



Middle East Bank
(Public Joint Stock Company)

Independent Review Report

**For the six months period ended
22 September, 2021**

Report on Review of Interim Financial Information

The Board of Directors
Middle East Bank
Tehran

Introduction

We have reviewed the accompanying consolidated statement of financial position of Middle East Bank (the Bank) and its group as of 22 September, 2021 and the related statements of profit or loss and comprehensive income, changes in equity and cash flows for the six- month period then ended, and a summary of significant accounting policies and other explanatory notes. Management is responsible for the preparation and fair presentation of this interim financial information in accordance with the Iranian Accounting Standards. Our responsibility is to express a conclusion on this interim financial information based on our review.

Scope of Review

We conducted our review in accordance with International Standard on Review Engagement 2410, "Review of Interim Financial Information Performed by the Independent Auditor of the Entity." A review of interim financial information consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with International Standards on Auditing and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

Basis for Qualified Conclusion

- 1- As disclosed in Note 7-11-1 to the consolidated financial statements, the monetary foreign currency assets and liabilities relating to the funds allocated by the Central Bank of Iran ("CBI") for import of subsidized products by the Bank's customers are translated into Rials at the official rate of exchange published by the CBI (Rials 42,000 to USD). Other monetary items are translated into Rials using the exchange rates as instructed in the CBI's Circular No. 00/206082 dated 12 October, 2021 (Rials 190,000 to EUR, Rials 159,000 to USD and other currencies based on the relevant parity rates). Furthermore, those items recorded in the accounts at the rates higher than the above rates during the financial year, are shown at the same rates of the original booking.
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Middle East Bank (Public Joint Stock Company)

With respect to the rate of exchange, according to Accounting Standard No. 16, when several exchange rates are available, the rate used is that at which the future cash flows represented by the translation or the balance could have been settled if those cash flows had occurred at the measurement date. Due to constant remaining of the exchange rates announced by CBI at the end of last financial year, no exchange difference has been recorded in the accounts during the period under review.

In our opinion, based on the exchange rates published at the balance sheet date, the effects of the translation would be higher than those reported in the accounts and consequently the adjustments are considered necessary. However, due to the existence of different foreign currency rates and resources, we are unable to determine the available rates of exchange for translation purposes and the extent of necessary adjustments at the balance sheet date.

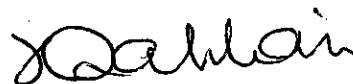
- 2- Investments in shares and other securities as disclosed in Note 12 to the consolidated financial statements include RIs 1,043 bn investments in the market maker funds of which RIs 914 bn is allocated for purchase of the Bank's own shares. According to the Accounting Standards the substance of such investments is treasury stocks and should have been classified as a contra balance in equity in the financial statements.
- 3- As stated in the Note 22 to the consolidated financial statements, additional income taxes were claimed by the State Tax Organization ("STO") for the financial years March 2016 to March 2020 which were protested by the Bank and are currently under review by the Tax Dispute Settlement Boards. The additional claims were mainly due to the allocation of interests paid to the exempt income by STO, disallowing of the interests paid to customer's deposits above the rates instructed by the CBI and calculation of exchange gain at the prevailing rates higher than those instructed by the CBI. The matter of dispute has also been reported to the CBI and the Association of Private Banks for their follow-up with the tax authorities. Furthermore, the provisions for income taxes of the last financial year and the financial period under review have been provided on the basis of declared income, yet to be assessed by the STO.

The Bank has made additional tax provisions based on the management's assertion on outcome of the above appeal. However, the final amounts of tax liabilities for the above financial years will be determined once the relevant tax ruling being issued by the competent authorities.

Qualified Conclusion

Based on our review, with the exception of the matters described in paragraphs 1 to 3 above, nothing has come to our attention that causes us to believe that the accompanying interim financial information does not give a true and fair view of the financial position of Middle East Bank and its group as at 22 September, 2021, and of its financial performance and its cash flows for the six-month period then ended in accordance with Iranian Accounting Standards.

Tehran: 04 December, 2021



Bayat Rayan
Chartered Accountants



Middle East Bank

(Public Joint Stock Company)

Consolidated Financial Statements of the Group and Middle East Bank

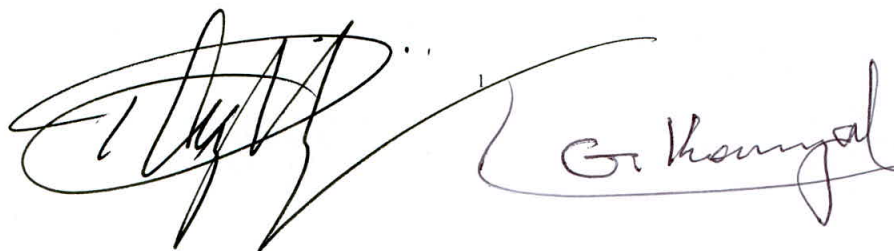
(Audited)

**For the six month financial period ended
22 September 2021**

Middle East Bank (PJSC)
Consolidated statement of financial position
As at 22 September 2021
Interim Reporting

Description	Note	22 Sept. 2021	20 Mar. 2021
Assets:		IRR million	IRR million
Cash	9	34,801,933	48,361,380
Due from banks and financial institutions	10	28,496,695	42,279,997
Credit facilities granted	11	273,858,942	239,669,890
Investments	12	59,172,339	49,359,635
Due from subsidiaries and associates	13	26,335	1,893
Other accounts receivable	14	7,024,001	4,810,393
Fixed assets	15	4,073,452	3,939,727
Intangible assets	16	281,931	304,420
Statutory deposit	17	28,342,073	21,340,048
Other assets	18	1,906,376	2,774,605
Total assets		437,984,077	412,841,988
Liabilities and shareholders' equity			
Liabilities:			
Due to banks and financial institutions	19	10,550,324	13,020,497
Customers' deposits	20	76,803,535	82,845,223
Dividends payable	21	298,729	47,109
Income tax provision	22	1,853,702	3,517,922
Other liabilities and accruals	23	16,686,648	20,596,719
Staff termination benefits	24	371,173	247,994
Total liabilities before benefits of investment deposit holders		106,564,111	120,275,464
Benefits of investment deposit holders	25	286,998,931	252,469,628
Total liabilities		393,563,042	372,745,092
Shareholders' equity:			
Share capital	26	15,000,000	15,000,000
Capital increase in progress	27	10,000,000	-
Legal reserve	28	6,985,935	5,969,152
Other reserves	29	58,274	121,323
Foreign exchange translation differences for foreign operations	30	1,632,111	1,632,111
Retained earnings		10,448,016	17,115,498
Total equity attributable to equity holders of the Bank		44,124,336	39,838,084
Non-controlling interests		296,699	258,812
Total shareholders' equity		44,421,035	40,096,896
Total liabilities and shareholders' equity		437,984,077	412,841,988
Letters of credit	45-1	1,524,016	1,144,390
Issued guarantees	45-2	97,983,252	92,753,012
Other commitments	45-3	3,615,134	3,457,017
Managed funds	45-4	7,816,688	10,474,848

The accompanying notes are an integral part of these financial statements.


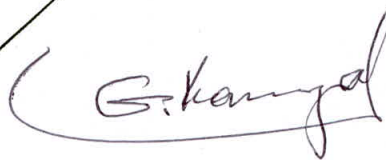




Middle East Bank (PJSC)
Consolidated statement of profit or loss
For the six month financial period ended 22 September 2021
Interim Reporting

Description	Note	Period (6M) ended 22 Sept. 2021	Period (6M) ended 21 Sept. 2020	Year ended 20 Mar. 2021
		IRR million	IRR million	IRR million
Interest income on credit facilities granted and deposits	31	24,513,434	15,659,991	35,860,300
Interest expense	33	(16,486,671)	(9,094,329)	(22,382,890)
Net interest income on credit facilities granted and deposits		8,026,763	6,565,662	13,477,410
Fees and commission income	36	2,026,127	1,588,935	3,239,095
Fees and commission expense	37	(181,304)	(123,275)	(275,083)
Net fees and commission income		1,844,823	1,465,660	2,964,012
Net income (loss) from investments	32	77,850	352,117	340,663
Net foreign exchange transactions income	38	1,041,258	3,664,731	10,406,677
Total operating income		10,990,694	12,048,170	27,188,762
Other income	39	11,127	8,860	50,676
Administrative and general expenses	40	(2,308,678)	(1,609,964)	(3,746,091)
Provision for bad and doubtful debts	41	(523,084)	(1,216,242)	(2,094,421)
Financial expenses	42	-	-	(198)
Depreciation and amortization	43	(256,172)	(207,281)	(423,268)
Profit before tax		7,913,887	9,023,543	20,975,460
Income tax for the year / period	22	(628,465)	(987,334)	(2,236,960)
Income tax for the prior years/period	22	-	(150,000)	(576,886)
Net Profit		7,285,422	7,886,209	18,161,614
Profit attributable to:				
Shareholders of the parent company		7,252,043	7,761,716	17,980,594
Non-controlling interests		33,379	124,493	181,020
		7,285,422	7,886,209	18,161,614
Basic EPS (Rials)	47			
Basic EPS (Rials)		290	310	719

The accompanying notes are an integral part of these financial statements.


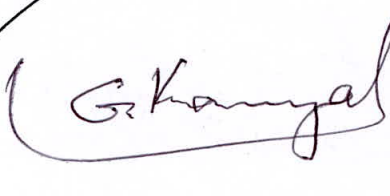





Middle East Bank (PJSC)
Consolidated statement of comprehensive income
For the six month financial period ended 22 September 2021
Interim Reporting

Description	Note	Period (6M) ended 22 Sept. 2021	Period (6M) ended 21 Sept. 2020	Year ended 20 Mar. 2021
		IRR million	IRR million	IRR million
Net Profit		7,285,422	7,886,209	18,161,614
Foreign exchange translation differences for foreign operations	30	-	536,097	1,578,843
Comprehensive income of reporting financial period		7,285,422	8,422,306	19,740,457
Total comprehensive income attributable to:				
Shareholders of the parent company		7,252,043	8,297,813	19,559,437
Non-controlling interests		33,379	124,493	181,020
		7,285,422	8,422,306	19,740,457

The accompanying notes are an integral part of these financial statements.


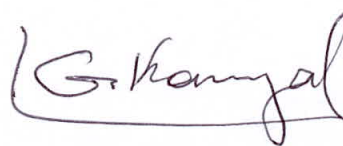


Middle East Bank (PJSC)
Consolidated statement of changes in equity
For the six month financial period ended 22 September 2021
Interim Reporting

Period (6M) ended 22 Sept. 2021

Description	Note	Share capital	Capital increase in progress	Share Premium reserve	Legal reserve	Other reserves	Revaluation of assets	Foreign exchange translation differences for foreign operations	Retained earnings	Treasury share	Total equity attributable to equity holders of the Bank	Non-controlling interest	Total equity
		IRR million	IRR million	IRR million	IRR million	IRR million	IRR million	IRR million	IRR million	IRR million	IRR million	IRR million	IRR million
Balance at 21 Mar. 2021		15,000,000	-	-	5,969,152	121,323	-	1,632,111	17,115,498	-	39,838,084	258,812	40,096,896
Net profit									7,252,043		7,252,043	33,379	7,285,422
Prior years adjustments (correction of error)									-		-	-	-
Other comprehensive Income (net of tax)													
Revaluation of assets							-				-	-	-
Foreign exchange translation differences for foreign operations	30							-			-	-	-
Tax on other comprehensive income								-			-	-	-
Total other comprehensive income								-			-	-	-
Total comprehensive income								-	7,252,043		7,252,043	33,379	7,285,422
Capital increase													
Share capital increase-Registered		-	-								-	-	-
Share capital in progress		-	10,000,000						(10,000,000)		-	179,509	179,509
Treasury share													
Purchase of treasury share													
Sale of treasury share													
Parent's shares owned by subsidiaries													
Distribution													
Legal reserve	28				1,016,783				(1,016,783)		-	-	-
Other reserves	29					(63,049)			97,258		34,209	-	34,209
Dividends	21								(3,000,000)		(3,000,000)	(175,001)	(3,175,001)
Total		-	10,000,000	-	1,016,783	(63,049)	-	-	(13,919,525)	-	(2,965,791)	4,508	(2,961,283)
Balance at 22 Sept. 2021		15,000,000	10,000,000	-	6,985,935	58,274	-	1,632,111	10,448,016	-	44,124,336	296,699	44,421,035

The accompanying notes are an integral part of these financial statements.



Middle East Bank (PJSC)
Consolidated statement of changes in equity
For the six month financial period ended 22 September 2021
Interim Reporting

continued

Period (6M) ended 21 Sept. 2020

Description	Note	Share capital	Capital increase in progress	Share Premium reserve	Legal reserve	Other reserves	Revaluation of assets	Foreign exchange translation differences for foreign operations	Retained earnings	Treasury share	Total equity attributable to equity holders of the Bank	Non-controlling interest	Total equity
		IRR million	IRR million	IRR million	IRR million	IRR million	IRR million	IRR million	IRR million	IRR million	IRR million	IRR million	IRR million
Balance at 20 Mar. 2020		10,000,000	-	-	3,459,147	-	-	53,268	8,757,815	-	22,270,230	102,959	22,373,189
Net profit									7,761,716		7,761,716	124,493	7,886,209
Prior years adjustments (correction of error)									-		-	-	-
Other comprehensive Income (net of tax)													
Revaluation of assets							-				-	-	-
Foreign exchange translation differences for foreign operations	30							536,097			536,097	-	536,097
Tax on other comprehensive income								-			-	-	-
Total other comprehensive income								536,097			536,097	-	536,097
Total comprehensive income								536,097	7,761,716		8,297,813	124,493	8,422,306
Capital increase													
Share capital increase-Registered		5,000,000	-						(5,000,000)		-	-	-
Share capital in progress			-								-	-	-
Treasury share													
Purchase of treasury share											-	-	-
Sale of treasury share											-	-	-
Parent's shares owned by subsidiaries													
Distribution													
Legal reserve	28				930,108				(930,108)		-	-	-
Stock dividends											-	-	-
Dividends	21								(2,000,000)		(2,000,000)	(16,750)	(2,016,750)
Total		5,000,000	-	-	930,108	-	-	-	(7,930,108)	-	(2,000,000)	(16,750)	(2,016,750)
Balance at 21 Sept. 2020		15,000,000	-	-	4,389,255	-	-	589,365	8,589,423	-	28,568,043	210,702	28,778,745

The accompanying notes are an integral part of these financial statements.





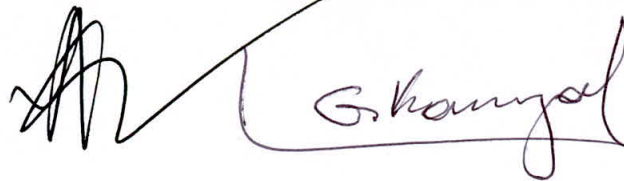
Middle East Bank (PJSC)
Consolidated statement of changes in equity
For the six month financial period ended 22 September 2021
Interim Reporting

continued

Year ended 20 Mar. 2021

Description	Note	Share capital	Capital increase in progress	Share Premium reserve	Legal reserve	Other reserves	Revaluation of assets	Foreign exchange translation differences for foreign operations	Retained earnings	Treasury share	Total equity attributable to equity holders of the Bank	Non-controlling interest	Total equity
		IRR million	IRR million	IRR million	IRR million	IRR million	IRR million	IRR million	IRR million	IRR million	IRR million	IRR million	IRR million
Balance at 20 Mar. 2020		10,000,000	-	-	3,459,147	-	-	53,268	8,806,674	-	22,319,089	54,100	22,373,189
Net profit									17,980,594		17,980,594	181,020	18,161,614
Prior years adjustments (correction of error)									-		-	-	-
Other movements													
Other comprehensive Income (net of tax)													
Revaluation of assets							-				-	-	-
Foreign exchange translation differences for foreign operations	30							1,578,843			1,578,843	-	1,578,843
Tax on other comprehensive income							-	-			-	-	-
Total other comprehensive income							-	1,578,843			1,578,843	-	1,578,843
Total comprehensive income							-	1,578,843	17,980,594		19,559,437	181,020	19,740,457
Capital increase													
Share capital increase-Registered		5,000,000	-	-					(5,000,000)		-	-	-
Share capital in progress		-	-	-					-		-	-	-
Treasury share													
Purchase of treasury share													
Sale of treasury share													
Parent's shares owned by subsidiaries													
Distribution													
Legal reserve	28				2,510,005				(2,510,005)		-	-	-
Other reserves	29					121,323			(161,765)		(40,442)	40,442	-
Stock dividends													
Dividends	21								(2,000,000)		(2,000,000)	(16,750)	(2,016,750)
Total		5,000,000	-	-	2,510,005	121,323	-	-	(9,671,770)	-	(2,040,442)	23,692	(2,016,750)
Balance at 20 Mar. 2021		15,000,000	-	-	5,969,152	121,323	-	1,632,111	17,115,498	-	39,838,084	258,812	40,096,896

The accompanying notes are an integral part of these financial statements.

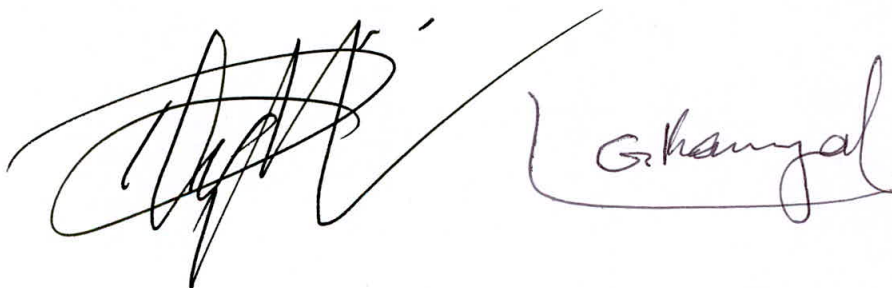




Middle East Bank (PJSC)
Consolidated statement of cash flows
For the six month financial period ended 22 September 2021
Interim Reporting

Description	Note	Period (6M) ended 22 Sept. 2021	Period (6M) ended 21 Sept. 2020	Year ended 20 Mar. 2021
		IRR million	IRR million	IRR million
Operating activities:				
Cash inflows(outflows)from operating activities	44	(8,159,698)	1,076,648	13,405,563
Paid tax		(2,292,685)	(1,269,002)	(1,295,250)
Net Cash inflows(outflows)from operating activities		(10,452,383)	(192,354)	12,110,313
Investing activities:				
Acquisition of fixed assets		(302,718)	(87,485)	(296,223)
Disposal of fixed assets		-	-	2,987
Acquisition of intangible assets		(56,981)	(136,858)	(202,166)
Net cash inflow from investing activities		(359,699)	(224,343)	(495,402)
Net cash inflow before financing activities		(10,812,082)	(416,697)	11,614,911
Financing activities:				
Dividends paid		(2,748,381)	(1,909,981)	(1,988,920)
Capital increase		4,509	-	-
Net cash inflow(outflow) from financing activities		(2,743,872)	(1,909,981)	(1,988,920)
Net increase (decrease) in cash		(13,555,954)	(2,326,678)	9,625,991
Cash at beginning of the year / period		48,361,380	24,882,356	24,882,356
Effect of exchange rate fluctuations on cash		(3,493)	5,153,168	13,853,033
Cash at end of the year / period		34,801,933	27,708,846	48,361,380
Non-cash transactions	44-1	207,991	-	-

The accompanying notes are an integral part of these financial statements



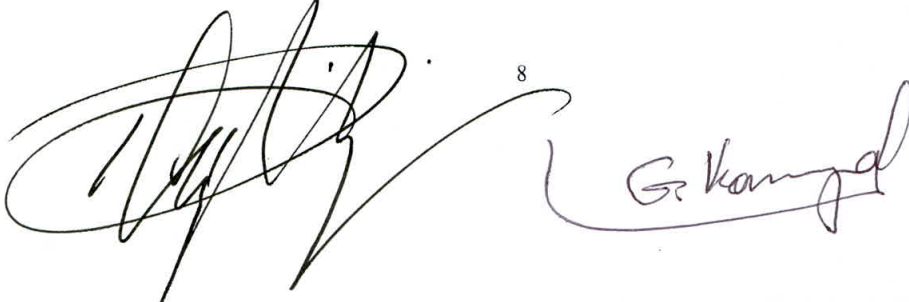


Middle East Bank (PJSC)
Statement of financial position
As at 22 September 2021
Interim Reporting

Description	Note	22 Sept. 2021	20 Mar. 2021
Assets:		IRR million	IRR million
Cash	9	20,533,067	35,327,130
Due from banks and financial institutions	10	28,268,631	42,279,997
Credit facilities granted	11	274,351,443	239,995,924
Investments	12	58,977,500	49,211,785
Due from subsidiaries and associates	13	27,601	1,380,008
Other accounts receivable	14	10,851,364	6,573,914
Fixed assets	15	3,986,292	3,856,980
Intangible assets	16	279,037	300,652
Statutory deposit	17	28,342,073	21,340,048
Other assets	18	1,502,615	2,724,583
Total assets		427,119,623	402,991,021
Liabilities and shareholders' equity			
Liabilities:			
Due to banks and financial institutions	19	10,550,324	13,020,497
Customers' deposits	20	78,061,177	84,033,744
Dividends payable	21	298,729	47,109
Income tax provision	22	1,683,554	2,843,205
Other liabilities and accruals	23	8,487,272	11,380,040
Staff termination benefits	24	339,595	227,439
Total liabilities before benefits of investment deposit holders		99,420,651	111,552,034
Benefits of investment deposit holders	25	286,091,303	253,609,869
Total liabilities		385,511,954	365,161,903
Shareholders' equity:			
Share capital	26	15,000,000	15,000,000
Capital increase in progress	27	10,000,000	-
Legal reserve	28	6,954,828	5,938,045
Foreign exchange translation differences for foreign operations	30	1,632,111	1,632,111
Retained earnings		8,020,730	15,258,962
Total shareholders' equity		41,607,669	37,829,118
Total liabilities and shareholders' equity		427,119,623	402,991,021
Letters of credit	45-1	1,524,016	1,144,390
Issued guarantees	45-2	97,983,252	92,753,012
Other commitments	45-3	3,615,134	3,457,017
Managed funds	45-4	7,816,688	10,474,848

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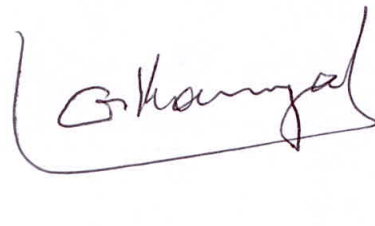
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Middle East Bank (PJSC)
Statement of profit or loss
For the six month financial period ended 22 September 2021
Interim Reporting

Description	Note	Period (6M) ended 22 Sept. 2021	Period (6M) ended 21 Sept. 2020	Year ended 20 Mar. 2021
		IRR million	IRR million	IRR million
Interest income on credit facilities granted and deposits	31	24,513,436	15,659,938	35,860,216
Interest expense	33	(16,520,182)	(9,100,583)	(22,390,342)
Net interest income on credit facilities granted and deposits		7,993,254	6,559,355	13,469,874
Fees and commission income	36	1,600,265	952,266	2,258,054
Fees and commission expense	37	(181,304)	(123,275)	(275,083)
Net fees and commission income		1,418,961	828,991	1,982,971
Net income (loss) from investment	32	37,632	26,400	1,412,767
Net foreign exchange transactions income	38	606,730	2,317,228	7,449,774
Total operating income		10,056,577	9,731,974	24,315,386
Other income	39	11,127	2,235	12,873
Administrative and general expenses	40	(2,076,340)	(1,483,165)	(3,109,543)
Provision for bad and doubtful debts	41	(504,652)	(1,287,115)	(2,115,498)
Financial expenses	42	-	-	(198)
Depreciation and amortization	43	(248,654)	(202,215)	(412,360)
Profit before tax		7,238,058	6,761,714	18,690,660
Income tax for the year / period	22	(459,506)	(610,991)	(1,563,959)
Income tax for the prior years / periods	22	-	(150,000)	(500,000)
Net Profit		6,778,552	6,000,723	16,626,701
EPS (Rials)	47			
Basic EPS (Rials)		271	240	665

The accompanying notes are an integral part of these financial statements.



 



Middle East Bank (PJSC)
Statement of comprehensive income
For the six month financial period ended 22 September 2021
Interim Reporting

Description	Note	Period (6M) ended 22 Sept. 2021	Period (6M) ended 21 Sept. 2020	Year ended 20 Mar. 2021
		IRR million	IRR million	IRR million
Net Profit		6,778,552	6,000,723	16,626,701
Foreign exchange translation differences for foreign operations	30	-	536,097	1,578,843
Comprehensive income of reporting financial year		6,778,552	6,536,820	18,205,544

The accompanying notes are an integral part of these financial statements.



Middle East Bank (PJSC)
Statement of changes in equity
For the six month financial period ended 22 September 2021
Interim Reporting

Period (6M) ended 22 Sept. 2021

Description	Note	Share capital	Capital increase in process	Share Premium reserve	Legal reserve	Other reserves	Revaluation of assets	Foreign exchange translation differences for foreign operations	Retained earnings	Treasury share	Total equity
		IRR million	IRR million	IRR million	IRR million	IRR million	IRR million	IRR million	IRR million	IRR million	IRR million
Balance at 21 Mar. 2021		15,000,000	-	-	5,938,044	-	-	1,632,111	15,258,962	-	37,829,117
Net profit									6,778,552		6,778,552
Prior years adjustments (correction of error)									-		-
Other comprehensive Income (net of tax)											
Revaluation of assets							-				-
Foreign exchange translation differences for foreign operations	30							-			-
Tax on other comprehensive income									-		-
Total other comprehensive income									-		-
Total comprehensive income									6,778,552		6,778,552
Capital increase											
Capital increase-Registered		-	-						-		-
Capital increase in process			10,000,000	-					(10,000,000)		-
Treasury share											
Purchase of treasury share										-	-
Sale of treasury share										-	-
Distribution											
Legal reserve	28				1,016,784				(1,016,784)		-
Dividends	21								(3,000,000)		(3,000,000)
Total		-	10,000,000	-	1,016,784	-	-	-	(14,016,784)	-	(3,000,000)
Balance at 22 Sept. 2021		15,000,000	10,000,000	-	6,954,828	-	-	1,632,111	8,020,730	-	41,607,669

The accompanying notes are an integral part of these financial statements.



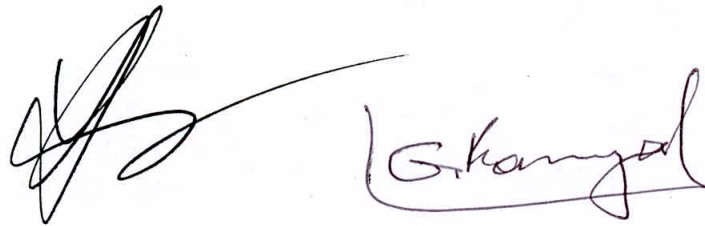
Middle East Bank (PJSC)
Statement of changes in equity
For the six month financial period ended 22 September 2021
Interim Reporting

continued

Period (6M) ended 21 Sept. 2020

Description	Note	Share capital	Capital increase in process	Share Premium reserve	Legal reserve	Other reserves	Revaluation of assets	Foreign exchange translation differences for foreign operations	Retained earnings	Treasury share	Total equity
		IRR million	IRR million	IRR million	IRR million	IRR million	IRR million	IRR million	IRR million	IRR million	IRR million
Balance at 20 Mar. 2020		10,000,000	-	-	3,444,040	-	-	53,268	8,126,266	-	21,623,574
Net profit									6,000,723		6,000,723
Prior years adjustments (correction of error)									-		-
Other comprehensive Income (net of tax)											
Revaluation of assets							-				-
Foreign exchange translation differences for foreign operations	30							536,097			536,097
Tax on other comprehensive income								-			-
Total other comprehensive income								536,097	-		536,097
Total comprehensive income								536,097	6,000,723		6,536,820
Capital increase											
Capital increase-Registered		5,000,000	-						(5,000,000)		-
Capital increase in process			-						-		-
Treasury share											
Purchase of treasury share										-	-
Sale of treasury share										-	-
Distribution											
Legal reserve	28				930,108				(930,108)		-
Dividends	21								(2,000,000)		(2,000,000)
Total		5,000,000	-	-	930,108	-	-	-	(7,930,108)	-	(2,000,000)
Balance at 21 Sept. 2020		15,000,000	-	-	4,374,148	-	-	589,365	6,196,881	-	26,160,394

The accompanying notes are an integral part of these financial statements.



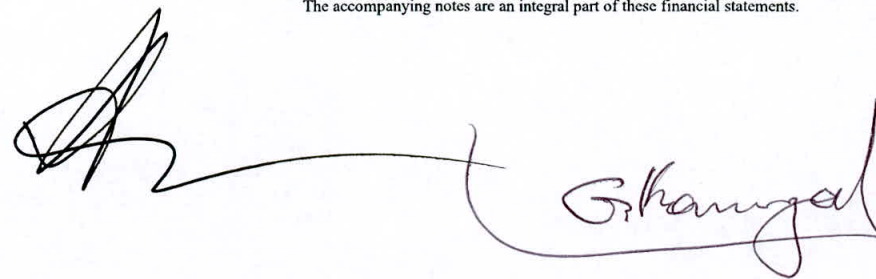

Middle East Bank (PJSC)
Statement of changes in equity
For the six month financial period ended 22 September 2021
Interim Reporting

continued

Year ended 20 Mar. 2021

Description	Note	Share capital	Capital increase in process	Share Premium reserve	Legal reserve	Other reserves	Revaluation of assets	Foreign exchange translation differences for foreign operations	Retained earnings	Treasury share	Total equity
		IRR million	IRR million	IRR million	IRR million	IRR million	IRR million	IRR million	IRR million	IRR million	IRR million
Balance at 20 Mar. 2020		10,000,000	-	-	3,444,040	-	-	53,268	8,126,266	-	21,623,574
Net profit									16,626,701		16,626,701
Prior years adjustments (correction of error)									-		-
Other comprehensive Income (net of tax)											
Revaluation of assets							-				-
Foreign exchange translation differences for foreign operations	30							1,578,843			1,578,843
Tax on other comprehensive income								-			-
Total other comprehensive income								1,578,843	-		1,578,843
Total comprehensive income								1,578,843	16,626,701		18,205,544
Capital increase											
Capital increase-Registered		5,000,000	-						(5,000,000)		-
Capital increase in process			-						-		-
Treasury share											
Purchase of treasury share										-	-
Sale of treasury share										-	-
Distribution											
Legal reserve	28				2,494,005				(2,494,005)		-
Stock dividends									-		-
Dividends	21								(2,000,000)		(2,000,000)
Total		5,000,000	-	-	2,494,005	-	-	-	(9,494,005)	-	(2,000,000)
Balance at 20 Mar. 2021		15,000,000	-	-	5,938,045	-	-	1,632,111	15,258,962	-	37,829,118

The accompanying notes are an integral part of these financial statements.


