Interest of future years	(547,321,112)	0	0	0	(547,321,112)
Defaulted interest & commission	0	0	(1,420,423)	(18,553,363)	(19,973,786)
Amounts received for profit sharing	(69)	0	0	0	(69)
Common account of equity partnership	(61,116,289)	0	0	0	(61,116,289)
Net granted loans before deducting doubtful loans reserve	<b>3,728,682,282</b>	<b>38,257,825</b>	<b>13,214,703</b>	<b>452,438,160</b>	<b>4,232,592,970</b>
General reserve of doubtful loans	(55,930,234)				(55,930,234)
Special reserve of doubtful loans		(2,754,563)	(2,246,500)	(359,560,222)	(364,561,285)
Balance on 20.03.2022	<b>3,672,752,048</b>	<b>35,503,261</b>	<b>10,968,204</b>	<b>92,877,937</b>	<b>3,812,101,451</b>
Balance on 20.03.2021	<b>2,102,907,455</b>	<b>15,275,077</b>	<b>24,567,239</b>	<b>126,930,593</b>	<b>2,269,680,365</b>

13-4- Turnover of doubtful loans reserve is as the table below:

	20.03.2022			20.03.2021		
	General Reserve	Special Reserve	Total	General Reserve	Special Reserve	Total
	Million Rials	Million Rials	Million Rials	Million Rials	Million Rials	Million Rials
Balance at the beginning of the year	32,023,971	390,926,334	422,950,305	18,364,922	218,986,199	237,351,121
Increase or decrease during year	23,906,263	(26,365,048)	(2,458,786)	13,659,049	171,940,135	185,599,184
Balance at the end of year	<b>55,930,234</b>	<b>364,561,285</b>	<b>420,491,520</b>	<b>32,023,971</b>	<b>390,926,334</b>	<b>422,950,305</b>

13-5- Loans and advance to private sectors based on paid resources:

	20.03.2022			20.03.2021		
	Outstanding	overdue	defaulted	Doubtful loan	total	total
	Million Rials	Million Rials	Million Rials	Million Rials	Million Rials	Million Rials
Internal resources	12,851,672	161,316	304,106	167,763,686	181,080,780	158,618,830
OSF	3,272,226	0	0	34,809,988	38,082,214	32,531,770
NDF	231,196,269	0	0	35,762,983	266,959,252	268,470,213
Total FX granted facilities	<b>247,320,167</b>	<b>161,316</b>	<b>304,106</b>	<b>238,336,657</b>	<b>486,122,246</b>	<b>459,620,814</b>

13-6- Loans and advance to private sectors based on maturity date and interest rate

	20.03.2022						20.03.2021
	24% & more	21 to 24%	18 to 21%	15 to 18%	12 to 15%	Less than 12%	Total
	Million Rials	Million Rials	Million Rials	Million Rials	Million Rials	Million Rials	Million Rials
2021 and before	7,571,988	35,011,723	646,501,813	16,212,232	8,392,727	40,931,485	754,621,969
2022	467	580,637	1,595,797,236	3,665,780	9,669,708	38,556,112	1,648,269,940
2023	0	9,065	221,874,727	2,544,153	10,097,277	34,969,305	269,494,526
2024	0	25,583	458,559,472	1,941,249	13,336,079	35,496,110	509,358,494
2025 and afterwards	388	125,800	665,868,985	7,349,577	14,838,015	362,665,277	1,050,848,042
20.03.2022	<b>7,572,843</b>	<b>35,752,809</b>	<b>3,588,602,233</b>	<b>31,712,991</b>	<b>56,333,806</b>	<b>512,618,289</b>	<b>4,232,592,970</b>
20.03.2021	<b>10,855,926</b>	<b>43,390,370</b>	<b>1,962,722,996</b>	<b>28,420,576</b>	<b>37,881,157</b>	<b>609,359,645</b>	<b>2,692,630,670</b>

13-7- Loans and advance to private sectors based on type of collaterals

		<u>20.03.2022</u>	<u>20.03.2021</u>
		Million Rials	Million Rials
Deposit		596,002,810	113,389,377
Participation Bonds		21,299,495	89,619
Banking LG		1,311,295	860,738
Listed stocks		96,184,956	63,136,103
Land and Building		782,074,996	527,247,885
Machinery		533,442,651	72,324,695
Cheque & promissory note	13-7-1	770,275,314	1,061,268,529
other		1,432,001,453	854,313,724
Total loans and dues with collateral		<u>4,232,592,970</u>	<u>2,692,630,670</u>
loans and dues without collateral		<u>0</u>	<u>0</u>
Total loans and advance to private sectors		<u><b>4,232,592,970</b></u>	<u><b>2,692,630,670</b></u>

13-7-1- besides receiving cheque and promissory note, retails facilities has individual valid guarantor with salary deduction certificate.

13-8- Turnover of loans and advance to private sectors.

	Installment Sale	Reward Contract	Hire Purchase	Forward	Profit sharing	equity Partnership	Forfeiting	Market-up loan	Non-interest bearing	FX loans granted	Debtors for paid L/Cs	Debtors for paid LGs	Debtors for Partnership Bonds	Total
	Million Ruhs	Million Ruhs	Million Ruhs	Million Ruhs	Million Ruhs	Million Ruhs	Million Ruhs	Million Ruhs	Million Ruhs	Million Ruhs	Million Ruhs	Million Ruhs	Million Ruhs	Million Ruhs
<b>Principal of loans granted</b>														
Balance on 20.03.2021	269,226,641	37,666,019	1,412,753	244,132,105	31,103,639	195,496,716	69,589,898	855,915,177	180,690,426	362,208,557	70,271,388	10,619,627	2,033,110	2,330,366,054
Granted during year	71,483,409	69,802,357	665,648	288,148,921	5,339,693	63,906,947	71,759,025	911,834,500	116,080,398	228,130,095	55,074,465	4,853,967	0	1,887,079,425
Collected during year	(84,129,381)	(2,089,802)	(241,191)	(8,708,712)	(31,421,930)	(127,115,620)	(2,369,620)	(61,549,665)	(21,474,328)	(259,816,000)	(36,282,949)	(2,989,013)	(463,616)	(638,651,829)
Translation effect during year										49,392,076	9,582,462	1,448,131		60,422,669
Balance on 20.03.2022	256,580,669	105,378,574	1,837,209	523,572,313	5,021,402	132,288,043	138,979,302	1,706,200,012	275,296,497	379,914,728	98,645,365	13,932,711	1,569,494	3,639,216,319
<b>Interests of granted loans</b>														
Balance on 20.03.2021	20,082,359	512,925	281,765	9,261,141	3,664,106	25,755,575	2,838,068	204,701,073	671,393	92,240,186	1,167,722	244,352	843,952	362,264,616
Increase during year	8,229,401	8,218,326	143,393	18,878,410	1,617,214	9,663,863	3,222,522	221,634,013	1,119,644	42,463,074	184,041	35,215	374,678	315,783,797
Collected during year	(11,895,555)	(289,769)	(214,552)	(5,838,087)	(2,722,253)	(14,803,908)	(1,405,383)	(6,893,992)	(937,129)	(51,531,078)	(368,259)	(69,629)	(472,930)	(97,442,524)
Translation effect during year	0	0	0	0	0	0	0	0	0	12,578,207	159,235	33,321	0	12,770,763
Balance on 20.03.2022	16,416,205	8,441,482	210,606	22,301,465	2,559,067	20,615,530	4,655,206	419,441,095	853,908	95,750,390	1,142,738	243,258	745,700	593,376,652
<b>Doubtful loans reserve</b>														
Balance on 20.03.2021	(20,732,042)	(1,168,159)	(208,596)	(4,839,312)	(4,269,397)	(29,333,106)	(1,408,919)	(18,321,875)	(3,365,650)	(270,340,572)	(67,738,646)	(1,180,875)	(43,156)	(422,950,305)
Increase during year	1,211,416	(1,089,489)	9,550	(4,258,078)	604,582	2,229,015	(1,024,383)	(15,543,212)	(1,343,441)	17,743,347	3,831,058	79,992	8,428	2,458,786
Balance on 20.03.2022	(19,520,626)	(2,257,649)	(199,046)	(9,097,390)	(3,664,815)	(27,104,091)	(2,433,302)	(33,865,087)	(4,709,091)	(252,597,225)	(63,907,588)	(1,100,882)	(34,728)	(420,491,520)
<b>Net loans granted</b>														
Balance on 20.03.2021	268,576,958	37,010,785	1,485,922	248,553,934	30,498,347	191,919,184	71,019,046	1,042,294,375	177,996,169	184,108,172	3,700,464	9,683,104	2,833,906	2,269,680,365
Balance on 20.03.2022	253,476,248	111,562,408	1,848,769	536,776,388	3,915,654	125,799,482	141,201,207	2,091,776,020	271,441,313	223,067,894	35,880,515	13,075,087	2,280,466	3,812,101,451



### 13-8-1 Turnover of interest of loans and dues from private sectors

	Installment Sale	Reward Contract	Hire Purchase	Forward	Profit sharing	equity Partnership	Forfeiting	Market-up loan	Non-interest bearing	FX loans granted	Debtors for paid L-Cs	Debtors for paid LGs	Debtors for Partnership Bonds	Total
	Million Rials	Million Rials	Million Rials	Million Rials	Million Rials	Million Rials	Million Rials	Million Rials	Million Rials	Million Rials	Million Rials	Million Rials	Million Rials	Million Rials
Profit receivable of loans granted														
Balance on 20.03.2021	9,684,653	332,098	133,677	8,593,886	1,323,511	10,254,083	2,481,332	203,951,024	515,903	55,883,221	0	0	287,641	293,441,029
increase during year	3,731,591	8,163,171	71,696	18,293,298	525,772	3,882,932	2,927,694	218,594,694	861,477	25,663,825	0	0	374,678	283,090,827
Collected during year	(6,261,990)	(246,709)	(108,774)	(5,478,930)	(1,320,877)	(5,546,678)	(1,092,159)	(6,272,908)	(594,524)	(37,480,546)	0	0	(326,095)	(64,730,191)
Translation effect during year										7,630,439	0	0		7,630,439
Balance on 20.03.2022	<b>7,154,253</b>	<b>8,248,560</b>	<b>96,599</b>	<b>21,408,255</b>	<b>527,406</b>	<b>8,590,336</b>	<b>4,316,867</b>	<b>416,272,810</b>	<b>782,855</b>	<b>51,686,939</b>	<b>0</b>	<b>0</b>	<b>336,224</b>	<b>519,422,104</b>
Delay payment charges of granted loans														
Balance on 20.03.2021	10,397,706	180,827	148,088	667,255	2,340,595	15,501,492	356,735	750,050	155,490	36,356,965	1,167,722	244,352	556,311	68,823,588
decrease during year	4,497,810	55,156	71,697	585,113	1,091,442	5,780,932	294,828	3,039,319	258,167	16,799,250	184,041	35,215	0	32,692,969
Collected during year	(5,633,565)	(43,060)	(105,778)	(359,157)	(1,401,376)	(9,257,230)	(313,234)	(621,084)	(342,605)	(14,050,531)	(368,259)	(69,629)	(146,835)	(32,712,333)
Translation effect during year										4,957,768	159,235	33,321		5,150,323
Balance on 20.03.2022	<b>9,261,952</b>	<b>192,922</b>	<b>114,007</b>	<b>893,211</b>	<b>2,030,661</b>	<b>12,025,194</b>	<b>338,339</b>	<b>3,168,285</b>	<b>71,052</b>	<b>44,063,452</b>	<b>1,142,738</b>	<b>243,258</b>	<b>409,476</b>	<b>73,954,547</b>
Interest of granted loans														
Balance on 20.03.2021	20,082,359	512,925	281,765	9,261,141	3,664,106	25,755,575	2,838,068	204,701,073	671,393	92,240,186	1,167,722	244,352	843,952	362,264,616
Balance on 20.03.2022	<b>16,416,205</b>	<b>8,441,482</b>	<b>210,606</b>	<b>22,301,465</b>	<b>2,559,067</b>	<b>20,615,530</b>	<b>4,655,206</b>	<b>419,441,095</b>	<b>853,908</b>	<b>95,750,390</b>	<b>1,142,738</b>	<b>243,258</b>	<b>745,700</b>	<b>593,376,652</b>

### 13-9- loans granted and dues from private sector in type of customers' breakdown:

		20.03.2022			20.03.2021	
		Outstanding	overdue	defaulted	Doubtful loan	total
		Million Rials	Million Rials	Million Rials	Million Rials	Million Rials
Real customers		1,842,067,263	(188,712,358)	1,653,354,905	1,204,946,138	(189,111,147)
Legal customers		2,241,390,560	(229,621,417)	2,011,769,143	1,380,497,868	(231,676,854)
Staff	13-9-1	149,135,147	(2,157,744)	146,977,403	107,186,664	(2,162,304)
Total loans granted and dues from private sectors		<b>4,232,592,970</b>	<b>(420,491,520)</b>	<b>3,812,101,451</b>	<b>2,692,630,670</b>	<b>(422,950,305)</b>
						<b>2,269,680,365</b>

13-9-1- loans granted to staff are as follows: out of interest free resources in sum of IRR 11,726 billion and the rest in form of reward contracts in sum of IRR 50,935 billion, instalment sale in sum of IRR 22,883 billion and market up loan in sum of IRR 63,591 billion.

13-10- loans granted to subsidiary and affiliated companies are as follows:

	20.03.2022			20.03.2021	
	Current	Non-Current	Doubtful loans Reserve	Total	Total
	Million Rials	Million Rials	Million Rials	Million Rials	Million Rials
<b>Subsidiaries</b>					
Bank Mellat Brokerage	438,159	0	(6,572)	431,587	291,303
Safe instruction of transaction	0	0	0	0	231,680
Bank Mellat Publication Company	12,179	0	(183)	11,996	22,859
Behsazan Mellat Company	0	0	0	0	398,528
Rahbari Sanaye Behsaz Company	4,325	0	(65)	4,260	12,972
Construction Company of Bank Mellat	6,608,317	0	(99,125)	6,509,192	6,909,277
Mellat Financial Group	57,479,721	0	(862,196)	56,617,525	0
Mellat leasing Company	2,535,783	0	(38,037)	2,497,747	1,795,907
Gostaresh Development of rail transport	0	0	0	0	1,990
Behpardakht Mellat Company	0	0	0	0	600,400
Eirdak	0	0	0	0	433
Yas Arghwani Engineering Company	84,768	0	(1,272)	83,497	0
<b>Total</b>	<b>67,163,252</b>	<b>0</b>	<b>(1,007,449)</b>	<b>66,155,803</b>	<b>10,265,349</b>
Other related persons					
Bafgh Iron and Steel Mining and Industry Complex	7,232,294	0	(108,484)	7,123,809	5,598,129
Smart Land Solution Company	70,859	0	(1,063)	69,796	0
<b>Total</b>	<b>7,303,152</b>	<b>0</b>	<b>(109,547)</b>	<b>7,193,605</b>	<b>5,598,129</b>
<b>Total Loans granted to the subsidiary and affiliated companies</b>	<b>74,466,405</b>	<b>0</b>	<b>(1,116,996)</b>	<b>73,349,408</b>	<b>15,863,478</b>

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~~Total Loans granted to the subsidiary and affiliated companies~~

#### 14- ~~Investments and partnerships~~ Investment and partnerships

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		Group					
		20.03.2022			20.03.2021		
		Current	Long-term	Total	Current	Long-term	Total
		Million Rials	Million Rials	Million Rials	Million Rials	Million Rials	Million Rials
Investment in marketable shares	14-1	123,581,375	0	123,581,375	121,728,209	0	121,728,209
Investment in real estates	14-2	0	13,084,081	13,084,081	0	11,572,105	11,572,105
Investment in other shares	14-3	0	32,749,916	32,749,916	0	17,909,816	17,909,816
Investment in other securities	14-4	0	155,857,091	155,857,091	0	272,180,796	272,180,796
<b>Total investments and partnerships</b>		<b>123,581,375</b>	<b>201,691,088</b>	<b>325,272,463</b>	<b>121,728,209</b>	<b>301,662,717</b>	<b>423,390,926</b>

		Bank					
		20.03.2022			20.03.2021		
		Current	Long-term	Total	Current	Long-term	Total
		Million Rials	Million Rials	Million Rials	Million Rials	Million Rials	Million Rials
Investment in marketable shares	14-1	89,577,400	0	89,577,400	88,998,244	0	88,998,244
Investment in other shares	14-3	0	41,770,231	41,770,231	0	28,551,464	28,551,464
Investment in other securities	14-4	0	74,825,040	74,825,040	0	225,069,420	225,069,420
<b>Total investments and partnerships</b>		<b>89,577,400</b>	<b>116,595,271</b>	<b>206,172,671</b>	<b>88,998,244</b>	<b>253,620,884</b>	<b>342,619,128</b>

~~14-1 Investment in marketable shares in the market are as follows:~~

14-1- Investment in marketable shares in the market are as follows:

14-1-1 Current investment in marketable shares in the market (Group)

	Group						20.03.2021	
	20.03.2022						20.03.2021	
	Source	Number of Shares	percent	Cost Price	Net Sale Value	Market Value	Cost Price	Net Sale Value
Shares of listed companies		Share	Rate	Million Rials	Million Rials	Million Rials	Million Rials	Million Rials
Iranian Investment Petrochemical Group	acquisition	726,600,000	1.04	565,966	1,580,132	1,594,160	487,513	2,433,049
Esfahan Oil Refinery Co.	acquisition	5,419,560,821	3.89	24,251,666	36,045,239	36,365,253	23,994,698	42,788,316
Mobin Petrochemical Co.	acquisition	112,588,899	0.56	355,681	2,420,563	2,442,053	392,704	2,137,376
Pardis Petrochemical Co.	acquisition	11,454,573	0.19	130,723	1,787,992	1,803,866	379,912	1,997,954
Saderat Bank	acquisition	591,903,041	0.34	981,477	1,146,401	1,156,579	970,240	1,557,151
National Iranian Copper Co.	acquisition	1,024,040,058	0.26	1,862,140	7,348,806	7,414,050	1,770,365	7,673,038
Mobarakeh steel Isfahan Co	acquisition	2,020,204,925	0.69	4,524,284	21,906,553	22,101,042	4,022,129	20,201,897
Telecommunication Co	acquisition	25,679,000	0.04	125,993	169,263	170,765	85,170	203,592
Tehran Oil Refinery Co	acquisition	4,666,945,437	2.75	20,345,765	23,962,039	24,174,777	20,365,168	19,930,529
Golgozar Mining & Industrial Co	acquisition	349,423,166	0.35	793,899	16,313,002	16,457,831		
Ghadir Petrochemical Co.	acquisition	1,947,995	0.15	141,843	154,719	156,093		0
Tejarat Bank	acquisition	171,510,962	0.08	141,033	327,423	330,330	123,150	467,390
Asia Insurance Co.	acquisition	3,908,217,003	16.20	638,970	5,861,097	5,913,132	638,803	4,233,560
Civil Pension Fund Investment	acquisition	220,334,621	0.54	985,383	2,550,861	2,573,508	553,349	1,897,033
Noor Credit Institute	acquisition	149,500,000	4.98	149,500	149,500	149,500	149,500	148,184
Ghadir Investment Co.	acquisition	52,748,062	0.07	659,995	660,345	666,208	0	0
Farabourse Co.	acquisition	456,017,695	6.51	105,893	5,315,576	5,362,768		
Persian Gulf Petrochrmlcal Industries(Holding)	acquisition	730,933,797	0.15	3,637,478	8,208,603	8,281,480	3,850,878	7,716,953
Total								

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60,397,689	135,908,115	137,113,397	57,783,579	113,386,023
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#### 14-1-1- Continue current investment in marketable shares in the market ~~The shares of listed companies have no accumulated value~~

	source	20.03.2022			20.03.2021		
		Number of Shares	percent	Cost Price	Total sale value	Market Value	Net sale vale
		Share	percent	Million Rials	Million Rials	Million Rials	Million Rials
<b>Posted from previous page</b>	acquisition	5,277,054	0.07	60,397,689	135,908,115	137,113,397	57,783,579
Shazand Petrochemical Co	acquisition	3,400,000	0	221,678	219,686	221,636	
Lavan Oil Refinery Co.	acquisition	53,420,000	0.36	342,034	491,021	495,380	396,150
South Kaveh Steel Co.	acquisition	2,100,000	0.09	683,748	633,281	638,903	312,831
Zagros Petrochemical Co.	acquisition	41,713,187	0.35	142,681	381,126	384,510	294,347
Sepah Investment Co	acquisition	51,300,000	0.55	271,372	294,798	297,415	268,214
Pars Paper Co.	acquisition	52,748,062	0.07	202,498	151,580	152,925	148,952
Ghadir Investment Co.	acquisition	198,100,102	0.94	659,995	660,345	666,208	243,693
HEPCO	acquisition	264,245,168	0.87	1,101,756	256,835	259,115	0
Tabriz Oil Refinery Co	acquisition	6,580,0000	0.25	7,292,062	9,926,761	10,014,892	7,150,110

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Bahonar Copper Industrial Co	acquisition	3,900,293,734	2.87	188,179	171,009	172,528	
Bandarabbas Oil Refinery Co	acquisition	446,819,778	2.53	21,039,481	29,188,082	29,447,218	21,561,208
National Investment Co of Iran				6,532,617	3,884,126	3,918,609	6,532,617
				<b>99,075,789</b>	<b>182,166,764</b>	<b>183,782,736</b>	<b>94,691,701</b>
							<b>124,427,911</b>

		Group						
		20.03.2022			20.03.2021			
source	Number of Shares	percent	Cost Price	Total sale value	Market Value	Cost Price	Net sale vale	
	Share	percent	Million Rials	Million Rials	Million Rials	Million Rials	Million Rials	
<b>Posted from previous page</b>			99,075,789	182,166,764	183,782,736	94,691,701	124,427,911	
Iran Transfo Co	acquisition	599,538,953	1.65	1,858,485	1,082,153	1,091,760	1,739,022	0
Alborz Insurance	acquisition	5,808,441,279	20.13	1,665,867	9,240,510	9,322,548	1,626,890	0
Amin Reinsurance Co	acquisition	59,019,352	1.18	292,382	236,164	238,261	292,382	0
Iran Khodro Co	acquisition	5,072,825,205	1.68	12,073,324	12,057,586	12,164,635	12,073,324	0
National Development Investment Co	acquisition	31,774,772	0.12	248,488	257,315	259,600	0	0
Tamin Pharmaceutical Investment Co	acquisition	16,922,669	0.15	184,901	287,334	289,885	207,302	270,571
Omid Investment Co	acquisition	35,795,641	0.12	204,483	496,019	500,423	0	0
Mehr Ayandegan Financial Development Group Co	acquisition	62,133,979	0.21	335,547	256,880	259,161	0	0
Iran Alloy Steel Co	acquisition	192,000,000	0.80	1,500,556	1,535,805	1,549,440	1,688,125	0
Tamin Petroleum & Petrochemical Investment Co	acquisition	84,490,309	0.10	1,050,172	1,097,083	1,106,823	229,882	331,924
Mobile Telecommunication Co	acquisition	42,008,666	0.09	223,570	318,955	321,786	221,812	0
Khouzestan Steel Co	acquisition	112,750,000	0.09	304,602	601,257	606,595	229,940	0
Asan Pardakht Persian	acquisition	22,720,754	0.41	349,483	144,809	146,094	0	0
Khark Petrochemical Co	acquisition	10,266,758	0.17	382,356	484,601	488,903	0	0
Saba Tamin Investment Co	acquisition	76,598,222	0.10	704,519	434,286	438,142	0	0

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Jam Polypropylene Co	acquisition	3,638,514	0.18	265,853	469,025	473,189	0	0
Jam petrochemical Co	acquisition	7,269,384.00	0.04	195,605	305,005	307,713	180,352	260,455
Social Security Investment Co	acquisition	683,256,313	0.04	874,996	643,381	649,093	792,925	0
Parsian Oil & Gas Development Co	acquisition	10,744,376	0.03	221,466	288,504	291,065	212,583	223,985
Employees Pension Fund	acquisition	71,792,075	0.60	232,234	165,661	167,132		
Nouri Petrochemical Co	acquisition	1,979,174	0.02	185,071	190,663	192,356		
Chadormalu Mining & Industrial Co	acquisition	203,825,263	0.17	423,939	3,236,546	3,265,281		
Golgohar Mining & Industrial Co	acquisition	87,355,790	0.09	237,384	836,431	843,857		
Other				490,302	0	0	7,541,969	0
				<b>123,581,375</b>	<b>216,832,738</b>	<b>218,756,480</b>	<b>121,728,209</b>	<b>125,514,846</b>

#### 14-1-2- Current investment in marketable shares in the market (Bank) Long term investment in Marketable shares in the market

		Bank						
		20.03.2022			20.03.2021			
Source	Number of Shares	percent	Cost Price	Net Sale Value	Market Value	Cost Price	Net Sale Value	
	Share	Rate	Million Rials	Million Rials	Million Rials	Million Rials	Million Rials	
<b>Shares of listed companies</b>								
Ma Insurance	creation	333,333,332	6.66	100,000	1,487,791	1,501,000	100,000	1,987,686
Tehran Oil Refinery Co	acquisition	4,456,815,138	2.62	18,761,494	22,883,143	23,086,302	18,761,494	18,963,177
Tabriz Oil Refinery Co	acquisition	259,007,539	2.59	7,150,110	9,730,002	9,816,386	7,150,110	8,472,033
Isfahan Oil Refinery Co	acquisition	3,330,046,985	2.38	22,517,217	22,147,983	22,344,615	22,517,217	26,385,217
Bandarabbas Oil Refinery Co	acquisition	3,522,017,744	2.62	18,392,816	26,357,231	26,591,234	18,915,416	22,309,692
National Investment Co of Iran	acquisition	446,819,778	2.55	6,532,617	3,884,126	3,918,609	6,532,617	4,951,485
Iran Transfo Co	acquisition	577,988,522	1.58	1,739,022	1,043,255	1,052,517	1,739,022	1,422,645
Alborz Insurance	acquisition	528,407,628	1.83	916,662	840,631	848,094	916,662	1,031,662
Amin Reinsurance Co	acquisition	59,019,352	1.51	292,382	236,164	238,261	292,382	287,469
Iran Khodro	acquisition	5,072,825,205	1.68	12,073,324	12,057,586	12,164,635	12,073,324	12,771,588
HEPCO	acquisition	198,100,102	1	1,101,756	256,835	259,115	0	0

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89,577,400	100,924,747	101,820,770	88,998,244	98,582,654
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14-1-3 Sum of IRR 88,898 Billion increase in current investment in marketable shares in 2020, by virtue of approval No H5837 T/115274 dated Dec 30<sup>th</sup>, 2020 on council of ministers regarding assignment of the government's remaining shares in abovementioned companies is against paying sum of IRR 30,000 billion in cash and settlement the dues from government in sum of IRR 58,898 billion (note 11-2).

14-2- Investment of the group in real estates is as follows:

Source	Group	
	20.03.2022	20.03.2021
	Million Rials	Million Rials
Land in Shahinshahr	Purchase 212,851	205,108
Three plots of land in Kelarabad	Purchase 1,291	1,291
Let Mall trading center	Purchase 9,800,739	5,971,149
Shahab trading center	Purchase 1,920,437	1,728,961
Ferdos boulevard land	Purchase 14,500	14,500
Louks-e- Talaei Land	Purchase 0	1,979,532
Jamshidieh Project	Purchase 0	916,993
Shahr-e Ghods land	Purchase 112,586	111,886

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Real estate in Fereshteh St.	Purchase	7,142	7,141
Other		1,014,535	635,544
		<u>13,084,081</u>	<u>11,572,105</u>

14-2-1 investment in real estate is related to Behsaz Mosharekathay-e Mellat Co.



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14-3- Investment in other companies is as follows:

		Group							
		20.03.2022				20.03.2021			
Source		Number of Shares	Investment percent	Cost Price	Accumulated Value Decrease	Net book value	Market Value	Book Value	Market Value
		Share	Rate	Million Rials	Million Rials	Million Rials	Million Rials	Million Rials	Million Rials
Jahrom Power Plant Co	acquisition	1,682,000,000	0	1,682,257	0	1,682,257	3,148,704	0	0
Gharzolhasaneh Mehr-e-Iran	creation	3,596,000,000	16	2,507,420	0	2,507,420	0	2,507,420	0
Amin Investment Co	creation	1,332,374,997	12.11	1,363,731	0	1,363,731	14,323,031	0	0
Petro Imen Sepahan	acquisition	477,282,800	27	1,671,153	0	1,671,153	0	1,201,629	0
Bafgh Iron & Steel Mineral & Industry Complex	creation	3,599,997,867	40	5,029,385	0	5,029,385	0	3,264,575	0
Rey Investment Co	acquisition	5,659	10	898,000		898,000	0	0	0
Adonis Electronic Services Development Co	creation	160,000,000	32	227,271		227,271	0	0	0
Fars Export Industries Development	acquisition	409,212,805	41	742,007	0	742,007	0	744,739	0
Mines & Metals Development Co	acquisition	1,468,391,425	1.75	2,598,752		2,598,752	17,591,329	2,172,022	13,174,137
Modaber Asia Investment Co	acquisition	0	0.00	1,300,803		1,300,803	0	0	0
Mellat Bazar Information		0	0	0	0	0	0	5,409	0
New building and services Co	creation	6,331,284	99	204,878		204,878	0	0	0
Radin Behsaz Trading of Anzali Free Zone		0	0	0	0	0	0	4,750	0
EIH Bank	creation	81,508,952	26.30	1,905,312	0	1,905,312	0	1,905,312	0
FEE Bank	creation	80,000,000	100	1,028,400	0	1,028,400	0	1,028,400	0
SHAPARAK	acquisition	228,751,900	13	94,192	0	94,192	0	94,192	0
ITFC	acquisition	0	0	47,785	0	47,785	0	47,785	0
Other foreign investments of the group		0		10,809,513		10,809,513	0	0	0
Other riyal investments of the group		0		5,438	(104)	5,334	0	0	0
Other		2,125,919		633,723	0	633,723	0	4,933,583	0
Total				32,750,020	(104)	32,749,916	35,063,064	17,909,816	13,174,137

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Bank						
Source	Number of Shares	Investment percent	20.03.2022		20.03.2021	
			Cost Price	Accumulated Value Decrease	Book Value	Book Value
	Share	Rate	Million Rials	Million Rials	Million Rials	Million Rials
Mellat Financial Group	creation	100	11,998,496	0	11,998,496	11,998,496
Behsaz Mosharekathaye Mellat	creation	100	1,409,734	0	1,409,734	1,409,734
Fannavaran Behsazan Farda Group	creation	100	6,617,779	0	6,617,779	2,619,379
PIB Bank	creation	60	6,377,880	0	6,377,880	6,377,880
Bank Mellat Yerevan	creation	100	1,475,807	0	1,475,807	1,475,807
EIH	creation	26.30	1,905,312	0	1,905,312	1,905,312
FEE Bank	creation	100	1,028,400	0	1,028,400	1,028,400
Mellat Market Making Special Investment (Shaparak)	acquisition	13	94,192	0	94,192	94,192
ITFC Company	acquisition	0	47,785	0	47,785	47,785
Other foreign investments of bank	creation	0	10,809,513	0	10,809,513	1,570,232
Other Rials investments of the bank		0	5,438	(104)	5,334	24,247
Total			41,770,336	(104)	41,770,231	28,551,464

14-3-1- Due to lack of significant influence on EIH and due to not having a board seat, investment in that bank has not been subjected to use special value method.

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14-4- Investment in other securities is as follows:

Source		Group		Bank	
		20.03.2022	20.03.2021	20.03.2022	20.03.2021
		Million Rials	Million Rials	Million Rials	Million Rials
Partnership bonds of public sector	acquisition	87,749,566	229,555,126	65,626,160	214,366,538
FX partnership bonds	acquisition	15,604,771	9,957,156	4,246	8,249
Partnership bonds of private sector	acquisition	52,502,755	32,668,513	9,194,633	10,694,633
Total investment in other securities		155,857,091	272,180,796	74,825,040	225,069,420

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14-4-1 The details of investments in other securities are as follows:

Name of Company	Source	Type of Bonds	Average of profit rate	Group	
				20.03.2022	20.03.2021
				Million Rials	Million Rials
Government and state-owned companies:					
Ministry of Economic Affairs & Finance	acquisition	Islamic treasury documents	0	1,145,689	413,176
Crude oil standard Bonds	acquisition	forward	20.1	27,942,983	25,008,829
Gold Deposit Bonds	acquisition	Mark-up loanbonds		587,207	0
Health Bonds	acquisition	Mark-up loanbonds	17.7	0	500,000
Rental Bonds	acquisition	Rental loanbonds	22	4,000,000	0
Government benefit bonds	acquisition	AFAD	22.9	837,195	20,526,354
Government benefit bonds	acquisition	Market up loan-ARAD	20.5	20,376,257	156,718,178
Governmental Sokuk – Governmental benefit bonds	acquisition	Forward bonds	23.5	62,127	0
Tehran Municipality bonds	acquisition	Participation	21.1	8,900,000	5,000,000
Shiraz urban Train Bonds	acquisition	Participation	21	2,350,000	2,350,000
Isfahan urban Train Bonds	acquisition	Participation	21	2,350,000	2,350,000
Shiraz Municipality Participation bonds	acquisition	Participation Bonds	19	666,373	1,500,000
Iran Khodro Bonds	acquisition	Market up loan bonds		0	1,463,721
Saba Arvand Oil and Gas forward Bonds	acquisition	Forward Bonds		3,789,155	5,291,837
Isfahan Municipality participation bonds	acquisition	Participation Bonds		1,950,000	1,950,000
Regional electricity of Gilan Co. Forward bonds	acquisition	Forward Bonds		9,776,995	4,999,677
Other	acquisition		23.5	2,494,003	0
				521,582	1,483,354
				87,749,566	229,555,126
Banks:					
Bank Mellat Yerevan debentures	acquisition	Participation Bonds		15,600,525	9,948,907
Other FX securities of branches abroad	acquisition	Participation Bonds		4,246	8,249
				15,604,771	9,957,156
<b>Other investment companies and funds:</b>					
Atieh Mellat Investment Fund	acquisition	Investment unit	17.41	456,573	0
Amin Yekom Farda Investment fund with fixed income	acquisition	Investment unit	19.24	0	1,269,310
Kamand Investment fund with fixed income	acquisition	Investment unit	20.61	1,483,319	752,856
Parand Paydar Sepehr Investment Fund	acquisition	Investment unit	26.24	0	457,401
Firt financial intermediary fund	acquisition	Investment unit	(1.78)	380,650	246,592
Vista Market Making Fund	acquisition	Investment unit		1,306,441	244,347

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Tsee-y-e-Bazar-e Sarmayeh Common investment fund	acquirement	Investment unit		1,967,642	1,797,774
Mellat market making specific investment fund	acquirement	Investment unit	(5.56)	39,489,659	22,878,477
Owj-e-Mellat Investment fund	acquirement	Investment unit	19.77	4,687,076	1,699,212
Ofoogh-e-Mellat Investment fund	acquirement	Investment unit	24.44	263,175	263,175
Andukhteh Mellat Investment fund	acquirement	Investment unit	17.23	110,343	384,951
Kiyan Investment fund with fixed income (Kiyan)	acquirement	Investment unit	21.80	135,948	177,819
Omid-e-Aseman common investment fund	acquirement	Investment unit	22.87	106,884	120,417
Mobarakeh Steel Co.	acquirement	Forward		0	1,500,000
Arzesh Afarinan Bidar Investment fund	acquirement		22.51	108,905	0
Niki Gostaran Investment fund	acquirement		16.90	10,000	0
Investment fund of bank employees	acquirement			0	180,612
Negin Saman Investment fund	acquirement			609,439	0
Agah common fund	acquirement		20.25	219,900	0
Pishro common fund	acquirement		31.77	219,999	0
First refinery fund	acquirement		31.92	236,148	0
Noafarin Research and Technology Fund	acquirement		16	200,000	0
Other	acquirement			510,653	695,570
				<u>52,502,755</u>	<u>32,668,513</u>
Total investment in other bonds				<u>155,857,091</u>	<u>272,180,796</u>

**14-4-2- The details of bank investments in other securities are as follows:**

Publisher	Source	Type of Bonds	Average of profit rate	Bank	
				20.03.2022	20.03.2021
				Million Rials	Million Rials
Government and state-owned companies:					
Ministry of Economic Affairs & Finance	acquisition	Islamic treasury documents	0	0	413,176
Crude oil standard Bonds	acquisition	forward	20.1	27,942,983	25,008,829
Governmental Participation Bonds	acquisition	Mark-up loan bonds	23.5	1,814,095	
Health Bonds	acquisition	Mark-up loan bonds	17.7	0	500,000
Rental Bonds	acquisition	Rental loanbonds	22	4,000,000	
Government benefit bonds	acquisition	AFAD	22.9	0	20,526,354
Government benefit bonds	acquisition	Mark up loan-ARAD	20.5	18,206,956	156,718,178
Governmental Sokuk – Governmental benefit bonds	acquisition	Forward bonds	23.5	62,127	0
Tehran Municipality bonds	acquisition	Participation	21.1	8,900,000	5,000,000
Shiraz urban Train Bonds	acquisition	Participation	21	2,350,000	2,350,000
Isfahan urban Train Bonds	acquisition	Participation	21	2,350,000	2,350,000
Shiraz Municipality Participation bonds	acquisition	Participation Bonds	19	0	1,500,000
Other securities of foreign currency branches				65,626,160	214,366,538
			0	4,246	8,249
<b>Other investment companies and funds:</b>					
Mellat market making specific investment fund	creation	Investment unit	0	9,184,733	9,184,733
Mobarakeh Steel Co.	acquisition	Forward	0	0	1,500,000
Atieh Mellat Investment fund	acquisition	Investment fund	0	5,000	5,000
Andoukhteh Mellat Investment fund	acquisition	Investment fund	0	4,900	4,900
				9,194,633	10,694,633
Total investment in other bonds				74,825,040	225,069,420

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**14-4-3-In order to use the benefits of open market operations, the amount of IRR143,440 billion of government bonds has been repoed with the central bank.**

**14-4-4-According to Central Bank Circular No99/180681 dated 1<sup>st</sup> September 2020, banks are obliged to allocate at least 3% of their investment deposit balance to Islamic financial bonds.**

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14-5- Characteristics of subsidiary companies of the group are as follows:

Characteristics of subsidiary companies of the group are as follows:					
Name of Company	Country	Group	Investment percent Main unit	Fiscal year	Main Activity
<b>A) Direct Investments of Main Company:</b>					
Persian International Bank (PIB)	England	60	60	31th March	Banking
Bank Mellat Yervan	Armenia	100	100	31th December	Banking
<b>B) Behsaz Mosharekatha Group:</b>					
Behsaz Mosharekathaye Mellat	Iran	100	100	20 <sup>th</sup> March	Investment
Tadbirgaran Behsaz Mellat	Iran	100	--	20 <sup>th</sup> January	Credit Rating & Assessment
Tarh va Andisheh Behsaz Mellat	Iran	100	--	20 <sup>th</sup> January	Debt collection
Behris Isfahan	Iran	100	--	20 <sup>th</sup> March	String Production
Ierdak	Iran	99	--	20th March	Building contractor
Bank Mellat Construction Co	Iran	92	--	20 <sup>th</sup> March	Construction Services
Bank Mellat Publication	Iran	100	--	20 <sup>th</sup> March	Printing Services
Rahbari Sanaye Behsaz Co	Iran	100	--	20 <sup>th</sup> March	Trading Services
Jahan Behsaz Mofarah Co	Iran	100	--	20 <sup>th</sup> March	Hotel Management
Mellat leasing	Iran	69.7	--	20th March	Leasing
Mellat exchange office	Iran	90	--	20 <sup>th</sup> March	Exchange office services
Mad Marketing and sale development	Iran	100	--	20th March	Surplus real states of the bank
<b>C) Fannavarvan Hooshmand Behsazan Farda Group:</b>					
Fannavarvan Hooshmand Behsazan Farda Group	Iran	100	100	20 <sup>th</sup> March	Software Design & Production
Behsazan Mellat	Iran	100	-	20 <sup>th</sup> March	Software Design & Production
Beh Pardakht Mellat	Iran	90	-	20 <sup>th</sup> March	Software Design & Production
Yas Arghavani System Engineering	Iran	100	-	20 <sup>th</sup> March	Software Design & Production
Yas Arghavani Industrial Engineering	Iran	100	-	20 <sup>th</sup> March	Software Design & Production
Shaghayegh Software Engineering	Iran	100	-	20 <sup>th</sup> March	Software Design & Production
Safe transactional services infrastructure	Iran	100	-	20 <sup>th</sup> March	Equipment Installation & Commissioning
Etemad vosough Gostar Development	Iran	75	-	20 <sup>th</sup> March	Software Design & Production
<b>D) Mellat Financial Group:</b>					
Mellat Financial Group	Iran	100	100	20 <sup>th</sup> March	Investment
Behsaz Mellat Insurance Services	Iran	100	-	20 <sup>th</sup> January	Insurance services
MA Insurance	Iran	58	6.66	20 <sup>th</sup> March	Insurance services
Behsaz Trading Services Development	Iran	100	-	20 <sup>th</sup> January	Trading & Partnership
Bank Mellat Financing	Iran	78.9	-	20 <sup>th</sup> March	Financing
Bank Mellat Brokerage	Iran	90	-	20 <sup>th</sup> March	Stock Brokerage Services
Moein Mellat Development	Iran	100	-	20 <sup>th</sup> March	investment
Almaseh Saz	Iran	93	-	20th March	Production of cutting tools
Arzesh Afarin Atlas	Iran	100	-	20 <sup>th</sup> January	contract & Trading Operations
Behin Tadbir Ma Development of management services	Iran			20 <sup>th</sup> January	Commercial services
Sepehr Sanat Sorena	Iran	100	-	20 <sup>th</sup> January	Warehousing & Tank Renting Services
Vavan Construction & Urban Development	Iran	100	-	20 <sup>th</sup> January	Constriction – Development
Developing construction industry technology	Iran	75	-	21 <sup>th</sup> December	Performing construction affairs
Railway Transportation Development	Iran	95	-	20 <sup>th</sup> March	Constructing Domestic Railway

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▲ 14-6- Characteristics of affiliated companies of the group are as follows:

Name of Company	Country	Investment Percent		Main Activity
		Group	Main Unit	
Tamin Sarmayeh Amin	Iran	12.11	-	Financing
Bafgh Iron & Steel Industry & Mineral Complex (Project)	Iran	40	-	Minerals Exploration
EIH	Germany	26.31	26.31	Banking
Fars Export & Industrial Development	Iran	41	-	Export
Minerals Drilling & Exploration Engineering	Iran	40	-	Minerals Exploration
Mehr-o-Mah infrastructure and investment development	Iran	25	-	Investment and financing

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▲ 14-7- Regarding low importance and lack of timely access to the financial statements of affiliated companies disclosing of investment in special value manner has waived. Also, in EIH bank, due to the lack of significant penetration, investment is considered at cost price.