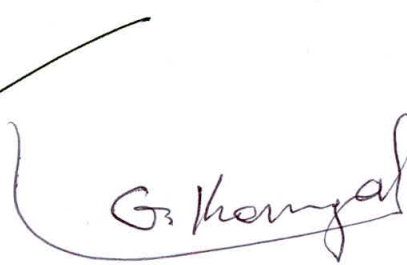




Middle East Bank (PJSC)
statement of cash flows
For the six month financial period ended 22 September 2021
Interim Reporting

Description	Note	Period (6M) ended 22 Sept. 2021	Period (6M) ended 21 Sept. 2020	Year ended 20 Mar. 2021
		IRR million	IRR million	IRR million
<u>Operating activities:</u>				
Cash inflows(outflows)from operating activities	44	(10,072,381)	(3,900,364)	3,070,630
Paid tax		(1,619,158)	(1,032,491)	(1,032,491)
Net Cash inflows(outflows)from operating activities		(11,691,539)	(4,932,855)	2,038,139
<u>Investing activities:</u>				
Acquisition of tangible assets		(293,671)	(122,821)	(328,093)
Disposal of tangible assets		-	-	987
Acquisition of intangible assets		(56,979)	(131,916)	(196,084)
Net cash inflow(outflow) from investing activities		(350,650)	(254,737)	(523,190)
Net cash inflow(outflow) before financing activities		(12,042,189)	(5,187,592)	1,514,949
<u>Financing activities:</u>				
Dividends paid		(2,748,381)	(1,893,230)	(1,972,170)
Net cash inflow(outflow) from financing activities		(2,748,381)	(1,893,230)	(1,972,170)
Net increase (decrease) in cash		(14,790,570)	(7,080,822)	(457,221)
Cash at beginning of the year / period		35,327,130	21,931,318	21,931,318
Effect of exchange rate fluctuations on cash		(3,493)	5,145,584	13,853,033
Cash at end of the period		20,533,067	19,996,080	35,327,130
Non-cash transactions	44-1	-	-	-

The accompanying notes are an integral part of these financial statements.



Middle East Bank (PJSC)
Notes to the financial statements
For the six month financial period ended 22 September 2021
Interim Reporting

1- Introduction

1-1- Background

Middle East Bank (Public Joint Stock Company) – (“the Bank”) was established by the Central Bank of Iran (“CBI”) under license number of 91/184904 in October 2012 and registered with Tehran Registrar of Companies under registration number 430795 and National ID number 10320826196, in the same month. The Bank’s operation license as a commercial bank was issued by the CBI at 1st Nov. 2012. The stock of the bank was registered with OTC on 5th Dec. 2012 and its shares have been traded in the secondary market of TSE since 16 Mar. 2015. The Bank’s Head Office is located in No. 2, 5th St, Ahmad Qasir(Bucharest) Ave, Tehran, Iran.

1-2- Bank’s main activity

The Bank's main activity are in accordance with Article No. 3 of the Bank's Articles of Association.

1-3- Number of branches

The number of the Bank's branches at the year / period end is as follows:

	22 Sept. 2021		20 Mar. 2021	
	End of the period	Average	End of the year	Average
Branches-Tehran province	11	11	11	11
Branches-other provinces	5	5	5	5
Overseas Branches	1	1	1	1
	17	17	17	17



Middle East Bank (PJSC)
Notes to the financial statements
For the six month financial period ended 22 September 2021
Interim Reporting

1-4- Employees

The number of employees is as follows:

	22 Sept. 2021		20 Mar. 2021	
	End of the period	Average	End of the period	Average
Head office	398	387	375	352
Tehran branches	128	128	127	124
Other provinces branches	50	50	50	49
Overseas Branches	6	10	13	11
	582	575	565	536

2- The Basis of preparation financial statements

The parent company (the Bank's) and the group's consolidated financial statements are prepared based on the Iranian Accounting Standards and the Central Bank of Iran's regulations in accordance with the latest version of sample Financial statements released by CBI at 01/03/2020. Details of accounting policies, including changes during the year, are included in notes 5 to 8.

2-1- Basis of consolidation

The consolidated financial statements are the result of aggregation of the financial statements of the parent company and its subsidiaries after adjustments for intergroup transactions and elimination of unrealized profit and losses.

The subsidiaries consolidated are "Dadeh Pardazan Simaye Aaftab Co." "Middle East Bank Brokerage Co." and "Middle East Currency Exchange Co."

3- Functional and presentation currency

These consolidated financial statements are presented in Iranian Rials which is the Bank's functional currency. All amounts have been rounded to the nearest million, except when otherwise indicated.

4- Use of judgments and estimates

In preparing financial statements, the Bank's management has made judgments, estimates and assumptions to determine the amounts recognized in the financial statements. Actual results may be different from estimates. The underlying assumptions are based on historical records, and are reviewed on an ongoing basis. The areas that management uses judgments and estimates are as follows:

4-1- Determination of control over investees; including Dadeh Pardazan Simaye Aftab Co., Middle East Bank Brokerage Co. and Middle East Currency Exchange Co.

4-2- Recognition and measurement of contingent liabilities

4-3- Investments in debt securities are considered as long term investments and the related accounting policy is cost less than impairment.

5- Measurement

Consolidated financial statements have been prepared based on historical costs except for investment in listed shares which are measured at LCM.

6- Changes in accounting policies

The Bank presents all accounting policies, mentioned in note 7, with consistency in all reporting periods in the financial statements.



Middle East Bank (PJSC)
Notes to the financial statements
For the six month financial period ended 22 September 2021
Interim Reporting

7- Significant Accounting policies

7-1- Investments

	Consolidated	Parent
Measurement:		
Long term investments:		
Investment in subsidiaries	Consolidated	Cost less impairment losses
Investment in associates	Equity method	Cost less impairment losses
Other Non current investments	Cost (less than impairment)	Cost less impairment losses
Short term investments:		
Investment in listed shares	LCM (lower of cost and market value) For trading investments and market value for fixed income securities.	LCM (lower of cost and market value) For tradable investments and market value for fixed income securities.
Revenue recognition:		
Investment in subsidiaries	Consolidation	when dividend is approved in the annual general meeting of the investee(until the date of approval of the financial statement)
Investment in associates	Equity method	when dividend is approved in the annual general meeting of the investee(until the date of approval of the financial statement)
Other current & Non current investments in shares	At the time in which payments of dividends are approved in their annual general meetings (AGM's)(till the balance sheet date).	when dividend is approved in the annual general meeting of the investee(until the date of approval of the balance sheet date)
Investment in other securities	When the interest is realized	When the interest is realized



Middle East Bank (PJSC)
Notes to the financial statements
For the six month financial period ended 22 September 2021
Interim Reporting

7-2- Property , plant and equipment

7-2-1- P.P.E are measured at cost. Major repairs and improvement expenses that considerably increase the capacity or useful life of P.P.E or improve the quality of asset return are capitalized and depreciated during the remaining useful life of the respective assets, whereas minor repairs and maintenance expenses which restore the expected economic useful life of the assets, are recognized as an expense in income statement.

7-2-2- Depreciation of P.P.E is calculated based on Article 149 of Iranian Direct Taxation Act of 2015 (amended) as follows:

<u>Asset</u>	<u>Depreciation Rate</u>	<u>Basis</u>
Buildings	25 year	Straight line
Elevator	15%	Reducing balance
Installations	6,8&10 year	Straight line
Electrical and mechanical installation	12% and 20%	Reducing balance
Office furniture	3,5,6,8&10 year	Straight line
Computer hardware	3,5,6,8&10 year	Straight line
Motor vehicles	6 year	Straight line
Leasehold improvements	During the lease term	Straight line

7-2-3- Depreciation of assets acquired during the month begins from beginning of the next month. Assets not utilized immediately when ready to use, are depreciated at 30% of the above rates for the period they have not been used.

7-3- Intangible assets

Intangible assets are measured at cost. Computer software are depreciated during one, three or five years on the straight line basis.

7-4- Impairment loss of non-current assets

7-4-1- An entity shall assess at the end of each reporting period whether there is any indication that an assets may be impaired,. If any such indication exists, the entity shall estimate the recoverable amount of the asset and perform the impairment test The assets recoverable amount is compared with its to carrying amount. If the estimation of the recoverable amount of a specific asset is not possible, the recoverable amount of the cash generating unit to which the asset belongs is determined.

7-4-2- Impairment test is done annually for intangible assets with an indefinite useful life irrespective of whether there is any indication of impairment

7-4-3- The recoverable amount of an asset (or a cash-generating unit) is the higher of its fair value less costs to sell and its value in use. Value in use is the present value of the future cash flows expected to be derived from an asset or cash-generating unit. The discount rate is a pre-tax rate that reflects current market assessment of the time value of money and the risks specific to the asset for which the future cash flow estimates have not been adjusted.

7-4-4- If, and only if, the recoverable amount of an asset (or cash-generating unit) is less than its carrying amount, the carrying amount of the asset reduces to its recoverable amount. That reduction is an impairment loss that shall be recognized immediately in profit or loss, unless the asset is carried at revalued amount. Any impairment loss of revalued asset shall be treated as a decrease in revaluation surplus.

7-4-5- In the case of increasing recoverable amount of an asset (or cash-generating unit) since the last impairment loss was recognized, the carrying amount of the asset will be increased maximum to its new recoverable amount (with assuming no impairment losses recognized in prior years). That reversal of an impairment loss for an asset is recognized immediately in profit or loss, unless the asset is carried at revalued amount. Any reversal of an impairment loss of a revalued asset will be treated as increase in revaluation surplus.

7-5- Loan's interest, fee and penalty revenue recognition

Recognition of bank's revenues is in accordance with CBI's regulations(No.97/96778 announced at 17 June 2018) as follows:



Middle East Bank (PJSC)
Notes to the financial statements
For the six month financial period ended 22 September 2021
Interim Reporting

<u>Loan's interest, fee and penalty</u>	<u>Revenue recognition</u>
Interest (Mosharekat Madani)	
Current loans	Due Date
Past due loans	Accrual basis
Outstanding and Doubtful debt	Accrual basis
Interest (Other loans)	
Current loans	Accrual basis
Past due loans	Accrual basis
Outstanding and Doubtful debt	Accrual basis
Penalty(Loan's rate)	
Current loans	Accrual basis
Past due loans	Accrual basis
Outstanding and Doubtful debt	Cash basis
Penalty(Over loan's rate)	
	Cash basis
Fee	
Bank guarantee issuance	Accrual basis
Other services	At the time of performing

7-6- The basis for determining the depositors' share of mutual income.

According to Usury-Free Banking Law approved on 30 Aug. 1983 and its instructions and according to CBI regulations, mutual income, usage of mutual sources and depositors' share of mutual income are calculated and its results are reported in the note 34.



Middle East Bank (PJSC)
Notes to the financial statements
For the six month financial period ended 22 September 2021
Interim Reporting

7-7- Classification of loans

Loans are classified in accordance with the CBI's regulation No. 2823/MB dated 02/24/2007 and based on time as below, customers' financial states and their industry and business. The classification of loan portfolio is as follows:

Classification	Principal & interest (PI) outstanding in months
Current	PI < 2
Past due	2 < PI < 6
Outstanding	6 < PI < 18
Doubtful	PI > 18

* Management has not applied any judgments over the CBI's regulations.

7-8- Provision for bad and doubtful loans

Provisions for bad and doubtful debts are provided in accordance with the CBI's regulations as follows:

- 1- General provision is calculated amounting to 1.5% of the total loan portfolio at the end of each year, except for the balance of loans for which specific provision is calculated.
- 2- Specific provision- depending on the classification of the non-performing loans, the Bank is required to provide specific provisions, after allowing for the value of collaterals based in below table:

Classification	Specific percentage
Past due loans	10%
Outstanding	20%
Doubtful debt (regarding to the clients refund power)	50-100%



Middle East Bank (PJSC)
Notes to the financial statements
For the six month financial period ended 22 September 2021
Interim Reporting

3- For loans that payment of its principal and interest are deferred more than 5 years, specific provision is taken into account equal to 100%(without allowing for collaterals' value).

* Management has not applied any judgments over the CBI regulations.

7-9- Termination benefits

Staff termination benefits are provided at the rate of one month salary and other remunerations for each year of service.

7-10- Defined contribution plans

The employees are covered by social security fund so no defined contribution plans provision has taken in to account.

7-11- Foreign Currencies

7-11-1- Items related to internal operations

Foreign Currency items related to essential commodities, medicines and medical supplies are exchanged with the official rate announced by the CBI on the balance sheet date and other monetary items at the rate stated in the circular No. 00/206082 dated 10/12/2021 (159,000 Rials per USD & 190,000 Rials per EUR). Monetary items with the rate above mentioned circular, are exchanged with the rate of transactions date. Non-monetary items recorded at historical rate based on the official rate or ETS at the date of the transactions. Additionally The differences arising from the settlement or exchange of monetary items are recognized as income or expense in the period in which they are incurred and reported in the statement of profit or loss. During the reporting period, the official rate or ETS is higher than the official rate announced by the CBI, but until the disposal of foreign exchange resources at the mentioned rate, the announced rate of the CBI will be used to calculate the difference.

7-11-2- Items related to foreign operations

Monetary assets and liabilities are exchanged at rates stated by CBI circular No. 00/206082 dated 10/12/2121, (190,000 Rials per Euro and 159,000 Rials per USD).The income and expenses of foreign operations are translated into IRR at the average rates of reporting period.All resulting differences are recognized in the statement of comprehensive income and are classified under shareholders' equity in the balance sheet. In addition, differences in the monetary items that are inherently part of the net investment in foreign operations are recognized in the statement of comprehensive income and are classified under the shareholders' equity until they are disposed.

8- "Others" in Notes

The "Others" in notes are insignificant amount and are less than 10% of the relevant Note's total balance.



Middle East Bank (PJSC)
Notes to the financial statements
For the six month financial period ended 22 September 2021
Interim Reporting

9- Cash

	Note	Consolidated		Parent Co.	
		22 Sept. 2021	20 Mar. 2021	22 Sept. 2021	20 Mar. 2021
		IRR million	IRR million	IRR million	IRR million
Cash in hand-LCY		128,163	129,417	127,838	129,345
Cash in hand- FCY		1,903,196	2,321,306	1,899,103	2,319,082
Unrestricted balances with CBI	9-3	14,913,974	26,684,593	14,913,974	26,684,593
Unrestricted balances with other banks	9-4	17,856,600	19,226,064	3,592,152	6,194,110
		34,801,933	48,361,380	20,533,067	35,327,130

9-1- Local and foreign cash in hand in the Bank's branches up to IRR 2,718,216 million are insured against theft and fire.

9-2- Cash in hand-FCY included USD 2,509,865 , EUR 7,499,111 , AED 1,718,587 , INR 6,500 , TRY 35,100 , CNY 3,540 and CHF 4.

9-3- Unrestricted balances with CBI

	Consolidated and Parent Co.	
	22 Sept. 2021	20 Mar. 2021
	IRR million	IRR million
Unrestricted current deposits with CBI-LCY	20,174	38,937
Unrestricted current deposits with CBI-FCY	43,994	43,994
Unrestricted current deposits with other countries' central banks	14,849,806	26,601,662
	14,913,974	26,684,593

9-4- Unrestricted balances with other banks

	Consolidated		Parent Co.	
	22 Sept. 2021	20 Mar. 2021	22 Sept. 2021	20 Mar. 2021
	IRR million	IRR million	IRR million	IRR million
Unrestricted current deposits with other local banks-LCY	344,568	176,431	29,050	25,496
Unrestricted current deposits with other local banks-FCY	15,493,677	15,479,752	1,548,648	2,599,835
Unrestricted term deposits with other local banks-LCY	4,666	1,838	765	736
Unrestricted term deposits with other local banks-FCY	129,801	129,801	129,801	129,801
Unrestricted current deposits with foreign banks-FCY	1,883,888	3,438,242	1,883,888	3,438,242
	17,856,600	19,226,064	3,592,152	6,194,110

9-5- Restricted balances are classified in due from banks and financial institutions note.



Middle East Bank (PJSC)
Notes to the financial statements
For the six month financial period ended 22 September 2021
Interim Reporting

10- Due from banks and financial institutions

Note	Consolidated		Parent Co.	
	22 Sept. 2021	20 Mar. 2021	22 Sept. 2021	20 Mar. 2021
	IRR million	IRR million	IRR million	IRR million
Due from CBI	188,915	802,315	188,915	802,315
Due from other banks and financial institutions	28,307,780	41,477,682	28,079,716	41,477,682
Total	28,496,695	42,279,997	28,268,631	42,279,997

10-1- Unrestricted balances are classified as cash.

10-2- Due from CBI

Note	Consolidated and Parent Co.	
	22 Sept. 2021	20 Mar. 2021
	IRR million	IRR million
Restricted current deposits with CBI-LCY	-	1,172
Restricted current deposits with CBI-FCY	31,068	72
Restricted current deposits with other countries' central	1,035,561	13,994,824
Less: CBI's balance in our accounts (Note 19)	(1,035,561)	(13,994,824)
Restricted specific deposits with CBI-LCY	-	800,000
Receivable interest from statutory deposit	123,744	-
Others	34,103	1,071
	188,915	802,315

10-2-1 Since the risks and rewards of these funds are not transferred to the bank, all amounts are netted.

10-3- Due from other banks and financial institutions

Note	Consolidated		Parent Co.	
	22 Sept. 2021	20 Mar. 2021	22 Sept. 2021	20 Mar. 2021
	IRR million	IRR million	IRR million	IRR million
Restricted current deposits with other local banks-FCY	4,397,018	3,164,678	4,358,376	3,164,678
Restricted term deposits with other local banks-LCY	6,410,000	16,450,000	6,410,000	16,450,000
Restricted current deposits with foreign banks-FCY	35,006,534	38,217,583	34,817,112	38,217,583
Less: CBI balance in our accounts (Note 19)	(17,511,638)	(16,382,289)	(17,511,638)	(16,382,289)
Other	5,866	27,710	5,866	27,710
	28,307,780	41,477,682	28,079,716	41,477,682

10-3-1 Restricted term deposits with other local banks is related to interbank deposits with maturity date of 09/23/2021.

10-3-2 Since the risks and rewards of these funds are not transferred to the bank, all amounts are netted.



Middle East Bank (PJSC)
Notes to the financial statements
For the six month financial period ended 22 September 2021
Interim Reporting

11- Credit facilities granted

		Consolidated								20 Mar. 2021
		22 Sept. 2021								20 Mar. 2021
Note	Principal balance	Fee and interest receivable balance	Penalty receivable balance	Mudaraba and Mosharekat Madani received fund	Future interests	Deferred fee and interest	Total	Provision for bad and doubtful debts	Net balance	Net balance
Installment sales	37,959,519	731,051	21,757	-	(3,589,212)	(29,800)	35,093,315	(526,400)	34,566,915	30,690,827
Wakala	20,827,879	215,309	5,069	-	(837,667)	(2,700)	20,207,890	(303,118)	19,904,772	14,843,646
Mudaraba	851,241	82,502	94,083	-	-	(82,502)	945,324	(35,588)	909,736	986,986
Mosharekat Madani (civil partnership contracts)	517,902	66,767	122,736	-	-	(62,382)	645,023	(629,918)	15,105	1,450,894
Debt purchase	1,084,227	-	-	-	(52,670)	-	1,031,557	(15,473)	1,016,084	4,874
Murabaha	116,647,275	2,288,105	43,344	-	(9,165,011)	(47,309)	109,766,404	(1,646,496)	108,119,908	96,179,501
Gardh-UI Hasan	548,966	-	-	-	(59,158)	-	489,808	(7,387)	482,421	444,123
Foreign currency facilities	107,400,090	9,838,204	59,600	-	(6,992,847)	-	110,305,047	(1,654,576)	108,650,471	94,880,285
Debtors for paid guarantees	64,963	-	1,935	-	-	-	66,898	(8,582)	58,316	60,087
Debtors for paid credit cards	148,164	892	6	-	(11,458)	(43)	137,561	(2,347)	135,214	128,667
	286,050,226	13,222,830	348,530	-	(20,708,023)	(224,736)	278,688,827	(4,829,885)	273,858,942	239,669,890

		Parent Co.								20 Mar. 2021
		22 Sept. 2021								20 Mar. 2021
	Principal balance	Fee and interest receivable balance	Penalty receivable balance	Mudaraba and Mosharekat Madani received fund	Future interests	Deferred fee and interest	Total	Provision for bad and doubtful debts	Net balance	Net balance
	IRR million	IRR million	IRR million	IRR million	IRR million	IRR million	IRR million	IRR million	IRR million	IRR million
Installment sales	37,959,519	731,051	21,757	-	(3,589,212)	(29,800)	35,093,315	(526,400)	34,566,915	30,690,827
Wakala	20,827,879	215,309	5,069	-	(837,667)	(2,700)	20,207,890	(303,118)	19,904,772	14,843,646
Mudaraba	851,241	82,502	94,083	-	-	(82,502)	945,324	(35,588)	909,736	986,986
Mosharekat Madani (civil partnership contracts)	1,017,903	66,767	122,736	-	-	(62,382)	1,145,024	(637,418)	507,606	1,776,929
Debt purchase	1,084,227	-	-	-	(52,670)	-	1,031,557	(15,473)	1,016,084	4,874
Murabaha	116,647,275	2,288,105	43,344	-	(9,165,011)	(47,309)	109,766,404	(1,646,496)	108,119,908	96,179,501
Gardh-UI Hasan	548,966	-	-	-	(59,158)	-	489,808	(7,387)	482,421	444,123
Foreign currency facilities	107,400,090	9,838,204	59,600	-	(6,992,847)	-	110,305,047	(1,654,576)	108,650,471	94,880,284
Debtors for paid guarantees	64,963	-	1,935	-	-	-	66,898	(8,582)	58,316	60,087
Debtors for paid credit cards	148,164	892	6	-	(11,458)	(43)	137,561	(2,347)	135,214	128,667
	286,550,227	13,222,830	348,530	-	(20,708,023)	(224,736)	279,188,828	(4,837,385)	274,351,443	239,995,924

In previous years based on the country budget law, 500 million dollar from the National development fund was assigned to the bank for the provision of facilities to builders and private and cooperative contractors, who are contracting party with National oil company and introduced by that company, which was paid in full and in the form of facilities to them. Moreover \$ 50 million of the facility was settled previous year And at the end of 22 Sept. 2021, the balance of these facilities is equivalent to 450 million dollars. Based on the agreement concluded between the bank and National oil company, the repayment of the debt related to the subject of the bank foreign exchange facility contracts and the borrowers facilities of the relevant maturities in accordance with the terms of the said contract has been decided and committed by the National oil company.



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11-1- Classification of loans according to CBI's regulations is as below(note 7-7):

	Parent Co.				Total
	Current loans	Past due loans	Outstanding loans	Doubtful loans	
	IRR million	IRR million	IRR million	IRR million	IRR million
Installment sales	38,486,746	174,115	43,804	7,662	38,712,327
Wakala	21,011,631	36,626	-	-	21,048,257
Mudaraba	-	-	-	1,027,826	1,027,826
Mosharekat Madani (civil partnership contracts)	95,679	-	-	1,111,727	1,207,406
Debt purchase	1,084,227	-	-	-	1,084,227
Murabaha	118,512,628	212,273	71,375	182,448	118,978,724
Gardh-UI Hasan	548,660	168	138	-	548,966
Foreign currency facilities	114,013,004	2,493,253	791,637	-	117,297,894
Debtors for paid guarantees	-	-	-	66,898	66,898
Debtors for paid credit cards	148,704	36	-	322	149,062
	293,901,279	2,916,471	906,954	2,396,883	300,121,587
Less					
Future interests	(20,708,023)	-	-	-	(20,708,023)
Deferred fee and interest	-	(41,661)	(23,427)	(159,648)	(224,736)
Mudaraba received fund	-	-	-	-	-
Mosharekat Madani received fund	-	-	-	-	-
Net loans before deduction of provision for bad and doubtful loans	273,193,256	2,874,810	883,527	2,237,235	279,188,828
General provision for bad and doubtful loans	(4,097,899)	(43,119)	(13,251)	(21,395)	(4,175,664)
Specific provision for bad and doubtful loans	-	(20)	(28)	(661,673)	(661,721)
Balance at 22 Sept. 2021	269,095,357	2,831,671	870,248	1,554,167	274,351,443
Balance at 20 Mar. 2021	237,490,087	130,679	738,313	1,636,845	239,995,924

As subsidiaries loan balance is not significant, consolidated note has not been presented in this part. The intragroup loans has been presented in note 11-8.



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11-2- Provision for bad and doubtful loans is as below :

	Parent Co.					
	22 Sept. 2021			20 Mar. 2021		
	General provision	Specific provision	Total	General provision	Specific provision	Total
	IRR million	IRR million	IRR million	IRR million	IRR million	IRR million
Opening balance	3,651,178	668,906	4,320,084	1,768,021	519,156	2,287,177
Recoveries	-	-	-	-	(114,963)	(114,963)
Write-offs	-	-	-	-	-	-
Increase (decrease) during the year	524,486	(7,185)	517,301	1,883,157	264,713	2,147,870
Closing balance	4,175,664	661,721	4,837,385	3,651,178	668,906	4,320,084

As subsidiaries loan balance is not significant, consolidated note has not been presented in this part. The intragroup loans has been presented in note 11-8.

11-3- Classification of foreign facilities according to resources based on CBI's regulations (note 7-7):

	Consolidated and Parent Co.					
	22 Sept. 2021					20 Mar. 2021
	Current loans	Past due loans	Outstanding loans	Doubtful debt	Total	Total
	IRR million	IRR million	IRR million	IRR million	IRR million	IRR million
Internal resources	20,364,980	2,455,855	-	-	22,820,835	10,614,809
National development fund	85,049,874	-	779,762	-	85,829,636	84,265,475
	105,414,854	2,455,855	779,762	-	108,650,471	94,880,284

11-4- Classification of loans according to its maturity and interest rate is as below:

	Parent Co.						20 Mar. 2021
	22 Sept. 2021						Total
	24% and more	21-24%	18-21%	15-18%	12-15%	12% and less	Total
	IRR million	IRR million	IRR million	IRR million	IRR million	IRR million	IRR million
22 Sept. 2021 and before	311,373	1,022,248	3,591,034	27	-	5,734,440	10,659,122
2022	-	195,164	71,361,898	6,863,487	-	21,018,983	99,439,532
2023	-	1,234,336	74,054,953	246,455	540,836	78,811,623	154,888,203
2024 and after	-	54,394	1,084,046	1,886,890	229,864	6,109,392	9,364,586
	311,373	2,506,142	150,091,931	8,996,859	770,700	111,674,438	274,351,443
20 Mar. 2021	788,767	4,764,145	133,142,965	3,931,029	391,706	96,977,312	239,995,924

As subsidiaries loan balance is not significant, consolidated note has not been presented in this part. The intragroup loans has been presented in note 11-8.

11-5- Classification of loans according to its collateral is as below:

	Parent Co.	
	22 Sept. 2021	20 Mar. 2021
	IRR million	IRR million
Deposits	6,729,000	6,430,858
participation bonds and other securities guaranteed by government and CBI	15,604	8,026
Participation bonds and other securities guaranteed by other banks	30,841	38,775
Listed shares	8,152,339	9,607,270
Land and building	17,176,313	13,422,447
Machinery	571,319	-
Check and promissory notes	241,666,692	210,488,548
Total	274,342,108	239,995,924
Without collateral	9,335	-
	274,351,443	239,995,924



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11-6- Loans movement is as below:

	Parent Co.											
	Installment sales	Wakala	Mudaraba	Mosharekat Madani (civil partnership contracts)	Debt purchase	Murabaha	Gardh-Ul Hasan	Foreign currency facilities	Debtors for paid L/Cs	Debtors for paid guarantees	Debtors for paid credit cards	Total
	IRR million	IRR million	IRR million	IRR million	IRR million	IRR million	IRR million	IRR million	IRR million	IRR million	IRR million	IRR million
Principal												
Balance at 20 Mar. 2021	30,595,277	14,846,801	832,184	2,158,256	4,948	95,544,751	450,897	89,404,010	-	62,892	130,029	234,030,045
Increase during the year	30,226,826	161,905,188	124,572	1,642,939	1,049,490	110,649,390	82,634	24,280,197	8,269	468,071	297,507	330,735,083
Decrease during the year	(26,481,596)	(156,764,477)	(188,017)	(2,845,674)	(22,881)	(98,759,186)	(43,723)	(14,787,697)	(8,269)	(466,000)	(290,873)	(300,658,393)
Foreign exchange effect	-	-	-	-	-	-	-	1,510,733	-	-	-	1,510,733
Balance at 22 Sept. 2021	34,340,507	19,987,512	768,739	955,521	1,031,557	107,434,955	489,808	100,407,243	-	64,963	136,663	265,617,468
Interest and penalty												
Balance at 20 Mar. 2021	565,951	222,890	191,566	277,504	-	2,104,141	-	6,921,151	-	1,867	893	10,285,963
Increase during the year	229,625	62,760	-	92,880	-	429,279	-	5,069,060	28	2,571	1,034	5,887,237
Decrease during the year	(42,768)	(65,272)	(14,981)	(180,881)	-	(201,971)	-	(2,367,358)	(28)	(2,503)	(1,029)	(2,876,791)
Foreign exchange effect	-	-	-	-	-	-	-	274,951	-	-	-	274,951
Balance at 22 Sept. 2021	752,808	220,378	176,585	189,503	-	2,331,449	-	9,897,804	-	1,935	898	13,571,360
Provision for bad and doubtful loans												
Balance at 20 Mar. 2021	(470,401)	(226,045)	(36,764)	(658,832)	(74)	(1,469,391)	(6,773)	(1,444,877)	-	(4,672)	(2,255)	(4,320,084)
Recoveries	-	-	-	-	-	-	-	-	-	-	-	-
Write-offs	-	-	-	-	-	-	-	-	-	-	-	-
Increase or decrease during the year	(55,999)	(77,073)	1,176	21,414	(15,399)	(177,105)	(614)	(209,699)	-	(3,910)	(92)	(517,301)
Balance at 22 Sept. 2021	(526,400)	(303,118)	(35,588)	(637,418)	(15,473)	(1,646,496)	(7,387)	(1,654,576)	-	(8,582)	(2,347)	(4,837,385)
Mudaraba received fund												
Mosharekat Madani received fund												
Net balance												
Balance at 20 Mar. 2021	30,690,827	14,843,646	986,986	1,776,929	4,874	96,179,501	444,123	94,880,284	-	60,087	128,667	239,995,924
Balance at 22 Sept. 2021	34,566,915	19,904,772	909,736	507,606	1,016,084	108,119,908	482,421	108,650,471	-	58,316	135,214	274,351,443

Penalties and interest of outstanding and doubtful loans calculated in accordance with note 7-5.