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Name of Company	Period/Status	Fiscal year	Total Assets	Total liabilities	Incomes	Profit & Loss
			Million Rials	Million Rials	Million Rials	Million Rials
Tamin Sarmayeh Amin	6-month/Non-audited	20th Mar2022	31,236,368	16,909,925	5,881,677	4,080,491
Bafgh Mineral Iron & Steel Industry Complex (Project)	yearly /Non-audited	20th Mar2022	21,938,058	32,114,546	34,957,189	4,202,064
EIH	yearly /Non-audited	31th Dec 2022	47,185,219	36,330,725	121,755	52,481
Fars Export & Industrial Development	6-month /Non-audited	20th Mar2022	2,439,930	1,123,972	450,994	132,555
Mehr-o-Mah infrastructure and investment development	yearly /Non-audited	20th Mar2022	7,744,284	161,386	80,858	(120,732)

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20/03/2021

#### 15- Dues from subsidiary and affiliated companies

		Group		Bank			
		20.03.2022	20.03.2021	20.03.2022		20.03.2021	
		Net	Net	balance	Doubtful loans reserve	Net	Net
Note		Million Rials	Million Rials	Million Rials	Million Rials	Million Rials	Million Rials
Dues from subsidiary companies	15-1	0	0	33,715,627	(505,734)	33,209,893	62,608,803
Dues from affiliated companies	15-1	4,031,787	4,031,787	4,093,185	(61,398)	4,031,787	4,025,038
Total dues from subsidiary and affiliated companies		4,031,787	4,031,787	37,808,812	(567,132)	37,241,680	66,633,841

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#### 15-1- Balance of dues from subsidiary and affiliated companies based on subject of bilateral transaction is as follows:

Name of Subsidiary/Affiliated Company	20.03.2022									
	Assets & Investments Sale	Assets & Investments purchase	Purchasing services	Selling services	Received On-Account	Paid On-Account	Mutual Interest-Free	Receivable Dividend	Payable Dividend	Total
Subsidiaries Co.:	Million Rials	Million Rials	Million Rials	Million Rials	Million Rials	Million Rials	Million Rials	Million Rials	Million Rials	Million Rials
Mellat Financial Group Company	0	0	0	0	0	5,048,568	0	8,930,182	0	13,978,750
Behsaz Mosharekathaye Mellat	0	0	0	0	0	8,326,801	0	7,859,746	0	16,186,547
Fanavaran Behsazan Farda Company	0	0	0	0	0	0	0	3,421,630	0	3,421,630
Mellat exchange office company	0	0	0	0	0	128,700	0	0	0	128,700
Affiliated: Qarzolhasaneh Mehr Iran	0	0	0	0	0	6,852	0	0	0	6,852
Other dues	0	0	0	0	0	0	0	4,086,333	0	4,086,333
Total dues from affiliated companies	0	0	0	0	0	13,510,921	0	24,297,891	0	37,808,812
Reserve for doubtful loans	0	0	0	0	0	(202,664)	0	(364,468)	0	(567,132)
	0	0	0	0	0	13,308,258	0	23,933,422	0	37,241,680

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15-1-1 In the reported financial year leading to the 20<sup>th</sup> Mar 2021, according to the tripartite memorandum of understanding, transferring shares of the holding companies of Behsaz Mosharekathay-e- Mellat and Mellat Financial Group dated Dec 12<sup>th</sup>, 2020, Tarh-o-Andisheh Behsaz Mellat Co., Tadbir Mellat Co., Mellat leasing, Mellat exchange office, and Gharzolhasaneh- Mehr-e-Iran from Mella financial group to Behsaz Mosharekathay-e Mellat in sum of IRR 8,216 billion and the stocks of Mellat companies, and also shares of Almaseh saz, Mehr-o-Mah infrastructure and investment development companies from Behsaz Mosharekathay-e-Mellat have been transferred to Mellat Financial Goup in sum of IRR 692 billion, that the method of settling the transaction has been determined through set off with Bank Mellat dues from the mentioned companies.

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15-42- Dues from subsidiaries and affiliates in the previous year based on the subject of transactions between them is as follows. The remaining of note:

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20.03.2021										
Name of Subsidiary/Affiliated Company	Assets & Investments Sale	Assets & Investments purchase	Purchasing services	Selling services	Received On- Account	Paid On- Account	Mutual Interest- Free	Receivable Dividend	Payable Dividend	Total
Subsidiary:	Million Rials	Million Rials	Million Rials	Million Rials	Million Rials	Million Rials	Million Rials	Million Rials	Million Rials	Million Rials
Mellat Financial Group Company	0	0	0	0	0	39,555,420	0	8,899,997	0	48,455,417
Behsaz Mosharekathaye Mellat	0	0	0	0	0	8,300,857	0	1,168,055	0	9,468,912
Bank Mellat construction Co. Ma Insurance	0	0	0	0	0	42,878	0	0		42,878
Fanavaran Behsazan Farda Co.	0	0	0	0	0	0	0	5,420,030	0	5,420,030
Mellat exchange office company	0	0	0	0	0	175,000	0	0	0	175,000
<b>Affiliated:</b>										
Qarzolhasaneh Mehr Iran	0	0	0	0	0	6,852	0	0	0	6,852
Other dues	0	0	0	0	0	0		4,079,481	0	4,079,481
Total dues from subsidiary & affiliated companies	0	0	0	0	0	48,081,006	0	19,567,563	0	67,648,570
Doubtful loans reserve	0	0	0	0	0	(721,215)	0	(293,513)	0	(1,014,729)
	0	0	0	0	0	47,359,791	0	19,274,050	0	66,633,841

15-23- Classification of dues from subsidiary and affiliated companies according to the guidelines approved by the money and credit council is as follows:

	20.03.20242022				
	Current	Overdue	Defaulted	Doubtful loans	Total
	Million Rials	Million Rials	Million Rials	Million Rials	Million Rials
Net dues from subsidiary companies	33,715,627	0	0	0	33,715,627
Net dues from affiliated companies	4,093,185	0	0	0	4,093,185
General reserve of doubtful loans	(567,132)	0	0	0	(567,132)
Balance on 20.03.20242022	37,241,680	0	0	0	37,241,680
Balance on 20.03.20202021	66,633,841	0	0	0	66,633,841

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## 16- Other Accounts Receivable

## Group

Note	Balance	20.03.2022	20.03.2021	Net	Net
		Future years profit	Doubtful loans reserve		
	Million Rials		Million Rials	Million Rials	Million Rials
Receivable Dividend	16-1	2,709,333	0	(40,640)	2,668,693
Sundry debtors	16-2	19,149,215	0	(7,374,883)	11,774,332
Realized Interest of bonds	16-4	6,636,184	0	(99,543)	6,536,642
Dues from staff	16-5	32,884,963	0	0	32,884,963
Dues from disposing assets	16-6	18,608,667	(9,254,963)	(140,306)	9,213,399
<b>Other accounts receivable of Bank</b>		79,988,362	(9,254,963)	(7,655,371)	63,078,028
Group companies' other accounts receivable	16-7	100,066,540	0	(200,109)	99,866,431
<b>Other accounts receivable of group</b>		<b>180,054,902</b>	<b>(9,254,963)</b>	<b>(7,855,480)</b>	<b>162,944,459</b>

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## Bank

Note	Balance	20.03.2021		20.03.2020	
		Future years profit	Doubtful loans reserve	Net	Net
	Million Rials		Million Rials	Million Rials	Million Rials
Receivable Dividend	16-1	10,248	0	(154)	10,095
Sundry debtors	16-2	24,056,082	0	(3,545,116)	20,510,965
Realized Interest of bonds	16-4	7,632,975	0	(114,495)	7,518,480
Dues from staff	16-5	30,875,014	0	(463,125)	30,411,888
Dues from disposing assets	16-6	19,181,877	(10,266,175)	(133,736)	8,781,966
<b>Other accounts receivable of Bank</b>		<b>81,756,196</b>	<b>(10,266,175)</b>	<b>(4,256,625)</b>	<b>67,233,395</b>

16-1- Balance of receivable dividend excluded interest of subsidiary and affiliated companies is as follows:

	Bank	
	20.03.2022	20.03.2021
	Million Rials	Million Rials
<b>Stock exchange market and &amp; secondary market:</b>		
Tabriz oil refinery Co	1,081,356	0
Bandarabbas oil refinery Co	1,000,000	0
National Investment Company of Iran	89,364	0
Amin Reinsurance Co	47,215	
Iran Transfo	28,899	0
Mellat Investment Company	13,097	10,083
Gazlouleh Company	36	36
Iranite Company	25	25
<b>Total</b>	<b>2,259,993</b>	<b>10,144</b>
<b>Other Companies:</b>		
Refah Chain Store	104	104
Other	449,236	0
<b>Total</b>	<b>449,340</b>	<b>104</b>
<b>Balance of dividend receivable</b>	<b>2,709,333</b>	<b>10,248</b>

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16-2- Balance of sundry debtors is as follows:

		20.03.2022	20.03.2021
		Gross	Gross
		Million Rials	Million Rials
<b>Relevant items to facilities</b>			
Claims and debt collection expenses		1,307,108	1,130,850
FX Credit cards	16-2-1	3,807,389	3,232,766
Receivable interest & commission		525,198	652,317
Extending L/Gs	16-2-2	3,388,189	2,902,984
Extending insurance policies of granted loans		91,062	37,587
Extending sight L/Cs		31,458	18,348
Total relevant items to facilities		9,150,405	7,974,852
<b>Total unrelated items to facilities</b>			
Debtors for special issues		1,205,392	1,108,373
On-account paid to individuals counterparty to the Head Quarters	16-2-3	3,781,628	3,945,320
Ministry of economic affairs and finance	11-2	0	6,932,219
Place in rent		426,331	427,751
Advance payment to counterparties companies of the bank		6,197	38,997
Sundry debtors in foreign currency of branches abroad		54,192	54,505
Claim from non-listed Companies.		0	484,585
Other items	16-2-4	4,525,070	3,089,126
Total of non-relevant items to facilities		9,998,810	16,080,877
Sundry debtors balance		19,149,215	24,055,729

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16-2-1 The amount of IRR ~~21,391,591~~ billion of this amount has been received from the Tember ank of Turkey, which until the date of preparation financial statements, property with TRY 13.6 million worth and a promissory note worth EUR 40 million (equal to TRY 359 million) have been received that part of the amount of received promissory note is related to one of the bank correspondent in the mentioned country. The process of legal procedures has been carried out by Tarh-o-Andishe Behsaz Mellat Company and has led to issuance of order from Turkish court in favor of the bank.

16-2-2 the main abovementioned dues in sum of USD 12.2 Million from foreign correspondents is for extending LGs.

16-2-3 this amount is mainly includes IRR ~~889,498~~ billion received from Mad marketing Co. for disposing surplus and foreclosed properties and sum of IRR ~~4,787-1,014~~ billion that is requested from Tarh-o-Andishe company, ~~advance payment to the counterparty companies with logistics division.~~

16-2-4 The majority of the abovementioned amount is related to the account payable to the bank's headquarters for payment to contractors in the amount of IRR 2,427 billion. According to minutes of meeting No. 0020/632 dated March 19<sup>th</sup>, 2018, between economic affairs and finance minister, head of country plan and budget organization, and Bank Mellat CEO, about crediting 50 percent or refunding used amount out of OSP, in implementing article 17 of permanent provisions of the country development program, sum of IRR 4,500 billion has been credited to the treasury account that

has not been resolved definitely yet and based on the approved rate by monetary and credit council, profit calculates for them and registers in the accounts.

16.2.5 For using financial and credit institutions clients from SHETAB services that is being done through Bank Mellat ATMs.



16-3- Classification of other receivable accounts based on guidelines approved by monetary and credit council is as follows:

	20.03.2022				
	Current	Overdue	Defaulted	Doubtful loans	Total
	Million Rials	Million Rials	Million Rials	Million Rials	Million Rials
Dividend receivable	2,709,333	0	0	0	2,709,333
Realized profit of the participation bonds	6,636,184	0	0	0	6,636,184
Dues from staff	32,884,963	0	0	0	32,884,963
Sundry debtors	11,953,636	0	0	7,195,578	19,149,215
Dues for disposing assets	9,353,704	0	0	0	9,353,704
Net other receivable accounts before deducting doubtful loans reserve	63,537,821	0	0	7,195,578	70,733,399
General reserve of doubtful loans	(459,793)	0	0	0	(459,793)
Special reserve of doubtful loans	0	0	0	(7,195,578)	(7,195,578)
Balance on 20.03.2022	63,078,028	0	0	0	63,078,028
Balance on 20.03.2021	67,233,048	0	0	0	67,233,048

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16-4 Includes profit receivable of ministry of cooperatives labor and social welfare market up loan and Ministry of agriculture-Jahad.

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16-5 Is mainly for on-account paid due to part of staff retirement allowance to staff special investment fund.

16-6 The above amount is mainly includes sum of IRR 15,581,341 billion-million due from Atiyeh Khahan capital management Co. for disposing Salsabi project (Hotel Jahan) as instalment (16-year).

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16-7 The main amount of receivable accounts from group is related to Behsaz Mosharekathay-e- Mellat holding about IRR 61,254 billion-that is due from brokerages and money changers and has not been settled until preparation date of this report. Main dues from, Behsaz Mosharekathay e- Mellat IRR 30,949 Billion, Mellat Financial Group IRR 1734,370-102 Bbillion, and Fanavaran Houshmand Behsazan Farda - IRR 64,251-711 Billionbillion, also, the main amount related to the Behsaz Mosharekathay-e- Mellat holding, includes IRR 51,619 billion of foreign currency funds of the exchange company with the brokers, which, due to its high turnover and according to the custom of the exchange industry, is done in exchange for appropriate securities (cheques), holding are as follows:

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~~Behsaz Mosharekathay e- Mellat IRR 30,949 Billion, Mellat Financial Group IRR 17,370 Billion, and Fanavaran Houshmand Behsazan Farda - IRR 6,251 Billion.~~

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## 17- Tangible Fixed assets

### 17-1- Group's tangible fixed assets:

	Land	Building & Installations	Vehicles	Furniture & Appliances	Computer Accessories	Rented Properties Renovation	Properties under Construction	Capital Orders & Pre-payments	Capital Items in Warehouse	Total
	Million Rials	Million Rials	Million Rials	Million Rials	Million Rials	Million Rials	Million Rials	Million Rials	Million Rials	Million Rials
Cost Price – Revaluation										
Balance on 21.03.2020	167,854,085	22,726,366	505,535	5,726,599	16,555,286	229,130	8,278,023	2,512,933	723,072	225,111,029
Increase	2,980,726	3,455,931	151,528	1,632,249	4,214,118	70,140	2,812,193	1,573,464	4,737,365	21,627,714
Sold	(1,335,768)	(3,624,877)	(42,736)	(201,424)	(83,696)	0	0	(13,364)	0	(5,301,865)
Transfers & other changes	(76,789)	4,496,165	(1,090)	(320,679)	(560,721)	0	(5,496,000)	(563,985)	(3,158,379)	(5,681,478)
Balance on 20.03.2021	169,422,254	27,053,585	613,237	6,836,745	20,124,987	299,270	5,594,216	3,509,048	2,302,058	235,755,400
Increase	3,754,212	422,143	139,054	346,945	1,974,167	65,899	3,663,199	471,611	7,454,628	18,291,859
Increase (decrease) due to reevaluation	0	187,533	0	0	0	0	0	0	0	187,533
Sold	(667,674)	(209,362)	(6,074)	(55,446)	(100,988)	0	0	(2,160)	0	(1,041,704)
Transfers & other changes	0	2,875,408	0	874,140	9,020,314	0	(2,834,249)	(910,902)	(9,018,490)	6,222
Balance on 20.03.2022	172,508,792	30,329,308	746,217	8,002,385	31,018,480	365,169	6,423,166	3,067,597	738,197	253,199,310
Accumulated depreciation & decrease of accumulated value										
Balance on 21.03.2020	0	7,745,270	232,954	4,891,952	9,478,232	190,582				22,538,990
Year depreciation & value decrease	0	1,146,895	69,193	766,831	3,137,700	21,510				5,142,129
Sold	0	(341,594)	(32,743)	(165,622)	(80,395)	0				(620,354)
Transfers & other changes	0	111,720	(8,023)	(4,767)	2,891	0				101,821
Balance on 20.03.2021	0	8,662,291	261,381	5,488,394	12,538,428	212,092	0	0	0	27,162,586
Year depreciation & value decrease	0	1,519,934	76,577	431,244	4,505,198	28,996				6,561,949
Sold	0	(88,489)	(4,839)	(50,261)	(85,222)	0				(228,812)
Transfers & other changes	0	(44,723)	(1,210)	0	0	0				(45,933)
Balance on 20.03.2022	0	10,049,012	331,908	5,869,377	16,958,404	241,088	0	0	0	33,449,790
Book value										
Balance on 21.03.2020	167,854,085	14,981,096	272,581	834,647	7,077,054	38,548	8,278,023	2,512,933	723,072	202,572,039
Balance on 20.03.2021	169,422,254	18,391,294	351,856	1,348,351	7,586,559	87,178	5,594,216	3,509,048	2,302,058	208,592,814
Balance on 20.03.2022	172,508,792	20,280,295	414,309	2,133,007	14,060,076	124,081	6,423,166	3,067,597	738,197	219,749,520

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17-12- **Bank's tangible fixed assets** Fixed assets have been evaluated as stated in explanatory note 8-3-2.

	Land	Building & Installations	Vehicles	Furniture & Appliances	Computer Accessories	Rented Properties Renovation	Properties under Construction	Capital Orders & Pre-payments	Capital Items in Warehouse	Total
	Million Rials	Million Rials	Million Rials	Million Rials	Million Rials	Million Rials	Million Rials	Million Rials	Million Rials	Million Rials
Cost Price – Revaluation										
Balance on 21.03.2020	164,651,614	19,945,133	436,812	4,637,132	5,536,308	229,130	8,201,469	531,119	695,065	204,863,782
Increase	2,079,633	889,788	101,216	1,180,195	1,755,083	70,140	2,778,161	834,217	4,612,413	14,300,846
Sold	(470,374)	(3,214,192)	(32,826)	(24,954)	(82,034)	0	0	0	0	(3,824,380)
Transfers & other changes	0	5,454,638	0	(295,360)	(290,082)	0	(5,454,638)	(282,396)	(3,158,379)	(4,026,217)
Balance on 20.03.2021	166,260,873	23,075,367	505,202	5,497,013	6,919,275	299,270	5,524,992	1,082,940	2,149,099	211,314,031
Increase	7,711,202	190,299	122,198	166,663	0	65,899	3,480,659	0	7,371,980	19,108,900
Sold	(667,674)	(97,510)	(393)	(51,491)	(84,128)	0	0	0	0	(901,196)
Transfers & other changes	0	2,831,959	0	864,639	8,721,385	0	(2,831,960)	(658,369)	(8,927,842)	(188)
Balance on 20.03.2022	173,304,401	26,000,115	627,007	6,476,821	15,556,532	365,169	6,173,691	424,571	593,237	229,521,547
Accumulated depreciation & decrease of accumulated value										
Balance on 21.03.2020	0	7,266,915	187,210	4,392,745	3,866,440	190,582				15,903,892
Year depreciation & value decrease	0	998,865	53,620	542,877	778,455	21,510				2,395,327
Sold	0	(137,604)	(32,743)	(24,954)	(80,395)	0				(275,696)
Transfers & other changes	0	111,028	0	(4,557)	4,558	0				111,029
Balance on 20.03.2021	0	8,239,204	208,087	4,906,111	4,569,058	212,092				18,134,552
Year depreciation & value decrease	0	1,280,990	63,047	314,276	2,220,725	28,996				3,908,034
Sold	0	(56,855)	(393)	(46,318)	(84,128)	0				(187,694)
Transfers & other changes	0	(59,492)	0	0	0	0				(59,492)
Balance on 20.03.2022	0	9,403,847	270,741	5,174,069	6,705,655	241,088	0	0	0	21,795,400
Book value										
Balance on 21.03.2020	164,651,614	12,678,218	249,602	244,387	1,669,868	38,548	8,201,469	531,119	695,065	188,959,890
Balance on 20.03.2021	166,260,873	14,836,163	297,115	590,902	2,350,217	87,178	5,524,992	1,082,940	2,149,099	193,179,479
Balance on 20.03.2022	173,304,401	16,596,268	356,266	1,302,755	8,850,877	124,081	6,173,691	424,571	593,237	207,726,147

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17-93- The book value of the revaluated land and building based on the cost price manner is as follows:

	20.03.2022		20.03.2021	
	Based on Cost Price	Based on Revaluation	Based on Cost Price	Based on Revaluation
	Million Rials	Million Rials	Million Rials	Million Rials
Land	15,556,184	173,304,401	8,270,882	166,260,873
Building	10,428,892	16,596,269	10,322,535	14,836,163
<b>Total book value of the revaluated land and building</b>	<b>25,985,076</b>	<b>189,900,670</b>	<b>18,593,417</b>	<b>181,097,036</b>

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17-24- The assets of the bank and foreclosed properties and key money, rental real states and inventories of warehouses totally in IRR 87,494 billion cost price and IRR 67,273 billion book value have been insured up to IRR 64,044,955,976 billion. Furthermore, according to note 1 of article 3 of the movable and immovable properties' fire insurance contract bearing No. 90/99/0004 dated September 3<sup>rd</sup>, September 2011 and extending from 23<sup>rd</sup> September 23<sup>rd</sup>, 2019 until 22<sup>nd</sup> September June, 24<sup>th</sup>, 2020-2021 for one month and since 22<sup>nd</sup> Sep June 22<sup>nd</sup>, 2020-2021 until March 203<sup>th</sup> September, 2021 has been extended via insurance policy monthly. If the insurer for any reason, characteristic and the value of the properties be omitted and do not being announced to the insurer, the insurer at the time of occurring accident, will compensate the occurred damage, subject to that the relevant insurance premium be paid to the insurer at the same time (at the time of damage payment).

If the insurer for any reason, characteristic and the value of the properties be omitted and do not being announced to the insurer, the insurer at the time of occurring accident, will compensate the occurred damage, subject to that the relevant insurance premium be paid to the insurer at the same time (at the time of damage payment).

17-35- Number of 78 of the bank's immovable real estates in IRR 42,065,998 billion and IRR 4,5731,583 Billion cost price and book value respectively do not have ownership documents or their ownership documents are in the name of others, that the bank is following up the issue and acquiring the ownership documents. Also, number of 44 of immovable properties in IRR 550,608 billion book value has endowed land. Furthermore, number of 50 of the bank's properties in IRR 48,75518,812 billion book value is in the name of the merged banks.

17-46- Accumulated depreciation of disposable movable property is removed from the books at the time of disposal.

17-57- Completing assets are mainly for projects in progress, constructing and repairing the management buildings and bank branches throughout the country including building of branches management of East Azarbayjan, Fars, Golestan, and Golestan-e-Pasdaran, and Jeyhoun crisis Management site.

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~~17-6-8-~~ The properties of the bank are insured based on value of the building, and according to this issue that, the land is not threatened by any dangers under cover, therefore insurance cover of the buildings and immoveable properties is sufficient.

~~17-9-Out of the amount of IRR 33,450 billion of accumulated depreciation, the amount of IRR 4,381 billion is related to the depreciation of reassessed assets in the years 1993 and 2005.~~  
~~17-7 The balance of trusty goods held with the bank is under the insurance cover in sum of IRR 300 Billion.~~

~~17-8-10-~~ The major increase in the bank's land heading during the year is related to the purchase of Luxe Talae land at the cost of IRR 6,200 billion to clear part of the debt of mellat construction company. ~~During fiscal year for the occurred damage to the bank's branches sum of IRR 68 billion has been collected from insurance Co. and is inserted in creditors heading.~~

~~17-9 The book value of the revaluated land and building based on the cost price manner is as follows:~~

	<u>20.03.2021</u>		<u>20.03.2020</u>	
	<u>Based on Cost Price</u>	<u>Based on Revaluation</u>	<u>Based on Cost Price</u>	<u>Based on Revaluation</u>
	<u>Million Rials</u>	<u>Million Rials</u>	<u>Million Rials</u>	<u>Million Rials</u>
Land	8,270,882	166,260,873	6,661,623	164,651,614
Building	10,222,525	14,826,162	7,102,208	12,678,218
Total book value of the revaluated land and building	<u>18,502,417</u>	<u>181,097,036</u>	<u>13,852,921</u>	<u>177,329,832</u>

~~17-10 Out of sum of IRR 18,135 billion accumulated depreciation sum of IRR 2,938 billion is related to revaluated assets depreciation of 1992 and 2014.~~

~~17-11 Main increase in heading land during period is related to buy Saba Boulevard and Khaled Eslamboli (private banking building) land in IRR 726 billion.~~

~~17-12 The main decrease in building and installations heading during period is related to sell Salsabil Hotel in IRR 3,026 billion cost value.~~

~~17-13 Disposing assets during period have been disclosed in classification level in Note 47-1. — 17-11- The balance of trusty goods held with the bank is under the insurance cover in sum of IRR 500 Billion.~~

#### ~~18- Intangible Assets~~

	Group		Bank	
	20.03.2022	20.03.2021	20.03.2022	20.03.2021
	Million Rials	Million Rials	Million Rials	Million Rials
Key money	15,190,188	14,445,425	11,466,693	11,454,579
Royalty of Using Public Services	42,725	38,703	20,665	20,665
Computer Software	12,767,091	10,916,263	11,875,679	10,341,653
	28,000,005	25,400,392	23,363,037	21,816,897
Deducted: Accumulated Depreciation	(5,548,887)	(4,140,558)	(4,777,353)	(4,140,588)
	<u>22,451,117</u>	<u>21,259,804</u>	<u>18,585,684</u>	<u>17,676,310</u>

#### 18-1- Group's Intangible Assets

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	Group				
	Goodwill of Business Place Million Rials	Software Million Rials	Software Development Million Rials	Royalty of suing public services Million Rials	Total Million Rials
<b>Cost Price</b>					
<b>Balance on 21.03.2020</b>	12,782,789	1,972,387	7,234,877	40,719	22,030,772
Increase during fiscal year	2,202,132	457,560	459,586	4,160	3,123,438
Sold	(91,689)	0	0	(946)	(91,635)
Transfers & other changes	(351,724)	691,724	0	(1,183)	338,817
<b>Balance on 20.03.2021</b>	14,541,508	3,121,671	7,694,463	42,750	25,400,392
Increase during fiscal year	796,506	891,077	263,219	(24)	1,950,778
Increase (decrease) from revaluation	0	39,558	0	0	39,558
Sold	(46,416)	0	0	0	(46,416)
Transfers & other changes	(101,410)	622,024	135,079	0	655,693
<b>Balance on 20.03.2022</b>	15,190,188	4,674,331	8,092,761	42,726	28,000,005
<b>Accumulated Depreciation &amp; Accumulated Value Decrease</b>					
<b>Balance on 21.03.2020</b>	36,540	906,180	2,780,284	3,384	3,726,388
Year depreciation	59,544	342,453	14,254	661	416,912
Transfers & other changes		573		(3,285)	(2,712)
<b>Balance on 20.03.2021</b>	96,084	1,249,206	2,794,538	760	4,140,588
Year depreciation	149,036	528,759	275,848	(411)	953,232
Transfers & other changes	0	455,068	0	0	455,068
<b>Balance on 20.03.2022</b>	245,120	2,233,033	3,070,386	349	5,548,888
<b>Book Value</b>					
On 21.03.2020	12,746,249	1,066,207	4,454,593	37,335	18,304,384
On 20.03.2021	14,445,424	1,872,465	4,899,925	41,990	21,259,804
On 20.03.2022	14,945,068	2,441,298	5,022,375	42,377	22,451,117

#### 18-1- Bank's Intangible Assets

	Bank				
	Goodwill of Business Place Million Rials	Software Million Rials	Software Development Million Rials	Royalty of suing public services Million Rials	Total Million Rials
<b>Cost Price</b>					
<b>Balance on 21.03.2020</b>	11,480,129	1,716,962	7,234,877	20,668	20,452,636
Increase during fiscal year	18,691	193,510	686,081	0	898,282
Sold	(91,689)	0	0	(3)	(91,692)
Transfers & other changes	47,448	510,223	0	0	557,671
<b>Balance on 20.03.2021</b>	11,454,579	2,420,695	7,920,958	20,665	21,816,897
Increase during fiscal year	58,530	820,544	263,219	0	1,142,293
Sold	(46,416)	0	0	0	(46,416)
Transfers & other changes	0	315,184	135,079	0	450,263
<b>Balance on 20.03.2022</b>	11,466,693	3,556,423	8,319,256	20,665	23,363,037

**Accumulated Depreciation & Accumulated Value Decrease**

<b>Balance on 21.03.2020</b>	0	799,646	2,780,284	0	3,579,930
Year depreciation	0	128,951	431,706	0	560,657
Transfers & other changes	0	0	0	0	0
<b>Balance on 20.03.2021</b>	0	928,597	3,211,990	0	4,140,587
Year depreciation	0	360,918	275,848	0	636,766
Transfers & other changes	0	0	0	0	0
<b>Balance on 20.03.2022</b>	0	1,289,515	3,487,838	0	4,777,353
<b>Book Value</b>					
On 21.03.2020	11,480,129	917,316	4,454,593	20,668	16,872,706
On 20.03.2021	11,454,579	1,492,098	4,708,968	20,665	17,676,310
On 20.03.2022	11,466,693	2,266,908	4,831,418	20,665	18,585,684

18-1- The book value of key money of business place that is revaluated based on cost price is as follows:

	20.03.2022		20.03.2021	
	Based on Cost Price	Based on Revaluation	Based on Cost Price	Based on Revaluation
	Million Rials	Million Rials	Million Rials	Million Rials
Key money of business place	33,049	11,466,693	27,960	11,454,579

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18-2-For the purchase of 1 item of the bank's good will at the cost of IRR 116 billion, the promissory note has been prepared in a normal way and outside the official deed offices.

## 19- Legal Deposit

	Group		Bank	
	20.03.2022	20.03.2021	20.03.2022	20.03.2021
	Million Rials	Million Rials	Million Rials	Million Rials
Legal deposit – deposits of branches of main land – Rials	568,987,549	377,186,703	568,987,549	377,186,703
Legal deposit – deposits of branches of free zones – Rials	3,019,091	21,815	3,019,091	21,815
Legal deposit held with central banks of other countries	2,864,584	2,917,979	2,864,584	2,917,979
	574,871,224	380,126,498	574,871,224	380,126,497

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19-1- The legal deposit held with the CBI has been calculated in executing clause 3 of article 14 of monetary and banking law and based on the rates set by monetary and credit council and it is confirmed by the CBI.

19-2- No legal deposit is held with the CBI for deposits in foreign currency of the main land and free zones branches.

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## 20- Other Assets

	Note	Group		Bank	
		20.03.2022	20.03.2021	20.03.2022	20.03.2021
		Million Rials	Million Rials	Million Rials	Million Rials
Net debt of clients for time L/Cs	20-1	261,623,040	116,395,182	261,623,040	116,395,182
Foreclosed collaterals	20-2	25,183,851	24,631,020	25,183,851	24,631,020
Ready for sail assets	20-4	2,941,785	3,071,314	2,768,553	2,832,263
Items in transit	20-5	14,526,698	56,576,182	14,526,698	56,576,182
Gold and silver	20-6	11,483,566	6,308,034	11,430,169	6,308,034
Tax stamp		42,189	28,578	42,189	28,578
Consumables items of warehouse		2,239,148	2,953,455	1,764,098	2,128,887
other		4,355,146	2,689,411	0	(1)
Total of other assets		<u>322,395,423</u>	<u>212,653,175</u>	<u>317,338,600</u>	<u>208,900,145</u>

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## 20-1- Net clients' debt for time L/Cs

		20.03.2022	20.03.2021
		Million Rials	Million Rials
Clients debts for time L/Cs (Rials)		75,807,119	24,053,231
Clients debts for time L/Cs (Foreign Currency)		189,882,020	94,406,696
<b>Total clients debts for time L/Cs deducted:</b>		265,689,139	118,459,928
Advance-received and interim received of time L/Cs(Rials)		0	0
Advance-received and interim received of time L/Cs – Foreign currency		(81,991)	(292,230)
Doubtful loans reserve	20-1-1	<u>(3,984,107)</u>	<u>(1,772,515)</u>
<b>Net clients debt for time L/Cs</b>		<u>261,623,040</u>	<u>116,395,182</u>

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## 20-1-1- Turnover of doubtful loans reserve is as table below:

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	20.03.2022	20.03.2021
	Million Rials	Million Rials
Balance at the beginning of year	1,772,515	132,413
Collected	0	0
Bad debt	0	0
Increase or decrease during year	2,211,592	1,640,102
<b>Balance at the end of year</b>	<b>3,984,107</b>	<b>1,772,515</b>

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## 20-2- foreclosed collaterals

The combination of foreclosed collaterals is as follows:

Nature	20.03.2021	foreclosed during period	Selling/assigning during period	Adjustments	20.03.2022
	Million Rials	Million Rials	Million Rials	Million Rials	Million Rials
Moveable					
Furniture	33,959	0	0	0	33,959
Equipment	2,662,537	64,698	(110,030)	(1,895,524)	757,681
Vehicles	108,419	17,350	(58,860)	0	66,909
Shares(explanatory 20-3)	10,544,578	0	0	0	10,544,578
Total movable foreclosed collaterals	13,349,493	82,048	(168,890)	(1,895,524)	11,403,127
Immoveable					
Residential	3,703,994	707,042	(498,259)	0	3,912,777

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Commercial/Administrative	3,621,117	691,222	(487,111)	0	3,825,228
Factory	2,819,007	288,501	(125,834)	1,859,524	4,841,198
Land	1,137,409	217,116	(153,004)	0	1,201,521
Total immovable foreclosed collaterals	11,284,527	1,903,881	(1,264,208)	1,859,524	13,780,724
Total foreclosed collaterals	<b>24,631,020</b>	<b>1,985,929</b>	<b>(1,433,098)</b>	<b>0</b>	<b>25,183,851</b>
Accumulated value decrease	0				0
Total foreclosed collaterals	<b>24,631,020</b>				<b>25,183,851</b>
Profit (loss) from sale	<b>4,797,664</b>				<b>1,758,005</b>

20-2-1- Age analysis of the rest of moveable and immoveable foreclosed collaterals are as follows:

Nature	20.03.2022	20.03.2021
	Million Rials	Million Rials
Less than one year since foreclosing date	1,985,929	13,948,542
One to two years since foreclosing date	13,714,934	3,355,811
More than two years since foreclosing date	9,482,988	7,326,667
	<b>25,183,851</b>	<b>24,631,020</b>

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20-2-2- The number of foreclosed properties that is occupied by other parties is 957,885 in IRR 5,3076,408 billion cost price that 103,18 of which in IRR 672,48 billion do not have ownership documents.

20-2-3- The profit of selling foreclosed pledges has been disclosed in explanatory note 47,44 of the profit and loss statement.

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20-3-This heading is mainly related to the shares acquired by Falahtian brothers. By virtue of the court order No. of 5,054 million of bank Saderat stocks owned by Falahatiyan brothers against dues from that group separated and based on the conducted agreements in economic crimes court the ownership of the account has transferred to the Mellat financial group through bank Mellat brokerage and central securities depository company and funds settlement. No. of 439 million of stocks have been sale during the year of 2021 and the relevant funds transferred to the bank. The balance of stocks on March 03, 2021-2022 is IRR 10,523 billion (4,615 million stocks).

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20-34- Assets ready to sell have been classified based on circular No.3247/18 issued by the board of directors of the bank on March 03<sup>rd</sup>, 2014 and circular No.3274/74 issued by the board of directors of the bank on July 07<sup>th</sup>, 2014 that is published in wide-circulation newspapers several times. It is worth to note that the number of 24 of real states ready for sale in IRR 54 billion book value do not have ownership document or the land is endowed or the ownership document is in the name of merged banks or in the name of the others.

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20-4-5 Items in transit at the time of balance sheet are as follows:

Note	20.03.2022	20.03.2021	Note	20.03.2022	20.03.2021
					Represented

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	debit	debit		credit	credit
	Million Rials	Million Rials		Million Rials	Million Rials
Center / Rials	5,393,532	0	Center / Rials	0	6,017,309
Branches/Rial	183,101	18,517,436	Center / Foreign Currency	723,417	2,608,037
local debtors / Rials	45,913,315	102,653,987	local creditors / Rials	13,545,732	29,298,288
local debtors / Foreign Currency	3,299,111	2,551,981	local creditors / Foreign Currency	42,003,144	42,351,327
Capital paid to foreign branch (in foreign currency)	1,466,201	1,466,201	Capital of foreign branches	1,466,201	1,466,201
Surplus Resources	2,330	55,108,321	Surplus Resources	0	55,105,991
Legal deposit of free zone's branches	2,931,726	3,411,269	Legal deposit of free zone's branches	2,934,003	3,413,546
Sight deposit held with foreign Branches	30,647,757	29,920,886	Sight deposit of foreign branches held with each other	1,648	1,410
Sight deposit of foreign branches held with each other	90,756	76,265	Term deposits of the headquarters	121,413	165,728
Dues from Head quarters	978,276	834,772	Sight Deposit of Foreign Branches held with us	15,583,848	17,537,099
	90,916,105	214,541,118		76,379,407	157,964,936
Items in transit	14,526,698	56,576,182			

20-4- The balance of internal debtors and creditors are as follows, in Rial:

20-45-2-1- The balance of internal creditors in Rial are, as follows:

20-5-1- local debtors in Rial			
	Note	20.03.2022	20.03.2021
		Million Rials	Million Rials
Withdrawn funds from core accounts		3,696,548	64,132,884
Past liabilities in foreign currency	20-5-1-1	36,146,875	36,146,875
other items		6,069,892	2,374,228
		45,913,315	102,653,987

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20-45-1-1- The headings of local debtors in Rial and local creditors in foreign currency is stated as intermediary headings of branches and international division in sum of IRR 36,147 Billion for the past liabilities in foreign currency subject to the Circular No.60/1015 that the provisions of letter No.1225/B.M. issued by supervision on banks and credit institutions management – Department of banking research and regulations of the CBI the subject of guidelines of the manner of issuing and registering of accounting documents related to operations in foreign currency have been observed.

20-5-2- sundry debtors in IRR is as follows:

20-5-2- local creditors in Rial			
	Note	20.03.2022	20.03.2021
		Million Rials	Million Rials
Remitted fund to JAM account		7,570,704	23,262,951
Subsidy of SMEs		554	655
other items		5,974,474	6,034,682
		13,545,732	29,298,288

20-4-3- About the abovementioned note, the provisions of letter No.1225/B.M. issued by supervision on banks and credit institutions management – Department of banking research and regulations of the CBI the subject of guidelines of the manner of issuing and registering of accounting documents related to operations in foreign currency have been observed.

20-4-4- The main amounts of Center /Rial and Center / foreign currency and local debtors and creditors subject to note 20-4-1 and 20-4-2 are related to credit and withdrawal to/from SHETAB, SATNA, clearing, SHAPARAK systems, etc. with branches and divisions that have been mainly settled until the date of financial statements.

20-6-The increase in the above amount is mainly due to the purchase of gold bullion by the bank.