As subsidiaries loan balance is not significant, consolidated note has not been presented in this part. The intragroup loans has been presented in note 11-8.



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11-6-1- Loans interest and penalty movement is as below:

	Parent Co.										
	Installment sale	Wakala	Mudaraba	Mosharekat Madani civil partnership (contracts)	Purchase of debt	Murabaha	Foreign currency facilities	Debtors for paid L/Cs	Debtors for paid guarantees	Debtors for paid credit cards	Total
	IRR million	IRR million	IRR million	IRR million	IRR million	IRR million	IRR million	IRR million	IRR million	IRR million	IRR million
Loans' interest											
Balance at 20 Mar. 2021	560,742	221,769	89,653	130,291	-	2,085,837	6,914,550	-	-	889	10,003,731
Increase during the year	170,309	417,666	-	70,033	-	202,268	4,883,423	-	-	1,013	5,744,712
Decrease during the year	-	(424,126)	(7,151)	(133,557)	-	-	(2,235,124)	-	-	(1,010)	(2,800,968)
Foreign exchange effect	-	-	-	-	-	-	275,355	-	-	-	275,355
Balance at 22 Sept. 2021	731,051	215,309	82,502	66,767	-	2,288,105	9,838,204	-	-	892	13,222,830
Loans' penalty											
Balance at 20 Mar. 2021	5,209	1,121	101,913	147,213	-	18,304	6,601	-	1,867	4	282,232
Increase during the year	59,316	70,176	-	22,847	-	227,035	185,638	28	2,571	33	567,644
Decrease during the year	(42,768)	(66,228)	(7,830)	(47,324)	-	(201,995)	(132,235)	(28)	(2,503)	(31)	(500,942)
Foreign exchange effect	-	-	-	-	-	-	(404)	-	-	-	(404)
Balance at 22 Sept. 2021	21,757	5,069	94,083	122,736	-	43,344	59,600	-	1,935	6	348,530
Balance at 20 Mar. 2021	565,951	222,890	191,566	277,504	-	2,104,141	6,921,151	-	1,867	893	10,285,963
Balance at 22 Sept. 2021	752,808	220,378	176,585	189,503	-	2,331,449	9,897,804	-	1,935	898	13,571,360

As subsidiaries loan balance is not significant, consolidated note has not been presented in this part. The intragroup loans has been presented in note 11-8.



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11-7- Classification of loans according to types of customer

Parent Co.

	22 Sept. 2021			20 Mar. 2021		
	Gross balance	Provision for bad and doubtful loans	Net balance	Gross balance	Provision for bad and doubtful loans	Net balance
	IRR million	IRR million	IRR million	IRR million	IRR million	IRR million
Natural persons	4,070,197	(74,448)	3,995,749	5,205,415	(91,551)	5,113,864
Corporate customers	274,394,293	(4,751,788)	269,642,505	238,380,460	(4,217,292)	234,163,168
Staff	724,338	(11,149)	713,189	730,133	(11,241)	718,892
	279,188,828	(4,837,385)	274,351,443	244,316,008	(4,320,084)	239,995,924

As subsidiaries loan balance is not significant, consolidated note has not been presented in this part. The intragroup loans has been presented in note 11-8.

11-8- Loans to subsidiaries

	Weighted average Interest rate	22 Sept. 2021				20 Mar. 2021
		Current	Non-performing	Provision for bad and doubtful loans	Total	Total
	%	IRR million	IRR million	IRR million	IRR million	IRR million
Consolidated subsidiaries						
Middle East Bank Brokerage Co.	18	503,178	-	(7,548)	495,630	328,211



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12- Investments

Note	Consolidated						Parent Co.						
	22 Sept. 2021			20 Mar. 2021			22 Sept. 2021			20 Mar. 2021			
	Short term	Long term	Total	Short term	Long term	Total	Short term	Long term	Total	Short term	Long term	Total	
	IRR million	IRR million	IRR million	IRR million	IRR million	IRR million	IRR million	IRR million	IRR million	IRR million	IRR million	IRR million	
Investment in listed shares	12-1	1,476,551	-	1,476,551	556,350	-	556,350	1,043,141	-	1,043,141	529,508	-	529,508
Investment in unlisted shares	12-2	-	925,058	925,058	-	746,110	746,110	-	1,166,629	1,166,629	-	628,102	628,102
Investment in securities with fixed income	12-3	1,160	56,769,570	56,770,730	1,160	48,056,015	48,057,175	1,160	56,766,570	56,767,730	1,160	48,053,015	48,054,175
		1,477,711	57,694,628	59,172,339	557,510	48,802,125	49,359,635	1,044,301	57,933,199	58,977,500	530,668	48,681,117	49,211,785

12-1- The current investment of the bank in the fast-moving stock market is useful for investing in the trading fund, which according to the letter No. 181/79674 dated 09/19/2020 of the Tehran Stock Exchange Company in order to maintain capital stability and protect the rights of investors and shareholders. Has taken place. At the date of preparation of the financial statements, the cost of this investment is 1,043,141 million Rials and its market value is equal to 1,128,859 million Rials.

12-2- Investment in unlisted shares

	Consolidated						20 Mar. 2021
	22 Sept. 2021						
	No. of shares	Percentage of investments	Cost	Accumulated decrease in value	Book value	Market value	
		%	IRR million	IRR million	IRR million	IRR million	IRR million
Middle East Life Insurance Co.	240,000,000	20%	521,997	-	521,997	1,258,320	500,937
INSTEX	220,000	11%	2,200	-	2,200	-	2,200
Others			400,862	-	400,861	-	242,973
			925,059	-	925,058	-	746,110

Note	Parent Co.						20 Mar. 2021
	22 Sept. 2021						
	No. of shares	Percentage of investments	Cost	Accumulated decrease in value	Book value	Market value	
		%	IRR million	IRR million	IRR million		IRR million
Middle East Bank Brokerage Co.	749,999,000	75%	665,929	-	665,929	-	127,403
Dadeh Pardazan Simaye Aftab Co.	30,000,000	100%	10,500	-	10,500	-	10,500
Middle East Currency Exchange Co.	39,999,800	100%	247,999	-	247,999	-	247,999
Middle East Life Insurance Co.	240,000,000	20%	240,000	-	240,000	1,258,320	240,000
INSTEX	220,000	11%	2,200	-	2,200	-	2,200
			1,166,628	-	1,166,628	-	628,102

* Except for the ME life Insurance, there are not market for other company's shares to determine the market value.

12-2-1- At the balance sheet date 35% of investment in Dadeh Pardazan Simaye Aftab Co. has been paid.

	Consolidated	
	22 Sept. 2021	20 Mar. 2021
12-2-2- Group share of net assets of the associates company:	IRR million	IRR million
Balance at beginning of the year	500,937	298,967
Share of associate company' net profit	45,059	228,371
Profit receivable / received during the year	(24,000)	(26,400)
Balance at end of the year	521,996	500,937

12-2-3- Summary of financial information of the associates company:
Middle East Life Insurance Co.

	Consolidated			
	22 Sept. 2021		20 Mar. 2021	
Total assets	4,853,415	2,337,348	838,898	225,297
Total liabilities				
Total income				
Net Profit				

	Consolidated			
	22 Sept. 2021		20 Mar. 2021	
Total assets	3,626,511	1,225,382	1,854,986	1,135,223
Total liabilities				
Total income				
Net Profit				



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12-3- Investment in securities with fixed income is as follows:

Issuer	Note	Type of bond	Interest rate	Consolidated		Parent Co.	
				22 Sept. 2021	20 Mar. 2021	22 Sept. 2021	20 Mar. 2021
				IRR million	IRR million	IRR million	IRR million
			%				
Governmental							
Ministry of Economic Affairs and Finance		Participation	15% and 17%	12,138	11,963	12,138	11,963
Fourth Shahrivar intermediary		Manfaat	20%	-	995,000	-	995,000
Ministry of Economic Affairs and Finance	12-3-1	Islamic treasury bonds		16,489,881	16,281,645	16,489,881	16,281,645
Ministry of Economic Affairs and Finance		Murabaha	15% , 16% , 18%	30,148,078	20,647,934	30,148,078	20,647,934
Khordad intermediary		Manfaat	18%	3,000,000	3,000,000	3,000,000	3,000,000
Tir intermediary		Manfaat	18%	3,000,000	3,000,000	3,000,000	3,000,000
First Ordibehesht intermediary		Manfaat	18%	2,000,000	2,000,000	2,000,000	2,000,000
Investment of Munich branch in other countries' governmental bonds		Participation		352,823	352,823	352,823	352,823
Non-governmental							
Investment of Munich branch in other countries' non-governmental bonds		Participation		1,756,650	1,756,650	1,756,650	1,756,650
Middle East Bank Ofogh mutual fund	12-3-2	Preferred Investment units	15%	10,000	10,000	7,000	7,000
Middle East Ofogh roshan mutual fund		Preferred Investment units		1,160	1,160	1,160	1,160
				56,770,730	48,057,175	56,767,730	48,054,175

* For investment in fixed income securities, there are not market for other company's shares to determine the market value.

12-3-1- Islamic treasury bonds are zero-coupon bonds published by Ministry of Economic Affairs and Finance on behalf of the government.

12-3-2- Interest rates in the table above are the predicted rates determined by mutual funds.

13- Due from subsidiaries and associates

	Consolidated			20 Mar. 2021	Parent Co.			20 Mar. 2021
	22 Sept. 2021				22 Sept. 2021			
	Balance	Provision of doubtful debts	Net		Balance	Provision of doubtful debts	Net	
	IRR million	IRR million	IRR million	IRR million	IRR million	IRR million	IRR million	
Subsidiaries	-	-	-	-	1,677	(411)	1,266	
Associates	27,659	(1,324)	26,335	1,893	27,659	(1,324)	26,335	
	27,659	(1,324)	26,335	1,893	29,336	(1,735)	27,601	
Gross balance of the previous year				2,846			1,402,339	



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13-1- Due from subsidiaries and associates according to intergroup transactions is as follows:

Name of company	Parent Co.										
	22 Sept. 2021										
	Sales of assets and investments	Purchase of assets and investments	Purchase of services	Sales of foreign currency	Received advances	Prepayments	Trust funds	Dividends receivable	Dividends payable	Other	Total
	IRR million	IRR million	IRR million	IRR million	IRR million	IRR million	IRR million	IRR million	IRR million	IRR million	IRR million
Dadeh Pardazan Simaye Aftab Co.	-	-	10,895	-	-	-	-	-	-	(9,694)	1,201
Middle East Life Insurance Co.	-	-	1,814	-	-	-	-	24,000	-	1,845	27,659
Middle East Currency Exchange Co.	-	-	-	-	-	-	-	-	-	472	472
Middle East Bank Brokerage Co.	-	-	-	-	-	-	-	-	-	4	4
	-	-	12,709	-	-	-	-	24,000	-	(7,373)	29,336
Net Profit	-	-	-	-	-	-	-	-	-	-	-

Name of company	Parent Co.										
	20 Mar. 2021										
	Sales of assets and investments	Purchase of assets and investments	Purchase of services	Sales of services	Received advances	Prepayments	Gardh-Ul Hasan	Dividends receivable	Dividends payable	Other	Total
	IRR million	IRR million	IRR million	IRR million	IRR million	IRR million	IRR million	IRR million	IRR million	IRR million	IRR million
Dadeh Pardazan Simaye Aftab Co.	-	-	8,724	-	-	-	-	-	-	(9,694)	(970)
Middle East Life Insurance Co.	-	-	(2,060)	-	-	-	-	-	-	4,906	2,846
Middle East Bank Currency Exchange Co.	-	-	-	-	-	-	-	875,000	-	464	875,464
Middle East Bank Brokerage Co.	-	-	-	-	-	-	-	524,999	-	-	524,999
	-	-	6,664	-	-	-	-	1,399,999	-	(4,324)	1,402,339
Net Profit	-	-	-	-	-	-	-	-	-	-	-

13-2- Classification of Due from subsidiaries and associates according to CBI's regulations is as below (note 7-7):

	Parent Co.				
	22 Sept. 2021				
	Current	Past due	Outstanding	Doubtful debt	Total
	IRR million	IRR million	IRR million	IRR million	IRR million
Due from subsidiaries	1,677	-	-	-	1,677
Due from associates	25,844	-	-	1,814	27,658
Due from subsidiaries and associates before deduction of provision of doubtful debts	27,521	-	-	1,814	29,335
General provision for bad and doubtful debts	(827)	-	-	-	(827)
Specific provision for bad and doubtful debts	-	-	-	(907)	(907)
Balance at 22 Sept. 2021	26,694	-	-	907	27,601
Balance at 20 Mar. 2021	1,379,101	-	-	907	1,380,008



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14- Other accounts receivable

Note	Consolidated				Parent Co.			
	22 Sept. 2021		20 Mar. 2021		22 Sept. 2021		20 Mar. 2021	
	Balance	Provision of doubtful debts	Net	Net	Balance	Provision of doubtful debts	Net	Net
	IRR million	IRR million	IRR million	IRR million	IRR million	IRR million	IRR million	IRR million
Dividends receivable	-	-	-	60	-	-	-	60
Participation bonds interest	1,366,995	(27,230)	1,339,765	966,490	1,298,001	(27,230)	1,270,771	848,482
Receivable from staff	172,732	(122,024)	50,708	48,754	130,764	(122,024)	8,740	13,156
Temporary debtors	5,830,175	(196,647)	5,633,528	3,795,089	9,768,500	(196,647)	9,571,853	5,712,216
	7,369,902	(345,901)	7,024,001	4,810,393	11,197,265	(345,901)	10,851,364	6,573,914

14-1- Included within receivable from staff is a total of IRR120 billion relating to financial abuse which was discovered by the bank late in financial year ended 20 Mar. 2018. Necessary actions due to complete collection of receivables are in progress and necessary provision had been recognized in accounts.

14-2- Temporary debtors are as follow:

Note	Consolidated		Parent Co.	
	22 Sept. 2021	20 Mar. 2021	22 Sept. 2021	20 Mar. 2021
	IRR million	IRR million	IRR million	IRR million
Related to loans				
Loans related costs	100,204	120,530	100,204	120,530
Not related to loans				
Murabaha securities of Ministry of Agriculture-Jahad	40,000	40,000	40,000	40,000
Guarantee issuance fee	29,641	65,702	29,641	65,702
Remittance commission	2,766	2,816	2,766	2,816
Middle East Bank Brokerage Co. clients	2,866,466	1,762,603	-	-
Corporate debtors	2,669,191	1,837,763	9,478,622	5,518,765
Natural person debtors	97,350	95,512	97,350	95,512
Others	24,557	29,412	19,917	28,141
Total	5,830,175	3,954,338	9,768,500	5,871,466
Provision of bad and doubtful debts	(196,647)	(159,250)	(196,647)	(159,250)
Net	5,633,528	3,795,088	9,571,853	5,712,216

14-2-1- Included within receivable from corporate customer is IRR6,809,432 million Rials relating to trust funds with Middle East Currency Exchange Co.

14-3- Other accounts receivable classification based on CBI regulations is as follow (note 7-7):

	Parent Co.				
	22 Sept. 2021				
	Current	Past due	Outstanding	Doubtful debt	Total
	IRR million	IRR million	IRR million	IRR million	IRR million
Dividends receivable	-	-	-	-	-
Participation bonds interest	1,282,001	-	-	16,000	1,298,001
Receivable from staff	8,874	-	-	121,891	130,765
Temporary debtors	9,552,994	28,615	5,531	181,360	9,768,500
Other accounts receivable before deduction of bad and doubtful debts provision	10,843,869	28,615	5,531	319,251	11,197,266
General provision for bad and doubtful debts	(67,530)	-	(8)	(80)	(67,618)
Specific provision for bad and doubtful debts	-	(2,861)	(998)	(274,425)	(278,284)
Balance at 22 Sept. 2021	10,776,339	25,754	4,525	44,746	10,851,364
Balance at 20 Mar. 2021	6,487,168	5,436	39,186	42,124	6,573,914



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15- Fixed assets

	Consolidated								
	Land	Buildings	Installations & equipment	Motor vehicles	Office furniture	Lease hold improvements	Assets under construction	Capex prepayments	Total
	IRR million	IRR million	IRR million	IRR million	IRR million	IRR million	IRR million	IRR million	IRR million
Cost									
Balance at 20 Mar. 2020	1,588,010	1,226,481	864,534	16,421	204,699	77,834	171,461	364,005	4,513,445
Additions	-	939	86,187	41,060	24,317	-	186,940	(24,587)	314,856
Increase (decrease) from revaluation	-	-	-	-	-	-	-	-	-
Disposals	-	-	(8,589)	(14,378)	(3,797)	-	-	-	(26,764)
Adjustments	-	9,854	17,251	-	-	-	(27,105)	-	-
Balance at 20 Mar. 2021	1,588,010	1,237,274	959,383	43,103	225,219	77,834	331,296	339,418	4,801,537
Additions	-	-	139,616	-	21,480	-	133,491	8,131	302,718
Increase (decrease) from revaluation	-	-	-	-	-	-	-	-	-
Disposals	-	-	-	-	-	-	-	-	-
Adjustments	-	-	3,804	-	10,983	-	-	(14,787)	-
Balance at 22 Sept. 2021	1,588,010	1,237,274	1,102,803	43,103	257,682	77,834	464,787	332,762	5,104,255
Accumulated depreciation									
Balance at 20 Mar. 2020		238,114	169,319	11,440	94,003	61,102			573,978
Depreciation		48,143	212,711	4,472	25,569	6,043			296,938
Disposals		-	(4,362)	(2,615)	(2,129)	-			(9,106)
Adjustments		-	-	-	-	-			-
Balance at 20 Mar. 2021		286,257	377,668	13,297	117,443	67,145			861,810
Depreciation		24,775	122,415	3,253	15,563	2,987			168,993
Disposals		-	-	-	-	-			-
Adjustments		-	-	-	-	-			-
Balance at 22 Sept. 2021		311,032	500,083	16,550	133,006	70,132			1,030,803
Book value									
Balance at 20 Mar. 2020	1,588,010	988,367	695,215	4,981	110,696	16,732	171,461	364,005	3,939,467
Balance at 20 Mar. 2021	1,588,010	951,017	581,715	29,806	107,776	10,689	331,296	339,418	3,939,727
Balance at 22 Sept. 2021	1,588,010	926,242	602,720	26,553	124,676	7,702	464,787	332,762	4,073,452



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	Parent Co.								
	Land	Buildings	Installations & equipment	Motor vehicles	Office furniture	Lease hold improvements	Assets under construction	Capex prepayments	Total
	IRR million	IRR million	IRR million	IRR million	IRR million	IRR million	IRR million	IRR million	IRR million
Cost									
Balance at 20 Mar. 2020	1,556,669	1,178,280	849,429	12,329	183,330	77,835	134,326	364,005	4,356,203
Additions	-	939	79,151	41,060	20,190	-	224,075	(24,587)	340,828
Increase (decrease) from revaluation	-	-	-	-	-	-	-	-	-
Disposals	-	-	-	(13,508)	-	-	-	-	(13,508)
Adjustments	-	9,854	17,251	-	-	-	(27,105)	-	-
Balance at 20 Mar. 2021	1,556,669	1,189,073	945,831	39,881	203,520	77,835	331,296	339,418	4,683,523
Additions	-	-	134,865	-	17,184	-	133,491	8,131	293,671
Increase (decrease) from revaluation	-	-	-	-	-	-	-	-	-
Disposals	-	-	-	-	-	-	-	-	-
Adjustments	-	-	3,804	-	10,983	-	-	(14,787)	-
Balance at 22 Sept. 2021	1,556,669	1,189,073	1,084,500	39,881	231,687	77,835	464,787	332,762	4,977,194
Accumulated depreciation									
Balance at 20 Mar. 2020		224,625	160,407	9,181	83,416	61,103			538,732
Additions		46,188	210,654	3,937	22,735	6,042			289,556
Disposals		-	-	(1,745)	-	-			(1,745)
Adjustments		-	-	-	-	-			-
Balance at 20 Mar. 2021		270,813	371,061	11,373	106,151	67,145			826,543
Depreciation		23,798	120,741	2,893	13,941	2,986			164,359
Disposals		-	-	-	-	-			-
Adjustments		-	-	-	-	-			-
Balance at 22 Sept. 2021		294,611	491,802	14,266	120,092	70,131			990,902
Book value									
Balance at 20 Mar. 2020	1,556,669	953,655	689,022	3,148	99,914	16,732	134,326	364,005	3,817,471
Balance at 20 Mar. 2021	1,556,669	918,260	574,770	28,508	97,369	10,690	331,296	339,418	3,856,980
Balance at 22 Sept. 2021	1,556,669	894,462	592,698	25,615	111,595	7,704	464,787	332,762	3,986,292

15-1- Fixed assets up to IRR6,528,848 million are insured against potential hazards caused by fire, flood and earthquake.

15-2- The necessary steps are being taken to obtain the ownership documents of the building of the headquarter.



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16- Intangible assets

	Consolidated			
	Software	Software development	Right to use public services	Total
	IRR million	IRR million	IRR million	IRR million
<u>Cost</u>				
Balance at 20 Mar. 2020	404,723	150,747	8,717	564,187
Additions	87,744	161,588	64	249,396
Internal development	-	-	-	-
Increase (decrease) from revaluation	-	-	-	-
Disposals	-	-	(22)	(22)
Adjustments	35,452	(35,452)	-	-
Balance at 20 Mar. 2021	527,919	276,883	8,759	813,561
Additions	51,587	5,394	-	56,981
Internal development	-	-	-	-
Increase (decrease) from revaluation	-	-	-	-
Disposals	-	-	-	-
Adjustments	5,539	(5,539)	-	-
Balance at 22 Sept. 2021	585,045	276,738	8,759	870,542
<u>Accumulated depreciation</u>				
Balance at 20 Mar. 2020	297,989	36,641	-	334,630
Amortization for the year	66,955	107,556	-	174,511
Impairment loss	-	-	-	-
Disposals	-	-	-	-
Adjustments	-	-	-	-
Balance at 20 Mar. 2021	364,944	144,197	-	509,141
Depreciation	43,989	35,481	-	79,470
Impairment loss	-	-	-	-
Disposals	-	-	-	-
Adjustments	-	-	-	-
Balance at 22 Sept. 2021	408,933	179,678	-	588,611
<u>Book value</u>				
Balance at 20 Mar. 2020	106,734	114,106	8,717	229,557
Balance at 20 Mar. 2021	162,975	132,686	8,759	304,420
Balance at 22 Sept. 2021	176,112	97,060	8,759	281,931



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	Parent Co.			
	Software	Software development	Right to use public services	Total
	IRR million	IRR million	IRR million	IRR million
<u>Cost</u>				
Balance at 20 Mar. 2020	401,602	150,748	8,607	560,957
Additions	83,699	161,589	13	245,301
Internal development	-	-	-	-
Increase (decrease) from revaluation	-	-	-	-
Disposals	-	-	-	-
Adjustments	35,452	(35,452)	-	-
Balance at 20 Mar. 2021	520,753	276,885	8,620	806,258
Additions	51,587	5,394	-	56,981
Internal development	-	-	-	-
Increase (decrease) from revaluation	-	-	-	-
Disposals	-	-	-	-
Adjustments	5,539	(5,539)	-	-
Balance at 22 Sept. 2021	577,879	276,740	8,620	863,239
<u>Accumulated depreciation</u>				
Balance at 20 Mar. 2020	295,973	36,641	-	332,614
Amortization for the year	65,436	107,556	-	172,992
Impairment loss	-	-	-	-
Disposals	-	-	-	-
Adjustments	-	-	-	-
Balance at 20 Mar. 2021	361,409	144,197	-	505,606
Depreciation	43,989	34,607	-	78,596
Impairment loss	-	-	-	-
Disposals	-	-	-	-
Adjustments	-	-	-	-
Balance at 22 Sept. 2021	405,398	178,804	-	584,202
<u>Book value</u>				
Balance at 20 Mar. 2020	105,629	114,107	8,607	228,343
Balance at 20 Mar. 2021	159,344	132,688	8,620	300,652
Balance at 22 Sept. 2021	172,481	97,936	8,620	279,037



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17- Statutory deposit

	Consolidated and Parent Co.	
	22 Sept. 2021	20 Mar. 2021
	IRR million	IRR million
Statutory deposit	28,342,073	21,340,048

17-1- Statutory deposit has been deposited with CBI in accordance with paragraph 3 of Article 14 of banking and monetary law.

18- Other assets

	Note	Consolidated		Parent Co.	
		22 Sept. 2021	20 Mar. 2021	22 Sept. 2021	20 Mar. 2021
		IRR million	IRR million	IRR million	IRR million
LCs and collections debtors-net	18-1	421,945	1,659,331	421,945	1,659,331
Collateral in possession	18-2	488,000	488,000	488,000	488,000
Rental deposits		235,648	231,700	235,648	231,700
Consumables		38,987	29,645	38,987	29,645
Tax stamps		672	619	672	619
Acquisition goodwill (net)		32,883	34,894	-	-
Others (4 items)		688,241	330,416	317,363	315,288
		1,906,376	2,774,605	1,502,615	2,724,583

18-1- LCs and collections debtors-net

	Note	Consolidated and Parent Co.	
		22 Sept. 2021	20 Mar. 2021
		IRR million	IRR million
Debtors for term letters of credit-LCY		339,840	1,992,876
Debtors for term letters of credit-FCY		-	-
Debtors for current letters of credit		88,531	90,299
		428,371	2,083,175
Less:			
Term letters of credit advance-LCY		-	(398,575)
Current letters of credit advance		-	-
General provision for bad and doubtful debts	18-1-2	(6,426)	(25,269)
		421,945	1,659,331

18-1-1- Letters of credit debtors maturity is up to six months in accordance with CBI's regulations.

18-1-2- The movements for general provision for bad and doubtful debts are as follow

	Consolidated and Parent Co.	
	22 Sept. 2021	20 Mar. 2021
	IRR million	IRR million
Opening balance	25,269	16,089
Recoveries	(25,269)	(16,089)
Write off	-	-
Increase (decrease) during the year	6,426	25,269
Closing balance	6,426	25,269



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18-2- Collateral in possession

	Consolidated and Parent Co.			22 Sept. 2021
	20 Mar. 2021	Possessed during the year	Sale / Submission during the year	
	IRR million	IRR million	IRR million	
Immovable property				IRR million
Residential property	488,000	-	-	488,000
Accumulated impairment loss	-			-
	488,000			488,000
Gain/loss on sale	-			-

18-2-1- Immovable collateral in possession age analysis is as below:

	22 Sept. 2021	20 Mar. 2021
	IRR million	IRR million
Less than one year from possession	-	-
1-2 years from possession	466,000	466,000
More than 2 years from possession	22,000	22,000
	488,000	488,000



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19- Due to banks and financial institutions

	Consolidated		Parent Co.	
	22 Sept. 2021	20 Mar. 2021	22 Sept. 2021	20 Mar. 2021
	IRR million	IRR million	IRR million	IRR million
Due to the CBI				
Current deposit-FCY	15,436,380	27,266,294	15,436,380	27,266,294
Term deposit-FCY	3,110,819	3,110,819	3,110,819	3,110,819
Due for purchasing foreign currency	619,023	1,447,507	619,023	1,447,507
Less: CBI's balance in our accounts (Note 10)	(18,547,199)	(30,377,113)	(18,547,199)	(30,377,113)
	619,023	1,447,507	619,023	1,447,507
Due to other internal banks				
Current deposits-FCY	8,928,812	11,519,162	8,928,812	11,519,162
Payment of Bank's checks by other banks	881,056	-	881,056	-
Paya payments order	46,644	25,274	46,644	25,274
SHETAB transactions	74,789	28,554	74,789	28,554
	9,931,301	11,572,990	9,931,301	11,572,990
	10,550,324	13,020,497	10,550,324	13,020,497



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20- Customers' deposits

	Note	Consolidated		Parent Co.	
		22 Sept. 2021	20 Mar. 2021	22 Sept. 2021	20 Mar. 2021
		IRR million	IRR million	IRR million	IRR million
Natural persons					
Current deposits	20-1	1,532,699	19,459,795	1,532,699	19,459,795
Saving deposits	20-2	378,863	373,685	378,863	373,684
Other deposits and advances	20-3	18,902	15,808	18,902	15,809
		1,930,464	19,849,288	1,930,464	19,849,288
Corporate customers					
Current deposits	20-1	55,477,614	40,110,907	55,601,354	40,260,931
Saving deposits	20-2	13,563,763	17,906,680	14,695,534	18,943,191
Other deposits and advances	20-3	5,831,694	4,978,348	5,833,825	4,980,334
		74,873,071	62,995,935	76,130,713	64,184,456
		76,803,535	82,845,223	78,061,177	84,033,744

20-1- Current deposits

	Consolidated		Parent Co.	
	22 Sept. 2021	20 Mar. 2021	22 Sept. 2021	20 Mar. 2021
	IRR million	IRR million	IRR million	IRR million
Current deposits-LCY	38,765,055	38,581,418	38,888,834	38,731,474
Current deposits-FCY	14,179,720	18,031,880	14,179,720	18,031,880
Bank checks	367,584	394,976	367,584	394,976
Remittance-FCY	3,476,251	2,400,213	3,476,251	2,400,213
Others-FCY	80,525	48,269	80,525	48,269
Others-LCY	141,178	113,946	141,139	113,914
	57,010,313	59,570,702	57,134,053	59,720,726

20-2- Saving deposits

	Consolidated		Parent Co.	
	22 Sept. 2021	20 Mar. 2021	22 Sept. 2021	20 Mar. 2021
	IRR million	IRR million	IRR million	IRR million
Non interest bearing deposits-FCY	13,942,626	18,280,365	15,074,397	19,316,875



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20-3- Other deposits and advances

	Consolidated		Parent Co.	
	22 Sept. 2021	20 Mar. 2021	22 Sept. 2021	20 Mar. 2021
	IRR million	IRR million	IRR million	IRR million
Guarantee issuing deposits -LCY	5,334,321	4,546,851	5,336,452	4,548,838
Guarantee issuing deposits -FCY	271,237	331,968	271,237	331,968
LCs' advances-LCY	155,790	6,627	155,790	6,627
LCs' advances-FCY	89,248	108,710	89,248	108,710
Total	5,850,596	4,994,156	5,852,727	4,996,143

21- Dividends payable

	Consolidated and Parent Co.					
	Dividend per share	Dividend	Balance at 20 Mar. 2021	Paid dividend during the year	offsetting with staff loans	Balance at 22 Sept. 2021
	IRR	IRR million	IRR million	IRR million	IRR million	IRR million
Year ended 20 Mar. 2013	85	340,000	147	-	-	147
Year ended 20 Mar. 2014	150	600,000	188	-	-	188
Year ended 20 Mar. 2015	160	640,000	404	-	-	404
Year ended 19 Mar. 2016	250	1,000,000	1,339	-	-	1,339
Year ended 20 Mar. 2017	100	500,000	1,594	(42)	-	1,552
Year ended 20 Mar. 2018	150	900,000	2,737	(76)	-	2,661
Year ended 20 Mar. 2019	200	1,400,000	11,000	(374)	-	10,626
Year ended 19 Mar. 2020	200	2,000,000	29,700	(16,885)	-	12,815
Year ended 20 Mar. 2021	300	3,000,000	-	(2,717,739)	(13,264)	268,997
Total			47,109	(2,735,116)	(13,264)	298,729



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22- Income tax provision	Consolidated		Parent Co.	
	22 Sept. 2021	20 Mar. 2021	22 Sept. 2021	20 Mar. 2021
	IRR million	IRR million	IRR million	IRR million
Opening balance	3,517,922	2,069,325	2,843,205	1,811,737
Provision for the year	628,465	2,236,960	459,506	1,563,959
Extra precautionary provision	-	506,886	-	500,000
Paid during the year	(2,292,685)	(1,295,249)	(1,619,157)	(1,032,491)
	1,853,702	3,517,922	1,683,554	2,843,205
Prepayments	-	-	-	-
Closing balance	1,853,702	3,517,922	1,683,554	2,843,205

22-1- The Bank's tax position for the years 2016 to 2021 is as follows:

Fiscal year	22 Sept. 2021 - IRR million							20 Mar. 2021	Method of assessment
	Declared profit	Taxable income	Tax				Provision balance	Provision balance	
			Declared	As assessed	Final	Paid			
19 Mar. 2016	1,500,519	931,454	139,718	350,289	-	139,718	-	-	Assessment the Books
20 Mar. 2017	2,197,088	866,397	173,279	807,346	-	173,279	-	-	Assessment the Books
20 Mar. 2018	2,729,781	1,838,123	275,718	676,836	-	274,844	-	-	Assessment the Books
20 Mar. 2019	6,798,249	3,823,015	400,952	1,326,133	-	400,952	-	-	Assessment the Books
19 Mar. 2020	9,680,162	6,883,276	1,032,491	2,568,190	-	1,032,491	-	-	Assessment the Books
20 Mar. 2021	18,690,660	9,199,761	1,563,959	-	-	1,563,959	-	1,563,959	Assessment the Books
22 Sept. 2021	7,238,057	2,297,531	459,506	-	-	-	459,506	-	Assessment the Books
Extra precautionary provision						55,198	1,224,048	1,279,246	
Provision before deduction of tax prepayments							1,683,554	2,843,205	
Tax prepayments							-	-	
							1,683,554	2,843,205	

22-2- The banks income tax has been finalized and paid till end of the 2015.

22-3- Bank has made a protest to the assessment of fiscal years 2016 to 2019 and it's protest against assessment of tax dispute committees is in progress. Income tax of 2020 has not been assessed yet.

22-4- The major difference between declared and assessed tax of years 2016 to 2019 is as below:

- The deductions under Article 143 tax laws,
- Although impairment loss of investments wasn't considered as an acceptable expenses, the related income due to increase of investments value wasn't recognized as tax-exempt income by tax authorities.
- Bank has made a protest disallowance of considerable amount of overpaid interest to depositors
- The deduction under article 105 tax laws which wasn't considered by tax authorities.
- Considering part of paid interest to depositors as tax-exempt income.
- The bank believes that according to the procedure used by the tax authorities in determining the taxable income of the preceding years, the tax provision for mentioned years and reporting fiscal year is sufficient.

22-5- The total difference among the tax assessments during 2016 to 2019 and declared taxes is 3,706,635 million Rials, which was adjusted to 3,478,157 million Rials due to banks protest. According to managements assertion and experts opinions of the tax advisors, extra precautionary provision has been made in the amounts.



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23- Other liabilities and accruals

Note	Consolidated		Parent Co.		
	22 Sept. 2021	20 Mar. 2021	22 Sept. 2021	20 Mar. 2021	
	IRR million	IRR million	IRR million	IRR million	
Received loans from National Development Fund	23-1	5,989,951	6,554,301	5,989,951	6,554,301
Debts for long term LCs-LCY	23-2	392,238	1,992,877	392,238	1,992,877
Debts for short term LCs-FCY		88,531	90,299	88,531	90,299
Customers' prepayments for LCs and BGs fees and commission		686,453	894,840	686,453	894,840
Contractors performance deposit		30,393	25,805	30,393	25,805
Social security		81,508	56,886	78,017	54,825
Payable Membership fee of Deposit Guarantee Fund		20,937	31,025	20,937	31,025
Withholding tax payable		347,685	292,646	22,220	19,366
Provision of employee benefits		68,377	67,403	65,480	65,480
Brokerage customers		1,332,915	186,589	-	-
Exchange customers		6,534,541	8,323,971	-	-
Others		1,113,119	2,080,077	1,113,052	1,651,222
		16,686,648	20,596,719	8,487,272	11,380,040

23-1- Received loans from the National Development Fund at the balance sheet date are as follows:

Consolidated and Parent Co.

Amounts received	Currency	Receipt date	Due date	No. installment	interest rate	Balance-currency	Balance-million IRR
2,386,540	USD	1395/12/24	1402/11/12	5	2	1,320,892	210,021
542,421	USD	1396/02/15	1402/11/12	5	2	542,421	86,245
508,817	USD	1396/05/05	1402/11/12	5	2	508,817	80,902
229,841	USD	1396/08/05	1402/11/12	5	2	229,841	36,545
248,251	USD	1399/05/12	1402/11/12	5	2	248,251	39,472
973,324	USD	1395/05/21	1401/09/16	3	4	732,926	116,535
180,778	USD	1397/03/16	1401/09/16	3	4	180,778	28,744
1,218,368	USD	1395/12/24	1405/01/19	9	4	1,218,368	193,721
1,233,036	USD	1396/06/24	1405/01/19	9	4	1,233,036	196,053
1,071,974	USD	1396/06/31	1405/01/19	9	4	1,071,974	170,444
410,904	USD	1396/08/05	1405/01/19	9	4	410,904	65,334
2,063,104	USD	1396/08/12	1405/01/19	9	4	2,063,104	328,034
2,078,874	USD	1396/08/26	1405/01/19	9	4	2,078,874	330,541
480,383	USD	1396/09/08	1405/01/19	9	4	480,383	76,381
1,067,672	USD	1396/09/17	1405/01/19	9	4	1,067,672	169,760
561,310	USD	1396/11/13	1405/01/19	9	4	561,310	89,248
3,988,989	USD	1396/12/03	1405/01/19	9	4	3,988,989	634,249
1,997,247	USD	1396/12/18	1405/01/19	9	4	1,997,247	317,562
1,803,051	USD	1397/02/07	1405/01/19	9	4	1,803,051	286,685
475,922	USD	1397/02/28	1405/01/19	9	4	475,922	75,672
945,070	USD	1397/03/04	1405/01/19	9	4	945,070	150,266
1,680,568	USD	1397/06/16	1405/01/19	9	4	1,680,568	267,210
578,140	USD	1397/07/06	1405/01/19	9	4	578,140	91,924
607,634	USD	1397/08/07	1405/01/19	9	4	607,634	96,614
13,729,441	USD	1396/10/01	1403/09/27	8	2	11,092,090	1,763,642
554,390	USD	1398/09/27	1403/09/27	8	2	554,390	88,147
							5,989,951

23-2- Debts for LCs amounted to IRR 392 billion is related to the LCs that their documents have been sent to the buyers and the Bank has guaranteed the payment in the maturity. Generally in the maturity date Bank will funding from the buyer and pays debts.



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24- Staff termination benefits

	Consolidated		Parent Co.	
	22 Sept. 2021	20 Mar. 2021	22 Sept. 2021	20 Mar. 2021
	IRR million	IRR million	IRR million	IRR million
Opening balance	247,994	167,997	227,439	153,181
Paid during the period	(13,835)	(20,179)	(13,329)	(16,175)
Provision for the period	137,014	100,176	125,485	90,433
Closing balance	371,173	247,994	339,595	227,439

25- Customers investment deposits

Note	Consolidated		Parent Co.		
	22 Sept. 2021	20 Mar. 2021	22 Sept. 2021	20 Mar. 2021	
	IRR million	IRR million	IRR million	IRR million	
Long-term deposits					
Long-term investment deposits	25-1	175,132,681	181,584,974	175,132,681	181,584,974
Short-term investment deposits	25-1	93,694,791	63,611,577	94,077,163	65,251,818
Special short-term investment deposits	25-1	11,644,389	2,019,203	11,644,389	2,019,203
Interbank deposits	25-1	5,290,000	500,000	4,000,000	-
		285,761,861	247,715,754	284,854,233	248,855,995
Investment deposits' interest payable					
Long-term investment deposits	25-2	458,554	4,559,551	458,554	4,559,551
Short-term investment deposits	25-2	837	194,263	837	194,263
Special short-term investment deposits	25-2	775,652	60	775,652	60
Interbank deposits	25-2	2,027	-	2,027	-
		1,237,070	4,753,874	1,237,070	4,753,874
		286,998,931	252,469,628	286,091,303	253,609,869

25-1- Term investment deposits based on currency are as follows:

	Consolidated					
	22 Sept. 2021			20 Mar. 2021		
	IRR	FCY	Total	IRR	FCY	Total
IRR million	IRR million	IRR million	IRR million	IRR million	IRR million	
Interbank deposits	5,290,000	-	5,290,000	500,000	-	500,000
Short-term investment deposits	93,694,791	-	93,694,791	63,611,577	-	63,611,577
Special short-term investment deposits						
Three-month deposit	150,087	11,458,199	11,608,286	22,287	1,960,644	1,982,931
Three month to six-month deposit	15,618	20,485	36,103	15,300	20,972	36,272
Long-term investment deposits						
One year deposits and general deposit certificate	73,178,394	5,784,477	78,962,871	103,964,997	5,811,272	109,776,269
Two-year deposit	24,619,810	-	24,619,810	258,705	-	258,705
Three-year deposit	-	71,550,000	71,550,000	-	71,550,000	71,550,000
	196,948,700	88,813,161	285,761,861	168,372,866	79,342,888	247,715,754
	Parent Co.					
	22 Sept. 2021			20 Mar. 2021		
	IRR	FCY	Total	IRR	FCY	Total
IRR million	IRR million	IRR million	IRR million	IRR million	IRR million	
Interbank deposits	4,000,000	-	4,000,000	-	-	-
Short-term investment deposits	94,077,163	-	94,077,163	65,251,818	-	65,251,818
Special short-term investment deposits						
Three-month deposit	150,087	11,458,199	11,608,286	22,287	1,960,644	1,982,931
Three month to six-month deposit	15,618	20,485	36,103	15,300	20,972	36,272
Long-term investment deposits						
One year deposits and general deposit certificate	73,178,394	5,784,477	78,962,871	103,964,997	5,811,272	109,776,269
Two-years deposit	24,619,810	-	24,619,810	258,705	-	258,705
Three-year deposit	-	71,550,000	71,550,000	-	71,550,000	71,550,000
	196,041,072	88,813,161	284,854,233	169,513,107	79,342,888	248,855,995



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25-1-1- Term investment deposits according to maturity and interest rate

	Consolidated							
	22 Sept. 2021						20 Mar. 2021	
	More than 20%	19%-20%	16%-19%	13%-16%	10%-13%	Less than 10%	Total	
IRR million	IRR million	IRR million	IRR million	IRR million	IRR million	IRR million	IRR million	
Non-specific maturity	-	-	45,460,649	2,487,160	63,094	50,973,889	98,984,792	64,111,578
2021-22	-	35,876,415	20,860,996	960,637	150,087	86,766,450	144,614,585	107,495,471
2022-23	-	716,229	6,521,465	2,205,714	-	3,046,711	12,490,119	71,808,705
2023-24	-	-	24,372,365	1,000,000	-	-	25,372,365	-
2024-25	-	-	-	600,000	-	-	600,000	600,000
2025 and after that	-	-	1,000,000	2,500,000	-	200,000	3,700,000	3,700,000
	-	36,592,644	98,215,475	9,753,511	213,181	140,987,050	285,761,861	247,715,754
20 Mar. 2021	-	51,442,957	66,209,172	7,529,829	193,911	122,339,885	247,715,754	

	Parent Co.							
	22 Sept. 2021						20 Mar. 2021	
	More than 20%	19%-20%	16%-19%	13%-16%	10%-13%	Less than 10%	Total	
IRR million	IRR million	IRR million	IRR million	IRR million	IRR million	IRR million	IRR million	
Non-specific maturity	-	-	44,170,649	2,487,160	63,094	51,356,261	98,077,164	65,251,819
2021-22	-	35,876,415	20,860,996	960,637	150,087	86,766,450	144,614,585	107,495,471
2022-23	-	716,229	6,521,465	2,205,714	-	3,046,711	12,490,119	71,808,705
2023-24	-	-	24,372,365	1,000,000	-	-	25,372,365	-
2024-25	-	-	-	600,000	-	-	600,000	600,000
2025 and after that	-	-	1,000,000	2,500,000	-	200,000	3,700,000	3,700,000
	-	36,592,644	96,925,475	9,753,511	213,181	141,369,422	284,854,233	248,855,995
20 Mar. 2021	-	51,442,957	65,709,172	7,529,829	193,911	123,980,126	248,855,995	

25-1-2- Movements of investments deposits-LCY

	Consolidated				Parent Co.			
	Balance at 20 Mar. 2021	New Deposits	Principal repayment	Balance at 22 Sept. 2021	Balance at 20 Mar. 2021	New Deposits	Principal repayment	Balance at 22 Sept. 2021
	IRR million	IRR million	IRR million	IRR million	IRR million	IRR million	IRR million	IRR million
Long-term deposits								
One year deposits and general deposit certificate	103,964,997	10,129,544	40,916,147	73,178,394	103,964,997	10,129,544	40,916,147	73,178,394
Two-year deposits	258,705	29,531,774	5,170,669	24,619,810	258,705	29,531,774	5,170,669	24,619,810
Short-term deposits	63,611,577	1,089,796,472	1,059,713,258	93,694,791	65,251,818	1,088,538,603	1,059,713,258	94,077,163
Special short-term deposits	37,587	138,918	10,800	165,705	37,587	138,918	10,800	165,705
Interbank deposits	500,000	41,185,000	36,395,000	5,290,000	-	39,895,000	35,895,000	4,000,000
	168,372,866	1,170,781,708	1,142,205,874	196,948,700	169,513,107	1,168,233,839	1,141,705,874	196,041,072



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25-1-3- Movements of investments deposits-FCY

Consolidated and Parent Co.						
	Balance at 20 Mar. 2021	New Deposits	Principal repayment	Balance at 22 Sept. 2021	Balance at 22 Sept. 2021	Balance at 20 Mar. 2021
	Currency amount	Currency amount	Currency amount	Currency amount	IRR million	IRR million
Long-term deposits						
USD	452,100,904	83,500	300,550	451,883,854	71,849,532	71,884,044
EUR	834,438	81,950	33,300	883,088	167,787	158,543
AED	122,927,058	14,700	50,000	122,891,758	5,317,158	5,318,685
Short-term deposits & Special short-term deposits						
USD	137,547	3,500	7,600	133,447	21,218	21,870
EUR	10,314,450	60,220,900	10,232,900	60,302,450	11,457,466	1,959,746
					88,813,161	79,342,888

25-1-4- The composition of depositors of investment deposits is as follows:

Parent Co.				
	22 Sept. 2021		20 Mar. 2021	
	No.	Amount	No.	Amount
	Investor	IRR million	Investor	IRR million
Deposits-LCY				
Entities Investors	3,182	132,284,925	3,095	118,884,402
Natural person	83,903	59,756,147	51,911	50,628,705
Interbank deposits	1	4,000,000	-	-
	87,086	196,041,072	55,006	169,513,107
Deposits-FCY				
Entities Investors	11	88,299,649	8	78,822,069
Natural person	182	513,512	183	520,819
	193	88,813,161	191	79,342,888
	87,279	284,854,233	55,197	248,855,995



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26- Share capital

At date of establishment, the bank's capital was 4,000,000 million Rials (including 4,000 million shares with a nominal value of 1,000 Rials per share). Bank's capital has increased to 15,000,000 million Rials (including 15,000 million shares with a nominal value of 1,000 Rials per share) at the end of 22 Sept. 2021 in several stages.

Date of capital increase registration	Percent of capital increase	Amount of capital increase	Amount of new capital	Source of capital increase
	%	IRR million	IRR million	
At date of establishment				
12-Jul-17	25	1,000,000	5,000,000	Cash and payable to shareholders
27-Dec-17	20	1,000,000	6,000,000	Retained earnings
25-Feb-19	16.6	1,000,000	7,000,000	Retained earnings
23-Oct-19	42.8	3,000,000	10,000,000	Retained earnings and other reserves
9-Sep-20	50	5,000,000	15,000,000	Retained earnings

26-1- Composition of shareholders at balance sheet date is as follows:

	22 Sept. 2021			20 Mar. 2021	
	No. of shares	Percentage of shares		No. of shares	Percentage of shares
1% and more		%	1% and more		%
Kia Asa Tejarat Toos Co. (Private Joint Stock)	696,479,960	5%	Natural person	490,979,997	3%
Atiyeh maskan Co. (Private Joint Stock)	429,698,418	3%	Atiyeh maskan Co. (Private Joint Stock)	424,717,880	3%
Natural person	374,999,997	2%	Natural person	374,999,997	3%
Middle East bank's Ofogh brokerage mutual fund	323,398,811	2%	Middle East bank's Ofogh brokerage mutual fund	320,665,715	2%
Pars Tousheh Investment Co.(PJSC)	226,470,915	2%	Pars Tousheh Investment Co.(PJSC)	226,470,915	2%
Sepahan Industry Group (PJSC)	216,000,000	1%	Sepahan Industry Group (PJSC)	216,000,000	1%
Natural person	206,665,491	1%	Natural person	208,123,499	1%
Natural person	193,169,998	1%	Natural person	193,169,998	1%
Natural person	182,377,498	1%	Natural person	182,377,498	1%
Natural person	181,124,998	1%	Natural person	181,124,998	1%
Natural person	179,400,000	1%	Natural person	179,400,000	1%
Sam Group Co. (Private Joint Stock)	161,249,998	1%	Sam Group Co. (Private Joint Stock)	161,249,998	1%
Natural person	158,093,745	1%	Natural person	160,293,745	1%
Natural person	155,004,000	1%	Natural person	155,000,000	1%
Iran Insurance Co (Private Joint Stock)	154,874,399	1%	Radis electronic Co. (Private Joint Stock)	154,590,000	1%
Radis electronic Co. (Private Joint Stock)	154,590,000	1%	Saman bank	151,499,995	1%
Iran national investment Co.(PJSC)	151,336,971	1%	Iran national investment Co.(PJSC)	151,336,971	1%
Saman bank	150,000,000	1%	Natural person	150,000,000	1%
Rama electronic Co. (Private Joint Stock)	150,000,000	1%	Natural person	150,000,000	1%
			Natural person	150,000,000	1%
			Rama electronic Co. (Private Joint Stock)	150,000,000	1%
Others (less than 1%)			Others (less than 1%)		
Entities (357 shareholders)	2,867,042,760	19%	Entities (401 shareholders)	2,988,924,609	20%
Natural persons (25,858 shareholders)	7,688,022,041	51%	Natural persons (25,652 shareholders)	7,479,074,185	50%
	15,000,000,000	100%		15,000,000,000	100%



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27- Capital increase in progress

During the reported financial period, according to the decision of the Extraordinary General Assembly of Shareholders dated 07/15/2021 and in order to increase the bank's ability to grant facilities, by increasing the bank's capital from fifteen thousand billion Rials to twenty five thousand billion Rials has been agreed from the place Accumulated profit, its legal process is also underway. On the balance sheet date, the amount of 10,000,000 million Rials has been transferred from the retained earnings to the capital increase account.

28- Legal reserve

	Consolidated		Parent Co.	
	22 Sept. 2021	20 Mar. 2021	22 Sept. 2021	20 Mar. 2021
	IRR million	IRR million	IRR million	IRR million
Opening balance	5,969,152	3,459,147	5,938,045	3,444,040
Transferred from net profit	1,016,783	2,510,005	1,016,783	2,494,005
Closing balance	6,985,935	5,969,152	6,954,828	5,938,045

According to Article 33 of the Money and Banking Regulation and Article 108 of the Bank's articles of association, 15 percent of net profit is allocated to legal reserve annually. Annual allocation is compulsory till it equals the Bank's capital.

29- Other reserve

Other reserves in the consolidated balance sheet is related to the Middle East Bank Brokerage Co. mandated by the Securities and Exchange Organization according to the circular No. 110200273 dated 07/08/2020 which has been transferred from retained earnings.

30- Foreign exchange translation differences for foreign operations

	Consolidated and parent Co.	
	22 Sept. 2021	20 Mar. 2021
	IRR million	IRR million
Opening balance	1,632,111	53,268
Additions	-	1,578,843
Closing balance	1,632,111	1,632,111

31- Interest income on credit facilities granted and deposits

Note	Consolidated									
	Period (6M) ended 22 Sept. 2021			Period (6M) ended 21 Sept. 2020			Year ended 20 Mar. 2021			
	Mutual	Non-mutual	Total	Mutual	Non-mutual	Total	Mutual	Non-mutual	Total	
	IRR million	IRR million	IRR million	IRR million	IRR million	IRR million	IRR million	IRR million	IRR million	
Loans interest income	31-1	12,992,717	3,994,435	16,987,152	7,324,519	2,514,547	9,839,066	19,401,417	5,291,339	24,692,756
Deposits interest income	31-2	7,220,714	305,568	7,526,282	5,452,390	368,535	5,820,925	10,478,141	689,403	11,167,544
Total		20,213,431	4,300,003	24,513,434	12,776,909	2,883,082	15,659,991	29,879,558	5,980,742	35,860,300

Note	Parent Co.									
	Period (6M) ended 22 Sept. 2021			Period (6M) ended 21 Sept. 2020			Year ended 20 Mar. 2021			
	Mutual	Non-mutual	Total	Mutual	Non-mutual	Total	Mutual	Non-mutual	Total	
	IRR million	IRR million	IRR million	IRR million	IRR million	IRR million	IRR million	IRR million	IRR million	
Loans interest income	31-1	12,992,717	3,994,435	16,987,152	7,324,519	2,514,547	9,839,066	19,401,417	5,291,339	24,692,756
Deposits interest income	31-2	7,220,716	305,568	7,526,284	5,452,337	368,535	5,820,872	10,478,056	689,404	11,167,460
Total		20,213,433	4,300,003	24,513,436	12,776,856	2,883,082	15,659,938	29,879,473	5,980,743	35,860,216



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31-1- Loans interest income

Note	Consolidated and Parent Co.														
	Period (6M) ended 22 Sept. 2021					Period (6M) ended 21 Sept. 2020					Year ended 20 Mar. 2021				
	LCY			FCY (Non-mutual)		LCY			FCY (Non-mutual)		LCY			FCY (Non-mutual)	
	Mutual	Non-mutual	Total	Total	Total	Mutual	Non-mutual	Total	Total	Total	Mutual	Non-mutual	Total	Total	Total
	IRR million	IRR million	IRR million	IRR million	IRR million						IRR million	IRR million	IRR million	IRR million	IRR million
31-1-1	1,312,980	-	1,312,980	3,219,720	4,532,700	838,378	-	838,378	2,179,541	3,017,919	1,935,554	-	1,935,554	4,742,055	6,677,609
Installment sales	2,665,409	-	2,665,409	153,275	2,818,684	1,687,706	-	1,687,706	99,410	1,787,116	4,132,093	-	4,132,093	220,422	4,352,515
Mosharekat Madani (civil partnership contracts)	70,032	-	70,032	-	70,032	143,289	-	143,289	-	143,289	513,208	-	513,208	-	513,208
Murabaha	8,304,056	-	8,304,056	466,202	8,770,258	4,017,079	-	4,017,079	-	4,017,079	11,532,645	-	11,532,645	81,757	11,614,402
Discounting	17,619	-	17,619	-	17,619	1,833	-	1,833	-	1,833	2,772	-	2,772	-	2,772
Penalty	620,482	-	620,482	111,938	732,420	634,160	-	634,160	30,019	664,179	1,280,977	-	1,280,977	14,591	1,295,568
Paid credit cards	2,139	-	2,139	-	2,139	2,074	-	2,074	-	2,074	4,168	-	4,168	-	4,168
Penalty from paid LCs	-	37	37	-	37	-	160,741	160,741	-	160,741	-	162,327	162,327	-	162,327
Penalty from paid guarantees	-	4,388	4,388	-	4,388	-	7,080	7,080	-	7,080	-	20,703	20,703	-	20,703
Other	-	38,812	38,812	63	38,875	-	22,885	22,885	14,871	37,756	-	49,346	49,346	138	49,484
	12,992,717	43,237	13,035,954	3,951,198	16,987,152	7,324,519	190,706	7,515,225	2,323,841	9,839,066	19,401,417	232,376	19,633,793	5,058,963	24,692,756

* Amounts recognized as non-mutual income in accordance with the regulations of mutual income circular, classified in a separate column.

31-1-1- Loans income-FCY amounted IRR3,057,906 million is related to the loans paid from National Development Fund of Iran deposits.