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## 21- Dues to banks and other credit institutions

		Group		Bank	
		20.03.2022	20.03.2021	20.03.2022	20.03.2021
		Million Rials	Million Rials	Million Rials	Million Rials
<b>Central Bank</b>					
Sight deposit – foreign currency		332	76,937	332	76,937
Time deposit – foreign currency	21-2	854,723,453	752,314,891	854,723,453	752,314,891
Debt for previous FX liabilities (circular No.60/1015 of the CBI)	10-2-2-1	17,804,554	17,804,554	17,804,554	17,804,554
Debt for difference of foreign currency rate		35,719	35,787	35,719	35,787
Rials Current deposit of state-owned institutes (in CBI representative)		132,583	103,645	132,583	103,645
facilities received from CBI – Rials	21-2	11,005,092	19,517,182	11,005,092	19,517,182
Debit for OSF	21-3	3,955,968	3,699,424	3,955,968	3,699,424
Paid interest of facilities received from CBI	21-2	7,432,586	7,472,417	7,432,583	7,472,417
Other	21-4	73,487,420	95,865,740	73,487,420	95,865,740
Total debt to the CBI		968,577,707	896,890,578	968,577,707	896,890,578
<b>Domestic Banks and Credit Institutions</b>					
Sight deposit – Rial		3,314,539	3,564,820	3,314,539	3,564,820
Received facilities- Rial		4,901,960	7,405,599	0	0
Sight deposit – foreign currency		15,066,616	14,334,516	15,066,616	14,334,516
Total dues to the banks and credit institutions		23,283,115	25,304,934	18,381,155	17,899,335
<b>Foreign Banks</b>					
Sight deposit – foreign currency		33,928,276	29,356,447	4,601,173	5,126,051
Facilities received - foreign currency		0	29,757	0	29,757
Total debt to the foreign bank		33,928,276	29,386,203	4,601,173	5,155,807
Total debt to the banks and other credit institutions		1,025,789,099	951,581,716	991,560,036	919,945,720

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~~21-1- Facilities received from the OSF is related to 9 facilities, 8 of which have been settled and the funds of 6 facilities have been remitted to the OSF account during the year in form of article 20 of Law of removing production barriers. The banks profit share's out of this type of facilities is 60 percent of receivable profit and delay payment charges.~~

~~21-21- The amount of IRR 799,154 billion Rials from Abovementioned-abovementioned FX time deposit is mainly related to 16-14 FX deposits of the CBI held with bank Mellat totally in sum of EUR 3,633 million for granted facilities out of energy fund-and reason of its increase is because of foreign currency translation. In spite of rendered deadline to the ministry of petroleum affiliated companies in budget low of 2019 up to 2021 for forbearance, the CBI has not extended the abovementioned deposits in maturity date and its extension is subject to issuance of permission from government (council of ministers) and rendering documents of allocating above facilities to the affiliate state-owned of ministry of petroleum and the proof of using from aforementioned amounts for financing upstream plan of oil and gas.~~

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21-32- Sum of IRR ~~19,11,517,005~~ billion for facilities received from the CBI include sum of IRR 19,000 billion credit line with 17.5 percent rate and ~~1-year up to 21th June 2022~~ maturity date. ~~That, the, amount of IRR 8,272 billion of principal and IRR 3,284 billion of interest has been settled from the second type treasury settlement bonds. Sum of IRR 7,342 billion is the profit of aforementioned credit lines.~~

21-3- The debt for the foreign currency reserve account is mainly related to the Narmeh Azerbaijan paper company in the amount of EUR 14 million at a rate of 2% plus LIBOR<sup>6</sup>.

21-4- Most of the mentioned amount is related to Shetab transactions amounting to IRR 71,804 billion, which are mostly settled daily.  
~~Sum of IRR 8,921 billion is the profit of aforementioned credit lines.~~

## 22- Deposits of Clients

		Group		Bank	
		20.03.2022	20.03.2021	20.03.2022	20.03.2021
		Million Rials	Million Rials	Million Rials	Million Rials
<b>Real Clients</b>					
Sight deposits and the like	22-1	645,795,771	495,026,434	649,257,223	495,026,434
Saving deposits and the like	22-2	325,525,596	445,040,688	325,525,596	445,040,688
Total deposits of real clients		<b>971,321,367</b>	<b>940,067,122</b>	<b>974,782,819</b>	<b>940,067,122</b>
<b>Legal Clients</b>					
Sight deposits and the like	22-1	853,541,036	433,877,668	853,396,076	460,191,458
Saving deposits and the like	22-2	623,372,817	335,181,853	623,372,817	335,181,853
Other deposits & advance-received	22-3	220,320,003	114,808,211	216,667,156	110,676,103
Total legal customers deposits		<b>1,697,233,856</b>	<b>883,867,732</b>	<b>1,693,436,049</b>	<b>906,049,415</b>
Total customers' deposits		<b>2,668,555,223</b>	<b>1,823,934,854</b>	<b>2,668,218,868</b>	<b>1,846,116,537</b>

### 22-1- Sight deposits and the like of real and legal customers

		Group		Bank	
		20.03.2022	20.03.2021	20.03.2022	20.03.2021
		Million Rials	Million Rials	Million Rials	Million Rials
Interest-free current deposits – Rial		1,359,757,573	786,095,671	1,359,757,573	807,925,508
Interest-free current deposits – foreign currency		66,089,641	78,640,755	62,726,812	75,830,118
Types of sold banking check	22-1-1	23,867,644	30,500,723	23,867,644	30,500,723
TTs on bank – Rial		70,666	44,413	70,666	44,413
TTs on bank – foreign currency		37,977	403	37,977	403
Unused managed funds in Rial		1,923,978	3,505	1,923,978	3,505
Sundry creditors – Rial		7,645,248	4,277,238	14,265,413	11,571,829

<sup>6</sup> London Inter Bank Offered Rate

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Sundry creditors – foreign currency	22-1-2	30,417,828	21,322,038	30,476,983	21,322,038
Unclaimed balance – Rials		9,327,616	7,852,786	9,327,616	7,852,786
Unclaimed balance – foreign currency		198,636	166,569	198,636	166,569
<b>Total sight deposits and the like</b>		<b>1,499,336,807</b>	<b>928,904,102</b>	<b>1,502,653,298</b>	<b>955,217,892</b>

22-1-1- Types of sold banking checks are related to inter-city checks of issuing branch, coded checks of other branches and inter-bank checks of other banks that issues by the customers' requests and they will be settled within 24 hours.-

22-1-2- The balance of this heading is mainly for undone TTs in foreign currency of the customers.

22-2- Saving deposits and the like of real and legal customers:

		Group		Bank	
		20.03.2022	20.03.2021	20.03.2022	20.03.2021
		Million Rials	Million Rials	Million Rials	Million Rials
Saving interest-free deposits – Rial		326,049,340	244,704,017	326,049,340	244,704,017
Saving interest-free deposits – foreign currency		68,046,077	58,918,944	68,046,077	58,918,944
Saving deposit – foreign branches	22-2-1	553,229,750	475,677,310	553,229,750	475,677,310
Staff deposit account		1,462,757	806,657	1,462,757	806,657
Special unused interest-free deposits		110,489	115,614	110,489	115,614
<b>Total saving deposits and the like</b>		<b>948,898,413</b>	<b>780,222,542</b>	<b>948,898,413</b>	<b>780,222,542</b>

22-2-1 include interest-free deposits held with the Seoul Branch of South Korea that have been translated at the end of fiscal the year (leading to 20<sup>th</sup> March 2022).

22-3- Other deposits and advance-received amounts

	Group		Bank	
	20.03.2022	20.03.2021	20.03.2022	20.03.2021
	Million Rials	Million Rials	Million Rials	Million Rials
Cash deposits of LGs – Rial	106,401,906	24,658,698	106,401,906	24,658,698
Cash deposits of LGs – foreign currency	7,879,220	7,761,033	7,879,220	7,761,033
Advance -received amount for L/Cs – Rial	20,008,321	5,883,134	20,008,321	5,883,134
Advance -received amount for L/Cs – foreign currency	70,709,034	66,469,856	70,709,034	66,469,856
Internal Advance -received amount for L/Cs	587,536	0	587,536	0
Other Advance -received amounts	14,733,986	10,035,490	11,081,140	5,903,382
<b>Total other deposits and advance-received</b>	<b>220,320,003</b>	<b>114,808,211</b>	<b>216,667,156</b>	<b>110,676,103</b>

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### 23- Payable Dividend

		Group	
		20.03.2022	20.03.2021
		Million Rials	Million Rials
Payable dividend of the bank	23-1	399,272	163,627
Payable dividend of subsidiary companies		160,505	320,978
Total		<b>559,777</b>	<b>484,605</b>

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### 23-1- Payable dividend of the ~~parent company~~ bank is as follows:

	EPS	Approved dividend	Balance on 20.03.2021	Payable Dividend during year 20.03.2022	Capital injection out of dues	Balance on 20.03.2022
	Rials	Million Rials	Million Rials	Million Rials	Million Rials	Million Rials
Previous years			163,627	(85,782)	0	77,846
Fiscal year ending on 20.03.2021	66	13,664,829	0	(13,343,403)	0	321,426
Total			<b>163,627</b>	<b>(13,429,185)</b>	<b>0</b>	<b>399,272</b>

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### 23-2-The cash profit per share for the years 2020 and 2021 are IRR 26 and IRR 66 respectively.

### 24- Operation Tax Reserve

The tax reserve turnover is as follows:

	Group		Bank	
	20.03.2022	20.03.2021	20.03.2022	20.03.2021
	Million Rials	Million Rials	Million Rials	Million Rials
Balance at beginning of year	153,716,269	21,005,447	149,873,188	18,166,680
Operation tax reserve of year	2,987,580	38,972,202	0	36,354,546
Operation tax of previous years amendment	29,986,552	114,055,921	30,000,000	113,905,059
Operation tax of previous years amendment- From the location of other reserves	57,984	0	0	0
Paid during the year	(74,779,789)	(20,317,301)	(71,607,162)	(18,553,097)
Relevant operation tax reserve	111,968,596	153,716,269	108,266,026	149,873,188
Tax advance payments	(17,219)	0	0	0
Balanced at the end of the year	<b>111,951,377</b>	<b>153,716,269</b>	<b>108,266,026</b>	<b>149,873,188</b>

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24-1- Income tax of the bank for all years before ~~2016~~2018 has been finalized and settled and the summary of tax status of the bank for operation years of 2015 up to 2020-2022 is as follows:  
Amounts in Million Rials

Fiscal Year	Declared Profit	Income subject to tax declared	Tax				Reserve Balance	Reserve Balance	Recognition Method
			Declared	Recognized	Definite	Paid	20.03.2022	20.03.2021	
20.03.2016	13,179,119	3,948,305	789,661	12,452,772	7,050,471	7,145,059	0	0	Book inspection
20.03.2017	7,211,999	647,150	129,430	11,209,868	7,735,448	8,449,846	0	0	Book inspection
20.03.2018	11,395,991	3,200,656	640,131	16,958,801	15,674,290	15,579,411	0	15,579,411	Book inspection
20.03.2019	123,897,482	2,100,000	420,000	110,188,262	86,363,746	86,361,277	0	56,027,750	Book inspection
20.03.2020	68,842,369	43,660,080	8,732,016	132,276,741	0	6,544,120	41,911,480	41,911,480	Book inspection
20.03.2021	245,072,131	181,772,730	36,354,546	148,091,219	0	0	66,354,546	36,354,546	Book inspection
20.03.2022	187,593,789	139,172,651	0	0	0	0	0	0	Uninspected
<b>Total</b>			47,065,784	431,177,663	116,823,955	124,079,713	108,266,026	149,873,188	

~~24-2 about probable debt to the tax affairs organization, besides the reserved amount in payable tax heading, the required reserves is in existed in other reserve heading.~~

~~24-32-~~ With regard to settling the balance of tax debts until March 20<sup>th</sup>, 2015, the relevant liquidation certificate has been taken until March 20<sup>th</sup>, 2015.

~~24-4-3~~ Based on definite operation tax slip of 2015 fiscal year bearing No. 69593520 dated Dec 22ed, 2019 sum of IRR 7,~~445-050~~ Billion has been claimed from the bank that totally has been paid, furthermore in executing legal regulations after objection and following up from high tax council, the issues has been returned to board of appeal, again.

~~24-54-~~ Based on definite operation tax slip No.61139794 dated March 10<sup>th</sup>, 2019 sum of IRR 8,481 Billion has been claimed from the bank that has been paid totally and in line with the banks objection to the mentioned tax by virtue of verdict No. D/201/10523 dated September 21 2019 of the high tax council the case has transferred to another tax dispute resolution board that ~~based on according to the definitive tax sheet No. 81795387 dated 26<sup>th</sup> June 2022 the report of executing contract~~, at least sum of IRR ~~656-714~~ billion extra paid tax would be return to the bank- ~~which was decided to be cleared with the tax debt of the year 2019.~~

~~24-6-5-~~ Based on operation recognition tax slip No.24686092 dated January 12, 2019 for fiscal year from March 21, 2017 to March 20, 2018 sum of IRR 16,958 Billion has been claimed from the bank that ~~according to the definitive tax sheet No. 97151341 dated 2th June 2021 by virtue of the vote of problem resolving council of initial tax No. 87394811 dated January 9<sup>th</sup>, 2021~~ the abovementioned tax has been ~~certained decreased~~ to IRR 15,674 Billion and ~~completely settled and~~ the bank has objected in executing legal regulation and the case has been referred to the ~~supreme tax council~~. ~~-It shall be mentioned that no definite tax slip has been noticed to the bank up to now.~~

~~24-7-~~ Based on operation recognition tax slip No.100000094523476 for fiscal year from March 21, 2018 to March 20<sup>th</sup>, 2019 dated March 29<sup>th</sup>, 2021 sum of IRR 86,364 billion has been claimed from the bank that despite of the CBI obligation to translation of monetary items with IRR 75,000 for USD and IRR 85,000 for EUR, it has been translated by NIMA rate by Tax affairs organization experts and based on that act to issue recognition slip. The bank has act in executing legal regulations in legal due date for objecting and following up the issue from tax dispute resolution board.

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24-86- Based on operation recognition tax slip of fiscal 2019-2018 fiscal year bearing No. 94079338-58724850 dated March-Dec 13<sup>th</sup> 20<sup>th</sup>, 2021-2019 sum of IRR 42110,277-188 billion been claimed from the bank that despite of the CBI obligation to translation of monetary items with IRR 9075,000 for USD and IRR 40285,000 for EUR, it has been translated by NIMA rate by Tax affairs organization experts and based on that act to issue recognition slip. Based on the definitive tax sheet No. 94523476 dated March 29<sup>th</sup> 2021 the bank's tax has been certified to IRR 86,364 Billion and completely settled. The but the bank has act in executing legal regulations in legal due date for objecting and following up the issue from tax dispute resolution board- that according to the decision of the Supreme Tax Council, the case has been referred to the resolution of the tax dispute under Article 257.

24-7- Based on operation recognition tax slip of fiscal 2019 fiscal year bearing No. 94079338 dated March 13<sup>th</sup>, 2021 sum of IRR 132,277 billion been claimed from the bank that despite of the CBI obligation to translation of monetary items with IRR 90,000 for USD and IRR 102,000 for EUR, it has been translated by NIMA rate by Tax affairs organization experts and based on that act to issue recognition slip. But the bank has act in executing legal regulations in legal due date for objecting and following up the issue from tax dispute resolution board that according to the decision of the report on the implementation of the order of the first instance board No. 21298 dated December 26<sup>th</sup> 2021, the abovementioned tax has been reduced to the amount of IRR 49,170 billion.

24-98- Based on operation recognition tax slip of fiscal 2020 fiscal year bearing No. 121165578 dated April 6<sup>th</sup>, 2022, sum of IRR 148,091 billion been claimed from the bank that despite of the CBI obligation to translation of monetary items with IRR 159,000 for USD and IRR 190,000 for EUR, it has been translated by NIMA rate by Tax affairs organization experts and based on that act to issue recognition slip. But the bank has act in executing legal regulations in legal due date for objecting and following up the issue from tax dispute resolution board.

24-9-According to Clause F, Note 2 of the 2022 budget law, the bank's performance tax for the current year has been calculated at a zero rate. Sum of IRR 36,355 Billion reserve has been considered in the accounts for operating tax of 2020.

24-10 the surplus of paying tax proportionate to the definite slip is for relevant penalties.

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## 25- Reserves and Other Dues

		Group		Bank	
		20.03.2022	20.03.2021	20.03.2022	20.03. 2021
		Million Rials	Million Rials	Million Rials	Million Rials
Facilities received from National Development Fund	25-1	1,220,494,744	1,065,308,204	1,220,494,744	1,065,308,204
Profit of participation period NDF share		292,626,762	219,120,356	292,626,762	219,120,356
Dues to the government		1,126,942	919,206	1,126,942	919,206
Bank's dues for L/Cs and time drafts- foreign currency		189,882,020	94,406,697	189,882,020	94,406,697
Bank's debt for L/Cs and time drafts- Rials		75,807,119	24,053,444	75,807,119	24,053,444
Administrative expenses reserve		4,962,431	2,581,811	3,994,909	2,367,301
Withholding payable taxes		2,469,796	2,626,448	202,071	704,100
Payable membership fee of deposits guarantee fund	25-2	4,380,515	1,861,262	4,380,515	1,861,262
Leave redemption reserve		9,246,322	7,239,580	9,246,322	7,239,580
Article 17 of removal production barriers	25-3	5,837,851	7,281,445	5,837,851	7,281,445
Other reserves and dues	25-4	70,566,033	55,225,382	5,925,311	6,149,138
<b>Total reserves and other dues</b>		<b>1,877,400,535</b>	<b>1,480,623,837</b>	<b>1,809,524,566</b>	<b>1,429,410,734</b>

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## 25-1- Loans received from National Development Fund at the date of balance sheet are as follows:

Received Amount	Currency- Date Received – Final Due Date –Number of Installments		Interest Rate	FX Loans Balance	loans balance
			%	Foreign Currency	Million Rials
677,531,756	USD – 2017-2017	6	6	677,531,756	135,506,351
10,799,111,111	INR – 2013- 2013	6	6	10,799,111,111	28,323,018
4,065,890,288	EUR – 2014- on Paying	10	6 & 8	3,862,836,242	849,828,167
585,225,000	JPY – 2017-2021	5	6 & 8	585,225,000	977,938
5,613,688,956	CNY – 2013-2021	6	6 & 8	5,461,243,151	171,050,746
190,416,726,697	KRW – 2019-2020	5	3.5	190,416,726,920	31,287,586
64,911,219	AED-2017-2022	5	6 & 8	64,911,219	3,520,937
<b>Total facilities received from the National Development Fund</b>					<b>1,220,494,744</b>

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25-1-1- received facilities from NDF are allocated based on conducted contracts as description note 12-3-1 and 13-5 and repayment facilities will be done in accordance with FX repayment (definite) tables and schedules announced by NDF. The bank has considered 40% and in some cases 20% profit of the paid facilities out of NDF resources as commission and accepting risk (repayment of principal and interest of the facilities) in the accounts.

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25-2- In implementing Article 7 and clause 1 of Article 9 of the bylaw the amount and manner of receiving membership in Deposits Guarantee Fund subject of the approval No.H4837/T/100998 issued by the council of ministers on July 24, 2013, the amount of IRR ~~78,030-892~~ Billion has been paid and IRR ~~44,864-380~~ Billion has been considered as reserve in the accounts. Also, based on note 2 of Article 9 of the abovementioned bylaw, Deposits Guarantee Fund should determine the membership fee of credit institutes but it has not been noticed to the bank so far.

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25-3-The bank's position about tax clauses B and P of article 17 of competitive production obstacles removal law of the country is as follows:

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25-3-1- Regarding tax clauses B and P of article 17 of competitive production obstacles removal law for 2016 of relevant tax area via claim slip bearing No. 44431733 dated March 6<sup>th</sup>, 2018, sum of IRR 11,996 billion has been claimed that the tax relevant to clause B for non-banking investments by virtue of definite tax slip No.69675816 dated Dec 29<sup>th</sup>, 2019, in sum of IRR 7,241 billion has been approved and paid the bank has objected to this issue due to the manner of calculation stocks income and by virtue of definite slip No. 72953231 dated Aug 15<sup>th</sup>, 2020 sum of IRR 5,333 billion has been set off as surplus paid tax with operation tax of 2018, and clause P tax (surplus properties) by virtue of definite slip No. 77821975 dated Jul 5<sup>th</sup>, 2021, has been decreased from IRR 2,000 billion to IRR 48 billion and has been paid according to the report of implementation order No. 11739 dated Aug 20, 2020.

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25-3-1-2 For clauses B and P tax of article 17 of competitive production obstacles removal law for ~~2017~~2017, the relevant tax area via claim slip bearing No. 61136462 dated March 10<sup>th</sup>, 2019 sum of IRR 21,171 billion has been claimed that the bank has objected to this issue due to the manner of calculation and regarding to the received confirmation from the CBI by virtue of letter No. 0020/506 dated December 31<sup>st</sup>, 2019 that and clause B tax by virtue of definite slip No. 74991871dated December 14, 2020, has been decreased from IRR 9,000 billion to IRR 1,810 billion. Meanwhile, the tax of clause P by virtue of definite slip No. 79135644 dated Aug 24<sup>th</sup>, 2021, has been decreased from IRR 12,000 billion to IRR 156 billion and has been paid.

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~~is in the implementation part of initial board order and it is anticipated that it would be decreased from IRR 12,000 billion to IRR 1,000 billion.~~

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25-3-23- For clause B and P tax of article 17 of competitive production obstacles removal law of 2018, the relevant tax area via claim slip bearing No. 69667958 dated December 28<sup>th</sup>, 2019 sum of IRR 71,229 billion has been claimed that the bank has acted in executing legal regulations in legal due date for objection and following up the issues from tax dispute resolution boards and by virtue of tax definite slip No. 76358982+ dated March 13<sup>th</sup>, 2021 the amount of tax has been decreased to IRR 1,239 billion and has been paid.

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25-3-3-4. For clauses B and P tax of article 17 of competitive production obstacles removal law of 2019- ~~and 2020, 2021~~ by virtue of circular No. 200/99/6 dated ~~April-Feb 8<sup>th</sup>, 2019-2021~~ of the tax affairs organization and also reducing fixed assets ratio under %75 it is anticipated that sum of IRR ~~692-703 billion, IRR 3,853 billion and IRR 430 billion~~ being claimed from bank due to the stocks profit.

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25-4- The majority of the above amounts are related to the technical reserves of Ma insurance company for the current year and 2020 in the amount of IRR 46,175 billion and IRR 28,324 billion respectively.

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## 26- Severance payment and retirement liabilities reserve

	Group					
	20.03.2022			20.03.2021		
	severance payment Reserve	Staff retirement liabilities reserve	Total	severance payment Reserve	Staff retirement liabilities reserve	Total
	Million Rials	Million Rials	Million Rials	Million Rials	Million Rials	Million Rials
Balance at beginning of year	38,863,343	92,467,476	131,330,819	18,436,394	19,465,674	37,902,068
Paid during the year	(3,548,893)	(14,866,703)	(18,415,596)	(1,522,090)	(9,589,763)	(11,111,852)
Secured reserve during the year	15,824,568	98,315,944	114,140,512	21,949,039	82,591,564	104,540,603
Balance at the end of the year	51,139,018	175,916,716	227,055,735	38,863,343	92,467,476	131,330,819

	Bank					
	20.03.2022			20.03.2021		
	Severance payment reserve	Staff retirement liabilities reserve	Total	Severance payment Reserve	Staff retirement liabilities reserve	Total
	Million Rials	Million Rials	Million Rials	Million Rials	Million Rials	Million Rials
Balance at beginning of year	37,161,202	92,467,476	129,628,678	17,237,275	19,465,674	36,702,949
Paid during the year	(3,985,268)	(14,866,703)	(18,851,972)	(1,854,277)	(9,589,763)	(11,444,039)
Secured reserve during the year	15,314,583	98,315,944	113,630,527	21,778,204	82,591,564	104,369,768
Balance at the end of the year	48,490,517	175,916,716	224,407,233	37,1661,202	92,467,476	129,628,678

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26-1- For actuary liabilities, totally sum of IRR 81,590,231,078 Billion including IRR 41,222,175,917 Billion reserve and IRR 40,368,55,161 Billion paid to the retirement fund of the banks has been posted in the accounts.

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26-2- The bank has a difference in opinion regarding the declared amount of the bank employee's pension fund based on the deficit of the actuarial obligations of Mellat Bank's share, and the necessary follow-ups are being done to resolve the dispute.

## 27- Investment depositors' equity

		Group		Bank	
		20.03.2022	20.03.2021	20.03.2022	20.03.2021
		Million Rials	Million Rials	Million Rials	Million Rials
<b>Time investment deposits</b>					
Long-term investment deposits	27-3	2,019,386,347	1,263,250,395	2,042,041,725	1,269,336,389
Ordinary short-term investment deposits	27-3	1,470,812,535	1,147,919,871	1,470,812,535	1,149,282,304
Special short-term investment deposits	27-3	32,706,591	25,221,214	32,706,591	25,221,214
Investment deposits received from banks & credit institutions	27-3	21,060,328	41,571,449	21,060,328	41,571,449
Total time investment deposits		3,543,965,800	2,477,962,929	3,566,621,178	2,485,411,356
<b>Payable interest for time investment deposits</b>					
Long-term investment deposits	27-4	49,298,387	35,116,261	49,298,387	35,116,261
Short-term investment deposits	27-4	7,861,266	8,784,110	7,861,266	8,784,110
Total payable interest of the time investment deposits		57,159,653	43,900,371	57,159,653	43,900,371
Total investment depositors equity		3,601,125,453	2,521,863,300	3,623,780,831	2,529,311,728

		Group		Bank	
		20.03.20212022	20.03.20202021	20.03.20212022	20.03.20202021
		Million Rials	Million Rials	Million Rials	Million Rials
<b>Time investment deposits</b>					
Long-term investment deposits	27-12	1,263,250,395	716,346,996	1,269,336,389	723,302,903
Ordinary short-term investment deposits	27-13	1,147,919,871	707,471,053	1,149,282,304	708,071,844
Special short-term investment deposits	27-13	25,221,214	12,842,269	25,221,214	12,842,269
Investment deposits received from banks & credit institutions	27-13	41,571,449	21,055,510	41,571,449	31,777,297
Total time investment deposits		2,477,962,929	1,457,715,829	2,485,411,356	1,475,994,314
<b>Payable interest for time investment deposits</b>					
Long-term investment deposits	27-24	35,116,261	14,211,436	35,116,261	14,211,435
Short-term investment deposits	27-24	8,784,110	4,987,697	8,784,110	4,987,697
Total payable interest of the time investment deposits		43,900,371	19,199,133	43,900,371	19,199,132
Total investment depositors equity		2,521,863,300	1,476,914,962	2,529,311,728	1,495,193,446

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27-1- Due to paying interest to government staff savings deposits, these deposits have been reflected in note of time investment deposits. Also, the average of abovementioned deposits is considered in calculating the operation of investment deposits.

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27-2- Long-term investment deposits in Rials include sum of IRR ~~2019,481,057~~ Billion is for deposits of individuals for Umrah Hajj Pilgrimage.

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27-3- Time investment deposits in Rial and foreign currency breakdown:

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	Bank					
	20.03.2022			20.03.2021		
	Rials	Foreign Currency	Total	Rials	Foreign Currency	Total
	Million Rials	Million Rials	Million Rials	Million Rials	Million Rials	Million Rials
Investment deposits received from banks	573,804	20,486,523	21,060,328	1,028,069	40,543,380	41,571,449
Short-term investment deposits	1,421,323,256	49,489,279	1,470,812,535	1,108,972,161	40,310,143	1,149,282,304
Three-month short term	1,439,380	8,325,898	9,765,278	2,382,919	7,586,771	9,969,689
Three to six months-short term	7,838,980	4,009,096	11,848,076	2,578,875	3,609,812	6,188,686
Six months to one year-short term	0	11,093,237	11,093,237	24	9,062,815	9,062,838
<b>Long-term investment deposits</b>						
Certificate of Deposit	791,469,406	0	791,469,406	479,750,581	0	479,750,581
One-year	265,009,421	224,908,866	489,918,287	321,784,216	191,864,144	513,648,361
Two-year	760,653,504	0	760,653,504	275,928,572	0	275,928,572
Five-year	528	0	528	8,876	0	8,876
<b>Total time investment deposits</b>	<b>3,248,308,279</b>	<b>318,312,899</b>	<b>3,566,621,178</b>	<b>2,192,434,292</b>	<b>292,977,064</b>	<b>2,485,411,356</b>

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27-13-21- Bank's Time-time investment deposits based on maturity date and interest rate

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20.03.2022							20.03.2021	
More than 22%	19 to 22%	16 to 19%	13 to 16%	10 to 13%	Less than 10%	Total	Total	

	Million Rials	Million Rials	Million Rials	Million Rials	Million Rials	Million Rials	Million Rials	Million Rials
Overdue	0	0	0	0	0	1,554,536,965	1,554,536,965	1,198,384,102
2021	0	27,294	696,165	2,915	445	0	726,818	1,009,458,649
2022	0	26,503,819	974,520,704	206,401,984	20,302	247,825,304	1,455,272,112	277,568,605
2023 and after that	0	100,000	552,366,365	3,109,414	0	509,505	556,085,284	0
Total time investment deposits	0	26,631,113	1,527,583,234	209,514,312	20,747	1,802,871,773	3,566,621,178	2,485,411,356
20.03.2021	0	29,983,971	785,696,047	272,531,663	55,004,818	1,342,194,858	2,485,411,356	

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## 27-13-32- Bank's Turnover turnover of investment deposits in Rial

	Bank			
	Balance on 20.03.2021	Investment absorbed during year	Repayment of the Deposits	Balance on 20.03.2022
	Million Rials	Million Rials	Million Rials	Million Rials
<b>Long-term investment</b>				
Certificate of deposit	479,750,581	2,604,808,305	(2,293,089,480)	791,469,406
One-year	321,784,216	300,469,315	(357,244,111)	265,009,421
Two-year	275,928,572	1,005,138,568	(520,413,636)	760,653,504
Five-year	8,876	0	(8,348)	528
Short-term deposits	1,108,972,161	41,159,075,900	(40,846,724,805)	1,421,323,256
Special short-term deposits	4,961,817	17,842,374	(13,525,831)	9,278,360
Investment deposits received from banks and credit institutions	1,028,069	53,125,224	(53,579,489)	573,804
Balance of Rial investment deposits	2,192,434,292	45,140,459,687	(44,084,585,699)	3,248,308,279

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## 27-13-43- Bank's Turnover of FX investment deposits

	Balance on 20.03.2021	deposits absorbed during the year	Repayment of the Deposits	Balance on 20.03.2022	Balance on 20.03.2022	Balance on 20.03.2021
	Foreign Currency	Foreign Currency	Foreign Currency	Foreign Currency	Foreign Currency Million Rials	Foreign Currency Million Rials
<b>Long-term deposits</b>						
USD	222,308,665	18,134,661	(18,130,378)	222,312,948	44,462,590	35,347,078
EUR	802,404,216	150,739,577	(156,063,474)	797,080,319	175,357,670	152,456,801
AED	93,779,840	0	(9,000)	93,770,840	5,086,318	4,057,550

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KRW	6,936,740	668,431	(647,221)	6,957,950	1,143	978
TRY	81,905	6,362	(3,156)	85,111	1,145	1,737
<b>Short-term and Special Deposits</b>						
USD	90,550,230	708,829,270	(700,962,248)	98,417,251	19,683,450	14,397,487
EUR	227,628,409	568,965,062	(557,482,788)	239,110,683	52,604,350	43,249,398
JPY	9,816,985	0	0	9,816,985	16,405	14,316
AED	67,218,791	1,299,121,882	(1,355,033,845)	11,306,828	613,305	2,908,340
<b>Investment deposits received from banks and credit institutions</b>						
USD	12,000,000	129,444	(8,129,444)	4,000,000	800,000	1,908,000
EUR	89,484,197	9,130,067	(9,130,067)	89,484,197	19,686,523	17,001,997
AED	500,000,000	6,999,333	(506,999,333)	0	0	21,633,382
<b>Total FX investment deposits</b>					<u>318,312,899</u>	<u>292,977,064</u>

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27-13-54- The combination of investment deposit depositors is as follows:

	20.03.2022		20.03.2021	
	Number	Amount	Number	Amount
	Depositor	Million Rials	Depositor	Million Rials
<b>Rial deposits</b>				
Legal entities	315,660	454,101,528	107,042	308,111,920
Real entities	18,942,915	2,793,632,947	25,387,220	1,883,294,303
Investment deposits received from banks and credit institutions	806	573,804	580	1,028,069
Total Rial deposits	19,259,381	3,248,308,279	25,494,842	2,192,434,292
<b>Deposits in foreign currency</b>				
Legal entities	2,080	278,538,078	2,560	235,852,648
Real entities	11,878	19,288,298	37,072	16,581,037
Investment deposits received from banks and credit institutions	4	20,486,523	3	40,543,380
Total FX deposits	13,962	318,312,899	39,635	292,977,064
Total investment deposits	19,273,343	3,566,621,178	25,534,477	2,485,411,356

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27-34- The interest payable to time investment deposits is as follows:

	Balance on 20.03.2021	On-account interest during period	Difference of definite & on-account interest	Paid interest during period	Balance on 20.03.2022
	Million Rials	Million Rials	Million Rials	Million Rials	Million Rials
Ordinary & special short-term deposits	8,784,110	67,374,264	9,294,293	(77,591,401)	7,861,266
One-year deposits	12,265,998	45,098,957	5,892,154	(54,943,779)	8,313,330
Two-year deposits	5,652,961	91,788,252	20,413,577	(97,631,929)	20,222,860
Five-year deposits	285,733	237	53	(286,023)	0
Certificate of Deposits	10,669,123	107,282,817	5,237,172	(109,295,264)	13,893,848
Investment deposits received from banks and credit institutions	6,089	3,363	0	(3,391)	6,061
Deposits in foreign currency	6,236,357	10,943,140	0	(10,317,210)	6,862,287
Total interest payable to time investment deposits	43,900,371	322,491,029	40,837,249	(350,068,996)	57,159,653

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27-4-1- According to the circular No.94/69383 dated Jun 10<sup>th</sup>, 2015, the method of determining the share of each type of investment deposits from the difference of fixed interest and interim interest is approved in the board of directors resolution No.3804/17 dated Mar 8<sup>th</sup>, 2021 as follows and applied in the above table.

27-34-1-2 the main reason of difference between on-account profits during period, with paid profit during the period is for paying definite profit of 2019-2020 during 2020-2021.

27-4-5 Payable profit of time investment deposits are as follows:

	Instalment ratio of definite and on-account profit difference	Average of on- account profit year during period	Difference of the allocated definite profit	Definite rate
	%	%	%	%
Ordinary & special short-term deposits	22.8	8	1.1	9.1
General certificate of deposit	12.8	18	0.7	18.7
One-year deposits	14.4	15.7	3.0	18.7
Two-year deposits	50.0	18	4.5	22.5
Five-year deposits	0.0	18	0.7	18.7
Investment deposits received from banks and credit institutions	0.0	8	0.0	8.0
Total	100.0			

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## 28- Capital

The bank's capital at the beginning of establishment was IRR 33,500 Million (including 33.5 Million shares with nominal value of IRR 1,000 for each share) that has been raised to IRR 207,042,862 in several phases as follows. (Including 207,043 Million shares with nominal IRR 1,000 value for each share) by the fiscal year ending on March 20, 2021.

Date of Capital Injection	Capital injection percentage	Amount of Capital injection	Amount of New Capital	The source of capital increase
	%	Million Rials	Million Rials	
Sept. 01, 1993	1,706	571,500	605,000	Revaluation of fixed assets
Sept. 01, 2001	105	634,000	1,239,000	Special participation bonds subject of Article 93 of TDP
Aug. 10, 2005	957	11,861,000	13,100,000	Revaluation of fixed assets and translation of FX assets and liabilities
Apr. 26, 2011	22	2,900,000	16,000,000	Cash injection of shareholders
June 24, 2012	25	4,000,000	20,000,000	Retained earning
Sept. 23, 2012	65	13,100,000	33,100,000	Revaluation of fixed assets
Feb. 15, 2014	21	6,900,000	40,000,000	Retained earning
Oct. 19, 2016	25	10,000,000	50,000,000	Other reserves
Aug 27 <sup>th</sup> , 2020	314	157,042,862	207,042,862	Revaluation of fixed assets

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## 28-1- Combination of shareholders on date of balance sheet is as follows:

	20.03.2022		20.03.2021	
	Number of Shares	Share Rate %	Number of Shares	Share Rate %
<b>One percent &amp; Higher</b>				
Provincial investment-Edalat-ESC	23,169,730,430	11.19	23,181,119,470	11.20
Government of IR Iran (exemp from tax)	23,114,768,760	11.16	23,114,768,760	11.16
Saba Tamin Investment Co (Public J.S.)	6,920,862,858	3.34	7,659,597,269	3.70
Tamin Atieh Fund of Bank Mellat staff	13,353,035,330	6.45	13,353,035,330	6.45
Investment fund of first financial mediator	11,748,764,647	5.67	11,748,764,647	5.67
Fanavaran petrochemical Co. (Public J.S.)	9,253,327,080	4.47	9,253,327,080	4.47
Mellat Financial Group Company (Public J.S.)	7,369,770,398	3.56	7,321,970,398	3.54
Moein Atieh Khahan Cooperative Co	4,060,541,127	1.96	4,033,911,127	1.95
Mellat BFM market making. Investment fund	12,077,109,634	5.83	8,452,300,914	4.08
Mehr-e- Ayandegan Financial Development Group Company	4,171,561,525	2.01	4,161,561,525	2.01
Shirin Asal Company	2,496,936,881	1.21	2,496,936,881	1.21
National Iranian Investment Company (Public J.S.)	0	0.00	2,423,674,676	1.17
Saham-e-Edalat Provincial Investment Co. of Tehran Province	3,568,286,205	1.72	4,278,903,677	2.07
Saham-e-Edalat Provincial Investment Co. of Khorasan Razavi Province	3,442,236,423	1.66	3,442,236,423	1.66
Saham-e-Edalat Provincial Investment Co. of Fars Province	2,593,956,288	1.25	2,593,956,288	1.25
Saham-e-Edalat Provincial Investment Co. of Isfahan Province	2,274,221,331	1.10	2,274,221,331	1.10
Saham-e-Edalat Provincial Investment Co. of Khuzestan Province	2,526,080,803	1.22	2,526,080,803	1.22
Other provincial investment companies of Saham-e-Edalat less than 1%	22,930,765,350	11.08	22,930,765,350	11.08
<b>Other shareholders (less than 1%)</b>	51,970,906,930	25.10	51,795,730,051	25.02
<b>Total</b>	207,042,862,000	100	207,042,862,000	100

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## Number of Shareholders

	20.03.2022		20.03.2021	
	Number	Stake	Number	Stake
Legal entities-individual	1,679	89.63	3,037	86.14
Real entities- person	325,373	10.37	395,327	13.86
	327,052	100	398,364	100

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28-1-1-According to the central securities depository and funds settlement company, the number of bank Mellat shares owned by Mellat Financial group is 9,140 million shares that 2,298 million shares of Mellat financial group belongs to pars investment fund and also the number of 527 million shares of the Moein Atiyeh Khahan cooperative company belongs to MSellat financial group which is modified in the above table.

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## 29- Treasury shares

Treasury shares related to bank shares owned by subsidiaries are as follows:

	20.03.2022		20.03.2021	
	Number of Shares	Fixed Price Million Rials	Number of Shares	Fixed Price Million Rials
Mellat Financial Group Company	7,759,014,098	21,586,070	8,154,695,839	21,356,317
Behsaz Mosharekathaye Mellat Company	4,334,649	19,754	3,334,649	15,966
Behsazan Farda Smart Technologies Company	78,995	79	78,995	79
<b>Total</b>	7,763,427,742	21,605,903	8,158,109,483	21,372,362

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## 29 Capital of Parent Company Owned by Subsidiary Company

20.03.2021

20.03.2020

	Number of Shares	Cost Price	Number of Shares	Cost Price
		Million Rials		Million Rials
Mellat Financial Group Company	8,154,695,839	21,356,317	1,750,496,643	2,614,132
Behsaz Mosharekathaye Mellat Company	3,334,649	15,966	38,154	30
Behsazan Farda Company	78,995	79	13,620	14
<b>Total</b>	<b>8,158,109,483</b>	<b>21,372,362</b>	<b>1,750,548,417</b>	<b>2,614,176</b>

### 30- Legal Reserve

	Group		Bank	
	20.03.2022	20.03.2021	20.03.2022	20.03.2021
	Million Rials	Million Rials	Million Rials	Million Rials
Balance at the beginning of year	63,099,309	42,365,301	59,738,129	39,327,976
Transfer from allocable profit	23,932,457	20,734,008	23,504,436	20,408,129
Adjustments of branches abroad	0	0	0	2,024
<b>Balance at the end of the year</b>	<b>87,031,765</b>	<b>63,099,309</b>	<b>83,242,565</b>	<b>59,738,129</b>

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30-1- According to clause A of Article 33 of Monetary and Banking Law and Article 108 of Articles of Association of the bank, minimum 15% and maximum 20% net profit after deducting recognized loss in previous years are considered as legal reserve for each year. Considering the legal reserve shall be obligatory up to the bank's capital and it will be optional after this amount.

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### 31- Other Reserves

	Group		Bank	
	20.03.2022	20.03.2021	20.03.2022	20.03.2021
	Million Rials	Million Rials	Million Rials	Million Rials
Balance at beginning of year	90,835,689	80,315,797	80,091,465	80,087,850
Transfer from allocable profit	1,372,070	10,519,892	0	3,615
<b>Balance at end of year</b>	<b>92,207,758</b>	<b>90,835,689</b>	<b>80,091,465</b>	<b>80,091,465</b>

31-1- the main amount of is related to reserve of FX assets and liabilities of 2018 that after approving by general assembly has been considered to other reserves.