31-2- Deposits Income

	Consolidated														
	Period (6M) ended 22 Sept. 2021					Period (6M) ended 21 Sept. 2020					Year ended 20 Mar. 2021				
	LCY			FCY (Non-mutual)		LCY			FCY (Non-mutual)		LCY			FCY (Non-mutual)	
	Mutual	Non-mutual	Total	Total	Total	Mutual	Non-mutual	Total	Total	Total	Mutual	Non-mutual	Total	Total	Total
	IRR million	IRR million	IRR million	IRR million	IRR million	IRR million	IRR million	IRR million	IRR million	IRR million	IRR million	IRR million	IRR million	IRR million	IRR million
Income from statutory deposit	-	123,744	123,744	-	123,744	-	80,374	80,374	-	80,374	-	182,999	182,999	-	182,999
Income from term deposits	2,499,678	-	2,499,678	790	2,500,468	1,841,380	-	1,841,380	12,241	1,853,621	2,900,986	-	2,900,986	21,220	2,922,206
Income from participation bonds and fixed income securities	4,720,334	181,034	4,901,368	-	4,901,368	3,609,801	269,349	3,879,150	6,571	3,885,721	7,575,260	484,937	8,060,197	247	8,060,444
Income from fixed income mutual funds	702	-	702	-	702	1,209	-	1,209	-	1,209	1,895	-	1,895	-	1,895
	7,220,714	304,778	7,525,492	790	7,526,282	5,452,390	349,723	5,802,113	18,812	5,820,925	10,478,141	667,936	11,146,077	21,467	11,167,544

	Parent Co.														
	Period (6M) ended 22 Sept. 2021					Period (6M) ended 21 Sept. 2020					Year ended 20 Mar. 2021				
	LCY			FCY (Non-mutual)		LCY			FCY (Non-mutual)		LCY			FCY (Non-mutual)	
	Mutual	Non-mutual	Total	Total	Total	Mutual	Non-mutual	Total	Total	Total	Mutual	Non-mutual	Total	Total	Total
	IRR million	IRR million	IRR million	IRR million	IRR million	IRR million	IRR million	IRR million	IRR million	IRR million	IRR million	IRR million	IRR million	IRR million	IRR million
Income from statutory deposit	-	123,744	123,744	-	123,744	-	80,374	80,374	-	80,374	-	182,999	182,999	-	182,999
Income from term deposits	2,499,680	-	2,499,680	790	2,500,470	1,841,327	-	1,841,327	12,241	1,853,568	2,900,901	-	2,900,901	21,221	2,922,122
Income from participation bonds and fixed income securities	4,720,334	181,034	4,901,368	-	4,901,368	3,609,801	269,349	3,879,150	6,571	3,885,721	7,575,260	484,937	8,060,197	247	8,060,444
Income from fixed income mutual funds	702	-	702	-	702	1,209	-	1,209	-	1,209	1,895	-	1,895	-	1,895
	7,220,716	304,778	7,525,494	790	7,526,284	5,452,337	349,723	5,802,060	18,812	5,820,872	10,478,056	667,936	11,145,992	21,468	11,167,460



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32- Net income (loss) from investments

Note	Consolidated			Parent Co.		
	Period (6M) ended 22 Sept. 2021	Period (6M) ended 21 Sept. 2020	Year ended 20 Mar. 2021	Period (6M) ended 22 Sept. 2021	Period (6M) ended 21 Sept. 2020	Year ended 20 Mar. 2021
	LCY (mutual) IRR million	LCY (mutual) IRR million	LCY (mutual) IRR million	LCY (mutual) IRR million	LCY (mutual) IRR million	LCY (mutual) IRR million
Realized income (loss) from investments						
Dividends	64,218	232,936	230,717	24,000	26,400	1,426,399
Income (loss) from sale of investments	-	119,181	123,578	-	-	-
Total	64,218	352,117	354,295	24,000	26,400	1,426,399
Income (loss) from increase (decrease) in value of investments						
Net income (loss) from increase (decrease) in value of investments	13,632	-	(13,632)	13,632	-	(13,632)
Net income (loss) from investments	77,850	352,117	340,663	37,632	26,400	1,412,767

32-1- Dividends are as follow :

	Consolidated			Parent Co.		
	Period (6M) ended 22 Sept. 2021	Period (6M) ended 21 Sept. 2020	Year ended 20 Mar. 2021	Period (6M) ended 22 Sept. 2021	Period (6M) ended 21 Sept. 2020	Year ended 20 Mar. 2021
	LCY (mutual) IRR million	LCY (mutual) IRR million	LCY (mutual) IRR million	LCY (mutual) IRR million	LCY (mutual) IRR million	LCY (mutual) IRR million
Middle East Life Insurance Co.	45,059	231,912	228,371	24,000	26,400	26,400
Middle East Currency Exchange Co.	-	-	-	-	-	875,000
Middle East Bank Brokerage Co.	-	-	-	-	-	524,999
Dividends from investments in unlisted shares	45,059	231,912	228,371	24,000	26,400	1,426,399
Other companies	19,159	2	2,346	-	-	-
Dividend from investment in listed shares	19,159	2	2,346	-	-	-
Middle East Bank mutual Fund	-	653	-	-	-	-
Kardan stock broker mutual fund	-	369	-	-	-	-
Income from mutual funds	-	1,022	-	-	-	-
Total	64,218	232,936	230,717	24,000	26,400	1,426,399



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33- Interest expense

Note	Consolidated			Parent Co.		
	Period (6M) ended 22 Sept. 2021	Period (6M) ended 21 Sept. 2020	Year ended 20 Mar. 2021	Period (6M) ended 22 Sept. 2021	Period (6M) ended 21 Sept. 2020	Year ended 20 Mar. 2021
	IRR million	IRR million	IRR million	IRR million	IRR million	IRR million
Term deposits interest expense-LCY	13,989,736	7,378,129	18,949,912	14,023,247	7,384,383	18,957,364
Term deposits interest expense-FCY	2,496,935	1,600,460	3,404,033	2,496,935	1,600,460	3,404,033
Interest payable to depositors	-	115,740	28,945	-	115,740	28,945
Total	16,486,671	9,094,329	22,382,890	16,520,182	9,100,583	22,390,342

-33-1 Interest paid on account to investment deposits-LCY

	Consolidated			Parent Co.		
	Period (6M) ended 22 Sept. 2021	Period (6M) ended 21 Sept. 2020	Year ended 20 Mar. 2021	Period (6M) ended 22 Sept. 2021	Period (6M) ended 21 Sept. 2020	Year ended 20 Mar. 2021
	IRR million	IRR million	IRR million	IRR million	IRR million	IRR million
Short term deposits						
Short term deposits	3,938,236	2,434,418	5,477,128	3,971,747	2,440,672	5,484,580
Special short term deposits	5,778	529	2,551	5,778	529	2,551
Long term deposits						
One year deposits and general deposit certificate	9,088,701	4,891,369	12,461,251	9,088,701	4,891,369	12,461,251
Two Years deposits	876,608	2,272	19,934	876,608	2,272	19,934
Five years deposits	-	-	-	-	-	-
Interbank deposit	80,413	49,541	989,048	80,413	49,541	989,048
Total	13,989,736	7,378,129	18,949,912	14,023,247	7,384,383	18,957,364

34- Investment Deposits Performance

Description	Note	Parent Co.			
		Period (6M) ended 22 Sept. 2021		Period (6M) ended 21 Sept. 2020	Year ended 20 Mar. 2021
		IRR million	IRR million	IRR million	IRR million
Mutual income					
Loans' interest income	31	12,992,717		7,324,519	19,401,417
Deposits interest income	31	7,220,716		5,452,337	10,478,056
Net income (loss) from investments	32	37,632		26,400	1,412,767
Total of mutual income			20,251,065	12,803,256	31,292,240
Bank's share of mutual income	34-1		(5,395,041)	(3,701,546)	(8,583,870)
Depositors' share of mutual income before deduction of the bank's charges			14,856,024	9,101,710	22,708,370
Bank's charges	34-2		(2,531,774)	(1,665,531)	(3,864,754)
Depositors' share of mutual income			12,324,250	7,436,179	18,843,617
Income from statutory deposit of investment deposits	34-3		100,394	63,944	142,691
Depositors' interest income			12,424,644	7,500,123	18,986,308
Interest paid on account to investment deposits			(14,023,247)	(7,384,383)	(18,957,363)
Interest payable (overpaid) to depositors			(1,598,603)	115,740	28,945



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34-1- Bank's share of mutual income

Bank's share of mutual income is as follows:

34-1-1- Bank's share of mutual income

Year	Bank's resource to mutual usages(34-1-2)	Mutual income	Share of Bank Resources from mutual incomes
	Percentage	IRR million	IRR million
22 Sept. 2021	26.64%	20,251,065	5,395,041
21 Sept. 2020	28.91%	12,803,256	3,701,546
20 Mar. 2021	27.43%	31,292,240	8,583,870

* If mutual usages are less than free resources of term deposits, bank's resources and bank's share of mutual income will be zero.

34-1-2- Distribution of mutual resources and mutual usages between bank and depositors

Description	Period (6M) ended 22 Sept. 2021	Period (6M) ended 21 Sept. 2020	Year ended 20 Mar. 2021	Notes
	IRR million	IRR million	IRR million	
Average of mutual usages(34-1-2-1)	230,080,031	156,192,023	177,521,610	Weekly average
Average of depositors' term deposits(34-1-2-2)	188,863,801	123,824,231	143,437,162	Weekly average
less: statutory deposit of term deposits	(20,078,884)	(12,788,843)	(14,612,046)	Weekly average
Free resources of term deposits	168,784,917	111,035,388	128,825,116	
Bank's share of mutual usages (Additional free resources from term deposits)	61,295,114	45,156,635	48,696,494	

* Bank's share of mutual usages is mutual usages minus free resources of term deposits. If the total of term deposits' free resources are more than mutual usages, the excess is called excess of free resources of term deposits.

34-1-2-1- Average of mutual usages

Mutual usages items	Period (6M) ended 22 Sept. 2021	Period (6M) ended 21 Sept. 2020	Year ended 20 Mar. 2021
	Amount(average) IRR million	Amount(average) IRR million	Amount(average) IRR million
Net usages related to loans	149,178,678	85,338,426	112,237,730
Net usages related to participation bonds	52,453,176	39,360,365	43,489,850
Net usages related to term deposit in other banks	26,841,120	30,907,046	21,007,317
Net usages related to investments	1,607,057	586,186	786,713
Total usages related to mutual operation	230,080,031	156,192,023	177,521,610



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34-1-2-2- Average of term deposits:

	Period (6M) ended 22 Sept. 2021	Period (6M) ended 21 Sept. 2020	Year ended 20 Mar. 2021
Term deposits	Amount(average)	Amount(average)	Amount(average)
	IRR million	IRR million	IRR million
One year deposits	94,735,012	53,052,281	68,421,152
Two years deposits	9,457,694	27,005	114,151
Five years deposits	-	-	-
Short term deposits	83,729,154	70,217,114	69,948,004
Interbank deposit	851,731	519,808	4,933,285
Special short term deposits	90,210	8,023	20,570
Average of term deposits	188,863,801	123,824,231	143,437,162

34-2- The Bank's charge

The Bank's charge was published in public newspaper on 3 Mar. 2021, as 3 percent for the fiscal year ended 20 Mar. 2022 and is calculated base on that rate .

Bank's charge=Average of free resources of depositors *Rate

$$0.5 * \% 3 * 168,784,917 = 2,531,774$$

34-3- Interest from statutory deposit of term deposits

Description	Period (6M) ended 22 Sept. 2021	Period (6M) ended 21 Sept. 2020	Year ended 20 Mar. 2021
	IRR million	IRR million	IRR million
Average of statutory deposit of term deposits	20,078,884	12,788,843	14,612,046
Interest from statutory deposit	100,394	63,944	142,691

35- Reconciliation of the amount paid on account to investment deposits and term deposits interest expense-LCY

Parent Co.			
Note	Period (6M) ended 22 Sept. 2021	Period (6M) ended 21 Sept. 2020	Year ended 20 Mar. 2021
	IRR million	IRR million	IRR million
Final interest to depositors	34 12,424,644	7,500,123	18,986,308
Interest paid on account	33-1 (14,023,247)	(7,384,383)	(18,957,363)
Interest payable (overpaid) to depositors	(1,598,603)	115,740	28,945



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36- Fees and commission income

Note	Consolidated			Parent Co.		
	Period (6M) ended 22 Sept. 2021	Period (6M) ended 21 Sept. 2020	Year ended 20 Mar. 2021	Period (6M) ended 22 Sept. 2021	Period (6M) ended 21 Sept. 2020	Year ended 20 Mar. 2021
	IRR million	IRR million	IRR million	IRR million	IRR million	IRR million
Net commission of Gardh-UI Hasan (Non interest bearing) loans	10,607	8,820	17,665	10,607	8,820	17,665
On L/Cs issuance	2,944	26,053	41,420	2,944	26,053	41,420
On guarantees issuance	792,447	526,980	1,183,075	792,447	526,980	1,183,075
Foreign currency operation	101,633	149,804	194,668	98,693	138,787	189,141
Managed funds	2,495	-	12,060	2,495	-	12,060
On remittance	372,172	119,147	317,016	207,904	119,147	317,016
Collaterals Assessment	7,675	6,763	21,247	7,675	6,763	21,247
Review of customers credit files	404,931	100,622	410,564	404,931	100,622	410,564
Participation and guarantee fee	3,662	-	-	3,662	-	-
SHETAB (inter bank ATM settlement)	8,090	5,481	11,655	8,090	5,481	11,655
Oversight commission received from the National Development Fund	-	53	1,763	-	53	1,763
On share trading	258,654	625,652	975,514	-	-	-
Other services	60,817	19,560	52,448	60,817	19,560	52,448
	2,026,127	1,588,935	3,239,095	1,600,265	952,266	2,258,054

36-1- Net commission of Gardh-UI Hasan loans

	Consolidated and Parent Co.		
	Period (6M) ended 22 Sept. 2021	Period (6M) ended 21 Sept. 2020	Year ended 20 Mar. 2021
	IRR million	IRR million	IRR million
Commission of Gardh-UI Hasan loans	10,607	8,820	17,665
Net commission of Gardh-UI Hasan loans	10,607	8,820	17,665



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37- Fees and commission expenses

Consolidated and Parent Co.

	Period (6M) ended 22 Sept. 2021	Period (6M) ended 21 Sept. 2020	Year ended 20 Mar. 2021
	IRR million	IRR million	IRR million
SHETAB (inter bank ATM settlement) commission	3,972	1,192	3,356
POS transaction commission	142,567	114,768	225,110
Paid commission to brokerages	26,695	7,315	40,383
other	8,070	-	6,234
	181,304	123,275	275,083

38- Net foreign exchange transactions income

Consolidated

Parent Co.

Note	Period (6M) ended 22 Sept. 2021	Period (6M) ended 21 Sept. 2020	Year ended 20 Mar. 2021	Period (6M) ended 22 Sept. 2021	Period (6M) ended 21 Sept. 2020	Year ended 20 Mar. 2021
	IRR million	IRR million	IRR million	IRR million	IRR million	IRR million
Income (loss) from foreign currency buy and sell	251,993	104,213	742,513	251,993	104,213	537,541
Income (loss) from foreign exchange difference	373,599	2,220,599	6,912,396	354,737	2,213,015	6,912,233
Income from foreign exchange operations	38-1 34,226,819	44,614,481	87,948,751	-	-	-
Cost of currency foreign operations	38-1 (33,811,153)	(43,274,562)	(85,196,983)	-	-	-
	1,041,258	3,664,731	10,406,677	606,730	2,317,228	7,449,774

38-1- Income and cost of foreign exchange operation is related to purchase and buy of foreign exchange by the Middle east currency exchange Co. For better presentation and avoiding overstatement of the group income, foreign exchange operations are reported on a net basis.

39- Other income

Consolidated

Parent Co.

	Period (6M) ended 22 Sept. 2021	Period (6M) ended 21 Sept. 2020	Year ended 20 Mar. 2021	Period (6M) ended 22 Sept. 2021	Period (6M) ended 21 Sept. 2020	Year ended 20 Mar. 2021
	IRR million	IRR million	IRR million	IRR million	IRR million	IRR million
Gain and loss from disposal of fixed assets	-	-	2,987	-	-	987
Others	11,127	8,860	47,689	11,127	2,235	11,886
	11,127	8,860	50,676	11,127	2,235	12,873



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40- Administrative and general expenses

Note	Consolidated			Parent Co.			
	Period (6M) ended 22 Sept. 2021	Period (6M) ended 21 Sept. 2020	Year ended 20 Mar. 2021	Period (6M) ended 22 Sept. 2021	Period (6M) ended 21 Sept. 2020	Year ended 20 Mar. 2021	
	IRR million	IRR million	IRR million	IRR million	IRR million	IRR million	
Personnel expenses	40-1	1,623,600	971,793	2,396,689	1,495,429	1,052,238	2,185,158
Other administrative expenses	40-2	685,078	638,171	1,349,402	580,911	430,927	924,385
		2,308,678	1,609,964	3,746,091	2,076,340	1,483,165	3,109,543

40-1- The details of personnel expenses are as follows:

	Consolidated			Parent Co.		
	Period (6M) ended 22 Sept. 2021	Period (6M) ended 21 Sept. 2020	Year ended 20 Mar. 2021	Period (6M) ended 22 Sept. 2021	Period (6M) ended 21 Sept. 2020	Year ended 20 Mar. 2021
	IRR million	IRR million	IRR million	IRR million	IRR million	IRR million
Wages, salaries and allowances	1,239,216	728,679	1,921,713	1,136,105	823,864	1,739,772
Insurance employer contribution	122,000	73,940	160,643	109,615	66,208	142,687
Staff termination benefits	138,478	86,328	104,185	125,803	80,108	92,795
Travel and mission	3,199	1,835	2,694	3,199	1,047	2,450
Overseas personnel's' expenses	120,707	81,011	207,454	120,707	81,011	207,454
	1,623,600	971,793	2,396,689	1,495,429	1,052,238	2,185,158

40-2- The details of other administrative expenses are as follows:

	Consolidated			Parent Co.		
	Period (6M) ended 22 Sept. 2021	Period (6M) ended 21 Sept. 2020	Year ended 20 Mar. 2021	Period (6M) ended 22 Sept. 2021	Period (6M) ended 21 Sept. 2020	Year ended 20 Mar. 2021
	IRR million	IRR million	IRR million	IRR million	IRR million	IRR million
Rent	39,623	33,947	75,840	34,231	29,338	66,388
Training and research	3,604	1,664	3,398	3,604	1,664	3,398
Communications	13,259	8,369	17,789	13,259	8,369	17,789
Insurance costs	10,460	8,700	17,152	10,310	8,669	15,860
Audit fee	7,248	1,528	5,114	6,398	773	3,389
Consulting fee	31,552	30,739	139,849	28,071	29,299	136,515
Transportation	4,460	2,390	8,519	2,677	2,390	6,055
Power and Water	13,249	10,522	20,220	12,942	10,298	19,744
Repair and maintenance of fixed assets	98,901	48,150	90,151	98,545	72,608	120,451
Consumable items	33,729	37,294	103,102	32,598	35,363	75,327
Board of directors bonus	26,050	47,400	48,000	20,000	42,000	42,000
Contractors' fee payment	177,738	115,131	218,870	176,954	109,300	217,137
Membership fee in Deposit Guarantee Fund	20,937	13,271	31,026	20,937	13,271	31,026
Membership fee in associations	9,799	3,199	11,426	8,777	3,054	10,581
Others	194,469	275,867	558,946	111,608	64,531	158,725
	685,078	638,171	1,349,402	580,911	430,927	924,385



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41- Provision for bad and doubtful debts

Note	Consolidated			Parent Co.		
	Period (6M) ended 22 Sept. 2021	Period (6M) ended 21 Sept. 2020	Year ended 20 Mar. 2021	Period (6M) ended 22 Sept. 2021	Period (6M) ended 21 Sept. 2020	Year ended 20 Mar. 2021
	IRR million	IRR million	IRR million	IRR million	IRR million	IRR million
Specific provision for bad and doubtful debts	41-1 (27,874)	441,210	220,826	(27,874)	441,210	220,826
General provision for bad and doubtful debts	41-2 550,958	775,032	1,873,595	532,526	845,905	1,894,672
	523,084	1,216,242	2,094,421	504,652	1,287,115	2,115,498

41-1- Specific provision for bad and doubtful debts is calculated as follows:

	Consolidated and Parent Co.					Period (6M) ended 21 Sept. 2020	Year ended 20 Mar. 2021
	Period (6M) ended 22 Sept. 2021						
	Past due	Outstanding	Doubtful debt before 5 years	Doubtful debt after 5 years	Total	Total	Total
	IRR million	IRR million	IRR million	IRR million	IRR million	IRR million	IRR million
Credit facilities granted-non governmental (note 11-1)	2,874,810	883,527	1,362,274	874,961	5,995,572	5,954,921	3,209,321
Balance of Other accounts receivable at the year ended							
Due from subsidiaries and associates (note13)	-	-	1,814	-	1,814	687,828	1,814
Other accounts receivables (note14)	28,615	5,531	69,315	249,936	353,397	689,816	385,784
Total before deduction of collaterals' value	2,903,425	889,058	1,433,403	1,124,897	6,350,783	7,332,565	3,596,919
Less : adjusted collaterals' value							
Investment deposits	-	-	-	-	-	(1,184,440)	(673)
Listed shares	-	-	-	-	-	-	-
Real states	(2,874,613)	(883,930)	(1,329,924)	(239,632)	(5,328,099)	(2,073,582)	(2,261,765)
	(2,874,613)	(883,930)	(1,329,924)	(239,632)	(5,328,099)	(3,258,022)	(2,262,438)
Basis of specific provision calculation	28,812	5,128	103,479	885,265			
Specific provision calculation factor of-%	10%	20%	50%	100%			
Specific provision of bad and doubtful debts	2,882	1,026	51,740	885,265	940,913	1,189,171	968,787
Less: specific provision of bad and doubtful debts balance at 20 Mar. 2021	(9,619)	(9,681)	(47,156)	(902,331)	(968,787)	(747,961)	(747,961)
Specific provision of bad and doubtful debts expense	(6,737)	(8,655)	4,584	(17,066)	(27,874)	441,210	220,826

41-2- General provision for bad and doubtful debts is calculated as follows:

	Parent Co.		
	Period (6M) ended 22 Sept. 2021	Period (6M) ended 21 Sept. 2020	Year ended 20 Mar. 2021
	IRR million	IRR million	IRR million
Loan balance (note 11)	279,188,828	177,928,980	244,316,009
Debtors related to loans (note 14)	100,204	98,594	120,530
Debtors for letters of credit (note 18)	428,371	115,069	1,684,600
Other accounts receivable	4,755,160	3,841,640	1,603,498
Due from subsidiaries and associates (note 13)	56,977	915,941	1,430,093
Less:			
Balance of loans that specific provision has calculated for	(1,160,581)	(4,950,799)	(1,287,524)
Basis of general provision calculation	283,368,959	177,949,425	247,867,206
General provision calculation factor-%	1/5	1/5	1/5
General provision for bad and doubtful debts	4,250,534	2,669,241	3,718,008
General provision for bad and doubtful debts at 20 Mar. 2021	(3,718,008)	(1,823,336)	(1,823,336)
General provision for bad and doubtful debts expense	532,526	845,905	1,894,672



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42- Financial expenses

Consolidated and Parent Co.

	Period (6M) ended 22 Sept. 2021	Period (6M) ended 21 Sept. 2020	Year ended 20 Mar. 2021
	IRR million	IRR million	IRR million
Overdraft penalty	-	-	198

43- Depreciation and amortization

Consolidated

Parent Co.

	Period (6M) ended 22 Sept. 2021	Period (6M) ended 21 Sept. 2020	Year ended 20 Mar. 2021	Period (6M) ended 22 Sept. 2021	Period (6M) ended 21 Sept. 2020	Year ended 20 Mar. 2021
	IRR million	IRR million	IRR million	IRR million	IRR million	IRR million
Fixed assets depreciation	168,991	147,391	295,963	164,358	144,002	288,584
Intangible assets amortization	87,181	59,890	127,305	84,296	58,213	123,776
	256,172	207,281	423,268	248,654	202,215	412,360



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44- Reconciliation of profit before tax with cash flow from operating activities

	Consolidated			Parent Co.		
	Period (6M) ended 22 Sept. 2021	Period (6M) ended 21 Sept. 2020	Year ended 20 Mar. 2021	Period (6M) ended 22 Sept. 2021	Period (6M) ended 21 Sept. 2020	Year ended 20 Mar. 2021
	IRR million	IRR million	IRR million	IRR million	IRR million	IRR million
Profit before tax	7,285,422	7,886,209	18,161,614	6,778,552	6,000,723	16,626,701
Adjustment						
Depreciation and amortization	256,172	207,281	423,268	248,654	202,215	412,360
Payable tax	628,465	1,137,334	2,813,846	459,506	760,991	2,063,959
Provision for bad and doubtful debts	523,084	1,216,242	2,094,421	504,652	1,287,115	2,115,498
Net increase (decrease) in provision of staff termination benefits	123,179	83,531	79,997	112,156	77,146	74,258
Profit or loss from disposal of tangible and intangible assets	-	-	(2,987)	-	-	(987)
Effect of exchange rate fluctuation on cash	3,493	(5,153,168)	(12,274,190)	3,493	(5,145,584)	(12,274,190)
	<u>8,819,815</u>	<u>5,377,429</u>	<u>11,295,969</u>	<u>8,107,013</u>	<u>3,182,606</u>	<u>9,017,599</u>
Net increase (decrease) in operating liabilities						
Due to banks and financial institutions	(2,470,173)	8,085,100	11,473,207	(2,470,173)	8,085,100	11,473,207
Customers' deposits	(6,041,688)	13,326,471	42,532,971	(5,972,567)	16,867,651	43,533,020
Other liabilities and provisions-operating portion	(3,876,693)	5,362,812	9,944,290	(2,892,768)	(505,438)	3,844,354
Benefits of investment deposit holders	34,529,303	82,459,600	117,654,382	32,481,434	84,229,359	118,831,530
	<u>22,140,749</u>	<u>109,233,983</u>	<u>181,604,850</u>	<u>21,145,926</u>	<u>108,676,672</u>	<u>177,682,111</u>
Net increase (decrease) in operating assets						
Due from banks and financial institutions	13,783,302	(18,061,560)	(23,530,972)	14,011,366	(17,677,440)	(23,530,972)
Credit facilities granted	(34,703,819)	(57,635,567)	(124,044,142)	(34,872,819)	(58,004,225)	(124,391,254)
Investment	(9,812,704)	(30,018,867)	(21,553,497)	(9,765,715)	(29,822,191)	(21,242,968)
Due from Subsidiaries and associates	(24,813)	(95,419)	(17,489)	1,373,004	(2,752,554)	(1,072,525)
Other accounts receivable	(2,240,401)	(41,094)	615,212	(4,304,242)	169,817	(2,421,175)
Statutory deposit	(7,002,025)	(9,114,043)	(10,292,133)	(7,002,025)	(9,114,043)	(10,292,133)
Other assets-operating portion	880,198	1,431,786	(672,235)	1,235,111	1,440,994	(678,053)
	<u>(39,120,262)</u>	<u>(113,534,764)</u>	<u>(179,495,256)</u>	<u>(39,325,320)</u>	<u>(115,759,643)</u>	<u>(183,629,080)</u>
Net cash inflow(used in) from operating activities	<u>(8,159,698)</u>	<u>1,076,648</u>	<u>13,405,563</u>	<u>(10,072,381)</u>	<u>(3,900,364)</u>	<u>3,070,630</u>

44-1- Non-cash transactions

Major non-cash transactions during the year is as below:

	Consolidated			Parent Co.		
	Period (6M) ended 22 Sept. 2021	Period (6M) ended 21 Sept. 2020	Year ended 20 Mar. 2021	Period (6M) ended 22 Sept. 2021	Period (6M) ended 21 Sept. 2020	Year ended 20 Mar. 2021
	IRR million	IRR million	IRR million	IRR million	IRR million	IRR million
Capital increase from payable to shareholders'	207,991	-	-	-	-	-
	<u>207,991</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>



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45. Off-balance sheet items

45-1. Letters of credit commitments

45-1-1. Letters of credit-FCY

Consolidated and Parent Co.

Currency	Opening balance			Issued during the period			Paid during the period			Exchange rate fluctuation	Closing balance		
	No.	FCY	IRR million	No.	FCY	IRR million	No.	FCY	IRR million	IRR million	No.	FCY	IRR million
Current													
EUR	1	21,645,000	1,087,098	2	3,131,500	782,135	(2)	(23,210,750)	(1,374,115)	(197,626)	1	1,565,750	297,492
			<u>1,087,098</u>			<u>782,135</u>			<u>(1,374,115)</u>	<u>(197,626)</u>			<u>297,492</u>

45-1-2. Letters of credit-LCY

Consolidated and Parent Co.

Type of credit	Opening balance		Issued during the period		Paid during the period		Closing balance	
	No.	IRR million	No.	IRR million	No.	IRR million	No.	IRR million
Current	2	17,605	3	806,889	(2)	(173,732)	3	650,762
Term	4	39,687	15	969,027	(8)	(432,952)	11	575,762
Total		<u>57,292</u>		<u>1,775,916</u>		<u>(606,684)</u>		<u>1,226,524</u>



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45-2- Issued guarantees commitments

45-2-1- Guarantees-FCY

Consolidated and Parent Co.					
		22 Sept. 2021		20 Mar. 2021	
		FCY	IRR million	FCY	IRR million
	EUR	82,791,433	15,730,372	98,413,361	18,698,538
	AED	1,445,169	62,528	1,445,169	62,528
	USD	15,399,924	2,448,588	17,028,041	2,707,459
	INR	20,000,000	43,880	20,000,000	43,880
	CNY	4,990,143	122,084	4,990,143	122,084
		18,407,452		21,634,489	

45-2-2- Guarantees-LCY

		Consolidated and Parent Co.	
		22 Sept. 2021	20 Mar. 2021
		IRR million	IRR million
	Commitments for issued guarantees-LCY	79,575,800	71,118,523

45-3- Other commitments

		Consolidated and Parent Co.	
		22 Sept. 2021	20 Mar. 2021
		IRR million	IRR million
	Commitments for bonds guarantee	2,041,843	2,100,033
	Commitments for credit cards	1,563,091	1,346,885
	Others	10,200	10,099
		3,615,134	3,457,017

45-4- Managed funds and other

		Consolidated and Parent Co.	
		22 Sept. 2021	20 Mar. 2021
		IRR million	IRR million
	Loans paid from managed funds	40,688	5,298,848
	managed funds not spent	7,776,000	5,176,000
		7,816,688	10,474,848



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45-5- Commitments for letter of credits and guaranties by type of collateral:

<u>Type of collaterals</u>	<u>22 Sept. 2021</u>	<u>20 Mar. 2021</u>
	IRR million	IRR million
Deposits	1,772,000	1,391,516
Participation bonds and other securities with guaranties of other banks	59,388	38,975
Listed shares	251,009	473,408
Land and building	3,294,288	2,195,379
Checks and promissory notes	93,782,949	89,798,124
Other	-	-
	99,159,634	93,897,402
Without collateral	347,634	-
Total	99,507,268	93,897,402

46- Capital commitments and contingent liabilities

46-1- Contingent liabilities

The bank has no contingent liabilities at the balance sheet date.

46-2- Capital commitments

As mentioned in note 12-2-1, at the balance sheet date, the amount of commitment for investment in Dadeh Pardazan Simaye Aftab Co. is IRR19,500 million.

<u>Description</u>	<u>22 Sept. 2021</u>
	IRR million
Committed amount of investments in companies	19,500

47- Earning per share

47-1- Basic EPS

Basic earning per share has been calculated based on the profit attributable to ordinary shareholders divided by weighted-average number of ordinary shares outstanding. Weighted-average number of ordinary shares for the current and two previous financial period was 25,000,000,000.

47-2- Diluted EPS

Diluted EPS is a calculation used to gauge the quality of a bank's earnings per share (EPS) if all convertible securities were exercised. In the two previous financial period there were no convertible securities.

48- Subsequent events

From the balance sheet date to the date of approval of the financial statements, an event that requires disclosure in financial statements (in accordance with Section 5 of the Minimum Standards of Transparency and Public Disclosure by Credit Institutions) has not occurred. Also banks accounts for the current and previous financial period have not been examined for the observance of the provision of VAT law.



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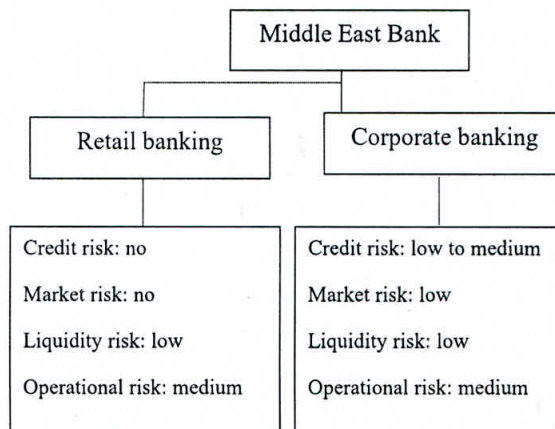
49- Bank risks

Bank faces the following types of risk:

- Credit risk
- Liquidity risk
- Market risk
- Operational risk

level of influence of risks on different types of banking is illustrated by the following chart.

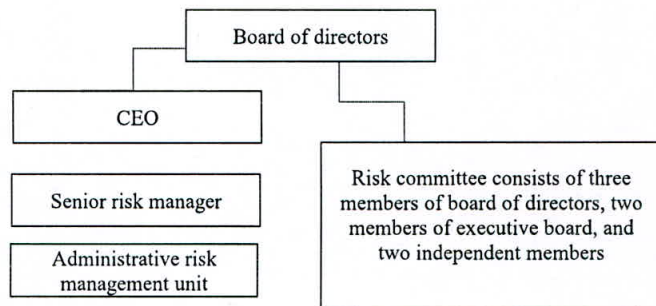
49-1- The relation between types of banking and the associated major risks.



49-2- Risk management structure is as follows:

Risk Management in MEB consists of Risk Committee (RC) and risk department. The duties of the RC are modeled based on the Basel document entitled "Guidelines - corporate governance principles for banks", issued in October 2014. The RC consists of selected Board members and the head of risk department (or senior risk manager - SRM). SRM is responsible for reporting risk related matters to RC, discussing relevant information with members of the RC/Board members, as well as executing various resolutions of RC. Risk department operates under the guidance of risk committee (RC) and carries the policies set forth by the RC. The risk department is headed by the SRM and employs four additional risk analysts. The risk analysts and SRM share the duties of credit risk modeling, credit risk rating and liquidity risk measurements.

Risk Management Structure Chart



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49-3- Credit risk

49-3-1- Credit risk definition

Any inability or willingness of credit customers to repay principal and interest of facilities or not to perform obligations that result in bank income reduction or cause expenses, is known as credit risk.

49-3-2- ME Bank's policies regarding credit risk

MEB's credit extension policies ensure CBI's rules and regulations are properly implemented. MEB's primary credit clients are incorporated entities with whom MEB develops and maintains strong long-term banking relationships. However, natural persons who manage their business activities personally and are not under a legal umbrella are welcomed and treated as proprietorships. Concentration of MEB's credit is in short-term requirements of its clients; namely inventory and receivable financing. Even international activities are limited to the importation of raw materials, spare parts and finished goods. MEB occasionally arranges and participates in syndicated guarantee loans.

The principles of Middle East Bank for extension of credit:

- 1- Knowing the client and his/her credibility. Credit measurement is performed such that it is an indicator of ability and capacity of the client in paying back the loans. Making sure that the loan usage is monitored, and that the resources for repayment are identified and recognized by the bank.
- 2- The approved loans are valid for at most one year. The branches are required to periodically check the documents and financial statements in order to make sure that documents are compliant with the loans' covenants.
- 3- The interest rate charged, and the required collaterals depend on the clients credit worthiness and client's history with the bank.
- 4- Bank makes sure that the collaterals are unencumbered and have high degree of liquid ability.
- 5- Clients' receivable checks from their own customers and identifying the validity of these checks confirms the clients business viability and these checks can be endorsed for collection by the bank. These receivable checks constitute one method of loan repayment.



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- 6- The level of activity of the deposit and current accounts of the borrower are periodically checked in order to verify that the level of activity is conforming with the loan covenants.
- 7- The credit quality and operations of the client are periodically checked to make sure that the borrower is conforming with loan covenants.
- 8- The borrowers are credit risk rated by the risk department. The capacity of the borrower is also evaluated and then the credit committees set loan conditions and collaterals accordingly.
- 9- For SMEs and corporate borrowers, the audited financial statements are required to obtain a reasonably good credit risk rate .
- 10- Collateral quality and amount is dependent on the credit risk rate evaluation of the risk department. Borrowers with bad credit risk rate are required to provide substantially higher level of liquid collaterals.
- 11- MEB has set its policy to maintain a minimum weighted average credit rating of B+ for its loan portfolio.
- 12- In general, approval and extension of large credit loans are concentrated in MEB's headquarter.
- 13- It is the policy of the bank that after the Credit Department evaluates a borrower to be credit worthy, it must inform the risk department and provide all required information to risk department for proper credit risk rating. The credit risk rate should be taken in consideration for setting covenants and collaterals of the loan.
- 14- The risk department periodically reports to the Risk Committee and to the Board. The reports discuss the portfolio concentrations in credit risk, industry, borrower type, collaterals, etc.

49-3-3- Administrative units of risk department

The risk management department is an administrative unit and it has no separate sub-units for specific risk types, instead, the risk analysts are assigned different tasks by the SRM and cover all risk types including credit risk.

49-3-4- Different levels of institutional authority to approve loans and commitments

In general, Middle East bank's credit issuance decision makings are centralized at the headquarter. Considering the amount of credit requested, approvals will be carried out by the following authorities:

1- Branches - based on the first type collaterals, for credit facilities less than 50 billion Rials and for obligations less than 8 billion Rials and based on the second type collaterals, for credit facilities less than 2 billion Rials and obligations less than 4 billion Rials (since the Middle East Bank's approach is providing banking services to corporate customers, the credit committee of the branches should use the mentioned authorities in order to attract and expand the existing depositor customers of the branches)

2- Central credit committee - Based on first and second type collaterals, for credit facilities up to 1% of regulatory capital and for commitments (without applying coefficients) up to 2% of regulatory capital.

3- Supreme credit committee - Based on first and second type collaterals, for credit facilities up to 10% of regulatory capital and for commitments (without applying coefficients) up to 20% of regulatory capital. (total of credit facilities and commitments by applying coefficients should not exceed 10% of regulatory capital)

4-Board of director-The limits of the Board of Directors' authority in granting facilities / commitments is in addition to the total facilities and commitments of the Supreme Credit Committee for major facilities and commitments, related persons, trade unions and consortiums.



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49-3-5- Methods of credit risk mitigation

Currently, considering the lack of appropriate financial instruments, the only way to soothe the credit risk is to take collaterals and guarantees at the discretion of the decision makers considering the analysis of financial statements and the credit rate of the client performed by the risk management department, past behavior of the client, payment history, visiting the business site by account officers, and monitoring the consumption of the loan. Moreover, the presence of seasoned lawyers of ME Bank in charge of designing contracts and following up law cases helps ME Bank to reduce the credit risk to a great extent.

49-3-6- Credit rating procedure

More than 90% of ME Bank's loan takers are legal entities and giving loan to natural persons are done based on their business activities.

Besides from complying with the CBI rules, all customers seeking loans and commitments must be assessed by risk departments in terms of credit risk and this assessment must be done independently of credit department. Credit risk scoring of the customers is carried out based on the following major elements: 1- Three years of financial statements 2- Risk management department's assessment of the customers' cash flow from operating activities to pay back the principal and interest portions of the loans. 3- Qualitative elements including competition ability and managerial ability 4- Past payment behavior

The summary of loans and commitment credit granting procedure to legal and natural persons running business is as follows:

1- Submitting request, information, and the required documents through CARM system which is available at the bank's website (<http://carm.middleeastbank.ir>), it includes the company registration and management information, operational licenses, history, and financial information.

2- After filling the required information by the customer, the relationship manager check the data and contact the customer for any additional information or corrections.

3- Having the case completed by the relationship manager, the case will be referred to risk department to find a primary risk score.

4- The customers information gets processed by a computer program to produce the primary risk score.

5- The credit status of the customer is then analyzed more precisely by risk analysts to obtain the final risk score.

6- The risk score obtained by risk management department will play a key role for credit granting and specifying collaterals.

7- Loan granting process for natural persons is usually considered regarding a specified business activity. The need for working capital and commitments is assessed. This kind of customers form less than 10% of our customers. Their tax declaration is the base of risk management department analysis.

8- The equity ratio of the customer must meet the CBI's standard.



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49-3-7- Credit quality analysis

The quality of bank assets, including loans, commitments and investments, the type and amount of collaterals taken and adequacy of collaterals taken (loan to value ratio) is illustrated by the notes from 49-3-7-1 to 49-3-7-5 from risk department point of view.

49-3-7-1- Analysis of credit quality of loans and funded commitments and investments based on the bank's internal credit rating

Credit quality analysis table regardless of the value of collaterals and on the basis of a review of financial statements, ability to pay principal and interest on loans and payment behavior of customers in the past is provided.

Level 1 loans (low risk) are those in which customers have paid back their debts completely in the past with credit rate AAA to B. Granted loans from NFD resources are considered in this class. Level 2 loans (medium risk) are those in which customers paid back completely with credit score B- to CCC- risk score. Level 3 loans (high risk) are those who have CC to C credit rate and paid back their debts totally. Level 4 loans (nearly doubtful) are those which have been "doubtful" in 22 Sept. 2021

As for risk levels for commitments, the same risk level of the loan of that customer has been used. As for investments, long-term and short-term investments(TSE listed companies) have been considered as "low risk" and "medium risk" respectively.

Credit quality analysis

	Loans		Investments		Commitments	
	22 Sept. 2021	20 Mar. 2021	22 Sept. 2021	20 Mar. 2021	22 Sept. 2021	20 Mar. 2021
	IRR million	IRR million	IRR million	IRR million	IRR million	IRR million
level 1 - low risk	199,719,547	165,739,756	2,209,770	1,157,610	27,705,691	24,555,915
level 2 - medium risk	72,317,379	71,706,769	-	-	54,791,483	55,804,715
level 3 - high risk	6,976,233	4,580,695	-	-	17,010,094	13,536,772
level 4 - nearly doubtful	175,669	2,288,788	-	-	-	-
Total gross amount	279,188,828	244,316,008	2,209,770	1,157,610	99,507,268	93,897,402
Provision for bad and doubtful loans	(4,837,385)	(4,320,084)	-	-	-	-
Book value	274,351,443	239,995,924	2,209,770	1,157,610	-	-

49-3-7-2- Analysis of credit quality of loans granted to customers based on asset classes

	Loans		Commitments	
	22 Sept. 2021	20 Mar. 2021	22 Sept. 2021	20 Mar. 2021
	IRR million	IRR million	IRR million	IRR million
Current	273,193,256	241,106,687	99,507,268	93,897,402
Past due	2,874,810	140,438	-	-
Outstanding	883,527	749,564	-	-
Doubtful	2,237,235	2,319,319	-	-
Total gross amount	279,188,828	244,316,008	99,507,268	93,897,402
Provision for bad and doubtful loans	(4,837,385)	(4,320,084)	-	-
Book value	274,351,443	239,995,924	99,507,268	93,897,402



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49-3-7-3- Credit quality of participation bonds and etc.

Analysis of credit quality

	22 Sept. 2021	20 Mar. 2021
	IRR million	IRR million
Governmental		
Islamic treasury bonds	16,489,881	16,281,645
Government benefits 1- Efad 1	-	995,000
Government benefits 4- Efad 4	1,000,000	1,000,000
Government benefits 5- Efad 55	2,000,000	2,000,000
Government benefits 6- Efad 61	3,000,000	3,000,000
Government benefits 7- Efad 74	2,000,000	2,000,000
Government Contribution 1- Eshad1	596	590
Government Contribution 10- Eshad 10	11,541	11,372
Government Murabaha 2- Erad 24	4,000,000	4,000,000
Government Murabaha 3 - Erad 36	4,809,351	-
Government Murabaha 3 - Erad 37	-	8,111,306
Government Murabaha 3 - Erad 38	2,094,418	2,078,696
Government Murabaha 4 - Erad 41	-	2,470,395
Government Murabaha 4 - Erad 44	2,047,021	2,019,314
Government Murabaha 4 - Erad 47	1,995,211	1,968,224
Government Murabaha 8 - Erad 85	15,202,078	-
Investment of Munich branch in other countries' governmental bonds	352,823	352,823
	55,002,920	46,289,365
Non-governmental		
Ofogh Middle East Bank fixed income fund	7,000	7,000
Ofogh Roshan Middle East mutual fund	1,160	1,160
Investment of Munich branch in other countries' non-governmental bonds	1,756,650	1,756,650
	1,764,810	1,764,810
	56,767,730	48,054,175



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49-3-7-4- Types and amounts of customers' collaterals

Collaterals' type	22 Sept. 2021	20 Mar. 2021
	IRR million	IRR million
Collaterals from natural persons' loans		
Participation bonds\sukuk	20,123	21,575
Listed shares	17,204	-
Deposit	140,242	135,667
Land and real estates	5,249,878	7,243,977
Checks	10,226,236	10,531,021
Promissory notes	825,552	737,551
Machinery	12,000	12,000
Stand-alone legally binding contract	5,790,197	3,520,117
	22,281,432	22,201,908
Collaterals from corporate customers' loans		
Participation bonds\sukuk	473,307	347,110
listed shares	76,866,320	112,523,007
Deposit	14,564,822	9,697,930
Land and real estates	78,430,762	67,615,546
Checks	988,666,238	850,595,968
Promissory notes	19,297,994	22,173,491
Stand-alone legally binding contract	231,466,759	196,105,590
Machinery	6,570,290	3,165,309
	1,416,336,492	1,262,223,951
	1,438,617,924	1,284,425,859

* Above amounts are based on the Bank's valuer expert report.



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49-3-7-5- Loans classification(net) according to collateral's market value is as below:

Description	22 Sept. 2021	20 Mar. 2021
	IRR million	IRR million
Loans to natural persons		
Less than 50%	4,625,663	5,161,244
51-70%	31,855	3,349
71-90%	2,190	3,316
91-100%	49,231	664,847
More than 100%	-	-
	4,708,939	5,832,756
Loans to corporate customers		
Less than 50%	179,639,868	143,829,357
51-70%	21,376	798,705
71-90%	-	-
91-100%	78,438,853	76,894,460
More than 100%	11,542,407	12,640,646
	269,642,504	234,163,168
	274,351,443	239,995,924

* The amount of collateral's market value is based on CBI's regulations.

49-3-8- Credit risk concentration

MEB's credit risk management mostly concentrates on short-term loans that provide manufacturing, commercial or contracting firms and business owners with their working capital. Furthermore, investment companies and stock brokerage firms can get loan in order to facilitate their own customers investment activities in the condition that they bring all their banking activities to MEB. Generally, Future operational cash flow forecast must confirm firms' ability to reimburse principal and interest of the loan received. Thus, credit risk management's concentration is in its minimum level for personal loans, mortgages, consumption loans or long-term project financing. Although MEB might contribute in national projects with other banks as syndication to ensure project's profitability.

At the moment, risk management department does not rate individuals and brokerage firms based on financial statements, but tries to cover the risk by substantiating customer's reputation, experience, history of its activity with MEB and other banks and obtaining guarantees. Risk management department is developing internal rating models to cover brokerage firms, leasing companies, investment companies, currency exchange firms and individuals.

On average, facility applicants have B or higher credit rate. Based on definition, at the moment customer with B or higher credit rate has ability to reimburse received loans. Although bad economic situations of the country might cause these kind of customers face difficulties. The range of Middle East Bank customers credit rate is from AA to C. Average rate of customers credit, regardless of the amount of collateral, is between B and BB.

Collateral received from customers with credit rates lower than average are much higher than those with credit rates higher than average (B to AA). Amount of collateral based on credit rates ensure risk management they expected loss would be lower than one percent.

If loans or commitments concentration increases in a specific area, bank tries to control or decrease loans and commitments in that area. Risk management department periodically prepares reports about loans concentration in different areas for risk committee/board of directors.

Risk acceptance amount in Middle East Bank differs based on the level of loans and deposits and other existing risks. For instance, if the loan to deposit ratio exceeds approximate level of 85%, bank tries to lower this ratio by carefully selecting customers and maintaining its liquidity position at a favorable level. Also, if bank notices that average risk factor of loans exceeds its usual level (based on capital adequacy ratio calculation in Basel III), it prefers to give loans to customers with higher credit rates.

Giving Loans and making commitments take place by considering relationships in any kind and by observing huge Loans and commitments regulation approved by Money and credit council.



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49-3-8-1- Loan and investment distribution based on economic sectors and geography

Description	Loans		Investment in shares		Commitments of guaranties and L/Cs	
	22 Sept. 2021	20 Mar. 2021	22 Sept. 2021	20 Mar. 2021	22 Sept. 2021	20 Mar. 2021
	IRR Million	IRR Million	IRR Million	IRR Million	IRR Million	IRR Million
Book value	274,351,443	(20,708,023)	-	(224,736)	-	279,188,828
Amount of loans based on economic sectors						
Industrial	200,646,346	174,786,435	-	-	33,138,347	21,664,272
Housing	2,399,806	3,931,632	-	-	24,661,370	31,002,611
Commercial	40,077,538	33,905,860	-	-	16,669,782	13,975,372
Services	28,193,210	23,234,260	2,209,770	1,157,610	20,185,231	21,926,054
Agriculture	246,806	230,734	-	-	1,260	1,260
Mining	1,128,768	278,810	-	-	4,691,416	5,199,037
Other	1,658,969	3,628,193	-	-	159,862	128,796
	274,351,443	239,995,924	2,209,770	1,157,610	99,507,268	93,897,402
Amount of loans/commitments inside/outside of the country						
Inside the country	274,350,270	239,994,775	2,209,770	1,157,610	99,507,268	93,897,402
Outside the country	1,173	1,149	-	-	-	-
	274,351,443	239,995,924	2,209,770	1,157,610	99,507,268	93,897,402

49-3-8-1-1- Distribution of loans, commitments and investments based on the type of industry is as follows:

Description	22 Sept. 2021	20 Mar. 2021
	IRR Million	IRR Million
Loans		
Automobile and parts	4,383,348	5,772,811
Mineral and metal industries	11,475,305	10,131,160
Chemical and petrochemical industries	94,698,486	92,455,055
Food and Drug	57,398,770	39,707,903
Energy	567,764	330,597
Contracting	455,148	182,219
Telecommunications, Computers and related industries	1,809,526	2,388,729
Other	29,857,999	23,817,961
Subtotal	200,646,346	174,786,435
Commitments		
Automobile and parts	44,892	-
Mineral and metal industries	1,544,762	894,897
Chemical and petrochemical industries	16,743,975	7,930,273
Food and Drug	1,531,228	416,537
Energy	4,113,106	1,903,195
Contracting	6,168,531	5,375,175
Telecommunications, Computers and related industries	120,011	305,891
Other	2,871,842	4,838,304
Subtotal	33,138,347	21,664,272
Total	233,784,693	196,450,707

49-3-8-2- Loans according to profit sharing contracts and trading contracts

		Loans increase during the period		Loans balance at the balance sheet date	
		Amount	% of total	Amount	% of total
		IRR Million	Percentage	IRR Million	Percentage
Trading contracts	Natural persons	8,645,157	2.7%	4,667,002	1.7%
	Corporate customers	316,306,378	97.3%	263,927,139	98.3%
		324,951,535		268,594,141	
Profit sharing contracts	Natural persons	63,531	1.1%	41,936	0.7%
	Corporate customers	5,720,017	98.9%	5,715,366	99.3%
		5,783,548		5,757,302	
		330,735,083		274,351,443	



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49-3-9- Managing of non performing loans

The committee of "Supervision and collection of loans and receivables" meets every week to follow through with the status of the Non-performing loans, and the required legal actions in order to collect bad loans and receivables. The committee members are the managing director, the deputy to managing director, legal advisor to managing director, the assistant managing director in credit department, the managers of the credit department, the manager of finance department, the manager of legal department, and the manager of credit operations department.

The decisions made in this committee are sent to relevant departments to follow through. The loans and receivables that are late for more than 60 days are categorized as overdue and will be put on the committee's agenda for decision making.

When the following through with a non performing client does not result in the desired collection or settlement, the case will be sent to legal department for raising the case with the Judiciary for collection and possibly the liquidation of collaterals according to the laws and regulations.

49-3-9-1- Non performing loan movements is as below

Description	22 Sept. 2021				20 Mar. 2021			
	Principal	Interest	Penalty	Total	Principal	Interest	Penalty	Total
	IRR million	IRR million	IRR million	IRR million	IRR million	IRR million	IRR million	IRR million
Opening Balance	2,708,249	243,745	257,327	3,209,321	2,761,175	173,922	317,219	3,252,316
Additions	12,880,320	1,341,788	441,870	14,663,978	16,676,244	3,219,041	1,309,597	21,204,882
Settled during the year								
By cash	(10,149,094)	(1,314,648)	(374,043)	(11,837,785)	(16,729,170)	(3,149,218)	(1,240,197)	(21,118,585)
By asset possession	-	-	-	-	-	-	-	-
	-	-	(39,942)	(39,942)	-	-	(129,292)	(129,292)
Closing Balance	5,439,475	270,885	285,212	5,995,572	2,708,249	243,745	257,327	3,209,321

49-3-9-2- Distribution of non performing loans based on economic sectors

	Balance of non-performing loans		Specific provision		Net balance of non-performing loans	
	22 Sept. 2021	20 Mar. 2021	22 Sept. 2021	20 Mar. 2021	22 Sept. 2021	20 Mar. 2021
	IRR million	IRR million	IRR million	IRR million	IRR million	IRR million
Distribution of non performing loans						
Industry	3,653,170	900,366	(16,320)	(16,081)	3,636,850	884,285
Housing	141,378	186,699	(105)	(105)	141,273	186,594
commercial	1,759,042	1,660,922	(537,206)	(525,374)	1,221,836	1,135,548
Services	73,792	130,168	-	(8,963)	73,792	121,205
Agriculture	96,882	107,088	(94,184)	(104,390)	2,698	2,698
other	271,308	224,078	(13,906)	(13,993)	257,402	210,085
Total	5,995,572	3,209,321	(661,721)	(668,906)	5,333,851	2,540,415

49-3-9-3- Balance of possessed assets

Description	22 Sept. 2021	20 Mar. 2021
Residential real estates	488,000	488,000



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49-3-10- Capital needed to cover credit risk

The amount of capital needed to cover the credit risk of the assets is IRR20,520,436 million and its calculations presented in table 49-3-10-1. Compared with base capital at the balance sheet date (note 49-7-1), Bank has IRR22,057,283 million surplus in order to cover credit risk.

49-3-10-1- Calculation of needed capital to cover credit risk is as below:

		22 Sept. 2021	20 Mar. 2021
		IRR million	IRR million
Credit risk weighted assets	49-7-2-1	256,505,453	247,260,136
Risk factor-%		8	8
Needed capital to cover credit risk		20,520,436	19,780,811

49-4- Liquidity risk

49-4-1- Liquidity risk definition

Liquidity risk is caused by bank's inability to repay its short-term liability. Liquidity risk is usually intensified by the lack of enough assets with high liquidity and because of the inability to liquidate other assets fast to repay short-term liability.

49-4-2- Liquidity management policy

In order to control liquidity risk or be sure of the bank's ability to repay its short-term debt, its needed to define bank's asset management and resource collection.

MEB's asset management policy, as last years is based on giving short-term loans to firms and establishing long-term relationships with corporate clients. For financial period ended 22 Sept. 2021, bank's short-term loans portfolio (before impairment loss deduction) comprised 59% of its total asset. Major part of this portfolio (35% of bank's total assets) was allocated to short-terms loans to provide working capital for firms and individuals who run businesses for buying raw materials, sales on credit, etc. Also 16% of bank's total assets related to long-term loans (NDF loans). Corporate clients would be rated based on their financial reports, cash flows and ability to repay principal and interest of the given facility from their revenues. Long-term investments comprises 0.2% of total asset and include investment on Munich Branch, life insurance company, brokerage firm, currency exchange company and investment company in order to facilitate other financial needs of clients beside investment on an IT firm to develop bank's systems. Because of the economic situations, MEB has continued its conservative approach of liquidity management by maintaining highly liquid assets (cash and cash equivalent, contribution bonds or other assets with active market) composing 14% of total asset. About 2% of banks asset consist of fixed, intangible and other assets which are employed for bank's main operations.

MEB's resources are mainly collected from 3 sources: 1- Cash flows from corporate clients and individuals related to those clients 2- Customers who have good long-term relationship with MEB for their asset management and 3-Other customers with low worth deposits.



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49-4-3- Administrative units for liquidity risk management

MEB's risk management department has one administrative unit and does not have different units for each risk of the bank. Risk department's experts cover other risks of the bank by switching responsibilities assigned by the senior risk manager.

49-4-4- Liquidity risk assessment methodology

Liquidity risk assessment is based on some traditional models and regulations of Minimum Liquidity Risk Management Requirements. Traditional models include loans to deposits ratio, highly liquid assets to total assets ratio and liquidity gap ladder. CBI's regularity include liquidity coverage ratio (LCR). LCR indicates bank's ability to recover deposit outflow in crisis situation for a 30-day period.

49-4-5- Liquidity risk control & monitoring procedures

To ensure that the bank's path is aligned with defined policies in 49-4-2 note and to control liquidity risk and managing cost and resource, finance department every day provides the seniors managers of the bank with a status report of deposits, given loans, bank's various assets and liabilities, assets profitability and cost of resources. Every week costs and resources status would be reviewed with the presence of senior managers and based on these reports decisions would be made in order to progress the affairs. In appropriate times, risk management department prepares reports about calculation of liquidity gap, liquidity coverage ratio and net stable funding ratio to senior managers and board of directors. Based on defined acceptable ratios including liquidity ratios, necessary decisions would be made for liquidity management. For liquidity risk, these decisions include decrease or increase in loans amount which causes increase or decrease in bank's liquid assets. MEB tries loans to resources ratio not to be more than 85%. In case of liquidity gap, bank maintains a significant positive balance for the period less than 3 months.



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49-4-5-1- Liquidity reserves

Description	22 Sept. 2021	20 Mar. 2021
	IRR million	IRR million
Due from CBI	14,913,974	26,684,593
Cash and due from banks and financial institutions	5,619,093	8,642,537
Governmental bonds	55,002,920	46,289,365
Non-governmental bonds	1,764,810	1,764,810
Investments in listed shares	1,043,141	529,508
Total	78,343,938	83,910,813

49-4-5-2- Liquidity ratios:

Description	At the beginning of the year	Average	Maximum	Minimum	At the end of the year
	%	%	%	%	%
Cash and cash equivalent to total assets	21%	20%	22%	18%	18%
Cash and cash equivalent to total deposits	25%	23%	26%	21%	21%
Net cash equivalents to total deposits *	22%	20%	23%	18%	18%
Loans to total deposits	72%	71%	76%	67%	76%
Loans to long-term deposits	132%	139%	157%	131%	157%
Non-maturity deposits to total deposits**	42%	44%	47%	41%	45%

Cash and cash equivalent include cash, bonds and etc. which have active liquid market.

*Net liquid assets include cash, cash equivalent and investments which have active liquid market excluding other banks deposit, issued debts securities and other liabilities with less than one month maturity.

**Non-maturity deposits include deposits which have no contractual maturity like current deposits, saving deposits and short-term deposits.



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49-4-5-3- Assets and liabilities maturity analysis

The following table illustrates the maturity of assets and liabilities according to the date that is possible to be withdrawn or settled:

	22 Sept. 2021							Balance before deduction of provision
	Book value	Less than 1 Month	Between 1 and 3 Months	Between 3 Months and 1 Year	Between 1 and 5 Years	More than 5 Years	Non-specific maturity	
	IRR million	IRR million	IRR million	IRR million	IRR million	IRR million	IRR million	
Assets:								
Cash	20,533,067	20,533,067	-	-	-	-	-	20,533,067
Due from banks and financial institutions	28,268,631	28,268,631	-	-	-	-	-	28,268,631
Credit facilities granted	274,351,443	28,630,786	35,917,801	196,606,140	12,305,186	890,357	1,173	279,188,828
Investments	58,977,500	4,719,394	5,809,476	17,822,647	29,452,354	1,166,629	7,000	58,977,500
Due from subsidiaries and associates	27,601	-	-	27,601	-	-	-	29,335
Other accounts receivable	10,851,364	8,716,227	1,096,149	707,585	251,918	10,610	68,875	11,197,265
Fixed assets	3,986,292	-	-	-	-	-	3,986,292	3,986,292
Intangible assets	279,037	-	-	-	-	-	279,037	279,037
Statutory deposit	28,342,073	1,234,123	2,270,068	9,002,527	8,429,195	7,406,160	-	28,342,073
Other assets	1,502,615	422,134	253	39,590	724,196	-	316,442	1,509,033
Total assets	427,119,623	92,524,362	45,093,747	224,206,090	51,162,849	9,473,756	4,658,819	432,311,061
Liabilities:								
Due to banks and financial institutions	(10,550,324)	(10,550,324)	-	-	-	-	-	(10,550,324)
Customers' deposits	(78,061,177)	(29,324,715)	(5,883,507)	(14,399,521)	(11,837,183)	(16,616,251)	-	(78,061,177)
Dividends payable	(298,729)	(298,729)	-	-	-	-	-	(298,729)
Income tax provision	(1,683,554)	-	-	(459,506)	-	-	(1,224,048)	(1,683,543)
Other liabilities and provisions	(8,487,272)	(640,446)	(34,629)	(159,391)	(6,166,150)	(48,020)	(1,438,636)	(8,487,272)
Staff termination benefits	(339,595)	-	-	-	-	-	(339,595)	(339,597)
Benefits of investment deposits holders	(286,091,303)	(12,466,433)	(24,532,325)	(144,885,022)	(58,910,592)	(45,296,931)	-	(286,091,303)
Total liabilities	(385,511,954)	(53,280,647)	(30,450,461)	(159,903,440)	(76,913,925)	(61,961,202)	(3,002,279)	(385,511,945)
Total shareholders' equity	(41,607,669)	-	-	-	-	-	(41,607,669)	(41,607,669)
Total liabilities and shareholders' equity	(427,119,623)	(53,280,647)	(30,450,461)	(159,903,440)	(76,913,925)	(61,961,202)	(44,609,948)	(427,119,614)
Gap		39,243,715	14,643,286	64,302,650	(25,751,076)	(52,487,446)	(39,951,129)	
Accumulated gap		39,243,715	53,887,001	118,189,651	92,438,575	39,951,129	-	
Gap to base capital		92%	34%	151%	-60%	-123%	-94%	
Accumulated gap to base capital		92%	127%	278%	217%	94%	0%	
Gap to CBI base capital		107%	40%	175%	-70%	-143%	-109%	
Accumulated gap to CBI base capital		107%	146%	321%	251%	109%	0%	



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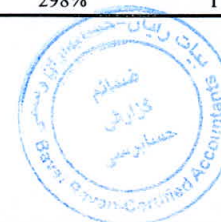
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	Book value	Less than 1 Month	Between 1 and 3 Months	Between 3 Months and 1 Year	Between 1 and 5 Years	More than 5 Years	Non-specific maturity	Balance before deduction of provision
	IRR million	IRR million	IRR million	IRR million	IRR million	IRR million	IRR million	
Assets:								
Cash	35,327,130	35,327,130	-	-	-	-	-	35,327,130
Due from banks and financial institutions	42,279,997	42,279,997	-	-	-	-	-	42,279,997
Credit facilities granted	239,995,924	19,314,141	100,614,174	108,495,847	10,740,779	829,265	1,718	244,316,009
Investments	49,211,785	1,160	341,444	26,990,419	20,029,271	1,312,983	536,508	49,211,785
Due from subsidiaries and associates	1,380,008	-	1,380,008	-	-	-	-	1,402,339
Other accounts receivable	6,573,914	5,107,508	282,683	770,994	278,959	-	133,770	6,893,023
Fixed assets	3,856,980	-	-	-	-	-	3,856,980	3,856,980
Intangible assets	300,652	-	-	-	-	-	300,652	300,652
Statutory deposit	21,340,048	780,439	1,437,558	13,063,520	2,948,077	3,110,454	-	21,340,048
Other assets	2,724,583	1,659,585	217	30,242	720,284	-	314,255	2,749,854
Total assets	402,991,021	104,469,960	104,056,084	149,351,022	34,717,370	5,252,702	5,143,883	407,677,817
Liabilities:								
Due to banks and financial institutions	(13,020,497)	(13,020,497)	-	-	-	-	-	(13,020,497)
Customers' deposits	(84,033,744)	(29,135,171)	(4,135,794)	(30,564,782)	(10,558,744)	(9,639,253)	-	(84,033,744)
Dividends payable	(47,109)	(47,109)	-	-	-	-	-	(47,109)
Income tax provision	(2,843,205)	-	-	(1,840,072)	-	-	(1,003,133)	(2,343,205)
Other liabilities and provisions	(11,380,040)	(2,814,397)	(6,657)	(82,265)	(6,636,239)	(231,629)	(1,608,853)	(11,380,040)
Staff termination benefits	(227,439)	-	-	-	-	-	(227,439)	(227,439)
Customers' investment deposits	(253,609,869)	(5,527,854)	(89,613,700)	(118,106,997)	(18,909,375)	(21,451,943)	-	(253,609,869)
Total liabilities	(365,161,903)	(50,545,028)	(93,756,151)	(150,594,116)	(36,104,358)	(31,322,825)	(2,839,425)	(364,661,903)
Total shareholders' equity	(37,829,118)	-	-	-	-	-	(37,829,118)	(38,329,118)
Total liabilities and shareholders' equity	(402,991,021)	(50,545,028)	(93,756,151)	(150,594,116)	(36,104,358)	(31,322,825)	(40,668,543)	(402,991,021)
Gap		53,924,932	10,299,933	(1,243,094)	(1,386,988)	(26,070,123)	(35,524,660)	
Accumulated gap		53,924,932	64,224,865	62,981,771	61,594,783	35,524,660	-	
Gap to base capital		136%	26%	-3%	-3%	-66%	-89%	
Accumulated gap to base capital		136%	161%	158%	155%	89%	0%	
Gap to CBI base capital		261%	50%	-6%	-7%	-126%	-172%	
Accumulated gap to CBI base capital		261%	310%	304%	298%	172%	0%	