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### 32- Surplus of assets revaluation

	20.03.2021		2019	
Date	The amount of assets revaluation	Assignment, amortizes, discarded/capital injection	Balance of assets revaluation	Balance of assets revaluation
	Million Rials	Million Rials	Million Rials	Million Rials
2019	157,042,863	(157,042,863)	0	157,042,863
<b>Total</b>	<b>157,042,863</b>	<b>(157,042,863)</b>	<b>0</b>	<b>157,042,863</b>

### 33- Difference of foreign currency translation

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	Group		Bank	
	20.03.2022	20.03.2021	20.03.2022	20.03.2021
	Million Rials	Million Rials	Million Rials	Million Rials
<b>Difference of FX translation of foreign operations</b>				
Translation operations in England	21,015,333	15,218,073	0	0
Translation operations in Armenia	13,913,600	9,313,818	0	0
Translation operations in Turkey	0	4,055,654	0	4,055,654
Translation operations in South Korea	17,142,728	13,118,106	17,142,728	13,118,106
	52,071,661	41,705,652	17,142,728	17,173,761
<b>Minority share from difference of foreign currency translation</b>	<b>(8,406,133)</b>	<b>(6,087,229)</b>	<b>0</b>	<b>0</b>
<b>FX translation difference</b>	<b>43,665,528</b>	<b>35,618,422</b>	<b>17,142,728</b>	<b>17,173,761</b>

3332-1- Branches abroad assets and liabilities and foreign subsidiaries companies have been translated based on the procedure stated in note 8-15-2.

3433- Interest with no controlling right

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	Group	
	20.03.2022	20.03.2021
	Million Rials	Million Rials
Capital	8,648,191	8,652,070
Legal Reserves	573,081	947,765
Difference of foreign currency translation	8,406,133	6,087,229
Retained earnings and loss	5,111,863	3,549,996
The difference between the fair value and the net book value of the acquired subsidiary companies	1,239,798	1,097,649
Effects of transactions with treasury shares	(261,927)	0
Interim interest of capital increase	1,117,999	0
Other reserves	464,581	0
Consolidation adjustments	(156,344)	0
	<u>25,143,375</u>	<u>20,334,709</u>

### 3534- Granted facilities and depositing and debt securities income

		Group			Bank								
		20.03.2022			20.03.2021			20.03.2022			20.03.2021		
		Joint Million Rials	Non-joint Million Rials	Total Million Rials	Joint Million Rials	Non-joint Million Rials	Total Million Rials	Joint Million Rials	Non-joint Million Rials	Total Million Rials	Joint Million Rials	Non-joint Million Rials	Total Million Rials
Income of granted loans	34-1	450,698,979	140,065,790	590,764,770	245,267,720	118,121,554	363,389,273	459,230,410	137,989,927	597,220,337	246,379,550	116,592,658	362,972,208
Income of depositing & debt bonds	34-2	64,943,898	4,815,040	69,758,938	67,934,123	15,097,595	83,031,718	58,757,996	4,815,040	63,573,036	61,929,222	14,726,768	76,655,990
<b>Total income of granted loans &amp; depositing</b>		<b>515,642,878</b>	<b>144,880,830</b>	<b>660,523,708</b>	<b>313,201,843</b>	<b>133,219,148</b>	<b>446,420,991</b>	<b>517,988,406</b>	<b>142,804,967</b>	<b>660,793,373</b>	<b>308,308,772</b>	<b>131,319,426</b>	<b>439,628,198</b>

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### 3534-1- Income of granted loans

	Group											
	20.03.2022						20.03.2021					
	Rials			Foreign Currency (Non-joint)	Total		Rials			Foreign Currency (Non-joint)	Total	
	Joint Million Rials	Non-joint Million Rials	Total Million Rials	Million Rials	Million Rials		Joint Million Rials	Non-joint Million Rials	Total Million Rials	Million Rials	Million Rials	
Installment sale	39,663,177	172,577	39,835,754	3,290,396	43,126,150		36,843,806	163,699	37,007,505	13,184,227	50,191,732	
Reward contract	336,586	320,971	657,557	0	657,557		1,117,479	315,295	1,432,774	0	1,432,774	
Hire purchase	261,510	0	261,510	0	261,510		304,473	0	304,473	0	304,473	
Profit sharing	1,591,873	0	1,591,873	0	1,591,873		3,958,442	0	3,958,442	0	3,958,442	
equity partnership	16,410,488	0	16,410,488	115,737,917	132,148,406		29,009,693	0	29,009,693	76,039,527	105,049,220	
Forward	62,464,542	0	62,464,542	0	62,464,542		26,336,949	0	26,336,949	0	26,336,949	
Forfeiting	16,842,397	0	16,842,397	0	16,842,397		9,032,819	0	9,032,819	0	9,032,819	
Market-up loan	257,213,636	1,507,111	258,720,747	0	258,720,747		97,159,283	1,083,212	98,242,495	0	98,242,495	
Delay payment charges	45,368,410	0	45,368,410	0	45,368,410		40,476,381	0	40,476,381	0	40,476,381	
Interest of dues from the government	7,373,143	0	7,373,143	0	7,373,143		0	0	0	0	0	
Delay payment charges of debtors for L/Cs	0	0	0	4,049,109	4,049,109		0	0	0	11,021,851	11,021,851	
Delay payment charges of debtors for paid L/Gs	0	0	0	1,164,082	1,164,082		0	0	0	0	0	
Other	3,173,217	12,682,363	15,855,580	1,141,263	16,996,844		1,028,393	8,749,203	9,777,597	7,564,539	17,342,135	
	<b>450,698,979</b>	<b>14,683,022</b>	<b>465,382,002</b>	<b>125,382,768</b>	<b>590,764,770</b>		<b>245,267,720</b>	<b>10,311,410</b>	<b>255,579,129</b>	<b>107,810,144</b>	<b>363,389,273</b>	

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	Bank									
	20.03.2022					20.03.2021				
	Rials			Foreign Currency (Non-joint)	Total	Rials			Foreign Currency (Non-joint)	Total
	Joint	Non-joint	Total			Joint	Non-joint	Total		
	Million Rials	Million Rials	Million Rials	Million Rials	Million Rials	Million Rials	Million Rials	Million Rials	Million Rials	Million Rials
Installment sale	39,663,177	172,577	39,835,754	1,214,533	41,050,287	37,955,637	163,699	38,119,336	11,655,331	49,774,667
Reward contract	8,869,031	320,971	9,190,003	0	9,190,003	1,117,479	315,295	1,432,774	0	1,432,774
Hire purchase	261,510	0	261,510	0	261,510	304,473	0	304,473	0	304,473
Profit sharing	1,591,873	0	1,591,873	0	1,591,873	3,958,442	0	3,958,442	0	3,958,442
equity partnership	16,410,488	0	16,410,488	115,737,917	132,148,406	29,009,693	0	29,009,693	76,039,527	105,049,220
Forward	62,464,542	0	62,464,542	0	62,464,542	26,336,949	0	26,336,949	0	26,336,949
Forfaiting	16,842,397	0	16,842,397	0	16,842,397	9,032,819	0	9,032,819	0	9,032,819
Market-up loan	257,213,636	1,507,111	258,720,747	0	258,720,747	97,159,283	1,083,212	98,242,495	0	98,242,495
Delay payment charges	45,368,410	0	45,368,410	0	45,368,410	40,476,381	0	40,476,381	0	40,476,381
Interest of dues from the government	7,373,143	0	7,373,143	0	7,373,143	0	0	0	0	0
Delay payment charges of debtors for L/Cs	0	0	0	4,049,109	4,049,109	0	0	0	11,021,851	11,021,851
Delay payment charges of debtors for paid L/Gs	0	0	0	1,164,082	1,164,082	0	0	0	0	0
Other	3,172,202	12,682,363	15,854,565	1,141,263	16,995,829	1,028,393	8,749,203	9,777,597	7,564,539	17,342,135
	<u>459,230,410</u>	<u>14,683,022</u>	<u>473,913,432</u>	<u>123,306,905</u>	<u>597,220,337</u>	<u>246,379,550</u>	<u>10,311,410</u>	<u>256,690,960</u>	<u>106,281,248</u>	<u>362,972,208</u>



## 3534-2- Income of depositing and security bonds

	Group					20.03.2021				
	20.03.2022									
	Rials			Foreign Currency (Non-joint)	Total	Rials			Foreign Currency (Non-joint)	Total
	Joint	Non-joint	Total			Joint	Non-joint	Total		
	Million Rials	Million Rials	Million Rials	Million Rials	Million Rials	Million Rials	Million Rials	Million Rials	Million Rials	Million Rials
Bonus of legal deposit (depositors & bank's share)	0	4,006,207	4,600,207	0	4,600,207	0	3,040,274	3,040,274	0	3,040,274
Profit of time deposits held with banks	35,328,109	0	35,328,109	214,833	35,542,942	37,921,751	314,228	38,235,979	141,371	38,377,350
Profit of certificate of deposit, participation bonds and other debt bonds	29,615,789	0	29,615,789	0	29,615,789	30,012,372	56,599	30,068,971	11,545,123	41,614,094
	<u>64,943,898</u>	<u>4,600,207</u>	<u>69,544,105</u>	<u>214,833</u>	<u>69,758,938</u>	<u>67,934,123</u>	<u>3,411,101</u>	<u>71,345,224</u>	<u>11,686,494</u>	<u>83,031,718</u>

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	Bank					20.03.2021				
	20.03.2022									
	Rials			Foreign Currency (Non-joint)	Total	Rials			Foreign Currency (Non-joint)	Total
	Joint	Non-joint	Total			Joint	Non-joint	Total		
	Million Rials	Million Rials	Million Rials	Million Rials	Million Rials	Million Rials	Million Rials	Million Rials	Million Rials	Million Rials
Bonus of legal deposit (depositors & bank's share)	0	4,600,207	4,600,207	0	4,600,207	0	3,040,274	3,040,274	0	3,040,274
Profit of time deposits held with banks	33,379,813	0	33,379,813	214,833	33,594,646	36,163,632	0	36,163,632	141,371	36,305,002
Profit of certificate of deposit, participation bonds and other debt bonds	25,378,183	0	25,378,183	0	25,378,183	25,765,591	0	25,765,591	11,545,123	37,310,714
	<u>58,757,996</u>	<u>4,600,207</u>	<u>63,358,203</u>	<u>214,833</u>	<u>63,573,036</u>	<u>61,929,222</u>	<u>3,040,274</u>	<u>64,969,497</u>	<u>11,686,494</u>	<u>76,655,990</u>

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**3635-** Goods sale and income of rendering services

	20.03.2022	20.03.2021
	Million Rials	Million Rials
Selling foreign currency by Mellat Exchange office	315,906,055	77,424,773
Goods Sale (35-1)	3,039,154	1,246,601
Rendering services income	62,433,338	58,080,369
	<u>381,378,547</u>	<u>136,751,743</u>

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**35-1-**The increase in currency sales by mellat exchange office is due to the development of activities and attracting new customers.

**3736-** Cost price of sold goods and rendered services:

	Group	
	20.03.2022	20.03.2021
	Million Rials	Million Rials
Consumables articles	424,743	244,034
Direct wage	1,040,201	2,705,341
Production overhead	2,319,053	292,823
Unabsorbed expenses in production	101,386	368,133
Total production expenses	<u>3,885,384</u>	<u>3,610,331</u>
(Increase)Decrease in producing goods inventory	18,542	(14,142)
Cost price of production	<u>3,903,926</u>	<u>3,596,189</u>
Purchasing manufactured goods	26,930	73,873
Decrease in manufactured goods inventory	<u>(30,515)</u>	<u>(17,393)</u>
Cost price of sold goods	<u>3,900,341</u>	<u>3,652,669</u>
Cost price of rendered services	52,912,390	47,213,014
Cost price of sold foreign currency	<u>312,511,007</u>	<u>75,710,584</u>
	<u>369,323,738</u>	<u>126,576,266</u>

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37- Net profit (loss) of investments:

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		Group					
		20.03.2022			20.03.2021		
		joint (Rials)	Foreign Currency (non-joint)	Total	joint (Rials)	Foreign Currency (non-joint)	Total
		Million Rials	Million Rials	Million Rials	Million Rials	Million Rials	Million Rials
<b>Realized profit (loss) of investments</b>							
Profit of companies and investment funds	37-1	18,170,629	0	18,170,629	10,732,782	1,023,811	11,756,593
Profit (loss) of selling shares of companies and investment funds	37-2	6,888,937	0	6,888,937	18,334,507	0	18,334,507
Total realized profit (loss) of investments		25,059,566	0	25,059,566	29,067,289	1,023,811	30,091,099
<b>Profit (loss) increase (decrease) of investments value</b>							
Net profit (loss) increase(decrease)of investments		0	0	0	(400,000)	0	(400,000)
Net profit (loss) of investments		25,059,566	0	25,059,566	28,667,289	1,023,811	29,691,099

		Bank					
		20.03.2022			20.03.2021		
		joint (Rials)	Foreign Currency (non-joint)	Total	joint (Rials)	Foreign Currency (non-joint)	Total
		Million Rials	Million Rials	Million Rials	Million Rials	Million Rials	Million Rials
<b>Realized profit (loss) of investments</b>							
Profit of companies and investment funds	37-1	17,309,803	0	17,309,803	15,817,967	1,023,811	16,841,778
Profit (loss) of selling shares of companies and investment funds	37-2	43,375	0	43,375	4,803,894	0	4,803,894
Total realized profit (loss) of investments		17,353,179	0	17,353,179	20,621,861	1,023,811	21,645,671
<b>Profit (loss) increase (decrease) of investments value</b>							
Net profit (loss) increase(decrease)of investments		0	0	0	0	0	0
Net profit (loss) of investments		17,353,179	0	17,353,179	20,621,861	1,023,811	21,645,671

2837-1- The profit of companies and investment funds shares is as follows:

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	joint (Rials)	20.03.2022 Foreign Currency (non-joint)	Total	joint (Rials)	20.03.2021 Foreign Currency (non-joint)	Total
	Million Rials	Million Rials	Million Rials	Million Rials	Million Rials	Million Rials
National Iranian Copper Industry	152,034	0	152,034	0	0	0
Developing mines and industries company	575,290	0	575,290	0	0	0
Mobin Petrochemical Company	218,410	0	218,410	0	0	0
Alborz insurance Co.	436,905	0	436,905	0	0	0
Asia insurance Co.	393,193	0	393,193	0	0	0
Retirement fund	275,000	0	275,000	0	0	0
Isfahan Oil Refinery	3,532,167	0	3,532,167	0	0	0
Tabriz Oil Refinery	1,094,820	0	1,094,820	0	0	0
Bandarabbas Oil Refinery	3,289,296	0	3,289,296	0	0	0
Tehran Oil Refinery	411,789	0	411,789	0	0	0
Iran's national investment	142,982	0	142,982	0	0	0
Iran Transfo	29,977	0	29,977	0	0	0
Amin Reinsurance Co	97,671	0	97,671	0	0	0
Golgozar Mining & Industrial Co	214,290	0	214,290	0	0	0
Chadormalu Mining & Industrial Co	261,735	0	261,735	0	0	0
Iran Exchange	70,723	0	70,723	0	0	0
Iranian Petrochemical Investment (Petrol)	103,800	0	103,800	0	0	0
Saba Tamin Investment	141,617	0	141,617	0	0	0
Zagros Petrochemical Co	52,900	0	52,900	0	0	0
Mobile Communications	35,360	0	35,360	0	0	0
Khark Petrochemical Co	37,497	0	37,497	0	0	0
Electronic Card Paryment Network Co	134,681	0	134,681	0	0	0
Tamin Pharmaceutical Investment Co	9,500	0	9,500	0	0	0
Pardis Petrochemical Co	260,612	0	260,612	0	0	0
Persian Gulf Petrochemical Industries	428,400	0	428,400	0	0	0
Isfahan Mobarakeh Steel Co	809,034	0	809,034	0	0	0
Amin Investment Bank	735,494	0	735,494	0	0	0
Bafgh Mineral Complex Iron & steel Industry company	1,711,340	0	1,711,340	0	0	0
Persian Gulf Saderat Export	79,855	0	79,855	0	0	0
FEE Bank	0	0	0	0	1,023,811	1,023,811
Other	2,434,259	0	2,434,259	6,499,187	0	6,499,187
Profit of Short-term investments shares	18,170,629	0	18,170,629	6,499,187	1,023,811	7,522,997
Owj-e-Mellat investment fund	0	0	0	832,840	0	832,840
Negin-e-Refah investment fund	0	0	0	484,930	0	484,930
Paydar Sepehr investment fund	0	0	0	1,320,098	0	1,320,098
Ganjineh Omid Investment fund	0	0	0	638,062	0	638,062
Artus investment fund	0	0	0	747,892	0	747,892
Amin Ashena Investment fund	0	0	0	209,774	0	209,774
Shares profit of investment fund units	0	0	0	4,233,596	0	4,233,596
Shares profit of companies & investment funds	18,170,629	0	18,170,629	10,732,782	1,023,811	11,756,593

	20.03.2022			20.03.2021		
	joint (Rials)	Foreign Currency (non-joint)	Total	joint (Rials)	Foreign Currency (non-joint)	Total
	Million Rials	Million Rials	Million Rials	Million Rials	Million Rials	Million Rials
<b>Subsidiaries</b>						
Mellat Financial Group	1,000,000	0	1,000,000	8,399,997	0	8,399,997
Behsaz Mosharekathaye Mellat Company	7,000,000	0	7,000,000	1,059,746	0	1,059,746
Fannavaran Hooshmand Behsazan Farda Group Co	2,000,000	0	2,000,000	1,528,469	0	1,528,469
Ma Insurance	173,333	0	173,333	0	0	0
FEE Bank	0	0	0	0	1,023,811	1,023,811
Profit of Long-term investments shares	10,173,333	0	10,173,333	10,988,212	1,023,811	12,012,022
<b>Other Companies</b>						
Isfahan Oil Refinery	2,177,462	0	2,177,462	0	0	0
Tabriz Oil Refinery	1,081,356	0	1,081,356	0	0	0
Bandarabbas Oil Refinery	2,977,831	0	2,977,831	0	0	0
Tehran Oil Refinery	393,248	0	393,248	0	0	0
Iran's national investment	142,982	0	142,982	0	0	0
Iran Transfo	28,899	0	28,899	0	0	0
Alborz Insurance	39,626	0	39,626	0	0	0
Amin Reinsurance Co	97,671	0	97,671	0	0	0
Shaparak Electronic Card Paryment Network Co	134,681	0	134,681	0	0	0
Other	62,713	0	62,713	596,160	0	596,160
Profit of Short-term investments shares	7,136,470	0	7,136,470	596,160	0	596,160
Owj-e-Mellat investment fund	0	0	0	832,840	0	832,840
Paydar Sepehr investment fund	0	0	0	1,320,098	0	1,320,098
Negin-e-Rehah investment fund	0	0	0	484,930	0	484,930
Ganjineh Omid Investment fund	0	0	0	638,062	0	638,062
Lutus investment fund	0	0	0	747,892	0	747,892
Amin Ashena Investment fund	0	0	0	209,774	0	209,774
Shares profit of investment fund units	0	0	0	4,233,596	0	4,233,596
Shares profit of companies & investment funds	17,309,803	0	17,309,803	15,817,967	1,023,811	16,841,778

337-2- Profit (loss) from selling shares of companies and investment funds is as follows:

	March 20, 2022			March 20, 2021
	Book Value	Net Sales Value	Profit/Loss	Profit
	Million Rials	Million Rials	Million Rials	Million Rials
<b>Profit for selling shares of companies – Rials - Joint</b>				
Mobarakeh steel company	119,697	566,182	446,485	586,567
Isfahan Oil Refining Co	19,892	166,636	146,744	401,585
Jahrom power plant development company	0	0	0	2,071,539
Golgozar Ironstone Co	663,802	1,214,085	550,283	86,030
Bandar Abbas Oil Refinery Co	2,231	50,037	47,806	218,161
National Iranian Cooper Industries	346,348	1,178,292	831,944	1,048,422
Chador Malou	228,379	1,126,238	897,859	404,702
Foolad Steel Co.	0	0	0	402,380
Tehran Oil Refinery	19,404	61,681	42,277	343,296
National investment	14,325	14,325	0	300,856
National development group investment	0	0	0	298,122
Alborz insurance	7,565	123,746	116,181	273,356
Pars Paper	0	0	0	208,258
Omid investment	0	0	0	191,789
Persian Gulf petrochemical	103,716	196,728	93,012	188,099
Asia Insurance	2,744	2,744	0	165,551
Zagros Petrochemical Co	151,711	422,725	271,014	0
Fajr Petrochemical Co	80,830	156,226	75,396	0
Mobin Petrochemical Co	36,916	248,633	211,717	0
Other Companies	2,398,350	5,278,020	2,879,670	6,341,901
Total	4,195,910	10,806,298	6,610,388	13,530,613
<b>Profit from the sale of investment funds-joint (Rials)</b>				
Negin-e-Refah investment fund	0	0	0	1,131,553
Owj investment fund	0	0	0	5,508
Ganjineh Omid Investment fund	0	0	0	523,144
Amin Ashena Investment fund	0	0	0	2,288
Paydar Sepehr investment fund	33,433	33,623	180	24,956
Gostaresh-e Fardaye Iranian investment fund	0	0	0	543,016
Lutus Parsian investment fund	0	0	0	43,492
Mellat exclusive market making	0	0	0	2,529,936
Retirement Fund	90,450	160,776	70,326	0
Ganjineh Avid's First Investment fund	13,075	16,075	3,000	0
Saham Farazdar (one) Investment fund	5,000	7,096	2,096	0
Meyar(with fixed income) Investment fund	20,000	20,046	46	0
Yaghout(with fixed income) Investment fund	40,030	53,410	13,380	0
Asemane Omid Investment fund	463,828	515,453	51,625	0
Amin's First(with fixed income) Investment fund	1,098,618	1,089,307	(311)	0
Kamand(with fixed income) Investment fund	847,160	851,220	4,060	0
Afra Namad Paydar Investment fund	27,481	29,176	1,695	0
Dara Algorithm Investment fund	128,495	127,557	(938)	0
Negin Saman Investment fund	242,401	240,863	(1,538)	0
Avay-e Farday-e Zagros Investment fund	213,779	232,359	18,580	0
Kian(with fixed income) Investment fund	626,692	743,040	116,348	0
Total	3,841,452	4,120,001	278,549	4,803,894
Total	8,037,362	14,926,299	6,888,937	18,334,507

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38 3 Profit (loss) from selling shares of companies and investment funds is as follows:

	Bank					
	March 20, 2022			March 20, 2021		
	Rial (joint)	Foreign Currency (non-joint)	Total	Rial (joint)	Foreign Currency (non-joint)	Total
	Million Rials	Million Rials	Million Rials	Million Rials	Million Rials	
<b>Profit because of selling shares of companies – Rials - Joint</b>						
Bandar Abbas Oil Refinery Co	43,375	0	43,375	0	0	0
Profit from the sale of investment funds-Joint(Rials)						
Negin-e-Refah investment fund	0	0	0	1,131,553	0	1,131,553
Owj investment fund	0	0	0	5,508	0	5,508
Ganjineh Omid Investment fund	0	0	0	523,144	0	523,144
Amin Ashena Investment fund	0	0	0	2,288	0	2,288
Paydar Sepehr investment fund	0	0	0	24,956	0	24,956
Gostaresh-e Fardaye Iranian	0	0	0	543,016	0	543,016
Lutus Parsian investment fund	0	0	0	43,492	0	43,492
Mellat exclusive market making	0	0	0	2,529,936	0	2,529,936
Total	0	0	0	4,803,894	0	4,803,894
Total	43,375	0	43,375	4,803,894	0	4,803,894

### 3938- Profit expense of deposits

		Group		Bank	
		20.03.2022	20.03.2021	20.03.2022	20.03.2021
		Million Rial	Million Rial	Million Rial	Million Rial
Profit expense of deposits	38-1	361,230,216	216,016,368	363,328,277	216,735,346
		361,230,216	216,016,368	363,328,277	216,735,346

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### 3938-1 the expense of the banks' deposits is as follow:

Description	Note	20.03.2022		20.03.2021
		Million Rials	Million Rials	Million Rials
joint incomes				
Income of granted facilities	34	459,230,410		246,379,550
Income of depositing and debt securities	34	58,757,996		61,929,222
Net profit of investments	37	17,353,179		20,621,861
Total joint incomes			535,341,585	328,930,633
Bank's share from joint incomes	38-2-1		(113,563,958)	(75,536,050)
Depositors' share from joint incomes before deducting spread	38-3		421,777,627	253,394,583
spread			(73,016,838)	(46,304,891)
Depositors' share from joint incomes			348,760,789	207,089,692
Bonus of legal deposit of investment deposits	38-4		3,624,348	2,342,102
Definite interest attributed to investment deposits			352,385,138	209,431,793
FX deposits profit			10,943,140	7,303,552
Total expenses of profit investments			363,328,277	216,735,346
Difference of profit payable to the depositors			40,837,249	32,204,278

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3938-1-2- Bank's share from joint incomes:  
Bank's share from joint incomes has been calculated as follow:  
38-2-1- is as follow: Bank's share from joint incomes:

Fiscal Year	Ratio of Bank Resources to total allocation of resources	Joint Incomes	Bank's share from joint Incomes
		Million Rials	Million Rials
20.03.20242022	2221.9621%	328535.930341.633585	75.536.050113.563.958
20.03.20202021	1622.1696%	218328.338930.533633	35.283.66875.536.050

3938-12-2- Distributing joint resources and allocation of resources between depositors and bank

Description	20.03.20242022	20.03.20202021	description
	Million Rials	Million Rials	
Average of joint resources allocation (3938-12-2-1)	23,003089,603222,310615	12,294003,087607,293310	253 week average
Average of balance of investment deposits (3938-12-2-2)	12,744748,723656,863892	1,228741,669723,627863	253 week average
Deducted: legal deposit of investment deposits	(198,227,493314,762,307)	(143198,233227,945493)	253 week average
Free resources of investment deposits	(2,433,894,585)	(1,084543,936496,682370)	
Bank's share of joint resources allocation (surplus of free resources of investment deposits)	655,328,030460,110,939	460,110.939209,120,611	

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### 398-12-2-1- Average of joint resources allocation:

Items of joint resources allocation	20.03.2022	20.03.2021
	Amount (Average)	Amount (Average)
	Million Rials	Million Rials
Net resources allocation related to loans and dues	2,625,045,631	1,578,928,820
Net resources allocation related to participation bonds held with banks	162,612,918	229,787,007
Net resources allocation related to deposits with other bonds	301,564,066	194,891,483
<b>Total resources allocation related to joint operations</b>	<b>3,089,222,615</b>	<b>2,003,607,310</b>

### 3938-12-2-2- Average of Investment Deposits

Investment Deposits	20.03.2022	20.03.2021
	Amount (Average)	Amount (Average)
	Million Rials	Million Rials
Ordinary short-term deposits	1,298,288,738	927,992,860
Special short-term deposits	4,941,605	2,573,280
Certificate of deposit	649,974,722	364,138,265
One-year	288,867,992	350,456,646
Two-year	505,571,510	89,980,215
Five-year	2,108	4,011,136
Investment deposits received from banks and other credit institutions	1,010,216	2,571,461
<b>Average of investment deposits</b>	<b>2,748,656,892</b>	<b>1,741,723,863</b>

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39-1-2-2-1 due to pay profit to the government staff's deposits, this deposits are reflected in time investment deposits. Also the average of the aforementioned deposits considers in calculation of investment deposits operation.

### 4038-3- Spread

The Spread of the bank for fiscal year ending on March 20, 2020-2021 has been calculated maximum 3% based on decree issued on Jan 20, 2020.

Spread amount = Average of Free Resource of Depositors × Spread Rate

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#### 4038-43-1- Announced and applied Spread

	Announced Spread		Applied Spread	
	Rate - %	Million Rials	Rate - %	Million Rials
Ordinary short-term deposits	3	34,465,382	3	34,465,382
Special short-term deposits (Total)	3	131,355	3	131,355
One-year deposit	3	24,959,933	3	24,959,933
Two-year deposit	3	13,429,798	3	13,429,798
Five-year deposit	3	63	3	63
Investment deposits received from banks and other credit institutions	3	30,306	3	30,306
Total spread		<u>73,016,838</u>		<u>73,016,838</u>

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#### 4038-24- Bonus of legal deposit of investment deposits is as follows:

Description	20.03.2022	20.03.2021
	Million Rials	Million Rials
Average of legal deposit of investment deposits	314,762,307	198,227,493
Bonus of legal deposit	3,624,348	2,342,102

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#### 4138-5- On-account interest paid to investment deposits

Group	20.03.2022		20.03.2021	
	Million Rials	Million Rials	Million Rials	Million Rials
<b>Short term deposits:</b>				
Short-term deposits	66,764,999	44,550,707	66,764,999	44,550,707
Special short-term deposits	609,266	294,215	609,266	294,215
<b>Long-term deposits:</b>				
One-year	42,914,255	55,963,679	45,098,957	56,726,749
Two-year	91,788,252	14,970,492	91,788,252	14,970,492
Four-year	0	3	0	3
Five-year	237	1,022,840	237	1,022,840
Certificate of deposit	107,282,817	59,646,604	107,282,817	59,646,604
Received investment deposits from banks and credit institutions	3,363	15,906	3,363	15,906
Total on-account paid profit to investment deposits	<u>309,363,188</u>	<u>176,464,445</u>	<u>311,547,889</u>	<u>177,227,516</u>

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#### 4239- The reconciliation statement of on-account profit paid to investment deposits (in Rial) together with investment deposits profit

	20.03.2022	20.03.2021
	Million Rials	Million Rials
Definite profit attributed to investment deposits (IRR)	352,385,138	209,431,793
On-account profit paid to the investment deposits	(311,547,889)	(177,227,516)
Difference of profit payable to depositors	<u>40,837,249</u>	<u>32,204,278</u>

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#### 4340- Commission Income

	Group		Bank	
	20.03.2022	20.03.2021	20.03.2022	20.03.2021
	Million Rials	Million Rials	Million Rials	Million Rials
Net commission of interest-free operations 40-1	9,493,132	5,351,627	9,493,132	5,351,627
Opened L/Cs	3,768,069	1,623,745	3,768,069	1,623,745
Issued guarantees	7,627,953	5,730,483	7,627,953	5,730,483
Commission of current accounts (bounced cheques)	642,615	583,047	642,615	583,047
Commission of received bills	243,792	209,799	243,792	209,799
Bank TTs	2,410,411	660,696	2,410,411	660,696
Commission of insurance services	3,126,543	1,221,045	3,126,543	1,221,045
Reviewing credit files of clients	775,230	800,907	775,230	536,956
Commission of credit card	2,240,210	1,786,892	2,240,210	1,786,892
SHTAB Plan	9,406,155	6,527,799	9,406,155	6,527,799
Removing bad effect commission	232,827	227,302	232,827	227,302
Commission of plans expertise	2,332,519	1,326,415	2,332,519	1,326,415
Commission of sending SMS to private banking customers	943,009	785,393	943,009	785,393
FX services commission	36,586	73,187	36,586	73,187
Commission of agency	650,904	166,024	650,904	166,024
Commission of papers	3,301,334	2,174,934	3,301,334	2,174,934
Other services	448,716	321,815	415,586	209,147
Total commission income	47,680,005	29,571,110	47,646,875	29,194,491

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#### 4340-1- Net commission of interest-free operation is as follows:

	Bank		Group	
	20.03.2022	20.03.2021	20.03.2022	20.03.2021
	Million Rials	Million Rials	Million Rials	Million Rials
Commission received for non-interest bearing granted facilities	9,493,167	5,351,671	9,493,167	5,351,671
Bonus of equipping of interest-free deposits expense	(35)	(44)	(35)	(44)
Net commission of interest-free operation	9,493,132	5,351,627	9,493,132	5,351,627

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#### 4441- Commission expense

	Group		Bank	
	20.03.2022	20.03.2021	20.03.2022	20.03.2021
	Million Rials	Million Rials	Million Rials	Million Rials
Commission of SHETAB plan	7,056,206	5,276,673	7,056,206	5,276,673
Commission paid to debts collection companies	1,185,371	1,264,429	1,185,371	1,264,429
POS Commission (SHAPARAK, share of POSs)	11,998,855	9,929,540	11,998,855	9,929,540
others	553,854	11,811	538,464	8,599
Total commission income	20,794,287	16,482,454	20,778,897	16,479,242

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#### 4542- Net profit (loss) of FX transactions and exchanges

	Bank		Group	
	20.03.2022	20.03.2021	20.03.2022	20.03.2021
	Million Rials	Million Rials	Million Rials	Million Rials
Profit (loss) of foreign currency bid and ask	(13,277,978)	(26,066,121)	(13,277,978)	(26,979,549)
Profit (loss) of foreign currency translation ( Note 42-1)	133,558,472	272,749,988	133,165,011	272,761,275
Net profit (loss) of FX transactions and exchanges	120,280,495	246,683,867	119,887,033	245,781,726

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4542-1- FX assets and liabilities are translated with rate of IRR ~~490220,000~~ for each EUR (IRR ~~459200,000~~ for each USD) and other foreign currencies are translated based on their EUR parity rate by the end of the year by virtue of letter No.00/37873-376983 issued by the CBI on ~~May-Mar 4<sup>th</sup>2021~~15<sup>th</sup>2022, and with regard to average of twelve month of foreign currency rate in NIMA system and considering cautionary requirements in the banking network of the country, and the difference has been considered in the account of profit and loss due to translation.

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~~42-2- 45-2- Due to the changes in the bank's approach in calculating the reserve for doubtful loans and the recovery of foreign currency assets, the reserve for doubtful loans was done in foreign currency for foreign currency assets, so for this reason the comparison items of the previous year were presented again. IRR 18,484 billion from above amount is related to settlement or installment of some of the FX cases in line with implementing provisions of executive by law of article 20 of removing competitive production barriers law, about settling dues with foreign currency rate on March 20,2020 ( IRR 90,000 fro per EUR). Therefore, increasing FX rate during year (IRR 110,000 for per USD) leads to recognition loss in FX transactions.~~

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~~4542-3- Part of FX monetary assets and liabilities have not been translated by virtue of note 8-15-1 of material accounting procedures.~~

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~~4643- Other operating incomes~~

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	Group		Bank	
	20.03.2022	20.03.2021	20.03.2022	20.03.2021
	Million Rials	Million Rials	Million Rials	Million Rials
profit (loss) of branches abroad	900,698	542,799	900,698	542,799
other	3,172,667	7,176,953	2,636,033	2,770,520
Total other operating incomes	4,073,366	7,719,752	3,536,731	3,313,319

~~4744- Net other incomes and expenses~~

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	Group		Bank	
	20.03.2022	20.03.2021	20.03.2022	20.03.2021
	Million Rials	Million Rials	Million Rials	Million Rials
Profit (loss) earned by disposing tangible and intangible fixed assets	2,430,028	9,597,325	2,004,098	8,126,258
Profit (loss) from selling foreclosed pledges	44-1	1,758,005	4,797,664	1,758,005
Total other incomes and expenses	4,188,033	14,394,989	3,762,103	12,923,922

~~4744-1- Profit earned by disclosing fixed tangible and intangible assets of the bank is as follows:~~

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	20.03.2022				March 20, 2021
	Cost Price	Book value	Sale Amount	Profit (Loss)	Profit (loss)
	Million Rials	Million Rials	Million Rials	Million Rials	Million Rials
Land	667,674	667,674	1,785,479	1,117,805	4,046,105
Building and instalments	97,510	40,655	266,796	226,141	3,698,130
Furniture	51,491	5,173	56,664	51,491	19,880
Computer equipment	84,128	0	67,027	67,027	4,148
Vehicles	393	0	35	35	32,743
Key money of rental building	0	0	133,980	133,980	33,009
Royalty (key money)	46,4169	46,416	454,035	407,619	292,243
Total	947,612	759,918	2,764,016	2,004,098	8,126,258

~~47-2- From abovementioned amount sum of IRR 2,333 billion was related to the profit of disposing foreclosed properties.~~

~~4845- Administrative and general expenses~~

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	Note	Group		Bank	
		20.03.2022	20.03.2021	20.03.2022	20.03.2021
		Million Rials	Million Rials	Million Rials	Million Rials
staff expenses	45-1	98,851,472	86,112,773	95,037,662	83,130,745
Administrative expenses	45-2	147,979,870	111,407,106	146,072,948	109,715,533
Total administrative and general expenses		246,831,342	197,519,879	241,110,610	192,846,278

~~4845-1- The staff expenses are as follows:~~

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	Group		Bank	
	20.03.2022	20.03.2021	20.03.2022	20.03.2021
	Million Rials	Million Rials	Million Rials	Million Rials

Salary and wages	67,661,788	48,921,773	64,832,461	46,552,814
Insurance portion of employer	4,851,402	3,739,958	4,482,195	3,489,381
Severance and retirement payment of the staff	15,824,568	21,949,039	15,314,583	21,778,204
Travel and mission allowance	479,300	291,069	380,732	232,669
Other	10,034,414	11,210,933	10,027,691	11,077,676
Total Staff expenses	98,851,472	86,112,773	95,037,662	83,130,745

#### 4845-2- Administrative expenses include the following items:

	Group		Bank	
	20.03.2022	20.03.2021	20.03.2022	20.03.2021
	Million Rials	Million Rials	Million Rials	Million Rials
Health and treatment	5,698,769	3,312,888	5,654,595	3,311,281
Purchasing contractual services	11,652,585	6,248,336	11,496,601	5,975,078
logistic expense of software and banking systems	3,411,860	3,582,893	4,588,956	3,504,316
Publication & advertisement	3,251,487	2,947,157	2,683,768	2,355,976
Repairing and maintaining tangible fixed assets expenses	2,019,539	1,356,659	1,900,129	1,299,147
Training and researches	148,158	57,627	146,696	56,016
Deposits guarantee fund expense	4,140,000	1,861,262	4,140,000	1,861,262
Rent	766,911	625,689	651,164	547,403
Actuary expenses	98,315,944	82,591,564	98,315,944	82,591,564
Communication and telecommunication	3,274,778	1,739,304	3,274,778	1,739,304
Counting machines	763,496	927,619	763,496	927,619
Energy and water	782,489	614,006	726,122	565,806
Consumables requirements	2,713,994	2,546,861	2,642,402	2,495,326
Other	11,039,859	2,995,241	9,088,297	2,485,436
Total of administrative expenses	147,979,870	111,407,106	146,072,948	109,715,533

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4845-2-1- The above amount is related to reserves and payment made to the staff retirement fund that according to provisions of article 34 of the mentioned article of association, member banks are obligated to securing its resources deficit.

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48-3 The reason why some bank and group staff expense are the same is due to the inconsistency of the financial statements heading of the subsidiaries companies with the bank.

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#### 496- Doubtful loans expense

	Group		Bank	
	20.03.2022	20.03.2021	20.03.2022	20.03.2021
	Million Rials	Million Rials	Million Rials	Million Rials
Special expense of doubtful loans for granted facilities and dues 46-1	(10,638,938)	42,629,426	(10,202,587)	41,920,577
General expense of doubtful loans for granted facilities and dues 46-2	22,273,611	17,081,044	22,672,455	17,459,257
	11,634,674	59,710,470	12,469,868	59,379,833

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**4946-1-** Doubtful loans special expense for granted facilities and dues of the bank has been calculated as follows:

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		20.03.2022		Doubtful loans up to 5 years	Doubtful loans more than 5 years	Total	Total
		Overdue	Defaulted				
		Million Rials	Million Rials	Million Rials	Million Rials	Million Rials	Million Rials
<b>Net non-current loans and dues before deducting doubtful loans reserve</b>							
Dues from banks and other credit institutions	10	0	0	0	1,385,378	1,385,378	1,385,378
Government sectors	12	0	298,272,363	0	0	298,272,363	0
private sectors	13	38,257,825	13,214,703	149,347,862	303,090,298	503,910,688	557,699,244
Other receivable accounts	16	0	0	0	7,195,578	7,195,578	3,232,766
<b>Total facilities and non-current dues before deducting the value of collaterals</b>		38,257,825	311,487,067	149,347,862	311,671,255	(810,764,008)	(562,317,388)
<b>Deducted: value of collaterals by exerting coefficient</b>							
Deposit of interest-free and investment		(955,882)	(214,139)	(95,255)	(3,675,481)	(4,940,757)	(1,002,993)
Bonds & other debt securities with Guarantee of government and CBI		(418)	(126)	(681)	(68,180)	(69,405)	(1,447)
Bonds & other debt securities with Guarantee of other banks		(627)	(189)	(1,021)	0	(1,837)	(1,975)
L/G		(326,742)	(5,703)	(692)	0	(333,137)	(263,430)
Shares admitted to the stock exchange		(2,891)	(284)	(127,658)	0	(130,834)	(126,120)
Council estate		(8,967,379)	(1,566,461)	(2,512,390)	0	(13,046,230)	(12,668,187)
machinery		(458,252)	(195,302)	(448,655)	0	(1,102,209)	(1,534,954)
<b>value of collaterals by exerting coefficient(Total)</b>		(10,712,191)	(1,982,205)	(3,186,352)	(3,743,661)	(19,624,409)	(15,599,106)
The basis for calculating of special reserve		27,545,634	309,504,861	146,161,510	307,927,594	791,139,598	546,718,282
Coefficient basis of calculating special reserve-Percent		10%	20%	50%	50%-100%		
Special reserve of doubtful loans		2,754,563	61,900,972	73,080,755	295,060,424	432,796,715	395,544,478
<b>Deducted: balance of special reserve of doubtful loans at the end of the previous year</b>		(954,136)	(5,114,289)	(119,978,535)	(269,497,519)	(395,544,478)	(220,371,577)
The effect of FX translation during period		0	(8,149,810)	(1,554,452)	(37,750,561)	(47,454,823)	(133,252,325)
Special expense of doubtful loans & dues		1,800,427	48,636,873	(48,452,232)	(12,187,655)	(10,202,587)	41,920,577

**4946-2-** General expense of doubtful loans of granted facilities and dues has been calculated as follows:

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	Note	20.03.2022	20.03.2021
		Million Rials	Million Rials
Granted facilities to other banks and credit institutions	10	69,648,787	56,628,019
Dues from government	11	162,419,351	137,547,585
Granted facilities to government sectors	12	3,293,911,640	2,734,305,692
Granted facilities to private sectors	13	4,232,592,970	2,692,630,670
Clients' debt for deferred L/Cs after deducting advance-received	20	265,607,148	118,167,697
Dues from subsidiaries and affiliated companies	15	37,808,812	67,648,570
Other accounts receivable	16	37,848,436	71,489,668
Deducted			
Balance of granted loans for which special reserve is considered		(810,764,008)	(562,317,388)
Balance basis for calculating general reserve		7,289,073,227	5,316,100,513
Basis coefficient for calculating general reserve – percent		1.5	1.5
General reserve of granted loans and dues		109,336,098	79,741,508
Deducted: General reserve balance of granted loans & dues at the end of previous year		(79,741,508)	(46,408,096)
The effect of FX translation during the year		(6,922,136)	(15,874,155)
General expense of doubtful loans of granted loans & dues		22,672,455	17,459,257

**46-3-Due to the change in the bank's approach in calculating the the reserve for doubtful loans of foreign currency assets, the reserve for doubtful loans for foreign currency assets was made in foreign currency, for this reason, the comparative items of the previous year were presented again.**

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**5047-** Financial expenses

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	Group		Bank	
	20.03.2022	20.03.2021	20.03.2022	20.03.2021
	Million Rials	Million Rials	Million Rials	Million Rials
Profit of received loans from other banks & credit institutions	221,448	433,555	41,573	819,693
Profit and delay payment charges of loans received from the CBI	23,135,968	18,875,658	23,135,968	18,621,492
Total financial expenses	23,357,416	19,309,213	23,177,542	19,441,184

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47-1- The said amount is mainly related to the foreign currency deposits of the CBI bank and its increase is due to the increase in the exchange rate.

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50-1 IRR 15,926 billion of above amount relevant to received funds from CBI (note 21-2) is for granting loans to public and private sectors. Increasing this amount proportionate to previous fiscal year is due to increase in foreign currency rate.

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#### 54-48- Depreciation expense

	Group		Bank	
	20.03.2022	20.03.2021	20.03.2022	20.03.2021
	Million Rials	Million Rials	Million Rials	Million Rials
Depreciation of tangible fixed assets	4,276,879	2,282,558	3,883,546	1,972,656
Depreciation of intangible assets	783,036	609,118	636,766	560,657
Total depreciation expense	5,059,914	2,891,676	4,520,312	2,533,313

#### 52-49- Annual adjustment

	Group		Bank	
	20.03.2022	20.03.2021	20.03.2022	20.03.2021
	Million Rials	Million Rials	Million Rials	Million Rials
Error correction 49-1	(43,418,904)	(858,963)	(41,797,958)	0
Accumulated effects of changes in accounting manner 49-2	0	(1,636,305)	0	0
Consolidation adjustments	0	(156,344)	0	0
Total annual adjustment	(43,418,904)	(2,651,612)	(41,797,958)	0

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#### 52-49-1- Errors correction, Accumulated effects of changes in accounting manner are as follows:

	Group		Bank	
	20.03.2022	20.03.2021	20.03.2022	20.03.2021
	Million Rials	Million Rials	Million Rials	Million Rials
Correction of previous year's performance tax	(9,905,059)	0	(9,905,059)	0
Adjustment of the reserve for retirement's obligations	(51,245,884)	0	(51,245,884)	0
Income from facilities granted to government sectors	19,688,566	0	19,688,566	0
Other receivable accounts	(1,484,422)	0	0	0
Other	(472,105)	(858,963)	(335,581)	0
	(43,418,904)	(858,963)	(41,797,958)	0

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#### 49-2- Accumulated effects of changes in accounting manner are as follows:

	Group		Bank	
	20.03.2022	20.03.2021	20.03.2022	20.03.2021
	Million Rials	Million Rials	Million Rials	Million Rials

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Other

0	(1,636,305)	0	0
<u>0</u>	<u>(1,636,305)</u>	<u>0</u>	<u>0</u>

### 50- Re-correction and re-presentation of financial statements

~~52- In order to provide proper copy of financial position and operation results, all of the relevant comparative figures in comparative financial statements have been amended and provided and for this reason comparative items does not match by provided financial statement in previous fiscal year.~~

~~5350-1-~~ In order to provide financial statements properly, comparative items relevant to annual adjustmentsclassification adjustments made and other classification adjustments made to the Bank's Group's financial statements are re-presented as follows:

Description	Note	balance according to the financial statement	Adjustments		Total Adjustments	Renewal balance 20.03.2021
		20.03.2021	Re-classification	Correcting mistakes		
<b>Balance Sheet:</b>		Million Rials	Million Rials	Million Rials	Million Rials	Million Rials
Dues from banks and other credit institutions	10	803,518,912	45,984,807	0	45,984,807	849,503,719
Granted facilities & dues from government sectors	12	2,887,832,475	(217,003,895)	22,462,527	(194,541,368)	2,693,291,107
Granted facilities & dues from private sectors	13	2,353,186,880	(79,010,897)	(2,773,961)	(81,784,858)	2,271,402,022
Investment in stocks and other securities	14	424,839,338	(1,448,412)	0	(1,448,412)	423,390,926
Dues from Subsidiaries	15	13,498	4,079,481	(61,192)	4,018,289	4,031,787
Other receivable accounts	16	126,825,716	(195)	(1,484,774)	(1,484,969)	125,340,747
Other assets						
Debt to banks and other	20	71,403,581	141,584,824	(335,229)	141,249,595	212,653,175
Credit institutions	21	851,771,697	99,810,019	0	99,810,019	951,581,716
Tax reserve	24	143,811,210	0	9,905,059	9,905,059	153,716,269
Reserves and other liabilities	25	1,686,337,247	(205,945,087)	231,677	(205,713,410)	1,480,623,837
Reserve of severance payment & staff retirement liabilities	26	80,084,935	0	51,245,884	0	131,330,819
Other reserves	31	80,319,412	10,516,277	0	10,516,277	90,835,689
Benefits with no right to control	33	20,633,202	(142,149)	(156,334)	(298,493)	20,334,709
Accumulated benefit(loss)		185,893,977	(10,516,277)	(43,097,926)	(53,614,203)	132,279,773
<b>Profit and Loss Statement:</b>						
Income from granted facilities and deposits and debt securities	34	432,576,862	0	13,844,129	13,844,129	446,420,991
Selling goods and providing services	35	138,311,498	0	(1,559,755)	(1,559,755)	136,751,743
Net profit from foreign exchange transactions	42	390,301,139	(149,126,480)	5,509,208	(143,617,272)	246,683,867
Administrative and general expenses	45	146,273,642	0	51,246,237	51,246,237	197,519,879
Tax expense		143,123,064	0	9,905,059	9,905,059	153,028,123
Doubtful loans expense	46	208,775,758	(149,065,288)	0	(149,065,288)	59,710,470

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Net profit		163,118,009	0	(43,418,904)	(43,418,904)	119,699,105
Earnings per share(EPS)	54	784	0	(215)	(215)	569

50-2- In order to provide financial statements properly, comparative items relevant to annual adjustments and other classification adjustments made to the Bank's financial statements are re-presented as follows:

Description	Note	balance according to the financial statement	Adjustments		Total	Renewal balance
		20.03.2021	Re-classification	Correcting mistakes	Adjustments	20.03.2021
<b>Balance Sheet:</b>		Million Rials	Million Rials	Million Rials	Million Rials	Million Rials
Dues from banks and other credit institutions	10	758,976,619	45,984,806	0	45,984,806	804,961,425
Granted facilities & dues from government sectors	12	2,887,832,475	(217,003,895)	22,462,527	(194,541,368)	2,693,291,107
Granted facilities & dues from private sectors	13	2,356,907,028	(84,452,702)	(2,773,961)	(87,226,663)	2,269,680,365
Investment in stocks and other securities	14	344,067,541	(1,448,413)	0	(1,448,413)	342,619,128
Other receivable accounts	16	67,233,395	5	(352)	(347)	67,233,048
Other assets	20	67,971,529	141,263,846	(335,229)	140,928,617	208,900,146
Debt to banks and other						
Credit institutions	21	825,577,506	94,368,214	0	94,368,214	919,945,720
Tax reserve	24	139,968,129	0	9,905,059	9,905,059	149,873,188
Reserves and other liabilities	25	1,639,435,303	(210,024,569)	0	(210,024,569)	1,429,410,734
Reserve of severance payment & staff retirement liabilities	26	78,382,794	0	51,245,884	51,245,884	129,628,678
Accumulated benefit(loss)		137,793,133	0	(41,797,958)	(41,797,958)	95,995,175
<b>Profit and Loss Statement:</b>					0	
Income from granted facilities and deposits and debt securities	34	425,784,069	0	13,844,129	13,844,129	439,628,198
Net profit from foreign exchange transactions	42	389,398,998	(149,126,480)	5,509,208	(143,617,272)	245,781,726
Administrative and general expenses	45	141,600,042	0	51,246,236	51,246,236	192,846,278
Doubtful loans expense	46	208,506,313	(149,126,480)	0	(149,126,480)	59,379,833
Tax expense		140,354,546	0	9,905,059	9,905,059	150,259,605
Net profit		136,610,484	0	41,797,958	41,797,958	94,812,527
Earnings per share (EPS)	54	660	0	202	202	458

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## 5451- Net profit reconciliation statement

The net profit reconciliation statement with net cash inflow of operating activities are as follows:

	Group		Bank	
	20.03.2022	20.03.2021 (Restated)	20.03.2022	20.03.2021 (Restated)
	Million Rials	Million Rials	Million Rials	Million Rials
Net profit	171,978,001	119,699,105	157,593,789	94,812,527
Depreciation expense	5,059,914	2,891,676	4,520,312	2,533,313
Doubtful loans expenses	11,634,674	59,710,470	12,469,868	59,379,833
Net increase of severance payment & staff retirement liabilities allowances	95,724,916	93,428,751	94,778,555	92,925,729
Net increase (decrease) in financial payable charge	4,048,203	13,957,135	3,736,357	13,753,109
Net increase (decrease) of payable income tax	(41,764,893)	132,710,822	(41,607,162)	131,706,508
Loss (Profit) of selling intangible and tangible fixed assets	(2,430,028)	(9,597,325)	(2,004,098)	(8,126,258)
Net (profit) of translation cash foreign currency	(8,810,530)	(144,220,057)	(8,802,275)	(144,220,057)
Adjusted net profit	235,440,257	268,580,576	220,685,346	242,764,704
<b>Net increase (decrease) of operating liabilities</b>				
Dues to banks and other credit institutions	74,207,384	463,066,738	71,614,316	443,946,903
Deposits of clients	844,620,369	604,369,461	822,102,331	659,789,344
Operating portion of reserves and other dues	396,776,698	629,480,746	66,257,619	578,681,717
Investment depositor's equity	1,079,262,152	1,044,948,338	1,094,469,104	1,034,118,281
	2,394,866,603	2,741,865,283	2,054,443,370	2,716,536,245
<b>Net (increase) decrease of operating assets</b>				
Dues from banks & other credit institutions	(303,572,715)	(339,558,478)	(323,511,196)	(314,474,335)
Dues from government	(24,498,689)	24,027,306	(24,498,689)	24,027,306
Granted facilities and dues from public sectors	(496,031,472)	(1,092,481,292)	(496,031,472)	(1,092,481,292)
Granted facilities and dues from private sectors	(1,490,321,831)	(949,448,049)	(1,542,421,085)	(937,789,759)
Investment & partnerships	98,118,463	(309,412,545)	136,446,458	(270,399,355)
Dues from subsidiaries & affiliated companies	0	(2,606,274)	29,392,161	(38,429,632)
Other accounts receivable	(37,603,712)	(50,425,419)	4,155,020	(22,952,115)
Legal deposit	(194,744,727)	(126,766,261)	(194,744,727)	(126,766,261)
Operating portion of other assets	(88,048,685)	(223,017,889)	216,378,658	(236,831,757)
	(2,536,703,367)	(3,069,688,901)	(2,194,834,872)	(3,016,097,200)
<b>Net cash inflow (outflow) of cash earned by operating activities</b>	<b>93,603,493</b>	<b>(59,243,042)</b>	<b>80,293,844</b>	<b>(56,796,250)</b>

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## 5552- Non-cash transaction

Main non-cash transaction during the year-period are as follows:

	Group		Bank	
	20.03.2022	20.03.2021	20.03.2022	20.03.2021
	Million Rials	Million Rials	Million Rials	Million Rials
Foreclosing assets against granted facilities	52-1	1,985,929	11,978,542	11,978,542
Asset clearing with granted facilities	17-11	0	0	0
Exchanging subsidiary companies	(note 15-1-1)	0	8,908,333	8,908,333
Settling dues from government	(note 11-2)	59,477,400	58,898,244	58,898,244
Settlement of facilities with treasury documents of the second type		11,556,000	0	0
Other Non-cash transactions		47,926	0	0
<b>Total Non-cash transactions</b>		<b>73,067,255</b>	<b>79,785,119</b>	<b>79,785,119</b>

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**552-1-** The following assets have been foreclosed by the bank in reported fiscal year.

Type of possessive asset	Client relation type	Debt Amount on Date of foreclosure	Expertise Value of foreclosed Asset	Paid by the client/ forgiveness by the bank	Paid for expertise value surplus of foreclosed properties	Debt Amount after foreclosure
		Million Rials	Million Rials	Million Rials	Million Rials	Million Rials
Residential property	Irrelevant client	1,175,350	(707,042)	0	0	468,308
Commercial/administrative property	Irrelevant client	901,120	(691,222)	0	0	209,898
Factory & Equipment	Irrelevant client	548,290	(288,501)	0	0	259,789
Equipment	Irrelevant client	82,150	(64,698)	0	0	17,452
Vehicles	Irrelevant client	22,910	(17,350)	0	0	5,560
Land	Irrelevant client	342,270	(217,116)	0	0	125,154
		<u>3,072,090</u>	<u>(1,985,929)</u>	<u>0</u>	<u>0</u>	<u>1,086,161</u>

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5653-1-1- The statement of bank's liabilities for L/Cs in foreign currency are as follows:

Type of Foreign Currency	Balance at the beginning of the year			issuance (or increase of liability) during year			Credit (cancelled) during the year			Impact of Rate Changes during period	Balance at the end of the year		
	Amount in foreign currency	IRR Equivalent Rials	Number	Foreign currency Amount	IRR Equivalent Rials	Number	Amount in foreign currency	IRR Equivalent Rials	IRR Equivalent Rials		Amount in foreign currency	IRR Equivalent Rials	
		Million Rials			Million Rials			Million Rials	Million Rials			Million Rials	
USD	3,836,927	610,070	0	0	0	0	0	0	157,315		3,836,927	767,386	
EUR	1,185,870,473	225,315,389	1,776	306,130,868	58,164,865	262	511,964,421	97,273,240	29,401,108		980,036,920	215,608,123	
TRY	790,426	16,753	7	811,562	17,203	2	181,982	3,857	(10,999)		1,420,006	19,099	
JPY	19,840,625	28,936	0	0	0	1	0	8	4,227		19,840,625	33,154	
AED	346,377	14,987	0	0	0	31	304,854	13,190	456		41,523	2,253	
CNY	7,317,499,128	179,022,593	0	25,959,927	635,110	0	3,356,463,971	82,115,868	27,334,837		3,986,995,084	124,876,672	
Total		405,008,729			58,817,177			179,406,163	56,886,944			341,306,687	

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5653-1-2- Bank's liabilities for local L/Cs in Rial are as follows:

Type of Credit	Balance at beginning of the year		Issued during the year		Credit (cancelled) during the year		Balance at the end of the year	
	Number	Million Rials	Number	Million Rials	Number	Million Rials	Number	Million Rials
Sight	263	88,493,904	971	181,956,461	851	(183,387,379)	383	87,062,986
Diferred	1,239	61,252,590	2,962	402,349,207	1,881	(215,537,132)	2,320	248,064,665
Total		<u>149,746,494</u>		<u>584,305,667</u>		<u>(398,924,511)</u>		<u>335,127,651</u>

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5653-2- Bank's- liabilities for the issued FX and Rial LGs liabilities for issued LGs in foreign currency

		20.03.2022	20.03.2021
		Million Rials	Million Rials
LGs in foreign currency	53-2-1	156,187,649	155,775,109
LGs and subscriptions issued in Rials		549,678,040	303,274,445
Total bank's liabilities for the issued FX and Rial LGs		<u>705,865,688</u>	<u>459,049,554</u>

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56-2-1- Bank's liabilities for issued LGs in foreign currency and in Rial are as follows:

5653-2-21- Bank's liabilities for LGs in foreign currencies are as follows:

		Bank			
		20.03.2022		20.03.2021	
		Amount in foreign currency	Rial equivalent	Amount in foreign currency	Rial equivalent
			Million Rials		Million Rials
EUR		627,513,162	138,052,896	690,347,622	131,166,048
AED		5,821,096	315,748	52,138,653	2,255,871
USD		55,464,527	11,092,905	106,457,937	16,926,812
TRY		6,004,453	80,760	4,391,293	93,078
GBP		1,840	483	376,840	83,492
CNY		212,153,416	6,644,857	212,153,416	5,190,333
Other foreign currencies		0	0	0	59,475
Total liabilities for issued guarantees in foreign currency			<u>156,187,649</u>		<u>155,775,109</u>

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**5653-3-** Other bank's liabilities are as follows:

	Bank	
	20.03.2022	20.03.2021
	Million Rials	Million Rials
Liabilities for FX concluded contracts	98,544,608	91,411,217
Liabilities for concluded contracts of transactions – private sector	770,047,761	477,420,090
Liabilities for credit cards	3,045,224	2,283,057
Liabilities for amounts received out of NDF/ foreign currency	235,059,451	157,066,317
<b>Total bank's other liabilities</b>	<b>1,106,697,044</b>	<b>728,180,680</b>

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**5653-4-** Managed funds and the like are as follows:

	Note	Bank	
		20.03.2022	20.03.2021
		Million Rials	Million Rials
Granted facilities out of managed funds		767,586	358,947
Unused managed funds		5,049,071	1,468,450
Managed funds of unused foreign currency	53-4-1	459,692,207	476,285,956
<b>Total unused funds and the like</b>		<b>465,508,864</b>	<b>478,113,352</b>

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**5653-4-1-** The Managed funds in foreign currency is EUR 2,507 Million including loans granted from foreign currency reserve account for governmental preferred plans that has been reflected in the off-balance sheet items of the balance sheet that based on the letter No.118619 issued by the CBI on August 02, 2015. According to Article 11 of Executive code of conduct of Article 17 of permanent orders of the country development plan, following up for collecting installments of the loans granted from foreign currency reserve account and crediting to the relevant accounts shall be merely done by the intermediary banks, and according to clause H of Clause 16 of budget act in 2019, the government is allowed to extend the dues of the CBI and commercial banks for the principal and interest of the facilities paid to the state-owned companies affiliated to Ministry of Petroleum for financing oil and gas up-stream projects up to March 20, 2022.

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~~56 4 2 based on clause II note 16 of the budget law for 2019, the government is allowed to extend the dues of the CBI and commercial banks for the principal and interest of the facilities paid to the state-owned companies affiliated to Ministry of Petroleum for financing oil and gas up stream projects up to March 20, 2022.~~



#### 5653-5- Liabilities for L/Cs and LGs in type of pledge breakdown

	Bank	
	20.03.2022	20.03.2021
	Million Rials	Million Rials
Bank deposits	381,097,710	151,123,636
Participatory bonds and other debt securities	103,611,341	40,236,180
Banking LGs	1,076,866	7,643
Transacted L/Cs	0	146,205,568
Land and building	123,115,820	35,793,708
Check and promissory note	752,411,296	369,618,017
Other	20,003,062	171,971,362
Total liabilities with pledge	1,381,316,095	914,956,114
Liabilities without pledge	983,931	98,848,663
Total liabilities for IRR LCs and LGs	1,382,300,026	1,013,804,777

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#### 594- Capital liabilities and probable debts

##### 594-1- The probable liabilities and debts of the bank during the reported period are as follows:

Description	Related to company	22.09.2022
		Million Rials
Guaranteeing the principal and interest of deposit	Owj Mellat Investment Fund	83,779,905
Guaranteeing the principal and interest of deposit	Andoukhteh Mellat Investment Fund	2,696,852
Guaranteeing the principal and interest of deposit	Atieh Mellat Investment Fund	1,405,952
<b>Total Capital liabilities</b>		<b>87,882,709</b>

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##### 594-2- Probable debts of subsidiary companies on date of balance sheet are as follows:

Description	Related to company	20.03.2022
		Million Rials
Our guaranteed document held with others	Mellat Financial Group	9,692,587
liabilities related to the return of partnership bonds	Mellat Financial Group	67,342,310
Banking LG provided to Stock exchange market	Mellat Financial Group	22,864
Endorsement of documents related to the contract of Azin Tejarat Arman company with Pasargad bank, Eghtesad Novin bank, Ansar bank	Mellat Financial Group	1,619,000
Other	Mellat Financial Group	1,000
Total		<b>78,677,761</b>

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#### 5755- EPS

##### 5755-1- Basic EPS

The basic EPS is calculated by dividing the profit of ordinary shareholders to weighted mean of each ordinary share hold by the shareholders. The weighted average of number of ordinary shares (basic) are 207 billion shares.

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#### Bank

##### Group

	20.03.2022	20.03.2021
	Million Rials	Million Rials
Profit before tax	204,952,132	272,727,227
Tax impact	(32,974,132)	(153,028,123)
Interest share with no right to control from net profit	(4,513,223)	(4,658,617)
Net profit-attributable to the owners of the original company	167,464,777	115,040,488
EPS – Rials	841	569

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##### GroupBank

	20.03.2022	20.03.2021
	Million Rials	Million Rials
Profit before tax	187,593,788	245,072,131
Tax impact	(30,000,000)	(150,259,605)
Profit (loss) after tax	157,593,788	94,812,527
EPS – Rials	761	458

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		Group	Bank	
Note		20.03.2022	20.03.2021	20.03.2022
		Million Shares	Million Shares	Million Shares
Weighted average of number of ordinary shares	28	207,043	207,043	207,043
Shares of parent companies owned by subsidiary companies	29	(7,961)	(4,954)	0
Weighted average of number of ordinary shares		199,082	202,089	207,043

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Capital injection of the bank out of Assets revaluations on Aug 25, 2020, registered in companies' registration office. Due to lack of changes in resources, calculation weighted average of the beginning of the period for ordinary shares has been done from the beginning of the previous fiscal year; so comparative items of 2019 have been represented.

#### 5856- Bad debts

5856-1- Bad debts based on type of dues are as follows:

	Due to the facilities	Other Dues	Total
	Million Rials	Million Rials	Million Rials
Bad debts at the beginning of the year	273,698	0	273,698
Bad debts during the year	0	0	0
Bad debts and collected during the year	0	0	0
Bad debts at the end of the year	273,698	0	273,698

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5856-2- Bad debts based on type of the facilities are as follows:

	Governmental			Non-governmental			
Description	mandatory	Non- mandatory	Total	mandatory	Non- mandatory	Total	Total
	Million Rials	Million Rials	Million Rials	Million Rials	Million Rials	Million Rials	Million Rials
Bad debts at the beginning of the year	0	0	0	0	273,698	273,698	273,698
Bad debts during the year	0	0	0	0	0	0	0
Bad debts & Collected during the year	0	0	0	0	0	0	0
Bad debts at the end of the year	0	0	0	0	273,698	273,698	273,698

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5856-3- Bad debts based on facilities receivers are as follows:

Description	Relevant persons with the bank	Irrelevant persons to the bank	Total
	Million Rials	Million Rials	Million Rials
Bad debts at the beginning of the year	0	273,698	273,698
Bad debts during the year	0	0	0
Bad debts & collected during the year	0	0	0
Bad debts at the end of the year	0	273,698	273,698

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5856-4- Bad debts due to loans based on type of contract are as follows:

	Transactional contract	Participatory contract	Total
	Million Rials	Million Rials	Million Rials
Bad debts at the beginning of the year	0	273,698	273,698
Bad debts during the year	0	0	0
Bad debts and collected during the year	0	0	0
Bad debts at the end of the year	0	273,698	273,698

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5856-5- Bad debts due to loans based on the type of liabilities are as follows:

	principal	interest	Delay payment charges	judicial expenses	Total
	Million Rials	Million Rials	Million Rials	Million Rials	Million Rials
Bad debts at the beginning of the year	273,698	0	0	0	273,698
Bad debts during the year	0	0	0	0	0

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Bad debts and collected during the year	0	0	0	0	0
<b>Bad debts at the end of the year</b>	<b>273,698</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>273,698</b>

~~58~~56-6- Considered reserve in to the accounts for the bad debts during the year are as follows:

	20.03.2022	20.03.2021
	Million Rials	Million Rials
Bad debts reserve at the beginning of the year	273,698	273,698
Bad debts reserve during the year	0	0
<b>Total</b>	<b>273,698</b>	<b>273,698</b>

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~~59 Capital liabilities and probable debts~~

~~59-1 The probable liabilities and debts of the bank during the reported period are as follows:~~

~~59-2 Probable debts of subsidiary companies on date of balance sheet are as follows:~~

~~60~~57- Events after date of balance sheet

~~60~~57-1-No remarkable event that is necessary to be adjusted the accounts or to be revealed in the financial statements has not been taken place after date of balance sheet.

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~~6458~~-operational sections

58-1- The basis of division of sectors

The basis of division of sectors in sector reporting is based on the type of banking.

~~6458-22~~- Information about reportable operational sections

The information related to each reportable sections has been presented in the table below. The profit before tax of the sections has been used as criterion of sections function.

	Note	Proxy Banking	Interest-Free Banking	International Banking	Electronic Banking	Other Activities	Total
		Million Rials	Million Rials	Million Rials	Million Rials	Million Rials	Million Rials
<b>Acquired fund from out of the bank</b>							
Incomes of granted facilities and depositing	34	517,988,406	0	142,804,967	0	0	660,793,373
Deposits profit expense	38	(352,385,138)		(10,943,140)			(363,328,277)
Net income of facilities and depositing		165,603,268	0	131,861,828	0	0	297,465,096
Commission income	40	10,343,418	9,493,132	11,432,607	9,406,155	6,971,563	47,646,875
Commission expense	41	(1,185,371)	(35)	0	(19,055,061)	(538,429)	(20,778,897)
Net commission income		9,158,047	9,493,097	11,432,607	(9,648,906)	6,433,133	26,867,979
Net profit (loss) of investments	37	17,353,179	0	0	0	0	17,353,179
Net profit (loss) of FX transactions and exchanges	42	0	0	119,887,033	0	0	119,887,033
Net other operating incomes	44	3,762,103	0	0	0	0	3,762,103
		21,115,281	0	119,887,033	0	0	141,002,315
<b>Net acquired incomes from out of the bank</b>		195,876,596	9,493,097	263,181,468	(9,648,906)	6,433,133	465,335,389
<b>Net incomes among bank sections</b>	43	2,636,033		900,698			3,536,731
<b>Total Incomes of operational section of the bank</b>		198,512,629	9,493,097	264,082,166	(9,648,906)	6,433,133	468,872,120
Doubtful loans expenses of operational section	46	(2,369,275)	0	(10,100,593)	0	0	(12,469,868)
Other direct expenses attributable to operating section	58-2-1	(96,444,244)	(24,111,061)	(36,166,591)	(60,277,652)	(24,111,061)	(241,110,610)
Interest (loss) each section before non-attributable general expenses		99,699,110	(14,617,964)	217,814,982	(69,926,559)	(17,677,928)	215,291,642
General expenses non- attributable to sections	47						(27,697,853)
Profit before tax							187,593,789

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**6158-2-1-** instalment of direct expenses to any operational section is 40% for proxy banking, 10% interest-free banking, 15% international banking, 25% electronic banking, and 10% for other activities.

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**6158-3-** Geographical concentration of main items of assets and liabilities and incomes

In providing geographical information, the main items of assets are reported based on location, incomes and liabilities based on living place of the counterparty of the bank in geographical areas.

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Assets	20.03.2022			Total
	Iran	South Korea	Turkey	
	Million Rials	Million Rials	Million Rials	Million Rials
Cash	296,521,148	3,701,099	14,958,914	315,181,162
Dues from banks and other credit institutions	564,631,756	563,840,865	0	1,128,472,621
Dues from government	159,983,060	0	0	159,983,060
Granted facilities and dues from public sectors	3,189,322,578	0	0	3,189,322,578
Granted facilities and dues from private sectors	3,809,032,338	3,131	3,065,981	3,812,101,451
Investment in shares and other securities	206,168,424	0	4,246	206,172,671
Dues from subsidiaries and affiliated companies	37,241,680	0	0	37,241,680
Other accounts receivable	62,885,294	54,428	138,307	63,078,028
Tangible fixed assets	206,099,006	1,485,485	141,656	207,726,147
Intangible assets	18,585,684	0	0	18,585,684
Legal reserve	572,006,640	0	2,864,584	574,871,224
Other assets	317,082,924	0	255,676	317,338,600
<b>Total assets</b>	<b>9,439,560,533</b>	<b>569,085,008</b>	<b>21,429,364</b>	<b>10,030,074,905</b>
<b>liabilities</b>				
Dues to banks and other credit institutions	990,396,243	506,512	657,280	991,560,036
Deposits of clients	2,112,931,043	552,258,996	3,028,829	2,668,218,868
Investment depositors interest	3,623,778,543	1,143	1,145	3,623,780,831
Payable dividend	399,272	0	0	399,272
Operating tax reserve	108,266,026	0	0	108,266,026
Reserves and other liabilities	1,808,849,350	0	675,216	1,809,524,566
Severance payment and staff retirement liabilities reserve	224,407,233	0	0	224,407,233
<b>Total liabilities</b>	<b>8,869,027,711</b>	<b>552,766,651</b>	<b>4,362,470</b>	<b>9,426,156,832</b>
<b>Total incomes</b>	<b>464,209,319</b>	<b>(238,096)</b>	<b>1,138,795</b>	<b>465,110,017</b>
<b>Net other incomes and expenses</b>	<b>3,762,102</b>	<b>0</b>	<b>0</b>	<b>3,762,102</b>

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**58-4- Geographical concentration of main items of assets and liabilities and incomes**

**In providing geographical information, the main items of assets are reported based on location, incomes and liabilities based on living place of the counterparty of the bank in geographical areas.**

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	20.03.2021			
	Iran	South Korea	Turkey	Total
<b>Assets</b>	Million Rials	Million Rials	Million Rials	Million Rials
Cash	261,795,752	3,177,699	19,732,435	284,705,887
Dues from banks and other credit institutions	320,154,006	484,807,419	0	804,961,425
Dues from the government	135,484,372	0	0	135,484,372
Granted facilities and dues from public sectors	2,693,291,107	0	0	2,693,291,107
Granted facilities and dues from private sectors	2,266,680,606	4,944	2,994,816	2,269,680,365
Investment in shares and other securities	342,612,032	0	7,096	342,619,128
Dues from subsidiaries and affiliated companies	66,633,841	0	0	66,633,841
Other accounts receivable	66,912,882	54,630	265,536	67,233,048
Tangible fixed assets	191,648,571	1,300,623	230,286	193,179,479
Intangible assets	17,676,310	0	0	17,676,310
Legal reserve	377,208,518	0	2,917,979	380,126,497
Other assets	207,779,585	892,979	227,581	208,900,146
<b>Total assets</b>	<b>6,947,877,581</b>	<b>490,238,293</b>	<b>26,375,729</b>	<b>7,464,491,604</b>
<b>liabilities</b>				
Dues to banks and other credit institutions	918,826,543	432,049	687,129	919,945,720
Deposits of clients	1,350,583,232	479,577,209	15,956,096	1,846,116,537
Investment depositors interest	2,529,309,012	978	1,737	2,529,311,728
Payable dividend	163,627	0	0	163,627
Operating tax reserve	149,873,188	0	0	149,873,188
Reserves and other liabilities	1,429,171,455	0	239,279	1,429,410,734
Severance payment and staff retirement liabilities reserve	129,628,678	0	0	129,628,678
<b>Total liabilities</b>	<b>6,507,555,736</b>	<b>480,010,235</b>	<b>16,884,241</b>	<b>7,004,450,212</b>
<b>Total operating incomes</b>	<b>505,806,020</b>	<b>(294,347)</b>	<b>837,145</b>	<b>506,348,818</b>
<b>Net other incomes and expenses</b>	<b>12,923,922</b>	<b>0</b>	<b>0</b>	<b>12,923,922</b>

6259- Description of the bank risks

In the risk notes section, the most important existing risks in banking industry, the status of bank in structure and risk management methods as well as fulfilled analysis about the impact of each risk on the items of financial statements of the bank is revealed.

The structure of this part of the bank’s reporting has been arranged with regard to instructions of risk management, issued by the BAL Committee (BAL 2) and international financial reporting standards (IFRS).

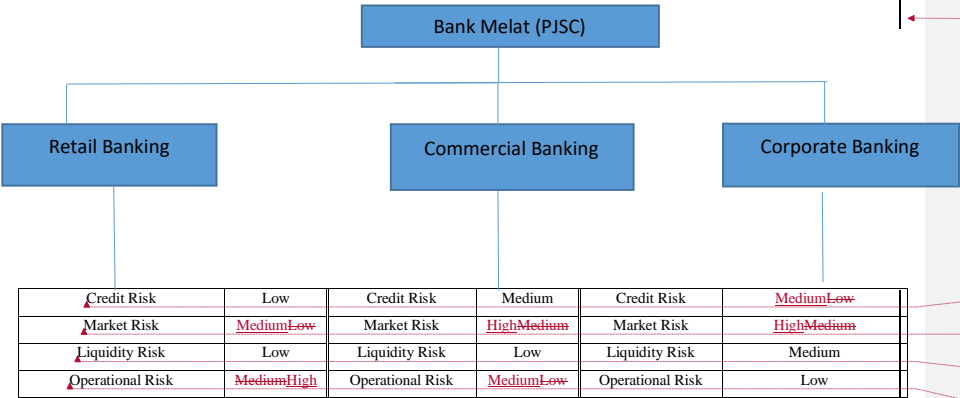
Disclosing the risks of activity method and banking operation and the manner of managing these risks by the bank, enable the users that while understanding the way of reflecting the risk criteria of the bank activities, become aware from the impact of risk on the items of the balance sheet and profit and loss statement as well.

Bank exposes to the following risks:

- Credit risk;
- Liquidity risk;
- Market risk;
- Operational risk.

The amount of sensitivity of the financial risks on different parts of the bank’s business is as following charter:

6159-1- The charter of relation between different business parts and the main risks that each unit is facing.



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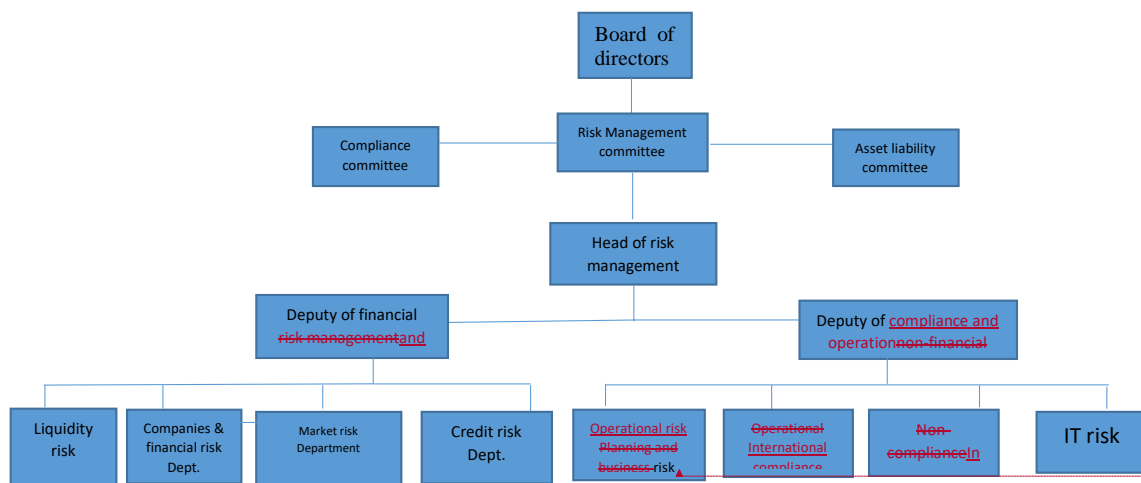
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## 6259-2- The framework and chart of risk management structure



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## 6259-3- Credit Risk

### 6259-3-1- Definition of credit risk

~~Credit risk is the~~ Credit risk is the possibility of damage due to failure to fulfill all or part of the customer's facilities and obligations on time due to reasons such as unwillingness, lack of financial ability and the existence of obstacles in the settlement of facilities and obligations. Credit risk affects liquidity and profitability of the bank. Customer's default risk, collaterals risk and concentration risk are the most important aspects of credit risk.

~~loss due to negligence of the loanee or bank's counterparty in fulfilling his/her/its obligations, based on the agreed conditions. Credit risk affects liquidity and profitability of the bank. Customer's default risk, collaterals risk and concentration risk are the most important aspects of credit risk.~~

### 6259-3-2- Policies of credit risk

Credit risk management in bank Mellat is based on the rules and instructions of the CBI bank as well as international standards. In order to reduce credit risk, bank Mellat determines credit risk management policies, based on the themes of the strategy. One of the themes of the bank's strategy is to "improve credit effectiveness" that this content of the strategy is designed to achieve the two goals of "improving the credit portfolio" and "managing the settlement of non-current dues". The most important risk management policies of bank Mellat can be explained as follows:

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Minimum credit risk management requirements policy:

Considering the importance of improving and upgrading the credit risk management according to the requirements and conditions, the abovementioned policy has been notified to all related units with the aim to introduce an effective and desirable credit risk management framework and includes items such as the "description of duties and responsibilities of individuals and units"; " Credit risk management framework requirements"; " Required structures"; " Reporting lines"; and " Risk reduction methods"

Settlement of non-current dues policy:

This policy has been prepared and formulated with a preventive approach with the aim of reducing and managing credit risks caused by the creation and accumulation of non-current dues and improving the quality of the credit portfolio. It is periodically updated based on environmental changes and is communicated to all credit institutions after approval.

The policy of optimal allocation of resources and liabilities (Rials):

Considering the importance of preserving the interests of the bank and facilitating and speeding up credit services to high yield customers of the bank, including depositors and applicants for credit facilities and services, satisfaction of them and shareholders, the abovementioned policy has been prepared and edited with a strategic approach, practical and effective in interaction with all branch units and departments in order to achieve the bank's goals, with emphasis on compliance with credit health.

The most important risk management policies of Bank Mellat can be explained as follows:

- 1) Supporting from domestic production;
- 2) Supporting green trade;
- 3) Supporting advantageous industries;
- 4) Facilitating receiving loans for the public;
- 5) Supporting from using domestic goods;
- 6) Developing non-interest bearing loans;
- 7) Supporting export growth and increasing GDP;
- 8) Supporting national projects;
- 9) Supporting employment in the society.

The bank benefits fro

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~~m proper structure including policy making in credit risk management, integrated executive units with specified task description, codified and developed procedures in credit risk management, numerous and partly unique in the country banking system and supporting companies in credit processes, in order to achieve the abovementioned goals.~~

~~The effects of COVID-19 economic crises and spreading on the bank operation~~

~~Regarding to the economic changes due to spreading Corona Virus and its effects on credit risks and also according to the announcement of the damaged parts from this disease by the CBI, the bank has acted in order to recognize the effects of this issue on its credit portfolio, and would calculate the level of the facilities risk in accordance with new situation. Based on the fulfilled considerations the banks' reserves for comforting credit risk driven from spreading Corona Virus is appropriate and the credit risks due to this issues has been considered constantly and required reports for managing risks arisen from changes in economic situations due to the Corona Virus in the bank credit portfolio would be rendered to the CEO of the bank and relevant divisions.~~

~~6259-3-3- Executive division of credit risk management~~

~~Whereas credit risks constitute the main part of the bank's risks, numerous units in different parts of the bank are working on credit risk management. This issue is managed in Bank Mellat in a way that every one of the staff is responsible of risk management of his/her working area proportionate with his/her responsibilities and powers. All of the relevant staff to the operating activities are categorized as credit risk management executive staff. Regarding the abovementioned items, relevant departments to credit risk management in Bank Mellat are divided in two policy making and executive departments. The policy making departments in credit risk management of Bank Mellat are introduced as follows:~~

~~Board of directors;~~

~~Risk management high committee;~~

~~Asset and liability committee;~~

~~Optimizing allocation resources committee;~~

~~Risk management division;~~

~~Credit planning and supervision division;~~

~~Asset and liability management division.~~

~~In addition to the abovementioned policy making units, the executive units related to credit risk management of Bank Mellat are introduced below:~~

~~High credit committee; making decision for loans and liabilities in highest level of the bank before the board of directors of the bank;~~

~~Credits division; making decision for loans and liabilities in level higher than regions committee and lower than high credit committee;~~

~~Specific regional committees; making decisions on facilities and liabilities in higher level than branches management and lower than credit division;~~

~~Credit committees of Branches management; Making decision on facilities and liabilities in higher level than branches and lower than specific regional committees;~~

~~Credit committees of branches; Making decision on facilities and liabilities in level of branches authorities with regard to their grades;~~

~~Expertise department of credit division; Providing expertise reports on highest level of the bank;~~

~~Expertise department of corporate banking; Providing expertise reports and making credit decisions in specific manner for large companies with regard to the determined scope of authorities;~~

~~Expertise department of regional management; Providing expertise reports on regional management level;~~

~~Credit experts of branches; assessing credit status of the client in facilities and liabilities in branches scope authorities and also establishing credit files based on the scope of the higher level authorities.~~

~~6259-3-4- Authorities scope of different organizational levels for ratifying facilities and liabilities~~

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All executive departments stated above have determined scope of authorities. This scope of authorities is determined proportionate to acceptable risk level of any different organizational level of the bank. Different parameters are considered in order to determine the acceptable credit risk level at any organizational levels, these parameters includes: branches level, branches management level, client risk, collaterals risk, volume of facilities and liabilities, type of facilities and liabilities, etc. In other words, the scope of authorities in Bank Mellat is determined with regard to decisions risk level. The scope of authorities is considered in credit planning and supervision department and it will be sent to the bank network after confirmation of the board of directors.