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49-4-5-4- Contractual maturity analysis of financial liabilities

49-4-5-4-1- The following table illustrates financial liabilities according to their maturity that mentioned in related contract

	22 Sept. 2021						
	Book value	Less than 1 Month	Between 1 and 3 Months	Between 3 Months and 1 Year	Between 1 and 5 Years	More than 5 Years	Non-specific maturity
	IRR million	IRR million	IRR million	IRR million	IRR million	IRR million	IRR million
Liabilities:							
Due to banks and financial institutions	(10,550,324)	(10,550,324)	-	-	-	-	-
Customers' deposits	(78,061,177)	(72,603,892)	(1,413,678)	(4,043,096)	(511)	-	-
Received loans from NDF	(5,989,951)	-	-	-	(5,989,951)	-	-
Customers' investment deposits	(286,091,304)	(12,466,434)	(24,532,325)	(144,885,022)	(58,910,592)	(45,296,931)	-
Total	(380,692,756)	(95,620,650)	(25,946,003)	(148,928,118)	(64,901,054)	(45,296,931)	-
	20 Mar. 2021						
	Book value	Less than 1 Month	Between 1 and 3 Months	Between 3 Months and 1 Year	Between 1 and 5 Years	More than 5 Years	Non-specific maturity
	IRR million	IRR million	IRR million	IRR million	IRR million	IRR million	IRR million
Liabilities:							
Due to banks and financial institutions	(13,020,497)	(13,020,497)	-	-	-	-	-
Customers' deposits	(84,033,744)	(29,135,171)	(4,135,794)	(30,564,782)	(10,558,744)	(9,639,253)	-
Received loans from NDF	(6,554,301)	-	-	-	(6,554,301)	-	-
Customers' investment deposits	(253,609,870)	(5,527,855)	(89,613,700)	(118,106,997)	(18,909,375)	(21,451,943)	-
Total	(357,218,412)	(47,683,523)	(93,749,494)	(148,671,779)	(36,022,420)	(31,091,196)	-



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49-4-5-4-2- The following table illustrates foreign currency financial liabilities according to their maturity that mentioned in related contract

	22 Sept. 2021						
	Book value	Less than 1 Month	Between 1 and 3 Months	Between 3 Months and 1 Year	Between 1 and 5 Years	More than 5 Years	Non-specific maturity
	IRR million	IRR million	IRR million	IRR million	IRR million	IRR million	IRR million
Liabilities:							
Due to banks and financial institutions	(8,928,812)	(8,928,812)	-	-	-	-	-
Customers' deposits	(33,171,378)	(32,763,005)	(154,740)	(253,633)	-	-	-
Received loans from NDF	(5,989,951)	-	-	-	(5,989,951)	-	-
Customers' investment deposits	(89,686,277)	(205,638)	(8,703,916)	(80,776,723)	-	-	-
Total	(137,776,418)	(41,897,455)	(8,858,656)	(81,030,356)	(5,989,951)	-	-

	20 Mar. 2021						
	Book value	Less than 1 Month	Between 1 and 3 Months	Between 3 Months and 1 Year	Between 1 and 5 Years	More than 5 Years	Non-specific maturity
	IRR million	IRR million	IRR million	IRR million	IRR million	IRR million	IRR million
Liabilities:							
Due to banks and financial institutions	(11,519,162)	(11,519,162)	-	-	-	-	-
Customers' deposits	(40,237,915)	(26,237,262)	(126,048)	(13,874,605)	-	-	-
Received loans from NDF	(6,554,301)	-	-	-	(6,554,301)	-	-
Customers' investment deposits	(83,621,471)	(211,041)	(79,221,361)	(4,189,069)	-	-	-
Total	(141,932,849)	(37,967,465)	(79,347,409)	(18,063,674)	(6,554,301)	-	-



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49-4-6- Program to cope with crisis (crisis testing)

Middle East Bank, according to special circumstances of Iran economics during 2021 and recently years in which MEB has been established, follow a high conservative policy to liquidity management and capital preservation. To be aware of these policies can be referred to 49-4-2 and 49-4-4 notes.

Accumulated gap for less than 3 months period is IRR53,887,001 million which is 127% of the bank's capital. This indicates the liquidity status of bank for less than 3 months is relevant.

49-5- Market risk

49-5-1- Market risk definition

Market risk in MEB raised from 3 causes: 1-Changing the value of short-term investments in listed and unlisted shares. 2-Change in deposits and loans interest rates and 3-Change in foreign Currencies Exchange rates.

At 22 Sept. 2021 the bank has no short term investment in listed and unlisted shares.

Therefore there was no increase in the interest rate during the reporting period as opposed to the previous year, control over interest expenses increased. It is worth saying an increase in the possibility of issuing governmental bonds based on inflation rate during the current year can lead to a reduction in the attractiveness of bank deposits, and as a result, an increase in the possibility of withdrawing deposits by depositors and investing in mentioned bonds.

So the most significant component of market risk for the Middle East Bank will be exchange rate risk, also, imperative deposit rate, as other banks and financial institutions in Iran in financial period ended 22 September 2021, as last year.

Foreign exchange rate risk in MEB arises from the off-balance sheet commitments related to imports of goods. MEB did not engage in direct market related foreign exchange activities or related hedging activities. MEB does not engage in profiting from changes to foreign currency exchange rates, however, occasionally, MEB would end up with open positions in its normal activities for servicing clients engaging in import/export or other foreign exchange activities.



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49-5-2- Administrative units for market risk management

Risk management in MEB consists of integrated executive department and has not a separate unit for each type of risk. Risk experts by rotating in various responsibility that assigned by the senior risk management (SRM), in addition to market risk, cover other type of risks faced by bank.

49-5-3- Method of market risk calculation

Market risk arises from stock investment calculated by Basel III and sharp model. According to Basel III, market risk can be calculated using the Value at Risk (VaR) methodologies. The "Value at Risk" calculation must be done based on 0.1% probability (one tail) using daily standard deviation and 10 days horizon time. Each bank must meet, on a daily basis, capital requirement illustrated as the higher of previous day's value at risk or an average of the daily value at risk in 60 working days. According to Basel III notes, the capital requirement equals to VaR Amount $\times (3 + X)$ with X between 0 and 1. Regarding portfolio situation we assumed that the amount of X equals to one. According to this calculation method, the risk factor for the stock portfolio is obtained.

According to the Sharp model, the return of the portfolio is higher than the risk-free rate with the annual standard deviation of the portfolio return, and the ratio of these two criteria reflects the proportionality of portfolio efficiency with portfolio risk. As the value of bank's portfolio at balance sheet date was insignificant the sharp ratio hasn't been calculated.

49-5-4- Stock and other market investment VaR

VaR for stock investments and other market-oriented investments based on 10 days horizon time and 1% loss probability are calculated by 2 methodology: single asset and variance-covariance. However, since the bank does not have any stock investment at 22 Sept. 2021, VAR does not calculated for the reporting period.



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49-5-5- Foreign Currency VaR Analysis

	22 Sept. 2021						
	Dollar	Euro	Emirates AED	Swiss Franc	Japanese Yen	Chinese Yuan	Other currency
Cash	2,517,176	17,831,201	19,130,771	34,859	642,653	-	-
Due from banks and financial institutions	-	75,200,872	20,893,271	17,221	-	-	-
Due from government	-	-	-	-	-	-	-
Credit facilities granted to governmental parties	-	-	-	-	-	-	-
Credit facilities granted to non-governmental parties	548,029,473	96,337,546	112,395,952	-	-	-	-
Investments	-	-	-	-	-	-	-
Due from subsidiaries and associates	-	-	41,921	-	-	-	-
Other accounts receivable	-	19,744,870	116,375,855	-	-	-	-
Fixed assets	-	-	-	-	-	-	-
Intangible assets	-	-	-	-	-	-	-
Statutory deposit	-	-	-	-	-	-	-
Other assets	-	1,803,080	-	-	-	-	-
Total assets-FCY	550,546,649	210,917,569	268,837,771	52,080	642,653	-	-
Customers' letters of credit commitments	-	1,565,750	-	-	-	-	-
Customers' Issued guarantees commitments	15,399,924	82,791,433	1,445,169	-	-	-	-
Customers' other commitments	-	-	-	-	-	-	-
Total of customers' commitments-FCY	15,399,924	84,357,183	1,445,169	-	-	-	-
Total of assets and customers' commitments	565,946,574	295,274,752	270,282,940	52,080	642,653	-	-
Total of assets and customers' commitments-IRR equivalent	89,985,505	57,832,744	12,661,686	8,957	937	-	4,597,516
Due to banks and financial institutions	-	(32,219,106)	(1,646,951)	0	-	-	-
Customers' deposits	(34,731,748)	(55,809,292)	(55,980,363)	(16,229)	-	-	-
Dividends payable	-	-	-	-	-	-	-
Debt securities	-	-	-	-	-	-	-
Income tax provision	-	-	-	-	-	-	-
Other liabilities and accruals	(37,672,650)	(3,131,256)	(3,276,691)	-	-	-	-
Staff termination benefits	-	-	-	-	-	-	-
Customers investment deposits	(456,713,701)	(61,652,379)	(123,762,791)	-	-	-	-
Total liabilities	(529,118,100)	(152,812,033)	(184,666,795)	(16,229)	-	-	-
Bank's letters of credit commitments	-	(1,565,750)	-	-	-	-	-
Bank's Issued guarantees commitments	(15,399,924)	(82,791,433)	(1,445,169)	-	-	-	-
Bank's other commitments	-	-	-	-	-	-	-
Total of Bank's commitments-FCY	(15,399,924)	(84,357,183)	(1,445,169)	-	-	-	-
Total of liabilities and Bank's commitments	(544,518,024)	(237,169,217)	(186,111,964)	(16,229)	-	-	-
Total of liabilities and Bank's commitments-IRR equivalent	(86,578,366)	(44,281,532)	(8,040,662)	(2,791)	-	-	(3,609,708)
Foreign currency open position at 22 Sept. 2021	21,428,550	58,105,535	84,170,976	35,851	642,653	-	-
Foreign currency open position at 22 Sept. 2021- IRR equivalent	3,407,139	13,551,212	4,621,024	6,166	937	-	987,808
Foreign currency open position to base capital at 22 Sept. 2021	8%	32%	11%	0%	0%	0%	2%
Foreign currency open position to regulatory capital (base of other prudential ratios) at 22 Sept. 2021	9%	37%	13%	0%	0%	0%	3%



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	20 Mar. 2021							
	Dollar	Euro	Emirates AED	Pound	Swiss Franc	Japanese Yen	Chinese Yuan	Other currency
Cash	2,626,217	28,450,599	5,651,291	-	35,851	702,653	-	-
Due from banks and financial institutions	-	146,666,536	4,725,108	-	16,229	-	-	-
Due from government	-	-	-	-	-	-	-	-
Credit facilities granted to governmental parties	-	-	-	-	-	-	-	-
Credit facilities granted to non-governmental parties	538,042,178	28,560,934	123,608,291	-	-	-	-	-
Investments	-	-	-	-	-	-	-	-
Due from subsidiaries and associates	-	-	41,921	-	-	-	-	-
Other accounts receivable	-	241,189	100,416,920	-	-	-	-	-
Fixed assets	-	-	-	-	-	-	-	-
Intangible assets	-	-	-	-	-	-	-	-
Statutory deposit	-	-	-	-	-	-	-	-
Other assets	-	1,797,920	-	-	-	-	-	-
Total assets-FCY	540,668,395	205,717,177	234,443,531	-	52,080	702,653	-	-
Customers' letters of credit commitments	-	21,645,000	-	-	-	-	-	-
Customers' Issued guarantees commitments	17,028,041	98,413,361	1,445,169	-	-	-	-	-
Customers' other commitments	-	-	-	-	-	-	-	-
Total of customers' commitments-FCY	17,028,041	120,058,361	1,445,169	-	-	-	-	-
Total of assets and customers' commitments	557,696,436	325,775,538	235,888,700	-	52,080	702,653	-	-
Total of assets and customers' commitments-IRR equivalent	88,673,733	60,246,096	10,732,161	-	8,957	1,024	-	6,047,017
Due to banks and financial institutions	-	(56,343,660)	(2,063,951)	-	-	-	-	-
Customers' deposits	(899,793)	(97,843,957)	(71,192,561)	-	(16,229)	-	-	-
Dividends payable	-	-	-	-	-	-	-	-
Debt securities	-	-	-	-	-	-	-	-
Income tax provision	-	-	-	-	-	-	-	-
Other liabilities and accruals	(41,222,571)	(3,827,513)	(3,188,519)	-	-	-	-	-
Staff termination benefits	-	-	-	-	-	-	-	-
Customers investment deposits	(478,911,069)	(1,150,116)	(123,773,250)	-	-	-	-	-
Total liabilities	(521,033,434)	(159,165,246)	(200,218,281)	-	(16,229)	-	-	-
Bank's letters of credit commitments	-	(21,645,000)	-	-	-	-	-	-
Bank's Issued guarantees commitments	(17,028,041)	(98,413,361)	(1,445,169)	-	-	-	-	-
Bank's other commitments	-	-	-	-	-	-	-	-
Total of Bank's commitments-FCY	(17,028,041)	(120,058,361)	(1,445,169)	-	-	-	-	-
Total of liabilities and Bank's commitments	(538,061,475)	(279,223,607)	(201,663,450)	-	(16,229)	-	-	-
Total of liabilities and Bank's commitments-IRR equivalent	(85,551,775)	(49,377,409)	(8,713,528)	-	(2,791)	-	-	(3,782,288)
Foreign currency open position at 20 Mar. 2021	19,634,961	46,551,931	34,225,250	-	35,851	702,653	-	-
Foreign currency open position at 20 Mar. 2021- IRR equivalent	3,121,958	10,868,687	2,018,633	-	6,166	1,024	-	2,264,729
Foreign currency open position to base capital at 20 Mar. 2021	8%	27%	5%	0%	0%	0%	0%	6%
Foreign currency open position to regulatory capital (base of other prudential ratios) at 20 Mar. 2021	15%	53%	10%	0%	0%	0%	0%	11%



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49-5-5-1- Summary of foreign currencies' open position

	22 Sept. 2021	20 Mar. 2021
Positive open position of all foreign currencies-IRR equivalent	22,574,286	18,281,197
Open position of all foreign currencies-IRR equivalent	22,574,286	18,281,197
Open position of all foreign currencies to base capital-percent	53%	46%
Open position of all foreign currencies to regulatory capital (base of other prudential ratios)-percent	61%	88%

49-5-5-2- Analysis of foreign exchange risk on profit or loss

According to the method of calculating the value at risk of foreign exchange assets and liabilities in accordance with the "variance-covariance" and "Single asset" method, Daily expected VaR based on CBI rates and free market rates is calculated in below table.

Method 1: Single asset VaR

Potential market price changes are calculated 10 days horizon time and 1% loss probability.

Currency Type	22 Sept. 2021		Currency Type	20 Mar. 2021	
	Potential change in market price	Impact on profit and loss		potential change in market price	Impact on profit and loss
	Percent	IRR Million		Percent	IRR million
USD	(-3,3)	221,064	USD	(-3,3)	202,561
CHF	(-10,10)	1,483	CHF	(-10,10)	1,483
EUR	(-9,9)	2,211,937	EUR	(-9,9)	2,178,620
JPY	(-9,9)	185	JPY	(-9,9)	202
AED	(-4,4)	367,733	AED	(-4,4)	203,920
CNY	(-9,9)	-	CNY	(-9,9)	-
Others	(-6,6)	118,484	Others	(-6,6)	300,613
		2,920,886			2,887,399



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Method 2: value at risk using variance-covariance method

probable changes interval in market price has been calculated within 10 days and 99% confidence.

Currency Type	22 Sept. 2021		Currency Type	20 Mar. 2021	
	probable changes in market price	Value at risk		probable changes in market price	Value at risk
	%	IRR Million		%	IRR Million
USD	(-3,3)	221,064	USD	(-3,3)	202,561
CHF	(-10,10)	1,483	CHF	(-10,10)	1,483
EUR	(-9,9)	2,211,937	EUR	(-9,9)	2,178,620
JPY	(-9,9)	185	JPY	(-9,9)	202
AED	(-4,4)	367,733	AED	(-4,4)	203,920
CNY	(-9,9)	-	CNY	(-9,9)	-
Others	(-6,6)	118,484	Others	(-6,6)	300,613
Total		2,920,886	Total		2,887,399
Diversification effect		(313,146)	Diversification effect		(393,909)
		2,607,740			2,493,490

The values are presented in this note are calculated based on the average of daily standard deviation of the rate announced by the Central Bank and free market exchange rate in the last 24 months.

49-5-6- The amount of required capital to cover market risk:

49-5-6-1 The amount of required capital to cover market risk using a single asset method:

Measurement method	Stock risk		Foreign exchange risk		Total contingency reserved for market risk*
	Value at risk (10days)	contingency reserved	Value at risk (10days)	contingency reserved	
	IRR million	IRR million	IRR million	IRR million	
Normal Var model	-	-	2,920,886	11,683,544	11,683,544

49-5-6-2 The amount of required capital to cover market risk using variance-covariance method:

Measurement method	Stock Risk		Foreign Exchange Risk**		Total contingency reserved for market risk*
	Value at risk (10days)	contingency reserved	Value at risk (10days)	contingency reserved	
	IRR Million	IRR Million	IRR Million	IRR Million	
Norman Var model	-	-	2,607,740	10,430,962	10,430,962

*This amount of capital calculated according to the Basel instructions to calculate the required capital risk of exchange rate fluctuations and Equivalent to 4 times the value at risk of 10 days in the foreign exchange basket.

**In calculation of VaR it is assumed that daily standard deviation for the foreign exchange rate is 0.13%. The 0.13% is average standard deviation of the daily exchange rate announced by the central bank and the free market exchange rate based on 24 months of historical data. The daily standard deviation of the central bank's exchange rate and the free market exchange rate over the past 24 months were 0.02 and 0.2 percent, respectively.



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49-5-7- Interest rate sensitive asset and liability gap analysis

	22 Sept. 2021						
	Amount	Maturities up to one month	1-3 Month	3 Month-1 Year	1-5 Year	>5 Year	Insensitive to rate
	IRR million	IRR million	IRR million	IRR million	IRR million	IRR million	IRR million
Assets							
Cash	20,533,067	-	-	-	-	-	20,533,067
Due from banks and financial institutions	28,268,631	28,268,631	-	-	-	-	-
Credit facilities granted	274,351,443	28,630,786	35,917,801	196,606,140	12,305,186	890,357	1,173
Investments	58,977,500	4,719,394	5,809,476	17,822,647	29,452,354	1,166,629	7,000
Due from subsidiaries and associates	27,601	-	-	-	-	-	27,601
Other accounts receivable	10,851,364	-	-	-	-	-	10,851,364
Fixed assets	3,986,292	-	-	-	-	-	3,986,292
Intangible assets	279,037	-	-	-	-	-	279,037
Statutory deposit	28,342,073	1,182,973	2,122,879	8,562,970	8,442,685	7,418,067	612,499
Other assets	1,502,615	-	-	-	-	-	1,502,615
Total assets	427,119,623	62,801,784	43,850,156	222,991,757	50,200,225	9,475,053	37,800,648
Liabilities							
Due to banks and financial institutions	(10,550,324)	(10,550,324)	-	-	-	-	-
Customers' deposits	(78,061,177)	(29,324,715)	(5,883,507)	(14,399,521)	(11,837,183)	(16,616,251)	-
Dividends payable	(298,729)	-	-	-	-	-	(298,729)
Income tax provision	(1,683,554)	-	-	-	-	-	(1,683,554)
Other liabilities and accruals	(8,487,272)	-	-	-	(5,989,951)	-	(2,497,321)
Staff termination benefits	(339,595)	-	-	-	-	-	(339,595)
Benefits of investment deposits holders	(286,091,303)	(12,466,433)	(24,532,325)	(144,885,022)	(58,910,592)	(45,296,931)	-
Total liabilities	(385,511,954)	(52,341,472)	(30,415,832)	(159,284,543)	(76,737,726)	(61,913,182)	(4,819,199)
Shareholders' equity	(41,607,669)	-	-	-	-	-	(41,607,669)
Total liabilities and shareholders' equity	(427,119,623)	(52,341,472)	(30,415,832)	(159,284,543)	(76,737,726)	(61,913,182)	(46,426,868)
Liquidity gap		10,460,312	13,434,324	63,707,214	(26,537,501)	(52,438,129)	(8,626,220)
Cumulative liquidity gap		10,460,312	23,894,636	87,601,850	61,064,349	8,626,220	-



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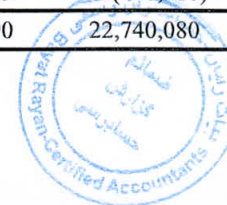
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	Amount	Maturities up to one month	1-3 Month	3 Month-1 Year	1-5 Year	>5 Year	Insensitive to rate
	IRR million	IRR million	IRR million	IRR million	IRR million	IRR million	IRR million
Assets							
Cash	35,327,130	-	-	-	-	-	35,327,130
Due from banks and financial institutions	42,279,997	42,279,997	-	-	-	-	-
Credit facilities granted	239,995,924	19,314,141	100,614,174	108,495,847	10,740,779	829,265	1,718
Investments	49,211,785	1,160	341,444	26,990,419	20,029,271	1,312,983	536,508
Due from subsidiaries and associates	1,380,008	-	-	-	-	-	1,380,008
Other accounts receivable	6,573,914	-	-	-	-	-	6,573,914
Tangible fixed assets	3,856,980	-	-	-	-	-	3,856,980
Intangible assets	300,652	-	-	-	-	-	300,652
Statutory deposit	21,340,048	729,255	1,339,835	12,738,603	2,944,481	3,106,709	481,165
Other assets	2,724,583	-	-	-	-	-	2,724,583
Total assets	402,991,021	62,324,553	102,295,453	148,224,869	33,714,531	5,248,957	51,182,658
Liabilities							
Due to banks and financial institutions	(13,020,497)	(13,020,497)	-	-	-	-	-
Customers' deposits	(84,033,744)	(29,135,171)	(4,135,794)	(30,564,782)	(10,558,744)	(9,639,253)	-
Dividends payable	(47,109)	-	-	-	-	-	(47,109)
Income tax provision	(2,843,205)	-	-	-	-	-	(2,843,205)
Other liabilities and accruals	(11,380,040)	-	-	-	(6,554,301)	-	(4,825,739)
Staff termination benefits	(227,439)	-	-	-	-	-	(227,439)
Benefits of investment deposits holders	(253,609,869)	(5,527,854)	(89,613,700)	(118,106,997)	(18,909,375)	(21,451,943)	-
Total liabilities	(365,161,903)	(47,683,522)	(93,749,494)	(148,671,779)	(36,022,420)	(31,091,196)	(7,943,492)
Shareholders' equity	(37,829,118)	-	-	-	-	-	(37,829,118)
Total liabilities and shareholders' equity	(402,991,021)	(47,683,522)	(93,749,494)	(148,671,779)	(36,022,420)	(31,091,196)	(45,772,610)
Liquidity gap		14,641,031	8,545,959	(446,910)	(2,307,889)	(25,842,239)	5,410,048
Cumulative liquidity gap		14,641,031	23,186,990	22,740,080	20,432,191	(5,410,048)	-



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49-6- Operational risk

49-6-1- Operational risk definition

Potential losses due from defined internal bank processes which are not well defined or are not defined completely or are defined incorrectly. Samples of operational risk are losses due to intentional or unintentional breakdowns, losses due to bank software application bugs and errors, losses due to events outside the Bank, or losses due to legal issues.

Losses due to strategic decisions or damages resulting from strategic decisions are not considered operational risk.

49-6-2- Administrative units for operational risk management

Middle East Bank risk management has an administrative unit and has no separate unit for each of the Bank's risks. Risk department experts cover the bank's other risks by changing the responsibilities periodically. In addition, the Bank has recruited experienced advisors in operational risk assessments, whom analyze different parts of the bank, with the cooperation of Bank's risk experts.

49-6-3- Intentional and unintentional human errors preventive measure

Internal audit, compliance department and risk management department each have control and monitoring systems and report separately to board of directors on the implementation of the bank's internal rules, current issues, problems or process improvement methods.

Human capital Management holds training courses to familiarize employees with the rules and regulations of the Bank.

Also, all employees are required to sign a commitment to carry out tasks correctly in terms of morality and in accordance with the Bank's rules and regulations.

Managers are responsible for the errors of their own staff and the effectiveness of managers in controlling the errors of their staff is examined in terms of lack of human errors.

49-6-4- Program to cope with crisis (crisis testing)

The crises of banking operations can be divided into the following groups: The crisis due to failure of information security systems, crisis due to failure of data communication lines, crisis due to physical damages to the Bank's information systems, crisis due to inaccessibility of the Bank's employees to their activity place for setting up banking systems. Middle East Bank has created replicated information system in different buildings in Tehran and keeps several copies of the Bank's database in several location. The Bank also is setting a site for catastrophic events outside Tehran where information is copied with a few hours delay.

Additionally, Middle East Bank holds training courses and operational safety drills and exercises for critical events.



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49-6-5- Operational risk measurement method

The risk weight for operational risk is measured using, the "Standardized approach" announced by the CBI regulation No 98/436758 dated 03/18/2020. In this approach 15% of the last 3 years income average is calculated as needed capital to cover operational risk and then multiplied by 12.5. The result is added to the total risk weights of other risks such as credit risk and market risk for foreign exchange risk weights.

49-6-6- Operational risk control & monitoring procedures

Operational risk management consultants and risk management department issue reports which would be reviewed in risk committee and board of directors committees and based on reported recommendations, necessary orders would be given by risk committee and bank's CEO in order to establish better controls. Also internal audit, compliance and legal departments have their specific monitoring's and make risk department aware of probable operational problems in the bank and risk management department executes necessary arrangements to solve the problems by presenting these reports to credit risk committee. Periodic reports of the result of implementing new controls would be presented to risk committee and risk committee gives necessary orders to reduce operational risks.

49-6-7- Necessary amount of capital to cover operational risk

Based on Bank's method to measure operational risk, capital exposed to this risk is:

Measurement method	Capital exposed to operational risk
Base on CBI regulation	IRR million 2,246,107



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49-7- Capital management

49-7-1- Basic capital

Basic capital at balance sheet date is IRR42,577,719 million and presented as follows:

Description	22 Sept. 2021	20 Mar. 2021
	IRR million	IRR million
Tier I		
Capital after deduction of it's increase from revaluation surplus	25,000,000	15,000,000
Share premium	-	-
Retained earnings	8,020,730	15,258,962
Legal reserve	6,954,828	5,938,045
Other reserves	1,632,111	1,632,111
	41,607,669	37,829,118
Less: Regulatory adjustments		
Intangible assets	(279,037)	(300,652)
The minimum cost of mutual investments in shares of credit institutions or non-subsidiary financial institutions	(173,402)	(586,257)
Net book value of investments more than limits 50%	(370,344)	(118,850)
Other adjustments at the discretion of the Central Bank	(1,043,141)	-
Total Regulatory adjustments	(1,865,924)	(1,005,759)
Tier I capital after regulatory adjustments	39,741,745	36,823,359
Tier II		
General provision for bad and doubtful debts up to 1.25% of risk weighted assets	3,206,318	3,090,752
Total of Tier II	3,206,318	3,090,752
Less: Regulatory adjustments		
Book value of investments more than limits 50%	(370,344)	(118,850)
Tier II capital after regulatory adjustments	2,835,974	2,971,902
Less: An increase in Tier II capital over Tier I capital	-	-
Total regulatory capital	42,577,719	39,795,261
The base capital of the bank	36,795,262	20,700,330

*The calculation of base capital for reporting period is in accordance with CBI new regulation No. 98/436758 dated 7 March 2020.

The base capital of the bank for calculation of prudential ratios, up to the date of financial statements approval is amount to IRR36,795,262 million . The base capital which has been already approved by the CBI, is the basis for calculating prudential ratios until the date of approval of the bank's financial statements



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49-7-2- Capital allocation

49-7-2-1 Total Credit risk weighted assets at the balance sheet date equals to IRR256,505,453 million.