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### 6259-3-5- Methods for reducing credit risk

Bank Mellat has been successful in reducing credit risk in order to manage credit risk regarding abovementioned structures based on risk, programs owner and procedures systems, and specialized companies. The applied programs, processes and systems are explained briefly as follows:

#### 62-3-5-1-Programs

Bank Mellat uses coherent programs to reduce the credit risk. The most important programs to reduce credit risk are as follows:

- Developing credit systems: Although Bank Mellat benefits from valuable systems in credit risk management currently, but developing systems is one of the Bank Mellat important program. Developing systems such as core credit system, credit risk assessment management system, customers risk model system, competence and capacity system, credit executive systems, etc. is the agenda of the bank. The abovementioned systems are designed in a way that the indices upgrade regarding to the economic and environmental changes.

**Customers' assessment development:** Developing different types of banking is one of the major programs of the bank to facilitate rendering banking services and credit risk management. Corporate, private, commercial and retail banking renders services proportionate to each group of customers based on credit risk level.

- Market risk department report: As stated above, the credit risk shall be managed with regard to indices of macro economy and market. So, the market management risk department studies different aspects of the country future economy status such as inflation, interest rate, foreign currency rate, industries status, economic sectors, business conditions, etc. and regularly presents the results to high risk committees, board of directors and allocating resource optimization committee. With regard to the abovementioned evaluations, the risk of different industries will be determined. The reports are in a way that enable the credit departments of the bank to useful and specific usage in order to reduce the credit risk.

- Customers' assessment development: Developing different types of banking is one of the major programs of the bank to facilitate rendering banking services and credit risk management. Corporate, private, commercial and retail banking renders services proportionate to each group of customers based on credit risk level.

- Developing credit systems: Although Bank Mellat benefits from valuable systems in credit risk management currently, but developing systems is one of the Bank Mellat important program. Developing systems such as core credit system, credit risk assessment system, customers risk model system, competence and capacity system, credit executive systems, etc. is the agenda of the bank. The abovementioned systems are designed in a way that the indices upgrade regarding to the economic and environmental changes.

**Designing services proportionate to customers risk:** Modern studies and economic consideration are exist in Bank Mellat and the main purpose of this department is to design services based on the customers' requirements and also omitting or limiting facilities that are irrelevant to needs of customers. In other words

in credit risk management process of the not only manages the credit risk of the bank but also customers' risk as well.

#### 62-3-5-2-Processes

Credit risk management process in Bank Mellat is a comprehensive and integrated process. This process includes the request of the client to debts collection. The most important process to reduce credit risk is as follows:

- **Client risk assessment process:** Client risk process is carried out by different credit experts from branches up to highest level of the bank. Competence and capacity system is applied for this purpose. The volume of high-risk clients' facilities is reduced in credit portfolio by using this system. The rank of clients upgrade for credit clients of the bank. Abovementioned issue will make the change in behavior of credit customers more obvious and the effects of credit risk will be greatly reduced. In addition to the abovementioned items, this software uses support tests (compliance between prediction and real operation).
- **Collateral Risk Management Process:** The perspective of value changes of collaterals is determined by market risk department. The abovementioned risk is managed by considering the above-said changes in process of receiving collateral.
- **Concentration Risk Management Process:** Bank Mellat controls its concentration risk by diversification in type of loans based on economic capacity and geographical diversity of the country.
- **Crisis Test or Stress Test Process:** The bank has developed crisis test processes in order to identify risks that can affect the bank in critical conditions. Crisis test is applied in the bank to identify the weak points and also credit and financial stability of the bank.

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#### 62-3-5-3-Systems

Bank Mellat uses different software to decrease the credit risk. The most important software are:

- **Bank Mellat's credit risk rating system:** This system is based on valid modeling methods and is being implemented and developed with the aim to estimate the credit risk of bank customers in three segments of corporate banking clients, commercial banking and personal banking, currently the basic model of personal banking is in the testing stage and in the final stages of design and production in the two departments of corporate banking and commercial banking. The mentioned software will have the ability to identify credit customers (range of low-risk to high-risk customers) and it will predict the expected loss due to the granting of facilities. One of the goals of designing and implementing this system, identifying, analyzing and evaluating the bank's credit risks in order to adopt the necessary measures and strategies to minimize the risk caused by the default of facilities, the possibility of creating and preparing the required reports in the field of credit risk to be submitted to reliable internal and international authorities and capable to rate and score customers.
- **Competence and Capacity Assessment Software:** This system determines the credit capacity of the client with regard to standard indices that are used in most raised banks. The abovementioned system ranks the client by applying financial, non-financial information, etc. the output of this system determines credit rating of the customers, the amount of loans and also type of collaterals to cover the credit risk of the client.
- **Comprehensive Credit System:** The comprehensive credit system provides valuable information data from all information of legal companies to different decision makers' authorities.
- **Statistical Reporting System:** This software is designed to consider the bank credit portfolio risk and it prepares different required reports for the managers in different levels.

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- **Single beneficiary system:** It is a unique system that is used to identify relevant individuals and single beneficiaries and also the amount of loans and commitments of the different individuals. The bank manages an important part of credit concentration risk by using this system.
- **Other Systems:** Bank Mellat uses numerous systems such as systems for connection with different economic sections and social sectors of the country in order to follow up dues and also systems to communicate with the clients or their guarantors.

#### **62-3-5-4 Leasing**

~~Bank Mellat has outsourced a part of credit process to specialized companies with regard to significant advantages of outsourcing some parts of processes and their effects on making specialized approaches to subordinate processes, removable connection with the clients, the speed of rendering services and improving control and decreasing risks in subordinate processes and also in order to develop credit risk management process. Receiving information of the client and debt collection are two parts that Bank Mellat uses the services of two specialized companies. Both mentioned companies have appropriate structure, trained staff and developed systems specific for the required services.~~

- ~~Receiving customer's information: Bank Mellat uses the services of a specialized company to receive the clients' information in order to decrease the credit risk and increase the speed and precision of credit services. The abovementioned company uses specialist experts in order to take the financial and non-financial information of the client quickly and also evaluating the pledges of the clients. The systems used by the abovementioned company are connected to Bank Mellat' systems and reports are available in Bank Mellat.~~
- ~~Debts collection: Bank Mellat uses the services of a specialized company in debt collection. The abovementioned company while benefits from specialized experts in debt collection and advanced systems, uses developed professional processes that are documented. The services of the abovementioned company have increased the speed of following up the dues. On the other hand, the specialized processes of this company and also authorities to change the installments or decrease the delay payment charges, leads to increase customers' satisfaction.~~

#### **62-3-6-6 customers' credit rating process**

Credit risk management process in Bank Mellat is a comprehensive and integrated process that to this end credit risk standard is used. Credit process in Bank Mellat is designed from application date by the client up to date of debt collection that the summary of which is explained as follows:

- **Customers' application:** credit rating process begins with receiving application for loans and services. The financial and credit behavior of the client along with capacities etc. are considered and monitored in this step. Some of applications are not accepted because of the client high risk. The risk of some of application are adjusted upon changes in type of loans, installments amount and repayment due date. Low risk applications would be transferred to the next step. The process of receiving the applicant application is bilateral and the credit experts render different consultation for receiving loan.
- **Issuing credit code:** A specific credit code that connects the client to one of the branches of the bank is issued for each client in order to manage the credit risk of the clients. The client's information is recognizable and referable through the abovementioned code in Bank Mellat.
- **Banking system enquiry:** Bank Mellat takes several enquiries from different authorities on credit, financial and personal behaviors of the client in order to decrease credit risk and managing relevant risks to credit risk such as risk of fraud and offense. The most important enquiries are: enquiry of bounced check, enquiry of NPLs, enquiry of gazette and enquiry of civil registration. Some of the abovementioned enquiries are completely systematic and online that are considered as premier advantages of Bank Mellat in country banking system.
- **Receiving single beneficiary information:** Bank Mellat receives relevant information of individuals which is connected to the customer in order to manage credit concentration risk. This item is expanded and exerted in all credit processes of the bank.
- **Receiving financial and non-financial information of the customers:** Almost all financial and non-financial information of the client are received through specific forms in order to precise inspection of credit risk management.

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- Providing expertise reports: The “financial”, “credit”, “economic” and “technical” status of the clients is gathered in the expertise report and a single report is rendered about the client together with credit proposal and opinion:

● Customers rating: All gathered information are entered in to the model in this part and the client's rating is determined finally.

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### 6259-3-7- Credit Quality Analysis

The quality of bank's assets including the loans, liabilities and investments, type and amount of taken pledges and sufficiency of the taken pledges (the ratio of granted loans to updated value of pledges - LTV) have been shown in tables No.6259-3-7-1 to No.6459-3-7-5 based on credit risk:

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### 6259-3-7-1- Credit quality analysis of granted facilities and liabilities and investments based on the bank internal credit rating

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	Credit Quality Analysis							
	Loans granted to Banks*		Loans granted to clients**		Investments***		Liabilities for LGs & LCs	
	20.03.2022	20.03.2021	20.03.2022	20.03.2021	20.03.2022	20.03.2021	20.03.2022	20.03.2021
Grade 1 – Low risk	283,400,000	53,300,000	6,724,321,559	4,869,237,119	94,851,048	241,097,029	884,805,691	453,020,940
Grade 2 – Medium	0	0	38,257,825	16,229,214	111,321,727	101,529,203	472,619,619	532,744,645
Grade 3 – High risk	0	0	741,303,318	515,880,605	0	0	24,874,717	28,039,192
Grade 4 – Near to	0	0	22,621,908	25,589,425	0	0	0	0
Gross Total	283,400,000	53,300,000	7,526,504,611	5,426,936,362	206,172,775	342,626,232	1,382,300,026	1,013,804,777
Value decrease	0	0	(525,080,581)	(463,964,891)	0	0	0	0
Net book value	283,400,000	53,300,000	7,001,424,029	4,962,971,472	206,172,775	342,626,232	1,382,300,026	1,013,804,777

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\* The bank has developed a pattern to credit ranking of the banks.

~~\*\* 2.2 percent of bank Mellat credit portfolio has affected by the risks driven from Corona Virus and this issue has been considered in relevant calculation of determining quality of the bank's credit portfolio.~~

\*\* At present the bank uses competence and capacity assessment for risk assessment and raking granted loans. Also, this bank is developing internal credit raking model with risk based approach.

\*\*\* The investments include each type of securities by ownership right characteristics such as different types of stocks.



6259-3-7-2- The table of credit quality analysis table of granted loans and liabilities based on asset classification.  
(Figures in Million Rials)

	Loans granted to Banks		Loans granted to Clients		Liabilities for LGs & L/Cs	
	20.03.2021+2022	20.03.2020+2021	20.03.2021+2022	20.03.2020+2021	20.03.2021+2022	20.03.2020+2021
Current	283,400,000	53,300,000	6,724,321,559	4,869,237,119	1,382,300,026	1,013,804,777
Overdue	0	0	38,257,825	16,229,214	0	0
defaulted	0	0	311,487,067	29,681,528	0	0
Doubtful loans	0	0	452,438,160	511,788,502	0	0
Gross Total	283,400,000	53,300,000	7,526,504,611	5,426,936,362	1,382,300,026	1,013,804,777
Value decrease reserve		0	(525,080,581)	(463,964,891)	0	0
Net book value	283,400,000	53,300,000	7,001,424,029	4,962,971,472	1,382,300,026	1,013,804,777

6259-3-7-3- Credit quality of participation bonds, treasury documents, Sukuk, investment funds and the like

Credit Quality Analysis		
	20.03.2021+2022	20.03.2020+2021
	Million Rials	Million Rials
<b>Issued by government and the CBI</b>		
Documents of Islamic Treasury	0	413,176
State-owned Sukuk (state-owned benefit bonds)	62,127	0
Government benefit bonds (AFAD)	0	20,526,354
Government benefit bonds (Market up-ARAD)	18,206,956	156,718,178
Rental Bonds	4,000,000	
Market-up bonds (Health)	0	500,000
Governmental Bonds	1,814,095	
Total	24,083,177	178,157,708
Issued by state-owned companies		
Crude oil standard bonds	27,942,983	25,008,829
Total	27,942,983	25,008,829
<b>Issued by non-state-owned section</b>		
Tehran municipality bonds (participation)	8,900,000	5,000,000
Shiraz municipality bonds	0	1,500,000
Shiraz urban train bonds (participation)	2,350,000	2,350,000
Isfahan urban train bonds (participation)	2,350,000	2,350,000
Tajrobeh Iranian Common Investment Fund	0	0
Mobarakeh Steel Co. (forward)	0	1,500,000
Mellat market making exclusive investment fund	9,184,733	9,184,733
Bonds of PIB	0	0
Branches abroad securities	4,246	8,249
Atieh Mellat Investment Fund	5,000	5,000
Mellat Investment Fund	4,900	4,900
Total	22,798,879	21,902,882
Grand Total	74,825,040	225,069,420

6259-3-7-4- Type and amount of received collaterals from credit customers

Main Types of collaterals	20.03.2022	20.03.2021
	Million Rials	Million Rials
▲ facilities granted to real customers		
▲ Cash	0	0
▲ Deposit	51,514,110	73,485,075
▲ Participation bonds/ Sokuk	40,961,665	1,242,574
▲ Marketable share bonds	0	13,087,301
▲ Non-stock market bonds	0	0
▲ Properties and real estates	422,170,495	328,024,118
▲ Factory and equipment	1,337,579	1,937,189
▲ Guarantee	24,735,220	951,542
▲ Check	0	0
▲ Promissory note	621,172,668	580,599,685
▲ Binding contract	1,139,609,536	852,537,200
▲ Total collaterals of real customers	2,301,501,273	1,851,864,683
▲ Facilities granted to legal customers		
▲ Cash	0	0
▲ Deposit	105,609,943	73,297,394
▲ Participation bonds / Sokuk	5,125,704	1,943,513
▲ Marketable share bonds	36,305,841	123,245,827
▲ Non-stock market bonds	0	81
▲ Properties and real estates	213,723,601	116,134,482
▲ Factory and equipment	13,530,274	36,588,573
▲ LG	49,607,907	8,060,674
▲ Check	0	0
▲ Promissory note	34,750,134	41,508,375
▲ Binding contract	1,385,229,720	775,252,035
▲ Total collaterals of legal customers	1,843,883,124	1,176,030,955
▲ Total received collaterals from credit customers	4,145,384,397	3,027,895,638

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6259-3-7-5- The balance of facilities based on the balance of facilities ratio (to deducting reserves) to updated cash value of collaterals

Description	20.03.2022	20.03.2021
	Million Riels	Million Riels
Loans granted to banks		
Less than 50%	0	0
51 to 70%	0	0
71 to 90%	0	0
91 to 100%	0	0
Higher than 100%	283,400,001	53,300,000
Total loans granted to banks	283,400,001	53,300,000
Loans granted to real clients		
Less than 50%	1,480,118,092	840,730,370
51 to 70%	13,764,620	7,437,193
71 to 90%	82,465,275	45,477,950
91 to 100%	79,299,168	79,244,832
Higher than 100%	144,685,154	103,771,361
Total loans granted to real clients	1,800,332,308	1,076,661,706
Loans granted to legal clients		
Less than 50%	1,803,806,551	930,549,827
51 to 70%	80,128,601	91,903,416
71 to 90%	62,171,666	61,783,071
91 to 100%	24,242,575	57,773,779
Higher than 100%	41,419,750	40,617,200
Total loans granted to legal clients	2,011,769,143	1,182,627,813
Total loans granted to clients	3,812,101,451	2,259,289,519
Total	4,095,501,452	2,312,589,519

This table discloses the collaterals coverage held with the bank for the reported debt balances of the customers and the calculations are based on the updated value of the collaterals and taking into account the liquidity coefficients mentioned in the assets and reserving classification circular.

### **6259-3-8 – Credit concentration Risk**

In this part, the bank's policy about distributing credit risk from economic divisions, domestic and international sections and types of contracts are explained and the result of these policies are shown in table No. 6459-3-8-1 and table No. 6459-3-8-2.

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6259-3-8-1- Table of distribution of economic sections, facilities, investments and its domestic or international concentration

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Amounts in Million Rials

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Book Value	Note	Granted Loans		Investments		Liabilities for Guarantees & L/Cs	
		20.03.20242022	20.03.20202021	20.03.20242022	20.03.20202021	20.03.20242022	20.03.20202021
Amount of facilities/liabilities based on economical section		3,812,101,451	2,269,680,365	206,172,671	342,619,128	1,382,300,026	1,013,804,777
Industry & Mine	59-3-8-1-1	1,307,744,999	549,901,062	109,678,722	106,165,412	0	0
Housing		96,089,381	88,971,619	0	0	0	0
Trading		418,516,035	237,451,167	0	0	1,264,804,524	927,631,372
Services		1,487,892,730	938,360,173	74,891,703	224,071,838	0	0
Agriculture		152,424,022	130,665,689	0	0	0	0
Banks		0	0	10,787,399	10,787,399	0	0
Other		349,434,283	324,330,655	10,814,847	1,594,479	117,495,502	86,173,406
Total		3,812,101,451	2,269,680,365	206,172,671	342,619,128	1,382,300,026	1,013,804,778
Amount of facilities / liabilities based on in & out of the country *							
In the country		3,812,101,451	2,269,680,365	184,571,513	330,244,999	884,805,691	453,020,940
Out of the country		0	0	21,601,158	12,374,130	497,494,335	560,783,838
Total		3,812,101,451	2,269,680,365	206,172,671	342,619,128	1,382,300,026	1,013,804,778

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- Total includes granted facilities and dues from private sectors and loans granted to the banks.

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6259-3-8-1-1- Distributing facilities and investments based on type of industry and mine are as follows:

Description	20.03.20242022	20.03.20202021
	Million Rials	Million Rials
Facilities		
Automobile and spare parts	129,265,646	61,077,003
Mineral and Metal industries	252,059,365	185,357,420
Petrochemical, chemical and oil products industries	199,557,943	92,989,070
Food & pharmaceutical	153,814,652	67,996,389
Energy	87,118,921	4,460,770
Contractual		0
Telecommunication, computer and affiliated industries	2,490,505	0
Financial mediatory		0
Other	483,437,967	138,020,411
Total loans	1,307,744,999	549,901,062
Investments		
Automobile and spare parts	13,175,080	12,073,324
Mineral and metal industries	1,739,022	1,739,022
Petrochemical, chemical and oil products industries	94,764,619	92,353,066
Telecommunication, computer and affiliated industries		0
Other		0
Total investments	109,678,722	106,165,412
Grand Total	1,417,423,721	656,066,474

\* Disclosing distribution of liabilities based on type of industry along with promoting the bank's reporting software in compliance with the announced revealed level by the supervising department is in the agenda

6259-3-8-2- Table of distribution of non-governmental facilities based on transactional and participatory contracts and type of client

Contracts	Type of clients	Granted facilities during period		Balance of loans on 20.03.2020at the end of the period	
		Amount	Ratio to the total	Amount	Ratio to the total
		Million Rials	%	Million Rials	%(Percent)
Transactional contracts	Real	623,512,029	33.37	1,269,117,915	33.29
	Legal	696,659,155	37.28	1,418,004,100	37.20
Total		1,320,171,185	70.65	2,687,122,015	70.49
Participatory contracts	Real	31,860,887	1.70	64,850,749	1.70
	Legal	35,598,637	1.91	72,458,695	1.90
Total		67,459,524	3.61	137,309,445	3.60
FX and other	Real	227,199,271	12.16	466,708,949	12.24
	Legal	253,853,085	13.58	520,961,042	13.67
Total		481,052,355	25.74	987,669,991	25.91
Grand total		1,868,683,064	100	3,812,101,451	100

Non-interest bearing facilities are classified in participatory contracts (non-transactional) section.

### 6259-3-9- Non-Current loans and dues management method

The bank uses software and systems and also services of specialized companies to manage non-current loans that was explained in the previous notes. The results of this policies are shown in table No.6259-3-9-1 to No.6259-3-9-3

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6259-3-9-1 table of non-current facilities and dues

Description	20.03.20242022				20.03.2020202			
	Principal	interest	Delay Payment charges	Total	Principal	interest	Delay Payment charges	Total
	Million Rials	Million Rials	Million Rials	Million Rials	Million Rials	Million Rials	Million Rials	Million Rials
<b>Balance of non-current loans and dues at beginning of the year</b>	476,500,063	61,213,999	9,701,226	547,415,288	300,231,558	38,569,511	6,112,516	344,913,585
Posted to non-current during year	398,245,692	57,535,764	42,344,928	498,126,385	590,165,398	75,816,117	12,015,377	677,996,892
<b>Settled non-current loans and dues during year</b>								
Cash collection	(348,507,308)	(9,767,659)	(18,827,604)	(377,102,571)	(221,577,310)	(28,465,124)	(4,511,168)	(254,553,602)
Collected by properties foreclosing	(1,440,770)	(249,144)	(296,015)	(1,985,929)	(10,426,775)	(1,339,485)	(212,282)	(11,978,542)
Settlement with new facilities	0	0	0	0	0	0	0	0
Forbearance	(122,306,393)	(20,396,934)	(19,839,158)	(162,542,485)	(181,892,808)	(23,367,019)	(3,703,217)	(208,963,045)
Bad debts	0	0	0	0	0	0	0	0
Forfeiting	0	0	0	0	0	0	0	0
Forgiving penalties	0	0	0	0	0	0	0	0
<b>Balance of non-current loans and dues at the end of the year</b>	402,491,284	88,336,026	13,083,377	503,910,687	476,500,063	61,213,999	9,701,226	547,415,289

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6259-3-9-2- Distribution of non-current facilities and dues based on economic sections

	Balance of Non-current Loans & Dues		Net Doubtful loans reserve		Net Non-current Loans & dues	
	20.03.20242022	20.03.20202021	20.03.20242022	20.03.20202021	20.03.20242022	20.03.20202021
	Million Rials	Million Rials	Million Rials	Million Rials	Million Rials	Million Rials
<b>Distribution of a part of non-current facilities</b>						
Industry	47,660,295	54,055,499	(29,879,905)	(24,478,452)	17,780,390	29,577,047
Construction & housing	8,069,019	2,126,053	(2,059,778)	(381,820)	6,009,240	1,744,234
Trading	26,987,445	28,877,999	(17,635,367)	(12,980,019)	9,352,078	15,897,981
Services	48,886,270	49,663,097	(19,222,944)	(15,248,797)	29,663,327	34,414,300
Agriculture	6,646,691	7,655,125	(2,082,573)	(1,985,074)	4,564,118	5,670,051
Banks	0	0	0	0	0	0
Other	365,660,967	405,037,514	(293,680,717)	(335,959,064)	71,980,250	69,078,451
Total	503,910,688	547,415,288	(364,561,285)	(391,033,225)	139,349,403	156,382,064

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#### 6259-3-9-3- Balance of foreclosing assets

Description	20.03.2022	20.03.2021
	Million Rials	Million Rials
Vehicles	66,909	108,419
Residential property	3,912,777	3,703,994
Land	1,201,521	1,137,409
Commercial property	3,825,228	3,621,117
Factory	4,841,198	2,819,007
Equipment	757,681	2,662,537
Shares	10,544,578	10,544,578
Furniture	33,959	33,959
Total	25,183,851	24,631,020
Decreasing accumulated value	0	0
Total	25,183,851	24,631,020

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#### 6259-3-10- Capital required for covering credit risk

Capital required for covering credit risk of the bank's assets is as follow:

##### 6259-3-10-1- Capital required for covering credit risk

Note	20.03.2022	20.03.2021
	Million Rials	Million Rials
Total weighted assets to credit risk	5,401,029,616	3,918,583,790
Coefficient (Percent)	% 8	% 8
Required Capital for covering credit risk	432,082,369	313,486,703

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#### 6259-4- Liquidity risk

##### 6259-4-1- Definition of liquidity risk

The liquidity risk is defined as disability of the bank in financing amounts to pay debts on due date (debts mainly includes deposits). When the bank has no sufficient liquidity it is not be able to finance the required fund quickly and on a reasonable cost. The liquidity risk usually affects profitability risk. In other words, when the bank faces liquidity risk, it has no way other than financing with rate higher than clients and other banks. On the other hand, maintaining surplus high amount liquidity is not desirable because it takes investment chances from the bank and leads to the bank's return.

##### 6259-4-32- Liquidity risk management policies

The policies and guidelines of liquidity risk management in Bank Mellat have been explained with the aim of reducing the probability and severity of the abovementioned risks. The most important point in policies section is conformity and alignment of strategies and liquidity risk management programs. In Bank Mellat, short term liquidity risk programs are designed with regard to long term liquidity risk and on the other hand, liquidity risk management programs are oriented from strategies. Liquidity risk management policies and guidelines The most important liquidity risk management and policies consists of the following sections: are as follows:

**Liquidity risk management programs:** bank Mellat has regular programs for managing liquidity risk. The most important program of the liquidity risk management are as follows:

- Liquidity risk appetite document: Bank's Liquidity Risk Appetite document has been compiled in order to maintain an appropriate level of high-quality liquidity and respond to the bank's liquidity needs in the short term.  
The mentioned document is calculated using the data of exit ports.
- Budgeting: The liquidity risk management is considered in providing annual budget of the bank.
  - In mentioned document, cash fund and equal cash of the bank is determined in two marketable cash assets and other cash assets. Each of the abovementioned parts have combinations of cash assets that the liquidity required of the bank in each abovementioned parts is determined in detail in liquidity risk appetite management.

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- Operational plan: In operational plan of the bank, different indexes of liquidity risk management from the branches level to the whole bank level are monitored and managed continuously. In other words, liquidity risk management is managed totally from branches to whole bank in the operational plan.

- ~~Budgeting: The liquidity risk management is considered in providing annual budget of the bank.~~
- Relevant policies: Due to the fact that liquidity risk is subordinate to credit risk in many cases, Bank Mellat has integrated liquidity and credit management policies. Allocating resources of the bank are designed proportionate to the bank liquidity in credit policies.

Other programs: Numerous programs are in the agenda of the assets and liability committee, high risk management committee and other departments of the bank to manage liquidity risk of the bank.

**Credit policies of the bank:** Whereas liquidity risk most of the time is function of credit risk, Bank Mellat has integrated credit risk and liquidity risk management policies. Credit policies of Bank Mellat are determined with regard to the economic condition to reduce client default risk. Also, the allocation of resources of the bank are designed based on liquidity of the bank.

**Economic crisis and Corona Virus Incidence:** with due regard to the CBI requirement for three month grace period in receiving instalments of non interest bearing loans and damaged sections from this disease, risk management has act in order to recognize the effects of this issue on liquidity turnover of the bank, based on the fulfilled consideration, bank has sufficient liquidity reserves for comforting liquidity risks arised from Corona incidence and this reserves are under supervision permanently.

#### **6259-4-3- Executive units of liquidity risk management**

Circular No.96/251081 issued by the CBI on October 31, 2017 has emphasized on necessity of establishing standard structure of liquidity risk management. Subordinate committee of liquidity risk management has established under supervision of the risk management committee. In case of approval of risk committee (due to the connection role of risks) the resolutions of subordinate committee of liquidity risk management will be applicable. The members and duties of the committee have been designed in accordance with circular of the CBI. On the other hand, regarding the necessity of calculation the covering ratio of liquidity in the abovementioned guideline, the database and calculation procedure have been done in two foreign currency and Rial and it will be provided to the users based on the circular. Risks are considered interestedly in risk management. Liquidity risk management departments work in specialized manner under risk management as previous years. Liquidity risk management departments of Bank Mellat are explained as follow in three "liquidity governance risk", "liquidity risk management structure" and "liquidity risk officials" parts:

The governance structure of liquidity risk management is based on three defensive shields. The roles of the defensive shield are generally as follows:

##### **The first defensive shield**

Business lines and supporting departments, as the first line of the defense of the organization, are responsible for identifying, evaluating, controlling and responding appropriately to liquidity risks according to the level of the bank's risk appetite. In other words, the management of these work units, which are at the forefront of the organization, take measures and actions in order to reduce liquidity risk.

##### **The second defensive shield**

The risk management unit is placed in the second line of defense. Risk management, as the second line of defense against liquidity risks, is responsible for formulating policies and creating systems, frameworks and methodologies in the field of liquidity risk. Also, monitoring the implementation of the liquidity risk management process in accordance with the established standards and procedures and receiving, analyzing and continuously reviewing the reports of the trustee units are among the duties of this department.

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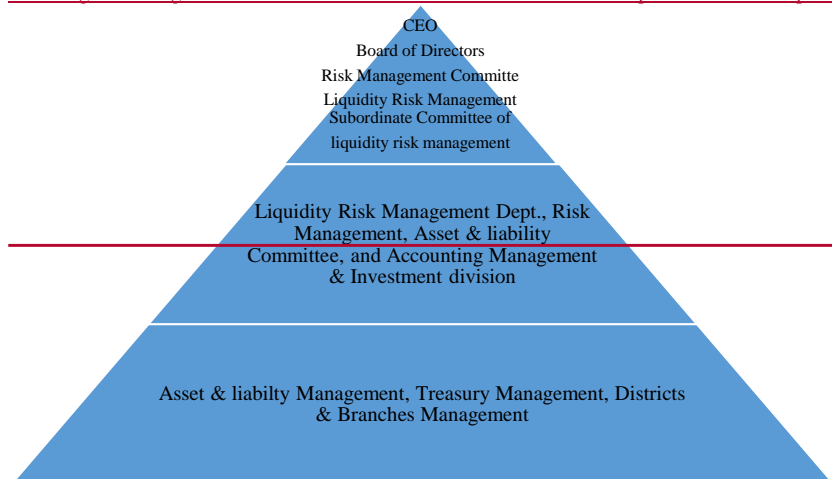
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## Liquidity risk management structure in Bank Mellat

### The third defensive shield

The internal audit management unit, forms the third line of defense of the bank. Internal audit management, as the third line of defense against risks, has the task of providing assurance in the liquidity risk management process and is responsible for checking the adequacy of the liquidity risk management framework to cover risks. At this level, the efficiency and integrity of the liquidity risk management system and the effectiveness of its management system in achieving business goals are examined and the correctness or defects of its performance are reported.



### 4-4- Liquidity risk measurement method

Bank Mellat uses different models and methods to measure liquidity risk. Liquidity at risk(LAR) and Gap analysis, are one of the methods used in the bank to measure liquidity. The mentioned methods are used in the following analyses:

- Gap analysis of Asset and liability maturity date: Bank Mellat examines and analyzes the gap analysis of assets and liabilities in different maturities in order to properly manage liquidity risk.
- Analysis of optimal limits of liquidity: One of the methods used to measure liquidity risk is liquidity at risk, which is used in Bank Mellat to determine liquidity limits.

Bank Mellat considers the assets and liabilities maturity date in order to manage liquidity risk appropriately and the assets and liabilities ladder is calculated daily. Assets and liabilities gap analysis with short term maturity date can be very useful in observing the bank's liquidity risk. (including bases and assumptions).

The liquidity risk measurement methods and models of Bank Mellat are in accordance with standard measurement methods of this risk and are as follows:

1) Transfer pricing of the funds: Transfer pricing of the funds is another instrument that is used for liquidity risk management. Transfer pricing of the funds is determined with regard to liquidity condition of the bank and profit rate. The resources and allocation of resources are managed in branches upon changes in transfer pricing of the funds and consequently the bank's liquidity would be managed.

- 2) Deviation from liquidity risk appetite documents: The volume and combination of real liquidity reserves of the bank are compared to volume and combination of liquidity reserve of the bank's appetite document and deviations are determined in each part and noticed as importance bases in liquidity management.

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3) ~~Asset and liability maturity date: Bank Mellat considers the assets and liabilities maturity date in order to manage liquidity risk appropriately and the assets and liabilities ladder is calculated daily. Assets and liabilities gap analysis with short term maturity date can be very useful in observing the bank's liquidity risk.~~

4) ~~Liquidity ratios: Different liquidity risk ratios are monitored in the bank. Ratios of "liquid assets to total assets in Rial and foreign currency", "liquid assets to sight liquidities in Rial and foreign currency", "deposit to loans in Rial & foreign currency", etc. are ratios that are noticed in liquidity part.~~

5) ~~Anti Crisis program: Different scenarios are designed for crisis program with regard to predicting the liquidity condition in future and also interest rate changes. Some of main sources of liquidity crises that considered to the model are:~~

◆ ~~Changes in monetary and financial policies of the government: major changes in monetary and financial policies of the government affects the banks' liquidity quickly. These factors are reviewed regularly in Bank Mellat.~~

◆ ~~Interest rate changes: lack of change in interest rate of deposits and loans based on changes in market interest rate could affect the bank's liquidity.~~

◆ ~~Foreign currency rate changes: Foreign currency changes have different impacts on loans, commitments and deposits. These changes are considered in liquidity model.~~

◆ ~~Changes of balance sheet: off balance sheet items can affect the bank's liquidity. All commitments and LGs of the bank and their maturity date are considered in the bank's liquidity planning.~~

◆ ~~Liquidity status of other banks: Liquidity problems of each bank will transfer to other banks due to various problems. Liquidity status of all banks and allocated credit lines of the CBI to other banks are considered and monitored periodically in Bank Mellat and liquidity policies of the bank will be adjusted based on the consideration results. CAMELS liquidity system (CAMELS ratios) is used in Bank Mellat in order to liquidity consideration of some important banks.~~

◆ ~~Other risks that may affect bank's liquidity risk: operating risks such as electronic systems power failure of bank that can affect the bank's liquidity is considered in liquidity crisis test of the bank.~~

6) ~~Continuous activity program: Continuous activity program has been designed in Bank Mellat to confront liquidity risk crisis. This program consist of several aspects:~~

◆ ~~Liquidity committees: Liquidity committees are designed to confront liquidity risk crisis. The members of this committees have been appointed and their task description have been determined. In case of necessity, mentioned committees will be established in all levels of the organization.~~

◆ ~~Liquidity planning: A liquidity proportionate to the bank's status has been considered in the bank's programs in order to control and maintain liquidity.~~

◆ ~~Inter-bank transactions: Inter-bank transactions are determined based on depositing, loans and also issued pledged bonds in Bank Mellat. Credit limits with different banks are determined in risk management. Mentioned limits are approved by the board of directors after confirmation of liquidity risk committees and risk management committee and treasury management of the bank will interact with other banks based on the set limits.~~

◆ ~~Fund supply planning: Supplying fund from other banks and also other clients is referred to the executive departments of liquidity risk management after consideration in liquidity committee.~~

◆ ~~Facilities inflow prediction: The amount of received instalments and loans inflow will be predicted with regard to similar trends and also historical behaviors of the clients as well as different economic status.~~

- ~~Deposit, facilities and liabilities concentration risk: Another method of liquidity risk calculation is calculating concentration risk. The liquidity risk is calculated by Herfindahl Hirschman index on different levels of deposits, loans and liabilities.~~

7) ~~Liabilities concentration especially liabilities in foreign currency is very important for Bank Mellat. In addition to the abovementioned items, the deposit of 100 premier clients is monitored continuously.~~

#### ~~6259-4-5- Liquidity risk control and monitoring mechanism~~

~~In order to monitor liquidity risk, Bank Mellat uses (Key Risk Indicators). Some of the most important indicators are:~~

- ~~Liquidity coverage ratio: One of the most important tools used in liquidity risk monitoring is called Liquidity Coverage Ratio (LCR). The said ratio is calculated from the result of dividing "high-quality cash assets" by "net cash outflows (the difference between incoming and outgoing cash flows) during the next thirty days".~~
- ~~Net Stable Funding Ratio (NSFR): Currently, there is no commitment from the Central Bank to calculate and regard with the mentioned ratio. The mentioned ratio is currently calculated in the bank. Net Stable Funding~~

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Ratio (NSFR) has a longer time horizon and was developed with the aim of creating a stable maturity structure of assets and liabilities in the bank.

- Other liquidity ratios: Different liquidity risk ratios are used in the bank under liquidity risk monitoring. Ratios of "assets with quick liquidity to total assets", "assets with quick liquidity to visual liability", ratio of deposits to facilities in Rials and foreign currency sectors, etc. are among the ratios that are considered in the liquidity sector.
- In bank Mellat, various authorities are involved in the supervision, control and monitoring of liquidity risk. Some of the most important of them are: risk management committee; liquidity risk committee; asset and liability committee.

In addition to the aforementioned cases, bank Mellat uses various tools such as transfer pricing of funds in order to manage liquidity risk. Transfer pricing of funds is one of the tools used to manage liquidity risk. With the changes in the transfer rates of funds, funds and expenses are managed at the branch level and finally the bank's liquidity will be managed.

In addition to the abovementioned items about liquidity risk management methods and executive departments in Bank Mellat, controlling and monitoring (supervision in the bank) the above said risk are carried out with regard to task description of liquidity risk management departments in Bank Mellat and by using data and systems such as: "asset and liability maturity date analysis", "FTP", and "statistical reports software" by different departments:

- Risk management committee: Liquidity risk, changes in trend and relevant indices are monitored in risk management department. The major changes along with offers report to risk management committee and after confirmation and noticing to the relevant departments, necessary following ups from relevant departments will be done by risk management in order to adjust the risk.
- Liquidity committee: All required reports about bank's liquidity risk management are reviewed and analyzed every week in Bank Mellat liquidity committee and required decisions will be made on the above said risk management. According to guidelines of the CBI, the liquidity committee has been transferred to risk management committee sub category.
- Asset and liability committee: This committee examines liquidity risk indices periodically.
- Treasury management: Bank's liquidity management supervises the main transactions in inter-bank area.
- Branches and branches management: Branches and branches management, manages bank's liquidity by following up relevant operating programs.
- Supervisory departments: The efficiency and effectiveness of liquidity risk management system are monitored by supervisory departments of the bank (Internal accounting).

#### 6259-4-5-1- Liquidity reserves

The table below shows the combination of the bank's liquidity reserves:

Description	20.03.2024/2022	20.03.2020/2021
	Million Rials	Million Rials
Balance held with the CBI (unlimited – Rials)	109,475	64,873
Balance held with the CBI (unlimited – foreign currency)	69,737,344	65,783,897
Balance held with other banks (unlimited – Rials)	283,927,112	54,268,528
Rial fund balance	7,820,850	6,976,744
Fx fund balance	57,465,946	48,788,972
Issued bonds by the Government	65,626,160	214,366,538
Securities purchased from banks	0	0
Dues for SHAPARAK	663,909	180,294
<b>Total liquidity reserve</b>	<b>485,350,797</b>	<b>390,429,846</b>

#### 6259-4-5-2- Table of Liquidity Ratios

Beginning of year	Period Average	Maximum during Period	Minimum during Period	Ending of period
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	Percent	Percent	Percent	Percent	Percent
Cash asset and cash equivalent to total assets*	5.2	5.6	6.3	4.8	4.8
Cash asset and cash equivalent to total deposits	8.9	9.1	10.3	7.7	7.7
Net cash assets to total deposits	8.4	8.7	9.9	7.5	7.5
Facilities to total deposits**	113.4	112.4	115.1	110.6	111.3
Facilities to one-year & more than one-year deposits	391.0	365.3	391.0	342.9	342.9
Evasion deposits to total deposits***	24.8	25.9	27.2	24.8	27.2

\*Cash and cash equivalent is the cash on hand, participation bonds and the like that have active market of cash transaction.

\*\* Net cash assets are cash and equivalent of cash, investment bonds that have active market of cash transaction minus banks' deposits, issued debt securities, other borrowing and liabilities that will mature until one month later.

\*\*\* Evasion deposits include deposits that does not have maturity date such as current and saving interest-free deposits and etc.

All calculated ratios include Rials and foreign currency.

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#### 6259-4-5-3- Assets and liabilities maturity date analysis

The table below shows the financial assets and liabilities of the bank based on expected date of request or settlement.

	20.03.2024/2022							
	Book Value	Less than one month	1 to 3 months	3 months to 1 year	1 to 5 years	More than 5 years	Without specified maturity	Balance before deducting reserve
	Million Rials	Million Rials	Million Rials	Million Rials	Million Rials	Million Rials	Million Rials	Million Rials
<b>Assets</b>								
Cash	315,181,162	315,181,162	0	0	0	0	0	315,181,162
Dues from banks & other credit institutions	1,128,472,621	1,088,403,261	0	0	40,069,360	0	0	1,128,472,621
Dues from the Government	159,983,060	0	0	0	0	0	159,983,060	162,419,350
Granted loans & Dues from public sectors	3,189,322,578	366,216,565	345,877,043	591,681,215	888,851,267	2,574,181	994,122,308	3,293,911,640
Granted loans & Dues from private sectors	3,812,101,451	224,284,651	369,175,197	1,315,596,445	1,714,787,667	4,975,203	183,282,287	4,232,592,971
Investment and partnership	206,172,671	0	0	0	74,820,793	0	131,351,878	206,172,775
Investment in subsidiary & affiliated companies	37,241,680	0	0	0	24,297,891	0	12,943,789	36,674,548
Other accounts receivable	63,078,028	0	0	0	0	0	63,078,028	55,422,657
Tangible fixed assets	207,726,146	0	0	0	0	0	207,726,147	207,726,146
Intangible assets	18,585,684	0	0	0	0	0	18,585,684	23,363,037
Legal deposits	574,871,224	0	0	0	0	0	574,871,224	574,871,224
Other assets	317,338,600	0	0	0	0	0	317,338,600	317,338,600
<b>Total Assets</b>	10,030,074,905	1,994,085,639	715,052,240	1,907,277,660	2,742,826,978	7,549,384	2,663,283,004	10,554,146,731
<b>Liabilities</b>								
Dues to banks & other credit institutions	991,560,036	23,115,243	0	11,005,092	854,723,453	0	102,716,248	991,560,036
Deposits of clients *	2,668,218,868	1,840,556,089	0	3,497,224	597,972,146	0	226,193,409	2,668,218,868
Dividend payable	399,272	0	0	0	0	0	399,272	399,272
<b>Debt securities</b>		0	0	0	0	0	0	0
Operating tax reserve	108,266,026	0	0	0	108,266,026	0	0	108,266,026
Reserves and other liabilities	1,809,524,566	462,730,603	112,676,276	324,744,797	863,283,965	16,501,945	29,586,980	1,809,524,566
Retirement allowance & Staff liabilities reserve	224,407,233	0	0	0	0	0	224,407,233	224,407,233
Investment depositors equities	3,623,780,831	21,060,328	1,470,812,535	32,706,591	2,042,041,724	0	57,159,652	3,623,780,831
<b>Total liabilities</b>	9,426,156,832	2,347,462,263	1,583,488,811	371,953,704	4,466,287,314	16,501,945	640,462,794	9,426,156,832
<b>Total shareholders' equities</b>	603,918,073	0	0	0	0	0	603,918,073	603,918,073
<b>Total cash output due to off-balance sheet items</b>	108,678,303	8,122,025	20,395,023	66,195,555	13,965,700	0	0	0
<b>Total liabilities &amp; shareholders' equities &amp; off-balance sheet items</b>	10,138,753,208	2,355,584,288	1,603,883,834	438,149,259	4,480,253,014	16,501,945	1,244,380,867	10,030,074,905
<b>Gap</b>	603,918,073	(353,376,624)	(868,436,571)	1,535,323,956	(1,723,460,336)	(18,952,561)	2,022,820,210	0
Accumulated gap	10,138,753,208	9,785,376,584	8,916,940,013	10,452,263,969	8,728,803,633	8,719,851,072	10,742,671,282	0
Gap ratio to supervisory capital ** -percent	103	(0.60)	(1.48)	2.61	(2.93)	(0.02)	3.44	0
Accumulated gap ratio to supervisory capital -percent	17.23	16.63	15.15	17.76	14.83	14.82	18.26	0
Gap to supervising capital ratio basis for other cautionary ratios *** -percent	1.51	(0.88)	(2.17)	3.84	(4.31)	(0.02)	5.06	0
Accumulated gap ratio to supervisory capital basis for other cautionary rates -percent	25.38	24.49	22.32	26.16	21.85	(21.83)	26.89	0

\* Deposits of clients include sight deposits, savings deposits and the like and other deposits.

\*\* Supervising capital is based on standards of the CBI for risk reports and in accordance with note 59-7-1.

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#### 6259-4-5-3-1 Assets and liabilities maturity date analysis

The table below shows financial assets and liabilities of the bank based on expected date of request or settlement.

	20.03.20202021							
	Book Value	Less than one month	1 to 3 months	3 months to 1 year	1 to 5 years	More than 5 years	Without specified maturity	Without specified maturity
	Million Rials	Million Rials	Million Rials	Million Rials	Million Rials	Million Rials	Million Rials	Million Rials
<b>Assets</b>								
Cash	284,705,887	284,705,887	0	0	0	0	0	284,705,887
Dues from banks & other credit institutions	804,961,425	764,892,065	0	0	40,069,360	0	0	804,961,425
Dues from the Government	135,484,372	0	0	0	0	0	135,484,372	137,547,585
Granted loans & Dues from public sectors	2,693,291,107	309,259,347	292,083,206	499,657,753	750,609,308	2,173,822	839,507,671	2,734,305,692
Granted loans & Dues from private sectors	2,269,680,365	156,259,384	224,026,126	733,674,617	964,739,184	3,281,317	187,399,736	2,692,630,670
Investment and partnership	342,619,128	0	0	0	225,059,519	0	117,559,608	342,626,232
Investment in subsidiary & affiliated companies	66,633,841	0	0	0	19,905,157	0	46,728,684	67,648,570
Other accounts receivable	67,233,048	0	0	0	0	0	67,233,048	77,499,228
Tangible fixed assets	193,179,479	0	0	0	0	0	193,179,479	211,314,031
Intangible assets	17,676,310	0	0	0	0	0	17,676,310	21,816,897
Legal deposits	380,126,497	0	0	0	0	0	380,126,497	380,126,497
Other assets	208,900,146	0	0	0	0	0	208,900,146	208,900,146
<b>Total Assets</b>	<b>7,464,491,605</b>	<b>1,515,116,683</b>	<b>516,109,332</b>	<b>1,223,632,370</b>	<b>2,000,382,528</b>	<b>5,455,139</b>	<b>2,193,795,550</b>	<b>7,964,082,857</b>
<b>Liabilities</b>								
Dues to banks & other credit institutions	919,945,720	23,896,969	0	19,517,182	752,344,648	0	124,186,921	919,945,720
Deposits of clients *	1,846,116,537	1,217,924,126	0	925,776	508,571,177	0	118,695,458	1,846,116,537
Dividend payable	163,627	0	0	0	0	0	163,627	163,627
<b>Debt securities</b>								
Operating tax reserve	149,873,188	0	0	0	149,873,188	0	0	149,873,188
Reserves and other liabilities	1,429,410,734	325,783,945	79,329,360	228,635,503	539,320,593	11,618,141	244,723,183	1,429,410,734
Retirement allowance & Staff liabilities reserve	129,628,678	0	0	0	0	0	129,628,678	129,628,678
Investment depositors equities	2,529,311,728	41,571,449	1,149,282,304	25,221,214	1,269,336,389	0	43,900,371	2,529,311,728
<b>Total liabilities</b>	<b>7,004,450,212</b>	<b>1,609,176,498</b>	<b>1,228,611,664</b>	<b>274,299,675</b>	<b>3,219,445,995</b>	<b>11,618,141</b>	<b>661,298,238</b>	<b>7,004,450,212</b>
<b>Total shareholders' equities</b>	<b>460,041,392</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>460,041,392</b>	<b>460,041,392</b>
<b>Total cash output due to off-balance sheet items</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>
<b>Total liabilities &amp; shareholders' equities &amp; off-balance sheet items</b>	<b>7,464,491,604</b>	<b>1,609,176,498</b>	<b>1,228,611,664</b>	<b>274,299,675</b>	<b>3,219,445,995</b>	<b>11,618,141</b>	<b>1,121,339,630</b>	<b>7,464,491,604</b>
Gap	460,041,393	(94,059,815)	(712,502,332)	959,332,695	(1,219,063,467)	(6,163,002)	1,532,497,312	
Accumulated gap	460,041,393	365,981,578	(346,520,754)	612,811,941	(606,251,526)	(612,414,528)	920,082,784	
Gap ratio to supervisory capital ** - percent	1.14	(0.23)	(1.76)	9.37	(3.02)	(0.02)	3.79	
Accumulated gap ratio to supervisory capital - percent	1.14	0.91	(0.86)	1.52	(1.50)	(1.52)	2.28	
Gap to supervising capital ratio basis for other cautionary ratios *** - percent	1.72	(0.35)	(2.67)	3.59	(4.56)	(0.02)	7.73	
Accumulated gap ratio to supervisory capital basis for other cautionary rates - percent	1.72	1.37	(1.30)	2.29	(2.27)	(2.29)	3.44	

\* Deposits of clients include sight deposits, savings deposits and the like and other deposits.

\*\* Supervising capital is based on standards of the CBI for risk reports and in accordance with note 62-7-1.

\*\*\* Supervising capital is the basis of other cautionary ratios based on standards of the CBI for risk reports and in accordance with note 62-7-1.

\* Deposits of clients include sight deposits, savings deposits and the like and other deposits.

\*\* Supervising capital is based on standards of the CBI for risk reports and in accordance with note 6259-7-1.

\*\*\* Supervising capital is the basis of other cautionary ratios based on standards of the CBI for risk reports and in accordance with note 6259-7-1

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~~6259~~-4-5-4-1- Table below shows the financial debts contractual maturity based on maturity stated in the contract.

~~6259~~-4-5-4-1- Table below shows the financial debts contractual maturity based on maturity stated in the contract.

		20.30.2021						
	Note	Book Value	Less than one month	1 to three months	3 months to 1 year	1 to 5 years	More than 5 years	Without specified maturity
		Million Rials	Million Rials	Million Rials	Million Rials	Million Rials	Million Rials	Million Rials
<b>Liabilities</b>								
Dues to banks and other credit institutions		919,945,720	23,896,969	0	19,517,182	752,344,648	0	124,186,921
Deposits of clients		1,846,116,537	1,217,924,126	0	925,776	508,571,177	0	118,695,458
Facilities received from National Development Fund	25-1	1,065,308,204	325,783,954	79,329,360	228,635,503	419,941,246	11,618,141	0
Investment depositors' equities		2,529,311,728	41,571,449	1,149,282,304	25,221,214	1,269,336,389	0	43,900,371
<b>Total</b>		6,360,682,189	1,609,176,498	1,228,611,664	274,299,675	2,950,193,460	11,618,141	286,782,750

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6259-4-5-4-2- Table below shows financial liabilities in foreign currency based on maturity stated in the contract.

		20.03.2021+2022						
	Note	Book Value	Less than one month	1 to three months	3 months to 1 year	1 to 5 years	More than 5 years	Without specified maturity
		Million Rials	Million Rials	Million Rials	Million Rials	Million Rials	Million Rials	Million Rials
<b>Liabilities</b>								
Dues to banks and other credit institutions		1,075,759,157	57,395,748	37,678,809	53,528,975	128,001,962	0	799,153,663
Deposits of clients		223,960,048	223,960,048	0	0	0	0	0
Loans received from National Development Fund	25-1	1,220,494,744	373,241,849	90,885,499	261,941,501	481,115,307	13,310,589	0
Investment depositors' equities		325,157,327	49,676,802	28,683,625	240,317,111	0	0	6,479,789
<b>Total</b>		<b>2,845,371,276</b>	<b>704,274,447</b>	<b>157,247,933</b>	<b>555,787,587</b>	<b>609,117,269</b>	<b>13,310,589</b>	<b>805,633,452</b>
		20.30.2021						
		Book Value	Less than one month	1 to three months	3 months to 1 year	1 to 5 years	More than 5 years	Without specified maturity
		Million Rials	Million Rials	Million Rials	Million Rials	Million Rials	Million Rials	Million Rials
<b>Liabilities</b>								
Dues to banks and other credit institutions		793,421,917	19,537,504	0	0	756,044,072	0	17,840,341
Deposits of clients		706,146,271	134,749,465	0	0	496,999,348	0	74,397,455
Loans received from National Development Fund	25-1	1,065,308,204	122,867,839	55,828,595	79,576,825	801,537,876	50,497,070	0
Investment depositors' equities		292,977,064	40,543,380	40,310,143	20,259,398	191,864,144	0	0
<b>Total</b>		<b>2,857,853,456</b>	<b>317,698,188</b>	<b>96,138,738</b>	<b>99,836,223</b>	<b>2,246,445,440</b>	<b>50,497,070</b>	<b>92,237,796</b>

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#### 6259-4-6- Confronting Crisis Program ((Liquidity adequacy stress test))

The plan to deal with the crisis under the title of necessity program of funds is being implemented in bank mellat. In the said program, a set of policies, processes and operational plans of the bank have been considered in order to provide financing on time and with minimum cost in crisis conditions. The framework of the necessity program of funds in bank Mellat is as follows:

- Funds Judicial Committee
- Authorities and responsibilities of the Funds Judicial Committee
- Warning signs of liquidity crisis
- Necessity program of funds process
- Duties of trustee units

The framework of the necessity program of funds in bank Mellat is reviewed and updated annually.

A necessity program of funds is going to be established in bank Mellat in order to deal with probable crisis conditions. Necessity program of funds is a specialized committee under the supervision of the general manager, and in order to help him, it will form and perform its duties in managing the liquidity crisis that the bank may be exposed to. For each of the warning signs, three levels of acceptable, caution and requiring corrective actions have been determined. If any index enters the range that requires corrective measures, a committee will be formed as determined by the trustee unit and approved by the secretariat.

Different liquidity risk scenarios are examined in different situations. These scenarios can come from different factors and risks. In order to deal with liquidity tensions, the bank designs and implements a liquidity buffer document. The mentioned document is designed in four levels and different scenarios and is reviewed in every six months.

After being approved by the bank's board of directors, the liquidity buffer document is provided to the General Department of Treasury Management and the liquidity risk management commission evaluates the compliance of the liquidity situation with the said document on a weekly basis.

The latest liquidity buffer document of the bank is as described in the table below:

scenario	Scenario 1	Scenario 2	Scenario 3	Scenario 4
The amount of liquidity buffer	78.000.000	100.000.000	166.000.000	222.000.000

Liquidity risk is a subordinate risk and it can be derived from operating risks, information systems risk, credit risk, foreign currency rate risk, etc. In Bank Mellat, the program for confronting with liquidity risk is designed based on Basel committee and guidelines and directive of the CBI. Confronting crisis program in this bank is comprised of three steps of "liquidity theories design", "crisis test scenario improvement and analysis" and "necessity program design" and they are as follows:

- Liquidity theories design: Different liquidity risk scenarios are examined in different modes. These scenarios can be derived from different factors and risks. Some of items that are examined in liquidity risk management are as follows:
  - Information systems risk: Disorder in operating activities can have significant impact on liquidity risk. The effect of these disorders are examined by reviewing their factors and degree of impact in liquidation in different scenarios.
  - Credit risk: Different scenarios of credit risk and also their degree of effect are entered in the model. One of the most important aspects of credit risk is concentration risk that would be considered in the model extensively.
  - Foreign currency risk: Different scenarios of foreign currency changes rate and the amount of its effect on liquidity of the bank especially for foreign currency that comprises high volume of activity of the bank (such as EUR) are studied in different scenarios.
  - Operating risk: Different components of operating risk can be led to liquidity risk in the bank. The impact of most important operating risk factors is considered in liquidity risk model.

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- Crisis test scenario analysis and improvement: measuring the amount of impact of crisis scenarios is done by using its historical effects and also the opinion of experts and internal effects of different scenarios. The value faced to liquidity risk is measured by using historical data.
- Necessity program design: The necessity program is designed with the abovementioned items in Bank Mellat the most important usage of necessity program in bank is as follows:
  - 1 Training: Managers and staff of the bank are trained about the impact of other risks such as credit, operating and market risk and their on bank's liquidity.
  - 2 Establishing Necessity committee: The necessary committees of the bank are designed in critical conditions of liquidity risk management and the duties of different departments and managers are determined.
  - 3 Designing liquidity risk appetite document and protecting the document: Mentioned document is ratified by the board of directors and all effective departments in liquidity management protect the liquidity of the mentioned document. All liquidity risk crisis scenarios are observed in mentioned document. Historical data has been used to extract risk appetite document. Standard deviation, mean deviation and negative data are calculated with 95% reliability of liquidity by statistical method after data collection. Different scenarios are entered into the model and finally the high and low threshold of liquidity in crisis and non crisis state is determined.
  - 4 Designing information systems: Providing information to all managers and experts who are the officer of liquidity risk management or affecting the liquidity risk management in bank, is vital for the banks. A strong information system is the complementary of proper liquidity decisions in crisis. At present, the information systems of the bank are able to design the asset liability ladder, assessing the concentration risk and classifying the clients based on different fields such as deposit interest rate and etc. in the bank, regions management and branches management level.

## 6259-5- Market Risk

### 6259-5-1- Definition of market risk

Market risk is the risk resulted from unexpected changes or fluctuation in market rates or prices. In other words, the market risk related to indefiniteness of incomes of transactions portfolio of a financial institution due to change in the market conditions (including asset price, interest rate, market fluctuations and market liquidity).

#### Types of Market Risk:

Different types of market risk that are noticed in Bank Mellat include interest rate risk, foreign currency rate, stocks and other items relevant to effects of macroeconomic indexes that are described briefly as follows:

**Interest rate risk:** The risk of loss resulted from interest rate fluctuation is called interest rate risk. A financial institution may face with loss or interest reduction because of interest rate changes with regard to inconformity of maturity date of assets and liabilities or time difference of their maturity dates. Deposits, loans, debentures etc. are exposed to interest rate risk.

**Foreign currency rate risk:** The loss risk resulted from foreign currency rate fluctuations is called foreign currency risk.

Foreign currency risk includes the following items:

- Assets and liabilities in foreign currency;
- Foreign currency transactions;
- Derivative foreign currency transactions including (future, SWAP, option etc.);
- Other assets and liabilities that their cash flow is in foreign currency.

**Shares risk:** The risk of loss resulted from fluctuations of shares market value is called shares risk. This risk would be appeared when the assets shares existing in portfolio of the bank' shares faces with price reduction.

### 6259-5-2- Market Risk Management Procedures & Policies

With due regard to the fact that credit institutions have assets that are affected and benefit by interest rate, foreign currency rate or shares rate fluctuations extensively, several departments in Bank Mellat manage market risk (including

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policy making, recognition techniques, evaluation, and monitoring and controlling market risk). Some of the executive departments of market risk management with regard to the each of explained duties are comprised of risk management, financial affairs division, treasury management division, credits division, investment division and companies' affairs, international division, domestic branches foreign currency operations division, corporate banking, commercial banking and personal banking. In addition to the abovementioned departments, "supreme risk committee", "risk technical committee", "asset and liability committee" and other relevant committees help the board of directors of the bank to determine Bank Mellat's policies for managing market risk.

6259-5-3- Market risk assessing method

For the first time risk measuring indices were calculated by studying statistical indices of dispersion and after that more modern methods including downside risk; applying duration were introduced to calculate the sensitivity of value of debentures and finally value at risk that all of them use statistical methods.

The method used in performing sensitivity analysis calculations and its major parameters and theories are as follows:

Value Risk (VaR)

VaR is the maximum loss that may be incurred during a fixed time period and a specific confidence level in a portfolio. If random variable of R shows a portfolio, F(R) be probability density function of R and C be confidence level, the probability that the output be less than R\* is as follows:

Prob [R<R\*] = ∫<sub>-∞</sub><sup>R\*</sup> f(R) dR = I - c

Value at risk charms

- Determines the potential loss that may incur in a specific probable level.
  - It is a general risk assessor that is applied in all types of risks.
  - It covers the value at risk of all risks in all levels of unique transactions or total portfolio of the institutions.
  - This manner considers the correlation between assets or portfolios in aggregated state (for estimating value at risk of all huge portfolios) or in non-aggregated state (for analyzing risks based on different factors of risk).
- With regard to the abovementioned items and charms about value at risk, the value at risk of foreign currency portfolio and shares are done periodically in Bank Mellat.

Value at risk calculation methods

There are many methods to calculate the value at risk that are chosen based on different conditions of market, different types of data and specific expectations, and they are classified in three types generally:

- Variance-covariance method;
- Historical simulation;
- Monte Carlo simulation.

Variance-covariance method

Standard deviation of historical data and correlation among assets are applied for calculations in variance-covariance method. One of necessary items that are suggested by the legislators is using from minimum historical data of one year to calculate the value at risk. The basic assumption in this method is that the profit and loss of the portfolio have normal distribution.

Historical simulation

The basic idea in historical simulation is simple, using real historical data to make experimental density for profit and loss of portfolio of this method considers no theories about the type of distribution and correlation between assets and risk factors. This method is applicable for evaluating the prices of option transaction and different combinations of risk factors.

Monte Carlo simulation

The word simulation expresses establishing a virtual model of a real system to study and understanding the system and the term Monte Carlo indicates using random numbers. Monte Carlo simulation is an analytical method based on virtual recreation by random procedure (usually by a computer) that have been performed many times and the results can be observed directly.

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Determining value at risk assures the investor that he/she could fulfill his/her obligations by maintaining the calculated amount by value at risk even in case of maximum loss. Therefore, this index is applied by financial institutions and markets as a proper scale to determine the capital adequacy, so Basel committee made it mandatory for the banks to use this scale to determine the capital adequacy in 1995.

With regard to dynamism of macroeconomic environment, market risk management departments has analyzed global and domestic economic conditions by using comprehensive qualitative and quantitative analysis and by applying software such as CRYSTAL BALL, MICROSOFT, EXCEL and EIEWS, and then it measures the value at risk of foreign currency, shares, etc. Bank Mellat uses variance-covariance approach to assess the risk.

6259-5-4- Value at risk analysis of investment in shares and other investments that have market

With regard to predictions of shares market price changes and investments with market price in the portfolio of bank's assets by using historical method, the value at risk amount for investment in shares and other investments with market price for the current year is as follows:

Type of Investment	20.03.2022			20.03.2021		
	Amount	Probable change in market value	Effect on profit and loss	Amount	Probable change in market value	Effect on profit and loss
	Million Rials	Percent	Million Rials	Million Rials	Percent	Million Rials
Investment in marketable stocks	89,577,400	(-6.2 & 17.08)	10,749,288	88,998,244	(-10.3&21.2)	14,017,223
Participation bonds of public sector	65,626,160	0	0	214,366,538	0	0
Participation bonds of private sector	9,194,633	0	0	10,694,633	0	0
Private bonds of branches abroad	4,246	(0 & 2)	42	8,249	(0 & 2)	82
Total	164,402,439	0	10,749,330	314,067,664	0	14,017,305

Express shares which is at the disposal of the bank is not bought and sold on a daily basis. The objective of conducted prediction has been for 12 months and calculations have been done in 99% reliability level.

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Other foreign currencies

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The condition of assets and liabilities in foreign currency on March 20, ~~2020~~ 2021 is as follows:

	Note	USD	EUR	GBP	CHF	KRW	TRY	JPY	AED	CNY	Other foreign currencies
Cash	9	202,280,463	933,168,634	166	1,170,670	44,423,531,701	968,805,542	1,346,732,375	766,712,713	185,115,020	
Dues from banks & other credit institutions	10	14,908,612	658,929,593	1,404,578	18	3,650,420,473,117	33,082,209	8,555,215,494	1,694,733,147	2,240,431,139	
Granted loans & Dues from public sector	12	1,068,433,623	13,029,896,400	0	0	0	0	1,689,407,350	47,552,082	9,170,437,469	
Non-governmental loans											
Granted loans & Dues from private sector	13	337,510,120	1,895,863,835	3,496,520	2,766,867	248,608,210,785	162,474,969	1,481,074,720	3,356,637,663	4,571,660,288	
Investment and partnership	14	0	27,900,000	0	0	0	389,200	0	0	0	
Dues from subsidiaries	15	0	0	0	0	0	0	0	0	0	
Other receivable accounts	16	4,325,060	23,733,861	427	0	387,443,760	12,527,665	4,716,587	0	0	
Legal deposit	19	0	0	0	0	0	137,666,500	0	0	0	
Other assets	20	(21,138,371)	(397,537,449)	47,165	1,410,807	(107,546,434,561)	(412,626,075)	(1,366,293,893)	(1,705,843,935)	(349,321,658)	
Total monetary assets in foreign currency		1,606,319,507	16,171,954,874	4,948,856	5,358,362	3,836,293,224,802	902,320,010	11,710,852,633	4,159,791,670	15,818,322,258	
Clients' liabilities for L/Cs	553-1	3,836,927	1,185,870,473	0	0	0	790,426	19,840,625	346,377	7,317,499,128	
Clients' liabilities for issued LGs	553-2	106,457,937	690,347,622	376,840	0	0	4,391,293	0	52,138,653	212,153,416	
Other liabilities	553-3	987,838,469	2,627,031,534	0	0	0	0	0	0	2,771,735,068	
Total FX liabilities of clients		1,098,133,333	4,503,249,629	376,840	0	0	5,181,719	19,840,625	52,485,030	10,301,387,612	
Total FX assets & liabilities of clients		2,704,452,840	20,675,204,503	5,325,696	5,358,362	3,836,293,224,802	907,501,729	11,730,693,258	4,212,276,700	26,119,709,870	
Rial equivalent of Total FX assets & liabilities of clients-million rial		421,769,259	3,899,131,197	1,179,952	921,518	537,386,358	19,141,886	17,085,208	113,404,463	639,018,619	41,524,052
Dues to banks & other credit institutions	21	(26,225,207)	(3,987,692,518)	(887,744)	(21,420)	(3,064,174,697)	(32,417,864)	(106,055,682)	(22,859,710)	(421,249,637)	
Clients' deposits	22	(119,386,174)	(773,777,813)	(170,101)	(581,187)	(3,378,123,502,600)	(124,695,648)	(2,797,374,424)	(822,809,797)	(666,996,953)	
Reserves & other liabilities	25	(849,620,173)	(5,639,057,420)	0	(1)	(193,550,732,962)	(11,663,821)	(2,703,256,665)	(47,786,003)	(12,972,418,528)	
Investment depositors equity	27	(325,034,072)	(1,152,104,237)	0	0	(6,936,740)	(81,950)	(9,816,985)	(661,389,124)	0	
Total FX liabilities		(1,320,265,626)	(11,552,631,988)	(1,057,845)	(602,608)	(3,574,745,346,999)	(168,859,283)	(5,616,503,756)	(1,544,943,634)	(14,060,665,118)	
Clients' liabilities for L/Cs	553-1	(3,836,927)	(1,185,870,473)	0	0	0	(790,426)	(19,840,625)	(346,377)	(7,317,499,128)	
Clients' liabilities for issued LGs	553-2	(106,457,937)	(690,347,622)	(376,840)	0	0	(4,391,293)	0	(52,138,653)	(212,153,416)	
Other liabilities	553-3	(987,838,469)	(2,627,031,534)	0	0	0	0	0	0	(2,771,735,068)	
Bank's total FX liabilities		(1,098,133,333)	(4,503,249,629)	(376,840)	0	0	(5,181,719)	(19,840,625)	(52,485,030)	(10,301,387,612)	
Bank's FX liabilities and commitments		(2,418,398,959)	(16,055,881,617)	(1,434,685)	(602,608)	(3,574,745,346,999)	(174,041,002)	(5,636,344,381)	(1,607,428,664)	(24,362,052,730)	
Rial equivalent of Total FX liabilities and commitments of the bank-million rial		(384,525,434)	(3,050,617,507)	(317,866)	103,635	(504,086,800)	(3,688,973)	(8,219,643)	(69,548,238)	(596,017,542)	(32,491,820)
Net FX open positive (negative) position of each FX on March 20, <del>2021</del> 2022		286,053,882	4,619,322,886	3,891,012	4,755,754	261,547,877,802	733,460,727	6,094,348,877	2,604,848,036	1,757,657,140	
Rial equivalent of net open position of each FX on March 20, <del>2021</del> 2022 - Million Rial		37,243,825	848,513,690	862,086	817,883	33,299,558	15,452,913	8,865,565	43,856,225	43,001,076	9,032,232
Open position of each FX to supervisory capital on March 20, 2022 - Million -percent		8%	190%	0.2%	0.2%	7%	3%	2%	10%	10%	2%
Open position of each FX to supervisory capital, basis for other precautionary ratios on March 20, <del>2021</del> 2022 -percent		14%	318%	0.3%	0.3%	12%	6%	3%	16%	16%	3%

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6259-5-5-1- Summary of FX open position

	20.03.2022	20.03.2021
	Million Rials	Million Rials
Positive open position of all foreign currencies – Million Rials	915,037,114	1,040,945,053
Negative open position of all foreign currencies – Million Rials	67,862,218	0
Open foreign currency position – Million Rials	915,037,114	1,040,945,053
Open position of all foreign currencies to supervisory capital - Percent	155	258
Open position of all foreign currencies to supervisory capital basis of other effective cautionary ratios – Percent	229	390
Negative open position of all foreign currencies to supervisory capital – Percent	12	0
Negative open position of all foreign currencies to supervisory capital basis of other cautionary ratios – Percent	17	0

6259-5-5-2- Analyzing the value at risk of foreign currency gold, silver, and platinum

	20.03.2022	20.03.2021
	Million Rials	Million Rials
Total assets to gold, silver and platinum	11,430,169	6,308,034
Total liabilities to gold, silver and platinum	0	0
Net assets and liabilities to gold, silver and platinum	11,430,169	6,308,034
Total costumers liabilities to gold, silver and platinum	0	0
Total credit institutions liabilities to gold, silver and platinum	0	0
Net liabilities to gold, silver and platinum	0	0
Net open position of gold	11,430,169	6,308,034
Net open position of gold (always positive)	11,430,169	6,308,034
Open position of gold to paid capital and free reserve (percent)	10.07	5.61

6259-5-5-3 Analyzing the effect of foreign currency rate risk on profit and loss

Based on variance-covariance method and with regard to probable changes in foreign currency rate, the VAR amount for net assets and liabilities in foreign currency has been presented in table below:

Type of Currency	Probable changes in market price	high & low level of effect on profit & loss	Average effect on profit & loss
	Percent	Million Rials	Million Rials
USD	(12.5 & -10)	-584,215 to 467,372	(58,422)
EUR	(12.64 & -9.89)	-76,605,989 to 97,808,050	10,601,031
GBP	(14.45 & -8.44)	-6,781 to 11,609	2,414
CHF	(15.79 & -7.37)	-2,647 to 5,648	1,501
JPY	(8.75 & -13)	-1,094,285 to 736,538	(178,874)
AED	(12.5 & -10)	-8,038,156 to 6,430,525	(803,816)
Total			9,563,834



Type of Currency	20.03.2021		
	Probable changes in market price	high & low level of effect on profit & loss	Average effect on profit & loss
	Percent	Million Rials	Million Rials
USD	(30 & -26)	-9,683,395 to 11,173,148	744,877
EUR	(29.49 & -26.29)	-223,074,249 to 250,226,687	13,576,219
GBP	(21.99 & -30.56)	-263,453 to 189,573	(36,940)
CHF	(31.88 & -24.93)	-203,898 to 260,741	28,421
JPY	(29.39 & -26.35)	-2,336,076 to 2,605,590	134,757
AED	(30 & -26)	-11,402,619 to 13,156,868	877,125
Total			15,324,459

\* ~~The objective predicted time has been 10 days and calculations have been done in 99% of reliability level.~~

The fiscal foreign currency rate is based on translation rate notified by the CBI.

Probable change in the market price has been calculated based on fundamentals and qualitative analysis.

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6259-5-6- Required capital to cover market risk

With regard to fulfilled calculations in risk management based on variance-covariance method, 10-day value at risk of foreign currency rate in 99% reliability level is IRR 4,942,19,592 Billion. Regarding to the conducted calculations based on recommendation of Basel committee, the minimum reserve of FX capital rate risk is IRR 38,517,59,342 Billion.

Calculation Method	Stocks risk		Foreign currency risk Risk		Total required capital for covering market risk
	Value at risk	Required capital	Value at risk	Required capital	
	Million Rials	Million Rials	Million Rials	Million Rials	Million Rials
Variance-covariance model **	6,238,665	18,715,994	13,542,297	40,626,891	59,342,885

\* Express shares which is at the disposal of the bank is not bought and sold on a daily basis.

\*\* According to the provisions of the review of market risk literature, the mentioned method is accepted by the banking supervisory institution.

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6259-5-7- Analysis of gap between assets and liabilities sensitive to interest rate

	20.03.20212022						
	Book Value	Less than one month	1 to 3 months	3 months to 1 year	1 to 5 years	More than 5 years	Non sensitive to interest rate
	Million Rials	Million Rials	Million Rials	Million Rials	Million Rials	Million Rials	Million Rials
<b>Assets</b>							
Cash	315,181,162	0	0	0	0	0	315,181,162
Dues from banks & other credit institutions	1,128,472,621	1,088,403,261	0	0	40,069,360	0	0
Dues from the Government	159,983,060	0	0	0	0	0	159,983,060
Granted loans & Dues from public sector	3,189,322,578	366,216,565	345,877,043	591,681,215	888,851,267	2,574,181	994,122,308
Granted loans & Dues from private sector	3,812,101,451	224,284,650	369,175,197	1,315,596,445	1,714,787,667	4,975,203	183,282,287
Investment and partnerships	206,172,671	0	0	0	74,820,793	0	131,351,878
Dues from subsidiary & affiliated companies	37,241,680	0	0	0	24,297,891	0	12,943,789
Other receivable accounts	63,078,028	0	0	0	0	0	63,078,028
Tangible fixed assets	207,726,147	0	0	0	0	0	207,726,147
Intangible assets	18,585,684	0	0	0	0	0	18,585,684
Legal deposits	574,871,224	170,087,374	39,759,481	228,774	95,990	0	364,699,605
Other assets	317,338,600	0	0	0	0	0	317,338,600
<b>Total Assets</b>	<b>10,030,074,905</b>	<b>1,848,991,850</b>	<b>745,811,721</b>	<b>1,907,506,434</b>	<b>2,742,922,968</b>	<b>7,549,384</b>	<b>2,768,292,548</b>
<b>Liabilities</b>							
liabilities to banks & other credit institutions	991,560,036	23,115,243	0	11,005,092	854,723,453	0	102,716,248
Deposits of clients	2,668,218,868	1,840,556,089	0	3,497,224	597,972,146	0	226,193,409
Payable dividend	399,272	0	0	0	0	0	399,272
Debt securities	0	0	0	0	0	0	0
Operational tax reserve	108,266,026	0	0	0	108,266,026	0	0
Reserves and other liabilities	1,809,524,566	462,730,603	112,676,276	324,744,797	863,283,965	16,501,945	29,586,980
Severance provisions & staff retirement liabilities reserve	224,407,233	0	0	0	0	0	224,407,233
Investment depositors' equities	3,623,780,831	21,060,328	1,470,812,535	32,706,591	2,042,041,725	0	57,159,652
<b>Total liabilities</b>	<b>9,426,156,832</b>	<b>2,347,462,263</b>	<b>1,583,488,811</b>	<b>371,953,704</b>	<b>4,466,287,315</b>	<b>16,501,945</b>	<b>640,462,794</b>
<b>Total shareholders' equity</b>	<b>603,918,073</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>603,918,073</b>
<b>Total liabilities &amp; shareholders' equities</b>	<b>10,030,074,905</b>	<b>2,347,462,263</b>	<b>1,583,488,811</b>	<b>371,953,704</b>	<b>4,466,287,315</b>	<b>0</b>	<b>1,244,380,867</b>
<b>Gap</b>		<b>(498,470,413)</b>	<b>(828,677,090)</b>	<b>1,535,552,730</b>	<b>(1,723,364,347)</b>	<b>(8,952,561)</b>	<b>2,127,829,754</b>
<b>Accumulated gap</b>		<b>(498,470,413)</b>	<b>(1,327,147,503)</b>	<b>208,405,227</b>	<b>(1,514,959,120)</b>	<b>(1,523,911,681)</b>	<b>603,918,073</b>

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6259-5-7- Analysis of gap between assets and liabilities sensitive to interest rate

	20.03.20202021						
	Book Value	Less than one month	1 to 3 months	3 months to 1 year	1 to 5 years	More than 5 years	Non sensitive to interest rate
	Million Rials	Million Rials	Million Rials	Million Rials	Million Rials	Million Rials	Million Rials
<b>Assets</b>							
Cash	284,705,887	0	0	0	0	0	284,705,887
Dues from banks & other credit institutions	804,961,425	764,892,065	0	0	40,069,360	0	0
Dues from the Government	135,484,372	0	0	0	0	0	135,484,372
Granted loans & Dues from public sector	2,693,291,107	309,259,347	292,083,206	499,657,753	750,609,308	2,173,822	889,507,671
Granted loans & Dues from private sector	2,269,680,365	156,259,384	224,026,126	733,974,617	964,739,184	3,281,317	187,399,737
Investment and partnerships	342,619,128	0	0	0	225,059,519	0	117,559,608
Dues from subsidiary & affiliated companies	66,633,841	0	0	0	19,905,157	0	46,728,684
Other receivable accounts	67,233,048	0	0	0	0	0	67,233,048
Tangible fixed assets	193,179,479	0	0	0	0	0	193,179,479
Intangible assets	17,676,310	0	0	0	0	0	17,676,310
Legal deposits	380,126,497	109,421,893	28,741,562	171,756	69,791	0	241,721,495
Other assets	208,900,146	0	0	0	0	0	208,900,146
<b>Total Assets</b>	<b>7,464,491,604</b>	<b>1,339,832,689</b>	<b>544,850,894</b>	<b>1,183,804,126</b>	<b>2,000,452,319</b>	<b>5,455,139</b>	<b>2,390,096,437</b>
<b>Liabilities</b>							
liabilities to banks & other credit institutions	919,945,720	23,896,969	0	19,517,182	752,344,648	0	124,186,921
Deposits of clients	1,846,116,537	1,217,924,126	0	925,776	508,571,177	0	118,695,458
Payable dividend	163,627	0	0	0	0	0	163,627
Debt securities	0	0	0	0	0	0	0
Operational tax reserve	149,873,188	0	0	0	149,873,188	0	0
Reserves and other liabilities	1,429,410,734	325,783,945	79,329,360	228,635,503	539,320,593	11,618,141	244,723,183
Severance provisions & staff retirement liabilities reserve	129,628,678	0	0	0	0	0	129,628,678
Investment depositors' equities	2,529,311,728	41,571,449	1,149,282,304	25,221,214	1,269,336,389	0	43,900,371
<b>Total liabilities</b>	<b>7,004,450,212</b>	<b>1,609,176,498</b>	<b>1,228,611,664</b>	<b>274,299,675</b>	<b>3,219,445,995</b>	<b>11,618,141</b>	<b>661,298,238</b>
<b>Total shareholders' equity</b>	<b>460,041,392</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>460,041,392</b>
<b>Total liabilities &amp; shareholders' equities</b>	<b>7,464,491,604</b>	<b>1,609,176,498</b>	<b>1,228,611,664</b>	<b>274,299,675</b>	<b>3,219,445,995</b>	<b>11,618,141</b>	<b>1,121,339,630</b>
Gap		<b>(269,343,809)</b>	<b>(683,760,770)</b>	<b>909,504,451</b>	<b>(1,218,993,676)</b>	<b>(6,163,002)</b>	<b>1,728,798,199</b>
Accumulated gap		<b>(269,343,809)</b>	<b>(953,104,579)</b>	<b>(43,600,128)</b>	<b>(1,262,593,804)</b>	<b>(1,268,756,806)</b>	<b>460,041,393</b>

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## 6259-6- Operational Risk

### 6259-6-1- Definition of operational risk

The possibility of happening loss driven from inappropriate or insufficiency of the process, procedures, staff, internal systems or external events are considered as operational risk in bank Mellat.

- **Processes:** Risks resulting from procedures and methods is one of the important areas in bank Mellat operational risk management. This area entails risks arising from insufficiency or unsuitability of instructions; policies and procedures; incompatibility on procedures and methods or their insufficiency, inadequate fulfilled changes in processes, methods, and structures.

- **Staff:** Inadequate performance of human resource such as violation from internal guidelines, policies and procedures; embezzlement and bribery; providing false reports whether intentionally or mistakenly; theft; malversation; forgery of documents and checks; are categorized under the staff operational risk.

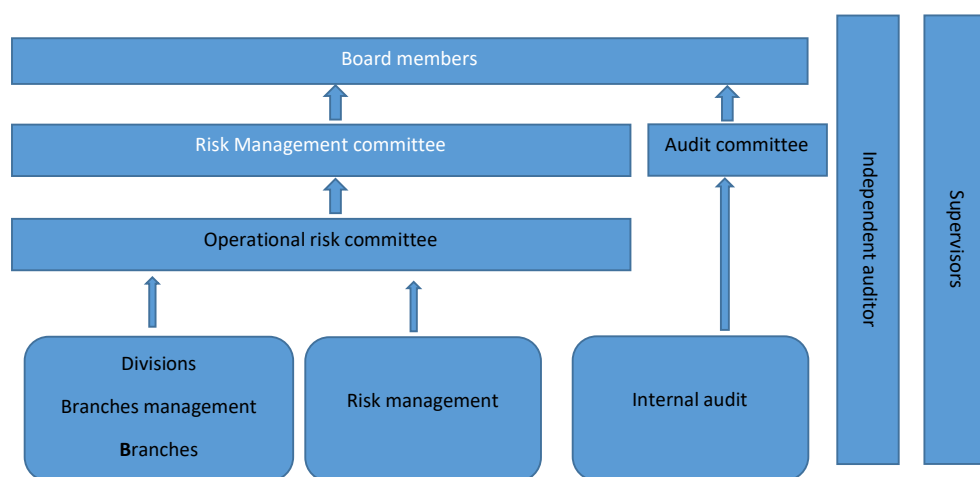
- **Systems:** Risks related to operational disorders and defects of the system including inappropriate manner of maintenance and management of hardware, software and network; operational disorders or inefficiency of various systems; hardware and software defects and using from old and non-standard technologies are included among operational risks due to systems.

- **External Events:** Events and incidents happening outside the Bank environment which have a inappropriate impact on the operations of the Bank are categorized under the title of external events. Terroristic operation, social unrests as well as natural disasters such as earthquakes, fire, floods, etc, are some of the risks resulting from external events.

### 6259-6-2- Executive division of operational risk management

Operational risk management required the cooperation of a wide range of individuals and organizational departments that each of these individuals and departments has specific duties and responsibilities. Various layers of protection against operational risk are employed by the Bank that each of these units are perform as a part of defense layer of organization against operational risk.