Description	22 Sept. 2021					
	Amount	Conversion factor	Adjusted amount	Risk factor	Risk weighted commitments and assets	Needed capital
	IRR million	%	IRR million	%	IRR million	IRR million
Cash	2,026,941		2,026,941	-	-	-
Statutory deposit	28,342,073		28,342,073	-	-	-
Due from CBI	253,083		253,083	-	-	-
Due from banks and financial institutions (in form of deposits, loans and securities purchases)	12,375,006		12,375,006	50	6,187,503	495,000
Claims from governmental institutions and companies and non-governmental public institutions (in the form of loans and purchase of securities)	79,633,353		79,633,353	50	39,816,677	3,185,334
Principal amount of partnership contracts loans(Mosharekat Madani, Mudaraba, Mozareeh, Mosaghat) of companies accepted in stock exchange	-		-	100	-	-
Principal amount of partnership contracts loans(Mosharekat Madani, Mudaraba, Mozareeh, Mosaghat) of other natural and corporate persons	4,409,859		2,713,649	150	4,070,474	325,638
Non trading investments in unlisted shares after deduction of accumulated decrease in value	260,699		260,699	200	521,398	41,712
Interest and principal amount of non-partnership contracts loans-residential real estates	16,625,440		8,716,068	50	4,358,034	348,643
The principal and interest of the facilities of natural persons and small and medium enterprises and legal entities (with a maximum of 100 employees) that the principal of the facility is a maximum of 20 billion Rials	1,667,719		1,417,267	75	1,062,950	85,036
The balance of principal and interest on other facilities (current) granted to natural and legal persons that are not included in the above paragraphs	169,920,763		112,973,787	100	112,973,787	9,037,903
Net of non-current dues (principal, interest and penalties after deduction of related specific provision)-amount of specific provision less than 20% of non-current dues balance	5,293,306		5,293,306	150	7,939,959	635,197
Net of non-current dues (principal, interest and penalties after deduction of related specific provision)-amount of specific provision less than 20% to 50% of non-current dues balance	111		111	100	111	9
Net of non-current dues (principal, interest and penalties after deduction of related specific provision)-amount of specific provision more than 50% of non-current dues balance	40,437		40,437	50	20,219	1,617
Due from subsidiaries and associates	27,522		27,522	100	27,522	2,202
Other current accounts receivable	10,843,868		10,843,868	100	10,843,868	867,509
Net of fixed assets	3,986,292		3,986,292	100	3,986,292	318,903
Other on balance sheet items	2,521,181		2,521,181	100	2,521,181	201,694
Claims including deposits and facilities granted or the purchase of securities from other governments, central banks and non-governmental public institutions in other countries Credit rating + AAA to -AA	14,849,806		14,849,806	-	-	-
Claims including deposits and facilities granted or the purchase of securities from development banks	6,814		6,814	-	-	-
Claims including deposits and facilities granted or the purchase of securities from credit institutions and financial institutions of other countries, central banks and non-governmental public institutions in other countries Credit rating + AAA to -AA	7,567		7,567	20	1,513	121
Claims including deposits and facilities granted or the purchase of securities from credit institutions and financial institutions of other countries Credit rating + A to -A	75,842		75,842	50	37,921	3,034
Claims including deposits and facilities granted or the purchase of securities from credit institutions and financial institutions of other countries Credit rating + BB to -B	11,457,173		11,457,173	100	11,457,173	916,574
Claims including deposits and facilities granted or the purchase of securities from credit institutions and financial institutions of other countries without credit rating	7,749,465		7,749,465	100	7,749,465	619,957
Issued letter of credit Commitments with commodity collaterals after deduction of advances	208,245	20	41,649	100	41,649	3,332
Issued letter of credit Commitments with collaterals other than commodity after deduction of advances	1,070,751	50	424,302	100	424,302	33,944
Issued guarantees Commitments after deduction of cash deposits	92,375,563	50	39,869,244	100	39,869,244	3,189,540
Commitments of transaction contracts and guarantee bonds	2,041,844	50	1,020,922	100	1,020,922	81,674
Other commitments	1,573,290	100	1,573,290	100	1,573,290	125,863
					256,505,453	20,520,436

*The calculation of risk weighted assets for reporting period is in accordance with CBI new regulation No. 98/436758 dated 7 March 2020.

The adjustment of on balance sheet items in according to type of collaterals are done in line with CBI new regulation No. 98/436758 dated 7 March 2020 and after that, the amount will be multiply by the risk factor, but in the case of, off balance sheets items, at first the amounts are adjusted by the conversion factor.



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Description	Amount	Conversion factor	Adjusted amount	Risk factor	Risk weighted commitments and assets	Needed capital
	IRR million	%	IRR million	%	IRR million	IRR million
Cash	2,448,428		2,448,428	-	-	-
Statutory deposit	21,340,048		21,340,048	-	-	-
Due from CBI	885,246		885,246	-	-	-
Due from banks and financial institutions (in form of deposits, loans and securities purchases)	22,290,805		22,290,805	50	11,145,403	891,632
Claims from governmental institutions and companies and non-governmental public institutions (in the form of loans and purchase of securities)	78,063,723		78,063,723	50	39,031,862	3,122,549
Principal amount of partnership contracts loans(Mosharekat Madani, Mudaraba, Mozareeh, Mosaghat) of other natural and corporate persons	5,397,398		3,814,018	150	5,721,027	457,682
Non trading investments in unlisted shares after deduction of accumulated decrease in value	260,699		260,699	200	521,398	41,712
The principal and interest of the facilities of natural persons and small and medium enterprises and legal entities (with a maximum of 100 employees) that the principal of the facility is a maximum of 20 billion Rials	1,784,792		1,228,187	75	921,140	73,691
The balance of principal and interest on other facilities (current) granted to natural and legal persons that are not included in the above paragraphs	155,739,997		103,383,959	100	103,383,959	8,270,717
Net of non-current dues (principal, interest and penalties after deduction of related specific provision)-amount of specific provision less than 20% of non-current dues balance	2,496,037		2,496,037	150	3,744,056	299,524
Net of non-current dues (principal, interest and penalties after deduction of related specific provision)-amount of specific provision less than 20% to 50% of non-current dues balance	31		31	100	31	2
Net of non-current dues (principal, interest and penalties after deduction of related specific provision)-amount of specific provision more than 50% of non-current dues balance	44,348		44,348	50	22,174	1,774
Due from subsidiaries and associates	1,400,525		1,400,525	100	1,400,525	112,042
Other current accounts receivable	6,507,242		6,507,242	100	6,507,242	520,579
Net of fixed assets	3,856,980		3,856,980	100	3,856,980	308,558
Other on balance sheet items	2,958,345		2,958,345	100	2,958,345	236,668
Claims including deposits and facilities granted or the purchase of securities from other governments, central banks and non-governmental public institutions in other countries Credit rating + AAA to -AA	26,601,662		26,601,662	-	-	-
Claims including deposits and facilities granted or the purchase of securities from development banks	6,814		6,814	-	-	-
Claims including deposits and facilities granted or the purchase of securities from credit institutions and financial institutions of other countries, central banks and non-governmental public institutions in other countries Credit rating + AAA to -AA	1,194		1,194	20	239	19
Claims including deposits and facilities granted or the purchase of securities from credit institutions and financial institutions of other countries Credit rating + A to -A	86,724		86,724	50	43,362	3,469
Claims including deposits and facilities granted or the purchase of securities from credit institutions and financial institutions of other countries Credit rating + BBB to -B	15,621,636		15,621,636	100	15,621,636	1,249,731
Claims including deposits and facilities granted or the purchase of securities from credit institutions and financial institutions of other countries without credit rating	9,664,618		9,664,618	100	9,664,618	773,169
Issued letter of credit Commitments with commodity collaterals after deduction of advances	978,389	978,389	48,919	100	48,919	3,914
Issued letter of credit Commitments with collaterals other than commodity after deduction of advances	50,665	50,665	12,270	100	12,270	982
Issued guarantees Commitments after deduction of cash deposits	87,872,205	50	40,247,951	100	40,247,951	3,219,836
Commitments of transaction contracts and guarantee bonds	2,100,033	50	1,050,016	100	1,050,016	84,001
Other commitments	1,356,984	100	1,356,984	100	1,356,984	108,559
					247,260,136	19,780,811



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49-7-2-2 Total of market risk weighted assets at the balance sheet date equals to IRR 64,669,142 million.

Description	22 Sept. 2021			20 Mar. 2021		
	Amount	Risk factor	Needed amount of capital to cover the market risk	Amount	Risk factor	Needed amount of capital to cover the market risk
	IRR million	%	IRR million	IRR million	%	IRR million
Trading shares	-	8	-	81,115	8	6,489
Total cost of trading debt securities-specific risk	56,759,570	5	2,837,979	48,046,014	5	2,402,301
Trading debt securities-general risk-mature till one month or less	3,675,093	-	-	-	0	-
Trading debt securities-general risk-mature till 1 to 3 month	5,809,476	0.2	11,619	341,444	0.2	683
Trading debt securities-general risk-mature till 3 to 6 month	4,064,498	0.4	16,258	16,193,754	0.4	64,775
Trading debt securities-general risk-mature till 6 to 12 month	13,758,150	0.7	96,307	10,796,665	0.7	75,577
Trading debt securities-general risk-mature till 1 to 2 year	23,527,512	1.25	294,094	12,697,452	1.25	158,718
Trading debt securities-general risk-mature till 2 to 3 year	4,637,584	1.75	81,158	6,462,494	1.75	113,094
Trading debt securities-general risk-mature till 3 to 4 year	681,928	2.25	15,343	460,527	2.25	10,361.86
Trading debt securities-general risk-mature till 4 to 5 year	605,329	2.75	16,647	408,797	2.75	11,241.92
Trading debt securities-general risk-mature till 5 to 7 year	-	3.25	-	684,880	3.25	22,258.60
The positive position of all foreign currencies or the absolute of the negative position, whichever is higher	22,551,591	8	1,804,127	18,281,197	8	1,462,496
Total of capital needed to cover credit risk			5,173,531			4,327,994
Factor			12.5			12.5
Market risk weighted assets			64,669,142			54,099,930

49-7-2-3 Total of operational risk-weighted assets at the balance sheet date equals to IRR28,076,342 million.

Description	22 Sept. 2021			20 Mar. 2021		
	Amount	Risk factor	Needed amount of capital to cover the operational risk	Amount	Risk factor	Needed amount of capital to cover the operational risk
	IRR million	%	IRR million	IRR million	%	IRR million
Average income of the past three years	14,974,049	15	2,246,107	14,974,049	15	2,246,107
Factor			12.5			12.5
Operational risk weighted assets			28,076,342			28,076,342



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49-7-3- Capital adequacy ratio

Capital adequacy ratio at 22 Sept. 2021 is 12.2% .

	22 Sept. 2021	20 Mar. 2021
	IRR million	IRR million
Base capital	42,577,719	39,795,261
Credit risk weighted assets	256,505,453	247,260,136
Market risk weighted assets	64,669,142	54,099,930
Operational risk weighted assets	28,076,342	28,076,342
Risk weighted assets	349,250,937	329,436,407
Tier I capital to risk weighted assets- ratio	11.38%	11.18%
Capital adequacy ratio	12.19%	12.08%

49-7-4- Leverage ratio

leverage ratio is total assets to shareholders' equity and for the financial year ended 22 Sept. 2021 is 9.7%.

	22 Sept. 2021	20 Mar. 2021
	IRR million	IRR million
Total assets	41,607,669	37,829,118
Total shareholders' equity	427,119,623	402,991,021
Leverage ratio	9.7%	9.4%



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50- Operational segments

50-1- Base of classification of segments

information related to each reportable parts are shown in the below table. Profit before tax of the segment is used as criterion of segment performance.

Description	Treasury and banking operations	International banking	Total
	IRR million	IRR million	IRR million
incomes earned from outside of the bank			
Interest income on credit facilities granted and deposits	20,562,232	3,951,204	24,513,436
Interest expense	(14,023,247)	(2,496,935)	(16,520,182)
Net interest income on credit facilities granted and deposits	6,538,985	1,454,269	7,993,254
Fees and commission income	1,130,903	469,362	1,600,265
Fees and commission expense	(154,609)	(26,695)	(181,304)
Net fees and commission income	976,294	442,667	1,418,961
Net income (loss) from investment	37,632	-	37,632
Net foreign exchange transactions income	-	606,730	606,730
Total other operating income	-	-	-
	37,632	606,730	644,362
Net income earned from outside of the bank	7,552,911	2,503,666	10,056,577
Net income between different parts of the bank	36	(36)	-
Total income of operational parts of the bank	7,552,947	2,503,630	10,056,577
Doubtful debts of operational parts expenses	(313,797)	(190,855)	(504,652)
Other expenses attributable to operational parts	(1,094,962)	(305,091)	(1,400,053)
Profit(loss) of every parts before non-attributable general expenses	6,144,188	2,007,684	8,151,872
Non attributable General expenses to segments			(913,814)
Profit before tax			7,238,058



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50-2- Geographical concentration of major items of assets, liabilities and income

Assets are reported by location and income and liabilities are reported based on domicile of the bank's counterparty in geographical areas

	22 Sept. 2021							Total
	Iran	Germany	China	Swiss	Oman	Turkey	Others	
	IRR million	IRR million	IRR million	IRR million	IRR million	IRR million	IRR million	IRR million
Assets								
Cash	3,799,370	14,857,387	13	1,125,173	3,626	637,254	110,244	20,533,067
Due from banks and financial institutions	9,873,644	10,303,842	998,134	27,010	-	6,383,710	682,291	28,268,631
Credit facilities granted	274,349,080	2,363	-	-	-	-	-	274,351,443
Investments	56,868,027	2,109,473	-	-	-	-	-	58,977,500
Due from subsidiaries and associates	27,601	-	-	-	-	-	-	27,601
Other accounts receivable	8,945,289	-	-	-	219,407	1,498,604	188,064	10,851,364
Fixed assets	3,980,854	5,438	-	-	-	-	-	3,986,292
Intangible assets	181,100	97,937	-	-	-	-	-	279,037
Statutory deposit	28,342,073	-	-	-	-	-	-	28,342,073
Other assets	1,192,809	309,806	-	-	-	-	-	1,502,615
Total	387,559,847	27,686,246	998,147	1,152,183	223,033	8,519,568	980,599	427,119,623
Liabilities								
Due to banks and financial institutions	(10,550,324)	-	-	-	-	-	-	(10,550,324)
Customers' deposits	(63,881,457)	(14,179,720)	-	-	-	-	-	(78,061,177)
Dividends payable	(298,729)	-	-	-	-	-	-	(298,729)
Income tax provision	(1,683,554)	-	-	-	-	-	-	(1,683,554)
Other liabilities and accruals	(8,360,679)	(126,593)	-	-	-	-	-	(8,487,272)
Staff termination benefits	(339,595)	-	-	-	-	-	-	(339,595)
Benefits of investment deposits holders	(286,091,303)	-	-	-	-	-	-	(286,091,303)
Total	(371,205,641)	(14,306,313)	-	-	-	-	-	(385,511,954)
Total operating income	9,859,124	197,453	-	-	-	-	-	10,056,577
Total other income and expenses	11,127	-	-	-	-	-	-	11,127

	20 Mar. 2021							Total
	Iran	Germany	China	Spain	Oman	Turkey	Others	
	IRR million	IRR million	IRR million	IRR million	IRR million	IRR million	IRR million	IRR million
Assets								
Cash	6,212,761	25,990,221	955,479	320	119,815	788,527	1,260,007	35,327,130
Due from banks and financial institutions	20,263,857	6,426,507	2,042,482	9	(116,139)	13,287,302	375,979	42,279,997
Credit facilities granted	239,992,513	3,411	-	-	-	-	-	239,995,924
Investments	47,102,312	2,109,473	-	-	-	-	-	49,211,785
Due from subsidiaries and associates	1,380,008	-	-	-	-	-	-	1,380,008
Other accounts receivable	5,625,590	-	-	-	755,742	-	192,582	6,573,914
Fixed assets	3,850,923	6,057	-	-	-	-	-	3,856,980
Intangible assets	168,108	132,544	-	-	-	-	-	300,652
Statutory deposit	21,340,048	-	-	-	-	-	-	21,340,048
Other assets	2,415,713	308,870	-	-	-	-	-	2,724,583
Total	348,351,833	34,977,083	2,997,961	329	759,418	14,075,829	1,828,568	402,991,021
Liabilities								
Due to banks and financial institutions	(13,020,497)	-	-	-	-	-	-	(13,020,497)
Customers' deposits	(66,001,864)	(18,031,880)	-	-	-	-	-	(84,033,744)
Dividends payable	(47,109)	-	-	-	-	-	-	(47,109)
Income tax provision	(2,843,205)	-	-	-	-	-	-	(2,843,205)
Other liabilities and accruals	(11,238,913)	(141,127)	-	-	-	-	-	(11,380,040)
Staff termination benefits	(227,439)	-	-	-	-	-	-	(227,439)
Benefits of investment deposits holders	(253,609,869)	-	-	-	-	-	-	(253,609,869)
Total	(346,988,896)	(18,173,007)	-	-	-	-	-	(365,161,903)
Total operating income	24,016,448	298,938	-	-	-	-	-	24,315,386
Total other income and expenses	83,762	-	-	-	-	-	-	83,762



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51- Transactions with related parties:

51-1- Changes of major shareholders (more than one percent)

During the financial period ended 22 Sept. 2021, 4 natural persons by selling 490,979,997, 180,000, 180,000 and 180,000 shares exited from the group of more than one percent shareholders, also, Kia Asa Tejarat Toos Co. and Iran Insurance Co (Private Joint Stock), with purchase of 696,479,960 and 38,794,366 shares respectively, placed in the ranking of shareholders with more than one percent.

51-2- Transactions with managers

	Related party	Transaction type	Transaction amount during the reporting year	Maximum balance throughout the year	Balance at the end of the year	Collateral type	Collateral amount	Income(loss) of transaction
			IRR million	IRR million	IRR million		IRR million	IRR million
Board members / executive	Bank	Credit Card	185	386	274		500	30
		Deposit	(4,661)	(71,360)	(8,149)		-	(107)
Board members/Non-executive	Bank	Deposit	(4,633)	(11,458)	(4,686)		-	(43)
Managing Directors (excluding Board Members)	Bank	Mortgages	-	2,412	2,333		-	51
		Deposit	27,743	(57,269)	(15,929)		-	(1,221)
Members of committees related to the board of directors (excluding board members)	Bank	Mortgages	-	12,239	11,493		-	302
		Car loan	-	809	666		-	46
		Credit Card	1,206	2,320	1,988		3,660	197
		Other Loans	45,500	55,605	37,005		121,400	6,545
		Deposit	(7,390)	(102,406)	(26,429)		-	(1,060)
		Nct	57,950	(168,722)	(1,434)		125,560	4,740



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51-3. Transactions with related parties during the period are as follows:

Group	Related party	Relationship	Transaction subject	Is it subject to Article 129 of Trade Act?	Pricing method	22 Sept. 2021		Balance at 20 Mar. 2021
						Transaction amount	Gross profit (loss)	
						IRR million	IRR million	IRR million
Subsidiaries	Dadeh Pardazan Simaye Afiab Co.	Subsidiaries	Prepayments for the development of the Bank Automation Project	✓	Bank's BOD	-	-	1,201
	Middle East Bank Brokerage Co.	Subsidiaries	Commission of stock trading in TSE	✓	Bank's BOD	874	-	-
			Wakala	✓	Bank's BOD	3,124,000	40,640	503,178
			Issued Guarantees	✓	Bank's BOD	1,443	29	14,481
	Middle East Bank Currency Exchange Co.	Subsidiaries	Payments for foreign currency transactions	✓	Bank's BOD	1,336,162	-	-
			Commission of trading	✓	Bank's BOD	467	-	-
			other	✓	Bank's BOD	33,736	-	-
other	Iran Industry Investment Co.	Joint board member / Shareholder above 5%	Wakala	✓	Bank's BOD	530,000	23,850	247,986
			Issued Guarantees	✓	Bank's BOD	8,106	75	7,296
	Rahnamoun information technology	Joint board member	Murabaha Loans	✓	Bank's BOD	9,000	1,035	18,344
			Issued Guarantees	✓	Bank's BOD	6,706	59	38,059
	Marvdasht Co.	Shareholder above 5%	Issued Guarantees	✗	Bank's BOD	-	-	1,953
			Murabaha Loans	✗	Bank's BOD	400,000	31,995	202,473
	Lamiran	Shareholder above 5%	Murabaha Loans	✗	Bank's BOD	-	-	41,507
			Issued Guarantees	✗	Bank's BOD	707	6	222
	Boursiran Brokerage	Shareholder above 5%	Wakala	✗	Bank's BOD	580,000	6,614	351,462
			Issued Guarantees	✗	Bank's BOD	-	-	450,000
Natural person	Shareholder above 5%	Murabaha Loans	✗	Bank's BOD	-	-	3,380	
Shimi Sanat Farzan	Shareholder above 5%	Issued Guarantees	✗	Bank's BOD	950	2	855	



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52- Statement of Gardh-UI Hasan Saving deposits Operations-Rials (Non interest bearing deposits)

52-1- Balance of recourses and usage of Gardh-UI Hasan Saving deposits

Recourses from Gardh-UI Hasan Saving deposits

	22 Sept. 2021	20 Mar. 2021
	IRR million	IRR million
Gardh-UI Hasan Savings Deposits - Rials	-	-
Gardh-UI Hasan Current Deposits - Rials	38,888,834	38,731,474
Total resources	38,888,834	38,731,474
Gardh-UI Hasan usages		
Credit facilities granted (before deduction of provision)	489,808	450,896
Total of Gardh-UI Hasan usages 11	489,808	450,896
Statutory deposit of Gardh-UI Hasan Savings Deposits	-	-
Liquidity provision of Gardh-UI Hasan Savings Deposits	-	-
Surplus (deficit) of resources to usages	38,399,026	38,280,578

52-2- Net fee of Gardh-UI Hasan operations

	22 Sept. 2021	20 Mar. 2021
	IRR million	IRR million
Received fee of Gardh-UI Hasan credit facilities 34-1	10,607	17,665
Net fee of Gardh-UI Hasan operations	10,607	17,665

52-3- Classification of Gardh-UI Hasan credit facilities granted by subject of facilities

	22 Sept. 2021	20 Mar. 2021
	IRR million	IRR million
Marriage	489,808	450,896
	489,808	450,896

52-4- Classification of Gardh-UI Hasan credit facilities granted by type of customers

	22 Sept. 2021	20 Mar. 2021
	IRR million	IRR million
Natural persons	489,808	450,896
	489,808	450,896



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53- Information on loans and commitments of related persons

Information on loans and commitments of related persons in accordance with CBI regulations is as below:

Row	Name	Examples of related parties according to the second chapter of the regulations										Loan/debt					Total balance of net of loans and commitments and stock price				Total net of loans and commitments	Collaterals' situation						
		1-2	2-2	3-2	4-2	5-2	6-2	7-2	8-2	9-2	Paid amount-principal	Balance(after deduction of cash received from Mudaraba and Musharekat Madani)			Type of debt or contract	Duration of contract (day)	Breathing period	Rate of interest /commission	Gross commitments	Received cash advance		Net	Net of commitments adjusted with conversion ratio	Collateral type	collateral amount			
												Current	Non-current	Total														
1	Corporate person											-	-	-	-	-	-	-	950	95	855	427	427	Checks /deposit/Stand-alone legally binding contract	2,184			
	Subtotal											-	-	-	-	-	-	-	950	95	855	427	427	-	2,184			
2	Corporate person											472	-	472	Temporary debtors	-	-	-	-	-	-	-	-	-	-	-		
	Subtotal											472	-	472	-	-	-	-	-	-	-	-	-	-	-	-		
3	Corporate person											2,787	-	2,787	Temporary debtors	-	-	-	-	-	-	-	-	-	-	2,787		
	Subtotal											24,000	-	24,000	Dividends receivable	-	-	-	-	-	-	-	-	-	-	24,000		
4	Corporate person											26,787	-	26,787	Temporary debtors	-	-	-	-	-	-	-	-	-	-	26,787		
	Subtotal											26,895	-	26,895	-	-	-	-	-	-	-	-	-	-	-	26,895		
	Subtotal											26,895	-	26,895	-	-	-	-	-	-	-	-	-	-	-	26,895		
												5,000	458	-	458	Murabaha loans-industrial part	12	-	18	-	-	-	-	-	-	458	Checks /real state/Stand-alone legally binding contract	11,452
												5,000	2,647	-	2,647	Murabaha loans-industrial part	12	-	18	-	-	-	-	-	2,647	Checks /real state/Stand-alone legally binding contract	13,610	
												5,000	4,045	-	4,045	Murabaha loans-industrial part	12	-	18	-	-	-	-	-	4,045	Checks /real state/Stand-alone legally binding contract	14,831	
												5,000	4,057	-	4,057	Murabaha loans-industrial part	12	-	18	-	-	-	-	-	4,057	Checks /real state/Stand-alone legally binding contract	14,831	
												9,000	7,137	-	7,137	Murabaha loans-industrial part	12	-	18	-	-	-	-	-	7,137	Checks /real state/Stand-alone legally binding contract	26,696	
												-	-	-	-	-	-	-	500	-	500	250	250	Checks /real state	930			
												-	-	-	-	-	-	-	236	24	212	106	106	Checks /Promissory note/real state	578			
												-	-	-	-	-	-	-	200	-	200	100	100	Checks /real state	372			
												-	-	-	-	-	-	-	294	29	265	132	132	Checks /Promissory note/real state	721			
												-	-	-	-	-	-	-	62	6	56	28	28	Checks /Promissory note/real state	184			
												-	-	-	-	-	-	-	1,015	102	914	457	457	Checks /Promissory note/real state	2,602			
												-	-	-	-	-	-	-	746	75	671	336	336	Checks /real state	1,388			
												-	-	-	-	-	-	-	1,424	142	1,282	641	641	Checks /real state	2,650			
												-	-	-	-	-	-	-	4,455	445	4,009	2,005	2,005	Checks /real state	9,059			
												-	-	-	-	-	-	-	149	15	134	67	67	Checks /Promissory note/real state	403			
												-	-	-	-	-	-	-	23	2	21	10	10	Checks /Promissory note/real state	82			
												-	-	-	-	-	-	-	76	8	69	34	34	Checks /Promissory note/real state	204			
												-	-	-	-	-	-	-	21,422	2,142	19,280	9,640	9,640	Checks /real state	39,865			
												-	-	-	-	-	-	-	2,025	-	2,025	1,013	1,013	Checks /real state	3,768			
												-	-	-	-	-	-	-	18	2	16	8	8	Checks /Promissory note/real state	74			
												-	-	-	-	-	-	-	66	7	59	30	30	Checks /Promissory note/Stand-alone legally binding contract	226			
												-	-	-	-	-	-	-	47	5	42	21	21	Checks /Promissory note/real state	116			
												-	-	-	-	-	-	-	376	38	339	169	169	Checks /Promissory note/real state	932			
												-	-	-	-	-	-	-	732	73	658	329	329	Checks /Promissory note/real state	1,896			
												-	-	-	-	-	-	-	993	99	894	447	447	Checks /real state	1,849			
												-	-	-	-	-	-	-	462	46	415	208	208	Checks /real state	859			
												-	-	-	-	-	-	-	150	15	135	67	67	Checks /Promissory note/real state	670			
												-	-	-	-	-	-	-	313	31	282	141	141	Checks /Promissory note/real state	766			
												-	-	-	-	-	-	-	192	19	173	87	87	Checks /Promissory note/real state	502			
												-	-	-	-	-	-	-	30	-	30	15	15	Checks /real state	56			
												-	-	-	-	-	-	-	325	33	293	146	146	Checks /Promissory note/real state	842			
												-	-	-	-	-	-	-	75	7	67	34	34	Checks /Promissory note/real state	202			
												-	-	-	-	-	-	-	69	7	62	31	31	Checks /Promissory note/real state	194			
												-	-	-	-	-	-	-	658	66	592	296	296	Checks /Promissory note/real state	1,795			
												-	-	-	-	-	-	-	13	1	12	6	6	Checks /Promissory note/real state	38			
												-	-	-	-	-	-	-	15	1	13	7	7	Checks /Promissory note/Stand-alone legally binding contract	50			
												-	-	-	-	-	-	-	4,760	476	4,284	2,142	2,142	Checks /real state	8,859			
												-	-	-	-	-	-	-	60	6	54	27	27	Checks /real state	112			
	Subtotal											29,000	18,344	-	18,344	-	-	-	41,981	3,923	38,059	19,029	37,374	-	164,263			



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54- Information of major loans and commitments

Information major of loans and commitments in accordance with council of money and credit (CBI's circular No. 92/242553 dated 11/07/2013) are as below:

Beneficiary	Major loans and commitments					Collaterals' situation	
	Loans		Commitments		Total 4=1+2+3	Type	Value
	PL (1)	NPL (2)	Gross	Net (3)			
1	-	-	7,892,138	3,860,166	3,860,166	Checks /deposit	6,425,752
2	3,877,929	-	64,000	25,600	3,903,529	Checks /real state/Stand-alone legally binding contract/stock	9,439,570
3	502	-	8,934,689	4,020,610	4,021,112	Checks /real state	14,402,687
4	4,027,692	-	-	-	4,027,692	Checks /Stand-alone legally binding contract	9,115,000
5	4,043,447	-	2,318	1,043	4,044,490	Checks /real state/Stand-alone legally binding contract/deposit	17,285,954
6	4,055,871	-	-	-	4,055,871	Checks /Stand-alone legally binding contract/stock	16,324,920
7	4,165,296	-	21,940	10,970	4,176,266	Checks /real state/Stand-alone legally binding contract	14,706,746
8	3,861,931	-	-	-	3,861,931	Checks /real state/Stand-alone legally binding contract	17,063,898
9	-	-	-	-	-	Checks /real state	3,024,389
10	44,497	7,996	9,578,290	4,574,774	4,627,267	Checks /real state/Stand-alone legally binding contract/deposit/Promissory note	12,906,372
11	2,369,782	2,493,253	-	-	4,863,036	deposit	5,286,602
12	993,160	-	8,463,724	4,124,719	5,117,879	Checks /Stand-alone legally binding contract/deposit/Promissory note	7,336,815
13	5,524,048	-	322,139	130,963	5,655,010	Checks /real state/Stand-alone legally binding contract/deposit/Promissory note	20,501,618
14	5,724,691	-	-	-	5,724,691	Checks /real state/Stand-alone legally binding contract	16,780,291
15	6,003,955	-	1,091,844	543,422	6,547,377	Checks /real state/Stand-alone legally binding contract/stock	19,615,068
16	8,004,432	-	20,223	9,100	8,013,532	Checks /Stand-alone legally binding contract/stock	18,903,224
17	8,121,995	-	660,051	298,824	8,420,819	Checks /Stand-alone legally binding contract/deposit	14,221,000
18	8,917,475	-	6,770	3,046	8,920,522	Checks /real state/Stand-alone legally binding contract/Promissory note	19,175,210
19	1,717,763	-	-	-	1,717,763	Checks /Stand-alone legally binding contract/stock	7,215,695
Total	71,454,467	2,501,249	37,058,125	17,603,238	91,558,953		249,730,811