Bank Mellat in risk governance structure uses Three Lines of Defense (“3LoD”) for managing operational risks. The first defensive line includes all of the banks sections that is the owners of its risks and manages their risks and also the bank implements managerial control and internal control for reducing risk. The head of each unit is responsible of control measures and is responsible for ensuring their performance in reducing the risks to an acceptable level. The reports for measures of all units should be reported continuously to operational risk committee.



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Risk management is the second defensive line that plays the role of supervising and supporting on risk management process. The duties of this level of operational risk management are designing the frameworks, monitoring on observance of these frameworks, creating coordination, facilitating the processes, supervision over integration, and providing timely information. The reports of the proposed frameworks and actions taken in operational risk management area presented to operational risk committee, risk management committee and the board of directors, respectively on the basis of importance and criteria.

The internal auditor as the third line of defense is responsible for ensuring in process of operational risk management and examines the efficiency and integrity of the operational risk management system in achieving business objectives. The results of design and the effectiveness evaluation of risk management of the two defense lines, internal controls and financial reporting of the audit committee and the board of directors are reported.

6259-6-3 - Preventive Measures to evade intentional & non-intentional human errors

By supervising towards operational process at various levels for creating required controls in procedures and also using them in software applications and required systems, favorably prevent intentional and non-intentional errors. Some of the measures taken by the Bank to reduce major operational risks are shown in the table below:

Conducted Measures	Types of main covered operational loss						Executive Management Presentation & Process
	Embezzlement	Fraud	Employment function and immunity in work environment	Clients, products and functions	Damages to tangible assets	Working disorder & system failures	
Allocation of systems user codes on the basis of assigned duties	*			*			*
Dual use of processes with high loss probability	*			*			*
Non probability of access to internet through IT systems installed in Bank branches		*				*	
Definition of priority in implementing processing of banking system transactions						*	
Setting Limitation for amounts in executing based on employee position	*			*			
Using sub-systems for registering information of all conducted process by the users	*			*		*	*
determining credit limit	*	*					*
guidelines for controlling branches daily operation /operating departments	*			*		*	*
Recognizing and increasing control of staff with violation record/ various mistakes	*			*			*
Continued staff training for assigned duties							*
Deactivating systems and user systems during specific period of non-operation	*	*		*			*
Mandatory changing of user code of different banking systems	*	*		*			*
Supervision and control over non-exposure of data-related user codes	*	*		*			*
Software production control		*				*	
Installing of security cameras	*	*		*	*		
Supervision and control over procedures for staff remuneration according to Law .			*				
Supervision and controlling relevant procedures regarding to cover staff treatment services			*				

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#### **6259-6-4- Preparation for confronting crisis**

Stress tests in Bank Mellat are carried out in various sections of IT. In data security management section, periodical tests of penetrability on the bank's vital websites are carried out periodically and in case study. In data centers of the Bank, logistic sites to support the main site has been established and also a crisis site has been set up for replacement of the main site at the times of crisis. The operating situation of the logistic and crisis site is constantly tested and modified in periodical maneuvers. In information systems' section, relevant tests based on the capacity and function of the information systems based on changes of relevant variables with the security and overloading are being done periodically. Some of the taken measures for confronting with crisis are explained in this section:

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##### **A) - Scenario analysis and conducting tests of the penetrability of the bank's websites and its systems:**

In this part, sensitive information systems and software of the bank undergo regular stress tests for assessing security status. Scenario analysis for penetrability tests of the bank's sensitive websites; test of Active Directory service and other relevant services and penetrability test on all systems before launching on web-based main environment are some of the most important conducted measures.

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##### **B) - Relevant tests with the capacity and functioning of the informational systems:**

In this part, relevant variables with security and increasing the proper functioning of the systems, services and systems of the bank would be tested. Assessing the proper functioning of the logistic system of administration automation in the crisis site, testing the service of Active Directory and other relevant services as well as anti-virus central IT systems are the most important measures carried out by this section.

##### **C) – Relevant tests for functioning of hardware systems and security procedures:**

In this part, the hardware equipment as well as devised security procedures for the purpose of proper performance are being tested. The most important conducted measures in this part are: electricity outage drill to test the operation of installations and equipment in the bank sites; security assessment of the bank's communication networks and periodical security visiting from the branches management of the provinces and affiliated branches.

#### **6259-6-5- Operational risk measurement method**

Bank Mellat by establishing the required infrastructures, constantly examines and observes the relevant area to the operational risk and recognizes, assesses, controls and monitors the relevant risks. The utilized methods in this regard are devised by taking benefit from published documents of the CBI and standards and recommendations of the BALL Committee (BASEL). Regarding top to down approach for managing operational risks, the using method for allocating required capital for covering operational risk is index based method. Also, based on the down to top approach of the self-assessment manner (RSA), using from key risk indexes and internal loss data are being used.

The relation between the concentrated section of the risk management and other non-concentrated sections is handled by risk liaisons. Risk liaisons while supervise and aware of their working activities area by interaction with other sections of their activity area would recognize and assess material operating risks and report them to the operational risk management every six months.

The operational risk management department according to the major and main procedures of the bank and with the cooperation of the relevant departments of each procedures, would recognized the key influential risks on the bank's activities and has designed the indexes of the key risks. Collecting the information of the indexes and determining the level of the suitable appetite of the indexes based on the acceptable appetite level by the bank are the ongoing agenda of the bank program.

Gathering data due to the losses resulting from operational risk, is so important in analyzing realized risks and the factors of happening this kind of risks. The main information related to the loss in the previous years are discovered and recorded by the supervisory divisions of the bank and their statistical analysis and assessing previous events are being done with the cooperation of the supervisory sectors of the bank.

#### **6259-6-6- the policy of Controlling and Processing of Operational Risk Management**

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The implementation of operational risk management in the bank consists of three parts: 1) recognition, assessment, and measurement; 2) Monitoring and reporting; and, 3) Controlling and deducting of operational Risk.

**Recognition, assessment and measurement:** Operational risk management in bank Mellat is based on the three defense shield. Operational risk division by clarifying the role of the different departments of the bank in each of defensive shield has taken a major step in operational risks arising from the Bank's operations. Also, for executing of operational risk management process by assigning risk liaisons in different departments of the Bank's, recognizing, assessing and measuring of risks relevant to their activities are assigned to them. The relevant reports to the operational risk in various layers of the bank are consistently transfer to the operational risk management by the risk liaisons. Moreover, for the purpose of completing risk self-assessment and controlling (RCSA) operational risk, periodical workshops have been held in each fields of human resources, foreign currency, credit and etc. in presence of relevant managers and experts of the relevant area and major risks for each of the discussed area would be recognized, assessed and measured.

#### **Monitoring and reporting:**

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Bank Mellat uses continues and cohesive system for monitoring operational risks to be able to provide timely reports to the relevant levels. To this end it is necessary to held operational risk portfolio through different manners to provide comprehensive and reliable reports such as: recognized risks through RCSA method and controlling by risk liaisons; received reports from supervisory departments; recognized risks by the operational risk management division before rendering new productions and services; and recognized risks by experts in risk management workshops. Recognized risks are monitored on the basis of importance and VaR amount with respect to the priorities and the will be regularly reported to the operational risk committee, risk management committee and CEO.

#### **Control and Reduction:**

While the bank recognizes, assesses and measures operational risks, makes the required decisions regarding to their controlling to reduce probability of occurring risks. In order to reduce the damages caused by operational risks, necessary measures are taken for consistency of working operation and returning to the normal condition or by utilizing instruments such as insurance and outsourcing the activities, the bank has been act for reducing the severity of operational risks. Also for reducing the probability of occurring risks, required consideration would be taken by cooperation of other relevant departments for reinforcing and improving internal control.



6259-6-7-Requriered capital for covering operational risk

Bank Mellat for determining the required capital to cover operational risks uses the base index method that is one of the recommended manners by BALL committee (BASEL). In this method, the average gross income of the bank is calculated for three consecutive years and multiplied by Alpha index (15%). The amount of required capital for covering operational risks are as follow:

Measurement Method	Capital exposed to operational risk
Base Index method	IRR 57,701,45061,173,145 Million. =====

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Compliance risk management

In line with implementation of the BALL Committee (BASEL) requirements and also circulars issued by the CBI regarding to the effective management of compliance risks; and, with due consideration of the optimal management importance of this area of risks in bank Mellat, the objectives and scope of management of compliance risk is briefly described in the following. In the present report does not entail the details of Bank Mellat activities about each of the above instances especially the domain of compliance risk management.

Aims of compliance risk management

Preventing from violation of rules, regulations and standards:

The compliance risk management in Bank Mellat by recognizing rules, regulations and basic and relevant standards has forecasted the required measures for good performance of them and moreover the required measures for familiarizing the different departments of the bank with relevant rules, regulations and standards have been provided and supervise over them by preventive approach on observing this issue.

Protecting the reputation and credit of the Bank:

One of the major goals of the bank is to increase the reputation and credit of the bank within the banking system and generally in the society. Compliance risk management of the bank by supervising over complying the rules, regulations and standards in the bank leads to increase transparency, increasing the level of reliability and customer's satisfaction, decreasing the expenses due to non-complying the rules, regulations, and standards and promoting the culture of executing law that finally leads to preserve the reputation and credit of the bank.

Decreasing losses due to non-observance of the rules, regulations and standards: Bank Mellat compliance risk management while recognizing the instances of violations in observing laws, rules, regulations, and standards, prevents from increasing of probable material losses, inclusion fines, legal penalties and supervisory punishments.

Increasing transparency in bank operations: Compliance risk management in Bank Mellat by following up the observance of the rules, regulations and standards in the Bank, leads to increase transparency and predictability of the bank's operation. Performing the bank activities in rules and regulations framework leads to increase confidence of different beneficiaries to the bank.

Protecting customer rights within its relevant rules and regulations framework: Compliance risk management in Bank Mellat by supervising over the observance of rules, regulations, and relevant standards,

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leads to the confidence of the customers in preserving their rights in the bank. Trust and confidence of preserving the rights is one of the main factors in choosing bank Mellat by the customers and compliance risk management helps to the bank in line of this fact.

#### **Boosting the culture of observance of rules and regulations:**

One of the most important objectives of the bank compliance risk management is localization the culture of observing the rules, regulations and standards. In this regard, the compliance risk management in bank Mellat by continues following up efforts that all the elements of the bank should act within the frameworks of the rules, regulations, and standards of the bank, and preserves the rights of the bank and customers.

#### **The domain of compliance risk management**

The domain of compliance risk management in bank Mellat entails the six area:

"compliance in organizational behavior", " compliance in customer behavior", " compliance in financial services", compliance in staff behavior", "compliance in precautionary rules", "compliance in behavior of other risks".

##### **(1)-Compliance in organization behavior**

The existence of committees such as risk management, internal auditing, compliance rules and regulations, and etc. establishing independent compliance rules and regulations division under the supervising of the bank's board of directors, devising the charter of compliance risk management as well as the charter for compliance the rules and regulations, designing and devising of the document for compliance risk appetite on the basis of European banks standards, controlling the transactions with relevant individuals ( i.e., single beneficiary) are the instances of compliance in organizational behavior in the Bank.

##### **(2)- Compliance in customer behavior**

Bank Mellat for the purpose of compliance with the anti-money laundering Act, has set out its guidelines of the CBI, recommendations of the BALL committee (BASEL), recommendations of the financial action task force (FATF) and the 'WOLFSBERG GROUP' instructions, instructions for AML and financing of terrorism in a manner that entails complete transparency and being the supplier of the required standards.

To this end and regarding to the importance of anti-money laundering issue, effective measures have been taken in the bank that the most important of which are as follows: (1) design, establishment and exploitation of anti-money laundering comprehensive system in the bank's data platform (AML) and starting to make smart the mentioned system; (2) Designing and localizing the customers' ranking model based on the compliance risk level based on the FATF model in Caribbean Region; (3) Modifying and improving of the method for preparation of reports of the doubtful operations (STR); improving KYC process including: designing KYC Software; establishing comprehensive profile for customers information; establishing of electronic archive for KYC documents; creation legal foreign customers class in the bank systems; registering the information of national ID CODE and pervasive number for local and foreign customers; establishing the web service connected to the CBI systems for the purpose of creating electronic banking identity ID for the bank's customers (SHAHAB); online verification of the validity of the foreign real and legal customers through FIDA system; (4) Updating the Bank's profile in the SWIFT site and receiving verification from SWIFT system as one of the first Iranian banks; (5) Launching control system for 'under- sanction' lists of the 'SWIFT' institution for controlling foreign exchange transactions issued by branches due to manage risks arisen from imposing sanctions; (6) completing and

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answering to the AML questionnaire sent by the foreign correspondents; (7) constant training to all staff and emphasis on complying the rules and guidelines, as well as anti-money laundering methods.

**(3)- 'COMPLIANCE' in behavior of financial services**

Rendering transparent production, rendering transparent electronic financial services, information security of the customers; and managing complaints, etc. are instances of compliance in financial services in Bank Mellat.

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**(4)- Compliance in the staff behavior**

Methods for preventing embezzlement, fraud detection; utilizing software such as software for discovering suspicious behaviors; protecting confidentiality of the customers information; existing ethic charter of the staff etc., are the instances of staff behavior compliance in the bank.

**(5)- Compliance in precautionary rules**

Observing rules such as permitted limits of the fixed assets, single beneficiary, the permitted limits of the investments and etc. are the instances of compliance in precautionary rules in the bank.

**(6)- Compliance in the behavior of the other risks**

The existence of procedures; methods; guidelines; circulars in different areas of the risk management such as; credit; financial; operational; market etc. are the instances of compliance in the behavior of other risks in bank Mellat.

**The Methodology of compliance risk management**

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For the purpose of effective management of the compliance risks, Bank Mellat uses from a systematic integrity methodology of the compliance risk (SIRA) that is based on identification, assessment and controlling compliance risks according to the European bank operational methods. 'SIRA' methodology by identifying indexes and probable scenarios, covers the assessing integrated risk recommended by the supervisors and rendering organizations of international standard such as: FATF, World Bank, IMF and WOLFSBORG group.

6259-7- Capital management

6259-7-1- Basic capital

Description	20.03.20212022	20.03.20202021
	Million Rials	Million Rials
First layer capital		
Capital paid by deducting financed capital out of surplus of assets revaluation (Resources provided by shareholders)	33,443,037	32,338,089
Retained earnings (loss)	216,398,453	95,995,175
Legal reserve	83,242,565	59,738,129
Other reserves	97,234,193	97,265,226
Total first layer capital before applying supervisory adjustments	430,318,248	285,336,619
Deducted: supervisory adjustments		
Cost price of bank's shares bought by affiliated units which is in the possession of subsidiary units at the time of capital adequacy calculationwithout mediator in first tranche step or capital injection	(2,614,176)	(2,614,176)
Intangible assets except key money Place of business (business right)	(7,118,991)	(6,221,731)
Foreign investment out of set limitations		0
Total supervisory adjustments	(9,733,167)	(8,835,907)
First layer capital after applying supervisory adjustments	420,585,081	276,500,712
Second layer capital		
Foreign investment out of set limitations		0
General doubtful loans up to 1.25% of weighted assets to risk	89,756,345	48,982,297
Adjusted amount due to revaluation of fixed assets, stocks and securities	78,119,921	78,529,547
Total second layer capital	167,876,266	127,511,844
Deducted:		
Second layer capital accountable to supervisory capital	167,876,266	127,511,844
Supervisory capital	588,461,347	404,012,556
Supervisory capital basic for other precautionary ratios*	267,244,488	78,656,000

\* Effective supervisory capital has already been ratified by the CBI and it is the basis of calculating precautionary ratios until date of approving the financial statements of the bank. It is obvious that the new supervisory capital of the bank based on approved financial statements after holding general assembly and exerting any probable changes and deductions such as distributing the dividend among the shareholders, will be implemented by the CBI.

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62-7-2 Allocating capital

6259-7-21-1 Total weighted assets to credit risk is IRR 4,015,854,8225,401,029,616 Million by ending financial year on March 20, 20242022.

Description	20.03.2022				20.03.2021	
	Amount	Conversion coefficient	Adjusted amount	Risk coefficient	Weighted assets & liabilities to risk	Weighted assets & liabilities to risk
<b>On-balance sheet items</b>	Million Rials	%	Million Rials	%	Million Rials	Million Rials
Cash (funds and funds in transit in foreign currency & Rials)	315,181,162	100	315,181,162	0	0	0
Legal deposit held with the CBI	574,871,224	100	574,871,224	0	0	0
Dues from the CBI	708,800,612	100	708,800,612	0	0	0
Dues from banks & other non-credit institutions(In the form of facilities, deposit and securities purchase)	419,672,009	100	419,672,009	50	209,836,004	78,592,689
Dues from government (in form of loans & securities purchase) or dues of the government's guarantees	159,983,060	100	159,983,060	0	0	0
Dues from state-owned companies & institutions and non-governmental public institutions (in form of loans & securities purchase) or dues to guarantee the abovementioned institutions	3,189,322,578	100	3,189,322,578	50	1,594,661,289	1,346,645,553
Principal loans of participatory contracts (Equity partnership, Profit sharing, Mosaqat, Mozareeh) of listed companies	152,723,650	100	152,723,650	100	152,723,650	138,148,715
Principal loans of partnership contracts (Equity partnership, Profit sharing, Mosaqat, Mozareeh) of other real and legal entities	211	100	211	150	316	36,568,778
The principal and profit of facilities granted in the form of non-participatory contracts for residential properties where the residential property is mortgaged by a credit institution	23,499,975	100	23,499,975	50	11,749,987	12,295,180
The balance of the principal and profit for the facilities granted in the form of non-participatory contracts to natural entity, small and medium corporations and natural entity (with a maximum of 100 workers) where the principal of the granted facilities is a maximum of IRR 20 billion.	1,236,281,687	100	1,236,281,687	75	927,211,265	702,068,400
The balance of the principal and profit for the facilities granted in the form of non-participatory contracts to natural entity, small and medium corporations and natural entity (with a maximum of 100 workers) where the principal of the granted facilities is a maximum of IRR 20 billion.	996,627,399	100	996,627,399	100	996,627,399	478,258,600
Net non-current dues (principal, interest & delay payment charges by deducting relevant special reserve) – special reserve less than 20% of balance of non-current dues	19,101,523	100	19,101,523	150	28,652,285	25,834,140
Net non-current dues (principal, interest & delay payment charges by deducting relevant special reserve) – special reserve less than 20% to 50% of balance of non-current dues	11,922,480	100	11,922,480	100	11,922,480	14,767,940
Net non-current dues (principal, interest & delay payment charges by deducting relevant special reserve) – special reserve equal to 50% & more than 50% proportionate to the balance of non-current dues	2,111,714	100	2,111,714	50	1,055,857	1,072,559
Non-governmental participation bonds	24,165,019	100	24,165,019	100	24,165,019	50,696,999
Dues from subsidiary and affiliated companies (outstanding & non- loan nature)	37,241,680	100	37,241,680	100	37,241,680	66,633,841
Other accounts receivable (to be current)	63,078,028	100	63,078,028	100	63,078,028	67,233,048
Net fixed assets	207,726,147	100	207,726,147	100	207,726,147	193,179,479
Other on-balance sheet items	187,167,563	100	187,167,563	100	187,167,563	184,811,242
<b>Off-balance sheet items</b>						
Non-cancellable liabilities with more than one year maturity date after deducting cash deposit & advance - received amount	435,283,615	20	87,056,723	100	87,056,723	34,842,697
Liabilities for issued or confirmed L/Cs the subjected goods is not collateral of credit after deducting advance-payment	900,160,290	50	450,080,145	100	450,080,145	241,199,004
Liabilities for issued LGs after deducting cash deposit	820,146,814	50	410,073,407	100	410,073,407	245,734,557
Other liabilities	371	100	371	100	371	371
<b>Total weighted assets to credit risk</b>	10,485,068,811		9,276,688,367		5,401,029,616	3,918,583,790

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6259-7-21-2- The total weighted assets to market risk is IRR 1,164,812,754 1,014,813,643 Million by the end of fiscal period ending on March 20, 2021 2022.

Description	20.03.2022			20.03.2021		
	Amount	Risk coefficient	Required capital	Amount	Risk coefficient	Required Capital
	Million Rials	%	Million Rials	Million Rials	%	Million Rials
Commercial shares	89,577,400	8%	7,166,192	88,998,244	8%	7,119,859
Commercial securities – general risk – remaining time to maturity date is 1 to 3 months	7,999,989	0.2%	16,000	4,500,000	0.2%	9,000
Commercial securities – general risk – remaining time to maturity date is 3 to 6 months	5,000,000	0.4%	20,000	17,956,363	0.4%	71,825
Commercial securities – general risk – remaining time to maturity date is 6 to 12 months	3,900,215	0.7%	27,302	21,689,008	0.7%	151,823
Commercial securities – general risk – remaining time to maturity date is 1 to 2 year(s)	23,615,974	1.25%	295,200	69,702,481	1.75%	871,281
Commercial securities – general risk – remaining time to maturity date is 2 to 3 years	26,138,810	1.75%	457,429	83,808,851	1.75%	1,466,655
Commercial securities – general risk – remaining time to maturity date is 3 to 4 years	0	2.25%	0	9,705,695	2.25%	218,378
Commercial securities – general risk – remaining time to maturity date is more than 20 years	0	6%	0	9,900	6%	594
Positive open position of all foreign currencies or absolute value of negative open position for all foreign currencies, the one that is more	915,037,114	8%	73,202,969	1,040,945,053	8%	83,275,604
Total required capital to cover market risk	1,071,269,502		81,185,091	1,337,315,595		93,185,020
coefficient		12.5%			%12.5	
weighted asset to market risk			1,014,813,643			1,164,812,754

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6259-7-21-32- Total weighted assets to the operating risk is IRR 721,268,131 764,664,316 Million by the end of fiscal year ending on 20.03.2021 2022.

Description	20.03.2021			2022		
	Amount	Risk coefficient	Required capital for covering operating risk	Amount	Risk coefficient	Required Capital for covering operating risk
	Million Rials	%	Million Rials	Million Rials	%	Million Rials
Average of total incomes of the bank's three recent years	407,820,969	15%	61,173,145	320,318,659	15%	48,047,799
Coefficient		12.5			12.5	
Weighted asset to operating risk			764,664,316			600,597,486

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6259-7-32- Capital adequacy ratio

Capital adequacy ratio of the bank at the ending of fiscal year on March.03.2021 based on “guidelines for calculating supervisory capital and capital adequacy ratio of credit institutions” bearing No.98/436758 dated March 07, 2020 and circular No.00/213954 dated October 19, 2021 is 78.5720%.

Description	20.03.2021 2022	20.03.2020 2021
	Million Rials	Million Rials
Supervisory capital	588,461,347	404,012,556
Weighted assets to credit risk	5,401,029,616	3,918,583,790
Weighted assets to market risk	1,014,813,643	1,164,812,754
Weighted assets to operational risk	764,664,316	600,597,486
Total weighted assets to risk	7,180,507,575	5,683,994,030
First layer effective capital ratio to risk weighted assets– percent	5.86	4.86
Capital adequacy ratio based on based capital – percent	8.20	7.11

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~~6259-7-43~~- Degree of leverage

Degree of leverage is total shareholders' equity to bank's assets. Degree of leverage of the bank by the end of fiscal period ending on 20.03.2021-2022 is 6.6402%.

Description	20.03.2022	20.03.2021 (Restated)
	Million Rials	Million Rials
Total shareholders' equities	603,918,073	460,041,392
Total assets	10,030,074,905	7,464,491,604
Degree of leverage – Percent	6.02	6.16

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### 6360- Transactions with relevant persons

#### 6260-1- Changes of main shareholders (more than 1%)

During fiscal year ending on 20.03.2021-2022 National Investment Iran overall Distribution Company, provincial investment company of Saham e edalat for East Azarbayjan, Mazandaran, Kerman, Gilan, West Azarbayjan, and Sistan & Balouchestan- have has exited from shareholders with more than 1 percent share. Also, during year ending on March 03, 2021 "Edalat provincial investment Edalat ESC by holding about 11.2 percent of stocks are considered as major shareholders more than 1 percent.

#### 6360-2- Transactions with managers

During fiscal year ending on 20.03.2022, there has been no transactions fulfilled with managers (CEO, members of the board of directors) except for the amount of IRR4, 451 million of facilities paid to the members of the board of directors.

No transaction has been fulfilled with managers (CEO, members of the board of directors and executive board of the bank, deputies of CEO and members of committees related to the board of directors) in fiscal year ending on 20.03.2021.

#### 6360-2-1- Salary and allowances

Received salary and allowances by the managers from the bank, companies of the group, branches and banks abroad are as follows:

Type	Number	Number of paying salary & allowances companies	Salary & Allowances	Attendance fee	reward	Severance allowance	Shares	
			Million Rials	Million Rials	Million Rials	Million Rials	Number	Amount
								Million Rials
Executive members of board of directors & CEO	9	1	37,170	0	0	0	1,525,883	5,650
Deputies of the CEO (excluding members of board of directors)	10	1	51,799	0	0	0	1,886,859	6,987
Audit committee	5	1	2,066	0	0	0	0	0
Risk committee	4	1	6,640	0	0	0	496,909	1,840
			97,675	0	0	0	3,909,651	14,477

\*\*Four members of the board of directors who were separated during the year received IRR 18,627 million in salary and benefits, and four others were replaced. salary and allowance stated in the above table are gross and the net paid amount to them after deducting tax and other legal deductions was more than IRR 17,637 million.

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6360-3- Transactions of the parent company with affiliated individuals during the year are as follows:

Name of Affiliated Co.	Type of Relation	Subject of Transaction	Is it subject to Article 129 of Trade Act?	Price determining Method	Transaction Price			Gross Profit (Loss) of Transaction	Dues (Debt) Balance
					Million Rials	Million Rials	Million Rials	Million Rials	Million Rials
Ma insurance	Subsidiary Co	Premium	No	Market price	5,261,498		5,261,498		
Beh Pardakht Mellat Co	Subsidiary Co	Purchasing service	No	Market price	2,100,880	0	2,100,880		
Behsaz Mellat Industrial Strategic Co	Subsidiary Co	Purchasing service	No	Market price	1,014,819	0	1,014,819		
Yas Arghavani Industries Engineering Co.	Subsidiary Co	Purchasing service	No	Market price	242,508	0	242,508		
Shaghayegh Software Engineering Co	Subsidiary Co	Purchasing service foreign currency	No	Market price	921,885	0	921,885		
Yas Arghavani Engineering System Co	Subsidiary Co	Purchasing service Premium	No	Market price	562,788	0	562,788		
Mellat Exchange office Co	Subsidiary Co	Foreign Exchange Purchasing service	No	Market price	94,441,550	0	94,441,550		
Bank Mellat construction Co.	Subsidiary Co	Purchasing service	No	Market price	7,112,141	0	7,112,141		
Bank Mellat Publication Co.	Subsidiary Co	Purchasing service	No	Market price	991,261	0	991,261		
Behsazan Mellat Co.	Subsidiary Co	Purchasing service	No	Market price	2,314,699	0	2,314,699		
Tadbirgaran Behsaz Mellat Co	Subsidiary Co	Purchasing service	No	Market price	26,351	0	26,351		
Zirsakht -e-Amn Khadamat-e- Tarakoneshi Co	Subsidiary Co	Purchasing service	No	Market price	2,179,358	0	2,179,358		
Staff retirement fund	Staff Retirement Plan	Insurance services	No	Market price					
Mellat Market Making exclusive fund	Shareholder	Purchasing investment units	No	Market price					
Atiyeh Khahan capital management Co.	Main Managers	Instalment sale of fixed assets	No	Market price		17,969,341			
Tarh Va Andisheh Behsaz Mellat Co.	Subsidiary Co	Purchasing service	No	Market price					

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Name of Affiliated Co.	Type of Relation	Subject of Transaction	Is it subject to Article 129 of Trade Act?	Price determining Method	Transaction Price			Gross Profit (Loss) of Transaction	Dues (Debt) Balance
Mellat Financial Group Co.	Subsidiary Co	Paying <u>on -account</u> <del>profit on account/paying on dividend</del>	No	Market price	1,017,060	961,564	55,496		
Mellat Bank Brokerage Company	Subsidiary Co	Purchasing service/ Payment of facilities	No	Market price	85,284	0	85,284		
Mad Marketing and sales development Behsaz Mosharekathay e Mellat Co.	Subsidiary Co	Purchasing service Assigning 2 companies to financial group	No	Market price Book price	247,923	0	247,923		
Jahan Behsz Mofarrah Co	Subsidiary Co	Purchasing service/Interest from deposits held with Bank Mellat	No	Market price	322,407	0	322,407		
Behsazan Farda Smart Technologies Group Mellat Financial Group	Subsidiary Co	Purchasing service Assigning 5 companies to Behsaz Mosharekat	No	Market price Book price	51,022		51,022		

6360-3-1- Transactions have been carried out in the normal routine of the business unit.

By virtue of tripartite agreement of transferring Behsaz Mosharekathayeh Mellat and Mellat financial group's stocks in reporting fiscal year dated Dec 16, 2020, sum of IRR 8,216 billion from Tarh Va Andisheh Behsaz Mellat, Tadbir Mellat, Mellat Leasing, Mellat exchange office, gharzolhaneh Mehr stocks has been transferred from Mellat financial group to Behsaz Mosharekathay e Mellat in and also sum of IRR 692 billion of the Mellat companies' stocks, Almasah Saz and Mehr oMah infrastructure and investment development stocks has been transferred to Mellat financial group Co. from Behsaz Mosharekathay e Mellat that the manner of transaction settlement has been determined through set off out of bank Mellat's dues from mentioned companies.

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6360-4 The balance of the affiliated individuals that no deal has been done with them during the year are as follows:-

Affiliated person.	Type of relation	Payment (received)	Subject to Article 129	adjustments	Dues (Debt) Balance On 20.03.2021+2022	Dues (Debt) Balance On 20.03.2020+2021
Mellat Exchange office	Subsidiary Co	Payment	No		48,939,929	175,000
Staff retirement fund	Staff retirement plan	ReceivedPayment	No		(175,916,716)	(92,467,471)
Mellat financial group	Subsidiary Co	Payment	No		8,930,182	8,899,997
Atiyeh Khahan capital management Co	Main Managers	Received	No			17,969,341
Mellat Market Making exclusive fund	Shareholder	Payment	No			0
Zirsakht -e-Amn Khadamat-e-Tarakoneshi Co	Subsidiary Co	ReceivedPayment (Received)	No		(825,243)	341,587
Bank Mellat Publication Co.	Subsidiary Co	Received	No		(1,677,883)	(115,050)
Yas Arghavani Engineering System Co	Subsidiary Co	Received	No		(270,892)	(208,086)
Shaghayegh Software Engineering Co	Subsidiary Co	Received	No		(600,672)	(205,114)
Behsaz Mosharekathay-e-Mellat Co.	Subsidiary Co	Payment	No		9,380,241	8,300,857
Ma insurance	Subsidiary Co	Received	No		0	(579,213)
Tarh Va Andisheh Behsaz Mellat Co.	Subsidiary Co	PaymentReceived	No		210,244	(322,197)
Behsazan Mellat Co.	Subsidiary Co	ReceivedPayment	No		(1,226,335)	457,902
Yas Arghavani Industries Engineering Co.	Subsidiary Co	Received	No		(111,301)	(109,790)
Rahbari-e-Sanayeh Behsaz Co.	Subsidiary Co	Payment	No		0	101,126
Beh Pardakht Mellat Co.	Subsidiary Co	PaymentReceived	No		21,702	(2,118,851)

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Affiliated person.	Type of relation	Payment (received)	Subject to Article 129	adjustments	Dues (Debt) Balance On 20.03.20212022	Dues (Debt) Balance On 20.03.20202021
Behsaz expansion of business services Co	Subsidiary Co	Payment	No		5,476,737	21,702
Behsaz Mellat insurance services Co	Subsidiary Co	Payment	No		0	2,531
Vavan construction and urban planning Co	Subsidiary Co	Received	No		0	(28,488)
Bank Mellat Brokrag Co	Subsidiary Co	Payment (received)	No		0	5,423,480
Mad Marketing and sales development Co	Subsidiary Co	Received	No		(64,501)	(117,472)
Jahan Behsz Mofarrah Co	Subsidiary Co	Received	No		(23,610)	89,148
Tadbirgaran Behsaz Mellat Co		Received	No		(437,310)	(258,774)
Bank Mellat Structural Co	Subsidiary Co	Payment	No		8,936,883	42,878
Vaespari Mellat Co	Subsidiary Co	Payment	No		2,378,434	1,867,047
Mellat investment Co	Subsidiary Co	Received	No		(13,649)	0
Behsazan Farda Smart Technologies Group	Subsidiary Co	Payment	No		1,409,851	0

60-4-1- Transactions with related parties are not significantly different from the conditions governing real transactions.

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#### 6461- Retained earning at the end of the year

Allocating retained earning of the end of the year in the following items is postponed to approval of ordinary general assembly of shareholders.

#### Legal responsibilities

Dividend at least 10 percent net profit of 2020-2021 according to article 90 of commercial law amendment

Amount

Million Rial

13,661,048 15,759,379

#### Board members proposal

#### Board members purposed stocks profit

15,759,379 13,661,048

The profit of the purposed stocks by the board member is because of considering the provisions of letter No. 98/450508 dated March 18, 2020 of the CBI regarding lack of distributing profit due to foreign currency translation.

#### 652- Operating statement of Rial interest free operation

#### 6562-1- Interest free resources and allocation of resources balance status

	20.03.2021	20.03.2020	20.03.2021	20.03.2020
	Million Rials	Million Rials	Million Rials	Million Rials
Interest-free saving deposits – Rial	22-2	326,049,340	244,704,017	
Interest-free current account-Rial	22-1	1,359,757,573	807,925,508	
Total interest-free resources		1,685,806,913	1,052,629,525	
Interest-free resources allocation				
Loans and advance to private sectors (before reserve)				
Ordinary loans	13-2	(264,424,512)	(168,693,621)	
Staff loans	13-95-1	(11,725,892)	(12,668,198)	
Total IRR granted loans and dues from private sectors	13-2	(276,150,404)	(181,361,819)	
Total interest free resources allocation		(276,150,404)	(181,361,819)	
Legal deposit of interest free saving account resources		(32,176,250)	(23,947,395)	
Legal deposit of interest free current account resources		(165,105,721)	(96,632,334)	
Liquidity reserve of interest free saving deposits (5 percent)		(16,302,467)	(12,235,201)	
Liquidity reserve of interest free current deposits (40 percent)		(543,903,029)	(323,170,203)	
Surplus/loss of resources to interest free resources allocations		652,169,042	415,282,573	

#### 6562-2 Net commission of interest free operation

	20.03.2021	20.03.2020
	Million Rials	Million Rials
Commission received for granted non-interest bearing loans	9,493,167	5,351,671
Equipping interest-free deposits bonuses expense	(35)	(44)
Net interest-free operation commission	4340-1 9,493,132	5,351,627

6562-3 Classifying granted non-interest bearing loans based on loans' subject

	20.03.20242022	20.03.20202021
	Million Rials	Million Rials
Marriage	208,804,724	109,841,408
Employment	3,356,542	5,314,911
Therapy		0
Indigent Prisoners	585,895	762,408
Umrah & Holy shrines	41,908	40,622
Bank's staff	13-95-111,725,892	12,668,198
Help seeker of Imam Khomeini committee & state welfare organization	17,714,142	9,176,722
Rural houses	99,962	45,623
Home jobs	23,658	43,779
House mortgage	503,018	774,109
Solving miscellaneous problem	33,294,664	42,694,039
	276,150,404	181,361,819

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6562-4- Classification of granted non-interest bearing loans based on type of clients

	20.03.20242022	20.03.20202021
	Million Rials	Million Rials
Real entities	276,150,404	181,361,819
Legal entities	0	0
	276,150,404	181,361,819

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6663- Facilities information and liabilities of relevant individuals

Items in Million Rials

Row	Name	Relevant individuals based on second chapter of code of conduct									Facilities/liabilities				Balance of net facilities				Total balance of net facilities and liabilities
		1-2	2-2	3-2	4-2	5-2	6-2	7-2	8-2	9-2	Principal of paid amount	Balance (after deducting received amounts of profit sharing and equity partnership)			Gross liabilities	Cash advance received	Net liabilities	Net liabilities by applying conversion coefficient	
												Outstanding	outstanding	NPLs					
A	Co-group companies										14,045,299	95,511,246	0	95,511,246	2,630,244	181,222	2,449,023	1,081,817	96,593,062
B	Other individuals										13,680,178	7,375,930	0	7,375,930	69,857	14,114	55,742	27,871	7,403,801
total											27,725,477	102,887,175	0	102,887,175	2,700,101	195,336	2,504,765	1,109,688	103,996,863

Items in Million Rials

Effective supervisory capital basis for other precautionary ratios	399,515,193
Individual authorized limitation and macro facilities and liabilities (3% effective supervisory capital)	11,985,456
Collective authorized limitation and macro facilities and liabilities (40% of effective supervisory capital)	159,806,077

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6764- Information of macro facilities and liabilities in accordance with approval 166 of meeting dated October 29, 2013 of monetary and credit council (circulars 92/242553 dated November 6, 2013 of the CBI) are as follows:

Row	Customer's Name	Balance of macro facilities and liabilities after deducting exceptions and exerting coefficients						Collaterals status	
		Net facilities-Million Rials		Liabilities-Million Rials	Balance of net liabilities	Stocks cost price	Total facilities and liabilities + stocks' cost price	Type	Value
		Net outstanding	Net NPLs	Gross	Net				
1	Iran Khodro Co Mellat financial group	55,092,509	0	3,839,904	1,626,498	12,073,324	68,792,332	binding contract	102,076,078
2	Iranol Company Behsazan Mellat welfare and sporty	86,539,761	0	3,172,223	2,490,182	0	89,029,943	binding contract	103,740,273
3	Saipa Co Bank Mellat construction Co.	97,198,111	0	1,865,001	343,030	0	97,541,140	binding contract	123,809,028
4	Crouse Manufacturing industries Co Bank Mellat publication Co.	69,755,403	0	3,663,007	127,421	0	69,882,824	binding contract+other	101,997,796
5	Isfahan's Mobarakeh Steel Co Mellat leasing	50,072,237	0	1,785,593	1,422,613	0	51,494,850	binding contract	30,911,217
6	Mellat Financial Group Total	62,528,288	0	237,797	156,338	11,998,496	74,683,123	binding contract	9,429,713
7	Mobile Telecommunication Co of Iran PGSOE	47,624,605	0	900,065	736,341	0	48,360,947	binding contract	61,223,861
Total Saba tamin investment Co.		468,810,915	0	15,463,591	6,902,424	24,071,820	499,785,159		533,187,967
Rightel telecommunication		39,594					39,594		
Investment and developing tire industry		63,269,574			209,146		63,478,720		
Total		203,835,510	0	0	1,257,196	0	205,092,706		
Social Security Organization		22,469,253	0	0			22,469,253		
Social Security Investment		16,000,000					16,000,000		
Sabir Co.		53,129			386,245		439,374		
Zanjan cement		14,236					14,236		
Gharb cement Co.		219,325			6,982		226,307		
Doroud cement		296,200					296,200		
Shahroud cement		978,256			8,502		986,758		
Total		40,030,399	0		401,729	0	40,432,128		
Mobarakeh Steel Co.		32,409,856	0	129,850			32,539,706		
Tuka refractory industries		495,821		23,104			518,925		
Mirco Company		45,136		7,925			53,061		
Pars Khodro Co.		1,911,240		436,103			2,347,343		
Hormozgan Steel Co.		6,973,194		13,852,169			20,825,363		



Golgohar iron and steel development	902,134		8,891			911,025			
Iran Radiator	58,126		26,905			85,031			
Sadid mahan steel co	46,109		124,135			170,235			
Tukarail Co	1,573,892		9,953			1,583,845			
Char mahan and bakhtiary automobile steel	996,590		3,820			1,000,410			
Plaseokar Saipa	13,742					13,742			
Saipa-Sazeh gostar engineering	1,089,635					1,089,635			
Saipa Yadak	137,059					137,059			
Zamyad Co	876,532		1,623,159			2,499,691			
Total	25,128,295	0	9,755,082			34,883,377			
	311,412,711					311,412,711			
	111,055,377					111,055,377			
	363,895,861					363,895,861			
	1,985,543					1,982,543			
OIEC	252,286,279			1,781,073		254,069,352			
Karoon-phosphate productions	472,356			16,985		489,341			
NIQC	653,132,020			2,403,206		655,535,226			
Iranian Offshore engineering and construction Co.				561,204		561,204			
Oil and energy industries development				985,721		985,721			
Ahdaf investment	3,452,356					3,452,356			
Total	909,343,011	0	0	5,748,18		915,091,200			
National Iranian oil engineering and construction Co.	284,979,969			3,235,603		288,215,572			
NIODC	232,682,250			1,361		232,683,611			
Tabriz Refinery Co.				796,234		796,234			
Total	514,662,219	0	0	4,033,198		521,695,417			
2,669,693,318	0	37,362,911	11,440,312	11,998,496	2,730,495,037				

Effective supervisory capital basis for other precautionary ratios of the bank in reported juncture	399,515,193
Individual authorized limitation and macro facilities and liabilities (20% of effective supervisory capital)	79,903,039
Collective authorized limitation and macro facilities and liabilities (eight fold of effective supervisory capital)	3,196,121,543
Collective authorized limitation and macro facilities and liabilities of foreign banks' branches (5 percent of total branch assets)	
Organization unit relevant to code of conduct	

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